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PROCEEDINGS AND DEBATES OF THE 96^{th} CONGRESS, FIRST SESSION

SENATE—*Thursday, June 21, 1979*

(Legislative day of Monday, May 21, 1979)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by Hon. DONALD STEWART, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord our God, save us from making this precious moment only a ceremonial exercise. But help us to come close to Thee in spirit and in truth. Keep us from being frightened by the magnitude of our problems. Rather, make us thankful Thou hast matched us to this hour. Give us love for one another and the grace to sanctify every task. Finally, we beseech Thee so to bless our efforts that our Nation may be great enough, good enough and strong enough to be a blessing to all mankind.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 21, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DONALD STEWART, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. STEWART thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A TRAGIC DEATH

Mr. ROBERT C. BYRD. Mr. President, the civil war in Nicaragua is of serious concern to all of us who regard our relationships with Central and South America as crucial to America's foreign policy.

This is why we are especially saddened and shocked by the execution-style slaying yesterday in that war-torn country of an American citizen, Bill Stewart, a television correspondent for ABC.

One can only be astounded and disturbed by an attitude among the troops of President Somoza's national guard that would give rise to such an outlandish disregard for the life of another.

Mr. Stewart, without the slightest provocation as recorded by a television camera, was murdered in front of witnesses.

Though a single soldier was said to be involved, it is my hope that this arrogant assault on the right of an American newsman to do his job is not pervasive throughout the ranks of the Nicaraguan National Guard.

Mr. President, I share the concern of the State Department—which has asked for a full report on the incident—and the media community which has a responsibility to report to the world the tragic events in Nicaragua.

It is my hope that Secretary Vance will be successful in enlisting the Organization of American States in a collective effort to halt the fighting in the strife-worn country and in obtaining an agreement on a broadly based transitional government there.

In the meantime, it should be made known in the strongest possible terms that the United States deplores this act of callous indifference to human life.

Mr. Stewart was a distinguished newsman who recently excelled in his coverage of the Iranian revolution. He was from my home State of West Virginia, and started his broadcast career at Huntington station WSAZ–TV.

My sympathies go out to his wife, Myrna, and his parents, Mr. and Mrs. William B. Stewart, who reside in Huntington, W. Va.

ABC NEWSMAN BILL STEWART SLAIN IN NICARAGUA

● Mr. RANDOLPH. Mr. President, I join with my colleague, Majority Leader BYRD, and others, in deploring this outrageous act. I am shocked and saddened by this brutal and senseless murder. Bill Stewart was a brilliant newsman with a record of achievement in his early years. He was a dedicated professional, who risked his life in Iran and elsewhere to gather information.

I knew him from his early television career in Huntington, W. Va., his hometown and the city where his parents reside today. He covered our 1978 campaign headquarters for ABC on election day in Charleston, and we talked into the night. I extend my sympathies to his parents, and wife, Myrna, and to his friends and colleagues.●

INTERNATIONAL COAL INITIATIVES

Mr. ROBERT C. BYRD. Mr. President, last month the governing board of the International Energy Agency, meeting in Paris, took a most important step toward improving the energy picture among our industrial allies. The board adopted a comprehensive set of principles to further the use of coal. This action was based on the sober assessment that conventional oil supplies will not be available at reasonable prices and in sufficient quantities to meet growing world demand.

These IEA principles were designed to increase coal production, trade, and utilization through international cooperation. A course of action was outlined for the conversion of utilities and industrial plants from oil to coal along the lines of our own Fuel Use Act and for the development and rapid commercial use of advanced coal technology. I applaud these actions and am encouraged that the international community is recognizing the merits of coal use and development.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

But we must do still more. Energy use and supplies will undoubtedly be the focus of the upcoming Tokyo economic summit. Our industrial partners are expected to be toughminded on America's profligate use of imported oil. It can be anticipated that rising oil prices and uncertain supplies will be seen as posing a grave threat to the world economy. Increased coal use should be a major part of the summit agenda if any progress in the battle for energy security is to be achieved.

Reduction of our dangerous dependence on imported oil is crucial to the economic survival and national security of this country and the entire free world. Coal can, and should, be a cornerstone of any initiatives to bring about that independence.

A unified approach by industrial nations, such as the creation of a coal common market, might be the place to start. Such an agreement could help reduce the reliance of the industrial democracies on imported oil and reduce the market pressures which allow OPEC to impose exorbitant prices. It would have a favorable impact on the U.S. balance of payments since it would promote the export of coal and coal mining and antipollution equipment. And, of course, it would increase employment in the U.S. coal industry.

As the President embarks on his trip to Tokyo, it is my hope that significant progress can be made in implementing the coal policies enunciated by the IEA. We have the resources and technology to make coal a vital component of the international energy supply picture. Now we must have the will and the wisdom to make the promise a reality.

BURNING COAL INSTEAD OF OIL

Mr. ROBERT C. BYRD. Mr. President, the last few days have brought some encouraging initiatives on the energy front. Production of synthetic fuels from coal has been the focus of several bills introduced in the Congress. Coal use and development by the industrial democracies promises to be a major topic on the agenda, as I have already indicated in another statement, at the upcoming economic summit in Tokyo. But we can do more, now to ease the domestic energy shortage by promoting greater use of coal by utilities and industrial plants. Using coal to generate power could free almost 1 million barrels of oil per day, and that is about the equivalent of the present national oil shortfall. This can only be done by ending the regulatory uncertainty which surrounds coal use.

The Washington Post, in a editorial which appears today, concurs in the need to end the regulatory morass which prohibits the increased use of coal.

I ask unanimous consent that the editorial entitled "The Fast Way to More Fuel," be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

THE FAST WAY TO MORE FUEL

The fastest and most direct way to expand American energy supplies is to begin, forcefully, to shift oil-burning power plants to coal. That strategy is second only to conservation in the speed with which it could make a real difference in a tightening fuel shortage. Making synthetic fuels out of coal is very much worth doing, for the long term, but synthetics can't contribute much before the late 1980s. In contrast, burning more coal to generate power could free perhaps 1 million barrels of oil a day—the equivalent of the present national oil shortage—within five years. The coal strategy is an obvious choice, but it has been proceeding very slowly. Why?

One reason is uncertainty over environmental rules. Congress intended to rewrite the Clean Air Act in 1977, but got bogged down in a long quarrel that lasted until late 1978. Then the new law left the key decision on power plant standards to the Environmental Protection Agency, and the final ruling appeared only this month. Perhaps these delays were inevitable. Coal smoke is toxic, and requires careful regulation. But during that long debate, the utilities had no way of knowing what it would cost to use coal. That was a powerful incentive to avoid any great commitment to it.

But economic uncertainty has also slowed progress. To the great surprise of the utilities, the country's consumption of electric power is no longer rising as fast as it used to. That's conservation of the most useful and beneficial kind. But, with demand far below their expectations and a recession probably coming, the utilities have grown more cautious than ever about embracing large construction programs.

At this point, the government has to end the uncertainty. It has to tell the utilities that it will be in their own interest, as well as the nation's, for them to move rapidly and steadily toward greater use of coal. Tax cuts and other subsidies on a substantial scale would be justified to get a fast response. Coal generates about 44 percent of the country's electricity, compared with 17 percent for oil and 14 percent for natural gas. (The rest is nuclear and hydroelectric power.)

Public policy now needs to push hard to replace that oil and gas with coal, by converting those oil- and gas-fired plants that are capable of it, and by buying the rest into early retirement. It will take a lot of money, both public and private. But when you consider the costs of severe and repeated oil shortages and disruptions, the price of coal conversion begins to seem entirely reasonable.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I reserve that time until the distinguished minority leader has had an opportunity to speak.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

A TRAGIC DEATH

Mr. BAKER. Mr. President, I join the majority leader in expressing the regrets—indeed, I believe the outrage—of American citizens at the murder of Bill Stewart.

I hope and trust that this extremely unforunate matter will not go unpunished in Nicaragua. I think it was inexcusable.

A RATIONAL AND REASONABLE ENERGY PLAN

Mr. BAKER. Mr. President, on the matter of coal policy, I commend the majority leader for his statements in that respect.

Try as I will, I cannot pass up the temptation to say that we might also, while we are at it, do something about things such as the Tellico Dam. It is finished, or at least 95 percent complete. It cannot now be finished. It could serve as an additional reservoir for the generation of electricity at a downstream dam and as a hydroelectric source.

Some way, we have to sort out our devotion to environmental integrity, which I support, and reality, which we must observe.

We have a problem before us with respect to the general energy policies of the country. There will be room enough for all of us to sacrifice, and all of us will be called upon to do our part. It is time that we try to put together and publish a rational and reasonable energy plan that assumes nothing and starts from scratch, in a determination to free this country of its dependence on foreign fuel, and to provide the requirements of our population, of commerce and industry, for fuel in the future.

Mr. President, I yield now to the distinguished Senator from Oregon (Mr. Hatfield).

Mr. HATFIELD. Mr. President, I thank the outstanding minority leader, Mr. Baker, for his yielding time to me this morning.

Mr. President, I ask unanimous consent that Mr. Greg Doublestein, of my staff, be accorded the privilege of the floor at this moment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. Hatfield in connection with the introduction of legislation are printed under statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. Pryor). The Senator from Tennessee.

Mr. BAKER. Mr. President, I have no need for the time remaining under the standing order, if there is any time remaining.

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. BAKER. Mr. President, I inquire of the majority leader or anyone else if they have any need for those 5 minutes. I will be glad to yield it to the majority leader if he has need for it.

Mr. ROBERT C. BYRD. I would appreciate it if the distinguished minority leader will yield that time to me.

Mr. BAKER. Mr. President, I yield the remainder of my time under the standing order to the majority leader.

Mr. ROBERT C. BYRD. I thank my friend.

TREASURY INTERNATIONAL AFFAIRS AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 976.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 976) entitled "An Act to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1980", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That section 5 of the Act of November 8, 1978 (92 Stat. 3092) is amended by inserting "and $22,375,000 for fiscal year 1980," after "1979,".

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to the bill, S. 976, to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1980 with an amendment, which I send to the desk.

UP AMENDMENT NO. 295

Mr. PROXMIRE. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. Proxmire) proposes an unprinted amendment numbered 295.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter to be inserted by the amendment of the House of Representatives, insert the following:

That section 5 of the Act of November 8, 1978 (92 Stat. 3092) is amended—

(1) by inserting "(a)" after "Sec. 5.";

(2) by inserting "and $22,375,000 for fiscal year 1980," after "1979"; and

(3) by adding at the end thereof the following:

"(b) In addition to the amount authorized by subsection (a), there are authorized to be appropriated for fiscal year 1980 not to exceed $800,000 which shall be available only for the payment of (1) any increase pursuant to the Federal Pay Comparability Act of 1970, or section 5382(c) of the Civil Service Reform Act of 1978, in salaries of employees engaged in the functions described in subsection (a) and for the payment of increases in agency contributions attributable thereto; and (2) any increases in allowances and benefits arising from increases in the cost of living authorized to be provided pursuant to section 2.".

Mr. PROXMIRE. Mr. President, the House has amended and returned to the Senate, S. 976, an authorization bill reported by the Committee on Banking, Housing, and Urban Affairs on May 15 and passed by the Senate on May 22. The purpose of the bill is to authorize appropriations for fiscal year 1980 to meet the expenses associated with the international affairs functions of the Treasury Department. Those functions include research on international economic and tax policy and foreign investment, and representation of the United States at international conferences and negotiations on trade financing, monetary relations, taxation, energy, and natural resource issues. Treasury also maintains attaches in key foreign capitals such as London, Tokyo, and Paris to represent U.S. interests.

Until this year the expenses associated with Treasury's international responsibilities have been met by dipping into the exchange stabilization fund, an off-budget fund used to support the dollar in the exchange markets. Three years ago the Banking Committee insisted that the administration present legislation to eliminate the use of the exchange stabilization fund to pay administrative expenses. The fund was not created to pay administrative expenses; it was created to help stabilize the dollar. Administrative expenses should be subject to the regular budget process and to Congressional authorization and appropriation. Public Law 95-612 adopted last year insures that Treasury administrative expenses follow the normal authorization and appropriation procedure.

S. 976, the bill to authorize appropriations to Treasury for fiscal year 1980, as passed by the Senate would have authorized not more than $24 million to be appropriated to Treasury for such administrative expenses, including any sums needed to cover cost-of-living pay adjustments which are likely to be mandated by this fall. Treasury had requested $22,752,000 for its normal expenses and an open-ended amount to cover cost-of-living increases in salaries, pay, retirement, and other personnel benefits authorized by law. The Senate Banking Committee felt that an open-ended authorization was inappropriate and put a cap of $24 million on appropriations, whether regular or supplemental.

The House has now acted upon the legislation as well. The House Banking Committee reduced from $22,752,000 to $22,375,000, because in their judgment the expenses of the Treasury Department would not rise as rapidly as Treasury had projected, especially if Treasury were more conservative in its use of outside consultants and contractural services. I concur with the judgment of the House Banking Committee; I believe Treasury can stay within the lower limit without eliminating activities vital to our international monetary and trade relations.

The House did not authorize any appropriations to meet cost-of-living increases which will be extended to Federal employees this fall. They, quite properly in my view, objected to authorizing an open-ended amount to meet such expenses. At my request the Treasury Department has provided their best estimate of the cost of such increases in fiscal year 1980.

Mr. President, I ask unanimous consent that the letter from Treasury be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Under Secretary of
the Treasury,
for Monetary Affairs,
Washington, D.C., June 12, 1979.

Hon. William Proxmire,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On June 8, the House of Representatives passed H.R. 3347, authorizing appropriations for the Treasury Department's international affairs functions in fiscal year 1980 in the amount of $22,375,000. The House deleted language from the bill authorizing an indefinite amount for nondiscretionary costs, such as cost-of-living pay adjustments. In comparison, the Senate Committee on Banking, Housing and Urban Affairs reported S. 976, authorizing appropriations of $24 million for Treasury's fiscal year 1980 international affairs functions.

The bill as reported by your Committee is clearly preferable to the Treasury. The House-passed bill not only would require Treasury to absorb a cut of $377,000 in its basic fiscal year 1980 funding request of $22,752,000, but also would require us to absorb an additional cut in our programs to accommodate fiscal year 1980 cost-of-living adjustments. These latter amounts are substantial. At a minimum, the cost-of-living adjustments will total $800,000 to meet the projected 5.5 percent cost-of-living increase in Treasury salaries in fiscal year 1980.

Consequently, it is essential to the ongoing work of this Department that the Senate add the sum of $800,000, to meet cost-of-living adjustments, to the House-passed authorization of $22,375,000. If the Senate so acts, no further amounts will be required.

I greatly appreciate the speed with which your Committee has handled this legislation, and hope that you will be able to support a satisfactory resolution of this remaining issue.

Sincerely yours,
Anthony M. Solomon.

Mr. PROXMIRE. Mr. President, they estimate that $800,000 will be needed at the minimum; they say it is essential to the ongoing work of the Treasury Department that the Senate add the sum of $800,000, to meet cost-of-living adjustments, to the $22,375,000 proposed by the House.

I believe the Senate should accede to Treasury's request but should specify clearly the purposes for which the additional $800,000 may be used. The amendment I have proposed limits the use of the funds to meet cost-of-living increases to three specific purposes: First, pay increases pursuant to the Federal Pay Comparability Act of 1970; second, pay increases pursuant to section 5382(c) of the Civil Service Reform Act of 1978, that is, for those Treasury employees who will be in the new Senior Executive Service and whose salaries will be frozen at least until the fall; and third, increases in allowances and benefits for Treasury personnel stationed overseas—such allowances and benefits are adjusted periodically to correspond to allowances and benefits afforded comparable U.S. Foreign Service personnel by the State Department. I believe that the bill amended in this fashion will meet the minimum needs of Treasury while avoiding any open-ended authorization of appropriations.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to concur of the Senator from Wisconsin.

The motion was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he requires from the remaining time under my control to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the majority leader.

GENOCIDE CONVENTION WOULD STILL ALLOW AMERICA TO TRY HER OWN CITIZENS

Mr. PROXMIRE. Mr. President, a criticism of the Genocide Convention frequently expressed by its opponents is that it could result in the United States forfeiting its right to try its own citizens when a charge of genocide is brought by a foreign government.

Mr. President, nothing could be further from the truth.

This treaty places no limit on the power of our Government to try American citizens at home.

Let me repeat that.

In no way does the Genocide Convention limit our power to try American citizens on American soil.

The evidence for this is very clear.

First of all, the report of the legal committee of the General Assembly explains that the treaty "does not affect the right of any state to bring to trial before its own tribunals any of its nationals for acts committed outside the state."

Second, the Senate Foreign Relations Committee stated unequivocably that the United States will maintain the power to try its citizens for acts committed abroad.

Third, the proposed implementing legislation for the treaty directs the Secretary of State to reserve the right of the United States to try its own citizens for alleged acts of genocide when he negotiates the relevant extradition treaties.

Mr. President, it is clear that the United States will maintain the right to try its own citizens for acts committed abroad. This is the interpretation of the General Assembly when it drafted the treaty. This is the conclusion reached by the Foreign Relations Committee when it reported a formal understanding to the treaty. And, finally, this premise has been included in the recommended implementing legislation.

There is absolutely no reason to fear that the Genocide Convention would undermine this ability.

Therefore, once again I urge my colleagues to support the ratification of this treaty.

I thank my good friend, the majority leader, and yield back the remainder of the time.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Wisconsin.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, while the distinguished minority leader is here, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 233, 234, 235, 237, and 238.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, all five of these numbers are cleared on our calendar. We have no objection to their consideration and passage.

Mr. ROBERT C. BYRD. Mr. President, these are for the most part minor bills.

LIABILITY FOR THE REPAYMENT OF CERTAIN ERRONEOUSLY MADE CONTRIBUTIONS BY THE UNITED STATES

The Senate proceeded to consider the bill (S. 400) to relieve the liability for the repayment of certain erroneously made contributions by the United States, which had been reported from the Committee on the Judiciary with an amendment on page 2, beginning with line 16, insert the following:

SEC. 2. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount for which liability is relieved by the act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 252(a) of the Disaster Relief Act of 1970, any unit of local government or any of the following privately owned libraries is relieved from any liability for the repayment of contributions erroneously made by the United States for disaster relief activities for the benefit of the following private facilities which were damaged or destroyed by Hurricane Agnes:

(1) the William D. Himmelreich Memorial Library in Lewisburg, Pennsylvania, in the amount of $4,136;

(2) the Milton Library in Milton, Pennsylvania, in the amount of $21,869;

(3) the Shippensburg Public Library in Shippensburg, Pennsylvania, in the amount of $12,827;

(4) the West Shore Public Library in Camp Hill, Pennsylvania, in the amount of $26,772;

(5) the Osterhout Library in Wilkes-Barre, Pennsylvania, in the amount of $457,318; and

(6) the West Pittston Library in West Pittston, Pennsylvania, in the amount of $9,984.

SEC. 2. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount for which liability is relieved by the Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-215), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to release six privately owned libraries in Pennsylvania from liability for the repayment of contributions erroneously made by the United States for disaster relief following Hurricane Agnes.

HISTORY

An identical bill, S. 1147, was favorably reported by the Judiciary Committee of the 95th Congress and passed the Senate on September 14, 1978. No final action was taken by the House.

STATEMENT

The facts are set out in the favorable report of the General Counsel of the Department of Housing and Urban Development. The report is attached to and made a part of this report, as follows:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, OFFICE OF THE GENERAL COUNSEL,
Washington, D.C.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

(Subject: S. 400 (Schweiker), 96th Congress.)

DEAR MR. CHAIRMAN: This is in response to your request for our views on S. 400, a bill to relieve the liability for the repayment of certain erroneously made contributions by the United States.

The bill would release six privately owned libraries in Pennsylvania from liability for the repayment of contributions erroneously made by the United States for disaster relief in connection with Hurricane Agnes.

In June 1972 a number of States, including Pennsylvania, suffered extensive damage from tropical storm Agnes. Section 252(a) of the Disaster Relief Act of 1970 (Public Law 91-606) authorized Federal payments to State and local governments for the repairs, restoration or replacement of public facilities. Accordingly, the Federal Government[1] made payments to local governments for repairs to destroyed or damaged public facilities including the six privately owned libraries stipulated in the bill. However, it was later determined that although these libraries were nonprofit entities and did receive some public support, they were, as privately rather than publicly owned facilities, improper recipients of the disaster relief funds.

The payments were made in an emergency situation when speedy determination of eligibility and dispensing of assistance were absolutely essential. There were at the time some indicia of the public nature of the libraries to support a determination of public ownership—all received public funds from local tax revenues and provided services free of charge to the public, and five of the six library facilities were in structures owned by a library board or association and had corporate names implying public ownership.

It was not until the spring of 1976, when the FDAA's Central Office reviewed a request for a time extension for completion of repairs to one of the libraries involved, that the question arose as to the eligibility of the libraries for assistance as publicly owned facilities. In June 1976, this Department's Office of General Counsel issued a legal opinion concluding that the Federal Government had not been authorized to make contributions to repair damages to the six libraries in question since, despite the fact that they were nonprofit institutions supported in part by public funds, they did not belong to a State or local government as required by the

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[1] Authority for making these payments was at this time vested in the Office of Emergency Preparedness in the Executive Office of the President. Authority for disaster relief assistance of this nature was subsequently (1973) vested in this Department's Federal Disaster Assistance Administration (FDAA).

Disaster Relief Act of 1970. In the meantime, the libraries had expended the Federal funds received under the act in reliance upon the Federal Government's determination as to their eligibility.

The libraries, although technically privately owned, served the public without charge. Given the speed with which a large volume of disaster assistance applications had to be processed after tropical storm Agnes, and the public nature of these facilities, the mistake that occurred is understandable. To require the libraries to reimburse the Government for these grants at this time would only serve to penalize the beneficiaries for their services—the public. In our opinion, this is a case of limited applicability where, because of the unique circumstances involved, the remedy provided by the bill will not establish an undesirable precedent.

Accordingly, we would have no objection to the enactment of S. 400.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

Edward W. Norton,
Acting General Counsel.

The Comptroller General of the United States sets forth his reasons for not objecting to the enactment of this legislation in the following correspondence:

Comptroller General
of the United States,
Washington, D.C., May 22, 1979.

B-194541.

Hon. Edward M. Kennedy,
Chairman, Committee on the Judiciary,
U.S. Senate.

Dear Mr. Chairman: This concerns your request for our comments on S. 400, 96th Congress, a bill to relieve certain privately owned libraries in Pennsylvania from liability for repayment of $561,066.09 erroneously remitted to them by the Federal Government.

In June 1972, as a result of Hurricane Agnes, the six privately owned libraries identified in S. 400 suffered varying degrees of damage. Subusequent to the President declaring Pennsylvania a major disaster area, the Federal Disaster Assistance Administration (FDAA) approved applications from a number of local governments in Pennsylvania on behalf of the libraries, pursuant to the Disaster Relief Act of 1970, Pub. L. 91–66, 84 Stat. 1744. (That Act has been essentially repealed by the Disaster Relief Act of 1974, 88 Stat. 143, 164, 42 U.S.C. 5121 *et seq.* (1976). A total of $551,066.09 was provided to the libraries for repairs.

In spring 1976, while reviewing a request for a time extension for completion of repairs for one of the libraries, the FDAA requestioned the eligibility of the libraries to receive assistance as publicly owned facilities. In June 1976, the Office of General Counsel of the Department of Housing and Urban Development (HUD) issued a legal opinion concluding that the funds were improperly provided to the libraries since they were privately owned; assistance awards under the Disaster Relief Act of 1970 were limited to publicly owned institutions. By the time this conclusion was reached, the libraries apparently had expended all or nearly all of the funds received.

A private relief bill similar to S. 400 (S. 1147, 95th Congress) was reported on favorably by your Committee and was passed by the Senate on September 14, 1978; however, it was never voted on in the House, presumably due to time considerations. In response to a request for its comments on S. 1147, HUD's Office of General Counsel concluded that relief for the libraries was warranted because:

"The libraries, although technically privately owned, served the public without charge. Given the speed with which a large volume of disaster assistance applications had to be processed after tropical storm Agnes, and the public nature of these facilities, the mistake that occurred is understandable. To require the libraries to reimburse the Government for these grants at this time would only serve to penalize the beneficiaries of their services—the public. In our opinion, this is a case of limited applicability where, because of the unique circumstances involved, the remedy provided by the bill will not establish an undesirable precedent . . ." (Quoted in S. Rep. No. 95–1183, 95th Cong., 2d Sess. 3 (1978).)

As a matter of general policy, this Office dces not favor legislation granting private relief of indebtedness to the United States Government. We take this position because the beneficiaries of such legislation are afforded an advantage not enjoyed by others similarly situated who have not had special legislation passed on their behalf. B-188817 (July 11, 1977). Exceptions have been made, however, when the circumstances are extraordinary and unlikely to be replicated, and when equitable considerations strongly favor relief. (*Id.*)

The damage resulted from a natural disaster; the funds were applied for and received in response to the damage caused by the disaster and were eventually expended for repairs. We also note that HUD, whose Office of General Counsel concluded that the funds were awarded improperly, found that the unique circumstances warranted private relief. Additionally, the Disaster Relief Act of 1974, *supra,* which repealed the 1970 Act, contains a section which authorizes assistance for repair, restoration, reconstruction cr replacement of private nonprofit educational facilities damaged in disasters. 42 U.S.C. sec. 517(b) (1976). According to the sponsor of this bill, these six libraries are the only ones nationwide, to whom such erroneous payments were made. Moreover, the libraries do have public support, even though they are not publicly owned. In view of all the foregoing factors, we would not object to the granting of the relief described.

We would point out two technical matters that the Committee may wish to consider. First, we think S. 400 might include a provision giving any certifying or disbursing officer involved in the approval or expenditure of the monies credit for the amounts for which liability is relieved. A provision of thi stype is included in H.R. 2064, 96th Cong., a related bill in the House. If such a provision is not included, such certifying and disbursing officers could still be held liable for the amount of the improper payments. Second, we think that private relief should not include any insurance monies that might have been received by the libraries for damages for which Government funds were also provided. We do not think the libraries should be twice indemnified for the same damage if, in fact, that did occur.

We hope we have been of assistance.

Sincerely yours,

R. F. Keller,
Deputy Comptroller General.

COST

The enactment of this legislation involves no direct additional expenditure to the Government.

Accordingly, the committee recommends favorable consideration of S. 400.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YAEKO HOWELL

The Senate proceeded to consider the bill (S. 404) for the relief of Yaeko Howell, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, notwithstanding the provisions of section 212(a)(23) of the Immigration and Nationality Act, Yaeko Howell may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–216), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to waive the excluding provisions of existing law relating to one who has been convicted of a violation of any law or regulation relating to the illicit possession of, or traffic in, narcotic drugs or marihuana in behalf of the spouse of a U.S. citizen.

STATEMENT OF FACTS

The beneficiary of the bill is a 50-year-old native and citizen of Japan, presently residing in Otu-Shi, Japan, and is not employed. Beneficiary married to M. Sgt. Kennard Howell, U.S. citizen on February 26, 1970, in Tokyo. There are no children of this marriage. Sergeant Howell enlisted in the Air Force in May 1956, and is presently serving at Williams Air Force Base, Ariz. Beneficiary was convicted on February 21, 1956, for possession of 0/0329 grams of diacetyl-morphine and was sentenced to 8 months forced labor with 20 days pretrail confinement to be included in the punishment.

Beneficiary was denied immigrant visa at the American Consulate, Quebec City, Canada, in 1974, due to narcotic conviction in 1956. Beneficiary has made four entries into the United States as a nonimmigrant visitor and has led an exemplary life since 1956. She is anxious to join her husband in the United States. Sergeant Howell has had an outstanding career in the Air Force and would like to separate from the Air Force in 1982 because he will have served his maximum service time, however, he doesn't feel he can live in Japan because of the lack of job opportunities for him.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STEVE WING-ON YAN

The Senate proceeded to consider the bill (S. 276) for the relief of Steve Wing-On Yan, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, for the purposes of the Immigration and Nationality Act, Steve Wing-On Yan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–217), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Steve Wing-On Yan. The bill provides for payment of the required visa fee and for an appropriate visa number deduction.

STATEMENT OF FACTS

The beneficiary of the bill is a 40-year-old native of Hong Kong and a citizen of the United Kingdom, who was admitted to the United States on an exchange visitor visa as a radiologic technologist in July 1971. He was employed by the O'Connor Hospital in San Jose, Calif., when he was recruited by the Hahnemann Medical College and Hospital of Philadelphia. The Hahnemann Center looked for 18 months for a radiologic technologist with beneficiary's qualifications, who is a qualified radiation therapy technologist in cancer research and treatment; has specialized skills in treatment planning, dosimetry accessory design and construction, supervoltage machines, and has certification for such complicated equipment as linear accelerators, beatatrons, cobalt reletherapy machines and cyclotrons. In addition to research, beneficiary is involved in instructing radiation therapy technologists and participates in the preparation of dosimetry for cancer patients receiving care at hospitals in the regional radiation therapy network.

Beneficiary has received valid approved labor certification and has had a valid approved sixth preference petition filed in his behalf by the Hahnemann Medical College and Hospital, and has been approved for issuance of a sixth preference visa; however, due to the unavailability of visa numbers for Hong Kong, he has been unable to receive permanent resident status.

The amendment agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOURIE ANN EDER

The Senate proceeded to consider the bill (S. 229) for the relief of Inocencio Eder and Lourie Ann Eder, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, in the administration of the Immigration and Nationality Act, Lourie Ann Eder may be classified as a child within the meaning of section 101(b)(1)(E) of such Act upon approval of a petition filed in her behalf by Federico P. Eder and Irinea R. Eder, lawful permanent residents and citizens of the United States, respectively, pursuant to section 204 of such Act. The natural parents, brothers, or sisters, of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–219), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to facilitate the admission into the United States of the adopted child of a lawful permanent resident and a U.S. citizen. The bill has been amended to remove the name of the male beneficiary inasmuch as an administrative remedy is available to him.

STATEMENT OF FACTS

The beneficiary of the bill is an 18-year-old native and citizen of the Philippines who currently resides in that country with relatives of her adoptive mother. The beneficiary was adopted in the Philippines on May 9, 1973, by Mr. and Mrs. Federico P. Eder. Mr. Eder is a retired laborer, his wife is not employed. They have no natural children. The bill, as introduced, provided for the relief of Inocencio Eder, the adopted son of Mr. and Mrs. Eder. However, an immigrant visa is available to Inocencio's father and it appears the child will be able to immigrate with him.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill for the relief of Lourie Ann Eder.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

The Senate proceeded to consider the resolution (S. Res. 171) authorizing supplemental expenditures by the Committee on Environment and Public Works for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 2, strike "$167,000" and insert "$217,000"; so as to make the resolution read:

Resolved, That section 2 of Senate Resolution 43, Ninety-sixth Congress, agreed to March 7 (legislative day, February 22), 1979, is amended by striking out the amounts "$1,386,200" and "$17,000" and inserting in lieu thereof "$1,787,900" and "$167,000", "$217,000", respectively.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–220), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 171 as referred would amend the annual expenditure-authorization resolution of the Committee on Environment and Public Works (S. Res. 43, agreed to Mar. 7, 1979) by increasing by $401,700—from $1,386,200 to $1,787,900—funds available to the committee for inquiries and investigations through February 29, 1980. Of the $401,700 increase, $150,000 could be expended for the procurement of consultants, increasing funds available for that purpose from $17,000 to $167,000.

An explanation for the committee's request of additional funds is contained in its report to accompany Senate Resolution 171 (S. Rept. 96–194), an excerpt of which is as follows:

The additional funds would be applied to a special investigation into the accident of the Three Mile Island Nuclear Power Station and a study of related issues involving Federal regulation and control of civilian atomic energy. The investigation and study would be conducted by the committee through its Subcommittee on Nuclear Regulation. The investigation and study are expected to be completed within 1 year. * * * Because the accident took place after approval of Senate Resolution 43, it is necessary to authorize supplemental expenditures by the Committee on Environment and Public Works for the specific investigation and study of the accident.

In compliance with the request of the Committee on Environment and Public Works, the Committee on Rules and Administration has amended Senate Resolution 171 by increasing from $150,000 to $200,000 the portion of the current request ($401,700) which could be expended for the procurement of consultants. No increase in the current request for funds would result from this action. The amount which could be expended for the procurement of consultants in Senate Resolution 43 would be increased from $17,000 to $217,000.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the votes by which the bills were passed and the resolution agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR PRYOR

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arkansas (Mr. PRYOR) is recognized for not to exceed 15 minutes.

ARKANSAS FARMERS AND DIESEL FUEL—SPECIAL RULE 9

Mr. PRYOR. Mr. President, I would like to take just a few moments today to express my alarm at the crisis being experienced by our farmers and diesel fuel distributors in the State of Arkansas. This is not just an energy crisis, Mr. President, it is going to be an economic crisis for the farmers of our State and the farmers in many other States, and eventually for the consumers of America.

Heavy spring rains forced the delay of spring planting of soybeans, cotton and rice in our State. When the fields began to dry, our farmers began working around the clock to make a crop this year. But to run their tractors, it takes diesel fuel and in Arkansas, diesel fuel has become a very, very scarce commodity.

Only last month in Des Moines, Iowa, the President of the United States promised us that he would not let rural America run dry. He then directed the Department of Energy to implement special rule 9 which was to insure that agriculture receive all the fuel it needed to plant and harvest its crops.

Mr. President, it is with much regret, but with greater alarm and frustration, that I report to you today that special rule 9 has not made 1, I repeat, not 1 gallon of diesel fuel available to one farmer in Arkansas.

Mr. President, it is too late to plant

rice and cotton. Our extension service advises that yesterday was the "cut-off" date for planting soybeans with optimal yield. Yet, approximately 2,000,000 acres of our 7,000,000 acres of farmland in Arkansas remain unplanted because Arkansas farmers simply cannot get the fuel they have been promised by the President himself. This delay in planting threatens thousands of farmers in Arkansas with millions of dollars in crop loss. Such a disastrous crop year would deal an incredible blow to the economy of our small State.

When the President announced special rule 9, we had high hopes. However, I would like to take a little of my time today to tell the Senate exactly what happened when we went to the Department of Energy for assistance under this rule. I am afraid our experiences with DOE are quite representative of the increasing failure of our billion dollar bureaucracy to respond to the needs of the American people and to be sensitive to real and human problems in the agriculture area.

Four weeks ago, a local fuel distributor who serves over 300 farmers in some four major agricultural counties in Arkansas started trying to tell the regional DOE officials that he could not get diesel from his regular supplier and that he needed them to issue a "redirect order" to an alternate supplier. I do not have the time, and the CONGRESSIONAL RECORD does not have the space, to detail all that has happened to this one distributor over the past weeks in trying to get diesel to his farming customers. However, I would like to give you a general picture of his efforts in trying to work his way through the bureaucratic maze.

Following Government regulations, this distributor submitted to DOE all of the certification procedures that are required to prove how much diesel he sold to farmers in the month of April 1979. A week went by without hearing a word. He then called the regional office of DOE to complain and ask the status of his case. The regional office told him to send them a telegram. He did that immediately. Three more days went by. Still he had had no answer, no phone call from DOE. In the meantime, farmers were wearing his phone out yelling for diesel fuel in order to plant their crops.

Finally, in desperation, he called my office for help. We called the same people at DOE in Dallas and also in Washington and, were told they had never received a letter or telegram and the process must be begun once again. Other distributors have been shuttled from bureaucrat to bureaucrat and from office to office—with equally frustrating results.

Mr. President, I must point out that these distributors were at least able to talk with DOE. Others have not been that fortunate. When they have called DOE in Dallas, they have received a recording asking them to leave their name and number and informing them that someone would return the call within the next 4 days.

Mr. President, our farmers do not have 4 days to wait for some bureaucrat to get back with them. The Arkansas extension service reports that, starting today, soybean farmers will lose a bushel per acre per day in yield for each day they lose in planting. Arkansas farmers are in a crisis situation.

We have nearly 2 million acres yet to plant in Arkansas and over 250,000 acres of wheat to harvest. Each day they cannot get into the fields is costing the farmer millions of dollars. An ultimate food shortage will mean nothing but escalating food prices.

I guess I would feel better about this horrible situation if I thought DOE was sensitive to the problems of rural America and was making an honest effort to solve these problems. But I believe they have become callous to the problems the people outside the urban areas are suffering because of our present shortage.

When my staff called the regional office of DOE to ask for assistance in redirecting fuel to Arkansas, we were told "there is no shortage—there is plenty of fuel floating around out there if you are willing to pay for it."

Mr. President, it is not a question of being willing to pay for it. Our farmers cannot afford $1.15 a gallon for fuel that others are buying for under $.60. For that matter, neither can the American public, who will be forced to pay higher prices for farm products at the marketplace because of the shortage of fuel this season.

The above stories are bad enough. However, I have one more example of the attitude of the Department of Energy that even I did not believe when it happened.

Two days ago, I tried to reach Mr. Charles McRae, who is the person in charge of implementing special rule 9 at the Department of Energy here in Washington. Where was Mr. Charles McRae? I hoped he could assist me in taking rapid action to do something about the situation in Arkansas, which is at crisis proportions. I was told that Mr. McRae was not available since he was on a vacation.

Now, I wish to remind my colleagues that the special rule 9 program is scheduled to expire on July 31. But Mr. McRae could not wait to go on vacation.

This is the kind of bureaucratic insensitivity my staff and I have been dealing with for the past several weeks while trying to take care of the individual problems for farmers and distributors. We have had some success, but mostly frustration.

Mr. President, I have to admit, I have been a critic of the Department of Energy and its policies for some time. I guess, to be perfectly honest, I really did not expect much out of them in this crisis. However, what really disappointed me was the attitude of "the People's Department," the Department of Agriculture.

Where were they when the farmers needed them? Where were they when we were battling the bureaucracy for what the farmers had been promised by the President under special rule 9? I am sad to say they are conspicuous by their absence in the implementation of special rule 9.

Mr. President, now we learn that President Carter is considering rescinding special rule 9 within the next few days. Such action would be a horrible mistake. It would be a slap at the farmers of my State and the farmers of this Nation.

I remind my colleagues that this problem does not end with the termination of the planting season. For in several months our farmers will be facing a similar crisis when it comes time to harvest. Even more tragic than the present situation would be for our farmers to plant their crops and not have the fuel to get them out of the fields.

Yes, even more frightening than the way special rule 9 had been administered is the prospect for our farmers of not having a special rule 9 at all.

It was to confirm or deny this rumor as well as my desire to try to bring some immediate relief to the situation in Arkansas that I met this morning to discuss special rule 9 with Paul Burke, the head of the DOE diesel task force; Doris Dewton, Assistant Administrator of Fuel Regulation, DOE; and Dr. Weldon Barton, head of USDA's Office of Energy.

Mr. President, I am happy to report that at long last we were able to make some progress.

Hopefully, from this meeting we will be able to redirect several million gallons of diesel into our State within the next few days. However, I was disappointed with DOE and the Agriculture Department's insensitivity to those States where millions of acres remain to be planted. Their attitude was that since most of the Nation has finished planting the need for special rule 9 no longer exists. Such an attitude will mean that thousands of Arkansas farmers will be left high and literally dry.

Mr. President, in conclusion let me emphasize the fact that this is not just a farmer's problem. The inability of our farmers to plant and harvest their crops will have an impact on every one of our 220 million American citizens.

It is my hope that the President will not in any way do anything to diminish the impact of special rule 9; and certainly it is my hope that he will not attempt to abolish special rule 9, but that he will in fact bolster special rule 9 and make certain that the farmers of this country receive an adequate supply of diesel fuel.

Mr. McGOVERN. Mr. President, will the Senator from Arkansas yield to me?

Mr. PRYOR. I will be more than happy to yield to the distinguished Senator from South Dakota.

Mr. McGOVERN. Mr. President, I just want to commend the Senator from Arkansas on what he has said about the rumor—and I hope it is a rumor—that special rule 9 may be nullified, a rule that was designed to take care of the very urgent need of our farmers for fuel. I would think the entire country would be alarmed by this prospect, because what we are talking about is not only the need of the farm families of this country, but we are talking about the Nation's food supply. Much of it has been planted, but very little has been harvested or dried.

I underscore everything the Senator from Arkansas has said today. He is not only speaking for the farmers of Arkansas, but for the farmers of South Dakota and all the rest of this country. I hope his words will be heard downtown at the Department of Energy.

Mr. PRYOR. I thank the Senator very much.

Mr. TALMADGE. Mr. President, will the Senator from Arkansas yield?

Mr. PRYOR. I am certainly glad to yield to the Senator from Georgia.

The ACTING PRESIDENT pro tempore. The Senator's time has expired, unfortunately.

Mr. TALMADGE. I ask unanimous consent that the Senator may proceed for 2 more minutes.

Mr. PRYOR. I might say to my colleague——

The ACTING PRESIDENT pro tempore. Will the Senator from Georgia permit the Chair to recognize the Senator from Iowa, and see if he will be willing to yield?

Under the previous order, the Senator from Iowa (Mr. Jepsen) is recognized for not to exceed 15 minutes.

Mr. JEPSEN. The Senator from Iowa is pleased to yield 2 minutes to the Senator from Georgia.

Mr. TALMADGE. Mr. President, I am pleased to join the Senator from South Dakota in commending the Senator from Arkansas on the speech he has made. I think it is most appropriate at this particular time.

All of us, of course, are gravely concerned about the shortage of energy in our Nation, the shortage of fuel oil, the problems of truckers, and many other problems that confront our country at this time, caused by the shortage of energy in America today.

But if the American people think they have seen problems with the shortage of energy up to this time, they have seen nothing compared to what they will see if the farmers of this country do not have sufficient energy to produce food and fiber. That is the most basic of all the things in the world, having enough to eat.

Fortunately, heretofore here in America we have been blessed with an abundance of food. We can provide not only the food for more than 200 million Americans, but we have been providing food to save countless millions of lives overseas from starving to death. If we come to a time in this country when our farmers will not have the energy to produce and to harvest their crops, we will have turmoil such as this country has never witnessed before in the history of the Republic.

I thank my colleague.

Mr. PRYOR. Mr. President, if the Senator from Georgia has any time left, I thank him for his comments, and especially for meeting with us earlier in the day in relation to special rule 9 and getting diesel fuel for our farmers. I appreciate his cooperation and leadership in this particular area.

I thank the distinguished Senator from Iowa, who is also a member of the Committee on Agriculture, for yielding us this additional time.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized.

STATE OF IOWA SUPPORTS BALANCED BUDGET AMENDMENT

Mr. JEPSEN. Mr. President, the Iowa State Legislature recently voted in favor of a resolution requesting the convening of a constitutional convention for the purpose of proposing an amendment to the Constitution requiring a balanced budget, pursuant to article V of the Constitution.

Mr. President I ask unanimous consent that the text of Senate Joint Resolution No. 1 adopted by the 68th General Assembly of Iowa and certified by the Secretary of State on June 6, 1979, be printed in the Record at this point.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Senate Joint Resolution 1

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is one of the greatest threats which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under Article five (V) of the Constitution of the United States, amendments to the federal Constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary , or on the application of the legislatures of two-thirds of the several states the congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by three-fourths of the several states, and we believe such action is vital; NOW THEREFORE,

Be it resolved by the General Assembly of the State of Iowa:

Section 1. The Iowa general assembly proposes to the congress of the United States that procedures be instituted in the congress to propose and submit to the several states before July 1, 1980, an amendment to the Constitution of the United States requiring that the federal budget be balanced in the absence of a national emergency.

Sec. 2. Alternatively, effective July 1, 1980, if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution, the Iowa general assembly respectfully makes application to and petitions the congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

Sec. 3. Effective July 1, 1980, this application by the Iowa general assembly constitutes a continuing application in accordance with Article five (V) of the Constitution of the United States until the legislatures of at least two-thirds of the several states have made similar applications pursuant to Article five (V), but if the congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution, or if before July 1, 1980, the general assembly repeals this application to call a constitutional convention, then this application and petition for a constitutional convention shall no longer be of any force or effect.

Sec. 4. This application and petition shall be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

Sec. 5. The Iowa general assembly also proposes that the legislatures of each of the several states comprising the United States apply to the congress requesting the enactment of an appropriate amendment to the federal Constitution, or requiring the congress to call a constitutional convention for proposing such an amendment to the federal Constitution if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution before July 1, 1980.

Sec. 6. The secretary of state of Iowa is directed to send copies of this resolution to the secretary of state and presiding officers of both houses of the legislatures of each of the several states in the union, the speaker and the clerk of the United States house of representatives, the president and the secretary of the United States senate, and each member of the Iowa congressional delegation.

NATO CONCERNS ABOUT SALT II

Mr. JEPSEN. Mr. President, in recent day we have heard much about how our NATO Allies are giving general support to the new strategic arms limitation agreement between the United States and the Soviet Union. To support this conclusion, some of my fellow Senators have quoted recent statements by European leaders such as the new British Prime Minister, Margaret Thatcher, and the West German Chancellor, Helmut Schmidt.

As interesting as these statements are, they do not represent the entire range of feelings that our European Allies have concerning SALT. I think it is important to realize that Allied leaders have said little about the details of the SALT II agreement. Europeans want the continuing benefits of détente which they hope SALT will reinforce, in addition, they do not wish to unnecessarily antagonize the Carter administration by openly criticizing aspects of the new agreement which may worry them.

The SALT II debate will have overwhelming significance for the future of our country and all viewpoints need to be aired. It is for this reason, Mr. President, that I wish to take note of the views of the Christian Democratic Union/Christian Social Union (CDU/CSU) faction in the West German Bundestag on security and arms control matters. The CDU/CSU faction constitutes the largest faction in the German Parliament with 254 seats out of the total of 518 seats. This faction has always been the strongest supporter of NATO in Germany. Therefore, their views are particularly important in evaluating

European perspectives of SALT. While the CDU/CSU faction has always been in favor of disarmament and arms control and has supported arms control negotiations when they have been realistic, the faction at the same time has questions about some of the seeming ambiguities of the SALT II agreement and desires clarification of certain points in the agreement that are still unclear to the Europeans.

In particular, these West German legislators have pointed out that it is vitally important to NATO that SALT II not impede the modernization or supplementation of weapons such as the Pershing II missiles and the cruise missiles that are necessary to the defense of Western Europe. Also, they have argued that the treaty arrangements must be "balanced, verifiable, and unambiguous." Finally, they are worried about the increasing vulnerability of American land-based ICBM's. These are all serious matters which rightly concern me, as well as other Members of the Senate.

Accordingly, I ask unanimous consent that the CDU/CSU resolution on security and arms control which was introduced in the German Bundestag on March 9, 1979, be printed at this point in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Be it resolved by the Bundestag:

As a result of the debate of March 8 and 9, 1979, on the above-mentioned inquiries and the Government's reply, the German Bundestag states that:

1. The supreme goal of the Federal Republic of Germany's security policy is the ensuring of its territorial invulnerability, its external security and its political freedom of action through, on the one hand, sufficient defence capability, and, on the other hand, efforts towards abolishing political causes of tension, towards arms limitation and towards disarmament.

For decades the security and freedom of the Federal Republic of Germany has been based on this country's active membership in the North Atlantic Alliance and in the European Community.

This rootedness in the shared destiny of free peoples and democratic states will continue to be the basis of our security and of our policy of doing away with political causes of tension and armament in Europe, of decreasing military confrontation, and therefore of serving peace in Europe and throughout the world.

2. Our defense necessities and our possibilities of disarmament are to be oriented according to the extent and kind of threat by the Soviet Union with its allies; that is, according to its military potential and the expansive goals of its foreign policy.

It is with increasing concern that we must ascertain what the Soviet Union has been doing during the years of efforts towards East-West détente and during the concomitant negotiations on arms limitations: Instead of subjecting itself to the anticipated degree of military moderation, the Soviet Union has undertaken mass-scale armament, and has evidenced growing readiness to risk direct and indirect intervention throughout the world.

Through its arms policy and its arms-control policy, the Soviet Union is seeking, not a peace-stabilizing military balance, but, instead, military superiority and its projection as political influence.

3. As a result of this offensive Soviet arms policy, we must ascertain with concern that:

Deterrence is being made more difficult because of the Soviet Union's having achieved approximate parity with the United States on the nuclear-strategic level, and because of the threat that by the mid-1980s the Soviet Union will be capable of destroying, in a first strike, the American land-based Intercontinental Ballistic Missiles (ICBMs);

As a result, all the more importance is attached to the imbalances at the lower levels of deterrence, in particular: the Soviet Union's immense superiority in the sphere of nuclear medium-range weapons, the Soviet preponderance in the tactical nuclear realm, the continuingly increasing superiority of the Warsaw Pact forces in the conventional sphere.

Accordingly, the German Bundestag calls on the Government of the Federal Republic of Germany:

1. In its security policy, to seek, jointly with its allies, a balanced combination of, on the one hand, the requisite defense precautions, and, on the other hand, possible limitation of arms so as to compensate for the existing disequilibrium in the military balance of power.

2. In particular, to see to it:

That the necessary decisions on development, production and stationing of medium-range weapons (for example, pershing II, Cruise missiles) are taken promptly, so as to maintain the credibility of NATO's deterrence capability in Europe;

That the compensatory reinforcement and modernization of NATO armament anticipated in the Long-Term Defense Program (LTDP) be undertaken without delay; and

That a decision be taken as to the production and stationing of the neutron weapons required, in particular, as defense against the Eastern superiority in armor.

3. Within the negotiations on Mutual Balanced Forces Reduction (MBFR):

To move ahead with negotiations, without the pressure of self-imposed deadlines and without further advance concessions by the West;

In so doing, to uphold, undeviatingly and unadulteratedly, NATO's jointly agreed negotiating goals; and

In particular, to oppose any form of fixating the Soviet superiority in the reduction zone as well as to counter any Soviet claim to a voice as to the strength of the Federal German Armed Forces (Bundeswehr)—with a resultant military and political special status for the Federal Republic of Germany.

4. Vis-a-vis the United States, in view of the American-Soviet Strategic Arms Limitation Talks (SALT), to uphold the following European interests:

(a) The anticipated non-circumvention clause in the 8-Year Treaty must not impede the modernization and supplementation of the weapons necessary to the defense of the NATO area in Europe, or the accordingly necessary cooperation between the U.S. and the European allies.

(b) The treaty arrangements themselves must be balanced, verifiable and unambiguous.

(c) After expiration of the period of validity of the protocol within the SALT II treaty arrangements, all weapons options (for example, Cruise missiles) required for European security must be reopened.*

(d) Even before ratification of SALT II, a joint NATO negotiating strategy for the follow-up negotiations* must be worked out.

5. To call U.S. attention to the significance for European security that is attached to the invulnerability of the American land-based ICBMs; and

6. To reaffirm the principle of shared risks and obligations that is the foundation of the alliance's effectiveness, unity and viability. This principle must not, however, rule out the taking of measures indispensable to the Federal Republic of Germany's security.

THE PHILOSOPHY OF MARGARET THATCHER

Mr. JEPSEN. Mr. President, Margaret Thatcher's recent victory in the British elections was a victory for all those who believe in the importance of a free economy. I think it was no coincidence that her victory in Great Britain was followed by a conservative victory in the Canadian elections as well. I fully expect that the United States will continue this trend next year.

Mr. President, in spite of her great victory and her position as Conservative Party leader for the past several years most Americans are unfamiliar with Margaret Thatcher and her philosophy. For this reason I was very interested to receive a copy of a speech she gave in 1975 at the Institute for Socioeconomic Studies in New York. This speech, entitled "Let the Children Grow Tall," sets forth the basic themes of Margaret Thatcher's philosophy: The growing burden of government and its stifling effect on incentive, the virtue of work, and the productive power of a free economy.

In order to acquaint my colleagues with Mrs. Thatcher I ask unanimous consent that her speech be printed in the Record at this point.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Let The Children Grow Tall

(An address by the Right Honorable Margaret Thatcher, M.P.)

Mr. President, Ladies and Gentlemen:

I must first thank you, Mr. President, for that very charming introduction. It has made me a little bit nervous. I feel I always ought to be giving a demonstration, rather than giving a talk.

I will do my best. I know you had Lord Barber here last year and he gave you a talk all about the Tax Credit Scheme. This year, I am going to talk rather more about the economic and social sphere, without which one can get absolutely nowhere.

I do notice that Americans appear to be curiously interested in what is happening in Britain today. What you are writing and saying about us we consume avidly, together with the regular flow of self-criticism which is a long-established part of our staple diet.

In the spring, Eric Sevareid caused quite a stir when he waved us his fond farewell on television and he has now become a national name in Britain. (Indeed, he might have been instrumental in inducing the Prime Minister to occupy our television screens for the best part of an hour. And I could have done with not more than half an hour, as I think some other people could have done, too.)

Only a week or two ago Vermont Royster wrote that: "Britain today offers a textbook case on how to ruin a country . . ."

I do take some consolation that there is only one vowel sound difference between "ruin" and "run" a country. That small vowel sound is "I".

However, the rather morbid and fatalistic tone of much of what is written about Britain by commentators on both sides of the Atlantic is misplaced. So, I am very grateful to The Institute for Socioeconomic Studies for giving me such a splendid opportunity to try to put one or two things straight.

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*Negotiations on measures to deal with the so-called "gray zone" weapons: Soviet medium-range bombers and nuclear rockets, not covered in the proposed SALT II treaty, to which all of Europe, in particular the Federal Republic of Germany, is exposed.

I think most outside observers have not noticed that amidst our well-published difficulties a new debate is beginning—or perhaps I should say an old debate is being renewed—about the proper role of Government, the Welfare State and the attitudes on which it rests.

May I stress that the attitudes are extremely important. Of course, many of the issues at stake have been debated on countless occasions in the last century or two and some are as old as philosophy itself. But, the Welfare State in Britain is now at least 30 years old. So after a long period in which it was unquestionably accepted by the whole society, we can now do more than discuss its strength and weaknesses in the hackneyed, abstract language of moral and political principles. We can depart from theory and actually look at the evidence and see how it has worked and what effect it has had on the economy. We ought now to assess it before we decide what to go on and do next.

The debate is centered on what I shall term, for want of a better phrase, the "progressive consensus".

Things that are called progressive are not always progressive in practice. But, of course, some of them are—and the progressive consensus is the doctrine that the State should be active on many fronts in promoting equality in the provision of social welfare and in the redistribution of wealth and income. That philosophy is well-expressed in a quotation well-known in my country about social justice—and again I pause for a moment to point out that, if ever you see a word with "social" in front of it, I think you ought to analyze it fairly carefully and see precisely what it means. One of the reasons I think we have got some things a little bit not-quite-straight is that we have not always been precise with our use of language. If you are going to think straight you must talk straight and be very precise with the way you use words.

There is a quotation on social justice. It is: "Because market forces tend toward growing inequality in incomes and property, massive redistribution is necessary if political freedom and other civilized values are to be preserved.

"So it should be the aim of the democratic state to re-share these rewards—to socialize the national income if you like to call it that. There can be no doubt that by far the most effective method has proved to be the instrument of public finance, and in particular progressive direct taxation and centrally financed public services."

Now, that is the end of the quotation on social justice. It so happens that it was written in 1962 by a former Labour Cabinet Minister.

However, I am not particularly interested in party politics tonight. For such views are held in varying degrees in all our political parties, in schools and universities and amongst social commentators generally. It is interesting that they are now being questioned right across the same broad spectrum.

It is not that our people are suddenly reverting to the ideals of total laissez faire, or rejecting the social advances of recent decades. It is rather that they are reviving a sober and constructive interest in the noble ideals of personal responsibility, because in some respects the concepts of social responsibility have turned sour in the practice and we are making an attempt to identify and eliminate errors and fallacies to consolidate and retrench before advancing further.

It is in that constructive spirit, and as a former Secretary of State for Education and Science myself, that I am speaking to you tonight. I shall try and concentrate on three broad issues, particularly in view of that quotation which I read to you a short time ago which has some very strange phrases in it. The three issues are: One, what are the facts about the distribution of wealth and incomes? Two, to what extent is greater equality desired in Britain today? Three, has the economy been strengthened by the promotion of more equality and the extension of the welfare state?

Now, what I have to say involves quite a number of statistics because with a measure of scientific training and a period spent at the Revenue Bar and dealing with Treasury matters, one has tried to adduce a mass of evidence. But, I will try and put the statistics in as human a way as I can. So, let me start with the facts. All of you in either science or law and the wiser ones in politics say one first must find the facts.

Most people say that the distribution of the incomes and wealth in Britain is highly inequitable, that it has changed little, despite the steps taken by government to even it out. From there, it is only a short step to two complementary arguments: either that redistribution would greatly swell the incomes of the average man or that the wealth of the rich is sufficient to finance the substantial extension of the role of the state.

I think both are conducive, but neither of them are attitudes which I think we would particularly wish to encourage in the modern state.

Fortunately, a major study has just been published by the newly created Standing Royal Commission on the Distribution of Income and Wealth. It gives the first proper statistical picture of the changes that have taken place in Britain between the last war and the year 1972–73, the latest year for which figures are available.

May I quickly tell the findings because these are the facts on the distributions of income and wealth. Let us start with income, and, of course, the relevant income is income-after-taxes. We find that in 1972 income-after-taxes in Britain was divided roughly as follows—at the upper end of the scale, the top one percent of income earners got four percent of income, four times the average. If you take the top ten percent, they had twice the average and if you take the bottom ten percent, a bit under half the average.

Now, if you look at it from half the average income at the bottom to four times the average income at the top, it is not really a very wide range of income. It is most dramatic by any set of rules. Indeed, research has shown that the distribution of income in Britain is surprisingly similar to that in Poland, which is a rather shattering conclusion to reach!

That is where we were in 1972. So let us have a look at the changes. Over the previous 40 or so years, you find that, taking account of taxes, the share of taxable wealth of the top one percent of earners, which used to be 12 percent, is now four percent. So it has come down over 40 years from about 12 percent to about four percent. And, the share of the taxable income of the poor has not increased to so great an extent. But, nonetheless, they are markedly better off in relative as well as in absolute terms than they were before the war. By 1972, the tax-free benefits in cash and kind added about half to the pre-tax income of a typical household in the bottom ten percent. For poor families with many dependents, the gain could be nearer 100 percent. Today the figures would probably be higher still.

Now, those are the income figures. They show quite considerable changes over 40 years. But at the moment in Great Britain the range of income is not unduly wide.

Let us turn quickly to have a look at wealth. Of course, capital assets have been more unevenly spread than income in Britain, as in most other countries. For this reason they have been the chief target of egalitarian critics. In Britain, it is almost an undisputed truth that ten percent of the population owns 80 or 90 percent of all assets.

But, in fact, that is not so. The Royal Commission has now set up the figures. You find that ten percent of the population over 18 own less than half of personal wealth, when state pension rights are counted as an asset, as they should be.

As you will appreciate, even these figures are rather misleading, since wealth is normally unevenly distributed between husbands and wives, old and young. If these distorting factors could be properly allowed for, the picture might well look still less extreme.

As with income, there have been big changes over the years. On a narrow definition of wealth which excludes pension rights, the top one percent of the population owned: personal wealth of 69 percent in 1911; personal wealth of 50 percent in 1938; personal wealth of 38 percent in 1960; and personal wealth of 28 percent in 1972 (or 16½ percent if pension rights are included in wealth holdings).

So the facts about economic inequality (as opposed to the myths) are these: the rich are getting poorer and the poor are getting richer. This is due both to market forces and the actions of Government through the tax system. And it is no longer the case that taking further money from the rich will make a significant difference to the wealth of the bulk of the population. Nor will taxing them more heavily pay for much more Government spending.

Finally one notes that it would do little to diffuse economic power more widely. It is already largely in the hands of Government and labor unions.

So much for the facts of economic inequality in Britain. Now, let me look at the second question: To what extent is more equality desired in Great Britain today?

These statistical myths lead directly to the claim that there is a widespread sense of resentment and injustice over the current degree of inequality in our society and great enthusiasm for its elimination. This political judgement is closely linked in many commentators' eyes with the quite separate proposition that class divisions in Britain are severe and reinforced by economic inequality.

My own experience in politics has always made me doubt that argument. Now, fortunately, more work has been done. We have had a massive survey of political and economic groups reported in July, 1975.

This is what it showed: ". . . little spontaneous demand for the redistribution of earnings across the board occupational categories and (the suggestion) that any such redistribution would in itself provide no solution to any problems of pressure-on-pay. Neither is it necessary to allay any general feelings of injustice in society . . . It may be little consolation to the Government in present circumstances that the chief requirement for maintaining general satisfaction with incomes and earnings is steady economic growth . . . rather than massive redistribution . . . This point is a crucial one to be met by those who suggest that any problem we have is one of distribution rather than of resources of growth."

Despite the evidence of what ordinary people actually want, there remains in Britain a powerful and vocal lobby pressing for greater equality—in some cases even, it would seem, for total equality. One tries to analyze what it is that impels them to do so.

Of course, one important pressure is undoubtedly the ordinary desire to help our fellow man. But often the reasons boil down to an undistinguished combination of envy and what might be termed "Bourgeois Guilt."

Envy is clearly at work in the case of the egalitarian who resents the gap between himself and those who are better off, while conveniently forgetting his own obligations to those poorer than himself.

Bourgeois Guilt is that well-known sense of guilt and self-criticism that affects people, not only the very rich, when looking the other way, at the position of those poorer than themselves. It is not for me as an individual to criticize or ridicule their doubts and worries. But, as a politician, I must criticize the attempts of such people to impose on others a program of impoverishment through the medium of the State. That brings happiness to no one except to those who impose it.

In a free society, they can give away as much as they want to, to whom they want to. If they believe in pooling their possessions with others in a commune, they are welcome to do so.

The point of this section is that it has been shown that there is a far less general desire for equality, as opposed to equity, in Britain today, than is often claimed.

The facts about equality are that people don't appear to want further distribution. They are more interested in growth and new resources of wealth.

Now, I can turn to the third section—a vital one—called, "Is Socializing National Income Good for the Economy?"

The promotion of greater equality goes hand-in-hand with the extension of the Welfare State and state control over people's lives. Universal and usually free social services necessarily transfer benefits-in-kind and cash from the richer to the poorer members of the community.

Taken together, they define rather well the process of "socializing the national income" which occurs in my first quotation. How far has it strengthened our economy?

The public sector has been a large part of the British economy since the early post-war years. Despite the statistical fog which surrounds all international comparisons, it is clear that the Government's share in GNP has been consistently one of the highest of the OECD countries. And for at least twenty years it has risen faster in the UK than elsewhere. Today the State controls in various ways well over half of our national income.

In fact, this year about 56 percent of the gross national product is controlled and spent by the state.

Now, of course, the tax-bill has risen sharply, particularly for the private citizen. In the later '50's and '60's, the increase in tax and social security payments in effect knocked about one percent off the gross of private spending each year. The massive transfer of resources from the private to the public sector—and correspondingly to that an enormous increase in taxation—is what has been probably one of the major sources of inflation.

Let me take a typical wage earner, a man and wife with two children with industrial earnings. Typically, you find that since 1963—not very long ago—the State has increased its take from the average salary from a negligible five percent to about 25 percent today.

But, of course, you can imagine what has happened. The wage earner has said, "I want to keep my net income intact." This sentiment has been quite a strong factor in his demanding more wages and salaries, as replacement for what has been taken away in taxation.

So they press their employers for ever-higher wage increases and this has led to a relentless acceleration of cost and price increases, from two percent per annum in the mid-1930's to 25 percent today.

And so, of course, they have also pressed not only for increased pay, but for increased growth, sometimes financed by inflationary policies.

Of course, it is one thing to have increased government expenditures when you have genuine increased growth. It is quite another thing to go on increasing government spending when you have no growth.

There are many who regard this desire for private spending as irrational, selfish and unworthy. After all, they say, the taxes have financed a substantial growth in the provision of public goods. Any economist will tell one that this is a part of increasing living standards. Unfortunately, any experienced politician or detached observer can also now see that in practice people attach peculiar importance to using their own money to buy what they want when they want. Moreover, they cannot relate the tax-man's apparently arbitrary and growing take to the services it finances. These services they regard as one's absolute right, a kind of manna from heaven.

We will come to the end of that time. They are not manna from heaven.

I know you will find that this has a familiar sound to some of the problems that you have to deal with now. So, that is how the average person has reacted to what is called "Socializing the National Income."

He expects the benefits to come from somewhere, but he is not prepared to pay increased taxes (and remember I said in Britain the Government controls 56 percent of the expenditure of the gross national product).

One consequence is a very heavy taxation on companies. In turn, company profits have steadily been reduced. And they have had to pay increased corporation taxes.

The inexorable acceleration of wages, partly in response to overtaxation, has naturally resulted in a wage-price spiral—a spiral with a twist in it. For various reasons, business cannot raise prices far enough or quickly enough to preserve its profits when wage increases are large and accelerating. So, profits have fallen for many years on any measure—before tax, after tax, as share in national income or as a rate of return on capital. Since retained profits are the principal source of funds for investment and profit levels, the main incentive, capital expenditure in private industry, has faltered more and more. The upswings have got shorter and the downswings deeper and longer with succeeding cycles of activity. Manufacturing investment next year—1976—is likely to be little higher in real terms than it was ten years before. It appears, as a natural consequence, that our underlying rate of economic growth has stopped improving after thirty years of modest but perceptible acceleration.

The situation has not been made any easier recently by the curious belief that profits are rather evil and of little economic significance. Both the present and previous Governments have therefore had little choice but to pursue price and profit controls as part of their counter-inflationary policies. The levels of profit emerging from these controls were selected with insufficient regard for their effects on capital spending, employment or growth and they have bitten hard. Our economy has thus been pushed into a loss of profit and therefore an investment recession at a time when the world economy was in serious downturn.

Now the damage has been done, the situation can only be put to rights if considerable price rises can be made and accepted by labor without any response in the form of wage increases. It is a pretty challenging "IF".

Two decades of declining profits naturally mean that the saver who invests in equity shares has had a raw deal. The real rate of return has recently been negative even before tax, let alone when changes in the capital value of investments are allowed for. However, Government has made the position worse by taking powers to restrain dividends still further—in the name of fairness and equity, one should note! The case for doing so was simple. Unless profit distribution is restrained, how, it was asked, could one expect unions and workers to acquiesce in a program of wage restraint?

It is bad enough that this seductive little trade-off is based on a very unjust bargain. Savers and retired people have already suffered severely from the costs of accelerating inflation which they have done nothing to cause. Why should they make yet further sacrifices to induce those who have already gained so much at their expense to desist for a while?

What is at stake is more than a painful injustice. Negative real profits and dividend control must, if sustained for any period, have a corrosive effect on the life insurance and pensions institutions. They are put in a position in which it becomes more and more difficult to plan and guarantee the flow of future income which they have promised their beneficiaries.

Private employers for their part find themselves faced with the sudden need to make enormous payments into their pension funds even to maintain their existing pension obligations in money terms.

I am not suggesting for a moment that these great institutions are dying or dead. But they have a nasty fight on their hands.

Some of the problems I have talked about combine together to create further subtle distortions of the market-place which are not immediately evident.

The first is an unbalanced competition for savings. The process works like this. The Government increases its spending to fulfill its commitments to extend its activities. The wage earner begins to revolt against the consequent rising tax burden. His resentment leads to higher wages, and lower profits, lower corporate taxes, and ultimately slower growth. It also deters the Government from raising taxes in line with spending. So the Government has a growing deficit and then has to borrow growing sums of money, assuming, of course, that it does not resort to the printing press.

In doing so, it competes with the private company and the homebuyer in the savings market. The private company finds it increasingly impossible to bid for funds, since its profits are depressed. The housebuyer may still be able to do so, but even then he is probably subsidized by the savers who lend him the money. At the end of the day, a public spending bill which exceeds the taxable capacity of the economy sucks away money which should be spent on investment in industry or private housing.

The second distortion is an unbalanced competition for labor. As wealth increases, spending patterns switch from industrial products toward services in all economies. This will affect the pattern of employment and competition for labor between the private and Government sectors.

Public sector employment in Britain has steadily grown at a substantial rate for more than a decade—about one percent per annum—while the overall working population has contracted. The net effect has been to reduce the pool of labor available to private employers. So when the economy entered its last major upswing, in 1972–73, labor shortages were encountered unexpectedly soon. Although the leap in production was as large and sudden as any we have experienced, employment in industry scarcely increased at all. Many of the missing workers had in effect been absorbed by Government during the previous period of slack business activity.

The importance of this cannot be understated, particularly for a trading economy like ours. The private sector creates both the goods and services we need to export to pay for our imports and the revenue to finance public services. So one must not over-load it. Every man switched away from industry and into Government will reduce the productive sector and increase the burden on it at the same time.

One other effect that I would like to refer to in Great Britain about the incentive effect of taxation is that it has been particularly damaging on middle and upper management. The level of taxation has been such that it has not been possible for us to pay our management as much as they could get in other countries in net taxed income. For example, a British employer wanting to promote his manager in terms of post-tax salary from £8,000 per annum to a top job and £12,000 per annum would have to give him an extra £15,000 per annum! This sort of increase is more than most firms can think of at the best of times. Thus, rewarding skill or hard work has become almost prohibitive. The whole country therefore loses much of the benefit of competition in the labor market.

If you look across to the continent, you will find that other countries may be able to pay their managers less, but they nonetheless provide a much higher net taxed income. The result has been, if British companies put top management in Europe or elsewhere on French salaries or French levels, they cannot get them back. We cannot pay a big enough gross salary. Accordingly, losses of highly trained manpower through emigration are becoming more serious despite the depressed state of the world economy.

These have been the economic effects of pursuing far too much equality. I think we may have very much come to the end of the road. In fact, we find that the persistent expansion of the role of the State and the relentless pursuit of equality has caused and are causing damage to our economy in a variety of ways.

It is not the sole cause of what some have termed the "British Sickness," but it is a major one.

CONCLUSIONS

What lessons have we learned from the past 30 years?

First, the pursuit of equality is a mirage. What is more desirable and more practicable than the pursuit of equality is the pursuit of equality of opportunity. And opportunity means nothing unless it includes the right to be unequal. And the freedom to be different.

One of the reasons why we value individuals is not because they are all the same, but because they are all different. I believe you have a saying in the Middle West, "Don't cut down the tall poppies—let them rather grow taller."

I would say: Let the Children Grow Tall—and some grow taller than others, if they have it in them to do so. We must build a society in which each citizen can develop his full potential both for his own benefit and for the community as a whole; in which originality, skill, energy and thrift are rewarded; in which we encourage rather than restrict the variety and richness of human nature.

Holding these views as strongly as I do, you can imagine that I was particularly interested to read this description of some of the problems in Czechoslovakia: "The pursuit of equality has developed in an unprecedented manner, and this fact has become one of the most important obstacles to intensive economic development and higher living standards. The negative aspects of equality are that lazy people, passive individuals and irresponsible employees profit at the expense of dedicated and diligent employees, unskilled workers profit at the expense of skilled ones and those who are backward from the point of view of technology profit at the expense of those with initiative and talent."

That was not written by a quiet capitalist. It is a quotation from the action program of the Czechoslovakian Communist Party adopted in the Dubcek days of 1968. Unfortunately, Dubcek went, but the lesson they learned is that the unbalanced pursuit of equality leads to an insufficiency of resources.

Nothing that I am saying tonight should in any way be seen as a diminution of our recognized responsibilities to those people who, through physical, mental or social handicaps, suffer disadvantages. Rather, it is a consciousness that unless we have incentive and opportunity, we shall not have the resources to do as much as we want to do. Having been a Secretary of State for Education, I am the first to understand that.

Second, we must strike a proper balance between the growing demands and powers of the State and the vital role of private enterprise. For private enterprise is by far the best method of harnessing the energy and ambition of the individual to increasing the wealth of the nation; for pioneering new products and technologies; for holding down prices to the mechanism of competition; and, above all, for widening the range of choice of goods and services and jobs.

Government must therefore limit its activities where their scope and scale harms profits, investment, innovation and future growth. It must temper what may be socially desirable with what is economically reasonable.

Third, we must measure the consequences of the economic and political demands of some of our people. We must have regard to the effect of those demands on our political and social framework. We must devote ourselves to a greater understanding and more realistic pursuit of true justice and liberty and the maintenance of the free institutions on which these values depend.

In the coming months we shall all be thinking particularly of the achievements of the United States in the two hundred years of its existence and of the lessons your country can still teach the rest of the world. May I conclude with the modest hope that you will also spare a few moments to learn from our recent experience. It shows, in my view, how essential it is to escape from the facile arguments which both our countries have experienced—and to reaffirm, before it is too late, those true values which both our countries traditionally have shared.

Those values have never been more important than they are today.

THE SOMOZA REGIME—MURDER IN COLD BLOOD

Mr. McGOVERN. Mr. President, the prolonged tyrannical rule of Nicaragua by the Somoza family and their henchmen in the National Guard has served to instill violence as a way of life in that troubled country. For more than 40 years, one Somoza government after another has run roughshod over the rights of the Nicaraguan people, leaving an indelible stamp of torture, assassination, and misrule.

These are the trademarks of the Somoza regime, a reign of terror, implemented and carried out by the regime's private army—an army which, I regret to say, the United States, over the years, helped to create, helped to equip, and helped to train. But it is an army which neither serves the Nicaraguan people nor brings credit to us.

This point was driven home unmercifully to the American people last night as they watched the evening news and witnessed the cold-blooded murder of an American newsman at the hands of Somoza's National Guard forces. If nothing else, the senseless murder of ABC reporter Bill Stewart ought to indicate to the American people in no uncertain terms that the Somoza regime is capable of the most insane brutality and is willing to inflict any degree of human suffering in an effort to remain in power. If this comes as a surprise to the people of our country, it certainly comes as no surprise to the people of Nicaragua. After all, they are the ones who have suffered repeatedly—decade after decade; generation after generation; one Somoza after another.

Mr. President, I regret that more of us were not here last week when the senior Senator from Nebraska, ED ZORINSKY, who ably serves as chairman of the Subcommittee on Western Hemisphere Affairs, spoke out on the issue of U.S. policy toward Nicaragua and warned the American people about the nature of the Somoza regime. In many ways, his description and assessment of that regime were prophetic:

> For Somoza, the people of Nicaragua will endure no more; they are willing to oppose him openly and they are willing to fight and die in an effort to depose him. They know Somoza. They have lived with him for years. They have been subjected to his greed, his lust and his brutality. They know that among the Idi Amins of this world, Tacho Somoza stands tall. But like Idi Amin, Somoza's days are numbered—and the people of Nicaragua know that, too.

I commend the Senator for his diligence and attention to this issue. He did his best to alert us to the realities of the Nicaraguan situation and he took the initiative in trying to get the Carter administration to adopt a policy calling for the removal of General Somoza. Such a policy recognizes that this is the only way of bringing an end to the fighting and the turmoil that engulfs that country, all because of one man—Gen. Anastasio Somoza.

In an effort to move this policy forward, I was pleased to add my name, along with those of Senator ZORINSKY, Senator CHURCH, Senator KENNEDY, and Senator LUGAR, to a recent letter sent to President Carter which the Senator from Nebraska initiated. The closing paragraph of that letter makes this plea to the Carter administration:

> We hope that, without further delay, you and your Administration will openly advocate a policy which will make it abundantly clear to President Somoza that he must step aside and open the way for a political settlement that will bring an end to the crisis and bloodshed.

Mr. President, under the guise of democracy, freedom, and capitalism, the Somoza family has raped, pillaged, and corrupted the social and political fabric of Nicaragua. Their greed and thirst for power have known no limits. And not surprisingly, their actions have brought the nation of Nicaragua to the brink of disaster—and beyond. It is not the Communists; it is not the extremists of the left; it is not foreign invaders who have sown the seeds of destruction in Nicaragua. No, it is Somoza himself who is responsible. His vile conduct and unprincipled rule have only served to make the current revolution unavoidable. And so it

is. It is a nationalist revolution directed against one man and his private army. And it is so recognized by our democratic friends and allies in this hemisphere: Colombia, Costa Rica, Ecuador, Mexico, Panama, and Venezuela. They know that a nationalist revolution is taking place in Nicaragua. It is high time we knew it, too.

Mr. President, I ask unanimous consent that a copy of the letter mentioned above to President Carter and an article from today's Washington Post, describing the savage murder of Bill Stewart and his Nicaraguan interpreter, Juan Espinosa, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 18, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We want to underscore our deep concern about the growing political and military crisis in Nicaragua. As you know, the situation there has worsened dramatically since the initial outbreak of violence in September of last year and the failed mediation effort in January of this year.

During that period, we recognize that the Administration did its utmost to develop a viable political solution to the Nicaraguan conflict. We also realize that following the demise of the mediation proposal, the Administration undertook a number of minor actions designed to evidence its disapproval of the Somoza government. However, despite these efforts and our good intentions, there has been little in the way of positive results.

At this point it is patently obvious that the major stumbling block to a solution in the Nicaraguan crisis is President Somoza himself. His determination to remain in power and to disregard the broad-based opposition to his regime serves only to polarize opposition forces and to lay the foundation for an extremist political solution. No other nation in the hemisphere, with the sole exception of Cuba, would welcome such an event.

In an effort to avoid this kind of development, we believe the time has come for the United States Government to declare in no uncertain terms that it views President Somoza as the principal impediment to a political settlement in Nicaragua and that it is our policy to support those nations seeking his removal from power and endeavoring to pave the way for a moderate political solution acceptable to the people of Nicaragua and to the democratic nations of this hemisphere. Indeed, to prolong the crisis at this juncture can only serve to reduce the chances for such a solution.

We hope that, without further delay, you and your Administration will openly advocate a policy which will make it abundantly clear to President Somoza that he must step aside and open the way for a political settlement that will bring an end to the crisis and bloodshed.

EDWARD ZORINSKY,
Chairman, Subcommittee on Western Hemisphere Affairs.
RICHARD G. LUGAR,
Ranking Member.
FRANK CHURCH,
Chairman, Senate Committee on Foreign Relations.
GEORGE MCGOVERN,
U.S. Senator.
EDWARD KENNEDY,
U.S. Senator.

[From the Washington Post, June 21, 1979]

ABC REPORTER HELD, SHOT

(By Karen DeYoung)

MANAGUA, NICARAGUA, June 20.—ABC Television correspondent Bill Stewart, 37, was shot and killed today by a Nicaraguan National Guard soldier while attempting to film war destruction in a Managua neighborhood.

Stewart's Nicaraguan interpreter also was killed in the incident, filmed by eyewitnesses who described it as a deliberate shooting carried out after Stewart had been ordered to kneel.

[Dramatic films of the shooting, made by survivors among the ABC crew, were shown on U.S. television evening news programs.]

Tonight, President Anastasio Somoza offered his condolences and promised a "full investigation."

The slaying came a day after government radio and a newspaper owned by Somoza attacked foreign reporters covering the civil war here, accusing them of communist sympathies.

[In Washington, President Carter said, "The murder of . . . Bill Stewart in Nicaragua was an act of barbarism that all civilized people condemn." Secretary of State Cyrus Vance asked the U.S. Embassy in Managua and the Nicaraguan government for a full report on the shootings.]

Max Kelley, a personal secretary to Somoza who questioned the ABC crew after Stewart's death, told them the shooting was the "action of an individual soldier," ABC sound technician Jim Cefalo said.

Before Somoza's statement, the Nicaraguan government radio said Stewart's death was a result of sniper shots by Sandinista rebel guerrillas.

John Bargeron, a U.S. vice consul in Nicaragua charged with facilitating shipment of Stewart's body to the United States, was heard telling the ABC crew that "this is a war of murder. It was a normal execution. Nicaraguans are killed like that every day."

According to Cefalo, who witnesed the shooting, the incident began when the ABC team, traveling in a clearly marked press van, approached a National Guard patrol in the eastern Managua neighborhood of El Riguero.

Stewart and his interpreter, Juan Espinosa, got out of the van and walked toward a soldier with their hands raised, carrying a white flag and government-issued press credentials, Cefalo said.

As the soldier approached them, his rifle raised, Stewart went down on his knees with his hands up, Cefalo told reporters in an emotional, hastily called news conference.

"He stepped back and motioned . . . It looked like he told (Stewart) to put his hands behind his back. Bill started to comply, and the guard stepped back, put the rifle to (Stewart's) head and shot once."

A quiet man whom colleagues described as a "good reporter who was extremely cautious," Stewart arrived here from his home in New York June 10. A veteran correspondent, married with no children, he covered the revolution in Iran and civil war in Lebanon.

Stewart's death pointed up the growing antagonism between the beleaguered Nicaraguan government and army and the foreign press corps covering the civil war.

The government has repeatedly accused the foreign press, including reporters from the United States, Europe and other Latin American countries, of distorting the situation here in its description of strong public support for the anti-Somoza insurrection led by Sandinista National Liberation Front guerrillas.

Tuesday, the government radio network began broadcasting charges that foreign reporters were part of an "international Communist conspiracy" to topple Somoza and install a Marxist government. An article in the Somoza-owned newspaper Novedades Tuesday accused the international press of "criminal silence" about what it called Sandinista Communists.

"None of the correspondents who have been coming to Nicaragua in the past two years has ever told the truth," the paper said, "either because they are paid by or are part of the vast net of Communist propaganda."

In a meeting with reporters this evening, Somoza said, "I ask you, as president of Nicaragua and as supreme commander of the armed forces, to accept my most deep condolences" for what he termed an "unforgiveable and isolated incident."

"I ask you to understand that I really feel for the death of Bill Stewart," Somoza said. "I never wanted it to happen in Nicaragua."

Somoza said those held responsible would be punished under the "full weight of the law." He asked ABC to provide a military court with a copy of film cameraman Jack Clark shot of the execution.

Representatives of all three American television networks said their crews would leave in the morning on an evacuation plane provided by the U.S. Air Force.

Ironically, a number of correspondents who also covered an outbreak of civil war here in September have noted a more cooperative attitude on the part of National Guard soldiers. In September, reporters who attempted to talk with Guards on patrol or at checkpoints were often pushed and shoved or threatened at gunpoint and ordered to leave.

Since large numbers of reporters began arriving here after the Sandinistas renewed their offensive three weeks ago, Guard soldiers have been noticeably more cordial and helpful.

Cefalo said that the El Riguero neighborhood, which the guerrillas apparently already had left, was quiet and gunfire could be heard only in the far distance.

"In the first area we came to," Cefalo said, "the Guards were quite pleasant. They assisted us and at one point asked if we would take pictures of them showing how their morale was up. One of them had a guitar and they all sang and we shot it."

"They told us they had another outpost several blocks away," he said. As they approached this second group of soldiers at a deserted rebel barricade on a dirt road through the low income neighborhood, "Bill felt that rather than drive up to them and make them nervous, he would walk up with the interpreter and explain what we were doing."

As the two got out of the van, Cefalo said, a Guard motioned for them to go back. "The interpreter told them we meant no harm and walked ahead." Cefalo said he then looked up from his equipment "and saw Bill on his knees with his hands raised."

He said Espinosa, the interpreter, was taken behind a nearby building and shot. Although the rest of the crew had remained in the van several yards from the two on foot and could not hear conversations that went on, Cefalo said he believed the soldier accused the interpreter of being a guerrilla.

A number of soldiers standing behind the one who shot did not interfere, Cefalo said, and "there seemed no great concern about it." The other crew members were then instructed to come forward and show their credentials. They were told they could take Stewart's body in the van and they left without further comment from the soldiers.

Back at the hotel, Stewart's body lay in the back of the van, blood seeping out onto the pavement, while reporters gathered somberly. In the lobby, a large group of Nicaraguan government officials who have moved into the hotel for security stood with their families and bodyguards.

The two groups have tried to avoid each

other over the past week as tension has grown in the city.

One Nicaraguan standing with the officials walked over to a group of correspondents and said angrily, "You people didn't make this much of a fuss when Pedro Pablo Espinosa was killed." Espinoza, a Novedades columnist, was reportedly executed by guerrillas last week inside a Managua barrio.

Stewart, who was based in New York, had been with ABC since 1976. While covering the Iranian revolution, he had an exclusive interview with Ayatollah Ruhollah Khomeini in which Khomeini defined his concept of the Islamic republic he is now forming.

Before joining ABC, Stewart worked as a reporter and commentator for television stations in Minneapolis, Philadelphia and New York. He was a graduate of Ohio State University and earned a master's degree at Columbia University.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. Hollings). The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 10 minutes, and that Senators may speak therein up to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEMOCRACY AT WORK IN ZIMBABWE-RHODESIA

Mr. HELMS. Mr. President, this morning's papers report that Mr. James Chickerma and seven other members of the Zimbabwe-Rhodesian Parliament have defected from the Muzorewa government.

This is an important development, one that shows that democracy is at work in Zambabwe-Rhodesia. It will lead ultimately, I think, to a strengthening of the political process in that country. It shows that change is possible within the framework of the new constitution, and that differing points of view can be accommodated on a peaceful and constructive basis.

Prime Minister Muzorewa no doubt would prefer not to see a defection from his party. That is only natural. But I think that, in the long run, he will find that the political competition is natural and inevitable. There are few African countries that can boast of a free opposition, particularly one with competent and able leadership. I doubt that the Prime Minister's ability to govern will be affected at all.

It is important that we keep in perspective the withdrawal of James Chickerma and seven of his colleagues from the Parliamentary coaltion supporting Prime Minister Muzorewa.

There are a number of personal and tribal factors involved.

All eight are members of the same Zereka branch of the Shona tribe which received relatively short shrift in the cabinet. Muzorewa's Manyika tribesmen fared much better in obtaining cabinet seats.

There is also a history of rivalry between the two leaders of the factions. Chickerma has tried unsuccessfully on several occasions to compete with Mr. Muzorewa for the top position within his party.

To me, however, the most important lesson to be drawn from the events of the past few days of politial manauvering in Zimbabwe is this:

In a parliamentary system, if a prime minister commands the confidence of a majority of the members, he continues in power until the next scheduled general election. However, if for any reason, he loses the confidence of the majority in Parliament, then there are new elections and a new leader is chosen.

Many might have preferred to see James Chickerma in the Cabinet of Mr. Muzorewa. He is an extremely capable man. But, it is essential to recognize the obvious right of Bishop Muzorewa as prime minister to name anyone or exclude anyone he may wish to his Cabinet.

Looking down the road, however, I am convinced that the broadest based possible government in Zimbabwe composed of those individuals and groups who support democracy and a free economy is in the interest of the new nation. And I would hope that at some point it may be possible to add new strength to the Cabinet of the new Prime Minister.

Should this not happen, and should a majority of the members of the Parliament grow dissatisfied, the constitutional process clearly provides for another means of broadening the base of the government.

NORTH CAROLINA FARMERS HURT BY TRUCKERS STRIKE

Mr. HELMS. Mr. President, today the farmers in North Carolina are in a state of distress due to the strike by the independent truckers.

The problem lies not in the fact that the truckers in North Carolina are on strike, but rather in the fact that the North Carolina truckers are so intimidated by threats of violence and vandalism from truckers in other States who are on strike that they refuse to haul produce to markets in other States.

As a result, tons of fresh produce are rotting in the fields. Farmers are about to lose the value of their crops. Soon, the price of food will reflect these losses.

I have a telegram from the Honorable Jim Graham, North Carolina Commissioner of Agriculture, which reads as follows:

P.O. Box 27647, Raleigh, N.C.,
June 13, 1979.

Senator Jesse Helms,
Capitol One D.C.:

I urge you to use the full power of your office to help bring an end to the Independent Truckers strike as soon as it is humanly possible. Thousands of containers of fresh vegetables are sitting in eastern North Carolina tacking sheds, sold and ready for shipment but no trucks are available. This situation will worsen as we are approaching a peak period in harvest of these crops. It is imperative that efforts be made to bring about stability in fuel prices to encourage the truckers to return to their needed role. Unless this is done, damage of these perishable products alone will be in the millions of dollars and consumer food cost will skyrocket. The seriousness of this situation cannot be overemphasized.

James A. Graham,
North Carolina Commissioner of Agriculture.

Mr. President, I also have a letter from Mr. Roland H. Vaughan of James E. Wood & Co., peanut brokers of Edenton, N.C., that gives one man's view of this problem. I ask unanimous consent to have it printed in the Record at this time.

There being no objection, the letter was ordered to be printed in the Record, as follows:

James E. Wood & Co.,
Edenton, N.C., June 15, 1979.

Senator Jesse A. Helms,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Helms: We are all struggling with this Nation's energy woes and sacrifices are being made by all sectors as prices edge higher. Other than getting used to higher fuel prices I don't know yet what the average consumer can do except conserve. We are fully aware that high fuel costs will affect different industries and individuals in different ways, which brings me to the point of this letter.

This Nation is very dependent on the trucking industry to move its goods about. We have just recently witnessed an inflation filled settlement with the Teamsters in an effort to avoid a prolonged strike which would eventually have done considerable harm to our economy. Now as fuel costs are rising we are being subjected to an act which in my humble opinion is totally defiant and against the law.

I am referring to independent truckers blocking the entrances to private businesses and they are doing this by using roads and accesses that were built with Federal tax dollars. The protest movement is denying access to privately owned businesses and it is preventing those truckers who want to continue operational from getting the needed fuel to complete their runs.

The underlying question I have in light of this activity is, where is the law enforcement in this country? How can a group of Independent Operators tie up the fuel pumps of this country and nothing be done about it, or no one running the risk of prosecution? Can any group of consumers deny other consumers access to a private business because they happen to think that the price of goods and services being sold there are too high? I don't think so and question the position of the Government in enforcing the laws of this land regarding individual rights to do business where one chooses, especially along the Federally supported roadways of this country.

Our business is heavily involved in trucking and almost exclusively with independent trucking, so I am not without sympathy. However, their situation should not exempt them from facing up to the law when they operate outside legal bounds in blocking gas pumps to other consumers. What's wrong with bringing in a fleet of wreckers and towing the trucks out of the way? I get sick and tired of everybody sitting back and waiting for someone else to remove the problem.

Small wonder why our position in the world is declining when we refuse to deal directly with our own problems in a forceful manner. People should be made to seek proper channels for the solutions to their problems and should not be allowed to take matters into their own hands whenever things go against them. Somehow we need to return to a more orderly way of solving our problems.

Thank you for hearing my frustrations

and I would appreciate any clarification you might offer if my opinion is entirely off the wall. Keep up the good fight and rest assured that you have a tremendous amount of support in your efforts.

Sincerely,

ROLAND H. VAUGHAN.

Mr. HELMS. Mr. President, the problems described in these two communications require immediate attention. Accordingly, I have written a letter to the President asking his immediate attention to this matter. The letter reads as follows:

U.S. SENATE,
Washington, D.C., June 20, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: The independent truckers strike is having disastrous effects on the nation's agricultural community—effects that will soon be felt by the food-buying consumer. Your immediate action is essential to insure that harvested agricultural produce will be shipped to market.

The independent truckers who haul agricultural produce are refusing to transport produce to market because of fears of acts of violence and other reprisals against them by other independent truckers who are participating in the strike. Tons of fresh produce are rotting in packing sheds. Our farmers are in a state of panic because they are about to lose their crops. They are frustrated because they do not know who to turn to for help.

Granted, the independent truckers have serious problems and valid complaints. I am very much in sympathy with their situation. Their demands should be given serious consideration.

At the same time, the truckers who want to work should be allowed to work, secure in the knowledge that they will be protected from acts of violence and vandalism.

Mr. President, your leadership is crucial in this time of crisis. I urge you to use the full power of your office to insure the safety of any independent trucker who wants to work, including, if necessary, calling upon the governors of the various states involved to activate the National Guard.

Your immediate and definitive response to this plea on behalf of our farmers will be appreciated. Your action will benefit not only our farmers, but our consumers and truckers as well.

Respectfully yours,

JESSE HELMS.

Mr. HELMS. Mr. President, clearly quick and firm action is needed in this crisis. I sincerely hope that the President will see fit to make this issue his chief priority until conditions are such that the produce haulers can carry agricultural products to market without fear for their personal safety, or the safety of their equipment.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION CONCERNING MUTUAL DEFENSE TREATIES

Mr. ROBERT C. BYRD. Mr. President, has the Chair had an opportunity to lay down the pending business?

The PRESIDING OFFICER. No. The Chair has not.

The Senate will resume its consideration of the pending business, Senate Resolution 15, which the clerk will state by title.

The legislative clerk read as follows:

A resolution (S. Res. 15) concerning mutual defense treaties.

The Senate resumed the consideration of the resolution.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Goldwater amendment in the nature of a substitute to the perfecting amendment to the resolution.

Mr. GOLDWATER. Has there been any time agreement for a vote?

The PRESIDING OFFICER. No, there has not.

Mr. GOLDWATER. Mr. President, I address myself to the chairman of the committee.

We have been over this and over it and over it. This resolution has been in this body since January 15. It has had rather complete hearings before the Foreign Relations Committee. It has been debated on the floor. I would be perfectly willing to agree to a time limitation on my amendment. I am not proposing to speak for Senator BYRD, who is the author of the resolution.

So I ask unanimous consent that we vote at 2:30 on my amendment.

Mr. CHURCH. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GOLDWATER. Mr. President, I ask the chairman if he has another time he would like us to consider.

Mr. CHURCH. I say to the Senator from Arizona, in explanation, that the pending business is now the Goldwater amendment in the nature of a substitute. Depending upon how that is voted on, the next question before the Senate could be the amendment proposed by the able Senator from New York (Mr. JAVITS) and me. If we were to agree at this time to a time limitation as to a vote on the Goldwater substitute, we would be left without any time limit for voting on the Church-Javits amendment.

Therefore, it would be unwise, in our judgment, to enter into any unanimous-consent agreement that is restricted, alone, to the amendment in the nature of a substitute which is offered by the Senator from Arizona.

Furthermore, Mr. President, it may well be advisable, under the circumstances, to move to table the Goldwater substitute; and that, in our view, would have to be part of any possible unanimous-consent agreement.

There is a further consideration: Many Senators have not had an opportunity to examine the ramifications of the Goldwater substitute. On its face, it would seem to cause the Senate to take no position on the notice already given by President Carter concerning termination of the Mutual Defense Treaty between the United States and Taiwan. Yet if Senators will look more carefully into this question, they will see that the adoption of the Goldwater substitute—unlike the amendment offered by Senator Javits and myself—could open up litigation concerning the constitutional authority of the President to terminate the Taiwan mutual defense treaty.

It is our opinion that when the Senate originally voted on the Byrd resolution, it intended to send a message to the President relative to the future; that message was that mutual defense treaties, in the view of the Senate, should not be terminated in the future without the concurrence of the Senate. I have no quarrel with putting the President on notice that, in the future, the Senate intends that it should have a role in the termination of mutual defense treaties.

But I am adamantly opposed to reaching back into the past—and turning over to the court—the issue of whether this past action of the President was constitutionally valid.

Mr. GOLDWATER. Mr. President, I asked the question about unanimous consent. I did not go into all of this.

Mr. CHURCH. I am simply giving the reasons why it seems to us that this matter should be discussed further. All Senators should thoroughly understand all of the ramifications before a vote occurs. I am therefore constrained to object.

Mr. GOLDWATER. Mr. President, I hope that the Senator will reconsider. I do not know of a subject that has been discussed on this floor this year that has been more thoroughly explained to the Members of this body. I think I have written at least two letters to every Member of the Senate. I know that the President has been calling all night. I know that the State Department has been most active in contacting the Members of this body. I know that Mr. Brzezinski has been most active in contacting the Members of this body, offering the argument, which I do not agree with, that my amendment would destroy the so-called progress that has been made in Red China and the People's Republic of China.

My contention, and this is one of the reasons I wish to call it to a close this afternoon, is that I believe that you gentlemen and the State Department are more interested in stopping my access to the courts than in stopping the language of my amendment. For the first time in the 200-year history of our country the President acted, in my opinion, outside constitutional prerogatives in attempting to abrogate a treaty.

The Senate is supposed to have a voice in the formulation and termination of treaties and the Senate always has. As far as advance notice, I remember last fall we passed a Senate resolution telling the President that he could not terminate any treaty with Taiwan until he called on us for our advice and consent. I have said I would be perfectly willing to introduce an amendment for the President for our consideration, which would make it legal in that respect, if he would request it in accord with the Constitution.

My fear, I say to my friend from Idaho, is here it is 1 o'clock and if we proceed to debate this thing we will not get to any vote without unanimous consent and we are going to be losing Senators all afternoon from your side and from our side.

So what will we have? We will have a situation where once again this whole thing gets put off until next week and then next week we will find that there has been an agreement made to bring up the voting amendment offered by the Senator from Indiana and this subject will be pushed aside again. I am anxious to bring this to a close. I am anxious to get a determination on it. It has been since the 15th of January. So I seriously and sincerely hope that my friend from New York and my friend from Idaho will agree to a time certain to vote this afternoon on this amendment.

If Senator BYRD does not want to give time on an amended resolution, or if the amendment goes in the way of something the Foreign Relations Committee and the chairman and ranking minority member know the State Department is working on as an alternative approach, that is entirely a different horse. But I hope that we could agree now to vote, say, at 2:30 p.m. That is in an hour and a half. I assure my friends that anything I say will be repetitious, and anything that you say will be repetitious, and I do not think that our colleagues need any more repetition in this field because if we are not going to vote today, I suggest that we just forget the whole thing until sometime when we can set a time certain and vote. It might be after the Fourth of July, but we are not getting anyplace here.

I ask my friend to consider once again an unanimous-consent agreement to vote on my amendment No. 234 at a time certain which would be 2:30 p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. CHURCH. Yes, Mr. President. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CHURCH. I have explained the reasons for my objection. It is not that I want to delay this matter unduly. But I do want the Senate to be fully apprised of what is involved here. When the Senator from Arizona says that we—the Senator from Idaho and the Senator from New York—are trying to deny him his day in court, I say that is nonsense. He can go to court tomorrow. Any citizen can go to court. He has already been to court in a proceeding which attacked the constitutional validity of the President's action in terminating the Taiwan defense treaty. The district court has said he lacks standing.

And it said he lacks standing because the Senate has not, in effect, conferred standing upon him.

Mr. GOLDWATER. Preserving my rights in court is precisely what I say is involved.

Mr. CHURCH. If this amendment in the form of a substitute is approved, that is what the Senate will be doing. It will be taking an action that confers standing, that reopens the case and reverses the position that the court has taken by allowing it to take jurisdiction.

It is one thing to ask the Senate to remain neutral. But it is quite another matter for the Senator to ask that he go to court with our endorsement. And that is what he is asking.

I cannot accept the proposition that it is our intention to deny him his day in court. That simply is not so.

On the other hand, I believe it would be a grave mistake for the Senate to endorse his action by approving the substitute that he has offered that is now pending.

That is not readily apparent from a quick reading of the substitute, which seems innocuous enough on its face. But it does become evident when one reads the decision of the court dismissing the action that the Senator from Arizona has previously brought. I simply want to make certain that the Senate has sufficient time to understand what it is doing.

That is why at this time I am unable, as much as I would like to oblige the Senator from Arizona, to agree to the unanimous consent that he has proposed.

Mr. GOLDWATER. I know full well that I have gone to court and the judge has handed down an opinion in which the judge states that until this body or the Congress takes some action that would indicate that we are exercising our responsibilities, he does not feel that he should hear the case.

Now, this does not stop this case. We have already filed an appeal with him. If he denies it or we lose it, or you lose it, it is going to the appeals court, and regardless of what happens there, this is going to wind up in the Supreme Court of the United States sometime, probably a long time from now.

If the Senator means what he says about not wanting to work a hardship with me in my relationship to the Court—and I am speaking for eight other Senators and some Members of the House—then I might say the language of the Byrd resolution would not need any amendment by the Senator from Idaho. Had he not placed that amendment, I would never have put my amendment in. His amendment is not neutral.

All I am trying to do is to show the judge by our action that we are trying to take action in view of the prerogatives we have and the responsibilities that we have in the Senate as an institution.

I think the Church amendment is so worded now as to tie in with the judge's opinion and to deny the further progress of the lawsuit, whether he believes that or not. I do not accept the description of my suit or my amendment in the language he uses because I think this has got to be settled, and it is amazing to me that two men, who have stood on this floor against overwhelming odds time and time again and have argued for the constitutional rights of this Senate, would take the attitude that the President's action in December was correct.

It is the first time in the history of the United States that a mutual defense treaty has been sought to be unilaterally abrogated by any President. The only interest I have—and it certainly does not tie in with the People's Republic of China—is to make sure that this President or whoever the next President might be or whoever the President is 50 years from now cannot unilaterally abrogate a treaty, especially ones of mutual defense. That is my sole interest, Mr. President, nothing else. It is the reason why I hoped we could look forward sometime this afternoon to a vote.

I do not think we are going to accomplish anything by standing here on the floor going over the same arguments we have used time and again.

I felt sure that sometime today we would reach a vote. But if the Senator is going to say, "no," to a unanimous consent request, then I guess all we have to do is just keep on talking. I am perfectly willing to do that because, like the Senator, I live a long ways from my home, and I cannot get out there.

So I wish during the course of whatever arguments I make that you two gentlemen would confer with the idea that you allow a time certain.

If for reasons that you have no control over, something that the administration would like to present later on, and over which I certainly have no control, then I think that should be made plain on the floor.

If it requires putting it off for another time, I am not going to argue about that. I think we are wasting time standing here on the floor today without being able to say, "Well, at 2:30 or 3 we are going to vote."

I hope you two gentlemen can get together because if you are not, then I will just have to proceed.

Mr. CHURCH. Mr. President, the last of my wishes, and the least of my wishes, would be to inconvenience the Senator from Arizona or to necessitate a prolonged debate on this issue. That, as he knows, is not my purpose. I will, of course, confer with the majority leader, who makes such decisions, but I do wish to reiterate that the Court has said, in the action previously brought by the Senator from Arizona questioning the validity of President Carter's termination of the Taiwan mutual defense treaty, the following:

> If the Senate or the Congress takes action the result of which falls short of approving the President's termination effort, then the controversy will be ripe for a judicial declaration respecting the President's authority to act unilaterally. Until then the complaint is dismissed without prejudice.

One cannot read that concluding sentence of the Court's opinion without recognizing that the adoption of the Goldwater substitute would constitute an action that falls short of approving the President's termination of the mutual defense treaty with Taiwan. That is why the Senator is pressing for the adoption of his substitute. He wants the endorsement of the Senate. He wants the Senate to adopt a measure which will reinstate his case in court. That is a far cry from denying him his day in court which, of course, we have not done, nor would ever want to do.

Under the circumstances and until the 100 Senators have had an opportunity to read these debates or participate in them to examine the true ramifications involved in the substitute now before us, I think it would be unwise to vote. I do not believe we should rush to a vote when it is entirely possible that large numbers of Senators have not fully informed themselves as to the true nature of the issue before us.

For that reason, as much as I would personally like to oblige the Senator, I have to object to his unanimous-consent request.

(Mr. TSONGAS assumed the chair.)

Mr. GOLDWATER. Mr. President, it is obvious that we are not going to get agreement, so let me proceed inasmuch as it is my amendment and that is the order of business.

The amendment is offered as a compromise to the Church amendment. My amendment would remove any connotation that in voting for the Byrd resolution the Senate has repudiated the President's entire China policy, which as I understand, is the major purpose of the Church amendment.

However, unlike the Church amendment, my proposal would, I believe, preserve my right, and the right of eight other Senators, to pursue the ongoing lawsuit which we have filed to uphold the Senate's historic shared power in the field of treaty termination.

Our case is presently pending in the U.S. District Court for the District of Columbia where we have filed a motion for reconsideration of Judge Oliver Gasch's preliminary ruling of June 6. Needless to say, whichever side eventually loses in the district court will appeal to the Federal appeals court. Thus, the case is very much alive and active.

Mr. President, in circumstances such as these the Senate has never before attempted to deny any Senator, or group of Senators, of their right to go to court. Never has the Senate deliberately and knowingly deprived one of its own Members of the opportunity to pursue a case which is already in the courts.

But that is exactly what the Church amendment seeks to do. It is specifically aimed at retroactively shutting the doors of the court to nine Senators who are already in court.

The Senator from Idaho, Mr. CHURCH, has repeatedly discussed my lawsuit during explanations of his amendment. He has circulated a "Dear Colleague" letter of which the entire page 2 is devoted to the legal action that I have brought.

So to my mind there is no secret about what the Senator is trying to do. He wants to put a roadblock in the path of independent judicial review of the President's treaty termination effort.

The Senator's amendment asks the Senate to forget the Constitution. He asks us to forget the rightful powers of the Senate.

The amendment by the Senator from Idaho would have us put our heads in the sand and just ignore whether the President has usurped legislative power or not. He is saying to the courts, "Don't tell us whether the President acted legally or not. We do not want to hear it."

Mr. President, I believe this would put the Senate in a ridiculous position.

Why are we afraid of the courts?

Why can the Senate not trust the courts to interpret the Constitution?

This may be the only opportunity in a long time for the Senate to get a clear answer to this very important constitutional issue.

I should think my colleagues would welcome the opportunity to test in court the very proposition for which the Senate voted overwhelmingly only a few weeks ago, when we said that the Senate should participate with the President in the termination of any mutual defense treaty.

If the Senator is afraid of my language being retroactive in intent or purpose, I need only remind him that last fall the Senate took a very definite, hard stand in a resolution which, while having no binding effect, expressed the sense of the Senate as requiring the President to consult with us before abrogating any treaty of mutual defense.

Now, I would like to emphasize that the Church amendment is not neutral on the constitutional issue. It is actually a backdoor attempt to legitimize the President's action without making the Senate vote directly on the issue.

By preventing any challenge in court to the legality of the President's attempted termination of the Taiwan defense treaty, the Church amendment would allow the President's effort to stand as it is, in effect approving it.

If the Senator from Idaho really wants to have the Senate ratify the President's conduct with respect to the Taiwan treaty, why did he not put it in the form of a straight-forward amendment saying so? Something, by the way, Mr. President, which I have offered to do. The Senator could have introduced an amendment saying that under its constitutional prerogatives "the Senate hereby gives its advice and consent to the termination of the treaty." That would end it. It would be all over.

That is the proper way to do it. That is the traditional, historic way the Senate would act in a matter of this nature.

But, no, the Senator attacks my right—and the right of the Senate as an institution—to get a court decision regarding the prerogatives of the Senate.

Mr. President, that is all that is at stake here. The chairman of the Foreign Relations Committee claims there is more involved. He asserts my lawsuit will upset everything the President has done in moving to a new relationship with the People's Republic of China and with Taiwan.

But that allegation is not correct. I think it is a scare tactic. It has nothing to do with the real question before us.

Mr. President, I have stood here in the Senate Chamber and said repeatedly that I am not attempting to reverse the President's recognition of Red China. I am not trying to prevent the growth of trade relations with the PRC; nor am I seeking to hinder the development of cultural and other ties with mainland China.

For this reason, I have offered a substitute for the Church amendment. My amendment would clearly state that the Senate does not approve or disapprove of the termination of the defense treaty with Taiwan. It would leave the question open.

My amendment recognizes that the President has not requested legislative approval of the termination of that treaty and that the matter has not been before us.

My amendment would clarify that the Senate has not repudiated the President. We have not denied him authority to terminate the treaty; nor have we granted him authority to terminate the treaty.

If the courts should later rule that the President must request legislative approval before he can complete the termination of the treaty, that will be a different matter. The policy issue would then be squarely before us. But we have not reached that point at this time.

Mr. President, I submit this amendment in the spirit of accommodation to the wishes of any Senators who desire to make it clear that they have not and are not reopening all the President has done regarding relations with the PRC and Taiwan.

The Senate has made it abundantly clear that it asserts a shared power to approve or disapprove of treaty termination. The Senator from Virginia, my good friend HARRY F. BYRD, JR., has done the Senate an invaluable service by offering his resolution that puts the Senate emphatically on record as declaring that it has a right to participate in the treaty termination process.

The Senator from Virginia has made his point and the point that I and many other Senators have been putting forward.

In voting for the Byrd amendment on June 6 and rejecting the open-ended language proposed by the Foreign Relations Committee, the Senate clearly demonstrated that it possesses a shared power with the President to act in terminating a defense treaty.

Now, I am willing to clarify that our strong vote for the Byrd amendment was not a repudiation of the President's entire normalization policy. It is merely an assertion of our rights as a coequal institution in this Republic.

That is all the Byrd resolution is about, and that is all my lawsuit is about.

It is about the rights of the Senate, and the rights of each of us as Members of this body.

Mr. JAVITS. Mr. President, I sat with unaccustomed silence while the discussion was going on about a unanimous-consent agreement. As Senator GOLDWATER knows, I do not duck responsibility. I would like the Senate to know that I am very much a party to the objection, and that I think the objection is very valid and very well taken, and essential to the national interests of the United States.

I have rarely seen Senator GOLDWATER as persistent about a matter. He is always rather the soul of brevity in things like that: "Once it is done it is done." He must feel very strongly about it, and I respect that. I have said that many times before, in addition to my great affection for him, and were there not great issues at stake, I would be the last person in the world not to try to conform to his wishes.

But where we are dealing with a matter of deep substance, extremely harmful, in my opinion, to the Senate and extremely harmful to the interests of our country, I just do not see how we can yield on a matter of that kind.

Those are very strong statements I have just made, and I would now like to prove them, because, Mr. President, the issue of the Taiwan mutual defense agreement is a very serious one, and the issue of our recognition of the People's Republic of China—and its recognition of the United States—is one of the most portentous decisions in foreign policy this country has ever made.

It so happens that, just strictly as a matter of fortune, I was in at the beginning, at the takeoff, as Arthur Vandenberg used to say, which took place in 1970, Mr. President, when I was one of two delegates to the United Nations. We do rotate this great experience between the House and the Senate and among the members of each of the Foreign Affairs Committees. I wrote the speech which said that the United States would review its policy with the People's Republic of China, and emphasized our fidelity to the mutual security agreement with Taiwan. That was the day of the two-China policy. We got President Nixon to approve it. It was subsequently implemented and expanded by the breakthrough of Henry Kissinger, one of the most brilliant things he has ever done, and of President Nixon. Ultimately, we came to the conclusion, as a result of the Shanghai communiqué, that we could not have a two-China policy. We had to fish or cut bait.

This was the matter of gravest concern to me when President Carter first told us a few hours before he announced an exchange of Ambassadors with the People's Republic. I was not at all convinced that this could or should be done. But after really deeply thinking it over, based upon these origins which I have described, I came to the conclusion that it was possible to construct a relationship with Taiwan which would protect not only its economic system but its social system as well. I set my mind to working on how that could be done, in cooperation with Senator CHURCH and other Senators, both inside and outside the committee, who had the same motivation, and with the administration, with which we did not agree at all.

We gradually developed and perfected a plan which finally found satisfaction in the Congress by a vote of 89 to 4. Finally, after all the arguments were in, and all the struggles were had, the Senate voted 89 to 4 to approve that Taiwan legislation. The structure has been built upon that. We have an agency there and they have an agency here. Nongovernmental, it is true, but still an agency. The authorities there have expressed finally, after thinking the whole world was falling in on them, their agreement with the fact that this will work out and that it is the way to go.

There is a feeling of real security now on that island. People are investing again and owning property, doing big business. The hope is there for a resolution of something which very often causes irredentism and war, either by the Taiwanese revolting or the People's Republic trying to take Taiwan, a war which would plunge us into a terrible situation.

Now, Mr. President, the Senate comes along and deals with a constitutional question, which is in what has been called by a Justice of the Supreme Court the "twilight zone" of that document—very much like the war powers area, which I will come to in a minute—and deals with it. It changes what we did in the Foreign Relations Committee and makes its own decision, according to the position of HARRY BYRD. Great, that is what we are here for. With that kind of exercise of responsibility we belong in the policymaking of the country respecting foreign policy. If we can contrive and pass a Taiwan act, if we can deal with a twilight zone question such as this one about the termination of treaties by a resolution of the question in the political forum on the basis of resolving the doubts which the Constitution raises then we have earned our spurs. We have earned the right to participate effectively in the foreign policy of this country.

But, Mr. President, if those who oppose the termination of a mutual defense treaty with Taiwan, if those who even opposed the recogniton of the People's Republic of China, are going to retrade the deal—and that is what this is all about—then the Senate will lose its right to participate in shaping the foreign policy of the country by virtue of irresponsibility. Everybody has acted already on the Taiwan question, the administration, the People's Republic of China, the Senate, and the Congress. If we are going to backtrack on that, Mr. President, then I think we put our own status in grave jeopardy.

This is a people's government, and what is going to pass here is going to be very largely responsive to the views of our country and the confidence which they have in us and we have in them. That is what is at stake here.

We all love BARRY GOLDWATER, and he wants us to act on his particular proposition because he does not like what we did. That is what it is all about. That is a point at which love has to yield to the highest interests of the country. That is what this argument is all about. And I am a party to it. We cannot do it. Well, we can, in a sense, certainly, by voting it, but we will make a very grave mistake if we do.

What are we members of the Foreign Relations Committee for if we are not going to be the expert advisers on these matters to the Senate? They can do what they please, of course they can, but at least they have to hear us in a considered way so that the whole situation is laid out before our colleagues and they know what they are really doing.

It is very significant, Mr. President, that in the amendment authored by Senator CHURCH and I to make it clear to the courts and, what is even more important than courts or at least as important as courts—I do not wish to denigrate the courts at all—is other countries, including the People's Republic and the people on Taiwan, that as far as this matter is concerned it is closed. It is settled. We have made our determination. We have laid down our law. We are going to stick with it and that is it. There is nothing in the world more important in foreign relations than certainty when you can get it, Mr. President. We have it here up to now. Let us not destroy it.

So, Mr. President, I think the issue of the Senate and the standing of the Senate, and of where the Senate fits into foreign policy, is at stake.

Second, this judge, Judge Gasch, very wisely—and the courts have done this time and again in situations like this—said, "This is a political decision, gentlemen." I would again like to read the last of his opinion. He said:

> For these reasons, the court believes that the resolution of the ultimate issue in this case should in the first instance be in the legislative forum. If the Congress approves the President's action, the issue presently before the court would be moot. If the Senate or the Congress takes action, the result of which falls short of approving the President's termination effort, then the controversy will be ripe for a judicial declaration respecting the President's authority to act unilaterally. Until then the complaint is dismissed without prejudice.

Now, Mr. President, the court says to the legislature, to wit, the Senate and the Congress, "If you take and exercise jurisdiction, then that lets me out." But, he said, "If you don't, or if you leave it up in the air, that lets me in"—clearly implying that he can get in.

Mr. President, what could be more damaging to the Senate than to invite judicial intercession in a role which is uniquely the Senate's and which is granted by the court to be uniquely the Senate's? The nice, equitable character of Senator GOLDWATER's substitute, that we neither approve nor disapprove of the Taiwan treaty termination, sounds very nice, but it does exactly what the court says it wants us to do if we want it to decide.

I could not think of any worse outcome for the struggle which has been waged around here for years in order to assert again, after the long period since the end of World War II, the determination of the Senate that the foreign policy of the United States is going to be made by the President and the Congress, where that fits, or the President and the Senate, in the case of treaties.

I think that is critically important to lay the issue out very clearly for our colleagues. Then they may do exactly as they please. They have the right, if they wish to, to torpedo the Senate's role in foreign policy. That is their privilege, and I think that is what they will be doing.

Mr. President, I speak about this with some feeling, because I spent a good part of my life on the war powers resolution, which posed before us exactly the same issue of principle. That issue was this: We have the power to declare war; the President, as Commander in Chief, has the authority to deploy the forces of the United States. We have found, through bitter experience, that he may deploy those forces in such a way or over such a time as to bring on a war, which we do not have to declare, because if somebody shoots at a U.S. gunboat, which is what happened in the Tonkin Gulf, he has the right to move into war to any extent necessary to deal with that threat to the Armed Forces of the United States.

So there was a twilight zone: When do you move over from an action which a Commander in Chief not only has a right to take but which we want him to take in terms of the self-defense of the United States and its Armed Forces, into war, which only Congress can declare? So we settled the question by declaring a methodology.

The point is that we cannot change the Constitution. We can turn handsprings on any kind of bill or legislation but we cannot change it. It is what it is or what the Supreme Court interprets it to be. So, Mr. President, we did not try to change the Constitution in respect of the war powers resolution. What we did was develop a methodology. We set a time within which we said a self-defense action or any other action within the authority of the President as we saw it, short of war, was appropriate. But then we said that, at the end of that time, it becomes war as we define it. At that point, we can tell him, "Here, here, Mr. President, get out unless we give you the necessary authority."

That is essentially what the Senate has done in Senator HARRY BYRD's resolution. The Senate has declared a methodology in respect of a twilight zone in the Constitution, saying, "If you are going to terminate a treaty, you have to get our approval if it is a mutual defense treaty." That, I think, is entirely proper and entirely constitutional. But if we are going to go adventuring, Mr. President, into backtracking on something locked into the foreign policy of the United States because Senators did not agree with that policy and think they have found a way to undo it, and that we should be a party to it, we would be destroying, in my judgment, our credibility as a proper agency to join with the President in respect of foreign policy which is, in my judgment, one of our most dearly won rights regained following World War II.

Mr. President, that kind of issue cannot necessarily be decided in an hour and a half. That is why Senator CHURCH, with my support—I do not want to duck that responsibility at all—made the objection that he did, and quite properly did so, in my judgment, in the highest interest of the Senate and in the highest interest of the country.

Mr. GOLDWATER. Mr. President, I shall not be long, but what the distinguished Senator from New York said about the Byrd resolution I could not agree with more. The question that arises in my mind is: Why did it become necessary to have the chairman of the Committee on Foreign Relations attempt to attach an amendment that would put restrictions onto the Byrd resolution? If that had not happened, I would never have offered mine at all. I do not want the language to infer that I want to stop the termination that we have gone through with Taiwan or the recognition of the People's Republic. This is one of the things that bothers me.

The Senator referred to the judge's decision. I am reading from the decision:

> If the Senate or the Congress takes action the result of which falls short of approving the President's termination effort, then the controversy will be ripe for a judicial declaration respecting the President's authority.

I might say, Mr. President, that is all I am asking. I am asking for that kind of independent, judicial determination.

These are the reasons that disturb me, Mr. President. Why, for the first time in 200 years, do we have a President unilaterally abrogating a treaty? Again, it is amazing to me to hear Members of this body, who took the same oath that all of us have taken relative to the Constitution, defend what I consider to be an unconstitutional action by a President. I feel that, had the President sent a resolution asking this body to approve the abrogation of the treaty with Taiwan in accord with the Constitution, it would have passed this body. That is why I have said several times here, and I may yet do it, that I may offer an amendment that will do precisely that. It is mystifying to me, it is very, very mystifying to me, why we hear the arguments against the Senate's constitutional rights in the formation and abrogation of treaties.

The Senator mentioned the War Powers Act and he and I fought on that one, too. I might say that if I ever raise enough money, we are going to try the constitutionality of that, just as something for us to look forward to in our older years.

Unbelievably, the various Presidents of this country, have called out the troops over 200 times in the history of this country. Yet we have had only five declared wars and two of them were the same war. But that is an entirely different subject and I can understand the Senators saying that they did use the same kind of approach, because here again, an attempt has been made, down through our history, to get the question answered: What is the power of President as the Commander in Chief of our forces? We cannot find it spelled out in the Constitution. That is why I think a test of that will be valuable.

Mr. President, it is increasingly obvious to me that the opponents of my amendment are not going to have a vote on this this afternoon, so I am just going to sit down and let them carry the burden of the argument, and I shall be glad to listen.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Idaho (Mr. CHURCH), have ably debated the pending proposal.

I do not propose at this time to comment on that.

I do want to take a few moments, however, to clarify and summarize just what the Senate has already done.

Mr. President, the background is this.

On the first day of this session—January 15—I introduced a resolution which would put the Senate on record as stating that a President could not unilaterally terminate a treaty.

I was convinced that since the Senate is a partner with the President in the treaty-making process, it also is a partner in the treaty-terminating process.

The reason for the resolution, of course, was President Carter's action last December in granting diplomatic relations to the People's Republic of China and simultaneously serving notice that he intended to terminate the mutual defense treaty with the Republic of China on Taiwan.

I favor the President's decision to enter into diplomatic relations with mainland China.

While I disapproved of President Carter's casting overboard a long-time friend and ally, Taiwan, my fundamental concern was whether a President could unilaterally nullify a treaty.

The Byrd resolution was debated in the Senate on March 7 and 8. After lengthy debate, I agreed not to press it to a vote at that time so as to permit the Senate Foreign Relations Committee to hold hearings.

Despite the fact that the Foreign Relations Committee's report on the Taiwan enabling legislation stated that the Senate does have a constitutional role in the treaty-terminating process, both the chairman of the committee (Mr. CHURCH) and the ranking Republican (Mr. JAVITS) argued that the President could unilaterally terminate a treaty.

The Foreign Relations Committee held hearings on the Byrd resolution and reported back to the Senate a resolution which reversed the purpose and intent of the Byrd resolution and instead enunciated the view held by Senators CHURCH and JAVITS, the two ranking members.

After full Senate debate, I moved to substitute the original Byrd resolution for that reported by the Senate Foreign Relations Committee.

By a vote of 59 to 35 the Senate approved the Byrd resolution declaring it to be the judgment of the Senate that a treaty can be terminated only with the approval of the Senate.

The Senate has spoken loud and clear; the precedent has been established that in the judgment of the Senate a President cannot unilaterally nullify a treaty.

Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Will the Senator withhold that?

Mr. HARRY F. BYRD, JR. I withhold it.

Mr. JAVITS. I thank the Senator. I will put one in later.

I thank the Chair.

Mr. President, Senator Goldwater asked, and I gather it is implied from the next argument of the Senator from Virginia (Mr. Harry F. Byrd, Jr.), about why we felt the amendment we drafted respecting the Taiwan Treaty specifically was necessary. That is all of record before the Senate in debate, but I would like to summarize it because the question has been raised and it fits in at this point in the Record.

The Byrd resolution says:

> It is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

Mr. President, the fact is that the Taiwan Mutual Defense Treaty between Taiwan and the United States was terminated by the President giving a notice of termination effective 1 year from January 1, 1979. The words of art used in the resolution of Senator Harry F. Byrd, Jr., which was adopted by the Senate, could be construed—I say, could be construed—not to apply if they were left alone, and the interpretation we gave them on the floor respecting Taiwan took account of the fact that was the final notice, that was the only notice. Indeed, I put it in the Record in text, and I will do it again, just so the issue is clear. Mr. President, I ask unanimous consent that the State Department's notice of termination dated December 23, 1978, delivered to the authorities on Taiwan be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

NOTICE OF TERMINATION

December 23, 1978.

On behalf of the United States of America, and pursuant to article X of the Mutual Defense treaty between the United States of America and the Republic of China, signed at Washington December 2, 1954, I hereby give notice of the termination of this treaty. This notice shall be effective on and as of January 1, 1979, and under the terms of article X of the treaty, the treaty will terminate one year after that date.

Warren Christopher.

Mr. JAVITS. But subsequently we faced a declaration which came from one of the sponsors of the Byrd amendment, which said, "Well, we are not going into the notice of termination about Taiwan. Maybe it does and maybe it does not apply."

So that the interpretation of the authors, which is critically important in this matter—because, obviously, it is in court, and Senator Goldwater's case is being appealed—changed the situation so far as the record is concerned. Therefore, we had no choice, considering the issues as I described them a little while ago, but to try to make the question crystal clear.

Also, Mr. President, it is very significant that a number of Members have joined in this amendment by Senator Church and me to make it crystal clear that the Taiwan Treaty is ended, thus indicating that our concerns about the matter were not figments of our imagination. That is why, as a matter of duty and responsibility, we had to move as we did.

One other point, Mr. President: I do not think it is quite accurate to describe what the Foreign Relations Committee brought in as being the converse of Senator Byrd's proposition, and I will state why, because, again, I had something to do with trying to draft the words as to what the committee desired and intended.

We said that, for practical purposes, it is not necessary to decide that question on constitutional grounds; that we can simply fully safeguard the right of the Senate or Congress to terminate a treaty—whatever we wish—because there is no question about the law; that if we write it in a reservation to a treaty, that is it; that is the end of it.

Second, we applied that generically to all treaties, not just mutual defense treaties; because we felt that that was a perfectly fair and proper provision to make in any treaty—mutual defense or otherwise.

Last, because we know how many treaties are made by the United States—tax treaties, treaties about extradition, and a whole host of other matters—we provided that the Senate could be selective and could put such a reservation into any treaty where it felt it wished to reserve the right to concur either in itself or in the entire Congress.

It seems to me that that was hardly 180 degrees from what Senator Byrd intended, and I do not see that he has done any more except to make it generic as to mutual defense treaties. The Senator may differ with me, but that is my considered judgment; and I think that, in either case, the will of the Senate would have been followed fully.

Mr. President, I suggest the absence of a quorum.

Mr. GOLDWATER. Mr. President, will the Senator withhold that?

Mr. JAVITS. Yes.

Mr. GOLDWATER. Mr. President, the charge is plainly untrue that a court decision in my lawsuit might reverse the course of our Government's new relations with the People's Republic of China.

In the first place, the United States has already recognized the PRC. That is done and over with.

Second, ambassadors have been exchanged. Embassies have been established.

Third, several agreements have been signed, including one in principle relating to the settlement of outstanding claims of U.S. nationals. Trade agreements and contracts have been signed, and substantial and increasing trade and cultural contacts are taking place between the PRC and ourselves.

Before recognition, trade was already substantial, exceeding $1 billion in 1978. Two-way trade with Communist China will likely reach close to $2 billion this year.

These important aspects of normalization are already going forward. The idea that all of this will be reversed because of a lawsuit which does not challenge recognition and which does not raise any question about growing trade relations or other ties, is pure hogwash.

It is nothing but speculation, a sort of scare tactic.

Mr. President, I can reveal today that no one on behalf of the administration even asked the Communist Chinese whether it would be acceptable to them if the President came to Congress or the Senate for approval of the termination of the defense treaty with Taiwan. The constitutional method of terminating the treaty was never discussed. At no time during negotiations with them did the Red Chinese object to terminating the treaty by the normal process of getting legislative authority.

These facts came out in the answers of Assistant Secretary of State Warren Christopher to questions put to him by my attorneys during the lawsuit which is still pending in Federal court.

On the other hand, Eugene Rostow, a former Undersecretary of State for President Johnson, has given a statement under oath that Vice Premier Deng, the top leader of Communist China, told him last June 22 that termination of the Taiwan Treaty was not vital to improved relations between the PRC and the United States.

Dr. Rostow had a long conversation with Mr. Deng in Peking last June, during which 50 pages of notes were taken. From those notes, Dr. Rostow records Deng as saying "the organization of strategic and economic cooperation between our two countries does not have to wait on the final resolution of the Taiwan question."

In his sworn statement, Professor Rostow continues:

> The Vice Premier stated that it would be preferable if the United States accepted the Chinese terms for normalization, but did not insist on that point . . .

So there is no evidence Peking would break relations or cut off trade if the courts should decide the President must request legislative approval of his decision to terminate the treaty. In fact, the court need only rule that the process of terminating the treaty is incomplete.

If it should eventually decide in favor of the shared power of the Senate, the court would not rule that the treaty cannot be terminated. It would merely say to the President that he should allow the legislature to participate in his policy before the action was final. The People's Republic of China could hardly fault the President if a court, outside of his political control and influence, should decide his notice of intent to terminate the treaty was not binding until the Senate joined in making the final decision.

Also, I point out that President Carter, himself, has taken the very risk of damaging our new relations with the People's Republic of China, which is being charged against my lawsuit. On March 16, the Chinese Communist Foreign Minister, Huang Hua, met with our

Ambassador, Leonard Woodcock, in Peking and warned that passage of the Taiwan Relations Act would violate the agreement between the two countries on establishing diplomatic relations.

According to the official press release distributed by the Embassy of Communist China, the Foreign Minister protested that:

> If the bills are passed as they are worded now, and are signed into law, great harm will be done to the new relationship that has just been established between China and the United States.

The Chinese Government singled out as being particularly offensive several provisions of the bill. These provisions declared that:

First. The United States considers any efforts to resolve the Taiwan issue by other than peaceful means "of grave concern to the United States;" second, the United States will maintain its capacity "to resist any resort to force or other forms of coercion that would jeopardize the security, or social or economic system of the people on Taiwan;" third, the future of Taiwan will be determined "by peaceful means;" fourth, the term "people on Taiwan" includes "the governing authority on Taiwan;" fifth, any reference in U.S. laws to foreign countries and governments should apply to Taiwan; and Sixth, the properties belonging to the former Republic of China in the United States are not affected by recognition of the People's Republic of China.

Mr. President, I am reminded at this point that last night, on the news or in the newspaper, I heard or read that the Soviet Union has now said that if we change one word of the SALT agreement, it will not be binding on them, nor will it continue to be considered. Well, I wonder whether we are going to be influenced by the Soviet Union as we have been influenced by scare threats from the People's Republic of China. They are not going to bother me.

I have submitted an amendment to that treaty with respect to the Backfire bomber. The Russians can talk until their heads fall off, but I am going to try to get that amendment adopted by the Senate.

But getting back to the point that I have been trying to make, as my colleagues know, each of these supposedly objectionable provisions remained intact in the final bill signed by President Carter on April 11 as Public Law 96–86. Thus, in signing that law, President Carter took a risk that he would offend the PRC and upset the new relationship. He did so with advance warning and in the face of a specific protest by Communist China that his action might have harmful consequences.

Yet he did sign the law. And Communist China did not reverse its relations with our country.

Mr. President, I say that the President's own action shows that we cannot rely on any scare stories about what the Chinese Communists will do. The President himself did not believe their threats.

But how is President Carter's action in signing a law, which was strongly protested by Red China, different from what I am doing in the Court today? Why will my lawsuit upset the applecart any more than President Carter's act in signing the Taiwan Relations Act?

Obviously, it will not interfere with the new relations we have with China. We are a Nation of rule by law, not rule by decree. It will not hurt one thing if I or anyone else asks the Court to rule that the President should abide by democratic processes in carrying out his policies.

It may be true that he can get a majority of Congress to approve the termination of the treaty. But first he has to request it. That would remove the constitutional problem and allow our new policies in the Pacific to continue on course.

Mr. JAVITS. Mr. President, I am brought to my feet by the statement that that will remove the policy suestion and keep us on course. The policy question is removed by the Byrd amendment. It is finished. The only effect possible of the litigation that Senator GOLDWATER describes is the fact that it may lead to an invalidation of the termination of the Taiwan agreement.

While Senator GOLDWATER says, "Well, they did not actually pull out on a previous occasion when we signed with Taiwan," he does not know any more than I do what they would do on this occasion.

The point is that it is another way of trying to destroy that relationship. They would have another opportunity and a very valid one to pull out, because constantly it was reiterated time and time and time again that the essence of the recognition of Communist China and their recognition of the United States in terms of the exchange of ambassadors was based upon the fundamental point that the mutual defense relationship, the treaty, with Taiwan would be terminated.

So why give them this opening when it is unnecessary if we all agree that that should not be done? And that is what we are trying to nail down in view of the fact that a question has been raised about it, whether it has been raised by litigation or anything else.

Finally, if Senator GOLDWATER has a place in court, it is only because of his claim that the Constitution of the United States simply will not permit the President to terminate a treaty. That is litigable. There is nothing we can say or do to undo that. But we have already shown that his amendment tied directly to the judge's decision does exactly what the judge asks by our action, if we should be so unwise as to pass this amendment, delivering the jurisdiction to the court. It is for those reasons that we must as strongly as we can oppose it.

Might I say, also, that the statement that the President has never terminated a treaty, which is what I understood the Senator to say, is just not a fact.

The record, which is before every Senator, at pages 151, et cetera, of the hearings, will show that the President has terminated a dozen treaties without congressional involvement, and the counsel for the plaintiff in Senator GOLDWATER's case even admitted in court that these were examples, except that he sought to distinguish those terminations from this termination on the ground that it represented a termination, because of changed circumstances. Nevertheless, it was a termination without congressional participation.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. GOLDWATER. I specifically said a mutual defense treaty.

Mr. JAVITS. All right. I accept that clarification.

Mr. President, I again suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. RIEGLE). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with respect to the bill (H.R. 4289), Calendar Order No. 239, the supplemental appropriations bill, that there be a time limitation on the bill of 1 hour, to be equally divided; a time limitation of 30 minutes to be equally divided on any amendment in the first degree, with the exception of 1 hour on an amendment by Mr. WEICKER a time limitation of 1 hour on a Hatfield amendment; a limitation of 2 hours to be equally divided on one Boschwitz amendment, or a limitation of 1 hour, equally divided, on each of two Boschwitz amendments; and a limitation of 20 minutes on amendments in the second degree; a limitation of 10 minutes to be equally divided on debatable motions, points of order, and so forth.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Will the Senator let me finish? A limitation of 10 minutes, equally divided, on debatable motions, points of order, or appeals.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I reserve only to advise my colleagues on this side of the aisle that the time limitation the majority leader has just requested has been worked out over some period of time on this side, and we have no objection to its being granted.

Mr. ROBERT C. BYRD. Mr. President, I amend my request to provide that the time on the bill be equally divided between the Senator from Washington (Mr. MAGNUSON) and the Senator from North Dakota (Mr. YOUNG), and that the agreement be in the usual form with respect to division and control of time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. This does not stop any other Member from amending?

Mr. ROBERT C. BYRD. Oh, no.

Mr. JAVITS. Very well; that is fine.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HARRY F. BYRD, JR. As I understand, there is a time limitation of 1 hour on the bill, to be equally divided?

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD, JR. Will the Senator amend that to give the Senator from Virginia 15 minutes?

Mr. ROBERT C. BYRD. Yes, Mr. President, I amend the request to provide that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) may have control of 15 minutes on the bill.

Mr. BAKER. Mr. President, reserving the right to object, will the Senator yield for just 1 moment?

Mr. ROBERT C. BYRD. Yes. Mr. President, I temporarily withdraw the request.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I renew my request with the following proviso: That any amendment dealing with funds for the Virgin Islands is not to be covered by the agreement.

The PRESIDING OFFICER. Is there objection? Without objection, the request is agreed to.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 4289 (Order No. 239), an act making supplemental appropriations for the fiscal year ending Sept. 30, 1979, and for other purposes, debate on any amendment in the first degree (except ten amendments by the Senator from Connecticut (Mr. WEICKER), on which there shall be 1 hour each; one amendment by the Senator from Oregon (Mr. HATFIELD), on which there shall be 2 hours; one amendment by the Senator from Minnesota (Mr. BOSCHWITZ), on which there shall be 2 hours, or two amendments by the Senator from Minnesota (Mr. BOSCHWITZ), on each of which there shall be 1 hour) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1¼ hours, to be divided and controlled, respectively, with 30 minutes for the Senator from Washington (Mr. MAGNUSON), 30 minutes for the Senator from North Dakota (Mr. YOUNG), and with 15 minutes for the Senator from Virginia (Mr. HARRY F. BYRD): Provided, That the said Senators, or any one of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

AUTHORITY TO SIGN DULY ENROLLED BILLS AND RESOLUTIONS DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until Monday, the Vice President of the United States, the President of the Senate pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO RECEIVE MESSAGES DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until Monday, the Secretary of the Senate be authorized to receive messages from the House of Representatives and/or the President of the United States, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M., MONDAY. JUNE 25, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

Has the order been entered already that upon the completion of the orders for the recognition of the two leaders or their designees under the standing order on Monday, the Senate will proceed to consider the supplemental appropriation bill?

The PRESIDING OFFICER. The Senator is correct.

DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, under the authority that has been previously granted to me, I call up Calendar Order No. 66.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 28) proposing an amendment to the Constitution to provide for the direct election of the President and Vice President of the United States.

The Senate proceeded to consider the joint resolution.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate adjourn for 30 seconds.

There being no objection, at 2:33:15 p.m., on Thursday, June 21, 1979, the Senate adjourned until 2:33:45 p.m., the same day.

AFTER ADJOURNMENT

THURSDAY, JUNE 21, 1979

The Senate met at 2:33:45 p.m., pursuant to adjournment, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to exceed 2 minutes, and Senators may speak therein for 1 minute; that no resolutions come over under the rule, and that no action occur whatsoever under rule XIV.

The PRESIDING OFFICER. Is there objection? The chair hears none. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if any Senators wish to direct remarks to the unfinished business now, the constitutional amendment on direct elections, they may do so during the remainder of the day. I do not anticipate any rollcall votes. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MURDER OF MR. STEWART

Mr. DURENBERGER. Mr. President, I stand with great sorrow over the brutal and savage killing yesterday of ABC News Reporter Bill Stewart. The deliberate, senseless murder of Mr. Stewart has left all of us in a state of shock.

Mixed with my sorrow, though, is indignation, anger and bitterness over this heinous crime. We, as American citizens and representatives of the public, cannot let this unspeakable act of aggression go unchallenged.

In a very real sense we must hold Nicaraguan President Anastasio Somoza responsible for this crime. His constant railing against American journalists for their coverage of the civil war created the atmosphere in which a National Guard soldier assumes the power of an executioner.

We must condemn this act of barbarism with our actions, not only our statements.

I have sent a telegram to the family of Mr. Stewart, but words printed on a sheet of paper cannot express the depth of my feelings.

I ask my colleagues and all Americans to pause for a moment of silence in honor of Mr. Stewart and ask unanimous consent that the following article from the Minneapolis Tribune be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

FORMER WCCO REPORTER STEWART KILLED IN NICARAGUA

MANAGUA, NICARAGUA.—Bill Stewart, an ABC News correspondent and former reporter for WCCO-TV in Minneapolis, was shot in the head and killed by a national guardsman Wednesday at a government roadblock in Nicaragua.

ABC-TV crewmen with Stewart said he and a Nicaraguan interpreter, Juan Francisco Espinosa, were killed deliberately by troopers as other guardsmen watched.

President Anatastio Somoza said a military court already has been formed to investigate the killings and "those guilty will be punished."

Staff members in Managua of the three major U.S. networks, ABC, NBC, and CBS, said they would leave Nicaragua to protest the slayings. They said they would accompany Stewart's body when it is returned to the United States. Plans call for the body to be flown to Panama today aboard a U.S. Air Force cargo plane.

In Washington, President Carter decried the killing as "an act of barbarism that all civilized people condemn."

A State Department spokesman said Secretary of State Cyrus Vance asked for a full report from the U.S. Embassy and from the Nicaraguan government.

All three television networks presented film on their evening news programs of Stewart's murder.

The crew soundman, James Cefalo of Miami, said the interpreter apparently told guardsmen at the roadblock on the east side of Managua that Stewart wanted to conduct interviews and explained they meant no harm.

He said Stewart had a presidential press card in his hand when he was shot.

Cefalo, watching from the crew's van, gave this account:

Guardsmen motioned for Stewart and the interpreter to split up, and, after a few moments, "I saw Bill on his knees with his hands raised.

"The guardsmen approached and motioned for them to lay face down . . . Then one guard walked over and kicked Bill in the side. After Bill was kicked, the guard stepped back, motioned for him to put his hands behind his head.

"Then the guard stepped forward and shot him once in the head" with a rifle. "Then they motioned for the driver to pull the van ahead. That was when we saw the interpreter's body."

The eastern section of the city has been the scene of heavy fighting between national guardsmen and Sandinista rebel forces who are attempting to oust Somoza and end four decades of his family's rule.

Stewart worked for WCCO from November 1972 to July 1978 as an investigative reporter and anchor man of the noon news. He replaced Dave Moore when Moore was on vacation.

News Director Ron Handberg said yesterday, "He was one of the finest investigative reporters we ever had."

Bill Carlson, host of WCCO's "Midday" show and a close friend of Stewart's, said Stewart had recently been in Iran on assignment. Carlson said, "He was very concerned with going to Nicaragua. He said that he found in Iran that anybody on a street corner can kill you and never be called to account for it. . . . He wasn't very pleased about going to another country like that." He had been in Nicaragua about a week, according to Carlson.

While in Iran, Stewart had an exclusive interview with Ayatollah Ruhollah Khomeini during which the religious leader described his plans for an Islamic republic.

While at WCCO, he won an award in 1974 for a five-part series on the security guard industry.

Stewart is survived by his wife, Myrna, and his parents who live in Huntington, West Virginia.

THE NEED FOR PROMPT ISSUANCE OF OLDER AMERICAN ACT REGULATIONS

Mr. COHEN. Mr. President, 8 months ago, on October 18, 1978, the President signed into law the Comprehensive Older Americans Act of 1978. At that time, I was a Member of the House of Representatives and I took a keen and active interest in the enactment of this legislation. The 95th Congress significantly restructured this important statute, which is the principle vehicle for providing Federal assistance to State and local programs for the elderly.

As a Senator from a rural State, I have a strong interest in the efforts contained in Public Law 95-478 to expand services to the elderly who reside in rural areas. There is a critical need to extend aging services in the less densely populated areas of our country where governmental services are generally less available. But the new initiatives contained in the 1978 amendments to the Older Americans Act remain largely unrealized. The multiyear planning process has yet to take effect and the States have not been given any guidance on how best to implement the statutory requirement that they expand their effort to meeting the needs of the rural elderly to 105 percent of the fiscal year 1978 level.

Mr. President, in the process of consolidating the social service, senior center, and nutrition programs into a single service delivery mechanism, Congress did not provide a specific authorization for multipurpose senior centers. It was assumed that the centers would continue and expand as one of the social services authorized under part B. The joint explanatory statement of the committee of conference said that—

> In deleting the separate authorization, the Conferees emphasize the importance of multi-purpose senior centers in developing a comprehensive social service network, and expect that area agencies will continue to place appropriate emphasis on their development and expansion.

In spite of this language, there have been reports from various States that funds previously earmarked for senior centers are being diverted to support other social services. This is only one example of where the drift and lack of executive leadership on the Federal level has served to weaken an important component in the aging network

Mr. President, I could go on at great length citing example after example of significant changes contained in Public Law 95-478. The State and area agencies on aging are operating in a vacuum when it comes to implementing this new law. The longer this situation is allowed to continue the more harm will be done to our aging programs. I would, therefore, urge Secretary Califano and Commissioner Benedict to do everything in their power to expedite the publication of proposed regulations implementing the Comprehensive Older Americans Act Amendments of 1978. Even if those regulations were to be published in the Federal Register today, it would not be possible to have them in place on October 1, when the new fiscal year begins. The longer this delay continues, the more it will dislocate these important programs. Right now, the difficulties are largely being felt within the aging network. But, in the not too distant future, the detrimental impact will begin to be felt by senior citizens all across this Nation.

THE IMPORTANCE OF NICARAGUA

Mr. HELMS. Mr. President, the situation in Nicaragua grows more grave with every passing day. It is a situation that has been exacerbated by the actions of the United States in its diplomatic relations with the Somoza government. The heart of the matter is the fact that the guerrilla war in Nicaragua is not being supported indigenously; it is plainly receiving its strongest support from Cuba, Panama, and Costa Rica. Even today it is reported that another 700 guerrillas are approaching Nicaragua through Costa Rica, coming from Panama.

Whatever the merits or demerits of the Somoza government, the truth of the situation is that the Sandinista rebellion is an international operation, financed, trained, and supplied from abroad. The new guerrillas reportedly include not just Nicaraguans, but Panamanians, Spaniards, Chileans, and East Germans. The weapons captured from the Sandinistas have been traced not only to supplies illegally smuggled from the United States by the Panamanian Government, but also to arms manufactured especially for Cuba with unique identifying marks.

The suffering people of Nicaragua are the target of this warfare, not the perpetrators.

There has been an attempt by the media to portray the war as an uprising by the people against an evil and rapacious dictatorship. But even in their reports it becomes obvious that the people are not flocking to support the Sandinistas. The people themselves are the victims of a terrorist campaign conducted by the Sandinistas, as well as victims of the warfare perpetrated by the guerrillas. The Sandinistas are literally holding the people hostage, and many of them are being killed in the crossfire that results when the legitimate Government attempts to restore order.

From what I have been able to find out, the Somoza government is neither the best nor the worst of governments in the Western Hemisphere. But it is a government which is legitimately elected, under a constitution that is perfectly adequate. The President was elected in an election supervised by 22 observers from the Organization of American States. Yesterday I spoke with Ambassador Turner Shelton, who was the U.S. Ambassador to Nicaraugua at the time of the election, and he told me that he had never seen an election that was more free and fair.

Incidently, Ambassador Shelton, himself a career U.S. diplomat, narrowly escaped assassination at the hands of the Sandinistas.

Now it is not the purpose of the Senator from North Carolina to judge the election, nor the Constitution which was the basis for it. Nevertheless, the Constitution itself is in existence. It provides the basis for peaceful reform, if reform is called for. It provides for elections in 1981, in which neither the President nor his son are eligible to participate. There has been absolutely no evidence that conditions in Nicaragua are so bad that they justify a violent revolution to effect reform.

Moreover, President Somoza himself has constantly shown himself open to peaceful change, provided that such chance does not leave a political vacuum or chaos. Unfortunately, it is always very easy to destabilize a governmental structure and to pull it down. It is very difficult to substitute a stable political structure that still leaves intact the political, property, and human rights that the West considers essential to decent civilization.

In every case where the United States has participated in bringing down an established government—In South Vietnam, for example, or Cambodia, or Cuba, or China—we have seen a human and social disaster, in which the substitute is Communist tyranny.

There is no question at all what would be set up if the Sandinistas took over. The so-called provisional government of the Sandinistas, already announced, consists of three Communists (or, as the media prefers, "Marxists"), a collaborator businessman, and an unfortunate widow who is being exploited for her husband's name. We know full well that Communist and prosocialist nations are the main spearhead behind the guerrilla movement. If the Sandinistas take over, it will be the first step to bringing Castroism to the mainland, and will destabilize the entire region around the Panama Canal. It is not in the security interests of the United States or the Western Hemisphere to allow that to happen.

Any pressure, therefore, to force President Somoza to step down, with no concern for what may follow, is a step into chaos and disaster. Therefore, I call upon President Somoza to resist any untoward pressure, from the United States or from other nations, to step down unless it can be assured that a structure of free government, one that is demonstrably the will of the people, will follow and maintain full political, property, and human rights. If President Somoza should yield at this time and allow the Communist guerrillas to take over, he will be condemning his people and the people of the Western Hemisphere to a draconian fate.

I know that, in the past, President Somoza took the initiative, and called for a plebiscite on his government. He was then and no doubt is now willing to submit his government to a vote of the people. But a team of international negotiators, headed by U.S. Ambassador William G. Bowdler, insisted that such a plebiscite be held on terms that would make it virtually impossible to check on the legitimacy of the electors; moreover, it would have imposed a government based upon arbitrary divisions of power among the negotiating groups, including the Sandinistas. There was absolutely no requirement that the new government prove that the components actually represented the will of the people. It would be interesting to know whether the Sandinistas would be willing to submit to a true plebiscite.

I think that President Somoza was wise to reject such terms, because he has a duty either to fulfill his constitutional office, or resign in such a manner that the structures of government survive to protect the rights of the people.

The same test must be applied to any action that is taken at the present time. Nicaragua is presently in a difficult situation. The economy is at a standstill because of the guerrilla warfare. United States humanitarian aid to the poor has been cut off in an attempt to force the President to resign. Even food is growing scarce.

The United States should immediately take action to get humanitarian assistance to the people of Nicaragua, and to shut off the military supplies and outside reinforcements that the Communists are now sending in to support the Sandinistas. I hope that this afternoon's meeting at the OAS will achieve a consensus that the first requirement is to stabilize the situation and prevent outside interference. If that does not happen, we may all realize, too late, the crucial importance of Nicaragua to the security of the hemisphere.

WE'RE GONNA MISS YA, DUKE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that a statement appearing in this morning's Wall Street Journal entitled "We're Gonna Miss Ya, Duke," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE'RE GONNA MISS YA, DUKE

When you came riding into town, varmints scrambled, dance hall girls powdered their noses, and yellow-bellies ran for the hills.

You ambled into our hearts, stiffened our spines, and made us stand taller.

From the sands of Iwo Jima to the gates of the Alamo, you taught us all a lesson.

Sure, your movies were play-acting. But they showed that our true strength is in our people. The worker on the production line, the fighting man, truck driver, waitress, miner, farmer, nurse, cowboy.

Wherever you're going, Duke, roll yourself a smoke, take a slug of whiskey, lean back, put a thumb under your suspenders—and take pride that you taught us the meaning of true grit.

John Wayne gave more to America than he took from America. How many of us can say the same?

SAVING NICARAGUA FROM SOMOZA

Mr. BUMPERS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New York Times of Wednesday, June 20, 1979, entitled "Saving Nicaragua from Somoza."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SAVING NICARAGUA FROM SOMOZA

The Carter Administration has urgently summoned the foreign ministers of the Americas to try, against hope, to find a democratic path out of Nicaragua's civil war. The alternatives are bleak: a victory of General Somoza's National Guard that preserves his corrupt dictatorship, or a military triumph by the Sandinist guerrillas that overwhelms their partners in the battles of the past year. Now, as before, the General's refusal to depart dims the prospects for democrats.

The security of the United States and other American nations is not necessarily threatened by Sandinists or any other revolutionary movement. That security, however, can be affected by the ways in which such movements come to power and by the quality of government they provide, particularly if all these circumstances should make them dependent on the support of Soviet, Cuban or other unfriendly governments. What hope remains in Nicaragua rides on the Sandinists' willingness to join in a broad political coalition of opposition forces, represented by the announced Provisional Government. That cooperative spirit is likely to disappear, though, if General Somoza loses a fight to the finish. Then those who wield the guns may want to rule alone and look to revolutionary regimes for support.

It is not the Organization of American States, therefore, that can make Nicaragua safe for democracy—not at least without the kind of intervention that would be imprudent even if it were more widely favored. General Somoza must finally admit that his refusal to yield power is abetting radicalism, not preventing it. When the United States and the O.A.S. begged him to permit a free election last fall, he refused to consider anything that he could not control. He thought his National Guard, once refreshed, would prevail. But he plainly underestimated not only the guerrilla forces but also the depth of the opposition to him throughout the country.

Now that he is on the ropes again, the Carter Administration cannot quite bring itself to declare the General finished, as a number of Latin governments have done. It wants him to yield in some orderly fashion and it wants to hold the hemisphere's governments to a joint policy. The reasons for this maneuvering probably have more to do with politics in the United States than in Nicaragua, but they are not unimportant. The legislation carrying out the controversial Panama Canal treaties is still in trouble in Congress where General Somoza has his share of friends. President Carter can do without the title of midwife to a Central American radical regime.

Perhaps there is still time for the O.A.S. to persuade General Somoza that the constitutional values he professes can be served only by his withdrawal. The United States interest, in any case, lies in the future of Nicaragua, not General Somoza.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. CHURCH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1007.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1007) entitled "An Act to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Special International Security Assistance Act of 1979".

STATEMENT OF POLICY AND FINDINGS

SEC. 2. (a) It is the policy of the United States to support the peace treaty concluded between the Government of Egypt and the Government of Israel on March 26, 1979. It is a significant step toward a full and comprehensive peace in the Middle East. The Congress urges the President to continue to exert every effort to bring about a comprehensive peace and to seek an end by all parties to the violence which could jeopardize this peace. The peace treaty between Egypt and Israel having been ratified, the Congress finds that the national interests of the United States are served—

(1) by authorizing the President to construct air bases in Israel to replace the Israeli air bases on the Sinai peninsula that are to be evacuated;

(2) by authorizing additional funds to finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements; and

(3) by authorizing additional funds for economic assistance for Egypt in order to promote the economic stability and development of that country and to support the peace process in the Middle East.

(b) The authorizations contained in section 4 do not constitute congressional approval of the sale of any particular weapons system to either Israel or Egypt. These sales will be reviewed under the normal procedures set forth under section 36(b) of the Arms Export Control Act.

(c) The authorities contained in this Act to implement certain arrangements in support of the peace treaty between Egypt and Israel do not signify approval by the Congress of any other agreement, understanding, or commitment made by the executive branch.

CONSTRUCTION OF AIR BASES IN ISRAEL

SEC. 3. Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"Chapter 7—AIR BASE CONSTRUCTION IN ISRAEL

"SEC. 561. GENERAL AUTHORITY.—The President is authorized—

"(1) to construct such air bases in Israel for the Government of Israel as may be agreed upon between the Government of Israel and the Government of the United States to replace the Israeli air bases located at Etzion and Etam on the Sinai peninsula that are to be evacuated by the Government of Israel; and

"(2) for purposes of such construction, to furnish as a grant to the Government of Israel, on such terms and conditions as the President may determine, defense articles and defense services, which he may acquire from any source, of a value not to exceed the amount appropriated pursuant to section 562(a).

"SEC. 562. AUTHORIZATION AND UTILIZATION OF FUNDS.—(a) There is authorized to be appropriated to the President to carry out this chapter not to exceed $800,000,000, which may be made available until expended.

"(b) Upon agreement by the Government of Israel to provide to the Government of the United States funds equal to the difference between the amount required to complete the agreed construction work and the amount appropriated pursuant to subsection (a) of this section, and to make those funds available, in advance of the time when payments are due, in such amounts and at such times as may be required by the Government of the United States to meet these additional costs of construction, the President may incur obligations and enter into contracts to the extent necessary to complete the agreed construction work, except that this authority shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(c) Funds made available by the Government of Israel pursuant to subsection (b) of this section may be credited to the appropriation account established to carry out the purposes of this section for the payment of obligations incurred and for refund to the Government of Israel if they are unnecessary for this purpose, as determined by the President. Credits and the proceeds of guaranteed loans made available to the Government of Israel pursuant to the Arms Export Control Act, as well as any other source of financing available to it, may be used by Israel to carry out its undertaking to provide such additional funds.

"SEC. 563. WAIVER AUTHORITIES.—(a) It is the sense of the Congress that the President should take all necessary measures consistent with law to insure the efficient and timely completion of the construction authorized by this chapter, including the exercise of authority vested in him by section 633(a) of this Act.

"(b) The provisions of paragraph (3) of section 636(a) of this Act shall be applicable to the use of funds available to carry out this chapter, except that no more than sixty persons may be engaged at any one time under that paragraph for purposes of this chapter.".

SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES LOAN GUARANTIES FOR EGYPT AND ISRAEL

SEC. 4. (a) In addition to amounts authorized to be appropriated for the fiscal year 1979 by section 31(a) of the Arms Export Control Act, there is authorized to be appropriated to the President to carry out that Act $370,000,000 for the fiscal year 1979.

(b) Funds made available pursuant to subsection (a) of this section may be used only for guaranties for Egypt and Israel pursuant to section 24(a) of the Arms Export Control Act. The principal amount of loans guaranteed with such funds shall not exceed $3,700,000,000 of which amount $2,200,000,000 shall be available only for Israel and $1,500,000,000 shall be available only for Egypt. The principal amount of such guaranteed loans shall be in addition to the aggregate ceiling authorized for the fiscal year 1979 by section 31(b) of the Arms Export Control Act.

(c) Loans guaranteed with funds made available pursuant to subsection (a) of this section shall be on terms calling for repayment within a period of not less than thirty years, including an initial grace period of ten years on repayment of principal.

(d)(1) The Congress finds that the Governments of Israel and Egypt each have an enormous external debt burden which may be made more difficult by virtue of the financing authorized by this section. The Congress further finds that, as a consequence of the impact of the debt burdens incurred by Israel and Egypt under such financing, it may become necessary in future years to modify the terms of the loans guaranteed with funds made available pursuant to this section.

(2) In order to assist the Congress in determining whether any such modification is warranted, the President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, by January 15 of each year, an annual report regarding economic conditions prevailing in Israel and Egypt which may affect their respective ability to meet their obligations to make payments under the financing authorized by this section. In addition to such annual report, the President shall transmit a report containing such information within thirty days after receiving a request therefor from the chairman of the Committee on Foreign Relations of the Senate or from the chairman of the Committee on Foreign Affairs of the House of Representatives.

SUPPLEMENTAL AUTHORIZATION OF ECONOMIC SUPPORT FOR EGYPT

SEC. 5. There is authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $300,000,000 for the fiscal year 1979 for Egypt, in addition to amounts otherwise authorized to be appropriated for such chapter for the fiscal year 1979. The amounts appropriated pursuant to this section may be made available until expended.

TRANSFER OF FACILITIES OF THE SINAI FIELD MISSION TO EGYPT

SEC. 6. The President is authorized to transfer to Egypt, under such terms and conditions as he may determine, such of the facilities and related property of the United States Sinai Field Mission as he may determine, upon the termination of the activities of the Sinai Field Mission in accordance with the terms of the peace treaty between Egypt and Israel.

CONTRIBUTIONS BY OTHER COUNTRIES TO SUPPORT PEACE IN THE MIDDLE EAST

SEC. 7. (a) It is the sense of the Congress that other countries should give favorable consideration to providing financial assistance to support peace in the Middle East. Therefore, it is the sense of the Congress that the President should consult with other countries to develop a common program of assistance to, and investments in, Israel and Egypt and other countries in the region should they join in Middle East peace agreements.

(b) It is the sense of the Congress that other countries should give favorable consideration to providing for support for the implementation of the peace treaty between Egypt and Israel. Therefore, the Congress requests that the President take all appropriate steps to consult with other countries and to promote an agreement for the establishment of a peace development fund whose purpose would be to underwrite the costs of implementing a Middle East peace.

(c) The President shall report to the Congress within one year after the enactment of this Act with regard to (1) the efforts made by the United States to consult with other countries in order to increase the economic assistance provided to Egypt and Israel and others in the region participating in the peace process by other donors, and (2) the impact on Egypt's economy of Arab sanctions against Egypt.

PLANNING FOR TRILATERAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION BY EGYPT, ISRAEL, AND THE UNITED STATES

SEC. 8. (a) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should be prepared to participate, at an appropriate time, in trilateral cooperative projects of a scientific and technological nature involving Egypt, Israel, and the United States.

(b) Therefore, the President shall develop a plan to guide the participation of both United States Government agencies and private institutions in such projects. This plan shall identify—

(1) potential projects in a variety of areas appropriate for scientific and technological cooperation by the three countries, including agriculture, health, energy, the environment, education, and water resources;

(2) the resources which are available or which would be needed to implement such projects; and

(3) the means by which such projects would be implemented.

(c) The President shall transmit the plan developed pursuant to subsection (b) to the Congress within 12 months after the date of enactment of this Act.

REPORT ON COSTS TO THE UNITED STATES OF IMPLEMENTING THE PEACE TREATY BETWEEN EGYPT AND ISRAEL

SEC. 9. Not later than 90 days after the date of enactment of this Act, the President shall submit to the Congress a detailed and comprehensive report on the costs to the United States Government associated with implementation of the peace treaty between Egypt and Israel. The report shall include estimates of all costs of any kind to any department or agency of the United States Government which may result from United States activities in support of the peace treaty.

Amend the title so as to read: "An Act to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel, and for other purposes.".

UP AMENDMENT NO. 296

Mr. CHURCH. Mr. President, I move that the Senate concur in the amendments of the House with an amendment in the nature of a substitute which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 296.

In lieu of the language proposed to be inserted, insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Special International Security Assistance Act of 1979".

STATEMENT OF POLICY AND FINDINGS

SEC. 2. (a) It is the policy of the United States to support the peace treaty concluded between the Government of Egypt and the Government of Israel on March 26, 1979. This treaty is a significant step toward a full and comprehensive peace in the Middle East. The Congress urges the President to continue to exert every effort to bring about a comprehensive peace and to seek an end by all parties to the violence which could jeopardize this peace.

(b) The peace treaty between Egypt and Israel having been ratified, the Congress finds that the national interests of the United States are served—

(1) by authorizing the President to construct air bases in Israel to replace the Israeli air bases on the Sinai peninsula that are to be evacuated;

(2) by authorizing additional funds to finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements; and

(3) by authorizing additional funds for economic assistance for Egypt in order to promote the economic stability and development of that country and to support the peace process in the Middle East.

(c) The authorities contained in this Act to implement certain arrangements in support of the peace treaty between Egypt and Israel do not signify approval by the Congress of any other agreement, understanding, or commitment made by the executive branch.

CONSTRUCTION OF AIR BASES IN ISRAEL

SEC. 3. Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"Chapter 7—AIR BASE CONSTRUCTION IN ISRAEL

"SEC. 561. GENERAL AUTHORITY.—The President is authorized—

"(1) to construct such air bases in Israel for the Government of Israel as may be agreed upon between the Government of Israel and the Government of the United States to replace the Israeli air bases located at Etzion and Etam on the Sinai peninsula that are to be evacuated by the Government of Israel; and

"(2) for purposes of such construction, to furnish as a grant to the Government of Israel, on such terms and conditions as the President may determine, defense articles and defense services, which he may acquire from any source, of a value not to exceed the amount appropriated pursuant to section 562(a).

"SEC. 562. AUTHORIZATION AND UTILIZATION OF FUNDS.—(a) There is authorized to be appropriated to the President to carry out this chapter not to exceed $800,000,000, which may be made available until expended.

"(b) Upon agreement by the Government of Israel to provide to the Government of the United States funds equal to the difference between the amount required to complete the agreed construction work and the amount appropriated pursuant to subsection (a) of this section, and to make those funds available, in advance of the time when payments are due, in such amounts and at such times as may be required by the Government of the United States to meet those additional costs of construction, the President may incur obligations and enter into contracts to the extent necessary to complete the agreed construction work, except that this authority shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(c) Funds made available by the Government of Israel pursuant to subsection (b) of this section may be credited to the appropriation account established to carry out the purposes of this section for the payment of obligations incurred and for refund to the Government of Israel if they are unnecessary for that purpose, as determined by the President. Credits and the proceeds of guaranteed loans made available to the Government of Israel pursuant to the Arms Export Control Act, as well as any other source of financing available to it, may be used by Israel to carry out its undertaking to provide such additional funds.

"SEC. 563. WAIVER AUTHORITIES.—(a) It is the sense of the Congress that the President should take all necessary measures consistent with law to insure the efficient and timely completion of the construction authorized by this chapter, including the exercise of authority vested in him by section 633(a) of this Act.

"(b) The provisions of paragraph (3) of section 636(a) of this Act shall be applicable to the use of funds available to carry out this chapter, except that no more than 60 persons may be engaged at any one time under that paragraph for purposes of this chapter.".

SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES LOAN GUARANTIES FOR EGYPT AND ISRAEL

SEC. 4. (a) The Congress finds that the legitimate defense interests of Israel and Egypt require a one time extraordinary assistance package due to Israel's phased withdrawal from the Sinai and Egypt's shift from reliance on Soviet weaponry. The authorizations contained in this section do not, however, constitute congressional approval of the sale of any particular weapons system to either country. These sales will be reviewed under the normal procedures set forth in section 36(b) of the Arms Export Control Act.

(b) In addition to amounts authorized to be appropriated for the fiscal year 1979 by section 31(a) of the Arms Export Control Act, there is authorized to be appropriated to the President to carry out that Act $370,000,000 for the fiscal year 1979.

(c) Funds made available pursuant to subsection (b) of this section may be used only for guaranties for Egypt and Israel pursuant to section 24(a) of the Arms Export Control Act. The principal amount of loans guaranteed with such funds may not exceed $3,700,000,000 of which $2,200,000,000 shall be available only for Israel and $1,500,000,000 shall be available only for Egypt. The principal amount of such guaranteed loans shall be in addition to the aggregate ceiling authorized for the fiscal year 1979 by section 31(b) of the Arms Export Control Act.

(d) Loans guaranteed with funds made available pursuant to subsection (b) of this section shall be on terms calling for repayment within a period of not less than thirty years, including an initial grace period of ten years on repayment of principal.

(e)(1) The Congress finds that the Governments of Israel and Egypt each have an enormous external debt burden which may be made more difficult by virtue of the financing authorized by this section. The Congress further finds that, as a consequence of the impact of the debt burdens incurred by Israel and Egypt under such financing, it may become necessary in future years to modify the terms of the loans guaranteed with funds made available pursuant to this section.

(2) In order to assist the Congress in determining whether any such modification is warranted, the President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, by January 15 of each year, an annual report regarding economic conditions prevailing in Israel and Egypt which may affect their respective ability to meet their obligations to make payments under the financing authorized by this section. In addition to such annual report, the President shall transmit a report containing such information within 30 days after receiving a request therefor from the chairman of the Committee on Foreign Relations of the Senate or from the chairman of the Committee on Foreign Affairs of the House of Representatives.

SUPPLEMENTAL AUTHORIZATION OF ECONOMIC SUPPORT FOR EGYPT

SEC. 5. There is authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $300,000,000 for the fiscal year 1979 for Egypt, in addition to amounts otherwise authorized to be appropriated for such chapter for the fiscal year 1979. The amounts appropriated pursuant to this section may be made available until expended.

TRANSFER OF FACILITIES OF THE SINAI FIELD MISSION TO EGYPT

SEC. 6. The President is authorized to transfer to Egypt, on such terms and conditions as he may determine, such of the facilities and related property of the United States Sinai Field Mission as he may determine, upon the termination of the activities of the Sinai Field Mission in accordance with the terms of the peace treaty between Egypt and Israel.

CONTRIBUTIONS BY OTHER COUNTRIES TO SUPPORT PEACE IN THE MIDDLE EAST

SEC. 7. (a) It is the sense of the Congress that other countries should give favorable consideration to providing support for the implementation of the peace treaty between Egypt and Israel. Therefore, the Congress requests that the President consult with other countries in order to (1) promote and develop an agreement for the establishment of a peace development fund whose purpose would be to underwrite the costs of implementing a Middle East peace, and (2) encourage investments in Israel and Egypt and other countries in the region should they join in Middle East peace agreements.

(b) Not later than January 31, 1980, the President shall report to the Congress with regard to (1) the efforts made by the United States to consult with other countries in order to increase the economic assistance provided by other donors to Egypt and Israel and to others in the region participating in the peace process, and (2) the impact on Egypt's economy of Arab sanctions against Egypt.

PLANNING FOR TRILATERAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION BY EGYPT, ISRAEL, AND THE UNITED STATES

SEC. 8 (a) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should be prepared to participate, at an appropriate time, in trilateral cooperative projects of a scientific and technological nature involving Egypt, Israel, and the United States.

(b) Therefore, the President shall develop a plan to guide the participation of both United States Government agencies and private institutions in such project. This plan shall identify—

(1) potential projects in a variety of areas appropriate for scientific and technological cooperation by the three countries, including agriculture, health, energy, the environment, education, and water resources;

(2) the resources which are available or which would be needed to implement such projects; and

(3) the means by which such projects would be implemented.

(c) The President shall transmit the plan developed pursuant to subsection (b) of the Congress within 12 months after the date of enactment of this Act.

REPORT ON COSTS TO THE UNITED STATES OF IMPLEMENTING THE PEACE TREATY BETWEEN EGYPT AND ISRAEL

SEC. 9. Not later than 90 days after the date of enactment of this Act, the President shall submit to the Congress a detailed and comprehensive report on the costs to the United States Government associated with implementation of the peace treaty between Egypt and Israel. The report shall include estimates of all costs of any kind to any department or agency of the United States Government which may result from United States activities in support of the peace treaty.

NON-PROLIFERATION OF NUCLEAR WEAPONS

SEC. 10. In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly encourages all countries in the Middle East which are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons to become parties to the Treaty.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The Chair heard a motion to reconsider. Was there a motion to table the motion to reconsider or not?

Mr. CHURCH. Mr. President, I withdraw the motion to reconsider.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. JAVITS subsequently said: Mr. President, earlier the Senate acted respecting a House-Senate conference on S. 1007, generally known here as the Egypt-Israel package of authorizations. I was not on the floor at the time.

We found that the differences between the House and the Senate were so minor that they could be compromised by agreement with the House adopting an amendment and the Senate then concurring, which the Senate did.

Mr. President, I ask unanimous consent that an explanatory statement of the House-Senate conference on S. 1007 be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATORY STATEMENT OF HOUSE-SENATE CONFERENCE ON S. 1007

I. STATEMENT OF POLICY AND FINDINGS

A. The House bill included all policy language at the beginning of the bill in a separate Section 2. The comparable Senate policy statements were placed at the beginning of each section. The Senate receded to the House and adopted general policy language in a separate Section 2.

B. Both the House and Senate bill contained a policy statement interpreting the scope of the authorization. The Senate receded to the House and adopted the House language on Section 2(c).

II. SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES LOAN GUARANTIES FOR EGYPT AND ISRAEL

The Senate bill contained Section 3(a) which stated: "The Congress further finds that the legitimate defense interests of Israel and Egypt require a one-time extraordinary assistance packages due to Israel's phased withdrawal from the Sinai and Egypt's shift from reliance on Soviet weaponry." The House did not have a comparable provision. The House receded to the Senate and accepted the language which is now contained in a new Section 4(a).

III. TRANSFER OF FACILITIES OF THE SINAI FIELD MISSION TO EGYPT

Section 6 of the House bill authorized the transfer of the U.S. Sinai Field Mission to Egypt. The Senate included the comparable version in S. 584, the International Security Assistance Act of 1979. The Senate receded to the House.

IV. CONTRIBUTIONS BY OTHER COUNTRIES TO SUPPORT PEACE IN THE MIDDLE EAST

Both bills contained provisions calling for contributions by other countries to support peace in the Middle East. However, there were three areas of difference: (a) Both bills called for the establishment of a "Middle East Peace Development Fund." The House bill also called for a common program of assistance and investments, while the Senate version referred only to assistance. The Senate receded to the House; (b) The Senate bill calls for a report 180 days after enactment, which describes efforts to get other donors involved and measures the impact of Arab sanctions against Egypt. The House requires a report after one year. The House receded to the Senate; and (c) The House includes a reference to the Middle East Peace Fund as being available to "others participating in the peace process." The Senate version did not contain comparable language. The Senate receded to the House.

V. PLANNING FOR TRILATERAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION BY EGYPT, ISRAEL, AND THE UNITED STATES

The House bill calls for a report on planning for trilateral scientific and technological cooperation by Egypt, Israel, and the United States to be submitted by the President on developing a plan for such cooperation in one year. The Senate bill had no comparable provision. The Senate receded to the House.

VI. REPORT ON COSTS TO THE UNITED STATES OF IMPLEMENTING THE PEACE TREATY BETWEEN EGYPT AND ISRAEL

The House bill provided for a report within 90 days on the costs to the United States of implementing the peace treaty. The Senate had no comparable provision. The Senate receded to the House.

VII. NON-PROLIFERATION OF NUCLEAR WEAPONS

The Senate bill contained a provision that stated "In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly encourages Israel and Egypt to become parties to the Nuclear Non-proliferation treaty."

The House receded to the Senate with an amendment which would encourage all countries in the Middle East which are not parties to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that treaty.

Mr. JAVITS. Mr. President, I have been over the details in advance and approve the amendment made by the House and for its approval here by the Senate. I wish to have that of record, because neither I nor the minority leader was on the floor at the time. There is no point in reopening the matter, but we do wish to make clear that it was a matter agreed upon by all parties and hence is perfectly all right.

Mr. BAKER. Will the Senator yield to me for a moment?

Mr. JAVITS. I yield.

Mr. BAKER. Mr. President, I join the Senator from New York in expressing my agreement to this procedure. I regret that it was not possible for me to be on the floor at the time, but under these circumstances and with that explanation, I am perfectly content to let matters stand as they are.

DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. Resuming the unfinished business, which the clerk will state by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 28) proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER (Mr. EXON). The Senator from Indiana.

Mr. BAYH. Mr. President, I appreciate the courtesy of our distinguished colleague, the majority leader, for bringing again to the floor of the Senate the pending business, Senate Joint Resolution 28.

This, of course, is, as we all know, a constitutional amendment which would provide for the direct popular vote of the President and the Vice President.

This is the second time this year that the matter has been before us. Previously we were told that the matter had not been fully heard, despite the fact that if one cares to conduct a little careful analysis of the amount of time given to the direct popular vote proposal in hearings and committee meetings, over the past several years, there has been more than four times as much time devoted to studying and hearing this proposition, that the President and Vice President should be elected by direct popular vote, than any of the other constitutional amendments which we have adopted in modern times.

Be that as it may, the matter was returned to the Judiciary Committee under the compromise agreed to and, under the leadership of our distinguished majority leader, it is back before us once again.

The Senator from Indiana became actively involved in this debate and this issue back in the mid 1960's in his role as chairman of the subcommittee of the Judiciary that was then named the Subcommittee on Constitutional Amendments. I was then the sponsor of a constitutional amendment which was introduced in conjunction with the Attorney General and then President Johnson which would have taken away the independence of electors. In fact, it would have removed the elector from the electoral scheme and automatically transmitted the State's electoral votes to the tabulation in the House of Representatives, thus removing one of the imperfections which exists in the present electoral college system; namely, the right under the Constitution of each elector, really, to do what he wants when the time comes to cast his vote.

We noted that occurrence in the last election where one elector in the great State of Washington was elected by Republican voters, or at least elected by a majority of the Washington voters who carried the State for the Republican candidate for President, then President Ford, and despite that fact, this delegate in Washington thought he knew better than the people of Washington and he cast his vote for Ronald Reagan.

I should suggest that this was completely legal under the Constitution. It has been done several times before. It is this independent feaure of electors that is one of the shortcomings of the electoral college system.

This shortcoming would have been addressed by that amendment I first introduced several years ago.

Since that time, this particular amendment has been named the automatic plan. There are some of our colleagues today who favor the automatic plan.

I saw recently where our distinguished colleague from Connecticut (Mr. WEICKER) introduced a plan. I understand from talking to some of my other colleagues that they, too, would support an automatic plan simply removing the independence of electors.

I must say to my colleagues, I think this is an improvement. But I have since come to the conclusion, after holding series after series of hearings on this matter, that this would not be the right course of action, for two basic reasons.

First of all, traditionally, we have not amended the Constitution of the United States for trivial matters, and as important as I think the removal of independence of electors from the electoral college is, I think this is trivial compared to other problems confronting us.

More importantly, Mr. President, I think there are some major changes that can take place that will make the election of the President and Vice President conform to the way we elect all other officials.

I see our distinguished new colleague, and old friend of mine from Nebraska, now our distinguished Presiding Officer. His election to the Senate and his election to the Governor's chair in his State of Nebraska were accomplished by direct popular vote.

Our State legislators, our mayors, our county clerks, our sheriffs—all our officials are elected by direct popular vote mechanism, so it is not a new and novel system. It is one for which there are only two exceptions; namely, the President and the Vice President.

One of the reasons why I did not originally support the direct popular vote alternative to the electoral college system was a very pragmatic one. I was laboring under the illusion that under the electoral college system, the small States had an advantage. I can count, and I came to the rather ill-considered conclusion that since the small States had an advantage and since at least a third or more are small States in our country, we could not get such a proposition passed by two-thirds of the Congress and that we never could get it ratified.

Interestingly enough, since having reaching that early decision, in looking at the facts, a lot of interesting facts have come to light that were not apparent at that time to the Senator from Indiana.

First, if one starts with the end process of ratification, we have conducted two different polls of State legislative bodies. I am corrected by my staff: There have been three polls of sitting State legislatures. I think it would be of some interest to the Senate to learn that in each poll, a majority of the State legislators and the legislatures in the States said they would vote to ratify an amendment for direct popular vote.

To suggest that ratification is going to be an impossible task is just not borne out by the fact that I think most State legislators say, "I was elected by direct popular vote; Senators and Members of the House of Representatives were elected by direct popular vote. Why shouldn't we elect a President and Vice President in that manner?"

At least, there was no feeling that was evident in these polls that small-State senators and representatives in the State legislatures are unwilling to ratify.

Then I moved on in my thinking to taking a look at the resolution itself. I was surprised to find—and I call this to the attention of my colleagues in the Senate—that there was a whole array of small-State Senators who traditionally have been avid supporters of direct popular vote.

One of the great Senators, who is no longer here—unfortunately, we do not have with us now anybody was fits her description—was the great lady from Maine, former Senator Margaret Chase Smith. Maine is a relatively small State from the standpoint of population. She was one of the early proponents of direct popular vote, and she remained resolute that we should have direct popular vote until the day she left the Senate.

I looked down the list, and I saw our two Senators from Hawaii, a small State—and a whole list of small-State Senators—at one time or another have supported this proposal.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of Senators cosponsoring this amendment who represent what we call small States, from the standpoint of population, so that our colleagues can see that there is no clear division here where you have all the small-State Senators on one side and all the large-State Senators on the other.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COSPONSORS

Cosponsors of the Direct Election Amendment from States with less than 10 electoral votes

Bellmon, Burdick, Chafee, DeConcini, Dole, Ford, Garn, and Gravel.

Hatfield, Huddleston, Inouye, Jackson, Leahy, Magnuson, Matsunaga, Packwood, Pell, Pryor, Randolph, Ribicoff, and Stafford.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. LONG. Mr. President, this problem occurs to me: I wonder, for the sake of argument, if the Senator's position did not prevail, how the Senator would feel about a proposal whereby you would simply say that you would continue to follow the electoral college procedure but that the candidate who got a majority of the popular vote would receive an electoral bonus of 50 or 75 or even 100 votes. How would that appeal to the Senator?

Mr. BAYH. I would prefer that to the present system, because the practical effect of that plan, which has been suggested, would be almost invariably to guarantee the popular vote winner.

Really, my own reluctance to that—as someone who long ago was told by people like his friend from Louisiana that there is more than one way to skin a cat—is that this is a sort of devious way to accomplish the goal I want to accomplish; and I wonder whether we do better to say flat out that we have a direct popular vote.

Mr. LONG. The thought that occurred to me is that small States might well feel that their influence had been reduced, that their significance in the overall totality of things had been downgraded; but that, on the other hand, we could respect the weight of each State and at the same time achieve approximately the same objective by doing such a thing.

Assume, for the sake of argument, that the States of New York and California both have a very close count but that the person who did not get the majority vote carried those two big States, although he carried them by a very thin margin, perhaps only by a thousand votes in each State. Conceivably, the other candidate might have had a majority of the votes, even though he lost in the States of New York and California by a close vote. If you gave the kind of bonus we are talking about to the person who got the majority of the votes, that person then would be the winner, even though he did fail to carry those two great States.

It occurs to me that that might be a way—if not overwhelmingly popular in the Senate—in which we could muster the support and have the 37 States necessary to ratify a constitutional amendment. I just thought that might have some appeal to the Senator, and I wanted to get his judgment on it.

Mr. BAYH. As I said to the Senator from Louisiana, I prefer that to the present system. I think that on almost all occasions, it would accomplish the results that the Senator from Indiana feels should be required of a fair election.

I hope that as we go through this debate, it will be possible to lay out the numbers as to who benefits and who loses with the electoral college. I think there is a great misconception about the way this system works.

Some of our small-State senators are very concerned about giving up what they perceive to be an advantage under the electoral college system. As I pointed out, many of them are not, because many are cosponsors of direct popular vote.

I know we will have a chance to listen to the distinguished Senator from Oklahoma (Mr. BELLMON), who was appointed to the American Bar Association panel, which represented a broad cross section of the country's leadership. We had HENRY BELLMON, who at that time was Governor of Oklahoma, which is a less-populous State, and he would classify himself as a conservative. There was Otto Kerner, who was more liberal, from Illinois. We had Professor Wright of the University of Texas Law School, who was chairman.

Senator BELLMON said:

> When I sat down with that panel, I didn't want to have anything to do with the direct popular vote business, because I thought any small State had an advantage. The more I studied that, the more I found it did not have an advantage.

What I think we have in the electoral college system is that, depending upon what the circumstances are and who votes for whom and what States, in one instance the small States might do the tipping, and in another instance the large States might do the tipping.

Mr. President, I ask unanimous consent to have printed in the RECORD material prepared by Doug Bailey, who did the PR work for the Ford campaign.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

1976 STATE-BY-STATE SPENDING IN THE GENERAL ELECTION BY THE PRESIDENT FORD COMMITTEE

	Electoral vote	Local spot television	Local print advertising	Survey research	Organizational support
Alabama	9	$42,500	$11,000	$6,200	$16,300
Alaska	3	7,200			16,100
Arizona	6			500	12,100
Arkansas	6			300	3,700
California	45	619,000	89,000	54,470	312,000
Colorado	7			6,990	22,000
Connecticut	8	55,000	400	11,100	31,700
Delaware	3		1,100		7,900
Florida	17	147,000	27,000	24,934	64,800
Georgia	12				14,700
Hawaii	4	9,000			19,400
Idaho	4				7,700
Illinois	26	294,000	75,000	25,520	165,400
Indiana	13	67,000	18,000	4,286	42,900
Iowa	8	55,000	21,000	14,840	25,800
Kansas	7				1,900
Kentucky	9	26,000		6,754	30,800
Louisiana	10	61,000	10,000	6,754	8,200
Maine	4	14,000			10,400
Maryland	10	67,000	6,000	10,559	73,500
Massachusetts	14				15,200
Michigan	21	178,000	58,000	2,014	44,900
Minnesota	10				10,800
Mississippi	7	22,000	8,000	11,140	16,300
Missouri	12	143,000	31,000	8,710	49,000
Montana	4	7,000	3,000		7,300
Nebraska	5				$8,700
Nevada	3	$15,000			11,200
New Hampshire	4				9,800
New Jersey	17		$73,000	$26,818	9,100
New Mexico	4	11,000		3,250	15,900
New York	41	664,000	134,000	34,979	246,200
North Carolina	13	51,000	37,000	10,979	73,900
North Dakota	3	10,000			9,000
Ohio	25	278,000	100,000	22,859	136,100
Oklahoma	8	39,000	14,000	3,800	14,500
Oregon	6	61,000	15,000	3,800	24,100
Pennsylvania	27	331,000	124,000	32,556	155,900
Rhode Island	4	25,000		2,360	7,500
South Carolina	8	44,000	16,000	3,950	15,800
South Dakota	4	7,000			11,800
Tennessee	10	54,000		13,887	23,200
Texas	26	217,000	36,000	36,000	170,900
Utah	4				5,900
Vermont	3			1,127	11,800
Virginia	12	67,000	16,000	12,344	81,500
Washington	9	83,000		8,127	28,200
West Virginia	6		100		5,300
Wisconsin	11	67,000	29,000	17,803	27,100
Wyoming	3				5,100
District of Columbia	3	85,000	600		1,800

Mr. BAYH. Mr. President, Doug Bailey laid out the record of the budgeting of where the Republican Party spent all their money in the last campaign. There were some of the smaller States where it did not spend any. There were places where neither Democrats nor Republicans went to campaign. So that conception that small States have an advantage under this system is really not borne out by fact.

But anything we can do to allay the concerns that some people might still have about electoral reform, the Senator from Indiana is prepared to study and consider. There might be some other way we could do this. I am not wed to any particular mechanism. I am wed to what I feel are results, and I do not know whether we will have two-thirds of this body go along. If we do not, we will not amend the Constitution. If we do, hopefully we will have at least made another step.

The House of Representatives passed this measure by a vote of 331 to 70 back in 1969, and that is the last time it has been voted on. It was filibustered to death when we got it over here. We did not really have a chance to vote on it.

It seems to me what we are after is to make sure whoever wins is the winner by some term that is reasonably accepted.

All of us are declared winners if we have more votes than the people running against us.

In our election as Senators and every other election everyone's vote counts the same, whether you come from a small State or a large State.

Last, to deal with this automatic plan attempt to cure the problem of some electors in Washington, Indiana, Louisiana, or Nebraska who feel they know better than the voters, we should take these characters out of it and see that the people are the ones who do the voting.

Mr. LONG. Mr. President, I certainly agree with the Senator that the idea of an elector elected to vote on the theory he is going to vote for one candidate and then goes in there and votes for another is an absolute outrage, and there should be a law to put people in jail for doing that.

Mr. BAYH. Perhaps. But interestingly enough I think you can make a pretty good constitutional case that they have a right to do that. In fact, as my colleague from Louisiana knows, as he has been around here a lot longer and studied these problems a lot longer than I have, when the original electoral college was established we did not have any parties and electors were supposed to go in there and exercise independent judgment. But there has been so much change since then that the idea of doing that, I think, is philosophically wrong, even if it is not constitutionally wrong.

Mr. LONG. I agree with the Senator, and I thank the Senator.

Mr. BAYH. I thank my friend from Louisiana.

Mr. President, I ask unanimous consent that the following staff persons be permitted access to the floor during the debate and votes on Senate Joint Resolution 28: Marcia Atcheson, Louise

Milone, Steve Holley, Linda Rogers-Kingsbury, Nels Ackerson, and Fred Williams.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. So to return to the previous discussion, before the colloquy, of my own maturation of thoughts on this particular subject, I became convinced that the small States did not have an advantage and that there were certain basic equities that should exist in the election procedure of this country and we should make a major effort to try to accomplish that kind of reform instead of some sort of a de minimis reform like just removing the electors.

So, as I briefly described to my friend and colleague from Louisiana, did the bar association commission. They studied it for a year, and they came up with the direct popular vote proposal which is now before the Senate. It has been the product of lengthy discussion, debate, and hearings.

The list of organizations favoring this proposal is long: The American Bar Association, the Chamber of Commerce, the AFL–CIO, the UAW, the League of Women Voters, the National Farmers Union, Common Cause.

Mr. President, so that we do not offend anyone because of my weak memory, I ask unanimous consent that we print a list of interest groups in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

INTEREST GROUPS IN SUPPORT OF DIRECT ELECTION

U.S. Chamber of Commerce;
American Bar Association;
AFL–CIO;
UAW;
League of Women Voters;
Common Cause;
American Civil Liberties Union;
National Federation of Independent Business;
The Farmers Union; and
Americans for Democratic Action.

Mr. BAYH. Mr. President, I will not continue at length at this particular time, but I urge our colleagues who have not made up their minds yet—indeed I urge some of them who have made up their minds on both sides of this issue—to avail themselves of the report that has been forthcoming from the Subcommittee on the Constitution of the Judiciary Committee and let us look at the record. Let us see what has happened in past elections, and then let us have a chance to vote on this matter and see if we cannot put this particular part of our Constitution in order.

I say to my colleagues as one who has, I am sure, bedeviled his colleagues more than they like to be bedeviled about this over the years, I must confess that I do not feel that this electoral college change, direct popular vote issue, is the most important issue before the country at this time. I do not. I get a little tired of reading and hearing from some people the old cliche that "If it ain't broke don't fix it." It is sort of like saying to the farmer whose barn is not on fire, "Don't take out fire insurance."

I recall when I was standing in this exact spot and we were trying to get the 25th amendment to the Constitution passed which dealt, as my colleagues know, with the way of dealing with Vice Presidential vacancies and Presidential disabilities, I had more than one of my colleagues who rose and said: "Well, Senator BAYH, in the 180-year history of this country we never had a President and Vice President die or be removed from office in one 4-year period of time. So why fix it?"

As we now know, before the ink was dry on the 25th amendment we had the tragedy of the Agnew resignation followed by the Nixon resignation, and I suggest to my colleagues if it had not been for the intervening step made legal and possible by the 25th amendment, namely, the appointment of President Ford and the ratification by Congress of President Ford as Vice President it is highly unlikely that a strong partisan President like Richard Nixon would have ever resigned and turned the Presidency over to Carl Albert as a Democrat. Because of the 25th amendment it was possible for us to move out of that crisis, put a new President in there who had credibility, and move on.

So I suggest that not only have there been three times in the history of this country where we have had a President who had fewer popular votes than the person he was running against, nevertheless getting a majority of the electoral college, and thus becoming President, but also we have had a number of very near misses. We had a near miss in 1960 when John Kennedy was elected President. We had a near miss in 1968; in fact if you look at 1968, a change of less than 70,000 votes out of about 50 million votes cast would have made the situation almost unbelievably complex where you would have had neither Humphrey nor Nixon having a majority of the electoral college; you would have had a fellow by the name of George Wallace sitting there with 46 of those free and independent electors. He could either have auctioned them off to the highest bidder, completely constitutionally, or this matter would have gone to the House of Representatives where each State has one vote, as we know. We narrowly escaped that.

And more recently we had an even closer flirtation with the malfunctioning of the electoral college system. In 1976, the last election, we had President Carter with a 1.7 million vote plurality, yet if there had been a change of less than 10,000 votes combined in the States of Ohio and Hawaii, President Ford would have had a majority of the electoral college and would have been President.

To show you how this system can malfunction, if there had been a change of about 11,000 votes in the States of Ohio and Delaware there would have been a dead tie—well, not quite. There would have been 269 votes for Carter, 268 votes for Ford, and 1 for Reagan because of that elector in Washington. Neither of the candidates for President would have had a majority of the electoral college despite the fact that President Carter had a million-and-a-half vote plurality, and the matter would have gone to the House of Representatives.

That is the kind of problem we are trying to deal with. I think we deal with it in a very forthright way by establishing the same kind of criteria for electing President and Vice President that we now apply for all other officers. Let us have the vote, and the person who gets the most votes wins. Everybody's vote counts the same, and the people do the electing, not a bunch of faceless electors who now have the final power.

The Senator from Indiana is prepared to yield the floor at this time. I understand some of our other colleagues desire to be heard on this, and I assume in the days ahead we will have ample opportunity to discuss this. As our distinguished colleague from Arkansas has said more than once, and perhaps he will join us yet here this afternoon and have a chance to say it more eloquently than the Senator from Indiana, you can look around the country and you look at the response from State legislators, and if you look at every poll that I have seen in every region of the country you will find a large majority of the people favoring this.

One of the areas of the country where there is a great deal of concern about small States is out in the great Rocky Mountain heartland of America, and one of the great newspapers out there in Salt Lake City, the Salt Lake City Tribune, conducted a poll not too long ago and found that 80 percent of the people in that general Rocky Mountain area were for direct popular vote.

Now, interestingly enough, some of those Senators out there, in good conscience, feel they have an advantage as small States under the present system. But that is not an advantage that is either perceived or desired by the people out there. They think we ought to have direct popular vote.

So, as Senator PRYOR has said, and as I suggested to you, when you get right down to it, the only people who are against direct popular vote are the politicians who feel they know a little bit more about how the system works or about how it should work than the people.

I suggest the time has come to take this step of putting the election of the President on a truly democratic basis. I think that is one of the things we can do that will help start us along the path of restoring credibility in our political institutions. I do not suggest that this is a panacea, and that you wave a magic wand and suddenly they are going to believe, their political leaders are going to believe, that this is the way to express themselves and make themselves known in the process, just by having a direct popular vote for the President.

But I think as you go through this debate in the coming days and see the number of votes cast and not counted, and you see the disincentive to participate in the political process that exists under the electoral college system, I think you can see that if we give the people a direct popular vote they will know that those votes are going to count and they are going to count for the candidate for whom they are cast.

I still cannot help but be a bit amazed at people who will defend a system as being an incentive for participation in the process where the result exists in every election that is typical of the situation that existed in my State and its neighboring State of Ohio in the last election.

We had a tough contest in both Indiana and Ohio for President. When the votes were counted President Carter had carried Ohio, President Ford had carried Indiana, and because of the nuances of the electoral college system every Democratic voter in Indiana who cast a vote for President Carter had his or her vote cast for President Ford. Right across the State line in Ohio every Republican voter who had his vote cast for Gerry Ford had his vote counted for Jimmy Carter.

It is that kind of thing we are trying to get rid of. Let everybody vote and let every vote count for the candidate for whom it was cast and count the same and the person who gets the most votes wins.

Mr. President, I think there are some other colleagues who, I have been advised, want to be heard on this matter so the Senator from Indiana just might make another observation or two pending their arrival, and wherever they may be at this moment I want them to know I am prepared to yield the floor upon their arrival.

Mr. President, there are a number of concerns that have been expressed by some of our colleagues, and some very articulate and very well-intentioned editorial writers and newspaper columnists throughout the country, and I think all these matters should be debated and discussed. We should not just change the Constitution because of some whim that one Senator or even a majority of Senators might have.

I have described the problem. The problem is, does it make the burdens of the Presidency more difficult if a President is not a clear choice of more people than one of his adversaries? I think the answer to that is evident. I have heard it described to me—and perhaps our colleague from Massachusetts can describe it from his personal experience—but I have heard it described to me as the difficulty that President Kennedy perceived in governing back in the 1961–62 period. His margin of victory was a very narrow margin of victory from a popular vote standpoint.

I can see how that could be the case. I have about come to the conclusion that it is an impossible burden which we place on any human being when we put him in that Oval Office. Certainly no human being can adequately perform all of the responsibilities that are the President's in a manner that he would like. Yet we have only human beings to serve. The question is how can we structure our Government in such a way as to make it more possible for mere mortals, with all of our various imperfections, to improve their chances of doing a better job of running the Presidency?

One of the things we can do to help relieve a potential burden which would be placed on a President if he were to be thrust into that office by an electoral vote majority without a popular vote majority is to remove that possibility. Let us see to it that every President who sits there is a President who is clearly the choice of more people than one of the other candidates.

As I have said earlier, that has not been the case in the past. And interestingly enough, although in the Hayes-Tilden election there were certain allegations—fraud and the corrupt election commission, and there can be no question about that—the results were that the winner was the popular vote loser.

If one goes back to the John Quincy Adams-Andrew Jackson confrontation, the matter went to the House of Representatives. To be sure, the winner, John Quincy Adams, had fewer popular votes than the man he was running against, Andrew Jackson, and interestingly enough, I would ask some of my colleagues who are expressing the thought that the direct popular vote would make it easy to win a campaign by carrying a few States by a large margin, thus ignoring the rest of the country, and that really is a problem for which protection is ample under the electoral college system—for those of our colleagues who have very well-intentioned feelings about that, I wish they would go back to that Andrew Jackson-John Quincy Adams election, because there, not only did John Quincy Adams win with fewer popular votes, he also won with only a third of the States. He carried only a third of the States. In fact, as I recall, there were 7 States out of 24 that he carried; so that is just over a fourth.

There are no protections like those our colleagues talk about under the electoral college system. In fact, I think those of us who have studied it very much are aware that you can carry the 10 largest States, theoretically, by one vote per State, and throw in the District of Columbia, and you are elected President, even though defeated by a landslide.

I think we ought not to look at those aberrations, which are not apt to happen, but look instead at what actually has happened. In the Benjamin Harrison campaign, in between the two Cleveland terms, Harrison got a majority of the electoral vote though he was not the popular vote winner.

Of more interest are the two recent instances where 10,000 popular votes separated the country from the possibility of a 1½ million popular vote winner on one side and an electoral college vote winner President on the other.

Mr. President, as we go on with our debate here through the next few days, I hope these matters will surface, and I hope our colleagues will have a chance to see firsthand how this system has functioned, and decide whether they want it to continue to function in that way.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. EXON). The Chair, in his capacity as a Senator from Nebraska, suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I ask unanimous consent that Tom Parry, James Lockemy, Stephen Markman, Charles Wood, Dennis Shedd, Frankie Sue Del Papa, and Jim Stewart, of the staffs of various Senators and the committee, be accorded the privileges of the floor throughout this debate and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, Senate Joint Resolution 28 would abolish the electoral college and substitute a system for the direct election of the President and the Vice President. In the event that no candidate received a vote of 40 percent of those cast, the resolution provides for a runoff election between the two candidates drawing the most votes for each office.

I am in agreement with Prof. Charles Black, professor of jurisprudence at the Yale Law School, who says of this amendment, "If it passes, it will be the most deeply radical amendment which has ever entered the Constitution of the United States."

CONSTITUTIONAL PRINCIPLES

Direct election, while undeniably appealing in some respects, strikes hard at some of the most enduring principles of our system of government.

It takes one of the strands of the American political fabric—political equality—and seeks to reweave a new cloth with this single strand.

Political equality and democracy and majority rule represent some of the most basic concepts that underlie our political system. But they are not alone. Our system is not as simple as those who speak only of majority rule and "one-man, one-vote" would have us believe. The Founding Fathers did not bequeath us with a simple system of government, a system conforming to a single, unwavering principle. Rather, they gave us a remarkably durable system that contemplates checks and balances, separation of powers, federalism, concurrent majorities, limitations of powers, and protections of minority rights. Each of these principles must be considered when this body legislates and, even more importantly, when it attempts to proposed new amendments to the Constitution.

Senate Joint Resolution 28 attaches overriding priority to the single value of political equality. In the process, these other values are necessarily subordinated. A former president of the American Bar Association states that—

> There is no valid reason why the concept of one person, one vote should not be applied to the highest officers in our land.

By the same token, is there any "valid reason" why the States should be represented equally in this body, despite unequal populations? Is there any "valid reason" why the President of the United States should be able to veto legislation endorsed by a majority of the direct representatives of the people? Is there any "valid reason" why the Constitution of the United States cannot be amended by simple "one-man, one-vote" majorities? And what is the "valid reason" for enabling that most highly undemocratic of institutions—the Supreme Court—to overturn decisions that might have been reached by an overwhelming consensus of the people and their representatives?

The idea of democracy in America, as has been observed by Irving Kristol and Paul Weaver, is an idea that has been "vulgarized and trivialized" in recent years. "Far from being a complex idea, implying a complex mode of government, the idea of democracy has been debased into a simple-minded arithmetical majoritarianism." They describe it as "government by adding machine." It is an idea of democracy rejected by the drafters of the Constitution, and an idea, if accepted, that threatens the whole of that document. Such democracies, according to James Madison in the Federalist No. 10:

> Have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property; and in general have been as short in their lives as they have been violent in their deaths.

PRESENT ELECTORAL SYSTEM

The present electoral college results from two broad provisions of the Constitution. Article II, section 1 provides that each State is entitled to a number of electoral votes equal to the combined number of Senators and Members of the House of Representatives for that State. These votes are cast in each State by "electors" who are appointed "in such manner as the legislature thereof may direct." While in the early years of our Republic, States differed substantially in the manner in which they exercised this power, by the 1830's virtually every State awarded its electoral votes to the Presidential candidate who carried the State's popular vote. By 1860, this was the unanimous procedure of the States.

Thus, it is interesting to observe that the Constitution currently permits the States to allocate electors on whatever basis they so choose. The State of Maine recently became the first State in this century to deviate from the "winner-take-all" formula, deciding to allocate two of the State's four electoral votes to the statewide popular vote winner with the other two to be allocated to the popular vote winner in each congressional district. Thus, the "winner-take-all" formula is not a constitutional requirement but simply one adopted individually by the 50 State legislatures.

The formal electoral college procedure involves assemblies in each of the State capitals approximately 1 or 2 months after the Presidential elections at which electors committed to the winning candidate meet to cast their votes. The votes are then certified and transmitted to Congress where the official results are announced in January before a joint session of Congress.

In the event that no candidate for President or Vice President receives a majority of the vote, the provisions of the 12th amendment are invoked.

This permits the House of Representatives—with each State delegation entitled to a single vote—to select a President from among the three leading candidates, and the Senate to select a Vice President from among the two leading candidates. Theoretically, the 12th amendment permits the President and Vice President, in the case of a deadlock, to be from different parties.

The 12th amendment was ratified in 1804 in order to prevent a recurrence of the situation that developed in the 1800 election conducted under the original provisions of article II, section 1. In that year, Thomas Jefferson and Aaron Burr had each received the same number of votes in the electoral college, the intention being that Jefferson be President and Burr Vice President. Because the original Constitution contained no provisions concerning the separate designation by the electors of their choices for President and Vice President, the election was thrown into the House of Representatives and the Senate for final determination. Although Jefferson eventually emerged the winner, it was clearly recognized that article II was in need of reform.

Nor has the electoral college been static in other respects. It is not an inflexible, nor an archaic institution. The electors to be chosen were originally conceived of as persons who were to exercise a certain independence of judgment in their selection of the President and Vice President. It is probably not true, as some have suggested, that the electors were to function as a sort of supernominating committee with final selection to take place in the Halls of Congress. Yet, few of the Founding Fathers contemplated the purely popular appointment of electors.

The concept of the elector has gradually evolved so that the elector today is little more than an automaton committed to cast his vote for a specified candidate. Since 1832, there have only been an estimated 10 so-called faithless electors out of a total 17,000 electors appointed since then.

None has come anywhere close to actually affecting an issue. In the opinion of some constitutional scholars, the States can eliminate even the infrequent appearance of the faithless elector through a simple statute.

As observed by Martin Diamond, the late professor of government at Georgetown University:

> The electoral college never was fundamentally intended to operate in an undemocratic way.

Its genesis was rooted, not in an effort to deprive the people of their legitimate voice in their government, but in an effort to establish a forum that—First, would reflect the so-called great compromise that had been achieved concerning representation in the two Houses of Congress; and second, be sufficiently independent of both Congress and the State legislatures. By providing electoral representation to the States on the basis of their combined representation in Congress, the great compromise was extended to both the legislative and executive branches of Government. By creating the office of the elector, an institution was created that was neither subservient to the Congress nor the State legislators. There has never been a time in the history of the country, even in its earliest days, that the electors did not respond closely to the popular will of the electorate. In 1796, for example, the third presidential elections in the country's history, every elector cast his ballot in a manner generally considered to have been mandated by his State.

OPPOSITION TO THE ELECTORAL COLLEGE

The case against the electoral college is basically a simple one. The electoral college, so the argument goes, is an archaic and outmoded institution that runs counter to the basic democratic principles of one man, one vote, and perpetually threatens to elect to the offices of President and Vice President candidates receiving a minority of the popular vote. It is also argued that the winner-take-all system—which as has already been observed is not inherent in the electoral college—discourages two-party competition in one-party States, and alienates minority-party voters who find their votes aggregated in behalf of the opposition in the allocation of electoral votes.

EXPERIENCE OF THE ELECTORAL COLLEGE

Proponents of direct election have referred to the electoral college as electoral Russian roulette. Every 4 years, they lament the fact that the electoral college could theoretically give victory to a popular vote runner-up. And every time that there is a close election, they point to the fact that a shift of "*x*" votes here or "*y*" votes there would have achieved that very thing.

While such computations make for fine parlor games, let us take a quick look at exactly how the electoral college has worked for the past 200 years. There have been 47 Presidential elections since the Constitution was ratified in 1788. Supporters of direct election refer to three elections in which the electoral college "mis-fired" and gave us the "wrong" President.

In 1824, John Quincy Adams, Andrew Jackson, Henry Clay, and William Crawford opposed each other for the Presidency. Andrew Jackson who received more popular votes than his competitors lost in the electoral college to the popular vote runner-up John Quincy Adams. Was the electoral college at fault in the 1824 election? Was this the year that the so-called loaded pistol of the electoral college misfired? I think not.

Not only did Jackson fail to receive a popular majority in the election—he had a plurality of only slightly above 40 percent of the total vote—but there was no popular election whatsoever in at least six States that year. These included some in which Adams was extremely strong, including New York. In these States, electors were still chosen by State legislators. The four candidates in the race appeared together on the ballot in only five States, with neither Adams nor Jackson on the ballot in every State. Because no candidate received a majority of either the popular or the electoral vote, the election was thrown into the House of Representatives pursuant to the 12th amendment. There, Adams prevailed. According to one observer of that election:

> The popular will had been so dimly revealed in 1824 that the House could not have subverted it.

Of a total population of 11 million, accurate vote totals were tallied for approximately 150,000 ballots.

In 1876, Rutherford Hayes won the electoral college vote despite losing the popular vote by seven-tenths of 1 percent of the total vote to Samuel Tilden. The only difficulty with attributing this result to a "misfiring" of the electoral college is that the 1876 election was also the most corrupt and scandalous in the history of the Nation. One political scientist has said of the election:

> In our Centennial year, the electoral process was so debased and dishonored by fraud that only an eccentric majoritarian would single out the technical runner-up Presidency of Hayes as a matter for criticism and concern.

Following the election, Congress, for the only time in our history, convened a special electoral commission to investigate vote fraud in a number of States. Popular vote totals and elector credentials were the subject of serious challenge in nearly a dozen States. Whether it was Tilden or Hayes that ended up with 48.5 percent of the popular vote is something that we will probably never know with any degree of certainty.

The election of 1888, the third election to which opponents of the electoral college point, is probably the only instance in which a legitimate popular vote winner may have failed to win the electoral vote. In that year, Grover Cleveland won 49.6 percent of the popular vote to 48.9 percent by Benjamin Harrison. Harrison, however, prevailed in the electoral college. Even this election, however, was characterized by allegations of substantial vote fraud by the infamous Tammany Hall machine in New York City. If sustained, such vote fraud, almost totally in behalf of favorite-son Cleveland, would have been more than enough to turn around the popular vote figures. In addition, a study by the Library of Congress has concluded that, absent voter fraud and intimidation against black and Republican voters in the South, Harrison would have won the popular vote. Everything else aside, Cleveland's problem in 1888 was simply that his election campaign was an overly sectional one in character. He ran up extremely heavy margins of victory in a few one-party States in the Deep South and in some sections of the Northeast, but did not wage the sort of broadly effective, national campaign that the electoral college demands. It is exactly this sort of campaign against which the electoral college is aimed.

Our Founding Fathers wished to create incentives in Presidential campaigns for conducting broad-based, national campaigns, rather than sectional or local ones. They desired to promote Presidential coalitions of "cross-sectional" majorities, or majorities approximately reflective of the overall composition of the American electorate, rather than majorities unconcerned about anything but arithmetical calculations.

Thus, in the history of this country, there has only been a single occasion on which the electoral college may have accorded victory to a popular vote runnerup. It is worth noting that the Republic survived that election, as did Cleveland, who was elected to his second term of office in 1892.

If the ultimate disaster of the electoral college is that it elects a 49 percent runnerup to office every two centuries, I am willing to endure it. Its strengths far outweigh that slim and unterrifying possibility.

DAMAGE TO THE TWO-PARTY SYSTEM

The moderate two-party system that exists in this country is not an accident of history. It is not a fluke. It is a direct function of our Nation's political institutions, including the electoral vote system. In the absence of the electoral vote system, there is a strong likelihood that party politics in this country would more closely resemble the multiple party states on the European continent. The French electoral system, for example, closely resembles the direct election that would be established by the present resolution. There would likely be a proliferation of smaller and frequently more extreme political parties, with governments perpetually dependent upon the support of at least some of these parties for their position. Professor Bickel predicts:

> The monopoly of power enjoyed by the two major parties would not likely survive the demise of the Electoral College.

The present electoral system serves as a disincentive to serious participation by third parties. Their ideas may be considered seriously, and ultimately integrated into the platforms of the two major parties, but such parties themselves are unlikely to become dominant electoral forces.

There is no possibility that they will gain electoral votes, or provide much obstacle to the major parties, unless they are capable of winning a majority on a statewide level. There is no possibility that they will deny an electoral college majority to a winning candidate unless they can demonstrate enough strength within several States to carry those States.

The impact of the electoral vote system upon third parties was illustrated well by the election of 1968, an election ironically that proponents of direct election point to as justification for their proposal. Reference is often made to the professed intention of Gov. George Wallace, the American Independent Party candidate, to create an electoral vote deadlock in order to permit himself to serve as kingmaker of sorts in the electoral college. To that end, he obtained affidavits from his electors which pledged them to vote for himself or for the individual of his choice, pledges of rather dubious legality. Certainly, it is argued, this is not how the President of the United States should be elected.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. PERCY. Mr. President, since the Senator from Illinois was addressed by the Senator from Utah on this particular subject, which I have not really familiarized myself with, I have now spent 2 or 3 hours on it and met with several people, reviewed the material, and feel that the Senator from Illinois is now better informed and getting better informed on this particular issue.

I thank my distinguished colleague for alerting me to this matter.

Mr. HATCH. I thank the Senator so much.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH (continued). In fact, that is exactly how the President of the United States is not elected.

George Wallace, who at one point early in his campaign garnered nearly as much support as the Democratic nominee in opinion polls, and who garnered in excess of 20 percent of the vote in late-campaign opinion polls, eventually won only 13 percent of the popular vote. This translated into approximately 8 percent of the electoral vote. The Wallace candidacy came nowhere close to achieving its goal of electoral deadlock.

Because it was recognized that, outside the Deep South, Wallace was unlikely to carry pluralities in any States, the "wasted vote" syndrone was clearly in evidence. Rather than casting their votes for an individual who had no chance to gather electoral votes in their States, large numbers of Wallace sympathizers swallowed hard and cast their vote for one of the two major party contenders. In this manner, the electoral system minimizes, rather than exaggerates, third party influence in Presidential campaigns.

As Columnist George Will has remarked:

> It was the electoral college that revealed the fundamental truth which was that Governor Wallace (in 1968) was a regional candidate. It guaranteed that he would be confined in the decisive voting—the electoral votes—to the South. Therefore, it made clear in late October to those elsewhere who might have been tempted to vote for him that he was, in essence, a frivolous vote. That caused the withering away of his support in the final days.

Under a system of direct election, specifically that proposed by Senate Joint Resolution 28, splinter parties are provided with incentives, rather than disincentives, to participate in Presidential elections. Senate Joint Resolution 28 specifies that, in the event of no candidate receiving 40 percent of the popular vote, a runoff is to take place among the two top vote-getting candidates. The existence of the 40 percent threshold—indeed the existence of any precise threshold figure short of 50 percent—insures a proliferation of small parties.

Rather than having to engage in the hopeless task of attracting large numbers of votes to defeat a major party candidate, and thereby exerting influence, small splinter parties will be competing only to deny the major parties the threshold vote percentage. Splinter parties will not be competing against the larger parties, but against the 40 percent threshold. It will not be necessary that there be a dominant third party or fourth party capable by itself in denying the threshold level to the major parties, but simply that minor parties, taken in the aggregate, be able to keep both parties beneath this figure. The general election will be transformed into a national primary.

It is going to resemble the Boston Marathon with Presidential candidates representing every special interest group in this country. Each will seek to push the major parties—what is left of them—below the 40-percent threshold, and position themselves to negotiate during the prerunoff period.

The traditional case against voting for third parties—the wasted vote argument—will no longer exist. Each vote for a 3d or 4th or 10th party, however insignificant these parties, will count toward denying to a major party the achievement of the threshold percentage.

Proponents of direct election like to point out that only in the election of 1860—Abraham Lincoln's first Presidential victory—would a runoff have been necessitated under the 40-percent rule. Thus, we are assured, the contingency procedure is something likely to occur only under highly unusual circumstances.

This argument is not untypical of many that have been expressed by proponents of direct election. They seek to change the rules of the Presidential election game in one significant respect while assuming that everything else about the game is likely to remain the same. This is not likely to be the case. Splinter parties have never posed major problems in Presidential elections because their participation has been strongly discouraged by the ground rules; change the ground rules and we will experience splinter parties emerging from all corners. Splinter labor parties, splinter right-to-life parties, splinter racist parties, and splinter one-issue parties of every conceivable hue. As suggested by Michael Uhlmann, the author of a forthcoming book on the electoral college, the question facing these parties will no longer be "why run?", but "why not run?".

What will be their incentive beyond the opportunity to make life difficult for the major parties? These parties, in the event of a runoff election, will be positioned nicely to negotiate for their support prior to the runoff election. George Will suggests that, "they would try to force a second vote so they could sell their support." Minority, often extremist minority, parties will be able to exert an influence under the direct election system that is wholly denied them under the electoral vote system. Coalition building that currently takes place prior to the general election, and within the confines of the two parties, will be shifted to the hectic, pre-runoff period and take place within the context of inter-party coalitions. It will be a time, in Madison's words, of "extraneous management and intrigue." There will be no incentives for pregeneral election compromises and moderation; such action may indeed limit the flexibility of the parties in the postgeneral election period.

In addition, traditional notions of party, responsibility will be sharply altered. The consensus effect of the national convention process will be lost as losing candidates will have new encouragement to pursue post-convention campaigns.

A word is in order about the precise impact of the "winner-take-all" or unit-rule system, upon the complexion of our two party system. While the unit-rule has been much maligned—and indeed there is disagreement among us on the merits of preserving this system—it should be recognized that it has made a significant contribution in the moderating influence that it has had upon the American political system. Parties are under a strong inducement to extend their appeal as broadly as possible within a State since anything less than outright victory will result in zero electoral votes. Except in unusual circumstances, both parties have to appeal to large numbers of voters and special interests who are not inextricably identified with either of the two major parties. As they seek to broaden their bases, each of them appealing to essentially the same core of nonalined voters, the parties become more and more like each other.

While this may make for Presidential elections with less spectator appeal, and less capable of effecting cataclysmic change, than they might otherwise be, this does insure a certain stability in the system. When candidates are perceived as falling outside this consensus, landslide majorities for the opposition are usually guaranteed.

Thus, whatever the drawbacks of the unit-rule, it should be understood that this system does have the generally desirable effect of encouraging parties to become broad, inclusive, accommodating, temperate institutions, rather than exclusive and rigidly ideological ones.

(Mr. PRYOR assumed the chair.)

RISK OF FRAUD, RECOUNTS AND RUNOFFS

It is my opinion that direct election would be an invitation to fraud, would encourage interminable vote challenges and recounts, and create chaos in what is currently an orderly and rational transition period between administrations.

Much of this stems from the fact that direct election, in effect, substitutes for fifty separate State elections, a single national election. As a result, the benefits of "compartmentalization" derived from the electoral vote system are lost. As noted by Professor Ernest Brown of the Harvard Law School:

> The present system insulates the States. When the vote is counted by the states, those lines insulate the area of contest and keep it local, and they insulate the significance of the contest.

With respect to fraud and vote corruption, for example, there is presently incentive for such activity only in those States, obviously, in which it can make a difference. Unless there is a relatively close contest within a State, there is no inducement for fraud. As a result, fraud in Presidential elections under the present system has been a relatively unusual occurrence and, when it has transpired, it has only rarely been capable of influencing an election nationally.

Under a system of direct election, new incentives would exist for vote fraud in every precinct in every State across the country. Each vote wrongfully obtained would have potentially national significance regardless of the closeness of the campaign in any single State. In the event of a close national election, there may well be tremendous pressure for vote manipulation and maneuvering, particularly in the western-most States. The change of a very few votes per precinct, across large numbers of precincts, would pose great difficulty of detection.

The electoral vote system does not foster any more or less honesty among vote counters than does direct election; it is simply that vote chicanery is discouraged by limiting the scope of its significance. As Theodore White has put it, under the present system, "the crooks are each sealed in their own state containers."

By the same token direct election would sharply undermine the certainty of electoral counts. Contested elections, which may well pose constitutional crisis in their own right, will become routine in close elections such as those of 1960, 1968, and 1976. There will be an incentive placed upon forcing such challenges and recounts because the shift of even a handful of votes in a number of precincts across the Nation may have a substantial impact upon close national election. Under the present system, there are inducements for challenges and recounts only where an election in an individual State is close.

It is not unlikely that in razor-thin elections there will have to be recounts of each of the nearly 200,000 polling places across the country. In even the most honestly and conscientiously managed polling places, it is unusual that recounts do not result in minor vote adjustments. No narrowly losing Presidential candidate could afford to forfeit the opportunity to cumulate those votes through a recount.

The impact of fraud and vote recounts is not limited, under a system of direct election, to whether or not Candidate Smith or Candidate Jones becomes President. It may also play a critical role in determining whether or not Candidate Smith is forced into a runoff, and, if so, whether or not he will be opposed by Candidate Jones or Candidate Thomas. Not only might the leading candidates' votes have to be recounted and reanalyzed, but the total vote, including disqualified, damaged, write-in ballots, et cetera, will have to be assessed in order to determine whether or not 40 percent of the total vote equals 20 million votes or 20 million plus one. Consider the nightmarish situation in which the country is placed, during what has otherwise been a smooth inter-regnum period, if Candidate Smith is initially given 40.1 percent of the vote, Candidate Jones 30 percent, and Candidate Thomas 29.9 percent. The existence of a runoff and the identity of the runoff participants would be uncertain for, at minimum, a three- or four-week recount period. Political data analyst Lance Tarrance considers it "computationally impossible" to certify such an election outcome for up to a several-month period. He notes that the electoral vote system currently serves the largely overlooked function of "cleaning out much of the error debris in our election tabulation system by concentrating on State outcomes, rather than a national outcome."

How much time would the candidates have to campaign following the general election and the recount if a runoff were forced? What if the runoff were also decided by a narrow margin? The country could be well into January without an inkling of who its next President would be. Whoever the new President, his opportunity to reflect over his victory and prepare for his new administration would be virtually nil. No doubt, the scars of doing extended battle would also deny him any significant "honeymoon" period.

During a juncture in which wounds are now allowed to heal, and during which the President is transformed from a narrowly partisan figure into the spokesman for a single people, direct election would give us the paralysis of recounts and the bitterness of electoral conflict. Backroom coalitions and bargaining that, under the present system, would have been long forgotten would now just be beginning.

H. NEED FOR A FEDERAL ELECTION CODE

At a time when there is so much disillusionment with concentrating power in the Federal Government, Senate Joint Resolution 28 would nationalize one of the most important functions currently performed by the States—the administration of elections. A uniform, national election code imposing uniform election procedures upon each of the 50 States is a virtual certainty if direct election is instituted.

While distinct electoral practices can be tolerated within each State since Presidential elections are now conducted on a State-by-State basis, this cannot obviously be permitted once a single national election has been established. So long as the ballot procedures, or residency requirements, in Kentucky or Arizona do not affect elections in Missouri or New Hampshire, they can be tolerated. Under a system of direct election, however, what occurs in each precinct in each State affects every other precinct in every other State. If, for example, a precinct in west Texas counts both checkmarks and "X's" on its written ballots, while a precinct in Connecticut counts only checkmarks, is not the electoral influence of the west Texas precinct increased at the expense of the Connecticut precinct?

Prof. Richard Smolka, professor of government at American University and the author of numerous works on elections, has testified eloquently with respect to those areas in which the Federal Government will have to preempt the States under direct election. Among the issues that Congress will have to deal with:

> Times, places, and methods of voter registration;
>
> State residency laws (S.J. Res. 28 authorizes Congress to "establish uniform residency qualification");
>
> Absentee ballot requirements and procedures;
>
> Methods by which candidates and political parties can qualify for the ballot;
>
> Who has the right to use party names? May a candidate run on the liberal or conservative party tickets in New York, or the DFL or IR tickets in Minnesota, and have their votes aggregated with differently named parties in their States?
>
> Can Presidential ballots be combined with State or local ballots? Will voting be by party row or party column? Can a party level be used? Will ballot position be fixed?
>
> What will voting hours be? What types of voting machines will be permitted? How large an area may a precinct comprise? What sorts of election officials must oversee each precinct?
>
> Who will count ballots? Who will rule in disputed ballots? What appeals procedures will be established? What showing will be necessary for a recount? How will ballots be maintained pending recounts?

These questions form the tip of the iceberg. Under a system of direct election, the most minute and insignificant aspects of election, qualifications, and procedures will be transformed into grand matters for congressional and Federal judicial determination. One of the few remaining areas in which federalism still flourishes will be eliminated. Decisionmaking that is currently handled in a responsible, orderly manner by thousands of election officials throughout the country will be rigidly centralized in Washington, D.C. A grandiose new bureaucratic structure will undoubtedly be necessary to administer these responsibilities.

A national election code would be particularly dangerous to the extent that it reflected the biases of the party then in the majority in the National Government.

ADDITIONAL POWER TO NATIONAL MEDIA

One matter that concerns me greatly about the direct election proposal is that it will enhance the role of the national media in Presidential election campaigns. Increasingly, in recent years, political reforms designed to open up the system have had the net effect of increasing the influence of the communications media, and those who are skillful in utilizing it.

Curtis Gans, testifying on behalf of the Americans for Democratic Action in 1977, explained,

> For two decades, or ever since the advent of television as a central factor in American lives, the practice of politics has increasingly been dominated by the political commercial, image making and mass media manipulation. Only the need to maximize the vote in key states has forced national campaign managers to expend resources for organization in the several states. However, should this nation move to a system of direct popular vote for President, what few remaining incentives to political organizations would be lost. Electoral contests would be between Pat Caddell and Robert Teeter, between Deardourff and Bailey and Rafshoon. The contest would not be among those who could recruit and organize the largest number of participants in the process but rather who could most effectively and skillfully manipulate media imagery.

In the absence of political and geographical boundaries, campaigns could be conducted on a centralized basis. The institution best equipped to promote such a campaign would be the national mass media.

Ronald Wilner, testifying on behalf of political consulting firm, Robert Goodman Agency, commented:

> Advertisers buy on a cost-per-thousand basis ratio. . . . A dollar spent anywhere will reach virtually the same number of potential voters. However, there is a way to beat the prevailing cost-per-thousand ratios and that is by taking advantage of the efficiencies offered in network advertising. I would suspect that we would see our Presidential candidates using a lot more of it—network advertising—than in the past. Lacking the need for a state-by-state strategy, they would be prime candidates as network advertisers.

Such an economic incentive would sharply increase the likelihood that national media would be more frequently and intensively used, increasing their influence over the Presidential election process.

In the place of traditional election day maps illustrating which candidate carried which State, Theodore White predicts that direct election will introduce us to election day maps illustrating which candidate carried which media markets.

MINORITY INFLUENCE

It is not only the smaller States, that stand to lose influence through the implementation of direct election. Not surprisingly, in view of the weight that the electoral vote system accords the principle of concurrent majorities, or "reasonable" majorities, cohesive minority groups within the larger States also stand to lose substantial electoral influence.

According to Vernon Jordan, chairman of the Black Leadership Forum, direct election would result in "serious setbacks for minorities." In their study for the Brookings Institute on direct election, Wallace Sayre and Judith Parris observed that direct election would cause metropolitan areas to "lose their most important point of leverage in the total political system." The ability of these areas, heavily populated by minority groups, to hold the balance of power in larger, competitive two-party States would be lost. Instead, they would simply be tossed into the national electoral pool indistinguishable from any other voters.

Jordan, testifying on behalf of the Urban League, the NAACP, the National Urban Coalition, PUSH, and the Southern Christian Leadership Conference, warns too that direct election would—

> Inevitably mean the formation of black political parties, voting along racial lines and increasingly separated from the major parties who would themselves be weakened and dependent upon conditions with splinter groups. This would not only weaken the political system, but would be a polarizing factor destructive of racial harmony.

The American Jewish Congress has testified also in recognition of the contribution of the electoral vote system to minority rights and aspirations.

I might suggest that my colleagues read the testimony of both Vernon Jordan and Howard Squadron, the representative of the American Jewish Congress. It is some of the best testimony that the Senate Judiciary Committee received during this year's hearings.

Mr. BAYH. Will the Senator yield?

Mr. HATCH. Yes.

Mr. BAYH. Does the Senator from Utah associate himself with the logic of Mr. Squadron and Mr. Jordan?

Mr. HATCH. That is correct.

Mr. BAYH. That is rather interesting. I have heard the Senator from Utah very eloquently describe what he feels to be a small State advantage, under the electoral college system, in that his constituents would lose as citizens of small States; now he is suggesting that the Senate ought to buy the argument of Vernon Jordan and Howard Squadron, who are arguing that the large States have the advantage. It either has to be fish or fowl, it seems to me.

Mr. HATCH. That is not quite what they argue.

Mr. BAYH. That is exactly what they argue.

Mr. HATCH. No, they argue that discrete minorities within large States benefit under the electoral vote system.

Mr. BAYH. The Senator will find, if he reads their entire statements, that Vernon Jordan and Howard Squadron consistently argue that their constituencies—frankly, I think erroneously so—are advantaged due to their residence in large electoral vote States. Their whole argument is that there are heavy concentrations of Jewish voters and black voters in New York with a big impact on electing 41 electors and, thus, on the outcome of the election; more than they would if their votes counted equally with everyone else's throughout the Nation. That is the large State argument.

My friend from Utah, on the other hand, has been one of the most persuasive arguers for the small State argument.

Mr. HATCH. I thank my friend from Indiana, but as a matter of fact, I have not been one of the most major proponents of that point of view. I think that is true—that small States will be hurt by Senate Joint Resolution 28, but I think that there are many more persuasive and pertinent arguments than that one. I have attempted to concentrate my time on these other arguments.

I will say that I do think the small States were given an advantage by the electoral vote system. The Founding Fathers, through the "Great Compromise," sought to satisfy the smaller States who were concerned about being overwhelmed by the larger States. Arising out of that compromise was equal representation of the States in the Senate, and the article V guarantee of permanent "equal suffrage."

Mr. BAYH. The Great Compromise dealt with representation in the legislative branch. It did not have anything to do with the electoral college.

Mr. HATCH. I respectfully disagree.

Mr. BAYH. With all respect, if the Senator reads the Constitution, he will find otherwise.

Mr. HATCH. While I agree with the Senator that the compromise dealt most immediately with representation in the legislative branch, it was not long before it was extended—for most of the same reasons—to the executive branch as well.

Further, it is my view that in at least one sense, none of the States will benefit from the establishment of direct election. As we have already noted, direct election would totally eliminate the role of States as States in the electoral process. Once direct election has been implemented it will make no difference whether or not Maine or Virginia or New Jersey become more "powerful." That is a relevant concern only to the extent that the States matter at all in the electoral process. By removing the States as intermediaries in the electoral process each of the States becomes less of an influence with the executive branch of the National Government.

With respect to the conflicting array of sophisticated computer studies, on the small-State large-State debate, the critical consideration in the argument is how Presidential candidates themselves view the importance of the States. As observed by one of our colleagues, who has been through the experience, Senator GOLDWATER:

> What these mathematical studies miss is the human factor. They do not take account of the human psychology which governs real-life politics . . . I am afraid that direct election would destroy the special extra weight now given in elections for protection of smaller States. For even if a candidate fails to visit a given State, he may well take a particular position on this or that issue calculated to attract voters in that State.

Former Presidential adviser Richard Goodwin has testified to the same effect. He has noted that—

> Most Presidential campaigns are concentrated on no more than twenty percent of the vote, the swing vote, on the assumption that the rest are pretty well committed. Today, nearly every State has a swing vote which, even though very small, might win the State's electoral vote. Thus, nearly every State is worth some attention.

While I do disagree with the Senator from Indiana on these matters, he is certainly the leading authority on direct election of the President in this body. I have admired the breadth of his knowledge throughout hearings on this matter.

Let me continue with what the American Jewish Congress has stated about the present electoral system:

> By tending to inhibit the nomination of candidates likely to be objectionable to sizable minority groups, the electoral system assures attention to the needs and desires of groups whose interests might be given much less consideration under a system of direct popular election.

This point was echoed by the American Farm Bureau Federation with respect to the minority interests of rural America.

DIRECT ELECTION AND CRISES OF LEGITIMACY

While we have heard much about the potential crisis entailed in the election of a 49-percent runnerup under the present electoral system,there are several important risks involved under a system of direct election: First, a candidate can become President with only regional support. It is quite conceivable that a candidate could concentrate nearly full-time efforts on maximizing vote totals in heavily populated, but relatively circumscribed geographical areas. Other areas could be almost totally ignored. Direct election does not require that a candidate carry on a genuinely "national" campaign as does the electoral college; it is concerned only with the magnitude of vote majorities, not with their distribution.

Second. A candidate can become President without a majority, indeed, even without a plurality, in a single State. This is basically the converse of the first possibility. A candidate whose support is insufficient to gain him a majority or plurality in a single State may emerge victorious in a three-way competition if his votes are distributed evenly throughout the country. Thus, a candidate could be elected President of the United States without having captured a single one of those States.

Third. The candidate prevailing in the runoff election might have placed a distant second in general election. Such a candidate would hardly be likely to have an overwhelming public mandate. Professor Brown of Harvard Law School observes of such a candidate that—

> The majority that supports him in the runoff is at best a reluctant majority, and he remains substantially in pledge to those who swung support to him in the runoff, since it has been demonstrated that he could not have won without them.

The New Republic asks:

> Will the results of the first election ever be forgotten, or will those results actually define the new President's ability to govern?

One of the strengths of the present system is that it gives us but a single election. Not since 1824 has it been necessary to invoke the contingency provisions of the 12th amendment. The unit-rule provisions of the electoral system has the effect, further, of magnifying the popular vote margin into a larger electoral vote margin, thus discouraging prolonged challenges and disputes even in the case of close elections.

Fourth. Finally, in light of the democratic preoccupation of direct election advocates, it is worth stressing that such a system of presidential election will routinely give up presidents who are opposed by a majority of the electorate. These advocates may lament the fact that the 49.8-percent Presidency comes along every century or so under the electoral system, but they are giving us a system which, through its encouragement of splinter parties, is likely to make 50-percent presidencies a historical curiosity. If one-man, one-vote is the overriding, all-compelling American principle, how can advocates of direct election tolerate a system that expressly contemplates and would encourage 40-percent Presidents? We feel it is important to note that, under the electoral system, the nation has generally been governed by Presidents who have achieved much better than a 40-percent plurality. Only three have been elected in the history of the country with less than 45 percent of the popular vote.

Whatever the threshold level established by a direct election amendment, it is virtually certain the Presidential campaigns will be fought in the context of candidates narrowly succeeding or narrowly failing to achieve that margin. With a 40-percent threshold, it is likely that we will have a 50-percent Presidency only in rare landslide election years, as observed by Vernon Jordan:

> The paradox is that democracy and democratic practice is better served under the indirect electoral college system than under the misleadingly democratic direct election system.

Efforts to compare the relative "crises in legitimacy" of Presidents elected under different electoral systems are, of course, speculative. We do, however, have the benefit of experience with the electoral college to suggest that a "runner-up" Presidency would be as readily accepted and "legitimate" as, for example, the Presidency of a Gerald Ford, who was elected not at all to either the Presidency or Vice Presidency. In the same way that the 25th amendment, then less than a decade old, lent respectability to the Ford administration, article II of the Constitution would seem sufficient to do the same for a "runner-up" Presidency.

According to Prof. Judith Best, author of a study on direct election:

> If a truly sectional President were to be elected under this system, the country would be ripe for civil discord, if a President, let us say because of an overwhelming victory in the populous eastern megalopolis, won a majority or plurality of the popular votes although receiving insignificant support in the other sections of the country, he would be considered "their" President, not "our" President by the rest of the country. He would have great difficulty governing.

Presidential acceptance, or "legitimacy" depends upon more than simple arithmetical preponderance; it also rests upon tradition, the stability of the regime, the naturalness of transition, the integrity of the person, the base and breadth of his support, and public perception of the "fairness" of the system.

While the "crisis" attached to the electoral vote system involves what is in substance a mere technical violation of bastardized Democratic theory, the "crisis" of direct election (a far more real possibility in our opinion) is the pitting of region against region. The electoral college is an impediment to sectionalism; it is a bulwark against Presidents and Presidential campaigns that are relatively unconcerned about large sections of the country. Professor Best notes, in comparing the relative gravity of "crises" fostered by 49.8 percent Presidents and by sectionalist Presidents, that the former is a "pin prick," the latter a "bleeding artery":

> A truly sectional President * * * would be a substantive violation of the spirit and intent of the constitutional system as a whole.

BURDEN OF PROOF

It is my opinion that the Republic has survived nicely for two centuries under the electoral system. In general, we have elected to the offices of President and Vice President persons who have served those offices well. The Nation has developed and prospered under the leadership of these persons. There have been no major constitutional crises concerning the election of President and Vice President. There have been no crises in legitimacy. There have, in general, been smooth transitions between officeholders and between political parties.

In short, the electoral system has worked reasonably well to select the executive authority. It is not a perfect system, but it is a more than workable system that has proven its effectiveness in the course of nearly 50 hard-fought Presidential campaigns.

Because the present system has worked well and continues to work well and because of the radical nature of the proposed change, it seems to us that proponents of Senate Joint Resolution 28 bear a very heavy burden of proof. They must show beyond a reasonable doubt that first, the present system is seriously flawed and should be changed, and second the proposed direct election system would be a significant improvement. The burden of proof is not on defenders of the present system. It is upon those who would reject a system that has worked, in favor of one that might or might not work.

As observed by Richard Goodwin, former advisor to Presidents Kennedy and Johnson, in speaking of direct election of the President,

> We will exchange a mechanism which is clumsy but has worked well for an ideal construction of political theory whose consequences can't be foreseen . . . It is not enough to demonstrate that direct election will probably be an improvement. It must be shown beyond all reasonable doubt that the adverse consequences which are predicted by many will not occur.

The late Prof. Alexander Bickel of the Yale Law School warned, "The sudden abandonment of institutions is an act that reverberates in ways no one can predict and many come to regret."

It is curious that far greater scrutiny seems to have been given the present system, the defects of which are known and certain, than to the system of direct election, the defects of which remain unknown or speculative. We believe that a proportioned debate on Senate Joint Resolution 28 must accord as great attention to weighing the merits and demerits of direct election as to those of the present system. After listening to 4 days of testimony this year, and reviewing the debate from previous years, it is our judgment that proponents of Senate Joint Resolution 28 have not met the burden of demonstrating theirs to be a superior system to the present one.

CONCLUSION

I would be remiss if I did not mention that I am also concerned about several technical difficulties with Senate Joint Resolution 28, including its failure to specify a time limit for ratification, and the possibility of its abolition of the electoral college between the time of a general election and the time of the formal electoral college processes.

I am concerned also, in light of the need for uniformity of State election procedures under a system of direct election, that nothing in Senate Joint Resolution 28 precludes the States from relaxing suffrage qualifications, for example, lowering their voting age to 16, and thereby achieving an advantage with respect to the other States. In order not to lose relative influence, it will be necessary for each State to follow the lead of that State most liberal in its voting requirements.

In addition, it is noteworthy that, upon the submission of this amendment to the States, the States will be faced simultaneously with three separate constitutional amendments for the first time since the bill of rights was considered in 1789–91. A fourth amendment may well be offered the States as a result of their own initiative in petitioning for a constitutional convention. I find it ironic, to say the least, that the proponents of this resolution are insistent upon submitting the present amendment to the States despite an almost total absence of public demand for this measure, while doing its obstructive best with respect to an amendment that is being demanded by the public—the balanced budget amendment.

I have heard absolutely no public hue and cry for the immediate proposal. Public opinion polls, relied upon by the committee, which purport to show public support for Senate Joint Resolution 28 suffer from the usual weaknesses that arise from attempting to distill complex constitutional debate into a single Harris or Gallup poll query.

For the reasons that I have stated, I am strongly opposed to the pending resolution. I respectfully urge my colleagues to examine it with the greatest of care and caution.

In proposing an amendment to the Constitution that would totally alter the processes of what Theodore White refers to as the "central rite" of our democracy, I believe that Senate Joint Resolution 28 forbodes changes of the greatest dimension in our system of Government. Each of us must consider whether or not such changes are truly needed.

I ask unanimous consent that certain additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ABOUT THE ELECTORAL VOTE SYSTEM

BURDEN OF PROOF

Q. The electoral vote system has operated for nearly two hundred years to select a president in a single general election and to smoothly transfer executive power. Why should we want to change such a successful system, especially by a constitutional amendment which—according to noted constitutional scholar Charles Black of Yale Law School—would be "the most deeply radical amendment which has ever entered the Constitution of the United States"?

A. This is the fundamental question and the question which proponents of direct election have least adequately answered. A direct election system should be adopted only if it is shown to a reasonable degree of certainty that (a) the present system produces unsatisfactory results and (b) direct election would result in significant improvement. The burden of proof is not on defenders of the present system. It is upon those who would reject a system that has worked in favor of one which might or might not work.

RISK OF RUNNER-UP PRESIDENT

Q. Under the present system it is possible that a candidate could be elected president who had received fewer popular votes than one of his opponents.

Is the possibility of a runner-up president so likely and so undemocratic that the system that allows it should be changed?

Under modern conditions would such a runner-up president be accepted by the American people as legitimate and could such a president effectively govern?

A. A runner-up President has been elected only once in the history of our country. It is very unlikely that under the modern two-party system and broadly based, national campaigns, this would happen again. In 1888 Benjamin Harrison won the electoral vote contest, and therefore the election, despite a narrow loss to Grover Cleveland in the popular vote (the difference was less than one percentage point). Cleveland's narrow popular vote victory and his electoral vote loss both resulted from his sectionalist campaign strategy, which was aimed at achieving large margins in one region of the country. Harrison conducted a genuinely national campaign.

The one-man, one-vote, majoritarian principle is only one of the political values on which our government was based The Founding Fathers established a government where the will of the national majority is limited, for example through the Bill of Rights, and is expressed indirectly through the states. Citizens participate in the election of members of Congress and the President only through their states. As a result, federal power—both legislative and executive—reflects regional/geographical as well as population factors. Less populous regions of the country have been given a slightly greater influence over federal decisions than would be due them because of their share of the national population. This arrangement has served the cause of national unity.

The election of a President who had received broad support—hence an electoral vote victory—but slightly fewer popular votes, would be very unlikely to produce a crisis. A crisis did not occur in 1888, as indicated, nor even in 1974 when Gerald Ford became President despite receiving no popular votes.

Constitutionally valid procedures automatically produce results that have great legitimacy. This legitimacy would only be undermined if influential political and opinion leaders constantly claim that a runner-up President would be undemocratic and illegitimate. Therefore, when such leaders predict a future crisis, they are in effect making self-fulfilling prophecies. The American people are perfectly capable of understanding and accepting the reasons why the electoral vote system was developed and the advantages which it still possesses over direct election.

FAITHLESS ELECTOR PROBLEM

Q. Under the present electoral vote system, a voter casts his vote for President for a slate of electors each pledged to cast his electoral vote for the particular Presidential candidate favored by such voter. How serious is the problem of the "faithless elector," the elector who does not cast his vote for the candidate to whom he is pledged?

A. Of the nearly 18,000 electors that have been selected in U.S. history, no more than a dozen have failed to cast their votes as pledged. None of these has come anywhere near affecting the outcome of an election. Nevertheless, few of the supporters of the electoral vote system defend the office of elector. We merely question the significance of the problem. What could easily be cured by a simple and noncontroversial amendment (some scholars have even suggested that a statute would be sufficient) should certainly not be used as a justification for a change as radical as direct election.

WINNER-TAKE-ALL RULE

Q. Under the electoral vote system, the Presidential candidate receiving the most popular votes receives all of the State's electoral votes. Is this fair or democratic?

A. The "winner-take-all" rule is not required by the U.S. Constitution. The Constitution merely assigns to states their total electoral votes. The individual states decide how such votes are to be allocated. One state, Maine, has decided to award two electoral votes to the statewide winner and one to the winner in each congressional district. Most states probably adhere to the "winner-take-all" rule because it maximizes the influence on the election outcome of the majority choice, which in effect is accepted as the state choice, the collective choice of all citizens of the state. Nevertheless, the citizens of any state could—if they desired—follow the lead of Maine and abandon the "winner-take-all" rule. No amendment of the U.S. Constitution would be necessary.

A further point worth mentioning is that the "winner-take-all" rule favors a moderate, two-party system (see question 7 below).

QUESTIONS AND ANSWERS ABOUT THE DIRECT ELECTION PROPOSAL, S. J. RES. 28

RISK OF SECTIONALIST PRESIDENT

Q. Would direct election increase the likelihood of a "sectionalist" President?

A. Yes. The direct election system would permit the election of a President who received an overwhelming margin in one section or even one state of the country, yet who lost everywhere else. The electoral vote system, on the other hand, is biased in favor of candidates who receive geographically broad support. Since under the electoral vote system the margin of victory within a state is irrelevant, extra-wide margins in a few states cannot compensate for losses in other states with a greater total number of electoral votes.

RELATIVE RISK OF CRISIS

Q. Which would be the more likely and more damaging result—election of a "runner-up" President under the electoral vote system or election of a "sectionalist" President under the direct election system?

A. Election of a President who had received broad support but slightly fewer popular votes would probably not produce a crisis as has already been indicated.

On the other hand, election of a President who had received support in only one region of the nation might well result in a major crisis, with the people of most states regarding the President as "their" President not "our" President. The crisis would be deepened by the likelihood that the President would be seeking to serve the interest of the special constituency that elected him, and by the substantial friction that would be likely to exist between the President and the Congress (with its nationwide constituency and slightly disproportionate influence for less populous states).

DAMAGE TO TWO-PARTY SYSTEM

Q. Would direct election hurt our moderate, two-party system?

A. Yes. Politics under direct election would probably resemble that of the multiple party states on the European continent.

The electoral vote system and the "winner-take-all" rule together operate to discourage third parties since there is no possibility that such parties can gain electoral votes except by winning on a statewide level. Rather than "throw away" their votes, many sympathizers of third parties vote for one of the major party candidates. Direct election would encourage third parties since statewide victories would no longer be necessary.

S.J. Res. 28 contains an additional incentive for the formation of minor parties. In the event no candidate received 40 percent of the popular votes, a run-off election would be required between the top two candidates. Therefore, if the votes cast for minor party candidates taken together denied the major candidates the 40 percent plurality necessary to avoid a runoff, such minor parties would be in a very good position to negotiate for policy and personnel concessions prior to the run-off election. For example, if five Presidential candidates receive 39, 39, 11, 10 and 1 percent of the vote, respectively, then each of the minor parties, including the smallest, could deliver victory to either major party in the run-off election.

DAMAGE TO FEDERALISM

Q. Would direct election damage federalism?

A. Yes. Under direct election the States would have no significance. Under the electoral vote system, votes are counted separately for each state. A state choice is selected reflecting the majority view in such state. This strengthens the feeling of being a citizen of one state as distinguished from other states (other federal elections do not have the same effect since voting in Congressional elections does not affect the outcome outside the voters' own states). Whatever strengthens the awareness and pride of state citizenship and the realization of separate state interests will strengthen the federal system by reducing the desire of voters to see powers flowing from their state to the national government in Washington or even to the local representative of that national government (who would still be responsible ultimately to a national constituency.) Direct election would also require Congress to enact a national election code to replace those within the 50 states.

DECREASED PLURALITY FOR WINNING CANDIDATE

Q. Only three Presidents in our history have elected with less than 45 percent of the popular vote. S.J. Res. 28 provides that a 40 percent plurality would be sufficient for victory. Wouldn't such a provision make it likely that most presidents would be elected under direct election with a lower percentage of the popular vote than is usually received by winning candidates under the electoral vote system?

A. Yes. Because of its encouragement of minor parties (see above), S.J. Res. 28 would probably result in Presidential elections where the victors would receive little more than 40 percent of the vote, unless a runoff election were held. Such a change seems antidemocratic and destructive of legitimacy, both allegedly primary concerns of direct election supporters.

FRAUD AND UNCERTAINTY OF ELECTION RESULT

Q. Wouldn't direct election invite fraud, encourage vote challenges and recounts, and make less likely an orderly transition period between administrations?

A. Yes. Under the present system there is no incentive for fraud within a particular state unless the contest within such state is relatively close. As a result, fraud in Presidential elections has been relatively rare and even when present has usually not been great enough to change the national outcome. Under direct election, however, each vote fraudulently obtained would have potentially national significance. Similarly, direct election would undermine the certainty of electoral counts. Challenge and recounts would be encouraged because the shift of even a handful of votes in a number of precincts across the nation could have substantial impact upon close national elections. Furthermore, all votes might have to be recounted—not merely that involving the leading candidates—in order to determine whether the 40 percent plurality necessary to avoid a run-off election had been obtained. If both the initial and run-off elections were close and involved recounts and uncertainty, the country might not know who its new President would be until near inauguration day and the opportunity of such a President to prepare for his administration would be dangerously small.

IS ELECTORAL REFORM THE ANSWER?

(By Alexander M. Bickel)

For the first time since the Progressive era of sixty years ago, the American political system may be at a point of significant mutation. The Progressive era gave us women's suffrage and the popular election of senators, without which the federal government would surely now seem hopelessly anachronistic; the direct primary, which has become a domesticated household creature; and also the initiative, the referendum, and the recall, which have survived here and there, but for the most part wildly, in a state of nature, owing to lack of regular contact with humans. These reforms answered essentially to the populist idea—identified in the American political tradition with Andrew Jackson and in some measure with everyone else ever since—that the ills of society and its government will be cured by giving a stronger and more certain direction of affairs to a popular majority. Today, as earlier, this idea remains the battle cry of reform. It alone inspired the Supreme Court's reapportionment decisions from 1962 onward, which may be viewed either as having inaugurated the current age of political reform or as a reflection of it; and it alone is the overt inspiration of proposals, for which the performance of the system this season has generated much support, to abolish the electoral college and the Presidential nominating conventions.

Confidence in the majority crosses class and ideological lines; nearly everyone believes that if the majority were but allowed to speak often and loudly enough, it would speak with his own voice. Even for those who would try to control the processes by which a majority is formed, and who would restrain and educate the majority before yielding to its wishes, the democratic faith is, finally, faith in the good will and good sense of the preponderant number of men. Nevertheless the populist principle in its unqualified state is simplistic and insufficient. Over time, it begets a dialectic of illusion and disillusion. Its sanguine slogans sound hollow and become terms of derision with extraordinary rapidity. "The Old Order Changeth," wrote William Allen White in 1910. In 1920, he said to Ray Stannard Baker: "What a —— world this is. . . . If anyone had told me ten years ago that our country would be what it is today . . . I should have questioned his reason."

The proclamation of a New Politics will also be recalled in irony later if it is given nothing but a populist content now. It is nice to think that there is an immediate majority out there which necessarily favors great good works, and which consists of persons each moving in an individual orbit, adrift from parties and other structures, and yet capable of exercising power if only every man had one vote. But the body politic is not like that. Majorities do not arise spontaneously and are not found; they must be constructed and then maintained. They are conglomerates of many groups, all of them minorities, each of which must have its share of power, some of which weigh in with intensity of feeling rather than numbers, and some of which must sometimes even be granted a veto, in order that there may be peaceable government enjoying common consent. If this is the Old Politics, it is the part which is a permanent necessity.

Unqualified populists or not, political reformers must in any case proceed with caution. James I spoke of the mystery of the King's power. The institutions of a secular, democratic government do not generally advertise themselves as mysteries. Yet they are. Their actual operation must be assessed, often in sheer wonder, before they are tinkered with, lest great expectations be not only defeated, but mocked by the achievement of their very antithesis. Defeat and mockery, to assert briefly what is common knowledge, were the partial result of the direct primary, and certainly of the referendum, the initiative, and the recall, which turned into tools of minority pressure; and defeated expectations and unwanted consequences, to assert briefly what will in time also be common knowledge, have followed from the Supreme Court's reappointment decisions.[1]

There are great virtues in a conservative attitude toward the structural features of government. The sudden abandonment of institutions is an act that reverberates in ways no one can predict, and many come to regret. There may be a time when societies can digest radical structural change: when they are young and pliant, relatively small, containable, and readily understandable; when men can watch the scenery shift without losing their sense of direction. We are not such a society. We are well served by an attachment to institutions that are often the products more of accident than of design, or that no longer answer to their original purposes and plans, but that offer us the comfort of continuity, and challenge our resilience and inventiveness in bending old arrangements to present purposes with no outward change. The English know this secret, and so does the common law that we inherited from them. We have, of course, many institutions and arrangements that, as they function, no longer conform to the original scheme, and we have bent most of them quite effectively to the purposes of our present society, which in all respects differs enormously from the society of nearly two hundred years ago. The Supreme Court is one such institution, and the Presidency itself is another. The fact that we have used them without modifying their structures has lent stability to our society and has built strength and confidence in our people.

THE ELECTORAL COLLEGE

The "Humpty-Dumpty electoral college," as one of its critics has called it, is another old institution put to interesting new uses. Now the chief target of reformers, the electoral college was unquestionably invented to serve ends most of which we no longer care to serve, and most of which it no longer serves. Only in form does it remain what it was invented to be. Pursuant to Article II of the Constitution and the Twelfth Amendment, it still consists of as many electors from each state as the state has senators and representatives, and it still convenes quadrennially to elect a President and a Vice President of the United States. But although it was probably intended and clearly not forbidden to act independently, it has hardly ever done so, certainly not in modern times. Electors compete for the office in a popular election, but with very infrequent exceptions, which have never proved significant, they do so in complete anonymity; electors are pledged to Presidential and Vice-Presidential candidates for whom, if they win by a majority or plurality, they cast their state's electoral vote.

These features of the system, unforeseen and unintended by its originators and sanctioned by custom rather than by the Constitution, have in modern times made the large, populous, heterogeneous states—where bloc voting, as by ethnic or racial minorities or other interest groups, often determines the result—the decisive influence in Presidential elections. Recently, Mr. John F. Banzhaf, III has analyzed the various possible arrangements of electoral votes, and the circumstances in which any given state could change the result of an election.[2] He has also calculated the chances of a voter affecting the outcome in his state, and the chances that the outcome of a national election would then itself be altered. His conclusion is that voters in "states like New York and California have over two and one-half times as much chance to affect the election of the President as residents of some of the smaller states." Pennsylvania, Ohio, Michigan, Illinois, and even the lesser industrial states, are also in advantageous positions. The reason is that while a voter in a large state has less chance of influencing the result in his state (because there are, of course, more people voting) he potentially influences a larger number of electoral votes; and so, despite the apparent dilution of his vote, he actually exercises much greater control over the outcome of the national election. This power he derives directly from the electoral college system.[2]

What we have known to be true, then, is true. We can now establish mathematically why modern Presidents have been particularly sensitive to urban and minority interests—modern Presidents of both parties, that is to say, have been more responsive to urban interest than have other factions in their parties. And only men who can be thus responsive are generally nominated and elected. Goldwater in 1964 is something of an exception; he was nominated, Mr. Nixon in 1968 was no exception. If he made some unfamiliar sounds, that was because of the particular urban mood of the day.

In modern times and in most of our politics, urban interests in the big states have contended against interests that have a more rural, nativist, and Protestant orientation. The latter interests have tended to dominate Congress, the former the Presidency. Urban-rural, pluralist-homogeneous—this has been the great divide in American politics. The task of the Presidential candidate, Republican or Democratic, is to bridge it from either side. The electoral college does not guarantee the Presidency to the Democrats. Rather the system requires both parties at least to make inroads into the urban and ethnic vote in order to win. Mr. Nixon in 1968 barely did, and he barely won. But then it was a three-way race, and some of the Wallace urban vote is to be credited to Nixon, either directly or as a subtraction from Humphrey strength. In any case, the industrial states were, as ever, the decisive battleground. The big states would matter in any scheme that took account of the popular vote in whatever fashion, directly or with qualifications. But the electoral college as it has evolved is so rigged that the big states count disproportionately. That is its critical attibute.

Each of our major parties is, in consequence, as James M. Burns has recently reminded us, two allied parties—a Congressional party, rural and small-town moderate to conservative in orientation, and a Presidential party, which is substantially more urban-liberal. (How often has it been true that the Republicans have lost Congress to the Democrats, and the urban liberals have lost the Democrats to Congress!) No doubt, the urban electorate is not always progressive, humane, and large-minded, and the more homogeneous rural and small town electorate sometimes is. The drift of attitudes among big city voters is nothing to be proud of just now, nor was it in the early 1950's. On the other hand, the Progressive movement of a half-century ago had deep roots in the rural West and Midwest. Still, the urban and the rural-small town outlooks and interests do generally differ. So long as that remains true, the former should properly exert particular influence through the Presidency because the latter are likely to prevail in Congress.

The difference in interest and outlook may not always obtain. The demography of the United States and its politics will not necessarily abide unaltered, world without end. The country, we are told, is increasingly urban, and TV and the other "media" are, God help us, leveling cultural and other distinctions. But urban is a term that can cover many ways of life; the ethnic and racial composition and the traditions and attitudes of an urbanized Nebraska or Georgia are still not those of New York, Chicago, or Cleveland. If there are major changes in the

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offing, they are not here yet, and their nature is not readily predicted.

The proposal to abolish the electoral college that is now being actively considered emanated from a special committee set up by the American Bar Association, and it has a very great deal of bipartisan Congressional support. It has even spawned a thoroughly documented and well-argued book.[3] The proposal calls for a constitutional amendment providing for election of Presidents and Vice Presidents by nationwide popular vote, with a run-off in the event that no candidate attains a plurality of 40 percent. Such a system would put a premium, not on carrying the big industrial states, but on achieving the largest possible majority in the smaller, more homogeneous ones. It would create a Presidency with little or no incentive to act as a counterweight to Congress, and as a particular spokesman for urban and minority groups.

Recognizing that the proposal would most likely achieve this result, advocates of the direct popular election contend that no counterweight is needed, or is any longer proper, in view of the Supreme Court's reapportionment decisions. It was fitting—so the argument goes—for the President to be oriented toward the cities and minority groups so long as Congress looked the other way, but Congress looked the other way because of malapportionment, and malapportionment is no more. Hence the reasons, such as they were, for tolerating the undemocratic aberration of the electoral college no longer hold. It is time for the system to be ideologically pure. The Court has said that the Constitution commands equal apportionment. We should, therefore, reapportion the Presidency. In effect, we must now amend the Constitution to make it mean what the Supreme Court has said it means.

This is, in itself, an arresting argument. But its paradoxical nature is not the main thing wrong with it. What is fundamentally wrong is that it fails to take account of a whole order of very different considerations. A system of countervailing centers of power may be better for a country as large and still as diverse as ours than one in which Congress and the President represent more nearly the same constituency. Under the present system we are able to strike a nice balance in our government, and make it an instrument for achieving general consent, rather than merely for working the will of some supposed majority of the moment; therefore, instead of changing the Constitution to make it conform to the Supreme Court's reapportionment decisions, we ought perhaps to work to overturn those decisions.

Even if one accepts the reapportionment decisions and their exclusively majoritarian bias, however, the trouble is that the proponents of the direct popular election wildly overestimate the immediate impact and durability of these decisions. It is, to begin with, impossible without additional constitutional amendment to reapportion the House entirely: state lines prevent. Secondly, it is foolhardy to bank on the permanence of the reapportionment decisions, just exactly as we now know them: they are subject to relitigation every decade, with every census. Third, gerrymanders, which the Court has not yet attempted to control, can accomplish all that the most sophisticated or antiquated malapportionment ever achieved. But fourth and most important, we do not know that Congress is what it is because of malapportionment. It is quite probable that in much larger measure the nature of Congress is determined by its internal methods of distributing power—chiefly the seniority and committee systems. These are very solidly entrenched. They reward length of service and expertise, as in one fashion or another all legislatures, really all permanent institutions, must. Long tenure is, in turn, most often the gift of a homogeneous district, which will tend also to liberate a Congressman from the varied concerns of a closely-divided and diverse constituency, and thus enable him to specialize singlemindedly in a branch of legislative business. Congress, finally, may be what it is because any districted constituency will vote for a Congressman from a more restricted and probably more conservative perspective than when it votes as part of the entire national constituency in Presidential elections. Herein may lie the explanation of a certain divergence between the Senate, atrociously malapportioned and proof against reform even by constitutional amendment but elected by statewide voters, and the districted House of Representatives. All this means that in any circumstances the President is fairly bound to represent a constituency that is not the same as that of the House, but it means more plainly that Congress cannot be radically changed by reapportionment, and that the system should emphasize and preserve rather than seek to suppress the different orientation of the Presidency.

There is yet another, quite discrete objection to the proposal for direct popular election, which would be sufficient in itself. This is that the monopoly of power enjoyed by the two major parties would not likely survive the demise of the electoral college. Now the dominance of two major parties enables us to achieve a politics of coalition and accommodation rather than of ideological and charismatic fragmentation, governments that are moderate, and a regime that is stable. Without forgetting that of all the mysteries of government the two-party system is perhaps the deepest, one can safely assert that each major party exerts centripetal force; that it ties to itself the ambitions and interests of men who compete for power, discouraging individual forays and hence the sharply-defined ideological or emotional stance; that it makes, indeed, for a climate inhospitable to demagogues; and that it provides by its very continuous existence a measure of guidance to the marginally interested voter who is eminently capable of casting his ballot by more irrelevant criteria. The system, in sum, does not altogether take mind out of politics, but it does tend to insure that there are few irreconcilable losers, and that the winners can govern, even though—or perhaps because—there are equally few total victories. Multiparty systems also govern by compromise and coalition; they compromise and coalesce, however, not before the election, but after, having first offered the voter his choice among pure positions. Self-contained ideologies thus take root, and become hard-edged. Accommodation is more difficult, partial, grudging, short-lived, and often impossible. Such a system makes for more mind, perhaps, and certainly less government.

The electoral college deters challenges to the two major parties, because an effective challenge must have not merely some popular appeal, but support of sufficient regional concentration to garner an electoral vote. In 1912, William H. Taft, the real third-party candidate in the extraordinary circumstances of that year, had 23.2 per cent of the popular vote and 8 electoral votes, and in 1924 Robert M. LaFollette had 16.6 per cent and 13 electoral votes. Only from a regional base can a third party penetrate the electoral college. Thus in 1948 Strom Thurmond had such a base, and Henry Wallace did not. Each got 2.4 per cent of the popular vote, but Thurmond had 39 electoral votes, 31 more than Taft in 1912, and Wallace had none. George Wallace this year also ran on about the only issue which still massively unites a region—hence his 45 electoral votes. Otherwise, his 13 per cent of the popular vote would have been as meaningless as Taft's or LaFollette's.

With popular election, non-regional interests that have failed to influence conventions would unquestionably be tempted to enter the general election in the hope of gathering enough votes to bargain with in a run-off. And enough entrants may be foreseen to insure a run-off every time. In such conditions the two major parties could not long sustain themselves. A geographically-based candidacy such as that of George Wallace would have no less incentive to manifest itself under a system of popular election than it does now. All other possible separate candidacies, ideological but not regional, would have more. Thus we would see on a national scale the kind of unstructured politics that characterized much of the single-party South in its heydey. The real election was the Democratic primary, which would draw several candidates, who then sorted themselves out between the first vote and the run-off. Two or four years thence, everything started afresh.[4]

Apart from a theoretical attachment to pure majoritarianism, proponents of the direct popular election of the President rely also on a parade of possible horrible consequences of the present system. Both the electoral college and the direct popular election can produce plurality Presidents, like Nixon in 1968, who come in ahead of their opponents by less than a clear majority of the total popular vote. The electoral college, however, can also bring a minority President into office—that is, one who got fewer popular votes than his runner-up. Yet putting aside an esoteric dispute in 1960 about how to apportion the popular vote in Alabama, there has not been a minority President in this century; and in an election that was not stolen, as in 1876, or thrown into the House, as in 1824, we have had only one such President in our history. But it made little difference that Grover Cleveland lost in 1888 to Benjamin Harrison even though he had 100,000 more votes; he won four years earlier, when he did become President, by only 23,000. It would have made equally little difference if, without affecting the actual result in the electoral college, Mr. Nixon had nosed out John F. Kennedy in 1960 by 100,000 votes, or Mr. Humphrey had prevailed by a small margin in 1968. When some 70 million votes divide so closely, only an immensely dogmatic majoritarianism would insist that the so-called winner has the sole legitimate claim to office. In truth, there is a stand-off, and the question is merely of a convenient device—any convenient device previously agreed upon—for letting one of two men govern.

Unquestionably, the legitimacy of the electoral college result and the effective discharge of the office would be affected should the loser of the popular vote by a substantial margin win the Presidency. But of this, as past statistics consistently show, the risk is miniscule, and it is offset by the advantages of the electoral college in the more likely case of a close popular vote. For in the electoral college, a narrow popular victory is perceived through a magnifying glass. Indeed, even if it should put a narrow loser in office, the electoral college would probably insure greater acceptance for him than the winner by a very small margin could expect in a system of direct popular election.

Beside electing a minority President, which it is not apt to do, the electoral college is capable of two other tricks, both of which George Wallace has badly frightened people with. Since the Constitution permits the college to act as an independent, deliberative body, individual electors may take it into their heads to behave accordingly, and should no one have a majority of electoral college votes, some uncommitted or third-

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party electors could certainly play a decisive role. Obviously they should not, since they are obscure men who were not elected to perform a deliberative function. This is an eventuality that should be guarded against, but it calls for perfecting the present system, not for abandoning it. The Johnson administration has proposed a constitutional amendment which would abolish the electors and their college as a physical entity, and would automatically award the total electoral college vote of each state, calculated as at present, to the winner of a majority of plurality of the popular vote in that state.

A difficulty of rather another sort, and one not so easily solved, is the deadlock. The Constitution now provides that should no one succeed in obtaining a majority in the electoral college, the House of Representatives shall elect a President; each state shall have one vote, to be cast in accordance with the wishes of a majority of that state's delegation in the House. One may think it unlikely that patriotic men, committed in virtually every other aspect of their activities to majoritarian principles, would do today what was done in 1824, and vote into office not the winner of the popular vote by a substantial plurality (Andrew Jackson), but his runner-up (John Quincy Adams). Nevertheless, the possibility of intolerable abuse exists, and there is no reason not to guard against it. One suggestion, put forward by Representative Jonathan Bingham of New York, is to have a run-off election still within the electoral college system—that is, a repetition of the previous exercise, but this time between the two top candidates. This has some of the disadvantages of the popular election proposal with its run-off, since it might also tend to make splinter candidacies more profitable and hence more likely. Another possibility, favored by the Johnson administration, is to recognize frankly that in the event of a deadlock a choice is required through a deliberative process, rather than through a process—which by hypothesis has just failed—of registering the popular wish. I shall touch presently in some detail on the coalition-making that precedes the general election in the present system. Deadlock means that it has failed and must be tried again. Coalition-making is a function for representative, deliberative institutions. Congress sitting in joint session and reaching decisions by a majority of the individual votes of its members is the best available deliberative institution for this purpose, and Congress is the institution the Johnson administration proposal would use.

THE NATIONAL PARTY CONVENTION

Originally, Presidential candidates were nominated by Congressional caucuses, but by 1824 this system had come to seem insufficiently representative and was replaced by the national party convention, beginning in 1832. Now that system, too, has come to seem insufficiently representative, and also inadequately deliberative. More and more, as the increasing incidence of first-ballot nominations plainly suggests, it merely registers the previously-expressed wishes of a constituency. What that constituency is, however, whether it is in any sense the masses of party adherents, or merely the professional party cadre, is gravely in question. And so the majoritarian reformers would substitute a national primary election for the convention.

A national primary would undoubtedly attract numerous candidates, and its decisive stage would be the run-off. Consequently, as Nelson Polsby and Aaron Wildavsky have written,[5] "the United States might have to restrict its Presidential candidates to wealthy athletes. No man without enormous financial resources could ever raise the millions required for the nominating petition, the first primary, the run-off primary, and the national election; and no one who was not superbly conditioned could survive the pace of all these campaigns." Polsby and Wildavsky argue also that a national primary would badly strain the two-party system, because in periods of the dominance of one of the parties, which of course occur, voters would be drawn to that party's primary, viewing it as their only real opportunity to participate decisively in the entire electoral process, and they would be drawn in such unnaturally large numbers as to threaten the other party with atrophy.

In any event, a national primary would not avoid the coalition-building function, which must be discharged, whether before or after the general election. The consequence would be merely that this function would be deinstitutionalized. Between the first primary and the run-off, men would come together, without structure and without form, and sort out their support for one of the two candidates who had emerged in the leading position. This would be the time and this would be the fashion of the coalition-forming process in each party, and, ultimately, if Polsby and Wildavsky are right, in one party alone, as—again—in the once solid South.

Of course, if Polsby and Wildavsky are right, the general election would be a formality of little moment, and we would have the least desirable of all systems of direct popular election, one that provides for no prior nominating process of any sort. It would amount to a multi-party system, in which the bargaining that is essential for constituting a government is postponed until after the election. The disadvantages that would follow have been mentioned. They are enormous. But even assuming that Polsby and Wildavsky are too pessimistic, that the two parties would survive, and that the work of making a coalition would proceed in each party between the first primary and the run-off, the upshot would be a coalition-forming procedure scarcely more responsive to an appropriate constituency than the most irresponsible convention we are likely to witness. The two top contenders would have been chosen by popular pluralities, to be sure, though their vote would likely be of the order of 20 to 25 per cent, and whatever choice between them the rest of the candidates and their managers made would require ratification in the run-off, just as convention choices are up for ratification in the election now; but subject to this constraint, which operates equally on the conventions, the candidates and the managers would make their decision in some back room, at least as free of any other constraint as the convention bosses who picked Harding in 1920. This is scarcely what the proponents of the national primary intend, yet it is what they would get—at best.

To reject the national primary is not to concede, however, that the national party convention as we now know it is acceptable. No American political institution is more visible than the convention, and none is less visibly constituted and run. An examination of the 1968 Democratic Convention, for example, reveals some rather remarkable practices, which are common, with an occasional variation, in the Republican party as well. There are states where all or part of the delegation to the national convention is appointed by the governor or state chairman (e.g., Georgia, Louisiana), or by the state executive committee (e.g., New York), which may last have been elected two or four years earlier (e.g., Pennsylvania, Maryland), or by a state convention whose members, in turn, are appointed by local party functionaries (e.g., Michigan, Illinois).

The Democratic Convention was studied in the summer of 1968 by an unofficial, privately-funded Commission on the Democratic Selection of Presidential Nominees, of which Governor, now Senator, Harold E. Hughes of Iowa was chairman. (It was brought together on the initiative of a few delegates who were members of the Convention's Credentials and Rules Committees, and it made recommendations, and issued a report from which the facts about the convention that I am here able to cite are chiefly drawn.[6]) Over 600 delegates to the 1968 Convention, the Hughes Commission found—approximately half the number needed to win a nomination—"were selected by processes which have included no means [however indirect] of voter participation since 1966." This is utterly unjustifiable.

A party's professional cadre should, no doubt, have a voice. The professionals are, if nothing else a faction that deserves representation, and it is sound institutional policy to reward their services with a measure of influence. They symbolize, moreover, the continuity of the party, and play a principal role in giving it an identity. But if they lend the party its character of an "organized appetite," as Felix Frankfurter once wrote[7] their appetite is sometimes keener for power in the organization than for organizing to secure the power of government. At any rate, no one need fear that the professionals will go unrepresented. Even in states where delegates are elected in direct primaries, the cadre knows how to maintain its foothold (as David, Goldman, and Bain have pointed out[8]). The problem in constructing a convention is not to assure a voice for the professionals, but to dislodge them from a controlling position.

Methods of delegate selection that do bear scrutiny, as appointment by the professional cadre will not, are election by a state convention to which representatives are chosen, in turn, either directly or through an additional stage of district conventions, at precinct caucuses open to all party members; and direct election either in a winner-take-all, at-large primary as in California, or in at-large and district primaries, with (e.g., New Hampshire), or without (e.g., New Jersey) an accompanying state-wide preferential poll, in which the people have a chance to vote for actual Presidential candidates.

It would be difficult and unwise to opt on a national basis for any one of these acceptable methods to the exclusion of the other ones. The winner-take-all state primary has its virtues. It is a trial heat, a shakedown cruise for candidates, and a preview for the public. It catches attention and generates interest. Politics is an educational endeavor before and after it is anything else, and in this endeavor the major state primary helps. The drama is heightened for all concerned by the winner-take-all feature; for the candidate with little support from the professionals the attractiveness of the primary is enhanced, as for the public is its authenticity as a preview. And the winner-take-all primary injects into the convention's process of judgment a prediction that is more than a guess, and more reliable than a poll, of what the party faces in the general election. But the state-wide, winner-take-all primary as universal practice would avoid few of the shortcomings of a national primary. If a reasonably obvious national winner were turned up, the convention would merely register the choice. Or else, if the state primaries produced no conclusive winner, as would more often happen, the convention's task would be what it is today, but it's composition would be most unsuited to a satisfactory performance of that task.

There are, by and large, as I have been implying, two sorts of multi-member democratic institutions: the representative, deliberative assembly, and the body meant to register a single prior decision of its constituency. Congress is the typical institution of

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Footnotes at end of article.

the former sort, the electoral college of the latter. Institutions charged with registering the decision of a majority of their constituency should consist of members responsive to that majority, and of no one else. (In 1796, a Federalist voter said of a member of the electoral college: "Do I choose Samuel Miles to determine for me whether John Adams or Thomas Jefferson is the fittest man for President of the United States? No, I choose him to act, not to think.") Deliberative institutions, on the other hand, should reflect as many significant factions in the total constituency as possible. That is why all American legislatures are districted. None is elected at large, to be a creature wholly of the majority, nor does any state send to Congress an entire delegation elected on a statewide basis. It is particularly necessary to represent the minority in a deliberative assembly that, like the national party convention, sits only briefly and periodically, and has as its sole object the composition of a governing coalition. The minority must be there, quite simply in order that some portion of it may be coalesced with; or more accurately, no relevant majority exists for purposes of constituting such a deliberative assembly until the assembly's own majority-building work is done, and that work can be done only if the total or near-total constituency is present through its delegates. Thus delegations chosen in winner-take-all primaries, speaking for a majority and perhaps a plurality of a state party, are welcome as one element in the mix of the convention, not as the universal element.

Delegations selected in district primaries are likely, subject to the accidents of geography, to represent minorities as well as majorities in a state party, and so are delegagations chosen at state conventions whose members were elected at open precinct caucuses—but this last will be so only if one highly important condition has been met. At many precinct caucuses, district conventions, and then state conventions, the unit rule prevails, so that at each stage minorities may be left unrepresented. This is, to be sure, not the practice everywhere, but the Hughes Commission confirmed some of Senator McCarthy's complaints that it was the practice used to his disadvantage by the Democratic party in some states; and used here and there, one may add, by the McCarthy people themselves, when they had the chance. Hence, while accepting the value of the winner-take-all primary in a few states, the Hughes Commission recommended absolute abolition of the unit rule at all levels; it also recommended abolition of any system of "direct appointment" of delegations, in whole or in part, by state party executives or other officials, and the selection of delegates by procedures that "permit meaningful popular participation" within a period of not more than "six months before the Convention itself."

Somewhat to everyone else's surprise, and perhaps also to its own, the 1968 Democratic Convention adopted the following resolution offered by a minority of its Rules Committee:

> It is understood that a State Democratic Party, in selecting and certifying delegates to the National Convention, thereby undertakes to assure that such delegates have been selected through a process in which all Democratic voters have had full and timely opportunity to participate. In determining whether a state party has complied with this mandate, the convention shall require that:
>
> (1) The unit rule not be used in any stage of the delegate selection process; and
>
> (2) All feasible efforts have been made to assure that delegates are selected through party primary, convention, or committee procedures open to public participation within the calendar year of the National Convention.

This is almost the whole of the Hughes Commission recommendation. In addition, as the Hughes Commission also suggested, the chairman of the Democratic National Committee was instructed to set up a special committee charged with helping the states implement these policies.

The millennium is not yet here. The language of the resolution is in some respects fairly specific—and means that most professional appointment and minority-exclusion practices (in non-primary states) are out. But appointment of some delegates, or in New York, by a state committee itself elected in the year of the convention, remains possible. Even where it is specific and entirely satisfactory, moreover, the policy must be implemented, and there are portions of it which call for further legislative efforts prior to implementation. One surmises from prior experience, unfortunately, that a certain gradualism is likely to characterize implementation of this new policy.

In the course of implementation, a difficult problem is bound to surface, concerning access to the party and adherence to it, or if you will, concerning the definition of the party. One aspect of this problem emerged in the loyalty-oath controversies that have bedeviled the Democratic party for a generation. The American major party is a coalition formed every four years from a center of gravity that is apt to shift every so often. The stable factor is that the center of gravity of the Republicans is generally somewhere to the Right of the Democratic one, and at any rate, always somewhat different. But each party reaches out every four years, the one usually to the Left, the other usually to the Right, and both toward the center of the continuum of public opinion and private interest, in the effort to create as large a governing majority as its centripetal force can command. Therefore, although each has a professional cadre, and although each exerts its centripetal force from a different point on the spectrum of opinion and interest, each is also something of a new coalition every quadrennium. The implications for the loyalty-oath issue, which the Democrats ultimately accepted, are that it is hardly consistent to require any group, as a condition for coming to the convention and engaging in the coalition-making process, to promise beforehand to abide by the result, even though, as may happen, it is affirmatively excluded from the coalition. The convention is the occasion of forming the party for a particular election, and no one can say with detailed assurance beforehand what kind of a party it will be. Hence, although the issue was fudged somewhat in the patchwork compromise about the Georgia delegation at the 1968 Democratic Convention, the Democrats require only that delegates promise to use their influence to see to it that the nominees of the convention are listed as Democratic nominees on the ballot in their states, not that they promise necessarily to support the nominees.

The implications for procedures of delegate-selection should be similar. It ought not to be necessary, as it is in many states, to have been a registered Democrat or Republican at some prior time in order to participate in a Democratic or Republic primary, or in party caucuses. The party ought each year to be open to all those groups which in that year wish to enter into the process of forming the coalition that will be the Democratic or Republican party. If the parties were as open as they should be, large numbers of people who had voted Democratic in the past might in 1968 have moved to form in the Republican party a coalition around Rockfeller, or Charles Percy, or John Lindsay—candidates oriented more to the Right in some aspects than would normally suit them, but more satisfactory than what they foresaw as the probable Democratic nominee. Or anti-Vietnam Republicans might have helped put together in the Democratic party an alliance turning on the war issue, under such a candidate as Eugene McCarthy. But the truly open party would encounter difficulties, more serious in primaries than in local caucuses and conventions, and more serious in precinct caucuses than in state, let alone national, conventions, with their larger membership, more demanding activities, and greater exposure.

The trouble is that each party is periodically a new coalition, all right, but each is also, and ought to be, an organism with a continuous existence, particular characteristics, and a corps of permanently loyal supporters. And the two parties must compete, else there will soon be one, and then many, whether in the guise of parties or factions. What can happen when the permanent loyalists are free to float is exemplified in the few states that do allow cross-over of voters, or that might allow, as California did until just recently, cross-filing by candidates. The upshot in California in primaries for state office was the nomination, not infrequently, of the same man in both primaries. This destroyed party competition rather effectively. Nor is competition apt to flourish when there is a cross-over of voters intent on selecting the candidate most desirable from the other party's point of view, the weakest candidate, easiest to beat. The cross-over voter may also be happy with the probable (or certain, if there is no contest) outcome in his own party, and go into the other primary in search of, as nearly as possible, the same result. This is not coalition-building, but coalition duplicating. It is too nearly the same as the joint nomination of a single man through cross-filing. The two parties would not discharge their function if they did not overlap, or if they assumed polar positions, but though the ground on which they maneuver for differentiation is narrow, they must remain distinct in order to remain two. Party caucuses open to everyone are also subject to being captured by forces wishing to short-circuit party competition.

Nothing in the resolution adopted at the 1968 Democratic Convention suggests a way out of this dilemma. The special committee to be established by the Democratic National Committee will need to grapple with it on its own. In the Republic party, any approach to a solution of this problem, as to other reforms, is even more remote. The Democratic committee will probably be inclined at first to go along with restrictive practices, which grant access to the party only to those who have in the past indicated adherence to it, or at least not registered as members of the other party. That would be understandable, but wrong. The open party, with its risks, is the prime objective. For party habits are strong, and Machiavellian cross-overs, while they occur, are rare. What is more common, and should be encouraged, is unaffiliated floating by voters who, if excluded at the nominating stage, are likely to be disaffected by the limitations of choice in the general election.

Each party should, accordingly, be open in each election year, in primaries and caucuses, to everyone willing at the time to register as a member. The registration would be largely symbolic and would not necessarily exclude cross-overs, if for no other reason that it would be as impossible as it would be ill-advised to try to bind individuals to vote the party ticket in the general election. But the symbolism would be endowed with some consequences. Certainly it should be stipulated that a voter may participate in the nominating process of only one major party in any given year.

MINOR PARTIES

The survival of the convention and of the two-party system it sustains is not a unanimously shared objective, particularly in this season. Its virtues rather than its imperfections gain for the two-party system its most implacable enemies. The moderate coalition, the sensible accommodation, the muted ideology, the politicians who strive to borrow each other's protective coloration and who jostle one another in the center—all this, the price of broadly-based government, of general acquiescence and of stability, is paid in frustration. The choice in the general election between two candidates either of whom can satisfy most people, or at least radically dissatisfy very few, always leaves some of us with no choice at all. Hence the minor party, a steady obbligato in our political symphoney. It is sometimes a regional, and commonly an ideological, interest group, which has not been accommodated because it wants something too precise, too clear-cut, because it wants it on principle now and not later, wants all of it, wants it intensely, of course, and wants it when someone who is otherwise in a better position to bargain wants the very opposite with equal intensity.

The minor party is also a group which has summoned the courage to bring prematurely to the fore a basic issue, perhaps a moral one. that the country must face, and in time will face. The word "prematurely" is used here from the point of view of the major parties, the defect of whose virtues is that they are liable to be sluggish in addressing newly arisen fundamental issues, moral ones especially. They are too intent on power to take the risk before they have to. Again and again, minor parties have led from a flank, while the major parties still followed opinion down the middle. In time, the middle has moved, and one of the major parties of both occupy the ground reconnoitered by the minor party; or to change the figure, the major parties, as Disraeli said of Peel and the Whigs, at last catch the minor parties bathing and walk away with their clothes. So it was with the anti-slavery Free Soilers, with the Populists in 1892, with the LaFollette Progressives and even the earlier Eugene V. Debs Socialists—and, to be sure, with the Prohibitionists, who are a useful reminder that the Anti-Masonic, Know-Nothing, Thurmond States' Rights, and George Wallace Independent parties must not go unmentioned, lest small-party romanticism run away with one. But as an outlet for frustration, as often a creative force and a sort of conscience, as an idealogical governor to keep major parties from speeding off into an abyss of mindlessness, and even just as a technique for strengthening a group's bargaining position for the future, the minor party would have to be invented if it did not come into existence readily and regularly enough. It is an indispensable part of the system whose beneficient chief aim is to suppress it. And its existence is at any rate constitutionally protected.

The two-party system, as the late Justice Robert H. Jackson once said in another context, is a political practice "which has its origin in custom [and] must rely upon custom for its sanctions." Therefore, even though it is up to state legislatures under Article II, Section 1 of the Constitution to prescribe the manner in which electors who will choose a President and Vice President are themselves to be chosen, an attempt by law to secure the major parties' monopoly of Presidenttial power would most assuredly fail. It would founder against the Equal Protection Clause of the Fourteenth Amendment, which forbids unreasonable discriminations among voters and also among candidates—which, in other words, safeguards a right to vote free from unreasonable discriminations, and also a right to be a candidate. And it would run afoul as well of the First Amendment, as incorporated into the Due Process Clause of the Fourteenth, for the First Amendment has been interpreted to guarantee a right of effective political association, and that right would be denied by any statute making it impossible to achieve the end for which political association is ultimately undertaken.

It is true that no state actually decrees in so many words that in order to be allowed to vote or run for President or for Presidential elector a person must be a member, or submit himself to the procedures, of the Democratic or Republican party. And only Ohio has come near to saying as much indirectly. Ohio allowed no independent, nonparty candidacy, and a minor party could place a candidate on the ballot only if it filed a petition signed by voters equal in number to 15 percent of the total vote cast in the last gubernatorial election—in 1968, upwards of 430,000. Additional difficulties were also put in the way. The minor party had to organize itself through primary elections on the same scale as the major ones, and persons who voted in a major party primary at the previous election were not qualified to participate in organizing the minor party. On October 15, 1968, in the first decision of its kind, the Supreme Court held the Ohio scheme unconstitutional.[10] The suit was brought in behalf of George Wallace, whose name the Court ordered placed on the ballot. A federal district judge had remarked at an earlier stage of the case that the "'two-party system is not a cliche in Ohio, but a statutorily enforced fact."[11] It is no more.

Other states may not quite make the two-party monopoly a statutory fact, but a great many make life hard for the minor party. The requirement of signatures on a petition in a number equal to 15 percent of the total vote at a past election, itself a grave impediment, is rare, but Arkansas imposes it also. And a number of states have distribution requirements, which also present serious obstacles. Thus in Idaho a petition must be signed by 3,000 voters, no more than 150 of whom are residents of any single county; Illinois requires 25,000 signatures, with 200 from each of at least 50 counties; and New York requires 12,000, fifty at least from each county. In Florida, where a very substantial portion of the population lives in Dade County, no more than 13.3 percent of the total number of necessary signatures may come from any single county. Finally, a very large number of states, while they have workable provisions for getting a new ticket on the ballot, set early dates for qualification, as early as March in Pennsylvania and apparently in Alabama; April in Kentucky and West Virginia; May in Michigan and New Jersey; and June, July, and August in many more.

The legal position respecting obstacles of the kind just described is not clear. A court would be unlikely to hold that the states may not encourage the two-party system by giving a certain edge to the major parties. But it is a long way from achievement of this objective to choking off all political action that is not encompassed by the two established parties. The latter the states may not do, and the problem is to define what amounts to doing the latter. In general terms, the courts would probably agree to the proposition that laws which make it impossible for an initially small group of voters to put a candidate on the ballot through a reasonable and not prohibitively expensive effort in a reasonable amount of time are unconstitutional. A criterion such as this should work out to render unconstitutional a requirement for obtaining the signatures of anything over 5 per cent of the electorate.

Under existing analogous judicial decisions, the most vulnerable requirements are those concerning distribution. The Illinois one was upheld by the Supreme Court in 1948[12] but that was before the Supreme Court's more recent reapportionment decisions. Today it could be strongly argued that any distribution requirement is a form of malapportionment, a way of giving more weight to a signature in a small county than in a large one, and therefore invalid under the reapportionment cases—and, one may say in passing, invalid for better reason than malapportionment of a legislature itself.

Early qualifying dates obviously do not in themselves present insuperable barriers. The argument against many of them would be that a state may seek to give an edge to the two established parties, and for that reason discriminate against independent candidates and persons who wish to cast their votes for them, but—administrative and housekeeping necessities to the side—it may discriminate only by means that are rationally suited to favor the two-party system. Now the important third-party movements in our history—George Wallace this year is a point-proving exception—came into being after the two major party conventions, and were enabled to come into being at that time because major party conventions used to be held much earlier than at present. In 1892, Harrison and Cleveland were nominated in June. The Populists, disappointed by the Democrats, met later and nominated a third candidate, General James B. Weaver. In 1912, Theodore Roosevelt fought his heart out in the Republican convention in June. Having been defeated, he formed the Progressive Party. Again, in 1924, Coolidge and Davis were nominated in June. The third-party LaFollette candidacy took shape in July. The characteristic American third party, then, consists of a group of people who have tried to exert influence within one of the major parties, have failed, and later decide to work on the outside. States in which there is an early qualifying date tend to force such groups to forego major-party primary and other pre-nomination activity and organize separately early in an election year. For if they do not, they lose all opportunity for action as a third party later. From the point of view of fostering the two-party system this counter-productive. It is calculated to induce early third-party movements, like the present George Wallace party; calculated to drive people away from the coalition-building process that is the genius of the two-party system, and into a premature and more likely permanent ideological separatism, which is precisely what the two-party system successfully prevents.

Major party conventions now tend to be held in August. Any qualifying date earlier than the end of September or even early in October can hardly be supported by any practical reason having to do with the printing of ballots and the like. The only purpose of earlier qualifing dates therefore, can be to encourage two-party action and discourage third parties. This is, to a degree, a valid purpose, but to force people to commit themselves to third-party action without trying first to influence the major parties is no way to enhance the two-party system.

It is, of course, not possible to predict just what the courts would do in detail on questions of this kind,[13] but since state election statutes are shot through not only with anti-third party provisions that are wrong on principle, but also with many which positively disserve the objective of protecting the two-party system, wholesale legislative reform is called for, regardless of what the courts may do.

The country, Walter Lippmann wrote in September 1968, "has entered a period of revolutionary change of which no one can foresee the course or the end or the consequences." For, he continued, "the central institutions of the traditional life of man"—the family, the church, the territorial state, the schools, and the universities—"are increasingly unable to command his allegiance and his obedience." Naturally, Mr. Lippmann's diagnosis was that the old two-party system is shattered. This also is the conclusion of many who speak from position rather radically to the Left of Mr. Lippmann's. For myself, I cannot deny it, but my instinct is to disbelieve it. I thought that such a figure

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Footnotes at end of article.

as Robert Kennedy would have been capable even this year, let along four years hence, of restoring a sufficiency of order to what Mr. Lippmann, quoting Erasmus, calls the "irremediable confusion of everything." Men want change, and they turn away, or to George Wallace, because the major parties are sluggish, but they do not turn in either direction inevitably or irremediably; many of those same people turned earlier to Robert Kennedy, and many even to Eugene McCarthy.

This is not the place to speculate on whether the United States deserves a revolution, needs one, or will get one regardless. But short of revolution, the work of politics in the United States, and the work of politics even for those who set radical social goals, is most effectively and enduringly done within the regime, not in opposition to it as such; within the system whose improvement I advocate, but which I praise. And even if the old two-party system, as Mr. Lippmann says, is shattered without knowing it, and destined to come down, it is hardly arguable that for that reason it should hasten to bring itself down with such innovations of at best unpredictable and at worst baneful effect as the direct popular election of Presidents and the national primary. Nor is there any reason why it should not reform its electoral college, its conventions, and its election laws in ways consistent with its nature and designed to advance its values. After all, the system may yet belie the jeremiads and disappoint the revolutionaries. It may persist in the mystery of survival, and against that event, it might as well improve itself.

FOOTNOTES

[1] See Robert G. Dixon, Jr., *Democratic Representation: Reapportionment in Law and Politics*, pp. 17–18, 21–22, 574–581.

[1] J. F. Banzhaf III, "One Man, 3,312 Votes: A Mathematical Analysis of the Electoral College," *Villanova Law Review*, Winter 1968, pp. 303–346.

[3] Neal R. Peirce, *The People's President*, Simon and Schuster, 400 pp., $8.95.

[4] See V. O. Key, Jr., *Southern Politics*, pp. 406–23.

[5] Nelson W. Polsby and Aaron B. Wildavsky, *Presidential Elections*, pp. 229 *et seq*.

[6] In addition to Senator Hughes, the Commission consisted of Representative Donald M. Fraser of Minnesota, who served as vice-chairman, Harry Ashmore, Julian Bond, Frederick G. Dutton, Mrs. Doris Fleeson Kimball, and the present writer. Its staff was headed by Thomas P. Alder as director, Geoffrey Cowan as associate director, and Simon Lazarus as editor. The Commission's report is entitled *The Democratic Choice*. See also Paul T. David, Ralph M. Goldman, and Richard C. Bain, *The Politics of National Party Conventions* (The Brookings Institution), pp. 249 *et seq*.

[7] *Law and Politics*, p. 316.

[8] *The Politics of National Party Conventions*, p. 243.

[9] *Ray v. Blair*, 343 U.S. 214, 233 (1952), (Jackson, J., dissenting).

[10] *Williams v. Rhodes*, Supreme Court of the United States, October 15, 1968.

[11] *Williams v. Rhodes*, Civil Action Nos. 68-248, United States District Court for the Southern District of Ohio, Eastern Division, August 29, 1968 (Kinneary, J., dissenting).

[12] *MacDougall v. Green*, 355 U.S. 281 (1948); see also *Moore v. Shapiro*, Civil Action No. 68C1569, United States District Court for the Northern District of Illinois, Eastern Division, October 3, 1968.

[13] See *Hadnott v. Amos*, Civil Action No. 2757-N, United States District Court for the Middle District of Alabama, Northern Division, October 11, 1968, an adverse initial decision summarily reversed by the Supreme Court on October 19, 1968.

THE ELECTORAL COLLEGE AND THE AMERICAN IDEA OF DEMOCRACY

(By Martin Diamond)

In 1967, a distinguished commission of the American Bar Association recommended that the Electoral College be scrapped and replaced by a nationwide popular vote for the President, with provision for a runoff election between the top two candidates in the event no candidate received at least 40 percent of the popular vote. This recommendation was passed by the House in 1969, came close to passage in the Senate in 1970, and is now once again upon us. It is this proposal that has just been endorsed by President Carter and that is being pressed upon Congress under the leadership of Senator Bayh.

The theme of this attack upon the Electoral College is well summarized in a much-quoted sentence from the 1969 ABA Report: "The electoral college method of electing a President of the United States is archaic, undemocratic, complex, ambiguous, indirect, and dangerous." [1] These six charges may seem a bit harsh on a system that has worked well for a very long time, but they do provide a convenient topical outline for a brief defense of the basic principles and procedures of the Electoral College.

AN "ARCHAIC" SYSTEM

The word archaic evokes all those Herblock and other cartoons that portray the Electoral College (or any other feature of the Constitution that is being caricatured) as a deaf, decrepit, old fogey left over from the colonial era. This is the characteristic rhetoric and imagery of contemporary criticism of our now nearly two-centuries old Constitution. But we ought not (and perhaps lawyers, especially, ought not) acquiesce too readily in the prejudice that whatever is old is archaic, in the ABA's pejorative use of that word. On the contrary, it may be argued that the proper political prejudice, if we are to have one, ought to be in favor of the long-persisting, of the tried and true—that our first inclination in constitutional matters ought to be that old is good and older is better. We should remind ourselves of some Aristotelian wisdom reformulated by James Madison in The Federalist, Number 49, when he warned that tinkering with the Constitution would deprive the system of government of "that veneration which time bestows on everything, and without which perhaps the wisest and freest governments would not possess the requisite stability." [2]

In other words, a long-standing constitutional arrangement secures, by its very age, that habitual popular acceptance which is an indispensable ingredient in constitutional legitimacy, that is, in the power of a constitution to be accepted and lived under by free men and women. By this reasoning, we should preserve the Electoral College—barring truly serious harm actually experienced under it—simply on grounds of its nearly two-centuries long history of tranquil popular acceptance. We who have seen so many free constitutions fail because they proved to be mere parchment, unrooted in the hearts and habits of the people, should be responsive to Madison's understated warning; we should readily agree it would not be a "superfluous advantage" even to the most perfectly devised constitution to have the people's habitual acceptance on its side.[3]

But it is not necessary, in defense of the Electoral College, to rely on such sober (but startling nowadays) reasoning as that of Madison, because the Electoral College happens not to be an archaic element of our constitutional system. Not only is it not at all archaic, but one might say that it is the very model of up-to-date constitutional flexibility. Perhaps no other feature of the Constitution has had a greater capacity for dynamic historical adaptiveness. The electors became nullities; presidential elections became dramatic national contests; the federal elements in the process became strengthened by the general-ticket practice (that is, winner-take-all); modern mass political parties evelope; campaigning move from rather rigid sectionalism to the complexities of a modern technological society—and all this occurred tranquilly and legitimately within the original constitutional framework (as modified by the Twelfth Amendment). The Electoral College thus has experienced an immense historical evolution. But the remarkable fact is that while it now operates in historically transformed ways, in ways not at all as the Framers intended, it nonetheless still operates largely to the ends that they intended. What more could one ask of a constitutional provision?

To appreciate why the original electoral provisions proved so adaptable, we have to recollect what the original intention was. To do that, we have first to get something out of our heads, namely, the widespread notion that the intention behind the Electoral College was undemocratic, that the main aim was to remove the election from the people and place it in the hands of wise, autonomous, detached electors who, without reference to the popular will, would choose the man they deemed best for the job. Indeed, that is what the "archaic" charge really comes down to.

What is truly odd about this view is that the Electoral College never functioned in the archaically undemocratic manner we assume had been intended. In the first two elections, every single elector followed the known popular preference and cast a ballot for Washington. In 1796, every single elector cast a basically mandated ballot for either Adams or Jefferson, the two recognized choices of the electorate. And from that time on, electors have functioned for all practical purposes as the mandated agents of popular choice. Now, if the Framers were as smart as they made out to be, how did it happen that their archaically "elitist" instrumentality was so soon, so wholly, perverted? The answer is simple: It was not. The Electoral College never was fundamentally intended to operate in an undemocratic way. Rather, it was from the start thoroughly compatible with the democratic development that immediately ensued.

The device of independent electors as a substitute for direct popular election was hit upon for three reasons, none of which supports the thesis that the intention was fundamentally undemocratic. First, and above all, the electors were not devised as an undemocratic substitute for the popular will, but rather as a nationalizing substitute for the state legislatures. In short, the Electoral College, like so much else in the Constitution, was the product of the give-and-take and the compromises between the large and the small states, or, more precisely, between the confederalists—those who sought to retain much of the Articles of Confederation—and those who advocated a large, primarily national, republic. It will be remembered that there was a great struggle at the Constitutional Convention over this issue, which was the matrix out of which many of the main constitutional provisions emerged. As they did regarding the House of Representatives and the Senate, the confederalists fought hard to have the President selected by the state legislatures or by some means that retained the primacy of the states as states. It was to fend off this confederalizing threat that the leading Framers, Madison, James Wilson, and Gouverneur Morris, hit upon the Electoral College device. As a matter of fact, their own first choice was

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for a straight national popular vote; Wilson introduced that idea, and Madison and Morris endorsed it.[4] But when the "states righters" vehemently rejected it, Wilson, Madison, and Morris settled on the device of popularly elected electors. The Electoral College, thus, in its genesis and inspiration was not an anti-democratic but an anti-states-rights device, a way of keeping the election from the state politicians and giving it to the people.[5]

Second, the system of electors also had to be devised because most of the delegates to the Convention feared, not democracy itself, but only that a straightforward national election was "impracticable" in a country as large as the United States, given the poor internal communications it then had.[6] Many reasonably feared that, in these circumstances, the people simply could not have the national information about available candidates to make any real choice, let alone an intelligent one. And small-state partisant feared that, given this lack of information, ordinary voters would vote for favorite sons, with the result that large-state candidates would always win the presidential pluralities.[7] How seriously concerned the Framers were with this "communications gap" is shown by the famous faulty mechanism in the original provisions (the one that made possible the Jefferson-Burr deadlock in 1801). Each elector was originally to cast two votes, but without specifying which was for President and which for Vice-President. The Constitution required that at least one of these two votes be for a non-home-state candidate, the intention being to force the people and their electors to cast at least one electoral vote for a truly "continental" figure. Clearly, then, what the Framers were seeking was not an undemocratic way to substitute elite electors for the popular will; rather, as they claimed, they were trying to find a practicable way to extract from the popular will a nonparochial choice for the President.

The third reason for the electoral scheme likewise had nothing to do with frustrating democracy, but rather with the wide variety of suffrage practices in the states. Madison dealt with this problem at the Constitutional Convention on July 19, 1787. While election by "the people was in his opinion the fittest in itself," there was a serious circumstantial difficulty. "The right of suffrage was much more diffusive in the Northern than the Southern states; and the latter could have no influence in the election on the score of the Negroes. The substitution of electors obviated this difficulty."[8] That is, the electoral system would take care of the discrepancies between state voting population and total population of the states until, as Madison hoped and expected, slavery would be eliminated and suffrage discrepancies gradually disappeared. Again the intention was to find the most practical means in the circumstances to secure a popular choice of the President.

These were the main reasons, then, why the leading Framers settled for the electoral system instead of a national popular election, and none may fairly be characterized as undemorcratic. But it must be admitted that the electoral device would not occur to us nowadays as a way to solve these practical problems that the founding generation faced, because we insist on more unqualifiedly populistic political instruments than they did. All of the founding generation were far more prepared than we to accept devices and processes that, to use their terms, refined or filtered the popular will; and a few of the founders, Hamilton, for example, did vainly hope that the electors would exercise such a degree of autonomy in choosing the President, as would perhaps exceed any reasonable democratic standard. This is what makes it easy for us to believe that the Electoral College was conceived undemocratically, rather than as a legitimately democratic response in the circumstances. But any fair and full reading of the evidence demands the conclusion suggested here: the majority of the Convention, and especially the leading architects of the Constitution, conceived the Electoral College simply as the most practical means by which to secure a free, democratic choice of an independent and effective chief executive.

Thus the essential spirit of the Electoral College, like that of the Constitution in general, was fundamentally democratic from the outset. That is why its mechanisms were so readily adaptable to the immense democratic developments of the last two centuries, the while preserving on balance certain unique principles of the American idea of democracy. And that is why, in defending the Electoral College, we are not clinging to an archaic eighteenth century institution. Rather, we are defending an electoral system that, because of its dynamic adaptiveness to changing circumstances, remains the most valuable way for us to choose a President.

The ABA's "archaic" charge is in fact an indictment of the electors as undemocratic. In dealing with that indictment, then, we seem to have anticipated the ABA's express charge that the Electoral College is "undemocratic." However, the chief contemporary attack on the Electoral College has little to do with the autonomous elector or, as is said, the "faithless elector." The autonomous elector could be amended out of existence (and without doing violence to the constitutional intention of the Electoral College), but this would not lessen the contemporary hostility to it as undemocratic. It is to the main problem of democracy and the Electoral College that we may now turn. But we may do so, after this historical inquiry into the purpose of the electors, emancipated from the prejudice that regards the Electoral College as having originated in an archaic, undemocratic intention.

AN "UNDEMOCRATIC" SYSTEM?

The gravamen of the "undemocratic" indictment of the Electoral College rests on the possibility that, because votes are aggravated within the states by the general-ticket system, in which the winner takes all, a loser in the national popular vote may nonetheless become President by winning a majority of the electoral votes of the states. This is supposedly the "loaded pistol" to our heads, our quadrennial game of Russian roulette; indeed, no terms seem lurid enough to express the contemporary horror at this possibility. This is what shocks our modern democratic sensibilities and, once the issue is permitted to be stated in this way, it takes a very brave man or woman to defend the Electoral College. But, fortunately, courage is not required; it suffices to reformulate the issue and get it on its proper footing.

In fact, presidential elections are already just about as democratic as they can be. We already have one-man, one-vote—but in the states. Elections are as freely and democratically contested as elections can be—but in the states. Victory always goes democratically to the winner of the raw popular vote—but in the states. The label given to the proposed reform, "direct popular election," is a misnomer; the elections have already become as directly popular as they can be—but in the states. Despite all their democratic rhetoric, the reformers do not propose to make our presidential elections more directly democratic, they only propose to make them more directly national, by entirely removing the states from the electoral process. Democracy thus is not the question regarding the Electoral College, federalism is: should our presidential elections remain in part federally democratic, or should we make them completely nationally democratic?

Whatever we decide, then, democracy itself is not at stake in our decision, only the prudential question of how to channel and organize the popular will. That makes everything easier. When the question is only whether the federally democratic aspect of the Electoral College should be abandoned in order to prevent the remotely possible election of a President who had not won the national popular vote, it does not seem so hard to opt for retaining some federalism in this homogenizing, centralizing age. When federalism has already been weakened, perhaps inevitably in modern circumstances, why further weaken the federal elements in our political system by destroying the informal federal element that has historically evolved in our system of presidential elections? The crucial general-ticket system, adopted in the 1830s for reasons pertinent then, has become in our time a constitutionally unplanned but vital support for federalism. Also called the "unit rule" system, it provides that the state's entire electoral vote goes to the winner of the popular vote in the state. Resting entirely on the voluntary legislative action of each state, this informal historical development, combined with the formal constitutional provision, has generated a federal element in the Electoral College which sends a federalizing impulse throughout our whole political process. It makes the states as states dramatically and pervasively important in the whole presidential selection process, from the earliest strategiec in the nominating campaign through the convention and final election. Defederalize the presidential election—which is what direct popular election boils down to—and a contrary nationalizing impulse will gradually work its way throughout the political process. The nominating process naturally takes its cues from the electing process; were the President to be elected in a single national election, the same cuing process would continue, but in reverse."

It is hard to think of a worse time than the present, when so much already tends toward excessive centralization, to strike an unnecessary blow at the federal quality of our political order. The federal aspect of the electoral controversy has received inadequate attention; indeed, it is regarded by many as irrelevant to it. The argument has been that the President is the representative of "all the people" and, hence, that he should be elected by them in a wholly national way, unimpeded by the interposition of the states. Unfortunately, the prevailing conception of federalism encourages this erroneous view. We tend nowadays to have a narrowed conception of federalism, limiting it to the reserved powers of the states. But by focusing exclusively on the division of power between the states and the central government, we overlook an equally vital aspect of federalism, namely, the federal elements in the central government itself. The Senate (which, after all, helps make laws for all the people) is the most obvious example; it is organized on the federal principle of equal representation of each state. Even the House of Representatives has federal elements in its design and mode of operation. There is no reason, then, why the President, admittedly the representative of all of us, cannot represent us and hence be elected by us in a way corresponding to our compoundly federal and national character. The ABA Report, for example, begs the question when it says that "it seems most appropriate that the election of the nation's only two national officers be by the national referendum."[10] They are our two central officers. But they are not our two national officers; under the Constitution, they are our two partly federal, partly national officers. Why should we wish to change them into our two wholly national officers?

Since democracy as such is not implicated

Footnotes at end of article.

in our choice—but only whether to choose our Presidents in a partly federally democratic or a wholly national democratic way—we are perfectly free prudentially to choose the partly federal rather than the wholly national route. We need only strip away from the Electoral College reformers their democratic rhetorical dress in order to make the sensible choice with good conscience.

Our consciences will be further eased when we note that the abhorrence of the federal aspect of the Electoral College—which causes the potential discrepancy between electoral and popular votes—cannot logically be limited to the Electoral College. It rests upon premises that necessitate abhorence of any and all district forms of election. What is complained about in the Electoral College is endemic to all districted electoral systems, whether composed of states, or congressional districts, or parliamentary constituencies. If population is not exactly evenly distributed in all the districts (and it never can be), both in sheer numbers and in their political predispositions, then the possibility cannot be removed that the winner of a majority of the districts may not also be the winner of the raw popular vote. Regarding the British Parliament and the American Congress, for example, this is not merely a speculative matter or something that has not happened since 1888 (when Cleveland narrowly won the popular vote but lost the electoral vote, and thus the presidency, to Harrison), as in the case of the American presidency. It has happened more often and more recently in England, where popular-minority governments are as possible as popular-minority Presidents are here.[11] It is a source of wonder that Electoral College critics, who are often partisans of the parliamentary system, regard with equanimity in that system what they cannot abide in the American case. There the whole power of government, both legislative and executive, is at stake in an election, while here only the executive power is involved.

And not only can and does the national popular-vote/district-vote discrepancy occur in England, it can and does occur here regarding control of both the House and the Senate. Why is it not a loaded pistol to our democratic heads when control over our lawmaking bodies can fall, and has fallen, into the hands of the party that lost in the national popular vote? [12] Have we come to view control of the presidency as so much more important than control of the House or Senate that we regard the discrepancy with horrow in the one case and practically ignore it in the other? Granting the differences between electing a single executive and a numerous legislature, still the logic of the attack on the Electoral College also impugns the districted basis of both houses of Congress. The Senate has in fact been attacked on just that basis. Not only are popular votes for the Senate federally aggregated on a state basis, but also each state has an equal number of seats despite population inequalities; therefore, a discrepancy between the national popular vote and control of the Senate is likely to occur more often and more grossly than in the case of the presidency. Now just as the President is the President of all of the people, so too does the Senate make law and policy for the whole people, as we have noted. But we accept the districted basis of the Senate despite its "undemocratic" potential, partly because of its nearly sacrosanct constitutional status, and also because we see the wisdom of departing, in this instance, from strict national majoritarianism.

The House has largely escaped the "undemocratic" charge (especially now, after major reapportionment) despite the fact that its districted basis likewise creates a potential discrepancy between winning a majority of seats and winning the national popular vote for Congress. By the populistic reasoning and rhetoric that attacks the Electoral College, the House also fails the standard of national majoritarianism. But we quite ungrudgingly see the wisdom in departing from that standard in order to secure the many advantages of local districting. To indicate only a few: First, there is democratic responsiveness to local needs, interests, and opinions in general. Americans have always believed that there is more to democracy itself than merely maximizing national majoritarianism; our idea of democracy includes responsiveness to local majorities as well. Further, because of our multiplicity to interests, ethnic groups, religions, and races, we have always believed in local dmocratic responsiveness to geographically based minorities whose intrests may otherwise be utterly neglected; such minorities secure vigorous direct representation, for example, only because of the districted basis of the House of Representatives. The state-by-state responsiveness of the Electoral College is an equally legitimate form of districted, local democratic responsiveness. There is also the security to liberty that results from the districted decentralization of the political basis of the legislature; and we cherish also the multiplication of opportunities for voluntary political participation that likewise results from that districted decentralization. Finally, we cherish the guarantee that districting provides, that power in the legislature will be nationally distributed, rather than concentrated in regional majorities, as would be possible in a nondistricted election of the House. In short, in the case of both the House and the Senate, we accept the risk (and the occasional reality) of the national popular-vote/district-vote discrepancy because the advantages to be gained are great and because the House and Senate remain nationally democratic enough to satisfy any reasonable standard of democracy.

This kind of complex reasoning is the hallmark of the American idea of democracy: a taking into account of local as well as national democratic considerations and, even more importantly, blending democratic considerations with all the other things that contribute to political well-being. What is so disturbing about the attack on the Electoral College is the way the reasoning and the rhetoric of the reformers depart from this traditional American posture toward democracy. They scant or simply ignore all the other considerations and put the presidential election process to the single test of national democratic numbers. In contrast, the fundamental premise of the traditional American idea of democracy is that democracy, like all other forms of government, cannot be the be-all and end-all, the political summum bonum; rather, the political system must be made democratic enough and then structured, channeled, and moderated, so that on a democratic basis all the democratic considerations (in addition to the purely numerical) and all the other vital political considerations can be attended to.

The issue regarding the Electoral College, then, is not democratic reform versus the retention of an undemocratic system but rather a matter of which kind of democratic reasoning is to prevail in presidential elections—the traditional American idea that channels and constrains democracy or a rival idea that wishes democracy to be its entirely untrammeled and undifferentiated national self.

One more point may usefully be made regarding the charge that the Electoral College is undemocratic. I have already argued that our presidential elections under the Electoral College are thoroughly democratic, albeit partly federally democratic, and that democracy may profitably be blended with the advantages of districting. But even on the basis of purely national democratic terms, the potential popular-vote/electoral-vote discrepancy of the Electoral College may be tolerated with good democratic conscience.

Not only has the discrepancy not occurred for nearly a century, but no one even suggests that it is ever likely to occur save by a very small margin. The margin in the last actual occurrence, in 1888, was of minute proportions; and the imaginary "near misses"—those horrendous hypotheticals—are always in the range of zero to one-tenth of 1 percent.[13] The great undemocratic threat of the Electoral College, then, is the possibility that, so to speak, of 80 million votes, 50 percent minus one would rule over 50 percent plus one. Now there really is something strange in escalating this popgun possibility into a loaded pistol. For one thing, the statistical margin of error in the vote count (let alone other kinds of errors and chance circumstances) is larger than any anticipated discrepancy; that is to say, the discrepancy might be only apparent and not real. But even granting the possibility that 50 percent minus one might prevail over 50 percent plus one, how undemocratic would that really be? The answer is suggested by the fact that, in the long history of democratic thought, the problem never even arose before the present, let alone troubled anyone. It took us to invent it. When we understand why, we will also see that it is a spurious problem or, at least, a trivial one.

Historically, the problem of democracy was not about minute margins of electoral victory, but about whether, say, 5 percent (the rich and wellborn law), should rule over 95 percent (the poor many), to use the classical terms. That is what the real struggles of democracy were all about. Only a severe case of doctrinaire myopia blinds us to that and makes us see, instead, a crisis in the mathematical niceties of elections where no fundamental democratic issues are involved. Democracy is not at stake in our elections, only the decision as to which shifting portion of an overall democratic electorate will temporarily capture executive office. What serious difference does it make to any fundamental democratic value if, in such elections, 50 percent minus one of the voters might—very infrequently—win the presidency from 50 percent plus one of the voters? Only a country as thoroughly and safely democratic as ours could invent the 50 percent problem and make a tempest in a democratic teapot out of it.

The irrelevance of the potential popular-vote/electoral-vote discrepancy to any important democratic value is illustrated if we consider the following question: Would the Electoral College reformers really regard it as a disaster for democracy if Franklin D. Roosevelt (or any liberal Democrat) had beaten Herbert Hoover (or any conservative Republican) in the electoral vote but had lost by a handful in the national popular vote? The question is not meant, of course, in any spirit of partisan twitting. Rather, it is intended to suggest that no sensible person could seriously regard it as a disaster for democracy if—to use the language of caricature—a coalition of the poor, of labor, of blacks, et al., had thus squeak by a coalition of the rich, the powerful, the privileged, and the like. To point this out is not to depreciate the importance of such an electoral outcome for the course of public policy. It is only to deny that it would threaten or make a mockery of the democratic foundations of our political order. To think that it would is to ignore the relevant socioeconomic requisites of democracy, and to be panicked into wide-reaching constitutional revisions by the bogeyman of the 50 percent minus one possibility. To risk such revision for such a reason is to reduce democracy not only to a matter of mere numbers, but to minute numbers, and to abstract numbers, drained of all socioeconomic significance for democracy.[14]

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A "COMPLEX" SYSTEM?

The ABA Report does not make clear what is "complex" about the Electoral College or why complexity as such is bad. Perhaps the fear is that voters are baffled by the complexity of the Electoral College and that their bafflement violates a democratic norm. It must be admitted that an opinion survey could easily be devised that shows the average voter to be shockingly ignorant of what the Electoral College is and how it operates. But then opinion surveys almost always show the average voter to be shockingly ignorant of whatever a survey happens to be asking him about. It all depends upon what kind of knowledge the voter is expected to have. I would argue that most voters have a solid working knowledge of what a presidential election is all about. They know that they are voting for the candidate of their choice and that the candidate with the most votes wins in their state. And when watching the results on television or reading about them in the papers, they surely discover how the election came out. However ignorant they may be of the details of the Electoral College, their ignorance does not seem to affect at all the intention and meaning of their vote, or their acceptance of the electoral outcome. What more is necessary than that? What is the use of making the process less complex?

However, the animus against the complexity of the Electoral College surely goes deeper than a fear that voters are unable to explain it when asked. There seems to be a hostility to complexity as such. This hostility has a long history. It goes back at least to those French Enlightenment thinkers who scolded John Adams for the unnecessary complexity, for example, of American bicameralism. However such complexity had helped mitigate monarchical severities, of what possible use could bicameralism be, they asked, now that America had established popular government? When the people rule, they insisted, one branch is quite enough; no complexity should stand in the way of straightforwardly recording and carrying out the popular will. The answer to them, and to all like-minded democratic simplifiers ever since, derives from the very essence of American democracy, which is precisely to be complex. The American idea of democracy, as argued above, is to take into account both local and national considerations, and also to moderate democracy and blend it with as many other things as are necessary to the public good. That blending necessitates complexity.

The Electoral College is, of course, only one example of the complexity that characterizes our entire political system. Bicameralism is complex; federalism is complex; judicial review is complex; the suspensory executive veto is a complex arrangement; the Bill of Rights introduces a thousand complexities. Are these also to be faulted on grounds of complexity? If a kind of prissy intelligibility is to be made the standard for deciding what should remain and what should be simplified in American government, how much would be left in place? In all fairness, the question is not whether our political system or any part of it is complex, but whether there is a good reason for any particular complexity. The skeptical, self-doubting American idea of democracy does not assume that the rich complexity of democratic reality is exhausted by mere national majoritarianism, nor does it assume that all good things automatically flow from democracy. It therefore asks of any institution not only whether it is democratic, but also whether, while leaving the system democratic enough, it contributes to fulfilling the complex requirements of democracy and to securing some worthwhile purpose not secured simply by democracy itself. That is the only appropriate question regarding the complexity of the Electoral College.

Some of the affirmative answers to that question as regards our electoral institution—especially the federal element blended into our democracy by the historical development of the Electoral College—have already been suggested. Others will more conveniently come up under two of the remaining headings of the ABA Report's indictment against the Electoral College.[15] To these we may now proceed.

AN "AMBIGUOUS" SYSTEM?

This charge is rather puzzling. It is so far off the mark that a rebuttal is hardly required; rather, it supplies the opportunity to point out a particular advantage of the Electoral College in comparison with its proposed substitute. Far from speaking unclearly or confusingly, the Electoral College has delivered exceptionally prompt and unequivocal electoral pronouncements. This is not to say that there have never been any delays or uncertainties. Whenever an election is closely divided, as ours often have been and are likely to be, no election system can deliver prompt and absolutely certain verdicts, free of the ambiguity that inheres in the electorate's own behavior. But when a realistic rather than an utopian standard is applied, the Electoral College has to be rated an unqualified success. To deny this betrays a reluctance to credit the Electoral College with any merit at all. Or, perhaps, it is another instance of the human propensity, remarked on by Hobbes, to attribute all inconveniences to the particular form of government under which one lives, rather than to recognize that some inconveniences are intrinsic to government as such regardless of its form.[16] This propensity seems to explain the finding of ambiguity in the way the present system works.

To judge fairly the charge of ambiguity, then, the Electoral College must be compared in this regard with other electoral systems and, especially, with the 40 percent plus/runoff system proposed by President Carter and Senator Bayh as its replacement. Under the proposed system, the nation forms a single electoral district; the candidate who gets the most popular votes wins, provided the winning total equals at least 40 percent of the total number of votes cast; failing that, there would be a runoff election between the two candidates who had the most votes. Let us consider the prospects for ambiguity under this proposed system, in comparison with the actual experience under the Electoral College.

The American electorate has a fundamental tendency to divide closely, with "photo finish" elections being almost the rule rather than the exception. The Electoral College almost always announces these close elections outcomes with useful amplification. In purely numerical popular votes, an election outcome might be uncertain and vulnerable to challenge; but the Electoral College replaces the numerical uncertainty with an unambiguously visible constitutional majority that sustains the legitimacy of the electoral result. If this magnifying lens is removed, the "squeaker" aspect of our presidential elections will become more visible and, probably, much more troubling. For example, the problem of error and fraud, no doubt endemic in some degree to all electoral systems, could very well be aggravated under the proposed national system, because every single precinct polling place could come under bitter scrutiny as relevant to a close and disputed national outcome. In contrast, under the Electoral College, ambiguity of outcome sufficient even to warrant challenge is infrequent and is always limited to but a few states. Indeed, the massive and undeniable fact is that, for a whole century, the Electoral College has produced unambiguous outcomes in every single presidential election, accepted by the losing candidate and party and by the whole American people with unfaltering legitimacy.[17]

Not only is it extremely unlikely that the proposed replacement could match this record of unambiguity, but the 40 percent plus plurality provision could very well introduce a different and greater kind of ambiguity into our political system. This would not be uncertainty as to who is the winner, but a profounder uncertainty as to whether the winner is truly the choice of the American people. Under the modern Electoral College, we have elected popular-majority Presidents about half the time, and plurality Presidents with close to 50 percent of the vote the rest of the time, save for three who received less than 45 percent of the popular vote. This is a remarkable record of unambiguity in regard to public support compared with the history of most other democratic systems. But, given the dynamics of American political behavior, the proposed 40 percent plus plurality provision might very well typically produce winners at or just above the 40 percent level.

The Electoral College strongly encourages the two-party system by almost always narrowing the election to a race between the two major-party candidates. Obviously, when there are only two serious competitors, the winner usually has a majority or large plurality of the total vote cast. But, as we shall shortly see, the new system would encourage minor and maverick candidates. This multiplication of competitors would likely reduce the winning margin to the bare 40 percent plurality requirement of the new system. If so, we would have traded in a majority- or high plurality-presidency for one in which nearly 60 percent of the people might often have voted against the incumbent. How ironic it would be if a reform demanded in the name of democracy and majority rule resulted in a permanent minority presidency!

A "DANGEROUS" SYSTEM?

"Dangers" of the Electoral College. It is not possible here to discuss all the dangers that alarm critics of the Electoral College, for example, the faithless electors, or a cabal of them,[18] or the problem of the contingency election in the House of Representatives. Some pose real enough problems and would have to be dealt with in a fuller discussion. But the present remarks are limited to the main danger that the reformers fear, namely, the popular-vote/electoral-vote discrepancy. This is the loaded pistol pointed to our heads, the threat that necessitates radical constitutional revision. Now the funny thing about this loaded pistol is that the last time it went off, in 1888, no one got hurt; no one even hollered. As far as I can tell, there was hardly a ripple of constitutional discontent, not a trace of dangerous delegitimation, and nothing remotely resembling the crisis predicted by present-day critics of the Electoral College. But it must be sadly acknowledged that, the next time it happens, there might well be far greater public distress. It would be due, in large part, to the decades of populistic denunciation of the Electoral College; a kind of self-confirming prophecy would be at work.

All that is needed to defuse this danger is for the undermining of the moral authority of the Electoral College to cease. The American people will not, on their own initiative, react with rage if one of the near-misses actually occurs. As after 1888, they will go about their business and, perhaps, straighten things out in the next election, as when they elected Cleveland in 1892. They will go about their business as they did in a parallel instance, after Vice President Agnew's res-

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ignation and Watergate, when the provisions of the Twenty-fifth Amendment went doubly into effect. The democratic foundations of our political system, and even the vigor of the presidency, were not weakened by the temporary absence of the majority or plurality popular support that normally undergirds the presidency. There need be no dangerous weakening should the Electoral College again produce a temporary shortfall in popular support—if only the reformers cease to cry havoc, and if those who ought to speak up do so and help the American people learn to enjoy the compatibility of the Electoral College with the American idea of democracy.

DANGERS OF DIRECT ELECTION

Not every danger alleged to inhere in our present electoral system could thus be made to evaporate merely by the exercise of our own common sense; like every political institution, the Electoral College contains dangerous possibilities. But this much may be said about them; all the dangers critics claim to see in the Electoral College are entirely matters of speculation. Some have never actually occurred, and others have not occurred for nearly a century. Nothing whatever has actually gone wrong with the Electoral College for a very long time. Experience has demonstrated that the dangers incident to the present system are neither grave nor likely to occur. But what of the dangers incident to the proposed reform? It is as important to speculate about them as to frighten ourselves with imaginary possibilities under the Electoral College. Three dangers seem seriously to threaten under the proposed reform; weakening the two-party system, weakening party politics generally, and further imperializing the presidency.

Many have warned that the 40 percent plus/runoff system would encourage minor parties and in time undermine the two-party system. The encouragement consists in the runoff provision of the proposed reform, that is, in the possibility that minor parties will get enough votes in the first election to force a runoff. Supporters of the proposed. change deny this likelihood. For example, the ABA Report argues that a third party is unlikely to get the 20 percent of the popular vote necessary to force a runoff. Perhaps so, and this has been very reassuring to supporters of the reform. But why does it have to be just "a" third party? Why cannot the runoff be forced by the combined votes of a half dozen or more minor parties that enter the first election? Indeed, they are all there waiting in the wings. The most powerful single constraint on minor-party presidential condidacies has always been the "don't throw your vote away" fear that caused their support to melt as election day approached. Norman Thomas, who knew this better than anyone, was certain that a national popular election of the kind now proposed would have immensely improved the Socialist electoral results. Now this is not to say that the Electoral College alone is what prevents ideological parties like that of the Socialists from winning elections in America. Obviously, other and more powerful factors ultimately determine that. But what the electoral machinery can determine is whether such parties remain electorally irrelevant, minuscule failures, or whether they can achieve sufficient electoral success to fragment the present two-party system. The relevant question is not whether the proposed reform of the Electoral College would radically change the ideological complexion of American parties, but whether it would multiply their number.

All this might not happen immediately. The two-party habit is strong among us, and many factors would continue to give it strength. But the proposed reform of the Electoral College would remove or weaken what is generally regarded as the most powerful cause of the two-party system, namely, the presidency as a "single-member district." There would, of course, still be a single office finally to be won or lost, but not in the first election. That is the key. If runoffs become the rule, as is likely, the first election would become in effect a kind of two-member district. There would be two winners in it; we would have created a valuable new electoral prize—a second place finish in the preliminary election. This would be a boon to the strong minor candidacies; needing now only to seem a "viable" alternative for second place, they could more easily make a plausible case to potential supporters. But, more important, there would be something to win for nearly everyone in the first, or preliminary, election. Minor party votes now shrink away as the election nears and practically disappear on election day. As is well known, this is because minor-party supporters desert their preferred candidates to vote for the "lesser evil" of the major candidates. But the proposed reform would remove the reason to do so. On the contrary, as in multiparty parliamentary systems, the voter could vote with his heart because that would in fact also be the calculating thing to do. There would be plenty of time to vote for the lesser evil in the eventual runoff election. The trial heat would be the time to help the preferred minor party show its strength. Even a modest showing would enable the minor party to participate in the frenetic bargaining inevitably incident to runoff elections. And even a modest showing would establish a claim to the newly available public financing that would simultaneously be an inducement to run and a means to strengthen one's candidacy.

Let us examine an illustration of the difference under the two electoral systems. At present, opinion polls teach minor-party supporters to desert come election day; the voter sees that his party has no chance of winning and acts accordingly. Under the proposed system, the polls would give exactly the opposite signal: hold fast. The voter would see his party or candidate making a showing and would see that a runoff was guaranteed; he would have no reason to desert his party. The first election would, thus, cease to have the deterrent effect on minor parties; the prospect of the runoff would change everything. True, in such matters, prediction is difficult. But it is clearly likely that the two-party system would be dangerously weakened by the proposed reform, whereas it is certain that it has been created and strengthened under the Electoral College. Most Americans agree that the two-party system is a valuable way of channelling democracy because that mode of democratic decision produces valuable qualities of moderation, consensus, and stability. It follows then that the proposed reform threatens a serious injury to the American political system.

Not only might the change weaken the two-party system, but it might well also have an enfeebling effect on party politics generally. The regular party politicians, which is to say, the state and local politicians, would become less important to presidential candidates. This tendency is already evident in the effect the presidential primaries are having; regular party machinery is becoming less important in the nominating process, and the individual apparatus of the candidates more important. The defederalizing of the presidential election seems likely to strengthen this tendency. No longer needing to carry states, the presidential candidates would find the regular politicians, who are most valuable for tipping the balance in a state, of diminishing importance for their free-wheeling search for popular votes. They probably would rely more and more on direct-mail and media experts, and on purely personal coteries, in conducting campaigns that would rely primarily on the mass media. The consequence would seem to be to disengage the presidential campaign from the party machinery and from the states and to isolate the presidency from their moderating effect. If "merchandising" the President has become an increasingly dangerous tendency, nationalizing and plebiscitizing the presidency would seem calculated only to intensify the danger.

Moreover, not only ideological parties would be encouraged by the proposed change, but also minor parties and minor candidacies of all sorts. Sectional third parties would not be weakened by the 40 percent plus/runoff arrangement; they would retain their sectional appeal and pick up additional votes all over the country. The threat that dissident wings might bolt from one of the two major parties would instantly become more credible and thereby more disruptive within them; sooner or later the habit of bolting would probably take hold. Would there not also be an inducement to militant wings of ethnic, racial, and religious groups to abandon the major party framework and go it alone? And, as the recent proliferation of primary candidacies suggests, would-be "charismatics" might frequently take their case to the general electorate, given the inducements of the proposed new machinery.[19]

This raises, finally, the question of the effect of the proposed reform on the presidency as an institution, that is, on the "imperial presidency." The populistic rhetoric that denounces the Electoral College as undemocratic has had, since the time of the New Deal, a corollary inclination to inflate the importance of the presidency. In recent years, however, we have all learned to be cautious about the extent of presidential power. Yet the proposed change could only have an inflating effect on it. The presidency has always derived great moral authority and political power from the claim that the President is the only representative of all the people. Why increase the force of that claim by magnifying the national and plebiscitary foundations of the presidency? This would be to enhance the presidential claims at just the moment when so much fear had been expressed about the "imperial presidency."

Many who deal with the Electoral College are concerned chiefly with its consequences for partisan purposes. They support or oppose it because of its alleged tendency to push the presidency in a liberal direction. As for myself, I am not at all sure what those partisan effects used to be, are now, or will become in the future. Accordingly, it seems a good time to rise above party considerations to the level of constitutional principle. On that level, it seems quite clear to me that the effects of the proposed change are likely to be quite bad. And it likewise seems quite clear to me that the Electoral College is easy to defend, once one gets the hang of it. It is a paradigm of the American idea of democracy. Thus to defend it is not only to help retain a valuable part of our political sysem, but also to help rediscover what the American idea of democracy is.

FOOTNOTES

[1] *Electing the President: A Report of the Commission on Electoral College Reform* (Chicago: American Bar Association, 1967), p. 3.

[2] *The Federalist Papers*, ed. C. Rossiter (New York: Mentor Books, 1961), p. 314.

[3] Ibid., p. 315.

[4] See *The Records of the Federal Convention of 1787*, ed. Max Farrand (New Haven: Yale University Press, 1966), vol. 1, pp. 68-69, 80, and vol. 2, pp. 29-31, 56-57, and 111.

[5] The "confederalists" won a temporary and partial victory at the Convention when the express provision for popular election of

the electors was barely defeated. (See *The Records of the Federal Convention of 1787*, vol. 2, p. 404.) The Constitution finally provided that electors be elected "in such manner" as the state legislatures might decide. During the first three elections, electors were typically chosen by the state legislatures. By 1824, in all but six of the then twenty-four states, electors were being popularly elected. Ever since 1832, popular election has been the universal rule with negligible exceptions.

[6] For example, see James Wilson's explanation of the electoral device to the Pennsylvania ratifying convention. (*The Records of the Federal Convention of 1787*, vol. 3, p. 167.)

[7] See remarks of Madison and Oliver Ellsworth (Ibid., vol. 2, p. 111).

[8] Ibid., vol. 2, p. 57.

[9] Alexander Bickel wisely stressed the importance of the Electoral College to federalism in *Reform and Continuity: The Electoral College, the Convention, and the Party System* (New York: Harper Colophon Books, 1971). See also excellent discussions in Judith Best, *The Case against the Direct Election of the President: A Defense of the Electoral College* (Ithaca: Cornell University Press, 1975), pp. 119 ff and 133 ff; and in Wallace S. Sayre and Judith H. Parris, *Voting for President: The Electoral College in the American Political System* (Washington, D.C.: The Brookings Institution, 1970), pp. 51 ff.

[10] *Electing the President*, p. 37.

[11] In February 1974, although the Conservatives led Labour in the popular vote by 1 percentage point, Labour won three seats more than the Conservatives and was thereby enabled to form the government. See *Britain at the Polls: The Parliamentary Elections of 1974*, ed. Howard R. Penniman (Washington, D.C.: The American Enterprise Institute for Public Policy Research, 1975), p. 243.

[12] Since 1900, control of the House has gone four times (1910, 1916, 1938, 1942) to the party that lost the national popular vote. And, counting only the seats contested in any given election, the party that lost the national popular vote won the majority of Senate seats four times (1914, 1918, 1922, 1940) since the passage of the Sixteenth (direct popular election) Amendment in 1913.

[13] For an astute discussion of the way such mathematical masochism "abstracts from political realities," see Judith Best, *The Case against Direct Election of the President*, pp. 78 ff.

[14] Not everything can be dealt with here, but a footnote excursion on one more staple charge against the Electoral College as undemocratic is irresistible. This concerns the alleged disenfranchisement of those who vote for the loser in each state; their votes are "wasted" because they drop out at the state level from further national calculations. Or even worse, as Senator Thomas Hart Benton long ago complained, popular votes for the loser are in effect added to those of the winner, because he gets the state's whole electoral vote. Those who are horrified by this may take some comfort in one interesting fact. Although such disenfrancisement does indeed occur in every state in every election, it has had absolutely no significance since 1888. A moment's reflection should make this clear. The disenfrancised who vote for the ultimate electoral winner in states where he loses have no complaint; their candidate wins anyway. But how about the disenfranchised who vote for the ultimate electoral loser in states where he loses? Would it make any difference if their votes, instead of dropping out of further calculation, were added to their candidates' national popular vote total, and if popular votes determined the election? The answer is obvious: only when their candidate, although the electoral vote loser, happens to be the popular vote winner. And that has not happened since 1888. Like the popular-vote/electoral-vote discrepancy, of which it is a rhetorically resonant echo, the disenfrancisement problem has been absolutely immaterial for nearly a century.

[15] One of the three remaining charges—that the Electoral College mode of electing the President is "indirect"—we may pass over. The ABA Report does not make much of the charge; and what it makes of it, we have already dealt with in discussing the status of the electors as originally intended and the federal mode of counting the presidential vote.

[16] See Chapter 18 of Hobbes' *Leviathan* (Oxford: The Clarendon Press, 1909), p. 141.

[17] The last seriously disputed presidential result occurred after the Hayes-Tilden election of 1876. And even then, the dispute had nothing to do with any defects in the electoral system, but rather resulted from irrepressible conflicts in the tragic aftermath of the Civil War.

[18] There have only been about ten of these (the exact number is in doubt) out of about twenty thousand electoral ballots cast—a tiny handful, hardly even a statistical trace. And never once has a "faithless" ballot been cast with the intention of influencing the outcome of an election. They have all been cast for symbolic purposes only, and, ironically enough, usually as a symbolic response to majority opinion in the aberrant elector's home constituency. In short, it is about as likely that "faithless electors" will usurp an election as it is that the English Crown will reassume the regal power of, say, Henry VIII. Neither likelihood seems great enough to warrant the constitutional transformation of either system.

[19] See Nelson W. Polsby, *Political Promises* (New York: Oxford University Press, 1974), p. 161.

The temptation under a direct election system would be strong for all manner of demagogues and statesmen—whoever can raise the money—to run, whether sectional candidates or movie idols with widely scattered following, to appeal directly to the people. So there would be a high probability that under the [direct election plan] . . . the run-off would be the true election, and the initial election would look a bit like the start of the Boston Marathon with its motley crowd of contestants.

TESTIMONY BEFORE SENATE JUDICIARY SUBCOMMITTEE ON CONSTITUTION, 1970, ON ELECTORAL REFORM

Senator ERVIN. Professor Charles Black.

I want to welcome you to the committee and express to you the deep appreciation of the committee and the Senate for your willingness to come before us and give us the benefit of your observations on this very important question.

I would like to take this occasion to say that I have read a great many things of yours, read articles of yours and in the past, and I have found most of them stimulating.

STATEMENT OF PROF. CHARLES BLACK

Mr. BLACK. I deeply appreciate that remark, Senator, and also let me say I am very happy indeed to be here and honored to be invited to come. It seems to me that the only sadness about my position is having to follow such a wonderful statement and so obviously deeply studied a statement as that of Professor Brown. I do not think I have lived with this problem as closely as he has and I have no hope of being more than corroborative of some of the things that he and my colleague, Alexander Bickel, and others have said.

But if I may be permitted a reminiscence which, though personal, I believe is entirely to the point on the present issue, I spent last summer instructing foreign law graduate students in the Constitution of the United States, teaching a course in constitutional law to young people already lawyers in their own countries, who were to go out after the summer to the many different American law schools and pursue their studies of American law and reside for the year in the United States. I told them, at the beginning of the course, "We have nothing to show you here in the way of antiquities. We will show you a house that was built in 1810 and you will laugh when we tell you it is an old house, you will laugh behind your hands, because you look at the Arch of Titus every morning when you walk to work. We have in fact only one antiquity that is worth your attention. That is the Constitution of the United States."

"It was put into effect when Napoleon Bonaparte was a young comer. And as the other countries of the world, almost without exception, have rolled through one constitutional revolution after another, this thing has stood there in substantially its present form, has accommodated a whole continent and now reached out to the islands of the Pacific and brought them into a political structure of obvious solidity and strength. It is our antiquity. It is what we have to show you instead of the cathedral at Chartres," I told them, "so let's get to work studying it."

I approach this question with that kind of bias. I approach this question with the feeling, which I believe to be validated historically as well as any can be, that the Constitution of the United States is an almost miraculously successful document, and that any change in its structure is to be approached with every presumption against it. It is often said that the electoral college system is antiquated. This is used as a sort of prerogative term for it. "Antiquated" means that it has lasted a long, long time. I do not find that an epithet of opprobrium at all. I like antiquated constitutions. They are the best kind.

So I want to approach this from that point of view. I think that none of the difficulties that I or Mr. Bickel or Mr. Brown or others see in these proposed changes can be proved up to the hilt. These are prophecies. These are suggestions of possible trouble. Some of them seem very convincing. Some of them seem almost inevitable to me.

But I do not think that it is up to the opposition to this proposal to establish beyond a doubt what will happen in the future. We are dealing with a system which has been brilliantly successful, the whole solar system, as the late President, then Senator, Kennedy, called it, of the allocation of power in the United States. It is up to those who would effect a major and radical change in it to dispel very positively the doubts as to the wisdom of that change.

And it is with that conception of where the burden of argumentation lies that I proceed to say what I have to say.

Senator ERVIN. If I might interject myself, I am glad to find another person like myself, because I think that a thing which has endured is something to its credit, because it takes a good deal to endure.

Mr. BLACK. Sure.

Senator ERVIN. I remember we were debating something on the floor of the Senate one time and somebody suggested that the Senate rules were written by the hands of dead men. Well, so were the Ten Commandments and so was the Declaration of Independence and so was the Constitution of the United States.

Mr. BLACK. Certainly. When one considers its history, one has a feeling of caution about tampering with it.

I think a case can be made for the proposition that this amendment, if it passes, will be the most deeply radical amendment which has ever entered the Constitution of the United States, looking on that Constitution in its bare bones aspect. A constitution, primarily, is that which constitutes the government, which creates offices, assigns the powers to the offices, and states the manner in which the officers shall be selected. That is the essence, the center, of a constitution, and I do not think we have ever made a change in this one anything like this deep.

The 12th amendment was comparatively a housekeeping amendment. The 17th amendment committing the election of Senators to popular vote, ratified in part what was already being done one way or another in the States. And in any case, neither of those things struck at what to me is the most conspicuous characteristic of the manner in which the American national government is constituted.

We do not know why this constitution has lasted so well. We do not know for sure wherein the strength lies, what it is that has given it such durability through so many troubles. But I think all of us have—and here I have to be somewhat vague because I do not think precision is possible—I think all of us have a hunch that this strength is somehow connected with the Federal system—that is, with the fact that we have divided power between the National Government and the States. And I would go further and say that in constituting the Government and selecting both the legislative and the executive branch, we have hitherto dealt with the States one by one as independent entities—weighted in various ways, to be sure, but each one contributing to the result as a State, as a separate entity.

Now, this seems to me to have a lot of symbolic significance and practical significance. What it means now is that in a presidential election, the concept exists of carrying Connecticut or of carrying New York. This means that you have to go in there and work with the State people. It is the same constituency as in the statewide senatorial election or the statewide gubernatorial election. I think it very plain that this has a tendency to preserve the conception of the States as semi-independent durable constituent entities in the constitutional plan, both symbolically and practically. It seems to me that an election which pays no regard to State lines, which is simple totally nationwide, something we have never had in our history would tend to obliterate this attention, tend to diminish this attention to the States, one by one, as political entities.

I cannot be sure of that. I cannot pin it down. I cannot read the future in a crystal ball, but it seems to me a very plausible judgment that one of what my former colleague and friend, Herbert Wechsler, has called the political safeguards of federalism in our dealing with the States as entities, one by one, in the electoral college system as we know it.

Professor Brown has just reminded us that changes in this regard will run down into the nominating processes. There is, as he pointed out, no reason to continue the organization of that process on State-by-State lines, with the delegation from New York, the delegation from North Carolina, the delegation from Connecticut, if the vote is not going to be of that type. The nominating process surely must mirror the vote.

Now, a second point that I would make again is necessarily conjectural; it never comes clearly to light. But it has long been as many have pointed out, the assumption of practical people in politics, and has lately received some mathematical corroboration, that the voter in a very populous State, like New York, or my native State of Texas, or California, has more attention paid to him in presidential politics than the voter in a State like the one wherein I now have the happiness to reside, Connecticut. One feels this. I have lived 10 years in New York and 15 years in Connecticut, and when you lived in New York, you felt that you were being attended to more in a presidential campaign than you do when you live in Connecticut. This is seemingly a natural practical consequence of the enormous importance of swinging this large electoral vote.

Now, if this existed alone in the constitutional system, then it would be unfair. But the fact of the matter is that it does not. It can be viewed, as many people have pointed out—and here I am simply corroborating others—as a compensation for what is first of all the evident disproportion, the intended disproportion to which no one, least of all I objects, in the Senate of the United States, where the opposite situation prevails.

This compensation is, incidentally, not carried through dogmatically, all the way, because when you get down to the other end of the scale, there is another thing that comes into the picture.

That is the fact that, under the electoral college system, the whole great area of the sparsely populated West, so important to the future of the country, is, by the present system, somewhat more heavily weighted, I think substantially more heavily weighted, than it would be in a straight popular election, and hence presumably has some greater influence in presidential politics.

This is about the degree of complexity, seeming contradiction, that I expect in a healthy political system. I do not think one looks for absolute dogmatic consistency in such a system. This kind of epicycle upon epicycle of compensation, it seems to me, is just the way things run when they run well. And looking on the inquiry in realistic terms, as the search for an answer to the question, "Why has this system worked so beautifully?" I would be inclined to guess that some of these things have had much to do with it.

Well, now, when I turn to the popular election plan, I find in it—and I do not desire to take up the Senator's time with the purely corroboratory—I find pretty much the difficulties that others have found in it.

The radical reorganization of party structures and politics, the pretty certain disappearance or weakening of the two-party system seems to me an extremely likely consequence of such reform. Like Professor Brown, I would deplore that. I think these two parties, as organs of accommodation, are important, and that their existence and functioning must be close to the physiological center of health of the United States, for reasons that have already been spread here. I think we would lose that, lose most of it, under a new system.

I would deplore the arising of little parties, and do not know that there would be just five. Why not 10 or 20, each, as in France, with a special mission, a special issue, instead of the situation we have now, where a reasonable accommodation can be made within a party frame?

I should say parenthetically there that if what we want is a more effective participation, it is to be sought in the process of nomination, I should think, and in the party convention system, which I believe has become somewhat outmoded and not entirely responsive to need. That kind of reform should be looked for, and not this fundamental constitutional change.

I am appalled, as Professor Brown is, by the prospect of recounts. We have now a compartmentalization of the recount problem, like the compartmentalization of a ship. If it springs a leak in one part, that part is sealed off from the others. The recount problem is of infrequent incidence, because very often the State in which fraud is charged or error is charged will be one which, on inspection of the electoral totals, does not matter anyway. Sometimes, though there may have been irregularities, though these may be plausibly charged, the vote will be so one sided in a State that a recount could not conceivably change the outcome as to that State, and it would still be carried by the person who seems to carry it. In a close election—and I do not care what you mean by close—if it is the difference between 39.99 percent and 40 percent, which is made so critical in any of these proposals—you have to recount every vote in every precinct, not only for the two leading candidates, but for all the others, and be absolutely certain that it was done right. All sorts of things about the propriety of write-ins would become immensely important.

Senator HRUSKA. Professor, in regard to recounts, it has been testified here that, if any recount is requested, it would tend to trigger and generate and originate additional recounts. After all, if Ohio has a recount, for example, that will lead Illinois to have one. If Illinois asks for a recount, Pennsylvania will do it, and then New York. Do you see any possibility that occurring where there is a close election in which a candidate receives 39.9 percent of the popular vote?

Mr. BLACK. I fail to see how it could not occur. It seems to me it would be virtually the duty of the managers of a campaign to search everywhere in a close election. If a recount occurs in one place, even though, let's say, Texas has been carried two to one by one candidate, the votes in Duval County, Tex., will still be important to set off against the votes in Illinois or Vermont. I would think, for reasons on which, of course, Professor Brown is far more expert than I am, it would be almost inevitable that this would happen. So it would seem to me.

I would think that not only would this happen as a response to recount, but that the losing candidate in a very close election would almost be driven to look for a recount. We know that the counting is not all that accurate. We now concentrate on the areas where it matters, which are likely to be few, maybe none, under the present system.

But if there is a 100,000-vote difference nationwide, or if it should happen under the Tydings proposal, which I have just seen today, that the crucial question was whether the man had 39.99 percent or 40 percent of the votes, then I should think it would be inevitable that a recount would be requested.

Senator HRUSKA. There is a distinction between a recount and a contest. After all, a recount simply is a tabulation of the votes for the several candidates; is it not?

Mr. BLACK. Sure.

Senator HRUSKA. A contest would bring in allegations of fraud, lack of qualifications, lack of residence, lack of citizenship, a disqualification for conviction of felony, and so on.

Is it conceivable, in this age of obstructionism, there might be an attempt to disrupt the proceedings as happened in the Chicago seven trial, for example. Could it be envisioned that those who would be interested in stultifying and frustrating the system would challenge each individual vote and each individual voter? After all, in my State, they have to sign a book each time they come into a polling place. They would take each of those and challenge each one of them and call for proof. In that way, there would be such a complete state of chaos and delay that no one would know when we would ever come to a point of reaching a final count and final decision in such court proceedings.

Then the findings would be subject to appeal.

Mr. BLACK. Senator, even granting good faith, though I agree with you that this possibility of bad faith exists.

Senator HRUSKA. We know that there is such a thing by our judicial history of the past few months.

Mr. BLACK. But even granting good faith, I think it would become the duty of the manager of anybody's campaign that might be advantaged by a recount to search very carefully, in good faith, for fraud, irregularity, and the sort of technical objections to voting that you refer to, so that even without this willful obstruction element, I should think that in a close election, it would be almost inevitable that the vote everywhere would be scrutinized and contested, and every possible irregularity sought after, whereas, under the present system, it usually does not matter and people just do not bother with it.

Senator HRUSKA. Is it not a fact, however, that under the present system, compartmentalized as it is among the several States, that probability would be reduced and held to a minimum?

Mr. BLACK. It is.

Senator HRUSKA. Certainly, if we judge by past experience, it has been held to a minimum.

Mr. BLACK. It is held to a minimum, I think for the obvious reason that it just really does not matter. In most cases, it will not make a difference whether there are 400 or 500 irregular votes in Austin, Tex. Either the Texas electoral vote will not be needed because it will not make a critical difference, or the 500 votes in Austin will not affect the Texas electoral vote because the popular vote is so lopsided in Texas. In either of those cases, there is no occasion for contest or recount.

Our system does, by this compartmentalization, reduce it to a minimum. Also, when it has to happen, it happens on a much reduced scale.

I tremble to think how hard it would be to decide who won in as close an election as 1960 and 1968. I doubt that anyone will finally be satisfied who the winner was. I doubt that the meter really reads that fine, if you scrutinize carefully every single vote, and I again suggest that, even without bad faith, it would really be the duty of those in charge of a campaign to see that this is done.

Senator ERVIN. In a lot of areas in the country, they still use paper ballots. My county uses paper ballots. And my experience has been that the people who count the ballots are normally the same people who have been there all day conducting the business at the polls and, in several instances, people who have been at the polls and worked around the day. They count these ballots under great disadvantages, because they are fatigued and it is a very difficult thing for the mind to keep running on counting ballots; the most honest men can make mistakes.

Mr. BLACK. Certainly.

Senator ERVIN. When you have 183,000 election precincts in the country and you have a very close election, it would make very little difference in that the 183 differences that you could discover that way might make a very substantial difference in the votes. They would not be able to catch it as long as a party is a part of the electoral college system. But when you take advantage of all the possible errors and all the possible frauds in 183,000 precincts to determine who is elected President in a close election, I think it is something that is beyond comprehension.

Mr. BLACK. I fully agree with that, and entirely agree with Professor Brown's testimony. But I would suggest that even in an ideal imagined world, where there are no recount problems, a change of this kind in the structure of the Government, with its repercussions in the party system, judged against the presumptions created by the history of success of this Constitution as a whole, simply fails to make a case.

I would make one further observation and then just perhaps say briefly what I would favor—I am not against all change on this—but the goal is never stated, but perhaps there is behind the present proposals a kind of inchoate idea that it is possible to elect as President of the United States the man that most people want as a first choice. I would suggest that that is not attained by any of these proposals.

Let us say you win if you get 40 percent of the vote. It may well happen that the other 60 percent of the voters would have you as their last choice. I think that was probably the case with Abraham Lincoln, that he got about 40 percent—not quite 40, I believe—and that is among the other three candidates, the supporters of any one of them would have voted for any one of the three rather than for Lincoln.

So by such a system, you are not insuring that people get their first choice. The run-off system does not assure it. My earliest political experience, as a boy in Texas was in the run-off between Ma Ferguson and Felix Robinson—I very much doubt that either one of them was the first choice of a majority of the people in Texas.

Senator ERVIN. I think there is another consideration that bolsters your position in respect of that point. That is the fact that you have a State in what you might call a one-party State, or one-party area. The local election is all decided in the primary. There is no incentive for those people to come out and vote in the general election.

Mr. BLACK. Yes.

Senator ERVIN. Plus the fact that in some States, sometimes, people come out to vote in large numbers, not because of the candidates for President but because of some acute local issue, some statewide issue, in that particular State. So the fact that a man gets the majority of the popular vote in a given election does not demonstrate that he is really the choice of the majority of all of the voters that had gone out to the polls.

Mr. BLACK. That is certainly true. That leaves the question of intensities.

I am simply pointing out that the goal of a President who is the first choice of voters, or of those who might vote, either one, is not anything attainable by these proposals necessarily, or perhaps by any proposal. I am just not sure that it is a feasible goal, possibly because such a person will never exist.

We have a way of accommodating and getting candidates in front of the people that pretty well recognizes this.

Senator ERVIN. I had a good friend in North Carolina in 1948, when we had President Truman running on the Democratic ticket and Governor Dewey on the Republican ticket, and Sharon Thurmond on the State's Rights ticket, and Henry Wallace, I had a friend who said, I am just going to form me a political party of my own and I am not going to let anybody else join it, because, he said, I do not like dissension.

Would not a party tend to proliferate or form splinter parties and some of these parties would be concerned with only one or two issues?

Mr. BLACK. It seems to me that that is a very good forecast. It has been made in such detail and with such plausibility by my colleague, Bickel, that I have not really taken it up here. It is in his book, "New Age of Political Reform." I am wholly convinced by what he has to say and what Professor Brown has said on that. We are, of course, prophesying or forecasting, and we cannot be absolutely sure.

But again, I emphasize that we are dealing with a system which has, up to now, been quite successful. And when we see the possibility, the good, solid possibility of these kinds of shoals and rocks in another system that is untested and may develop worse defects than even those that Bickel and I and Professor Brown are able to think of in advance, is put us on a kind of chartless ocean in a new kind of presidential politics that we ought to be very, very careful of.

If I may presume just a moment more on the committee's time, I would say that it does seem to me that there are a few problems which I think could be agreed upon as right for solution. None of us, I think, hesitates very much over the case of the faithless elector, whether he would be dealt with by binding him or by simply abolishing the office of elector and substituting a count; that is immaterial. For my part, I like conservatism in style, and I do not see anything particularly damaging about having people assemble in a State capitol. It is a ceremonial act that is harmless.

But I think they should be bound by the vote of the people, by the expectation of the people who voted for them.

A great deal of the dissatisfaction with the present system stems from the mode of voting in the House of Representatives. That is where the real trouble is. It seems to me that the House of Representatives is an excellent place—a fresh House of Representatives with a new mandate from the people is an excellent place for resolving a deadlocked election. But I do think that a man-by-man vote is needed. To me, there would be hardly a whisper of preference between that and the system of assembling both branches of the Congress in a manner which duplicates the numbers in representation of the electoral college itself, for purposes of resolving a deadlocked election.

It seems to me that those reforms would take care pretty much of everything that is really to be feared in the present system, and that the sensible and sound thing to do would be to go about that far from now and see how it works out.

I think that another minor change that might be well would be to have the House of Representatives vote on the first two names in electoral college votes rather than the first three. It seems unthinkable that the House would elect No. 3 in such a vote, and I would look on this as a step strengthening the two-party system and guarding against some possible anomaly that might come up.

Senator ERVIN. I share that view. That is one thing that prompted me to introduce what Attorney General Katzenbach had recommended, because I think it would be quite a shock to the country if you elected a President in the House, or any of them, the House or the Senate, if either of them voted to elect a third man.

Mr. BLACK. Yes, I was not aware that that proposal had been entered. There have been so many proposals, it is hard to keep them straight.

That is all I have to say.

Senator ERVIN. Do you have any choice between these—in other words, as I see it, you think we should get rid of the possibility of having a faithless elector?

Mr. BLACK. I think so. I think that so far violates what is now the expectation of the country and of all the people connected with this that it would be a real shock if an election ever were decided in that way, and I do not think legitimacy would attach to the Office of the President who was chosen in that manner, or whose choice was produced by a defection of an elector after he had been elected on the present assumptions.

Senator ERVIN. Do you think, with the elimination of the possibility of having a faithless elector, and with the change in the method of requiring the States to vote in case of a deadlock that most of the difficulties would be obliterated?

Mr. BLACK. I think if I had my choice, that is what I would do: the minimal possible change consistent with what seems to be an apprehension of general difficulties that one can put one's finger on and say, you can foresee that this really would work very well.

Senator ERVIN. Mr. Katzenbach's proposal, which I have introduced, provides that in the event no candidate received the majority of the electoral vote, the House and Senate sitting together, with each Senator and each Congressman having a vote, would select a President from among the top two candidates.

Mr. Black. Yes.

Senator Ervin. You see no great difference between that method and allowing the House to do it?

Mr. Black. I see no great difference, and I think the choice between those two things is a very close one. I do not think either one of them would work out badly.

Senator Ervin. Really, the only difference between this and letting the House of Representatives elect him would be on the basis of population, and the other would be more on the basis of an electoral college.

Mr. Black. The situation of the joint session would exactly duplicate the electoral college, with the exception of the District of Columbia electors.

Senator Ervin. I used to be much concerned about the fact that in the State, the man who voted for the second candidate or third, fourth, or fifth, his vote was not counted. But sort of mediating on the federal system, I feel as you stated a while ago, that there are some things you cannot explain why it works or why we get this strength in the Constitution. Reflecting on that, I do not think that is too bad.

Mr. Black. I do not, either, because if Mr. Bahnzaf's mathematics are right, if the calculations of practical people in politics for decades have been right, the man in the large State who has relatively less representation in the Senate will at least be attended to with respect to the next election elsewhere, and this effect of which I spoke, this compensating effect, would work out as to him.

Another thing, of course: Somebody always loses his vote, somebody wins. You could argue that the man who votes for a loser in a congressional race loses his vote. The winner takes all in that case.

Senator Ervin. Yes.

Mr. Black. I think the concept of your vote being lost has been insufficiently thought to the depths, perhaps, because if you lose, you always lose your vote in a sense, but you have had a chance to win it.

Senator Ervin. I am glad you made that observation, because I think it is a sound observation, and does away with the conclusion that it is a great tragedy, because he certainly loses if he votes for the losing candidate for Governor or for any other office.

Mr. Black. Right, and you have to decide whether this compensating effect is, which prevails with the winner take all system, is enough to justify this. My conclusion would be that it is.

As I say, it is a conclusion I make against the background of the demonstrated success of this whole constitutional system.

Senator Ervin. I would infer, and if I am wrong in this, perhaps you will correct me, I would infer from your testimony that you would come to the conclusion that the Katzenbach proposal which I have introduced substantially meets what you think should be done in this case?

Mr. Black. I believe, as I understand it; yes, Senator. I think that is correct.

Senator Ervin. I would like to ask you this question. You may answer if you wish to, and need not if you do not.

My proposal essentially is that we retain the electoral vote, we abolish electors. We keep the principle of winner take all. We abolish electors and do away with the possibility of faithless electors. Then provide that in the event no candidate gets the majority of the electoral vote, the Senate and the House, sitting together, each Congressman and each Senator having a vote, would elect the President out of the top two candidates. The Bayh proposal provides for a runoff—for a popular election, with a runoff in the event no candidate get the top 10 percent of the popular vote.

Senator Tydings' proposal provides that we keep the popular election principle, that provides that should we have a runoff, we then provide for an electoral vote in case the candidate does not receive the majority of the votes.

Which of those is preferable?

Mr. Black. You mean of the latter two?

Senator Ervin. Yes.

Mr. Black. I would say yours is greatly preferable to any of them. But of the latter two, I think the Tydings proposal, because it avoids the terrible runoff business and avoids this fractionating.

Senator Ervin. Do you agree with me that the Bayh amendment, amended by the Tydings amendment, still leaves the problems that arise out of the dangers of a recount or a contested election based on fraud?

Mr. Black. Yes, sir; I do.

As to your proposal, I would only note one possible disagreement. That is that at the present time, the custom of "winner-take-all" is decided upon by each State. The mandate is that the elector shall be decided upon in such manner as the legislature of the State shall direct. I do not know why that should not be maintained so that in the future, if a State conceives it to be to its advantage to elect by district or any other way, it can do so. I do not know just what function that might serve at some future time, but I see no need in changing that and completely constitutionalizing the winner-take-all rule.

THE CASE FOR THE ELECTORAL COLLEGE

(By Judith A. Best)

The case for the electoral college system is that it is compatible with and supportive of the American idea of democracy, and that it is an integral part of our "solar system of governmental power." The distinctive element of the electoral college system is the federal unit rule principle not the office of presidential elector. This system emerged in 1832 at the same time as the national party nominating convention system.

The American idea of democracy is complex not simple, federal not all-national, consensual not strictly majoritarian. It was designed to balance two frequently incompatible things: liberty and equality. The organizing principle of the American system of government is the principle of the concurrent majority under which coalition-building and compromise create broad cross-sectional majorities that provide moderate government and are resistant to tyranny.

The electoral college system has a bias in favor of: (1) the winner of a cross-sectional popular plurality, (2) a single election, (3) the two-party system, (4) large, competitive two-party states and well organized or self-conscious minorities in urban-suburban areas within such states, (5) ideologically moderate candidates and parties, and (6) electoral certainty. It has a bias against: (1) sectional candidacies, (2) contingency elections, (3) third parties, (4) homogeneous regions and one-party states, (5) ideologically extremist candidates and parties, and (6) the premium on fraud. These biases of the electoral college flow directly from the federal unit rule principle.

Critics of this system are too prone to indulge in games of mathematical speculation and to ignore the political and historical realities. They have yet to make the case against federalism and the principle of the concurrent majority. If and when they do, we must consider a complete revision in our system of government, including the Senate, the Supreme Court, the Amending Procedure and, indeed, the Constitution itself.

The following case for the electoral college system is not a case for the system established by the Founders in the Constitution. Contrary to the usual understanding, the date of the emergence of our current presidential election system is approximately 1832 not 1789. The original system devised by the Founders not only did not work as they had intended but was a mere embryo of the system as we know it today. The distinctive element of the electoral college system is the unit rule, according to which the popular votes for President are aggregated under a federal principle that awards all of a state's electoral votes to the candidate who wins a statewide popular plurality.

The Constitution left it to the states to decide how their presidential electors would be selected. As a result, a diversity of methods were employed during the first eleven presidential elections.[1] As late as 1828, one-fourth of the states did not use the unit rule. In 1828, Maine, Maryland, New York and Tennessee used the district method of aggregating popular votes and in Delaware and South Carolina the electors were chosen by the state legislature. By 1832, all but two states had adopted the unit rule; Maryland used the district system and in South Carolina the electors were chosen by the legislature; 1832 was the year when the system assumed its peculiar, characteristic form.

The essential component of the electoral college system is the unit rule and not the office of presidential elector. Faithless electors make headlines and arouse our moral indignation, but they have had no practical effect on any election. More than 17,000 electoral votes have been cast since the founding, and less than 10 of them can be called faithless or miscast. If the office of elector alone were abolished, the system as we know it would not be altered. Whether there remains some potential utility in this office or not, whether the benefits of eliminating the office of elector justify the effort to pass a constitutional amendment are minor, indeed, side issues.[2] The intrinsic character of the electoral college system is derived from the unit rule and not from the theoretical independence of electors. The actual, the paramount question about the electoral college system is whether the popular vote for President should be aggregated under the federal unit rule principle.

No electoral system is neutral. Every electoral system, as a practical matter, favors certain groups and interests and discriminates against others. Therefore, the issue is not whether the electoral college has biases, but rather whether the biases of the electoral college are compatible with and supportive of the American idea of democracy, whether the electoral college is an integral part of our system of government. As Senator John Kennedy put it, when he and Senator Paul Douglas led the fight against a proposal to change the system, "it is not only the unit vote for the Presidency we are talking about, but a whole solar system of governmental power. If it is proposed to change the balance of power of one of the elements of the solar system, it is necessary to consider the others."[3]

What, then, is this "solar system", what is the American idea of democracy? It is, has been, and was intended to be a system of concurrent majorities designed to balance two very high but frequently incompatible things—liberty and equality. We are not, have never been and were not intended to be a simple majoritarian democracy, the regime whose dedication to equality is so singleminded that it will readily sacrifice liberty to achieve its goal. No attentive reader of the Constitution or of the Federalist Papers can fail to recognize the Founder's overwhelming fear of majority faction, of majority tyranny.

Their fear, however, was moderated by hope, the hope that a solution had been found, a remedy discovered that would allow

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men to enjoy both liberty and equality. That solution was a large heterogeneous society governed by majorities created by coalition-building within the framework of a federal system. The solution was a system that divided and redivided power, that set interest against interest, ambition against ambition; a system that could operate only through compromise, negotiation, bargaining and accommodation. Diversity and division of power would safeguard liberty in a democratic regime. Coalition-building and compromise would create cross-sectional moderate majorities that can satisfy the egalitarian principle of democratic regimes as well as govern.

The American idea of democracy is not the populistic principle of the unlimited sovereignty of the majority, and particularly not of the unlimited sovereignty of all-national majorities. The unlimited, unrestrained, unqualified exercise of power by the one, or the few, and yes even by the many is, according to the American principle of democracy, the very essence of tyranny.

Our "solar system of governmental power" is filled with devices or intermediary institutions to protect minorities, to prevent the formation of all-national majorities and to limit the power of ordinary majorities. To mention just five of the most obvious and important ones, there are the Constitution itself, the amendment procedure, the Supreme Court of the United States, the United States Senate, and of course, the electoral college system. All of these directly or indirectly incorporate the federal principle, impose a federal-geographic limitation on the exercise of governmental power.

None of these institutions and procedures operates simply under the principle of one citizen, one equally weighted direct vote. One third of the power of the national government, that lodged in the most powerful court of law the world has ever known, is exercised by nine men who are neither selected by nor subject to removal by the direct popular votes of the people. One half of the legislative power of the national government is exercised by one hundred men who are selected by the people under the constitutional principle of the constant two. This principle means that the voters in the least populous state have the same number of Senators as the voters in the most populous state. If equity lies in numbers alone, the Senate is a severe anomaly in a democratic republic.

But the American idea of democracy is not the idea of a simple doctrinaire majoritarianism. It is not government by adding machine. And this, because the size of the popular vote, whether a plurality or a simple majority, does not suffice to maintain free government, because the distribution of the popular vote is an essential support for moderate and free government, because the intensity of preferences must be considered along with the number of preferences, because equality is not the only goal of the regime.

If, then, the principle of the concurrent majority is the organizing principles of our solar system of governmental power and if the American idea of democracy is a balancing of liberty and equality, are the biases of the electoral college system compatible with and supportive of this system, this idea?

As it actually operates, the electoral college system has a significant number of biases. It has a bias in favor of: 1) the winner of a cross-sectional popular plurality, 2) a single election, 3) the two-party system, 4) large, competitive two-party states and well organized or self-conscious minorities in urban-suburban areas in such states, 5) ideologically moderate candidates and parties, and 6) electoral certainty. It has a bias against: 1) sectional candidacies, 2) contingency elections, 3) third parties, 4) homogeneous regions and one-party states, 5) ideologically extremist candidates and parties, and 6) the premium on fraud. These biases must be closely examined to determine how they operate and interact.

The presidential election system is a two stage election in which popular votes are converted into electoral votes under a federal principle. In the 1976 general election, Jimmy Carter won with 50.5 percent of the vote for a margin of 2.1 percent over Gerald Ford. When these votes were aggregated in the second stage under the federal unit rule principle, Carter won 297 electoral votes or 55 percent of the total. Thus, Carter won a higher percentage of the electoral vote than of the popular vote. There was nothing unusual about this disparity. It occurs time and again. Its political significance is that it reinforces the plurality penchant of the college.

The system is essentially a plurality system that magnifies the national plurality winner's margin of victory in the electoral vote. Because the unit rule awards 100 percent of a state's electoral vote to the candidate who achieves a statewide plurality, the President-Elect will receive a higher percentage of the electoral vote than he has won in the popular vote. In the thirty-six elections held since 1832, the average increase in the national plurality winner's margin in the electoral votes is 19.3 percent. In every election but one, the multiplier effect of the unit rule worked to the advantage of the undisputed winner of the popular plurality.

This does not mean that the multiplier effect gives the plurality candidate a greater mandate. The electorate largely misses the fact of the electoral college, and election analysts know full well that the multiplier effect is artificial, that the real mandate is derived from the popular vote. What this multiplier effect does mean is that the system is biased in favor of the winner of the national popular plurality, and that it makes a contingency election highly improbable.

There is but one addendum to this bias of the electoral college system, but one exception to the advantage given to the plurality winner: the bias against a purely or predominantly sectional candidacy. A candidate whose appeal is sectional and not cross-sectional, a candidate whose popular vote support is geographically narrow and deep loses the advantage of the multiplier effect. There are no electoral vote bonuses for candidates who win a state by a landslide. The top prize is 100 percent of a state's electoral votes whether a candidate polls a simple plurality or 85 percent of the statewide popular vote.

This bias against sectional candidacies is clearly illustrated by the election of 1888, when Grover Cleveland, who had a narrow popular plurality, lost to Benjamin Harrison, after running a sectional campaign. Cleveland emphasized the sectional tariffs issues and increased the Democratic party's margins in the already solid South by 5 to 17 percent over the election of 1884. The average increase in the Southern states was 9 percent. To put it mildly, this strategy was dysfunctional since the unit rule gives greater rewards to candidates who muster a statewide plurality than to candidates who win a state by a landslide, such as Cleveland's 83 percent in South Carolina. Any votes a candidate gathers in excess of a statewide plurality are "wasted" because they do not yield electoral votes. In a closely contested election, geographic concentration of the popular votes is as strategically undesirable as it is politically undesirable.

Furthermore, the multiplier effect works well, produces a plurality President, even in the closest elections, and it will continue to work well as long as our power oriented parties give as much concern to the distribution of their popular votes as to the number of their popular votes. In the closest election in our history, the election of 1880, when Garfield led Hancock by a miniscule 0.1 percent of the popular votes, Garfield won 57.9 percent of the electoral votes for a magnification of 9.6 percent over his popular vote.

In 1960, the second closest election, when Kennedy apparently led Nixon by less than 0.2 percent of the popular vote, it increased Kennedy's electoral vote percentage by 6.7 percent. In 1884, when Cleveland led Blaine by a mere 0.2 percent of the popular vote, it worked again exaggerating Cleveland's electoral vote percentage by 6 percent. In 1968, when Nixon led Humphrey by 0.7 percent of the popular vote, it expanded Nixon's electoral vote percentage by 12.5 percent. Under the unit rule the distribution of the popular votes may be as important as the number. Not every sectional dispute can be moderated by an election system, but the antisectional bias of an electoral system in a country that has already suffered one civil war too many should be prized.

A word must be said about the shift-in-votes argument used by several analysts to suggest that the system is not a reliable plurality system.[5] In large part this argument is a parlor game of speculation in which numbers are moved from one column to another in a political vacuum and often without regard to the election laws.[6] Several analysts have argued that a switch of less than 1 percent of the votes in New York in the 1844 election would have made Henry Clay a runner-up President. As a simple mathematical proposition, it is true. But it abstracts from the political world where such shifts would have to occur. What would produce such a shift? Is it likely that whatever produced such a shift would have no effects in any other state? If the cause of such a shift is some political act, (and if it is not, does this mean that votes are cast randomly and arbitrarily?) then the effect would not be isolated to one state but could change or reverse the results in other closely contested states.

In games of speculation, all kinds of fancies may be entertained. Let us suppose, to take an obvious example, that Clay had held firm to his preconvention opposition to the salient issue of the annexation of Texas. This might have provided him with the votes he needed to win New York. But we cannot conclude that this would have made him a runner-up President since this same political act would probably have cost him votes in Tennessee where he had a margin of but 113 popular votes. Without Tennessee, Clay would not have been elected even if he did win New York.

Unless the proposed shifts occur in and are limited to the states selected in our game of speculation, the predicted result will not obtain. Numbers are easier to manipulate and control than voters, and it is fun to create a parade of horribles in a conjectural world over which we have complete control. Evaluations of basic political institutions, however, are more reliably derived from practical effects than games of speculation. What experience has demonstrated is that the electoral college system is a system strongly biased in favor of the winner of a cross-sectional popular plurality.

Is this bias functional given the American idea of democracy? Plurality systems are an aberration of majoritarian theory which requires that elected officials have the support of a majority of all citizens. Jimmy Carter is a majority President, that is he received a majority of the popular votes, but he was not the choice of a majority of the people. Only

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53 percent of the electorate bothered to vote, and Carter was the choice of merely 50.5 percent of that 53 percent. Thus, he was the choice of approximately 27 percent of the people. Despite this deviation from strict majoritarian theory, the people are not disturbed, and give every appearance of accepting the Carter Presidency with good heart and hope.

In practice the majority requirement is too stringent. It would necessitate compulsory voting. Run-off elections with all their attendant cost, confusing, intrigue and delay would become the rule if the majority requirement were strictly enforced. We are a pragmatic people, and though a plurality system does not satisfy doctrinarie majoritarians, it has satisfied us.

Indeed, our plurality Presidencies compare quite favorably with our majority Presidencies. For fifteen presidential terms we have been governed by a minority President, one who received a plurality rather than a majority of the popular vote. Among these terms are seven that have been rated among the best in our history: those of Polk, Lincoln, Cleveland twice, Wilson twice and Truman. When we recall that Richard Nixon, the President who won the highest popular vote majority in the history of the Presidency, resigned the office in disgrace under the threat of impeachment, or when we recall that Lyndon Johnson, the Persident with the second highest popular vote majority, could not seek a second nomination while engaging in the most unpopular war in the nation's history, we may begin to perceive that the majority principle is not a panacea. We may begin to understand why a pragmatic people does not worship at its altar. In the interval of merely eight years, from 1964 to 1972, the people have witnessed two record book presidential popular victories turn into national disasters. Strict adherence to majoritarian theory is no guarantee of good government.

Nor are we fastidious about even the popular plurality principle. We have just calmly weathered the Presidency of Gerald Ford, a man for whom not a single popular presidential ballot was cast before he attained the office. There are situations when the uninterrupted flow of government is of higher priority than theoretical purity. The lessons of the past decade indicate that the people are quite tolerant of practical and prudential compromises of majoritarian theory. What the people really will not tolerate is a President whose policies or whose advisors are thought to be immoral, even if he has been selected by an overwhelming popular majority.

Even if a plurality system is sufficiently equitable, this plurality system is unusual because of its bias against sectional candidacies. A candidate can win a sectionally based popular plurality and lose the election. The system demands cross-sectional support. It demands a broadly based victory. It demands political and not simply arithmetical pluralities. It is a system that finds numbers to be necessary but not enough. It is a system that recognizes the difference between a People and a mass.

We have good reason to know that sectional candidacies breed civil strife and civil war. We are a continental nation; we are a heterogeneous people with a wide variety of religious, racial, ethnic, economic and ideological interests that must be consulted and considered. The electoral college bias in favor of broad cross-sectional candidacies is highly functional in such a nation.

The federal-geographic rider works in the electoral college the same way that it does for the Congress. It incorporates the Presidency into the system of concurrent majorities. It forces candidates to create broad coalitions. It provides the incentive to our national parties, as James MacGregor Burns pointed out, "to widen and 'flatten out' their vote." In fact, Burns has concluded that this is "the historic achievement of the presidential party", the party whose strategy is shaped by the electoral college.[7]

Our deep and legitimate concern about sectional candidacies was recently reflected in the 1976 election. As the election night vigil wore on and one by one the states fell to Carter or Ford, the maps of the United States, used by the media to graphically illustrate the election returns, began to show a disturbing pattern, a sectional pattern, an apparent East-West split, an apparent division of the country into two opposing if not hostile camps. The only state that Carter won in the West was Hawaii. The commentators in the television media began to remark about it. The next day newspaper stories focused on it. Finally, President-Elect Carter was asked about it in a press conference in Plains, Georgia. Given the East-West split of the states, did the President-Elect believe he had a mandate to govern? Could he effectively lead the whole country?

The pattern, of course, was inaccurate, which is why the issue quickly disappeared. Carter was not merely a sectional candidate, and he knew he could not be if he were to be victorious. He had worked diligently to overcome Eastern, Midwestern and Western voter perceptions of him as a Southern candidate. Some of his campaign errors, such as the Playboy interview, may be attributed to his zeal to overcome the taint of sectionalism. His efforts were moderately successful. He did have significant support in the West. He was very close in California and Oregon and reasonably close in New Mexico, Washington, North Dakota and South Dakota. Even so, the Harris poll indicates that his entire margin of victory came from the South. Outside of the South, Ford had a 0.3 percent margin over Carter. Thus, while sectionalism was a factor in the 1976 election, it might have been a bigger factor if the electoral college system had not been there to provide the incentive to "widen and flatten out" the vote.

The multiplier effect of the unit rule not only favors the plurality candidate, it produces a single election. Once the electoral college system had fully evolved, the likelihood of contingency elections became remote. We have not had one since the unit rule was adopted by almost all of the states. And, in light of recent history, it seems more probable that the Twenty-fifth Amendment, dealing with vice-presidential vacancies and presidential disabilities, will be far more important to the institution of the Presidency than the contingency election procedures established by the Founders.

The contingency procedure is utilized only if no candidate receives a majority of the electoral votes. This could occur in an election with more than two serious candidates. The electoral college, however, discriminates against both sectional and national third parties, and the multiplier effect continues to magnify the plurality winner's margin of victory in the electoral vote. In years when more than two candidates won electoral votes, the average increase in the plurality candidate's electoral vote over his popular vote was 17.1 percent, only 2.2 percent less than the average for all elections.[8]

The college's strongest bias is against national third parties with no sectional base. Such national third parties, like sectional third parties, may act as spoilers and change the balance of power between the two major parties, but unlike sectional third parties they cannot win electoral votes, and therefore cannot deadlock the college. An excellent illustration of this is the 1948 election when Henry Wallace, the candidate of a national third party, and Strom Thurmond, the candidate of a sectional third party won 2.38 and 2.40 percent respectively of the popular vote. Thurmond won 39 electoral votes and Wallace none.

The college's bias against national third parties is widely recognized, but its bias against sectional third parties is not as clearly understood. A sectional candidate is under a severe handicap because the unit rule favors a cross-sectional vote distribution pattern. Many of the popular votes for a sectional candidate are "wasted" because of their narrow and deep distribution.

Despite the sectional third party candidate's apparent advantage over a national third party candidate, he cannot win the election. It is feared, however, that he could deadlock the college and provoke a contingency election. This would be a marvelous feat, something akin to walking a bouncing tightrope while simultaneously being pelted by competitors and buffeted by spectators. To deadlock the college, a candidate would have to win some electoral votes. Then he would have to accurately guage the strength of each of the major party candidates in each of the fifty states and the District of Columbia. He would have to take votes away from both of the major parties, and these votes must be strategically placed in specific states. Too much here or too little there not only will mean failure to deadlock but also could produce a electoral vote landslide for one of the two major party candidates. While such a candidate is raiding the major parties, they are not complacent and indulgent. They rush out to secure their followers and to recapture those who have strayed. The efforts of the major parties and the prospect of casting a wasted vote in a close election create strong counter-pressures on the voters to whom the third party candidate must appeal.

The third party candidacy of George Wallace in 1968 is a classic example of the single election bias of the college. Wallace was a sectional candidate who ran a national campaign and amassed 4,100,000 votes outside the South for which he received no electoral votes. Although he won 13.5 percent of the popular vote, he won only 8 percent of the electoral vote, less than half of the average distortion of the multiplier effect in three-way electoral vote contests. His attempt to deadlock the college was a dismal failure.

By focusing on what could happen in a theoretical mathematical world rather than on what does happen in the actual political world, critics of the electoral college system attempt to convert the system's successes into failures. They are so intent upon mathematical possibilities that they forget about such political factors as voter psychology and most especially the role of our power oriented political parties.

Despite the fact that the 1968 popular vote contest was the fourth closest in our history, it was not a close electoral vote contest. With the unit rule magnifying his margin of victory by 12.5 percent, Nixon won 56 percent of the electoral vote as compared to Truman's 57 percent in 1948 or Carter's 55 percent in 1976. There was little danger of a deadlock in 1968. For all his effort, George Wallace won only six more electoral votes than Strom Thurmond, and reduced Nixon's electoral vote percentage over Truman's by a mere 1 percent.

The result of the 1968 Wallace deadlock strategy is merely a part of a larger pattern, a pattern of defeat for third party strategies. There have been eleven presidential elections in which a third party candidate won electoral votes. In none of these elections were we close to a deadlock, and in five of them the victor's percentage of the electoral vote surpassed sixty percent. Several of these third party candidates polled high percentages of the popular vote: Millard Fillmore received 21 perecnt in 1856. Breckenridge and Bell had a combined total of 31 percent in 1860. Robert La Follette received 17 percent in 1924. None of these prodigious efforts were any match for the multiplier effect of the unit

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Footnotes at end of article.

rule. In 1856, Buchanan won with an electoral vote of 58.7 percent for an increase of 13 percent over his popular vote. In 1860, Lincoln jumped from a popular vote of merely 38.7 percent to an electoral vote of 59.4 percent, an increase of 19.7 percent. In 1924, Coolidge won an electoral vote landsilde with 71.7 percent for an increase of 17.7 percent over his popular vote.

As it actually operates, the college has a bias in favor of a single election. Is this functional, is this congenial with our governmental system? Yes, it is because it makes for stability, reduces uncertainty, prevents intrigue, shortens the period of interregnum, and allows time for the smooth transition of power. Over and above these things, the single election bias of the college supports the two-party system, the system that, in the words of Austin Renney and Willmore Kendall, "more than any other American Institution, consciously, actively and directly nurtures consensus."[9]

The college's bias in favor of the two-party system is sustained not only by its bias against sectional and national third parties, but also by its bias in favor of a single election. Frequent contingency elections of any kind would weaken or destroy the two-party system whose vitality may depend, as Schattschneider argued, upon its control over nominations.[10] If, as is the case under the current system, a contingency election is highly unlikely, disenchanted partisan factions have little to gain and a great deal to lose by bucking the party nomination procedure. But if the electoral system has no bias toward a single election, if a contingency election is probable, then the second-chance psychology will spread. The parties could fragment as factional leaders scramble to enter the contest. The parties having lost control over the crucial nominating function would cease to be parties at all.

In this continental, heterogenous nation, the two-party system has developed as an extra-constitutional institution to perform a critically necessary function, a coalition-building, unifying function. Madison's idea was to divide and diversify, to encourage the development of numerous contending minority factions rather than a monolithic majority faction. That could be a sound plan if and only if something would serve to create coalitions, concurrent majorities, that could govern. Majorities of some kind are a democratic requirement, and we were, after all, to be a democratic regime. Thus, a major problem posed by the Madisonian system of a large heterogeneous federal republic, with its cultural pluralism and its separation of powers, was to provide some unity and coherence, to provide political majorities.

The two-party system arose in response to this necessity for coalition-building. Not surprisingly, our national party nominating convention system arose at the same time that the unit rule reached full development, 1832–1836. The two-party system is an integral part of the American idea of democracy, and the electoral college's bias in its favor is highly desirable. It is especially desirable at this moment in our history when the two-party system is somewhat indisposed, when the other non-institutional supports for two-partyism have decayed, when politics is individualized and the number of Independents is rising.

The college's partiality is not simply for two-partyism; it prefers moderate candidates and parties. The federal-geographic dispersion requirement quells tendencies to organize parties on class, racial, religious, ethnic, economic or ideological lines. Such factions cannot readily combine their votes across state lines. Even if the two-party system were to survive the abandonment of the unit rule, the parties could be drastically changed becoming highly ideological and dysfunctionally immoderate. Absent the unit rule, factionalism could run wild as candidates would be relieved of the necessity to create broad coalitions. Now, a victorious strategy cannot be based on narrow appeals and extravagant promises to popular majorities in one section of the country such as the populous Eastern megalopolis, or to a dominant racial group, the whites, or to a dominant religious group, the Christians, or to a single-interest constituency such as the anti-forced-busing faction.

Factionalism unleashed is the fatal disease of democracy. The electoral college system is a key institution, one that has harnessed this turbulent force and made it work for rather than against the regime. Now, we are not likely to see a presidential election contest in which Jimmy Carter runs as the Southern Baptist candidate against Jesse Jackson as the black candidate, and Ted Kennedy as the Catholic candidate, and General Brown as the military candidate, and George Meany as the labor candidate, and Earl Butz as the farm candidate. Our long experience under the electoral college system makes such a scenario seem absurd. But it may not be as absurd as it appears when we consider what has happened in Italy, France and Germany, when we remember that to change the rules is to change the game and to change the character, the skills and the strategies of the successful players.

The system also has a bias in favor of large competitive, two-party states and of urban and suburban voters in such states. Again it is the unit rule that accounts for this partiality. The most populous states have large blocs of electoral votes at their disposal, and if they are competitive, if each of the two major parties has a real chance of victory in such states, they will become the major battlegrounds. Since these states are much more representative of the diversity of the nation as a whole than the homogeneous one-party states, these are the most appropriate and functional battlegrounds. The kinds of coalitions that can win in such states are the kinds of coalitions that can win a cross-sectional victory and therefore can govern. Within such states urban-suburban voters have an apparent advantage. A number of election analysts have reached this conclusion along with Yunker and Longley who stated that the data "confirm the urban-ethnic hypothesis at least in the aggregate sense."[11] Again, this urban-suburban advantage is suitable in a nation that becomes more urban-suburban each year. But beyond suitability, it is complementary because it balances the rural-small-town bias of the Congress.

Although no election system can completely prevent fraud, the current system does have a bias against fraud because of the unit rule. Under any system, the closer the election the greater the inducement to cheat. But when, as now, each state is a separate electoral arena, the state boundaries quarantine the disease. Irregularities within a state can contaminate only the electoral votes of that particular state. A few states have a less than sterling reputation for electoral honesty, but in many close elections the results would not be reversed unless the irregularities occurred in from five to eight states and those states are not necessarily the states whose honesty is suspect. Furthermore, because of the multiplier effect, close popular vote contests are not always close electoral vote contests, and the point of the fraudulent activity is to affect the electoral votes through the popular votes. The two stage factor in the election complicates the situation and impedes the activity of the dishonest.

As a result of this bias, few elections are likely to be contested by the loser even when he has good reason to suspect fraud in some states because the fraudulent activity does not always determine the victory. The candidate who demands a recount in the hope of reversing the results must not only pick up votes and/or invalidate some of the votes for his opponent, but he must do so in particular states. A bias against fraud is desirable in any election system, and a bias in favor of electoral certainty is especially advantageous in the American democracy where public sentiment is of such overwhelming importance. Disputes, delay, uncertainty and suspicion could cripple the ultimate winner before he takes the oath of office.

The biases of the electoral college flow directly from the federal unit rule principle. The real questions about the electoral college system are whether the federal unit rule principle should be utilized in selecting the President, whether factionalism is still dangerous to democracy, and whether this principle is an important check on factional tendencies.

If federalism is an anachronism, if cross-sectional, concurrent majorities are no longer necessary to maintain liberty, then perhaps we should abandon federalism for the national legislature as well as for the executive. To do one without the other, particularly to make the President the recipient of the only all-national mandate could change our governmental solar system, could change the balance in executive-legislative relationships to the advantage of the President. The authenticity of the voice of the Congress, speaking for a concurrent majority, could be seriously undermined by a truly plebicitary President claiming to speak most directly and clearly for the general will. The sobering experience of the Watergate era should make us reluctant to further aggrandize the Presidency.

Is the electoral college system compatible with and supportive of the American idea of democracy? The answer, I believe, is yes. The electoral college system is an integral part of our governmental solar system. It exists in a symbiotic relationship with our two-party system. It corresponds to and complements the organizing principles of the Congress. The system is complicated, but we are a complex not a simple democracy. The system is federal, but we are a federal republic. The system is pluralistic, but ours is not a strictly majoritarian regime. The system is resistant to ideological extremists, but we are not an ideological people. The system is predisposed toward two-partyism, but multiparty systems are notoriously unstable, and one-party systems are undemocratic. The system looks to the formation of concurrent rather than simple arithmetical majorities, but the organizing principle of the whole governmental system is the concurrent majority. But above all else, the system balances the principles of liberty and equality because it at once utilizes the numerical votes of factions while restraining their destructive potential.

FOOTNOTES

[1] Neal R. Peirce, *The People's President: The Electoral College in American History and the Direct Vote Alternative* (New York, 1968), pp. 310-311.

[2] For comment regarding elector utility see: Wallace S. Sayre and Judith H. Parris, *Voting For President: The Electoral College and the American Political System* (Washington, 1972), p. 149; and Judith Best, *The Case Against Direct Election of the President: A Defense of the Electoral College* (Ithaca, N.Y., 1975), pp. 188-190.

[3] *Congressional Record*, Vol. 102, Pt. 4, 84th Congress, 2d session (1956), p. 5150.

[4] For a complete picture of the distortion between popular and electoral vote percentages see Best, *Case Against Direct Election*, pp. 56, 59, 62.

[5] For this argument see: Peirce, *People's President;* and Harvey Zeidenstein, *Direct Election of the President* (Lexington, Mass., 1973).

[6] For a fuller analysis of this argument see Best, *Case Against Direct Election*, pp. 72-79.

[7] James MacGregor Burns, *The Deadlock Democracy* (Englewood Cliffs, N.J., 1965), p. 251.

[8] Best, *Case Against Direct Election*, p. 91.

[9] *Democracy and the American Party System* (New York, 1956), p. 508.

[10] E. E. Schattschneider, *Party Government* (New York, 1967), p. 83.

[11] "The Biases of the Electoral College," in Donald R. Matthews, ed., *Perspectives on Presidential Selection* (Washington, 1973), p. 193.

APPENDIX: MINORITY VIEWS, SENATE REPORT ON S.J. RES. 28

BRIEF ANALYSIS OF THE PRESIDENTIAL ELECTIONS OF 1824, 1876, AND 1888

One of the most frequent cited arguments in support of S.J. Res. 28 is the danger of a runner-up President. Proponents of direct election cite three instances where the electoral college has permitted a President to be elected even though he was second in the polling of popular votes. Indeed, in 1824, John Quincy Adams polled 38,149 fewer popular votes than Andrew Jackson but became President; in 1876, Samuel J. Tilden lost the election although he received 254,235 more popular votes than Rutherford B. Hayes; and, in 1888 the incumbent Grover Cleveland was defeated by Benjamin Harrison although Cleveland was a 95,096 winner at the ballot box.

A close analysis of these elections illustrates that in each instance significant and clearly unusual events transpired to effect the final popular vote total. While it cannot be asserted that it is impossible for a candidate in any instance to win the popular vote and lose the Presidency, the elections of 1824, 1876 and 1888 are not good examples of that possibility.

1824 ELECTION

In 1824, our country was approaching its first half century of independence. Many of the concepts in the still new Constitution were being developed. That year saw the first strong contest for the Presidency since 1800, with four candidates, all within the same party, vying for the honor. It must be remembered that our national convention system had not yet evolved and so the candidates all placed their names on the ballot for election day.

When the popular vote was tabulated it revealed that Andrew Jackson had outpolled his nearest contender, John Quincy Adams, by 38,194 votes. However, Jackson's 99 electoral votes were 32 short of a majority and therefore the election was decided by the House of Representatives. In the House, the third place finisher, Henry Clay, threw his support behind Adams and he emerged victorious.

Several things must be considered in this election. As mentioned earlier all candidates were members of the same party, the Democratic-Republicans. This election was a good example of the need for a national convention system. In addition, 6 states were operating on a district system of electoral vote allocation. Most importantly, however, is the fact that 6 states also were still choosing their electors through the state legislature. Therefore, although Adams carried the overwhelming electoral vote in New York and Vermont, he had no popular votes to show for it. Consequently, in the election of 1824, it is highly speculative as to who the actual popular vote winner would have been had there been a system of popular selection of presidential electors as exists today.

1876 ELECTION

In 1876, Republicans were facing a strong challenge from the Democrats to regain the White House. Samuel J. Tilden of New York was given a good chance of being the first Democratic President since before the Civil War. Republican Rutherford B. Hayes promised to end reconstruction in the South if elected, in hope of holding some of the white Southern vote.

After the election, nearly every newspaper announced that Tilden had won a majority of the popular and electoral votes. Republicans, however, concedeing the popular vote loss, declared Hayes to be the electoral winner by one vote. This position was based on double returns from three Southern States, South Carolina, Louisiana and Florida, and Oregon. An electoral commission was established by Cogress to certify the returns of these States. The Commission, composed of eight Republicans and seven Democrats, certified the electoral returns for Hayes, as Tilden went down to a one vote electoral loss, 185 to 184.

While the partisan politics of the electoral commission set off the unusual happenings of this election, there is still another factor that had a significant impact on the outcome. There was widespread fraud practiced, by both sides in garnering popular vote in this election. There were riots, assassinations, murder, and midnight raids in the South to keep Republicans from the polls. Prof. Judith Best, in a study of this election, stated:

"In our centennial year, the electoral process was so debased and dishonored by fraud and intimidation that only an eccentric majoritarian would single out the technical runner-up Presidency of Hayes as a matter for criticism and concerns."

It would be inaccurate to cite the election of 1876 as an example of the people's choice being denied the presidency.

1888 ELECTION

Many opponents of the electoral college agree that the elections of 1824 and 1876 are not good illustrations of a runner-up presidency. However, the election of 1888 is cited as a clear case in which the popular vote winner was denied the White House by the operation of the electoral machinery.

In that year, Grover Cleveland was completing his first term, after succeeding, where Tilden had failed, in regaining the White House for the Democrats after a long absence. Benjamin Harrison was offering a strong challenge from the Republicans aided by a series of ill-advised actions by Cleveland. When the votes were tabulated, Cleveland had seven-tenths of 1 percent more popular votes than Harrison, yet Harrison was the winner by polling 233 electoral votes to Cleveland's 168. Thus occurred what has been termed the "misfire" of the electoral college.

Political analysts have commented that Cleveland's electoral loss occurred mainly because he became a sectionalist candidate. He openly angered the industrial North by pushing tariff revision in 1887 without regard for the political consequences. Prof. Judith Best, commenting on this election, stated:

"The republic's only undisputed runner-up President, Benjamin Harrison, won because his opponent, Grover Cleveland, ran a sectional campaign. The electoral count system discriminates against candidates who rely too heavily on a sectional base. Consequently, it is the electoral count system that provides the presidential parties with the incentive 'to widen and flatten out' their vote."

In addition to the proposition that Cleveland lost because of his sectional emphasis, there are the results of a recent study from the Library of Congress examining the declining role of Blacks in the electoral process of the South immediately after Reconstruction. In reviewing the voting in 11 Southern states, the report cites the anomalous facts of the rise of Black population, with the corresponding drastic reduction in votes of Black majority counties from 1870 through 1890. Explanations for this are cited as fraud and intimidation by a resurgent white population seeking to solidify the political control recently regained after Reconstruction. On June 27, 1890, Representative Robert P. Kennedy of Ohio stated:

"The bald pretense that Grover Cleveland was elected President of the United States by a majority of the people of the United States is subject to the further statement that at this same election a large number of the qualified voters who would have registered their votes against him were not permitted to do so, and hence, by reason of intimidation and outrage, one who would of necessity have been defeated in a fair contest is declared to have been the choice of a majority."

The Library of Congress study concludes:

"The evidence seems overwhelming that not only was the electoral college 'misfire' of 1888 created by intimidation and fraud against black/Republican voters in the South but that the majority of the Nation recognized that this was the case. Thus, to contemporary America, the election of 1888 demonstrated the need to retain the electorial college rather than illustrating how it could be used to thwart the will of the people. . . .

"A summary of the estimate of the shortfalls in the Republican vote in the eleven Southern States suggests a minimum of over 300,000. three times the number to offset Cleveland's reported plurality."

CONCLUSION

As stated above, it is theoretically possible for a candidate in an election with no unusual happenings to win the popular vote but lose the electoral college. However, the elections of 1824, 1876, and 1888 illustrate that this has occurred only under unique conditions not likely to occur under our present system. In the Adams-Jackson contest, the actual popular support of either candidate cannot be tabulated due to the method of selecting electors in a number of states. In the Hayes-Tilden contest, both partisan politics and fraud have obscured our view of the true winner. The election of Harrison over Cleveland may actually have represented the popular will despite the officially reported totals. It is difficult, if not inaccurate, therefore, to conclude that any of these elections constituted a "misfire" of the Presidential electoral process.

Mr. HUDDLESTON was recognized.

Mr. BAYH. Will the Senator yield?

Mr. HUDDLESTON. I am glad to yield.

Mr. BAYH. Mr. President, I do not want to interrupt the Senator from Kentucky's remarks, because I know the Senate is anxious to hear what he has to say, but I want to express the deep feeling of gratitude of all of us who have been trying to do something about this electoral college and its possibility of malfunctioning, the deep debt of gratitude we owe the Senator from Kentucky for his leadership and his willingness to be a part of this program for a long period of time.

Now that the debate is here, I think it is fitting that he is one of the first to participate in the debate.

Also, if I might, I just make the same observation about our distinguished Presiding Officer, the distinguished Senator from Hawaii, who also has been one of the strong supporters of the direct popular vote effort.

I think that shows us the kind of broad cross-section of support we have. It is truly an intranational, from ocean to ocean and beyond, effort to try to do something about this system that threatens, really, to shake the credibility and the stability of our governmental process.

I appreciate the efforts of the Senators.

Mr. HUDDLESTON. I thank the Senator from Indiana.

Of course, we are all aware of the leadership he has given to this effort, the persistence that he has demonstrated time and again, focusing the attention of not only the Senate of the United States, but the people throughout the land to this problem, and offering the solution that we are now confronting here on the floor of the Senate.

Mr. President, I am pleased to be a cosponsor of Senate Joint Resolution 1 and I ask that I be added as a cosponsor of an identical resolution, Senate Joint Resolution 28. The proposed constitutional amendment contained in these resolutions would change our electoral process by providing for the direct election of the President and Vice President of the United States.

Since the founding of the United States over 200 years ago, we have gradually improved upon our democratic system of government. Through the process of deliberation and compromise we have eliminated weaknesses in the system and made it more responsive to the needs and desires of the people. I believe that Senate Joint Resolution 28 will eliminate an aspect of our system of government which is archaic and contrary to the fundamentals of a democracy.

A democracy is defined as a government which is characterized by formal equality of rights and privileges. From this, one would assume that every citizen should be treated equally in the exercise of one of the most important political rights we have—the election of the President. Unfortunately, this is not the case.

The procedure we presently have for electing the Chief Executive is built around the electoral college. To completely understand and comprehend the concern generated by this procedure and the potential problems posed by it, it is necessary to understand exactly how it operates.

Article II, section 1, of the Constitution provides that—

> Each State shall appoint, in such manner as the Legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State is entitled.

To carry out this provision the political parties of the various States nominate by convention, primary or other means a group of Presidential electors. Through direct elections the voters of each State appoint a group of electors by a simple plurality. Most of the States do not even list the names of the electors on the ballot, using instead the "short ballot" which merely names the Presidential and Vice Presidential candidates in lieu of the names of the electors.

In every State but one, the electors are chosen on a winner-take-all basis. This means that the group of electors with a simple plurality, no matter how small, will cast their electoral votes for every voter in the State. No provision is made for dividing the electoral votes on a proportional basis according to the percentage of votes cast for each candidate.

The chosen electors meet on the Monday following the second Wednesday in December in their respective State capitals to cast their votes for President and Vice President. It is these votes and not those of the people which actually choose the two men who will hold the highest elected offices in this country. Not only are the people excluded from directly participating in the election, they are also unable to insure that the electors will vote in a particular way. The electors are constitutionally free agents who may vote as their conscience or interests dictate.

It is not until January that the Congress counts these votes and officially announces the winner of the Presidential election. Should the electors fail to elect a President by a majority vote the matter is then thrown into the House of Representatives, which may elect the President by a complicated procedure. I say "may" because it is possible that a candidate will not get the required majority vote.

In the House each State has one vote, that one vote being determined by the Representatives of each State polling its Members. The candidate who receives the majority of the votes gets the one full vote of the State. However, if the votes are evenly divided or no candidate receives a majority, the State loses its one vote, thereby disfranchising thousands of voters in that particular State.

If after going through this ritual of polls and votes, the House is unable to elect a President by January 20, the Vice President-elect will act as President until a President can qualify. However, the selection of the Vice President may also add to this bewildering assortment of uncertainties. Should the electoral college be unable to select a Vice President by a majority vote, the duty falls to the Senate, which must also choose one by a majority vote.

If both the President and the Vice President fail to qualify by January 20, the Speaker of the House would act as President until either qualifies.

The electoral college system may be criticized on two primary points. First, it is inequitable. Second, it is fraught with potential pitfalls which could cause serious political disruption under certain conditions.

The electoral college was originally devised to meet a unique set of circumstances which no longer exist. The people of the Nation at that time were scattered in remote areas and the communication systems, which could inform them about national issues and political figures, were extremely limited. Furthermore, the concept of electing an executive was in itself new and revolutionary and there was a need to compromise on the issue in order to allay certain concerns.

However, since the inauguration of our democratic form of government, there have been substantial changes which negate the need for the outmoded system we now have imposed upon us. Our sophisticated communication systems insure that every citizen has the opportunity to be fully and completely informed on every issue. In addition, the concept of an executive who truly represents the needs and interests of the Nation as a whole has become firmly established in our political process.

The disfranchisement of hundreds of thousands of voters is one of the most appalling aspects of the present procedure for electing the President. Under the general ticket method of selecting electors, the group of electors with a plurality of votes will be appointed and they will not represent any of the voters who supported other candidates. In other words, the winner takes all. What does this do to the principle of one person, one vote which was so strongly reaffirmed by the Supreme Court in the case of Gray against Sanders? Therein the court held that "The concept of political equality from the Declaration of Independence, to Lincoln's Gettysburg Address, to the 15th, 17th and 19th amendments can mean only one thing—"one person, one vote." Can we as legislators do less than correct a procedure which is so totally opposed to this concept?

Our history contains illuminating examples of the undemocratic results of the electoral college system. The United States has had three Presidents who were elected to the Presidency even though they received a smaller number of popular votes than their closest opponents. Even more disturbing is the fact that in one instance the defeated candidate actually had a majority of the popular vote. Should this happen again I would certainly be hard-pressed to explain to my constituents the justification for it. We do not allow it to happen at any other level of government and we cannot continue to permit it with the highest office in the country.

Under the present system the key States with large numbers of electoral votes have an advantage over the smaller States. These pivotal States usually receive preference in the selection of Presidential candidates because they have large blocks of electoral votes. As a result, these States will usually receive more than their share of the campaign effort. Under a direct election system the large States with high population density would still receive substantial attention. However, this system would be more just because each vote would be equally weighted. Knowing that every vote is equal will force candidates to pursue them with this in mind.

A complex procedure for electing the President which is not completely understood by the average citizen could conceivably lead to extreme feelings of suspicion and distrust in the event a controversial election were thrown into the House of Representatives. This would be even more likely if the person chosen to be President had fewer popular votes than his opponent. The procedure we have now leaves open the possibility of certain groups conspiring to manipulate the system to their own advantage. Even if the system were not abused, the appearance of abuse could have the same adverse effect upon the confidence the average American citizen has in his Government. A democratic system of government which lacks the confidence of the people will soon find it is totally ineffective in accomplishing its goals.

Faith in our democratic form of government and politicians in general has been severely shaken in the last few years due to several well-publicized scandals, and another serious blow could do irreparable harm. Previous elections also indicate that we may well be flirting with disaster. Presidents Truman, Kennedy, and Nixon received less than a majority of the popular votes cast. While President Carter won a popular vote margin of 1.7 million, the switch of a very small percentage of the vote in Ohio or Hawaii could have given the election to the loser of the popular vote.

The direct election of the President would not lead to the destruction of the two-party system as many would have us believe. The two-party system has not suffered because of the direct election of Senators, Representatives, and State officials and there is no logical reason that it would deteriorate because of this change. It is highly probable that such a change would stimulate the revival of the two-party system in those areas where one party has virtually stopped trying as a result of the winner-take-all policy.

Others would have us retain this antiquated procedure because they believe that it has been the most successful method for electing the national leadership and there is no indication that a new system can work as well. To these doubters we point out that many of these same arguments were used when it was proposed that Senators be elected by the people rather than the State legislatures. In 1913, the 17th amendment made this change and I do not believe that the Senate has suffered adversely because of it. On the contrary, the Senate serves the people more responsibly now that we answer directly to the voters.

Senate Joint Resolution 28, which Senator BAYH has introduced, will correct the weaknesses and inequities in the electoral college. The amendment would provide that the Presidential and Vice Presidential candidates from each party join together as one candidate and be eligible for election by direct popular vote. The joint candidacy receiving the greatest number of votes would win provided they amassed at least 40 percent of the vote. If none of the joint candidacies received 40 percent of the popular vote, they would be elected in a runoff election between the two pairs of candidates receiving the highest number of votes. The advantages to this procedure are obvious. It is simple, devoid of hidden pitfalls, easy to understand, fair, and democratic.

The proposal to reform the electoral college has received support from almost every quarter. In virtually every Congress since the early 1800's there has been a call for changing the electoral college; the American Bar Association has called the present system "archaic, undemocratic, complex ambiguous, indirect, and dangerous"; public opinion polls show that a substantial majority of the people want to directly elect the President; and both the Democratic and Republican Party platforms have called for the reform.

In the Declaration of Independence, Mr. Jefferson noted that—

> Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed.

I do not suggest that we change a long established form of government for a light or transient cause. This body has studied this matter for many years and the possibility of electing a President who has not received the proper mandate of the electorate is a matter of most serious consequences. I further believe that our constituents will no longer tolerate us to suffer the evil rather than abolish the form. We must act now to rid ourselves of the danger before an electoral disaster overtakes us.

As our Nation and form of government have aged and matured, we have made many changes. We have outgrown many of the latent fears of the 18th century. We are now, as then, the leading democracy in the world. We should no longer hesitate to amend our Constitution to rectify this lingering blemish to our democratic form of government.

Mr. PRYOR. Mr. President, will the Senator from Kentucky yield to me?

Mr. HUDDLESTON. I yield to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I congratulate the Senator from Kentucky for his most eloquent statement.

Not only is this a firm statement in support of abolition of the electoral college, it is also a statement by an extremely solid Senator who has both feet on the ground and who never makes a statement in this Chamber until it has been well thought out, well reasoned, and certainly well researched.

To have his voice become heard in this great debate relative to how we elect a President and a Vice President in this country is, I think, of immeasurable value.

Also, I thank the distinguished Senator from Indiana for his longtime support of this constitutional amendment and for once again bringing this issue to the forefront in this country.

Mr. President, I am very happy that debate on the issue of the direct election of the President and Vice President is beginning in the Senate. I hold very strongly to the argument that those who wish to change the Constitution have the burden of proving that that change indeed needs to be made.

I feel that in the coming days and perhaps even the coming weeks of this debate on direct election it will be proven beyond a reasonable doubt by the proponents that this is a very necessary and very needed change.

Mr. President, a few moments ago in presiding over this body I was listening to the distinguished Senator from the State of Utah talking about the possibility of this change and the potential of whom it might hurt. Would it hurt the large States? He argued that it might. Would it help the small States? He argued that it might. Would it hurt the minorities? He argued that it might.

I say, Mr. President, that this is what I call "nickel and diming" this argument. I say that what we must do is look at this question in the larger context, not just what is good for one small State or one large State or one particular minority. We certainly do not want to hurt anyone in America with this vote or with this change in our Constitution.

Mr. President, when we examine this issue fully, I believe we can and will demonstrate that to abolish the electoral college and to elect our President and Vice President directly by the people of this country, rather than going through a confusing and dangerous method known as the electoral college system, will help this Nation. I think that we will be strengthening our basic system and that we will be encouraging once again a fuller participation by more people within our democratic system.

We talk, Mr. President, about the electoral system that the Founding Fathers established some 200 years ago. We talk about how in their wisdom they established this system for a reason. My research reveals that the only reason we have the electoral college is very simple.

At that time our Founding Fathers adopted this system, we had no way of communicating to the people of this Nation information regarding the identity of candidates for the Presidency and their positions on the issues. Candidates had no way to travel about this country and present their views to the people. Therefore, they had to have someone cast the votes of the American people for them in something known as the electoral college. That is why the electoral college exists. Today, some 200 years later, it is now time for us to recognize the simple fact that America has matured to the extent and to the degree than our citizens can make independent, informed judgments and that it is time for a change.

It is time for every vote in this country to count equally. It is time for every vote in the State of Arkansas to count just as much as it does in the State of Arizona or in the State of New York or in the State of Utah or in the State of Virginia.

This, Mr. President, I think is the consequence of adopting a system of direct popular election of the President and Vice President. It is not grave. It is not going to be dangerous. There is not going to be a sudden and unalterable change that the people cannot digest. But I rather think that the consequence of our sending out to the State legislatures this prospective change in the way we elect our President is that we are going to be giving the people for the first time an opportunity to have a clear, well understood, and fair system where every vote in this country counts equally.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. PRYOR. I am happy to yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I could not

agree more with what our distinguished friend and colleague from Arkansas has said about the mission that we are about here. I wish to say for the benefit of some of our other colleagues who have other business and have not been as intimately involved in this as the Senator from Indiana has, that I think we all owe a debt of gratitude to our distinguished colleague from Arkansas. He is a relative newcomer to this body, but his interest in this particular problem goes back a good many years.

I remember, when he was a distinguished member of the other body the leadership he provided on this issue. He became aware of the problem and was actively interested long before he even came to the House of Representatives.

So, with the kind of study that the Senator from Arkansas gives to any subject before he declares his support, I think those who are still making up their mind can be comforted to see an ally like Dave Pryor on the line for this kind of an approach to let the people of this country choose their President.

I just wish to say to him how much I think we all owe him a debt of gratitude for what he has done and is doing.

Mr. PRYOR. Mr. President, the Senator from Indiana is very kind and overly generous, but his remarks are appreciated.

I might add that in reference to the other body, as the Senator from Indiana well knows, on September 18, 1969, the House of Representatives supported the direct election of the President by a vote of 339 to 70. Hopefully as this debate continues and as the arguments are put forth, we will once again, in the wisdom of the Senate and the House of Representatives, refer to the 50 State legislatures of this great Nation this very vital and crucial question and that we will allow them to debate this question, to air it fully, and hopefully to give an affirmative verdict.

(Mr. BAYH assumed the chair.)

Mr. PRYOR. Mr. President, I yield to the Senator from Virginia.

AMENDMENT NO. 280

(Purpose: To amend the Constitution of the United States to provide for balanced budgets and a limitation upon the outlays of the Government)

Mr. HARRY F. BYRD, JR. Mr. President, I send an amendment to the desk on Senate Joint Resolution 28 and ask that it be printed and I ask also that it be printed at this point in the Record.

The PRESIDING OFFICER. The amendment will be received and printed, and will be printed in the Record.

The text of the amendment follows:

Beginning with the word "That" in line 1, page 2, strike out all to and including the colon in line 6, page 2, and insert in lieu thereof the following: "That the following articles are hereby proposed as amendments to the Constitution of the United States, any one of which shall be valid to all intents and purposes as part of the Constitution only if ratified separately by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:".

On page 4, after line 9, insert the following:

"Article —

"Section 1. Beginning with the first fiscal year after the ratification of this article, the Congress shall assure that the total outlays of the Government during any fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States, shall not exceed the total receipts, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States.

"Sec. 2. Beginning with the first fiscal year after the ratification of this article, the Congress shall assure that the total outlays of the Government during any fiscal year shall not exceed 20 per centum of the gross national product during the calendar year immediately preceding the beginning of such fiscal year.

"Sec. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that either section 1 or section 2 of this article may be set aside for the fiscal year designated in such concurrent resolution. Both section 1 and section 2 may be set aside for the specified fiscal year: *Provided*, That a separate concurrent resolution setting aside each section is agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress.

"Sec. 4. The Congress shall have power to enforce this article by appropriate legislation.".

Amend the title so as to read: "Joint resolution proposing amendments to the Constitution to provide for the direct popular election of the President and Vice President of the United States and to provide for balanced budgets and a limitation upon the outlays of the Government.".

Mr. MATSUNAGA. Mr. President, I rise in support of Senate Joint Resolution 28, the resolution introduced by the distinguished Senator from Indiana (Mr. Bayh), now presiding, designed to amend the Constitution to require the direct popular election of the President and Vice President of the United States and thereby abolish the electoral college system.

I ask unanimous consent at this time that since I was a cosponsor of Senate Joint Resolution 1 that I be recorded as a cosponsor of Senate Joint Resolution 28.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. For nearly a century and a half, Mr. President, Americans of every State and of every political, economic, and social background, have criticized the electoral college system—and for good reason. Three times in this country's history, in 1824, 1876, and 1888, the Presidential candidate who won the popular vote was kept from office because of the strange arithmetic of the electoral college system. Furthermore, in the past two decades, we have been through three closely contested Presidential elections in which the shift of a very, very small percentage of votes in a couple of States could have given the winning number of electoral votes to the candidate who did not receive the majority of the total votes cast nationwide.

More specifically, in the last election, a shift of only 8,354 votes—4,667 in Ohio, and a mere 3,687 in my home State of Hawaii—would have delivered, under the "winner-take-all" rule employed by the States, the electoral college votes of those two States to Gerald Ford. Thus, by a vote of 270 to 268, the electoral college would have declared Gerald Ford, who polled 1.7 million votes less than Jimmy Carter, to be President of the United States. A shift of only one-hundredth of a percent of the 79.8 million votes cast would have been all that was necessary to elect the people's second choice in 1976.

Statistical studies of Presidential elections held over the past 50 years have revealed that in any close Presidential contest, the electoral college system offers only a 50–50 chance that the election results from the electoral college will coincide with the popular vote. And in the 1968 election, where some 500,000 popular votes separated the candidates, there was one chance in three that the electoral college vote winner would not have been the popular vote winner as well.

It cannot be denied, Mr. President, that under existing law the possibility that the electoral college will award the Presidency to the candidate who is not the popular winner is ever present, and, indeed, the inconsistency with our concept of democracy posed by the present system of electing our Nation's Chief Executive. Many experts have speculated that such a contingency could percipitate a serious political and constitutional crisis in the United States. I agree wholeheartedly with that disturbing forecast. While I believe it is impossible for one to predict what the reaction of the American people would be to the election of a President who was not the first choice of the national electorate, it is safe to assume that the confidence of the people in their Government and, most importantly, their President, would be eroded, to say the least.

It is clear to me that we cannot and should not continue to tolerate an electoral system which poses such a threat to our Nation. The confidence of our people in the American political process has already been deeply shaken in the past decade. That our Nation survived the revelations of Watergate and the resignation of a President under the threat of certain impeachment, is certainly a tribute to the resiliency and strength of our people and our democratic institutions. However, I do not believe that we can rely on the strength of the American people to carry us through another crisis—one caused this time by the failure of the electoral college system.

The electoral college is, without a doubt, an archaic and outmoded institution and the history of the system strongly supports this indictment. At the Constitutional Convention of 1787, the delegates were deeply divided over how the President and Vice President were to be selected. While some favored direct popular election, others, including Alexander Hamilton, believed that the people of the young Republic were incapable of choosing the best candidate for the Nation's highest office. Many were convinced, as they had cause to be, that no national leader would be found when interests and loyalties were divided among the several States and regions of the country. Moreover, many of the delegates, conscious of the fact that the public at large would have little or no access to the kind of information upon which an intelligent choice for President could be made, agreed with Alexander Hamilton that it was in the best interest of the Nation to permit the citizenry to vote for a group of men in their own State who were educated and experienced, and thus capable of choosing wisely the Nation's Chief Executive.

Consequently, the delegates agreed upon a compromise establishing the electoral college as the constitutional method of selecting the President. This method, the delegates hoped, would tend to diminish local prejudices and, in doing so, assure that the President and Vice President would be elected by the ablest and most respectable men of each State. This elite group of citizens, according to Hamilton in the Federalist No. 68; "will be the most likely to possess the information and discernment requisite to so complicated an investigation."

Indeed, Hamilton and the other framers of the Constitution had the best interest of our young Nation in mind when they devised the concept of the electoral college. However, history reveals that within a decade after its embodiment in the Constitution, Hamilton's concept of a "select assembly" of independent electors and an apolitical Presidency, had lost its meaning and purpose. The rapid rise and growth of political parties which sought to establish political machinery within each State and formal alliances between State party organizations in order to obtain the Presidency, presupposed the need for the electoral college, as the framers had devised it. No longer would the electoral college carry out its original function, which was to screen the field of Presidential contenders. In its place, the two major parties, by means of State primaries and political conventions, would choose prospective Presidential candidates. It was soon realized that the newly evolved American political parties more accurately reflected the desires of the electorate than did the electoral college.

Today, Mr. President, the motivations behind the creation of the electoral college by the framers have little relevance to the nature of our present-day society and our modern Nation.

No longer is the United States a collection of widely diverse interests and conflicting loyalties. We are a nation and a people with a common identity, interdependent and inseparably bound by common problems, common needs, and common goals. The people of my home State of Hawaii, for instance, separated from the continental United States by literally thousands of miles of ocean, struggle every day to overcome many of the same problems that confront their fellow Americans in California and Oregon, in Kansas and Nebraska, and in New York and Washington, D.C. The dangers of regionalism and parochialism which were so very real to the Founding Fathers and helped give birth to the electoral college, simply do not exist in 20th century America.

Moreover, the enormous advances made by our Nation in communications, transportation, education, civil rights, and equal suffrage, have rendered irrelevant the Hamiltonian notion, upon which the electoral college was based, that the people are not capable of transcending local prejudices and gathering and discerning information necessary to make an intelligent choice of a President. Needless to say, Americans today are widely educated and, due largely to the advent of mass media circulation and electronic communications, they are generally well informed on the issues that confront our society and the persons who seek to lead it.

Mr. President, there are simply no convincing arguments, in my opinion, to support the continued existence of the electoral college. It is clearly deficient, and has surely outlived its original purpose and function. It is an ever-present danger built into our Constitution that threatens the very stability and integrity of this country's political system. We must no longer wait to replace the electoral college with the best of all possible methods of choosing our President—the system of direct popular election.

Direct popular election offers the most direct and democratic way of electing a President and will more accurately reflect the will of the majority of the American people. Unlike the electoral college system, under which one American's vote for President is not equal to another's, simply on the basis of where he happens to live, direct election will insure, for the first time in our history, that every citizen's Presidential ballot is of equal weight. The elimination of the electoral college and its winner-take-all rule will end the disenfranchisement of millions of voters who cast their ballots for the losing Presidential candidate for their State. Every American will finally be guaranteed a full and equal voice in the selection of their President. And no longer will each citizen's vote represent only an expression of preference relayed to an elector by means of the ballot box. The direct election system is based on every voter's direct legal voice for President with no middle layer—however innocent it may seem—between the individual's vote and the final election result.

Mr. President, as a former Member of the House of Representatives, I took part in the floor debate on the direct election resolution which took place during the 91st Congress. I am proud to say that I voted "aye" on final passage of the resolution. At that time, a colleague of mine from another small State asked me how I could so strongly support the elimination of the electoral college system, which, he said, serves to protect small States such as Hawaii. He argued that under the present electoral formula, small States have an important and necessary advantage in that each State is entitled to have as many electoral votes as it has Senators and Representatives, thus inflating the voting power of the citizens of the small States. He felt very strongly that the electoral college was a necessary protection accorded to small States against certain domination by the large, heavily populated industrial States.

My answer to his question, Mr. President, posed 10 years ago, has not changed. It was my position then, and it is my position today that the electoral college does not truly provide an advantage to the small States. While the ratio of electoral votes to population does indicate that the smaller States have a mathematical voting advantage under the present voting formula, this theoretical advantage is, however, more than offset by the effects of the unit rule. Under the unit rule, all of the State's electoral votes are awarded to the candidate who wins a popular vote plurality—regardless of whether that plurality is one vote or a million votes. The practical result of the "winner-take-all" system is that Presidential campaigns and political power are concentrated in the large, closely contested urban States, where entire State blocs of electoral votes can be won by the narrowest of margins. Political party strategists are keenly aware that carrying these States and their large blocs of electoral votes is the key to getting their candidate elected. They can easily afford to ignore the small States, and there is statistical evidence to show that they do this to an alarming extent. According to the findings of a study which appeared in last year's Judiciary Committee report on Senate Joint Resolution 1, four States, including my home State of Hawaii, were not visited by a Presidential candidate or Vice Presidential candidate at any time during the 1976 campaign. Moreover, the other States with less than six electoral votes each were visited very infrequently by the Presidential contestants. In my view, these statistics clearly demonstrate the greater role played in Presidential elections by the larger States as compared to the smaller States.

This is not to say that under direct election, candidates will not continue to travel more often to the heavily populated States, rather than the sparsely populated ones. Indeed, there can be no denying that a State such as New York, with large numbers of residents, would have greater political impact under a popular plan than tiny Hawaii. However, under the direct election system, each individual vote would count the same, no matter where it was cast. And communities like Honolulu would have the same effect on the national outcome of the election as a community of the same size in a large State.

In the final analysis, Mr. President, small States stand to gain rather than lose under the system of direct popular election proposed in Senate Joint Resolution 28, since the votes of all American citizens will, for the first time, have an equal weight in the election of the President.

Mr. President, since 1966, in the Judiciary Committee and on the Senate floor, Senators have studied and debated the deficiencies of the electoral college and considered the strengths of direct election and the other alternative methods of electing our Chief Executive. In hearing after hearing, and debate after debate, the preponderance of evidence has demonstrated, beyond a reasonable doubt, that the present system of electing the President is not only outmoded, but also represents a real and present danger to the stability of our political system. At the same time, it has also been demonstrated—I believe to the satisfaction of a majority of Senators—that direct popular election is the best possible alternative method of electing the President.

As the Senator from Indiana has often said, the direct election amendment must very well stand as the longest considered and most carefully debated constitutional amendment in the history of our country. In the interest of the American people and their confidence in our elective processes, I urge the Senate to vote, without further delay, to send Senate Joint Resolution 28 to the States for ratification.

I thank the Senator from Indiana for presiding while I delivered my statement.

(Mr. MATSUNAGA assumed the chair.)

Mr. BAYH. Mr. President, I appreciated the opportunity to preside over the Senate and to listen to the perceptive remarks of our distinguished colleague and friend from Hawaii. I think most of us who have had the good fortune to serve in the Senate—and some of our colleagues here who have had the opportunity to serve in the House of Representatives—with our distinguished colleague from Hawaii, SPARKY MATSUNAGA, are familiar with him as an individual. They know of his courage and his tenacity in pursuing the course that he feels is right.

With that background, I think it is particularly appropriate for us to listen to what the Senator from Hawaii has to say about this measure.

It is not the easiest thing in the world to do, considering traditional wisdom—and I emphasize traditional wisdom—for a Senator from a relatively small State like Hawaii to take a leadership role in an effort like this, and I would call to the attention of my colleagues from other small States the detailed analysis of how the electoral college system actually works that has been so eloquently presented to us by the Senator from Hawaii. We are in his debt, and I want to say to him personally how much I appreciate his efforts in behalf of trying to put the Presidential election system of this country on the same basis that all other elections are run and governed—on the basis of the equitable principles of the winner being the one who gets the most votes, of everybody's vote counting the same, and incidentally being counted for the candidate of his choice; and, of course, of letting the people actively participate in the election and making the decision themselves, instead of the way the matter now resides in the hands of electors, most of whom are faithful but a few of whom are not.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Chair acknowledges with appreciation the remarks of the Senator from Indiana.

Mr. BAYH. Mr. President, I understand that one other Senator is en route. I respectfully suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, the direct election of the President and the Vice President of the United States is an electoral reform which is long overdue. It is long overdue because of its basic fairness, democratic nature, and its inherent simplicity. There is no principle which is more basic to our concept of democracy than equal treatment under the law. And yet when this Nation goes to the polls every 4 years in the only truly national election that we have, that principle is abrogated. The effect of the electoral college system on our Presidential election is often drastically unequal treatment of individual voters and their votes. The discrepancies are real and widespread, and they defy our basic sense of fairness. They will be specified as this debate progresses in the days ahead.

Mr. President, we ask the wrong question when we ask, who gains and who loses under the electoral college, and how will this group lose its advantage under direct election? The function of the President is to serve the interests of all persons, all citizens of this country, and, therefore, all citizens should have an equal say as to who the President will be. In the debate over who will gain and who will lose, there is only one real winner in implementing direct election, and that is the American people who will finally be able to participate in a democratic and fair national election where each vote counts for as much as every other vote.

The American people will also win because we will have eliminated the threat which the electoral college has always posed—that is the possibility that a candidate who has not won the popular vote will, through the mechanisms of the electoral college, be elevated to the Presidency. The majesty of the electoral process in this country is no more evident than in the way we accept the results of an election. No matter how bitterly fought it is, on the day after the votes are counted we join together as a people and announce our support for the candidate we may have opposed just days ago. We have such faith in the system that we accept its verdict, no matter how much we may disagree with it.

But what the electoral college contains is the potential for eliminating that acceptance of results. Imagine the attitude of people who see their candidate, winner of the popular vote, denied office. I do not think they would willingly accept the results in modern day America. I do not think they would freely give their consent to be governed by a minority President. Therefore, I am afraid that such a President would not have the ability to govern, so vital in these times. He would not have the mandate that an election normally gives a leader.

The potential for a minority President is too great and the consequences for such a President and our Government too frightening to allow us to continue to play electoral roulette with a system that was conceived in a different time and that does not relate to the reality of the current role we play as a nation in the world.

The social and political fabric of this country can be torn apart by the election of a minority President.

Opponents argue that earlier 19th century examples should vitiate these fears since the electoral process survived these occasions. But the state of our country today, in 1979, is far different from the 1800's. The tremendous power of the President, mass communication, instant communication, the rise of the global community, have all changed the complexion of our society to such an extent that were we to have a minority President, our political vitality would suffer and what credibility we have left in Government further sapped.

In another vein, I have repeatedly heard opponents argue the alleged detrimental impact of direct election to small States. There is as much compelling reasoning to the contrary. We must remember, however, that our approval here is not the end of the enactment process; it only allows the matter to go to the States where it must receive the support of three-quarters of those States. As a matter of fact, Mr. President, 17 States in this Union have less than 2 million people. Five of those States would be needed for this resolution to be made a part of the Constitution. Twenty-six States in this Union have under 3 million people. Twelve of those States would be needed for this to become a part of the Constitution.

Finally, Mr. President, I would like to refer my colleagues to the statement of the late Hubert Humphrey, who said:

> The political conduct of a democracy is what is important here above all else, and to take away or to cheapen the vote of any individual citizen in this country is grossly wrong. It is really a violation of a fundamental, basic principle of democracy.

I commend the Senator from Indiana for his commitment, his energy, his idealism, his perseverance in this issue. I am proud to be able to support his resolution and to work with him for its final passage. Thank you, Mr. President.

Mr. BAYH. Mr. President, I appreciate the thoughtful compliment of our distinguished colleague, my friend from Michigan. I would like to say that I believe the Senate is indebted to him for his perceptive analysis of this problem. I personally appreciate the amount of time, study, and effort he has lent to our efforts. To have him with us in this effort to try to reform our electoral system I believe is a significant step toward reaching our goal. I want to say how very much I appreciate having a chance to hear his analysis. I think all the Senators who have had the chance to listen and to read what he has said will be equally benefited.

Mr. LEVIN. I thank my colleague. In the annals of this Senate when this resolution is finally adopted his efforts and those who have worked with him for so long will receive high praise.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, I would like to say to my friend from Indiana that the Senator from Oklahoma has been almost totally involved today in other matters, including appropriations matters, and I have not been able to participate so far in the debate. I intend to be here Monday to join in the support of this resolution. I commend him for having brought it to the floor at this time. I hope it will be fully supported next week. I apologize for not having been present here earlier today.

Mr. BAYH. Mr. President, if there is anybody who need not apologize to this body, it is the Senator from Oklahoma. He is one of our busiest Members. I believe the Senate is anxious to hear what he has to say on this.

I will say without stating his opinion, and I do not take his name in vain I hope, that if anyone wanted to dig into how this system works and differentiate how it works from some of the misconceptions presented, they should have the chance to listen to the experiences of the Senator from Oklahoma. It has been the kind of experience that I believe we have all gone through. To sort out fact from fiction, it is going to be important to us to have his words next week. I appreciate his making the extra effort to be here this evening.

● Mr. MAGNUSON. Mr. President, the electoral college system with its weighted counting mechanics encourages speculations of advantage and disadvantage. Direct popular election, on the contrary, erases considerations of special selfinterest and establishes the American principle of equal treatment under law as part of the selection of the President and Vice President. My distinguished colleague from Ohio, Congressman Louis Stokes, sees the proposed amendment in just such terms—testifying before the Subcommittee on the Constitution on March 30 of this year, he asserted that "the present system for choosing our Presidents is outdated, unsafe, and undemocratic, and that the only truly just alternative is direct election." Congressman Stokes is well qualified to speak on the question of electoral reform having served on the Judiciary Committee during the term in which the House of Representatives studied this matter at considerable length and passed it by a sizable 339–70 vote.

Mr. President, I call to the attention of my colleagues the Congressman's concluding remarks—

> On an issue of such vast political importance and historical magnitude, is difficult to totally base my opinion on what I perceive as "advantages" or "disadvantages" to a particular philosophy. We are here deciding how several generations of future American voters will go about performing their single most important task—selecting the leader of this country. It would seem that if ever a question called for the setting aside of partisan thoughts and for statesmanship of the first order, this would be the one.

And ask that the remainder of his testimony be printed in the Record.

The testimony follows:

Testimony of Hon. Louis Stokes, Representative in Congress From Ohio

Mr. Stokes. Mr. Chairman, I appreciate the opportunity to be here today to testify for the constitutional amendment to establish direct popular election of the President of the United States. This is an amendment which I have supported ever since I first came to the Congress. I voted for its passage in the House in 1969, and have cosponsored the measure since. I have done so, fully mindful of the awesome historical ramifications of such a decision. The present method of selecting our Chief Executive has been an important part of our Constitution for 190 years. Any changes which the Congress and various State legislatures now choose to make are likely, God willing, to prevail an equal number of years. The more the evidence I have examined, the more my original determination has been reinforced—that the present system for choosing our Presidents is outdated, unsafe, and undemocratic, and that the only truly just alternative is direct election.

The defects of the electoral college system are numerous and grave. Mr. Chairman, I will not go into those dangers at any length now, since they are well known to this subcommittee, I will say that the problems of the faithless elector, of the unnatural and unfair disparities in both individual voting power and election results, and of the contingency procedures in the House of Representatives in the event that no candidate receives a majority in the electoral college, are not to be taken lightly.

Another flaw in the present method is that it continuously creates the possibility of a President who has received less than a majority of the popular vote. Three times this has happened—in 1824, 1876, and 1888. There is nothing to prevent it from happening again. The problems which such a result would raise are only too apparent. A President elected by a slight majority is always faced with immense difficulties in harnessing the energies of the Congress and the voters. These would likely be multiplied tenfold. In addition, no one can safely project how our politically active, late 20th century society would react to such an outcome. At best, it would instill a pernicious mistrust of the democratic system. At worst, it would precipitate a first-rate constitutional crisis.

And there is a final defect in the present system, one which might be of less practical import, but which may, nevertheless, be the most serious of all. The electoral college was based on a premise which has long since outlived its validity—that is, that the task of selecting our country's Chief Executive is too important a matter to be left to "commoners". In no other facet of our democratic voting system does this anachronism remain. We now recognize, at least legally, that the very foundation of our democracy is equal voting rights for all Americans. Exclusive voting by the "landed gentry" is long since gone. Women are now afforded full and equal voting rights. And continued efforts are being made to insure those same rights to the nonwhite minority groups of this Nation. Thus, the very existence of this idea in the Constitution is out of step with the trend of our history. For that reason alone, it should be removed.

Once one realizes and accepts the inadequacies of the present way we choose our President, the logical leap to direct election is less difficult to make—for no possible alternative plan eliminates all of the fallacies of the electoral college except direct election.

Direct election would not only eliminate all of the problems of the present system, but it also has several redeeming merits in its own right. By insuring that one's vote would never be "wasted", it would encourage full election participation in traditional one-party States. The fear of facing a runoff, and the requirement that any candidate must obtain at least 40 percent of the popular vote to be elected, will force the major parties to devote more attention to their noncentrist wings—thereby both making the parties more responsive to their memberships and also giving the voters a more meaningful choice at the polls. Finally, by eliminating the winner-take-all aspects of the present selection method, direct election should remove the permanent temptation of ballot stuffing and other forms of corruption. As the system works now, a few well-placed fraudulent votes can change one-tenth of the vote—effectively a 20-percent shift. Under direct election, however, the same number of "stuffs" would be virtually innocuous.

To those who favor retention of the present system because it is advantageous to urban and minority voters, I would note several points.

First, there is a distinct split of opinion as to whether this is truly the situation. Many liberal politicians and political scientists believe that in any given election the natural, built-in advantages of the electoral college system which accrue to the smaller States far outweigh any theoretical advantages to the larger ones. Ten years ago a valid argument could be made that direct election should not become a part of our Constitution until all Americans were granted complete and equal voting rights. After great efforts in passing the Voting Rights Act and its extensions, that time is almost entirely here, and that argument is now out of date.

Second, that theory assumes that progressive voting blocs, like minority groups and labor unions, are the only such blocs extant in urban areas. My observations of recent Presidential and mayoral elections would cast serious doubt on that premise.

Third, the theory assumes that these voting blocs can be used as bargaining tools and political levers, and then herded to the voting booths like great masses of cattle to do their leaders' bidding. Do we not wish it were so easy? It would seem to be obvious from the difficulties encountered by the unions along these lines during past elections that the day of the "deliverable" votes are numbered.

Similarly, the "advantage" theory seems to assume that black voting strength would not be transferable to a national level. I find this quite difficult to believe. For example, if all eligible black voters in New York, Pennsylvania, Ohio, and so forth, could join hands with those in Alabama, Mississippi, Louisiana, and so on, they would form a solid national phalanx of almost 16 million voters. That number of potential votes—approximately 21 percent of those needed for election—would be extremely dangerous for any candidate to ignore.

As for the argument that black voters need an advantage in Presidential elections, I maintain that with the Voting Rights Act, all citizens are now protected in their right to vote, and there's no excuse for giving a voting advantage to some people and handicapping others. That's what we fought against in the reapportionment battles in the 1960's.

Yet, I am equally concerned that once all citizens have the right to vote, that they also have the incentive to do so. There have been hundreds of thousands of black people registered in the South since the passage of the Voting Rights Act. But very, very few of these have ever cast a vote for President of the United States. It is a well-known fact that an overwhelming majority of these voters favored Mr. Humphrey in the 1968 election. But since Mr. Humphrey did not carry a single State covered by the act, those black votes were not only never counted, but were actually represented by a substantial number of electoral votes for George Wallace.

The same thing happened in 1972 when 92 percent of the black vote was Democratic, but all the Southern States and their electoral votes went Republican. How much more effective the people's votes would have been if all popular votes had counted. I think direct election is essential to insure both that the blacks have reason to go to the polls and that their votes do become a part of the national tally.

Is the voting power of this large group of people to be saddled with an outmoded outdated, antiquated electoral college system which will still systematically invalidate their vote, State by State; or will their collective voting power be of more significance when measured, vote by vote, in a national tally? I choose to believe the latter.

As a legislator I have the responsibility to analyze not only the position of black people in America today—but for generations to come. It seems to me that I will do an injustice to future generations if I do not today provide them with the wherewithal to not only enjoy the incentive to vote—but to give them the satisfaction of knowing that their vote counted.

In any event, though, on an issue of such vast political importance and historical magnitude, is difficult to totally base my opinion on what I preceive as "advantages" or "disadvantages" to a particular philosophy. We are here deciding how several generations of future American voters will go about performing their single most important task—selecting the leader of this country. It would seem that if ever a question called for the setting aside of partisan thoughts and for statesmanship of the first order, this would be the one.

This is a vitally important issue—one of the most essential of the decade. It is not a time to cover before the unknown. It is time for strong and determined leadership—leadership from both the President and the Members of Congress.

The test of time has demonstrated to the American people that this constitutional measure is needed in order to respond to change and to bring this Nation into the 20th century. As representatives of the people, we have a responsibility to give them nothing less.●

ROUTINE MORNING BUSINESS

HARASSMENT OF CHARTER 77 LEADERS

Mr. PERCY. Mr. President, news reports indicate an intensification of harassment against leaders of the Charter 77 movement in Czechoslovakia. This has included many arrests and at least one assault. Some Charter 77 signers have been charged with carrying out "dangerous activities" against the interests of the state, according to Reuter news agency. Agence-France-Presse reported that they have been charged with "suspicion of grave actions against the interests of the Czechoslovak State."

According to the Associated Press, police alleged that Charter 77 publications were designed to undermine the confidence of the people in the State and to create a hostile attitude toward the socialist system.

It would appear that the Czechoslovak Government cannot tolerate dissenting views, that all citizens of that nation are expected to think only official thoughts passed down from the governing authorities. It is apparent that human rights advocacy is considered a crime by the authorities. It is apparent that the Prague government has no intention of honoring its obligations made at the 1975 Helsinki Conference on Security and Cooperation in Europe.

While the world holds the leaders of the Charter 77 movement in the highest regard for their courageous campaign for human rights and justice, the Czechoslovak Government treats them as criminals. I think that history will set the record straight, and that by the standards of truly free people, the criminals will be properly identified by many as those who sought to silence the people of Czechoslovakia, not those who spoke out for human decency.

THE DEATH OF BILL STEWART

Mr. BOSCHWITZ. Mr. President, I wish today to express my grief over the tragic and senseless death of television reporter Bill Stewart in Nicaragua.

Of the many fine newspeople who have left my home State of Minnesota to work for the national media, Bill was one of the best. A graduate of Ohio State University and the holder of a master's degree from Columbia, Bill consistently practiced the highest standards of journalism during employment at stations in Philadelphia, New York, and Minneapolis and with ABC where he brought us high-level coverage from Iran, Lebanon, and, finally from Nicaragua where he died yesterday.

The circumstances of his death at the hands of a Nicaraguan national guardsman totally defy all conventions of the civilized world. The calculated brutality of the Somoza regime is deplored and abhorred by all throughout the world who desire man to be governed by just and peaceful men.

Bill Stewart spent his adult life serving as another set of eyes for all of us as we seek to understand our world. It is chillingly ironic that in his last act, he may have done more to bring our attention to a situation than he could have in life.

We owe Bill Stewart and his counterparts throughout the world a continuing debt.

S. 25—THE CREDIT CONTROL ACT OF 1969

Mr. HATCH. Mr. President, recently the Senate Banking Committee held hearings on S. 35, a bill sponsored by Senator Jesse Helms to repeal the Credit Control Act of 1969.

Senator Helms' bill, which I am proud to cosponsor, would repeal a bill that has no place in the laws of the United States of America. The Credit Control Act would, in the words of Dr. Arthur Burns, allow the Federal Reserve to "exercise dictatorial powers over the economy."

Senator Helms, in his testimony before the Senate Banking Committee pointed out the fact that no bureaucracy should be given such sweeping powers. Mr. President, I ask unanimous consent that his testimony be printed in the Record at this point.

There being no obligation, the testimony was ordered to be printed in the Record, as follows:

Testimony of Senator Jesse Helms on S. 35, To Repeal the Credit Control Act of 1969

Mr. Chairman, I appreciate the opportunity to make some brief comments. I will skip much of what I believe other witnesses will discuss—the great scope of the powers granted by the Credit Control Act, and the economics of credit controls themselves. In reviewing a wealth of material on the subject, it seems to me that the economic rationale for controls is so twisted and so wrongheaded, that I think the case for my proposed legislation—from the economic standpoint—is quite obvious. I have discussed some of the economic points in a more detailed formal statement which I hope can be included in the Committee record.

What I want to touch upon are aspects of the Credit Control Act that should particularly concern Congress—aspects from the perspective of good law and good government.

Controls of a limited nature are necessary to bring order out of anarchy, but controls are also a form of coercion. Regimentation—even "selective" regimentation—is government saying to you and me that we must do or must not do something. Massive controls are alien to this nation and our form of government, and absurd when such controls are self-defeating.

I say parenthetically that I have been asked why I propose to repeal the Credit Control Act of 1969. The answer is simple, Mr. Chairman: A law like this one should never have been part of the U.S. Code.

I have no particular ax to grind on this bill, except that dictatorial control over any aspect of our society is inherently without equity—without justice. Credit control can result only in arbitrary rules and regulations resulting in decisions, allocations and actions that would not have taken place if people were allowed to act with freedom.

I'm reminded, Mr. Chairman, of a story that came to my attention concerning the founding of the Senate Budget Committee in 1975. Some Committee staff at that time were expressing concern that they might not be able to find an economist that would advocate a planned economy. Someone jested at that time that the best such "expert" might be Albert Speer, Adolph Hitler's economic potentate.

There is a degree of comfort to be found in the fact that there are very few credible economists who advocate centrally planned economies, but Albert Speer probably would feel at home with the Credit Control Act of 1969. It is that kind of authoritarian legislation.

The next issue is one that fits under the heading of "public policy."

Dr. C. Northcote Parkinson has said in his laws of bureaucracy, that work expands to fill the time available, and that expenditures grow to meet (or exceed) revenues. We see this in this city every day.

But, is there not another Parkinsonian law with regard to the exercise of power? Is it not fair to say that the exercise of power grows to the limits of authority?

The exercise of power grows to the limits of authority?

Isn't that what the founding fathers understood? Shouldn't we in Congress be very much concerned about the availability of power—dictatorial power over the financial system—in the hands of the Executive?

It is illustrative, I believe, to note that the Treasury Department and the Federal Reserve are in near-complete agreement with me concerning the economics of credit control.

Yet, in predictable fashion, they seek to maintain the power granted. Heaven forbid that a bureaucrat willingly gives up authority. Any authority.

The reason that the Federal Reserve wants to keep the Act is in case of some (and I quote) "exigent emergency." Treasury opposes repeal because it doesn't want (and I quote) its "legitimate economic options foreclosed." If I may borrow a word from our Chief Executive: Baloney!

But even if there is some justification for some kind of emergency power like this—in case of war or in some other real, drastic emergency, then let the Treasury Department come forth with specifics. I frankly believe that there is sufficient authority on the books already. But even in time of war, credit controls will probably do more harm than good—all studies related to World War II controls indicate this. This blanket authority is an invitation to abuse.

Mr. Chairman, the former Chairman of the Federal Reserve Board, Dr. Arthur Burns, put it this way, "As I read the Act, the Federal Reserve could have virtually unlimited authority over private credit transactions under it. If, therefore, this or a later President chose to invoke the Act, the Federal Reserve could exercise dictatorial power over the economy. I know of no agency that would be less likely to abuse its authority than the Federal Reserve. Even so, I doubt the wisdom of permitted the Credit Control Act to remain on the statute books." Dr. Burns continued:

"Since the Federal Reserve is entirely capable of exercising a healthy influence over monetary and credit developments without this legislation, my advice to your Committee would be to rescind it, or if there is a strong interest in some stand-by legislation, to recast the Act so as to limit the Federal Reserve's authority over private credit transactions."

Thank you for your consideration and attention.

QUESTIONS POSED TO AGRICULTURE DEPARTMENT

Mr. HATCH. Mr. President, rarely have I been so offended by the arrogance of a Federal agency as I was last week after receiving "answers" to several questions I posed to the Agriculture Department about the food stamp program. Not only did the Department fail to respond to most of my questions, they took 3 months to fail to respond, despite several attempts by my office to expedite their response. I would like to share this experience with my colleagues so that they may be aware of the arrogance that exists at the Food and Nutrition Service of the Department of Agriculture when it comes time to consider the Department's request for a $1.3 billion supplemental to their fiscal year 1979 authorization for food stamps.

On March 9, Secretary Bergland testified before the Senate Budget Committee about agricultural programs and food stamps. Since I was unable to attend that hearing, I sent Secretary Bergland several questions and solicited his response for the hearing record. My questions were mailed on March 15, 1979. Because the administration was advocating the abolition of the authorization cap on the food stamp program in fiscal year 1980, I was interested in finding ways to save money in the program through better administration, more realistic definitions of income, asset limitations, and eligibility requirements designed to eliminate from the roles high income recipients who do not deserve food stamps benefits at the expense of the working taxpayers.

I hoped to receive this information in time for the Senate's consideration of the first budget resolution when we would make a preliminary decision about the fiscal year 1980 food stamp program level. But, although my office made several inquiries about the status of the responses, and although time after time we were assured that the responses would arrive in a few days, it took the Department 3 months to respond to my letter. The response arrived two months after consideration of the budget resolution and just before the consideration in the Agriculture Committee of the fiscal year 1979 supplemental authorization for food stamps.

After 3 months delay, I find that the Department of Agriculture did not really answer my questions at all. Most of the answers are nothing more than political rhetoric offered as criticism of the opinions for which cost estimates were solicited.

I believe that the responses to my questions are a further indication of the bureaucratic mismanagement and incompetence in the food stamp program which has resulted in the large cost overruns predicted by the Department. The Department seems unable to provide cost estimates for any options that might save money in the food stamp program, but it is very adept at projecting its increased funding needs for the program. It seems that the Department can be of no assistance to those who wish to consider options for change in the food stamp program that would result in cost savings.

I think it would be beneficial for my colleagues to review my questions and the "non-answers" I received from the Department of Agriculture. I am not necessarily recommending that the Senate adopt any of the changes to the food stamp program that I pursued in my questions, although none of these options would reduce benefits for or eliminate truly needy recipients. It is difficult to consider any of these options until we know their cost saving potential. But certainly the Congress should have the right to consider these options, and the Department of Agriculture should be run in such a way as to effectively and efficiently provide the information we need to consider these options.

I would suggest to Secretary Bergland that he get his house in order at the Food and Nutrition Service before he asks the Congress to fund exorbitant cost overruns in the food stamp program. I would suggest that he bring in some professional managers who could get this program under control and remove the political hacks like Carol Foreman who have no respect for the taxpayers' money.

I, as one Senator, do not feel comfortable considering a request from the Department to take another $1.3 billion from the American taxpayers to run the food stamp in fiscal year 1979. I will not feel comfortable doing so until the Department can provide us with the information we need to consider changes in this program that would help us control its costs. I will not be satisfied when I receive answers to my questions like that to question 5, where the Department says:

> It is not possible to project even maximum savings associated with counting benefits received under the Child Care Food Program and Summer Food Service Program as Food Stamp Program income, since there is no reliable data to show the number of people participating in either of these programs and the Food Stamp Program.

I suggest that they find out this information. I do not think my constituents will settle for answers like this, and neither will I.

Mr. President, I hope that the Department of Agriculture will take the time to respond fully to my questions. I am resubmitting them today to the Department. I will not accept the kind of shoddy treatment I received the first time I made these inquiries in an effort to save the precious tax dollars of my constituents. And to add insult to injury, not only did the Department fail to respond to the questions, but they made me wait 3 months for them to respond. I can consider this as nothing less than an intential insult, and will not accept it. I am asking the Department to make another attempt to answer my questions.

I ask unanimous consent that my correspondence with Secretary Bergland be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 15, 1979.

Hon. BOB BERGLAND,
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: I regret that other committee conflicts prevented me from attending the March 9 Budget Committee hearing with you. I was especially interested in discussing the food stamp program with you.

I would be very grateful if you would answer the following questions in writing for the hearing record:

Question 1. The Administration's estimate for the food stamp program for FY 1980, removing the cap on the program, is about $6.9 billion. With their more realistic economic assumptions, the CBO estimates that the program would cost $7.5 billion in FY 1980 without the cap. If you adopted CEO's economic assumptions, how much would you estimate the food stamp program would cost in FY 1980 without the cap? In a time of fiscal austerity, why should the Congress go along with the Administration's proposal to lift the cap and spend at least $1.3 billion more than required under current law?

Question 2. You stated at the hearing that if the cap on the food stamp program were not removed, you would have to reduce benefits on a pro rata basis. On what do you base this legal decision that you could not reduce high income recipients' benefits more than low income recipients' benefits?

Question 3. How much money could be saved in FY 1980 if the purchase requirement, eliminated only a few months ago, were to be reinstituted immediately?

Question 4. We now have three deductions in the food stamp program: 1) a $65 monthly standard deduction; 2) a monthly deduction of 20 percent of earned income; and 3) an excess shelter-dependent care deduction to a maximum of $80 monthly. How much would the food stamp program cost in FY 1980 if 1) were eliminated, if 2) were eliminated, or if 3) were eliminated?

Question 5. With the present three deductions, how much would the program cost in FY 1980 if "income" were redefined to include the value of other nutritional assistance received by participants in the food stamp program, i.e., school breakfasts, school lunches, summer feeding programs, the WIC program, etc?

Question 6. With the present three deductions, how much would the program cost in FY 1980 if "income" were redefined to include the value of subsidized housing?

Question 7. With the present three deductions, how much would the program cost in FY 1980 if "income" were redefined to include *both* the value of other nutritional assistance *and* the value of subsidized housing?

Question 8. How much would the program cost in FY 1980 if 1) "income" were redefined to include the value of other nutritional assistance and the value of subsidized housing and 2) deductions were limited to a work-incentive of 20 percent of earned income?

Question 9. How much would the program cost in FY 1980 if 1) "income" were redefined to include the value of other nutritional assistance and the value of subsidized housing, and 2) deductions were limited to a work-incentive of 20 percent of earned income and $65 monthly standard deduction?

Question 10. Currently the value of a food stamp user's car over $4,500 is counted as an asset for purposes of meeting the asset limitation. How much would be saved from the program in FY 1980, for re-targeting at low income families, if we count as an asset the value of a car over $2,000?

Question 11. The present asset limit in the program is $1,750 ($3,000 if a multi-member family includes a person over the age of 60). But those assets do not include jewelry, household appliances of a recreational or unnecessary nature, ostentatious wardrobes, the value of a home, or insurance policies. This results in taxpayers who do not own a home subsidizing those who do. How many food stamp recipients have more than $5,000 equity in a house? If they were eliminated from the program, how much would be saved in FY 1980?

Question 12. A USDA representative stated in testimony before the Senate Agriculture Committee that the Department has not yet begun to implement the allegedly tighter work requirements of the Farm Bill of 1977. So we do not know how much would be saved in FY 1980 if USDA were enforcing the law as it was written in 1977. It is therefore premature for the Budget Committee to assume that the cap on the food stamp program will be lifted by Congress—or even that the cap would otherwise be broken—until we see how much USDA can save the taxpayers by doing its job as Congress spelled it out in the Farm Bill of 1977. When will the Department have statistical evidence for us of the percentage of food stamp recipients who are put to work through USDA's work registration requirements?

Question 13. The program's current work registration requirement does not apply to persons who care for children under the age of 12. But in the AFDC program, it does not apply to persons whose children are under the age of 6, i.e. pre-school. Is this reasonable, in the Department's view? How much would be saved by having a uniform welfare work registration requirement, exempting persons caring for pre-school children?

Question 14. There has been a tendency to bring older workers into the lab or force and to keep older workers active longer. But the Farm Bill of 1977 lowered the age of exemption from work requirement from 65 to 80. Does the Department consider that reasonable? How much would be saved in FY 1980 if food stamp recipients were expected to work until they reach 65?

Question 15. How much does the Department project spending for food stamps for strikers (not idle because of a lockout) during FY 1980?

Question 16. The Farm Bill of 1977 contained a work registration requirement highly preferential to college students and graduate students. How much would be saved by ending that preferential treatment and applying to students over the age of 18 the same work requirements applied to welfare mothers and others?

Question 17. What would be the cost of the food stamp program in FY 1980 if one-quarter of the recipients were transferred to a commodity distribution program?

Question 18. The argument has always been made that an increase in food stamp spending results in an increase in agricultural purchases. That was probably true when there was a purchase requirement, because it compelled recipients to commit part of their income, along with their stamp bonus, to groceries. Now that the purchase price has been eliminated, and recipients are free to use their own resources as they like inasmuch as they no longer are tied up in the purchase of stamps, is USDA monitoring in any way to see if the program results in *less* agricultural buying?

Question 19. USDA has been terribly slow in implementing the pilot projects mandated by the Farm Bill of 1977. They included 14 work-fare projects. These were not optional on the part of USDA. They held out the prospect of saving tremendous amounts of the taxpayers' money, which would have kept the program well under its cap for FY 1980. But they have not even begun. Why should the Budget Committee recommend $1.3 billion in additional spending when it might not be necessary if USDA obeys the law?

Thank you for taking the time to respond to this request. Please submit your answers as soon as possible so the committee can move ahead with its normal schedule of printing hearing records.

Sincerely yours,

ORRIN G. HATCH,
U.S. Senator.

U.S. SENATE,
Washington, D.C., June 13, 1979.

Hon. ROBERT BERGLAND,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: On March 15 I sent you a letter (copy enclosed) in regard to your testimony before the Senate Budget Committee on March 9. My letter contained several questions about the food stamp program to which I was soliciting answers for the Budget Committee hearing record. To date I have received no reply to my letter and the hearing record has already been published.

My staff has made more than a dozen inquiries to your Congressional Affairs Office about the status of my letter. We were at first assured that we would receive a response in time for the markup on the budget in early April. We were then assured that we would receive the information in time for consideration of the first budget resolution on the Senate floor. We did not receive it. For weeks, time and time again, we have been assured that the letter would be delivered within a few days. After almost three months, I am wondering how much longer I will have to wait for this information.

I was very disappointed that the Senate had to make its decisions about the food stamp program in the budget resolution without the benefit of this information. Shortly the Senate Agriculture Committee is expected to report a bill making substantial changes in the food stamp program. I understand that the Administration is urging quick consideration of this legislation. However, I do not see how I or my colleagues can make a final determination about this legislation without the answers to my questions. I am therefore taking steps to ensure that this legislation be delayed from final action on the Senate floor until the information is forthcoming.

I hope we can resolve this matter before such a problem arises. I have no wish to obstruct the Senate's consideration of this important legislation. I trust that your department is doing everything in its power to expeditiously respond to my request. But I felt it was important to let you know personally how interested I am in receiving this information. I know you will appreciate my concerns and do everything you can to resolve this matter.

Very sincerely yours,

ORRIN G. HATCH,
U.S. Senator.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 12, 1979.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: Thank you for your letter of March 15 in which you requested answers to questions about the Food Stamp Program. The Department's answers to each of your nineteen questions are enclosed for your consideration.

We apologize for the delay in responding to your letter, but I am sure you can appreciate the amount of work required to answer your very detailed questions.

Sincerely,

BOB BERGLAND,
Secretary.

Enclosures.

Question 1.—The Administration's estimate for the Food Stamp Program for FY 1980, removing the cap on the program, is about $6.9 billion. With their more realistic economic assumptions, the CBO estimates that the program would cost $7.5 billion in FY 1980 without the cap. If you adopted CBO's economic assumptions, how much would you estimate the Food Stamp Program would cost in FY 1980 without the cap? In a time of fiscal austerity, why should the Congress go along with the Administration's proposal to lift the cap and spend at least $1.3 billion more than required under current law?

Answer—Using Congressional Budget Office's economic assumptions rather than OMB's assumptions in estimating FY 1980 Food Stamp Program costs would increase the Administration's estimate from $6.927 billion to approximately $7.147 billion. The difference between this $7.147 billion estimate and CBO's $7.5 billion based on the economic assumptions is attributable to three factors. First, the Administration's estimate reflects a $152 million savings associated with proposed management improvements which is not included in the CBO estimate. Second, the Administration's estimation procedures, which are based on data current through the end of 1978, anticipate slightly different effects of inflation and unemployment than CBO's procedures, which have not been updated completely since 1976. Third, and least important, the two sets of estimates expect slightly different effects of program changes that were yet to be implemented at the time these estimates were produced.

The increased funding requirement stems in significant part from economic factors which were not anticipated entirely at the time the cap was determined. The FY 1980 authorization ceiling was based on the House Agriculture Committee estimate of FY 1980

Food Stamp Program costs. This estimate reflected 1977 CBO assumptions concerning the level of food prices in 1980. Increases in food prices directly affect program costs by increasing the money value of program benefits. This is required to maintain the food purchasing power of the bonus stamps received by participants. Any reduction in food purchasing power would be expected to reduce the nutritional benefits of program participation.

In February 1977, the CBO was projecting that the value of the Thrifty Food Plan, which is the basis for determining benefits, would increase from an average of $166 in FY 1977 to an average of $182 in FY 1980. Estimates used in the Administration's budget submission indicated that the value of the Thrifty Food Plan would be $209 in 1980 rather than $182 due to higher than anticipated rates of food price inflation. This represented a 14.8 percent higher cost for the Thrifty Food Plan than originally anticipated. Recent analysis indicates that a one percent increase in the cost of food results in increased Food Stamp Program costs of approximately $58 million. Thus, changes in assumption about food prices already have caused increases in the Food Stamp Program costs for FY 1980 of about $858 million. More recent forcasts suggest that the value of the Thrifty Food Plan may rise even beyond $209 in FY 1980.

In addition to unanticipated food price increases, economic assumptions concerning the rate of unemployment have caused estimates of FY 1980 Food Stamp Program costs to be revised upward. At the time the 1977 law was developed it was assumed that the 1980 unemployment rate would average 5.7 percent. More recent estimates, reflected in the Administration's budget submission, indicate that unemployment will average 6.2 percent in FY 1980. Increases in unemployment result in greater numbers of people in need of Food Stamp Program services and directly affects participation and program costs.

The fact that earlier economic assumptions proved considerably too optimistic, or that a significant number of poor families who previously could not afford food stamps are now entering the Food Stamp Program, does not justify reducing food stamp benefits for the millions of elderly, disabled, children, unemployed, and working poor who depend on them.

Question 2.—You stated at the hearing that if the cap on the Food Stamp Program were not removed, you would have to reduce benefits on a pro rata basis. On what do you base this legal decision that you could not reduce high income recipients' benefits more than low income recipients' benefits?

Answer—The Office of General Counsel of USDA, the Counsel of the Senate Agriculture Committee, and the General Accounting Office have all ruled that reductions must be on a pro rata basis, and that reducing high income recipients' benefits more than low income recipients' benefits is not legal.

Question 3.—How much money could be saved in FY 1980 if the purchase requirement, eliminated only a few months ago, were to be reinstituted immediately?

Answer—It is very questionable how much could be saved in FY 1980. The purchase requirement entailed a complex system of cash monitoring and tracking systems, which have now been dismantled. A number of States have dispensed with the services of many private vendors who formerly sold stamps. It would, therefore, not be possible administratively to restore the purchase requirement immediately, or in time to have an impact on all of FY 1980. The impact would cover only part of the year. In addition, we do not know whether all the new families who have entered the program since the purchase requirement was eliminated would leave the program. Now that they have signed up for food stamps, a significant number might remain on the program. For these reasons, plus the fact that the full impact of EPR is not yet precisely known, we cannot estimate the FY 1980 impact at this time of restoring the purchasing requirement.

Question 4.—We now have three deductions in the food stamp program: (1) a $65 monthly standard deduction; (2) a monthly deduction of 20 percent of earned income; and (3) an excess shelter-dependent care deduction to a maximum of $80 monthly. How much would the food stamp program cost in FY 1980 if (1) were eliminated, if (2) were eliminated, or if (3) were eliminated?

Answer.—If the standard deduction were eliminated, Food Stamp Program bonus costs would be expected to decline by nearly 25 percent. Elimination of the 20 percent earned income deduction would reduce bonus costs by about 9 percent. If the excess shelter-dependent child care deduction were eliminated, bonus costs would be expected to decline by approximately 13 percent.

Elimination of any of these deductions would result in loss of eligibility for substantial numbers of participants and substantial benefit reductions for many of those remaining in the program. Further, the food stamp bonus relates to income available for consumption and each of these deductions is an important adjustment to gross income to reflect available income more accurately.

STANDARD DEDUCTION

The standard deduction was placed in the food stamp program to partially compensate for the loss of most of the itemized deductions participants had formerly been entitled to. Before the Food Stamp Act of 1977 was enacted, food stamp households could deduct from their income: payroll taxes, Social Security Taxes, union dues, work-related child care costs, medical costs if they exceed $10 per month, shelter costs in excess of 30 percent of net income, tuition and required educational fees, casualty losses, alimony paid, and a specified amount for boarders and for attendant care. The average amount of all deductions was $95 in 1976 for those households who claimed deductions.

20 PERCENT OF EARNED INCOME

In addition to partially compensating for the loss of a number of work-related deductions in the Food Stamp Act of 1977, the 20 percent of earnings deductions equalizes food stamp net income between earners and non-earners and thus prevents a work disincentive. Households with earned income must pay Social Security taxes, Federal income taxes, and usually State and local income taxes on their earnings, and also incur work-related expenses. Households with non-earned income such as AFDC or SSI payments do not pay such taxes. Therefore, households with earnings must have a higher gross income to have the same disposable income as a household whose income is not from earnings. The purpose of the deduction for 20 percent of earnings is to offset the effect of mandatory tax withholdings and to base food stamp benefits on net disposable income for both earners and non-earners.

SHELTER AND CHILD CARE

In the original food stamp legislation passed by the Senate in 1977 separate deductions were allowed for shelter costs and for child care expenses. In an effort to further tighten up the program, these two deductions were combined into one in conference.

The purpose of the shelter cost deduction is to allow some variation in the food stamp program for areas where housing and utility expenses are very high, especially in major urban areas and in the Northeast as a whole. A household is only allowed to deduct that part of its shelter costs which exceed 50 percent of net income. In addition, this deduction is limited to $80 to prevent households from deducting the cost of luxury or extravagant housing. Even with this deduction, implementation of the Food Stamp Act of 1977 has severely reduced benefits to many persons in urban areas and in the Northeast. Preliminary reports indicate that 75 percent of participating households in Maine and 80 percent of households in New Hampshire have been adversely affected by the 1977 Act.

Those households who do not have the full $80 in shelter costs are allowed a deduction for the remainder for the cost of child care which permits a household member to work. The majority of the households who take this deduction are single-parent, female-headed families. This deduction serves as an incentive to encourage these workers to continue to earn income, and was proposed by Senator Robert Dole in 1977 specifically as a work incentive.

Question 5.—With the present three deductions, how much would the program cost in FY 1980 if "income" were redefined to include the value of other nutritional assistance received by participants in the Food Stamp Program; i.e., school breakfasts, school lunches, summer feeding programs, the WIC Program, etc.?

Answer.—Of the food assistance programs administered by the Food and Nutrition Service (FNS), the National School Lunch Program (NSLP) is by far the largest (after Food Stamps) in terms of participation and annual expenditures. The NSLP includes more participants whose families also receive Food Stamps than any other program. The School Breakfast Program also includes participants whose families receive food stamps. Food stamp participants can also receive benefits under the Special Supplemental Food Program for Women, Infants and Children.

In computing the savings which could be gained by counting the benefits received in these other nutritional assistance programs as income in the Food Stamp Program, a number of variables must be taken into account. The Federal contribution varies from meal to meal depending on whether the meal is served free, at a reduced price, or at the full price. Even "full price" meals receive a Federal subsidy. In addition, the Federal contribution includes not only the cost of the food, but also labor costs, administrative costs, and overhead.

Taking these factors into account, the savings from counting school lunch benefits as income would be between $106 million and $150 million in FY 1980. Counting school breakfasts would save between $13 million and $19 million. If the value of WIC benefits were counted, FY 1980 savings would amount to $72 million.

However, this potential savings is for benefits only. Some of the savings would be offset by increased administrative costs.

It is not possible to project even maximum savings associated with counting benefits received under the Child Care Food Program and Summer Food Service Program as Food Stamp Program income, since there is no reliable data to show the number of people participating in either of these programs and the Food Stamp Program. Also, participation in both of these programs is often quite sporadic and would be most difficult to assess for purposes of computing an addition to household income.

Question 6.—With the present three deductions, how much would the program cost in FY 1980 if "income" were redefined to include the value of subsidized housing?

Answer.—Using simulation modeling techniques, using data from the 1976 Survey of Income and education, we project that approximately 10.7 percent of all households in the food stamp caseload are in public housing and that approximately 2.5 percent of households are in subsidized housing. However, there are no existing data which enable us to project program costs if the value of public and subsidized housing were included as included in the defintion of income used in the Food Stamp Program.

In 1974 USDA attempted to require states to count the value of HUD rent supplemental programs as income for food stamp households. This provision proved extremely difficult for the States to administer. Counting the value of all subsidized housing would be even more cumbersome, requiring state food stamp agencies to determine the rental value of individual public housing units. Also, housing subsidies, either in the form of public housing or rent paid directly to private landlords, are different from other income since they are not available to the household to spend on food.

Question 7.—With the present three deductions, how much would the program cost in FY 1980 if "income" were redefined to include both the value of other nutritional assistance and the value of subsidized housing?

Question 8.—How much would the program cost in FY 1980 if (1) "income" were redefined to include the value of other nutritional assistance and the value of subsidized housing and (2) deductions were limited to a work-incentive of 20 percent of earned income?

Question 9.—How much would the program cost in FY 1980 if (1) "income" were redefined to include the value of other nutritional assistance and the value of subsidized housing and (2) deductions were limited to a work-incentive of 20 percent of earned income and $65 monthly standard deduction?

Answer—We do not have sufficient information available to project the separate cost impacts of the changes in the definition of income (see answer to Question 6), so we cannot project their combined impact.

Question 10.—Currently the value of a food stamp user's car over $4,500 is counted as an asset for purposes of meeting the asset limitation. How much would be saved from the program in FY 1980, for retargeting at low-income families, if we count as an asset the value of a car over $2,000.

Answer.—The limited data which are available on the assets of food stamp households indicate that only about one-third of them own cars. The nationwide Consumer Expenditure Survey, conducted by the Bureau of Labor Statistics, found that nearly two-thirds (64%) of food stamp households reported owning no car or other vehicle. Twenty-seven percent owned one vehicle and only nine percent owned more than one.

The data do not indicate the value of vehicles, so we cannot estimate savings from decreasing this asset limitation from $4,500 to $2,000.

With respect to the value of vehicles it is important to bear two facts in mind. First, today most cars, including most used cars, exceed the $2,000 limit. Used car prices have been rising faster than the overall cost of living for the last five years. Since 1974, used car prices have risen over 50% compared to about 30% for the overall cost of living. Based on the above, we do not think that a reduction in the maximum value of a car, not counted as an asset, is advisable. Second, for many food stamp households, ownership of a private vehicle allows one or more members of the household to hold jobs.

Question 11.—The present asset limit in the program is $1,750 ($3,000 if a multimember family includes a person over the age of 60). But those assets do not include jewelry, household appliances of a recreational or unnecessary nature, ostentatious wardrobes, the value of a home, or insurance policies. This results in taxpayers who do not own a home subsidizing those who do. How many food stamp recipients have more than $5,000 equity in a house? If they were eliminated from the program in FY 1980, how much would be saved.

Answer—The most recent data on home ownership among food stamp households comes from the 1976 Survey of Income and Education based on 1975 incomes. This survey found that only 15% of food stamp households had equity in a home of more than $5,000. We are not able to estimate precisely how much would be saved by eliminating these households for the Food Stamp Program, but it could be considerably less than 15 percent of program costs. Households with asset holdings in this range tend to have higher incomes and, as a consequence, lower bonuses than households with lower asset holdings.

The households with home equity of more than $5,000 tended to be households headed by an older person. Of food stamp households headed by someone aged 60 or over, 21% had equity in a home of more than $5,000. Placing such a low limit on food stamp households' equity in a home would result in some low-income households being forced to sell their homes in order to get food stamp benefits. In addition, some households in need of food assistance may live in neighborhoods where property values are rapidly rising. Thus, a home which they bought for a relatively low price some time ago may now be valued at considerably more, although the house itself has not been improved. This is particularly true for elderly households who may have purchased their home thirty or more years ago.

Question 12.—A U.S.D.A. representative stated in testimony before the Senate Agriculture Committee that the Department has not yet begun to implement the allegedly tighter work requirements of the Farm Bill of 1977. So we do not know how much would be saved in FY 1980 if U.S.D.A. were enforcing the law as it was written in 1977. It is therefore premature for the Budget Committee to assume that the cap on the food stamp program will be lifted by Congress—or even that the cap would otherwise be broken—until we see how much U.S.D.A. can save the taxpayers by doing its job as Congress spelled it out in the Farm Bill of 1977. When will the Department have statistical evidence for us of the percentage of food stamp recipients who are put to work through U.S.D.A.'s work registration requirements?

Answer.—The testimony given before the Senate Agriculture Committee on February 27, 1979, was in reference only to one part of the work registration requirements of the Food Stamp Act of 1977; namely, the voluntary quit provision. Final regulations on this provision have been published by the Department and are being implemented by the States. Under the provision primary wage earners who quit their jobs and then apply for food stamps will have their households barred from the program for two months.

We do believe that work requirements are important and necessary to the integrity of the program. However, available studies conducted by CBO and USDA suggest of work requirements in the Food Stamp Program that the savings in benefits may be offset by costs in administering work requirements. In 1978, 250,000 food stamp recipients were placed in jobs under the program's work requirements.

Question 13.—The program's current work registration requirement does not apply to persons who care for children under the age of 12. But in the AFDC program, it does not apply to persons whose children are under the age of 6, i.e. pre-school. Is this reasonable, in the Department's view? How much would be saved by having a uniform welfare work registration requirement, exempting persons caring for pre-school children?

Answer.—Under AFDC work registration requirements, persons caring for children under the age of 6 do not have to register work. In addition, persons caring for children over 6 cannot be required to accept work unless daycare services are available. Approximately $125 million is included in the AFDC budget to pay for social services, including child care, which must be provided before a person can be required to work.

To reduce the age of the child to 6 and to provide child care services in order to make the food stamp requirement uniform with the requirement under AFDC would greatly increase the costs of work registration. A 1977 CBQ study suggests that increasing the work registration budget by the amount necessary to cover these increased costs would not be cost effective.

While the Food Stamp Act of 1977 does allow for a child care deduction of up to $80 per month, the program does not guarantee that child care services will be available to persons needing such services in order to hold a job. Also the $80 deduction is a combination excess shelter/child care deduction and in no case can a person claim more than $80 for excess shelter and child care combined. In the old food stamp program there was no dollar limit on either shelter or child care costs.

Question 14.—There has been a tendency to bring older workers into the labor force and to keep older workers active longer. But the Farm bill of 1977 lowered the age of exemption from work requirement from 65 to 60. Does the Department consider that reasonable? How much would be saved in FY 1980 if food stamp recipients were expected to work until they reach 65?

Answer.—State employment services find it extremely difficult to place low-skilled workers over the age of 60 in jobs. Yet the cost of registering and maintaining records on these workers is the same as that for younger registrants. In fact, the cost of registering these persons may likely exceed the savings realized from the few who are able to find jobs. Registering these older individuals also takes the time of employment service personnel away from more employable workers, and therefore could actually hinder activities that would result in cost savings.

Question 15.—How much does the Department project spending for food stamp for strikers (not idle because of a lockout) during FY 1980?

Answer.—We estimate that in FY 1980 less than $18 million will be received by households containing a striker.

Based on our latest survey, conducted in September 1976, only about 0.34 percent of all participating households contained a member on strike. In an earlier study conducted by the House Committee on Agriculture, based on April 1975 food stamp quality control reports of non-public assistance households, striker participation was determined to be 0.2 percent. Information from the October 1975 quality control sample indicated that 0.3 percent of households contained a striker, while the August 1975 Current Population Survey showed participation in the program to be 0.2 percent.

Households containing a striker must meet the same income and asset tests as other households applying for food stamps, and like other households, strikers must register to work. In addition, the Food Stamp Act of 1977 provides that the fair market value over $4,500 of any car not used to produce income be counted as an asset. This provision undoubtedly will have the effect of lowering even further participation by strikers.

Question 16.—The Farm Bill of 1977 contained a work registration requirement highly preferential to college students and graduate students. How much would be saved by ending that preferential treatment and applying to students over the age of 18 the same work requirements applied to welfare mothers and others?

Answer.—The Food Stamp Act of 1977 provides a rather stringent work requirement for college students. For the first time the law requires that students must work, or be registered to work, half-time during the school year and full time during breaks of more than 30 days. This means that a full-time student can also be required to work half-time in order to qualify for stamps. Students are also ineligible to participate if they are or could be claimed as tax dependents of households which are ineligible for the Food Stamp Program.

Data show that even before the implementation of these new requirements, participation in the Food Stamp Program by students was declining. Based on the latest available data of September 1976, less than 1 percent of food stamp participants (127,000) persons were students in college or postsecondary training. This was a considerable drop from the September 1975 participation level of 200,000. And the number is expected to drop still further, probably to below 0.5 percent of food stamp participation, under the new provision of the 1977 Food Stamp Act that recently went into effect.

We cannot predict how much would be saved by applying the same work requirements to college students as to other households. It seems likely that some students already fulfill the more stringent requirements and others would begin to do so. As an example, if one-half of the projected number of FY 1980 college students participants were eliminated, the savings might be on the order of $15 million.

Question 17.—What would be the cost of the Food Stamp Program in FY 1980 if one-quarter of the recipients were transferred to a commodity distribution program?

Answer.—The savings to the Food Stamp Program in FY 1980 from transferring one-quarter of the recipients to a commodity distribution program would be on the order of 25 percent of program costs, but the actual amount of the savings would depend on the size of the bonuses to which those households were entitled. If they tended to be extremely low net income households their bonuses could be relatively high and the savings could be greater than 25 percent of food stamp costs. Conversely, if they tended to be households with relatively high net incomes, the savings could be less than 25 percent of food stamp costs.

It is important to note that while the costs of the Food Stamp Program would decrease under such a plan, the cost of the food distribution program would substantially increase. While the average benefit per person is higher under the Food Stamp Program than under the commodity program, the per person Federal administrative costs for commodity distribution are approximately twice that for food stamps, as warehouses and trucks must be purchased or leased in order to store and distribute food.

Question 18.—The argument has always been made that an increase in food stamp spending results in an increase in agricultural purchases. That was probably true when there was a purchase requirement, because it compelled recipients to commit part of their income, along with their stamp bonus, to groceries. Now that the purchase price has been eliminated, and recipients are free to use their own resources as they like inasmuch as they no longer are tied up in the purchase of stamps, is U.S.D.A. monitoring in any way to see if the program results in less agricultural buying?

Answer.—Within the next year the Department will conduct a study of consumption expenditures of food stamp households, in order to assess the impact of the elimination of the purchase requirement on the purchase and consumption of agricultural products. Data from this study will be compared with similar data from a 1977 pre-EPR study of food stamp households.

Question 19.—USDA has been terribly slow in implementing the pilot projects mandated by the Farm Bill of 1977. They included 14 workfare projects. These were not optional on the part of USDA. They held out the prospect of saving tremendous amounts of the taxpayers' money, which would have kept the program well under its cap for FY 1980. But they have not even begun. Why should the Budget Committee recommend $1.3 billion in additional spending when it might not be necessary if USDA obeys the law?

Answer.—The USDA is obeying the law. The workfare pilot project sites have now been selected, and the projects will begin operation within the next few months. The pilot projects were not designed to reduce program outlays for FY 1980, but to test, in a relatively small number of pilot areas, the overall effect of workfare in the Food Stamp Program. Moreover, since persons who get workfare slots do not have food stamp benefits reduced because the workfare job pays no wages (unlike persons who get wage-paying jobs and do, then, have their benefits reduced or terminated), workfare may not have a significant impact on program outlays even in the pilot areas.

SOUND ECONOMIC POLICY

Mr. HATCH. Mr. President, two articles in yesterday's Washington Post concerning economics caught my eye. The first is one of the finest examples of sound economic thinking I have read in a long time. The second was pure economic lunacy.

The economic wisdom emanated from a column written by Congressman Dave Stockman, of Michigan, about the current gasoline shortages being experienced in some of our larger metropolitan areas. Congressman Stockman has demonstrated his wisdom on economic matters time and time again in the short time he has been in Congress. He has demonstrated impressive leadership on the energy issue and his column should be read very carefully by all who are seriously concerned about our present energy problems.

Congressman Stockman patiently explains in his column how the current gasoline shortages in Los Angeles and Washington, D.C., are being created by the misguided allocation policies of the Department of Energy. He explains how the Department's allocation system, based on last year's allocations, misallocates this year's gasoline supplies away from those areas with greatest demand. He then goes on to explain how a free market allocation of gasoline supplies would alleviate the problem, with not too drastic increases in the price of gasoline. This column should be required reading for every bureaucrat at the Department of Energy.

I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, June 20, 1979]

Who's Tilting the Gasoline Machine?

(By David A. Stockman)

The U.S. gasoline market is beginning to resemble a giant pinball machine. Some inept player is recklessly jiggling the board, causing it to go "tilt." But in a highly curious manner. The bells and lights of shortage—station closings, long lines and tank-topping—are not tripping off in a generalized, nationwide pattern, but sporadically, locally, almost randomly—one city at a time.

This hit-and-run pattern is the key to fingering the culprit. Thus, despite all its imperfections, the "invisible" hand of the marketplace automatically gets exonerated because it is inherently incapable of dispensing injustice so capriciously. Faced with an estimated 9 percent gap nationally between apparent demand and available supplies, the marketplace would close this gap by substituting higher prices for long lines. That would mean a market-clearing (line-eliminating) price in the range of $1.20 to $1.30 per gallon. Nor would price rationing dump the entire shortage burden on one or a few localities. The price would not be $1.50 per gallon in Washington where there are currently massive lines and only 85 cents per gallon in Albuquerque where there are no lines and half the stations are open 24 hours a day.

Instead—in response to opportunities to buy lower and sell higher—brokers, jobbers and speculators would move available supplies around in a hurry so that the price would equilibriate somewhere in between. The burden of shortage would be shared equally by all geographic areas and end-use sectors, as occurred when the nation's foreign coffee supplies precipitately dropped by 25 percent two years ago.

But something is at work in the internal marketplace, transforming the present 9 percent shortage in the national gasoline pool into a far more severe problem in a selective set of local retail markets. What is it?

In this instance, the major oil companies are not a plausible villain. While not noted for their political acumen, even they are not stupid enough to pick two of the nation's major political hot buttons—Washington, D.C., and Los Angeles—for a demonstration strike. The same reasoning holds for the greedy, panic-stricken consumer explanation. The aggregate 9 percent gasoline shortfall has not elicited a run on the retail gasoline bank in 90 percent of the country. While motorists in Washington and Southern California are admittedly unique in their political and cultural propensities, there is no evidence that they are any more irrational than average in their gas-buying habits.

The fact is, the fingerprints that appear on literally every barrel of gasoline that moves outward from the nation's 200 refineries, through 12,000 wholesalers and 200,000 retail outlets, for ultimate deposit in 120 million thirsty vehicle tanks, are those of the Department of Energy. Like the fabled handiwork of the Lilliputians, 3,000 pages of regulations and interpretive opinions rigidly bind the exact price and volume of each transaction through the marketing chain, and ultimately determine the precise street-corner destination of each of the 300 million gallons that move through the system daily.

The first thing to note about this massive pile of regulations is that it is stacked *against* the retail market, motorists, cities and growth areas—and *toward* farmers, non-metropolitan areas, gasoline marketers and hoarders.

This month available supplies nationwide amount to 92 percent of the June 1978 base period. But most D.C. area retail stations are getting only 75 to 85 percent of last year's volume, at best. Why? Because 15 percent of the total supply is being skimmed off the top of the national pool for the state set-aside and so-called high priority users. The retail network gets an allocation fraction based on the diminished residual supply.

State capitol bureaucrats are supposed to distribute part of this—the 5 percent state set-aside—to areas of greatest need. But evidence from the 1973–74 experience suggests a good portion is going to pals, politically connected marketers and squeaky wheels in the commercial sector.

Similarly, in the last four months the share going to the other top-of-the-pool category—high-priority users—has more than doubled.

Moreover, these high-priority users—especially farmers—are entitled to 100 percent of their "current needs," which is defined as whatever they say it is. For all practical purposes, this means unlimited entitlement to scarce supplies for priority claimants who are self-certified from the bottom of the marketing chain up. The fact that delivery times for 1,000 to 10,000 gallon steel tanks have ballooned dramatically in recent months suggests that "current needs" include the right to hoard for future use.

Overall, a substantial share of available supplies is being diverted out of the retail market to various categories of legally privileged and politically connected users who face absolutely no incentive to conserve, a wide-open opportunity to hoard, and an artificially low, controlled price to boot.

The second major distortion stems from the fact that the price-control regulations encourage dealers to respond to the present "sellers market" in a perverse way. While the retail price ceilings are leaky and ill-enforced, they most definitely do restrain the rate of price increase relative to what would otherwise occur in a supply-short market. This is supposed to protect the consumer, but what it actually does is encourage the dealer to take his sellers'-market profits in an alternative way: Instead of raising prices, he reduces hours and operating costs, thereby widening his actual margin.

Thus, facing an already artificially low allocation fraction, retailers find it possible to move a fixed monthly gallonage by cutting out their highest cost hours—weekends and evenings. This in turn induces motorists to line up on Monday and Friday, which permits a further compression of sales hours. Soon there are Tuesday and Thursday lines, even fewer sales hours, still lower operating costs and even higher profits over a price-controlled but constant volume of sales. Fed by a spiral of consumer panic, the ultimate outcome is obvious. Your friendly gas-and-go operator, who normally moves 25,000 gallons to 3,000 customers over the course of a week stretching upwards of 90 hours, arrives at the crack of dawn on Wednesday to find a week's worth of customers neatly queued in a two-mile line—whence he laughts all the way to the bank or his favorite fishing hole by noon.

In the absence of the DOE ceilings, of course, some operators would sell higher and stay open longer; others would sell higher and stay open different hours; and the most enterprising dealers and jobbers would be out scrounging the regional and national market for additional, higher-priced supplies that will always gravitate toward the strongest local seller's market.

Yet under DOE rules, in which every gallon is earmarked, there are no free supplies and nothing for local jobbers to bid for in order to shift the short-run allocation. Necessarily then, motorists work harder and longer, marketers work less and more profitably, and eventually the system tilts. That this DOE-designed *market-clogging* outcome is of any more benefit to the consumer than the market-clearing outcome is by no means apparent.

Finally, the Lilliputian regulators are now applying a special supply noose to the cities. During the recreation season, the big cities are heavy exporters of weekend traffic, which creates seasonal bulges in gasoline demand along the interstates and in the beach, resort and vacation receiving areas. The allocation system is now perfectly reflecting this normal distribution of sales by allocating to each station an equal fraction of last year's base.

But worried motorists don't behave normally—and *aren't* reflecting last year's pattern. Exhausted from hustling for gas or apprehensive about being stranded, a significant fraction are staying inside the beltway on weekends. Last Friday, for instance, traffic across the Bay Bridge was down a full 20 percent from the same week last year. Unfortunately, when the traffic stops flowing down Route 50, the gasoline delivery trucks don't. The allocation system thus drains the cities and floods the highways and countryside.

Unless total supplies improve substantially in next six weeks, the tilt lights will start popping in most major cities in the East and elsewhere. The administration can avoid this unhappy outcome instantly by pulling the rip cord on the Lilliputian regulators now knotting up the gasoline market. But Congress would have 15 days to veto such a decontrol plan. Undoubtedly it would do so. Better to risk massive dislocation, push public tempers to the flash point and beat the drums harder against scapegoats than to tell the public the truth: Gasoline is no longer cheap. Ironically, however, the present regulatory camouflage will ultimately prove even more costly.

Mr. HATCH. Mr. President, the best example of economic lunacy I have seen in a long time appeared in an article in the Post's business section concerning remarks made by Mr. Barry Bosworth, the Director of the Council on Wage and Price Stability. Mr. Bosworth, who will shortly be leaving the Council, blames the U.S. inflation problem on the average American. The Post article quotes extensively from Mr. Bosworth's remarks before a meeting of Women in Housing and Finance. In effect, he blames inflation on workers trying to increase their real standards of living.

Mr. Bosworth's attack on the "selfishness" of the average American in trying to increase his real standard of living is typical of the economic thinking of the Carter administration. And although Mr. Bosworth quite correctly points out that the U.S. record of productivity growth over the last several years has exacerbated the inflation problem, he fails to explain that the Government, through its economic and regulatory policies, has destroyed almost all incentive for workers to increase their productivity.

The fact is that few Americans have been able to increase their real standard of living over the past few years, even if they have managed to secure wage increases that exceeded the rate of inflation. Mr. Bosworth fails to point out that, because of our progressive income tax structure, a worker cannot maintain his real standard of living by receiving a wage increase that merely compensates him for inflation. Because this wage increase would push him into a higher tax bracket, increasing wages only at the rate of inflation will cause the worker a real decline in his aftertax income. He must try to get wage increases greater than inflation to maintain his standard of living.

However, the big winner in this game is the Federal Government. For every 1 percentage point of inflation, the Federal Government increases its tax revenues by 1.6 percent. Because of this automatic inflation bonus that is built into the tax structure, the Federal Government has been able to increase the share of GNP that it consumes over the past few years from 18.8 percent in 1972 to 19.9 percent in 1979. Mr. Bosworth tells us:

> Any attempt by the individual to increase his own standard of living has to come at the expense of somebody else. Every American catches up (on inflation) by taking it out of the hide of someone else.

Mr. Bosworth did not have the courage to tell us that it has really been the Federal Government taking it out of the hides of the American taxpayers that has caused our economic problems. So long as the Carter administration follows this kind of "uneconomic" thinking, they will never be able to get control of the inflation problem. The average American can do nothing to solve our inflation problem. The Federal Government must accept complete responsibility for our inflation problem and recognize that the only way to bring inflation under control is to reduce the rate of increase in Federal spending and to quit printing money to pay for its budget deficits.

I ask unanimous consent that the Post article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, June 20, 1979]

BOSWORTH BLAMES CITIZENS FOR U.S. INFLATION PROBLEM

(By Frank Swoboda)

One of President Carter's top economic advisers yesterday blamed the "average American," not corporate profits, for much of the nation's inflation problem.

Barry Bosworth, outgoing director of the Council on Wage and Price Stability, warned that despite soaring prices for food, fuel and housing, the average worker should not expect any real increase in wages.

"I think the problem is the average American, and it's not a pleasant fact," Bosworth told a meeting of Women in Housing and Finance. But unless the average worker changes his ways, he predicted, the United States may be headed down the same economic road as Great Britain.

Bosworth said that in the absence of any real growth in productivity, there could be no real wage increases without adding to the inflation problem. "Unless we do more work (this year) than we did last year, then there can be no (wage) increase," he said.

Therefore, Bosworth said, "Any attempt by the individual to increase his own standard of living has to come at the expense of somebody else. Every American catches up (on inflation) by taking it out of the hide of someone else."

Bosworth pointed to the current fuel demands of farmers and independent truckers as an example of the type of self-interest that adds to inflationary pressures.

"One of the reasons that the energy crisis is so severe . . . is that one group after another has come in for special allocations," Bosworth said.

Singling out the farmers' request for 100 percent of last year's fuel allocation to harvest this year's crops, Bosworth said "if they use it all for the harvest we ought to have the most fantastic harvest in history. Everyone wanted a little more than needed and then sold the excess to someone else."

He added that the nation would also be in trouble "if everyone acts like the truckers."

Bosworth, who will be leaving COWPS this summer, said the current inflation outlook calls for "further blows" to the government effort to moderate inflation. "Energy has now replaced food as the major inflation problem," Bosworth said, "and people are going to be shocked when they see what utility prices are going to be."

Bosworth also warned that "no matter what energy solution (the nation decides on), energy costs are going to go up much more rapidly than other costs." In general, he said, "housing, food and energy prices will be going up much more rapidly than anything else even if there are zero wage increases."

Bosworth insisted that wage and price controls were not a viable option for curbing inflation. Not only was there no sentiment in the White House or Congress for controls, he said, the key elements of the current inflation would not be affected by controls.

He said food costs are controlled by market forces. For example, he said, "the current rise in beef prices will only come to an end when people quit buying beef." And, he said, neither OPEC nor productivity are touched by a controls program.

Bosworth conceded that the current wage price situation was "unfair," but said the alternative was a recession which would throw millions of workers out of their jobs. "It is unfair . . . but it is a fact of life," he said. "The question is whether we can accept it or repeat what happened in 1973–74" when the recession left 9 million out of work.

Mr. HATCH. Mr. President, the American people are fortunate that Mr. Bosworth is leaving the Carter administration. We hope he takes the bankrupt thinking of the Carter administration with him. At the same time, the American people are fortunate to have a representative like Congressman DAVE STOCKMAN. Perhaps it is indicative of some hope for the future that Mr. Bosworth is leaving and that Congressman STOCKMAN will probably be around for a long time. I would hope that President Carter would recognize this and send the rest of his economic advisers up to Capitol Hill for a few lessons in economics from Congressman STOCKMAN.

SALT II

Mr. BELLMON. Mr. President, President Carter sent the SALT treaty text to the Senate and addressed the Congress on June 18. We now will proceed through hearings to a final vote in the fall. We may proceed from the premise that the technical details of SALT II—in terms of both military equality and verification—will be discussed during the Senate ratification hearings sufficiently to provide each Senator with the basic facts of the issue. However, the process of using these technical facts to arrive at a judgment concerning the suitability of SALT II for serving U.S. interests will require a broader political context within which SALT may be evaluated.

Mr. President, I should like to attempt to set this context as I see it and briefly outline a number of considerations of a broader political nature. Specifically, I should like to identify major issues whose discussion might be expected to place SALT in its appropriate, broad perspective. In doing this, we may provide an integrated context for helping make this final decision on advice and consent by the Senate.

Prior to stating central questions related to the broader context of SALT II, we should be explicit about certain current realities that are not likely to change in the near term: First, the United States is not the single preeminent power of the immediate post World War II years; second, the Soviet Union has now become a global power, especially in military and political terms; third, new economic superpowers, such as Japan and the Federal Republic of Germany, have entered the world arena; and fourth, the post colonial period now means that changes in the third world will take on a new and different character from the past.

Mr. President, a series of central questions and subsidiary queries may be listed as a framework for assessing the rationale to be followed in ratification or rejection of SALT II:

First, is it possible for the United States and the Soviet Union to negotiate arms agreements that will result in significant advances to our mutual national security?

What political/military factors must the United States control to insure the success of its long-term policy objectives? What are the Soviet threats to U.S. long-term policy objectives? What means of competition does the Soviet Union possess? Are other means of competition likely to provide more or less national security? Is SALT II a good basis for proceeding to SALT III?

Second. Will a SALT agreement improve regional stability and enhance U.S. interests in various regions of the world?

Are bilateral negotiations also helpful for strengthening progress on multilateral negotiations, such as MBFR? Will NATO and Western Europe be more secure? Will the Middle East region be more stable and less likely to interrupt oil supplies to the West? Will Asia be more politically stable? Will the progress of change in Africa and Latin America be left to indigenous forces or, will the Soviet Union or its allies interject arms, instability, and change adverse to local and U.S. interests into the various regions? What are the implications of the SALT process for our allies? What meanings and lessons will our allies and our adversaries draw from our SALT conduct?

Third. In the SALT process part of a global process of change that is compatible with our interests and objectives?

What is our perspective of optimal change in the world arena? How do we relate SALT objectives to our global aims and objectives? To what extent should or can the supermilitary powers—the U.S. and the U.S.S.R.—influence or control global events?

Fourth. How does the SALT and other arms negotiations of the current time period relate to earlier historical arms limitation or competition analogies? Can we learn something from reviewing the history of the following:

Post World War I naval limitations;

West European democratic nation reactions to Nazi power;

Soviet-Nazi pact relations of the prewar period;

Soviet-American confrontations, such as Berlin airlift; Khrushchev-Eisenhower/Kennedy relations, including U-2, Cuban missile crises; the lessons of SALT I.

Fifth. How well prepared is this administration to develop a global, regional, or arms-negotiation strategy to maximize our bargaining positions and effectively utilize our gains in negotiation?

We have seen an alternating view from confrontation to cooperation in the Carter administration that can best be described as uncertain and confusing. In assessing the current arguments for SALT II, we should look to the record of this administration for some sense of purpose and consistency. Failing to find a clear policy in the Carter record may well be rather critical in an assessment of the future utility of any SALT agreement under this administration. Is this lack of clarity and uncertainty a result of the objective environment or a characteristic of this administration? What steps might a new administration take to improve the effectiveness of the conduct of our foreign policy, especially as it relates to relations with the Soviet Union.

Mr. President, in our debate on SALT, we must raise our heads and broaden our vision to ask what the role of the United States is now and what it should become in the world and its various regions and what our responsibilities are in a changing world. We must also relate this global vision to our domestic objectives and aims. How can we maximize our effective influence toward reaching global goals while assuring our national security and holding the costs of arms to tolerable levels?

In this context we may ask, what are the realistic implications of SALT rejection or ratification. Let us objectively and rationally approach the ratification question on both its technical and broader macropolitical bases and make our own best judgment.

In future weeks during the course of our debate, I shall draw on various sources of expertise to elaborate on the above questions to assist in deciding whether to vote for or against SALT II. I am certain other Members will do the same.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are

printed at the end of the Senate proceedings.)

TRUCKING COMPETITION AND SAFETY ACT OF 1979—MESSAGE FROM THE PRESIDENT—PM 83

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am today transmitting to the Congress legislation to reduce substantially Federal economic regulation over the trucking industry.

The trucking industry today is subject to perhaps more complex, detailed, and burdensome Federal regulation than any other industry in our Nation.

Not only does the Interstate Commerce Commission control who may enter the trucking industry, the ICC must also approve the application of an existing carrier seeking to offer new services or improve its old ones.

But ICC regulation merely begins when a certificate is awarded. The ICC, not the trucking company, decides what cities and towns a carrier may serve. The ICC, not the trucking company, decides in detail what commodities the carrier may haul—and whether any commodities can be carried on the return trip. The ICC, not the trucking company, often decides the actual highway the trucker must use, whether stops may be made to serve points along the way, and whether the trucker may take the most direct route to its destination.

This system of detailed regulation was imposed in 1935 when the trucking industry was in its infancy, and when the Nation was in the midst of its most serious depression. At that time, competition was blamed for the Nation's economic woes. Many believed that extensive government control was needed to protect the newly developing trucking industry.

In the 44 years since regulation was first imposed, conditions have changed dramatically. The trucking industry has matured and prospered, and our economy has become strong. But our system of regulation has remained basically the same.

ICC-regulated carriers are also sheltered from price competition. In 1948, Congress overrode President Truman's veto and enacted a special immunity from the antitrust laws that permits regulated trucking companies to meet together and decide upon rates. This conduct, which would be a felony in nearly every other industry, stifles competition, discourages innovative pricing, and forces the prices of consumer products higher than they otherwise would be.

Our current regulatory system contributes to three of our Nation's most pressing problems—inflation, excessive government regulation and the shortage of energy. Since regulation permits price-fixing and stifles price competition, consumers are unnecessarily paying billions of dollars a year in higher transportation prices. During these inflationary times, government policies that needlessly raise costs cannot be tolerated.

Regulation also subjects one of our Nation's most important industries to a mindless scheme of unnecessary government interference and control. Rather than putting their talents and energies to the task of providing the price and services customers want, trucking companies are forced to concentrate on proposing measures that government regulators will permit.

Finally, regulation needlessly wastes our Nation's precious fuel by preventing carriers from making the most productive use of their equipment, and by requiring empty backhauls and circuitous routings.

The legislation I am proposing will restore the competitive spirit to the trucking industry, reduce inflation, minimize government regulation and save energy.

The major provisions in the legislation are summarized below.

NEW, COMPETITIVE POLICY STATEMENT

The bill I propose establishes a new policy statement to govern all aspects of ICC regulation of the trucking industry. The policy statement emphasizes reliance on competition rather than government regulation to the maximum extent possible to reduce rates, improve service, attract capital, increase efficiency and offer the opportunity to earn fair profits.

The policy statement also emphasizes the need to reduce existing regulations which contribute to concentration of market power, waste energy, restrict entry and services to smaller and other communities, protect larger carriers at the expense of smaller carriers, and adversely affect the long-term maintenance of fair wages and working conditions.

The policy statement also emphasizes the need for fairer and more expeditious regulatory procedures and the need for more effective safety regulation.

REMOVAL OF CERTIFICATE RESTRICTIONS

ICC certificates today are subject to a variety of restrictions that control every aspect of a motor carrier's operations. For example:

Backhaul Restrictions. Many certificates award only one-way authority, or specify that a carrier may haul commodities to a point, but with "no transportation for compensation upon return unless otherwise authorized." As recently as 1975, only half the operating certificates awarded contained authority to haul goods on a return trip.

Prohibition on Intermediate Stops. Many certificates prohibit carriers from making intermediate stops between authorized points. This prevents carriers from maximizing their loads, increases costs, and keeps many towns, especially smaller ones, from receiving the best possible service.

Route Restrictions. Most certificates authorizing the carriage of general commodities specify the actual highway the truck must use.

In addition to restricting operating flexibility, these restrictions harm service to small towns. A carrier cannot leave the highway to serve a town off the beaten track without violating the law.

Circuitous Routings. In some instances, carriers are required to take an indirect route or travel through a designated "gateway city" to reach their destination. For example:

—Denver, Colorado and Albuquerque, New Mexico, are connected to each other via Interstate 25, a distance of 442 miles. Garrett Freight Lines is permitted to haul freight from Denver to Albuquerque—but only if it goes by way of Salt Lake City, a distance of 730 miles.

—In 1974, during the height of the energy crisis, Consolidated Freightways was denied a request to travel directly between Minneapolis-St. Paul and Dallas. The carrier's route authority required it to travel 37% extra miles on trips between the two points. Despite the company's desire to eliminate excessive mileage and save fuel, the ICC denied the request because the new service would harm carriers already serving the route.

Circuitous routings, like regulations which require trucks to travel empty, waste precious fuel and increase costs and prices.

Commodity Restrictions. ICC certificates specify in detail the commodities a carrier is authorized to haul. These restrictions often follow no logical pattern and serve no apparent purpose. Some certificates, for example, authorize the carrier to haul crated, but not uncrated machinery; or allow paint hauled in 2-gallon cans, but not paint in 5-gallon cans. One recent certificate permits a carrier to haul bananas. The carrier may also haul pineapples, but only if mixed with loads of bananas.

In another case, a regulated trucker whose certificate authorizes him to haul "foodstuffs" recently wanted to haul beer. Permission was denied by the ICC. Although "wine" falls into the category of "foodstuffs," "beer" does not. If this trucker persists in his desire to haul beer, he must go through the burdensome, costly and time-consuming process of obtaining a certificate to haul "malt beverages."

As a result of backhaul and other regulatory restrictions, enormous amounts of fuel are wasted each year. This waste needlessly raises prices and significantly aggravates the energy shortage.

The legislation I am proposing provides that:

—All backhaul restrictions are removed immediately.

—All prohibitions on making intermediate stops between authorized points are removed immediately.

—All route restrictions, including requirements that a carrier take a circuitous route or pass through a designated gateway city, must be removed no later than December 31, 1981.

—All restrictions limiting the types of commodities a carrier may haul must be removed no later than December 31, 1982.

—All other restrictions must be removed no later than December 31, 1983.

—The ICC is directed to adopt liberal standards and expedited procedures for carrier petitions for removal of individual restrictions prior to the statutory deadlines. Opponents to carriers' petitions have the burden of proof to show why a restriction should not be removed.

—The ICC is directed to develop a program allowing existing carriers to increase each year their operating authority by a limited amount without ICC approval. The ICC program shall emphasize increased opportunities to serve small towns.

ENTRY AND PROCEDURAL REFORM

Before a carrier can haul regulated commodities, and before an existing carrier can expand or rationalize its operations, it must obtain authority from the ICC. Obtaining new authority has been difficult. The applicant has the burden of proving that the new competition is "required" by the public convenience and necessity. Carriers already serving the route have been able to block new entry if they could provide the service themselves, or if the new competition might impair their profitability. Although the ICC has begun to grant a larger percentage of these applications, the existing statute still requires carriers to meet an excessive burden. The ICC needs new statutory authority to carry forward the liberalization that it has begun.

This regulatory maze is particularly burdensome to small businesses. Large businesses may be able to afford experts to go through complicated regulations and wait the long months or years to obtain decisions, but this is not true for the small entrepreneur.

The legislation I propose liberalizes these restrictive entry standards. The bill substantially reduces regulation over time, and places increasing reliance upon the competitive marketplace. The bill:

—Retains the requirement that the applicant prove it meets financial, safety and insurance requirements (i.e., that it is "fit, willing, and able").

—Reverses the burden of proof and requires *opponents* of new competition to show that the transportation applied for would be inconsistent with the public convenience and necessity.

—Applies new standards for the "public convenience and necessity" test. The ICC must give substantial weight in favor of the application where it finds that the service would lower operating costs, improve fuel efficiency, meet consumer or user preference for service or lower rates, improve service to small communities; or generally improve the competitive climate. The ICC shall not consider possible diversion of revenues or traffic from other carriers.

—Requires the ICC to make a final decision on entry applications within 90 days.

—Grants the application of any fit, willing and able carrier to enter a point which an authorized carrier does not serve, or which a railroad has abandoned.

EXEMPTIONS FROM ICC REGULATION

From the start, major farm organizations opposed Federal economic regulation of the trucking industry. Farmers believed regulation would raise prices and limit the operating flexibility needed for distribution of agricultural products, many of which are perishable. Congress responded in 1935 by granting an exemption from ICC regulation for unprocessed agricultural commodities.

The agricultural exemption has served our Nation's farmers and consumers well. The exemption is too restrictive, however, and should be expanded. For example:

—raisins are exempt, if they are coated with honey, cinnamon, or sugar but not if they are coated with chocolate;

—wood chips for making wood pulp are not exempt, but wood cut into short crosswise lengths for firewood (not sawed lengthwise) are;

—frozen dinners are exempt, unless they are frozen chicken or seafood dinners;

—crab shells are exempt, but oyster shells are not;

—an owner-operator has stated, "I carry all the ingredients to the cannery to make the soup, but I cannot carry the canned soup back."

These narrow restrictions have resulted in significantly more empty backhauls for exempt truckers than for regulated truckers. The transportation costs for food, and hence food prices to consumers, are consequently higher.

The bill I propose expands the agricultural exemption to include livestock; agricultural, horticultural or aquacultural commodities; food and any edible products; and farm implements and supplies, including seed, fertilizer, and chemicals.

These provisions will allow better utilization of trucks and fewer empty backhauls. The result will be better trucking services and, most important, lower rates for farmers and lower food prices for consumers.

The bill also gives the ICC authority to grant exemptions from regulation, and expands the authority of agricultural cooperatives to haul regulated commodities for non-farmers.

CONTRACT CARRIERS AND FREIGHT FORWARDERS

CONTRACT CARRIERS

Contract carriers are ICC-regulated carriers who give specialized service to a limited number of shippers. They differ from common carriers in that they do not hold themselves out as serving the general public.

Although regulation of contract carriers has been less severe, this segment of the industry has been subject to two major restrictions: (1) they have been prohibited from applying for common carrier authority; and (2) they have been prohibited from entering into contracts to serve more than eight shippers. This second restriction has been particularly harmful to small shippers because contract carriers naturally arrange to serve only the eight largest shippers they can find.

Although the ICC has recently decided to reverse these two restrictions, their decision is being challenged in the courts by the trucking industry, and the outcome remains uncertain.

The bill I propose permits contract carriers to hold common carrier authority, and states that the ICC may not limit the number of shippers that a contract carrier may serve.

FREIGHT FORWARDERS

Freight forwarders are regulated companies who consolidate small shipments, pay a common carrier (railroad, motor carrier or airline) to transport the shipments to the forwarder's terminal in another area, and then deliver the shipments to their ultimate destination.

The bill removes unnecessary restrictions on freight forwarders. Freight forwarders will be permitted to negotiate rates and enter into contracts with rail and motor carriers. The removal of these restrictions will enable freight forwarders to compete more effectively, and will afford shippers of small shipments a greater variety of price and service options.

RATES AND RATE BUREAUS

Collective ratemaking, commonly known as price fixing, is normally a felony, punishable by fines up to $100,000 and 3 years imprisonment for individuals, and up to $1 million for corporations.

Since 1948, however, the regulated trucking industry has enjoyed a special exemption from the antitrust laws. This immunity allows trucking companies to meet in secret and decide the prices they will charge for truck transportation. Although rate agreements are theoretically subject to ICC review, the ICC has been inclined to rubber stamp rate agreements rather than subject them to an independent and thorough review. This lack of effective oversight is due in part to the sheer volume of processing, some 5,000 pages of rate tariffs are filed before the ICC each day.

Legalized price fixing and the lack of rate flexibility have cost consumers billions of dollars in higher prices. There is considerable evidence that rates are significantly higher today than they would be if set by the competitive marketplace.

—The Director of the Council on Wage and Price Stability has stated that consumers pay some $5 billion a year in extra costs because of the current regulatory system.

—Rates for the transportation of exempt agricultural commodities are lower than they would be under regulation. A representative of the American Farm Bureau Federation has estimated that:

> ". . . if agriculture had been saddled with a totally regulated motor carrier and barge transportation system for the past 35 years, the cost of transportation, which now accounts for nearly 10% of the nation's food bill, *would be a third greater.*"

—In the mid-1950's, fresh and frozen dressed poultry and frozen fruits and vegetables were declared exempt from ICC regulation. The U.S. Department of Agriculture estimates that as a result of deregulation, trucking rates dropped substantially for those commodities.

—A recent study concludes that unregulated household mover rates within Maryland are 27–87 percent lower than rates for comparable interstate shipments.

—The trucking industry is highly profitable. Last year the largest eight trucking companies earned an average return on equity of 28.8 percent. These returns far exceed the average 14 percent return on equity earned by unregulated manufacturing companies, as well as the return on equity for the top firms in any other major industry.

Because regulation permits such high profits and makes operating certificates so scarce, ICC certificates are bought and sold for enormous sums. When Associated Transport went bankrupt in 1976, the operating rights carried on its balance sheet at $976,000 sold for over $20 million. Eastern Freightway, Inc., recently sold rights for about $3.8 million. Ultimately, of course, the buyer must recover the certificate's price from its customers in the form of higher prices.

The bill I propose:

—repeals the special antitrust immunity, making the trucking industry subject to the same antitrust laws that govern most other industries. Although carriers would be prohibited from discussing and voting on rates, rate bureaus may continue to publish rates. Carriers may also continue to interline and set joint line rates so that a shipper can pay one rate even though more than one carrier hauls the shipment to its final destination;

—encourages price competition by preventing the ICC from disapproving rates within a zone. For the first two years, carriers may lower their rates 20%, or raise their rates 5% per year, without ICC interference. At the end of two years, the ICC may not disapprove a rate reduction unless the rate would be predatory, and carriers may raise their rates 7% per year.

MERGERS

The bill requires the ICC to weigh possible anticompetitive effects of the proposed mergers.

The ICC may not approve or authorize any merger or acquisition if there is likely to be a substantial lessening of competition, creation of a monopoly, or a restraint of trade—unless the ICC finds that the anticompetitive effects of the transaction are outweighed by significant needs that could not be satisfied by a reasonably available alternative having materially less anticompetitive effects.

After five years, the ICC's authority over mergers is eliminated, and jurisdiction is transferred to the FTC and the Department of Justice.

PRIVATE CARRIAGE

Under existing law, non-transportation companies (such as Montgomery Ward and Pet Milk) may transport their own goods free from ICC regulation. Although these "private carriers" are not directly regulated by the ICC, their operations have been severely restricted. As a result, private carriers are plagued with an unusually high rate of empty backhauls. The bill I propose would allow private carriers to apply for authority to carry non-company commodities, to provide transportation for corporate subsidiaries, and to permit private carriers to "trip-lease" with certificated carriers for single trips.

TRUCKLOAD TRANSPORTATION

"Truckload" motor carriers of property, who concentrate on hauling specialized commodities in full truckload lots, are already a relatively competitive sector of the trucking industry. The ICC has been more liberal in granting entry, and rates are often negotiated between the shipper and carrier. Truckload carriers compete with railroads and with private carriers. The Commission has recently announced plans to deregulate several types of these "special commodity" carriers of truckload traffic.

The bill builds on this trend toward less regulation of this segment of the industry. After two years, entry and rate controls over truckload transportation are removed.

After two years, any trucking company that meets safety, financial, and insurance requirements may haul truckload lots to any point. Rates are subject only to the antitrust law's prohibition on predatory pricing. "Truckload" transportation is defined as carriage (a) by specialized commodity carriers, as categorized by the Commission; (b) in lots over 10,000 pounds; or (c) in lots under a single bill of lading.

PROPOSALS FOR FURTHER CHANGE

The legislative changes I am proposing in this bill will make the trucking industry substantially more efficient, competitive, and responsive to consumers. It will also greatly reduce government interference with the economic decisions of trucking companies. However, there will remain a greater degree of regulation over trucking than exists for any industry of comparable size and competitive potential. After increased competition in this industry has had a chance to take hold, we should consider whether ICC regulation over the trucking industry should continue.

The bill requires the Secretary of Transportation, in cooperation with the ICC and the Department of Justice, to report to the Congress by January 1, 1983, on the effects of this legislation, and whether ICC regulation over the trucking industry should be continued.

Finally, I will soon send to Congress proposals which assure that consumers receive increased protection in the household moving industry.

IMPROVEMENT OF SERVICE TO SMALL COMMUNITIES

The bill I propose contains the following provisions that will improve trucking service to small communities:

1. The general policy statement that governs ICC decisions specifically directs the ICC to improve small town service. There is no such provision in existing law.

2. In determining whether applications for entry meet the "public convenience and necessity" standard, the ICC is directed to emphasize increased service to small communities. There is no such requirement in existing law.

3. Certificate restrictions are liberalized to improve service to small communities. For example, many certificates today specify the actual highway a trucking company must use. If a truck leaves the designated highway to serve a town off the beaten track, it is violating the law. The proposed legislation liberalizes these certificate restrictions, and makes it easier for trucking companies to obtain authority to serve small towns.

Many existing certificates do not allow trucks to make intermediate stops and serve towns between authorized points. These restrictions are particularly harmful to towns that are so small that trucking companies are unwilling to undergo the costly and often unsuccessful process of obtaining authority to serve them. The proposed legislation would remove these restrictions and permit carriers to stop at intermediate points immediately.

4. The program for phased route expansion without ICC approval will emphasize increased service to small communities. There is no such program under existing law.

5. The agricultural commodity and agricultural co-op exemptions are substantially broadened. This will give carriers serving small towns increased opportunities to fill their trucks with commodities they cannot now carry.

6. Increased pricing flexibility will allow lower backhaul rates to small communities.

7. Any carrier that meets financial, safety, and insurance requirements (a "fit, willing, and able" carrier) may enter a point which an authorized carrier no longer serves, or which a railroad abandons. There is no such provision in existing law.

SAFETY

Reforms in safety enforcement are necessary because present levels of safety are unsatisfactory, and because authority to monitor safety practices and to sanction safety violations should be strengthened. These provisions are distinct from the economic reforms and are not made necessary by them.

The bill I propose places new emphasis on the existing fitness test which guarantees that all new entrants into the industry are safe. It also consolidates the safety authority in the Department of Transportation, and gives the Secretary of Transportation broader and more effective authority to deal with safety violations.

These reform proposals for the trucking industry, together with airline deregulation and my recently proposed rail reforms, fundamentally reshape Federal regulatory policies toward the transportation industries. These new policies recognize that our national interest in a more productive, fuel-efficient and responsive transportation system can be best achieved with less Federal regulation and more reliance on private initiative.

Jimmy Carter.

The White House, *June 21, 1979.*

REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT—PM 84

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, transmitting the 1978 annual report of the Federal Prevailing Rate Advisory Committee, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with Section 547(e) of Title V of the United States Code, I hereby transmit to you the 1978 Annual Report of the Federal Prevailing Rate Advisory Committee.

Jimmy Carter.

The White House, *June 21, 1979.*

MESSAGES FROM THE HOUSE

At 12:25 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4387. An act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes.

At 5:32 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

The message also announced that the House disagrees to the amendment of the Senate to H.R. 3173, an act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Zablocki, Mr. Fountain, Mr. Fascell, Mr. Rosenthal, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Solarz, Mr. Broomfield, Mr. Derwinski, Mr. Guyer, and Mr. Quayle were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to H.R. 2774, an act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes: requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Zablocki, Mr. Fountain, Mr. Wolff, Mr. Yatron, Mr. Studds, Mr. Hall of Ohio, Mr. Wolpe, Mr. Broomfield, Mr. Derwinski, and Mr. Winn were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to H.R. 3324, an act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Zablocki, Mr. Fascell, Mr. Diggs, Mr. Hamilton, Mrs. Collins of Illinois, Mr. Bingham, Mr. Bonker, Mr. Pease, Mr. Broomfield, Mr. Findley, Mr. Buchanan, and Mr. Winn were appointed managers of the conference on the part of the House.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4387. An act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1635. A communication from the Secretary of Agriculture, transmitting, pursuant to law, an annual report on Public Law 480 activities for fiscal year 1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1636. A communication from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend chapter 5, title 37, United States Code, to restructure the rates of special pay for sea duty; to the Committee on Armed Services.

EC–1637. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, reports for FY 1978 submitted by present and former officers or employees relating to DOD and Defense related employment; to the Committee on Armed Services.

EC–1638. A communication from the Superintendent, National Park Service, Department of the Interior, transmitting, for the information of the Senate, a document entitled "The Most Splendid Carpet," relating to the 15-year research project on the Senate Chamber carpet for Congress Hall, Philadelphia; to the Committee on Energy and Natural Resources.

EC–1639. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, a report entitled "Protection of High-Priority Natural Gas Consumers," June 1979; to the Committee on Energy and Natural Resources.

EC–1640. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report of the Chief of Engineers, dated 31 May 1979, entitled "Projects Recommended for Deauthorization—4th Annual Report"; to the Committee on Environment and Public Works.

EC–1641. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that in order to maintain in the second quarter of fiscal year 1979 the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., $1,726,062 is needed because of the downward fluctuations in foreign currency exchange rates; to the Committee on Foreign Relations.

EC–1642. A communication from the Secretary of State, transmitting a draft of proposed legislation to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes; to the Committee on Foreign Relations.

EC–1643. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 1,459 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC–1644. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the Five-Year Plan for Family Planning Services and Population Research; to the Committee on Labor and Human Resources.

EC–1645. A communication from the Secretary of Labor, transmitting, pursuant to law, a Status Report on the Youth Incentive Entitlement Pilot Projects, dated March 15, 1979; to the Committee on Labor and Human Resources.

E–1646. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report entitled "Conglomerate Mergers, Small Business, and the Scope of Existing Anti-Merger Statutes," June 20, 1979; to the Select Committee on Small Business.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–309. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Foreign Relations:

"House Concurrent Resolution No. 236

"Whereas, The President of the United States has expressed deep concern for human rights in the world and has recently been successful in negotiating the release of five political prisoners from the Soviet Union. In addition, the President and the Congress of the United States have intervened in several other cases on behalf of individuals deprived of their human rights in the Soviet Union; and

"Whereas, Yuriy Shukhevych, a Ukrainian, has been incarcerated in Soviet prisons for almost thirty years. He was initially imprisoned at the age of fifteen, simply because he was the son of a General in the Ukrainian Insurgent Army, and later received an additional sentence for refusing to denounce his father and the cause of Ukranian nationalism; and

"Whereas, Upon his release in 1968, Yuriy Shukhevych was banished from the Ukraine and sent into exile in Siberia. In 1972, he was rearrested on charges fabricated by the KGB and sentenced to another ten years of imprisonment. The alleged "crimes" committed by Mr. Shukhevych cannot be considered crimes in any civilized society. Moreover, his wife, whom he met during his brief time of freedom, and son have suffered enormous hardships as the family of a Ukrainian political prisoner; and

"Whereas, The treatment of individuals such as Yuriy Shukhevych by the Soviet government is indicative of a system of repression and terror. The people of the State of Michigan are gravely concerned over the inhumane treatment of Mr. Shukhevych and his family and condemn the policies of the Soviet government in dealing with political dissidents; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That the President and the Congress of the United States be memorialized to immediately open negotiations with the Soviet Union to seek the release of Yuriy Shukhevych from imprisonment and to request an exit visa for him and his family and to extend to them political asylum in the United States; and be it further

"Resolved, That these negotiations with the Soviet government include, if necessary, an exchange similar to the numerous exchanges consummated to secure freedom for victims of the Soviet Union's unjust penal system; and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the Michigan Congressional Delegation."

POM-310. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Select Committee on Indian Affairs:

"HOUSE CONCURRENT RESOLUTION No. 76

"Whereas, The Potawatomi Indians living on the Pine Creek Reservation near Athens, Michigan, lack all necessary services to maintain their health and safety. All of the twelve housing units are substandard according to a Calhoun County housing inspector. The stove-heated shacks are in desperate need of winterization, lacking insulation, storm doors and windows, and running water. In addition, the absence of police and fire protection along with the abject isolation of the reservation have created precarious living conditions; and

"Whereas, The Pine Creek Reservation has nearly exhausted all sources of funds available to it, with maintenance money having already run its course during a particularly discomforting winter. The lack of career opportunities has driven the young Potawatomi Indians away long ago, leaving the average age of residents on the reservation at fifty-seven years. The typical resident is compelled to exist well below the poverty level, subsisting on Social Security with an annual income below $2,000; and

"Whereas, Due to legal complications concerning the ownership of Pine Creek Reservation land, the Potawatomis have been unable to procure funds that they are in desperate need of and entitled to. A recent application for a $300,000 federal grant was denied because the United States Department of Housing and Urban Development cannot act until the ownership controversy has been resolved. Moreover, at stake is $1,000,000 earmarked for the Huron Potawatomi Indians, as part of a recent $6,000,000 grant to the Potawatomi Nation by the U.S. Congress; and

"Whereas, Despite wide-spread news coverage and piles of correspondence, the Pine Creek Reservation has received virtually no assistance from anyone. Due to this lack of recognition by the Federal government, the reservation has steadily deteriorated since the early 1930's. Surely, the Potawatomi deserve at least equal treatment with the five federally-run reservations in the State of Michigan; now, therefore, be it

"*Resolved* by the House of Representatives (the Senate concurring), That the United States Bureau of Indian Affairs be urged to give expeditious consideration to the Huron Potawatomi Indians' request for federal recognition so that the funds they deserve can be allocated and put to immediate use; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the United States Bureau of Indian Affairs, the Speaker of the United States House of Representatives, the President of the United States Senate, and to the Michigan Delegation of the Congress of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DECONCINI, from the Committee on the Judiciary, with amendments:

H.R. 2807. A bill to amend the Bankrupcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States (Rept. No. 96–230).

By Mr. CANNON, from the Committee on Commerce:

Special Report pursuant to Section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 96–231).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

The following-named persons to be Members of the U.S. Advisory Commission on International Communication, Cultural and Educational Affairs:

Leonard L. Silverstein, of Maryland;
John Hope Franklin, of Illinois;
Neil C. Sherburne, of Minnesota;
Lewis Manilow, of Illinois;
Mae Sue Talley, of Arizona;
Jean McKee, of New York; and
Olin C. Robinson, of Vermont.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Victor Gilinsky, of Maryland, to be a Member of the Nuclear Regulatory Commission.

(The above nomination from the Committee on Environment and Public Works was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. LONG, from the Committee on Finance:

Walter J. McDonald, of the District of Columbia, to be an Assistant Secretary of the Treasury.

Richard I. Beattie, of the District of Columbia, to be General Counsel of the Department of Health, Education, and Welfare.

(The above nominations from the Committee on Finance were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

Daniel Marcus, of Maryland, to be General Counsel of the Department of Agriculture.

(The above nominations from the Committee on Agriculture, Nutrition, and Forestry was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR JOINT REFERRAL—S. 730

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 730, the Regional Energy Development Act of 1979, which was earlier referred only to the Committee on Energy and Natural Resources now be referred jointly to the Committee on Energy and Natural Resources, the Committee on Banking, Housing and Urban Affairs, and the Committee on Government Affairs. This arrangement is agreeable with the respective chairman of the Committee on Banking, Housing, and Urban Affairs and is consistent with the referral of similar legislation, S. 2161, in the 95th Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATFIELD (for himself, Mr. STEWART, Mr. ARMSTRONG, Mr. MELCHER, Mr. NUNN, Mr. STEVENS, and Mr. MCGOVERN):

S. 1384. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions of certain crops by farmers to certain tax-exempt organizations; to the Committee on Finance.

By Mr. JEPSEN:

S. 1385. A bill to amend title 28 of the United States Code to provide for the payment of reasonable attorney's fees and other costs in certain civil actions; to the Committee on the Judiciary.

By Mr. PELL:

S. 1386. A bill to amend and extend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. COHEN:

S. 1387. A bill to amend title XVIII of the Social Security Act to update the life safety requirements applicable to nursing homes under such title and under title XIX of such act; to the Committee on Finance.

By Mr. CHURCH (for himself and Mr. DURKIN):

S. 1388. A bill to establish a forgivable loan program for geothermal reservoir confirmation, to amend existing geothermal leasing and permitting laws, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (by request):

S. 1389. A bill to add clarifying amendments to the Uranium Mill Tailings Radiation Control Act of 1978, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PERCY (for himself, Mr. Kennedy, Mr. Packwood, and Mr. Magnuson):

S. 1390. A bill to promote commercial motor vehicle safety, to prevent injury to commercial motor vehicle operators, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CANNON (by request):

S. 1391. A bill to amend section 9 of the National Climate Program Act to extend the authorization for appropriations for fiscal years 1981 and 1982; to the Committee on Commerce, Science, and Transportation.

S. 1392. A bill to extend the appropriations authorization for reporting of weather modification activities; to the Committee on Commerce, Science, and Transportation.

S. 1393. A bill to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) to extend authorizations for appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DURENBERGER:

S.J. Res. 90. A joint resolution to provide for the designation of a week as "National Recreation and Parks Week"; to the Committee on the Judiciary.

By Mr. MATHIAS:

S.J. Res. 91. A joint resolution to authorize and request the President to issue a proclamation designating May 18, 1980, as "Law Enforcement Officers Memorial Sunday"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATFIELD (for himself, Mr. Stewart, Mr. Armstrong, Mr. Melcher, Mr. Nunn, Mr. Stevens, and Mr. McGovern):

S. 1384. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions of certain crops by farmers to certain tax-exempt organizations; to the Committee on Finance.

Mr. HATFIELD. Mr. President, today, Senator Stewart and I, along with Senators Armstrong, Melcher, Nunn, and Stevens, are introducing legislation to amend the Internal Revenue Code to provide our Nation's farmers a tax incentive to donate surplus, unharvested, damaged, or otherwise wasted food commodities to various nonprofit, charitable organizations for distribution to the poor and needy. The legislation shall be known as the national gleaning bill.

To those of my colleagues unfamiliar with the term "gleaning," it is—strictly defined—the process of gathering grain or produce following a commercial harvest. In ancient societies, gleaning was usually a matter of course, and indeed, in Biblical times, the Israelites were required by law to open up their land to the poor to enable them to glean. Gleaning is also quite common today in less-developed agrarian societies, and the practice has even been revived in many parts of our own country in recent years. Our bill, very simply, would build on this experience and encourage the further expansion of gleaning throughout the United States by offering our farmers a 10-percent tax credit based on the greater of the wholesale market value or the most recent sale price for the crops contributed to qualified charitable organizations.

As certain tax advantages already accrue to corporate farmers under the Tax-Reform Act of 1976 for the donation of agricultural commodities to nonprofit, charitable organizations, our bill would merely allow the small farmer similar tax benefits to those that his corporate counterpart already enjoys.

The Treasury Department has estimated a revenue loss to the Federal Government of less than $5 million annually based on the House version of our bill. It is presently undertaking a similar analysis of the legislation we are introducing today, but early indications are that the revenue loss will, like the House counterpart, be very small.

The "national gleaning" bill approach to providing food assistance is an effort designed specifically to reach the poor through the private sector. Because of the severity and the dimensions of both the national and international hunger problem, Federal food assistance programs will necessarily be required if we are to be successful in meeting the challenge before us. Yet, it seems only prudent in these times of budget constraints and appeals for reduced Federal spending that alternatives to meeting the basic food requirements of our citizens—and millions of others in foreign lands—simply through more Government spending be found. The gleaning approach offers one such alternative.

In Oregon, the State legislature approved a few years ago legislation similar to the gleaning bill we are introducing today, including the 10-percent tax credit on State income tax. In 1977 alone, gleaning programs resulted in the distribution of over 125 tons of produce to more than 1,100 households at a revenue loss to the State treasury of only $1,500—the estimated revenue loss had been $10,000 annually. California has also provided tax incentives to farmers to participate with local gleaning and food bank operations. Of course, gleaning programs do not exist only in States providing tax incentives; but from all available information, it is apparent that such incentives are important factors in gaining farmer participation. In spite of the fact that many of these programs are relatively new, the work that has already been done in Oregon, California, and other States throughout the country offers profound evidence that relief efforts in the critical area of food sustenance can be accomplished at the local level, with minimal Federal Government involvement.

The need for this legislation is underscored by one of the major paradoxes of our time. On the one hand, millions of Americans in 1979 continue to suffer from the debilitating effects of hunger and malnutrition, and yet, on the other hand, the General Accounting Office estimated in 1977 that about 20 percent of all food produced in the United States is lost or wasted in 1 year—some 137 million tons, valued at $31 billion. Of this total, loss during harvesting—as opposed to such other categories as storage, transportation, processing, wholesale/retail, and consumer—was approximately 60 million tons of food valued at $5 billion. Based on the average daily caloric intake of a U.S. citizen, GAO estimated that the combined loss of U.S.-produced food grains, meat, sugar, oilseeds, vegetables, fruits, and nuts in 1974 could have fed an estimated 49 million people. The dimensions of this problem are truly staggering, especially when one considers the responsibility we have as the wealthiest Nation on Earth with the capabilities to feed our own people and millions of others around the world.

According to a report recently released by the Field Foundation entitled, "Hunger in America: The Federal Response," we have made great gains in providing nutritional foods to our poor as the result of such Federal initiatives as: The food stamp program, the nutritional component of Head Start, school lunch and breakfast programs, and the women-infant-children feeding programs. In fact, the Field study reports that our food aid programs may represent "one of the unsung yet most effective antipoverty efforts of the last 15 years." It goes on to say that the food stamp program is "the most valuable health dollar spent by the Federal Government."

Yet, in spite of these impressive gains, the Field Foundation's report concluded that while Federal food assistance has made a difference, it is still far from adequate. According to one of the study's researchers, Dr. Gordon Harper, speaking in relation to the food stamp program:

> We are not dealing with an ineffective tool of public policy, but with an inadequately used one. Congress, the President, and the public should know that the very effectiveness of such programs, where they do work makes it a greater national tragedy that many people remain unreached.

More specifically, statistics show that the food stamp program reaches only about one-half of the eligible recipients, and that the percentage of participants falls much lower in many rural areas, and among the elderly. In addition, it should be pointed out that the food stamp program cannot possibly be considered, in and of itself, as a "cure-all" for the hunger and nutritional needs of our Nation's poor. The program is designed to provide only what the Agriculture Department calls the thrifty food plan, a diet with which a skilled homemaker can supposedly sustain her family for brief periods of time. This diet is less adequate than USDA's "low cost" food plan, a diet typical of what is consumed by most working class families. The fact is, we need something more, but we are hard pressed to find the necessary Federal resources to significantly expand our present food assistance programs. This is precisely why the gleaning concept is so appealing. It seeks to bring to the poor, especially—though not exclusively—those not presently reached by the food stamp program, an adequate supply of nutritional food which is presently going to waste at the harvest level, at no significant cost to the Federal Government.

Mr. President, before continuing on to other aspects of our gleaning legislation, I feel it necessary, and very timely, to point out an additional implication of the food wasted annually in the United States—energy loss. According to GAO, in crop year 1974, U.S. farmers planted 331 million acres of land to produce food. They used 45 million tons of fertilizer as well as a total of 2.3 billion equivalent barrels of oil, considerable amounts of water, and other inputs in the process. Relating all food loss to the farm resources allocated to producing food, the General Accounting Office estimated that 461 million equivalent barrels of oil were consumed on food ultimately lost. In addition, it is estimated that 66 million acres of land and 9 milion tons of fertilizer were used to produce food that was ultimately lost. Proper stewardship of our national resources demands that we make every effort possible to eliminate food waste. We can begin at the harvest level by allowing our poor to glean or receive the benefits of food gleaned on their behalf.

As I alluded to earlier in my remarks, legislation has already been introduced in the House of Representatives by Congressman Les AuCoin, Democrat of Oregon, which would also provide a tax incentive to our Nation's farmers to participate in gleaning programs. It presently has 33 cosponsors. It differs from our bill in two major respects. First, the House legislation would offer a simple tax reduction for crops contributed to qualified nonprofit, charitable organizations, while our bill provides a 10-percent tax credit. Second, Congressman AuCoin's bill provides that for the purposes of the tax deduction, the food donated must be "uneconomical" for the farmer to harvest. In other words, only those crops which would otherwise be left in the fields following a commercial harvest would constitute a "qualified crop donation."

While this is in a technical sense the true meaning of gleaning, and while it is this otherwise unharvested food we primarily seek to secure for the poor, we have chosen to remove the "uneconomical for harvest" provision from the bill so as not to prevent the envisioned tax benefits from accruing to the farmer who desires to contribute from his food stocks to meet a given need at a given time—the idea being that already harvested food was at one time, anyway, "economical" to harvest.

Because, almost by definition, gleaned food consists of perishable commodities, the gleaning concept—in its strictest sense—could not be practical for the provision of food to the poor in other lands. However, in removing the "uneconomical for harvest" provision, we open up the opportunity for gleaned food to be used to meet the hunger needs of our fellow human beings in impoverished areas of the world because "stored" food is in most cases nonperishable—the major exception being frozen food—and able to be transported over long distances. As some of my colleagues may be aware, just such an international relief effort was undertaken in 1978 when a ship load of wheat was sent by Church World Service to meet the needs of Vietnamese citizens who were dying from starvation. The food was in part donated by farmers who arose to meet the very specific need at the time. Whether or not one agrees with the particular merits of this individual relief operation, it does show that certain limited efforts can be accomplished in the private sector to assist in the alleviation of human suffering throughout the world.

Mr. President, the national gleaning bill would not only provide an effective complement to our present food assistance programs, but also would encourage private initiative where previously some government programs have led to passivity. The problem of poverty and hunger is everyone's, but many have lost a personal sense of commitment to the alleviation of such poverty and hunger because the Government has assumed the primary responsibility for carrying on the work. The responsibility for the relief of human suffering must originate at the grassroots level if our governmental efforts are to be successful and maintained over the long term.

The gleaning legislation will provide much needed assistance to the farmer at a time when he is being asked to grow more for a hungry world, but can only do so at the risk of reducing the price he receives for his crops. In addition, the gleaning bill will enable a number of eligible charitable organizations to be more responsive to the needs they seek to alleviate in this country and potentially around the world. At a time when millions are struggling to maintain an adequate diet, it behooves us to consider positive and innovative means of reconciling the needs of both the producer of food, and those who are truly destitute. We believe strongly that the gleaning concept offers one such option. I urge my colleagues to give this gleaning bill their careful attention and active support.

The text of the bill follows:

S. 1384

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"Sec. 44D. Credit for Contribution of Gleaned Crops.

"(a) General Rule.—In the case of a taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified crop contribuion of the taxpayer for the taxable year.

"(b) Limitations.—

"(1) Amount.—The amount of qualified crop contributions taken into account under this section for any taxable year shall not exceed an amount equal to, at the election of the taxpayer, either—

"(A) the wholesale market price for the crops so contributed; or

"(B) the most recent sale price for the crop so contributed.

"(2) Application with other credits.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than credits allowable by sections 31, 39, and 43.

"(c) Definitions.—For purposes of this section—

"(1) Qualified crop contribution.—The term 'qualified crop contribution' means any charitable contribution (within the meaning of section 170(C)) by a taxpayer who is engaged in the trade or business of farming of a crop grown in connection with such trade or business to an organization described in section 501(c)(3) and exempt from tax under section 501(a), but only if—

"(A) the crop is harvested by, or on behalf of, the donee,

"(B) the crop is fit for human or animal consumption,

"(C) the use of the crop by the donee is related to the purpose or function constituting the basis for its exemption under section 501,

"(D) the crop is not transferred by the donee in exchange for money, other property (other than other crops the use of which by the donee is related to such purpose or function), or services, and

"(E) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of subparagraphs (C) and (D),

"(2) Wholesale market price.—The term 'wholesale market price' means, with respect to any crop, the lowest wholesale market price for such crop in the nearest regional market during the month in which the contribution is made, determined—

"(A) without consideration of grade or quality of the crop, and

"(B) as if the quantity of the crop contributed were marketable.

"(3) Most recent sale price.—The term 'most recent sale price' means with respect to any crop, an amount equal to the price which the taxpayer would have received for the crop so contributed if he had sold such crop—

"(A) on the date of the most recent sale by the taxpayer of such a crop, and

"(B) at the same price per unit as the crop sold on such date.

"(d) Credit in Lieu of Deduction.—No credit shall be allowed under subsection (a) with respect to any amount for which a deduction is allowed under this chapter for the taxable year.

"(e) Termination.—This section shall not apply to any qualified crop contribution made after December 31, 1982.".

(b)(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such code is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for contribution of gleaned crops.".

(2) Subsection (b) of section 6096 (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) Effective Date.—The amendments made by this section shall apply to qualified crop contributions made in taxable years beginning after December 31, 1979.

Mr. STEWART. Mr. President, will the Senator yield at this time?

Mr. HATFIELD. I am very happy to yield to my colleague, Senator Stewart.

Mr. STEWART. Mr. President, I rise today to commend the Senator from Oregon (Mr. Hatfield) for the work he has done on this bill and for other work he has done previously in the Senate in connection with bringing the attention of the Senate to problems of the disadvantaged. This is not the first time he has done that, and I commend him for it and I am proud to join with him in this legislation.

I commend the Senator from Oregon (Mr. Hatfield) not only on this fine bill but also on the leadership he has provided both to this body and to the country. I have—as I am sure many of my colleagues—have often looked upon Senator HATFIELD as the conscience of the Senate. Time and time again, he has turned our attention to the people that perhaps deserve it the most, the disadvantaged; those folks who too often are swept aside in the daily rush of events.

The bill offered here today embodies Senator HATFIELD's concern for the poor and the disadvantaged. But equally as important, it is a demonstration of his innovative and practical approach toward dealing with the problems confronting these people. The concept of providing farmers with tax credits for food they donate to folks who are less fortunate is simple, though incredibly effective.

Too often, it seems, the unfeeling bureaucracy devises master plans aimed at addressing the problems of the poor and the disadvantaged, only to discover that—in the end—those plans have become part of the problem. Inevitably, a huge new bureaucracy—characterized by its complexity and the confusion that complexity invariably causes—is created, spending millions or even billions of dollars, only to have the problem remain.

This bill, I believe, avoids those pitfalls. No new bureaucracy is created. Nor are billions of dollars taken from the Federal Treasury. What this proposal does accomplish, however, is to provide good, wholesome food to the people who need it most.

The program would not be carried out by a faceless, self-appointed Washington bureaucrat. On the contrary, it would be developed and administered by community-based and nonprofit organizations working in conjunction with the participating farmers. It could be geared toward the specific needs of specific communities, so that local people would be dealing with local problems.

While no new tax dollars would be appropriated, there would be a slight loss in tax revenues. But if experience is any indicator, Mr. President, it is well worth the risk.

In Senator HATFIELD's home State of Oregon, a similar program allowed 125 tons of food to be distributed to more than 1,100 needy households in 1977, at a tax loss of a mere $1,500. This is nothing short of astounding, 125 tons of nutritious food was made available to thousands of disadvantaged folks for $1,500. While such a plan could eventually lead to a significant reduction in demand for food stamps if applied at the Federal level, the potential savings to the American taxpayer is in the billions of dollars.

And, of course, we cannot overlook the benefits this bill affords to the American agricultural community. By providing a tax credit for food donated solely to alleviate hunger, farmers could produce as they desire, not facing ridiculous penalties for exceeding some Government-imposed quotas on production or acreage use. With this bill, farmers would be allowed to do what they do best: grow food and fiber for folks who need it the most.

The measure offered here today represents a bold imaginative approach to a very real problem. I am proud to be associated with Senator HATFIELD, and I hope that my colleagues in the Senate will give this bill the consideration it deserves.

By Mr. JEPSEN:

S. 1385. A bill to amend title 28 of the United States Code to provide for the payment of reasonable attorney's fees and other costs in certain civil actions; to the Committee on the Judiciary.

SMALL BUSINESS AND INDIVIDUAL REGULATORY RELIEF ACT

Mr. JEPSEN. Mr. President, today I am introducing a bill which provides for the compensation of successful dependents in civil suits filed by the Justice Department or any other agency of the Federal Government having the power to file suit. The compensation involved would be for a reasonable attorney's fees and other reasonable litigation costs; and it would be mandatory. However, the court would have the discretion in awarding the compensation to determine what is reasonable in the way of fees and costs.

Also I have inserted language to include cases brought in connection with the collection or recovery of any Internal Revenue tax or any penalty or other sum under the Internal Revenue laws. This is necessary I believe, because while for all practical purposes a successful taxpayer is in the same boat as a successful defendant in a civil action, under the law he is not. In most tax-related cases the IRS and not the taxpayer becomes the defendant.

The scope of my proposal is somewhat limited. While it makes compensation mandatory in certain instances, it only applies to defendants, not plaintiffs. And its provisions apply only to individuals with net assets of less than $1 million and to small business concerns that employ less than 100 people.

The basic purpose behind this legislation is to remove the burden of a financial penalty from those who prove themselves innocent of charges brought by the Federal Government. It seeks to redress a development that could not have been foreseen by either our Founding Fathers or the builders of our system of jurisprudence—the rise of a powerful fourth branch of Government, the bureaucracy.

I have only been in the Senate for a few months but in that time I have already received hundreds of letters and telephone calls from constituents seeking my help in dealing with bureaucrats from various Federal agencies whom nobody elected and whom neither the executive branch nor the Congress has been able to control. Common to all these complaints is the clearly recognizable fact that the scales of justice are weighted heavily against those who run afoul of the Federal Government.

Mr. President, the dictates of the Federal bureaucracy are becoming intolerable; it is a juggernaut out of control, and my legislation provides a sorely needed check upon its growing arrogance and power.

National regulatory agencies have developed a seemingly limitless capacity to harass private citizens and small businesses. They are also staffed by tax paid attorneys. A private citizen or small business, however, is not quite so fortunate. Each must consider the legal costs of contesting Federal edicts.

In too many cases, businessmen cited by Federal agencies for some alleged violation are sure they are innocent but prefer to give in rather than shoulder the heavier cost of contesting the agency in court.

Still others head off the possibility of citations and heavy legal costs by taking action which even the agency would find unnecessary. Compliance by coercion and intimidation, rather than justice and due process, are quickly becoming the rule rather than the exception.

There is plenty of evidence to support this conclusion. An Interstate Commerce Commission's staff study found that ICC investigators spend most of their time tracking down insignificant violations by small truckers because such cases are more easily won than actions against major companies prepared to do battle in court. The National Federation of Independent Business reported that Federal health and safety inspectors concentrated on small firms that could not afford to hire attorneys and travel to far off hearings. Typically, an Iowa businessman will ask, "What is my choice; pay a $200 fine for something I didn't do, or spend many times that in legal fees to get justice?" It is also not too difficult to find examples illustrating the legal imbalance resulting from the action of the Federal agency against private parties.

The Labor Department took a food service firm to Federal court in New Mexico, charging that it wrongfully interpreted the overtime and coverage provisions of the Fair Labor Standards Act. The Department lost this case, yet it continued to sue other companies on the same grounds, losing in seven Federal district courts and two appellate courts. After all, it cost the Federal agency nothing to lose a case in court. Meanwhile, it cost the food service companies nearly $100,000 in legal fees to "win."

I could go on and on but, rather than doing so, let me just mention one slightly different example—contested in the U.S. Tax Court. Here, a man and wife contested an IRS finding that they owed $55,000 in taxes and ultimately they were judged to owe only $169.88. Nevertheless, they were still out their attorney's fees and other costs—just for having been right.

The need for regulatory reform is obvious. Bipartisan legislative efforts must be made to limit the authority of Federal agencies which have become law unto themselves. Ironically, liberals and conservatives, Republicans and Democrats, often agree that the Federal Government is too involved in regulating the lives of its citizens. The problem has been that just as often they cannot agree on the areas in which the regulation has been excessive or the remedy to use.

My bill, however, avoids this problem. It simply offers to those who believe that overregulation poses a danger, a way to effect a workable remedy. Moreover, that remedy is self-enforcing inasmuch as it does not require the repeal or reform of a single regulatory agency to become effective. Finally, the only way my bill could be costly to the Government is if the Government is too often guilty of overzealousness or overreaching in applying or interpreting the law.

The prospect of accountability inherent in my proposal would encourage Federal departments, agencies, and commissions to simplify their rules and regulations and to drop those which are unreasonable or unnecessary. It would also encourage individuals and businesses to challenge Federal civil suits and IRS claims that they believe to be unjustified.

By virtue of the fact that the amount of compensation would become public knowledge, my proposal would give the American people a quantitative measure of agency error. Having created such a yardstick, it would also reduce the incidence of compliance by coercion and would go a long way to restore people's faith in our system of justice by restoring the balance between the powers of government and the rights of the individual.

I welcome and encourage the support of my colleagues on this proposed legislation.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2412 of title 28, United States Code, is amended to read as follows:

"§ 2412. Costs and attorney's fees.

"(a) Except as otherwise specifically provided by statute, a judgment for costs, as enumerated in section 1920 of this title but not including the fees and expenses of attorneys, may be awarded to the prevailing party in any civil action brought by or against the United States in any court having jurisdiction of such action.

"(b) In addition to the costs which may be awarded pursuant to subsection (a) and except as otherwise specifically provided by statute, a court may award reasonable attorney fees to the prevailing party in a civil action brought by or against the United States in those circumstances in which the court may award such fees in such actions involving private parties.

"(c) (1) A judgment for reasonable attorney's fees and costs shall be awarded to—

"(A) any defendant who is the prevailing party in any civil action in which the United States is a plaintiff, and

"(B) the prevailing party, other than the United States, in any civil action which is brought against the United States in connection with the collection or recovery of any internal revenue tax or of any penalty or other sum under the internal revenue laws.

"(2) In awarding fees and other costs under this subsection to a prevailing party in any action for judicial review of an agency adjudication conducted pursuant to section 554 of title 5, the court shall include in that award, the fees and other costs for services performed during that agency adjudication.

"(3) Fees and other costs awarded under this subsection shall be paid by the particular agency over which the party prevails from any sums appropriated to such agency, except that no sums may be appropriated to any such agency specifically for the purpose of paying fees and other costs awarded under this subsection.

"(4) The Director of the Administrative Office of the United States Courts shall include in its annual report prepared pursuant to section 604 of this title, the amount of fees and other costs awarded during the preceding fiscal year pursuant to this subsection. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards.

"(5) For the purposes of this subsection, the term—

"(A) 'costs' includes those costs enumerated in section 1920 of this title and the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case; and

"(B) 'party' means any individual who had at the time the civil action was filed, net assets less than $1,000,000, and any partnership, corporation, association, or organization that employed, at the time the civil action was filed, not more than 100 persons.

"(d) (1) Except as provided in subsection (c), a judgment for fees or costs under this section when taxed against the United States shall, in an amount established by statute or court rule or order, be limited to reimbursing in whole or in part, as appropriate, the prevailing party for the fees and costs incurred by him during the course of the litigation.

"(2) The amount of fees awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished. Except as provided in subsection (c) (3), payment of a judgment for fees and costs under this section shall be as provided in sections 2414 and 2517 of this title for the payment of judgments against the United States.

"(e) For the purposes of this section, the term 'United States' includes any agency and any official of the United States acting in his official capacity.".

(b) The table of sections for chapter 161 of title 28, United States Code, is amended by striking out the item relating to section 2412 and inserting in lieu thereof the following new item:

"§ 2412. Costs and attorney's fees.".

(c) The amendments made by this Act apply only with respect to civil actions commenced after the date of the enactment of this Act.

(d) Effective three years after the date of enactment of this Act, subsection (c) of section 2412, as added by subsection (a) of this section, is repealed.

By Mr. PELL:

S. 1386. A bill to amend and extend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

ARTS, HUMANITIES, AND MUSEUM SERVICES ACT OF 1979

● Mr. PELL. Mr. President, I am introducing today a bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965. The current legislation expires as of October 1, 1980, and I propose to extend the legislation for a 5-year period or until the fiscal year ending October 1, 1985.

I am introducing this bill for the purpose of discussion prior to a series of public hearings to discuss the reauthorization legislation for the National Foundation on the Arts and Humanities. The hearings are to be held before the Subcommittee on Education, Arts, and Humanities on June 26, 27, and 28. Discussion will focus on the National Endowment for the Arts on June 26, the National Endowment for the Humanities on June 27, and the Institute of Museum Services on June 28.

It is my hope that the administration's proposals for these agencies will be available in time to be considered and discussed by the subcommittee members at these hearings.

The bill which I am introducing today is essentially a straight extension of existing programs except for an important provision that has been a priority of mine since the humanities program was established in 1965. And, that is a section which will insure the existence of a full-fledged humanities agency as a legal entity of each State.

The 1976 reauthorizing legislation, which I sponsored, accomplished a great deal in bringing the programs of the humanities committees in each State to a broader and, what has proven to be, a very receptive public. This increased participation in an ever-widening variety of humanities programs is tremendously encouraging to me.

The impact of the 1976 legislation has indeed been positive. New constituencies are being reached, committee membership is more broadly representative of each State's population and new lines of communication between scholars and the public are being tested and used for the benefit of all. The world of the university and that of the general community are being successfully blended. I should add here that I am especially pleased with the commitment of the National Endowment for the Humanities to encourage and nurture these programs.

The aspects of this program that continue to concern me have to do with the critical need for increasing the accountability and, at the same time, the visibility of these "public" programs.

The spending of public tax dollars has always implied fair and efficient handling of these funds. Regardless of whether they are municipal, State, or Federal funds, the implications are the same. The responsibility for their use in the public interest goes far beyond the compliance with specific provisions and regulations—it goes to the basic ethical and moral principles of stewardship and public trusteeship. The word currently used for this principle is "accountability." It is a principle which applies to the programs and administration of the State humanities programs as much as any other federally funded activity.

"Accountability" assumes that there is a "public" and a "constituency" or an auditing mechanism of some kind. Accountability also means more than a mere financial disclosure and a recordkeeping system as to the proper expenditure of public funds. My definition of accountability also includes the directions and the decisions that determine the expenditure of these funds.

At present, the humanities programs in each State exist in an anomalous situation, suspended halfway between a Federal agency and the public in each State. The only mechanisms of control and counsel are the National Endowment for the Humanities staff on the one hand and the volunteer citizens committees on the other. The membership of these committees has little formal provision for external, broad public influence.

I believe the humanities committees in the States should move to become a full partner in State government, to a status comparable to that of the State arts councils.

It is my firm belief that under a true Federal-State partnership system, with each State having complete freedom to design its own agenda, the current programs will thrive as they become ever more visible and more accessible. A program of this quality and potential belongs fully in the public sector.

One other amendment included in the bill I am introducing today would make it clear that the National Endowment for the Arts should fund programs for the arts at the local level, as part of its basic program for the support of the arts. While the Endowment currently has general authority to support community-based arts programs, it is my hope that this amendment will encourage additional attention by the Endowment to the promise of arts activities conducted at the local level.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record,. as follows:

S. 1386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arts, Humanities, and Museum Services Act of 1979".

STATE HUMANITIES COUNCILS

Sec. 2. (a) Section 7(f)(2) of the National Foundation on the Arts and the Humanities Act of 1965 is amended to read as follows:

"(2) In order to receive assistance under this subsection in any fiscal year, a State shall submit an application for such grants at such time as shall be specified by the Chairman and accompany such applications with a plan which the Chairman finds—

"(A) designates or provides for the establishment of a State agency (hereafter in this section referred to as the State agency) as the sole agency for the administration of the State plan;

"(B) provides that funds paid to the State under this subsection will be expended solely on programs approved by the State agency which carry out any of the objectives of subsection (c); and

"(C) provides that the State agency will make such reports, in such form, and containing such information, as the Chairman may require.".

(b)(1) Section 7(f)(3) of each Act is repealed.

(2) Paragraphs (4), (5), (6) and (7) of such section 7(f) are redesignated as paragraphs (3), (4), (5), and (6), respectively.

(3) Paragraph (8) of such section 7(f) is repealed.

(c)(1) Section 7(f)(3) of such Act (as redesignated by subsection (b)) is amended—

(A) by striking out "grant recipient" each time it appears and inserting in lieu thereof "State";

(B) by striking out "grant recipients" each time it appears and inserting in lieu thereof "States";

(C) by striking out "entitles" and inserting in lieu thereof "States and regional groups".

(2) Section 7(f)(4)(B) of such Act (as redesignated by subsection (b)) is amended by striking out "grant recipient" and inserting in lieu thereof "State agency".

(3) Section 7(f)(5) of such Act (as redesignated by subsection (b)) is amended by striking out "any entity" and inserting in lieu thereof "a State".

(4) Section 7(f)(6) of such Act (as redesignated by subsection (b)) is amended—

(A) by striking out "grant recipient" in clause (A) and inserting in lieu thereof "group";

(B) by striking out "grant recipient" in clause (B) and inserting in lieu thereof "State agency";

(C) by inserting "State" before "plan" in clause (B);

(D) by striking out "grant recipient" in clause (C) and inserting in lieu thereof "group or State agency"; and

(E) by striking out "grant recipient" each time it appears in the matter following clause (C) and inserting in lieu thereof "group or State agency".

(5) Section 7(g) of such Act is amended by striking out "entity" and inserting in lieu thereof "agency".

AUTHORIZATION OF APPROPRIATIONS

Sec. 3. (a)(1) Section 11(a)(1)(A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by striking out "years" and inserting in lieu thereof "year" and by striking out "and 1980" and inserting in lieu thereof "and for each fiscal year ending prior to October 1, 1985".

(2) Section 11(a)(1)(B) of such Act is amended by striking out "years" and inserting in lieu thereof "year" and by striking out "and 1980" and inserting in lieu thereof "and for each fiscal year ending prior to October 1, 1985".

(b) Section 11(a)(2) of such Act is amended by striking out "October 1, 1980" and inserting in lieu thereof "October 1, 1985", by striking out "years" and inserting in lieu thereof "year", and by striking out "and 1980" and inserting in lieu thereof "and for each fiscal year ending prior to October 1, 1985".

(c)(1)(A) The first sentence of section 11(a)(3)(A) of such Act is amended by striking out "October 1, 1980" and inserting in lieu thereof "October 1, 1985".

(B) The second sentence of such section is amended by striking out "years" and inserting in lieu thereof "year", and by striking out "and 1980" and inserting in lieu thereof "and for each fiscal year ending prior to October 1, 1985".

(2)(A) The first sentence of section 11 (a)(3)(B) of such Act is amended by striking out "October 1, 1980" and inserting in lieu thereof "October 1, 1985".

(B) The second sentence of such section is amended by striking out "years" and inserting in lieu thereof "year", and by striking out "and 1980" and inserting in lieu thereof "and for each fiscal year ending prior to October 1, 1985".

(d)(1) Section 209(a) of the Museum Services Act is amended by striking out "fiscal years 1979 and 1980" and inserting in lieu thereof "the fiscal year 1979 and for each of the succeeding fiscal years ending prior to October 1, 1985".

(2) Section 209(d) of such Act is amended by striking out "1980" and inserting in lieu thereof "1985".●

By Mr. CHURCH (for himself and Mr. Durkin):

S. 1388. A bill to establish a forgivable loan program for geothermal reservoir confirmation, to amend existing geothermal leasing and permitting laws, and for other purposes; to the Committee on Energy and Natural Resources.

OMNIBUS GEOTHERMAL ENERGY COMMERCIALIZATION ACT OF 1979

● Mr. CHURCH. Mr. President, today I am introducing legislaton which removes impediments to the rapid commercialization of geothermal energy.

For 16 years, Congress has debated legislation providing incentives to developers in an attempt to accelerate the commercialization of this vastly underutilized resource. Two major acts, the Geothermal Steam Act of 1970 and the Geothermal Research, Development and Demonstration Act of 1974, form the basis for all existing Federal geothermal policy. It is important to note that even our limited progress in the utilization of geothermal energy shows clearly that even the title, "Geothermal Steam," is outdated, since most of our geothermal energy will come from hot water and perhaps even hot dry rock resources. Like its title, many provisions in the Geothermal Steam Act are outdated and work to slow development rather than to accelerate it. This bill addresses these shortcomings by significantly restricting existing leasing and other policies.

Mr. President, the central force slowing geothermal development is found in the high economic risk perceived by drillers who explore for and confirm geothermal reservoirs. Statistics on drilling and leasing show that less than one-half of 1 percent of potential geothermal resource lands have been leased and only a small percent of leased lands have been drilled. It is thus not surprising that commercialization has not progressed since the most fundamental step, drilling, has not been taken.

The risk to the driller of successfully finding a commercial geothermal resource is indeed great. Often surface characteristics, chemical analyses, and shallow wells will suggest a viable reservoir. Confirming any reservior, however, requires drilling many capital-intensive deep wells. Many drillers cannot afford the risk of drilling deep wells which prove to be unproductive. These unfavorable conditions have precluded the massive drilling effort needed to establish the true dimensions and locations of our most promising reservoirs.

After 8 months of discussion with industry, State and local energy officials and the Department of Energy, it has become clear to me that drilling risks would be substantially and sufficiently lowered if forgivable loans for drilling exploration and confirmation wells were made available at reasonable terms to the drilling industry.

Title I of my bill establishes such a loan program. Loans available under this program would cover up to 50 percent of the costs of drilling exploration and confirmation wells with an upper limit of $3 million per loan. Loans made specifically for confirming reservoirs for space heating may cover up to 90 percent of project costs. If drilling confirms that a reservoir is not economically viable, then the loan is forgiven.

My intention in establishing this loan program is not to remove all risk. Clearly, geothermal developers stand to gain much by finding a viable reservoir, and they should be expected to share significantly the risk. On the other hand, the very low number of wells drilled to date clearly demonstrates the need for the Government to also share the risk. I have, therefore, set the loans at 50 percent of project costs. I believe that this percentage is sufficiently low to stop wildcat drilling which would waste the taxpayer's money and most likely would not lead to the confirmation of major new reservoirs, and yet it is sufficiently high to entice a rapid expansion in much needed drilling activity.

One year ago, the Congressional Research Service of the Library of Congress prepared a comprehensive review called, "Energy From Geothermal Resources," which concluded, in part, that the "domestic geothermal industry appears to be currently impeded by institutional barriers such as leasing arrangements * * * and long delays in obtaining governmental permits at all levels." These barriers and delays have been investigated in detail by the streamlining task force of the Interagency Geothermal Coordinating Council. Their recommendations, which have been incorporated into title II and title III of my bill, restructure many leasing provisions in the Geothermal Steam Act and modify the geothermal loan guarantee program in the Geothermal Research, Development and Demonstration Act.

Obtaining leases and permits has taken an exceptionally long time. Unfortunately, no deadlines for issuing leases and permits were set in the Geothermal Steam Act and, consequently, the bureaucracy felt no pressure to proceed quickly.

My bill improves the leasing process by establishing three basic types of leases which depend on the extent to which the geothermal resource will be developed. A no surface occupancy type of lease would allow only shallow drilling and no permanent damage to the land. This type of lease must be issued within 180 days of application. Second, a conditioned development lease is established for deep drilling, and it must be issued within 270 days of application. Finally, a full rights lease is created which allows full development and must be issued, in most cases, within 2 years of application. The time for issuing development permits is restricted to 1 year.

The House Subcommittee on Mines and Mining has recently held hearings on the acreage limitation which now restricts a developer from leasing over 20,480 acres in any one State. Their recommendation to increase the acreage limitation to 51,200 acres, although a move in the right direction, is insufficient. A single utility could require 20,000 acres of confirmed resource before proceeding with construction of one powerplant. Thus, geothermal developers could be restricted to just two development sites per State under the House proposal. In a State like Idaho, where the potential for geothermal is high, that would be an unfortunate restriction.

This bill sets the acreage limitation at the levels now available for oil and gas development. Developers could, under these expanded limitations, explore and develop up to 12 development sites in each State. Even this proposal may be too restrictive, if we take seriously the administrations projection of 40,000 megawatts of geothermal powered electric capacity by the year 2000.

Mr. President, I have summarized for you the major provisions of the Omnibus Geothermal Energy Commercialization Act. This legislation lowers development risks and removes the bureaucratic forces retarding the development of this major domestic supply option at a time when burgeoning demands for energy have overrun our limited conventional supplies, making our society and economy increasingly insecure and unsuitable. This legislation will move this Nation significantly closer to the widespread use of a valuable and needed domestic energy resource. I urge my colleagues to join me in this effort.

I ask unanimous consent that the text of this bill and an accompanying section-by-section analysis be printed in the Record at this point.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 1388

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Omnibus Geothermal Commercialization Act of 1979."

Sec. 101. Loans for Geothermal Reservoir Confirmation.

(a) The Secretary is authorized to make a loan from funds available in the Geothermal Resources Development Fund established under P.L. 93–410 to any municipality, electric cooperative, industrial development agency, non-profit organization, or person for the purpose of exploring for or confirming the economic viability of a geothermal energy reservoir.

(b) Any such loan shall be repayable out of revenue from production of the geothermal energy reservoir for whose confirmation the well is drilled, at a rate not to exceed 20 percent of the annual gross revenue from the reservoir, except that if any disposition of the geothermal rights to that reservoir is made by the borrower, the full amount of the loan balance outstanding or the full amount of compensation received, whichever is less, shall be paid immediately. If the reservoir is confirmed, the Secretary may impute a reasonable revenue for purposes of determining repayment a) if reasonable efforts are not made to put such reservoir in commercial operation, b) if the borrower or other person utilizes the resources without a sale of energy, or c) if a sale of energy resources is made for an unreasonably low price. No such imputation of revenue shall be made for a period of three years following reservoir confirmation. In the event of failure to begin production of revenue within five years of drilling, the Secretary may take action to recover the value of any assets of the project in question, including resource rights.

(c) The Secretary may cancel the unpaid balance and any accrued interest on any loan granted if he determines on the basis of evidence presented by the loan recipient that the geothermal energy reservoir, with regard to which the loan was made, contains insufficient heat energy or has other characteristics which, make that reservoir economically or technically unacceptable for commercial development.

Sec. 102. Loan Size Limitation.

The amount of any loan shall not exceed 50 percent of the cost of a project consisting of surface exploration and drilling of one or more exploratory wells, except that if the loan is to a person, municipality, non-profit organization, corporation, or Indian Tribe proposing to make application of the resource for space heating or cooling or process heat for one or more structures or facilities existing or under construction, the amount may be 90 percent of project costs. No loan shall be made in excess of $3,000,000.

Sec. 103. Loan Rate: and Repayment.

(a) Each loan made pursuant to Sec. 101 shall bear interest at the discount or interest rate used at the time the loan is made for water resources planning projects under Section 80 of the Water Resources Development Act of 1974 (42 U.S.C. 1962–17 (a)).

(b) Each loan shall be for a term which the Secretary deems appropriate, but no loan term shall exceed 20 years from the date production begins. If revenues are inadequate to fully repay the principal and accrued interest within 20 years after production begins, any remaining unpaid amounts shall be forgiven.

Sec. 104. Program termination.

No new loans shall be made under this authority after September 30, 1986. Amounts repaid prior to September 30, 1986 on loans made pursuant to Sec. 101 shall be deposited into the Geothermal Resources Development Fund. Amounts repaid after that date and amounts remaining in the fund on or after that date and not required to secure outstanding obligations shall be deposited into the United States Treasury as miscellaneous receipts.

Sec. 105. Regulations.

All regulations made with respect to this Title shall be promulgated no later than one year after the date of enactment of this Act.

Sec. 106. Authorizations.

There are hereby authorized to be appropriated for each of the five fiscal years beginning with fiscal year 1981, not to exceed $150,000,000 for loans to be made pursuant to Sec. 101. Amounts appropriated shall be deposited in the Geothermal Resources Development Fund and shall remain available until expended.

Sec. 107. Definitions.

For the purposes of this Title, the terms:

(1) "Secretary" means the Secretary of the Department of Energy;

(2) "Electric cooperative" means any cooperative association eligible to receive loans under Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904);

(3) "Industrial development agency" means any agency which is permitted to issue obligations, the interest on which is excludable from gross income under Section 103 of the Internal Revenue Code of 1954;

(4) "Non-profit organization" means any organization described in Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1952 and exempt from tax under Section 501(a) of such Code (but only with respect to a trade or business carried on by such organization which is not an unrelated trade or business. determined by applying Section 513(a) to such organization);

(5) "Municipality" has the meaning provided in Section 3 of the Federal Power Act;

(6) "Person" has the meaning provided in Section 3 of the Federal Power Act; and

(7) "Geothermal energy reservoir" means any producible natural accumulation of heat energy confined by natural barriers and characterized by a single natural temperature system.

TITLE II.—TECHNICAL AMENDMENTS TO PUBLIC LAW 93–410

Sec. 201. The Geothermal Energy Research, Development and Demonstration Act of 1974 (P.L. 93–410) is amended—

(1) by transferring to, and vesting in, the Interagency Geothermal Coordinating Council all of the functions vested by law in the Geothermal Energy Coordination and Management Project;

(2) such that any reference in that Act, as amended, to the "Project" and to the "Chairman" thereof, shall hereafter be deemed to refer to the Interagency Geothermal Council and the Chairman thereof, respectively;

(3) by adding to Section 2(1) following the words "hot water" in the first instance in which appears the phrase, "brines, geopressured water, magma, and hot rock formation", and

(4) by deleting in Section 3(2) the words "steam and associated geothermal".

SEC. 202. Subsection 101(a) of the Geothermal Energy Research, Development, and Demonstration Act of 1974 is amended—

(1) by deleting Sec. 101(b)(1)(A) and inserting in lieu thereof "(A) an Assistant Secretary of the Department of Energy";

(2) by deleting Sec. 101(b)(1)(D), (E), and (F) and inserting in lieu thereof "(D) an Assistant Secretary of the Department of Commerce";

"(E) An Assistant Secretary of the Department of Housing and Urban Development"; and

"(F) an Assistant Secretary of the Department of Defense" and

(3) by deleting the phrase "the Assistant Administrator of the ERDA for Solar, Geothermal, and Advanced Energy Systems" in Sec. 101(b)(2) and inserting in lieu thereof "the member representing the Department of Energy."

SEC. 203. Section 101(d)(1) is amended to read as follows:

"The Council shall carry out its responsibilities under this Section acting through the following Federal agencies:

"(A) The Department of Energy, the responsibilities of which shall include the development of technologies, the administration of the geothermal reservoir confirmation loan program and the loan guaranty program, development of suitable energy regulatory policy, the timely administration of responsibilities related to administration of the geothermal leasing program, as assigned by P.L. 95–91, monitoring of the status of private sector geothermal development activity, basic and applied research, and commercialization activities";

"(B) The National Science Foundation, the responsibilities of which shall include basic and applied research and scientific and technical education";

"(C) The Department of the Interior, the responsibilities of which shall include development of exploration technologies and the timely issuance of leases and permits for geothermal resource exploration and development";

"(D) The Department of Commerce, the responsibilities of which shall include the support of geothermal development activities through the Economic Development Administration and other programs, as appropriate;

"(E) The Department of Housing and Urban Development, the responsibilities of which shall include the support of geothermal projects through its grant, loan guaranty and other programs, as appropriate;

"(F) The Department of Defense, the responsibilities of which shall include the utilization, where feasible, of geothermal energy resources, for Department of Defense facilities;

"(G) The Environmental Protection Agency, the responsibilities of which shall include the timely development of standards and guidelines for environmental impacts of geothermal resource utilization;

"(H) The Treasury Department, the responsibilities of which shall include consultation with regard to credit policy and impacts for the Geothermal Loan Guaranty Program; and

"(I) The Department of Agriculture, the responsibilities of which shall include timely administration of leasing and permitting responsibilities for United States Forest Service Lands and support of geothermal development through its programs including those of the Agricultural Extension Service, the Farmers Home Administration, and the Rural Electrification Administration.

SEC. 204. Title II of the Geothermal Research, Development and Demonstration Act of 1974 is amended—

(a) by adding at the end of Section 201(c):

"except that any guarantee made for a loan to an electric, housing, or other cooperative, or to a municipality, as defined in Section 3(7), Part I, of the Federal Power Act, may apply to so much of the principal amount as does not exceed 90 percent of the aggregate costs of the project."

(b) by changing all references to the Administrator such that those references refer to the Secretary of Energy.

TITLE III

SEC. 301. As used in this title, "Act" means the Geothermal Steam Act of 1970 (P.L. 91–581).

SEC. 302. Subsection 2(c) of the Act is amended by deleting therefrom the words "steam and associated geothermal", and adding thereto after the word "brines" in the first instance in which it appears, the phrase "geopressured water, magma, and hot rock formations."

SEC. 303. Subsection 2(d) of the Act is amended by deleting therefrom the word "steam" in both instances in which it appears, and substituting therefor the word "resources" in each instance.

SEC. 304. Subsection 2(e) of the Act, is amended to read as follows: "Known geothermal resources area" means an area designated by the Secretary as a known geothermal resource area prior to October 1, 1979, under this Act, or an area in which a well has been drilled and demonstrated to be capable of producing geothermal resources suitable for the production of electric power in commercial quantities.

Any such area which is offered for sale and for which no bids are received shall be reclassified and shall thereafter be available for leasing under Subsection 4(b) of this Act."

SEC. 305. Section 3 of the Act is amended by deleting therefrom the words "steam and associated geothermal", by adding before the figure "(2)" the words "including submerged lands on the Outer Continental Shelf, by deleting the words "and (3)," and by adding in their place the following: "(3) in any lands withdrawn or acquired in aid of the functions of any department or agency of the Federal Government, including the Department of Defense, and (4)".

SEC. 306(a) Section 4 of the Act is amended (1) by deleting the first two sentences thereof and replacing them with the following: "Lands subject to leasing under this Act shall be leased or offered for lease in the manner described in this Section.

(a) If the lands are within a known geothermal resource area, they shall be leased to the highest responsible qualified bidder by competitive sale within two years after nomination in writing from any qualified bidder, except that for good cause and with the approval in writing of the Leasing Liaison Committee established by Section 210 of P.L. 95–91 (42 USC 7140) such sale may be extended for one additional year.

No person may submit in any calendar year nominations for lands exceeding 51,200 acres in any state. At least 10 percent of all lands offered for sale in any year shall be offered for sale on the basis other than cash bonus bidding.

(b) Any qualified person may apply for a lease on lands not within a known geothermal resource area. The Secretary shall make public notice of any such application within 45 days after the application is received. If within 60 days of such notice no other person files an expression of interest in such lands, a lease shall be offered to the applicant within three years of initial application except as provided below. If any other person shall file an expression of interest during the 60 day period, the lands shall be offered for leasing under paragraph (a) of this Section within two years of the filing of the original application. An applicant may request a leasing providing for full exploration and development rights, a no-surface-occupancy lease or a conditioned development lease. A no-surface-occupancy lease shall be offered within 180 days after application is made, and a conditioned development lease shall be offered within 270 days after application is made. If a determination is made that the lands applied for shall not be leased the applicant will be provided with a statement of the reasons for such a determination. A determination on an application to reduce a no-surface-occupancy lease limitation to a conditioned development limitation, or to remove a no-surface-occupancy or a conditioned development limitation, shall be made within one year of application. If such determination is not made within this time, the payment of rentals and the running time of the lease shall be suspended, and a determination on the application at the request of the applicant be reduced by the Leasing Liaison Committee. If an applicant includes with his lease application a performance bond meeting requirements to be established by the Secretary of Interior by regulation, a lease providing for exploration and development rights shall be offered within one year after application."

(b) Section 4 is further amended by deleting in Subsection 4(e) the word "steam" and substituting therefor the word "resources"; and by redesignating Subsections (a), (b), (c), (d), (e), and (f) as Subsections (c), (d), (e), (f), (g), and (h), respectively.

SEC. 307. Subsection 5(a) of the Act is amended by deleting therefrom the words "steam and by-product" and substituting therefor the word "resources."

SEC. 308. Subsection 6(a) of the Act is amended by deleting therefrom the words "steam is" in both instances and by substituting therefor in both instances "resources are".

SEC. 309. Subsection 6(b) of the Act is amended by deleting therefrom the words "steam is" and substituting therefore the words "geothermal resources are."

SEC. 310. Subsection 6(c) of the Act is amended by deleting the words "steam is" in both instances in which they appear, substituting therefor the words "resources are" in the first instance, and substituting therefor the words "geothermal resources are" in the second instance.

SEC. 311. Subsection 6(d) of the Act is amended by adding, after the words "delivery to or utilzation by" the following: ", or in the case of utilization facilities to be owned by the lessee, proof of commitment to construct".

SEC. 312. Subsections 6(d) and 6(e) of the Act are amended by deleting the word "steam" wherever it appears and substituting the word "resources" in each instance.

SEC. 313. Section 6(f) of the Act is amended by deleting therefrom the words "steam and associated geothermal".

SEC. 314. Section 7 of the Geothermal Steam Act of 1970 is amended by striking out the first and second paragraphs thereof, and inserting the following:

"(a) A geothermal lease shall embrace a reasonably compact area of not more than two thousand five hundred and sixty acres, except where a departure therefor is occasioned by an irregular subdivision or subdivisions.

"(b) No person, association, or corporation, or other subsidiary, affiliate, or persons, controlled by or under common control with such person, association, or corporation shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, Federal oil, gas and/or geothermal leases which together total no more than two hundred sixty-six thousand, five hundred and sixty acres in any State other than Alaska. In the case of the State of Alaska, the limit shall be three hundred twenty thousand four hundred eighty acres in the southern leasing district and three hundred twenty thousand four hundred eighty acres in the northern leasing district, and the boundary between said two districts shall be the left limit of the Tanana

River from the Border between the United States and Canada to the confluence of the Tanana and Yukon Rivers, and the left limit of the Yukon River from said confluence to its principal southern mouth: *Provided*, That no such person, association, or corporation or other subsidiary, affiliate, or persons controlled by or under common control with such persons, association, or corporation may hold, own, or control more oil or gas leases than that which is allowed pursuant to Section 184(d) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 184(d)).

SEC. 315. Section 8 of the Act is amended by deleting therefrom the words "steam is" in both instances in which they appear, and substituting therefor the words "resources are" in both instances; and by deleting the word "ten" in both instances in which it appears and inserting in lieu thereof the word "twenty" in both instances.

SEC. 316. Section 9 of the Act is amended by deleting therefrom the word "steam" and substituting therefor the word "resources".

SEC. 317. Section 15(b) of the Act is amended by adding at the end thereof the paragraph.

"The Secretary shall consult with the head of any other Federal agency or department for whose purposes lands have been withdrawn or acquired to determine appropriate terms or conditions prior to issuing leases for such lands."

SEC. 318. Section 18 of the Act is amended by adding to the last sentence thereof, after the word "thereunder" the words "or under any approved plan of operations for development".

SEC. 319. Section 19 of the Act is amended by deleting therefrom the word "stream" and substituting therefor the word "resources".

SEC. 320. Section 23 of the Act is amended by deleting the words "steam and associated geothermal" in both instances in which they appear, and by adding after Subsection 23(b) the following paragraphs: "(c) Where the Secretary finds it in the public interest, the Secretary is authorized to issue permits for the use of geothermal resources in lands administered by him without requiring a lease or compensation therefor, providing that no such free use permit may be issued for the purpose of generating electricity in any amount, or for any other commercial application.

"(d) The head of each Agency may develop for the use or benefit of his respective Agency any geothermal energy resource within lands under his jurisdiction, provided that the head of such agency shall determine in writing with the concurrence of the Department of Interior and the Department of Energy that such utilization is in the public interest, and will not deter commercial development which might otherwise be conducted for such resource if it were offered for leasing under this Act."

SEC. 321. Section 24 is amended by designating the present provisions as subsection (a) and by adding the following:

"(b) An application for any permit to conduct exploration activities, including the drilling of exploratory wells shall be decided within 180 days after filing such application. An application to conduct development activities shall be decided within one year of application. The Secretary may for good cause and with the approval in writing of the Leasing Liaison Committee extend the period for a decision on an exploratory permit by an additional 90 days, or extend the period for a decision on a development permit by an additional 180 days. In the event of any such extension, the payment of rental and the running time of the lease shall be suspended. Any application not decided upon by the end of such extended period shall be deemd to be approved as submitted.

(c) The Secretary shall establish requirements for diligent operations which shall require that a plan of operations for exploration shall be filed within three years of the issuance of a lease, or in the case of a no-surface-occupancy lease, within three years after removal of the no-surface-occupancy limitation. The diligence requirements shall also provide that drilling shall commence no later than two years after approval of such plan."

SEC. 322. Section 25, 26, and 27 of the Act are amended by deleting therefrom the words "steam and associated geothermal" in each instance in which they appear.

SEC. 323. For the purposes of this Title, the term "conditioned development lease" means a lease providing that no permanent surface facility may be constructed on the lands for which the lease is granted until the completion of an environmental review of the impacts of such facilities. Such leases shall allow exploratory activities including the drilling and testing of deep exploratory wells to establish reservoir extent and other characteristics.

The term "no-surface-occupancy lease" means a conditioned development lease with the further restriction limiting activities to those that do not permanently and significantly impact the surface characteristics of the leased land. Such leases shall allow exploratory activities up to but not including deep exploratory wells.

SECTION-BY-SECTION ANALYSIS

TITLE I: GEOTHERMAL RESERVOIR CONFIRMATION PROGRAM

This Title establishes a forgivable loan to assist the geothermal industry in exploring for and confirming the economic viability of geothermal reservoirs.

Section 101. The Secretary is authorized to make loans from funds available in the Geothermal Resources Development Fund to any person to assist in financing a portion of the costs of exploring for or confirming the economic viability of a geothermal energy reservoir.

Loans are paid back at a rate of not more than 20% of annual gross revenue from the sale of energy from the confirmed reservoir. If the reservoir is confirmed but not used commercially, a revenue may be imputed by the Secretary.

The Secretary may cancel the unpaid balance on any loan if the geothermal reservoir is determined to be technically or economically unacceptable for commercial development.

Section 102. No loan may exceed $3 million or 50% of the drilling costs except that for direct heat applications loans may be 90% of project costs.

Section 103. Loans are made at the same rate as water resources planning projects (6⅞% in 1978) for a term of 20 years.

If revenues are inadequate to repay loan principal and interest within 20 years after production begins, any remaining upaid amounts shall be forgiven.

Section 104. The loan program shall begin in FY 1981 and terminate at the end of FY 1986.

Section 105. Regulations made with respect to this Title are to be promulgated within one year after the date of enactment.

Section 106. Authorization is set at $150 million for each year the loan program exists.

Section 107. Definitions.

TITLE II: AMENDMENTS TO THE GEOTHERMAL RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

The functions of the Geothermal Energy Coordination and Management Project are transferred to the Interagency Geothermal Coordinating Council.

The meaning of geothermal resource is clarified to include brines, geopressured water, magma, and hot rock.

Section 202 and 203. The membership of the Council is expanded to include HUD, DOC, and DOD; and the responsibilities of each member agency are specified.

Section 204. The loan guaranty limit is raised from 75% to 90% of the principal costs of any project if the guarantee is made for a loan to a cooperative or a municipality.

TITLE III: AMENDMENTS TO THE GEOTHERMAL STEAM ACT OF 1970

Section 301. The term "Act" is defined to mean the Geothermal Steam Act of 1970.

Section 302. The term "geothermal steam and associated geothermal resources" is changed to "geothermal resources" and expanded to include geopressured water, magma, and hot rock formations.

Section 303. The term "geothermal steam" is changed to read geothermal resource.

Section 304. The definition of "known geothermal resource area" is amended to include only those areas declared as KGRA's before October 1, 1979 or those areas suitable for the production of a commercial electric power.

Section 305. The term "steam and associated geothermal" is changed to geothermal resources and the Secretary of the Interior is given the authority to issue geothermal leases on the outer continental shelf. Also, the Secretary may issue leases on lands withdrawn or acquired in the aid of the functions of any department or agency of the Federal Government.

Section 306. The existing leasing policy is revised by setting specific time limits on the date of lease application to the date of granting the lease. A distribution is drawn among full leases, conditioned development leases, and no-surface-occupancy leases. The time periods and associated conditions are given in the table below:

Lease	Competitive	Noncompetitive [1]	Maximum time for granting lease	Change on lease limitations
1. Full rights	Yes, if KGRA at least 10 percent not on a cash bonus bidding basis.	Yes, if not KGRA	(a) 2 yr from date of application if on KGRA,[2] (b) 3 yr from date of application if not on KGRA, (c) 1 yr from date of application if accompanied by a performance bond.	NA.
2. Conditioned development	NA	Yes	270 days	Within 1 yr of date of application.
3. No surface occupancy	NA	Yes	180 days	Do.

[1] An applications for a lease on lands not within KGRA may become competitive if more than 1 person files an application within a 60-day period after notice of the 1st applications.

[2] Taxes may be extended 1 yr by Leasing Liaison Committee.

References to "geothermal steam" are changed to "geothermal resource."

Section 311. The definition of "production or utilization of geothermal resource in commercial quantities" is expanded to include the sale of power to facilities not yet constructed but which the geothermal lessee can show proof that construction will occur.

Section 314. This amendment changes the acreage limitation from 20,500 acres to 266,560 acres in all States except Alaska where the limitation is set at 320,480 acres. A new proviso restricts the total leases by any person for oil, gas, and/or geothermal to the acreage limitations given above.

Section 315. Section 8 is amended by increasing the period after which the Secretary may readjust leasing terms and conditions from ten to twenty years.

Section 317. If the Secretary intends to issue a lease on withdrawn or acquired lands, he is required to consult with the appropriate Federal agency or department.

Section 318. This amendment allows leases operated under an approved development plan to be excepted from the acreage limitation.

Section 320. The Secretary is authorized to issue free-use permits for the use of geothermal resources without a lease or compensation provided the resource is not used to produce electricity.

The head of any agency may develop a geothermal resource for that agency's use provided that the Departments of Interior and Energy agree that the development will be in the public interest and will not deter commercial development.

Section 321. Specific deadlines on the time periods to grant permits are set at 180 days for exploration activities and 1 year for development activities. The Secretary with the approval of the Leasing Liaison Committee may extend these deadlines by 90 and 180 days, respectively.

The Secretary must establish requirements for a plan of operation for exploration activities. This plan must be filed within three years of the issuance of a lease. The plán must include a drilling program that commences no later than two years after the approval of the plan.

Section 323. Conditional development lease and no-surface-occupancy lease are defined. Conditional development lease allows deep drilling whereas no-surface-occupancy lease allows only shallow drilling.●

By Mr. JACKSON (by request):

S. 1389. A bill to add clarifying amendments to the Uranium Mill Tailings Radiation Control Act of 1978, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to add clarifying amendments to the Uranium Mill Tailings Radiation Control Act of 1978, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Nuclear Regulatory Commission, and I ask unanimous consent that the bill, the executive communication, and the section-by-section analysis which accompanied the proposal from the chairman of the Nuclear Regulatory Commission be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 204(h) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(3) Notwithstanding any other provision of this title, where a State assumes or has assumed, pursuant to an agreement entered into under section 274b of the Atomic Energy Act of 1954, authority over any activity which results in the production of byproduct material as defined in section 11e.(2) of that Act, the Commission shall not, until the date three years after the date of enactment of this Act, have licensing authority over such byproduct material produced in any activity covered by such agreement, unless the agreement is terminated. If, upon expiration of the three-year interim, a State has not entered into such an agreement with respect to byproduct material as defined in section 11e.(2) of the Atomic Energy Act of 1954, the Commission shall have authority over such byproduct material."

SEC. 2. Section 204(h)(1) of the Uranium Mill Tailings Radiation Control Act is amended to read:

"SEC. 204. (h)(1) On or before the date three years after the date of enactment of this Act, notwithstanding any provision of this title, any State may exercise any authority under State law (including authority exercised pursuant to an agreement entered into pursuant to Section 274 of the Atomic Energy Act of 1954, as amended) respecting (a) byproduct material, as defined in section 11e. (2) of the Atomic Energy Act of 1954, or (b) any activity which results in the production of byproduct material as so defined, in the same manner and to the same extent as permitted before the enactment of this Act; provided, however, that nothing in this section shall be construed to preclude the Commission or the Administrator of the Environmental Protection Agency from taking such action under section 275 of the Atomic Energy Act of 1954 as may be necessary to implement title I of this Act."

SEC. 3. The last sentence of section 83a of the Atomic Energy Act of 1954 is amended to read:

"Any license in effect on the effective date of this section and subsequently terminated without renewal shall comply with paragraphs (1) and (2) upon termination.

SEC. 4. Section 204(e) is amended by adding at the end thereof a new paragraph to read as follows:

"(2) This subsection shall be effective on the date three years after the date of enactment of this Act."

U.S. NUCLEAR
REGULATORY COMMISSION,
Washington, D.C., May 30, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Nuclear Regulatory Commission would like to request your support for legislation to resolve questions arising from the effective date provisions of the Uranium Mill Tailings Radiation Control Act of 1978 enacted by the last Congress. The Commission received a letter dated April 26, 1979, and signed by the principal authors of this legislation in both the Senate and House of Representatives which expressed the intent of the drafters regarding the date on which licensing authority and procedural requirements under the Act would become effective with respect to the Commission and affected State governments. The letter supports the position that existing authority of Agreement States to license uranium mills and to control mill tailings should not be disrupted during the three-year interim period following enactment and that during this period the NRC should not be required to exert concurrent licensing authority over tailings produced in milling activities regulated by the Agreement States.

The Commission is mindful of and sympathetic with these views. Nonetheless, after a careful analysis of the language of the 1978 Act, a majority of Commissioners have concluded that without amendments to the Act the NRC is required to license tailings at Agreement State-regulated uranium mills during the three-year period before the Act permits renegotiated agreements to become effective. Pursuant to this decision as to the meaning of the Act, implementing regulations and associated arrangements are now being prepared.

Enclosed with this letter is a draft of statutory language and a section-by-section analysis which would accomplish the intent of the principal authors of the legislation, as expressed in the April 26, 1979 letter. All Commissioners agree that such clarifying language is desirable. Some additional clarification which the Commission believes necessary are also included and are described in the section-by-section analysis. The Commission believes that prompt enactment of this legislation is necessary to assure that the intent expressed by the authors of the Act may be carried out during the remainder of the three-year interim period.

Sincerely,

JOSEPH M. HENDRIE.

Enclosures: 1. Draft Legislation; 2. Analysis.

SECTION-BY-SECTION ANALYSIS

A product of the hectic final days of the 95th Congress, the Uranium Mill Tailings Radiation Control Act of 1978 contains certain provisions regarding dates of effectiveness which, if left to stand, may be subject to differing legal interpretation. Specifically, two questions of immediate concern have arisen regarding the timing of State and NRC implementation of title II of the Act:

(1) Do both the States and the Federal Government have authority to license uranium mill tailings (i.e., exercise concurrent licensing jurisdiction) for the three years following enactment of the Uranium Mill Tailings Radiation Control Act?

(2) Are the requirements of new section 274o of the Atomic Energy Act pertaining to procedures to be followed by Agreement States in issuing source material licenses for uranium mills immediately effective?

These questions have arisen because one section of the Uranium Mill Tailings Radiation Control Act (section 208) makes the provisions of the regulatory program in title II of the Act immediately effective unless otherwise specified, and another section of the Act (section 204(h)(1)) delays the effectiveness of certain provisions of the Act regarding State authorities for three years after the date of enactment. Accordingly, the Nuclear Regulatory Commission has proposed amendments to clarify the effective dates of title II.

These amendments generally provide a three-year interim period before the requirements in title II of the Uranium Mill Tailings Radiation Control Act (Mill Tailings Act) apply to milling operations and tailings licensed by Agreement States.

In non-Agreement States, the NRC would have immediate authority to implement the regulatory program in title II. Although section 204(h)(1) preserves prior State authority for three years, in case of conflict between Federal and State law, the Federal would prevail.

One of the provisions in title II (section 206) adds a new section 275 to the Atomic Energy Act of 1954. Section 275 authorizes certain Environmental Protection Agency standards which are, under section 108(a)(2) of the Mill Tailings Act, a prerequisite to the remedial actions authorized in title I. Thus it is stressed that these clarifying amendments are not intended to prevent the Administrator of the Environmental Protection Agency or the Nuclear Regulatory Commission from taking such action under section 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

SEC. 1. During the three years following enactment of the Mill Tailings Act, section 1 prohibits the NRC from exercising duplicative authority over tailings produced in activities licensed by Agreement States unless the agreement is terminated within that period. The EPA and NRC may, however, take such action under 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

SEC. 2. This section makes the provision in section 204(h)(1) of the Mill Tailings Act preserving State authority over tailings and wastes for the three-year interim conform to the new requirements of the Mill Tailings Act which apply to both byproduct material and milling operations that result in the tailings and wastes now defined as byproduct material. As enacted, section 204(h)(1) mentions only byproduct material specifically, although the regulatory program generally covers both milling and tailings. As amended, this section explicitly covers both byproduct material and milling operations and applies also to States that enter into agreements during the three-year interim.

Further provision is made so that EPA and NRC may take such action under section 275 of the Atomic Energy Act of 1954 (as added by the Mill Tailings Act) as may be necessary to implement the remedial action program in title I of the Mill Tailings Act immediately.

SEC. 3. As originally enacted, section 83 of the Atomic Energy Act of 1954 may be subject to various interpretations regarding its timing. Its provisions are not, under section 202(b) of the Mill Tailings Act, to become effective until three years from their date of enactment. Nonetheless, section 83a (as added by section 202 of the Mill Tailings Act) states that licenses in effect on the date of enactment of this section must comply with 83a (1) and (2) upon their renewal or termination, whichever first occurs. Conceivably this renewal or termination could take place during the three-year period in which section 83 is not supposed to be effective. The sentence as amended applies section 83a only to licenses that are renewed or terminated after the effective date of section 83.

Moreover, it might be argued that a loophole was left for licenses issued after the date of enactment but before the effective date of section 83. It could be argued that such licenses would not be covered by section 83a. As amended, the section applies the requirements of section 83a to any license in effect on the effective date of section 83.

SEC. 4. This section amends section 204(e) of the Mill Tailings Act to make it clear that the new Agreement State responsibilities regarding tailings and milling operations in new section 274o of the Atomic Energy Act are not effective until three years after the enactment of the Mill Tailings Act. The States are, however, encouraged to implement the new standards and requirements of the Mill Tailings Act to the maximum extent practicable.●

By Mr. PERCY (for himself, Mr. KENNEDY, Mr. PACKWOOD, and Mr. MAGNUSON):

S. 1390. A bill to promote commercial motor vehicle safety, to prevent injury to commercial motor vehicle operators, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TRUCK SAFETY ACT

Mr. PERCY. Mr. President, unsafe trucking practices on our Nation's highways have reached epidemic proportions, threatening the health and safety of truck drivers and the American motoring public. Today, I—along with Senator KENNEDY, the distinguished chairman of the Judicary Committee, Senator PACKWOOD, the distinguished ranking Republican on the Commerce Committee, and Senator MAGNUSON, the distinguished chairman of the Appropriations Committee and the ranking Democrat (and former chairman) of the Commerce Committee—am introducing legislation to upgrade substantially Federal truck safety standards and Federal and State enforcement of those standards.

Mr. President, I would like to express my appreciation for the invaluable help which my distinguished colleague, Senator EDWARD KENNEDY, has offered me in developing this important legislation. His support and advice have proved invaluable, and his abiding interest in this vital safety area is well known to all of us.

In the same vein, I would like to offer public commendation for my distinguished colleague, Senator ROBERT PACKWOOD. As ranking minority member of the Committee on Commerce, Science, and Transportation, Senator PACKWOOD over the years has consistently displayed a keen interest in upgrading the safety of transportation in the United States. The thoroughness, imagination, and dedication he brings to his work in this field have been of demonstrable importance.

And key to the movement of this legislation will be Senator WARREN MAGNUSON, who has long demonstrated his overriding concern for safety issues, especially those related to transportation. Over the past decade, he was a pioneer in the regulation of commerce in the name of health and safety. His leadership and activity in this important area remains strong and vital.

Finally, I wish to express my deep appreciation to Senator HOWARD CANNON, the highly respected chairman of the Senate Commerce Committee, for consistently recognizing the safety concerns involved in transportation and for devoting so much of his personal time and energies toward seeking a fair and balanced approach to those concerns. Last year he very promptly conducted hearings on the truck safety legislation we introduced, and patiently addressed all of the complex issues raised. I have discussed this bill with him and I look forward to working closely with him, and to benefiting from his wise counsel as the Truck Safety Act moves forward in this session of the Congress.

Mr. President, improper maintenance, unfit equipment, overloading, and often unreasonable driving schedules have ●contributed to the creation of severe hazards on the Nation's highways. Truck accidents and fatalities have increased at an alarming rate in recent years.

According to newly compiled figures from the Department of Transportation, of the 50,000 highway fatalities in this country in 1978, 17,578 (or nearly 35 percent) were caused by trucks and buses. Heavy Trucks alone were responsible for 11 percent of these fatal accidents, despite the fact that they account for less than 1 percent of vehicles on the road. This is a significant increase, for in 1975 heavy trucks were involved in only 7.8 percent of fatal accidents. While the number of vehicle miles traveled by heavy trucks rose 14 percent from 1975 to 1977, the number of these trucks involved in fatal accidents increased 29.3 percent.

In 1978, 5,075 Americans were killed in accidents involving heavy trucks, an alarming increase of 53 percent over 1975. During the same period, the number of all highway fatalities increased 12.6 percent, of itself a significant climb.

Likewise, fatalities to occupants of heavy trucks numbered 1,010, an increase of 41 percent from 1975. Fatalities to occupants of passenger cars rose only 7 percent during that period. This shocking mortality rate makes truck driving one of the more dangerous occupations in America.

Heavy trucks pose particularly severe hazards to automobiles and their occupants. In a fatal accident involving a heavy truck and a passenger car, 97 percent of the deaths are to the occupants of the car. Per hundred million miles, the involvement of heavy trucks in fatal accidents is 165 percent greater than the involvement of passenger vehicles.

Accident data compiled by the National Highway Traffic Safety Administration, an agency of the Department of Transportation, includes only those truck accidents which are actually reported by the States. Since many accidents go unreported, and since heavy trucks—those vehicles over 26,000 pounds—constitute a small percentage of the total truck population, it is fair to assume that annual accident figures are significantly higher than reflected here.

Another body of data is compiled by the Bureau of Motor Carrier Safety (BMCS), the arm of the DOT responsible for enforcing trucking safety. The latest data indicate that, in 1978, interstate motor carriers of property and passengers reported approximately 35,000 accidents, which resulted in 3,200 fatalities, 34,000 injuries, and $310 million in property damage. This represents, since 1975, an increase of 43 percent in fatalities, 29 percent in injuries, and a startling 96 percent in property damage. And, according to the Bureau, these figures are understated because a significant number of accidents went unreported.

In a series of Federal roadside spot checks conducted during 1978, over 42 percent of the 26,000 vehicles inspected by the BMCS were deemed "imminently hazardous" and were immediately ordered off the road until repaired. Yet the Bureau was able to inspect less than 1 percent of the 3 million commercial vehicles under its purview. It is reasonable to believe, therefore, that many more unsafe vehicles and conditions go undetected.

I also want to point out that, in my home State of Illinois, truck accident rates have skyrocketed in the last 4 years, according to the Illinois Department of Transportation. For all trucks (including sizes ranging from pickups to combination tractor-semi-trailer rigs), the number of vehicles involved in fatal accidents increased 99 percent from 1975 to 1978. Combination vehicles alone, the so-called "big rigs," were involved in fully 10 percent of fatal highway accidents in the State last year.

In 1978 there was a 47 percent increase in the number of combination vehicle accidents on Illinois highways. The figures for all trucks indicate that there was a distressing 116 percent rise in the number of trucks involved in highway accidents.

A 1977 General Accounting Office (GAO) report entitled "The Federal Motor Carrier Safety Program: Not Yet Achieving What The Congress Wanted," concluded that:

> In view of the limited accident data obtained, the continuing infrequency of safety

> inspections, and the high rate of trucks taken out of service after inspection, little assurance exists that most motor carriers are complying with Federal safety regulations.

Many trucking firms and drivers are conscientious about highway safety. Yet a regrettable few—an unscrupulous minority—are lax in their commitment to safety. Federal and State vehicle safety programs must be improved to prevent them from posing a danger to both the general public and other truckers.

Truck accidents not only threaten the health and safety of the motoring public, but they hurt American consumers by driving up the costs of transportation. Businesses are hurt as their operating expenses are jacked-up by costly accidents which destroy equipment and freight. Some companies have been forced out of business by high court judgments resulting from motor vehicle accidents which could have been avoided.

The safety of trucking operations in this country clearly has deteriorated dangerously. Safety enforcement has been beleaguered in its attempts to combat this rising problem by shortcomings in current law. This bill would correct these shortcomings.

Civil fines can now only be directed at the failure of truckers to properly maintain a daily log. Civil fines are not applicable to any other violation of safety regulations, such as the failure to keep brakes in good repair or the use of poorly adjusted ventilation systems. In these cases, the BMCS can only bring formal criminal prosecution in court or initiate an administrative hearing.

This has proved to be a time-consuming and difficult process. For instance, in 1978, BMCS detected over 110,000 safety violations during nationwide road checks of 25,695 vehicles and drivers. Yet Bureau investigators were able to develop only 319 cases warranting court or administrative action. The majority of these cases were not accepted by the Department of Justice for criminal prosecution.

The effectiveness of the Bureau's safety program could be greatly enhanced by expanding civil forfeiture authority to include all types of substantial violations of safety regulations.

Moreover, the maximum amount for fines for safety violations has not been revised since 1957. They are now seriously out of line with fines for violation of other Federal regulations. Low penalties, coupled with the lengthy process of criminal enforcement, do little to discourage future violations. It is imperative that we raise these fines and set realistic time limits for the prosecution of cases and processing of fines.

Another factor working against greater safety is that the Interstate Commerce Act provides no restraints upon employers for possible reprisals against employees who report safety violations. There have been many instances where drivers have been fired for refusing to operate vehicles in violation of Federal truck safety laws. The unfortunate result has been to dissuade employees from directing Government officials to what are at times flagrant abuses of safety regulations. As a result, the Government has lost a prime ally in its effort to protect truckers and the public.

Through the years, Congress has enacted legislation that makes it unlawful for an employer to discriminate against or discharge employees for seeking enforcement of legislation or for cooperating with the Government. One of these laws, the Occupational Safety and Health Act, protects nearly every worker in America except those of the trucking industry. It was not applied to truckers because, it was argued, the Department of Transportation already had authority to regulate trucking industry safety practices. As a result, drivers were denied the OSHA protections against employer recrimination for their attempts to secure safe working conditions.

In other areas, the BMCS has only 158 inspectors for the over 3 million trucks on the road today. Obviously safety depends, therefore, on the effective operation of motor carrier safety programs by individual States. The States are in the best position to detect and prevent safety violations due to their greater personnel and resources. Yet, the 1977 GAO report found that:

> Since the Federal motor carrier safety program does not provide funding to the States, no effective incentives to promote increased cooperation from the States exist.

If States were given an incentive—for example, reimbursement for a percentage of the cost of operating adequate truck safety programs—much could be done to prevent speeding, tailgating, and the overloading of trucks. With this incentive, States could operate both more permanent and portable scales to prevent loads which make vehicles dangerous to drive, and which destroy our roadways. Increased enforcement personnel on the roads would not only slow trucks down, but automobiles as well. A recent report by the NHTSA proves that adherence to the 55-mile-per-hour speed limit would greatly reduce traffic fatalities.

Mr. President, legislation to enhance the effectiveness of truck safety has been introduced in the last four Congresses. Without legislative action, the situation on the highway is steadily worsening, and we simply cannot afford to wait any longer. We have built upon past legislation and expanded it to create, what we consider to be, a truly effective truck safety program. In drafting this legislation, we have sought to reduce the load on our already overburdened courts. We have tried to alleviate the unnecessary delay that so often plagues our regulatory process. And, we have sought ways to encourage compliance that will not plunge industry neck deep in excess paperwork.

This legislation builds upon and focuses the general authority given the Department of Transportation to regulate safety. It directs the DOT's safety function toward those areas which have caused the most serious safety problems in the 11-year period since DOT was created.

The legislation we introduced today seeks to correct the shortcomings outlined above. Specifically, it:

Raises civil fines from $500 to $2,500 maximum for each substantial violation and to $10,000 for serious safety violations.

Authorizes the Secretary of Transportation to regulate the health and safety of working conditions for truck drivers and to insure that trucks are safely maintained and operated.

Provides for 1 year imprisonment and/or a maximum $25,000 fine for knowing and willful criminal violations.

Expands Federal truck safety jurisdiction to include all commercial motor vehicles, both interstate and intrastate, over 10,000 pounds.

Authorizes the Secretary to conduct on-the-job inspections and investigations.

Protects trucking employees from discipline, discharge, or discrimination for refusing to drive an unsafe vehicle or for reporting safety violations.

Authorizes a uniform reporting system to eliminate excessive paperwork required of trucking firms and truckers.

Encourages States to assist in the enforcement of truck safety by offering them financial incentives with funds appropriated from the Highway Trust Fund.

Allows States to apply for exemptions from particular Federal regulations if their proposed regulations do not diminish safety.

Requires the Secretary to report yearly to Congress concerning his efforts to improve truck safety, and assessing the advisability of establishing a national commercial driver register.

Mr. President, the provisions of this bill would greatly enhance the effectiveness and efficiency of DOT in regulating and enforcing truck safety. Abuse of present regulations has resulted in countless deaths, injuries, and loss of property. This situation will not improve itself. The time to crack down is now. The Highway Users Foundation predicts that, during the next 15 years, the number of trucks on the roads will double. Our highways should not be death traps—they were built for the safe enjoyment and use of all Americans.

This legislation has been greatly enhanced by the diligence and concern of various drivers' representatives. From the start, by providing keen insights and original ideas to protect the health and safety of their members and the motoring public, their input and scrutiny have been of inestimable importance. This legislation would not have been possible without the outstanding contributions, time and again, of these conscientious advocates who have represented their member-employees in the highest possible tradition.

Likewise, the American Trucking Associations has displayed a sincere commitment to upgrading the safety of their industry. The Executive and SCORE Committees of ATA, consisting of many highly dedicated, safety-conscious trucking executives, devoted hundreds of hours to poring over the provisions of this bill. Subsequent ATA endorsement of this Truck Safety Act—by a vote taken just 2 days ago—is the result of an immense amount of interchange, consultation, and informed debate. It is a tribute to the ATA to have taken such a bold position on this key issue. At the conclusion of my remarks, I will ask to have printed in the RECORD the ATA statement in support of the measure, which spells out a very few areas of continuing concern—areas that I am certain will be resolved in the course of hearings on the legislation.

Congress must act decisively to bring about an increase in truck safety today. Passage of this legislation will help to assure that the law and related safety regulations are strictly enforced. This was the intent of Congress in creating the Department of Transportation in 1968, and this is what all Americans demand and expect.

Finally, in closing, I want to pay particular tribute to the work of two outstanding newspapers, the Chicago Tribune and the St. Louis Globe-Democrat, for their explosive exposés of 2 years ago, and for their continuing monitoring of this area, which has documented meticulously the many reasons why such a startling number of trucks have become, literally, death traps on wheels. The series which both papers ran were directly responsible for generating my own interest in trying to correct the grievous conditions that imperil truck drivers and highway motorists alike. As a Nation, we are indebted to the vigilance of these two publications in exposing this problem and for continuing to remind us of the need for prompt remedial action by the Federal Government and by the States.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section summary and the ATA statement be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truck Safety Act."

SEC. 2. The Congress finds that it is in the public interest to enhance commercial motor vehicle safety and to reduce highway fatalities, injuries, and property damage.

SEC. 3. It is declared to be the purpose of this Act to further the safety of commercial motor vehicle operations, to promote safe and healthy working conditions in the motor carrier industry, and to assure compliance by all persons subject to this Act with the Federal commercial motor vehicle safety rules and regulations issued by the Secretary.

SEC. 4. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of Transportation;

(2) the term "commerce" means trade, traffic, or transportation within the jurisdiction of the United States between a place in a State and place outside of such State, or which affects trade, traffic, or transportation between a State and any place outside of such State;

(3) the term "employer" means any person engaged in a business affecting commerce who owns, leases, or operates commercial motor vehicles in connection with that business, or assigns employees to operate them in commerce, but such term does not include the United States, or any State, or political subdivision of a State;

(4) the term "employee" means a driver (including, for purposes of this Act only, independent contractors), mechanic, freight handler, and any other individual whose employment with a commercial motor vehicle carrier directly affects commercial motor vehicle safety;

(5) the term "person" means employers and employees, as well as one or more individuals, partnerships, associations, corporations, business trusts, or any other organized group of individuals who use or operate commercial motor vehicles in commerce;

(6) the term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, or Guam; and

(7) the term "commercial motor vehicle" means any self-propelled or towed vehicle used on the highways in commerce principally to transport people, commodities, or equipment in commerce.

APPLICABILITY

SEC. 5. (a) Except as provided in subsection (b) of this section, this Act shall apply to the safety of operation of all commercial motor vehicles over 10,000 pounds GVWR (gross vehicle weight rating).

(b) Nothing in this Act shall apply to the operation of any vehicles engaged in farming activities or logging operations as defined by the Secretary.

DUTIES

SEC. 6. Each employer shall provide vehicles and working conditions that are safe and healthy, and each employer and each employee shall comply with the safety and health standards and rules, regulations, and orders issued pursuant to this Act which are applicable to his own actions and conduct.

REGULATORY AUTHORITY AND STANDARDS

SEC. 7. (a) In carrying out the provisions of section 1655 (e) and (f) of Title 49, United States Code, in accordance with section 5 of this Act, the Secretary shall establish, maintain, and monitor safety rules and regulations necessary to assure, to the extent practicable, that—

(1) commercial motor vehicles be safety maintained, equipped, loaded, and operated;

(2) the responsibilities imposed upon drivers of commercial motor vehicles do not impair a driver's ability to operate safely; and

(3) the health and physical condition of drivers of commercial motor vehicles be adequate to enable them safely to drive the vehicles they customarily operate.

(b) The Secretary shall regulate the working conditions and operating practices of employees when operating commercial motor vehicles and shall establish, maintain, and monitor safety and health rules and regulations necessary to assure, to the extent technology feasibily permits, that such employees will not suffer injury or material impairment of health or functional capacity due to their exposure to such working conditions.

(c) All rules and regulations issued under this section shall be promulgated in accordance with section 553 of Title 5, United States Code (without regard to sections 556 and 557 of such title), provided that such rules shall be promulgated within 90 days of the expiration of the period provided for submission of written data and comments. Such a rule may contain a provision delaying its effective date for such a period (not to exceed 90 days) as the Secretary determines may be necessary to ensure that affected employers and employees will be informed of the existence of the standard and of its terms and that employers affected are given an opportunity to familiarize themselves and their employees with the existence and the requirements of the standard.

(d) In promulgating, modifying, or revoking rules and regulations under this Act, the Secretary shall not in any material way reduce the protections currently afforded the public and employees operating commercial motor vehicles.

(e) The Secretary shall conduct, directly or indirectly, the research, development, demonstrations, and training activities necessary to develop rules and regulations under this section, to design and develop improved enforcement procedures and technologies, and to familiarize all affected persons with such rules, regulations, and orders.

RECORDKEEPING, INSPECTIONS, AND INVESTIGATIONS

SEC. 8. (a) The Secretary is authorized to require, by regulation issued pursuant to section 553 of Title 5, United States Code, that persons subject to this Act establish and maintain such records, and make such reports as are necessary to ensure compliance with this Act so that reliable information can be developed concerning health and safety hazards, vehicle conditions, employee qualifications, vehicle inspection and maintenance practices, and the safe operation of vehicles. In addition, where appropriate, any such regulation may prescribe the manner, type, and frequency of examinations by medical authorities or other tests, and the results thereof, which shall be provided by the employer to employees exposed to such hazards in order to permit the Secretary, employers, employees, and employee representatives to determine most effectively whether the health and safety of such employees is adversely affected by such exposure.

(b) The Secretary is authorized, to the extent necessary to carry out his responsibilities under this Act, to conduct investigations and inspections, compile statistics, make reports, hold hearings, require by subpoena or otherwise the production of documents, records, and property, and take depositions. Investigations and inspections under this subsection may be conducted without advance notice. Enforcement officials may consult with the employers and employees and their duly authorized representatives, and shall offer them a right of accompaniment.

(c) The Secretary shall timely investigate non-frivolous written complaints alleging that a material violation of any safety or health rule or regulation issued under this Act is occurring or has occurred within the preceding 60 days. The Secretary is not required to conduct separate investigations of duplicative complaints. The Secretary shall timely notify the complainant of his findings. The Secretary shall not disclose the identity of complainants unless it is determined that such disclosure is necessary to prosecute a violation. If disclosure becomes necessary, the Secretary shall take every measure to assure that the complainant is not subject to harassment, intimidation, or financial loss as a result of such disclosure.

NOTICES, ORDERS, AND PENALTIES

SEC. 9. (a) If, upon inspection or investigation, the Secretary finds that a violation affecting health or safety exists or has occurred, he shall timely issue a notice of violation. Each notice shall be in writing and shall describe with reasonable particularity the nature of the violation found and the section of the Act, rule, standard, regulation, or order which has been violated. The notice shall fix a reasonable time for abatement of the violation, and indicate the appropriate civil penalty, if any, pursuant to subsection (b) of this section. The notice shall indicate that any person issued such notice may, within 15 days of service, notify the Secretary of his intention to contest the matter. In the event of a contested notice, the Secretary shall afford such person an opportunity for a hearing pursuant to section 554, Title 5, United States Code, whereupon he shall issue an order affirming, modifying, or vacating the notice of violation.

(b) Any person who is determined by the Secretary to have committed an act which is a violation of this title or a regulation issued under this title, or who causes a violation to be committed, shall be liable to the United States for a civil penalty not to exceed $2,500 for each offense; provided that, if the violation pertains solely to recordkeeping, the violator shall be liable for a civil penalty not to exceed $500 for each offense. If the

Secretary determines that a substantial health or safety violation exists or has occurred which could reasonably lead to, or has resulted in, serious personal injury or death, he may assess a civil penalty not to exceed $10,000 for each offense. *Provided, however,* that, except for recordkeeping violations, no civil penalty shall be assessed against an employee unless the employee is an operator of a commercial motor vehicle and the Secretary determines that said employee's actions constituted gross negligence or reckless disregard for safety, in which case he shall be liable for a civil penalty not to exceed $500. The amount of any such penalty, and a reasonable time for abatement of the violation, shall by written order be determined by the Secretary, taking into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice and public safety may require. In each case, the assessment shall be calculated to induce future compliance.

(c) If, upon inspection or investigation, the Secretary determines that a violation, or combination of violations, poses an imminent hazard to public health and safety, he may place a vehicle or employee operating such vehicle out of service pending abatement of the violation.

(d) Any person who knowingly and willfully violates any standard, rule, regulation, or order under this Act or who knowingly and willfully makes any false statement or representation required under this Act shall, upon conviction, be subject for each offense to a fine not to exceed $25,000, or imprisonment for a term not to exceed one year, or both; *provided, however,* that if such violator is an employee he shall only be subject to penalty if he is an operator of a commercial motor vehicle, in which case he shall be liable, upon conviction, for a fine not to exceed $1,000.

(e) The Secretary shall require any persons served with a notice of violation to post it or notice thereof in such place or places and for such duration as the Secretary may deem appropriate to aid in the enforcement of the Act.

(f) The Secretary shall promulgate regulations establishing penalty schedules designed to induce timely compliance for persons failing to comply promptly with the requirements set forth in notices and orders.

(g) With respect to uncontested actions of the Secretary under this section, all findings of fact, conclusions of law, fines, penalties and orders shall be conclusive and shall not be subject to review.

(h) Any aggrieved person who, after a hearing, is adversely affected by a final order issued under this section, may within 30 days petition for review of the order in the United States Court of Appeals in the circuit wherein the violation is alleged to have occurred or where he has his principal place of business or residence, or in the United States Court of Appeals for the District of Columbia. Review of the order shall be based on a determination of whether the Secretary's findings and conclusions were arbitrary or capricious, an abuse of discretion, or otherwise not in accordance with law. No objection that has not been urged before the Secretary or his designated agent shall be considered by the court, unless reasonable grounds existed for failure or neglect to do so. The commencement of proceedings under this subsection shall not, unless ordered by the court, operate as a stay of the order of the Secretary.

(i) The Secretary may obtain enforcement, including injunctive relief, of any penalties or orders issued under this section by applying to the United States district court for the district where the violation occurred or where the cited party has his principal place of business or residence. In addition to granting enforcement, the district court may assess an appropriate penalty for noncompliance and award such further relief as justice and public safety may require.

(j) All penalties and fines imposed under this section shall accrue and be payable to the Highway Trust Fund.

REPRESENTATION BEFORE THE COURTS

SEC. 10. Except as provided in section 518 (a) of Title 28, United States Code, relating to litigation before the Supreme Court, the General Counsel of the Department of Transportation may appear for and represent the Secretary in all proceedings and in any civil litigation brought under this Act but all such litigation shall be subject to consultation with and the occurrence of the Attorney General.

EMPLOYEE SUITS

SEC. 11. (a) No employer shall discharge, discipline, or in any manner discriminate against an employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under, or relating to, any standard, requirement, or regulation issued under this Act, or has testified, or is about to testify, or has participated in any way, in such proceeding.

(b) No employer shall discharge, discipline, or in any manner discriminate against an employee for refusing to operate a vehicle when such operation would materially violate motor carrier safety regulations, or because of the employee's reasonable apprehension of serious injury to himself or the public due to the unsafe condition of such equipment. The unsafe conditions causing the employee's apprehension of injury must be of such nature that a reasonable person, under the circumstances then confronting the employee, would conclude that there is a bona fide danger of an accident, injury, or serious impairment of health resulting from the unsafe condition. In order to qualify for protection under this subsection, the employee must have sought from his employer, and have been unable to obtain, correction of the unsafe condition.

(c) Any employee who is discharged, disciplined, or in any manner discriminated against in violation of this section shall be entitled to (i) reinstatement to his former position and compensatory damages, and (ii) where appropriate under the circumstances, exemplary damages.

(d) Suits to enforce the provisions of this section may be brought in the United States district court in the district in which the employer owns or leases facilities or in the United States district court in the district within which the employee has been disciplined, discriminated against, or has received notice of discharge. No suit may be instituted to enforce such provisions more than six months after written notice of discharge is received by the employee concerned, or more than six months after the discriminatory practices have been discontinued, whichever is later.

(e) Whenever an order is issued under this section, the court may assess costs and expenses, including attorney's fees, reasonably incurred in connection with the institution and prosecution of such proceedings.

STATE ENFORCEMENT

SEC. 12. (a) (1) Any State agreeing to adopt, and to assume responsibility for enforcing, the standards, requirements, and regulations issued under this Act shall submit a plan which shall be approved by the Secretary if, in his judgment, the plan is adequate to promote the objectives of this Act, and the plan—

(i) designates the appropriate State motor vehicle safety agency responsible for administering the plan through the State;

(ii) contains satisfactory assurances that such agency has or will have the legal authority, resources, and qualified personnel necessary for the enforcement of such rules and regulations;

(iii) gives satisfactory assurances that such State will devote adequate funds to the administration of such plan and enforcement of such rules and regulations;

(iv) provides a right of entry and inspection comparable to the Secretary's right under section 8(b) of this Act;

(v) provides civil penalty procedures, rights, and remedies comparable to those set forth in section 9 of this Act;

(vi) requires employers, employees, owners, and lessees of commercial motor vehicles to make all reports pursuant to this Act to the Secretary;

(vii) provides that such State agency will adopt uniform reporting requirements and use uniform forms for recordkeeping, inspections, and investigations as may be established and required by the Secretary; and

(viii) requires registrants of commercial motor vehicles to make a declaration of knowledge of the applicable federal and state safety regulations.

(2) If the Secretary rejects a plan submitted under the foregoing paragraph, he shall provide the State a written explanation of his action and shall permit the State to modify and resubmit its proposed plan for approval.

(b) The Secretary shall, on the basis of reports submitted by the State agency, and on his own inspections, make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for comment, that a State plan previously approved is not being followed, or that it has become inadequate to assure the enforcement of rules and regulations issued under this Act, he shall notify the State of his withdrawal or his approval of such plan and upon receipt of such notice, such plan shall cease to be in effect. The State may, however, retain jurisdiction in any case commenced before the withdrawal of the plan whenever the issues involved do not directly relate to the reasons for the withdrawal of approval of the plan.

(c) There is hereby authorized to be appropriated out of the Highway Trust Fund for the fiscal year beginning October 1, 1980, and each fiscal year thereafter, such sums as are required to provide incentive assistance to States to develop and institute enforcement plans under this section. No State shall receive under this section during any fiscal year grants exceeding 80 per centum of the cost during such year of developing and implementing its plan. The Secretary is authorized to allocate amounts appropriated under this subsection pursuant to an equitable formula to those States administering plans under this section.

SAFETY REPORTS

SEC. 13. (a) The Secretary shall make a comprehensive written report to the Congress by July 1 of each year concerning his efforts during the preceding calendar year and his current plans to upgrade commercial motor vehicle safety and driver safety and health. The report shall include, but not be limited to, an evaluation of the Department of Transportation's commercial motor vehicle safety programs, an outline of problem areas and appropriate steps to alleviate them, and recommendations for closer coordination and cooperation among agencies of the Federal Government and between the Federal Government and the States to enforce the standards, requirements, and regulations issued pursuant to this Act.

(b) Within 12 months of the enactment of this Act, the Secretary shall prepare and transmit to the Congress a written report concerning the advisability of establishing a national commercial driver register, to upgrade commercial motor vehicle safety through improved monitoring of traffic violations and accidents and of multiple State licensing. In the event the Secretary recommends the establishment of such a register, within 60 days of the submission of his report to Congress he shall publish in the Federal Register a notice of proposed rulemaking describing the operation of a pilot project.

EFFECT ON FEDERAL LAWS

SEC. 14. Nothing in this Act shall be construed to amend or modify the National Labor Relations Act, the Railway Labor Act, the Fair Labor Standards Act, or the Occupational Safety and Health Act.

EFFECT ON INTERSTATE COMMERCE COMMISSION

SEC. 15. Nothing in this Act shall diminish the existing functions, powers, and duties of the Interstate Commerce Commission which shall consider the public safety and a carrier's record of compliance with safety regulations as a principal criterion in determining whether to confer operating authority upon motor carriers pursuant to part II of the Interstate Commerce Act (49 U.S.C. 301, et seq.).

EFFECT ON STATE STANDARDS

SEC. 16 (a) Upon application of a State, the Secretary may by rule, after notice and opportunity for a hearing pursuant to section 553, Title 5, United States Code, exempt from the provisions of this Act (under such conditions as they may impose) a proposed State commercial motor vehicle safety standard or regulation, or a prior existing standard or regulation, described in such application, if such standard or regulation (1) does not materially diminish commercial motor vehicle safety or the health and safety of employees, (2) is required by compelling local conditions, and (3) does not unduly burden interstate commerce.

(b) Nothing in this Act shall affect existing hours-of-service regulations of any State applying to commercial motor vehicle operations occurring wholly within that State, unless the Secretary affirmatively finds upon review of a State's hours-of-service regulations that such regulations (1) materially diminish commercial motor vehicle safety or the health and safety of employees, (2) are not required by compelling local conditions, or (3) unduly burden interstate commerce. If the Secretary makes such an affirmative determination, he may require such State to adopt Federal hours-of-service regulations.

(c) Nothing in this Act shall prevent any State safety agency or court from asserting jurisdiction under State law over any safety or health issue involving commercial motor vehicles with respect to which standard, rule, or regulation the Secretary has not addressed under this Act. State agencies and courts shall make every reasonable effort to timely apprise the Secretary of their intended actions in this regard, so that the Secretary may determine whether a like Federal standard is warranted.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 17. There are authorized to be appropriated to carry out this Act for each fiscal year such sums as the Congress may deem necessary.

EFFECTIVE DATE

SEC. 18. (a) Except as provided in this section, the provisions of this Act shall take effect immediately on the date of enactment.

(b) The Secretary shall, by regulation promulgated pursuant to section 553 of Title 5, United States Code, take all steps necessary to bring all orders, determinations, rules and regulations into conformity with the purposes and requirements of this Act as soon as practicable.

(c) All orders, determinations, rules, and regulations issued under section 204(a)(1), (2), (3), (3a), (5) of part II of the Interstate Commerce Act shall be continued under this Act until such time as they may be modified by the Secretary.

(d) Judicial proceedings pending upon the date of enactment of this Act shall not be affected by the provisions of this Act.

SECTION-BY-SECTION SUMMARY OF THE TRUCK SAFETY ACT

Section 1. Short title.

Sec. 2. Finds that it is in the public interest to enhance motor vehicle safety and to reduce highway fatalities, injuries, and property damage which may be attributed to the extensive use and substantial size and weight of trucks, to the inadequacy of existing laws pertaining to the safe design and operation of trucks, as well as to the failure of existing laws to protect driver-employees from discrimination arising from their efforts to promote compliance with safe operating procedures.

Sec. 3. States that the purpose of this Act is to protect the public from the hazards of unsafe trucking operations, to provide drivers with healthy, safe working conditions, and to ensure prompt compliance with safety regulations and rules by all persons subject to this Act.

Sec. 4. Definitions section.

Sec. 5. Applies the provisions of the Act to the safe operation of any truck over 10,000 pounds gross vehicle weight rating. The Act also applies to the maximum hours, qualifications, working conditions, and duties and responsibilities of all persons who operate trucks in commerce. Exempts certain farming and logging vehicles from specific Federal regulations.

Sec. 6. General duty clause to require each employer to provide vehicles and working conditions that are safe and healthy, and to require employers and employees to comply with all regulations which are applicable to their conduct.

Sec. 7. Requires the Secretary of Transportation to establish, maintain, and monitor safety regulations to ensure that vehicles be maintained, equipped, and operated safely, that responsibilities imposed upon drivers do not impair the safe operation of their vehicles, and that drivers be physically fit to drive safely.

Sec. 8. Authorizes DOT to require reports and records of employers and employees, to prescribe the type and fequency of medical examinations of employees, to conduct on-the-spot inspections and investigations without advance notice, and to establish uniform reporting requirements and forms for recordkeeping, inspections, and investigations by Federal, State and local jurisdictions. Requires the Secretary to investigate non-frivolous complaints by employees of safety violations.

Sec. 9. Raises the maximum fines from $500 to $2,500 for most substantial safety violations, to $10,000 for very serious violations. Establishes a criminal offense for knowing and willful violations, punishable by a maximum of one year's imprisonment and/or $25,000 fine. Establishes a $500 maximum fine for recordkeeping violations. Limits fines assessed against drivers to $500 for civil violations and $1,000 for criminal violations. Provides an administrative hearing procedure and judicial review to contest actions of the Secretary.

Sec. 10. Permits the General Counsel of the DOT to represent the Secretary.

Sec. 11. Prohibits employers from disciplining, discharging, or discriminating against an employee for reporting a safety violation or for refusing to operate a vehicle in violation of Federal regulations. Entitles the employee to recover damages.

Sec. 12. Provides financial incentives up to 80 percent reimbursement to any State which agrees to aid in the enforcement of Federal truck safety measures. Establishes guidelines for State enforcement plans which must be satisfied for a State to receive funds.

Sec. 13. Requires the Secretary to submit a yearly report concerning his efforts to upgrade trucking safety. Requires the Secretary to report on the advisability of establishing a national commercial driver register, and to establish a pilot program if he so advises.

Sec. 14. Clarifies that this Act shall not affect the union procedures and health and safety protections established in specific acts of Congress.

Sec. 15. States that this Act shall not diminish the authority of the ICC to assess a carrier's safety record in granting it operating authority.

Sec. 16. Establishes Federal preemption for truck safety rules, but allows States to apply for exemptions from specific Federal safety regulations, or to propose alternate regulations, if the exemption does not diminish safety. Preserves existing State hours-of-service regulations pending review by the Secretary. Authorizes States to pass laws and regulations in areas which are not covered by Federal standards.

Sec. 17. Authorizes Congressional appropriations in such sums as the Congress deems necessary.

Sec. 18. Stipulates the effective date of this Act to be the date of enactment.

ADOPTED BY EXECUTIVE COMMITTEE OF THE AMERICAN TRUCKING ASSOCIATIONS (ATA) JUNE 19, 1979

POLICY STATEMENT

The ATA endorses Senator Percy's draft Truck Safety Act as Federal legislation which would improve highway safety, and commends Senator Percy's efforts to develop such legislation while involving all interested parties.

The ATA opposes the mandatory complaint and civil penalty provisions of the bill as difficult to administer fairly and equitably. While there is language in the Percy draft bill designed to ameliorate abuse of those provisions ATA believes the levels of penalty are too high and the standards for application too vague to merit endorsement. As a more practical alternative to the civil penalty we support removal from service of unsafe vehicles and unsafe drivers which will have greater immediate impact for safety and compliance.

ATA also opposes Section 11 of the Percy Act entitled employee suits because it would stimulate unnecessary, costly private litigation.

Specifically, the Percy bill provisions authorizing employee suits for refusal to operate because of alleged safety defects, while well intended, would stimulate a host of unwarranted legal actions throughout the states. ATA believes that the employees' rights would be more fully and efficiently protected by expanding the Percy provisions on employee complaints to DOT to include DOT review of complaints on safety related discipline or discharge which is allegedly discriminatory. With this addition, governmental protection for employee safety complaints will have been extended to every facet of trucking industry operation. The rights referred to in Section 11 will then be fully protected by NLRB, OSHA and DOT. These mechanisms will provide the employee with low-cost governmental protection, and employers an assurance that the governmental units will have the expertise necessary to handle these often complex questions competently.

By Mr. CANNON (by request):

S. 1391. A bill to amend section 9 of the National Climate Program Act to extend the authorization for appropriations for fiscal years 1981 and 1982; to the Committee on Commerce, Science, and Transportation.

S. 1392. A bill to extend the appropriations authorization for reporting of weather modification activities; to the

Committee on Commerce, Science, and Transportation.

S. 1393. A bill to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) to extend authorizations for appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce by request three bills:

First, a bill to amend section 9 of the National Climate Program Act to extend the authorization for appropriations for fiscal years 1981 and 1982;

Second, a bill to extend the appropriations authorization for reporting of weather modification activities; and

Third, a bill to amend section 7 of the Earthquake Hazards Reduction Act of 1977 to extend authorizations for appropriations, and for other purposes.

Each of these bills would reauthorize existing programs beyond fiscal year 1980. I ask unanimous consent that the bills and the communication forwarding them be printed in the RECORD.

There being no objection, the bills and material were ordered to be printed in the RECORD, as follows:

S. 1391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the National Climate Program Act (15 U.S.C. 2908) is amended by (1) deleting from subsection (a) the word "and" after the date "1979"; and (2) deleting from subsection (a) the period following the year "1980" and inserting in lieu therefor the words "and such sums as may be necessary for fiscal years ending September 30, 1981, and September 30, 1982.".

Washington, D.C., May 31, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a bill "To amend section 9 of the National Climate Program Act to extend the authorization for appropriations for fiscal years 1981 and 1982.", together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this legislation to the Congress from the standpoint of the Administration's program.

Sincerely,

JUANITA M. KREPS,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

The National Climate Program Act, P.L. 95-367, enacted September 17, 1978, directed the President to establish a National Climate Program. The Secretary of Commerce is to establish a National Climate Program Office to coordinate an interagency Federal program aimed at understanding and responding to natural and man-induced changes in climatic processes. A five-year plan which establishes the goals and priorities for each agency participation in the national program is required to be promulgated by the President. The National Climate Program has been established and is beginning this important project.

This bill would extend the general authorization of appropriations in section 9(a) through fiscal years 1981 and 1982 for the National Climate Program.

No funds have been provided in the President's 1980 budget for section 9(b) of P.L. 95-367 which authorizes funds for an intergovernmental climate program and it is not being proposed to reauthorize section 9(b) for fiscal year 1981 at this time. However, this program will be reviewed later this year by the Administration during the course of the development of the five-year plan and the fiscal year 1981 budget. A determination will be made at that time whether to propose that section 9(b) be reauthorized for 1981 and 1982.

S. 1392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 6 of the Act entitled "An Act to Provide for the Reporting of Weather Modification Activities to the Federal Government," approved December 18, 1971 (85 Stat. 736; 88 Stat. 1212; 90 Stat. 2362; 15 U.S.C. 330e), is further amended by striking "1980" and inserting in lieu thereof "1980 and such sums as may be necessary in fiscal years 1981, 1982, and 1983."

WASHINGTON, D.C.,
June 5, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a bill "To extend the appropriations authorization for reporting of weather modification activities", together with a statement of purpose and need in support therof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this legislation to the Congress from the standpoint of the Administration's program.

Sincerely,

JUANITA M. KREPS,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

This legislation would amend section 6 of the Act entitled "An Act to Provide for the Reporting of Weather Modification Activities to the Federal Government," to extend the appropriations authorization through 1983 at such sums as may be necessary.

Under a delegation of authority from the Secretary of Commerce, the National Oceanic and Atmospheric Administration (NOAA) has formulated and administered an effective reporting program pursuant to the Act. The reporting rules require all nonfederal attempts to modify the weather to be reported to NOAA, and, by interagency agreement, Federal agencies also report such activities. Consequently, the reporting program is the only authoritative repository of information on weather modification activities by principals of the United States. The records of these activities are available to the public, and detailed summaries of the reported activities are published periodically both in the United States and abroad.

Continuation of the reporting program is needed to monitor the numerous weather modification projects in the United States, as no other mechanism exists for this purpose. For the past 6 years, the average number of activities per year has been 70, with objectives to enhance precipitation for agricultural and other needs, to suppress hail damage to crops, to reduce the severity of fog at airports, and to carry out research on weather modification concepts and techniques. Timely reporting of weather modification activities provides for checking on duplication of projects and on possible territorial overlappings of operations, and experiments. In addition, the reporting program provides information on the possibility of harm to persons, property, or the environment, or of interference with Federal research projects.

S. 1393

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704), is amended by deleting the periods (.) at the end of subsections 7 (a), (b), and (c) and adding to those subsections the following phrase: "; and, thereafter such sums as may be necessary to carry out the purposes of this Act.".

WASHINGTON, D.C.,
May 25, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) to extend authorizations for appropriations, and for other purposes."

We recommend that the bill be referred to the appropriate committee for consideration, and that it be enacted.

The enclosed draft bill would indefinitely extend the authorizations for appropriations due to expire September 30, 1980, contained in section 7 of the Earthquake Hazards Reduction Act.

The effect of this extension would be to allow a continuation of the efforts already begun under the current program.

The objectives of the Earthquake Hazards Reduction Act are long range. This was recognized by the Congress during the passage of the Act and by the Executive Branch in its plan transmitted to Congress in 1978, "The National Earthquake Hazards Reduction Program." This plan outlines a number of extended tasks, including:

Research on the nature of earthquakes, earthquake prediction, hazards evaluation and delineation, and induced seismicity;

Evaluation, with the advice of the National Earthquake Prediction Evaluation Council, of earthquake predictions;

Preparation of national seismic risk maps;

Evaluation and delineation of earthquake hazards on a regional basis; and

Preparation of certain data and information on earthquake occurrences and hazards.

Much will be accomplished before the end of fiscal year 1980 by a number of Federal agencies, including this Department, the National Science Foundation, the Federal Emergency Management Agency, the National Bureau of Standards, and others. Indeed much has been accomplished since the beginning of fiscal year 1978:

Substantial new networks of instrumentation and surveys have been initiated in the most seismically active parts of the United States and selected foreign areas with high seismicity. These networks are gathering information to understand the processes leading to large earthquakes and to search for phenomena that will be useful in predicting earthquakes.

Regional studies for the evaluation and delineation of earthquake hazards are currently underway in the principal urban areas of the country at risk. Intensive studies are well underway in California, but are just beginning to gain momentum in other areas.

A process of reviewing the needs and priorities of a wide variety of users for national seismic risk maps is currently underway. This review will lead to a new draft map (or maps).

An integrated set of investigations of the phenomenon of reservoir induced seismicity near a reservoir in South Carolina has done much to confirm hypotheses about the origin of these man-induced earthquakes.

These accomplishments, however, represent only a beginning; and authority for extension of authorizations for appropriations is necessary to allow the continuation of these efforts.

The Office of Management and Budget has

advised that there is no objection to the submission of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

Charles P. Eddy,
Acting Assistant Secretary.●

By Mr. DURENBERGER:

S.J. Res. 90. A joint resolution to provide for the designation of a week as "National Recreation and Parks Week"; to the Committee on the Judiciary.

NATIONAL RECREATION AND PARKS WEEK, 1980

Mr. DURENBERGER. Mr. President, I am especially pleased to have the opportunity to sponsor a resolution to recognize the role of recreation and parks in America.

Each year, our national systems of parks, forests, wildlife refuges, and other resources, support millions of recreation visits and our State park and recreation systems annually host over 600 million visits. In my home State of Minnesota, for instance, over 6,680,000 visits to 65 State parks and 11 waysides were recorded in 1978. Our State historical sites and State forests provided still more recreation opportunities. These systems have, over the years, enjoyed the bipartisan political support of the State legislature, and that body has recently mandated an accelerated planning effort to assure that our resources are sufficient to appropriately meet the public's recreation demand.

Local and regional park and recreation systems fill an increasingly important "close to home" niche in the public recreation equation. Thus, we must give increased attention to maintaining and expanding these resources as fuel supplies and costs restrict access to more distant places. The anticipated increased demand for readily accessible recreation opportunities will place tremendous pressure on local officials.

I had the distinct pleasure recently to serve as the chairman of the Hennepin County Park Reserve Board, a 22,000 acre system in the metropolitan Minneapolis area which provides recreation opportunities to nearly 1 million visitors each year. In addition, I chaired a task force which led to the creation of the twin cities metro area open space commission and to an investment of $40 million in our park and open space system. I can assure you how vitally important these recreation resources are to the citizens of that area.

Mr. President, the resolution I introduce today has several distinct purposes:

It reminds the public of park and recreation resources and services available to them; it "launches" the peak park and recreation program season in many regions of the country; it provides opportunities for special events, including dedication of new areas or facilities; and it provides a special opportunity to recognize philanthropic, civic and other contributions to specific projects or public recreation and park objectives in general.

As my colleagues in the Senate know, the rules for this type memorial resolution have changed within recent weeks. The cosponsoring by 12 Members will result in the resolution being automatically referred by committee to the full Senate. Therefore, Mr. President, I invite my fellow Senators to join me in this resolution and urge the Senate expeditiously to consider this timely and important matter.

By Mr. MATHIAS:

S.J. Res. 91. A joint resolution to authorize and request the President to issue a proclamation designating May 18, 1980, as "Law Enforcement Officers Memorial Sunday"; to the Committee on the Judiciary.

● Mr. MATHIAS. Mr. President, I now send to the desk a joint resolution requesting the President to declare May 18, 1980, Law Enforcement Officers Memorial Sunday. This Sunday immediately follows National Police Week.

Law Enforcement Memorial Sunday will allow Americans to recognize and pay tribute to the many law enforcement officers who have given their lives in the service of the people of the United States of America.

During the 10-year period from 1968-77, 1,094 law enforcement officers were killed in the line of duty. In 1977 alone, 49,156 assaults on police were reported, while 93 officers were killed. Ninety-one of the 93 officers slain during 1977 were from 83 different local, county, and State law enforcement agencies in 31 States and the District of Columbia. Eighty-nine percent were victims of firearms. Twenty-one percent had served as law enforcement officers for more than 10 years.

Two years ago, the Congress adopted a resolution designating the third Sunday in May 1978, as National Fallen Heroes Day to recognize the sacrifices of firefighters. I think my colleagues will agree that it is equally fitting to honor law enforcement officers who have served their communities and country with such courage and devotion—too often giving in the words of Abraham Lincoln, "The last full measure of devotion."

I urge Senators to support this resolution to establish May 18, 1980, as Law Enforcement Officers Memorial Sunday in honor of these brave officers to whom we owe so much.●

ADDITIONAL COSPONSORS

S. 25

At the request of Mr. Bayh, the Senator from Tennessee (Mr. Baker) and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 25, a bill to designate the birthdate of Dr. Martin Luther King, Jr., as a national holiday.

S. 294

At the request of Mr. Mathias, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 294, a bill to repeal the social security offset provision.

S. 506

At the request of Mr. Mathias, the Senator from Connecticut (Mr. Weicker) was added as a cosponsor of S. 506, the Fair Housing Amendments Act of 1979.

S. 795

At the request of Mr. Heinz, the Senator from Maine (Mr. Cohen) was added as a cosponsor of S. 795, the Farmland Protection Act.

S. 961

At the request of Mr. Kennedy, the Senator from Delaware (Mr. Biden) and the Senator from Indiana (Mr. Bayh) were added as cosponsors of S. 961, the Speedy Trail Act Amendments of 1979.

S. 1158

At the request of Mr. Garn, the Senator from Mississippi (Mr. Stennis), the Senator from Kansas (Mr. Dole), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 1158, the Clean Air Act amendment.

S. 1215

At the request of Mr. Schmitt, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 1215, the Science and Technology Research and Development Utilization Policy Act.

S. 1268

At the request of Mr. Bayh, the Senator from Indiana (Mr. Lugar) was added as a cosponsor of S. 1268, the Gasohol Marketing Freedom Act.

S. 1305

At the request of Mr. Chiles, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 1305, a bill to require that any train carrying hazardous materials shall be operated with a device which records the speed at which the locomotive is traveling, commonly known as the Hazardous Materials Safety Act of 1979.

S. 1306

At the request of Mr. Chiles, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 1306, a bill to require the National Transportation Safety Board to have priority over investigations.

S. 1349

At the request of Mr. Melcher, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of S. 1349, to create an International Council of Oil Importing Nations.

S. 1350

At the request of Mr. Pell, the Senator from South Dakota (Mr. McGovern) and the Senator from New York (Mr. Moynihan) were added as cosponsors of S. 1350, a bill to extend certain programs under the Higher Education Act of 1965, for 1 year, and for other purposes.

S. 1358

At the request of Mr. Huddleston, the Senator from Kentucky (Mr. Ford) and the Senator from North Dakota (Mr. Young) were added as cosponsors of S. 1358, a bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years.

S. 1377

At the request of Mr. Domenici, the Senator from North Dakota (Mr. Young) the Senator from South Dakota (Mr. Pressler), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of S. 1377, the Synthetic Fuels Production Act of 1979.

SENATE JOINT RESOLUTION 1

At the request of Mr. HUDDLESTON, he was added as a cosponsor of Senate Joint Resolution 1, a proposed constitutional amendment providing for the direct election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 28

At the request of Mr. HUDDLESTON, his name was added as a cosponsor of Senate Joint Resolution 28, proposing a constitutional amendment to provide for the direct election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 60

At the request of Mr. RANDOLPH, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of Senate Joint Resolution 60, to authorize the President to issue annually a proclamation designating the first Sunday of September after Labor Day of each year as "National Grandparents Day."

SENATE RESOLUTION 183

At the request of Mr. SCHMITT, the Senator from Pennsylvania (Mr. HEINZ) and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of Senate Resolution 183, to provide coal mining operations with 100 percent of their diesel fuel requirements.

AMENDMENTS SUBMITTED FOR PRINTING

SUPPLEMENTAL APPROPRIATIONS, 1980—H.R. 4289

AMENDMENT NO. 268

(Ordered to be printed and to lie on the table.)

Mr. STENNIS (for himself, Mr. TOWER, Mr. COCHRAN, and Mr. YOUNG) submitted an amendment intended to be proposed by him to H.R. 4289, an act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

Mr. STENNIS. Mr. President, I send to the desk an amendment to H.R. 4289 and ask that the amendment be printed.

That is the supplemental appropriation bill that has already been set for consideration on Monday.

The PRESIDING OFFICER. The amendment will be received and printed and ordered to lie on the table.

Mr. STENNIS. Mr. President, I ask unanimous consent, Mr. President, that my staff member, Mr. James Kendall, be granted privilege of the floor for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I do not need to have the amendment stated now. It can just be printed and, I believe, ordered to lie on the desk. The bill is not up now.

Mr. President, I want to be fully understood, it is an amendment to an appropriation bill, that will be legislation on an appropriation bill, which if a point of order should be made it would doubtless have to be sustained.

But I present this matter and I will confer with the chairman and ranking member of the Appropriations Committee at the first opportunity, also the Senator from Kentucky (Mr. HUDDLESTON), and whoever has been working on the bill with him.

This relates to the interest rates, Mr. President, on distress loans made to victims of tornadoes and floods and other calamitous happenings and is antedated back to October 1978.

Under current law, those loans would have to carry a rate of interest amounting to 7⅜ percent. This amendment would amend that law to where it would carry for domestic loans, noncommercial loans, a 3-percent rate.

The Senate has already passed on that identical item in the bill that is pending. It is called the Small Business Administration bill. These changes on our distress loan are in that bill. It has gotten delayed in conference in spite of some very fine work being done by the conferees and I do not know when we will get it in the form of being ready to go to the President.

I do know these victims have waited week after week after week and we have not been able to give them this relief.

I know the President is going to be away for some 12 days beginning, I believe, tomorrow or Saturday of this week.

I was hopeful that the appropriation bill would pass very early in the week and be agreed on in conference and could get an early start by courier to President Carter, wherever he is in the Pacific, who I know is interested in it and anxious to sign that bill once it is formalized—the appropriation bill.

So on Monday, with further explanations, I would seek some time to explain that amendment—on Monday, at such time as may be convenient to the Senate.

I know of many other Senators who are interested in it. As I say, I will give an explanation to the men who are going to be in charge of the bill.

I emphasize that I would not put in an amendment such as this except under extreme circumstances. This time, however, I am encouraged that the interest rate, which is all I do include, has been voted on by a rollcall vote some 2 weeks ago in the Senate and even more recently than that in the House of Representatives.

Mr. President, this amendment relates to homeowner disaster loans made by the Small Business Administration and to such homeowner disaster loans only. Under it the interest rate on such homeowner disaster loans would be 3 percent on the first $55,000 of disaster relief assistance retroactive to October 1, 1978. The present rate for such loans is based on the cost of money to the Government and translates to a rate of 7⅜ percent.

Let me give the background and legislative situation which prompts me to offer this amendment. The Senate passed S. 918 on May 16. It provided for an interest rate of 3 percent on the first $55,000 of a Small Business Administration homeowner disaster loan retroactive to October 1, 1978. In other words, as far as disaster homeowner loans are concerned, my amendment is identical with S. 918. The House passed S. 918 on May 22, 1979, with similar provisions in it.

S. 918 is now in conference between the Senate and the House and I understand that full agreement has been reached on the homeowner disaster loan provisions and that the agreement is identical with the amendment which I am offering today. Unfortunately, however, I am advised that final agreement by the conference committee has been delayed by provisions of S. 918 which are wholly unrelated to homeowner disaster loans. There is no indication as to when the deadlock will be broken, and this coupled with the desperate and emergency situation in my State, have motivated me to offer this amendment.

In offering this amendment I want it to be clearly understood that I neither intend nor imply any criticism whatsoever of the Small Business Committee or any of its members. In fact, the opposite is true. That committee is to be commended for the expeditious manner in which it considered and acted upon the disaster loan provisions of S. 918. I want to particularly express my appreciation to the chairman of the Small Business Committee (Senator NELSON) and to the chairman of the subcommittee which handled the disaster loan provisions of S. 918 (Senator HUDDLESTON) for their courtesy, cooperation, and assistance with respect to a problem of major importance to my State and to many other States.

The amendment which I propose, Mr. President, would reduce interest rates on loans made for disaster purposes arising because of recent floods, storms, and natural disasters in Mississippi and elsewhere. As I have stated, under existing law, the interest rate on homeowner disaster loans by the Small Business Administration is 7⅜ percent. My amendment would reduce this interest rate retroactively on homeowner loans for disasters occurring on or after October 1, 1978, to 3 percent of the first $55,000 of assistance. My amendment does not deal with any disaster loans except homeowner loans. The reason I propose this amendment is because of an urgent situation and because of the delay which has resulted, through no fault of anyone, in the conference committee's reaching an agreement on S. 918. Both Houses have already passed upon this matter and agreed upon a 3-percent interest rate for homeowner loans and this is all my amendment would accomplish.

Mr. President, there is an emergency situation here. Mississippi suffered a disaster flood in April of this year. Other major disasters occurred throughout the country, including floods in Alabama, Louisiana, Missouri, Minnesota, and North Dakota and tornadoes in Texas, Arkansas, and Oklahoma. As a result of these disasters, H.R. 4289, the supplemental appropriation bill, proposes to make an additional appropriation of over $1 billion for additional capital to the disaster loan fund.

Speaking only for Mississippi, Mr. President, the damage and destruction from the flood was tremendous. Many residences were severely damaged and some were destroyed. Carpets and furnishings were ruined.

The people who suffered these severe losses are crying out for help and relief. They face harsh financial reality which, in the aftermath of the disaster, adds to their personal sense of loss, anguish and frustration. They need assistance just as soon as we can give it to them and in view of the delay in reaching agreement on S. 918 we can do this best and most quickly by adopting my amendment.

I urge that the Senate give favorable consideration to the amendment which I have proposed.

AMENDMENTS NOS. 269 THROUGH 278

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted 10 amendments intended to be proposed by him to H.R. 4289, supra.

HOUSING AND COMMUNITY DEVELOPMENT AUTHORIZATIONS OF 1979—S. 1149

AMENDMENT NO. 279

(Ordered to be printed and to lie on the table.)

Mr. BAYH submitted an amendment intended to be proposed by him to S. 1149, a bill to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation and related programs, and for other purposes.

Mr. BAYH. Mr. President, there is an important Housing Act amendment that will be before the Senate in the near future. Yesterday, I made some brief remarks relative to my concern that certain arbitrary limits that had been placed on the amount of money that could be invested by owners in mobile homes really served to discriminate against that important part of our home industry because of the inflationary impact that has been felt very heavily by that industry.

I found, on reading yesterday's RECORD, that my distinguished colleague from Indiana shares this concern and is also desirous of it. I am hopeful that, together, we shall be able to persuade the Senate to recognize this critical problem that the mobile home industry throughout the country has. It is one of our most significant industries in Indiana. It has been a privilege to have a chance to work with him and try to represent some of the unique interests in the Senate over a period of time. I hope that the Senate will look kindly upon one of these amendments.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT—SENATE JOINT RESOLUTION 28

AMENDMENT NO. 280

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR. submitted an amendment intended to be proposed by him to Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

(The remarks of Mr. HARRY F. BYRD, JR. when he submitted the amendment appear elsewhere in today's proceedings.)

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Energy and Natural Resources will hold a hearing on the nomination of John Mark Deutch of Massachusetts to be Under Secretary of the Department of Energy.

The hearing will be held on June 26, at 10 a.m., in room 3110, of the Dirksen Senate Office Building.

Mr. President, I ask unanimous consent that a copy of Mr. Deutch's biographical statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOHN M. DEUTCH

Dr. John M. Deutch was named Acting Under Secretary of Energy effective June 1, 1979.

Dr. Deutch, who was nominated to the position May 25, 1979, by President Carter and is awaiting Senate confirmation, had been serving as Director of Energy Research and Acting Assistant Secretary for Energy Technology.

As Acting Assistant Secretary for Energy Technology since January 1979 he directed activities aimed primarily at developing new energy technologies to the point of commercial applications. This included research, development and demonstration programs involving all emerging energy sources.

As Director of the Office of Energy Research, Dr. Deutch oversaw the basic research programs of the department. He held that position since the creation of DOE in October 1977.

Dr. Deutch became an assistant professor of chemistry at Princeton University in 1966, and remained at that institution until 1969. He joined the faculty at MIT in 1970 as associate professor and became chairman of the chemistry department in 1976.

From 1961 to 1965 Dr. Deutch worked on systems analysis in the Office of the Secretary of Defense. In 1965 and 1966 he was a consultant for program analysis in the Bureau of the Budget.

Dr. Deutch was born July 27, 1938, in Brussels, Belgium, and became an American citizen in 1946. He received a B.A. in history and economics from Amherst College and a B.S. in chemical engineering from MIT in 1961 and earned a Ph.D. in physical chemistry from MIT in 1965. He was a postdoctoral fellow at the National Bureau of Standards.

Dr. Deutch serves on the Defense Science Board and the Army Science Advisory Panel. He has also been an editorial board member of the "Annual Review of Physical Chemistry" and "Chemical Physics." He is the author of numerous publications.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. FORD. Mr. President, I wish to announce that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources will hold a public hearing on June 28 on title V of S. 1308, the proposed Energy Supply Act. Title V proposes a Federal oil shale commercialization test program. The subcommittee has also scheduled a public hearing on title VII of the bill for July 11, 1979. Title VII proposes a 5-year oil and gas leasing program on onshore Federal lands.

Both hearings will begin at 9 a.m. in rooms to be announced later. Questions should be directed to Mr. Tom Laughlin of the subcommittee staff at 224-2565 or Mr. Owen Malone of the full committee staff at 224-7141.●

SUBCOMMITTEE ON RURAL DEVELOPMENT

● Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Rural Development of the Senate Agriculture Committee has scheduled an oversight hearing on the credit needs of prospective single family homeowners in rural areas on Tuesday, June 26. The subcommittee is particularly interested in examining the role that tax-exempt mortgage revenue bonds can play in meeting those needs.

The subcommittee will hear first from representatives of the Farmers Home Administration and the Department of Housing and Urban Development. In addition, the subcommittee has invited representatives of banking, home financing, and realty associations to present their views.

The hearing will begin at 1 p.m. in room S-146 in the Capitol. Due to time constraints, the subcommittee will be able to hear only from invited witnesses, but written statements submitted for the RECORD are welcome.

Anyone wishing further information should contact the committee staff at 224-2035.●

IMPACT OF MTN ON AGRICULTURE

● Mr. TALMADGE. Mr. President, I wish to notify the Members of the Senate and the public that the Committee on Agriculture, Nutrition, and Forestry plans to hold hearings on June 27 and 28 regarding the impact of the multilateral trade negotiations on agriculture.

The prime legislative responsibility for the MTN rests with the Finance Committee. However, our committee will want to examine how various agricultural groups view the results of the MTN.

The hearings will begin at 9:30 in room 322 Rayburn Senate Office Building. On the first day administration witnesses will testify, and we will have invited public witnesses on the second day. Anyone needing further information should contact the committee at 224-2035.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Housing and Urban Affairs Subcommittee of the Committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Thursday, June 28 in order to hold a hearing on condominium-related issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HEALTH AND SCIENTIFIC RESEARCH

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Health and Scientific Research Subcommittee of the Committee on Labor and

Human Resources be authorized to meet during the session of the Senate on Monday, June 25, 1979, beginning at 1:30 p.m. to hold a markup session on S. 1075, the drug reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ADDRESS BY SENATOR RIBICOFF ON AMERICAN TRADE POLICY

● Mr. ROTH. Mr. President, this morning Senator Ribicoff delivered an important speech before the U.S. Chamber of Commerce entitled "American Trade Policy: MTN and International Trade."

This speech is important not only because of the subject matter, but because Senator Ribicoff, as chairman of the Senate Subcommittee on International Trade, speaks with great authority and experience of international trade issues.

In his speech, he addresses two issues which Congress will be dealing with in the next few weeks—the MTN implementing legislation and trade reorganization.

These subjects are integrally related. As Senator Ribicoff has said: "It is essential for the United States to have an agency to vigorously advance our rights under the MTN agreements." This is one of the reasons he and I have joined together in sponsoring legislation to consolidate the international trade and investment functions of the Federal Government and provide a strong, authoritative voice to advance the trade interests of the United States.

I believe Senator Ribicoff's statement will be very valuable to our colleagues who will be deciding on these issues in the near future, and I ask that it be printed in the Record.

The address follows:

American Trade Policy: MTN and International Trade

The United States has a vital economic and political interest in world trade. We live in an age of increasing economic interdependence, when ecopolitics has overshadowed geopolitics.

The share of exports in our Gross National Product has doubled during the past decade. One-third of our farmland grows for exports and one in eight American workers produces for export. Exchange rate fluctuations, the comparative growth rates of industrial economies, and the price of crude oil now rank in importance with military and strategic issues. For better or worse, our economic growth is linked to the stability and security of the international economic order.

It is in our continuing national interest to promote the development of a fair and open system of international trade. Since World War II, and the founding of the General Agreement on Tariffs and Trade, the industrialized economies of the West and Japan have moved in this direction. During the past 30 years, the volume of world trade expanded more than sevenfold. Six rounds of international trade negotiations gradually reduced most restrictive tariffs to ten percent or less on dutiable imports.

Our need to market sophisticated electronic and computer technology, aircraft industrial machinery, fertilizers, pharmaceuticals, scientific instruments and hundreds of other goods and services is matched by the need of industrial countries to sell their goods in our market. Our industries require increasingly scarce commodities from developing countries which they must export to finance their economic development.

We must evaluate the current Tokyo Round of Multilateral Trade Negotiations as an effort to bring order to the increasingly complex rules of international trade. Congress is now considering legislation to bring United States law into conformity with the MTN Agreements. Within the MTN, each Code establishes new rules and guidelines to address tariff and non-tariff barriers to trade.

There are individual codes on subsidies and countervailing duties, product standards and technical barriers to trade, government procurement issues, import licensing procedures, and methods for customs valuation. The Department of Commerce estimates that less than one-tenth (25,000) of this country's 300,000 manufacturers export. In fact, a mere 250 industrial giants account for 85 percent of America's merchandise sales abroad. The MTN codes are important to major exporters, and other business enterprises which for the first time, seek to enter the international marketplace. Properly monitored and enforced, the codes will reduce technical, arbitrary and discriminatory barriers to trade.

Successful export programs imply long-term assurances to business of access to foreign markets. Countries subscribing to these codes will not be able to close the door to trade expansion or competition in domestic markets for insignificant, protectionist or capricious reasons.

The five and a half years of the Tokyo Round were politically difficult. The old axiom that the politics of international trade negotiations reflect domestic political considerations was proven over and over again. It must be this way. Otherwise, Congress and the national assemblies of Western Europe and Japan would never ratify the agreements hammered out by the trade negotiators in Geneva.

The Tokyo Round posed a unique problem for Capitol Hill and the White House. The Constitution gives Congress control over international trade. At the same time, it designates the President to negotiate wih foreign governments.

The Trade Act of 1974 bridged these different, yet related, responsibilities. From the beginning of the Tokyo Round, the Trade Act provided for the close involvement of the House Committee on Ways and Means, and the Senate Finance Committee, in the MTN negotiations. It also ensured that Congress would develop the legislation to implement the codes. Last May, an informal House and Senate Conference approved the final form of the MTN bill. Tuesday, the President submitted these same "recommendations" as a bill to Congress.

This unique process guaranteed that the MTN represented American interests and reflected our basic principles of international trade.

Each Code is the product of several distinct stages of trade negotiations. It was necessary to proceed from trade disagreements to trade compromises, and ultimately, to the legal and political structure to institutionalize procedure for settling trade disputes.

If the MTN can prevent problems in world trade from becoming political disputes among trading partners, then this round of trade negotiations will have an impact of lasting economic and political significance.

For these reasons, the United States should work to strengthen the international dispute settlement procedures of each Code within the MTN. A new body of international trade case law would clarify the MTN's new rules for international trade.

As Chairman of the Subcommittee on International Trade, and the Committee on Governmental Affairs, I am convinced that the Congress and the President must establish a department to manage international trade and investment. It is essential for the United States to have an agency to vigorously advance our rights under the MTN Agreements.

We must have an effective department to manage trade policy. The United States suffers from an institutional inability to respond in an organized fashion to changes in the international economic order. Consequently, we are unable to make a successful transition, from defining trade problems and negotiating specific solutions, to developing an overall trade policy of the United States.

To achieve this objective, I have introduced with Senator Roth, Senate Bill 377 to establish a Department of International Trade and Investment. Both the Committee on Finance and Governmental Affairs, which have primary jurisdiction over international trade and government reorganization, are committed to this view. With the Administration's trade proposal due to arrive on July 10th, Governmental Affairs will work toward organizing the trade functions of the Federal government to benefit from the opportunities created by the MTN.

If we are to be successful, there will be a continuing need for a constructive impact by the business sector in developing trade policy. During the years of the Tokyo Round our trade negotiators had the benefit of market and statistical information supplied through the many business advisory committees. In the post-MTN period, private sector advisory groups should be strengthened. The ability to effectively negotiate depends on the quality of accurate and up-to-date information. The European Community is considering the creation of industry advisory groups patterned after the American model which suggests to me that we had the right idea. The Chamber of Commerce will continue to play a constructive role in improving this important communication between government and business.

There is an important political significance in concluding the MTN. It represents a rejection of trade protectionism for the process of trade expansion. Yet, the process of adjusting to new patterns of international trade should not be abrupt or cause significant injury to our basic industries.

The broad support from the business community for the MTN, is an additional confirmation that the Codes reflect a balance between developing new markets and ensuring stability among our basic industries. Implementation of the Agreements will not cause significant dislocations in the U.S. labor market. Yet, there will be a need for trade adjustment assistance, on a case-by-case basis, to adversely affected workers and firms. With or without the MTN, labor-intensive industries, requiring large numbers of semi-skilled and production-line workers, will face increased import competition. Long term benefits will result from effective enforcement of U.S. rights under the MTN and the GATT. Tariff cuts will modestly reduce the U.S. cost-of-living. High technology industries and the agricultural sector will register gains and help reduce our balance of payments deficit.

Economic adjustment in the U.S. to the MTN will be less severe than would be the uncontrolled affects of export subsidies. The MTN Codes on subsidies and countervailing duties prohibit the use of direct export subsidies for primary minerals and industrial products. National plans for industrial economic development which include regional development programs, tax rebates, and other assists which fall under the jurisdiction of the subsidies Code.

The Code permits participating states to take safeguard action and counter-measures when domestic industries are adversely affected by subsidized imports, or when sales to third world markets are impaired. Before imposing countervailing duties, American law now requires an injury test only for goods entering duty free. The implementing legislation will change current practice. The International Trade Commission will be required to determine that a domestic industry was "materially" injured by reason of dumped or subsidized imports in order to impose duties. The implementing legislation includes a definition of material injury as "not inconsequential, immaterial or unimportant." This will bring the U.S. injury standard into line with the injury test of other industrialized countries. Congress worked hard to shorten the time limits and to restrict executive branch discretion to administer the subsidy and injury tests.

Another area of disagreement between the United States and the European Economic Community was the American Selling Price. Under the ASP, duties were levied according to the current U.S. wholesale price of imports, rather than on the actual export value. This discriminated against exports to the United States. The protection afforded American products by the ASP will be transferred into the Tariff Schedules of the United States. Gradually, these tariffs will be reduced, and U.S. companies will have an opportunity to prepare for a more competitive domestic market.

With this reform, it was logical to tackle the entire issue of customs valuation. The MTN Code on customs valuation was initiated by the United States to establish new international rules to determine the value of imports for customs valuation. Our system involved eight complex formulas which included numerous exceptions. The European system did not follow a predictable set of guidelines, and in practice discriminated against many imports. The Customs Code sets forth five simplified criteria to establish customs duties. It will go a long way toward eliminating a major irritant to world trade.

The trade laws of the United States are the most open in the world. Under these laws foreign sellers can bid for non-strategic U.S. Government contracts. These statutes known as the Buy America laws give to domestic business a 6-12% advantage. The implementing legislation will permit firms in countries signing the Government Procurement Code to bid for federal contracts annually amounting to some $10 billion without the Buy America penalty.

American companies will, for the very first time have, the right to bid for nearly $25 billion of foreign government procurements which were previously inaccessible to American business. The potential gains for the United States under the Code are significant. Only aggressive and competitive offers will capture its benefits.

Suspension of the Buy America Act, for Code-covered agencies, must be met with reciprocity from foreign governments. Should this not be forthcoming, the President can increase the percentage preference for foreign sales to federal agencies not covered by the Code.

The Code on Import Licensing is primarily directed against licensing systems which are designed not to measure, but to restrict imports. The progress achieved toward eliminating non-tariff barriers would be incomplete if exporters continued to confront discriminatory licensing procedures.

The MTN bill, received from the Administration, is the careful product of negotiations with Congress. The bill is not subject to amendment and Congress must vote up or down for acceptance or rejection. It seems that Congress will ratify the MTN Codes, and the implementing legislation. Ratification is necessary if the American government and American business are to confront successfully the trade issues of the 1980's and beyond.

Most developing countries do not have the resources to establish sophisticated codes which define the rules of international trade. In the future there will be a continuing need to develop new rules of trade to bridge the economic and political differences between the West and the Third World.

In the coming years, the multilateral approach to trade negotiations will be challenged by regional blocs and bilateral trade agreements. Already, we do not think of competition with France or Germany, but with the European Economic Community. In addition, we do not derive the benefits of preferential trade arrangements, as do our European trading partners, from free trade zones.

Our desire for uniform quotas and the rejection of selective product retaliation, is undercut by the development of bilateral orderly marketing agreements. These and other questions require our concentrated thought. Neither government nor business can sit back and be smug now that the end of the 7th major round of post-war trade talks is in sight.

MTN has been a long road. Tedious negotiations were mixed with the drama of high political tension and confrontation. The Office of Special Trade Representative has brought to us a new set of international rules to reduce tariffs and to remove non-tariff barriers.

You will have a new road to travel, with fewer restrictions and more opportunities. American business must take advantage of these new opportunities. The people of this country demand no less. I am confident that we will respond to the challenge of competition in the markets of the world.

On the Government side, we have to manage U.S. involvement in international trade and investment more effectively. The new rules of the road must be observed fairly by all nations, and the U.S. should not be at a disadvantage because of official laxity.

Congress now has the responsibility to implement the MTN and to organize the government to develop responsible trade policies and to see they are efficiently managed.

I support passage of the MTN. We have an enlightened self-interest to improve our share of world trade. To make trade work for us, there must be mutual benefits for our trading partners and ourselves.●

H.R. 4289, 1979 SUPPLEMENTAL APPROPRIATIONS BILL

Mr. MUSKIE. Mr. President, it is expected that the Senate will consider H.R. 4289, the Supplemental Appropriations Act for fiscal 1979, on Monday, June 25.

As chairman of the Budget Committee, I would like to bring to the Senate's attention, at this time, the relationship of this bill to the final budget ceilings for fiscal year 1979 which the Congress adopted in the revised second budget resolution in May.

The revised second budget resolution contains aggregate ceilings of $559,200 million in budget authority and $494,450 million in outlays.

The current spending level excluding H.R. 4289 is $546,642 million in budget authority and $486,125 million in outlays. If H.R. 4289 in its present form were enacted into law, it would raise total budget authority for fiscal year 1979 to $559,011 million, a scant $189 million below the revised second budget resolution ceiling. Total outlays for fiscal year 1979 would be $494,450 million, which leaves no outlays remaining under the ceiling. I ask to have printed in the RECORD a table detailing this situation.

The table is as follows:

FISCAL YEAR 1979 BUDGET STATUS

[In millions]

	Budget authority	Outlays
Current level excluding H.R. 4289	$546, 642	$486, 125
H.R. 4289 as reported by the Senate, net	12, 369	8, 325
Total	559, 011	494, 450
Revised second budget resolution	559, 200	494, 450
Amount remaining	189	--------

Mr. President, the Senate must keep this situation in mind in the event that any floor amendments to the supplemental bill are considered.

Any amendment, combination of amendments or subsequent legislation which results in increasing fiscal 1979 budget authority by more than $189 million or outlays by any amount at all, would not be in order because it would cause the Revised Second Budget Resolution ceilings to be exceeded.

This parliamentary situation does not mean, however, that Senators cannot offer amendments. It simply means that the Senate must first reduce other outlays included in the bill in order for amendments that would increase outlays to be voted upon.

Senators, in fact, have two choices. They may introduce amendments which would only cause the outlay levels in this bill to be reduced. Or they may introduce an amendment which involves outlay increases if proposals involving outlay decreases of at least an equal amount are also included. Such amendments would not be subject to a point of order.

Mr. President, I strongly urge Senators to keep in mind that we have reached the outlay limit the Congress has set for itself and that we are very close to the budget authority limit. Any amendment, however worthy, that increases outlays will be subject to a point of order unless corresponding decreases in other programs can be found.

JAPANESE-AMERICAN MONEY REPARATIONS UNJUSTIFIED

● Mr. GOLDWATER. Mr. President, many of us remember with great regret those days following the Japanese attack on Pearl Harbor in 1941 when President Roosevelt signed an Executive order establishing relocation camps east of the Rockies for all Japanese-Americans living on the west coast.

The United States did not at the time and has never since claimed that the relocation camps were just. They were an absolute violation of civil rights, but at the time their establishment was seen as a wartime necessity. As an aftermath of that action, movement has been underway for some years to have the Federal Government pay $25,000 in reparations to every Japanese-American who was interned in the relocation camp. In recent weeks, however, the Japanese American Citizens League seems to have backed off from these demands and asked simply for some type of redress.

Mr. President, my esteemed colleague Senator HAYAKAWA of California recently wrote an extremely enlightening article on this whole situation which was published in the Honolulu Advertiser of May 15. Because of its extreme importance, I ask that it be printed in the RECORD.

The article follows:

AJA REDRESS CLAIM PLAYS THE MINORITY-GROUP GAME

(By Senator S. I. HAYAKAWA)

During the days and weeks following the attack on Pearl Harbor on Dec. 7, 1941, anxiety ran high on the West Coast—especially in California. Nearly 40 years later, it is easy to forget those days . . . the blackouts of 1942, the fear of when, and where, the Japanese would drop their bombs or land their troops. The attack on Pearl Harbor, after all, hadn't even been imagined until it became a horrible reality on that calm Sunday morning.

Also easily forgotten is the fear on the part of many of the Japanese-Americans themselves. They knew that many Americans distrusted them, were afraid of them—in short, had long regarded all Orientals as the yellow peril.

We come, therefore, to a fact of our history of that time that is not to be forgotten: President Franklin Delano Roosevelt a few weeks after Pearl Harbor signed an executive order establishing "relocation camps" east of the Rockies for Japanese-Americans living on the West Coast. The relocation was, of course, largely motivated by wartime fears and hatred, aggravated by a long Californian history of racist propaganda. But it cannot be denied that among the reasons for the relocation was the fear of mob action against the Japanese.

The United States did not at the time claim, and has never since claimed, that the relocation camps were just. They were in truth a violation of civil rights, but their establishment seemed at the time a wartime necessity—a view upheld by the U.S. Supreme Court.

Until recently there was a movement to get the federal government to pay $25,000 in "reparations" to each Japanese-American once interned in the relocation camps. The idea was pushed by some Japanese-Americans who actually spent time in camp, but most of the advocates were either children at the time of the internment or had not yet been born.

In the last few weeks, however, the Japanese-American Citizens League's redress committee seems to have backed off. It now asks simply for "redress," without specifying what form such redress should take.

All the arguments in favor of the reparations assume that the United States was motivated solely by racism when it established the camps. This was certainly not the case.

There was a war going on—a war that the Allies in the Pacific were losing badly in the early months. Were the Japanese-Americans loyal to the United States? Who could tell? They were a small and comparatively recent immigrant group. (Germans and Italians had come to the United States three and four generations earlier.) It seemed at the time the essence of prudence to get the Japanese away from the coast so that they could do no harm—and also so that no harm could befall them as a result of wartime hostility.

It's all very well to say after the war that the Japanese-Americans committed no acts of sabotage against the United States, and that their young men fought like heroes and died for America on battlefields and in the Pacific. But how was anyone in February, 1942, to know what lay in the future?

The U.S. government was itself highly ambivalent about the relocation. The proponents of "reparations" neglect to mention (if they are aware of it at all) that, to take care of the Japanese-American internees, the government established the War Relocation Authority, an extraordinarily thoughtful and humane government agency.

The WRA sent representatives all over the United States east of the Rockies, seeking educational opportunities and jobs for internees from the camps. The young people moved to excellent colleges and universities in the Midwest and East. Their elders found jobs in Chicago, Des Moines, Indianapolis, Cincinnati, Cleveland and many other cities, and, of course, thousands of young men went into the armed services.

It is a fact that today Japanese-Americans are among the most successful of immigrant groups. The Census Bureau reports that their incomes are well above the national average, and that their children are more highly educated than most other Americans.

They have become integrated into society faster than any other non-English-speaking ethnic group in our history. The camps, unjust though they were, forced the Japanese-Americans to break out of the West Coast and into the American mainstream.

The injustices done to the Japanese-Americans many years ago cannot be corrected by money payments. The only thing that can be done—and it has been done—is for Japanese-Americans to be given equal rights and the opportunity to win for themselves respect and influence in their communities so that such injustices never happen to them again.

The demand by the Japanese-American Citizens League for "redress" for every man, woman and child living or dead who was interned in a relocation camp during World War II reminds me uncomfortably of a fashionable minority-group game that was all the rage in the 1960s.

First, you claim to be a victim of racial injustices; that makes Whitey feel guilty—and he loves to feel guilty. Then you make him pay and pay. It has been a very profitable hustle.

Japanese-Americans overcame the handicaps they faced—a native Know-Nothingism reinforced by wartime hysteria—by industry, patience, self-dependence and, above all, pride. It is shocking to see how far the leaders of the Japanese-American Citizens League have come from their ancestral traditions.●

JACK ZAIMAN WILL RETIRE AS COURANT'S POLITICAL REPORTER

● Mr. RIBICOFF. Mr. President, one of the finest reporters to cover Connecticut and national politics in my lifetime is retiring. Jack Zaiman is stepping aside after more than 40 years of reporting politics for the Hartford Courant.

Connecticut politics will survive without Jack, and so will the Courant, but neither will be the same. It is difficult, for example, to imagine a Democratic or Republican Party nominating convention without Jack Zaiman hustling around the Bushnell gathering information and facts. And what of the delegates, candidates, and voters who automatically turned to Jack Zaiman's reporting in the next morning's Courant to find out not only all that had happened but why it happened and what it all meant for the following November? Jack Zaiman is one reporter not easy to replace.

It is part of the genius of Jack Zaiman that he seems to have a sixth sense of what to expect in politics. In those same nominating conventions, Jack invariably knew before the conventions were held what the results would be, who would be nominated, who would lose and what the issues would be. Others would be surprised at the results. But not Jack. He had spent endless hours talking to delegates long before the opening gavel. He did his homework—and he was rarely overtaken by the unexpected.

Having read Jack Zaiman's articles and columns for my entire political career, going back 40 years, I can point to certain qualities and virtues that stand out about this truly outstanding man. He is, first and foremost, honest, a reporter who believes in accuracy above all else. Jack is dedicated to making a truthful presentation of the news. He checks and double checks every story he comes across before writing it for the paper.

Jack's obsession with accuracy is reflective of an equally admirable trait for a journalist. He never loses sight of the very likely possibility that his newspaper, and his own reporting in it, will one day be a source for historians. Jack writes for the record—and he writes as if he were writing history. In a real sense, because he has been so accurate in his reporting, Jack, in fact, writes history. Every aspect of Connecticut politics over the last 40 years was covered in the Zaiman style—factual, comprehensive, insightful—and historians will find the pages of the Courant excellent source material when they get around to chronicling the story of which candidates we elected in Connecticut and why.

Jack Zaiman's columns on politics provide insight into the day's news and perspective. He delights in pointing out that much of what we see in current events has happened before. Only the players are different. But, because he has a sound historical perspective, Jack can also tell readers what is new in politics. And there has been plenty of the new to underscore and explain because Jack Zaiman met the challenge of reporting State and National politics during periods of rapid, continuous, and unprecedented change. Jack has always been able to examine the hectic, blurred, complicated and often bizarre events of daily life and distinguish between what is important and lasting and what is of temporary consequence.

Jack's political column did not lead him into the trap of becoming a fulltime pundit who lives in an ivory tower aloof from the real world. On the contrary, Jack never stopped being a reporter. He was never too busy to gather information first hand. Jack knew that talking to political figures—and talking to as many as possible, at every level, in every corner of the State—is the stock and trade of a reporter's craft. Jack is a craftsman in every sense of the word.

National reporters always call on Jack when they are doing stories on Connecticut. He is known for having inside information about both the Democratic and Republican sides. Jack is never mean or vindictive or snide. He reports the news as it is, straight and to the point. Political people always talk to Jack, even when they are not too happy with the story he is writing, because they trust him to report the news accurately and fairly. In this business, we cannot ask for more. I always returned Jack's calls and would see him whenever he asked. He plays according to the rules.

Now that Jack Zaiman's daily reporting for the Courant is drawing to a close, I would like to suggest that he write a book, or several books, about the last four decades of Connecticut politics. Having been involved in a lot of what went on over those 40 years, I look forward to reading a chronicle of all that transpired. In Jack's hands, the story would be told accurately and interestingly. I know Jack could do that well. Nobody could undertake such an ambitious project better equipped for the task than Jack Zaiman. He was there for all of it. He knew the players. He has the demonstrated ability to write clearly, interestingly, entertainingly and, most important, accurately.

Jack Zaiman has been a reporter's reporter. He has the well-earned respect of his colleagues. One of them, himself a very competent reporter, said of Jack that "he has a tremendous nose for political news" and he has developed a "fantastic network of sources." Anyone who has ever tried to keep a secret in Connecticut politics knows how reliable Jack's sources are, reliable and ubiquitous. With Jack Zaiman around, the best, the only, way to be sure you are keeping a secret is to tell nobody.

Jack's retirement will leave a void in Connecticut political reporting. I am sure, however, that a man as resourceful, as enterprising, as curious and as dedicated to getting the story straight—and into print—will not be retiring for long. Jack Zaiman has much work yet to do and I am looking forward to reading every word of it.

Casey and I wish Jack and his wonderful wife Mildred great and good health and happiness.●

SOLAR ENERGY

● Mr. BRADLEY. Mr. President, a series of articles on solar energy recently appeared in the Newark Star-Ledger. The writer, a national award winning journalist, has done a commendable job of examining the opportunities that solar energy presents for us in the near future. I ask that the series of articles be printed in the RECORD.

The articles follow:

SOLAR POWER STILL A STEPCHILD IN FEDERAL BUDGET FOR ENERGY

(By Gordon Bishop)

Renewable sources of energy can supply the United States with up to 40 percent of its total energy needs over the next 20 years, eliminating imported oil and additional nuclear power plants.

The cost to phase in renewable resources, such as solar energy, would be practically the same price as administering a national gasoline rationing program—about $2 billion a year. But rationing would not provide a single drop of additional fuel to the nation's energy supply.

And the federal government is spending five times as many taxpayers' dollars on nonrenewable sources of energy—fossil and nuclear fuels—than it is on stable, renewable energy supplies that can be tapped today, according to the Solar Lobby, which represents the nation's diverse solar interests.

In fact, renewable resources (solar, water power, wind and bio-mass) already supply more energy to America's homes, businesses and factories than nuclear power—approximately 5 percent.

The nuclear industry, by comparison, presently contributes 4 percent to the nation's total energy needs in the form of electricity.

Petroleum furnishes 45 percent, natural gas, 20 percent, and coal, 17 percent.

The transition to a society energized by renewable resources would cost, in public funds, roughly $50 billion over the next 20 years, based on a comprehensive study just completed by the Solar Lobby, which is recognized by government and industry as the voice of the solar movement.

The proposed federal commitments to renewable resources over the next two decades comes to less than half the amount the government spends on defense in a single year—$125 billion.

But the government's commitment to renewables has fallen far short of President Carter's initial goal, which was announced in 1977 and which included 2.5 million homes supplied with energy by the sun by 1985.

About 50,000 buildings in the United States now have some form of solar heating or cooling. In New Jersey, the number of solar installations exceeds 1,000; most are hot water systems that cost approximately $2,000 each to install.

Instead of moving aggressively on the solar front, the federal government has actually allowed solar funding to be phased out in some areas.

Funds for direct solar applications, for example, will go from $169.5 million this year to $155.6 million next year—a loss of nearly $15 million where solar can do the most good: Collecting sunlight and converting it to heat, which accounts for one-fourth of the nation's total energy requirements.

Meanwhile, the U.S. Department of Energy is warning of heating oil shortages this winter and continuing gasoline disruptions.

Besides spreading shortfalls, the price of finite fuels is getting beyond the reach of most consumers.

Heating oil in the New Jersey-New York metropolitan region has climbed to 65 cents a gallon and is expected to hit 75 cents and more this fall when the crunch comes.

At that price, heating buildings with solar systems is cheaper.

Solar systems now available on the market can deliver heat for half as much as oil costing 60 cents a gallon.

Proven solar models can furnish a million BTUs of energy for $2.50. The equivalent amount of energy from oil at 60 cents a gallon costs a minimum of $4.

A solar hot water/heating system now selling for $7,500 for a typical home can save 100 million BTUs a year, or three billion BTUs over the 30-year lifetime of the system.

Burning oil to produce the same amount of heat would cost two to three times more.

Solar is now competitive with electricity, oil, coal and natural gas for heating buildings, but a barrage of economic and institutional barriers is blocking the widespread use of solar technologies.

They involve government subsidies to fossil and nuclear fuels, an economic system dominated by powerful oil and utility interests, and banks and builders that prefer conventional furnaces costing $6,000 over solar systems costing $7,500.

Vendors of oil, gas, coal and nuclear power, represented in Washington by formidable trade associations, have managed, by influencing legislation, to shape the energy marketplace to serve their interests, the Solar Lobby charges.

"The tax code stands as a monument to the skill of lobbyists in minimizing taxes on the particular form of energy development their clients control," according to the solar group.

In 1977, for example, more than 90 per cent of the federal taxes collected from private utilities were returned directly to the utilities through various loopholes established for their benefit in the tax code, the Solar Lobby reports.

This annual federal subsidy to utilities is three times as large as all the federal benefits received by solar sources in the last three decades.

"Without doubt, the case for a major federal role in promoting rapid solar development rests heavily upon the government's desire to balance a market heavily biased toward encouraging continued investments in conventional energy sources," the Solar Lobby maintains.

For an investment of $2.5 billion a year, the federal government can remove the artificial barriers and establish a solar economy which, within 20 years, can meet from a quarter to one-third of the nation's energy needs.

In fact, solar could meet all of the country's heating and electric needs if government and industry moved aggressively in the manufacturing of solar collector panels and photovoltaic systems that directly convert sunlight into electricity, solar supporters maintain.

The present demand for heat could be met by solar collectors covering about .44 per cent of the U.S. land area, while the demand for electricity could be met by using another .12 per cent for photovoltaic cells operating with an efficiency of only 10 per cent.

By comparison, all of the roadways in the U.S. take up about one per cent of the land area, or almost twice what solar heating and electricity would require.

A "Blueprint for a Solar America" is spelled out in a 39-page booklet issued by the Solar Lobby and presented to Congress and President Carter as the most rational solution to the nation's worsening energy-economic situation.

Under the plan, solar energy technologies can create in the near term the equivalent of 1.5 million barrels of oil a day.

The U.S. currently consumes 18 million barrels of oil a day. There are 42 gallons in a barrel.

Between now and 1985, the most critical supply years, solar systems can pick up the slack of shrinking oil supplies.

The 5 percent shortfalls in oil from Iran, for example, represents 900,000 barrels of oil daily.

Through stepped up solar applications that can begin immediately, more than a million barrels of oil a day can be saved. The savings can be achieved by:

Passive solar installations on residential and commercial buildings—200,000 barrels of oil a day.

Active solar systems—150,000 barrels a day. (An active system uses a tiny motor to circulate solar heated fluids, while a passive system relies on walls, windows and greenhouses facing south.)

Industrial processed heat—250,000 barrels a day.

Renewable electric (wind, low head hydroelectric)—250,000 barrels a day.

Biogas (gas from wastes)—250,000 barrels a day.

Alcohol from wood and grain for use in gasohol, a blend of gasoline and alcohol—150,000 barrels a day.

Miscellaneous solar savings such as wood stoves—100,000 barrels a day.

The success of the solar blueprint depends on the federal government's commitment to renewable resources from the present $560 million a year to $2.5 billion annually until the end of this century.

The shift would be away from nuclear spending—now at $1.9 billion plus billions for nuclear weapons and defense programs—to available solar supplies within the United States.

The Department of Energy's budget for fossil fuels (oil, gas, coal, tar shale) is $791 million.

New technology needed to convert coal into usable gas and oil, however, will be considerably higher than investing the same amount of money into biomass, a substitute fuel, according to the Solar Lobby.

"The program recommended here does not represent an equivalent of war program," explained Denis Hayes, one of the authors of the solar blueprint.

"If the nation were to respond to the energy crisis as they responded to Pearl Harbor—that is, if people were motivated to defer purchases of automobiles so that assembly lines could be converted to manufacture wind turbines and biogas plants—most of our energy could be derived from renewable sources by the year 2000. Such a course would be technically possible, but it could be enormously expensive."

The program envisioned by the Solar Lobby is both more modest and more manageable than a "moral equivalent of war," the term President Carter used two years ago to describe the kind of action the nation had to take to end the energy crisis.

Hayes finds the solar blueprint a "practical plan for correcting the distortions in the energy marketplace by restructuring the subsidies, regulations and other public policies that bias the market in favor of conventional fuels."

He noted that just four years ago, the government projected that nuclear would provide 40 percent of total U.S. energy by the year 2000. Now it projects 13 percent.

In contrast, assessments of solar energy's projected contribution have increased from 6 to 30 percent.

But the higher solar forecast has been backed up with empty promises, not with funded solar programs, the federal record reveals.

Ignoring the high potential for solar sources, President Carter has alloted only 7 per cent of the 1980 energy budget to solar technologies, while giving 24 per cent to nuclear power, reports Richard Munson, staff coordinator for the Solar Lobby.

"The American public is tired of being dependent on OPEC (Organization of Petroleum Exporting Countries), nuclear power plants and multinational corporations," Munson believes.

He cited an example of bad government leadership and planning: The proposed Energy Security Fund to recycle windfall profits by the oil companies resulting from price deregulation.

The bulk of the money—75 per cent—would go back to the oil companies to develop expensive synthetic fuels (gas and oil from coal).

The next largest slice—15 per cent—would go to low-income people in the form of energy rebates.

The balance would be split 5 per cent each for solar development and mass transit.

"To add insult to injury, the amount of money the President is willing to give the oil companies in unearned windfall profits is enough to finance the solar transition over the next 20 years," Munson asserted.

The Solar Lobby feels if President Carter cared, he would, at the very least, utilize existing legislation to train energy auditors and state energy offices to monitor federal structures, schools, hospitals and residential buildings, and publicize the favorable economics and job impacts of a solar transition.

"And the President would require the installation of solar equipment on federal buildings," Munson added.

By doubling the solar budget, the U.S. more than doubles its indemnity against disruptions it can no longer afford, Munson pointed out.

He looks at economic history to provide a "powerful set of arguments for solar energy."

Two major energy transitions have swept the United States in the last 125 years. First, coal replaced wood as the dominant source of commercial energy. Then coal was itself displaced by oil and gas.

Both these changeovers occured with breathtaking speed. In 1850, coal contributed 10 per cent of the nation's energy. Just 35 years later, it provided more than half the nation's fuel.

In 1910, less than 10 percent of the United States' energy supply came from oil and gas. By 1945, oil and gas accounted for half the nation's energy.

The U.S. is now entering another transition. The emerging era will be powered mostly by renewable energy sources.

The critical question the Solar Lobby poses is whether the solar transition will proceed fast enough to enable the U.S. to avoid massive economic and social disruptions.

"If the President's program falls short of a comprehensive strategy, we will support the individual proposals that encourage accelerated use of solar energy," the Solar Lobby stresses, adding, "We will also find our own leaders and pass the necessary legislation to implement the blueprint in its entirety."

SOLAR ENERGY BANK PROPOSED AS U.S. "CONDUIT" FOR AID

A federal Solar Energy Bank where consumers can borrow money at low interest rates for solar energy installations is the key to America's transition to a stable solar economy.

Legislation to establish a Solar Energy Bank has been introduced in Congress, but it has been ignored by President Carter and his policymakers.

The U.S. Department of the Treasury and the Office of Management and Budget have dismissed the proposed solar bank as an "unwise investment." Treasury and OMB favor tax credits to consumers who install solar systems.

A solar bank, however, is designed to motivate consumers to install solar heating equipment on 25 per cent of all existing buildings in the United States, according to estimates by the Washington-based Solar Lobby.

A program of low-interest, long-term loans is expected to foster energy independence and boost large segments of U.S. industry, the Solar Lobby predicts.

The proposed solar legislation (Bill HR 605), introduced in April 1978, calls for federal funding of $100 million in the first year of the solar loan program—1980.

Funding would increase to $150 million in the second year, $200 million in the third.

Loan ceilings for recipients would be set at $10,000 for a single family home, $5,000 per unit for residential buildings of two or more units, and $200,000 from commercial buildings.

Government's financial commitment to the solar bank would expire after three years, under the terms of HR 605. In 1982, Congress would vote on whether to extend direct loan funding.

At least 60 per cent of the solar bank funds disbursed each year would be used to improve residential buildings.

Richard Munson, staff coordinator for the Solar Lobby, says solar loans can do for the consumer what the sale of stocks does for the big energy producers.

"When an oil company needs capital to develop additional energy supplies, it sells stocks," Munson explained. "When a homeowner needs money to make a solar investment, he either takes it out of his savings account or borrows from his neighborhood bank."

Many consumers are not in a position to spend $2,000 for a solar hot water unit or $7,500 for a solar hot water/heating system. And banks, according to Munson, are not making it easy for property owners to invest in solar installations.

"Homeowners need a break. Solar heating systems pay for themselves over the life of the system, but few consumers can afford the substantial initial investment in solar equipment," Munson said.

Direct federal loans through the solar bank would be made at 6 percent below the going federal loan rate. The program would be managed by the U.S. Department of Housing and Urban Development (HUD).

Attempts to involve the federal government in a solar loan program began four years ago. Legislation for a solar bank was introduced last year by Rep. Stephen Neal (D-N.C.).

The current version of the bill was approved by the House domestic monetary policy subcommittee over the objections of the Carter Administration.

The Solar Lobby hopes the solar bank bill will be approved by this session of Congress. The bill is now waiting for markups in subcommittee.

Solar advocates are also waiting for President Carter to comment publicly on the "Domestic Policy Review of Solar Energy," a 100-page document completed last December.

Munson says if the President does not take the solar initiative immediately, someone else will.

The policy review paper emphasizes the use of the secondary mortgage market to create a favorable climate for solar financing. But solar supporters are seeking direct federal loans if the benefits of solar energy are to be felt immediately.

"The most visible and effective solar bank might be an independent solar bank," suggests Herb Epstein, a researcher at the Solar Lobby. "It could escape live burial in a cumbersome federal bureaucracy and support both direct loans and secondary market programs."

Another area where homeowners can get direct help is through their gas or electric utility companies.

Last year Congress approved the National Energy Conservation Policy Act that requires utilities to offer their customers energy audits.

The goal of the auditing program is to prompt homeowners and renters to install energy conservation devices on 90 per cent of existing residences.

"No other energy management technique offers such hefty returns on such modest investments," says Joan Shorey of Solar Lobby. "Homeowners who follow an auditor's advice on retrofitting can expect to save up to 50 per cent annually on home fuel."

The residential audit could pave the way for commercial and industrial auditing, increased government purchase of solar equipment, and a change in home mortgage laws that hamper solar development.

The conservation act requires utilities to inspect homes for energy leaks and weigh the advantages of installing insulation, weatherstripping or other energy-saving devices.

The utilities then supply the customer with lists of business that will finance, supply or install the needed equipment. Utilities are prohibited from installing equipment or making direct loans to customers.

One of the most important aspects of the audits program, according to Dr. Henry Kelley of the federal Office of Technology Assessment, is the performance of the auditor.

"The program won't work unless auditors are honest, well-trained and flexible," Kelley says. "Beyond that, they must be good communicators, some of them bilingual."

A spokesman for Public Service Electric & Gas Co., Newark—New Jersey's largest energy producer—said the utility has not yet notified its customers about the energy conservation program.

"We're waiting for the standards to be set by the federal government," said Ed Anderson, information representative for PSE&G.

The standards are being devised by the Department of Energy, which expects to have them ready in a few months.

Kelley thinks a certification program is needed to insure quality control and public confidence in the federal government's commitment to energy conservation.

"A federally conducted, regionally operated program might also temper public cynicism about the operations of utilities," Kelley remarked.

Other problems before the Department of Energy include finding ways to make sure auditors' estimates of fuel savings are tied to fluctuating oil prices and that consumers are presented with a variety of conservation options.

"Consumers need an itemized list of precisely costed and complementary conservation measures," notes Solar Lobbyist Shorey.

"They need to know, for example, whether an awning or a solar greenhouse represents the most cost-effective investment, how much each costs, which to build first, and if the two additions form an effective conservation system."

The cost of the residential energy audit will be set by individual states. They will decide whether utilities will be allowed to make a profit on the service, or to include at least part of the inspection fee in the utility rate base.

SOLAR LOBBY PRODS AGENCY ON ITS PRIORITIES

(By Gordon Bishop)

The U.S. Department of Energy—the federal government's youngest bureaucracy known as DOE—is being attacked by consumers and industry alike for failing to do what it was created for two years ago: Solve the energy crisis.

Established in 1977 to bring order to the energy marketplace, the DOE's future already is in doubt as a result of soaring fuel prices, gasoline shortages and mounting conflicts over nuclear power, coal and the role of solar energy in a democratic society.

Perhaps the most significant challenge being waged against DOE is a complete reorganization of the department in response to demands for greater use of solar energy.

The challenge is being made by the Solar Lobby, a new national movement made up of representatives from such diverse interests as the League of Women Voters, the International Association of Machinists, the Consumer Federation of America, Harvard University, the National Council on Churches and Sheet Metal Workers.

The Solar Lobby is headed by Denis Hayes, a director of Worldwatch Institute, a Washington-based think tank that concerns itself with resources, population, energy, the environment and economics.

Hayes was the founder of Earth Day, the April 22, 1970 event that gave birth to the environmental movement, as well as the leader of Sun Day, the May 3, 1978 observance of solar energy that galvanized public support for renewable resources derived from common sunshine.

As chairman of the Solar Lobby, Hayes—backed by a growing coalition of civic, labor, academic and business interests—has sent an unprecedented challenge to President Carter in the form of a counter-budget on energy, and a new direction for DOE.

The 1980 "Solar Counter-Budget" calls for a doubling of funds for solar energy sources from $647.5 million, as proposed by the Carter Administration, to $1.25 billion—an increase of nearly $603 million.

The largest increases are for commercialization of solar technologies in the marketplace, from $123 million to $339 million; development of photovoltaic technology that converts sunlight into electricity, from $130 million to $250 million; solar and conservation installations on federal buildings, from $23.5 million to $130 million, and solar systems development, from $47 million to $131 million.

The solar counter-budget also contains a reorganization of DOE to assure that any increases in the budget will be administered properly.

Under DOE's current operating budget, solar energy receives $559.4 million, while nuclear fission (uranium-fueled electric power systems) gets $1.5 billion, and nuclear fusion, $350 million.

Fusion is the nuclear reaction that occurs in the sun—the fusing of isotopes which releases great amounts of light energy.

The largest experimental fusion machine in the United States is at Princeton University. The production of electricity from fusion power plants is not expected to begin for at least 20 years.

DOE's energy budget also supports nuclear weapons ($1.4 billion) and defense ($2.6 billion) programs.

Development of new fossil fuel technologies (oil and gas from coal, tar sands and shale) accounts for $791 million of the department's budget.

The Solar Lobby wants an immediate shift of funding into renewable resources, up to $2.5 billion a year over the next 20 years. At that rate of public funding, the U.S. could produce up to one-third of the nation's energy needs through solar technologies by the turn of the century.

Whether government responds to the solar challenge depends on the leadership in the White House and Congress, according to Mark Adams, deputy director of DOE's solar programs.

Adams said U.S. Secretary of Energy James R. Schlesinger and President Carter are responsible for how the public dollars are spent, along with Congress, which funds the programs.

"We are dealing with a fundamental question of energy priorities, and only Secretary Schlesinger and President Carter can change the nation's direction," Adams said.

He suggested the public direct its attention to those leaders in government who decide where the money is spent, and why.

The Solar Lobby has done just that in its counter-budget. It provides a framework of action within which the DOE can make the transition to a solar economy by shifting its dollar priorities and management positions to where they can do the most good.

DOE officials lean toward biomass (liquid or gaseous fuels from plant life and wastes) as a substitute for gasoline and crude oil.

The most frequent complaint against the solar movement is that it ignores one-fourth of the nation's energy needs, the amount used for transportation.

DOE's managers believe biomass can make the greatest contribution in the most critical years ahead.

Yet DOE officials propose only a $58 million biomass program for 1980 versus a $113.5 million commitment proposed by the Solar Lobby.

For the commercialization of biomass fuels in the marketplace, DOE has budgeted a zero amount for 1980, while the Solar Lobby recommends $32.5 million.

"By underfunding solar and giving most of the available public dollars to the controlled conventional energy sources such as oil, coal and nuclear, the Department of Energy appears to be undermining the solar effort in the United States," charged Richard Munson, staff coordinator for the Solar Lobby.

SUPPORTERS OF SOLAR POWER DIFFER ON THE SATELLITE OR TOWER APPROACH; SPACE HOLDS A GREATER POTENTIAL BUT EARTH SITES ARE LIGHTER IN COST

(By Gordon Bishop)

It will cost at least $74 billion to launch the first solar power satellite in space to generate electricity from sunlight.

The amount of electrical energy produced by a solar satellite would be equivalent to the capacity of 10 nuclear power plants, or enough to serve four million people.

Solar satellites are one alternative to finite fuels—coal, oil, gas and nuclear—used to spin out electricity.

Another option is the solar power tower. A collection of mirrors lined up on the ground facing the sun and beaming concentrated light into a tower to make steam for electricity.

Power towers, like solar satellites, are expensive energy technologies designed for centralized electric utilities.

They are costly methods of metering sunshine—an extension of consumer dependency on large, centralized power systems.

For one-third less than the cost of a single solar satellite, the United States can phase in a decentralized solar society in which the consumer can become his own energy producer, according to a plan now under study by the U.S. Department of Energy.

Under the decentralized plan, every rooftop in America capable of collecting sunlight would be covered with solar panels and photovoltaic cells.

The collector panels would furnish a building's heating and cooling requirements.

The photovoltaic cells, similar to solar panels in appearance, would convert available daylight into electricity.

The question now before the public is which approach would yield the greatest amount of energy at a price society can afford.

The U.S. Department of Energy which controls public funds for solar development, is moving on both fronts simultaneously—the large centralized systems and the small decentralized ones.

Under centralization, the power tower momentarily has the edge over the solar satellite simply because it's cheaper to erect a tower on the ground then to build a satellite the size of Manhattan Island in outer space.

The proposed satellite would be over three miles wide and six miles long. Its flat surface would be covered with wafer-thin solar cells that convert light into microwaves that are beamed to antennas on earth.

The reason for orbiting satellites is that four times more solar energy is available in outer space than on the surface of the earth.

The satellite proponents, led by Peter E. Glaser of the Arthur D. Little consulting firm, and Princeton University Aerospace Professor Gerard O'Neill, are seeking $22 million in federal funds for 1980. The money would come from the operating budgets of the Department of Energy and National Aeronautics and Space Administration.

The satellite enthusiasts do not find $7.4 billion an excessive amount of money. They point to investor-owned utilities, which will spend $36 billion by 1983 for construction of new electric-generating plants.

The research and development costs of solar satellites could be $43 billion—on the order of the Apollo moon program.

Building one satellite and ground station is estimated at $12 billion.

The total system cost: Three-quarters of a trillion dollars.

For about one-fifteenth of that amount supporters of decentralized solar systems claim the U.S. could produce more than one third of its energy from millions of little on-the-ground systems—rooftop panels, windmills, biomass (conversion of wastes into fuel), small hydro-electric turbines, and an assortment of off-the-shelf, do-it-yourself gadgets.

On the other hand, power towers are seen as possible substitutes for electric-generating plants that burn coal, oil or uranium.

They would cost, however, more than conventional nuclear or coal-fired plants—in excess of $1.5 billion for each unit.

Some solar advocates believe the federal government's preoccuption with power towers and solar satellites could undermine the nation's emerging interest in solar energy.

"If the public associates solar energy with complex and costly technologies, they'll be turned off," warns Richard Munson, staff coordinator for the Solar Lobby, the Washington-based national organization that represents the solar interests.

Munson cites the first experimental power tower under construction in Barstow, Cal. When completed in 1981, the cost will exceed $123 million.

That represents one-fourth of the federal government's total solar budget for 1979.

"The ribbon-cutting ceremony for this $12,000-per-installed kilowatt facility may well elicit more 'knowing' sighs from those who claim that affordable solar technologies are decades away," Munson observed.

By comparison, a nuclear power plant has an installed per kilowatt cost of $1,000 to $1,500.

The Solar Lobby admits critics of solar energy are correct when they refer to solar technologies being "exotic" and "decades away," particularly when satellites and towers are used as examples.

"The decentralized approach is the quickest and least expensive solution to the energy-economic-environmental dilemma now upon us," Munson believes. "Practically everyone can do it with a little incentive from the government."

During the past 50 years, the federal government has provided incentives (subsidies) for coal, oil, natural gas and nuclear power at a cost to the taxpayers of more than $200 billion, federal records show.

The incentives or subsidies for a solar-based economy would amount to about $50 billion, according to the Solar Lobby's "Blueprint for a Solar America."

If the goals in the blueprint are realized, by 1985 the average of 80 per cent of all new buildings will have conventional fuel bills 40 per cent lower than the average for similar buildings constructed in 1975–76.

And 85 per cent of all new buildings will be achieving 60 per cent savings by 1990, while 90 per cent of all new buildings will be achieving 80 per cent savings by the year 2,000.

For existing buildings, the Solar Lobby expects that 7 per cent will be deriving 50 per cent of their space heating and water heating needs from renewable sources of energy by 1985.

By 1990, that percentage will have more than doubled; and, within 20 years, 30 per cent of the buildings will have most of their energy supplied with combined active space and hot water systems, if the blueprint is implemented by the federal government at a rate of public funding of $2.5 billion a year.

In the industrial sector, the goal is to have 1 per cent of all new industrial energy derived from renewable sources by 1981. By 1985, it would rise to 6 per cent; in 1990, the figure would be 12 per cent; the 1995 target would be 20 per cent, and by the year 2,000 about 30 per cent of all new energy used by industry would be from renewable sources.

For existing industrial facilities, displacing 1 per cent of conventional fuel consumption with renewables is the 1985 aim. By 1990, the displacement should reach 3 per cent; by 1995, 7 per cent, and by the year 2,000, 15 per cent of conventional fuel use in facilities constructed prior to 1979 would have been displaced by sustainable energy sources.

Energy for transportation can even come from solar sources. The solar strategy is to use less petroleum fuels (gasoline, diesel, and jet fuel) and more combustible fuels made from grain and wood, or ethanol and methanol.

The hope-for pattern of substitution is 5 per cent by 1987, 10 per cent in 1991, 15 per cent in 1995, and 20 per cent by the year 2,000.

If the proposed financial incentives fail to achieve those goals, the timetable should be mandated by law, the Solar Lobby recommends.

Promising sources of electricity include several small-scale, on-site technologies to harness renewable energy sources.

These are expected to comprise a rapidly growing fraction of all new generating capacity, whether to replace worn-out plants or to service growing demands.

The goal is for 2 per cent of all new generating capacity to be renewable sources by 1982, for 10 per cent by 1985; 25 per cent by 1990, 40 per cent by 1995 and 60 per cent by the year 2,000.

Prof Sees Solar Transition as Cost-Saver for All Except Oil Industry

(By Gordon Bishop)

A transition to solar energy would benefit consumers, workers, farmers and production industries by stabilizing the cost of energy for heating, cooling, making electricity and fueling the nation's transportation system.

The immediate benefits of solar energy are analyzed in a new report ("The Politics of Energy," Alfred A. Knopf, Publisher, New York), written by Dr. Barry Commoner, professor of environmental science at Washington University, St. Louis.

Commoner, chairman of the Scientists' Institute for Public Information, finds that solar energy would relieve consumers of the burden of ever-rising utility rates and of the effects of inflation by providing them with more money to spend on other things and improving their standard of living.

Workers, Commoner writes, would have more job opportunities in new industries, and the high levels of unemployment that are now taken for granted could be reduced.

Farmers, Commoner continues, could cut production costs and increase income by producing solar fuels, helping to reverse a 25-year trend which has reduced the farmer's share of the national economy.

Industries in general, Commoner predicts, could break out of the economic grip of the energy industry by producing energy for themselves, or purchasing it from a much wider array of sources at a stable price.

"Everyone would benefit from a sharp reduction in the environmental degradation that has until now accompanied the production and use of energy," Commoner contends. "The country would free itself of the fear of another Harrisburg accident, or worse."

Commoner claims solar energy is being repressed by government and institutions that protect the private interests of the energy industries from the encroachment of the social (public) interests.

"If the nation undertook to develop renewable solar fuels so that fuel prices became stabilized, the oil industry would lose much of the huge profits they are certain to gain if prices continue to escalate," Commoner alleges.

"If photovoltaic cells (conversion of sunlight into electricity) became commercial, the private electric utilities would not long survive the competition," Commoner asserts.

Commoner sees the solar transition as a "great historic passage" which only the people of the United States can decide to undertake.

"What stands in the way of that decision is neither technology nor economics, but politics—politics of evasion, which, by denying the problem exists, deprives the American people of the opportunity to solve it," Commoner charges.

He refers to legislation passed by Congress to massively commercialize photovoltaic technology at a cost of $400 million, which President Carter cut to $98 million, slowing the application of solar electricity by at least three years.

And why, Commoner asks, has the government refused to expand and electrify the nation's rail network and, instead, is proposing to cut Amtrak trackage in half?

"It becomes clear that the nation is not poor, but mismanaged; that energy is not wasted carelessly, but by design; that the energy we need is not running out, but is replenished with every dawn; that by relying on our solar resources we can forswear the suicidal prospect of war that would begin with oil but end with a nuclear holocaust," Commoner explains, alluding to the Mideast and remarks by Defense Secretary Harold Brown that, "We'll take action that's appropriate, including use of military force" to protect the U.S. interests in the Arab oil fields.

Commoner lays out a solar strategy to avoid social and economic disruptions, as well as the possibility of war triggered by politics and petroleum.

The solar system would deliver energy in a variety of available sources:

In forested areas, energy can be produced as a solid fuel (wood), or liquid fuel, ethanol.

In agricultural areas, as a liquid fuel (alcohol made from grain) or a gaseous fuel (methane made from manure or plant residues).

In rainy, mountainous areas such as the Northwest, as hydroelectric power.

In moderately or intensely sunny places, as photovoltaic electricity.

In especially breezy places, as wind generated electricity.

And almost everywhere, as direct heat.

Urban areas can provide up to 10 percent of their total energy needs by converting their wastes (sludge and garbage) into methane gas or fuel to generate electricity.

Commoner also suggests that the "Dead Sea" off the Jersey Shore—the 25 mile area where billions of tons of sludge have been dumped since 1922—be tapped as a source of methane gas.

The Peoples Gas Co. of Chicago last year began to buy methane gas generated from manure obtained from cattle feed lots in Oklahoma.

Each day, about 1.6 million cubic feet of methane gas is pumped into the pipeline that carries natural gas from Oklahoma to Chicago. It is sold to the utility for $1.95 per thousand cubic feet.

The 1979 price of new natural gas is $2.08 per thousand cubic feet. And the price of natural gas is rising at the rate of 10 to 20 per cent a year under the federal government's deregulation program.

Commoner proposes that gas be the transitional fuel replacing imported oil, coal and nuclear power.

According to two recent government studies, from 10 to 20 per cent of the nation's total energy needs could be met from methane gas, which can also be used to power motor vehicles.

The most promising source of gas is artificially grown seaweed called kelp. Gas can be produced from kelp grown on the Pacific coast.

At the same time, farmers, which consume a large portion of the nation's energy budget, can turn to the land for both food and fuel.

Last summer, Archie Zeithamer began to build an alcohol plant on his 500-acre dairy farm near Alexandria, Minn. With the help of his family and several neighbors, he assembled the plant from two 4,000-gallon steel tanks (purchased secondhand from a departing gasoline dealer), some concrete blocks, and sundry pipes, pumps and motors.

Last October, the first batch was mixed from ground corn. After distilling the fermented liquid (using a wood fire), Zeithamer produced about 300 gallons of 160 proof (80 per cent) ethyl alcohol.

The residue from the grain fermentation was fed to the dairy cows and chickens.

The entire project cost $16,000, of which $8,000 was for the building to house the equipment.

Zeithamer is producing 17,000 gallons of 80 per cent alcohol per year, which, at current prices, would sell for about $13,600. Economists consider that a remarkably good return on a $16,000 investment.

Half of the plant's output is being used on the farm to operate tractors and other agricultural equipment.

Zeithamer is also using his alcohol to operate a cogenerator, which provides heat and electricity.

The Minnesota farmer is now helping other farmers to develop their own alcohol operations.

Commoner considers cogenerators crucial to urban environments like Newark, Paterson, Jersey City and Trenton.

A cogenerator is an electric power plant that is designed to make use of the "waste" heat that a conventionel power plant ejects into the environment.

Installed in a residence, commercial building or factory, a cogenerator powered by renewable resources can efficiently heat it in winter, cool it in summer, and drive its electrically operated appliances throughout the year, according to Commoner.

Solar Potential Shines Brightest in Northeast

(By Gordon Bishop)

The Northeast stands to gain the most from solar energy because the region—which contains one-fourth of the nation's population—pays the highest rate in the country for its oil and electricity.

Finding ways to replace imported oil and reduce electric demand dependent on foreign crude is the responsibility of the Northeast Solar Energy Center in Cambridge, Mass.

The SEC is one of four regional energy centers in the United States, but the one that faces the greatest challenge since it serves more than 25 million people in New Jersey, New York, Pennsylvania and the six New England states—Massachusetts, Connecticut, Vermont, Rhode Island, New Hampshire and Maine.

The Northeast center has launched "Operation Sunpower" and "Save Oil with Solar" as part of its aggressive commercialization program to switch as many buildings on to sunlight as possible.

Operating as a commercialization arm of the U.S. Department of Energy, the Cambridge center works with economists, architects, lawyers, computer scientists, educators, engineers and specialists in marketing, finance and business to spread the solar message.

It was the first solar commercialization center established by the DOE in 1977 and the first to consider utilizing just 2 per cent of the Northeast's vast forested area to produce clean fuels from wood and timber wastes.

"Our crisis is more acute than in any other part of the country," says Lawrence Levy, president of SEC. "Oil is the basis for 80 per cent of our energy supply—double the national average. And more than 80 per cent of our oil is imported."

The price the region pays for its energy is 30 per cent higher than the national average—the reason solar is being taken seriously in the Northeast.

"We export $30 million dollars a day from New England to buy fuel, which comes to $10 billion a year," Levy complained. "Given the proper incentives, solar alternatives can provide 25 percent of our total energy supply over the next two decades."

Sen. Edward Kennedy (D-Mass.) estimates that by 1990, more than three million American jobs could be created in the solar, conservation and alternate energy fields including jobs created when spending on other goods and services is taken into account.

Although the SEC is the federal government's lead institution for the commercialization of solar technologies, the center is "severely underfunded" for the mission it must fulfill, according to Levy.

"We could use $50 million a year to phase in solar systems in the residential, commercial and industrial markets—a small amount considering the number of taxpayers and consumers that would benefit immediately from any energy savings," Levy explained.

The center's budget this year is $3.5 million, of which $1.25 million has been committed to fund solar activities in the nine states. A small portion goes to universities and other private sector institutions, and the balance to education and training programs.

The center has already trained more than 2,000 students, carpenters, plumbers, electricians and general "handymen" to install solar collector panels, piping and storage tanks on rooftops and in basements.

For 1980, the federal government is upping its allocation to the Northeast center by $1 million.

"We have a presence in the region which has already had a positive force in terms of assistance to solar developers, the financial community, inventors and other constituencies," Levy said. "But much more could be done if we could increase the scope of our operations."

A solar blue print drafted by the Solar Lobby in Washington, D.C., would quintuple the government's commitment to renewable resources from $500 million to $2.5 billion a year, beginning next year.

At that rate of public expenditure, the Northeast Solar Energy Center could be funded much more than the $50 million Levy is seeking.

The Department of Energy admits the only way solar will get off the ground is to commercialize it quickly in the marketplace.

That precisely is the task of the solar energy centers, which are trying to do it on budgets of a small business operation instead of a major regional corporation.

One source of renewable energy for the Northeast is water power. There have been many small-scale hydroelectric plants in existence in the Northeast over the past 50 years.

In the early 1900s, much of New England's industry was powered by low-head hydro plants. The rushing water from the little rivers and streams can generate an electric output of about 15,000 kilowatts.

The center is now tracking down some 3,000 abandoned sites in the Northeast that offer the potential of producing a large amount of power.

One site in New Jersey that can be reactivated is the hydropower generator on the Passaic River Falls in Paterson. The abandoned plant could produce enough electric power to serve the immediate industrial firms near the falls.

Wind is also plentiful in the Northeast corridor. A small wind turbine available today for about $20,000 can produce 15 kilowatts of electricity, enough to power a small farm.

Like solar collector panels, windmills can be mass produced, reducing their costs significantly.

Another Northeast energy supply now being neglected is biomass—the term used for wood, vegetation and waste material that can be converted into burnable fuel for heating and cooling buildings, generating electricity and powering motor vehicles.

Burlington Electric in Vermont is powering a 10,000 kilowatt plant on wood chips.

Since the oil embargo six years ago, the number of homes in Vermont that have switched from oil to wood as the sole source for heat has increased dramatically, from 1 to 17 per cent. The ocean's waves and tides also offer a potential for producing electricity. Plans are under way at the center to tap the enormous energy of the tides along the northeast Atlantic coast.

The Cambridge center has four operating divisions to carry out its commercialization effort.

The industrial development division provides technical and marketing assistance to small companies and individual inventors. It also finds ways of bringing venture capital and banking sources together with the developers of solar technology.

The center's staff is working with state and federal legislators to remove legal and regulatory barriers to the utilization of solar systems, such as tax exemptions on all solar installations.

The communications division supplies technical and related information to the developer community as well as to consumers. Public information programs are conducted throughout the region. The center recently participated in an energy fair at Asbury Park.

The planning and assessment division conducts ongoing analyses of the resources of the region that can be brought quickly into the commercialization process in environmentally acceptable ways.

The technology division is structuring a sound technical base for all of the center's activities. Programs are being promoted to support those technologies that deliver the maximum, short-term potential for commercialization and fit into the region's requirements.

The Northern Energy Corp., which runs the center for the Department of Energy, has a 20-member board of trustees. Serving on the board from New Jersey is Martin S. Fox of the Fox & Fox law firm, Newark.

Ten members serve on the regional advisory council to the center. Charles Richman, director of division of energy planning and conservation in the New Jersey Department of Energy, serves on the regional council.

Levy, who once was an aide to President Kennedy, finds the energy challenge the most important issue in the industrialized world.

"The task of bringing about the commercialization of solar energy is indeed a mammoth one," Levy realizes. "It is a marketing problem of the first order that contains technological, economic, political and institutional hurdles at every turn."

But Levy sees solar as the solution to the region—and nation's—energy-economic-environmental conflict.●

HUMAN RIGHTS AT HALF-TIME

● Mr. KENNEDY. Mr. President, the advancement of human rights has properly become a fundamental component of American foreign policy. In an article in the New Republic, David Hawk, the former executive director of Amnesty International in the United States, points out that President Carter's human rights policy has made the world more aware of and sensitive to human rights violations. Mr. Hawk suggests that in 1979 the United States recognize its responsibilities toward the world's refugees, proceed with ratification of pending human rights agreements, and better integrate human rights concerns into its bilateral relationships. I agree with Mr. Hawk that such actions would represent major steps forward in our human rights policies.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

[From the New Republic, Apr. 7, 1979]

Human Rights at Half-Time; Toting Up the Score in President Carter's Most Noble Enterprise

(By David Hawk)

Last December on the occasion of the 30th anniversary of the Universal Declaration of Human Rights, Jimmy Carter said it again: "Human rights is the soul of our foreign policy." Zbigniew Brzezinski pronounced human rights to be no less than "the historical inevitability of our time." Carter's reaffirmation was the sort of presidential categorical assertion that drives both foreign policy traditionalists and human rights advocates up the wall. Some rights advocates might worry that if human rights are the soul of United States foreign policy, then America's soul is in mortal danger. And no less a traditionalist than Henry Kissinger warned that making human rights such a vocal objective of foreign policy risks showing impotence and producing revolution in friendly countries.

For all this high-powered rhetoric, what has President Carter's human rights policy accomplished—for human rights or for United States foreign policy? Though the situation of human rights throughout the world is still overwhelmingly depressing, there have been some improvements recently in some countries. A recent State Department report notes trends toward democracy in the Dominican Republic, Bolivia, Ecuador, Ghana, Nigeria, Peru and Thailand. There have been substantial releases of political prisoners in Bangladesh, Bolivia, Sudan, Indonesia, Nepal and Paraguay and other releases in Cuba, Guinea and South Korea. Governments in Bangladesh, Bolivia, Brazil and Thailand have expanded freedom of the press, labor organizations and political parties. Some of these changes are substantial. Others are more superficial.

There have been other improvements not mentioned by the State Department. Indonesia has discarded its forced transmigration scheme for "released" political prisoners; Tanzania and Mali have released prisoners; and torturers have been prosecuted in Egypt and the Philippines.

The administration is careful not to claim credit "for particular instances of human rights progress." But official United States pressure was at least partly responsible for human rights improvements taken in Chile, Haiti and Indonesia. And certainly the restoration of free elections in the Dominican Republic was a direct response to United States pressure.

But no list can be an accurate measure of the impact of Carter's human rights policies. Carter has made the world more aware of human rights. The State Department says the US initiative has "helped create an atmosphere in which improvements are more likely to occur." This is correct even understated. But political atmospherics are transient. The improvements already brought about by the Carter initiatives may prove ephemeral. On the other hand, Carter's human rights policies could lead to permanent changes in the international legal and political framework in ways that promote respect for human rights.

Carter stands in the world's highest bully pulpit. Through his pronouncements, he has improved the international climate of opinion regarding respect for human rights. To be sure, the pope's pronouncements do somewhat the same, but Carter has more divisions. And the Carter administration's actions have not been consistent enough with his words to avoid nullifying the effects of these pronouncements. Anyone who worked in the field of human rights before Carter became president can appreciate the difference he makes. Attention to human rights by the political leader of the world's paramount power sensitizes other governments to human rights issues in general. In particular, it makes them aware that human rights violations may affect their relationship with the United States. Carter's human rights policy has made human rights a front-ranking issue in international affairs. That in itself is Carter's primary contribution to the promotion of international human rights.

Carter has raised the issue of human rights in a way that preserves an international approach to the struggle. He has avoided turning human rights into an American ideological crusade. That would have been disastrous for human rights around the world and deleterious to American foreign policy as well.

An often overlooked factor in making progress in human rights is the strength, tenacity and morale of democratic forces indigenous to violating countries. Courageous dissidents from Siberia to South Africa, the Malacca to the Magellan straits, need recognition. Through pronouncements and symbolic gestures such as meetings with dissidents, Carter has encouraged democratic forces and indigenous human rights advocates abroad even when subsequent United States policy cannot live up to their expectations. This can be tricky; Carter's involvement in the Scharansky case, for example, was maladroit. But official contact and expressed respect for the efforts and safety of local advocates of human rights can be very useful. Official US observers at trials of dissidents in Thailand, South Africa and the Soviet Union have helped in real as well as symbolic ways.

From the outset, the Carter administration has been aware that the promotion of international standards is the key to protection of human rights. Governmental concern for human rights should begin by defining the basic or minimum standards according to which governments should treat their citizens, and should hold each other to these minimum standards. The standards agreed to at the Helsinki Conference and repeated at the Belgrade review are examples. Neither the despicable arrests of the "Helsinki monitors" in Russia nor the Soviet stonewalling at Belgrade negated the positive impact of the Helsinki Accords on the struggle for human rights in Soviet Russia and its Eastern European satellites.

During his first year in office, Carter signed the International Human Rights Covenants and the American Convention on Human Rights, and submitted these to the Senate, along with the Convention on the Elimination of All Forms of Racial Discrimination. These treaties now join the Genocide Convention awaiting Senate ratification. These human rights treaties are not toothless wonders; nor are they abandonments of national sovereignty. They are, in fact, the basis of intergovernmental efforts to promote the protection of human rights.

The Carter administration has reinforced the intergovernmental machinery for protecting human rights. Starting at the 1977 meeting of the OAS, the United States, in conjunction with Venezuela and Costa Rica, increased the authority and staff of the Inter-American Human Rights Commission, enabling it to handle more complaints, undertake more investigations and speak with more, and badly needed, credibility in hemispheric affairs. Paradoxically, by signing the American Convention on Human Rights (though it remains unratified by the Senate) the United States started a trend in Latin American nations to ratify the Convention. In effect this has established an inter-American human rights system, similar to the West European system, providing victims of violations and human rights advocates with another strengthened forum for protesting, and redressing, human rights violations.

Carter has made human rights more of a consideration in day-to-day foreign policy decisions. Congress had already expressed its desire to make human rights more important in U.S. foreign policy; the Carter administration has brought the State Department reluctantly into line. Carter and Secretary of State Vance ended State Department attempts to negate, ignore and evade congressional human rights legislation. Human rights as a factor in U.S. dealings with other states now exists as a matter of law and the *intent of the president*. Obviously, this helps.

Geopoliticoes need not fret. Strategic and economic interests are not taking a back seat to human rights concerns. The Department of Human Rights and Humanitarian Affairs is outweighed bureaucratically and in contacts around the world by the departments of Defense, Commerce, Agriculture and Labor, and the CIA—not to mention State Department personnel who do not always share Carter's, and the American people's, commitment to human rights.

But having human rights as a non-predominant factor in US foreign policy is better than having it as not a factor at all. Great powers tend to export repression as an apparently inevitable byproduct of attempts to establish a stable international environment suited to their security and economic interests. The United States has not been immune to this process. Over the last 30 years of preeminent American power, the impact of United States policies on human rights in many places in the world has not been good. Considering the recent past, Carter has a good record for avoiding the use of American power in ways destructive of human rights. And despite the inconsistencies, gaps and mistakes, there have been many cases where US influence was used positively to promote civil and political rights. The argument that these efforts have damaged US interests is not persuasive.

Carter's most impressive human rights achievements have come from initiatives taken in the earlier days of his presidency. There has not exactly been a slackening of momentum; more like a running out of easy steps to take. Human rights concerns now press more closely against a crowded national agenda. The initial impact will fade unless Carter follows through and follows up on those earlier initiatives.

Three items should be at the top of Carter's 1979 human rights agenda. The most immediate and urgent concerns United States refugee policy. The United States has a special and obvious responsibility to admit more of the Indochinese boat people currently stranded at inhospitable ports and awash on the high seas. Further, some repressive regimes have taken to letting out political prisoners and their families if other countries can be found to take them. Castro, for example, having been challenged to free Cuba's 3000 political prisoners, has called the Carter administration's bluff. The US can now secure the prompt release of these prisoners, some of whom are among the longest detained political prisoners in the world. Exchanging forced exile for incarceration is not the most desirable solution to the problem of political imprisonment, but making the United States a refuge and haven of liberty is a compelling opportunity.

These two measures need not be delayed until a coherent overall refugee and immigration policy is worked out and shepherded through Congress. For the longer term, the 1952 Nationality Act needs to be replaced by a law recognizing U.S. responsibility to take a share of the thousands of socio-economic-political refugees and migrants who continue to flee and cross national boundaries.

Secondly, the Carter administration should lobby hard for ratification of the human rights treaties now before Congress. The treaties are a key to a United States human rights policy that will continue beyond the next two or six years. They embody the necessary international approach to human rights in general, and will assure sustained and constructive pressure on human rights violations in the Soviet and East European block in particular. Failure to ratify the human rights covenants and conventions would be as disastrous to our human rights policy as failure to ratify the Panama Canal Treaty would have been to our relations with Latin America; or as failure to ratify SALT II will be to strategic arms control.

The third area where the Carter Administration must follow through is in integrating its human rights concerns with its policies toward violating regimes. Congress must hold hearings on violating countries that enjoyed aid, so that the assessments of nongovernmental organizations and academic experts can be added to the information released in the State Department's report. Military aid sales as well as economic assistance should be more contingent on good human rights behavior.

The public supports Carter's human rights policies. Human rights was a strong concern in Congress before the executive branch took up the initiative. The policy follow-through now necessary is not too much to ask from a president who talks of human rights as Carter does—and whose commitment to human rights is worthy of emulation by every president from now on.●

MEMORIAL DAY ADDRESS BY GENE KINN

● Mr. GOLDWATER. Mr. President, unfortunately in recent years we seem to have drifted away from the basic reason for celebrating Memorial Day—that it is a time to remember the great sacrifices that so many of our young men have made in times of war to protect the freedom of us all. Time seems to have dimmed the memory and our observance of this important holiday has become more perfunctory than reflective. It has become just another holiday weekend—a time to get out of town on vacation or go to the beach or pursue our many ways of getting away from work.

I was forcefully reminded of this situation recently when a friend of mine sent me a copy of a very inspiring Memorial Day address delivered in Fostoria, Ohio, on May 28 by Mr. Gene Kinn, a radio station owner in northwest Ohio.

I ask that this inspiring message be printed in the RECORD.

The address follows:

MEMORIAL DAY ADDRESS

(By Gene Kinn)

I have attended most of these annual gatherings in recent years. . . . In one capacity or another . . . as the Speaker . . . the Master of Ceremonies or as a Spectator . . . and Each time I view the small but faithful gathering of Grateful Citizens I am tempted to paraphrase the well known words of Winston Churchill never have so few remembered how much was done by so many.

Memorial Day is . . . in its simplest definition, a time to remember. But . . . unfortunately . . . most of us have memories that are all too short. Oh, the Subconscious remembers . . . but the Conscious mind just doesn't reach back to pull the strings on those forgotten happenings. We are quick to forget our failures, our mistakes, our foolishness, the anguish we have caused others, the missed opportunities and, yes, the sacrifices that others have made for us. Occasionally I see those old newsreels or still pictures of Armistice Day, VE Day or VJ Day. The people back home are overjoyed; there's dancing in the streets . . . Kissing and Shouting . . . Bells are ringing and confetti fills the air. But Oh, how quickly the euphoria fades away. As the days and weeks and months turn into years. . . . We remember less and less the Brave Men who are buried here, in Arlington, or under rows of White Crosses in foreign lands. We remember less those once robust young men who now lie in hospital wards or those with permanent handicaps who now beg for jobs and their rightful place in society. Yes, these thoughts pass all too quickly from the conscious to the subconscious. . . . Dimmed by the passage of time and concern over our own immediate well-being.

Thank God that all have not forgotten. Our service clubs and organizations and their Auxiliaries still remember the sacrifices made by their Buddies, their Relatives and Friends in previous wars, conflicts, police actions or whatever history has chosen to designate them. Yes, it is well that we remember . . . but remembering alone is not enough. Unless We the Living continue to believe in and speak out for what they fought for and died for . . . their sacrifices were in vain. We have had popular wars and unpopular wars, but regardless of the perception back home, our young men in uniform fought for a cause and that cause was the preservation of the American way of life.

Today, however, I think we must really ask ourselves if our way of life is the same as the one they sought to save. Today, the very fibre of our nation seems to be unraveling. We constantly assail those institutions which used to command our highest respect: The Military Establishment, the FBI, the CIA, the Police—Almost everything that represents order and authority. We have abolished the Draft in favor of a Volunteer Army . . . an Army of unmotivated individuals who are enticed and bribed by large bonuses, more comfort and more freedom. And in return . . . we get individuals with less initiative, less concern, less dedication, less respect, less regimen and less capability. And, in addition to a lessening of our Manpower Capability . . . the popular cry in recent years has been: "Cut the Military Budget."

We seem to be in one great rush to embrace our traditional foes including those who have sworn to bury us. We appear most anxious to sign new agreements with nations known for breaking old agreements. . . . We are most willing to advance new loans to those who have failed to repay old debts . . . to share our latest technology with those countries that wish to compete with us in world markets . . . to extend favored trade terms to governments that want to export more to us than they are willing to import from us. And, while all this is going on, we are chastising, angering and losing our traditional friends, such as Taiwan, Iran, Saudi Arabia and South Africa. We have allowed small nations like Panama to threaten us and blackmail us or like Cuba to thumb their noses at us while fomenting trouble for us throughout the world. We continue to provide billions of dollars in foreign aid to countries that openly disdain us and criticize us while our own national debt and balance of payments continue to rise to astronomical proportions. We guarantee oil to other nations while our own lack of it has created a national crisis. We have guaranteed both sides billions of dollars in aid to secure a peace treaty which is in the best interests of the two parties involved.

On the domestic front, we seem to have abandoned those moral principles which made our nation great. The most popular TV sitcoms are rife with bedroom talk and double entendre . . . almost anything goes on TV, and in the movies and magazines.

We spend more money on our prisons than we do on our schools. We have all but destroyed the incentive our lawmen with plea-bargaining, suspensions, shock probations and overwhelming concern for the rights of the criminals.

We have lowered the drinking age, eased restrictions on contraceptives and abortions.

We have shortened the work week and increased the benefits . . . We have increased government controls, government handouts, government subsidies, government interference and government inefficiency.

As a nation, we are deteriorating physically, financially and morally.

But . . . despite this litany of despair . . . the cause is not completely lost. We still have the potential to regain our once and former luster. Carl Schurz once said, "Our country when right to be kept right, when wrong to be put right" and we can still put it right. But to reverse the trend will require the efforts of us all. We cannot continue to be uninformed, uninterested and uninvolved. We must fight our own war Here and Now and here at home . . . not with bullets and bayonets, but with ballots and telephones and letters and phone calls. We must seek out good candidates, know what they stand for, elect them to office and then make them accountable for their actions.

If we truly value the deeds of the dead . . . the Soldiers and Sailors . . . Marines and Airmen . . . whose memory we honor this day . . . We will continue their battle.

America's Answer to "Flanders Field" by R. W. Lilliard:

Rest ye in peace, ye Flanders dead,
The fight that ye so bravely led;
We've taken up . . . and we will keep,
True faith with you, who lie asleep;
With each a cross to mark his bed,
In Flanders Field.

Fear not that ye have died for naught,
The torch ye threw us, we have caught;
Ten million hands will hold it high,
And freedom's light shall never die;
We've learned the lesson that ye taught,
In Flanders Field.●

DOE OFFICIAL SAYS SCHLESINGER'S CREDIBILITY GAP HAS WIDENED

● Mr. METZENBAUM. Mr. President, from week to week I have spoken out about the way in which we are handling, or should I say not handling our current energy problems. I have given numerous examples of how the Department of Energy, under the direction of James Schlesinger, has withheld information, contradicted itself and generally confused not only the Congress, but the American people as well.

The effect this total lack of consistency has had on the faith the American people have in their Government has been disastrous. The fact of the matter is, the American people are losing that faith. I am not the only one saying this Mr. President, but the top consumer affairs official at the DOE is saying the same thing. And, according to an article that appeared in the June 21 edition of the Washington Post, this official says the public should be wary of what DOE says, based on their poor performance record in the past.

According to the article, entitled "Oil Nationalization Threat," Ms. Tina Hobson stated in an internal memorandum:

> In addition to inaccurately reporting information on imports, the department may not have released accurate information on domestic production.

That, Mr. President, is a damaging blow. Ms. Hobson goes on to say:

> While the department may have confused consumers regarding the demand for oil, it appears that information (also) was incorrectly provided on oil supplies and imports.

In other words, the Department itself is confirming what many of my colleagues and I have been saying for months; that Dr. Schlesinger and the entire Department under his control, has been hiding information, changing information to fit their theories and basically manipulating figures. I ask unanimous consent that the article by Larry Kramer be reprinted in the RECORD in its entirety.

An article that appeared in the Portsmouth, Ohio, Times newspaper on June 6, 1979, gives an excellent example of how the Department and Secretary Schlesinger have misled the Congress and the people. The article, entitled "DOE Does It Again," explains what has happened to the aviation fuel market since the Department of Energy urged us to give them the authority to lift controls. We were told that the price of aviation fuel would only rise by 1 cent per gallon. We were assured that there was enough competition to keep prices down. And, Mr. President, a majority of our colleagues believed Dr. Schlesinger and the DOE. The price controls were lifted and prices have soared from an average of 38 to 40 cents per gallon to 45 to 55 cents. The spot fuel market has climbed to as much as $1.20 per gallon. Where is the competition? Where is the 1-cent increase? Where are Dr. Schlesinger and the DOE now? According to the article, not one person, not one, is tracking aviation fuel prices on a short-term basis. I shall submit the article, which was written by syndicated columnists Robert Walters and Martha Angle, for the RECORD.

The aviation fuel example is but one in a long and sad series of mistakes, misjudgments and misinterpretations by the DOE. The June 18 edition of Fortune magazine may have hit the nail on the head when, in the "Keeping Up" section, they refer to the Department of Energy as the Department of Incoherence. They list several examples of how the DOE has vacillated on serious, key areas. I shall submit this article also for the RECORD.

And just this week, Mr. President, while all of us are waiting in lines for hours to get gasoline at higher and higher prices, we read an article in the Washington Post that tells us that the storage tanks in the Washington area are so full, that gasoline supplies are being rerouted to Philadelphia and New Jersey. This, Mr. President, is nothing less than an outrage. Where is the coherent energy policy DOE is supposed to implement? Where is Dr. Schlesinger? I shall submit for the RECORD the article which appeared in the June 20 edition, entitled "The Great Gas Mystery: With Storage Tanks Here Full, Excess Is Sent to New Jersey."

Mr. President, if this Nation does not come to grips with the energy problems we are facing, our days as a Nation of greatness are numbered. And, it is all too apparent that Dr. Schlesinger is not the one to handle the job. Once again, I ask Secretary Schlesinger to resign, and to let someone else lead the fight. Once again, I ask the President to accept his resignation, and instill new leadership, new ideas, and new policies in the Department of Energy. The times demand it, and so do the American people.

The articles follow:

OIL NATIONALIZATION THREAT

(By Larry Kramer)

The top consumer affairs official of the Department of Energy has warned the oil companies that they are "heading for nationalization" if they don't explain the present crisis soon and stop what she called "manipulative" practices.

The same official, Tina Hobson, director of consumer affairs for the DOE, has warned key DOE officials in a memorandum that there is also little or no reason that "consumers (shouldn't) believe DOE is misleading, misinforming or even lying to them about petroleum data."

"We are heading toward nationalization of the oil companies," Hobson flatly told corporate consumer affairs representatives and government regulators from several areas at a dinner late Tuesday night.

"I don't want to go in that direction, but if the oil industry and the DOE don't come up with better rationing and something better than those gas lines, there won't be a choice in the matter," she added.

Hobson has held a variety of energy-related positions, including jobs in the Federal Energy Office and the Federal Energy Administration before joining the Department of Energy on Oct. 1, 1977, when it was created.

Although she previously criticized her department's handling of information pertaining to the energy crisis in her internal communications with other DOE officials, Tuesday's comments were her strongest public warning to date.

Hobson said she had information that jobbers for the major oil companies were engaging in a "manipulative process of blackmailing gas station dealers" into staying open for only a limited number of hours and using only a limited number of pumps, "or else." She said dealers were being threatened with being cut off by those jobbers—their only suppliers—if they didn't heed the warnings.

"The system is fraught with inequities," she said.

In a recent internal memorandum to Energy Information Administration head Lincoln Moses and several other DOE officials which was obtained by the Washington Post, Hobson warned that "many consumers could reasonably question the department's projected shortfalls." She cited impartial interpretations that differ with DOE conclusions on oil supply problems.

Further, she said, "While the department may have confused consumers regarding the demand for oil, it appears that information (also) was incorrectly provided on oil supplies and imports."

She said alleged manipulation of import figures by the DOE "has raised significant consumer doubt about the department's credibility."

"In addition to inaccurately reporting information on imports, the department may not have released accurate information on domestic production," Hobson added.

Her memo suggested that the department consider releasing significantly more raw information on the oil industry to consumers for their own analysis, as well as the department's interpretation of that data and assumptions behind that interpretation.

At the meeting Tuesday night, Hobson acknowledged that the department long has had a "problem" of sharing considerable information with oil industry representatives or lobbyists while withholding the same information from consumer groups.

"We have a credibility problem with consumers, and we aren't helping it now," she said.

Hobson said she has gone to speak to several groups about the energy crisis lately, but in her most recent speech before consumer leaders, she said she was shouted down and not even allowed to speak. "People are getting impatient with us," she said.

DEPARTMENT OF INCOHERENCE

Friends, there is a reason why we have a Department of Energy. DOE was not just inflicted on us, for our sins, by a wrathful deity. Nor was it created behind our backs by Soviet agents. We have the department because Jimmy Carter said we needed "cohesion" in our energy planning. He kept using that word in his news conferences back in 1977, e.g., when he proclaimed that DOE would make possible "some cohesion in the evolution and the consummation of energy policy."

In the last few months, you may have noticed, the department has had some trouble living up to that billing. Whole weeks go by when nothing much seems to cohere at DOE.

On May 21, the department suddenly reversed course and urged oil refiners to put more of their crude into gasoline and less into heating oil. Until that date, Energy had been trying to ignore all those large headlines about gasoline shortages and to concentrate on next winter's possible problems.

In mid-May, the department suddenly began encouraging U.S. oil companies to buy more crude abroad and pay whatever it cost. Previously, DOE had been urging the companies to stay out of the foreign markets as much as possible (the idea being that their abstention might restrain those soaring prices).

A while before that, there had also been an amazing flip-flop on natural gas. Early this year, the Energy Department suddenly decided that we had an abundance of the stuff and called on industrial users to start burning it as much as possible—precisely the opposite of the advice DOE planners had previously vouchsafed.

At least, you can't accuse them of excessive stubbornness.

THE GREAT GAS MYSTERY: WITH STORAGE TANKS HERE FULL, EXCESS IS SENT TO NEW JERSEY

(By Phil McCombs)

While Washington area motorists continue to sit in long gasoline lines, many of the multimillion-gallon gasoline storage tanks operated by oil companies here are so full that new shipments are being turned away, industry sources said yesterday.

After being refused here, the gasoline is being sent north to Philadelphia and New Jersey in one of two major petroleum pipelines that bring 90 percent of this area's gasoline from Gulf Coast refineries, the sources said.

Spokesmen for the major oil companies say the federal allocation system prevents them from distributing the additional gasoline in the storage tanks to local service stations.

At the same time, interviews with oil company representatives produced a variety of conflicting explanations for the situation. Several expressed the belief that the current surplus would be temporary.

Government officials trying to grapple with the gasoline situation appeared bewildered by the apparent surplus.

W. L. Nicoll, manager of community relations for Colonial Pipeline Co., which runs the largest petroleum pipeline through this area, confirmed that one major tank farm, in Fairfax City, is so full that gasoline is being sent elsewhere.

Nicoll said the oil companies "send it to other destinations because [they] say their inventories are full at Fairfax. They can't take the product because they don't have the [storage capacity]."

Nicoll said that he was not sure why this was happening and that it might be a "temporary situation, a matter of scheduling."

A spokesman for Amoco said its Fairfax tanks are three-quarters full—fuller than normal.

"We've got a little bit better inventory in our gasoline tanks the last few weeks," said Joseph Golueke, Amoco's distribution manager for the Baltimore region. "The situation is better this year than last in that we don't have any terminal runouts."

A spokesman for Crown Central Petroleum said his company's tanks at another farm at Newington are two-thirds full—also fuller than normal. The spokesman said there had been three recent pipeline deliveries during a four-day period and that normally the deliveries are spaced 10 days apart.

As an example of what can happen when a shipment comes in on the pipeline and there is no room for it, one source said that Cities Service was due to receive a 50,000-barrel shipment of gasoline on May 30 and 31 but did not have room for it in the company's Fairfax tanks.

As a result, the small feeder pipeline that comes to Fairfax from the main Colonial pipeline had to be closed for 24 hours until Cities could find space for the gasoline. During this period, the small pipeline acted as a temporary storage tank for the 50,000 barrels, but no other gasoline could move through the line. A Cities Service Spokesman had no comment on the incident.

The spokesman would not say whether the company's Fairfax tanks were fuller than normal. But he said the product flowing through its system there was up 22 percent over last year. He acknowledged that this might tend to make tank levels higher at Fairfax, even though he said the company's overall national gasoline inventories are lower than last year.

An Exxon spokesman said that levels of some gasoline products at Newington are "fairly high, but in perspective this is not surprising."

The perspective, according to the spokesman, is that these big storage tanks in Washington are just a tiny part of the nationwide and regional storage facilities and pipelines run by the big oil companies.

In this view, one tank farm "doesn't amount to a hill of beans," the spokesman for Exxon said. He said tank farms in Washington could be full to overflowing but this would just be a quirk.

Spokesmen for Shell, Gulf, Texaco and Mobil denied that levels in their tanks here are higher than normal.

Rep. Joseph L. Fisher (D-Va.), who has been active in seeking to end the gasoline lines here, called the full storage tanks and refusals of new supplies "a puzzle."

"I wonder . . . whether to any extent it's a deliberate policy," Fisher said.

"Something smells to high heaven here," said James Flug, director of Energy Action, an organization that is critical of the oil companies.

"There may be some elements of actually hiding stuff in some form by the oil companies or by intermediaries or agents on behalf of the companies," Flug said. "What is needed now is a real detective job to see where the oil is, how much there is and who it really belongs to. The Department of Energy has no idea."

Rep. Herbert E. Harris II (D-Va.), who has led the effort of local politicians to investigate the causes of the long gasoline lines here, said he has asked the Energy Department for a specific audit of bulk tank levels and refusals of shipments at the two storage sites serving the Washington area.

"I haven't got anything back [from the Energy Department] yet," Harris said. "I have got rumors that there is adequate supply in those [tank] farms that is not going out to the [service] stations."

One observer at the tank farms said, "It's common knowledge that the tank levels are higher than normal out here. There's bitterness and resentment among the [oil company] employes here because they stand in [gasoline] lines like everyone else."

Another source with first-hand knowledge said that several weeks ago the oil companies were anxious to get all the gasoline they could for their Washington area bulk tanks, and that this had been the normal state of affairs for years.

"Now they're worrying about what the hell they're going to do with it when it gets here," this source said.

According to these sources, supplies of regular and premium gasoline are higher than normal while supplies of unleaded are normal or somewhat below normal.

"Even so, the no-lead is here, it's not being distributed, it could be distributed, there is plenty of it," one observer said.

The Newington and Fairfax City bulk storage facilities consist of pipeline terminal points where the petroleum products—all grades of gasoline, heating oil, jet fuel and diesel—are tapped off the pipelines and diverted to nearby banks.

Exxon, Shell and Crown have tanks clustered around the Newington terminal point of the Plantation Pipeline—the last point in that pipeline on its journey from refineries in Baton Rouge, La.

Gulf, Texaco, Cities Service and Amoco have tanks at Fairfax City at a tap point of Colonial Pipeline there. These companies tap off what they need at Fairfax from the continuously flowing pipeline, which goes on north to New Jersey.

Mobil has a tank farm in Manassas which also taps from Colonial Pipeline.

Mobil recently had to "downgrade" 10,000 barrels of unleaded premium because its tank at Manassas for this product was too full to take more. Downgrading meant that the gasoline was put into a tank for regular unleaded, a lower cost product with lower octane, according to a Mobil spokesman.

The incident "had nothing to do with our total gallonage" at Manassas, the spokesman said. He said that total gallonage was somewhat lower than it was last year.

Each company has from 3 to 10 or more of the bulk tanks in this area, each of which holds from 30,000 to 200,000 barrels of a petroleum product. A barrel is 42 gallons.

Delivery trucks, carrying about 8,000 gallons apiece, fan out from the Newington and Fairfax City farms, making deliveries to the roughly 1,500 service stations in the Washington area.

Because the constant flow of the pipelines must be in balance with the rate at which the delivery trucks are taking products to customers, the levels in the big tanks rise and fall constantly as the companies perform a continuing juggling act.

Since batches of fuel must be scheduled for movement on the pipeline up to 30 days in advance, the juggling act can get tricky and tanks can easily be fuller than a company might wish at a given time, oil company spokesmen said.

"So while this may appear to be a situation where we have more supply than we need, it is not that," said William R. Snyder, Crown's vice president of administration. "It's just a case that we're getting our supplies back in balance as a result of a foul-up in the scheduling of pipeline shipments."

DOE Does It Again

(By Martha Angle and Robert Walters)

Washington.—Consumers worried about the high cost of petroleum products following the removal of all federal price controls on domestic crude oil ought to take a close look at the current gyrations in the aviation fuel market.

Although aviation fuel is a relatively esoteric petroleum product (it accounts for only about 4½ percent of the nation's oil consumption), an examination of its recent price behavior can be especially instructive.

That's because it is the product whose price controls were most recently lifted by the Department of Energy (DOE) after the agency blithely proclaimed that "competition and market forces should be adequate to protect consumers" from soaring prices.

Those who naively accepted that optimistic prediction probably are also inclined to believe President Carter's current claim that the average American family will pay only an additional $100 for petroleum products in 1982, the first year of full decontrol of domestic crude oil.

Some background on aviation fuel: There are two distinct products, both of which have been subjected to price controls under various federal programs since the summer of 1971.

One is aviation gasoline, refined for use in smaller piston-engine aircraft. The other is kerosene-based jet fuel, commonly known as kerojet fuel, refined for use in larger jet and turboprop aircraft.

When DOE asked Congress earlier this year for authorization to decontrol the prices of both products, it predicted that the action would lead to price increases that "will probably average 1 cent per gallon" for aviation gasoline.

The increase might be "as much as 4 cents per gallon at some airports," but the nationwide average "is forecast to remain at less than 1½ cents per gallon through 1980," said the confident DOE.

For kerojet fuel, said the department, "overall price increases resulting from (price control) exemption are not likely to exceed 1 cent per gallon."

At the time, airlines that held long-term fuel supply contracts with major petroleum corporations (a dozen oil companies produce more than 90 percent of all the nation's aviation fuel) were paying 38 to 40 cents per gallon.

In the three months since decontrol went into effect in late February, contract prices have spiraled upward. The country's major airlines now are paying 45 to 55 cents per gallon.

Aircraft owners whose fuel consumption is too low to justify a long-term contract, including most commuter airlines, must buy their aviation fuel on the open or "spot" market. Prior to decontrol, these prices averaged about 60 cents per gallon.

The "spot" price today ranges from 75 to 95 cents per gallon, with an increasing number of reported cases where the price exceeds $1 per gallon. In some locations, the going rate is approaching $1.20 per gallon.

A futile struggle to avert decontrol was waged on the Senate floor by four Democrats—Sens. Howard M. Metzenbaum of Ohio, Dale Bumpers of Arkansas, John A. Durkin of New Hampshire and Paul Tsongas of Massachusetts.

"We warned against believing the ridiculous projections of DOE," they said later. "We warned that this move would totally violate the nation's inflation guidelines."

After grossly misinforming both Congress and the public, DOE now displays virtually no interest in aviation fuel prices and their impact on the economy.

"We reemphasize that we intend to analyze kerojet fuel and aviation gasoline prices after deregulation," the department promised when seeking deregulation authority from Congress.

But a senior public information officer in DOE recently spent three days searching for someone among his almost 20,000 colleagues who was performing that task. His final report: "I can't find anyone in the department who tracks aviation fuel prices on a short-term basis." ●

CIVIL LIBERTIES BREACHED BY BATF

● Mr. McCLURE. Mr. President, in recent years the Government and people of the United States have focused considerable attention on the cause of civil liberties as guaranteed by our Constitution. Indeed, the activities of many governmental organizations have been closely scrutinized and, in some cases, gross illegalities and injustices were found and subsequently reformed.

This effort in correcting abuses and assuring the liberties of our citizenship, however, is little more than a sham by our Government, as severe injustices not only exist but are apparently actively endorsed and pursued by an arm of the Department of the Treasury: the Bureau of Alcohol, Tobacco and Firearms. Charged with enforcing the Federal laws dealing with these three substances, the BATF has utilized self-made regulations, vague statutes, and a little old-fashioned entrapment in converting law-abiding citizens into criminals.

The evidence in this serious situation is still being compiled. Nevertheless, the ample information which has been made available conclusively illustrates the grave breach of civil liberty which has been—and is still today—being perpetrated on the citizens of this country.

Mr. President, much of the key evidence in this case has been painstakingly uncovered and pieced together by Mr. David T. Hardy, a Tucson, Ariz., attorney. Mr. Hardy has recently written an excellent article exposing this appalling situation, and I ask that it be printed in full in the RECORD so that each of my colleagues can learn for himself how the liberties of American citizens are being sorely depleted by our own Government.

The article follows:

HOW TO MAKE COLLECTORS INTO CRIMINALS

(By David T. Hardy)

If firearm ownership is commonplace in America—and surveys repeatedly indicate that it is—then the firearm collectors comprise the aristocracy amid the popular movement. These collectors are virtually a "nation unto themselves", with their own shows, at which they compete in display of their finest firearms, their own organizations, their own specialties—one may choose British military firearms 1760–1945, another may strive to obtain all calibers and chamberings of the Marlin 1893.

There are also general collectors, and most specialists have a general collection "on the side," which may feature such favored pieces as the exquisitedly crafted Parker shotguns (which begin at about $900), the Winchester Model 21 (the only American shotgun fitted to the individual's dimensions: the "economy" line starts at $3,500), or scarce "presentation pieces," engraved and inlaid pieces given by inventors and companies to both Eastern and Western national leaders. Samuel Colt, in the 1870's, created quite a few of these pieces). Collectors have their own magazine now, independent of all other firearm publications, in which it is not uncommon for a collector to take out a full page, tastefully illustrated advertisement to attract collectors for purchase or exchange of a few unneeded pieces.

Even individuals who support strict firearm regulation might well be tempted to consider these individuals a relatively riskless segment of the population. Persons bent upon robbing a drugstore simply do not seek a Winchester 21; domestic homicides are unlikely to be settled at dawn with a cased pair of Durs Egg flintlock dueling pistols.

Indeed, the federal agency which enforces the firearm laws, the Bureau of Alcohol, Tobacco and Firearms (BATF), has repeatedly claimed that criminals predominantly use cheap handguns—valued under $50, caliber .32 or less, barrel 3 inches or less. No true collector would even use one of these as a paperweight: the risk of being seen with it by other collectors would be too great.

It is therefore surprising to note that federal agencies enforcing firearm laws have often appeared to devote a large amount of their energies to sending such collectors to jail, and confiscating their collections. It is even more surprising to discover that the federal government itself is becoming a large-scale collector—its collection established primarily by choice items appropriated, without compensation, from these collectors.

BATF ENTERS PICTURE

In part, the collector's very law-abiding qualities make them perfect targets for law enforcement. The BATF has been faced with some unique bureaucratic difficulties of late. Since 1972, the skyrocketing prices of sugar, main component of "moonshine", has drastically curtailed illegal brewing. Between 1972 and 1978, the number of "stills" raided by BATF dropped from nearly 3,000 to only 381.

The Bureau suddenly saw itself faced with obsolescence of its traditional area of enforcement, a rather unique experience in law enforcement (one may imagine the consternation at the Drug Enforcement Administration if the entire drug-using populace suddenly turned to meditation or alcohol). Self-preservation dictated a sudden increase in firearm enforcement. But agents seeking to push up their "body counts" of arrests and firearms seized were faced with serious problems. To invade fields where firearms are feloniously used is apt to prove quite dangerous: it also takes time, and this was unavailable when Washington makes it clear that arrests in your district must be doubled within the next year. A safe and easy target had to be located.

Agents therefore quickly evolved a method of entrapping collectors, through a technique which I term the "implied dealership." This depends upon a clause in the 1968 Gun Control Act which provides that "dealers" in firearms must be federally licensed, and makes it a felony to conduct business of a "dealer" in firearms without such. Private sales of one's property by a non-dealer are not subject to federal licensing.

The statute contains no definition of "dealer". Nor do the Bureau regulations, ostensibly promulgated to clarify and enforce the statute, provide such. Since 1972, the Bureau has actively discouraged applications for licensing, in a political move to create an impression of reduction in "firearms traffic." Under its regulations, for example, the applicant must have business premises separate from his residence and must keep regular "business hours." Collectors who reported sales only to other collectors and hours "by appointment" soon found their licenses being revoked. Moreover, a "dealer's" premises are statutorily subject to search, without warrant or probable cause. Collectors who asked whether licenses were needed were usually informed that five to 10 firearms sales per year did not constitute acting as a "dealer".

Actually, while the statute has no definition, federal appelate courts have defined "dealer" very broadly. They have repeatedly noted that there is no minimum number of sales necessary; that no minimum level of profit from sale of firearms is essential, and that the sole question is whether the jury believes the accused citizen to have engaged in "*any* business" of selling firearms. The Bureau has frequently obtained collections on as few as four to six sales per year, and these have been universally upheld.

THE GARDEN PATH

The agents thus can easily lead an individual, who all the while believes he is obeying the law, into a felony indictment. Undercover agents approach the collector at a gun show. Their routine is already choreographed and tested in previous cases. Different agents may make one or two purchases at this gun show, followed by a few more at the next gun show, until four to six sales are obtained. The agents offer a very high price and purchase with little bargaining; thus the collector can easily be shown to have made a profit on their sale. As "icing on the cake," they may lead the collector into stating that he could obtain an additional firearm from a different collector for them: at this point he is acting as a broker for matter not already in his collection.

After the evidence is obtained, the collector is indicted on felony charges. The burden on him is immense. Legal defense costs usually run between $3,000 and $20,000. Conviction on the felony count means total loss of right to possess firearms within the United States. It also carries a penalty of 5 years imprisonment and a $5,000 fine.

BATF CONFISCATIONS COMMON

In an effort to add to these burdens, the Bureau generally confiscates the collector's prize collection. This is done under a provision of the Act which permits confiscation of firearms "involved in or used in or intended to be used in" any violation. The confiscation puts additional financial pressure on a collector who may already be impoverished by the legal costs.

These activities have been frequently reported among collectors, but little work to compile and analyze them has been done. Recently I have had the privilege of serving as project director to a Task Force seeking to compile a comprehensive report on Bureau activities, which report was sponsored by the Second Amendment Foundation. The objective evidence which was compiled on this particular activity proved compelling. My knowledge has since been greatly expanded during the past three months, which I have spent at the headquarters of the NRA-ILA, preparing evidence on BATF practices for congressional hearings.

I could not escape the conclusion that the Bureau had carefully preyed upon misinformation as to the status of the law, some of which had been given out by the Bureau's own agents, in order to entrap law-abiding citizens and confiscate substantial amounts of their private property for the Bureau's own collection!

First, the Bureau seeks to entrap law-abiding individuals who would not disobey the law if it were not for the agent's activities and deception: it does not aim entrapment at individuals who would violate the law anyway and are but given an opportunity. Many of the individuals contacted, in various parts of the nation, with no opportunity to confer with each other, reported acting on advice of agents that five to ten sales per year of their own firearms did not constitute "dealing". In one especially well documented case, we obtained a government transcript of a recording of the defendant speaking to the agent.

"I don't want to know anybody that does anything wrong with guns. No, I'm serious. I collect, and, to me, there's a lot of fine people collecting. Several chiefs of police, several detectives here, and otherwise . . . I don't want, I would never want to contribute to anything that might make it look bad for all of us . . . There's a few people who are making it look bad for the many."

This individual was enticed into the sale of a sufficient number of firearms, his collection was confiscated at a gun show, and, when he filed suit for their recovery eight months later, an indictment was handed down within ten days. He is today a felon on probation. Given that "the first duties of the officers of the law are to prevent, not to punish crime. It is not their duty to incite to crime . . . ," the entrapment of an individual of this type, solely for the virtue of increasing a "body count" of convictions and confiscations, is hardly justifiable conduct on the part of a public agency.

VALUABLE GUNS TAKEN

A second reprehensible aspect of the BATF attack on collectors is the tendency to focus on large and expensive collections. Confiscations tend to center upon these collections to the exclusion of the cheap firearms which the Bureau so often claims are the roots of violence. During the course of the study I utilized the Freedom of Information Act to obtain copies of the Bureau's "Reports of Property Subject to Judicial Forfeiture," which gave inventories of seizures by collector name, value, firearms, and ultimate disposal.

A few examples will suffice. In one, the Bureau confiscated 83 firearms from a Pennsylvania collector. The Bureau's own appraisal fixed the value at $18,020. The collection was devoted primarily to antique Marlin rifles, especially the 1883 model, although some 1881 models in .40–.62 caliber and an especially rare .30–.40 "baby carbine" were included. Only five of the 83 were handguns—and the average handgun appraisal was $116.

A second major example also came from Pennsylvania. There, 136 firearms valued at $28,335 were taken. These included five Parker shotguns (one valued at $1,000), a Winchester model 21 (undervalued at $900), and a number of French and German collector shotguns. Private reports have also received (from time frames outside of the period requested from the statute) of numerous confiscations: an Eastern collector reported a seizure of $10,000 worth of items: two years after the confiscation, he has neither been charged with any offense nor has the collection been returned. A South Carolina collector reported seizure of over 100 firearms valued at over $15,000. He was acquitted of charges. Two weeks after the acquittal, the Bureau served him with notice of intent to forfeit his collection, maintaining that the criminal acquittal did not bind them in subsequent "civil" forfeiture proceedings. (Further, three persons, in Connecticut, Arizona, and Nebraska, reported that their automobiles were seized on claims that they had used the vehicles to transport firearms).

BATF'S "REFERENCE COLLECTION"

A third reprehensible aspect lies in the Bureau's use of its powers to furnish its own private collection. The reports obtained through the Freedom of Information Act requests showed that approximately one-third of the collections were being routed back to the BATF with the purpose of acquisition of "reference collection." The two Pennsylvania seizures mentioned earlier alone contributed 75 firearms valued at $18,000 to this Bureau collection.

The collection is not easily filled, obviously, especially with reference to the expensive shotguns: The Bureau apparently needed no less than five Parkers, three of the same gauge. Modern firmarms are also found useful. One report from a Texas case disclosed a seizure of 86 firearms valued at over $20,000. The local Bureau office chose to keep 48 of these firearms for their local arsenal (and, presumably, for issue to the agents who confiscated them). Interest in filling this collection may explain the Bureau's tendency, reported by several collectors, to dismiss charges or permit pleas to a misdemeanor in the event the collector would permit them to keep the collection. These offers were transmitted through the prosecutor's office to the defense attorney's office: in several cases I was able to contact the defense attorney and confirm that such offers had been made.

FIREARMS ABUSED

Finally, some of the seizures appear to display a vindictive intent. In a famous Texas case, the agents seizing an expensive collection were seen to deliberately drop the firearms to the floor before storing them. Several firearms, in "as manufactured" condition and unfired, were "test fired," greatly reducing their collector value. Despite the dealer's acquittal, agents refused to return the firearms. Even after judgment was rendered in his favor on a civil proceeding, they still refused. Only after contempt proceedings were brought against them did they return the collection, then disclosing that it had been stored in a damp warehouse which had seriously rusted many of the finer pieces.

A Colorado defendant reported, and his attorney confirmed, that his collection (including a Parker valued at $10,000) was thrown across the room as each firearm was booked in, and permitted to fall to a concrete floor. A Virginia defendant reported (and, once again, his attorney confirmed) that his firearms were thrown into a 50-gallon drum and wheeled to court in that manner. They were taken out and slammed down in a pile during the trial. When a request was made to treat them more gently, the result was only more violent treatment.

In several cases in addition to the Texas one mentioned above, the Bureau refused to return firearms despite acquittal and then brought civil proceedings against the persons to confiscate the collection. Some collectors reported having to give up their collection because the criminal trial had exhausted their financial resources and the legal expense of the fight would be $2,000 or more. The collector, of course, does not recover his attorney's fees in the event he is acquitted, nor secures the return of the firearms. The Bureau, on the other hand, is served by attorneys paid from tax funds contributed to by the dealer.

WHY THIS PATTERN?

Is this apparent focus on the law-abiding an isolated occurrence, or part of a general pattern? Since the Bureau does not itemize prosecutions by collector status, it is most difficult to tell. One might expect a rational, albeit ruthless, administrator to focus upon these individuals. As noted above, they are generally naive sorts who believe that "since I am law-abiding, I have nothing to fear from the law" are unlikely to shoot informants, are easily arrested without violence, and in short make a perfect target for a quick increase in arrests at minimal risk.

What information we do have suggests that the Bureau has been assessing its probabilities in this manner. During Project CUE, the Bureau published breakdowns of prosecutions in certain cities. In Washington, D.C., for example, out of 1,603 investigations, only 206 dealt with felon in possession of firearms, only 58 with stolen firearms, and only 20 with use of firearms in a felony. Of Chicago's 1,980 investigations, 135 dealt with felony possession, 54 with theft, and only nine with use in felony. Considering that studies have repeatedly documented that approximately 25% of handguns used in crime are stolen, one might expect that more than 3.6% of the Bureau's Washington investigations, for example, would deal with firearms theft. But we must reflect that catching firearms thieves and marketers of stolen firearms may be dangerous and difficult, hardly the type of thing to undertake when large numbers of quick arrests are needed.

In short, it appears that the Bureau of Alcohol, Tobacco and Firearms has devoted a significant portion of its investigative and law enforcement efforts to entrapping naive collectors of firearms, of a type unlikely to be contributing to criminal firearm markets. This campaign has enabled the Bureau to boast of impressive statistics of convictions and firearms seizures, with minimal effort and personal risk. It has also permitted the seizure of significant numbers of appropriated, without compensation, for the Bureau's own collection. The underlying practice of encouraging, rather than avoiding, crime can hardly be justified; its exploitation for Bureau property gains, or as part of a vengeance motive, is even more repugnant to our institutions.●

LEVERETT SALTONSTALL SERVED IN THE SENATE WITH DISTINCTION

● **Mr. RIBICOFF.** Mr. President, I was very saddened to learn that former Senator Leverett Saltonstall of Massachusetts had died June 17, 1979.

Coming from neighboring States, Leverett Saltonstall and I had known each other for many years. He was Governor of Massachusetts from 1939 to 1944. It was during this period that I got started in elective politics, serving in the Connecticut General Assembly. I met Governor Saltonstall at that time and I was impressed by his civility, his modesty, his wit, and his intelligence.

Governor Saltonstall was elected to the Senate in 1944. Nineteen years later, in 1963, when I came to the U.S. Senate, Senator Saltonstall had become a strong, effective, and most able senior Member. I had the opportunity of working with him on many issues. He had not changed at all. He was still the same decent, self-effacing, thoughtful, and courtly man I had first known years before.

That quality of decency made Senator Saltonstall a very respected and liked man. It came to him naturally. In the 1960's, when his important role in the Senate was most apparent, Senator Saltonstall continued to be thoughtful, fair, considerate. The Senator was so likeable, and so much a statesman, that his opponents were put off balance by the difficulty of mounting a campaign against someone virtually everybody liked and respected. That may have been a factor in his continued success at election time.

In 1967, Senator Saltonstall, at the age of 74, retired. After a 46-year political career, he decided it was time to step aside and open the way for younger political aspirants. Of that decision, the Boston Globe has observed:

> If "Salty" or "Lev," as he was affectionately known to countless friends, admirers and constituents, had chosen to run for reelection, there was little doubt that victory would have been his. But he didn't, since he wasn't sure he could give his best for six more years.

In Senate remarks the day after Senator Saltonstall's death, Senator KENNEDY spoke warmly of his late colleague, saying:

> He was perhaps the most widely loved and respected Massachusetts public figure of his day, and it was common knowledge that his Senate seat was his for so long as he chose to hold it.

Another New England colleague of Senator Saltonstall, Senator PELL, said Leverett Saltonstall "epitomized the good qualities of New England and he combined the qualities of compassion and a humanitarian outlook with the traditional New England Yankee values."

Leverett Saltonstall was a great U.S. Senator. He was a great human being.●

IS IT NOT TIME FOR "ANGEL OF DEATH" TO FACE ACCUSERS?

● Mr. HELMS. Mr. President, earlier this week I introduced Senate Resolution 184, a sense of the Senate resolution calling upon the U.S. Government to promote the apprehension and extradition of one of the most infamous Nazi war criminals still being sought—Dr. Josef Mengele, known to the inmates of the Auschwitz concentration camp as the angel of death.

Simon Wiesenthal, the courageous man who has brought more than 1,100 Nazi war criminals to trial, speaks of the survivors of the camps and asks, "How can we live if we do not forget, but it is given to us not to be able to forget." Senate Resolution 184 expresses the fact that the American people are not able to forget and are willing to take practical steps to bring to justice those involved.

Mr. President, I ask unanimous consent that the distinguished colleagues, the Senator from Alabama (Mr. STEWART), the Senator from Michigan (Mr. LEVIN), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from South Carolina (Mr. HOLLINGS) be added as cosponsors of Senate Resolution 184.●

PRESIDENTIAL DECISION TO INCREASE TIMBER SUPPLIES

● Mr. BUMPERS. Mr. President, on June 11, Alfred Kahn announced a Presidential decision to increase timber supplies from Federal lands by limited departures from the nondeclining even-flow policy. The announcement concerns me because it appears to abandon sound forest management policy for an insignificant anti-inflation impact.

For the information of my colleagues, I request that copies of the White House factsheet and my letters to President Carter and Chief McGuire of the Forest Service be printed in the RECORD.

The letter and factsheet follows:

THE WHITE HOUSE FACTSHEET DEPARTURE FROM EVEN-FLOW TIMBER HARVEST ON FEDERAL LANDS

The President is instructing the Secretaries of Agriculture and Interior to take steps consistent with existing law and environmental considerations to increase timber supplies from federal lands by limited and temporary departures from the non-declining even-flow policy.

Present federal policy limits annual sales from federal lands to levels that can be sustained in perpetuity. Strict application of this limit means that excessive inventories of mature timber will be carried on a number of western national forests.

Inflation in housing is partially the result of limitations in the supply of timber. An expansion of the timber supply is one of the few actions that can be taken at the federal level to moderate rising housing costs.

Lumber accounts for about 15 percent of the total cost of an average house. For each billion board foot increase in federal timber sales, the price of timber will decline by an estimated 10 percent and lumber by over 4 percent. That is a saving of more than a half percent of the total cost of a new house.

Housing costs are a principal factor in the recent dramatic increase in the Consumer Price Index. The median price of a new house rose 120 percent from 1971 to 1978; consumer prices as a whole rose more than 60 percent.

An expansion of the timber supply will also make an important contribution to reducing inflation by helping to sustain employment in timber-dependent communities, particularly in the Northwest.

A temporary departure from the current even-flow, sustained yield policy, permitted under the National Forest Management Act of 1976, will not cause an eventual decline in the long-term flow of timber harvested from federal land; in fact, it will probably mean a higher reate of growth and production from these lands in the future.

U.S. SENATE,
Washington, D.C., June 21, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Your announcement of June 11, directing the Secretaries of Agriculture and the Interior to increase timber harvesting from the National Forests concerns me.

I am concerned that the directive, which purports to be consistent with existing law and environmental considerations, may result in the abandonment of even flow sustained yield timber management policy in National Forests. This long-standing policy is based on the principles of multiple use-sustained yield and embodied in the Forest and Rangeland Renewable Resources Planning Act and the National Forest Management Act of 1976. I recognize that the Congress has provided the Forest Service discretionary authority for limited departures from sustained yield management where necessary to meet overall multiple-use objectives. However, in its role as steward of our public lands and resources, Congress has consistently determined that "managing the timber resource on a sustained yield basis is the most advisable means of guaranteeing a continuous flow of timber and related resources to meet the needs of the American people . . . This approach also provides the best assurance that the other forest resources will not be subjected to sudden potentially adverse changes or disruptions." (Sen. Rept. 91–893, National Forest Management Act of 1976)

The Forest Service has made a highly creditable effort to implement the intent of Congress in the draft National Forest Management Act regulations and the draft Resources Planning Act program. The timing of your announcement prior to final promulgation of the regulations, and after the close of the public comment period for the RPA program is confusing and could prove troublesome. It would be unfortunate if the implementation of the NFMA regulations is delayed or the opportunity for meaningful public comment on the regulations and the RPA program is jeopardized by this directive.

Finally, I am concerned about your attempt to combat inflation with a policy which will not result in any significant reduction in housing costs, but could result in significant adverse impacts on the precious resources of our National Forests.

Sincerely yours,

DALE BUMPERS.

U.S. SENATE,
Washington, D.C., June 21, 1979.

Hon. JOHN MCGUIRE,
Chief, Forest Service, U.S. Department of Agriculture, Washington, D.C.

DEAR CHIEF MCGUIRE: Recently I wrote to President Carter expressing my concern about his decision to direct the Secretaries of Agriculture and the Interior to increase timber supplies from Federal forest lands. The announcement raises several questions which I would like to explore with you in your professional capacity as the Nation's Chief Forester prior to making a decision about scheduling a Subcommittee hearing on the issue.

I am interested in knowing what specific instructions, if any, you have received from the White House to implement this directive. Will the directive have any impact on timber supply this year? When do you estimate that departures could occur? How much additional funding would be required in this or future fiscal years to increase the timber harvest by a billion board feet? Have you received a commitment from the Office of Management and Budget for budget increases for timber sale preparation, reforestation, timber stand improvement, or road construction?

By its own terms, the directive is limited to actions which are consistent with existing law. However, I believe that any meaningful implementation of the President's instructions—that is, a significant departure from the allowable cut in order to lower timber prices and reduce inflation—is simply not possible under existing law.

I am familiar with the language of the National Forest Management Act and the draft regulations concerning departures. They do not identify "inflation fighting" as a multiple-use objective. Will the final regulations be changed to accommodate this new policy? The draft Resources Planning Act program contains five alternatives, all of which are based on the nondeclining even flow policy.

Does the President's directive mean that the Forest Service will consider a new departures alternative in the RPA program? If so, does the Forest Service intend to allow for public review and comment on this new alternative?

I hope that you will be able to provide me with further information on these questions in a timely manner.

Sincerely,

DALE BUMPERS.●

THE NEED FOR OLDER AMERICANS ACT REGULATIONS

● Mr. HEINZ. Mr. President, Tuesday marked the 8-month anniversary of the signing of the Older Americans Act Amendments of 1978, amendments which call for substantial changes in the administration and focus of federally assisted aging programs. Yet with less than 4 months to go before the beginning of fiscal year 1980, no regulations have been issued to implement these new initiatives.

Certainly when the Congress acted last year to strengthen and improve the delivery of services under the Older Americans Act, we did not envision such a long delay in putting those changes in place. Neither did we expect that an entire fiscal year would pass before our efforts to tighten program administration, with an increased emphasis on services, would be realized.

Because of this delay, State and area agencies on aging are being pushed to the limit to develop their aging plans for next year within extremely tight timeframes. In some instances, they are doing so under the "guidance" of seemingly conflicting signals from the Administration on Aging at HEW. As an example, my own Commonwealth of Pennsylvania is encountering difficulty in implementing the new State planning requirements. The old 1-year planning cycle is being replaced by a new 3-year State plan that must be "based upon area plans developed by Area Agencies on Aging." This is a complex and potentially far-reaching change that Pennsylvania and the other States are approaching in a total vacuum.

Unfortunately, the regulations have yet to appear, even in proposed form. With State aging plans due by August 15 and a new fiscal year beginning October 1, issuance of regulations to implement Public Law 95-248 is critical. Allowing for the appropriate period of public review and comment, it seems unlikely that any final regulations could be in place in time to solve the problems or answer the questions which State and area agencies may have going into fiscal year 1980.

Without Federal guidance, area and State aging agencies risk making choices which may later prove to be wrong when final regulations are in place. This confusion and uncertainty is imposing unnecessary burdens on these agencies. Ultimately, this burden will fall on those older Americans who rely on the programs and services which are provided under the act.

Mr. President, the necessity for the prompt issuance of the Older Americans Act regulations must be underscored. I invite my distinguished colleagues to join with me in registering with Secretary Califano, our displeasure over the prolonged delay in issuing these regulations and in urging him to expedite this important matter. ●

EXPLOSIVES TAGGANTS AIDED IN BOMBING INVESTIGATION

● Mr. RIBICOFF. Mr. President, the Governmental Affairs Committee is presently considering S. 333, the Omnibus Antiterrorism Act of 1979. The bill will, if enacted, put the United States at the forefront of world efforts to combat terrorism. It would give the Federal Government a variety of effective tools to fight the modern, sophisticated terrorist and to prevent future wanton terrorist destruction.

One of the "tools" in the bill is the section which mandates the use of "taggants" in explosive materials. Taggants are coded microparticles which are added to explosives as a means of aiding in the prior detection or criminal investigation of bombings. Identification taggants survive an explosion, are retrieved by law enforcement personnel at the scene of the crime, and are then analyzed under a microscope to reveal the brand of explosive, its date of manufacture, and movement through the distribution chain. The idea is to give law enforcement personnel a lead in the investigation of bombings, thereby deterring future criminals.

Throughout the last year, several concerns have been raised about the explosives tagging program, including the cost of the taggants, recordkeeping, safety, and value in criminal investigation. To aid in the committee's consideration of these issues, Senators JAVITS, STEVENS, and myself recently asked the Office of Technology Assessment to study the feasibility of mandating the use of taggants in nearly all explosives. We expect the OTA will conclude their independent review by early September.

But there has been an important development directly relating to one of these issues—value to criminal investigations. On Monday of this week, special agents of the Bureau of Alcohol, Tobacco, and Firearms (ATF) arrested a man for a bombing, through the use of taggants. This is a very encouraging development for the tagging program, which has been in the research phase for more than 4 years.

The case involves a May 10 bombing in Sparrows Point, Md., in which one man was killed, and another seriously injured. The next day, investigators on the scene sifted through the debris and found the coded microparticles. Just 7 days later, the ATF explosives laboratory deciphered the date-shift code contained in the taggants. The code revealed the explosive brand name was "Tovex 220," manufactured by DuPont. The investigators then traced the movement of the explosive through the distribution chain, using records required under existing law. The records of purchases led the investigators to a retailer in West Virginia, and, 5 weeks later, to the arrest of the suspect.

The taggants, by themselves, were not responsible for the arrest. But, by leading investigators to a particular geographic area and a small number of explosives purchasers, they were quickly able to piece the evidence together and make the arrest.

The success of this investigation stands in direct contrast to the terrible number of bombings, both in the United States and abroad, which remain unsolved. Bombs destroy evidence. Bombings are the single most frustrating crimes for police and detectives to solve. This is why so many criminals and terrorists resort to explosives to kill and destroy.

Ironically, the suspect in the Sparrows Point case used an explosive manufactured from an experimental batch containing the taggants. To date, only approximately 10 million pounds of explosives have been "tagged" as part of the testing process. American companies alone, however, manufacture another 200 million pounds of explosives every year. Some of the materials often are illegally obtained by would-be terrorists and criminals.

Tagging of explosives is not the whole answer to a strong, effective, comprehensive antiterrorism strategy. But, it does appear taggants can give the law enforcement community a good lead in solving and attacking bombings where before they had virtually nothing to go on.

The Federal Government has invested more than $4 million on research on explosives taggants. It is a promising new technology which could give us the means to stem back the most horrendous and feared crimes—bombings.●

SALT II AND THE FEAR OF REJECTION

● Mr. GARN. Mr. President, the editorial writers of the Wall Street Journal have once again demonstrated their unique, keen insight into the national debate on SALT II. The Journal points out that fear of the possible consequences of a Senate rejection of SALT II is one of the most formidable issues that underlies the whole SALT debate.

Both President Carter and Soviet Chairman Brezhnev have exploited this argument by conjuring up images of a nuclear arms race, heightened superpower tensions, and even nuclear confrontation. Given the general lack of detailed knowledge about SALT II amongst the American public, these kind of scare tactics can be very effective. They cannot, therefore, be ignored or dismissed out of hand by opponents of the treaty. As the Journal notes, "The fear of rejection has to be faced squarely. It will be the great subterranean force behind the drive for ratification."

Combating fear of the unknown is a difficult task, but it can be addressed best by looking first at the historical record. We are told that a failure to ratify SALT II without any changes will allow the Soviets to expand their nuclear arsenal far beyond what would be possible under SALT II. In other words, SALT II may not be a succesful arms control treaty, but it is better than no treaty at all. Unfortunately, the historical record provided by the period since the signing of SALT I does little to support this line of reasoning. Again the Journal correctly states that "the Soviets are already turning out arms like sausages, and are already stirring trouble from Cambodia to Angola to South Yemen. Will SALT really cause them to be more reasonable, or rejecting SALT cause them to be less so?"

The United States has too often been blinded by the hopes and aspirations that SALT I inspired with its effusive rhetoric. We have pursued a policy of restraint while the Soviets have actually increased their spending on nuclear weapons. It is significant that only recently Senator JACKSON spoke of American appeasement. Senator JACKSON observed:

> In the last seven years, we and the Soviet Union have gone jointly into space. The Soviet Union has gone alone into Ethiopia.

> We have sent our scientists to Moscow. The Soviets have sent their Cubans to Angola.
>
> We have encouraged peace in the Middle East. The Soviets have encouraged war in Southeast Asia.
>
> We tried to calm the turmoil in Iran. The Soviets sought to aggravate it.
>
> We have encouraged human rights around the world. The Soviets have trampled human rights at home.
>
> We have exercised restraint in the acquisition of strategic weapons. The Soviets have invested, in the last decade, over 104 billion dollars more than the United States in strategic nuclear forces alone.
>
> The danger is real that seven years of détente are becoming a decade of appeasement.

This, then, is the record with which we are now faced. It is not a very comforting picture, and Senate ratification of SALT II will not make matters any better. In sum, the Journal wisely concludes:

> If there is no treaty, the essential constraints on Soviet behavior will remain. If a bad treaty is approved, the result is not likely to be a more reasonable Soviet Union. Rather, the result will be even more bold and strident Soviet demands.

We must debate the treaty on the basis of its merits, not on the basis of fear and scare tactics. If the Senate decides that SALT II does not constitute meaningful, equitable, and verifiable arms control, then it should either substantially amend or reject the treaty.

Mr. President, I request that the Wall Street Journal editorial, "Fear of Rejection," be printed in the RECORD.

The article follows:

[From the Wall Street Journal, June 19, 1979]

FEAR OF REJECTION

The long-imminent strategic arms treaty has finally arrived, and over the next few weeks there will be plenty of time for detailed textual analysis. But listening to many of the proponents over the last few months, we have heard that the text hardly matters. Whatever the flaws the provisions are the best we can do, they argue, and rejecting the deal will only make matters worse.

At the Vienna summit, Soviet Chairman Brezhnev backed this argument with some threats of his own. If the U.S. Senate rejects or even amends the treaty, he warned of "grave and even dangerous consequences for our relations and for the situation in the world as a whole."

The fear of rejection has to be faced squarely. It will be the great subterranean force behind the drive for ratification. Its influence reaches far beyond a final up-or-down vote. In our judgment it has already profoundly influenced the negotiations. And certainly it will influence the drive for amendments. Proposals for amendment are likely to be met not with arguments on their merits but with the objection: yes, yes, but do you want to kill the treaty?

Fear of rejection is in large part simply fear of the unknown, but if you try to break it into analytical pieces you come up with two concerns. Without the treaty, the Soviets will accelerate their military build-up. And without the treaty, the Soviets will stir up more trouble around the world. But the Soviets are already turning out arms like sausages, and are already stirring trouble from Cambodia to Angola to South Yemen. Will SALT really cause them to be more reasonable, or rejecting SALT cause them to be less so?

Even more precisely, what are the real constraints on the Soviets? It's hard to find any serious constraint on their weapons program in SALT. They have conducted a huge build-up, both strategic and conventional, under SALT–I. SALT–II will require them to deactivate some 250 missile silos, but it allows them to add some 5,000 warheads. Within the treaty they can meet any military requirement they are likely to want. Why would they build more without it?

The truly serious constraint on Soviet weapons-building is the economic one. Last June the CIA issued a public assessment of Soviet military spending, showing it growing 4 percent to 5 percent a year in constant prices, consuming 11 percent to 13 percent of the Soviet GNP, and consuming one-third of the output in machine building and metalworking. A slowing Soviet economy will make it more difficult to sustain this pace, the CIA estimated, but predicted at best a marginal slowing. It added, "Conclusion of a SALT II agreement along the lines currently being discussed would not, in itself, slow the growth of Soviet defense spending significantly."

In the political field, the Soviets have stepped up emigration permits and made a few friendly gestures. But even the gestures are marred by what seems a congenital ill-nature; as when they allow a dissident to flee but drag their feet over his family. In geo-politics, they have supplied arms aid to establish new Marxist regimes in South Vietnam, Laos, Cambodia, Angola, Ethiopia, Afghanistan and South Yemen. Without SALT, without detente, would it have been nine nations instead of seven?

Regardless of treaty ratification, the Soviets will be constrained by their economic problems, by their succession uncertainties, and most of all by wariness about awakening a West still full of latent power. That is not to say, of course, that it's impossible to wring more military expenditure out of a stagnant economy. And it certainly is not to dismiss the possibility that they might react to the rejection or amendment of SALT-II with a show of belligerence somewhere in the world, exploiting sooner rather than later the opportunities implicit in a deteriorating U.S. military posture, even in crucial areas such as the Middle East. Yet unless the West does something to redress the underlying military and political deterioration, these opportunities will only grow, and ultimately and inevitably be exploited, with SALT or without it.

This is why Senator Jackson has started to talk about "appeasement." About this he was rather precise: "Diplomatic accommodation becomes appeasement when we make concessions out of fear that the Soviets will cause trouble around the world unless we yield to their desires." The precise mistake made at Munich was to yield to unreasonable demands out of fear of what would happen if those demands were rejected; we learned that appeasement leads to yet more unreasonable demands and higher risks of conflict.

So the debate on SALT comes back to whether the text released yesterday can withstand the scrutiny it will receive, whether it really provides equality or advances the Soviet buildup, whether its terms are meaningful constraints or vaguely ambiguous. If it fails in these respects it should be amended or rejected. If there is no treaty, the essential constraints on Soviet behavior will remain. If a bad treaty is approved, the result is not likely to be a more reasonable Soviet Union. Rather, the result will be even more bold and strident Soviet demands.●

PROF. LAURENCE TRIBE ON "TOO MUCH LAW, TOO LITTLE JUSTICE"

● **Mr. KENNEDY.** Mr. President, the continued vitality of the Nation's legal heritage is of particular concern to all of us. One of the most thoughtful analyses I have seen recently of the precarious state of America's legal system is contained in an article in the July issue of the Atlantic by Prof. Laurence Tribe of Harvard Law School.

As American society becomes increasingly complex, the legal machinery which protects and sustains the institutions of democracy, justice, and free enterprise are becoming overburdened with excessive laws and unnecessary regulation. Responding to the needs of citizens by adopting countless separate pieces of legislation, we have often succeeded in solving some problems while inadvertently creating others.

The result is a heavily encumbered legal system that dispenses, as Professor Tribe writes:

> Too much law, too little justice; too many rules, too few results.

What is needed, he suggests, is a well-coordinated program to achieve the "delegalization" of America—a systematic attempt to weed out the laws and regulations and other legal procedures that create unnecessary burdens. If our society is to function properly, our legal system must operate in a more coherent manner, with due regard to the costs as well as the benefits of existing and future legislation.

The approach is not antilaw, nor is it antiregulation. Indeed, as Professor Tribe points out, it is because of regulation in critical areas like public health and safety that thousands of American lives have been saved on the highways, and that infant deaths from crib strangulation and household poisons have been halved.

Yet there is equally compelling evidence, as the early returns from our highly successful effort to deregulate the airlines demonstrates, that deregulation can bring great benefit to our free enterprise system. In recent decades, the pendulum had swung too far toward Government regulation in areas of the economy where competition could function more effectively.

The same principles apply to the courts. The glut of cases clogging judicial tribunals is a primary cause of inequity and injustice. By seeking new methods for the nonjudicial resolution of disputes, and by taking other steps such as the elimination of the diversity jurisdiction of the Federal courts, we can achieve major reductions in the current caseloads and major improvements in the functioning of the judicial system.

Many of these issues and questions have been high on the agenda of the Senate Judiciary Committee in recent years, and I believe we are making substantial progress in these areas. Our goal is to buttress the system from within; rather than burden it from without.

Mr. President, I believe that Professor Tribe's excellent and comprehensive analysis of these issues will be of interest to all of us, and I am pleased to submit it for the RECORD.

The article follows:

[From the Atlantic, July 1979]

TOO MUCH LAW, TOO LITTLE JUSTICE—AN ARGUMENT FOR DELEGALIZING AMERICA

(By Laurence H. Tribe)

Luke, 11:46—"And [Jesus] said Woe unto you lawyers also! for ye load men with burdens grievous to be borne, and ye yourselves touch not the burdens with one of your fingers."

THE LITIGIOUS SOCIETY

Undaunted even by that judgment, lawyers have overburdened more than a few societies before and since. Gibson wrote that, after five years of legal education, law students in the Roman Empire "dispersed themselves through the provinces in search of fortune and honors; nor could they want an inexhaustible supply of business in a great empire already corrupted by a multiplicity of laws." When Gulliver traveled, he explained to one of his exotic hosts that, in England, "those who made a profession of [law] were exceedingly multiplied, being almost equal to the caterpillars in number."

Yet the United States now has three times as many lawyers per capita as England and twenty times as many as Japan. Law has never flourished in more fertile soil. In this century, the number of American lawyers has grown twice as fast as the population as a whole, and the profession is expanding more rapidly than ever. Over 126,000 students enrolled in law school in 1978—more than twice the enrollment fifteen years ago. In the same brief period, the number of lawyers has increased by more than 50 percent, from 300,000 to 460,000.

Multiplying even more quickly than lawyers are laws and lawsuits. In 1977, the legislative bodies at the federal, state, and local levels enacted approximately 150,000 new laws, and each of these new laws, on the average, required the issuance of ten new regulations. Between 1969 and 1972, the case load of the federal courts (corrected for the increase in population) rose by half. If the federal appellate case load, which accounts for only 10 percent of all federal cases, continues to grow as it has in the past decade, over one million federal appellate cases a year will flood the courts by the year 2010. And four times as many suits are filed each year in the state courts of California alone as in the entire federal system.

Clearly, something is awry. For too long we have reflexively relied on law to right every wrong. We think of the rule of law, justice under law, peace through law—as though law and the legal process were perfectly synonymous with fairness and equity. Our automatic reaction to injustice has been to declare, "There ought to be a law!" Each of us expects to get his "day in court."

This intoxication with law costs us dearly. Legal fees have soared to more than $25 billion a year. Because much of that expense is tax-deductible, the tax system in effect finances the litigious society. Still more perverse, some federal regulation discourages competition and boosts prices billions of dollars annually. Hundreds of thousands of people injured in automobile accidents suffer doubly because the fault system denies compensation to many and delays it to all. And each year, thousands are incarcerated at a cost of hundreds of millions of dollars for crimes that victimize no one but themselves.

While accumulating towering costs, the legal system casts only a shadow of justice. The federal Legal Services Corporation, handling a million cases annually, meets less than 15 percent of the official (and understated) need for legal services among the poor. At today's prices, the middle class too needs a legal aid program. And even those who can afford to seek justice must often wait years to find it.

An excess of law inescapably weakens the rule of law. Frustrated citizens naturally distrust an expensive, inefficient, frequently incomprehensible nonsystem that often seems contrived to serve lawyers rather than law. The scale of despair is alarming.

The sources of our predicament are not hard to discern. Our economic interactions are numerous and complex, and market mechanisms alone set few restraints on such social crimes as pollution, industrial safety hazards, and consumer fraud. At the same time, we have guaranteed individual rights and freedoms that require painstaking protection. Most fundamental, our native individualism has worn our social fabric thin, leaving virtually no enveloping system of family, community, or custom to guide or constrain each of us—as less mobile, more traditional societies could provide. Reversing cause and effect, the atomization of society has triggered an explosion of law.

Too much law, too little justice; too many rules, too few results—that is our problem. Obviously, the answer is not to abandon law or renounce all rules, leaving the powerless unprotected and inviting social chaos. The answer is to deregulate and simplify selectively, attacking only those laws and legal processes that aggravate injustice. The idea is hardly startling, and efforts to implement it are already under way in many precincts. The challenge is to find the links among these seemingly unrelated efforts, and to forge them into a unified program to delegalize America.

SELECTIVE DEREGULATION

Deregulation can restore competition to areas where the regulatory agencies have served as the agents of those they purport to regulate. Regulation in such areas was originally justified by the need to protect infant or otherwise vulnerable industries from "destructive" competition. The government has set floors on the prices certain industries may charge for their products or services, has restricted entry by newcomers into those and other industries, and has at times guaranteed minimum levels of profitability. Whether or not the "infant industry" justification should ever have been accepted, it is clear that consumers have had to bear the costs of such protectionism—no longer with even arguable justification.

And those costs have been substantial. A 1977 General Accounting Office study estimated the cost to consumers of regulating air transport at over $2 billion a year. Since then, thanks to the work of Senator Kennedy and the Carter Administration, the Civil Aeronautics Board has been stripped of much of its authority over air freight and passenger fares—in favor of private market forces. Now fares are falling (and profits are rising) because more Americans can afford to fly. In 1978, the CAB admits, passengers saved $2.5 billion as a result.

Similar deregulation in the trucking industry could save consumers as much as 10 percent of the $110 billion spent annually on truck transportation. Government interference with market forces in other industries also exacts a high price from consumers. The annual cost of Interstate Commerce Commission regulations resulting in excess rail capacity is at least $3.5 billion: The Federal Maritime Commission's regulation of ocean shipping may inflate rates by 45 percent. Federal milk marketing regulations cost $100 million annually and generate a sharp income transfer upward. And regulation pads the price of cable television by one to two billion dollars a year.

By gradually deregulating specific activities, we may begin to recapture such social costs as these. The airlines were not the first to realize the benefits of a deregulated market. When the Securities Act Amendments of 1975 ended the system of fixed brokerage commission rates on stock transactions, institutional brokerage rates fell more than 45 percent and individual rates more than 15 percent—with total savings of $700 million by the fall of 1976.

For all the talk of deregulation as a boon to free enterprise, however, the fiercest opposition to deregulation that will promote competition comes from industry itself. Trucking lobbyists have fought to keep Senator Kennedy's trucking deregulation bill out of his Senate Judiciary Committee and to consign it to the legislative graveyard of the Commerce Committee instead. Nor is such opposition to pro-competitive deregulation atypical, for many businessmen who decry government intervention in the marketplace consider such deregulation inimical to their own interests. Selective deregulation must therefore distinguish between regulations that insulate corporations from competition with one another and regulations designed to protect consumers, workers, and the environment from industrial depredation.

Deregulation is thus hardly a categorical imperative. The degrees to which the various regulatory agencies serve the public interest vary widely. Many agencies passed through the crucible of an age of reform and today serve worthy goals—environmental protection, occupational safety and health, consumer and motorist safety. Other agencies, established as guardians of fledgling or infirm industries such as trucking and shipping, continue to interfere with market forces long after the supposed need for such interference has ceased. Separating those activities that ought to remain regulated from those that should be deregulated is clearly a manageable task.

Of course, even the best of the protective agencies have committed some egregious errors—to the glee of their enemies and the discomfiture of their friends. But such blunders have been wildly exaggerated. Infant deaths from crib strangulation and household poisons have been cut in half by product standards requiring closely spaced crib slats and childproof containers for dangerous substances. An estimated 200,000 Americans would not be alive today but for the federal automobile and highway safety standards enacted since 1966. Carbon monoxide levels in eight representative cities declined 46 percent between 1972 and 1976—a decline which may be linked to the recent reduction in heart disease. And worker exposure to harmful doses of coal dust, asbestos, lead, and other toxic substances, has been substantially cut.

Notwithstanding the common wisdom that the public opposes all government regulation, California voters approved $375 million for pollution controls on the very day they approved Proposition 13—and by nearly the same margin. Opinion Research Corporation surveys show public support for regulations to protect worker health and safety by a margin of four to one, consumer safety by a margin of three to one, and environmental quality by two to one. Thus the public's praise of deregulated air fares, for example, may not demonstrate broad public antipathy toward regulation in all sectors.

Dire predictions that protective regulation will invariably cost more than society can afford are themselves highly inflated. In the early 1970s, chemical manufacturers warned that a federal standard for worker exposure to vinyl chloride (a potent carcinogen) would cost $65 to $95 billion and destroy two million jobs. "The standard is simply beyond the compliance capacity of the industry," their trade association baldly asserted. As consumer advocate Mark Green has noted, the standard was nevertheless imposed—at a cost one-twentieth of the industry's frenzied overestimate, and with no loss of jobs.

For many years, protective agencies had to bluff their way through such prophesies of fiscal ruin, hoping that the alarms of regulated industries would prove unwarranted. In those days, it seemed farfetched to defend protective regulations in "hard" terms of dollar benefits, for who could say whether a beautiful sunset was worth the cost? No longer are the protective agencies on the defensive, however. A brand-new study by scientists working under a grant from the Environmental Protection Agency concludes that protective regulation may not only be less costly than its critics have maintained, but may even be *profitable*. These scientists reported that, as of 1977, the federal government was reaping $8 billion in benefits from a pollution-control program that cost only $6.7 billion. Under this program, particulate pollution from certain stationary sources (that is to say, smog and soot from power plants and factories) had been cut 12 percent since 1970. The study estimated that, by reducing the amount of such pollution by 60 percent, the government could increase labor productivity by $36 billion and realize an additional $4 billion gain from reduced mortality. In the Los Angeles basin alone, the study predicted, real estate values would jump $950 million a year—$500 per household—if smog were cut by only 30 percent.

Figures such as these clearly demonstrate the benefits of protective regulation in terms that would persuade the most severe cost accountant—which is not to say that the intangible benefits of protective regulation should be ignored. Both "hard" and "soft" values demonstrably served by the protective agencies offer good reason not to let our frustration with excessive regulation lead us into mindless deregulation.

SIMPLIFICATION

Just as it would be a mistake to equate the deregulation of consumer prices with the dismantling of consumer protection, so it would be a mistake to equate acceptance of regulation in a particular area with complacence about that regulation as it is currently structured and administered. Often, where we cannot or should not deregulate, we should still delegalize. For example, we can replace complex, ineffectual, uniform standards for water and air pollution with simpler effluent fees—that is, require manufacturers to pay as they pollute, rather than prohibit pollution or set pollution limits—thus making pollution subject to self-regulation by manufacturers, and thereby reducing government's role without sacrificing regulatory goals. Such an approach might regulate more effectively—but with fewer rules, fewer lawsuits, and, in effect, less law. Charles Schultze, chairman of the Council of Economic Advisers, has endorsed this technique more broadly, arguing that, in many cases, fees or incentives would be preferable to the "command control" system of direct regulation. Under this approach, the government can influence private behavior by using, not discarding, market mechanisms.

The difference between direct and indirect regulation of private behavior is illustrated by the case of worker safety. Federal law directs the Occupational Safety and Health Administration to set safety and health standards for the workplace, inspect firms, and assess fines for violations. Enforcement is necessarily ineffective under such a direct approach, for there are 5 million workplaces in the United States and OSHA cannot possibly inspect more than a tiny fraction of them each year—or ever. With detection unlikely and the threat of penalty therefore remote, many employers have disregarded OSHA workplace standards. Consequently, 14,000 workers still die and two million others are injured each year in accidents on the job.

At least one alternative to the direct approach could radically improve the situation. Taxing employers for on-the-job injuries to their workers would provide an effective incentive to guard against workplace accidents in the most cost-effective way. This and other self-executing enforcement devices would better serve the purposes now entrusted to an intrinsically inadequate inspection system. Workers themselves would enforce OSHA's standards—by filing accident reports. OSHA inspectors could then concentrate on workplace conditions that are likely to cause injuries that may not manifest themselves for years—injuries that workers may not even associate with their work sites.

DECOMPLICATING ANTITRUST

Selective deregulation can clear much of the legal pollution that suppresses fair competition and keeps prices artificially high. But, even where deregulation is needed, rote dismantling of big government could leave consumers at the mercy of corporations big enough to dominate whole industries. No invisible hand will operate where concentrated business has a visible grip on entire sectors of the economy. The policy of selective deregulation demands a freer market, not a market in which government control has been replaced with control by corporate power.

Yet concentrated business maintains its grip on various sectors of the economy largely because antitrust law has itself become a study in overlegalization. To bring an antitrust action against any large corporation amounts to a declaration of judicial war. Armies of lawyers must be enlisted to wage one—Exxon, for example, has on retainer more lawyers than the entire U.S. Department of Justice. Some clashes last for years. For private antitrust cases reaching trial, the median time between filing and disposition, for cases decided in 1977, was 44 months. A charge brought under § 2 of the Sherman Act will consume, on the average, eight years before a final judgment is rendered.

And many cases simply never end—they just fade in and out. In 1932, the Justice Department had antitrust suits pending against AT&T and IBM, and had just signed consent decrees with General Electric and Westinghouse. In 1952, the scene was the same; indeed, little had changed by 1977 (see "Corporate Star Wars," May 1979 *Atlantic*). In such cases as these, legal wizards can mock the law with mountains of motions and by burying their opponents in blizzards of paper. In one IBM suit, the plaintiff produced almost 26 million pages of documents. The defendants produced 4 million pages and 60 million supporting documents.

Surely a celestial visitor would think us mad if informed that we endeavor to promote economic efficiency through this process. He would not be surprised to hear that the attempt has utterly failed. In 1973, the 100 largest firms controlled nearly the same share of the nation's assets as did the 200 largest firms in 1948. This concentration of economic power, according to the best available estimates, costs consumers between $150 and $180 billion a year in price overcharges, or about $2000 per family. In the face of these inflexible overcharges, attempts to restrain inflation through budget cuts and tight credit fail while aggravating unemployment and risking recession. Secure from competition, concentrated industries also tend to resist change. The National Science Foundation has concluded that every dollar spent for research and development by small firms is twenty-four times more productive than the same dollar spent by big firms.

The problem lies not in the antitrust idea but in its implementation. Strict judicial management, for example, could reduce antitrust delays. Judicial districts with stringent time controls resolve cases as much as 50 percent faster than districts with more relaxed schedules. Reducing the number of relevant antitrust issues would also limit litigation. Lawmakers have spent much of the period since the Sherman Act was passed nearly a century ago tailoring legal rules to ever finer factual nuances. The result has been not swifter or surer justice, but more and bigger lawsuits. Rougher—but readier—rules of thumb would better serve both litigants and the public interest.

For example, an action under § 2 of the Sherman Act now requires proof of two elements: monopoly power and culpable conduct with intent to acquire or maintain that power. Generally, one third to one half of antitrust trial time is spent—or wasted—on the issue of culpable conduct. Dispening with that over-burden of proof, and instead requiring only a showing of persistent monopoly power, would remove the greatest statutory cause of protracted antitrust lawsuits. A defendant corporation would still be entitled to persuade a court that its monopoly power was based on a lawful use of patents, or that divestiture would destroy substantial economies of scale. (Such economies result when the fixed cost of producing or distributing a product or service, or the cost of producing or distributing different items together rather than separately, makes it wasteful to operate at low volume or without combining separate operations.) Allowing an alleged monopolist to point to economies of scale in self-defense in the few cases where that justification is acceptable makes far more sense than focusing the government to prove illicit acts or motives in the many cases where monopoly power may claim no such justification.

Congress could also limit the scale of these cases by formulating a federal antitrust code to clarify questions that have chronically troubled the courts since 1890. Finally, Congress should consider the direct reorganization of certain sectors of the economy. The problems of concentration and monopoly in the oil, computer, automobile, and other basic industries might be addressed more fruitfully by Congress than by the courts.

DEJUDICIALIZATION

These reforms do not touch the plight of the ordinary citizen seeking justice in court. Over fifty years ago, Judge Learned Hand scolded the bar of New York City: "As a litigant, I should dread a lawsuit beyond almost anything short of sickness and death." Today, legal expenses alone could make Judge Hand sick; and if court backlogs grow at their present rate, our children may not be able to bring a lawsuit to a conclusion within their lifetime. Legal claims might then be willed on, generation to generation, like hillbilly feuds; and the burdens of pressing them would be contracted like a hereditary disease. Resort to law would be the nightmare described by Dickens in *Bleak House*—a dismal rite that "so exhausts finances, patience, courage, hope, so overthrows the brain and breaks the heart, that there is not an honorable [lawyer] who would not give—who does not often give—the warning, 'Suffer any wrong that can be done you rather than come here!' "

The time and expense of righting wrongs have themselves become glaring inequities. The law obstructs justice when a five-year wait for a federal courtroom is common. But a number of tested alternatives can ease the plight of the individual litigant. Many disputes can be avoided althogether, and others can be resolved without recourse to a courtroom.

One of the most dispensable judicial tasks is the determination of fault in personal injury cases. The legal expenses involved inflate insurance premiums for everyone. Injured claimants wait endlessly for compensation, while unpaid medical bills accumulate. Hundreds of cases clog court dockets and delay justice in disputes where the adversary process is essential. No-fault automobile insurance—at least for bodily injuries—is the first widely adopted scheme of dejudicialization, and it has already shown its superiority to the fault system. A Department of Transportation study of the sixteen states with no-fault systems found that victims in those states receive fairer compensation faster than victims in other states. Under New York's no-fault system, the average time spent waiting for payment has been cut to three months—from an average of sixteen months under the old fault system. Three quarters of the premium dollar now goes to accident victims—50 percent more than under the fault system, which diverted huge sums from compensation to litigation. Over 99 percent of New York accident victims—40 percent more than under the fault system—are compensated for all medical expenses, and for as much as $1,000 a month of lost wages.

Following the adoption of no-fault in Massachusetts, the court dockets for the three largest districts in Middlesex County—an area extending from the Boston suburbs to the New Hampshire border—showed a drop of 93 percent in the number of negligence suits for bodily injuries in an automobile accident. Statewide, the number of motor vehicle tort suits has declined 87 percent since the passage of no-fault in 1970. Naturally, these statistics leave some attorneys very unhappy. Of Massachusetts lawyers responding to a recent survey, 17 percent reported that the adoption of no-fault had hurt their practices. These lawyers noted that over half their income prior to no-fault had been derived from motor vehicle injury cases. The American Trial Lawyers Association, the guild for lawyers who specialize in personal injury litigation, has narrowly defeated attempts to extend no-fault coverage nationally. In 1976, the Senate defeated no-fault 49 to 45, and the movement to no-fault in the states has stalled. Although the Carter Administration has endorsed no-fault, its prospects remain doubtful in the face of fierce lobbying from trial lawyers, who often carry political clout in local communities. Thus, the injured in many states will continue to be detoured through a legal jungle, scraped raw by the underbrush of needless and costly litigation that benefits only the professional litigators.

For disputes that call for adversary process, promising alternatives to current practice are already available. The Justice Department is experimenting in three cities with Neighborhood Justice Centers that resolve disputes through mediation and arbitration. Center mediators handle family arguments, minor assaults, and consumer-merchant, landlord-tenant, and employer-employee disputes. Citizens may bring complaints to the center themselves, or they may be referred by judges, the police. Legal Aid, or government agencies. One mediator or more may then hear a dispute and try to negotiate a written settlement without intervention by counsel. Compared to courts, the Neighborhood Justice Centers are models of both speedy justice and government economy. Hearings at the Kansas City center, for example, commonly take two hours. Thirteen days elapse, on the average, between first hearing and a case closing. Of all cases that have been heard, 86 percent have been successfully negotiated. And each Neighborhood Justice Center has cost approximately only $135,000 a year.

Decentralized, less formal judicial procedures can bring justice within the reach of a majority of Americans. Literally mobile courts, which would be to halls of justice what bookmobiles are to libraries, could ride circuit from neighborhood to neighborhood in big cities, and from town to town, each one staffed by a judge and trained aides. Satellite courthouses in each of several communities could hold weekly or bimonthly court sessions in the evenings, with judicial personnel making regular rounds from court to court.

Another reform that can divert cases from the usual treadmill of adjudication is arbitration. In one California county, 80 percent of arbitated cases have been concluded without formal judicial proceedings. Last year, the California legislature voted to provide mandatory arbitration statewide for all cases under $15,000. If either party challenges the award, the case goes to trial; but if the challenger comes out worse off in court, he can be ordered to pay the other side's expenses for both the litigation and the earlier arbitration.

LESS LAW, MORE JUSTICE

Delegalization has wide appeal. One sensible course would be to eliminate regulations that serve no purpose and result in pointless costs and delays, to simplify needlessly complex laws and judicial processes that now frustrate the very goals they were designed to achieve. Such reforms, of course, are more easily proposed than accomplished. Anguished cries arose from boardrooms and law firms throughout the country last January when the Attorney General received the final report of the National Commission for the Review of Antitrust Laws and Procedures, which recommended major reforms to speed and simplify antitrust cases. At every step, those who gain from regulatory schemes that hurt the public may be expected to resist reform with all of the considerable resources at their command.

Nevertheless, the future of delegalization seems promising. As chairman of the Senate Judiciary Committee, Senator Kennedy is likely to press vigorously for reform—not only in the realm of antitrust law but in other areas requiring delegalization as well. He has proposed a special court to expedite tax appeals. He would remove so-called "diversity" cases—usually involving automobile accidents in which the parties are citizens of different states—from the federal courts, where they currenlty jam the calendar. Other reforms would encourage arbitration instead of trials in more civil suits and would assign petty criminal cases to magistrates rather than judges. Localities could obtain federal assistance to establish non-judicial methods of dispute resolution. Kennedy has perceived that broader access to justice—one of his main themes—is not only compatible with a trimmer legal system but in fact cannot be achieved in the absence of a legal system that society can afford. While Senator Kennedy is toiling in the vineyard of legislative reform, the Carter Administration is developing its own proposal for "regulatory experiments" to reduce the number of regulations and replace them all with economic incentives for industries to police themselves. And the American Bar Association is reviewing no-fault malpractice insurance.

Although delegalizing America is grounded in good sense, it is a program inviting exploitation by those who would reap the benefits of its nearly universal appeal without working to achieve its goals. Worse still, those who favor a return to the unregulated days of the robber barons may try to twist a genuine program of delegalization into a scheme to dismantle the entire system of protective regulation that serves the public well—and could, if reformed, serve the public even better. But a serious commitment to delegalization need not succumb to such tawdry designs. It can mean progress without legal excess. Properly conceived and implemented, delegalization can transform the rule of law from a source of frustration into a foundation for a more just society.●

ALCOHOL AS FUEL

● Mr. BUMPERS. Mr. President, the long gas lines and skyrocketing gasoline prices have demonstrated the need for developing alternative fuels.

One of the most promising substitutes for gasoline is methanol, commonly known as wood alcohol. Methanol can be produced from urban wastes, and is less expensive to produce than ethanol, which is made from corn and other food grains. A recent article in the New York Times cited the advantages of a system that would allow motorists to have combined gasoline and methanol systems in their automobiles. A constituent of mine, Stanley Barber of Fort Smith, has demonstrated the viability of this system.

The difficulty is producing enough methanol and developing enough automobiles that are capable of running on alcohol. Another New York Times article stated that Brazil will invest $5 billion through 1985 in its national alcohol fuels program; 1.7 million alcohol-powered automobiles will be in use in Brazil by 1985. Ten fleets of government and utility automobiles, approximately 750 cars, already only burn alcohol. This type of national commitment is essential before alternative fuels will be utilized in the United States.

Mr. President, I request that the recent articles that appeared in the New York Times be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

BRAZIL TO SPEND $5 BILLION ON ALCOHOL FUELS PROJECT

BRASILIA, June 8.—Brazil will invest $5 billion through 1985 in its national alcohol fuels program, the Government announced today. Cars throughout Brazil are already using gasohol, a mixture of alcohol and gasoline, and about 1.7 million automobiles are to be designed for 100 percent alcohol combustion.

There are an estimated seven million cars in Brazil and one million new cars are produced annually. Of the projected all-alcohol cars, 1.2 million are to be produced by major automakers in the nation, such as Volkswagen, Ford and Fiat. In addition, 475,000 cars are to be converted from the country's current automobile fleet, the Government said.

Following a meeting here Wednesday of key economic ministers, the Government released a series of guidelines for its overall energy program, giving "the highest priority" to "Proalcohol," a national program for the conversion of sugar cane and other plants into fuels to substitute for gasoline and other petroleum products.

According to Camillo Pena, Minister of Industry and Commerce, Brazil's next sugar cane crop will yield about 900,000 gallons of alcohol, more than twice the 390,000 gallons produced in the 1977–78 crop year. Mr. Pena said that the Proalcohol program hoped to raise this figure to about 2.7 million gallons by 1985.

TWENTY PERCENT ALCOHOL MIX PLANNED

Mr. Pena said that alcohol was being mixed with gasoline at pumps throughout Brazil in varying levels, with a national gasohol average of 15 percent alcohol to 85 percent gasoline. He said that, by 1985, the country hoped to use gasohol with a 20 percent alcohol mix for cars not equipped to burn the 100 percent alcohol fuel.

Similar mixtures have been tried in the United States with 10 percent to 30 percent alcohol used. However, there has been no all-alcohol fuel used other than in test vehicles.

The Government's announcement confirmed statements made here Tuesday by Vice President Aureliano Chaves that Pro-alcohol would be given greater priority than Brazil's nuclear program, which calls for construction of eight 1,300-megawatt pressurized water reactors.

Another problem in using alcohol, manufacturers agree, is that it has only two-thirds the energy of gasoline, gallon for gallon. In other words, there are fewer British Thermal Units in a tank of ethanol—meaning that cars will require larger fuel tanks if they are to have the same range.

Mr. Harner said, however, that Ford was "tuned in" with the Government of Brazil on the switch to alcohol. "They are more dependent on imported oil than we are," he said. "So, whatever it takes we're going to comply."

The use of alcohol in cars is not new. In this country, the Federal Government studied the possibility as early as 1907. And 10 years later, Alexander Graham Bell called ethanol a "beautifully clean and efficient motor fuel" and urged that it replace petroleum as a renewable fuel of the future.

Mercedes-Benz, whose Brazilian division produces only commercial vehicles, has already demonstrated a diesel bus that runs on a mixture of oil and ethyl alcohol.

GM CARS TO BE INVOLVED

And the General Motors Corporation, which is second to Volkswagen as a producer of vehicles in Brazil, ran its first studies on alcohol in 1931.

"We know our cars down there are going to be involved in this," a spokesman said yesterday. "In 1978, we sold 188,000 vehicles there, so a lot of them will probably be switched to alcohol, but we don't know how many."

The company's policy, outlined in reports over the last several years, is that wood alcohol—known as methyl alcohol or methanol—has an advantage over ethanol, since it can be made from garbage, wood chips and almost any other waste, rather than from food crops.

Using corn as a source to substitute ethanol for gasoline, for example, General Motors estimates that 1.45 billion acres would be needed—assuming the water was available. That represents 64 percent of the total land area in the United States and three times the amount of crop land in use.

Brazil Is High on Alcohol Fuel

(By Warren Hoge)

Sao Jose Dos Campos, Brazil, June 11.—Even in Brazil, home of some of the world's most exotic ways of worship, one had to wonder why a grown man was crouching behind the tailpipe of an idling car, inhaling deeply and smiling the smile of the rapturously committed.

"Sweet, isn't it?" he asked, ladling a handful of warm air toward a visitor.

The man, Urbano Ernesto Stumpf, is the head engineer of the Brazilian Government's Testing Center for Alcohol-Powered Engines here on the grounds of the Aerospace Center, and the ritual is one he performs regularly to show the uninitiated how relatively pollution-free the exhaust is.

The car he was examining, a Brazilian-made Dodge Polara, had recently returned to the center here, an hour outside of São Paulo, after a 20,000-mile binge through the Amazon as a complete alcoholic.

Mr. Stumpf is not alone in beaming over Brazil's decision to free its 6.5 million vehicles from gasoline and run them on 100 percent alcohol. The undertaking has captured the national imagination the way the construction of the capital of Brasilia did 20 years ago.

"This program has conquered society," said José Goldemberg, head of the Institute of Physics at the University of São Paulo.

"The momentum is irreversible," commented Waldyr A. Giannetti, president of the Brazilian Industrial Association.

"This is a guess, and I'm no futurologist, but in as little as eight years, Brazil could have all its cars running on alcohol," said José Rossi Jr., president of Zanini S.A., manufacturer of heavy equipment for sugar factories and distilleries.

The Government has already spent $2.5 billion on the effort and is budgeting twice that amount for the next five years with an objective of having 1.7 million alcohol-powered cars rolling by 1985; 1.2 million of them are to be cars newly built with alcohol-fueled motors; the rest are to be gasoline-powered motors adapted for alcohol.

ALCOHOL PUMPS IN PLACE

Ten fleets of Government and utility vehicles throughout the country—some 750 autos—already burn only alcohol. Alcohol pumps have been installed in five major cities at selected service stations flying pennants proclaming,"We are entering the era of alcohol," and mechanics are being certified to modify gasoline engines for alcohol. Brazil's auto industry, the world's ninth largest with subsiidaries of Volkswagen, Fiat and leading American car makers, among others, has committed itself to producing alcohol engines by next year.

Alcohol has been added to gasoline here since 1975, with the current mixture amounting to about 15 percent anhydrous alcohol. (In the pure alcohol system, hydrated alcohol is used.) The intention is to keep increasing the alcohol until it reaches 20 percent, said to be the highest level an unadapted gasoline engine will tolerate efficiently.

The technology to burn alcohol in vehicles existed before the turn of the century, but few people were enthusiastic about it because of the costs—it still costs twice as much to distill a gallon of alcohol as it does to refine a gallon of gasoline—but dependence on imported oil at current and projected world prices has taken the wince out of the taste for alcohol.

A COSTLY PROGRAM

It will be an expensive habit. To replace gasoline in all cars here, Brazil would have to quintuple its production of one billion gallons of alcohol a year. Current projections are that it will be able to make only 2.8 billion gallons by 1985.

If sugar cane is to be the source of the alcohol—and though the nation is experimenting with other plants, sugar cane is the most available and sugar cane technology the most advanced—Brazil will have to put some 2 percent of its vast arable land under sugar cultivation to meet the goals.

Distilleries do not come cheaply. According to Eduardo Zabrockis, a Zanini executive, a 33,000-gallon-a-day facility would cost $10 million and would require 120 skilled workers, while one making 270,000 gallons a day is priced at $55 million. Reaching the five-billion-gallon objective consequently presents Brazil with awesome management and training problems.

Alcohol now sells at the pump for $1.04 a gallon compared with $1.52 for gasoline and 74 cents for diesel fuel, but these prices reflect the Government's taxing schedules rather than the real cost of the fuels.

Converting a gasoline engine to use alcohol is relatively simple and costs $200 to $400. There are three major adjustments: increasing the compression ratio by scaling down the combustion chamber, changing the timing of the ignition and enriching the blend of fuel to air in the carburetor. In a gasoline engine the mix is 14 parts air to one part gas; in the alcohol engine, the mix is nine to one.

New alcohol engines do not cost any more to build, although tooling-up costs will probably result in higher prices for them at the outset.

CLEAN-BURNING FUEL

Mr. Stumpf persuaded then-President Ernesto Geisel to drive an alcohol-burning car four years ago, and the practice has been maintained by the new President, João Baptista de Figueiredo, who is awaiting delivery of his alcohol-powered Ford Galaxie Landau.

Brazilian technicians concede that alcohol provides only about 80 percent of the power of gasoline, but they argue that this is compensated for by its clean-burning characteristics. A major attribute they cite is alcohol's no knock properties because of an "octane" rating of nearly 140 compared with a gasoline rating of 73 in Brazil and 90 in the United States.

Brazil is especially suited to be the first nation to ponder large-scale conversion to alcohol. It has in abundance the three necessary ingredients—land, sun and water—and it lacks substantial fossil fuels.

Alcohol is plentiful—it can even be distilled from grass—and technicians at the Aerospace Center, working beneath a slogan that says "Alcohol is Solar Energy in Liquid Form," are examining everything under the sun that might yield it.

This includes potatoes, yams, a mealy tuber called manioc that grows in very poor soil and the thick shells from the nuts of the Babacu palm, which covers large parts of the impoverished North and Northeast of Brazil.

The Government looks to the day when Brazil will produce enough alcohol to service its own petrochemical and pharmaceutical industries and to bring in export revenue. But for the moment, energy remains its priority use among the planners who hope that along with the huge investments the country has made in hydroelectric and nuclear power, the country can free itself from imported oil, which this year alone will cost Brazil $7.8 billion.

Alcohol: The Fuel of the Future?

(By Marshall Schuon)

With gas lines in California and spot shortages and everhigher prices at pumps across the country, the gasoline shortage is generating some energy of its own—primarily in new research on gasohol, alcohol and other alternative fuels for the nation's 100 million automobiles.

"The thing is, the urgency wasn't there before," said a Chrysler Corporation engineer who asked anonymity. "Now everybody's paying attention, and reams of reports are coming in from all over the world."

What those reports show is that gasohol and straight alcohol are feasible substitutes for gasoline with a great many technical advantages—as well as a great many drawbacks that are not only technical but economic.

Gasohol, which blends 10 percent ethyl alcohol with 90 percent unleaded gasoline, went on sale last week on Long Island. It offers some advantages over gasoline, the experts agree, particularly as a first step in extending the energy supply.

The alcohol additive, called ethanol, also raises the gasoline's octane rating—eliminating engine knock—and lowers some types of exhaust emissions. Other performance claims, though, can be true or untrue, depending on the vehicle using the gasohol.

Since oxygen accounts for about half the weight of a molecule of alcohol, adding it to gasoline essentially reduces the amount of fuel, increases the gasoline's oxygen and thus makes the engine run leaner. On an older car, that can mean better performance and mileage. Auto mobiles built since 1974, however, are designed for extremely lean mixtures to reduce exhaust emissions. Therefore, they already use all the oxygen they can. And, since alcohol has less energy than gasoline on a gallon-for-gallon basis, gasohol will offer about the same, or slightly poorer, mileage in those cars.

METHANOL SOURCES AVAILABLE

General Motors, which with most other auto manufacturers sees a strong future for alcohol, has recommended use of pure methanol, rather than ethanol or gasohol, as the fuel of the future.

That is because methanol, commonly known as wood alcohol, can be produced from readily available sources, including garbage and agricultural waste such as manure and cornstalks. Ethanol, on the other hand, is made from corn, sugar beets and other food grains, and it is three times as expensive to produce.

To make methanol, the raw materials must be converted under high temperature to a gas composed of carbon monoxide and hydrogen. After that, it is relatively simple to pass the gas over a catalyst and form methyl alcohol.

While a gallon of ethanol has about two-thirds the energy content of the same amount of gas, methanol has only half. That means that cars designed to run on pure alcohol would require larger tanks if they were to have the same range as current models.

Both Mercedes-Benz and Volkswagen have experimented with alcohol, not only in Europe but also in Brazil, where a surplus of sugar crops has allowed the Government to market the fuel. Mercedes, in fact, has demonstrated commercial vehicles with diesel engines that run on ethanol.

Volkswagen converted a fleet of cars to methanol and found that they had 12 percent more power because methanol's high vaporization point cooled the mixture, creating greater density than gasoline would have as it entered the engine.

Mileage was both better and worse, the company said, in that the cars used more fuel—but consumed far less actual energy.

ALCOHOL HAS HIGH OCTANE RATING

One of the major advantages of alcohol is its high octane rating, which allows engines to gain power through higher compression without anti-knock fuel additives, such as lead, that increase exhaust emissions. For this reason, in fact, Atlantic Richfield Company has been quietly making its gasoline with 7 percent alcohol content for a decade.

In recent years, the compression ratio in cars—the degree to which fuel is squeezed in the cylinder—has been lowered to about 8 to 1, mainly so they can use unleaded gasoline without pinging. With straight methanol, the compression ratio can be boosted to 12 to 1 and even higher, yielding more power.

In Sacramento, Charles Stone, director of California's synthetic fuels program, has been driving a Ford Pinto converted for pure methanol, and the engine's compression ratio has been raised to 14 to 1 without problems.

"Not only that," said Mr. Stone, who has become one of alcohol's chief boosters, "our tests shows that this car runs about 10 times cleaner than it would on gas."

POLLUTION PICTURE IS MIXED

Alcohol does burn more cleanly, but as with its other facets, the pollution characteristics are mixed. In a General Motors gasohol study, for instance, hydrocarbon emissions from the methanol blend averaged a 1 percent increase compared to gasoline. Carbon monoxide emissions decreased an average of 38 percent and nitrogen oxide emissions were scattered from a 20 percent increase in some cars to a 36 percent decrease in others.

Volkswagen found that emission of aldehydes increased with straight methanol but that the problem could be reduced by raising the compression ratio and by adding a slight amount of water to the fuel. Aldehydes, the organic substances that give the exhaust of an alcohol-powered car its somewhat unpleasant odor, are not Federally regulated.

With the generally lower carbon monoxide and nitrogen oxide readings, alcohol's supporters believe that widespread use of the fuel could eliminate hundreds of dollars worth of pollution equipment on a car. However, buyers probably would not save any money, since use of alcohol would present problems requiring other modifications.

First, larger fuel tanks would be needed if the range of the vehicle were to be maintained. And, since alcohol tends to be corrosive, substitute materials would have to be used in the fuel system.

FUEL WOULD NEED PREHEATING

Methanol, in particular, attacks filters, plastic seals and other parts, especially the lead/tin plating used inside gas tanks. Gasoline is an insulator, but methanol conducts current and sets up an electrolytic attack on standard gas tank coatings. The galvanic action reportedly can strip a tank in two days.

Because it takes more heat to vaporize methanol than gasoline, fuel entering the engine also would have to be preheated. Volkswagen has adapted test cars to run on straight methanol by heating the intake manifold with exhaust gases.

In cold weather, a small amount of gasoline or some other easily vaporized fuel also is necessary to get the engines started. And in summer, alcohol poses other problems, particularly vapor lock, which occurs when fuel begins to boil in the lines, creating bubbles that block the flow to the carburetor.

DUAL FUEL SYSTEM ENVISIONED

One new method, developed at Texas A. & M., solves a number of the problems by combining separate gasoline and methanol systems.

Hard starting because of poor vaporization is taken care of by using gasoline until the engine warms up, at which point an automatic switchover takes place. The system also allows a driver to use nothing but gas when methanol is not available.

Vapor lock and the need for manifold heating are eliminated by a separate tank, heated by exhaust, that vaporizes the methanol before it gets to the carburetor.

That solution and others are viable, according to engineers for the auto companies. In fact, they add, the mechanical problems may be the easy part. What's tougher is finding enough alcohol to quench America's annual thirst for 110 billion gallons of gasoline.●

COAL POWER

● Mr. HUDDLESTON. Mr. President, while the handwringing continues over our deteriorating energy situation, we continue to ignore the one fuel that we have in sufficient abundance to help see us through the crisis.

The Washington Post in their lead editorial this morning stated it as plainly and as succinctly as it can be stated:

> The fastest and most direct way to expand American energy supplies is to begin, forcefully, to shift oil-burning powerplants to coal.

Mr. President, that is a point I have been arguing the entire time I have been in the Senate, and a point I will continue to argue until this Nation's vast coal reserves are put to use.

There is no question that there are obstacles to the use of coal. Those obstacles make it absolutely essential that our Government have a specific commitment to coal and a specific plan for achieving it. We have to set a target for coal use; identify what we will have to do to achieve it; and, then do it. The Senate has approved a resolution which I sponsored calling on the administration to devise just such a target and plan. We have all the information we need. We have done all the studies. It is time now—past time, really—to act.

A good place to start would be for the Government to become part of the solution instead of part of the problem. The Post editorial singles out as one of the obstacles to coal use uncertainty over environmental rules. This was borne out time and time again in recent hearings which I chaired on the effect of Government regulations on the production and use of coal. What more powerful disincentive to coal use could there be than uncertainty over the level of our commitment to coal and uncertainty over what it will cost to use it.

I introduced legislation on Monday to try to inject some certainty by providing a period of assurance for utilities and industries that are in compliance with existing air pollution requirements that they will not be subjected to more stringent standards unless there is an imminent threat to public health. And, I plan to introduce legislation next week to permit case by case temporary suspensions of State air pollution requirements which are more stringent than necessary to meet national ambient air quality standard, if such suspensions are necessary to cope with an energy emergency.

Finally, the Post goes on to say that though it will be expensive for utilities to move toward greater coal use, it will be in their own interest, as well as the Nation's. They suggest tax cuts and other subsidies in order to get a fast response.

It is hard to assign a monetary value to certainty of supply. It is hard to calculate how much more we can afford to spend here in our own country than we can afford to send overseas to buy imported oil. But, there is no doubt in my mind that the benefits of self-reliance and assurance of supply would far outweigh the price of conversion to coal.

I ask that the full text of the Washington Post editorial "The Fast Way to More Fuel" be printed in the Record.

I ask also that two earlier editorials—"Oil From Coal—in a Hurry" from the Washington Post of June 15, and "A Synthetic Solution?" from the Washington Star be printed in the Record. Both deal with the urgent need for a crash program to develop synthetic fuels. We have a head start on the technologies. All we lack is the commitment.

The editorials follow:

[From the Washington Post, June 21, 1979]

The Fast Way to More Fuel

The fastest and most direct way to expand American energy supplies is to begin, forcefully, to shift oil-burning power plants to coal. That strategy is second only to conservation in the speed with which it could make a real difference in a tightening fuel shortage. Making synthetic fuels out of coal is very much worth doing, for the long term, but synthetics can't contribute much before the late 1980s. In contrast, burning more coal to generate power could free perhaps 1 million barrels of oil a day—the equivalent of the present national oil shortage—within five years. The coal strategy is an obvious choice, but it has been proceeding very slowly. Why?

One reason is uncertainty over environmental rules. Congress intended to rewrite the Clean Air Act in 1977, but got bogged down in a long quarrel that lasted until late 1978. Then the new law left the key decision on power plant standards to the Environmental Protection Agency, and the final ruling appeared only this month. Perhaps these delays were inevitable. Coal smoke is toxic, and requires careful regulation. But during that long debate, the utilities had no way of knowing what it would cost to use coal. That was a powerful incentive to avoid any great commitment to it.

But economic uncertainty has also slowed progress. To the great surprise of the utilities, the country's consumption of electric power is no longer rising as fast as it used to. That's conservation of the most useful and beneficial kind. But, with demand far below their expectations and a recession probably coming, the utilities have grown more cautious than ever about embracing large construction programs.

At this point, the government has to end the uncertainty. It has to tell the utilities that it will be in their own interest, as well as the nation's, for them to move rapidly and steadily toward greater use of coal. Tax cuts and other subsidies on a substantial scale would be justified to get a fast response. Coal generates about 44 percent of the country's electricity, compared with 17 percent for oil and 14 percent for natural gas. (The rest is nuclear and hydroelectric power.)

Public policy now needs to push hard to replace that oil and gas with coal, by converting those oil and gas-fired plants that are capable of it, and by buying the rest into early retirement. It will take a lot of money, both public and private. But when you consider the costs of severe and repeated oil shortages and disruptions, the price of coal conversion begins to seem entirely reasonable.

[From the Washington Post, June 15, 1979]

Oil From Coal—in a Hurry

With the latest surge in oil prices, the case for a large-scale effort to make oil and gas out of coal has become overwhelming. Nobody knows exactly what it would cost to make gasoline from coal. But the country needs to find out—and quickly. It's obvious that the only real limit on the price of oil is the cost of substitute fuels. The only plausible substitute is synthetic oil manufactured from coal.

The country's most readily available defenses against steadily rising oil prices are conservation, of course, and solar energy. But it is evident that they cannot reduce the need for oil fast enough to avoid the need for synthetics. That will be true even if all of the oil-exporting nations continue their present production. But the Iranian revolution is a warning not to count on stability, peace and harmony in the Persian Gulf.

The technology is already available to make oil and gas from coal. One argument against proceeding with it is the cost. The plants would be extremely expensive. The Carter administration is reluctant to speed up federal spending at a time when it's trying to balance the budget. Private industry thinks that the risks are too great. But past experience with joint public-private enterprises suggests many possible solutions. The most promising would require private investment, with federal price guarantees.

As for the environmental dangers, they are real but no greater than those incurred by any large mining or industrial operation. These plants would contiribute to public health protection by removing from coal the pollutants that make its smoke toxic.

The Carter administration has several coal-oil and coal-gas projects in one stage or another of development. It is now imperative to force the pace, make decisions and greatly expand the plans for construction. Even with the greatest pressure for speed, it takes four or five years to move a plant from blueprint into operation.

The risks in the present slow progress are not entirely economic. The indecision at the White House on energy policy, and the incessant wrangling with Congress, are fueling the presidential campaigns of candidates who promise the opposite extreme—the most dramatic of whom is John B. Connally. It is easy to imagine the possibility next winter of a severe recession caused by high oil prices, plus continuing lines at the filling stations, plus more quarreling and uncertainty over energy policy, all adding up to victories for Mr. Connally in one party's primaries and defeats for Mr. Carter in the other's.

What are Mr. Carter and his administration to do? They are going to have to respond, and show that they are responding, to a deepening oil shortage. One endeavor on which they can embark immediately, visibly and most usefully, is to demonstrate the promise of coal technology.

[From the Washington Star, June 13, 1979]

A Synthetic Solution?

Proposals for meeting the energy crisis are focusing on the idea of a massive national commitment to synthetic fuel production. This is not routine stuff. There are major bills along these lines, with important backing, in both chambers of Congress. After the endless months of inaction and quibbling over details of President Carter's energy program, the legislators are at last moving swiftly.

The House leadership is behind a package of measures to devote billions in federal guarantees and subsidies to spur the creation of plants to produce fuel from plentiful resources like coal. Because of high costs and the uncertainties of competition with petroleum, the government would assume risks in the effort. A market would be assured by a requirement that the Defense Department buy 500,000 barrels a day by 1984.

In the Senate, a bipartisan group led by Chairman Jackson of the Energy Committee is pushing a new energy development program aimed at reducing the need for energy imports by as much as 6.2 million barrels a day by 1990. (We now import about eight million barrels.) One section of the measure would authorize nearly $5 billion for 15 synthetic fuel demonstration projects. The bill would force a speedup of Energy Department plans for promoting alternative energy sources, including solar and geothermal power, coal gasification and waste conversion.

A well-publicized chorus outside the government is making the case for a crash program to produce synthetic fuels quickly and in huge quantities to end the stranglehold on the nation's economy by the Organization of Petroleum Exporting Countries. These appeals evoke the successes of the Manhattan Project, the Apollo missions to the moon, and the World War II conversion to synthetic rubber when the Japanese seized almost all natural supplies. Though the development of alternative sources has been a regular part of the energy litany for years, mostly in viewing a distant and hazy future, the present talk is urgent, and responsible commentators are taking it seriously.

There are reasons for this. The reappearance of the gasoline queues has made everyone ponder the future more soberly. A half-hour wait at the pump is worth 100 presidental admonitions. The international petroleum supply seems ever more precarious, subject to the ayatollah's whim, the next Mideast flare-up and such blackmail as Nigeria's warning about U.S. Rhodesian policy. A bit of scarcity brings out the greediest instincts of the OPEC hawks—the cartel price is headed for the clouds.

OPEC pricing, though, is the best friend the synthetic-fuel drive could have. The expensive conversion processes gain in economic feasibility with each boost in the price of ordinary crude.

It is possible to be skeptical of the sudden upsurge in congressional interest. The congressmen collectively have shown little courage in the past in making hard decisions on energy. They as well as the administration are under fire now by a public worried about where the next gallon of gasoline or heating oil is coming from, and what it will cost. The Hill is under great pressure to act.

There are dangers, of course, in doing something on as large a scale as is now contemplated. A great deal of taxpayers' money could be wasted. The pork barrel will be passed around—so much for West Virginia, so much for Kentucky coal conversion projects. But the ultimate test is the extent to which the drive for synthetic fuels can free the nation from the debilitating dependence on foreign oil. At the moment it appears to be one of the brighter hopes in a dismal energy picture.

What's needed mostly is President Carter's leadership in this area. A House delegation led by Speaker O'Neill and Majority Leader Wright met with him on it last week, and found him sympathetic but non-committal. The administration's plans on synthetics and other alternative sources of energy are more modest and of longer range. The president is thinking about the budget impact, and proposals for energy cooperation at the upcoming Western economic summit in Tokyo.

The congressmen, though, have their eyes on the people in the gas queues. The plan to stress new production using American ingenuity has undeniable political appeal.

If Mr. Carter wishes to be the nation's leader in energy policy, he needs to take a fresh look at this aspect of the game.●

AMBASSADOR WILLIAM V. SHANNON'S ADDRESS IN WEXFORD, IRELAND, ON THE ANNIVERSARY OF PRESIDENT KENNEDY'S BIRTH

● Mr. KENNEDY. Mr. President, on May 29 this year, the anniversary of President Kennedy's birth, America's Ambassador to Ireland, the Honorable William V. Shannon, traveled to Wexford with the purpose of paying tribute to the President in the community where both our Kennedy and Fitzgerald ancestors were born.

I received a copy of Ambassador Shannon's remarks the other day. It is an eloquent address and a very moving tribute to President Kennedy, with poignant comments about the President's trip to Ireland in 1963. I am honored to submit Ambassador Shannon's address for the Record.

The speech follows:

Speech by the U.S. Ambassador to Ireland, William V. Shannon

If President Kennedy were alive, he would be 62 years old today. Ever since President Carter appointed me as Ambassador two years ago, I have had the ambition to come to Wexford on May 29th and pay tribute to President Kennedy's memory in his native country.

My wife and I could not come last year because we were involved with American visitors in events on the other side of Ireland. We went then with the directors of the American Irish Foundation to Listowel in Co. Kerry, where I presented the Foundation's annual Literary Award at the Listowel Writers' Week. The Writers' Week is one of the cultural activities that the American Irish Foundation helps to underwrite.

The work of the Foundation has a happy association with President Kennedy, for it was during his visit to Ireland in June 1963 that President Eamon De Valera proposed to him that our two countries should have a foundation that would maintain and encourage the traditional cultural, educational and scientific relationships between our two countries. President Kennedy readily agreed. As a result, the presidents of Ireland and the United States have been honorary co-patrons of the Foundation since its inception and the respective ambassadors—the Irish Ambassador in Washington and the American Ambassador in Dublin—are ex officio directors of the Foundation, representing their respective presidents.

Having missed Wexford last May, I was determined to make it this year and I put it on my calendar early on. Only after your Mayor had kindly agreed to receive us did it occur to me that this year May 29th falls in the midst of a briskly fought local election. He and most of the other councillors here today are busily involved in reelection campaigns and might wish that the American Ambassador had chosen some other day to come to Wexford. I appreciate your taking time out from your campaigning and I wish you all success on June 7th.

Until the very moment he died, John Kennedy was a man who was still growing, intellectually and emotionally. He was becoming wiser, stronger, more accomplished. He was a complicated man who kept life a little at a distance because he wanted, insofar as a man can, to be in control and to see men and events in perspective. Yet at the same time he was open to experience. He was interested in new ideas, new experiences, new people, new ways of looking at things.

His visit to Ireland in June, 1963 was a part of his growing and learning. His family and friends and staff, and his biographers, are all agreed that he never enjoyed a visit to any country more than he did those days in Ireland. Arthur Schlesinger, for example, wrote in his book A Thousand Days: "I imagine that he was never easier, happier, more involved and detached, more complexly himself, than in the next few days."

It was characteristic of John Kennedy that he had earlier made only two brief visits to Ireland. Many Irish-Americans would have come over sooner and oftener. But John Kennedy never wore his Irishness on his sleeve. Like his Catholicism, it was an important part of him, too important to be readily articulated. He distrusted automatic responses in himself or in anyone else. He disliked sentimentality as he disliked all forms of exaggeration. Therefore, he kept his Irishness in reserve, a strength to be called upon.

It was as if, too, he had unconsciously been waiting until he proved himself, until as the great-grandson of Wexford immigrants he really had something enormously significant to show to Mother Ireland.

Thus it was that he did not come merely as a famous young senator or even as a newly-elected President. Rather, he waited and came as a leader at the height of his powers, a man who had demonstrated his mastery of the most responsible office in the free world.

June 1963 was an opportune moment for Ireland as well. Ireland then was only four years into the industrial revolution that Sean Lemass was organizing. What has become the Irish economic miracle of the last twenty years was then only in its beginning. Ireland, having achieved its independence and consolidated its political nationhood, was beginning to stretch itself economically, beginning to match its human talents with the industrial and commercial opportunities of the modern world, beginning to size up its wonderful assets off air land and clean air and abundant water and to decide what constructive use could be made of them in the interests of its own sons and daughters rather than of other people. Ireland was beginning to realize that it was not necessary for its own young people to emigrate to England or America to find careers worthy of their abilities. It was beginning to cast off old attitudes and to realize that much that had been taken for granted—fatalistically—as the lot in life of most Irish people was not really necessary or inevitable at all. Fresh approaches could awaken dormant energies. New ideas could change old patterns of expectation.

John Kennedy arrived in Ireland at that psychologically strategic moment. Irish men and women looked at him and realized that if he could rise so high and become so powerful coming as he did from a family that four generations earlier started from humble roots in rural Wexford why, then, there was nothing on God's green earth to which Irish men and women could not aspire. To the Irish people at that moment, he was more than an American President or an admired world leader. He was an embodiment of hope—their hope.

John Kennedy lives in the minds of the Irish people because the hope that he kindled in 1963 is still alive. His handsome physical presence, his unforgettable smile, his stirring, eloquent words brought into clear focus those hopes and ambitions and energies that were already stirring and restless in the Irish people and that still animate them today as they move confidently into a more prosperous and rewarding future. The gift of hope is no small gift for any man to bring to the land of his fathers.

But Ireland gave John Kennedy a precious gift as well. In his travels, President Kennedy had been greeted by crowds as large or larger in Mexico City and West Berlin than the crowds that greeted him in Ireland. Those crowds in other countries were more frenzied in their enthusiasm. But in Ireland, he sensed everywhere the direct, open, uncomplicated friendliness of the people, the warmth and genuineness of their feeling for him and for the country that he represented. As he traveled from Dublin to Wexford, back to Dublin, to Galway and Limerick and then to Shannon Airport, he came to realize Ireland's variety—in geography, in patterns of speech, in local customs. Although Ireland on the map looks like a small country, it is a country with many diverse localities. Each has its own rich history and unique local character. He saw the humble cottage here in rural Wexford where his great-grandfather was born. He saw also the sprawling, modern metropolis of Dublin. He saw the spires of this ancient town and the visible architectural evidence of its Norman and medieval past. He saw the ancient port of Galway at the entrance to the beautiful dark mountains of Connemara. He visited Limerick, situated where the Shannon River broadens out to its great estuary. At Arbor Hill he participated in the solemn ceremonies recalling the sacrifices of the heroes of 1916. At a joint convocation of Trinity College and University College Dublin, he received honorary degrees from both. He was deeply appreciative of this unique honor because he esteemed scholarship and understood the importance of universities in the life of any nation. He recognized the complexity of Ireland's intellectual traditions when he jokingly observed, "If there is a game of Irish football or hurling, I shall cheer for Trinity and pray for UCD."

In all these ways, his visit to Ireland made real to him for the first time the broad scope and complex character of his Irish heritage. Stories that he had heard from his famous grandfather Mayor "Honey Fitz" Fitzgerald and from many other Irish people while growing up in Massachusetts acquired added meaning and new vitality in his own imagination.

When President Kennedy came to Ireland, Mayors and local officials naturally puzzled over what appropriate gift they could give him. What could he possibly need or want? A piece of old Irish silver? A christening dress for an unborn child? The mayors and other officials did their best. They chose appropriate gifts and President Kennedy was happy to receive them.

But, all unaware, they were giving him an invisible gift—the precious and tangible gift of understanding. John Kennedy was a man who deeply agreed with the ancient Greeks that "An unexamined life is not worth living." He had the outgoing qualities of a political leader who could meet people easily but he also had introspective qualities. He constantly examined himself and his own ideas and his own responses to life. Ireland enriched his understanding of his ancestors and their background. It enabled him to see himself and his Irish-American heritage in a truer perspective. The Irish people gave him the gift of a deeper understanding of himself and that is no small gift for any man to receive in another country.

In October, 1963, President Kennedy repaid this Irish hospitality when he welcomed Sean Lemass, the then Taoiseach, at a State dinner in the White House. Unlike many Americans, President Kennedy knew that the bagpipe is an Irish as well as a Scottish instrument. For the entertainment following the dinner he had bagpipers play their tunes through the State reception rooms. As any of you knows who has been close to a piper, when he is in full cry, that is a startling experience. When my wife and I think of President Kennedy, the sound of the piper rings in our ears for we were guests at that dinner and it was the last time that we ever talked with President Kennedy.

A few moments ago, I presented a copy of my book, "The American Irish," to your Mayor. That book was published in January, 1964 but in accordance with normal publishing procedure, advance copies were sent out six weeks earlier to newspapers and magazines. Since publishers knew that President Kennedy read books, they had also begun sending him copies of new books. It was his custom to wander out from his own office two or three times a day to the adjoining office of his secretary and look at the mail and packages that regularly piled up on her desk. One day in late November, 1963, he looked at several new books that had come in. My book was one of them. He leafed through it and said, "This looks interesting. I must read it when I get back from Texas."

That is a poignant memory for me. But it is not in autumn or with sorrowful thoughts that we should recall John Kennedy. He is best commemorated at this time of the year, in the springtime. He visited Ireland in the springtime and it is with the qualities of spring—the energy, the budding hope, the freshness of youth—that he lives in the memory of the American people. I do not mean to identify him with youth in its superficial manifestations or in any silly way—as if mere youthfulness were in itself a virtue or as if middle age and old age did not each have its own important qualities. Rather, John Kennedy exemplified during his presidency the true virtues of youth—optimism and energy and idealism. Youth has the eagerness to learn, the willingness to try new ways, the capacity for generosity and hope. Young people are willing to sacrifice themselves for others. We see that quality among young Americans who join the Peace Corps that President Kennedy founded and among young Irish men and women who volunteer to serve a year or two years in various Irish organizations that help the people of the Third World. President Kennedy spoke to young people and for young people. He articulated their ideals and tried to focus their energies. He enabled Americans to remember that ours is a young country and he summoned up the hopefulness and generosity and idealism of youth. It is as the embodiment of that hope and idealism that he lives—forever young—in the memories of his countrymen.

When he was in Limerick shortly before departing for the United States, President Kennedy recalled those lines from the old song:

Come back to Erin, Mavourneen, Mavourneen,
Come back again to the land of thy birth,
Come with the shamrock in springtime,
    Mavourneen

He quoted those lines and added: "I'll return in the springtime."

He did not live to see another spring. But with ever-returning spring, he lives again in the hearts of Irish people as he does in the hearts of his fellow Americans. I am grateful to you on this beautiful spring day for joining with me to pay homage to his memory.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. METZENBAUM. Mr. President, today I am submitting several additional newspaper articles and columns which are representative of editorial opinion throughout the country on the subject of deregulation in the trucking industry.

Today's articles are from newspapers in the States of New Jersey, New York, and Ohio.

I commend them to the attention of my colleagues, and ask that they be printed in the Record.

The material follows:

[From the Hackensack (N.J.) Record, Feb. 12, 1979]

Whose Ox Is Gored?

Few things rankle American industry more than government regulation. Every time the government tries to regulate the business practices of private enterprise, cries of "big-brotherism," "economic strangulation," and "meddlesome bureaucracy" can be heard rising from corporate boardrooms across the country.

To hear the business community tell it, there's little wrong with the American economy that less government and less regulation wouldn't cure; get those rigid rules and silly standards off our backs, and everyone will be the better for it.

But not all government regulation is evil, in this point of view. There are a few cases where regulation serves the public interest, and needs to be protected or strengthened. By an odd coincidence, these are regulations that serve to protect the interests of the industry or business that's being regulated.

In Washington, the Carter administration is talking about deregulating the trucking industry, and who's heading up the campaign against? Truckers. In Trenton, the Byrne administration is talking about deregulating the price of alcoholic beverages, and who's opposing it? The liquor industry. In Newark, the Board of Public Utilities has just taken steps to deregulate the rates charged by moving companies, and who's fighting it? Movers.

In all three of these cases, the government is doing exactly what business interests have been clamoring for—getting rid of regulations that have stifled competition. But it seems that in the trucking, liquor, and moving businesses, the principal beneficiaries of regulation have been truckers, liquor wholesalers, and movers. The last thing they want to see is deregulation, which might force them to charge lower prices for their goods or services in order to compete in an open market. The line seems to be that deregulation will drive "mom-and-pop" operations out of business; the real fear is that lower prices might mean lower profits.

Regulation is not necessarily a dirty word; its value, like that of a novel or film or work of art, is in the eye of the beholder. The next time somebody starts screaming about too much government regulation, we suggest taking a moment to consider the source.

[From the Asbury Park (N.J.) Press, Jan. 30, 1979]

Removing the Floor

The trend toward deregulation can develop into a major weapon in the campaign against inflation. In general, price regulation by government, or by industry with government's sufferance, minimizes competition and sends prices upward. It customarily sets a floor under prices but provides no ceiling. Obviously there is but one direction in which prices can go, and that is upward.

Deregulation of airline fares reduced the cost to travelers and thereby encouraged patronage to increase airline revenue and profits. Deregulation of natural gas promises to increase supplies and eventually hold prices far below the level that shortages would set. Similarly deregulation of the oil industry would encourage exploration for additional domestic sources and reduce our dependency on foreign oil. And that in turn would release us from the arbitrary price increases that oil-producing nations periodically impose on us.

Now Sen. Kennedy proposes deregulation of the trucking industry with a view to reducing costs to shippers and thereby holding down prices on a multitude of products. Under the prevailing system the industry is able to minimize competition and support prices and practices that are highly inflationary.

And in New Jersey Atty. Gen. Degnan proposes to deregulate the liquor industry by no longer permitting producers and distributors to set minimum prices on their product. Under the present system liquor prices in New Jersey are higher than in nearby states, thus encouraging the purchase of lower-priced liquor elsewhere and depriving New Jersey retailers of patronage and the state of taxes. And the system is largely responsible for kickbacks and assorted illegal practices that arise when competitive prices are shut out.

Each of these approaches toward deregulation deserves enthusiastic public support. By removing the floor under needlessly high prices they are major contributors to the nation's effort to control inflation and bring down the cost of living.

[From the Garden City (N.Y.) Newsday, Nov. 26, 1978]

Truckers Are a Prime Target for Deregulation

The Carter administration is deadly serious about its pledge to deregulate industries that have grown bloated under government protection. After the airlines, the next target is the huge and complex trucking industry.

Airline deregulation is paying off beyond expectations—both for consumers and for the industry. Because of lower ticket prices, more people are flying than ever before, and the airlines' profits have never been higher.

Like the airlines, the trucking industry has been coddled for decades by government regulations establishing rates and routes and limiting competition. The administration is drawing up a bill to deregulate the truckers, and even before it's introduced, the Interstate Commerce Commission is moving administratively to increase competition among them.

This is the same pattern followed with the airlines. By the time Congress passed the deregulation act, Alfred Kahn, then chairman of the Civil Aeronautics Board and now President Carter's principal inflation fighter, had largely blown away the wall of protection surrounding them.

ICC chairman Daniel O'Neill has the same goal as Kahn: to make his agency obsolete. He has proposed a wide range of administrative options that would make it easier for new firms to enter the trucking industry. He also wants to make it illegal for truckers to get together and set group rates, as they now do routinely.

The cases are not entirely parallel. There are far more truckers than airlines, and the ICC and Congress must make sure that a few large companies don't wind up dominating the industry. They must also take care not to put the railroads out of business. But as both the airlines and their customers can testify, everybody benefits when competition is restored to its rightful place in a free market economy.

[From the Buffalo (N.Y.) News, Dec. 6, 1978]

Spur Truck Competition

In a decision that we hope signals a change in broad regulatory policy, the federal Interstate Commerce Commission has tentatively agreed to relax rules governing the trucking industry.

The specific ICC policy, if finally approved in a couple of months, would make it easier for new carriers to gain access to interstate trucking routes, a significant change. It would reverse a regulatory direction, developed in Washington since the mid-1930s, that tended to shelter existing trucking firms by creating bureaucratic obstacles for new carriers to hurdle in order to secure productive routes.

By making access to routes easier to acquire, the ICC would encourage freer competition in the industry. This would improve service and reduce costs, as the less sheltered firms competed for customers. That is exactly what happened during the last couple of years when the Civil Aeronautics Board deregulated the airlines.

Indeed, the ICC may be taking a cue from the CAB—and that would be fine. For despite cries of doom from some airline managements and unions in the early stages of the CAB's decision to cut red-tape, the airlines have scored big profit gains. Everyone gained as passenger volume soared in response to deep discounts in individual fares. If the airlines were over-regulated, as they were, the same is true, if not more so, for truckers. There are many, many more trucking than airlines companies, so the risks of monopolistic controls by one or a few big firms are less. Moreover, studies have shown that the rates charged by federally regulated, interstate truckers can substantially exceed those for similar kinds of service, which is unregulated within a single state.

This particular ICC policy change by itself won't accomplish all of what the numerous changes have done for the airlines. But it would be a promising step. Happily, too, the ICC's expressed rationale appeared to venture beyond a mere easing of entries to new routes.

"In light of the maturity of the motor carrier industry and of changing economic conditions generally," the ICC said, "the commission has concluded that more weight should be given to the benefits of healthy competition and less emphasis should be placed on protection in carrying out its regulatory responsibilities. . . ."

Amen to that. Three years ago former President Ford recommended trucking deregulation to Congress, which balked. The Carter administration may advance similar proposals in the next few months. With airline deregulation won in Congress this year, that would be a logical next step. Meanwhile, we hope the ICC will accelerate its shift toward promoting more robust competition in the trucking industry, with free-market forces influencing the rates charged to a larger degree than they now do. Nothing, for the moment, could help consumers of trucking services more in fighting inflation.

[From the Middletown (N.Y.) Times Herald-Record, Jan. 5, 1979]

DEREGULATION

Another set of laws of dubious merit involve regulation of prices and practices in such industries as drugs, liquor, airlines, rail freight and trucking. Supposedly they were enacted to protect the public and maybe they once did. But most of the laws turned sour as the regulators proved to be the defenders of the entrenched business interests—and the biggest corporations at that.

President Carter succeeded last year in partially deregulating the airlines. Despite dire warnings by the industry, competition has brought the public lower prices and the airlines higher profits as more of us flew.

The experiment in what we once called free enterprise—until it became corporate socialism—succeeded.

Now New Jersey's Gov. Byrne means to deregulate the liquor industry, a move designed to reduce the consumer prices and eliminate corruption in the industry.

On the congressional agenda this year will be proposals to deregulate the trucking and rail freight industry. We expect and hope that the trend will continue.

One collateral benefit, we assume, will be a reduction in the size of the massive governmental agencies that have been doing the regulating—or purporting to do so.

[From the Middletown (N.Y.) Times Herald-Record, Jan. 6, 1979]

DEREGULATING TRUCKING

Dallas Times Herald:

This year's battle to deregulate the trucking industry is going to make last year's scrap over airline regulation look like a minor squabble.

The trucking industry favors federal regulation because it limits competition, thus producing handsome industry profits for existing firms with a minimum of effort.

The airline industry claimed a lessening of federal regulations would be a disaster. It was no disaster. Ticket prices fell as the airlines began competing with each other. Ridership soared along with profits.

The success of airline deregulation encouraged the administration to see where else deregulation could stimulate better service at a lower cost.

We urge Texas' congressional delegation to work aggressively for deregulation of the trucking industry and freight railroads.

[From the Cleveland (Ohio) Press, Nov. 22, 1978]

KEEP IT UP

Cry as it might, the trucking industry had better get used to the idea that it is going to undergo some deregulation, just as the airline industry has and the railroad and barge industries inevitably will.

The Interstate Commerce Commission, which has already moved to curb the power of trucking lines to snarl in red tape a rival line's request to offer new service, has struck another blow for competition.

The ICC says that manufacturing firms which use their own trucks for long-distance deliveries will no longer be forced by regulation to "dead-head" (travel empty) on the return trip. Instead, these companies may fill their empty trucks with cargo in competition with regular trucking lines.

This makes excellent sense. The idea of empty trucks rolling around the highways is indefensible in these days, of sky-high energy costs.

But the American Trucking Associations, lobbying group for the established trucking lines wails that the ICC's action is "arbitrary, capricious, and unreasonable," i.e., it upsets the truckers' applecart.

The ATA fears that the new competition will hurt the business of the regular carriers. But the ICC's answer was blunt:

"It is not this commission's purpose to provide protection for regulated carriers, rail, water or motor, when the public's interest in more adequate transportation service could best be served by authorization of a new, competitive service."

Exactly.

The days of Washington regulation of transportation industry routes and rates are drawing to a close, and a good thing, too. Real competition is the best anti-inflation medicine there is.

Keep it up, ICC.

[From the Columbus (Ohio) Citizen-Journal, Oct. 24, 1978]

MORE DEREGULATION

One of the most noteworthy achievements of the just-ended 95th Congress was passage, with President Carter's enthusiastic backing, of a bill that would unsnarl the airline industry from government red tape.

Get this: The bill envisions the abolishment of a federal regulatory agency. Unless Congress decrees otherwise, the Civil Aeronautics Board goes out of business by 1985.

The bill allows airlines to slash prices without waiting for CAB permission and also allows them to raise prices by 5 percent on routes where they have competition. Higher rate boosts will still have to have CAB approval.

The airlines also will have vastly greater freedom to expand service between cities and eventually discontinue uneconomical service to airports with little traffic. Taxpayer subsidies for small-town service will continue for 10 years.

Most airlines threw up their hands in horror at the thought of removing their comforting blanket of regulation, which led to shared monopolies and little real competition.

But CAB Chairman Alfred E. Kahn, one of the real jewels of the Carter administration, lifted a lot of the price-route restrictions himself, opening up the skies to competition. The airlines responded, offered all sorts of cut-rate fares, and discovered to their delight that their planes were filling up and that they were making money hand over fist. They benefited, and so did the public.

This lesson should not be lost on Congress, nor should it go unnoticed at the Interstate Commerce Commission, where long-outdated regulations still grip (or comfort) the trucking, railroad and barge industries.

Removal of route and rate restrictions on trucks, freight trains and barges would be one of the most salutory developments to come out of Washington in years. The airline bill, we hope, heralds further government action in this field.

[From the Springfield (Ohio) News, Dec. 6, 1978]

TRUCKERS UPSET

The trucking industry is planning to assault the public and Congress with a lobbying campaign aimed at allowing it to keep on truckin' the way it has for years, with a kind of federal "regulation" that spares the industry from the horrors of having to practice the free enterprise system.

The Carter administration, flush from its success in restoring some competition to the airline industry, has trucking next on the list. Already the Interstate Commerce Commission has lowered some of the barriers to the entry of new firms.

It's not only the trucking companies that hate the prospect of freedom from government regulation; the banks and insurance companies that do business with the truckers are uneasy, too. That's a combination of powerful interests for the regulations that keep competitors out, procedures wasteful and cost high.

No doubt they will hire the best PR flaks and ad men available and soon you and your congressman will be reading and hearing about the virtues of keeping the comforting arm of government around the truckers to ward off the frightful dangers of competition.

Few cries of "foul" are louder than the ones from sinners who are being asked only to practice what they preach.

[From the Springfield (Ohio) News, Jan. 16, 1979]

RADICAL PLANS

Radical plans are being made for the trucking and railroading business. The Carter administration is gearing up to assault the business with free enterprise.

Deregulation of the airlines has produced cost-cutting competition (and heavier use) and the truckers and railroads are next in line for deregulation, according to Transportation Secretary Brock Adams.

President Carter is seeking less government regulation in these areas partly to help curb inflation. The high costs are caused in part by restraint of competition by the Interstate Commerce Commission, thus allowing the carriers to maintain higher, set rates.

The costs also are puffed up by the clumsiness of regulation. The railroads, once defenders of ICC paternalism, are now keener for deregulation because the freedom to make more of their own decisions will also allow them to cut off some unprofitable routes. The railroads are likely to lower rates in some areas while raising them in others, thus adjusting to the nuances of the marketplace.

The truckers are much less comfortable with the prospect of free enterprise because that will knock competition wide open. They will be offering competing proposals for partial deregulation. But the White House and Congress, aware of the opportunity to introduce competition and cut costs, should take full advantage of this anti-inflationary opportunity.

[From the Youngstown (Ohio) Vindicator, Nov. 24, 1978]

ICC BACKS THE PUBLIC

Announcing a revolutionary change in regulations for trucking a few days ago, the Interstate Commerce Commission evidenced a completely new viewpoint on regulation. It said: "It is not this commission's purpose to provide protection for regulated carriers, rail, water or motor, when the public's interest in more adequate transportation service could best be served by authorization of a new, competitive service."

This is gratifying language from a commission that has a history of protecting the various transportation industries, often at the expense of the public. It was used in discussing a decision that, for the first time in 40 years, permits a firm that has its own delivery trucks to undertake transportation for other firms.

The "empty backhaul," or return trip without cargo, has been required of such firms, so they would not be competing with the public haulers. It has wasted untold sums in manpower, investment and energy.

The commission signaled its change of heart last March when it held that Toto Purchasing & Supply Co. of Las Vegas and Avon Corrugate Corp. of Canton, Mass. could hire out their empty trucks. Avon, for example, wanted to carry biscuits back to Massachusetts after delivering cardboard boxes to Atlanta, 1,400 miles to the south. The ICC held up the effect of this ruling while it weighed the overall situation. It finally voted 5–1 to permit private haulers to work for hire, thus abolishing the empty backhaul.

The American Trucking Association, representing the public carriers, protested and threatens to take the ICC to court. It contends that the empty backhaul is not being abolished but transferred to the public haulers, since no new freight business is being created. This, as usual, is an overstatement: what is happening is that the public carriers now must compete for the freight that the private carrier was forbidden for so long to touch.

The ICC said the "high cost of energy . . . requires greater attention to operating efficiency." By reducing shipping costs, the commission said, it will help the fight against inflation.

And that is in everybody's interest.●

CONSTITUTIONAL CONVENTION ON BALANCED BUDGET

● Mr. CULVER. Mr. President, I have been asked by 27 members of the Iowa State Senate to include in the RECORD a copy of their letter to the President of the U.S. Senate and the Speaker of the U.S. House of Representatives regarding action on Iowa State Senate Joint Resolution 1. This resolution requests Congress to call for a constitutional convention to propose an amendment to balance the Federal budget.

Senate Joint Resolution 1 was introduced on January 9, 1979, in the Iowa Senate. Though the resolution, as amended by the State House of Representatives, was subsequently approved by the Senate on February 22, 1979, it was held on the calendar pending the outcome of a motion to reconsider it. The motion to reconsider the resolution was debated on May 11, 1979.

The motion was ruled out of order by the presiding officer, and there was no opportunity to have another vote on it. Twenty-seven State senators, comprising a majority of that body, subsequently entered a statement in the Senate Journal expressing their views on this resolution. This statement, which I submit for the RECORD, indicates that the 27 senators would have voted against final passage of the resolution if a vote would have occurred.

The statement follows:

DES MOINES, IOWA,
May 11, 1979.

THOMAS O'NEILL,
Speaker, House of Representatives,
Washington, D.C.
WALTER MONDALE,
President of the Senate,
Washington, D.C.

GENTLEMEN: The presiding officer of the Senate today ruled "out of order" a motion to reconsider the vote by which Senate Joint Resolution 1 passed the Senate.

Because of that ruling, we were unable to register our opposition to that resolution.

A majority of the Iowa Senate intended to vote for the motion to reconsider and to vote against final passage of the resolution, "Proposing an amendment to the federal Constitution to require that the federal budget be balanced".

Had we been allowed to vote, we would have voted YES on the motion to reconsider Senate Joint Resolution 1, and we would have voted NO on final passage of the resolution.

We request that this letter be entered in the Congressional Record.

Patrick J. Deluhery, Clarence Carney, Norman Rodgers, Julia Gentleman, Alvin V. Miller, Arthur Small, Jr., William D. Palmer, Charles P. Miller, Bass Van Gilst, Joann Orr, George R. Kinley, Bob Rush, and James Calhoon. Dave Readinger, Lucas J. DeKoster, A. R. Kudart, Sue Yenger, C. W. Hutchins, John Scott, Tom Slater, Earl M. Willits, Cloyd Robinson, Lowell L. Junkins, Bob Carr, Joe Brown, and C. Joseph Coleman.

[This statement was entered in the Senate Journal, State of Iowa, May 11, 1979.]

EXPLANATIONS OF VOTES

Mr. President. Because the motion to reconsider the vote by which Senate Joint Resolution 1 passed the Senate was ruled out of order, we were unable to register our opposition to that Resolution. Had we been able to vote, we would have voted to reconsider and then voted against Senate Joint Resolution 1.

Lowell L. Junkins, Earl M. Willits, George R. Kinley, Julia Gentlemen, Joe Brown, Bob Carr, C. Joseph Coleman, Tom Slater, James Calhoon, C. W. Hutchins, William D. Palmer, Bob Rush, Clarence Carney, Patrick J. Deluhery, Lucas J. DeKoster, John S. Murray, Dave Readinger, A. R. Kudart, Bass Van Gilst, Alvin V. Miller, Charles P. Miller, Arthur Small, Jr., John Scott, Norman Rodgers, Joann Orr, Cloyd Robinson, Sue Yenger.

IOWA GENERAL ASSEMBLY

The legislative history of Senate Joint Resolution 1:

January 9, 1979.

Senate Joint Resolution 1 was filed in the Iowa Senate on the first day of the 1979 session. Thirty Senate sponsors.

The Title: A Joint Resolution for the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both houses or, on the application of the legislatures of two-thirds of the several states, calling a constitutional convention to propose an amendment to the federal Constitution to require, with certain exceptions, that the federal budget be balanced.

February 1, 1979.

SJR 1 passed the Senate 31 to 16.

February 9, 1979.

SJR 1, amended by the House, passed the House of Representatives 53 to 43.

February 22, 1979.

The Senate agreed to the amendments and passed the amended resolution 29 to 21.

February 26, 1979.

A motion to reconsider SJR 1 was filed in the Senate, holding the resolution on the Senate calendar.

May 11, 1979.

The motion to reconsider SJR 1 was called up and moved. A point of order was raised that the consideration of the motion was not in order. The presiding officer of the Senate ruled the motion to reconsider SJR 1 out of order.

Twenty seven Iowa Senators, a majority of the fifty, then entered a statement in the Senate Journal under the heading "Explanations of Votes", expresing their opposition to the resolution, their intention to vote to reconsider, and to vote against final passage of the resolution.

The Senate then adjourned sine die.●

SYNTHETIC FUELS

● Mr. DOMENICI. Mr. President, 2 days ago, 11 of us introduced a bill, S. 1377, that would establish a true Federal effort to bring substantial amounts of commercial synthetic fuels on board in the country by 1990. That bill, the Synthetic Fuels Production Act of 1979, is a proposal that would create an independent, goal-oriented partnership between private enterprise and the Federal Government to accelerate the development of synthetic fuels.

One cannot discuss synthetic fuels development in this country without noting the pioneering efforts of my colleague, the chairman of the Senate Environment and Public Works Committee, Senator JENNINGS RANDOLPH of West Virginia. He authored the 1944 Synthetic Liquids Fuel Act. He flew in an airplane powered by gasoline from coal in 1943, when few Americans realized the great potential for such fuels. He is undeniably an expert on the potential of synthetic fuels in this Nation in the Congress today. It is a tragic failure of policy that the programs he initiated more than 30 years ago were allowed to die and the expertise that those programs developed lost to the Nation.

With this historic background, Senator RANDOLPH's presence as an original cosponsor of S. 1377 is especially noteworthy. In addition, as I review an article that Senator RANDOLPH wrote for the West Virginia Review back in 1943, "Petroleum in the United States," I see where the policies he advocated then, the potential dangers to this Nation's security that he foresaw in an oil-short America, and the disruption of our economy if energy sources dried up that he predicted all have the solid ring of truth.

I say to my good friend from West Virginia that very few men, and very few nations, get a second chance. However, America has a second chance now to embark on the kind of synthetic fuels program that she should have embraced when Senator RANDOLPH advocated it. And, Senator RANDOLPH will get a second chance to see his vision of an energy secure America become a reality if this Congress acts quickly and boldly to establish an independent Synthetic Fuels Production Authority along the lines of S. 1377. I thank Chairman RANDOLPH immensely for his support of this initiative, which owes much to his historic work.

Mr. President, I submit a letter from Senator RANDOLPH to the editor of the

Washington Star, a copy of the article in the West Viriginia Review of October 1943, "Petroleum in the United States," authored by Senator RANDOLPH, and a United States News article on Senator RANDOLPH for the RECORD.

The material follows:

WASHINGTON, D.C.,
June 19, 1979.

Mr. MURRAY J. GART,
Editor, The Washington Star,
Washington, D.C.

DEAR MR. GART: I commend your editorial of June 13, entitled a Synthetic Solution? There is, as you indicate, Congressional awareness and support for synthetic fuel production as a substitute for oil imports. The newly formed Congressional coalition for this program is encouraging. Throughout my career I have advocated establishment of such a Federal commitment to foster synthetic fuels.

On November 6, 1943, I flew with Arthur Hyde on the first airplane flight in the United States using a gasoline produced from coal by the Bureau of Mines. Realizing the value of having the capability to produce fuel from our abundant coal resources, I authored the Synthetic Liquids Fuel Act of 1944, which established the first Federal programs for gasification of coal; for the liquefaction of coal and lignite to produce aviation gasoline, diesel oil and petrochemicals; and the production of shale oil; and liquid fuels from agricultural and forestry products. My initiative to support Federal development of these nonnuclear activities in the House of Representatives was sponsored in the Senate by Joseph O'Mahoney of Wyoming.

Passed during the 78th Congress and signed into law on April 5, 1944, by President Franklin D. Roosevelt, this measure provided the Bureau of Mines and Department of Agriculture with the mandate to develop new technologies to produce methanol. ethanol, and other liquid fuels from coal and agricultural wastes. Approximately $82 million were spent by the Bureau of Mines on this program prior to its termination in 1955 because synthetic fuels could not compete with cheap petroleum and natural gas supplies. But tragically, when the synthetic fuel program was terminated, our national knowledge and skill on processes for the conversion of coal to synthetic products also was lost. I realized that the domestic scarcity of liquid fuels we faced during World War II would come again.

I was not in the Congress when the synthetics development program was ended. But on my return to the Senate in 1958, I began to work for a national fuels and energy policy, including syn-fuels. For example, I testified before the Senate Interior Committee in 1961 and said:

"Every year that passes in which we become more and more dependent on foreign oil to buttress our national economy and security perhaps is one year nearer to disaster. We are gambling on our country's future."

Today, hopefully, a majority of my colleagues in the 96th Congress realize we are again at a turning point where coal synthetics must substitute for foreign petroleum. This Congress, faced with a scarcity of oil, should move with dispatch to provide a clear and decisive Federal policy to foster the private development of alternative domestic fuels.

The Department of Energy should fully implement programs to achieve the Congressionally-established goals of the Federal Non-nuclear Energy Research and Development Act of 1974 and the synthetic fuels loan guarantees enacted in 1977. This latter program which passed the Senate in 1975 and 1976 would have provided $5 and $6 billion in loan guarantee authority. But more importantly, the Department of Energy has failed to fully implement existing statutory authorities which provide for the Federal government to be partners with private industry in the areas of coal liquefaction and gasification, oil shale, solar energy, and geothermal and other renewable technologies. A principal feature of S. 1308, the Energy Supply Act introduced by Senator Jackson, myself and 18 other senators, is to direct the Department of Energy to carry out existing Congressional energy mandates.

The fresh look at synthetic fuels which your editorial describes will produce positive results from the investment in our country's energy future. If our national energy policies are to be responsive to national needs, we must require energy resources of every form—not competition between energy resources. The time for development is NOW, whether by direct Federal subsidies or price supports. The incentives must be tailored to the technology.

Coal can fill many of the world's energy requirements, but particularly those of commerce and manufacturing, before the turn of the century. The decisions now being made on energy by the Congress and the Administration will have far-reaching and lasting effects. During the last few years we have witnessed energy decisions based on the short-term perspective, at great expense to public confidence. Because of our preoccupation with minimizing the short-term effects of inadequate domestic energy supplies we have failed to act to solve the longer-term supply problems. We now must correct this situation. A national commitment is needed for synthetic fuels.

Truly,

JENNINGS RANDOLPH,
U.S. Senator.

PETROLEUM IN THE UNITED STATES—WEST VIRGINIA COAL PRODUCES LIQUID FUELS

(By JENNINGS RANDOLPH)

Are American petroleum resources sufficient to supply the tremendous demands for aviation fuels and lubricants that will follow the close of the war? Under war-time demands, aviation has made tremendous strides and these war-time developments will be applied to peace-time use. The millions of young men released from the army will be air-minded and will have no patience with the slower and more restricted modes of travel. The numerous airplane and aviation equipment-manufacturing plants built during the war will seek to maintain their business as far as possible in the production of planes for passenger and freight transport. The facilities for producing great quantities of light metals—aluminum and magnesium—will be available for the construction of these planes. In fact, everything is set for an unprecedented increase in aviation, not only in the United States, but throughout the world.

The Congress of the United States has been actively interested in forestalling any domestic shortage of petroleum. During this war our wells have supplied the greatest share—about 65 per cent—of the military demands of the allied nations as well as the essential civilian requirements of this country. The drain has been heavy and Congressional investigation has shown that it is far from safe to assume that our reserves can meet it indefinitely.

In the future we will not be able to depend on the importation of oil from any foreign country, even though it may appear to be a very friendly one now, for then a major portion of our economy could be subjected to the whims and controls of outside powers. Unless we have our own sources for gasoline and oil in time of peace, we might be forced to pay exorbitant prices; and, if supplies were cut off in time of war, our entire military machine would be helpless. Certainly this war has imprinted deeply in our minds the necessity for having within the borders of the United States all the essential raw materials to support the major functions of our economy.

The United States has long been proud of its mass production and distribution of automobiles, and of the fact that most of the people can own and drive cars. To support our automotive transportation we have produced from 60 to 70 per cent of the world's output of petroleum for several years. It is estimated that if the wells in this country were uniformly spaced, there would be one every three miles. Mineral resources, such as petroleum, are not supplied to any geographical area in unlimited amounts and the United States may be facing the day in the relatively near future when it will be one of the "have not" nations so far as petroleum is concerned.

In contrast to our prodigal use of this resource, and to our intense drilling and exploration campaigns, we find many foreign nations with almost untouched reserves and these may be the "have" nations of the future. For example, in Russia, and in the Persian Gulf, only one well has been drilled for each 500 square miles of land. Many of these countries also have large areas which are considered highly favorable prospects for exploration.

The recent decline in the rate of discovery of new petroleum fields in this country has given rise to the question of what we can do to meet the demands of an air-minded automotive post-war age. Since 1939, petroleum has been consumed at a greater rate than it has been discovered in new fields not previously known. Another unfavorable factor has been the smaller capacity of pools of oil discovered in recent years. While oil production is reaching an all-time high (1,402,228,000 barrels in 1941, and figures will be higher this year), we cannot continue to drain sources which are already being depleted. One would scarcely expect to have a full gasoline tank if we add only three gallons each time we use four. Yet that is just what we are doing. Last year the new oil found was a half-billion barrels less than we produced. Since 1937, the number of new pools found has increased but the amount has consistently fallen from 928,742,000 barrels found in 1937 to 260,051,000 barrels in 1942.

Nor do the oil men have much to offer in the way of encouragement, for the big fields have been discovered and many have already been exhausted. The newer fields are smaller and the costs of exploration and drilling are necessarily higher.

To say just how long the supply of oil will last this nation is foolish. Experts in the oil industry say that there will be an acute shortage in twenty years. Other equally expert experts say that new fields will delay this shortage for fifty years.

Is there any reasonable prospect for securing the liquid fuel necessary for the construction and expansion of automotive transportation on land and sea and in the air from other sources which will be available for many years? What can be done to utilize our far vaster deposits of coal, oil shale, lignite, and natural gas?

Great Britain, Germany, and Japan are making synthetic oil and gasoline by processes that are known to have passed the experimental stage. Great Britain produces enough gasoline by coal hydrogenation to keep one hundred to two hundred bombers over Germany every night, and a lower octane gasoline and Diesel oil from oil shale. Germany produces over one-half of her liquid fuel from coal and coal tar, while Japan is likewise reported to produce large amounts of liquid fuel from coal and oil shale.

The first Congressional hearings to awaken this country's interest in securing oil and gasoline from sources other than petroleum were held by a subcommittee of the House Committee of Mines and Mining (of which my Congressional colleague, Joe L. Smith of Beckley, is chairman) in June and July of 1942. Before this subcommittee, of which I am chairman, appeared some of the Nation's foremost scientists to testify on the methods used in Europe, England, and Japan for making gasoline from coal or gases. A complete transcript of these hearings has been published under the title, "Production of Gasoline from Coal and Other Products."

Later in 1942, hearings specifically directed to consideration of methods to increase petroleum discoveries and also touching on the production of gasoline and oil from coal or shale were also held before a subcommittee of the Senate Public Lands Committee. A transcript is available under the title, "To Encourage the Discovery of Oil and Gas in the Public Domain," part four.

More than a year and a half have passed since the initial hearings held by the House of Representatives' Subcommittee, and the gasoline and oil situation has become progressively worse. Military demands have increased steadily and civilians are now rationed to essential requirements. Our land forces have not yet engaged the enemy on the fullest scale and, when they do, large additional demands for gasoline may be expected, resulting in further heavy drains on our domestic supplies.

Domestic rationing of gasoline started with submarine warfare that interrupted tanker shipments to the east coast, since the problem was then largely one of transportation. Rationing was extended to the west as a rubber conservation measure to bridge the gap between the time our stock pile of natural rubber was exhausted and large scale production of synthetic rubber was begun.

These two reasons for saving gasoline are now fading from the picture and the country must face the fact that its wells cannot produce petroleum fast enough to satisfy the manifold demands. We believe our nation has enough gasoline to fight this war and to supply essential requirements, but what about the period immediately after the war?

Early in August of this year the Senate War Minerals Subcommittee held hearings on the feasibility of producing synthetic oil at Washington, Pittsburgh, Salt Lake City, and Sheridan, Wyoming. Experts from the Government, industry, and engineering schools testified on the question, and they were in substantial agreement that the gasoline age would not end with the exhaustion of natural petroleum.

The chemists called attention to processes for obtaining synthetic gasoline from natural gas, coal, lignite, and vegetable material and the production of crude oil from oil shale and tar sands. The geologists pointed to abundant reserves in North America of these raw materials which would last for a period of one to two thousand years.

Experts of the Bureau of Mines, the Petroleum Administrator for War, oil companies, coal companies, and colleges and universities, as well as representatives of the governors of several states, testified—and the endorsement of the objectives of the legislation was unanimous. At the hearings in Washington, Harold L. Ickes, Secretary of the Interior demonstrated a motor which operated equally well on regular petroleum gasoline and gasoline made from coal.

Gasoline from coal was processed by the Bureau of Mines in a small laboratory-size plant in Pittsburgh. This plant was built about seven years ago with a relatively small sum of money appropriated by the Congress. I saw this plant when we were holding our recent hearings. It's small—I would almost call it a toy plant. But I saw coal going in at one end and gasoline coming out at the other end. We took some of this gasoline and put it in standard make automobiles and drove the cars through the city streets. It performed like any gasoline made from pertoleum. According to testimony presented, the gasoline made from coal can be made as good as any high-grade gasoline that flies our bombers on their missions over Berlin. In fact, witnesses testified, Germany is now getting from one-half to two-thirds of all her liquid fuels from coal—synthetic power from her brown coals which are not nearly as rich as the coals of West Virginia. Germany today is powering her airforce, U-boats, tanks, trucks, and mobile cannon with liquid fuels from coal.

Liquid fuels can be made from American coals. In the small laboratory in Pittsburgh, which I have mentioned, scientists from the Bureau of Mines have tested fifteen different coals from the United States and Alaska. They have found that each of them can be used to make gasoline and other products. I was interested to learn that coals from the West Virginia area are among those giving the highest yields of gasoline per ton of coal. From the Upper Freeport bed (taken from a mine near Morgantown) coal will yield as much as *seventy gallons of gasoline per ton*. This West Virginia coal—like the coals of Maryland, Pennsylvania, and other states—will not only yield gasoline but can be used to produce Diesel fuel, fuel oil, and chemicals for plastics, explosives, synthetic rubber, and medicinals.

This production can be done but at the present time oil shale and coal do not offer as cheap a source of supply as petroleum from the ground. But certainly our people will back the extra effort and the extra cost when the alternatives are ample or restricted supplies of gasoline. Furthermore, even though the production cost is higher, the increase to the ultimate user may not be greater than seven to thirteen cents per gallon, and further technologic development will reduce these costs.

But with all this pioneering work, we cannot say to American industry: "Here is a coal liquefying process that will work on a particular coal. Here is the way to build a plant. Here are the plans for operating it." Such facts cannot be obtained from the equipment the Bureau of Mines now has. They are available only from plants which resemble commercial-scale operations—operations which would be established under a proposed Congressional measure. These plants must be of minimum size and for the sole purpose of furnishing industry with the necessary cost and engineering data for the development of synthetic liquid fuel by private enterprise. The combined product of all the experimental plants should not constitute a commercially significant amount of the total national commercial sale and distribution of petroleum and its products.

My enthusiasm for demonstration-scale plants, to produce liquid fuels from coals, stems from the firm belief that we must have liquid fuels to maintain our way of life. The post-war era will see millions of new automobiles on improved highways. It will see helicopters and planes by the thousands, piloted by men now flying fighters and bombers. We will find larger and faster commercial transport aircraft spanning oceans and continents on hourly schedules. All these planes and automobiles must be powered with liquid fuels.

On one hand there is a promising future for our country, with vast increase in air transportation, fast trips to foreign lands, rapid development in the use of private planes, and the resumption of our normal automobile manufacture and use. On the other hand, the picture may be changed entirely if our petroleum reserves show signs of serious depletions and if, in the meantime, we fail to develop ways for producing gasoline from other materials. Certainly the great majority of the citizens of this country do not want a future in which gasoline will be rationed continuously with decreasing amounts available each year. I believe that our people will back a vigorous program to avoid any such prospect.

The Congress of the United States is now planning to forestall possible gasoline and oil shortages. Senator O'Mahoney, distinguished legislator of Wyoming, has introduced Senate Bill 1243 to authorize the Bureau of Mines to investigate and develop processes for making oil and gasoline from the Nation's great reserves of coal, oil shale, and other materials.

In order that prompt action may be taken, I have introduced a companion bill in the House of Representatives. It is known as HR 3209.

The essential features of the proposed legislation are as follows: it authorizes the Secretary of the Interior, acting through the Bureau of Mines, within the limits of critical materials available, to construct, maintain, and operate one or more demonstration plants to produce synthetic liquid fuels from coal and other substances.

To carry out the purposes of this act, the Secretary of the Interior is authorized to (a) conduct laboratory research and development work necessary to determine the best demonstration plant designs and conditions of operation; (b) acquire, by purchase, lease for a term of ten years or less, donation, or otherwise, land and any interest in land, including easements and leasehold interests, options on real or personal property; plants and their facilities; secret processes, technical data, inventions, patent applications, patents, irrevocable non-exclusive licenses, and other rights and licenses granted by this or any other nation; to assume the obligation to pay rentals in advance on property so acquired, and to pay damages arising out of the use of any such property; (c) engage, by contract or otherwise, engineers, architects, and any private industrial organization he deems suitable, to do all or any part of the work of designing, constructing, or operating the plants, the operation to be under his supervision, and through leases or otherwise as he believes advisable; (d) cooperate with any Federal or State department, agency, or instrumentality, and with any private person, firm, or corporation, in effectuating the purpose of this Act.

The high-speed motors of tomorrow, just like those of today, will need the best quality lubricants to keep them from burning out. If we drain our supply of natural petroleum year after year until it is exhausted, then we must surely fall back on imported petroleum for special lubricants because some crude oils provide lubricating oil of a high quality which cannot be duplicated by synthesis.

We will reach the turning point eventually. We must not, for the sake of our national defense and security, come to depend on any foreign country for our fuels. There is only one distraction—the one which will make us independent of imported petroleum for our gasoline, Diesel oil, fuel oil, and other essential products obtainable from coal and our special lubricants coming from our natural petroleum reserves which should be conserved for that purpose.

I have unshakable faith in the ability of our scientists and engineers to provide the best coaliquefaction methods for American industry and American coals, but I know that the necessary answers will not be supplied overnight. Years of additional research may be required, even with commercial scale demonstration plants. It took Germany more than twelve years to jump from the laboratory stage to commercial scale levels. American industry cannot be asked to risk the time and money on these experiments in coal liquefaction. Since it is to the advantage of all the people, it obviously is the Government's responsibility to undertake the development work to the point where industry can profitably enter.

When we are required to turn to coal and oil shale as the chief source of motor fuels in the United States we should have the processes at hand for immediate application. We certainly do not want to be panicked into emptying our natural petroleum reserves of every drop while waiting for satisfactory coal liquefaction methods to be developed.

The forthcoming era of synthetic fuel production in the United States will find West Virginia in an extremely advantageous position. Not only is this the foremost bituminous coal-producing state in the Nation, but it will possibly be the leading gasoline producing state as well. Here lies the great potential area for jobs for the men in the Service and the men at home in a continuation of large coal production and in plants producing synthetic liquid fuels. The past and the present industrial importance of coal to West Virginia is recognized everywhere, but the future—the post-war age—should see even greater achievements credited to us because of our great, untapped resources of solid fuels and the people's will to work together so that the peace that follows victory will see an era of great achievement and sound prosperity.

GASOLINE OF THE FUTURE—SYNTHETIC FUEL FROM COAL AND SHALE AS A PROSPECTIVE RESERVE

An intensive search now is planned for new domestic sources of gasoline for use in the event that present reserves of crude oil disappear during the years ahead.

The idea is that the search should be financed by the Federal Government. Legislation authorizing an appropriation of $30,000,000 has been approved by Congress. The House passed a bill sponsored by Representative Randolph (Dem.), of West Virginia. This measure was accepted by the Senate as a substitute for a similar bill introduced by Senator O'Mahoney (Dem.), of Wyoming.

With this money, the Bureau of Mines will set out to find the best methods of producing synthetic gasoline. The Bureau will explore the possibilities of extracting oil from shale, from coal and from natural gas. It also may investigate the feasibility of obtaining gasoline from oil sands and from farm products. Two or three demonstration plants will be built. One probably will be placed near the coal fields of the East and another near the shale deposits of the Rockies. These plants will be more than laboratories, will operate on a scale large enough to provide industry with economic and scientific knowledge on commercial production. Maximum capacity of the plants will be 1,000 barrels a day.

An effort will be made to quiet any fear that now exists that the country may be caught short when its domestic reserves of oil are used up. Congress is determined that this country shall not repeat the error it made in rubber by waiting for a crisis before developing a synthetic industry.

Vast resources are present in the U.S. from which to develop a synthetic fuel industry as large or larger than the $15,000,000,000 petroleum industry. Some of the known sources of synthetic oil are these:

Coal. It is estimated that the U.S. has enough coal to provide both synthetic oil and coal for more than 1,000 years at present rates of consumption. Conversion of coal to oil is more costly than the process of converting from other products, but the process also is more highly developed. Coal can be expected to provide the bulk of the oil of the future, after natural supplies are exhausted, because it is present in such great abundance.

Shale. Oil shale deposits in Colorado, Utah and Wyoming would yield an estimated 92,000,000,000 barrels of oil, a 65-year supply at the present rate of consumption. Shale is less expensive to convert than coal, but to product satisfactory motor and aviation oil from shale probably will require more experimental work than in the case of coal.

Natural gas. Here is a source of synthetic gasoline that would offer the easiest and cheapest substitute if the supply were inexhaustible. It is cheaper to process and lends itself better to conversion, but the supply is limited. An extensive conversion industry is not likely to develop since natural gas is an important resource in itself and is not as plentiful as coal and shale.

Oil sands. Biggest known deposits of crude oil in the world are the tar sands of Northern Canada. These deposits could yield 100,000,000,000 to 250,000,000,000 barrels of oil. But they are remote and production and transportation costs would be high. Oil sands of Utah and other less explored areas of the U.S. also might yield an oil supply that would last several years.

Of these sources of synthetic oil, coal and shale offer the best possibilities. Now the question arises as to how much more the consumer might have to pay at some future time for synthetic gasoline than he now pays for gasoline from petroleum.

Gasoline from crude oil now is produced for 5 or 6 cents a gallon. Gasoline from shale can be extracted by processes still in the experimental stage at 7 to 12 cents a gallon. Gasoline from natural gas costs 8 to 10 cents to produce. Tar sands in this country yield gasoline at a cost of 5 to 12 cents. Coal extraction is the most expensive process. Representative Randolph estimates that gasoline from coal can be produced for 15 to 17 cents a gallon by one method and for 13 to 18 cents by another method, but cost estimates of the oil industry sometimes run higher.

Automobile users would have to pay considerably more for synthetic gasoline than they now pay for gas from crude oil unless production costs are reduced materially. However, Congress did not intend that the experiments create a cheaper and better gasoline. It merely believed that the country should insure itself against the day when natural oil supplies are exhausted.

That brings up the question of why Congress is disturbed over the oil supply. The reasons are these:

This country is heading into a serious oil shortage unless large new fields are discovered. The present annual rate of crude oil production is about 1,500,000,000 barrels and the known reserve supply of oil is around 20,000,000,000 barrels. Production and consumption have been exceeding new discoveries for the last five years. The industry and the Government agree that present proved reserves will provide only a 13 or 14-year supply of oil at present rates of consumption.

Rather extensive experiments already have been carried on by the Bureau of Mines in making oil from coal. We have learned much from Germany, where synthetic oil provides more than half the military fuel. We also have learned from Great Britain. Twenty years were required by Germany to develop a synthetic oil industry, but it is believed that we can do the preliminary work for developing such an industry in four or five years.

The test-tube stage is past. The $30,000,000 program authorized by Congress goes into the stage of commercial production. The knowledge learned in the demonstration plants will be available to all in private industry who wish to use it, and will not be used to put the Government in competition with business.●

MODIFICATION OF UNANIMOUS CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to the agreement that was entered into earlier today concerning time on the supplemental appropriations bill (H.R. 4289) that that agreement be amended as follows:

Provided that any amendment dealing with the reduction of funds in relation to the Virgin Islands be limited to 2 hours, subject to the approval of Mr. Stevens.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the agreement be further amended to provide that there be a 1-hour limitation on each of 10 amendments, rather than one amendment, by Mr. Weicker. As I understand, they all deal with the same subject matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, this has been cleared with the minority leader and with the minority whip who, in particular, was affected.

I ask unanimous consent that with respect to the supplemental appropriation bill, the time limit on any amendment reducing funds to the Virgin Islands be the same as is generally applicable in the agreement to amendments.

Mr. Stevens, it is my understanding, approves of this approach and does not expect any additional time on any such amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTATE AND GIFT TAX TREATY WITH THE FRENCH REPUBLIC; PROTOCOL TO THE INCOME TAX CONVENTION WITH THE FRENCH REPUBLIC; THIRD PROTOCOL TO THE 1975 TAX CONVENTION WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, AS AMENDED; ESTATE AND GIFT TAX TREATY WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND; TAX CONVENTION WITH THE REPUBLIC OF KOREA; AND TAX CONVENTION WITH THE HUNGARIAN PEOPLE'S REPUBLIC

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that the six treaties on the Executive Calendar be considered as having passed through the various legislative stages, up to and including the presentation of the resolution of ratification, and that a vote occur on the six treaties en bloc at 2 o'clock p.m. on Monday, July 9; that there be 10 minutes of debate preceding the vote, to be equally divided between Mr. Javits and Mr. Church; that the Senate go into executive session at 10 minutes prior to 2 o'clock p.m. on that date; that the Record show a rollcall vote on each of the six treaties, notwithstanding only one actual vote occurring; and that, upon the disposition of the treaties, the Senate return to legislative session.

Mr. BAKER. Mr. President, reserving the right to object, I shall not object, my reservation is for the purpose of stating for the Record that negotiations looking to the scheduling of these items for action of the Senate has been underway for some time. We have cleared it with all of those Senators who have indicated an interest in this matter on our side. We find this to be a satisfactory arrangement and I have no objection to the request.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in executive session, and as in the Committee of the Whole, proceeded to consider executive J, 96th Congress, first session, Estate and Gift Tax Treaty with the French Republic; executive K, 96th Congress, first session, Protocol to the Income Tax Convention with the French Republic; executive Q, 96th Congress, first session, Third Protocol to the 1975 Tax Convention with the United Kingdom of Great Britain and Northern Ireland, as amended; executive R, 96th Congress, first session, Estate and Gift Tax Treaty with the United Kingdom of Great Britain and Northern Ireland; executive P, 94th Congress, second session, Tax Convention with the Republic of Korea; and executive K, 96th Congress, first session, Tax Convention with the Hungarian People's Republic, which were read as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON ESTATES, INHERITANCES, AND GIFTS

The President of the United States of America and the President of the French Republic, desiring to conclude a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates, inheritances, and gifts, have appointed for that purpose as their respective plenipotentiaries:

The President of the United States of America: The Honorable George S. Vest, Assistant Secretary of State for European Affairs, the President of the French Republic: His Excellency Francois de Laboulaye, Ambassador of France, who having communicated to each other their full powers, found in good and due form, have agreed upon the following provisions.

CHAPTER I.—SCOPE OF THE CONVENTION

ARTICLE 1.—ESTATES AND GIFTS COVERED

(1) This Convention shall apply to estates of decedents whose domicile at death was in France and to estates of decedents which are subject to the taxing jurisdiction of the United States by reason of the decedent's domicile therein or citizenship thereof at death.

(2) This Convention shall also apply to gifts of donors whose domicile at the time of making a gift was in France, and to gifts which are subject to the taxing jurisdiction of the United States by reason of the donor's domicile therein or citizenship thereof at the time of making of a gift.

(3) A person who at the time of death or the making of a gift was a resident of a possession of the United States and who acquired United States citizenship solely by reason of (a) his being a citizen of such possession, or (b) his birth or residence within such possession, shall be considered as having been neither domiciled in nor a citizen of the United States for purposes of this Convention.

ARTICLE 2.—TAXES COVERED

(1) This Convention shall apply to:

(a) In the case of the United States: the Federal gift tax and the Federal estate tax, including the tax on generation-skipping transfers; and

(b) In the case of France: the duty on gifts and the duty levied on succession.

(2) This Convention shall also apply to any identical or substantially similar taxes on estates, inheritances, and gifts which are subsequently imposed by a Contracting State in addition to, or in place of, the existing taxes.

(3) The competent authorities of the Contracting States shall notify each other of any substantial changes which have been made in their respective laws relating to taxes on estates, inheritances, and gifts.

CHAPTER II.—DEFINITIONS

ARTICLE 3.—GENERAL DEFINITIONS

(1) In this Convention:

(a) The terms "Contracting State" and "other Contracting State" means the United States or France, as the context requires.

(b) The term "United States" means the United States of America and, when used in a geographical sense, means the states thereof and the District of Columbia. Such term also includes any area outside the States and the District of Columbia which is, in accordance with international law, an area within which the United States may exercise rights with respect to the natural resources of the seabed and sub-soil.

(c) The term "France" means the French Republic and, when used in a geographical sense, means the European and Overseas departments of the French Republic. Such term also includes any area outside those departments which is, in accordance with international law, an area within which France may exercise rights with respect to the natural resources of the seabed and sub-soil.

(d) the term "enterprise" means a commercial or industrial enterprise carried on by an individual domiciled in a Contracting State.

(e) Except where expressly stated to the contrary, the term "tax" means the tax or taxes referred to in Article 2 which are imposed by the Contracting State (or Contracting States) as indicated by the context of the term's usage.

(f) The term "competent authority" means:

(i) In the case of the United States, the Secretary of the Treasury or his delegate, and

(ii) In the case of France, the Minister of Budget or his delegate.

(2) Any term not otherwise defined in this Convention shall, unless the context otherwise requires, have the meaning which it has under the tax laws of the Contracting State whose tax is being determined. However, if the meaning of such a term under the laws of one of the Contracting States is different from the meaning of the term under the laws of the other Contracting State, the Contracting State may, in order to prevent double taxation or to further any other purposes of this Convention, establish a common meaning of the term for purposes of this Convention.

ARTICLE 4.—FISCAL DOMICILE

(1) For the purpose of this Convention, the question whether an individual was domiciled in one of the Contracting States shall be determined according to the law of that State.

(2) Where by reason of the provisions of paragraph (1) an individual was domiciled in both Contracting States, then this case shall be determined in accordance with the following rules:

(a) He shall be deemed to have been domiciled in the Contracting State in which he maintained his permanent home;

(b) If he had a permanent home in both Contracting States or in neither of the Contracting States, his domicile shall be deemed to be in the Contracting State with which his personal relations were closest (center of vital interests);

(c) If the Contracting State in which he had his center of vital interests cannot be determined, his domicile shall be deemed to be in the Contracting State in which he had an habitual abode;

(d) If he had an habitual abode in both Contracting States or in neither of the Contracting States, his domicile shall be deemed to be in the Contracting State of which he was a citizen; or

(e) If he was a citizen of both Contracting States or of neither of them, the competent authorities of the Contracting States shall determine the Contracting State of his domicile by mutual agreement.

(3) (a) Notwithstanding the provisions of paragraph (2), an individual who at the time of his death or the making of a gift was a citizen of one of the Contracting States without being a citizen of the other Contracting State, and who would be considered under paragraph (1) as having been domiciled in both Contracting States, shall be deemed to have been domiciled only in the Contracting State of which he was a citizen, if he had a clear intention to retain his domicile in that Contracting State and if he was domiciled in the other Contracting State in the aggregate less than 5 years during the 7-year period ending with the year of his death or the making of a gift.

(b) Notwithstanding the provisions of paragraph (2) or of subparagraph (a) of this paragraph, an individual who at the time of his death or the making of a gift was a citizen of one of the Contracting States without being a citizen of the other Contracting State, and who would be considered under paragraph (1) as having been domiciled in both Contracting States, shall be deemed to have been domiciled only in the Contracting State of which he was a citizen if:

(i) He was domiciled in the other Contracting State in the aggregate less than 5 years during the 7-year period ending with the year of his death or the making of a gift, provided that he was in that other Contracting State by reason of an assignment of employment or as the spouse or other dependent (personne à charge) of a person present in that other Contracting State for such a purpose; or

(ii) He was domiciled in the other Contracting State in the aggregate less than 7 years during the 10-year period ending with the year of his death or the making of a gift, provided that he was in that other Contracting State by reason of a renewal of an assignment of employment or as the spouse or other dependent (personne a charge) of a person present in that other Contracting State for such a purpose.

CHAPTER III.—TAXING RULES

ARTICLE 5.—IMMOVABLE (REAL) PROPERTY

(1) Immovable (real) property may be taxed by a Contracting State if such property is situated in that State.

(2) The term "immovable (real) property" shall be defined in accordance with the tax laws of the Contracting State in which such property is situated. Mortgages or other claims secured by immovable (real) property shall not be regarded as immovable (real) property.

(3) The provisions of paragraphs (1) and (2) shall also apply to immovable (real) property which forms part of the business property of a permanent establishment or is used for the performance of professional services or other independent activities of a similar character.

ARTICLE 6.—BUSINESS PROPERTY OF A PERMANENT ESTABLISHMENT AND ASSETS PERTAINING TO A FIXED BASE USED FOR THE PERFORMANCE OF PROFESSIONAL SERRVICES

(1) Except as provided in Article 5, assets (other than ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft) used in or held for use in the conduct of the business of a permanent establishment may be taxed by a Contracting State if the permanent establishment is situated therein.

(2) For purposes of this Convention, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on. If an individual is a member of a

partnership or other association that is not a corporation which is engaged in industrial or commercial activity through a fixed placed of business, he shall be deemed to have been so engaged to the extent of his interest therein.

(3) The term "permanent establishment" shall include especially:

(a) A seat of management;

(b) A branch;

(c) An office;

(d) A factory;

(e) A workshop;

(f) A warehouse;

(g) A mine, quarry, or other place of extraction of natural resources; and

(h) A building site or a construction or assembly project which exists for more than 12 months.

(4) Notwithstanding the provisions of paragraphs (2) and (3), the term "permanent establishment" shall not be deemed to include:

(a) The use of facilities solely for the purpose of storage, display, or delivery of goods or merchandise belonging to the enterprise;

(b) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display, or delivery;

(c) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another person;

(d) The maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or the collection of information, for the enterprise;

(e) The maintenance of a fixed place of business solely for the purpose of advertising, supplying information, conducting scientific research, or similar activities which have a preparatory or auxiliary character, for the enterprise; or

(f) The maintenance of a fixed place of business solely for investment purposes (and not for purposes of engaging in industrial or commercial activity) of an individual, whether by the individual or his employees or through a broker or other agent.

(5) A person who was acting in a Contracting State on behalf of an enterprise—other than agent to whom paragraph (4)(f) or (6) applies—shall be deemed to have been a permanent establishment of the enterprise in that State if such person had, and habitually exercised in that State, an authority to conclude contracts in the name of the enterprise, unless the exercise of such authority was limited to the purchase of goods or merchandise for the enterprise.

(6) An enterprise shall not be deemed to have had a permanent establishment in a Contracting State merely because the enterprise engaged in industrial or commercial activity in that State through a broker, general commission agent, or any other agent of an independent status acting in the ordinary course of his business.

(7) The fact that an enterprise controlled a corporation which engaged in industrial or commercial activity in a Contracting State (whether through a permanent establishment or otherwise) shall not be taken into account in determining whether the enterprise had a permanent establishment in that State.

(8) Except as provided in Article 5, assets pertaining to a fixed base used for the performance of professional services or other independent activities of a similar character may be taxed by a Contracting State if the fixed base is situated in that State.

ARTICLE 7.—TANGIBLE MOVABLE PROPERTY

(1) Tangible movable property other than currency may be taxed by a Contracting State if such property is situated in that State and is not taxable by the other Contracting State pursuant to Article 6. For this purpose, tangible movable property which is in transit shall be considered situated at the place of destination.

(2) Notwithstanding the provisions of paragraph (1), tangible movable property owned by an individual referred to in paragraph (3) of Article 4 and used for his normal personal use or that of his family may be taxed only by the Contracting State in which the individual was domiciled.

(3) Notwithstanding the provisions of paragraph (1), ships and aircraft operated in international traffic, and movable property pertaining to the operation of such ships and aircraft, may be taxed by a Contracting State if such ships and aircraft are registered in that Contracting State. Other ships and aircraft may be taxed by a Contracting State if the harbors and airports most frequently used by such ships and aircraft are situated in that State.

ARTICLE 8.—TAXATION OTHER THAN PURSUANT TO ARTICLES 5, 6, AND 7

Except as provided in Articles 5, 6, and 7, property, including shares or stock in a corporation, debt obligations (whether or not there is written evidence thereof), other intangible property, and currency may be taxed by a Contracting State only if the decedent or donor was a citizen of or was domiciled in that State at the time of death or the making of a gift, and if taxable by that State under its laws.

ARTICLE 9.—DEDUCTION OF DEBTS

(1) Debts, to the extent they would be deductible according to the internal law of a Contracting State, shall be deducted from the gross value of the property which may be taxed by that State in the proportion that such gross value bears to the gross value of the entire property wherever situated.

(2) Notwithstanding the provisions of paragraph (1), for purposes of determining the French tax:

(a) Debts pertaining to a permanent establishment or to a fixed base used for the performance of professional services or other independent activities of a similar character shall be deducted from the value of assets referred to in Article 6.

(b) Debts pertaining to ships and aircraft operated in international traffic and to movable property related to the operation of such ships and aircraft shall be deducted from the value of these assets.

ARTICLE 10.—CHARITABLE EXEMPTIONS AND DEDUCTIONS

(1) A transfer to a legal entity created or organized in a Contracting State shall be exempt from tax, or fully deductible from the gross value liable to tax, in the other Contracting State with respect to its taxes referred to in Article 2, provided the transfer would be eligible for such exemption or deduction if the legal entity had been created or organized in that other Contracting State.

(2) The provisions of paragraph (1) shall apply only if the legal entity:

(a) Has a tax-exempt status in the first Contracting State by reason of which transfers to such legal entity are exempt or fully deductible;

(b) Is organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes; and

(c) Receives a substantial part of its support from contributions from the public or governmental funds.

(3) This Article shall not apply to transfers to a Contracting State or a political or administrative subdivision thereof unless specifically limited to a purpose described in paragraph (2)(b).

ARTICLE 11.—COMMUNITY PROPERTY AND MARITAL DEDUCTION

(1) Property (other than community property) which was acquired during marriage for consideration by an individual who at the time of death or the making of a gift was domiciled in, or a citizen of, the United States and which passes to the spouse of such individual shall, * * * community property, unless the spouses expressly elected to have a treatment other than community property treatment provided by French civil law.

(2) In the case of an individual who was domiciled in France there shall, for purpose of determining the United States tax, be allowed the same marital deduction in effect on the date of signature of this Convention, as if such individual were domiciled in the United States, and in such a case the tax rates applicable if the decedent or donor had been domiciled in the United States shall apply. If the tax determined without regard to the preceding provision of this paragraph is lower than that computed under the preceding provision, the lower tax shall apply.

(3) In the event the laws of either Contracting State are changed substantially to reduce the tax benefits of the marital deduction or community property, the competent authorities of the Contracting States shall consult to determine whether this Article shall be modified or shall cease to have effect.

CHAPTER IV.—RELIEF FROM DOUBLE TAXATION

ARTICLE 12.—EXEMPTIONS AND CREDITS

(1) Except as otherwise provided in this Convention, each Contracting State shall impose its tax, and shall allow exemptions, deductions, credits, and other allowances, in accordance with its laws.

(2) Double taxation shall be avoided in the following manner:

(a) In determining the French tax where property may be taxed by the United States in accordance with Article 5, 6, or 7, such property shall be exempt from the French tax. However, French tax with respect to property which is taxable by France in accordance with this Convention shall be computed at the rate appropriate to the total of property taxable under French law.

(b) In determining the United States tax:

(i) Where both Contracting States impose tax with respect to property which is taxable by France in accordance with Article 5, 6, or 7, the United States shall allow a credit equal to the amount of the tax imposed by France with respect to such property.

(ii) Notwithstanding the provisions of subparagraph (i), the total amount of all credits allowed by the United States pursuant to this Article or pursuant to its laws or other conventions with respect to all property in respect of which a credit is allowable under subparagraph (i) shall not exceed that part of the tax of the United States which is attributable to such property.

(iii) Any credits for tax imposed by France allowable under this Article are in lieu of, and not in addition to, any such credits allowed by the laws of the United States.

(3) If the decedent or donor was a citizen of the United States at the time of death or the making of a gift and would be considered under Article 4 as having been domiciled in France at such time, the United States shall allow a credit equal to the amount of the tax imposed by France.

(4) Exemption and credits under this Article shall be tentatively allowed by the United States on the basis of statements made in the tax return as to the amount of any tax paid or payable to France. However, such exemptions and credits shall not be finally allowed until any such tax for which the exemption or credit is allowable has been paid.

(5) The provisions of this Convention shall not result in an increase in the amount of the tax imposed by either Contracting State under its domestic laws. A reduction in the credit allowed against United States tax for the tax paid to France which results from the application of this Convention shall not be construed as an increase in tax.

CHAPTER V.—SPECIAL PROVISIONS

ARTICLE 13.—TIME LIMITATIONS ON CLAIMS FOR CREDIT OR REFUND

(1) Any claim for credit or for refund of tax founded on the provisions of this Con-

vention shall be made before the expiration of the latest of:

(a) The time for making of a claim for refund of tax under the laws of the Contracting State to which the claim for credit or refund is made;

(b) Five years from the date of death of the decedent, or from the making of a gift with respect to which the claim is made; or

(c) One year after final determination (administrative or judicial) and payment of tax for which any credit under Article 12 is claimed, provided that the determination and payment are made within 10 years of the date of death of the decedent or of the making of a gift.

(2) Any refund based on the provisions of this Convention shall be made without payment of interest on the amount so refunded.

ARTICLE 14.—MUTUAL AGREEMENT PROCEDURE

(1) Any person who considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention may, notwithstanding the remedies provided by the laws of those States, present his case to the competent authority of either Contracting State. Such presentation must be made within the period of time prescribed for the filing of a claim for credit or refund under Article 13. Should the person's claim be considered to have merit by the competent authority of the Contracting State to which the claim is made, it shall seek agreement with the competent authority of the other Contracting State with a view to the avoidance of taxation contrary to the provisions of this Convention.

(2) The competent authorities of the Contracting States shall resolve by mutual agreement any difficulties or doubts arising as to the application of this Convention.

(3) The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of this Article. When it seems advisable for the purpose of reaching an agreement, the competent authorities may meet together for an oral exchange of opinions.

(4) When the competent authorities reach such an agreement, taxes shall be imposed, and refund or credit of taxes shall be allowed by the Contracting States in accordance with such agreements, notwithstanding any procedural rule (including the statute of limitations) applicable under the laws of either Contracting State.

(5) The competent authority of each Contracting State may prescribe such regulations and forms as may be necessary or appropriate to give effect to and implement the provisions of this Convention.

ARTICLE 15.—FILING OF RETURNS AND EXCHANGE OF INFORMATION

(1)(a) The provisions of Articles 5, 6, 7, or 8, which change the taxability or situs of property or the amount of tax which would have been due in the absence of this Convention, shall not change:

(i) The requirements of the respective tax laws of the Contracting States relating to information or tax returns or notices, transfer certificates or maintenance of records, and

(ii) The applicability and amount of any sanctions of such laws with respect to the requirements referred to in subparagraph (i).

(b) As concerns the United States notwithstanding the provisions of paragraph (a), the requirements or sanctions found to be unnecessary for the prevention of fraud or fiscal evasion with respect to taxes to which this Convention applies may be eliminated or modified (but not made more burdensome) by regulations prescribed pursuant to paragraph (5) of Article 14.

(2) The competent authority of each Contracting State shall furnish the competent authority of the other Contracting State such information as is pertinent to:

(a) Carrying out the provisions of this Convention or the laws of such other Contracting State concerning its tax insofar as the taxation thereunder is in accordance with this Convention, or

(b) Preventing fraud or fiscal evasion in relation to the taxes which are the subject of this Convention (including information with respect to property exempted from the tax of the first-mentioned Contracting State by reason of Article 8).

However, this paragraph shall not require the competent authority of a Contracting State to furnish information not in the possession of that Contracting State with respect to property exempted from its tax by reason of Article 8. Any information furnished shall be treated as secret and shall not be disclosed to any persons other than those (including a court or administrative body) concerned with assessment, collection, enforcement, or prosecution in respect of the taxes which are the subject of this Convention.

(3) In no case shall the provisions of paragraph (2) be construed so as to impose on one of the Contracting States the obligation:

(a) To carry out administrative measures at variance with the laws or the administrative practice of that or of the other Contracting State;

(b) To supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

(c) To supply information which would disclose any trade, business, industrial, commercial, or professional secret or trade process, or information the disclosure of which would be contrary to public policy.

(4) The furnishing of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the Contracting States shall agree on the list of information which shall be furnished on a routine basis.

ARTICLE 16.—ASSISTANCE IN COLLECTION

(1) The two Contracting States undertake to lend assistance and support to each other in the collection of the taxes to which this Convention relates, together with interest, costs, and additions to the taxes and fines not being of a penal character according to the laws of the State requested, in cases where the taxes are definitively due according to the laws of the State making the application.

(2) In the case of an application for enforcement of taxes, revenue claims of each of the Contracting States which have been finally determined will be accepted for enforcement by the State to which application is made and collected in that State in accordance with the laws applicable to the enforcement and collection of its own taxes.

(3) The application will be accompanied by such documents as are required by the laws of the State making the application to establish that the taxes have been finally determined.

(4) If the revenue claim has not been finally determined, the State to which application is made will take such measures of conservancy (including measures with respect to transfer of property belonging to nonresident aliens) as are authorized by its laws for the enforcement of its own taxes.

(5) The assistance provided for in this Article shall not be accorded with respect to estates of citizens of the Contracting State to which application is made.

ARTICLE 17.—DIPLOMATIC AND CONSULAR OFFICIALS

(1) Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

(2) Insofar as such privileges prevent the imposition of tax in the receiving Contracting State, the right to tax shall be reserved to the Contracting State in whose service the persons concerned exercised their functions and, notwithstanding any other provisions of this Convention, such persons shall not be deemed to have been domiciled in the receiving Contracting State.

ARTICLE 18.—TERRITORIAL EXTENSION

(1) This Convention may be extended, either in its entirety or with necessary modifications, to all or any of the Overseas Territories of the French Republic or the territories for whose international relations the United States is responsible, if such territories impose taxes substantially similar in character to those referred to in Article 2. Any such extension shall take effect from such date and subject to such modifications and conditions as may be specified and agreed between the Contracting States in notes to be exchanged through diplomatic channels or in any other manner in accordance with their constitutional procedure. In the case of the United States, such procedure shall be that set forth in Article II, Section 2, of the Constitution of the United States (advice and consent of the Senate).

(2) At any time after the expiration of a period of one year from the effective date of an extension made by virtue of paragraph (1) either of the Contracting States may, by a written notice of termination given to the other Contracting State through diplomatic channels, terminate the application of the provisions in respect of any territory to which this Convention has been extended, in which case the provisions of the Convention shall cease to be applicable to such territory on and after the first day of January following the date of such notice.

(3) Unless otherwise agreed by both Contracting States, the termination of the Convention by one of the Contracting States under Article 20 shall also terminate the application of the Convention to any territory to which it has been extended under this Article.

CHAPTER VI.—FINAL PROVISIONS

ARTICLE 19.—ENTRY INTO FORCE

(1) This Convention shall be ratified and the instruments of ratification shall be exchanged at Paris as soon as possible.

(2) This Convention shall enter into force the first day of the second month following the month in which the exchange of the instruments of ratification takes place. Its provisions shall apply to estates of persons dying and to gifts made on or after that date.

(3) The Convention of October 18, 1946, as modified by the Protocol of May 17, 1948, and the Convention of June 22, 1956, shall be terminated on, and shall cease to have effect from, the date on which the present Convention enters into force according to paragraph (2).

ARTICLE 20.—TERMINATION

(1) This Convention shall remain in force until terminated by one of the Contracting States. However, not earlier than the fifth year following the year in which this Convention entered into force, either Contracting State may, between the first of January and the thirtieth of June, give written notice of termination through diplomatic channels, with effect from the end of the calendar year in which such notice is given. In such an event, its provisions shall not apply to estates of persons dying or to gifts made after the end of the calendar year with respect to the end of which this Convention has been terminated.

(2) Notwithstanding the provisions of paragraph (1), if the effects of this Convention are substantially altered as a result of changes made in the tax law of either Contracting State, either Contracting State may, through diplomatic channels, give a written notice of termination with effect not earlier than 6 months after such notice is given. In such an event, its provisions shall not apply to estates of persons dying or to gifts made on or after the effective date of the termination.

In witness whereof, the plenipotentiaries of the two Contracting States have signed this Convention and affixed thereto their seals.

Done at Washington, in duplicate, in the English and French languages, each text being equally authentic, this 24th day of November 1978.

For the President of the United States of America:

For the President of the French Republic:

The resolution of ratification of executive J was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Between the United States of America and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, done at Washington on November 24, 1978 (Ex. J, Ninety-sixth Congress, first session).

PROTOCOL TO THE CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC WITH RESPECT TO TAXES ON INCOME AND PROPERTY OF JULY 28, 1967, AS AMENDED BY THE PROTOCOL OF OCTOBER 12, 1970

The President of the United States of America and the President of the French Republic, desiring to amend the Convention between the United States of America and the French Republic with respect to taxes on income and property of July 28, 1967, as amended by the Protocol of October 12, 1970, have appointed for that purpose as their respective plenipotentiaries:

The President of the United States of America: The Honorable George S. Vest, Assistant Secretary of State for European Affairs, and

The President of the French Republic: His Excellency Francois de Laboulaye, Ambassador of France.

who have agreed upon the following provisions.

ARTICLE 1

1. In Article 1, paragraph (1) is replaced by the following:

"(1) The taxes which are the subject of the present Convention are:

(a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code and the excise tax on insurance premiums paid to foreign insurers. The excise tax imposed on insurance premiums paid to foreign insurers, however, is covered only to the extent that the foreign insurer does not reinsure such risks with a person not entitled to exemption from such tax under this or another convention.

(b) In the case of France:

(i) the income tax, the corporation tax, including any withholding tax, prepayment (précompte) or advance payment with respect to the aforesaid taxes; and

(ii) the tax on Stock Exchange transactions."

2. Article 2 is amended as follows:

(1) Subparagraph (1)(a) of Article 2 is replaced by:

"(a) The term 'United States' means the United States of America and, when used in a geographical sense, includes the States thereof and the District of Columbia. Such term also includes any area outside the States and the District of Columbia which is, in accordance with international law, an area within which the United States may exercise rights with respect to the natural resources of the seabed and subsoil.

"The term 'France' means the French Republic and, when used in a geographical sense, means the European and Overseas departments of the French Republic. Such term also includes any area outside those departments which is, in accordance with international law, an area within which France may exercise rights with respect to the natural resources of the seabed and subsoil."

(2) A new subparagraph (1)(e) is added, and the present subparagraph (1)(e) is renumbered (1)(f):

"(e) the term 'international traffic' means any transport by a ship or aircraft, except where such transport is solely between places in the other Contracting State."

3. Article 6 is amended by introducing the following new paragraph (4), the current paragraphs (4) and (5) becoming the new paragraphs (5) and (6):

"(4) A partner shall be considered to have realized income or incurred deductions to the extent of this ratable share of the profits or losses of the partnership. For this purpose, the character of any item of income or deduction accruing to a partner shall be determined as if it were realized or incurred from the same source and in the same manner as realized or incurred by the partnership. A partner will be considered to have realized or incurred a proportionate share of each item of income and deduction of the partnership, except to the extent that his share of the profits depends on the source of the income."

4. Article 7 is replaced by the following article:

"ARTICLE 7"

SHIPPING AND AIR TRANSPORT

(1) Notwithstanding Articles 6 and 12:

(a) Where a resident of the United States derives income from the operation in international traffic of ships or aircraft, or gains from the sale, exchange or other disposition of ships or aircraft used in international traffic by such resident, such income or gains shall be taxable only in the United States.

(b) Where a resident of France derives income from the operation in international traffic of ships or aircraft, or gains from the sale, exchange or other disposition of ships or aircraft used in international traffic by such resident, such income or gains shall be taxable only in France.

(2) The provisions of this Article shall also apply to the proportionate share of income derived by a resident of a Contracting State from participation in a pool, a joint business or an international operating agency. The proportionate share shall be treated as derived directly from the operation in international traffic of ships or aircraft.

(3) In the case of a corporation, the provisions of paragraphs (1) and (2) shall apply only if more than 50 percent of the capital of such corporation is owned, directly or indirectly:

(a) by individuals who are residents of the Contracting State in which such corporation is resident or of a State with which the other Contracting State has a convention which exempts such income; or

(b) by such Contracting State.

However, if more than 50 percent in value of the shares of a corporation or of its parent are listed on one or more recognized securities exchanges in a Contracting State, and there is substantial trading activity in those shares on such exchange or exchanges, then the provisions of paragraphs (1) and (2) shall apply if it can be shown that 20 percent or more of the capital of such corporation is owned, directly or indirectly, by individuals and the Contracting State specified in this paragraph.

(4) For the purposes of this Article, income derived from the operation in international traffic of ships or aircraft includes:

(a) profits derived from the rental on a full or bareboat basis of ships or aircraft if operated in international traffic by the lessee or if such rental profits are incidental to other profits described in paragraph (1), or

(b) profits of a resident of a Contracting State from the use or maintenance of containers (including trailers, barges and related equipment for the transport of containers) used for the transport in international traffic of goods or merchandise if such income is incidental to other profits described in paragraph (1)."

5. Article 10 is amended by adding a new paragraph (9) as follows:

"(9) Notwithstanding the provisions of paragraphs (2) and (3), the subject to the provisions of paragraph (4), interest on any loan of whatever kind granted by a bank shall be exempt in the State in which such interest has its source."

6. Article 14 is amended by adding a new paragraph (4) as follows:

"(4) Article 6, paragraph (4), shall apply by analogy. In no event, however, shall that provision result in France exempting under Article 23 more than 50 percent of the earned income from a partnership accruing to a United States citizen who is a resident of France. The amount of such a partner's income which is not exempt under Article 23 solely by reason of the preceding sentence shall reduce the amount of partnership earned income from sources within France on which France can tax partners who are not residents of France."

7. In Article 15, paragraph (3) shall be amended as follows:

"(3) Remuneration received by an individual for personal services performed aboard ships or aircraft operated by a resident of a Contracting State shall be exempt from tax by the other Contracting State if the income from the operation of the ship or aircraft is exempt from tax in the other Contracting State under Article 7 and such individual is a member of the regular complement of the ship or aircraft."

8. Article 20 is amended to read as follows:

"ARTICLE 20

SOCIAL SECURITY PAYMENTS

Social security payments (whether representing employee or employer contributions or accretions thereto) paid by one of the Contracting States to an individual who is a resident of the other Contracting State or a citizen of the United States shall be taxable only in the former Contracting State."

9. In Article 22, paragraph (4)(a) is amended by adding the following sentence immediately after the first sentence:

"For this purpose the term 'citizen' shall include a former citizen whose loss of citizenship had as one of its principal purposes the avoidance of income tax, but only for a period of 10 years following such loss."

10. Article 23 shall be replaced by the following new article:

ARTICLE 23

RELIEF FROM DOUBLE TAXATION

Double taxation of income shall be avoided in the following manner:

(1) In the case of the United States: In accordance with the provisions and subject to the limitations of the law of the United States (as it may be amended from time to time without changing the general principle hereof) the United States shall allow to a citizen, resident or corporation of the United States as a credit against its tax specified in paragraph (1)(a) of Article 1 the appropriate amount of income taxes paid to France. Such appropriate amount shall be based upon the amount of French tax paid but shall not exceed that portion of the United States tax which net income from sources within France bears to the entire net income.

(2) In the case of France:

(a) income referred to below derived by a resident of France shall be exempt from the French taxes mentioned in subparagraph (1)(b)(i) of Article 1:

(i) income (other than income referred to in paragraph (2)(b) of this Article) which is taxable in the United States under this Convention other than by reason of the citizenship of the taxpayer; and

(ii) in the case of an individual who is a citizen of the United States.

(*a*) income dealt with in Articles 14 or 15 to the extent the services are performed in the United States;

(*b*) income which would be exempt from United States tax under Articles 17 or 18 if the recipient were not an individual who is a citizen of the United States;

(*c*) income dealt with in paragraph (1) of Article 19, to the extent attributable to services performed while his principal place of employment was in the United States.

(b) As regards income taxable in the United States under Articles 9, 10, 11 or 12 and income to which paragraph (4)(b) of Article 22 applies, France shall allow to a resident of France a tax credit corresponding to the amount of tax levied by the United States under this Convention other than by reason of citizenship. Such tax credit, not to exceed the amount of French tax levied on such income, shall be allowed against taxes mentioned in subparagraph (1)(b)(i) of Article 1 of the Convention in the bases of which such income is included.

(c) Notwithstanding the provisions of subparagraphs (a) and (b), French tax may be computed on income chargeable in France by virtue of this Convention at the rate appropriate to the total of the income chargeable in accordance with French law.

(3) In the case of an individual who is both a resident of France and a citizen of the United States:

(a) the amount of the tax credit referred to in subparagraph (b) of paragraph (2) shall be equal to the amount of tax which the United States would be entitled to levy in respect of the item of income if the individual deriving the income were not a citizen of the United States, but shall not exceed the amount of French tax levied on such item of income;

(b) the United States, in determining the amount of credit allowable for foreign taxes, shall consider as income from sources within the United States only that portion of each item of income referred to in subparagraph (2) which is equal to the ratio of X to Y where:

(i) X is the rate of tax which the United States would be entitled to levy if the individual deriving the income were not a citizen of the United States, and

(ii) Y is the effective rate of tax (before reduction by investment tax credit or foreign tax credit) which the United States levies for the year on the individual's gross income.

The proportion of each item of income which is not considered as from sources within the United States under this subparagraph shall be considered as from sources within France. The provision of this subparagraph shall apply only to the extent that an item of income is included in gross income for purposes of determining French tax.

(c) If for any taxable year a partnership of which an individual member is both a resident of France and a citizen of the United States so elects, for United States tax purposes,

(i) any income which solely by reason of paragraph (4) of Article 14 is not exempt from French tax under this Article shall be considered income from sources within France; and

(ii) the amount of income to which subparagraph (i) applies shall reduce (but not below zero) the amount of partnership earned income from sources outside the United States which would otherwise be allocated to partners who are not residents of France. For this purpose the reduction shall apply first to income from sources within France and then to other income from sources outside the United States.

This provision shall not result in a reduction of United States tax below that which the taxpayer would have incurred without the benefit of deductions or exclusions available solely by reasons of his presence or residence outside the United States.

(4) A resident of a Contracting State who maintains one or several abodes in the territory of the other Contracting State shall not be subject in that other State to an income tax according to an "imputed" income based on the rental value of that or other abodes."

ARTICLE 2

This Protocol shall be ratified and instruments of ratification shall be exchanged at Paris. It shall enter into force one month after the date of exchange of the instruments of ratification.

Its provisions shall for the first time have effect with respect to taxable years beginning on or after January 1, 1979.

ARTICLE 3

This Protocol shall remain in force as long as the Convention between the United States of America and the French Republic with respect to taxes on income and property of July 28, 1967, as amended by the Protocol of October 12, 1970, shall remain in force.

In witness whereof, the respective plenipotentiaries have signed the present Protocol and affixed thereto their seals.

Done at Washington in duplicate, in the English and French languages, both texts being equally authoritative, this 24th day of November, 1978.

For the President of the United States of America:

For the President of the French Republic:

The resolution of ratification of executive K was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the 1978 Tax Protocol with the French Republic, together with an exchange of notes relating thereto, done at Washington on November 24, 1978 (Ex. K, Ninety-sixth Congress, first session).

Third Protocol Further Amending the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income and Capital Gains, Signed at London on 31 December 1975

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

Desiring to conclude a third Protocol to amend the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital Gains, signed at London on 31 December 1975, as amended by Notes exchanged at London on 13 April 1976 and by Protocols signed at London on 26 August 1976 and 31 March 1977 (hereinafter referred to as "the Convention");

Have agreed as follows:

ARTICLE I

(1) Paragraph (2) of Article 2 (Taxes covered) shall be deleted and replaced by the following:

"(2) The existing taxes to which this Convention shall apply are:

(*a*) in the case of the United States, the Federal income taxes imposed by the Internal Revenue Code and the tax on insurance premiums paid to foreign insurers; but (except as provided in paragraph (6) of Article 10 (Dividends)) excluding the accumulated earnings tax and the personal holding tax. The foregoing taxes covered are hereinafter referred to as "United States tax";

(*b*) in the case of the United Kingdom, the income tax, the capital gains tax, the corporation tax and the petroleum revenue tax. The foregoing taxes covered are hereinafter referred to as "United Kingdom tax"."

(2) Paragraph (3) or Article 2 (Taxes covered) shall be deleted and replaced by the following:

"(3) This Convention shall also apply to any identical or substantially similar taxes which are imposed by a Contracting State after the date of signature of this Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any changes which have been made in their respective taxation laws."

(3) Paragraph (4) of Article 9 (Associated enterprises) shall be deleted and replaced by the following:

"(4) Except as specifically provided in this Article:

(*a*) where an enterprise doing business in one Contracting State:

(i) is a resident of the other Contracting State; or

(ii) is controlled, directly or indirectly, by an enterprise which is a resident of the other Contracting State; and

(*b*) where the enterprise which is a resident of the other Contracting State is a corporation, such corporation is neither:

(i) a controlled foreign corporation within the meaning of section 957 of the United States Internal Revenue Code of 1954 (as it may be amended from time to time without changing the principle thereof); nor

(ii) created or organised under the laws of the first-mentioned State or of any third State or controlled, directly or indirectly, by a corporation which is a resident of any third State;

then, in determining the tax liability of the first-mentioned enterprise in the State in which it does business, such State shall not take into account the income, deductions, receipts or outgoings of a related enterprise which is a resident of the other Contracting State or of an enterprise of any third State which is related to the enterprise of the other Contracting State, except that this prohibition shall not apply where the first-mentioned enterprise is a resident of the first-mentioned Contracting State, to the extent that it owns, directly or indirectly, the capital of the related enterprise."

ARTICLE II

The following new paragraph (6A) shall be added to Article 7 (Business profits) after paragraph (6):

"(6A) The United States tax on insurance premiums paid to foreign insurers shall not be imposed on insurance on reinsurance premiums which are the receipts of a business of insurance carried on by an enterprise of the United Kingdom whether or not that business is carried on through a permanent establishment in the United States."

ARTICLE III

Paragraph (5) of Article 10 (Dividends) shall be deleted and replaced by the following:

"(5) Where a corporation which is a resident of a Contracting State (and not a resident of the other Contracting State) derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the corporation, except insofar as such dividends are paid to a resident of that other State (and where that other State is the United States, to a national of the United States) or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or fixed base situated in that other State, even if the dividends paid consist wholly or partly of profits or income arising in that other State."

ARTICLE IV

Sub-paragraph (*b*) of paragraph (1) of Article 19 (Government service) shall be deleted and replaced by the following:

"(*b*) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the recipient is a resident and a national of that State."

ARTICLE V

Paragraph (4) of Article 23 (Elimination of double taxation) shall be deleted and replaced by the following:

"Notwithstanding subparagraph (a) of paragraph (1) of this Article, the amount of United Kingdom petroleum revenue tax allowable as a credit against United States tax shall be limited to the amount attributable to United Kingdom source taxable income in the following way, namely:

(*a*) The amount of United Kingdom petroleum revenue tax on income from the extraction of minerals from oil or gas wells in the United Kingdom to be allowed as a credit for a taxable year shall not exceed the amount, if any, by which the product of the maximum statutory United States tax rate applicable to a corporation for such taxable year and the amount of such income exceeds the amount of other United Kingdom tax on such income.

(*b*) The lesser of (i) the amount of United Kingdom petroleum revenue tax on income from the extraction of minerals from oil or gas wells in the United Kingdom that is not allowable as a credit under the preceding subparagraph, or (ii) 2 per cent of such income for the taxable year shall be deemed to be income taxes paid or accrued in the two preceding or five succeeding taxable years, to the extent not deemed paid or accrued in a prior taxable year, and shall be allowable as a credit in the year in which it is deemed paid or accrued subject to the limitation in subparagraph (*a*) above.

(*c*) The provisions of sub-pargraphs (*a*) and (*b*) shall apply, separately, *mutatis mutandis* (but with the deletion, in the case of (*b*), of the words "the lesser of (i)" and "or (ii) 2 percent of such income for the taxable year"), to the amount of United Kingdom petroleum revenue tax on income from initial transportation, initial treatment and initial storage of minerals from oil or gas wells in the United Kingdom".

ARTICLE VI

The following new Article 27A (Offshore activities) shall be inserted after Article 27 (Effect on diplomatic and consular officials and domestic laws):

"ARTICLE 27A

Offshore Activities

(1) Notwithstanding the provisions of Article 5 (Permanent establishment) and Article 14 (Independent personnel services), a person who is a resident of a Contracting State and carries on activities in the other Contracting State in connection with the exploration or exploitation of the seabed and sub-soil and their natural resources situated in that other Contracting State shall be deemed to be carrying on in respect of those activities a business in that other Contracting State through a permanent establishment or fixed base situated therein.

(2) The provisions of paragraph (1) shall not apply where the activities are carried on for a period not exceeding 30 days in aggregate in any 12 month period. However, for the purpose of this paragraph, activities carried on by any enterprise related to another enterprise shall be regarded as carried on by the enterprise to which it is related if the activities in question are substantially the same as those carried on by the last-mentioned enterprise.

(3) The provisions of Article 8 (Shipping and air transport) shall not apply to a drilling rig or any vessel the principal function of which is the performance of activities other than the transportation of goods or passengers."

ARTICLE VII

The following new paragraph (7) shall be added at the end of Article 28 (Entry into force):

"(7) Notwithstanding any provisions of the respective domestic laws of the Contracting States imposing time limits for applications for relief from tax, an application for relief under the provisions of this Convention shall have effect, and any consequential refunds of tax made, if the application is made to the competent authority concerned within three years of the end of the calendar year in which this Convention enters into force."

ARTICLE VIII

(1) This Protocol shall be ratified and the Instruments of Ratification shall be exchanged at Washington as soon as possible.

(2) This Protocol shall enter into force immediately after the expiration of 30 days following the date on which the Instruments of Ratification are exchanged and shall thereupon have effect, subject to the provisions of paragraph (3) of this Article, in accordance with Article 28 of the Convention.

(3) Notwithstanding the provisions of Article 28 (Entry into force) of the Convention, the provisions of Article 27A (Offshore activities) of the Convention (as added by Article VI of this Protocol) shall not have effect until the entry into force of this Protocol.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this third Protocol.

Done in duplicate at London this 15th day of March 1979.

For the Government of the United States of America:

For the Government of the United Kingdom of Great Britain and Northern Ireland:

The resolution of ratification of executive Q was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the 1979 Tax Protocol with the United Kingdom of Great Britain and Northern Ireland, done at London on March 15, 1979 (Ex. Q, Ninety-sixth Congress, first session).

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON ESTATES OF DECEASED PERSONS AND ON GIFTS

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

Desiring to conclude a new Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates of deceased persons and on gifts;

Have agreed as follows:

ARTICLE 1

SCOPE

This Convention shall apply to any person who is within the scope of a tax which is the subject of this Convention.

ARTICLE 2

TAXES COVERED

(1) The existing taxes to which this Convention shall apply are:

(*a*) in the United States: the Federal gift tax and the Federal estate tax, including the tax on generation-skipping transfers; and

(*b*) in the United Kingdom: the capital transfer tax.

(2) This Convention shall also apply to any identical or substantially similar taxes which are imposed by a Contracting State after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any changes which have been made in their respective taxation laws.

ARTICLE 3

GENERAL DEFINITIONS

(1) In this Convention:

(*a*) the term "United States" means the United States of America, but does not include Puerto Rico, the Virgin Islands, Guam or any other United States possession or territory;

(*b*) the term "United Kingdom" means Great Britain and Northern Ireland;

(*c*) the term "enterprise" means an industrial or commercial undertaking;

(*d*) the term "competent authority" means:

(i) in the United States: the Secretary of the Treasury or his delegate, and

(ii) in the United Kingdom: the Commissioners of Inland Revenue or their authorised representative;

(*e*) the term "nationals" means:

(i) in relation to the United States, United States citizens, and

(ii) in relation to the United Kingdom, any citizen of the United Kingdom and Colonies, or any British subject not possessing that citizenship or the citizenship of any other Commonwealth country or territory, provided in either case he had the right of abode in the United Kingdom at the time of the death or a transfer;

(*f*) the term "tax" means:

(i) the Federal gift tax or the Federal estate tax, including the tax on generation-skipping transfers, imposed in the United States, or

(ii) the capital transfer tax imposed in the United Kingdom, or

(iii) any other tax imposed by a Contracting State to which this Convention applies by virtue of the provisions of paragraph (2) of Article 2.

as the context requires; and

(*g*) the term "Contracting State" means the United States or the United Kingdom as the context requires.

(2) As regards the application of the Convention by a Contracting State, any term not otherwise defined shall, unless the context otherwise requires and subject to the provisions of Article 11 (Mutual Agreement Procedure), have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the Convention.

ARTICLE 4

FISCAL DOMICILE

(1) For the purposes of this Convention an individual was domiciled:

(*a*) in the United States: if he was a resident (domiciliary) thereof or if he was a national thereof and had been a resident (domiciliary) thereof at any time during the preceding three years; and

(*b*) in the United Kingdom: if he was domiciled in the United Kingdom in accordance with the law of the United Kingdom or is treated as so domiciled for the purposes of a tax which is the subject of this Convention.

(2) Where by reason of the provisions of paragraph (1) an individual was at any time domiciled in both Contracting States, and

(*a*) was a national of the United Kingdom but not of the United States, and

(*b*) had not been resident in the United States for Federal income tax purposes in seven or more of the ten taxable years ending with the year in which that time falls.

he shall be deemed to be domiciled in the United Kingdom at that time.

(3) Where by reason of the provisions of paragraph (1) an individual was at any time domiciled in both Contracting States, and

(*a*) was a national of the United States but not of the United Kingdom, and

(*b*) had not been resident in the United Kingdom in seven or more of the ten income tax years of assessment ending with the year in which that time falls.

he shall be deemed to be domiciled in the United States at that time. For the purposes of this paragraph, the question of whether a person was so resident shall be determined as for income tax purposes but without regard to any dwelling-house available to him in the United Kingdom for his use.

(4) Where by reason of the provisions of paragraph (1) an individual was domiciled in both Contracting States, then, subject to the provisions of paragraphs (2) and (3), his status shall be determined as follows:

(*a*) the individual shall be deemed to be domiciled in the Contracting State in which he had a permanent home available to him. If he had a permanent home available to him in both Contracting States, or in neither Contracting State, he shall be deemed to be domiciled in the Contracting State with which his personal and economic relations were closest (centre of vital interests);

(*b*) if the Contracting State in which the individual's centre of vital interests was located cannot be determined, he shall be deemed to be domiciled in the Contracting State in which he had an habitual abode;

(*c*) if the individual had an habitual abode in both Contracting States or in neither of them, he shall be deemed to be domiciled in the Contracting State of which he was a national; and

(*d*) if the individual was a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

(5) An individual who was a resident (domiciliary) of a possession of the United States and who became a citizen of the United States solely by reason of his

(*a*) being a citizen of such possession, or

(*b*) birth or residence within such possession,

shall be considered as neither domiciled in nor a national of the United States for the purposes of this Convention.

ARTICLE 5

TAXING RIGHTS

(1) (*a*) Subject to the provisions of Articles 6 (Immovable Property (Real Property)) and 7 (Business Property of a Permanent Establishment and Assets Pertaining to a Fixed Base Used for the Performance of Independent Personal Services) and the following paragraphs of this Article, if the decedent or transferor was domiciled in one of the Contracting States at the time of the death or transfer, property shall not be taxable in the other State.

(*b*) Sub-paragraph (*a*) shall not apply if at the time of the death or transfer the decedent or transferor was a national of that other State.

(2) Subject to the provisions of the said Articles 6 and 7, if at the time of the death or transfer the decedent or transferor was domiciled in neither Contracting State and was a national of one Contracting State (but not of both), property which is taxable in the Contracting State of which he was a national shall not be taxable in the other Contracting State.

(3) Paragraphs (1) and (2) shall not apply in the United States to property held in a generation-skipping trust or trust equivalent on the occasion of a generation-skipping transfer; but, subject to the provisions of the said Articles 6 and 7, tax shall not be imposed in the United States on such property if at the time when the transfer was made the deemed transferor was domiciled in the United Kingdom and was not a national of the United States.

(4) Paragraphs (1) and (2) shall not apply in the United Kingdom to property comprised in a settlement; but, subject to the provisions of the said Articles 6 and 7, tax shall not be imposed in the United Kingdom on such property if at the time when the settlement was made the settlor was domiciled in the United States and was not a national of the United Kingdom.

(5) If by reason of the preceding paragraphs of this Article any property would be taxable only in one Contracting State and tax, though chargeable, is not paid (otherwise than as a result of a specific exemption, deduction, exclusion, credit or allowance) in that State, tax may be imposed by reference to that property in the other Contracting State notwithstanding those paragraphs.

(6) If at the time of the death or transfer the decedent or transferor was domiciled in neither Contracting State and each State would regard any property as situated in its territory and in consequence tax would be imposed in both States, the competent authorities of the Contracting States shall determine the situs of the property by mutual agreement.

ARTICLE 6

IMMOVABLE PROPERTY (REAL PROPERTY)

(1) Immovable property (real property) may be taxed in the Contracting State in which such property is situated.

(2) The term "immovable property" shall be defined in accordance with the law of the Contracting State in which the property in question is situated, provided always that debts secured by mortgage or otherwise shall not be regarded as immovable property. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats, and aircraft shall not be regarded as immovable property.

(3) The provisions of paragraphs (1) and (2) shall also apply to immovable property of an enterprise and to immovable property used for the performance of independent personal services.

ARTICLE 7

BUSINESS PROPERTY OF A PERMANENT ESTABLISHMENT AND ASSETS PERTAINING TO A FIXED BASE USED FOR THE PERFORMANCE OF INDEPENDENT PERSONAL SERVICES

(1) Except for assets referred to in Article 6 (Immovable Property (Real Property)) assets forming parts of the business property of a permanent establishment of an enterprise may be taxed in the Contracting State in which the permanent establishment is situated.

(2) (*a*) For the purposes of this Convention, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

(*b*) The term "permanent establishment" includes especially:

(i) a branch;

(ii) an office;

(iii) a factory;

(iv) a workshop; and

(v) a mine, an oil or gas well, a quarry, or any other place of extraction of natural resources.

(*c*) A building site or construction or installation project constitutes a permanent establishment only if it lasts for more than twelve months.

(*d*) Notwithstanding the preceding provisions of this paragraph, the term "permanent establishment" shall be deemed not to include:

(i) the use of facilities solely for the purpose of storage, display, or delivery of goods or merchandise belonging to the enterprise;

(ii) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

(iii) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

(iv) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information for the enterprise;

(v) the maintenance of fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character; or

(vi) the maintenance of a fixed place of business solely for any combination of activities mentioned in paragraphs (i)–(v) of this sub-paragraph.

(e) Notwithstanding the provisions of sub-paragraphs (*a*) and (*b*) where a person—other than an agent of an independent status to whom sub-paragraph (*f*) applies—is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in sub-paragraph (*d*) which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that sub-paragraph.

(f) An enterprise shall not be deemed to have a permanent establishement in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

(*g*) The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State or which carries on business in that other State (whether through a permanent establishment or otherwise) shall not of itself constitute either company a permanent establishment of the other.

(3) Except for assets described in Article 6 (Immovable Property (Real Property)), assets pertaining to a fixed base used for the performance of independent personal services may be taxed in the Contracting State in which the fixed base is situated.

ARTICLE 8

DEDUCTIONS, EXEMPTIONS ETC.

(1) In determining the amount on which tax is to be computed, permitted deductions shall be allowed in accordance with the law in force in the Contracting State in which tax is imposed.

(2) Property which passes to the spouse from a decedent or transferor who was domiciled in or a national of the United Kingdom and which may be taxed in the United States shall qualify for a marital deduction there to the extent that a marital deduction would have been allowable if the decedent or transferor had been domiciled in the United States and if the gross estate of the decedent had been limited to property which may be taxed in the United States or the transfers of the transferor had been limited to transfers of property which may be so taxed.

(3) Property which passes to the spouse from a decedent or transferor who was domiciled in or a national of the United States

and which may be taxed in the United Kingdom shall, where

(*a*) the transferor's spouse was not domiciled in the United Kingdom but the transfer would have been wholly exempt had the spouse been so domiciled, and

(*b*) a greater exemption for transfers between spouses would not have been given under the law of the United Kingdom apart from this Convention,

be exempt from tax in the United Kingdom to the extent of 50 per cent of the value transferred, calculated as a value on which no tax is payable and after taking account of all exemptions except those for transfers between spouses.

(4) (*a*) Property which on the death of a decedent domiciled in the United Kingdom became comprised in a settlement shall, if the personal representatives and the trustees of every settlement in which the decedent had an interest in possession immediately before the death so elect and subject to sub-paragraph (*b*), be exempt from tax in the United Kingdom to the extent of 50 per cent of the value transferred (calculated as in paragraph (3)) on the death of the decedent if:

(i) under the settlement, the spouse of the decedent was entitled to an immediate interest in possession.

(ii) the spouse was domiciled in or a national of the United States,

(iii) the transfer would have been wholly exempt had the spouse been domiciled in the United Kingdom, and

(iv) a greater exemption for transfers between spouses would not have been given under the law of the United Kingdom apart from this Convention.

(*b*) Where the spouse of the decedent becomes absolutely and indefeasibly entitled to any of the settled property at any time after the decedent's death, the election shall, as regards that property, be deemed never to have been made and tax shall be payable as if on the death such property had been given to the spouse absolutely and indefeasibly.

(5) Where property may be taxed in the United States on the death of a United Kingdom national who was neither domiciled in nor a national if the United States and a claim is made under this paragraph, the tax imposed in the United States shall be limited to the amount of tax which would have been imposed had the decedent become domiciled in the United States immediately before his death, on the property which would in that event have been taxable.

ARTICLE 9

CREDITS

(1) Where under this Convention the United States may impose tax with respect to any property other than property which the United States is entitled to tax in accordance with Article 6 (Immovable Property (Real Property)) or 7 (Business Property of a Permanent Establishment and Assets Pertaining to a Fixed Base Used for the Performance of Independent Personal Services) (that is, where the decedent or transferor was domiciled in or a national of the United States), then, except in cases to which paragraph (3) applies, double taxation shall be avoided in the following manner:

(*a*) Where the United Kingdom imposes tax with respect to property in accordance with the said Article 6 or 7, the United States shall credit against the tax calculated according to its law with respect to that property an amount equal to the tax paid in the United Kingdom with respect to that property.

(*b*) Where the United Kingdom imposes tax with respect to property not referred to in sub-paragraph (*a*) and the decedent or transferor was a national of the United States and was domiciled in the United Kingdom at the time of the death or transfer, the United States shall credit against the tax calculated according to its law with respect to that property an amount equal to the tax paid in the United Kingdom with respect to that property.

(2) Where under this Convention the United Kingdom may impose tax with respect to any property other than property which the United Kingdom is entitled to tax in accordance with the said Article 6 or 7 (that is, where the decedent or transferor was domiciled in or a national of the United Kingdom), then, except in the cases to which paragraph (3) applies, double taxation shall be avoided in the following manner:

(*a*) Where the United States imposes tax with respect to property in accordance with the said Article 6 or 7, the United Kingdom shall credit against the tax calculated according to its law with respect to that property an amount equal to the tax paid in the United States with respect to that property.

(*b*) Where the United States imposes tax with respect to property not referred to in sub-paragraph (*a*) and the decedent or transferor was a national of the United Kingdom and was domiciled in the United States at the time of the death or transfer, the United Kingdom shall credit against the tax calculated according to its law with respect to that property an amount equal to the tax paid in the United States with respect to that property.

(3) Where both Contracting States impose tax on the same event with respect to property which under the law of the United States would be regarded as property held in a trust or trust equivalent and under the law of the United Kingdom would be regarded as property comprised in a settlement, double taxation shall be avoided in the following manner:

(*a*) Where a Contracting State imposes tax with respect to property in accordance with the said Article 6 or 7, the other Contracting State shall credit against the tax calculated according to its law with respect to that property an amount equal to the tax paid in the first-mentioned Contracting State with respect to that property.

(*b*) Where the United States imposes tax with respect to property which is not taxable in accordance with the said Article 6 or 7 then

(i) where the event giving rise to a liability to tax was a generation-skipping transfer and the deemed transferor was domiciled in the United States at the time of that event.

(ii) where the event giving rise to a liability to tax was the exercise or lapse of a power of appointment and the holder of the power was domiciled in the United States at the time of that event, or

(iii) where (i) or (ii) does not apply and the settler or grantor was domiciled in the United States at the time when the tax is imposed,

the United Kingdom shall credit against the tax calculated according to its law with respect to that property an amount equal to the tax paid in the United States with respect to that property.

(*c*) Where the United States imposes tax with respect to property which is not taxable in accordance with the said Article 6 or 7 and subparagraph (*b*) does not apply, the United States shall credit against the tax calculated according to its law with respect to that property an amount equal to the tax paid in the United Kingdom with respect to that property.

(4) The credits allowed by a Contracting State according to the provisions of paragraphs (1), (2), and (3) shall not take into account amounts of such taxes not levied by reason of a credit otherwise allowed under those paragraphs until the tax (reduced by any credit allowable with respect thereto) for which the credit is allowable has been paid. Any credit allowed under those paragraphs shall not, however, exceed the part of the tax paid in a Contracting State (as computed before the credit is given but reduced by any credit for other tax) which is attributable to the property with respect to which the credit is given.

(5) Any claim for a credit or for a refund of tax founded on the provisions of the present Convention shall be made within six years from the date of the event giving rise to a liability to tax or, where later, within one year from the last date on which tax for which credit is given is due. The competent authority may, in appropriate circumstances, extend this time limit where the final determination of the taxes which are the subject of the claim for credit is delayed.

ARTICLE 10

NON-DISCRIMINATION

(1) (*a*) Subject to the provisions of sub-paragraph (*b*), nationals of a Contracting State shall not be subjected in the other State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected.

(*b*) Sub-paragraph (*a*) shall not prevent the United States from taxing a national of the United Kingdom, who is not domiciled in the United States, as a non-resident alien under its law, subject to the provisions of paragraph (5) of Article 8 (Deductions, Exemptions, Etc).

(2) The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

(3) Nothing contained in this Article shall be construed as obliging either Contracting State to grant to individuals not domiciled in that Contracting State any personal allowances, reliefs and reductions for taxation purposes which are granted to individuals so domiciled.

(4) Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

(5) The provisions of this Article shall apply to taxes which are the subject of this Convention.

ARTICLE 11

MUTUAL AGREEMENT PROCEDURE

(1) Where a person considers that the actions of one or both of the Contracting States result or will result in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic laws of those States, present his case to the competent authority of either Contracting State.

(2) The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Convention. Where an agreement has been reached, a refund as appropriate shall be made to give effect to the agreement.

(3) The competent authorities of the Contracting States shall endeavour to reselve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention. In particular the competent authorities of the Contracting States may reach agreement on the meaning of the terms not otherwise defined in this Convention.

(4) The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement as contemplated by this Convention.

ARTICLE 12

EXCHANGE OF INFORMATION

The competent authorities of the Contracting States shall exchange such information (being information available under the respective taxation laws of the Contracting States) as is necessary for the carrying out of the provisions of this Convention or for the prevention of fraud or the administration of statutory provisions against legal avoidance in relation to the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than persons (including a court or administrative body) concerned with the assessment, enforcement, collection, or prosecution in respect of the taxes which are the subject of the Convention. No information shall be exchanged which would disclose any trade, business, industrial or professional secret or any trade process.

ARTICLE 13

EFFECT ON DIPLOMATIC AND CONSULAR OFFICIALS AND DOMESTIC LAW

(1) Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

(2) This Convention shall not restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded by the laws of either Contracting State.

ARTICLE 14

ENTRY INTO FORCE

(1) This Convention shall be subject to ratification in accordance with the applicable procedures of each Contracting State and instruments of ratification shall be exchanged at Washington as soon as possible.

(2) This Convention shall enter into force immediately after the expiration of thirty days following the date on which the instruments of ratification are exchanged, and shall thereupon have effect:

(*a*) in the United States in respect of estates of individuals dying and transfers taking effect after that date; and

(*b*) in the United Kingdom in respect of property by reference to which there is a charge to tax which arises after that date.

(3) Subject to the provisions of paragraph (4) of this Article, the Convention between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on the Estates of Deceased Persons signed at Washington on 16 April 1945 (hereinafter referred to as "the 1945 Convention") shall cease to have effect in respect of property to which this Convention in accordance with the provisions of paragraph (2) of this Article applies.

(4) Where on a death before 27 March 1981 any provision of the 1945 Convention would have afforded any greater relief from tax than this Convention in respect of

(*a*) any gift inter vivos made by the decedent before 27 March 1974, or

(*b*) any settled property in which the decedent had a beneficial interest in possession before 27 March 1974 but not at any time thereafter,

that provision shall continue to have effect in the United Kingdom in relation to that gift or settled property.

(5) The 1945 Convention shall terminate on the last date on which it has effect in accordance with the foregoing provisions of this Article.

ARTICLE 15

TERMINATION

(1) This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate this Convention, at any time after five years from the date on which the Convention enters into force provided that at least six months' prior notice has been given through the diplomatic channel. In such event the Convention shall cease to have effect at the end of the period specified in the notice, but shall continue to apply in respect of the estate of any individual dying before the end of that period and in respect of any event (other than death) occurring before the end of that period and giving rise to liability to tax under the laws of either Contracting State.

(2) The termination of the present Convention shall not have the effect of reviving any treaty or arrangement abrogated by the present Convention or by treaties previously concluded between the Contracting States.

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed this Convention.

Done in duplicate at London this 19th day of October 1978.

For the Government of the United States of America:

For the Government of the United Kingdom of Great Britain and Northern Ireland:

The resolution of ratification of executive R was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates of Deceased Persons and on Gifts, done at London on October 19, 1978 (Ex. R, Ninety-sixth Congress, first session).

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND THE ENCOURAGEMENT OF INTERNATIONAL TRADE AND INVESTMENT

The Government of the United States of America and the Government of the Republic of Korea, desiring to conclude a convention for the avoidance of double taxation of income and the prevention of fiscal evasion and the encouragement of international trade and investment have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

His Excellency RICHARD L. SNEIDER, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea;

The Government of the Republic of Korea:

His Excellency PARK TONG-JIN, Minister of Foreign Affairs of the Republic of Korea;

Who, having communicated to each other their full powers, found in good and due form, have agreed upon the following articles.

ARTICLE 1

TAXES COVERED

(1) The taxes which are the subject of this Convention are:

(a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code (the United States tax), and

(b) In the case of Korea, the income tax and the corporation tax (the Korean tax).

(2) This Convention shall also apply to taxes substantially similar to those covered by paragraph (1) which are imposed in addition to, or in place of, existing taxes after the date of signature of this Convention.

(3) For the purpose of Article 7 (Nondiscrimination), this Convention shall also apply to taxes of every kind imposed at the National, state, or local level. For the purpose of Article 28 (Exchange of Information) this Convention shall also apply to taxes of every kind imposed at the National level.

ARTICLE 2

GENERAL DEFINITIONS

(1) In this Convention, unless the context otherwise requires:

(a) (i) The term "United States" means the United States of America; and

(ii) When used in a geographical sense, the term "United States" means the states thereof and the District of Columbia. Such term also includes:

(A) The territorial sea thereof, and

(B) The seabed and subsoil of the submarine areas adjacent to the coast thereof, but beyond the territorial sea, over which the United States exercises sovereign rights, in accordance with international law, for the purpose of exploration and exploitation of the natural resources of such areas, but only to the extent that the person, property, or activity to which this Convention is being applied is connected with such exploration or exploitation.

(b) (i) The term "Korea" means the Republic of Korea; and

(ii) When used in a geographical sense, the term "Korea" means all the territory in which the laws relating to Korean tax are in force. The term also includes:

(A) The territorial sea thereof, and

(B) The seabed and subsoil of the submarine areas adjacent to the coast thereof, but beyond the territorial sea, over which Korea exercises sovereign rights, in accordance with international law, for the purpose of exploration and exploitation of the natural resources of such areas, but only to the extent that the person, property, or activity to which this Convention is being applied is connected with such exploration or exploitation.

(c) The term "Contracting State" means the United States or Korea, as the context requires.

(d) The term "person" includes an individual, a partnership, a corporation, an estate, a trust, or any body of persons.

(e) (i) The term "United States corporation" or "corporation of the United States" means a corporation which is created or organized under the laws of the United States or any state thereof or the District of Columbia, or any unincorporated entity treated as a United States corporation for United States tax purposes; and

(ii) the term "Korean corporation" or "corporation of Korea means a corporation (other than a United States corporation) which has its head or main office in Korea, or any entity treated as a Korean corporation for Korean tax purposes.

(f) The term "competent authority" means:

(i) In the case of the United States, the Secretary of the Treasury or his delegate, and

(ii) In the case of Korea, the Minister of Finance or his delegate.

(g) The term "State" means any National State, whether or not one of the Contracting States.

(h) The term "citizen" means:

(i) In the case of the United States, a citizen of the United States, and

(ii) In the case of Korea, a national of Korea.

(2) Any other term used in this Convention and not defined in this Convention shall, unless the context otherwise requires, have the meaning which it has under the laws of the Contracting State whose tax is being determined. Notwithstanding the preceding sentence, if the meaning of such a term under the laws of one Contracting State is different from the meaning of the term under the laws of the other Contracting State, or if the meaning of such a term is not readily determinable under the laws of one of the Contracting States, the competent authorities of the Contracting States may, in order to prevent double taxation or to further any other purpose of this Convention, establish a common meaning of the term for the purposes of this Convention.

ARTICLE 3

FISCAL DOMICILE

In this Convention:

(a) The term "resident of the United States" means:

(i) A United States corporation, and

(ii) Any other person (except a corporation or any entity treated under Korean law tion or an entity treated under United States law as a corporation) resident in the United States for purposes of its tax, but in the as a corporation) resident in Korea for purposes of its tax, but in the case of a person acting as a partner or fiduciary only to the resident of that Contracting State with extent that the income derived by such person is subject to United States A, he shall be deemed to be at resident.

(b) The term "resident of Korea" means:

(i) A Korea corporation, and

(ii) Any other person (except a corporation or any entity treated under Korean law as a corporation) resident in Korea for purposes of its tax, but in the case of a person acting as a partner or fiduciary only to the extent that the income derived by such person is subject to Korean tax as the income of a resident.

(c) In determining the residence of a partnership which makes a payment, a partnership shall be considered a resident of the State under the laws of which it was created or organized.

(2) Where by reason of the provisions of paragraph (1) an individual is a resident of both Contracting States:

(a) He shall be deemed to be a resident of that Contracting State in which he maintains his permanent home;

(b) If he has a permanent home in both Contracting States or in neither of the Contracting States, he shall be deemed to be a resident of that Contracting State with which his personal and economic relations are closest (center of vital interests);

(c) If his center of vital interest is in neither of the Contracting States or cannot be determined, he shall be deemed to be a resident of that Contracting State in which he has a habitual abode;

(d) If he has a habitual abode in both Contracting States or in neither of the Contracting States, he shall be deemed to be a resident of the Contracting State of which he is a citizen; and

(e) If he is a citizen of both Contracting States or of neither Contracting State the competent authorities of the Contracting States shall settle the question by mutual agreement.

For the purpose of this paragraph, a permanent home is the place where an individual dwells with his family.

(3) An individual who is deemed to be a resident of one of the Contracting States and not a resident of the other Contracting State by reason of the provisions of paragraph (2) shall be deemed to be a resident only of the first-mentioned Contracting State for all purposes of this Convention, including Article 4 (General Rules of Taxation).

ARTICLE 4

GENERAL RULES OF TAXATION

(1) A resident of one of the Contracting States may be taxed by the other Contracting State on any income from sources within that other Contracting State and only on such income, subject to any limitations set forth in this Convention. For this purpose, the rules set forth in Article 6 (Source of Income) shall be applied to determine the source of income.

(2) The provisions of this Convention shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded—

(a) By the laws of one of the Contracting States in the determination of the tax imposed by that Contracting State, or

(b) By any other agreement between the Contracting States.

(3) The provisions of this Convention shall not affect Korean law so as to deny benefits accorded residents of the United States under the provisions of the Korean Foreign Capital Inducement Law Number 2958 of March 12, 1973 as amended or any similar law to encourage investment in Korea.

(4) Nothwithstanding any provisions of this Convention except paragraph (5) of this Article, a Contracting State may tax a citizen or resident of that Contracting State as if this Convention had not come into effect.

(5) The provisions of paragraph (4) shall not affect:

(a) The benefits conferred by a Contracting State under Articles 5 (Relief from Double Taxation), 7 (Nondiscrimination), 24 (Social Security Payments), and 27 (Mutual Agreement Procedure); and

(b) The benefits conferred by a Contracting State under Articles 20 (Teachers), 21 (Students and Trainees), and 22 (Government Functions), upon individuals who are neither citizens of, nor have immigrant status in, that Contracting State.

(6) The competent authorities of the two Contracting States may prescribe regulations necessary to carry out the provisions of this Convention.

(7) There shall be allowed, for purposes of United States tax, in the case of a resident of Korea who is not a resident of the United States (other than an officer or employee of the Government of Korea or local authority thereof), as long as the United States Internal Revenue Code provides only one personal exemption, a deduction for personal exemptions, subject to the conditions prescribed in sections 151 through 154 of the Internal Revenue Code as in effect on the date of the signature of this Convention, for the spouse of the taxpayer and for each child of the taxpayer present in the United States and residing with him in the United States at any time during the taxable year, but such additional deduction shall not exceed that proportion thereof which the taxpayer's gross income from sources within the United States which is treated effectively connected with the conduct of a trade or business within the United States within the meaning of section 864(c) of the Internal Revenue Code for the taxpayer's taxable year bears to his entire income from all sources for such taxable year.

(8) The United States may impose its personal holding company tax and its accumulated earnings tax notwithstanding any provision of this Convention. However, a Korean corporation shall be exempt from the United States personal holding company tax in any taxable year if all of its stock is owned, directly or indirectly, by one or more individuals who are residents of Korea (and not citizens of the United States) for that entire year. A Korean corporation shall be exempt from the United States accumulated earnings tax in any taxable year unless such corporation is engaged in trade or business in the United States through a permanent establishment at any time during such year.

ARTICLE 5

RELIEF FROM DOUBLE TAXATION

Double taxation of income shall be avoided in the following manner:

(1) In accordance with the provisions and subject to the limitations of the law of the United States (as it may be amended from time to time without changing the principles hereof), the United States shall allow to a citizen or resident of the United States as a credit against the United States tax the appropriate amount of Korean tax and, in the case of a United States corporation owning at least 10 percent of the voting power of a Korean corporation from which it receives dividends in any taxable year, shall allow credit for the appropriate amount of taxes paid to Korea by the Korean corporation paying such dividends with respect to the profits out of which such dividends are paid. Such appropriate amount shall be based upon the amount of tax paid to Korea but the credit shall not exceed the limitations (for the purpose of limiting the credit to the United States tax on income from sources within Korea or on income from sources outside the United States) provided by United States law for the taxable year. For the purpose of applying the United States credit in relation to taxes paid to Korea, the rules set forth in Article 6 (Sources of Income) shall be applied to determine the source of income.

(2) In accordance with the provisions and subject to the limitations of the law of Korea (as it may be amended from time to time without changing the principles hereof), Korea shall allow to a citizen or resident of Korea as a credit against Korean tax the appropriate amount of income taxes paid to the United States and, in the case of a Korea corporation owning at least 10 percent of the voting power of a United States corporation from which it receives dividends in any taxable year, shall allow credit for the appropriate amount of taxes paid to the United States by the United States corporation paying such dividends with respect to the profits out of which such dividends are paid. Such appropriate amount shall be based upon the amount of tax paid to the United States but shall not exceed that portion of Korean tax which such citizen's or resident's net income from sources within the United States bears to his entire net income for the same taxable year. For the purpose of applying the Korean credit in relation to taxes paid to the United States, the rules set forth in Article 6 (Source of Income) shall be applied to determine the source of income.

ARTICLE 6

SOURCE OF INCOME

For the purposes of this Convention:

(1) Dividends shall be treated as income from sources within a Contracting State only if paid by a corporation of that Contracting State.

(2) Interest shall be treated as income from sources within one of the Contracting States only if paid by that Contracting State, a political subdivision or a local authority thereof, or by a resident of that Contracting State. Notwithstanding the preceding sentence—

(a) If a person paying the interest (whether or not he is a resident of one of the Contracting States) in connection with which the indebtedness on which the interest is paid was incurred and such interest is borne by such permanent establishment, or

(b) If the person paying the interest is a resident of one of the Contracting States and has a permanent establishment in a State other than a Contracting State in connection with which the indebtedness on which the interest is paid was incurred and such interest is paid to a resident of the other Contracting State, and such interest is borne by such permanent establishment, such interest shall be deemed to be from sources within the State in which the permanent establishment is situated.

(3) Royalties described in paragraph (4) of Article 14 (Royalties) for the use, or the right of use, property (other than as provided in paragraph (5) with respect to ships or aircraft) described in such paragraph shall be treated as income from sources within one of the Contracting States only if paid for the use of, or the right to use, such property within the Contracting State.

(4) Income from real property and royalties from the operation of mines, quarries, or other natural resources (including gains derived from the sale of such property or the right giving rise to such royalties) shall be treated as income from sources within one of the Contracting States only if such property is located in that Contracting State.

(5) Income from the rental of tangible property (movable property) shall be treated as income from sources within one of the Contracting States only if such property is located in that Contracting State. Income from the rental of ships or aircraft derived by a person not engaged in the operation of ships or aircraft in international traffic shall be treated as income from sources within a Contracting State only if the lessee is a resident of that Contracting State.

(6) Income received by an individual for his performance of labor or person services, whether as an employee or in an independent capacity, or for furnishing the person services of another person and income received by a corporation for furnishing the personal services of its employees or others, shall be treated as income from sources within one of the Contracting States only to the extent that such services are performed in that Contracting State. Income from personal services performed aboard ships or aircraft operated by a resident of one of the Contracting States in international traffic shall be treated as income from sources within that Contracting State if rendered by a member of the regular complement of the ship or aircraft. For purposes of this paragraph, income from labor or personal services includes pensions (as defined in paragraph (3) of Article 23 (Private Pensions and Annuities)) paid in respect of such services. Notwithstanding the preceding provisions of this paragraph, remuneration described in Article 22 (Governmental Functions) and payments described in Article 24 (Social Security Payments) shall be treated as income from sources within one of the Contracting States only if paid by or from the public funds of that Contracting State or local authority thereof.

(7) Income from the purchase and sale of intangible or tangible personal (including movable) property (other than gains defined as royalties by paragraph (4)(b) of Article 15 (Royalties)), shall be treated as income from sources within one of the Contracting States only if such property is sold in that Contracting State.

(8) Notwithstanding paragraphs (1) through (7), industrial or commercial profits which are attributable to a permanent establishment which the recipient, a resident of one of the Contracting States, has in the other Contracting State, including income derived from real property and natural resources and dividends, interest, royalties (as defined in paragraph (4) of Article 14 (Royalties)), and capital gains, but only if the rights or property giving rise to such income, dividends, interest, royalties, or capital gains are effectively connected with such permanent establishment, shall be treated as income from sources within that other Contracting State.

(9) The source of any item of income to which paragraphs (1) through (8) of this article are not applicable shall be determined by each of the Contracting States in accordance with its own law. Notwithstanding the preceding sentence, if the source of any item of income under the laws of one Contracting State is different from the source of such item of income under the laws of the other Contracting State or if the source of such income is not readily determinable under the laws of one of the Contracting States, the competent authorities of the Contracting States may, in order to prevent double taxation or further any other purpose of this Convention, establish a common source of the item of income for purposes of this Convention.

ARTICLE 7

NONDISCRIMINATION

(1) A citizen of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than a citizen of that other Contracting State who is a resident thereof.

(2) A permanent establishment which a resident of one of the Contracting States has in the other Contracting State shall not be subject in that other Contracting State to more burdensome taxes than a resident of that other Contracting State carrying on the same activities. This paragraph shall not be construed as obliging one of the Contracting States to grant to individual residents of the other Contracting State any personal allowances, reliefs, or deductions for taxation purposes on account of civil status or family responsibilties which the first-mentioned Contracting State grants to its own individual residents.

(3) A corporation of one of the Contracting States, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which a corporation of the first-mentioned Contracting State carrying on the same activities, the capital of which is wholly owned or controlled by one or more residents of the first-mentioned Contracting State, is or may be subjected.

ARTICLE 8

BUSINESS PROFITS

(1) Industrial or commercial profits of a resident of one of the Contracting States shall be exempt from tax by the other Contracting State unless such resident is engaged in industrial or commercial activity in that other Contracting State through a permanent establishment situated therein. If such resident is so engage, tax may be imposed by that other Contracting State on the industrial or commercial profits of such resident but only on so much of such profits as are attributable to the permanent establishment.

(2) Where a resident of one of the Contracting States is engaged in industrial or commercial activity in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to the permanent establishment the industrial or commercial profits which would be attributable to such permanent establishment if such permanent establishment were an independent entity engaged in the same or similar activities under the same or similar conditions, and dealing wholly independently with the resident of which it is a permanent establishment.

(3) In the determination of the industrial or commercial profits of a permanent establishment, there shall be allowed as deductions expenses which are reasonably connected with such profits, including executive and general administrative expenses, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere.

(4) No profits shall be attributed to a permanent establishment of a resident of one of the Contracting States in the other Contracting State merely by reason of the purchase of goods or merchandise by that permanent establishment, or by the resident of which it is a permanent establishment, for the account of that resident.

(5) The term "industrial or commercial activity" means the active conduct of a trade or business. It includes the conduct of manufacturing, mercantile, insurance, banking, financing, agricultural, fishing or mining activities, the operation of ships or aircraft, the furnishing of services and the rental of tangible personal property (including ships or aircraft). Such term does not include the performance of personal services by an individual either as an employee or in an independent capacity.

(6)(a) The term "industrial or commercial profits" means income derived from industrial or commercial activity, and income derived from real property and natural resources and dividends, interest, royalties (as defined in paragraph (4) of Article 14 (Royalties)), and capital gains but only if the property or rights giving rise to such income, dividends, interest, royalties, or capital gains are effectively connected with a permanent establishment which the recipient, being a resident of one of the Contracting States, has in the other Contracting State, whether or not such income is derived from industrial or commercial activity.

(b) To determine whether property or rights are effectively connected with a permanent establishment, the factors taken into account shall include whether the rights or property are used in or held for use in carrying on industrial or commercial activity through such permanent establishment and whether the activities carried on through such permanent establishment were a material factor in the realization of the income from such property or rights. For this purpose, due regard shall be given to whether or not such property or rights or such income were accounted for through such permanent establishment.

(7) Where industrial or commercial profits include items of income which are dealt with separately in other articles of this Convention, the provisions of those articles shall, except as otherwise provided therein, supersede the provisions of this Article.

ARTICLE 9

PERMANENT ESTABISHMENT

(1) For purposes of this Convention, the term "permanent establishment" means a fixed place of business through which a resident of one of the Contracting States engages in industrial or commercial activity.

(2) The term "fixed place of business" includes but is not limited to:

(a) A branch;
(b) An office;
(c) A factory;
(d) A workshop;
(e) A warehouse;
(f) A store or other sales outlet;
(g) A mine, quarry, or other place of extraction of natural resources; and
(h) A building site or construction or installation project which exists for more than 6 months.

(3) Notwithstanding paragraphs (1) and (2), a permanent establishment shall not include a fixed place of business used only for one or more of the following:

(a) The use of facilities for the purpose of storage, display, or delivery of goods or merchandise belonging to the resident;

(b) The maintenance of a stock of goods or merchandise belonging to the resident for the purpose of storage, display, or delivery;

(c) The maintenance of a stock of goods of merchandise belonging to the resident for the purpose of processing by another person;

(d) The maintenance of a fixed place of business for the purpose of purchasing goods or merchandise, or for collecting information, for the resident;

(e) the maintenance of a fixed place of business for the purpose of advertising, for the supply of information, for scientific research, or for similar activities which have a preparatory or auxiliary character, for the resident; or

(f) The maintenance of a building site or construction or installation project which does not exist for more than 6 months.

(4) Even if a resident of one of the Contracting States does not have a permanent establishment in the other Contracting State under paragraphs (1) through (3) of this Article, nevertheless he shall be deemed to have a permanent establishment in that other Contracting State if he engages in trade or business in that other Contracting State through an agent who—

(a) Has an authority to conclude contracts in the name of that resident and regularly exercises that authority in that other Contracting State, unless the exercise of the authority is limited to the purchase of goods or merchandise for the account of the resident; or

(b) Maintains in that other Contracting State a stock of goods or merchandise belonging to that resident from which he regularly fills orders or makes deliveries.

(5) Notwithstanding subparagraphs (a), (c) and (d) of paragraph (3), if a resident of one of the Contracting States has a fixed place of business in the other Contracting State and goods or merchandise are either:

(a) Subjected to processing in that other Contracting State by another person (whether or not purchased in that other Contracting State); or

(b) Purchased in that other Contracting State (and such goods or merchandise are not subjected to processing outside that other Contracting State).

such resident shall be considered to have a permanent establishment in that other Contracting State, if all or part of such goods or merchandise is sold by or on behalf of such resident for use, consumption, or disposition in that other Contracting State.

(6) Notwithstanding the provisions of paragraphs (4) and (5), a resident of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because such resident engages in industrial or commercial activity in that other Contracting State through a broker, general commission agent or any other agent of an independent status, where such broker or agent is acting in the ordinary course of his business.

(7) The fact that a resident of one of the Contracting States is a related person (as defined under Article 11 (Related Persons)) with respect to a resident of the other Contracting State or with respect to a person who engages in industrial or commercial activity in that other Contracting State (whether through a permanent establishment or otherwise) shall not be taken into account in determining whether that resident of the first-mentioned Contracting State has a permanent establishment in that other Contracting State.

(8) The principles set forth in paragraphs (1) through (7) shall be applied in determining for the purpose of this Convention whether there is a permanent establishment in a State other than one of the Contracting States or whether a person other than a resident of one of the Contracting States has a permanent establishment in one of the Contracting States.

Article 10

SHIPPING AND AIR TRANSPORT

Notwithstanding Article 8 (Business Profits), income which a resident of one of the Contracting States derives from the operation in international traffic of ships or aircraft shall be exempt from tax by the other Contracting State. For purposes of this Article, income derived from the operation in international traffic of ships or aircraft includes income incidental to such operation, such as income derived from the use or lease of containers, trailers for the inland transportation of containers and other related equipment, but does not include other income from the inland transportation of containers.

Article 11

RELATED PERSONS

(1) Where a person subject to the taxing jurisdiction of one of the Contracting States and any other person are related and where such related persons make arrangements or impose conditions between themselves which are different from those which would be made between independent persons, any income, deductions, credits, or allowances which would, but for those arrangements or conditions, have been taken into account in computing the income (or loss) of, or the tax payable by, one of such persons, may be taken into account in computing the amount of the income subject to tax and the taxes payable by such person.

(2) For the purposes of this Convention, a person is related to another person if either person owns or controls directly or indirectly the other, or if any third person or persons owns or controls directly or indirectly both. For this purpose, the term "control" includes any kind of control, whether or not legally enforceable, and however exercised or exercisable.

Article 12

DIVIDENDS

(1) Dividends derived from sources within one of the Contracting States by a resident of the other Contracting State may be taxed by both Contracting States.

(2) The rate of tax imposed by one of the Contracting States on dividends derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed—

(a) 15 percent of the gross amount of the dividend; or

(b) When the recipient is a corporation, 10 percent of the gross amount of the dividend if—

(i) During the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10 percent of the outstanding shares of the voting stock of the paying corporation was owned by the recipient corporation, and

(ii) Not more than 25 percent of the gross income of the paying corporation for such prior taxable year (if any) consists of interest or dividends (other than interest derived from the conduct of a banking, insurance, or financing business and dividends or interest received from subsidiary corporations, 50 percent or more of the outstanding shares of the voting stock of which is owned by the paying corporation at the time such dividends or interest is received).

(3) Paragraph (2) shall not apply if the recipient of the dividends, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the shares with respect to which the dividends are paid are effectively connected with such permanent establishment. In such a case, paragraph (6) (a) of Article 8 (Business Profits) shall apply.

Article 13

INTEREST

(1) Interest derived from sources within one of the Contracting States by a resident of the other Contracting State may be taxed by both Contracting States.

(2) The rate of tax imposed by one of the Contracting States on interest derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed 12 percent of the gross amount thereof.

(3) Notwithstanding paragraphs (1) and (2), interest derived from sources within one of the Contracting States shall be exempt from tax by that Contracting State if it is beneficially derived by the Government of the other Contracting State, by any local authority thereof, the central bank of that other Contracting State, or any instrumentality wholly owned by that Government or that central bank or both, not subject to tax by that other Contracting State on its income.

(4) Paragraph (2) shall not apply if the recipient of the interest, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the indebtedness giving rise to the interest is effectively connected with such permanent establishment. In such case, paragraph (6) (a) of Article 8 (Business Profits) shall apply.

(5) Where any amount designated as interest paid to any related person exceeds an amount which would have been paid to an unrelated person, the provisions of this article shall apply only to so much of the interest as would have been paid to an unrelated person. In such a case the excess payment may be taxed by each Contracting State according to it own law, including the provisions of this Convention where applicable.

(6) The term "interest" as used in this Convention means income from bonds, debentures, Government securities, notes, or other evidences of indebtedness, whether or not secured and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as all other income which, under the taxation law of the Contracting State in which the income has its source, is assimilated to income from money lent.

Article 14

ROYALTIES

(1) The tax imposed by one of the Contracting States on royalties derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed 15 percent of the gross amount thereof, except as provided in paragraphs (2) and (3).

(2) Royalties derived from copyrights, or rights to produce or reproduce any literary, dramatic, musical, or artistic work, by a resident of one Contracting State, as well as royalties received as consideration for the use of, or the right to use, motion picture films including films and tapes used for radio or television broadcasting, may not be taxed by the other Contracting State at a rate of tax which exceeds 10 percent of the gross amount of such royalties.

(3) Paragraphs (1) and (2) shall not apply if the recipient of the royalty, being a resident of one of the Contracting States, has in the other Contracting State a permanent establishment and the right or property giving rise to the royalties is effectively connected with such permanent establishment. In such a case, paragraph (6) (a) of article 8 (Business Profits) shall apply.

(4) The term "royalties" as used in this article means—

(a) Payment of any kind made as consideration for the use of, or the right to use, copyrights of literary, artistic, or scientific works, copyrights of motion picture films or films or tapes used for radio or television broadcasting, patents, designs, models, plans, secret processes or formulae, trademarks, or other like property or rights, or knowledge, experience, or skill (knowhow), or ships or aircraft (but only if the lessor is a person not engaged in the operation in international traffic of ships or aircraft), and

(b) Gains derived from the sale, exchange, or other disposition of any such property or rights (other than ships or aircraft) to the extent that the amounts realized on such sale, exchange, or other disposition for consideration are contingent on the productivity, use, or disposition of such property or rights.

The term does not include any royalties, rentals or other amounts paid in respect of the operation of mines, quarries, or other natural resources.

(5) Where an amount is paid to a related person which would be treated as royalty but for the fact that it exceeds an amount which would have been paid to an unrelated person, the provisions of this Article shall apply only to so much of the royalty as would have been paid to an unrelated person. In such a case, the excess payment may be taxed by each Contracting State according to its own law, including the provisions of this Convention where applicable.

ARTICLE 15

INCOME FROM REAL PROPERTY

(1) Income from real property, including royalties and other payments in respect of the exploitation of natural resources and gains derived from the sale, exchange, or other disposition of such property or of the right giving rise to such royalties or other payments, may be taxed by the Contracting State in which such real property or natural resources are situated. For purposes of this Convention, interest on indebtedness secured by real property or secured by a right giving rise to royalties or other payments in respect of the exploitation of natural resources shall not be regarded as income from real property.

(2) Paragraph (1) shall apply to income derived from the usufruct, direct use, letting, or use in any other form of real property.

ARTICLE 16

CAPITAL GAINS

(1) A resident of one of the Contracting States shall be exempt from tax by the other Contracting State on gains from the sale, exchange, or other disposition of capital assets unless—

(a) The gain is derived by a resident of one of the Contracting States from the sale, exchange, or other disposition of property described in Article 15 (Income from Real Property) situated within the other Contracting State,

(b) The recipient of the gain, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the property giving rise to the gain is effectively connected with such permanent establishment, or

(c) The recipient of the gain, being an individual who is a resident of one of the Contracting States—

(i) Maintains a fixed base in the other Contracting State for a period or periods aggregating 183 days or more during the taxable year and the property giving rise to such gains is effectively connected with such fixed base, or

(ii) Is present in the other Contracting State for a period or periods aggregating 183 days or more during the taxable year.

(2) In the case of gains described in paragraph (1)(a), the provisions of Article 15 (Income from Real Property) shall apply. In the case of gains described in paragraph (1)(b), the provisions of Article 8 (Business Profits) shall apply.

ARTICLE 17

INVESTMENT OR HOLDING COMPANIES

A corporation of one of the Contracting States deriving dividends, interest, royalties, or capital gains from sources within the other Contracting State shall not be entitled to the benefits of Article 12 (Dividends), 13 (Interest), 14 (Royalties), or 16 (Capital Gains) if—

(a) By reason of special measures the tax imposed on such corporation by the first-mentioned Contracting State with respect to such dividends, interest, royalties, or capital gains in susbtantially less than the tax generally imposed by such Contracting State on corporate profits, and

(b) 25 percent or more of the capital of such corporation is held of record or is otherwise determined, after consultation between the competent authorities of the Contracting States, to be owned directly or indirectly, by one or more persons who are not individual residents of the first-mentioned Contracting State (or, in the case of a Korean corporation, who are citizens of the United States).

ARTICLE 18

INDEPENDENT PERSONAL SERVICES

(1) Income derived by an individual who is a resident of one of the Contracting States from the performance of personal services in an independent capacity, may be taxed by that Contracting State. Except as provided in paragraph (2), such income shall be exempt from tax by the other Contracting State.

(2) Income derived by an individual who is a resident of one of the Contracting States from the performance of personal services in an independent capacity in the other Contracting State may be taxed by that other Contracting State if:

(a) The individual is present in that other Contracting State for a period or periods aggregating 183 days or more in the taxable year;

(b) Such income exceeds 3,000 United States dollars or its equivalent in Korean won in a taxable year; or

(c) The individual maintains a fixed base in that other Contracting State for a period or periods aggregating 183 days or more in the taxable year, but only so much of his income as is attributable to such fixed base.

ARTICLE 19

DEPENDENT PERSONAL SERVICES

(1) Wages, salaries, and similar remuneration derived by an individual who is a resident of one of the Contracting States from labor or personal services performed as an employee, including remuneration from services performed by an officer of a corporation, may be taxed by that Contracting State. Except as provided by paragraph (2) such remuneration derived from sources within the other Contracting State may also be taxed by that other Contracting State.

(2) Remuneration described in paragraph (1) derived by an individual who is a resident of one of the Contracting States shall be exempt from tax by the other Contracting State if—

(a) He is present in that other Contracting State for a period or periods aggregating less than 183 days in the taxable year;

(b) He is an employee of a resident of the first-mentioned Contracting State or of a permanent establishment maintained in the first-mentioned Contracting State;

(c) The remuneration is not borne as such by a permanent establishment which the employer has in that other Contracting State; and

(d) Such income does not exceed 3,000 United States dollars or its equivalent in Korean won.

(3) Notwithstanding paragraph (2), remuneration derived by an individual from the performance of labor or personal services as an employee aboard ships or aircraft operated by a resident of one of the Contracting States in international traffic shall be exempt from tax by the other Contracting State if such individual is a member of the regular complement of the ship or aircraft.

ARTICLE 20

TEACHERS

(1) Where a resident of one of the Contracting States is invited by the Government of the other Contracting State, a political subdivision, or a local authority thereof, or by a university or other recognized educational institution in that other Contracting State to come to that other Contracting State for a period not expected to exceed 2 years for the purpose of teaching or engaging in research, or both, at a university or other recognized educational institution and such resident comes to that other Contracting State primarily for such purpose, his income from personal services for teaching or research at such university or educational institution shall be exempt from tax by that other Contracting State for a period not exceeding 2 years from the date of his arrival in that other Contracting State.

(2) This Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

ARTICLE 21

STUDENTS AND TRAINEES

(1)(a) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State for the primary purpose of—

(i) Studying at a university or other recognized educational institution in that other Contracting State, or

(ii) Securing training required to qualify him to practice a profession or professional specialty, or

(iii) Studying or doing research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization,

shall be exempt from tax by that other Contracting State with respect to amounts described in subparagraph (b) for a period not exceeding 5 taxable years from the date of his arrival in that other Contracting State.

(b) The amounts referred to in subparagraph (a) are—

(i) Remittances from abroad for the purpose of his maintenance, education, study research, or training;

(ii) The grant, allowance, or award; and

(iii) Income from personal services performed in that other Contracting State in an amount not in excess of 2,000 United States dollars or its equivalent in Korean won for any taxable year.

(2) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State as an employee of, or under contract with, a resident of the first-mentioned Contracting State, for the primary purpose of—

(a) Acquiring technical, professional, or business experience from a person other than that resident of the first-mentioned Contracting State or other than a person related to such resident, or

(b) Studying at a university or other recognized educational institution in that other Contracting State,

shall be exempt from tax by that other Contracting State for a period not exceeding 1 year with respect to his income from personal services in an aggregate amount not in excess of 5,000 United States dollars of its equivalent in Korean won.

(3) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State for a period not exceeding 1 year, as a participant in a program sponsored by the Government of that other Contracting State, for the primary purpose of training, research, or study, shall be exempt from tax by that other Contracting State with respect to his income from personal services in respect to such training, research, or study performed in that other Contracting State in an aggregate amount not in excess of 10,000 United States dollars or its equivalent in Korean won.

(4) The benefits provided under Article 20 (Teachers) and paragraph (1) of this Article shall, when taken together, extend only for such period of time, not to exceed 5 taxable years from the date of arrival of the individual claiming such benefits, as may reasonably or customarily be required to effectuate the purpose of the visit.

ARTICLE 22

GOVERNMENTAL FUNCTIONS

Wages, salaries, and similar remuneration including pensions, annuities, or similar benefits, paid from public funds of one of the Contracting States to a citizen of that Contracting State for labor or personal services performed as an employee of that Contracting State or an instrumentality thereof in the discharge of governmental functions shall be exempt from tax by the other Contracting State.

ARTICLE 23

PRIVATE PENSIONS AND ANNUITIES

(1) Except as provided in Article 22 (Governmental Functions) pensions and other similar remuneration paid to an individual who is a resident of one of the Contracting States in consideration of past employment shall be taxable only in that Contracting State.

(2) Alimony and annuities paid to an individual who is a resident of one of the Contracting States shall be taxable only in that Contracting State.

(3) The term "pensions and other similar remuneration", as used in this Article, means periodic payments made (a) by reason of retirement or death in consideration for services rendered, or (b) by way of compensation for injuries received in connection with past employment.

(4) The term "annuities", as used in this Article, means a stated sum paid periodically as stated times during life, or during a specified number of years, under an obligation to make the payments in return for adequate and full consideration (other than services rendered).

(5) The term "alimony", as used in this Article, means periodic payments made pursuant to a decree of divorce, separate maintenance agreement, or support or separation agreement which is taxable to the recipient under the internal laws of the Contracting State of which he is a resident.

ARTICLE 24

SOCIAL SECURITY PAYMENTS

Social security payments and other public pensions paid by one of the Contracting States to an individual who is a resident of the other Contracting State (or in the case of such payments by Korea, to an individual who is a citizen of the United States) shall be taxable only in the first-mentioned Contracting State. This Article shall not apply to payments described in Article 22 (Governmental Functions).

ARTICLE 25

EXEMPTION FROM SOCIAL SECURITY TAXES

(1) The taxes imposed by Chapter 21 of the Internal Revenue Code shall not apply with respect to wages paid for services performed in Guam by a resident of Korea while in Guam on a temporary basis as a nonimmigrant alien admitted to Guam pursuant to section 101(a)(15(H)(ii) of the United States Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)).

(2) The exemption provided in paragraph (1) shall continue only so long as the similar exemption provided by section 3121 (b)(18) of the Internal Revenue Code.

ARTICLE 26

DIPLOMATIC AND CONSULAR OFFICERS

Nothing in this Convention shall affect the fiscal privileges of diplomatic and consular officials under the general rules of international law or under the provisions of special agreements.

ARTICLE 27

MUTUAL AGREEMENT PROCEDURE

(1) Where a resident of one of the Contracting States considers that the action of one or both of the Contracting States results or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of the Contracting States, present his case to the competant authority of the contracting State of which he is a resident. Should the resident's claim be considered to have merit by the competent authority of the Contracting State to which the claim is made, it shall endeavor to come to an agreement with the competent authority of the other Contracting State with a view to avoiding taxation contrary to the provisions of this Convention.

(2) The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the application of this Convention. In particular, the competent authorities of the Contracting States may agree—

(a) To the same attribution of industrial or commercal profits to a resident of one of the Contracting States and its permanent establishment situated in the other Contracting State;

(b) To the same allocation of income, deductions, credits, or allowances between a person subject to the taxing jurisdiction of one of the Contracting States and any related person;

(c) To the same determination of the source of particular items of income;

(d) To the uniform accounting for income and deductions; or

(e) To the same meaning of any term used in this Convention.

(3) The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of this Article. When it seems advisable for the purpose of reaching agreement, the competent authorities may meet together for an oral exchange of opinions.

(4) In the event that the competent authorities reach such an agreement, taxes shall be imposed on such income, and refund or credit of taxes shall be allowed, by the Contracting States in accordance with such agreement.

ARTICLE 28

EXCHANGE OF INFORMATION

(1) The competent authorities shall exchange such information as is necessary for carrying out the provisions of this Convention or for the prevention of fraud or for the administration of statutory provisions concerning taxes to which this Convention applies provided the information is of a class that can be obtained under the laws and administrative practices of each Contracting State with respect to its own taxes.

(2) Any information so exchanged shall be treated as secret, except that such information may be—

(a) Disclosed to any person concerned with, or

(b) Made part of a public record with respect to, the assessment, collection, or enforcement of, or litigation with respect to, the taxes to which this Convention applies.

(3) No information shall be exchanged which would be contrary to public policy.

(4) If specifically requested by the competent authority of one of the Contracting States, the competent authority of the other Contracting State shall provide information under this Article in the form of depositions of witnesses and copies of unedited original documents (including books, papers, statements, records, accounts, or writings), to the same extent such depositions and documents can be obtained under the laws and administrative practices of each Contracting State with respect to its own taxes.

(5) The exchange of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the Contracting States may agree on the list of information which shall be furnished on a routine basis.

(6) The competent authorities of the Contracting States shall notify each other of any amendments of the tax laws referred to in paragraph (1) of Article 1 (Taxes Covered) and of the adoption of any taxes referred to in paragraph (2) of Article 1 (Taxes Covered) by transmitting the texts of any amendments or new statutes at least once a year.

(7) The competent authorities of the Contracting States shall notify each other of the publication by their respective Contracting States of any material concerning the application of this Convention, whether in the form of regulations, rulings, or judicial decisions by transmitting the texts of any such materials at least once a year.

ARTICLE 29

EXTENSION TO TERRITORIES

(1) Either one of the Contracting States may, at any time while this Convention continues in force, by a written notification given to the other Contracting State through diplomatic channels, declare its desire that the operation of this Convention, either in whole or in part or with such modifications as may be found necessary for special application in a particular case, shall extend to all or any of the areas (to which this Convention is not otherwise applicable) for whose international relations it is responsible and which impose taxes substantially similar in character to those which are the subject of this Convention. When the other Contracting State has, by a written communication through diplomatic channels, signified to the first-mentioned Contracting State that such notification is accepted in respect of such area or areas, and the notification and communication have been ratified and instruments of ratification exchanged, this Convention, in whole or in part, or with such modifications as may be found necessary for special application in a particular case, as specified in the notification, shall apply to the area or areas named in the notification and shall enter into force and effect on and after the date or dates specified therein. None of the provisions of this Convention shall apply to any such area in the absence of such acceptance and exchange of instruments of ratification in respect of that area.

(2) At any time after the date of entry into force of an extension under paragraph (1), either of the Contracting States may, by 6 month's prior notice of termination given to the other Contracting State through diplomatic channels, terminate the application of this Convention to any area to which it has been extended under paragraph (1), and in such event this Convention shall cease to apply and have force and effect, beginning

on or after the first day of January next following the expiration of the 6-month period, to the area or areas named therein, but without affecting its continued application to the United States, Korea, or to any other area to which it has been extended under paragraph (1).

(3) In the application of this Convention in relation to any area to which it is extended by notification by the United States or Korea, reference to the "United States" or "Korea", as the case may be, shall be construed as referring to that area.

(4) The termination in respect of the United States or Korea of this Convention under Article 32 (Termination) shall, unless otherwise expressly agreed by both Contracting States, terminate the application of this Convention to any area to which the Convention has been extended under this article by the United States or Korea.

ARTICLE 30

ASSISTANCE IN COLLECTION

(1) Each of the Contracting States shall endeavor to collect on behalf of the other Contracting State such taxes imposed by that other Contracting State as will ensure that any exemption or reduced rate of tax granted under this Convention by that other Contracting State shall not be enjoyed by persons not entitled to such benefits.

(2) In no case shall this Article be construed so as to impose upon one of the Contracting States the obligation to carry out measures at variance with the laws, administrative practices, or public policy of either Contracting State with respect to the collection of its own taxes.

ARTICLE 31

ENTRY INTO FORCE

This Convention shall be ratified and instruments of ratification shall be exchanged at Washington as soon as possible. It shall enter into force on the thirtieth day following the exchange of instruments of ratification and shall then have effect for the first time:

(a) As respects the rate of withholding taxes and Article 25 (Exemption from Social Security Taxes), to amounts paid on or after the first day of the second month following the date on which this Convention enters into force;

(b) As respects other taxes, to taxable years beginning on or after January 1 of the year following the date on which this Convention enters into force.

ARTICLE 32

TERMINATION

This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Convention at any time after 5 years from the date on which this Convention enters into force provided that at least 6 months' prior notice of termination has been given through diplomatic channels. In such event, the Convention shall cease to have force and effect as respects income of taxable years beginning (or, in the case of withholding taxes and social security taxes, payments made) on or after January 1 next following the expiration of the 6-month period.

DONE at Seoul in duplicate in the English and Korean languages this 4th day of June 1976.

For the United States of America:

RICHARD L. SNEIDER.

For the Republic of Korea:

PARK TONG-JIN.

The resolution of ratification of executive P was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the 1976 Tax Convention with the Republic of Korea, together with an exchange of notes relating thereto, signed at Seoul on June 4, 1976 (Ex. P, Ninety-fourth Congress, second session).

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United States of America and the Government of the Hungarian People's Republic, desiring to further expand and facilitate mutual economic relations, have resolved to conclude a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, and have agreed as follows:

ARTICLE 1

PERSONAL SCOPE

1. This Convention shall apply to persons who are residents of one or both of the Contracting States, except as otherwise provided in this convention.

2. Notwithstanding any provision of this Convention except paragraph 3 of this Article, a Contracting State may tax its residents (as determined under Article 4 (Fiscal Domicile)) and citizens (including, in the case of the United States, former citizens) as if this Convention had not come into effect.

3. The provisions of paragraph 2 shall not affect:

(*a*) The benefits conferred by a Contracting State under paragraph 2 of Article 15 (Pensions), Articles 20 (Relief from Double Taxation), 21 (Non-discrimination), and 22 (Mutual Agreement Procedure); and

(*b*) The benefits conferred by a Contracting State under Articles 16 (Government Service), 17 (Teachers), 18 (Students and Trainees) and 24 (Effect of Convention on Diplomatic and Consular Officials, Domestic Laws, and Other Treaties), upon individuals who are neither citizens of, nor have immigrant status in, that State.

ARTICLE 2

TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of each Contracting State.

2. The existing taxes to which this Convention shall apply are:

(*a*) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code and the excise taxes imposed on insurance premiums paid to foreign insurers and with respect to private foundations, but excluding the accumulated earnings tax and the personal holding company tax.

(*b*) In the case of the Hungarian People's Republic:

(i) The general income tax.

(ii) The income tax on intellectual activities,

(iii) The profit tax,

(iv) The profit tax on economic associations with foreign participation,

(v) The enterprises special tax,

(vi) The levy on dividends and profit distributions of commercial companies,

(vii) The profit tax on state-owned enterprises, and

(viii) The contribution to communal development, but only to the extent imposed in respect of income taxes covered by this Convention.

3. The Convention shall apply also to any identical or substantially similar taxes which are imposed by a Contracting State after the date of signature of this Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any changes which have been made in their respective taxation laws and shall notify each other of any official published material concerning the application of this Convention, including explanations, regulations, rulings, or judicial decisions.

4. For the purpose of Article 21 (Non-discrimination), this Convention shall also apply to taxes of every kind and description imposed by a Contracting State or a political subdivision or local authority thereof. For the purpose of Article 23 (Exchange of Information), this Convention shall also apply to taxes of every kind imposed by a Contracting State.

ARTICLE 3

GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires:

(*a*) The term "person" includes an individual, a partnership, a company or juridical person, an estate, a trust, and any other body of persons;

(b) The term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;

(c) The terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

(d) The term "nationals" means:

(i) All individuals possessing the citizenship of a Contracting State, and

(ii) All legal persons, partnerships and associations deriving their status as such from the law in force in a Contracting State;

(e) The term "international traffic" means any transport by a ship or aircraft, except where such transport is solely between places in the other Contracting State;

(f) The term "competent authority" means:

(i) In the case of the United States, the Secretary of the Treasury or his delegate, and

(ii) In the case of the Hungarian People's Republic, the Minister of Finance or his delegate;

(g) (i) The term "United States" means the United States of America, and

(ii) When used in a geographical sense, the term "United States" does not include Puerto Rico, the Virgin Islands, Guam, or any other United States possession or territory; and

(h) The term "Hungarian People's Republic", when used in a geographical sense, means the territory of the Hungarian People's Republic.

2. As regards the application of this Convention by a Contracting State any term not otherwise defined shall, unless the context otherwise requires and subject to the provisions of Article 22 (Mutual Agreement Procedure), have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Convention.

ARTICLE 4

FISCAL DOMICILE

1. For purposes of this Convention, the term "resident of a Contracting State" means any person who, under the law of that State, is liable to taxation therein by reason of his domicile, residence, citizenship, place of management, place of incorporation, or any other criterion of a similar nature; provided, however, that:

(*a*) This term does not include any person who is liable to tax in that Contracting State in respect only of income from sources therein or capital situated in that State; and

(*b*) In the case of income derived or paid by a partnership, estate, or trust, this term applies only to the extent that the income derived by such partnership, estate, or trust is subject to tax as the income of a resident of the Contracting State, either in its hands or in the hands of its partners or beneficiaries.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then the individ-

ual's tax status shall be determined as follows:

(*a*) The individual shall be deemed to be a resident of the Contracting State in which the individual has a permanent home available to him. If the individual has a permanent home available to him in both Contracting States or in neither Contracting State, the individual shall be deemed to be a resident of the Contracting State in which the individual's center of vital interests is located;

(*b*) If the Contracting State in which the individual's center of vital interests is located cannot be determined, the individual shall be deemed to be a resident of that Contracting State in which the individual has an habitual abode;

(*c*) If the individual has an habitual abode in both Contracting States or in neither of them, the individual shall be deemed to be a resident of the Contracting State of which the individual is a national; and

(*d*) If the individual is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a company is a resident of both Contracting States, then if it is created or organized under the laws of a Contracting State or a political subdivision thereof, it shall be treated as a resident of that State.

4. Where by reason of the provisions of paragraph 1 a person other than an individual or a company is a resident of both Contracting States, the competent authorities of the Contracting States shall by mutual agreement endeavor to settle the question and to determine the mode of application of the Convention to such person.

5. For purposes of this Convention, an individual who is a national of a Contracting State shall also be deemed to be a resident of that State if (a) the individual is an employee of that State or an instrumentality thereof in the other Contracting State or in a third State; (b) the individual is engaged in the performance of governmental functions for the first-mentioned State; and (c) the individual is subjected in the first-mentioned State to the same obligations in respect of taxes on income as are residents of the first mentioned State. The spouse and minor children residing with the employee and subject to the requirements of (c) above shall also be deemed to be residents of the first-mentioned State.

ARTICLE 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business or production through which the activities of an enterprise are wholly or partly carried on.

2. The term "permanent establishment" shall include especially:

(*a*) A place of management;

(*b*) A branch;

(*c*) An office;

(*d*) A factory;

(*e*) A workshop; and

(*f*) A mine, an oil or gas well, a quarry, or any other place of extraction of natural resources.

3. A building site or construction or installation project, or an installation or drilling rig or ship used for the exploration or development of natural resources, shall constitute a permanent establishment only if it lasts more than 24 months.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

(a) The use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

(b) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

(c) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

(d) The maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;

(e) The maintenance of a fixed place of business solely for the purpose of carrying on for the enterprise any other activity if it has a preparatory or auxiliary character; and

(f) The maintenance of a fixed place of business solely for any combination of the activities mentioned in subparagraphs a) to e) of this paragraph.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person—other than an agent of an independent status to whom paragraph 6 applies—is acting on behalf of an enterprise and has, and habitually exercises in a Contracting State, an authority to conclude contracts in the name of such enterprise, that enterprise shall be deemed to have a permanent establishment in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised at a fixed place of business, would not make this place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

ARTICLE 6

INCOME FROM IMMOVABLE PROPERTY (REAL PROPERTY)

1. Income derived by a resident of a Contracting State from immovable property (real property) situated in the other Contracting State may be taxed in that other State.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting land property apply, usufruct of immovable property and rights to variable or fixed payments as considered for the working of, or the right to work, mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

ARTICLE 7

BUSINESS PROFITS

1. The business profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the business profits of the enterprise may be taxed in that other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the business profits which it might be expected to make if it were a distinct and independent enterprise engaged in the same or similar activities under the same or similar conditions.

3. In the determination of the business profits of a permanent establishment, there shall be allowed as deductions those expenses which are incurred for the purposes of the permanent establishment, including a reasonable allocation of executive and general administrative expenses, research and development expenses, interest, and other expenses incurred for the purposes of the enterprise as a whole (or the part thereof which includes the permanent establishment), whether incurred in the State in which the permanent establishment is situated or elsewhere.

4. No business profits shall be attributed to a permanent establishment by reason of:

(*a*) The mere purchase by that permanent establishment of goods or merchandise for the enterprise, or

(*b*) The mere delivery to the permanent establishment of goods or merchandise for its use.

5. Where business profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

ARTICLE 8

SHIPPING AND AIR TRANSPORT

1. Profits of an enterprise of a Contracting State from the operation in international traffic of ships or aircraft shall be taxable only in that State.

2. For purposes of this Article, profits from the operation of ships or aircraft in international traffic include profits derived from the rental on a full or bareboat basis of ships or aircraft operated in international traffic if such rental profits are incidental to other profits described in paragraph 1.

3. Profits of an enterprise of a Contracting State from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise in international traffic shall be taxable only in that State.

4. The provisions of this Article shall also apply where the enterprise has an agency in the other State for the transportation of goods or persons, but only to the extent of activities directly connected with the business of shipping and aircraft transportation, including auxiliary activities connected therewith.

ARTICLE 9

DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and

according to the law of that State, but if the beneficial owners of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

(*a*) Five percent of the gross amount of the dividends if the beneficial owner is a company which owns, directly or indirectly, at least 10 percent of the voting stock of the company paying the dividends;

(*b*) In all other cases, 15 percent of the gross amount of the dividends.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the taxation law of the State of which the company making the distribution is a resident.

4. The provisions of paragraphs 1 and 2 shall not apply if the recipient of the dividends, being a resident of Contracting State, carries on business in the other Contracting State, of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 (Business Profits) or Article 13 (Independent Personal Services), as the case may be, shall apply.

5. Where a company is a resident of a Contracting State, the other Contracting State may not impose any tax on the dividends paid by the company, except insofar as:

(*a*) Such dividends are paid to a resident of that other State,

(*b*) The holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, or

(*c*) Such dividends are paid out of profits attributable to a permanent establishment which such company had in that other State, provided that at least 50 percent of such company's gross income from all sources was attributable to a permanent establishment which such company had in that other State.

Where subparagraph (c) applies and subparagraphs (a) and (b) do not apply, any such tax shall be subject to the limitations of paragraph 2.

ARTICLE 10

INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "interest" as used in this Convention means income from debt-claims of every kind, whether or not secured by mortgage, and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums or prizes attaching to bonds or debentures.

3. The provisions of paragraph 1 shall not apply if the person deriving the interest, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of Article 7 (Business Profits) or Article 13 (Independent Personal Services), as the case may be, shall apply.

ARTICLE 11

ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematographic films or films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or other like right or property, or for information concerning industrial, commercial or scientific experience.

3. The provisions of pargraph 1 shall not apply if the person deriving the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such a case the provisions of Article 7 (Business Profits) or Article 13 (Independent Personal Services), as the case may be, shall apply.

ARTICLE 12

CAPITAL GAINS

1. Gains derived by a resident of a Contracting State from the alienation of immovable property, as defined in paragraph 2 of Article 6 (Immovable Property), situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable propery pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or together with the whole enterprise) or of such a fixed base, may be taxed in the other State. However, gains derived by an enterprise of a Contracting State from the alienation of ships, aircraft or containers operated by such enterprise in international traffic shall be taxable only in that State.

3. Gains from the alienation of any property other than those mentioned in paragraphs 1 and 2, shall be taxable only in the Contracting State of which the alienator is a resident.

ARTICLE 13

INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting State from the performance of personal services in an independent capacity shall be taxable only in that State unless such services are performed in the other Contracting State and—

(*a*) The individual is present in that other State for a period or periods aggregating more than 183 days in the taxable year concerned, or

(*b*) The individual has a fixed base regularly available to him in that other State for the purpose of performing his activities, but only so much of the income as is attributable to that fixed base.

2. The term "personal services" includes especially, independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists, artists, athletes and accountants.

ARTICLE 14

DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 15 (Pensions) and 16 (Government Service), salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

(*a*) The recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the taxable year concerned, and

(*b*) The remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and

(*c*) The remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration in respect of an employment as a member of the regular complement of a shop or aircraft operated by an enterprise of a Contracting State in international traffic may be taxed only in that Contracting State.

ARTICLE 15

PENSIONS

Subject to the provisions of paragraph 2 of Article 16 (Government Services),

1. Pensions and other similar remuneration beneficially derived by a resident of a Contracting State in consideration of past employment shall be taxable only in that State, and

2. Social security payments and other public pensions paid by a Contracting State to an individual who is a resident of the other Contracting State or a citizen of the United States shall be taxable only in the first-mentioned Contracting State.

ARTICLE 16

GOVERNMENT SERVICE

1(*a*) Remuneration other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivison or local authority thereof shall be taxable only in that State.

(*b*) However, such remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the recipient is a resident of that other Contracting State who:

(i) Is a national of that State; or

(ii) Did not become a resident of that State solely for the purpose of performing the services.

2(*a*) Any person paid by, or out of funds created by, a Contracting State or a political subdivision or a local authority thereof to any individual in respect of services rendered to that State or subdivision or local authority thereof shall be taxable only in that State.

(*b*) However, such pension shall be taxable only in the other Contracting State if the recipient is a national of and a resident of that State.

3. The provisions of Article 13 (Independent Personal Services), 14 (Dependent Personal Services), and 15 (Pensions), as the case may be, shall apply to remuneration and pensions in respect of services rendered in connection with any business carried on by a Contracting State or a political subdivision or a local authority thereof.

ARTICLE 17

TEACHERS

1. Where a resident of one of the Contracting States is invited by the Government of the other Contracting State, a political subdivision or a local authority thereof, or by a university or other recognized educational institution in that other Contracting State to come to that other Contracting State for a period not expected to exceed 2 years for the purpose of teaching or engaging in research, or both, at a university or other recognized educational institution, and such resident comes to that other Contracting State primarily for such purpose, his income from personal services for teaching or research at such university or educational institution shall be exempt from tax by that other Contracting State for a period not exceeding 2 years from the date of his arrival in that other Contracting State.

2. This Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

ARTICLE 18

STUDENTS AND TRAINEES

1. Payments which a student, apprentice or business trainee who is, or was immediately before visiting a Contracting State, a resident of the other Contracting State and who is present in the first-mentioned Contracting State for the purpose of his full-time education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State provided that such payments are made to him from sources outside that State.

2. An individual to whom paragraph 1 applies may elect to be treated for tax purposes as a resident of the first-mentioned State. The election shall apply to all periods during the taxable year of the election and subsequent taxable years during which the individual qualifies under paragraph 1, and may not be revoked except with the consent of the competent authority of that State.

ARTICLE 19

ALL OTHER INCOME

Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

ARTICLE 20

RELIEF FROM DOUBLE TAXATION

1. In the case of the United States, double taxation shall be avoided as follows: In accordance with the provisions and subject to the limitations of the law of the United States (as it may be amended from time to time without changing the general principle hereof), the United States shall allow to a resident or citizen of the United States as a credit against the United States tax on income the appropriate amount of tax paid to the Hungarian People's Republic; and, in the case of a United States company owning at least 10 percent of the voting stock of a company which is a resident of the Hungarian People's Republic from which it receives dividends in any taxable year, the United States shall allow as a credit against the United States tax on income the appropriate amount of income tax paid to the Hungarian People's Republic by that company with respect to the profits out of which such dividends are paid. Such appropriate amount shall be based upon the amount of income tax paid to the Hungarian People's Republic, but the credit shall not exceed the limitations (for the purpose of limiting the credit to the United States tax on income from sources outside of the United States) provided by United States law for the taxable year. For purposes of applying the United States credit in relation to tax paid to the Hungarian People's Republic, the taxes referred to in paragraphs 2(b) and 3 of Article 2 (Taxes Covered) shall be considered to be income taxes.

2. In the case of the Hungarian People's Republic, double taxation shall be avoided as follows:

(*a*) Where a resident of the Hungarian People's Republic:

(i) Derives income which, in accordance with the provisions of this Convention other than paragraph 2 of Article 1 (Personal Scope), may be taxed in the United States, or

(ii) Derives income from sources within the United States which may be taxed only by reason of paragraph 2 of Article 1 (Personal Scope),

the Hungarian People's Republic shall, subject to the provisions of subparagraphs (b) and (c), exempt such income from tax.

(*b*) Where a resident of the Hungarian People's Republic derives items of income which, in accordance with the provisions of paragraph 2 of Article 9, may be taxed in the United States, the Hungarian People's Republic shall allow as a deduction from the tax on the income of that resident an amount equal to the tax paid in the United States. Such deduction shall not, however, exceed that part of the tax, as computed before the deduction is given, which is attributable to such items of income derived from the United States.

(*c*) Where in accordance with any provision of the Convention income derived by a resident of the Hungarian People's Republic is exempt from tax in the Hungarian People's Republic, the Hungarian People's Republic may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

ARTICLE 21

NONDISCRIMINATION

1. The nationals of a Contracting State, whether or not they are residents of one of the Contracting States, shall not be subjected in the other State to any taxation or any requirement connected therewith, which is more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances are or may be subjected. For purposes of the preceding sentence, nationals who are subject to tax by a Contracting State on worldwide income are not in the same circumstances as nationals who are not so subject.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities. This Article shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

3. Interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned State.

4. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

5. In this Article the term "taxation" means taxes of every kind and description imposed by a Contracting State or a political subdivision or local authority thereof.

ARTICLE 22

MUTUAL AGREEMENT PROCEDURE

1. Where a resident or national of a Contracting State considers that the actions of one or both of the Contracting States result or will result for it in taxation not in accordance with this Convention, it may, notwithstanding the remedies provided by the national laws of those States, present its case to the competent authority of the Contracting State of which it is a resident or national.

2. The competent authority shall endeavor, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State with a view to the avoidance of taxation not in accordance with the Convention. Any agreement reached shall be implemented notwithstanding any time limits in the national laws of the Contracting States.

3. The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Convention. They may also consult together for the elimination of double taxation in cases not provided for in the Convention.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

5. The competent authorities of the Contracting States may prescribe regulations to carry out the purposes of this Convention.

ARTICLE 23

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for the carrying out of this Convention or of the domestic laws of the Contracting States concerning taxes covered by this Convention insofar as the taxation thereunder is not contrary to this Convention. The exchange of information is not restricted by Article 1 (Personal Scope). Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes which are the subject of the Convention. Such persons or authorities shall use the information only for such purposes. These persons or authorities may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on one of the Contracting States the obligation:

(*a*) To carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

(*b*) To supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

(*c*) To supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (order public).

3. If information is requested by a Contracting State in accordance with this Article, the other Contracting States shall obtain the information to which the request relates in the same manner and to the same extent as if the tax of the first-mentioned State were the tax of that other State and were being imposed by that other State. If specifically requested by the competent authority of a Contracting State, the competent authority of the other Contracting State shall provide information under this Article in the form of depositions of witnesses and copies of unedited original documents (including books, documents, statements, records, accounts, or writings), to the same extent such depositions and documents can be obtained under the laws and administrative practices of such other State with respect to its own taxes.

ARTICLE 24

EFFECT OF CONVENTION ON DIPLOMATIC AND CONSULAR OFFICIALS, DOMESTIC LAWS, AND OTHER TREATIES

1. Nothing in this Convention shall affect the taxation privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

2. This Convention shall not restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded—

(*a*) By the laws of either Contracting State, or

(*b*) By any other agreement between the Contracting States.

ARTICLE 25

ENTRY INTO FORCE

1. This Convention shall be subject to ratification or approval in accordance with the applicable procedures of the Governments of the Contracting States and it shall enter into force as soon as the parties have notified one another that their respective constitutional requirements have been met.

2. The provisions of this Convention shall have effect:

(*a*) In respect of tax withheld at the source, to amounts paid or credited on or after the first day of the second month next following the date on which this Convention enters into force,

(*b*) In respect of other taxes, to taxable periods beginning on or after the first day of January next following the date on which this Convention enters into force.

ARTICLE 26

TERMINATION

This Convention shall remain in force until terminated by the Government of one of the Contracting States. The Government of either Contracting State may terminate the Convention at any time after 5 years from the date on which this Convention enters into force provided that at least 6 months' prior notice of termination has been given through diplomatic channels. In such event, the Convention shall cease to have effect:

1. In respect of tax withheld at the source, to amounts paid or credited on or after the first day of January next following the expiration of the 6 months' period;

2. In respect of other taxes, to taxable periods beginning on or after the first day of January next following the expiration of the 6 months' period.

Done at Washington in duplicate, both in the English and Hungarian languages, the two texts having equal authenticity, this 12th day of February 1979.

For the Government of the United States of America:

W. MICHAEL BLUMENTHAL,
Secretary of the Treasury.

For the Government of the Hungarian People's Republic:

LAJOS FALUVEGI,
Minister of Finance.

The resolution of ratification of executive X was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Between the Government of the United States of America and the Government of the Hungarian People's Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, together with an exchange of notes relating thereto, done at Washington on February 12, 1979 (Ex. X, Ninety-sixth Congress, first session).

AUTHORITY TO ORDER YEAS AND NAYS AT ANY TIME ON SIX TREATIES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that it be in order to order the yeas and nays at any time on the treaties just referred to.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. JAVITS. Mr. President, on behalf of Senator CHURCH, chairman of the Committee on Foreign Relations, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 3173.

The PRESIDING OFFICER (Mr. LEVIN) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JAVITS. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CHURCH, Mr. BIDEN, Mr. GLENN, Mr. STONE, Mr. JAVITS, Mr. PERCY, and Mr. HELMS conferees on the part of the Senate.

ORDER FOR RECESS TO 10:30 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. on Monday, rather than 10 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

OCEAN THERMAL ENERGY FOR THE EIGHTIES

Mr. MATSUNAGA. Mr. President, during these difficult times when we are reminded daily of our energy problems, I am pleased to report on an emerging technology having great hopes for the future.

I am referring to the promise of obtaining energy from the ocean through the application of ocean thermal energy conversion, commonly known as OTEC.

In the OTEC process, the heat contained in the surface waters of our oceans is used to evaporate a fluid, passing the resulting vapor through a turbine, then returning the vapor back into a liquid state by chilling it with cold water obtained from the deep ocean. The turbine generates electricity, and the entire process is similar in concept to that of conventional steam powerplants.

During the past 2 years in which I have been a member of the Senate Energy Committee, and vice chairman of the Subcommittee on Energy Research and Development, I have had the opportunity of considering a number of new technologies to meet our future energy needs. Use of the ocean to obtain energy is one of the most exciting.

It is especially intriguing to note that the ocean is a solar energy source which knows no difference in capability, whether it be in the bright sunlight during the daytime, or in the pitch darkness of a starless night; energy whose source knows scarcely any seasonable variations in capability. No storage of energy is required because the world's oceans serve as huge solar heat collectors and store the energy for us. In terms of air and water quality, energy from the ocean would be clean, and essentially pollution free. Most important, the "fuel supply" is virtually inexhaustible and free of inflation.

What was just a few years ago an OTEC program mostly directed to theoretical studies, paper investigations and basic research, has become a hardware program with great opportunity for early substantial pilot plant construction and rapid follow-up commercialization.

We now know that no scientific breakthroughs are needed, and the basic technology is available, to build a full-scale OTEC plant, although complex engineering problems remain to be solved and cost projections need to be verified before widespread application takes place.

On May 29, 1979 in Hawaii, a ceremony was held to commission the world's first closed-cycle, self-sustaining OTEC plant, which will be operating in waters off the coast of the big island of Hawaii. In another week, we will actually be seeing, for the first time, an actual OTEC plant producing electricity.

"Ocean Thermal Energy for the 80's" is the theme of the Sixth Annual OTEC Conference, meeting this week in Washington. This is an apt title considering the reports of excellent progress heard throughout the conference. Also at the conference is an impressive display of actual hardware and conceptual designs of OTEC systems being planned for the coming decade.

The outstanding progress made to date in the OTEC program is good reason for joining the participants at the Sixth Annual OTEC Conference in celebrating the dawn of a new source of energy for our Nation and the world.

Mr. President, the Washington Post on June 20 carried an article entitled "Energy from the Oceans" concerning this technology, which I would like to share with my colleagues.

I ask unanimous consent it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 20, 1979]

ENERGY FROM THE OCEANS

(By J. P. Smith)

While hardly a catch phrase in the government's multi-billion-dollar energy technology sweepstakes, OTEC—Ocean Thermal Energy Conversion—has evolved quietly to where it can be counted on to produce solar-generated electricity at commercial rates in the mid-1980s.

That at least is the judgment of senior Energy Department officials, Lockheed, Bechtel, TRW and other industrial giants urging Congress and the Carter administration to spend tens of millions of dollars on an OTEC demonstration plant.

They are not alone. Last year, the President's Council on Environmental Quality projected that OTEC could generate the equivalent of 1 quadrillion to 3 quadrillion BTUs (quads) by the year 2000 compared with the 3 quads that the nation today gets gets from hydroelectric power.

OTEC utilizes the temperature differences between warm ocean surface water and cold subsurface water pumped through an almost totally submerged 7-story pipe to form steam and power a turbine.

From the tower, which is tethered to the ocean floor, electrical current is transmitted ashore by submarine cable into the electrical grid.

OTEC is simply an engine that draws on the ocean's heat. It is based on concepts formulated in 1881 by Jacques d'Arsonval, a French scientist.

"What we really have is a very rudimentary power plant, with low temperatures and low pressures," said the Energy Department's Robert Cohen, adding, "It's not that exotic." Cohen and others such as Lockheed's James Wenzel also say that OTEC draws largely on off-the-shelf technology and many of the same engineering principals utilized in building offshore oil rigs.

Most important of all, however, OTEC uses solar energy, requiring no oil, natural gas or coal to generate electricity.

Still another positive point is that OTEC is one of the few solar technologies under consideration by DOE that can be used in the near term to generate electricity on a large-scale basis.

Not everyone is unabashedly optimistic. Energy Secretary James R. Schlesinger is said to have expressed "nothing more than a distracted interest," according to administration officials. And, on Capitol Hill, a senior Senate aide dismisses it out of hand as "pork barrel for the aerospace companies who designed Skylab."

Although OTEC is one of the few solar technologies that promises early commercial-scale operations, it receives the smallest share—about $33 million—of the 8 solar technologies funded in DOE's budget of nearly $600 million.

Part of the reason for this is that OTEC has a limited political constituency due to its limited regional application. Congressmen outside of the Gulf Coast states, Puerto Rico and Hawaii see little gain from funding OTEC research or demonstration projects.

Still another drawback is that OTEC's political fortunes have not benefited from the emerging power of the sprawling solar lobby. "All the (OTEC) pipes and aerospace companies (OTEC contractors) simply spook the Small-is-Beautiful People," says one scientist working on a DOE-funded OTEC project.

DOE's Cohen is quick to admit there are some obstacles. "We have a perception gap in OTEC; there are still a lot of misconceptions that have to be overcome," he said.

This doesn't mean there hasn't been fierce lobbying.

MAJORITY LEADER SALUTES ASIAN/PACIFIC AMERICANS DURING HERITAGE WEEK

Mr. MATSUNAGA. Mr. President, during the week of May 4–10, the United States celebrated, for the first time, Asian/Pacific American Heritage Week. As one of the principal sponsors of the legislation providing for this historic event, I am deeply grateful for the support rendered by my colleagues in the U.S. Senate and for their efforts to make the celebration of Asian/Pacific American Heritage Week a truly meaningful event for thousands of Asian Americans and Pacific Islanders throughout our great country.

The distinguished majority leader of the Senate, the Honorable ROBERT C. BYRD of West Virginia, was particularly helpful in arranging for consideration of Senate Joint Resolution 72, the legislation providing for observance of Asian/Pacific American Heritage Week. On May 4, Senator BYRD attended the opening reception of Asian/Pacific American Heritage Week, hosted by the Washington, D.C., Chapter of the Japanese American Citizens League, and graciously introduced the guest of honor, Prime Miniter Masayoshi Ohira, of Japan. All who attended the reception agreed that Senator BYRD's introduction was especially appropriate in view of Asian/Pacific American Heritage Week and in view of the ongoing United States-Japan trade talks.

With the thought that my colleagues will find the majority leader's remarks of equally great interest, I ask unanimous consent to have the text of his introduction printed in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

INAUGURATION RECEPTION FOR ASIAN/PACIFIC AMERICAN HERITAGE WEEK

(By ROBERT C. BYRD)

I want to thank Mike Masaoka for his gracious introduction, and I want to join my friends and colleagues from the Senate and House of Representatives in welcoming each of you here tonight.

The United States for many generations was virtually a one-ocean Nation.

Since most citizens of this country had European antecedents, the Atlantic Ocean served as the primary avenue for the transport of commerce, ideas, and political concerns.

But once the tide of nation-building reached the Pacific coasts of North America, the magnetism of the American dream began to exert its irresistible influence on the people of Asia and the Pacific islands.

It has been variously estimated that there are today more than four million citizens of the United States whose ancestral origins are in Japan, China, Korea, the Philippines, Southeast Asia, or the Archipelagos of Oceana.

The American heritage is no longer strictly European, Middle Eastern, or African in nature.

In every field of human endeavor—the performing arts, science, literature, technology, government, and economics—Americans of Asian or Pacific background are making significant and laudatory contributions to the life of this country. The United States is becoming increasingly cosmopolitan, and this country is in truth today a Nation of two oceans.

It is appropriate, therefore, that this distinguished company has gathered here to inaugurate Asian/Pacific American heritage week. And it is doubly appropriate, I believe, that we have as a special guest the prime minister of Japan.

In Mr. Masayoshi Ohira, Japan has a prime minister whose background and experience are both broad and deep. Mr. Ohira has had a stellar career in the Japanese legislature, economics, administration, and in foreign relations. After serving for a number of years in the ministry of finance, he was elected to the house of representatives in Tokyo in 1952, and he has been reelected to that body nine consecutive times since then. He has served in various cabinets as the minister of foreign affairs, minister of finance, and minister of international trade and industry, prior to being chosen prime minister.

According to many economic experts, no one in modern Japanese history has done more than prime minister Ohira, in the many roles that he has played over his impressive career, to foster and nurture the economic prosperity and industrial growth that Japan can boast. But prime minister Ohira, even during his brief months in his present position, has demonstrated that his vision of economics and commerce are not limited by parochial considerations alone. Prime minister Ohira is working to strengthen the bonds of world economic relations, in order that Japan's friends, neighbors, allies, and trading partners may likewise enhance their own prosperity and abundance. Prime minister Ohira is a man of great wisdom and international perception.

It gives me extreme pleasure, therefore, to introduce to you, his excellency Masayoshi Ohira, the prime minister of Japan, who will speak to you at this time.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Hawaii (Mr. MATSUNAGA) for his kind references.

I appreciate his friendship and applaud his statesmanship.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday will be as follows: The Senate will come in at 10:30 a.m. After the two leaders or their designees have been recognized under the standing order, the supplemental appropriations bill (H.R. 4289) will become the business before the Senate.

Under the order previously entered, it cannot be taken down by a call for regular order.

There is a time agreement on the bill and, hopefully, final action can be completed thereon on Monday.

Mr. President, upon the completion of the supplemental appropriations bill, the Senate will be back on the unfinished business, which is now the constitutional amendment, Senate Joint Resolution 28; is that correct?

The **PRESIDING OFFICER**. That is correct.

Mr. **ROBERT C. BYRD**. And the question which has been before the Senate dealing with mutual defense treaties has automatically been put back on the calendar, has it not?

The **PRESIDING OFFICER**. That is also correct. It has gone back to the calendar.

Mr. **ROBERT C. BYRD**. I thank the Chair.

Mr. President, as we look into the days of next week beyond Monday, I hope it will be possible to clear other matters for action. If not, the Senate will be debating the direct elections constitutional amendment, once the supplemental appropriations bill has been disposed of.

I believe under the understanding that I have articulated from time to time, through the month of June there will be no late evening sessions on Mondays.

So the Senate will go out shortly after 6:30 p.m. on Monday.

I hope the action on the appropriations bill have been completed by that time. If it can be completed within another half hour, of course, I will have the understanding of all Senators that if we have to go a little longer to complete action on the bill, we will do so. But if action is not completed on the bill Monday, the Senate will continue on Tuesday.

Then upon the disposition of that bill, of course, any others that have been cleared for action will be taken up. But the unfinished business at that time is and will be the direct popular elections on the constitutional amendments.

Debate will continue on that at times when the Senate does not have other matters before it.

RECESS TO 10:30 A.M. ON MONDAY, JUNE 25, 1979

Mr. **ROBERT C. BYRD**. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10:30 a.m. on Monday.

The motion was agreed to; and at 6:26 p.m., the Senate recessed until Monday, June 25, 1979, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate on June 21, 1979:

DEPARTMENT OF THE AIR FORCE

Hans Michael Mark, of Virginia, to be Secretary of the Air Force, vice John C. Stetson, resigned.

Antonia Handler Chayes, of Massachusetts, to be Under Secretary of the Air Force, vice Hans Michael Mark.

Robert Jay Herman, of Maryland, to be an Assistant Secretary of the Air Force, vice John J. Martin, resigned.

MISSISSIPPI RIVER COMMISSION

Sam Epstein Angel, of Arkansas, to be a member of the Mississippi River Commission for a term of 9 years, vice James Williams Yancey, deceased.

DEPARTMENT OF STATE

Herbert F. York, of California, for the rank of Ambassador during the tenure of his assignment as the U.S. Representative to the Comprehensive Test Ban negotiations.

The following-named person for appointment as a Foreign Service officer of class 4, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Joan Melanie Plaisted, of California.

For appointment as a Foreign Service information officer of class 4, a Consular Officer and a Secretary in the Diplomatic Service of the United States of America:

John Pearce Stirn, of Florida.

For appointment as Foreign Service officers of class 5, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Nancy Jane Cope, of California.
James V. Doane, Jr., of Virginia.
Gordon Eugene Hill, of Ohio.

For promotion from Foreign Service officers of class 7 to class 6:

Charles Russell Allegrone, of North Carolina.
Richard Warren Behrend, of Pennsylvania.
Michael James Benefiel, of Maryland.
William James Bolling, of Connecticut.
Donald E. Booth, of New Jersey.
William Noel Campbell, of Arizona.
Steven James Coffey, of Maryland.
Raymond E. Clore, of California.
Joseph Michael DeThomas, of Pennsylvania.
Charles Lewis English, of New York.
Stephen J. Gallogly, of Rhode Island.
Richard A. Garrison, of Colorado.
Norman Slote Hastings, of Kansas.
Dennis K. Hays, of Virginia.
Christopher Robert Hill, of Rhode Island.
Frank Arthur Hofmann, of Oregon.
Patrick David Husar, of Ohio.
Michael Allen Jacobs, of California.
David Timothy Johnson, of Georgia.
James Joseph Kessinger, Jr., of Virginia.
Stephen Charles Kish, of Virginia.
Paul Conley Kline, of California.
Karen E. Krueger, of Illinois.
Joan Clare Martin, of West Virginia.
Kevin-John H. McIntyre, of Virginia.
Sharon K. Mercurio, of Virginia.
William Gregory Perett, of California.
Nancy J. Powell, of Iowa.
Steven A. Saboe, of Minnesota.
Baldwin Paul Scogna, of New York.
Virginia Sher, of California.
James Curtis Struble, of California.
Elena Michele Thoren, of the District of Columbia.
Mark A. Tokola, of Washington.
Peter B. Vaden, of Virginia.
Larry L. Woodruff, of Iowa.
Frances F. Wurlitzer, of New York.

For appointment as Foreign Service officers of class 6, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Glen William Carey, of New Jersey.
Esther Klein, of Connecticut.
Maurice S. Parker, of California.

For appointment as a Foreign Service information officer of class 6, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Shirley Scher, of California.

For appointment as Foreign Service information officers of class 7, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Gretchen S. Brainerd, of Virginia.
James L. Bullock, of Ohio.
Cynthia B. Caples, of Texas.
Stuart B. Glauberman, of Hawaii.
Mary Ann Ignatius, of Hawaii.
Lee James Irwin, of Wisconsin.
J. Michael Korff, of New Jersey.
William M. Morgan, of California.
Daniel J. Schuman, of Michigan.
Patricia L. Sharpe, of Florida.
Craig J. Stromme, of New York.
Walter Theurer, of New York.

For appointment as Foreign Service information officers of class 8, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Louise Bedichek, of New York.
Robert Lee Earle, of Maryland.
Ruth A. Kurzbauer, of Ohio.

Foreign Service reserve officers to be Consular Officers of the United States of America:

William Bach, of Illinois.
Martin C. Dougherty, of Illinois.
James L. Holmes, Jr., of Florida.
Stephen D. Sena, of Virginia.

Foreign Service reserve officers to be consular Officers and Secretaries in the Diplomatic Service of the United States of America:

Robert E. Arthurs, of California.
Emanuella Barrasso, of Massachusetts.
Lincoln Benedicto, of Pennsylvania.
J. Cofer Black, of Virginia.
Brian H. Bramson, of Virginia.
Adrian B. Ciazza, of Nevada.
Kevin K. Corcoran, of Ohio.
Janet L. Crist, of Illinois.
Lloyd D. Davis, of Maryland.
Michael F. DeFazio, of Massachusetts.
Joseph R. Detrani, of New York.
Louis Harris Dupart, of Virginia.
Judith Ann Edgette, of the District of Columbia.
John M. Feeney, of Virginia.
Sean Edward Fitzgerald, of Virginia.
John P. Gower, of Maryland.
David Harper, of Maryland.
Elaine Hoptiak, of Virginia.
Howard F. Jeter, of the District of Columbia.
Frederick W. Latrash, of Virginia.
Peggy M. Maggard, of Missouri.
Kenneth P. Moorefield, of Virginia.
J. Warren Navarre, of Mississippi.
Thomas V. Pozarycki, of Virginia.
Rowland E. Roberts, Jr., of Maryland.
Guy A. Stone, of Virginia.
George S. Swicker, of Virginia.
Rita Falk Taubenfeld, of Texas.
Gary L. Vinson, of Virginia.
Molly K. Williamson, of California.

Foreign Service reserve officers who are candidates for appointment as Junior Foreign Service officers to be Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

Norma Ruth Banigan, of Virginia.
James Joseph Barnes, of Alabama.
Shelley Elise Berlin, of Virginia.
Linda Marie Brown, of the District of Columbia.
Peter C. Bruce, of the District of Columbia.
William Holmer Crane, Jr., of Florida.
Joseph F. Cuadrado III, of Louisiana.
David Scott DeCrane, of Virginia.
Kenneth James Dillon, of Virginia.
Victoria F. Douglas, of New York.
Robert Emmett Downey, of New Jersey.
Eric N. Duncan, of New Jersey.
Mark Thomas Fitzpatrick, of Minnesota.
Robert D. Goldberg, of Florida.
Laura K. Greulich, of California.
Michael Bethea Hamilton, of Maryland.
Ronald Allan Harms, of Hawaii.
John Edward Herbst, of New York.
J. Anthony Holmes, of Ohio.
Sterling Johnson, of Ohio.
Robert Paul Konrath, of California.
Thomas Charles Krajeski, of Massachusetts.
Elliot R. Lief, of New York.
Scott R. Loney, of Michigan.
Eric Hubert Madison, of the District of Columbia.
C. Steven McGann, of New York.

Brian H. McIntosh, of California.
Louis Steven Menyhert, of New York.
Joseph John Merante, of New York.
Stephen Maxwell Miller, of California.
Lawrence S. Mondschein, of New York.
David Daniel Nelson, of Minnesota.
Deborah Mary Odell, of the District of Columbia.
Raymond J. Pepper, of New York.
Evans Joseph Robert Revere, of Virginia.
Julia Stuart Rose, of Delaware.
Albert E. Schrock, of Illinois.
Angus Taylor Simmons, of the District of Columbia.
Martin Wesley Smith III, of California.
Sandra Ruth Smith, of Missouri.
Dennis Adrian Volman, of New York.
Stephen Duffus Weiss, of California.
Langdon Phillips Williams, Jr., of New York.
Stephen Bryan Williams, of Arkansas.
Ross Lee Wilson, of Minnesota.

Foreign Service reserve officers to be Secretaries in the Diplomatic Service of the United States of America:

Vernon E. Adler, of Maryland.
Walter M. Berwick, of Virginia.
Jacques A. de Coster, of Virginia.
Thomas J. Hirschfeld, of Virginia.
Mary Bland Marshall, of Virginia.
Austin P. McHale, of Virginia.

Foreign Service staff officers to be Consular Officers of the United States of America:

Lane T. Cubstead, of Texas.
Francis R. Daulong, of New York.

IN THE AIR FORCE

The following midshipmen, U.S. Naval Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation under the provisions of sections 541 and 8284, title 10, United States Code, date of rank to be determined by the Secretary of the Air Force.

Berry, Eric C., [redacted].
Brummett, Jack D., [redacted].
Firmin, Glynn R., [redacted].
Hutto, Gregory T., [redacted].
Leon-Guerrero, Franklin P., [redacted].
McLarney, David W., [redacted].
Needham, Robin P., [redacted].
Strader, James T [redacted].
Warner, Richard C., [redacted].

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383.

ARMY PROMOTION LIST

To be colonel

Bordenaro, Ronald J., [redacted].
Browning, Robert C., [redacted].
Clayton, Lawrence G., [redacted].
Conley, Robert H., [redacted].
Dalche, Richard J., [redacted].
Danielson, Jervis A. [redacted].
Dell'Aquila, Louis J., [redacted].
Dirgins, Richard J., [redacted].
Frye, William V. [redacted].
Harris, Virgil W., [redacted].
Hasham, Lewis K., [redacted].
Holloman, Dale, [redacted].
Howard, Lawrence, [redacted].
Jenkins, Edwin, [redacted].
Johnson, Albert L., [redacted].
Keadle, Jack L., [redacted].
King, Richard P., [redacted].
Massey, Dean T. [redacted].
Miller, Clarence W., [redacted].
Orsi, Robert J. [redacted].
Otte, William L., [redacted].
Padavan, Frank, [redacted].
Pascarella, Daniel J. [redacted].
Porter, Kenneth B., [redacted].
Rayburn, Bruce A., [redacted].
Richert, Gordon A., [redacted].
Rocha, Manuel, [redacted].
Rodriguez-Torres, Jaime, [redacted].
Rung, John P., [redacted].
Toye, Robert L., [redacted].
Van Horn, James E., [redacted].
Wallis, Thomas W., [redacted].

CHAPLAIN

To be colonel

Duval, John H., Jr., [redacted].
Helman, Rayfield, [redacted].
Lundeen, Wallace L., [redacted].
Robertson, Russell C., [redacted].
Welsh, Donald H., [redacted].

ARMY NURSE CORPS

To be colonel

Connell, William R., [redacted].
Corey, Beryl J., [redacted].
Devese, Ida M., [redacted].
Ferebee, Calister, [redacted].
Gilmore, Bertie M., [redacted].
Green, Vendetta, [redacted].
Hadley, Ida F., [redacted].
Hanson, Alma M., [redacted].
Jackson, Nancy A., [redacted].
Jackson, Nina K., [redacted].
Jesse, Florence C. [redacted].
Krazinski, Olga, [redacted].
King, Joyce W., [redacted].
Liberator, Jack, [redacted].
Macritche, Mary G., [redacted].
Majewski, Mary T., [redacted].
McWillie, Nancy A., [redacted].
Parsons, Janet L., [redacted].
Penrod, Geanne, [redacted].
Primack, Clara S., [redacted].
Quint, Desta, [redacted].
Randall, Mary T., [redacted].
Reed, Elaine G., [redacted].
Sorensen, Betty F., [redacted].
Sroka, Regina E., [redacted].
Szymanski, Bernice, [redacted].
Van Baalen, Doris, [redacted].
Watson, Randall J., [redacted].
Wheeler, Margaret L., [redacted].

DENTAL CORPS

To be colonel

Body, Charles D., [redacted].
Bolinger, George F., [redacted].
Bradford, Thomas, [redacted].
Brown, Paul R., [redacted].
Bunch, James P., [redacted].
Darling, Roy G., [redacted].
Dolin, Paul R., [redacted].
Ducklow, Robert G., [redacted].
Gildner, Manfred F., [redacted].
Gruber, Adrian, [redacted].
Herrold, Jon A., [redacted].
Huntington, Walter H., [redacted].
Ledwich, Edward, [redacted].
Logan, Maurice, [redacted].
McClanahan, Robert, [redacted].
Pokorney, Robert, [redacted].
Pope, Joseph W., [redacted].
Robison, Ray B., [redacted].
Runge, William H., [redacted].
Schlegel, Charles, [redacted].
Signorella, Arthur, [redacted].
Skinner, Frederick, [redacted].
Vazquez, Torres H., [redacted].
Wise, Donald G., [redacted].

MEDICAL CORPS

To be colonel

Anglin, Walter M., [redacted].
Bennett, Alfred J., [redacted].
Beres, Joseph A., [redacted].
Callis, James T., [redacted].
Christensen, Edward W., [redacted].
DePalma, Anthony T., [redacted].
Didier, Edward P., [redacted].
Fourcaud, Robert B., [redacted].
Gares, Gustavo, [redacted].
Gilmartin, Richard C., Jr., [redacted].
Goodman, Gerald H., [redacted].
Gosline, Ernest, [redacted].
Hansen, Robert W., [redacted].
Harper, Neville W., [redacted].
Henderson, Claude B., [redacted].
Henderson, George P., Jr., [redacted].
Jackman, Frederick, [redacted].
Jiamachello, Nichol, [redacted].
Leppla, Bruce W., [redacted].
Littleton, Leonidas R., Jr., [redacted].
Mathewson, John J., [redacted].
Nunn, Stewart, [redacted].
Richardson, Don A., [redacted].
Tanaka, Kengo, [redacted].
Tolson, James M., [redacted].
Walston, Abe, II, [redacted].
Warren, Mary L., [redacted].
Werner, John L., [redacted].
Yoo, Tai-June, [redacted].

MEDICAL SERVICE CORPS

To be colonel

Atlas, Harry, [redacted].
Bakke, Arnold E., [redacted].
Berry, Albert G., [redacted].
Burns, Edward J., [redacted].
Clayton, David L., [redacted].
Comitos, Nicholas, [redacted].
Deering, William J., [redacted].
Elmore, Elmon M., [redacted].
Giglione, Jack W., [redacted].
Horton, Jack V., [redacted].
Kalbfeld, Louis, [redacted].
Kelleher, Cornelius, [redacted].
Kendrick, Edwin K., [redacted].
Lastelic, Joseph A., [redacted].
Lathrop, Eugene C., [redacted].
Meier, Gene B., [redacted].
Racki, Henry R., [redacted].
Reinke, Albert R., [redacted].
Rosenblatt, David H., [redacted].
Taketa, Takumi, [redacted].
Tomimatso, Louis, [redacted].
Wanberg, Larrie, [redacted].
Yeakel, Mary H., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Cole, Edith, [redacted].
Cotterill, Mary J., [redacted].
Richards, Anne W., [redacted].
Schippers, Ronald L., [redacted].
Wearne, Richard W., [redacted].

VETERINARY CORPS

To be colonel

Lyons, Richard D., [redacted].

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3367 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Agent, Kenneth N. [redacted].
Aurelio, Frank J., [redacted].
Bishop, Michael E., [redacted].
Bland, Francis H., [redacted].
Brandriff, Arthur V., Jr., [redacted].
Bristol, James E., [redacted].
Brown, Earl E., [redacted].
Brown, James M., Jr., [redacted].
Callaway, William R., [redacted].
Canfield, Allan R., [redacted].
Carpo-Medina, Juan E., [redacted].
Cary, Garland L., [redacted].
Compere, John M. [redacted].
Connelly, John E. III, [redacted].
Corets, Myron L., [redacted].
Crogan, Thomas W. III, [redacted].
Darden, James W., [redacted].
Delmaramo, James A., [redacted].
DeMartini, Frank J., Jr., [redacted].
DenBraven, Donald, [redacted].
Detterline, Donald R., [redacted].
Diesen, Charles F., [redacted].
Diliberti, Angelo, [redacted].
Dorland, John H., [redacted].
Dotson, Arell J., [redacted].
Doty, John W., [redacted].
Dwyer, Raymond M., [redacted].
Erfurdt, Richard J., [redacted].
Ernst, Joe M., [redacted].
Evans, Edwin R., [redacted].
Everett, Ronald E., [redacted].
Fallon, Richard J., [redacted].
Flynn, Arthur V., [redacted].
Frank, Gilbert L., [redacted].
Fuller, Jerry L., [redacted].

Garrigues, Jack A., [redacted].
Giglio, John R., [redacted].
Gleason, Lemmie T., [redacted].
Graves, Herbert M., [redacted].
Grooms, Randall D., [redacted].
Gugler, Ted C., [redacted].
Haymond, George R., [redacted].
Hayuk, Hlib S., [redacted].
Helinski, Edward P., [redacted].
Holloway, George L., [redacted].
Hudson, Franklin E., [redacted].
Hundley, Wayne E., [redacted].
Jackson, Joseph M., [redacted].
Kiernan, James M., [redacted].
Kinslow, George A., [redacted].
Knehans, Adolph H., Jr., [redacted].
Knueven, Robert J., [redacted].
Littlejohn, Bobby J., [redacted].
Lull, Don F., [redacted].
Maar, Henry R., Jr., [redacted].
Mabry, Duane R., [redacted].
Macary, Richard P., [redacted].
Magit, Nathan L., [redacted].
Marquis, Fred E., [redacted].
Matta, Bernard J., [redacted].
McClintock, Andrew F., [redacted].
McCostlin, Walter M., [redacted].
McGraw, Henry C., [redacted].
McGuire, James H., [redacted].
McKenzie, Roger L., [redacted].
McLeod, Joe E., Jr., [redacted].
McPherron, Larry L., [redacted].
Mele, John G., [redacted].
Moe, Ronald E., [redacted].
Monroe, Donald H., [redacted].
Moreau, Robert G., [redacted].
Murtha, Glen E., [redacted].
Oliver, Barney R., [redacted].
Orvis, Charles C., [redacted].
Payne, Herbert M., Jr., [redacted].
Payne, Joseph C., [redacted].
Perkins, Richard N., [redacted].
Perry, Robert M., [redacted].
Pezzullo, Joseph A., [redacted].
Policastri, Louis M., [redacted].
Porter, Dan B., [redacted].
Posey, Jerry B., [redacted].
Pottratz, Richard D., [redacted].
Preston, James M., [redacted].
Punch, Frank G., Jr., [redacted].
Ranus, Richard R., [redacted].
Rarden, Michael A., [redacted].
Rich, Wendell A., [redacted].
Robinson, James M., [redacted].
Ross, Omar G., [redacted].
Rostron, Ira R., [redacted].
Sabo, Thomas W., [redacted].
Schimpf, Glenn B., [redacted].
Schumcher, James R., [redacted].
Sebesta, Charles J., [redacted].
Seymour, Harold K., [redacted].
Simmons, Gene D., [redacted].
Sinks, Leslie E., [redacted].
Spivey, Jimmie B., [redacted].
Stevens, John C., [redacted].
Taylor, Clarence B., [redacted].
Tellan, Marsh J., [redacted].
Thompson, George D., [redacted].
Thurbee, Lee A., [redacted].
Tilman, George M., [redacted].
Toney, Jenklin D., Jr., [redacted].
Topper, Ronald A., [redacted].
Undeberg, Oscar M., [redacted].
Wallace, James D., [redacted].
Waltman, Larry F., [redacted].
Whitton, George M., [redacted].
Williams, John L., [redacted].
Wilson, Howard H., [redacted].
Wingate, Lucius R., [redacted].
Woods, Ronald L., [redacted].
Wyse, Ronald C., [redacted].
Young, James H., Jr., [redacted].

CHAPLAIN

To be lieutenant colonel

Herrington, James R., [redacted].
Luljak, Louis P., [redacted].
Thomspon, William E., Jr., [redacted].
Vaughn, Douglas E., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Brogan, Helen J., [redacted].
Brunk, Maude D., [redacted].
Lust, Barbara L., [redacted].
Martin, Elma L., [redacted].
McCall, Carolyn, [redacted].
Stark, Ronald E., [redacted].
Steitz, Janet G., [redacted].
Stevenson, Judith N., [redacted].
Sullivan, Flora M., [redacted].
Taylor, Keith H., [redacted].
Taylor, Rose M., [redacted].

DENTAL CORPS

To be lieutenant colonel

Cartwright, Robert, [redacted].
Falasco, Raymond F., [redacted].
Ford, Delane, [redacted].
Hastings, John G., [redacted].
Madden, Richard M., [redacted].
McNutt, George W., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Alexander, Chundamannil, [redacted].
Caldwell, Earl N., [redacted].
Dew, Joseph M., [redacted].
Hayes, Matthew J., [redacted].
Hicks, Russell D., [redacted].
Hoyumpa, Anastacio, [redacted].
Longmire, Atkinson W., [redacted].
McCaffery, Lawrence A., [redacted].
Meimiridis, Stavros E., [redacted].
Restituto, Norberto, [redacted].
Salisbury, Roger E., [redacted].
Samorodin, Charles S., [redacted].
Streker, Edward J., [redacted].
Talarico, Francis J., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Atterbury, Urban S., [redacted].
Basham, Paul N., [redacted].
Blizzard, Paul T., [redacted].
Brooks, Robert N., [redacted].
Burrow, Kenneth, [redacted].
Chaluisan-Escanellas, J., [redacted].
Coleman, Charles T., [redacted].
Hueber, Jerald A., [redacted].
Madsen, Ralph C., [redacted].
Moore, Lloyd T., [redacted].
Patterson, Thomas D., [redacted].
Price, Paul L., [redacted].
Sudman, Marvin S., [redacted].
Tate, Alice M., [redacted].
Wasserman, Neil T., [redacted].
Whitehead, Patricia A., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Benson, Robert L., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States under the provisions of title 10, U.S.C. sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Badger, Virginia M., [redacted].
Levy, Arthur E., [redacted].
Lieberman, Murray, [redacted].
Nelson, James S., [redacted].

DENTAL CORPS

To be lieutenant colonel

Berringer, Ray D., [redacted].
Cancellara, Anthony N., [redacted].
Cannon, Joe L., [redacted].
Gustincic, David J., [redacted].
Hanratty, William J., [redacted].
McBride, Richard F., [redacted].
McMatton, Robert E., [redacted].
Perry, James J., [redacted].
Shufore, Gene M., [redacted].
Sullivan, Robert W., [redacted].
Tolman, Dan E., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Ahsanuddin, Khaja M., [redacted].
Benson, William L., [redacted].
Bernhard, William N., [redacted].
Bloom, Kenneth, [redacted].
Bryant, Kenneth L., [redacted].
Bunner, David L., [redacted].
Chobot, Edwin F., [redacted].
Clark, Charles F., [redacted].
Cleary, John P., [redacted].
Coldewey, Johnson F., [redacted].
Collins, Delano M., [redacted].
Davies, Douglas, [redacted].
Davis, Jeffrey V., [redacted].
Dewitt, James E., [redacted].
Durand-Hollis, Gabriel, [redacted].
Durham, James C., [redacted].
Enquist, Robert W., [redacted].
Gray, Joseph W., [redacted].
Green, Howard G., [redacted].
Haym, Jerome L., [redacted].
Haynes, James L., [redacted].
Heacock, Allen K., [redacted].
Karlsberg, Robert C., [redacted].
Kim, Sarah, [redacted].
Lehtmets, Marliese L., [redacted].
Linares, Rene, [redacted].
Miranda, Mario C., [redacted].
Modarelli, Robert O., [redacted].
Natkin, Roger A., [redacted].
Nicolay, William R., [redacted].
Nowakowski, Andrew, [redacted].
Otriz, Miguel A., [redacted].
Philbin, George E., [redacted].
Pianin, Stanley L., [redacted].
Pinc, Roger D., [redacted].
Plavin, Melvin, [redacted].
Robert, Lois M., [redacted].
Rodman, Harold J., [redacted].
Schulhoff, Diane I., [redacted].
Stone, Dale H., [redacted].
Thornszard, Charles T., [redacted].
Tomlinson, John P., III, [redacted].
Vynak, Miroslav B., [redacted].
Wear, Douglas, [redacted].
Welleppe, George N., [redacted].
Weinroth, Jerome R., [redacted].
Whetstone, Charles L., [redacted].
Woutersz, Theodore, [redacted].

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, U.S.C., section 3494:

DENTAL CORPS

To be lieutenant colonel

Baumgartner, John C., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

ARMY PROMOTION LIST

To be colonel

Adams, Charles R., [redacted].
Altenburg, Fred G., [redacted].
Anderson, Charles H., [redacted].
Brown, Clifford M., [redacted].
Carcaba, William T., [redacted].
Coates, George M., Jr., [redacted].
Dawson, Earl N., Jr., [redacted].
Dennan, David W., [redacted].
Episcopo, Arthur V., [redacted].
Fuqua, Billie E., [redacted].
Gaunce, Royland R., [redacted].
Hancock, Robert G., [redacted].
Heaton, Jerry W., [redacted].
Henthorn, Robert L., [redacted].
Hine, John M., [redacted].
Hoeller, Edward D., [redacted].
Irvin, Robert J., [redacted].
Jones, William D., [redacted].
Keim, Stephen F., [redacted].
Ketterman, Clark S., [redacted].
Kooken, Paul M., [redacted].
Leslie, Willis B., [redacted].
Lindell, William F., [redacted].
Lucas, Clarence A., [redacted].
McGoff, John J., Jr., [redacted].
Maness, James, [redacted].
Martin, Robert F., [redacted].
Meyer, Samuel M., [redacted].
Morgan, Robert M., [redacted].
Robertson, Sherrill B., [redacted].

Roe, James W., [redacted].
Rogozinski, Harold S., [redacted].
Scribner, John C. L., [redacted].
Sester, John A., [redacted].
Walsh, Burton K., [redacted].
Wood, Bobby G., [redacted].
Woods, Donald E., [redacted].

MEDICAL CORPS

To be colonel

Culp, Neil W., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Duffy, James W., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Aleandri, John V., [redacted].
Alton, Jack E., [redacted].
Arnett, Daniel L., [redacted].
Bailey, Amon L., [redacted].
Boggs, Thomas W., [redacted].
Boone, William F., [redacted].
Boxwell, Edgar B., [redacted].
Brantley, Shelby K., [redacted].
Brantley, William E., [redacted].
Brown, Henry P., [redacted].
Brown, James O., [redacted].
Bushnell, Van L., [redacted].
Centracchio, Reginald, [redacted].
Christoffersen, Norman, [redacted].
Clark, Vernon I., Jr., [redacted].
Cline, Wayne L., [redacted].
Cole, John C., [redacted].
Deccio, Lawrence P., [redacted].
Dhionis, George C., [redacted].
Dupre, Charles C., [redacted].
Edwards, Thomas L., [redacted].
Gilbertz, Thomas E., [redacted].
Goble, Manuel G., [redacted].
Gorden, Jerry L., [redacted].
Gunji, Ken, [redacted].
Gunn, David W., [redacted].
Hannula, Rodney R., [redacted].
Hipp, Curtis W., [redacted].
Hopkins, Billy D., [redacted].
Jones, Robert G., [redacted].
Kane, John F., [redacted].
Leach, Charles D., [redacted].
Lexa, James J., [redacted].
Lott, Cleveland B., [redacted].
Lundy, Robert G., [redacted].
MacVay, James W., [redacted].
Michaels, Darwin D., [redacted].
Mikolash, Dale A., [redacted].
Moll, Joseph E., [redacted].
Montgomery, Jessie T., [redacted].
Moore, William E., [redacted].
Mueller, Jerold E., [redacted].
Murphy, Joseph T., [redacted].
Nelson, John W., [redacted].
Newton, James R., [redacted].
Norris, Dwight E., [redacted].
O'Kelly, Dewey T., Jr., [redacted].
Osburn, James D., [redacted].
Paige, Vernon G., [redacted].
Paparazzo, Frank F., [redacted].
Paulk, John R., [redacted].
Perdue, George P., [redacted].
Perez-Perez, Jorge, [redacted].
Perkins, Francis R., [redacted].
Rice, David K., [redacted].
Savoie, Romain B., [redacted].
Smalley, James C., [redacted].
Theriault, Raynold, [redacted].
Tierney, Henry L., [redacted].
Voight, Monte C., [redacted].
Wakefield, Richard L., [redacted].
Waynick, Andrew J. III, [redacted].
Woolf, Donald R., [redacted].

CHAPLAIN

To be lieutenant colonel

Brown, James L., [redacted].
Shirey, William C., [redacted].

DENTAL CORPS

To be lieutenant colonel

Antario, Joseph P., [redacted].
Ballard, John B., [redacted].
Kaufman, Donald, [redacted].
Lewis, Arthur, E., Jr., [redacted].
Miller, John W., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Buck, Harper J., [redacted].
Dillard, Charles O., [redacted].
Gropper, Arthur L., [redacted].
Howard, Leonard R., [redacted].
Kade, Harold, [redacted].
Koss, George W., [redacted].
Kroll, George V., [redacted].
Maultsby, James A., [redacted].
Miller, Leslie L., [redacted].
Mitchell, Andrew C., [redacted].
Russo, Charles P., [redacted].
Sison, Ramon C., [redacted].
Sison, Rosario F., [redacted].
Young, Anthony J., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Kolb, William H., [redacted].
Peart, Frank E., Jr., [redacted].
Potter, Donald C., [redacted].

IN THE NAVY

The following-named midshipman (Naval Academy) to be a permanent ensign in the staff corps of the Navy, subject to the qualifications therefor as provided by law:

Alden S. Salcedo.

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps of the U.S. Navy, subject to qualifications therefor as provided by law:

Gary D. Atkinson
Dean B. Creech
Daniel Fusco
Teresa A. Halsema
Cathy E. Hayden
Stephen K. Schini

The following-named Navy enlisted scientific education program candidates to be permanent ensigns in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Daniel P. Johnson
Daniel L. Parker
Patrick J. Rolow
David J. Swithers

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Dennis L. Fielder
Thomas A. Gay
John R. Stoianoff
Raymond F. Taylor

IN THE MARINE CORPS

The following named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, section 5902:

Glenn E. Allen
David L. Barry
Richard G. Bean
Robert D. Becker
William H. Beyer
Donald E. Boomershine
Robert J. Brazil
John V. Brennan
James A. Bricker
Joseph B. Byrnes
Chilton S. Cabot
Robert B. Calamari
William G. Cheadle
Richard T. Close
Anthony G. Coleman
George F. Coleman
Richard M. Condrey
James E. Cooper
William J. Cover III
Robert B. Crawford
Thomas J. Cribbs
Harry R. Delkeskamp
Rocci M. Discipio
Anthony J. Dowd, Jr.
Edwin J. Emmet, Jr.
Richard M. Evans
Ralph D. Fagge, Jr.
Paul G. Fahlstrom
Peter J. Finley
William L. Goodwin
John W. Greiner
William S. Hamel
Harald R. Hansenpruss
William J. Hatcher, Jr.
Marshall B. Haraden, Jr.
Kenneth A. Heimes
Jon D. Hollabaugh
Lee B. Holmes
Egbert Horton, Jr.
Jack W. Humphrey
Michael J. Kelly
Edwin K. Kiefner
Lanny A. Kope
John M. Kretsinger
Robert E. Lee, Jr.
David J. Leighton
Robert E. Loughridge
David R. Martin
Harry R. McPike
Donald J. Miloscia
John C. Moffett
William M. Monroe
Hubert G. Much
Arthur L. Nardiello
Lawrence E. Nugent
Paul J. Otis
Charles G. Peterson
Eric N. Piper
Howard E. Rast, Jr.
Stephen L. Reveal
William P. Ricketts
Frederick H. Russell
Thomas R. Sarver, Jr.
Arthur J. Sattolo
David L. Shane
Carmen P. Silirie
Dale W. Spence
Vincent S. Spinella
Carl R. Thomas
Robert D. Thomas
Richard B. Trotter
Mitchell J. Waters
William E. Wean
James R. Weinlander
Frank E. Whitman, Jr.
Herman W. Winter
Donald L. Wright
William D. Young, Jr.

The following named women officers of the Marine Corps Reserve for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, section 5902:

Margaret L. Nelson.
Catherine Y. Telford.

HOUSE OF REPRESENTATIVES—*Thursday, June 21, 1979*

The House met at 10 a.m.

Rev. Robert F. Bower, the Newman apostolate at Edinboro State College, Edinboro, Pa., offered the following prayer:

O Almighty God, we love our country, the United States of America, and we give You thanks for all those who have made us great: The Indian tribes and nations, and all those who crossed the oceans yearning to be free, those who struggled to give us our inheritance. We are their children, many races but one nation. We thank You for the good things in our heritage and the chance to correct the bad. We thank You for Your promise that if we ask in faith, and have true repentance, You will both forgive us and bless us with Your guidance. We ask You today for Your holy wisdom so that we may choose the hard right rather than the easy wrong and the good way instead of the evil.

Help us in our struggle to replace tyranny with law, bondage with freedom, and war with Your blessed peace.

We praise You, O God, Father of us all. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 3324) entitled "An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes," and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and appointed Mr. CHURCH, Mr. PELL, Mr. MCGOVERN, Mr. GLENN, Mr. JAVITS, Mr. PERCY, and Mr. BAKER. For consideration of Public Law 480 amendments: Mr. TALMADGE, Mr. MCGOVERN, Mr. STONE, Mr. COCHRAN, and Mr. DOLE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 961. An act to amend the Speedy Trial Act of 1974.

REV. ROBERT F. BOWER

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, it gives me great pleasure to pay tribute to the gentleman who just delivered this morning's prayer on the floor of the House—Rev. Robert F. Bower, the Catholic chaplain at Edinboro State College in Edinboro, Pa.

Although now a resident of Pennsylvania's 24th Congressional District, Reverend Bower was born and raised in what I like to call the heartland of Pennsylvania—the 23d Congressional District. Born in Oil City on December 16, 1932, Reverend Bower graduated from Gannon College in Erie, Pa., with a bachelor of arts degree in 1954. He subsequently did graduate work at John Carroll University, the Catholic University of America, and the University of Colorado. On May 5, 1959, Reverend Bower was ordained a priest at the Christ the King Seminary in St. Bonaventure, N.Y.

For the last 16 years, Reverend Bower has served with distinction as Catholic chaplain at Edinboro State College outside of Erie. Mr. Speaker, I would like to conclude my brief acknowledgment of Reverend Bower by thanking this outstanding minister of God for his lovely and inspiring prayer this morning.

REV. ROBERT F. BOWER

(Mr. MARKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKS. Mr. Speaker, it is my very real privilege this morning to introduce to my colleagues here in the House a distinguished constituent of mine, the Reverend Robert F. Bower. A native of Oil City, Pa., Reverend Bower received his B.A. degree from Gannon College in Erie, Pa., in 1954. He then entered Christ the King Seminary at St. Bonaventure College in New York. In 1959 he was ordained for the Erie Diocese.

Reverend Bower subsequently did graduate work at John Carroll University in Cleveland, the Catholic University here in the District, and at the University of Colorado at Boulder.

After his ordination in 1959, Reverend Bower was appointed to Gannon College in Erie, Pa. After distinguished service there he was appointed Catholic chaplain at Edinboro State College in Edinboro, Pa.

May I say that since his ordination in 1959, Reverend Bower has served virtually without interruption in my 24th District of Pennsylvania. His service to the spiritual needs of thousands in my district, especially to young men and women at Gannon College and Edinboro State, has been extremely distinguished.

It is indeed a pleasure for me to welcome to the House today Rev. Robert F. Bower of Edinboro, Pa., and his family and friends.

PANAMA CANAL ACT OF 1979

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 111, with Mr. FOLEY in the chair.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 20, 1979, title I had been considered as having been read and open to amendment at any point. Pursuant to a unanimous-consent request and agreement, all time for debate on the bill and all amendments thereto shall end at 1 p.m. today.

Are there further amendments to title I?

If not, the Clerk will designate title II.

Title II reads as follows:

TITLE II—TREATY TRANSITION PERIOD

Chapter 1—LAWS CONTINUED IN FORCE

SEC. 1501. LAWS, REGULATIONS, AND ADMINISTRATIVE AUTHORITY.—(a) To the extent not inconsistent with the Panama Canal Treaty of 1977 and related agreements and the provisions of this Act, the Canal Zone Code and other laws, regulations, and administrative authority of the United States applicable in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in force for the purpose of the exercise by the United States of law enforcement and judicial jurisdiction during the transition period provided for in Article XI of the Panama Canal Treaty of 1977 (hereinafter in this Act referred to as the "transition period").

(b) In accordance with paragraph 1 of Article IX of the Panama Canal Treaty of 1977, it is the sense of Congress that organizations and businesses operating and individuals living in the Canal Zone before the effective date of this Act may not be taxed retroactively by the Government of the Republic of Panama.

Chapter 2—COURTS

SEC. 1511. JURISDICTION.—(a) During the transition period, the jurisdiction of the United States District Court for the District of the Canal Zone and the magistrates' courts under title 3 of the Canal Zone Code shall be continued, subject to the limitations set forth in Article XI of the Panama Canal Treaty of 1977.

(b) For purposes of the exercise of the jurisdiction provided in Article XI of the Panama Canal Treaty of 1977, the United States District Court and magistrates' courts referred to in subsection (a) shall construe the terms "United States citizen employees", "members of the United States Forces", "civilian component", and "dependents" as such terms are defined in the Panama Canal Treaty of 1977 and related agreements, and shall construe the term "areas and installations made available for the use of the United States" to mean (1) the Panama Canal operating areas and housing areas described in Annex A to the Agreement in Implementation of Article III of that Treaty, (2) the Ports of Balboa and Cristobal described in Annex B to that Agreement, and (3) the Defense Sites and Areas of Military Coordination described in Annex A to the Agreement in Implementation of Article IV of that Treaty.

SEC. 1512. DIVISION AND TERMS OF DISTRICT COURT.—The United States District Court for the District of the Canal Zone may conduct its affairs at such places within the areas made available for the use of the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

SEC. 1513. TERMS OF CERTAIN OFFICES.—(a) Notwithstanding the provisions of sections 5, 41, 45, and 82 of title 3 of the Canal Zone Code, the term of office of a district judge, magistrate, United States attorney, or United States marshal shall extend for a period of thirty months beginning on the date on which the Panama Canal Treaty of 1977 enters into force, and any such term shall be subject to such extension of time as may be provided for the disposition of pending cases by agreement between the United States and the Republic of Panama, pursuant to the last sentence of paragraph 7 of Article XI of the Panama Canal Treaty of 1977.

(b) The provisions of this section shall take effect on the date of the enactment of this Act.

SEC. 1514. RESIDENCE REQUIREMENTS.—Sections 5(d), 7(d), 41(d), and 45(d) of title 3 of the Canal Zone Code, the second sentence of section 42 of such title, and the second sentence of section 82(c) of such title, which provisions require that certain court officials reside in the Canal Zone, are hereby repealed.

SEC. 1515. SPECIAL DISTRICT JUDGE.—(a) Section 6 of title 3 of the Canal Zone Code is amended to read as follows:

"§ 6. Special district judge

"The chief judge of the judicial circuit of the United States in which the district court lies may designate and assign a special district judge to act when necessary—

"(1) during the absence of the district judge;

"(2) during the disability or disqualification of the district judge because of sickness or otherwise to discharge his duties; or

"(3) when there is a vacancy in the office of district judge.".

(b) Each designation and assignment by the chief judge under section 6 of title 3 of the Canal Zone Code, as amended by subsection (a) of this section, shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

SEC. 1516. MAGISTRATES' COURTS.—(a) The two magistrates' courts established pursuant to section 81 of title 3 of the Canal Zone Code and existing immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in operation during the transition period unless terminated during such period under subsection (b) of this section.

(b) During the transition period, the President may terminate one magistrate's court, together with the positions of magistrate and constable corresponding thereto, if the President determines that the workload is insufficient to warrant continuance of that court. If one of the courts is so terminated, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the terminated court and shall take custody of and administer all records of the terminated court.

Chapter 3—ATTORNEYS

SEC. 1521. OATH OF ATTORNEYS.—(a) Section 543 of title 3 of the Canal Zone Code is amended to read as follows:

"§ 543. Oath of Attorneys Admitted to Bar

"Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge.".

(b) The table of sections for chapter 17 of title 3 of the Canal Zone Code is amended by amending the item relating to section 543 to read as follows:

"543. Oath of attorneys admitted to bar.".

Chapter 4—TRANSITION AUTHORITY

SEC. 1531. TRANSITION AUTHORITY OF PRESIDENT.—Except as expressly provided to the contrary in this Act, in any other statute, or in the Panama Canal Treaty of 1977 and related agreements, any authority necessary for the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 shall be vested in the President.

SEC. 1532. PRISONS; PAROLE; PARDONS.—(a) Subsection (c) of section 6503 of title 6 of the Canal Zone Code is amended to read as follows:

"(c) Pursuant to the provisions of section 5003 of title 18, the United States Code, the Governor shall contract with the Attorney General for the transfer to the custody of the Attorney General of prisoners sentenced by the United States District Court for the District of the Canal Zone to terms of imprisonment in excess of one year.".

(b) Upon the entry into the force of the Panama Canal Treaty of 1977—

(1) all prisoners then imprisoned in United States prisons pursuant to contracts entered into pursuant to subsection (c) of section 6503 of title 6 of the Canal Zone Code, as amended by subsection (a) of this section, shall be committed to the custody of the Attorney General as if committed in accordance with part III of title 18 of the United States Code;

(2) all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment of one year or less, shall be committed to the custody of the Panama Canal Commission;

(3) the Panama Canal Commission shall prescribe, and from time to time may amend, regulations providing for the management of prisoners in the jails located in the areas and installations made available for the use of the United States pursuant to the Panama Canal Treaty and related agreements, including provisions for treatment, care, assignment for work, discipline, and welfare

(4)(A) sections 6501 through 6505 of title 6 of the Canal Zone Code shall be repealed; and

(B) the table of sections for chapter 351 of title 6 of the Canal Zone Code shall be amended by repealing the items relating to sections 6501 through 6505; and

(5)(A) chapter 355 of title 6 of the Canal Zone Code shall be repealed; and

(B) the table of chapters for part 3 of title 6 of the Canal Zone Code shall be amended by repealing the item relating to chapter 355.

(c) After the entry into force of the Panama Canal Treaty of 1977, all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment in excess of one year, shall be committed to the custody of the Attorney General pursuant to parts III and IV of title 18 of the United States Code.

(d) The amendment made by subsection (a) of this section shall take effect on the date of the enactment of this Act. Subsections (b) and (c) of this section shall take effect on the date on which the Panama Canal Treaty of 1977 enters into force.

TITLE III—GENERAL PROVISIONS

Chapter 1—CEMETERIES

SEC. 1601. DISINTERMENT, TRANSPORTATION, AND REINTERMENT OF REMAINS.—(a) There are authorized to be appropriated such sums as may be necessary to carry out the purposes and provisions of reservation 3 to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, adopted by the United States Senate on March 16, 1978, such sums to be made available to those agencies that are directed and empowered by the President of the United States to carry out such purposes and provisions.

(b) With regard to remains that are to be reinterred in the United States, the United States shall not bear the cost of funeral home services, vaults, plots, or crypts, unless otherwise provided for by law.

(c) The provisions of this section shall take effect on the date of the enactment of this Act.

Chapter 2—IMMIGRATION

SEC. 1611. SPECIAL IMMIGRANTS—(a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)), relating to the definition of special immigrants, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (D) the following new subparagraphs:

"(E) an immigrant who is or has been an employee of the Panama Canal Company or Canal Zone Government before the date on which the Panama Canal Treaty of 1977 enters into force, who is resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year or more, and his accompanying spouse and children;

"(F) an immigrant, and his accompanying spouse and children, who is a Panamanian national and (i) who, before the date on which the Panama Canal Treaty of 1977 enters into force, has been honorably retired from United States Government employment in the Canal Zone with a total of fifteen years or more of faithful service or (ii) who, on the date on which the Panama Canal Treaty of 1977 enters into force, has been faithfully employed by the United States Government in the Canal Zone (or former Canal Zone) for fifteen years or more and who subsequently is honorably retired from such employment; or

"(G) an immigrant from the Republic of Panama who has been an employee of the Panama Canal Company or Canal Zone Government under subparagraph (E) of this section but who is not a resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977.".

(b) Section 212(d) of such Act (8 U.S.C. § 1182(d)), relating to waivers of conditions of inadmissibility to the United States, is amended by adding after paragraph (8) the following new paragraph:

"(9) The provisions of paragraphs (7) and (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraph (E), (F), or (G) of section 101(a)(27).".

(c) The amendments made by this section shall take effect on the date of the enactment of this Act.

Chapter 3—REPORTS: AMENDMENTS; REPEALS AND REDESIGNATION; EFFECTIVE DATE

SEC. 1621. REPORT.—Until the expiration of the Panama Canal Treaty of 1977 the President shall report annually on the status of the exercise of the rights and responsibilities of the United States under that Treaty. Such report shall include a discussion of the following:

(1) The actions taken by the Government of the Republic of Panama with respect to the living conditions of persons who resided in the Canal Zone before the effective date of this Act and who continue to reside in those areas made available to the United States under the agreement in Implementation of Article III of the Panama Canal Treaty of 1977, signed September 7, 1977.

(2) The terms, conditions, and charges for land-use licenses, within the Canal Operating Area, as specified in the Agreement in Implementation of Article III of the Panama Canal Treaty.

(3) The condition of former employees (and their dependents) of the Panama Canal Company and the Canal Zone Government, who reside in the Republic of Panama on or after the effective date of this Act.

SEC. 1622. AMENDMENTS.—(a) Clause (vii) of section 5102(a) of title 5, United States Code, is amended to read as follows:

"(vii) the Panama Canal Commission; or".

(b) Section 1 of title II of the Act of June 15, 1917 (50 U.S.C. 191), is amended—

(1) by striking out the second paragraph; and

(2) in subsection (b) of the last paragraph by striking out "the Canal Zone,".

(c) Section 1 of title XIII of the Act of June 15, 1917 (50 U.S.C. 195), is amended by striking out "the Canal Zone and".

(d) The first section of the Act of August 9, 1954 (50 U.S.C. 196), is amended by striking out ", including the Canal Zone,".

(e) The Department of State Appropriation Act, 1974 (87 Stat. 636 et seq.) is amended by striking out the heading "PAYMENT TO THE REPUBLIC OF PANAMA" and all that follows that relates to that heading.

(f) Section 466 of the Tariff Act of 1930 (19 U.S.C. 1466) is amended by adding at the end thereof the following new subsection:

"(f) This section shall not apply to any nets, netting, equipment, or parts thereof, or to repair parts or materials, that are used, or to the expenses of repairs that are made, in the Republic of Panama, upon any fishing vessel documented under the laws of the United States.".

SEC. 1623. REPEALS AND REDESIGNATION.—(a) The following provisions of law are hereby repealed:

(1) Title 2 of the Canal Zone Code.

(2) Sections 2 and 3 of title 3 of the Canal Zone Code, and the items relating to such sections in the table of sections for chapter 1 of title 3 of the Canal Zone Code.

(3) Subchapter III of chapter 237 of title 6 of the Canal Zone Code, and the items relating to such subchapter in the table of sections for chapter 237 of such title.

(4) Subsection (d) of section 38 of the Arms Export Control Act (22 U.S.C. 2778 (d)).

(5) Section 4 of the Act of November 15, 1941 (50 U.S.C. 191b).

(b) Those provisions of the Canal Zone Code not repealed by this Act are hereby redesignated as the "Panama Canal Code". Any reference to the Canal Zone Code in those laws and regulations referred to in section 3(c) of this Act shall, subject to the provisions of such section, be deemed to refer to the Panama Canal Code.

SEC. 1624. EFFECTIVE DATE.—Except as provided in sections 201, 202, 205, 206, 220, 415, 1513, 1532, 1601, and 1611 of this Act, the preceding provisions of this Act shall take effect on the date on which the Panama Canal Treaty of 1977 enters into force.

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. RUDD

Mr. RUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUDD: Page 148, line 1, insert "(1)" after "(c)". Page 148, after 5, insert the following:

(2) No funds may be appropriated to or for the use of the Panama Canal Commission for any fiscal year in excess of the amount of revenues deposited in the Panama Canal Commission Fund during such fiscal year, as such amount is estimated by the Secretary of Defense and certified by the Comptroller General at the time the budget request for the Commission for such fiscal year is submitted to the Congress. Not later than thirty days after the end of such fiscal year, the Secretary of the Treasury shall report to the Congress the actual amount of revenues deposited in the Panama Canal Commission Fund during such fiscal year. Any amount of funds appropriated to or for the use of the Panama Canal Commission for such fiscal year in excess of the actual amount of revenues so deposited in the Fund shall be deducted from the amount that would otherwise be appropriated by the Congress under this subsection for the first fiscal year beginning after the report of the Secretary of the Treasury is received pursuant to this paragraph.

Page 148, strike out line 10 and all that follows through line 7 on page 149 and redesignate sections 234, 235, and 236 as sections 233, 234, and 235, respectively.

Amend the table of contents accordingly.

Mr. RUDD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RUDD. Mr. Chairman, I will try to briefly explain this amendment.

Mr. Chairman, this amendment would add a specific provision to require the Panama Canal Commission to operate on a self-sustaining basis by limiting appropriations to the amount of the payments into the Treasury by the Commission during the period for which the appropriation is made, as estimated by the Department of Defense and certified to the Congress by the Comptroller General of the United States at the time the budget request for that fiscal year is submitted to the Congress.

If appropriations for any given fiscal year exceed revenues, the difference shall be subtracted from the appropriations allowable for the fiscal year immediately following the report to the Congress by the Secretary of the Treasury.

The promise that the Panama Canal is to be operated on a self-sustaining basis has been a central feature of the justification for the 1977 treaty throughout consideration of the treaties and the implementing legislation. The 1980 budget estimates submitted by the Panama Canal Company show that in 1979 the Panama Canal will have net operating revenue in excess of $8 million.

The budget estimates and documents recently circulated by the Department of State further indicate that after an increase in rates of tolls of approximately 31 percent, revenues from tolls and other sources will cover all costs of operation of the canal, including the treaty payments to Panama and other additional costs resulting from the treaty.

The purpose of this amendment is to insure that the taxpayers are not required to subsidize the canal operation as a result of costs resulting from the treaty.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the distinguished chairman, the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the amendment limiting appropriations to the Panama Canal Commission to the amount of payments into the Treasury from canal revenues is entirely consistent with the overall plan of H.R. 111. The commission will have authority to regulate the amount of its revenues and expenditures so that by careful management there appears to be no question that the requirements of this amendment should be met even if the amendment were not part of the law. The amendment will serve to strengthen the controls over spending by the commission and protect the taxpayer against unwarranted and unnecessary requests for appropriations to finance operations that should be paid for by users of the canal and other services provided by the commission.

I support the amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Arizona yield?

Mr. RUDD. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to commend the gentleman for offering this amendment. It is a clear and strong restatement of the premise which is embodied in the financing mechanism which the bill already provides. I think it adds additional assurance that we will try to honor the President's promise that we will not burden the taxpayers with the operation of this canal but, in fact, pay for it out of its own income from tolls and other sources.

I want to commend the gentleman from Arizona for his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. RUDD).

The amendment was agreed to.

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AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 103, line 17, after the word "States", insert the following: "or the Republic of Panama".

Mr. BAUMAN. Mr. Chairman, I have previously discussed this amendment with the chairman of the committee. It may or may not be totally necessary. But it grows out of an abundance of caution about the situation of the canal if, indeed, the Republic of Panama by one means or another finds itself engaged in war. There has, obviously, been evidence in recent weeks and days of activities on the part of the Government of Panama intruding into the affairs of other countries in Latin America. And they are doing so in a manner that without doubt violates the charter of the OAS and the U.N. This amendment would simply give added protection to the right of the United States to protect the canal if, indeed, war occurred.

Mr. Chairman, I yield to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I thank the gentleman for yielding.

We probably have been a little married in history to the language that was presented on the floor earlier. Historically, there were two instances during the operation of the canal when there were world wars, neither of which, of course, have been caused by actions in the Americas. They were caused by actions in other hemispheres.

The problem, however, here is that there is a bona fide probability, and I think recent events indicate that there very well could be difficulties, in the Americas. The very wise amendment of the gentleman from Maryland clearly states that not just the U.S. involvement in this type of problem, but Panama's involvement, certainly would be cause for great concern.

Mr. Chairman, I think the amendment is a wise one and I would be happy to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KRAMER

Mr. KRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRAMER: Page 98, Section 102, line 21, after "Panama." insert the following:

"The Republic of Panama shall be defined for purposes of this section as that country governed by that national government having been installed in Panama chosen by free national elections in which all population groups and political parties have been allowed to participate, where with respect to such elections, impartial, internationally recognized political observers have reported said elections have been conducted in a fair and successful manner and the President has reported the same to Congress.".

Mr. KRAMER. Mr. Chairman, this amendment to section 102 would define the Republic of Panama, whose nationals are appointed to the supervisory board, as that country with a national government that has been installed as a result of free elections.

As we may know, the House and the Senate last year adopted language as part of S. 3075, the International Security Assistance Act, which directed the President to lift sanctions against Rhodesia once the existing Government of Rhodesia had entered into negotiations with all political groups within Rhodesia and once "a government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally recognized observers."

My amendment to H.R. 111 parallels that Case-Javits language which was applied to Rhodesia.

If the administration's human rights position is to be consistent, and if Congress is to treat the need for political freedom in an equitable manner, then we should apply the same standards to all countries. Panama is as sorely in need of free elections as Rhodesia was, at least according to such organizations as Freedom House. Freedom House, which publishes an annual rating of the most free and least free nations in the world, stated in its 1978 report that Rhodesia and Panama had exactly the same rating before the installation of the new Government in Rhodesia.

On a scale running from 1 to 7, with 1 representing the most free nations, such as the United States, and 7 the most dictatorial, such as the U.S.S.R. and Uganda, both Rhodesia and Panama were rated at 6. Thus, Panama is among the least free and most repressive nations in the world.

In addition, the official observers of the Organization of American States noted in their report on the situation of human rights in Panama that the new constitution adopted by the Torrijos regime effectively disenfranchised most of the urban population of the Republic of Panama and vested even more power in the head of state.

Under these circumstances, I do not think that a double standard is appropriate. We simply ask that the Government of Panama, for purposes of this bill, be defined as one in which free elections have taken place.

I would add and further mention to the members of the committee that as this debate took place today in front of us, the National Guard in Panama has taken control of the university. Rioting is taking place on the streets today. Ten people have been killed in the last 24 hours. Students have been gassed and forced to jump out of buildings in order to escape the gas, resulting in substantial injury.

This unstable situation in Panama is by no means limited to the student population. There have been arrests of taxi drivers in the last few days. There have been decrees licensing journalists, requiring them to have certificates in order to practice their profession. The bar association 2 days ago held a press conference citing systematic intimidation of the lawyers and the legal profession in that country by the present regime. Quite frankly, the list goes on and on and time does not allow me to go into it in total; but I believe that if we are going to be forthright in our policy of human rights, if we really are going to believe the sermon and the message that we have been preaching to the world, that we have to be consistent and apply this standard equitably, and treat Panama the same as we treat every other country in the world, especially when we are embarking on a new venture with a new partner.

I think we cannot expect less of Panama than we do of the other nations of the world, especially when we consider the great advantages that run to Panama with the passage of H.R. 111.

I hope that in the spirit of human rights and freedom and equitable treatment for all, that this amendment will be noncontroversial and will be accepted gladly by both sides of the aisle.

Mr. BOWEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this amendment. I sympathize with the gentleman's frustration that our Government and others have attempted to apply standards to Rhodesia which the gentleman does not feel are fair. I feel they are not fair, too, but I do not feel that because we have made a mistake in our relations with Rhodesia that we should make a similar mistake in our relations with Panama.

We all know that Panama does not have the same kind of government that we have. I do feel quite certain, though, and I think that all of those in the House who have had an opportunity to examine the course of events in Panama will agree, that a good deal of progress is being made in that country.

The OAS had observers at the August 6, 1978, Panamanian elections, the elections for the 505-man assembly, and the observers noted that there were possible flaws in the electoral process, but also noted that the elections were being held in a very normal manner in the places that they were able to visit, and they were free to go wherever they wished.

The report of that three-man panel of the OAS was released on May 1 and is now pending before the Organization of American States. The matter is before a body which has appropriate jurisdiction in reviewing the affairs of the States of the Americas.

I do not think it is appropriate for the House of Representatives to attempt to intervene in a matter which that body has taken before itself for jurisdiction.

I do not happen to think it would be particularly appropriate for Panama to come into the State of Colorado and examine the voting practices in some of the mountain towns of that State and declare that democracy was not functioning very effectively, and use that for noncompliance with certain treaty obligations.

I can tell you as a Mississippian that there have been a great many people come into my State in past years and attempt to analyze just how much democracy we had in our State and whether or not we were doing things the way that some people approved of.

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And I am sure there are those who might attempt to do just that even now, when we have a universal suffrage system equal to anyone's. I think almost any Member in this House could find an election somewhere in his home State that some international body would be able to come into with a team of its own choosing and say, "Something has gone wrong, and you didn't really have free elections."

Whatever the Members may happen to think about Panama and how much progress they are making—and I happen to think they are making a good deal of progress; I happen to think General Torrijos is moving rapidly into the background; I happen to think President Royo is taking a much stronger position; I happen to believe an effective representative assembly is in the making, and that they are making substantial progress compared to many other nations in the world—whatever we happen to think about the kind of progress made in Panama, I think we have no choice but to agree that there is no way under the treaties we have signed that the United States has a right to dictate to Panama what kind of internal government they shall have.

The nature of the government which they choose to establish for themselves in Panama bears no relationship to whether or not they will honor the treaties with the United States. If we happen to have a Republican or a Democrat in the White House or we happen to want to pass one given constitutional amendment or another, that does not alter the fact that we have a treaty obligation with Panama. If they want to run their country with a representative assembly or not, that does not alter the fact that they have made agreements which are binding upon their nation, and they have to honor the treaties.

I have seen a good many nations that have been very steadfast in honoring their treaties, and yet they did not have the most perfect form of democracy in the world.

This amendment would be a clear-cut violation of the treaties and would result in a very unfortunate intrusion by the United States into the affairs of a nation which is attempting to make progress and attempting to work with us. For us to play the intrusive "Big North American Brother" role and attempt to say that we know better than they how to run their internal affairs and that we should be able to dictate to them what kind of a government they should have is, I think, really an outrageous intrusion into the affairs of a sovereign state.

Mr. Chairman, I do not think the American people want us to do that, and I am quite confident the Members of the House will want to reject this amendment. It is the sort of thing that we are trying to get away from. We are trying to show the kind of respect that one sovereign state should show for another, that I think is needed if we are going to establish the kind of relationship in Latin America that we hope for. This does not mean that we like their government, it only means that we want to do business with it.

Mr. Chairman, I hope we will stand by our word in these treaties, and I urge my colleagues to reject the amendment.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am in agreement with the gentleman from Mississippi (Mr. Bowen) in his opposition to the amendment and in the position he is taking here.

However, to state what this amendment does, is this not what the United States has been doing for the past several years anyway, injecting ourselves into the internal affairs and the elections of other foreign countries?

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. Bowen) has expired.

(By unanimous consent, Mr. Bowen was allowed to proceed for 1 additional minute.)

Mr. BOWEN. Mr. Chairman, in answer to the gentleman's question, yes, I agree with the gentleman. I do not agree with that aspect of our foreign policy. There are a great many things I do not happen to like about our foreign policy, and that is one of them. I wish we had a worldwide Good Neighbor Policy instead of a missionary zeal to rebuild the world in our own image.

I think it would be a very sad and unfortunate day if we should act to intrude ourselves into the internal affairs of Panama, and I urge the House to reject the amendment.

Mr. CHARLES H. WILSON of California. Mr. Chairman, we have already observed one of the elections they have had anyway and have certified all of the questions relating to that matter.

Mr. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am deeply concerned about some of the things that have been taking place during the course of this debate, and I want to relate permanently in the Record some of my perspectives on the Panamanian situation.

Mr. Chairman, I rise in support of the amendment offered by Mr. Kramer.

I do so for purposes of expressing very deep concerns and for sharing with my colleagues these concerns about the Panama Canal and the manner in which the negotiations were carried out. In defining the Republic of Panama "as that country governed by that national government having been installed by free national elections * * *," Mr. Kramer vividly points out the misguided approach underlying the process under which the provisions of the Panama Canal Treaty were negotiated. Before this body on October 6, 1977, I presented my "Perspective on Panama" and predicted the dissension which would arise. Today, we witness the resulting confusion, as even Members who support the legislation find themselves at a loss to justify its provisions.

As I stated then and as I feel compelled to reiterate, there is a growing body of opinion that the American people wanted and, indeed, expected the full Congress—both the House and the Senate—to be involved in the Panama issue.

The American people resent an international negotiating process that relegates the U.S. House of Representatives to a followup role of having to vote to "pay the bills" for a vital economic and national security package which was drafted by others and in which the House had no opportunity to participate.

Americans want us to become fully involved in the negotiating process and not to be put in the position where you must either accede to the Executive or cause extreme embarrassment to the President and the country. Yet, here we are today, debating the treaty's implementing legislation and still to act, while the administration already experiences severe criticism and embarrassment, resulting from the bloody antagonists which now ravish Central America. Whose fault? Certainly not ours. Rather the blame squarely resides with the President and his treaty negotiators who impetuously denied the counsel of America's elected representatives.

For one experienced in Washington politics, the present embarrassments and recriminations arising from the Panama Treaty could have been avoided. My committee assignments in the House of Representatives—Public Works and Interior and Insular Affairs—provide an opportunity for me to participate actively in international negotiations and to deal with Inter-American affairs. From this experience, I know that international political negotiations are apt to succeed only when both branches of Government act as coparticipants.

However, in deriving the Panama Treaty, the negotiating teams of both the United States and Panama did not represent the people of either nation. For our part, the bargaining was done by career diplomats without sufficient input from the legislative branch of our Government or the views of the many people and groups in our country who have an interest in the canal issue. Similarly, the existing regime in Panama operated its side of the negotiations with a combination of bluff and threat. What was needed was a broad-based negotiating team that could represent the people of Panama rather than solely its dictator.

Under the negotiating arrangement, all options should have been exhaustively explored to assure that maximum benefit was afforded to all Americans and Panamanians as well. One proposal which I have discussed at length with many of you as well as with several of our counterparts in the other body was to form even closer political, military and economic ties with the Republic of Panama. The concept of "free association" is one receiving more and more attention as nations, whose economies and histories are inextricably intertwined, seek to maintain national identity in a world of ever expanding complexity. Free association involves the recognition of the political dependency of one national entity upon another but simultaneously maintains a discrete legal identity recognized by international law. Such a status becomes increasingly important for small states which have been drawn into a power struggle between the great powers or have an insufficient economic base to support its population.

At this moment, for example, the United States and Micronesia are involved in negotiations which, if successful, will establish the free associated states of Micronesia, wherein Micronesians will retain their sovereignty for internal matters while the United States assumes responsibility for the islands' foreign affairs and national defense. For me, it was conceivable that a similar arrangement could have been worked out with Panama. In any event, this option should not have been overlooked. Of course, any such change in political relationships would require the consent of the Panamanians freely expressed at the polls.

As I previously mentioned, successful negotiations hinge upon two propositions: First, administrative expertise, and second, political awareness. In the case of the Panama Treaty and its implementing legislation, we had an overabundance of technical advice with little sensitivity demonstrated for political questions.

And what of the people—Americans and Panamanians alike? Do the provisions of the treaty meet with their desires? Or, like the Congress, have they been merely handed a fait accompli?

Soon SALT II will be presented to the other body for ratification. And like this legislation before us, the President portends grave consequences if we do not wholeheartedly endorse the administration's initiatives. But the U.S. Constitution calls for congressional advice and consent in drawing up international agreements. When will this administration learn? When will this pattern of no advice and unmitigated consent change?

Congress has a vital role to play in drawing up international agreements. The President should and can expect the American Congress and the American people to revamp his outmoded style of international negotiations—to open the negotiating process to the will of the people through their elected representatives closest to all Americans; in other words, the members of the House of Representatives and the Senate.

This must become the wave of the future if we are to assure the required executive-congressional cooperation in matters of foreign policy—in a rapidly changing world.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the author of the amendment a couple of questions, if I may. Perhaps the gentleman explained this in his explanation; if he did, I missed it.

I would like to ask the gentleman from Colorado (Mr. Kramer) what the effect of passage of this amendment would be. My understanding is that the amendment only applies to the provisions in the legislation pertaining to the appointment of Panamanian nationals to the supervisory board of the Panama Canal Commission; is that right?

Mr. KRAMER. Mr. Chairman, the gentleman is absolutely correct. The only application this amendment will have is simply that it defines "Panama" for purposes of membership on that board as a country in which free elections have been held, and that is what we have required from other countries.

Mr. LAGOMARSINO. Mr. Chairman, what would happen with regard to payments from canal tolls, as called for in the treaty, and in the implementing legislation, should the gentleman's amendment pass?

Mr. KRAMER. This amendment would have no impact at all on payments.

Mr. LAGOMARSINO. Would the board be allowed to operate even if the Panamanian Government was not allowed by reason of the gentleman's amendment to appoint its nationals to it?

Mr. KRAMER. I do not see any reason why it could not.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman, and I yield back the balance of my time.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman from Colorado (Mr. KRAMER) certainly has great appeal. It has appeal to me, and I think it has appeal probably to most Americans who would like to have us deal in the open with a freely elected democratic government. We know that is not the case in Panama, and as the gentleman pointed out, he wants an area where there is stability.

Let us look at the history of the 1903 Hay-Bunau-Varilla Treaty. The United States showed a reluctance to enter into a treaty at that time, and under conditions in that country that were certainly perhaps less stable than they are today. If there has been one thing that is consistent about the history of government in Panama, it is its instability.

But the language of the amendment offered by the gentleman from Colorado (Mr. KRAMER) should have been taken care of back in 1977 when this administration was negotiating the treaties, and that condition should have been imposed in the treaty. It was not. Therefore, this House, with its responsibility to implement the treaties and to perform the task of laying on the administrative process of the Panama Canal and the Commission for the next 20 years and providing for the administration in that zone, must deal with the matter and write that legislation within the confines of the treaty.

Mr. Chairman, if we were to adopt this language, we would be clearly violative of the treaty, and on that basis I recommend that the committee reject the amendment.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my colleague, the gentleman from New York (Mr. MURPHY), just said that this should have been done in 1977 when we put the treaty together, but unfortunately the administration of our great Nation has been practicing what I believe to be selective morality. They decide that what is going on in Northern Ireland is not important, the human rights problem in Northern Ireland is not important. They decide that the human rights problem in Panama is not important, but they decide the human rights problem in perhaps Rhodesia is important.

I think it is time that this House decides that selective morality throughout the world cannot be tolerated as a practice of the administration.

Mr. Chairman, I believe one way we can prevent this policy from continuing is to support the amendment offered by my colleague, the gentleman from Colorado (Mr. KRAMER).

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I am glad to yield to my colleague, the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, whether you like this amendment or not, I think that the gentleman's amendment properly raises the issue of the character of the Panamanian Government. The gentleman from New York (Mr. CARNEY) is quite correct in saying that the glowing estimate of the character of the Government of Panama given to us just a few moments ago by the gentleman from Mississippi (Mr. BOWEN) is simply incorrect.

Panama has one of the worst human rights records in the world. I will admit that in the last 6 or 7 months, until just a few weeks ago, the situation seemed to have abated as far as the worst excesses of its anti-human rights practices are concerned. These excesses included arrests of the clergy, murders of those in opposition to the government, and a controlled press, which exists even to this day.

But only a few weeks ago the Panamanian Government, in response to student unrest, because of Panamanian Government actions, began a very repressive crackdown. These actions, as the gentleman from Colorado (Mr. KRAMER) mentioned, resulted in the deaths of at least 10 people yesterday. Hundreds of people have escaped from Panama into the American Canal Zone to avoid the Guardia Nacional's excesses and brutalities.

I have a letter that arrived yesterday written to me by a Panamanian citizen detailing in five pages what he has witnessed. This included the shooting to death of a young mother with a baby in her arms. This kind of thing is taking place because of the actions of the police.

I have no doubt that the horrible incident yesterday in Nicaragua, involving the tragic killing of an American newsman should be condemned, and will receive nationwide publicity in this country. But we have not heard a word in the American press about what has been going on in Panama in recent weeks or even yesterday or right now, for all we know.

At least this amendment points up the double standard that is practiced by our Government in its concern for human rights.

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Mr. CARNEY. I thank my colleague, the gentleman from Maryland, because he does point out the practice of selected morality by the administration. I think what my colleague, the gentleman from Maryland (Mr. BAUMAN), stated enforces my position that we certainly should support the amendment as offered.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Idaho.

Mr. HANSEN. I think the chairman of the full committee made a good point. This amendment should be approved. This business that we should only be a rubberstamp for what the other body does is something that is preposterous. If it had merit, it should have been included in the first place, and it certainly should be included now. I would hope the gentleman from New York would reconsider and also support it on the basis of morality.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will be brief. I hope to expedite the ability of all Members to get their amendments in this morning.

I agree with the points made by the gentleman from the New York. We should condemn this hyprocrisy and this dual morality and that has been practiced. But this is not the way to do it.

The facts of life are that most of Latin America has never practiced democracy. Outside of Costa Rica, Colombia, Venezuela, probably Trinidad and Barbados, who still maintain the British parliamentary system, and the Dominican Republic, which is revolving into a democracy, the rest of Latin America never has had real democracy. I do not think it is either historically correct to say to the Panamanians, "we insist you to have free elections," 450 years of history in Latin America has worked against that. It is a sad fact of life.

If we followed this principle of dictating certain conditions to countries before we enter into close arrangements with them, then we would have to close Subic Bay and Clark Air Force Base because of the lack of democracy in the Philippines or we would tell the Indonesians, "we will not buy your oil," because Indonesia is not a pure democracy, or we would not buy cocoa from Ghana, because they just wiped out another head of state. The point is, to me, one of political reality. The reality is that, in dealing with Panama—and I say this not in condemnation, but this is reality—you are dealing with an oligarchy. At the moment, General Torrijos is a one-man ruler, but he is really ruling for the oligarchy. Panama has always been ruled by the oligarchy. Whether we have the canal or they have it, whether they get the tolls or we get them, no matter what happens in the Canal Zone, or in the rest of the country, it is still going to be ruled by this oligarchy. That is a historical and political fact of life.

I agree with the gentleman from New York that what we ought to tell the administration is, "forget your pious platitudes, forget your double standards, your foreign policy is in total disarray and you are just adding to your image of hypocrisy by overdoing it."

But do not make the same mistake they are making by injecting a separate question of free elections in Panama, when they have never had them, and may not have them for the next 100 years. They are a typical Latin American government.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. CARNEY. My colleague, the gentleman from Illinois, is a member of the Committee on Foreign Affairs, if I am not mistaken. I believe that that committee—on a vote of 29 to 0, voted to continue sanctions against Rhodesia; is that correct?

Mr. DERWINSKI. No, that is not what we were doing. That is what some of the Members said they were doing. The rest of us were getting that issue to the floor in order to lift sanctions. And the gentleman from New York (Mr. CARNEY) and I will be together tomorrow, voting to lift sanctions.

Mr. CARNEY. Was the vote 29 to 0?

Mr. DERWINSKI. Yes, But it was a technical vehicle to move the bill so we could do the right thing on the floor. The Committee on Foreign Affairs, like most committees, is overloaded with people who are addicted to causes, which is why they volunteer their services on the committee. So they bring a bill to the floor and we rewrite it. So on Mr. SOLARZ' and Mr. FINDLEY'S bill, the Zimbabwe-Rhodesia resolution on the floor tomorrow, stick with Mr. BROOMFIELD and you and I will be together.

Mr. CARNEY. So I can expect the gentleman's support to lift the embargo on Rhodesia?

Mr. DERWINSKI. More than that. I will make the same argument for lifting sanctions tomorrow against Rhodesia that I am making against this amendment today. The issue is that you cannot say to 150 countries in the world, "you must have our particular form of government or we may decide not to work with you." If that is the case, look at the biggest issue of the day, the SALT agreements. How can the President go over and share a shot or two of vodka with Brezhnev and hug him and kiss him, when Brezhnev is one of the cruelest dictators in the world? Obviously, he had to overlook that. That is reality, as opposed to the posturing.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(By unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to my distinguished friend and colleague, the gentleman from New York.

Mr. CARNEY. To my distinguished friend I can say that this is the only ray of hope that we have gotten out of H.R. 111, the fact that the gentleman will be in agreement with me to lift the sanctions on Rhodesia. Something is salvaged from these long debates on the floor of the House and over 3 months of debate we have had in the Panama Canal Subcommittee and full Committee on Merchant Marine and Fisheries.

Mr. DERWINSKI. Let us do justice to the gentleman from Colorado. He has a good amendment in principle. The problem is that often principle cannot be applied to reality. Because if we accept the point he is making, that we have to insist that every country with which we have an unusually close relation or important relations has to practice specific democratic procedures, that would have us dealing with nothing but Western Europe, Australia and New Zealand. We probably could not even trade with the Japanese, since they have massive gerrymandering for their parliament. If you look at the reality of it, you can see where we have to understand the lack of democracy in Panama.

Mr. CARNEY. If the gentleman will yield further, I would like to say that Rhodesia has had an election, a free election, and they elected a black majority. I think we should lift the sanctions there. However, there has not been free elections in Panama. I believe that, historically, Panama has been a nation which fails in the endeavors of human rights. I think that is something we cannot tolerate. We cannot give a nation which does not have concern for human rights as much as $100 million a year in tolls alone.

Mr. DERWINSKI. The point is this, though: If Panama were the major violator of human rights in this hemisphere, the gentleman is correct. But Panama is typical of Latin American governments. Panama is not the exception. And, in reality, you cannot insist on standards in Panama that historically have never existed south of the border.

Mr. Chairman, now may I briefly sum up the reasons why this bill, in a practical form, must be adopted.

The treaties of 1977 are an accomplished fact. They will enter into force on October 1. There is nothing we can do to stop this from happening. We must work within the framework established by the treaties to make the best of the situation.

The treaties preclude the existing U.S. agencies which operate the canal from functioning in Panama after October 1. They do give us the right to set up a new U.S. agency to operate the canal until the year 2000. We need legislation establishing that agency to carry on canal operations.

The question is not whether the Panama Canal treaties are good ones. They exist. They were signed and ratified. They will go into effect on October 1. The question is whether we will pass implementing legislation that will provide for an orderly transition. We must deal with the issues of personnel administration, labor-management relations, and relocation of the functions of local government, the military and the Panama Canal Company.

There are questions of defense and administration and the welfare of the loyal employees in the Canal Zone, which must be attended to. If we do not provide the necessary legislative framework before the deadline of October 1, our people and resources in the Canal Zone will be placed in legal limbo and jeopardy. Without legislation, come October 1, there will be no authority to continue to operate the canal; pay its workforce; pay the 3,000 employees to be transferred to the Department of Defense to operate schools, hospitals, and the like; effect the early retirement of Panama Canal employees as part of the reduction-in-force program; transfer people to the last-minute, hard-to-fill vacancies; and so forth. In sum, widescale disruption. A shutdown of the canal because of this chaos would cause a loss of tolls, the shrinkage of a trained and skilled labor force and the resultant economic impact of stateside unemployment and an oil shortage as Alaskan petroleum ceases to move through the canal to east coast and gulf ports.

Another point is the cost to the United States. The administration now estimates that the cost of the programs it has recommended in connection with the treaties could be as much as $870 million over the next 20 years. This money is for the Defense Department and U.S. employees, not for Panama.

Certainly, I join the majority of the Members in lamenting the fact that the treaty negotiations were rushed to a conclusion by the Carter administration. The Senate then succumbed to the administration's sales pitch and ratified the treaties. If I had been in the Senate at the time, I would have voted against the treaties, unlike my two Senators. But the treaties were ratified by the Senate.

The point is well made by columnist William F. Buckley, Jr., in a column in the Washington Star on June 3, 1979, entitled, "The move to sabotage the canal treaties:" "There is only one discipline indispensible to self-government. That is acquiescence in a political fait accompli." The Panama Canal treaties are a political fait accompli. We must recognize it and legislate their implementation.

The issue before us is what is good for the United States. I believe that the practical course which must be followed is to adopt the implementing legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. KRAMER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KRAMER. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not presence.

The CHAIRMAN. The gentleman from Colorado (Mr. KRAMER) demands a recorded vote, pending which he makes the point of order that a quorum is not present.

Does the gentleman from Colorado withdraw his point of order that a quorum is not present.

Mr. KRAMER. Mr. Chairman, are there 25 Members standing?

The CHAIRMAN. A quorum is not present.

Mr. KRAMER. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The Chair has already announced that a quorum is not present.

The Chair announces that pursuant to

clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1040

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Colorado (Mr. KRAMER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes 274, not voting 18, as follows:

[Roll No. 268]

AYES—142

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, R.I.
Bereuter
Bethune
Broomfield
Brown, Ohio
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Collins, Tex.
Conte
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Emery
Evans, Del.
Evans, Ind.
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hillis
Hollenbeck
Holt
Hopkins
Huckaby
Ichord
Ireland
Jacobs
Jeffries
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
Madigan
Marlenee
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
O'Brien
Oakar
Pashayan
Paul
Perkins
Pursell
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Schulze
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Symms
Thomas
Treen
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wydler
Wylie
Yatron
Young, Fla.

NOES—274

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Carr
Cavanaugh
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dicks
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harris
Hawkins
Hefner
Heftel
Hightower
Hinson
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—18

Ambro
Anderson, Ill.
Bevill
Bolling
Burton, John
Chisholm
Conyers
Diggs
Eckhardt
Flood
Ford, Mich.
Forsythe
Gaydos
Gray
Mikva
Pepper
Wilson, Tex.
Young, Alaska

☐ 1100

The Clerk announced the following pairs:

On this vote:

Mr. Young of Alaska for, with Mr. Pepper against.

Mr. GLICKMAN and Mr. CARTER changed their vote from "no" to "aye."

Mr. WATKINS and Mr. NEAL changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1110

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise at this time with so many Members in the well and on the floor to ask as many Members as possible to try to stay on the floor throughout the next hour and 50 minutes. As the Members know, last night we had an agreement to conclude all debate at 1 o'clock. We have many important amendments that will be coming up, and we can dispose of them without any limitation on debate, particularly on those that would be offered as we approach the agreed-upon hour for conclusion. We are going to have an important judiciary amendment offered. We will have the gentleman from Florida offer an amendment that will seriously affect the Canal Zone College. We will have an amendment concerning the free port privileges that our purse-seine fishing vessels have enjoyed in Panama, and we may have a jurisdictional problem with the Committee on Ways and Means which we will try and resolve without difficulty. We will have many other amendments offered that will be clearly outside the requirements and purview of the treaties. The committee intends to oppose those amendments, because a violation of the treaty, of course, would subject us to the strong possibility of a veto. As the membership knows, if we get a veto on this legislation, that treaty is then the implementing package rather than the very carefully worked out provisions of H.R. 111 that specifically have the thrust of protecting the taxpayer, collecting all revenues and putting them into the general fund of the Treasury, preserving the appropriation powers of the House, preserving the defense prerogatives of the United States, and, of course, offering the best conditions of reemployment, of early retirement, to the canal workers. So I hope that as many Members as possible will remain for the balance of this debate.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: Page 187, strike out line 19 and all that follows through line 20 on page 189 and insert in lieu thereof the following:

Chapter 2—IMMIGRATION

SEC. 1611. SPECIAL IMMIGRANTS.—(a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)), relating to the definition of special immigrants, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (D) the following new subparagraphs:

"(E) an immigrant, and his accompanying spouse and children, who is or has been an employee of the Panama Canal Company or Canal Zone Government before the date on which the Panama Canal Treaty of 1977 enters into force, who was resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service as such an employee for one year or more;

"(F) an immigrant, and his accompanying spouse and children, who is a Panamanian national and (i) who, before the date on which the Panama Canal Treaty of 1977 enters into force, has been honorably retired from United States Government employment in the Canal Zone with a total of fifteen years or more of faithful service or (ii) who, on the date on which the Panama Canal Treaty of 1977 enters into force, has been employed by the United States Government in the Canal Zone (or former Canal Zone) with a total of fifteen years or more of faithful service and who subsequently is honorably retired from such employment; or

"(G) an immigrant, and his accompanying spouse and children, who was an employee of the Panama Canal Company or Canal Zone Government on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, who has performed faithful service for five years or more as such an employee, and whose welfare, and the welfare of whose family, as a direct result of the Panama Canal Treaty of 1977, are reasonably placed in danger because of the special nature of any of that employment.".

(b) Section 212(d) of such Act (8 U.S.C. 1182(d)), relating to waivers of conditions of inadmissibility to the United States, is amended by adding after paragraph (8) the following new paragraph:

"(9) The provisions of paragraphs (7) and (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraph (E), (F), or (G) of section 101(a)(27).".

(c) Notwithstanding any other provision of law, not more than 7,500 individuals may be admitted to the United States as special immigrants under subparagraphs (E), (F), and (G) of section 101(a)(27) of the Immigration and Nationality Act, as added by subsection (a) of this section.

(d)(1) The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Paragraph (9) of section 212(d) of the Immigration and Nationality Act, as added by subsection (b) of this section, shall cease to be effective at the end of the transition period.

Ms. HOLTZMAN (during the reading). Mr. Chairman, I want to raise a point of order. My point of order is that under the rule the Committee on the Judiciary was given the right to offer an amendment to strike section 1611, and I believe that is the import of the amendment offered. The gentleman's amendment goes to that section, and I was on my feet.

The CHAIRMAN. First the amendment should be read, and then the Chair will recognize the gentlewoman.

The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. BAUMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. VOLKMER. I object. I object. I object. Read it.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. BAUMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. FISH. Mr. Chairman, reserving the right to object, I would like to ask my friend, the gentleman from Maryland (Mr. Bauman) so far the reading has shown no inconsistency with the text of the provisions as they appear in H.R. 111. I do think the reading of (G) would be helpful to those of us who would like to know precisely what the gentleman is offering.

Mr. BAUMAN. I would be glad to provide the gentleman with a copy of that section.

Mr. FISH. It just means we are going to have to read it against the text. It would be so much easier to have it read for the Membership.

Mr. BAUMAN. The gentleman can object, if he wishes.

Mr. FISH. I am not going to object.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

POINT OF ORDER

Ms. HOLTZMAN. Mr. Chairman, I renew the point of order that I tried to state at an earlier time.

The CHAIRMAN. The gentlewoman will state the point of order.

Ms. HOLTZMAN. Mr. Chairman, at the time that the last amendment was voted on, I was on my feet seeking to offer an amendment on behalf of the Committee on the Judiciary with respect to striking in its entirety section 1611 of the bill. The right to offer that amendment is granted under the rule, in fact on page 3 of House Resolution 274. I want to ask the Chair whether I am entitled to be recognized or was entitled to be recognized to make first a motion, which was a motion to strike the entire section before amendments were made to the text of the bill.

The CHAIRMAN (Mr. Foley). Unless an amendment having priority of consideration under the rule is offered, it is the Chair's practice to alternate recognition of members of the several committees that are listed in the rule, taking amendments from the majority and minority side in general turn, while giving priority of recognition to those committees that are mentioned in the rule.

The gentlewoman from New York (Ms. Holtzman) is a member of such a committee, but following the adoption of the last amendment the gentleman from New York (Mr. Murphy), the chairman of the Committee on Merchant Marine and Fisheries, sought recognition to strike the last word. Accordingly, the Chair then recognized the gentleman from Maryland (Mr. Bauman) to offer a floor amendment, which is a perfecting amendment to section 1611 of the bill.

The rule mentions that it shall be in order to consider an amendment as recommended by the Committee on the Judiciary, to strike out section 1611, if offered, but the rule does not give any special priority to the Committee on the Judiciary to offer such amendments, over perfecting amendments to that section.

Ms. HOLTZMAN. Mr. Chairman, may I be heard further? The gentleman said that he was going to recognize members of the committees that had a right to offer amendments under the rule alternately. I would suggest to the Chair that no member of the Committee on the Judiciary has been recognized thus far in the debate with respect to offering such an amendment and, therefore, the Chair's principle, as I understood he stated it, was not being observed in connection with recognition.

The CHAIRMAN. The Chair would observe that the Chair is attempting to be fair in recognizing Members alternately when they are members of committees with priority and that the rule permits but does not give the Committee on the Judiciary special priority of recognition over other floor amendments, which under the precedents would take priority over a motion to strike.

Second, the Chair would like to advise the gentlewoman from New York that recognition is discretionary with the Chair and is not subject to a point of order. Does the gentlewoman have any further comment to make on the point of order?

The Chair overrules the point of order and recognizes the gentleman in the well.

Mr. BAUMAN. I thank the Chairman.

I would like to call the attention of the committee to the provision of the legislation which deals with special immigrant status for certain Panamanian citizens who have worked for many years for the Panama Canal Company. The amendment that I am offering is an attempt to go toward a compromise with several members of the Committee on the Judiciary who do have concerns about the granting of special immigrant status. I think the Members ought to understand precisely what is involved in this particular amendment now pending, which I have discussed with the gentleman from New York (Mr. Murphy) and which I believe has his concurrence.

☐ 1120

The reason we have a special immigrant status provision in this bill at all is that during our hearings in the Canal Zone it was made very plain to us that there are a certain number of employees of the Canal Company and the Canal Zone Government that are entitled to this special status. Most of them are descendents of West Indians who came to the canal, at the time it was built, at the request of the American Government. Their fathers, grandfathers, and ancestors worked on the building of the canal. In fact, I think few Americans realize that very few Panamanians worked on the building of the canal. There were less than a hundred. Thousands of those who did work on the canal were West Indians, most of them of the black race. They came to Panama and helped us build the canal under American direction. Today they make up a large part of the work force of the Panama Canal Company and the Panama Canal Government. Many of them, for instance, are engaged in security work. Their ancestors were subjected and they have been subjected, to a rigidly segregated system, both in the Canal Zone and to a large degree in Panama. That has since been abated in recent years.

Mr. Chairman, the point is that these descendents of West Indian immigrants now living in the Canal Zone and in Panama, and I have to say this frankly to you, are viewed by the Government of Panama as outcasts. Although they are Panamanian citizens they have been treated rather shabbily by their own government. Furthermore, because many of them live on U.S. Government land and in U.S. Government housing in cities like Rainbow City, on October 1 they will probably lose their homes. Also, they may well lose their jobs because there is no guarantee in the treaty that the Panamanian Government must continue them in their current positions.

These people have expressed real fear to our committee concerning their future. This amendment is an attempt to balance a rather open-ended position our bill originally had in it. It is an attempt to limit the number of possible immigrants, and the estimate that is provided is that a maximum of not more than 7,500 people might be eligible to apply for this status. Most of them will not because they do have some roots in Panama.

Some of them have a special problem of security. This amendment deals with it.

For instance, there are those who work for the security police in the Canal Zone Government. Some of them have been told to their faces that once the jurisdiction of Panama covers the zone on October 1 they may be prosecuted. Prosecuted for acts that they have committed, in their official capacity, that the Panamanian Government views as illegal, simply enforcing the laws, for instance, of the Canal Zone.

This concept of bestowing special status on these immigrants was not original with the gentleman from Maryland. It grew out of the concern of our late colleague from Illinois, Ralph Metcalfe, who served with distinction as chairman of the Panama Canal Subcommittee. The gentleman saw this problem during his tenure as chairman of this subcommittee and first suggested the need to deal with it.

Now, there has to be some recognition of the work that these people and their ancestors provided for the United States of America from the time of Teddy Roosevelt to this day. That is the reason we have suggested that they have some special immigrant status if they apply, in recognition of the work they have done for the U.S. Government in the building of and operation of the canal. As I say, this is a rather limited number and I do not think existing immigration law would treat them as we ought to or as this amendment suggests they should be treated.

Mr. HALL of Texas. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(By unanimous consent Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. HALL of Texas. Mr. Chairman, there was testimony before the Immigration Subcommittee of the Committee on the Judiciary stating that at one point there were 38,000 people who were desirous of entering the United States under the position of which the gentleman speaks today.

In the examination of those witnesses it was brought out that there was really no great need at that time for these people to immigrate into the United States, out from under the quotas that we now recognize.

A question was asked by this gentleman from Texas as to whether or not some of these people who were desirous of coming into the United States, once they got here, would be eligible to go immediately on welfare. The answer was in the affirmative.

Now, Mr. Chairman, has the gentleman from Maryland checked into the possibility that we may be loading up the welfare rolls of the United States by having these people come in the capacity in which he indicates he would like to see them admitted?

Mr. BAUMAN. Mr. Chairman, the response has to be very plain and simple. These people are not on welfare in Panama. These people are employees of the U.S. Government and they have worked for the U. S. Government for a period of time. They have established themselves as responsible citizens of their own country but have worked for the United States. They have a great many skills that undoubtedly would also be needed here in the United States and in Federal employment in the United States.

Mr. HALL of Texas. Mr. Chairman, would these people then be entitled to retirement benefits within a certain period of time who would like to come to the United States?

Mr. BAUMAN. Some of them will be able to retire. Certain provisions of the legislation and the treaties transfer them to the jurisdiction of the Panamanian Government for purposes of retirement as well. I would have to check on the exact provisions.

We are trying to deal with a small number of people, approximately 7,500 at a maximum, to whom I think we owe a debt.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. I yield further to the gentleman from Texas.

Mr. HALL of Texas. Mr. Chairman, has the gentleman from Maryland made any independent determination that the people in whom he is interested today in having them come into the United States from Panama, would be eligible for welfare payments when they come into this country?

Mr. BAUMAN. Mr. Chairman, I cannot say, because I think that depends upon the eligibility criteria applied to each individual. I only suggest to the gentleman these are people now working for the United States. Many have worked for many, many years for the Federal Government, some for a short time, some for a longer time.

Mr. HALL of Texas. Are some of these people the gentleman refers to now retired?

Mr. BAUMAN. Some of them are retired, but if they are retired that income would be taken into account in determining their welfare eligibility.

Mr. BOWEN. Will the gentleman from Maryland yield, Mr. Chairman?

Mr. BAUMAN. I yield to the gentleman from Mississippi.

Mr. BOWEN. Mr. Chairman, I would like to commend the gentleman from Maryland for offering this very outstanding amendment. I think it is a very substantial contribution to the legislation. The legislation as written would allow close to 50,000 persons to be eligible for entry into the United States. The amendment puts a cap of about 7,500 on it.

Mr. Chairman, I would like to say to my good friends on this side of the aisle, those of you who have been looking for a long while to find a good Bauman amendment to vote for, that you certainly have one today. This is an excellent amendment. It will strengthen the legislation and I commend it to your support.

Thank you very much.

Mr. BAUMAN. Mr. Chairman, I appreciate the gentleman's warm embrace.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes, I yield.

Mr. LUNGREN. Just for clarification on this, I notice that the language says. "notwithstanding any other provision of law not more than 7,500 individuals may be admitted into the United States as special immigrants." Yet the text of the amendment talks about immigrants, spouses, and children.

Is the gentleman saying under the terms of this amendment that a total of 7,500 immigrants as defined in the bill and spouses and children, the total would be 7,500?

Mr. BAUMAN. Mr. Chairman, the total would be 7,500. I will say to the gentleman I do not think any number nearly approaching that figure will apply. Some few will apply and we ought to welcome them for what they have done for our country.

The CHAIRMAN. The time of the gentleman has again expired.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me point out to my colleagues, first, that this dispute over the special immigration provision has nothing to do with the treaty between the United States and Panama nor does it have anything to do with the implementing legislation. Any action we take here with regard to this provision will in no way impair the obligation that the United States has taken under the treaties. The word of the United States to the Panamanian Government is not at stake here.

Let me furnish some background. The gentleman from Mississippi said the provision in the bill (section 1611) referred to 50,000 immigrants. The gentleman from Maryland said it was a rather broad provision, to paraphrase the gentleman's description.

□ 1130

The provision in the bill reported by the Committee on Merchant Marine and Fisheries would have permitted into the United States 286,000 persons with no showing of need, with no showing of urgency.

Let me just put that number in perspective. Two hundred and eighty-six thousand is roughly the total number of people we allow as regular immigrants under the quota system to the United States each year. Two hundred and eighty-six thousand is more than the entire number of refugees that we have accepted from Indochina. That is the number this bill would admit without any showing of need.

Now, the gentleman from Maryland has recognized this enormous flaw in the bill. In fact, the entire Judiciary Committee unanimously approved a motion to strike, unanimously, and the Subcommittee on Immigration unanimously approved a motion to strike.

The question is, does the amendment of the gentleman from Maryland perfect this overly broad, unnecessary provision in the bill, or is it, too, subject to imperfections?

I would say to the members of the committee that the amendment of the gentleman from Maryland is seriously deficient. Let me explain why. I believe that if we have immigration provisions, they ought to be based on principles of fairness, principles of humanity, and principles of meeting real need. I would say that the gentleman's amendment does not do that.

For example, who is covered? Fifteen-year employees, people who have worked for the Panama Canal Commission or the United States for 15 years are covered.

I would tell my colleagues that the existing immigration law applies to persons who have worked for the United States for 15 years; they can come in under existing immigration law in cases of exceptional circumstances. Most of these 15-year employees then would be covered, especially if they face, as the gentleman from Maryland suggests, any discrimination. In my judgment, if people were faced with discrimination because they worked for the United States for 15 years, then that would constitute the exceptional circumstances already in the law.

Now, who else is covered in the Bauman amendment? People who have worked for the United States for as little as 1 year and have lived in the Canal Zone for as little as 1 day are covered. These people would automatically be entitled to come to the United States.

Now, just think about the number of employees who have worked for the U.S. Government around the world for 1 year. Will they not want to come to the United States if this provision is adopted? What about the problems of morale that would be created with respect to employees all around the world?

Now, there is some claim that these people who have worked for us for no more than 1 year and have lived in the Canal Zone no more than 1 day have some special need to come to the United States. Well, let us examine that claim. We heard testimony from our Ambassador to Panama and from the State Department that the only reason the administration was concerned about having any special immigration provision was to send "a psychological signal" to all employees of the canal.

I think our immigration laws, especially given the desperate plight of people in Southeast Asia at this time who may be losing their lives, ought to be used only where a compelling need is shown.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

(By unanimous consent, the gentlewoman from New York Ms. HOLTZMAN was allowed to proceed for 5 additional minutes.)

Ms. HOLTZMAN. Our immigration laws ought to be used only where a compelling need is shown.

Second, what about the argument that these people will be suffering some terrible consequences as a result of the treaty? The fact of the matter is that under article X of the treaty, Panama and the United States both undertake obligations to try to the maximum extent feasible to provide employment for these people. Panama undertakes a mandatory obligation if it cannot find work for them to provide retraining of these people. What is going to happen if they come to the United States? Is there any mandatory availability of retraining, of any training? Of course not.

What about the argument of discrimination? The people who come before our subcommittee said that there was no discrimination and I do not believe there is any testimony in any record that these employees will face discrimination. To the contrary, they are given guarantees regarding employment and retraining under the treaty signed between Panama and the United States.

With respect to the people in section G of the Bauman amendment—public safety officers who may fear for their lives—I would say that the gentleman raises a good point, and I understood a substitute will be offered by the gentleman from New York (Mr. FISH). But I would say with regard to these people who may be suffering retaliation or risk to their personal safety or life, on account of their work for the United States and may be suffering the possibility of physical danger, that the law already permits the U.S. Government under the exercise of parole power to permit these people to come into our country.

Given the existence of the present law which can be used to permit the entry of persons who have worked for the United States for 15 years, given the availability of parole power which can be used to protect these employees, even 1-year employees who worked for the United States and who may suffer retaliation, there ought to be some real showing that these people covered under the amendment want to come to the United States and that they need to come to the United States. No such showing was made to the immigration subcommittee and I would venture to say no such showing can be made.

I would say one other thing. The subcommittee made this point during hearings on the matter: Should any concrete actual need be shown we can and will act promptly, even assuming that the Attorney General would not exercise the parole power which he has to take care of any former employee who is in trouble. We could and would act promptly to try to alleviate the situation.

Mr. McCLORY. Mr. Chairman, will the gentlewoman from New York yield?

Ms. HOLTZMAN. I would be happy to yield to my colleague.

Mr. McCLORY. Mr. Chairman, I thank the gentlewoman for yielding. I want to concur in everything the gentlewoman has said. The gentlewoman has put it most eloquently, it seems to me, and for us to use this implementing legislation as a vehicle to amend the immigration laws of our country seems to me to be a disservice to the entire legislative process.

There have been no hearings. There has been no opportunity for the Committee on the Judiciary to act on any such amendment to the immigration laws. As the gentlewoman has said so eloquently, there is no present need for such a change.

Sure, we can express sympathy and compassion for those brave people who came to Panama many years ago and helped build the Canal and who are still residing there in the Canal Zone; we can be sympathetic with those who have crossed over from the Republic of Panama into the Canal Zone and worked on a daily basis and who may be discriminated against following the full implementation of this treaty; but it seems to me that there are adequate means of taking care of those who deserve parole or who deserve special consideration as refugees or immigrants under the existing immigration laws and we should not provide an open invitation for these tens of thousands of persons. If we talk about reducing the number of immigrants from 68,000 to 7,500 it is like every other estimate we have made with regard to refugees and immigrants. These numbers expand and multiply rapidly.

I hope the Members will support the gentlewoman and the susbtitute amendment of the gentleman from New York (Mr. FISH).

Ms. HOLTZMAN. Mr. Chairman, I thank my colleague for his comments.

Let me make one final point. In fact, the Bauman amendment is drafted so badly that it cannot even accomplish the purpose that the gentleman from Maryland tells us he wants to accomplish. The gentleman wants to protect those people who are allegedly going to suffer discrimination; but there is no priority for people suffering discrimination under the gentleman's amendment.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has again expired.

(By unanimous consent, Ms. HOLTZMAN was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, the pool eligible under the amendment of the gentleman from Maryland is 50,000 people. The gentleman sets a ceiling of 7,500. There is no priority for picking the 7,500. There are no standards for picking the 7,500. It is entirely possible, therefore, since the 7,500 will be picked on a first-come, first-served basis, that those people who may be in real need will not have any opportunity to come in under this amendment.

□ 1140

I would say to the Members of the House and to the members of this committee that our immigration laws are complicated. They should not be rewritten on the floor hastily, in badly conceived and badly drafted amendment to section 1611 of this bill—which I think all of us would agree we could not support.

If there is a need to allow former and present Panama Canal employees to come to the United States, present immigration law can cover the situation. I do not see any justification for allowing 7,500 people to come in who may not be in any way threatened by discrimination or suffering any difficulties whatsoever as a result of the Panama Canal Treaties. But these are precisely the people the Bauman amendment would admit; and because no priorities are set, those who might be in need could not come in at all.

Mr. Chairman, I say to the Members of the House that the Bauman amendment should be rejected and the provision in the bill (section 1611), should be rejected. If there is any serious problem our former employees encounter, it should be dealt with under existing immigration laws, which I believe can take care of the situation. To the extent they cannot and the Bauman amendment is rejected, the subcommittee will examine the matter sympathetically and promptly.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. FISH TO THE AMENDMENT OFFERED BY MR. BAUMAN

Mr. FISH. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH to the amendment offered by Mr. BAUMAN: In the matter proposed to be inserted by the amendment, make the following changes:

(1) strike out the proposed new subparagraph (E) of section 101(a)(27) of the Immigration and Nationality Act;

(2) strike out the proposed new subparagraph (F) of section 101(a)(27) of the Immigration and Nationality Act;

(3) strike out the proposed new subparagraph (G) of section 101(a)(27) of the Immigration and Nationality Act and insert the following: "(E) an immigrant, and his or her accompanying spouse and children, who was an employee of the Panama Canal Company or Canal Zone Government on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, who has performed faithful service for five years or more as such an employee, and whose personal safety, or the personal safety of whose family, are in danger because of the special nature of any of that employment. Notwithstanding any other provision of law, not more than 1,000 individuals may be admitted to the United States as special immigrants under this subparagraph";

(4) in section 1611(b), proposing an amendment to subsection (9) of section 212(d) of the Immigration and Nationality Act, strike out "(E), (F), or (G)" and insert "(E)"; and

(5) strike out subsection (c) of the amendment, and renumber subsection (d) accordingly.

Mr. FISH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Chairman, I wanted most of the amendment to be read because, unfortunately, this is a matter of amending the immigration law on the House floor, and we are obviously dealing with highly technical terms. To those Members who have a copy of H.R. 111 in front of them what we are talking about appears on pages 188 and 189 of the bill. We are referring basically to the subparagraphs numbered (E), (F), and (G) of the special immigrants status that the bill seeks to address, referring to employees and Panamanian nationals in the Canal Zone.

Mr. Chairman, I think we need a little background here. We have been told about the parole authority in the Attorney General. This is in the law, and he has this authority to admit to this country any person or persons in an emergency situation. Anyone coming within the scope of the special immigrants provisions contained in H.R. 111 who becomes the victim of persecution or who is in great jeopardy would have this remedy available to him. All the Indochinese refugees, numbering over 200,000, who have come to this country since the fall of Saigon have been admitted under this procedure.

The provision in the bill and in the amendment offered by the gentleman from Maryland retains verbatim subparagraph (E) and subparagraph (F), and it just modifies subparagraph (G). It is really granting an overly broad special immigrant status to many persons who have not previously come under that category for immigration purposes.

The gentlewoman from New York (Ms. HOLTZMAN), the chairwoman of our subcommittee, has stated very frankly and clearly that if problems do develop regarding former U.S. employees remaining in Panama, then our subcommittee will determine whether special immigrant legislation is necessary, and I will support her in her efforts in this regard if indeed such a need is made apparent. But I think we should take this in the context of commitments, not just in Panama. There are over 100,000 foreign nationals employed by our Defense Department. How could we deny a request for such blanket admissions for other foreign nationals employed by the United States when U.S. presence decreases or ends in a given area, if we make this precedent today?

Specifically, what are we talking about? In subparagraph (E) the language purports to cover Canal Zone Company employees of at least a year. Now, the flaw in this subsection is that an employee need be a resident of the Canal Zone for only a day. This is certainly overboard, and during our hearings no showing was made that the category of persons covered in subparagraph (E) would be subject to any discrimination following treaty implementation.

Mr. Chairman, subparagraph (F) purports to cover Panamanians with 15 years' service either before or after the treaty goes into force and effect. I submit that this category is clearly covered by existing law, and it is not necessary for us to take any further action.

Subparagraph (G) is more important. It gives special immigrant status to nonresident employees but without reference to the length of employment. The purpose of this section apparently is to anticipate a reprisal against former employees. Here again we have a range of remedies: the Attorney General's parole power and the possibility of political asylum.

But, Mr. Chairman, I am sympathetic to the goals of the gentleman from Maryland (Mr. BAUMAN) in this regard. While my amendment strikes subparagraphs (E) and (F), which are simply repeated from the bill before us in the amendment offered by the gentleman from Maryland (Mr. BAUMAN), it retains the provision contained in the amendment offered by the gentleman from Maryland with respect to subparagraph (G), with minor changes. I think it is important that we make available special immigrant status to non-U.S. citizen employees of the Panama Canal Company or of the Canal Zone Company who, because of the special nature of their employment with the United States agencies, find their personal safety threatened after entry in force and effect of the Panama Canal Treaty.

The CHAIRMAN. The time of the gentleman from New York (Mr. FISH) has expired.

(By unanimous consent, Mr. FISH was allowed to proceed for 5 additional minutes.)

Mr. FISH. So, Mr. Chairman, I would like to narrowly amend particularly the provision pertaining to those individuals who have been employed as public safety officers, both police and fire, in the Canal Zone, and against whom some segments of the Panamanian community may bear hostility.

I do this out of great respect for the care and preparatiton for the testimony and for the debate that has been performed by the gentleman from Maryland (Mr. BAUMAN). The gentleman has not told me this, but I have heard from other people that during his trips down there he has become a man of great symbolic importance to employees in the Canal Zone. They look to him for protection and are concerned as to what is going to happen after the treaties go into force and effect. I do appreciate the fears of this element of people who might well justifiably think they may bear the brunt of hostilities.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman has been very kind in his description of my role in this regard. I am not sure that I was aware of it until just now, but he has been very kind in describing me.

I have taken an interest in the canal employees' rights. That is why I supported the amendment of the committee yesterday dealing with retirement rights and other benefits in the zone.

I beg to differ with my colleague, the gentlewoman from New York (Ms. HOLTZMAN), but this matter was proven fully in our hearings and in our committee record. We had the testimony of black Panamanian employees which was very guarded. They asked to talk to us afterward since they were afraid they would be subjected to recrimination by certain Panamanian officials. They described graphically the hardships that they feel they may face.

I think the gentleman's amendment is perfectly suitable in the sense that it goes to those whose lives may be threatened because of their past U.S. employment. There already have been public threats to individual employees by the Guardia Nacional who threaten to take care of them after October 1.

But your amendment still does not take care of the larger number of employees, as my amendment does.

As I said yesterday, the gentleman from Maryland is not a raving liberal, and I did not mean to come here and indulge in a heinous rape of the immigration laws and upset the entire Committee on the Judiciary.

If we want the grandchildren and the children of the people who built this canal, the blacks from the West Indies, to not have any special status and be treated as normal immigrants, fine. If the sanctity of the Judiciary Committee's jurisdiction is the only issue, perhaps I should withdraw my amendment. If my great liberal colleagues from the State of New York are so upset about it, we can just let these blacks suffer the consequences of these treaties.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I will be glad to yield to the gentlewoman from New York.

☐ 1150

Ms. HOLTZMAN. I would say to the gentleman from Maryland that I would be concerned if discrimination were shown, and I would be concerned if in fact there were a need shown. But the point I am making is the fact that we were told explicitly by the administration that the purpose of having a special immigration provision was to send a signal to the employees of the Panama Canal Zone.

Second, the fact of the matter is that, under the gentleman's amendment, he does not take into account people who may be subject to discrimination, because there is no priority set among the 7,500 people allowed to enter the United States. It is just who gets to the immigration authorities first, and there is no assurance that the people who may be in need will get to the immigration authorities first. That is why I think, even though the gentleman says he is concerned about discrimination, it is in fact not what is going to happen under his amendment.

I would say, also, to my colleague from New York that the rights under this bill are rights in perpetuity. So this means that 25 years from now, if someone wants to come to the United States, again without any need or reason except that it would be nice to live in the United States, they can come in. I think we ought to have a clear showing of need before we adopt a blanket immigration provision, which I think is what the amendment offered by the gentleman from New York does and not the amendment offered by the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Maryland.

Mr. BAUMAN. Apparently some people do not realize the group we are aiming at. There are 15,000 people working for the canal. Of that number, about 2,500 are American citizens, the rest are Panamanians. This is the group that is not affected. We have set a cap in the amendment. Ten or twenty percent of the 7,500 may make application. That is all I am trying to do.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. McCLORY. It seems to me that what we have here is a substantial agreement or understanding with regard to what we are trying to do. Perhaps the gentleman from Maryland will withdraw the amendment and support the substitute amendment offered by the gentleman from New York.

Mr. BAUMAN. If the gentleman will yield, we should have a vote of this. I have listened to the liberals speeches about the teeming masses, and so forth. So I would like to see a vote on helping these people who need help.

The CHAIRMAN. The time of the gentleman from New York (Mr. FISH) has expired.

(By unanimous consent, Mr. FISH was allowed to proceed for 3 additional minutes.)

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent to terminate the debate on the amendment offered by the gentleman from Maryland (Mr. BAUMAN) and all amendments thereto at 12:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Ms. HOLTZMAN. Mr. Chairman, reserving the right to object, could we have some indication of how many Members wish to speak?

The CHAIRMAN. The Chair observes seven Members standing.

Mr. MURPHY of New York. Mr. Chairman, I withdraw the unanimous-consent request.

Mr. FISH. Mr. Chairman, I want to clarify this: I do not want this measure to get off the track, and I want the Members to remember that this is a subcommittee that was chaired by the gentleman from New Jersey, the Honorable PETER RODINO before becoming chairman of the full committee, which today is chaired by the gentlewoman from New York. It has had, certainly, a liberal bent on immigration policy for the last several decades, and we should not be put off the track by any insinuations that we are being in any sense hard-boiled.

Let me explain the difference between my amendment and that of the gentleman from Maryland with respect to paragraph (G). He says in his amendment, in talking about the category of individuals covered: "Whose welfare and the welfare of whose family as a direct result of the treaty are reasonably placed in danger."

And I say: "Whose personal safety or whose family are endangered because of the special nature of that employment."

We are not talking welfare or some nebulous result of the treaty, but we are talking of the element of personal safety because of the nature of that individual's employment with the United States. Our responsibility here with the employee is in respect to his employment with us.

I think this amendment goes a long way toward meeting the goals of the Committee on Merchant Marine and Fisheries, and I recommend it to my colleagues.

Mr. STOKES. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

Mr. Chairman, the statement was made in general debate that there was no demonstrated need for a special class of immigrants from among Panama Canal employees. For the benefit of Members, I would like to review some of the pertinent historical facts surrounding the long-time aspirations of Panamanians of West Indian descent to enter the United States.

First, the ancestors of many of the subjects of this amendment came to the Isthmus of Panama from the West Indian Islands of the Caribbean under the sponsorship of the United States, to be employed by the United States, to accomplish a major policy objective of the United States. By coincidence and of necessity many of these immigrants to the Isthmus became citizens of Panama. But their entire reason for existence on the Isthmus of Panama, the entire course of their working lives, the sustenance of their families, has depended on the United States. Panama had nothing whatsoever to do with the course of immigration to the isthmus, and, I am prompted to state, Panama attempted in its unenlightened years to move the West Indian black people out of that country. Today, with a new treaty agreement on the horizon, the West Indian-American-Panamanians have truly become, as one columnist called them, a "people in no man's land."

Second, the bulk of West Indian immigrants having come to the canal area between 1903 and 1914, there followed a regimented system of segregation that applied especially in the Canal Zone—separate schools, separate housing, separate hospital wards, and other forms of segregation that equalled what existed in the most segregated parts of the United States before 1954. The segregated nature of U.S. presence in the Canal Zone was a basic problem in all of our dealings in Panama. The separate nature of institutions was broken in recent years only by the efforts of the present Governor of the Canal Zone and Members of Congress, including our late colleague Ralph Metcalfe.

In addition, the West Indian immigrants who came to the isthmus to serve the United States and its interests settled in the Canal Zone but were forced out of the Canal Zone and into Panamanian jurisdiction by a succession of policies adopted in the 1920's through the 1950's. This addresses the issue thoughtfully raised by the Judiciary Committee in its report as to why an immigration provision need contain a provision for persons already living in Panama. The answer is that many of those employees are not living there by choice so much as by the decision of the United States.

Finally, we must recognize that the United States has agreed to a treaty which displaces from employment nearly half of the non-U.S. canal employees. This country may not have a legal responsibility for the future of these employees, but our moral responsibility is clear. To aid my colleagues in understanding how the change wrought by the treaty agreements relate to immigration, let me quote one representative of the non-U.S. citizens in the Canal Zone, who said:

> Though this had been a longstanding request the treaty negotiations and the assurances tell us thousands are going to be displaced and there is very dim likelihood of any comparable employment or, as I said, any employment at all.

Mr. Chairman, the immigration provision of H.R. 111 is the most dramatic aspect of the human dimensions of this situation we have in Panama. No one in the House was more sensitive to the need for a "human policy" in Panama than our late colleague Ralph Metcalfe, who said in 1972:

> There is a wide gap in attitude and concern between the Americans and the Panamanians, especially between the third and forgotten group, the black Latin Americans, who work for the Panama Canal * * * I view the major need to be a complete reevaluation of the rights and dignity of all groups and the recognition of their needs and desires.

In conclusion, I believe it is very clear that the United States bears a major share of responsibility for the plight of the West Indian and many Panamanian employees.

It was the United States who brought this people to the isthmus.

The United States is responsible for providing a system which limited the opportunity of many of these employees to meager and menial employment and education.

The United States forced the ancestors of the persons who would be eligible under this amendment to move, in effect, out of a U.S. controlled-area and into Panama.

Surely, Mr. Chairman, the affiliation of the West Indian-American-Panamanian employees of the canal has not been entirely negative. The education, the financial well-being, the social advancement of this group, has occurred in large part due to affiliation with the United States. But let us grant a full measure of justice to a class of persons who have borne many of the burdens of this country without the attendant benefits.

Time and again representatives of the Latin American civic councils in the Canal Zone have requested of the various committees of the House that easier access to the U.S. be made possible. Now is the appropriate time to act upon that request.

□ 1200

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I share the gentleman's concern at the way in which the United States and Panama in the past have treated West Indian employees.

The question is, what assistance does this amendment provide for them?

I want to go back to the point I mentioned before. The Bauman amendment deals with the pool of 50,000 people. The bulk of that pool consists of people who have already retired, or who have worked for the Canal Zone for 15 years and may well be retired. These people may not be displaced at all by the treaty, yet they could come in first, because only 7,500 numbers are given. There is no priority system to protest those people who might be hurt. I think it is a major defeat.

The problem is created by this sort of at-the-last-minute response to an overly broad provision of the bill.

The second thing I would tell my friend is that the treaty requirements, as I read them under article 10, impose obligations on both the United States and Panama to find employment for people displaced or unemployed by the treaty, and there is a mandatory requirement for Panama to retrain them.

I would say finally to my friend, if there does in fact turn out to be a problem, I give the gentleman my assurance as Chair of the Immigration Subcommittee, that we will hold hearings to try to discharge responsibility that the United States has undertaken with respect to long-term employees and even shorter term employees.

I would say the Bauman amendment does not address the special needs of the people that concern the gentleman and the regular law can deal with the situation adequately.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STOKES) has expired.

(By unanimous consent, Mr. STOKES was allowed to proceed for 1 additional minute.)

Mr. STOKES. I appreciate very much the comment of the gentlewoman from New York (Ms. HOLTZMAN) and especially her assurances as to the action her committee would be willing to take if this particular problem develops.

It seems to me, however, that we are confronted with a situation here today where we have to deal with precisely what is before us at this time.

It does seem to me that this particular provision does at this time what nothing else can do and that is provide some measure of relief to this particular group of persons whom I feel need that relief.

Mr. BIAGGI. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, it seems to me that this issue is jurisdictional in nature. Both proponents seem to have the same concern.

I served with the late Member of the House, Ralph Metcalfe, and visited Panama with him and also am presently a member of the committee.

I would not agree with the numbers involved in H.R. 111, but I agree with the intent of the provision. The fact that we focus attention on the potential problem involving an uncertain number of individuals who might be adversely affected is important from the human point of view. It is even more important that we send a message to the Members, to the people who may be directly affected, as well as the Panamanian Government.

Now, with relation to the amendment offered by my good friend, the gentleman from Maryland (Mr. BAUMAN), the numbers he mentioned seem to be fair in the light of the total pool of some 50,000.

The question, that should be resolved, that was raised by the gentlewoman from New York, raises a very valid point. What assurance do we have that those who seek to leave because of some adverse condition will be given the proper response and the proper priority?

Would the gentleman respond to that?

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Maryland.

Mr. BAUMAN. I would say to the gentleman, the reason we set a cap on this number is because of the concerns expressed by a number of Members about a wholesale immigration.

Mr. BIAGGI. I have no problem with the cap.

Mr. BAUMAN. I understand.

Mr. BIAGGI. I have a problem with a priority within that figure.

Mr. BAUMAN. The people who are going to be most affected and probably apply for immigration are those now living in the Canal Zone in Government housing who will be displaced from possibly their homes and jobs on October 1. There could not be that many people, but there are certain ones who might fall into the category. That is the pool from which we will draw, and the testimony we heard indicated that it might not be more than 1,400 or 1,500 people total, including families.

All this business of saying there is going to be a quarter of million Panamanians suddenly coming into the country, that is a scare tactic. We are talking about a small number of people who need help now before October 1. Some of them will very likely be in jeopardy of their lives.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. MURPHY of New York. The figure

in the amendment of the gentleman from Maryland is 7,500 for all categories, which is the intent of the gentleman, so that we can assure the Members of the House there will be no wholesale defection of every person working for the canal to the United States.

This is an amendment with a definite need, a need created in part by this treaty because of a termination of employment, a termination of education, a termination of housing, a termination of a way of life that has been American—that has been American—but we limit the class of immigrants to 7,500; 7,500 is the only figure we are dealing with, if the number of immigrants meets that number.

So, let us throw out those other speculative figures that have been tossed out here in the Chamber.

The gentleman from Maryland specifically has limited it throughout the history of this particular amendment to 7,500.

Mr. BIAGGI. Does the gentleman support the gentleman's amendment?

Mr. MURPHY of New York. I am opposed to the amendment of the gentleman from New York to the amendment and am fully supportive of the Bauman amendment.

Mr. BIAGGI. I will go a little further. I am glad to hear of the gentleman's position, that he is supportive of the intent, notwithstanding the jurisdictional overlap. With regard to the contention that the gentleman's amendment is needless, it would appear to me that we cannot be too right, right as contrasted to wrong.

It appeared to me that the gentleman's amendment does communicate a concern and a message, and if there is a need for relief for in excess of 7,500, we can appeal to the existing law, as stated by the gentlewoman from New York.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

It seems to me the gentleman from Ohio (Mr. STOKES) has raised a very important point and one that I feel needs a better understanding on the part of all of us, including this Member.

In an effort to understand the background of this bill, last winter and spring, I plowed through the 800-some pages of an absolutely great book called "The Path Between the Seas," which recounts the whole history of the Panama Canal from the days of the French company right up to 1977, which is the year the book was published.

One of the things the book brings out, which I think most of us are not really aware of, is that 95 percent of the work of building this canal was done by black people from the Caribbean area, who were not American citizens. The canal was built with American capital and American supervision and American know-how, but by black Caribbean workers: and those people have been sort of ignored in most popular histories of the canal.

☐ 1210

Even today the canal is operated in large measure by people who are not American citizens. Some of these people are Panamanian citizens and many are from other countries. We cannot just walk away from those people. I think that the gentleman from Ohio (Mr. STOKES) has raised an extremely important point about the importance of our recognizing that.

This amendment of the gentleman from Maryland does recognize that. Yet I find myself in a dilemma because, as a member of the Judiciary Committee, I feel we should not lightly amend the immigration laws in order to handle a special situation, at least not without the committee having had an opportunity to see what are the ramifications in terms of precedent in other situations.

What I would like to ask the gentlewoman from New York is this: if we adopt the Bauman amendment and it turns out that the 7,500 that could get in are not sufficient to take care of the problem, it still is open to the Judiciary Committee to take further action, is it not?

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. Yes, I yield to the gentlewoman.

Ms. HOLTZMAN. The problem with the Bauman amendment is—and this point was raised by the gentleman from New York (Mr. BIAGGI)—it is not structured in terms of priority. So, we will allow in, conceivably we could allow in under the gentleman from Maryland's amendment 7,500 people who have worked for the United States for 1 year, have lived in the Canal Zone for 1 day, and whose ties to the United States are tangential, whereas the people who maybe have worked for a long time, who will be displaced, who will not get new employment opportunities in Panama, may not have any right to come in at all. I think to allow people who really do not have a significant connection with the United States to come in under a blanket provision creates problems for the United States all over the world because we do have employees working for us all over the world.

I would say this is the most serious problem with the Bauman amendment. The U.S. immigration laws at present recognize the obligation that the United States has to long-term employees. Under the immigration laws, people who have worked for the United States for 15 years can come into the United States under exceptional circumstances.

What I would say to the gentleman is that the committee will look at this situation regardless of the Bauman amendment. The Bauman amendment, first, sets a bad precedent; and second, allows people to come into the United States who may really not be in need and allows people to come in who might even qualify under existing immigration law because it is easier to come in this way and they would take the places that might be desperately needed by other people.

Mr. SEIBERLING. That is a very good point. Why should not the committee or Mr. BAUMAN accept an amendment that does impose a cutoff so that if they had no real ties and have not been there very long they are not given some sort of a special immigration status?

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I will yield to my colleague.

Mr. STOKES. I thank the gentleman for yielding.

I would have to seriously object to the statement made by the gentlewoman from New York in making reference to the fact that these are people who have significantly little connection to the United States. I tried in my statement to show historically what the real relationship is that they have to the United States.

Mr. SEIBERLING. But that is not the gentlewoman's point. She is for helping those people, but not the ones who are just Johnny-come-latelies.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. Yes, I will be glad to yield.

Ms. HOLTZMAN. That is precisely the point that I am making. This bill does not apply only to West Indians, but there are Hispanics and others who are covered and would be within that 50,000 pool. There is no way of setting priorities in that 50,000 pool so that these people whom the gentleman says he is concerned with, and I am concerned with, may not even be able to come in under the amendment at all.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SEIBERLING. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. GOODLING. Mr. Chairman, reserving the right to object, I do so only to say that there are many amendments that are printed in the RECORD which are covered, but only for 5 minutes. There are many other amendments that are not printed in the RECORD. We have been on this amendment 45 minutes. We have 45 minutes left, and I would hope we could expedite this so that all would have an opportunity to join in this amendment procedure.

The CHAIRMAN. Does the gentleman withdraw his reservation of objection?

Mr. GOODLING. Yes, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the unanimous consent request of the gentleman from Ohio (Mr. SEIBERLING) that he be allowed to proceed for 1 additional minute?

There was no objection.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. Yes, I yield.

Ms. HOLTZMAN. Under the language of the Bauman amendment, people need only have worked for the United States for 1 year. They can be recent employees and have lived in the Canal Zone for only 1 day.

I would say to the gentleman from Ohio that the people he is concerned about and for whom we may well have a long standing responsibility, may be the last on the line. If they are last on the line and past the 7,500 quota, they do not come in at all. This amendment operates on a basis of first-come, first-served; it is not based on length of service, on special responsibility to the United

States, or anything except who gets on the line first. I think that kind of principle for immigration laws is wrong.

Mr. SEIBERLING. I must say that is also an important point and I think we have a real dilemma here. Maybe someone could get a consent amendment that would clean up this particular point and we could move on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Fish) to the amendment offered by the gentleman from Maryland (Mr. Bauman).

The question was taken; and on a division (demanded by Mr. Fish) there were—ayes 11, noes 12.

Mr. FISH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quroum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1220

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from New York (Mr. Fish) for a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Bauman).

The question was taken; and on a division (demanded by Ms. Holtzman) there were—ayes 57; noes 13.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. DAVIS OF MICHIGAN

Mr. DAVIS of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Davis of Michigan: Page 191, strike out lines 13 through 20.

Mr. DAVIS of Michigan. Mr. Chairman, had I been on the floor when we were first considering this bill, I would have requested a ruling on the germaneness of section 1622(f) of title III of H.R. 111. It involves a provision that should not be in the bill and was an amendment offered and adopted by the Merchant Marine and Fisheries Committee, of which I am a member, by voice vote and without adequate consideration. It involves matters that should be negotiated in the trade agreement. Mr. Vanik of Ohio, chairman of the Ways and Means' Trade Subcommittee, supports my amendment. Mr. Ullman of Oregon, the chairman of Ways and Means, in a letter to the chairman of the Merchant Marine and Fisheries Committee, Mr. Murphy of New York, had asked that the provision in question not be included in the bill because it was something which is within the jurisdiction of the Ways and Means Committee.

Basically, the situation is this: Back in the 1790's, this country adopted a provision which instituted a tariff on vessel repairs and equipment purchased abroad from a foreign manufacturer; this includes fish nets. This protection lasted until a few years ago when the U.S. Customs Service relaxed their enforcement of collection of duties on this equipment when sold in the Panama Canal Zone. Recently, however, Customs had indicated a willingness to change their policy in this matter. As a matter of fact, I have here a letter that was written to one of the Members of Congress in which the Customs Service stated that they intended to begin enforcing the duty against foreign manufacturers of these materials who operated in the Canal Zone.

The treaty, if this language is struck from the bill by adoption of my amendment, would institute the duty on fish nets and other ship equipment. If we leave the language in the bill, it would perpetuate unfair competition for American companies. It is the only place in the world where a vessel can buy fish nets or equipment to put on a ship and not be subject to a duty. I do not think that this is fair. We have about 12 American companies involved in the fish net business, employing about 5,000 people. I do not know how many, probably several more companies, produce other types of ship equipment. We estimate that the sale of foreign netting through the Canal Zone accounts for a $5 million a year business.

This amendment would strike section 1622(f) of title III of H.R. 111. I urge the Members to support this amendment and the free enterprise system.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Michigan. I will be glad to yield to the chairman of the Trade Subcommittee, the gentleman from Ohio (Mr. Vanik).

Mr. VANIK. I want to say to my colleagues, Mr. Chairman, that I concur in the amendment that has been offered by the gentleman from Michigan. The committee bill has gone into a tariff provision which is the jurisdiction of the Ways and Means Committee, where we can discuss and develop the pros and cons from the standpoint of the domestic industry and the consumer in arriving at a tariff decision.

I think this procedure that the committee has followed is a dangerous intrusion into a very vital area of specialized authority. If we are going to ignore what is done here with respect to the fish net industry of the United States, there is no limit to what kind of an opening we are creating for industrial goods, for agricultural products, for other areas of tariff involvement. I do not believe the section belongs in the bill at all.

I am seriously concerned about the effect that it has on American industry, and I am concerned about the serious precedent that would be established if we were to proliferate tariff writing authority to the many, many committees of the Congress that have broad areas of legislative jurisdiction.

This is absolutely and completely a matter of a trade legislation area, and I would urge the Members of the Committee to join in rejecting this provision in the bill by supporting the amendment that is offered by our distinguished colleague, the gentleman from Michigan.

☐ 1230

Mr. DAVIS of Michigan. Mr. Chairman, I yield back the remainder of my time.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at this point I would ask unanimous consent that the amendment be amended on page 191, line 19, so that after the word "any", the word "tuna" be inserted.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DAVIS of Michigan. Mr. Chairman, reserving the right to object, this particular amendment that we are talking about really rips out the guts of my amendment. We are talking about the fish net industry, and the fish net industry in this particular case involves the making of nets for the kind of fishing industry the gentleman is talking about. It is true that of the 12 companies in the United States that employ 5,000 people, there are none at the present time engaged in making these nets. Most of the nets come from Japan and other countries. The point is that we have four companies that are immediately ready to go ahead and start producing these nets in the event that the Customs Service does in fact reinstitute the duty.

Mr. Chairman, as Mr. Murphy is aware in the letter to the gentleman from Alabama, Customs has indicated that they will reinstitute the duty. So this would take place if in fact my amendment is adopted. I believe the gentleman's amendment really guts one of the intent of my amendment.

Mr. MURPHY of New York. If the gentleman would permit me to explain what that insertion of the world "tuna" does, it limits the language and the intent just to tuna netting. In other words, it holds harmless the rest of the netting industry, and it only applies, then, to tuna netting only.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Michigan. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

I want to point out that the amendment that is proposed by the gentleman from New York, the chairman of the committee, does not change my position. We have labored in the Trade Subcommittee of the Committee on Ways and Means to look out for American industry. We have just today voted out the multinational trade agreement by a unanimous vote of the committee. We have looked out for the interests of the textile industry, the steel industry, the apparel industry, the electronics industry. We are trying to look out for the industries of the United States, and if we want to give this jurisdiction in any kind of manner to one of the legislative committees, then I think there is a very serious peril involved.

I would say that if the amendment of the gentleman from Michigan (Mr. Davis) is adopted, and if the supplemental amendment to it is rejected so that it is adopted in the form in which he has offered it, I want to say to my colleagues that we will address ourselves to this issue. We will try to get a response that will look out for the consumer, the industry, and the various other affected parties in the United States. But leave this jurisdiction where it belongs. I urge the Committee to support the position of the gentleman from Michigan.

Mr. MURPHY of New York. Mr. Chairman, I ask for a ruling on my unanimous consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DAVIS of Michigan. I object.

The CHAIRMAN. Objection is heard. The Chair recognizes the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Chairman, in a communication to the chairman of the Committee on Ways and Means—and this is a letter dated June 20—in response to the question of jurisdiction between the committees, the Chief Counsel checked with the Parliamentarian, who said that, in his opinion, the Committee on Merchant Marine and Fisheries had jurisdiction over this matter. The Merchant Marine Committee has jurisdiction over fishing matters and over Panama Canal matters. This exemption existed at the time the Panama Canal treaties were signed and at the time hearings were begun on implementing legislation. I assured the chairman, the gentleman from Oregon (Mr. Ullman), that we had no intention of intruding on the jurisdiction of the Committee on Ways and Means.

Why are we at this juncture right now? We are here for two reasons. The Virgin Islands and Panama at the present time enjoy an exemption from certain U.S. customs requirements for nets and netting. The only viable fishing fleet that America has is the purse seine tuna fishing fleet. It fishes from Puerto Rico, and it fishes from San Diego basically. Those fleets go through the Panama Canal, and they fish in the Inter-American Tropical Tuna Commission area. That basically extends about 1° south of the Equator on up to Mexican waters to the north, and that area is where the yellowfin tuna is found.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Murphy of New York was allowed to proceed for 2 additional minutes.)

Mr. MURPHY of New York. These major boats now use the Panama Canal Zone as a port, and we have recognized the fact that it is necessary for these boats to go in for major repairs. Their netting costs about $250,000 each for a net on a purse seine tuna vessel.

The Japanese make the only nets that these fleets will buy because they are so far superior to American nets. They last three times as long, and on these voyages the nets are vital to the productivity of the vessels.

We have had legislation before this House that has done as much as it possibly could to have the American-flag purse seine tuna fleet go to foreign-flag registry. We have limited them in their ability to fish. We have limited their seas, and we have limited their tonnage. But our committee has a constant battle with the Department of State to permit them to take the proper and fair share of the fish in the IATTC zone.

What we merely want to do by this amendment is to continue the exemption for Panama when the Canal Zone ceases to exist on October 1 so that they continue to buy and repair their nets so that we do not force this viable fishing industry to go foreign flag. At that time, then, after October 1, the U.S. customs laws will not apply, and we are going to have lost more than we gain. That is the reason we are asking for this very simple language in H.R. 111 to protect this viable American industry.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

The chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman), made it very clear in our letter that section 466 of the Tariff Act of 1930 is statutory language under the jurisdiction of the Committee on Ways and Means under the amended law. I just want to say this, that if the position of the gentleman from Michigan is supported in the committee, I will do what I can as chairman of the Trade Committee to try to see that we can promote sales to the Japanese, to make the Japanese import or sell to the United States.

We have a deficit of three-quarters of a billion dollars a month. That is an intolerable level of deficit and every thing contributes to that deficit.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Davis of Michigan, and by unanimous consent, Mr. Murphy of New York was allowed to proceed for 2 additional minutes.)

Mr. MURPHY of New York. For the gentleman's information, we have not had an American netting industry that furnished any netting since 1970 to this fleet because of the inferiority of the netting.

Mr. VANIK. If the gentleman will yield, we are going to do a better job.

Mr. DAVIS of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. I thank the gentleman for yielding.

Let me say this. First of all, I indicated there are four U.S. companies who are ready, willing, and able to go ahead and start manufacturing these nets. They can compete with the Japanese, but they have not been able to compete because of the nonenforcement of the duty. If we go ahead and accept the gentleman's amendment, we will create unfair competition for American companies. If we accept my amendment, we will be allowing the American companies to compete with the foreign companies in this market.

Mr. MURPHY of New York. We do not create anything. All we do is retain an exemption that presently exists.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Davis).

The question was taken; and on a division (demanded by Mr. Davis of Michigan) there were—ayes 22, noes 10.

So the amendment was agreed to.

□ 1240

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fuqua: Page 152, strike lines 24 and 25.

Page 153, strike lines 1, 2, 3, and 4.

Mr. FUQUA. The amendment that I have offered strikes language that is contained in the bill that authorizes the Department of Defense to operate the Canal Zone College. In the earlier debate on the Department of Education bill one of the most important amendments before this House was whether or not the Department of Defense or the Department of Education should operate the K through 12 schools at the military bases and others throughout the world where we have our military installations.

Here we are setting precedent by saying to the Department of Defense that they should operate an institution of higher learning. Now, how is it operated in other installations around the world? Every installation that we have has a program of extension so people may further their education and it is through a contract with some college or university within the United States that expresses an interest in providing that educational service.

I think that in the operation in the Canal Zone that this should be operated in a similar manner and not set a new precedent as we are here.

The enrollment at this school has been declining over the past several years. With the Americans moving out and assuming less control of the general operation of the canal, it would be my anticipation that decline in enrollment would continue.

How did I become interested in this? I am sure that will be probably somewhat subject to debate and perhaps rightfully so. Florida State University, which is located in my congressional district, has a branch in the Canal Zone under contract with the Department of Defense.

I was in the Canal Zone as a commencement speaker last July and was touring the facilities there. I found we had operated by the Canal Zone Company this community college. I inquired of General McAuliffe what would happen to this college after the treaty was implemented? He said it would probably be that the Department of Defense would operate it.

I inquired further, saying it was not to my knowledge that the Department of Defense had ever operated any institution of higher education. He assured me to his knowledge that was an accurate statement.

Pennsylvania State University, I might point out, also has a program for extension education in the Canal Zone. I am not trying to grandfather Florida State University into this program. They will have to take their chances with any other university that operates in overseas schools.

I notice the gentleman from Maryland (Mr. BAUMAN), the University of Maryland has a very extensive program in overseas education for the U.S. Government.

I just think we should not establish, the U.S. Government and, more specifically, the Department of Defense, operating an institution of higher education in some remote part of the world. We do it with ample precedent of how it should be done. It should be done. There should be opportunities for Americans stationed in these installations in Panama, that they may have an opportunity to improve their education.

I think, rather than establishing a school and having it operated by the Department of Defense, that we operate it under the normal procedure that has been going on in other installations around the world.

Mr. BONIOR of Michigan. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, during our hearings in the Canal Zone we had a number of witnesses who came before the subcommittee to testify on behalf of retaining the Canal Zone College.

The college is considered an integral part of the community down there. It has been in operation, as the gentleman indicated, for about 45 years. It serves people in the Canal Zone. It serves the military and dependents. It also serves, I might add, Panamanians. In that respect the Canal Zone College is an island of academic stability and I think the word "stability" is important, especially considering the nature of the situation that is existing in the Canal Zone today, the unstable condition in which the employees find themselves. It is not only a pillar of the community itself but it exercises, I feel, a very positive influence upon the Government and business leaders of Panama who attend the college and who get a good flavor of what human rights are about and what our democratic institutions are about.

It was just recently that former President Lakas spoke before the Canal Zone College and indicated his strong feeling that it should remain and that it has been a very integral and viable part of the community in a relationship pattern that has developed between the Panamanians and the Americans down there.

I might add also it is also an inducement, keeping the Canal Zone College operational, for the Americans who have dependents who are attending the college.

Many of the Members of this body have dependents, sons, daughters, wives, husbands who are attending college and know the financial drain that can be placed upon a member of a family and the necessity to have a stability factor such as a college or university within the working community.

It is an important ingredient.

We had member after member of the community in the Canal Zone come before our committee and testify they did indeed want to retain the college.

I might add in terms of numbers we also had testimony that indicated that the numbers of people who are attending the college has remained stable over the last couple of years and they anticipate it will remain stable in the coming years.

I grant the argument of the gentleman from Florida that there may be a point in which we may indeed have to reconsider whether or not we want to continue the Canal Zone College because, as you know, the treaty does stipulate the number of American employees in the Canal Zone will have to depreciate over the 20-year period.

Mr. Chairman, I think at this important juncture in our deliberations with Panama that it is important that we have that type of stability, that we have an institution that is looked upon in a very friendly flavor between the Panamanians and the Americans.

I would hope in that respect we would look favorably upon the amendment I included in committee and would defeat the amendment of the gentleman from Florida.

Mr. Chairman, I might also add this period of time we are dealing with in training the Panamanians so we have a cooperative relationship so the canal runs smoothly, it is important in the sense that there are facilities at the college that I do not think Florida State University or any other extension service can offer: Lab facilities, for instance, technical facilities in terms of engineering, hydraulics. These things are in place and will be a viable asset in terms of training the Panamanians who represent about 30 percent of the membership in the college. Training them to operate and to communicate well within the Canal Zone community.

With that in mind I would hope at this point in time we would keep the Canal Zone College open and then perhaps at some future date we can take another look at it to see if indeed there may be a need to phase it out. I think it is extremely important now to retain it in its present form.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The amendment was rejected.

☐ 1250

AMENDMENT OFFERED BY MR. PASHAYAN

Mr. PASHAYAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PASHAYAN: On page 157, after line 19, add a new subsection (g) to read as follows:

"(g) Upon a determination by either the President of the United States or the Congress by concurrent resolution that the Republic of Panama is interfering in the internal affairs of any other state, either directly or indirectly, no payments shall be made to Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977, and under the note regarding Economic and Military cooperation of September 7, 1977, or any other provision, until a subsequent determination by either the President or the Congress by concurrent resolution that such interference has ceased."

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Florida.

● Mr. KELLY. Mr. Chairman, the House should consider what is before us not as an isolated act without ramifications but as a part of America's overall foreign policy and standing in the world.

Appeasement is a harsh word, but appeasement is what we are preparing to vote on here—one appeasement on a growing list of appeasements around the world.

Appeasement is a concession or sacrifice of interests made in fear that something troublesome will happen if it is not made. It is diplomatic payment of extortion.

And appeasement is rapidly becoming a part of U.S. policy. We have the recent examples of Korea, Vietnam, Taiwan, Iran, Rhodesia, and before us today, Panama.

The Panama Canal still is of overriding importance to the commerce and defenses of the United States.

When the canal is turned over to Panama, supported by the action of this implementing legislation, the canal will be held hostage and at the whim of not only a Castro-leaning, if not Communist government, but by every dissident group in Panama now or in the future vying for political power. We can expect that the first target in Panama in time of any civil trouble will be the canal.

Half the oil from Alaska must pass through the canal on the way to refineries on the gulf coast and eastern seaboard. Yet we want to place the canal in the hands of a government that is friendly to Communist nations that follow a worldwide policy of encirclement, encirclement designed to allow crippling pressure to be placed on America and our allies at will.

As our naval fleet has shrunk in numbers, the canal has increased in military importance. All but our largest ships can use it. And U.S. defense strategy still depends on quick transit from Atlantic to Pacific that only the canal can provide.

Considering the history of the banana republics of Central America, we can expect that the commerce and stability of the canal will be in constant jeopardy.

Some who support this retreat—this appeasement, this sacrifice of interests to avoid the threat of trouble—engage in the most groundless sophistry, the most fallacious reasoning.

The argument goes like this:

To appease Communist pressure in the Caribbean and Central America, the administration entered into the treaty of surrender with Torrijos. And the U.S. Senate ratified the surrender. They say this surrender is now the law and that the Members of the House must implement the surrender—have no choice but to implement the surrender—by paying the victor to take what Americans own and died to create.

This argument is the purest sophistry.

I served as a judge for many years, but I do not attempt to force much legal advice on this House as a result of my experience. But this legal nonsense is too gross to pass without challenge and the canal is too important for the House to accept it.

If you and I, as elected representatives of the people, had no legal choice but to accept this surrender then the Constitution would not require us to be here today sitting in judgment—to implement or not, clearly our discretion is not limited by the action of the administration or the Senate as a matter of law.

Look at the state of the world, the state of America in the world. The diplomatic extortionists will use the canal against us at the earliest opportunity. And Americans will have to die in battle because of it; or, we will take still another step back in hopes of avoiding trouble.

The policy of the United States has become a policy of retreat and appeasement. But extortionists, particularly international extortionists, always want more. And by such means does the Communist policy of encirclement advance.

The American people sense this, know this. It is time we in the House did what we are elected to do—vote the will of the people. We can start here and now with a no vote on this payment of extortion, this appeasement. History will certainly judge this vote critically.●

Mr. PASHAYAN. Mr. Chairman, there are times in the course of events in this country when this House can proceed on imagination and creation. This time and this issue is not one such. We must proceed on the basis of reality and the reality here is the hard, cold reality of facts that exist abroad and that exist because of the treaty.

I hope by now there is full recognition by all Members of this House and, indeed, by the people of this country, that on October 1 the treaty negotiated and signed in 1977 will take effect and that on that same date the old treaties under which the United States maintains its presence in Panama will become null and void. This will occur whether or not this House should pass any legislation.

There is, however, more than the mere technical relationship between the United States and Panama and these treaties. They were intended to spell out a new and fruitful relationship between the United States and the country of Panama. There is increasing and mounting evidence that the Government of Panama is engaged in activities that would interfere with the internal affairs of foreign countries.

This Congress has a duty under the Constitution of the United States, as it has been interpreted by the judicial system of this country, to uphold the word of the United States, the sovereign word given through treaty.

On the other hand, this Congress as an institution must speak.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the distinguished committee chairman.

Mr. MURPHY of New York. Mr. Chairman, the committee has examined the gentleman's amendment and is prepared to accept it.

Mr. PASHAYAN. Mr. Chairman, I thank the gentleman.

The message we must send simply is, that "No benefits from this treaty shall be used by Panama to interfere with the internal affairs of foreign states." By adopting this amendment, we shall send this message to the President, to the other body, to the American pople, and most importantly, to the Government of Panama.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PASHAYAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: On page 158, after line 5, insert the following new section and renumber all subsequent sections accordingly:

SEC. 251. All construction initiated by the Department of Defense as a result of the passage of the Panama Canal Treaty of 1977 for which funds are to be or have been appropriated by the Congress, shall be presumed to have been for the benefit and at the request of the Republic of Panama and shall be charged by the Panama Canal Commission against any funds to become due to the Republic of Panama in an amount not less than the $75,000,000 projected by the Department of Defense to be the minimum cost of construction to be charged over the life of the treaty.

Mr. MONTGOMERY. Mr. Chairman, this is really an up and down amendment. It is a very simple amendment. It says that the relocation, construction or moving of military facilities out of the Canal Zone that the Panamanian Government pay for moving these facilities instead of the taxpayers of the United States. Under the treaty the American Government has to pay for the relocating of these facilities.

I am sure the gentleman from New York (Mr. MURPHY) would agree that the U.S. Government should not have to pay for moving these military facilities. The amendment says that the Panamanian Government will pay for transferring and relocating the facilities.

I point out that under the treaty, it says after 20 years that these new facilities will be turned over to the Panamanian Government, so it just makes sense to me that certainly the Panamanian Government should pay for buildings they will end up with in the year 2000.

I hope the gentleman from New York will accept the amendment. It would save the taxpayers of this country about $80 million.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I would be glad to yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I thank the gentleman from Mississippi for offering this amendment, which does give this body a direct opportunity to save at least $75 million for the taxpayers of the United States. When we are moving American troops out of air-conditioned, well set up facilities, just for the convenience of the treaty, to turn those facilities over to the Government of Panama and then having to spend money to create new facilities similar to the ones previously occupied which we will hold and use for 20 years to defend the canal and then turn them over to the Government of Panama too, it seems only fair for Panama, who is getting all of this for free, could pay for the construction costs of the transfer out of the windfall of $2 billion they are going to receive, from canal tolls called for in the treaties.

I again commend the gentleman for offering this amendment, which is a key part of the provisions and spirit of the honesty amendment which I offered yesterday.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I would be glad to yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, after sitting here 5 hours waiting to offer an amendment, I think the gentleman just offered my amendment, practically.

I would merely like to say that I am pleased to support the amendment, because I was probably the first Member of the House of Representatives that publicly supported the ratification of the treaties, and coming from a district that is unalterably opposed to doing such, because I was told four things would be in there; one of which was no tax dollars would be spent in order to bring about the treaties.

I have this whole folder full of transcripts that show Ambassador Bunker, Ambassador Linowit, the Secretary of State, the Defense Department, and the White House, all telling me that there would be no tax dollars spent.

In fact, I had Ambassador Bunker in my district and in answer to questions he said exactly that; so I think we have to have some wav to make sure that part of that money they want to spend will, in fact, not be spent, after they promised there would be no tax dollars spent to bring about these treaties.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I commend the gentleman and rise in strong support of his amendment.

I would just like to point out what the United States has already done for Panama. We have made them have twice as high a per capita income as any country in Central America, and certainly the gentleman's amendment should be passed.

I would like to address an issue of vital concern not only to all of us here, but more importantly to the individual citizens of this country—how much are these treaties going to cost the American taxpayer? In studying this issue I did not arrive upon any type of numerical answer but only upon one that is just commonsense; that the treaties, as they now stand, are eventually going to be paid for by our individual constituents and no one else. It seems to me that traditional values should have a key role in all of our deliberations here, but where is the notion of fairplay incorporated into any of these documents?

Is it not foolish enough that we hand over a multibillion-dollar investment without salting the wound in the form of annual giveaway amounting to millions and millions of dollars? Numerous economic implications of these treaties deserve our close attention, several of which I would like to share with my colleagues today.

As originally outlined, the Panama Canal treaties were to be implemented at no cost to the American taxpayer. But soon a price tag of $350 million was attached, followed by a $870 million figure and now some sources are citing the eventual costs to run into the billions.

At present, Panama is to receive at least $70 million each year from the United States. Included in this is a 30-cent per ton canal charge that will increasingly raise more revenue for that country as the annual tonnage figures continue to rise.

Also heavily slanted against us is an agreement to pay $10 million a year to Panama for services that we presently provide for ourselves. The GAO has estimated that Panama can provide these same services at a cost of only $4.4 million due to lower wage costs.

This agreement alone will result therefore in an additional subsidy of $5.6 million every year. Our payment, of course, is to be adjusted to reflect "real" costs after 3 years, but I ask you, why should we wait 3 years and $17 million later when we have the figures already before us?

This is an especially outrageous situation when one realizes that Panama already owes us over $9 million for past services we provided them from our Canal Zone facilities.

A third unfair feature of these agreements concerns the interest payments we are going to lose. Even though the Panama Canal Company is presently paying over 20 million annually in interest to the U.S. Treasury on the U.S. Government investment in the Canal Zone, when the treaties go in to effect, these payments will cease.

This means a loss of approximately $400 million in interest over the next 20 years, an amount of money that could be put to good use in coping with many of our own pressing problems here in America.

Finally, there is the "contingent payment" that Panama is to receive if toll revenues provide a surplus over the course of a year. Although it seems logical that this money be applied to defraying the implementation costs of these agreements, that is not the present situation. Hopefully this body can rectify this and other gross errors that occurred in the process of negotiating these treaties.

The toll rate is another issue that has not even been adequately dealt with. Higher tolls are probably the only possible way of making up for the increased payments to Panama and some estimate that they may have to go up as much as 30 or 40 percent.

In fiscal year 1977, the United States alone shipped over 21 million long tons or grain through the Panama Canal. If toll charges increase by 30 percent, this can only mean higher supplier costs, higher consumer prices, and additional fuel for the inflationary spiral.

Also affected by higher toll charges would be the price of transporting North Slope oil from Alaska. The canal is of great concern to us as long as we must transport our oil through it even though a study done by American Management Systems, consultants to the Senate Armed Services Committee, states that we cannot even be sure of protecting our own canal traffic.

In closing, let us look at what the United States has already done for Panama. Not only have we helped her to become an insurance and banking center and given her the trade benefits of the Free Trade Zone, but we also employ more than 11,000 Panamanians to work for the Canal Company and the Canal Zone Government.

We have also given Panama over $346 million in aid since 1946 which is not only the highest per capita American gift to any nation in the world but it has in turn helped Panama to achieve the highest gross national product per capita in all of Latin America.

The United States cannot continue to subsidize other nations at a rate that we eventually will not be able to support. Panama is already going to gain vast amounts of property and revenue from these treaties that the American people do not want. Certainly the Republic of Panama should pay fair market value for the U.S. property under consideration in this amendment.

Mr. BETHUNE. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I would be happy to yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Mississippi to put a little honesty into this legislation.

Long before I became a candidate for Congress, I was invited to attend a White House conference on the Panama Canal. That was in September of 1977. At the time, I was just a country lawyer from Searcy, Ark., 50 miles north of Little Rock. I, along with 60 other taxpayers, attended a briefing in the State Dining Room at the White House. Ambassador Linowitz, Mr. Brzezinski, and the President of the United States, among others, made talks to us in support of the Panama Canal.

We were told that there would be no cost to the American taxpayer. We were told that Torrijos was a reasonable man and a responsible person. We were told that the United States, by entering into the Panama Canal treaties, would show magnanimity to the world by its willingness to deal fairly with small countries.

At the conclusion of the meeting, the President asked us, if we agreed with him, to go home and help him explain the treaties to the American people.

I went home and publicly told the people of Arkansas that I thought the President was trying to do the right thing. I was encountered with immediate hostility. The people challenged the President's statement that the treaties would not cost the American taxpayers. They were not only upset with the fact that we were transferring an enormous asset to the Panamanians—they simply did not believe the President's statement that the taxpayers would not have to pay money to implement the Panama Canal treaties.

I defended the President. I told the people in Arkansas that I was relying on information that was given to me personally by the President of the United States in the State Dining Room of the White House. I told them that if we cannot rely on information received under such circumstances, that we in this country were in trouble.

I stuck with the President throughout my campaign for Congress. Even though my district is in the South, and I was a Republican running in a Democratic State, I stuck with the President. I am sure that I lost votes. I stood by the notion that the President would not lie to the people.

Now, based on what I know and what I learned in the secret session here in the House of Representatives, I truly believe that the Panama Canal treaties are the worst mistake that this Government has made in the last 20 years, and perhaps in the history of the country.

The Senate failed the people.

The President failed the people.

It is a shame to say, but the President did deceive Americans that day, there in the White House. He frequently brags that he started his Panama Canal campaign with only 8 percent of the people in favor of the treaties. He points out that he has since mobilized enough support to pass the treaties. If the President had done that fairly and squarely, without deceiving the people, I would applaud him. But the fact is, he deceived the people. He pulled himself up by his bootstraps. He garnered support for the treaties by misrepresenting the facts.

I yesterday heard a Member I respect very much say that the minority party should not attack the President as I am doing here, because it demeans the office. If the minority should not attack a majority President, then I ask, who would attack the President? If I, a representative of 500,000 people, cannot speak the truth here on the floor of the House of Representatives when I have personal knowledge of a matter, then the country really is in trouble. I am reminded of Jeremy Bentham's poignant inquiry—"whence this fear of the truth?"

Part of the truth, however, is that the treaties did pass the Senate. In analyzing our role in this matter there has been much talk about constitutional prerogative, the rights of Members of the House of Representatives, rubberstamping, the rights of the people, and so forth.

There is no real question here about our rights or our prerogatives. De do not have to do anything. We de not have to rubberstamp the treaties. We do not have to vote for or against the bill or any of the amendments that have been offered here.

We are free to do whatever we want to do.

The question here today is, what is our responsibility? I suggest that if we feel constrained, or boxed in, or frustrated, it is not because our rights have been narrowed. It is because we see that our responsibility is to implement the treaties, and we do not like it, and our people do not like it.

I said earlier that the treaties are the worst mistake we have made in 20 years—and I believe that.

But I also believe that failure to pass barebones implementing legislation would be the second worst mistake in 20 years.

I voted for the Hansen amendment, and I voted for all the other amendments including this one that send a clear signal to the President and to the Senate that we expect honesty from the administration; and, that we want a bill that will be the absolute minimum possible under the treaties.

I also voted for the amendments because I want us to have a strong position when we go to the conference with the Senate. The Murphy bill, H.R. 111 is not, in my judgment, the minimum that we can do under the treaties. But I assure you, Mr. Chairman, that it is the maximum that I will do. If the bill comes back from the conference committee materially different from H.R. 111 I will vote against it.

That is why I support the amendments. Let us get the best bill we can get, but finally, finally let us vote for barebones implementation.

I see it as our responsibility to vote for implementation because if the canal is going to be given to Panama, I want to make certain that our troops are there for the next 20 years, and I want to make certain that we have competent people there to operate the canal so that our commerce will not be negatively affected.

I do not like to be put into the position of voting for implementing legislation, because the treaties were a mistake; furthermore it seems that I am contributing to the error that was made by the President and the Senate. My constituents do not like it either. But, in my mind, I know that it is the responsible thing to do and I believe my constituents will agree with me on that score.

It is essential that we have a presence in Panama for the next 20 years, and the barebones legislation that we are trying to work out seems to me to be the only way that we can assure an American presence in the canal for the next 20 years. We need our troops there, and we need people there who can competently operate the canal. If we do not pass some sort of implementing legislation we will not have that assurance.

Mr. MONTGOMERY. Mr. Chairman, let me close by saying, as I said earlier, this is a very simple amendment. If you want to save the taxpayers of this country at least $75 million, you certainly should support the amendment.

In my opinion, this amendment is not going to wreck the Panama Canal Treaties. I wish it would, but it will not.

I certainly hope that the chairman will accept my amendment. The gentleman knows it has merit to it and I am hoping that the gentleman will come around and see the light.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my colleague, the gentleman from Mississippi, and I agree on many, many things. In fact, on this particular issue we certainly would like to diminish as much as possible the burden on the American taxpayer for the construction of facilities, for the movement of facilities, whether they be with our Defense Department, or in our educational area. But we are back to square one again. Square one is that we are writing an implementation piece of legislation to implement the treaties that had been ratified in 1977.

We are bound by the outlines of those treaties. The treaty is specific in some instances and vague in others; but in this instance the treaty is very specific. Under article XIII it obligates the United States to transfer certain properties to Panama "without charge"—without charge.

Now, we have an amendment that wants to clearly violate the flat statement of article XIII and charge $75 million for certain properties.

□ 1300

Mr. Chairman, the amendment is clearly violative of the treaty, and for that reason the committee must reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY).

The question was taken; and on a division (demanded by Mr. HANSEN) there were—ayes 29, noes 29.

RECORDED VOTE

Mr. HANSEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 213, not voting 11, as follows:

[Roll No. 269]

AYES—210

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ind.
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McDonald
McEwen
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Oakar
Pashayan
Paul
Perkins
Petri
Pickle
Pursell
Quayle
Quillen
Regula
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—213

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Howard
Hughes
Jacobs
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Long, La.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Peyser
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weaver
Weiss
Whitley
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—11

Anderson, Ill.
Bolling
Chisholm
Conyers
Flood
Forsythe
Nolan
Pepper
Treen
Walgren
Wilson, C. H.

☐ 1310

Messrs. ERTEL, BAILEY, SLACK, and MURPHY of Pennsylvania changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair announces that the hour of 1 p.m. having arrived, by previous unanimous-consent agreement, all time for debate on the bill and all amendments thereto has expired, with the exception of those amendments recognized to offer amendments without debate if those amendments have not been printed in the RECORD. Members who offer printed, RECORD amendments will be recognized for 5 minutes on each side.

☐ 1320

AMENDMENT OFFERED BY MR. PHILIP M. CRANE

Mr. PHILIP M. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PHILIP M. CRANE: On page 167, strike out line 20 and all that follows through line 22 on page 168, and insert in lieu thereof the following:
>
> "SEC. 373. DISPOSITION OF PROPERTY OF THE UNITED STATES.—No property of the United States, including but not limited to the Panama Railroad and such property located in the area comprising the Canal Zone, shall be disposed of except pursuant to law enacted by the Congress after December 30, 1999."

Mr. PHILIP M. CRANE. Mr. Chairman, I think the debate that has transpired over the course of most of yesterday and thus far today, represents a great historic moment. This issue involving the canal is one charged with a lot of emotion, to be sure. There are strong feelings, for a variety of reasons, on the actions taken by the Senate previously in ratifying these treaties and the actions now to secure House conformity to actions previously taken and commitments made by the President of the United States and the United States Senate.

I think our distinguished colleague from Idaho (Mr. HANSEN), and my distinguished colleague from Oklahoma, MICKEY EDWARDS, attempted to raise a most important point, however, and it is one that my amendment addresses.

It has to do with that provision of our Constitution that has caused the House to be involved in any way in a commitment made by both the President and the U.S. Senate.

My background is not law; rather, it is history. In the course of studying history, I certainly remember and have nothing but the greatest respect for the role played by our former President, James Madison, who was considered the architect of our Constitution.

James Madison and those Founding Fathers, when they inserted article 4, section 3, clause 2 to the Constitution, recognized what role we, as a body, play in our Republican form of government. We are in fact ultimately accountable to the one sovereign here in the United States, the people of the United States, and for that reason, the power to initiate money bills rests exclusively in this body.

For that reason, in response to those who would suggest to me and I have heard those arguments presented in the course of this debate—that the United States has made a commitment and that we are duty bound to honor the commitment previously made, overlooks the constitutional responsibilities and obligations we assumed when we took our oath of office to uphold the Constitution. That is the first obligation that we have.

The action taken by the President and by the U.S. Senate does not meet our obligations in the House of Representatives. It is not our responsibility simply to rubberstamp actions taken by the President or the Senate.

The argumentation presented by Raoul Berger, who is in fact a man distinguished in the law, is quite explicit on the point I am trying to make.

He states that a treaty disposing of U.S. territory or property is subject to the assent of Congress, including the House.

In other words, he says the President and the Senate are authorized to enter into such treaties, but the treaties shall be made subject to the consent of Congress.

He points out that from the beginning, President Madison recognized when property was involved or territory of the United States, that the House has to be involved in prior discussion, and its consent had to be secured before consummation of such treaties.

This is not like a treaty in which we are regulating a fishing agreement or something comparable.

Obviously, there is not a question of appropriating U.S. dollars involved in such agreements. Obviously, therefore, the House would not be empowered to participate in that, nor would the consent or assent of the Members of this body be required.

But when we have American property and American territory involved, clearly we have obligations.

Our first obligations are to those overburdened taxpayers back home. The reason I put such stress on this, as I say, is because I have heard arguments that we are obliged to go along with the decision made by those who apparently do not understand that provision of our Constitution.

I thought the days of the imperial Presidencies were over. I thought that we had a system of Government where we were exalting and asserting our legislative prerogatives in this whole process. If that is the case, then I suggest that a message has to be communicated to the executive branch, our colleagues in the Senate, the American people, and those beyond our shores.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment and its intent, of course, have merit, but H.R. 111 has already taken care of what the gentleman from Illinois is trying to do.

The gentleman from Oklahoma (Mr. EDWARDS), yesterday made a brilliant dissertation on the floor, on the issue of constitutionality of property transfer and the problems that Members of the House have had with the Court of Appeals, and the inability of the suit by Members of the House to be heard on its merits by the Supreme Court. But with respect to the issue of property transfer rights, when H.R. 111 was written it was written to recapture the constitutional right of transfer property.

Mr. PHILIP M. CRANE. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to.

Mr. PHILIP M. CRANE. The only question I would raise with my distinguished colleague is that this amendment that I have introduced encompasses disposing of any of the territory or any of the property by treaty agreement until at least December 30, 1999, at which time we have a general consensus that it might be advisable.

All I am saying, Congress has the power in the meantime to act to make that decision. It is certainly going to involve a discussion on the part of the executive branch and Senators with this body, and that is the appropriate procedure.

I think that procedure should be observed. I think we have a first obligation to those taxpayers to make sure that it is; to make sure that constitutional propriety is observed here.

Mr. MURPHY of New York. The constitutional prerogative of the House was recaptured in H.R. 111 when we authorized the transfer of those properties on October 1 of this year that are dictated in the treaty to go over to Panama. We authorized that transfer, and we went further to say that with respect to any future transfer of property, any future transfer must be done by act of Congress. That brings us right back to square one when we deal with the Constitution.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I think this debate is entering into a very interesting phase, but as one addict of history to another, I would like to remind this House how this all started, how it was that President Theodore Roosevelt stated so clearly that sovereignty remained not with us, but with the other country and Secretary Hays' exquisite remark in which he said to President Roosevelt:

> Mr. President, I trust that no taint of legality will ever mar this splendid achievement.

☐ 1330

I think, therefore, we have to remember that not all is as clear as some in this House would have us believe. We did not pay rent for those buildings, we built on someone else's land, and I think this now is receiving the taint of legality that perhaps it always needed.

Mr. MURPHY of New York. H.R. 111 has brought back the prerogative of the House on the property transfer issue. The amendment of the gentleman from Illinois would not provide for a transfer decision until the year 1999, on December 31, in clear violation of article XIII of the treaty, and we do not want to violate the treaty with this implementing legislation. But we still want to retain our responsibility under the Constitution.

Mr. PHILIP M. CRANE. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Illinois.

Mr. PHILIP M. CRANE. I would like to laud the gentleman for what he has done. I think what he has done is commendable in asserting a partial prerogative of the House. My only point is there are ongoing obligations this body will have to the American taxpayer during the intervening years, and to the extent that that obligation is there, to the extent that we are going to have to vote taxes on the American people to cover expenditures, I think we should retain total control unless there is some kind of an agreement that could be worked out between the executive branch, this body and the other body and the Republic of Panama. If that kind of an agreement had been reached initially, had they consulted as they should have with this body, there would not be this debate going on. We would have had that kind of a consensus. I think that is the basis of the argumentation behind the amendment I have introduced. It simply reasserts House control. And we control the purse strings and we have the obligation to guard those purse strings.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I commend the chairman for his explanation. I think it is important that the Congress preserve its right to exercise its powers to dispose of property of the United States. Sections 373 and 374 of the bill do just that.

Mr. Chairman, I have carefully listened to the debate on this bill, H.R. 111 for several days. I have studied the committee report and offer studies relating to this issue. I have not come to my decision lightly but rather with great deliberation.

The Panama Canal Treaty was proposed by several Presidents of the United States and was ratified by the U.S. Senate after months of hearings and debate. Under our Constitution, the treaty is now the law of the United States of America. I disagreed with the ratification of the Panama Canal Treaty.

Whether or not one likes the treaty—and I did not and would not have voted for ratification had I been a Member of the Senate—it has been ratified according to duly prescribed constitutional provisions and decisions of the Supreme Court. It is now a legally binding contract on the United States.

I believe that the earlier Panama Canal treaties, which were valid and legally entered into by both parties, were sufficient. Adjustments had been made as circumstances changed and there seemed to me no reason to give up our rights which we had under a valid treaty.

However, there is a total difference between ratifying a treaty and implementing it. The treaty has been ratified and the implementing legislation, H.R. 111, is drafted to fulfill—but not go beyond—the obligations already entered into. The question then becomes whether the United States will honor our constitutionally binding international obligations or welsh on them.

On October 1 of this year, the treaties of 1903, 1936, and 1955 will be terminated, and the Panama Canal Company and Government will cease to operate. No action we can take will reverse these consequences of the constitutional process of treaty ratification or "withdraw" the instruments of ratification, which were exchanged on April 1 of this year.

If we take no action at all in the Congress, the Panama Canal will still come under Panamanian jurisdiction on October 1, 1979. This and most other features of the treaty, such as the transfer to Panama of title to certain property and installations in the Canal Zone are self-implementing and cannot be reversed by any action or nonaction on our part.

Portions of the treaty, however, which do require congressional action are the establishment of a new authority to administer the canal during the next 20 years, a responsibility which the treaty gives to the United States, along with support for U.S. military forces in the redesignated Panama Canal operating area, to whatever extent we feel the canal should be protected and defended.

If we do not enact such Panama Canal management legislation, there will be no method of employing the personnel and taking the administrative actions necessary to operate the canal.

The question of whether the House of Representatives can unilaterally abrogate treaties, previously ratified, was debated and settled during the course of our Nation's history.

In 1796, our young Nation signed a treaty with England, Jay's Treaty. It, too, was an unpopular treaty and it, too, required implementing legislation by the House of Representatives. Various Members of the House of Representatives threatened then, as some do today, to undo the ratification of the treaty by failing to appropriate funds to implement it.

During the debate which raged over 2 months in 1796, Congressman Fisher Ames rose from his deathbed to make a speech so filled with logical thinking and so full of the principles on which this Nation is based, that he carried the day. The implementing legislation passed.

A reading of Representative Ames' speech brings a measure of reason to this debate which has been sadly lacking in that quality.

Said Ames:

> * * * the treaty-making power is exclusively vested in the president and senate, and not in this house. * * * A treaty is a bargain between nations, binding in good faith; and what makes a bargain? The assent of the contracting parties. * * * If we choose to observe it with good faith, our course is obvious. Whatever is stipulated to be done by the nation must be complied with.

Ames pointed out that to refuse to pass the implementing legislation was tantamount to breaking the law, and why should the House of Representatives be privileged to decide which laws to keep and which to break?

> Is it the sense of that vote, as some have insinuated, that we claim a right, for any cause, or no cause at all but our own sovereign will and pleasure, to refuse to execute, and thereby to annul the stipulations of a treaty? that we have nothing to regard but the expedience or inexpediency of the measure, being absolutely free from all obligation by compact to give it our sanction?
>
> It is one thing for this house to stand in a position, that presents an opportunity to break the faith of America, and another to establish a principle that will justify the deed.

I, for one, do not believe that the people of America want their Representatives to break the law. Nor do I believe that they want the United States, through the House of Representatives, to become a nation which cannot be trusted to keep its word or to abide by its treaties and contracts.

Let us remember that both parties to this treaty have ratified it. Parts of the treaty are self-executing. Refusing to pass the necessary implementing legislation will not mean a restoration of the old agreements. The failure to implement this treaty will not mean a return to 1903.

What are the reasons for obstructing this bill?

One reason being bandied about is that it will contain a "price tag" in the billions of dollars. Such figures are so suspect that even Congressman ROBERT BAUMAN, a respected leader of the conservatives in Congress, said, during an earlier debate on the issue that "the gentleman from Idaho, Mr. HANSEN, may have taken some liberties with his arithmetic" in overestimating the costs associated with this bill.

The truth of the matter is that there will be no U.S. taxpayer money paid to the Government of Panama.

Under this legislation, which is a drastic revision of the administration's original bill, and one which provides for tight Congressional oversight during the 20-year period when the United States will continue to administer the canal, there will be no U.S. tax revenues paid to the Republic of Panama. The only appropriations we will be called upon to make are those for the relocation and support of our military forces and related civilian operations in Panama, payments from Americans to Americans.

Certain American military installations must be moved and maintained during this period, just as they have been maintained by our tax dollars since the Panama Canal opened in 1914. The Department of Defense, in addition, will assume from the Panama Canal Company responsibility for administering the schools and hospitals which will serve our U.S. military and civilian personnel, with reimbursement from canal tolls for any Panama Canal Commission employee use of these facilities.

The costs of these military outlays will depend upon how much the Congress wishes to spend annually, as in every other instance of appropriations for military purposes, and the range of options will run from a low side average of about $17 million per year to an outside average of about $43 million a year. These costs are well in line with our worldwide military outlays.

On the other hand, all other costs involved in the implementation of the treaties will be paid from canal tolls. The economic soundness of this is indicated by the fact that all U.S.-flag merchant shipping lines and maritime unions support H.R. 111.

Panama will receive $10 million per year from the toll revenues of the canal. Panama may also receive up to $10 million additionally, if there is a surplus over operating costs and if the interest payments to the United States are met. At the same time, under the treaty provisions, Panama must undertake to provide continued services to that portion of Panamanian territory that remains dedicated to the operation of the canal. These portions of Panamanian territory will be exempt from Panamanian tax authority. Panama will, without an increase in its tax base, be responsible for providing police and fire protection, maintenance, lighting and cleaning of streets, traffic management and garbage collection in areas available for canal operation and for housing U.S. employees.

It is interesting to note several things at this point. One, the Panama Canal Commission has been completely self-sufficient financially since it began in 1951. Although it is authorized to seek appropriations to cover both losses and capital needs and to borrow up to $40 million, it has never done so. Also, during its 28 years of existence, the Commission has paid back to the U.S. Treasury $40 million in dividends as a return on the Government's investment in the canal.

As a matter of fact, under this legislation, the United States will continue to receive interest payments on our investments in Panama into the Treasury for the next 20 years so that, at the end of that period, we will have made a profit of $382 million on all our nonmilitary outlays in Panama.

I have carefully listened to the debate on this bill and I am satisfied that nothing in this bill goes beyond the treaty itself and does not provide any payments from the U.S. Treasury to the Government of Panama. I would not vote for this bill if this were not the case.

Now, what are our choices?

We can defeat this legislation and fail to implement the Panama Canal Treaty and give away the Panama Canal to Panama on October 1, 1979; or we can pass the implementing legislation and insure an American presence in Panama, a smooth transition with continued operational efficiency with Americans running and defending the canal until the year 2000.

We can pass the legislation and enable the United States to keep our military forces and our skilled civilian personnel in Panama for the next 20 years and run the canal while we are training the Panamanians to operate it after the year 2000, or we can violate the treaty and turn the canal over to Panama this year without any American presence, involvement, or defense.

If we defeat the legislation and fail to implement the treaty, the old treaties will still become null and void. No action on our part can repeal that self-executing portions of the new treaty. A treaty default by the United States can only occur after that date, and it would, under international law, authorize Panama to terminate the treaties, expel American personnel and take over the Panama Canal after October 1 this year.

If the canal is no longer run by Americans and if we can no longer guard the canal and its neutrality, we can no longer guarantee neutral treatment of the world's shipping, or of our own. Indeed, the specter of fighting an unnecessary war with American troops in Panamanian jungles is a real possibility. The importance of the canal in the near future for our energy needs, the shipment of oil and agricultural products is important to us as well.

Passage of H.R. 111 will also prove that the United States is a nation of its word, one which negotiates in good faith and which protects its own interests.

As the Joint Chiefs pointed out, the vale of the canal lies in its use, not in its ownership which the treaty has already conveyed. H.R. 111 can guarantee continued use of the Panama Canal at least until 2000. A denunciation of the treaty, either by failing to pass this legislation or amending it in such a way as to be completely unacceptable, can guarantee nothing but chaos and uncertainty, and conflict and disruption.

To quote Congressman Fisher Ames yet one more time: By rejecting this legislation, "we do not secure any greater liberty of action, we gain no safer shelter than before from the consequences of the decision."

We will not be better off than we were before. Indeed, we will be very much worse off if we cannot use the canal, defend the canal, and operate the canal.

Although I did not favor ratification of the Panama Canal Treaty, a rational study of the current issues and the alternatives available led to the sure conclusion that implementation of the treaty is the only wise course to protect both our best interests and our credibility. Otherwise, we will give away the American presence and our rights in the Panama Canal in October of this year. Implementation of this treaty is clearly in the national interest of the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Philip M. Crane).

The question was taken; and on a division (demanded by Mr. Philip M. Crane) there were—ayes 37, noes 71.

RECORDED VOTE

Mr. PHILIP M. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 177, noes 248, not voting 9, as follows:

[Roll No. 270]

AYES—177

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Benjamin
Bethune
Bevill
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Donnelly
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Evans, Del.
Evans, Ind.
Fountain
Fuqua
Gaydos
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Kazen
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Loeffler
Lott
Lujan
Lungren
McDonald
Madigan
Marlenee
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Pashayan
Paul
Perkins
Pickle
Quayle
Quillen
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Runnels
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—248

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Butler
Carr
Cavanaugh
Clay
Cleveland
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jacobs
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nolan

Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—9

Anderson, Ill.
Bolling
Burton, Phillip
Chisholm
Conyers
Drinan
Flood
Forsythe
Pepper

□ 1340

Mr. MATHIS changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1350

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment. It has been printed in the Record.

The Clerk read as follows:

Amendment offered by Mr. Goodling: Page 168, insert the following section after line 22:

Sec. 375. Limitation on Transfer of Certain Property.—No property of the United States which, after April 18, 1978, was or is constructed on or acquired for use in those areas and installations made available to the United States pursuant to that treaty may be transferred to the Republic of Panama unless the Republic of Panama pays the fair market value for the property at the time of the proposed transfer. The limitation set forth in the preceding sentence shall apply only to property of significant value. The Secretary of the Treasury, in consultation with appropriate departments and agencies, shall make any determination of fair market value or significant value required by this section.

Amend the table of contents accordingly.

Mr. GOODLING. Mr. Chairman, as many people know, these 2 days have been very trying days for me because, as I mentioned earlier, I was probably the first Member of the House of Representatives who publicly advocated the ratifying of the treaty. First, I thought in the long run it would be in our best interests. Second, I was assured time and time again in committee by Ambassador Bunker, Ambassador Linowitz, Secretary of State Vance, several military personnel, and other assistants in the Department of State that the four areas of my concern were addressed by the treaty. Those four areas of concern were: That we could go to the head of the line in case of trouble, we would not only have the right but the opportunity to defend the canal and to keep it open to all ships, the employees would be taken care of, and the taxpayers would not be asked to pay 1 penny.

Let me tell the Members that when the Secretary of State was before us, he said the treaties would not require new appropriations of the taxpayers' money, just $5 million in military sales credits which would ultimately be paid back.

When Mr. Linowitz was before us, I specifically asked, "But again I am correct in saying that there is no request for tax dollars in any way for implementing this treaty?"

He said, "Yes, sir, that's right."

When Secretary Vance appeared before the Senate, Senator Sparkman asked, "Will there be a necessity for the usual appropriations actions?"

Secretary Vance said, "No appropriations will be required."

Senator Sparkman specifically referred to implementation legislation. So time and time again, both in writing and in testimony before our committee, all of these people, in whom I have a great deal of faith, told me there would be no tax dollars involved.

Then we heard that the cost would probably be $300 million, as the debate went on over in the Senate, and then later on $800 million or $900 million—and who knows how much by this time.

I cannot understand why people, reputable people of this nature, would say anything other than what was correct to someone who was out trying to support their cause. I even had Ambassador Bunker in my district so that he could sell the program to my people, 80 percent of whom are totally opposed to any canal treaty. He was specifically asked, "Will there be any cost to the American taxpayers in ratifying or implementing the treaties?"

And he said, "Positively nothing will be required of the taxpayers."

This is similar, I suppose, to the amendment of the gentleman from Mississippi, Mr. Montgomery, which almost passed. In fact when it was going to pass, all of a sudden a few people were brought down to the well, or came on their own—I am not sure which—and changed their votes. However, my amendment has enough loopholes in it so that it could be supported without embarrassing anybody, because it says, "The limitation set forth in the preceding sentence shall apply only to property of significant value." It also says, "The Secretary of the Treasury, in consultation with appropriate departments and agencies, shall make any determination of fair market value or significant value required by this section."

It gives the administration a great deal of leeway in this situation. If, for some reason or other, one is concerned about changing his vote on the Montgomery amendment, perhaps this somehow would give them the opportunity. As I said, I was told time and time again it would cost the taxpayers not 1 penny. Now we do not know whether it is millions of dollars or billions of dollars that it would cost. I do not want to say I was lied to; let us just say I was not told the truth by some very important officials in our Government for whom I had a great deal of respect.

Mr. Chairman, I yield back the remainder of my time.

Mr. MURPHY of New York. I move to strike the last word.

Mr. Chairman, the amendment offered by the distinguished gentleman from Pennsylvania (Mr. Goodling) is not unlike in its intent the amendment offered by the gentleman from Idaho yesterday and the gentleman from Mississippi today. They all have merit. However, we return once again to article XIII of the treaty, and it states:

"The United States of America transfers, without charge, to the Republic of Panama all right, title and interest the United States of America may have with respect to all real property," in certain instances.

We have clearly stated that we will transfer property without charge and, of course, we then again have an amendment that wants to convert this gift to Panama into a sale. We cannot do that in H.R. 111, and we should reject the amendment on that basis. But let me reassure the Members of what is in H.R. 111. What is in H.R. 111 is our power to control the appropriations that go to Panama. We collect all revenues from the Panama Canal in the future for the next 20 years, and they come into the General Treasury of the United States, and they go out subject to the appropriations acts. So the power of appropriations has the power to do in effect what the gentleman would like to do, but it is done within the framework of the treaty and not in clear violation of the treaty.

Mr. Chairman, I urge my colleagues to reject this amendment.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

Were we now writing the treaty, I would certainly write it in line with the gentleman's intent, and perhaps the chairman would, too. But I would reiterate that today we are simply passing implementing legislation for a treaty that does exist, is law, and where our word as a nation is at stake.

Indeed had I been in the other body when the Panama Canal Treaties were ratified, I would have voted "no" because of my serious reservations over a number of provisions of the treaties.

I did not have the opportunity then nor do I have the opportunity now to prohibit the treaties from taking effect.

The fact is, like it or not, the treaties were ratified by the Senate. The fact is, like it or not, the courts have ruled that the Senate through its ratification procedure had the right to dispose of U.S. property in the Panama Canal.

The fact is, like it or not, unless we enact legislation today to maintain our control of operations and our defense posture in the canal, all U.S. control over the canal and its operations will end October 1 and there is nothing we can do about it.

The Birmingham News, not the New York Times or the Washington Post, but the Birmingham News which is the largest daily newspaper in the State of Alabama and which reflects in many instances the sentiments of the people of our State has said in a recent editorial that adoption of H.R. 111 by the Congress is a matter of honor. I call to use attention of my colleagues this editorial.

But I would amend the News editorial by saying that our actions today are not only a matter of national honor, but a matter of national interest.

It is in the national interest of the United States to insure that we have a hand in the operation of the canal at least until the year 2000. It is in the national interest of the United States to insure that we can defend the canal militarily in the event of war and that U.S. ships will have priority.

This is an issue of much concern to me and I believe to the American people.

Although the canal has declined in importance to the U.S. military, particularly since many of our larger naval vessels are too large to go through it, it is still essential to our commercial interests and to a portion of our military endeavors.

I believe the legislation before us today, in the form in which it was reported from the Committee on Merchant Marine and Fisheries is a substantial improvement over the administration bill. I would prefer that it go further in protecting our interests, but I am afraid that to do so would give Panama the right to nullify the treaties and thus end our operation of and defense capabilities pertaining to the canal this year instead.

I am also concerned about the defense problems outlined by Lt. Gen. D. P. McAuliffe, commander in chief of the U.S. Southern Command. General McAuliffe estimates that the costs of defending the canal, should this legislation not be adopted could run at least $38 million and require the deployment of an additional 35,000 to 40,000 military personnel in the Canal Zone.

It is, therefore, with reluctance that I will support the legislation as reported from committee, sincerely believing that this is the best way to protect the continued U.S. interest in and access to the Panama Canal.

The full text of the Birmingham News editorial, which I commend to my colleagues, states:

A MATTER OF HONOR

The Panama Canal treaties are an accomplished fact. They were a decade in the making, and while they do not please any faction in the U.S. or in Panama a 100 percent, the agreements are the best that could be worked out by negotiations. The U.S. could have gotten more favorable terms only if it had been in a position to dictate the terms.

In a period of fierce nationalism worldwide, dictating terms to another sovereign state is simply not an option of a nation which takes pride in its historic support of national self-determination and equity, let alone its stated policy of neighborliness with other countries of this hemisphere.

So the debate in the U.S. House of Representatives boils down to the issue of national honor from the American point of view and one of credibility in the eyes of both our friends and adversaries overseas.

The question members of the House must address is: Will that body honor the legal and moral commitments the nation has already made through President Carter and two-thirds of the members of the U.S. Senate?

As for the Alabama delegation, it should be able to answer positively. It already has used its considerable influence with colleagues in the Senate and with U.S. negotiators to achieve the best terms possible for U.S. interests, especially in the matter of defense. It should be able to vote affirmatively for the enabling legislation that will come before the House this week with the conviction that it is motivated by reason and a sense of honor.

The consequences of not supporting legislation to implement the treaty are grave and have already been debated in depth during the past two years. Of course, there are inherent risks in the agreements, but the risks attendant upon abrogating the treaties by refusing to approve implementing legislation are far better known and much greater.

The House should recognize that to acceed to the needs sometimes even the demands—of smaller and weaker countries is not an admission of weakness or a lack of national will, but many times a sign of confidence and a surplus of strength. Clearly, the canal treaties is such an instance.

I thank the gentleman.

Mr. MURPHY of New York. I thank my colleague, but I want to emphasize once again that the intent of the gentleman's amendment is recaptured by our appropriations language in forming the financial structure for the Commission and making the expenditures subject to the appropriations power of the Congress so the Congress has control. I think we must reject this amendment because it clearly is violative of article XIII of the treaty.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ROTH

Mr. ROTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROTH: Page 108 insert the following section after line 9 and after the end of sec. 111 redesignate subsequent sections accordingly:

SEC. 112. NEGOTIATIONS FOR PRESENCE OF UNITED STATES MILITARY FORCES IN PANAMA.—It is the sense of Congress that the best interests of the United States require: that the President enter into negotiations with the Republic of Panama for the purpose of arranging for the stationing of United States military forces in the former Canal Zone after the expiration of the Panama Canal Treaty of 1977, and for the maintenance of installations and facilities, after the expiration of the treaty, for the use of United States military forces stationed in the former Canal Zone. The President shall report to the Congress in a timely manner on the status of negotiations conducted pursuant to this section.

Mr. ROTH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. The gentleman's amendment has been printed in the RECORD?

Mr. ROTH. Yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

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Mr. ROTH. Mr. Chairman, in considering the Panama Canal treaties last year, the U.S. Senate added an important reservation which in effect changed the Neutrality Treaty relating to the presence of U.S. Forces in Panama after the year 1999. As presented to the Senate the Neutrality Treaty prohibited any foreign military presence in Panama after 1999. Without this reservation, if the United States and Panama had decided before the end of this century that an extension of the U.S. military presence was desirable beyond 1999 then a change to the Neutrality Treaty itself would have been required. Thus, to insure that our future options were left open the Senate approved a reservation which states in pertinent part:

That nothing in this treaty shall preclude Panama and the United States from making, in accordance with their respective constitutional processes, any agreement or arrangement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the treaty, including agreements or arrangements for the stationing of any United States military forces or maintenance of defense sites after that date in the Republic of Panama that Panama and the United States may deem necessary or appropriate.

From reviewing the legislative history associated with the Senate consideration of these treaties, it appears that this reservation was a fundamental point in the Senate's action, which of course, was a close one, to ratify the treaty. In light of this, and because of my concern for the vital security interests of the United States, I believe that it is important that this amendment be included in the implementing legislation which gives effect to the treaties ratified by the Senate last year.

This amendment does not violate the Panama Canal treaties which have already been ratified. In fact, it is completely compatible with the treaties.

The reservation approved by the Senate does not guarantee U.S. base rights in Panama after the year 1999. However, the reservation permits such rights to be negotiated by the two parties.

It is clear that the treaties give the United States primary responsibility for defense of the canal through the year 1999.

The American people are clearly concerned over a total U.S. military pull out. The reservation already adopted keeps alive the possibility of such a military presence after 1999.

Panama's own capability to defend the canal will always be limited. I see no acceptable alternative to an extended U.S. presence in the Canal Zone. The arrangements growing out of this amendment will better assure protection of the canal and preservation of the vital security interests of the United States and Panama.

It is essential that this Congress underscore the emphasis and importance which we attach to security of the Panama Canal Zone after 1999. No one can now predict what will result from the negotiations assured by this amendment. However, ideally, fruitful negotiations will see a continuing U.S. military presence in the Canal Zone. Such action would make it possible to position U.S. forces in the Canal Zone or, as a minimum, for U.S. forces to have access to agreed defense sites under certain contingencies.

In adopting the reservation last year the Senate articulated its concern about security arrangements for the canal after 1999. This amendment provides an opportunity for the entire Congress to manifest its abiding concern for security arrangements which will properly protect and preserve the mutual interests of our two nations beyond 1999. It also puts the present and future leadership of the United States and the Republic of Panama on notice regarding Congress concern for undertaking action via negotiations to make such mutual arrangements a reality.

This amendment is clearly in the best interests of the United States and the best interests of the relationship between the United States and Panama. Therefore, I urge its adoption.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman. The committee has examined the amendment of the distinguished gentleman, it is in conformity with the Talmadge-Nunn reservation to the neutrality treaty, and the committee will accept the amendment.

Mr. ROTH. I thank the chairman.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from Maryland.

Mr. BAUMAN. I also want to concur in the acceptance of the amendment and to say a word of compliment to the gentleman from Wisconsin (Mr. ROTH).

I know in his eloquent remarks yesterday regarding the feelings of the American people he expressed the views of many of us in the House. I think this amendment, paralleling as it does a treaty reservation in the other body, is an important addition to the treaty and we appreciate that.

Mr. ROTH. Thank you very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ROTH).

The amendment was agreed to.

● Mr. GILMAN. Mr. Chairman, I rise in opposition to the bill before the House, H.R. 111, the Panama Canal Act of 1979.

Throughout the negotiation and ratification process related to the Panama Canal treaties of 1977, I have voiced my concern not only about the terms of the treaties, but also the manner in which the whole process has been carried out. I remain convinced that serious questions remain about the ability of those treaties and this legislation to adequately protect the vital economic and strategic interests of our Nation.

The President has repeatedly stated, as he did on December 28, 1977, "We wanted a treaty that did not put a financial burden on the American taxpayer and we got it." It is now clear that this is not the case and that the true costs of these treaties, the transfer expenses and implementing legislation will be upward of $4 billion.

Repeatedly we have been told of the need to increase Panamanian participation to bring stability to the area and to insure the economical and uninterrupted operation of the canal. Yet almost daily we hear of the increasing role of the present government of that country as a major contributor to the continued violence and civil strife throughout the region.

The President has contended that he could transfer the canal through the treaty process without the necessity for approval from the House of Representatives. That position is contrary to the opinion of legal scholars who point to article 4, section 3, clause 2 of the U.S. Constitution that clearly states that the Congress has the power to dispose of U.S. property.

The question before the House today is not the approval or disapproval of the terms of the treaties themselves. The question before the House is one of deciding how best the United States can exercise its rights, duties, obligations and privileges we received under the terms of those treaties. After considering both sides of the issues contained in this legislation, I remain convinced that the rights of the American people and the vital interests of this Nation are not adequately protected by this legislation. Therefore, I must oppose passage of H.R. 111 as it stands before the House.●

● Mr. SHUMWAY. Mr. Chairman, I rise in opposition to the legislation before us today. I have long opposed the Panama Canal treaties of 1977, and, although I am new to this body, feel it is our responsibility to do what we can to prevent these treaties from taking effect in their present form. As I am certain my colleagues realize, this is exactly what is expected of us by the vast majority of our constituents.

The Panama Canal, a monument to American ingenuity and expertise, is now and will remain vital to our national security and economic well-being.

The implications for our defense capability are obvious: The canal greatly enhances naval flexibility, and allows us to forego the necessity of having two entirely separate Atlantic and Pacific fleets. In wartime, the speed with which men and material can be transported is crucial; should the canal fall into hostile hands or be closed because of inept management, it is the people of this country who will pay the price.

The Carter administration argues that, in fact, the treaties are necessary to guarantee our ability to use the canal in time of emergency. But just how reliable does the President consider Panama to be? Given the political inclinations of Panama's leaders, which can be characterized by their desire to receive "technical assistance" from the Soviet Union, their great friendship and admiration for Fidel Castro, and their support of insurrection and revolution throughout Central America—as evidenced by Panamanian backing of the Sandinista guerrillas as so graphically shown by the Panama Canal Subcommittee—I do not see how in the world we could count on Panama's support and assistance if we ever needed it. In fact, I would rather take my chances with a continued U.S. military presence in and control over the canal.

The commercial implications of the treaties are every bit as serious. In 1978, more than $14 million worth of goods arrived or deported the Port of Stockton—located in my congressional district—via the Panama Canal. And given our current energy situation, the significance of the Alaskan crude which is transported through the canal is self-evident. Yet by the terms of the treaties negotiated by the administration, tolls are to be raised drastically. Even if the canal were to continue to operate smoothly, it is the American consumer who, in the final analysis, would pay the price.

Important as our defense and commercial interests are, however, my opposition to the treaties rests primarily on the point articulated over and over again by our constituents: Why should we—the American taxpayers—be required to pay Panama to take our canal away? And, quite frankly, the administration has never been able to answer this question. Instead, it has repeatedly attempted to mislead the Congress and the American people by saying that there will be no cost whatsoever to the American people in carrying out the terms of the treaties.

Through the admirable efforts of the Panama Canal Subcommittee and other concerned organizations and individuals, the true cost of the treaties, between now and the year 2000, has been determined to be about $4 billion—and perhaps more. Since these costs must have been known to the administration throughout, I can only conclude that, in its zeal to push through these genuinely unpopular and ill-drafted treaties, it deliberately distorted the facts. Rather than going into detail as to the nature of these costs—a process that has been thoroughly done elsewhere—I will only point out that the administration's history of distortion and disingenuous statements and analysis causes me to question the basic justification for the implementing legislation we are being asked to approve.

We are being told that, if this legislation is not passed, the United States will not be in compliance with the terms of the treaties. We are told that, come hell or high water, the Panama Canal treaties of 1977 become effective on October 1, 1979.

I recognize that there is a good deal of legal dispute about this question. It has been argued that the treaties are partly self-executing and partly non-self-executing. In the final analysis, however, it is true that because of the constitutional authority granted the House of Representatives, the execution of substantial portions of the Panama Canal Treaty cannot take place without the enactment of legislation by the House.

The exclusive role of the House in the appropriation of moneys and in the disposition of American property has been long established. Unfortunately, the Carter administration has proven itself to be strangely unaware of this fact, in ignoring the House during the negotiation of the treaties in question, and during the process of ratification by the Senate—as well as in its insistance that the House must pass its version of implementing legislation without alteration.

Mr. Chairman, we are charged, not

with blindly doing the bidding of the administration, but rather with carrying out our constitutional duties and representing the will of our constituents. In simple terms, we must attempt to act in accord with the national interest—as defined by ourselves and our constituents. To do otherwise would be to abrogate our responsibilities.

And our responsibilities dictate that we insure that the American people are not required to pay the great cost of implementing these treaties—treaties which were unwanted in the first place. The administration must be held to its commitment that these treaties will be without cost.

I do not believe we should be influenced by threats that, if we act in this fashion, Panama may reject the treaties. Quite frankly, I am not concerned about Panama—I am concerned about the duties and responsibilities of the House of Representatives. Surely, the Panamanians are aware of the constitutional role of the House in the treaty process—even if the administration is not. Should the treaties be rejected by Panama—and I am not convinced they will be—then I say, let us renegotiate them. The United States cannot and must not be in the position of implementing legislation of this importance on the basis of concern about the reaction of Panama.

Mr. Chairman, the Panama Canal treaties, as drafted, are unacceptable. Unless significantly amended to strengthen our military and economic standing in accordance with the wishes of the American people—I urge my colleagues to reject H.R. 111.●

● Mrs. COLLINS of Illinois. Mr. Chairman, I take this opportunity to express support for the legislation before us today which is designed to provide for the operation and maintenance of the Panama Canal and for the exercise of U.S. rights and duties under the 1977 Panama Canal Treaty.

H.R. 111, Panama Canal Act of 1979, has been the subject of much controversy by some who hope to rescind the treaties that were recently ratified by two-thirds of the Senate. I point out that these treaties will become effective October 1 whether or not the implementing legislation we are debating today is enacted. It is not possible to return to the terms of the 1903 treaty; however, through legislative inaction or as the result of legislation which violates the treaty it is possible to set into motion a series of tragic consequences in this country which might result in closure of the canal.

As a Nation, we cannot afford to reject H.R. 111. We are vitally dependent upon the 500,000 barrels of Alaskan oil which are transported through the canal each day to east coast refineries. In addition, agricultural commodities, automobiles, coal and other commodities could no longer be transported between the oceans at competitive rates.

The treaties have been approved and the instruments of ratification have been exchanged with Panama. They are now a part of international law. There is every reason to expect that Panama will observe its obligations because it has an immense stake in the successful operation of the canal—its economic life is hinged to the waterway. Without legislation by October 1, the United States would have great difficulty in complying with its international obligations incurred through the treaties. There would be no established U.S. agency to operate the canal—the present Panama Canal Company would be prohibited from operating and the Panama Canal Commission authorizing the treaty would not be established.

Controversy has also revolved around the cost of the treaties. Exercising our rights and fulfilling our obligations will involve a cost both to canal users and to this country's taxpayers. All required payments to Panama would come from revenues of the canal. In contrast, tax dollars would be used for activities that primarily benefit Americans such as employee benefits and certain military support activities.

Another area of great concern to me as a member of the Congressional Black Caucus and as a staunch defender of human rights has been the progress made by Panama towards the establishment of democracy and the respect of individual freedom. It is my understanding that Panama has recently improved its record in both these areas.

The interests of the consumer, the U.S. merchant marine, the ports of this country and our military forces are all served by the treaties. I urge my colleagues to vote for the implementing legislation without further delay.●

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977, pursuant to House Resolution 274, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BAUMAN. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BAUMAN moves to recommit the bill H.R. 111 to the Committee on Merchant Marine and Fisheries with instructions to report back the same to the House forthwith with the following amendment: On page 157, after line 19, insert the following new Section 251 and renumber all subsequent sections accordingly:

SEC. 251. Authority to insure that there is no cost to U.S. taxpayers and to further insure minimum rates for tollpayers and consumers in implementing the Panama Canal Treaties of 1977.

(A) Under the authority granted to the Congress by Article I of the Constitution of the United States and Article III, Section 2(d) of the Panama Canal Treaty of 1977 and notwithstanding any other provision of law, or subsequent provision of this Act, this legislation provides for the prohibition of any expense to the U.S. Taxpayers and provides for the recovery of lost revenues to the U.S. Treasury by allocating to the Republic of Panama, as stipulated in Subsection D(3) of this section, the costs of (1) implementing the Treaties, (2) transferring property pursuant to those Treaties, and (3) subsequent operation of Services previously provided by the Panama Canal Company and Canal Zone Government. This provision is pursuant to Treaty requirements and firm guarantees by the Administration at the highest levels.

(1) Acceptance of payments by Panama under Terms of the treaty as provided in this Act constitutes recognition by the Republic of Panama that the United States rightfully exercised sovereignty in the Canal Zone under the terms of the treaties between the United States and Panama of 1903, 1937 and 1955.

(2) No funds may be used to implement the Panama Canal Treaties of 1977 without the express consent of the Congress of the United States.

(B) Notwithstanding any other provision of Law, or subsequent provision of this Act, the United States shall provide limits on the economic consequences to consumers of implementation of the Panama Canal Treaties of 1977 by insuring minimum rates for tollpayers as stipulated in Subsection D(4) of this Section. This provision is pursuant to the Danforth Understanding and related high level Administration assurances.

(C) The Congress, in exercise of its authority under Article IV, Section 3, Clause 2 of the Constitution of the United States, authorized the President to transfer real property in the Panama Canal Zone at the times and in the circumstances stipulated in the Panama Canal Treaty of September 7, 1977, provided that the President shall notify the Congress not less than 90 days prior to the proposed date of any such transfer, and further, that, prior to the entry into force of this Act, the Republic of Panama shall agree to the terms and conditions set forth in subsection (D) of this Section.

(D) Notwithstanding any other provision of Law, or subsequent provision of this Act, final transfer is authorized to be made of the Panama Canal and all those portions of the Zone which are not otherwise ceded to the Republic of Panama, to occur not earlier than December 30, 1999 at 12 o'clock noon local time, provided that each of the following conditions shall have been met on or before that date:

(1) That the entire net investment cost to the construction of the Panama Canal shall have been paid to the Treasury of the United States prior to that date.

(2) That all interest upon the net investment cost shall have been paid on or before December 30, 1999 as required by the reservation #6 (The Cannon Reservation) to the Panama Canal Treaty as consented to by the Senate of the United States on April 18, 1978.

(3) That the Republic of Panama shall have borne, out of the revenues it receives pursuant to the terms of Article XIII of the Treaty, all costs incurred by the United States in carrying the Treaty into effect;

(4) That tolls charged for passage through the Panama Canal shall not exceed those tolls charged on July 1, 1979 together with:

(a) Adjustments to allow toll increases equal to rises in the cost of living as set by the United States Department of Labor in its consumer price index, and

(b) That minimum increase in the percentage of rate of tolls sufficient to provide funds necessary to make those payments required by Article III, Section 5, and Article XIII, Section 4(a) and (b) of the Panama Canal Treaty and as limited by Understanding #3 thereto as consented to by the Senate of the United States on April 18, 1978 (The Danforth Understanding).

(5) That all expenses incurred by the United States to implement the Panama Canal Treaties of 1977 during Fiscal Years 1978 and 1979 shall be included as a cost as defined in Subsection D(3) of this Section."

Mr. BAUMAN (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BAUMAN. Mr. Speaker, the contents of this motion have been debated at length during the discussion of amendments of this legislation. This motion is in fact the Hansen amendment which we were prevented from voting on yesterday because of the adoption of the chairman's amendment which was offered as a substitute for the Hansen amendment.

We have all heard a great deal about this amendment. I will leave each of you to make your own judgment on its future but I do think that the gentleman from Idaho, having expressed an extensive interest in this issue, has the right to a vote and will now have that right vindicated by a vote directly on the amendment he offered. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I thank the gentleman from Maryland and I appreciate the indulgence of the House.

Yesterday we had the motion offered to consider the "honesty amendment" as it is called, which is to cause Panama to pay out of the tolls—not the treasury of Panama, as has been alleged, or anywhere else—but out of the tolls they receive as a windfall from these treaties as permitted under article 3 of the treaties, that they pay the transfer costs rather than the citizens of the United States.

As has been said many times there have been extensive promises that the citizens of this country would not have to finance either as taxpayers or consumers the transfer of the Panama Canal to the Government of Panama.

Yesterday, by parliamentary maneuver we were prevented from having a direct up and down vote on this particular amendment, as to whether we would really keep our commitment to those taxpayers and consumers we represent in this country or whether it is more important for us to keep certain commitments to a government which has already broken its commitments to us as expressed in the treaties, I feel this should be met head-on and I challenge every person in this body to remember that, again, we are dealing at a time when the country is in convulsions over proposition 13 and all sorts of tax problems and other kinds of financial assault, energy problems and so forth.

We are already experiencing riots in Panama over food and fuel. Are we going to push the people of this Nation into riots over food and fuel and high taxes and everything else because of our overindulgent attitude toward some of our neighbors who do not appreciate it anyway?

I urge the adoption of the motion to recommit.

Mr. BAUMAN. I would just say further, Mr. Speaker, that this motion does not in any way change any of the amendments adopted to the bill heretofore. It leaves them all intact.

I yield back the balance of my time.

Mr. MURPHY of New York. Mr. Speaker, we are coming to the conclusion of what I think will probably be a major lesson and message to this administration. That message is: Do not ride roughshod over the Congress and the prerogatives of the Congress.

The gentleman from Idaho, in a very long and arduous debate over several years, has pointed out that the question of appropriations and the question of property transfer were obviated by the treaties of 1977.

In this document, H.R. 111, the House has the responsibility, and we are going to send back to the executive branch the message of meeting the responsibility of this House. The fact that we can move together, that we can move and write legislation necessary to administer the Panama Canal for the next 20 years and do it within the framework of a document which many of us think was flawed, is a great achievement. Our legal responsibility is to frame legislation within the boundaries of the treaties of 1977.

The motion to recommit with the amendment of the gentleman from Idaho would clearly be violative of the treaties. We would be throwing out what I think would be a golden opportunity to demonstrate to this administration, as well as to the American people, that the House can operate properly. We will come back with a conference report, and I will guarantee the gentleman from Idaho and the gentleman from Maryland and every Member of this House that we will keep intact the principles which we establish in H.R. 111.

Mr. DERWINSKI. Will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, I thank the gentleman.

I would wish to emphasize to the House the amendment we supported yesterday, the amendment of the gentleman from New York, does, in fact, serve most of the area covered by the original Hansen amendment. We did not preclude our friend from Idaho from offering his amendment, we perfected it by voting for the Murphy substitute and in so doing I think it was the key vote cast.

At this point I would suggest the rejection of the motion to recommit.

Mr. MURPHY of New York. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Speaker, after studying the issue carefully, and weighing the debate that has occurred in this Chamber last evening and today, I have concluded that passage of this Panama Canal management legislation not only is in our national interest, but also that a failure to pass H.R. 111 would imperil our national security and commercial well-being.

It is conceded in almost every quarter that continued operation of the Panama Canal is important to the movement of our merchant and naval vessels. No matter what any of us may think of the treaties which were signed and ratified last year, they are now the law of the land. That being the under the law, our responsibility becomes that of protecting the interests of the United States under the terms of the treaties.

We can do that, in just a few minutes, by voting no on the Hansen amendment which would violate the treaties and voting yes on final passage of this bill. If we fail to so act, we will not retain control over either the Panama Canal or its fate; rather, we will lose the controls that we are presently guaranteed under the terms of the treaties. If we fail to pass management legislation, we do not revert to the treaties of 1903, or 1933, or 1935. They will become null and void, and instead of staying in Panama another 20 years to assure orderly operation of the canal, maintain its neutrality, and defend its territorial integrity, we would have to relinquish all claims and in all probability get out of the Canal Zone by October 1, 1979.

Mr. Speaker, most of the amendments we have rejected here today, including that of the gentleman from Idaho (Mr. HANSEN) were clear attempts to repudiate the treaties. There lingers in this House, it would appear, a faint hope that we can somehow inject ourselves into the constitutional process and unratify a treaty, or treaties, with which many of us may not be completely satisfied. It is a fantasy, Mr. Speaker, to entertain such ideas. The Constitution clearly gives to the U.S. Senate, and to the Senate alone, the power to ratify treaties and we have all taken an oath to uphold the Constitution. So we must, with due deliberation and sound reasoning, act within the confines of our authority and responsibility to protect our national interests under the treaties as they exist.

Under the treaties, we are permitted to keep troops in the Panama Canal Zone; to run the canal; and to enforce its neutrality should it be violated by Panama or any other country. If we fail to pass this legislation, Panama would have the right, under international law, to deem that we had violated the treaties, and therefore, could quit its responsibilities under the treaty terms. We might expect several immediate effects from that action. First, the canal would be exposed to sabotage or military takeover once U.S. troops were pulled out. Second, the United States might lose access to the canal, cutting off the passage of our commercial fleet, our oil tankers, our naval vessels. Third, without U.S. personnel to continue training Panamanians to operate the canal, we could expect nothing but chaos in Panama for a long time to come.

Mr. Speaker, these are important concerns. But we have another responsibility, I believe, and that is to live up to our word. Like it or not, our country has made a deal. And in effect, we have signed Uncle Sam's name to these agreements. Our word is part and parcel of our sacred honor. We survive and prosper on a delicate balance of bilateral and multilateral agreements, all of which are secured by nothing more than our word, with our strength and our will backing it up. If we do not live up to our word in Panama, we call it into question all over the globe. What happens then to NATO, to SALT II, to our important trade agreements? What happens the next time we think it is in our interests to make a deal?

Mr. Speaker, we must be concerned, of course, about spending wisely and prudently the tax dollars of the United States. Some opponents of this legislation have grossly distorted the facts about the cost to the United States of these treaties. I would direct the attention of my colleagues to an excellent analysis of this subject by the distinguished gentleman from Mississippi, Mr. BOWEN. It concluded that no U.S. tax dollars will be paid to Panama in the transfer and that the only use of appropriated tax revenue is for the relocation and support of our military forces in Panama and certain U.S. employees of the Panama Canal Company. All other costs involved in implementing the treaties are to be paid out of increases in canal tolls.

Mr. Speaker, for the past year or more, the Panama Canal issue has been the subject of intense debate in this country. The most compelling argument offered by any of the opponents of the treaties stress the military and commercial importance of the Panama Canal. I share that view, Mr. Speaker, and am convinced that the best way to protect our interests is to pass this management legislation.

Mr. MURPHY of New York. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the gentleman very much for yielding.

Following the remarks of the gentleman from Illinois (Mr. DERWINSKI) there should be no mistake on the part of the membership of this House that a vote on this motion to recommit is the vote on the Hansen amendment and that is the way it will be viewed by all of our constituents.

☐ 1410

Mr. MURPHY of New York. Mr. Speaker, I think that has been made quite clear. Remember, in H.R. 111 you have back your appropriation power and you have the final say on what happens for the next 20 years as far as the taxpayers' expenditures are concerned. You have back the property transfer power that this administration was not courageous enough to let go through the Supreme Court process. You have back that constitutional prerogative.

You have given the workers in that Canal Zone that will operate the canal for the next 20 years the proper legislative language and the incentive to stay there and to operate this canal as they have done so arduously for the last 60 years. You can reject this Hansen motion and then vote for final passage and then we will come back with a proper conference report.

Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 210, nays 216, not voting 8, as follows:

[Roll No. 271]

YEAS—210

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ind.
Flippo
Fountain
Frenzel
Fuqua
Gaydos
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, N.C.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McDade
McDonald
McEwen
McKay
Marlenee
Marriott
Martin
Mathis
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Pashayan
Paul
Perkins
Petri
Pickle
Quayle
Quillen
Rahall
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NAYS—216

Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bennett
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Butler
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Howard
Hughes
Jacobs
Jenkins
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Livingston
Lloyd
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—8

Addabbo
Anderson, Ill.
Bolling
Bonker
Burton, Phillip
Conyers
Flood
Forsythe

☐ 1420

The Clerk announced the following pairs:

Mr. Flood with Mr. Addabbo.
Mr. Conyers with Mr. Phillip Burton.

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BROWN of California). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 224, nays 202, not voting 8, as follows:

[Roll No. 272]

YEAS—224

Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Butler
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gibbons
Glickman
Gonzalez
Gore
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Howard
Hughes
Jacobs
Jeffords
Jenkins
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nowak
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—202

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Bevill
Biaggi
Boggs
Bouquard
Breaux
Brinkley
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ind.
Ferraro
Flippo
Fountain
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenrette
Johnson, Calif.
Jones, N.C.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Lungren
McDade
McDonald
McEwen
Madigan
Marlenee
Marriott
Martin
Mathis
Mattox
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Oakar
Paul
Perkins
Petri
Quayle
Quillen
Rahall
Regula
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Runnels
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—8

Addabbo
Anderson, Ill.
Bolling
Burton, Phillip
Conyers
Flood
Forsythe
Nolan

☐ 1440

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Flood.
Mr. Phillip Burton with Mr. Conyers.

Mr. ROUSSELOT changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

TITLE AMENDMENT OFFERED BY MR. PASHAYAN

Mr. PASHAYAN. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. PASHAYAN: Amend the title so as to read: "to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977."

● Mr. PASHAYAN. Mr. Speaker, let me begin by saying that had I been a Member of the other body, I would have voted against ratification of the Panama Canal Treaty of 1977. However, as we all know, the Senate did ratify the treaty, and under the Constitution as interpreted by the courts in the "Panama Canal case," Edwards against Carter, the treaties are binding, and the portions of it relating to the transfer of property are self-operating.

By its vote today, this House has declared that the treaty is Carter's treaty, ill-conceived, ill-presented, ill-timed. Today, revolution is aflame in Central America. And yet we have Carter's word that the treaty was the best bargain that this country could have obtained; we have Carter's word that the treaty inures to the best benefit of the American people; we have Carter's word that the treaty will make for peace and stability in the Isthmus of Panama.

Whether Carter's word will become Carter's war, only time will tell. But because of the action taken by this House today, the President, and for that matter the Senators that voted for ratification, can point the finger of responsibility or blame only at themselves, and not at this House.

The reality that this House recognized today is that the treaty shall take effect on October 1 of this year, and the treaties now in effect, and under which the United States maintains its military and civilian forces in Panama, shall cease in effect.

This is the hard reality that this House faced and recognized with its vote today. Our duty is done.

Under an amendment adopted earlier by the House in these long debates, the act is now called the Panama Canal Defense Act of 1979. Few, however, will read the Panama Canal Defense Act in its entirety. It is, as you know, quite lengthy, and its final version undoubtedly will contain a few complications.

Far more people will read the title of this act, and gain their understanding of it that way. Let us, therefore, amend the title of the act to reflect its contents. Let the title reflect its policy—a policy to keep American soldiers and civilians in Panama, a policy to protect and operate the canal in Panama, for as long as possible under the treaty forced upon us and the American people by the President and the Senate of the United States.

I urge adoption of the amendment.●

The title amendment was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN ENGROSSMENT OF H.R. 111

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill (H.R. 111) the Clerk be authorized to correct section numbers, section headings, punctuation, cross-references, and the table of contents and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 111.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 111, just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT, ALONG WITH MINORITY OR SEPARATE VIEWS, DURING INDEPENDENCE DAY RECESS, ON H.R. 4537

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may be permitted to file a report, along with any minority or separate views, on the bill (H.R. 4537) to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes, during the Independence Day recess.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, I would like to ask the distinguished chairman of the committee, does this pertain to the trade bill?

Mr. ULLMAN. If the gentleman will yield, the answer is "Yes." The report is in accordance with the understanding we arrived at in committee today when we reported out the bill. This report would be filed, and this is the request to do so.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. Rostenkowski). Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORT, ALONG WITH SEPARATE OR MINORITY VIEWS, ON H.R. 3919, CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight, Friday, June 22, 1979, to file a report, along with any separate or minority views, on H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, I do so for the purposes of inquiring directly of the chairman if this pertains to the windfall profits tax.

Mr. ULLMAN. If the gentleman will yield, the gentleman is correct. This is the bill we reported out of committee this week with the understanding with the minority that the report would be filed by midnight Friday.

Mr. MARTIN. Mr. Speaker, further reserving the right to object, I do so only for the purposes of pointing out, while there are considerable reservations on the part of the minority of the committee with regard to the substance of the bill, that there is in fact no objection with regard to the filing of the report.

Mr. ULLMAN. I thank the gentleman.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORT ON H.R. 4303

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture have until midnight tonight to file a report on H.R. 4303.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

GASOLINE SHORTAGE, PLUS DOE REGS HURT STATIONS UNFAIRLY

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, today's edition of the Austin American Statesman ran a story that deserves national attention. It is a story of how the DOE gasoline allocation rules are being used to increase the power of a big operation while the long-existing neighborhood service station is being bled dry.

In a nutshell, Mr. Speaker, the people who can put up gasoline pumps in front of a drive-in convenience store can legally get an ample supply of gasoline while the service station man is being cut to 60 to 70 percent of last year's supply of gasoline.

And this is being done despite the protest of the refiner.

I have been working with my colleague, Congressman Bob Eckhardt, chairman of the Investigations Subcommittee of the House Commerce Committee, in trying to get to the bottom of this situation. Because of the work of his staff, this loophole in the regulations has come to the surface.

We will take our case to Secretary Schlesinger, and to the floor of this House in order to bring some reasonableness in the DOE allocation procedures.

My complaint does not lie against any one corporation, nor do I say that anything illegal has been done. My ire is directed toward the regulations that allow the service station operator who has for years worked selling to be at a disadvantage compared to the new, self-serve operation.

I include the newspaper story from the June 21, Austin American Statesman in the Congressional Record:

> Earlier this year, when the gasoline shortage began making itself felt, companies that had not previously bothered to get entitlement orders for gasoline from the U.S. Department of Energy began scrambling to do so.
>
> Among those scrambling for the orders, which assure the holder of a continuing supply of some gasoline even in periods of short supply, was the Southland Corp., the Dallas-based company that owns the 7-Eleven convenience stores.
>
> Between Feb. 13 and May 23, federal records show, Southland filed applications for entitlement orders for 51 of its Texas stores, including six in Austin, four in Waco, one in New Braunfels, two in Round Rock, and 20 in San Antonio.
>
> At least 22 of those 51 applications have been approved for a total of about 13 million gallons a year, according to federal information obtained by the *American-Statesman*, and at least some of those 22 involve new pumps.
>
> In a period when gasoline supplies are tight and getting tighter, and suppliers are cutting back on the amount they will sell to their usual customers, service station dealers are angry.
>
> "Why are we getting cut back when new outlets are being given gasoline?" one asked U.S. Rep. J. J. (Jake) Pickle and two federal energy department officials from Dallas in a meeting last week.
>
> Their anger is stoked by the fact that often the new outlets are getting their gasoline from major refiners who are already limiting their supplies, such as Exxon Co., U.S.A.
>
> Warren Butler, market development manager for the western half of the country for Exxon, said allocation to established customers in May would have been 82 percent instead of 80 percent had it not been for new entitlements that Exxon was required by the Energy Department to honor.
>
> Pickle has lined up with the service station dealers and, at his request, the oversight subcommittee of the House Interstate and Foreign Commerce Committee recently sent two staff members to the Energy Department's regional office in Dallas to take a one-day look.
>
> The information gathered in Dallas, obtained by the *American-Statesman*, indicates that no federal laws have been broken by Southland. In fact, say officials familiar with

the Southland situation, there is no good reason to believe Southland did anything legally questionable at all.

Nor is Southland alone. The federal records indicate that Southland filed at least 100 applications for its stores between Feb. 13 and May 23 in the five-state region.

But Ed Barrie, director of the fuel allocation office of the Energy Department in Dallas, says that between 3,000 and 4,000 applications for entitlement orders have been filed in his region since Jan. 1, of which between 500 and 1,000 were for new outlets.

The key to getting an entitlement order where there is no history of buying gasoline for a particular location is to find a "willing supplier," who need not be a refiner and who apparently is not too difficult to find, judging by the number of applications.

A Southland experience in Austin demonstrates the process:

In March, federal records show, Southland applied for an entitlement order for a store to be operated near the intersection of Briarcliff and Gaston streets in Northeast Austin. The company requested an entitlement of 1,020,000 gallons a year.

The "willing supplier" was Susser Petroleum Co. of Corpus Christi, a company that does not have its own refinery. According to one federal source, Susser approached Exxon to ask for a supply of gasoline, which in turn would sell to the new store.

But Exxon said no, the source said. At the time, Exxon had put its regular customers on an allocation of 100 percent, which meant that in March 1979 a customer could get 100 percent of what was purchased in March 1978, but no more.

But Southland was granted its entitlement by the Energy Department office in Dallas. Confronted with the entitlement, which set the annual amount at 450,000 gallons, Exxon had to honor it.

Exxon, in a letter to the Energy Department May 29, protested that entitlement, citing its own supply difficulties (its allocation for customers this month is 78 percent of what they received last June). The company said there was "another, more logical supplier for this area," an apparent reference to an Exxon station near Southland's proposed store.

The federal records show that the Susser company is the "willing supplier" in 46 of the 51 applications filed with the federal government between Feb. 13 and May 23.

Jerry Susser, a partner in the company, said Wednesday that "if you went out and built a new store today and needed gasoline, the only way to get a supply, unless the gasoline is very loose (available)" is with an order from the Energy Department.

Southland spokesperson Alisa Martin, asked for comment on that situation and others relating to the company's applications for entitlements, said she had no comment and that company officials who could answer the questions would not be available until Monday.

While the fact that new competitors can open up during a gasoline shortage is enough to make dealers howl, still more fury is stirred up by the fact that many of the applicants for entitlement orders have taken advantage of a recent change in federal regulations to get gasoline when previously they would have been left without.

Until February, the system worked this way:

Any individual, or any company, beginning new gasoline sales was supposed to go to the Energy Department for an entitlement, also called an allocation. With that entitlement the business was assured that if a shortage came up, it could get at least some gasoline supplies.

But, Barrie said, the department could be ignored and the seller could simply buy gasoline declared "surplus" by the supplier. The catch was that without the entitlement the seller could not be assured of a gasoline supply during a crunch.

In February, however, the Energy Department changed the rules. Until that time, 1972 was the base allocation year. That meant that if a supplier had to allocate gasoline among its customers, it did so on the basis of what those customers purchased in the corresponding month of 1972.

BILL STEWART, ABC NEWS

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, the American people have always held a great deal of respect for their basic freedoms; freedom of speech, freedom of religion, and freedom of the press.

Our principals and our laws are our own, and we try not to force them upon any other nation or group of people on this Earth. We can only hope that by example, other will follow.

Unfortunately from time to time, there takes place such an incredibly senseless act of violence, that one finds it hard to even comprehend. Such is the case with the shooting and killing of ABC television correspondent, Bill Stewart, which took place in Managua, Nicaragua, yesterday.

Bill Stewart was a native West Virginian, and a resident of the congressional district which I represent.

I spoke with his father, William, and sister, Barbara, last evening to express my deepest sympathies.

Bill graduated from Huntington Vinson High School in 1960, where he was president of the student body. From there he went to Ohio State University and continued the academic excellence he had shown in high school. He represented his Ohio State graduating class as speaker during graduation.

He later earned a master's degree from Columbia University, where we won a CBS fellowship for graduate study in economics in history and political science.

Bill's news career began in his hometown, when in 1964, he was hired as a newsman for WSAZ–TV. He then moved to a 4-year stint with WCAU–TV in Philadelphia, where he excelled as an investigative reporter, doing stories on organized crime, prison abuses, police corruption, and airport security.

Bill Stewart's later work at WCCO–TV in Minneapolis earned him an award from the Radio and Television News Directors Assocation, for his five-part exposé on the securtiy guard industry.

Bill was a top investigative reporter, one who would dig for the truth and for the whole story. He was a true journalist.

During his 3 years with ABC, Bill Stewart never had what could be called a "safe beat." He covered the civil war in Lebanon and during his reporting of the revolution in Iran, be obtained an exclusive interview with the Ayatollah Khomeini.

His work was superb, and he was a credit to his profession.

Mr. Speaker, by now I am sure many of my colleagues have read the news accounts or have seen the dramatic film of the actual shooting made by the survivors among the ABC crew, and what has been reported and seen proves that there was no justification whatsoever for this murder, which was carried out by a Nicaraguan National Guardsman.

Whatever actions this Government can take, will not bring back Bill Stewart. He died doing his job, and we can only hope and pray that others in his field will not suffer the same fate while carrying out their profession in parts of the world that do not have the same principals as we do.

SHATTER THE SILENCE VIGIL 1979

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. FASCELL. Mr. Speaker, I am pleased to participate in this year's vigil for Soviet Jewry which is being organized by my distinguished colleague, Representative HOWARD. I deeply regret, however, the circumstances which necessitate my speaking out—for the third consecutive year—in behalf of a courageous and noble couple, Maria and Vladimir Slepak. I had sincerely hoped that this floor statement would not be required; that Maria and Vladimir Slepak would by now—after 9 long years—be reunited with their sons, Aleksandr and Leonid, in Israel. Tragically, the Slepaks are instead in a remote village in Siberia.

Despite the recent and welcome rise in the number of Jews being allowed to leave the U.S.S.R., the Slepaks remain the victims of an arbitrary and capricious emigration policy. Although most of my colleagues are familiar with the plight of the Slepak family, their sad tale deserves to be told once more.

Vladimir, a radio engineer, together with his wife Maria and their two sons first applied to emigrate to join Maria's mother in Israel in 1970. After repeated denials, the eldest son, Aleksandr, was finally allowed to leave in 1977. Last June 1—desperate after 8 years of waiting—Vladimir and Maria hung a banner with the words "Let Us Go to Our Son in Israel" from the balcony of their apartment in Moscow. Arrested immediately thereafter, both were charged with "malicious hooliganism." In separate trials, Vladimir, a member of the Moscow Helsinki Group, was sentenced to 5 years in internal exile while Maria was given a suspended sentence. The Slepaks were sent to a tiny settlement in Siberia where Vladimir has twice been hospitalized for pneumonia. Their youngest son, Leonid, who was allowed to emigrate with his wife and baby last month, reports that his father's health is very poor and that the conditions under which his parents must live are deplorable.

Thus it is up to those of us in the Congress to once again speak out in behalf of the Slepaks and the hundreds of others who are unable to make their voices heard. We must protest the incarceration of the Slepaks and their colleagues in the Helsinki Monitoring Groups. We must urge that the U.S.S.R. adopt a more humane and humanitarian emigration policy. We must continue to press for Soviet compliance with the various international human rights agreements to which they are party, including the Helsinki Final Act. We must continue to "shatter the silence" as long as the rights of men and women like Maria and Vladimir Slepak are trampled upon. It is my fervent wish that this plea in behalf of the Slepak family will at last be heard and answered.●

□ 1450

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE A REPORT ON H.R. 51, FUELS TRANSPORTATION SAFETY AMENDMENTS ACT OF 1979

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight Friday, June 22, 1979, to file a report on the bill (H.R. 51) to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PROUD TO BE A MEMBER OF THE HOUSE

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute.)

Mr. JOHN L. BURTON. Mr. Speaker, we have concluded 2 days of debate on a very important issue and I have never in my life been prouder to be a Member of this body since the time the Honorable Ray Madden was in this well making a speech on the Turkish arms embargo, which we will be discussing shortly.

Mr. Speaker, I yield back the balance of my time.

CONDOLENCES OF CAPTAIN SOMOZA OF NICARAGUA

(Mr. DICKINSON asked and was given permission to address the House for 1 minute.)

Mr. DICKINSON. Mr. Speaker, just a few minutes ago I received a telephone call from Captain Somoza, who is the son of President Somoza of Nicaragua. He called to express his great grief and dismay on the incident yesterday when the reporter, Mr. Stewart, was killed.

He said that the event happened when there was no supervision, there were no officers present. He said the President extends his condolences and his grief and assures me that the people of Nicaragua feel just as badly, if not more so, than do the people of the United States. He also said that the guilty party or parties will be punished and is presently in prison.

I thought the Members might be interested in this. We will probably be getting some similar communication, but I do think we should learn all of the facts before we act precipitously and perhaps to our disadvantage later.

I yield back the balance of my time.

APPOINTMENT OF CONFEREES ON H.R. 3173, INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MOTION OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. DERWINSKI moves that the managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the bill, H.R. 3173, be instructed to insist on disagreement to the amendment of the Senate providing $50 million in grant military assistance to Turkey.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. DERWINSKI) is recognized for 1 hour in support of his preferential motion.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I move that the managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the bill, H.R. 3173, be instructed to insist on disagreement to the amendment of the Senate providing $50 million in grant military assistance to Turkey.

The House approved in April the administration's original request for $300 million in aid to Turkey for fiscal year 1980, more aid than we supply to any country in the world except Egypt and Israel. Yet no sooner did the House act than the administration submitted a further request for an additional $150 million in military and economic aid to Turkey—but not to both Houses, only to the Senate.

The administration has thereby completely bypassed the House, alleging that an up-or-down vote on an eventual conference report is sufficient involvement for the House in this matter.

This is an unusual procedure—but the situation presented to the House is itself unusual.

The continued military occupation of a large area of Cyprus by Turkey represents an international tragedy that cannot be ignored. Frankly, the lack of progress in resolving the Cyprus problem is one of the administration's major foreign policy failures.

In 1976, while a candidate for the Presidency, Jimmy Carter announced that "we would be negligent of the moral issues and courting longer-range disaster if we fail to couple the improvement in relations with Turkey with increased fair progress on the Cyprus issue." Nevertheless, in mid-1979, Turkey remains in control of nearly 40 percent of Cyprus with no prospects of leaving.

The Turkish Army is equipped by the United States and in violation of U.S. law utilized that equipment in the 1974 invasion of Cyprus. The 1974 vote by Congress to impose an arms embargo against Turkey reflected Congress view that the law should be properly enforced.

Last year, however, based on administration promises, the Congress agreed to lift the arms sanctions. The International Security Assistance Act which lifted the arms embargo required the President to submit periodic reports on the Cyprus situation. But these reports have been used to circumvent Turkish compliance with the sense of Congress, rather than to encourage it. There are still 200,000 Greek Cypriots who are refugees on their own island.

The argument for resumption of arms flow to Turkey is based primarily on NATO membership and the value of bases in Turkey to monitor Soviet missile development and deployment. With Turkey vetoing the reentry of Greece to NATO and raising a question of our U2 planes being allowed to use bases in Turkey, a review of the entire situation is called for.

By voting for the motion to instruct, you will be establishing a sound House position in the face of Carter administration diplomatic weakness. This is not an "anti-Turkey" position nor is it "pro-Greek." It is a move to strengthen U.S. leverage in the Eastern Mediterranean, to help end the suffering of the people on Cyprus, and emphasize the legitimate role of the House in foreign policy development.

Mr. Speaker, I will be yielding shortly to a number of Members, but to protect my rights, any time I yield it will be for the purposes of debate only.

If the Members will permit me to digress for a moment from the issue at hand, we have had a rough 2 days, but the House has shown itself to be at its best. When an institution like this flourishes and it performs effectively, it is more than just the Members. There are people behind the scenes who deserve credit. I want the membership to know that whenever you have a problem with parliamentary procedure, if you see Charles Johnson, the Assistant Parliamentarian, you will be conversing with one of the great minds of all time on parliamentary procedure.

In the last few years we have seen in the House the rise to international acclaim of the chairman of our committee, Mr. ZABLOCKI, he is an internationally recognized expert, recently honored by the University of Notre Dame. But behind every great chairman there is an unsung staffer, in this case Dr. Jack Brady, one of the great heroes of World War II, one of the great diplomats of all times. I wish to make that point for the benefit of the Members.

Mr. Speaker, the only point in this motion is to instruct the House conferees not to accept a Senate amendment that added $50 million in military grant aid to Turkey. This action was taken in the other body after this bill was passed in the House.

The practical effect of my motion is directed at a Senate amendment so that our House conferees would reject that additional $50 million for military aid. That really is what this is all about.

With that brief explanation, I yield for the purposes of debate only 5 minutes to the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, before addressing myself to the motion before the House I would be remiss if I did not note an omission on the part of the gentleman from Illinois when he issued those platitudes about the way the Congress in recent years, months and particularly the last few days has operated. He has mentioned one of the Parliamentarians, he has mentioned the chairman and he has mentioned the Chief of Staff. But he forgot to mention himself. For as one of the ranking members on the committee he has been most cooperative, together with the ranking member, Mr. Broomfield. Occasionally, however, Mr. Broomfield slips off the track. But Mr. Derwinski is solidly on track. Like Mr. Broomfield he is always behind what is in our country's national interests, and I wish to state that for the record. But, humility on his part did not permit him to give himself credit and I thought I should correct the record.

Mr. Speaker, I oppose motions to instruct conferees as a general rule. And while I do not disagree with the objectives of the instructions in this particular case, I want to make it absolutely clear that I regard the instructions to the conferees on this matter as entirely unnecessary. I can assure my colleagues that the conferees, and I will certainly seek to uphold the House position insofar as possible when we go to conference. I always do. Therefore, to some degree I resent instructions.

Furthermore, I can also assure the gentleman from Illinois that he is going to be one of the conferees and will be in a position to insure that the conference committee will not accept any amendment that is not satisfactory to the gentleman from Illinois and those who support his views on this matter.

Having said that, Mr. Speaker, nevertheless, because of the fact that we have not voted on the issue; of grant military assistance to Turkey in the House and because of the action regarding grant military assistance to Turkey taken by the other body, I believe it would be advisable to have the House voice its opinion on this issue. In my judgment a substantial vote for this motion will be very useful in helping the House conferees reach an agreement with the Senate that will be consistent with the thrust of the motion.

☐ 1500

So, although I will vote against instructions, I hope my colleagues will take into consideration my comments when they cast their votes.

Mr. DERWINSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Findley) for purposes of debate only.

Mr. FINDLEY. Mr. Speaker, I think after all these years in the House, I can recognize a bad situation when I see one, and this moment is a bad situation. What I say is not going to alter the outcome of the motion to instruct conferees, but I nevertheless view these proceedings with great regret and apprehension.

A couple of days ago one of the most senior, most respected, foreign diplomats assigned here in Washington made this statement to a group of people on Capitol Hill:

> The United States simply cannot afford to see Turkey go the way of Iran.

Now, of course the situations are not parallel, but it is quite obvious that rejectionist forces have had Turkey as a target for a long time. It is quite obvious that the political situation in Turkey is about as difficult, as complicated, as unpromising, as it has been in a long time. The Government holds power by a single vote in the Parliament. It is quite obvious also that the economic situation there is about as bad as it ever has been. Inflation is at a 70-percent rate, and unemployment is about 20 percent. Civil disorder is widespread. Martial law is required in the major cities.

It is obvious, after the experience of about 4 years under an arms embargo imposed by its long-time close ally, the United States, that Turkey is very sensitive to any new development that touches its military relationship with the United States. Now, what is at issue here in this motion to instruct? As presented so far, it would seem like a trivial issue, and in a sense it really is. The issue is whether Turkey will be able to be designated as a MAP country, a military assistance program country, or not; and also whether or not, under that designation, Turkey will be entitled to $50 million in grant. Now, instead of the $50 million in MAP money authorized by the Senate at the urging of the Senate majority leader, the House version of this legislation, or the position taken by the leadership of the Foreign Affairs Committee as the head of the House conferees, is that there should be, instead of the $50 million MAP grant money, $50 million in economic grant assistance to Turkey. One would think that it is an even trade, it is money either way, and thus it really is trivial. It is trivial to the United States, but to the people of Turkey it is far different.

For one thing, last year this Congress saw fit to designate Greece as a MAP program country. We authorized $30 million in MAP money to Greece, and that gave Greece a prestige that we have not accorded to the Government of Turkey. So now, naturally, Turkey feels that it is its turn. But, it is even more than that. The designating of Turkey as a MAP country will entitle that government, in such desperate situation—military as well as economic and political—to have access to either the donation or the sale at very nominal terms of obsolete military gear from our Government—gear we do not need but which would do a lot to buttress the depressed position of Turkey's military forces.

So, what is at stake here has enormous impact upon Turkey, and we dare not blind ourselves to it. As I said at the outset, I know a bad situation when I see it, and it looks like we are going to instruct conferees. But, just bear in mind that what we do here today is going to make big black headlines in Turkey tomorrow, and who can tell what effect this may have on the very delicate military and political situation in Turkey?

Getting back to the ominous statement of this very respected diplomat, who said that our country cannot—cannot—stand to see Turkey go the way of Iran. We have enormous stakes in the stability of democratic government in Turkey.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. DERWINSKI. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois (Mr. Findley) for purposes of debate only.

Mr. FINDLEY. Now, let us assume that we really have $50 million at stake in this motion, which we really do not but, let us assume it just for the sake of argument, and also that the success of the motion to instruct causes such a turmoil in Turkey that the government should fall and things should go to pieces—and remember that a good section of that country already is under martial law. Suppose Turkey does go the way of Iran, what price would we then be willing to help pay in order to restore a democratic regime to Turkey, one which would be cooperative with us in maintaining surveillance systems so necessary to SALT I and SALT II. What price would we be willing to vote to restore Turkey to a position of stability? I am sure we would consider that achievement worth many millions of dollars. I am sure we would regard $50 million as a trivial price indeed.

I appreciate the generosity of the gentleman from Illinois in yielding time, and I just beg my colleagues to think seriously about the enormous issues involved here. Giving this gratuitous slap to a very important ally of the United States, a slap which will resound throughout that country, certainly can do no good to the position of our Government in its relationships with Turkey.

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I will be glad to yield to the gentleman from Pennnsylvania.

Mr. RITTER. Does the gentleman feel that this $50 million military aid allocation will make the difference between Turkey's going the way of Iran, in considering the fact that $50 million in military aid allocation pales in comparison with the kind of military assistance program with other countries?

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

Mr. DERWINSKI. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois (Mr. FINDLEY) for purposes of debate only.

Mr. FINDLEY. I point out to the gentleman again that the Ecevit government holds power by a single vote in the Parliament. Every time the Prime Minister says anything or does anything that appears to be conciliatory or cooperative with the United States, he is put under vicious attack from the opposition. Here, this very issue now before us could very well cause an uproar that could bring down the government.

I am not suggesting that the money alone would do that, but the symbol of receiving that gratuitous slap from the United States without any just cause, it seems to me, could be crucial. Therefore, I hope the gentleman will support my position.

Mr. WHITEHURST. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Speaker, the gentleman is making an eloquent statement. Of course, all of us know that the point behind this is continuing Turkish occupation of 40 percent of Cyprus.

Mr. FINDLEY. Of course.

Mr. WHITEHURST. I think a lot of us would feel a lot better about this if American arms had not been used to subdue that portion of Cyprus in the first place: second, if a substantial number of the Greek Cypriots could return across the line to their homes in Famagusta, for example.

Mr. FINDLEY. I regret the part played by Turkish troops, but I think there have been some developments now underway that show promise of cooperation. That is another good reason for us not to go out of our way to take this slap at Turkey. The Turks have responded. At our request, Turkey has signed a prisoner exchange agreement.

This is hardly a time for us to rock the boat.

☐ 1510

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

How can it be a gratuitous slap at another country?

The CHAIRMAN. The time of the gentleman has expired.

Mr. DERWINSKI. I yield 1 additional minute to the gentleman for purposes of debate only on the additional consideration that my good friend, the gentleman from California, will be gentle to the gentleman.

Mr. JOHN L. BURTON. If the gentleman will yield, how can we consider it a gratuitous slap in the face not to take $50 million of our money and give it to them? I mean not to give somebody a present of $50 million of American money is a slap in the face? I do not think it is.

Mr. FINDLEY. By sticking with the Senate position of $50 million in a MAP donation, we would be doing so much more not only in the area of substance, but in the very important area of symbolism.

Mr. JOHN L. BURTON. How is it a slap in the face if we do not say to Turkey, "Here is $50 million of taxpayers' money"?

Mr. FINDLEY. The important thing is the form in which we give it, a very vital difference.

Mr. JOHN L. BURTON. I still do not consider it a slap in the face.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

I have listened very attentively, and the gentleman is most persuasive, but I do not understand what it is he wants us to do.

Mr. FINDLEY. Resist the motion to instruct.

Mr. Speaker, a House vote in favor of this motion would not be a constructive development. It would be a slap—a needless and unfortunate slap—at Turkey.

Last August, I stood on this floor and argued that Congress should lift the arms embargo we had imposed on Turkey for 4½ years. My reasons were many but one principal reason was that the embargo had been counterproductive. The embargo was a failure. It had not stimulated progress toward a Cyprus agreement; it was an obstacle to an agreement. United States-Turkish relations had deteriorated to a sad state. Our intelligence bases were closed because of the embargo.

The President, in accordance with the congressional vote, lifted the U.S. arms embargo against Turkey in September 1977. Now, only 9 months later there are those who would take another slap at Turkey. But such an action denies all the constructive steps that have occurred in this brief interval of time and that have occurred as a result of the termination of the embargo:

First. The Turks reopened the U.S. intelligence installations on Turkey; these bases are important to SALT I and II verification.

Second. The Turks have negotiated and signed, at our request, a prisoner exchange treaty with us which will permit the voluntary repatriation of Americans imprisoned in Turkey.

Third. Serious negotiations are now underway on Cyprus. U.N. Secretary General Waldheim brought the Greek and Turkish Cypriots together in mid-May for talks that were positive and that produced a 10-point joint communique. On the basis of that communique the two sides began intercommunal talks in Nicosia under the aegis of the United Nations on June 15. Meetings have been held each day. The reports I have heard about these talks is that they are progressing and progressing better than most had anticipated. I suspect that it would not shock too many people if I state that we should not expect a final settlement of the Cyprus situation tomorrow. But I do hope that my colleagues in the House will ponder the following points:

The lack of progress toward a Cyprus agreement earlier in the year cannot be attributed to the Turks alone. That is just not the case. Greek-Cypriots must bear their share of blame.

There are talks now—talks which hold hope of communication and progress. And our actions here today may stimulate or discourage further progress in those talks.

I call to the attention of my colleagues other factors to consider:

First. There are now ongoing extremely sensitive negotiations between the United States and Turkey about the future of the U.S. intelligence bases in Turkey. The attitude of the Turkish military which regards this MAP as vital will be key to the outcome of these negotiations. I think that there is, therefore, a direct correlation between this $50 million MAP request and the continued operation of the U.S. bases in Turkey. I find it highly understandable that the State Department does not want to say that the Turks are going to blackmail us with this $50 million. And I very much appreciate the fact that Turkey is a good friend and ally and does not, therefore, make such threats.

Second. The United States has requested Turkish permission for U-2 overflights to monitor Soviet SALT compliance. Contrary to erroneous public reports, the Turks have not given the Soviets a veto on this issue. Indeed, the Turks are working with us in a cooperative manner on this issue. But it is a sensitive subject in Turkey given the fact that the Francis Gary Powers U-2 in 1960 flew out of Turkey and the events that ensued helped to stimulate the military coup that took place in Turkey shortly thereafter.

Third. This is a difficult time for Turkey. Prime Minister Ecevit has only a one-vote majority in Parliament. His opposition screams at every conciliatory step he takes toward the United States. Terrorism is a tremendous problem.

Fourth. The Turkish economic situation is dire. Unemployment is 20 percent; inflation is 70 percent. The external debt is high and a terrible burden. Turkey has reached an agreement with the IMF which will help. But Turkey also needs our help.

The situation in Turkey differs from that which existed in Iran. But the potential for great instability and deep trouble is there. We should take care not to fuel it with our actions in these Halls but rather stand by a friend in trouble and help Turkey.

What will be the effect of a successful motion to instruct?

First. It could make more difficult our efforts to conclude a base agreement with Turkey for the use of critically important intelligence and military installations.

Second. It could hurt the Cyprus negotiations.

Third. It could create new turmoil on the Turkish domestic political scene.

What we say and do here today will be headlines tomorrow in Ankara.

The grant military aid is important to Turkey as a symbol of U.S. interest, concern, and friendship and as a means of rebuilding its military forces. It has been estimated that Turkish military capabilities declined by 50 percent during the period of the embargo. As a NATO ally and as a nation which occupies an important geostrategic position, it is in U.S. interests to help Turkey to rebuild its military forces.

Denying Turkey this $50 million in grant military aid would be extremely shortsighted. We will provide other countries with grant military aid in fiscal year 1980: Jordan ($30 million), Israel ($500 million), Portugal ($30 million), Spain ($3.8 million).

Yet, none of these nations has a domestic political situation as tenuous as Turkey's none has an economic situation as desperate, or is under as much Soviet pressure as Turkey.

We would be extremely short-sighted in dealing with a highly exposed NATO ally should we deny Turkey this $50 million in grant military aid. We would be hurting U.S. interests over a trivial sum.

Turkey's government hangs by a thread. Turkey's economy is on the brink of disaster. Turkey's military forces are limping along. Anti-American feeling runs high.

At issue in this motion is, to us, a pittance—$50 million grant military aid versus credits.

The United States cannot afford to have Turkey go the way of Iran. How much would it be worth? Were it not for Cyprus, we would be falling over ourselves trying to help Turkey out of the ditch.

Mr. DERWINSKI. Mr. Speaker, I yield 5 minutes for purposes of debate only to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. I thank my distinguished colleague for yielding.

Mr. Speaker, first, I rise in support of the motion to instruct. I do want to acknowledge my deep gratitude to the gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of the committee, for both his sense of responsibility and fairness and for a straightforward explanation of the parliamentary situation. Indeed it is not customary or common, nor would I ordinarily support a motion to instruct conferees, but this is in fact a very unusual parliamentary situation, so unusual that I do not believe I have ever seen anything like it in the 17 years I have been a Member of the House.

What happened was that our committee, the Committee on Foreign Affairs chaired by the gentleman from Wisconsin (Mr. ZABLOCKI), passed and brought to the House the full request of the administration for aid for Turkey. There was no opposition to it in the committee. We cooperated because all of us understood the importance of Turkey as enunciated by the gentleman from Illinois (Mr. FINDLEY). The House passed a package of $298 million in aid to Turkey, which is the largest amount sent to any nation other than that sent to the two middle-Eastern countries who recently signed the peace agreement. What happened was that after the House committee reported out the Turkish-aid package and the House passed this legislation, the administration sent to the Senate only—they never sent anything to our committee—an additional $150 million supplemental aid package: $100 million in economic assistance and $50 million in grant military assistance. The Senate Committee on Foreign Relations changed the administration request and reported out $50 million foreign military sales in lieu of grant. On the Senate floor that was changed back to the administration's original request of grant military aid.

All during this time the House never had any opportunity because of the unique parliamentary situation—any opportunity whatsoever—to vote on the situation, and the only opportunity under the parliamentary situation is this motion to instruct conferees.

The gentleman from Wisconsin (Mr. ZABLOCKI) said that in respect of his role as chairman of the committee he would vote against the motion to instruct, so as not to set a precedent for the future. On that I agree with him. He also said he agreed in substance with those of us who are opposed to a $50 million grant for military assistance to Turkey. We are opposed because military grant would change the character of our entire relationship with Turkey. Most of us who have been involved in the Turkish-Cypriot situation have a deep awareness and sense of responsibility for the maintenance of the integrity of Turkey as a viable NATO power. We are also deeply distressed and concerned about the lack of progress on Cyprus, and we feel that we cannot in good conscience, after 5 years and 200,000 refugees being removed from their homes forcibly by 40,000 Turkish troops, return any grant assistance to Turkey and in fact reward the aggression that took place in the summer of 1974.

The gentleman from Illinois (Mr. FINDLEY) said that there has been progress. The fact of the matter is that not a single piece of land of the 40 percent occupied by Turkey has been returned, not a single refugee, not one, has been returned to his home, and that more than 25,000 Turkish troops still occupy 40 percent of the land on Cyprus. Even the much ballyhooed talks that the gentleman from Illinois (Mr. FINDLEY) talks about are not really progress since the head of the Turkish-Cypriot community declared himself on May 21, and I quote: "We are 180 degrees apart on negotiations."

There is not any question that Turkey is an important ally to the United States. It is regrettable that they have been instrumental in blocking Greece's return and reentry into NATO integration. There were some questions raised about the use of Turkish air space for U-2 planes, and there have been some other problems in this area. All of us want to cooperate in resurrecting Turkey as a viable economic unit.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DERWINSKI. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. ROSENTHAL. What we have suggested, if we want not to be involved in any slap or retribution of any kind, is that during the course of the parliamentary opportunities that become available, that $50 million of the economic assistance which was to be loaned be changed to a grant so that the net cost is about the same. But it would be a grievous political mistake and an immoral act if we were to reward Turkey and make it one of five countries to get grant military assistance so long as the occupation continues on Cyprus and so long as there has been no significant movement or movement toward the peaceful resolution of that dispute.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DERWINSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I rise in support of the motion to instruct House conferees to reject the Senate amendment to the International Security Assistance Act providing for $50 million in grant military assistance to Turkey.

For several years now, I have felt a deep sense of frustration regarding the situation in the eastern Mediterranean—a frustration which I know is shared by many of my colleagues in the Congress. During those years we have witnessed a deterioration in U.S. relations with both Greece and Turkey as well as an impasse in regard to Cyprus.

I have always believe that both Greece and Turkey are vital not only to the security of NATO but also to the security of the United States. A strong Greece is critical to the ability of NATO to deter aggression on the southern flank. At the same time, Turkey's role in NATO, as well as its strategic location, is important to our security, although in the last year the administration's reliance on Turkey to promote stability in the eastern Mediterranean, as well as U.S. security interests, has had little success.

In the past, I have supported military assistance to Turkey, taking into account numerous security concerns as well as the need to balance that aid with assistance to Greece. My support for military assistance to Turkey, however, also stemmed from the belief that the assistance would contribute to real progress on a Cyprus agreement. Moreover, in backing that military assistance, I had hoped that the Government of Turkey would respond to the demonstration of flexibility on the part of the Congress with a reciprocal attempt at flexibility and accommodation on Cyprus.

Nearly 5 years after the invasion and the occupation of Cyprus, nearly 1 year after the Congress lifted the arms embargo against Turkey, we still await concrete progress on Cyprus and in particular, Turkey's first positive action in this regard.

For these reasons, I believe that in the new Cyprus negotiations, Turkey should move constructively and positively particularly in relation to its withdrawal of troops from Cyprus.

As a result, Mr. Speaker, I urge my colleagues to support the motion.

Mr. DERWINSKI. Mr. Speaker, I yield 3 minutes for purposes of debate only to the dynamic gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. I thank the gentleman from Illinois for yielding the time in such a generous fashion and for his most dramatic description.

Mr. Speaker, it has been almost 5 years since the most tragic invasion of Cyprus commenced, the type of action by Turkey that outraged the moral senses of the world. The House did respond in fashion, but that response was mixed. There was a hue and cry for justice. On the other side of the coin, we had some who said think in terms of national interest in our relationship with Turkey, our long ally, and the arguments were put by both sides. We won and lost. Time and time again the issue was brought forth and the human rights question always seemed to be subordinated. The strongest argument, the most persuasive argument was, Give the Turks a chance. Perhaps they will conciliate. Perhaps they will withdraw. Permit them an opportunity to straighten out their own domestic affairs. We know they will straighten them out.

Five years have elapsed. Nothing has changed. Nothing has changed. To grant additional funding, in my judgment, is only to reward a cruel, unlawful act, unlawful in the most flagrant sense of the word, because the Turkish Government utilized the assistance that this Government provided in direct violation of our law. And yet if we have condoned by articulation, we have condoned in fact by our conduct.

I visited that troubled isle. I went to Famagusta. To envision it properly, think, if you will, of Miami Beach with its multitudinous population. Then suddenly one day there is not a person in sight, not a person occupying a hotel, not a person in the streets. That is what Famagusta is about. The Turks have occupied some 40 percent of Cyprus and continue to do so.

□ 1520

Here we are again saying, "Let us work it out."

I do not know what arguments can be offered in opposition to this resolution by the esteemed gentleman from Illinois.

The moral question is still an issue. Cyprus is still occupied.

Mr. Speaker, I rise in full support of the pending motion being offered by my distinguished colleague from Illinois. It was just 5 years ago when one of the most brutal acts of international aggression occurred. I refer to the July 20, 1974, invasion of the island of Cyprus by Turkey.

Today we are going on record against the providing of an additional $50 million in military aid to Turkey. The fact that we are even considering new military aid to Turkey when Turkey continues to use U.S. military aid illegally to occupy Cyprus is ludicrous.

What about principle? What about our concern for the homeless, the missing and the suffering of the people of Cyprus? What about the ravaged Cypriot economy which Turkey ruthlessly controls?

Some may point to the resumption of intercommunal talks between Greece and Turkey as a reason to approve this request. I reject that argument. In fact, to me there would have to be far more than talking going on between Greece and Turkey before I could support even one cent of additional aid.

Many of those who are leading the fight today led a successful effort in 1974 to slap an arms embargo on Turkey. The reasons for that action are practically the same as the arguments we offer in support of this motion today. Are we committed to integrity in American foreign policy? Do we apply our concern for human rights in foreign policy consistently? If the answer is yes to these questions, then vote for this motion.

The Hellenic community in this Nation was deeply distressed over the congressional decision to lift the arms embargo, an action I opposed. However, the solace that was offered was that it would lead to a more reasonable Turkish position toward resolving the Cyprus dispute. This tragically has not occurred. Thus the vote today is being carefully watched by this community. We made one mistake—we should not be a party to a second.

A point has been raised. We have already voted Turkey more aid than any country in the world except Israel and Egypt. In the case of those two nations, at least some of the aid was conditioned on achieving peace. What strings are we attaching to this aid? If anything, it seems like a carte blanche award of funds, one which overlooks serious deficiencies in Turkey.

The island of Cyprus has been debilitated by the effects of 5 years of war and occupation. The Greek Cypriot community has been long suffering and sees little in the way of relief. Yet they are aware of U.S. policy, they see what was once called a "Turkey tilt" reemerging. Let us dispel this concern with an affirmative vote today.

There is a growing sense of disenfranchisement among groups in this Nation who feel that the United States in the conduct of its foreign policy is inconsistent. We postulate about the policy having basic principles. Yet these same principles are expendable depending on the nation involved. By supporting new aid to Turkey we will be rewarding a nation which is responsible for one of the most tragic human rights policies in the world. We will be rewarding a nation which flagrantly violates the terms of the Foreign Assistance Act by using our aid to invade a nation. The indictments against Turkey are many. Must we infect our own reputation by promoting more aid to Turkey?

Mr. Speaker, I appeal to the Members here to recognize that there is an overriding principle involved in this vote today. We have traveled this road before and the outcomes have been different. But one situation has not changed. Cyprus remains illegally and ruthlessly occupied. Over 2,000 of her people remain missing. This situation will not change unless Turkey is made aware of the U.S. reluctance to provide additional aid—aid which Turkey so desperately needs. To approve this aid would be tantamount to making a mockery of our foreign policy at a time which we can ill afford to.

Mr. DERWINSKI. Mr. Speaker, I yield 3 minutes for purposes of debate only to the gentleman from Illinois (Mr. RUSSO).

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I rise in support of the motion and associate myself with the remarks of the gentleman from New York (Mr. BIAGGI).

Mr. RUSSO. Mr. Speaker, I want to respond to a few comments made by the gentleman from Illinois (Mr. FINDLEY). I respect the gentleman's position and I know of his sincerity but I did want to comment on some of the things that have happened over the last 5 years concerning the Cyprus situation. I am dismayed by the gentleman's comment that we will be doing so much more if we give Turkey the $50 million in grant aid. It is the same rhetoric we have heard for the last 5 years: If we give them just a little more, if we lift the embargo, if we give them a few extra dollars in credit sales, if we do just a little more, we can expect action on Cyprus.

We took ultimate action a year ago when we lifted the so-called embargo which, as I said then, never really existed in the first place. We lifted it completely and we have received absolutely nothing in return for our good faith efforts.

It is upsetting to hear the statement that it would be a gratuitous slap in the face of Turkey if we do not give Turkey $50 million in grant aid. What about the slap in the face of the United States Congress who lifted the embargo on the assumption that there would be progress and then having a year go by without any movement toward a settlement on Cyprus. Put ourselves in the position of the Greek Cypriots for the past 5 years, kicked out of our homes, not allowed to go back and live a normal life and never knowing what the future may bring but continuing to hope that some day the rule of law will be honored.

We can spend here safe from oppression and tyranny debate what is right or wrong but in the meantime the poor Greek Cypriots are homeless. Do they not deserve some consideration also.

Let me now comment on the $50 million in aid. I do not know how much it costs to keep 25,000 Turkish troops in Cyprus but if Turkey needs money as badly as they say then, why do they not remove their troops from Cyprus, go back to Turkey and save all the money spent on maintaining such a large force there. We do not have to send them $50 million, they can do it just by leaving Cyprus.

It is my personal feeling that we should go back to a total embargo, cutting them off completely from any and all aid.

Mr. DERWINSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. I rise in support of the motion of my good colleague from Illinois to instruct the House conferees to disagree with the provisions of $50 million in military aid to Turkey.

For 5 years now 200,000 Greek-Cypriot refugees have put up with being displaced from their homes. Those 5 years have seen almost no progress on the part of the Turks in moving toward a solution of the Greek-Cypriot refugee situation.

Last year, based on administrative promises, the Congress agreed to lift the arms sanctions. The International Security Assistance Act which lifted the arms embargo required the President to submit periodic reports on this Cyprus situation. These reports have really been used to get around Turkish compliance with the wishes of the Congress rather than encourage it.

Two hundred thousand refugees are waiting to go back to their homes. And here in this country there are nearly 6 million Greek-Americans who are now called upon through their tax dollars to pay for the arms which keep their friends, their relatives, and their fellow countrymen subjugated on the island of Cyprus.

The argument to resume the flow of arms to Turkey is based primarily on NATO membership and the value of the bases in Turkey and monitoring Soviet missile development and deployment.

Is there anyone in this House who sincerely believes that in the event of a major crisis in the Middle East that we would have the access to Turkish airfields and bases? That if we got embroiled in a Middle East shootout that the Turks would open their doors to the United States?

With Turkey vetoing the reentry of Greece to NATO and raising the question of our U-2 planes being allowed to use the bases in Turkey, as the good gentleman from Illinois has stated, "a review of this situation is indeed called for."

We have a tendency to try to buy our way out of situations where we were never welcome in the first place. We have a tendency to say, "Just a little more money, just $50 million here and $100 million there and they are going to be nice to us."

I submit the time for this kind of thinking is over, that the people whom we have tried to bribe are not concerned about our interest.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DERWINSKI. I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. RITTER. If this is the way our friends behave, with hundreds of millions of dollars of our aid, Lord, we sure don't need enemies.

Mr. DERWINSKI. Mr. Speaker, I yield 4 minutes to the gentlewoman from New York (Ms. FERRARO).

Ms. FERRARO. Mr. Speaker, I rise in support of the motion offered by the gentleman from Illinois. As a freshman Member of the House, who represents a very large Greek community, I have concerned myself with learning the recent history of U.S. relations with Turkey, and the Cyprus situation. The debate on this motion will touch on the strategic and economic interests at play as we consider granting military aid to Turkey. And though I have studied the situation very carefully, I am sure my colleagues will address themselves to those points during debate. So instead, I will focus on an aspect of this issue which is all too easy to forget—the human element.

I mentioned that I represent a very large Greek community. Let me tell you however, that my closeness to the problems of the Cypriots is not one that merely arises from political expediency.

One of my very closest friends is a woman named Clare Mazzei. Her maiden name was Nikias. Clare has a daughter Maria; and Maria and my youngest daughter Laura, both of whom are now 13, are best friends.

Clare is from Famagusta. Every summer, I would take Laura to the beach. Clare would take her daughter and go to Famagusta, because that is where her mother and brother lived. In 1971 Clare's mother died. But each summer she continued to visit an elderly aunt and uncle to whom she was very close.

And then came 1974.

Clare still makes the trip each summer, but now it is to Limassol to visit her aunt. The old woman lost everything in Famagusta when the Turks invaded. But she and her husband got out to Limassol. He died last year believing he was going home again.

Clare gets quite upset when she talks about Cyprus. 200,000 people have been displaced and 40 percent of the island is lost. The professionals like her brother, who is a doctor, moved to Athens. The engineers have emigrated to Saudi Arabia. The young are not allowed to leave unless they are going abroad to study, because Cyprus will die. She is glad, she says, that her mother died before the invasion. In her own words: "I don't know what she would have done." Each year she goes back to see her aunt who lost everything; her aunt who still thinks she will go back; who just waits for Famagusta, or death, whichever comes first.

Not a pretty picture, but it is a human story that is told not only once, but 200,000 times in Cyprus, and over and over again here.

What are we saying to these people if we approve military aid to Turkey?

We are telling them that the United States does not stand by its commitments. When we embargoed Turkey from receiving arms from this country, we said we would lift sanctions only when progress on Cyprus occurred. Last year, the Congress approved a lifting of the embargo after being told this was the only way to achieve a solution on Cyprus. Today we see absolutely no progress—yet we are being asked to reward the Turks with arms.

Furthermore, the administration has bypassed the House on this issue by presenting this request for additional funds directly to the Senate. I worked hard to become a Member of this body and I am entitled to have a say in this matter. While we hide behind parliamentary procedure, our constituents might well wonder why they sent us here. As a freshman Member, I am particularly concerned that my people know I am listening to them. In this case it would not matter how carefully I listened. Unless we approve this motion to instruct, our voices will not be heard.

I urge my colleagues to vote against procedural manipulation, to vote against the abrogation of American commitments, to vote against military aid to Turkey, and to vote for the motion offered by Mr. DERWINSKI.

I yield back the balance of my time.

☐ 1530

Mr. DERWINSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island (Mr. BEARD).

Mr. BEARD of Rhode Island. Mr. Speaker, when I came to the Congress in 1975 this issue, of course, was very much on the minds of many of us here in the Congress and of the people of this Nation. Each and every time the people that were in favor of Turkey or helping Turkey would give us the arguments that give them more time and there would be peace, give them more time and there would be negotiations, things would get better; but things really have not changed that much.

Unfortunately for the country of Cyprus, the late Archbishop Marcarios in his passing in a sense moved them that much further down the line as far as prestige goes, because he was well-known to many people in this country where the present leader is less known to this country; but things have not changed and we should not change.

I can recall in some of those classic battles on this issue people that were talking for the administration, the chairman of the committee that is responsible for this legislation pleaded and begged us all to support the resolutions of lifting the embargo and additional funding for Turkey, because down the road there would be some changes. Well, there have been no changes.

The situation is very much status quo. People are still refugees there. The Turks are still there. I think it would be a shame if we do not recognize this fact.

I think the gentleman from Illinois (Mr. DERWINSKI) is correct with this resolution. Besides that, take a survey in your district. People are tired of foreign aid, with all the prices people are paying today for oil and gas and all the problems we have in this country. Keep the money here in America. Keep the money here in America, take care of Americans, and the best thing we can do is if we are going to have any kind of morality in our thinking for other people that deserve help, let us not make the mistake as we made in Taiwan.

Let us support the gentleman from Illinois (Mr. DERWINSKI) in this resolution.

Mr. DERWINSKI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Speaker, I want to join my colleagues in supporting the Derwinski motion to instruct the conferees to the International Security Assistance Conference to delete $50 million in military grants to Turkey.

I am opposed to these funds for Turkey because of the unorthodox way that they became part of this legislation. Following the passage of the international security assistance legislation by the House—which contained $300 million in aid to Turkey—the administration submitted to the Senate a request for an additional $150 million in economic and military aid to Turkey. I object to this request for two reasons. First, this request for aid totally bypasses House consideration of the issue. The only time that we would get to vote on the question of increasing aid to Turkey would be in the conference report. Secondly, I object because since Congress voted last year to lift the arms embargo against Turkey, she has made no effort to resolve the tragedies of Cyprus. It was in August 1974 that the Turks invaded Cyprus, and the situation since then has changed little. There are still: 27,000 armed Turkish troops on the island illegally occupying 40 percent of that independent nation; at least 35,000 illegal Turkish colonizers on Cyprus; 200,000 Greek Cypriots unable to return to their homes; and 2,000 Greek Cypriots missing persons.

Turkey is in dire need of economic assistance, not military assistance, but because the record shows the lack of initiative on Turkey's behalf on the Cyprus issue, we should not continue to give her funds to purchase military equipment. Because I am sympathetic to Turkey's economic troubles, I am actively supporting the Derwinski motion to instruct the House conferees to delete the $50 million in military grants while also expressing the House's support for a new request by the administration to increase economic aid to Turkey by a like amount.

As we have seen since August of last year when the arms embargo against Turkey was lifted, no improvements have been made on Cyprus. Our conscience should not allow us to send more military aid to Turkey until the Cyprus situation is resolved. I urge my colleagues to join me in voting for the Derwinski motion.

Mr. DERWINSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. HEFTEL).

Mr. HEFTEL. Mr. Speaker, almost 2 years ago when the first discussions started about the aid to Turkey, my colleague and our leader, the gentleman from Indiana (Mr. BRADEMAS) very eloquently presented the case for not providing arms aid to Turkey and to insist upon the freedom of Cyprus.

The administration made a tremendous case for allowing us to continue the military aid to Turkey, because that was the way to ultimately gain the freedom of Cyprus. The Turks would listen to us and the case for Cyprus if we showed our willingness to resume the military aid and to end the embargo.

We now have experience as our teacher. Those of us who succumbed to the administration's argument have to stand here today and say that we were in error; the gentleman from Indiana (Mr. BRADEMAS) was correct.

The gentleman from Illinois (Mr. DERWINSKI) is correct today.

Let us hope that we will instruct the conferees not to allow this $50 million grant for arms aid to Turkey and that we will let them know that we are not interested in buying their favor. We want them to demonstrate their good faith and to provide for the freedom of Cyprus.

Mr. DERWINSKI. Mr. Speaker, I yield 3 minutes for purposes of debate only to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the motion to instruct. I submit that our action in this matter should be guided strictly by concern for what is best for our national interest.

At a time when strategic arms limitation is a major topic for discussion, we in the House will not have much opportunity to contribute to the responsible consideration of SALT II. For that reason, if we do not act to insure strong support for Turkey at a crucial time in our relations, we would be negligent in our duty to protect the national security of the United States. Without reinforcement of United States-Turkish relations, we might very well lose access to listening posts in that country which would be essential to verification of the SALT II agreement.

In mid-April, the Soviets launched their largest ICBM, an SS–18, capable of carrying 14 nuclear warheads, our electronic listening posts in Turkey monitored the start of that test flight; our satellites followed the flight of the missile; and our tracking stations in Alaska monitored the completion of the SS–18's flight. Without the vital contribution of those monitoring stations in Turkey, our current ability to verify any Strategic Arms Limitation Treaty would be seriously diminished. We must not let that happen.

Moreover, in my opinion, before the United States even considering accepting SALT II, we should make certain that we are able to provide as thorough an ability to verify its provisions as possible. Therefore, U.S. relations with Turkey should be strengthened as provided for in the international security assistance bill.

I would like to add one further point about the Soviet SS–18 test flight. The Santa Barbara News Press, in my district, published an editorial asking, "Can we really verify?" It referred to the SS–18 test and the monitoring posts in Turkey. The editorial concluded with this observation on the SS–18:

> If we weren't monitoring it, it could carry four more nuclear warheads than SALT II would allow.

It seems to me we have given enough advantages to the Soviets already, we certainly do not need to give them any more.

I urge my colleagues to reject the motion to instruct.

☐ 1540

Mr. DERWINSKI. Mr. Speaker, I yield 8 minutes to the distinguished majority whip, the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I rise in support of the motion to instruct offered by the distinguished gentleman from Illinois (Mr. DERWINSKI), and I compliment him for his continuing leadership on this important question, even as I want to compliment the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), for his willingness always to be open to discussions in an effort to work out agreements in respect to this particular issue.

Mr. Speaker, let me begin by reading these sentences from a letter I received from President Carter:

> We remain hopeful that the intercommunal negotiations under the auspices of the United Nations Secretary General can be resumed early this spring with increased changes for serious progress toward settling the Cyprus problems. Secretary Vance and I have been encouraged by the new Ecevit government's recognition that resolving the Cyprus problem is in Turkey's best interest and by its intention to take fresh initiatives on Cyprus.

The only problem, Mr. Speaker, with that particular quotation is that the date of the letter was February 22, 1978. That is what the President wrote not this month or this year but on February 22, 1978.

I read that quotation, Mr. Speaker, of course, because we have been repeatedly told that if there were just a little bit more time given to Turkey, if only more money were given to Turkey, and if only the arms embargo on Turkey were lifted, there would be progress toward a resolution of the tragedy on Cyprus.

About a year ago Congress did vote to lift the arms embargo, and those who supported that particular action did so in the clear expectation of substantial progress toward a settlement of the Cyprus issue. Indeed, if we go back and take a look at the language of the amendment that lifted the embargo, the amendment offered by the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT), we will see that his amendment was clearly based on the expectation that there would be progress on Cyprus.

And, Mr. Speaker, in addition to removing the arms embargo on Turkey, the House of Representatives earlier this year agreed to a foreign aid bill that provided for nearly $300 million in assistance to Turkey. I voted for that bill, and persons of my view did not mount an effort to defeat that bill.

But what happened then? The administration, after the House had acted, then went over to the other body and asked for an additional $150 million for Turkey, beyond the $300 million—$100 million in economic assistance and $50 million in military grants. The Senate Foreign Relations Committee in its wisdom agreed to the $100 million in economic aid but translated the proposal for military grants into $50 million in military credits, the so-called FMS program, and indeed did so on a concessionary basis.

But apparently that was still not good enough for the administration, so the administration worked—successfully—to get into the Senate version of the aid bill the $50 million in military grants. The purpose of Mr. DERWINSKI's motion to instruct is to delete these military grants.

So, Mr. Speaker, it seems to me that the House and Congress as a whole have been eminently reasonable in this matter, more than reasonable. As the gentleman from New York (Mr. ROSENTHAL) pointed out, we are now spending more assistance to Turkey than to any other country in the world aside from Egypt and Israel. Such a large amount of U.S. assistance is hardly a gratuitous slap in the face for Turkey.

Let me, moreover, Mr. Speaker, remind Members of the House that just 3 days after the vote last year to remove the arms embargo on Turkey, President Cartert said, and I quote him:

> I will be firm in insisting on positive action toward a just and lasting solution on Cyprus.

Has there been such "positive action toward a just and lasting solution on Cyprus?"

What has happened in the wake of the lifting of the arms embargo?

What has happened in the wake of Congress having voted more and more millions of dollars in economic and military aid to Turkey?

Mr. Speaker, what has happened on Cyprus is nothing. There are still 200,000 Greek Cypriots who are unable to return to their homes. There are an estimated 25,000 Turkish troops on the Island of Cyprus. We are told of intercommunal talks, but I have just read to the Members President Carter's statement about the intercommuntal talks that went on in the spring of 1978 which produced nothing, and I must observe that the most recent report from Cyprus on the intercommunal talks going on there now are very pessimistic.

Mr. Speaker, it seems to me that we should take note of the fact that—and here I refer to the point the gentleman from New York (Mr. BIAGGI) made so eloquently—we are on the edge of the fifth anniversary of the August 1974 invasion and occupation of the Island of Cyprus by Turkish troops equipped with arms supplied by the people of the United States, and there has still been no progress toward settlement of the issue.

Mr. Speaker, earlier today the House in effect voted on a matter that runs to justice for a small country: Panama. In my view, the significance of Mr. DERWINSKI's motion to instruct is that it represents an admonition to the Government of Turkey and an admonition to the administration, to the executive branch of our own country, to our President, to begin working actively and vigorously and effectively for justice and human rights for the beleaguered people of another small country, the Island Republic of Cyprus.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from California.

Mr. LEWIS. Mr. Speaker, I would like to compliment the gentleman from Indiana (Mr. BRADEMAS) for his statement, and I associate myself with his remarks.

I strongly support Mr. DERWINSKI'S motion to instruct House conferees to delete military grant assistance to Turkey from the International Security Assistance Act.

While I am concerned about American security interests in the vital area of the world surrounding Turkey, I am also concerned that concrete action be taken to resolve the Cyprus situation.

The House of Representatives has made it clear that lifting the Turkish arms embargo was done on the clear expectation of substantial progress toward a settlement on the Cyprus issue with Turkey acting in good faith to achieve such a just and peaceful settlement, to achieve the early and peaceful return of refugees to their homes and properties, to continue removal of Turkish troops from Cyprus and to bring about early and serious resumption of intercommunal talks.

Yet, in the 5 years since the Turkish invasion and occupation of Cyprus, not a single piece of land has been returned. not a single refugee has been permitted to return home and more than 25,000 Turkish troops still occupy 40 percent of Cyprus. Even the resumption of talks has thus far been unfruitful.

So why should the United States add $50 million to the already huge fiscal year 1980 Turkish arms aid package without progress toward a Cyprus solution. If indeed Turkey needs the additional $50 million for economic aid, let it be granted for that purpose. But let us not give any more for Turkish arms until and unless that government takes meaningful and diligent steps toward settling the Cyprus issue.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from California (Mr. LEWIS).

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I am glad to yield to my friend, the gentleman from Florida (Mr. FASCELL), who has been an outstanding leader on this issue.

Mr. FASCELL. Mr. Speaker, I join the gentleman from Indiana (Mr. BRADEMAS) in his support of the motion to instruct, and I associate myself with his remarks.

I suggest that what has been offered should be accepted as a way out of this problem for the House, a very logical, sensible, and constructive way. I also want to say that as further proof of our willingness to be reasonable in this matter and to be accommodating, those who support the point of view that I do have indicated a willingness to consider sympathetically not $50 million in military grants but $50 million in FMS, along the same lines as the Senate Foreign Relations Committee bill, and to support as well, the conversion of $50 million of the credits that have been voted for economic assistance to Turkey, into an economic grant. This seems to me to be eminently reasonable.

Mr. SOLARZ. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I am glad to yield to the gentleman from New York.

Mr. SOLARZ. Mr. Speaker, I thank the gentleman for yielding.

I personally yield to no Member in the House in expressing my admiration for my very good friend, the gentleman from Indiana (Mr. BRADEMAS), but his eloquence on this issue notwithstanding, I must reluctantly rise in opposition to the motion to instruct conferees.

○ Mr. SOLARZ. Mr. Speaker, I rise in reluctant opposition to the motion to instruct the House conferees to oppose grant military aid to Turkey.

There is no doubt that, from the perspective of the Congress, the Derwinski motion is an eminently reasonable compromise on this difficult issue. As the supporters of this motion have pointed out, this compromise maintains the level of aid to Turkey at $451 million, a substantially higher level than was appropriated by the Congress last year. In fact, even if the motion is adopted, Turkey will become the third largest aid recipient, after Israel and Egypt.

The specific terms of the Derwinski motion would affect only one component of the U.S. aid package to Turkey: Turkey would receive $50 million in military credits rather than in military grants. However, the gentleman from Illinois and other supporters of this motion have indicated that they will accept several other arrangements in conference to insure that this motion does not adversely effect the seriously strained Turkish economy. The repayment period on the military credits will be stretched out to provide for a 10-year grace period and a 20-year repayment period.

Furthermore, the conferees may instruct the President to use his authority, under section 23 of the Foreign Military Sales Act, to lower the interest rate below the cost of money to the U.S. Government, if he determines that doing so would be in the national interest. The interest rate on the military credits could actually be as low as 2 to 3 percent. Finally, the supporters of this motion have indicated that they would be willing to support the conversion of $50 million of economic aid from a loan to a grant, thereby insuring that the revised aid package does not further aggravate Turkey's serious debt situation.

On balance, it is clear that the compromise envisioned by the supporters of this motion is a reasonable one that has the considerable advantage of defusing a potentially divisive Congressional confrontation over the issue of aid to Turkey. Indeed, the argument could be made that Turkey would actually benefit from this compromise, since its overall aid total and level of grant aid would not change, and it would acquire a $50 million FMS debt with a 2- or 3-percent interest rate instead of a $50 million ESF credit with a 5-percent rate.

However, if the question is viewed not from the congressional perspective but rather from the perspective of the national interest, and how we can best achieve our objective in the eastern Mediterranean, I am convinced that we would be better served by opposing this motion and providing MAP aid to Turkey.

Both the proponents and the opponents of this motion recognize the vital strategic importance of Turkey to the United States. The security of the southeastern flank of NATO is largely dependent upon Turkey's capability to fully carry out its NATO responsibilities. By virtue of its unique geographical location, Turkey fulfills a number of vital strategic functions for the NATO alliance:

First, Turkey provides a physical barrier between the Soviet Union and the Middle East, blocking what would otherwise be unimpeded Soviet access to Syria and Iraq.

Second, and equally important, by virtue of its control of the Turkish Straits, Turkey has the capacity to bottleneck Soviet war vessels attempting to move from the Black Sea into the Mediterranean.

Third, Turkey provides vital air defense warning for U.S. ships stationed in the eastern Mediterranean that would otherwise be dangerously vulnerable to Soviet air strikes.

Fourth, Turkey ties down significant Warsaw Pact forces that could otherwise be situated on other sensitive NATO frontiers. It has been estimated that Turkey and Greece combined tie down 26 Warsaw Pact divisions, as well as associated air and naval units.

Fifth, U.S. intelligence facilities in Turkey provide critical intelligence on Soviet strategic programs and troop deployments. Following the closing of U.S. intelligence facilities in Iran, it has become clear that the Turkish facilities will contribute significantly to our abilty to verify Soviet compliance with the provisions of the SALT II treaty.

In view of Turkey's overwhelming strategic importance to NATO and the United States, the real question that the Congress should be considering in this debate is how can the U.S. aid package best be shaped to enhance Turkey's stability and facilitate improved United States-Turkish bilateral relations. If the Congress is going to approve an additional $50 million in military assistance for Turkey—and even the opponents of the military grant aid have indicated that they will support the extension of military credits—then it should certainly follow that this aid should be authorized in a form that will be the most effective in promoting the U.S. interests in the region. Given the tremendous symbolic importance that the Turks attach to the receipt of military grants, I am firmly convinced that the $50 million in military assistance should be authorized in this form. The extension of MAP aid to the Turks, who were ineligible to receive such aid during the arms embargo, would signify the true end of the bitter embargo period.

A number of arguments have been advanced to suggest that Turkey is not deserving of MAP aid. I believe that a careful examination of each of these arguments reveals that none of them is compelling.

The first, and most important argument, is that Turkey has refused to negotiate a fair resolution of the Cyprus issue. This is simply not true. The absence of dramatic progress in resolving this issue cannot fairly be blamed solely on Turkey. And resolution of the Cyprus problem must necessarily involve concessions by all the parties to the conflict.

The Ecevit government has shown great interest in negotiating an agreement on Cyprus, and has consistently encouraged Turkish Cypriot leader Denktash to be more flexible. I am hopeful that the recently resumed intercommunal talks will prove to be productive. I am particularly encouraged that the humanitarian question of Varosha and the resettlement of at least some of the Greek Cypriot refugees is to be treated as a priority item in the negotiations.

A second argument against aiding Turkey is that Turkey has blocked the reintegration of Greece into the NATO command. Once again, this is simply untrue. Turkey's Prime Minister has stated categorically that he does not oppose Greece's return to NATO's military structure and that Turkey recognizes it is in the interest of both countries for this reintegration to take place.

Although Greece and Turkey continue to disagree on the issue of NATO command boundaries in the Aegean, reflecting the different political and economic claims of the two countries in this region, intensive negotiations are presently being pursued to resolve this disagreement. Since no details are available concerning the latest negotiating proposals, it is both unfair and unprofitable to characterize either side as obstructing the negotiations.

Finally, the argument has been made that Turkey is impeding the U.S. ability to verify the recently signed SALT agreement by refusing to allow U–2 overflights over Turkish soil. The Foreign Affairs Committee questioned the State Department at great length concerning this issue on two separate occasions, and was informed that Turkey had not yet reached any decision on this issue. Indeed, discussions with the Turks are continuing at the present time.

In conclusion, Mr. Speaker, I would like to suggest that U.S. interests would be best served by furnishing Turkey with MAP assistance. When the Congress voted last year to lift the embargo, it voted for a policy of cooperation, not confrontation, as the dominant theme in United States-Turkey bilateral relations. The United States has already benefited significantly from its improved relations with Turkey following the lifting of the embargo, including the reactivation of three U.S. intelligence facilities and the conclusion of a prisoner transfer treaty.

Admittedly, several significant bilateral differences remain in United States-Turkish relations, on such questions as the bases agreement, and the U–2 overflights, and the United States and Turkey have other areas of disagreement, on such matters as the resolution of the Cyprus dispute. The United States would presumably be in a better position to achieve a satisfactory resolution of each of these important issues if the Congress were to provide the grant military aid that Turkey so badly needs and desires.

I therefore urge my colleagues, in casting their votes, to consider this issue in the context of adopting the policy that will best serve the national interest and promote improved United States-Turkish relations.●

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Michigan.

Mr. BLANCHARD. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have been sitting here for 5 years now, and it seems that every 6 months we hear that one more item, one more arrangement, or one more set of dollars will somehow lead to progress on the issue of Cyprus.

I think, frankly, that the gentleman in the well and others who have had a different point of view from both administrations have been more patient, and perhaps what we really ought to talk about is rethinking our policy in that part of the world.

I think there is another way to insure that both allies, Greece and Turkey, can remain friendly and still be friends of the United States.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Michigan (Mr. BLANCHARD).

I would simply observe, Mr. Speaker, that I hope the day will not be distant when both Turkey and Greece will play their full and proper role in NATO, and that the people of Cyprus will know justice and freedom.

Mr. DERWINSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I rise in opposition to the motion offered by Congressman DERWINSKI to instruct House conferees on the bill, H.R. 3173, to oppose U.S. military grant assistance to Turkey.

Last month, when the Senate approved its version of the International Security Assistance Act, it included an amendment restoring an administration request for $50 million in military grant assistance to Turkey. Because the House of Representatives did not consider this particular request, the issue will be resolved in conference. The purpose of Mr. DERWINSKI's motion is to instruct the conferees to oppose the Senate action. I believe that would be a serious mistake.

As I reviewed the debate of the Senate, I found this statement by the majority leader to be particularly persuasive:

> Turkey is at a crossroads of east and west; it is also one of the most important points on the strategic map—all the more so in view of the prevailing chaos in Iran. Much has been written lately about the "crumbling triangle" or the "arc of crisis" which runs from Pakistan through the Middle East and into the Horn of Africa. Turkey is the buckle on this belt of instability.

The strategic importance of Turkey cannot be denied. It borders on the Soviet Union and has the largest contingent of NATO ground forces. While opponents of our foreign aid program can make many valid arguments, very few would question the wisdom of providing assistance to a nation—an ally—whose strategic and military importance benefits the United States and our national security interests. Turkey is such a nation.

Turkey's future at best can be described as precarious. It is experiencing serious economic difficulties, many of which can be attributed to the embargo imposed by the United States and only lifted last year. Because of its inability to overcome economic problems, Turkey has been greatly restricted in its ability to purchase military equipment. In its present economic state, it cannot modernize its military forces. A militarily weak Turkey portends grave danger to the NATO Alliance.

Turkey needs our assistance. It needs the type of assistance the Senate provided by a grant rather than foreign military sales credits which would only contribute to the Turkish Government's external debt.

It also seems to me that the motion we are considering now would be a slap in the face at a time when we are negotiating a new defense agreement with Turkey, when intercommunal talks in Cyprus have just resumed after a 2-year break, and when General Haig is making a major effort to find a mutually satisfactory basis for the reintegration of Greek military forces into NATO.

Mr. Speaker, this is not a pro-Turkey, anti-Greek statement. This is a statement in support of a strong NATO alliance—a position that benefits the United States, Turkey, Greece, and the security interests of the Middle East.

□ 1550

Mr. DERWINSKI. Mr. Speaker, I yield 1 minute for the purpose of debate only to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, this happens to be my maiden speech following the last 2 weeks that I have had to endure an enforced silence. But I take this time because I believe that there is no issue, as far as our national defense is concerned, that is more critical than restoring Turkish military power as an integral and effective part of NATO. The Turkish question is the major concern of General Haig and the other NATO members. If we really believe what President Carter said the other night about our maintaining a defense second to none, then we have to make sure that Turkish forces come in strongly and effectively as they should, into our ready NATO defenses.

Second, do not believe what you read in the papers. The blunt fact is that we cannot replace the Iranian monitoring sites overnight when it comes to verifying the SALT II treaty. The second best thing we have available now are the sites in Turkey. If we do not provide this small measure of assistance to Turkey, there is a good chance we will lose those vital SALT monitoring bases. And then the SALT treaty will be totally unverifiable, and as a result will never be ratified in the Senate.

Mr. DERWINSKI. Mr. Speaker, I will wrap up at this point by noting that this is not a meat-ax approach. This is a very thoughtful, practical approach. As the gentleman from Indiana (Mr. BRADEMAS) pointed out, there has been quite a bit of patience demonstrated by the Members of the House, keeping in mind the delicate situation in Turkey. We want economic stability in Turkey. We do not think it is practical, however, to accept the action that has been taken in the other body at the request of the administration, to add to the military grant aid to that country.

This is a thoughtful, practical House position. I urge support of my motion.

● Mr. NEAL. Mr. Speaker, I support Mr. DERWINSKI in his motion to instruct the House conferees on the International Security Assistance Act to oppose $50 million in military grant assistance to Turkey. I think the position of those supporting foreign military sales credits instead of military grant assistance is compelling and sensible at this juncture.

Many arguments have been advanced in the well as to why Members should vote for the Derwinski motion. Some arguments are better than others, but there is one which stands out and should persuade those who are undecided on the issue. Turkey needs economic aid much more desperately than it needs military assistance, and Mr. DERWINSKI and others opposing the military grants have said they are willing to support the conversion of $50 million in economic credits to economic grants, if the proposed military grants are changed to military credits.

Mr. Speaker, I am chairman of the subcommittee in the House which has jurisdiction over the International Monetary Fund, and in that capacity I can assure my colleagues of the seriousness of the economic problems facing Turkey.

Not one of us wants to weaken Turkey militarily. Turkey, as well as Greece, is crucial to our Nation's security interests. We need Turkey's cooperation in intelligence gathering and in verification of SALT II. Voting for the Derwinski motion should in no way be equated with voting against the Turbish Government. The military assistance will be approved; it just will be in the form of FMS credits rather than military grants.

I would just repeat: Turkey needs economic assistance first. That country's economic health is going to be a major factor in its ability to participate in NATO and be the kind of strong ally we need in that very crucial part of the globe.●

● Mr. MAVROULES. Mr. Speaker, I rise today in support of the motion offered by my distinguished colleague from Illinois (Mr. DERWINSKI).

Nearly a year ago, the House voted by a narrow margin to abolish the partial embargo on U.S. arms to Turkey. This measure was taken in the clear anticipation of substantial progress toward a resolution of the current situation on Cyprus. In lifting the embargo, the House insisted on certification that Turkey would:

First. Move expediently toward a just and peaceful settlement of the Turkish-Cypriot strife,

Second. Begin immediately to peaceably return refugees to their rightful homes and properties,

Third. Continue removal of all Turkish military troops from the island of Cyprus, and

Fourth. Resume intercommunal talks.

To date, we have witnessed not 1 ounce of Turkish compliance with these provisions clearly set forth in last year's removal of the arms embargo.

Every year, Congress takes a hard-nosed line on flagrant abuses of human rights on Cyprus, and every year, under assurances from Turkey that the situation will soon be rectified, we back down and appropriate millions in foreign aid to the country. We have witnessed this time and time again. Within days of a House or Senate foreign aid appropriations vote, we receive purportedly genuine assurances from the Turks that negotiations will resume shortly. We succumb, they receive their aid, and the atrocious situation continues unabated. When will we learn our lesson?

There are those who argue that Turkey's geopolitical position in the southeastern NATO flank necessitates our remaining on friendly terms with her. It is true that since the revolution in Iran, it is of paramount importance that we retain what hold we may have over use of the American bases in Turkey for SALT II verification purposes. To date, however, Turkey has failed to agree to allow us such access. In fact, in a recent statement, Prime Minister Bulent Ecevit has said that they will agree to U-2 overflights only with express Soviet permission. It is outrageously naive for us to assume that the Soviets will grant such a request, and it would certainly not be in the best interests of our Nation to authorize additional military appropriations on the basis of such flimsy, unverifiable agreements.

Turkey's economy, undeniably, is in extremely difficult straits. Her difficulties, however, are largely self-induced and attributable, to a great degree, to current Turkish occupation of northern Cyprus. Conservative estimates of the cost of the country's occupation of Cyprus begin at $100 million. It is clear that one of Turkey's key economic problems is the cost of her grossly inflated army. In providing military aid to the Turks, we are, in effect, subsidizing Cypriot occupation. How can we, in good conscience, endorse such a measure?

Consider these facts:

First. Nearly 5 years after the Turkish invasion and subsequent occupation of the Island of Cyprus, not one step has been taken toward positive action to help achieve a just Cyprus settlement,

Second. Not a single piece of land has been returned,

Third. Not a single refugee has been allowed to return home,

Fourth. Nearly 30,000 Turkish troops still occupy 40 percent of the island, and

Fifth. It is apparent that the purported resumption of intercommunal talks will hit a "dead end." In a recent statement, Turkish-Cypriot leader Rauf Denktash defeated any hopes of an early Cypriot settlement in declaring "we are 180 degrees apart." A statement such as this indicates little hope for any degree of flexibility in negotiations on the part of the Turkish-Cypriot community.

In addition, over the past 2 years Turkey has consistently been the single "black baller" blocking Greece's reentry into NATO. As arguments are made in support of additional military appropriations for Turkey for NATO reasons, simultaneously she persists in impeding the strengthening of NATO in blocking Grecian reintegration. In light of such blatant inconsistencies, it seems hardly prudent for us to reward Turkey with additional armaments. It seems to me that such a gesture would serve to, in effect, give Turkey a "pat on the back"; a message I seriously doubt the United States wants to convey at this juncture, especially since her apparent unwillingness to attempt to arrive at any mutually satisfactory Cypriot settlement.

The $451 million appropriations package Congress has approved for Turkey is a more than generous one. In fact, Turkey is the third highest recipient of American foreign aid, following only Egypt and Israel. In these times of extreme budget austerity at home it would be neither frugal nor prudent to "give away" an additional $50 million to Turkey. The argument that Turkey's economy will either stand or fall based solely on the decision of this Congress to appropriate the additional moneys is a ludicrous contention. In a country that already bears a $17 billion deficit, $50 million is nominal amount and will not make a dent in the endeavor to alleviate such an outstanding debt. Needless to say, a $50 million handout in military hardware will do nothing to alleviate the Turkish economic plight.

Last year's removal of the Turkish arms embargo was executed in the hopes that Turkey would act in good faith to begin to resolve the Cyprus problem. It was the contention of Congress that such a change in policy would compel Turkish leaders to remove her troops from the 40 percent of the island still under occupation and to encourage the return of the 200,000 Greek Cypriot refugees to their northern Cyprus homes. Turkey's response to date has been disappointing to say the least. I feel we can legitimately question whether appropriating such sizable amounts of military aid conveys an inappropriate message to the Turks. Would such a measure appear to condone Turkish intransigence? Would not approval of such legislation be counter to our policy with respect to human rights? And finally, in light of our own serious inflationary problems, would it not be difficult to explain to American taxpayers the reasons for overextending ourselves in the hopes of bailing out the fiscally-irresponsible Turkish economy?

Mr. Speaker, I once again reiterate my support of the Derwinski motion and urge my colleagues to lend their support as well.●

● Mr. MAGUIRE. Mr. Speaker, I wish to speak in support of the Derwinski amendment. When the House conferees meet with the Senate next week to resolve the differences between our bill, H.R. 3173 and the Senate's legislation, S. 584, the most significant source of contention will be the $50 million in military assistance the other body has earmarked for Turkey. By permitting this aid to slide through, our total commitment in military assistance for Turkey would exceed $250 million for fiscal year 1980.

If Turkey had clearly demonstrated a desire to end its military presence on Cyprus and cooperate in efforts to find a settlement on that troubled island, this aid might be justified. Unfortunately, this is not the case. The intent of the arms embargo placed on Turkey in 1974 was to indicate the U.S. interest in an equitable and peaceful settlement in Cyprus. The administration claimed that the termination of the embargo would result in greater cooperation from Turkey; yet the Turkish military still controls over one-third of that island, displacing some 200,000 Greek Cypriots.

By lifting the embargo, we have in effect sanctioned Turkey's intransigence on the Cyprus issue. By providing the administration's request of $250 million in military assistance to Turkey, we would be condoning their unwillingness to negotiate in good faith in the future. This conference presents us with a vehicle for demonstrating to Turkey that the Congress is watching; we are dissatisfied with the lack of movement toward a settlement; and that we are no longer interested in subsidizing a policy that is antithetical to our interest in a solution to this problem which has dragged on far too long.

The Carter administration pressed its case for the termination of the arms embargo on the basis of Turkey's control of Soviet access to the Mediterranean as well as American military surveillance facilities there which make it extremely important geopolitically. It has been said that Turkey represents a weakness in NATO's troubled southern flank, but it must be remembered that this is in part due to political disarray in the eastern Mediterranean centering on the Cyprus dispute. Increased military aid to Turkey will add little to NATO's overall capability, while it may do damage to the cohesion of the alliance in that region. A strengthening of NATO's southern flank can only come about in the context of improved political relations in the region.

A more serious threat to stability in the eastern Mediterranean than the supposed shortcomings in Turkey's military forces or our ability to monitor military activities in the Soviet Union is the economic crisis in that country. Inflation is currently over 50 percent. Unemployment is hovering near 20 percent. Turkey's 1978 deficit is estimated to be over $1.7 billion and the 1979 figure may well be over $2 billion. Industry is operating at 50 percent capacity, due largely to the lack of foreign exchange to pay for needed imports. Even if the private banks reschedule $3 billion in debts and provide $400 million in new credits, it is estimated that an additional $1.2 billion will be needed just to keep the economy functioning at its present unsatisfactory level.

The economic crisis in Turkey poses a serious threat to the political cohesion of that already troubled nation. The Turkish Ministry of the Interior acknowledged that 900 deaths last year were due to politically motivated violence. There has been a resurgence of Kurdish separatist sentiment in the aftermath of the revolution in Iran. Sectarian fighting has occurred in the poorer eastern provinces between the rightwing Sunni majority and the Alevis, a Shiite sect increasingly identifying its struggle with that of the radical Kurds. Martial law has been in effect in much of the country since last December. Further deterioration of the economy can only exacerbate these tensions.

In light of Turkey's recalcitrance on Cyprus, additional economic support for Turkey may not be warranted, though economic collapse in Turkey would not, in all likelihood, help the people of Cyprus either. Certainly the United States need not and should not make military aid available on a large scale until Turkey is more forthcoming in negotiations on Cyprus and Greece's reentry into NATO. Increased military aid should be contingent upon real progress in the settlement of the political and human rights issues on Cyprus and of the continuing regional disputes.

Economic and political stability in Turkey is a prerequisite for a better security situation in the Eastern Mediterranean and for the eventual settlement of Greek-Turkish disputes. I urge support for the Derwinski amendment because I believe we must once again remind the Turkish Government—by restraining military assistance—that alliance solidarity is a reciprocal process and that we will not rest until there is justice for the people of Cyprus.●

● Mr. FORD of Michigan. Mr. Speaker, I rise today to support Mr. DERWINSKI's motion to instruct the House conferees to strike $50 million of direct military grants to Turkey. There are two very important reasons I support this motion.

First, last year, the Congress lifted the sanctions against arms for Turkey when that government promised this Government it would do something positive about Cyprus. According to everything I have read and have been told there is no evidence that the conditions for human existence on the part of the island under Turkish control have been improved.

Second, someone, somewhere is trying to avoid the House. The request for the supplemental money came from the administration after the passage of H.R. 2575 back in May of this year. I do not like to see any subject or question deliberately maneuvered around the legislative process like this thing has been.

There has been talk that the House has very little inclination to vote more military grant money for Turkey. Well, that is correct. I feel that until the Turkish Government does something positive about Cyprus we should consider halting all military assistance to that government. I do not advocate halting the aid of the United States for human services to the people of Turkey, but something positive must happen on Cyprus and it must happen soon.

So, I suggest that we support Mr. DERWINSKI's motion. I suggest that the Turkish Government take notice of this action and do something positive and keep the promises made so long ago.

Thank you, Mr. Speaker.●

GENERAL LEAVE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my motion to instruct conferees.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I move the previous question on the motion to instruct.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to instruct.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 303, nays 107, not voting 24, as follows:

[Roll No. 273]

YEAS—303

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Byron
Campbell
Carney
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Goodling
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Leach, Iowa
Leach, La.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pepper
Petri
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Royer
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Simon
Slack
Smith, Iowa
Snowe
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Stenholm
Stewart
Stokes
Studds
Tauke
Thompson
Traxler
Trible
Udall
Van Deerlin
Vanik
Vento
Walgren
Walker
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Mo.
Zeferetti

NAYS—107

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Badham
Beard, Tenn.
Bereuter
Bevill
Bingham
Bouquard
Bowen
Breaux
Broyhill
Burgener
Burlison
Butler
Carter
Chappell
Cheney
Cleveland
Conable
Daniel, Dan
Daniel, R. W.
Devine
Dicks
Duncan, Oreg.
English
Erlenborn
Fenwick
Findley
Ford, Tenn.
Frenzel
Gibbons
Glickman
Goldwater
Gonzalez
Gore
Gradison
Hall, Tex.
Hamilton
Hammerschmidt
Hefner
Hillis
Huckaby
Ichord
Jeffries
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
LaFalce
Lagomarsino
Latta
Leath, Tex.
Lehman
Lundine
McCormack
McDonald
McEwen
Madigan
Mitchell, N.Y.
Montgomery
Myers, Ind.
Myers, Pa.
Nelson
Nichols
Obey
Pease
Perkins
Pritchard
Rhodes
Roberts
Robinson
Roth
Satterfield
Sawyer
Sebelius
Shumway
Shuster
Skelton
Smith, Nebr.
Solarz
Staggers
Steed
Stockman
Stratton
Stump
Swift
Symms
Synar
Taylor
Thomas
Ullman
Volkmer
Wampler
Watkins
White
Whittaker
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—24

Addabbo
Anderson, Ill.
Bolling
Burton, John
Burton, Phillip
Clausen
Coleman
Conyers
de la Garza
Eckhardt
Evans, Ga.
Flood
Forsythe
Garcia
Gingrich
Hansen
McCloskey
Murphy, N.Y.
Quillen
Rudd
Snyder
Treen
Vander Jagt
Wyatt

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Evans of Georgia against.

Mr. Clausen for, with Mr. Hansen against.

Mr. Gingrich for, with Mr. Rudd against.

Until further notice:

Mr. Murphy of New York with Mr. Eckhardt.

Mr. John L. Burton with Mr. Coleman.

Mr. Phillip Burton with Mr. Wyatt.

Mr. Flood with Mr. Snyder.

Mr. Garcia with Mr. Forsythe.

Mr. de la Garza with Mr. Treen.

Mr. Conyers with Mr. Vander Jagt.

Mr. McCloskey with Mr. Quillen.

Messrs. LEDERER, HAGEDORN, BEDELL, MOFFETT, FOUNTAIN, LLOYD, BROWN of Ohio, and DAVIS of Michigan changed their vote from "nay" to "yea."

Messrs. LEHMAN, McCORMACK, BURLISON, FORD of Tennessee, and JONES of Tennessee changed their vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

□ 1610

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. ZABLOCKI, FOUNTAIN, FASCELL, ROSENTHAL, HAMILTON, WOLFF, BINGHAM, SOLARZ, BROOMFIELD, DERWINSKI, GUYER, and QUAYLE.

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DISTRICT OF COLUMBIA APPROPRIATIONS BILL

Mr. CHARLES WILSON of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

Mr. PURSELL reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2774, ARMS CONTROL AND DISARMAMENT ACT APPROPRIATIONS, 1980 AND 1981

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none and, without objection, appoints the following conferees: Messrs. ZABLOCKI, FOUNTAIN, WOLFF, YATRON, STUDDS, HALL of Ohio, WOLPE, BROOMFIELD, DERWINSKI, and WINN.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3324, INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3324) to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would just ask the gentleman to refresh my memory. This is not the legislation to which the other body had appended a provision regarding Zimbabwe-Rhodesia? That is the State Department authorization?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman.

Mr. ZABLOCKI. No, this is the Economic Assistance Act.

Mr. BAUMAN. I thank the gentleman.

Mr. ZABLOCKI. It does not include the amendment in the other body. This is H.R. 3324. The legislation the gentleman is concerned with, the conferees have not been requested, that is the military security assistance.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none and, without objection, appoints the following conferees: Messrs. ZABLOCKI, FASCELL, DIGGS, and HAMILTON, Mrs. COLLINS of Illinois, and Messrs. BINGHAM, BONKER, PEASE, BROOMFIELD, FINDLEY, BUCHANAN, and WINN.

There was no objection.

CONFERENCE REPORT ON S. 429, DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1979

Mr. PRICE. Mr. Speaker, I call up the conference report on the Senate bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 18, 1979.)

The SPEAKER pro tempore. The gentleman from Illinois (Mr. PRICE) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. DICKINSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference committee on S. 429, the Defense Department Supplemental Appropriation Authorization Act for 1979, met on Wednesday, Thursday, and Friday, June 13, 14, and 15, and agreed on a compromise version of the supplemental authorization.

The conference report provides for a total supplemental authorization of $2.020 billion in procurement, and research, development, test and evaluation (R.D.T. & E.). This is $83.9 million below the Senate bill, and $698.1 million above the House amendment.

I ask unanimous consent to include with my statement a table providing a breakdown of how the dollar differences between the House and Senate versions of the bill were settled.

The principal money difference in the bill related to the authorization of destroyers made available as a result of cancellation by the Government of Iran. Iran canceled the order for four DDG-993 guided missile destroyers. The Senate bill had provided authorization for purchase of all four by the U.S. Government. The House position had been for authorization of two of the destroyers but it should be understood that the Armed Services Committee of the House had recommended procurement of the other two in fiscal year 1980. The Senate conferees were adamant in their position and the conference agreed to authorize all four in the fiscal 1979 supplemental.

The addition of these two destroyers adds $725 million to the bill as reported by the House. But, these are ships badly needed by the Navy which can be procured at a potential cost savings of some $200 million per ship.

The principal language difference in the conference was a provision in the House bill which expressed the sense of Congress that a new survivable intercontinental ballistic missile system with a new basing mode was vital to the security of the United States. The provision requires that the Secretary of Defense proceed with full scale engineering development of the basing mode known as the Multiple Protective Structure (MPS) system along with the missile unless he certifies to the Congress that an alternative mode is militarily or technologically superior and more cost effective, or the President informs Congress that in his view the MPS system is not in the U.S. national security interest.

The Senate receded on this issue and the House language remains in the conference report.

I have stated before on the House floor, and I state again now, that a decision on the follow-on survivable land-based ICBM is as important as any national security decision we will face in this Congress. The language of the House bill which was retained in conference, and which was sustained by a 3-to-1 vote during House floor debate on the bill, requires the administration to make a decision on the missile basing mode and get on with the job.

Language in the statement of managers makes clear that the Senate conferees consider that the MPS system can be either vertical or horizontal. But the statement of managers requires that if a nonvertical mode is chosen, full justification must be submitted to the Congress by the Secretary of Defense. Conference discussion made clear that this is to include full cost comparison data. Testimony before the House committee clearly established the vertical MPS as the most cost effective basing system.

The conference report also includes $190 million for the MX missile program. This item, requested by the administration, was not in dispute in conference.

The conferees agreed to provide $80.1 million as the U.S. share of the NATO AWACS program for fiscal 1979, and agreed on language to allow the Department of Defense to participate in the joint NATO procurement of AWACS.

The bill contains $58.8 million for the procurement of Phoenix missiles, $59 million for the procurement of Harpoon missiles, and $25.9 million for the procurement of Standard missiles. These three missiles were made available as a result of cancellation by Iran and can be procured at a considerably lower unit cost than would normally be the case. The Standard missile had not been in dispute in conference. The conference accepted the House position on the Phoenix and the Senate position on the Harpoon.

The conference also reached agreement on a number of research and development items, three in the Army, two in the Navy, and six in the Air Force. The conference agreed to authorize a number of projects related to strategic capability which are important because of their possible SALT implications.

Language amendments on the Senate bill relating to the SLEP, or service life extension program of the Navy, and the retention of Polaris submarines in the Navy were deleted after House conferees made it clear that such provisions would be nongermane under the rules of the House.

Mr. Speaker, I think we reached the best compromise we could obtain with the Senate. I believe we have a good bill that enhances the capability of our military forces.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, FISCAL YEAR 1979, CONFERENCE ACTION

[In millions of dollars]

Program	Budget request	House	Senate	Conference
PROCUREMENT				
Air Force aircraft:				
B-52 (ODS, FRODS)			10.0	5.0
F-100 engine modules			42.0	20.0
ALQ-131 ECM pods		40.0		20.0
NATO AWACS	85.1		80.1	
Programs not in dispute	481.0			
Subtotal, Air Force aircraft	566.1	40.0	132.1	45.0
NATO AWACS (sec. 102)		85.1		80.1
Army missile: Hawk spares (not in dispute)	25.0			
Navy missiles:				
Phoenix A	77.1	58.8		58.8
Harpoon	116.9	116.9	59.0	59.0
Standard (not in dispute)	25.9	25.9	25.9	25.9
Subtotal, Navy missiles	219.9	201.6	84.9	143.7
Navy ships:				
DDG-993 destroyers	628.0	628.0	1,353.0	1,353.0
Cost growth/claims (not in dispute)	97.7	97.7	97.7	97.7
Subtotal, Navy ships	725.7	725.7	1,450.7	1,450.7
Total procurement	1,536.7	1,052.4	1,667.7	1,719.5
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION				
Army:				
NATO antitank cooperative development	18.7	18.7	13.7	13.7
Chemical biological/defense			4.5	
Pershing II	42.0		42.0	30.0
Subtotal, Army R.D.T. & E	60.7	18.7	60.2	43.7
Navy:				
Trident II	20.0		20.0	
SWATH (experimental ship design)	3.0		3.0	3.0
Subtotal, Navy R.D.T. & E	23.0		23.0	3.0
Air Force:				
M-X basing options	75.0		75.0	
Air launched cruise missile (B-52 integration)	33.0	10.0	33.0	33.0
B-52 (SRAM/ALCM test set)	19.0		19.0	10.0
B-52 (ODS/FROD)	22.0		12.0	12.0
Command and control VLF improvement	8.8	8.8		8.8
Pershing II		42.0		
Programs not in dispute	200.0	190.0	190.0	190.0
Subtotal, Air Force R.D.T. & E	357.8	250.8	329.0	253.8
Defense agencies: Comprehensive test ban (DARPA)	24.0		24.0	
Total, research, development, test, and evaluation	465.5	269.5	436.2	300.5
Total, authorization	2,002.2	1,321.9	2,103.9	2,020.0

☐ 1620

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Missouri.

Mr. VOLKMER. As the gentleman knows, I have been one of those who have been concerned about the cost of these destroyers. As I understand, when this left here we had two destroyers; when it came back from the Senate, which had four, the conference report had four. As I understand, the conference report has been increased by $750,000 because of those two additional destroyers. Is that not correct?

Mr. PRICE. Basically, but the figure is not exactly correct. The figure is $725,000.

Mr. VOLKMER. Excuse me, $725,000. On the 1980 defense authorization bill, we also have these two destroyers, and that has already been put out on that, is that not correct?

Mr. PRICE. We intend to take this figure out of next year's bill.

Mr. VOLKMER. The gentleman intends to take the same amount out of the 1980 bill and then reduce the amount of the DOD authorization for 1980 by that same $725,000, and not use that amount for some other procurement?

Mr. PRICE. That is right.

Mr. VOLKMER. I thank the gentleman. Is this within budget limitations, the amount of the total conference report? Is that within the limitations as it passed the House, the third budget resolution, in May?

Mr. PRICE. It is.

Mr. VOLKMER. It is. I thank the gentleman.

Mr. MYERS of Indiana. Mr. Speaker, would the chairman yield?

Mr. PRICE. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I do not disagree with the purchase of the destroyers, but I am concerned about what happens to the $1,353 million that is going into a trust account, as I understand, to pay off any possible claims that any contractor might have. What would happen if there were any remainder, that there were no claims?

Mr. PRICE. That is in the trust account and is paid out to the shipbuilders.

Mr. MYERS of Indiana. If the gentleman would yield further, my concern is, if the $1,353 million is not used entirely to pay out any claims that they might have against construction, what would happen to any remainder in that account? Who is it paid to?

Mr. PRICE. It would be available for claims money, if necessary.

Mr. MYERS of Indiana. I will repeat one more time. There is $1,353 million to be paid into the trust account to pay any claims. When all the claims are paid, and yet there is some money left in that trust account, what happens to that remainder?

Mr. PRICE. It would go back to the U.S. Treasury. Our committee held thorough hearings and according to our information reimbursement of the trust fund by money authorized in the bill would not be a payment to the Government of Iran. The funds are used for construction costs or cancellation charges incurred by U.S. contractors.

Mr. MYERS of Indiana. That is what I am pleased to hear.

If the gentleman would yield further, I am concerned about any of it going to the present Iranian Government, which is putting bounties out for people's lives. It will go back to the Treasury?

Mr. PRICE. It will go back to the Treasury. Even if, after all liabilities on foreign military sales contracts in this country are liquidated, the trust still contains money—an unlikely situation—it could be held by the United States to offset other claims against Iran. As a practical matter, therefore, I cannot imagine a situation in the foreseeable future when Iran could recover any money from the trust fund.

Mr. MYERS of Indiana. I thank the gentleman.

Mr. PRICE. Mr. Speaker, I have no further requests for time.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on S. 429 and urge its adoption as submitted. This supplemental represents several months of work by both Armed Services Committees and the best judgment of the House and Senate. It is a compromise, of course, between these two bodies and I think, for the most part, incorporates the best of the two bills.

Some of the supplemental authorizations originally authorized by the House were reduced or cut entirely, as were some on the Senate side. The programs that were reduced were weighed carefully for their priority or merit against other important programs in the competition for authorization of funds. Certain other programs were reduced without prejudice. Similarly, both sides accepted additions in their respective bills, all with prudent consideration given to our limited budget.

The result is a bill $84 million below the Senate bill and $698 million above the House bill. The bill total authorized $2.02 billion, an amount $18 million above the President's supplemental request.

In procurement, $1.35 billion is authorized for four DDG-993 destroyers made available to the United States as a result of cancellations by Iran. This authorization carries out the initial position of the Senate which had approved all four ships in its supplemental bill. The House bill had included authorization for two destroyers in fiscal year 1979, but the House committee had approved the other two ships for fiscal year 1980. Although $725 million was added to the bill as a result of this conference action, I would point out that an ultimate savings of over $400 million in procurement costs for these two ships will result.

The compromise bill contains no aircraft procurement but does include $20 million for the ALQ-131 electronic countermeasure (ECM) pods which can be used on most Air Force aircraft. House testimony indicated that this ECM program is one of the Air Force's highest priorities and including this authorization in the fiscal year 1979 supplemental will alleviate an increase in the cost of the pods in the future.

Under title II, the conferees agreed to authorize $300.5 million—a figure $165 million below the President's supplemental request for research and development. Although not an item in dispute, $190 million is contained in the bill for development of the new MX intercontinental ballistic missile. The conference report contains special bill language originally proposed by the House to require a decision on the basing mode for the MX missile that was not contained in the Senate bill. Conferees agreed with the House language that expresses the sense of Congress that maintaining a survivable land-based intercontinental ballistic missile system is vital to U.S. security and that development of a new basing mode is necessary to assure that survivability. Accordingly, the House language, agreed to by Senate conferees, directs that the MX missile, together with a new survivable basing mode, should proceed so as to achieve initial operational capability (IOC) at the earliest practicable date.

The supplemental authorization before you is a necessary addition to the original fiscal year 1979 authorization for our defense establishment. I urge your affirmative vote.

Mr. PRICE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4439, RELATING TO SANCTIONS AGAINST ZIMBABWE-RHODESIA

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96-292), on the resolution (H. Res. 325) providing for the consideration of the bill (H.R. 4439) relating to sanctions against Zimbabwe-Rhodesia, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3930, DEFENSE PRODUCTION ACT AMENDMENTS OF 1979

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96-291) on the resolution (H. Res. 324) providing for the consideration of the bill (H.R. 3930) to amend the Defense Production Act of 1950 to extend the authority granted by such act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes, which was referred to the House Calendar and ordered to be printed.

HUD/INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1½ hours, the time to be equally divided and controlled by the gentleman from Pennsylvania (Mr. COUGHLIN) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. BOLAND).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4394, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Massachusetts (Mr. BOLAND) will be recognized for 45 minutes, and the gentleman from Pennsylvania (Mr. COUGHLIN) will be recognized for 45 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

□ 1630

Mr. BOLAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for the information of the members of the committee, it is my intention to complete general debate on this bill today, and we will read for amendment tomorrow. We hope to start at 10 o'clock in the morning and expect to finish the bill by 1 o'clock in the afternoon. There are about a dozen amendments that are pending on this bill. Some are controversial—some are not. We think we can finish the bill in 3 hours tomorrow.

Mr. Chairman, we bring to the floor today the HUD and independent agencies appropriations bill for fiscal year 1980. The bill provides funding for the Department of Housing and Urban Development and 20 independent agencies. The recommendations in this bill were reached only after a long period of hearings and serious deliberations. The subcommittee held 28 days of hearings, which are recorded in 8 volumes totaling 8,264 pages. As with most bills, we have not provided everything that everybody would like to see enacted. I do not believe that that could ever be done in a very responsible way. But setting priorities is a very difficult thing to do. The time and effort expended last month in adopting the first concurrent resolution on the budget for fiscal year 1980 clearly highlights that fact. On balance, however, I believe this is a good bill and one that most Members can and should support.

In summary, the committee recommends a total of $72.2 billion in new budget authority for the Department of Housing and Urban Development and 20 independent agencies. This is a decrease of $507 million below the amounts requested and represents about 1 percent of nonentitlement accounts in this bill.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Let me turn now to and discuss the individual programs in the bill, beginning with the Department of Housing and Urban Development. For HUD we are recommending $33.6 billion in new budget authority in 1980. Of course, that includes approximately $26 billion in new budget authority of the 15-, 20-, 30-, and 40-year runout funds for the assisted housing programs.

For subsidized housing, the committee has included the budget estimate of $26.7 billion for the section 8 and Public Housing programs. The 1980 budget proposed by the Department assumes a support level of up to 300,000 assisted housing units, including 250,000 section 8 and 50,000 Public Housing units.

The committee has placed limitations in the bill which have the result of changing the so-called mix between new and substantially rehabilitated section 8 units and existing section 8 units. The mix proposed by the Department is 66 percent new and 34 percent existing. The committee is recommending a mix of 60 percent new and 40 percent existing. This change in the mix has the effect of providing an additional 13,000 subsidized housing units for the same number of dollars in fiscal year 1980. On pages 4 and 5 of the report the rationale behind changing the mix is described in some detail.

In a nutshell, we are making that recommendation because the housing assistance plans on which HUD bases its estimate of the mix are subject to serious question and in a time of austere budgets the committee believes that it is important to provide 13,000 additional subsidized housing units for the same number of dollars. The section 8 program is particularly expensive for new units, averaging about $4,500 per unit per year.

In other HUD programs, we have provided $800 million for the section 202 elderly or handicapped program. This will support approximately 20,000 additional elderly housing units in 1980.

The bill includes $3,890,000,000 for the community development grants program, a decrease of $10 million below the budget request. This reduction, Mr. Chairman, has been applied to the secretary's discretionary fund, particularly in the area of innovative projects.

The committee received a surveys and investigations staff report which suggests there are a number of management problems involving the innovative projects and technical assistance categories. We felt it was important to make a small reduction to insure that the Department tighten up the management of the secretary's discretionary fund.

At the proper time I will offer an amendment that will increase the funding for this account to the authorized level and earmark $20 million for small metropolitan cities. This is in agreement with the Housing and Community Development Amendments of 1979 which passed the House June 7.

The Department is instructed to take at least $10 million of the $20 million earmarked for small metropolitan cities from the innovative projects and technical assistance categories of the Secretary's discretionary fund.

For the urban development action grants program we are providing the full $675 million requested for that activity in 1980. The General Accounting Office recently suggested that that program may also have some management deficiencies, and the Members can be assured that we will continue to look hard at the quality of grants made under the UDAG program.

We reduced the comprehensive planning grants program by $5 million from the budget request of $40 million, and we have added $10 million to the $130 million requested for the rehabilitation loan program in 1980.

Under the neighborhoods, voluntary associations and consumer protection function of the Department, we are providing $9 million for the housing counseling assistance program and $10 million for a new neighborhood self-help development program. The $5 million requested for the livable cities program has been denied. It is my view, and I trust it will be the view of the Members, that the proposal for a new livable cities program should be funded from within available resources through other Federal programs, of which there are many, such as the community development block grants program, general revenue sharing, and the National Endowment for the Arts.

CONSUMER PRODUCT SAFETY COMMISSION

Turning to the independent agencies, this is the seventh year that the Congress will fund the Consumer Product Safety Commission. I do not believe there is any doubt about the fact that both the press and the GAO in the past have pointed to some serious Commission problems, but I believe that the new Chairman of the Commission, Susan King, has made a very determined and sincere effort to streamline the administration of the Commission, and the committee has provided nearly the entire budget request of $41.8 million in 1980. In addition, the supplemental bill which was considered earlier included $2.2 million for a special mandatory standard involving cellulose insulation. Most of that $2.2 million is expected to be carried forward into 1980, and the Commission will have available, therefore, a program level of about $43.2 million in the next year.

ENVIRONMENTAL PROTECTION AGENCY

For the regular operational accounts of the Environmental Protection Agency, the budget request is $1.3 billion. The committee has recommended all but about $65 million of that funding level for 1980, with the largest reduction of $25 million coming from an integrated State grant program that has not been authorized and must be approved by five legislative committees of the House. Within the $1.3 billion the Committee has recommended some modest puts and takes, and these additions and subtractions are detailed on pages 23 through 27 of the report.

In addition, $3.8 billion was requested for the construction grants program. The Committee reduced that by $400 million, and the rationale behind the reduction is discussed on pages 28 and 29 in the report.

Last year, as the Members may recall, the Committee reduced the $4.5 billion 1979 request by $300 million because of our deep concern with the funding of extraordinarily expensive advanced wastewater treatment projects that too often may not have been required or, once built, cannot get the job done.

This year we have made a $400 million reduction because of our concern with the very large unobligated balances in this program. Both the Committee's surveys and investigations report and the Congressional Budget Office have pointed to these large unobligated balances, and if they continue to grow, there is a very real possibility that the Federal Government is going to end up funding a large number of very low priority projects.

There are two important points, I think, to be kept in mind about the $400 million reduction. First, 28 States will not be able to spend a nickel of their 1980 allocation from the $3.4 billion recommended. And second, the unobligated balance at the beginning of fiscal year 1980, even with the $400 million reduction, will grow by more than $1 billion above the amount available at the beginning of fiscal year 1979. In short, in times of austere budgets, this reduction is prudent from a financial point of view, and because the quality of the program could suffer if these unobligated balances are not kept under control.

□ 1640

FEDERAL EMERGENCY MANAGEMENT AGENCY

Under the new Federal Emergency Management Agency, the committee recommended all but $8.5 million of the total $452.3 million reguested.

An $8 million reduction was taken from the increase proposed in civil defense efforts and maintains the program at the 1979 level. Basically it is the committee's view that this $8 million increase was simply a number plugged into the budget without any real support behind it—without, for example, a firm multiyear redirection of our civil defense program. If and when that redirection is proposed by the Administration—and is authorized on a multiyear basis by the legislative committees—you can be assured this committee will review it carefully and give it very serious consideration. I should point out that some of the proposals we have heard discussed would cost an average of $230 million in fiscal years 1980 through 1984 to upgrade the Nation's civil defense program.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

For fiscal year 1980, the National Aeronautics and Space Administration requested a total of $4.9 billion including a recent budget amendment of $220 million to address continuing technical and cost problems involved in the Space Shuttle program. The committee has provided all but $34.5 million of the total request. NASA continues to be plagued by problems with the Space Shuttle. Part of these problems can be traced to the very lean funding reserve available in that program over the past 6 or 7 years. The Shuttle has been developed and funded in a totally different atmosphere than what was predominant at the time of the Apollo program. The Shuttle is one of the most complex technical achievements this Nation has ever embarked upon. We are about two-thirds of the way through the funding of the program—or about $9.5 billion of the total $15 billion required.

The Shuttle has had some rocky times in the past year but when it gets underway I hope and believe we will have the most modern and versatile space transportation system in the world. I think that point was underscored recently by the Soviet Union's concern with the very development of the Shuttle. The potential of the Shuttle in both the civilian and military field is truly unending. But we have to get over some of these problems and I think we are on our way to doing just that.

NATIONAL SCIENCE FOUNDATION

The National Science Foundation asked for $1,006,000,000 in 1980. We reduced that by a modest $19 million, the smallest reduction we have recommended in many years. This is the first billion dollar request for the Foundation and although they might not make it this year I suspect that in 1981 they will come very close.

The amount we have recommended in 1980 for basic research is about 8.5 percent above what was available this year. That is sufficient to maintain a constant dollar level and a very active grant program in 1980.

VETERANS' ADMINISTRATION

For the programs in the Veterans' Administration we are recommending $20,318,899,000 in 1980. That is an increase of about $73 million above the budget request. This year, as last year, the first concurrent budget resolution included increased funding for both entitlement programs and health-related veterans' benefits. The Committee on Veterans' Affairs has asked for an additional 7,412 staff in 1980. We have provided funding for 3,800.

We have also provided funding for both the new Camden and Baltimore VA hospitals totaling about $150 million. Neither hospital was assumed in the first budget resolution.

I think the Veterans' Administration is illustrative of the problems we face in trying to balance the strong national feeling with Federal spending against the special interest concerns. That is probably the toughest problem we have in developing these individual appropriation bills and in my own view it is one we have not fully resolved.

By way of reciting a few statistics that highlight that problem, let me remind you that the first concurrent resolution on the 1980 budget added approximately $137 million for VA programs. If one adds up the fact that the committee has recommended the Camden and Baltimore hospitals, both of which were not included in the budget resolution, and if one adds up the current estimate of entitlement legislation working its way through the Congress—we are already about $500 million above the assumed amount for the veterans function in the first concurrent resolution. When the Budget Committee fashions the second budget resolution it will simply plug the $500 million into the total. I know the first resolution is often referred to as only a target, but I believe the VA numbers illustrate the tough problem we face in trying to balance the Federal budget.

Finally, Mr. Chairman, I would like to compliment all the members of the subcommittee for their diligence in helping bring this bill to the floor. Particularly I want to compliment the two new members of the subcommittee, the gentleman from Illinois (Mr. STEWART) and the gentleman from Minnesota (Mr. SABO). Also, I would especially like to compliment the distinguished gentleman from Pennsylvania (Mr. COUGHLIN) whose expertise, knowledge, and cooperation benefit this subcommittee greatly. I also compliment the very distinguished and knowledgeable staff composed of Richard Malow, Paul Thomson, Del Davis, and a research assistant from the Library of Congress, Anne Harley, who performed research, edited the hearing transcripts, and provided invaluable help to the subcommittee.

Mr. Chairman, I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as always, the chairman of the subcommittee (Mr. BOLAND) has done a brilliant job of explaining the bill we bring to you today, just as he has done a brilliant job of bringing this bill to the floor. This is a bipartisan bill. It is a tough bill but it is a fair bill. The chairman of the subcommittee (Mr. BOLAND) has been eminently fair to the minority members and eminently fair to the agencies that have come before us.

I also want to extend my compliments to the members of the subcommittee who have been diligent and thorough. The bill is a product of many, many hours of work, as all of you know. The members of the subcommittee have worked very hard indeed.

I join in complimenting the staff, for the minority Martina Pearson and Kenney Kraft, as well as the majority staff, Dick Malow, Paul Thomson, Del Davis, and Anne Harley. I also want to compliment the associate staff.

Mr. Chairman, this bill brings $72 billion in new budget authority for the Department of Housing and Urban Development and the 20 independent agencies in offices that this bill covers. It is $506 million below the budget request but $4 billion above comparable amounts appropriated in fiscal year 1979. Still it is a tough and lean bill and I hope that the Members of this House will join the subcommittee and the committee in resisting attempts to add what are obviously popular programs.

In the Department of Housing and Urban Development, the bill contains $26.7 billion in budget authority for assisted housing programs in fiscal year 1980. $1,160,000,000 in annual contract authority. This level of funding will support up to 313,000 additional rental units for low-income households, an increase of approximately 13,000 units above the budget request. It will provide 262,562 section 8 units and 50,000 public housing units.

Mr. Chairman, in hearings, the Secretary of Housing and Urban Development, Patricia Roberts Harris, testified that it "could cost almost $19.4 billion on an annual basis or approximately 3 percent of the 1980 Federal budget," to provide adequate housing for the 14.8 million low- and moderate-income households with varying degrees of need.

The position of the Department is that the cost difference between section 8 and public housing is negligible. Therefore, the problems of, first, the large number of people eligible and, second, the expense of the programs will have to be solved through changes in authorization. The appropriations bill is not the appropriate place to make such adjustment.

The Committee on Appropriations has gone so far as to change the mix within section 8 of new and substantial rehabilitation units to existing units.

☐ 1650

Existing units, while not increasing the housing stock, are less expensive to do and hence, can produce more units for the same amount of money. The mix has been changed from 66–34 percent, to 60–40 percent. Although HUD estimates the mix from the housing assistance plans drawn by local communities, the committee feels that there is enough leeway to accommodate a 60–40 mix.

The bill provides at least $37,500,000 for modernization of public housing. There are new public housing units backed up in the pipeline. It costs 60 percent as much to modernize as to build new. Therefore, it makes sense to bring uninhabited, but already built units back on line.

The subcommittee has funded community development block grants and provided $675 million for urban development action grants.

The popular section 312 program authorizes 20-year loans at 3 percent interest to owners or tenants of properties in urban renewal and code enforcement areas to bring properties up to code standards. We have provided $140 million for these, which is $10 million over the budget request. Together with an estimated $55 million from previous loan repayments, this will make $195 million available for fiscal year 1980.

The bill contains $10 million for the neighborhood self-help development program. Startup money was provided for this program in the fiscal year 1979 supplemental.

I hasten to point out, this was just another categorical program, the end of which could be accomplished through community development block grants or some other method. We are just starting in a program that could be another bottomless pit.

The committee showed great wisdom and restraint in not funding the livable cities program, just another new categorical grant program, which would duplicate programs now carried on by the National Endowment for the Arts, including one known as "livable cities." We thought it was something we could do without in a tight budget year.

In the Environmental Protection Agency, the committee has provided $233,568,000 for research and development, which is $6 million below the budget request, but $14,749,000 above the fiscal year 1979 level. The Office of Management and Budget conducted a cross-agency zero base budgeting analysis for the first time this year. The result was a new public health initiative, moving money and programs from other agencies to EPA. This is supposed to prevent duplication.

The committee has provided $3,400,000,000 for waste water construction grants. This is $400 million less than the budget request, but the House Appropriations Committee's surveys and investigative staff reviewed the construction grants program and recommended zero funding for this year. The staff discovered large unobligated balances, slowing of the program, funding of nonpriority projects, unreliable estimates of recoveries of unobligated funds and other problems. However, the committee is concerned about States with high priority projects ready to proceed and has recommended an amount which adequately covers all.

In the National Aeronautics and Space Administration, the bill provides $220 million, the full budget amendment for the Space Shuttle program. I think it is well that the Members be aware and be ready for further cost overruns resulting from continued problems with the main engine, thermal protection, and testing. We are just beginning to see the beginning of the cost overruns in the Space Shuttle program.

There are no new starts in the NASA.

The bill provides money for the national consumer cooperative bank, for which startup money was provided in the supplemental for fiscal year 1979. Congress is being hit again to fund this program which was passed by the House on July 14, 1977, by one vote. While I am not opposed to the concept of consumer cooperatives, I question the wisdom of involving the Federal Government in this area.

This bank is supposed to provide "sound loans at market rates of interest to cooperatives in a variety of fields." If the loans really are "sound" and "at market rates" commercial banks will be happy to make them. The bank will just establish cooperatives, and will not assist individuals in alienating their shares of stock.

In the National Science Foundation, the budget request for this year was $1 billion. It is the first time that the National Science Foundation has reached that level and the committee recommendation is just under this.

It is important to note that, although industry participates in applied research, there is a void in basic research which the National Science Foundation fills. Research and development, and economic growth, are directly related and there is the need to stimulate industrial invention to improve productivity. Using only 5.9 percent for administrative expenses, the National Science Foundation puts the money where it will do the most good, in the grant.

The bill provides funding for the Neighborhood Reinvestment Corporation, which secures and leverages private resources for neighborhood revitalization. This is a very effective program, because it is a local program. It is nongovernmental, nonbureaucratic, and small. It is the key if private resources without Federal Government control are to be employed effectively.

In the revenue sharing program, the subcommittee provided full funding of $6.9 billion for the last year of general revenue sharing. More than 39,000 units of general purpose government are currently eligible to receive funds.

There has been some criticism of the Government's using revenue sharing funds, but I hasten to point out that we provide funds for State and local governments, not just through general revenue sharing, but through hundreds and hundreds of categorical grant programs.

I suggest that the general revenue sharing funds are perhaps the ones that can be best used by the States because they are the ones in which the States and local communities find the most flexibility.

In the Veterans' Administration, the subcommittee has fully funded the compensation and pensions and readjustment benefits which, of course, are entitlement programs.

We have provided on increase of $76,380,000 for medical care to provide an additional 3,800 health care personnel (staff years). In fiscal year 1979, the committee added money for additional health care staff, but the Office of Management and Budget failed to release any extra positions and used the funds to cover the pay increase. Our veterans deserve this care and this Member, and the committee, aim to see that they get it.

The construction of a new veterans hospital at Camden, N.J., is recommended contingent upon the State of New Jersey going ahead with the South Jersey Campus of the University of New Jersey Medical School.

Mr. Chairman, as I said in the beginning, this is a bipartisan bill. The minority supports it. We ask our colleagues to support the committee and the subcommittee in what has been done.

Mr. Chairman, I reserve the balance of my time.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to a distinguished member of the subcommittee, the gentleman from Michigan (Mr. TRAXLER).

Mr. TRAXLER. Mr. Chairman, I rise in support of this legislation. As a member of the subcommittee, I want to inform our colleagues of the superb leadership of our chairman, Mr. BOLAND, the gentleman from Massachusetts. He deserves the praise of every Member of this House for his hard work, his fairness, and his careful scrutiny of the programs and agencies funded in this bill.

The gentleman has worked with the subcommittee to report a bill that addresses our national needs for decent housing, community development, clean air and water, assistance to veterans, and basic scientific research and devolpment. At the same time, this is an austere appropriation that makes meaningful cuts in several areas and holds the line on spending throughout the bill. This legislation deserves our support.

This bill is important to every segment of our Nation—and to all of our constituencies. It funds our basic community development programs and revenue sharing so important to our towns and cities. It funds our national efforts to provide clean air and water. It provides funds to insure decent housing for all Americans. It offers medical care and income security for those who served their country in the armed services. It provides a major portion of our national scientific basic research funding.

I believe that the amounts reported by the committee are both necessary and adequate to support these important programs. The overall bill represents an increase of only 6.2 percent over amounts appropriated for 1979. With our current levels of double-digit inflation, this is a responsible and modest bill indeed.

Mr. Chairman, this is a lean bill: It cuts over half a billion dollars from the President's "austere" budget. The subcommittee made significant cuts in several areas based upon information developed in our hearings and studies conducted by the investigative staff.

I would like to call my colleagues' attention to one area of this bill: Basic research.

A primary focus of the President's 1980 budget, which is generally characterized by broad fiscal restraint, is a commitment to continued growth in basic research funding. In his State of the Union Message, the President noted that the "health of American science and technology and the creation of new knowledge is important to our economic well-being, to our national security, and to our ability to solve pressing national problems in such areas as energy, environment, health, and natural resources. * * * I am determined to maintain our Nation's leadership role in science and technology."

In his budget message, he repeated his commitment:

> The knowledge created through basic research holds the potential for breakthroughs to the solution to problems we face in such critical areas as agriculture, health, environment, energy, defense, and the overall productivity of our economy. Higher productivity gains in the future, moreover, will make an important contribution to reducing inflation.

The reason for this commitment should be obvious to all of us: The cover of Newsweek 2 weeks ago told the story—our country is in very real danger of losing the edge in technological innovation that has made our economy strong in the past. The long-range security of our economy, our national defense, our ability to raise the standard of living of Americans without causing more inflation, our ability to reduce our balance-of-payments deficit—all depend upon maintaining our scientific and technological strength.

Let us look at just one area: Computer technology. There is no doubt that our Nation has been the leader in both hardware and software development since computers first came into their own. But the Japanese are rapidly catching up—a result of a massive investment in computer research by government and industry, working together. They clearly intend to dominate the field—and if they do, American business will lose a worldwide market amounting to billions and billions of dollars in the next decades. American workers may lose their jobs. We cannot afford to let that happen.

In our efforts to bolster basic research, Mr. Chairman, we have a double problem: right now industry is decreasing its basic research activities, because so much is being spent on so-called "defensive research"—research required to meet the safety, environmental, and energy-related requirements of the law. Universities are finding it difficult to commit larger amounts of private money to research, because of the costs of inflation and a decline in student enrollments. Thus, the Federal Government has the responsibility, I believe, to make up the gap left by the private sector and to promote real growth in research to move this Nation forward once again.

The fruits of this research will benefit everyone—new energy technologies, advances in communications, improvements in our health, our environment, our ability to produce food, and the overall productivity of our economy.

While Federal support for research is distributed throughout the budget, this bill contains critically needed funding for NASA and the National Science Foundation.

The total of $896.8 million for NSF's research and related activities is a 8.4-percent increase from last year's appropriation, but because of a carryover from fiscal 1978 to 1979, represents only a 6.4-percent increase over the 1979 program level. With current inflation rates, this amount is clearly not enough—I wish we could afford more.

The committee cut $18.5 million from the President's request in the research activities of NSF—more than the House voted to cut from the NSF authorizing bill. The amount in this bill is a rock-bottom amount necessary for our national welfare and any further cuts—either through targeted amendments or by an "across the board" move would seriously jeopardize our national commitment to scientific and technological superiority. I urge my colleagues to support the level of funding for NSF and basic research in this bill and to reject any amendments that would reduce this basic investment in the future of our economy.

Mr. BOLAND. Mr. Chairman, I am delighted to yield such time as she may consume to the distinguished gentlewoman from Louisiana (Mrs. BOGGS), who contributed substantially to the recommendations in this bill.

Mrs. BOGGS. Mr. Chairman, I rise in full support of this bill and I also wish to commend the chairman and the ranking minority member and all the members of the subcommittee and all the members of the staff, as well as the members of the investigative staff who have worked long and hard to bring forth a really substantial bill in a very, very comprehensive area of our national life.

☐ 1700

We have not only the housing and urban development aspects of this bill but, of course, 20 independent agencies of the Government whose duties and responsibilities and aspirations have all been pointed out by the previous speakers.

Mr. Chairman, I would like to urge all the Members of the House to join us in making certain that this bill is passed and to follow the recommendations of all the leaders who have done such a good job in bringing the bill to the floor.

Mr. COUGHLIN. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I would like to take this opportunity as the House debates the fiscal year 1980 appropriations for the Department of Housing and Urban Development, to discuss a situation I find very disturbing.

On January 18 of this year I had a meeting in my office with Mr. Carl Reidy, an assistant to the Secretary of Housing for HUD. The purpose of this meeting was to discuss the dealings of HUD with a contractor located in my district whose projects have consistently involved delays and cost overruns. I had requested the meeting with Mr. Reidy, because of some circumstantial evidence I had which indicated that the contractor I referred to may have been involved in illegal activities involving fraud and misuse of Federal property. My concern of course was to insure that the taxpayers' money involved with the contractor was being spent in the best possible manner. If the contractor was involved in any illegal activities, I wanted HUD to take the appropriate actions.

During my meeting with Mr. Reidy, I explained the entire situation and requested that he investigate the contractor. Mr. Reidy assured me that he would do so and get back in touch with me at the soonest possible date. As I said, that was January 18, 1979.

Throughout February and most of March, I never heard from Mr. Reidy or anyone else from HUD. My legislative assistant, Mr. Ron Smith, at my request, made several attempts to call Mr. Reidy, who never returned any of the calls. On March 20, I wrote to Mr. Reidy asking that he contact me as soon as possible. Again no response.

In frustration, I wrote to Secretary Harris on March 28 asking her assistance in getting Mr. Reidy to be more responsive. Pursuant to that letter, Mr. Smith, my legislative assistant, received a telephone call from Mr. Joe Fichera in the Legislative Affairs Office of HUD. Mr. Fichera promised he would look into the matter and assured my legislative assistant that action was forthcoming.

As before, nothing happened. As a last resort, I wrote to Mr. Charles Dempsey, the Inspector General for HUD, on April 12 requesting his assistance. At the time this letter appear to help. A few hours after the letter was hand delivered and 3 months after our January meeting, Mr. Reidy called my office and talked to Mr. Smith. Mr. Reidy promised that immediate action would be taken. He also admitted that to date nothing had been done to follow up on the meeting he had with me in January.

On April 17, Mr. Reidy called and arranged a meeting with Mr. Smith, the Administrator of HUD's Region V Office in Chicago, Mr. Ron Gatton, and himself (although he eventually did not attend). That meeting was held here in Washington in HUD's office building on April 23. I was unable to attend the meeting due to business in Indiana.

Mr. Smith and Mr. Gatton discussed the entire situation involving HUD's inactivity and the record of the contractor. Mr. Gatton promised that within 1 month he would contact my office and advise me of his progress.

On June 5, 6 weeks after the April 23 meeting, Mr. Smith, again at my direction, phoned Mr. Gatton since the month had elapsed and no response had been received. Mr. Smith tried to determine the progress of HUD's investigation; however, Mr. Gatton, unable to answer any questions, promised he would call Mr. Smith on the 11th of June.

On the 15th of June, Mr. Smith again called Mr. Gatton after hearing nothing since the 5th of that month. While he was unable to contact Mr. Gatton, Mr. Howard Campbell, the area manager for HUD in Indianapolis, called Mr. Smith later that day. Mr. Campbell informed Mr. Smith that his office had investigated the contractor and while noting some irregularities, found nothing wrong with his record. There was no indication that anything but the most cursory look at the contractor's record had been given by anyone at HUD.

It is impossible to completely judge HUD's answer until I see something in writing. However, regardless of the answer, their responsiveness and handling of the entire matter is deplorable. It seems to me that HUD should not have to be hounded into investigating possible misuse of funds or other illegal activities by HUD contractors. However, as just outlined, that is exactly what my office has had to do in order to get HUD to act, even in a rudimentary manner. It has been 6 months since I first talked with Mr. Reidy, and I have yet to receive any official response.

It is truly unfortunate that I am forced to take the time of this body to discuss this matter. My purpose is merely to bring to the attention of the House how poorly managed and incompetent HUD is and how they apparently do not care how the money we give them is spent.

The June 25 U.S. News & World Report states that a secret White House report card grading Federal agencies on their efforts to improve regulations and cut down paper work gives HUD poor grades. Judging from my experience, HUD would fail if the White House were to grade efforts to cut down fraud and illegal activities.

I am not asking—at least not yet—that the House take action to investigate the contractor. I still plan to pursue this matter with HUD, or the Justice Department if necessary, in order to determine if any wrongdoing is involved. I hope, however, that the Members of the House will keep my story in mind when we are told that HUD needs over $72 billion for fiscal year 1980. Perhaps if HUD took a little effort to prevent fraud and abuse of their funds, they would need a little less.

It is incredible to me that HUD considers delays and cost overruns the norm. It is unforgivable, however, that they seem completely indifferent, unattentive, and nonchalant to possible illegal activities involving their funds. Perhaps someone should investigate HUD.

Mr. BOLAND. Mr. Chairman, I yield time to the gentleman from Minnesota (Mr. Sabo), who joined the subcommittee this year during his first term in the Congress. We are delighted to have him with us. The gentleman brings to the subcommittee considerable knowledge and expertise in the legislative process. He served for some time in the Minnesota Legislature and as the speaker of the house of representatives of the great State of Minnesota. We are delighted to welcome him. He has performed a great service for the subcommittee.

Mr. Chairman, I am delighted to yield 3 minutes to the gentleman from Minnesota (Mr. Sabo).

Mr. SABO. Mr. Chairman, I appreciate the subcommittee chairman's yielding this time to me and giving me this opportunity to rise and express my strong support for this bill and to express my appreciation to the subcommittee chairman, the ranking minority member, and the staff for their hard work in putting this bill together.

This is a widely varied bill. It contains many things that I think are good for our country.

One of the things that is of prime importance to me is the fact that it contains several provisions which I think help strengthen neighborhoods and communities in our Nation. There is funding for the National Consumer Cooperative Bank; there is funding for the neighborhood self-help program, and there is funding for the Neighborhood Reinvestment Corporation. These are all programs which in my judgment will add to the strength and vitality of our communities throughout the country.

I think it is a good bill, and I hope the Members of this House and of this committee will give it their overwhelming support.

Mr. Chairman, I might add that as a new member of the committee I consider it an honor and a privilege to serve on a subcommittee chaired by the distinguished gentleman from Massachusetts (Mr. Boland). I found the gentleman not only fair, but what in my judgment was even more impressive was that I found the gentleman from Massachusetts, in dealing with such a wide variety of topics that we consider in this bill, has an extensive knowledge of Government and how these programs worked. It was a great privilege to serve with him.

Mr. COUGHLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I want to echo the comments made by our colleague, the gentleman from Minnesota (Mr. Sabo), relative to our chairman and the fine work he does. He is to be commended for his knowledge of this bill.

I would also like to say that those comments apply to the gentleman from Pennsylvania (Mr. Coughlin), our ranking minority member, who spends a great deal of time at the committee table hearing testimony from varied sources, from the many agencies, and varied witnesses.

Mr. Chairman, we have a bill here that I strongly support.

□ 1710

To be very honest with you, there are inclusions in this bill that I am not really excited about. There are some that I feel we should have appropriated less money; there are some that I feel we should have appropriated more money. But in a bill such as this, I do not think there is any way you are ever going to satisfy everybody completely. I know there are colleagues on this subcommittee who would increase some amounts, and there are colleagues on the subcommittee who would decrease them. But we have worked that out pretty well, and I think we have a good bill. I think the political spectrum is fairly well covered.

We had some problem areas this year, such as the Environmental Protection Agency, some projects that the chairman mentioned, and some projects that our investigative staff thought were not being handled properly. We decided to fund these with the understanding that the criticism would be taken to heart by the people who administer these programs. I believe they acknowledge that there are several problems and that they intend to solve them, which I think is going a long way.

So, Mr. Chairman, I rise in support of this bill, and I hope our colleagues without too much delay will pass it and send it on to the other body for whatever conference we have to get into, and send it down to the President.

Mr. BOLAND. Mr. Chairman, I yield 6 minutes to another new Member who joined this subcommittee in this session of the Congress, the distinguished gentleman from Illinois (Mr. Stewart), who brings expertise, knowledge, experience, and good humor to the subcommittee.

Mr. STEWART. Mr. Chairman, I rise in support of the HUD-Independent Agencies Appropriations Act of 1980.

I commend the gentleman from Massachusetts, the distinguished chairman of the subcommittee, for his thorough and fair approach to the appropriations requests before the subcommittee. As the junior member, I have found my experience on this subcommittee to be most rewarding.

Mr. Chairman, I urge passage of this legislation.

There are appropriations in this bill that will be very helpful to the economic development of our urban areas.

The subcommittee has appropriated $675 million for the urban development action grant program (UDAG). This is a $275 million increase over the 1979 budget.

In her statement before the subcommittee on April 3 of this year, Secretary Harris stated:

> The Urban Development Action Grant Program . . . is a program which targets its resources toward the most distressed cities and addresses the totality of need in our cities. The program provides for a variety of activities and projects distributed among the industrial (36.5 percent), commercial (34.4 percent) and neighborhood revitalization (29.0 percent) categories.

One of the most promising features of this program is the leveraging, or the amount of private funds generated by the Federal funds. "The program is currently achieving," according to the budget justification, "a leveraging ratio of private to Federal funds in excess of six to one." This clearly indicates that the private sector is more than willing to become involved with the Federal Government in a partnership which will benefit our urban areas.

The committee has also appropriated $3.7 million for enforcement of the fair housing responsibilities of HUD. In testimony before the subcommittee, Secretary Harris stated:

> The 11 years of experience under the 1968 Civil Rights Act have made clear the need for improvement in the enforcement powers available under title VIII.

As an aside, I might point out that the legislation introduced by the gentleman from California (Mr. Edwards) and the gentleman from Massachusetts (Mr. Drinan) would accomplish this objective and I fully support their legislation.

However, until this legislation is enacted, the Secretary indicated that—

> HUD is working to improve the effectiveness and management of present fair housing enforcement programs.

I fully support the Secretary in this endeavor and I think this $3.7 million appropriation will help the Department achieve the Secretary's objective.

The bill also appropriates $9.5 million for the Neighborhood Reinvestment Corporation. The National Neighborhood Reinvestment Corporation was created by title VI of the Housing and Community Development Amendment of 1978. The Corporation is, according to the Congress, "to promote reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government." Next year I will be looking for a progress report which will indicate that the Corporation has carried out its congressional mandate.

The committee in this legislation has appropriated $987,000,000 for the National Science Foundation. I was impressed by the scientific, personnel improvement program subactivity of the National Science Foundation's budget justification, wherein the National Science Foundation indicated that the objective of this subactivity was to assure "a stable flow of the Nation's most talented students into a career in science; including a concerted effort to improve the representation of minorities, women and the physically handicapped in the scientific work force."

Mr. Chairman, next year I intend to ask the National Science Foundation Director how effectively he has achieved this objective.

Mr. Chairman, one of my concerns as I listened to the testimony of department and agency heads when they testified before the subcommittee—and it was a concern which I and the gentlewoman from Louisiana expressed on numerous occasions—was what the agency or department was doing to increase the number of minorities and women in their respective agencies or departments. For the most part, the answers were unsatisfactory, but it is an issue which I intend to raise again—and again—until there is an improvement. And I hope that when these same agency heads appear before our subcommittee next year their answers will indicate progress.

Mr. Chairman, I urge that this legislation be passed.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. BOLAND. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, I rise in support of H.R. 4394, the HUD-Independent Agencies Appropriation Bill for 1980.

The bill provides $76,380,000 over the administration budget request for the Veterans' Administration to be used for an additional 3,800 health care personnel.

My Committee on Veterans' Affairs held extensive hearings on February 28 and March 1 of this year which revealed serious shortfalls in the staffing of the VA medical facilities.

The testimony of VA hospital directors, chiefs of staff and chiefs of nurses all expressed serious concern that the quality of medical care and treatment in the VA medical system is being substantially eroded by the drastic cuts imposed on their medical personnel staff this past year. These cuts will exceed 5,000 positions in this fiscal year. We also heard that not only is the quality of medical care being reduced, but some veterans are being denied any treatment due to a lack of certain types of staff.

Mr. Chairman, I wish to compliment the Honorable EDDIE BOLAND, chairman, Mr. COUGHLIN, the ranking member, and members of his Appropriations Subcommittee, for leadership and foresight in recognizing this serious deficit in Veterans' Administration hospital staffing and in taking the proper remedial action to assist in this matter. I also wish to compliment Chairman JAMIE WHITTEN and other members of his committee with who the members of my committee have worked closely together in a mutual effort to insure that our Nation's veterans receive the proper medical treatment they deserve.

I sincerely hope our colleagues will support this very worthy appropriation.

□ 1720

Mr. BOLAND. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York (Mr. AMBRO).

Mr. AMBRO. Thank you, Mr. Chairman. I appreciate it immensely.

I just want to make three points. The bill is magnitudinous, and a lot of money has been appropriated, and a lot of things have been reviewed; but we deleted $460 million or thereabouts from the EPA bill.

I have no question on $450 million of that deletion, but $10 million will be the subject of an amendment. The point I want to make is simply that R. & D. money can indeed save money. It seems to me that R. & D. money can better the regulatory function, and it seems to me as well that, by virtue of the Appropriations Committee itself requesting the NAS to do a study on anticipatory, or on all of the EPA R. & D. functions, and that study recommending that more money should be placed in anticipatory functions, that the deletion of $4 million for ground water R. & D. which will indeed help municipalities to help themselves and enhance and better the regulatory functions, and a $6 million deletion from anticipatory R. & D. flies in the face of that which the NAS recommended and the Appropriations Committee itself requested.

I will tomorrow be making these points more elaborately in a request to restore $4 million from that ground water R. & D. and $6 million for anticipatory, both of which were unanimously passed by my subcommittee on R. & D. in science, passed by the House of Representatives and by the Senate in the authorization bills.

I appreciate the time.

Mr. BOLAND. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. I thank the gentleman for yielding.

As the gentleman knows, I had intended to offer an amendment tomorrow to the section of this bill dealing with sewer construction grants. As the gentleman knows, under the provisions of the Clean Water Act, we have provided $28.2 billion to the States over the last 7 years.

All of the States have a commitment to work toward the goal of clean water, but some States have been proceeding considerably more rapidly than others.

As a result, in those States which have not been able to move forward rapidly, considerable sums in unexpended Federal sewer construction funds have been building up, and yet, in other States such as my own, progress toward a clean water goal has been on schedule.

The committee, I understand, does not want to encourage the increase in unobligated balances that have been occurring in some areas and does not want to penalize those States which have done the best job of carrying out the intention of the legislation.

As you know, Mr. Chairman, the majority leader, the gentleman from Texas (Mr. WRIGHT), the gentleman from New Hampshire (Mr. CLEVELAND), myself and others have introduced legislation amending the Clean Water Act which would not penalize States which have met certain difficulties in getting their construction programs underway, but would provide, nevertheless, incentives to those States which have gotten a good start.

The legislation would provide two tiers, funding all States under the existing formula in tier 1 and then providing additional funds under a second tier for those States making good progress in moving toward clean water goals.

That legislation, as I understand it, could be funded for about $250 million, or, when added to the committee mark of $3.4 billion, nearly $150 million less than the Presidential request of $3.8 million for sewage treatment construction.

My question to the distinguished chairman is, if this new authorization becomes law in the general form which is now before the Public Works Committee, would the chairman support its funding in a fiscal year 1980 supplemental?

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Let me say to the gentleman, as he knows, we discussed this matter together, and I have also discussed the matter with the distinguished gentleman from New Hampshire (Mr. CLEVELAND).

The committee report has indicated a different preference for another system under which funds for States with large unobligated balances could be made available to States that are prepared to move ahead. We understand there are problems with that approach known as the borrowing concept.

As the gentleman from Wisconsin has indicated, the authorizing committee appears to be taking a different route in developing a two-tier approach. I do not know what form this new authorization bill will ultimately take, but as it has been described to me, it is one that I certainly would favor, and if it winds up in the particular form that I envision, I would be favorably disposed to support funding in a 1980 supplemental appropriation.

Mr. OBEY. I thank the chairman. Under those circumstances, I see no need at this time to offer an amendment. I think the position taken is a sensible one.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. I appreciate the gentleman yielding, and I want to support his remarks and his description of the Cleveland-Wright two-tier bill, H.R. 4113.

I also want to thank the gentleman from Massachusetts (Mr. BOLAND). Actually, this bill grew out of hearings which we held before the gentleman's committee when we found out that the gentleman felt he could not in good conscience either fully finance the construction grant program which, as you know, is authorized at $5 billion and the administration requests $3.8 billion, because there was so much unobligated money and so many States that were not spending money. I think the gentleman quite properly reduced the amount of the appropriation to $3.4 billion.

I commend the gentleman for that. I commend the diligence of the committee for having found this out. However as the gentleman from Wisconsin has pointed out, there are 10 or more States who are proceeding very efficiently and they are being severely and harshly penalized by the appropriation of $3.4 billion. We hope the two-tier system will be a solution.

The Public Works and Transportation Committee is going to have hearings during the next week. We are aware of the recommendation that we have a borrowing approach. We have studied that in the Public Works and Transportation Committee, but we found some problems with it. I think we can all agree that those States that are moving promptly in this area are entitled to more money than they would get under that $3.4 billion appropriation.

However, I want to make it clear that the extra money for the faster moving States will not be taken from other States. It will be in the nature of an add-on through a supplemental. That is why the supplemental approach is the best one as proposed by Mr. OBEY.

I thank the gentleman from Wisconsin (Mr. OBEY). He is a cosponsor of the legislation. I hope we can get the legislation passed, and then we will be back to talk to the distinguished committee chairman about the problem further.

Mr. BOLAND. I thank the gentleman for his comments and I thank the gentleman from Wisconsin as well.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. I thank the gentleman from Pennsylvania for yielding.

I take this opportunity to remind the members of the committee that a part of this bill was struck by the committee. A proposal was made by the President not to fund the program for congregate housing services that were funded in fiscal year 1979. I want to call attention to the House that there will be an amendment offered to place in this bill that $10 million appropriation for congregate housing services for the elderly and handicapped people.

This amendment will be a great benefit and the help that will be derived by helping the frail, elderly, and the handicapped persons in public housing and section 202 projects through the congregate housing services will do a great deal to lessen the tragedies that have occurred. Congregate housing is an assisted environment. Supportive services are available not only to the partially impaired but also to otherwise healthy older persons, allowing them to maintain an independent lifestyle and to prevent premature, what has come to many, institutionalization. This program not only delivers needed services, but also produces substantial savings to the individual and to the Federal Government.

The Federal cost of maintaining a person in a nursing home for 1 year is conservatively estimated at $5,500, while providing congregate housing services is estimated to cost only $1,500.

□ 1730

Consequently, you can see that this sort of a service is a savings to the taxpaying public and is something that ought to be included and I repeat that it will be offered at the proper time.

I thank the gentleman and yield back the balance of my time.

Mr. BOLAND. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. I thank the gentleman for yielding.

I simply wanted to take this time to engage in a short colloquy with the chairman about the amount of money in the bill for modernization funds for public housing. As the gentleman is aware, I think because of the authorization bill that we passed recently with regard to HUD, which included $55 million in contract authority for modernization of public housing, and because of the oft stated intent on the floor during that authorization bill, and other authorization bills we have passed, about the priority we need to place on rehabilitating existing public housing, as well as having a commitment to building new public housing, that we could recognize the intent in the House that if possible more money could be allocated for that purpose. I realize that there is a good reason for having it set at the level of $37.5 million. But I wanted to make clear there is some feeling in the House that we could go higher than that and that, indeed, would be an economic use of that money.

Mr. BOLAND. If the gentleman will yield to me, the gentleman from Missouri is absolutely correct. The HUD Independent Agencies Appropriation bill as reported from the committee provides not less than $37,500,000 for public housing modernization. As the gentleman knows, $37,500,000 was the budget request, although the Department's request to OMB was around $42 million.

The committee is not certain at this time what the Senate will do with this particular item but let me say last year the Senate increased the amount from $37,500,000 to $50,000,000 and we receded to the Senate position in conference.

Basically I have no argument at all with the gentleman's position. I strongly support public housing. I have supported public housing for years, and I have supported the modernization of public housing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I yield the gentleman 2 additional minutes.

If the gentleman will yield to me further, I believe every dollar we invest in modernization and rehabilitation is a dollar well spent. The gentleman knows this so well from some of the housing problems in St. Louis. So for my part, and I hope that I bespeak the sentiment of the subcommittee, I intend to support earmarking of additional funds for public housing in conference.

Mr. GEPHARDT. I thank the gentleman and hope the conferees will keep in mind that it costs about $16,000 to rehabilitate an existing unit and it costs about $28,000 to build a new one. I hope those facts will be kept in mind.

Mr. BOLAND. I thank the gentleman from Missouri.

Mr. Chairman, for the information of the Members, after the Clerk has read the first two paragraphs of the bill—and I understand there are no proposed amendments to those paragraphs—I plan to move that the House do rise.

Mr. Chairman, I am pleased to yield to the distinguished gentleman from Iowa (Mr. HARKIN), for 5 minutes.

The CHAIRMAN. The Chair will advise the gentleman he only has 3 minutes remaining.

Mr. COUGHLIN. Mr. Chairman, I will yield to the gentleman from Massachusetts 5 additional minutes.

Mr. BOLAND. I thank the gentleman. I yield 5 minutes to the distinguished gentleman from Iowa.

(By unanimous consent Mr. HARKIN was allowed to speak out of order.)

DEATH OF BILL STEWART

Mr. HARKIN. I thank the gentleman from Pennsylvania and the gentleman from Massachusetts for giving me this opportunity. I tried to get some time last night and I tried periodically all day today to get some time to speak. However, I was unsuccessful. So I do appreciate this time and also appreciate the Members allowing me to speak out of order.

I want to at this time speak very briefly about the incident that happened in Nicaragua yesterday with the shooting of Bill Stewart, the ABC newsman. Anyone who watched that shooting on the television last night or today as it was replayed can only be totally shocked at the cruel and inhumane method by which Bill Stewart was killed. It shocked all of our sensibilities. As President Carter said, it was a barbaric act, an act that should be condemned by all civilized people everywhere.

When Somoza was first asked about this shooting his first response was that Mr. Stewart must have been killed by Sandinistan sniper fire. It was only after they told him it was on film and showed him the film that he admitted that it had been done by a national guardsman.

Then what does Mr. Somoza say? He says, well, it is just an isolated incident.

I beg to differ. It was not an isolated incident. It was something that has been going on for months and months and years in Nicaragua, increasing with intensity over the past few months.

I would like to read just a couple of excerpts from the findings of the Inter-American Commission on Human Rights when they went to Nicaragua, using the names of the people:

NEAR GRANADA: AUGUST 27, 1978

My son, Julio Franco Aleman (17), along with his cousin Silvio Carballo Munoz had formed a little league baseball team and that Sunday they were on their way to a game with all the kids in a pick up . . . they had a flat tire and decided to send the kids on in another vehicle and wait there for the spare that they'd left at home and sent for . . . They were picked up by a patrol . . . and a woman waiting nearby said that . . . they were kneeling on the ground asking the patrol to spare their lives, and, there, while they were kneeling, they were machine gunned . . . My son's body had six bullet holes in his hands and 46 in the rest of his body.

LEON: SEPTEMBER 15, 1978

During an aerial bombing, the National Guard broke down the doors of Arnulfo Cepeda's family in Leon and ordered everyone into the patio. The women, after begging, were allowed to remain in the house. The men went to the patio. A military official then ordered the men, one by one, to go back into the house. Emilio Herrera, 16 years old, got up from where he was kneeling, made the sign of the cross, and as he was stepping through the doorway, they shot him in the base of the neck. Next they ordered Antonio Gonzales to step up. They shot him in the juglar vein. The three other boys, seeing what was happening, ran to the back of the patio where they were shot . . . They shot Juan Rodriquez and then, shot at Arnulfo and his 14 year old son, Benito, who were kneeling embracing one another. The shots hit some glass and the two pretended they were dead . . . Before leaving, the Guard went to the room of two old men and killed 70 year old Carlos Mardiaga, who was deaf, in his bed and 65 year old Juan Castillo in a chair.

Signed: Arnulfo Cepeda, Silvia Pereze, Rosa Gonzalez etc.

This has been going on for months, the assassinations and murders by the National Guard and by Somoza.

On March the 3d of this year John McCarty, an American citizen from Cedar Rapids, Iowa, a schoolteacher in Managua was out driving around with another American and a Nicaraguan friend. They were passing down a street by a National Guard barricade and the National Guard, without any warning, opened fire and hit John McCarty in the head. His friend continued to drive the car trying to get him to the hospital, but before they could get him to the hospital they were stopped by the National Guard, who ordered them out of the car, beat the other American and Nicaraguan with their rifle butts, and allowed John McCarty to die of his wounds in that car without even taking him to the hospital.

It has been going on for months. It is not an isolated incident. These barbaric acts have been supported and done by the National Guard with the full knowledge of Mr. Somoza.

I think it has become clear that Anastasio Somoza is, indeed, as many people have termed him the Idi Amin of Central America and his Guardia Nacional are butchers of the worst sort. I used to think that Pinochet and his junta in Chile were bad. They pale in comparison, pale to insignificance compared to Somoza and his Guardia Nacional.

But his PR is so good, his public relations is so good in the United States that we can get 123 Members of the House of Representatives to sign a letter for a full page ad in the New York Times not only asking for support of Somoza, but asking to send him more guns so that he can keep up his barbaric acts. One hundred twenty-three Members of this House signed that letter.

I still have enough faith in my friends and my colleagues in this House to think that if each of those signers had accompanied me to Nicaragua this spring and had gone out to the barrios and into the countrysides and talked to the people, if they had talked to the head of the army and the head of the government as I have talked to them down there, they may not have done this.

□ 1740

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BOLAND. Mr. Chairman, I yield 3 additional minutes to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for his indulgence.

I have faith that if they had done that and talked to these people down there, they never would have signed that letter. I believe that to be true. I believe it is only because of the public relations efforts that Idi Amin—I mean Somoza—has generated in this country that permitted people in this House to sign their names.

Somoza has been saying for years that, "It is either me or the Commies. If it is not me, then it is the Communists."

I was walking out of the Chamber yesterday afternoon, after we heard about Bill Stewart being killed. I did not know the full details, only that a newsman had been killed. I did not know any of the specifics. As I walked out another Member of this House turned to me and said jokingly—jokingly—"Well, I see the Commies are now disguising themselves as newsmen in Nicaragua."

He laughed. Well, I got to admit I laughed, too. In retrospect, I am ashamed of laughing about it. I am ashamed of that comment that was made to me, ashamed that I would degrade myself to laugh at such a comment.

"Me or the Communists." The longer we keep up our support for Somoza, yes, there will be a self-fulfilling prophecy if he decimates the country, commits genocide on the young people, lays his country waste. Yes, when he finally goes it will be the Communists, because the moderates, the Democrats, will have left that country. They will leave in hordes as they have done since last September. It will be a self-fulfilling prophecy like Jimenez in Venezuela, Batista in Cuba, Trujillo in the Dominican Republic.

Somoza has reached the end of his line, and if we do not recognize the reality that exists down there, that the killing and genocide and bloodshed committed by Somoza and his National Guard, we are not only going to lose what friends we have left in Nicaragua, but those in Latin America, and we are going to give up our position of leadership in morality and human rights.

We should call upon President Carter to break diplomatic relations with the Somoza regime, to contact opposition forces, to cut off all trade and to publicly denounce Somoza and his National Guard and call for a political solution in that country after Somoza has left. I think this is the only thing we can do. It is the right thing to do. It is the decent and humane thing to do, to insure that the poor people in Nicaragua who are suffering and dying at the hands of this brutal dictator can have a new life, new hope, new freedom, and a new government in that country.

Mr. Chairman, I thank the gentleman for this kind indulgence.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I would like, if I may, to have the attention of my friend from Iowa (Mr. HARKIN). I would point out that I would hope he has taken the time to alert the Members who signed that letter he referred to that he would be making these comments on the floor. As least, I would hope that he would have alerted the author of that letter, Mr. MCDONALD, as a courtesy to him.

I am taking the time now to balance the record. From my experience—long experience, I may add—in foreign affairs, that as a government force suppresses an uprising of some sort, the entire situation has its provocations.

I do not believe that the National Guard in Nicaragua, as a matter of standard policy, is going about murdering people. It is not my purpose here to defend General Somoza. I do not condone murder on anyone's part on any side of this battle.

What has happened, there were incidents that provoked either nervousness or, in some cases, a lack of discipline on their part. We must not overlook the fact that Sandinistas have not been operating like Boy Scouts. There have been murders, many murders committed by the Sandinistas. There was the incident in which they stormed and held people hostage in the Parliament building; extortion from banks, and kidnapings, and the very same thing is going on in El Salvador.

I would add, if we use Cuba as an example because the gentleman did mention Batista in Cuba, that I do not think anybody in this body would want to defend the record of Batista as a Democrat or humanitarian—I say "Democrat" in the classical sense—or defend him as a great humanitarian and human rights champion. But I dare say one would have a hard time proving that the people of Cuba are in a better status under Castro than they were under Batista.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. COUGHLIN. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois (Mr. DERWINSKI).

The CHAIRMAN. The Chair would like to say that the gentleman is only technically in order in addressing this subject.

Mr. DERWINSKI. I thank the Chairman for his proper instruction. I would point out that there will be a question, when and if the Sandinistas shoot their way into power in Nicaragua, will the people of that country be better off? Will the security of the world be enhanced? Will the security of the neighboring countries be enhanced? Will it be in the best interests of the United States?

I would be the first to credit the gentleman from Iowa for sincerity. He is a dedicated man. He has done as much as anybody in this body to look after the oppressed peoples of the world, but there are two sides to any story.

And, there is the possibility, in this case, the Sandinista guerrillas who may soon be in authority. Then, I wonder if the picture in Latin America will be changed for anybody's betterment. So, I took the time because I was on the floor when the gentleman took his time, and I hope to have properly balanced the record.

The murder of the U.S. newsman is a terrible tragedy. All of Nicaragua is suffering at this time. The imposition of a Marxist dictatorship is not the answer.

Mr. Chairman, I thank the members of the committee for their indulgence.

● Mr. GEPHARDT. Mr. Chairman, I am concerned that the HUD-independent agencies appropriations bill would set aside only $37.5 million for modernization of public housing.

Many cities—both large and small—have valuable low-income housing that is aging and falling into dangerous state of disrepair. In my hometown of St. Louis, for example, the large public housing projects have experienced almost total failure of the heat and hot water systems creating woefully inadequate living conditions for the residents during the past two winters. Work has begun on repairing these systems, but $6 to $7 million is still needed to complete the task. In addition, the electrical and plumbing systems in these housing projects are on the verge of failure. In all, the St. Louis Housing Authority estimates $74 million worth of major repair work needs to be done on the five public housing projects in the core of the city. This sum does not include many smaller, newer projects which do not yet qualify for modernization funding but still need maintenance. Right now, community development funds that could be used on these newer projects are being diverted to the older units to meet their emergency modernization needs.

St. Louis is but one of many cities. The same situation exists in other older urban centers throughout the country, not to mention smaller communities which also have aging public housing projects in need of repair. A HUD survey completed early last year, now in the process of being up-dated, estimated a backlog of unfunded modernization projects totaling $1.5 billion and recommended $35 million in contract authority per year over 4 years, just to eliminate the backlog. Such an amount would not cover any new program requirements like energy conservation or the Secretary's valuable urban initiatives program, nor would it accommodate any inflation. Another survey of deferred maintenance requirements conducted by the National Association of Housing and Redevelopment Officials found that $18 million in contract authority would be needed by just 38 of the largest housing authorities.

In asking for only $37.5 million, HUD has maintained that housing authorities lack the capacity to spend more than the amount that contract authority would finance. While some authorities are not in a position to absorb an increase, many others are more than ready to begin work as soon as funds become available. In St. Louis, for example, the housing authority has completed a master plan establishing priorities for modernization work and has begun to fund, through community development block grants, preliminary design work on the repairs. The authority is ready to sign contracts as soon as it receives its allocation.

The public housing units in the cities and towns of our country represent an invaluable investment. To permit them to fall down through neglect, while continuing to pump additional funds into building new projects, would be a criminal waste of resources. In St. Louis, as have seen first hand the tragedy of totally losing a housing project which housed 40,000 people. We cannot afford to repeat that experience in our community or any other locality.

A dollar committed to rehabilitation goes much farther than one used for new construction. It is estimated that while construction of a new public housing unit costs an average of $28,000, complete modernization of a HUD prototype unit would cost only about $16,000 or about 60 percent of the new construction cost. In my view, it would be more economical and cost-effective to use a larger portion of the total contract authority in this bill for low-income housing on modernization.

Mr. Chairman, as you know, the House has indicated its support for an increased commitment to modernization of public housing through its passage last week of the housing authorization measure which would set aside at least $55 million in contract authority for that purpose. It is my hope that since the bill before us today states that "not less than $37.5 million" should be set aside, it is an indication that the true intent of the House is for considerably more than that amount to be allocated to modernization.●

● Mr. ASHLEY. Mr. Chairman, I am pleased to rise in support of H.R. 4394, the HUD-independent agencies appropriations bill for fiscal year 1980. As chairman of the Banking Committee's Subcommittee on Housing and Community Development, the subcommittee charged with the jurisdiction over the program authorizations of the Department of HUD, I would like to comment briefly on the Appropriations Committee's efforts to address the cost of our assisted housing programs.

H.R. 4394 would place limits on the amount of assisted housing funds that the HUD Secretary could commit for new and substantial rehabilitation as opposed to existing housing. The Appropriations Committee has addressed itself to a perplexing problem—the cost of our assisted housing programs. In the Housing and Community Development Act of 1974, the Congress—for the first time—linked a community's housing efforts with its development efforts. This was done through a housing assistance plan. The HAP's require a community, as part of its CD application, to describe their low income housing needs and the tools that they hope to make use of in addressing those needs. By statute, the Congress has directed the HUD Secretary to allocate assisted housing funds on the basis of these HAP's; in other words, to set the mix between new and existing housing as described in the HAP's. This appropriations bill set dollar limitations on the use of new construction and existing housing, but I believe that this limitation is crafted in such a way that both the objectives of the housing assistance plans and the Appropriations Committee's efforts to control costs of the program can be met. It is my understanding that there has been approximately $150 to $200 million in contract authority available for carryover purposes at the end of each of the last fiscal years. This carryover authority would remain available to the Secretary in fiscal year 1980 to be used without regard to the limitations imposed by H.R. 4394, so that these additional funds, if they remain available at the end of the current fiscal year could conceivably be used by the Secretary to meet the mix that the housing assistance plans have determined. I can well understand the Appropriations Committee's dilemma between the continuing need for new assisted housing units and the demands of budget restraint. There is no question that new housing is expensive, but I am hopeful that I can work together with my friend and colleague, **Ed Boland**, to reduce the costs of these programs while retaining our objective to permit local determination of the housing mix to the maximum extent feasible.●

● Mr. HEFNER. Mr. Chairman, I rise to indicate my support for H.R. 4394, the Housing and Urban Development-independent agencies appropriation bill, 1980, which includes the funds to carry out veterans programs administered by the Veterans' Administration.

I will limit my comments to the Veterans' Administration's medical care budget request for fiscal year 1980. As demonstrated at the oversight hearings by the Veterans' Affairs Committee, the Veterans' Administration medical care budget request is not sufficient to carry out the Veterans' Administration's mission of providing quality medical care for eligible veterans. Members will recall that the budget ceiling in this concurrent budget resolution was increased to reflect needed funds for veterans' medical and hospital care.

The bill before us increases the medical care item by $76,380,000 above the Veterans' Administration's budget request which coincides with the Roberts amendment to the concurrent budget resolution. This increase will provide for an additional, 3,800 full-time health care personnel. Given the present budget situation, we believe this is a step in the right direction. The additional funding will not only help restore medical personnel who have been reduced during the current fiscal year, but prevent further reductions for fiscal year 1980.

I commend the chairman of the Housing and Urban Development-Independent Agencies Subcommittee, the Honorable EDWARD P. BOLAND of Massachusetts; the ranking minority member of the subcommittee the Honorable LAWRENCE COUGHLIN of Pennsylvania; all members of the subcommittee and members of the full committee, including its chairman, the Honorable JAMIE WHITTEN of Mississippi for supporting these increases.

I urge the Members to approve H.R. 4394, with its increased funding for veterans' medical care and research, and hope that the Senate will also approve this increased funding which will help assure the veterans of this Nation, that they will not be turned away by the Veterans' Administration during the coming year because of inadequate funds or staffing when veterans seek the medical care to which they are entitled.●

● Mr. CORRADA. Mr. Chairman, I rise in support of the appropriations for the Veterans' Administration as provided under H.R. 4394.

We have come once more to consider the appropriations for the third largest Federal agency, in terms of employment, and the provider of services to a potential population of recipients comprising 43 percent of the total population of the United States.

It is the general feeling that the veterans' benefits and services will continue to be provided at the same level of quality and quantity as presently if the amount of $20.318 billion is appropriated. The VA has been successful so far in meeting the needs of the veterans of this Nation, which are the results of the sacrifices made by them while providing military services to this country. However, I have been receiving complaints of my veterans' constituency regarding some reductions and in other cases the unavailability of services previously provided.

They are aware that these are difficult times. That the administration has set their goals to meet more effectively the special needs of the Vietnam-era veterans, to organize the VA medical system to better accommodate the increase in the number of aging veterans and to concentrate financial assistance benefits to the most needy veterans. But they are afraid that these changes in priorities and the maintenance of the VA budget at almost the same level as that of the fiscal year 1979 budget, with the addition of new programs, might cause to them an adverse impact.

Their message to me and I guess to all of you is that they understand that the austerity measures and the ensuing inconveniences of the present time are transitory. That eventually, all VA programs will rise to that level of expectancy that they really deserve. Perhaps their fears are ill founded but they do not want us to remain ecstatic before adversities, and most important of all that we should not forget them.

I urge to support and vote for this VA appropriation.●

Mr. COUGHLIN. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman yield back the balance of his time?

Mr. COUGHLIN. I do, Mr. Chairman.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk proceeded to read the bill.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SIMON) having assumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

□ 1750

1978 ANNUAL REPORT OF FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

In accordance with section 5347(e) of Title V of the United States Code, I hereby transmit to you the 1978 Annual Report of the Federal Prevailing Rate Advisory Committee.

JIMMY CARTER.

THE WHITE HOUSE, *June 21, 1979.*

LEGISLATION TO REDUCE FEDERAL ECONOMIC REGULATION OVER TRUCKING INDUSTRY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-155)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Public Works and Transportation and the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

I am today transmitting to the Congress legislation to reduce substantially Federal economic regulation over the trucking industry.

The trucking industry today is subject to perhaps more complex, detailed, and burdensome Federal regulation than any other industry in our Nation.

Not only does the Interstate Commerce Commission control who may enter the trucking industry, the ICC must also approve the application of an existing carrier seeking to offer new services or improve its old ones.

But ICC regulation merely begins when a certificate is awarded. The ICC, not the trucking company, decides what cities and towns a carrier may serve. The ICC, not the trucking company, decides in detail what commodities the carrier may haul—and whether any commodities can be carried on the return trip. The ICC, not the trucking company, often decides the actual highway the trucker must use, whether stops may be made to serve points along the way, and whether the trucker may take the most direct route to its destination.

This system of detailed regulation was imposed in 1935 when the trucking industry was in its infancy, and when the Nation was in the midst of its most serious depression. At that time, competition was blamed for the Nation's economic woes. Many believed that extensive government control was needed to protect the newly developing trucking industry.

In the 44 years since regulation was first imposed, conditions have changed dramatically. The trucking industry has matured and prospered, and our economy has become strong. But our system of regulation has remained basically the same.

ICC-regulated carriers are also sheltered from price competition. In 1948, Congress overrode President Truman's veto and enacted a special immunity from the antitrust laws that permits regulated trucking companies to meet together and decide upon rates. This conduct, which would be a felony in nearly every other industry, stifles competition, discourages innovative pricing, and forces the prices of consumer products higher than they otherwise would be.

Our current regulatory system contributes to three of our Nation's most pressing problems—inflation, excessive government regulation and the shortage of energy. Since regulation permits price-fixing and stifles price competition, consumers are unnecessarily paying billions of dollars a year in higher transportation prices. During these inflationary times, government policies that needlessly raise costs cannot be tolerated.

Regulation also subjects one of our Nation's most important industries to a mindless scheme of unnecessary government interference and control. Rather than putting their talents and energies to the task of providing the prices and services customers want, trucking companies are forced to concentrate on proposing measures that government regulators will permit.

Finally, regulation needlessly wastes our Nation's precious fuel by preventing carriers from making the most productive use of their equipment, and by requiring empty backhauls and circuitous routings.

The legislation I am proposing will restore the competitive spirit to the trucking industry, reduce inflation, minimize government regulation and save energy.

The major provisions in the legislation are summarized below.

NEW, COMPETITIVE POLICY STATEMENT

The bill I propose establishes a new policy statement to govern all aspects of ICC regulation of the trucking industry. The policy statement emphasizes reliance on competition rather than government regulation to the maximum extent possible to reduce rates, improve service, attract capital, increase efficiency and offer the opportunity to earn fair profits.

The policy statement also emphasizes the need to reduce existing regulations which contribute to concentration of market power, waste energy, restrict entry and services to smaller and other communities, protect larger carriers at the expense of smaller carriers, and adversely affect the long-term maintenance of fair wages and working conditions.

The policy statement also emphasizes the need for more effective safety regulation.

REMOVAL OF CERTIFICATE RESTRICTIONS

ICC certificates today are subject to a variety of restrictions that control every aspect of a motor carrier's operations. For example:

Backhaul Restrictions. Many certificates award only one-way authority, or specify that a carrier may haul commodities to a point, but with "no transportation for compensation upon return unless otherwise authorized." As recently as 1975, only half the operating certificates awarded contained authority to haul goods on a return trip.

Prohibition on Intermediate Stops. Many certificates prohibit carriers from making intermediate stops between authorized points. This prevents carriers from maximizing their loads, increases costs, and keeps many towns, especially smaller ones from receiving the best possible service.

Route Restrictions. Most certificates authorizing the carriage of general commodities specify the actual highway the truck must use.

In addition to restricting operating flexibility, these restrictions harm service to small towns. A carrier cannot leave the highway to serve a town off the beaten track without violating the law.

Circuitous Routings. In some instances, carriers are required to take an indirect route or travel through a designated "gateway city" to reach their destination. For example:

—Denver, Colorado and Albuquerque, New Mexico, are connected to each other via Interstate 25, a distance of 442 miles. Garrett Freight Lines is permitted to haul freight from Denver to Albuquerque—but only if it goes by way of Salt Lake City, a distance of 730 miles.

—In 1974, during the height of the energy crisis, Consolidated Freightways was denied a request to travel directly between Minneapolis-St. Paul and Dallas. The carrier's route authority required it to travel 37% extra miles on trips between the two points. Despite the company's desire to eliminate excessive mileage and save fuel, the ICC denied the request because the new service would harm carriers already serving the route.

Circuitous routings, like regulations which require trucks to travel empty, waste precious fuel and increase costs and prices.

Commodity Restrictions. ICC certificates specify in detail the commodities a carrier is authorized to haul. These restrictions often follow no logical pattern and serve no apparent purpose. Some certificates, for example, authorize the carrier to haul crated, but not uncrated machinery; or allow paint hauled in 2-gallon cans, but not paint in 5-gallon cans. One recent certificate permits a carrier to haul bananas. The carrier may also haul pineapples, but only if mixed with loads of bananas.

In another case, a regulated trucker whose certificate authorizes him to haul "foodstuffs" recently wanted to haul beer. Permission was denied by the ICC. Although "wine" falls into the category of "foodstuffs," "beer" does not. If this trucker persists in his desire to haul beer, he must go through the burdensome, costly and time-consuming process of obtaining a certificate to haul "malt beverages."

As a result of backhaul and other regulatory restrictions, enormous amounts of fuel are wasted each year. This waste needlessly raises prices and significantly aggravates the energy shortage.

The legislation I am proposing provides that:

—All backhaul restrictions are removed immediately.

—All prohibitions on making intermediate stops between authorized points are removed immediately.

—All route restrictions, including requirements that a carrier take a circuitous route or pass through a designated gateway city, must be removed no later than December 31, 1981.

—All restrictions limiting the types of commodities a carrier may haul must be removed no later than December 31, 1982.

—All other restrictions must be removed no later than December 31, 1983.

—The ICC is directed to adopt liberal standards and expedited procedures for carrier petitions for removal of individual restrictions prior to the statutory deadlines. Opponents to carriers' petitions have the burden of proof to show why a restriction should not be removed.

—The ICC is directed to develop a program allowing existing carriers to increase each year their operating authority by a limited amount without ICC approval. The ICC program shall emphasize increased opportunities to serve small towns.

ENTRY AND PROCEDURAL REFORM

Before a carrier can haul regulated commodities, and before an existing carrier can expand or rationalize its operations, it must obtain authority from the ICC. Obtaining new authority has been difficult. The applicant has the burden of proving that the new competition is "required" by the public convenience and necessity. Carriers already serving the route have been able to block new entry if they could provide the service themselves, or if the new competition might impair their profitability. Although the ICC has begun to grant a larger percentage of these applications, the existing statute still requires carriers to meet an excessive burden. The ICC needs new statutory authority to carry forward the liberalization that it has begun.

This regulatory maze is particularly burdensome to small businesses. Large businesses may be able to afford experts to go through complicated regulations and wait the long months or years to obtain decisions, but this is not true for the small entrepreneur.

The legislation I propose liberalizes these restrictive entry standards. The bill substantially reduces regulation over time, and places increasing reliance upon the competitive marketplace. The bill:

—Retains the requirement that the applicant prove it meets financial, safety and insurance requirements (i.e., that it is "fit, willing, and able").

—Reverses the burden of proof and requires *opponents* of new competition to show that the transportation applied for would be inconsistent with the public convenience and necessity.

—Applies new standards for the "public convenience and necessity" test. The ICC must give substantial weight in favor of the application where it finds that the service would lower operating costs, improve fuel efficiency, meet consumer or user preference for service or lower rates, improve service to small communities; or generally improve the competitive climate. The ICC shall not consider possible diversion of revenues or traffic from other carriers.

—Requires the ICC to make a final decision on entry applications within 90 days.

—Grants the application of any fit, willing and able carrier to enter a point which an authorized carrier does not serve, or which a railroad has abandoned.

EXEMPTIONS FROM ICC REGULATION

From the start, major farm organizations opposed Federal economic regulation of the trucking industry. Farmers believed regulation would raise prices and limit the operating flexibility needed for distribution of agricultural products, many of which are perishable. Congress responded in 1935 by granting an exemption from ICC regulation for unprocessed agricultural commodities.

The agricultural exemption has served our Nation's farmers and consumers well. The exemption is too restrictive, however, and should be expanded. For example:

—raisins are exempt, if they are coated with honey, cinnamon, or sugar but not if they are coated with chocolate;

—wood chips for making wood pulp are not exempt, but wood cut into short crosswise lengths for firewood (not sawed lengthwise) are;

—frozen dinners are exempt, unless they are frozen chicken or seafood dinners;

—crab shells are exempt, but oyster shells are not;

—an owner-operator has stated, "I carry all the ingredients to the cannery to make the soup, but I cannot carry the canned soup back."

These narrow restrictions have resulted in significantly more empty backhauls for exempt truckers than for regulated truckers. The transportation costs for food, and hence food prices to consumers, are consequently higher.

The bill I propose expands the agricultural exemption to include livestock; agricultural, horticultural or aquacultural commodities; food and any edible products; and farm implements and supplies, including seed, fertilizer, and chemicals.

These provisions will allow better utilization of trucks and fewer empty backhauls. The result will be better trucking services and, most important, lower rates for farmers and lower food prices for consumers.

The bill also gives the ICC authority to grant exemptions from regulation, and expands the authority of agricultural cooperatives to haul regulated commodities for non-farmers.

CONTRACT CARRIERS AND FREIGHT FORWARDERS

CONTRACT CARRIERS

Contract carriers are ICC-regulated carriers who give specialized service to a limited number of shippers. They differ from common carriers in that they do not hold themselves out as serving the general public.

Although regulation of contract carriers has been less severe, this segment of the industry has been subject to two major restrictions: (1) they have been prohibited from applying for common carrier authority; and (2) they have been prohibited from entering into contracts to serve more than eight shippers. This second restriction has been particularly harmful to small shippers because contract carriers naturally arrange to serve only the eight largest shippers they can find.

Although the ICC has recently decided to reverse these two restrictions, their decision is being challenged in the courts by the trucking industry, and the outcome remains uncertain.

The bill I propose permits contract carriers to hold common carrier authority, and states that the ICC may not limit the number of shippers that a contract carrier may serve.

FREIGHT FORWARDERS

Freight forwarders are regulated companies who consolidate small shipments, pay a common carrier (railroad, motor carrier or airline) to transport the shipments to the forwarder's terminal in another area, and then deliver the shipments to their ultimate destination.

The bill removes unnecessary restrictions on freight forwarders. Freight forwarders will be permitted to negotiate rates and enter into contracts with rail and motor carriers. The removal of these restrictions will enable freight forwarders to compete more effectively, and will afford shippers of small shipments a greater variety of price and service options.

RATES AND RATE BUREAUS

Collective ratemaking, commonly known as price-fixing, is normally a felony, punishable by fines up to $100,000 and three years imprisonment for individuals, and up to $1 million for corporations.

Since 1948, however, the regulated trucking industry has enjoyed a special exemption from the antitrust laws. This immunity allows trucking companies to meet in secret and decide the prices they will charge for truck transportation. Although rate agreements are theoretically subject to ICC review, the ICC has been inclined to rubber stamp rate agreements rather than subject them to an independent and thorough review. This lack of effective oversight is due in part to the sheer volume of processing, some 5,000 pages of rates tariffs are filed before the ICC each day.

Legalized price-fixing and the lack of rate flexibility have cost consumers billions of dollars in higher prices. There is considerable evidence that rates are significantly higher today than they would be if set by the competitive marketplace.

—The Director of the Council on Wage and Price Stability has stated that consumers pay some $5 billion a year in extra costs because of the current regulatory system.

—Rates for the transportation of exempt agricultural commodities are lower than they would be under regulation. A representative of the American Farm Bureau Federation has estimated that:

> ". . . if agriculture had been saddled with a totally regulated motor carrier and barge transportation system for the past 35 years, the cost of transportation, which now accounts for nearly 10% of the nation's food bill, *would be a third greater*."

—In the mid-1950's, fresh and frozen dressed poultry and frozen fruits and vegetables were declared exempt from ICC regulation. The U.S. Department of Agriculture estimates that as a result of deregulation, trucking rates dropped substantially for those commodities.

—A recent study concludes that unregulated household mover rates within Maryland are 27–87% lower than rates for comparable interstate shipments.

—The trucking industry is highly profitable. Last year the largest eight trucking companies earned an average return on equity of 28.8%. These returns far exceed the average 14% return on equity earned by unregulated manufacturing companies, as well as the return on equity for the top firms in any other major industry.

Because regulation permits such high profits and makes operating certificates so scarce, ICC certificates are bought and sold for enormous sums. When Associated Transport went bankrupt in 1976, the operating rights carried on its balance sheet at $976,000 sold for over $20 million. Eastern Freightway, Inc., recently sold rights for about $3.8 million. Ultimately, of course, the buyer must recover the certificate's price from its customers in the form of higher prices.

The bill I propose:

—repeals the special antitrust immunity, making the trucking industry subject to the same antitrust laws that govern most other industries. Although carriers would be prohibited from discussing and voting on rates, rate bureaus may continue to publish rates. Carriers may also continue to interline and set joint line rates so that a shipper can pay one rate even though more than one carrier hauls the shipment to its final destination;

—encourages price competition by preventing the ICC from disapproving rates within a zone. For the first two years, carriers may lower their rates 20%, or raise their rates 5% per year, without ICC interference. At the end of two years, the ICC may not disapprove a rate reduction unless the rate would be predatory, and carriers may raise their rates 7% per year.

MERGERS

The bill requires the ICC to weigh possible anticompetitive effects of the proposed mergers.

The ICC may not approve or authorize any merger or acquisition if there is likely to be a substantial lessening of competition, creation of a monopoly, or a restraint of trade—unless the ICC finds that the anticompetitive effects of the transaction are outweighed by significant transportation needs that could not be satisfied by a reasonably available alternative having materially less anticompetitive effects.

After five years, the ICC's authority over mergers is eliminated, and jurisdiction is transferred to the FTC and the Department of Justice.

PRIVATE CARRIAGE

Under existing law, non-transportation companies (such as Montgomery Ward and Pet Milk) may transport their own goods free from ICC regulation. Although these "private carriers" are not directly regulated by the ICC, their operations have been severely restricted. As a result, private carriers are plagued with an unusually high rate of empty backhauls. The bill I propose would allow private carriers to apply for authority to carry non-company commodities, to provide transportation for corporate subsidiaries, and to permit private carriers to apply for authority to carry non-company commodities, to provide transportation for corporate subsidiaries, and to permit private carriers to "trip-lease" with certificated carriers for single trips.

TRUCKLOAD TRANSPORTATION

"Truckload" motor carriers of property, who concentrate on hauling specialized commodities in full truckload lots, are already a relatively competitive sector of the trucking industry. The ICC has been more liberal in granting entry, and rates are often negotiated between the shipper and carrier. Truckload carriers compete with railroads and with private carriers. The Commission has recently announced plans to deregulate several types of these "special commodity" carriers of truckload traffic.

The bill builds on this trend toward less regulation of this segment of the industry. After two years, entry and rate controls over truckload transportation are removed.

After two years, any trucking company that meets safety, financial, and insurance requirements may haul truckload lots to any point. Rates are subject only to the antitrust law's prohibition on predatory pricing. "Truckload" transportation is defined as carriage (a) by specialized commodity carriers, as categorized by the Commission; (b) in lots over 10,000 pounds; or (c) in lots under a single bill of lading.

PROPOSALS FOR FURTHER CHANGE

The legislative changes I am proposing in this bill will make the trucking industry substantially more efficient, competitive, and responsive to consumers. It will also greatly reduce government interference with the economic decisions of trucking companies. However, there will remain a greater degree of regulation over trucking than exists for any industry of comparable size and competitive potential. After increased competition in this industry has had a chance to take hold, we should consider whether ICC regulation over the trucking industry should continue.

The bill requires the Secretary of Transportation, in cooperation with the ICC and the Department of Justice, to report to the Congress by January 1, 1983, on the effects of this legislation, and whether ICC regulation over the trucking industry should be continued.

Finally, I will soon send to Congress proposals which assure that consumers receive increased protection in the household moving industry.

IMPROVEMENT OF SERVICE TO SMALL COMMUNITIES

The bill I propose contains the following provisions that will improve trucking service to small communities:

1. The general policy statement that governs ICC decisions specifically directs the ICC to improve small town service. There is no such provision in existing law.

2. In determining whether applications for entry meet the "public convenience and necessity" standard, the ICC is directed to emphasize increased service to small communities. There is no such requirement in existing law.

3. Certificate restrictions are liberalized to improve service to small communities. For example, many certificates today specify the actual highway a trucking company must use. If a truck leaves the designated highway to serve a town off the beaten track, it is violating the law. The proposed legislation liberalizes these certificate restrictions, and makes it easier for trucking companies to obtain authority to serve small towns.

Many existing certificates do not allow trucks to make intermediate stops and serve towns between authorized points. These restrictions are particularly harmful to towns that are so small that trucking companies are unwilling to undergo the costly and often unsuccessful process of obtaining authority to serve them. The proposed legislation would remove these restrictions and permit carriers to stop at intermediate points immediately.

4. The program for phased route expansion without ICC approval will emphasize increased service to small communities. There is no such program under existing law.

5. The agricultural commodity and agricultural co-op exemptions are substantially broadened. This will give carriers serving small towns increased opportunities to fill their trucks with commodities they cannot now carry.

6. Increased pricing flexibility will allow lower backhaul rates to small communities.

7. Any carrier that meets financial, safety, and insurance requirements (a "fit, willing, and able" carrier) may enter a point which an authorized carrier no longer serves, or which a railroad abandons. There is no such provision in existing law.

SAFETY

Reforms in safety enforcement are necessary because present levels of safety are unsatisfactory, and because authority to monitor safety practices and to sanction safety violations should be strengthened. These provisions are distinct from the economic reforms and are not made necessary by them.

The bill I propose places new emphasis on the existing fitness test which guarantees that all new entrants into the industry are safe. It also consolidates the safety authority in the Department of Transportation, and gives the Secretary of Transportation broader and more effective authority to deal with safety violations.

These reform proposals for the trucking industry, together with airline deregulation and my recently proposed rail reforms, fundamentally reshape Federal regulatory policies toward the transportation industries. These new policies recognize that our national interest in a more productive, fuel-efficient and responsive transportation system can be best achieved with less Federal regulation and more reliance on private initiative.

JIMMY CARTER.

THE WHITE HOUSE, *June 21, 1979.*

LT. GOV. JOHN S. WILDER

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONER of Tennessee. Mr. Speaker, I rise today to bring to the attention of the Congress and the American people an outstanding speech by the Tennessee Lieutenant Governor, John S. Wilder, before the Giles County Chamber of Commerce on June 7, 1949. Lieutenant Governor Wilder's statement on the energy situation should serve as a warning to the American people, and is an informative and hard-hitting statement on many of the issues now facing the United States relating to the energy crisis. I agree with his recommendation that the citizens of Giles County should voice their opinions to Washington, to their Senator, Congressman, President, and bureaucracy in order that the leaders of the Nation's Federal Government would be able to understand the views and comments of local citizens who are affected greatly by the energy situation.

I believe, Mr. Speaker, the Federal Government should adopt an adequate energy policy that would encourage both the conservation of existing energy supplies and encourage the development of future and alternate sources of energy. I am sure you agree with me that there are many unanswered questions regarding the report of a gasoline shortage.

On May 31, 1979, I commented on the energy crisis before the House of Representatives, detailing some of my major concerns in this area. At that time, I indicated that it is the duty of Congress to provide the American people with the answers so that once again the people of our Nation will know that we still have a government for the people. I believe strongly, that first, we must provide an adequate gasoline supply for all Americans so that jobs and income are not affected by the shortage; and second, the price of gasoline offered to the consumers must be offered at a price that will not bankrupt the businesses and households of this Nation.

It seems to me, Mr. Speaker, that we have not adequately addressed the plentiful and untapped sources of energy in this Nation, such as coal, geothermal energy sources, solar energy, and oil shale development. I agree with the Lieutenant Governor's estimates that these energy sources are not being potentially tapped to the Nation's best advantage.

The United States is blessed with huge deposits of coal and oil shale. Deposits of coal and oil shale is the Nation's most abundant energy resource and estimates place these resources between 10 and 12 trillion tons, or 640 billion tons of which can be considered our present day reserves. At current consumption levels this is enough coal for several hundred years. Additionally, the United States has vast reserves of oil shale in Colorado, Utah, and Wyoming, continuing an estimate of 1.8 trillion barrels of oil. This amounts to roughly three times the amount of known crude oil reserves in the Middle East.

I agree with the Lieutenant Governor's statement that it is ironic that the greatest Nation in the history of the world, the Nation that can place men on the Moon, cannot get its act together to effectively utilize the abundance of energy resources right below our feet. As my statement to the House indicated, this is a most complex issue, and the Congress and the American people demand an effective and a dynamic energy policy to begin moving this Nation away from dependency and toward self-sufficiency. The Lieutenant Governor's June 7 remarks follow:

REMARKS OF TENNESSEE LT. GOV. JOHN S. WILDER

Scenic, historic Giles County, Tennessee, USA. My kind of country!

You people sure have a lot to be proud of here. This is one Chamber of Commerce that doesn't have much of a chore. A temperate climate, rich soil, abundant rainfall, phosphate, hardwood, soybeans, cotton, corn, tobacco, hereford cattle, the famed Tennessee walking horse. You've got it all. I'm told this is the only place in the entire world where cotton and bluegrass grow side-by-side.

I have also been reminded that Andy Jackson, himself, named Giles County—for the very congressman responsible for Tennessee being admitted as the sixteenth state of the union.

But you know all this. Still, it's good to pat yourselves on the back occasionally. A healthy economy—half agricultural, half industrial. Upwards of 5,000 industrial employees with an annual payroll exceeding 32 million dollars. And an unemployment rate that continues to rank among the lowest in this section of the country. Yes, Giles countians have a lot to be proud and thankful for.

Now—if you just didn't have this energy problem thing.

Remember just a few short months back when the scare was the one-dollar-a-gallon gasoline? Well, we're almost there. But we're told the higher prices are a result of a shortage. While, at the same time, we're told the higher prices are designed to ease the shortage. And now we hear prices will go to one-dollar-and-a-half-a-gallon before any action is taken by domestic oil producers to ease the fuel shortage. Supposedly, that's the magic figure that prices will have to reach before the oil industry starts digging more wells, or extracting oil from shale. They say that's the price it will take for them to turn a profit.

Yes, we have a real energy problem. There appears to be a shortage and as each of us surely knows, there appears to be a price increase almost weekly. But, there isn't much you can do about it, you say? Maybe so, maybe not. A unified voice of more than 23,000 Giles countians ought to be heard in Washington. And hopefully, your voices combined with millions of others nationwide, could make a difference.

Charges and counter-charges about who is to blame for the high prices and fuel shortages are hot and heavy across the land at the moment. The oil companies blame the President, the President blames the world economy. Congress blames Schlesinger, Schlesinger blames the oil companies, a California Senator blames it on the numbers of less affluent motorists. Then we hear it is the oil industry "daisy chain" middlemen.

We hear there's really no shortage at all—it's just a plot to get the prices up and that then there will be plenty of oil. In addition to no oil at all, we learn there is old oil and new oil. The President comes up with a plan for total decontrol of prices on old oil. For what it's worth, that plan is now underway—I think.

Divestiture is called for—breaking up of the huge oil monopolies with the antitrust laws. The oil lobby reportedly threatens to withhold congressional campaign contributions. We hear charges that the giant oil corporations have joined in an OPEC cartel-pricing scheme. Profit kickbacks are alluded to.

The latest AP NBC news poll, taken May 29, found inflation and energy in a virtual tie for the dubious honor of being the nation's top problem. Of course, inflation and the energy crisis go hand-in-hand. The 1.1% increase in the consumer price index announced in April resulted in large part from higher gasoline and energy prices. As has been true for more than a year, the poll showed the public thinks gasoline shortages are a hoax. Sixty-five percent called the shortages a hoax versus twenty-five percent who thought they are real. Ten percent were not sure.

But the public had no clear idea of what to do about the situation: *Thirty percent said we should get tough with the oil-producing countries. *Twenty-one percent thought consumers should cut back on driving. *Thirteen percent said the government should order increased production of gasoline. *Nine percent said oil companies should be allowed to raise prices further to encourage production. Eight percent said the government should take over the oil companies. Seven percent supported gasoline rationing. Twelve percent were not sure of what to do.

Meanwhile, the Arab Shieks continued to smirk as OPEC announced its latest round of oil price increases.

Whether or not there really is a shortage or whether it is just contrived, the problem is here and now. The problem is right down the street at the gas pump. And it's not going to go away. It's not going to go away, that is, until we, as a nation, take some positive action to make it go away.

I'm not going to talk about the proverbial American love of the automobile, car pools, rationing, mass transit, weekly shopping trips, or the varied remedies we've all been advised of in recent days. I want to talk about the problem itself. And then I want to advocate what we, as a nation, can do to ease the problem.

The real fault, in my humble opinion, is simply that we've put all our eggs in one basket. The dirty word is oil. They lead us to believe we cannot exist without oil. In our frenzy, oil has become a god. All our comforts and conveniences, including energy, depend on oil.

But there are other plentiful and relatively untapped sources of energy right under our noses. Coal, solar, shale, new oil wells and even old wells not being worked are potentials that can ease if not completely solve the energy crisis in this country. Coal, especially, can be an immediate and prime weapon against the energy crisis and the skyrocketing price of oil. We have plenty of it. Enough to last, according to the various experts, anywhere from 100 to 900 years.

But, it's in the ground and we're only scratching the surface, so to speak, in extracting it. First, of course, we would have to deal with the environmentalists. The strict 1977 Amendments to the National Clean Air Act would be a stumbling block. Those Amendments impose tight controls on coal combustion emission. They would have to be reckoned with, repealed, or amended. Then too, big oil companies would have to be gotten out and kept out of the coal business.

A bill now before Congress would prohibit big oil from acquiring other large holdings, forcing them instead to invest assets in research and energy development. That bill needs to be passed.

The federal government should encourage coal mining by tax incentives and define sharp new policies favoring additional railways and ports to accommodate coal. Rather than oil, coal should be imported wherever possible. Scientists should concentrate their efforts to the development of new technologies for making synthetic oil and gas from coal.

Incentives in the form of construction loan guarantees is another area Congress should consider, along with product price supports and favorable tariffs to encourage the development of coal conversion plants. Income tax credits aimed at energy conservation is still another area that needs to again be looked at. The credits enacted last year were a step in the right direction but they need to be reworked and more realistically aimed at the actual conservation of energy. A state employee told me recently that the had spent $5,000 installing insulated windows and doors in his home. For this he was allowed a $300 tax credit on his federal income tax. Another complained that he had spent $2,000 for a heat pump that cut his electric heating consumption by 50 percent, for which he was allowed no federal tax credit.

These are but several examples of the flaws that exist in the nation's current conservation program. There are numerous others. Solar power is not being promoted. Practical and inexpensive solar space and water heating devices are now on the market. The federal government is strangely ignoring this fact. And shale. Billions of barrels of oil are contained in the shale deposits across this country. Very little progress is underway in extracting this abundant source of energy. Wind and water power are not being exploited. We rural people certainly know the practicality of using two sources of energy.

Yes, there is much that can be done, other than writhing in self-pity and looking to place blame. Let your congressmen know how you feel about this. That is the most important thing you, as an individual, can do towards finding a solution to this serious problem.

In closing, let me ask you a pertinent question. Isn't it ironic that the greatest nation in the history of the world, the nation that placed man on the moon, can't get its act together to effectively utilize the abundant energy resources right below our very feet? I thank you for your attention.

JACOBO TIMERMAN—THE SYMBOL OF ARGENTINE FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, today we in the U.S. House of Representatives call to the attention of our Nation the case of an individual who has become a symbol of the tragedy that has befallen the Argentine people and nation. In a bipartisan spirit Republicans and Democrats, liberals and conservatives, have taken time to come to this floor to demonstrate the sincere and strong support of the U.S. Congress for Jacobo Timerman, world-renowned editor and publisher of the former independent daily La Opinion, and champion of the cause of human rights in and outside of the nation of Argentina.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding.

Mr. Speaker, I think it is to all of our credit that the gentleman from New York (Mr. GILMAN) brings to our attention the plight of Jacobo Timerman in Argentina.

I had the distinct honor of meeting his son Hector yesterday, and I wish to support the gentleman in the well in every respect in this noble endeavor.

I think we are all appalled by cases of social injustice, even in circumstances that we find difficult to comprehend. For who among us, raised in a country where the Bill of Rights is our birthright, can conceive of a case where an individual is imprisoned, without due process because of his political viewpoint, his religion, and his profession. In a nation where the freedom of free press, of personal opinion and religion are accepted as doctrine, and are revered, it is difficult for us to accept how the government of any nation can summarily imprison an individual, without trial or even official arrest. Yet we know that this happens in countries that do not enjoy our individual freedoms.

Mr. Speaker, I do not presume to offer any explanation. There are others here far more familiar with the particulars than I, including my colleague on the Appropriations Committee (Mr. CONTE) and the gentleman from New York (Mr. GILMAN) who have long distinguished themselves in international cases of injustice such as these. But I think it behooves this House to have its attention drawn to circumstances such as these. For while we cannot play big brother to the world, nor can we tell other nations how to run their business, we can by our example demonstrate to the world what freedom from oppression is. By the actions of my colleagues, we have demonstrated that we do care about those in the world who do not share our ideals in government.

Mr. Speaker, parallels have been drawn between this case, and a famous 18th century case of oppression in France concerning an army officer named Dreyfus who was a victim of religious intolerance. It took world indignation and a scathing exposé by the popular journalist of that time, Emile Zola, to free an innocent man from Devils Island. While I do not stand here and say j'accuse to the Government of Argentina, I believe that they are accountable to their countrymen, and concerned citizens around the world for the treatment of this courageous individual. I applaud the action taken by the Members of this body who have taken the time to express their outrage at this injustice and focus the attention of this body upon it.

Mr. GILMAN. I want to thank the gentleman from Illinois (Mr. O'BRIEN) for his participation and interest in the human rights situation in Argentina, and for his kind help in the Timerman case.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman from New York. I want also to thank him for calling this special order. He has again proven his concern—which I strongly share—about the mistreatment and abuse of human beings.

The case of Jacobo Timerman is particularly disturbing. He is a newspaper publisher of the well-known South American newspaper, La Opinion, and was arrested for his political beliefs. Since then he has been held in jail, has lost all of his possessions, and is currently under house arrest.

Political activists in totalitarian governments are often whisked away and never heard from again. But Mr. Timerman was actually exonerated by a military tribunal following his arrest. The supreme court ordered his release. Nevertheless, he remains under house arrest.

Because Mr. Timerman has been cleared, because the Argentine Government has been unable to charge him with any other crime, I urge his immediate release.

He is an internationally known human rights figure, who certainly does not deserve the treatment he has received at the hands of his captors.

The one hopeful note is Argentina's decision to allow the Inter-American Human Rights Commission to come to that country. It demonstrates concern for human rights.

I am therefore hopeful that the Government will soon release Mr. Timerman, and allow him to be reunited with his family in Israel.

By restoring Mr. Timerman's freedom, the Argentine Government will have taken a big step toward fairer treatment of human beings. Indeed, it would be a big step for many South American countries, and one that Argentina should be proud to take.

Mr. GILMAN. I thank the gentleman for his remarks, and I am particularly thankful because the gentleman is on the House Foreign Affairs Subcommittee on Inter-American Affairs, and both the gentleman and I had the opportunity to meet with Mr. Timerman when we were in Argentina in August of 1977. I thank the gentleman for his continuing concern and contribution.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Massachusetts.

Mr. DRINAN. I thank the gentleman for yielding. I commend the gentleman from New York (Mr. GILMAN) for calling this case to our attention. Three years ago I was in Buenos Aires and had an extensive visit with Mr. Timerman. I recall that morning very well, because I told him of my mission on behalf of Amnesty International.

The next day in La Opinion, which he had founded and published, he had a 2-page spread all about what Amnesty International does throughout the world and what it was seeking to do in Argentina. I remember that visit with particular poignancy because his son Hector, who is now in the United States, came into the office halfway through our conference, and I turned to Hector and asked him what he did. Mr. Timerman interrupted and said that he knew that his office was wiretapped and as a result he asked me not to ask Hector what he was doing.

Jacobo Timerman has now been under house arrest for over 24 months. While his family have been allowed to leave for Israel, Mr. Timerman remains the victim of the politically repressive Argentine regime.

Mr. Timerman is the founder of the independent La Opinion, a newspaper which has been critical of the government in power. For this so-called crime of being critical of the government, Mr. Timerman was arrested on April 15, 1977, and spent a year in prison before being placed under house arrest on April 18, 1978, despite a ruling of the Supreme Court of Argentina that there was no judicial reason for his detention.

☐ 1800

It is appalling, Mr. Speaker, that Mr. Timerman is 1 of 119 Argentine journalists who have been imprisoned, placed under house arrest, or forced into exile.

The Anti-Defamation League recently awarded Mr. Timerman the Hubert Humphrey Freedom Prize for his accomplishments as a journalist, publisher, and editor. The Argentine Government refused to allow him to attend his son's wedding in Israel in the recent past. This is one more proof of the vindictive policies and the unjustifiable violations of human rights on the part of the government of Argentina.

Students, activists, authors, political figures, and hundreds of other citizens have disappeared since the military coup of 1976. Rereading my report for Amnesty International, Mr. Speaker, I was very depressed and saddened to realize the situation has deteriorated over the past 3 years in Argentina. Amnesty International now puts the total of disappearances attributable to the security forces in the past 3 years at the astonishing number of 15,000. Many of those people are feared dead. Others have been the victims of systematic brutality in one of the dozens of secret detention camps. It is incumbent upon us to do everything we can to benefit Mr. Yacobo Timerman and his family. With our help, perhaps Mr. Timerman can soon receive the award his son so graciously accepted for him in New York on Tuesday.

Mr. Speaker, I ask permission to submit for the RECORD two articles which appeared recently in the New York Times describing the appalling conditions in Argentina today. I hope that this body will continue to speak out on behalf of Mr. Timerman until he is free to live the life he chooses without censure and without harassment.

I thank the gentleman from New York for this special order and for his leadership on this issue.

Extraneous matter follows:

ARGENTINA'S TERROR

(By John B. Oakes)

BUENOS AIRES.—Lieut. Gen. Jorge Rafael Videla, President of Argentina and head of the military junta that ousted the disintegrating Perón regime in 1976, speaks with pride as he recounts the junta's accomplishments during the past three years.

"When we took over, there was chaos and a complete vacuum of power," he recalls. "In three years, we've achieved order where there was disorder, peace where there was violence, and progress where there was none. At this stage, our aim is to establish an authentic democracy through a dialogue between the people and the armed forces. This will take some time."

The President's Minister of Finance, José Martinez de Hoz, far and away the most powerful civilian in this miltary Government and the toast of international bankers, cites a long string of figures to show that—despite persistent inflation of 150 percent or more per annum that is becoming an Argentinian way of life—the economy of this inherently rich and potentially productive country of 25 million people is on the verge of taking off.

But neither the President nor his Finance Minister is able to give a satisfactory explanation for the continuance of the muted reign of terror under which the Aregentine people have been living since even before the coup that brought this law-and-order government to power.

Law and order? The regime has in fact junked the law to achieve and maintain its definition of order. Arbitrary arrest, denial of habeas corpus, brutal prison conditions, kidnapping, torture, murder, dismemberment, disappearance—these have become systematized to achieve a kind of military order at the expense of civil law.

Reign of terror? No less bloody than many previous reigns of terror in other lands and other eras, the Argentinian reign of terror is yet more sinister—executed in the dark, operated in secret, uninhibited by law, uncontrolled by authority, unacknowledged in public and (except for the brave, American-owned, English-language Buenos Aires Herald) all but unreported in the press.

It has been responsible for the "disappearance" of at least 5,000—more probably 15,000—Argentinian citizens without a trial and without a trace. It has also been responsible for the arrest without warrant and without charges of 2,500 to 3,000 others, some of whom have been languishing in jail for two years or more. Though on much reduced scale in recent months in the face of an impending visit to Argentina of the Inter-American Commission on Human Rights, the arrests continue—and can always be resumed in full force at a moment's notice.

"What happened at the start was really very simple," said a foreign observer who has lived through it all. "The military Government adopted terrorist tactics to combat the urban guerrillas who in the early and middle 1970's were conducting a reign of terror of their own, including kidnapping, torture and murder. The military were so successful in their undercover war that in less than a year they had achieved their original objective. The two main guerrilla groups were virtually eliminated. But then the regime's counter-terrorism began to take on a life of its own. The targets have changed but not the methods—and that's where we are today."

Where we are today was demonstrated—until recently—by the weekly gathering in front of Argentina's White House, the "Casa Rosada," of anywhere from a few dozen to a few hundred mothers of some of "the vanished ones," demanding news of their sons and daughters even if nothing more than the knowledge that they were dead or alive.

After some threatening arrests, this form of protest has now been abandoned—but not before the mothers had moved across the Plaza de Mayo from the Casa Rosada to the Cathedral, whose doors were promptly closed in their face.

Where we are today is suggested from time to time by the discovery of bodies washed up along the banks of the River Plata—the bodies often dismembered or disfigured to prevent any possibility of identification.

Where we are today is told in the stories of those few who have come back from imprisonment and who have not been terrorized into silence: tales of degrading torture by electric shock and other devices, of beatings and incarceration in fetid cells far worse than those reserved for common criminals.

Where we are today is revealed in the fate of the 2,500 to 3,000 prisoners suspected of "ideological subversion" and now held under what is called "executive detention." They have been arrested without charge, interrogated under routine torture, imprisoned without trial for indefinite terms.

They are being held entirely at the pleasure of a President who—as he said in an interview a few days ago—looks forward to that distant day when he can have a "dialogue" with the people.

VANISHED IN ARGENTINA

(By John B. Oakes)

BUENOS AIRES.—As he left his apartment on a recent morning, the young man told his wife that he was going down the street on a brief errand and would soon return. When he failed to reappear after several hours, his wife went to the local police station to see if there had been an accident. Neither she nor her husband has been seen or heard from since. This is life in Argentina.

This young couple may yet turn up—after the usual questioning under torture—among the nearly 3,000 political prisoners suspected by the secret police of "ideological subversion" and known to be held without charges, without trial, without hope of release except at discretion of the President.

But, more likely, they will have already joined the lengthening lists of the "disappeared." These are the victims—now mostly presumed dead—of that secret and savage war of terror against terrorism that has already cost the lives of 5,000 to 15,000 people and has poisoned Argentine political life for at least the past three years.

Having beaten the urban and rural guerrillas at their own game and virtually destroyed them by their own methods, the army's clandestine forces gradually widened their counter-terrorist net in ever-increasing circles.

"They're after the potential subversives now, the so-called 'ideologues,'" says a prominent Catholic civil-rights lawyer who was once a high official of government. "These are the labor leaders, lawyers, doctors, social workers, intellectuals, students suspected of any leaning—or potential leaning—toward the left. And if they happen to be Jewish, so much the worse for them." There have only been about 20 "disappearances" this year—a significant drop from last year's 50 to 200 per month. "But they do continue," the lawyer added. His own 21-year-old daughter, a social worker, was picked up by the police one night three years ago while she was assisting a group of nuns working in one of Buenos Aires' poorest areas. Taken away for "an hour's questioning," she—like thousands of others—has not been seen again.

"All we found next day was hair and blood on the floor," tersely said the wife of a prosperous businessman whose sister had been wrenched from her home one night. She, too, was never seen again.

The pattern is always the same. To every inquiry, every attempt at habeas corpus, every plea for information—except in the rarest cases—the answer invariably comes back: "Sorry, we never heard of him. That case doesn't exist." The Papal Nuncio, a human-rights activist (which Buenos Aires' Cardinal is not), has passed along to the authorities appeals from 4,000 families of "the vanished ones." He has received substantive replies in two of these 4,000 cases.

It's an Orwellian world. "This is the first time I've ever been in jail," said one prisoner to his captors. "No," was the reply. "You're not in jail; you're simply out of society." And being "out of society" means systematic torture to extract information (the Argentinians, always admirers of the French, model their techniques on those used in Algeria)—even if it doesn't end (as it so often does) in death, dismemberment and disappearance.

"After his arrest without charge when he reported for military service, he was blindfolded, kicked, urinated on as he lay on the floor of his cell, tortured with electric shock to make him reveal his suspected 'subversive' associates, beaten with chains," says the wife of a distinguished professor, speaking of her 26-year-old son.

"That was three and a half years ago. His cell is 6x9 feet; he is up at 5, in bed at 9, and not allowed to lie down in between. He's in the courtyard two hours a day—but no sports, no recreation. He's allowed three novels per month. It's physical and mental paralysis. His case is still on appeal; but no lawyer can take it because there are no charges against him."

"Mothers seek son, daughter and grandchild" reads a four-column headline in The Buenos Aires Herald, the only daily that has the courage to print this kind of story as news. The story itself is not unusual. A young engineering student and his pregnant wife had been kidnapped a year ago and have not been seen since, nor has the whereabouts of their baby, if it lives, ever been revealed. But this is unusual: what the mothers of the missing couple said in a paid advertisement in one of the capital's major newspapers.

"We believe that the fate of our children has something to do with the destiny of the entire nation. We believe that a society that hides and tolerates barbarity is preparing its own destruction, because it becomes an accomplice to it. The most capable and most renowned people become used to keeping quiet. And while they do so, the most unscrupulous, arrogant, bloodthirsty and cowardly become . . . the masters. We want to see a free and proud country, with men who raise their voices so that justice and peace may reign forever."

Mr. GILMAN. I thank the gentleman from Massachusetts for his poignant remarks and for being such a champion of human rights. We certainly welcome his contribution in this battle for the liberty of the oppressed.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. LENT. Mr. Speaker, as one who has long fought for the cause of human rights, I am pleased to participate today in the special order of my colleague, Hon. BENJAMIN GILMAN, and to help direct the attention of the House to the Timmerman case.

This case is a glaring example of why we who work for human rights can never rest, but must vigorously maintain our efforts. Jacobo Timerman, editor and founder of the leading Argentinian newspaper La Opinion, was unfortunately sucked up in the maelstrom of the ruling junta's backlash to the so-called Gravier affair. The ruling regime suspected David Gravier, a young, Jewish banker in Argentina, of bankrolling left wing, subversive terrorists. Gravier was killed in a plane crash in 1976, but Timerman was arrested for an alleged "tie-in" with the affair. He was totally uninvolved. In fact, Timerman had received death threats from both rightwing and leftwing terrorist groups.

Despite the fact that not a shred of evidence has been found to which to base charges, Timerman has been held without charge in prison and under house arrest for the past 2 years. He is innocent. After three investigations, the Argentinan Supreme Court has cleared him of any wrongdoing and ordered his relèase. Furthermore, Argentinian President Jorge Rafael Videla promised President Carter in 1977 that Timerman would be released.

So far, however, nothing. The bitter irony of the case is that the junta apparently will keep him locked up until something justifying his arrest is discovered; and the less that is turned up, the longer he will be under arrest. The whole terrible point is that nothing will be turned up because he is innocent.

Furthermore, Timerman has promised not to use his freedom in anyway which will embarrass the ruling regime in Argentina. Yet, the junta has stripped him of all political rights, personal property, private residence, and commercial interests. Timerman wants only to emigrate to Israel to be reunited with his wife and two sons who are there now. Indeed, an element of antisemitism is suspected as the motivating force against Timerman. Mr. Speaker, I say to this House, "How long must the ugly monster of antisemitism raise its lies and slanders? How long must a brave, peacefully inclined people be forced to bear the brunt of this demonic hatred?" I am saddened at the thought of a country such as Argentina, full of promise, saddled with such a scourge.

Thus, I urge the Argentine Government to right this wrong. Show the world that Argentina is a country where human rights of freedom and free emigration are honored and where oppression and hatred of one's fellow man receives the resounding denunciation that it deserves. President Videla has the power to grant Timerman amnesty and to permit him to leave the country as an exhonerated man. I urge President Videla to make use of this power in the name of human rights and human dignity. May one day very, very soon, Jacobo Timerman walk with his family, a free man cleared of all past vicious implications, in the free air of democracy and human freedoms.

I would like to ask the gentleman in the well, is it the fact that the President of Argentina, Videla, promised President Carter back in 1977 that Timerman would be released?

Mr. GILMAN. I thank the gentleman for his inquiry. It is a fact that President Carter did make a personal appeal to President Videla and it is my understanding at that time the President was assured that President Videla would give this matter his personal attention and would release Timerman by Christmas on 1978.

Mr. LENT. I think the bitter irony of the case is that the junta apparently will keep Timerman locked up until something justifying his arrest is discovered and the less that is turned up the longer he will stay under arrest.

The whole terrible point is that nothing will be turned up because this gentleman, as I understand it, is absolutely innocent and has been cleared by the highest court of appeals in Argentina. Is that not correct?

Mr. GILMAN. If the gentleman will yield, that is precisely the situation. Both the supreme court and the military tribunal of Argentina have dismissed charges that were pending against Mr. Timerman.

In a very recent decision, however, just last week the Argentine Court of Appeals held that the Argentine military junta could override the civil court and the military tribunal and hold Mr. Timerman under house arrest despite the dismissal of those charges.

Mr. LENT. Mr. Speaker, I understand also, and perhaps the gentleman can correct me if I am in error that Mr. Timerman has promised not to use his freedom in any way to embarrass the ruling regime in Argentina.

Mr. GILMAN. That is correct. As a matter of fact when both the gentleman from California (Mr. LAGOMARSINO) and myself met with Mr. Timerman, and thereafter when the gentleman from Massachusetts (Mr. CONTE) met with Mr. Timerman, we were all very much impressed to hear Mr. Timerman say that, "I am an Argentinian and I want to stay in Argentina and continue to do my work on behalf of my country."

Mr. LENT. I thank the gentleman. I would certainly urge the Argentine Government to right this wrong and to help show the world that Argentina is a country where human rights, freedom, and free emigration are honored and where oppression and hatred of one's fellowman receives the resounding denunciation that it deserves.

It seems to me that President Videla, particularly with the Supreme Court ruling of no charges pending against Mr. Timerman, has the power to grant Mr. Timerman amnesty and to permit him to leave the country an exonerated man. I urge President Videla to make use of his power in the name of human rights and human dignity.

Mr. GILMAN. I thank the gentleman from New York for his contribution. The gentleman certainly has been an outstanding champion in the fight for civil rights for Soviet Jewry and on other human rights issues. We appreciate his attention and concern about the Timerman case in Argentina.

Mr. CONTE. Will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from Massachusetts who is a cosponsor of this special order and who has been extremely active in seeking the release of Jacob Timerman.

Mr. CONTE. Certainly this is one of the most flagrant cases anywhere in the world of violation of human rights. As the gentleman said, I did go down to Argentina and I did visit with Mr. Timerman in prison several months ago. I had a very long, extended conversation with him. I saw his family at their home and had long conversations with them.

It was somewhat ironic. At the time I was trying to get to see him, I met with the Argentine officials in Buenos Aires and asked to see him. At that time they sort of stalled me and told me that he was some 180 kilometers away. I was going to be leaving the next morning and they said they just did not know how I could get there and still make it to my airplane in time.

I said I would go even if I had to drive all night. I thought the least they could do was to provide me with a helicopter or some means of transportation.

They said they would notify me in my hotel. I think we were going to leave the next morning at 10 o'clock and they would call me about 8 o'clock that evening. They did. They called through the American Embassy and notified me that I could see Mr. Timerman; but I did not have to go 180 kilometers. He was right there in Buenos Aires and he had never left during that period of time. They were just trying to stall me, trying to deter me from visiting this man.

I think there is a lot more to it than merely the fact that this man ran one of the most respected newspapers in Latin America, La Opinion, and that he expressed himself for the rights of man and the freedom of man and woman in Argentina.

I got the feeling after talking to quite a few in the community and Buenos Aires that there is a strong feeling of anti-Semitism in Buenos Aires and one of the reasons that this man is being allowed to rot, first in jail and now in house arrest with officers all around his home like a bird in a cage, is that he is Jewish. They have made some very strong accusations against him. They have tried almost everything to get him to confess to lies.

This is one of the most flagrant cases of violation of human rights, as I have mentioned.

I pled with the leaders of that country. I told them I came with good credentials as then a ranking member of the Subcommittee on Foreign Aid of the Committee on Appropriations and a ranking member of the full Commitee on Appropriations, that I fought some of those amendments that were placed on the floor of this House against Argentina, that through a conference report I put a grandfather clause in an amendment that passed both this House and the Senate regarding Argentina.

I came there in good faith and I had met them half way. I asked them to meet me half way so I could come back to the House of Representatives and tell my colleagues that they cooperated with us after we had cooperated with them. They have not to this day.

□ 1810

We have gone to the Embassy. We have talked to the Ambassador. I have written letter after letter to the three leaders of Argentina. I have yet to receive one response.

It behooves Argentina to show the world that they mean what they say. I have spoken with the Catholic clergy down there, with the Bishop down there. I have begged all of them, and, if I have to go see Pope John Paul and plead with him, I will go to see the Pope, to ask that Mr. Timerman be let free. He wants to go home. He wants to go home to Israel. He wants to leave Buenos Aires and he is not going to use his experience against the Argentine Government. He is not going to be writing books. He is not going to be writing for the newspapers or a flock of reporters, because he is leaving an insurance policy behind. He is leaving his brother. He knows better, he told me that. He is not fool enough; and he loves his brother. He is not going to do anything that is going to jeopardize his brother's life.

So I hope that they are big enough and come out of their shells real soon before the whole world turns against them. They must let this poor man go home free to his family.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Massachusetts for his forceful statement and for his continual fight for freedom, freedom for Jacobo Timerman and for others who have been oppressed. I thank the gentleman for his kind contribution this evening.

Mr. ROUSSELOT. Mr. Speaker, will my colleague yield?

Mr. GILMAN. I will be pleased to yield to my colleague, the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate our colleague, the gentleman from New York, taking this important special order to point out again the importance that this House and this country places on the concepts of freedom and civil rights.

Mr. Timerman, as the gentleman has pointed out and some of our colleagues have made it clear that both the Supreme Court of Argentina and a military tribunal there have dismissed the charges against Mr. Timerman. Therefore, it is only right and proper now that they remove the house arrest condition that they have placed around him. Furthermore, we must make it known to the Government of Argentina that we are aware of their actions and that America is going to continually be alert to those kind of injustices. We hope that Argentina will listen and be willing to release him so that he can join his family in Israel, especially since he has made those promises that he will not in any way agitate improperly against the Government of Argentina.

It is an important symbolism to make it clear that this country is aware of those kind of injustices and to appeal to Argentina that they should show the rest of the world that they mean it when they talk about the concepts of freedom and civil rights.

I thank my colleague for taking this time, because it is important that we speak up when we find these kind of injustices anywhere around the world.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from California for his contribution to this special order and for his continual efforts in fighting for liberty and freedom and for helping us to focus world attention on this human rights issue in Argentina.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I am sure that this focus of attention that the gentleman is speaking of will occur, because of the efforts of the gentleman from New York in taking the time to do it.

The gentleman from California (Mr. LAGOMARSINO) and the gentleman from Massachusetts (Mr. CONTE), have also taken the time to go down there and meet this challenge head on and make it clear that the people in this country are listening.

We appreciate what the gentleman from New York has done to bring this issue before the House. We hope that the message is received in a friendly way in Argentina.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from California for his kind remarks.

Mr. Speaker, I would be pleased to yield to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I thank my colleague for calling this to the attention of the House.

Mr. Speaker and my colleagues: Have you visited the Yad Va Shem Memorial in Israel? If you have you are no doubt chilled by what you are hearing here today. That memorial to 6 million Jews who were slain by the Nazis reminds us that the slaughter was preceded by warnings which the world ignored. Subtle discrimination first—then more and more overt acts until there was blatant abuse and finally mass annihilation. One step at a time and each step endured by the victims with no sign of compassion or understanding from their fellow men, either at home or around the globe.

No mere mortal can go through that memorial, read the newspaper accounts and the eyewitness accounts, look at the pictures of the men and women, boys and girls and tiny babies torn from their mothers without wanting to sob and shout, "How could we have let this happen? Why didn't we prevent it? How could such barbarism have been permitted?" All are wracked with remorse and shame.

And now my colleagues, once again we are witnessing the tyranny of a government as it singles out a segment of its people for abuse. Jacobo Timerman is but one example—one symbol. Will we remain silent again? Will we pretend we do not see? As the victims call to us for help, will we pretend we do not hear? As they cry out in their agony, will we turn away and say we do not care? Surely, no. Never again can we remain silent. Never again can we ignore the plight of our brothers and sisters. Never again.

Let us express our concern. Let us express our displeasure. Let us express our feelings of horror. Let us shout out that we do not take lightly the mistreatment of human beings of whatever faith. Let us tell the world what it does to the least of us it does also to us.

We are watching. We are remembering. We are concerned about what is happening in Argentina. We are speaking out in behalf of Jacobo Timerman and in behalf of all who are being persecuted in Argentina. We feel with all our hearts the slogan. "Never again."

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman for her very persuasive and moving message. I am hoping that it will be heard and read by the leaders of the Argentine Government. I thank the gentlewoman for her kind contribution.

□ 1820

Mr. Speaker, it has been over 2 years since Jacobo Timerman was whisked away from his apartment in April 1977 in the middle of the night by plainclothes police, tortured, incarcerated in various prisons, and treated as a pawn between the factions within the ruling powers. Today Timerman is under extremely strict and inhumane house arrest, guarded by 16 members of the Argentine security force, eight of whom are inside his apartment. He is allowed only restricted visits from his immediate family. Although in need of an eye specialist to save what remains of his failing eyesight, the military authorities have refused to allow him to be treated.

It is particularly fitting that we speak of him at this point in time because just last Sunday, Jacobo Timerman was awarded the Hubert H. Humphrey Freedom Prize from the Anti-Defamation League of B'nai Brith. The Freedom Prize was presented to Jacobo Timerman in absentia and accepted by his son Hector. It is fitting because Hector Timerman, courageous in his own right as he assumed the directorship of La Opinion in place of his imprisoned father until the Argentine authorities seized the paper, is here today to witness this expression of support for his father in the U.S. Congress.

On the occasion of the granting of the Freedom Prize, Patricia Derian, Assistant Secretary of State for Human Rights and Humanitarian Affairs sent these words regarding Jacobo Timerman:

> The award is a richly deserved tribute to his long and prominent career in Argentina as editor, publisher, and defender of freedom of the press.

Senator KENNEDY stated in a telegram on the occasion, "His dedication to a free and independent press and basic human needs in Argentina are unquestioned." Senator SARBANES, who was present for the presentation of the award, stated:

> The Timerman case is our business. The rule of law has been cynically laid aside by the Argentine authorities.

The symbolism to which I referred in opening my remarks is stark in the Timerman case. This enemy of the brutality by the extreme right and the extreme left in his country, held without charges to this day, found to be free of any crime by a military tribunal, and held in violation of the laws of Argentina according to a significant and courageous ruling by the Argentine Supreme Court, which dismissed all civil charges, has become a prominent symbol. In fact, Jacabo Timerman represents many symbols: A symbol of the attack on the freedom of the press in Argentina; A symbol of the total disregard by the authorities of the Argentine judicial process; a symbol of an assault on freedom of religion with manifestations of anti-Semitism; a symbol of the stagnant and inhumane human rights situation; and finally a symbol of the political and moral deterioration of the Argentine system.

Jacobo Timerman is only 1 of 119 Argentine journalists imprisoned or forced into exile. Newspapers have been closed, journalists have been killed or have disappeared. Editors have been summoned by the Government to express official displeasure over the tone and character of certain reporting.

The depressing state of the Argentine judicial system is not only illustrated by the Timerman case where an individual has been held without charges in spite of rulings by a military tribunal and the Supreme Court that his detention is illegal, but also by a report issued by members of a delegation of the New York Bar Association recently returned from a mission to Argentina. The report accused the courts of being "timorous" in dealing with justification of detention of individuals in habeas corpus petitions. Equally disturbing was the comment in the report that the Argentine lawyers were so intimidated by the military government, or they were so compliant, that they have failed to defend the rights of Argentine citizens. The report noted the high incidence of missing or imprisoned lawyers who have been involved with the defense of political dissidents.

The Timerman case has surfaced manifestations of Argentine anti-Semitism which is entrenched in the extreme right-wing in both civilian and military sectors of Argentine society. The Government has never been able to prove illegal dealings between Timerman and the late financier David Graiver, accused as the treasurer of the Montonero guerrilla movement. The use of Graiver's name in Argentina by the military authorities is a signal word for anti-Semitic innuendo, attempting to convey the notion that an inordinate number of Jewish Argentines were and are members of the guerrilla movement and are involved in other opposition organizations. During Timerman's early imprisonment he was subjected to lines of questioning based on the virulently anti-Semitic "Elders of Zion" tract and questions on the "Jewish conspiracy" to take over Argentina. Timerman's plight has become the Dreyfus case of Argentina.

The Argentine Government under President Videla has attempted to convince the world that the human rights situation has improved. Some prisoners have been released and the names of thousands of prisoners have been published. There are today, however, still an estimated 5,000 to 20,000 Argentine citizens who are unaccounted—people who have disappeared, never to be heard from again.

President Videla projects the image of a moderate in the Argentine political spectrum. When we visited Argentina almost 2 years ago, the President asked our congressional delegation for understanding. He spoke about the pressures facing his government and how he was trying to establish his moderate policies. In these 2 years, I have continually communicated with President Videla about the human rights situation and specifically about the case of Jacobo Timerman. Many of us speaking today have supported Argentina in the Congress. There are those among us who argued against cutting military and economic assistance to the military Government because we regarded Argentina as an important ally and friend. For my part, due to the lack of attention by the Argentine Government to this important issue, my friendship with that Government is at a point of strain. In the face of implications of pending improvement related to me by Argentine authorities, the injustices to Jacobo Timerman and other Argentine citizens continue.

Mr. DODD. Mr. Speaker, would my good friend and colleague, the gentleman from New York (Mr. Gilman), yield?

Mr. GILMAN. I am pleased to yield to the gentleman from Connecticut.

Mr. DODD. Mr. Speaker, I thank the gentleman for yielding, and I would like to compliment the gentleman from New York (Mr. Gilman), as others have, for taking the leadership on this particular issue in this particular case, as he has in so many others.

I wish to associate myself with the gentleman's remarks and with the remarks of our other colleagues who have spoken today. I would hope that the general public and others who are witnessing this special order would recognize that this is a bipartisan cause.

This is an issue and a cause that has attracted people from all sides of the political spectrum to this particular matter, to this particular gentleman, and to his contribution.

Again let me say that I certainly want to commend the gentleman from New York (Mr. Gilman) and my colleagues who have taken time out to recognize the contribution of the man we honor, the man we hope will be able to join his family and once again have the ability to speak freely on behalf of not only the cause of those who are suffering in Argentina today, but of others throughout the world who are similarly imprisoned and impressed when they are denied the basic fundamental freedoms that we cherish so dearly in this country.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Connecticut (Mr. Dodd) for his kind remarks and for his contribution. He has taken the time to meet with Mr. Timerman's son here in Washington. We have joined together on many occasions, championing human rights and freedoms. We welcome the gentleman from Connecticut (Mr. Dodd) into the fold in this battle. With his good assistance, we hopefully look for a successful resolution of this issue.

Mr. DODD. Mr. Speaker, I thank the gentleman.

Mr. GILMAN. Mr. Speaker, the Government of Argentina is so concerned with its international image that it has hired a public relations firm to work toward its improvement. The harsh fact is that that image will remain tarnished until injustices done to Jacobo Timerman and other Argentine citizens cease. The release of Timerman, so he can live in peace with his family, now in Israel, can do more for Argentina than any public relations firm. The Government of Argentina can transform the symbol of Timerman, the object of repression and injustice, to Timerman, the symbol of hope for a bright future of peace and justice for the Argentine people.

In conclusion, I want to call to the attention of my colleagues the fact that the Inter-American Commission on Human Rights of the Organization of American States is holding its organizational meetings here in Washington this week. To its credit, the Government of Argentina has issued an invitation to the Commission to visit Argentina this fall and undertake a full investigation of the human rights conditions in that country. I urge the Commission to fully investigate the Timerman case during its forthcoming visit.

As I stated in my opening remarks, Jacobo Timerman is a symbol of the tragedy that has befallen the Argentine people and nation. The United States and the rest of the world now waits and watches the manner in which the Argentine Government sets out to resolve the Timerman case as a symbol of that government's true intention to restore and respect the human rights of its citizens.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Mr. Speaker, I would like to thank the gentleman from New York (Mr. Gilman) for bringing this special order to our attention today. I was not aware that this special order would be taken, and now that I am on the floor I would like to state that I wish to be associated with the comments of the gentleman from New York.

Mr. GILMAN. I thank the gentleman from Pennsylvania for his kind contribution.

Mr. Speaker, so that my colleagues may share his thoughts I am inserting at this point in the Record the text of a speech delivered in tribute to Jacobo Timerman by Benjamin R. Epstein, executive vice president of the Anti-Defamation League Foundation upon presentation of the Hubert H. Humphrey Freedom Prize and the remarks of Hector Timerman in accepting this award for his father:

Presentation to Hector Timerman

(By Benjamin R. Epstein)

I am here representing the family of Dwayne Andreas whose foundation has endowed the Hubert H. Humphrey Freedom Award.

Someone is missing from this luncheon.

He was supposed to be here. He was invited. He just couldn't make it. Not because he didn't want to. He would have loved to be with us.

He's not here because he has been prevented from attending.

Instead, he is in prison. The fact that the prison is his own home does not make it any less a prison because it has become a place of confinement. It is a jail just as if its doors were iron gates and its windows barred.

That man who should be here is named Jacobo Timerman.

Although his person is incarcerated in Argentina, his name and fame have crossed international borders. He has come to symbolize the world wide struggle for freedom of the press. Of more than 600 journalists and writers who at this very moment are victims of repressive government action in some 55 countries, he is the most prominent and his case the most outstanding. He is one of 119 Argentinian journalists—the best and brightest of the country's newspapermen—who have been either imprisoned, placed under house arrest, or forced into exile.

Why did it happen to him? Why was he, the founder of two weekly magazines and the independent newspaper La Opinion, dragged from his home by a group of armed men on the morning of April 15, 1977? Why, if no charge was brought against him then or since, did he spend the next year in prison? Why was he tortured and stripped of his civil rights? Why is he under house arrest if the military tribunal which tried him found no evidence linking him to subversion?

The answer to these questions? There has been no answer. So far as anyone can determine he is an Argentinian Jew who has been a conscientious newspaperman doing an exemplary journalistic job which managed to shock and offend the powers that be in Buenos Aires.

I have searched my mind for a parallel in history. Is his case like that of the American, Peter Zenger? Not quite, Zenger was permitted to plead his case and defend his right to press freedom! Timerman did not get his day in court.

Is there a closer parallel to the French Dreyfus case? The unspoken charge against Captain Dreyfus was that he was a Jew. Is it thus with Timerman? But Dreyfus was brought to trial, and though falsely convicted was able to defend himself, to bring the anti-Semitic charges out into the open, and ultimately win his freedom.

Not so with Timerman! He has had no day in court. In fact, the Supreme Court of the Argentine has decreed that there is no basis in law, no charges have been presented, and there are no grounds for detaining him. The anti-Semitism has not come out into the open, but it lurks in the shadow behind the official silence.

Because he is forcibly detained, he cannot be with us to accept the Hubert H. Humphrey Award for his devotion and dedication to a free press. He is absent even through permission for his presence was requested from President Jorge Rafael Videla of Argentina. Regrettably, there has been no answer to this request either.

Therefore, as we did with Anatoly Scharansky who is held in a Soviet Gulag, this presentation must be made in absentia.

Fittingly, a son will stand in for his father.

This is not the first time Hector Timerman, who flew here from Israel, has substituted for his father. He took over the editorship of La Opinion when Jacobo Timerman was arrested, a most courageous act under the circumstances.

He remained in that post until the military junta expropriated the paper and it became apparent that he, too, might be marked for imprisonment.

Fortunately, he was able to leave for Israel, where he now lives.

I hope that soon he and his father will be reunited so that he can pass on to him this very richly merited award that we are now presenting.

STATEMENT OF HECTOR TIMERMAN, UPON ACCEPTING THE HUBERT HUMPHREY FREEDOM PRIZE

For reasons which are publicly known, I've come in behalf of my father to receive and thank you for the Hubert Humphrey award bestown upon him.

When I told him about his having been awarded such honor, his remark was "Once again Hubert Humphrey comes out to defend a man persecuted for his struggle for freedom".

Political instability and ideological confrontations have always been one of the features in most Latin American countries. Fear and prejudice, passion and vested interest, economic inequality and social frustration have contributed to build up in this continent's countries, which lacking a democratic tradition, a climate of violence which, in the last few years, has grown into terrifying proportions.

And it is in such climate wherein a journalist in Argentina has to cope with the hard, thankless and dangerous task of bringing back a sane attitude, an attitude of peaceful coexistence among citizens, of respect for human rights and of denunciation of violence.

And because, for painful reasons, I have the honor of receiving the award in my father's name, allow me to—modestly but justly—point out that Jacobo Timerman fulfilled this aim fervently and passionately, without letting himself be discouraged by threats both from the right and the left wings.

I know for certain that he had the opportunity to safeguard his own interest, and avoid a painful imprisonment; however, he chose to fight for his principles and the values advocated by him. No other way for someone who decided "to your own self be true" as well as true to the world he believed in.

Jacobo Timerman was imprisoned by the Argentine authorities, charged with numerous and terrible crimes. None, however, could be proved in any way whatsoever by the Military Court which tried him. The military courts said he should be released.

My father has been imprisoned for over two years, and up to this day the authorities in Argentina have been unable to explain the reasons for his arrest. I can tell you he is a political prisoner. But there were not only political reasons which caused my father's arrest and the fact that the same authorities ignored the order for his release, issued by the Supreme Court of Justice, the highest judicial power in Argentina.

There is another conspicuous reason, a well-known one, and one which arose during the frightful questioning he was subject to. Jacobo Timerman is a Jew. Among the absurd humbugs woven about him and the arbitrary, never-proven charges, my father was questioned about his links with the Elders of Zion and his activity in behalf of projects for world dominance by the jews.

To defend democratic principles was already a serious crime; but for a jew to do so caused an impact exceeding the acceptance capabilities of some military leaders of Argentina. Only in a country wherein antisemitsm is well-rooted, where it is attempted to deny to the jews the right to take part, as any other citizen, in the political activities, can official enquirers pose such unheard of questions.

As a member of the Argentine Jewish Community, my father's activity is open and well-known. The newspaper "La Opinión", which he founded and managed up to the time of his arrest, did at all times defend the interests of the country's jewish community and resolutely waged war against manifestations of antisemitism as well as the restriction of political rights of jews and their status as a national minority.

In the climate of prejudice and antijewish hostility endured in Argentina, such attitude requires unique daring. According to the criteria of the rulers, his daring could not be left unpunished.

Jacobo Timerman is paying the high, the painful price for such attitude, both as a man and as a jew.

A contemporary thinker stated that "violence is unlearned"; and my father had chosen the dangerous road of letters.

I thank the antidefamation league of the B'nai Brith authorities, consistent fighters for human rights and against discrimination, for having decided to bestow the Hubert Humphrey award upon my father as a symbol of persecuted and discriminated men, and as a protest against the conspicuous violation of human rights in Argentina.

● Mr. LEHMAN. Mr. Speaker, I want to extend my gratitude to the distinguished gentlemen from Massachusetts (Mr. CONTE) and New York (Mr. GILMAN) for continuing to bring attention to the case of Mr. Jacobo Timerman and other cases of human rights deprivation in Argentina.

Having been imprisoned for a full year without charges, then cleared of any wrongdoing by a military tribunal, Mr. Timerman remains today under strict house arrest. He has been stripped of his rights and livelihood as a journalist and publisher of the highly respected daily newspaper, La Opinion, and has been denied medical attention which he so desperately needs at the present time.

In the absence of any evidence of wrongdoing, the Argentine authorities seem to be determined to persecute Mr. Timerman as a man. A respected journalist and publisher who has defended human rights and worked against its politicalization from the right or left, Mr. Timerman is also a Jew. I am disturbed by the rise of anti-Semitism in Argentina and am very concerned by the extremely dangerous form anti-Semitism has taken in such places as Iran where a citizen's support for Israel is a crime. Mr. Timerman and millions of other people throughout the world support the state of Israel. Mr. Timerman has been subjected to brutal interrogation and questioned about conspiratorial scare stories still being perpetrated by the virulent anti-Semitic propaganda in Argentina. This situation has understandably created great anxiety in the Argentine Jewish community and the international community as well. I am hopeful that the Argentine Government will recognize the need to show the international community that it is working to improve the human rights of its citizens and resisting the resurgence of antisemitism.

Mr. Timerman has pledged not to embarrass the Argentine Government and must be allowed to leave the country to join his loved ones in Israel. We must work together to urge the Argentine officials to right this injustice and see that reason and justice prevails.●

● Mr. GRADISON. Mr. Speaker, I join my colleagues today in this special order to focus attention on the unjust harassment and imprisonment suffered by Jacobo Timerman of Argentina. Jacobo Timerman has distinguished himself not only as a writer, but also as the driving force behind La Opinión. One of the foremost daily newspapers in Argentina and South America, La Opinión has earned respect not only in its native country and continent, but throughout the world. Yet, Jacobo Timerman has distinguished himself as more than just a fine journalist, for he is a voice for the cause of freedom in Argentina. And he is a Jew.

On April 4, 1977, Jacobo Timerman was arrested by Argentine authorities. He was jailed for a year, then placed under house arrest. To this day, he remains a prisoner in his own apartment in Buenos Aires.

What crime did he commit? None.

Three investigations by Argentine authorities failed to find him guilty of any wrongdoing. A military tribunal cleared him of all charges. The Supreme Court of Argentina ordered his release. Yet, Jacobo Timerman remains a prisoner in his Buenos Aires apartment.

My concern today is not just for Jacobo Timerman, but for all Argentines, for they all must bear the rule of a government that has flagrantly disregarded Argentine law and justice by imprisoning one of its citizens without cause. I realize that the Government of President Videlo is under great political pressures to continue the imprisonment of Jacobo Timerman. Nevertheless, the Government cannot shirk its duty to uphold the laws of the land.

Mr. Speaker, President Videlo should order the immediate release of Jacobo Timerman. While he will need great courage to stand up to Timerman's detractors, President Videlo must not forget that Timerman's release has the sanction of Argentine law and principles of justice as well as the support of those in Argentina, the United States, and the world who respect justice and human rights. Let Jacobo Timerman remain in his Buenos Aires apartment, but as a free Argentine, not a prisoner.●

● Mr. THOMPSON. Mr. Speaker, I am pleased to join my colleague, Mr. GILMAN of New York, in attempting to point out the injustices that Jacobo Timerman has suffered. Why is Jacobo Timerman imprisoned in Argentina today? He has committed no crime. Indeed, he had been cleared of any wrongdoing by the Argentine Supreme Court almost 1 year ago—and yet, he remains a prisoner in his own apartment, guarded around the clock, separated from his children, deprived of his freedom to speak and work and denied medical care for his failing vision.

Despite the blindness in one eye and the deteriorating condition in the other, I must conclude that it is in fact vision that makes Jacobo a prisoner. Timerman has seen clearly the political problems of Argentina and of the world. He has presented his insights in his highly regarded newspaper, La Opinion. Here Timerman set forth in editorials his views in favor of humane government and rights. Here, as publisher and editor, he supported the truthful reporting of the news without fear of those to whom the truth might be distasteful.

High Argentine officials have taken away his newspaper and print their own views under its masthead, ironically honoring Timerman by retaining the name synonymous with the search for truth and fairness.

Timerman has other points of view deemed obnoxious by his captors who have held him for more than 2 years. He believes in freedom in the economic realm for labor and capital alike. He believes in freedom of expression even for those who do not share his views. And he believes in Israel as a place where oppressed Jews from anywhere in the world can go for refuge. Now, sadly, he is denied the refuge he seeks for others.

The Government of Argentina must fear what Timerman would say about his own harsh imprisonment. Why else will it not let him go? More than 1 year ago I pleaded for Timerman's release and the release of thousands like him imprisoned in Argentina. Many families do not know if their members are living or dead. I spoke in a conciliatory manner as a friend of Argentina. Now I ask, "How can Argentina expect friendship in the world when it permits cruel suppression of human rights to flourish?" I hope and pray for the swift release of Timerman and for the formal charging or release of the thousands of other prisoners of Argentina.●

● Mr. ROSENTHAL. Mr. Speaker, in a continent where repressive government is the norm, Argentina is still exceptional. Since the military seized power in that country in 1976, approximately 15,000 persons have fallen victim to the Government's war on those it considers subversives. Thousands of Argentinians have been seized by the junta's security forces to face imprisonment, torture, and death. The Government itself acknowledges holding over 2,700 political prisoners.

One individual in particular has become a symbol of the injustice and utter disregard for human rights that prevails under the present Government. Jacobo Timerman, former editor and publisher of the leading Argentine newspaper La Opinion, has been held prisoner by the Government for over 2 years despite the fact that a military tribunal absolved him of the charges against him and that Argentina's highest court ordered him released. Because of his internationally respected reputation as a journalist and a defender of human rights, Timerman's case has produced worldwide concern for the violations of human rights in Argentina. It is my hope that if enough voices join together in urging freedom for Mr. Timerman that the weight of international public opinion will force the Argentine Government to release him.

Timerman's ordeal began in April of 1977 when a band of armed soldiers in civilian dress—members of Argentina's dreaded security forces—seized him from his home. For 40 days he was held incommunicado and was tortured by the military. He was accused of participating in a conspiracy to help leftist guerrillas seize control of Argentina, and was also charged with plotting to establish a Jewish state in Patagonia. Timerman was transferred from prison to prison, and in October was finally brought before a militay tribunal. The court cleared him of all charges.

Yet Jacobo Timerman remains in captivity. In April of 1978 he was returned to his Buenos Aires apartment, and placed under house arrest. Although the Supreme Court of Argentina ordered Timerman released on the grounds that no charges had been filed against him—a rare display of judicial freedom in a repressive dictatorship—the government refused to grant him his freedom.

For over a year now Jacobo Timerman has been confined to his home. Policemen guard him day and night, both to prevent him from leaving and to guard him from attacks on his life threatened by left and right-wing terrorists. He is allowed few visitors. All of his personal property has been seized by the Government. The authorities refuse to permit him to receive needed medical attention. And in perhaps the worst blow of all, his newspaper—once the leading proponent of human rights in Argentina—has been turned into a mouthpiece for the repressive regime of Gen. Jorge Rafael Videla.

All Jacobo Timerman wants now is to be released so that he may join his wife and sons in Israel. In preparation for the forthcoming visit of the Inter-American Human Rights Commission, the Argentine Government has already freed several hundred political prisoners and the number of "disappearing persons" has diminished markedly in the last few months. Yet Mr. Timerman remains in captivity. I call on my colleagues and on all concerned citizens to demonstrate that while the Argentine Government can silence Jacobo Timerman, it cannot prevent world opinion from expressing outrage over this injustice. I urge President Videla and his Government to free Mr. Timerman and allow him to be reunited with his family.●

● Mr. DODD. Mr. Speaker, Jacobo Timerman, as many already are aware, was arrested in April 1977, and subsequently questioned and tortured. He was a prominent Jewish leader and owner of the newspaper La Opinion which spoke out against the repressive Argentine Government. This respected journalist was released as the charges against him could not be substantiated, but he remains heavily guarded under house arrest in his downtown apartment. Most of his family now live as exiles in Israel. His case is a prime example of the type of human rights violations performed by the Argentine junta. At a recent press conference, Hector Timerman accepted the Hubert H. Humphrey Freedom Prize, in the name of his father. The prize was awarded to Jacobo Timerman because in the words of the Anti-Defamation League, he stands as "a living symbol to all who struggle and have suffered in defense of a free and independent press and fundamental human rights."

He does not stand alone. There are thousands of people in Argentina who have been arrested, detained, or have disappeared. According to testimony from relatives and from victims of the detention centers, the military regime practices a systematic brutality against those who are suspected of the slightest opposition to the Government. Friends, relatives, and even lawyers who try to find these disappeared persons or work for the release of those under arrest are themselves subject to severe reprisal from the Government. We mention only a few cases of arrests and disappearances in the last few months.

Jorge Gullo, a young law student, was reportedly abducted in Buenos Aires on or about the 26th of April. His whereabouts are still unknown. Only a few days later on May 12, six other students were arrested and taken away by a large group of armed men in civilian clothing. The students were enrolled at the Mariano Acosta School in Buenos Aires and are believed to be between the ages of 18 and 20. Efforts by their parents to locate the six young people have not had any results.

Students and journalists are not the only victims of oppression. On May 2, Telma Dorothy Jara de Cabezas, whose son is one of the disappeared, was herself abducted. She is a member of the Argentine Commission of Relatives of People Disappeared and Detained for Political Reasons. Her present whereabouts are unknown. Her case is an example of how those who try to help the victims of the junta's repression become victims themselves. The Commission of which Mrs. Jara de Cabezbas is a member is associated with the group known as the Mothers of the Plaza de Mayo who demonstrated every week outside the presidential palace in protest of the military Government's repressive regime. In January they were forbidden to continue their silent vigil under the orders of the junta.

The New York Lawyers Report on the Mission to Argentina which was released in May of this year, documents the consolidation of power under the executive branch in the military Government. It also outlines the weakness of the Argentine courts which leaves the people little recourse against injustice except an appeal to the international community. The cases that have been decided seem to result in no effective limit on the duration of detentions. The Argentine courts have not opposed the Government and they cite that in the absence of exceptional circumstances, executive powers under a declared state of siege are not reviewable by the courts. This absolute power by the junta creates instability and a climate of fear in Argentina.

The recent speech by Gen. Roberto Viola, the commander in chief of the Argentine Army, is important. He accepts responsibility for the many abuses that have occurred in the past but he justifies them as a necessary price in the war against terrorism. He states that the war has now been won. However, we echo the words of the mothers of the Plaza de Mayo in their response to Viola's declaration:

> The Armed Forces cannot end this terrible drama without a detailed explanation of its past deeds and what has been decided in each case of "disappearance."

The burden of accountability can be more forcibly placed on the Argentine Government with the visit of the Inter-American Commission on Human Rights. This visit had been set for May and has been twice postponed. It is currently scheduled for September. The Argentine Government indicated over 8 months ago that it will accept the Commission's visit. It is imperative for the sake of the prisoners suffering torture and deprivation daily in Argentina that an extensive investigation be conducted immediately.●

● Mr. CONTE. Mr. Speaker, human rights abuses have unfortunately become a far too common affair throughout the globe. Ranging from denials of basic human needs in the developing world, to the deprivation of political and civil liberties in the more advanced industrialized nations, we are daily faced with these challenges to the human spirit. Yet such abuses are reflective of more than mere injustices of man against his fellow man. They are illustrative of fundamental flaws in the political systems of many governments around the world. Today I would like to lead my colleagues in speaking out for the victim of such political disorder—that man is Jacobo Timerman.

In 1976, responding to the social, political, and economic disorder plaguing the Argentinian nation, a military junta assumed power. Hoping to restore some semblance of stability to a nation wracked by soaring inflation, balance of trade deficits, and virtual anarchy, Senor Videla undertook a campaign against terrorism otherwise known as the "war against subversion." In reality it has become a war against democratic principles, individual freedoms, and human rights—a war which has culminated in the arrest, imprisonment, and murder of countless numbers of alleged subversives. Jacabo Timerman is one of the most visible of these victims.

The former editor of La Opinion, an Argentine newspaper of international repute and dedicated to democratic principles, Mr. Timerman has since 1977 been systematically denied all the most basic political and civil liberties. Accused of conspiring with leftist guerrillas to seize control of Argentina he was kidnapped from his home, tortured, and jailed. A military tribunal, still unable to find evidence against him, cleared him of charges—but to no avail. Though no longer incarcerated, he remains under house arrest permitted to see only his brother. For over a year now he has been confined in such a manner unable to secure the medical attention he requires for an ailing eye, and denied the opportunity to be reunited with his family. Only recently, his private residence and commercial interests were expropriated. His only obvious crime—idealism and dedication to the principles of individual freedom and human rights.

What is most alarming to me is what this case symbolizes. We witness so frequently democracies crumbling before our eyes and rising from the ashes, dictatorships and oligarchies. With this emergence of autocratic governments and the associated demise of democracy, comes the abandonment of personal freedoms and human rights. How unfortunate that in this day and age the legitimacy of a government must be secured through force and oppression rather than through the consent of its citizens. Equally unfortunate is the knowledge that such governments are unable to support dissenting views. This is the tragedy of the situation of which Mr. Timerman is only one unfortunate victim.

I do not expect that overnight Argentina will change her form of government or her practices. I can hope however that although Argentina cannot now condone the exercise of individual liberties, she will not condemn those men who advocate such. Once again I appeal to Argentina and her leaders for the release of Jacobo Timerman and other such men currently denied their civil and political freedoms.●

● Mr. PEYSER. Mr. Speaker, in today's New York Times, I noted a small article stating that Argentina has been accused of "gross violations of human rights." It went on to explain that more than 2,665 people have been abducted by Argentine security forces in the last 3 years. This inexcusable action on the part of the Argentine Government should not go unnoticed or unmentioned by the people of civilized countries.

I wish to draw my colleagues' attention to a similar situation occurring within that particular country. Although this man has not been "abducted" he has been silenced and stripped of all human rights.

Jacobo Timerman, one of Latin America's most respected journalists, has been under custody by Argentine security forces for the past 2 years. He has been stripped of his freedom, his property and his civil rights. His countrymen have searched for a charge to place against him—but to no avail. For the past year they have placed him under house arrest, despite the fact that the Supreme Court of Justice of Argentina ordered the release of Timerman. Moreover, the President of Argentina, Gen. Jorge Rafael Videla, has apparently expressed a desire to see Timerman released. Despite these facts, Jacobo Timerman patiently waits for his freedom in his 15th floor apartment with three policemen.

Timerman was arrested in April 1977 for his alleged involvement in Argentina's "Graiver Affair." Banker David Graiver was implicated in an international banking scandal and was alleged by the military junta to have been the financial patron behind the Montonero guerrillas. Graiver was said to have been killed in a plane crash in 1976, which to this day has not been proven.

With Graiver "out of the way," the military Government already weak and unsure of itself, tried to picture all Argentinians having distant contact with him as menaces and threats to the regime.

Jacobo Timerman, a left of center liberal and a highly successful newspaper entrepeneur, founded "La Opinion", a newspaper once considered one of the most prestigious in the Spanish-speaking world. In 1974, prior to any guerilla ties, Graiver lent money to Timerman for this newspaper. The fact that both men were Jewish provoked the anti-Semitic fringe of Argentine society to move against Timerman although no crimes were formally charged against him.

The same journalists that learned their trade from Timerman were the same individuals who chose to remain silent regarding their mentor. His newspaper is now a mouthpiece of the military faction backing President Videla.

The Government in Argentina has, with only circumstantial and unfounded evidence portrayed Timerman as a symbol of the terrorist movement. Timerman has already spent over a year in jail. He believes that he is being held because he is a Jew. In a country that has consistently opened its doors to Hitler's Nazis, it is unfortunately understandable that Timerman is presently incarcerated today.

The questions are inumerable and the answers surrounding his confinement are few and unconvincing. There is no satisfactory explanation why he was arrested and more importantly, why he is still being held. It is obvious that the Argentine Government is more concerned about their strength than in placating the alleged "reactionary forces" in Argentina.

We must continue to press for the release of Jacobo Timerman and demand that the militaristic Government cease its flagrant violations of human rights.●

● Mr. YATRON. Mr. Speaker, I rise to join my distinguished colleagues in congratulating Jacobo Timerman on his receipt of the Humphrey Freedom Award.

Earlier this week, I had the privilege of meeting with Mr. Timerman's son, Hector, and Rabbi Morton M. Rosenthal, director of the Department of Latin American Affairs, Anti-Defamation League of B'nai B'rith.

As many of my colleagues know, since assuming the chairmanship of the Subcommittee on Inter-American Affairs more than 2 years ago, I have become concerned about the course of U.S. relations with Argentina. There is no denying that, for some time following the coup which removed Isabel Peron from office in 1976, the Argentine people endured a period of great national tragedy. The Argentines are no more proud of this experience than any country in the world community.

I do not believe that the Argentine Government is united in support of continued repression and lawlessness. Some elements continue to believe that the "dirty war" which followed the coup has not been won. But there are others who favor a course of moderation, who wish to see the return of a civil and just society. Rather than seeking to punish the first group, I believe the United States should encourage the forces of moderation in Argentina. For this reason, I have supported a U.S. policy of reasoned diplomacy rather than public denunciation and castigation.

While I believe that this approach is in the best interests of the United States, it is likewise in the interests of Argentina to take certain steps.

I am hopeful that the Argentine Government will act expeditiously to release Jacobo Timerman into exile. This is a decision which only Argentina can make.●

● Mr. WAXMAN. Mr. Speaker, I am gratified the House has chosen to express its concern over the terrible plight of Jacobo Timerman of Argentina. Timerman is an Argentine patriot, a humanist, a progressive—and a Jew. He is the founder and publisher of La Opinion, one of the most prestigious newspapers in Latin America. Throughout the chaos and disintegration of the rule of Isabel Peron, and during the excesses and anarchy of the current military dictatorship, Timerman used La Opinion as a voice for democracy and decency in Argentina. He condemned terrorism of both the left and the right. His was the voice of responsible dissent—from violence, subversion, and dictatorship.

For his honesty, courage, and determination, he has suffered grievously. In April 1977, the Argentine military authorities falsely implicated Timerman in a banking scandal marked by vicious overtones of anti-Semitism. He was arrested and tortured. His inquisitors demanded information and "confessions" regarding his Zionist beliefs. A progaganda campaign, which has jeopardized Argentina's 350,000 Jews, was orchestrated.

Subsequent investigations, however, cleared Timerman completely. The Supreme Court was forced, in the absence of any evidence of guilt, to approve his petition for habeas corpus, and ordered his release. But the Government has spurned the judgment of the highest court in Argentina. Timerman remains under house arrest in Buenos Aires.

His wife, Rische Timerman, has been quoted as saying:

> My husband was too Jewish, too liberal, too intelligent and, above all, too successful.

Jacobo Timerman has been made a target by the Argentine Government of President Videla to divert attention from growing civil instability in the country and the very repressiveness of his regime. President Videla's acquiescence in Timerman's imprisonment, and in the anti-Semitism which has marked his ostracism—in the face of irrefutable evidence of Timerman's innocence—is nothing less than a cowardly violation of basic human rights. Timerman deserves no less than his immediate and unconditional freedom.

From all over the world—from the President, from the Vatican, and from Aleksandr Solzhenitsyn, among others—have come pleas for Timerman's release. I am pleased the House has today gone on record in behalf of this noble effort for a great and good man. I trust the Argentine Government will take full notice of our protest over this continuing injustice.●

● Mr. OTTINGER. Mr. Speaker, I am pleased to join my colleagues, Representatives BENJAMIN GILMAN and SILVIO CONTE, in strong condemnation of the Argentinian Government's confinement of Jacobo Timerman.

Mr. Timerman, who is respected internationally both as a journalist and a defender of human rights, has become a symbol of worldwide concern for human rights in Argentina. For the past 22 months he has been either in prison or under house arrest, even though there have been no formal charges lodged against him. After three investigations Argentina's Supreme Court has cleared him of any wrongdoing and ordered his release, but he is still under round-the-clock police guard in his Buenos Aires apartment. The Government has seized control of the newspaper founded and edited by Timerman, La Opinion, one of the most respected dailies in Latin America. He has been stripped of all political rights, personal property, private residence, and commercial interests and is in poor health.

Mr. Timerman's wife and two sons have emigrated to Israel. Timerman, who believes he is being held because he is Jewish, refuses to apply formally for permission to leave the country. To do so, he says, would be to admit guilt. But at this point it is unclear what he must do to be released. Argentina's President, Jorge Rafael Videla, told President Carter in 1977 that Timerman would be freed. This was over 2 years ago.

The Timerman fight represents the ongoing fight for democracy and freedom in Argentina. We must act to eliminate such blatant disregard for individual dignity. Such persecution is clearly a violation of international human rights agreements and warrants particular interest on the part of the United States. This matter and our protests today are firmly rooted in the ideals of this Nation—in the respect for human decency and in the protection of certain unalienable rights. We must continue our struggle on behalf of Mr. Timerman and all those denied the right to believe in whatever faith they wish and to conduct their lives as they desire.●

● Mr. WOLFF. Mr. Speaker, I want to join with my colleagues in bringing to the attention of the Congress and the Nation the plight of Jacobo Timerman.

Argentina has violated the human rights and civil liberties of this respected journalist. Mr. Timerman was editor/publisher of a leading Argentina newspaper, La Opinion, before his arrest in April 1977. At first he was charged with involvement with leftwing terrorists, but later charged with ambiguous "economic crimes." He has been cleared of these charges by a military court. The Argentine Supreme Court has cleared him as well, saying that there are no charges pending against him. Despite the exoneration by Argentina's judicial system, the junta is keeping him under house arrest. The question that must come to mind is: Why? What possible interest could Argentina have in maintaining custody of a man proven innocent of charges against him? Just recently the junta passed a law allowing themselves to overrule the Argentine Supreme Court, allowing them to continue holding Timerman without justification.

Timerman had begun to expose the actions of the junta—including torture, abductions, and extortion—just before his arrest. One cannot help but think that Timerman must know too much about these activities for the junta to dare release him, despite the international outcry on his behalf.

Timerman's wife and family have emigrated to Israel, hoping that he will be allowed to join them. The junta has stripped him of his Argentine citizenship. Argentina has been the scene of mounting tension between the Jewish citizens and the many Nazis who emigrated there after World War II. Latent anti-Semitism has surged to the forefront in many tense encounters. I fear that Mr. Timerman is the victim of such anti-Semitism.

The International Human Rights Commission is investigating this case. I call upon the Argentine Government to free

Jacobo Timerman now, and allow him to join his family in Israel. Some have said that the human rights situation in Argentina has improved recently, that abductions and torture have stopped. The Argentine officials have an opportunity to show to the world that this is the case, that they have taken steps to respect human rights. Let them prove it by freeing Jacobo Timerman.●

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1830

FLORIDA TOMATO GROWERS ENTITLED TO FAIR HEARING UNDER THE LAW

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, well over a year ago, three groups of Florida winter vegetable growers testified before the Senate Foreign Agriculture Subcommittee. They came to convey a sense of urgency about the potential demise of their industry. They pointed to consistent and substantial sales of Mexican produce at below the cost of production, a practice which was driving them out of business. At that time they anticipated, with remarkable foresight, the problems they would face. They noted that they might be sacrificed for other national policies involving drugs, immigration from Mexico, and oil and gas. They felt that no matter how good their case, they would be overwhelmed by the pressure of other issues and forces.

After expressing their views to Congress, these growers made a decision to fight for their lives. They sought both economic and legal assistance. Through grassroots financing, they obtained a study by an economist, Dr. Glenn Meyers, which for the first time thoroughly investigated the nature and structure of the Mexican winter vegetable industry. That study showed that imports of Mexican winter vegetables are subject to centralized planning by an association which controls the volume of exports and has the power to penalize its members for nonsanctioned exports. The study, drawn in good portion from internal documents of that association, showed a striking contrast between this monolithic, highly sophisticated Mexican organization and the fragmented, fiercely competitive Florida growers.

Armed with that report, the Florida growers engaged legal counsel to evaluate the few options open to them under the U.S. trade laws. They chose to file a petition under the Antidumping Act of 1921, asking for a determination of whether the Mexicans were selling five winter vegetables at less than fair value which, in many cases, was below the cost of production. The Florida growers chose to proceed under the antidumping law because it provided the most objective criteria available for determining whether unfair trade practices were being carried oun.

The petition was processed by Customs. There was obviously merit to the case since, after the initial 30-day examination period, Customs launched a full-scale investigation, including the dispatching of agents to Mexico, to verify certain data. Since its early stages, however, this case has been anything but routine.

In May, the Mexican growers made an attempt to sidetrack and kill this case. Although the case was then pending, they attempted, in executive sessions of the House Trade Subcommittee, which was then working on implementing legislation to the multinational trade negotiations, to obtain an amendment to the antidumping law which would exclude perishables from its application. This was a blatant attempt to do legislatively what was already under consideration pursuant to existing law. Only strong countermeasures saved the Florida case from being legislated out of existence.

In the last several weeks, the Treasury Department has been put under enormous pressures either not to proceed under existing law or to deny its applicability to the facts at issue. These forces are attempting to override clear statutory and regulatory language and reverse over 50 years of precedent and Treasury applications of the statute in order to defy or stop consideration of this one case.

This single case has resulted in an organized and highly financed lobbying campaign in opposition. Some of our colleagues in the House have seen fit to write to the Secretary of the Treasury encouraging him, in effect, to make a negative determination in this case. While everyone is entitled to his opinion, I cannot help but feel that such actions are a clear attempt to influence what should be an independent administrative decision.

What are the demands of the Florida growers which have triggered such a vehement and well-organized response? The Florida growers ask that the Mexicans engage in fair trade as well as free trade. They ask that the Mexicans stop dumping over one-half of their produce in the United States which is causing many Florida farmers to go out of business. They ask for these things to insure a stable retail market. In sum, they ask for what every American citizen should enjoy—equal protection under the laws.

The drive afoot is an attempt to deny the Florida growers of such equal protection because the industry deals with perishables. If such equal protection is denied to the Florida growers, it will not be long before foreign exporters of meat, citrus and other fruits, dairy products and other commodities which could be classified as perishables, will be claiming the same sort of exemption from the antidumping laws. The antidumping law, which is the only mechanism which gives domestic industry a fair evaluation of questionable foreign pricing practices, will be rendered useless. If, as the defendants in this case claim, their underpricing was a result of distress sales, then the investigation will show this. However, the investigation must be allowed to continue in an objective and fair manner.

I am sad to say that it looks as though the cynicism of the Florida growers, expressed well over a year ago, was well founded. They have fought their way through the system against tremendous odds to reach this point. This case is now at a critical juncture. It should be allowed to continue to a conclusion without undue influence or pressure from either inside or outside of Government.

I want to give my encouragement to the Secretary of the Treasury, the Department of the Treasury and its personnel and the U.S. Customs Service and its personnel for their fair and impartial examination of this case and their ability, to this point, to withstand the pressures being exerted from a variety of sources. I would ask my colleagues to join me in encouraging them to withstand such pressures as they move to their ultimate decision on July 19. I do not, as do others, pressure them to arrive at a certain conclusion, although I hope the facts are found to be such as to support the petition. I only ask them to continue to forge ahead in a fair and unbiased application of the law.●

THE MURDER OF FEDERAL DISTRICT JUDGE JOHN W. WOOD AND INTERNATIONAL BANKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

(Mr. GONZALEZ asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, I rise again on this occasion, as I have been here for the last 4 weeks, to again emphasize that the murder of Federal District Judge John W. Wood and the prior attempted murder of Federal Assistant District Attorney James Kerr have produced no arrests, not even an initiation of a resolution of these terrible crimes.

The murder of Judge Wood is unprecedented. It just has not happened before to the Federal judiciary. As I have said, it is very distressing to me, because it was an avoidable and preventable death. As a matter of fact, I had sent an admonition to the judge, just 4 days before his murder, in the person of James Kerr, who had come up to Washington for the purpose of receiving a citation from the Attorney General. It preceded discussions that I had initiated in my own district last summer, after the murder of two local citizens. And all of these things, as I have pointed out, are tied in.

Now, today, I want to touch on the fact that nothing has really happened with respect to a solution of this case, even though it took the murder of the judge to bring about some kind of an exertion by dispatching of over 40 FBI agents from the Capital here to go down and work on that case—the typical knee-jerk reaction that we have become so accustomed to at all levels of government, local, State, and national.

The other discussion I wish to develop today has to do with another subject matter that I have also broached through this forum, which is also a matter of extreme concern, and it has to do with an international banking situation as it reflects the dangers and the susceptibilities of our domestic financial structure and banking system.

So I want to proceed first on the murder of Judge Wood.

Last week I went into the death, the strange death, of Sante Bario, who was the agent in charge of the Drug Enforcement Administration in Mexico City until his arrest in my district on the charges of bribery. He was incarcerated the first few weeks at a distance of about 90 miles from the city of San Antonio, obviously for protective reasons, with good cause. However, due to pressure asserted by his own counsel, he was returned to the Bexar County jail in December, because the counsel raised allegations that the defendant, or his client, was inaccessible and he needed him in a place of accessibility where he could counsel and confer with him. So they removed him and brought him back to the Bexar County jail.

As I have pointed out, there is a very dreary history about this jail, where strange things have happened before and have not been resolved, where my lone voice at the time from the Federal level was insisting that at least there be an investigation on the local level and then later on the State level. One newspaper editorialized once, and then that was it. Nothing was done to follow through.

Now, Sante Bario, shortly after his removal to the Bexar County jail, was given a peanut butter and jelly sandwich and choked up on it, went into convulsions and a coma, lingered in a coma for several months, and finally passed on without ever regaining any semblance of consciousness just about a month and a half ago. The case is considered closed, except for the fact that it once again shows how complacent and smug and actually irresponsible we can be. This case does tie in, even if indirectly, with the murder of Judge Wood and the attempted murder of James Kerr. But I am the only one saying so. I am the only one who is even mentioning the Sante Bario case.

Now what was the nature of the bribery charges? Well they were based on the fact that a high-level informer a real high-level informer, had informed the DEA in Washington that Mr. Bario was ready to take bribes. So at a meeting in a New York hotel, the DEA bugged the room and recorded a transaction in which Bario was supposedly receiving money from this informer as a kickback. Again, this is something I have been speaking against since 1970 and the overwhelming passage of the 1970 so-called anticrime bill, which in effect was really violative of four basic constitutional rights, but it passed the House with only 29 dissenting votes, mine included. And it also set up for the first time the so-called special grand juries, which are unprecedented in the Anglo-American tradition of jurisprudence, and which, by now, certainly successive members of the Committee on the Judiciary ought to know is in dire need of reform and revision because it placed it into the hand of political manipulation and does the very opposite of what the Congress had intended when it approved it. That, of course, is a separate discussion, but it is all tied in, because it again shows how we wait until things get so bad that we really cannot do anything about them.

Since 1970 I have said that organized crime in this country is so sophisticated and so well organized that it has penetrated the highest levels of our Government. This is still true. The ability of the law enforcement agencies, from the Federal to the State to the local, is very, very restricted. They do not have the ability to penetrate organized crime. Sante Bario is a good case and a good example.

The autopsy on Sante Bario's case revealed that there were no poisons, as such, no strychnine, for instance, and the hypothesis was that somehow or other he choked up on the sandwich, this in turn shut off his supply of oxygen to his brain, receiving irreparable damage to the brain, and dying as a consequence.

Well, now, for anybody to believe that, without some real checking out of other potential possibilities, is a person that I think would be ready to believe in Cinderella, the Seven Dwarfs, in the "tooth fairy" and everything else. It so happens that, had Sante Bario lived long enough to afford a defense of his case, he would have been tried in Judge Wood's court. There is no question that that would have been the forum before which the Sante Bario case would have been tried. I happen to know that Sante Bario was also very well informed and probably the only one in our whole law enforcement system who was informed about the ominous development of what I call the Las Vegas-El Paso-Mexico connection, which was involved, at least from the reports inferentially printed from the law enforcement agencies, in the attempted murder of James Kerr, even though no charges to this day have been brought against anybody for that specific crime, any more than an arrest has even been contemplated in the case of Judge Wood.

Now, tonight it is not my intention to enlarge upon that other than to serve the purpose of saying that, had Sante Bario lived long enough, he would have had a lot of information, by virtue of his association with top-level informers that he had worked with when he broke the French connection case in the New York area, and also successful in his endeavors with the New York Crime Commission, because he had soundly scored victories, and through his adept ability to penetrate and ingratiate himself and work in with the inner level of these top grade informers. But it also reveals that our law enforcement agencies solve or attempt to solve crimes only with a cheek-by-jowl association with criminals.

Sante Bario's accuser and informer was the top-level informer that had been relied upon in the key cases on narcotics control in the United States.

□ 1840

It shows a vulnerability of the law enforcement agencies, and the fact that Sante Bario did not even have a chance to testify, I think should be significant enough to arouse a keen sustenance of interest and investigation in that case.

We must remember that he would have talked. What he would have said would have been pertinent to the very factors that, in my opinion, have led to this assault on every American in and out of Government on the judiciary and on the law enforcement capabilities of our country.

Now, the second subject matter has to do with what I have been speaking on in the past and warning the development of the European monetary system and the companion fund, the European monetary fund, added onto the structural changes that have occurred, particularly in the last 10 years in our financial and banking structure of the United States.

I have warned since 1970 that for the first time since the depression or the break in 1929, we have once again all of the factors in this equation that I call the disaster equation; therefore, I feel we are teetering on a brink and very vulnerable.

Now, today, and I wish to ask unanimous consent that I may be permitted to insert into the RECORD at this point an article that appeared in the Journal of Commerce, having to do with the intervention of the Federal Reserve and other Government central banks to support the dollar. The dollar apparently is again under pressure, and particularly the last 4 days.

BANKS MOVE TO SUPPORT DOLLAR

(By Karen Pennar)

The Federal Reserve reportedly intervened on the foreign exchange markets Wednesday to support the dollar, and market sources indicated that there was evidence of dollar support moves by other central banks as well as to counteract the effect of heavy dollar selling.

The dollar was under serious pressure for the fourth straight trading day, and dealers noted that there was no specific news pushing the dollar lower, a situation similar to earlier trading sessions.

The intervention by the Fed and other central banks did bring the dollar off its lows for the day, dealers reported, and by late afternoon it was at its closing levels of the previous trading day, which had been an especially bad one for the dollar.

Traders estimated that the Fed bought $300 million or so to stabilize the dollar's value, and the German central bank, the Bundesbank, bought $30 million at the morning fixing and a bit more afterwards during the day. The Swiss National Bank may also have been buying dollars, traders said.

Sterling, meanwhile, continued to soar. In late dealings in New York Wednesday, it was quoted as high as $2.1350.

The dollar's recent difficulties have taken attention away, to some extent, from the European Monetary System and the weaknesses of some of its member currencies. There continues to be some worry in the marketplace that a realignment of the Belgian franc and the Danish krone—the weakest members of EMS—in relation to the German mark—its strongest member—may yet occur in the near future.

Both the Belgians and the Danes have taken action in the way of monetary firming in an effort to assist their currencies. The system has only been functioning for three months, and the governments involved had hoped that it would hold together until the six month review slated for September. It's possible that a realignment may be necessary sooner, according to some traders, but they concede that there is strong political resistance to tampering with EMS during the summer.

One of the chief architects of EMS believes that European inflation rates will converge in the direction of the German inflation rate, rather than toward some EMS average. Jacques van Ypersele de Strihou, chairman of the European Community's monetary committee and chief economic advisor to the prime minister of Belgium, said in an interview published in the Chemical Bank survey, Report from Europe, that the Germans and the EC as a whole would find it unacceptable to permit the German inflation rate to increase as a result of EMS.

And Rimmer de Vries, international economist at the Morgan Guaranty Trust Co. here, believes it's a toss-up as to whether a realignment in rates will occur before September. August is a traditional time for surprises on the foreign exchange market, Mr. de Vries notes. But he does feel that some "modest" realignment will occur before the end of this year.

In late dealings in New York Wednesday, the British pound sterling was quoted at $2.1345, up a cent from the previous day's closing. Other currencies ended virtually unchanged from their Tuesday closing levels.

The dollar bought 2.0460 Dutch guilders Wednesday, the same amount as the previous day, while it bought 1.8635 German marks, just slightly more than on Tuesday.

The Swiss franc was quoted at 1.6740 to the dollar, compared to Tuesday's 1.6755 to the dollar.

The price of gold rose on the bullion markets Wednesday. At the afternoon fixing in London it was pegged at $281.35 an ounce, up $1.05 an ounce from the previous day's second fix.

What has this got to do with the banking system in America? Everything. Because in a letter that I wrote the chairman of the Banking Committee of the House asking him to please go into the question, have the committee go into the question of the heavy takeover of banking resources by foreign nations and foreign nationals, particularly the Arab moneyed interests, because, as I pointed out, and I have been the only one to do so in the Congress, 2 years ago, the resources of our principal private banks in the United States, which hold 20 percent of the total banking resources of the country, grew from $3 billion to over $45 billion in investments in developing countries; so that their earnings of the principal banks in the United States have been heavily dependent in the last few years on these international investments. Some loans pressured by Arab insistence, and most in danger of default.

I would like to point out some of the statistics. The Eurodollar market, for instance, has grown to a $700 billion-plus figure.

What is the relation between American money supply and this resource? Nobody in or out of the Congress has bothered to even raise the question. I think this is a terrible abdication of responsibility on both the part of the Congress as well as of the administration and the Presidents, four Presidents in a row, with an ever-increasing portion of the earnings of the larger domestic banks coming from international loans, made in the marketplace where no one sets the rules, the regulatory bodies at home ought to at least look into the matter and make reports to the Congress.

The Congress at least ought to look into it and make this request to our regulatory bodies, but they will not.

On top of that, according to the FDIC, for all of the 14,412 insured banks in this country having assets of $1.339 trillion at the end of 1977, capital funds were in the range of 6 percent of assets.

So the banks have a formula—that is, financial experts have a formula—to anticipate and prevent disasters.

They say capital must be sufficient to anticipate periods of relative difficulty and provide a prudent measure of safety. Their suggested formula is: Two times the historical losses multiplied by 20. Under this formula, none but one of the principal banks in New York satisfy it.

So, we have scant disaster experience to begin with.

We have a refusal and a willful abdication of responsibility in this regard in the public sector and in the private sector, and so this leaves us at a point where we are vulnerable. I am exceedingly concerned and will continue this discussion at a future time.

COMMON CAUSE OUT OF TOUCH WITH CONGRESSIONAL MEMBERSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. CAMPBELL) is recognized for 45 minutes.

Mr. CAMPBELL. Mr. Speaker, Common Cause has issued a news release making rather strong charges against some of the 245 Members of the House who voted for my cease-and-desist amendment to the Housing and Community Development Act earlier this month. Late this afternoon, and through sources unrelated to Common Cause, I finaily saw the actual text. Even though the release dealt with a subject of obvious interest to me, Common Cause did not do me the courtesy of providing me with a copy.

I must say, now that I have seen the release, I am even more appalled by the false innuendos and, yes, smear tactics employed.

You will recall, Mr. Speaker, that my amendment did not take powers away from the Department of Housing and Urban Development or the Office of Interstate Land Sales. The amendment simply rejected the notion that we should expand HUD's authority by giving the Secretary cease-and-desist powers in connection with interstate land sales. Debate on the amendment centered around the advisability of giving an executive department sweeping new judicial powers, when it already has the same enforcement powers through U.S. district courts.

Mr. Speaker, my amendment passed by 245 yeas to 145 nays, including 106 Democrats in favor and 138 against, and 139 Republicans in favor and only 7 against. With a 100-vote margin against granting cease-and-desist powers to HUD, and the near even split among Democrats, the will of the House was clearly demonstrated. The Senate Banking Committee has also rejected an effort to amend its bill to include the language eliminated by my amendment, further indicating that Congress has problems with the concept.

Yet Common Cause points a finger at the 203 House Members who received campaign contributions in either the 1976 or 1978 election from the National Association of Realtors and also voted for the cease-and-desist amendment, and accuses us of being influenced by a $1 million lobbying campaign on the part of the realtors, according to one report I have seen. That newspaper article, by the way, was headlined "Common Cause Says Legislators Bought on Land Sales Measure." Bought, indeed. If that is the case, then nearly all House votes would—or could—be unduly influenced by the realtors since they have contributed to the campaigns of more than 300 of the 435 Representatives presently in the House, according to Common Cause's own report.

My amendment was supported by the National Association of Homebuilders as well as the realtors and the American Land Developers. Contrary to the Common Cause report, cease-and-desist was not a major subject in the realtors' lobbying campaign on the bill. In a position letter sent to all Members of Congress on June 1, 1979, just prior to floor action, the subject of cease-and-desist received less than 6 lines of attention out of a total of 84 lines in the 3-page letter. In fact, the realtors' letter did not even mention the Campbell amendment by name and simply said that, "We believe that this only leads to more bureaucracy and urge your support in striking this section from the bill."

Hardly a $1 million lobbying effort, as Members who are flooded with letters from interest groups, often including Common Cause, on every major bill well know.

As far as my own personal situation is concerned, I have had no problems in my district with Common Cause's accusations. After all I, as the author of the amendment, received less than the average campaign contribution from the NAR. No doubt, however, I will be hearing from people on this subject after taking the floor today to speak to this issue.

But, Mr. Speaker, I believe the record should be set straight. I originally offered the cease-and-desist amendment in the House Banking Committee on May 10, obviously well before the realtors' June 1 letter. In fact, I did not even discuss this matter with the realtors prior to that committee meeting or prior to floor action. A letter I received today from the National Association of Realtors, also seeking to set the record straight, and signed by their senior vice president for government affairs, states in no uncertain terms that the amendment was not their idea.

At the May 10 Banking Committee meeting, the amendment was defeated, true. But it was defeated by a vote of 23 to 15, certainly close enough to show there was already a real problem among a significant number of members with granting these new judicial powers to HUD.

So I think purely on the face of the matter, the Common Cause charges do not hold up. Why, then, I wonder, did the organization bother to do a "study" and issue a press release?

In addition to being a member of the House Banking Committee and thereby having, I might add, a legitimate interest in, concern about, and hopefully knowledge of legislation coming out of that committee, I also serve on the House Administration Committee. Only a couple of weeks ago the House Administration Committee by an overwhelming vote of 17 to 8 defeated H.R. 1, taxpayer financing for congressional campaigns, a major—perhaps the major—legislative objective of Common Cause. In fact, Mr. Wertheimer, Common Cause's outspoken vice president, testified on that legislation with some heat. Interestingly enough, the day before the committee vote on H.R. 1, Common Cause issued another press release dealing with campaign contributions to freshmen Members of this House so, Mr. Speaker, I am not unfamiliar with Common Cause press releases.

As I thought about Common Cause's real motivation on this latest release, it became clear that the real thrust of the release was that political contributions from an organized business group are bad, and members who accept such contributions are somehow suspect. I do not think Common Cause went so far as to check to see which Members had received contributions from individuals who happen to be realtors who conceivably might then have influenced their vote on my amendment. So it must be only organized groups that are bad.

Now, Mr. Speaker, I do not agree with that reasoning, and I do not agree with Common Cause's tactics if they are, as I believe, trying to intimidate Members of Congress into supporting taxpayer financing by slinging mud at individual Members. For myself, I can assure my colleagues that any time I can stand up to stop the ever-expanding powers of unaccountable, unelected bureaucrats, I will do so. And I will do so regardless of attacks I might receive.

I speak today not to defend myself to Common Cause, Mr. Speaker, but because I believe those in power at Common Cause are out of touch with their membership. I believe the national office has done a real disservice to the fine people around the Nation who belong to the organization in the perhaps misguided belief that they are participating in a grassroots group which carries their views to the Federal Government.

Finally, Mr. Speaker, I ask permission to read a letter from my distinguished colleague, the chairman of the Housing Subcommittee which developed the bill in question, and, according to Common Cause, the leader of the opposition to my amendment.

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HOUSING AND
COMMUNITY DEVELOPMENT OF
THE COMMITTEE ON BANKING,
FINANCE AND URBAN AFFAIRS,
Washington, D.C., June 21, 1979.

Hon. CARROLL A. CAMPBELL, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR CARROLL: While we may have disagreed about the merits of granting cease-and-desist powers to HUD relative to interstate land sales, I am astonished that attempts have been made to link votes on your amendment with campaign contributions from the Realtors Political Action Committee. I am fully aware that the granting of cease-and-desist powers is a controversial issue which involves deeply held philosophical convictions, and I am equally sure that you and a large number of other members would oppose cease-and-desist powers as a matter of philosophy regardless of whether it was favored or opposed by any group.

The vote on your amendment included nearly as many Democrats (106) as Republicans (139) in favor while it was opposed by 138 Democrats and 7 Republicans. Such a split, combined with a 100 vote victory margin is clear evidence of the more conservative nature of this Congress and its desire to reduce Federal involvement in a number of areas.

While it is true that the Realtors supported your amendment, it was clear to me that you did not offer it on behalf of the Realtors or any other organization. I would also note, that the Realtors did very little lobbying on this issue and concentrated on the "intra-state exemption" amendment they have been seeking for two years. The three-page letter, sent to all Members concerning the interstate land sales provisions of H.R. 3875, included a mere 6 lines related to cease-and-desist compared to approximately 75 lines on the intra-state provision.

I regret that you and others have been made the target of such a misdirected attack and trust that you will continue to vote your convictions and philosophy.

Sincerely,

THOMAS L. ASHLEY.

□ 1850

Mr. FAZIO. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I will be glad to yield.

Mr. FAZIO. We talked a good deal earlier today about injustice on this floor. I think it is appropriate that the gentleman has brought some injustice that has occurred to Members of this body to our attention as well.

As one who has traditionally been in Common Cause's corner on many issues that they have brought to the attention of the Congress, I am equally shocked and really saddened at the approach they have taken to try to influence the votes of Members of the Congress to support H.R. 1. I am a cosponsor and an advocate of H.R. 1, as the gentleman knows. But I think it is a very, very destructive tactic to use in trying to convince people that we need to have such legislation when we must stoop to what I would term guilt-by-association kinds of attacks on Members of this body who out of sincere conviction have made decisions which run counter to perhaps those held by maybe a majority, who knows that percentage of the members of Common Cause.

It seems to me that the integrity of individual Members is important because the body's integrity as a whole is also affected by attacks that go unanswered. I for one know very well that the people who have been thus far attacked for having voted with the gentleman (Mr. CAMPBELL) are people who do not agree on this issue and are people who have sincere philosophical commitments to the point of view that they held on the issue. There is no evidence that the Real Estate Association made any real offer to influence the votes of the Members on that particular point that was so important to the gentleman. In fact, that association, which has, by the way, never contributed to me, made very clear that they are interested in the Taylor amendment which was eventually accepted by Mr. ASHLEY, whose very appropriate letter you have just read.

It seems to me we as a body must defend those Members who I think are unfairly attacked in the media by people who generally have the high esteem that Common Cause is held in by most people in this country. It is only appropriate that we join together on a bipartisan basis today to do this because I think that the integrity of this body, which as we all know is at a low point in our history, is so crucial in our ability to have public support in the efforts to solve some of the very crucial problems that face us today, energy, inflation, we all know them, but we must have some sort of belief that the Congress is doing its best to solve these with the sincere interests of the American people at heart.

We are divided and we will continue to be. But I believe in my brief period in the Congress I have seen far more honest commitment to the issues and honest disagreement than I have seen any kind of insidious influence brought about by the contributions of special interest groups.

□ 1900

So, I would particularly like to lend my support to the gentleperson from Maine and others who have, I think, been unfairly attacked, and indicate that I am firmly in their corner on this issue.

I would like to congratulate the gentleman from South Carolina for his sensitivity in bringing this issue to the floor. I know there are many other Members of my party who would like to join with him in attesting to the integrity of our fellow Members who, I think, have been unfairly attacked.

Mr. CAMPBELL. I thank the gentleman from California for his most appropriate remarks.

Mr. Speaker, I have had the privilege of serving with the gentleman from California on the committee, and we have agreed and disagreed on many subjects, as have other members of the committee, but never has the integrity of one of the Members been questioned regarding any subject. I thank the gentleman for his comments.

Mrs. SNOWE. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentlewoman from Maine.

Mrs. SNOWE. Mr. Speaker, I want to thank my colleagues here, and thank the gentleman from South Carolina (Mr. CAMPBELL) for calling our colleagues' attention and the public's attention to this very unfortunate situation, and to set the record straight so that there is not any misunderstanding. I trust the facts will rise above the smear tactic campaign.

Mr. Speaker, I rise today as one of several Members of this House who yesterday was implicated by innuendo by the self-proclaimed citizens lobby, Common Cause, as having had my vote on the so-called Campbell amendment influenced by a National Association of Realtors contribution to my campaign.

In the Common Cause release, they state:

> More than $1 million in political contributions by the National Association of Realtors (NAR) has paid off in a key legislative victory for the real estate industry.

Clearly, Common Cause intentionally attempted to leave the impression that the adoption of the Campbell amendment was the result of NAR contributions. In my judgment, such an allegation by innuendo is unconscionable.

As one who received a campaign contribution from the NAR, I can say very frankly that I was unaware until the Common Cause release yesterday as to what the Realtors' Association position was on this issue. I also was unaware until yesterday of Common Cause's position on the Campbell amendment.

I would suggest, Mr. Speaker, that this kind of blind and vicious attack on the collective integrity of the Members of this House is unpardonable. Such unsubstantiated claims indeed are the very kinds of things that continue to breed public skepticism, mistrust, and disillusionment with our process of Government and the people who participate in it.

Even though there appears to be evidence to the contrary, I would hope that Common Cause has not undertaken the approach they displayed yesterday in their attempt to lobby for support of public financing for congressional campaigns. I would caution them that effectiveness here depends in large measure on credibility, honesty, and fairness, and on a genuine understanding that we all share somewhat different convictions and philosophical views. Regretfully, Common Cause is apparently pursuing a different course.

I would hope we could expect more from them in the future.

Mr. CAMPBELL. I thank the gentlewoman for her comments.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Mr. Speaker, I never thought the day would come where I would be rising to attack an organization that I, in the 6 years I spent in the Pennsylvania Senate, was pleased to champion, but within the past few hours I have received a phone call from a reporter from the Philadelphia Evening Bulletin in Philadelphia concerning this press release Common Cause has sent to all the newspapers, and apparently did not have the courtesy to send to the Members involved, concerning my vote in support of the Campbell amendment, and the fact that I had also received a campaign contribution from the National Association of Realtors.

The reporter, using his own language, explained that he considered the press release to clearly infer a quid pro quo relationship. I repeat that. The reporter's interpretation of the Common Cause press release was that it inferred a quid pro quo relationship, that is, that the realtors got a vote in return for their campaign contributions.

As I said, Mr. Speaker, in the past I have championed causes which Common Cause said they believed in, such as the registration of lobbyists in Pennsylvania, financial disclosures for legislators. I have taken a lot of flak, as I am sure Mr. FAZIO has, because I am a cosponsor of H.R. 1, public financing, on which the gentleman from South Carolina and I very strenuously disagree, and which seems to be the cause Common Cause is most interested in in this session.

With that background, Mr. Speaker, I must publicly express my disappointment and disgust at what I consider to be gutter tactics and irresponsible behavior by Common Cause. Indeed, I can only believe that Common Cause has decided that it is politically expedient to try to pass H.R. 1, and they are therefore willing to join the worst groups and use the worst tactics that they supposedly, as a citizens lobby, can to accomplish those objectives.

I should note for the record, Mr. Speaker, that I received no letters from the realtors, no phone calls, and had no meetings on the Campbell amendment. I also received no phone calls, no letters, and had no meetings with Common Cause on the Campbell amendment. I also would like to note, Mr. Speaker, that Common Cause did not even have the decency, apparently, to discuss the vote on the Campbell amendment with any of the Members of this body whom they choose now to charge by innuendo.

Mr. Speaker, very simply, my reasons for supporting the Campbell amendment were somewhat parochial. If the Members know what is going on in the city of Philadelphia, the Secretary of HUD is attempting to jam down the throats of the people of Philadelphia a housing project known as Whitman Park, which the people of the city of Philadelphia have been fighting for years. The Secretary of HUD has chosen to hold all community development funds to the city of Philadelphia in bondage until the people of Philadelphia accept Whitman Park. Indeed, Mr. Speaker, HUD is the largest slum landlord in the city of Philadelphia. So, I have no love for the Secretary or for her department, and have no reason to support any effort to give her more power.

Indeed, it is unfortunate that Common Cause apparently has become nothing more than a hack political organization. I believe that Common Cause owes a public apology to the Members of this body and to the Congress as a whole. I will not associate myself in the future with any of the causes of Common Cause until they have the courtesy to extend that apology.

In the State Senate of Pennsylvania, Mr. Speaker, I was pleased to be known as my own man. I will not be bought by any special interest groups, and on the other hand I will not be bought and owned by Common Cause.

I thank the gentleman.

Mr. CAMPBELL. I thank the gentleman from Pennsylvania for his contribution.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I would like to join my colleagues in applauding the efforts of our distinguished colleague from South Carolina in asking for his special order. As one who supported this particular amendment, I am, of course, chagrined by the efforts of Common Cause to mischaracterize those of us who supported that amendment, and happened at some previous time to get a contribution from the National Board of Realtors.

It seems to me that many of us have had very good relations with those people in our own particular districts who are members of Common Cause. I have met with them regularly, and although we happen to disagree on a number of issues, I think we have formed a great exchange which is very good and very healthy. But, I think we have also seen that that exchange can only depend upon a recognition of credibility on both sides.

For one, I would have to say that the efforts of Common Cause's national headquarters offend them very, very strongly, and that they are very alienated from the membership at the grass roots. I think those of us who are in this Chamber, those of us who are elected, recognize that when we were elected we expected to take some heat, and we expect to as part of the job. But, I certainly do not expect those groups which are at least publicly espousing some rejuvenation of the political process and the cleansing of the political process to participate in such really unseeming practices.

□ 1910

It seems to me what was done by Common Cause in question is nothing more than McCarthy moralism that is trying to suggest that something is evil when there is no evil there. The worst part of it is they know they have some credibility from their past efforts, and because of their grassroots connections, and they are abusing that credibility by making these unfounded statements. It would seem to me that it would be very important that it be very clear that they know that most of us did not have any person-to-person input from the National Board of Realtors about their position on this. Some of us received letters, as the gentleman has suggested, outlining the Board of Realtors' position on the overall bill. I, for one, do not recall even reading one. I, for one, can say that it was because, frankly, of the persuasive powers of the gentleman in the well that I was first attuned to this particular aspect of the HUD bill. Many of us have strong philosophical differences with the approach that we can give particularly to a Cabinet agency continging powers of cease and desist where they can go around the regular process of the court system. Many of us feel that puts really in improper perspective the whole idea of due process, the whole idea of someone being innocent until proven guilty, and that it should not be utilized. The fact that it has been utilized in another agency is no argument for it, and we feel it really is on of the best arguments against it. I just think it is a very sad day when those of us in this House who look seriously at an issue, who listen to tremendous debate on this floor are so attacked. If anybody was around here, and if Common Cause was around here, it would have been nice for them to notice that there was tremendous debate on that issue that went on for a long period of time. We had two votes in that one evening. It went over until the next morning. We had two votes the next morning, and then finally we had a recorded vote after it was reported out of the Committee to the full House. It was the full issue that had had a complete airing and that people had very strong feelings on, and after going through the whole political process—really a commendable approach in looking at the legislative work that we have here—that we can be attacked in a backdoor attack such as has taken place here is deplorable.

I would hope that the national leadership of Common Cause would look at this, look at what they have done here very, very seriously, and I would hope that they would take the time to apologize to those Members that I think they have offended and that they have attacked very, very unfairly.

I would certainly like to associate my remarks with the gentleman from South Carolina (Mr. Campbell) and the other Members here and say for the record I do not think there is anyone on this floor, who has dealt with the gentleman from South Carolina or the gentlewoman from Maine (Mrs. Snowe), who has any belief whatsoever that their vote on this particular occasion or any other occasion could be affected by anything other than what they think is best in terms of the legislative process and for the good of this country.

Mr. CAMPBELL. I thank the gentleman.

Mr. Speaker, this issue is one—and I apologize to the employees of the House for remaining so late—but this issue is one of great importance. It is one that should not be treated emotionally, but it is one, as the gentleman from California (Mr. Fazio) said earlier that affects the integrity of the enture House. It transcends any partisan lines. It transcends our beliefs on this particular issue or on the issue of taxpayer financing. It is to say that we should be a free body, one that is labeled a Congress and free to debate without question openly and above board on any issue that may come before us, vote our consciences, and vote our convictions without being intimidated by any group that exists in this Nation.

● Mr. FRENZEL. Mr. Speaker, I want to compliment the distinguished gentleman from South Carolina (Mr. Campbell) for the forbearance he has shown in making this statement about what I consider to be an outrageous Common Cause press release. Similar applause for temperance should go to the gentleman from California (Mr. Fazio) and the gentlewoman from Maine (Mrs. Snowe). I wish I were as well controlled.

As a former member of Common Cause, one who resigned when I came to Congress because I considered it unseemly to lobby myself, I have often apologized for what I thought were unjustified statements by representatives of Common Cause. But today I am totally ashamed and totally embarrassed. The group is more to be pitied than censured, because by this egregious action it has canceled out much fine work done in its name by thousands of volunteers all over the country. I imagine when the troops find out what the generals have done, there will be some kind of a war at Common Cause.

It is axiomatic in politics that it is only when one is losing, that the mudslinging begins, but this press release goes beyond the ordinary variety. It is, in my judgment, olympic-class mudslinging.

Political parties and partisan candidates have long since abandoned such tactics, partly because gutter politics does not pay. Those who live by the mudball usually spend much time wiping it off their faces. Common Cause has a very dirty face.

Mr. Speaker, I include for the Record a copy of my letter to the president of Common Cause on this incident:

Mr. David Cohen,
Common Cause,
Washington, D.C.

Dear David: I don't know whether to be engraged at Common Cause, or merely to pity it. Your press release regarding the Campbell Amendment represents, in my judgment, a new low in political slander.

I have made a lot of excuses and apologies for Common Cause over the years, often calling it "well intentioned but over enthusiastic", but I shall not do so again. There was nothing well intentioned about that release. It was pure sewer politics of a kind that real politicians and political parties have long since risen above.

If I were you, I would forthwith personally apologize to all the first-term Members who have been egregiously abused by that release. That's only common courtesy, but it is also necessary to preserve whatever tiny shred, if any, of credibility Common Cause may still have here.

This letter is, and I apologize in advance for its tone, intemperate and contentious, but it is not half as strong as I feel about this incident.

Yours very truly,
Bill Frenzel,
Member of Congress.●

Mr. Speaker, I yield back the remainder of my time.

GENERAL LEAVE

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CLEANUP DEMONSTRATION PROJECT ON THE ALEUTIAN ISLANDS OF ALASKA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. Young) is recognized for 10 minutes.

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation that would authorize the Army Corps of Engineers to introduce a demonstration cleanup of World War II debris on Umnak Island in the Aleutian Islands. Successful completion of this demonstration would show the feasibility of authorizing a full scale cleanup on the Aleutian Islands of such debris left over from World War II activity.

Prior to 1941, the Aleutian chain was an area unsurpassed in natural beauty and wilderness. As soon as Japan and the United States engaged in conflict after the incident at Pearl Harbor, the Aleutian chain became a region of critical strategic importance. The Army Corps of Engineers began a tremendous military construction effort on the Aleutian chain that continued until the Japanese were driven from the islands and the area was secure from attack.

After the war, the majority of the facilities were abandoned and left as eyesores, debris, and reminders of the conflict with the Japanese. In addition, significant environmental hazards exist as these structures, equipment, and ammunition are left to disintegrate and pollute surrounding areas.

Upon recognition of this problem, Congress authorized the Corps of Engineers to study these areas and to propose recommendations to alleviate the situation existing on the Aleutian chain. The final study was presented to the Congress in 1977.

Recommendations in the study included three alternative approaches for cleaning up the abandoned debris. The first recommendation for a total cleanup cost $117 million. The second alternate cleanup cost $79 million. Finally, the third and minimum cleanup cost $22.5 million.

Recognizing the significant cost involved with a total cleanup, the Corps of Engineers was requested to select one site that could be used as a demonstration cleanup site. The corps then recommended that Fort Glenn on Umnak Island would serve as an appropriate site. Three levels of cleanup were suggested: Total cleanup costing $21,300,000, alternate cleanup costing $12,800,000, and minimum cleanup costing $5,000,000.

My proposal would authorize a demonstration project at Fort Glenn that would provide for a cleanup at the alternate level costing $12,800,000.

Mr. Speaker, in this period of alleged fiscal austerity, inflation and unemployment, this proposal would serve to create jobs and encourage productivity. This demonstration serves to not only clean up a hazardous site, it also serves to provide employment. In addition there exists a potential financial base upon which residents may build a sound economy.

For further evidence justifying the need for this project, according to statistics compiled by the Aleutian/Pribilof Association, the current unemployment of Native Alaskans in the region is 76 percent. It some areas, unemployment soars as high as 100 percent. This means there are no jobs available in the community whatsoever.

The seasonal nature of the main industry—fisheries—exacerbates this problem. Off-season employment is limited basically to health programs, community administration, and CETA programs. The demonstration project which I am proposing would not only supplement the primary source of income derived from fisheries, but it would also encourage and boost the morale of local residents. The Corps of Engineers recognized the necessity of utilizing local labor and noted that "maximum effort would be given to obtaining . . . unskilled workers from local populations on sites chosen for cleanup."

In this time of pressure to decrease the amount of Federal spending for needless Government programs, this project would significantly decrease the reliance upon Federal unemployment benefits and social service programs.

Some of the land covered with debris from World War II construction belongs to two village corporations established pursuant to the Alaska Native Claims Settlement Act. These lands cannot be utilized for productive activity at the present time due to the debris on the land. Once this debris is removed, these lands will be able to be developed for agricultural uses such as livestock production.

In the long run, the Aleut people intend to use a significant percentage of the benefits realized from this project for the development and enhancement of the bottom fish industry in the region. The 200-mile fishing limit has created the potential for substantial development of this industry around the Aleutian and Pribilof Islands.

Finally, my bill intends to use to the maximum extent possible, local resources in an effort to reduce the high rate of unemployment among local residents. I urge my colleagues to support this very worthwhile measure.

H.R. 4575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 35 of the Water Resources Development Act of 1974 is amended to read as follows:

"Sec. 35. The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to plan and implement a demonstration project for the removal and disposal of debris and obsolete buildings in the vicinity of Ft. Glenn on Umnak Island in the Aleutian Islands, Alaska, remaining as a result of construction during World War II. To the maximum extent feasible, such project shall use local resources in an effort to reduce the high rate of unemployment among local residents. There is authorized to be appropriated $12,800,000 to carry out the purposes of this section."●

UNNEEDED DESALINIZATION PLANT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Weaver) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, I commend my colleague, George Brown, for his leadership in the fight against spending $375 million for an unneeded desalinization plant. I would like to place in the Record the following article on that issue from the June 21 Wall Street Journal.

[From the Wall Street Journal, June 21, 1979]

Plans To Hold Down Colorado River's Salt Content and Avoid Irking Mexico Are Hit by Rising Costs

(By James M. Perry)

Washington.—The "salt agreement" with Mexico is facing big problems.

"It is in trouble," says the General Accounting Office in a highly critical report to Congress. It needs to be "reassessd," say five members of a congressional committee, because of runaway costs and because no one is certain the new and untested technology will work.

Forget the technology, fumes Democratic Rep. George Brown of California. "Plant guayule and jojoba."

The problem has nothing to do with strategic weapons. The problem is the Colorado River and all the salty water that it soon may be dumping (once again) on America's Mexican neighbors—and just when the U.S. will be wooing them for some of their oil and gas.

It began in 1944, when, in a treaty, the U.S. agreed to deliver 1.5 million acre-feet of Colorado River water annually to Mexico. (An acre-foot is the amount of water that would cover an acre of land a foot deep.) But nothing was said about the quality of the water. By 1972, Mexico was hopping mad about the salt—partly from U.S. land drainage—in the water, and its president complained to President Nixon.

HUGE DESALTING PLANT

The next year, the U.S. reached an agreement with Mexico to take stern measures to reduce the salinity of the water being delivered south of the border, and Congress passed legislation to get on with the job. The law authorized construction of a huge desalting plant near Yuma, Ariz. The plant, 10 times larger than any desalting facility in the world and 100 times bigger than any in this country, would process 96 million gallons of water a day.

Until recently, there wasn't any rush to move ahead on the plant. The chief problem back in 1972 was the Wellton-Mohawk Irrigation and Drainage District in Arizona, which was sending its salty drainage down the Colorado to farms in Mexico. That crisis was overcome, temporarily at least, by diverting the Wellton-Mohawk drainage to the Gulf of California.

But other immense projects to make Western deserts bloom are moving along—the Central Utah Project, the Central Arizona Project, Dallas Creek, and more—and the drainage from all the freshly irrigated land soon will be rolling down the Colorado towards Mexico.

To do something about it, the House Interior Committee is rushing to the floor legislation that would authorize the spending of $356.4 million for the big desalting plant and "related features"—an increase of $201.2 million from the original authorization five years ago. The plant has Interior Department support.

But critics, such as the GAO, Congress official watchdog agency, attack the economics of the plant, which is expected to salvage about half the drainage water flowing through the area. "The desalting plant," the GAO says, "is costing at least $178 millino in construction costs plus $14 million in (annual) operation and maintenance costs to save 88,000 acre-feet of water each year." The GAO calculates the cost to be about $338 an acre-foot. Even then, the plant's technology may not achieve the desalting goals, the GAO contends.

The agency suggests that there are less-complicated alternatives, such as replacing the salty drainage water with nondrainage water from other sources, that could cost as little as $3 an acre-foot. But state officials in the region dispute that conclusion. "The availability of $3-an-acre-foot replacement water," the Arizona Water Commission scoffs, "is a pipe dream."

The GAO urged that financing for the desalting plant be deferred, at least temporarily, while cheaper alternatives were examined more closely. But the full Interior Committee, whose chairman is Democratic Rep. Morris Udall of Arizona, where the plant would be built, voted the legislation anyway, 25 to 5. To meet the questions raised about the technology, the government is directed to examine "technological improvements" in the design of desalting plants. But, the committee cautions, that evaluation shouldn't in any way delay construction.

The committee's five dissenting members followed the GAO's line and argued that a series of alternatives should be studied before construction begins.

When the bill gets to the House floor soon, the five dissenters will be joined by California Rep. Brown, who is angrier about the project than anyone else, even though he isn't a member of the Interior Committee. He expects to lead the fight to defeat desalting.

TURKEY IN THE DESERT?

Why? "My parents were 'desert farmers,' and I've been interested in desert agriculture all of my life," Rep. Brown says. "I wouldn't have tried to upset the Interior Department's apple cart except that so many of my friends back home in the district—scientists and engineers—told me the project was a turkey."

Mr. Brown asks a basic question: "Why should water from the Colorado River be used to irrigate these districts at all?"

The Wellton-Mohawk district, he says, is 130 farms spread across 65,000 acres. "Half of the land is in cotton, which is in surplus (some farmers are paid not to plant it). Much of the rest is in alfalfa, which is a huge consumer of water. Arizona is a desert; it wasn't meant to be a Garden of Eden for the raising of all these crops," he declares. (He insists that his native California's Imperial Valley, which also draws water from the Colorado, is different. "The land," he says, "is richer and besides, it has an earlier entitlement to Colorado River water."

But if farmers insist on growing crops in the desert, Rep. Brown argues, "they should first learn to apply higher standards of irrigation practice—like lining the ditches with concrete and not letting pest plants use the water."

He gets around, finally, to his favorite subject—growing true desert plants such as guayule (pronounced gwa-YOO-lee) and johoba (pronounced ho-HO-ba), which don't need much water and can tolerate lots of salt, instead of cotton and alfalfa.

"Indians have been making rubber balls out of guayule for hundreds of years," says Mr. Brown, warming to the subject. "Back in the early 1930s, a young Army major named Dwight Eisenhower surveyed the possibilities of guayule and recommended we grow it commercially. He predicted our supply of natural rubber would be cut off during a war. It was. Now, with the energy situation, we have trouble getting oil to make synthetic rubber. Guayule is out there waiting to be developed."

JOJOBA'S USES

And jojoba, Mr. Brown says, produces oil. "It grows wild right now in the desert, and it's harvested by the Indians. It's like sperm oil. It can be used for the same purposes. So, of course, it's of great interest to the save-the-whales folks."

Instead of building giant desalting plants—he believes that the one in Yuma would turn out to be merely the first of many—Mr. Brown thinks that these farms should be bought out and the land leased back, with the provision that it be cultivated with guayule and jojoba. But backers of the desalting project term it the most practical solution to the problem of fulfilling the U.S. commitment to reduce the salt in water delivered to Mexico.

Mr. Brown, whose girth is considerable, is interested in jojoba for another reason. "It's supposed to be an appetite inhibitor," he explains. "You can chew the stuff and starve to death in total comfort."●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, due to a commitment earlier this afternoon to be with President Carter at the White House, I was unavoidably absent from the House during consideration of the Crane amendment to the Panama Canal Treaty implementing legislation, H.R. 111. Had I been present for rollcall No. 270, I would have voted "no."●

NEW APPROACH TO REGULATION COULD SAVE CONSUMERS ALMOST $20 BILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, in the waning hours of the 95th Congress, this House passed an amendment to the Consumer Product Safety Act extension which, I am pleased to report, seems to have borne fruit. The amendment, which reached the floor as part of the substitute that was adopted, broke some new ground in the field of Government regulation. Specifically, it directed the Consumer Product Safety Commission to hold in abeyance its proposed furniture flammability regulation, and to work instead with the furniture industry in developing the industry's plan to voluntarily attain the flammability standards CPSC was on the verge of mandating.

It would be easy to say, Mr. Speaker, that the Congress in this one instance stayed the heavy hand of a regulatory agency. Or, taking the opposite tack, we might contend that the upholstered furniture industry beguiled the Congress and outwitted the CPSC. To say either, however, would violate the truth and demean what I believe is a superb example of how, through reason and cooperation, regulators and the regulated can achieve desirable goals in a dispassionate and economical way.

I am delighted to report, Mr. Speaker, that on June 25 in my district in North Carolina, the furniture industry represented by the Upholstered Furniture Action Council will demonstrate to the CPSC that its voluntary program has succeeded. The demonstration, I am told, will include convincing tests illustrating the smolder characteristics of furniture manufactured several years ago, as compared to that now being made under UFAC's present construction standards. If the evidence is as impressive as I am led to believe, we will have achieved phenomenal results with that simple amendment just 8 months ago.

Consider, if you will, the probable economic impact of this one action by the Congress.

At the time we passed the amendment, the furniture industry estimated it would cost a staggering $20 billion over a 20-year period to implement CPSC's proposed regulations. If permitted to achieve 95 percent of the standards voluntarily, the industry estimated the job could be done for $500 million. If those estimates are accurate, and if the forthcoming demonstration satisfies CPSC's requirements, we must assume that the consumers of America will have saved $19.5 billion over a 20-year period.

More than that, Mr. Speaker, consumers will have retained the choices of fabric, design, and decor that make the furniture industry such a competitive component of our free enterprise system. And, finally, they will have been given products which provide safety standards at a fraction of the additional cost that would have been incurred under the proposed regulations.

I am quite pleased, of course, to have sponsored the amendment which brought this all about. Beyond that, I claim no credit. I do believe, however, that great credit is due to the Consumer Product Safety Commission and to its staff for working with the furniture industry and following the directive of Congress. And, of course, the element most responsible for this success story is the furniture industry itself. Instead of choosing litigation, which it might have done, the industry chose instead to use its own creativity, ingenuity, and money to meet a challenge and solve a problem.

This is a dramatic example, Mr. Speaker, of how an industry and a regulatory agency can work together, instead of pulling in opposite directions, to reach what properly are national goals.

I believe this experience, if continued to fruition, should serve as a model for other regulatory relationships. It is refreshing to have one regulatory conflict in which there are no losers, no bitterness, no compromise of responsibility or abandonment of legitimate goals.

Mr. Speaker, it seems that in today's Washington virtually every mention of business is one of criticism and every mention of the regulatory agencies is full of words like "overkill" and "regulatory abuse." I am happy to be able to say today that I am proud to have been part of an effort which completely defies both the above descriptions. On June 25 in my congressional district in North Carolina, the furniture industry represented by UFAC (the Upholstered Furniture Action Council) will demonstrate to the Consumer Product Safety Commission (CUSC) actual dramatic proof of their voluntary program to make safer furniture. In my opinion this example of cooperation between a major industry and a governmental agency should be a model as to how government and business can work together constructively. The furniture industry will actually demonstrate the smolder characteristic of furniture as built several years ago compared to that built under the construction standards now being used by the industry. It is hoped that this will be the last step in fulfilling the requirements of my amendment to the CPSC act which passed the last day of the 95th Congress.

Industry is to be commended for having worked constructively instead of taking what might well have been the easier course of litigation. The CPSC is to be commended for having shown a willingness to dramatically change from the previously traveled course toward mandatory government regulations.●

THE FAST WAY TO MORE FUEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. DAN DANIEL) is recognized for 5 minutes.

● Mr. DAN DANIEL. Mr. Speaker, in recent weeks there has been a great deal of interest expressed in proceeding with synthetic fuel production. Without question, this will mean utilization of our vast coal reserves.

This is by no means the only role which coal can play in meeting our energy needs. This morning's lead editorial in the Washington Post makes the point in its first sentence:

> The fastest and most direct way to expand American energy supplies is to begin, forcefully, to shift oil-burning power plants to coal.

But, an article in the May 1979 edition of the Black Diamond provides some insight into why this is not being done.

I respectfully request that the editorial and the article be reprinted at this time and that Members of this body, especially those with committee jurisdiction, commence to reexamine roadblocks to implementation of the Post's editorial recommendation.

The material follows:

THE FAST WAY TO MORE FUEL

The fastest and most direct way to expand American energy supplies is to begin, forcefully, to shift oil-burning power plants to coal. That strategy is second only to conservation in the speed with which it could make a real difference in a tightening fuel shortage. Making synthetic fuels out of coal is very much worth doing, for the long term, but synthetics can't contribute much before the late 1980s. In contrast, burning more coal to generate power could free perhaps 1 million barrels of oil a day—the equivalent of the present national oil shortage—within five years. The coal strategy is an obvious choice, but it has been proceeding very slowly. Why?

One reason is uncertainty over environmental rules. Congress intended to rewrite the Clean Air Act in 1977, but got bogged down in a long quarrel that lasted until late 1978. Then the new law left the key decision on power plant standards to the Environmental Protection Agency, and the final ruling appeared only this month. Perhaps these delays were inevitable. Coal smoke is toxic, and requires careful regulation. But during that long debate, the utilities had no way of knowing what it would cost to use coal. That was a powerful incentive to avoid any great commitment to it.

But economic uncertainty has also slowed progress. To the great surprise of the utilities, the country's consumption of electric power is no longer rising as fast as it used to. That's conservation of the most useful and beneficial kind. But, with demand far below their expectations and a recession probably coming, the utilities have grown more cautious than ever about embracing large construction programs.

At this point, the government has to end the uncertainty. It has to tell the utilities that it will be in their own interest, as well as the nation's, for them to move rapidly and steadily toward greater use of coal. Tax cuts and other subsidies on a substantial scale would be justified to get a fast response. Coal generates about 44 percent of the country's electricity, compared with 17 percent for oil and 14 percent for natural gas. (The rest is nuclear and hydroelectric power.)

Public policy now needs to push hard to replace that oil and gas with coal, by converting those oil- and gas-fired plants that are capable of it, and by buying the rest into early retirement. It will take a lot of money, both public and private. But when you consider the costs of severe and repeated oil shortages and disruptions, the price of coal conversion begins to seem entirely reasonable.

Blames Lack of Coal Demand on Government Policies

Washington, D.C.—Federal policies and actions have made the production, transportation and use of coal so expensive its use is being prevented in many cases, National Coal Association Chairman Robert H. Quenon said recently.

"The problem is lack of demand for coal and we believe that the principal causes of this insufficient demand are government policies and actions which unnecessarily make coal use difficult, or impossible, or unnecesarily expensive," Quenon said. He spoke before the congressional coal group recently organized by Rep. Nick Joe Rahall II (D-W. Va.).

Quenon, who is president of Peabody Coal Co., St. Louis, said much more coal could be produced now if a demand for it existed. He said U.S. coal production in 1979 is expected to be about 713 million tons or more.

This sluggish demand is expected to continue in the near future as long as federal policies restrict the use of coal, Quenon said. "By 1985, coal will only be supplying about 20 percent of our nation's energy needs, compared to just under 19 percent now, which is far less than its potential," he said.

Many of the detrimental cost relationships affecting coal relate directly to federal actions and regulations, Quenon said. For example, federal policies putting the price of alternative fuels such as gas and oil at artificially low levels have placed coal at a competitive disadvantage. "Conflicting statements from government agencies concerning which fuel should become the prime industrial and utility boiler fuel have complicated this problem," he said.

Also, the cost increases resulting from federal policies "have made American coal noncompetitive with coal from some foreign countries," Quenon said, resulting in declining U.S. exports of coal and rising imports. American coal exports have dropped from 65.7 million tons in 1975 to 39.8 million tons in 1978, he said, while imports from foreign coal producers have risen from 940,000 tons in 1975 to 3 million tons in 1978.

"Government policy with respect to federal coal leases will force production on those leases before there is demand for the coal being produced, and developing government policies with respect to leasing, surface mining, land use and air quality may lock out major parts of U.S. coal reserves and create capacity shortages by the late 1980s," Quenon said.

Quenon outlined for the committee a series of recommendations that would help correct some of the detrimental impacts of federal policy on coal production and use. He said the government "should take immediate steps under existing law to permit increased coal use, provided that such use does not violate national ambient air quality standards set to protect public health."

The period for temporary modification of state implementation plans—now limited to four months—should be extended for at least two years by legislation, he said, and the Clean Air Act should be amended to permit use of the most cost-effective methods of meeting ambient air quality standards.

Existing ambient air quality standards should be "reassessed on a faster timetable, with a far greater effort than has been devoted to this task to date and with participation by experts able to provide an objective counterbalance to EPA efforts to justify existing standards," he said.

In addition, regulations recently issued by the Department of the Interior under the Surface Mining Control and Reclamation Act should be "reconsidered and made more realistic," and a "workable program" for the leasing of federal coal lands should be implemented by that same department, Quenon said. All proposed federal actions which could unnecessarily increase the costs of transporting or mining coal should be "carefully evaluated" and additional funding should be provided for coal mining and utilization research and development, and the demonstration of synthetic fuels technologies by industry, he said.

Quenon said he had previously suggested to Secretary of Energy James Schlesinger a series of steps that would permit immediate utility substitution of coal for imported oil in many existing plants. The suggestions, which included the use of wheeling of coal-fired power to oil-dependent areas and running coal plants at higher capacity factors, were contained in a March 9 letter to the energy secretary.

Quenon told the committee that their efforts could be important in calling attention to the potential of coal for supplying an increasing share of U.S. energy needs. "This is a unique effort you have undertaken," he said, "and one which is vital to the well-being of the nation."●

PRIORITY ENERGY PROJECT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. Udall) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am introducing today a bill, H.R. 4573, entitled, the Priority Energy Project Act which incorporates a concept coming to be known as the "fast-track" procedure for important energy projects. It is similar to the title II of H.R. 4499 introduced by my colleague Mr. Dingell and referred to the Committee on Interstate and Foreign Commerce and the Committee I chair, Interior and Insular Affairs. The Interior Committee will consider this legislation in the near future.

As my colleagues know, potential energy projects face a seemingly endless series of administrative "hoops" through which they must jump to become a reality. This legislation provides a mechanism to expedite these procedures which may be interfering with the country's ability to develop its vast energy resources.

I want to emphasize that this bill deals only with procedure, not with the protections of substantive law. The bill does not mandate the approval of any specific projects, waive any laws, or revise the statutory guidelines for determining the worth of any project. The bill simply provides that for a certain number of projects each year, which the Secretary of Energy would designate as "Priority Energy Projects," the turnover time within the Federal Government be shortened.

I think this legislation is in the interest of many often-diverging interests. It is in the interest of the Department of Energy, which has recently had occasion to bemoan the delay of important energy projects. It is in the interest of energy companies who want definitive responses on their proposals so that they can either build them or find other projects in which to invest. And I think it is in the interest of environmental groups that often get blamed for killing energy projects which often did not have adequate financial backing or did not do adequate preparation before filing permit applications.

This bill tries to limit uncertainty. It does not mandate that questionable projects be approved; it does not change any of the basis on which pipeline certifications, utility building permits, or Federal leases can be refused. It simply forces the Federal Government to say yes or no in a speedy manner. It could be nicknamed the "Federal Redtape Cutting Act of 1979" and it is an important part of the package this House must enact to encourage an increased and secure supply of energy.●

THE FEDERAL PRINTING REORGANIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Thompson) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, together with my distinguished colleague, the gentleman from California (Mr. Hawkins) and other able members of the Committee on House Administration I am introducing an important measure that would make long-needed reorganizational changes in the structure and functions of the Government Printing Office.

This bipartisan measure is the product of almost a year of studies, conferences, and drafting meetings that have examined every facet of printing services for the Congress and executive branch agencies which amounts to more than $1 billion annually. The 1895 law under which GPO functions is sadly outmoded, because of rapidly changing technology and, except for minor codification amendments, has been virtually unchanged. This legislation also will be introduced in the other body by Senator Claiborne Pell, distinguished chairman of the Rules and Administration Committee.

Joint hearings of the House Administration Committee and the Senate Rules and Administration Committee will be held on Tuesday, July 10, Thursday, July 19, Tuesday, July 24, and Thursday, July 26. All interested Members are invited to submit statements on the legislation, which is of vital importance to the efficiency and economy of the Congress, as well as virtually every executive department and agency.

Mr. Speaker, in the spring of 1978, the Joint Committee on Printing announced its intention to recommend updating, changing and eliminating appropriate sections of title 44 of the code entitled "Public Printing and Documents." First enacted during the 53d Congress as the Printing Act of 1895, this title originally consolidated the statutes relating to public printing and Government documents. By 1968 when this title was codified, title 44 had expanded to encompass the printing, binding, distribution, storage, and disposal of Government publications and records. Today, only half of title 44's 18 chapters govern printing, binding, and distribution. These nine chapters are within the purview of the Joint Committee, the Committee on House Administration, and the Committee on Senate Rules and Administration.

As a prelude to recommending changes in title 44 during the 96th Congress, the Joint Committee solicited comments and suggestions on title 44 from Federal agencies, private industry, trade associations, labor unions, the library community, and other interested groups. An open invitation also was extended via the June 29, 1978, Congressional Record to anyone not directly contacted by the Joint Committee to submit comments by the same September 30, 1978, deadline imposed on other parties. As a result of these invitations and announcements, approximately 200 written submissions of up to 128 pages and scores of telephone communications were received by the Joint Committee.

On November 8, 1978, the Joint Committee convened an "Ad Hoc Advisory Committee to the Joint Committee on Printing on Revision Title 44" consisting of representatives from 15 organizations. In addition to the organizations formally represented, the 13 weekly meetings were attended by scores of other interested persons who participated in the discussions of the Advisory Committee. Approximately 2,000 pages of transcript record the formal sessions of the Advisory Committee, without accounting for the hundreds of additional hours devoted to informal discussions and followup work to the weekly meetings or to subcommittee meetings called to prepare for the full committee meetings. The Advisory Committee's 150-page final report reviews the issues, questions, and problems that should be considered in any revision of title 44, including alternative approaches to specific revisions.

The bill completely rewrites the first nine chapters, exclusive of chapter 15, of title 44. This complete rewrite was necessary, because of the substantial changes being proposed and due to the technical and procedural shortcomings of the present code. The proposed organizational and procedural structure is responsive to the demands critical of JCP/GPO and at the same time strengthens those areas praised by other groups.

PROPOSED ORGANIZATIONAL STRUCTURE

A presidentially appointed seven voting-member Board of Directors, responsible for developing and implementing a central, comprehensive, and unified policy for printing and distributing Government publications will replace the Joint Committee on Printing. Of the seven voting members, four will represent specific constituencies affected by GPO: first, printing and reproduction industries; second, information industries; third, the library community; and fourth, organized labor. In addition to the seven voting members, three ex-officio members will serve on the Board: The chairman of the Committee on House Administration, the chairman of the Senate Committee on Rules and Administration, and the Director of the Office of Management and Budget, or their delegates.

The Board is required to issue comprehensive regulations governing the delivery of printing services by and through GPO and the distribution of Government publications. These regulations will be subject to review and possible veto by the House Administration and the Senate Rules and Administration Committees.

The Board will appoint a Public Printer and a Superintendent of Documents who will be responsible respectively for the delivery of printing services and the distribution of Government publications, including free distribution, the sales programs, and the depository library program. It is intended that the Public Printer and Superintendent of Documents will be professional managers, who will function as "general managers" accountable to the Board.

PROPOSED FEATURES GOVERNING CONGRESSIONAL PRINTING

GPO will remain the supplier of substantially all of the Congress printing services. However, the Committees of House Administration and Senate Rules will decide by regulation all printing and distribution questions for their respective bodies, and decide collectively regarding joint publications such as the Congressional Record.

The present statute specifies in some detail the printing procedures and requirements for Congress, especially the quantity of items to be printed. For example, the "usual number," or 1,682 copies, of all documents and reports are printed, whether a particular report is important or trivial.

Rather than having excessive detail and quantitative requirements in the statute, it is proposed that the two committees be given the responsibility for judging the needs of Congress. This provides the opportunity for flexibility to meet the fluctuating needs of Congress.

PROPOSED FEATURES GOVERNING EXECUTIVE PRINTING

GPO will also remain the primary supplier of printing services for the executive and the judicial branches.

In response to the criticism that agencies and departments should have more control over their printing services, several changes have been proposed. The legislation recommends that the Director of OMB, or his delegate, will serve as an ex officio member of the Board of Directors. A waiver provision is proposed to allow executive offices to produce or procure certain printing services. Upon application, a department, which can establish the need and cost-effectiveness of directly ordering its needed printing or publishing services outside the Government Printing Office, can be granted a waiver from the requirement to use the Government Printing Office.

The proposed changes also include a provision requiring all governmental entities to designate an "Information Resource Manager" who will be responsible for: All printing services of his office; compliance with this statute and certification that the printing services requested are authorized by law and necessary; and maintaining a comprehensive index of publications issued by his agency, department, or office.

Mr. Speaker, we believe it is important to centralize printing and distribution functions within each agency, department, or office in order to effectively insure compliance with the revised title 44. Too often today, an agency or a department cannot identify all that it publishes. Too often, printers within agencies never communicate with the publishers and writers, and vice versa. Thus, two independent, sometimes conflicting interests develop which contribute to delay, waste, and ineffective use of publications. The Information Resources Manager is expected to provide coordination and control over all facets of an agency's printing and publishing operation.

PROPOSED SYSTEM FOR DISTRIBUTION OF PUBLICATIONS

Mr. Speaker, the requirement for the Superintendent of Documents to maintain a catalog of all Government publications and to supply depository libraries with copies of appropriate publications is continued and strengthened. A national documents collection is proposed to be established in GPO. The collection would provide libraries, agencies, and the public with access to Government publications.

In addition, the Superintendent of Documents would be required to prescribe minimum standards for bibliographic indexing of Government documents. Other technical bibliographic references could be continued, but only as an addition to the minimum standards, not as a substitute for them.

A change in the pricing formula for Government publications is proposed. Under the present system, some high volume publications carry an inflated price to help recover the costs of less successful ones. The proposed change would require that each publication reflect its own cost, except where the issuing agency or the Board determines that it is in the public interest to subsidize the publication.

OTHER PROVISIONS

It is also recommended that all permanent publications furnished to officers and employees of the United States bear the legend "Property of the United States Government" and be preserved as a part of the office to which they are issued. This is intended to eliminate the necessity to sometimes duplicate substantial portions of libraries which senior officials take with them when leaving Government service.

Finally, Mr. Speaker, it is also recommended that all material reproduced at Government expense shall bear the legend "Printed at Government Expense." This will reduce and control unauthorized printing and copying. Particularly in the latter category, abuses of the system are estimated to reach hundreds of thousands, if not millions, of dollars annually.

I trust that this important bipartisan measure will receive the overwhelming support of the Members of this body so that it can be enacted into law during this Congress.●

● Mr. HAWKINS. Mr. Speaker, today Chairman FRANK THOMPSON and I, along with a large bipartisan majority of the Committee on House Administration have introduced the Public Printing Reorganization Act of 1979. This legislation, which is the product of many months of detailed study, seeks to update title 44, the Federal printing code, a body of law which has remained largely unaddressed since its enactment in 1895. It is clear to everyone who has occasion to substantively examine it that time and technology have passed this statute by. We expect that through this legislation and its modernization and reorganization provisions a number of goals can be accomplished. Among these goals are: Increased efficiency and accountability in the management of printing and other information resources throughout the Federal Government; more diverse input into the policymaking processes of the Government Printing Office through the direct participation of private sector elements; increased services to the Government, the public, and the library community through new emphasis on effective distribution of information; elimination of waste through the elimination of arbitrary and rigid strictures which exist in current law; and increased savings through the institution of a flexible framework to accommodate the rapidly changing technology in this area.

As chairman of the Subcommittee on Printing I have, in consultation with Senator CLAIBORNE PELL, chairman of the Senate Committee on Rules and Administration, scheduled a series of joint hearings on this legislation. The hearings are scheduled for July 10, 19, 24, and 26 and invitations will be extended to all members of both the Committee on House Administration and the Senate Committee on Rules and Administration to actively participate in this process. Any constructive commentary or suggestions would be most welcome and should be directed to the Subcommittee on Printing, 419 House Office Building, Annex No. 1. I urge all Members to join us in this bipartisan effort of modernization and reform which could save the taxpayers many millions of dollars.●

FIGHTING PETRODOLLARS WITH COIN

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

● Mr. WOLFF. Mr. Speaker, today I am sending to the table a piece of legislation which would express the intent of Congress that the President should establish a Council of Oil-Importing Nations (COIN). COIN would consist of the major oil-importing nations of the world and would be charged with the responsibility of negotiating with the Organization of Petroleum Exporting Countries (OPEC) to determine a fair base price for OPEC oil.

This body is well aware of the skyrocketing prices charged by the OPEC nations. OPEC prices have increased from $12.93 a barrel last December to a current average price of over $17. A further increase of $2 to $3 is expected to be agreed upon when the OPEC ministers meet in Geneva next week. It is very conceivable that the base price for OPEC oil will top $20 a barrel by the end of 1980. In addition, each OPEC country will continue to have the authority to tack on additional surcharges, driving the price of oil even higher. With every dollar increase in the price of OPEC oil comes an additional increase in our Nation's rate of inflation.

The time has come for the oil-importing countries of the world to coordinate their dealings with the OPEC nations. The establishment of a Council of Oil-Importing Nations provides the framework for such a coordinated effort.

I would like to insert into the RECORD a copy of the bill. A similar measure has been introduced by my distinguished colleague in the other body, Senator JOHN MELCHER of Montana. I hope my colleagues will join me in support of this legislation:

H.R. 4574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that, Congress finds that the current annual inflation rate of 13.4% is totally unacceptable and a major threat to the economic well-being of the United States;

That escalating energy prices are a major factor in the current round of high inflation; and

That OPEC oil price increases are the primary factor in our current high energy costs.

It is the intent of Congress that the President initiate negotiations with the other oil importing nations to establish a Council of Oil Importing Nations to negotiate with the Organization of Petroleum Exporting Countries reasonable base prices for oil with elimination of unreasonable or unjustified surcharges.

SEC. 2. The President shall develop and submit to the Council of Oil Importing Nations for its consideration a set of appropriate economic and political sanctions to be used when appropriate by the Council's member nations to encourage compliance of any nation that either sells or purchases crude oil on the international market at prices greater than the negotiated oil prices arrived at between the council and the Organization of Petroleum exporting countries.

SEC. 3. The President shall report back to Congress on the progress of negotiations and the development of the sanctions code each 180 days from the date this bill is enacted.●

AGRICULTURAL TRANSPORTATION AND DISTRIBUTION OF AGRICULTURAL COMMODITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, I am today introducing one of several bills I will sponsor on the subject of agricultural transportation and distribution of agricultural commodities.

Agriculture is the most basic and the largest industry in this country; and if agriculture is the lifeblood of the country, transportation is its circulatory system.

Unfortunately, Mr. Speaker, at a time when agriculture's need for transportation services is increasing at a rapid rate, the Nation's transportation system is experiencing increasing difficulties.

The current protest actions by owner-operators of ICC-exempt trucks are creating serious economic losses to growers and threatening the Nation's food supply. While none of us condone the violence, and other unlawful acts taking place, we can understand the frustrations of these small businessmen who are constantly faced with a maze of Federal and State regulations affecting their business, now coupled with the scarcity and escalating cost of fuel.

Last year the Congress created the Rural Transportation Advisory Task Force, cochaired by the Secretaries of Transportation and Agriculture. While the appointment of the task force was unduly delayed, it is now in operation and is striving to make a report to the Congress by next January. We are all hopeful that the report of the task force will pinpoint some of the basic facts and trends in the transportation industry as they affect agriculture and offer some recommendations on what steps are needed to provide the kind of transportation services needed to move an expanded production of agricultural commodities in the year ahead.

Three years ago the Congress authorized the States to increase the maximum weight limit on the Interstate Highway System to 80,000 pounds. All of the States except 10 have adopted a maximum weight of 80,000 pounds on the Interstate, but unfortunately 7 of those States lie along the Mississippi River, thus blocking the movement of 80,000-pound loads across the country. Repeated efforts by the trucking industry and the agricultural interests in those States to get the weight increased to 80,000 pounds have not been successful.

This bill would give the Secretary of Transportation authority to prescribe uniform nationwide weight and other truck dimensions on the Interstate System, but he could not set the weight at less than 80,000 pounds and the length less than 65 feet, so as to permit the operation of twin trailers throughout the Interstate System.

According to reports of the Department of Transportation, this action alone would increase truck fuel efficiency by a third and save up to 250 million gallons of fuel a year, provide for a more labor efficient trucking system, result in very little or no additional damage to the Interstate System, nor any appreciable increase in safety hazards.

While many of us are reluctant to have the Federal Government take over an area of regulation that has been a prerogative of State government, it is my belief that this action is justified by the energy crisis, by the fact that 90 percent of construction costs are derived from Federal funds, and the fact that Congress has already spelled out in detail the requirements for the axle—distribution of weight on the Interstate System, and has set a maximum weight.

There is no doubt that the system has been engineered and constructed to carry truck weights of 80,000 pounds gross volume weight and lengths up to 65 feet with proper load distribution. It seems clear the present situation requires this action to create a uniform truck weight and length on the Interstate System, since 40 States have already adopted the 80,000-pound standard and 31 States permit 65 feet in length so as to make use of the highly efficient twin trailers.

In the meantime, Congress is moving ahead with an in-depth look at the economic regulation of the railroads and motor carriers, and it is important that we consider as a part of that effort ways of improving the transportation situation for agriculture.

This bill, designated the "Interstate Uniform Truck Weight and Dimension Act of 1979," addresses one of the principal concerns of the independent truckers; namely, the lack of a uniform truck weight and length on the Interstate Highway System.

H.R. 4563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds and declares that—

(1) an adequate and efficient motor carrier transportation system is required by the Nation's agricultural economy, businesses, and industries;

(2) the lack of uniformity in limitations on motor vehicle weights and dimensions on the National System of Interstate and Defense Highways results in higher transportation costs, increased consumption of energy, and a lower quality of motor carrier service and, thereby, creates a burden on interstate commerce; and

(3) it is in the national interest that every reasonable step be taken to conserve scarce supplies of fuel, minimize fuel and other distribution costs, and assure a nationwide rational system of transporting essential freight.

SEC. 2. Section 127 of title 23, United States Code, is amended by inserting after the first sentence the following new sentence: "No funds authorized to be appropriated for any fiscal year under section 108 of the Federal-Aid Highway Act of 1956 shall be apportioned to any State within the boundaries of which it is unlawful for a vehicle with an overall gross weight of less than eighty thousand pounds or an overall length of less than sixty-five feet to use the Interstate System or any highway which the Secretary determines provides access to any portion of the Interstate System.".

SEC. 3. (a) Chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 157. Encouragement of uniform standards for the administration of State laws affecting motor vehicle registration, licensing, and taxation.

"The Secretary is authorized and directed to recommend and promote uniform standards and procedures for the administration of State motor fuel taxes and the licensing or registration of motor vehicle utilized in carrying freight in interstate commerce and to facilitate cooperation among the States in the use of efficient methods of administering the registration, licensing, and taxation of such motor vehicles.".

(b) The analysis of chapter I of title 23, United States Code, is amended by adding at the end thereof the following:

"157. Encouragement of uniform standards for the administration of State laws affecting motor vehicle registration, licensing, and taxation.".

SEC. 4. This Act and the amendments made by this Act shall take effect thirty days after the date of enactment of this Act.●

EXCERPTS FROM DEBATE IN CHAMBER ON APRIL 27, 1953—ON AMENDMENT TO BILL TO SAVE MODEST SYNTHETIC FUELS PROGRAM

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, on Wednesday, I included in remarks to the House certain excerpts from the debate in this Chamber on April 27, 1953.

At that time, some of the Members were attempting to amend an appropriations bill by adding about $2 million to save a modest little synthetic fuels program then in operation. We were not successful.

So that the Members may have the benefit of this perspective on present efforts to create a synthetic fuels industry in America, I ask that another segment of the debate at that time be included in the RECORD at this point:

Mr. KIRWAN. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri (Mr. CANNON).

Mr. CANNON. Mr. Chairman, this bill deals primarily with money. But in a larger way it deals with the health, happiness, hopes, and heartbreaks of millions of people and that is the point of view which should have priority in this discussion. The bill also concerns directly, in a particularly decisive way, the still more important subject of national defense.

National defense is inseparably associated with oil. Oil is the lifeblood of war. Oil for trucks and supply trains, oil for motorized artillery and tanks, oil to provide for ships, submarines, and airplanes. The greatest army that could be mobilized would be paralyzed, immobile, helpless, without oil. Eminent military authorities have expressed the opinion that lack of oil alone has prevented Russia from striking. It is obvious that in defense of our shores against foreign invaders the first essential is oil.

And it is also unmistakably evident that oil for national defense must be domestic oil. The German submarines in the last war swept our tankers from the sea. They were the old-fashioned submarines and we controlled the air over them. But they got every tanker that ventured out and that winter New York and New England all but froze because we could get no oil to our own coast. That is why we built that astonishing pipe line in such haste and with such lack of regard for expense.

The Russians would be even more effective. They have, according to authoritative reports, over 300 submarines, all of them snorkels, which do not have to surface to recharge batteries. They can stay under indefinitely and have a cruising radius around the world. Not a drop of oil would ever seep in from abroad through that blockade.

We must depend then on home supplies and although they are still extensive, many oil fields have already been pumped dry and for some time we have been importing large quantities of foreign oil. Here in this process of extracting oil from low-grade coal, which is being worked out at the Louisiana plant, is the answer to the problem. There are vast quantities of subcommercial grades of coal all over the country. Something like two-thirds of the States of the Union can supply this coal in practically unlimited quantities. In most of these States coal miners are idle for want of markets. The perfection of the process being worked out at Louisiana will not only provide oil and gasoline for both peace and war but it will bring prosperity to men and mines throughout the country and at the same time supply every consumer of gasoline with ample fuel at as low a price, if not lower, than the price charged today. Exhaustion of the oil wells will cease to be a cause of apprehension, and the likelihood of increased prices as the underground reservoirs dwindle will no longer concern the owner of the tractor on the farm or the factory in the city.

With so much at stake, why discontinue the work at Louisiana just as it is nearing completion? Already they have produced oil in sufficient quantities and at a cost low enough to bring the total cost within 2 cents of the current price of gasoline. If permitted to continue, there is every prospect that it can be produced cheaper, and, when it is, ample oil for defense and home use is assured. Why stop just when we are nearing the goal?

The only reason so far advanced is that another process not under study at Louisiana may be more desirable, further advanced, more economical. No one says that is positively true and no one has said that with further progress the two systems in use at Louisiana may not be even more successful. And we do know that the Louisiana plant has increased production and decreased costs until we are already within a minimum of the margin at which processed coal will compete with any domestic oil.

Mr. EBERHARTER. Mr. Chairman, would the gentleman care to yield at that point?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. It has been said, in line with what the gentleman has just stated, that the difference in cost is about 2 cents a gallon for gasoline. With gas selling today in the District of Columbia at 30 cents a gallon that is only one-fifteenth higher cost for the synthetic gasoline. So I cannot see by any stretch of the imagination why it would be practical to give up the continued experimentation if it is only one-fifteenth different in price today.

Mr. CANNON. The gentleman has analyzed the proposition in convincing terms. The margin has steadily decreased, bringing us already within reaching distance of the purpose for which the plant was established.

But, Mr. Chairman, we are overlooking the principal consideration involved in this comparatively minor appropriation.

If they can stop this process now short of completion, all that the Government has put into it will be taken over without benefit to the consumer.

If on the other hand we are allowed to perfect the process, it will remain the property of the Government, and the benefit of low cost production will accrue to the consumer. The amounts eventually involved run into the billions.

Mr. Perkins. Mr. Chairman, will the gentleman yield?

Mr. Cannon. I yield to the gentleman from Kentucky.

Mr. Perkins. If I understand the gentleman correctly, more progress has been made in the past year at this particular plant in his district than in all other previous years. This coal-to-oil process proved absolutely successful in Germany more than 10 years ago. In fact, we are more than 10 years behind time now. This is a serious situation when we consider that the Russians now have some of the best German scientists. We all know that Germany successfully extracted gasoline from coal to operate tanks, airplanes, and buzz bombs, that she did not even depend upon the outside world for oil during World War II.

Will the gentleman tell the committee whether or not much of the equipment that is in this plant now was dismantled and much money expended to set up this particular plant in this country?

Mr. Cannon. The plant as it stands today represents an investment in construction of approximately $25 million. To this must be added the annual expenditures on maintenance and operation. It is the most complete and most modern plant of its kind to be found anywhere.

And that brings up the authority conferred by this bill under which the Secretary is instructed to dispose of the plant in accordance with law and agreements. If put up for sale eventually, it would be sold at appalling loss. There would be few bidders, if more than one, and we would have a repetition of the sacrifice of millions of dollars which we saw repeatedly in the disposition of plants after the First World War. I recall one instance in particular in which a plant just completed by the Government at a cost in excess of $100 million was sold for a small percent of its cost and is today the center of one of the most lucrative industries in the United States.

Mr. Kirwan. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. Perkins].

Mr. Perkins. Mr. Chairman, I wish at the outset to concur in the remarks of the distinguished gentleman from Missouri [Mr. Cannon].

I am glad to learn that the gentleman from Missouri [Mr. Cannon] will offer an amendment to restore the funds necessary to operate the synthetic liquid fuels—coal to oil plants—at Louisiana, Mo. On page 20, of the Interior Department appropriation bill, 1954, we find this statement:

"In the table above the only appreciable change from the amounts allowed in the current fiscal year is for the synthetic liquid fuels program. It was reported to the committee that the Secretary proposed to put the synthetic liquid fuels demonstration plant at Louisiana, Mo., in standby. This plant is used for making gasoline from coal by hydrogenation and gas synthesis processes. It was reported to the committee that refinements accomplished to date in these processes have brought the cost of producing gasoline down to within a few cents of being commercially competitive with other methods of producing gasoline. The Bureau appears to have done an excellent job in leading the way in these important developments which are now at the point where private industry can pick them up."

The report further states that funds have been made available to place the plants on a standby basis. Then we find this language in the last sentence of the paragraph: "The Secretary is instructed to dispose of the two demonstration plants in accordance with existing law and agreements which may be in existence between the Department and other Federal agencies."

This report clearly states that the coal to oil process has been improved to the point where the cost of production is within a few cents of the prevailing costs of securing gasoline and other refined products from petroleum. You will note that this has been urged as a reason for discontinuing the Government research program and to let private industry take over the studies when and if they are ready. But why stop at this point? It is easy to see why some of the oil companies would want the Government research program to stop, but is there any valid reason why the Congress of the United States representing all the people should order the research to stop?

Surely the committee is not trying to tell us that cost reduction can go no further than the level of present costs of petroleum refining. Since these scientists have already made marked improvement in the process and have greatly reduced the costs, is it not possible that they may, if they go on with their work, eventually be able to cut the costs below present costs? Surely the committee is not asking Congress to say that the ultimate has been reached and the scientists cannot produce any more beneficial results. There is just as much logic in saying that they can cut the costs to one-half those now prevailing as to say that, because this scientific program has reduced these costs to a certain point, that the goal has been reached and that they should stop.

There is another very compelling reason why this Congress should continue and even expand research to make gasoline, oil, gas, and other useful fuel and energy resources from coal. Reserves of coal are found in 31 of the 48 States. Coal is not only the most abundant mineral fuel and source of energy we have, but it is so widely distributed that if ways can be found to convert it to more useful and convenient liquid forms it would benefit more people and contribute to the efficiency of our economic system more than possibly any other single development. Twenty-two of these thirty-one States have energy values in coal greater than all the oil reserves of the entire country. In contrast to the wide distribution of the coal reserves, the oil reserves are highly concentrated. One State has approximately half while 3 States have 80 percent of the known reserves.

By continuing this research program we may soon be able to make economical and convenient energy fuel readily available to people all over America. This optimistic conclusion has more justification than the one now before us that since the scientists have brought the costs of oil from coal down to within a few cents of the prevailing costs of petroleum refining, within 2 cents, as admitted here today, that we have reached our ultimate goal and should stop.

Mr. Elliott. Mr. Chairman, will the gentleman yield?

Mr. Perkins. I yield to the gentleman from Alabama.

Mr. Elliott. I know the gentleman is thoroughly familiar with the plant at Louisiana, Mo., and some of the other plants, and I wish to congratulate him for the interest he consistently shows in the welfare of the coal industry and those connected with it. I am wondering if he is familiar with the fact that at Gorgas, Ala., there has been carried on by the United States Bureau of Mines and by the Alabama Power Co., cooperating over the past few years, the single greatest experiment in underground coal gasification that this entire world has ever known.

Mr. Perkins. Certainly I am familiar with that expirement.

Mr. Elliott. Is the gentleman further familiar with the fact that this bill as it stands now, just as it does in connection with the plant at Louisiana, Mo., and the plant at Rifle, Colo., fails to provide one single cent with which to carry on the great experimental project there at Gorgas, Ala., in underground coal gasification?

Mr. Perkins. The gentleman is absolutely right. As I understand, the only laboratory left is the one at Bruceton.

Mr. Elliott. May I call the gentleman's attention at this point to the fact that experimentation in the field of underground gasification is being carried on by various governments throughout the world. Many of our leading scientists feel that perhaps the Russians are now carrying on intensive experimentation in this field of underground coal gasification. I think it is the height of folly for this Nation, right at the time when we are on the brink of accomplishing the greatest scientific results in this field that the human mind can conceive of, to say suddenly that no further funds will be provided to carry on the work, and there is no further interest on the part of this great people in carrying on those experiments and allowing them to reach the conclusion which is clearly pointed up by what has gone before in the past 4 or 5 years.

Mr. Perkins. I thank the gentleman from Alabama for his contribution. I concur wholeheartedly in his statement.

Since coal is so widely distributed and is so abundant, having 100 times the energy value of all known petroleum and natural gas reserves combined, nothing is more fundamental than to make all possible efforts to perfect known processes and discover all potential processes of utilizing this abundant source of energy.

What would be the predicament of America in event of all-out war that would destroy the lines of communication and cut all overseas sources of oil? All Europe would be paralyzed except for our help.

Would our petroleum industry be equal to the task? How much use will our vast expenditures for research in atomic energy and military facilities be if we do not have the abundant and appropriate energy fuels to supply our ships, airplanes, tanks, trucks, and automobiles?

Along with this recommended scrapping of the liquid fuel research program; does the Congress have assurance that the Communists are also scrapping their research programs?

Mr. Fenton. Mr. Chairman, will the gentleman yield?

Mr. Perkins. I yield.

Mr. Fenton. I am sure the gentleman wants to be fair and not accuse this committee of wanting to throttle this program. I thought I told you very plainly that there is now another method that they are pursuing which is going to sidetrack the other two methods and put them in a state of standby. That is all. We are not trying to sidetrack them.

Mr. Perkins. Let me answer the gentleman this way. If we fail to restore these funds here, it will be one of the greatest giveaways of the most valuable property, and one of the greatest errors that this administration could possibly commit.

Mr. Fenton. May I say I am just as much interested in that program, as the gentleman is.

Mr. Perkins. That is right.

Mr. Fenton. I do not want the program to be scuttled, and if I see there is a tendency to do that I shall be the first to oppose it.

Mr. Jensen. Mr. Chairman, I yield myself 1 minute. To prove that this committee has done the thing we figured right and best, we did the exact opposite regarding the plant at Laramie, Wyo., when we said the Government has not yet fulfilled its obligation. We put the money in this bill to continue that plant, even though private industry wanted us to take out that money. We said, "No." So I do not want to hear any more of that kind of talk, because the gentleman from Pennsylvania told the committee and the gentleman who just left the floor [Mr. Perkins], exactly why the committee took the action it did. You come on this floor and try to take off our hide and make statements that cannot be borne out by the evidence.

Mr. Perkins. I can give the reasons why I felt these funds should be restored, from the standpoint of the defense of this Nation. Furthermore, I do not want to follow the philosophy of the oil people in scuttling this program.

The Chairman. The time of the gentleman from Iowa has expired.●

GENERAL LEAVE

Mr. FAZIO. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order speech today by the gentleman from New Jersey (Mr. Thompson).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Addabbo, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Fascell, for 5 minutes, today.

Mr. Gonzalez, for 60 minutes, today.

(The following Members (at the request of Mr. Campbell) to revise and extend their remarks and include extraneous material:)

Mr. Campbell, for 45 minutes, today.

Mr. Young of Alaska, for 10 minutes, today.

Mr. Miller of Ohio, for 10 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. Evans of Delaware, for 60 minutes, on June 25, 1979.

(The following Members (at the request of Mr. Fazio) to revise and extend their remarks and include extraneous matter:)

Mr. Weaver, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Drinan, for 5 minutes, today.

Mr. Neal, for 5 minutes, today.

Mr. Dan Daniel, for 5 minutes, today.

Mr. LaFalce, for 10 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. Thompson, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Daschle, for 5 minutes, today.

Mr. Vanik, for 60 minutes, on June 22, 1979.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Vanik, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $2,220.

Mr. Maguire, to insert remarks prior to vote on preferential motion.

Mr. Neal, to revise and extend his remarks after the vote on the Fuqua amendment.

Mr. Neal, to insert remarks preceding vote on preferential motion.

(The following Members (at the request of Mr. Campbell) and to include extraneous material:)

Mr. Findley in three instances.
Mr. Conte.
Mr. Young of Alaska.
Mr. McEwen in two instances.
Mr. Paul in four instances.
Mr. Lent.
Mr. McClory.
Mr. Symms.
Mr. Goodling.
Mr. Dougherty in two instances.
Mr. Vander Jagt.
Mr. Derwinski in two instances.
Mr. Hagedorn.
Mr. Clinger.
Mr. Kemp.
Mr. Coughlin.
Mr. Brown of Ohio.
Mrs. Fenwick.
Mr. McCloskey.
Mr. Bereuter.

(The following Members (at the request of Mr. Fazio) and to include extraneous material:)

Mr. Wolff in two instances.
Mr. Cavanaugh.
Mr. Mineta in two instances.
Mr. Wirth.
Mr. Matsui.
Mr. Hance.
Mr. Pickle in 10 instances.
Mr. Duncan of Oregon.
Mr. Waxman.
Mr. Frost.
Mr. Yatron.
Mr. Mavroules.
Mr. Giaimo.
Mr. Rahall.
Mr. Udall.
Mr. LaFalce in three instances.
Mr. Bingham in two instances.
Mr. Dodd.
Mr. Solarz.
Mr. Minish.
Mr. Jenkins.
Mr. Dingell.
Mr. Stack.
Mr. Weaver.
Mr. Moorhead of Pennsylvania.
Mr. Patten.
Mr. Rosenthal.
Mr. Daschle.
Mr. Boner of Tennessee.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 961. An act to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

ADJOURNMENT

Mr. FAZIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, Friday, June 22, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1849. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1979 and amendments to the requests for appropriations for fiscal year 1980 (H. Doc. No. 96–156); to the Committee on Appropriations and ordered to be printed.

1850. A letter from the Acting Director, Management and Organization Division, U.S. Environmental Protection Agency, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1851. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1852. A letter from the Chairman, National Transportation Safety Board, transmitting a draft of proposed legislation to amend the Independent Safety Board Act of 1974, as amended, to authorize additional appropriations and for other purposes; to the Committee on Public Works and Transportation.

1853. A letter from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting the committee's report on the Multilateral Trade Negotiations agreements initialed in Geneva on April 12, 1979, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

1854. A letter from the Secretary of Agriculture, transmitting the annual report for fiscal year 1978 on activities under the Agricultural Trade Development and Assistance Act, as amended, pursuant to section 408(a) of the act; jointly, to the Committees on Agriculture and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 2606. A bill to amend the Toxic Substances Control Act to extend the authorization of appropriations contained in such act (Supplemental Rept. No. 174, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 3398. A bill to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1979 crops of wheat, corn, and other crops under certain circumstances, and for other purposes (Rept. No. 96–228, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. Report on allocation of budget totals by program (Rept. No. 96–289). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. Report of budget authority and outlays by major programs (Rept. No. 96–290). Referred to the Committee of the Whole House on the State of the Union.

Mr. DODD: Committee on Rules. House Resolution 324. Resolution providing for the consideration of H.R. 3930. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such Act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes (Rept. No. 96–291). Referred to the House Calendar.

Mrs. CHISHOLM: Committee on Rules. House Resolution 325. Resolution providing for the consideration of H.R. 4439. A bill relating to sanctions against Zimbabwe-Rhodesia. (Rept. No. 96–292). Referred to the House Calendar.

Mr. ROBERTS: Committee on Veterans' Affairs. Report on allocation of budget totals to subcommittees. (Rept. No. 96–293). Referred to the Committee of the Whole House on the State of the Union.

Mr. CHARLES WILSON of Texas: Committee on appropriations. H.R. 4580. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes. (Rept. No. 96–294). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 4303. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons who are age 60 or older or who are recipients of benefits under title XVI of the Social Security Act and to allow deductions for certain medical and dental expenses in the computation of incomes for such households; with amendment (Rept. No. 96–295). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WAXMAN (for himself and Mr. Carter):

H.R. 4556. A bill to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies; to the Committee on Interstate and Foreign Commerce.

By Mr. APPLEGATE:

H.R. 4557. A bill to amend the Clean Air Act to provide for certain temporary emergency suspensions of applicable implementation plan provisions for periods of 5 years in the case of certain fuel-burning stationary sources, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BEDELL:

H.R. 4558. A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of alcohol fuel plants, to provide for the sale of agricultural commodities for the operation of such plants, to amend the Agricultural Act of 1949 with respect to the price support program for feed grains, and for other purposes; jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

By Mr. CARTER:

H.R. 4559. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

By Mr. DORNAN:

H.R. 4560. A bill to curb inflation by providing for the reduction of the annual rates of pay for Members of Congress and for certain appointed Federal officials, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL:

H.R. 4561. A bill to establish uniform minimum gross vehicle weights on Interstate Highways; to the Committee on Public Works and Transportation.

By Mr. DASCHLE:

H.R. 4562. A bill to amend the Federal Food, Drug, and Cosmetic Act for the purpose of restricting the use of the terms "buffalo" and "water buffalo" on the labels and in the advertising of certain foods; to the Committee on Interstate and Foreign Commerce.

H.R. 4563. A bill to amend title 23, United States Code, to establish uniform weight and length limitations for vehicles operating on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JACOBS:

H.R. 4564. A bill to amend the Internal Revenue Code of 1954 to equalize the taxation of certain cooperatives; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 4565. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale; to the Committee on Ways and Means.

By Mr. JOHNSON of California (for himself, Mr. Murphy of New York, and Mr. Breaux) (by request):

H.R. 4566. A bill to amend the Federal Water Pollution Control Act, as amended, and the Solid Waste Disposal Act, as amended, to provide a system of response, liability, and compensation for releases of oil, hazardous substances, and hazardous wastes, to establish a response and liability fund, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. JONES of Oklahoma (for himself, Mr. Frenzel, Mr. Gibbons, Mr. Conable, Mr. Guarini, Mr. Archer, Mr. Young of Alaska, Mr. Hughes, Mr. LaFalce, Ms. Mikulski, Mr. Cleveland, Mr. Badham, Mr. Rinaldo, Mr. Lee, and Mr. Charles Wilson of Texas):

H.R. 4567. A bill to redesignate the Department of Commerce as the Department of Commerce and International Trade, to consolidate in such department various functions of the Government with respect to international trade, and for other purposes; to the Committee on Government Operations.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Addabbo, Mr. Alexander, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Applegate, Mr. Bailey, Mr. Bennett, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Boland, Mr. Bonior of Michigan, Mr. Brademas, Mr. Buchanan, Mr. Butler, Mrs. Byron, Mr. Coelho, Mr. Corrada, Mr. Cotter, Mr. Courter, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. D'Amours, Mr. Danielson, Mr. Davis of South Carolina, Mr. Davis of Michigan, Mr. Dellums, Mr. Devine, Mr. Dixon, Mr. Donnelly, Mr. Ertel, Mr. Fascell, Mr. Fazio, Mrs. Fenwick, Mr. Findley, Mr. Flippo, Mr. Flood, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Fountain, Mr. Frost, Mr. Fuqua, Mr. Gaydos, Mr. Gibbons, Mr. Gilman, Mr. Glickman, Mr. Goodling, Mr. Gradison, Mr. Green, Mr. Grisham, Mr. Gudger, Mr. Hagedorn, Mr. Harris, Mr. Harsha, Mr. Hawkins, Mr. Hefner, Mr. Heftel, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Huckaby, Mr. Hughes, Mr. Hyde, Mr. Ichord, Mr. Jones of Tennessee, Mr. Kildee, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Lederer, Mr. Lloyd, Mr. Marks, Mr. Marriott, Mr. Mazzoli, Mr. McDade, Mr. McKay, Mr. McKinney, Mr. Michel, Mr. Miller of Ohio, Mr. Mineta, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Mollohan, Mr. Montgomery, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nedzi, Mr. Nelson, Mr. Nichols, Mr. Nolan, Mr. Nowak, Mr. Oberstar, Mr. Panetta, Mr. Patten, Mr. Patterson, Mr. Preyer, Mr. Pritchard, Mr. Quillen, Mr. Rahall, Mr. Railsback, Mr. Rinaldo, Mr. Ritter, Mr. Rodino, Mr. Roe, Mr. Rostenkowski, Mr. Runnels, Mr. Sabo, Mr. St Germain, Mr. Santini, Mr. Sawyer, Mr. Scheuer, Mr. Slack, Mr. Smith of Iowa, Mrs. Spellman, Mr. Stanton, Mr. Tauke, Mr. Thompson, Mr. Traxler, Mr. Volkmer, Mr. Wampler, Mr. Watkins, Mr. Whitehurst, Mr. Williams of Ohio, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Wright, Mr. Wyatt, Mr. Wylie, Mr. Yatron, Mr. Young of Missouri, and Mr. Zeferetti):

H.R. 4568. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PAUL:

H.R. 4569. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

By Mr. STAGGERS (by request):

H.R. 4570. A bill to reform the economic regulation of railroads, to improve the quality of rail service in the United States through financial assistance which encourages railroad restructuring, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Florio) (by request):

H.R. 4571. A bill to provide a system of response, liability, and compensation for releases of oil, hazardous substances, and hazardous wastes, to establish a response and liability fund, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. THOMPSON (for himself, Mr. Hawkins, Mr. Brademas, Mr. Annunzio, Mr. Gaydos, Mr. Jones of Tennessee, Mr. Mollohan, Mr. Van Deerlin, Mr. Minish, Mr. Davis of South Carolina, Mr. Rose, Mr. John L. Burton, Mr. Peyser, Mr. Ratchford, Mr. Fazio, Mr. Frenzel, Mr. Gingrich, and Mr. Lewis):

H.R. 4572. A bill to amend title 44, United States Code, to provide for improved administration of public printing services and distribution of public documents; to the Committee on House Administration.

By Mr. UDALL:

H.R. 4573. A bill to establish a coordinated, prompt, and simplified process for Federal approval of significant nonnuclear energy facilities, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. WOLFF:

H.R. 4574. A bill to provide for a Council of Oil Importing Nations, and for other purposes; to the Committee on Foreign Affairs.

By Mr. YOUNG of Alaska (for himself and Mr. Harsha):

H.R. 4575. A bill to amend the Water Resources Development Act of 1974; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Missouri:

H.R. 4576. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to provide natural gas service to residential customers for use in outdoor lighting fixtures installed before the date of the enactment of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES WILSON of Texas:

H.R. 4580. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District or the fiscal year ending September 30, 1980, and for other purposes.

By Mr. DORNAN:

H.J. Res. 365. Joint resolution to urge the President of the United States to invoke his authority under section 8 of the Fishermen's Protective Act of 1967 (commonly referred to as the Pelly amendment) to ban the importation into the United States of fish products from nations whose citizens have conducted fishing operations in a manner which violates the provisions of the International Convention for the Regulation of Whaling; to the Committee on Merchant Marine and Fisheries.

By Mr. FINDLEY:

H. Res. 326. Resolution to commend the American Broadcasting Co., the National Broadcasting Co., and the Public Broadcasting Service for the work they are doing to provide closed-captioned television programing for the deaf and hearing impaired and to urge the Columbia Broadcasting System to participate fully with the other networks in providing closed-captioned programing; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX:

H.R. 4577. A bill for the relief of Curley P. Pousson; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 4578. A bill for the relief of Ana Maria Santana; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 4579. A bill for the relief of Blanca Nellie Quintana; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H. Res. 327. Resolution to refer H.R. 4482, a bill for the relief of Larry Land, Marie Land et al., to the Chief Commissioner of the U.S. Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 52: Mr. Ertel and Mr. Yatron.

H.R. 507: Mr. Clausen.

H.R. 541: Mr. Patterson.

H.R. 789: Mr. Ottinger and Mrs. Spellman.

H.R. 1603: Mr. McHugh, Mr. Udall, Mr. Gilman, and Mr. Regula.

H.R. 2540: Mr. Patterson.

H.R. 3541: Mr. Gradison.

H.R. 3594: Mr. Murphy of Pennsylvania, Mr. Mitchell of Maryland, Mr. Clay, Mr. Oberstar, Mr. Edwards of California, Mr. Corrada, Mr. Simon, Mr. Ottinger, Mr. Edgar, Mr. Addabbo, Mr. Mineta, Mr. Stokes, Mr. Scheuer, Ms. Holtzman, and Mr. Guarini.

H.R. 3766: Mr. Boland, Mr. Lagomarsino, Mr. McKinney, Mr. Andrews of North Dakota, Mr. Emery, Mr. McDade, Mr. Petri, Mr. Hughes, Mrs. Snowe, Mr. Jeffords, Mr. LaFalce, Mr. Coelho, Mr. Flood, Mr. Moakley, Mr. Carter, Mr. Mottl, Mr. Young of Alaska, Mr. Wampler, Mr. Solomon, Mr. Robinson, Mr. Bethune, Mr. Ertel, Mr. Pepper, Mr. Peyser, Mr. Stangeland, Mr. Dodd, Mr. Moffett, Mr. Ratchford, Mr. Donnelly, Mrs. Heckler, Mr. Markey, Mr. Mavroules, Mr. Studds, Mr. D'Amours, and Mr. St Germain.

H.R. 3884: Mr. Bedell, Mr. Grassley, Mr. Goldwater, Mr. Hance, Mr. Mitchell of Maryland, and Mr. Pashayan.

H.R. 3918: Mr. Corrada, Mr. Thompson, Mr. Mitchell of Maryland, Mr. Roe, Mr. Patten, Ms. Holtzman, and Mr. Kildee.

H.R. 4027: Mr. Glickman, Mr. O'Brien, and Mr. Roth.

H.R. 4113: Mr. Stangeland, Mr. Breaux, Mr. Roe, Mr. Anderson of Illinois, Mr. Weaver, Mr. Ullman, Mr. Clausen, Mr. Madigan, Mr. Nedzi, Mr. AuCoin, Mr. Kildee, Mr. D'Amours, Mr. McCormack, Mr. Bonior of Michigan, Mr. Vander Jagt, Mr. Corcoran, Mr. Obey, Mr. Wolpe, Mr. Aspin, and Mr. Traxler.

H.R. 4178: Mr. Addabbo, Mr. LaFalce, Mr. Hughes, Mr. Hollenbeck, Mr. Fish, Mr. Luken, Mr. Burgener, Mr. Cotter, Mr. Mitchell of New York, Mr. Solarz, and Mr. Bingham.

H.R. 4232: Mr. Cleveland, Mr. Carter, and Mr. Bedell.

H.R. 4282: Mr. Leath of Texas.

H.R. 4400: Mr. Cheney, Mr. Clinger, Mr. Gingrich, Mr. Gudger, Mr. Quayle, and Mr. Charles Wilson of Texas.

H.R. 4549: Mr. Ginn, and Mr. Sebelius.

H.R. 4550: Mr. Ginn, and Mr. Sebelius.

H.J. Res. 118: Mr. Abdnor, Mr. Alexander, Mr. Anderson of Illinois, Mr. Annunzio, Mr. Archer, Mr. Bauman, Mr. Benjamin, Mr. Bennett, Mr. Brinkley, Mr. Brown of Ohio, Mr. Carter, Mr. Chappell, Mr. Conte, Mr. Corcoran, Mr. Corrada, Mr. de la Garza, Mr. Derwinski, Mr. Dornan, Mr. Dougherty, Mr. Erlenborn, Mr. Ertel, Mr. Evans of Indiana, Mr. Flippo, Mr. Fountain, Mr. Fuqua, Mr. Gephardt, Mr. Ginn, Mr. Gradison, Mr. Grassley, Mr. Hall of Texas, Mr. Hanley, Mr. Hansen, Mr. Hawkins, Mr. Horton, Mr. Howard, Mr. Hyde, Mr. Jacobs, Mr. Johnson of Colorado, Mr. Kindness, Mr. LaFalce, Mr. Lagomarsino, Mr. Lewis, Mr. Lloyd, Mr. Lott, Mr. Marriott, Mr. Martin, Mr. Mazzoli, Mr. Miller of Ohio, Mr. Montgomery, Mr. Moorhead of California, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Natcher, Mr. Neal, Mr. Nolan, Ms. Oakar, Mr. Pepper, Mr. Perkins, Mr. Pickle, Mr. Quayle, Mr. Railsback, Mr. Regula, Mr. Roe, Mr. Rousselot, Mr. Satterfield, Mr. Shuster, Mr. Simon, Mr. Solarz, Mr. Stockman, Mr. Whitehurst, Mr. Winn, Mr. Won Pat, Mr. Yatron, and Mr. Young of Florida.

H.J. Res. 209: Mr. Abdnor, Mr. Anderson of Illinois, Mr. Beard of Tennessee, Mr. Bevill, Mr. Biaggi, Mrs. Boggs, Mr. Boland, Mr. Brown of California, Mr. Butler, Mrs. Byron, Mr. Coelho, Mr. Cotter, Mr. Coughlin, Mr. D'Amours, Mr. Dicks, Mr. Dodd, Mr. Dornan, Mr. Evans of Delaware, Mr. Fary, Mr. Fauntroy, Mr. Findley, Mr. Fisher, Mr. Flippo, Mr. Ford of Michigan, Mr. Gaydos, Mr. Gibbons, Mr. Ginn, Mr. Goodling, Mr. Gore, Mr. Gramm, Mr. Gray, Mr. Green, Mr. Guarini, Mr. Hall of Texas, Mr. Hanley, Mr. Hawkins, Mr. Heftel, Ms. Holtzman, Mr. LaFalce, Mr. Leach of Louisiana, Mr. Lederer, Mr. Long of Louisiana, Mr. Lagomarsino, Mr. Lujan, Mr. Mattox, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. McHugh, Ms. Mikulski, Mr. Moffett, Mr. Myers of Pennsylvania, Mr. Murphy of Illinois, Mr. Murphy of New York, Mr. Neal, Mr. Nolan, Ms. Oakar, Mr. O'Brien, Mr. Oberstar, Mr. Panetta, Mr. Pepper, Mr. Peyser, Mr. Pickle, Mr. Preyer, Mr. Price, Mr. Quayle, Mr. Ratchford, Mr. Rhodes, Mr. Rodino, Mr. Rosenthal, Mr. Rousselot, Mr. Sabo, Mr. St Germain, Mr. Sebelius, Mr. Shumway, Mr. Solomon, Mr. Spence, Mr. Stack, Mr. Steed, Mr. Stewart, Mr. Symms, Mr. Traxler, Mr. Trible, Mr. Udall, Mr. Whitehurst, Mr. Yates, Mr. Vanik, Mr. Campbell, Mr. Chappell, Mr. Hopkins, Mr. Jeffords, Mr. Shelby, Mrs. Spellman, Mr. Treen, and Mr. Long of Maryland.

H. Con. Res. 143: Mr. Richmond, Mr. Dornan, Mr. Beilenson, Mr. Fazio, Mr. Jacobs, Mr. Rodino, Mr. Mitchell of Maryland, Mr. Pepper, Mr. Bailey, Mr. Murphy of Pennsylvania, Mr. Bingham, Mr. Moakley, Mr. Drinan, Mr. Edwards of California, Mr. Corman, Mr. Lehman, Mr. Studds, Mr. Whitehurst, Mr. Ottinger, Mr. Seiberling, Mr. Forsythe, Mr. Sabo, Mr. Gephardt, Mr. Mineta, Mr. Pickle, Mr. Kogovsek, Mr. Hughes, Mr. Frenzel, Mr. Vento, Mr. Burgener, Mr. Gray, Mr. Horton, Mr. Wolpe, Mr. Stack, Mr. Long of Maryland, Mr. Weiss, Mr. Solarz, Mr. Lowry, Mr. McCloskey, Mr. Robert W. Daniel, Jr., Mr. Roe, Mr. Stokes, Mr. Coughlin, Mr. Maguire, Mr. Erdahl, Mr. Cheney, Mr. Fithian, Mr. Stark, Mr. Guarini, Mr. Fish, Mr. Emery, Mr. Gudger, Mr. Edgar, Mr. D'Amours, Mr. Wirth, and Mr. Barnes.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3919

By Mr. HANCE:

—Page , after line , insert the following:

"(c) Exemption for Independent Producers With Respect to Newly Discovered Oil.—

"(1) In general.—The tax imposed by subsection (a) for any taxable period shall not apply to so much of any independent producer's qualified newly discovered oil production during such period as does not exceed the product of—

"(A) 1,000 barrels, multiplied by

"(B) the number of days during such taxable period.

"(2) Ordering rule.—If any independent producer's qualified newly discovered oil production during any taxable period exceeds the amount determined under paragraph (1), the tax imposed by subsection (a) shall apply to barrels in the qualified newly discovered oil production in the order of their respective removal prices beginning with the lowest of such prices.

"(3) Allocation of 1,000 barrel amount among related persons.—Rules similar to the rules of section 613A(c)(8) shall apply to the 1,000 barrel amount under paragraph (1)(A).

"(4) Independent producer defined.—For purposes of this subsection, the term 'independent producer' means any taxpayer with respect to whom, for the taxable year in which the taxable period ends, percentage depletion is allowable under section 613A(c).

"(5) Qualified newly discovered oil production defined.—For purposes of this subsection—

"(A) In general.—A person's qualified newly discovered oil production during any taxable period is the number of barrels of newly discovered oil—

"(i) which are removed from the premises during such taxable period, and

"(ii) with respect to which such person would be liable for the tax imposed by subsection (a) (determined without regard to this subsection).

"(B) Production from transferred property.—

"(i) In general.—In the case of a transfer (including the subleasing of a lease) after

June 21, 1979, of an interest (including an interest in a partnership or trust) in any proven oil or gas property, the qualified newly discovered oil production of the transferee (or sublessee) shall not include any production attributable to such interest.

"(ii) SPECIAL RULES.—For purposes of clause (i)—

"(I) The term 'proven oil or gas property' has the same meaning as when used in section 613A(c) (9) (A).

"(II) Rules similar to the rules of section 613A(c) (9) (B) shall apply.

"(6) COLLECTION OF TAX UNDER REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary for the collection of the tax imposed by subsection (a) by the purchaser with respect to taxable crude oil purchased from an independent producer."

H.R. 4389

By Mr. BEREUTER:

—Page add a new section 410, following line 18:

"None of the funds appropriated in this act may be used to implement the Uniform Reporting System for Health Services Facilities and organizations authorized by section 1121(a) of the Social Security Act."

By Mrs. SMITH of Nebraska:

—On page 19, line 9:

Strike "$393,017,000" and insert "$396,617,000".

On Page 19, line 11, after "VII" insert ", and of which $1,800,000 shall be available under section 720 for a regional veterinary teaching facility to serve the five States of Nebraska, Wyoming, Montana, South Dakota, and North Dakota.".

H.R. 4439

By Mr. ICHORD:

—Page 2, delete lines 12–15, paragraph (b) (2) and substitute in lieu thereof the following paragraph:

(b) (2) terminate sanctions against Zimbabwe-Rhodesia by November 15, 1979, unless such sanctions have been previously suspended or terminated by executive or legislative action. If the President determines that the continuation of sanctions beyond November 15, 1979, is in the national interest of the United States, he shall be required to submit to the Congress appropriate legislation to extend such sanctions.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of May 10, 1979, page 10745.

H.R. 2001. February 8, 1979. Science and Technology. Establishes a program within the National Aeronautics and Space Administration (NASA) to develop devices and strategies to meet the special needs and alleviate the suffering of the elderly by the use of innovative technologies derived from NASA's space and energy research and development.

H.R. 2002. February 8, 1979. Banking, Finance and Urban Affairs. Amends the Renegotiations Act of 1951 to make performance under government contracts prior to March 31, 1981, subject to renegotiation.

Stipulates that beginning with fiscal year 1978, the aggregate amounts received or accrued by a contractor or subcontractor must be at least $3,000,000 in order for such contracts or subcontracts to be renegotiated.

H.R. 2003. February 8, 1979. Armed Services. Amends the Survivor Benefit Plan for the uniformed services to permit concurrent payment of benefits under this plan and under the Veterans' Administration dependency and indemnity compensation program without a reduction in the amount of either benefit.

H.R. 2004. February 8, 1979. Veterans' Affairs. Provides that additional compensation for dependents paid to a veteran receiving wartime disability compensation may be paid for adopted children who became permanently incapable of self-support before the age of 18, regardless of their age at the time of adoption.

H.R. 2005. February 8, 1979. Veterans' Affairs. Provides additional compensation for certain dependent parents of a veteran receiving disability compensation.

H.R. 2006. February 8, 1979. Veterans' Affairs. Provides additional monthly aid and attendance allowance to war veterans who have suffered the loss or loss of use of both hands as a result of a service-connected injury.

H.R. 2007. February 8, 1979. Veterans' Affairs. Entitles war veterans with service-connected heart conditions who have had a heart valve replaced and a pacemaker implanted to additional monthly disability compensation.

H.R. 2008. February 8, 1979. Veterans' Affairs. Increases the rates of wartime disability compensation for veterans with service-connected disabilities rated at 50 percent to 90 percent.

H.R. 2009. February 8, 1979. Veterans' Affairs. Increases the amount of National Service Life Insurance eligible veterans may purchase.

H.R. 2010. February 8, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide mortgage protection life insurance to certain veterans unable to obtain commercial life insurance at a standard rate because of service-connected disabilities.

H.R. 2011. February 8, 1979. Veterans' Affairs. Repeals the provision requiring the preservation of total disability ratings for compensation purposes. Reduces from 20 to 10 years the period after which a rating cannot be reduced for pension and insurance purposes.

H.R. 2012. February 8, 1979. Veterans' Affairs. Revises certain provisions providing additional compensation for dependent spouse and children of a veteran receiving wartime disability compensation.

H.R. 2013. February 8, 1979. Veterans' Affairs. Revises the presumptions relating to certain diseases and disabilities of certain prisoners of war for purposes of veterans wartime disability compensation eligibility.

H.R. 2014. February 8, 1979. Veterans' Affairs. Repeals the provision requiring the preservation of total disability ratings for compensation purposes. Reduces from 20 to 10 years the period after which a rating cannot be reduced for pension and insurance purposes.

H.R. 2015. February 8, 1979. Veterans' Affairs. Revises the presumptions relating to certain diseases and disabilities of certain prisoners of war for purposes of veterans wartime disability compensation eligibility.

H.R. 2016. February 8, 1979. Veterans' Affairs. Revises the eligibility requirements for mustering-out payments to qualify members of the Armed Forces who served on active duty for 90 days or more during the Vietnam era and who were discharged or released under conditions other than dishonorable. Increases payment amounts for specified classes of eligible persons.

H.R. 2017. February 8, 1979. Veterans' Affairs. Includes the service-connected loss or loss of use of a kidney among the conditions for which war veterans may receive additional monthly disability compensation.

H.R. 2018. February 8, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to provide automobile adaptive equipment to any veteran receiving compensation for ankylosis of one or both knees, or one or both hips, which resulted from any injury incurred or disease contracted in or aggravated by active military, naval, or air service during World War II or thereafter.

H.R. 2019. February 8, 1979. Veterans' Affairs. Extends eligibility for the Veterans' Administration clothing allowance to certain veterans with skin disorders resulting from service-connected diseases or injuries.

H.R. 2020. February 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 2021. February 8, 1979. Veterans' Affairs. Extends the period during which eligible service-disabled veterans may apply for National Service Life Insurance.

H.R. 2022. February 8, 1979. Veterans' Affairs. Provides that malignant tumors (cancer) developing a ten percent or more degree of disability within three years after separation from active wartime service shall be presumed to be service connected for purposes of veterans' disability compensation.

H.R. 2023. February 8, 1979. Veterans' Affairs. Provides that psychoses developing a ten percent or more degree of disability within two years after separation from active wartime service shall be presumed to be service connected for purposes of veterans' disability compensation.

H.R. 2024. February 8, 1979. Veterans' Affairs. Provides veterans holding National Service Life Insurance policies the opportunity to purchase an additional $10,000 of such insurance.

H.R. 2025. February 8, 1979. Veterans' Affairs. Provides that specified pension payments to a mentally incompetent hospitalized veteran will not be terminated unless such veteran's estate equals or exceeds a certain amount.

H.R. 2026. February 8, 1979. Veterans' Affairs. Reduces the minimum disability rating a veteran receiving wartime disability compensation must have in order to receive additional compensation for dependents.

H.R. 2027. February 8, 1979. Veterans' Affairs. Provides that epilepsy developing a ten percent or more degree of disability within two years after separation from active wartime service shall be presumed to be service connected for purposes of veterans' disability compensation.

H.R. 2028. February 8, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to award other service-connected injury benefits, in addition to currently available compensation, to veterans injured while in treatment at a Veterans Administration health care facility or in a program of vocational rehabilitation.

H.R. 2029. February 8, 1979. Veterans' Affairs. Extends the period of time between notice of, and the effective date for, the reduction or discontinuance of compensation, dependency and indemnity compensation, or pension paid by the Veterans Administration.

H.R. 2030. February 8, 1979. Veterans' Affairs. Provides that certain veterans with service-connected disabilities rated less than total may be granted a rating of total disability because of unemployability due to such disability.

Directs the Administrator of Veterans' Affairs to consider age in rating the degree of a veteran's disability.

H.R. 2031. February 8, 1979. Veterans' Affairs. Provides that veterans traveling to or from a Veterans' Administration facility or other facility in connection with a service-connected disability shall be reimbursed for such travel expenses as provided for by certain veterans' provisions or by Federal employees' provisions, whichever provides the greater reimbursement.

H.R. 2032. February 8, 1979. Veterans' Affairs. Authorizes persons in addition to guardians, including representatives of veterans' organizations, to apply for National Service Life Insurance on behalf of mentally incompetent veterans.

H.R. 2033. February 8, 1979. Veterans' Affairs; Armed Services. Permits certain veterans with service-connected disabilities who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either.

H.R. 2034. February 8, 1979. Agriculture. Amends the Agriculture Act of 1949 to extend the price support of milk at not less than 80 percent of parity.

H.R. 2035. February 8, 1979. Merchant Marine and Fisheries. Authorizes appropriations for fiscal years 1980, 1981, and 1982 to carry out a cooperative program with the States for the conservation, development, and enhancement of anadromous fish.

H.R. 2036. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals an income tax deduction for expenses incurred in commuting between their residences and their principal places of employment.

H.R. 2037. February 8, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to direct the Board of Governors of the Federal Reserve System to regulate purchases and sales of paper (eligible for open-market operations) so that specified monthly targets for the average money supply are met.

H.R. 2038. February 8, 1979. Education and Labor. Amends the Higher Education Act of 1965 to authorize the Commissioner of Education to make grants to institutions of higher education for the use of graduate and professional schools in establishing programs for the correction and prevention of educational deficiencies in minority, low-income, and culturally disadvantaged individuals in order to increase minority enrollment in such schools.

H.R. 2039. February 8, 1979. Government Operations. Requires each rule proposed by any Federal agency and legislation in Congress which may have a significant impact on costs to the public to be accompanied by a Regulatory Cost/Benefit Assessment. Permits emergency agency rules to be promulgated without such an assessment, provided one is prepared within 60 days of promulgation. Requires agencies to review existing rules upon their own motion or upon petition of any interested person to compare costs and benefits.

H.R. 2040. February 8, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to prohibit Federal payments for abortion under such title except when necessary to prevent the death of the mother.

H.R. 2041. February 8, 1979. Judiciary. Specifies additional prison sentences and procedural restrictions for anyone using or carrying a firearm during the commission of a felony which is prosecutable in a United States court.

H.R. 2042. February 8, 1979. Judiciary. Amends the Immigration and Nationality Act to remove the limitation of two upon the number of adopted children who may be granted immediate relative status under a single petition for purposes of permanent residence.

H.R. 2043. February 8, 1979. Merchant Marine and Fisheries. Amends the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands.

H.R. 2044. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to extend eligibility for the earned income credit to handicapped individuals who maintain a household.

H.R. 2045. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to exempt farm vehicles from the highway use tax on motor vehicles used primarily for farming purposes.

H.R. 2046. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to exempt from the highway use tax motor vehicles primarily used to transport unprocessed and raw farm products or logs, pulpwood, or other forest products from the place of production to market.

H.R. 2047. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for that portion of the fees paid to an adoption agency which are attributable to medical expenses incurred for the benefit of the adopted child.

H.R. 2048. February 8, 1979. Ways and Means. Amends title IV of the Social Security Act to permit payment of benefits under the Aid to Families with Dependent Children program with respect to unborn children.

H.R. 2049. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to extend to individuals with limited participation in tax-exempt employee benefit plans a limited income tax deduction for cash contributions to retirement savings accounts.

Sets forth requirements for the payment of benefits to a surviving spouse in the case of the death before the earliest retirement age of a participant in a joint and survivor annuity plan.

H.R. 2050. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for medical care expenses including meals and lodging while away from home primarily for medical care.

H.R. 2051. February 8, 1979. Government Operations; Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to make grants to States and units of local government to assist in the execution of consumer protection plans.

H.R. 2052. February 8, 1979. Ways and Means; Government Operations. Establishes the Task Force on School Financing and the Taxation of Real Property by State and Local Governments to study and evaluate the taxation of real property, its effects on middle and fixed income taxpayers, the feasibility of using Federal taxation and other policies to reduce the dependence of State and local governments on such taxation, and the effects of such Federal taxation and other policies on the financing of public elementary and secondary education.

H.R. 2053. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who rent their principal residences an income tax deduction for their proportionate share of real property taxes and certain interest costs.

H.R. 2054. February 8, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to set forth new and additional criteria to be used in the computation of disability benefits under such title.

Sets forth new procedures for making and reviewing determinations of disability.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of financing vocational rehabilitation services for disabled beneficiaries under title II to the end that maximum savings will result to the Social Security Trust Funds.

H.R. 2055. February 8, 1979. Armed Services. Amends the financial assistance program for members of the two-year Senior Reserve Officers' Training Corps course appointed in any year as cadets or midshipmen, removing the limitation on the percent of members eligible.

H.R. 2056. February 8, 1979. Education and Labor. Amends the Rehabilitation Act of 1973 to establish minimum qualification standards for rehabilitation counselors hired pursuant to State plans under such Act.

H.R. 2057. February 8, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a monthly pension to eligible World War I veterans.

H.R. 2058. February 8, 1979. Veterans' Affairs. Provides that syringomyelia developing a ten percent or more degree of disability within seven years after separation from active wartime service shall be presumed to be service connected for purposes of veterans' disability compensation.

H.R. 2059. February 8, 1979. Veterans' Affairs. Increases flat rates for certain unmarried veterans' aid and attendance allowance.

Increases flat rates for certain married veterans' aid and attendance allowance.

H.R. 2060. February 8, 1979. Judiciary. Enables indirect purchasers and sellers to bring civil actions under the Clayton Act. Authorizes use of the defense that a plaintiff passed on to third parties costs resulting from an antitrust violation.

Authorizes proof of specified elements of a class action on a classwide basis. Provides for the consolidation and transfer of any action brought under the Clayton Act.

H.R. 2061. February 8, 1979. Judiciary. Restates and amends in its entirety title I of the Omnibus Crime Control and Safe Streets Act of 1968 (Law Enforcement Assistance).

Establishes the following new organizations within the Department of Justice: (1) the National Institute of Justice; (2) the Bureau of Justice Statistics; and (3) the Office of Justice Assistance, Research, and Statistics.

H.R. 2062. February 8, 1979. Judiciary. Provides that the United States District Court for the Judicial District of New Jersey shall be held at Paterson, New Jersey, in addition to those places currently provided by law.

H.R. 2063. February 8, 1979. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to extend the authorizations of appropriations for specified programs.

H.R. 2064. February 8, 1979. Judiciary. Relieves any local government unit or specified libraries in Pennsylvania from liability for erroneous U.S. contributions for disaster relief activities.

H.R. 2065. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to require a cost-of-living adjustment, based on the Consumer Price Index, to the adjusted basis of a capital asset at the time of its sale or exchange, for purposes of determining gain or loss on such asset.

H.R. 2066. February 8, 1979. Public Works and Transportation. Amends the Water Resources Development Act of 1976 to delete the requirement that a specified water diversion structure not conflict with the Secretary of Army's report submitted pursuant to the Water Resources Development Act of 1974.

H.R. 2067. February 8, 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports to implement the International Sugar Agreement.

Establishes a price objective for sugar. Authorizes the President to impose special import duties or quotas, on the recommendation of the Secretary of Agriculture, to attain such price objective.

Requires sugar producers to pay employees specified minimum wages.

Authorizes the Secretary to waive part of the interest and/or principal owed on loans based on sugar crops.

H.R. 2068. February 8, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 2069. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to exempt farm and soil and water conservation trucks from the highway use tax.

H.R. 2070. February 8, 1979. Ways and Means. Amends part A (Aid to Families With Dependent Children) of title IV of the Social Security Act to permit States to pay reduced benefits in the case of an AFDC child living with a relative who is not legally responsible for such child by prorating the costs of shelter and utilities for such child among household members.

H.R. 2071. February 8, 1979. Interior and Insular Affairs. Amends the Water Resources Planning Act of 1965 to change the composition of the Water Resources Council. Establishes a State Water Advisory Council to meet periodically with the Council.

Establishes a Federal program to assist States in water management activities and the development and use of water and related land resources. Sets forth the conditions for State participation in such program.

H.R. 2072. February 8, 1979. Ways and Means. Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States.

Directs the President to limit by proclamation the total quantity of meat imports in specified circumstances.

Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market. Directs the Secretary to report to Congress.

H.R. 2073. February 8, 1979. Education and Labor. Amends the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 2074. February 8, 1979. Judiciary; Education and Labor. Prohibits discrimination on the basis of an individual's affectional or sexual orientation in federally assisted programs, employment, or housing. Authorizes the Attorney General to institute or intervene in actions charging such discrimination.

H.R. 2075. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of interest income earned from a savings account.

H.R. 2076. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to include within the definition of a capital asset property which is used in a trade or business and was acquired at no cost to the taxpayer.

H.R. 2077. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 2078. February 8, 1979. Armed Services. Stipulates that on or after July 1, 1979, individuals may be inducted pursuant to the Military Selective Service Act for training and service in the Armed Forces.

Amends the Military Selective Service Act to authorize inductment into the Armed Forces until June 30, 1981.

H.R. 2079. February 8, 1979. Judiciary. Establishes a Lufkin Division in the Eastern District of Texas.

H.R. 2080. February 8, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to permit retroactive payment (to the month in which an individual attains age 65) of old age insurance benefits to individuals who are over age 65 at the time of application for such benefits.

H.R. 2081. February 8, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily reduce the duty on certain ceramic insulators used in spark plugs.

H.R. 2082. February 8, 1979. Ways and Means. Provides for the tax exclusion of interest on obligations issued by the Sabine River Authority of Texas.

H.R. 2083. February 8, 1979. Public Works and Transportation. Authorizes the Chief of Engineers to establish separate campgrounds for elderly individuals. Directs the Chief of Engineers to establish such a campground at the Sam Rayburn Reservoir, Texas.

H.R. 2084. February 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles II (Old-Age, Survivors and Disability Insurance) and XVIII (Medicare) of the Social Security Act and the Railroad Retirement Act of 1974 to eliminate the requirement that an individual be entitled to disability benefits for at least 24 consecutive months in order to qualify for hospital insurance benefits under the Medicare program.

H.R. 2085. February 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow blood donors an income tax deduction from gross income of $25 for each pint donated.

H.R. 2086. February 8, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 2087. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2088. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2089. February 8, 1979. Judiciary. Authorizes the naturalization of a named individual under the Immigration and Nationality Act.

H.R. 2090. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2091. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2092. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2093. February 8, 1979. Judiciary. Declares that a named individual shall be allowed credit for service in a specified position for civil service retirement purposes. Directs the Office of Personnel Management to pay a lump-sum to such individual for a specified amount.

H.R. 2094. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2095. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2096. February 8, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to named individual in satisfaction of a claim against the United States.

H.R. 2097. February 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2098. February 8, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2099. February 8, 1979. Judiciary. Declares three individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2100. February 13, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 2101. February 13, 1979. Interior and Insular Affairs. Confers jurisdiction on the Court of Claims over any claims of the Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota, for damages for delay in payment for lands claimed to be taken in violation of the Constitution.

H.R. 2102. February 13, 1979. Interior and Insular Affairs. Establishes a law governing the devise or descent of any interest in trust or restricted land on the Standing Rock Indian Reservation in North and South Dakota.

Establishes an order of succession for those interests not devised by an approved will.

H.R. 2103. February 13, 1979. Ways and Means. Amends the Internal Revenue Code to require a cost-of-living adjustment, based on the Consumer Price Index, to the adjusted basis of certain assets at the time of sale or exchange, for purposes of determining gain or loss on such assets.

H.R. 2104. February 13, 1979. Merchant Marine and Fisheries. Amends the Shipping Act, 1916, to limit the number of sailings a common carrier by water in foreign commerce which is not a party to an agreement filed with the Federal Maritime Commission may provide or participate in within a prescribed period.

Provides for the independent policing of compliance with obligations incurred or agreements made pursuant to such Act.

H.R. 2105. February 13, 1979. Veterans' Affairs. Establishes an education benefits program for eligible reserve veterans of the Selected Reserves who enlisted after September 30, 1979.

Stipulates that such program shall be funded by contributions from participants and matching contributions from the Department of Defense.

Establishes the Selected Reserve Veterans' Education Account in the United States Treasury.

H.R. 2106. February 13, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to establish an Asbestos Hazards School Safety Task Force to direct Federal efforts to ascertain the danger to school children and employees from asbestos materials in schools.

Establishes a program for the systematic inspection of schools for asbestos hazards. Provides funds for asbestos hazard identification and for technical and educational assistance.

Establishes an Asbestos Hazards Control Loan Program in the Department of Health, Education, and Welfare.

Directs the Secretary to promulgate and distribute to the State safety standards and procedures for testing the levels of asbestos in school environments.

H.R. 2107. February 13, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such shall not apply to stone mining or sand and gravel mining operations.

H.R. 2108. February 13, 1979. Judiciary; Education and Labor. Restates and amends in its entirety title I of the Omnibus Crime Control and Safe Streets Act of 1968 (Law Enforcement Assistance).

Establishes the following new organizations within the Department of Justice: (1) the Bureau of Criminal Justice Assistance; (2) the National Institute of Justice; and (3) the Bureau of Justice Statistics.

H.R. 2109. February 13, 1979. Ways and Means. Amends the Internal Revenue Code and the Federal Unemployment Tax Act to delay the date for application of the provision which reduces the total credits allowed a payer of the Federal unemployment compensation tax for contributions to the unemployment fund of a State which has not repaid Federal loans under title XII (Advances to State Unemployment Funds) of the Social Security Act.

H.R. 2110. February 13, 1979. Public Works and Transportation. Modifies the Houston Ship Channel (Greens Bayou), Texas, navigation project to authorize the Secretary of the Army, through the Chief of Engineers, to dredge a portion of such channel.

H.R. 2111. February 13, 1979. Interior and Insular Affairs. Amends the Act reauthorizing the Central Valley project to include the Yolo-Zamora Water District within the service area for the Sacramento Valley Canals, California.

H.R. 2112. February 13, 1979. Armed Services. Authorizes the Secretary of the Army to convey additional real property of the United States to the Alabama Space Science Exhibit Commission for use as a permanent site for the Alabama space science exhibit.

H.R. 2113. February 13, 1979. Ways and Means. Amends the Internal Revenue Code to: (1) exclude a portion of the value of a copyright, or literary, musical, or artistic work from the gross estate of certain decedents; (2) permit a fair market value charitable deduction for such property; and (3) liberalize requirements for the income tax deduction for the business use of a personal residence.

H.R. 2114. February 13, 1979. Agriculture. Authorizes the Secretary of Agriculture to establish a program to use volunteers for soil and water conservation and development.

H.R. 2115. February 13, 1979. Interstate and Foreign Commerce. Prohibits the disclosure of medical records maintained by Federal agencies or insurance companies.

H.R. 2116. February 13, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to exclude from coverage: (1) employers with ten or fewer employees; and (2) employees not employed on a regular basis for 30 or more consecutive days.

Prohibits the issuance of a citation to an employer for a first instance violation if at all times 30 days prior to an inspection or investigation such employer employed 25 or fewer employees.

Exempts an employer charged with a nonserious violation from assessment of a civil penalty if he: (1) has not been previously sited for the same violation; and (2) is charged with ten or less nonserious violations.

H.R. 2117. February 13, 1979. Public Works and Transportation. Amends the Public Buildings Act of 1959 to require approval by the appropriate congressional committees before acquiring a public building by exchange of property.

H.R. 2118. February 13, 1979. Public Works and Transportation. Requires the head of each Federal department and agency to provide safe bicycle parking facilities at all buildings under the jurisdiction of such department or agency within one year after the date of enactment of this Act.

H.R. 2119. February 13, 1979. Judiciary. Amends the Ethics in Government Act of 1978 with respect to prohibited activities by certain high-ranking Government officials on behalf of other persons after their Government employment ends.

H.R. 2120. February 13, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, including x-rays and diagnostic laboratory tests.

H.R. 2121. February 13, 1979. Armed Services. Empowers the Secretary of Defense and the Secretary of each military department to establish or develop installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for acquisition and construction both inside and outside the United States.

Provides military family housing and homeowners assistance.

Requires submission of reports by the Secretary of Defense and the Secretary of each military department on construction contracts and cost variations for projects authorized under this Act.

Authorizes payment to the land owners of Roi-Namur Island.

H.R. 2122. February 13, 1979. Armed Services. Authorizes supplemental appropriations for various military construction projects and for military family housing support.

H.R. 2123. February 13, 1979. Judiciary. Grants a Federal charter to the National Opportunity Camps.

H.R. 2124. February 13, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to remove material in Arthur Kill, New Jersey, as part of the navigation project.

H.R. 2125. February 13, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include within the medical and other health services covered by such title the transportation of patients confined to a stretcher or wheelchair in a vehicle which is not equipped as an ambulance but which is adequately equipped to transport such patients.

H.R. 2126. February 13, 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 65 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act.

H.R. 2127. February 13, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $300 of interest income paid to the taxpayer from savings accounts.

H.R. 2128. February 13, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to undertake demonstration programs to provide neighborhood self-help development funds, in the form of credit certificates or simulated tax credit payments, directly to residents in order to permit such residents to assign such resources directly to a public agency or private organization worthy of support.

H.R. 2129. February 13, 1979. Judiciary. Applies the antitrust laws to any organized professional sport, including baseball. Prohibits specified territorial restrictions in professional sports.

H.R. 2130. February 13, 1979. Agriculture. Establishes a National Agricultural Production Cost and Statistical Standards Board.

H.R. 2131. February 13, 1979. Agriculture. Amends the Agricultural Act of 1949 to set the established price for corn in the 1979, 1980, and 1981 crop years. Sets the established price for grain sorghum, barley, oats, and rye in each such crop year.

H.R. 2132. February 13, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 2133. February 13, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to establish reserve requirements for member banks of the Federal Reserve System. Directs the Board of Governors of the Federal Reserve System to implement: (1) a fee schedule for Federal Reserve services; and (2) a plan for the payment of interest on required reserve balances.

H.R. 2134. February 13, 1979. Public Works and Transportation. Modifies the Ashtabula Harbor, Ohio, navigation project to authorize the enlargement of a specified turning basin.

H.R. 2135. February 13, 1979. Judiciary. Specifies additional prison sentences for anyone using or carrying a firearm during the commission of a felony which may be prosecuted in a United States court.

H.R. 2136. February 13, 1979. Veterans' Affairs. Makes individuals who were cadets or midshipmen at one of the service academies on December 31, 1976, who: (1) graduated; (2) served on active duty more than 180 days; and (3) received other than dishonorable discharges eligible for veterans' educational benefits.

States that such individuals who enrolled in the post-Vietnam-era educational assistance program prior to enactment of this Act shall be deemed disenrolled, and any amounts contributed by any such individual and the Secretary of Defense shall be refunded.

H.R. 2137. February 13, 1979. Ways and Means. Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to eliminate the adjusted gross income limitation on such credit.

H.R. 2138. February 13, 1979. Ways and Means. Authorizes and directs the Secretary of Labor, through the Bureau of Labor Statistics, to prepare, as part of the Consumer Price Index, the Consumer Price Index for the Aged and Other Social Security Beneficiaries designed to reflect the relevant price information for individuals, as a group, who are 65 years of age or older or are otherwise entitled to monthly benefits under the program of Old-Age, Survivors and Disability Insurance of the Social Security Act.

H.R. 2139. February 13, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present) for such benefits.

H.R. 2140. February 13, 1979. Ways and Means. Repeal the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 2141. February 13, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2142. February 13, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2143. February 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2144. February 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2145. February 13, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2146. February 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a named individual in satisfaction of a claim against the United States.

H.R. 2147. February 13, 1979. Judiciary.

Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2148. February 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named military physician to be used for the exclusive purpose of satisfying the monetary obligation in the settlement agreement between such physician and a named military dependent in a suit for alleged malpractice.

H.R. 2149. February 13, 1979. Judiciary. Authorizes a named corporation to bring a specified civil action under the Internal Revenue Code of 1954.

H.R. 2150. February 13, 1979. Judiciary. Authorizes two named individuals to file, within one year, claims for refund or credit of overpayment of Federal income taxes paid for a specified taxable year.

H.R. 2151. February 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2152. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow farmers an income tax deduction for the contribution of certain crops to charitable organizations.

H.R. 2153. February 15, 1979. Agriculture. Amends the Rural Development Act of 1972 to authorize the Secretary of Agriculture to guarantee loans for the construction and maintenance of plants for the production of fuel alcohol from corn and other agricultural commodities.

Amends the Agricultural Act of 1949 to set the loan level and the established price the 1980 crop of corn.

Amends the Food and Agriculture Act of 1977 to allocate grant appropriations for research in the identification and development of agricultural commodities usable in the production of chemicals and fuel alcohol.

H.R. 2154. February 15, 1979. Armed Services. Amends the Strategic and Critical Materials Stock Piling Act to grant the President the authority to determine which materials are strategic and critical and the quality and quantity of each such material to be stockpiled.

Requires that appropriations for the acquisition of such materials be authorized by law. Requires that stockpile dispositions be specifically authorized by law except under specified circumstances.

Establishes the National Defense Stockpile Transaction Fund within the Treasury to fund the acquisition of stockpile materials.

H.R. 2155. February 15, 1979. Public Works and Transportation. Amends the Public Buildings Act of 1959 to require approval by the appropriate congressional committees before leasing or altering certain premises.

H.R. 2156. February 15, 1979. Interstate and Foreign Commerce; Ways and Means. Provides that all petroleum imported into the United States after October 1, 1979, shall not be available for purchase other than by the Government of the United States. Directs the Secretary of Energy to promulgate regulations for the fair and equitable allocation by sale of all petroleum so imported.

H.R. 2157. February 15, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by State and local civil defense funds to be used by State and local civil defense agencies for natural disaster, civil disturbance, and manmade catastrophe relief.

Authorizes the Administrator of the Federal Civil Defense Administration to make financial contributions to States to cover 100 percent of the costs of procuring, constructing, leasing, and renovating civil defense materials and facilities.

Extends the emergency authority of the President contained in such Act.

H.R. 2158. February 15, 1979. Government Operations; Armed Services. Directs any agency of the Department of Defense to make excess property available to the Federal Emergency Management Agency (FEMA). Amends the Federal Civil Defense Act of 1950 to authorize the Director of the FEMA to loan property to State and local governments for civil defense purposes.

H.R. 2159. February 15, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to provide medical assistance to certain eligible individuals under the age of 21 and to certain eligible women during and after pregnancy. Establishes a national child assurance program (CHAP) income standard and a national maternal income standard. Requires State plans for medical assistance under title XIX to include a plan to implement a CHAP.

H.R. 2160. February 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a National Digestive Diseases Education and Information Clearinghouse and a National Digestive Diseases Advisory Board.

Authorizes grants to medical schools for education and training programs in the diagnosis, prevention, and treatment of digestive diseases.

H.R. 2161. February 15, 1979. Ways and Means. Requires that payments to recipients under the program of Aid to Families with Dependent Children of the Social Security Act which are made during any period in which such recipient is also awaiting a determination of disability for disability benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act shall be deducted from the amount of any disability benefits subsequently awarded on a retroactive basis for the period in which the disability determination was pending.

H.R. 2162. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to confer tax-exempt status upon employee benefit trusts organized to invest in real estate.

H.R. 2163. February 15, 1979. Education and Labor: Interstate and Foreign Commerce; Judiciary.

Authorizes the Secretary of Health, Education, and Welfare, acting through the Director of the National Institute of Mental Health, to: (1) establish a grant program to support projects which develop methods for the identification, prevention, and treatment of domestic violence; and (2) review existing State laws, practices, and policies relating to domestic violence.

H.R. 2164. February 15, 1979. Public Works and Transportation. Terminates a specified portion of the Norfolk Harbor and Thimble Shoal Channel, Virginia, improvement project.

H.R. 2165. February 15, 1979. Science and Technology. Repeals the Metric Conversion Act of 1975 which established the United States Metric Board and amends the declaration of purpose of the Metric Education Act of 1978.

H.R. 2166. February 15, 1979. Education and Labor. Repeals the Davis-Bacon Act, relating to the rate of wages for workers employed on Federal public buildings by contractors and subcontractors.

H.R. 2167. February 15, 1979. Public Works and Transportation. Amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to require any person who acquires or who has acquired property as of the effective date of such Act for any program for which such person received Federal financial assistance and thereby displaces another person to make all relocation payments and provide all assistance required of a State agency by such Act as if the relocation was caused by such State agency under the Act.

H.R. 2168. February 15, 1979. Public Works and Transportation. Modifies the flood protection project at Winona, Minnesota, to stipulate that changes to certain bridges will be made at Federal expense.

H.R. 2169. February 15, 1979. Ways and Means. Amends the Agricultural Adjustment Act of 1933, as amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes.

H.R. 2170. February 15, 1979. Judiciary. Authorizes appropriations to reimburse the city of Fairfax, Virginia, for legal expenses incurred with respect to legal actions arising out of a 1971 entry and search of a private building by Federal employees.

H.R. 2171. February 15, 1979. Public Works and Transportation. Terminates the authorization for the Lafayette Dam and Reservoir, Indiana.

H.R. 2172. February 15, 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports to implement the International Sugar Agreement.

Establishes a price objective for sugar. Provides for payments by the Secretary of Agriculture to assure a specified return to domestic sugar producers and processors. Authorizes the President to impose special import duties, and the Secretary to impose quotas, to attain such price objectives.

Requires sugar producers to pay specified minimum wages.

Authorizes the Secretary to waive part of the interest and/or principal owed on loans based on sugar crops.

H.R. 2173. February 15, 1979. Ways and Means. Excludes certain services by private foundations as trustees of trusts in which they have beneficial interests from the excise tax on self-dealing.

H.R. 2174. February 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to establish a Drug Benefit Program for the Aged to pay for prescription drugs from participating pharmacies.

H.R. 2175. February 15, 1979. Ways and Means. Permits low-income individuals age 65 or over to claim reimbursement for a limited amount of real property taxes accrued during the taxable year.

H.R. 2176. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 2177. February 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for dental care including dentures, eye examinations including eyeglasses, and hearing aids including examination under the supplementary medical insurance program.

H.R. 2178. February 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for orthopedic shoes if prescribed by a practitioner licensed to prescribe such items.

H.R. 2179. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to treat a library established by State or Federal law as a charitable institution for purposes of the charitable income tax deduction.

H.R. 2180. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2181. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2182. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2183. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2184. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2185. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2186. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2187. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2188. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2189. February 15, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46).

H.R. 2190. February 15, 1979. Post Office and Civil Service. Reclassifies the positions of Border Patrol agents to correspond with the positions of law enforcement personnel.

H.R. 2191. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow renters of their principal residence a limited income tax credit for their proportionate share of real property taxes.

H.R. 2192. February 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Administrator of the Environmental Protection Agency to make grants to any State, municipality, or interstate or intermunicipal agency for the purchase, construction, or modification of drinking water treatment facilities which are part of an eligible water system. Defines an eligible water system to mean any water system which is publicly owned and which serves 60,000 or fewer individuals.

Amends grants for up to 75 percent of the total cost of purchase, construction, or modification of any facility.

H.R. 2193. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the disability and income requirements for the sick pay exclusion enacted by the Tax Reform Act of 1976.

H.R. 2194. February 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a National Digestive Diseases Education and Information Clearinghouse and a National Digestive Diseases Advisory Board.

Authorizes grants to medical schools for education and training programs in the diagnosis, prevention, and treatment of digestive diseases.

H.R. 2195. February 15, 1979. Interstate and Foreign Commerce; Ways and Means. Amends the Medicare, Medicaid, and other specified programs of the Social Security Act to: (1) establish additional procedures for determining the costs of services under such programs; (2) establish a Health Facilities Costs Commission to study reimbursement to hospitals under such programs; (3) establish a Hospital Transitional Allowance Board to act on applications of hospitals retiring or converting underutilized facilities; and (4) increase services for which reimbursement will be made.

H.R. 2196. February 15, 1979. Education and Labor. Establishes the Congressional Award Program in the United States and its territories to recognize and promote youth leadership and excellence in the areas of expedition fitness, personal creative development, and public service.

H.R. 2197. February 15, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to authorize the Environmental Protection Agency to make grants to States and local school systems for the reduction of asbestos levels in the interior air of school buildings.

H.R. 2198. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to increase the adjusted gross income limitation on such credit.

H.R. 2199. February 15, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation Systems. Makes provisions for the management of subsistence uses of fish and wildlife on national lands. Amends the Alaska Native Claims Settlement Act.

H.R. 2200. February 15, 1979. Foreign Affairs. Amends the International Claims Settlement Act of 1949 to require the Foreign Claims Settlement Commission to determine the validity and amount of claims by U.S. nationals arising out of the taking of U.S. property interests by Vietnam. Authorizes the Secretary of the Treasury to establish the Claims Fund for the payment of unsatisfied claims against Vietnam.

H.R. 2201. February 15, 1979. Judiciary. Revises the procedure for a person in custody under a State court order to obtain habeas corpus relief in Federal court.

H.R. 2202. February 15, 1979. Judiciary. Abolishes diversity of citizenship as a basis of jurisdiction of Federal district courts and the amount in controversy requirement in Federal question cases. Amends the venue provisions for civil actions in Federal courts. Retains an amount in controversy requirement in suits brought under the Consumer Product Safety Act.

H.R. 2203. February 15, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of Commerce to identify on a continuing basis concerns which are in danger of closing or relocating and whose closing or moving would cause substantial economic dislocation in the community.

Provides, through the Secretary, loans for technical assistance and operating costs to an employee or employee/community corporation so that it may assume ownership of a concern so identified.

Authorizes loans to employees so that they may participate in a purchasing corporation.

H.R. 2204. February 15, 1979. Judiciary. Enables indirect purchasers and sellers to bring civil actions under the Clayton Act. Authorizes use of the defense that a plaintiff passed on cost resulting from an antitrust violation to third parties.

Authorizes proof of specified elements of a class action on a classwide basis.

Specifies the evidentiary weight to be afforded to final judgments in subsequent litigation. Authorizes the courts to award attorney's fees to successful defendants in antitrust actions brought in bad faith.

H.R. 2205. February 15, 1979. Judiciary. Establishes within the judicial branch a United States Commission on Sentencing to promulgate sentencing ranges and guidelines for specific criminal offenses.

Specifies factors to be considered, and procedures to be followed, by a court in imposing a sentence. Authorizes an appeal by right to the United States court of appeals for review of any sentence which is outside the Commission guidelines.

H.R. 2206. February 15, 1979. Armed Services; Education and Labor; Veterans' Affairs. Establishes the National Service System. Requires individuals at the age of 17 to register with such system to either volunteer for service in the armed forces, participate in a military lottery for induction into the armed forces, or participate in civilian service employment for a specified time period.

Establishes the National Youth Service Corps for individuals who elect to participate in civilian service and establishes the National Youth Service Foundation to oversee such Corps.

H.R. 2207. February 15, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Materials Transportation Act to improve the protections afforded the public against risk associated with the transportation of natural gas and hazardous liquids by pipeline.

H.R. 2208. February 15, 1979. Ways and Means. Amends the Trade Act of 1959 to exempt designated defense articles and military goods from the preferential duty treatment of articles imported for exhibition at trade fairs.

H.R. 2209. February 15, 1979. Interstate and Foreign Commerce. Provides protection for certain sales representatives terminated from their accounts without justification by requiring the principals to indemnify the sales representatives.

H.R. 2210. February 15, 1979. Banking, Finance and Urban Affairs. Amends the Interstate Land Sales Full Disclosure Act to revise certain disclosure requirements, to extend the power of the Secretary of Housing and Urban Development to enforce this Act, to increase penalties for violations of this Act, to create the right of attorney generals to sue as parens patriae, and to insure the provision of basic services promised by a developer of a subdivision.

Directs the Secretary to appoint an Administrator of Interstate Land Sales.

H.R. 2211. February 15, 1979. Banking, Finance and Urban Affairs; Judiciary. Establishes an Interagency Committee on Arson Control to coordinate Federal antiarson programs. Amends the Omnibus Crime Control Safe Streets Act of 1968 to assist State and local governments in preventing, detecting, and controlling arson. Amends the Urban Property and Reinsurance Act of 1968 to revise the requirements of fair access to insurance plans with respect to arson information.

H.R. 2212. February 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise the grant procedure and to extend the authorization of appropriations for assistance for emergency medical services systems.

Authorizes grants to hospitals with special expertise in burn injuries to assist in providing fellowships for burn treatment training.

H.R. 2213. February 15, 1979. Judiciary. Directs the Attorney General to strengthen the Border Patrol.

Amends the Immigration and Nationality Act to: (1) facilitate the admission of aliens for temporary employment; (2) provide criminal penalties for knowingly hiring an illegal alien; and (3) increase the penalties for fraud and misuse of certain immigration documents, and for illegal entry into the United States.

H.R. 2214. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to disallow income tax deductions for salaries paid to illegal aliens.

Amends Title IV, part A (Aid to Families with Dependent Children) and Title XIX (Medicaid) of the Social Security Act to limit benefits under such titles to citizens of the United States and lawfully admitted aliens.

H.R. 2215. February 15, 1979. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse of surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 2216. February 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Services Act to authorize construction and modernization project grants designed to eliminate safety hazards or to avoid noncompliance with accreditation standards to be made to nonprofit private medical facilities.

H.R. 2217. February 15, 1979. Interstate and Foreign Commerce. Requires the issuance by the Department of Health, Education, and Welfare of a descriptive monograph for every new drug entity or drug product manufactured, imported into, exported from, or distributed in the United States. Provides procedures for the issuance, amendment, suspension, and revocation of such monographs.

Prescribes the content of informational and promotional drug product labeling.

Prohibits drug product licensees from distributing free samples of prescription drugs. Forbids the disclosure by pharmacists to licensees of information contained in prescriptions.

Amends the Public Health Service Act to establish the National Center for Clinical Pharmacology to conduct and support research in clinical pharmacology and drug use in the United States.

H.R. 2218. February 15, 1979. Merchant Marine and Fisheries. Amends the Endangered Species Act of 1973 to authorize appropriations to carry out the purpose of such Act during fiscal years 1980, 1981, and 1982.

H.R. 2219. February 15, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Designates specified public lands and water in the State of Alaska for inclusion in the National Park, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation Systems. Makes provisions for the management of subsistence uses of fish and wildlife on national lands. Amends the Alaska Native Claims Settlement Act.

H.R. 2220. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow a special, nonrefundable income tax credit for political contributions to candidates for Congress in the district in which the taxpayer lives.

H.R. 2221. February 15, 1979. House Administration; Ways and Means. Directs the Secretary of the Treasury to maintain in the Presidential Election Campaign Fund, the House of Representatives Election Campaign Account. Sets forth a procedure for the payment of matching funds from the Account to candidates for election to the House of Representatives who meet certain eligibility requirements. Limits expenditures from personal funds which may be made by such eligible candidates. Amends the Internal Revenue Code of 1954 to limit the tax credit for a taxable year for political contributions to candidates for Congress.

H.R. 2222. February 15, 1979. Education and Labor. Amends the National Labor Relations Act to revise the definition of "Professional employees" for the purposes of such Act.

H.R. 2223. February 15, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 making the amount payable to a widow or widower of a deceased employee under a survivor's annuity at least equal to the amount which would have been payable to such deceased employee if not deceased.

H.R. 2224. February 15, 1979. Armed Services. Amends the Selective Service Act to remove the requirement that Armed Forces Reserve officers ordered to active duty for training be so ordered for not less than three months.

H.R. 2225. February 15, 1979. Veterans' Affairs. Limits the availability of veterans' job counseling, training and placement service to only those veterans who served during a certain period of time.

H.R. 2226. February 15, 1979. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 2227. February 15, 1979. Government Operations. Establishes the Veterans' Administration as an executive department to be known as the Department of Veterans' Affairs. Redesignates the Administrator and Deputy Administrator of Veterans' Affairs as the Secretary and Deputy Secretary of Veterans' Affairs, respectively.

H.R. 2228. February 15. 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 65 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act.

H.R. 2229. February 15, 1979. Banking, Finance and Urban Affairs. Revises: (1) the power of national banks to purchase, hold, and convey real property; (2) trust powers of national banks; and (3) emergency restrictions on Federal Reserve banks. Directs the Comptroller of the Currency to disburse the liquidating dividends from national banks closed on or before January 22, 1934, known as the National Bank Closed Receivership Fund, held by the Comptroller in the capacity as successor to receivers of those banks.

H.R. 2230. February 15, 1979. Veterans' Affairs. Reduces the required veterans' disability rating from total to not less than 80 percent for purposes of eligibility for certain survivors' and dependents' medical care benefits.

H.R. 2231. February 15, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide outpatient dental services to any veteran with a 50 percent or more service-connected disability.

H.R. 2232. February 15, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of a medical emergency.

H.R. 2233. February 15, 1979. Veterans' Affairs. Provides that any disability of a veteran of World War I shall be treated as a service-connected disability for medical care purposes, including hospital and outpatient care services.

H.R. 2234. February 15, 1979. Veterans' Affairs. Extends the authorization of appropriations under the Veterans' Administration (VA) for: (1) State veterans' homes; (2) medical information pilot programs; (3) new State medical schools; (4) VA-affiliated medical schools; and (5) health manpower training programs.

Prohibits the Administrator of Veterans' Affairs from entering into any agreement or providing any assistance to health manpower training programs, to VA-affiliated medical schools, or to establish new State medical schools after December 31, 1979.

H.R. 2235. February 15, 1979. Veterans' Affairs. Provides that any disability of a veteran of World War I shall be treated as a service-connected disability for medical care purposes, including hospital and outpatient care services.

H.R. 2236. February 15, 1979. Veterans' Affairs. Includes within the definition of "veteran" for purposes of certain survivors' and dependents' medical care benefits a person who died in the active military, naval, or air service.

H.R. 2237. February 15, 1979. Veterans' Affairs. Excludes Veterans' Administration educational benefits from consideration in determining eligibility for specified veterans' medical services.

H.R. 2238. February 15, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide hospital and medical care to any veteran with a catastrophic non-service-connected disability if the veteran is: (1) residing in Canada or Mexico; and (2) receiving a pension and regular aid and attendance allowance.

H.R. 2239. February 15, 1979. Veterans' Affairs. Provides that any disability of a veteran 80 years or older shall be considered as service-connected for purposes of specified veterans' outpatient medical services both in the United States and abroad.

H.R. 2240. February 15, 1979. Veterans' Affairs. Provides that medical care be furnished to a dependent parent who receives dependency and indemnity compensation for the service-connected death of a child who was a veteran of the Armed Forces.

H.R. 2241. February 15, 1979. Veterans' Affairs. Allows eligible survivors and dependents of certain veterans to receive Veterans Administration medical care benefits concurrently with hospital insurance benefits provided by Medicare.

H.R. 2242. February 15, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide outpatient dental services for any veteran with permanent and total service-connected disabilities.

H.R. 2243. February 15, 1979. Veterans' Affairs. Increases the amounts which the Administrator of Veterans' Affairs may pay to certain disabled veterans for home improvements and structural alterations which are necessary for the home health care of such veterans.

H.R. 2244. February 15, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide outpatient dental services to any veteran who while on active duty was a prisoner of war for more than 180 days.

H.R. 2245. February 15, 1979. Judiciary. Requires the Federal Bureau of Investigation to classify arson as a part I offense (major crime) for purposes of the Uniform Crime Reporting Program and the Uniform Crime Reports.

H.R. 2246. February 15, 1979. Post Office and Civil Service. Allows an agency of a political subdivision of a State to use the publication and bulk mail rates of postage provided to qualified nonprofit organizations for any publication or bulk mail of public interest.

H.R. 2247. February 15, 1979. Post Office and

Civil Service. Abolishes the Board of Governors of the United States Postal Service and places the Board's authority in the Postmaster General.

Abolishes the Postal Rate Commission. Stipulates that postal rate increases be related to the Consumer Price Index. Requires that proposed rate increases which exceed the increase in the Index and changes in mail classification or postal services be submitted for congressional review.

Changes budgeting procedures for the Postal Service.

Creates an employment preference for local postmaster positions.

H.R. 2248. February 15, 1979. Education and Labor. Establishes in the United States Treasury the Robert A. Taft Institute Trust Fund. Authorizes the Commissioner of Education to make grants from such Fund in order to develop the Robert A. Taft Institute of Government.

H.R. 2249. February 15, 1979. Public Works and Transportation. Terminates the Dickey-Lincoln School hydroelectric power project on the Saint John River, Maine.

H.R. 2250. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow State legislators an income tax deduction for travel expenses away from home.

H.R. 2251. February 15, 1979. Banking, Finance and Urban Affairs. Establishes a National Domestic Development Bank to provide an alternative source of funds for community facilities and economic development. Delineates the corporate organization, investment authority, and tax status of the Bank.

H.R. 2252. February 15, 1979. Veterans' Affairs. Allows eligible veterans to receive certain educational assistance during the six-year period following their last discharge or release from active duty even if such period extends beyond December 31, 1989.

H.R. 2253. February 15, 1979. Ways and Means; Judiciary. Amends title II (Old Age, Survivors andd Disability Insurance) of the Social Security Act to require the issuance of non-alterable social security cards. Requires that cards issued to resident aliens who are not permitted to be employed in the United States be marked to indicate such restriction.

Establishes criminal penalties for employers who knowingly hire alien holders of cards which indicate that they may not lawfully engage in employment in the United States.

H.R. 2254. February 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow as an income tax deduction the reasonable and necessary expenses paid or incurred by an individual for transportation between his residence and place of business or employment.

H.R. 2255. February 15, 1979. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to limit bank holding companies in selling insurance as principals, agents, or brokers.

H.R. 2256. February 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named organization in satisfaction of a claim against the United States.

H.R. 2257. February 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named corporation in satisfaction of a claim against the United States.

H.R. 2258. February 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2259. February 15, 1979. Judiciary. Authorizes the naturalization of a named individual under the Immigration and Nationality Act.

H.R. 2260. February 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2261. February 21, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to develop and implement youth camp safety standards, including standards for day camps, resident camps, and travel camps.

Establishes the Advisory Council on Youth Camp Safety within the Department of Health, Education, and Welfare.

H.R. 2262. February 21, 1979. Education and Labor. Establishes the Congressional Award Program in the United States and its territories to recognize and promote youth leadership and excellence in the areas of expedition fitness, personal creative development, and public service.

H.R. 2263. February 21, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to require that specified radios retailing for $15 or more be capable of receiving both amplitude modulated (AM) and frequency modulated (FM) broadcasts.

H.R. 2264. February 21, 1979. Interstate and Foreign Commerce. Amends the Flammable Fabrics Act to prohibit the manufacture or importation for sale in commerce of articles of interior furnishing intended for use in any public facility unless such articles are made fire-resistant to a specified extent. Directs the Consumer Products Safety Commission to establish requirements for such purpose.

H.R. 2265. February 21, 1979. Judiciary. Establishes an Interagency Committee on Arson Control to coordinate Federal anti-arson programs.

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to assist State and local governments in preventing, detecting, and controlling arson.

Amends the Urban Property and Reinsurance Act of 1968 to revise the requirements of fair access to insurance plans with respect to arson information.

H.R. 2266. February 21, 1979. Public Works and Transportation. Authorizes and directs the Secretary of Transportation to make grants under the Airport and Airways Act of 1970 to hospitals nearest to air carrier airports for the acquisition of medical equipment and supplies to treat burn injuries resulting from aircraft accidents. Stipulates that the Federal share of the costs of such equipment and supplies shall be 100 percent.

H.R. 2267. February 21, 1979. Veterans Affairs. Authorizes the Administrator of Veterans' Affairs to provide outpatient dental services to any veteran with a 60 percent or more service-connected disability.

H.R. 2268. February 21, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a seprarate return to the amount actually earned by that individual.

H.R. 2269. February 21, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from the gross income of an individual taxpayer a portion of the interest income earned on a savings account.

H.R. 2270. February 21, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for certain clinical psychologists' services under the supplemental medical insurance program.

H.R. 2271. February 21, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to require automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities certified for participation in the Medicare or Medicaid programs unless a waiver of such requirement is granted in accordance with conditions set forth in this Act.

Establishes a program of low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems.

H.R. 2272. February 21, 1979. Agriculture. Amends the Federal Meat Inspection Act to require the labeling as imported of any imported meat or meat product, which is capable of use as human food, or its container.

Requires certain eating establishments serving imported meat to inform customers of this fact.

H.R. 2273. February 21, 1979. Ways and Means. Entitles States whose rate of insured unemployment is at least six percent, under the Social Security Act, to partial reimbursement on an ascending sliding scale for unemployment compensation costs incurred above a certain amount.

H.R. 2274. February 21, 1979. Judiciary. Sets forth procedures for Federal constitutional conventions with respect to: (1) applications; (2) calling; (3) delegates; (4) convening; (5) operation; (6) congressional approval; (7) ratification; (8) rescission; and (9) proclamation.

H.R. 2275. February 21, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to initiate and carry out a program for the treatment of Vietnam era veterans and their dependents who are experiencing psychosocial readjustment problems as a result of military service or as a result of problems evolving from readjustment from such service.

H.R. 2276. February 21, 1979. Science and Technology. Authorizes appropriations for specified programs of the National Science Foundation for fiscal years 1980 and 1981. Limits the transfer of funds from one program to another.

H.R. 2277. February 21, 1979. Science and Technology. Authorizes appropriations for specified aviation research, development, and demonstration projects for fiscal year 1980.

H.R. 2278. February 21, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who as of January 1, 1975, had current connections with the railroad industry, had at least five-years of service, and who had attained 65 years of age.

H.R. 2279. February 21, 1979. Judiciary. Grants a Federal charter to the National Ski Patrol System.

H.R. 2280. February 21, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax reduction for the higher education tuition of a taxpayer, his spouse, or dependents.

H.R. 2281. February 21, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to extend the authority of Federal Reserve banks to purchase and sell direct obligations of the United States and obligations fully guaranteed by the United States until May 1, 1984.

H.R. 2282. February 21, 1979. Veterans' Affairs. Increases the rates of veterans' compensation for: (1) wartime disability compensation: (2) additional compensation for dependents: and (3) clothing allowances paid to certain disabled veterans.

Increases the rates of veterans' dependency and indemnity compensation for: (1) a surviving spouse; (2) surviving children; and (3) supplemental children's benefits.

H.R. 2283. February 21, 1979. Banking, Finance and Urban Affairs. Amends the Council on Wage and Price Stability Act to extend the authority granted by such Act and to authorize appropriations for fiscal years 1979 through 1981.

H.R. 2284. February 21, 1979. Ways and Means. Amends the Internal Revenue Code to replace the current ratio exclusion of part of an annuity from gross income with an exclusion of any qualified retirement benefit in an amount equal to the maximum social security benefit which could be paid to an individual under the old-age insurance benefit provisions of the Social Security Act.

H.R. 2285. February 21, 1979. Ways and Means. Amends the Internal Revenue Code to reduce the period for the amortization of specified pollution control facilities.

H.R. 2286. February 21, 1979. Ways and Means. Amends the Aid to Families with Dependent Children program of the Social Security Act: (1) to lower the age at which individuals may participate in community work and training programs; (2) to provide for the payment of transportation costs and work-related expenses to trainees; (3) to establish a criminal penalty for fraud related to the Aid to Families with Dependent Children program; (4) to authorize the Federal payment of a portion of the cost of investigating and prosecuting fraud; (5) to prohibit the payment of benefits to illegal aliens; and (6) to authorize the deposit of benefits directly in a recipient's bank.

H.R. 2287. February 21, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the portion of real property taxes which is allocable to the construction, maintenance, or finance costs of sewage treatment plants.

H.R. 2288. February 21, 1979. Science and Technology. Establishes a National Energy Trust Fund to provide assistance, through the Secretary of Energy, in conducting research, development, and technical demonstrations to develop alternative energy sources.

H.R. 2289. February 21, 1979. Rules. Requires the enactment of separate legislation which appropriates funds for any Federal agency for employee salaries.

H.R. 2290. February 21, 1979. Veterans' Affairs. Provides that members of the Armed Forces Reserves shall not be denied employment because of membership in a Reserve unit.

Excludes employers of less than ten employees from such prohibition.

H.R. 2291. February 21, 1979. Government Operations. Extends through fiscal year 1984 the entitlement periods for the authorization of appropriations under the State and Local Assistance Act of 1972.

H.R. 2292. February 21, 1979. Veterans' Affairs. Requires that veterans receiving hospital, nursing home, or outpatient medical care from the Veterans' Administration (VA) for non-service-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State.

Provides that where such non-VA coverage is less than the total charge for such medical care provided to an eligible veteran, the veteran shall not be responsible for the difference.

H.R. 2293. February 21, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for certain clinical psychologists' services under the supplemental medical insurance program.

H.R. 2294. February 21, 1979. Education and Labor. Redefines the term "employer" for purposes of the Age Discrimination in Employment Act of 1967 to mean any person engaged in an industry affecting commerce regardless of the number of individuals employed by such person.

Amends the Age Discrimination in Employment Act of 1967 to remove the existing 70-year upper age limit to which the prohibitions of such Act apply, thereby extending the protection of such Act to all individuals who are at least 40 years of age.

H.R. 2295. February 21, 1979. Merchant Marine and Fisheries. Authorizes appropriations for the Coast Guard for fiscal year 1980.

Establishes an end of year strength for active duty personnel within the Coast Guard.

Specifies the average military training student loads for the Coast Guard.

H.R. 2296. February 21, 1979. Ways and Means. Relieves hospitals and health care facilities in Health, Education, and Welfare Department Region IV of Medicare payments made in adherence with a policy issued and later reversed by the Atlantic Regional Office of the Bureau of Health Insurance.

H.R. 2297. February 21, 1979. Ways and Means. Amends the Tariff Schedules of the United States to extend the duty-free entry of synthetic rutile.

H.R. 2298. February 21, 1979. Agriculture. Directs the Secretary of Agriculture to prohibit any aerial spraying within the national forests using the chemical known as 2,4,5-T or any other chemicals containing TCDD or dioxin.

H.R. 2299. February 21, 1979. Judiciary; Rules. Amends the Administrative Procedure Act to require that specified agency decisions which have been exempt from the Act may no longer be made without first holding a public hearing thereon pursuant to such Act. Extends the amount of public notice required for and grants a right to make an oral presentation at such hearings.

Requires warrants for administrative inspections or seizure of property by Federal officials.

Requires that proposed rules of Federal agencies be submitted to Congress for review before they become effective.

Permits judicial review of administrative decisions before administrative remedies are exhausted.

H.R. 2300. February 21, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to require as a condition of a stepchild's eligibility for child's insurance benefits that such child receive at least one-half of his or her support from his or her stepfather or stepmother.

H.R. 2301. February 21, 1979. Judiciary. Amends the Federal District Court Organization Act of 1978 to add provisions with respect to the assignment of Federal district judges, the offices of United States attorneys and marshals, and district court grand juries in Illinois.

H.R. 2302. February 21, 1979. Judiciary. Requires specified organizations which employ lobbyists to register and file quarterly expense reports with the Comptroller General. Makes such reports available to the public. Establishes civil sanctions to enforce this Act.

H.R. 2303. February 21, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to include Members of Congress, the President, the Vice President, and Federal judges under the Federal Old-Age, Survivors and Disability Insurance system.

H.R. 2304. February 21, 1979. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 2305. February 21, 1979. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90-days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by franchisor.

H.R. 2306. February 21, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to base the expiration dates of the terms of office of the chairman and the vice chairman of the Federal Reserve Board of Governors on the end of the term of the President who appointed them. Enunciates the duties of the vice chairman of the Board.

H.R. 2307. February 21, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to provide for public release of detailed minutes of Federal Open Market Committee meetings.

H.R. 2308. February 21, 1979. Public Works and Transportation. Directs the General Service Administration to establish the Federal Protective Service for the protection of property under the jurisdiction of the Administration. Provides for the pay, training, and retirement of the members of such Service.

H.R. 2309. February 21, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to provide grants, under specified conditions, for the costs of operation and maintenance of publicly owned treatment works.

H.R. 2310. February 21, 1979. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 2311. February 21, 1979. Judiciary. Repeals the Gun Control Act of 1968.

H.R. 2312. February 21, 1979. Ways and Means. Repeals the authority of the Secretary of the Treasury to authorize funds to detect and prosecute persons guilty of violating or conspiring to violate the internal revenue laws, in cases where such expenses are not otherwise provided for by law.

H.R. 2313. February 21, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission for fiscal years 1980 and 1981.

H.R. 2314. February 21, 1979. Government Operations. Amends the Employment Act of 1946 to require the President to submit a balanced budget to the Congress for each fiscal year. Authorizes the Congress to consider an alternative budget during a national emergency.

H.R. 2315. February 21, 1979. Veterans' Affairs. Provides that certain persons who served in allied forces during World War I or World War II must be permanent United States residents in order to receive specified veterans' health and medical benefits (presently such persons must have been U.S. citizens for at least ten years).

Enlarges the category of such allied forces to include the armed forces of Russia, the Union of Soviet Socialist Republics, Estonia, Latvia, and Lithuania.

H.R. 2316. February 21, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to cause a named vessel to be documented as a vessel of the United States so as to entitle such vessel to engage in the coastwide trade and fishing.

H.R. 2317. February 21, 1979. Judiciary. Directs that a specified period of employment be included in computing the military retired pay due to a named individual.

H.R. 2318. February 21, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2319. February 21, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2320. February 21, 1979. Judiciary. Directs the determination and payment of specified benefits to a named individual under the Civil Service Retirement and Disability Fund.

H.R. 2321. February 21, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 2322. February 21, 1979. Judiciary. Directs the Commissioner of Patents to consider a specified patent application of a named individual as having been filed on a specified date.

H.R. 2323. February 21, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2324. February 21, 1979. Judiciary. Authorizes classification of two individuals as children for purposes of the Immigration and Nationality Act.

H.R. 2325. February 21, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2326. February 21, 1979. Judiciary. Directs the Secretary of the Treasury to pay a named individual a specified sum representing life insurance benefits under the Veterans' Administration policy of another named individual, and interest and compound interest for specified periods on such benefits, notwithstanding any forfeiture provisions.

H.R. 2327. February 21, 1979. Judiciary. Directs the classification of a named individual as the natural-born alien son of a named citizen of the United States for purposes of the Immigration and Nationality Act.

H.R. 2328. February 21, 1979. Judiciary. Directs the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 2329. February 22. 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports to implement the International Sugar Agreement.

Establishes a price objective for sugar. Authorizes the President to impose special import duties or quotas, on the recommendation of the Secretary of Agriculture, to attain such price objective.

Authorizes the Secretary to waive part of the interest and/or principal owed on loans based on sugar crops. Extends the current price support programs for sugar beets and sugarcane.

H.R. 2330. February 22, 1979. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1936, to permit any citizen of the United States, owning or leasing one or more fisheries facilities, to enter into an agreement with the Secretary of Commerce to establish a capital construction fund for the purpose of providing replacement, additional, or reconstructed fisheries facilities in the United States.

H.R. 2331. February 22, 1979. Merchant Marine and Fisheries. Directs the Secretary of Commerce to make incentive loans to the commercial fisheries industry for the development of shoreside facilities and fishing vessels for underutilized fisheries.

Authorizes the Secretary to guarantee loans for fisheries and fishing vessels.

H.R. 2332. February 22, 1979. Agriculture. Amends the Consolidated Farm and Rural Development Act to make permanent resident aliens engaged in farming or ranching eligible for emergency loans from the Farmers Home Administration.

H.R. 2333. February 22, 1979. Ways and Means. Amends the Internal Revenue Code, with regard to income averaging, to reduce the base period of an individual by the zero bracket amount.

H.R. 2334. February 22, 1979. Judiciary. Amends the Indochina Migration and Refugee Assistance Act of 1975 to limit funds authorizations, for fiscal year 1981 and any subsequent fiscal year, to assistance to Indochinese refugees under 18 years of age.

H.R. 2335. February 22, 1979. Science and Technology. Provides for a research, development, and evaluation program to determine the feasibility of a satellite-based solar energy system.

H.R. 2336. February 22, 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports to implement the International Sugar Agreement.

Establishes a price objective for sugar. Authorizes the President to impose special import duties or quotas, on the recommendation of the Secretary of Agriculture, to attain such price objective.

Requires sugar producers to pay employees specified minimum wages.

Authorizes the Secretary to waive part of the interest and/or principal owed on loans based on sugar crops.

H.R. 2337. February 22, 1979. Banking, Finance and Urban Affairs; Science and Technology. Establishes the Space Industrialization Corporation which shall promote the development of new processes and industries in space.

Directs the Corporation to provide funds to industrial space ventures under negotiated management plans.

Establishes in the United States Treasury the Space Industrialization Trust Fund which shall be held and administered by the Secretary of the Treasury and made available to the Corporation for use in such funding.

Provides for the public ownership of the Corporation, at such time as the Board of Directors and the President approve.

H.R. 2338. February 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax exclusion for interest earned on savings accounts.

H.R. 2339. February 22, 1979. Ways and Means. Amends the Internal Revenue Code and title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to include within the coverage of such program all Members of Congress.

H.R. 2340. February 22, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to prohibit credit card solicitations by political parties.

H.R. 2341. February 22, 1979. Ways and Means. Amends the Internal Revenue Code to exempt from the income tax, trusts established for the payment of product liability claims, professional design liability claims, and related expenses. Allows a limited tax deduction for contributions to such trusts.

H.R. 2342. February 22, 1979. Judiciary. Amends title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide to Federal public safety officers who are employed in a civilian capacity the same benefits accorded to State and local public safety officers.

H.R. 2343. February 22, 1979. Banking, Finance and Urban Affairs. Establishes a Government corporation to be known as the Solar Energy Development Bank to make long-term, low-interest loans to encourage the use of solar energy in commercial and residential structures.

H.R. 2344. February 22, 1979. Foreign Affairs. Extends the Export Administration Act prohibition on the export of Alaskan oil.

H.R. 2345. February 22, 1979. Interstate and Foreign Commerce. Requires the Federal Trade Commission to monitor industries which produce supplies from, and hold reserves of, alternative energy sources and, under certain circumstances, to take action to prevent noncompetitive market situations from evolving or continuing.

H.R. 2346. February 22, 1979. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs to construct a Veterans' Administration outpatient clinic in Fairfield County, Connecticut.

H.R. 2347. February 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for any individual who performs voluntary service for an organization engaged in the treatment, care, or rehabilitation of the physically handicapped or the mentally ill.

H.R. 2348. February 22, 1979. Government Operations; Rules; Ways and Means. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year and the elimination of the public debt within a specified time period.

H.R. 2349. February 22, 1979. Education and Labor; Judiciary; Post Office and Civil Service. Prohibits any Federal employee or officer or any person engaged in interstate commerce from: (1) requiring employees or employee applicants to take a polygraph test in connection with such individual's employment; (2) denying employment or disciplining an employee for refusing to take such a test; or (3) using the results of such test in connection with such individual's employment. Exempts specified Federal employees from such provisions. Sets forth civil and criminal penalties for violations of such provisions.

H.R. 2350. February 22, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to postpone for one year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for one year the date required for adoption and submission of State implementation plans applicable to these areas.

H.R. 2351. February 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a limited refundable income tax credit for the tuition paid to vocational or higher education institutions for the education of such individuals, their spouses, or dependents.

H.R. 2352. February 22, 1979. Banking, Finance and Urban Affairs. Amends the Bretton Woods Agreements Act to limit the authorizations granted pursuant to such Act.

H.R. 2353. February 22, 1979. Judiciary. Establishes a United States Court of Labor-Management Relations to have jurisdiction over labor disputes in industries substantially affecting interstate commerce that have resulted, or threaten to result, in a concerted work stoppage which adversely affects or potentially adversely affects the general welfare of the nation.

H.R. 2354. February 22, 1979. Public Works and Transportation. Amends the Act providing for a national dam inspection program to authorize the Secretary of the Army, through the Chief of Engineers, to restore State and locally owned dams found to be in hazardous condition. Directs the Secretary to provide assistance to States maintaining an approved dam safety program.

H.R. 2355. February 22, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 2356. February 22, 1979. House Administration. Requires the President pro tempore of the Senate and the Speaker of the House of Representatives to install telecommunication devices to enable deaf persons and persons with speech impairments to engage in toll-free communications with Members of Congress.

H.R. 2357. February 22, 1979. House Administration. Amends the Federal Election Campaign Act of 1971 to require radio and television stations to provide free broadcast time to eligible candidates for election to Federal office.

H.R. 2358. February 22, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 2359. February 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, nonrefundable income tax credit for the tuition paid for the higher education of the taxpayer or any other individual.

H.R. 2360. February 22, 1979. Ways and Means. Amends the General Provisions of the Social Security Act to prohibit any payment to any State under specified programs unless the State prohibits any public utility from disconnecting or terminating the heat, light, or power to any private residence for any reason, unless the State or local agencies responsible for the administration of the State's social security programs has been notified by such utility of its intention to disconnect or terminate and has been given at least 30 days to investigate and take steps to protect the occupants of such residence from any suffering or hardship which might result.

H.R. 2361. February 22, 1979. Interior and Insular Affairs. Directs the determination and award by the court of all reasonable expenses incurred by the Klamath Indian Tribe because of a condemnation action brought by the Secretary of Agriculture to acquire all of such tribe's forest lands which such tribe's trustee is required to sell by the terms of its trust agreement and which are to become part of the Winema National Forest, Oregon.

H.R. 2362. February 26, 1979. Ways and Means. Amends titles II (Old Age, Survivors and Disability Insurance) and XVIII (Medicare) of the Social Security Act to increase by 50 percent Federal contributions to the Federal Old Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund.

H.R. 2363. February 26, 1979. Ways and Means. Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States.

Directs the President to limit by proclamation the total quantity of meat imports in specified circumstances.

Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market. Directs the Secretary to report to Congress.

H.R. 2364. February 26, 1979. Government Operations and Rules. Requires the President to submit to Congress plans to reform once every ten years the regulatory activities of specified Federal agencies according to a staggered schedule set forth in this Act. States that if Congress fails to enact comprehensive regulatory reform legislation dealing with such plan within a specified period the applicable agency shall cease to exist.

H.R. 2365. February 26, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to include all Federal employees who begin their employment on or after January 1, 1980, and all Members of Congress and other officers and employees in the Legislative branch of the Government under the Old-Age, Survivors and Disability Insurance system.

H.R. 2366. February 26, 1979. Interstate and Foreign Commerce. Amends the Federal Railroad Safety Act of 1970 to authorize State agencies participating in railroad safety investigative and surveillance activities to issue cease and desist orders with respect to violations of such Act. Authorizes such agency to apply to the appropriate district court to enforce such order.

H.R. 2367. February 26, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to: (1) authorize appropriations to the Federal Trade Commission (FTC); (2) require the Federal Home Loan Bank Board to prescribe regulations to prevent unfair or deceptive acts and practices by savings and loan institutions; (3) amend rulemaking procedures of the FTC; and (4) require the FTC to review its rules every five years.

H.R. 2368. February 26, 1979. Interstate and Foreign Commerce. Directs that all utility rate schedules which provide for the sale of electric power shall do so at price levels which have been subject to and ordered into effect after prior public notice and full hearing. Prohibits the sale of electric energy except in accordance with rate schedules fixed, approved, or allowed to go into effect by a regulatory authority. Prohibits such regulatory authority from instituting a rate schedule without prior public notice and full hearing.

H.R. 2369. February 26, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include services by a community mental health center among the benefits provided under such title for up to: (1) 25 outpatient visits per year; and (2) 60 partial hospitalization visits per year.

H.R. 2370. February 26, 1979. Ways and Means; Interstate and Foreign Commerce. Extends the coverage for dental services provided under title XVIII (Medicare) of the Social Security Act to include any services which may be performed by a doctor of dental surgery or of dental medicine and to authorize payment under the Medicare program for inpatient hospital services furnished because of the severity of the dental procedure.

H.R. 2371. February 26, 1979. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to which the United States is a plaintiff.

H.R. 2372. February 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who rent their principal residences a limited income tax credit for rent paid during the taxable year.

H.R. 2373. February 26, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 2374. February 26, 1979. Interior and Insular Affairs. Establishes the Frederick Law Olmsted National Historic Site in Brookline, Massachusetts.

H.R. 2375. February 26, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction, and for anyone using or carrying a firearm in interstate commerce, who is convicted in a State court of any crime punishable by imprisonment for a term over one year.

H.R. 2376. February 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers a limited income tax credit for their college or vocational education expenses.

H.R. 2377. February 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to elect an income tax deduction with respect to the amortization of coal mining equipment over a 12-month period.

H.R. 2378. February 26, 1979. Government Operations; Rules. Requires that legislation considered by Congress be accompanied by statements assessing the economic and social costs and the expected accomplishments of programs established or authorized by such legislation. Requires that duplicative programs be identified. Requires Federal agencies to annually report to Congress on the extent to which such programs meet their objectives. Prohibits the funding of any program for more than five years. Requires Congress to consider the extent to which any program has met its objectives in the past before considering refunds of such program.

H.R. 2379. February 26, 1979. Government Operations; Rules. Terminates budget authority for all Federal programs on specified dates. Requires Congress to consider whether any such programs merit continuation on the same, a greater, or a lesser level, or termination.

Requires the Comptroller General to identify inactive or inefficient programs.

H.R. 2380. February 26, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 2381. February 26, 1979. Ways and Means. Amends the Internal Revenue Code to relieve an employer of his obligation to furnish certain of his employees with a written statement of their wages and withholding, unless such employees request a statement.

Reduces penalties imposed upon tax-exempt organizations, trusts, and private foundations for their failure to file required tax information.

Relieves income tax preparers from liability for an underpayment of estimated tax by an individual or corporation. Limits income tax preparer liability for negligence in the preparation of tax returns.

H.R. 2382. February 26, 1979. Banking, Finance and Urban Affairs. Exempts programs of the Federal National Mortgage Association authorized under the National Housing Act or the Emergency Home Finance Act of 1970 from State and local usury laws.

H.R. 2383. February 26, 1979. Judiciary. Grants State and local governments full power to tax property and transactions within civil airports owned by the United States.

H.R. 2384. February 26, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to sand and gravel mining operations.

H.R. 2385. February 26, 1979. Agriculture. Directs the Secretary of Agriculture to establish the price supports for crops of feed grains, cotton, peanuts, rice, tobacco, wheat, soybeans, sugar, wool, mohair, milk, and honey, unless a majority of the producers of any such commodity, in a referendum, vote to exempt such commodity from such support price.

H.R. 2386. February 26. 1979. Post Office and Civil Service; Ways and Means. Includes as creditable service for civil service retirement purposes, periods of service as contract technicians by individuals hired by a private authority to perform work under Federal supervision pursuant to a Federal contract, provided the person's position is transferred to the civil service and such person is appointed to that position. Reduces the pension to which such person is entitled by the amount of retirement benefits such person is receiving from any other source which is attributable to such periods of service.

H.R. 2387. February 26, 1979. Ways and Means. Authorizes certain taxpayers who received crop production loans from the Commodity Credit Corporation for the 1978 corn crop to elect to treat such loans, according to provisions of the Internal Revenue Code, as gross income in 1979.

H.R. 2388. February 26, 1979. Agriculture. Amends the Agricultural Adjustment Act to repeal the requirement that the Secretary of Agriculture consider the approval or disapproval of any marketing order by any cooperative association of producers as the approval or disapproval of its individual members, stockholders, or contractors.

H.R. 2389. February 26, 1979. Ways and Means. Amends part D (Child Support and Establishment of Paternity) of title IV of the Social Security Act to subject to garnishment as alimony under such part any payment or transfer of property or its value between spouses or former spouses in compliance with a community property settlement, equitable division of property, or other division of property directed by a court of competent jurisdiction.

H.R. 2390. February 26, 1979. Foreign Affairs; Veterans' Affairs. Directs the Secretary of the Navy to provide for the repatriation of the remains of five unknown members of the United States Navy killed and interred in Tripoli in 1804 and for their interment in Arlington National Cemetery.

Directs the Secretary of State to provide such assistance as the Secretary of the Navy may require.

H.R. 2391. February 26, 1979. Judiciary. Establishes criminal penalties for certain offenses against railroad trains or cars used to carry passengers or property in interstate or foreign commerce.

H.R. 2392. February 26, 1979. Agriculture. Directs the Secretary of Agriculture to study and report to the President and to the appropriate congressional committees his findings and recommendations regarding the probable economic effects (particularly on family farmers) of the phasing out of specified Federal tobacco assistance programs.

H.R. 2393. February 26, 1979. Foreign Affairs. Requires the Director of the International Communication Agency to make available, for public distribution in the United States, the film "Aspen."

H.R. 2394. February 26, 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports to implement the International Sugar Agreement.

Establishes a price objective for sugar. Authorizes the President to impose special import duties or quotas, on the recommendation of the Secretary of Agriculture, to attain such price objective.

Authorizes the Secretary to waive part of the interest and/or principal owed on loans based on sugar crops. Extends the current price support programs for sugar beets and sugar cane.

H.R. 2395. February 26, 1979. Public Works and Transportation. Amends the Flood Control Act of 1946 to provide that the conservation storage capacity of the Belton Reservoir, Tex., be available for other purposes in addition to irrigation.

H.R. 2396. February 26, 1979. Public Works and Transportation. Amends the Water Resources Development Act of 1974 to direct the Secretary of the Army, through the Chief of Engineers, to modify the agreement with Saint Bernard Parish regarding the Parish's share of the unpaid balance owing on the Lake Pontchartrain hurricane-flood protection project.

H.R. 2397. February 26, 1979. Public Works and Transportation. Amends the national maximum speed limit to permit a 70 mile an hour speed limit in certain states under specified conditions.

H.R. 2398. February 26, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to permit a State legislature to contest the redesignation of an air quality control region within such State by an Indian tribe.

H.R. 2399. February 26, 1979. Public Works and Transportation. Prohibits the Secretary of Transportation, acting through the Administrator of the Federal Aviation Administration, from prescribing any rule, regulation, or order affecting the use of navigable airspace without first explaining its purpose in an appearance before the appropriate committees of the Congress in open public hearings.

H.R. 2400. February 26, 1979. Post Office and Civil Service. Sets forth guidelines and prohibitions governing the political activities of employees of the United States Postal Service. Sets forth penalties for the violation of such prohibitions.

Permits such employees to take annual leave and leave without pay to engage in activities as a candidate for public office.

H.R. 2401. February 26, 1979. Post Office and Civil Service. Revises provisions prohibiting Federal and District of Columbia employees from engaging in political activities. Sets forth penalties for the violation of such prohibitions.

Permits employees to take annual leave and leave without pay to engage in activities as a candidate for public office.

H.R. 2402. February 26, 1979. Ways and Means. Amends titles IV (Aid to Families with Dependent Children) and part A (General Provisions) of title XI of the Social Security Act to: (1) establish a minimum monthly benefit amount under title IV; and (2) increase Federal funds for States in order to assist them in providing such benefits.

H.R. 2403. February 26, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to exclude interest on bank deposits from the determination of income for purposes of determining an individual's eligibility for benefits under such title or the amount of such benefits.

H.R. 2404. February 26, 1979. Armed Services. Directs the President to resume the registration of individuals under the Military Selective Service Act.

Amends such Act to maintain the administrative independence of the Selective Service System.

Provides for the inducton of 200,000 male persons annually into the Individual Ready Reserve of the Army Reserve.

Establishes a random sequence drawing for induction purposes for all registrants who have attained the age of 18 but have not yet attained the age of 20.

Eliminates deferments for enlistment in any component of the armed forces reserves.

Requires annual participation in training to simulate emergency mobilization procedures.

H.R. 2405. February 26, 1979. Government Operations. Terminates all Federal regulatory agencies three years after they are created unless extended by an Act of Congress.

H.R. 2406. February 26, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to allow Federal Civil defense funds to be used by State and local civil defense agencies for natural disaster and civil disturbance relief.

Authorizes the Administrator of the Federal Civil Defense Administration to make financial contributions to States to cover 100 percent of the costs of procuring, constructing, leasing, and renovating civil defense materials and facilities.

Extends the emergency authority of the President contained in such Act.

H.R. 2407. February 26, 1979. Government Operations; Armed Services. Directs any agency of the Department of Defense to make excess property available to the Federal Emergency Management Agency (FEMA) on a priority, non-reimbursable basis.

Amends the Federal Civil Defense Act of 1950 to authorize the Administrator of the FEMA to loan property to State and local governments for civil defense purposes.

H.R. 2408. February 26, 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports to implement the International Sugar Agreement.

Establishes a price objective for sugar. Authorizes the President to impose special import duties or quotas, on the recommendation of the Secretary of Agriculture, to attain such price objective.

Authorizes the Secretary to waive part of the interest and/or principal owed on loans based on sugar crops. Extends the current price support programs for sugar beets and sugar cane.

H.R. 2409. February 26, 1979. Banking, Finance and Urban Affairs; Interior and Insular Affairs. Authorizes the Secretary of the Interior to enter into cooperative agreements with American Youth Hostels, Incorporated, to develop a national plan for youth hostels development and to administer a grant program to implement such plan.

Authorizes the Secretary to make grants for improvement and renovation of youth hostels, and for a pilot program for new youth hostel construction.

H.R. 2410. February 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax credit for contributions to an individual housing account.

H.R. 2411. February 26, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to develop and implement youth camp safety standards, including standards for day camps, resident camps, and travel camps.

Establishes the Advisory Council on Youth Camp Safety within the Department of Health, Education, and Welfare.

H.R. 2412. February 26, 1979. Agriculture. Amends the Food stamp Act of 1977 to remove the specified dollar amounts from the appropriations authorized for the food stamp program.

H.R. 2413. February 26, 1979. Judiciary. Establishes as an independent agency in the National Institute of Justice to evaluate the quality of justice and the administration of law and to conduct research, experimental programs, training and educational programs, and information services with respect to such areas.

H.R. 2414. February 26, 1979. Judiciary. Establishes procedures for the marketing of inventions arising from federally-supported research and development by nonprofit organizations and small business firms.

H.R. 2415. February 26, 1979. Public Works and Transportation. Authorizes the Secretary of Commerce, through the Economic Development Administration, to make grants for projects to repair vaulted sidewalks.

H.R. 2416. February 26, 1979. Agriculture. Amends the Food and Agriculture Act of 1977 to direct the Secretary of Agriculture to increase the established prices for the 1979 crops of wheat and feed grains.

Amends the Agriculture Act of 1949 to require the Secretary to proclaim a national program acreage for feed grains no later than October 15 (currently November 15) of each year for crops harvested in the succeeding year.

H.R. 2417. February 26, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to disregard self-employment income received from the sale of certain agricultural or horticultural commodities, for the purposes of determining benefits based on income under such title.

H.R. 2418. February 26, 1979. Public Works and Transportation. Prohibits the Secretary of Transportation, acting through the Administrator of the Federal Aviation Administration, from prescribing any rule, regulation, or order affecting the use of navigable airspace without first explaining its purpose in an appearance before the appropriate committees of the Congress in open public hearings.

H.R. 2419. February 26, 1979. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize appropriations to the United States Railway Association for the purpose of carrying out its administrative expenses under such Act for fiscal year 1980.

H.R. 2420. February 26, 1979. Interstate and Foreign Commerce. Authorizes appropriations for the Office of Rail Public Counsel for fiscal year 1980.

H.R. 2421. February 26, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to eliminate all age restrictions presently applicable to individuals applying for inpatient psychiatric hospital service benefits under the Medicaid program.

H.R. 2422. February 26, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to: (1) provide in the case of any individual living in another person's household, that support and maintenance received in kind from such person shall not be included in the income of such individual for the purpose of determining such individual's eligibility for benefits based on income under such title; (2) continue SSI benefits to a beneficiary for three months when such beneficiary is institutionalized; (3) monitor SSI beneficiaries trial work periods on a continuing basis; and (4) allow SSI benefits to be paid on the basis of presumptive mental disability.

H.R. 2423. February 26, 1979. Ways and Means. Amends title XX (Grants to States for Services) of the Social Security Act to: (1) increase Federal payments to States for services directed toward the goal of preventing or reducing inappropriate institutional care; and (2) authorize appropriations for alternative housing, sheltered employment, and related items directed toward such goal.

H.R. 2424. February 26, 1979. Post Office and Civil Service. Eliminates mail weight restrictions concerning Postal Service contracts for the transportation of mail by air. Repeals the requirement that such contracts be submitted to the Civil Aeronautics Board for review.

H.R. 2425. February 26, 1979. Foreign Affairs; Science and Technology. Establishes the Foundation for International Scientific and Technological Cooperation. Sets forth the powers and duties of such Foundation. Authorizes appropriations for such purposes.

H.R. 2426. February 26, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to extend for one year, until October 1, 1979, the period of time during which the services of physicians in teaching hospitals will be included as inpatient hospital services under that title.

H.R. 2427. February 26, 1979. Agriculture. Amends the Animal Welfare Act to prohibit coursing (the use of live animals as visual lives in dog racing and training).

H.R. 2428. February 26, 1979. Ways and Means. Amends the Internal Revenue Code to permit the amortization of qualified coal conversion facilities, based on a 12 month period.

Authorizes the President to enter into price support agreements with operators of such facilities.

H.R. 2429. February 26, 1979. Ways and Means: Interstate and Foreign Commerce. Amends the Internal Revenue Code to: (1) provide additional investment tax credits and income tax deductions for investments in areas designated as "labor surplus" areas; (2) require cost of living adjustments to the personal tax exemption, income tax brackets, withholding amounts, and minimum income levels for filing of tax returns; and (3) reduce social security taxes and finance Medicare and disability benefits from general revenues.

H.R. 2430. February 26, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Internal Revenue Code and title XVIII (Medicare) of the Social Security Act to finance the payment of hospital insurance benefits through general tax revenues, rather than through employment and self-employment tax revenues.

Establishes new employment and self-employment tax rates for the purpose of financing the old age, survivors and disability insurance program (title II of the Social Security Act).

H.R. 2431. February 26, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2432. February 26, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2433. February 26, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2434. February 26, 1979. Judiciary. Directs the Secretary of the Treasury to pay specified sums to named individuals in satisfaction of claims against the United States.

H.R. 2435. February 26, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2436. February 26, 1979. Judiciary. Directs the liquidation or reliquidation of and, if appropriate, refund of import duties made on certain items for the relief of a named individual.

H.R. 2437. February 26, 1979. Judiciary. Directs the Chairman of the Civil Service Commission to determine the amount of benefits under the Federal Employees' Compensation Fund to which a named individual would have been entitled under specified conditions.

H.R. 2438. February 26, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2439. February 27, 1979. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46).

H.R. 2440. February 27, 1979. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 to repeal the prohibition against the expenditure of certain discretionary funds.

H.R. 2441. February 27, 1979. Public Works and Transportation; Judiciary; Foreign Affairs. Specifies penalties for violations of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation. Sets forth penalties for certain other acts which endanger aircraft.

Amends the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to restrict operations at those foreign airports failing to bring their security measures to a standard level of effectiveness.

Requires explosives to contain identification and detection taggants.

Directs the President to report to Congress regarding acts of international terrorism and to submit lists of countries supporting international terrorism.

Urges the President to seek international agreements combating international terrorism.

H.R. 2442. February 27, 1979. Education and Labor. Amends the National Labor Relations Act to exclude illegal aliens from coverage under the Act.

H.R. 2443. February 27, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance to States, local governments, and agencies on the adoption of a law enforcement officers' bill of rights which includes specified provisions.

H.R. 2444. February 27, 1979. Government Operations. Establishes an executive department to be known as the Department of Education to be administered by a Secretary of Education.

Redesignates the Department of Health, Education, and Welfare, and the Secretary of such Department, as the Department of Health and Welfare, and the Secretary of Health and Welfare.

Transfers to such Department of Education specified functions of the Department of Health, Education, and Welfare and various educational responsibilities of other Federal agencies and instrumentalities.

Creates the Interdepartmental Education Coordinating Committee and the Intergovernmental Advisory Council on Education.

H.R. 2445. February 27, 1979. Ways and Means; Interstate and Foreign Commerce. States that in determining the reasonable costs of services furnished by nonprofit hospitals under the Maternal and Child Health, Medicare, and Medicaid programs of the Social Security Act, gifts, grants, and endowments shall not be deducted from any operating costs in determining such reasonable costs.

Prohibits any State from establishing a law or regulation respecting the limitations upon the revenue of hospitals which treats as revenues of a hospital any income attributable to gifts or endowments. Prohibits any Federal law providing for the control of hospital costs to treat as revenues any amounts which a State may not treat as revenues.

H.R. 2446. February 27, 1979. Government Operations; Ways and Means. Amends the Second Liberty Bond Act to direct the President to submit to Congress: (1) an alternate, balanced budget if the President's proposed budget carries a deficit or exceeds the debt ceiling; (2) a plan for reducing budget outlays, if the debt ceiling, deficit, or budget outlays for any fiscal year exceed specified projections in the congressional budget; and (3) an annual report identifying revenue receipts attributable to inflation.

H.R. 2447. February 27, 1979. Small Business; Government Operations. Sets forth requirements for Federal procurement contracts concerning: (1) the length of time such contracts must be held open for bids; (2) the degree of small business participation in such contracts; and (3) the information which must be supplied to small business contractors.

Establishes Government contract arbitration panels within the Small Business Administration. Establishes the Small Business Procurement Advisory Committee.

H.R. 2448. February 27, 1979. Education and Labor. Amends the Longshoremen's and Harbor Worker's Compensation Act with respect to compensation for employment related injuries and death.

H.R. 2449. February 27, 1979. Education and Labor. Directs the Secretary of Health, Education and Welfare to convey specified lands in the county of Yolo, Calif., to D-Q University in fee simple absolute.

H.R. 2450. February 27, 1979. Judiciary. Prohibits any State or political subdivision of the United States (including the District of Columbia) from treating any compensation paid by any employer to any individual who is not a resident or domiciliary of such State or political subdivision, for State or local income tax purposes, as income for services performed within, or from sources within, such State or political subdivision.

H.R. 2451. February 27, 1979. Judiciary. Extends death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968 to public safety officers who die as a result of medical conditions arising out of or exacerbated by official duties.

H.R. 2452. February 27, 1979. Veterans' Affairs. Extends the period of time between notice of, and the effective date for, the reduction or discontinuance of compensation, dependency and indemnity compensation, or pension paid by the Veterans Administration.

H.R. 2453. February 27, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to reimburse licensed pharmacists for the cost of drugs furnished to veterans without charge in accordance with a prescription provided by a Veterans' Administration physician.

H.R. 2454. February 27, 1979. Veterans' Affairs. Requires that veterans receiving hospital, nursing home, or outpatient medical care from the Veterans' Administration (VA) for non-service-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State.

Provides that where such non-VA coverage is less than the total charge for such medical care provided to an eligible veteran, the veteran shall not be responsible for the difference.

H.R. 2455. February 27, 1979. Veterans' Affairs. Increases the additional allowances paid on behalf of certain dependents to certain veterans receiving wartime disability compensation.

H.R. 2456. February 27, 1979. Judiciary. Directs each Federal agency to publish a statement of the need of each proposed rule prior to publication of the general notice of the rule in the Federal Register. Requires each agency to include in the general notice: (1) a paperwork impact analysis; (2) the effects of the rule on competition; and (3) a regulatory analysis of the rule.

Requires each agency to report to Congress on its regulatory activities.

Declares that each existing agency rule shall expire within seven years, and each rule promulgated after the enactment of this Act shall expire within five years, unless repromulgated by the agency.

H.R. 2457. February 27, 1979. Public Works and Transportation. Repeals the 55 mile per hour national maximum speed limit.

H.R. 2458. February 27, 1979. Public Works and Transportation. Directs the Secretary of Transportation to establish a single system of measuring noise and the impact of noise at airports and areas surrounding airports and to prescribe land uses which are compatible with such noise levels.

Amends the Airport and Airway Development Act of 1970 to make grants available under such Act for airport noise compatibility programs.

Directs the Secretary to report to Congress on the development of an air collision avoidance system.

H.R. 2459. February 27, 1979. Ways and Means. Amends the Internal Revenue Code to specify the period in which the excise tax on the sale of certain sporting goods must be paid.

H.R. 2460. February 27, 1979. Small business. Amends the Small Business Investment Act of 1958 to authorize the Small Business Administration to guarantee the timely payment of all principal and interest as scheduled on any debenture issued by any qualified State or local development company.

H.R. 2461. February 27, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to provide medical assistance to certain eligible individuals under the age of 21 and to certain eligible women during and after pregnancy. Establishes a national child health assurance program (CHAP) income standard and a national maternal income standard.

Requires State plans for medical assistance under title XIX to include a plan to implement a CHAP.

H.R. 2462. February 27, 1979. Merchant Marine and Fisheries. Authorizes appropriations for the Department of Commerce for specified maritime-related expenses for fiscal year 1980.

H.R. 2463. February 27, 1979. Armed Services. Directs the Secretary of the Army to pay to each person who served as a Philippine Scout between December 6, 1941, and December 31, 1946, or the survivors of such an individual the difference between the basic pay received by such an individual and the pay received by other members of the Army of corresponding grades and length of service.

H.R. 2464. February 27, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by entitling an individual to child's insurance benefits in the case of a child whose benefits were terminated by marriage and who becomes divorced before attaining age 22.

H.R. 2465. February 27, 1979. Agriculture; Ways and Means; Banking, Finance and Urban Affairs; Education and Labor; Government Operations; Interstate and Foreign Commerce; Judiciary.

Establishes the Federal Information Practices Board to investigate compliance with Federal laws pertaining to privacy, freedom of information, and fair credit reporting and billing. Amends the Privacy Act to further restrict disclosure of Federal records identifying individuals to third parties. Prescribes procedures for disclosure of certain consumer records by third party recordkeepers to Federal employees. Requires States to provide for the privacy of records used in the administration of public assistance programs. Prescribes standards on privacy and disclosure of medical records. Amends the Internal Revenue Code to restrict and/or prohibit disclosure of taxpayer return information for certain purposes.

H.R. 2466. February 27, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to decrease the entitlement age for otherwise qualified women to receive widow's insurance benefits. Eliminates actuarial reduction and disability requirements.

H.R. 2467. February 27, 1979. Public Works and Transportation. Amends the Public Buildings Act of 1959 to require a specified percentage of the funds appropriated for public buildings to be used for the creation and acquisition of artwork for such buildings. Requires the establishment of ad hoc commissions to advise in the selection of artwork.

H.R. 2468. February 27, 1979. Government Operations; House Administration. Directs the installation of telecommunications devices which permit two-way communication of textual messages in alphanumeric form by telephone lines in specified Federal agencies to facilitate communication with such agencies by the deaf and provides assistance in such installations in State and local governmental offices. Permits the installation of such a device in the office of any Member of Congress who requests one. Provides for the installation of such devices throughout the United States for the use of deaf persons wishing to communicate with such government agencies or Members of Congress.

H.R. 2469. February 27, 1979. Ways and Means. Amends title XX (Grants to States for Services) of the Social Security Act to: (1) increase the total amount allocable to States for social security service; and (2) make permanent the provisions of title XX relating to special allocations for child day care services.

H.R. 2470. February 27, 1979. Merchant Marine and Fisheries: Public Works and Transportation. Establishes the Saint Charles Swamp National Wildlife Refuge.

Exempts the Department of Transportation from the environmental protection requirements of the Department of Transportation Act and the Airport and Airway Development Act of 1970 with respect to the development of New Orleans International Airport. Exempts highway I–310 from the park preservation provisions of the Federal-Aid Highway Act of 1966, as amended.

H.R. 2471. February 27, 1979. Ways and Means. Authorizes appropriations for the United States International Trade Commission and for the United States Customs Service for fiscal year 1980. Sets limits on the Commission's use of funds. Directs the Secretary of the Treasury to reorganize the administration of the Customs Service.

H.R. 2472. February 27, 1979. Armed Services. Amends the program of medical and dental care for members and certain former members of the uniformed services and for their dependents to include certain former spouses of members of the uniformed services.

H.R. 2473. February 27, 1979. Ways and Means. Amends part D (Child Support and Establishment of Paternity) of title IV of the Social Security Act to permit, in addition to the enforcement of alimony payments under such part, the enforcement of any "other court-ordered payments or settlements" to or on behalf of a spouse or former spouse. Defines the term "other court-ordered payments or settlements" to mean lump-sum or periodic payments of funds or transfers of property between spouses or former spouses under a decree of separation or divorce in compliance with any community property settlement, equitable division of property, or other division of property.

H.R. 2474. February 27, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2475. February 27, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2476. February 27, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2477. February 27, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2478. February 27, 1979. Judiciary. Directs the payment of a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2479. February 28, 1979. Foreign Affairs. Declares that the United States: (1) will make available defense articles and services to Taiwan; and (2) will take appropriate action in the event of a threat to the security of Taiwan.

Provides for the continuation of laws applicable to Taiwan. Sets forth provisions concerning continued relations between Taiwan and the United States.

H.R. 2480. February 28, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize appropriations for various assistance programs, including nutrition, population planning, education, energy assistance, disaster assistance, and housing guarantees. Repeals other assistance programs, including the South African educational assistance program.

Authorizes the President to establish an Institute for Technological Cooperation to assist developing countries. Authorizes the establishment of a Council on International Technological Cooperation to advise the Institute. Authorizes fellowships through the Institute.

H.R. 2481. February 28, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize appropriations for various assistance programs, including emergency programs, international narcotics control, and military assistance. Revises provisions concerning military stockpiles and military personnel in foreign countries.

Amends the Arms Export Control Act to provide certain services and reduce certain charges in connection with defense contracts and cooperative agreements with North Atlantic Treaty Organization member nations.

Authorizes the President to transfer certain property to Taiwan. Releases Thailand from contractual obligations for certain ammunition.

H.R. 2482. February 28, 1979. Small Business. Amends the Small Business Act to make employee owned businesses, businesses using employee stock ownership plans and trusts, and employee organizations seeking to acquire firms which would otherwise close, relocate, or sell out to a large business eligible for all assistance normally available under the business loan and minority enterprise contract assistance programs.

H.R. 2483. February 28, 1979. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to stipulate that funds allocated under such Act for grants and loans to private nonprofit corporations and associations to assist them in providing transportation services for elderly and handicapped persons may be used to meet operating expenses.

H.R. 2484. February 28, 1979. Interior and Insular Affairs. Establishes the Cultural Park Advisory Commission to study and formulate recommendations for the creation of a National System of Cultural Parks.

Authorizes the Secretary of the Interior to make grants for the purpose of assisting States in the preservation and use of cultural, historic, natural and architectural urban resources through a cultural park management program.

H.R. 2485. February 28, 1979. Ways and Means. Amends the Tariff Schedules of the United States to reduce the rates duty for certain fish netting and fish nets.

H.R. 2486. February 28, 1979. Ways and Means. Amends the Internal Revenue Code to exempt farm vehicles from the highway use tax on motor vehicles used primarily for farming purposes.

H.R. 2487. February 28, 1979. Judiciary. Exempts nonprofit veterans' organizations from the requirement that certain musical performance royalties be paid to copyright holders.

H.R. 2488. February 28, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 2489. February 28, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend the assistance program for nurse training and students. Establishes a new assistance program for training nurse anesthetists. Revises requirements with respect to federally insured loans to medical students, National Health Service Corps scholarships, and area health education centers.

H.R. 2490. February 28, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony which may be prosecuted in a United States court.

H.R. 2491. February 28, 1979. Ways and Means. Amends the Internal Revenue Code to allow taxpayers who do not itemize income tax deductions a limited deduction from gross income for charitable contributions.

H.R. 2492. February 28, 1979. Ways and Means. Amends the Tariff Schedules of the United States to exempt feather or down filling in determining the chief material in an apparel item for tariff purposes. Extends the duty-free entry of feathers and downs.

H.R. 2493. February 28, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from the gross income of individuals who have attained age 65 interest earned on any series E United States savings bond.

H.R. 2494. February 28, 1979. Public Works and Transportation. Amends the Public Buildings Act of 1959 to require approval by the appropriate congressional committees before leasing, altering, acquiring by exchange, or reducing the amount of space in public buildings.

Amends the Public Buildings Act of 1949 to prohibit naming a public building after any individual.

H.R. 2495. February 28, 1979. Government Operations; Rules. Abolishes within three years of the enactment of this Act, or three years after they have been established, all Federal regulatory agencies unless the President and Congress determine that such agencies should continue to exist.

H.R. 2496. February 28, 1979. Government Operations; Rules. Abolishes within three years of the enactment of this Act, or three years after they have been established, all Federal regulatory agencies unless the President and Congress determine that such agencies should continue to exist.

H.R. 2497. February 28, 1979. Judiciary. Requires specified organizations which employ lobbyists to register and file quarterly expense reports with the Comptroller General. Makes such reports available to the public. Establishes civil and criminal sanctions to enforce this Act.

H.R. 2498. February 28, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the current fair market value of a literary, musical, or artistic composition created by the personal efforts of the taxpayer and contributed to a charitable organization.

H.R. 2499. February 28, 1979. Judiciary. Extends to rescue squad members the death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 2500. February 28, 1979. Armed Services. Directs the President to reform the Selective Service System with attention to the following considerations: (1) automatic registration through the use of existing records, including census data; (2) induction authority as necessary for the national defense; (3) registration and induction of women; and (4) expeditious mobilization of military personnel.

Amends the Selective Service Act to require the registration of 18 year olds.

Delineates the authority of the Secretary of Defense and the President with regard to the Director of the Selective Service.

H.R. 2501. February 28, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants for projects to counsel pregnant women on their legal rights, benefits, and services available for caring for the child.

H.R. 2502. February 28, 1979. Judiciary. Sets forth grounds and procedure for the involuntary retirement, removal from office, or censure of Federal judges. Establishes a Council on Judicial Tenure to receive complaints with respect to the conduct of judges and authorizes the Judicial Conference of the United States or a committee of judges to sit as court to conduct hearing and issue orders with respect to such complaints.

H.R. 2503. February 28, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act: (1) to permit married couples filing joint tax returns to share their income for OASDI purposes as well; (2) to allow certain recipients of spouses' or survivors' benefits to include such benefits as income in determining their average monthly wage; (3) to lower the age of eligibility for such benefits to 50; (4) to eliminate the special dependency requirements for husband's and widower's benefits; and (5) to authorize children entitled to more than one child's insurance benefit to receive the total amount available.

H.R. 2504. February 28, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to postpone for one year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for one year the date required for adoption and submission of State implementation plans applicable to these areas.

H.R. 2505. February 28, 1979. Judiciary. Establishes an additional judicial district, the "Southwestern District," in California.

H.R. 2506. February 28, 1979. Armed Services. Entitles members of the uniformed services in pay grades of E-4 and below who have dependent to family separation allowances.

H.R. 2507. February 28, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to extend the period during which a spouse becoming eligible for a Government pension may qualify for an exemption from the provisions of the Social Security Amendments of 1977 requiring a reduction in such spouses' OASDI benefit based on receipt of a Government pension.

H.R. 2508. February 28, 1979. Interstate and Foreign Commerce; Banking, Finance and Urban Affairs; Judiciary. Authorizes the creation of a corporation for profit to be known as the Energy Corporation of the Northeast, the members of which shall be States located in the Northeast. Authorizes the Corporation to participate in joint ventures with public or private groups to finance any project related to solving the energy needs of the Northeast.

H.R. 2509. February 28, 1979. Interior and Insular Affairs. Authorizes the construction, operation, and maintenance of the Glen Elder unit of the Pick-Sloan Missouri Basin program, Kansas, for water supply and other purposes. Limits the use of water from such unit to newly irrigated lands.

H.R. 2510. February 28, 1979. Post Office and Civil Service. Permits court review of decisions of the Office of Personnel Management concerning the dependency or disability of Federal employees for civil service retirement purposes.

H.R. 2511. February 28, 1979. Interstate and Foreign Commerce; Banking, Finance and Urban Affairs; Judiciary. Authorizes the creation of a corporation for profit to be known as the Energy Corporation of the Northeast, the members of which shall be States located in the Northeast. Authorizes the Corporation to participate in joint ventures with public or private groups to finance any project related to solving the energy needs of the Northeast.

H.R. 2512. February 28, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to authorize payment to an individual entitled to hospital insurance benefits under the medicare program for emergency inpatient hospital services furnished outside the United States if such hospital was closer to, or substantially more accessible from, the place at which the emergency occurred than the nearest adequately equipped hospital within the United States.

H.R. 2513. February 28, 1979. Government Operations. Requires Federal agencies to pay an employee whose place of residence is Alaska, and who has completed a tour of duty at a hardship station in that State, the cost of transportation to such residence for vacation leave before such employee begins another tour of duty at such station or outside the continental United States.

H.R. 2514. February 28, 1979. Ways and

Means. Amends the Internal Revenue Code to exclude from gross income longevity bonus payments made to certain individuals by the State of Alaska.

H.R. 2515. February 28, 1979. Banking, Finance and Urban Affairs; Small Business. Permits interest rates on specified business and agricultural loans to exceed limitations established by State usury laws until January 1, 1981.

H.R. 2516. February 28, 1979. Education and Labor. Amends the General Education Provisions Act to provide that Federal agencies shall have 30 days to make comments on the Comptroller General of the United States education programs reports.

H.R. 2517. February 28, 1979. Armed Services; Ways and Means; Interstate and Foreign Commerce; Post Office and Civil Service. Stipulates that the time spent by an American civilian in enemy custody shall be creditable toward pensions, annuities, or other benefits under specified Federal retirement programs as though it were military service.

H.R. 2518. February 28, 1979. Judiciary. Amends title VI of the Ethics in Government Act of 1978 to apply to Members of Congress the current provision requiring the Attorney General to conduct an investigation upon receipt of information that certain Government officials have committed a non-petty Federal criminal offense.

H.R. 2519. February 28, 1979. Merchant Marine and Fisheries; Science and Technology. Amends the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for fiscal years 1979 and 1980 to carry out the provisions of such Act.

H.R. 2520. February 28, 1979. Merchant Marine and Fisheries; Science and Technology. Amends the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such Act for fiscal year 1980.

H.R. 2521. February 28, 1979. Armed Services. Directs the Secretary of Defense to appoint civilian military health care administrators for each geographic region. Provides for the enrollment of members and former members of the uniformed services and their dependents into the military health care system and establishes the services such individuals are entitled to. Sets forth the care obligations of major military health facilities. Sets forth requirements for the budgeting of military health facilities. Authorizes the use of private physicians in such facilities. Establishes special pay incentives for military medical professionals to control costs.

H.R. 2522. February 28, 1979. Merchant Marine and Fisheries. Requires the express authorization of Congress before: (1) U.S. funds may be used to implement the Panama Canal Treaty of 1977; (2) U.S. real property in the Canal Zone may be transferred to Panama; and (3) the Panama Canal Company or the Canal Zone Government shall cease to exist. Provides criminal penalties for violating this Act.

H.R. 2523. February 28, 1979. Interior and Insular Affairs. Amends the Helium Act to establish a national helium reserve near Amarillo, Texas, and to prohibit the removal of any helium-bearing natural gas or any helium-gas mixture which enters interstate commerce unless such removal is licensed and properly authorized. Sets forth requirements for such licenses.

H.R. 2524. February 28, 1979. Ways and Means. Amends title VII (Administration) of the Social Security Act to authorize the National Commission on Social Security to enter into contracts to carry out such studies as necessary to carry out its duties. Terminates the Commission on April 1, 1981.

H.R. 2525. February 28, 1979. Ways and Means. Amends the Internal Revenue Code and the Social Security Act to exempt from coverage under the social security program employees who are members of religious faiths which oppose participation in the program.

H.R. 2526. February 28, 1979. Judiciary. Declares five individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2527. February 28, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2528. February 28, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2529. February 28, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 2530. February 28, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2531. February 28, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2532. February 28, 1979. Judiciary. Confers jurisdiction on a specified district court over specified claims of a named individual against the United States. Requires that such actions be commenced during a specified period.

H.R. 2533. February 28, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2534. March 1, 1979. Ways and Means. Amends the Second Liberty Bond Act to increase the temporary public debt limit. Authorizes the Secretary of the Treasury to increase the investment yield on United States savings bonds.

H.R. 2535. March 1, 1979. Ways and Means. Amends the Tariff Schedules of the United States to suspend the duty on certain alloy tool steel.

H.R. 2536. March 1, 1979. Ways and Means. Amends the Internal Revenue Code to exempt individuals from making declarations of estimated tax, if the amount of such estimated tax is less than $500. Provides that penalties relating to the failure by an individual to pay estimated tax will not apply if the tax is less than $500.

H.R. 2537. March 1, 1979. Ways and Means. Amends the Tariff Schedules of the United States to suspend the duty on strontium nitrate.

H.R. 2538. March 1, 1979. Merchant Marine and Fisheries. Makes it unlawful for any citizen of the United States, or any person on board a vessel of the United States or subject to the jurisdiction of the United States, to knowingly or intentionally possess, manufacture, distribute, dispense, transfer, unlawfully import, or conspire to unlawfully import a controlled substance as defined in the Comprehensive Drug Prevention and Control Act of 1970.

H.R. 2539. March 1, 1979. Foreign Affairs; Rules. Amends the Export Administration Act of 1969 to revise provisions concerned with the issuance of export licenses by the Secretary of Commerce and the circumstances in which export controls may be imposed. Gives Congress an opportunity to veto certain export controls.

H.R. 2540. March 1, 1979. Judiciary. Amends Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) to revise the exemptions to such Act. Includes the handicapped within the antidiscrimination provisions of such Act. Prohibits discrimination in housing insurance or debts secured by real property. Expands the authority of the Secretary of Housing and Urban Development over certain Federal agencies. Revises the procedures for enforcing the antidiscrimination provisions of such Act.

H.R. 2541. March 1, 1979. Interstate and Foreign Commerce. Directs the Federal Communications Commission to examine the use of the AM radio broadcasting band and to assign such spectrum and distribute licenses so as to ensure that each community, regardless of size, is provided with the maximum local full-time radio broadcasting service.

H.R. 2542. March 1, 1979. Ways and Means. Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to increase the adjusted gross income limitation on such credit.

H.R. 2543. March 1, 1979. Education and Labor; Post Office and Civil Service; Judiciary. Requires the United States to make a lump sum payment of a specified amount to the survivors of any Federal fire fighter or law enforcement officer killed in the line of duty.

H.R. 2544. March 1, 1979. Government Operations; Rules. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year except in time of declared war or national emergency. Requires that the public debt shall be repaid in equal increments over the 100-year period beginning with fiscal year 1983.

H.R. 2545. March 1, 1979. Public Works and Transportation. Designates Ririe Lake, Idaho, as the Oscar Johnson Lake.

H.R. 2546. March 1, 1979. Education and Labor. Authorizes the Commissioner of Education to provide Federal aid to those State teacher retirement systems which allow retirement credit to teachers for out-of-State teaching service.

H.R. 2547. March 1, 1979. Armed Services. Amends the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), changing the cost-sharing formula for emergency inpatient medical and dental care for members, certain former members, and dependents.

H.R. 2548. March 1, 1979. Government Operations. Requires the fiscal operations of specified federally owned and controlled entities to be included in Federal budget totals.

H.R. 2549. March 1, 1979. Education and Labor. Establishes the Congressional Award Program in the United States and its territories to recognize and promote youth leadership and excellence in the areas of expedition fitness, personal creative development, and public service.

H.R. 2550. March 1, 1979. Ways and Means. Amends the Internal Revenue Code to extend the date until which a State legislator may qualify for the income tax deduction for living expenses while engaged in legislative business away from his home district. Eliminates the $3,000 limitation on the income tax deduction for the business expenses of Members of Congress.

H.R. 2551. March 1, 1979. Agriculture. Establishes within the Department of Agriculture a Study Committee on Protection of Agricultural Land. Directs the Secretary of Agriculture to provide State and local governments with technical and financial assistance to develop methods of reducing the conversion of agricultural land to nonagricultural uses. Requires Federal agencies to bring their land acquisition and management policies into compliance with the policies and purposes of this Act.

H.R. 2552. March 1, 1979. Ways and Means. Amends the Internal Revenue Code to provide a limited exclusion from gross income of interest from savings accounts in home lending institutions.

H.R. 2553. March 1, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons, heads of households, and married couples filing jointly or separately.

H.R. 2554. March 1, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to apply the adulteration and misbranding provisions of such Act to hair dyes.

H.R. 2555. March 1, 1979. Science and Technology. Authorizes the appropriation of funds to the Department of Energy for a demonstration peat-fueled electrical generating plant in North Carolina to be operated by the North Carolina Electric Membership Corporation.

H.R. 2556. March 1, 1979. Armed Services. Authorizes supplemental appropriations for various military construction projects and for military family housing support.

H.R. 2557. March 1, 1979. Judiciary. Financial Sponsorship of Immigrants Act—Amends the Immigration and Nationality Act to require any immigrant wishing to be admitted into the United States to have a five-year financial sponsorship statement at the time of application for admission. Authorizes the Attorney General to make exemptions from such requirement.

H.R. 2558. March 1, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to require that aged, blind, or disabled aliens must have resided in the United States for five years preceding their application for benefits under such title. Exempts those aliens: (1) who are political refugees; (2) whom a support agreement, under the Immigration and Nationality Act, excuses; or (3) who have specified disabilities.

H.R. 2559. March 1, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment under the supplementary medical insurance program for preventive services furnished in the screening, testing, diagnosis, and treatment of individuals for hypertension.

H.R. 2560. March 1, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to provide coverage for prescription drugs and biologicals.

H.R. 2561. March 1, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to establish a Drug Benefit Program for the Aged to pay for prescription drugs from participating pharmacies.

H.R. 2562. March 1, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to provide coverage for preventive examinations for hypertension and drugs for the treatment of hypertension.

H.R. 2563. March 1, 1979. Interstate and Foreign Commerce. Amends title III of the Public Health Service Act (General Powers and Duties of Public Health Service), as amended by the Health Services Extension Act of 1978, to authorize the Secretary of Health, Education, and Welfare to make grants to State health authorities for preventive health service programs for the treatment of hypertension.

H.R. 2564. March 1, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of Housing and Urban Development to make grants to finance the construction and rehabilitation of congregate facilities in federally assisted housing projects and the provision of congregate services for elderly and handicapped individuals and families.

H.R. 2565. March 1, 1979. Education and Labor. Amends the Older Americans Act of 1965 to direct the Commissioner of the Administration on Aging to make grants to States with approved plans for comprehensive counseling assistance services for the elderly. Directs the Commissioner to carry out: (1) a program to train and retrain counseling personnel to meet the needs of the elderly; (2) demonstration and evaluation projects; and (3) information collection, analysis, and dissemination through the National Information Resource Clearing House for the Aging.

H.R. 2566. March 1, 1979. Interstate and Foreign Commerce. Expands the medical coverage of title XIX (Medicaid) of the Social Security Act to include preventive health care, diagnostic services, hearing aids, foot care, dental care, vision aids and specified care and services for the elderly. Authorizes the Secretary of Health, Education, and Welfare to make grants to fund home health services demonstration projects, annual health fairs, and mobile health facilities for the elderly. Amends the Public Health Service Act to require that $15,000,000 be obligated for grants and contracts for emergency medical services systems for the elderly.

H.R. 2567. March 1, 1979. Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to: (1) remove the 100 visit limitation presently applicable to home health care services; (2) include "periodic chore services" as a home health service; (3) eliminate the $60 deductible with respect to home health services; and (4) include services by a community mental health center.

H.R. 2568. March 1, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to reduce tax rates on employment and self-employment income below the level established by the Social Security Financing Amendments of 1977, to increase Federal participation in the funding of benefits under such title and under the Medicare program, and to raise to $100,000 in 1980 the ceiling on the amount of income that is subject to the tax.

H.R. 2569. March 1, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to specify standards to be included in supervision of residences for recipients of SSI benefits, and to authorize the Secretary of Health, Education, and Welfare to make payments to States to cover the cost of training and compensating personnel to inspect such institutions

H.R. 2570. March 1, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 2571. March 1, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title XIX (Medicaid) of the Social Security Act to require that nursing care facilities provide specified minimum services to their patients. Establishes programs of loans and grants to nonprofit organizations for the construction and rehabilitation of such facilities. Calls for Federal action to end nursing home abuses. Authorizes the President to call a White House Conference on Long-Term Care.

H.R. 2572. March 1, 1979. Ways and Means; Interstate and Foreign Commerce. Establishes, as a new executive agency, the Social Security Administration. Revises the administration of Old-Age, Survivors and Disability Insurance, Medicare, and Supplemental Security Income under the Social Security Act. Transfers the responsibility for administering such programs and the health standards provisions of the Federal Coal Mine Health and Safety Act from the Department of Health, Education, and Welfare to such newly established Administration.

H.R. 2573. March 1, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish a program of grants to: (1) develop model preretirement education programs; (2) train personnel for such programs; (3) prepare related information and materials; and (4) provide consultation services. Directs the Secretary of Health, Education, and Welfare to carry out a preretirement education study and a retirement employment study.

H.R. 2574. March 1, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to eliminate the requirement that the package label of margarine or oleomargarine bear such words in typeface or lettering as large as any other typeface or lettering, or that the individually wrapped contents of such a package also bear such words. Repeals the requirement that public eating places when serving margarine or oleomargarine must either so label each separate serving or serve each such serving in a triangular shape.

H.R. 2575. March 1, 1979. Armed Services. Authorizes additional appropriations for fiscal year 1979 for defense weapons procurement and research, development, test, and evaluation. Authorizes the Department of Defense to implement until concluded the Multilateral Memorandum of Understanding Between NATO Ministers of Defense on the NATO E-3A Cooperative Programme. Authorizes the Department to make a commitment to NATO for the United States share of estimated termination liability.

H.R. 2576. March 1, 1979. Armed Services. Authorizes appropriations for fiscal year 1980 for the Department of Energy concerning the conservation, development, and use of naval petroleum and oil shale reserves.

H.R. 2577. March 1, 1979. Interior and Insular Affairs. Amends the Geothermal Steam Act of 1970 to increase the acreage limitations for geothermal leases on Federal lands.

H.R. 2578. March 1, 1979. Education and Labor; Interior and Insular Affairs. Authorizes the Secretary of the Interior to provide technical, financial, and other assistance to States which have established Indian Resource Development Institutions as units of land grant colleges, universities, or other designated institutions.

H.R. 2579. March 1, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to grant rights-of-way necessary to operate and maintain assumed portions of the Rio Grande project to the Elephant Butte Irrigation District of New Mexico.

H.R. 2580. March 1, 1979. Ways and Means. Amends the Tariff Schedules of the United States to suspend the duty on 2-Methyl, 4-chlorophenol.

H.R. 2581. March 1, 1979. Ways and Means. Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States. Sets forth formulas to be used in adjusting the annual aggregate quantity of meat imports. Directs the President to limit by proclamation the total quantity of meat imports. Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market. Directs the Secretary to report to Congress.

H.R. 2582. March 1, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 2583. March 1, 1979. Post Office and Civil Service. Discontinues payment of a civil service pension annuity to an annuitant who becomes employed as a justice or judge of the United States. Permits present or former justices or judges or the surviving spouses who voided the right to receive an annuity, having been refunded a lump-sum credit, to redeposit such refund and thereby reestablish eligibility to receive an annuity.

H.R. 2584. March 1, 1979. Post Office and Civil Service. States that a child must either be living with or receiving support contributions from a Federal employee or Member of Congress: (1) at the time of such employee's or Member's death in order to qualify for civil service survivor benefits; and (2) in order to qualify as a dependent child under Federal employee health benefit plans.

H.R. 2585. March 1, 1979. Interstate and Foreign Commerce. Amends the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1980 and 1981 for the following: (1) traffic and motor vehicle safety; (2) bumper standards; (3) automobile consumer information study; (4) diagnostic inspection demonstration projects; and (5) odometer requirements.

H.R. 2586. March 1, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act to authorize the Secretary of Energy to enter into contracts for the storage and disposal of spent nuclear fuels. Establishes a revolving fund within the Department of the Treasury for such purposes.

H.R. 2587. March 1, 1979. Judiciary. Sets forth procedures for Federal constitutional conventions with respect to: (1) applications; (2) calling; (3) delegates; (4) convening; (5) operation; (6) congressional approval; (7) ratification; and (8) judicial review of congressional determinations.

H.R. 2588. March 1, 1979. Agriculture; Interior and Insular Affairs; Interstate and Foreign Commerce; Merchant Marine and Fisheries. Transfers to the Secretary of Agriculture specified functions of the Departments of Commerce, of the Interior, and of Health, Education, and Welfare in order to permit him to coordinate, integrate, and administer programs conducive to: (1) increasing the production and improving the marketing and quality of food, fiber, and forest products; and (2) improving the economic condition of families engaged in farming. Creates an Under Secretary of Agriculture for Domestic Agricultural Affairs. Amends the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to create an Assistant Secretary of Agriculture for Science and Education.

H.R. 2589. March 1, 1979. District of Columbia; Post Office and Civil Service. Grants paid leave to any Federal or District of Columbia employee participating as a member of an official United States team in any world, Pan American, or Olympic competition.

H.R. 2590. March 1, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2591. March 1, 1979. Armed Services. Declares that no time limitation on the recommendation for or award of any military medal, decoration, or award shall be applicable in determining the eligibility of a named retired member of the Army Reserve for such award.

H.R. 2592. March 1, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2593. March 1, 1979. Judiciary. Authorizes classification of two individuals as children for purposes of the Immigration and Nationality Act.

H.R. 2594. March 1, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2595. March 1, 1979. Judiciary. Directs the Foreign Claims Settlement Commission to reopen and redetermine the claim of a named individual against the Government of Poland.

H.R. 2596. March 5, 1979. Judiciary. Permits Federal agencies to award fees and costs of participation of persons who contribute substantially to the agency's decision making process and whose interest in the outcome is comparatively small, or who could not participate but for such an award. Permits courts of the United States to award litigation costs to parties seeking judicial review of an agency's action if such person is afforded the relief sought, an important public purpose is served by such action, and such person's economic interest in the outcome is comparatively small or such person could not bring such action but for such award.

H.R. 2597. March 5, 1979. Ways and Means. Amends the Antidumping Act of 1921 to revise the procedure for determining whether imported goods are being sold at less than fair value and, if so, the special dumping duty to be imposed. Amends the Tariff Act of 1930 to revise the procedure for determining whether export bounties or grants are being paid, and, if so, the collection of countervailing duties. Permits actions in the U.S. Customs Court contesting any determinations relating to such import trade practices. Permits individuals injured by the importation or sale of goods at less than fair value to sue for treble damages.

H.R. 2598. March 5, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to include the Commonwealth of Puerto Rico in the definition of "State" for purposes of such Act.

H.R. 2599. March 5, 1979. Interstate and Foreign Commerce; Banking, Finance and Urban Affairs; Judiciary. Authorizes the creation of a corporation for profit to be known as the Energy Corporation of the Northeast, the members of which shall be States located in the Northeast. Authorizes the Corporation to participate in joint ventures with public or private groups to finance any project related to solving the energy needs of the Northeast.

H.R. 2600. March 5, 1979. Armed Services. Authorizes the Secretary of the Army with respect to the Army National Guard, and the Secretary of the Air Force with respect to the Air National Guard, to prescribe regulations for the accounting of property issued to the Guard and the fixing of responsibility for that property.

Sets forth the liability for the money value of such property which is lost, damaged, or destroyed.

H.R. 2601. March 5, 1979. Veterans' Affairs. Designates the proposed new Veterans' Administration medical center in Camden, New Jersey, as the "Carlton R. Routh Memorial Veterans' Medical Center."

H.R. 2602. March 5, 1979. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to institute a program of voluntary certification for health insurance policies sold in supplementation of medicare.

H.R. 2603. March 5, 1979. Armed Services. Authorizes the appropriation of funds for national security programs within the Department of Energy.

H.R. 2604. March 5, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 2605. March 5, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to disregard renewal commissions received by an insurance salesman from life insurance policies which such salesman sold before reaching age 65, for purposes of determining eligibility based on income for social security benefits.

H.R. 2606. March 5, 1979. Interstate and Foreign Commerce. Amends the Toxic Substance Control Act to extend the authorization of appropriations through fiscal year 1980.

H.R. 2607. March 5, 1979. Interior and Insular Affairs. Authorizes and directs the Secretary of the Interior to construct additional drainage facilities for the Kansas-Bostwick Unit, Pick-Solan Missouri Basin, to the extent necessary for crop production and prevention of damage by seepage on the nonirrigable lands on such unit.

H.R. 2608. March 5, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Authorizes appropriations for the Nuclear Regulatory Commission for fiscal years 1980 and 1981.

H.R. 2609. March 5, 1979. Interior and Insular Affairs. Amends the Colorado River Basin Salinity Control Act to provide for the power and energy requirements of the desalting plant. Sets forth provisions for the mitigation of fish and wildlife habitat losses.

Authorizes the Secretary of the Interior to enter into contracts for the delivery of water to U.S. municipal, industrial, and irrigation entities.

H.R. 2610. March 5, 1979. Interior and Insular Affairs; Agriculture; Public Works and Transportation. Amends the Water Resources Planning Act of 1965 to authorize appropriations through fiscal year 1981 for the Water Resources Council.

Revises the program to assist States in water resources planning to establish a program of assistance for State water management programs and water conservation technical assistance programs.

H.R. 2611. March 5, 1979. Interior and Insular Affairs. Amends the Energy Reorganization Act to provide for the licensing of high-level radioactive waste and spent fuel storage facilities.

H.R. 2612. March 5, 1979. Ways and Means. Amends the Trade Act of 1974 to revise the procedures for investigating unfair trade practices by making the Special Representative for Trade Negotiations responsible for conducting inquiries and investigations into and making determinations about such practices.

H.R. 2613. March 5, 1979. Judiciary. Requires specified organizations which employ lobbyists to register and file quarterly expense reports with the Comptroller General. Makes such reports available to the public. Establishes civil and criminal sanctions to enforce this Act.

H.R. 2614. March 5, 1979. Judiciary. Amends the Immigration and Nationality Act to make it unlawful to knowingly hire an alien not lawfully admitted into the United States. Requires that employees of the Department of Health, Education, and Welfare disclose the names of illegal aliens who are receiving assistance under the Social Security Act.

Makes punishable by a fine or imprisonment the making of false border crossing cards, alien registration receipt cards, and other documents used for entry into the United States.

H.R. 2615. March 5, 1979. Judiciary. Declares that the remarriage of a named individual shall be deemed to have occurred after age 60, for purposes of determining such individual's eligibility for widow's insurance benefits under the Social Security Act.

H.R. 2616. March 5, 1979. Judiciary. Directs the Secretary of the Treasury to pay a named corporation in satisfaction of a claim against the United States.

H.R. 2617. March 5, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2618. March 6, 1979. Government Operations. Establishes a preference for domestic products and materials in Government procurements and in procurements with Federal funds.

H.R. 2619. March 6, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to construct a dike for flood control along the Pawtucket River, Warwick, Rhode Island.

H.R. 2620. March 6, 1979. Interior and Insular Affairs; Science and Technology; Interstate and Foreign Commerce; Rules. Amends the Energy Policy and Conservation Act to establish a Helium Reserve to assure that adequate supplies of helium are available for future energy efficiency and conservation purposes.

Regulates shipment and sale of helium-bearing natural gas to provide for extracting the helium for storage and for nonwasteful uses of helium.

H.R. 2621. March 6, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to relocate a highway through Niobrara, Nebraska.

H.R. 2622. March 6, 1979. Education and Labor. Establishes a system of payments to or on behalf of textile workers who are totally disabled by or whose death was due to byssinosis (brown lung disease).

H.R. 2623. March 6, 1979. Post Office and Civil Service. Designates the Luther Burbank Shasta Daisy as the national flower of the United States.

H.R. 2624. March 6, 1979. Agriculture. Amends the Agriculture Act of 1949 to require the Secretary of Agriculture to proclaim a national program acreage for feed grains no later than October 1 (currently November 15) of each year for crops harvested in the next succeeding calendar year.

H.R. 2625. March 6, 1979. Government Operations. Amends the Freedom of Information Act to give courts jurisdiction to enjoin Federal agencies from withholding agency records and to revise certain procedures with respect to such Act.

H.R. 2626. March 6, 1979. Interstate and Foreign Commerce; Ways and Means. Directs the Secretary of Health, Education, and Welfare to establish voluntary limits on the annual increase in total hospital expenses and to provide for mandatory limits on such expenses to the extent that the voluntary limits are ineffective.

Imposes an excise tax on a hospital or a private cost payer with respect to excess reimbursement to such hospital.

Establishes a National Commission on Hospital Cost Containment to advise the Secretary with respect to this Act and hospital costs.

H.R. 2627. March 6, 1979. Ways and Means. Terminates the coverage of police officers of the Massachusetts Bay Transportation Authority under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act.

H.R. 2628. March 6, 1979. Armed Services. Revises the special pay structure for medical officers of the armed forces to make variable incentive pay available to all active duty medical officers.

H.R. 2629. March 6, 1979. Armed Services. Amends the Uniform Code of Military Justice to require the Judge Advocate General of each armed force to establish (1) one or more general court-martial districts for that armed force; and (2) one or more special court-martial judicial districts for that armed force. Revises the classification and jurisdiction of courts-martial.

Sets forth provisions concerning: (1) rights of the accused; (2) composition of courts-martial; (3) pre-trial procedure; (4) trial procedure; (5) appeals; (6) sentence; and (7) clemency.

Authorizes cases in the United States Court of Military Appeals to be reviewed by the Supreme Court of the United States by writ of certiorari.

H.R. 2630. March 6, 1979. Banking, Finance and Urban Affairs. Amends the Fair Credit Reporting Act to revise the limitations on preparing and using consumer reports. Limits the disclosure of medical information to consumer reporting agencies. Requires notification of consumers of the use of adverse information. Establishes minimum liability for the willful, knowing, or negligent noncompliance with this Act.

H.R. 2631. March 6, 1979. Banking, Finance and Urban Affairs. Amends the National Flood Insurance Act of 1968 to include in the flood insurance program protection against property damage caused by the movement of frozen water.

H.R. 2632. March 6, 1979. Education and Labor. Amends the Older Americans Act by establishing in any State real property tax relief programs by the Secretary of Health, Education, and Welfare for qualifying persons age 65 or older.

H.R. 2633. March 6, 1979. Interstate and Foreign Commerce. Amends the Investment Company Act of 1940 to exempt companies which are, or hold themselves out as being engaged solely in the business of investing, reinvesting, or trading in new business securities from the terms of such Act.

H.R. 2634. March 6, 1979. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to classify automated blood pressure machines as class II medical devices under the Food, Drug, and Cosmetic Act.

H.R. 2635. March 6, 1979. Judiciary. Repeals the McCarran-Ferguson Act which provides exemptions from the antitrust laws for the business of insurance.

H.R. 2636. March 6, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to authorize grants to any State, municipality, or intermunicipal or interstate agency for the costs of operation and maintenance of publicly owned treatment works.

H.R. 2637. March 6, 1979. Ways and Means. Amends the Internal Revenue Code to: (1) increase the corporate surtax exemption; (2) provide for the nonrecognition of gain from the sale of certain new small business stock; (3) permit certain small businesses to grant tax-qualified stock options; and (4) increase the amount of loss of small business corporation stock which may be treated as ordinary, rather than capital, loss.

H.R. 2638. March 6, 1979. Ways and Means. Amends the Railroad Retirement Act and title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to exempt individuals suffering from multiple sclerosis from the requirement that an individual be entitled to disability benefits for at least 24 consecutive months in order to qualify for hospital insurance benefits under the Medicare program.

H.R. 2639. March 6, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the portion of real property taxes which are allocable to the construction, maintenance, or finance costs of sewage treatment plants.

H.R. 2640. March 6, 1979. Banking, Finance and Urban Affairs; Science and Technology; Rules. Creates the National Science and Technology Corporation to guarantee and make loans to promote and advance basic and applied research and development in scientific and technological areas determined to be of critical national concern, and to provide assistance for the commercialization and adaptation of federally developed technologies.

H.R. 2641. March 6, 1979. Judiciary. Amends the Civil Rights Act of 1957 to authorize appropriations for the Civil Rights Commission.

H.R. 2642. March 6, 1979. Public Works and Transportation. Modifies the Theodore Ship Channel navigation project, Alabama, to provide for non-Federal contribution to the costs of spoil sites unless specified circumstances exist.

H.R. 2643. March 6, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish a cemetery in Delaware to be part of the National Cemetery System.

H.R. 2644. March 6, 1979. Ways and Means. Amends the Revenue Act of 1978 to exempt the investment tax credit for single purpose agricultural or horticultural structures from any law or rule of law which may limit or prevent its applicability in taxable years in which such credit is allowed.

H.R. 2645. March 6, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to include all Members of Congress and other officers and employees in the Legislative branch of the Government under the Federal Old-Age, Survivors and Disability Insurance system.

H.R. 2646. March 6, 1979. Ways and Means; Rules. Amends the Second Liberty Bond Act and the Congressional Budget Act of 1974 to require the concurrent resolution on the budget to establish the public debt ceiling.

H.R. 2647. March 6, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to require any regulations which require a gasoline station to offer unleaded gasoline to instead require sale of a blend of unleaded gasoline and alcohol.

H.R. 2648. March 6, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to elect an income tax deduction with respect to the amortization, based on a 60-month period, of any qualified facility producing alcohol from coal or biomass for primary use as a substitute for fuel.

H.R. 2649. March 6, 1979. Ways and Means. Amends part D (Child Support and Establishment of Paternity) of Title IV of the Social Security Act to continue funding of child support collection and paternity determination services.

Amends the Internal Revenue Code to include as eligible employees under the Work Incentive Program of title IV of the Social Security Act, for the purpose of determining the tax credit, authorized for employees under work incentive programs, employees whose employment consists of services performed in connection with a child day care program.

Makes technical and conforming amendments to title XX (Grants to States for Services) of the Social Security Act.

H.R. 2650. March 6, 1979. Ways and Means. Increases the rate of tax on wages and self-employment income under the Internal Revenue Code.

Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to permit the making of loans among the Trust Funds under such title.

Amends such title to: (1) include Federal employees within the coverage of such title; (2) establish a working spouse's benefit; (3) eliminate gender-based distinctions in awarding benefits; and (4) increase the amount which an individual may earn without a reduction in benefits.

H.R. 2651. March 6, 1979. Ways and Means. Amends the Tariff Schedules of the United States to extend the duty-free entry of feathers and down.

H.R. 2652. March 6, 1979. Armed Services. Stipulates that in the event that a member of a reserve component of the armed forces who is involuntarily released from active duty and receives readjustment may become eligible for retired pay at a later date that member may receive that part of his retired pay which is not attributable to the service for which the readjustment pay was based while the readjustment pay is being recouped through deductions in retired pay.

H.R. 2653. March 6, 1979. Judiciary. Specifies that each State entitled to more than one Representative in the 98th or any subsequent Congress shall establish a number of districts equal to the number of Representatives to which that State is entitled.

Requires a redistricting commission to be established in such State to prepare a redistricting plan.

H.R. 2654. March 6, 1979. Armed Services. Authorizes the enlistment of citizens of the Northern Mariana Islands into the Armed

Forces of the United States if such an individual indicates in writing an intent to become a citizen, and not a national, of the United States upon the full implementation of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

H.R. 2655. March 6, 1979. Government Operations. Establishes a preference for domestic products and materials in Government procurements and in procurements with Federal funds.

H.R. 2656. March 6, 1979. Ways and Means. Amends Title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that any individual who is entitled to a monthly benefit under such title for the month preceding the month in which such eligible individual dies shall be entitled for the month in which he dies to a prorated benefit based upon a specified formula.

H.R. 2657. March 6, 1979. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of General Casimir Pulaski and Americans of Polish descent.

H.R. 2658. March 6, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to terminate the authority of the Secretary of the Treasury to require the delivery of all gold coins, gold bullion, and gold certificates held in the private sector to the Treasurer of the United States.

H.R. 2659. March 6, 1979. Judiciary. Amends the Federal Tort Claims Act to establish an exclusive constitutional tort remedy against the United States for an act of a Governmental employee which the Attorney General certifies was within the scope of this office or employment.

Authorizes an administrative disciplinary inquiry into the conduct of a defendant employee responsible for a claim under such Act.

H.R. 2660. March 6, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to require States having agreements for coverage of their employees under the system of insurance established by such title to make payments and reports on a calendar-quarter basis.

H.R. 2661. March 6, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to stone mining or sand and gravel mining operations.

H.R. 2662. March 6, 1979. Post Office and Civil Service. Amends the Defense Department Overseas Teachers Pay and Personnel Practices Act regarding Department of Defense overseas dependents schools to limit the term of teaching positions and their travel and quarters allowance benefits for teachers who are recruited outside the United States.

H.R. 2663. March 6, 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 62 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act. Entitles such households to a medical expense deduction.

H.R. 2664. March 6, 1979. Judiciary. Grants a Federal charter to the Gold Star Wives of America.

H.R. 2665. March 6, 1979. Public Works and Transportation. Authorizes the Secretary of Transportation to make grants for projects to separate rail highway crossings where there is a substantial increase in use of those rail facilities to help meet national energy requirements and where such continued use will result in substantial delays in highway travel.

H.R. 2666. March 6, 1979. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to establish an endowment under the control of the American Council of Learned Societies.

H.R. 2667. March 6, 1979. Ways and Means. Amends the Internal Revenue Code to extend the period during which an individual must purchase a new residence for nonrecognition of gain on the sale of an old residence in the case of members of the armed forces who are stationed overseas or who are required to reside in Government-owned quarters.

H.R. 2668. March 6, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2669. March 6, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2670. March 6, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2671. March 6, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2672. March 6, 1979. Judiciary. Declares a named individual, a former member of the Minnesota Army National Guard, to have been disabled in the line of duty from specified injuries, for purposes of a personal injury claim against the United States. Allows such claim to be brought within two years. Waives the limitation on the size of amount payable to settle such claim.

H.R. 2673. March 6, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2674. March 7, 1979. Interior and Insular Affairs. Directs the Administrator of Veterans' Affairs to establish within the National Cemetery System a national cemetery in Russell County, Alabama, to be known as the Fort Mitchell Regional Veterans' Cemetery.

H.R. 2675. March 7, 1979. Veterans' Affairs. Requires that veterans receiving hospital, nursing home, or outpatient medical care from the Veterans Administration (VA) for non-service-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State.

Provides that where such non-VA coverage is less than the total charge for such medical care provided to an eligible veteran, the veteran shall not be responsible for the difference.

H.R. 2676. March 7, 1979. Science and Technology. Authorizes appropriations for environmental research, development, and demonstrations for fiscal year 1980.

H.R. 2677. March 7, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetric Act to allow the use of a food additive found to induce cancer in animals if the Secretary of Health, Education, and Welfare determines that such food additive does not present a significant risk to human health.

H.R. 2678. March 7, 1979. Armed Services. Authorizes the enlistment of citizens of the Northern Mariana Islands into the Armed Forces of the United States if such an individual indicates in writing an intent to become a citizen, and not a national, of the United States upon the full implementation of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

H.R. 2679. March 7, 1979. Post Office and Civil Service. Directs the Postal Service to submit to Congress (rather than the Postal Rate Commission) any proposed change in the nature of postal service which would have nationwide impact. States that such change shall not become effective if disapproved by either House of Congress within 60 days after submission.

H.R. 2680. March 7, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to permit reimbursement through the Federal Disability Insurance Trust Fund to private physicians for services in supplying medical evidence of record needed to evaluate claims for social security disability benefits under this title.

H.R. 2681. March 7, 1979. Veterans' Affairs. Designates the Veterans' Administration-University of California, San Francisco Medical School medical education building to be located on the grounds of the Veterans' Administration Hospital, Fresno, California, as the "Milo E. Rowell Medical Education Building."

H.R. 2682. March 7, 1979. Education and Labor; Interstate and Foreign Commerce; Judiciary. Authorizes the Secretary of Health, Education, and Welfare, acting through the Director of the National Institute of Mental Health, to: (1) establish a grant program to support projects which develop methods for the identification, prevention, and treatment of domestic violence; and (2) review existing State laws, practices, and policies relating to domestic violence.

H.R. 2683. March 7, 1979. Interstate and Foreign Commerce. Creates an Electric Energy Office in the Federal Power Commission to establish and enforce national minimum standards for electric utility rates to be binding upon all utilities and regulatory agencies. Requires that utility rate structures be designed so as to provide lower rates for residential and small business users and to penalize wasteful consumption of electric energy.

H.R. 2684. March 7, 1979. Ways and Means. Amends the Child Welfare Services Provisions of the Social Security Act to require States receiving payments to develop an individualized case plan for each child receiving foster care and to establish procedures for an impartial review of each such plan.

Amends part A (Aid to Families With Dependent Children) to stipulate that the voluntary removal of a child from a relative's home, shall be considered to have been the result of a judicial determination if an impartial review has been made and such child is determined to need foster care.

H.R. 2685. March 7, 1979. Public Works and Transportation. Modifies the Royal River, Maine, navigation project to provide for Federal payment of all the dredging costs.

H.R. 2686. March 7, 1979. Public Works and Transportation. Amends the Tennessee Valley Authority Act to increase the amount of bonds which may be issued by the Tennessee Valley Authority.

H.R. 2687. March 7, 1979. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 2688. March 7, 1979. Ways and Means. Amends the Internal Revenue Code to reduce temporarily the excise tax on air transportation of persons and property.

H.R. 2689. March 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 2690. March 7, 1979. Interior and Insular Affairs. Designates certain lands within the Kisatchie National Forest in Louisiana as wilderness.

H.R. 2691. March 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment under the medicare program for the trimming of club nails and cutting and removal of corns, warts, and calluses.

H.R. 2692. March 7, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 2693. March 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow a deducation to any business enterprise engaged in the manufacture, importation, distribution, lease, or sale of any product for contributions to its product liability trust accounts and for amounts paid to a captive insurer (wholly or partially-owned by the taxpayer) for product liability insurance.

H.R. 2694. March 7, 1979. Foreign Affairs. Repeals the mandatory retirement provisions applicable to certain Foreign Service personnel.

H.R. 2695. March 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, refundable income tax credit for household expenses to any taxpayer who maintains a household in which a dependent aged 65 or over resides.

H.R. 2696. March 7, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to lower the age at which specified railroad employees, their spouses, or their surviving spouses are entitled to an annuity from age 60 to age 55.

H.R. 2697. March 7, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to redefine regionally available coal or coal derivatives.

H.R. 2698. March 7, 1979. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to terminate, beginning with fiscal year 1980, the State government share of revenue sharing funds without affecting the local government share.

H.R. 2699. March 7, 1979. Judiciary. Authorizes a United States district court to refer to arbitration certain civil cases pending before it. Sets forth arbitration procedures and provides for the repeal of this Act effective five years from the date of enactment.

H.R. 2700. March 7, 1979. Judiciary. Limits the circumstances under which parties have a right to appeal cases to the United States Supreme Court.

H.R. 2701. March 7, 1979. Interior and Insular Affairs. Establishes an administrative procedure and guidelines to be followed by a newly created office of the Department of the Interior in determining whether or not Indian Tribes shall be granted Federal recognition.

H.R. 2702. March 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax, estate tax, or gift tax deduction for contributions to the United Nations.

H.R. 2703. March 7, 1979. Ways and Means. Amends the Tariff Schedules of the United States to permit the duty-free entry of certain dyeing and tanning products.

H.R. 2704. March 7, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to direct the President to implement a new enhanced civil defense program.

H.R. 2705. March 7, 1979. Foreign Affairs. Amends the Agricultural Trade Development and Assistance Act of 1954 to condition the use of agricultural commodities on the need of the recipient country and for the benefit of the poor. Permits the value of the commodities to be applied against the repayment obligation of the recipient country. Directs the President to give special consideration to expanding the markets for local foodstuffs.

H.R. 2706. March 7, 1979. Judiciary. Amends the Copyright Act to provide for the protection of original ornamental designs of useful articles.

H.R. 2707. March 7, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to prohibit cost-of-living increases received under a State's workmen's compensation plan from reducing OASDI benefits. Repeals the title II provision which provides that a reduction of benefits due to receipt of workmen's compensation shall not be made if the State's workmen's compensation plan permits a reduction in workmen's compensation based on receipt of OASDI disability insurance benefits.

H.R. 2708. March 7, 1979. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to terminate, beginning with fiscal year 1980, the State government share of revenue sharing funds without affecting the local government share.

H.R. 2709. March 7, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who as of January 1, 1975, had current connections with the railroad industry, had at least five years of service, and who had attained 65 years of age.

H.R. 2710. March 7, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to convey to the City of Nenana, Alaska, all interests of the United States in specified municipal reserves, streets, and alleys.

H.R. 2711. March 7, 1979. Judiciary. Directs the Secretary of the Treasury to pay two named individuals, chief of the Tribal Council of the Alabama Coushatta Tribes of Texas and chairman of the Tribal Council of the Coushatta Tribe of Louisiana, respectively, for the benefit of and distribution to themselves and all other enrolled members of such tribes, in full settlement of specified claims against the United States.

H.R. 2712. March 7, 1979. Judiciary. Directs the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 2713. March 7, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2714. March 7, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 2715. March 7, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 2716. March 7, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 2717. March 7, 1979. Judiciary. Directs the payment of a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2718. March 7, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2719. March 7, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2720. March 7, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2721. March 7, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to convey to a named individual, without consideration, all right, title, and interest of the United States in and to certain real property.

H.R. 2722. March 7, 1979. Judiciary. Directs the classification of a named individual as the alien son of a named lawful permanent resident of the United States.

H.R. 2723. March 7, 1979. Judiciary. Declares that a named retired Coast Guard Reserve officer shall be deemed to have performed active service for a specified period, for retired pay entitlement determination purposes.

H.R. 2724. March 8, 1979. Ways and Means. Amends title XX (Grants to States for Services) of the Social Security Act to: (1) increase the ceiling on the total amount allocable to the States for social services; (2) require the involvement of local officials in the formulation of a statewide services program plan; (3) make permanent the special provisions pertaining to child day care services and the care of alcoholics and drug addicts; (4) authorize funds for the emergency shelter of adults in danger of physical or mental abuse; and (5) authorize appropriations for Guam, Puerto Rico, the Northern Mariana Islands, and the Virgin Islands.

H.R. 2725. March 8, 1979. Small Business. Amends the Small Business Act to restrict the authority of the Small Business Administration to deny financial assistance to a small business concern solely because the primary business operation of such concern is publication or distribution of published materials, broadcasting, instruction or tutoring academic subjects, or any other similar operations.

H.R. 2726. March 8, 1979. Education and Labor; Interstate and Foreign Commerce. Establishes a Federal Boxing Board in the Department of Labor to regulate professional boxing matches held in the United States.

H.R. 2727. March 8, 1979. Ways and Means. Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States. Directs the President to limit by proclamation the total quantity of meat imports in specified circumstances. Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market.

H.R. 2728. March 8, 1979. Agriculture. Amends the Agriculture Act of 1949 to require the Secretary of Agriculture to announce a set-aside of feed grain cropland, if appropriate, no later than October 15 (currently November 15) of each calendar year for the crop harvested in the next calendar year.

H.R. 2729. March 8, 1979. Science and Technology. Authorizes appropriations for specified activities of the National Science Foundation for fiscal year 1980.

Directs the Foundation to: (1) develop suitable measures or indicators of the status of instrumentation in the United States; and (2) conduct a Flood Hazard Mitigation Study.

H.R. 2730. March 8, 1979. Armed Services. Revises the rule for recomputation of military retired or retainer pay to reflect active duty service after becoming entitled to such pay.

H.R. 2731. March 8, 1979. Armed Services. Revises the rule for recomputation of military retired or retainer pay to reflect later active duty with respect to later active duty performed between October 1, 1963, and October 1, 1973. Stipulates that such computations shall be made under the rates of basic pay in effect at the time of release from active duty.

H.R. 2732. March 8, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to construct the flood control project for Saint John's Bayou and New Madrid Floodway, Missouri. Authorizes the use of funds to acquire mitigation lands.

H.R. 2733. March 8, 1979. Banking, Finance and Urban Affairs. Amends the Housing Act of 1964 to authorize appropriations for rehabilitation loans.

H.R. 2734. March 8, 1979. Interstate and Foreign Commerce. Amends the Public Utility Regulatory Policies Act to prohibit an electric or gas utility from terminating electric or natural gas service to any residential consumer without the consent of such consumer.

H.R. 2735. March 8, 1979. Post Office and Civil Service; Government Operations. Amends the Intergovernmental Personnel Act of 1970 to authorize the Office of Person nel Management to make grants to State and local governments to develop programs for improving the productivity of such governments.

H.R. 2736. March 8, 1979. Education and Labor. Amends the Elementary and Secondary Education Act to treat Puerto Rico on the same basis as a State for certain program allocations under such Act.

H.R. 2737. March 8, 1979. Ways and Means. Amends the Internal Revenue Code to qualify expenditures for woodburning stoves for the 15 percent residential energy conservation credit.

H.R. 2738. March 8, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Terminates any hunting or fishing rights which the Ottawa, Chippewa, Pottawatamie, or Menominee Indians of Michigan may have under treaties with the United States.

Directs the Secretary of the Interior to compensate such tribes for the loss of such rights.

Grants the State of Michigan the right to enact and enforce laws pertaining to the conservation of wildlife and game as they relate to members of Indian tribes on or off reservation lands.

H.R. 2739. March 8, 1979. Judiciary. Imposes criminal penalties for anyone robbing a pharmacy of any controlled substance.

H.R. 2740. March 8, 1979. Education and Labor. Establishes a system of payments to or on behalf of workers who are disabled by or whose death was due to asbestos-related diseases.

H.R. 2741. March 8, 1979. Interstate and Foreign , Commerce. Amends the Federal Power Act to exclude a wholesale seller of electric energy from Federal Power Commission ratemaking jurisdiction solely because its facilities are connected to another facility that generates, transmits, or sells electricity without regard to whether the latter facility is subject to such jurisdiction.

H.R. 2742. March 8, 1979. Interior and Insular Affairs. Amends the Act establishing the Indiana Dunes National Lakeshore to dedicate such lakeshore to the memory of Paul H. Douglas. Makes other specified dedications.

Establishes the Indiana Dunes National Lakeshore Communities Council.

H.R. 2743. March 8, 1979. Science and Technology. Establishes a national policy for materials research and development and a program to promote the materials research and development capability and performance of the United States.

H.R. 2744. March 8, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 2745. March 8, 1979. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 2746. March 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, refundable income tax credit for health insurance premiums paid during the taxable year.

H.R. 2747. March 8, 1979. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to establish standards for regulation by the Federal Reserve Board of bank acquisitions by bank holding companies and authorized bank related activities by bank holding companies, national banks, and District banks.

H.R. 2748. March 8, 1979. Post Office and Civil Service. Sets the maximum average work week for Federal firefighters at 56 hours. Entitles such firefighters to premium pay in lieu of overtime pay equal to up to 25 percent of their basic pay rate.

H.R. 2749. March 8, 1979. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay (in addition to any pension already paid) a monthly pension to each veteran of World War I who meets specified service requirements, or to the surviving spouse of each such veteran, or when there is no surviving spouse, to the child or children of each such veteran.

H.R. 2750. March 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 2751. March 8, 1979. Veterans' Affairs. Establishes the Office of Assistant Chief Medical Director for Geriatrics and Extended Care within the Office of the Chief Medical Director in the Veterans' Administration. Directs the Administration of Veterans' Affairs to designate 20 Veterans' Administration hospitals as geriatrics centers. Establishes a Geriatrics and Extended Care Task Force Within the Veterans' Administration.

H.R. 2752. March 8, 1979. Veterans' Affairs. Requires that each person insured under a Veterans' Administration life insurance policy redeclare the beneficiary of such policy every five years. Permits a beneficiary under such policy to change the mode of payment after the death of the insured.

H.R. 2753. March 8, 1979. Interstate and Foreign Commerce. Prohibits an organization of rail carriers from engaging in any joint action which results in a rate increase unless shippers are notified and given an opportunity to comment on the increases before they are filed with the Interstate Commerce Commission.

Requires any rail carrier subject to the jurisdiction of the Commission to balance any proposed rate increase based on seasonal or peak-period demand for rail services with an appropriately reduced off-peak rate so that the net result is that no person who ships or receives goods year-round will be subjected to a fare increase.

H.R. 2754. March 8, 1979. Post Office and Civil Service. States that if the Secretary of Commerce revises the criteria for determining standard metropolitan statistical areas, Federal agencies shall collect data on, and provide benefits to such revised areas to the same extent as such services were performed for standard areas prior to such revision.

H.R. 2755. March 8, 1979. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to suspend payment of the State government share of revenue sharing funds beginning in fiscal year 1980.

H.R. 2756. March 8, 1979. Post Office and Civil Service. Includes service as a National Guard technician prior to January 1, 1969, as creditable service for purposes of civil service retirement.

H.R. 2757. March 8, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to conduct a feasibility study of the Yakima River Basin Water Enhancement Project, Washington.

H.R. 2758. March 8, 1979. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to suspend payment of the State government share of revenue sharing funds beginning in fiscal year 1980.

H.R. 2759. March 8, 1979. Foreign Affairs; Interior and Insular Affairs; Merchant Marine and Fisheries; Ways and Means. Disclaims extraterritorial sovereignty by the United States over deep seabeds.

Requires exploration or commercial recovery of deep seabeds to be licensed in accordance with this Act. Directs the Secretary of Commerce to administer this Act, and to enforce civil and criminal penalties established herein.

Sets forth the effects of subsequent international agreements upon such licenses.

Imposes a tax on the removal of hard mineral resources from the deep seabed.

Establishes a Deep Seabed Revenue Sharing Trust Fund in the United States Treasury.

H.R. 2760. March 8, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 2761. March 8, 1979. Veterans' Affairs. Designates the Veterans Administration medical center located in Albuquerque, New Mexico, as the "Joseph M. Montoya Veterans' Medical Center."

H.R. 2762. March 8, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 to direct the Chairman of the Nuclear Regulatory Commission to notify the Governor and other State officials, or the Tribal Council of any affected Indian tribe, of its intent to explore a site for a radioactive waste storage and disposal facility to be selected within such State or tribal lands.

Directs the Chairman to establish a Federal and State Radioactive Materials Management Commission upon the request of such Governor or Tribal Council.

H.R. 2763. March 8, 1979. Banking, Finance and Urban Affairs; Judiciary. Establishes an Interagency Committee on Arson Control to coordinate Federal anti-arson programs.

Amends the Omnibus Crime Control and Safe Streets Acts of 1968 to assist State and local governments in preventing, detecting, and controlling arson.

Amends the Urban Property and Reinsurance Act of 1968 to revise the requirements of fair access to insurance plans with respect to arson information.

H.R. 2764. March 8, 1979. Government Operations. Requires the Administrator of General Services, where a specified amount of land within a State, local governmental unit, Puerto Rico, Guam, or the Virgin Islands is Federal repeal property, to pay to such unit amounts equivalent to the property taxes which would have been collected had the property been privately owned.

H.R. 2765. March 8, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend the authorization of appropriations through fiscal year 1981 for assisting safe drinking water programs.

H.R. 2766. March 8, 1979. Interstate and Foreign Commerce. Amends the Department of Transportation Act to require the Secretary of Transportation to provide loans or loan guarantees for rail freight assistance programs where rail operations on a main-line of a railroad serving agricultural producing and marketing activities in the northern tier of States have been classified as potentially subject to abandonment.

Requires the Secretary to establish a corrective action Task Force to develop and stimulate programs to encourage joint self-help efforts at the State and local levels to improve the economic health of light density lines of railroads.

H.R. 2767. March 8, 1979. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to increase the aggregate sum available for payment of employee pension benefits under such Act for the period of April 1, 1976, to September 30, 1979. Provides for a decrease in such aggregate sum for each successive fiscal year, through September 30, 1982.

H.R. 2768. March 8, 1979. Post Office and Civil Service. Prohibits the revenues received from postal rates for certain mail matter from exceeding the postal costs attributable to such mail. Requires rates for nonadvertising portions of mail matter to be based solely on weight.

H.R. 2769. March 8, 1979. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibitions against voting qualifications, prerequisites, tests, or devices which abridge the right to vote of a citizen who is a member of a language minority.

Repeals the requirement that States and other political subdivisions make available registration and voting materials and voting assistance in languages other than English.

H.R. 2770. March 8, 1979. Ways and Means. Amends the Internal Revenue Code to: (1) provide for the establishment of tax-exempt independent local newspaper advance estate tax trusts to facilitate payment of the estate tax imposed upon the estate of a decedent who owned an interest in an independent local newspaper; (2) exclude from the decedent's gross estate his interest in an independent local newspaper and any estate tax payments made by the estate tax trust; and (3) permit the executor of an estate which includes an interest in an independent local newspaper to pay the estate tax in installments.

H.R. 2771. March 8, 1979. Interior and Insular Affairs. Renames the Paletto Bend Reservoir, Texas, as Lake Texana.

H.R. 2772. March 8, 1979. Public Works and Transportation. Modifies the channel diversion project for the Colorado River, Texas, to provide for construction and maintenance entirely at Federal expense.

H.R. 2773. March 8, 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 65 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act. Entitles such households to a medical or dental expense deduction.

H.R. 2774. March 8, 1979. Foreign Affairs. Amends the Arms Control and Disarmament Act to authorize appropriations through fiscal year 1981 for the Arms Control and Disarmament Agency. Continues the authority of the Agency Director to fix the compensation of employees, without regard to certain statutory provisions with certain limitations. Authorizes the Director to make grants for education and training in arms control disarmament matters.

H.R. 2775. March 8, 1979. Ways and Means. Amends the program of Aid to Families with Dependent Children (AFDC) established by Part A of title IV of the Social Security Act to establish a new formula for determining the amount of the Federal payment to each State for amounts expended by a State under such program.

H.R. 2776. March 8, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to carry out a demonstration project for the removal of silt and other materials from Lake George and a portion of Deep River, Indiana.

H.R. 2777. March 8, 1979. Public Works and Transportation. Amends the Interstate Commerce Act to designate motor vehicles operated by an owner or a nonowner accompanied by an owner as an exempted category under such Act. Prohibits any driver of a motor vehicle coming under such exemption to charge less than the lowest rate, fare, or charge specified in tariffs or schedules on file with the Interstate Commerce Commission for identical or similar commodities between identical or similar points.

H.R. 2778. March 8, 1979. Interstate and Foreign Commerce. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to eliminate the limitation on Federal contributions used to improve the nonoperational portions of stations used in intercity rail passenger service and of related facilities and fencing within the Northeast Corridor improvement project.

Increases the amount authorized to be appropriated to effectuate such improvements.

H.R. 2779. March 8, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 2780. March 8, 1979. Judiciary. Authorizes the granting of a visa and admission of a named individual to the United States for permanent residence.

H.R. 2781. March 8, 1979. Judiciary. Directs the inclusion of specified periods and types of service of a named individual in computing such individual's length of service in the Coast Guard.

H.R. 2782. March 8, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 2783. March 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2784. March 8, 1979. Judiciary. Allows a named individual credit for service during a specified period for civil service retirement purposes.

H.R. 2785. March 8, 1979. Armed Services. Declares that a specified provision concerning length of active duty service and level of pay grade shall not apply in determining the eligibility of a named individual member of the Armed Forces for selection for law school training.

H.R. 2786. March 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2787. March 8, 1979. Merchant Marine and Fisheries. Permits the importation of a certain item, for noncommercial purposes only, by a named individual.

H.R. 2788. March 8, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2789. March 8, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 2790. March 12, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to allow the first sale of deep stripper well crude oil to be exempt from price regulation under such Act. Requires a well to be produced at the maximum feasible rate throughout a 12-month period in order to qualify for such exemption.

H.R. 2791. March 12, 1979. Public Works and Transportation. Modifies the Irondequoit Bay navigation project, New York, to: (1) delete the construction of a movable railroad bridge; and (2) provide for exclusive Federal financing of a highway bridge.

H.R. 2792. March 12, 1979. Banking, Finance and Urban Affairs. Establishes minimum national standards for disclosure and consumer protection in the condominium industry.

Provides remedies for condominium owners with respect to matters such as self-dealing or unconscionable contracts.

H.R. 2793. March 12, 1979. Armed Services. Repeals the per diem compensation limitation for members of the Naval Research Advisory Committee.

H.R. 2794. March 12, 1979. Armed Services. Authorizes the appropriation of funds for national security programs within the Department of Energy.

H.R. 2795. March 12, 1979. Interstate and Foreign Commerce. Amends the International Travel Act of 1961 to authorize additional appropriations for fiscal year 1980.

Directs the Secretary of Commerce to reduce the number of employees in the offices of the United States Travel Service in the offices of such Service in the District of Columbia.

H.R. 2796. March 12, 1979. Science and Technology. Repeals the Metric Conversion Act of 1975, which establishes the United States Metric Board, in order to facilitate voluntary conversion to the use of the metric system of measurement.

H.R. 2797. March 12, 1979. Ways and Means. Makes technical corrections to provisions of the Revenue Act of 1978, the Tax Reform Act of 1976, the Foreign Earned Income Act of 1978, the Black Lung Benefits Revenue Act of 1977, and the Energy Tax Act of 1978.

H.R. 2798. March 12, 1979. Interstate and Foreign Commerce. Prohibits any electric or gas utility from imposing any rate on any residential consumer which is higher than the rate imposed on any other residential consumer because of the use of energy conservation or alternative energy sources.

H.R. 2799. March 12, 1979. Agriculture; Interior and Insular Affairs. Authorizes the Secretaries of Agriculture and of the Interior to set aside a fair proportion of the total sales of timber from Federal lands for preferential award to small wood products concerns.

H.R. 2800. March 12, 1979. Judiciary. Declares that a named retired Air Force officer shall be considered to have been promoted to specified ranks at specified times, for the purpose of computing salary, retired pay, allowance and all other related rights. Directs: (1) the payment to such individual the difference in salary and retired pay to which he would have been entitled if he had been so promoted; and (2) the prospective adjustment of his retired pay.

H.R. 2801. March 12, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2802. March 13, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to relocate the water supply intake facility on the Missouri River at Springfield, South Dakota.

H.R. 2803. March 13, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to construct a pumped-storage hydroelectric facility as part of the Fort Randall Dam project, South Dakota.

H.R. 2804. March 13, 1979. Government Operations; Rules. Amends the Budget and Accounting Act, 1921, to require the President to submit a report on anticipated Federal revenues with the annual budget.

Amends the Congressional Budget Act of 1974 to require the Congress to establish a ceiling on Federal revenues for each fiscal year in a concurrent resolution on taxes prior to the consideration of the first concurrent resolution on the budget.

H.R. 2805. March 13, 1979. Judiciary; Post Office and Civil Service; Rules. Amends the Ethics in Government Act of 1978 to revise certain financial disclosure requirements of Federal employees.

Exempts from certain disclosure requirements: (1) individuals not employed for more than 60 days per year; and (2) gifts received in a period when the reporting individual was not a Federal employee.

H.R. 2806. March 13, 1979. Judiciary. Establishes an additional judicial district, the Southwestern District, in California.

H.R. 2807. March 13, 1979. Judiciary. Amends the Bankruptcy Act to prohibit the discharge of any federally insured or guaranteed student loan prior to five years from the commencement of the repayment period for such loan unless the court determines that repayment from future income will impose an undue hardship on the bankrupt or the bankrupt's dependents.

H.R. 2808. March 13, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to establish a Drug Benefit Program for the Aged to pay for prescription drugs from participating pharmacies.

H.R. 2809. March 13, 1979. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to limit bank holding companies in selling insurance as principals, agents, or brokers.

H.R. 2810. March 13, 1979. Veterans' Affairs. Includes the remarried surviving spouse of a deceased veteran among those persons eligible for interment in a national cemetery.

H.R. 2811. March 13, 1979. Public Works and Transportation. Terminates the Meramec Park Lake, Missouri, flood control project. Directs the Secretary of the Army, through the Chief of Engineers, to report to Congress concerning the disposition and future utilization of the project's land and structures.

H.R. 2812. March 13, 1979. Interstate and Foreign Commerce. Prohibits the sale of beverage containers without a minimum refund value of five cents. Requires labeling of refund values on all such containers. Prohibits the sale of metal beverage containers with detachable openings.

H.R. 2813. March 13, 1979. Ways and Means. Amends the Internal Revenue Code to provide a limited income tax exclusion for public retirement benefits attributable to service performed as a police officer, or firefighter.

H.R. 2814. March 13, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to correct erosion problems along the banks of the Coosa River, Alabama, in order to protect the Fort Toulouse National Historic Landmark and Taskigi Indian Mound.

H.R. 2815. March 13, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize the President to furnish assistance to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources.

H.R. 2816. March 13, 1979. Judiciary. Amends the Immigration and Nationality Act to (1) redefine "refugee" for purposes of such Act; (2) establish a new procedure for the admission of refugees, including unforeseen emergency refugee admissions; (3) eliminate the two year conditional status for normal refugee admissions; and (4) authorize the adjustment of status of certain resident alien refugees and their families to permanent resident status, and to allow such adjustment to operate retroactively.

Amends the Migration and Refugee Assistance Act of 1962 with regard to specified refugee resettlement, employment, education, medical and welfare assistance. Increases the authorized level of the Emergency Refugee and Migration Assistance Fund to $50,000,000.

H.R. 2817. March 13, 1979. Armed Services. Entitles former spouses of members of the uniformed services who were married to such a member for at least ten years to an annuity based upon a portion of such member's retired or retainer pay.

Amends the Survivor Benefit Plan to make such former spouses eligible to receive annuities under such Plan.

H.R. 2818. March 13, 1979. Post Office and Civil Service. Provides that an unremarried former spouse of a Federal employee who is married to such employee for ten years or more shall be entitled to a portion of such employee's annuity and to a portion of the annuity of any surviving spouse of such employee.

H.R. 2819. March 13, 1979. Public Works and Transporttaion. Directs the Secretary of the Army, through the Chief of Engineers, to construct a flood control project in the Schuylkill River basin, Pennsylvania.

H.R. 2820. March 13, 1979. Ways and Means. Amends the Internal Revenue Code to increase the annual gift tax exclusion.

H.R. 2821. March 13, 1979. Public Works and Transportation. Modifies the Skagit River Basin, Washington, flood control project to direct the Secretary of the Army, through the Chief of Engineers: (1) to construct additional flood control measures; and (2) to incorporate recreation facilities in such project.

H.R. 2822. March 13, 1979. Interior and Insular Affairs. Grants the Court of Claims jurisdiction to consider any claim filed by the Cow Creek Band of the Umpqua Tribe of Indians of Oregon within five years after the enactment of this Act respecting any matter for which a claim could have been filed by such band with the Indian Claims Commission, notwithstanding the time limitations on such claims.

H.R. 2823. March 13, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to pay claims for damage to wells caused by construction of the Tennessee-Tombigbee Waterway project in Alabama, Mississippi, and Tennessee.

H.R. 2824. March 13, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to implement a project for flood damage reduction and for recreation on the Tittabawassee River, Michigan.

H.R. 2825. March 13, 1979. Ways and Means Amends the Internal Revenue Code to provide that all wines which are made exclusively from berries and fruit other than grapes and which contain not less than 12.5 grams of acid for each liter of juice shall be allowed a volume of ameliorating material of up to 60 percent (presently limited to wines made from loganberries, currants, or gooseberries).

H.R. 2826. March 13, 1979. Merchant Marine and Fisheries. Directs the President to propose that all international trade in elephant products be suspended until large and healthy elephant populations have been reestablished.

Prohibits the importation, exportation, possession, transportation, or sale of elephant products except for scientific purposes. Sets forth civil and criminal penalties for violations of this Act.

H.R. 2827. March 13, 1979. Intelligence. Authorizes appropriations for fiscal years 1980 and 1981 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System.

Authorizes the carrying of firearms by Central Intelligence Agency personnel under prescribed conditions.

H.R. 2828. March 13, 1979. Judiciary. Amends the Military Personnel and Civilian Employee Claims Act of 1964 to increase the amount the Secretary of a military department may pay to settle a claim by a member of the uniformed services or a civilian employee of such department for personal property loss or damage.

H.R. 2829. March 13, 1979. Armed Services. Prohibits the Secretary of each branch of the uniformed services from changing the status of any of its members who is in a missing status as a result of his performance of service in Southeast Asia until either the Paris Peace Accord of January 27, 1973, is fully complied with or the President of the United States has determined that all reasonable actions to account for such members have been taken.

H.R. 2830. March 13, 1979. Government Operations. Amends the Buy American Act to require the heads of departments or independent establishments, before determining whether the bid or offered price of a foreign product is reasonable, to adjust such price in accordance with the instructions set forth in this Act. Sets such adjusted prices at specified levels.

H.R. 2831. March 13, 1979. Government Operations. Requires the Office of Management and Budget to study the efficiency and effectiveness of each Federal agency every ten years and to recommend to the President and Congress reorganization or abolition of each such agency as may be necessary to improve such efficiency and effectiveness. Abolishes each such agency upon the due date of such report unless during the ten-year period since the last report Congress has passed legislation continuing such agency.

H.R. 2832. March 13, 1979. Judiciary. Amends the Administrative Procedure Act to require Federal agencies to prepare and publish in the Federal Register an economic impact analysis of all proposed and final rules subject to the provisions of the Act.

H.R. 2833. March 13, 1979. Post Office and Civil Service. Prohibits the Postal Service from decreasing the frequency of mail delivery service below the frequency in effect for the calendar week beginning May 1, 1977.

H.R. 2834. March 13, 1979. Post Office and Civil Service. Prohibits the mailing of a solicitation for an order of goods or services which is in a form which could be interpreted as a bill.

H.R. 2835. March 13, 1979. Small Business. Amends the Small Business Act to establish in the Small Business Administration, a Small Business Extension Service which shall develop and implement a comprehensive program for the identification, development, and practical demonstration of management techniques suitable for use by small business concerns.

H.R. 2836. March 13, 1979. Small Business. Prescribes procedures for small business participation in government contracting. Establishes the Small Business Procurement Advisory Committee.

H.R. 2837. March 13, 1979. Small Business. Directs the head of each Federal agency to prepare a small business impact statement in connection with each rule made by such agency, unless the agency head, with the approval of the Office of Advocacy of the Small Business Administration, determines that such rule will not have a substantial effect on a significant number of small businesses.

H.R. 2838. March 13, 1979. Judiciary; Rules. Requires public notice of, and allows public participation in, rulemaking proceedings conducted by executive agencies. Requires all regulations promulgated by such agencies containing criminal penalties to be submitted to Congress for approval.

H.R. 2839. March 13, 1979. Government Operations; Rules. Terminates budget authority for all Federal programs on specified dates. Requires Congress to consider whether any such programs merit continuation on the same, a greater, or a lesser level, or termination.

Requires the Comptroller General to identify inactive or inefficient programs.

H.R. 2840. March 13, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions and Professional Standards Review) of the Social Security Act to assure the participation by registered professional nurses in the peer review and related activities authorized under such title.

H.R. 2841. March 13, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include within the medical and other health services covered by such title the transportation of patients confined to a stretcher or wheelchair in a vehicle which is not equipped as an ambulance but which is adequately equipped to transport such patients.

H.R. 2842. March 13, 1979. Rules. Amends the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office, at the request of any Member, to prepare for certain public bills and resolutions an estimate of the additional costs to State and local governments of carrying out any additional requirements imposed by such legislation.

Prohibits the consideration by either House of any bill or resolution for which such estimate predicts such additional costs to State or local governments, unless such bill or resolution authorizes new budget authority for payment of such costs by the Federal Government.

H.R. 2843. March 13, 1979. Judiciary. Amends the Ethics in Government Act of 1978 to change the effective date of title V of such act (concerning the post employment contacts of Federal employees with their former agencies).

H.R. 2844. March 13, 1979. Agriculture. Amends the Plant Variety Protection Act to allow application of its provisions to the seeds, plants, or transplants of okra, celery, peppers, tomatoes, carrots, and cucumbers which are currently excluded.

H.R. 2845. March 13, 1979. Ways and Means; Agriculture. Authorizes the regulation of sugar imports to implement the International Sugar Agreement.

Establishes a price objective for sugar. Authorizes the President to impose special import duties or quotas, on the recommendation of the Secretary of Agriculture, to attain such price objective. Provides for payments to producers and processors when the price objective is not achieved through the special import duties.

Authorizes the Secretary to waive part of the interest and/or principal owed on loans based on sugar crops.

H.R. 2846. March 13, 1979. Judiciary. Authorizes the payment of fees and other expenses to prevailing parties in administrative adjudications and civil actions brought by or against the United States in certain circumstances.

H.R. 2847. March 13, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles II (Old-Age, Survivors and Disability Insurance) and XVIII (Medicare) of the Social Security Act, and the Internal Revenue Code to finance the payment of disability benefits and hospital insurance benefits through general tax revenues, rather than through employment and self-employment tax revenues.

Establishes new employment and self employment tax rates, for the purpose of financing the OASDI program.

H.R. 2848. March 13, 1979. Judiciary. Revises the appointment, terms, and retirement of Federal judges. Provides for the transfer of cases between Federal courts in certain circumstances, and allows a district court to award prejudgment interest.

H.R. 2849. March 13, 1979. House Administration. Amends the Internal Revenue Code to entitle to matching payments for campaign use, congressional candidates who agree to certain reporting and recordkeeping procedures and certify that: (1) they and their authorized committees will not incur campaign expenses in excess of certain limitation; and (2) they have received contributions in excess of a certain sum.

Amends the Federal Election Campaign Act of 1971 to specify spending limits for candidates receiving matching payments.

Directs the Secretary of the Treasury to establish a Congressional Election Payment Account in the Presidential Election Campaign Fund.

Specifies the authority of the Federal Election Commission relative to this Act.

H.R. 2850. March 13, 1979. Post Office and Civil Service. Extends to former employees of county soil conservation committees who are employed by any Federal agency, specified civil service compensation, leave, and seniority benefits afforded to former employees of such county committees employed by the Department of Agriculture.

H.R. 2851. March 13, 1979. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to extend the period of daylight savings time in each year by one week.

H.R. 2852. March 13, 1979. Education and Labor. Authorizes the Commissioner of Education to provide Federal aid to those State teacher retirement systems which allow retirement credit to teachers for out-of-State teaching service.

H.R. 2853. March 13, 1979. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 2854. March 13, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to set forth provisions concerning: (1) benefit reductions for disabled workers; (2) benefit computation years for disabled workers; (3) hospital insurance benefits; (4) trial work periods; and (5) disabled workers returning to work.

Directs the Secretary of Health, Education, and Welfare to promulgate regulations specifying procedures to be followed by States when making disability determinations.

Sets forth procedures concerning judicial review of claims under specified titles of the Social Security Act.

H.R. 2855. March 13, 1979. Government Operations; Armed Services. Directs any agency of the Department of Defense to make excess property available to the Federal Emergency Management Agency (FEMA).

Amends the Federal Civil Defense Act of 1950 to authorize the Director of the FEMA to loan property to State and local governments for civil defense purposes.

H.R. 2856. March 13, 1979. Banking, Finance and Urban Affairs. Amends the Federal Deposit Insurance Act and the Bank Holding Company Act of 1956 to set forth standards for: (1) bank mergers; (2) bank holding company acquisitions of banks; (3) bank holding company entry into bank related activities; and (4) financing of nonbanking activities, under the regulation of the Federal Reserve Board.

H.R. 2857. March 13, 1979. Foreign Affairs; Post Office and Civil Service. Amends the Foreign Service Act of 1946 to entitle an unremarried former spouse of a Foreign Service officer who was married to such officer for ten years or more to a portion of such officer's annuity and lump sum benefits and to a portion of the annuity of any surviving spouse of such employee.

H.R. 2858. March 13, 1979. Education and Labor; Interstate and Foreign Commerce. Amends the Comprehensive Employment and Training Act of 1973 to direct the Secretary of Labor to conduct projects to provide jobs to unemployed persons in the rehabilitation and improvement of railroad rights-of-way.

Provides for the purchase by the Federal Government of railroad rights-of-way offered by rail carriers and accepted by the Secretary of Transportation.

H.R. 2859. March 13, 1979. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 to revise the terms and conditions of service for volunteers, including treating such volunteers as Federal employees for certain purposes.

Establishes new antipoverty programs, including: (1) Urban Volunteer Corps projects; and (2) Good Neighbor Fund grants for volunteers and neighborhood groups.

H.R. 2860. March 13, 1979. Post Office and Civil Service. Requires the United States Postal Service to grant compensatory time off for any employee whose personal religious beliefs require the abstention from work for certain periods of time.

H.R. 2861. March 13, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to stipulate the amount of the inpatient hospital deductible.

H.R. 2862. March 13, 1979. Public Works and Transportation. Amends the Flood Control Act of 1970 to permit certain water resources projects to be contingent on a State's legislative appropriations process. Exempts certain water supply and recreational projects from the requirement of written agreements for non-federal cooperation in water resources projects.

H.R. 2863. March 13, 1979. Judiciary. Directs the Attorney General to establish within the Department of Justice, and to administer, a program of grants to States, units of local government, and private organizations to assist in providing to all persons convenient access to dispute resolution mechanisms for the resolution of disputes which involve small amounts of money or otherwise arise in daily life.

Prohibits the Federal Trade Commission from practicing discrimination based on race, color, sex, religion, or national origin in the administration of Commission personnel policies.

H.R. 2864. March 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named organization as reimbursement for expenses incurred in reconstructing a certain portion of the Black Hills National Forest road.

H.R. 2865. March 13, 1979. Judiciary. Declares that specified periods of imprisonment or involuntary detention of a named individual while such individual was employed as a civilian contract pilot for the Agency for International Development shall be considered active service in the Marine Corps for purposes of: (1) veterans' benefits under the Social Security Act; and (2) military retired pay determination. Directs the Secretary of the Treasury to pay such individual a specified sum in full satisfaction of any claims for back pay during such period of imprisonment or detention.

H.R. 2866. March 13, 1979. Judiciary. Declares that specified periods of imprisonment or involuntary detention of a named individual while such individual was employed as a civilian contract pilot for the Agency for International Development shall be considered active service in the Marine Corps for purposes of: (1) veterans' benefits under the Social Security Act; and (2) military retired pay determination. Directs the Secretary of the Treasury to pay such individual a specified sum in full satisfaction of any claims for back pay during such period of imprisonment or detention.

H.R. 2867. March 13, 1979. Judiciary. Declares: (1) that a named individual shall be considered to have died on a specified date, for purposes of determining the eligibility of another named individual to a survivor annuity from the Civil Service Retirement and Disability Fund; and (2) that any amounts so payable shall be in satisfaction of specified claims of such individual against the United States.

H.R. 2868. March 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay specified sums to four named individuals in satisfaction of claims against the United States.

H.R. 2869. March 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 2870. March 13, 1979, Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2871. March 13, 1979. Judiciary. Authorizes a named individual to file a claim, within a specified period, for credit or refund of any overpayment of Federal income taxes paid for specified taxable years.

H.R. 2872. March 13, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 2873. March 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a named individual a specified sum representing the amount fraudulently induced from such individual by another named individual who was under the Federal protection of the witness program.

H.R. 2874. March 13, 1979. Judiciary. Directs the Secretary of the Treasury to pay a named individual a specified sum representing the amount fraudulently induced from such individual by an individual under Federal protection.

H.R. 2875. March 14, 1979. Banking, Finance and Urban Affairs. Exempts from State usury laws loans and mortgages insured under the mortgage insurance and housing renovation and modernization programs of the National Housing Act. Declares that such exemption shall apply until the effective date of State legislation limiting the amount of interest on such loans and mortgages.

H.R. 2876. March 14, 1979. Agriculture. Amends the Food Stamp Act of 1964 to exclude cost-of-living increases in Social Security benefits from consideration as household income for purposes of determining: (1) eligibility for participation in the food stamp program; (2) the charge for issuing a coupon allotment to a household; and (3) eligibility for any Federal program administered by the Department of Agriculture which provides for the donation or distribution of surplus agricultural commodities to low-income persons.

H.R. 2877. March 14, 1979. Armed Services. Entitles the surviving spouse of an individual who died before becoming eligible for military retired pay for non-Regular service to an annuity under the Survivor Benefit Plan.

H.R. 2878. March 14, 1979. Armed Services. Grants annuities under the Survivor Benefit Plan of the armed forces to survivors of individuals who would have been eligible for retired pay for non-Regular service but who died before reaching the age of 60. Entitles such survivors to specified medical and dental benefits.

H.R. 2879. March 14, 1979. Banking, Finance and Urban Affairs. Amends the Flood Disaster Protection Act of 1973 to repeal certain provisions requiring participation in the flood insurance program by State and local communities and by property owners as a condition of Federal assistance.

H.R. 2880. March 14, 1979. Banking, Finance and Urban Affairs. Amends the Housing Act of 1949 to provide that specified veterans' housing benefits shall not be considered in determining the eligibility of veterans for housing financing from sources other than the Farmers Home Administration.

H.R. 2881. March 14, 1979. Education and Labor. Amends the National Labor Relations Act to make it an unfair labor practice for any employer to discharge or otherwise discriminate against an employee because such employee has given testimony before any congressional committee or in any proceeding before any Federal agency or department.

H.R. 2882. March 14, 1979. Education and Labor. Authorizes the Commissioner of Education to provide Federal aid to those State teacher retirement systems which allow retirement credit to teachers for out-of-State teaching service.

H.R. 2883. March 14, 1979. Government Operations. Establishes an executive department to be known as the Department of Education to be administered by a Secretary of Education. Transfers to such Department specified functions of the Department of Health, Education, and Welfare and various educational responsibilities of other Federal agencies and instrumentalities.

Creates the Federal Interagency Committee on Education, the National Advisory Commission on Education, and the Office of the Inspector General within the Department of Education.

Redesignates the Department of Health, Education, and Welfare, and the Secretary of such Department, as the Department of Health and Welfare, and the Secretary of Health and Welfare.

H.R. 2884. March 14, 1979. House Administration. Requires the President pro tempore of the Senate and the Speaker of the House of Representatives to install telecommunication devices to enable deaf persons and persons with speech impairments to engage in toll-free communications with Members of Congress.

H.R. 2885. March 14, 1979. Interstate and Foreign Commerce. Permits individuals or their relatives to make supplementary payments for medical services provided by a skilled nursing facility or an intermediate care facility without losing payments for such services under the Medicaid Program of title XIX of the Social Security Act.

H.R. 2886. March 14, 1979. Interstate and Foreign Commerce. Establishes within the Department of Health, Education, and Welfare an Office of Rural Health to provide assistance for projects and models to increase the availability of health care services in rural areas.

H.R. 2887. March 14, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Administrator of the Environmental Protection Agency to make grants to enable small public water systems to meet primary and interim drinking water regulations which are prescribed under such Act.

H.R. 2888. March 14, 1979. Interstate and Foreign Commerce. Requires posting of the selling price and unit price on or near consumer products displayed for retail sales.

Transfers authority to promulgate rules under the Fair Packaging and Labeling Act to the Federal Trade Commission from the Department of Health, Education, and Welfare.

H.R. 2889. March 14, 1979. Interstate and Foreign Commerce. Amends the public Health Service Act to authorize the Secretary of Health, Education, and Welfare, to make grants to establish voluntary Tay-Sachs disease screening and counseling programs.

H.R. 2890. March 14, 1979. Interstate and Foreign Commerce. Amends the National Housing Act to authorize interest subsidy payments for the repair and renovation of nursing homes in order to bring them into compliance with Federal standards.

H.R. 2891. March 14, 1979. Interstate and Foreign Commerce. Subjects to liability for harm caused by the use of a product any individual engaged in interstate commerce who manufactures or sells a product which is in a defective condition or fails to warn against a dangerous condition in the use or misuse of the product.

Allows any person harmed by a product, and who is a reasonably anticipated user or consumer of the product, to bring an action in "product liability" against the manufacturer or seller of the product.

H. R. 2892. March 14, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to assure that individuals otherwise eligible for benefits under such title do not lose such eligibility, or have the amount of such benefits reduced, because of increases in the amount of benefits under title II (Old-Age, Survivors and Disability Insurance) of such Act.

H.R. 2893. March 14, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to provide that Medicaid payments to a State shall be dependent upon the operation in such State of an ombudsman program empowered to investigate nursing home complaints, inspect nursing homes, and recommend to the State health department license revocation or other disciplinary action against a nursing home.

H.R. 2894. March 14, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to provide Federal payment of the entire cost of financial audits of skilled nursing and intermediate care facilities participating in Federal programs.

H.R. 2895. March 14, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make loans to nonprofit organizations, churches, or associations of churches to meet all or part of the cost of constructing or rehabilitating nursing homes owned and operated by such entities.

H.R. 2896. March 14, 1979. Judiciary. Amends the Federal Torts Claim Act to subject to the provisions of the Act any claim arising out of the loss, miscarriage, or negligent transmission of letters or postal matter.

H.R. 2897. March 14, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to authorize programs to provide police escort services for elderly residents of high crime areas. Requires the Law Enforcement Assistance Administration to conduct a study with respect to the relationship between certain aspects of criminal procedure and crimes against the elderly.

H.R. 2898. March 14, 1979. Judiciary. Specifies additional penalties for anyone using or carrying a firearm during the commission of a felony which is prosecutable in a United States court.

H.R. 2899. March 14, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance to States, local governments, and agencies on the adoption of a law enforcement officers' bill of rights which includes specified provisions.

H.R. 2900. March 14, 1979. Judiciary. Extends to rescue squad members the death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 2901. March 14, 1979. Post Office and Civil Service. Requires that the notice included in a mailed solicitation stating that such solicitation is not a bill or an account due shall be displayed at or near the beginning of such solicitation.

H.R. 2902. March 14, 1979. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to specify when an adjustment in the rate of pay for Members of Congress shall take effect.

H.R. 2903. March 14, 1979. Public Works and Transportation. Amends the Tennessee Valley Authority Act to allow credits against required power investment return payments for expenditures for certified pollution control facilities.

H.R. 2904. March 14, 1979. Public Works and Transportation. Authorizes the Secretary of Transportation to provide financial assistance to States for major repairs to Federal-aid highway routes which suffered damage as a result of the unusually severe winter weather which occurred between October 1, 1978, and May 1, 1979.

H.R. 2905. March 14, 1979. Public Works and Transportation. Amends the Tennessee Valley Authority Act to prohibit any increase in the cost of power sold by the Corporation unless the Corporation has first approved such increase by an affirmative vote of its Board.

H.R. 2906. March 14, 1979. Rules. Requires Congress under the Congressional Budget Act of 1974 to review one-half of all Federal programs each year using zero-base budgeting techniques. States that any committee conducting such review shall report the techniques. States that any committee conducting such review shall report the service and cost effects of continuing such program at levels higher, lower, and the same as the preceding year. Prohibits the authorization of any appropriation higher than that of the previous year for any program not subjected to a review under this Act.

H.R. 2907. March 14, 1979. Rules. Requires that legislation considered by Congress be accompanied by statements assessing the economic and social costs and the expected accomplishments of programs established or authorized by such legislation. Requires that duplicative programs be identified. Requires Federal agencies to annually report to Congress on the extent to which such programs meet their objectives. Prohibits the funding of any program for more than five years. Requires Congress to consider the extent to which any program has met its objectives in the past before considering refunding of such program.

H.R. 2908. March 14, 1979. Small Business. Amends the Small Business Act to direct each Federal agency engaged in rulemaking to prepare a written analysis of whether it is legal, feasible, and desirable to exempt small businesses from a rule or whether the agency should promulgate a rule with lesser compliance standards for small businesses.

H.R. 2909. March 14, 1979. Small Business. Authorizes the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development and international market development. Establishes a Small Business Management and Technical Assistance Division within the Small Business Administration to administer the Small Business Development Center program.

H.R. 2910. March 14, 1979. Small Business. Amends the Small Business Act to require the Small Business Administration to give special preference with respect to specified government contracts to small business concerns with 100 or fewer employees.

H.R. 2911. March 14, 1979. Veterans' Affairs. Denies veterans' benefits to individuals whose discharge from service during the Vietnam era under less than honorable conditions are administratively upgraded under the revised standards for review as implemented on or after April 5, 1977, under the Department of Defense's special discharge review program, or implemented subsequent to such date and not made generally applicable.

H.R. 2912. March 14, 1979. Ways and Means. Amends title II (Old-Age Survivors and Disability Insurance) of the Social Security Act: (1) to permit married couples filing joint tax returns to share their income for OASDI purposes as well; (2) to allow certain recipients of spouses' or survivors' benefits to include such benefits as income in determining their average monthly wage; (3) to lower the age of eligibility for such benefits to 50; (4) to eliminate the special dependency requirements for husband's and widower's benefits; and (5) to authorize children entitled to more than one child's insurance benefit to receive the total amount available.

H.R. 2913. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to establish a graduated corporate income tax rate schedule.

H.R. 2914. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to allow certain individuals to compute the amount of the income tax deduction for retirement savings on the basis of the earned income of their spouses.

H.R. 2915. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 2916. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 2917. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 2918. March 14, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to require the financing of disability insurance benefits from general revenues, to reduce social security tax rates on employment and self-employment income, to reduce disability benefits to reflect a recipient's need based on family income, and to require the publication and dissemination to disability examiners of standard regulations defining physical and mental impairment for purposes of making disability determinations. Requires the establishment of a training program for State and Federal officials who make determinations of disability.

H.R. 2919. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to: (1) permit certain small businesses to adopt the cash method of accounting; (2) reduce corporate income tax rates; (3) limit the recognition of gain from the sale of a small business; (4) permit the amortization of nonproductive federally-required business expenditures; (5) increase the additional first year depreciation allowance for small businesses; and (6) increase the investment tax credit for certain types of business property.

H.R. 2920. March 14, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 2921. March 14, 1979. Ways and Means. Amends the Tariff Schedules of the United States to exempt wearing apparel and footwear from the tariff provisions applicable to articles assembled abroad with components produced in the United States.

H.R. 2922. March 14, 1979. Ways and Means. Amends the Internal Revenue Code of 1954 and title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to authorize individuals who are enrolled in a private retirement plan to voluntarily exempt themselves from the Old-Age, Survivors and Disability Insurance program.

H.R. 2923. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to permit a nonitemizing taxpayer to claim an income tax deduction for expenses incurred in making repairs and improvements to a principal residence. Allows an amortization deduction for the rehabilitation or restoration of rental housing.

H.R. 2924. March 14, 1979. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors and Disability Insurance program may qualify for disability benefits under such program if such individual has 40 quarters of coverage, regardless of when such quarters were earned.

H.R. 2925. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who have attained age 62 an income tax credit for the amount by which their property taxes and utility bills for their principal residences have increased since such individuals reached age 62 or purchased their home, whichever occurred later.

H.R. 2926. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for amounts contributed to a product liability trust, up to the fair market value of product liability insurance for the taxpayer. Sets forth the requirements such a trust must meet to be tax-exempt. Imposes a tax on such trusts for self-dealing, unqualified expenditures, and certain excess contributions.

H.R. 2927. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to exempt taxpayers from the payment of interest or a penalty on tax deficiences attributable to erroneous advice obtained in writing from an Internal Revenue Service officer or employee acting in an official capacity.

H.R. 2928. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the adjusted gross income limitation on the credit for the elderly.

H.R. 2929. March 14, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to provide for the creation of an alternative reimbursement formula which will allow specified hospitals to provide long term care without applying proportional allocation of overhead costs to all patients in such facilities.

H.R. 2930. March 14, 1979. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting: (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 2931. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 2932. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for honorable active service as a member of the Armed Forces of the United States in a Vietnam combat zone.

H.R. 2933. March 14, 1979. Ways and Means. Directs that the benefits received by an individual pursuant to a Federal plan or program, or a plan or program of a State funded by Federal funds, shall not be reduced as a result of a general increase in monthly social security benefits.

H.R. 2934. March 14, 1979. Ways and Means. Amends title XVI of the Social Security Act to prohibit the payment of supplementary security income benefits to an alien unless he is a permanent resident of the United States and has continously resided therein for at least one year.

H.R. 2935. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to quality trusts established for the payment of product liability claims as tax exempt organizations. Allows taxpayers a business income tax deduction for contributions to such trusts only to the extent they exceed the reasonable costs of product liability insurance for the deducting taxpayer.

H.R. 2936. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to provide cost of living adjustments to the adjusted gross income limitation on the income tax exclusion for employment-related disability payments.

H.R. 2937. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to require skilled nursing facilities participating in the Medicare program to conclude a contract with each patient upon admission.

H.R. 2938. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide that in determining the reasonable reimburable cost of inpatient nursing care, such coverage, at a minimum, shall include a salary cost differential of at least eight and one-half percent in recognition of the above-average cost of furnishing such care to aged patients.

H.R. 2939. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to require that nursing homes participating in the Medicare program have in effect procedures for prevention and reporting of epidemic diseases and accidents.

H.R. 2940. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide that nursing homes participating in the Medicare program must furnish a physician who visits patients not less than once every thirty days and that a physician be available to furnish necessary care in case of emergency.

H.R. 2941. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title II (Old Age, Survivors and Disability Insurance) of the Social Secruity Act to extend Medicare hospital coverage to include drugs. Establishes a Formulary Committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 2942. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to extend Medicare hospital coverage to include drugs. Establishes a Formulary Committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 2943. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Medicare program of the Social Security Act to increase the amount of benefits under such program which may be paid with respect to the treatment of mental, psychoneurotic, and personality disorders of outpatients.

H.R. 2944. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include outpatient services by a community mental health center among the benefits provided under such title.

H.R. 2945. March 14, 1979. Interstate and Foreign Commerce; Ways and Means; Rules. Requires any officer or agency in the executive branch to obtain congressional review of all proposed regulations relating to cost and expenditures for health care.

H.R. 2946. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title XIX (Medicaid) of the Social Security Act to include the services of licensed practical nurses under the coverage provided pursuant to such titles.

H.R. 2947. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI, part B (Professional Standards Review) of the Social Security Act to exempt hospitals and inpatient facilities having fewer than 100 beds from the requirement of review by a Professional Standards Review Organization and from the related requirements and provisions of that part.

H.R. 2948. March 14, 1979. Interstate and Foreign Commerce; Judiciary. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 to set mandatory terms of imprisonment for individuals convicted of certain narcotics offenses.

Subjects to forfeiture proceeds of and money intended to be used in connection with violations of such Act.

Amends the Federal Rules of Criminal Procedure to require a separate sentencing hearing when a person is convicted of a crime for which such sentences are authorized.

H.R. 2949. March 14, 1979. Ways and Means; Interstate and Foreign Commerce.

Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act by requiring skilled nursing homes participating in the Medicare and Medicaid programs to retain a medical director.

H.R. 2950. March 14, 1979. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 2951. March 14, 1979. Government Operations; House Administration.

Directs he installation of telecommunications devices which permit two-way communication of textual messages in alphanumeric form by telephone lines in specified Federal agencies to facilitate communication with such agencies by the deaf and provides assistance in such installations in State and local governmental offices. Permits the installation of such a device in the office of any Member of Congress who requests one. Provides for the installation of such devices throughout the United States for the use of deaf persons wishing to communicate with such government agencies or Member of Congress.

H.R. 2952. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed registered nurses.

H.R. 2953. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XX (Grants to States for Services) of the Social Security Act to direct the Secretary of Health, Education, and Welfare to provide for the continuing inspection of State inspection and enforcement programs with respect to facilities receiving payments under titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act.

H.R. 2954. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to establish a Long-Term Care Services program to provide home health, homemakers, nutrition, long-term institutional care, day care, foster home, and outpatient mental health services. Specifies that these services shall be delivered by community long-term care centers under the direction and control of a State long-term care agency.

H.R. 2955. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to revise the conditions and limitations applicable to home health services and nursing home care. Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare. Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits. Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 2956. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for certain clinical psychologists' services under the supplemental medical insurance program.

H.R. 2957. March 14, 1979. Government Operations; Rules. Requires each Federal agency to reduce the paperwork burden such agency places upon the private sector and State and local governments by a specified amount each year until fiscal year 1983. Amends the Legislative Reorganization Act of 1970 to require all public legislation reported by a congressional committee to be accompanied by a Paperwork Impact Statement detailing the paperwork burden which would be imposed upon business, the private sector, and State and local governments by such legislation.

H.R. 2958. March 14, 1979. Interstate and Foreign Commerce; Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to provide payment for hearing aids and dentures under the supplementary medical insurance program.

H.R. 2959. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include services provided by the intermediate care facilities among those covered under medicare.

H.R. 2960. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to extend the coverage for dental services to include any services performed by a properly licensed dentist and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization.

H.R. 2961. March 14, 1979. Ways and Means; Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish an effective means of obtaining from States and political subdivisions of States records as to deaths and of reviewing such records to prevent illegal payments under the Social Security Act to or on behalf of persons who have died.

H.R. 2962. March 14, 1979. Education and

Labor; Ways and Means; Interstate and Foreign Commerce; Small Business. Amends the Small Business Investment Act, the Securities Act of 1933, the Employee Retirement Income Security Act, and the Internal Revenue Code of 1954 relating to the formation and growth of new small businesses and to the investment in such concerns.

H.R. 2963. March 14, 1979. Agriculture; Judiciary; Ways and Means; Education and Labor; Interstate and Foreign Commerce.

Establishes a program of long-term comprehensive services for the elderly financed by the Federal Government and the States.

Establishes within the Department of the Treasury a Federal Long-Term Care Trust Fund for such program.

Requires a State to establish a State Long-Term Care Agency in order to receive funds under this Act.

Requires such State agency to create within the State a system of Community Long-Term Care Centers.

H.R. 2964. March 14, 1979. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce; Ways and Means.

Establishes the Federal Insurance Commission to regulate the insurance industry and to establish Federal product liability tort litigation standards. Creates the Standards for Product Liability Trust Law Review Panel to review State product liability legislation. Amends the Internal Revenue Code to allow an income tax deduction for amounts contributed to a product liability trust, up to the fair market value of product liability insurance for the taxpayer.

H.R. 2965. March 14, 1979. Judiciary: Rules. Requires all rules proposed by any Federal agency except emergency rules, to be submitted to Congress before becoming effective. Permits such rules to become effective 60 days after submission to Congress if not disapproved by either House within such period.

Exempts from publication requirements notice of rulemaking proceedings for agency rules dealing with emergency or routine matters or which have an insignificant impact. Sets other maximum and minimum time limits during which public comment is to be accepted regarding proposed agency rules.

H.R. 2966. March 14, 1979. Rules: Government Operation. Sets forth a five-year schedule for initial review and reauthorization of all Federal programs according to functional and subfunctional categories.

Establishes a Citizens' Commission on the Organization and Operation of effectiveness of the Federal Government.

Requires a review and revision of Federal tax laws every five years.

H.R. 2967. March 14, 1979. Judiciary: Amends the Immigration and Nationality Act to authorize the Attorney General to order the deportation of certain nonimmigrant aliens in the United States who: (1) knowingly participated in a political demonstration resulting or intending to result in personal injury or property damage; or (2) while in the United States, took part in any unlawful activity or advocated the overthrow by violence of any organized government.

H.R. 2968. March 14, 1979. Agriculture: Ways and Means. Requires the Secretary of Agriculture to make financial assistance available to States for the development of subterminal facility plans. Amends the Consolidated Farm and Rural Development Act to authorize the Secretary to make and insure loans to States which have experienced serious storage and transportation problems in order to construct or improve subterminal facilities.

Amends the Internal Revenue Code to provide for the nonrecognition of any gain properly allocable to the sale or exchange of any single purpose agricultural structure due to the construction of a subterminal facility.

H.R. 2969. March 14, 1979. Armed Services; Judiciary; Post Office and Civil Service; Veterans' Affairs; Ways and Means; Education and Labor; Interstate and Foreign Commerce; Banking, Finance and Urban Affairs; District of Columbia. Establishes a United States Health Service to provide without charge to all residents comprehensive health care services delivered by salaried health workers and financed by new new income and employer taxes.

H.R. 2970. March 14, 1979. Public Works and Transportation. Declares the Port of Houston Authority Bridge over Greens Bayou, Texas, a lawful bridge.

H.R. 2971. March 14, 1979. Public Works and Transportation. Modifies the Galveston Bay, Texas, flood protection project to provide for payments and benefits to the owners of property rendered uninhabitable by flood water.

H.R. 2972. March 14, 1979. Judiciary. Allows certain proceedings in the United States District Court for the District of Puerto Rico to be conducted in either English or Spanish.

H.R. 2973. March 14, 1979. Post Office and Civil Service. Prohibits the postal rate for certain mail matter of individuals from exceeding a specified rate.

H.R. 2974. March 14, 1979. Judiciary; Post Office and Civil Service. Provides that an annuity to a widow of a justice of the United States shall not terminate upon the remarriage of an annuitant who is 60 years of age.

H.R. 2975. March 14, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Establishes in the State of California the Channel Islands Marine National Park including San Miguel and Prince Islands, Santa Rosa, Santa Cruz, Anacapa, and Santa Barbara Islands.

H.R. 2976. March 14, 1979. Banking, Finance and Urban Affairs. Establishes a private right of action for residential owners of units in cooperative housing projects to prevent abuses in the leasing of project facilities.

H.R. 2977. March 14, 1979. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to make grants to States to assist them in supporting and establishing programs and projects to prevent incidents of domestic violence and to assist the victims of such violence and their dependents.

Establishes an Interagency Domestic Violence Council to coordinate all Federal programs regarding the prevention and treatment of domestic violence.

H.R. 2978. March 14, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to construct the flood control project on Redbank and Fancher Creeks, California.

H.R. 2979. March 14, 1979. Interstate and Foreign Commerce; Ways and Means; Government Operations.

Requires medical care facilities to permit individuals to inspect and have copies of their medical records. Establishes standards for the disclosure of individual medical records.

Permits an individual to challenge a subpoena or summons of such individual's medical records. Provides criminal and civil penalties for violations of the disclosure provisions.

H.R. 2980. March 14, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for suppplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 2981. March 14, 1979. Ways and Means. Amends title XX (Grants to States for Services) of the Social Security Act to: (1) increase the total amount allocable to States for social security service; and (2) make permanent the provisions of title XX relating to special allocations for child day care services.

H.R. 2982. March 14, 1979. Agriculture; Interstate and Foreign Commerce. Directs the Administrator of the Environmental Protection Agency to request the National Academy of Science to conduct a study regarding the desirability of developing a Federal policy for the determination of the potential carcinogenicity in man of chemicals tested primarily in nonhuman test systems through the standardization of certain tests.

H.R. 2983. March 14, 1979. Judiciary. Authorizes the President to nullify and cancel for as long as he deems necessary any Federal agency rule or regulation which he determines: (1) may be harmful to human life; (2) may restrict the Nation's production of fuel or energy resources; (3) may threaten the Nation's supply of food and fiber; (4) may interfere with military maneuvers and national security; or (5) may have an adverse affect on the Nation's economy disproportionate to the ecological benefits of such rule or regulation. Permits Congress to countermand such presidential action within 30 days of its issuance.

H.R. 2984. March 14, 1979. Post Office and Civil Service. Repeals the Postal Reorganization Act. Reenacts provisions relating to the postal service which were in effect immediately prior to the enactment of such Act.

H.R. 2985. March 14, 1979. Ways and Means. Amends the Internal Revenue Code with respect to the determination of whether certain charitable organizations are publicly supported.

H.R. 2986. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to permit a nonitemizing taxpayer to claim an income tax deduction for expenses incurred in making repairs and improvements to a principal residence. Allows an amortization deduction for the rehabilitation or restoration of rental housing.

H.R. 2987. March 14, 1979. Ways and Means. Amends the Internal Revenue Code to provide an exclusion from gross income of interest received on the redemption of certain Series E United States savings bonds.

H.R. 2988. March 14, 1979. Ways and Means. Amends the Internal Revenue Code of 1939 to permit taxpayers who do not itemize their income tax deductions an unlimited deduction from gross income for medical and dental expenses.

H.R. 2989. March 14, 1979. Veterans' Affairs. Allows an action to be brought in Federal Court in the event of a disagreement with respect to any claim for compensation under any law administered by the Veterans' Administration on account of disability or death incurred or aggravated in line of duty while serving in the active military or naval service.

H.R. 2990. March 14, 1979. Government Operations. Sets forth policies, methods, and criteria for the acquisition of property and services by any agency of the United States Government. Describes procedures for contracts, contract payments, and contract settlements. Permits agency heads to delegate authority to acquire property and services, with specified exceptions.

H.R. 2991. March 14, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 2992. March 15, 1979. Agriculture. Establishes a National Agricultural Cost of Production Board to advise the Secretary of Agriculture as to the adequacy, accuracy, and fairness of the formulas and figures used in determining the costs of production of agricultural commodities for purposes of price support programs.

Amends the Agricultural Act of 1949 to increase the level of crop production loans for the 1979 and 1980 crops of any agricultural commodity.

Raises the minimum price support of milk.

H.R. 2993. March 15, 1979. Interior and Insular Affairs; Ways and Means. Amends the Rhode Island Indian Claims Settlement Act to provide: (1) an exemption from taxes with respect to specified settlement lands and amounts received by a certain State corporation; and (2) a deferral of capital gains with respect to specified sales or dispositions of private settlement lands.

H.R. 2994. March 15, 1979. Merchant Marine and Fisheries; Public Works and Transportation. Amends the Ports and Waterways Safety Act of 1972 to authorize the Secretary of the department in which the Coast Guard is operating to make grants to municipalities and public agencies for the development and implementation of port safety plans to protect deep-draft ports from fires, explosions, or other damage.

H.R. 2995. March 15, 1979. Foreign Affairs. Amends the Peace Corps Act to establish the Peace Corps as a Government corporation to assume the current functions of the Peace Corps and to revise the employment conditions, compensation, and assignment of volunteers.

H.R. 2996. March 15, 1979. Interior and Insular Affairs. Exempts the landholdings of U.S. citizens and current permanent resident aliens within the Imperial Irrigation District of California from the acreage limitations of Federal reclamation laws.

H.R. 2997. March 15, 1979. Interstate and Foreign Commerce. Amends the Public Health, Education, and Welfare to provide financial assistance to public and nonprofit entities for screening newborn infants for metabolic disorders.

H.R. 2998. March 15, 1979. Banking, Finance and Urban Affairs. Amends the Housing and Community Development Act of 1974 to authorize the Secretary of Housing and Urban Development to guarantee those obligations incurred by units of local government to finance activities necessary to alleviate a shortage or potential shortage of potable water where the Secretary determines available grant funding is insufficient.

H.R. 2999. March 15, 1979. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 to make privately owned public use airports eligible for Federal financial assistance under such act.

H.R. 3000. March 15, 1979. Science and Technology; Foreign Affairs; Interstate and Foreign Commerce; Interior and Insular Affairs. Authorizes appropriations to the Department of Energy for civilian programs for fiscal years 1980 and 1981.

H.R. 3001. March 15, 1979. Ways and Means. Amends the Internal Revenue Code to extend the date until which a State legislator may qualify for the income tax deduction for living expenses while engaged in legislative business away from his home district.

Eliminates the $3,000 limitation on the income tax deduction for the business expenses of Members of Congress.

H.R. 3002. March 15, 1979. Ways and Means Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States.

Directs the President to limit by proclamation the total quantity of meat imports in specified circumstances.

Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market.

H.R. 3003. March 15, 1979. Foreign Affairs. Authorizes appropriations through fiscal year 1981 for the: (1) Department of State; (2) International Communication Agency (ICA); and (3) Board for International Broadcasting.

Revises the administrative authority of the Secretary of State and the ICA Director. Authorizes the public distribution of the film, "Aspen," and the "English Teaching Forum.

Amends the act establishing a Commission on Security and Cooperation in Europe to limit the amount the Commission on Security may use for official reception and representational expenses. Provides for the statutory reference to the House Committee on Foreign Affairs.

H.R. 3004. March 15, 1979. Public Works and Transportation; Science and Technology. Amends the Federal Aviation Act of 1958 to direct the Secretary of Transportation to promulgate standards for an airborne collision avoidance system.

H.R. 3005. March 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow employers an income tax credit for hiring displaced homemakers.

H.R. 3006. March 15, 1979. Rules; Ways and Means. Amends the Second Liberty Bond Act and the Congressional Budget Act of 1974 to require the concurrent resolution on the budget to establish the public debt ceiling.

H.R. 3007. March 15, 1979. Post Office and Civil Service. Authorizes the inclusion of military service performed by an individual after December, 1956, in the aggregate period of service on which a civil service annuity is based.

H.R. 3008. March 15, 1979. House Administration; Armed Services. Directs the Secretary of the Interior to transfer the statue of Major General George Gordon Meade, presently situated in the District of Columbia, to Fort George G. Meade, Maryland.

H.R. 3009. March 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals to designate $1 of their income tax liability to be used for reducing the public debt of the United States.

H.R. 3010. March 15, 1979. Interior and Insular Affairs. Authorizes the Secretary of Energy to enter into a cooperative agreement with the State of Colorado respecting radium pollution in that State.

H.R. 3011. March 15, 1979. Small Business. Amends the Small Business Act to require all Federal agencies, other than the Internal Revenue Service, to reimburse small business concerns for the cost of preparing, furnishing, and submitting information required by such agencies.

H.R. 3012. March 15, 1979. Public Works and Transportation. Modifies the flood control project for Davenport, Iowa, to authorize the Secretary of the Army, through the Chief of Engineers, to take measures to preserve Nahant Marsh.

H.R. 3013. March 15, 1979. Public Works and Transportation. Modifies a Mississippi River flood protection project to authorize the Secretary of the Army, through the Chief of Engineers, to increase the flood protection at Muscatine, Iowa.

H.R. 3014. March 15, 1979. Ways and Means. Amends part D (Child Support and Establishment of Paternity) of title IV of the Social Security Act to provide continued Federal funding for the child support collection and paternity determination services established under such part which are available to any individual not otherwise eligible for such services.

H.R. 3015. March 15, 1979. Agriculture. Amends the Agricultural College Act of 1890 to repeal provisions permitting Federal funding of colleges discriminating on the basis of race or color.

H.R. 3016. March 15, 1979. Post Office and Civil Service. Requires a ten percent reduction in the salary of each United States Senator, Representative, and Delegate in any fiscal year in which the outlays of the Government exceed its receipts.

H.R. 3017. March 15, 1979. Interstate and Foreign Commerce. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize the Secretary of Transportation to provide assistance to eligible railroads for the purpose of maintaining essential marginal main line railroad operations which would not be otherwise included by a bankrupt railroad as part of a plan for reorganization.

H.R. 3018. March 15, 1979. Agriculture; Science and Technology. Directs the Secretary of Agriculture to coordinate and carry out research for the commercialization of alcohol derived from sweet sorghum or other hydrocarbon-containing agricultural crops. Establishes a National Advisory Committee to assist the Secretary in carrying out such duties.

Directs the Secretary to establish and maintain a bank of research data of production of alcohol from sweet sorghums or other hydrocarbon-containing crops. Authorizes the Secretary to enter into cooperative projects with foreign governments.

H.R. 3019. March 15, 1979. Post Office and Civil Service. Reclassifies and upgrades the positions of United States Border Patrol agents.

H.R. 3020. March 15, 1979. Interstate and Foreign Commerce. Provides protection for certain sales representatives terminated from their accounts without justification by requiring the principals to indemnify the sales representatives.

Requires principals to furnish specified information to a sales repersentative concerning orders placed through the representative's account.

H.R. 3021. March 15, 1979. Education and Labor. Amends National Labor Relations Act standards relative to severance of members of a particular craft from a broader collective bargaining unit for the purpose of establishing a separate craft unit.

H.J. Res. 260. March 19, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Declares the need to develop a national emergency energy plan.

Authorizes and directs the President to submit to Congress a plan which designates a person or entity who shall have the authority and responsibility to increase domestic production, promote the use of new energy sources and enhance available energy supply.

H.J. Res. 261. March 20, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 262. March 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate May 18, 1979, as "National Museum Day."

H.J. Res. 263. March 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of November 18 through November 24, 1979, as "National Farmworkers' Week."

H.J. Res. 264. March 20, 1979. Judiciary. Constitutional Amendment—States that Constitution shall not be construed to require a school system which assigns pupils on the basis of neighborhood attendance areas to assign pupils in any other manner. Grants Congress the power to enforce this amendment by appropriate legislation.

H.J. Res. 265. March 20, 1979. Foreign Affairs. Declares that Doctor Semyon Gluzman be released from prison in the Soviet Union and be allowed to immigrate to Israel.

H.J. Res. 266. March 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of September 16 through 22, 1979, as "National Lupus Week."

H.J. Res. 267. March 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the first Friday of March as "Teacher Day, United States of America."

H.J. Res. 268. March 20, 1979. Post Office and Civil Service. Designates the week of May 13 through May 19, 1979, as "Municipal Clerks' Week."

H.J. Res. 269. March 20, 1979. Judiciary. Constitutional Amendment—Prohibits expenditures in any fiscal year, except for expenditures for the repayment of debt, from exceeding revenues collected in that year or one-fifth of the average gross national product for the previous three years.

Permits borrowing for capital expenditures for a period of time proportionate to their probable usefulness.

Directs Congress to provide by law for the repayment of the national debt.

Allows this amendment to be suspended for any fiscal year whenever two-thirds of both Houses shall deem it necessary.

H.J. Res. 270. March 21, 1979. Post Office and Civil Service. Designates "The Stars and Stripes Forever" as the National March of the United States.

H.J. Res. 271. March 21, 1979. Post Office and Civil Service. Authorizes and requests the President to designate October 1, 1979, as "National Coaches' Day."

H.J. Res. 272. March 21, 1979. Judiciary. Constitutional Amendment—States that the term of office of Members of the House of Representatives shall be four years.

H.J. Res. 273. March 21, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of April 16 through April 22, 1979, as "National Education for Business Week."

H.J. Res. 274. March 21, 1979. Judiciary. Constitutional Amendment—Requires a two-thirds vote of both Houses of Congress to pass any concurrent resolution on the budget which carries a deficit.

H.J. Res. 275. March 21, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of October 7 through October 13, 1979, as "National Schoolbus Safety Week."

H.J. Res. 276. March 3, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the month of November, 1979, as "National REACT Month."

H.J. Res. 277. March 22, 1979. Post Office and Civil Service. Designates June 30, 1979, as "National Conference of Synagogue Youth Silver Jubilee Day."

H.J. Res. 278. March 22, 1979. Judiciary. Constitutional Amendment—Prohibits the total amount of money expended by the United States in any fiscal year to to exceed the total amount for revenue received during such fiscal year, except in time of war as declared by the Congress. Allows the suspension of the amendment by a joint resolution approved by each House of the Congress and signed by the President, or by a vote of two-thirds of the Members of each House of the Congress.

Requires tax rates to be reduced to offset the effects of inflation. Establishes a procedure for the approval of bills or joint resolutions effecting taxes.

H.J. Res. 279. March 22, 1979. Foreign Affairs. Requires the United States to reduce its contribution by a specified percent of the amount budgeted by the United Nations for certain Palestinian organizations.

H.J. Res. 280. March 26, 1979. Post Office and Civil Service. Designates February, 1980, as "American History Month."

H.J. Res. 281. March 27, 1979. Merchant Marine and Fisheries. Urges the President to direct the Secretaries of State and Commerce to establish a joint research program, in cooperation with specified countries and international organizations, to improve stock assessment methods and technologies with regard to marine mammals.

H.J. Res. 282. March 27, 1979. Judiciary. Constitutional Amendment—Prohibits discrimination on the basis of sex by the United States or any State.

H.J. Res. 283. March 28, 1979. Foreign Affairs. Reaffirms the United States commitment to the North Atlantic Alliance.

H.J. Res. 284. March 28, 1979. Post Office and Civil Service. Designates September 2, 1979, as "Working Mothers' Day."

H.J. Res. 285. April 2, 1979. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating May 1, 1979, as "International Unalienable Rights Day."

H.J. Res. 286. April 2, 1979. Judiciary. Constitutional Amendment—Allows the enactment of laws by popular vote in a national election. Prescribes the petition procedures for enactment of such laws.

H.J. Res. 287. April 2, 1979. Judiciary. Constitutional Amendment—Prohibits Congress from enacting legislation which will cause Federal taxation to exceed 15 percent of the gross national product.

Prohibits the making of appropriations in excess of the total estimated revenues of the United States in any fiscal year except in time of war or national emergency.

H.J. Res. 288. April 3, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 289. April 3, 1979. Judiciary. Constitutional Amendment—Prohibits the Government of the United States from incurring direct or indirect debt without an affirmative vote of two-thirds of both Houses of Congress.

H.J. Res. 290. April 4, 1979. Judiciary. Constitutional Amendment—Prohibits compelling a student to attend a public school other than the one nearest his residence.

Grants Congress the power to enforce by appropriate legislation the provisions of this amendment, and to insure equal educational opportunities for all students wherever located.

H.J. Res. 291. April 4, 1979. Banking, Finance and Urban Affairs. Declares it to be the sense of the Congress that crude oil, natural gas, coal, uranium, and all other components of energy costs to industrial, commercial, and residential consumers be explicitly covered by the price and profit margin guidelines established in the President's anti-inflation program, and that the President take all possible measures to slow the rising costs of energy, a major contributor to the inflationary pressures on our economy.

H.J. Res. 292. April 4, 1979. Post Office and Civil Service. Designates April 24, 1979, as "National Day of Remembrance of Man's Inhumanity to Man."

H.J. Res. 293. April 5, 1979. Judiciary. Constitutional Amendment—Prohibits any public school student from being assigned to or required to attend a particular school because of his or her race, creed, or color.

H.J. Res. 294. April 5, 1979. Judiciary. Constitutional Amendment—Declares that the right to life vests from the moment of fertilization without regard to age, health, or condition of dependency.

H.J. Res. 295. April 5, 1979. Post Office and Civil Service. Authorizes the President to issue a proclamation designating May 20 through May 26, 1979 as "National Oceans Week."

H.J. Res. 296. April 9, 1979. Judiciary. Constitutional Amendment—Prohibits a justice of the Supreme Court or a judge of any inferior court established by Congress from holding office for more than ten years after: (1) taking office; (2) the Senate last consented to his continuance in office; (3) the ratification of this amendment, whichever last occurs, unless the President nominates and the Senate consents to a continuance in office.

H.J. Res. 297. April 9, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 298. April 9, 1979. Post Office and Civil Service. Designates May 14 through May 20, 1979, as "National Fishing Week."

H.J. Res. 299. April 10, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H. Con. Res. 80. March 20, 1979. House Administration. Authorizes the Joint Committee on the Library to procure a bust or statue of Martin Luther King, Junior, to be placed in a suitable location in the Capitol.

H. Con. Res. 81. March 20, 1979. House Administration. Directs the printing of additional copies of specified revised committee prints for the use of the Select Committee on Population.

H. Con. Res. 82. March 21, 1979. Foreign Affairs. Expresses the sense of Congress that the United Nations Commission on Human Rights should include a description of the Armenian genocide in their study of the prevention and punishment of genocide.

H. Con. Res. 83. March 21, 1979. Foreign Affairs. Calls upon Romania to restore religious freedom.

H. Con. Res. 84. March 22, 1979. Education and Labor. Expresses the disapproval of the Congress concerning certain regulations submitted by the Secretary of Health, Education, and Welfare to the Congress on March 16, 1979, with respect to the basic educational opportunity grant program.

H. Con. Res. 85. March 22, 1979. Foreign Affairs. Expresses the sense of Congress that the President negotiate for the creation of a Peace Development Fund to implement a Middle East peace.

H. Con. Res. 86. March 26, 1979. Post Office and Civil Service. Requests the President to issue a proclamation designating the period of July 16 through 24 as "United States Space Observance."

H. Con. Res. 87. March 27, 1979. Foreign Affairs. Urges: (1) the International Whaling Commission to adopt a moratorium on the commercial killing of whales; and (2) various countries to comply with such moratorium.

H. Con. Res. 88. March 28, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Encourages the President to adopt and aggressively carry out a policy for the accelerated utilization of coal and nuclear energy.

H. Con. Res. 89. March 28, 1979. Armed Services. Commends the Air Force Academy, its staff, cadets, and graduates on the occasion of the 25th anniversary of the founding of the Academy.

H. Res. 165. March 19, 1979. Rules. Amends the Rules of the House of Representatives to allow the House Permanent Select Committee on Intelligence to vote to conduct specified hearings in executive session.

H. Res. 166. March 20, 1979. Interstate and Foreign Commerce. Requires the Federal Government to give proper consideration to the energy needs of all segments of the economy, including the travel and tourist industry, in the event any fuel allocation plan or other conservation measures are instituted.

H. Res. 167. March 20, 1979. Rules. Amends the Rules of the House of Representatives to extend the time limit for publication of committee rules.

H. Res. 168. March 20, 1979. Rules. Amends the Rules of the House of Representatives to establish an optional procedure for markup of legislation.

H. Res. 169. March 20, 1979. Rules. Amends the Rules of the House of Representatives to eliminate duplicate cost estimates in committee reports.

H. Res. 170. March 20, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims, a bill for the relief of a named individual. Directs the Commissioner to report to the House of Representatives on the nature of the claim against the United States and the amount, if any, due such individual from the United States.

H. Res. 171. March 21, 1979. Sets forth the rule for the consideration of H.R. 2774.

H. Res. 172. March 21, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that: (1) those persons responsible for television programming and broadcasting should consider the relationship between the level of violence depicted on television and a distorted view of social reality held by heavy viewers of television: and (2) further investigation of the correlation between the level of violence depicted on television and aggressive, including violent, behavior in children and adults should be pursued.

H. Res. 173. March 21, 1979. Agriculture. Declares that it is the sense of the House of Representatives that the transfer of the Forest Service and the Farmers Home Administration business and industry programs from the Department of Agriculture is unacceptable.

H. Res. 174. March 21, 1979. House Administration. Authorizes expenditures by the House Select Committee on Narcotics Abuse and Control for investigations and studies.

H. Res. 175. March 21, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims, a bill to direct the Secretary of the Treasury to pay two named individuals, chief of the Tribal Council of the Alabama Coushatta Tribes of Texas and chairman of the Coushatta Tribe of Louisiana, respectively, for the benefit of and distribution to themselves and all other enrolled members of such tribes, in full settlement of specified claims against the United States. Directs the Commissioner to report to the House of Representatives on such claim and the amount, if any, due such claimants from the United States.

H. Res. 176. March 22, 1979. Sets forth the rule for the consideration of H.R. 1786.

H. Res. 177. March 22, 1979. Sets forth the rule for the consideration of H.R. 1787.

H. Res. 178. March 22, 1979. Sets forth the rule for the consideration of H.R. 2676.

H. Res. 179. March 22, 1979. Sets forth the rule for the consideration of H.R. 2729.

H. Res. 180. March 27, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives regarding the standby emergency restrictions of gasoline plan and the standby gasoline rationing plan.

H. Res. 181. March 27, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the Secretary of Energy should: (1) submit to Congress a standby conservation plan which accounts for the economic impacts of restricted energy use; and (2) provide the States with resources and support for the implementation of energy conservation programs.

H. Res. 182. March 27, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system for the National Railroad Passenger Corporation as submitted to the Congress on January 31, 1979.

H. Res. 183. March 28, 1979. Expresses the agreement of the House of Representatives to the Senate amendments to H.R. 2534.

H. Res. 184. March 28, 1979. Sets forth the rule for the consideration of H.R. 3173.

H. Res. 185. March 28, 1979. Sets forth the rule for the consideration of H.R. 595.

H. Res. 186. March 28, 1979. Rules. Amends the Rules of the House of Repesentatives to add a new rule to require that remarks of Members must be related to governmental matters to be printed in the Congressional Record.

H. Res. 187. March 28, 1979. Agriculture. Declares that it is the sense of the House of Representatives that the transfer of the Forest Service and the Farmers Home Administration business and industry programs from the Department of Agriculture is unacceptable.

H. Res. 188. March 28, 1979. Post Office and Civil Service. Honors and expresses the gratitude of the House of Representatives to a named individual at the time of his retirement from the position of Administrator of the General Services Administration.

H. Res. 189. March 29, 1979. Dismisses a specified election contest of the Sixth Congressional District of the State of Maryland.

H. Res. 190. March 29, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system for the National Railroad Passenger Corporation as submitted to the Congress on January 31, 1979.

H. Res. 191. March 29, 1979. Rules. Establishes in the House of Representatives a Special Committee on Long-Term Care for the Elderly.

H. Res. 192. March 29, 1979. Rules. Amends rule XI of the Rules of the House of Representatives to require a rollcall vote of the House to authorize foreign travel by Members.

H. Res. 193. March 29, 1979. District of Columbia. Expresses the strong interest of the House of Representatives in the establishment of a community-oriented Museum of the District of Columbia dealing exclusively with the history and culture of the people of the District and with the planning and development of the seat of government of the United States.

H. Res. 194. March 29, 1979. District of Columbia. Expresses the interest, concern, and support of the House for the retention and continued use of the Masonic Hall building in downtown Washington, D.C.

H. Res. 195. April 2, 1979. House Administration. Authorizes expenditures by the House Select Committee on the Outer Continental Shelf for special investigations and studies.

H. Res. 196. April 2, 1979. House Administration. Directs the printing, as a House document, of the publication entitled "The Celler-Kefauver Act: The First 27 Years."

H. Res. 197. April 2, 1979. Interior and Insular Affairs. Directs the Chairman of the Nuclear Regulatory Commission to submit to the House of Representatives all available information on the recent incident at the Three Mile Island Nuclear Generating Plant in Pennsylvania and on the danger of similar incidents occurring at other nuclear generating plants.

H. Res. 198. April 3, 1979. House Administration. Dismisses a specified election contest of the Seventh Congressional District of the State of Maryland.

H. Res. 199. April 3, 1979. Government Operations. Disapproves the Reorganization Plan No. 1 transmitted to Congress by the President.

H. Res. 200. April 3, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system of Amtrak, the National Railroad Passenger Corporation, as submitted to the Congress.

H. Res. 201. April 3, 1979. Interior and Insular Affairs. Requests that the President submit to the House of Representatives all available information on the recent incident at the Three Mile Island Nuclear Generating Plant, Pennsylvania, and on the danger of similar incidents occurring at other nuclear generating plants of similar design.

H. Res. 202. April 3, 1979. Sets forth the rule for the consideration of H.R. 3324.

H. Res. 203. April 3, 1979. Sets forth the rule for the consideration of H.R. 1301.

H. Res. 204. April 4, 1979. Rules. Amends the Rules of the House of Representatives with regard to: (1) oversight subcommittees: (2) oversight agendas; (3) ethics investigations; (4) subcommittee limitation; (5) public access to committee records; (6) proxy voting; (7) open committee meetings; (8) quorum requirements; (9) committee voting; and (10) conference committee transcripts.

H. Res. 205. April 4, 1979. Rules. Amends the Rules of the House of Representatives to prohibit the consideration of a measure under a suspension of the rules unless certain conditions are met.

H. Res. 206. April 4, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the President should encourage the accelerated commercialization of alternative energy technologies and should encourage the conservation of domestic energy in all sectors of use.

EXTENSIONS OF REMARKS

THE REFUGEE CRISIS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

• Mr. WOLFF. Mr. Speaker, today I speak out once more for the lives of hundreds of thousands of Indochinese refugees who are being condemned to death by the slowness of the world community to act. An article in today's Baltimore Sun described in vivid detail many of the acts and scenes in this ongoing human tragedy.

Indeed, the time for rhetoric has long passed and the need for world action is truly urgent. On Monday, this House gave unanimous approval to House Resolution 321 which I introduced to ask the President to convene an emergency session of the General Assembly as well as other fora to deal with this mounting crisis. We applaud and support the action of Prime Minister Thatcher of Great Britain in calling for an international conference to marshall the forces of the world community.

But all this takes time, too much time. And unless we urge quick efforts we indeed make the headline of the article come true: "World's Slowness to Act Condemns Thousands."

I would like to insert this article into the RECORD so that we all may be made more aware of the facts of this overwhelming event.

The article follows:

WORLD'S SLOWNESS TO ACT CONDEMNS THOUSANDS

(By Michael Parks)

HONG KONG.—The number of Indochinese refugees, an exodus of tragedy and misery unseen since World War II, is growing so rapidly that the present crisis probably cannot be resolved before thousands more die.

A new international conference has been proposed, but its outcome is far from certain. Western nations have pledged to expand and speed their resettlement programs, but these cannot keep pace with the current flow of refugees nor empty the crowded camps. Vietnam has promised to permit "orderly departures" direct to the West, but no one trusts Hanoi to honor such a commitment.

Only a broad emergency program can meet the crisis, the International Committee of the Red Cross says, describing efforts so far as "absurdly inadequate." The nations involved are only beginning to work on an overall strategy to solve the problem, and agreement may not come quickly.

"Time is what we need, a breathing space," a regional representative of the United Nations high commissioner for refugees said, "but time already is out of hand, and every day of delay condemns more people to death."

Refugee camps now hold more than a third of a million persons, and at least 2,500 more now arrive each day. Over the next six months, as many as 1 million are expected to flee Vietnam, Cambodia and Laos, and by past measures about half probably will die in the attempt to reach safety.

"The scope of this human tragedy is appalling," the U.N. high commissioner for refugees, Poul Hartling, a former Danish prime minister, said in Geneva, acknowledging that international efforts have failed to avert it.

Nor is a solution in sight. Each of the proposed approaches to the refugee crisis has major flaws:

Even if there were greater political will in the now-complacent West to double the current resettlement program of 120,000 a year, the needed financial and social support still would be missing.

"The United States will take 84,000 Indochinese refugees this year, and that strains our ability to resettle them to just about the maximum," an American official said. "To take more might mean the collapse of the program unless there were a crash expansion . . . so we look to Europe, but the will isn't there."

Even the wholesale resettlement of refugees, like that undertaken by the United States after the fall of the Saigon regime in 1975, requires meticulous planning and considerable financing—neither of which is possible on a wholesale basis.

The large processing centers that Southeast Asian nations see as relieving them of a crushing burden in their camps would have to be so large or so numerous that the new facilities soon would constitute almost a new nation with a larger population than a number of United Nations members.

"If Vietnam is really going to expel a million more of its Chinese, if we are going to get a million refugees from Cambodia and a hundred thousand more from Laos," another relief official remarked, "then we are facing a resettlement problem that will take 10 or 20 years to solve, and refugee islands would probably be the only way to handle it."

The agreement for "orderly departures," perhaps of 10,000 persons a month, that Vietnam reached three weeks ago with the United Nations effectively makes the West a partner in Hanoi's racist campaign to expel its 2 million ethnic Chinese. At the same time, Vietnam cannot guarantee that the clandestine escapes of ethnic Vietnamese would stop, nor could any Western government insist in good conscience on such a condition.

"Some of the deals and trade-offs that will have to be made with the Vietnamese will be unsavory," a senior official of one international relief organization said after preliminary negotiations in Hanoi. "There will be complicity in very reprehensible policies, such as oppression of the Chinese minority, but it will probably be necessary if as many lives as possible are to be saved."

Hanoi has not made the least move, however, to put either its emigration policies, first announced in January, or the agreement with the United Nations into effect. It has not met the first test of allowing the emigration of 5,500 persons the United States said it would accept for resettlement immediately as relatives of refugees already in America.

But Washington believes that Vietnam might yield under international political pressure. President Carter took up the issue, both publicly and privately, with Leonid L. Brezhnev, the Soviet leader with considerable passion during their weekend summit meeting in Vienna, but a Soviet spokesman said later that Moscow could do little. Besides, the Kremlin official told newsmen, "the people who are fleeing [Cambodia] are Chinese, and we do not consider them refugees."

The Carter administration also endorsed the British call for a major conference on the refugee crisis, hoping not only to bring more pressure to bear on Vietnam but to work the varying proposals for a solution into a complementary package.

"The American approach is quite practical—knitting all the various ideas and proposals together so that finally there is a comprehensive approach," a senior official of one international relief organization said. "Quite clearly, we cannot deal with those in the camps or on the high seas if even more are coming out, but it is equally clear that, until we start taking them directly from Vietnam in sufficient numbers to encourage those wanting to leave to do so in an orderly way, then we will have an ever-increasing number by sea."

But two major problems remain unresolved with the U.S. plan, according to refugee workers and diplomats in the region. The first is the time, certainly two months, required to hold a conference and begin implementing the new program, and the second is the substantial increase in the number of resettlement places that will be required to take 100,000 people at a minimum directly from Vietnam and an equal number from the refugee camps in the next year.

Most officials and diplomats in the region feel that, except for the United States, Britain, France and three or four other countries directly involved now, most Western nations do not yet understand the gravity of the crisis and are not prepared to move as quickly or boldly as the situation requires.

"My country provides money and takes a few hundred refugees each year," one West European diplomat here said, "but it is still considered an American problem, not a world problem. . . . As compelling as the expulsion of the Chinese minority from Vietnam is, this is still too remote from us to have much impact."

An international conference, held either on an individual basis as proposed by Britain or under U.N. auspices as suggested by the United States, undoubtedly would elicit more support, including commitments of aid and offers to resettle more refugees, other diplomats said, but whether these would prove sufficient was doubted.

"If every U.N. member took 10,000 refugees apiece, then we would be certain of a solution—that's 1.5 million places," a Singapore diplomat said. "But this is very unlikely. My country is so crowded that it admits only 1,000 refugees at a time, and they must have promises of resettlement. So what can we expect?"

Other Southeast Asian officials, justifying the harsh measures their governments are taking against the arriving refugees, argue that four conferences have been held in the past six months to discuss the problem but that it has only worsened.

Their moves—the forcible repatriation of 43,000 Cambodian refugees from Thailand last week, a naval blockade by Thai, Malaysian and Indonesian gunboats and a threat by Malaysia to start sending the refugees back to sea as soon as ships can be built—are interpreted as efforts not just to dramatize their anger over what they see as inaction but to force the West to move quickly on the problem.

Yet these moves certainly will cause more suffering, more deaths as the refugees, themselves the real victims, are punished for their governments' inhumanity and Western complacency.●

THE GASOLINE SHORTAGE

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. MINETA. Mr. Speaker, never before in my 4 years in the U.S. Congress has there been an issue that has hit the citizens of my congressional district harder than the gasoline shortage. Recently, it has become clear that the shortage is spreading from California and the western United States, throughout our Nation.

From the first indications of a shortage last March, it became clear to me that meeting the problem would require a unified effort by all members of the California delegation. I am pleased to say that we have coordinated efforts over the past several months by forming an energy task force which I chair to deal with Department of Energy and administration officials and shape alternative courses of action for dealing with the crisis.

Mr. Speaker, over the past several months our California delegation has identified several issues which we feel go to the heart of the current gasoline shortage. These include: First, the allocation regulations under which, the oil companies supply gasoline stations from month to month; second, the income standard for local gasoline retailers; and third, the case load and exceptions criteria employed by the Office of Hearings and Appeals in the Department of Energy.

Mr. Speaker, for the benefit of my colleagues I would like to present a series of our delegation letters on the three issues I have noted. Our first letter dated March 28, deals with the allocation formula, the May 15 correspondence discusses the income standard for gasoline dealers, while the May 30 letter presents our position on the hearings and appeals process at DOE. In addition, I would like to share with you testimony presented by our energy task force at DOE hearings held in San Francisco June 19. This testimony discusses our ideas for a long-range gasoline allocation formula. The testimony was presented on behalf of the California delegation by Jim Aiello, administrative assistant to Congressman BILL ROYER.

Lastly, I would like to present for the record a series of questions on gasoline our task force presented to Mr. Stuart Eizenstat, President Carter's Domestic Policy Advisor at a meeting on May 10. While dealing with the California problem to an extent, the questions are on balance sufficiently general that they may be applied to our current national problems. To date, we have not received formal answers to these fundamental questions—questions which should have been resolved long before the gasoline shortage commanded the national attention that it has.

Mr. Speaker, I hope that this material will help my colleagues deal with this issue which will be dominating our national agenda for many months.

What follows are three California delegation letters, testimony to the Department of Energy, and a series of question on gasoline allocations, crude oil supply, and refinery capacity.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 28, 1979.
Mr. DAVID J. BARDIN,
Administrator, Economic Regulatory Administration, Washington, D.C.

DEAR MR. BARDIN: We the undersigned Members of the California Congressional delegation are writing to express our concerns over the gasoline allocation regulations recently issued by the Economic Regulatory Administration.

It is our belief that Activation Order Number One which sets a base period of July 1, 1977, to June 30, 1978, for gasoline allocations severely constrains independent service station dealers throughout California by not taking into account the needs of retailers who have seen their businesses grow significantly since 1978. There is no allowance for seasonal adjustments which would reflect growth in the course of the past year. While there are provisions within the regulations for exceptions to these regulations, it is our understanding that historically similar provisions in existing regulations have been rarely implemented.

We are also concerned that the California dealers and the Department of Energy's Regional Office have been unable to maintain productive lines of communication. In the final analysis, this lack of response on the part of the region has prompted many of the dealers to journey to Washington as a last resort.

As you may know, there has been a significant reduction in the number of California service stations over the past few years. Yet, there seems to be no program to redistribute the extra gasoline volume to existing stations. Rather, this fuel is placed in a pool and not made readily available to local dealers. Additionally, we are concerned with the discrepancies which exist between allocations awarded to independent branded dealers and independent non-branded dealers, and we would appreciate a clarification of your policy on these issues.

Quite frankly, the independent dealers are caught in the middle between the oil companies that supply their gasoline and the Energy Department which regulates that supply. We in the Congress have an obligation to facilitate the access of these dealers, our constituents, to the federal officials who implement these regulations.

We are convinced that more flexibility exists within existing regulations which if implemented would greatly assist dealers in servicing their customers. Beyond that, it seems that the new base period could more accurately reflect the growth many dealers have experienced in the past year.

We are writing to impress upon you the need for an equitable solution to this problem which will permit service station dealers to provide the services our customers have a right to expect.

We look forward to working with you on this issue in the coming months.

Sincerely yours,

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CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 15, 1979.
Mr. DAVID J. BARDIN,
Administrator,
Economic Regulatory Administration,
Washington, D.C.

DEAR MR. BARDIN: We the undersigned of the California Congressional Delegation are writing to express our continued concern over the gasoline shortage now plaguing our state and to an increasing extent the rest of the nation. A number of issues relate to this matter, including our refinery capacity, crude oil supplies, and distribution system, and these questions must be carefully scrutinized by the Department of Energy.

However, there is an additional issue which we feel bears directly on our ability to deal effectively with the current energy dilemma. In an era of increasingly tight gasoline supplies, we are concerned that the outdated income standard for independent retailers which has been in place since 1973 will force an increasing number of dealers out of business, and only serve to exacerbate our problems. As you know, a significant percentage of the independent retailers in California have been forced out of business in the past few years. This has occurred in large part because the net income which may be derived from gasoline sales has been frozen since May 15, 1973. Significant adjustments to that standard have not been forthcoming, and yet we all know that the cost of doing business due to non-product cost increases has risen sharply in the last six years. In point of fact, the income standard for independent gasoline retailers nationwide has simply not kept pace with inflation. The problem of tight gasoline supplies is further aggravated once stations are forced to close, by Department of Energy policy which fails to redistribute to local dealers the gasoline made available by a station closing in their immediate area. Placing such supplies in a national pool actually reduces the amount of gasoline available in a given geographical area.

Over the past few months, we have received numerous calls for assistance from gasoline retailers in our respective Congressional Districts. We have concluded that an updated income standard is required, which will enable gasoline retailers to stay in business, and save for our states the supplies which have already been allocated to them. The new income standard must more closely reflect an inflation rate which has contributed significantly to non-product cost increases for dealers over the past six years.

We ask your assistance in preserving the free enterprise system for a group of small businessmen who need our help if they are to continue to provide the same level of service our citizens have a right to expect. With gasoline supplies becoming increasingly scarce, we have an obligation to preserve a last vestige of equity for the independent dealers in our state, and in our nation.

No issue in recent memory has claimed our attention with such immediacy, and, therefore, it is incumbent upon us to work together to find a solution to this gasoline problem before California's dilemma becomes a more menacing national crisis.

We look forward to hearing from you.

Sincerely yours,

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CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 30, 1979.
Mr. STUART E. EIZENSTAT,
Office of Domestic Affairs and Policy,
The White House,
Washington, D.C.

DEAR MR. EIZENSTAT: One of the major issues to emerge from the current gasoline shortage has been the method by which additional supplies are granted to retailers by the Office of Hearings and Appeals (OHA) in the Department of Energy. We, the undersigned Members of the California Congressional Delegation, are writing to obtain an explanation of the procedures and criteria which are used in OHA's decision-making process. Our inquiry is prompted by several overriding concerns. First, the Office of Hearings and Appeals appears to be understaffed, and, therefore, incapable of dealing in a timely fashion with the large number of appeals which have been filed in recent months. Receipt of applications by the Office is not acknowledged expeditiously, and the appeals themselves are now taking between two and three months to be resolved. This is clearly unacceptable policy from our point of view. Second, there is great confusion among our constituents regarding the appeals process itself. What are the criteria used in determining whether a given gasoline station will be allocated additional fuel supplies? What constitutes a "community hardship" according to the Department of Energy? From the cases we have been observing, our chief concern is that the appeals process appears to be haphazard and ad hoc with no firm decision-making criteria available upon which fair and equitable resolution of cases can be based.

As you know, the appeals process is in most cases brought on by station closings. Existing area stations faced with increasing public demand for gasoline when neighboring stations close apply to the Department of Energy for additional allocations to meet the new demand. However, we are receiving reports of great delays in the processing of appeals and of subsequent denials of applications which demonstrates to us an extreme insensitivity on the part of the Energy Department to the growth being experienced in our state and of the additional demands which have been placed on the gasoline stations which remain in business. We have yet to receive an adequate explanation of what happens to the gasoline supplies which had been allocated to a given station once that station is forced to close. Do these supplies come under the control of the refinery? Are they lost to a given geographical area—to the state? Are they placed in a national pool? It seems that the decision-making criteria of the Office of Hearings and Appeals ought to take into account the adverse impact loss of gasoline supplies will have on growing areas when making their decisions on applications for exceptions.

The impact of an inadequate appeals machinery coupled with an income standard for dealers which has not kept up with inflation in recent years threatens to force an increasing number of service stations out of business. The currrent system of appeals which fails to automatically reallocate supplies to area stations when station closing arise, only serves to exacerbate the problems and poison the atmosphere between gasoline retailers and the agencies of government which are supposed to serve them.

We ask you, as President Carter's chief domestic policy assistant, to reassess the manpower problems currently plaguing the Office of Hearings and Appeals, and advise us as to whether changes may be forthcoming which will speed the turnaround time of appeals. Finally, we request that the criteria upon which appeals decisions are based be clarified for ourselves and our constituents. The inadequacy of the current hearings and appeals program has been amply demonstrated over the past few months. We hope that we can work with you in the coming days in developing an appeals process which is both expeditious and equitable for the gasoline retailers of our state and nation, and for the people they serve.

Sincerely yours,

——— ———.

Statement of California/Nevada Congressional Delegation Task Force on the Fuel Shortage to the Economic Regulatory Administration of the Department of Energy: San Francisco, June 19, 1979

My name is James Aiello. I am Administrative Assistant to Representative Bill Royer of the 11th Congressional District. Congressman Royer is a Member of a ten-Member California/Nevada Congressional Delegation Task Force on the Fuel Shortage. The bi-partisan Committee is chaired by Congressman Norman Mineta of San Jose and includes Congressmen Robert Badham of Newport Beach, Tony Coelho of Merced, Daniel Lungren of Long Beach, Leon Panetta of Carmel, John Rousselot of San Marino, James Santini of Nevada, William Thomas of Bakersfield, and Henry Waxman of Los Angeles. The statement which I will give represents the views of the Task Force, speaking on behalf of the entire 43-Member California House Delegation.

The Economic Regulatory Administration of the Department of Energy has invited comment on its proposal to adopt on a permanent basis the interim rule governing motor gasoline allocation adopted on May 4, 1979. While the Task Force endorses the interim rule as a short-range answer to meet the immediate problems of allocation, it falls far short of an acceptable long-range solution.

The present rule designates November 1977 through October 1978 as the base period year but permits purchasers to substitute their average monthly purchases in the period October 1978 through February 1979 as their base period volume, if that average was at least ten percent greater than their total purchases in the applicable base period month. We do not believe this "growth adjustment factor" is fully consistent with California experience where, as the May 4th statement acknowledges, winter driving demands in many parts of the state are less than in summer months. This problem aside, however, the continued use of an allocation formula based on past usage will increasingly discriminate against states and regions which are continuing to experience population and economic growth above the national average. Such growth is not fully accommodated by the present "adjustment factor" nor does the allocation formula acknowledge continued growth subsequent to February 1979.

In California, population increased in 1978 by some 400,000 and employment by over 600,000. In direct and logical relation to this growth, the number of automobiles registered in the state increased by 435,000 and trucks by 190,000. Clearly, assuming a continuance of an allocation system, the formula must be adjusted to accommodate population and economic growth. The Economic Regulatory Administration itself acknowledges this fact in its request for comment on "an appropriate growth adjustment mechanism that will take into account seasonal demand variations, regional shifts in population, and other factors" and in its invitation to suggest "an appropriate and equitable means of accounting for growth."

At least three approaches, taken singly or in combination, should be carefully considsidered by the Department of Energy:

Develop a formula for allocation which recognizes factors which bear a legitimate and appropriate relationship to gasoline utilization, such as increases in population, employment, housing construction.

Provide more flexibility to suppliers to adjust their base-period volumes to reflect changes in demand resulting from economic growth, such as new housing or commercial development.

Adjust base period allocations for a retailer in a given state by a factor which reflects actual changes in gasoline sales during the last "normal" period, thus recognizing regional growth more effectively and avoiding the above-noted problem of "seasonality." For example, taxable sales in California increased by five percent between 1977 and 1978. Using this approach the allocation for a California retailer would be 105 percent of sales in the base period month, subject, of course to the supplier's overall allocation fraction. (California, incidentally, would not be among the states with the highest adjustment.)

Properly drafted and administered, none of these three approaches should discriminate between company-owned and independent retailers or other segments of the industry. More importantly, these changes would provide new tools to promote fair and equitable gasoline allocation throughout the nation. The steps suggested are reasonable and workable. We strongly urge their favorable consideration.

In a separate area, comment is invited by the Department of Energy concerning regulations of the Environmental Protection Agency which appears to require a retail outlet to close its sales when supplies of unleaded gasoline have run out, even when leaded gasoline is still available. While recognizing the potential hazards in encouraging the use of leaded fuel in engines designed for unleaded fuel, this requirement must be placed alongside the inconvenience to motorists requiring leaded gasoline. On balance, it would appear that a relaxation of the present restrictions is in order. Indeed, we understand that the rule is not being seriously enforced.

The California/Nevada Congressional Delegation welcomes this opportunity to present its views to the Department of Energy and offers its cooperation to the Department in its consideration of these issues.

Suggested Questions for Department of Energy

1. Can California receive a fairer share of allocations through a redistribution of product—i.e. regional allocations without causing other shortfalls nationally?

2. If there is a crude oil shortage what is the possibility of short-term contracts with Mexico for oil to provide relief to California and the Southwest?

3. A. What is the Department of Energy's role with regard to refinery capacity?

B. Does the Department have the authority to order refinery increases?

C. Why are refineries operating at 85 percent of capacity?

D. Has the Department counseled refiners not to buy on the world spot market?

E. How did California turn from an oil glut area to an oil scarcity area?

F. Are the oil companies withholding production?

4. Was the stepped-up production of heating oil premature this year, and should this program be readjusted?

5. Does the Department of Energy have the authority to deny refinery cutbacks if the cutbacks are not justified regionally?

6. Why have independent refiners been allowed to increase prices 20 cents to wholesale customers while crude oil prices have not gone up that much? Has our system of controls broken down?

7. A strictly controlled and outdated income standard for gas station dealers dates back to 1973. Does the Department plan to provide a higher margin of income for dealers to enable them to maintain current levels of service?

8. How is the auditing policy for gas stations determined? How are stations targeted and what are a dealer's rights during the audit process—for example with regard to the publication of a dealer being audited?●

FDA IS HARMFUL TO YOUR HEALTH

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. SYMMS. Mr. Speaker, since the early 1960's there has been an obvious lag in the drug products available to American citizens. Many of the drugs not available in the United States are widely used in other developed countries in the world.

The General Accounting Office in a report recently submitted to the Science and Technology Committee states:

> The drug lag reveals a serious problem in the environment for pharmaceutical innovation and clinical research in the U.S. * * * There will be a substantial decline in the number of U.S.-originated innovations that will be approved for the U.S. market.

The GAO further stated:

> Regulation is probably a dominant negative factor in constraining innovation, although its exact contribution is hard to quantify.

It is obvious that many Americans are suffering needlessly for the lack of available drugs and indirectly by the stagnation that is occurring in the research and development of new treatments.

The following is a paper that Dr. Joseph Charles Elia presented in 1966 to the Nevada Pharmaceutical Association which elucidates on the threat to American health:

The Role of the FDA in Pharmaceutical Industry Stagnation

During the hectic years of World War II, one was repeatedly and painfully reminded of the ridiculous red tape and procrastination in Washington. There were requests for materials . . repeat requests . . copies of requests . . copies of copies . . copies of copies of copies . ., and more often than not, the request for urgent military supplies was refused by swivel chair commanders who had never experienced the sting of genuine field conditions.

After one of these very trying experiences, the brilliant Lt. General Clair Lee Chennault was heard to say, "When this war is over, I'm going to hang a sign on the Pentagon stating 'Washington slept here' "!

It will not be too long before we will be saying the same thing in respect to the pharmaceutical manufacturing industry and the FDA. As a matter of fact, that sign can be hung on the Food and Drug Administration building at this moment, stating "Washington is sleeping here"! It is sleeping at the expense of the entire drug manufacturing industry and the health and welfare of the entire population of these United States. Drug research has been virtually halted by the inability of the Food and Drug Administration to act upon and release a single new important molecule since the "thalidamide incident" of 1962.

The Kefauver-Harris Amendment to the Food, Drug and Cosmetic Act received the impetus for passage through Congress because of the "thalidamide tragedy". In a similar manner, the original Food and Drug Act of 1906 was replaced by the Food, Drug and Cosmetic Act of 1938 by the impact of the sulfanilamide elixer tragedy. Legislation conceived and enacted in the atmosphere of panic is generally ill-advised and, as we have seen, detrimental to life itself. At present, we are re-enacting the old Roman tragedy . . . that of taxpayers burning as the FDA fiddles.

At the time of the Roman Empire, life expectancy at birth was approximately 25 years. Today it not only has been doubled, but has now reached the duration of 71 years . . . thanks to scientific pharmaceutical achievement and medical application. Such things as the tremendous investment of Eli-Lilly in 1922 in the insulin of Banting and Best for manufacture and distribution. Patients all over the world profited in good health by this drug—for there was no floundering FDA to clutter up the pharmaceutical and medical research landscape.

The very few drugs that have been "released" are relatively unimportant or else they are merely a rehashing of an already existant product in another form or dosage. One cannot be lulled into complacency by the reports of huge numbers of new drugs being "released", for speed is not one of the attributes of the FDA of 1966. Dr. James Z. Appell, former President of the AMA, stated, "One cannot help wondering how many useful therapeutic agents are caught in this administration's log-jam that should have been in the hands of the profession to help patients". He charged that the agency's bureau was poorly organized, not very productive, and was inadequate quantitively and qualitatively to administer effectively the amendments and regulations adopted in 1962. Dr. Appell declared, "the tame submission of the pharmaceutical industry to any and every regulatory suggestion or directive, regardless of the medical scientific facts involved is unsettling".

The 1962 law gave the Food and Drug Administration authority over the efficacy of drugs in addition to its original assignment, the safety of drugs. This is a responsibility that the FDA was not prepared to assume, according to Krantz. It is very unlikely that it will ever be able to assume this responsibility. Krantz states, "In a system of free enterprise, this responsibility belongs to the medical profession alone, and not to an agency of the government. Under this new assignment, the FDA has wavered, procrastinated and quaked with indecision on rulings which often they are unqualified to make, owing to the multi-faceted areas of medical science and medical practice involved. In addition, this volume of work has become so enormous that the staff has become inundated by its size and complexity. Time lags in getting information from the FDA have increased appallingly." In spite of all this, the FDA Administrator finds time to casually visit and make speeches in the various sectors of the country—carefully and scientifically avoiding and ignoring the job for which he was hired—that is, to clear the many drug applications which are on his desk!

On August 23, 1966 President Johnson stated that medical costs had risen. Mr. John Gardner, Secretary of Health, Education and Welfare, in quoting Mr. Johnson, stated that there would be an investigation to find out why! If Mr. Johnson is really interested he would only have to go to the back window of the White House and look across the intervening real estate to the location of the FDA, where his answer would be awaiting him. Because of the mass confusion and delay generated by the FDA, the present cost of translating a single idea to a new marketable drug has risen to eight million dollars, according to George C. Harlen of the Herald Tribune of New York City. This compares with average pre-1960 R & D costs of about three million dollars. When one considers that of each 5000 medications tested by the pharmaceutical manufacturing industry, only one ever reaches the druggists' shelves, is there no wonder that the cost of medicines to the patient has skyrocketed? The patient must blame neither the druggist, nor the pharmaceutical industry, but the U.S. Food and Drug Administration, that bureaucratic portion of our own government paid by our own taxes, that has forced the prices to rise to the present heights.

In retrospect, if digitalis, aspirin, morphine, ephedrine quinine, insulin, Salk vaccine, smallpox vaccine, penicillin or dipththeria antitoxin were discovered today, they would not be able to be marketed because of the impractical and overbearing attitude and regulations of the FDA. Some of these preparations are very interesting: Smallpox vaccine was the brainchild of a man who was not a physician. It has practically rid the world of one of the most dangerous scourges of mankind. Penicillin was administered to humans after being tested on only 25 mice. The genius of American pharmaceutical industry made Fleming's penicillin available to the armed forces of the Allies in World War II period. This venture, like the insulin venture, and others, involve gigantic financial risks, the application of many scientific skills and the astute business sense, according to John C. Krantz, Professor of Pharmacology of the University of Maryland's School of Medicine. The risks were always great, but the stakes in human lives were higher! Ephedrine was borrowed from the Chinese of antiquity. Quinine was used successfully for fever in malarial areas before physicians even knew what malaria was. Digitalis was discovered by a non-physician in England who experienced benefit in dropsy. Today, among the cardiac drugs, Digitalis (foxglove) is one of the most important "standards".

Imagine the state of affairs today in this country, or for that matter, anywhere in the world, if these truly miracle drugs had to go through the present ridiculous obstacle course of the FDA? The gross inertia of the FDA has been so detrimental that new and extremely valuable American drugs are now becoming available in foreign lands, but not in the United States.

If the present stagnant state of affairs continues to deter and delay new drugs, the FDA can be thanked for the drug research grinding to a complete halt in the United States in ten years, that is, in six more years. The many facets of ingenuity which have caused important and lifesaving drugs to be used will have been lost with the present attitude of the FDA for it is destroying the initiative and resources important to genuine medical research for new and useful drugs. Walter A. Munns, President of Smith-Kline and French Laboratories in discussing the pharmaceutical industry stated, "What I am talking about is the selection of a whole new team of men to lead the U.S. Food and Drug Administration". The entire staff of the FDA must be overhauled with a sufficient number of competent, practical scientists who know the medical practice conditions, and a director who is also practical, experienced and productive.

Drug companies cannot continue the present repetition of unnecessary and costly tests time and time again at the mere whim of any agent of the FDA, who probably does not know its value anyway. Drug companies may be forced to discontinue the production of medicines and turn over all research and drug production to pharmaceutical companies in other countries who, at present, are taking advantage of our blind blundering in this field. The drug companies may have to resort to manufacturing other items in their plants, items not under the jurisdiction of the indecisive heavy hand of the present FDA. As a matter of fact, some smaller companies have already abandoned all research efforts for new drugs. They maintain that a small company cannot afford this type of research under the new impossible regulations. Is this free enterprise?

Drugs for the relief of cancer have been made, but they cannot be used. Each time a new drug is presented with its voluminous portfolio of research data, the FDA delays by insisting on more unreasonable and useless study, generally animal study. Animal study is recognized by everybody as necessary up to a certain point. Then it becomes senseless in its redundancy. It reminds one of the automobile business. Dummies are placed in automobiles which are allowed to fall from the tops of tall buildings. Each time one is dropped, volumes of statistics and data are carefully recorded and catalogued. Careful scrutiny of all these data will lead to only one obvious fact . . . that automobiles are being made safer for dummies!

The drugs introduced in the first half of this year (1966) fell to a new all-time low in 25 years. However, a few unimportant drugs were "freed" by this august body of the FDA:

1. Citanest. A local anesthetic, developed in Sweden by Astra.

2. Thioguanine. An anti-leukemic, developed by Burrough-Wellcome.

3. Ethnyodial Diacetate. Contained in Ovulen. Oral contraceptive, developed by Searle.

4. Garamycin. A topical antibiotic, developed by Schering.

On the other hand, twenty-six chemical entities originating in the United States were marketed in France, Germany, Great Britain and Italy, but not in the United States. Among these agents were a medicine for gout, a long-acting tranquilizer, a diuretic agent, a menatinic and the very important Schwarz strain of live attenuated measles virus vaccine developed by Pitman-Moore. This latter product was marketed in England by the Glazo Laboratories where the English children are reaping the benefits of this product, but the American child is being deprived of this aid to health.

Dr. W. Harding LeRiche, a research physician and professor of epidemiology at the University of Toronto, said he is sure "even aspirin could not make it today". He referred to Dr. Goddard, the present FDA head, as "completely irresponsible". Concerning increased animal experimentation, he said, "We're told to do more tests on mice, rabbits and pregnant cats. These tests aren't going to help the little boy with leukemia. More often than not, they are totally irrelevant to the treatment of diseases of humans."

Drugs of great importance are being delayed by the FDA because of the dark emotional cloud caused by the "thalidamide incident" of 1962. It is interesting that thalidamide is entirely a foreign manufactured drug which has never been marketed in the United States, yet our publicity-seeking politicians saw a chance to climb upon the band wagon for a free publicity ride at the tremendous expense of the drug manufacturing industry, and the health and welfare of the entire United States, and all those countries who previously depended upon the United

States for the most advanced medical research. Politically, this was a good move for them. Many of our erstwhile politicians could thereby divert attention from their own shortcomings and blunders . . . such as the Bobby Baker case, and others too numerous to mention. It is important that one always remember that thalidamide is not an American preparation. On the other hand, one cannot deny that this is one of the most valuable drugs ever encountered for those past the child-bearing age, if used for the purpose for which it was intended!

As previously stated, many drugs have been introduced in the FDA but they have not been freed for use, even though all the data is there and complete. They just are not acting on anything at all, it seems. Nobody in the FDA seems to be anxious or interested in doing anything since one member of the FDA was decorated for procrastination in the recent past. The agents of the government seem to feel that if one doesn't do anything, he cannot make a mistake. Furthermore, he, too, may be given a Presidential citation!

The December, 1965 issue of the AMA News carried an item of John Gardner, Secretary of Health, Education and Welfare, in which he described the new five-year plan calling for greater enforcement, more research and public education. He states this included a review of the safety and effectiveness of the drugs introduced even since 1938. He stated, "The FDA serves as the public's protector against contamination, fraud, impurity and hazards in the products on which our lives depend". The item also carried other interesting data, such as (1) The FDA makes 30,000 inspections of food factories and warehouses; (2) The FDA analyzes 25,000 specimens of pesticides and residues, and (3) The FDA inspects 22,000 batches of antibiotics. A careful analysis of these statements reveals that these activities are those of the Department of Agriculture, not the FDA. Apparently there is much confusion since the Kefauver-Harris Amendments were promulgated in 1962. The FDA is the police organization, but the Department of Agriculture is that all-important organization which can and should assist the pharmaceutical manufacturing industry. A better delineation of these department functions could clear up the whole mess! The FDA should contain only those individuals concerned with the policing activities, but the scientists and researchers should be placed in the Department of Agriculture where they can be of most value. There seems to be a great waste of talent and manpower as the situation stands today, with physicians and scientists playing the game of "Cops and Robbers".

The question is asked: "Is the FDA really protecting the health and welfare of the United States by keeping off the shelves unwarranted drugs, cosmetics, devices and foodstuffs? Are they limiting the claims of unethical manufacturers by suggestive advertising without definite proof and animal studies?" The radio, television, magazines and newspapers are mute evidence and testimony that they are not! Do you have "tired blood"? Do you have a "nagging backache"? One can tune and listen to many nostrums through a couple hours of radio or television monitoring on claims of blood builders, headache or backache cures, ten different "best" toothpastes, sinus cures, laxatives, hair dyes, salt and sugar substitutes, medicines to put one to sleep and medicines to awaken one. How is the public being protected against the use of them? Have they ever been tested and checked on animals? How could the FDA possibly check the packing of smoked sardines from Sweden, Japan or Spain? They are on the shelves of our stores in competition with American products, where labor must be economically controlled by minimum wage scales, yet the foreign product is replacing the American product, with absolutely no knowledge of all these items.

It is a very curious happenstance that the United States Government decided to avoid these ridiculous gimmicks and claims. Yet it went after ethical researchers in the drug manufacturing industry instead. The real culprits have never been touched, and they continue to sell their wares without any evident restraint. The present condition of unethical claims of drugs, foodstuffs, cosmetics and devices continues with the tang of the old time medicine-man show. The modern medicine-man show is more complete in entertainment—but the picture is the same! It makes no difference whether it is a snake oil sold in the shade of the hula dancer or the "tired blood" syndrome sold with the background of the 35-piece band. Since when did the composition of the lowly aspirin tablet differ from one laboratory to another? The 1966 medicine-man show continues as the FDA sleeps!

The September 2, 1966 issue of Medical World News contains an article entitled: "Doctors, Let Us Be Partners". This article was written (or at least ghost-written) by one Hubert H. Humphrey, formerly a pharmacist with limited education and experience in pharmacy, but presently the Vice President of the United States. Mr. Humphrey stated, "American medicine already is the beacon of the world—a fact that has personally been brought home to me in my travels. No country can match ours in depth and breadth of our high-calibre personnel and institutions. From the ends of the earth, foreign professionals now come to learn from our clinics, medical schools, researchers and other life scientists. All over the world high rank is accorded our medical journals, textbooks, films, drugs, medical devices and equipment". In another section of the article, Mr. Humphrey states, "I invite American medicine to come forth with its constructive suggestions. Let the executive and legislative branches hear your expert views. Let us improve whatever needs improving. Let us be genuine working partners".

This rubbish is for public consumption of those blind to the events which surround them. The soundest advice that could be given to Mr. Humphrey and the administration is to tell the executive and legislative branches of our government to let the plumbers do the plumbing, the watchmaker fix the watches, the doctors do the doctoring, and the farmers do the farming! The government meddles in affairs of which they know nothing and makes horrible messes. Medicine should be given its freedom from the confused present administration!

The present administration has tied and strangled the pharmaceutical research and production of new drugs. Many small businesses have discontinued production and research because of the impossible conditions imposed upon them. We cannot rest on our laurels of the past if we are to be progressive world medical leaders. Research must be freed of its stranglehold imposed by the Kefauver-Harris Amendments. Mr. Humphrey did not have to waste our tax money by going abroad to tell us we used to be world leaders in medicine. No longer are we introducing the new drugs. The twenty-six new preparations of American ingenuity which were introduced in foreign lands are not being used for American patients. The American taxpayer is being deprived of many drugs because of the inactivity of the present FDA.

Not only is the FDA delaying new drugs, but some reliable ethical drugs are being "recalled" for unwarranted and unfounded reasons and excuses. The situation of the preparation called Madricidin is the prime example. Supposedly cases of the Stevens-Johnson Syndrome resulted from its use. The true bare facts do not support this claim of the FDA, yet the drug manufacturer incurred a tremendous expense and loss in recalling the drug. There has never been a case of the Stevens-Johnson syndrome resulting from the use of the sulfonamides. Many pleas have been made to the administration to listen to sensible and practical arguments concerning drug research and production. Mr. Humphrey is obviously uninformed! There is to date little or no cooperation between the power-mad FDA and the pharmaceutical research and manufacturing industry. Does Mr. Humphrey know that our own federal government military agencies are purchasing illegally manufactured drugs from foreign manufacturer? American companies hold patents on medicines. Formulas for these medicines have been in some illegal way placed in the hands of foreign manufacturers who do not respect American patent rights, and our own military agencies are purchasing these drugs in preference to the American drug! We have certain standards of cleanliness and economics in the United States which have to be adhered to, but the foreign countries cannot be controlled by our FDA, yet our own tax money is destroying our own industry of drug production. One wonders if Mr. Humphrey really knew what was going on in Washington when he invited the doctors to be "partners". The question is asked, "Partners in what—one's own destruction?"

The most recent deterrent to the progress in the drug manufacturing industry concerns the so-called Child Safety proposal of the FDA. The FDA would limit the amount of medication per bottle—50 aspirin tablets for one bottle. The FDA would also make it mandatory that the first aid treatment be placed on the bottle. This is fine if the child can read and understand how to mix the chemicals for the emergency, but why limit it to the drugs purchased in a drug store? Why not make it mandatory for all poisonous materials generally around a household—gasoline, kerosene, turpentine, paints, detergents, and the million of other more serious chemical items?

Unless the FDA is made to be a more practical institution and the small drug companies return to research and production, there is little hope for the genius of pre-1962 pharmaceutical industry to uncover the cures for cancer, arthritis, coronary artery disease, the common cold and many other crippling diseases. The cures for these conditions cannot be legislated, nor will they be found in the policing activities of the FDA. They will never be found in the "nine to five" white collar offices of the government!

A final quote on Dr. Krantz must be made: "The stakes are high in human life, let there be no impediments to this progress. The final approbation or disapproval of the efficacy of a new drug should be the responsibility of the medical profession, not the FDA".

JOSEPH C. ELIA, MD, FICS, FACA.●

TRIBUTE TO ROBERT KLOSS

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. WYLIE. Mr. Speaker, I would like to share with my colleagues the accomplishments of an outstanding citizen of the State of Ohio and of our Nation, Mr. Robert A. Kloss. On September 1, 1979, Mr. Kloss will retire from his position as executive secretary of the Ohio Credit Union League, a position which he has held since 1945.

The career of Robert Kloss stands as a hallmark of what one individual, through tireless efforts, can contribute to an entire industry and to the community that industry serves. When Bob Kloss assumed the leadership of Ohio's Credit Union League, its assets were less than $600,000. Today, after 34 years of Bob Kloss' guidance, those assets exceed $2 billion. The effect of this accomplishment has helped to shape and develop Ohio's resources and its people.

I salute Robert Kloss, and on behalf of the people of Ohio, thank him for his unselfish work. We will surely miss him, but the legacy of strong, reliable credit unions which he has left will stand forever as a testament to a successful and productive career.

May I use this public forum to express my best wishes to a great friend and hope for him good luck in his retirement.●

SUNSET NEEDED FOR DEPARTMENT OF ENERGY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. WHITEHURST. Mr. Speaker, many of us who voted to establish the Department of Energy on June 3, 1977, did so because it contained the Broyhill amendment, which would have terminated the Department on December 31, 1982. On June 21, 1977, the House further voted, 288 to 179, to instruct the conferees to insist on those "Sunset provisions." Regrettably, as it now develops, the conferees did not do so, accepting instead "a comprehensive sunset-type review of every program in the Department prior to January 15, 1982."

During the June 3 debate that year on the Broyhill amendment, our colleague PAUL FINDLEY urged that "our confidence . . . be placed in the private sector, as contrasted with the authority of Government." Prophetically, he went on to say:

> . . . approval of this legislation will further entrench bureaucratic control over energy prices and the allocation of energy resources in this country—areas which should be governed by the forces of the free market. Government control over price and allocation has led in great measure to the shortages this country presently experiences. To extend this authority to the new Department of Energy is to invite a continuation of the shortages and inefficiencies which are associated with sensitive market mechanisms.

He further pointed out that:

> In the June 1 (1977) edition of the Wall Street Journal, the cost question was succintly treated: ". . . the $10.6 billion budget of the proposed new Department of Energy . . . is about double the value of all the oil in the U.S. imported from Saudi Arabia last year. It exceeds capital and exploration expenditures by the petroleum industry to find oil, gas and gas liquids in the U.S. in 1975. It exceeds by about $800 million the 1974 profits of the seven largest international oil companies . . . It is equivalent to about $3 a barrel of domestic crude oil production, which means, if our own arithmetic is correct, that you could decontrol all domestic crude oil prices and still end up paying less for oil than the federal energy bureaucracy costs . . ."

Mr. Speaker, in further reference to the problem, I would like to share with my colleagues the excellent column written by our colleague DAVID STOCKMAN which appeared in the June 20, 1979, edition of the Washington Post. It seems to me that more and more of us are realizing that the Department of Energy is an idea whose time has come—and gone. For this reason, I commend again to my colleagues H.R. 4329, my bill to terminate this Department by January 15, 1982. In the meantime, to use the figure of speech in the Stockman column, we should use the evidence of the "fingerprints," and take positive steps to remove bureaucratic hands from the barrels of gasoline and speed their movement into the marketplace. It is impossible for bureaucracy to move with appropriate speed; only a free market can do that.

The article follows:

WHO'S TILTING THE GASOLINE MACHINE

The U.S. gasoline market is beginning to resemble a giant pinball machine. Some inept player is recklessly jiggling the board, causing it to go "tilt." But in a highly curious manner. The bells and lights of shortage—station closings, long lines and tank-topping—are not tripping off in a generalized, nationwide pattern, but sporadically, locally, almost randomly—one city at a time.

This hit-and-run pattern is the key to fingering the culprit. Thus, despite all its imperfections, the "invisible" hand of the marketplace automatically gets exonerated because it is inherently incapable of dispensing injustice so capriciously. Faced with an estimated 9 percent gap nationally between apparent demand and available supplies, the marketplace would close this gap by substituting higher prices for long lines. That would mean a market-clearing (line-eliminating) price in the range of $1.20 to $1.30 per gallon. Nor would price rationing dump the entire shortage burden on one or a few localities. The price would not be $1.50 per gallon in Washington where there are currently massive lines and only 85 cents per gallon in Albuquerque where there are no lines and half the stations are open 24 hours a day.

Instead—in response to opportunities to buy lower and sell higher—brokers, jobbers and speculators would move available supplies around in a hurry so that the price would equilibriate somewhere in between. The burden of shortage would be shared equally by all geographic areas and end-use sectors, as occurred when the nation's foreign coffee supplies precipitately dropped by 25 percent two years ago.

But something is at work in the internal marketplace, transforming the present 9 percent shortage in the national gasoline pool into a far more severe problem in a selective set of local retail markets. What is it?

In this instance, the major oil companies are not a plausible villain. While not noted for their political acumen, even they are not stupid enough to pick two of the nation's major political hot buttons—Washington, D.C., and Los Angeles—for a demonstration strike. The same reasoning holds for the greedy, panic-stricken consumer explanation. The aggregate 9 percent gasoline shortfall has not elicited a run on the retail gasoline bank in 90 percent of the country. While motorists in Washington and Southern California are admittedly unique in their political and cultural propensities, there is no evidence that they are any more irrational than average in their gas-buying habits.

The fact is, the fingerprints that appear on literally every barrel of gasoline that moves outward from the nation's 200 refineries, through 12,000 wholesalers and 200,000 retail outlets, for ultimate deposit in 120 million thirsty vehicle tanks, are those of the Department of Energy. Like the fabled handiwork of the Lilliputians, 3,000 pages of regulations and interpretive opinions rigidly bind the exact price and volume of each transaction through the marketing chain, and ultimately determine the precise street-corner destination of each of the 300 million gallons that move through the system daily.

The first thing to note about this massive pile of regulations is that it is stacked against the retail market, motorist, cities and growth areas—and toward farmers, non-metropolitan areas, gasoline marketers and hoarders.

This month available supplies nationwide amount to 92 percent of the June 1978 base period. But most D.C. area retail stations are getting only 75 to 85 percent of last year's volume, at best. Why? Because 15 percent of the total supply is being skimmed off the top of the national pool for the state set-aside and so-called high priority users. The retail network gets an allocation fraction based on the diminished residual supply.

"THE LILLIPUTIAN REGULATORS ARE NOW APPLYING A SPECIAL SUPPLY NOOSE TO THE CITIES"

State capitol bureaucrats are supposed to distribute part of this—the 5 percent state set-aside—to areas of greatest need. But evidence from the 1973–74 experience suggests a good portion is going to pals, politically connected marketers and squeaky wheels in the commercial sector.

Similarly, in the last four months the share going to the other top-of-the-pool category—high-priority users—was more than doubled. Moreover, these high-priority users—especially farmers—are entitled to 100 percent of their "current needs," which is defined as whatever they say it is. For all practical purposes, this means unlimited entitlement to scarce supplies for priority claimants who are self-certified from the bottom of the marketing chain up. The fact that delivery times for 1,000 to 10,000 gallon steel tanks have ballooned dramatically in recent months suggests that "current needs" include the right to hoard for future use.

Overall, a substantial share of available supplies is being diverted out of the retail market to various categories of legally privileged and politically connected users who face absolutely no incentive to conserve, a wide-open opportunity to hoard, and an artificially low, controlled price to boot.

The second major distortion stems from the fact that the price-control regulations encourage dealers to respond to the present "sellers market" in a perverse way. While the retail price ceilings are leaky and ill-enforced, they most definitely do restrain the rate of price increase relative to what would otherwise occur in a supply-short market. This is supposed to protect the consumer, but what it actually does is encourage the dealer to take his seller's-market profits in an alternative way: Instead of raising prices, he reduces hours and operating costs, thereby widening his actual margin.

Thus, facing an already artificially low allocation fraction, retailers find it possible to move a fixed monthly gallonage by cutting out their highest cost hours—weekends and evenings. This in turn induces motorists to line up on a Monday and Friday, which permits a further compression of sales hours. Soon there are Tuesday and Thursday lines, fewer sales hours, still lower operating costs and even higher profits over a price-controlled but constant volume of sales. Fed by a spiral of consumer panic, the ultimate outcome is obvious. Your friendly gas-and-go operator, who normally moves 25,000 gallons to 3,000 customers over the course of a week stretching upwards of 90 hours, arrives at the crack of dawn on Wednesday to find a week's worth of customers neatly queued in a two-mile line—whence he laughs all the way to the bank or his favorite fishing hole by noon.

In the absence of the DOE ceilings, of course, some operators would sell higher and stay open longer; others would sell higher and stay open different hours; and the most enterprising dealers and jobbers would be out scrounging the regional and national market for additional, higher-priced supplies that will always gravitate toward the strongest local seller's market.

Yet under DOE rules, in which every gallon is earmarked, there are no free supplies and nothing for local jobbers to bid for in order to shift the short-run allocation. Necessarily then, motorists work harder and longer, marketers work less and more profitably, and eventually the system tilts. That this DOE-designed *market-clogging* outcome is of any more benefit to the consumer than the *market-clearing* outcome is by no means apparent.

Finally, the Lilliputian regulators are now applying a special supply noose to the cities. During the recreation season, the big cities are heavy exporters of weekend traffic, which creates seasonal bulges in gasoline demand along the interstates and in the beach, resort and vacation receiving areas. The allocation system is now perfectly reflecting this normal distribution of sales by allocating to each station an equal fraction of last year's base.

But worried motorists don't behave normally—and aren't reflecting last year's pattern. Exhausted from hustling for gas or apprehensive about being stranded, a significant fraction are staying inside the beltway on weekends. Last Friday, for instance, traffic across the Bay Bridge was down a full 20 percent from the same week last year. Unfortunately, when the traffic stops flowing down Route 50, the gasoline delivery trucks don't. The allocation system thus drains the cities and floods the highways and countryside.

Unless total supplies improve substantially in the next six weeks, the tilt lights will start popping in most major cities in the East and elsewhere. The administration can avoid this unhappy outcome instantly by pulling the rip cord on the Lilliputian regulators now knotting up the gasoline market. But Congress would have 15 days to veto such a decontrol plan. Undoubtedly it would do so. Better to risk massive dislocation, push public tempers to the flash point and beat the drums harder against scapegoats than to tell the public the truth: Gasoline is no longer cheap. Ironically, however, the present regulatory camouflage will ultimately prove even more costly.●

THE NEED FOR WORLD ACTION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. WOLFF. Mr. Speaker, for many months we have watched the dynamic explosion of human tragedy which we call the Indochinese refugee crisis. The numbers are staggering. The individual horror stories recall the possibilities of another holocaust unless we arouse the conscience and energies of the world community.

In today's New York Times all of page 3 is devoted to two newspaper accounts by respected journalists. They describe the problems facing the Asian nations in absorbing additional refugees, as well as the call to action by the United States and Great Britain to move for solutions through concentrated international efforts.

Mr. Speaker, I applaud the efforts of our media to increase the awareness of all the world to this ongoing disaster and ask that we use our combined efforts to arouse the conscience of the world.

I would like to insert these articles, entitled "Thais on Refugees: West Must Take Them" and "U.S. Backs British Call for Talks on Vietnam Refugees." They are illustrations of responsible journalism at its best.

The articles follow:

Thais on Refugees: West Must Take Them

(By Henry Kamm)

Bangkok, Thailand, June 18.—The forcible expulsion of more than 50,000 Cambodian refugees from Thailand so far has provoked no public expressions of disapproval here.

From Japan in the north to Indonesia on the Equator, Asian nations have a common attitude toward the outpouring of refugees from Indochina: that the West must absorb them. Exceptions have been ethnic Chinese from Vietnam taken by China, 2,000 Cambodian Moslems taken by Malaysia and 100 ethnic Chinese from Vietnam taken by Singapore in 1975.

While diplomats and international officials in constant contact with the Thai Government, including Prime Minister Kriangsak Chamanand, have been unable to learn how the decision to eject the Cambodians at gunpoint was reached, it is known that the well-planned operation was devised by the Supreme Command of the armed forces, whose chief, Gen. Serm Na Nakorn, reports directly to the Prime Minister.

No domestic opposition to the decision has appeared, even in private conversation. This does not surprise ambassadors and other foreign officials because no important Thai political figure is suspected of being friendly to the refugees. Since the flow began in 1975, concerned Western officials here have found that benign indifference is the best they can hope for in the Government and the military.

'FRONT LINE' AGAINST COMMUNISM

Since the Communist victories in Indochina, Thailand thinks of itself as a "front line" state threatened by Communism. That attitude intensified when it became evident that Laos, with which Thailand shares a long border, had become not only Communist but also dominated by Vietnam. The attitude became progressively what many here view as an obsession when Vietnamese designs on Cambodia evolved last year and Vietnamese troops reached the Thai-Cambodian border, where they remain, this year.

Explaining the decision on the Cambodians, one of the military planners of the operation said that the basic objective of the expulsion, which he said would continue as long as Cambodians entered Thailand, was to protect the security of the 45 million Thais. "It came from the head, not from the heart," he added.

He said that any "spillover" of the Vietnamese-Cambodian conflict onto Thai territory raised the danger of Vietnamese aggression against Thailand. In a view often expressed by Thai officials, he accused Vietnam of gradually "colonizing" Cambodia with Vietnamese at the expense of the Cambodian population. He said that Thailand's national interest was best served by the existence of an independent Cambodia, but that an underpopulated Cambodia could not fulfill its role as a buffer state.

This reasoning, he went on, gave additional impetus to forcing Cambodian refugees back into their country. "We do not want a Cambodia that has become a Lebensraum for Vietnam," he said, using the German geopolitical term denoting vital national space.

ECONOMIC BURDEN TERMED HEAVY

Another element that contributes strongly to shaping that opinion is an impression fostered by daily statements from political leaders, including the Prime Minister, that the presence of 160,000 refugees in camps supported by the United Nations High Commissioner for Refugees is imposing a heavy economic burden on Thailand.

Western diplomats and United Nations officials are uncertain and distrustful about this. Thailand pays only for the time spent by public servants concerned with the refugee problem and for the maintenance of those refugees that, for political reasons, it refuses to put under United Nations care. The latter category includes all Cambodians who have fled since the Vietnamese seized Phnom Penh, the Cambodian capital, last January.

The United Nations agency provides everything that the refugees receive—minimal food, housing and medical care, at the cost of about 25 cents a person a day. By the end of this year it will have spent $43 million, almost all expended for Thai goods and services.

In the case of the Cambodians now expelled, Thailand allowed the International Committee of the Red Cross to feed them until their departure. The Thai Government chose that organization because allowing the United Nations group to feed the refugees might have been interpreted as at least a moral commitment to abide by the international principle that they should not be forced back.

ANY IMPROVEMENT PREVENTED

United Nations officials said that they had often attempted to gain permission to improve the refugees' living conditions, which would increase the money expended here, but were told that to raise their standard of living would heighten the jealousy of people near the camps.

In addition to stressing an alleged economic burden caused by the refugee inflow, Thai leaders, particularly generals in key posts, emphasize that the Vietnamese refugees constitute a grave security risk. A frequently created impression is that the refugees are mainly Vietnamese, but at the end of last month 8,000 of the 160,000 refugees in United Nations-supported camps were Vietnamese.

Thai political sources and foreign diplomats believe that internal political factors played an important role in the decision to expel the Cambodians. General Kriangsak spent about a month in April and May on the difficult task of forming a coalition cabinet, and his hold on the various military and political elements vital for an effective government was shown to be shaky. The unpopularity of the Indochinese refugees was used by both the most security-minded generals and the most demagogic politicians as a weapon against the Prime Minister's policy of general tolerance toward refugees and against the Prime Minister himself.

The Thai and foreign sources believe that the decision to expel the Cambodians, despite frequent representations by Western diplomats and international officials, including Secretary General Kurt Waldheim of the United Nations, was motivated at least in part by General Kriangsak's desire to appease both the generals and the politicians.

U.S. Backs British Call for Talks on Vietnam Refugees

(By Bernard Gwertzman)

Washington, June 19.—The United States has decided to join with Britain in seeking an early international conference, probably a meeting of the Security Council next month, to bring world pressure on Vietnam to stop forcing its ethnic Chinese population to flee by the thousands, Administration officials said today.

The Council meeting would be the latest in a series of what have so far been largely ineffective international conferences on the problem.

In addition, the Carter Administration is grappling with the sensitive political question of what more the United States can do for the refugees, who are fleeing Vietnam at the rate of more than 60,000 a month.

A proposal circulating within the Administration for doubling the number of Vietnamese refugees admitted to this country from the current 7,000 a month to 14,000 has the backing of several members of Congress and nongovernmental refugee groups.

MEETING CALLED BY MONDALE

Administration officials said that Vice President Mondale called a meeting yesterday to prepare a set of choices for President Carter that would have the effect of compelling the Administration to decide if it will substantially increase American efforts on behalf of the refugees.

There are about 320,000 Indochinese refugees in camps throughout Asia.

Malaysia and Indonesia, previously major havens for the so-called "boat people," have said they will accept no more. And the Governor of Hong Kong, Sir Murray Maclehose, was in Washington today seeking help for dealing with the refugees who have crowded the British colony's temporary facilities.

The State Department, which was represented at Mr. Mondale's meeting by the acting Secretary of State, Warren M. Christopher, is hoping to get Mr. Carter's approval of major steps for dealing with the problem. These would include a doubling of the number of refugees accepted by the United States and a parallel increase in money available to take care of them.

VANCE'S PREFERENCES UNKNOWN

It is not known what course of action Secretary of State Cyrus R. Vance will recommend, although those involved in refugee matters assert that he has usually supported an increase in American efforts. Mr. Vance returned to Washington today after the Vienna summit talks between President Carter and Leonid I. Brezhnev, the Soviet leader.

Dick Clark, the Administration's chief official on refugees matters and a former Democratic Senator from Iowa, has not publicly disclosed his own preferences. Many White House and budget officials believe that the mood on Capitol Hill does not support much of an increase in the United States effort to aid the refugees and that Washington is already doing all it can.

The United States has taken in about 220,000 Indochinese refugees, twice the number accepted by the rest of the non-Communist world.

The call for another international conference was made last month by Prime Minister Margaret Thatcher of Britain, who urged Secretary General Kurt Waldheim to take the lead in organizing it. The Carter Administration has decided to back the British idea and the tentative preference, officials said, is for convening a Council meeting next month.

HOUSE BACKS U.N. SESSION

Yesterday, the House of Representatives approved a resolution sponsored by Lester L. Wolff, Democrat of New York, calling for an emergency General Assembly session. But the Administration believes such a session would be too cumbersome and costly.

The purpose of the Council meeting would be to focus attention on the refugee problem and bring additional pressure on Vietnam. Officials said, however, that no action was likely to be taken against Vietnam, because the Soviet Union would not only use its veto but probably would also blame China for the problem.

Some American officials would also like to use the Council meeting as a way of prevailing on China to do more for the refugees. China has accepted more than 200,000 refugees, almost all of them ethnic Chinese who crossed from northern Vietnam last year. It is not known to have accepted any "boat people."

Mr. Carter intends to discuss the refugee situation at the economic summit meeting that begins in Tokyo next week. Mr. Vance will be giving the problem priority when he attends a meeting of the Association of South East Asian Nations in Bali, Indonesia, after the Tokyo session.●

MILWAUKEE HONORS GEN. DOUGLAS MACARTHUR

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. ZABLOCKI. Mr. Speaker, in commemoration of the 18th anniversary of the departure of Douglas MacArthur from Milwaukee for the Military Academy at West Point, the week of June 8–14, 1979 was officially observed in Milwaukee, and in the entire State of Wisconsin, as "MacArthur Memorial Week."

The week's activities began impressively on June 8, 1979 with the unveiling of a larger-than-life statue of General MacArthur in the square adjacent to the courthouse dedicated to his memory. The statue, a gift from Mrs. Marie Uihlein, widow of Erwin C. Uihlein, former chairman of the board of the Jos. Schlitz Brewing Co., was accepted on behalf of Milwaukee County by county executive William F. O'Donnell.

One of the principal events included among the many arranged by the General Douglas MacArthur Memorial Committee was the banquet held on June 9, 1979. It was my privilege that evening to introduce our colleague, Senator HARRY F. BYRD, JR., who delivered the keynote address.

Mr. Speaker, because of the significance of Senator BYRD's remarks concerning General MacArthur's role in peace as well as in war, and in recognition of Douglas MacArthur's unique place in American history, I would like to share with my colleagues the address by Senator BYRD on this occasion, and the commentary on the unveiling of the statue which appeared in the Milwaukee Journal on June 9, 1979.

The speech of Sen. HARRY F. BYRD JR., and newspaper article follow:

SPEECH OF HARRY F. BYRD, JR., BEFORE THE MACARTHUR MEMORIAL BANQUET

I greatly appreciate the opportunity to be with you tonight in the City of Milwaukee, so closely associated with the MacArthur family for over a half a century.

It is indeed a privilege to take part in this salute to a great American.

As you know, the body of Douglas MacArthur is buried in my state of Virginia, at the magnificent MacArthur Memorial in Norfolk.

The general's mother was from Norfolk, and the city staked a very early claim to be regarded as his home.

The Norfolk newspaper of 1880, when advised of the general's birth in far-away Arkansas, reported the event as follows:

"Captain and Mrs. Arthur MacArthur recently became the parents of a son, Douglas, born while away from home."

But even a Virginian must concede that Wisconsin has a strong claim as well. The general's grandfather was elected Lieutenant Governor of your great state and served as a Judge here. His father, also a general and a hero of the Civil War, lived in Milwaukee many years and died here in 1912. And it was from Milwaukee that Douglas MacArthur was appointed a Cadet at West Point in 1898.

Douglas MacArthur was destined to live for 84 years. The sweep of his life is indicated by the fact that when he was a child his father's troops were attacked by Indians with bows and arrows, while in his last years he saw the United States and Soviet Union confronting one another with nuclear weapons.

During that long expanse of time, General MacArthur was an important participant in each of his nation's great conflicts: World War I, World War II, Korea.

One measure of his achievement as a leader in war is the esteem in which he was held by other leaders.

Winston Churchill called him "the glorious commander."

In the view of Field Marshal Montgomery, he was "the United States' best soldier."

Lord Alanbroke declared him "the greatest general and the best strategist that the war produced"—meaning, of course, World War II.

General Jonathan Wainwright, the hero of Corregidor, said after his release from long captivity by the Japanese: "I'd follow that man—anywhere—blindfolded."

Another measure of MacArthur is the citations he received from his own country.

He received 22 medals, and 13 of them were for bravery in combat. As the nation's youngest general in World War I, he exposed himself to enemy fire, and repeatedly did the same thing as the top commander in World War II and Korea.

Still another measure of this leader is the incredible string of "firsts" which he compiled in his lifetimee.

From West Point he graduated first in his class with an overall grade average of 98.4. He had a perfect 100 in English, History and Law.

He was First Captain of the Cadet Corps—the highest rank which can be attained.

He was the youngest general in World War I, receiving his star at the age of 38. He was also the youngest division commander.

After the war he became the youngest officer ever appointed as Superintendent of West Point, at age 45.

Under President Hoover he became the youngest officer ever to become Chief of Staff of the Army—a full general at age 50.

He was re-appointed Chief of Staff by President Roosevelt: the first Chief of Staff to survive a change in administrations.

For his defense of the Philippines he received the Congressional Medal of Honor. He is the only son of a Medal of Honor winner to receive the award himself: his father received the Medal of Honor while leading troops at Missionary Ridge in the Civil War.

General MacArthur also was the first military officer to become a United Nations commander, and he was the first to become a Field Marshal in a foreign army—the Philippines Army before World War II.

And yet, despite this dazzling career in battle, General MacArthur said late in his life:

"I am a 100 percent disbeliever in war."

He was extraordinarily careful to prevent needless loss of life in his own ranks. In World War II, his total casualties from the beginning until V–J Day were less than those in the Battle of the Bulge. And in the classic landing at Inchon, Korea, he outflanked and decimated an entire enemy army with only light losses on his side.

For all his lifelong association with combat, he was anything but a bloody man. In his famous address to the West Point corps in 1962, he stated succinctly his philosophy of praying for peace and preparing for war:

"The soldier, above all other people, prays for peace, for he must suffer and bear the deepest wounds and scars of war. But always in our ears ring the words of Plato, that wisest of all philosophers, 'Only the dead have seen the end of war.'"

When once he was asked how he would hope to be remembered, he replied memorably:

"If the historian of the future should deem my services worthy of some slight reference, it would be my hope that he mention me not as a commander engaged in campaigns and battles, even though victorious to American arms, but rather as that one whose sacred duty it became, once the guns were silenced, to carry to the land of our vanquished foe the solace and hope and faith of Christian morals. Could I have but a line a century hence crediting a contribution to the advance of peace, I would gladly yield every honor which has been accorded by war."

The occupation of Japan, under his leadership, is widely regarded as the most enlightened military occupation in history. It is not too much to say that amid the ruins of a warlike empire he laid the foundations of a peaceful democracy. And, I might add, a nation that has become economically powerful.

No one can be sure that Douglas MacArthur will be accorded by a future historian the honor of a contribution to peace. But none can deny that he earned it.

During his lifetime General MacArthur was often a figure of controversy. His manner was aloof, and his flair for the dramatic led the press to portray him as a prima donna.

As a Naval officer in the Pacific during World War II, General MacArthur was not exactly my favorite.

Many GI's seemed to resent General MacArthur, and many fake rumors about the General were spread around the Pacific.

Why was that so?

Perhaps it was that MacArthur's towering intellect and remote manner bred a kind of resentment on the part of those with lesser gifts.

In a democratic age, when most leaders took care to spread the smile and the handshake, Douglas MacArthur was something of a throwback to the age of hero-worship. And the troops of World War II were not exactly worshipful.

It was said of Washington and Lee—also aloof men—that their troops revered them. MacArthur, surely as great a military leader as either, had the bad luck to come to flower in the 20th Century.

But this cannot detract from his brilliance, his bravery, his dedication, or his singular achievements in war and peace.

The historian John Gunther said of MacArthur:

"He is that rare thing in the modern world, a genuinely high person."

He had absolute faith and confidence in himself, and of course it was that depth of conviction that led to the greatest controversy of his life.

I remember how deeply moved I was by General MacArthur's stirring farewell address to the Congress in 1951.

I felt sure then—and I remain sure today—that as to the conduct of the Korean War, General MacArthur was right—and President Truman was wrong.

At the same time, I felt then—and this too I still believe to be correct—that President Truman was right in insisting that the Constitution gave him the ultimate responsibility as commander-in-chief, and that the principle of civilian control could not safely be abridged. In relieving General MacArthur of command, he did what a President with courage was required to do.

Let me turn to the matter of General MacArthur's view about wars in distant Asia. He warned that American troops never should be sent to fight an Asian land war.

It was largely because of my confidence in General MacArthur's judgment that I opposed—from the beginning—the sending of American ground troops to Vietnam.

General MacArthur himself, from his deathbed at Walter Reed Hospital, begged President Johnson not to commit troops to the Vietnam conflict.

But tragically, the General's advice was ignored.

Once the decision was made and American troops were sent to fight in Indochina, I gave my full support to those troops. But always I recalled General MacArthur's warning.

And of course time has vindicated totally the judgment of this great military leader.

How different would have been our recent history, had MacArthur's wisdom prevailed!

To close this tribute to the memory of Douglas MacArthur, I can do no better than to turn once again to his own words—the words of his great speech to the Cadet Corps at West Point in 1962:

"Duty—Honor—Country.

"These three hallowed words reverently dictate what you ought to be, what you can be, what you will be.

"They are your rallying point to build courage when courage seems to fail, to regain faith when there seems to be little cause for faith, to create hope when hope becomes forlorn.

"The code which those words perpetuate embraces the highest moral law and will stand the test of any ethics or philosophies ever promulgated for the uplift of mankind. Its requirements are for the things that are right and its restraints are from the things that are wrong."

I salute these great words.

I salute the man who uttered them.

And I salute you, who have gathered to do him honor.

[From the Milwaukee Journal, June 9, 1979]

OLD SOLDIER RETURNS HOME

(By Thomas Heinen)

Past and present mingled Friday afternoon at the Civic Center Plaza as General of the Army Douglas MacArthur returned to Milwaukee beneath a hazy, blue-gray spring sky.

He was present in the minds of those who had known him.

And his image was embodied in the 9½ foot tall bronze statue dedicated as the opening event of a special week in Milwaukee honoring him.

MacArthur, the late five star general, once lived here.

As the cloth that covered the statue fell away, there was MacArthur again, larger than life, captured for all time in a familiar pose.

STILL IN COMMAND

His hands, palms forward, were thrust into the rear pockets of his khaki trousers. He gazed out from the marble pedestal on the southwest corner of the plaza as if he were still in command.

When MacArthur visited the same site in 1951, some 50,000 persons cheered as then Milwaukee Mayor Frank P. Zeidler dedicated the area east of the Courthouse as MacArthur Square. The area now is known both as MacArthur Square and the Civic Center Plaza.

On Friday, about 200 persons, many of them veterans, attended the statue dedication.

Among them were several persons with links to MacArthur, but the most profound was a sprightly, silver haired lady who helped unveil the statue—Jean MacArthur, 80, the general's widow.

DRAMATIC MOMENTS

She had shared many dramatic moments with him, such as the time in 1942, when he, his family and key staff members fled The Philippines in PT boats as the Japanese army advanced on Corregidor.

And Friday, as she has done several times since his death in 1964, she took his place while others honored the memory of his character and accomplishments.

Mrs. MacArthur, speaking in a soft, southern accent, said, "This means more to me than I can tell you, because I just know how he would feel. . . . I want you to know that this is a day that I shall long, long remember, and God bless you all."

Marie Uihlein, 62, who also helped at the unveiling, donated $50,000 for the statue and the MacArthur Memorial Project. She and Mrs. MacArthur later cut the ribbon to open an exhibit of MacArthur memorabilia at the Milwaukee County Historical Society, 910 N. 3rd St.

Mrs. Uihlein told the crowd that the statue was to honor the memories of MacArthur and her late husband, Erwin C. Uihlein, former board chairman of Jos. Schlitz Brewing Co.

SIMILAR GOALS

Uihlein and MacArthur, who knew each other for many years, shared similar goals and standards, Mrs. Uihlein said. They believed in excellence, integrity and honor, and both followed the credo that there is no substitute for victory.

Uihlein and his brother, Robert, first met MacArthur in 1905 in Manchuria when they were covering the Russo-Japanese War as correspondents for Colliers magazine and several newspapers.

MacArthur, then a lieutenant, was serving as an aide to his father, General Arthur MacArthur, who had been sent to observe the war.

Among the assembled military and civilian dignitaries at the ceremony Friday were retired Brig. Gen. LeGrande A. Diller, 78, MacArthur's former aide, and Army Lt. Col. John P. Otjen, 37, the great-grandson of Theobald Otjen, the Wisconsin congressman who appointed MacArthur to West Point 80 years ago this week.

EXCELLENT POSE

"The pose and action (of the statue) are excellent," said Diller after the ceremony. "I walked around the back, where the plaque is, and I was struck by the fact that it looked just like the general. When he was confronted with a problem, looking over a situation, often times he stuck his hands in his back pockets."

County Executive O'Donnell accepted the statue on behalf of the county, saying he hoped it would kindle a rebirth of patriotism.

One of the final segments of the ceremony was conducted by representatives of the Filipino American Association of Wisconsin.

While two children carried the U.S. and Philippine flags on bamboo flagpoles, other members of the group laid a wreath of red, white and blue carnations at the base of the statue.

Printed on the wreath's ribbon were the words, "Old Soldiers Never Die."●

REPRESENTATIVE JACK KEMP COMMENTS ON PRESIDENT CARTER'S SALT II SPEECH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. KEMP. Mr. Speaker, President Carter's address to the Congress urging ratification of SALT II has been the administration's most comprehensive defense of the content of the agreement to date. In his defense of the terms of SALT II, the President chose to make a number of explicit claims about the treaty, particularly what it will do if it is ratified, and what some of the consequences will be—in the President's view—if the Congress rejects the agreement. It is worth examining some of the assertions made in detail to gain an understanding, not only of the agreement itself, but of the character of the argument other administration spokesmen will advance in their defense of the agreement before the committees of the Congress charged with reviewing the aftermath of the negotiations.

> It places equal ceilings on the strategic arsenals of both sides, ending a previous numerical imbalance in favor of the Soviet Union.

To characterize the agreement as being equal violates the commonsense notion of equality. The SALT I agreement, an interim agreement which limited the United States and the Soviet Union to the land-based ICBM and submarine launch tubes they had in place in 1972 (except in the Soviet case where they were permitted to build up to 62 submarines to 41 for the United States). Bombers were not covered in SALT I. Nothing in SALT II changes the imbalance negotiated in SALT I, that is the Soviets have approximately 1,400 ICBM's, the United States 1,054; the Soviets have 62 modern missile-firing submarines, the United States 41. SALT II simply sets a ceiling of 2,250 ICBM's, submarine-launched ballistic missiles, and bombers.

Since the United States has always maintained a larger bomber force than the Soviet Union, the total number of strategic delivery vehicles is approximately equal. The Soviets will have to dismantle 254 SALT-accountable launchers; the U.S. will have to dismantle 34 SALT-accountable launchers. The inequality emerges when one disaggregates the strategic delivery vehicle statistics into their constituent parts. First, the Soviet Union is permitted a class of ICBM's denied to the United States, namely the SS–18 (RS–20). The Soviet Union may deploy 326 of these missiles which contain more nuclear payload than all 1,710 U.S. ballistic missiles, both land and sea based.

Because we failed to insist on either a reduction in the number of heavy-payload Soviet ICBM's, or at least offsetting compensation for the United States, the Soviet Union will enjoy a 6-to-1 payload advantage over the United States when their current ICBM modernization program is completed in about 24 months. To suggest that this agreement is equal does violence to the ordinary understanding of the term, as well as congressional intent—expressed by both Houses of Congress in 1972—that SALT II should provide for equality in the "throw-weight" or payload capacity of the systems limited or controlled by the agreement:

> The treaty enhances our own ability to monitor what the Soviet Union is doing.

The support for this assertion by the President rests upon the content of article XV of the treaty which prohibits interference with each side's national technical means of verification. In assessing this assertion, one must bear in mind the complexity of this agreement compared to its predecessor, SALT I. SALT I simply forbade either side to construct additional land or sea-based ballistic missile launchers capable of intercontinental attack.

This meant that neither the United States nor the Soviet Union could build any new ICBM silos, nor more strategic submarine launchers than allowed by the agreement. As both of these take months or years to build, the United States had high confidence that its national technical means of verification such as photo-reconnaissance satellites could verify Soviet compliance with the terms of the agreement. Even with the relatively simple restrictions of SALT I, considerable difficulties arose. The Soviets constructed decoy submarines, and concealed their submarines under construction. The terms of SALT II are much more difficult.

For example, the "second agreed statement" of article IV which attempts to limit the introduction of new types of missiles under the guise of "modernization" of existing missiles prohibits the deployment of new missiles whose length, diameter, launch-weight, and throw-weight differs more than 5 percent from the values of the original missile (during the last 12 test flights). Most estimates by the intelligence community have a far greater range of estimation, for example, ICBM payloads (throw-weight) is often estimated with a ±25-percent band.

To be sure, the reduction in interference of the kind we have experienced in attempting to verify SALT I is most welcome, but this gain is more than offset by the difficulties the terms of SALT II impose on the intelligence community in acquiring unimpeachable evidence that the Soviets are not complying with the content of SALT II. This casual attitude toward verification has its root in the administration's philosophy of verification, namely that we could, in the President's words respond "fully and effectively" to any violation of the treaty which would "affect the strategic balance."

The administration does not intend to require the Soviets to live up to the letter of the agreement, but only to avoid violations which would "affect the strategic balance." Violations which would affect the strategic balance are not defined in SALT II, reflecting the lack of concern about assuring Soviet compliance in detail with the terms of the agreement.

> It's (SALT II) in our interest because it slows down, it even reverses the momentum of the Soviet arms buildup that has been of such great concern to all of us.

This calculation is difficult to square with information presented by administration witnesses to the Congress on the subject of Soviet strategic programs. Soviet warhead deployments between June 18, 1979, and December 31, 1985, when SALT II expires, the Soviet Union will add (legally, within the generous terms of SALT II) 5,000 or more warheads (more than twice that number could be legally deployed under SALT rules).

During this time period, U.S. ballistic missile warhead payloads will decline because the new Trident C–4's carries fewer warheads than its currently deployed predecessor, the Poseidon C–4. One of the very serious weaknesses—stemming from the substantial inequality of the terms of the agreement—is that SALT II licenses a very large growth in Soviet strategic forces, particularly in the number of deployed ballistic missile warheads (due to the far greater throw-weight in Soviet missiles).

Not only does this large disparity in favor of the Soviet Union create military problems for the survivability of our own strategic forces, but it creates a precedent for SALT III that will make it very difficult for us to obtain agreement from the Soviets for substantial reductions in strategic forces.

Moreover, because SALT II prohibits the deployment of mobile ICBM launchers during the period of the protocol—the Soviets insist that the protocol should be renewed—ending December 31, 1981, the United States—conceded in these negotiations the right, at least temporarily, to deploy a land-based ICBM which could survive an attack from the very large growth in Soviet strategic power permitted under SALT II. The administration has delayed, for more than 2 years, making a decision on how a new ICBM should be based, the earliest date for deployment is now delayed until after the expiration of SALT II—compared to 1984 under the terms of the Ford fiscal year 1978 defense budget.

Although the President's decision may have rendered the MX deployment during the life of SALT II moot, our vulnerability to Soviet coercion is increased, and our ability to obtain meaningful reductions in strategic forces gravely compromised:

> The Soviet Union will have to destroy or dismantle some 250 strategic missile systems—systems such as nuclear submarines armed with relatively new missiles built in the early 1970s. And aircraft will have to be destroyed by the Soviet Union carrying their largest multi-megaton bombs.

The Soviet Union may make its own decision as to which type of strategic launcher it wishes to dismantle under the terms of the agreement. This statement provides far less comfort, however, than might otherwise be hoped for.

First, if the Soviets choose to reduce their launcher total by 254 to meet SALT II criteria, this does not mean that 250 missile systems will be reduced. The reason is that the Soviets have perfected a technique for launching their ICBM's from silos known as cold launching which allows silos to be reloaded. As SALT II controls launchers—for example, silos—but not the missiles launched from them, refire missiles can be built and stored at a site away from the launch complex, and brought out during a crisis.

Second, should the Soviets elect to dismantle their 156 heavy bombers claimed under SALT II, they can be converted to tankers under the guise of refueling for tactical aircraft. Refueling for tactical aircraft is not prohibited by SALT, so these tankers derived from bombers could be used to refuel the 350–400 Backfire bombers allowed under SALT II. As the Backfire already has a refueling probe built-in to the current model, in effect, 156 obsolescent heavy bombers would be traded in for up to 400 modern bombers.

By contrast no operational United States forces will have to be reduced.

Data provided in the memorandum of understanding appended to the treaty shows that the United States has 2,284 SALT-accountable strategic delivery vehicles, while the Soviet Union has 2,504. Hence, the Soviets will have to dismantle 254 systems, while the United States will have to dismantle 34. This means that the United States will have to dismantle some of its older strategic systems such as the Titan II missile or some of the B-52's.

Some of the B-52's, particularly the "D" model were extensively modified during the Vietnam conflict for conventional bombing, and thus they are not technically counted as part of the current "operational" force, but this distinction is a deceptive use of language. The United States will indeed have to dismantle 34 of its SALT-accountable strategic delivery vehicles, not none as the President's statement suggested.

It's the SALT II agreement itself which forbids concealment measures—many of them for the first time—forbids interference with our monitoring and forbids the encryption or encoding of crucial missile test information.

The terms of the agreement with respect to the encryption of telemetry (that is, radio transmitted data reporting on the performance of a test missile in flight) have been subject to considerable misunderstanding in the press. First, the United States had long taken the position that no encryption of missile telemetry be allowed (the United States does not encrypt its telemetry) under SALT II. The motive for this longstanding position is clear.

If some telemetry channels are encrypted, how can we be certain that these channels do not contain data essential to monitoring Soviet compliance. Regrettably, the United States accepted the Soviet position on telemetry encryption.

Second, telemetry is simply the least costly means of obtaining missile flight data. The data can also be recorded and stored in a recoverable capsule, thereby eliminating the need for radioing of telemetric data at all. These terms of which President Carter boasts, do nothing more than assuring the Soviets that they may employ telemetry on an encrypted basis to deny the United States data which it otherwise had a right to expect under the principle of noninterference with national technical means of verification.

The President's defense of SALT II bodes ill for what the Congress may expect henceforth in its review of the treaty. The President's assertions about the "benefits" of the treaty do not withstand careful analysis, and yet one should assume that the points raised by the President in his address represent the best that can be said about the agreement. A reading of the text of the agreement reveals a host of details, large and small, reflecting items which are unequal without meaningful offsetting compensation for the United States, are unverifiable, and will damage American military cooperation with our allies in the next decade.

SALT II deserves a line-by-line analysis by the Congress to facilitate modification of the document that will result in an agreement which is equitable, verifiable, will promote nuclear stability (that is, providing no incentive to either side to strike first in a crisis), and will permit uninhibited military cooperation with our allies.●

REVISED LEGISLATION FOR NATIONAL TRUCK WEIGHT AND LENGTH STANDARDS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. BEDELL. Mr. Speaker, on June 18 Congressman GRASSLEY and I introduced H.R. 4505, a bill to institute a national standard for truck weight and length on the interstate highway system. This is an emergency measure designed to help truckers cope with the current shortage of diesel fuel.

The introductory statement appears at page 15336 in the CONGRESSIONAL RECORD of June 18.

In the several days since we introduced our bill, we have heard from many interested parties. Some have had very helpful suggestions for perfecting amendments, to clarify the exact purpose and intent of our legislation. Consequently, we have revised the language of the bill and are reintroducing it today. The following is the revised text of the legislation:

H.R. —

A bill to establish Federal standards for the weights and lengths of vehicles using the National System of Interstate and Defense Highways, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of enactment of this Act and ending on the date the Secretary of Energy transmits to each House of the Congress a written certification under section 2 of this Act, it shall be unlawful for any vehicle with an overall gross weight of more than 80,000 pounds or an overall length of more than 60 feet to use the National System of Interstate and Defense Highways, except that the provisions of this section shall not apply to such a vehicle using the National System of Interstate and Defense Highways in a State or a political subdivision thereof in which such use is lawful under the laws of such State or political subdivision.

SEC. 2. Within 10 days after the Secretary of Energy determines that there are adequate amounts of middle distillate fuel both in reserve and in commerce to meet national requirements for home heating, agricultural production, transportation, and industrial uses, the Secretary shall transmit to each House of the Congress a written certification of that determination.

SEC. 3. During the period referred to in the first section of this Act, no State or political subdiivsion thereof shall enact or enforce any law, rule, regulation, standard, or other provision with respect to the weight and length of any vehicle using the National System of Interstate and Defense Highways which is more stringent than the weight and length limitations established in the first section of this Act.

SEC. 4. As used in this Act, the term "State" means any one of the fifty States, the District of Columbia, or the Commonwealth of Puerto Rico.●

ANDERSON DEFENDS FEDERAL EMPLOYEES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. ANDERSON of California. Mr. Speaker, there is an alarming trend in this country which I feel needs to be addressed. Put simply, our Nation's civil servants are becoming scapegoats; convenient targets that too many people have been taking potshots at in a perpetual open season.

The psychology behind this unfortunate development is similar to that of the creation of other scapegoats in other societies and other times. The American public clearly feels frustrated today. The Nation is facing difficult problems, and there is a feeling of confusion, that the problems we must address are beyond our control. There is a general dissatisfaction among the public, but there is no logical place for them to turn to vent their frustrations. So an illogical target, a convenient target, must be found; a target that will take the abuse and lacks the capability of fighting back. Federal employees have become that target.

They are lazy, it is said. They are overpaid, and receive too many benefits. And when they do work, when they do produce, they only add to the confusion, increasing the country's problems. Mr. Speaker, we all hear these charges made when we go home, and receive such letters here in our Washington offices almost daily. And these letters, and these charges, have never failed to disturb me greatly.

Mr. Speaker, I come in contact every day with our civil servants, and have generally found them to be dedicated, hard-working men and women who really care about what they are doing, and the vast majority of them honestly earn their paychecks. And these paychecks are not so grand as some apparently believe. The civil servants I am most familiar with are those working in the Washington, D.C., and Long Beach areas, and I can assure our colleagues that few of them are driving around in Cadillacs purchased with their Government pay. And let us not forget—they all pay taxes, too.

Mr. Speaker, the Long Beach Naval Shipyard, which is in the district that I am privileged to represent, employs about 7,400 people. These are hard-working men and women who do their jobs well. None are getting wealthy from anyone's tax dollars, and all are contributing to the defense of our Nation. If our country is facing problems today, it is not because of these workers in Long Beach, and I do not think they are caused by other civil servants, either. And until we start coming up with some real answers, instead of turning to the easy but false solution of blaming our civil servants, these same problems will continue to plague us.

This year, for the second year in a row, a strong likelihood exists that Federal employees will be forced to accept a cost-of-living increase that is much less than the real rise in the cost-of-living. Many of our colleagues already know what I think about that. It is callous and unfair, and an excellent example of how the administration and the Congress have been mistreating their Government employees.

Even former Federal employees are being scapegoated. Retirees may well receive only one cost-of-living increase in their hard-earned pensions during the coming year, despite our high inflation rate. In times of low inflation, it is not altogether vital that fixed income people receive these increases twice a year. But it is precisely during these times of high double-digit inflation we are living in today that they need semiannual cost-of-living increases. Instead, it is now that they are being taken away.

Mr. Speaker, many of our colleagues express concern about Federal employee unions. I would posit that they have a special responsibility to treat our civil servants equitably. Unless this administration and this Congress wake up and realize that they have been unfair to the Federal employees, we will almost surely see these employees increase their organizational activities as an obvious means of combating efforts to make them scapegoats for the Nation's problems.

I can recall a time, Mr. Speaker, when our civil servants were treated with dignity and respect. It was accepted that their work was imortant and deeded. Today, their work is still important and still needed. Each Federal employee plays a role in behalf of the welfare of our Nation, and they should each be proud of that role. I know that I am proud of the work performed by those in the Nation's civil service.

Mr. Speaker, there is a certain amount of waste in the Federal Government, just as some waste exists in any private sector organization. But in trying to cut out that fat, we must be careful not to extract the muscle with it. We must not make Federal employment so unattractive that we can no longer recruit men and women of the same high caliber as those now serving all Americans in their Nation's Government.●

COLOMBIA'S EFFORTS TO CRACK DOWN ON DRUG-RUNNING ACTIVITY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. LAFALCE. Mr. Speaker, the Republic of Colombia, which is the source of a large amount of the illegal marijuana and cocaine that is smuggled into the United States, has been cooperating with the U.S. Government in mutual efforts to control this immense problem.

Millions of dollars are at stake in this battle, and it is essential that every effort possible be taken, both in Colombia and here in the United States to apprehend the drug runners who prey on the youth of America.

This morning a story in the Washington Post by Charles A. Krause, the award winning Post reporter at the Jonestown, Guayana, massacre, outlined a number of steps being taken by the Colombian Government to assist with this problem at their end. I want to share this article with our colleagues, Mr. Speaker, for I think it demonstrates that we have an effective and concerned partner in Colombia, something that is not always true when dealing with other governments on this or related problems.

Before inserting the article, however, I would also like to point out that there are additional steps that the United States can and should take as well. I refer to the need to close loopholes in the U.S. criminal code relating to large, illegal currency transactions, and the fact that with minor changes in the law our law enforcement officials would be in a much better position to apprehend and prosecute drug smugglers. I have introduced three bills to amend the Bank Secrecy Act in ways which close these loopholes; I am hopeful that the House, and the entire Congress, will act on these proposals soon.

The Post article mentioned earlier follows:

[From the Washington Post, June 20, 1979]

COLOMBIA, WITH U.S. BACKING, MOUNTS DRIVE ON DRUG TRAFFIC

(By Charles A. Krause)

BOGOTA, June 18—Colombia has begun what appears to be the first serious attempt to crack down on criminal activity, from drug-running to counterfeiting, that has a direct impact on the United States.

Since his inauguration last August President Julio Cesar Turbay Ayala has placed the Guajira Peninsula which juts into the Caribbean and has long served as a major shipment point for marijuana and cocaine, under the jurisdiction of Colombia's armed forces. American officials say the move has, for the first time, begun to disrup the flow of narcotics to the United States.

The Turbay government also has allowed U.S. Secret Service agents into Colombia for the first time as part of an effort by the F-2, this country's version of the F.B.I., to stop counterfeiting rings that have operated freely here until now.

A raid last week, the third in recent months, netted more than $4 million in bogus dollar and peso notes as well as false passports and travelers checks.

The Treasury Department estimates that about 90 percent of all the counterfeit dollars manufactured abroad that successfully reached the United States come from Colombia, which over the past two years has probably become the world's leading producer of bogus currency, according to American officials here.

It is drugs, however, that remain Columbia's most important illicit export—worth an estimated $500 million to $1 billion a year. It is estimated that 85,000 acres, mostly in the Guajira, produce about 35,000 tons of marijuana a year.

The General Accounting Office has said that Colombia is by far the most important source for both cocaine and marijuana entering the United States.

While Turbay's efforts thus far have not even come close to stopping the vast drug trade that has flourished in Colombia since the early 1970s, "Operacion Fulminente," as the military campaign in the Guajira is codenamed, has achieved substantial results, according to U.S. officials.

Approximately 3,500 tons of marijuana, worth an estimated $70 million to Colombian drug runners and about $280 million when finally sold in the United States, have been seized. About 1,000 Colombians and Americans have been arrested in the Guajira, and 65 to 70 airplanes and an equal number of ships engaged in drug smuggling operations have been captured.

The Guajira peninsula is a rugged, mountainous region populated largely by Indians clinging to an ancient pre-Columbian culture. The valleys and villages are home to recent migrants and peasants who left southern Colombia to escape the civil strife of 1949–58. Such services as sewage, health care and running water are rare, and transportation outside the towns is virtually impossible.

Col. Miguel Maza Marquez, commander of the F–2, said last week that his efforts to stop cocaine traffic in Colombia have resulted in the destruction of 119 cocaine laboratories, the seizure of 2,639 kilos of cocaine and the destruction of 19,547 kilos of coca paste headed for laboratories to be turned into granules of cocaine.

In all, Maza said the F–2 has arrested 1,069 Colombians and 151 foreigners in connection with the cocaine raids.

Because Colombian law enforcement officials have been so corrupted by drug money, however, there can be no guarantee that all or even most of the marijuana and cocaine seized has been destroyed. Nor can there be any guarantee that those arrested in the drug raids have been kept in jail and tried—because it is still relatively easy to bribe authorities here to secure freedom from prosecution, according to diplomatic sources.

Nonetheless, American officials say that Turbay, who was stung by charges in the United States that members of his family are engaged in the drug trade, has demonstrated since he assumed office that he is determined to cooperate with the United States in trying to stop the drug trafficking.

This is a major change in public attitude from Turbay's predecessor, former president Alfonso Lopez Michelson, who took the position that "we are not corrupting the Americans, the Americans are corrupting us." Lopez' attitude was that the United States should stop illegal drugs from entering its own territory and not expect Colombia to use its resources to stop marijuana and cocaine from leaving.

The Carter administration has offered Turbay $2.4 mililon this fiscal year to aid in the drugs battle. The money is being used to provide rations for 6,500 soldiers now involved in Operacion Fulminente under the command of Gen. Jose Villareal.

In addition, the U.S. money is used for fuel for Colombian helicopters and destroyers that patrol the Guajira Peninsula and radio communications equipment to coordinate raids. The United States is also installing two radar units in the area to monitor airplanes that regularly land at clandestine airstrips, pick up their cargoes of "Santa Maria gold" and then return to remote landing strips in the United States.

The Colombian government has said it reserves the right to shoot down any plane entering its airspace illegally. The government here has also announced a three-month study to determine whether it should begin spraying marijuana fields with paraquat, a poisonous herbicide used successfully in Mexico.

Despite the military takeover of the Guajira thearea is still known as a no-man's-land where local "mafiosos," as those involved in the drug trade are called, have great influence—either as a result of bribery or the guns they wield.

During the first three months of this year, there were 240 murders in Sanata Marta alone, the capital of the province which encompasses the Guajira Peninsula. Most of the murders are thought to be drug related.

Despite his public statements, there are those in the Guajira who believe Turbay's campaign against drug traffickers is aimed principally at the peasants who grow marijuana and at minor drug dealers who buy and sell relatively small quantities.

Few of the really big-time "captains" of the drug-running trade have been arrested, according to several sources here, although their identities are well known.

Throughout the Guajira, the slogan "Turbay es la Mafia" is plainly visible on countless walls. But there are other well-informed Colombians—such as journalist Daniel Samper Pizano, whose column in El Tiempo, Bogota's mos influential newspaper, is usually highly critical of Turbay—who believe the new president is in no way connected with the drug trade and believe he is serious when he says he is determined to end it.

Turbay and the "traditional families" that have long dominated Colombian economic and political life seem to have reached agreement that the "mafiosos" and the mony they command have not only given Colombia a very bad international image but more importantly, threaten the hold the traditional oligarchy has long enjoyed here.

Stories abound of rich "mafiosos" buying apartments and real estate in Bogota as well as hotels, banks and soccer teams throughout the country. They apparently also have begun to strongly influence politicians. The traditional families are said to be worried that the drug runners, with their vast resources may one day control the country.●

INFANT FORMULA: A BALANCED VIEW

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. BUCHANAN. Mr. Speaker, last week I included in the RECORD a selection from an article by Lee Edson, a contributor to the New York Times, titled "Babies in Poverty: The Real Victims of the Breast/Bottle Controversy." Published in the Lactation Review, 1979 volume 4.1., the article objectively presents the issues central to the debate on the use of infant formula.

The remaining sections of the article discuss critical issues on the subject of infant formula. They include the advantages of breast milk; the difficulties that have been encountered in conducting infant feeding research; the results of a 1976 study sponsored by the U.S. Agency for International Development and conducted by the Human Lactation Center; and finally what the response of industry has been and what it could be in the future to improve the quality of nutrition in the Third World.

In his discussion of breast feeding Mr. Edson analyzes the four generally assumed advantages of breast milk over substitutes. They include the argument that breast milk is cheaper; that it functions as an immunological component which protects the newborn infant from disease; that breast milk serves as a functional contraceptive; and finally that breast milk contributes to a psychological bond between mother and infant that is important for healthy development in the first year.

Mr. Edson also discusses some of the difficulties for mothers, particularly in the Third World countries, in breast feeding an infant for a sustained period. He points out that a mother may need between 400 and 800 additional calories a day while breast-feeding.

A study of Roger G. Whitehead and Michael Rowland of Cambridge University in England of 81 rural Gambian mothers concludes that breasts milk levels out after 3 months, and after that period additional nutritional substances are required in order to permit the baby to grow. Mr. Edson quotes Roger Whitehead as saying:

> Breast milk is still the standard of good feeding in early months, but is by no means as perfect for all occasions and for as long a period of time as some nutritionists like to believe.

The article points out further that it has been extremely difficult to document infant feeding patterns. In discussions with Clayton Ajello of Johns Hopkins University, Mr. Edson reports that a series of 30 epidemiological studies yielded results that essentially do not measure reliably what they were designed to measure. The studies suffer because of the selection of too small an unrepresentative sample of mothers, the failings of human memory, or incomplete records. A study by the Human Lactation Center itself yielded the results that poverty and problems of health and education in the developing world are the major sources of malnutrition and health care improvement.

The article concludes by pointing out that responses of some of the companies involved in the manufacturing of infant formula have been helpful in improving reading instructions and in controlling promotion and advertising. What is needed is more study, more emphasis on nutrition, and the development of weaning foods throughout the Third World.

The article strongly urges cooperation between industry and the critics of infant formula in order that a joint effort might contribute to a solution of the social and nutritional problems of developing countries.

Mr. Speaker, this article represents the type of work that is necessary in resolving conflicting information on very complicated issues. I commend it to my colleagues and to any individual interested in this most important world problem.●

AVIATION DEREGULATION AND THE QUESTION OF AIRLINE MERGERS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. MINETA. Mr. Speaker, there has been a great deal of talk and attention recently surrounding the issue of airline mergers. When Congress passed the Airline Deregulation Act of 1978 to free airlines from economic regulation by the CAB, we expected that the new economic environment that resulted would lead to greater competition regulated by the marketplace. We have seen, and we have all benefited from this new fare competition.

Less visible, but no less important to increased competition is the matter of airline mergers.

I find it rather puzzling that the debate surrounding the merger issue seems to have more to do with the question of congressional intent than with the question of whether the mergers increase or decrease competition.

It is puzzling to me because the legislative history on the matter of mergers is quite clear. In any discussion of legislative history, I believe all experts agree that the conference committee report language is the most authoritative as an explanation of the action agreed upon by the conferees, approved by both Houses of Congress, and signed into law by the President.

The conference committee report on the Airline Deregulation Act (Public Law 95–504) reads as follows:

> The intent of the new section 408 of the proposed legislation is to insure that, in light of deregulation, mergers in the air carrier industry will be tested by the antitrust standards traditionally applied by the courts to unregulated industries. However, under the new section 408, even if a merger does not meet the antitrust standards of the Sherman and Clayton Acts it may nonetheless be approved if it meets "significant transportation needs of the community to be served," and if there is no "reasonably available less anticompetitive alternative" to the merger. These latter tests only apply if a merger or similar transaction does not meet the Sherman and Clayton Act standards. The "public interest" standard in section 408(b) of the Federal Aviation Act of 1958 is retained in the new section, but that standard must now be interpreted in light of the intent of Congress to move the airline industry rapidly toward deregulation. The foundation of the new airline legislation is that it is in the public interest to allow the airline industry to be governed by the forces of the marketplace. Consistent with that premise, mergers of air carriers should be governed by the same standards that are applied to mergers of other firms.

The whole purpose of our efforts to deregulate the airlines was based on an assumption that airlines could and should conduct their business in an environment of competition and free enterprise, free from economic regulation and Government interference.

I believe the conference committee report language is quite clear; and I trust that the merger question will turn on marketplace considerations for the development of vigorous competition from which we will all benefit.●

ENERGY CONSERVATION WEEK

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. FORD of Tennessee. Mr. Speaker, today I rise to ask the support of my colleagues for a resolution I introduced today to authorize and request the President to issue a proclamation which would call upon the people of America to voluntarily observe every type of energy conservation measure. This proclamation would designate the week of September 16 through September 22, 1979, as "Energy Conservation Week."

Based on the fact that the American people have historically been able to conquer national problems to which they directed their concern, this resolution would ask that we eliminate unnecessary travel, insulate homes and buildings, reduce use of major home appliances, and take other measures to reduce our use of energy. The ultimate goal of the resolution is to increase energy conservation awareness and conserve our precious fuels.

As our energy is increasingly becoming unaccessible, I feel it is both our duty and obligation to provide some leadership on this crucial issue.

I am inserting into the Record an article written by a national syndicated columnist, Russell Baker, which appeared in yesterday's Washington Star. This article is a humorous reminder of how wasteful we have been and how frugal we must become.

The article follows:

When We Lived Without Appliances

(By Russell Baker)

After 30 years of the soft life Americans seem to have forgotten how to moderate their passion for easy living. The working stiff nowadays insists his car is not a luxury, but a necessity, while ownership of a color television set is regarded even among paupers as one of rights of man, just as precious as the right to dine seven days a week on hamburger.

These and other sybaritic ways of looking at life have been bred into the American marrow during a relatively short time. To anyone who came of age just before or just after World War II, an American whining about such restrictions on instant plenitude as are now widely lamented by the surging masses would have seemed as fatuous as a Rockefeller complaining about the prohibitive price of ocean-going yachts.

At that time Americans knew how to cut back and survive. When the price of hamburger put it out of reach, they simply settled for macaroni and cheese three or four nights a week and thereby saved enough money to buy a chicken for Sunday dinner.

I remember very well when the cost of electricity went sky high in 1938. We didn't get angry at the president and throw picket lines around the domiciles of electricity tycoons. Instead, we cut back.

On hot nights, instead of running the air-conditioner we slept on porch or fire escape. If guests came to dinner we urged the men to take off their shirts and neckties and sit around in their undershirts, urged the women to take off their shoes, and drenched everybody in iced tea to encourage a cooling flow of commodious perspiration.

So effective were these measures that we were able to cut back on appliance spending by not buying an air-conditioner. The saving here was so impressive that we decided to save even more by not buying a dishwashing machine and a refrigerator.

The resulting cutback in our power consumption must have infuriated the electricity tycoons and probably encouraged several of them to cut back to only one summer house at the seashore. In any case, the hardship on us was not intolerable. The necessity to wash the dishes by hand kept couples in social communion in the kitchen during an hour at which they would otherwise have been sitting incommunicado in front of a television set, if there had been a television set, and thus improved human relations.

Having no refrigerator meant that somebody had to empty the pan of melted ice water from the icebox, and this gave the lucky party a chance to cool off by splashing the chilled water on his feet.

You can bet nobody sat around after the macaroni and cheese whining about electricity tycoons and petroleum czars. There wasn't time. Having cut back on gasoline consumption by not buying a car, some of us had to spend 45 minutes getting downtown to the movies by streetcar.

Women, of course, had the patching to do. We had cut back on the clothing budget by not buying new jeans with terriffic Paris designer labels on the back pockets, and also by not throwing away the old jeans just because they developed holes.

While the women were busy patching, the men were occupied killing cockroaches, mosquitoes and flies with wadded newspapers or swatters. This activity was necessitated by our decision to cut back on the budget by not buying bug sprays in aerosol cans. It gave the men healthy exercise and kept their reflexes in shape. Afterwards, feeling ruddy and adventuresome, they would walk three or four blocks to the drug store.

Not to buy mouthwash, hair spray, after-shave cologne, deodorant sticks or a $2 magazine featuring the portrait of somebody's daughter in the buff, mind you. We had decided to cut back on such dandified fluff, on the theory that anybody who dined four nights a week on macaroni and cheese and killed the cockroaches with a newspaper would be putting on airs if he gargled mouthwash and would certainly be wasting his time daydreaming about undraped adolescent females.

That sort of thing was left for electricity tycoons and oil-rich Arabs who didn't eat in their undershirts and wouldn't have known how to get to work if somebody took away their cars and made them use the streetcar.

No, the purpose of going to the drug store was to get a nickel soft drink, which the drug store provided without a snub since almost everybody at that time had decided to cut back on carbonated water intake by not buying the family-size bottle of soda pop containing enough liquid to drown a horse.

Afterwards you went home and sat on the front steps and watched boys and young men engage in fistfights under the lamppost. This entertainment was possible because boys and young men at that time had decided to cut back on their arms budget by not buying revolvers and automatic pistols.

As a result, it was possible to settle quarrels without significant damage beyond a few loosened teeth and a broken nose. The nice things about it were that it was live and was never interrupted for commercials, so that afterwards we never went back into the house with a nagging urge to destroy the budget by buying new tires, a better air-conditioner or some high-priced tin cans to open for the dog. The deprivation was doubtless intense by present standards, regrettably.●

WHO IS TILTING THE GASOLINE MACHINE? THE DEPARTMENT OF ENERGY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. KEMP. Mr. Speaker, Congressman Dave Stockman argues compellingly in an article in this morning's Washington Post that, despite the limited recent temporary disruption in world crude oil supplies, there could be no gasoline crisis if not for the U.S. Department of Energy's rigid and arcane regulation of the entire national gasoline distribution network.

The Department of Energy, by preempting what was once a rather smoothly functioning market, has in effect outlawed gasoline dealers from matching willing suppliers with willing purchasers to their mutual satisfaction. Instead, the DOE has ordered enormous shortages in some areas and created unused gas "puddles" in others.

Consider what would happen if you were allocated gasoline today on the basis of your driving habits 1 year ago. If you happened to be driving across country at the time, you are in the clover today. You can either take another cross-country trip, or go into the gasoline retail business. If, on the other hand, you were laid up in the hospital a year ago, had your car in for 2 weeks of repairs, or did not own a car at the time, you will have trouble getting to work.

That, in a nutshell, is what is wrong with the Department of Energy's regulations. Instead of distributing gasoline according to how much of it people need today—which is the definition of a free market—the Department of Energy has first lobbied against gasoline production, skimmed some more off the top and then ordered the entire distribution system frozen according to how much and where people drove last year.

We could end gasoline lines tomorrow morning if we deregulated the gasoline distribution network this afternoon. The incredible spot and regional disparities of price and supply which exist today would disappear in the time it takes for a tanker truck to drive from an area of surplus to an area of shortage.

What Mr. Stockman and a growing number of other colleagues have been saying rather articulately for some time is that neither Congress nor the administration should meddle in areas they have neither the need nor the competence to regulate. Telling Americans how much and where and under what circumstances they can buy gasoline is one of them.

The article follows:

Who's Tilting the Gasoline Machine?

The U.S. gasoline market is beginning to resemble a giant pinball machine. Some inept player is recklessly jiggling the board, causing it to go "tilt." But in a highly curious manner. The bells and lights of shortage—station closings, long lines and tank-topping—are not tripping off in a generalized, nationwide pattern, but sporadically, locally, almost randomly—one city at a time.

This hit-and-run pattern is the key to fingering the culprit. Thus, despite all its imperfections, the "invisible" hand of the marketplace automatically gets exonerated because it is inherently incapable of dispensing injustice so capriciously. Faced with an estimated 9 percent gap nationally between apparent demand and available supplies, the marketplace would close this gap by substituting higher prices for long lines. That would mean a market-clearing (line-eliminating) price is in the range of $1.20 to $1.30 per gallon. Nor would price rationing dump the entire shortage burden on one or a few localities. The price would not be $1.50 per gallon in Washington where there are currently massive lines and only 85 cents per gallon in Albuquerque where there are no lines and half the stations are open 24 hours a day.

Instead—in response to opportunities to buy lower and sell higher—brokers, jobbers and speculators would move available supplies around in a hurry so that the price would equilibrate somewhere in between. The burden of shortage would be shared equally by all geographic areas and end-use sectors, as occurred when the nation's foreign coffee supplies precipitately dropped by 25 percent two years ago.

But something is at work in the internal marketplace, transforming the present 9 percent shortage in the national gasoline pool into a far more severe problem in a selective set of local retail markets. What is it?

In this instance, the major oil companies are not a plausible villain. While not noted for their political acumen, even they are not stupid enough to pick up two of the nation's major political hot buttons—Washington, D.C., and Los Angeles—for a demonstration strike. The same reasoning holds for the greedy, panic-stricken consumer explanation. The aggregate 9 percent gasoline shortfall has not elicited a run on the retail gasoline bank in 90 percent of the country. While motorists in Washington and Southern California are admittedly unique in their political and cultural propensities, there is no evidence that they are any more irrational than average in their gas-buying habits.

The fact is, the fingerprints that appear on literally every barrel of gasoline that moves outward from the nation's 200 refineries, through 12,000 wholesalers and 200,000 retail outlets, for ultimate deposit in 120 million thirsty vehicle tanks, are those of the Department of Energy. Like the fabled handiwork of the Lilliputians, 3,000 pages of regulations and interpretive opinions rigidly bind the exact price and volume of each transaction through the marketing chain, and ultimately determine the precise street-corner destination of each of the 300 million gallons that move through the system daily.

The first thing to note about this massive pile of regulations is that it is stacked against the retail market, motorists, cities and growth areas—and toward farmers, nonmetropolitan areas, gasoline marketers and hoarders.

This month available supplies nationwide amount to 92 percent of the June 1978 base period. But most D.C. area retail stations are getting only 75 to 85 percent of last year's volume, at best. Why? Because 15 percent of the total supply is being skimmed off the top of the national pool for the state set-aside and so-called high priority users. The retail network gets an allocation fraction based on the diminished residual supply.

THE LILIPUTIAN REGULATORS ARE NOW APPLYING A SPECIAL SUPPLY NOOSE TO THE CITIES

State capitol bureaucrats are supposed to distribute part of this—the 5 percent state set-aside—to areas of greatest need. But evidence from the 1973–74 experience suggests a good portion is going to pals, politically connected marketers and squeaky wheels in the commercial sector.

Similarly, in the last four months the share going to the other top-of-the-pool category—high-priority users—has more than doubled. Moreover, these high-priority users—especially farmers—are entitled to 100 percent of their "current needs," which is defined as whatever they say it is. For all practical purposes, this means unlimited entitlement to scarce supplies for priority claimants who are self-certified from the bottom of the marketing chain up. The fact that delivery times for 1,000 to 10,000 gallon steel tanks have ballooned dramatically in recent months suggests that "current needs" include the right to hoard for future use.

Overall, a substantial share of available supplies is being diverted out of the retail market to various categories of legally privileged and politically connected users who face absolutely no incentive to conserve, a wide-open opportunity to hoard, and an artificially low, controlled price to boot.

The second major distortion stems from the fact that the price-control regulations encourage dealers to respond to the present "sellers market" in a perverse way. While the retail price ceilings are leaky and ill-enforced, they most definitely do restrain the rate of price increase relative to what would otherwise occur in a supply-short market. This is supposed to protect the consumer, but what it actually does is encourage the dealer to take his seller's market profits in an alternative way: Instead of raising prices, he reduces hours and operating costs, thereby widening his actual margin.

Thus, facing an already artificially low allocation fraction, retailers find it possible to move a fixed monthly gallonage by cutting out their highest cost hours—weekends and evenings. This in turn induces motorists to line up on Monday and Friday, which permits a further compression of sales hours. Soon there are Tuesday and Thursday lines, even fewer sales hours, still lower operating costs and even higher profits over a price-controlled but constant volume of sales. Fed by a spiral of consumer panic, the ultimate outcome is obvious. Your friendly gas-and-go operator, who normally moves 25,000 gallons to 3,000 customers over the course of a week stretching upwards of 90 hours, arrives at the crack of dawn on Wednesday to find a week's worth of customers neatly queued in a two-mile line—whence he laughs all the way to the bank or his favorite fishing hole by noon.

In the absence of the DOE ceilings, of course, some operators would sell higher and stay open longer; others would sell higher and stay open different hours; and the most enterprising dealers and jobbers would be out scrounging the regional and national market for additional, higher-priced supplies that will always gravitate toward the strongest local seller market.

Yet under DOE rules, in which every gallon is earmarked, there are no free supplies and nothing for local jobbers to bid for in order to shift the short-run allocation. Necessarily then, motorists work harder and longer, marketers work less and more profitably, and eventually the system tilts. That this DOE-designed *market-clogging* outcome is of any more benefit to the consumer than the *market-clearing* outcome is by no means apparent.

Finally, the Lilliputian regulators are now applying a special supply noose to the cities. During the recreation season, the big cities are heavy exporters of weekend traffic, which creates seasonal bulges in gasoline demand along the interstates and in the beach, resort and vacation receiving areas. The allocation system is now perfectly reflecting this normal distribution of sales by allocating to each station an equal fraction of last year's base.

But worried motorists don't behave normally—and *aren't* reflecting last year's pattern. Exhausted from hustling for gas or apprehensive about being stranded, a significant fraction are staying inside the beltway on weekends. Last Friday, for instance, traffic across the Bay Bridge was down a full 20 percent from the same week last year. Unfortunately, when the traffic stops flowing down Route 50, the gasoline delivery trucks don't. The allocation system thus drains the cities and floods the highways and countryside.

Unless total supplies improve substantially in the next six weeks, the tilt lights will start popping in most major cities in the East and elsewhere. The administration can avoid this unhappy outcome instantly by pulling the rip cord on the Lilliputian regulators now knotting up the gasoline market. But Congress would have 15 days to veto such a decontrol plan. Undoubtedly it would do so. Better to risk massive dislocation, push public tempers to the flash point and beat the drums harder against scapegoats than to tell the public the truth: Gasoline is no longer cheap. Ironically, however, the present regulatory camouflage will ultimately prove even more costly.●

CHARACTER OF CALIFORNIA LIFE NOT THE CAUSE OF GASOLINE LINES

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. COELHO. Mr. Speaker, recently the Washington Post editorialized in its columns that long lines of cars at filling stations in my home State were related "to the character of California life—a life that requires cars and a people, who, even more than most of their countrymen, are unaccustomed to the idea of shortages of any commodity."

As you know, the California congressional delegation has created a bipartisan energy task force, of which I am privileged to be a member. Several of us took issue with the Post's stand, particularly since Washington, D.C., seems to be suffering from the same "character" of life which the Post viewed with a jaundiced eye.

In behalf of my colleagues, Mr. JOHNSON, Mr. MINETA, Mr. BOB WILSON, Mr. BADHAM, and Mr. ROUSSELOT, I submit for insertion into the RECORD at this point a copy of our letter to the Post on this subject:

CONGRESS OF THE UNITED STATES,
House of Representatives,
Washington, D.C., June 20, 1979.

EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: In its editorial of May 9, the Post suggested that the long lines of cars at filling stations in California were related "to character of California life—a life that requires cars and a people who, even more than most of their countrymen, are unaccustomed to the idea of shortages of any commodity."

By now, it should be clear to all, even the editors of the Post, that the gas shortage was and is not a California phenomenon, to be rationalized by a pop-shot at an alleged alien culture. The shortage hit California first in large measure because of an enormous growth in the state's workforce—600,000 new jobs in 1978 alone—not reflected in the allocation of gasoline to the state. The Department of Energy formula for distributing gasoline, based as it is on historic use and not adequately reflecting either population or economic growth, will have to be altered in the months ahead, if the nation is to have an equitable and workable fuel allocation system.

Equally as important, California is, according to the Department of Energy itself, providing "the most dramatic example" of gasoline conservation. Because the state has long led the nation in driving smaller and more fuel-efficient cars, it ranks only 37th in the United States in gasoline consumed per vehicle. With about 10 percent of the nation's population, the state uses a little less than 10 percent of the country's motor fuel, despite the fact that California has long pioneered in seeking better air quality, for which there is a small fuel penalty. In recent weeks, Amtrak ridership is "up terrifically," according to that organization's state office. Car-pooling is booming, and public transit utilization is high.

In short, the California life-style, so amusing to the editors of the Post, is one in which a balance is being attempted between economic growth and environmental quality, with a heavy emphasis on conservation. We invite your continued attention.

Sincerely yours,

Tony Coelho,
Harold T. Johnson,
Norman Y. Mineta,
Bob Wilson,
Robert E. Badham,
John E. Rousselot,
Members of Congress.●

TRIBUTE TO DR. ROBERT R. REHDER

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. LUJAN. Mr. Speaker, the Robert O. Anderson Graduate School of Management of the University of New Mexico, is an outstanding and highly recognized business and management community in New Mexico. Prof. Dr. Robert R. Rehder has been the dean of this graduate school of management for the past 10 years and his dedication and activities are outstanding. Because of his efforts, I feel it is only fitting to honor him at this time by publishing in the Congressional Record, a resolution passed by the membership of the advisory council to the graduate school.

Membership of the advisory council to the Robert O. Anderson Graduate School of Management of the University of New Mexico comprising representatives of all segments of management and business community of the State of New Mexico, assembled at their regular meeting on April 6, 1979, at the Robert Tripp Memorial Hall and adapted unanimously the following resolution:

1. Whereas Professor Dr. Robert R. Rehder has completed his 10-year tenure as a Dean of the Robert O. Anderson Graduate School of Management, contributing uniquely to the advancement of the School;

2. Whereas Dean Rehder by his creative and dynamic leadership has elevated the Anderson School to an unprecedented stature of excellence thus placing it in the roster of leading Professional Management & Business Schools in the United States;

3. Whereas Dean Rehder, as a man of vision and scholar of behavioral sciences, has applied most successfully the principles of these sciences in bringing together talented faculty, civic leaders and ethnic groups in the pursuit of the mission of the School; Now therefore, it is

Resolved, That the Chairman of this Council be authorized and directed to submit to the members of New Mexico State Senate and to the United States Senators, for publication in the Record of New Mexico Legislature and in the Congressional Record of the United States, Dean Rehder's outstanding contributions to the development of Robert Anderson Graduate School of Management of the University of New Mexico.●

MARLO AND THE MAGIC MOVIE MACHINE

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. GIAIMO. Mr. Speaker, I am delighted to take this opportunity to wish a very happy second birthday to an outstanding and innovative children's television series, "Marlo and the Magic Movie Machine," which this spring enters its third year of major national programing. In saluting this series, I proudly call the attention of my colleagues in the House to the fact that Marlo is a product of Connecticut, originating from WFSB-TV in Hartford, proving that cities besides New York and Hollyood have the technical staffs, the equipment, and the expertise to produce a top flight national—even international—television product for children and adults.

The entire State of Connecticut is grateful to Marlo's three talented and imaginative producers, Mert Koplin, Charles Birnker, and Sanford Fisher, a native of Riverside, for not only is the program filmed in Hartford, but it goes "on location" to other parts of the State such as the submarine base at New London, Yale University in New Haven, and a clock factory in Waterbury. In addition to focusing on points of interest, Marlo highlights many Connecticut personalities, such as Olympic gold medalist Dorothy Hamill, and has brought to our State for taping personalities from other parts of the United States including Olympic star Bruce Jenner.

In its 2 years of existence, Marlo has compiled an impressive list of honors and awards, including those from the National Parent-Teachers' Association, Action for Children's Television, and the National Coalition for Children's Television. This spring the series traveled and filmed in 13 countries abroad, so that 26 of its upcoming programs will provide an intimate look at children of other cultures. It is not surprising, therefore, that Marlo has been endorsed by the United Nations Committee for the International Year of the Child.

"Marlo and the Magic Movie Machine" is carried, I am told, by 85 U.S. stations and is seen in 6 foreign countries. Each half-hour segment combines entertainment with history and education. The producers inform me that they respond to some 20,000 letters every month asking historical questions prompted by segments shown on the air, certainly an indication of the interest and intellectual stimulations prompted among viewers.

Now that Hartford has pioneered the way, it is hoped that other American cities will follow its example and approach television programing with a welcome freshness, inventiveness, and originality.

I know that my colleagues join me in saying "Happy Birthday, Marlo," and in wishing the series many more successful years.●

THE AGRICULTURAL CONSERVATION PROGRAM—USDA

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BONER of Tennessee. Mr. Speaker, I rise today to urge congressional support for the agricultural conservation program (ACP) administered as a partnership between the farmer and his Government for implementation of on-farm soil and water conservation practices by the USDA's Agricultural Stabilization and Conservation Service (ASCS). The ACP is administered through a local network of 3,000 farmer-elected county committees and over 16,000 community committees. The primary role of the ASC county and community committtee system is to provide grassroots level leadership in identifying conservation problems, encouraging fellow farmers to take action to correct these problems, and where needed, assist farmers with cost-share assistance.

By integrating their farming knowledge and insight with their concerns as local taxpayers and consumers, these committees have developed efficient and effective conservation management plans which benefit their entire counties.

But what disturbs me, Mr. Speaker, is the fact that over the past 33 years the program has declined rather than been supported. With a fiscal year 1980 appropriation request of $500 million, USDA estimates soil conservation needs to be over $3.4 billion. We find that 50 percent of the Nation's farmers could participate in the ACP in 1946; today, only about 14 percent can participate under current budget restrictions, and the originally authorized level of funding represented 6 percent of the total budget in 1936; today, only 0.09 percent. A comparable 1936 commitment would be $32 billion.

Mr. Speaker, ACP is a joint effort by farmers and Government to restore, protect, and preserve the environment. County and community committees work to assist and encourage farmers with unsolved conservation problems to seek cost-share and technical aid. A local ASC committee—elected by farmers and ranchers—works with people within the community to assess local conservation problems and determine which measures should be offered to landowners in their areas to solve these problems. We must protect this grassroots decisionmaking authority and see that essentially local conservation decisions are not made in Washington, D.C.

We must, Mr. Speaker, rededicate ourselves to the conservation of our greatest natural resources—our soil and water, maintain and supplement our battle against water pollution, enhance agriculture's contribution to the stability of the dollar and our balance of payments, insure a resource base for expanded food production to aid those less fortunate abroad and contribute to energy conservation by preventing the waste of petrochemical-based fertilizers in the humid areas.

I urge congressional support for this worthwhile grassroots effort of local, State, and Federal cooperation.●

SEA LANE SAFETY SYSTEM NEEDED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. FINDLEY. Mr. Speaker, in recent conversations I have had with officials from several Southeast Asian countries, I have discovered that they are increasingly and deeply concerned over the growing threat to their sea lanes resulting from an ever increasing Soviet naval presence in that region. The Middle East oil lifeline to Japan, Australia, and New Zealand, passes through very vulnerable waters there. Commercial and other shipping could be halted in an instant, either directly or by proxy, if the Soviets wished. What is needed is a system to guarantee the international legal principles of free and safe passage on the open seas and establish procedures for dealing with emergencies involving ships in distress. Given the fact that the United States has been the leader in the Asian Pacific since World War II, it is expected by our allies that we should take the lead in advancing any proposal to assure sea lane safety in this region of the world.

Next month, representatives of the United States, Australia, and New Zealand will meet for the annual ANZUS Treaty conference. I have recommended to the President that prior to the conference, the United States seek agreement to invite representatives from Japan, the United Kingdom, and France to observe the proceedings. This would seem to provide an appropriate opportunity to advance the proposal for a cooperative sea lane safety system for preliminary consideration by these six nations.

The purpose of expanding the ANZUS meeting by the addition of three observers would not be to alter or supplant in any way either the ANZUS Treaty of the United States-Japan Mutual Security Treaty. Rather, the goal would be to establish a separate new arrangement through which these nations can promote free and safe sea passage throughout the region. This basically nonmilitary responsibility as not—indeed cannot—be adequately fulfilled through the existing uncoordinated disparate military alliances.

The time seems ripe in the Asia Pacific for an initiative that would bring major naval powers of this region together to discuss the problem of sea lane safety. It would be a very important first step toward establishing a worldwide system which implements the principles of the law of the seas.●

TECHNOLOGY TRANSFERS

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. MILLER of Ohio. Mr. Speaker, it is obvious that the governments of the Soviet Union and the United States do not share the same philosophical view of dètente. The Soviet Union, in conjunction with many of its East European allies, is seeking American and Western technology to continue its massive buildup of strategic and conventional armed forces in order to gain superiority over the United States in particular and the free world in general.

A prime example of this fact is revealed in the Kama River truck plant which the Soviets have diverted for their own military use. I want to bring to the attention of my colleagues the following New York Times news article which reports about the CIA testimony given last month before the Research and Development Subcommittee of the House Armed Services Committee.

This plant was built in large part by American corporations transferring American technology. The export licenses needed to build the plant were approved on the assumption that the U.S.S.R. would not violate the licensing agreement and divert the technology for its military machine. The facts are now in, and it is obvious that the United States made a mistake in trusting the Soviets.

The Kama River episode is one in a long series of cases which illustrate the need for a substantial revision of the 1969 Export Administration Act which governs U.S. export control policy. Unfortunately, the bill currently reported to the full House (H.R. 4034) does not adequately address the problem of Soviet diversion of American and Western technology for military purposes. H.R 4034 should be amended along the lines outlined in H.R. 3216. I commend this article to the attention of each House Member:

Soviet Truck Plant Linked to Military

(By Richard Burt)

Washington, May 23.—United States intelligence officials said today that a Soviet truck-manufacturing plant built with American help was producing engines for military vehicles.

According to the officials, a Central Intelligence Agency officer, testifying at a closed hearing of the House Armed Services subcommittee, confirmed a secret Government report that said some of the 50,000 diesel engines produced annually at the truck plant were being installed in military vehicles.

The witness Hans Heymann, who is the C.I.A.'s national intelligence officer for political and economic affairs, did not say how many of the diesel engines were being diverted for military use.

Officials of the Defense Department and the Commerce Department said the apparent production of the engines for military use did not violate any existing trade understanding. They also said that the equipment sold to the Soviet Union for the construction of the truck plant had been considered to pose no significant security risks to the United States.

DEBATE OVER EXPORT LICENSING

The disclosure comes in the middle of a debate on Capitol Hill over proposed amendments to the 1969 Export Administration Act that would modify procedures for approving the sale of industrial goods to the Soviet Union. Critics of the amendment said Mr. Heymann's testimony demonstrated the risks of loosening restrictions on the transfer of technology.

The truck plant, which is located on the Kama River at Naberezhnyye Chelny, 500 miles east of Moscow, was designed to produce 150,000 trucks and 250,000 engines a year when completed. The first stage of the plant that has been completed assembled its first trucks in 1976 and, according to Soviet plans, is scheduled to turn out 70,000 trucks this year.

About 30 percent of the plant's equipment is said to have been purchased from American concerns, including International Business Machines Corporation, Swindell-Dressler Company of Pittsburgh and Ingersoll-Rand of Rockford, Ill. The equipment consists of $500 million worth of machine tools, computers, foundries and industrial designs.

UNITED STATES EXPECTED SOME MILITARY USE

Pentagon officials have said that, while the United States recognized that the complex could be used for military purposes, the sales had been approved on the assumption that the plant would be used mainly to produce civilian trucks.

But the Defense Department officials acknowledged that the American Embassy in Moscow, in a report to Secretary of Defense Harold Brown in March, said that, in line with Soviet practice, the plant was being used for both civil and military production.

The embassy report, which was obtained by The New York Times, said that a team of Ingersoll-Rand engineers had visited the plant earlier this year and later told embassy officials: "From what we saw, it appears that many of the engines are going into military trucks and other military vehicles, such as armored personnel carriers and assault vehicles."

"In approving the sales, our basic consideration was that if we did not make the sales, other Western nations would," a Pentagon official said.

Nevertheless the reports of military production have fostered opposition in the House to the amendments to the Export Administration Act, which are being offered by Representative Jonathan B. Bingham, Democrat of New York, and others. The amendments would speed the process of approving export licenses by no longer requiring the Commerce Department to approve sales on a case-by-case basis. Similar legislation is being sponsored in the Senate by Adlai E. Stevenson, Democrat of Illinois.

WOLFF OFFERS OWN AMENDMENTS

The legislation is criticized by some members of Congress who maintain that easing the granting of export licenses could work to enhance Soviet military potential. As a result, Representative Lester L. Wolff, Democrat of New York, and others are supporting their own amendments giving the Defense Department a larger role in the licensing process and restricting basic technologies that could be exploited for military ends.

So far, the Administration's position on the amendments is unclear. Secretary of Commerce Juanita M. Kreps is known to be pressing for fewer controls, but she is being resisted by officials in the Defense Department and in the White House who would like to use trade as a lever in relations with the Soviet Union.●

A THIRD PARTY'S INTEREST IN THE PANAMA CANAL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. PAUL. Mr. Speaker, since I first warned about the planned Panama Canal treaties in 1976 as a Congressman and again in a newsletter in 1977, I have gained further insight into just why the American Government would pursue an idiotic course with a hoodlum like Torrijos. Insane as it seems to most Americans, I believe it is understandable just how this all came about. International blackmail, power politics, and an insatiable greed for the money of the world all played a part in the transaction.

The biggest hoax was the excuse that the treaties were necessary because of some benevolent conviction on the part of the American politicians. If this were so, the continued financing and indirect control of the canal would not have been sought after and maintained. A statement by Kissinger indicates the ultimate goal of running the canal has not changed, only the tactics used and the method of financing have varied. He said:

> It is better to stay in more subtly and induce Panama and the rest of the world to support our dominion than to stay in nakedly and face the hostility of the Panamanians and most other nations.

Just about as fallacious was the argument that America must bow to the threats of violence. A nation of our size and military strength being badgered about by a two-bit Marxist dictator who drinks Coca-Cola with Castro and rules over a country with a population less than the size of Atlanta is unreal.

How a nation can protect its own interest in a vital waterway by turning it over to the enemy and arguing it will lead to a less likelihood of violence in a period of international strife is so ridiculous it is an insult to one's intelligence.

The question we must seek an answer to is this: "Why did the politicians not act like politicians?" When a pragmatic politician recognizes that the overwhelming majority of the people oppose a certain policy or piece of legislation, concern for their political careers motivates them to do that which is most expedient and necessary to maintain their jobs. But with the Panama Canal Treaty vote, things were different. I believe this vote reflects just who is owned and controlled by the Establishment; that is, the big money and big business interests of the world.

I can believe that a nonconspiratorial President, if we had one, could be swayed by the threats of the Third World nations. Threats of bringing down the banking system of the West are quite possible. The Third World nations owe somewhere in the neighborhood of $227 billion to the West, a major portion to the United States and to U.S. private banks. The Panamanians cannot even pay the interest, let alone any principal. However it would be bad, if not totally destructive to the West, for them to default openly and massively on all these debts. Panama is obviously part of this group, and with pressure they can gain a lot of favors from the West with the threat of bringing on an international banking crisis. Behind the scene, there is a frantic attempt to keep the fiat dollar system together for a while longer by bailing it out with more massive loans from the IMF and the World Bank to the Third World nations. Again, who do you think gets stuck with the bill? The American taxpayer.

These treaties were undoubtedly written by the banking and big business interests of Wall Street. It is no secret that Torrijos is in hock to the Wall Street bankers for nearly $2 billion. Nor is it a secret, although totally ignored by the managed news, that Torrijos has provided a banking haven for the international bankers. Since 1970, when the coalition of Torrijos and the bankers became evident, the laws were changed to protect the international bankers. Before this, there were a few million dollars of assets in a few banks; and yet today there are 73 international banks with assets of nearly $9 billion conducting business throughout the world. Torrijos was unable to continue this partnership without an increase in cash flow, since his debt service to the New York banks was costing him 40 percent of his budget. The New York banks needed Torrijos to remain "solvent" in order to protect their direct loan investments as well as their special banking paradise.

The connections of Carter, and essentially all his advisors, to the Chase Manhattan Bank and David Rockefeller have been widely published, even in the open press like U.S. News & World Report. The boldness of those who once kept secret the relationship between the ruling politicians and the big banking and big business interests demonstrates an arrogant display of confidence on their part that is rather frightening. The trilateral commission is no longer known only by those who are knowledgeable about international conspiracies, but is routinely mentioned in the daily news. Evidence of its influence on the Republican and Democratic administrations is all about us. Jimmy Carter's membership in the Trilateral Commission is hardly a coincidence.

There was a time when I was baffled about apparent evidence that American business interests aided and abetted leftist organizations or Marxist governments. I believe an understanding about the Panama Canal giveaway gives a clear example of how well these two groups can marshal the forces of government to the benefit of both leftwing dictatorships and big business interests.

First, it must be made clear that the big business interests about which I am complaining are not the large majority of businesses run by individuals who truly believe in the free market and reject any special help or assistance from government. It is the group who have grown fat on protective-type legislation, direct subsidies, government contracts, or any of many other deceitful practices where government is used to gain special help at the expense of someone else that I am criticizing. In a moderate form, this is known as interventionism for the benefit of business; and in an extreme form, it is fascism. In contrast, a moderate form of government intervention which promotes the welfare state is liberalism, and in the extreme form it becomes true socialism or communism.

It is not too difficult then to see why a leftwing dictator who uses government coercion to enhance his political power position by promoting welfare to the working class negotiates an alliance with a group who uses government coercion to enhance its own position of money and power in the banking and business community.

On the long run for both groups, it is all power, politics, and money. The only difference is the approach in gaining some semblance of popular support. Both sides have erroneously accepted the notion that the coercive power of government is legitimate, and they use it at their discretion for their own special benefits. If one would accept the notion that neither an individual nor government should be allowed to initiate force, interventionism, fascism, socialism, and communism would not be possible. In thinking about it as a coalition of different forms of government force, it is then not all that surprising to find a Hitler and a Stalin drawing up treaties of mutual benefit, even if these treaties are shortlived.

I believe, in reality, the canal is now "owned" by fascist-oriented, international banking and business interests and is merely managed by the Marxist-oriented Torrijos dictatorship, with the bills being paid by the American taxpayers—a rather sad set of circumstances.

Further confirmation of this unlikely partnership of business interests and a left-wing dictatorship is the fact that the controversial Marine-Midland Bank has become "partners" with the Hong Kong and Shanghai Banking Corp., whereby this Far Eastern bank will purchase 51 percent of the stock of the New York-based bank. Interesting indeed, since it is the Marine-Midland Bank that acts as the sole agent for the Panamanian Government for all its banking dealings in the United States. Sol Linowitz was a director of this same bank prior to his becoming the chief negotiator for the United States in working out the details of the new treaties.

In addition to the direct relationship of the New York bankers to the Torrijos dictatorship, we also find that there are backdoor advantages for business interests not even mentioned in the canal treaties. The Export-Import Bank, the Agency for International Development, and the Overseas Private Investment Corporation will subsidize the Panama Government to the tune of $300 million over the next 5 years. These are called loans, but no one really expects them to be repaid. The expense ultimately will be laid on the American taxpayer, either through direct taxes or through the invisible tax of inflation. The funds are given with the specific understanding that they must be spent on American goods; again, an indirect subsidy to American business interests who get to sell the goods to Panama at a profit.

Even though it looks like the canal is gone, hopefully our memories will not be short. The participants in the give-away should be removed from office. Not 1 cent of appropriation should be made for the transferral of the canal to the Torrijos government. All foreign aid should stop to Panama immediately. No taxpayer-backed loan should be permitted to Panama. All usable equipment should be removed from the zone and not be handed over to the Castro-Torrijos coalition. Past loans from the United States to Panama should be called and collected with interest.

The passage of the Panama Canal treaties represents one of the saddest events in the history of the United States.

When the treaties are taken into consideration with our overall foreign policy, it gives us a right to show concern for the security of our Nation. With the Singlaub firing, the SALT II agreement, and the obsession of Paul Warnke to unilaterally disarm, we have reason for deep concern. A policy of rational self-interest dedicated to protecting our national security would insure peaceful co-existence even with the non-peace-loving countries of the world.●

CONGRESS SHOULD SUPPORT MARITIME AUTHORIZATIONS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, very shortly, the House will be considering H.R. 2462, the Maritime Appropriations Authorization Act for fiscal year 1980. This legislation, reported by the Committee on Merchant Marine and Fisheries, of which I am a member, provides the necessary funds to continue the Nation's ship financing program.

I would like to join with my colleagues from the Merchant Marine and Fisheries Committee in supporting this bill. H.R. 2462 authorizes funds for various programs, including the operating differential and construction differential subsidies. These programs were established by the Congress in 1936 and have been revised and expanded as the needs of our maritime industry have grown.

I know that there is concern among some Members of this body that we should not spend money on the maritime industry. Let me remind you that our Nation was built, and continues to thrive, because of the maritime industry. For example, my own State receives a large percentage of its necessary goods via ocean vessels. Southeast Alaska, which is an insular area, is served almost exclusively by the maritime industry. Other States, such as California, rely on ocean industries for a significant segment of their economy. I think it important that the Congress recognize this by supporting the bill. Without the ODS and CDS program, our maritime industry will be at the mercy of cheap foreign labor and heavily subsidize foreign carriers.

Finally, I ask Members to look closely at amendments that will be offered. We should not allow ourselves to be influenced by so-called cost cutting amendments that will cripple the industry. Nor should we accept amendments that impinge on the right of shipping companies to engage in collective bargaining or to work together through industry organizations. Members of the shipping industry should have the same rights that accrue to farmers or fishermen or any other economic group.

Mr. Speaker, I feel that this is a good bill and should be supported by the House.●

ALAN EMORY HONORED BY SIGMA DELTA CHI

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. McEWEN. Mr. Speaker, a distinguished member of the Washington press corps known to many of us in the House of Representatives, Alan S. Emory, has been elected to the Washington Hall of Fame by the Washington Professional Chapter of the Society of Professional Journalists, Sigma Delta Chi. Mr. Emory has been Washington correspondent of the Watertown, N.Y., Daily Times since September of 1951. Mr. Emory, dean of the New York press corps in Washington, will be inducted, along with five other veteran newsmen, one posthumously, into the hall of fame on June 27.

Mr. Emory has distinguished himself during his newspaper career and is well known as an astute observer of the activities of the Congress and the affects of its deliberations upon the State of New York. I do not know of any other newspaper the size of the Watertown Daily Times which maintains a full-time Washington bureau to provide its 42,000 subscribers with indepth coverage of the Washington scene. His election is a tribute to both Mr. Emory and the Times. I extend my congratulations and best wishes to Alan Emory, his charming wife, Nancy, and to John B. Johnson, editor and publisher of the Watertown Daily Times.

I am pleased to call to your attention a June 13 Times story which reports on his election, as well as a June 15 editorial which comments upon the honor:

REPORTER HONORED BY SOCIETY

WASHINGTON.—The only national professional society encompassing all branches of journalism has elected Times Washington Correspondent Alan S. Emory to its Washington Hall of Fame.

The Washington Professional Chapter of the Society of Professional Journalists, Sigma Delta Chi, will induct Mr. Emory and five other veteran newsmen, one posthumously, into the Hall of Fame at a reception at the National Press Club Wednesday, June 27.

Others to be honored at the ceremony include Clark R. Molenhoff, Pulitzer Prize-winning former correspondent for the Des Moines Register and Tribune; John L. Steele, senior correspondent for Time Magazine; Charles Seib, press ombudsman for the Washington Post; Dick West, Capitol Hill humor columnist for United Press International, and the late Richard Harkness of the National Broadcasting Co.

The group will join such journalistic luminaries in the Washington Hall of Fame as James Reston of the New York Times, Eric Sevareid of CBS, Howard K. Smith of ABC, Richard L. Strout of the Christian Science Monitor, Roscoe Drummond of the Los Angeles Times Syndicate, Robert J. Donovan of the Los Angeles Times, Martin Agronsky of Public Broadcasting Service, Grant Dillman, Washington Bureau Chief of UPI; Helen Thomas, UPI White House correspondent; Marquis W. Childs of the St. Louis Post-Dispatch, the late Peter Lisagor of the Chicago Daily News and the late Edward T. Folliard of the Washington Post.

Mr. Emory has been Washington correspondent of the Watertown Daily Times since September 1951, and a member of The Times staff since June, 1947.

He is a former member of the Standing Committee of Correspondents of the Congressional Press Galleries and a co-winner of the Thomas L. Stokes Prize with Editor-Publisher John B. Johnson and Frank P. Augustine of The Times.

He was vice chairman of the national society's Freedom of Information Committee and is currently treasurer of the Washington Sigma Delta Chi Foundation.

Members of the Hall of Fame are chosen by the Washington Professional Chapter from nominees submitted by members after a screening by a special panel of existing Hall of Famers.

The society's national president-elect, Jean Otto of the Milwaukee Journal, its executive officer, Russell Hurst, and Times Managing Editor and Mrs. John B. Johnson, Jr., are scheduled to attend the June 27 function.

HONORING ALAN EMORY

This newspaper is delighted that one of its own has been chosen to the Sigma Delta Chi Washington Hall of Fame. It is an honor well-deserved and recognition of his talents as a journalist, of his work as a distinguished correspondent in our nation's capital, and of his exceptional qualities as a human being.

A veteran of 32 years with The Times, Mr. Emory began demonstrating his immense capacities as a newsman upon joining this publication directly after completing studies at Columbia's School of Journalism. Within four years he had moved from correspondent in the Massena bureau to The Times copy desk as state editor and then to Albany as our legislative correspondent before moving on to his Washington assignment.

Few on any newspaper can equal his grasp of politics as practiced in the capital. He has been active in the society which will induct him on June 27 and in the National Press Club. He will join a most select group, evidence in itself of how greatly he merits this honor. We congratulate him. In so doing we also extend those same congratulations to his wife, Nancy, who has been such a great and vital part of his life.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following vote. If I had been present, I would have voted as indicated:

On June 15, 1979: Rollcall No. 243, "yes." ●

SYNTHETIC FUELS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. CONTE. Mr. Speaker, this country can ill afford not to take positive steps now to break the OPEC stranglehold. The price of their oil is now over $17 a barrel, rising at an increasing rate. The OPEC nations are scheduled to meet June 26, at which time they will undoubtedly add at least another $2.50 per barrel to their prices.

Although the United States apparently lacks the reserves of crude oil that the Middle East claims, it does have large amounts of coal, shale, tar sands, and farm crops available for it to develop as an energy alternative. These large supplies can be the source of our independence from the OPEC petroleum. This country must commit itself now to the development of synthetic fuels from these deposits.

The urgency of the energy situation requires a Manhattan project type of endeavor to create this new energy resource. The U.S. Government must finance this effort to create a synthetic oil industry capable of producing one-half million barrels a day within 5 years and 6 million barrels per day by 1990. South Africa, Brazil, Canada, and other countries have made substantial progress in this regard. Yet to date, the United States has virtually no capacity to produce synthetic fuels.

Mr. Speaker, we must show OPEC that we do not intend to sit idly by while they price the industrialized Western World into a depression. The costs of such a project will be high, but we need this commitment by government as a national economic insurance policy for the decades to come.

I would like to call to my colleagues' attention an article in the Washington Post on June 18 entitled "Clearing the Way for Synthetic Fuels." It is written by two eminent professors from Massachusetts Institute of Technology:

Clearing the Way for Synthetic Fuels

(By Hoyt C. Hottel and Carroll L. Wilson)

We rely on imports for half our oil. We are dangerously vulnerable to reductions or interruptions in the flow of this oil from the Middle East. We know from Iran that such reductions can come swiftly and unexpectedly. Other importers, such as Western Europe and Japan, are even more vulnerable because they get most of their oil from the Middle East. How can the oil importers reduce their vulnerability?

We have a good model in this country. It was the way we created a market for energy-efficient cars. The government set targets for gasoline efficiency, which car makers had to meet or pay large penalties. When the program began in 1975 cars averaged 13 miles per gallon. In a series of steps over 10 years the average fuel efficiency of cars made in a given year had to go up to 27.5 mpg in 1985. The government mandate said nothing about how to improve the fuel efficiency of cars. It said only what the result must be and developed systems for measuring car fuel efficiency.

Car makers groaned that it couldn't be done especially because polluting exhaust emissions had to be reduced too. They said Americans wouldn't buy the cars. But the government held fast. Engineers were brought back into the front room in Detroit and a revolution in American car design followed, which is illustrated by the GM X series of front-wheel-drive cars. Without this mandate by the government, where would Detroit stand today since buyers put gas mileage high on their requirements in a new car? Imports are more fuel efficient and set a record volume of sales last month as U.S. car production dropped 10 percent.

We can reduce oil imports in the same way by creating a synthetic fuels (syn fuels) industry based on our abundant reserves of coal and oil shale. Alcohol from crops can contribute too.

The government should require oil refineries to use synfuels for a rising percentage of their feed into the refinery, which produces gasoline, jet fuel, heating oil and other products. It should make them pay a penalty if they fail to meet the required synfuels quota. The penalties should be high enough to be a real incentive, for example, twice the price per barrel the refiner pays for conventional oil.

The government must do two other things to get the synfuels industry moving. First, it must guarantee not to reduce synfuels quotas, because those who invest billions to build synfuels plants must be protected against loss of the synfuels market in the unlikely event that another Saudi Arabia is discovered and conventional oil prices fall. The other thing the government must do is to greatly expedite the procedures for acquiring sites and permits to build and operate very large plants of a new kind. We might still have no oil from Alaska if the government had not acted to clear the way for construction of the Alaska pipeline.

Even a crash synfuels program could not begin to produce a flow of synfuels in less than five years. But now we must take the steps necessary to reduce our oil import vulnerability.

The government should require oil refineries to use synfuels for 1 percent of their feed in 1985 rising to 10 percent by 1990. This would require 4 synfuels plants of 50,000 barrels a day costing $1.5 billion each by 1985 and 40 plants by 1990 producing synfuels at about $35 a barrel. This based on refinery feed at 20 million barrels a day, half of which is imported. If growing demand increased refinery feed, more plants would be needed. Part of the synfuels output is synthetic natural gas, which should begin to replace natural gas. Thus 50 to 60 plants might be needed to produce 2 mbd of liquids, which now amounts to 10 percent of our oil needs and 20 percent of our imports.

Forty synfuels plants would cost $60 billion in 1979 dollars. The mines and transportation system to supply the necessary 250 million tons of coal would cost another $10 to $15 billion. All of this investment would be private capital—none would be supplied by the government.

The customers for synfuels would be the refiners who would buy the best synfuels at the best price, which is just what the competitive private market brings about. Choice of process and product mix would cease to be a matter for decision by government bureaucrats. Instead, sophisticated buyers would determine products and prices that should be set by the market. ●

WALTER WRISTON ON THE EURO-CURRENCY MARKET

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. LaFALCE. Mr. Speaker, perhaps the least understood, yet very important, international economic factor is the euro-currency or euro-dollar market. This market encompasses $900 billion in deposits of dollars, marks, and Swiss francs in various non-U.S. financial institutions.

There has been growing concern among United States and West German financial and political leaders about the nature and extent of the euro-currency market, because it essentially lies outside the control of any one government or international agency. In order to obtain more information about this important market, the Banking Subcommittees on Domestic Monetary Policy and International Trade, Investment and Monetary Policy will be holding joint hearings in the near future on the euro-currency market.

On June 11, the distinguished chairman of Citicorp, Walter B. Wriston, addressed this subject in a thought-provoking speech before the International Monetary Conference in London. I would like to share this speech, which is entitled "Information, Electronics and Gold", with all of my colleagues.

The speech follows:

Information, Electronics and Gold

(By Walter B. Wriston)

In 1943, Wendell Willkie published a book entitled, "One World," arguing for the concept that the fate of each nation is inextricably intertwined with that of every other. Today that thesis, which seemed nothing more than a dream in the midst of the Second World War, has become a truism. The soaring vision of Monnet in designing the Common Market, the birth of the United Nations, the World Bank and the International Monetary Fund all moved us toward one world. But swift as were the politicians, technology has moved still faster and further.

Today, technology has combined with finance in a new and unique way that makes obsolete some of the old ideas of compartmentalized national markets, in much the same way that the advent of the tank in World War I and air power in World War II changed the concept of military power. In advancing this thesis, I am aware of the fact that General Billy Mitchell, who championed the theory of air power, was court-martialed for his trouble. It is also true that when the idea of using a tank in warfare was presented to Lord Kitchener, Secretary of War, he dismissed it as "a pretty mechanical toy;" and concluded, "The War will never be won by such machines." The failure of the establishment, any establishment, be it the military, political, financial or even scientific to accept an idea that disturbs the old learning is a recurring theme in history.

Ortega y Gasset opened one of his books with this sentence, "In June 1633, Galileo Galilei, then 70 years of age, was forced to kneel before the Inquisitional Tribunal of Rome and renounce the Copernican Theory, a concept which was to make possible the modern science of physics." So politics were out of phase with science even in the 17th century.

Today a new combination of science and finance produces some unease, because often the consequences of scientific discoveries are not always anticipated. It is a well-established principle that a change of degree—if carried far enough—may eventually become a difference in kind. In biology this is how new species are created and old ones die out. It can be argued that the speed of electronic information flow when it reaches sufficient velocity changes the nature of the transaction itself. Speed is what transforms a harmless lump of lead into a rifle bullet, or a collection of snapshots into a motion picture. When speed is combined with size in the financial markets, the numbers may rise to a point where they reach a critical size and the market that's created becomes totally new and an integral part of our evolving world order. When this phenomenon is truly understood, the world can adjust, but first we must understand the magnitude and nature of change.

People of all nations have long since adjusted to the grim reality that an intercontinental ballistic missile can travel from the Soviet Union to the United States, or a reverse path, in about thirty minutes, carrying enough explosives to render our society unlivable. We now have a less visible but perhaps equally profound challenge to the unlimited sovereign power of nation-states in the technical reality of global communications. Satellites have made communication costs almost insensitive to distance. There has been steady elimination of economic and technical barriers to the instantaneous exchange of information among peoples. This information is not always welcome and the political implications are enormous, even though barely visible on the horizon today. The luxury that some nations have permitted themselves of tight censorship has become increasingly difficult. Satellites can now pump information from the skies to millions of transistor radios held in the hands of people who live in places which were once thought of as remote areas. It is not only news that is affected, because in the high-speed global transmission of digital data, the computer switching centers of the world make no distinction between the front page of the Wall Street Journal and the general ledgers of branches of multinational banks. In fact, it is this technology that has made us a community in the literal sense of that word. Whether we are ready or not, mankind now has a completely integrated, international financial and informational marketplace capable of moving money and ideas to any place on this planet in minutes.

But the technological revolution poses thorny politcial problems. Since the digital information flowing in cables or moving through space will include such things as television shows, telephone conversations, and the stock market averages all mixed together in a single stream, it becomes increasingly impossible to maintain any of the traditional distinctions between transmissions carrying news, entertainment, financial data, or even personal phone calls. This intermixing of data makes it even harder to pass laws restricting the transmision of one kind of information without impinging on the others. Streams of electrons are either free to move across national borders, or they are not.

What we are witnessing and participating in is a true revolution, and like all revolutions it has and is creating political unease. If a nation-state cannot control what its citizens see and hear, a little of the power of the state has slipped away even though a government might still force a modern Galileo to renounce scientific fact or decline a Nobel Prize.

Today, except in a very few instances, national borders are no longer defensible against the invasion of knowledge, ideas, or financial data. The Eurocurrency markets are a perfect example. No one designed them, no one authorized them, and no one controlled them. They were fathered by controls, raised by technology and today they are refugees, if you will, from national attempts to allocate credit and capital for reasons which have little or nothing to do with finance and economics.

The growth of these markets is also a perfect example of unpredictable secondary consequences flowing from primary actions. The United States of America, by prohibiting the payment of interest on demand deposits, forced dollars to seek returns in other areas, and they found these returns in Italy for the financing of international trade. From that modest beginning and without a positive policy decision on the part of any governmental authority, a Eurocurrency market estimated in gross terms at over $800 billion transcends national borders to finance the world's work. The market's strength, resiliency, and depth has confounded its critics and surprised even its supporters.

At the time of the OPEC embargo that market transferred the greatest sum of financial assets in the shortest timeframe in the history of the world with only minor casualties. It was an absolutely stunning performance. And all this activity was handled by a market set in motion inadvertently by a government merely trying to influence the movement of credit and capital within its own borders. The Eurocurrency market proved conclusively that, although the world may still be divided politically, it is one economically and financially.

Even before the advent of modern communications, governments usually found that attempts to control capital movements failed in the long run. Now it is clear they also fail in the short run.

America's ill-fated experiments with a so-called interest equalization tax provide another example. Designed to assist America's balance of payments, it gave instead great impetus to the Eurobond market and did little or nothing for the U.S. balance of payments. In 1977, Eurobond issues placed in the public and private markets totaled just under $20 billion. Once again, one nation's policies had unintentionally created a new international institutional market of such usefulness that it will not go away. The extent of capital flows depends only on the number of sophisticated investors.

What it all adds up to is a quantum jump in the efficient channeling of the world's capital flows. There are those who do not find this an altogether desirable development. The argument is heard that the very efficiency of the system undermines or complicates national monetary policy in particular countries.

Behind that argument lies a complaint by some governments that the existence of a free market disciplines them when they engage in over-expansionary policies. The modern stream of electrons also carries bits of digital information increasing the mobility of money, making it more difficult to ignore the one-world nature of financial life.

The old discipline of the gold standard has been replaced, in fact, by the discipline of the communications revolution. While the new control is not as harsh as the old automatic adjustment of gold shipments, it is in the end almost as certain. It is the successor to the Bretton Woods arrangement, with its pegged rates, where the marketplace punished overly inflationary countries through the loss of reserves. And even then, countries endeavored to maintain their freedom to inflate by imposing exchange controls. Today's efforts by some governments to apply reserve requirements or other controls are only intended to mute the market's response to wide differences in domestic economic policies. Such moves carry with them grave risks for global financial stability. The very fact that the Eurocurrency market has been free has enabled it to act as a safety valve to the financial tensions and pressures inflicted by varying monetary and fiscal policies and such shock events as the OPEC oil price increases.

In his classic work on the gold exchange standard, Jacob Viner wrote that state intervention in private international markets leads "with a certain degree of inevitability to the injection of a political element into all international transactions." The presence of this political element, he noted, necessarily implies a "marked increase in the potentiality of economic disputes to generate international frictions." Politics and diplomacy will be substituted for more routine methods of settling commercial and economic disputes.

If governments and central banks now intervene more actively to control international credit markets, it cannot be doubted that another fruitful source of political conflict among governments will thereby be opened up—along with the negative effects of such intervention on the economic efficiency of these markets.

Our current banking network, with its Euromarkets and its automated payments system, is of course not the cause of the world capital flows, but merely a means of transmission. It has become almost a book-entry system for part of the world. In fact, Governor Wallich has called it "the ultimate in intermediation between lenders and borrowers, between savers and investors."

This means of transmission of information and money is a primary cause of the fact that international banking is a system designed by fate to exist in a certain state of economic tension, with all governments, including the most democratic. This tension is an ancient phenomenon dressed in electronic clothing.

Observing the achievements of the bankers of Amsterdam during the 17th century, a French philosopher, Charles de Montesquieu, congratulated them for having made it impossible for the princes of the world secretly to devalue their coinage. "The standard of money can no longer be a secret," he said, because the banker has learned "to draw a comparison between all the money in the world, and to establish its just value."

Montesquieu did not think this activity would increase bankers' popularity with governments. And he warned of still another danger. He noted that, by extending credit, banks had created a new species of wealth, and that throughout history the princes of this world have rarely approved of wealth circulating outside their own control. There are countries, he observed, "where none but the prince ever had, or can have, a treasure; and wherever there is one, it no sooner becomes great than it becomes the treasure of the prince." Today there are few princes left in the world but only the vocabulary has changed. Governments now talk of "stateless money" instead of treasure, but the thought remains. There are still many countries where private banks are not welcome. Banks are unwelcome in Communist countries today for precisely the reasons Montesquieu suggests: they furnish objective standards of measurement not easily subject to political pressures, and the banking system enables wealth to circulate in response to the true economic needs of the world, and not to political ukase or expediency. It is a system that no absolute monarch of Montesquieu's time, or totalitarian government of our own time, could or would live with. Because once a government accepts that system, it can no longer be absolute.

Today this same phenomenon can be observed as the Euro-market handles billions of dollars, Deutsche marks, and other currencies subject to the jurisdiction neither of the country which issues the currency, nor of the country where the transaction takes place. It does no good to wish that the technology had never been invented, or that it would go away. It has been invented, and it won't go away. Just as the high seas are free to carry the world's commerce—stateless waters if you will—so the Euromarkets are stateless markets to clear the world's financial transactions with a speed and efficiency unmatched in history.

Modern technology has welded us into an integrated economic and financial marketplace which governments—and all of us—must also learn to live with. The clock cannot be turned back. But we in the financial community should probably be spending more time making the nature of this new phenomenon clearer to the world's opinion-makers.

The beneficient results of low-cost, instantaneous inter-national financial transactions, which we have almost begun to take for granted, are by no means appreciated in every quarter. We see laws designed to control transborder data flows being passed, and many more are just over the horizon. All have laudable purposes—protecting privacy, for instance—but there are some who suspect that, whatever the stated objective, proposed regulations of transborder electronic data flows are also coming more and more to look like old-fashioned economic nationalism.

As banks have grown into a global, interconnected financial network to meet the needs of a global marketplace, fears have been articulated that the system may be vulnerable—that it may be only as strong as its weakest link. This "weakest-link syndrome" proved unfounded in the Herstatt crisis, but it exists—not only with regard to the payments systems, but it is used to make whatever point is the current topic of concern.

It is pointless to debate whether that perception is wholly true, partially true, or not at all true. Whether or not the system today is as fail-safe as it should be, it is not perceived as such by some people. The motives of these groups range from a philosophical distrust of what might be termed economic free speech in a truly efficient market, to genuine worries about the quality of credits being financed. Others, watching the worldwide inflation eat up the world's substance look for something or somebody beyond their own national fiscal and monetary policy to blame. Whatever the motive, and regardless of whether the disquiet is real or imagined, until that perception is changed, our doors will remain open to eager visitors who volunteer to help protect people's assets when what they really have in mind is controlling the flow of capital.

Since this tension between those who see the benefit of intermediation on an international scale and those that don't will continue, it behooves us in the private sector to make the system as efficient and safe as possible. We should make sure that the payments mechanism functions through good times and bad, that reciprocal currency lines are in place and that there is a well-ordered cooperation with the world's central banks which are themselves a major user of the market.

If those of us who are qualified to deal with improving the market do not respond, others will fill the vacuum. Much of what we must do is make more explicit and more visible practices which already exist. As the perception grows that we live in a world of limited resources and of unlimited demand, the world problem continues to be how to make maximum use of these resources. Helping to solve that problem has always been a banker's basic business—and with the tools now available, we have an opportunity for doing that job with a proficiency never seen before in history.

In fact, we are already doing it. What we have to defend, is our right to continue to do so.●

ENERGY RESOURCES OF INDIAN TRIBES

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. UDALL. Mr. Speaker, on May 22, 1979, I was invited to attend a luncheon meeting of the National Energy Resources organization. The subject of the meeting was the development of the vast energy resources of Indian tribes. A significant portion of all strippable coal in the west is found on Indian reservations; approximately 40 percent of all known uranium deposits in the United States is on Indian reservations; and some Indian tribes have significant oil and gas and geothermal resources.

The luncheon speaker was Peter MacDonald, chairman of the Navajo Nation and chairman of the Council of Energy Resource Tribes. Mr. MacDonald's, speech, although slightly tongue-in-cheek, is a forceful, revealing statement of the position of the Indian tribes regarding the development of their energy and other resources.

Mr. Speaker, this speech is instructive. not only with respect to the development of Indian-owned resources, but also with respect to the general development of this Nation's resources. Therefore, I am inserting his speech in the Record for the benefit of my colleagues.

The speech follows:

FAIR MARKET VALUE OF THE INDIAN RESOURCES IN THE NATION'S ECONOMY

I appreciate being invited to speak at this gathering. It is important that we try to increase our understanding of each other and that we speak with respect for each other.

So, instead of describing the Cert Tribe or the Navajo Tribe to you, I should describe how you appear to us—particularly how you as government officials appear to the Native Americans.

We think the white man's culture is a strange one. You have a tribe whose ancestral home is on the banks of the River Potomac that lives entirely on paper. I call them the paper tribe. They eat paper, sleep paper and each day they produce more paper with words, lots of words. And the only reality they know are those words written on paper. They have a native craft which thev are very proud of—they are called regulations—and just as our people are very proud of the rugs and silver work we produce, so this tribe is very proud to demonstrate how they are producing larger and larger sets of regulations and other kinds of artifacts called guidelines, instructions to the field, manuals, position papers, option papers, and so on. I am told that each day this tribe produces several thousand pounds of regulations, and this paper tribe is now looking to market this product just as we market our own handicrafts, and they believe that the Indian Reservation is a perfect market for their arts and crafts.

We, the American Indians, are not of this tribe of regulation makers. In our hogans we did not watch our fathers and our mothers writing regulations—I don't know why, but that's not what they did. They herded sheep and carded wool; some made jewelry, some did other things. But not even our medicine men made regulations. And I am told that this paper tribe has a special public works program for the regulation-writing tribe. they call it the Civil Service, or the Merit Selection System, but they also have a special private sector program for this paper tribe by creating tax incentives for business and industry—letting them deduct all legal fees as business expenses. One group writes the regulations; another group fights them; another group interprets them; another group disputes their meaning—and they keep full employment going by creating more and more regulations and more and more problems of interpretation and application.

We are not accustomed to the ways of this paper tribe, but we are told that, to become truly acculturated and civilized, we must emulate their ways and try our best to produce similar artifacts. My problem is that I have never discovered how to cook a regulation, eat a regulation, wear a regulation or how to wrap a regulation around me to keep warm—but I hope to learn these mysterious arts before I leave this pow-wow.

I am told that learning the arts of the paper tribe is very important for the survival of my people, for we will be called incompetent and corrupt if we do not master this art. To demonstrate the importance of this art, I am told about the story of Lockheed and the aerospace industry. It seems once upon a time, this thing called Lockheed had something called a multi-million dollar overrun and that it was in danger of extinction by a process called bankruptcy, but because it understood the ways of the regulation writing tribe, it was placed on something called the endangered species list along with other animals that I know, such as the whale, and the baby walrus, and it was fed and nourished and protected with many more papers called contracts and a special transfusion of paper called money.

But we do not understand your ways and that has caused us many problems—and perhaps it would be useful to describe some of those problems in the hopes that you would share with us the wisdom of your ancestors and the magic potions of your medicine men.

We, the Native Americans, face many problems as we try to survive; to shape our own destiny, and to preserve our own culture and traditions. We live upon land that contains vast natural resources—fish, wildlife, coal, uranium, oil, water, gas and other minerals. We wish to protect the land and its natural beauty; we wish to develop these resources in a way that will permit present generations to survive and future generations to live without being dependent upon others. We wish to create jobs and industries on the reservation, and therefore we are trying to use the resources and governmental authority we exercise to secure income, to build shopping centers and economic growth centers, and to create sources of income for our people. We need to find ways of securing help without surrendering our sovereignty, our independence and without giving away our resources which is the only guarantee of a secure future which our children and their children have.

For a long time, we just gave our resources away—or to be more precise, the BIA gave them away by signing mineral leases. And that meant that companies came on our land, stripped it of its wealth, paid us a pittance, gave us no jobs, taught us nothing about mining and then left—often leaving behind huge and ugly scars upon the land, sometimes leaving pollution and worse still, vast amounts of poisonous radioactive material. We have now declared a moratorium on such activities and have tried, by creating the Council of Energy Resource Tribes to get the knowledge and expertise needed to bargain with the utility companies, and to lay the foundation for joint ventures that will give us the knowhow, the management skills, the technical skills and the access to capital.

In this connection, we need to make clear that when people talk about America's scarce resources, they seem to treat Indian resources as if they were part of the public domain, like the offshore oil deposits. Our land, our water, our resources are at least as private as that of any individual or corporation. They are not up for grabs; we happen to own those resources collectively as a people—not individually, and the United States happens to be the trustee of legal title to those resources. Somehow, that doesn't come across to many people. But if Exxon owned the reservation and chose to delay its development or develop it on its own terms, you would not see the same resentment that I sense when we insist on our right to develop our own resources in our own way. This brings me to several points of critical importance regarding the question, "How much is the Indian willing to sell its resources for?" In other words, what is the market value?

Allow me to start with your definition of "market value" in the hope that if I adopt your terms, you may come to an understanding of mine.

I consulted an appraiser the other day who gave me the following definition of market value:

"Market value is the highest price expressed in terms of the money the property will bring if exposed for sale in the open market, with a reasonable time given to find a purchaser, buying with a full knowledge of all the uses and purposes to which it is capable of being used, by a person(s) willing to sell to person(s) willing to buy in the absence of compulsion, and both acting without duress."

There are, I am told, several basic ways to estimate a figure that appraisers use; they include a look at comparable sales; they compute replacement value; and they look at something they refer to as "best and highest use."

If we are to take your definition seriously, then I must say that there has never been a fair market price set upon Indian resources and there probably cannot ever be! The only thing that there can be in the eyes of the Indian is some form of expropriation in the form of something which you label a sale, and which we label a condemnation proceeding. In other words, the sovereign declares that the public interest in use of a piece of land exceeds the right of the individual property owner. Then, at best we are talking about just compensation to be provided by due process of law.

I personally prefer the notion of market value for it assumes:

The absence of compulsion;

Both parties acting without duress;

Full knowledge of all the uses and purposes for which the property is capable of being used;

Exposure for sale in the open market;

Exposure for sale for a reasonable period of time.

Using your own definition, let me submit to you three propositions:

The Indian has not received fair market value, past or present;

The Indian will not receive fair market value in the future; and

The Indian cannot receive fair market value.

I know that most of you would rather stay away from the proposition that the Indian has not received fair market value.

You know and I know that most transactions between Indians and non-Indians have not been characterized by the absence of compulsion or without duress.

Conquest, occupation, and expropriation have entangled us all in the past and there is much resentment and confusion about this. The Indian claims theft; the white man claims that we are now demanding an exhorbitant price for our resources. Yet these so-called "exorbitant prices" are based upon the increased value that the white man's technology and capital have created. We call each other names; we stalemate each other; finally, in frustration, you resort to law, your law, taking comfort that it calls for just compensation and due process of law because you have no patience or understanding for our seeming stubbornness. And we have no trust in a process of fairness that is not grounded in an understanding of our values; an understanding of our culture.

So, let us talk about the present and the future propositions, since the past is irreparably tangled up in accusations and counter accusations. Let us first admit—to each other at least—in the spirit of honesty that we do not really mean fair market value for Indian resources. Why? Because:

A. Our resources will never be put up for sale on the open market because we have a trustee who determines whether or not we can put it on sale and to whom we can offer it for sale and what price we can accept for it.

B. It will never be offered to all bidders—but only to some bidders. This becomes much clearer if I simply say to you that the United States Government would never permit us to sell our land and our resources to the United Nations or to the World Bank or to the Organization of American States—even if, in return for such sale, we could obtain an exchange of land together with the investment capital we would need to become self-sufficient economies. I am not saying that we could or would sell our land for that price to such a buyer; I am simply saying that we are not dealing on the open market and that American manufacturers who sell planes and arms and grain are dealing in a more open market than we are—and they are certainly not dealing in what they would call an open market.

C. It is doubtful that we can ever be willing sellers of land, acting without duress or in the absence of compulsion. We have to live and eat and subsist during the time we wait to sell our resources at the best price—and the persons who control the terms of the sale also control our supply of food, our medical care, and the education of our children.

D. It is doubtful that we will ever know what the seller as well as the buyer should know; i.e., the uses and purposes which our land and resources are capable of being used. We consistently lack the technological know-how, the independent experts, and the ability to project into the future. So when we sit down and talk to the big mineral and oil companies, we have our one lawyer—and they have thirty; we have an outdated study by the Bureau of Land Managament—and they have their geologists and engineers and experts by the dozens. In short, we don't know what our resources might be worth because we don't even know what we are selling—and can't find out.

That's not your fault. And too much of the bitter rhetoric of the past has been with each of us blaming each other for what we must all recognize as facts of life:

No open market;

No sale to all bidders;

No absence of compulsion or duress;

No knowledge of potential value or use.

If these are facts of life, then we must learn how to live with each other; we must learn how to respect each other and have some appreciation of each other's needs.

So, I would like to take this occasion to talk about what we mean by fair market value from a Native American perspective. And then I would like to set forth some of the ways I think we can transact business on more equitable terms and with less rhetoric.

First of all, you must take my word for it that we are loyal Americans, that we care about this Nation, that we understand its needs, that we desire to see it flourish and survive, and that I and others have in the past, and would gladly in the future, lay down our lives to protect this country and its future—your country—but my country too—white man and Native American both. And we understand that if we are to get on with the future, we must stop lamenting the fact that we had lax immigration laws and shaky border patrols. We will have to find other ways of getting on with the future than accusation and recrimination.

And now, let us talk about the land—the Navajo perception, the Native American perception of land.

You must understand that we have several concepts of land—not one.

A. The surveyor's definition—I am an engineer and I am familiar with the definition of land in terms of acres, meters, milestones, and boundaries. Our land base—in these terms—has shrunk from 138 million acres in 1887 to 55 million acres in 1966. As we have seen in Alaska, and in Maine, there is no great enthusiasm for attempts on the part of Native Americans to expand that land base. Most of us seek simply to make sure it doesn't contract.

B. The economist's concept—we depend upon land as a source of subsistence—of food, shelter and income for survival. We face problems of overgrazing and drought, brutal winters and dry summers.

C. The economic developer's concept—land as the basis for future economic and social self-sufficiency. I have become somewhat notorious for insisting that if we are to sell the present, if we are to sell our resources, the only fair market price is that which will insure a legacy to bequeath to our children when those resources are gone. What we have we must use as our only leverage to secure a future for our people.

D. The conservationist's viewpoint—we regard land as a resource to be protected for its beauty; we regard the balance of life as something to be preserved.

5. The religious concept—land for us embodies a sacred relationship between man and his universe; land is not to be defiled, desecrated or cheapened.

Without dwelling on each of these concepts, I wish to spend a few minutes on land as homeland and as holy land.

The American mind is capable of grasping the notion of a holy land in Jerusalem, Mecca, the Vatican—but not northern New Mexico or Arizona.

If I asked some of you what the fair market price of Israel is—and others, what the fair market price of the United States is—and some of you what the fair market price of Washington, D.C. is—you would look at me as if I had lost my sense. "Don't you understand," you would say, "that some things are not for sale."

And I would reply to you in the words of the Indian peoples:

"Is not the Sky a Father and the Earth a Mother and are not all Living Things, with feet and wings or roots their Children?"

We regard our homeland as Holy Land!

And you must understand that:

Holy land is not subject to partition or fencing;

Holy land is not a resource for exploitation;

Holy land requires a special legal status—full title held in trust to be honored above and beyond normal forms of property ownership.

So, where does that leave us? I was asked to speak, as a potential seller, about the Council of Energy Resources Tribes.

And you did not come for a lecture on Indian culture or religion. You ask, "What does he really mean? Is this some elaborate sales pitch for jacking up the price?"

This is not the case—for some things are not for sale. And if we are to treat each other with respect, then you must understand that our way of life and our children's right to maintain it is as precious to us as your way of life and your children's right to maintain it. So that when we speak to each other, we must understand that we are all Americans.

But if we are to treat each other as fellow Americans and as neighbors, then we have to come to some basic understandings.

First, we appreciate the American dream. We are patriotic and we are loyal. We are proud of this country—of America. And it was your youth, the children of privileged non-Indian families who were far quicker to condemn this country than our children. We volunteered during World War II. But we volunteered also during the Korean and Vietnam conflict. I am not saying this country has always been right. I am saying that the Indian has been consistent in loving this country—and he has been less fickle in that love than others.

Secondly, our culture is part of your legacy. We joke about that and say, "Where would John Wayne be without us?" But we like to think that our culture is part of what is perceived as distinctly and authentically America around the world. And this Nation's treatment of our people and our culture is in many lands the true test by which our Nation's commitment to freedom and democracy and equality is judged. For better or worse, we are now bound up in the same future. If only out of self-interest, we must be committed to each other's survival—neither can flourish without the other; neither can win respect around the globe without respect for each other at home.

Thirdly, we understand the right of eminent domain. A grave national need may at time warrant the use of this power. In the past, it has been invoked as an excuse—just as national security has been invoked as an excuse for invading other precious American traditions.

But national need, like national security, can be real; we respect it. And we understand that our resources may be needed for national survival—and for the survival of our way of life—your way, my way, our way.

Fourthly, and finally, you have a reciprocal duty, to protect our future—to see to it that the claim of national need is not biased—that our vulnerability is not exploited, and that wherever possible, alternative means are developed so that our resources and our hope for the future is not treated as the most expendable.

So there is no fair market value of Indian resources. For there is no open market, no knowledgeable seller, no absence of duress, and no price we can place upon our future and our children's future.

All we have—all we have ever had—is our sense of community—as Navajos and as Americans.

We have coal and uranium—but we also have vast stretches of land from which solar energy can be drawn and the winds harnessed.

We have water and minerals. But we also have a culture; and we value the air we breath and the sun we can still see.

We ask that you seek alternatives, that together we seek alternatives before we prey on each other.

A poet of your culture once wrote:

"Though you have shelters and institutions,
Precarious lodgings while the rent is paid,
Subsiding basements where the rats breed or sanitary dwellings with numbered doors or a house a little better than your neighbor's; When the stranger says: 'What is the meaning of this city?
Do you huddle close together because you love each other?'
What will you answer? 'We all dwell together to make money from each other?'
Or, 'This is a community?' "

A few years ago, N. Scott Monaday, a Kiowa, wrote:

"There was a house made of dawn.
It was made of pollen and of rain, and the land was very old and everlasting.
There were many colors on the hills, and the plain was bright with different colored clays and sands.
Red and blue and spotted horses grazed in the plain, and there was a dark wilderness on the mountains beyond. The land was still and strong. It was beautiful all around."

I do not know the fair market value of that house. I do know it is the house we must all live in—together.●

FIRST ANNIVERSARY OF IDA NUDEL'S TRIAL ON JUNE 21

HON. EDWARD J. STACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. STACK. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families sepaarted by political boundaries.

Because the Soviet Union is not living up to that promise, I would like to bring to the attention of my colleagues the plight of Ida Nudel, on the first anniversary of her trial and sentencing. Ida Nudel was the "guardian angel" to the prisoners of conscience inside the Soviet Union until she herself became a prisoner of conscience last summer. On June 21, 1978, Nudel was sentenced to 4 years of internal exile in Siberia for "malicious hooliganism" after unfurling a banner with the words "KGB give me a visa."

For Ida, the commitment to emigrate to Israel has become deeper and deeper and her work on behalf of other "Prisoners of Zion" has made her greatly loved and respected. David Chernoglaz, who served 5 years in a strict regime labor camp, said of her when she arrived in Israel: "The one person above all others who helped to keep up morale and who constantly helped with letters and parcels, the person rated by all to be a superhuman angel, is Ida Nudel."

Such work in the face of considerable KGB harassment and intimidation takes its toll. Ida's sister, Elena, recently pointed out that when she last saw her sister in 1972, she was a strong young woman. Now she has heart trouble.

In October 1973 Ida discovered that she was being "treated" for alcoholism and not for her heart condition, as she was led to believe when she accidentally saw her medical chart at the 89th Volgord District Clinic. Ida does not drink at all.

Thirty-five Moscow Jews protested to the head of the KGB, Yuri Andropov, on Ida's behalf: "* * * the officials of the KGB are fabricating, with the assistance of the physicians of polyclinic No. 89, a false charge against Ida Nudel, calling her an alcoholic in order to carry out a lawless reprisal against her. Such an absurd accusation shows very clearly the aspiration of the KGB to present the Jews, who have been demanding permission to go to Israel for a long time, in an amoral and antisocial light." Attempts to discredit Ida continue with the latest threats by Soviet authorities.

This callous Soviet disregard for basic human rights and the terms of the Helsinki agreement is intolerable. We in the Congress must do all we can to exert pressure on the Soviet Government so that one day soon Ida Nudel, and the thousands of other Soviet Jews, can be reunited with their families.●

FOOD STAMPS: PUT THE MONEY WHERE IT BELONGS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. GOODLING. Mr. Speaker, in 1977 Congress made certain reforms in the food stamp program in an attempt to aid the neediest families without expanding the amount of Federal aid beyond reason. The food stamp program is designed to help low-income households buy more food for a more nutritious diet.

When the reforms were adopted in 1977, Congress estimated that an additional 3 to 4 million people would take part in the program under the new rules which eliminate the requirement that families had to purchase stamps. Under the current plan, the stamps are provided at no cost thus encouraging greater participation by families at the bottom end of the poverty scale. At the same time, 1.5 million people were expected to be eliminated off the top end of the program because it was determined these recipients could afford a nutritious diet without food stamps.

As you know, it is a lot easier to increase a program than to cut one back. The Department of Agriculture decided to encourage increased participation among the poorest of our populatin without implementing the other half of the program—that is more stringent participation requirements. The number of participants jumped from 15.5 million in November of 1978 to over 18.6 million people in February 1979. Consequently, the overall costs of the food stamp program has gone beyond the $6.2 billion budget cap imposed by Congress. For next year, it is estimated an additional $1.6 billion will be needed for the program. I have also discovered that USDA regulations have given each food stamp recipient a right to request a fair hearing if he feels that his benefits are being cut off because of a "misinterpretation" of the Food Stamp Act of 1977. Since we are talking about a million and a half people, it is not inconceivable that the congressional mandated reduction of the food stamp rolls will take well over 2½ years and cost millions in administrative expenses.

With this background in mind, I was fascinated by a report that the Agriculture Committee is currently considering legislation to increase food stamp benefits for specific categories of recipients. Whatever the merits of this proposed increase, it would seem logical that Congress ought to insist that any expansion of this program be linked directly to the reduction in eligibility benefits already mandated but as yet unimplemented by USDA. How can we justify the continued funding of ineligible recipients while simultaneously increasing this program—especially at a time when many other worthwhile programs are being limited? I suggest that we carefully study the details of this legislation before considering floor action.●

FEDERAL INSURANCE REGULATION

HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. HANCE. Mr. Speaker, one of the major problems of this country is that the Federal Government has gone too far in exercising its authority by attempting to regulate where it should not. Many of the problems we face today are a direct result of overregulation in which the Federal Government tries to control both supplies and demand.

I would like to call attention to a concurrent resolution passed recently by the Texas Legislature. It addresses the question of Federal Government regulation as it pertains to the insurance business and that this is an area where States should retain the majority of regulatory authority. The resolution as passed by the Texas Legislature follows:

SENATE CONCURRENT RESOLUTION

Whereas, In the McCarran-Ferguson Act enacted in 1945 (15 U.S.C. Sections 1011–1015), Congress determined "that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

Whereas, Federal government officials have publicly, although unofficially, recommended amending the McCarran-Ferguson Act to limit state regulation of the insurance industry; and

Whereas, It is becoming increasingly clear that the establishment of federal regulation is not a panacea but increases the cost of government, adds confusion and delay, and often increases the cost of products and services without providing any offsetting benefits to the consumer; and

Whereas, It is often necessary, subject to state regulations, to combine the resources of several insurance companies in order to provide effective insurance coverage in an efficient manner at a reasonable cost and to promote innovation whereby new products and services are made available; and

Whereas, There has been no evidence that individual states cannot continue to effectively regulate the insurance industry or that federal regulation of the industry and application of federal antitrust laws will have a favorable effect upon the insurance industry or benefit the public; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 66th Legislature hereby memorialize the Congress of the United States to reject any legislation amending the McCarran-Ferguson Act (15 U.S.C. Sections 1011–1015) which would limit state regulation or increase federal regulation of the business of insurance; and, be it further

Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.●

THE SALT AGREEMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. FINDLEY. Mr. Speaker, now that President Carter and Chairman Brezhnev have met at the Vienna summit and signed the SALT II treaty, congressional consideration of the strategic arms limitation agreement will seriously begin.

I would like to call to the attention of my colleagues the following article by Ambassador Seymour Weiss which appeared in the May 24, 1979, edition of the Wall Street Journal.

It is an excellent article. It treats some very pertinent concerns about SALT, United States and Soviet policies.

The article follows:

"WARMONGER" FEAR ISN'T A REASON TO BUY SALT

(By Seymour Weiss)

Whatever may be viewed as the inadequacy of the Nixon-Ford-Kissinger approach to SALT I, that approach did not lack a political context. According to Mr. Kissinger SALT was the cornerstone of detente, a process intended to develop a web of interlocking relationships between the United States and U.S.S.R. with the ultimate purpose of constraining aggressive Soviet policies. In practice the process proved so deficient that President Ford abandoned detente.

When Candidate Carter became President Carter it was presumed that he would provide a new political framework within which SALT could be assessed. But the administration has never advanced what Dr. Kissinger used to refer to as a "conceptual framework" within which to fit such specific policy initiatives as SALT.

We are told it should be "viewed on its own merits," that "it is no favor to the U.S.S.R.," that "it must not be linked to Soviet behavior outside of SALT," that while less than perfect from a military point of view, militarily it is better than no SALT, and so on. But the political logic supporting SALT has never been articulated.

While failing to define the positive political context within which the American public should consider SALT, recently President Carter has suggested its negative consequences. He has warned that failure of the Senate to give its consent to SALT will result in a virtual severance of relationships with the U.S.S.R. The United States, the President asserts, will be viewed as a warmonger, a distressing prospect to be sure.

But why? Why should a failure by the Senate to accept the terms of the treaty, even if those terms are contrary to U.S. interests, lead to such a serious political consequence? Since the President does not tell us, we are perhaps justified in speculating.

One explanation which would justify a severe Soviet reaction is the belief on its part that the U.S. is actively threatening Soviet national survival. So believing, the U.S.S.R. might well consider SALT as both a necessary gesture of goodwill and a constraint on U.S. military programs.

According to administration sources it is not the U.S. but the U.S.S.R. that has been launched for more than the last decade on a massive military buildup. The Soviets outspend us by 45 percent annually, and the rate of their expenditures is growing. U.S. military expenditures have declined to the point where we spend less than 5 percent of our gross national product on defense, a smaller proportion than at any time since before the Korean war.

One further explanation intrudes itself, namely, that the Soviets believe SALT II to be so favorable to them that they have in effect threatened the United States with dire consequences to force U.S. acceptance.

Totalitarian states throughout history have attempted, sometimes successfully, to force democracies to accept inequitable agreements. Hitler forced Chamberlain to do so at Munich. The results then were disastrous. Surely if the Senate reached the conclusion that the SALT II Treaty as written was inequitable and prejudicial to U.S. interests, President Carter would not wish the Senate to consent to the Treaty. To do so under such circumstances would be, as Sen. Baker has implied, to appease the Soviets. Surely this is not the political context within which the administration wishes the value of SALT to be judged. But what, then, is the context? ●

EARL ALTIZER RETIRES

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. McEWEN. Mr. Speaker, it will seem strange to hold a hearing with Army witnesses and not see Earl Altizer sitting in the back of the room listening intently, or to debate a defense bill on the floor of the House and not see Earl in the balcony, or to visit an Army installation and not have Earl along quietly and efficiently coordinating the tour.

Earl has worked diligently and faithfully for the Comptroller of the Army in congressional liaison and budget activities since 1965. Keeping abreast of the many defense issues which came before the Congress, and displaying a high degree of tact and competence, he gained the utmost respect and confidence of the Members with whom he came in contact. He demonstrated outstanding loyalty to the Army, the Congress and the Nation.

When detailed information on a controversial issue was desired, a request was passed to Earl knowing that an honest and factual response would be forthcoming in the shortest possible time. When a factfinding visit to an Army installation seemed necessary, it needed only to be mentioned to Earl and a detailed itinerary was planned and the trip arranged from start to finish.

Earl's name does not appear in the reams of testimony developed from the countless hearings he attended, but his contribution in promoting a smooth and understanding relationship between the military and the Congress is well known by many in the Pentagon and on the Hill. He will be greatly missed.

Best wishes for a long and happy future, Earl.●

IRISH RESOLUTION GAINS SUPPORT OF CONNECTICUT LEGISLATURE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BIAGGI. Mr. Speaker, I was most pleased to have received a letter from the Connecticut General Assembly in support of House Concurrent Resolution 122, legislation which I introduced on May 17. The resolution calls upon Great Britain to embark upon a new initiative for Northern Ireland, one which restores human rights and promotes self-determination.

I am grateful for this overwhelming indication of support and hope it will lead to definitive action by the Congress. My resolution already has 64 cosponsors and there are growing efforts to have the resolution considered before the Foreign Affairs Committee.

As chairman of the 131-member Ad Hoc Congressional Committee for Irish Affairs, I am committed to seeing that peace and justice do come to Ireland. I recognize a role which the United States has to play and it should be a peaceful one. I had made repeated references to my strong opposition to the actions taken by the Department of State in granting a license to have 3,500 weapons sent to the Royal Ulster Constabulary. This action cannot be repeated.

At this point in the RECORD I wish to insert the letter I received from Representative Richard P. Lawlor, cosigned by over 100 of his colleagues:

STATE OF CONNECTICUT,
HOUSE OF REPRESENTATIVES,
Hartford, Conn., May 29, 1979.

Hon. MARIO BIAGGI,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BIAGGI: Please be advised that we, the undersigned members of the Connecticut General Assembly, are in receipt of a copy of the Irish Resolution introduced by yourself, and we note, among others, the distinguished Representative from Connecticut, William R. Ratchford, calling on Great Britain "to embark on a new initiative to bring peace to Northern Ireland."

On March 15, 1979, we of this Assembly passed a resolution, a copy of which was forwarded to your office, commemorating the centenary of the birth of Patrick Pearse and the cause for which he, as have you, so diligently labored.

Please, therefore, accept our grateful acknowledgement of your efforts, our endorsement of the above said Irish Resolution and our prayers and wishes, that the U.S. Congressional Peace forum on Northern Ireland, to be held in Washington, D.C., September next, result in effectuation of said resolution.

Very truly yours,

Richard P. Lawlor, *State Representative*; William J. Scully, Jr., Robert J. Carragher, John H. Murphy, John R. Quinn, John P. McManus, John J. Morrison, Martin M. Masters, Aloysius J. Ahearn, Andrew J. Carey, III, Kenneth A. Leary, Thomas F. Sweeney, Philip J. Leeney, James J. Kennelly, Timothy J. Moynihan, Jr., James E. Dyer, Leo H. Flynn, Robert Walsh, John F. Mannix.

Chester W. Morgan, Patrick B. O'Sullivan, Robert G. Gilligan, John F. McGuirk, Sr., Marcella Fahey, Timothy J. Casey, William E. Curry, Jr., Raymond M. H. Joyce, Thomas F. Wall, Jr., Neal B. Hanlon, Steven C. Casey, Abraham L. Giles, Vito Mazza, Patricia T. Hendel, Arthur Della Vecchia, Paul A. LaRosa, Joseph Carbone, Margaret E. Morton, William J. Cibes, Jr.

Clarice A. Osiecki, Catherine M. Parker, Anthony R. Innacell, Ernest N. Abate, Joseph S. Coatsworth, Ronald L. Smoko, John J. Zajac, Jr., Natalie Rapoport, Thirman L. Milner, Gerard B. Patton, Anthony D. Truglia, William P. Candelori, Joseph Walkovich, John P. Sponheimer, A. Boyd Hinds, Jr., Rosalind Berman.

Philip S. Robertson, George Ritter, Lawrence J. Anastasia, Teresalee Bertinuson, John W. Anderson, Thom Serrani, Ferdinando A. DelPercio, Wayne A. Baker, Joyce A. Wojtas, Eugene A. Skowronski, Dorothy S. McCluskey, Silvio A. Mastrianni, Russell J. Reynolds, John W. Atkin, Gardner E. Wright, Jr., Robert F. Frankel.

James J. Palmieri, Maurice B. Mosley, William R. Dyson, Geil Orcutt, Alfred J. Onorato, Dorothy C. Goodwin, Walter J. Henderson, Edward J. Petrovick, Peter A. Rosso, William Kiner, Paul Gionfriddo, Robert C. Sorenson, Christopher Shays, Robert Jaekle, James A. Weiss, Warren G. Sarasin.

Astrid T. Hanzalek, John D. Mordasky, John A. Giordano, Jr., Michael D. Rybak, Andrew R. Grande, Muriel Yacavone, Richard L. Mercier, Dorothy Faulise-Boone, Vincent Roberti, Elizabeth M. Leonard, Morag L. Vance, Edward C. Krawiecki, Jr., Joseph J. Farricielli, Dominick Swieszkowski, Michael R. Colucci, Richard D. Tulisano.

Irving J. Stolberg, Richard C. Bozzuto, Christine M. Niedermeier, Joseph H. Hayser, Jr., Robert Diesiekowski, Paul Abercrombie, John G. Groppo, Dean P. Markler, John T. Pier, Robert H. Heller, Cornelius O'Leary, Frederick Thory.●

LEVERETT SALTONSTALL

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. SHANNON. Mr. Speaker, in this century, few people have done more to bring honor to public service than Leverett Saltonstall. Throughout his distinguished career he served the people of his community, his State, and his Nation with diligence, dignity, and great commonsense.

The people of Massachusetts, who placed their trust in him both as Governor and U.S. Senator, not only respected and admired him for his service to them but also had an overwhelming affection for Leverett Saltonstall as a very special human being.

The people of Massachusetts and of the rest of the United States will miss his wisdom and his warmth.●

SYNTHETIC FUELS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to an editorial that appeared in the Washington Post on September 20, 1976, when the Congress was last considering massive Government subsidies to large corporations to develop a synthetic fuel industry.

I would especially mention the last paragraph of the Post editorial:

> Energy is going to cost more in the future. The country may as well get used to that unwelcome thought. It is a great deal better to meet that cost directly, through the prices that the customers pays, than indirectly through everybody's taxes and a cat's cradle of federal loan guarantees and price supports. It would be nice to think that we could avoid the inconveniences of conservation merely by pouring money into new plants for the 1990's. But there may not be enough money to do it that way. There certainly isn't enough time.

Wine gets better with age, but the editorials of the Washington Post on the subject of Government subsidized synthetic fuels simply get more foolish. Why the Post has changed its collective mind in the past 3 years is a good question. Certainly there is less time now than there was in 1976 to develop this industry.

The article follows:

[From the Washington Post, Sept. 20, 1976]

SYNTHETIC FUELS AND SUBSIDIES

That bill to subsidize synthetic fuels has more lives than a cat. The House of Representatives threw it out the window last December, but now it's back meowing at the door. The House needs to remind itself that the animal has a voracious appetite. The farther it goes in these last days of the session, the more Congress is likely to regret it in years to come.

This bill would provide $3.5 billion in federal loan guarantees, and $500 million in price supports, to get new processes operating on a commercial scale. Most of the money would go into the manufacture of gas from coal and the extraction of oil from shale. The Rules Committee, reflecting the prevailing spirit in the House, voted last week to send this synthetic fuels bill to the floor for passage—but not the bill to set standards for strip-mining. The synthetic fuels bill implies strip-mining of western coal in a very big way. It would be wanton to begin these stripping operations under the present inadequate rules. But that is only one reason among many for putting the cat out again.

This $4 billion would build plants capable of turning out the equivalent of about 200,000 barrels of oil a day (present U.S. consumption is running about 17 million barrels a day). These plants would go into production sometime in the 1980s. The oil and gas would be extremely expensive by present standards. The technology already exists, and is at work in a good many places around the world. But the bill's authors say, accurately, that American companies cannot get construction loans to build these plants here.

A coal gasification plant, big enough to run efficiently, would cost perhaps a billion dollars. The bill would ensure a test of the process at that gigantic scale, under the special conditions of American safety and environmental requirements. The pilot projects would provide a depth of experience for investment in further plants that might then come into production in the 1990s in numbers large enough to make a serious contribution to the country's oil and gas supply. If the product is expensive in comparison with current oil and gas prices, it is not greatly out of line with the other esoteric sources of oil and gas now in prospect. There you have the argument for the bill.

Perhaps you will have noticed that this technology, even if successful, will not begin to contribute significantly to American energy requirements until the 1990s. That amounts to fiddling while Rome freezes. Thinking ahead is all very well, but the truly basic choices lie in the next 10 years. The one policy that can pay off most rapidly is, of course, conservation. But it is hard to find any evidence of a sustained effort at conservation in this country.

This bill threatens, in a lighthearted and ill-considered way, to set dangerous precedents. Until now, it has generally been the rule that the government supports the development of new technology, but leaves commercial application to private companies. There have been exceptions, notably in nuclear energy with its special security requirements. But it's a pretty good rule, on the whole. The technology of coal gasification is well known. If companies cannot raise money at this stage to build the plants, that makes you think twice about the whole idea. As for oil shale, the lenders watch experienced oil companies drop the Colorado shale leases for which they have paid millions of dollars, and they have to wonder whether it's such a grand investment after all.

Consider what's happening here. Congress keeps voting to hold oil and gas prices down. Consumers see prices level off and, among other consequences, the swing to small cars slows sharply. The next consequence, already visible, is further increase in oil imports. Congress, understandably, gets anxious. It begins to push production methods that lie many years in the future and that are too expensive and uncertain for the banks to finance without a federal safety net. Isn't there something askew here?

Energy is going to cost more in the future. The country may as well get used to that unwelcome thought. It is a great deal better to meet that cost directly, through the prices that the customer pays, than indirectly through everybody's taxes and a cat's cradle of federal loan guarantees and price supports. It would be nice to think that we could avoid the inconveniences of conservation merely by pouring money into new plants for the 1990s. But there may not be enough money to do it that way. There certainly isn't enough time.●

VETERAN SENIOR CITIZEN HEALTH CARE ACT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. MATSUI. Mr. Speaker, I rise to commend my colleagues on their unanimous support of the Veteran Senior Citizen Health Care Act of 1979. This bill will establish up to 20 demonstration centers of geriatric research, education, and clinical operations at Veterans' Administration hospitals throughout the Nation.

Because of the large number of veterans of World War II and the Korean war, by 1990 more than half of the males in this country will be veterans. By 1995 veterans will make up over 60 percent of the male population. While there are currently about 130,000 veterans age 85 and older, by the year 2010 that figure will exceed 1 million. Clearly, veterans' needs for geriatric care will greatly increase in the coming decades.

Mr. Speaker, we must never forget the commitment that these brave men and women made to their country when they were called to serve. In remembrance of these veterans' service, I sincerely thank my colleagues for their support.●

TRIBUTE TO THE REVEREND MONSIGNOR PATRICK A. O'LEARY, P.A., A MAN OF GOD

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BIAGGI. Mr. Speaker, as a man of faith, I believe that on May 26, 1979, a creation of God was with his Maker, a child of God was with his Father, a servant of the Lord was with his Master. For, Msgr. Patrick A. O'Leary, a man of God, had gone home.

It was, I am sure, a joyous day for him. The Catholic liturgy teaches us that the passing on of God's faithful is cause for much celebration. Rejoice. A victory has been achieved. Man has overcome the temporal. His work is done and his final reward is at hand. It is in like manner to the resurrection of the Lord, Jesus Christ. And how very special it must be when one of God's ministry reaches his goal of everlasting life.

Monsignor O'Leary was born in Lislevane, County Cork, Ireland on November 23, 1882, and was the 10th and last survivor of 11 children. It is interesting to note that like many Irish families of their time and background, the O'Leary's scattered far and wide. Four of six daughters entered the convent, and were to die respectively in Ireland, England, France, and Spain. One O'Leary son died in Ireland as a seminarian, and another in Egypt as a doctor in the British Army. Of the two sons remaining in Ireland, one farmed and the other became an official of the Ministry of Agriculture. Further, the remaining two daughters married, successively, the late Judge Daniel F. Cohalan of New York where they made their lives and later died.

Young Patrick, after preliminary studies with the Christian Brothers in County Cork and at All Hallows, the famous Irish Missionary Seminary in Dublin, was to come to America and continue on his formal path to the calling of God's vocation at St. Joseph's Seminary, Dunwoodie, Yonkers, N.Y. The culmination of study and holy preparation was his ordination by Archbishop Farley as an apostle of Christ and prince of the church on May 21, 1910. But his work was only to begin.

The then Father O'Leary was to serve as a model to the flock in the important work of the parish priest. For after a year at St. Elizabeth's Parish in the Fort Washington section of New York, he began 16 years at the Church of the Annunciation in Manhattan.

On June 2, 1927, Father O'Leary became pastor of Lake Mohegan, a one-man parish that then included Yorktown Heights. It is truly a momentous occasion when a leader in God's service assumes the awesome responsibility of directing part of His province and providing the way to the salvation of souls. And Father O'Leary's exceptionally long tenure at Lake Mohegan was significant. During a time which included the worst years of the Great Depression, he nonetheless managed to build two churches. St. Patrick's in Yorktown Heights and the Church of the North American Martyrs, Lake Peekskill, both of which have been much admired for artistic excellence.

And very happily and meaningfully for all who knew and loved him there, Monsignor O'Leary was assigned on October 1, 1938, to Our Lady of Mercy Parish in the Bronx, N.Y. There he found ample scope of his abundant energies. And it was obvious to all that Patrick O'Leary thoroughly enjoyed parish work, of which he took a broad view, and for which he demonstrated a special aptitude. He was at ease with all people. Most importantly, his convictions and opinions were firmly held and freely expressed but did not interfere with his working with others.

Father O'Leary's personal attributes and abilities enabled him to make Our Lady of Mercy the center of many activities that crossed parish lines. Within the parish he concentrated his talents on the splendor of the liturgy and the beauty of the church, the sacramental life of the people, the care of the poor, the visitation of the sick, and the excellence of the Our Lady of Mercy Parish School. Spanning the local communities, he also had an active interest in the Bronx Nocturnal Adoration Society, the St. Vincent de Paul Society, the Legion of Mary, the Knights of Columbus, the Ancient Order of Hibernians, and the Golden Age unit among other groups.

A firm believer in helping others to help themselves, Monsignor O'Leary founded and maintained a special interest in the Our Lady of Mercy Credit Union, one of the most successful in Metropolitan New York. Yes, Patrick O'Leary knew that the church can and must cater to the whole man.

As the years progressed full of congenial and fruitful work, and sustained by undiminished vigor of mind and body, Monsignor O'Leary remained in the parish he loved when longevity determined his retirement.

At the time of his death, Father O'Leary was the senior priest in terms of service in the archdiocese and had served under four archbishops. He was probably the last survivor of the clergy who attended the elaborate ceremonies with which the centenary of the New York archdiocese and the consecration of St. Patrick's Cathedral were celebrated in 1908 and 1910.

His leadership, his example, and his loving care will surely be missed within church ranks and among all his friends and admirers surrounding Marion Avenue in the Fordham community of the Bronx.

To his surviving family, Msgr. Florence D. Cohalan; Mother Aileen Cohalan, R.S.C.J.; Kathleen Cohalan; Daniel Cohalan, and his brother and sister, churchmen and women, we extend our warmest wishes that they, who were part of his life and shared his example, will be more bountifully blessed by their brother's intercession, and enjoy happiness, prosperity, and spiritual welfare as their brother would have wanted.

May he rest in peace. His work is done.●

CHESTER GOULD AND DICK TRACY ARE AMERICAN HEROES

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. McCLORY. Mr. Speaker, for over 45 years, the residents of McHenry County, Ill., have been proud to have as one of their neighbors a man who has created one of the most popular and enduring fictional characters in American culture.

Mr. Speaker, if I say the name of this man—Chester Gould—there may be some who do not know it, but if I say the name of his creation—Dick Tracy—there will surely be no one who does not instantly recognize the name of America's most famous and popular detective.

Mr. Speaker, let me acquaint you with some of the history of Chester Gould and his famous creation. Dick Tracy came to life in 1931, just at the end of the era of big-time gangsterism in our Nation. Chester Gould had lived in Chicago since 1921, observing the continuing battles between the police and gangsters. During that period, he finished his education, while supporting himself drawing cartoons and doing commercial work. He also sent a variety of comic ideas to the newspapers, but none of them worked as a continuing comic strip. However, he was observing the gangster era at first hand and it occurred to him that the country needed a detective who would, as he put it, "hunt these fellows up and shoot them down." The first name he gave to this character was "Plainclothes Tracy."

Mr. Speaker, "Plainclothes Tracy" might have become the name of this famous detective except that Capt. Joe Patterson of the Chicago Tribune, who liked the idea of the cartoon, suggested that Dick Tracy was a shorter, catchier title. Dick Tracy it became.

Mr. Speaker, it only took a few months for Dick Tracy to establish himself as second only to J. Edgar Hoover as America's best-known crime fighter. Hoover himself was a fan of the cartoon and joined members of police departments around the Nation in praising Chester Gould for the positive image he presented of policemen. The public agreed with the police and made Dick Tracy then, as it has remained right up to this day, one of the most popular comic strips ever published. Today it appears in more than 600 newspapers around the world.

Mr. Speaker, although it was the Dick Tracy strip which launched Chester Gould to national fame, this was hardly the beginning of his work as a cartoonist. As he relates in his own words, his cartooning career began when he was a small boy in Oklahoma:

> I remember one time when I was seven. My dad was then editing a weekly newspaper and there was to be a Pawnee, Oklahoma political meeting. He said, would you like to draw some of the men at this meeting? Well, you can imagine how good my efforts must have been at that age. But I went over and turned out a bunch of stuff. They pasted them in the window of the Pawnee County Courier Dispatch which was located right next to the post office. Everybody walked to the post office for the mail so they had to pass my drawings. I got considerable attention and I think it's perhaps the thing that definitely turned me into this business. I have been at it since 1907.

Mr. Speaker, over the years Dick Tracy has achieved the legendary status of a character who expresses some quality which people think of as typically American. In the case of Dick Tracy, it is the bold defense of law and order and justice, against those who would attack those values by attacking their fellow citizens. This same community spirit is reflected, albeit in a less dramatic way, in Chester Gould's own life in his home community of Woodstock. He will be the guest of honor on Saturday, June 30, at a dinner which will benefit the McHenry County Easter Seal Society, by no means the only organization he has helped during his 45 years in Woodstock. Also, he has helped the McHenry County Rescue Squad, to which he gave of his time and talent by designing their emblem, which includes the familiar face of Dick Tracy. Indeed, the McHenry County and Chicagoland areas—as well as our entire Nation have benefited from Chester Gould's great talents, his generosity, and his humanity.

Mr. Speaker, it is right and proper that we should honor a man who reminds us of those simple values on which the continued good health and welfare of our society depend. Chester Gould, the creator of Dick Tracy, is such a man and I rise today to honor him. His wife, Edna, and daughter, Jean, will be present when hundreds of others will join in paying tribute to Chester Gould on the 48th anniversary of the creation of Dick Tracy. I know that Americans across our land also join with me in recognizing the great contribution he has made to our national culture.●

TAX EXEMPT REVENUE BONDS FOR HOME MORTGAGES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. LaFALCE. Mr. Speaker, one issue with which Congress will have to deal during this session is whether or not the use of tax exempt revenue bonds by localities and State agencies to finance home mortgages—popularly known as the "Chicago plan"—should be permitted to continue and, if so, in what form.

Because of the importance of this issue, I think it advisable that every Member of Congress be apprised of all views about it. Accordingly I would like at this time to submit for the Record the testimony of the Honorable Donald C. Lubick, Assistant Secretary of the Treasury for Tax Policy, presented before the Ways and Means Committee last month.

The testimony follows:

Statement of Donald C. Lubick

Mr. Chairman and members of the Committee: We welcome the opportunity to present the Administration's views on H.R. 3712. The bill would generally prohibit the use of tax exempt bonds for single-family housing.

We are pleased to give H.R. 3712 our full and unconditional support in all material respects. Over the past few months, we have become increasingly concerned that mortgage subsidy bonds are wasteful, expensive, and inflationary. By 1984, they could cost the taxpayers of this country as much as $10 or $11 billion a year. Most of this money would be wasted; very little would go to those families who actually need public assistance. At the same time, these billions of dollars would add to inflation in the price of housing and other goods and services. We believe that Mr. Ullman, Mr. Conable, and the other distinguished sponsors of H.R. 3712 have addressed these concerns in a sound and responsible manner.

BACKGROUND

In the past few years, there has been an explosive increase in the volume of tax exempt revenue bonds issued by State and local governments for the purpose of making low interest mortgage loans for single-family homes. The Congress, the press, and the public have become increasingly concerned about these bonds. Their use has been condemned in publications of such diverse editorial opinion as The Washington Post, The Wall Street Journal, and The New York Times.

Because interest on these bonds is tax exempt, the bond proceeds can be used to make mortgage loans at approximately 2 percentage points below conventional mortgage rates. The security for the bonds is a pool of mortgage loans made with the bond proceeds, and the bonds are serviced by principal and interest payments collected from the individual mortgagors. The bonds are not backed by the credit of the issuer.

These mortgage subsidy bonds are part of a growing trend of using tax exempt bonds for private purposes. Traditionally, tax exempt bonds have been used almost exclusively for essential public projects such as roads, schools and municipal buildings. They have not been used for such private purposes as single-family housing.

A few State housing agencies began to issue small amounts of tax exempt bonds for single family housing in the early and middle 1970's. Most other State agencies adopted the practice in 1977 and 1978. However, the full extent of the potential volume of these mortgage subsidy bonds was not revealed until July of 1978. At that time, a major municipality sold a $100 million issue for homebuyers having annual family incomes of $40,000 or less. This was the first instance in which an issuer other than a State housing finance agency sold revenue bonds to make mortgage loans for single family housing.

Other localities soon concluded that they too could sponsor revenue bond programs at little or no cost to themselves. Experienced investment bankers have prepackaged plans that they can modify to fit the specifications of nearly any locality. Local savings and loans handle the administrative chores of processing loan applications, selecting those that are credit worthy and collecting monthly mortgage payments. Private insurance companies (or the FHA or the VA) provide layers of security for the bondholders. Finally, the locality itself is not responsible in the event of default. The locality does not back the bonds in any way; security for bondholders is provided solely by the mortgages and mortgage insurance. Because localities have no responsibility and take no risk, they have every incentive to issue as many mortgage subsidy bonds as the market will bear.

To say mortgage subsidy bonds are spreading like wildfire is an understatement. During 1978, $622 million of these mortgage subsidy bonds were sold by localities, and the potential volume in 1979 is at least $3.8 billion. This explosive growth has occurred even though only about a dozen States currently have laws permitting localities to issue revenue bonds for this purpose. We expect that the vast majority of States will enact legislation authorizing issuance of these bonds in the next few years. Even now, enabling legislation has been introduced in many States.

The potential growth of mortgage subsidy bonds is enormous. In 1978 approximately $176 billion of gross new mortgage loans were made for single family housing. The total of all mortgage subsidy bonds in 1978 amounted to less than 3 percent of this volume. By way of comparison, the total volume for 1978 of all municipal bond issues was approximately $46 billion.

In 1968, Congress attempted to restrict the use of tax exempt bonds to traditional public projects. These include low income rental housing, but not single-family homes. Low-income projects afford the basic necessity of shelter to poor families. Single-family homes, by contrast, not only furnish shelter but perhaps also represent the best investment that most American families can make.

It is true that the present statute contains language ("residential real property for family units") broad enough to permit tax exempt bonds for single family housing. However, this was apparently an oversight. The statutory language was written in 1968, at a time when housing bonds were for multi-family projects; revenue bonds for single family housing were virtually unknown until the middle 1970's.

COST

There surely is no way to get something for nothing. If certain homebuyers save money because of tax exempt bonds, these savings have to come from somewhere. And indeed they do—the taxpayers pick up the tab.

The total cost of mortgage subsidy bonds depends directly on the volume of these bonds that are sold. Therefore, our estimates of revenue loss are based on a range of reasonable assumptions about the volume of bonds. If we assume that the volume of bonds will be sufficient to finance 10% of home mortgages, the cost will be $470 million in 1981. On the other hand, if the volume is sufficient to finance 50% of home mortgages, we stand to lose $1.6 billion in 1981 and $11.0 billion in 1984. In the longer run, we stand to lose as much as $22.1 billion a year (expressed in 1984 dollars).

A study recently prepared for Congressman Reuss and the Banking Committee by the Congressional Budget Office estimated that mortgage subsidy bonds would finance about 8% of all mortgages in 1984. In the short time that has elapsed since the CBO study was released, it has become clear that this estimate was far too conservative.

There quite literally are no natural limits on the potential growth of mortgage subsidy bonds. Put simply, no one wants 10% mortgage money when 8% money is available. Thus, it is not unreasonable to expect that close to 40% or 50% of all home mortgages could eventually be financed with tax exempt bonds.

INFLATION

Mortgage subsidy bonds are highly inflationary for three reasons. First, their cost adds considerably to the budget deficit. The American people will perceive that we do not take inflation seriously if we choose, in effect, to spend billions of dollars annually on a new program of housing subsidies for the middle class.

Second, mortgage subsidy bonds have a direct and immediate impact on housing prices. By adding demand to a housing market that has been overheated, these bonds could have a substantial impact on the price of a home.

Third, mortgage subsidy bonds tend to frustrate monetary policies designed to help bring inflation under control by gradually cooling off the economy. Historically, the housing market has been especially sensitive to high interest rates. Consequently, when interest rates rose during previous business cycles, demand for housing fell off and this helped to stabilize the economy. During the most recent business cycle, however, the housing market has been largely insulated from the effect of higher interest rates. At first, money market certificates issued by savings and loan associations attracted a significant amount of additional capital to the housing market. More recently, we have attempted to correct the situation by reducing interest rates on these money market certificates. However, mortgage subsidy bonds threaten to defeat our efforts to have the housing market contribute its share to cooling off the economy. They insulate housing from high interest rates even more effectively than money market certificates; not only do the bonds attract capital, but they do so at below market rates.

WASTE

Mortgage subsidy bonds are both wasteful and inefficient. The case for mortgage subsidy bonds is based on two premises: first, that middle class Americans need public assistance to buy homes, and second, that tax exempt bonds are the best way to provide that assistance. We believe that both of these premises are incorrect.

The first premise seems to assume that the majority of Americans need public assistance. This assumption turns the world upside down. It seems elementary that public assistance must be limited to those who could not otherwise afford basic necessities. Public assistance for housing must be limited to those families who need help if they are to have a safe and decent place to live.

Fortunately, middle class Americans do not need public assistance to buy homes. Even at the lower end of the middle class, most Americans are able to afford their own homes. For example, our most recent statistics show that nearly ⅔ of all families with incomes of between $10,000 and $15,000 own their own homes.

If mortgage subsidy bonds ever make any sense at all—and we don't believe that they do—it can only be when they are used for families who have no other way to get a mortgage. However, most of these families are necessarily excluded from mortgage subsidy bond programs. In order to attract investors and to obtain necessary insurance, mortgage subsidy bonds can be used only for families who meet conventional credit standards. In other words, if a family qualifies for a mortgage loan at a local bank or savings and loan association, then they can qualify for assistance under a mortgage subsidy bond program. However, if the family is not able to qualify for a conventional mortgage loan, then they are almost certain to be shut out of the subsidy program. Thus, families who do not have access to conventional sources of credit are unlikely to benefit from these bonds.

Moreover, mortgage subsidy bonds cannot possibly benefit families in the lowest income groups because these families simply are not able to afford their own homes. Consequently, mortgage subsidy bonds do nothing for those most in need of housing assistance.

The second premise is also incorrect. All tax exempt bonds are inefficient in the sense that the average cost to the taxpayers exceeds the savings to the issuer of the bonds. This inefficiency is compounded in the case of mortgage subsidy bonds because a significant portion of the bond proceeds are not used to make mortgage loans, but instead are wasted on lawyer's fees, underwriter's fees, reserve funds, and other similar items. In addition, substantial administrative fees must be paid each year. The net result can be that of each $1.00 of cost to the taxpayers, significantly less than 50¢ or 60¢ is actually passed on to homebuyers.

ADDITIONAL POLICY CONSIDERATIONS

Over a period of years, mortgage subsidy bonds could result in substantial changes in the basic structure of our economy and tax system. We would like to address a few of the most important of these changes.

First, there would be a sizable shift in the allocation of capital between housing and other sectors of the economy. In particular, large amounts of capital would flow into the housing sector at the expense of industrial plant and equipment. This could only serve to aggravate the problems we have had over the past 5 or 10 years in promoting capital formation.

In this regard, it should be noted that existing Federal policies do much to attract capital into the housing market. For example, tax expenditures for single family housing (i.e., deductions for mortgage interest and property taxes and special capital gains rules) will alone amount to more than $16 billion in fiscal year 1980. This is in addition to extensive programs for mortgage insurance. It is doubtful that we should do very much more to encourage capital investment in housing at the expense of industrial plant and equipment.

Mortgage subsidy bonds also have a direct effect on the stock market. To a fair extent, stocks and tax exempt bonds compete with each other for the same funds. Many wealthy investors who can afford to take risks in the stock market are attracted instead to tax exempt bonds. Mortgage subsidy bonds could easily result in a doubling of the supply of tax exempt bonds that comes to market. If they do, this could frustrate many new and growing corporations in their attempts to raise venture capital.

Second, there could be a substantial effect on the market for tax exempt bonds. In the first quarter of this year, mortgage subsidy bonds accounted for nearly 30% of all new issues. This additional supply had a considerable impact in driving up interest rates on tax exempt bonds, but H.R. 3712 has already brought these rates down. Compared to interest rates generally, tax exempt rates have become very low by historic standards as a result of the introduction of H.R. 3712.

More precisely, it has been estimated that tax exempt rates increase by between 4 and 7 basis points for each billion dollars of mortgage subsidy bonds sold. As tax exempt rates increase, it becomes progressively more expensive for State and local governments to finance essential public projects such as schools, roads, and other public works. Some localities, especially those with a weaker credit, may be denied access to the market altogether. It has been estimated that each billion dollars of mortgage subsidy bonds drives perhaps $100 million of conventional municipal bonds off the market.

The impact on other tax exempt housing bonds will be especially severe. It has been estimated that each billion dollars of mortgage subsidy bonds will result in an increase of between 11 and 14 basis points in the cost of tax exempt financing for low and moderate income rental projects. Thus, mortgage subsidy bonds will actually increase the cost of shelter for those most in need.

In addition, if mortgage subsidy bonds are part of a trend—and they would appear to be—radical changes could be ahead for the tax exempt market. This market has been increasingly diverted from its historic use for traditional public projects. For example, revenue bonds now comprise about ⅔ of the tax exempt market, while general obligation bonds were predominant as recently as two or three years ago. As the tax exempt market expands, there will be a considerable change in the method of allocating capital within our economy. Decisions about the allocation of capital will be made increasingly by government, and not by market forces.

This Administration has consistently recognized the need for a strong and active tax exempt market so that State and local governments can effectively carry their share of responsibilities under our federal system. However, as the tax exempt market swallows up an increasingly large share of the sources of capital, its purpose is diluted and its effectiveness is diminished.

Third, mortgage subsidy bonds raise substantial questions about the role of government in our free enterprise system. In many localities across the country, government has gone into business in direct competition with local banks and savings and loan associations. As a major newspaper has noted, this development "carried to its logical, which is to say political conclusion, . . . would put local governments in full competition with private enterprise—the banks and savings and loans. Those institutions could not win in such a competition because of the income-tax quirk and might well be replaced eventually by local governments as the source of almost all mortgage money." (The Washington Post, April 21, 1979, page 14.) We do not believe that it would be healthy to have government replace free enterprise in such a large sector of our economy.

Fourth, a large increase in the volume of tax exempt bonds would do considerable injury to the fairness of our tax system. It would literally make it possible for wealthy investors to escape taxes completely on billions of dollars of income each year. We should not be making it any easier for the rich to avoid paying taxes.

OTHER PROVISIONS

H.R. 3712 would continue to allow tax exempt financing for rental housing, but would limit such financing to low and moderate income projects. In some instances, tax exempt financing has been used in connection with high rent projects for the well-to-do. Therefore, we believe a limit of this kind is necessary and appropriate. However, we are concerned that the bill may go too far in limiting efforts to promote economically integrated rental housing for low and moderate income families.

The bill also would allow States to finance homes for veterans with tax exempt general obligation bonds. We believe that the Committee should eliminate this provision.

For the next several days, the Committee will be hearing testimony from a number of witnesses who have sincere concerns about various provisions of H.R. 3712. We understand that members of the Committee may want to accommodate certain of these concerns. For example, as noted above, some economically integrated rental projects may inadvertently have been affected. In addition, there is some concern regarding transitional rules for financings that were very far along on April 24. We would be glad to work with the Committee and its staff in developing such changes as may be necessary.

CONCLUSION

In concluding, we would like to return to the three points that we made at the beginning of our testimony. First, mortgage subsidy bonds are enormously expensive and could eventually cost as much as $10 or $20 billion a year. Second, they make it harder to solve this nation's number one economic problem, which is inflation. And third, they waste an enormous amount of money on public assistance for the well-to-do. For these reasons, we are opposed to mortgage subsidy bonds, and are in full agreement with Mr. Ullman, Mr. Conable, and the carefully thought out legislation that they have introduced.

APPENDIX A

CALENDAR YEAR CHANGE IN TAX LIABILITY UNDER H.R. 3712

[In millions of dollars]

	1979	1980	1981	1982	1983	1984
Projected market share in 1984 of single-family mortgages financed with tax-exempt bonds:						
0.10	39	183	469	920	1,549	2,345
0.20	50	260	771	1,643	2,878	4,492
0.30	56	325	1,057	2,368	4,236	6,681
0.40	63	382	1,331	3,082	5,586	8,868
0.50	68	434	1,598	3,791	6,931	11,049

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

APPENDIX B

LONG-RUN REDUCTION IN TAX LIABILITY FROM TAX EXEMPTION OF MORTGAGE SUBSIDY BONDS (EXCLUDING VETERANS' PROGRAMS) 1984 LEVELS

[In millions of dollars]

	Revenue cost: Current law
Market share of single-family mortgages financed with tax-exempt bonds under current law:	
0.10	4,413
0.20	8,826
0.30	13,239
0.40	17,652
0.50	22,064

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

These figures reflect volumes of mortgages outstanding financed with tax-exempt housing bonds at alternative projected long-run shares of mortgage market. The projected end of 1984 stock of all outstanding mortgages for single-family housing is $1,678.3 billion.●

SALT II: THE UNEQUAL TREATY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit to the RECORD an excellent editorial from the June 16 Detroit News. This editorial brings out some of the worst flaws in this supposed "arms control" agreement the Senate is now considering.

SALT II will not control the arms race because it controls only numbers of launch vehicles, not numbers of missiles; and the Soviets are allowed to deploy over 300 heavy SS-18 missiles, that the United States is not allowed to have, and retain their Backfire bomber which has an intercontinental range and which will not be counted under the limits of the treaty.

I think Paul Nitze's comments are particularly interesting regarding the decision of President Carter to cancel the B-1 bomber prior to the negotiations in Geneva. When Senator TOWER went to Geneva to participate in the U.S. SALT delegation, he asked the Russians what concession they were going to make to reciprocate for the U.S. B-1 cancellation. The Russians informed the Senator that they had no intention of reciprocating for they were not pacifists or philanthropists.

I urge my colleagues to read this editorial in light of the grave importance of this issue:

SALT II AND SOVIET SUPERIORITY

One practical way to measure the implications of SALT II is by assessing the damage the weapons permitted each side could do to the other. When this test is applied, SALT II counts the wrong things and America is the loser.

The Carter administration claims the agreement will lead to "equivalency," that is, equal strategic nuclear power, a delicate balance that will prevent nuclear war. Well, let's see.

The treaty allows each side an equal number of launch vehicles—2,400, later 2,250, of which 1,200 would be permitted to carry multiple warheads. There are other sublimits which go beyond these numbers and are the same for each side, such as 820 land-based missiles with multiple warheads.

But equality, when expressed in terms of launch vehicles, is an illusion. Here's why:

The agreement permits the Soviet Union to retain 300 heavy intercontinental ballistic missiles. The U.S. has none. The USSR will be permitted to deploy four, six, and 10 warheads on each of its SS17's, SS19's, and SS18's, respectively. The U.S. will have no more than three per missile. It will be impossible for the U.S. to have more than 550, perhaps fewer, weapons with multiple warheads by 1985 when the treaty expires. The Soviet side will almost certainly have deployed its full 820, probably by 1982. Why? The Soviet Union is producing between 150 and 200 intercontinental ballistic missiles per year. The U.S. is producing none.

Ironically, the agreement allows, indeed encourages, a continuation of the nuclear arms race. Under its terms, by 1985, the number of Soviet warheads will have doubled. The U.S. will have increased its warhead supply by half. The area-of-destruction capability of Soviet weapons will have increased by half, America's by a quarter. The capability of Soviet weapons to knock out hardened missile silos will have increased tenfold, America's comparable capability by only fourfold. In addition, Soviet installations protecting land-based missiles, command posts, and shelters for the leadership, will be "harder" than America's hence more difficult to destroy.

On top of that, the USSR has increased its destructive firepower with a technical advance that is not dealt with by the treaty. The Russians "cold launch" land-based missiles—that is, they fire the missile from the silo with compressed air and ignite its rockets when it's airborne. American missiles are fired in the tube—a hot launch. The Soviet silo is ready for rapid reuse. The American silo first must be cooled.

Also excluded from SALT II is the Soviets' intermediate SS20 missile, which is poised against Western Europe and China. The addition of one rocket stage converts this missile into an intercontinental strategic weapon. The extra engines are easy to hide and can be quickly attached.

Nor is the Soviet Backfire nuclear bomber counted. It has intermediate range but can reach American targets with in-air refueling, or by flying a "one-way" trip to Cuba. It also could launch cruise missiles over Canada, to reduce the depth of penetration required to attack American targets.

What are the unarguable implications of this growing disparity in destructive power?

By the 1980's, the USSR will have the capability of destroying 90 percent of U.S. intercontinental land-based missiles with one strike, using only about a fifth to a third of its multiple-warhead missiles. The same asault would also destroy about half the American submarine missile force normally in port for refitting, as well as an estimated 60 percent of America's aging bomber force, the portion normally not on alert. The newest of the B52's is almost 20 years old.

Obviously, the surviving U.S. strategic force would be hugely outmatched. An American president might have only a half hour to decide whether to fire off a futile volley in revenge, or capitulate to save America's city populations. What do you think he would do?

It can be seen with shocking clarity that SALT II is misnamed. It is not in any real sense an arms limitation treaty at all. It is a framework in which the race for nuclear predominance will continue, with critical advantages established for the Soviet Union.

America's budgeted direct expenditures on strategic nuclear forces are now about $10 billion a year, compared with $30 billion a year in today's dollars in the 1956–62 period. The Soviet Union consistently increases its expenditures for these weapons; the U.S. just as consistently has been reducing them unilaterally.

SALT II has yet a further failing. The U.S. wanted a permanent limitation agreement, but SALT II expires in 1985. Thus, America's position would be perilously weak when the time came to write SALT III. By then, under the terms of SALT II, America would have lost the arms race.

Paul H. Nitze, chairman of policy studies for the Committee on the Present Danger, stated recently:

"Sen. Tower went to Geneva to participate with our delegation in the negotiations for a few days. He arrived shortly after the President had announced his decision to cancel the B1 (bomber). Sen. Tower asked academician Shchukin, the most able and distinguished member of the Soviet delegation, what the Soviet side would do to reciprocate for our cancellation of the B1. Mr. Shchukin replied: 'You misunderstand us. We are not pacifists nor are we philanthropists.' I am sure Mr. Shchukin had in mind a third point but was too polite to make it. 'Nor are we fools.' "

It is urgent that the American people make up their minds about SALT II, not on the basis of whether they would like to see an equitable arms limitation treaty ratified by the Senate, nor on the basis of that dream of world peace and safety that all sane men share. It is urgent that they make up their minds, and then advise their senators, on the basis of what this treaty provides.

And after they have contemplated the enormous advantages the treaty would provide the Soviet Union, they can hardly fail to conclude that ratification of SALT II would be a disaster of the most fateful kind.●

SEASONED MILITARY PERSONNEL NEEDED

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. PAUL. Mr. Speaker, those promoting the draft claim that we need more green 18- and 19-year-olds to fill our Armed Forces.

But with today's weapons, and the defense needs of our own country, more seasoned military personnel are not only more efficient, they are also less expensive.

For our Armed Forces to spend billions training reluctant boys and girls under a draft makes neither military nor economic sense.

Recently the Washington Post reported on a Brookings Institution study on this subject. I would like to bring the Post article to my colleagues' attention:

STUDY FAVORS KEEPING OLDER SOLDIERS

(By Keith Richburg)

A Brookings Institution study says that the U.S. military could be made more productive—at a $300 million saving—by retaining more older military personnel and enlisting fewer recruits.

The report released yesterday contradicts a tradition of the military—the recruiting of young men and women while using hefty pensions and bonuses to entice older personnel into early retirement.

Most military personnel now retire after 20 years of service, and most go into the private sector to collect salaries on top of their pensions. The retirement system was designed to create high turnover.

But, the study says, in light of today's highly technical military, where intercontinental missiles have replaced trench soldiers and where wars can be conducted by pushing buttons on consoles, there is no longer such a need for "youth and vigor."

The study concludes that retaining older, more experienced personnel is important for the modern military. It recommends increasing the minimum length of service of military personnel and eliminating the pension and fringe benefit package that has been used to make retirement after 20 years attractive.

Instead, the study recommends the military use increased pay "to promote retention and enrich the experience mix of the military labor force.

"Since military pay is now in line with federal civilian pay, it would be reasonable to allow military personnel to retire in much the same way their civilian counterparts do . . .," the study says.

The study says that retaining experienced personnel also will mean a financial savings, because "a young force is an inexperienced force. . . . The appropriateness of a military work force in which close to 40 percent of the employes are apprentices, helpers or trainees is called into question."

The study found the major burdens of maintaining a young military to be the increased recruitment costs since the institution of the volunteer Army, the costs of training programs and the costs of supporting new recruits with families and dependents.

"Unlike the armed forces of earlier eras that were dominated by combat operatives—infantrymen, tank crews, artillerymen, aircrewmen and fighting ships' companies—the vast majority of military personnel today are involved in supporting the combat mission," the study found.

A presidential commission is studying the military retirement system, and the Carter administration is expected to suggest revisions of the system based on the commission's findings.●

DOMESTIC POLICY REVIEW OF SOLAR ENERGY

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. WIRTH. Mr. Speaker, yesterday President Carter outlined his program for advancing solar energy. While I was pleased to see the statement from the administration finally made public, I was disappointed with the depth, quality and quantity of the administration's commitment. My own remarks on the administration's program are available elsewhere, today I wanted to share with my colleagues the reaction of the solar lobby, an umbrella organization for various solar groups. This thoughtful analysis, done the evening of the President's announcement, presents a comprehensive discussion of what should be done and how that compares to the administration's program. I recommend this statement to those of my colleagues who are interested in solar energy:

TESTIMONY OF HERBERT R. EPSTEIN

Mr. Chairman, members of the committee, ladies and gentlemen. I am Herb Epstein, Legislative Representative of the Solar Lobby. I am pleased to have the opportunity to testify before you today.

The Solar Lobby grew out of the efforts to organize Sun Day—the international celebration of solar and renewable energy sources that began last May 3. Our group opened for business on August 1, 1978. By August 1, 1979 we will have almost 30,000 members—people who believe that an expeditious transition to the use of renewable resources must become a high national priority. This belief mirrors the attitude of the public at large. Up to 94% of the population favors a substantial federal program to develop solar energy.

Yesterday, almost 14 months after initiating the Domestic Policy Review (DPR) of Solar Energy, and 2½ years after taking office, President Carter finally announced the substance of the administration's solar policy. But despite the carefully crafted rhetoric, the apparent commitment to a 20% solar goal in 2000, and the seemingly impressive list of new initiatives, very little has changed.

For the past year, I have worked closely with DPR officials, particularly in formulating Option III—the High Case. I have followed the proposals as they progressed through the interagency panels, to the Domestic Policy Staff and eventually to President Carter. Yesterday we were briefed at the White House on the details of the President's decisions.

Since the President's announcement was made less than 24 hours ago, I have not had the opportunity to prepare a comprehensive written evaluation of his program. However, I would like to preface my prepared remarks by giving a brief reaction to yesterday's events.

My analysis will cover the following questions:

(1) Is the President's program commensurate with the administration's goal of supplying 20% of U.S. energy and renewable sources by 2000?

(2) How does the program correct existing federal policies which, the DPR concluded, discriminate against solar energy?

(3) How much additional spending is the administration willing to commit to solar energy? Where will the money come from?

(4) How has the administration's solar policy been affected by the events at Three Mile Island, and the OPEC decision to raise prices while decreasing production?

(5) What changes are proposed in the structure of the Department of Energy, which has the responsibility for the lion's share of the federal solar program?

[Oral presentation follows.]

What kind of federal program is needed to attain the 20% penetration level in the DPR Middle Case, of the 25%-30% level in the High Case? A set of policies designed to reach these goals have been specified on Option III of the DPR. They have been further elaborated in the "Blueprint for a Solar America." Let me quickly highlight some of the key elements for the committee.

First, a well endowed Solar Bank, that finances long term-low interest loans and operates a secondary mortgage program. Funding for the Bank should begin in FY-80. The administration's proposal to begin funding in FY-81 will retard the growth of the solar industry in much the same fashion as the 18 month delay in the passage of the NEA Tax Credits.

Second, tax credits for industrial process heat must be 50% instead of the 30% proposed by the administration if we want to make this technology competitive in the early 1980's. Similarly the passive tax credit must be made available to homeowners as well as large tract builders—consistent with the proposals in DPR Options III and II. The administration's passive tax credit is a truncated version of the Option II initiative.

Both tax credits are currently linked to the Energy Security Trust Fund. This is not the way to finance solar energy programs.

Third, the federal government needs to take a leadership role, utilizing its own buildings, facilities, vehicles and programs to promote the solar transition. This would include the following:

(a) requiring that an increasing percentage of new generating capacity for FPGMA's be supplied by renewable sources;

(b) requiring that an increasing percentage of REA loans be given for renewable generating capacity;

(c) supplying increasing percentages of energy for new federal buildings from passive and active solar, wind, photovoltaics, wood, low head hydro, etc. . . .;

(d) utilizing an increasing percentage of alcohol fuels in the federal gasoline mix.

Fourth, if tax credits are not sufficient to spur the rapid adoption of passive solar, the federal government should mandate its use in 75% of all new construction, starting in the mid-1980's. Passive is the most cost-effective, least material intensive renewable technology and should receive the highest priority in any federal court. The Building Energy Performance Standards should be adapted to mandate passive solar in new construction.

Fifth, energy and agricultural policy need to be closely coordinated to ensure an adequate supply of feedstocks for alcohol fuels. Once existing setaside subsidies are transferred to production of alcohol fuels, then the federal government can mandate a set and increasing percentage of gasohol in the total gasoline mix.

Sixth, the Department of Energy should be reorganized to give higher priority to conservation and renewable energy. The most sensible approach is to create a second undersecretary with responsibility for these areas as well as environmental programs.

Mr. Chairman, what I have outlined is a program more costly, ambitious and far reaching than the President is willing to adopt. However, it is the kind of federal effort necessary to achieve the 20 percent goal.

There is some significant evidence that the American people are willing to pay for an accelerated transition to a renewable energy society. A recent NBC-AP poll asked a random sample of 1600 Americans what their preferred energy source would be for the year 2000. 52 percent chose solar; 21 percent coal; 16 percent nuclear and 4 percent oil.

Respondents were then asked how much more they would be willing to pay for solar energy on a monthly basis—assuming that solar costs more. I have computed weighted averages, utilizing the findings of the poll and would like to share the results with the committee.

According to the poll, the average American would be willing to pay about $80 a year more for solar energy. This amounts to about $17 billion/year for the population as a whole and $8 billion/year/economic unit. This is the arithmetic average. About one eighth of those polled would be willing to pay more than $300/year additional for solar. About 30 percent are "not sure" how much they would want to pay. And one-quarter of the public is unwilling to incerase their monthly bills to finance solar energy.

It is instructive to evaluate the results of this poll in light of the conclusions of the Domestic Policy Review of Solar Energy. According to the DPR a federal program to achieve a 25 percent-30 percent solar penetration by 2000 would cost $85–110 billion in gross outlays. If savings to the Treasury resulting from savings in subsidies to fuels displaced were subtracted, the net cost would be about $60–85 billion through 2000. This amounts to $3–4 billion/year—considerably less than the $17 billion in annual expenditure that the American people are willing to make in order to afford solar energy.

The DPR also calculated the total cost to society of achieving the levels of solar penetration in the High Case. The panel utilized extremely conservative assumptions that deliberately overestimated the likely cost of solar technologies and understated the costs of conventional sources. For example, the computations assumed that the price of oil would be $25/barrel in the year 2000. Spot market prices have already exceeded $35/barrel this year. I certainly would not be surprised if the oil prices were to reach $25/barrel by the end of 1980.

Utilizing conservative computations the DPR estimated the cost of the High Case for society as a whole at about $350 billion through 2000. That amounts to about $17 billion/year—just the additional amount that the public has said it is willing to pay for solar energy—if we apply the $80/year average to all people in the U.S.

Mr. Chairman, this program may be costly, but the American people are willing to pay for it. I would submit to you that the program would cost less than a comparable effort to supply a substantial fraction of the nation's energy from other sources.

In the last two weeks we have seen a well-orchestrated campaign touting an ambitious program to produce energy from synthetic fuels. One version of this program would "produce" a 5 million barrel/day increment by 1990, at a cost to the federal government of about $200 billion. I think this goal is overly ambitious and the cost unrealistically low.

A very ambitious solar program—of the sort outlined in Option III might be able to obtain 3½ million barrels/day by 1990 with gross federal outlays of about $85 billion. For less than 40 percent of the cost solar could produce about 70 percent of the energy.

Of course the risks associated with an aggressive solar program are considerably less than those associated with an all-out effort to develop synthetic fuels. An ambitious solar program would not increase the net atmospheric carbon dioxide balance. It would not require diversion of the water resources from agricultural purposes to energy production. It would not require strip-mining vast amounts of range land.

No one disputes the fact that solar would have a beneficial impact on environmental quality. However, a crash program to produce synthetic fuels from coal and oil shale could have a deleterious effect upon the environment. The "Special Projects" office in the Jackson bill would apparently be exempted from the National Environmental Policy Act. Similarly, the administration has been considering the merits of, in effect, suspending the Clean Air Act to encourage burning of coal in central generating stations and industrial boilers.

Mr. Chairman, an Option III Solar program, even one that includes mandatory use of solar energy; is gentle compared to the alternatives that are currently being debated. Indeed mandating the use of solar energy and energy conservation may be the only saleable alternative to the mentality seeking to "produce, produce, produce" our way out of the energy crunch with synthetic fuels.

Solar Energy of course has substantial benefits, both to the federal government and to society as a whole. Some of these benefits were enumerated in the Domestic Policy Review. However, six months after the DPR was completed, DOE has not yet quantified the dollar benefits of these programs. Let me briefly run through these benefits with the committee.

First, there are subsidies to fuels displaced. The DPR Technical Limits Case "displaces" about 19½ quads of conventional energy more than the so-called "Base Case" by 2000. Roughly 6 quads of coal, 6 quads of nuclear power, 5½ quads of oil and 2 quads of gas will not have to be used in 2000 if the levels of solar utilization projected in the Technical Limits Case are realized.

A recent study by the Battelle Corporation, commissioned by DOE, concludes that the federal government has spent roughly $200 billion in the last 50 years in direct production subsidies to conventional sources of energy. The amount is growing substantially. Battelle's initial estimate is that these subsidies cost the federal government at least $10 billion in FY–78 and possibly as much as $17 billion. Making conservative assumptions, we can guesstimate that the federal government will pay $25–50 billion *less* in subsidies to other sources by 2000—if we reach the "Technical Limit" of solar penetration. This is one quarter to one half the cumulative cost of Option III.

This one potential saving illustrates why it must be the highest priority for DOE and other agencies to quantify the benefits of an accelerated solar transition. Both the executive and the legislative branches of government will be examining only one side of the balance scale until that information is available.

DOE and its contractors are in the process of identifying and quantifying some of those benefits as part of the congressional mandated "National Plan for Accelerated Commercialization of Solar Energy." I would urge the committee to consider holding another set of hearings to explore the progress that DOE has made, in the near future.

Let me briefly enumerate some of the other benefits that must be quantified.

Health Care Costs—The DPR Impacts Panel has estimated reductions for oxides of sulfur, particulates, oxides of nitrogen, carbon monoxide and other pollutants for solar utilization levels associated with the various cases. Not surprisingly, the reductions are most impressive for the "Technical Limits Case."

There is obviously a relationship between expected reduction in various pollutants and corresponding reductions in respiratory disease, cardiovascular disorders and cases of cancer. The precise nature of the relationship needs to be determined. However, recent studies by EPA and the National Institutes of Health clearly reaffirm that a significant portion of major health disorders can be attributed to environmental causes.

Clearly, health costs are rising at least as rapidly as energy prices—perhaps more rapidly than any other major component of the consumer price index. The federal government is currently absorbing almost 30 percent of the nation's health bill. Even a five percent annual reduction of that burden would pay the costs of Option III.

The DPR has concluded that solar energy generates more net employment than conventional sources. Once again that increase in employment varies directly with the projected level of solar penetration—about 10 million cumulative person years through 2000 in the "Technical Limits Case." In addition to receiving taxes from newly employed solar workers, the federal government would be absorbing smaller amounts of unemployment and welfare payments.

Other benefits are more difficult to estimate. For example, everyone acknowledges that solar energy would reduce dependence on imported oil. In the "Technical Limits Case," the reduction in oil consumption is estimated at 5.6 quads—roughly 2.8 million barrels/day by 2000.

Such a projected reduction has implication for other government policies. For example, the Strategic Petroleum Reserve is predicated on the assumption that we need to establish a cushion against the possibility of another oil embargo. As this committee well knows, the SPR was the single largest item in DOE's FY–79 budgetary request.

The size of the cushion clearly should bear some relationship to the amount of oil we import. If we can reduce the level of imports by 2.8 million barrels/day by 2000, we can aso progressively reduce the projected size of the strategic petroleum reserve.

Widespread utilization of solar energy can also have a major effect on tax revenues. Currently the electric utility industry, one of the largest industries in the country in terms of invested capital, pays a very small percentage of federal income tax. Several consumer groups are advocating that, because of so-called "phantom taxes", the federal government would receive greater revenues if utilities were exempt from federal taxation.

Solar businesses, even with the substantial tax breaks that are proposed in "Option III", would still pay a larger percentage of taxes/dollars of invested capital than utilities do. To the extent that an accelerated solar strategy diverts capital away from the utility sector, revenues to the federal government would increase.

There are other economic benefits of solar energy, some of which affect society as a whole as well as federal revenues. These include lower costs for radioactive waste storage; potential reduction in the reserve margin for utilities; reduced expenditures for pollution control equipment, and so on. The "non-federal" benefits need to be quantified as well.●

THE 33D ANNIVERSARY OF ITALIAN INDEPENDENCE DAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BIAGGI. Mr. Speaker, with great pleasure and personal pride I wish to take this opportunity to note that this past June 2 marked the 33d anniversary of the Republic of Italy. This most significant event is hailed by freedom-loving people the world over, in the Republic of Italy, in the United States, and in the rest of the free world.

The Parliamentary elections earlier this month marked an important victory for the Christian Democratic Party which has survived a series of challenges and tragedies of late. Having maintained its viability despite a devastating loss with the kidnaping and subsequent ruthless murder of its President, Aldo Moro, the party has managed to retain its prominent position in Italian politics. The Christian Democrats received 38.3 percent of the vote while their closest challengers, the Communist Party, slipped 4 percentage points, receiving only 30.4 percent of the vote. These returns are most significant in the fact that they represent a repudiation of the more radical, destructive mentality that gained momentum in Italy in previous years. It is a tribute to the citizens of Italy that they have seen fit to turn the tide against this most dangerous trend and further solidify their commitment to the West.

The Republic of Italy, established on June 2, 1946, opened a new era in the modern history of a country which had been ruled with a Fascist government during World War II.

The liberation of Italy and the demise of Mussolini by the allied forces marked a significant turning point. The people of Italy dissolved their monarchy, held elections for a constituent assembly in 1946 and adopted a new constitution in 1947. The new era of democracy found the Christian Democratic Party receiving major support and emerging as the main force in Italian politics, which remains their position today.

Under the Christian Democrats, Italy has emerged in the free world as an important member of the European Common Market, the European Parliament, the United Nations, as well as an unswerving NATO ally with the West.

As a strong survivor of totalitarian rule and a leader in the promotion of democracy worldwide, the Republic of Italy has maintained its versatility and vitality throughout the many challenges, including communism, which have faced it. The recent visit of Pope John Paul II to his native Poland, which has been under the control of Moscow for some time, represents unequivocably that the Communist Party is on the wane in Europe. Under the republican government, the entire free world has benefited from the spiritual leadership of the Vatican in promoting the free exchange of religious ideas, both at home and abroad.

As an American of Italian origin I am also proud to note this Nation's humanitarian commitment to Italy when it provided $25 million for emergency relief assistance to aid the victims of that country's worst earthquake in 60 years. This aid was critical in helping to avert the Communists from exploiting this incident for further political gain.

I also feel that it is appropriate to note the many contributions which Italo-Americans have made to this country. I take particular pride in the fact that we now have 32 Members of Congress who are of Italian origin. This figure is the highest in history and I expect it to rise as well as see more Italian-Americans making gains in both the public and private sectors of our society. The influence of Americans of Italian origin has touched upon almost every aspect of our society in the promotion of new political, economic, religious, and social issues and I am proud to be a part of this tradition.

As a final note, I would also like to pay tribute to the Honorable Ambassador from the Republic of Italy, His Excellency Pollo Pansa Cedonio who has been most responsive to the needs of Italian-Americans as well as his fellow countrymen in his capacity as Ambassador. I wish him continued success and best wishes for the year ahead.●

BASTROP GRADUATES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. PICKLE. Mr. Speaker, I recently had the honor to address the 1979 graduating class of Bastrop High School in Bastrop, Tex., in the heart of central Texas.

The 125 graduates are dedicated and ready to assume their next steps * * * whether they be college education, vocational education, business, or agriculture.

Today's graduates face critical challenges in the years ahead. We often wonder about the future, worry about adapting to new ways of thinking, adjusting to possibly disruptive change.

But the Bastrop graduates received some inspiring thoughts and good, square advice from two of their classmates. I am happy to present excerpts from the speeches of the Bastrop class valedictorian, Gayle Rathman, and salutatorian, Joan Seidel.

Ms. Rathman achieved a grade average of 97.649, while Ms. Seidel amassed a 96.621 average. I am prould to recognize these two outstanding students and wish them the best.

Their remarks show that today's youth, far from being pessimistic or "down" on the future, are positive in their approach to life and ready to benefit society.

We congratulate the Bastrop High School seniors on their achievements and salute their capabilities and spirit.

The excerpts follow:

GAYLE RATHMAN, VALEDICTORIAN, BASTROP HIGH SCHOOL, CLASS OF 1979

AIM FOR A STAR

Aim for a star! Never be satisfied
With a life that is less
Than the best.
Failure lies only
In not having tried—
In keeping the soul suppressed.

Aim for a star! Look up and away,
And follow its beckoning beam.
Make each tomorrow a better today—
And don't be afraid to dream.

Aim for a star,
And keep your sights high!
With a heartful of faith within,
Your feet on the ground,
And your eyes on the sky,
Some day you are bound to win!
—Helen Lowrie Marshall.

I have never to this day, or at any time in my life, been willing to believe that I have done all I could. I know that success means nothing if one has not taken great trouble; and failure means nothing if one has done the best one can. One of the most important lessons I have learned is that nobody will believe in you unless you believe in yourself first. If a person doubts his own ability, how can he convince others of his worth?

We teach others to believe in themselves through a combination of love, encouragement, and example. Love, an honest concern for the other person, has always been an unparalleled way to develop people. Encouragement is of vital importance, too. Simply believing in someone can be the best way to encourage him. If you believe in someone else's talents strongly enough, fairly soon he will begin to believe, too, and the results can often be nothing short of miraculous. Self-encouragement works, also.

If one can take the factors of success and put them into practice, then he or she has won the greatest success that any person can ever win. These factors are: believing in yourself, setting your dream, having the determination to complete the dream, dedication to your dream, self-discipline and sacrifice in achieving your dream, an attitude for reaching the dream, and above all, respect. Aim for a star.

JOAN SEIDEL, SALUTATORIAN, BASTROP HIGH SCHOOL, CLASS OF 1979

WE THINK WE CAN

As we look back, we see 12 years of formal education based on accepting responsibility and making decisions. If we participated in any type of sport or club, we had to accept some responsibilities. The knowledge that we have attained from our education has helped us make many decisions and will aid us in solving future problems. This knowledge will serve us in reaching our goals and finding our vocations.

When we take advantage of numerous opportunities, we see a spectrum of careers and professions awaiting us. We begin to view education in a new perspective. It is the link between us, the graduates, and society. We are grateful to our parents, teachers and community for this priceless gift.

The time has come for us to contribute what we can to society. We can help this world by applying our thinking and reasoning ability. We will be accountable for solving domestic and foreign problems. It will take many intelligent people to find solutions to such issues as the energy shortage, world peace and respect for human dignity.

We must not be frightened of the future. We must attempt to face these problems with positive attitudes. Virgil, the greatest of the Roman poets, said "You can because you think you can."

We have the potential to solve these problems. If we use the knowledge that we have gained in the past, we can understand the present and begin to build on the future. We will reach our goals because * * *.

We think we can!

Mr. Speaker, we can all be inspired by these positive thoughts. The young people of today want to have a goal, they are determined and they are confident. In short, they are our future—and our future has never been in better hands.●

FUEL EMERGENCY TRUCKING ACT OF 1979

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. CAVANAUGH. Mr. Speaker, on June 19 I introduced H.R. 4525 to help resolve the diesel fuel shortage which has played havoc with the trucking industry in many States, particularly in the Midwest. Many have recognized that the absence of uniform weight and length standards for interstate truckers has exacerbated an already critical shortage of diesel fuel by requiring truckers to travel thousands of extra miles per year to avoid States with lower limits. The Fuel Emergency Trucking Act of 1979 would authorize the Secretary of Transportation to require all States to comply with federally mandated standards during the existence of a declared "fuel emergency."

I am under no illusions that this action by itself will end the difficulties in which truckers now find themselves. The problems of fuel allocation and price must be addressed at their roots—our national energy policy, or more correctly, the lack of one—in order that this segment of our economy be restored, along with many other ailing industries, to full health. But we must act now to help the truckers through the immediate crisis which threatens their investment and their livelihood.

I also recognize that setting national weight and length standards with which all States must comply raises the issue of Federal encroachment on the prerogatives of the States. But we must accept the responsibility for action—commonsense action—which the fuel shortage imposes on the Congress. The Congress must demonstrate to the Nation that it is capable of moving swiftly and compassionately to ameliorate the damaging effects of the oil crisis. We can ill afford at this time to have each segment of the economy fighting to carve out a bigger share of a shrinking pie.

The Fuel Emergency Trucking Act seeks to maximize fuel efficiency in the transport of freight by interstate truckers through a uniform national standard, but it is flexible enough to permit the Secretary of Transportation to take into account special local situations where structural factors clearly require lower weight or size limits. Also, while the act permits the Secretary to extend the "fuel emergency" for additional 6 month periods, the Congress can at any time terminate his authority by mandating an end to the declared "fuel emergency." It is thus flexible enough to respond to changing requirements and yet preserves congressional control.

Some of my colleagues have proposed similar legislation to help the truckers. In no way do I consider this bill the only approach to resolving the specific problem of uniform weights and lengths. Nor is it a panacea for eliminating all the difficulties facing the truckers. I do, however, believe that some action in the near future is essential, and thus I very much hope that hearings can promptly be held to consider this bill and any other proposed legislation relating to the truckers' fuel crisis.

A copy of H.R. 4525 follows:

H.R. 4525

A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to establish uniform national standards for weight and length of vehicles using the National System of Interstate and Defense Highways during a fuel emergency, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fuel Emergency Trucking Act of 1979".

SEC. 2. Section 127 of title 23, United States Code, is amended by inserting "(a)" before "No funds authorized" and by adding at the end thereof the following new subsections:

"(b)(1) The Secretary is authorized to declare the existence of a fuel emergency in the United States for the purpose of maximizing fuel efficiency in interstate freight trucking and, to that end, to establish uniform national standards for weight and length of vehicles using the Interstate System during such emergency. In establishing such standards, the Secretary shall give primary consideration to fuel-saving criteria, although other factors, including but not limited to specific structural limitations, may be taken into consideration.

"(2) A fuel emergency declared by the Secretary under this section and any uniform national standards established with respect to such fuel emergency shall take effect at such time as the Secretary may prescribe and shall remain in effect for a period of six months or for such shorter period as the Congress may provide by concurrent resolution. If, before the end of the effective period of a fuel emergency declared by the Secretary which is not reduced by adoption of a concurrent resolution, the Secretary transmits to the Congress a report of his determination that such fuel emergency still exists, the Secretary may extend the effective period of such fuel emergency and any uniform national standards established with respect to such fuel emergency for an additional period of six months or for such shorter period as the Congress may provide by concurrent resolution.

"(3) The provisions of section 553 of title 5 pertaining to rule making shall not apply to any action which the Secretary may take under this subsection.

"(c) If, during the effective period of a fuel emergency declared under subsection (b) by the Secretary, the Secretary determines that a State is not enforcing any uniform national standard established by the Secretary under such subsection with respect to such fuel emergency or is enforcing any law, rule, regulation, standard, or other provision contrary to any such uniform national standard, until such State begins enforcement of such uniform national standard or ceases enforcement of such contrary provision or until the end of such period, whichever first occurs, the Secretary shall not approve any project under section 106 of this title in such State and no funds apportioned to such State for expenditure on the Federal-aid systems shall be available for expenditure in such State.".●

PREVENTING BREAST CANCER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. WAXMAN. Mr. Speaker, survival rates for several forms of cancer have improved dramatically in the last 30 years, but the statistics on breast cancer have been less encouraging. The mortality rate from breast cancer has barely changed in 50 years, according to Dr. Warren Cole, a former president of the American Cancer Society, the American College of Surgeons, and professor and head of the department of surgery, College of Medicine, at the University of Illinois in Chicago. However, there has been an important step forward: According to the 1979 American Cancer Society facts and figures, the 5-year survival rate for breast cancer has increased from 53 percent for cases diagnosed in the 1940's to 65 percent for cases diagnosed in the 1970's. Many experts attribute this change to the higher proportion of cases diagnosed at a localized stage—an increase from 38 percent to 47 percent during the last 30 years.

A heightened awareness that early diagnosis and treatment can not only save lives, but extend life for breast cancer patients has led to an important public information compaign now underway in Los Angeles, Calif. In February of this year, the first Monday of every month was declared officially "Breast Cancer Control Day" at meetings of the Los Angeles County Board of Supervisors and the Los Angeles City Council. Resolutions were sponsored by Supervisor Ed Edelman and Councilman Marvin Braude on behalf of the Community Cancer Control/Los Angeles, Inc.

Community Cancer Control/LA Board President Dr. John Hisserich has pointed out that breast cancer is the single most important cause of cancer death among American women. If it were contagious, it would be considered an epidemic.

It is now well known that women who practice breast self-examination (BSE) as a regular, monthly health habit have a much higher survival rate. Yet, from a public health standpoint, a lack of motivation and interest has been a real obstacle to widespread practice of breast self-examination.

To address this public health problem, CCC–LA has launched an intensive countywide awareness campaign through posters, pamphlets, bus advertising, billboards, and public service announcements on radio and TV to make women more aware of the importance of breast self-examination. So far, more than 7,000 posters and 100,000 pamphlets have been distributed; 400 buses carried ads for 3 months.

The materials have caused a stir. They carry the slogan "Fight Cancer with Your Bare Hands. Learn Breast Self Examination." Pictured with the slogan is a woman's hand and breast. Although there has been some objection to use of a photo demonstrating the self-examination technique, most health professionals and community leaders have praised the campaign as tasteful and effective.

As chairman of the Subcommittee on Health and the Environment, I strongly support increasing emphasis on preventive health programs. A minute percentage—an estimated 2 to 4 percent of our Federal health dollars—are presently devoted to preventive health programs rather than treatment of disease. Yet public health physicians frequently advise our subcommittee that preventive health programs are the most cost effective we have.

I commend Community Cancer Control/LA for its bold effort to impress the public with the great importance of early diagnosis and treatment of breast cancer. Hopefully their fine work will inspire similar efforts all over the United States.●

COLOMBIA ATTACKS DRUG TRAFFICKING

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. WOLFF. Mr. Speaker, a delegation from the Select Committee on Narcotics Abuse and Control visited Colombia last April and observed firsthand the efforts of the Colombian Government, under President Turbay, to stop marihuana and cocaine trafficking. With U.S. financial and technical assistance, the Colombian national law enforcement and military forces are engaging in a hard fought dedicated campaign to rid the country of this menace.

When we met, President Turbay confirmed his commitment to take whatever steps are necessary. This is a matter of grave concern to him which he recognizes as corrupting and destroying his country. He made it clear to me that his actions serve Colombia's national interests and he is not carrying on his campaign solely under pressure from the United States. The Colombian Government now has under study eradicating the crops, which has been so successful in Mexico, since despite the major interdiction campaign much of the drugs are still being smuggled out of the country.

I would like to enter into the record an article by Charles A. Krause in today's Washington Post which relates the efforts of President Turbay and the problems he faces in carrying out his campaign.

The article follows:

[From the Washington Post, June 20, 1979]

COLOMBIA, WITH U.S. BACKING, MOUNTS DRIVE ON DRUG TRAFFIC

(By Charles A. Krause)

BOGOTA, June 18.—Colombia has begun what appears to be the first serious attempt to crack down on criminal activity, from drug-running to counterfeiting, that has a direct impact on the United States.

Since his inauguration last August, President Julio Cesar Turbay Ayala has placed the Guajira Peninsula, which juts into the Caribbean and has long served as a major shipment point for marijuana and cocaine, under the jurisdiction of Colombia's armed forces American officials say the move has, for the first time, begun to disrupt the flow of narcotics to the United States.

The Turbay government also has allowed U.S. Secret Service agents into Colombia for the first time as part of an effort by the F–2, this country's version of the F.B.I., to stop counterfeiting rings that have operated freely here until now.

A raid last week, the third in recent months, netted more than $4 million in bogus dollar and peso notes as well as false passports and travelers checks.

The Treasury Department estimates that about 90 percent of all the counterfeit dollars manufactured abroad that successfully reach the United States come from Colombia, which over the past two years has probably become the world's leading producer of bogus currency, according to American officials here.

It is drugs, however, that remain Colombia's most important illicit export—worth an estimated $500 million to $1 billion a year. It is estimated that 85,000 acres, mostly in the Guajira, produce about 35,000 tons of marijuana a year.

The General Accounting Office has said that Colombia is by far the most important source for both cocaine and marijuana entering the United States.

While Turkey's efforts thus far have not even come close to stopping the vast drug trade that has flourished in Colombia since the early 1970s, the military campaign in the Guajira has achieved substantial results, according to U.S. officials.

Approximately 3,500 tons of marijuana, worth an estimated $70 million to Colombian drug runners and about $280 million when finally sold in the United States, have been seized. About 1,000 Colombians and Americans have been arrested in the Guajira, and 65 to 70 airplanes and an equal number of ships engaged in drug smuggling operations have been captured.

The Guajira peninsula is a rugged, mountainous region populated largely by Indians clinging to an ancient pre-Columbia culture. The valley and villages are home to recent migrants and peasants who left southern Colombia to escape the civil strike of 1949–58. Such services as sewage, health care and running water are rare, and transportation outside the towns is virtually impossible.

Col. Miguel Maza Marquez, commander of the F–2, said last week that his efforts to stop cocaine traffic in Colombia has resulted in the destruction of 119 cocaine laboratories, the seizure of 2,639 kilos of cocaine and the destruction of 19,547 kilos of coca paste headed for laboratories to be turned into granules of cocaine.

In all, Maza said the F–2 has arrested 1,069 Colombians and 151 foreigners in connection with the cocaine raids.

Because Colombian law enforcement officials have been so corrupted by drug money, however, there can be no guarantee that all or even most of the marijuana and cocaine seized has been destroyed. Nor can there be any guarantee that those arrested in the drug raids have been kept in jail and tried—because it is still relatively easy to bribe authorities here to secure freedom from prosecution, according to diplomatic sources.

Nonetheless, American officials say that Turbay, who was stung by charges in the

United States that members of his family are engaged in the drug trade, has demonstrated since he assumed office that he is determined to cooperate with the United States in trying to stop the drug trafficking.

This is a major change in public attitude from Turbay's predecessor, former president Alfonso Lopez Michelson, who took the position that "we are not corrupting the Americans, the Americans are corrupting us." Lopez' attitude was that the United States should stop illegal drugs from entering its own territory and not expect Colombia to use its resources to stop marijuana and cocaine from leaving.

The Carter administration has offered Turbay $2.4 million this fiscal year to aid in the drugs battle. The money is being used to provide rations for 6,500 soldiers now involved in the operation under the command of Gen. Jose Villareal.

In addition, the U.S. money is used for fuel for Colombian helicopters and destroyers that patrol the Guajira Peninsula and radio communications equipment in coordinate raids. The United States is also installing two radar units in the area to monitor airplanes that regularly land at clandestine airstrips, pick up their cargoes of "Santa Marta gold" and then return to remote landing strips in the United States.

The Colombian government has said it reserves the right to shoot down any plane entering its airspace illegally. The government here has also announced a three-month study to determine whether it should begin spraying marijuana fields with paraquat, a poisonous herbicide used successfully in Mexico.

Despite the military takeover of the Guajira, the area is still known as a no-man's-land where local "mafiosos," as those involved in the drug trade are called, have great influence—either as a result of bribery or the guns they wield.

During the first three months of this year, there were 240 murders in Santa Marta alone, the capital of the province which encompasses the Guajira Peninsula. Most of the murders are thought to be drug related.

Despite his public statements, there are those in the Guajira who believe Turbay's campaign against drug traffickers is aimed principally at the peasants who grow marijuana and at minor drug dealers who buy and sell relatively small quantities.

Few of the really big-time "captains" of the drug-running trade have been arrested, according to several sources here, although their identities are well known.

Throughout the Guajira, the slogan "Turbay es la Mafia" is plainly visible on countless walls. But there are other well-informed Colombians—such as journalist Daniel Samper Pizano, whose column in El Tiempo, Bogota's most influential newspaper, is usually highly critical of Turbay—who believe the new president is in no way connected with the drug trade and believe he is serious when he says he is determined to end it.

Turbay and the "traditional families" that have long dominated Colombian economic and political life seem to have reached agreement that the "mafiosos" and the money they command have not only given Colombia a very bad international image but, more importantly, threaten the hold the traditional oligarchy has long enjoyed here.

Stories abound of rich "mafiosos" buying apartments and real estate in Bogota as well as hotels, banks, and soccer teams throughout the country. They apparently also have begun to strongly influence politicians. The traditional families are said to be worried that the drug runners, with their vast resources, may one day control the country.●

THE R. & D. BUDGET: SOME THOUGHTS ON NEW DIRECTIONS—REMARKS OF HON. DON FUQUA

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BROWN of California. Mr. Speaker, the gentleman from Florida, DON FUQUA, chairman of the Committee on Science and Technology, recently addressed the American Association for the Advancement of Science regarding the Nation's research and development budget. His remarks summarized testimony presented recently to the Committee on Science and Technology by the President's science adviser, Dr. Frank Press, and Mr. Bowman Cutter, Executive Associate Director of OMB for Budget. This summary of how R. & D. budget decisions are made is vital information for all Members of Congress, and I commend it to your attention.

Chairman FUQUA has also initiated legislation to mandate longer term budgeting for R. & D. and discusses that issue in his remarks.

Mr. FUQUA's remarks follow:

THE R. & D. BUDGET: SOME THOUGHTS ON NEW DIRECTIONS

I am very pleased with the opportunity to address this AAAS colloquium. Although this is only the fourth such gathering, it has nonetheless become an event of significance and tradition where scientists, engineers, academicians and policymakers can discuss and exchange information about research and development policy and issues.

The Association has done an admirable job in arranging these conferences and providing a printed text of the conference proceedings. Your work has often become a springboard for both Executive and Congressional action in R&D policy.

I would like to devote the major part of my remarks today to a series of hearings that the Science and Technology Committee held this spring on the Federal R&D budget and to legislation which I have just introduced as a result of these hearings.

The scientific progress of modern man has been the most significant factor in alleviating the burdens of primary existence to make life easier, healthier and happier. And yet, in some areas—especially nuclear—we are witnessing the growth of a dedicated anti-science, anti-technology movement in today's society, at a time when the institutions which have served us so well, our universities, our industry and the Federal Government, are finding increasing problems.

Science and technology are neither good nor bad; rather, it is the manner in which man uses science and technology that makes them either good or bad. Thus, we must accept the moral responsibility that accompanies the use and application of scientific research. If we expect science and technological innovation to thrive in this nation, we must assume more responsibility in creating an atmosphere for the continuous flowering of this research—an atmosphere that is constant, stable and cooperative. If we expect science and technology to help solve society's most basic problems—food supply, adequate energy resources, good health—we must assume the responsibility for directing our research and development efforts toward these goals. Herein lies the guts of science policy. Herein lies the direction in which modern society must move.

The Committee on Science and Technology has long been involved in these issues. This year, as a continuation of the Committee's efforts, we conducted a 3-day inquiry into the R&D portion of the Federal Budget, which exists primarily in name rather than as a separate entity. For the most part, it is only the compilation of numbers we see each year derived from individual budgets from the many departments and agencies. Because of the large share of Federal R&D support and the manner in which Federal policies and regulations increasingly affect private investment in R&D, the dominance of the Federal Government and its impact on the elements of our science and technology enterprise is probably greater than ever.

The Science Committee has been charged with "special oversight" of government-wide research since 1975 and is the only committee with the full scope of Congress' responsibility for oversight of R&D policy. This year marked our first attempt to review the total R&D budget. The delay between 1975 and the present was the result of our acquiring significant new legislative responsibilities at the same time, which tripled the time and effort needed for the additional authorization activities.

We began to explore the possibility of holding a Federal R&D Budget review last fall. Our principal objective was to understand the R&D budget better—to learn how it is fashioned, managed, monitored and evaluated, if indeed all of these were applicable. We were not at this time concerned with the activities of any particular program, department or agency, nor did we wish to question the merits or demerits of any particular funding pattern.

We were fortunate in our inquiries to have a distinguished, knowledgeable and diverse group of witnesses from the Office of Science and Technology Policy, the Office of Management and Budget, the AAAS, the academic community, the General Accounting Office and from Congress itself with Representative Pickle of Texas, a Member of the House Ways and Means Committee. Their prepared statements and answers to our inquiries have provided the Science Committee with its first comprehensive look at the budget process, its strengths and weaknesses.

I would like to share with you some of the views expressed during those three days. On the initial day of hearings our lead-off witness, Dr. Frank Press, stated that the Administration sought in this tight budgetary year to increase its support of R&D where the Federal role was most clear—the support of basic research. The rationale being that basic research is unlikely to lead in the near-term to commercial use, but rather provides the fundamental knowledge for future technological growth. He stressed that demonstration projects, in particular, were rigorously examined for both the state of their technology and their economic potential before any were proposed. In discussing two-year or multi-year authorizations for R&D, Dr. Press felt that this extended process would help provide stability for the programs because agencies could plan their efforts and the research could be performed more efficiently. In summation he explained that in determining the budget requests for FY 1980, the President, OMB and OSTP made an effort to establish a balance in overall support of R&D—both a balance among the various agencies in their overall activity, as well as a balance in various cross-agency programs such as climate and ocean pollution R&D, etc.

In trying to elicit an actual description of how the budget process begins each year from Bowman Cutter of OMB, we discerned that Frank Press presents to the President what he and his staff perceive as the general nature of the basic research problem and its direction. The President then decides on a rough order of magnitude—not a specific dollar figure. As the budget process moves forward, the individual agencies submit their budgets in early September. At this point, OMB begins to count and enumerate the expenditures as they recommend them, to determine whether or not actual detailed and specific recommendations mesh with the President's policy. This work is then presented to the President, agency-by-agency, with each agency's explicit ranking of its requests along with how OMB has allocated those requests.

Although the agencies actually rank their priorities, OMB on the other hand, reviews each budget and orders the priorities for recommended inclusion in that fiscal year budget for each specific agency. These recommendations, whether they alter or retain any agency request, are based on the President's wishes to reflect the broader view in the national budget. An agency's specific ranking in its original form is available to Congress after the President's budget is submitted to Congress.

While this may seem like a description of very elementary detail, most of us only know the budget in its final form as it comes from the President. All of the decision making process that has preceded this relative to R&D has not generally been a Congressional concern. However, the fundamental and philosophical decisions that impact upon the budget before it comes to Congress are crucial to understand if the Committee is to properly carry out its oversight function.

In addressing the question of uniform treatment of inflation criteria in providing cost estimates to Congress, there appeared a basic divergence in philosophy between OMB and GAO. Whereas the Comptroller General and GAO favor an inflation criteria for all costs, although that criteria would have to differ for different areas of the budget, the OMB has argued that (with the exception of DOD) inflation factors should not be automatically ratified throughout the entire Federal Budget. Rather, agencies of government should be encouraged to achieve productivity of their own in their investments. This is an area which our Committee is now pursuing further.

In testimony from Dr. Ed David of AAAS, the R&D budget process was described as primarily problem-oriented since the agencies' programs serve their missions rather than aiming at the advancement of science and technology per se. The exception being the basic research segment of the budget supported primarily by NIH and NSF. Dr. David suggested an estimate of 10–15 percent of the total Federal Budget as non-problem-oriented. Thus, the R&D budget basically reflects the missions of the existing Federal structure and not missions which transcend that structure. Dr. David deemed the problem solving approach appropriate for the applied research category. However, he recommended a broader approach for the basic research category that would work towards strengthening the disciplines of science and engineering and encourage interdisciplinary explanatory work where it is opportune.

Finally, he felt that basic research and applied development should not be pitted in competition against each other for funding, but rather that basic research be insulated from this funding competition by its own jurisdiction, planning and programming. In tandem with this would be policies for support of applied research and general technology development in order to maximize the practical benefits of basic research.

Congressman Jake Pickle offered us the benefit of his perspective and experience on the Ways and Means Committee. Of principal interest were his comments on Federal tax policy and how it could encourage more R&D, particularly in the small business sector. After outlining the four basic areas of the tax code that affect science and development, he discussed the general modifications that he had proposed to the tax code, all of which addressed the problems of continuing high costs facing a small R&D business attempting to stay in a competitive position. These included raising the investment tax credit from 10 percent to 20 percent, solely applicable to capital investment in scientific and engineering equipment within firms having less than $6 million in business receipts annually.

A second modification would qualify capital investment in assets with a lifetime of only five years or longer for the full investment tax credit—and one-half the credit for assets with useful lifetimes of 3–5 years.

Although these amendments have not passed the Ways and Means Committee, they offer an intriguing possibility for supplementing R&D funds beyond the traditional Federal appropriations.

Elmer Staats, Comptroller General of the United States, addressed his remarks largely to major limitations in the present structure and analysis of the Federal R&D Budget as currently presented to Congress and suggestions for improvement. Among the recommendations were a more active and stronger role by OSTP in the budget process; an earlier scheduling of the Science Committee's R&D oversight hearings to enable its views and estimates to be forwarded to the House Budget Committee as a supplement to existing coverage; the extension of cross-cutting analyses to many more areas of the R&D budget (there being only four now), such as life sciences, materials research and water conservation and improvement. In addition, he felt there should be more emphasis on "mission budgeting" where one starts with the statute and tries to determine how R&D contributes to the mission it sets forth. He also noted that two-year or multi-year authorizations would be helpful in establishing Congressional intent on the level of support for R&D programs which have long lead times.

In light of the information gained from these hearings, I have just introduced a bill—The Research and Development Authorization Estimates Act (H.R. 4490)—which is designed to inspire further thought and consideration of moving the Federal Government toward a two-year budget cycle.

Let me emphasize that this bill, which is directed only to the authorization process for research and development, is not the answer to all the growing concerns over the complex, burdensome budget procedures which face the Congress and the Executive. Very likely it is not the answer to research authorization difficulties themselves, at least as things stand now.

But, it *is* a start. And if it promotes some genuine, sustained effort to improve the budget process in any degree, it will have served its purpose.

This is not say that the bill is merely a conversation piece; it is my hope and intent to see that hearings take place later, in this session if possible, so that the Committee on Science and Technology will have a basis for putting together a more refined legislative version which will warrant reporting to the House.

The bill is not extensive, but, I believe, its provisions could have wide-ranging effect. Essentially, it amends the Science Policy Act of 1976 and the National Science Foundation Act of 1950 to do three things:

(1) It places a statutory duty on the Director of the Office of Science and Technology Policy to provide second-year estimates of the R&D needs of the Federal agencies in time for inclusion in the budget sent to Congress by the President in each odd-numbered year. The estimates would be made with the help of the Executive departments and agencies and submitted to the Office of Management and Budget in December of each even-numbered year.

(2) It removes the requirement for an annual R&D report by OSTP, but requires reports from time to time as appropriate.

(3) It places a statutory duty on the National Science Foundation to produce an annual report on Federal R&D expenditures, by function, for recent years—including the fiscal year most recently ended. Such report is to be submitted to OMB in time for inclusion in the budget sent to Congress by the President each year.

Why do we need legislation of this sort?

Since the Budget Act of 1974, the law has required the Administration to submit authorization requests for two fiscal years at a time. However, this requirement is adhered to only to the extent of submitting specific, detailed reports for the first fiscal year—then, for the second year, requesting merely "such sums as may be necessary". That procedure, of course, is useless inasmuch as Congress is not likely to make open-minded authorizations for every other year.

Having estimates available for the second year of each Congress on some official basis would provide guidance, at least for those committees which may wish to consider a two-year authorization, even though amending legislation might become necessary for the second year. Committee time thus released for oversight, future research, and other activities would be very valuable.

OSTP is selected to compile the estimates because its charter gives it the responsibility for (a) assisting OMB in preparing the R&D portion of the budget, and (b) undertaking forecasts of future needs and costs of science and technology.

Such an additional burden, however, warrants relief for the hard-working but undermanned OSTP in some other area. Elimination of the annual report, I think, makes sense. The Science Policy Act, as it passed the House, did not contain this requirement. Moreover, the OSTP annual report, as things are now, is farmed out to NSF which itself has few resources and even less inclination to do the job—and is already producing two annual reports of its own. My bill would reinstate the original concept of "reporting as needed". It would seem logical for OSTP to have an input to or join with one of the NSF annual reports, that of the National Science Board, except on those occasions when circumstances dictate the need for a separate report of its own.

The requirement for an annual R&D "by function" report by NSF merely speeds up an activity in which the Foundation is already engaged. It now produces annual reports on the actual use of all Federal R&D funding on a cross-cutting basis which are of good quality; but they are produced too late in the year to assist Congress as it endeavors to handle the R&D portion of the budget. If this information can be included in the Federal Budget when submitted, it would be a sizeable assist to all of us on the Hill.

In this year of the Science Committee's first attempt to review the total R&D portion of the Federal Budget, we have learned a great deal about how the budget materializes and what the forces are that shape it.

We have a great deal more to learn, and we plan to keep on with such oversight reviews annually.

I believe that Congress and the Executive are becoming increasingly aware of the impact of research and development on the nation's economy, its national security and its future prosperity. We live in a technological society where investment in R&D is not a luxury, but a necessity. However carefully we tend to America's research and development will determine how well this nation survives, competes and prospers within the community of nations.●

KEEP THE SPACE SHUTTLE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. PAUL. Mr. Speaker, the Soviets would very much like to see an end to the space shuttle program, which is a good reason to expand it.

The space shuttle has tremendous defense implications, which is why the Communists want to get rid of it.

NASA's future, I believe, must lie in defense-related capabilities. The most important thing we can do to achieve this is enlarge the shuttle program.

And in view of what Henry Brandon had to say in a recent article, excerpts from which I insert in the RECORD, we ought to consider arming the shuttle with defensive weapons.

The space shuttle is far too valuable to our Nation's security to risk its being destroyed by hostile enemy action in space.

THE SPACE SHUTTLE AND THE RUSSIANS

(By Henry Brandon)

Three years ago the Soviet Union began testing a so-called anti-satellite weapon. It detonated in space, but the reverberations were strongly felt on earth, particularly in the Pentagon. American military planners were shocked because the test could be interpreted as an indication that the Soviet Union was planning for a "first strike" capability. They were also embarrassed because the United States had no such weapon in its own arsenal or anywhere near the testing stage.

What was so disturbing about this development was the realization that one of the great applications of human inventiveness—the satellite system—had become potentially vulnerable.

These satellite systems, as they cruise through space, are in many ways guardians of peace. They report on Soviet missile developments, on troop and ship movements, on compliance with SALT and other agreements; they would provide an early warning should the Soviet Union launch a war. They are also vital for communication with the submarine fleet . . .

The Russians have not progressed very far. Their anti-satellite weapons are interceptors, whose tests sometimes worked, sometimes failed, but all were at low altitudes where they could not interfere with more sensitive satellites. . . . The United States would move ahead with its own developments and the technicians have little doubt that they could fairly quickly overtake the Russians even though it will take at least a year to have as primitive a capability as the Russians have already acquired. One reason that the United States finds itself at a disadvantage is that it has been working on a more sophisticated capability compared to the Russians, whose anti-satellites so far are simply aimed to collide with other satellites in orbit.

For the Russians, the fundamental obstacle is the American space shuttle. The Russian negotiators recently demanded that it be included in a proposed moratorium on testing as well as the manned cargo spacecraft. The shuttle is launched like a rocket, then flies into an orbit like a spacecraft and is brought back to earth by the glider principle. . . . The space shuttle is designed to take a look at American satellites in space and to take them aboard as a kind of outer space buoy tender. Theoretically it could pick up Soviet satellites as well, destroy them or make them malfunction, even send them into a different orbit, but it is not in the category of satellite killers because it is too slow and hence very vulnerable. It is also difficult to use for gathering a significant number of Soviet satellites, engaged in essential intelligence functions, without the Russians beginning to figure out very soon what was going on.

It is inconceivable for the United States to give up a $15 billion project such as the space shuttle as the Russians have demanded. . . .●

PROBLEMS WITH SALT AGREEMENT

HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. DUNCAN of Oregon. Mr. Speaker, in the 7 years since the SALT I agreement was presented to the Congress and the country we have endured a series of Soviet advances. The administration assured us that the agreement would slow down the Soviet build-up of strategic offensive weapons; discourage the Soviets from adopting counter force strategies; and enhance peace and security in other unspecified ways. Yet instead of stabilizing or reducing its strategic offensive strength during this period, the Soviet Union has moved ahead rapidly.

Monday night, the President addressed the Congress and the American people with far more restraint—conspicuously seeking to lower our expectations, yet stressing the need for a second arms limitation agreement. The President has taken what I believe to be a far more responsible position with regard to this treaty. He asks both the Congress and the Nation to consider whether the United States will be more secure with this agreement or without it.

Without it, we are told, the American taxpayers will have to spend additional billions on new strategic arms. I believe the questions of cost are deceptive. If the treaty's intent is to limit the arms race, it, by implication, would save money for both sides. I question, however, whether the burden of our security will really be lightened.

The problems of trusting the Soviets to comply with the terms of the proposed accord will only impose costs of their own: Restoring adequate monitoring capability after the loss of the American "listening posts" in Iran, satellites, U-2 photography, as well as enhancing our remaining ground bases; technological competition; competition in weapons areas not covered by the existing agreements; and conventional arms competition.

All of these bear with them the enormous costs which have been, and will continue to be, the crux of the paradox of arms control and security. The American people must know by now that arms control treaties will not extinguish the political and military competition between our Nation and the Soivet Union. Therefore, in evaluating this accord, our expectations must be realistic and limited; our hopes and objectives of controlling at least some aspects of this competition must remain high.

To Americans, arms control—rooted in the deterrence provided by the unthinkable threat of nuclear war—has always been the underlying, commonsense approach to our Nation's security. One looks in vain for evidence of Soviet sensitivity that its own actions and security programs may promote insecurity in others. On the contrary, the Soviet's security tends to be viewed by them as synonymous with the insecurity of any potential adversary.

I believe the President is sincere in his fear that a setback to peace would be the result of a failure to ratify the SALT treaty. He also wants to make SALT II a point of new departure in American-Soviet relations. The exercise of the Senate's constitutional obligation to advise and consent becomes, therefore, much more than merely a rubber stamp. While Presidents have spent nearly 7 years negotiating this new arms agreement, the Senate must judge the substance of the provisions in light of the fact that these have been 7 years of Soviet gains in the military balance and political advances throughout the world.

The President's sincere, indeed devout, longing for peace is shared by all Americans. The question is how best to achieve that goal, and—even more narrowly—whether SALT II advances us toward it or not. The President's speech is not the end, but the beginning of a debate, the outcome of which poses awesome responsibilities and the potential of great rewards.●

AMENDMENTS TO H.R. 3930, THE SYNFUELS BILL BY REPRESENTATIVES DINGELL, BROWN OF OHIO, ECKHARDT, GRAMM, MOORHEAD OF CALIFORNIA, MOFFETT, OTTINGER, AND STOCKMAN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. DINGELL. Mr. Speaker, several of my colleagues and myself have developed a number of amendments to H.R. 3930 which authorizes a loan guarantee and price support synthetic fuels program to meet defense needs and a rationing and fuels allocation program. In order that my colleagues will have an opportunity to study our amendments, I am inserting them in the RECORD today with a brief explanation for each amendment. To provide clarity, I have grouped amendments into subject matter.

Between now and next week when the bill is scheduled for floor action, we will probably be making technical changes in the amendments but will not be changing them substantively. I hope all my colleagues will be able to support them and the Banking, Finance and Urban Affairs will accept them. We are presently discussing the amendments with Chairman WILLIAM MOORHEAD. The amendments and the accompanying explanation are as follows, as well as my statement before the Rules Committee today:

AMENDMENTS

(Amendments by Mr. Dingell, Mr. Brown of Ohio, Mr. Eckhardt, Mr. Gramm, Mr. Moorhead of California, Mr. Moffett, Mr. Ottinger, and Mr. Stockman, to the Provisions of H.R. 3930, as Reported, Relating to Rationing, Allocation of Petroleum and Natural Gas, and Loan Guarantees)

AMENDMENTS RELATING TO THE RATIONING AND ALLOCATION ISSUE

Page 2, beginning on line 12, strike out ", including petroleum,".

Page 10, line 9, strike out all after the word "by" and insert therein "inserting after the word 'construction,' the words 'energy production or construction for defense and defense-related purposes' ".

Explanation

These amendments will eliminate any new authority for the President to ration or allocate fuels. They would not change existing provisions of the Defense Production Act of 1950. The term "national defense" as used throughout the bill would include energy production or construction for defense, but not civilian, needs, as is the present scope of the 1950 Act.

AMENDMENTS RELATING TO LOAN GUARANTEES

Page 2, line 19, after "(a)" insert "(1)" and after line 25 insert:

"(2) Section 301(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by adding the following new sentence: 'The Department of Energy and the Tennessee Valley Authority shall use funds appropriated or allocated to each such agency specifically for such purposes pursuant to this Act.' "

Page 3, line 15, strike the period and insert the following: ", except that the approval of Congress shall be required to authorize obligations of more than $250,000,000. In the case of any notice affecting the Department of Energy or the Tennessee Valley Administration, such notice shall also be transmitted to the appropriate authorizing Committees of the Senate and the House of Representatives with jurisdiction over such agencies."

Page 3, line 20 before the quotation marks insert the following new sentence: "Such resolution shall be subject to the procedures specified in section 551(f) of the Energy Policy and Conservation Act, except that the terms 'resolution' and resolution with respect to an energy action' as used in that section shall mean a resolution with respect to this section."

Explanation

None of these amendments would eliminate authority for either DOE or TVA to make loan guarantees under the Act. However, the bill raises the loan guarantee limit from $20 million to $38 million and eliminates the present requirement of the Act for Congressional approval of obligations over this statutory sum. It gives unlimited authority to the President and each named agency to raise the limit from $38 million to $500 million, $1 billion, or $10 billion, or more.

The amendments provide that if the $38 million limit is to be raised, in the case of DOE or TVA, notice must be transmitted to the Committees of jurisdiction, such as the House Science, Interior, and Commerce Committees, as well as the Armed Services Committees. The one-House veto provision which, under the bill, does not insure that a disapproval resolution would be considered by the full House is amended to subject it to EPCA-type procedures to insure a floor vote on the resolution within the 60-day period. In short, Armed Services could not bottle up the resolution.

This notice and the one-House veto procedure, under the amendment, would apply to proposals to raise the loan guarantee limit from $38 million to $250 million. Any proposal to raise the limit above $250 million would require approval by Congress in an authorization bill.

The amendments also make it clear that, in the case of DOE and TVA, funds otherwise appropriated to these agencies for other purposes, such as solar energy, conservation, enforcement, and nuclear research and development, would not be available for such guarantees. By adding DOE and TVA to the Act, section 301(d) applies which would let DOE use such appropriations for such guarantees. This clearly was not intended. The amendment merely requires a specific appropriation for this purpose under the 1950 Act.

AMENDMENTS RELATING TO LOANS

Page 4, line 2 before the quotation marks insert "for national defense".

Explanation

The bill amends the loan section of the Act to authorize loans for the production of energy. The amendment makes it clear that such production would be for national defense purposes only which is defined above.

AMENDMENTS

(Amendments by Mr. Dingell, Mr. Brown of Ohio, Mr. Eckhardt, Mr. Gramm, Mr. Moorhead of California, Mr. Moffett, Mr. Ottinger, and Mr. Stockman to the Provisions of H.R. 3930, as Reported, Relating to Purchase Authority and Government Corporations)

AMENDMENTS RELATING TO THE PURCHASE AUTHORITY

The goal

Page 4, line 24, after "national" strike all through "feedstocks" on line 1, page 5, and insert: "goal of domestic production of diversified and reliable sources of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to at least 500,000 barrels of crude oil".

Explanation

These amendments make it clear that the production goal is for national defense needs and that the goal is to be reached through domestic production of diversified and reliable sources of synfuels and not by imports of synfuels.

PRESIDENTIAL POWER TO ORDER SUPPLIERS TO PROVIDE SYNFUELS

Page 5, line 2, strike out all after the period through line 7.

Explanation

The amendment eliminates the second sentence in the new section 305(a) as added by H.R. 3930. That sentence gives the President broad blank check power to order "suppliers" who are undefined, but who could include jobbers, refiners, pipeline companies, retailers, etc., to provide synfuels whether the suppliers have them or not. If they lack such synfuels or cannot obtain them, then it is possible that the President could refuse to buy other fuels from them. The power could include condemnation. The only criteria is "national defense". The power is not even limited to appropriations being available for this purpose. Thus, the President could create an unlimited obligation on the Treasury. The amendment eliminates this sentence which is not needed to carry out the purchase authority.

LOCATION OF FACILITIES IN THE UNITED STATES

Page 5, line 12 after "stocks" insert "produced from facilities which are located within the United States", and on line 13 strike out all after "use" and insert ", resale, exchange, or for sale by the producer of such fuels and feed stocks, as provided in this section," and after line 16 insert: "In the case of any synthetic fuel or synthetic chemical feedstock which is not appropriate for storage in the Strategic Petroleum Reserve, the President may provide for the exchange of such fuel or feedstock for any petroleum product appropriate for storage in such Reserve and may transfer to, and store in, such Reserve any petroleum product acquired in such exchange."

Explanation

This amendment requires that the synfuels plants covered by purchase contracts be located in the United States. It also broadens the authority for disposition of the fuels to include exchanges and sales by the producer should the government not use the fuel or want to resell it.

EFFECT ON ENVIRONMENTAL, ANTITRUST, CIVIL RIGHTS, AND LABOR LAWS

Page 5, lines 18 and 19 strike "without regard to the limitations of existing law".

Explanation

This provision allows the President to enter into contracts without regard to current statutes, including Federal, State, and local laws, such as antitrust, environmental, health and safety, procurement, civil rights, pollution control, and labor laws. The original 1950 law included such a provision for other programs authorized by the Act. We also understand that the objective of the Committee is to avoid some procurement laws, but we do not know what specific procurement laws need to be waived to permit purchase agreements. In any event, the bill does not limit this provision to procurement laws.

PAYMENTS FOR PRODUCTION ONLY

Page 5, line 20, strike out ", including advance payments,".

Explanation

This provision would enable the President to make substantial advance payments for synfuels that are never produced. This amendment coupled with the one above are intended to insure that payments are made for production only to provide sufficient inducement to establish this industry.

REVIEW BY APPROPRIATIONS AND DETERMINATION OF PRICE

Page 5, line 17 after "(c)" insert "(1)" and on line 22 strike out all through line 12 on page 6 and insert the following:

"(A) no such contract may be entered into after September 30, 1985;

"(B) such contracts may be entered into only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(2) (A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President finds, after notice in the Federal Register and opportunity for public comment of not less than 60 days, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a)."

Explanation

These amendments make it clear that the President cannot enter into contracts after September 30, 1985, but they do not preclude payments after that date under contracts executed before that date. The bill precludes contracting after September 30, 1995 or whenever the goal is attained whichever comes first.

We believe that 1995 is too long a period. We want to insure that the President will move quickly to enter into contracts. Giving the President more than 15 years to contract in times of tight budgets will not achieve this objective. Tying contracting to the goal is not workable because the goal is not fixed. It is a minimum goal of 500,000 barrels or more. At no time could it be said that the goal has been reached.

The amendment also makes it clear that no contract can be executed outside the appropriations process.

The amendment authorizes the President to establish a contract price of 110 percent of the costs of comparable petroleum-derived fuel or feedstocks imported into the United States. In determining the imported price, any entitlement would not be considered. The amendment allows the President to raise the percentage where necessary to achieve the goal, after notice and public comment.

H.R. 3930 provides that purchases higher than so-called ceiling prices are not allowed unless it is determined that synfuels could not be produced. In that case, there is no limit on the amount the President can pay, except the available appropriation. Our amendment provides a yardstick and a limit which, while not fixed, will require the President to justify any raise in the percentage.

PURCHASE OF EQUIPMENT AND GOVERNMENT-OWNED CORPORATION

Page 8, beginning line 7 strike all through line 15 on page 9.

Explanation

This provision authorizes the President to install equipment, facilities, processes, and improvements in Government and private plants, factories, and industrial facilities. It also authorizes the President to organize Government corporations to produce synthetic fuels and feedstocks. No funds are provided for either.

While these provisions afford another way to start synthetic fuels production, we think it will make it more difficult for the private sector to develop this industry. We think that the emphasis should be on the purchase authority. We want to encourage a health industry.

RELATION TO OTHER LAWS

Page 9, after line 15 insert the following:

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, antitrust, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources)."

Explanation

This section makes it clear that the President will exercise his purchase authority consistent with other laws. It also insures that other supply policies and efforts are not to be diminished or otherwise affected by this synthetic fuels effort.

LIMITATION AGAINST CONTRACTS WITH FOREIGN COUNTRIES

Page 9, after line 15, insert the following:

"(g) Notwithstanding any other provision of this Act, purchase contracts and commitments to contract under this section may only be entered into with individuals, and corporations, partnerships, associations, existing under or authorized by the laws of the United States or any State, the District of Columbia, or possession thereof, or of any foreign country.".

Explanation

The Defense Production Act which is amended by this bill would enable the President to contract with foreign governments, like OPEC Nations, for purchases of synthetic fuels. This amendment precludes such contracts while permitting such contracts with corporations formed in foreign countries, like Canada and Great Britain.

MULTIPLE SUBSIDIES

Page 9, after line 23, insert:

"(i) No purchases or commitments to purchase shall be made for synthetic fuels and synthetic chemical feedstocks produced from facilities for which a grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury, unless the President determines it necessary to attain the goal established by subsection (a), to assure a diversified source of supply of such fuels and feedstocks, and notifies the Congress in writing of such determination and that such assistance was made pursuant to laws enacted to finance the development and demonstration of such facilities by the Secretary of Energy and 60 days of continuous session of Congress have expired following the date such notice was transmitted to Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation. Such resolution shall be subject to the procedures specified in section 551(f) of the Energy Policy and Conservation Act, except that the terms 'resolution' and 'resolution with respect to an energy action' as used in that section shall mean a resolution with respect to this section." The term "continuous session of Congress" shall have the same meaning as such provision in section 301 of this Act."

Explanation

H.R. 3930 authorizes multiple subsidies for synthetic fuels plants. Such subsidies should be avoided if we want to insure that the purchaser bears some risk. The amendment seeks to avoid this problem, while permitting such subsidies in certain instances.

SYNTHETIC FUEL DEFINITION

Page 9, line 24 strike out all through line 6 on page 10 and insert: "(1) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean liquid and chemical feedstocks, respectively, derived from coal, shale, lignite, peat, solid waste, and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either), and gaseous byproducts thereof."

Explanation

The purpose of the amendment is to make it clear that purchase agreements should be for liquid fuels.

AUTHORIZATION

Page 10, line 23, strike out "appropriated $2,000,000,000" and insert:

"appropriated from the general funds of the Treasury not otherwise appropriated or from any trust fund established by Act of Congress enacted after the date of enactment of this section for the purposes similar to the purposes of this section not to exceed $2,000,000,000".

Page 11, line 2, strike all after "(5)" and insert "and section 305(e).".

Explanation

This provision authorizes the use of appropriated funds or funds from any future trust fund. It also makes these funds available to pay for transportation, storage, and refiner costs if appropriate. The bill authorizes the President to do so, but provides no funds for this purpose.

ANNUAL REPORT

Page 10, after line 6, insert the following:

"(j) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree, if any, of participation by foreign entities, including their ownership or control of facilities to produce synthetic fuels or synthetic chemical feedstocks."

Explanation

This provision requires an annual report so Congress will be kept informed of actions under this new purchase authority section.

REPRESENTATIVE DINGELL'S STATEMENT BEFORE RULES COMMITTEE

I am pleased to appear before you today to discuss the rule under which H.R. 3930 will be considered by the House.

The Subcommittee on Energy and Power has taken an active interest in the development and commercialization of synthetic fuels during the past three Congresses. In fact, the Subcommittee will be hearing testimony tomorrow from a number of Federal agency officials concerning their views on synthetic fuels. On Monday we will hear from representatives of the private sector. The Subcommittee has been very much involved in the synthetic fuels area and, in fact, the purchase authority provisions of H.R. 3930 are similar to the concepts embodied in the Commerce Committee version of H.R. 12112, which was a synthetic fuels bill developed by our Committee and the Science Committee in 1976.

I support the development of synthetic fuels, and I have been working with the various proponents of synthetic fuels legislation to craft legislation which will truly develop a healthy synfuels industry. We have made some progress in reconciling our differences in approach, but we still have some disagreements. Of course, a total consensus would be highly unlikely in any event, given the number of interested committees and individuals in this subject.

I commend the Banking Committee for bringing these issues to the attention of the House once again. They have taken useful steps in using the Defense Production Act to encourage synthetic fuels. However, such an approach brings with it some unnecessary consequences. Because of the Defense Production Act's broad powers which are given to the President, it is important to preserve a tight definition of what constitutes national defense. We are all too well aware of what some Presidents have done under the catchword of "national defense". The legislation before you broadens the definition of national defense to include all energy production, and amends the scope of the Act's provisions to include energy production. In so doing, the Act's allocation powers, *including rationing*, would now extend to petroleum supplies for purposes other than those which we would consider the "national defense".

I intend to offer amendments to remedy this problem and ensure that the Defense Production Act remains an Act to be used for national defense purposes. Energy legislation dealing with allocation authorities, such as the Emergency Petroleum Allocation Act, has been carefully developed by our Committee and its Senate counterpart over the years. We have built in safeguards, such as priorities for agricultural uses of gas and prohibitions on allocation of intrastate gas. The Defense Production Act should not be broadened so as to overrule that legislation and its safeguards.

As I stated before, I endorse the purchase authority concepts in H.R. 3930. I intend to support perfecting amendments to this authority. For example, the new section 305(c) would permit purchases to be made "without regard to the limitations of existing law". In other words, the contracts would not be governed by any other laws, such as civil rights laws, clean air and water laws, NEPA, antitrust laws, and procurement laws. I fail to understand the need for such an exemption and I do not understand its scope. Nor, I think, does anyone else.

The purchase authority would extend to synthetic fuels plants located in foreign countries; I believe purchases should be permitted only from plants located in this country. The legislation would also permit OPEC to own these plants; my amendments would preclude foreign governments from ownership. I would also limit the authority by promoting the piggy-backing of multiple benefits, such as grants and loan guarantees on plants which are already receiving the benefits of this section. It is important that companies entering this field share in some of the risk—if they do not, we will not encourage a U.S. synthetic industry—only a U.S. subsidized effort which will never be able to stand on its own.

I am less enthusiastic about the value of loan guarantees for such plants. I suspect that what is needed is a guaranteed market, not a guaranteed loan. A guaranteed market should be good as gold to a company looking to raise capital.

Certain technical changes should also be made to the legislation. For example, what appears to be a one-House veto provision, for loan guarantees in excess of $38 million, includes no provision for expedited procedures or for privileged motions to discharge. The Energy Department could guarantee a project for $2 billion and, unless the Armed Services Committee reports a disapproval resolution, the House will never have an opportunity to vote on it. Very large guarantees should be subject to separate authorizations.

I am also not enthusiastic about the establishment of government corporations to achieve the production goals of the bill. I want to encourage a healthy industry in the private sector to produce synthetic fuels. A government corporation could be industry's greatest nemesis in achieving success. The government should encourage competition in this industry, but should not itself be the competition.

Finally, there are a number of curious provisions in this bill for which I can discern no reason, but which could provide the President with some rather unique powers. For example, the bill states that:

> "The President is authorized and directed to require fuel and chemical feedstock suppliers to provide synthetic fuels and synthetic chemical feedstocks in any case in which the President deems it practicable and necessary to meet the national defense needs of the United States."

Who are "suppliers"? Do they include jobbers and retailers? Can the President make them sell synthetics? What would such an order look like? I would not want to be a "supplier" who got a Presidential order to "provide" synthetics (I'm not sure to whom) if I didn't have any.

Then there is an interesting provision which permits the President "when in his judgment it will aid the national defense . . . to install government-owned equipment in plants, factories, and other industrial facilities owned by private persons". I'm not sure what purpose this provision serves. I wouldn't want to be a factory owner when the President decides to put some "equipment" in my factory.

My purpose in raising these issues is not at all to defeat initiatives to encourage synthetic fuels. To the contrary, I strongly support increased use of synthetic fuels. But we must put our incentives where they will help the most. We must build a healthy industry, which will not depend on the continuing aid of the Federal government. We must not stifle an industry by heaping too many subsidies on one project so others can't afford to compete. Nor should we let the government itself, in the form of a corporation, bar potential entrants from the market.

I recommend an open rule for this bill and at least two hours of debate. I am strongly opposed to any special waivers of points of order for amendments by any Member. I look forward to helping move the bill forward when it reaches the Floor.●

LEVERETT SALTONSTALL

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. DONNELLY. Mr. Speaker, I rise today in sadness—sadness because Massachusetts and the Nation has recently lost a most distinguished son, the Honorable Leverett Saltonstall, who as we are all painfully aware died on June 17, at his beloved home in Dover.

Significantly, "Salty," as he was so affectionately called, passed away on Flag Day, a day when we in Massachusetts pay a tribute to Old Glory. No one Mr. Speaker, has ever paid more tribute to that flag than he.

Leverett Saltonstall's tribute was in the form of his code of honor and fairness, his sense of duty to God, country, and to his fellow man.

Massachusetts as you and I know Mr. Speaker, is home to two distinct ancestral lineages: Those who mark their origins from the Original Bay Colony, and those who are newer arrivals, mostly from Catholic Europe and of these, many are Irish.

Never in the history of any country was there a more hotly contested (albeit colorful) struggle between two groups for political power than between these groups. A struggle not in today's sense of bullet and bomb, but rather a struggle of wit and strategy between people possessed with a strong love of law, liberty, and country.

Leverett Saltonstall was able to earn the respect and love of both these groups.

He was admired from Charles Street to the Mohawk Trail, but as he marched through the Irish bastion of south Boston on St. Patrick's Day year after year, he was greeted with thunderous applause.

He was a man whose personal convictions made it impossible for him to put personal gain before honor. He was a Governor who with diligence, integrity and thoroughness guided Massachusetts through times of depression and war; a U.S. Senator who by his innate sense of kindness, duty, and public trust became the benchmark by which his colleagues would be measured; a true symbol of all that is good in the Yankee heritage whose passing will be mourned by those of good will everywhere.

The Donnelly family and all the people of the 11th District of Massachusetts extend our deepest condolences to Mrs. Saltonstall and the Saltonstall family on the passing of this great American.●

THE BOYS FROM PHILADELPHIA

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. DOUGHERTY. Mr. Speaker, in recent times many Americans have wondered about the future of our Nation based upon what seems to be a population of young people, confused and lacking a sense of purpose. From time to time we should recall that there are some persons of all ages who are directionless and lacking goal or commitment to anyone or anything beyond themselves. We should also openly recognize the many citizens of all ages, and especially the young, who possess a sense of purpose and share this with others.

The All-Philadelphia Boys Choir is such a group of young men—willing to pursue and develop not only their own strengths and qualities but moreover share these in a gift of song.

I would like to pay tribute to this group of young people with the Philadelphia Inquirer of June 20, 1979, on the advent of the choir's trip to the People's Republic of China, Pakistan, and Egypt.

THE BOYS FROM PHILADELPHIA

What is becoming of young people these days?

Take that gang of 65 boys, ranging in age from 9 to 14, who hang around LaSalle College a couple of times a week. What are they up to?

Well, they are practicing. They are practicing singing.

They are the All-Philadelphia Boys Choir, and a music critic of this newspaper declared recently that "there is not any better boys' choir anywhere." Another well-known musician once described them as "outstanding." His name: Eugene Ormandy.

They are outstanding in a way other than their superb musical talents and the discipline they bring to their rehearsals. Many of them come from poor families, but every one of them is raising his own

$300 to help pay for the tour for the All-Philadephia Boys Choir is about to take with the 20-member Men's Chorale, of Pakistan, China, and Egypt.

The All-Philadelphia Boys Choir now in its 11th year, has sung on every continent, on television, and several times in the White House. On July 4, the boys will be singing "Medley America" in Peking. Envoys of Philadelphia, they bring with them the pride of Philadelphians in their city and in them.●

SHUR—LET'S SEND HEW A MESSAGE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BEREUTER. Mr. Speaker, I wish to notify the Members of the House that I have today requested permission to have printed in the RECORD the text of an amendment to H.R. 4389, the Labor-HEW appropriations bill to prevent any of the funds contained in that bill from being used to implement the system for hospital uniform reporting (SHUR) recently proposed by HEW.

I will be honest and admit that some have advised me against this course of action. Their point is that we should give HEW time to carefully consider the many comments that were received when the regulations were originally proposed and see what changes may be made in the final regulations before Congress takes any action.

While I am new to this body, I have worked in government at the State level, both as a legislator and as an administrator of a State office. My job as a private consultant in urban planning involved much work with Federal programs and projects. I have seen first-hand the struggles of local communities as they try to cope with a myriad of Federal regulations. I campaigned on the pledge to reduce the paperwork burden associated with participation in Federal programs. Needless to say, I was more than dismayed when the hospitals in my congressional district brought to my attention the 606-page SHUR manual.

Congress passes the laws. Too often, in my judgment, it has abrogated the responsibility of monitoring how those laws are implemented. Too often it has not given specific direction to the administrative agencies as to what its intentions are when those laws are passed. Too often Congress reacts to the Federal Register, when indeed, if the direction had been there initially, such reaction could be avoided.

I do not think we should wait for HEW to promulgate the final regulations. Indeed, I have serious doubts that the bureaucrats who obviously devoted considerable time and effort to drafting a 600-page manual are capable of reducing the regulations to the point of making them acceptable to the hospitals which must operate by them.

I understand and am sympathetic to the time limitations facing the key committees which exercise jurisdiction over these regulations. I have received some indication of their willingness to review the regulations. But, I believe we should send HEW a message now. And, the best message is to cut off their funds for implementation of the program until we have an opportunity to provide adequate input.●

EXAMPLES OF ADMINISTRATIVE PROBLEMS WITH DAVIS-BACON

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. HAGEDORN. Mr. Speaker, one of the principal reasons why many Members of Congress oppose the Davis-Bacon Act and want to see it repealed is because of the administrative problems faced by those who must try to understand its requirements.

Because I have been involved in the effort to do something about changing the Davis-Bacon Act, I often receive letters from individuals who are frustrated with the effects and the administration of Davis-Bacon. Because it is important that Members of Congress better understand the problems associated with Davis-Bacon, I would like to insert into the RECORD portions of correspondence that demonstrate just a small segment of the complaints that have been received.

The first example comes from the congressional district I am privileged to represent. I feel that the letter and the attached factual statement will explain the frustration of the county officials involved. The second example is from a construction company that is concerned about the wage determination made by the Department of Labor for a city project. The third example is from a small businessman who cites a story of bureaucratic waste and unnecessary governmental paperwork that plagues him in his efforts to comply with the requirements of Davis-Bacon. A special note should be made of the fact that of his 21 employees, 5 devote almost their entire efforts to paperwork requirements.

Mr. Speaker, it is the hundreds of cases such as these that frustrate and discourage local governments, contractors, and small businessmen from wanting to get involved with Government projects involving Federal construction. In the interest of returning to the free competition system with Government construction projects and in an effort to cut down on Government requirements, I include these examples to be printed in the RECORD:

[Example No. 1]

MCLEOD, COUNTY,
Glencoe, Minn., May 9, 1979.

Hon. THOMAS HAGEDORN,
Cannon Office Building,
Washington, D.C.

REPRESENTATIVE HAGEDORN: The McLeod County Board of Commissioners are seeking your opinion and help in a local matter pertaining to the Counties use of Federal Revenue Sharing monies in excess of 25 percent for the construction of an Office Building relative to the mandates of the Davis-Bacon Act as administered by the U.S. Department of Labor.

The U. S. Department of Labor has produced a Wage Determination for 1977 for this area which appears to be far in excess of local wage rates at that time. All contractors employ union members, and therefore do not under pay their employees. But the U. S. Department of Labor has determined that the County must pay an additional $24,000 plus to the various employees engaged in the construction of the Office Building.

Members of the County Board are convinced that the Davis-Bacon Act does not serve any more justifiable reason for its existence but merely enhances the cause of inflation.

May we seek your support and advice, especially in reference to the fact that the County's future revenue sharing payments may or may not be withheld as a penalty.

Sincerely yours,
CLARENCE E. SCHULTZ,
Auditor.

Factual Statement. Some time prior to October 4, 1976, McLeod County retained Korngiebel Architects, 102 Main Street, Hutchinson, Minnesota 55350 to design and supervise the construction of a new county office building. The design was prepared and on or about October 4, 1977 the bids were opened and contract awarded.

In early 1978, the County was advised for the first time by a representative of the United States Department of Labor, Division of Wages and Hours, St. Paul, that the provisions of the Davis-Bacon Act, 40 U.S.C.A. § 276(a), were applicable to this project. The Department of Labor representatives furnished County officials with various pieces of paper, including a letter from the Director of the Office of Revenue Sharing, stating:

"The Revenue Sharing Law (State and Local fiscal Assistance Act of 1972) requires recipients to comply with the Davis-Bacon Act if revenue sharing funds are used to pay 25 percent or more of any construction project. In the event that you let a contract for a construction project where 25 percent or more of the cost is to be paid with revenue sharing funds, the wages paid to those employed by the contractor must at least meet the prevailing wage in the locality. This wage level is specified by the Secretary of Labor under the Davis-Bacon Act. Construction contracts which use revenue sharing funds to pay for less than 25 percent of their costs do not fall under this provision."

Apparently, the County did choose to use revenue funds for 25 percent or more of the costs of the construction project. The contract did not, however, contain minimum wage rates determined by the Secretary of Labor under the Davis-Bacon Act.

A representative of the Department of Labor appeared at a County Board meeting on April 25, 1978 and stated that the County must file a form 308 requesting a wage determination for the County Office Building project. Seeing no alternative, the County authorized its architect, Korngiebel Architects, to file a form 308 Request for Determination. This request was, of course, after the fact since the bids had been let and the project commenced the previous fall.

The Department of Labor received the request and entered its decision on July 18, 1978 reflecting wage rates as of October 4, 1977. In March of 1979, the Department of Labor prepared and sent to McLeod County nine summaries of unpaid wages for the following contractors: Schatz Construction Co.; Krasen Plumbing & Heating Co., Inc.; A & B Electric; Marty's Roofing and Sheet-metal; Midwest Sound Control, Inc.; Minnesota Valley Landscape, Inc.; David F. Ruzicka Excavating; LeRoy Gehrke Plastering; Vern's Tile & Carpet Company. The aggregate wages claimed to be due pursuant to the Davis-Bacon minimum rate schedule are $24,390.99.

[EXAMPLE NO. 2]

ATLANTIC UTILITIES CONSTRUCTION, INC.,
Portsmouth, Va., May 18, 1979.

DEAR CONGRESSMAN: I am writing to bring to your attention a matter that has just come before me as I open the morning mail. The City of Suffolk, Virginia is to receive bids to expand its water system on Tuesday, May 22, 1979 at 10 A.M., for several weeks we have been preparing our proposal on this project. This mornings mail consisted of an addendum on this project, which among other things was a wage rate determination issued by the U.S. Department of Labor, Division of Construction Wage Determination, Wage and Hour Division, copy attached.

It lists pipe layers at $4.90 per hour, plus benefits of another 45 cents per hour, we at present are performing similar work for the City of Suffolk which has a wage determination, (copy attached) of $3.58 per hour for pipe layer with no allowance for benefits, this project was bid less than a year ago.

We are also enclosing a oopy of a wage determination for a similar project we bid less than sixty (60) days ago, which has pipe layers listed at $3.58 per hour with no allowance for benefits.

This $4.90 plus 45 cents is well above the prevailing wage rate in this area, while the $3.58 is and was lower than the prevailing wage rate.

This company we feel pays as high a wage scale as any contractor in this area, for water and sewer pipeline construction and we list our rates.

Backhoe operators, $6.25 per hour, pipe layers, 4.50 per hour; laborers, 3.50 per hour.

We have talked with five (5) other contractors in this area that install sewer and water mains, and we became aware that we pay from 25 cents per hour to 50 cents per hour more than what they are paying.

Should the area contractor be forced to adapt to this wage determination it will set off a cost of construction increase that will put new construction beyond the ability of the municipal and state governments to pay.

Such unfounded wage determination are inflationary to say the very least.

Can you direct us or assist us on how to bring this wage determination in line with what the prevailing pay scale are for this type construction.

Yours very truly,
A. GORMAN PINKSTON,
Atlantic Utilities Construction, Inc.

[EXAMPLE NO. 3]

Harry DeLapp is the President of Cedar Bay Construction, Inc., of Sandusky, Ohio. His statement follows:

The following is a study of a federally-funded project we are currently working on.

It is a Wastewater Treatment Plant for the City of Willard, Ohio, in Huron County, which was bid in October 31, 1978. Supporting bid book data relative to wages is attached. In my investigation, I decided to determine what rate should be paid a Laborer, and the following is what I found.

First, it was very simple. The Federal Regulations dated February 24, 1978 say the rate is:

Rate, $9.56; *fringe,* $1.30; *Total* $10.86.

However, the Federal Regulations dated May 29, 1978 say the rate must be:

Rate, $9.96; *fringe,* $1.50; *total,* $11.46.

This seems confusing enough, but there is a section stating the State of Ohio prevailing wage must be paid. However, there are two different rates effective on two different dates:

Highway & Heavy effective May 1, 1979: *Rate,* $9.85; *fringe,* $1.70, *total,* $11.55.

Highway & Heavy effective November 1, 1979: *Rate,* $10.00; *fringe,* $1.70; *total* $11.70.

Building Trades effective May 1, 1979: *Rate,* $10.51; *fringe,* $1.70; *total* $12.21.

Building Trades effective November 1, 1979: *Rate,* $10.66; *fringe,* $1.70; *total,* $12.36.

Now wait a minute. Ohio Revised Code Article 4115.05 says that Government prevailing wages apply, not State rates. So, let's go back to the May 29, 1979, rates. Which are: *Rate,* $9.96; *fringe,* $1.50; *total,* $11.46.

Now if you happen to be a union contractor, then you know the work scope is under Highway and Heavy Agreement, but Highway and Heavy rates are not even shown in the Federal Register. Anyway, let's pay him from the book.

Book Highway and Heavy rates are: Rate, $9.85; fringe, $1.70; total, $11.55.

But, no! You don't get off that easy. The book says to pay a split rate for sewage plants by adding the Building Trades rate: Rate, $10.51, fringe, $1.70, total, $12.21.

And then, splitting the difference: Rate, $10.18, fringe, $1.70, total, $11.88.

Of course, after November 1, 1979, you should pay: Rate, $10.33, fringe $1.70, total, $12.03.

My guess on the correct rate to use is the May 19, 1979, federal determination of $11.46, but to be safe, we better use the November 1, 1979, Building Trade rate of $12.36. This is only a difference of 90 cents per hour, or only 7.9 percent of the project total labor of $1,167,000, or about $92,193 worth of total uncertainty. After all, who cares? It's only the taxpayers' money. I would be most curious to know if someone in the government could figure what the ——— to pay.

Since the federal rates apply, and the Register does not include Highway and Heavy rates, but the work scope is under the Highway and Heavy agreements, it seems conclusive that we don't have to pay any of the rates listed. In that case, we could save the taxpayers another 20 percent, or $233,400.

The above example is for only one trade, the Laborers. If you multiply this by six trades, then by four classifications, etc., you have to hire two more people just to keep track of the records! Better add that to the bid also.

Very truly yours,
HARRY DELAPP,
President, Cedar Bay Construction, Inc.●

SHATTER THE SILENCE, VIGIL, 1979

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. DERWINSKI. Mr. Speaker, for thc past several years, I have participated in a vigil on behalf of Soviet Jewish families who remain separated as a result of the Soviet Government's repressive emigration policies. All the nations which signed the Helsinki accords and who attended the Belgrade conference, which included the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries. However, since the Soviets have refused to honor this promise, we in the Congress are once again conducting this, the "Shatter the Silence Vigil," to bring attention to the plight of these valiant prisoners and their families.

The case of my "adopted prisoner," Stella Goldberg, is typical of those who have been repeatedly harassed and persecuted simply for their desire to emigrate to Israel to join their families.

Stella Goldberg is a well-known pianist from Moscow, who has been trying to leave the Soviet Union with her son and mother-in-law for almost 9 years. After first applying in 1970, Stella Goldberg has been denied an exit visa repeatedly. It is Mrs. Goldberg's belief that she and her family are being held in the U.S.S.R. "as revenge for the action of my husband." Her husband, Victor Yoran, a renowned cellist, defected to Israel in 1969. The Soviet officials view Yoran's defection as a high crime of treason, and have therefore, "punished" Stella Goldberg, and their 8-year old son, Alexander, and Victor's mother by refusing them permission to join Victor Yoran in Israel. In protest, Victor Yoran recently played a series of 1-hour solos for 3 days, outside of the Finnish Embassy in Tel Aviv, to bring the plight of his family to the attention of the world. The Finnish Embassy represents Russian interests in Israel since Israel and the U.S.S.R. have no diplomatic relations.

It is my hope that this family will soon be reunited along with thousands of other Soviet Jews who have been illegally denied their right to emigrate, and who have lost everything because of their desire to live in peace and freedom. It is my hope that this vigil for freedom will strengthen our resolve to assist them in rejoining their loved ones.●

NEED FOR SYNTHETIC FUELS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. RAHALL. Mr. Speaker, I am submitting this editorial from Financial World for the consideration of my fellow colleagues. I hope they will ask themselves the question that came to my mind, "Where is our foresight?" I hope we have all learned our lesson and will support all-out-efforts toward the development of a synthetic fuel industry to reduce the grip the OPEC nations have on our faltering economy.

CARRYING OIL TO NEWCASTLE

If you believe that just outside our great harbors are endless lines of tankers chockfull of oil to heat your home and fuel your car, read no further. In passing through, I might suggest that there is about as much chance of that as a solution to the energy crisis, as there is that the budget will be balanced, inflation will hit the President's targets of last January, and that the Camp David accords produced everlasting peace in the Mideast.

Why is it that humans, especially Americans, react to great and overwhelming danger by focusing on fantasies? Is it to avoid recognizing the potential calamity that surely lies on the path ahead?

Think back. Was there one analyst, or industry leader, or government official who warned us of the incredible risk that the Western World faced when OPEC was a fledgling?

I know of only two. One was Vern Myers, who at the time was editing his magazine, *Oilweek*, up in Canada. The other was Jean Paul Getty.

And now Myers, who writes a newsletter under his own name out of Spokane, Washington, (*Myers' Finance and Energy*) is warning again in his May 4th issue that we are in mortal peril; yet we not only fail to recognize it but are obdurate in our refusal to take the easy way out.

His answer? Coal!

The fundamental errors of the Administration's energy policy have been detailed many times on this page. The price you are now paying for gasoline, if you can get any, is testimony to that. Unless and until our leaders in Washington understand and allow the free market to work, unless and until our leaders in Washington unshackle productive resources in this country, we will never have enough oil to run our cars, heat our homes and maintain our economy. To think otherwise is madness.

But focus, if you will, on the long term. As soon as the 1973 embargo was in effect, even the earliest appraisals of alternatives conceded that our dependence on fossil fuels would last at least until the 1990's, and that we had an almost inexhaustible supply of coal. So take a guess at what our peerless chieftains in Washington have accomplished in the five and a half years since the first embargo.

Well, for one thing, they increased our dependency on oil by nearly 40 percent.

And while allowing an increase of our nuclear power, they demonstrated that they don't know how to handle its safety or eliminate its waste products.

And they have increased our coal production by a staggering—1 percent.

The idiocy of national policy becomes more evident when you realize that to keep the economy going at today's level we would have to find a new Alaskan North Slope every 16 months, and to keep the free world going a new Saudi Arabia every eight years.

And it will not do to shrug our shoulders and wonder why the Creator seemed to put all the oil in the hands of an increasingly antagonistic Moslem world, because beneath our lands is enough coal to make the U.S.A., as Myers puts it, "The Saudi Arabia of coal."

Listen to his summary of the facts:

The U.S. has 218 billion tons of coal underfoot and recoverable right now.

One ton of coal creates the energy in four barrels of oil.

This amounts to approximately 900 billion barrels of oil. (Saudi Arabia's oil reserves are about 165 billion barrels.)

The technology to remove it is ready or nearly ready.

One ton of coal sells at about $25, i.e., just over a $6-a-barrel oil equivalent; oil now costs us $17 a barrel (Mideast crude) heading towards $20.

Since 1973 our dependency on oil is up over 35 percent and we have increased our dependence on OPEC by roughly that same amount long term, while coal production is up only 1 percent.

Don't think that we haven't done anything about coal. While our coal production is up by a lump or two, we have produced a bumper crop of bureaucratic red tape. Here's Myers summary of the recent laws coal producers must buck:

The Surface Mining and Control Act (1977), The Federal Safety and Health Act (1977), The Surface Mining Control and Reclamation Act (1977), The Federal Land Policy and Management Act (1976), The National Forest Management Act (1976), The Alaska Claims Settlement Act (1971), The Federal Coal Leasing Amendments Act (1976), The Mining in the Parks Act, The Clean Air Act and Clean Air Act Amendment (1977), The Federal Coal Mine Health and Safety Act (1969) and the Community Health and Environment Surveillance System.

So where does this leaves us? We are in the most vulnerable position in our 200-year history. We are allowing our life stream to become dependent, literally, upon the maintenance of peace in the Mideast. And should war erupt in that historically troubled area for whatever reason, we, as well as Japan and Western Europe, would be unable to avoid catastrophe in a matter of months. And yet we sit on top of a natural resource that makes us still the most energy-rich country on the face of the earth.

Moreover, a concentrated effort has enabled us to hurl rockets into outer space so that we may view in awe the planets and their satellites. Surely then can we not develop the technology and the chemistry to mine and burn coal safely and cleanly?

It's bad enough that the government has put its unproductive, inefficient, battle-scarred hands on the productive resources and the free market that have provided our energy until now. It is nothing short of suicide if this same government refuses to allow the development of the energy source, widely known and freely used, that can keep this nation alive.

It has to be said up front, and we had all better recognize it, that if there is a severe energy crisis in the next few years, it will not have been created by our Sunday drivers, our commuters, our workers, or investors or our oil companies. It will not have been a function of either greed or extravagance. It will not have been caused by the lack of resources or the technology to utilize those resources.

In the aftermath of disaster, when blame will be apportioned, it will all belong to a parade of Presidents and Congresses that have stymied exploration, production and distribution of gas, oil and above all coal with price controls, quotas, tariffs, taxes and every other known mechanism to foul up economic machinery.

Only the government that instituted these things can remove them. And only you can remove the government.

ALFRED H. KINGON,
Editor-in-Chief, Financial World.●

REPEAL OF THE RHODESIAN LAND TENURE ACT OF 1969

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. McCLOSKEY. Mr. Speaker, I would like to insert in the RECORD an analysis of the repeal of the Rhodesian Land Tenure Act of 1969.

This paper, prepared by John Payton, concludes that the repeal of the act simply transfers control over land policy from the formerly all-European government to the European-dominated judiciary and to the European minority in the legislature.

If the act had continued in force, some of this control would now have passed to African members of the new government in Salisbury. This study indicates that the white landowners have successfully protected their privileged position against practically any attempt by the government to redistribute or develop Rhodesian land.

I commend the following paper to the attention of my colleagues:

REPEAL OF THE RHODESIAN LAND TENURE ACT OF 1969

The following paper discusses the legal methods which perpetuate the white control over Rhodesian agricultural, forest, and park land. This paper is based on an analysis and comparison of the Land Tenure Act, the 1975 and 1977 amendments to the Land Tenure Act, the Interpretation Act, the Park and Wildlife Act of 1975, the Land Tenure Act (repeal), and the 1979 Rhodesian Constitution.

This analysis indicates that repeal of the Land Tennure Act results in the transfer of control over land policy from the formerly all European government to the European dominated judiciary and to the European minority in the legislature. Had the Land Tenure Act continued in force, some of this control would have passed to African members of a new government.

THE LAND TENURE OF 1969

The Land Tenure Act of 1969 crystalized historic European control of Rhodesia's land and resources. The Act recognized European, African and National Areas within Rhodesia, and required that the interests of one race be "paramount" in its assigned Area. Only National Area lands, including game preserves and major national parks, were defined by statute. The remaining acreage was to be divided equally between European and African Areas, with transfers between Areas controlled by their Boards of Trustees. Technically, the agreement of both Boards was required for transfer, but a majority vote of a joint meeting of the Board was deemed the assent of both. By definition, Europeans made up a majority of the joint Boards.

Except for permanent transfers of land, the President and "appropriate" Minister controlled allocation of land to European and African use. Their authority included power to control residential, commercial, and industrial land use; to establish racially-defined townships in the Area assigned to the other race; to allow use for occupation of land by persons otherwise barred by race; to lease forest, park, and mining land for 99 years; to expropriate land for public use; to alter municipal boundaries and powers; and to enter land to search, seize, or evict, when necessary for land programs. When these powers resulted in a taking of land, compensation was sometimes allowed or required. If the former owner and the Minister could not agree on the amount to be paid as required compensation, the matter went to arbitration.

Although the Chief Justice sat as the swing vote on the joint meeting of the Trustees, the President and Ministers made and carried out land policy independent of day-to-day legislative and judicial control. The Land Tenure Act relied on Presidential and Ministerial discretion to control land use. Since these officers were invariably European, such discretion protected the interests of the European minority against changes in the land-holding pattern.

AMENDMENTS OF 1975

Amendments to the Land Tenure Act in the Parks and Wild Life Act removed leased land from the park and forest system. In the European and African Areas, public lands leased for agricultural or other development were therefore released for sale to private interests. Apparently, public land in the African Area could be leased to Europeans with special permission, and would be available for permanent disposition after these amendments.

AMENDMENTS OF 1977

By a series of deletions and changes, these amendments strengthened the Minister's power to open urban areas to non-racial development. In particular, the Minister was freed from the obligation to notify and obtain the assent of the House of Assembly or Boards of Trustees before changing the permanent designation of urban land. These amendments reflected the developing tension between factions of the European community, and an assumption of greater power by the dominant group.

1979 CONSTITUTION

The 1979 Constitution effectively insulates and confirms long-standing European control of land policy and possession. The executive and the legislature have very limited powers of control over land use under the 1979 Constitution, and, what powers they do have are subject to European vetoes in the courts, the legislature, and local governments.

Section 124 of the 1979 Constitution provides that the government may compulsorily acquire land only under a law that provides for court authorization based on a showing of clear public necessity, or of abandonment if the land is to be used for settlement. Such a law also must guarantee prompt compensation at the highest market value in any of the proceding five years. Any person aggrieved by the executive's action or unsatisfied with compensation may appeal the court's order, with all costs of appeal paid by the government. Regardless of statutory authorization, the courts may find a taking to be contrary to the principles of a "democratic society" and may order return of land with payment of damages. If all courts approve the order and compensation, the former owner is immediately free to remit the compensation payment abroad.

Because the judiciary will remain under European domination for the foreseeable future, these provisions establish an effective and continuing European veto over any acquisition of land for land reform or resettlement of the African population. Even if the government can take land within the terms of the statute, it must allow European courts to set compensation, and must guarantee to European owners the right to take assets abroad. The government must accept this high cost of acquiring European-held land to carry out any land reform.

Furthermore, the 1979 Constitution prevents the government from developing park and forest land (the former National Area). Such a course would provide an alternative to the high cost of acquiring European-held land, and would amount to a bargaining chip with the European minority. That route is also closed by the 1979 Constitution. Section 160 provides that any law to reduce the size of the national parks and forests by more than one percent requires 78 votes in the House of Assembly—including at least six European votes. A similar vote is necessary to alter existing municipal powers, leaving local governments free to enact whatever land laws they desire.

THE LAND TENURE ACT HAD TO BE REPEALED BECAUSE IT IS INCONSISTENT WITH THE 1979 CONSTITUTION

The powers conferred on the executive by the Land Tenure Act are clearly inconsistent with the 1979 Constitution. Had the Land Tenure Act remained in force after the effective date of the 1979 Constitution. Had the Land Tenure Act remained in force after the effective date of the 1979 Constitution, it would have overridden the provisions of Section 124 because, under Section 135, no law in effect at the time of the enactment of the 1979 Constitution can be held to be in contravention of the Declaration of Rights (Section 124 is such a provision). If the Land Tenure Act were not repealed, therefore, there would have been a transfer of some power over land use policy from European control to African control.*

Had the Land Tenure Act continued in force, a government with African Ministers and an African President might have effectuated a new land policy. By repeal of the Act, and enactment of the 1979 Constitution, control over that policy devolved on the judiciary and legislature, where Europeans continue to be guaranteed an effective veto on change. ●

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* Reenactment of the Land Tenure Act after the effective date of the 1979 Constitution would be barred by the Declaration of Rights.

TO AMEND THE MINERAL LEASING ACT OF 1920

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BREAUX. Mr. Speaker, I am pleased to introduce today a bill to amend the Mineral Leasing Act of 1920, otherwise referred to as the Coal Pipeline Act of 1979. In light of our current energy problems, especially the need to reduce our dependency upon imported oil and the heightened controversy over the future construction and operation of nuclear powerplants, I think that it is important that we take strong measures to make a transition to coal in order to fire our electricity plants.

This bill would help to establish a more efficient and reliable national system for the transportation of coal to different parts of the country, and represent in my opinion an extremely important, initial step toward solving this country's energy problems.

The bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coal Pipeline Act of 1979."

DEFINITIONS

SEC. 2. As used in this Act, the term—

(a) "carrier" means any carrier of coal by coal pipeline that is subject to any of the provisions of this Act;

(b) "Secretary" means the Secretary of the Department of the Interior;

(c) "right-of-way" includes necessary land or other property for the location of pipelines, pumping stations, pressure apparatus, tanks or other stations, equipment, or appurtenances required for the proper operation of a coal pipeline or pipelines; and

(d) "control" means the power to exercise control by whatever means; and any person who (1) is a director of a carrier or of any other person or (2) owns in excess of 50 per centum of the voting stock (or any like evidence of participation) of a carrier or of any other person shall be deemed to have the power to exercise control of such carrier or other persons, as the case may be.

RIGHTS-OF-WAY ON FEDERAL LANDS

SEC. 3. Subsection 28(a) of the Mineral Leasing Act of February 25, 1920, as amended by the Act of November 16, 1978 (87 Stat. 576), is further amended by inserting the word "coal," between "natural gas," and "synthetic".

EMINENT DOMAIN

SEC. 4. (a) Except as provided in subsection (b), when any carrier cannot acquire by negotiation the right-of-way required to construct, operate, and maintain any proposed coal pipeline or pipelines, such carrier may acquire the same by the exercise of eminent domain in the district court of the United States for the district in which such property is located or in the courts of the State in which such property is located.

(b) The power of eminent domain shall not be exercised to acquire (1) lands owned by the United States or by any State, or (2) lands held in trust by the United States for an Indian or Indian tribe.

(c) Nothing in this Act shall be construed to permit the United States, the Secretary, or a coal pipeline operator to acquire any right to use or develop water through the exercise of the power of eminent domain.

CERTIFICATION OF PUBLIC CONVENIENCE AND NECESSITY

SEC. 5. (a) The power of eminent domain granted pursuant to this Act may be exercised only by a carrier holding a certificate of public convenience and necessity issued by the Secretary of the Interior. The Secretary is authorized to issue such a certificate if the Secretary finds, with respect to the particular project of the carrier as to which said power is sought, that the project is in the national interest and provides the capacity necessary to fulfill the requirement of a common carrier of coal, as determined by the Secretary. In addition to other factors customarily considered in determining common carrier status in the case of pipeline common carriers, the Secretary shall consider contracts for the carriage of coal which are in existence or proposed as of the date of the application for certification and may also consider such contracts for such carriage as may reasonably be anticipated, at the time of issuance of the certificate, to be entered into after such date. In determining the size of the pipeline to be certificated, the Secretary shall take into account the resultant cost to ultimate consumers of services or products affected by such transportation.

(b) In making the findings required in (a) of this section the Secretary shall consider and make findings on the extent to which the project—

(1) would help meet national needs for coal utilization, considering, among other matters, alternate routes or means of transportation of coal and the relative costs of such alternative routes or means;

(2) may be impeded or delayed unless granted the power to eminent domain;

(3) involves disruption to the environment, as compared with disruption from other routes or modes of transportation or other methods of utilization of the coal resources involved;

(4) considers the balance between the energy needs of the area to be benefited by the project and the water requirements and other impacts on the area from which the coal is to be transported;

(5) would be likely to impair the financial integrity of other common carrier modes of transportation or the level or type of transportation services any such mode is able to offer;

(6) will be likely to result in lower rates for the transportation of coal than would be in effect if such coal were transported by a common carrier by railroad under part I of the Interstate Commerce Act; and

(7) would unduly impact on the surface and ground water at the point of destination and disposal of such water on the environment.

The Secretary's findings as to whether a project is in the national interest shall be based on the record as a whole taking into consideration each of the criteria set forth in this subsection. The Secretary's findings under paragraphs (1), (5), and (6) of this subsection must be concurred in by the Secretary of Transportation and the Interstate Commerce Commission.

(c) The Secretary shall require as a condition of issuance of a certificate of convenience and necessity under this Act that any pipeline for which such certificate is issued be constructed, operated, and maintained as a common carrier, in fact, fully subject to rate and charge regulation by the Interstate Commerce Commission as provided in the Interstate Commerce Act. Any violation of such condition shall be enforced as provided in such Act, and nothing in this paragraph shall be construed to limit, impair, or otherwise affect any provision of such Act.

(d)(1) No carrier certified under this Act shall transport any coal mined by it or under its authority or which it may own in whole or in part, or over which it may have any control, direct or indirect, except that such a carrier may transport coal which it owns after it is mined and before it enters the pipeline or during shipment for the sole purpose of achieving transportation and storage economies through blending and commingling of coal acquired from several coal producers or for several coal users, if the Secretary determines that such ownership of the coal facilitates the achievement of such transportation and storage economies and is in the national interest. The transportation and storage charges permitted under the preceding sentence by the Secretary shall be included in tariffs filed with the Interstate Commerce Commission. The Interstate Commerce Commission shall have the same authority respecting rate regulation under part I of the Interstate Commerce Act in the case of coal which a carrier owns under the preceding sentences as the Commission has in the case of coal owned by any person other than such a carrier.

(2) The prohibition contained in subsection (d)(1) shall not apply to the construction, ownership, and operation of a feeder line for the purpose of gaining access to a coal pipeline by any person who would otherwise be ineligible if—

(A) the carrier has declined a formal request to construct, own, and operate the feeder line;

(B) the owner of the feeder line will operate the line as a common carrier for any excess capacity in the feeder line; and

(C) the Secretary has determined that an exemption from subsection (d)(1) is in the public interest.

(3)(A) No certificate of public convenience and necessity may be issued to any carrier which controls, is controlled by, or is under common control with any person which uses or will use coal transported by the carrier or which supplies coal to the pipeline and (B) no carrier granted the power of eminent domain under this Act may control, be controlled by, or be under common control with any such person.

(4) The penalties and enforcement provisions of section 8 shall not apply to this subsetcion, but whenever, on the basis of any information available to it, the Interstate Commerce Commission finds that any carrier or other person is in violation of paragraph (1) or (3)(B) it shall notify such carrier or other person. If such violation extends beyond the thirtieth day after the date of such notice, the Commission shall, after notice and opportunity for hearing, issue an order requiring such carrier or other person to comply. Failure to obey any such order shall be subject to the same penalty as provided for in section 16(8) of the Interstate Commerce Act (49 U.S.C. 16(8)).

(e) If the Secretary determines, in the course of the consultation and findings required by subsection (b) or the hearings required by section 6 that the project right-of-way may be utilized for additional uses compatible with operations of the project line, the Secretary may, in his discretion, require as a condition to the grant of a certificate of public convenience and necesity that the particular project right-of-way be subject to such compatible uses.

(f) The Secretary shall require the additional use described in subsection (e) only if he by rule—

(1) finds—

(A) the additional use is a compatible use, and

(B) conditioning the issuance of the certificate upon the availability of the right-of-way for the additional use is in the public interest, and

(2) establishes reasonable provisions for the payment of compensation for the additional use of the person otherwise entitled to the exclusive use.

PROCEDURE

SEC. 6. (a) Applications for a certificate of public convenience and necessity under this Act shall be filed with the Secretary pursuant to such regulations as the Secretary may prescribe. Each carrier applying for a certificate shall reimburse the Secretary for administrative and other costs incurred in processing the application as the Secretary shall prescribe.

(b) A certificate authorized by section 5 may be issued only after public notice and public hearings in accordance with this section.

(c) The carrier shall publish, in accordance with regulations promulgated by the Secretary, a notice that it has filed an application for a certificate of public convenience and necessity under this Act in a newspaper of general circulation in each county in which the project will be located. The notice shall, among other things specify to the greatest extent practicable the land which would be subject to the power of eminent domain.

(d) The Secretary shall publish in the Federal Register a notice of the receipt of each application under this Act.

(e) Upon the receipt of an application for a certificate of public convenience and necessity with respect to a particular project, the Secretary shall request the Secretary of Transportation and the Interstate Commerce Commission to make recommendations with respect to the impact of the proposed project on other modes of transportation. The Secretary of Transportation and the Interstate Commerce Commission shall submit such recommendations to the Secretary within six months after the date of the Secretary's request.

(f) The Secretary shall hold at least one public hearing in each State in which the project involved will be located. Any interested person may present relevant material at any hearing. After all hearings in each State are concluded, the Secretary shall hold at least one public, formal adjudicatory hearing in accordance with the provisions of section 554 of title 5, United States Code, in the District of Columbia at which the Secretary of Transportation, the Interstate Commerce Commission, the Secretary of Energy, and the Environmental Protection Agency shall, and other Federal, State, and local agencies may, participate.

ANTITRUST REVIEW

SEC. 7. (a) REVIEW BY ATTORNEY GENERAL.—Prior to the issuance of any certificate pursuant to section 5, the Secretary shall notify the Attorney General of his consideration of the application for such certificate. The Secretary shall provide such information as the Attorney General shall require to conduct an antitrust review to determine the likely effects upon competition of such certificate. The Attorney General shall have 120 days from the date of receipt of such notification to conduct such review and to advise the Secretary with respect thereto, including specific findings and recommendations for the inclusion in such certificate of reasonable terms and conditions deemed necessary to protect and promote competition. An antitrust review authorized by this subsection shall be deemed to be an "antitrust investigation" within the meaning of the Antitrust Civil Process Act (15 U.S.C. 1311 et seq).

(b)(1) Nothing in this section shall be construed to bar the Attorney General or the Federal Trade Commission from challenging any anticompetitive situation involved in the operation of a coal pipeline.

(2) Nothing contained in this section shall impair, amend, broaden, or modify any of the antitrust laws.

(3) As used in this section, the term "antitrust laws" includes, but is not limited to, the Act of July 2, 1890, as amended; the Act of October 15, 1914, as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and sections 73 and 74 of the Act of August 27, 1894, as amended.

ENFORCEMENT AND PENALTIES AND JUDICIAL REVIEW

SEC. 8. (a) At the request of the Secretary, the Attorney General may institute a civil action in the district court of the United States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

(b) If any carrier shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Secretary may assess and collect any such penalty.

(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act, or makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or both.

(d) Whenever a carrier violates any provision of this Act, or any regulation or order issued under the authority of this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

(e) Petitions for judicial review shall be filed in the court of appeals of the United States for the circuit in which the pipeline's originating point of coal transportation is located.

CONSTRUCTION OF LAW

SEC. 9. (a) In granting a State water permit or authorization to a pipeline granted a certificate of public convenience and necessity under this Act any State may, to effectuate a legitimate State public interest, condition pursuant to State law the water rights of such pipeline. The State may limit or terminate the right of a pipeline to transport water for coal pipeline use if so required by such conditions.

(b) Nothing in this Act, including the exercise of the power of eminent domain authorized by this Act, shall be construed—

(1) as affecting in any way any law, regulation, or rule of law governing appropriation, use or diversion of water, or as affecting any Federal, State, or private right to water; or as granting a right to the use of water to any carrier holding a certificate of convenience and necessity issued pursuant to this Act; or as superseding or modifying any State law, regulation, or rule of law governing the acquisition and administration of water rights so as to excuse any person from compliance with such law, regulation, or rule of law in acquiring or maintaining water

rights necessary in connection with the operation of a coal pipeline;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, or interest in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying, or repealing existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto; or

(5) as diminishing in any manner the authority of a State to grant or deny water use or establish or place terms or conditions regulating or limiting such use in any water permit or authorization, which authority such State would have in the absence of this Act.

REGULATIONS

Sec. 10. (a) The Secretary is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this Act.

(b) (1) Notwithstanding any other provision of this Act, simultaneously with promulgation or repromulgation of any rule or regulation under this Act, the Secretary shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2) of this subsection, the rule or regulation shall not become effective, if—

(A) within ninety calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule or regulation promulgated by the Secretary of the Interior dealing with the matter of , which rule or regulation was transmitted to Congress on .", the blank spaces therein being appropriately filled; or

(B) within sixty calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within thirty calendar days of continuous session of Congress after such transmittal.

(2) If, at the end of sixty calendar days of continuous session of Congress after the date of promulgation of a rule or regulation, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule or regulation and neither House has adopted such a resolution, the rule or regulation may go into effect immediately. If, within such sixty calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule or regulation may go into effect not sooner than ninety calendar days of continuous session of Congress after such rule is prescribed unless disapproved as provided in paragraph (1) of this subsection.

(3) For purposes of paragraphs (1) and (2) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of thirty, sixty, and ninety calendar days of continuous session of Congress.

(4) Congressional inaction on, or rejection of, a resolution of disapproval shall not be deemed an expression of approval of such rule or regulation.

UNDERGROUND CONSTRUCTION

Sec. 11. All coal pipelines subject to this Act shall, to the maximum extent practicable, consistent with environmental protection, safety, and good engineering and technological practices, be buried underground and on all rights-of-way replace on the disturbed areas sufficient topsoil, so that a vegetative cover can be reestablished at least equal in extent of cover as that which sustained the natural vegetation in the area.

RELATIONSHIP TO INTERSTATE COMMERCE ACT

Sec. 12. Except where otherwise provided by this Act, the provisions of part I of subtitle IV of Title 49, United States Code, related to pipelines, shall be applicable to coal pipelines subject to this Act.

Sec. 13. This Act shall not be applicable to the line or route or operations of any carrier of coal by coal pipelines which was in bona fide operation on January 1, 1978.

SEPARABILITY OF PROVISIONS

Sec. 14. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this Act and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.●

HOUSE OF REPRESENTATIVES—*Friday, June 22, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, we praise Your name for all the blessings we have received, especially for the opportunities to be of service to others.

May our hearts be sensitive and our eyes open to those about us who have any need. Enable us to look beyond the superficial activity of life or living a routine of only hours and days.

Make us aware that in every act we can be healers and reconcilers and doers of Your will, that whether our deeds be great or small, they will help do the work of justice and mercy.

In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 3173) entitled "An act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes" disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHURCH, Mr. BIDEN, Mr. GLENN, Mr. STONE, Mr. JAVITS, Mr. PERCY, and Mr. HELMS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 239. An act to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, and for other purposes;

S. 275. An act for the relief of Leah Mi Cohen;

S. 436. An act to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority; and

S. 648. An act for the relief of Marlin Toy Products, Inc.;

S. 932. An act to extend the Defense Production Act of 1950, as amended; and

S. 975. An act to authorize appropriations for fiscal year 1980 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes.

PROPOSED DIVERSION OF AGRICULTURAL DIESEL ALLOCATIONS

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, yesterday, after hearing that the White House intended to divert agricultural diesel allocations to the independent truckers I sent President Carter a telegram requesting that this not be allowed to happen.

There is no question but that the truckers have a problem. They are concerned about their rising costs and, in the last few days, even their safety.

Our wheat harvest will not be completed until mid-July, and every hour ripened wheat remains in the field the odds of it being destroyed by an act of nature increases.

Feeding the American people must be our top priority.

I understand that there are areas in our country where produce goes unpicked in the fields and some of it lays wasted because there are no trucks to haul it.

I have informed the President that in my district cotton has been planted as many as three times because the rain has washed out the plantings, the crops are still to be cultivated and harvested, and diesel allocations must be left for farm vehicles to operate or the backbone of our country—the American farmer—will be broken under the strain and frustration of working long and hard hours on the family farm and having nothing to show for it.

Trucks and trains must be allowed to roll, and truckers protected, but tractors and combines must be allowed to operate in the fields to assure that the trucks and trains will continue to have something to haul. Every possible administrative means must be initiated to meet the needs of truckers without damaging agricultural production.

Again, I appeal to the President as well as the people of this country to support the American farmer—its harvest time and the trucks, trains, tractors, and combines must be allowed to roll or the problem of energy will become one of a hungry America.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4514, MANPOWER ASSESSMENT NEEDS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to have my name removed from the bill (H.R. 4514) to amend title III of CETA to provide for the assessment of manpower needs for the full employment of domestic energy sources.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERSONAL EXPLANATION

(Mr. PEPPER asked and was given permission to address the House for 1 minute and include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on Tuesday and Wednesday and Thursday of this week, as chairman of the Select Committee on Aging, I was chairing hearings on the subject of cancer, and because of the pressure of those hearings and because of the distinguished witnesses we had called, I missed several rollcalls, as follows:

MISSED VOTES TUESDAY, JUNE 19, 1979

Rollcall No. 257. House agreed to House Resolution 239, disapproving a proposed deferral of budget authority numbered D79–54. If present I would have voted "aye."

Rollcall No. 258. House agreed to resolve itself into the Committee of the Whole for further consideration of the bill H.R. 2444, to establish a Department of Education. If present I would have voted "aye."

Rollcall No. 260. House agreed to an amendment that strikes language giving the Secretary discretionary authority to waive federally mandated organizational requirements and inserts language providing an 8-month transition period during which the Secretary may not withhold funds under any program if a State fails to comply with any applicable law requiring the administration through a single organizational unit. If present I would have voted "aye."

Rollcall No. 261. House rejected an amendment that sought to permit a majority of local educational authorities to veto Department of Education regulations, except for rules to insure compliance with civil rights laws. If present I would have voted "nay."

MISSED VOTES WEDNESDAY, JUNE 20, 1979

Rollcall No. 262. House agreed to resolve itself into the Committee of the Whole. If present I would have voted "aye."

Rollcall No. 263. House rejected to have the Committee rise and report the bill H.R. 111 back to the House with the recommendation that the enacting clause be stricken. If present I would have voted "nay."

THREE-DOLLAR GASOLINE PRICES ABROAD

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, around the world people are anticipating a $3-a-gallon price on gasoline. In Italy the cities are priced at $2.27 a gallon, but in the rural areas of Italy they are already paying $3 a gallon for gasoline.

Let us read the report in the Washington Star on gasoline prices. The report was Time-Life News and compiled by Stanley W. Cloud with assistance from James Shepherd in London, Christopher Redman in Paris, Walter Galling in Rome, and Frank Iwama in Tokyo.

Here are key sections of their report:

> Well, if you have any friends living abroad, don't try to tell them how bad things are here. You might find yourself accused of being a whining ingrate.
>
> Take Britain. On Monday, British motorists began paying an average price of $2.31 for an imperial gallon of gas. (An imperial gallon contains 277.4 cubic inches as opposed to 231 cubic inches in a U.S. gallon.) As recently as last week, the price was $1.97 a gallon, but a 25 percent increase in gasoline import duties and a 50 percent increase in sales taxes brought the price to its current high.
>
> In France, Parisian motorists pay as much as $2.50 a gallon for premium gas—and even more in the provinces. Partly as a result, according to officials in Paris, there have been no severe shortages at French gas stations.
>
> The combination of high prices at the gas pump and the far better fuel efficiency of French cars as compared to U.S. models has even slowed the demand for gasoline.
>
> The Italians, unlike the French, have been using gas this year at a rate 10 percent higher than that of a year ago, and, in April, consumption was up a full 20 percent over April 1978—all this despite the fact that Italians are currently paying $2.27 a gallon for the luxury or necessity of driving their cars.
>
> So far, however, there have been only moderate shortages in Italian heating and diesel fuel, and virtually no shortage at all in gasoline. During the first hot days of summer, the roads to the beaches have been jammed every weekend, and there have been no lines at the service stations.
>
> Thus, while Japan imports fully 99.9 percent of its fuel, there have been no recent shortages of gasoline. The price of regular gas in Japan jumped this month from $1.70 a gallon to $2.15 and is likely to go even higher later in the year.
>
> And the Japanese, like drivers in most of Europe, will watch the prices on their gasoline pumps jump upward toward $3 a gallon, while American motorists wait in lines at the service stations and worry about $1-a-gallon gas.

GASOLINE SHORTAGE DUE TO GOVERNMENT INTERFERENCE

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I am very concerned today about the gasoline shortage that exists. Only the Government can create a gasoline shortage in the petrochemical capital of the world.

I represent the 22d District in Houston and the Brazosport area. I cannot go anyplace in my district where I do not see either an oil well or a refinery and yet we do not have enough gasoline to get people to work today. Only the Government can create a situation like that and more specifically the Department of Energy. We, the Congress, are responsible for creating the Department of Energy. We give them the authority and direct them to write regulations.

However, there is one regulation which Secretary Schlesinger could write today and solve this problem in 1 week. All he would have to do—and this would be perfectly legal—is to write the regulation stating all energy resources will be allocated by the market. This would be legitimate and we would have all the supplies we need very quickly. I urge him to do that and solve this problem in 7 days.

I would also like to restate my concern that the Department of Energy will not release to me the Mopps report which would reveal to everyone why this problem exists. These suppressed studies done by ERDA reveal that at a free market price fantastic increases in the supply of energy would become available to us. Because these studies contradicted the Government's policy of allocation and price controls, these studies have been kept from the Congress and the American people. The Congress should not tolerate this any longer and insist on the release of these very revealing reports.

SHUR—STILL ANOTHER EXAMPLE OF GOVERNMENT OVERKILL

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I rise today to briefly call to the attention of the Members my intention to offer an amendment to the Labor-HEW appropriations bill to prevent funds from being used to implement HEW's proposed system for hospital uniform reporting, the so-called SHUR system.

While some may consider my action to be premature, I can think of no more certain way to convince HEW that the proposal had better be substantially revised before the final regulations are promulgated.

I reject the arguments of those who say we should "wait and see what happens." Congress has waited too long in too many instances. It is time to exercise leadership and provide specific direction before the process has been finalized, rather than be forced to react in a haphazard fashion once the regulations are finalized.

The proposed SHUR system is costly. It will impose tremendous new reporting requirements on hospitals. The net effect will be higher costs to consumers in their hospital bills. And, there's absolutely no assurance that the data gathered will facilitate the detection of fraud and abuse.

Cutting off funds may be a drastic step. But, it gives Congress and the key committees which have jurisdiction in this area an opportunity to do an effective and meaningful job of oversight. And, it sends HEW a message—a message it cannot ignore.

THE LAWS OF MATHEMATICS HAVE NOT CHANGED THE OIL SHORTAGE

(Mr. SNYDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SNYDER. Mr. Speaker, despite the confusion and the conflicting reports on our oil situation, the laws of mathematics have not changed as far as I have heard. For 2 weeks in a row now, while the President and the DOE have been telling us that we have a serious oil shortage, the DOE's weekly petroleum status report has been telling us that we have been getting a million barrels of petroleum products more every day than we are using. And unless the laws of mathematics have changed, that simply does not add up to a shortage.

In the June 8, 1979, report, the Department of Energy report said that demand was averaging 17 million barrels a day which is down 6.2 percent from the demand a year earlier. Imports were averaging 7.9 million barrels a day—up 8.9 percent from the 1978 level. Domestic production was almost constant—10.1 million barrels a day this year, and 10.3 million barrels a day in 1978. This report is for the 4 weeks prior to June 1.

We used less, imported more and domestic production remained almost constant. That simply does not add up to a shortage.

The most recent report, dated June 15, says the same thing. Imports up. Demand down. And domestic production almost unchanged. We are using 17 million barrels a day but we are receiving 18.2 million barrels a day.

Last week we passed a resolution of inquiry asking the President to provide us the straight facts about oil. I would like to ask that when he does provide us that information he tries to make sure that it adds up a little better than the DOE report.

HUD/INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. BOLAND).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 6, answered "present" 1, not voting 77, as follows:

[Roll No. 274]

YEAS—350

Abdnor
Akaka
Albosta
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dicks
Diggs
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
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Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
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Reuss
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Rosenthal
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Roybal
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Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
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Stanton
Stark
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Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki

NAYS—6

Ashbrook
Collins, Tex.
Lloyd
McDonald
Mitchell, Md.
Wilson, Bob

ANSWERED "PRESENT"—1

Patten

NOT VOTING—77

Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Ashley
Barnes
Bedell
Bingham
Boggs
Bolling
Brown, Calif.
Broyhill
Burton, John
Burton, Phillip
Chappell
Cheney
Chisholm
Clausen
Cleveland
Conyers
Daschle
Deckard
Dickinson
Dingell
Dixon
Dodd
Dougherty
Eckhardt
Edgar
Fazio
Ferraro
Flood
Ford, Mich.
Forsythe
Frenzel
Fuqua
Garcia
Giaimo
Gibbons
Goldwater
Guarini
Hall, Ohio
Hall, Tex.
Harkin
Hefner
Hollenbeck
Howard
Livingston
McDade
McEwen
Maguire
Marlenee
Martin
Mathis
Mazzoli
Mikva
Montgomery
Murphy, N.Y.
Neal
Nolan
Quayle
Quillen
Rahall
Richmond
Rodino
Rose
Rudd
Staggers
Swift
Treen
Waxman
Weiss
Williams, Ohio
Wylie
Young, Alaska
Zeferetti

☐ 1030

Mr. UDALL changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4394, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, June 21, 1979, the Clerk had read through line 16 on page 3.

The Clerk will read.

The Clerk read as follows:

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

The limitation on the aggregate loans that may be made under section 202 of the Housing Act of 1959, as amended (12 U.S.C.

1701q), from the fund authorized by subsection (a)(4) of such section, is increased by $800,000,000, together with any portion of loan limitations established for fiscal years beginning after June 30, 1975 which was not administratively committed or which becomes uncommitted, in accordance with paragraph (C) of such subsection, which funds shall be available only to qualified nonprofit sponsors for the purpose of providing 100 per centum loans for the development of housing for the elderly or handicapped, with any cash equity or other financial commitments imposed as a condition of loan approval to be returned to the sponsor if sustaining occupancy is achieved in a reasonable period of time: *Provided*, That the full amount shall be available for permanent financing (including construction financing) for housing projects for the elderly or handicapped: *Provided further*, That the Secretary may borrow from the Secretary of the Treasury in such amounts as are necessary to provide the loans authorized herein: *Provided further*, That, notwithstanding any other provision of law, the receipts and disbursements of the aforesaid fund shall be included in the totals of the Budget of the United States Government.

AMENDMENT OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROYBAL: Page 4, insert after line 15 the following:

CONGREGATE SERVICES PROGRAM

For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs as authorized by the Congregate Housing Services Act of 1978, $10,000,000, to remain available until September 30, 1984.

Mr. ROYBAL. Mr. Chairman, this amendment provides $10 million for fiscal year 1980 and is cosponsored by my colleagues the gentleman from Florida (Mr. PEPPER), the gentleman from Iowa (Mr. GRASSLEY), and the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

We offer this amendment, convinced of the great benefit to be derived by the frail elderly and handicapped persons in public housing and section 202 projects. Congregate housing provides nutritional meals 7 days a week, housekeeping, personal assistance, and other supportive services to partially impaired but otherwise healthy older persons, allowing them to maintain an independent lifestyle, preventing them, in most cases, from having to live out their lives in the lonely and sad atmosphere of an institution.

Today, somewhere between 2 and 3 million elderly people need congregate housing services instead of institutional care. Anywhere from one-third to one-half of all those now living in nursing homes could function in less intensive care environments—if such environments existed. But they do not. Not because Congress has not passed the necessary legislation. But because Congress only appropriated $10 million in 1979 and nothing was recommended by the administration nor the Committee on Appropriations for 1980.

This program when implemented would actually result in savings for taxpayers of 60 to 80 percent over the amount of tax dollars now spent on medicaid reimbursements for nursing homes. It costs $5,500 to maintain a person in a nursing home and $1,500 per year in congregate housing.

We may be told that congregate services duplicate existing social service programs. The fact is that the law specifically prohibits duplication of services and sets up a mechanism to prevent duplication and coordinate available services.

Congregate housing services programs are designed specifically to fill the gaps where needed services are not available. Presently available programs, by themselves, generally cannot match the special requirements of congregate housing. For example, congregate housing residents need two or three group meals a day, 7 days a week, whereas the title 3 nutrition program of the Older American Act provides only one meal a day, 5 days a week. In such a case, congregate housing program supplements existing services and assists local housing authorities and section 202 project sponsors in putting together comprehensive congregate services packages for their impaired residents.

HUD seems to be treating the congregate housing services program as a "pilot demonstration project," in spite of the fact that the clear intent of Congress was that congregate housing be a full-fledged ongoing program. The authorizing committee would not have authorized $25 million for 1980, $35 million for 1981, and $40 million for 1982, if they or Congress had intended congregate housing to be a one-shot program.

In addition, the legislation requested that HUD submit a report each year so that Congress could determine whether the program should be expanded above the originally authorized levels. These two legislative actions clearly indicate the congressional intent for a full-fledged program rather than another "pilot effort."

The argument will probably be made that HUD has not used the funds appropriated for 1979, but HUD has assured me that guidelines will be ready by late August and projects selected by the end of October; but they say that only 50 projects will be funded for 3 years, serving only 2,000 persons, or 2 percent of those eligible to be served.

An appropriation of $10 million for 1980 would benefit at least 2,000 more elderly individuals, allowing them to maintain as much self-sufficiency as possible in familiar surroundings. Second, the act insures the availability of a comprehensive services package without duplicating existing services.

Finally, the need for and the cost-effectiveness of this program is undisputed: Implementation of the Congregate Housing Services Act and the appropriation of an additional $10 million for 1980, will show that we do care about the elderly and that we as a nation will do everything possible to keep them out of institutional care whenever possible.

Mr. Chairman, I urge my colleagues to support this amendment.

□ 1040

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the amendment.

I rise in support of the amendment to add $10 million for congregate housing serviecs for the elderly and handicapped who reside in section 202 or public housing projects. I believe the absence of any funds from the 1980 HUD appropriations bill is in direct contradiction to the intent of the authorizing legislation (the 1978 housing and community development amendments).

As you know, the Congregate Housing Services Act, which became title IV, was adopted because thousands of frail elderly and handicapped persons living in section 202 or public housing were confronted with two options, living independently but without adequate nutrition, health care, and social services, or moving into nursing homes. Substantial authoritative research documents the fact that many people enter nursing homes not because they require 24-hour nursing care but because they do not have the strength or physical capacity to perform some of the tasks of daily living—cooking, shopping, or housekeeping. A great number of these older people could continue to live independently if they had reliable social services.

The authorizing legislation was passed because it became clear during the hearing process that although there is a variety of Federal, State, and community social service programs: First, funds are insufficient to provide services to all the eligible people; second, eligibility requirements for service programs are virtually incompatible with current housing programs; and third, the elderly are frequently underserved due to age-based discrimination in benefit and service programs receiving Federal funds.

Unfortunately, during the appropriations process title IV was incorrectly labeled as a "pilot project" and only $10 million was appropriated for fiscal year 1978. Due to this misnomer, no funds were budgeted for fiscal year 1980. As the ranking minority member of the Housing and Consumer Interests Subcommittee of the Select Committee on Aging, I have followed this legislation closely. There is no language in the authorizing legislation which describes it as a pilot project, research study, or model project. Furthermore, the legislation required HUD to submit a report so that Congress could determine whether the program should be expanded. This would not have been mandated if it were considered a pilot project.

Numerous studies have ascertained the cost effectiveness of congregate services. It has been conservatively estimated that the Federal cost of maintaining a person in a nursing home is $5,500. Providing supportive services in the home of that same individual is estimated to cost only $1,500.

It is clear to me that housing and services must be provided as an integral package and that title IV is the only mechanism that insures the availability of these services to the elderly and handicapped in section 202 and public housing.

For these reasons and those expressed by my colleagues on the committee, I urge you to support this amendment.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I would be pleased to yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I want to associate myself with the remarks of the gentleman in the well, as well as the gentleman who preceded him, the gentleman from California.

As a member of the authorizing committee, I also want to emphasize the fact that this is not a pilot program. It was fully debated. The opponents, including HUD, who initially opposed this, finally agreed with the analysis of the authorizing committee that though there might have been and might be an opportunity to provide these services through other means, it was not being done. We had waited too long, and the time has come to move in this area.

I think a clear message should be delivered to HUD that this is not a pilot program; the numbers the gentleman cites are accurate. The cost-benefit ratio is fantastic, and the good that could be done for our senior citizens is unmeasurable in terms of dollars and cents.

I hope the amendment is adopted.

Mr. HAMMERSCHMIDT. I thank the gentleman, who is my distinguished friend and certainly a great member of the authorizing committee, who certainly confirms my understanding of it.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding and congratulate the manager of the amendment for its introduction.

I do not think the merit of the amendment is in issue.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. HAMMERSCHMIDT) has expired.

(At the request of Mr. BIAGGI and by unanimous consent, Mr. HAMMERSCHMIDT was allowed to proceed for 2 additional minutes.)

Mr. BIAGGI. Mr. Chairman, if the gentleman will continue to yield, as I said I do not think that the merit of the amendment is in issue.

There is no question that there is great moral support. There is great practical need for these additional funds.

The issue that develops here is whether HUD can replace the intention of the Congress. It was the intent of Congress to initiate this program.

There was an appropriation authorization in 1979. There was an appropriation in 1979. There was an authorization in 1980, but no appropriation, the argument being offered now is that it is only a pilot program.

Once again, we have the executives attempting to usurp the congressional prerogatives. The justification from a dollar-and-cents point of view is without question. The justification from a moral sense of view need not be debated.

The question here is whether or not the intent of Congress, will be carried out.

It is not a pilot program, continuity must be certain in order to induce contractors to become involved.

We know the facts. and frankly, I think all Members of the House should rebel and be angry and manifest that anger by supporting this amendment; and it should be directed to HUD. Let them understand that what we say, what we intend with our legislation should be carried out by them and not once again practice what seems to me to be a universal attitude on the part of the executive agencies.

Yes; Congress proposes but ultimately the executive disposes as they see fit. That is the philosophy that they must be disabused of. Let the message be loud and clear.

Mr. Chairman, I rise with full enthusiasm for the amendment of the gentleman from California (Mr. ROYBAL). The amendment is modest in approach but constitutes still another demonstration of this Congress commitment to improving the quality of life for our senior citizens.

The issue here is simple. We in the Congress fervently believe that the congregate housing services program operating under the section 202 program has proven itself worthy of permanent funding. It has suffered through the pains of pilot. It deserves to be recognized as a cost effective and humanitarian program which compliments a growing national goal—the deinstitutionalization of our senior citizens.

I serve as chairman of the House Subcommittee on Human Services on the same Select Committee on Aging which Mr. ROYBAL serves. We have studied intently the problems which many of our seniors face, simply gaining access to services. Put another way—there are services available to seniors—only there is a problem oftentimes in getting them there. Poor transportation services certainly contribute to the problem.

The congregate housing services program constitutes a sensible solution. The studies which preceded the first funding of the program showed the program would work and it in fact has worked. Thus we pose the question—why does the administration seek to dispose of this program at a time when it has a proven record of success and has only begun to touch the needs of the elderly?

Let us look at one startling statistic—it is estimated that 25 to 40 percent of those in institutions today are there for a lack of home-based services. This at a cost of over $300 million a year. Here we are talking about $10 million to provide human services in a congregate fashion with a home setting. Is this not a more prudent use of the taxpayer dollar?

I have been successful in offering amendments this year adding funds to the nutrition program sponsored by the Older Americans Act. I have been successful in a pursuit of additional funds in a Congress which frowns on additional expenditures. I am also a supporter of reduced Federal spending. However, I differentiate between cost effectiveness and inefficiency in Federal programs. My support of this amendment is based on my firm belief in the cost effectiveness of this program.

Let me close with an observation. It is one thing to state support for the deinstitutionalization of the elderly. It is another to do something to achieve it. I see this as a worthwhile national goal to be pursued. It makes sense from a present sense and from a foresight sense. The older population in this Nation is getting larger—dramatically so—we must be prepared to deal with it. The answer will not be the warehousing of older people in nursing home. The answer will not be perpetuating the existing fragmented system of providing separate housing and social services. The answer will not be deinstitutionalization without alternatives. We have seen the peril in this particular route in the scandals affecting many boarding homes in this Nation. The answer rests with proper planning of coordinated services with an emphasis on preventative services. The emphasis must be on maintaining the independence and the dignity of the senior citizen. The elderly are a resource in this Nation. Our Federal policies should reflect this.

□ 1050

Mr. PEPPER. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

Mr. Chairman, I commend the distinguished gentleman from California (Mr. ROYBAL) and those who have associated themselves with him upon offering this amendment. I commend the distinguished gentleman from Arkansas (Mr. HAMMERSCHMIDT) who has just spoken to the House on his support and I commend the distinguished gentleman from Rhode Island (Mr. ST GERMAIN) who is a member of the authorizing subcommittee for the assurance that he has given of his support for this amendment.

Congregate housing is nothing in the world but a sort of a comprehensive furnishing of needed services to the elderly people who reside in a particular housing project. We all know that elderly people find it difficult ofttimes to go from where they live to a place where meals are provided. In congregate housing meals are provided in the very building in which the people live.

We have had one case reported to our Committee on Aging where a woman almost starved because she was too afraid of being criminally attacked to go out of her room in her building to go to a place to eat. She was so malnourished that they had to feed her intravenously for several days before she could begin to take ordinary nourishment. In addition to that, other services, social services including medical services would be provided to the people where they live.

The Appropriations Committee report characterizes the Congregate Housing Services Act as a pilot program of a temporary, experimental nature. I must regard this interpretation as very curious, in view of the intent of the authorizing legislation. You may recall that the Congregate Housing Services Act of 1978 was passed by this body with authorization levels set at $120 million over a 4-year span. It would be taking leave of commonsense to sugest that Congress authorized an expenditure of hundreds of millions of dollars with the intent of funding a brief demonstration project. But that is exactly what the report language would have us believe.

By striking the program from existence, the committee bill not only denies the intent of Congress, but ignores fiscal responsibility as well. Congregate services have resulted in an 80 percent savings to both the Federal Government and elderly individuals. Because the program provides services at an average cost of $1,500 per annum, congregate housing enables partially impaired senior citizens to avoid costly institutionalization, estimated by the GAO to cost approximately $7,500 per year in 1977.

Perhaps, more importantly Mr. Chairman, the committee report overlooks the human cost of shutting up our elderly in institutions. By passing this bill without providing funds for this desperately needed program, Congress will have declined to provide a humane alternative to warehousing the aged into nursing homes and will have effectively condemned all but the healthiest and most fortunate of our senior citizens to a stark existence in a virtual prison. Congregate housing, by providing a supportive and assisted environment, is not only a cost-effective alternative to institutionalization, but a humanitarian one that allows older persons to maintain an independent life style.

Mr. Chairman, this amendment is not a costly one, in fact, it will produce savings for both the Federal Government and the elderly and handicapped individuals. The Congregate Housing Services Act, passed by this body just a year ago, authorized a fiscal year 1980 appropriation level of $25 million, to be increased in 1981 and again in 1982. The amendment provides for only a small portion of these funds to be reinstated by Congress, in accordance with the intent of the legislation we so recently supported. I urge my colleagues to support this amendment.

Mr. GUDGER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from North Carolina.

Mr. GUDGER. I would like to commend the gentleman from Florida for making clear and specific what is the sense and purpose of this important legislation. It is a complex plan. It is not an expensive plan, and it not merely is a supplement to existing programs, but a supplement which can provide for a very serious, a very substantial human need, and I commend him for this explanation. I intend to support this legislation and I urge my colleagues to do the same. I think it is practical. I think it is down to earth. I think it is sound economy.

Mr. PEPPER. I thank the distinguished gentleman.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. Yes, I would yield to the gentleman.

Mr. LUNDINE. I thank the gentleman for yielding and I would like to associate myself with the remarks of the distinguished chairman of the House Select Committee on Aging.

As the sponsor of the amendment adding this to the authorizing legislation last year, I have a deep interest in the congregate services program. I think the gentleman made the essential point. There was an authorization and an appropriation last year.

The argument now is made that HUD has not spent all of the money. The point is that in order to allow sponsors to go forward with projects, there has to be a continuity in this program for the very reason that you cannot build kitchens and other facilities into these elderly housing projects on the speculation that there may be an appropriation this year, and there may not be an appropriation next year.

This is a modest amount and if we continue the program as it was established and approved by the House last year, if we continue this modest program of congregate services, then we will have a basis of experience to determine on the basis of actual proven fact how much can be saved by this kind of an approach to housing for the elderly people with minimal needs, apart from their shelter, and we will have a basis of experience.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(At the request of Mr. Lundine, and by unanimous consent, Mr. Pepper was allowed to proceed for 3 additional minutes.)

Mr. LUNDINE. Mr. Chairman, will the gentleman yield further?

Mr. PEPPER. Yes, I will yield to the gentleman.

Mr. LUNDINE. We have five studies, all of which indicate that this can save money for the taxpayers and provide humane conditions for elderly people at the same time.

Let us put it into operation. The way to put it into operation is to support the amendment of the gentleman from California.

Mr. PEPPER. I thank the distinguished gentleman who has been a pioneer in this area.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the distinguished gentleman from Connecticut.

Mr. RATCHFORD. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Florida (Mr. Pepper), and as a member of his committee, I know full services for the aging require a continuum of care. There is a gap between home health care on the one hand and nursing home care on the other. That gap can be filled by congregate housing. It provides minimal services, it provides them in humane fashion and certainly, as the gentleman well knows, it is much more economical than nursing home care.

Your State, Mr. Chairman, Florida, has been a pioneer in congregate housing. Maryland has moved in that area and now my State, I am proud to say, when I was commissioner on aging, moved to congregate housing also. It is humane, it is compassionate, it is concerned, and for the taxpayers it is economical. So I join you in urging support for this amendment.

Mr. PEPPER. I thank the distinguished gentleman.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I will yield to the gentlewoman.

Mrs. FENWICK. I would like to find out something. As I understand it now there are congregate housing, feeding programs going on under HEW, is that correct?

Mr. PEPPER. Yes, but they are much more limited than this program. Only one meal a day is provided by HEW. We are talking about providing three meals plus necessary health services.

Mrs. FENWICK. Now, the project is to move the program to HUD?

Mr. PEPPER. HUD would have the authority to provide these services right in the housing projects.

Mrs. FENWICK. I think in view of what has been said about the construction, would the gentleman then say we should vote for this $10 million under HUD and remove the money, whatever money there is, under HEW?

Mr. PEPPER. Next week we will consider the funds for HEW. That is a separate matter. But it is imperative that we give HUD these funds today.

Mrs. FENWICK. Move that money for congregate housing so that those here on this floor now will remove that from HEW and put it under HUD?

Mr. PEPPER. As I said, we must put this $10 million into congregate housing so that elderly people will have access to services that keep them out of nursing homes.

Mrs. FENWICK. I thank the gentleman.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Texas.

Mr. GONZALEZ. I rise in enthusiastic and wholehearted support of our distinguished leader's efforts. Once again he reveals tremendous leadership in very great areas of need. I want him to know I for one wholeheartedly support him and I intend to support him.

Mr. PEPPER. Thank you very much.

Thank you, Mr. Chairman.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I too am delighted to support this very important amendment. For many years the statutes relating to HUD have provided authority for HUD to produce congregate housing whose purpose has already been described to you in the debate today. Yet very little of such housing has been produced in this country, despite the evident need for it and despite the economies that could be achieved by it.

I think the reason for that, when one searches it out, is quite clear; that is, it has proved very difficult to take programs which are scattered among several other agencies and tie them to a particular housing project that HUD is trying to generate. Thus, despite the statutory authority that HUD had, in fact the program proved incapable of practical administration.

As a result, last year we passed legislation to give HUD some funds that would directly enable it to provide the software that is needed for congregate housing. I think it is important, as has been explained by my colleague from New York (Mr. Lundine), that we continue to provide those funds. The program can work only if there is an assurance of funds to provide the services required for a congregate housing program.

Therefore if we are going to have this program, with all of the humaneness it has in terms of providing services for the elderly, and with all of the capacity for economy that it offers the taxpayers, I think it is vital that we provide it with an ongoing level of funding so we can be assured that the funds are there to provide and continue the services that are needed to make the housing a success.

I strongly urge my colleagues to support this amendment.

□ 1100

Mr. BOLAND. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, this is not a very easy position for any of the members of the subcommittee to take. We recognize the tremendous job that the chairman of the Select Committee on Aging, and all the members that sit on that committee, have done with reference to the programs that deal with the elderly.

The gentleman from California has indicated the authorization levels, which others have also stated, that were put into the bill last year—20, 25, 35, 40 millions of dollars over a 4-year period. The cost of the congregate services pilot program will be $1,000 per person, with the result that within the foreseeable future the cost of this program could run to more than $1 billion—$1 billion.

I do not buy the argument that if we provide for congregate services here, we are going to enable people who would have gone to nursing homes to stay in the 202 and public housing programs. This committee over the years, with the distinguished ranking minority member of this subcommittee—this committee, under his leadership and my leadership and all the Members that serve on the committee, have preserved the 202 program. We have spent $4 billion—$4 billion in Treasury borrowing for the 202 program. That was the program that was going to be eliminated under a previous administration until this committee decided that the 202 program was going to be alive and survive, and we did it.

Now, in the 1979 appropriation bill that passed the House, there was no recommendation for any funds for congregate housing services. We put $10 million in there in conference. The Senate had put $20 million in, and we went to conference and agreed to $10 million for a pilot program. Let me tell the members of this committee that the $10 million has not been used yet. There is no need for $10 million at this time. We ought to get a close look at this program before we go into it. It is important that we do that.

No one can accuse any of the members of the committee of sabotaging the programs dealing with the elderly. No one can do that. Our problem is to make sure the program is a good one, that it is directed in the right way, and that problems which have surfaced as a result of studies that have been made and referred to by the gentleman from New York are resolved. We will meet those problems down the line somewhere. It might be next year, or it might be the year after.

The gentlewoman from New Jersey raised the point about the money that is being spent by the Department of HEW for meals for those who cannot go out and get them, for people who reside in the 202 and PHA projects. There is $626,000,000 in the HEW bill for many services that would be included in a congregate housing program. There is going to be no attempt to transfer that program from HEW to HUD. If we are going to do anything with the program, and if we establish a congregate services program—and we will have one—we ought to transfer it out of HUD into HEW. That would be the proper place for it to be.

We ought to let HUD take care of the housing programs of this Nation, and not burden them with a lot of activities that impact upon their ability to build subsidized housing and promote community development. So, if the members of this committee will be patient, I am sure these programs will be funded, but we ought to get a look at where they are going, what they are doing and the ultimate cost. It is easy to stand up and say it is only going to be $10 million. That is not so. The authorization, I repeat, is $20 million in 1979, $25 million in 1980, $35 million in 1981, and $40 million in 1982. At $1,000 per person, it will be a billion dollar program in the near future.

Maybe we ought to do it, and I might support it, but I am not going to support it until I get a good idea of what this program is going to do, what is the best method of providing the service, how it is being used, and who will direct it. I would support any effort to remove these kinds of services from HUD and put them in HEW.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(At the request of Mr. Biaggi and by unanimous consent, Mr. Boland was allowed to proceed for 1 additional minute.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman from Massachusetts, the chairman of the committee, for yielding to me. I might get into an issue of dispute, but the gentleman raised an inference, or made a statement, that nobody on the committee was sabotaging any programs for the elderly. I do not think anybody even inferred that. The record is very clear that the gentleman from Massachusetts and his committee have been great supporters of programs for the elderly, as reflected in the legislation of 202 and a host of other programs dealing with the elderly. They are to be congratulated for their past efforts, and for their continuing efforts to keep these programs in the legislation. I just wanted to get the matter very clear.

Mr. BOLAND. I appreciate the remarks of the gentleman from New York, and I understand thoroughly. I did not for a moment mean to infer that anyone was sabotaging the programs for the elderly. All one has to do is look at the record, and I think everyone will come to the conclusion that this subcommittee has done very well by them.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to come to grips with it. It seems to me that the persuasive argument that has been offered in favor of this amendment is that HUD cannot calculate the housing adequately. In the matter, for example, of a congregate kitchen, unless they know where they are going to use that congregate kitchen, they cannot do it. I had hoped that we might get the transfer of those funds from HEW as far as the congregate feeding is concerned, since it is an integral part of the work of building, and the other services, medical, and so forth——

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(By unanimous consent Mr. Boland was allowed to proceed for 1 additional minute.)

Mr. BOLAND. Let me just respond to the gentlewoman. I know of her interest in the elderly and of the work she did in New Jersey as head of the Consumer Affairs Department there, and it has been marvelous. I would disagree with her, though, on where this program ought to be.

There was a proposal for another new program, livable cities. We are absolutely impacting HUD with programs that ought to be in other departments and agencies, not in HUD. They have a difficult enough job with housing—getting reservations, starts and units occupied—and dealing with other items in the Department. I think it would be wrong. My own judgment is that impacting HUD with these particular kinds of programs is going to impact its ability to do the entire job in housing.

Mrs. FENWICK. How do we answer the argument about adequate kitchen facilities?

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the distinguished chairman of the subcommittee is exactly right. Not one single Member of this House is opposed to programs for the elderly. Not one single member of this subcommittee and the full committee is opposed to programs for the elderly. However, if we are going to create duplicate programs that are going to use up the funds for the elderly in administrative expenses and bureaucracy, then we are not benefiting the elderly. There was no budget request for this program this year because we had already appropriated $10 million for a pilot program to determine whether indeed this program would duplicate the programs of other agencies. I think that the providing of congregate services clearly duplicates functions that are in the Department of Health, Education, and Welfare.

Let me read to the Members from the committee report for fiscal year 1980 appropriations for the Department of Health, Education, and Welfare that Members will be considering in the very near future. I quote:

> The recommended level includes $300 million—

□ 1110

That is $300 million—

> for congregate meals, an increase of about $50 million over the 1979 level. The increase is provided to cover the increased cost of meals and to expand the number of meals served. About 10,200 sites have been established to provide congregate meals. The remaining $50 million is for home-delivered meals.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I will be happy to yield to my chairman.

Mr. BOLAND. I thank the gentleman for yielding. I am delighted that the ranking minority member of the subcommittee highlights that particular report on the Labor-HEW bill—and mentions $300 million for congregate meals. One would think from some of the arguments that nothing is being done in this area. This clearly shows that there is a substantial amount of money now being expended in the very area that the author of this amendment is referring to. The point that is made by the gentleman is well taken, and I would hope that that would impress the members of this committee.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I will be happy to yield to the gentleman from California.

Mr. ROYBAL. I thank the gentleman for yielding.

I think it should be pointed out that congregate meals under HEW means only one meal per day and not necessarily in a particular housing project. That can be anyplace in the city that is involved, and congregate meals as described by the HEW bill is not the same as congregate housing where meals are provided 5 days a week.

Mr. COUGHLIN. As the gentleman would admit, I am sure, those meals can be provided through HEW, at the some 10,000 locations now being served.

Mr. ROYBAL. If the gentleman will yield further, he is talking in this instance about one meal under the HEW bill and three meals under the proposed HUD bill, so there is a great difference between congregate meals, congregate where people get together to eat, under HEW, a great difference from what is meant by congregate housing. And the meals that are to be provided under congregate housing are three meals a day, not just one. There is a great difference.

I would like to have the gentleman also know that the money appropriated under HEW is not sufficient to take care of the great need for meals all over the United States.

Mr. COUGHLIN. The position that the chairman takes, and that I take, is to prevent the Department of Housing and Urban Development from getting into the business of providing services which are already provided through the Department of HEW. This is a function of the Department of HEW. It provides these services. Let us not get HUD in the same business and get a duplicate program in another Department that would be very expensive, indeed.

Mr. ROYBAL. If the gentleman will yield further, congregate meals under HEW, again, means meals only, meals anyplace, while congregate housing means meals and services. There is a great difference. It is a completely different program.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Coughlin was allowed to proceed for 2 additional minutes.)

Mr. COUGHLIN. There is no question about the fact that if we are going to get into providing other services, with meals as the main service, these can best be provided by the Department of HEW. Health, Education, and Welfare is in the business of providing these services to people. Let us not give the Department of HUD a new mission which really is not part of its function in the long run.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Ohio.

Mr. STANTON. I thank the gentleman for yielding.

I have been listening with great interest to this excellent debate upon this particular point because personally it brings me back to the authorization subcommittee hearings we had on this very subject I think it was 2 or 3 years ago. As I recall, the chairman of the authorization subcommittee, the gentleman from Ohio (Mr. Ashley) and at that time the gentleman from Michigan (Mr. Brown) fought hard against the subject of congregate housing in our subcommittee under the auspices that really belong to HEW. So there we were with a real battle with the gentleman from New York (Mr. LaFalce) and a couple of others—and I think maybe I went with them. So we decided we are going to put this thing on a 3-year authorization and see what happens in a pilot program. At the same time we instructed the Department of HEW, to the best of my knowledge, to get together with HUD to resolve these particular program problems. My question of the gentleman in the well is, does he have any knowledge that this was ever done, if HUD or HEW did get together? Or are they still getting together?

Mr. COUGHLIN. The purpose of the pilot program, for which we have appropriated $10 million, is to try to determine how the Department of HUD and the Department of HEW can best be coordinated to provide the services. We want kitchens provided in the housing that is being built, but for HEW to provide the meals and other services.

Mr. STANTON. It is the point of view of the gentleman from Pennsylvania that this is not yet accomplished?

Mr. COUGHLIN. The study is not yet completed. It is a 3- to 5-year study.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Stanton, and by unanimous consent, Mr. Coughlin was allowed to proceed for 2 additional minutes.)

Mr. STANTON. If the gentleman will yield further, point No. 2—and I think that the gentleman from Massachusetts (Mr. Boland) made an excellent point here—we appropriated, mainly due to the Senate, the other body, last year $10 million. Is that correct?

Mr. COUGHLIN. That is correct.

Mr. STANTON. It is my understanding HUD did not spend any of this money?

Mr. COUGHLIN. That is not spent. That money is still there.

Mr. STANTON. It is still there, and it was the point of the Committee on Appropriations that this was resolved and this money is spent, but until we get more of this experimental program in line, that is the reason it is not accomplished completely.

Mr. COUGHLIN. It is not the intention of the subcommittee to see that this be terminated. We want to see the pilot program go through to see how we can best provide for the elderly, to give the elderly the top value for the dollars appropriated.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from New York.

Mr. LUNDINE. I thank the gentleman for yielding. As I understand the purpose of the congregate housing program, it is to allow people who cannot provide for their own meals or housekeeping or other services who reside in public housing projects, or section 202 projects, to remain there and to have these services on a daily basis provided for them. As I understand the situation, from 1971 to 1976, there was a memorandum of understanding between HEW and HUD that they would develop such a program and that it was never done. As I further understand, as the gentleman from Ohio (Mr. Stanton) has just pointed out, last year we decided whether HUD had to delegate that to HEW or not. This Congress wanted to see a program commence. The program needs to be commenced on the basis of 7 days a week, three meals a day, and supportive housekeeping and similar services. Does the gentleman really believe without continuing appropriations there is any reason to believe that the continuing congressional intent will be other than frustrated in this regard?

Mr. COUGHLIN. It seems to me that if there is $300 million in HEW for congregate meals, and if we want to expand that to provide three meals a day, we should do so. However, it is HEW which is in the business of providing the meals.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Lundine, and by unanimous consent, Mr. Coughlin was allowed to proceed for 1 additional minute.)

Mr. COUGHLIN. HEW is in the business of providing the meals at some 10,200 sites around the country. If we have to have more sites, have more sites, but have it being done by HEW, already in the business of providing these services. Do not put a new program in the department that is supposed to be building housing and not providing meals and other services.

Mr. LUNDINE. I have just two points, though. Traditionally the HEW program has been 5 days a week, one meal a day; has it not?

Mr. COUGHLIN. Make it three meals a day, but keep it in HEW to provide the services. Do not duplicate it in another department.

Mr. LUNDINE. If the gentleman would yield further, it started with President Kennedy in 1963 who had this idea, and everybody in the Congress and the executive branch have been frustrated ever since. It is not our point to put HUD in the business of providing social services. It is to determine who is responsible for this program and provide the amount of money needed to have a moderate pilot program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, it seems that the issue evolves itself to one basic premise, at least that there has been a great deal of administrative confusion and misdirection in the past, that there has unquestionably, as the gentleman from New York has so well enunciated, been a total frustration of legislative intent with respect to implementing what everyone seems to recognize is a meritorious concept. I appreciate that the very able gentleman from Massachusetts is the champion of the interests of the seniors, and no one could seriously suggest that this committee has made any effort to sabotage the congregate housing concept.

□ 1120

It does seem to me in bottom line analysis of that concept has been seriously frustrated due to this division of bureaucratic interests.

Now, probably this dismal drift should have been arrested 10, 20, 30 years ago. It was not done. The question we face in the context of considering this amendment is, Can we do anything about it today?

I suggest to my friends in the Committee that we cannot.

I do not think an irrefutable case can be made for economy on one side or the other. I happen to think it makes eminent sense, both administratively and in terms of dollars, to move into the congregate housing concept, but I do not think, given the modest nature of the amendment proposal that anyone can seriously refute that $10 million is not a justifiable investment in terms of the social needs of the people who cannot meet all of their social needs themselves, our senior citizens.

Given the obvious vacuum of concrete financial analysis it seems to me far mare appropriate to err, if we err, in the effort to help implement a concept that everyone uniformly agrees makes eminent sense in terms of needs of the seniors in this Nation.

I thank the chairman.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Roybal amendment. I listened very closely as the gentleman from Massachusetts explained how he very carefully checked out this program and how very careful he was in determining whether or not this program ought to be encouraged considering its potential costs.

I do not think there is anyone in this Chamber who appreciates our colleagues who are willing to save money and see that the taxpayers' money is properly spent than I do, but I rise in support of this amendment because I think it is obvious that once again the Congress has to lay out what is its intent. Somehow that has been avoided. When our policy is not followed by administrators, it is then our responsibility either to drive home the point we want to make or reverse our position.

Mr. Chairman, I think it would be unwise at this point for us to reverse our position. We know there has been evidence presented today that there may be misadministration or there may be maladministration or there just may be total administrative neglect in arriving at a decision to follow through on congressional intent on this program.

After the presentation of this evidence we obviously have to ask the question, why should the senior citizens be sacrificed on the altar of "turf protection" and that is really what this issue seems to be boiling down to.

But, from a strictly fiscal standpoint, I think as we look at the expenditures of $5,500 in nursing homes as opposed to $1,500 in these other facilities, that quite obviously taxpayers' money is going to be saved and it is a wise investment of taxpayers' money.

Mr. Chairman, I think the battle may even be more broad than this. There is probably an ideological battle here as to just how to serve senior citizens best.

For too many decades, probably three or four at least by now, we have had coming onto the forefront in American society the feeling that what we ought to do with senior citizens is to put them away in some nursing home, put them out of the sight of the mainstream of American society, and it has led to the total segregation of senior citizens who are put off in the corner out of the mainstream of American society and I think we need to lend every effort we can within the Congress of the United States not only for the wise expenditure of public money but for the humanitarian aspects of that, of doing all we can to get senior citizens back into the mainstream of American society and that can better be done through congregate housing and congregate meals being offered and at taxpayers' savings rather than leaving them in nursing homes segregated from the broad base of American society.

Experimentation is part of this game as well, Mr. Chairman, and perhaps people can legitimately say, "We do not know whether this is going to work." Regardless, we should encourage experimentation.

If we defeat this amendment we are going to discourage experimentation. Experimentation is what we have to have if we are going to free senior citizens from the bondage of dependency.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROYBAL).

The amendment was agreed to.

Mr. BOLAND. Mr. Chairman, I move to strike the last word.

The gentleman from Massachusetts has been around this Chamber long enough to know that this kind of amendment has great appeal for a great number of Members and so I will not ask for a division, I will not ask for a rollcall and we are delighted to have the $10 million in the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grant program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301) $3,790,000,000, to remain available until September 30, 1982, including not to exceed $96,500,000 for grants and contracts made pursuant to section 107(a) of title I of the Housing and Community Development Act of 1974, as amended: *Provided*, That not to exceed 20 per centum of any grant made pursuant to section 103(a) of title I of the Housing and Community Development Act of 1974, as amended, shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development.

For grants to units of general local government pursuant to section 103(b) of title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $100,000,000, to remain available until September 30, 1982.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 6, strike out line 14 and all that follows through "amended" on line 23 and insert in lieu thereof:

"For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grant program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $3.800,000,000, to remain available until September 30, 1982, including not to exceed $106,500,000 for grants and contracts made pursuant to section 107(a) of which not less than $20,000,000 shall be available only for grants made pursuant to section 106(d)(2)".

Mr. BOLAND. Mr. Chairman, the thrust of this amendment is twofold. In the first place it increases the community development block grant program by $10 million to $3.8 billion, the amount requested. It also adds $10 million to the Secretary's discretionary fund and directs that not less than $20 million of that fund shall be used only to correct funding inadequacies in small metro cities.

Mr. Chairman, the bill reported by the Committee had reduced the Secretary's discretionary fund by $10 million. The accompanying report directed that the reduction be applied to the innovative projects and technical assistance categories. The committee made its recommendations based upon an investigative report critical of the discretionary fund management, especially in the innovative projects area.

The Committee on Banking, Finance and Urban Affairs was completing work on the 1979 housing and community development amendments at the same time the Committee on Appropriations was drafting this bill. The report accompanying the authorization bill also included guidance for the Department concerning the Secretary's discretionary fund. That report instructs the Secretary to use $15 to $20 million of the fund to aid small metro cities shortchanged under the allocation system.

Mr. Chairman, I ask the Members to support the amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

☐ 1130

Mr. COUGHLIN. Mr. Chairman, the minority agrees with the chairman and supports that position.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

URBAN DEVELOPMENT ACTION GRANTS

For grants pursuant to section 103(c) of title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $675,000,000, to remain available until September 30, 1982: *Provided*, That notwithstanding any provision of law to the contrary, the appropriations made pursuant to sections 103(b) and 103(c) of title I of the Housing and Community Development Act of 1974, as amended, shall be available in the full amounts provided.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Maryland will state the point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the language on page 7, lines 9 through 17, inclusive, in that they violate clause 2 of rule XXI in two respects: One is that it is an unauthorized appropriation, there having been no previous enactment of any law authorizing $275 million of the $675 million contained in this section.

Second, the proviso on line 13 running through line 17 constitutes legislation on an appropriation bill, also in violation of clause 2 of rule XXI.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard?

Mr. BOLAND. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded. The point of order is sustained. The paragraph is stricken.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 7, after line 8, insert the following:

URBAN DEVELOPMENT ACTION GRANTS

For grants pursuant to section 103(c) of title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $400,000,000, to remain available until September 30, 1982.

Mr. BOLAND. Mr. Chairman, the effect of this amendment is to bring back the $400 million that is authorized by the Housing Community and Development Act of 1977.

Mr. COUGHLIN. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; and not to exceed $3,000 for official reception and representation expenses, $505,748,000.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 12, line 16, strike "$505,748,000" and insert in place thereof "506,748,000".

Mr. BOLAND. Mr. Chairman, this is a simple amendment. It adds $1 million to the salaries and expense account for travel.

I realize that it is a bit unusual for the committee to amend an appropriation bill for this kind of activity, but I believe the fact we are doing it illustrates how important we feel about this amendment.

The EPA requested $17,800,000 for travel in fiscal year 1980. The committee reduced that request by $3 million. That represents a 20-percent reduction. In my judgment and in the judgment of the subcommittee that cut was too deep, so I ask for support of the amendment.

Mr. COUGHLIN. Mr. Chairman, I rise in reluctant support of the amendment.

Mr. Chairman, I would like to make these points:

The minority reluctantly accepts the amendment. The Environmental Protection Agency requested $17.8 million for fiscal year 1980 travel. This is a constantly growing account; the fiscal year 1980 request was $1.3 million higher than the fiscal year 1979 estimate.

The subcommittee cut $3 million for a level of $14.8 million. This action was accepted by the full Committee. Now, the chairman of the subcommittee—Congressman EDWARD BOLAND—wants to restore $1 million of the $3 million reduction.

The Senate Appropriations Committee investigations staff reported in January 1979 on EPA travel practices which were either questionable or clearly in violation of governmental regulations.

First. Frequent use of personal leave in conjunction with official travel. Shortness of official travel in relation to the leave taken; apparently nonessential nature or vagueness of the stated purpose of the official travel; scheduling of travel over holidays, weekends or peak vacation periods; desirability of destination for vacation purposes; unusual routing or mode of transportation chosen. The question is raised as to whether official travel is being used as a device to travel at governmental expense to a location where leave is planned.

I cite the example of an employee who, in 1976, traveled from Washington, D.C., to Denver and San Francisco for six days and then went on leave for 26 days. This same employee, in 1978, traveled from Washington, D.C. to Hawaii and California for 4 days and then went on leave for 23 days.

Second. Leave used during official travel not reported and/or charged on employee leave record.

I cite the example of an employee who, in 1977, traveled twice to Paris, France, where he took 2 days of leave the first time and 8 days of leave the second. Time and attendance reports for these periods show no leave charged.

Third. "Retreats" for top management conducted outside the Washington area although most of the attendees were from headquarters. EPA regulations require that the costs of alternative meeting sites be calculated and the most economical location selected. Although EPA was unable to provide such analyses, the Senate Investigations Staff found it was much cheaper to hold such meetings in the Washington area due to the larger number of headquarters personnel attending.

I cite the Senate Investigations Staff calculations which put a retreat in Warrenton, Va., at $4,627, with a retreat in Denver, Colo., at $11,772.50.

Fourth. During a 7-month period the "Secretary" to an Assistant Administrator accompanied him on eight trips to senior staff meetings, all but one of which were held at locations where EPA maintains offices and where local secretarial assistance should have been available.

Fifth. Government policy is to schedule official travel during normal work week. Weekend travel per diem claimed with little or no explanation as to why weekend travel necessary.

Sixth. Management weaknesses: Officials approve own travel vouchers, lodging receipts not required for per diem, voucher filing deadline not enforced, personal transportation expenses charged on governmental travel requests and sometimes not fully reimbursed.

I cite the case, in 1978, of an Assistant Administrator who claimed 4 days lodging in Pensacola, Fla., but departed on personal business before the fourth night. The employee's secretary, who accompanied him on the trip and prepared the vouchers explained that it was not possible to return to Washington until Saturday since the meeting concluded after the last flight had departed on Friday. Hence, the rational for claiming the Friday night expense was that it would have been incurred had the Assistant Administrator returned to D.C. on the next available flight on Saturday.

I further cite the case, in 1976, of an employee who traveled to Denver on official business and on to Jackson, Wyo., on leave. In violation of General Accounting Office regulations, the entire transportation was paid by the U.S. Government. On his travel voucher, the employee deducted $12 for the personal portion of his travel. The round trip airfare between Denver and Jackson is $158.

The House Appropriations Committee includes section 401 in the HUD appropriations bill which limits travel in each account to the estimate included in the budget. In prior years, EPA has exceeded the estimates for certain accounts. The Agency did not interpret this as a violation since carryover funds were used and because the total travel limitation was not exceeded. The committee believes the use of carryover funds is questionable and that the committee's intention was clearly to limit travel to the budget estimate. The 1 year availability of funds in the new salaries and expenses account will prohibit future carryover.

Subsequent to subcommittee and full committee action, EPA has done quite a heavy lobbying job to get part of all of the reduction restored. It is regrettable that their efforts were not directed to stopping abuses and reducing travel in general. If this had been the case, these funds would not be needed.

Nobody objects to necessary travel. However, as reported in the press this spring, there is far too much Federal employee travel and no control.

It goes without saying that all EPA travel abuses, either questionable or blatantly illegal, must stop. Reduction in funds should be applied here.

While it is up to EPA to make a pro rata or other type of reduction, the committee expects that cuts will be applied in an equitable and rational manner. Employees "down the line" who actually need to travel should not be excluded from trips because some assistant administrator wants to travel.

Mr. Chairman, in my judgment, at least, the $1 million that we are restoring here is for additional regional travel, and if I might ask the chairman of the subcommittee, I believe this is the intention of the subcommittee.

Mr. BOLAND. The gentleman is correct.

Mr. COUGHLIN. This is for additional regional travel only. It is not to be used for headquarters travel or other travel. This regional travel is that over and above what would have taken place had the $1 million not been restored. We do not want EPA officials reducing the amount budgeted for regional travel at a $14.8 million level just because they have an extra million with which to play.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I will be happy to yield.

Mrs. FENWICK. Mr. Chairman, I am very happy to hear this discussion on the floor, because we have had in committee some of the most extraordinary revelations. Members of the House traveling in the tourist section have seen the agency people traveling in first class between here and Chicago. At other times, airplanes and taxis to get them to the airport have been taken from Baltimore to Washington or from Washington to Baltimore instead of taking the train, which with the time of delay would have been equal.

Are the employees of the Environmental Protection Agency forbidden to take first-class travel, which I think they certainly should?

Mr. COUGHLIN. I believe all the executive branch employees are now forbidden from using first-class travel.

Mrs. FENWICK. Mr. Chairman, if the gentleman would yield further, is there anybody into the budget this big for travel who is responsible for seeing to it that there is no such abuse as insisting on flying by air to Baltimore, instead of taking the train?

Mr. COUGHLIN. I believe that EPA is making a sincere effort at improving their travel situation. It is only on that basis that I agreed to restore $1 of the $3 million cut made in the committee.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

□ 1140

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH AND DEVELOPMENT

For research and development activities, $233,568,000, to remain available until September 30, 1981.

AMENDMENT OFFERED BY MR. AMBRO

Mr. AMBRO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AMBRO: Page 12, lines 18 and 19, strike "For research and development activities, $233,568,000, to remain available until September 30, 1981." and insert in lieu thereof the following: "For research and development activities, $243,568,000, to remain available until September 30, 1981.".

Mr. AMBRO. Mr. Chairman, yesterday in general debate I said that I hold no brief for the $450 million that was cut from the agency's funding by the Committee on Appropriations. The subcommittee of the Committee on Appropriations, as well as the committee, does a magnificent job, and I would assume that most of the cuts are well taken.

I would just like to talk about the $10 million that was cut from the Research and Development of the Environmental Protection Agency.

I would like the Members to consider that on a slow day a regulation writer is sitting in his ivory tower and he looks over a list of contaminants and comes across the word, "tetrachloroethylene." He says, "That sounds terrible, and I think what we ought to do is look into that."

After looking into it, he promulgates a regulation which says, "This would be horrible if someone ingested it as a result of drinking water." The regulation then gets down to the State level, where a State health official dips into a water well and finds that tetrachlororoethylene exceeds 50 parts per billion, and he says to, let us say, the mayor of a city of 25,000 that 5 of his 7 wells should be closed "because we found that one of these industrial organics exists in the water supply."

The mayor is then beside himself. He operates on a balanced budget derived from a regressive property tax. He does not have a contingency fund, and he says to the Environmental Protection Agency, "Tell me, can I isolate this contaminant?" And the Environmental Protection Agency says, "We don't know."

The mayor says, "Tell me, do you have a device that can remove this contaminant?" And the Environmental Protection Agency says, "Well, maybe you can run it through carbon, maybe you can mix it with air, or maybe you can run it through resins. Maybe you can do it, but we really don't know."

The mayor then asks, "Is there a way that you can provide drinking water during the period the wells are closed?" And the Environmental Protection Agency says, "This isn't our problem. It's your problem."

Now, this Nation did not have a line item, "ground water research and development program," before 2 years ago.

What we have done in the Subcommittee on Natural Resources and Environment is this: We looked very carefully at the gap between the regulators and the Office of Research and Development in an attempt to shift the Environmental Protection Agency in the direction of providing information that would result in realistic regulations by the regulation writers and of telling them what the impact of all this is on local municipalities and on the private sector.

For example, the question was never asked as to how much of this water could be ingested safely in terms of threshold levels and immunities in the human body. General intensive epidemological studies were never done with respect to these kinds of contaminants.

So all that the $4 million in this program will provide is a direction for EPA to develop control technology and to develop answers to the questions of human tolerances and human threshold levels.

With respect to the other $6 million in this amendment, the subcommittee of the Committee on Appropriations and the full committee asked the National Academy of Sciences to do a study to determine whether or not the Environmental Protection Agency looks ahead at problems, and NAS said, "One of the things that the Environmental Protection Agency must do is indeed look ahead at problems." So as the result of that, EPA's Office of Research and Development decided to include some money for the assessing of the total impact of all of man's exposures to pollutants; to determine ultimate waste disposal practices; to determine something called intermedia transport or the movement of pollution from one media such as air to another, water; and lastly, to look at something called acid rain.

I do not have time to talk about all the other things which may cause problems, but acid rain is becoming a most severe problem in the United States, not only in the Northeast, where it is most intensive, but in the areas from Vermont to Indiana, from Minnesota to Tennessee, and in California. The problem will increase as we move in the direction of conversion to coal.

The CHAIRMAN. The time of the gentleman from New York (Mr. AMBRO) has expired.

(By unanimous consent, Mr. AMBRO was allowed to proceed for 2 additional minutes.)

Mr. AMBRO. Mr. Chairman, I just want to make this point because I do not think we understand fully the significance of this term, "acid rain." As we burn coal and continue to burn it, there are emissions of sulfur oxides and nitrogens oxides which combine and result in the laying on of materials in streams, estuaries, ponds, and lakes.

We are turning up with fish kills in Minnesota, and someone may say, "The hell with the fish." That may be, but we are turning up information that this acid rain is resting on plants and crops and trees, diminishing the photosynthesis process and undermining our forests, our agricultural products, and our plants.

The problem is most serious. And for a change, EPA says, "Let's anticipate the problem. Let's look at it in advance and not after we have a horrendous situation in this country."

So the subcommittee added $6 million to this already modest program. All this amendment attempts to do is to restore something that the Committee on Appropriations itself knows about and asked for, so we tried to remove what was called in that report the "crisis of the weak syndrome" in terms of anticipatory research.

That is not a fancy term. It does not permit some "ivory tower Dr. Strangelove" to tinker with things. We are dealing with very real problems in this country, and I make a plea that we restore that $6 million and $4 million, totaling $10 million that this modest, and prudent, amendment seeks to do. The Appropriations Committee's actions, diligence, and hard work are generally laudatory—but this cut is surely "penny wise and pound foolish" and should be turned around.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I want to compliment the gentleman from New York (Mr. AMBRO) on his statement. I think he has undoubtedly dealt with two of the most significant areas of research that the Federal Government engages in and that is supported in this or any other budget.

The CHAIRMAN. The time of the gentleman from New York (Mr. AMBRO) has again expired.

(On request of Mr. BROWN of California, and by unanimous consent, Mr. AMBRO was allowed to proceed for 2 additional minutes.)

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, this matter of anticipatory research is something that was not only recommended by the National Academy of Sciences, as the gentleman pointed out, but the Congress own Office of Technology Assessment, in reviewing the overall research program of the EPA, stressed that this was the area in which the greatest weaknesses existed, and that we were not looking sufficiently into the future to determine the kind of problems that we could expect a year or 3 years or 5 years from now. Instead, we are grappling with the immediate crisis, with the fires that need to be extinguished right now.

So we must try to strengthen this program, which is of fundamental importance if we are to achieve a more satisfactory regulatory program. And I would remind my colleagues that I have found as much fault with EPA's regulatory programs as any Member of Congress.

The other area that the gentleman deals with in his amendment, ground water research, is also very important. All of us are going to be aware within the next few years that this is the next great crisis this country will face. All over the country the great ground water aquifers that provide half of the drinking water of this country are threatened with contamination and with reduction of the amount of water that is available, and we are going to find ourselves in a position where we will have gone so far that we cannot go back and correct the problems that we have caused.

So, Mr. Chairman, I want to compliment the gentleman from New York (Mr. AMBRO) very much on his amendment, and I certainly urge support for it.

□ 1150

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, I am going to associate myself with the comments of the gentleman from New York. I think it is important to recognize the work of our subcommittee on which I serve with the distinguished gentleman as the chairman. We have found that the whole problem of ground water, the water across this country, is in fact a leading problem today. It is going to become even more of a problem.

The other thing I wish to mention is that I think we have discovered over the course of our investigations that EPA regulations are in part a problem because they do not have adequate research behind them.

The CHAIRMAN. The time of the gentleman from New York (Mr. AMBRO) has expired.

(On request of Mr. WALKER and by unanimous consent, Mr. AMBRO was allowed to proceed for 2 additional minutes.)

Mr. WALKER. If there were adequate research behind some of those regulations, it would not cost as much money, it would be more efficient. Businesses and everyone across the country would benefit from the regulations rather than finding themselves victims of the regulations.

Mr. AMBRO. The story that I told at the outset was not a fairy tale. It was a story that actually occurred and that the subcommittee chairman, the gentleman from Massachusetts, addressed last year and in fact helped that city out of its difficulties by providing some money for research to remove those industrial organics.

Throughout the country we are finding contaminants in the form of nitrates, chlorinated hydrocarbons, leaching into the ground water as well as high losses of ground water, thereby diminishing the quantity and affecting the quality of water.

Mr. WALKER. Mr. Chairman, I think the one thing we can find among the American people today is that there is nothing that they hold more sacred, in terms of their health, than their drinking water supplies. If we could provide some of the things that will give them the opportunity to know that the EPA can deal responsibly with the ground water problem through research, I think it is one of the best investments that this Congress can make.

Mr. Chairman, I congratulate the gentleman on his statements.

Mr. AMBRO. Mr. Chairman, I appreciate the gentleman's comments.

Mr. OBERSTAR. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to commend the gentleman from Massachusetts for all of the diligent work that he and his subcommittee have undertaken in addressing themselves to a vast array of demonstrated real needs in many areas of the country and in many areas of the budget over which he has jurisdiction.

In no way do I criticize the work of the subcommittee. It is just that they have been dealing with a Congress in which budget cutting is the guide word, and the gentleman has tried to respond to some extent. But I think the research budget is one of the critical areas which cannot be economized. We are only postponing disaster unless we act now to cope with problems such as acid rain, such as ground water problems, as the gentleman from New York (Mr. AMBRO) has so eloquently already discussed.

Those problems will be visited upon us in great abundance and in greater complexity to future generations of this country. We do not have a right to shortchange future generations of this country.

The Minneapolis Star newspaper reported on the problem of acid rain, in bold, front-page headlines, in a lead story about the research done by the National Environmental Quality Research Laboratory in Duluth, Minn., on the shore of Lake Superior. The lab scientists had conducted an analysis of the lakes of the Boundary Waters Canoe Area, the 1,000 lakes in that northernmost part of my district, and an analysis of the lakes in the Adirondack Mountains. Lab scientists also studied reports on the more than 10,000 lakes in Sweden that are dying because of acid rain, which have no fish in them because of acid rain.

Let us learn a lesson from Sweden, let us learn a lesson from areas of this country which have already experienced extensive air and water pollution, severely reducing the quality of life.

A year or so ago, a report by the U.S. Forest Service caused great alarm for the people in the northern part of my State, in fact for people all over the country, who come to the Boundary Waters Canoe Area, which most of the Members in this Chamber voted to put in wilderness last year because of its pristine beauty. Well, that pristine beauty you wanted to protect is threatened by acid-rain and by the discovery of mercury in fish in toxic amounts. People were warned not to eat the most beautiful delicacy in all of this land, the walleyed pike, because it contained mercury. The scientists were mystified by this discovery, because there are no industries in this wilderness to discharge mercury into the air or water. The mercury is not coming from motors and gasoline because there are none in that area. We found that the acid rain changed the pH of the lakes so as to activate inactive elements in that water and increase the mercury level naturally present in the water without any active discharge of mercury to the environment. It was identified as methyl mercury, the most dangerous form, highly toxic in even small amounts. Generally we have had no problem with mercury in any of the Great Lakes or any of these glaciated lakes, as they are called, the lakes that were formed by the glacier, because they have little or no bottom growth.

In fact, they are so pure, because of the lack of plant growth in them, that the fish production is very low. Fish production for lakes in a more advanced state of eutrophication in southern Minnesota yield over 40 pounds of fish per acre, while the glaciated lakes of northern Minnesota yield only an estimated 10 pounds of fish per acre. They may yield a few more pounds of fish as pollution occurs, as bottom growth increases, stimulated by acid rain; but then the higher mercury level will kill the fish and it will be killing the lakes.

Now is the time to begin the research work, to look ahead just a little over the horizon. We are not asking to go to the moon, merely to look just a little over the horizon, to protect the lakes while we have a chance to do it. The natural buffering capacity of those waters, those pristine lakes, the boundary waters in northern Minnesota, Montana, in Canada, can accept and neutralize a certain amount of acid, and they do each year. But the EPT scientists at the Duluth lab estimate that 50 percent of 1,000 Boundary Water Canoe Area lakes are endangered by acid rain, and 5 percent of the lakes have already suffered irreversible acid rain damage.

That damage, I might say, is not confined to water. Lichens account for 5 percent of the total forest cover of the Boundary Water Canoe Area and lichens are highly sensitive to acid rain. An estimated 10 to 12 kilograms of SO_2 per hectare per year is coming into the Boundary Water Canoe Area, most of it during the winter months, when it is highly concentrated with the snow and sharply increases the acid content of the lakes during the spring snowmelt. It takes all summer to flush out that excess acidity.

The question is: How much acid remains, what is the remaining buffering capacity of the lakes, where does the acid go when it is flushed out with the melt and summer rains? We do not know, but we need to know the answers to these and other fundamental environmental questions. This amendment will enable the scientific community to do the basic and applied research necessary to find answers and devise solutions.

Nor is the acid rain phenomenon unique to the upper midwest, where the average pH of rainfall has dropped from a normal 5.6 to 4.5. The Adirondak mountain lakes, nearly 1,000 miles to the east, are also experiencing increased acidity and a decline in fish population.

Mr. Chairman and colleagues, the money we spend now on anticipatory research is an investment in our future well-being. It will bring long-term savings to the American taxpayer. It will reduce the future cost of pollution abatement and control.

The Nation is going to require the use of greater amounts of coal for energy production now is the time to identify and deal with the potential problems associated with predictable increases in acid rain from higher SO_2 emissions from greater, more extensive use of coal.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(By unanimous consent, Mr. OBERSTAR was allowed to proceed for 1 additional minute.)

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New York.

Mr. AMBRO. I thank the gentleman very much for putting this in context, in terms of the reality of the situation. The gentleman mentioned "the advanced state of eutrophication." The advanced state of eutrophication comes, primarily, from the emissions of phosphates into the wet water areas, increasing the foliage and diminishing the oxygen available to that whole huge chain of fish and fin fish, and the likes. If we knew what phosphates do, as a result of women using this in their dishwashers and the like, we could have anticipated the problem and could have taken remedial action. We did not know it in advance. There was no anticipatory research, as it were, on this problem, and we continue to dump phosphates in our waterways and streams and ponds and what have you.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the distinguished gentleman from New York.

Mr. Chairman, I appreciate the arguments that have been advanced by the gentleman from New York, who is now the chairman of the Subcommittee on Natural Resources and Environment, and buttressed by the former subcommittee chairman, the gentleman from California (Mr. BROWN), and, of course, by my friend, the gentleman from Minnesota (Mr. OBERSTAR).

The gentleman's amendment is a $10 million amendment added to research and development, including $6 million for anticipatory research and $4 million, above the budget, for ground water research.

The Committee has recommended $2.5 million for this program. That is the budget request. That is only a fraction, though, of the Federal effort. The EPA budget complements the considerable ground water research supported by other Federal agencies. The 1980 EPA plan will concentrate on developing a data base for regulatory decisions to protect underground sources of drinking water. Added to this is research devoted to understanding organics and various movements in the underground environment, as the gentleman from New York has indicated.

Let us examine what some other Federal agencies are doing in ground water research. The U.S. Geological Survey in the Department of the Interior is clearly the leader.

□ 1200

In 1980, the request for the USGS's national water data system is $48 million. The better part of those funds is for groundwater research. There is a plan for measurement of pumping or movement at 5,000 groundwater sites, water quality analysis at 200 ground water sites, research on trace metals, organic substances, and toxic waste and water. Also, $14.8 million would be devoted to regional aquifer systems analysis. This program develops information on the quantity and quality of groundwater in six regional systems; $5,100,000 is targeted for core program hydrologic research. This program predicts the movement of natural and radioactive pollutants in ground and surface water; $2.5 million is earmarked for groundwater research and subsurface waste storage. This research is intended to determine the chemical changes that occur when wastes are stored underground or when aquifers are artificially recharged.

Mr. Chairman, the current groundwater research efforts of the Federal Government—performed primarily by the U.S. Geological Survey, the Department of Agriculture and the Environmental Protection Agency—are comprehensive. Much of the research performed by the Geological Survey involves aquifers and contamination of groundwater, which are the areas the gentleman from New York and the gentleman from California and the gentleman from Minnesota are most interested in.

The point is that the different media and sub-media of EPA are authorized in a dozen congressional subcommittees. Other agencies are authorized in other subcommittees. I wonder if that does not lead to some significant programmatic duplication. Everyone always says, "Don't worry. It is all coordinated." I doubt it. We are already spending tens of millions of dollars on groundwater research. I do not think another $4 million above the budget is needed.

I urge that the amendment of the gentleman from New York be defeated.

Let me now turn to anticipatory research. The gentleman wants to add $6 million for anticipatory research.

Mr. Chairman, let us take a close look at anticipatory research. I know it sounds pretty persuasive to say, let us anticipate the problems. Let us look ahead somewhere. Let us look down the road some years to determine what is going to happen. Let us try to get a judgment now on what is going to happen in the future. That is anticipatory research, anticipating events or problems that might occur.

What does the report from the gentleman's committee, the Science and Technology Committee, say about anticipatory research? The report accompanying the 1980 EPA research and development authorization bill states that, "The anticipatory program is still amorphous." And it adds, "For example, the acid rain program is terribly important, as is the cancer assessment program." In both cases, there are problems that are serious now, and "no anticipation is necessary."

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. BOLAND) has expired.

(By unanimous consent, Mr. BOLAND was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. Mr. Chairman, the report also questions why certain efforts are included in anticipatory research instead of in the regular research programs. It observes:

> The cancer assessment program would seem to fit into the interdisciplinary health and ecological effects program, while most of the acid rain work could fit into the air or water programs.

This committee completely agrees with that analysis. The decisions to include a program in the anticipatory area or elsewhere often appear arbitrary. For example, ground water research is included both in the anticipatory and the drinking water programs. In addition, other Government agencies spend millions annually for ground water research.

We carry in this bill, Mr. Chairman, $10 million for anticipatory research. We carry in the bill $2.5 million of ground water research, the amount requested by the EPA. That, in my judgment, is sufficient to carry these programs on anticipatory research and groundwater research forward in a very sensible way.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. BOLAND) has expired.

Mr. COUGHLIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the chairman of the subcommittee, the gentleman from Massachusetts (Mr. BOLAND), has very ably pointed out that research in this area is not carried on just by the Environmental Protection Agency. Indeed, it is carried on by many other agencies of this Government, which are spending very substantial funds in this area.

Let me say that I could not agree more with my colleague, the gentleman from Pennsylvania (Mr. WALKER). I have been one of those on the subcommittee who has time and again said to EPA that "you should base your regulations on better research, that you shouldn't be issuing regulations until you have had adequate research and that adequate research is important."

And yet, at the same time, we do not get either adequate research or adequate regulations by simply throwing money at the problem. That is what Congress has done in the past years with the research and development effort at the Environmental Protection Agency.

We have thrown money at them only to let them fly by the seat of their pants.

Recently, as a result of a cross-agency, zero-based budget exercise, money has been shifted from other governmental agencies to EPA R. & D. for public health initiative work.

This is a significant increase in the funding for EPA research and development. However, the Environmental Protection Agency can only absorb so much new work in this area, and simply by piling more dollars into this particular agency with its particular capabilities at the present time is not going to solve the problem.

I urge defeat of the amendment.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I realize that the gentleman is trying to say that just throwing money at a problem is not going to solve it. That is often the argument made against increasing budgets, but research on complicated chemical and physical chemistry problems takes people; you need scientists to go out and do this work. We have to pay them a decent salary. That is really what we are talking about is a modestly adequate budget for scientists who can conduct the research necessary to get us ahead of the state of the art of the problems.

Our Canadian neighbors are planning to build a massive powerplant just north of my district. They have built numbers of other powerplants elsewhere in Canada. They do not have the same air quality control requirements that we have in this country. The prevailing winds bring sulfur dioxide from more plants southeasterly, where it combines with rain and pours down on the lakes in my district in the form of sulfurous acid and goes on to the other areas of the Great Lakes.

It takes scientists to analyze the present condition of the lakes and the future effects of SO_2 rain. How much of a buffering capability is there in the lakes now to accept some of that acid rain?

We will not be wasting money with this amendment. If you would talk to the scientists in the EPA research laboratories, would see that they are frustrated by the inability to get more than just a millimeter ahead of the problems.

Mr. COUGHLIN. If I may have my time back, even with the cut, there would be a 15-percent increase in the anticipatory research program. Far from being cut back, we are providing an increase. However, EPA can only hire scientists, and have them apply their talents to a problem, so fast.

It seems to me that a 15-percent rate of growth is about all EPA can handle and handle it well and spend the money wisely.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I would say to my colleague in response to some of his comments, it recently came to my attention in reading an article in a popular magazine that the problem of acid rain is one that is worldwide. The outflow of industrial activity in the Ruhr, for example, is causing problems in Sweden, in Norway, and also industrial activity in Great Britain, so it is not a problem that is just peculiar to the United States; but should it be solved here, it will have benefits for the entire world, because wherever coal is burned in large amounts, this phenomena takes place. It is destroying many of the old buildings, the Cathedral in Cologne for example, the fine art work on the outside is being solely etched away by sulfuric acid which is the byproduct of acid rain.

□ 1310

It is a most important product and I wanted to make this statement for the RECORD. I agree with my colleague.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. COUGHLIN was allowed to proceed for 1 additional minute.)

Mr. HILLIS. If the gentleman will continue to yield, it would be foolish to throw excessive amounts of money away. But I do think it is a problem that really seriously needs addressing.

I think 15 percent is a good rate.

Mr. COUGHLIN. I yield back the balance of my time.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my respect for the chairman of this subcommittee and the ranking minority member are without bounds. They have done a detailed and diligent job every year on the matters committed to their care in this subcommittee. Frankly, I sometimes wonder how they do such a consistently excellent job year after year in maintaining the health of the programs within their jurisdiction, yet at the same time responding properly to the many pressures which confront them.

Yet, having said this with all sincerity, I think there are occasions, and these occasions are rare, when the subcommittee may not have received the full scope of information, may not have had the same opportunity to go into the depths of programs as some of the authorizing committees may have been able to do. I think this may be a case in point where absolutely critical programs which are in their infancy are being treated not without regard, but without an adequate recognition of their emerging importance. This is the point that I would like to make.

For example, on the ground water situation the chairman is quite correct: the U.S. Geological Survey does ground water research as well as a lot of other work, as does the Corps of Engineers and the Department of Agriculture. But the bulk of the work done in this area deals basically with the quantitative aspects of water resources. The U.S. Geological Survey is the basic national repository of information as to the quantity of water, both the surface waters and the ground waters, and it has done a great deal of research in this area. But only within the last 2 or 3 years has there developed an awareness of the fact that it is not only quantity of surface and ground water that is important but it is what is happening to this vast reservoir of the Nation's most vital resource. How is it moving in the underground? What is happening to the quality of that water? What kind of contaminants are getting into it, how long do they last, what kind of transformations do they undergo? A review done within our subcommittee over the last 2 years indicates that while this resource—the reservoirs of ground water—accounts for half of the drinking water supply of this country, it accounts for possibly only 5 or 10 percent of the research that is being done on water. Ninety percent of the research is going to surface water and what is happening to it, and maybe only 5 or 10 percent is going to this vital ground water supply on which half of the people of this country depend for an adequate supply of drinking water.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I will be happy to yield to my good friend.

Mr. AMBRO. I listened intently to the remarks of the distinguished subcommittee chairman. I think one has to say in rebuttal that our Science and Technology Subcommittee that wrote that report was pushing for good management.

Now, just because the EPA decided to put the acid rain program in anticipatory is not reason, therefore, since we are trying to do something about it, to gut the whole program by removing this money. It was their decision, not ours.

The President's science adviser asked for the restoration of these funds, and it seems to me the whole House supported this whole funding concept by voting unanimously for the authorization bill way back in March. So I would just like to make those points for the RECORD and I thank my friend.

Mr. BROWN of California. I appreciate the gentleman's contribution.

Mr. WATKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first I would like to commend the chairman of this subcommittee, Mr. BOLAND, and his committee for the outstanding work they have done in preparation of this bill. I would like to stand in support of the amendment of adding the additional dollars on, I think, a very important piece of research that has to be done in order to meet the needs of the water quality demands of this Nation.

I do not want to be overdramatic, but I would like to say, hopefully in a dramatic way, that many people who felt the Three Mile Island problem was a tragic and a calamity situation confronting our country, something that would probably be even worse will happen and occur probably in a very short few years for many of our populated communities of this country that depend upon their water coming from the underground aquifers. The fact is that many of the aquifers are becoming contaminated, and when that occurs these people will have to move very hastily and very rapidly because they will not have drinking water for their communities.

I think it is important for us as we look at the scientific work to realize that it is not something that can be done overnight, but it must be done on a long-range basis. I have talked to a lot of scientists that deal with groundwater research, and if the information I have received from them is correct and factual, I think it behooves this Congress to try to place a little additional investment into looking into these aquifers to make sure that our citizens are protected.

I know you have heard from the east coast and the west coast and now you are hearing from mid-America. I think we all recognize this is a very important area of water research that has been overlooked in the past. There is 20 times more water, according to scientists, underneath the ground than surface water on top.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes, I yield to my friend from Oregon.

Mr. AuCOIN. I appreciate the gentleman's remarks and I want to associate myself with his remarks. I rise in support of the amendment offered by the gentleman from New York.

This amendment is of particular importance to the Environmental Protection Agency's Corvallis Environmental Research Laboratory, which is in Oregon's First Congressional District, the district I represent.

The gentleman's amendment would augment research by the Corvallis Laboratory in two important areas with national significance. The first area is acid rain research. When rainwater comes in contact with smog and other atmospheric pollutants, chemical reactions produce sulphuric acid. The Corvallis Laboratory's research is aimed at identifying the effects of acid rain on aquatic ecosystems, on soil chemistry, on buildings and monuments, and on crops and forest productivity.

It is obvious that the fruits of this research extend far beyond the First Congressional District.

The second research project is no less broad in its implications. This is a proposed terrestrial ecosystem monitoring program. The project would be patterned after the EPA's successful mussel watch program, in which mussels and certain shellfish are collected regularly from U.S. coastal waters and analyzed for internal buildups of heavy metals, PCB's, pesticides, and other manmade contaminants in order to forecast possible environmental problems.

Under the pilot program the Corvallis Laboratory has proposed a similar environmental early warning system would be established using selected terrestrial life forms such as the English sparrow or the European startling. Their range is virtually the whole United States. A network of monitoring points around the country would be established and regular sampling and laboratory analysis initiated.

Data from the sampling program would enable scientists to identify environmental "hot spots," or regions with possible environmental problems, early on.

I would like to remind my colleagues that the EPA's research programs in groundwater contamination and ecosystem monitoring reflect concerns that have been expressed by the Office of Technology Assessment as well as the National Academy of Science that there is a need for the EPA to expand its long-range search activities.

Without such research, the EPA is prevented from exercising national scientific leadership on environmental issues. The agency's ability to contribute to the analysis of long-range concerns is eroded if it is confined to research involving short-term problems. It becomes nearsighted.

I agree with National Academy of Science that an important function of EPA research laboratories such as the one in Corvallis should be to anticipate, investigate, and contribute to the understanding of the environmental consequences of decisions that confront Government on energy, transportation, agriculture, and industrial production, to name just a few.

With many of my colleagues, I am very concerned with controlling the size of the budget. But I believe that the funds for the EPA's long-range research program are a good investment. They will pay large dividends in strengthening our scientific base of information and improving the quality of future decisions on protecting the environment.

I commend the gentleman for offering the amendment and urge my colleagues to support it.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes; I yield to my friend from New York.

Mr. AMBRO. I think one thing is important to say here. While the U.S. Coast Guard, as was pointed out by my distinguished friend from California, deals with quantitative matters, there is no other mandate among Federal agencies to develop control technology, to remove contaminants once they have been identified. And the EPA is identifying these in inordinate numbers each year.

□ 1220

If we get up to the 43,000 we know about, why, my God, we will not be able to turn a tap in the United States without the EPA saying, "You have got to cut down all the wells in the country," so we do not know how to remove new devices, contraptions, or technology, the kind of contaminants that they continue to find.

Mr. WATKINS. I appreciate my colleague bringing this point to light, because today there are a number of scientists who say all we can do is abandon the water. The gentlemen from New York is correct. There must be an alternative to abandoning water aquifers. They say it can no longer be used, just as we used to do for our individual wells for our homes, and we must provide the research to protect the quality of water for our people.

So, in order to protect these large locations that depend upon the aquifer or underground water for their water supply, I think it is essential to go in this direction with underground research.

Mr. Chairman, I appreciate this opportunity to say these few words.

Mr. ALBOSTA. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I come from the State of Michigan, and we have more shoreline on the Great Lakes than anyone else from any other State. I believe that it is important to have clean water. It is important to have clean ground water to drink, and I believe that it is very necessary to have the EPA continue with the viable program for which, I believe, there is sufficient funding within the program that is proposed by this committee. I would also like to point out to the Members that I have a chemical company in my area that is going to be shut down if we cannot do something about the standards for burning coal. There are 7,000 employees at that company, and I think it is very important that we do things that are reasonable and sensible, and that we find a medium, somewhere here so that we do not force these companies to close down.

If they are forced to go to oil, they will burn 13,000 barrels of oil a day to operate that plant. If they do not, and they are allowed to continue the operation of that plant, 13,000 barrels of oil a day will be saved.

Mr. Chairman, there was an editorial in the Washington Post on June 12, and it reads:

> THE FAST WAY TO MORE FUEL
>
> The fastest and most direct way to expand American energy supplies is to begin, forcefully, to shift oil-burning power plants to coal. That strategy is second only to conservation in the speed with which it could make a real difference in a tightening fuel shortage. Making synthetic fuels out of coal is very much worth doing, for the long term, but synthetics can't contribute much before the late 1980s. In contrast, burning more coal to generate power could free perhaps 1 million barrels of oil a day—the equivalent of the present national oil shortage—within five years. The coal strategy is an obvious choice, but it has been proceeding very slowly. Why?
>
> One reason is uncertainty over environmental rules. Congress intended to rewrite the Clean Air Act in 1977, but got bogged down in a long quarrel that lasted until late 1978. Then the new law left the key decision on power plant standards to the Environmental Protection Agency, and the final ruling appeared only this month. Perhaps these delays were inevitable. Coal smoke is toxic, and requires careful regulation. But during that long debate, the utilities had no way of knowing what it would cost to use coal. That was a powerful incentive to avoid any great commitment to it.
>
> But economic uncertainty has also slowed progress. To the great surprise of the utilities, the country's consumption of electric power is no longer rising as fast as it used to. That's conservation of the most useful and beneficial kind. But, with demand far below their expectations and a recession probably coming, the utilities have grown more cautious than ever about embracing large construction programs.
>
> At this point, the government has to end the uncertainty. It has to tell the utilities that it will be in their own interest, as well as the nation's, for them to move rapidly and steadily toward greater use of coal. Tax cuts and other subsidies on a substantial scale would be justified to get a fast response. Coal generates about 44 percent of the country's electricity, compared with 17 percent for oil and 14 percent for natural gas. (The rest is nuclear and hydroelectric power.)
>
> Public policy now needs to push hard to replace that oil and gas with coal, by converting those oil- and gas-fired plants that are capable of it, and by buying the rest into early retirement. It will take a lot of money, both public and private. But when you consider the costs of severe and repeated oil shortages and disruptions, the price of coal conversion begins to seem entirely reasonable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. AMBRO).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. AMBRO. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1230

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from New York (Mr. AMBRO) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 129, noes 237, not voting 68, as follows:

[Roll No. 275]

AYES—129

Ambro
Anderson, Calif.
Anthony
Aspin
AuCoin
Bailey
Barnes
Beilenson
Bereuter
Bethune
Blanchard
Bonior
Bonker
Bowen
Brodhead
Brown, Calif.
Buchanan
Burton, John
Carney
Carr
Carter
Cavanaugh
Cheney
Clay
Clinger
Collins, Ill.
de la Garza
Dellums
Diggs
Dodd
Dornan
Dougherty
Downey
Eckhardt
Edwards, Okla.
Erdahl
Erlenborn
Ertel
Evans, Del.
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Gore
Gradison
Gray
Green
Hammerschmidt
Harkin
Hawkins
Heckler
Hightower
Hillis
Hollenbeck
Holtzman
Hughes
Jeffords
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, La.
Leland
Lent
Levitas
Lloyd
Long, Md.
Lundine
McCloskey
Markey
Matsui
Miller, Calif.
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Nowak
Oakar
Oberstar
Ottinger
Pease
Pepper
Petri
Rangel
Rinaldo
Roe
Rosenthal
Roybal
Russo
Scheuer
Schroeder
Seiberling
Shannon
Solarz
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauke
Udall
Vander Jagt
Vanik
Walgren
Walker
Watkins
Weaver
Weiss
White
Wilson, Tex.
Wirth
Wolff
Wolpe
Wydler
Yatron
Young, Mo.

NOES—237

Abdnor
Akaka
Albosta
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bevill
Biaggi
Boland
Boner
Bouquard
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Burgener
Burlison
Butler
Byron
Campbell
Chappell
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
Derrick
Derwinski
Devine
Dicks
Donnelly
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Emery
English
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fountain
Fowler
Gaydos
Gephardt
Glickman
Goodling
Gramm
Grassley
Gudger
Guyer
Hagedorn
Hall, Tex.

Hamilton
Hance
Hanley
Harris
Harsha
Heftel
Hinson
Holland
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Kindness
Kramer
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lewis
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDonald
McHugh
McKay
McKinney
Madigan
Marriott
Mattox

Mavroules
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Obey
Panetta
Pashayan
Patten
Paul
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Runnels

Sabo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stump
Symms
Taylor
Thomas
Thompson
Traxler
Trible
Van Deerlin
Volkmer
Wampler
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wright
Wyatt
Yates
Young, Fla.
Zablocki

NOT VOTING—68

Addabbo
Alexander
Anderson, Ill.
Ashley
Bedell
Bingham
Boggs
Bolling
Broyhill
Burton, Phillip
Chisholm
Clausen
Cleveland
Conyers
Daschle
Deckard
Dickinson
Dingell
Dixon
Drinan
Edgar
Fazio
Ferraro

Flood
Forsythe
Frenzel
Fuqua
Garcia
Giaimo
Gibbons
Grisham
Guarini
Hall, Ohio
Hansen
Hefner
Howard
Johnson, Colo.
Kelly
Livingston
McDade
McEwen
Maguire
Marks
Marlenee
Martin
Mathis

Mazzoli
Mikva
Moorhead, Pa.
Murphy, N.Y.
Nolan
Patterson
Quayle
Quillen
Richmond
Rodino
Rudd
Simon
Staggers
Treen
Ullman
Vento
Waxman
Williams, Mont.
Williams, Ohio
Wylie
Young, Alaska
Zeferetti

□ 1250

The Clerk announced the following pairs:

Mr. Addabbo for, with Mrs. Boggs against.
Mr. Richmond for, with Mr. Flood against.
Ms. Ferraro for, with Mr. Cleveland against.
Mr. Guarini for, with Mr. Deckard against.
Mr. Vento for, with Mr. Grisham against.
Mr. Zeferetti for, with Mr. Kelly against.

Mrs. Chisholm for, with Mr. Livingston against.

Mr. Fazio for, with Mr. Quillen against.

Mr. Bingham for, with Mr. Young of Alaska against.

Mr. Conyers for, with Mr. Rudd against.

Mr. Murphy of New York for, with Mr. Hansen against.

Mr. Williams of Ohio for, with Mr. Staggers against.

Mr. Marks for, with Mr. Dingell against.

Mr. EDWARDS of Oklahoma changed his vote from "no" to "aye."

Mrs. FENWICK and Mr. RITTER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. LA FALCE

Mr. LAFALCE. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. LAFALCE: Page 12, line 18, strike "233,568,000" and substitute in lieu thereof "$243,568,000"

Page 12, line 22, before the period insert: ", and for carrying out section 504 of the Federal Water Pollution Control Act, $10,000-000, to remain available until September 30, 1981".

Mr. LAFALCE. Mr. Chairman, on August 2, 1978, the New York State Commissioner of the Department of Health declared a health emergency to exist within the 36th Congressional District of New York State. The declaration of that emergency immediately led to the removal of some 240 families. There was a closing of the nearby school and, subsequently, in February of 1979, a further finding and a further order resulting in the removal of about another 50 families.

It also began, Mr. Chairman, a new era, an era in which we became conscious of the health hazards associated with dangerous chemical wastes that had been abandoned and dumped 20 to 25 years ago and that were now rising to the surface injuring human health and physical property.

Mr. Chairman, in a sense what transpired in the Love Canal section of Niagara Falls was an explosion of a time bomb that had been ticking for some 20 or 25 years. That exploded and we discovered there was an unusually high incidence of birth defects, of miscarriages, of nervous breakdowns, of human disease and illness associated with human exposure to toxic substances.

It has been estimated by the Environmental Protection Agency that there are thousands of such ticking time bombs across this country waiting to go off and explode in our faces.

I anticipated this explosion in August of 1978 for over a year, and for that year, from the summer of 1977 until August of 1978 I searched for a means of bringing about a Federal governmental response to cope with what I knew was going to be an emergency situation. I did find an existing statutory authority. I did find section 504 of the Clean Air Act. I did find section 8001 of RECRA, the Research, Conservation and Recovery Act; but Mr. Chairman, regrettably, although those sections had been authorized, until that point in time not one penny had ever been appropriated under them. There was no money in the pot to deal with the emergency that arose.

From August 2, 1978, to the present, the American public has become concious of the tremendous danger that exists across this land. Therefore, Congressmen have become aware of horrible situations that exist within their congressional districts and the administration has been working on a comprehensive plan, a comprehensive framework to deal with this situation.

Indeed, last Wednesday, President Carter himself unfolded the administration's response to this situation. It involves a superfund consisting, over a period of 4 years, of almost $2 billion. This is a far cry from the $6 billion that EPA had asked OMB to approve about a month earlier or so; but in any event, the administration saw fit to advance a proposal that will deal with the problem in a comprehensive way, amounting in total to almost $2 billion.

Now, what is the problem? The problem is that it is going to take years before we are going to get that program enacted into law, the regulations promulgated, the money appropriated, the fees collected, the framework implemented.

□ 1300

And what do we do between now and then? We have the same situation that existed from the summer of 1977 to August of 1978. We have two statutes on the books for which there are authorizations to deal with the problem, admittedly not in a comprehensive way but in an ad hoc fashion, but we have no money in the pot.

What I am proposing is a very modest funding of the existing mechanisms to deal with emergency situations. RECRA, in section 8001(a) has an authorization for $35 million, and I would fund it with $10 million.

The CHAIRMAN. The time of the gentleman from New York (Mr. LAFALCE) has expired.

(By unanimous consent, Mr. LAFALCE was allowed to proceed for 1 additional minute.)

Mr. LAFALCE. Mr. Chairman, I ask for $10 million to fund section 8001(a) of RECRA to provide a demonstration program so that the EPA could go in and provide an immediate response to a dangerous situation, and I ask for $10 million under section 504 of the Clean Water Act, which would enable EPA to exert its emergency powers specifically authorized by that section.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate my friend's yielding, and I want to join with him in his efforts.

I have been working with my colleagues from western New York, Mr. LAFALCE and Mr. NOWAK, since the Love Canal tragedy was first discovered, to obtain significant Federal support for the cleanup of toxic waste sites and for the prevention of similar tragedies in the future.

The amendments before us today would provide a long-overdue first step in providing the kind of Federal assistance that is crucially needed in western New York and in the thousands of other communities around the country that have since been identified as deadly poisonous sites. In these amendments, $10 million would be provided to implement section 8001 of the Resource Conservation and Recovery Act to enable EPA to finance demonstration projects to develop the technology needed to cope with existing hazardous waste landfill sites, and to develop an expert research facility to prevent these disasters in the future. The second program which I propose funding at $10 million for fiscal year 1980 is section 504 of the Clean Water Act. This program provides for "assistance in emergencies" caused by toxic wastes such as were discovered at Love Canal.

Mr. Chairman, since Love Canal was first discovered, the problem of toxic and hazardous wastes has increased dramatically. The June 8, 1979, Buffalo Evening News revealed that "fully 40 percent of the known dumps in (New York State) that are suspected of containing toxic chemical material are located in western New York, according to State agencies." The News listed 60 separate sites in Erie County alone which pose a considerable threat to my constituents.

This is a serious situation where literally the survival of a poison-free environment is at stake. Our environment—our air, water, and land—is too precious to jeopardize because of short-sighted policies which are indifferent to the severity of this problem. Western New York has been especially hard hit in a very short timespan with threats to the health and safety of its citizens from both numerous toxic waste dumps and a potentially dangreous radioactive waste site at West Valley, N.Y. I have fought for the millions of dollars that are needed to begin the cleanup of the radioactive site at West Valley for the future of our children; this vote is equally as crucial to the future of children all across the country. Of all environmental efforts that this body will address this year, this vote to begin to avert the danger of fatal contamination from toxic wastes must be the most critical.

Mr. Chairman, I have been pleased to join with my colleagues, the gentlemen from New York (Mr. LaFalce and Mr. Nowak), and in this effort, I rise in support of the amendments.

Mr. LaFALCE. Mr. Chairman, I thank the gentleman from New York (Mr. Kemp).

Mr. NOWAK. Mr. Chairman, I rise in support of the amendments.

Mr. Chairman. In seeking solutions to the complex problems involved with hazardous waste cleanup and disposal, we simply cannot ignore the need for adequate research and development. Unfortunately, our Nation's awareness of the pervasive danger of these contaminants in our environment has only recently become fully developed with the onset of severe hazardous waste disposal problems.

As a result, we are now faced with the disastrous consequences of years of neglect, with very little understanding of how to cope with these toxic disposal and cleanup problems.

But just because we are now playing catchup with a problem of this magnitude does not mean that long-range and short-term solutions cannot be developed simultaneously. But we need to direct financial resources into such an effort.

I am convinced of the need for EPA to play a key role in the development of demonstrated technology to deal responsibly with hazardous materials cleanup and disposal and urge adoption of the amendment.

Mr. Chairman, I rise also in support of the second amendment offered by the gentleman from New York (Mr. LaFalce).

Mr. Chairman, for the first time, this amendment would provide Federal funding for the standby authority of section 504 of the 1977 Clean Water Act. This would enable the Environmental Protection Agency to provide expeditious assistance in dealing with environmental emergencies endangering the public health or welfare.

The Love Canal tragedy—a tragedy of enormous human and environmental dimensions—has served to alert our Nation to the breadth of the problem we are confronting because of our haphazard disposal of hazardous wastes.

Certainly, Love Canal was a major impetus in the creation of the proposed $1.6 billion superfund outlined last week by the administration to deal with the hazardous waste problem.

Hundreds of other potentially dangerous—many abandoned—toxic waste disposal sites have been identified by EPA—not only in New York but in New Jersey, Kentucky, Michigan, and elsewhere.

Many of these have been described as "ticking time bombs" that could explode into other Love Canals.

The superfund proposal outlined by EPA last week is a complicated one. While I commend the administration for taking this initiative, we cannot predict when this superfund will be enacted. Since we recognize the potential hazards and the potential for environmental emergencies posed by existing toxic waste sites, it is only prudent to provide the funding needed to arm the standby weapon that exists in section 504 of the Clean Water Act.

Mr. Chairman, I also want to commend the gentleman from New York (Mr. LaFalce) for his tireless efforts to bring the focus of Congress on this problem. I think he has made a tremendous forward movement in bringing this information to us and working with the administration and the committees in Congress, including the Committee on Public Works and Transportation on which I serve.

The superfund which the gentleman mentioned, and correctly so, probably will not be able to get into these problems for a couple of years at least. If we do not act now, I think we are putting ourselves in a very very bad position. With the passage of these two amendments we are considering en bloc, I feel very sure that we will be able to bring forth a bill, a superfund bill, with a lot more direct knowledge of the treatment and disposal of these toxic wastes.

So again, Mr. Chairman, I urge this committee and the Congress to pass these two amendments.

Mr. CLINGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendments offered by my colleague, the gentleman from New York (Mr. LaFalce), for cleanup of hazardous waste sites.

I want to commend the gentleman for bringing these amendments to the floor and for making us all aware of the nature and extent of this problem.

In my district, the town of Youngsville, Pa., is threatened by the storage of about 27,000 gallons of PCB oils. These 27,000 gallons are stored directly across the street from the only source of water for this community of 3,000 people. I have visited the site where this highly toxic and carcinogenic substance is stored in a dilapidated warehouse across the street from the town's water wells. While efforts are proceeding to have this facility upgraded, this will only provide a short-term solution prior to the eventual disposal of the PCB oils.

Last week, in an effort to focus attention on the importance of providing for the removal of this hazardous waste, I met with representatives of the EPA and of the Commonwealth of Pennsylvania's Department of Environmental Resources. The meeting was productive, but I found to my dismay that the situation cannot be quickly resolved or perhaps even resolved at all.

As government policies currently stand, as the gentleman from New York (Mr. LaFalce) has pointed out, there are just no funds available for disposing of this kind of highly toxic material.

I am frankly appalled at OMB's irresponsible opposition to the appropriation of funds for this purpose. I am sure that I am not unique in this respect, and that there are many similar situations that exist in America, in communities throughout this country.

Mr. Chairman, I wonder if I might ask the proponent of this amendment if he could elaborate to some extent on the national scope of the hazardous waste site problem.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from New York.

Mr. LaFALCE. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. Clinger) for supporting the amendments.

So far as the national scope of the problem is concerned, wherever there has been dumping of chemical wastes there is a possibility of serious difficulties arising in the future. The Environmental Protection Agency has done a preliminary study, and they tell us that virtually every single State among the 50 States has a ticking time bomb in existence. As I said, they estimated that there are perhaps 1,000 or 2,000 such ticking time bombs similar to the Love Canal bomb that exploded in my district, which is probably the best known nationally or internationally right now.

Additionally, we are finding new situations that exist, such as exists in the district of the gentleman from Pennsylvania (Mr. Clinger). There are similar situations that exist in New Jersey, in Iowa, in California, and all across the country.

Mr. CLINGER. So really what we have here is just the tip of the iceberg?

Mr. LAFALCE. This is the tip of the iceberg. EPA estimated there might be a need for upwards of $40 billion or $50 billion to cope with the problem of abandoned hazardous waste sites.

I am not asking for $50 billion. EPA wanted to fund a program for $6 billion. OMB gave approval for a $2 billion program. All we are asking here is not $2 billion, not $6 billion, not $50 billion, but $20 million so that we could act under the existing statutory authority to cope only with the most extreme emergencies that may arise.

Mr. CLINGER. This would enable us to meet the most pressing problems?

Mr. LAFALCE. That is right, the problems that will arise this year and possibly next year. Certainly we are not going to enact a superfund into law and get it implemented during that time frame.

Mr. CLINGER. Mr. Chairman, I thank the gentleman.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, the gentleman brings up the question of the locating of some of these sites, and I would just like to mention that in California we have a number of such sites. I have one in my own district which has recently been the subject of State regulation and EPA's attention. It is a typical such situation.

It is an old legal toxic dump which at the time was managed with the best available knowledge and then closed down. But in the light of today's information, we find that it was inadequately managed, and that those toxic wastes are seeping into the groundwater supply, and it is posing a threat to literally tens of thousands of people in that immediate vicinity. There is no knowledge that there is not the research available to determine how to dispose of this material, even in that one legal toxic waste substances dump.

Mr. CLINGER. Mr. Chairman, I think what we have seen is a rather widespread and critical problem throughout this Nation relative to hazard waste sites.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendments.

Mr. Chairman, I would like to commend the gentleman from New York (Mr. LaFalce) for his leadership and for bringing this amendment to the House floor. The amendments deal with acting immediately on toxic dumps, and this must be done. We must act swiftly.

All over this Nation we are poisoning ourselves and our land.

I would also like to point out that while we are going to spend this small amount of money, $20 million, compared to the magnitude of the problem, and while the President has recommended a major program of $2 billion to deal with the problem, we continue to pour out everyday thousands of tons of these toxic materials all over our land, creating vast, huge problems for tomorrow.

☐ 1310

We will not be able to generate the money to take care of the poisons we are placing now in our land. I was amazed to read a letter from an officer of the Reichold Chemical Co., who had been investigating ways of dealing with their toxic wastes. The letter said "the best way we have found to do this is to put it in our products." The letter said that—to put the poisonous materials "in our products," and in that way dispersing them throughout the country.

In my own district, the forest managers spread a chemical called 245T on some forests to inhibit decidious plants. Some women did a study in their own area, the Owyhee area in Oregon, and found an astronomically high incidence of miscarriage among women in that area shortly after each spraying of this poisonous substance. And yet we continue to use such substances as 245T and all of the other hazardous toxic materials in our agricultural and in our industrial materials, spreading them across the face of the Earth, as well as taking the residues, the highly toxic materials, and putting them in dumps. We have now a problem so serious we must address immediately and swiftly with the amendment offered by the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to congratulate my colleague, the gentleman from Buffalo, N.Y. (Mr. LaFalce), for the incredible effort, organization, discipline, and learning that he has put into producing these bills. He testified before the Subcommittee on Consumer Protection and Finance, on which I have the honor to serve as chairman, on the whole question of toxic wastes. Our committee does have jurisdiction over the Toxic Substances Act. I know how professional and painstakingly accurately thoughtful he has been in developing this program.

Mr. Chairman, I do not stand up very often in this House. In fact, I think this is probably the first or second time this year. I do not consider myself the conscience of this House. We have 435 consciences. But I must express a note of moral outrage that we should permit the desecration of our water, our air, and our land in this obscene fashion. I cannot believe that this House would not rise to the moral challenge of providing emergency care and emergency concern for the people who are devastated by these poisonous collections of toxic wastes around the country.

We have the history in our country of helping the unfortunately afflicted all over the Earth. Herbert Hoover was in charge of our food-to-China program right after World War I. We have sent billions of dollars in aid to unfortunate peoples around the Earth since World War II—the greatest program of charity and benevolence and human compassion in the history of human civilization. Are we to say, with that background of concern for people around the world who have suffered afflictions and disasters, that for our own people of this country who suffered appalling and shocking and morally offensive problems of poisoned water, poisoned air, that we are not going to help them? I cannot believe this House would turn thumbs down on such a very modest proposal, in terms of the funding that we are talking about. The fact is that we have dealt obscenely with our resources in the past generation or more. Our tertiary sewer program alone is going to cost in the order of a magnitude, I understand, of several hundred billion dollars before we finish with the job of making our national waters decent again. The fact that America has eutrophic waters, waters that are dead, waters that no animal organism can survive in, waters in which there is no oxygen and in which organisms cannot breed, is a matter of national disgrace. Now, happily, this tertiary sewer program, expensive as it is, costing tens of billions of dollars as it does, is proving effective.

In my district in New York City that contains Jamaica Bay which has been eutrophic, already such is the success that men and women who fished there 50, 60, and 70 years ago, are coming to me with tears in their eyes and saying, "Congressman, imagine, where we used to go fishing with my daddy 60 years ago I am now finding this summer that we are getting crayfish and lobster and other creatures of the ocean deep." To me, that is exciting, that is exhilarating. To me, the fact that within 5 years people will be able to swim in the waters of the Potomac, will be able to swim in such waters as Hudson, N.Y., and be able to swim in the Great Lakes and in Lake Erie, is a matter of national pride and exhilaration.

I do not know how to put a price tag on the quality of life. But doing away with these poisonous wastelands and having pure water and pure air I think is something that is above and beyond quantification. Yes, you can put a dollar value on the harm to our society, in terms of these poisonous wastes; but I think with our own pride in our heritage and the pleasure and the satisfaction that each of us will have 10 or 20 years from now as we leave the scene and pass on this glorious heritage to our kids, there has to be a way of saying we cannot afford not to face up to this problem promptly. One of the ways we face up to it is to give some kind of emergency assistance to the people who absolutely, through no fault of theirs, through no lack of theirs, have felt the appalling burden of these toxic wastes.

Mr. Chairman, I urge my colleagues to support the amendment offered by the gentleman from New York.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendments.

Mr. Chairman, I have some trepidation about rising on this amendment after having supported the prior amendment, which did not do so well; but I want to indicate briefly why I feel it is important to approve this proposal.

First of all, in the prior amendment we were addressing much the same problem. We were saying that there is a need within the ongoing research program of the EPA to look at the problem of the contamination of ground water and to do the forward looking research that is necessary to anticipate other long-range problems. The House was not persuaded to accept this. And now we have another amendment which seeks to focus directly upon a catastrophic problem which has risen to the surface within a matter of the past few months or years.

Can we say, "Well, we are already spending *x* dollars on this and we do not want to do more than provide a 5-percent increase or a 10-percent increase?"

The President himself and the Office of Management and Budget have said, "Here is an unexpected crisis which requires the creation of a superfund of $2 billion to attack it with any degree of effectiveness whatsoever," $2 billion that we did not know we would need last month or last year.

What this amendment seeks to do is within the framework of the already existing programs for which we have not anticipated this tremendous amount of need, that we appropriate $20 million to begin to lay the groundwork within which we can approach this national problem and to develop the necessary remedial actions that have to be taken.

□ 1320

Let me give the Members the example of that one small toxic substance dump which I mentioned earlier was in my own district. That dump has become a cause celebre in the State of California.

The local State senator has gone to the legislature and gotten appropriations of $600,000 just to put a cap on it, because it was an open dump, and with each rain it was overflowing the dikes; and that poisonous substance was washing down into the local watershed. That $600,000 was just to put a clay cap on it. That does not solve the problem.

Investigation shows that the presumably solid rock foundation under the dump is really fractured rock, and that poison is seeping into the ground water, the kind of a problem we sought to address with the previous amendment.

What will it take to correct the seeppage that is going through that fractured substructure? What will it require to transform those poisons into something that will not harm the human population that is going to be exposed to them?

We do not know the answers to these questions.

Yet, in an inadequate way on an isolated case-by-case basis, we are being forced to address these questions on a State and local level. State, counties, and even cities are having to do it, when this is a national problem that requires a national strategy and national efforts to solve it. The development of such a strategy is the purpose of the gentleman's amendment.

It is a highly important amendment, one which I think that the chairman of the subcommittee, in his wisdom and magnanimity ought to recognize and be willing to accept and thus resolve the problems we sought to address in the prior amendment, as well as gearing us up to move forward with an aggressive, soundly based national program to solve this particular problem which the gentleman from New York brings up in his amendment.

I urge the support of all of the Members for this amendment.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, the subcommittee is well aware of the interest that has been shown by the gentleman from New York (Mr. LAFALCE) and his colleagues, the gentleman from New York (Mr. NOWAK), and also the gentleman from New York (Mr. KEMP) from the Buffalo area, concerning the Love Canal and its problems. I think all three deserve congratulations from their constituents for what they have done in this area. As the gentleman from New York knows, last year the subcommittee provided $4 million for assistance to the residents in the Love Canal area to help solve some of the problems with which they were confronted.

The amendments of the gentleman from New York would add $20 million, $10 million to the abatement, control, and compliance account of the EPA and $10 million to the research and development account.

First, I will address the $10 million add-on for research and development that the gentleman proposes. The program for which the gentleman wishes to provide funds is not currently authorized.

The Resource Conservation and Recovery Act authorized $35 million for fiscal year 1978 for research, development, demonstration, and information. There is no authorization for 1979. The Resource Conservation and Recovery Act Amendments of 1979 as reported by the Committee on Interstate and Foreign Commerce includes only a specific authorization of $1 million for a special glass and plastic study under subtitle H.

In order to authorize funds for this program, the particular program that he is interested in, the gentleman would have to amend the legislation bill, H.R. 3994, on the House floor and persuade the conferees on the bill to retain the provision. If the gentleman is successful in his efforts on the authorization bill, or if the administration requests funding for subtitle H, the committee will carefully reconsider this issue, but this is not the time, and this is not the place to add funds for hazardous waste research and demonstration.

First of all, the administration has recently transmitted a 1980 budget amendment for $23.2 million, including $22 million for the EPA. That budget amendment was submitted to strengthen Federal enforcement efforts concerning hazardous waste violations.

To add funds to this bill for hazardous waste research and demonstration before the Congress has had an opportunity to review and act on the amendment, in my judgment, would be shortsighted.

In addition, and as the gentleman from New York and those who support his amendments well know, both the administration and the Congress are working on proposals to create a superfund to deal with hazardous waste incidents. I understand the administration's proposal was submitted on June 13. Figures cited for the fund range from $200 million to many billions. I believe the administration's proposal envisions a fund growing to about $1.6 billion by 1983, 20 percent of which would be provided from appropriated funds. Estimates of the number of hazardous waste sites posing serious problems vary from a few hundred up to 50,000. One firm under contract to EPA estimated it may cost as much as—and the gentleman from New York cited the figure—$44 billion to clean up the Nation's hazardous waste problem.

In my judgment, and in the judgment of the subcommittee, the proper way to address a program of this potential magnitude is not through a $10 million amendment on an appropriation bill.

I appreciate again the very difficult problems the gentleman has experienced in his district due to the chemical pollution of the Love Canal. But the gentleman knows, and I know, that this is not the way to attack this problem.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. BOLAND) has expired.

(By unanimous consent Mr. BOLAND was allowed to proceed for 1 additional minute.)

Mr. BOLAND. The proper way is in substantive legislation creating a superfund or some other approach to this problem that ought to be enacted first.

I urge defeat of the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. BOLAND) has expired.

(At the request of Mr. LAFALCE and by unanimous consent, Mr. BOLAND was allowed to proceed for 2 additional minutes.)

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. LaFALCE. First, I would certainly want to thank the chairman of the committee for the tremendous assistance that he gave to me last year at the time of the arising of the crisis. It was fortuitous that the Senate was considering its appropriations bill within the week after the emergency arose, for the House had already acted; and so within the week we were able to get Senate action. Then it was generously accepted in conference. We were able to pass it.

I am concerned though about all those other situations that might well arise across this country when Congress will not be able to act within the week. We presently have on the books a law. It is headed "Emergencies-Emergency Powers." Here is what it says, referring to the Administrator of EPA:

> The Administrator upon receipt of evidence that a pollution source or combination of sources is presenting an imminent and substantial endangerment to the health of persons or to the welfare of persons—

Can go in and respond.

Now this law is on the books. It is authorized. The problem with it, as the gentleman well knows, is there is not one single penny in the pot.

I am referring to section 504. Insofar as the Director is concerned, that was the section we used last year. We needed a special after-the-fact legislation and appropriations, but right now the fund is dry. It is going to be reauthorized. We all know that. What we are calling for is a demonstration program under section 8001(a).

☐ 1330

I have consented to have these offered en bloc so we can expedite matters on this Friday.

There is only one question here. No one disagrees with the argument of the gentleman from Massachusetts that we need a comprehensive program to deal with this problem. But that comprehensive program will take a year or two to enact and implement and the question is, What do we do in the meantime, hold our hands behind our back, put our head in the sand? I say no. I say we act and we act now.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent Mr. BOLAND was allowed to proceed for 1 additional minute.)

Mr. BOLAND. Again, I can understand the emotion and the feeling of the gentleman from New York. He has lived with a specific hazardous waste problem. The $4 million that was appropriated last year for Love Canal came under abatement, control, and compliance and was not under research and development.

I just do not think this is the time to add $20 million to abatement, control and compliance, and research and development. We can do it with the 1980 budget amendment in the proper way. If the other body considers, and I am sure they will consider the budget amendment sent up by the administration, and the other body puts in money for this activity, of course, I am sure this committee would seriously consider it in conference.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, I have one of the hazardous waste sites identified by the EPA in my own district. Indeed, the Environmental Protection Agency did not handle the whole situation very well. It published a list of over 100 sites in various parts of the country without notifying the communities ahead of time that they are going to be identified as a hazard to the Nation. It subsequently did not examine the problem there and did not really know about what kind of a hazard it was talking.

Yet, despite the fact I have one of these in my own district, I oppose this amendment. This $20 million, were it appropriated, would be a drop in the bucket and every one of my colleagues here knows it. If we try and divide that over the hundreds of applications we get for funding, all of the money would go for the administration of the applications; no money would end up being spent to do anything about the hazardous waste.

As the gentleman from New York very ably pointed out, where there was an emergency, where there was a real fiscal problem in dealing with the emergency, this subcommittee handled the problem and provided funding under existing legislation to deal with the problem. Until we have the kind of authorizing legislation, the kind of implementing legislation that is necessary to handle these problems, it seems to me just adding this kind of money is going to invite a stream of applications. There will be inadequate funds and disappointment on the part of communities. The administration and this committee would entertain, I am sure, with appropriate authorizing legislation, applications for additional funding. This is not the way to do it and I urge defeat of the amendment.

Mr. GORE. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

I will be very brief. I think the intent of these amendments is laudable. We have been conducting on the Oversight and Investigations Subcommittee an extensive investigation into this problem. I frankly have a great deal of respect for the arguments of the chairman of the subcommittee that the superfund is coming down the pike, and my esteem for him is undiminished. But I think we do need to take immediate action.

The gentleman from New York (Mr. LAFALCE) has been a leader in the effort to solve the problems of the residents of the Love Canal area. There are a large number of sites around the United States. The EPA has done very little. They are moving now. They are moving now.

While we are waiting for the superfund, I think we can take some actions to move ahead with the programs that the gentleman from New York is proposing, and I will support the amendment.

● Mr. VANDER JAGT. Mr. Chairman, I offer my support to the amendment offered by the gentleman from New York, Congressman LAFALCE, which seeks to fund section 504 of the Clean Water Act at a level of $10 million. As Congressman LAFALCE has already pointed out, this section gives the Administrator of the EPA the authority to provide emergency assistance to areas of the country suffering the effects of pollution or other types of contamination. Section 504 of the Clean Water Act, while amended and authorized during the 95th Congress, has not yet been funded.

Surely all Members are aware of the serious problem and devastating health threats posed by indiscriminate and illicit disposal of hazardous and toxic wastes. The discovery of tons and tons of improperly disposed toxic wastes at Love Canal in New York has sensitized and focused our concerns.

As all Members know, Love Canal is not the only site posing imminent health threats or extremely distressing living conditions for many American citizens. Another example of this problem is found in Dalton Township, Muskegon County, Mich. This community of several hundred has suffered from the dumping of highly toxic wastes on their land. In 1971 over 300 barrels of poisonous chemicals, some suspected carcinogens and others proven to be cancer-causing, were scattered throughout Dalton Township. The liquid, toxic contents of these barrels found their way into the groundwater eventually thoroughly contaminating the only source of drinking water for some 90 families.

Since the discovery of the contaminated wells over 2 years ago, Dalton Township residents have had to ship bottled water into their homes so that further contamination would not take place. Needless to say, the expense and inconvenience of this distressing and troublesome episode greatly taxes the resources of these people.

Engineering studies show that the best solution is to link the township with a neighboring city's existing water system. The solution exists, but the cost, estimated $3 million has proven prohibitive leaving the residents of Dalton Township with no recourse but to continue expending money for a supply of water that does not even temporarily meet their needs.

After learning of this serious situation, I contacted, on my own initiative, several Federal agencies including the Department of Health, Education, and Welfare, the Department of Agriculture's Farmers Home Administration, and the Environmental Protection Agency, seeking possible assistance to alleviate and correct the problem. At this point there does not seem to be much that the agencies can do, which further demonstrates the importance of supportive action on this amendment.

During consideration of the 1977 amendments to the Clean Water Act, the Congress responded to what was then a suspected threat—discovery of contamination and pollution problems threatening the health and safety of American citizens—and correctly authorized the EPA Administrator to provide emergency assistance when immediately required to prevent, limit, or mitigate the emergency; to alleviate an immediate significant risk to the public health or welfare and the environment; and to provide monetary assistance not otherwise available on a timely basis.

The problem of illicit toxic waste dump sites is no longer a suspected threat. It is a full-fledged, menacing, well-documented danger to the health of our citizens. Without appropriating funds for the Administrator to carry out his authorized responsibilities the far-sighted action of the 95th Congress has little meaning. I urge my colleagues to support the LaFalce amendment providing $10 million for section 504 of the Clean Water Act.

Mr. Chairman, I would like to include along with this statement copies of several news articles from the Muskegon Chronicle, including two well-written editorials, further detailing the struggles and difficulties confronting the residents of Dalton Township, Mich.

Cost no Object—Dalton Needs Clean Water!

A year and a half ago, the state Legislature appropriated $600,0000 to finance a water system in a portion of Dalton Township contaminated with toxic substances dumped by the former Story Chemical Co.

The action was taken to head off a health emergency. Highly toxic and carcinogenic chemicals were detected in water from local wells, and residents have been advised not to drink it or cook in it.

Even though the hazards remain and more dumping sites are being discovered, nothing has been done to solve Dalton's problem. More than 65 families continue to use bottled water since area groundwater is laced with chemicals.

And the picture is getting bleaker. Last week, it was confirmed that $600,000 is not nearly enough to pay for the project. Muskegon County's Department of Public Works manager reported that a $2.5 million municipal water system linked to the City of Muskegon now looks like the only feasible solution, and chances are that the construction will cost far more.

Finding the money is the immediate, practical problem. One source which hasn't been looked at closely enough is the federal government. Several water systems in western Michigan communities with less critical supply problems have been financed partly with federal money. Dalton's system will be more costly to construct on a per-user basis, but the health hazard alone should be enough to assure funding.

If that isn't sufficient, the Department of Natural Resources has to go back to the Legislature for more money.

Most lawmakers assumed Dalton's problems were over when they voted to allocate the original $600,000, so to ask for additional money puts the DNR in a politically awkward position.

But the state has also made a commitment to help the victims of industrial pollution for which the state is at least partly responsible. The fact that the Legislature's appropriation was too small is no fault of Dalton Township.

There are no documented cases of human illness related to the contaminated water, but there also has been no study to determine possible health effects. In any case, the state is empowered to oversee the health of its citizens, and it should move quickly to make sure that no new problems develop.

No government official has publicly stated that this area should be written off as a 20th century wasteland. But it can become nothing else unless a permanent, clean water supply is available.

The water system must be provided, and soon—no matter how much it costs.

Toxic Waste Disposal Problem Critical—Must Be Solved Now

Two hundred barrels of discarded chemicals were discovered recently in Dalton Township. State officials investigating the site won't say exactly what the materials are but confirmed the contents are a derivative of benzene, a highly carcinogenic compound. Local wells are being checked for possible contamination.

The barrels apparently were dumped in the late '60s or early '70s but how they got there is so far a mystery. The only clue, state officials said, is that they probably originated with a Muskegon area chemical company.

Compared with enormous pollution disasters like PBB, Love Canal and White Lake, this latest find probably won't receive much attention. But the point it raises about toxic wastes is no less important.

There have been calls lately to ban nuclear power plants until a safe way is found to dispose of radioactive waste, and the argument makes sense. Why continue to manufacture deadly materials without a place to put them?

As the experience here shows, the problem of chemical wastes is just as urgent. Companies like Hooker Chemical and Story Chemical have made Muskegon the site of "worst-case" pollution almost beyond imagination.

Government regulations alone do not prevent corporate irresponsibility. What they can do is establish liability and assure that chemical contamination will be cleaned up. Simply stated, if companies do not guarantee that their products will be safely disposed of, they should not be allowed to manufacture toxic chemicals.

The Department of Natural Resources wants to alleviate the waste problem by building one or more industry-financed disposal facilities in southern Michigan. A bill allowing the state to implement the plan is now before the Legislature.

The facility will have to be planned carefully to safeguard the public against hazards. And considering the DNR's record on monitoring polluters in Muskegon, its ability to competently handle toxic wastes is questionable.

Still, there's no dispute that some type of disposal facility to incinerate, recycle or chemically break down toxic wastes is necessary. Concurrently, the state should implement a records system which allows the DNR to track the manufacture, sale and disposal of all toxic chemicals in the state.

The alternative is to continue stockpiling deadly material in warehouses or workyards or burying them in landfills. Or, as residents in Dalton Township will attest, to find them abandoned in an open field.●

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. LAFALCE).

The question was taken; and on a division (demanded by Mr. LAFALCE) there were—ayes 20, noes 24.

RECORDED VOTE

Mr. LAFALCE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 136, noes 219, not voting 79, as follows:

[Roll No. 276]

AYES—136

Abdnor
Albosta
Ambro
Anderson, Calif.
Annunzio
AuCoin
Bailey
Barnes
Beard, Tenn.
Beilenson
Bennett
Bereuter
Biaggi
Blanchard
Bonior
Bouquard
Bowen
Breaux
Brodhead
Broomfield
Brown, Calif.
Buchanan
Carney
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Coleman
Collins, Ill.
Conable
Corcoran
Courter
Danielson
Davis, Mich.
Davis, S.C.
Dellums
Dodd
Donnelly
Dougherty
Downey
Eckhardt
Edwards, Calif.
Ertel
Fary
Findley
Fisher
Fithian
Florio
Ford, Tenn.
Gilman
Ginn
Gonzalez
Gore
Gradison
Grassley
Gray
Green
Hagedorn
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Hopkins
Hughes
Jenkins
Jenrette
Kastenmeier
Kazen
Kemp
Kildee
Kostmayer
LaFalce
Lee
Lent
Long, La.
Long, Md.
Lundine
McCloskey
McHugh
Markey
Mikulski
Miller, Calif.
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Murphy, Ill.
Neal
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pease
Petri
Peyser
Rangel
Ratchford
Reuss
Rinaldo
Roe
Rosenthal
Rostenkowski
Rousselot
Roybal
Russo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Smith, Iowa
Snyder
Solarz
Solomon
Stark
Stokes
Stratton
Studds
Swift
Vander Jagt
Vanik
Walgren
Waxman
Weaver
Weiss
Wirth
Wolff
Wolpe

NOES—219

Akaka
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Aspin
Atkinson
Badham
Bafalis
Baldus
Barnard
Bauman
Beard, R.I.
Benjamin
Bethune
Bevill
Boland
Boner
Bonker
Brademas
Brinkley
Brooks
Brown, Ohio
Burgener
Burlison
Butler
Byron
Campbell
Chappell
Coelho
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Derrick
Derwinski
Devine
Dicks
Dixon
Dornan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Flippo
Foley
Ford, Mich.
Fountain
Fowler
Frost
Gaydos
Gephardt
Gingrich
Glickman
Goldwater
Goodling
Gramm
Grisham
Gudger
Guyer
Hall, Tex.
Hammerschmidt
Hance
Harsha
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lewis
Lloyd
Loeffler
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDonald
McKay
McKinney
Madigan
Marriott
Matsui
Mattox
Mavroules
Mica
Michel
Miller, Ohio
Mineta
Moakley
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Pashayan
Patten
Paul
Pepper
Perkins
Preyer
Price
Pritchard
Pursell
Rahall
Regula
Rhodes
Ritter
Robinson
Rose
Roth
Royer
Runnels
Sabo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway

Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wyatt
Wydler
Yates
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—79

Addabbo
Alexander
Anderson, Ill.
Ashbrook
Ashley
Bedell
Bingham
Boggs
Bolling
Broyhill
Burton, John
Burton, Phillip
Cheney
Clausen
Cleveland
Conyers
Daschle
Deckard
Dickinson
Diggs
Dingell
Drinan
Edgar
Erlenborn
Evans, Ga.
Fazio
Ferraro
Fish
Flood
Forsythe
Frenzel
Fuqua
Garcia
Giaimo
Gibbons
Guarini
Hall, Ohio
Hansen
Hefner
Horton
Howard
Jeffords
Johnson, Colo.
Kelly
Livingston
McDade
McEwen
Maguire
Marks
Marlenee
Martin
Mathis
Mazzoli
Mikva
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Nolan
Patterson
Pickle
Quayle
Quillen
Railsback
Richmond
Roberts
Rodino
Rudd
Simon
Spellman
Staggers
Treen
Vento
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wylie
Yatron
Young, Alaska
Zeferetti

□ 1350

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mrs. Boggs against.

Ms. Ferraro for, with Mr. Roberts against.

Mr. Richmond for, with Mr. Fazio against.

Mr. Guarini for, with Mr. Staggers against.

Mr. Vento for, with Mr. Dingell against.

Mr. Garcia for, with Mr. Flood against.

Mr. Zeferetti for, with Mr. Ashbrook against.

Mr. Bingham for, with Mr. Broyhill against.

Mr. Drinan for, with Mr. Cleveland against.

Mr. Fish for, with Mr. Deckard against.

Mr. Horton for, with Mr. Dickinson against.

Mr. Marks for, with Mr. Hansen against.

Mr. Williams of Ohio for, with Mr. Kelly against.

Mr. Conyers for, with Mr. Livingston against.

Mr. Diggs for, with Mr. Martin against.

Mr. LOEFFLER changed his vote from "aye" to "no."

So the amendments were rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ABATEMENT, CONTROL AND COMPLIANCE

For abatement, control and compliance activities, $474,309,00, to remain available until September 30, 1981.

AMENDMENT OFFERED BY MR. M'HUGH

Mr. McHUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh: On page 12, line 22, strike the sum "$474,309,000" and insert in lieu thereof the sum "$475,809,000".

Mr. McHUGH. Mr. Chairman, I understand that this amendment is acceptable to both the chairman of the committee and the ranking member, the gentleman from Pennsylvania (Mr. Coughlin). Very simply, this would restore $1.5 million to enable the Environmental Protection Agency to continue its support of academic training programs which relate to EPA's air, safe drinking water, water quality, and radiation control programs. These academic training grants are authorized by sections 109 through 112 of Public Law 92-500. These funds, Mr. Chairman, provide help to the higher education institutions to train a professional, technical environmental work force to manage and monitor pollution-control programs.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I would be happy to yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, we have examined this amendment not only today but since the gentleman from New York talked to both myself and the ranking Republican member. This committee has always been a strong supporter of academic training, recommending increases of $2 million in 1976, $4 million in 1977, and $3 million in 1978. The gentleman's amendment adds $1,500,000 to about $250,000 that is carried in the bill. Speaking for the members on my side, the subcommittee members, we will be glad to accept the amendment.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. I thank the gentleman for yielding. We also accept the amendment. It is a good amendment.

Mr. HcHUGH. I thank the gentleman very much.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHugh).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk continued to read the bill.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

EMERGENCY PLANNING, PREPAREDNESS AND MOBILIZATION

For necessary expenses, not otherwise provided for, to carry out civil defense and emergency preparedness activities, including activities authorized by section 103 of the National Security Act (50 U.S.C. 404), the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h–8), the Federal Civil Defense Act of 1950, as amended 50 U.S.C. App. 2251–2297), and the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061–2166), $131,121,000 of which not to exceed $37,100,000 shall be available for allocation under section 205 of the Federal Civil Defense Act of 1950, as amended.

AMENDMENT OFFERED BY MR. MITCHELL OF NEW YORK

Mr. MITCHELL of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Mitchell of New York: Page 15, line 19, strike out "$131,121,000" and insert in lieu thereof "$168,521,000".

Mr. MITCHELL of New York. Mr. Chairman, my amendment would increase the appropriation for civil defense back to the authorization level of $138 million. It would represent an increase of $37.4 million. Remaining at last year's level, which is what the Committee on Appropriations would like us to do, would accomplish just about as much as we did last year, which is absolutely nothing. It represents another delay, another postponement. We are already 10 years and $10 billion behind the Soviet Union in their civil defense effort.

One might well ask what is magic about the figure $138 million? One hundred and thirty-eight million dollars represents the expenditure of the first year of a comprehensive 7-year program for civil defense for our country. We need to protect our citizens from nuclear attack because the Soviet Union has devised an excellent system for protecting their citizens. I think everyone in this Chamber would immediately agree that maintaining the peace is one of our Nation's first priorities.

□ 1400

We are told by our leaders that to maintain the peace we must maintain the strategic balance, that we cannot give an advantage in strategy weaponry to the Soviet Union.

We are also told in weaponry we enjoy something called rough equivalence which means that we have about the same amount of destructive capability as the Soviet Union. But if they can protect their citizens from our weapons and we cannot protect our citizens from their weapons it is as though they have far more weapons and their civil defense system makes a mockery of the strategic balance. It simply does not exist anymore.

No one knows precisely how well the Soviet civil defense system would work but we can tell by just looking at the numbers that they are trying at least 10 times harder than we are. If we wait to find out how well their system works, of course, it will be far too late. If they even perceive, as they seem to, that their system is excellent, even if it is not, it is dangerous for us.

They are trying 10 times harder. We have 10,000 full-time people engaged in civil defense in our country. They have 100,000 people in the Soviet Union. We spend less than $100 million on civil defense a year. They spend more than $1 billion on civil defense a year. When it comes to casualties, we win big. We are told by experts if there were an all-out nuclear war and the Soviet Union had time to put its civil defense system into operation, which would be 3 or 4 days, while they evacuate their cities, that they would lose about 10 million of their citizens and we would lose something like 140 million Americans.

We have two choices, Mr. Chairman, to balance the scales to prevent war. We can do one of two things. We can build bigger and better bombs to kill more of the enemy or we can devise a civil defense system to protect Americans. I think everyone would agree that a civil defense system where we save American lives is far more humane than the other approach and for those of you who are concerned about fiscal expenditures this year, it also happens to be far less expensive.

This chart is the result of an interagency study that was requested by President Carter to give us our options in civil defense. It is sort of a cost-benefit ratio chart.

On the vertical scale are the percentages of people who will survive if there is an all-out nuclear war and on the horizontal crossbars are the costs of each of the options they examined. Program A is where we are now, Mr. Chairman and it shows that if there is an all-out nuclear war that only 20 percent of the American population would survive. If we were to spend just a little more, if we would go into this prime program of which $138 million is the first year's expenditure, we can save as many as 85 percent of our population.

We are all interested in cost-benefit ratios, Mr. Chairman. This is probably the best cost-benefit ratio you are ever going to get. By spending a little over $1 billion over a 7-year period you can save—first of all, you can probably prevent a war, which is inestimable in savings, but if there is an all-out nuclear war you can save 100 million American lives. It figures out about $10 per American life. I cannot imagine a program more beneficial than that.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Virginia.

Mr. WHITEHURST. I just wanted to commend the gentleman for his amendment. He and I know we have worked diligently on this in the Military Construction Subcommittee which has jurisdiction over civil defense. I think no one could put a price tag on the kind of savings of lives that the gentleman has mentioned and I hope that the amendment will receive favorable consideration by this body.

Mr. MITCHELL of New York. I thank the gentleman for his contribution.

The Defense Civil Preparedness Agency's Director Tirana has testified for the past 2 years that he can spend effectively, efficiently, the $138 million.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. MITCHELL of New York was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of New York. So he can spend this money wisely. It does represent the first year in a 7-year comprehensive program.

We have heard a great deal about Three Mile Island lately, Mr. Chairman. We have witnessed the confusion, the fear, the lack of monitoring, the lack of preparation, lack of planning. This is just a tiny example of what would not exist if we had a good civil defense program for our country.

You know, the worst case in Three Mile Island would be like a Sunday school picnic compared to what just one megaton bomb exploding near one city would cause in destruction and in radiation.

They were greatly concerned about a 5-mile radius around Three Mile Island. One megaton bomb has a radius of radiation of 50 miles, let alone 5 miles. The 5-mile radius area represents total destruction. Just for the record the Soviet Union has 5,400 megatons of weaponry.

I think this is a great investment in peace. I think it is a way we can prevent nuclear war. We are 10 years behind the Soviet Union. I cannot believe we are going to delay another year in our effort. It is the best cost-benefit ratio we have ever had.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Let me say I am teetering on the edge of voting for this amendment.

Can the gentleman explain just how $138 million is going to accomplish the saving of all these lives? Just give us a brief idea.

Mr. MITCHELL of New York. The $138 million is the first year of a 7-year comprehensive program for civil defense that would add up to a little over $1 billion. Here it is item by item, dollar by dollar, year by year. It has been available for 2 years. We have not accepted it as yet. I think I sent this around in a "Dear Colleague" letter a couple of days ago.

Mr. LONG of Maryland. Of course, anyone can add up a column of figures like that but where is the evidence that it is going to save that many lives?

Mr. MITCHELL of New York. The evidence is in this interagency study to which I referred. The chart is only one small chart in a very comprehensive study.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. MITCHELL of New York was allowed to proceed for 1 additional minute.)

Mr. MITCHELL of New York. This has been put together by experts in civil defense. I am certainly not an expert but I believe we have some in this country. They have testified before our committees many times. This represents their best thinking.

To save 100 million American lives, you spend $1 billion over 7 years. I think it is a good investment.

Mr. LONG of Maryland. If the gentleman is correct and if we are going to save that many lives, I think it is a very valuable program and I would vote for it. I am not at all certain it is going to accomplish that. I wish I had more reassurance.

Mr. MITCHELL of New York. I appreciate the gentleman's support. I hope the gentleman from Maryland will vote for it. If the gentleman is in doubt at all, it would be a good $1 billion gamble. One hundred million American lives are a lot of lives.

Mr. BOLAND. Mr. Chairman, I move to strike the last word and would like to speak in opposition to the amendment.

Mr. Chairman, the gentleman from New York appeared before the subcommittee in April supporting a 1980 civil defense funding level of $138 million. The gentleman's amendment provides an increase of $37.4 million in this activity in the 1980 budget. The gentleman's arguments were then and are now persuasive.

The problem the subcommittee has with this particular amendment is that there is no sense in going down the road spending hundreds of millions of dollars in this program, in the civil defense program, unless we have a multiyear program authorized. We do not have that.

Let me quote from the Administrator of Civil Defense, Mr. Tirana. I asked the Director of Civil Defense this question, whether or not the $140 million that was authorized by the House of Representatives for fiscal year 1979 could be well spent unless the Congress is presently prepared to see the program through to completion—I am talking about a multiyear program which would amount to over $1 billion, as the gentleman from New York knows.

This is what the Director said:

> This is much like buying a battle ship or an airplane where buying the tires or the engine alone does not do an awful lot for you; you have to buy the whole thing because if you stop halfway the money is wasted. . . . In my judgment it does not make sense to spend the $108 million unless the Congress is prepared to go forward and complete the program.

I think we should await the judgment of the Congress and await the judgment of the administration on a multiyear program. When we get that we can consider it and we can move forward with a kind of a program that the gentleman from New York supports.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. Yes, I yield to the gentleman from New York.

Mr. MITCHELL of New York. I will say, Mr. Chairman, we have been doing nothing but waiting for 12 years. I think it is time to provide a little leadership around here, to send a message to the White House that we do need a program.

I have some quotes from Mr. Tirana, also. I guess it depends on what question you ask him. The gentleman from Michigan (Mr. NEDZI), who is the chairman of our committee, asked Mr. Tirana, "Given a sensible program, how much could you spend?"

Mr. Tirana said: "I could effectively spend $138 million, I could effectively spend it in the first year bringing in the program into existence. The amounts which I reported and the categories reported to this committee last year and what I would like to do is——."

And then I asked him later on: In other words, Mr. Tirana, the 7-year program that we talked about last year is still a valid program for the defense of our country and the $138 million you can still spend wisely, this would increase the amount of money to $138 million?

And Mr. Tirana said, "That is correct, Mr. MITCHELL."

□ 1410

So Mr. Tirana would like this $138 million. He can spend it. The plan is in formation. All we have to do is provide some leadership and get the plan going so that we can protect the American people.

Mr. BOLAND. Well, in response to the gentleman, I can only state what the Director of Civil Defense told our committee when he appeared before us. He indicated this would be a waste of money.

I know the gentleman from New York does not want to waste money. I know the gentleman has introduced a bill which has authorized $1.9 billion for civil defense activities over the next 7 years. That bill has not been reported by the committee.

Until the Congress and the administration clearly demonstrate a commitment to a multiyear program, there is no reason to provide for the funding above the level that we provide for in fiscal year 1980.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words. I rise in reluctant opposition to the amendment.

Mr. Chairman, I am very, very sympathetic with the aims of my colleague, the gentleman from New York (Mr. MITCHELL). I believe we need an adequate civil defense program, but that program has not been defined either by the administration or by this Congress, so that we really have no proposal, no scheme, no program extending over a period of years to provide a comprehensive civil defense program for these United States.

The money that we are proposing to spend and the money that my colleague, the gentleman from New York, proposes to spend, would be a drop in the bucket in terms of such a program.

It has been testified before our committee that a comprehensive civil defense program would involve spending about $1 billion to $1½ billion over the current level of expenditures to get us an adequate civil defense program; so that to appropriate this additional money at this time it seems to me, and as the chairman has pointed out correctly, in my judgment, would just be looking to a waste of these funds. We should wait until we have the program developed, either by the Congress or the administration, before we increase funding in this way.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the chairman and the ranking minority member have made a very good statement.

I have a serious question as to what the $138 million will be used for. I wonder if the gentleman can tell us exactly what kinds of programs are envisioned for this rather large sum of money, considering the fiscal constraints we are operating under.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I am happy to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, the expenditure that is programed would buy a combination of about 10 percent plans and 90 percent hardware and would not go for fallout shelters or any kind of a stockpile of food. To my best understanding, it would go for more ventilation, tips, some sanitation equipment, and communication systems.

Mr. SEIBERLING. Well, is this aimed at defense against nuclear attack or simply a general preparation for natural catastrophes or other man-made catastrophes, short of a nuclear attack?

Mr. COUGHLIN. Certainly an expenditure of this magnitude or of the magnitude proposed by the gentleman from New York would do nothing to provide increased defense of any significance against nuclear attack. It would go primarily, as I said, toward communication equipment and things of that kind which would be useful in various different kinds of catastrophes.

Mr. SEIBERLING. Well, if it is multipurpose equipment that can be used for various types of emergencies of great magnitude, I would say there is some point in our appropriating this money; but if it is for defense against nuclear attack primarily, then I think we need to know an awful lot more. I have seen studies which indicate that the Soviet Union is wasting a great deal of money trying to build shelters and other protection against a nuclear attack. There are people who think it is being done mainly for purposes of internal and external propaganda, because in an all-out nuclear exchange it would be absolutely useless. Sure, it might temporarily save a few people, but they would soon die from other causes in the event of a full-scale nuclear war, including radioactive fallout, no food, et cetera.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman for yielding.

I am sure the gentleman knows that right now we are spending about $100 million a year. This would be about $38 million more than we have been spending for the past several years.

What it provides for is an evacuation plan primarily to get our people away from where the bombs are going off. We have a certain feeling toward nuclear war that if the explosion does not get you, the fire does not get you, and the 1,000-mile-an-hour winds do not, the radiation will. This is a fallacy. We have learned in the past 10 years that it is possible to survive in a nuclear war.

This program, if the gentleman would like to read item by item, year by year, precisely what it is for, has been available for 2 years, it tells exactly how the money will be spent, every nickel and for every program.

Mr. SEIBERLING. Well, if the gentleman will read the OTA study that Senator CULVER recently released, the gentleman will see that the most fortunate people in a nuclear war are those who are killed instantly, that the survivors will go through a long period of agonizing and slow death through starvation or radiation; so I just think that we have got to know an awful lot more than we know now. The idea of evacuating a major city, even one the size of Washington, D.C., let alone New York or Chicago, is one that absolutely boggles the mind, particularly given the time constraints and confusion and questions about how we are going to feed people and where we are going to shelter them.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I have no question about the sincerity and the commitment of the gentleman from New York in his amendment and, indeed, in the basic proposition that they are expounding; but I wonder if through the gentleman from Ohio, the gentleman from New York would respond.

Is this part of the same plan that was announced about, oh, 6 months ago which suggested for New York City that the evacuation would make sense only if we had like 10 days to 2 weeks advance notice that the Russians, in fact, were going to drop nuclear weapons on the United States, and then they said there would be time for New York City to be evacuated if the upstate communities would take them. Then the upstate communities said, "Where are we going to put all those people?"

Is this the same plan that we were talking about?

Mr. SEIBERLING. I do not know. If we cannot even solve the problem of taking care of 200,000 refugees from Indochina, how the heck are we going to take care of 8 million people from New York and all the other major cities of the country where we have about 200 million people living.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. Yes; I will yield.

Mr. MITCHELL of New York. Mr. Chairman, I would like to respond to my friend from New York City, that probably it is part of the same plan. The idea is that if we are going to prevent war, we have got to keep the scales balanced. The Soviet Union is going to have the same problem getting its people out of its cities as we will have, if we can get the gas.

In fact, it is easier for us because our transportation system is vastly improved over theirs.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

(At the request of Mr. MITCHELL of New York, and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield further?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, it is going to take us a week to get the people out of New York City. It is going to take a week to get the people out of Moscow.

The same argument is made about the winter. There will not be a nuclear war because of winter conditions. You cannot evacuate people in winter conditions. Well, they have the same winter, even a worse winter than we do; so the scales stay balanced.

All I am trying to do is to prevent the Soviet Union from having any advantage.

I would like to say to the gentleman from Ohio that the gentleman was strongly supportive of an evacuation plan to get people away from plants where they are manufacturing nuclear weapons. There is hardly any danger there of an explosion. I am talking about the destruction from just one megaton nuclear bomb, of which the Soviets have 5,000. It would far exceed an accident at a nuclear weapons plant.

Mr. SEIBERLING. Well, if the gentleman will yield back, I supported the amendment to require that every State have an emergency evacuation plan before any new nuclear powerplants were put into operation or licensed in that State, which as we know is a far cry from the possibility of a full-scale nuclear war in which every major city and a whole lot of nonmajor cities would be subject to destruction.

□ 1420

The idea of evacuating them all at once is an idea that is so absurd and so utterly incomprehensible, with the kind of emergency conditions the gentleman is talking about, as to be almost sheer madness. Before we spend any money on that sort of thing, it seems to me we ought to make darned sure we know what we are doing.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield,

Mr. SEIBERLING. Mr. Chairman, Mr. Tirana's organization, like every bureaucracy, is always going to come up with justifications for building an empire, and, of course, we can give him $10 billion and he will figure out a way to spend it. The question is, is it worthwhile spending a dime more? That is really the issue here.

Mr. Chairman, I yield back the balance of my time.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I question whether even the original amount of approximately $100 million is justified for this particular program.

Mr. Tirana has been referred to on several occasions, but Mr. Tirana in effect is a "lameduck" Director of an Agency that is going to be consolidated into a new organization under a reorganization plan. This will be a new organization. An umbrella agency called FEMA, Federal Emergency Management Agency, is being established. There are now two individual agencies that have been added to it, and the balance of them, including the one we are talking about, will not come in until approximately October 1.

Mr. Tirana will not be the Director of this new Agency. Mr. Macy, the former Director of the Civil Service Commission, has been appointed to serve as the head of this Agency. The new Director has not had an opportunity to even review the type of budget he needs.

It is ridiculous to even consider additional funds until the reorganization plan has gone into effect.

As far as all these people who are going to be saved are concerned, certainly if that were an accurate statement, it would be worth the $38 million. But I am not sure how in the world the gentleman can make such a statement and expect it to have any credibility. If we were to match what the Russians or the Soviets have done in their civil defense program, we are not talking about a program that would cost $1 billion over 7 years; we are talking about a program that would cost billions of dollars every year. We are just absolutely not in a position to do that at this time.

My own feeling about the present civil defense program is that this is a real great revenue sharing program that we are sending out into the States and into the local communities, and the Federal Government does not have a great deal to do with what is being done. There is absolutely no way that any reasonable evacuation program could be put into effect, and it is just a bad amendment that the gentleman from New York (Mr. MITCHELL) has offered.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I compliment the gentleman from California (Mr. CHARLES H. WILSON) on his statement and agree with what he is saying.

I have not heard any of the Members state that we had a chance to do something regarding civil defense last year and many Members who are pushing us into this now did not vote for it.

Let me remind the Members of the domestic violence vote in which we wanted $10 million for shelters for battered women. It is interesting to look at this list and look at the Members who want to build big concrete shelters that we are not sure will hold up. And whatever we want to do with civil defense, we have no idea at this moment what we can do because we are waiting for the new Director.

Members would not vote for the $10 million to create the shelters for battered. There is a very interesting parallel there, because I think that is also for civil defense of a sort, and we did not provide that funding last year.

Mr. CHARLES H. WILSON of California. Mr. Chairman the gentlewoman from Colorado (Mrs. SCHROEDER) is certainly correct.

Mr. MITCHELL of New York. Mr. Chairman will the gentleman yield?

Mr. CHARLES H. WILSON of California. Yes, I will be glad to yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman I would like to say to the gentleman from California (Mr. CHARLES H. WILSON) that the reorganization argument carries no weight whatsoever. We only have so many experts in civil defense. The same people who devised this plan 2 years ago are going to devise any other plan we have so we can forget about the reorganization objective entirely.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I make the argument because it is a fact that Mr. Tirana is not going to be involved in it. We do not know what the new director has in mind as far as civil defense is concerned.

I think it is foolish to even discuss additional funds for this purpose at this time.

As a matter of fact, while we are on this subject, the gentleman from Michigan (Mr. NEDZI) opposed the gentleman's amendment in the committee, and we were not able to convince a majority of the members of the Committee on Armed Services. But I will tell the gentleman that when the authorization bill comes to the floor, we are going to have another opportunity to vote to reduce that authorization by this amount, too.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield back the balance of my time.

● Mr. SKELTON. Mr. Chairman, I rise in support of the Mitchell amendment to increase the appropriation for emergency planning, preparedness, and mobilization from $131.1 to $168.5 million in fiscal year 1980. The need for increased civil defense in our Nation is becoming more and more apparent.

In Missouri's Fourth Congressional District—$124 million is being spent to harden the 150 Minuteman missile silos—$827,000 for each silo, or $248 for each of the 500,000 persons who live in the district. This gives protection for a few hundred feet for a few extra years.

In contrast, we spend only about $0.45 per person to protect the people whose lives are endangered because they live near those silos.

The Mitchell amendment increases this to around $0.62 per person. When you consider the lives an enhanced civil defense program will save, this is a real bargain.

There are benefits of an enhanced civil defense program:

First, civil defense should be an important part of strategic planning, contributing to the overall strategic balance.

Second, it will allow us to establish a program which will save lives in case of:

Nuclear war;

Natural disasters; and

Nuclear accidents, such as Three Mile Island.

There are recent news reports concerning a lack of preparedness in certain coastal areas which are prone to hurricanes. Because of:

Large population increases; and

Numerous mobile homes or other vacation-type housing.

Yet no emergency preparedness or evacuation plans are in effect.

Earlier, the gentleman from Oregon (Mr. Weaver) pointed out that there are 16 States with operating nuclear powerplants, but no evacuation plans. Another 12 States have either plants near their border or under construction, but no evacuation plans. An enhanced civil defense program, such as that provided for in the Mitchell amendment, will allow us to start putting those plans in effect.

CONCLUSION

The Appropriations Committee was quite correct in stating that neither the Congress nor the administration has yet demonstrated adequate support for a restructured civil defense policy. It is time to fish or cut bait on this issue. We can demonstrate our support for an enhanced civil defense program, and our commitment to saving the lives of our citizens, by supporting the Mitchell amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Mitchell).

The question was taken; and on a division (demanded by Mr. Mitchell of New York) there were—ayes 16, noes 38.

Mr. MITCHELL of New York. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. BOLAND. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, do I understand from the gentleman from Massachusetts (Mr. Boland) that the pending bill will be the only matter to be considered for the rest of the afternoon?

Mr. BOLAND. Mr. Chairman, if the gentleman will yield, that is my understanding. I was assured by one of the members of the leadership that this would be the only business that we will consider, that we will complete this bill and that will be the last item of business.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. At this point the Chair would like to inquire whether there are any points of order to any of the remaining provisions of the bill.

The Chair hears none.

Mr. BOLAND. Mr. Chairman, I move that all debate on the remainder of the bill and all amendments thereto close at 2:55 p.m.

PARLIAMENTARY INQUIRY

Mr. MILLER of Ohio. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER of Ohio. Mr. Chairman, may I inquire, is my understanding correct that on those amendments that have been printed in the Record we are protected, and that we will have 5 minutes to speak on such amendments?

The CHAIRMAN. The gentleman is correct. The gentleman's rights will be protected.

Mr. MILLER of Ohio. I thank the Chair.

The CHAIRMAN. The question is on the motion offered by the gentleman from Massachusetts (Mr. Boland).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 3 minutes each.

(By unanimous consent, Mr. Wirth yielded his time to Mr. Nelson).

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. Nelson).

AMENDMENT OFFERED BY MR. NELSON

Mr. NELSON. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

DEPARTMENT OF THE TREASURY

PAYMENTS TO STATE AND LOCAL GOVERNMENT FISCAL ASSISTANCE TRUST FUND

For payments to the State and Local Government Fiscal Asistance Trust Fund, as authorized by the State and Local Fiscal Assistance Act of 1972, as amended (31 U.S.C. 1221–1263), $6,854,924,000.

The Clerk read as follows:

Amendment offered by Mr. Nelson: On page 24, line 23, strike "$6,854,924,000", and insert in lieu thereof, "$6,170,924,000".

Mr. NELSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. NELSON. Mr. Chairman, I know it is late on a Friday afternoon, and the Members need to get home. I am going to be very brief.

Every amendment that we have considered thus far is an amendment to add to this appropriation bill. This amendment is to the contrary. It is to take away $684 million, which is for Federal revenue sharing to the 50 States, bringing that appropriations level from the full funding of about $2.3 billion down to approximately $1.6 billion, or the amount that was targeted in the first budget resolution conference committee report which this House adopted.

The will of the House was expressed clearly four times with four direct amendments trying to put back in the budget the money for Federal revenue sharing to the 50 States. Four times those amendments were rejected.

Then in the conference committee, we moved from a position of cutting out all $2.3 billion to a position that the Senate insisted, of putting back in $1.6 billion.

Mr. Chairman, this amendment that I am offering cuts out the $684 million and sets spending for Federal revenue sharing to the States at the target in the first budget resolution.

☐ 1430

I want to caution that the legislative intent of this amendment does not go to the local revenue sharing funds. If this amendment is adopted, even though this appropriations bill cannot speak to change substantive law, it will be a direct and clear message to the Committee on Government Operations of the intent of this House to reduce Federal revenue sharing to the States.

I have counseled with the good chairman, and I want to commend the gentleman from Massachusetts (Mr. Boland) for the way that he has handled this appropriation bill. I have counseled with the chairman of the Committee on Government Operations also on this amendment. This amendment, although technically offered by me, is encouraged by other Members in a "Dear Colleague" letter and signed by the gentleman from Connecticut (Mr. Giaimo); the gentleman from California (Mr. Panetta); the gentleman from Missouri (Mr. Gephardt); the gentleman from Ohio (Mr. Ashley); the gentleman from California (Mr. Mineta); the gentleman from Illinois (Mr. Simon); the gentleman from Colorado (Mr. Wirth); the gentleman from Texas (Mr. Mattox); and the gentleman from Oklahoma (Mr. Jones).

Mr. MATTOX. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Texas.

Mr. MATTOX. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has an excellent amendment. I think it is by far one of the most important amendments we have seen in a long time before this House. I would encourage every Member to support it, and I hope every Member will help us get a record vote if necessary. I appreciate the gentleman's courage in offering the amendment.

Mr. NELSON. I thank the gentleman for his remarks.

Mr. Chairman, let me summarize very quickly the arguments for the amendment that we have heard four times on the floor of this House when the amendments were offered and were beat back to keep out Federal revenue sharing to the States.

First of all, there are only 5 of the 50 States which are not projected to have a surplus. All of the remaining 45 States have. That is according to a conservative estimate made by the National Governors Association. That same association projects a budget surplus for the 50 States of $4.3 billion. But it is obviously a very conservative estimate. For example, when you look at the list, you see my State of Florida projected at a $29 million surplus—when in fact my State has a surplus of almost one-half billion dollars in recurring revenue and almost another one-half billion dollars in nonrecurring revenue, for a surplus of a billion dollars.

So I think it does not make fiscal sense for us to borrow and increase the Federal deficit in order to give money to the 50 States that are, fortunately, financially enjoying surpluses.

I just want to conclude with this little statistic: There are 88 million taxpayers in the United States. This amendment, which cuts $684 million, would result in reducing Federal expenditures of $7.75 for each taxpayer.

You and I have all shared in similar experiences in the election of 1978. What our people want is less government; they do not want more government. This amendment is a good place we can start.

PARLIAMENTARY INQUIRY

Mr. WEISS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WEISS. Mr. Chairman, I have an amendment that is noticed in the Record. I am also one of those who stood up. I would like to be in a position to respond to the arguments that the gentleman gave for his amendment. If I do that, is my position still safeguarded under the amendment that is printed in the Record?

The CHAIRMAN. The Chair will advise the gentleman that the gentleman will be recognized for the purpose of offering his amendment and he will be accorded the rights afforded by the rule. The gentleman may use the 3 minutes he obtained by standing at the present time, or at some other time when he is recognized.

Mr. WEISS. I thank the Chair.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Wydler).

Mr. WYDLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is one of the many battles that is going to be fought here on the floor of the House over revenue sharing, and those Members who want to support the revenue sharing program, whether it is at the State level or at the local level, should well understand what is at stake in this amendment.

This is just the first attack on the revenue sharing program. It will be up for renewal next year when the entire program is going to be under attack.

It is just misleading to say that this money is for the States only and does not affect the localities. That is just misleading the members of this committee completely. Forty percent or more of the money that goes to the State is in turn sent by the State government to your local governments, the municipalities. So when you cut out these funds, you are cutting out across this country 40 percent of those funds which go down to your local governments—and those funds are desperately needed. And do not be misled that all of the States have surpluses. That is a very misleading statement for a number of reasons. One, of course, is that they have surpluses, most of them, because they get revenue sharing funds from the Federal Government Those surpluses, in most cases, are very small surpluses. We do not require it at the Federal level, but most State constitutions require us that they run a balanced budget. And when a State runs a balanced budget, it must of course at all times keep some small surplus in their accounts. They cannot run it exactly at dead zero at all times. So those are just misleading kinds of statements.

Most of the States in our country are using these funds for very good purposes, and in a great many cases, passing them on to local governments for their help.

I just want to say to the Members of the House that I received today a communication from the U.S. Conference of Mayors—the U.S. Conference of Mayors, not Governors, but mayors—saying: Please vote against this amendment, because the funds that go to the States are in turn very often sent to our cities and other local governments and are desperately needed by them. By the passage of this amendment you will in fact be cutting those funds off to the cities and to the local governments that are depending upon them.

So the Members better realize the possible implications of what this vote means, not just to our States but to our cities and local governments as well. So I urge the members of this committee not to vote for this amendment. It is out of order, in any event. This program is an entitlement program. The Congress has committed itself to pay this money. Most of the States have already passed their budgets, relying on the receipt of these funds which were promised by the Congress of the United States. All this amendment tries to do is have us welch on our word. I hope the Members will defeat this amendment.

The CHAIRMAN. The Chair will inquire whether any other Member who has reserved time seeks to address this amendment.

The gentleman from New York (Mr. Weiss) has reserved time, and the gentleman is recognized.

Mr. WEISS. Mr. Chairman, we have been through these arguments before. The fact is, that the funds included in the State's portion of the revenue sharing program, go right back to the most needy communities we have in this country. It is not the fault of the gentleman from Florida, but I think it is extremely unfortunate that this kind of significant debate occur under the kind of time restraint in effect at this time.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I rise to express my strong opposition to this amendment, for two reasons. No. 1, most States have adopted their budgets. They have assumed revenue sharing would be one of their revenue sources. I do not think the Federal Government should break the promise that was made to them a few years ago in extending this program through the next fiscal year. The second reason is that one of the problems with revenue sharing has always been that there is a sense of uncertainty. It is my judgment that the passage of this amendment would not only weaken revenue sharing as it applies to State governments, but also as it applies to local governments. It would weaken the confidence that local governments have that revenue sharing will continue and that it is something that they can count on in the years ahead.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I support the amendment that reduces the Federal deficit by eliminating revenue sharing payments to State governments. Therefore I support the Nelson amendment.

The 1978 State governments had a total surplus of $6.1 billion, and for 1979, project a surplus of approximately $4.3 billion. I think the taxpayers of this country will understand why the National Government, which continually runs up large deficits, need no longer subsidize State governments in the black.

This legislation will not reduce the level of revenue sharing going to city and county governments. This amendment will reduce payments to the State governments after October 1, 1979.

The Federal revenue sharing progam, which started in 1972 and is scheduled to expire in October 1980 unless renewed by Congress, now sends about $6.9 billion annually to State and local governments. The money is allocated under a formula by which the States get about one-third and localities receive the other two-thirds, or about $4.6 billion.

State governments are in better financial condition than the Federal Government. It does not make sense for the Federal Government to increase the size of its deficits in order to provide money that contributes to surpluses accumulated by the State governments.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to the amendment. This is another in a series of efforts to attack the general revenue sharing program. Although the amendment does not speak to the point, the real intent of the authors is to eliminate funding for State revenue sharing.

Mr. Chairman, the sort of petulance that is involved here, the Congress saying to the States, "Because you have the temerity to ask us to balance the budget, we are going to take away your money," really strikes at the wrong target, because it does go, as the gentleman from New York said, to the local communities. There are only five States in the Union with surpluses at the State level, which make up over one-half of that $4.3 billion surplus. They are: The State of the author of this amendment, Florida, Wisconsin, Texas, California, because of proposition 13, perhaps, and the State of Nebraska, because we are all paying their surplus.

I would just have to say to the gentleman that I think it is patently unfair for us to try to frustrate what is the will of the folks back home by passing this amendment just to punish them at the State level. It misses the target. It affects the people who are the very ones who would like to have us balance the budget but not at the expense of revenue sharing.

In my district, having talked to the people who are serving at the local level, they are dead opposed to trying to reduce revenue sharing at the State level.

Mr. Chairman, as we all know, general revenue sharing expires in September of 1980 and the 96th Congress must decide upon the future of this program. I would say now to the gentleman offering this amendment that he will have plenty of opportunity to voice his opposition to revenue sharing and the principles involved with the program during the reenactment debate. His amendment here, however, flies directly in the face of commitments made in 1976 by the Congress to the over 39,000 States and localities participating in this program.

The gentleman's amendment seeks to eliminate $684 million from the program. Though the amendment itself does not refer to the target of these cuts, his "Dear Colleague" of June 20 specifically mentions his determination to reduce State government participation in the program. In this letter he says:

> This amendment's intent will not affect Federal revenue sharing to local governments.

How the gentleman makes that presumption I will never know. Since approximately 40 percent of State revenue sharing moneys are presently placed into the localities, I am hard pressed to understand his statement that these cuts will not hurt local governments. The fact is that such a cut in State revenue sharing will affect localities and I want every Member of this House to consider that before they cast their vote on this amendment.

Mr. Chairman, I urge the Members to think before they cast their vote here. Now is not the time for recriminations. Now is the time for the Congress to live up to its earlier expressed commitments. The States and localities have budgeted this money. They have planned on this money. They have depended on this money and now the gentleman from Florida, whose State incidentally happens to be in a fairly rosy fiscal condition, seeks to make these cuts. Let us not carry this charade any further. The Appropriations Committee realizes that this program is an entitlement program; realizes that this money is already committed; and has included full funding for the program in its bill. That was the responsible thing to do and I hope this House will recognize that fact by defeating this amendment.

● Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment. This amendment clearly attempts to alter the entitlement status of general revenue sharing. Long-term funding is essential in a program of this sort. States and localities must be able to prepare their budgets with a minimum of disruption. Ongoing programs and services depend upon this continuity.

The Congress made a commitment in 1976. We told the States and localities that they could expect to receive revenue sharing and we told them in exact amounts. We must honor these commitments under the present law. Opponents of the entitlement procedure will have every opportunity when the Congress consider reenactment of revenue sharing next year to subject the program to the annual appropriations process. For the present, However, it would be most unwise for the Congress to go back on its word.

In addition, the validity of the entitlement procedure is established in section 401(c) of the Budget Control Impoundment Act. Once an entitlement program is enacted, it is exempt from the yearly appropriations process during the life of the entitlement. This is not to say that entitlement legislation is exempted from the budget or appropriations process. On the contrary, both committees have a say in the matter when entitlement legislation is originally being considered. Such consideration was given when revenue sharing was being reenacted in 1976. An amendment was offered by our former colleague, Mr. Adams, to eventually make the program subject to the annual appropriations process. However, that amendment was rejected by this body, and the entitlement provisions were enacted into law. The debate on that amendment clearly indicated that Members realized that the entitlement provisions would insure continued funding through fiscal year 1980 for the program. The House should honor that commitment by rejecting this amendment.●

□ 1440

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. NELSON).

The question was taken; and on a division (demanded by Mr. NELSON) there were—ayes 19, noes 41.

Mr. NELSON. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-five Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1450

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Florida (Mr. NELSON) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

● Mr. OBERSTAR. Mr. Chairman, I rise in support of the amendments offered by the gentleman from New York (Mr. LAFALCE).

Hazardous waste dumpsites represent an enormous problem for this Nation. On June 13, the President proposed a massive $2 billion program to clean up these sites. The problem justifies a program of this magnitude. Hazardous waste is an issue to which the Members of this House will need to devote considerable time and effort in this Congress.

But, we have got a problem right now—and I think our colleague from New York is right in seeking funding for an emergency, interim program.

I support his amendment to provide:

Ten million dollars to enable EPA to develop the best procedure for coping with environmental problems associated with hazardous waste sites; and

Ten million dollars to permit EPA to act immediately in the event of a hazardous waste emergency.

As a Representative of a district in which EPA has identified at least two hazardous waste dumpsites and as a Representative from a State with seven of these sites, I support these amendments.

They offer a reasonable, necessary, interim solution until we enact a comprehensive hazardous waste program.

I urge my colleagues to join with me in supporting the LaFalce amendments to H.R. 4394.●

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. TRAXLER. Mr. Speaker, I ask unanimous consent all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4394, to include tables, charts and other extraneous material, and to revise and extend their remarks on the amendment on the paragraph entitled "Emergency Planning, Preparedness and Mobilization."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1650, PUBLIC HEALTH SERVICE ACT, DIGESTIVE DISEASE PREVENTION, CURE, AND CONTROL ACT

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–297) on the resolution (H. Res. 328) providing for the consideration of the bill (H.R. 1650) to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Disease Advisory Board, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2606, TOXIC SUBSTANCES CONTROL ACT AUTHORIZATION, 1980

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–298) on the resolution (H. Res. 329) providing for the consideration of the bill (H.R. 2606) to amend the Toxic Substances Control Act to extend the authorization of appropriations contained in such act, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3641, PUBLIC HEALTH SERVICE ACT HEALTH INFORMATION PROGRAMS EXTENSION

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–299), on the resolution (H. Res. 330) providing for the consideration of the bill (H.R. 3641) to extend for 3 fiscal years the expiring health information programs under title XVII of the Public Health Services Act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3642, PUBLIC HEALTH SERVICE ACT EMERGENCY MEDICAL SERVICES PROGRAMS EXTENSION

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–300) on the resolution (H. Res. 331) providing for the consideration of the bill (H.R. 3642) to extend for 3 fiscal years the programs under section 789 and title XII of the Public Health Service Act relating to emergency medical services and to authorize assistance for poison control and assistance centers, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3947, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1980

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–301), on the resolution (H. Res. 332) providing for the consideration of the bill (H.R. 3947) to authorize certain construction at military installations for fiscal year 1980, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4057, FOOD STAMP ACT AMENDMENT OF 1979

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–302), on the resolution (H. Res. 333) providing for the consideration of the bill (H.R. 4057) to amend section 18 of the Food Stamp Act of 1977, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORT ON H.R. 4195

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight, June 22, 1979, to file a report on the bill, H.R. 4195, the cotton program and prevented planting amendments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the gentleman from Washington as to the probable program for the rest of the week and for the next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Yes, I yield.

Mr. FOLEY. I would advise the distinguished minority leader this concludes the program for this week.

On next week the House will meet at noon on Monday and undertake a number of suspension bills, 10 bills scheduled for Monday on suspension.

The bills are:

H.R. 3575, Peanut Marketing Penalties Flexibility Act;

H.R. 1798, Fishery Conservation and Management Act authorizations;

H.R. 2035, anadromous fish conservation authorizations;

H.R. 3989, establish Fort Mitchell Cemetery;

H.R. 411, waiver of usury programs for veterans loan guarantee benefits;

H. Con. Res. 143, whale killing moratorium resolution;

S.J. Res. 14, enrollment error correction;

H.R. 4556, State Health Planning Agency extension amendments;

H.R. 1046, Magistrate Act of 1979; and

H.R. 4303, food stamps for the elderly.

I would say to the distinguished minority leader that the plan is to postpone all votes on these suspensions until Tuesday, June 26. There is no other business scheduled for Monday so it is not anticipated that there will be any recorded votes except possibly procedural matters on Monday.

□ 1500

On Tuesday, the House will be asked to meet at 11 o'clock, and we will take up the matter of recorded votes on the bills debated on Monday, June 25.

We will also consider H.R. 3930, Defense Production Act Amendments of 1979 (synthetic fuels), with an open rule and 1 hour of debate.

Following that, we will consider H.R. 4394, HUD/independent agencies appropriations for fiscal year 1980, continuation and complete consideration thereof.

Then, H.R. 4057, additional authorizations for food stamps, fiscal year 1979, with an open rule and 1 hour of debate.

Following that, we will consider H.R. 4439, sanctions on Zimbabwe-Rhodesia, with an open rule and 1 hour of debate.

On Wednesday, the House would meet at 10 a.m. and consider H.R. 4389, Labor/HEW appropriations for fiscal year 1980.

That will be followed by H.R. 3821, intelligence and intelligence-related activities authorizations, fiscal year 1980, to complete consideration.

On Thursday, the House would meet at 10 a.m. and consider H.R. 3919, Crude Oil Excess Profits Tax Act of 1979, subject to a rule being granted.

Following that, we will consider H.R. 4440, Transportation appropriations, fiscal year 1980.

On Friday the House would meet at 10 o'clock and consider H.R. 4393, Treasury-Postal appropriations, fiscal year 1980.

That will be followed by H.R. 4392, State-Justice appropriations, fiscal year 1980.

Following that, the House will consider H.R. 2462, maritime authorizations, fiscal year 1980, with an open rule and 1 hour of debate.

Lastly, the House will consider H.R. 7, Monetary Control Act of 1979, subject to a rule being granted.

The House would adjourn at 3 p.m. on Friday. Adjournment on other days will be announced. It is anticipated that we will possibly be late on Tuesday and Thursday as well as on the usual Wednesday evening.

Mr. RHODES. Does the gentleman have any idea as to how late? It has been my experience over a period of some years now that we really do not observe very many souls on the floor of the House after 7 o'clock. I would be in hopes, and I recognize the necessity of getting this work done, and it is an ambitious schedule and is an important schedule and I certainly wish to cooperate in every way I can, but it would be my hope that we could have some sort of at least tentative gentleman's agreement that we would not be going far into the night.

Mr. FOLEY. If the gentleman would yield further, I do not anticipate that we will be going late on Monday. I would anticipate that debate on those bills would be concluded by 5:30, and that the House would adjourn by 5:30 on Monday.

On Tuesday and Thursday, and also

the regular Wednesday night, while I cannot assure the distinguished gentleman of a particular time, it would be our hope not to extend the session substantially beyond 7 p.m.; although that should not be taken as an assurance that the program will end at 7 p.m.

There is, as the gentleman knows, an ambitious program scheduled here. We would not like to go late into the evening if it can be avoided. I hope it will be not much beyond 7 p.m.

Mr. RHODES. I thank the gentleman from Washington, and his assurance of good intentions will suffice.

REQUEST THAT BUSINESS IN ORDER ON MONDAY, JULY 9, 1979, PERTAINING TO DISTRICT OF COLUMBIA BUSINESS, BE IN ORDER ON MONDAY, JULY 16, 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order on Monday, July 9, 1979, under clause 8, rule XXIV, pertaining to District of Columbia business, shall be in order on Monday, July 16, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

REQUEST FOR HOUR OF MEETING ON TUESDAY, JUNE 26, 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, June 25, 1979, it adjourn to meet at 11 a.m. on Tuesday, June 26, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would like to ask the distinguished gentleman from Washington whether or not that program that was just announced is in fact very realistic. I understand that there is a leadership trip leaving on Thursday which will require the absence of a number of people if they go on that trip, and that the other body is going to leave Washington for an extended period of recess on Wednesday.

The question I would like to ask is whether we are going to be in session on Friday, and if indeed we are not, is this program realistic at all?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Washington.

Mr. FOLEY. I would first say to the distinguished gentleman from Maryland that to my knowledge there is no plan for any of the leadership to be absent during the week, which would include Friday. One of the Members of the leadership will be leaving on Saturday.

Mr. BAUMAN. I see.

Mr. FOLEY. But there is an intention to complete the full Monday through Friday program, and there is definitely planned a session on Friday until 3 o'clock.

Mr. BAUMAN. There is a possibility that some of these bills simply will not be able to be considered, because of time restraints, I assume?

Mr. FOLEY. Yes, that is definitely possible. I am frank to admit, as I did to the minority leader, that it is a very ambitious program and depending, as the gentleman knows, on how consideration and debate goes on the floor and on amendments. It is very possible that many of these bills would have to go over, but we are attempting to consider as many as possible, because we are going into the district work period following Friday adjournment. The program has been planned in a heavy schedule.

Mr. BAUMAN. Further reserving the right to object, I would just observe that this program just announced, based on our work schedule so far this year, is roughly 3 weeks' work, and I am not at all sure that with the recess or, as the gentleman says, the district work period, breathing down our necks, we will be able to accomplish it.

Mr. Speaker, to the pending request to meet on Tuesday at 11 a.m., I object.

The SPEAKER pro tempore. Objection is heard.

ADJOURNMENT TO MONDAY, JUNE 25, 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PRESIDENT OF FRANCE SPEAKS ON U.S. PRODUCTION OF SYNTHETIC FUELS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, I call the attention of the Members to an article which appeared today in the New York Times. This is an interview by James Reston with President Valery Giscard d'Estaing of France. The President of France speaks of the worldwide energy problem. He calls on the consuming industrial nations of the world to agree at Tokyo on a program which President Carter already has spoken of which includes the beginning of production of alternate fuels by the industrial nations to reduce our reliance upon the producing countries.

I call the Members' attention to this particular quote.

President Giscard d'Estaing said:

> I am convinced that on the day the United States will really start to move in the production of synthetic fuels, there will be a major change in the world situation.

Mr. Speaker, that day may be next Tuesday. On that day we have scheduled H.R. 3930 reported from the Committee on Banking, Finance and Urban Affairs. I believe it is the major initiative that Congress can take toward that goal.

The complete New York Times article above referred to follows:

A TALK WITH GISCARD

(By James Reston)

PARIS, June 21.—President Valery Giscard d'Estaing of France does not merely talk about the world energy crisis but acts upon it and wishes the United States would do the same. He limits the import of oil to what he thinks his nation can afford, and tells the people in his bimonthly fireside chats why they have to pay about $1.50 for a gallon of gas and why they have to change their ways of living in the future.

"It is a problem of education," he said here in a private talk at the Elysée Palace. "It is not merely an economic or an immediate political problem, but a long-range philosophic problem. It depends for solution on political will and the support of the people."

Before he went to Strasbourg for a meeting of the European Common Market, Mr. Giscard d'Estaing went on television and told the French people, "We will never return to the era of even growth . . . and no country can win on its own and all can lose . . ."

It was essential, the President said, to consume less imported oil and develop alternative sources of energy, and also imperative for Europe to unite behind a global energy policy. He hopes that the United States and Japan will agree to support such a common policy at the meeting of the leaders of the industrial nations in Tokyo later this month.

There is a different attitude in the President's palace toward the United States these days, and also at the Quai d'Orsay under its new highly intelligent and energetic Foreign Minister, Jean Francois-Poncet. They are not fussing at the United States these days. They seem to have retained the best of Charles de Gaulle's pride and independence and discarded the worst.

Mr. Giscard d'Estaing now seems to fit comfortably into his elegant palace and seems confident and serene. He says it is not for him to offer advice to the United States, but he obviously hopes President Carter and the Congress will agree to a common policy of limited oil imports and the production of synthetic oil fuel at the Tokyo meeting.

"We need to have a goal for limiting the importation of oil," he said, "if we cannot agree in Tokyo on a specific set of goals, we will have nothing but a conversation."

He also favors a joint declaration in favor of the development of electricity through nuclear energy. The present French plan calls for this country to produce half of its electricity with atomic energy by 1985.

Before leaving for Tokyo, President Giscard d'Estaing announced a new program for saving fuel that would involve new restrictions on the consumption of oil by industry, public utilities, the Government and private motorists.

He wants the other leaders of the industrial nations to agree at Tokyo on a four-point program: not only to define goals for limited oil imports but to prohibit imports on the "spot market" at high speculative prices, to approve a program for the development of alternative fuels and, if these things can be done, then to invite the oil-producing nations to discuss ways to keep oil supplies and prices more stable.

"I am convinced," he said in the interview, "that on the day the United States will really start to move in the production of synthetic fuels, there will be a major change in the world situation."

He is already hoping for bolder action from the United States in the future than he has seen in the past, though he makes no point of this and merely responds to questions. "We will, in France, import substantially less oil this year than we did in 1973," he said, "and we'll import even less in 1985 against the present level. And if there were such an attitude in the United States, there would be no oil problem today."

The French President recognizes that reducing the supply of fuel limits the growth of the nation's economy. France now has well over a million people unemployed and his new austerity program will probably add to this burden. But he is looking beyond the present difficulties to a future with even less energy resources and is trying to adjust the French education system to that prospect.

It cannot be assumed, he says, that we won't have "another Iran." The problem now is to deal with the immediate issue of price and supply stability, but at the same time to prepare for a wholly different way of living and producing new sources of energy in the last two decades of the century.

But he is not pessimistic about the future. "It is difficult for people to understand how history is made," he said, referring to the development of a European Parliament. "People believe it's through specific decisions, but I don't think so. I think history is made on the way by a sort of dialogical evolution.

"If you just realize that thirty years ago we were at war against each other in Europe and now we not only have normal relations but the most friendly relations—practically no borders and no antagonism between the peoples. It shows that something rational is underway."

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NATIONAL PROGRAM TO COMMERCIALIZE SYNTHETIC FUELS

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUKEN. Mr. Speaker, today I am introducing a bill that would lead to the commercialization of synthetic fuels. Specifically, my bill would establish a goal by 1990 of 5 million barrels of oil equivalent a day. These synthetic fuels would come from coal gasification, coal liquefaction and oil shale.

This bill authorizes that $25 billion in direct funds be made available from the U.S. Treasury from the sale of equity securities, to stimulate private enterprise to develop syn-fuel plants. This could be accomplished in a number of ways: Direct loans, loan and price guarantees, purchase of product guarantees, purchase of equity securities, construction of facilities for lease purchases and innovative financing aid. The bill also provides for an additional $50 billion in obligational authority.

In the other body, this same bill has been introduced by Senators DOMENICI and JOHNSTON.

For years this country has paid lip service to the idea of decreasing our dependence on the OPEC cartel. We have heard, from news reports, of high government leaders when given the opportunity to import fuels from non-OPEC producers, threw up road blocks in the path. We are slaves to a few Arab oil sheiks and as slaves we are forced to accept unjustified increases in the costs of crude oil. The fact is that the only way to break up the cartel is to increase domestic production and if necessary, import from non-OPEC nations such as Mexico and Canada. That will help us to restore financial balance to our economy, protect the dollar overseas and enable us to promote and carry out an independent foreign policy.

At the present time, as the gas lines continue to grow and we face the prospect of a freezing winter because of a lack of home heating oil, there can be no greater goal for this country than to increase domestic production of fossil fuels in an effective and thoughtful manner. Failure on our part to take this step will be a severe disservice to the American people who are now looking to the Congress for leadership in this area. This is the sort of program that was begun during World War II when this Nation faced a shortage of natural rubber. We have had other programs where the Government and the private sector have worked together, drawing on the best of both worlds to accomplish a national goal. This is the task in front of us now.

In recent weeks, there have been a number of bills introduced designed to increase syn-fuel production. I think that this is the best bill in that it provides for the private sector to take the lead in commercialization. We should all realize that syn-fuel production is a capital-intensive proposition. What we do with this bill is to provide the necessary financial stability to the private sector so that we can take the all-important first steps toward energy independence.

All of these reasons cry out for adoption by the Congress of a syn-fuel commercialization bill. I invite all of my colleagues to join with me in cosponsorship of this proposal.

FARMERS AND TRUCKERS

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I think everything we are talking about nowadays comes down to energy. I hope very much that we will not be pitting the farmer against the independent trucker. They are both part of a system that cannot be divided.

In my State the farmers are suffering. Why? Because the independent truckers have not got the gas to move their blueberries and tomatoes to market. These are small farmers for the most part, who have no trucks of their own and the blueberries and the tomatoes on which they depend for their living are rotting in the fields.

We must see the energy problem in the whole. We cannot say that gasoline cannot be taken away from the farmers, because it will damage them, if that gasoline is given to those truckers who will bring the produce to market. This is shortsighted, I think.

I would like to refer, if I have the time, to the remarks of the gentleman who just spoke. We must move forward. The OPEC countries have us by the throat. It is an absolutely intolerable position for this country to be in. Every single thing that we can do to increase the production of synthetic fuels must be done.

Mr. Speaker, I am a cosponsor of the Moorhead bill and that will be one forward step.

The SPEAKER. The time of the gentlewoman has expired.

SENSELESS, BRUTAL KILLING OF ABC-TV'S BILL STEWART

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VENTO. Mr. Speaker, I am deeply shocked and dismayed by the senseless, brutal killing of ABC-TV's correspondent Bill Stewart and his interpreter in Managua, Nicaragua, while they were covering the disruption and civil violence there.

Bill's death had a unique effect on me because I worked with him many times while he was stationed at an affiliate in Minneapolis-St. Paul, Minn. He was an excellent reporter and truly a professional and competent journalist.

His death, like the deaths of the news reporters in Guyana only a few short months ago, strikes fear in the hearts of everyone who believes in a free press and who knows just how important the flow of reliable, accurate information about events in all parts of the world is.

Are we seeing a new era in which respect for journalists of all nationalities and political persuasions has disappeared, and—instead—they will be used as guinea pigs and examples of the violence and bizarre behavior they are reporting.

Will being a reporter mean you have to be a hero, ready to give your life to bring out a complete story or, perhaps, as part of it?

Bill Stewart's cold-blooded killing by a Nicaraguan National Guardsman cannot be excused or explained away. If it was intended as a weapon of terror and intimidation, it certainly succeeded. Reporters have been air-lifted out of the strife-torn country by news agencies and networks genuinely afraid for their lives and safety.

It is our loss—ultimately—because it means that we will be hampered by not being able to know what is happening there.

President Anastasio Somoza, despite his protestations, must assume overall responsibility for the actions of his soldiers. A full investigation must be conducted and the results of that investigation must be released to the United States and the world.

The killing of Bill Stewart and his interpreter should be condemned fully and without hesitation. If public opinion and moral persuasion have any sway, we will look to Nicaraguan officials for proper punishment of this crime and proper measures to assure the safety of all other news representatives there.

During a world war, correspondents' deaths are not unusual and are accepted as part of the reality of their assignments in the front zone. But Nicaragua is not engaged in a world war. And Bill Stewart was not in a battle zone where he could not be distinguished from enemy troops. Bill Stewart did not represent the "other side" unless the free flow of information and news is what the Nicaraguan National Guard and President Somoza are really fighting against.

There is a barbarity associated with the fact that the Nicaraguan National Guardsman abused and killed Bill Stewart in front of a television camera and both American and Nicaraguan witnesses. The mortality and mentality in that country has apparently reached the point of immunity to either legal or moral law. What a sordid commentary on that country and our world's future.

I urge President Carter to cut off all aid to Nicaragua until Americans are assured that there will be a full investigation into the circumstances surrounding these killings by an objective team of United States, United Nations, and Nicaraguan representatives. And I commend Secretary of State Cyrus Vance for his strong and courageous leadership in calling for a new transitional government of national reconciliation and, if necessary, an inter-American peacekeeping force.

WHO NEEDS THE MX?—II

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, the arguments which surround the subject of our country's security often astound me. An example of this is the current debate on the deployment of the MX missile system. It is apparent to many that this decision is a "bargaining chip" with which to "buy" the SALT II approval from Congress. Is this ample justification for a $30 billion project? I think not, and I would like to call my colleague's attention to an article by Mr. Tom Wicker of the Times of June 15, 1979. This is a continuation of Mr. Wicker's earlier thoughts on the subject, which appear on page 14718 of the June 13, 1979, edition of the CONGRESSIONAL RECORD.

WHO NEEDS THE MX?—II

(By Tom Wicker)

American predictions of Soviet strategic weapons intentions and capacity have been consistently wrong. The "missile gap" of the 1950's that would lead to Soviet nuclear superiority in the 60's; the ABM defense system Moscow was building a decade ago; the "first-strike capacity" the Nixon Administration feared the Soviets sought from their SS-9 missile—all proved in the long run better at boosting Pentagon appropriations than blasting American security.

That need not be the case with today's perceived threat, of course, but this is useful history to keep in mind as the Carter Administration goes forward with its dubious plan to develop and deploy the MX mobile missile system at a cost of at least $30 billion. Equally vital to remember is that throughout the strategic arms race, when one side has leaped momentarily ahead (usually the United States), the other inevitably has moved to catch up.

Thus, when the United States deployed MIRV's—missiles with numerous warheads that could be independently targeted—the Soviets developed their own MIRV. By the mid-1980's, it is now believed, Soviet MIRV's with greatly improved accuracy will threaten the American land-based missile system. The MX, a 95-ton monster carrying 10 MIRV's, each with the explosive power of 20 Hiroshima-size bombs, is the Carter Administration's expensive answer; it can be shifted along a 20-mile protected trench on a railroad track and presumably hidden from Soviet attackers.

The most obvious question about this idea is whether the Soviets won't then build their own mobile missile system, presenting both sides with the necessity to target more warheads on more possible hiding places, at greater cost for less security. Perhaps as important is the problem of verification, which is essential to both arms control and deterrence. For either concept to work, each side has to be confident of the strength and deployment of the other.

Shuttling missiles around obviously makes verification chancier, even if both sides play fair. Hence, the possibility of fatal miscalculation may be increased. And if Americans fear Soviet cheating now—as, in the SALT debate, numerous senators say they do—they would have even more to fear if the Soviets develop a mobile missile of their own. American security would be better served by negotiating a ban on mobile missiles of intercontinental range—as it would have been better served by a ban on MIRV's.

So far, however, the Soviet reaction to Mr. Carter's MX decision has been relatively mild (imagine the response of, say, John Tower of Texas had the Soviets gone first with a mobile missile). That may indicate that Moscow believes, as do some American observers, that Mr. Carter really is trying to "buy" support for SALT II from the Joint Chiefs of Staff and conservative senators. They may think that once the treaty is ratified, the President will reverse himself and cancel the MX at a cost of the $1 billion already in the fiscal 1979 and 1980 budgets.

If that is Mr. Carter's game, it might prove harder to play than he thinks—particularly if SALT votes and the Joint Chiefs' support really were predicated on the development of the MX. If on the other hand the President actually is planning to build the mobile missile system as the $30 billion price of a short-term SALT treaty, he mocks the whole idea of strategic arms limitation—which in any world outside that of the generals and the think tanks means lowering the costs and the risks of the nuclear arms race.

Besides, it's not clear that the MX can buy a SALT treaty. The new missile would not answer all the questions senators have raised, nor would it necessarily eliminate proposed amendments or the Presidential maneuverings of Senator Howard Baker, the minority leader. But such an expensive and risky arms investment might well cause a number of otherwise sympathetic senators to vote against SALT, considering the MX far too high a price and one that might vitiate the treaty anyway.

In justification of MX development, an unnamed "official" was quoted in The New York Times as believing that without it, American land-based missiles would have to be phased out. This, the official said, would leave the Soviet Union as the only nation with land-based strategic forces and would therefore be "unacceptable."

Is it? The MX can't be fully deployed for a decade, even if no technical, political or environmental problems delay it; and in that period there could be a further shift—perhaps at less cost, less risk and less environmental damage—toward reliance on sea- and air-based missiles and manned bombers.

If there is no *military* need to maintain land-based ICBM's, keeping them just because the Soviets have them would be keeping up with the Joneses at ridiculously high cost. On the other hand, phasing out these nuclear-tipped dinosaurs in favor of cruise missiles and submarine-based missiles might indeed be "unacceptable" to generals who think hardware is security and defense contractors who need $30 billion.

TECHNOLOGY TRANSFERS

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, yesterday I placed in the RECORD a news report on the Kama River truck plant and how the Soviets have broken the licensing agreement and diverted American technology for direct military purposes. As a result of this disclosure, the Commerce Department is debating what to do about future trade agreements with the U.S.S.R.

The following New York Times article reveals the split within the administration over U.S. export control policy. In testimony before the House Armed Services Subcommittee on Research and Development last month, the acting director of the office which operates American export controls stated that our system was in serious disrepair.

Congress must get to the bottom of this crisis and find out exactly where the problems exist in controlling military sensitive technology. The future of the free world could be greatly threatened if we do not prevent future technology transfers like "Kama River." I am concerned that there is a deliberate attempt by the administration to gloss over the seriousness of this issue and silence officials like Mr. Brady who have the courage to stand up and speak the truth.

In light of the coming debate on H.R. 4034, the Export Administration Amendments of 1979, I would urge my colleagues to review the following article. If what Mr. Brady is saying is true, and I believe he is correct, then H.R. 4034 must be amended to provide for improved national security export controls.

[From the New York Times, June 2, 1979]

U.S. AIDE SAYS CURBS ON EXPORT OF TECHNOLOGY TO SOVIET ARE LAX

(By Richard Burt)

WASHINGTON, June 1.—A Commerce Department official responsible for monitoring the sale of advanced technology to the Soviet Union and other Communist countries has told a Congressional subcommittee that the Government's system of export controls is "a total shambles."

The statement was made by Lawrence J. Brady, director of the Office of Export Administration, at a closed hearing last week of the House Armed Services subcommittee on research and development.

Asked to give his view on the trade controls, Mr. Brady asserted that, at present, it was nearly impossible for the Carter Administration to insure that advanced technology equipment shipped to the Soviet Union was not diverted to military uses.

ENGINES PUT IN MILITARY VEHICLES

As an illustration, he cited a recent disclosure that engines produced by the Soviet Union's huge Kama River truck plant, built with large-scale American assistance, were being installed in armored personnel carriers and assault vehicles.

In his testimony and in an interview this week, Mr. Brady also maintained that the Commerce Department and other agencies involved in approving sales to Moscow had not been entirely candid in explaining problems of the export control system to Congress.

"The system is in really bad shape," he told the subcommittee, in testimony obtained by The New York Times. "We have a larger backlog of cases than we've ever had and we're getting more in."

Mr. Brady's views are in sharp contrast with the views of his superior, Stanley J. Marcuss, Senior Deputy Assistant Secretary for Industry and Trade, who told the House subcommittee on May 23 that the Administration's export precautions "are sufficient to insure our national security."

CONTROVERSY GROWS ON ISSUE

The split between Mr. Brady and Mr. Marcuss is indicative of a controversy that is boiling up within the Administration over the effectiveness of controls on the sale of advanced American products to the Soviet Union. In part, the controversy has been simulated by amendments to the 1969 Export Administration Act, now being debated on Capitol Hill, which would ease the granting of export licenses.

But it also reflects a much wider debate in Government circles over whether the summit meeting between President Carter and Leonid I. Brezhnev, the Soviet leader, later this month should be an occasion for starting a new campaign to expand trade with the Soviet-bloc countries.

Several senior Administration aides, including Secretary of Commerce Juanita M. Kreps and Secretary of State Cyrus R. Vance, are known to favor increased trade, but aides in the Defense Department and the White House's National Security Council are more skeptical.

LACK OF SAFEGUARDS ON USE

A notable concern of critics of the existing export control system is that the Administration has inadvertently added to Moscow's military potential by granting export licenses for equipment and then failing to insure adequate measures to guard against diversions to military use.

According to Mr. Brady, the Administration last year denied only about 200 to 300 sales to Soviet-bloc nations of a total of more than 7,000 cases considered. He said that the Commerce Department supported virtually every sale suggested by private industry and that only objections by the Pentagon had led to certain sales being turned down.

ANNUAL CORPORATE TAX STUDY FOR TAX YEAR 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 60 minutes.

● Mr. VANIK. Mr. Speaker, what American corporation had $7.1 billion in income before taxes in 1977 and paid taxes to the Federal Government of only 8.0 percent of that income?

The answer to this and other examples of problems in our Nation's corporate tax laws are contained in this year's "edition" of the Corporate Tax Study.

This study is the seventh annual report I have provided on the effective Federal tax rate of America's "Fortune 100" top industrial, and banking, transportation, utility, and retailing companies. The study is prepared at my request by the staff of the Joint Committee on Taxation with the assistance of the General Accounting Office. The study includes five different ways of measuring corporate tax payments.

This year's study documents the significant decline in the average effective Federal corporate income tax rate during the 1970's. This trend line makes hash of the argument—for large corporations at least—that Federal taxes take too much venture capital and that additional general corporate tax relief is needed.

In 1977, 17 of the profitable corporations with pretax worldwide earnings (table I) of $2,061,293,000, paid no Federal income taxes. This compares with 17 companies earning $2,594,060,000 that paid no Federal income taxes in 1976.

In 1977, 38 corporations with worldwide pretax income of $33,763,114,000 paid 10 percent or less in effective Federal income taxes (table II). This compares with 41 corporations earning $29,626,300,000 that paid 10 percent or less in effective Federal income taxes in 1976.

The big oil companies paid an average effective Federal tax rate of 11 percent on worldwide income of $30.1 billion. This ridiculously low tax rate will be aggravated by decontrol and highlights the need for a tough windfall profits tax bill. (See CONGRESSIONAL RECORD of June 12, 14507, for a separate analysis of oil company taxes.)

The Tax Act of 1976 has virtually removed airlines and railroads from the lists of taxpayers. They now pay little or no Federal corporate income tax.

The Nation's big banks paid an average effective Federal tax rate of 7.1 percent on $2,543,724,000 in worldwide pretax income.

Utilities generally pay little or no Federal corporate income tax.

Effective tax rates among sectors of the economy vary significantly. In essence, large groups of companies get multi-billion dollar tax subsidies, while other sectors tend to pay much more. This system of varying subsidies has evolved with little public debate and understanding.

While a breakout between domestic and foreign income is not always possible, the companies which provided a breakout paid at least $16.12 billion to foreign governments in "taxes", compared to $10.86 billion to their own U.S. Government.

The answer to the question in the first sentence of this statement is A.T. & T.—the company obviously has its tax attorney do the walking through the tax code.

This study, covering tax year 1977, examines 142 companies. These include 102 industrial, 5 airline, 5 railroad, 5 trucking, 10 utility, 5 retailing, and 10 commercial banking companies. Because a few did not furnish data adequate for computation, some categories of taxes or rates could not be computed.

Where sufficient data made computations possible, the average effective U.S. tax rate on worldwide income of the corporations was approximately 17.8 percent, down from last year's average, thus continuing a well-established trend (See table IV). This tax rate is the same an average family of four earning $26,150 today would have faced. The companies listed in this study had a pre-tax income of more than $87.8 billion.

METHODOLOGY

Since actual tax returns are not available, the figures in this report are derived from two public sources: Annual financial reports to stockholders of the various companies, and separate annual reports required by the Securities and Exchange Commission. Accordingly, the figures in this report are only approximations. In cases where computations had to be made without full statistics available, the benefit of the doubt was given to the corporate taxpayer. This extra-conservative approach means that the amount of actual taxes paid by the companies may be even less than shown here and actual effective tax rates are probably overstated.

The technical note provided by the Joint Committee on Taxation's staff describes this phenomenon:

> Corporations may "overstate" the accrued Federal income tax liability, and thus overstate the provision to provide a "cushion" for potential increases in tax liability resulting from Internal Revenue Service examinations. Corporations "book" this "overstatement" because of the tendency to resolve doubtful items in the corporate favor while realizing that they may result in tax deficiencies on examination by the Internal Revenue Service. Because the amount of this "overstatement" of the provision for Federal income taxes cannot be determined from public information sources, no attempt was made in this study to adjust for this amount in arriving at the estimated current Federal income tax expense.

Let me stress here that I suggest no illegality in the lowering of the effective corporate tax rate—corporations have simply taken advantage—quite effectively—of the multitude of tax subsidies put into our tax laws.

Companies will be quick to assure the public that they pay and have paid much more in "taxes" to the Government than indicated by this study. Readers should be aware that this study refers only to Federal corporate income taxes. It does not include the myriad of other taxes such as sales taxes, excise taxes, State, city, or local taxes, franchise taxes, taxes to foreign governments, and so forth. Everyone pays these additional taxes; but as a Member of the U.S. Congress and particularly the Ways and Means Committee, I am specifically concerned about Federal income taxes.

REAL TAX RATE LESS THAN ONE-HALF STATUTORY RATE

As in my past studies, I have found that for most major profitable corporations, the statutory corporate tax rate of 48 percent existing in 1977 is a myth. The effective rate paid by the corporations in my study is 17.8 percent. This is less than one-half the statutory rate. This study dramatically demonstrates that Federal tax subsidies provided to giant corporations significantly reduce or eliminate their Federal tax obligations.

The Revenue Act of 1978 will further encourage the trend of reducing the corporate tax burden. The bill shows a fundamental shift in national priorities from a goal of redistributing income to a push to bestow tax benefits on the giants and special interests in the corporate sector. The most glaring example of special corporate benefits in the Revenue Act of 1978 is the reduction in the corporate rate itself from 48 to 46 percent. This switch alone will cut corporate taxes by $5 billion. In the end, the Treasury and the American public will be the biggest losers.

REASONS FOR LOW CORPORATE TAX RATES

Effective Federal corporate tax rates are much lower than the statutory rates (48 percent in 1977, 46 percent now) because of special provisions that have crept into the Tax Code over the years: provisions designed to encourage modernization, define business expenses, offset taxes of other jurisdictions, and so forth.

The problem, however, is that while many of these provisions initially had admirable motives—usually to stimulate jobs—they often outgrow their intentions and turn into plain subsidies from the Federal Government. It is also my experience that once a tax incentive or "stimulant" is enacted into law and made a part of the Tax Code, it is very difficult, if not impossible, to remove the provision or decrease its drain on the Treasury. There is no such thing as a "temporary" Tax Code alteration.

It seems as if old loopholes never die, they just get bigger.

The footnotes to this year's study describe some of the tax provisions that corporations have used to reduce their effective Federal corporate tax rates to rock bottom. Footnotes 8, 9, 12, 13, 14, 18, 19, 23, and 24 are worth examining in this regard.

FOREIGN TAX CREDIT

One of the principal devices used is the foreign tax credit. In the case of the U.S. companies operating in countries other than the United States, the tax code allows a "foreign tax credit" for taxes paid abroad. This provision allows corporations to further reduce or even avoid paying taxes. Multinational oil companies have had the extra benefit of treating foreign "royalties," actually oil purchase costs, as "taxes" and therefore, are able to take full advantage of the credit. Indeed, in 1979, U.S. petroleum companies claimed foreign tax credits of $24.8 billion.

The foreign tax credit, which directly reduces the taxes of American multinationals, has become a hotly debated subject. Why should not foreign taxes be treated simply as a cost of doing business? Such a change would allow a taxpayer to deduct foreign taxes—in a similar manner as he deducts State and local taxes—and at considerably less cost to the Federal Treasury. This is the way the tax rate in the far right-hand column of the tables is computed.

The Ways and Means Committee is currently considering my proposal which will repeal the foreign tax credit with respect to oil-related income and repeal deferral with respect to that income. The Treasury would gain $2 billion under my plan.

AIRLINES AND RAILROADS

Airlines and railroads received incredible gifts from the Treasury and the pockets of the American taxpayers in the 1970's.

As the footnotes to the study report:

> The airlines benefited from the investment tax credit changes contained in the Tax Reform Act of 1976 which permit them to utilize the oldest credits first and to offset 100 percent of Federal income tax for 1977 and 1978. Investment credits used to reduce current U.S. tax expense for those companies which disclosed such information were as follows: TWA—$9,964,000; United—$64,065,000; and Pan American—$44,639,000.
>
> The railroads also benefited from the investment tax credit changes made by the Tax Reform Act of 1976. Investment credits used to reduce current U.S. tax expense for those companies which disclosed such information were as follows: Union Pacific—$57,459,000; Southern Pacific—$50,629,000; Santa Fe Industries—$31,725,000; and Seaboard Coastline—$46,032,000.

CONCLUSION

I have made these latest tax year figures public in the hope that full knowledge of the effective rates will encourage both the Congress and the average American taxpayer to work harder toward real "tax reforms." By "tax reforms," however, I do not necessarily mean tax reduction. I mean altering the present system to assure justice, efficiency, and simplicity for all taxpayers.

We must keep in mind that the basic reason for a Federal income tax is to raise money for the operation of the Government. As much as all of us would like to forgo taxes completely, they are indeed the price we pay for a civilized society.

As a member of the House Ways and Means Committee where Federal tax legislation originates, I believe it is imperative that we know which sectors pay taxes and which ones receive the direct benefits of "tax expenditures" through special benefits or provisions. Only through such knowledge of the effectiveness of the present tax system can the committee and the Congress make reasoned decisions in the future.

In considering new tax legislation—which has become an election year tradition—we must look carefully at the trends that this and other reports indicate: effective corporate tax rates for large corporations continue to decline. Where will this trend lead us and how soon will it be before all corporations are able to escape Federal income taxes entirely?

Do American corporations really need additional tax relief? Are corporate taxes really too high? Is venture capital being soaked up by Federal taxes? For the nation's largest corporations at least, I believe that this year's study, along with the accompanying trend lines, indicate that the answer is "No."

PUBLICATION OF TABLES

Most of the tables printed below deal only with tax year 1977. Last year, in the CONGRESSIONAL RECORD of January 26, 1978, beginning on page 1160, I printed a compilation of past years' tax studies, thus providing in one location vital economic data for 8 consecutive years. For those interested in previous years' payments, trends, and so forth, I refer you to this previous study, limited copies of which are still available from my office.

The 1977 tax year effective tax rates, footnotes, and explanatory data follow:

	Thousands						Percent				
	U.S. income before tax[2]	Foreign income before tax[3]	Worldwide income before tax[1]	Current U.S. tax expense[4]	Current foreign tax expense[4]	Current worldwide tax expense[3]	Effective U.S. tax rate on U.S. income[5]	Effective rate on foreign income[5]	Effective worldwide tax rate on worldwide income[5]	Effective U.S. tax rate on worldwide income[5]	Effective rate of U.S tax on adjusted worldwide income[6]
INDUSTRIAL CORPORATIONS											
General Motors	5, 062, 175	707, 225	5, 769, 400	2, 468, 300	430, 300	2, 898, 600	48. 8	60. 8	50. 2	42. 8	45. 5
Exxon	2, 201, 453	5, 463, 000	7, 664, 453	570, 000	4, 624, 000	5, 194, 000	25. 9	84. 6	67. 8	7. 4	19. 7
Ford Motor	1, 319, 000	1, 469, 600	2, 788, 600	543, 000	563, 700	1, 106, 700	41. 2	38. 4	39. 7	19. 5	26. 5
Mobil	968, 970	3, 380, 461	4, 349, 431	107, 500	2, 812, 757	2, 920, 257	11. 1	83. 2	67. 1	2. 5	7. 4
Texaco	690, 136	955, 577	1, 645, 713	103, 100	768, 100	871, 200	14. 9	80. 4	52. 9	6. 3	12. 7
Standard Oil of California	798, 207	548, 480	1, 346, 687	272, 811	294, 138	566, 949	34. 2	53. 6	42. 1	20. 3	26. 7
IBM	2, 523, 858	2, 568, 556	5, 092, 414	1, 086, 392	1, 341, 545	2, 427, 937	43. 0	52. 2	47. 7	21. 3	29. 0
Gulf Oil	685, 000	1, 513, 000	2, 198, 000	139, 000	1, 160, 000	1, 299, 000	20. 3	76. 7	59. 1	6. 3	14. 3
General Electric	1, 335, 100	467, 100	1, 802, 200	526, 300	272, 100	798, 400	39. 4	58. 3	44. 3	29. 2	33. 3
Chrysler (note 11)	135, 700	3, 200	138, 900	53, 300	38, 200	91, 500	39. 3	1, 193. 8	65. 9	38. 4	54. 7
International Tel. & Tel	(*)	(*)	656, 102	45, 004	284, 108	329, 112	(*)	(*)	50. 2	6. 9	12. 2
Standard Oil or Indiana	1, 312, 082	1, 186, 999	2, 499, 081	460, 700	895, 200	1, 355, 900	35. 1	75. 4	54. 3	18. 4	29. 3
Atlantic Richfield (note 8)	690, 478	218, 100	908, 578	11. 500	173, 850	185, 350	1. 7	79. 7	20. 4	1. 3	1. 6
Shell Oil	(*)	(*)	1, 176, 773	352, 100	14, 129	366, 229	(*)	(*)	31. 1	29. 9	30. 3
United States Steel (note 9)	(*)	(*)	87, 200	(113, 400)	15, 100	(98, 300)	0	(*)	0	0	0
E. I. du Pont de Nemours	(*)	(*)	963, 400	275, 400	27, 700	303, 100	(*)	(*)	31. 5	28. 6	29. 6
Continental Oil	(*)	(*)	1, 308, 924	132, 663	724, 602	857, 265	(*)	(*)	65. 5	10. 1	23. 4
Western Electric (note 7)	917, 583	0	917, 583	386, 700	0	386, 700	42. 1	(*)	42. 1	42. 1	42. 1
Tenneco	(*)	(*)	771, 300	264, 000	34, 800	298, 800	(*)	(*)	38. 7	34. 2	35. 9
Procter & Gamble (note 10)	(*)	(*)	942, 369	(*)	(*)	400, 062	(*)	(*)	42. 5	(*)	(*)
Union Carbide (note 12)	409. 400	177, 700	587, 100	600	73, 300	73, 900	. 1	41. 2	12. 6	. 1	. 1
Goodyear Tire & Rubber	281, 279	97, 678	378, 957	95, 035	55, 472	150, 507	33. 8	56. 8	39. 7	25. 1	29. 8
Sun Co	549, 255	169, 835	719, 090	230, 107	111, 969	342, 076	41. 9	65. 9	47. 6	32. 0	39. 3
Phillips Petroleum	598, 441	532, 120	1, 130, 561	208, 926	347, 485	556, 411	34. 9	65. 3	49. 2	18. 5	28. 8
Dow Chemical	(*)	(*)	820, 925	225, 400	85, 700	311, 100	(*)	(*)	37. 9	27. 5	32. 0
Westinghouse	(*)	(*)	359, 265	52, 074	39, 850	91, 924	(*)	(*)	25. 6	14. 5	16. 7
Occidental Petroleum (note 13)	(*)	(*)	887, 142	7, 800	516, 236	524, 036	(*)	(*)	59. 1	. 9	3. 3
International Harvester	222, 925	146, 858	369, 783	58, 009	64, 263	122, 272	26. 0	43. 8	33. 1	15. 7	19. 6
Eastman Kodak	886, 938	257, 660	1, 144, 598	362, 650	125, 700	488, 350	40. 9	48. 8	42. 7	31. 7	35. 7
RCA	366, 700	70, 800	437, 500	97, 700	29, 800	127, 500	26. 6	42. 1	29. 1	22. 3	23. 9
Rockwell International (note 14)	209, 800	56, 900	266, 700	(115, 300)	35, 800	(79, 500)	0	62. 9	0	0	0

Footnotes at end of table II.

TABLE II.—CORPORATIONS PAYING 10 PERCENT OR LESS IN EFFECTIVE FEDERAL INCOME TAXES, 1977—CONTINUED

	Thousands						Percent				
	U.S. income before tax[2]	Foreign income before tax[2]	Worldwide income before tax[1]	Current U.S. tax expense[4]	Current foreign tax expense[4]	Current worldwide tax expense[3]	Effective U.S. tax rate on U.S. income[5]	Effective rate on foreign income[5]	Effective worldwide tax rate on worldwide income[5]	Effective U.S. tax rate on worldwide income[5]	Effective rate of U.S tax on adjusted worldwide income[6]
Caterpillar Tractor	(*)	(*)	748,000	222,200	61,900	284,100	(*)	(*)	38.0	29.7	31.8
Union Oil of California	(*)	(*)	550,088	44,500	118,200	162,700	(*)	(*)	29.6	8.1	10.4
United Technologies	291,708	75,487	367,195	131,017	58,671	189,688	44.9	77.7	51.7	35.7	42.5
Bethlehem Steel	( )	(*)	(895,200)	(95,000)	9,000	(86,000)	0	(*)	0	0	0
Beatrice Foods	(*)	(*)	415,339	147,572	32,614	180,186	(*)	(*)	43.4	35.5	39.0
Esmark (note 15)	82,499	15,500	97,999	(1,600)	12,000	10,400	0	77.4	10.6	0	0
Kraft	(*)	(*)	289,237	98,383	23,964	122,347	(*)	(*)	42.3	34.0	37.1
Xerox	447,445	428,528	875,973	128,285	253,086	381,371	28.7	59.1	43.5	14.6	19.4
General Foods	(*)	(*)	310,421	127,386	20,567	147,953	(*)	(*)	47.7	41.0	43.9
R. J. Reynolds Industries	(*)	(*)	750,100	238,200	25,800	264,000	(*)	(*)	35.2	31.8	33.0
Ashland Oil	(*)	(*)	281,938	57,766	36,154	93,920	(*)	(*)	33.3	20.5	23.5
LTV	(*)	(*)	(57,380)	0	685	685	(*)	(*)	(*)	0	0
Monsanto	(*)	(*)	522,800	172,300	7,700	180,000	(*)	(*)	34.4	33.0	34.0
Amerada Hess	172,444	341,233	513,677	60,694	279,924	340,618	35.2	82.0	66.3	11.8	26.9
Firestone Tire & Rubber	141,600	68,000	209,600	48,600	39,700	88,300	34.3	58.4	42.1	23.2	28.9
Cities Service	(*)	(*)	374,000	108,100	10,000	118,100	(*)	(*)	31.6	28.9	29.9
Marathon Oil	315.757	439,142	754,899	50,150	424,540	474,690	15.9	96.7	62.9	6.6	15.2
Boeing (note 16)	316,200	0	316,200	135,900	0	135,900	43.0	(*)	43.0	43.0	43.0
Minnesota Mining & Manufacturing	(*)	(*)	742,946	203,400	104,200	307,600	(*)	(*)	41.4	27.4	32.4
W. R. Grace	(*)	(*)	253,920	19,530	81,256	100,786	(*)	(*)	39.7	7.7	11.5
Philip Morris	(*)	(*)	579,458	211,620	16,591	228,211	(*)	(*)	39.4	36.5	38.2
Greyhound	(*)	(*)	107,678	44,001	9,462	53,463	(*)	(*)	49.7	40.9	44.9
Colgate-Palmolive	(*)	(*)	290,065	19,208	88,853	108,061	(*)	(*)	37.3	6.6	9.7
Ralston Purina	(*)	(*)	253,900	92,600	10,900	103,500	(*)	(*)	40.8	36.5	38.1
Georgia Pacific (note 10)	(*)	(*)	433,000	(*)	(*)	141,000	(*)	(*)	32.6	(*)	(*)
International Paper	(*)	(*)	316,200	15,000	37,800	52,800	(*)	(*)	16.7	4.7	5.4
Continental Group	(*)	(*)	238,600	12,900	36,100	49,000	(*)	(*)	20.5	5.4	6.5
Gulf & Western Industries	(*)	(*)	205,458	1,000	46,300	47,300	(*)	(*)	23.0	.5	.6
Deere	(*)	(*)	397,039	63,500	35,900	99,400	(*)	(*)	25.0	16.0	17.6
Coca-Cola	(*)	(*)	586,924	94,066	150,156	244,222	(*)	(*)	41.6	16.0	22.0
Armco Steel	58,321	56,752	115,073	24,285	29,529	53,814	41.6	52.0	46.8	21.1	28.4
Pepsico	(*)	(*)	337,206	121,117	21,250	142,367	(*)	(*)	42.2	35.9	38.3
McDonnell Douglas (note 17)	(*)	(*)	208,063	125,217	537	125,754	(*)	(*)	60.4	60.2	60.3
American Can	(*)	(*)	208,500	81,600	13,300	94,900	(*)	(*)	45.5	39.1	41.8
Standard Oil (Ohio) (note 18)	(*)	(*)	235,906	1,298	14,974	16,272	(*)	(*)	6.9	.6	.6
Borden	(*)	(*)	208,570	61,800	10,200	72,000	(*)	(*)	34.5	29.6	31.3
Champion International	151,335	31,097	182,432	48,204	10,455	58,659	31.9	33.6	32.2	26.4	28.0
Litton Industries	(*)	(*)	100,616	38,408	17,799	56,207	(*)	(*)	55.9	38.2	46.6
Aluminum Co. of America	(*)	(*)	254,000	53,800	38,200	92,000	(*)	(*)	36.2	21.2	24.9
Lockheed (note 18)	(*)	(*)	115,800	100	13,000	13,100	(*)	(*)	11.3	.1	.1
Getty Oil	453,302	401,295	854,597	145,641	267,808	413,449	32.1	66.7	48.4	17.0	29.1
Bendix	151,400	64,100	215,500	62,100	29,800	91,900	41.0	46.5	42.6	28.8	33.6
Weyerhaeuser	396,279	25,312	421,591	116,320	11,590	127,910	29.4	45.8	30.3	27.6	28.3
Sperry Rand (note 10)	(*)	(*)	316,575	(*)	(*)	56,200	(*)	(*)	17.8	(*)	(*)
TRW	(*)	(*)	272,092	69,208	50,618	119,826	(*)	(*)	44.0	25.4	31.6
National Steel (note 9)	(*)	(*)	45,806	(34,600)	(*)	(34,600)	(*)	(*)	0	0	0
Signal Co.	160,925	29,531	190,456	86,084	15,531	101,615	53.5	52.6	53.4	45.2	49.2
Allied Chemical	75,903	157,409	233,312	5,477	44,082	49,559	7.2	28.0	21.2	2.3	3.5
Johnson & Johnson	199,937	221,457	421,394	76,095	96,055	172,150	38.1	43.4	40.9	18.1	23.9
Honeywell	(*)	(*)	228,386	47,902	20,252	68,154	(*)	(*)	29.9	21.0	25.2
General Mills	(*)	(*)	255,000	104,700	9,200	113,900	(*)	(*)	44.7	41.1	42.6
Republic Steel (note 9)	(*)	(*)	33,848	(13,368)	464	(12,904)	(*)	(*)	0	0	0
General Dynamics (Note 18)	(*)	(*)	178,796	3,128	18,569	21,697	(*)	(*)	12.1	1.7	2.0
American Brands	254,718	62,338	317,056	123,937	6,244	130,181	48.7	10.0	41.1	39.1	44.7
Consolidated Foods	134,799	29,425	164,224	58,218	12,213	70,431	43.2	41.5	42.9	35.5	38.5
CPC International	82,300	158,200	240,500	25,000	60,500	85,500	30.4	38.2	35.6	10.4	14.9
Raytheon	193,367	8,412	201,779	31,222	2,317	33,539	16.1	27.5	16.6	15.5	15.7
Textron	(*)	(*)	240,947	98,547	9,690	108,237	(*)	(*)	44.9	40.9	42.8
CBS	271,799	57,220	329,019	139,003	25,119	164,122	51.1	43.9	49.9	42.2	45.6
Owens-Illinois	(*)	(*)	114,532	13,653	14,507	28,160	(*)	(*)	24.6	11.9	13.6
American Home Products (note 10)	(*)	(*)	596,437	(*)	(*)	295,932	(*)	(*)	49.6	(*)	(*)
Inland Steel (note 9)	(*)	(*)	88,507	(16,937)	1,027	(15,910)	(*)	(*)	0	0	0
Uniroyal	38,515	21,317	59,833	4,159	14,582	18,741	10.8	68.4	31.3	7.0	9.8
Warner-Lambert	(*)	(*)	328,773	64,221	75,281	139,502	(*)	(*)	42.4	19.5	25.3
Dresser Industries	272,900	51,700	324,600	110,300	28,600	138,900	40.4	55.3	42.8	34.0	37.3
NCR	(*)	(*)	265,934	23,900	77,346	101,246	(*)	(*)	38.1	9.0	12.3
PPG Industries	(*)	(*)	276,100	67,700	13,800	81,500	(*)	(*)	29.5	24.5	25.8
United Brands	(*)	(*)	17,714	0	10,166	10,166	(*)	(*)	57.4	0	0
Burlington Industries	129,156	7,401	136,557	36,748	4,706	41,454	28.5	63.6	30.4	26.9	28.0
FMC	150,128	22,055	172,183	35,388	9,162	44,550	23.6	41.5	25.9	20.6	21.7
American Motors (note 18)	(*)	(*)	5,166	(3,330)	795	(2,535)	(*)	(*)	0	0	0
Total—Industrial corporations	27,107,218	22,763,760	70,472,633	13,394,894	19,091,195	33,379,283	(*)	(*)	47.4	(*)	(*)
Total—Not counting companies with unavailable figures	27,107,218	22,763,760	68,184,252	9,347,557	15,953,893	----------	34.5	70.1	47.4	19.6	27.8
TRANSPORTATION CORPORATIONS											
Airlines (note 20):											
Trans World Airlines	(*)	(*)	80,754	899	14,609	15,508	(*)	(*)	19.2	1.1	1.4
United Airlines	(*)	(*)	140,102	700	1,651	2,351	(*)	(*)	1.7	.5	.5
American Airlines	(*)	(*)	83,089	0	0	0	0	0	0	0	0
Eastern Airlines	(*)	(*)	34,737	0	0	0	0	0	0	0	0
Pan American World Airways	(*)	(*)	33,489	0	0	0	0	0	0	0	0
Total airlines	(*)	(*)	372,171	1,599	16,260	17,859	(*)	(*)	4.8	.4	.4
Railroads (note 21):											
Union Pacific	337.989	0	337,989	27,809	0	27,809	8.2	0	8.2	8.2	8.2
Burlington Northern	76,979	0	76,979	1,081	0	1,081	1.4	0	1.4	1.4	1.4
Southern Pacific	166,637	0	166,637	3,100	0	3,100	1.9	0	1.9	1.9	1.9
Santa Fe Industries	218,479	0	218,479	10,700	0	10,700	4.9	0	4.9	4.9	4.9
Seaboard Coastline Industries	97,263	0	97,263	(2,052)	0	(2,052)	0	0	0	0	0
Total railroads	897,347	0	897,347	40,638	0	40,638	4.5	0	4.5	4.5	4.5
Trucking:											
United Parcel Service	147,650	0	147,650	54,380	0	54,380	36.8	(*)	36.8	36.8	36.8
Consolidated Freightways	(*)	(*)	92,765	38,415	2,724	41,139	(*)	(*)	44.3	41.4	42.9
Roadway Express	86,381	0	86,381	34,589	0	34,589	40.0	(*)	40.0	40.0	40.0
Leaseway Transportation	48,337	0	48,337	10,265	0	10,265	21.2	(*)	21.2	21.2	21.2
Yellow Freight System	68,803	0	68,803	16,310	0	16,310	23.7	(*)	23.7	23.7	23.7
Total—Trucking companies	351,171	(*)	443,936	153,959	2,724	156,683	(*)	(*)	35.3	34.7	34.9
Total—Not counting companies with unavailable figures	351,171	(*)	443,936	115,544	(*)	----------	32.9	(*)	----------	----------	----------

Footnotes at end of table II.

	Thousands						Percent				
	U.S. income before tax[2]	Foreign income before tax[2]	Worldwide income before tax[1]	Current U.S. tax expense[4]	Current foreign tax expense[4]	Current worldwide tax expense[3]	Effective U.S. tax rate on U.S. income[5]	Effective rate on foreign income[5]	Effective worldwide tax rate on worldwide income[5]	Effective U.S. tax rate on worldwide income[5]	Effective rate of U.S. tax on adjusted worldwide income
UTILITY CORPORATIONS											
American Telephone & Telegraph (note 7)	7, 117, 146	0	7, 117, 146	567, 701	0	567, 701	8. 0	(*)	8. 0	8. 0	8. 0
General Telephone & Electronics	912, 231	138, 247	1, 050, 478	156, 773	36, 095	192, 868	17. 2	26. 1	18. 4	14. 9	16. 0
Southern Co	601, 353	0	601, 353	17, 489	0	17, 489	2. 9	(*)	2. 9	2. 9	2. 9
Pacific Gas & Electric	406, 471	0	406, 471	7, 826	0	7, 826	1. 9	(*)	1. 9	1. 9	1. 9
American Electric Power (note 22)	333, 403	0	333, 403	(1, 359)	0	(1, 359)	0	(*)	0	0	0
Commonwealth Edison (note 23)	361, 589	0	361, 589	(24, 598)	0	(24, 598)	0	(*)	0	0	0
Consolidated Edison	470, 243	0	470, 243	118, 200	0	118, 200	25. 1	(*)	25. 1	25. 1	25. 1
Southern California Edison (note 24)	317, 174	0	317, 174	(48, 360)	0	(48, 360)	0	(*)	0	0	0
Public Service Electric & Gas	325, 164	0	325, 164	8, 733	0	8, 733	2. 7	(*)	2. 7	2. 7	2. 7
Virginia Electric & Power	249, 887	0	249, 887	9, 549	0	9, 549	3. 8	(*)	3. 8	3. 8	3. 8
Total—Utility corporations	11, 094, 661	138, 247	11, 232, 908	811, 954	36, 095	848, 049	7. 3	26. 1	7. 5	7. 2	7. 3
RETAILING CORPORATIONS											
Sears Roebuck (note 25)	675, 949	0	675, 949	214, 000	0	214, 000	31. 7	*	31. 7	31. 7	31. 7
Safeway Stores	107, 004	70, 148	177, 152	41, 580	29, 163	70, 743	38. 9	41. 6	39. 9	23. 5	29. 3
K Mart	520, 676	25, 609	546, 285	222, 051	15, 109	237, 169	42. 6	59. 0	43. 4	40. 6	41. 8
J C Penney (note 10)	(*)	(*)	503, 000	163, 000	(*)	163, 000	(*)	(*)	32. 4	32. 4	32. 4
Great Atlantic & Pacific Tea (note 18)	(*)	(*)	5, 046	0	140	140	0	(*)	2. 8	0	0
Total—Retailing corporations	1, 303, 629	95, 757	1, 907, 432	640, 631	44, 412	685, 043	(*)	(*)	35. 9	33. 6	34. 5
Total—Not counting companies with unavailable figures	1, 303, 629	95, 757	1, 907, 432	477, 631	44, 272		36. 6	36. 2			
COMMERCIAL BANKING CORPORATIONS											
BankAmerica Corp	301, 276	285, 000	586, 276	69, 000	90, 000	159, 000	22. 9	31. 6	27. 1	11. 8	13. 9
Citicorp	(*)	(*)	576, 845	19, 000	187, 000	206, 000	(*)	(*)	35. 7	3. 3	4. 9
Chase Manhattan Corp	(*)	(*)	151, 606	90	46, 072	46, 162	(*)	(*)	30. 4	. 1	. 1
Manufacturers Hanover Corp	(*)	(*)	231, 945	15, 842	39, 463	55, 305	(*)	(*)	23. 8	6. 8	8. 3
J. P. Morgan & Co. (note 26)	(*)	(*)	297, 450	24, 055	45, 723	69, 778	(*)	(*)	23. 5	8. 1	9. 5
Chemical New York Corp	(*)	(*)	112, 544	1, 170	15, 614	16, 784	(*)	(*)	14. 9	1. 0	1. 2
Continental Illinois Corp	(*)	(*)	195, 996	23, 567	16, 551	40, 118	(*)	(*)	20. 5	12. 0	13. 1
Bankers Trust New York Corp	(*)	(*)	76, 433	4, 603	23, 382	27, 985	(*)	(*)	36. 6	6. 0	8. 3
First Chicago Corp	(*)	(*)	152, 113	0	13, 000	13, 000	(*)	(*)	8. 5	0	0
Western Bancorp	(*)	(*)	162, 516	23, 200	5, 100	28, 300	(*)	(*)	17. 4	14. 3	14. 7
Total commercial banks	301, 276	285, 000	2, 543, 724	180, 527	481, 905	662, 432	22. 9	31. 6	26. 0	7. 1	8. 8
Grand total—All companies	41, 055, 302	23, 282, 764	87, 870, 151	15, 224, 202	19, 672, 591	35, 789, 987	(*)	(*)	40. 7	(*)	(*)
Grand total—Not counting companies with unavailable figures	41, 055, 302	23, 282, 764	85, 581, 770	10, 862, 324	16, 124, 260		26. 5	69. 3		17. 8	23. 5

TABLE I.—CORPORATIONS PAYING NO EFFECTIVE FEDERAL INCOME TAXES, 1977

	Thousands				Percent	
	U.S. income before tax[2]	Foreign income before tax[2]	Worldwide income before tax[1]	Current U.S. tax expense[4]	Effective U.S. tax rate on worldwide income[5]	Effective rate of U.S. tax on adjusted worldwide income[6]
United States Steel	(*)	(*)	87, 200	(113, 400)	0	0
Rockwell International	209, 800	56, 900	266, 700	(115, 300)	0	0
Esmark	82, 499	15, 500	97, 999	(1, 600)	0	0
National Steel	(*)	(*)	45, 806	(34, 600)	0	0
Republic Steel	(*)	(*)	33, 848	(13, 368)	0	0
Inland Steel	(*)	(*)	88, 507	(16, 937)	0	0
United Brands	(*)	(*)	17, 714	0	0	0
American Motors	(*)	(*)	5, 616	(3, 330)	0	0
American Airlines	(*)	(*)	83, 089	0	0	0
Eastern Airlines	(*)	(*)	34, 737	0	0	0
Pan American World Airways	(*)	(*)	33, 489	0	0	0
Seaboard Coastline Industries	97, 263	0	97, 263	(2, 052)	0	0
American Electric Power	333, 403	0	333, 403	(1, 359)	0	0
Commonwealth Edison	361, 589	0	361, 589	(24, 598)	0	0
Southern California Edison	317, 174	0	317, 174	(48, 360)	0	0
A. & P.	(*)	(*)	5, 046	0	0	0
First Chicago Corp	(*)	(*)	152, 113	0	0	0

TABLE II.—CORPORATIONS PAYING 10 PERCENT OR LESS IN EFFECTIVE FEDERAL INCOME TAXES, 1977

	Thousands				Percent	
	U. S. income before tax[2]	Foreign income before tax[2]	Worldwide income before tax[1]	Current U.S. tax expense[4]	Effective U.S. tax rate on worldwide income[5]	Effective rate of U.S. tax on adjusted worldwide income[6]
Exxon	2, 201, 453	5, 463, 000	7, 664, 453	570, 000	7. 4	19. 7
Mobil	968, 970	3, 380, 461	4, 349, 431	107, 500	2. 5	7. 4
Texaco	690, 136	955, 577	1, 645, 713	103, 100	6. 3	12. 7
Gulf Oil	685, 000	1, 513, 000	2, 198, 000	139, 000	6. 3	14. 3
I.T. & T.	(*)	(*)	656, 102	45, 004	6. 9	12. 2
Atlantic Richfield	690, 478	218, 000	908, 578	11, 500	1. 3	1. 6
Union Carbide	409, 400	177, 700	587, 100	600	. 1	. 1
Occidental Petroleum	(*)	(*)	887, 142	7, 800	. 9	3. 3
Union Oil of California	(*)	(*)	550, 088	44, 500	8. 1	10. 4
Marathon Oil	315, 757	439, 142	754, 899	50, 150	6. 6	15. 2
W. R. Grace	(*)	(*)	253, 920	19, 530	7. 7	11. 5
Colgate Palmolive	(*)	(*)	290, 065	19, 208	6. 6	9. 7
International Paper	(*)	(*)	316, 200	15, 000	4. 7	5. 4
Continental Group	(*)	(*)	238, 600	12, 900	5. 4	6. 5

Footnotes at end of table II.

TABLE II.—CORPORATIONS PAYING 10 PERCENT OR LESS IN EFFECTIVE FEDERAL INCOME TAXES, 1977—CONTINUED

	Thousands				Percent	
	U.S. income before tax[2]	Foreign income before tax[2]	Worldwide income before tax[1]	Current U.S. tax expense[4]	Effective U.S. tax rate on worldwide income[5]	Effective rate of U.S. tax on adjusted worldwide income[6]
Gulf & Western	(*)	(*)	205,458	1,000	.5	.6
Standard Oil (Ohio)	(*)	(*)	235,906	1,298	.6	.6
Lockheed	(*)	(*)	115,800	100	.1	.1
Allied Chemical	75,903	157,409	233,312	5,477	2.3	3.5
General Dynamics	(*)	(*)	178,796	3,128	1.7	2.0
Uniroyal	38,516	21,317	59,833	4,159	7.0	9.8
NCR	(*)	(*)	265,934	23,900	9.0	12.3
Trans World Airlines	(*)	(*)	80,754	899	1.1	1.4
United Airlines	(*)	(*)	140,102	700	.5	.5
Union Pacific	337,989	0	337,989	27,809	8.2	8.2
Burlington Northern	76,979	0	76,979	1,081	1.4	1.4
Southern Pacific	166,637	0	166,637	3,100	1.9	1.9
Santa Fe Industries	218,479	0	218,479	10,700	4.9	4.9
AT & T	7,117,146	0	7,117,146	547,701	8.0	8.0
Southern Co	601,353	0	601,353	17,489	2.9	2.9
Pacific Gas & Electric	406,471	0	406,471	7,826	1.9	1.9
Public Service Electric & Gas	325,164	0	325,164	8,733	2.7	2.7
Virginia Electric & Power	249,887	0	249,887	9,549	3.8	3.8
Citicorp	(*)	(*)	576,845	19,000	3.3	4.9
Chase Manhattan Corp	(*)	(*)	151,606	90	.1	.1
Manufacturers Hanover Corp	(*)	(*)	231,945	15,842	6.8	8.3
J. P. Morgan & Co	(*)	(*)	297,450	24,055	8.1	9.5
Chemical New York Corp	(*)	(*)	113,544	1,170	1.0	1.2
Bankers Trust New York Corp	(*)	(*)	76,433	4,603	6.0	8.3

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[*] Unavailable or data insufficient to allow for a reasonable allocation of worldwide income between United States and foreign sources, or no foreign operations.

[1] Worldwide income before tax is comprised of income before Federal and foreign income taxes, adjusted to eliminate the equity in earnings or losses of unconsolidated subsidiaries and to restore the minority interest in earnings or losses of consolidated subsidiaries. In several instances the adjustment for equity in earnings of an unconsolidated subsidiary is not made because the parent has at least 80-percent ownership of the subsidiary and the subsidiary's income taxes are separately disclosed. In these circumstances it is likely that the subsidiary is consolidated with the parent for tax purposes, even though it is not for financial statement purposes.

[2] The allocation of income between United States and foreign sources is based on information voluntarily disclosed in the companies' financial statements. Effective for fiscal years, beginning after Dec. 15, 1976, Financial Accounting Standards Board Statement No. 14 requires certain disclosures relating to foreign operations. The SEC also requires similar information to be disclosed. Uniform methods of allocating income between United States and foreign sources have not been developed; and corporate administrative, capital and product development costs are subject to arbitrary allocation methods. However, the information provided, subject to the accuracy of the allocations, provides information useful in analyzing the effective income tax burden of multinational corporations. Most companies allocate unrealized foreign currency exchange gains and losses recognized under FASB Statement No. 8 to foreign source income. Net exchange gains decrease the current effective tax rate and net exchange losses increase the effective tax rate. Some companies report high effective foreign tax rates (perhaps in excess of 100 percent) because of the recognition of such losses for financial reporting purposes.

[3] Current worldwide tax expense is comprised of the current portion of the Federal and foreign income taxes reported for financial accounting purposes. Generally, financial accounting rules require that the income taxes currently payable be stated separately from those payable in the future. The taxes payable in the future, called "deferred taxes," are attributable mostly to "timing differences" in recognizing income and deductions for financial accounting and tax purposes. The taxes payable currently in most cases represent the tax estimated to be shown on the return to be filed. However, the current provision for each year is adjusted by the over- or under-estimation of the prior year's current provision. To the extent of the current and prior year errors in estimation the current income tax provision does not represent actual current tax expense.

[4] The allocation of current income taxes between United States and foreign expense is required by the SEC. In some instances, where the amount involved is not material, State or foreign income taxes may be included with U.S. income taxes. Thus, companies that do not separately state United States and foreign earnings must at least separately state United States and foreign income taxes allocated between current and deferred, when they are material.

[5] The effective tax rates are computed by dividing the worldwide, foreign and U.S. current tax expense by worldwide, foreign and U.S. income before tax, respectively. In addition, an effective rate of U.S. tax on worldwide income is computed by dividing the current U.S. tax expense by worldwide income before tax. For those companies which chose to disclose foreign earnings, the computation of the effective U.S. tax rate on U.S. income and foreign tax rate on foreign income is possible. For those companies which chose not to disclose foreign earnings. only the effective rate of the U.S. tax on worldwide income and worldwide tax on worldwide income is determinable. The estimated rate of U.S. tax on U.S. income may be overstated to the extent that some portion of the U.S. tax is actually attributable to foreign earnings. This will occur when the foreign tax paid on foreign earnings is less than the U.S. tax on those earnings, so that even after utilization of the foreign tax as a credit against U.S. tax, an incremental U.S. tax is payable on the foreign earnings. It is not possible to adjust accurately for this occurrence on the basis of publicly available information.

[6] This effective rate is computed by dividing current U.S. Tax Expense (see footnote 4) by Worldwide Income Before Tax (see footnote 1) reduced by the total foreign income tax provision which is comprised of both current and deferrred foreign income taxes.

[7] Western Electric is a wholly owned subsidiary of American Telephone & Telegraph and is included in its consolidated income tax return. In this study Western Electric is reported along with other industrial companies and AT & T (excluding Western Electric) is reported with the utilities. The tax allocated to Western Electric is substantially that which it would have reported on a separate return.

[8] Atlantic Richfield's low effective U.S. tax rate is due primarily to accelerated depreciation for tax purposes and investment tax credits.

[9] United States Steel, National Steel, Republic Steel, and Inland Steel reported net earnings from worldwide sources for 1977. However, they all reported a current U.S. tax refund for the year, due principally to carryback of investment tax credits.

[10] Procter & Gamble, Georgia Pacific, Sperry Rand, American Home Products, and J C Penney do not report current and deferred foreign income taxes separate from U.S. Federal income tax, although each has foreign operations. It is assumed such foreign taxes are not material, since SEC rules require separate disclosure unless the foreign current and deferred income taxes do not exceed 5 percent of all current and deferred income taxes, respectively (see note 4).

[11] Chrysler's high effective rate of foreign tax on foreign income is due to foreign currency exchange losses for which no current tax benefit is realized and operating losses in certain foreign countries which do not yield a current tax benefit.

[12] Union Carbide's low effective U.S. tax rate is due primarily to investment tax credits.

[13] Occidental Petroleum Corp. has investment tax credit carryovers of $86,000,000 available at Dec. 31, 1977.

[14] Rockwell International reports income from long-term contracts for tax purposes on the completed contract method so that earnings from such contracts, which are recognized currently for financial reporting purposes, are deferred for U.S. income tax purposes. In addition, in 1977 the Internal Revenue Service approved the company's request for 1975 and subsequent years to deduct as incurred certain costs which formerly were deferred for tax purposes until time of contract completion. This change, in conjunction with the completed contract method of reporting income for tax purposes, resulted in a recovery of taxes previously paid and the creation of a net operating loss carryover for tax purposes of approximately $21,700,000 as of Sept. 30, 1977. As of Sept. 30, 1977, the company also has investment tax credit carryforwards of approximately $14,300,000.

[15] Esmark reported adjustments related to overestimation of income taxes in 1976 (see note 3) which had the effect of reducing reported current income tax expense in 1977 by $9,100,000.

[16] Boeing has income from sales of aircraft to foreign buyers. However, such sales are United States source income since the aircraft are manufactured in the United States and then exported.

[17] McDonnell Douglas has filed a request with the Internal Revenue Service to change its method of reporting income from long-term contracts to the completed contract method effective Jan. 1, 1977. If the request is approved as filed the company would owe no Federal income taxes for 1977 and would recover approximately $38,000,000 of estimated taxes paid.

[18] Standard Oil of Ohio (Sohio), Lockheed Corp., General Dynamics, American Motors, and A. & P. incurred substantial net operating losses in the past which are carried forward and offset current taxable income.

[19] Allied Chemical's low effective U.S. tax rate is due primarily to accelerated depreciation and investment tax credits. At Dec. 31, 1977, the company has $33,277,000 of investment tax credit carryforwards.

[20] Under the provisions of U.S. tax accounting rules and treaties with foreign countries, international air carriers are taxed on transportation income in their home country, regardless of where the revenues were generated. The foreign taxes reported for the airlines are attributable to nontransportation activities, such as hotels and resort facilities. The airlines benefited from the investment tax credit changes contained in the Tax Reform Act of 1976 which permit them to utilize the oldest credits first and to offset 100 percent of Federal income tax for 1977 and 1978. Investment credits used to reduce current U.S. tax expense for those companies which disclosed such information were as follows: TWA—$9,964,000; United—$64,065,000; Pan American—$44,639,000.

[21] The railroads also benefited from the investment tax credit changes made by the Tax Reform Act of 1976. Investment credits used to reduce current U.S. tax expense for those companies which disclosed such information were as follows: Union Pacific—$57,459,000; Southern Pacific—$50,629,000; Santa Fe Industries—$31,725,000; Seaboard Coastline—$46,032,000.

[22] American Electric Power reported adjustments related to overestimation of income taxes in 1976 (see note 3) which had the effect of reducing reported current income tax expense in 1977 by $4,869,000.

[23] Commonwealth Edison's negative current provision is due primarily to investment tax credits, accelerated depreciation, and the exclusion from taxable income of the equity component of the allowance for funds used during construction.

[24] Southern California Edison's negative current provision is due primarily to investment tax credits, accelerated depreciation, and nonoperating income from the allowance for debt and equity funds used during construction. Federal statutes require utilities to account for certain investment tax credits on the amortization method as a condition to their eligibility for the credit. The California Public Utility Commission requires that investment tax credits be accounted for on the "flow-through" method. The company has accounted for the credit under CPUC rules, and therefore risks losing the credit under Federal rules. The company has petitioned the California Supreme Court for a review of the CPUC rules. If the credits are ultimately lost, the company's current tax liability would be increased by $51,237,000.

[25] The Allstate group is excluded from the net income of Sears Roebuck.

[26] Current U.S. tax expense includes a $10,886,000 refund of prior years' foreign taxes which were claimed as a foreign tax credit and accordingly must be paid to the United States. The current foreign income tax expense has been reduced by the same amount.

TABLE III.—FEDERAL BUDGET RECEIPTS BY MAJOR SOURCE

[In percentages[1]]

Major source	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979 estimate
Individual income taxes	46.5	46.7	45.8	45.4	44.4	44.9	43.6	43.9	44.0	45.0	44.8
Corporate income taxes	19.5	16.9	14.2	15.4	15.7	14.6	14.5	13.8	15.3	14.9	15.0
Social insurance taxes and contributions	21.3	23.4	25.8	25.8	30.5	31.6	30.8	30.9	30.4	30.7	31.4
Excise taxes	8.1	8.1	8.8	7.4	4.2	3.7	5.9	5.7	4.9	4.6	4.0
Customs, estate and gift taxes	3.1	3.1	3.4	4.2	3.5	3.2	2.9	3.0	3.5	2.9	2.9
Miscellaneous receipts	1.5	1.8	2.6	1.7	1.7	2.0	2.3	2.7	1.8	1.8	1.9

[1] Totals may not add to 100 due to rounding.

Source: Congressional Research Service Study.

TABLE IV.—EFFECTIVE FEDERAL INCOME TAX RATES BY SECTOR, 1969–77

	1969	1970	1971	1972	1973	1974	1975	1976	1977
Industrials and mining	NA	NA	NA	29.2	24.8	24.8	24.8	18.8	[1] 26.5
Transportation	0	0	18.9	12.8	15.1	16.3	22.4	14.2	9.2
Utilities	41.7	36.2	29.3	36.5	18.0	14.1	4.8	8.3	7.2
Retailing	44.6	40.6	39.2	41.5	33.5	33.0	37.7	36.9	33.6
Commercial banks	31.7	27.4	31.4	14.4	9.6	11.7	11.2	8.0	7.1
Oil and gas	5.8	10.1	6.1	7.9	9.6	7.6	9.0	9.3	11.0
Average, all companies	26.9	25.8	24.4	28.6	24.9	22.6	21.3	17.3	17.8

[1] Excluding oil and gas companies. With oil and gas companies included, the effective tax rate is 19.6 percent.

STUDY OF THE EFFECTIVE 1977 INCOME TAX RATES OF SELECTED LARGE U.S. CORPORATIONS

PREFACE

The effective rates of tax presented in this study are computed on the basis of information contained in the companies' annual reports to the Securities and Exchange Commission and shareholders. The financial statements included in such reports are prepared in accordance with generally accepted accounting principles, which in many instances are different than tax accounting rules. Accordingly, the income before tax, current tax expense and effective rates presented in this study are only approximations of the actual amounts reported in the companies' income tax returns. The following are some of the principal problems in estimating effective tax rates from published financial information:

Consolidation of subsidiaries

For financial statement purposes, companies generally consolidate subsidiaries that are more the 50-percent owned, including foreign subsidiaries. For Federal income tax purposes, however, generally only 80-percent or more owned domestic subsidiaries are eligible to be included in a consolidated income tax return. Thus, the "taxable entity" and the "financial statement entity" upon which this study is based may not be the same.

In financial statement the entire Federal income tax expense of all consolidated subsidiaries is reported as though it were an income tax or refund wholly attributable to the majority interest of the consolidated group. However, the minority interest in the subsidiaries' income or loss (perhaps as much as 49 percent) is eliminated net of tax. Thus, the consolidated financial statements often show the total tax expense of even 51-percent owned subsidiaries while eliminating the after-tax income attributable to the minority interest.

To compensate for this, the net income per financial statements was adjusted to reverse the elimination of the income or loss attributable to the minority interest.

Equity accounting for investments in affiliates and joint ventures

Generally, investments in affiliates (20 to 50 percent owned companies) and joint ventures are accounted for by the equity method. This method, which is sometimes called a one line consolidation, produces the same net income as does the consolidation method, but through a different technique. Under the equity method, the parent corporation's proportionate share of the "after tax" earnings of the affiliate or joint venture is shown on one line in the income statement. In a consolidation, on the other hand, all income and expense accounts of the subsidiary are combined with those of the parent, and the minority interest is eliminated as a single item.

Under the equity method the parent corporation's provision for income taxes generally does not include the tax attributable to the parent's equity in the net income or loss of the affiliate or joint venture. If the equity earnings were reported in this normal manner, an adjustment was made to eliminate the equity income or loss from net income of the parent.

In some instances, equity earnings were shown "broad" in the financial statements, which means that the pre-tax equity income is included in income of the parent and the related taxes are included in the parent's tax provision. This occurs usually where the parent owns more than an 80 percent interest in the equity company, but is not consolidating it for some other reason. If equity earnings were reported in this manner, no adjustment was deemed necessary.

"Overstating" the provisions for federal income taxes

Corporations may "overstate" the accrued Federal income tax liability, and thus overstate the provision to provide a "cushion" for potential increases in tax liability resulting from Internal Revenue Service examinations. Corporations "book" this "overstatement" because of the tendency to resolve doubtful items in the corporate favor while realizing that they may result in tax deficiencies on examination by the Internal Revenue Service. Because the amount of this "overstatement" of the provision for Federal income taxes cannot be determined from public information sources, no attempt was made in this study to adjust for this amount in arriving at the estimated current Federal income tax expense.

Interperiod tax allocation

If generally accepted accounting principles and tax accounting rules were exactly the same, then all corporations should show an effective rate of tax equal to the statutory rate before credits. The various differences between tax and financial accounting rules account for the variances in effective tax rates. Some of these differences are "timing differences" which will reverse in future periods, while others are "permanent differences" which will not reverse. Examples of timing differences include accelerated depreciation, completed contract method of accounting for long-term contracts, installment sale reporting, amortization of investment tax credit and provision for losses on discontinued operations. Examples of permanent differences include the 85 percent dividends received deduction and nontaxable municipal bond interest.

Interperiod tax allocation is an accounting concept that is based on the assumption that the vagaries of the tax law that result merely in timing differences should not affect the overall reported tax expense of the company in a given year. The concept provides in essence that the total tax expense for the period should be the statutory rate times income before tax (after allowing for permanent differences). Some portion of this expense will be due currently under the tax law while the rest will be due (or perhaps refundable) in the future. The portion that is due currently is termed "current tax expense" and the portion that is due (or refundable) in the future is termed "deferred tax expense."

It is sometimes difficult to determine whether a particular difference should be classified as a permanent difference or a timing difference. Realization of timing differences in the future may depend on the level of future profits or may be affected by the level of investment in plant assets or other factors. Subjective determinations are often required. No attempt was made to reclassify the companies' determinations.

Intraperiod tax allocation

This accounting technique results in showing the effect of taxes on the various sections of the income statement. For example, the tax expense or savings attributable to extraordinary items or discontinued operations is shown separately from that which is attributable to normal operations. Occasionally the extraordinary item is recognized for financial statement purposes in a period different than for tax purposes, which causes interperiod and intraperiod tax allocation rules to operate together.

For purposes of this study, whenever sufficient information was provided, all intraperiod taxes were aggregated by their current and deferred tax components.

INTERPRETATION OF STUDY

No attempt is made to interpret the results However, in reviewing the statistics the reader will likely note a similarity of effec- of this study. Generally, no comment is made on the effective rate of any one company. tive rates of companies within the same industry, and may question the rate of a company within that industry or group which is substantially different than the others. Likewise the reader may question why a company with income before tax shows a tax refund due. The footnotes to the table of rates disclose the reasons for these apparently questionable items. The footnotes, however, are addressed only to those items that are questionable on their face. The absence of a footnote for a particular company should not be construed to mean that the composition of its taxable income and liability are "normal." There may be, for example, several offsetting extraordinary items.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, I was absent Friday, June 15, due to previously scheduled business in my congressional district.

I would have voted as follows had I been present:

Rollcall No. 243, "yes";
Rollcall No. 244, "no";
Rollcall No. 245, "yes";
Rollcall No. 246, "yes";
Rollcall No. 247, "yes"; and
Rollcall No. 248, "no." ●

□ 1510

IAM SUES OPEC—A FINE "DAVID AND GOLIATH" STORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. LEACH) is recognized for 5 minutes.

Mr. LEACH. Mr. Speaker, the Fourth of July is almost upon us and this seems like an appropriate time to reevaluate the state of the Nation's hard won independence. The founders of America fought to free themselves from colonial status. Ironically, their governmental heirs are slowly and voluntarily slipping us into a new kind of colonial dependency.

The most recent evidence of this unhappy turn of events is found in the Carter administration's grumblings over a private lawsuit filed in Federal court in California. The suit seeks to require the Organization of Petroleum Exporting Countries (OPEC) to comply with the U.S. antitrust laws, laws designed to protect the consumer and our free competitive economic system.

The suit, brought by the International Association of Machinists, charges OPEC with price fixing—a violation of Federal antitrust laws since 1890.

The State Department, which had responsibility for serving the papers in the suit, ignored its duty until the IAM's plucky attorney, Richard I. Fine, threatened a mandamus action against the Department of State. Once the State Department reluctantly served the defendants, the administration began looking for ways to thwart the IAM and the American public. On Tuesday, top State, Treasury, and Justice Department officials met to consider the filing of a friend-of-the-court brief which, from all indications, would be designed to frighten the judge handling the case into a decision favoring OPEC.

It is difficult to believe the present administration is so seriously considering a reversal of the historical policy of the United States. Only 4 years ago, Attorney General Levi announced he was contemplating filing a suit against OPEC very similar to the one filed by the IAM this year. Levi said at that time:

> If we had foreign concerns making price fixing agreements which affect the American market, we would say those are cartel agreements that violate the Sherman Act. The new factor in the situation is the emergence of foreign governments as commercial enterprises having made cartel agreements. We would call them cartel agreements if they were among private concerns.

A few months later, on September 1, 1975, in a speech delivered for him by Ambassador DANIEL PATRICK MOYNIHAN before the U.N. Special Session on Economic Development, Secretary of State Henry Kissinger observed that the United States condemns "restrictive practices in setting prices or restraining supplies whether by private- or State-owned transnational enterprise or by collusion of national governments."

Subsequently, and in harmony with the views of Levi, Kissinger and MOYNIHAN, speaking for the prior administration, Congress passed the Foreign Sovereign Immunities Act of 1976—which should have made it clear to the present President, who is constitutionally charged with faithfully implementing the laws, that the commercial enterprises of foreign nations were to be subject to U.S. laws. In that act, Congress established its intent to hold accountable the acts of foreign governments which meet the three following conditions:

First, when the foreign government is engaged in commercial enterprise;

Second, when the commercial act in question takes place outside the relevant country's territories; and

Third, when the commercial act has an impact on the United States.

These conditions clearly apply to OPEC's oil price fixing activity.

Recent court rulings have upheld the relevance of the act to the commercial activity of foreign governments. For example, in *Outboard Marine Corp.* v. *Pezetel*, 461 F. Supp. 384, 394–95 (D. Del. 1978), the court held that the Foreign Sovereign Immunities Act gives U.S. courts jurisdiction over antitrust violations of foreign states. In *Midwest Paper Products Co.* v. *Continental Group, Inc.*, 3d Cir., April, 1979, CCH Trade Reg. Cases, 1979–1 sec. 62531, the court confirmed the right of an indirect purchaser to sue for injunctive relief, as the IAM now seeks to do. In *National American Corp.* v. *Federal Republic of Nigeria* and *Central Bank of Nigeria*, 448 F. Supp. 622, 638–39 (S.D.N.Y. 1978) the court held that the act applies to activity outside the United States so long as the foreign country maintains some business presence here—such as a local agent. In a related development, *Alfred Dunhill of London, Inc.* v. *Republic of Cuba*, 425 U.S. 682, 697–98 (1976), the Supreme Court has held that the "act of state" doctrine, which absolves foreign governments of liability for certain acts, does not apply to purely commercial activity.

Holding foreign governments liable for their commercial wrongdoings is fair and responsible. The fact that a seller of oil is a foreign government rather than a corporate entity is irrelevant to the American consumer. If Government-run businesses fix prices on oil, prices go up. If Standard Oil did it, the proper result would be a judgment against Standard Oil. Individual Standard Oil officials could even be subject to jail sentences if the evidence against them was sufficient. I see no reason why the antitrust laws—long established in our history, and long applied to American businessmen—should not apply to foreign nations seeking to do business in the United States.

If a double standard is maintained, the laws will work to the competitive advantage of foreign governments to the disadvantage of our domestic enterprise. It also will serve as an enormous incentive for foreign governments to nationalize private businesses, whether they be petroleum related or otherwise.

Of course, the administration is worried about the sizable cash deposits of oil-producing countries in U.S. banks. The administration is also worried about a possible embargo on foreign oil supplies. These are, indeed, things to be worried about, and I worry about them, too. Likewise, early Americans were worried about King George and his troops. But there are clearly times when firm moral principles, and dedication to national independence should prevail over even such serious concerns.

The staggering truth is that the wholesale price of a barrel of crude oil has increased almost 2,000 percent since OPEC began setting prices 10 years ago. There is no telling where it will stop. Treasury Secretary Blumenthal has conceded that further price increases in oil could trigger a global recession. Even if it did not, the price-fixing policies of the oil cartel are clearly injuring our present economy. Allowing this Nation to be held hostage by a small group of oil-producing nations can only lead to further losses in national independence and control over our economic destiny.

It is perhaps incongruous that a relatively small labor union took the initiative and challenged OPEC for its obvious violations of American antitrust laws. It would be more appropriate to have the Justice Department filing charges against OPEC on behalf of the American public.

Further, it is quite unfair to the IAM to require it to shoulder the financial burden of this kind of lawsuit. The IAM has in this case gone far beyond the call of duty in defending the national interest. I only wish the Justice Department would do the same. A number of the defendants in the IAM suit have refused to respond to the IAM complaint within the time allotted under Federal court rules. Accordingly the Department of Justice is considering filing a friend-of-the-court brief or a letter of interest which would support OPEC's position. That the administration is considering asking Justice Department lawyers, who are paid by the American taxpayer, in effect to do uncompensated work for OPEC is unconscionable.

It is doubly unconscionable that the Carter administration apparently is prepared to renege on its pledge to vigorously enforce the antitrust laws. This should not go unnoticed.

Now is the time to hold firm to the basic American principle of equal justice for all under the law. If we fail, we will tacitly be admitting that one set of standards can be applied to American citizens and another to Arab sheikhs.

But above all, the main issue is one of continuing national independence. We must not allow ourselves to become an economically dependent colony of a group of foreign states. Freedom was difficult to establish. It may be more difficult to maintain.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

I certainly want to commend the gentleman for taking this special order today for the purpose of bringing this suit to the attention of the House.

Mr. Speaker, I have introduced a resolution expressing support for this legal action of the International Association of Machinists and Aerospace Workers, a union heavily represented in California, against the Organization of Petroleum Exporting Countries (OPEC).

I hope a majority of Members will support House Joint Resolution 327, backing the union in its efforts to seek Federal injunctive relief and damages from OPEC. The suite alleges that OPEC oil price increases constitute a conspiracy to fix prices and restrain trade in interstate and foreign commerce in violation of section 1 of the Sherman Antitrust Act of 1890. The Sherman Act makes combinations or conspiracies to restrain trade in interstate or foreign commerce illegal.

After conferring with the union's attorneys, I introduced House Joint Resolution 327 as a means of demonstrating congressional support for the legal action. The suit of the International Association of Machinists and Aerospace Workers alleges that OPEC is engaging in illegal acts resulting in "irreparable damage" to the United States in interstate and foreign trade in crude oil and other petroleum products. The suit further alleges that American consumers and working people are suffering irreparable economic harm.

It is essential that we make it clear that what is being done to the United States, her business, her commerce, and her labor is not merely a result of geological fate, the concentration of straight oil reserves in the Middle East or an historical misfortune. What is being done is illegal under our national and international law. This action by the machinists and aerospace workers union is not without precedent. Between 1941 and 1951, the United States evoked its antitrust laws against more than 60 restrictive international agreements.

OPEC nations control approximately 50 percent of the world's proven oil reserves and 90 percent of the international trade in crude oil—and that the United States imports close to 50 percent of its crude oil from these countries. OPEC first doubled, then quadrupled the price of oil between 1971 and 1974. This 400-percent increase had a severe negative impact on our balance of payments, aggravated an already dangerous global inflation and created new difficulties for the international monetary system. The OPEC oil barons continue to hike the price of crude oil and that these increases have had no relationship to the cost of production, the extraction of the oil out of the desert sands, or the free play of the laws of supply and demand on an open market.

Since 1974, the OPEC cartel's coffers have received over $450 billion in oil revenues. Saudi Arabia has already surpassed the United States and Japan in the total volume of her monetary reserves. The CIA has estimated that the Persian Gulf States, alone, will control one-third of the world's monetary reserves by next year—and by 1985, the total surplus wealth of the oil cartel will run at least as high as $600 to $650 billion.

In other words, the industrial nations of the world, including the United States, are being bled by this one cartel resulting in an enormous transfer of wealth to a relatively small number of nations.

The current policies and practices of the OPEC violate virtually every norm and practice embodied in international law: The external rights of a nation include the right to trade, to engage in commerce on an open market and to have access to the wealth of the Earth. In classical international law, an arbitrary refusal to afford freedom of commerce or a denial of legitimate access to raw materials has always been considered a just cause for war. Historically, cartel monopolies aimed at reaping enormous profits have traditionally been condemned by jurists as incompatible with a just international order.

NRC TOLD RADIATION LEAK AT A-PLANT OFF THE GAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Weaver) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, as chairman of the House Interior Committee's task force to investigate the Three Mile Island accident, I questioned that the amount of radioactivity released during that accident was known because of inadequate monitoring. The following story proves that was the case. The amount of radioactivity actually released may be far higher than reports so far:

NRC Told Radiation Leak at A-Plant Off the Gages

(By Thomas O'Toole)

The Nuclear Regulatory Commission was told yesterday that it will never know how much radiation escaped from the plant at Three Mile Island because the levels exceeded the capacities of the plant's instruments to measure them.

"All the radiation monitors in the vent stack, where as much as 80 percent of the radiation escaped, went off scale the morning of the accident," the NRC's Albert Gibson told the five NRC commissioners yesterday.

"The trouble with these monitors is they were never contemplated for use in monitoring accidents like Three Mile Island," he said.

"So we don't really know what went up there?" NRC Commissioner Victor Gilinsky asked. "Up through the vent stack?"

"That's correct," Gibson replied.

There are three radiation monitors in the vent stack, Gibson said, and another five monitors in the pathways leading to the stack. All eight instruments showed the highest radiation levels they could read during the accident, which released airborne radiation for three straight days starting March 28.

Gibson said an average of 30 measurements were made on Three Mile Island and within a three-mile radius of the island each day radiation was released, often when the wind was shifting or when escaping radiation was not at its peak.

On the day of the accident, 365 millirems of beta and gamma rays per hour were measured at ground level 1,000 feet from the vent stack. Directly over the vent stack, a helicopter measured levels three times that.

Both those measurements triggered emergency announcements leading Pennsylvania Gov. Richard L. Thornburgh to advise pregnant women and pre-school children in a five-mile radius of the plant to stay indoors.

"Those measurements were very inconclusive," Gibson told the NRC. "All they will show will be dose rates at the moments the measurements were made, and without knowing the precise weather patterns we don't know if they were made at the appropriate locations."

Gibson said most of the radiation that escaped through the vent stack came through open relief valves and leaking pipes and valves. Until yesterday, the NRC had thought most of the escaped radiation was gas that had bubbled out of contaminated water on the floor of the auxiliary building alongside the reactor.

Gibson told the five commissioners that radiation readings inside the auxiliary building were extremely high at all three levels inside the building, forcing an evacuation of the building the morning of the accident.

"The radiation monitors were all off scale," Gibson said. "One set of readings were greater than 1,000 rems per hour. We don't know how much greater, because the licensee didn't have instruments that measured more than 1,000."

The maximum exposure the NRC allows nuclear plant workers is five rems per year, less than 1 percent of the hourly radiation concentrations being found inside the auxiliary building the morning of the accident.●

FOREIGN AFFAIRS SUBCOMMITTEES ANNOUNCE DEEP SEABED MINING HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 30 minutes.

● Mr. BINGHAM. Mr. Speaker on behalf of myself and Congressman Bonker, I wish to announce that the Subcommittee on International Economic Policy and Trade and the Subcommittee on International Organizations will hold a joint hearing on Tuesday, July 10, on H.R. 2759, the Deep Seabed Hard Mineral Resources Act. The hearing will take place at 2 p.m. in room 2200, Rayburn House Office Building.

The purpose of the hearing is to review proposals for amendments to those parts of H.R. 2759 which fall within the jurisdiction and interest of the Committee on Foreign Affairs. The subcommittees particularly seek testimony on proposals to: First, establish an effective date for exploration licenses and move back the effective date for recovery permits; second, revise the grandfather language; and third, delete the flag requirements in the bill. Witnesses should confine their statements to these issues or other specific foreign policy issues in the bill.

Ambassador Elliot Richardson will testify first on behalf of the administration. Others wishing to present testimony should contact Victor C. Johnson, staff associate, Subcommittee on International Economic Policy and Trade, on (202) 225-3246. Time constraints will limit the number of witnesses to a representative sample of opinion on the issues. Organizations sharing points of view are encouraged to select a single witness to represent them.●

REDUCED FARES FOR THE ELDERLY AND HANDICAPPED ON THE NATION'S RAILROADS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I am pleased to submit a bill which would authorize reduced fares for the elderly and handicapped on the Nation's railroads. The bill that I am sponsoring originated with the distinguished Senator from Tennessee, JAMES SASSER, who is fast developing a reputation as a champion of senior citizens.

Mr. SASSER makes an excellent case for the enactment of this legislation. For example, he recently said:

> We find far too often that our modern transportation systems exclude certain individuals by creating barriers to ridership. The elderly and the handicapped are the principal victims of these unintentioned, but ever-present, obstacles. Many of these persons are no longer able to drive automobiles and do not have the financial resources to fly or take the train at regular fares. The result can only be a sense of emptiness in the lives of people who have a great deal to contribute to our society.
>
> We know that there are far too many empty seats on each passenger train operated by Amtrak. There are, of course, some exceptions, particularly in the Northeast corridor. Most important, however, is the fact that these seats can be filled at reduced rates by the elderly and handicapped who need this transportation. Airline deregulation provides us with an excellent example of the benefits to be derived from reduced fares.
>
> Amtrak is therefore an ideal vehicle for meeting some of the transportation needs of the elderly and handicapped. Since at least 1973, the United States has had as a national goal the elimination of all barriers to the participation of the elderly and handicapped in society. And since Amtrak is subsidized by the dollars of taxpaying Americans, we should insure that Amtrak operates in a manner which reflects our national priorities.

Senator SASSER has asked the Congressional Budget Office for cost estimates on his bill and although final results are not yet available, early estimates indicates that costs will be minimal. A more generous projection of the increase in rail passenger traffic through the end of the year will mean that Amtrak will even make money while making it easier for older Americans and the handicapped to be able to afford the costs of rail travel.

Mr. Speaker, Senator SASSER has taken additional steps to show how important he considers this bill. He has introduced his bill as an amendment to S. 712, a bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years. Speaking of his amendment (No. 210), he said recently:

> My amendment, Mr. President, is expected to pay for itself, offering greater access to transportation for those most in need at no cost to the taxpayer. In order to insure that increased ridership will cover the cost of the reduced fares, my amendment requires Amtrak to report to Congress within 1 year on the economic effects of a special fare structure. If the reduced fare is determined too costly to maintain, Congress should decide whether further support is warranted.
>
> The outlook for the future supplies of gasoline in this country are, to say the least, not encouraging. By promoting train travel by the elderly and handicapped, we can realize a not insignificant reduction in gasoline consumption. And with every reduction in fuel use, we move closer to the ultimate energy independence of the United States.
>
> Some of my colleagues may be aware that Amtrak was scheduled to announce a reduced fare structure for elderly passengers on May 15. Unfortunately, this announcement was not made. I am now told it will not be made. The reason lies, apparently, on Amtrak's belief that it will be unable to meet the obligations imposed on it by S. 712.
>
> Under the provisions of S. 712, Amtrak is required to maintain a 50-to-50 ratio of revenue to expenses on each Amtrak route by fiscal year 1981. Consequently, it is unwilling to provide a reduced fare program, even for a 1-year trial period. The indications are, however, that Amtrak is moving toward a 50-to-50 revenue-to-expense ratio even without a statutory provision requiring it. For example, Amtrak released figures on April 3 which indicate ridership in the system as a whole increased 8.6 percent between January 1977 and January 1978. Mr. President, I submit that ridership would rise even more if the elderly and handicapped were permitted to take advantage of a fare structure that would make train travel more reasonable than it is now.

Mr. Speaker, I want to go on record as supporting Senator SASSER's contention that all Americans have the right to unimpeded transportation. That right is being restricted at the present time and it is the responsibility of the Federal Government to step in and repair this wrong. It is also the responsibility of the Federal Government to insure that taxpayer's dollars are being spent wisely and efficiently. Both objectives could be well advanced with the enactment of this important bill.●

FURTHER COMMENTS ON THE PANAMA CANAL LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

● Mr. HANLEY. Mr. Speaker, I would like to take this opportunity to reflect on the actions of the House in the last 2 days which resulted in the enactment of legislation implementing the Panama Canal Treaty. This legislation, like the treaties themselves, were the subject of substantial debate. Conflicting claims over costs and our continued use of the canal were vitally important factors in the decisions we made. In the long run, however, I would like to commend my colleagues for the strength they displayed in enacting this crucial legislation.

It had been my view for some time that the decisions we were being asked to make boiled down to the absolute necessity of enacting legislation to rationally and effectively implement the Panama Canal Treaty, duly ratified by the Senate in 1978, and scheduled to become the law of the land in both the United States and Panama on October 1, 1979. With regard to that effective date, there was no amount of action or inaction by this body which could have altered that event. Our choice was not whether or not to implement, but how to make the changeover to the new reality work smoothly and in the best interests of this Nation—that is, the continued access to and use of the canal. In the long run, the years of negotiations which preceded the treaty made it perfectly clear that our interest in the canal is not in its ownership, but in its use.

Under the legislation we have passed, the United States will be able to fulfill its treaty obligations and continue to operate the canal with Panamian cooperation until the end of the century. The United States will have the primary responsibility for defending the canal until that time, maintaining forces around it. The legislation also sets up the necessary machinery needed to manage the canal. It sets working conditions and labor relations for canal employees, and determines the basis for collecting the tolls needed to pay for canal operations.

One of the most controversial points in recent weeks centered on the cost of the treaty, and that was indeed a great cause of concern to me. The legislation we have passed insures that no U.S. tax revenues will be paid to Panama. To be sure, tax dollars will have to be used to support American civilian and military personnel in the canal until the year 2000, at a cost estimated at $870 million. The benefits to be reaped from the continued operation and use of the canal, however, far outweigh such costs.

Another important portion of the bill we considered related to retirement benefits and incentives for essential personnel to remain in Panama to assist in the operation of the canal throughout the life of the treaty. The Post Office and Civil Service Committee held extensive hearings on these provisions both in the United States and Panama. As chairman of the committee, I offered an amendment which, in my view, made these provisions more effective and less costly to the American taxpayer.

My amendment would have left no doubt that recovery of these costs would come from toll revenues. Unfortunately, the amendment was defeated.

Regardless of what our individual thoughts may have been on the wisdom of the treaty, and the Senate's action in ratifying it, the course of action this body had to take was clear. Our vital interests in the Panama Canal could continue to be served only by enactment of implementing legislation. Our commander of military forces in Latin America had served warning that failure to pass implementing legislation could have resulted in the closing of this vital waterway. That is a risk we simply could not take.●

INTRODUCTION OF BILL TO AMEND THE NAVAJO-HOPI SETTLEMENT ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, on April 30 of this year, I introduced, at the request of the Hopi Tribe, a bill (H.R. 3814) to amend the 1974 act settling a longstanding land dispute between the Navajo and Hopi Indian Tribes. That bill contained various amendments to the act which the Hopi Tribe could support.

I have scheduled field hearings on this matter for July 2 in Winslow, Ariz. In order to be completely fair in this matter, I feel it is necessary to have legislation pending before the committee which represents the Navajo viewpoint. Such legislation was introduced in the other body as S. 751 by Senator DeConcini. While I have not been requested to do so by the Navajo Tribe, I am, today, introducing the text of S. 751 so that the committee will have both perspectives before it as it begins consideration of this matter.

I wish to make clear that my introduction of this legislation does not constitute support or opposition to any particular provision of the bill. This merely provides an additional legislative vehicle to insure that the concerns of both tribes about the Settlement Act are before the committee. I fell that certain amendments to the 1974 act are necessary and that the legislative process will operate to result in a final bill satisfactorily achieving that end.●

ALL VIEWS ON REGULATORY CONTROLS FOR MOTOR CARRIER INDUSTRY SHOULD BE HEARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Johnson) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker. On June 20, 1979, I introduced two bills that would alter the manner in which the motor carrier industry is regulated. They were introduced as H.R. 4549 and H.R. 4550.

Yesterday, President Carter sent to the Congress a proposal that would change the economic and safety regulatory framework for the motor carrier industry. It differs greatly from H.R. 4549 and H.R. 4550. In the interest of placing all regulatory reform proposals before the Congress so that it may adequately review all positions on this matter, I am introducing the President's proposal.

I wish to state again that my final position on any proposal to amend the regulatory controls for the motor carrier industry will be reached only after the Committee on Public Works and Transportation has completed its hearings on this subject. I believe that all views on this particular issue should be heard before the Congress acts to effect change, if it is found that change is necessary.

It is my understanding that the administration has worked very diligently on its proposal; consequently, I believe the views set forth therein should be considered by the Congress in a similar spirit.●

REV. MSGR. BASIL SEREBOWYCH

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, I would like to bring to the attention of my colleagues an important event which has transpired in the religious community of central New York—the elevation of the Rev. Msgr. Basil Seredowych to the rank of mitrat archpriest of Stamford Eparchy.

Rev. Msgr. Basil Seredowych was born on April 16, 1908, in Swydnycia, western Ukraine. He completed his theological studies in 1932, and was ordained the same year to the priesthood by Bishop Josephat Kocylowsky. From 1932 to 1944, he served in the capacity of assistant pastor and pastor in various parishes in western Ukraine.

In 1944, with the invasion of the Soviet Army in western Ukraine, Msgr. Mitrat Basil Seredowych was given permission to leave his native land. From 1944 to 1947, he served as pastor among Ukrainian Catholics in displaced person's camps in Austria and Germany. From 1947 to 1952, he served as pastor in Perth Amboy, N.J., and rector of the Immaculate Conception Cathedral in Philadelphia. In 1952, he became pastor of St. John the Baptist Ukrainian Catholic Church in Syracuse, N.Y.

During his administration, the parish grew and prospered. Three major edifices were erected: The parish school, 1953; the convent, 1963; and the rectory, 1967. In 1977, 40 acres of land were purchased for St. John's cemetery, as well as for the purpose of the future new Ukrainian community center. Also accomplished during this time period was the beautification on the interior of the church, with paintings done in the Byzantine-Ukrainian art style.

In 1968, for his dedication and hard work for the Ukrainian Catholic Church, His Holiness Pope Paul VI raised him to the rank of Papal Chamberlaine, and, in 1979, Bishop Basil H. Losten has raised him to Mitrat archpriest of the Stamford Eparchy. Besides functioning as St. John's pastor, Rev. Msgr. Mitrat Basil is also dean of the Syracuse Ukrainian Catholic Deanery and consultor of the Stamford Eparchy.

Being well aware of the Reverend Monsignor Seredowych's many contributions and dedication to the Ukrainian Church and in many other areas of community affairs, I know that my colleagues share with me in congratulating Reverend Monsignor Mitrat Basil on the new honor that has been bestowed upon him. I am certain that he will bring to this new position the zeal and dedication that has characterized all of his past endeavors.●

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Zeferetti (at the request of Mr. Wright), for today, on account of official business.

Mr. Young of Alaska (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Petri) to revise and extend their remarks and include extraneous material:)

Mr. Sawyer, for 5 minutes, today.

Mr. Leach, for 5 minutes, today.

Mr. Miller of Ohio, for 10 minutes, today.

(The following Members (at the request of Mr. Nelson) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Weaver, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Bingham, for 30 minutes, today.

Mr. Pepper, for 5 minutes, today.

Mr. Hanley, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. Johnson of California, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Petri) and to include extraneous matter:)

Mr. Paul in two instances.
Mr. Wydler.
Mr. Findley in two instances.
Mr. Hillis in two instances.
Mr. Ritter.
Mr. Grassley.
Mr. Robinson.
Mr. Lagomarsino in two instances.
Mr. Michel in two instances.
Mr. Ashbrook in three instances.
Mr. Campbell.
Mr. Kemp.
Mr. Bob Wilson.
Mr. Schulze.
Mr. Vander Jagt in four instances.
Mr. Gilman in two instances.
Mr. Rousselot in two instances.

(The following Members (at the request of Mr. Nelson) and to include extraneous matter:)

Mr. Minish.
Mr. Dingell in three instances.
Mr. Ford of Tennessee.
Mr. Benjamin.
Mr. Evans of Georgia.
Mr. Blanchard in two instances.
Mr. Watkins.
Mr. Pease.
Mr. Florio in five instances.
Mr. Mattox.
Mr. Eckhardt in two instances.
Mr. Rangel.
Mr. Clay.
Mr. Bonker.
Mr. Mica.
Mr. Wirth.
Mr. Luken in two instances.
Mr. Hall of Ohio.
Mrs. Schroeder.
Mr. Pepper.
Mr. Wolff.
Mr. Cavanaugh.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 275. An act for the relief of Leah Mi Cohen; to the Committee on the Judiciary; and

S. 648. An act for the relief of Marlin Toy Products, Inc.; to the Committee on the Judiciary;

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 18, 1979, present to the President, for his approval, bills of the House of the following title:

H.R. 3577. To amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes; and

H.R. 3879. To authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 429. An act to authorize supplemental appropriations for fiscal year 1979 for procurement of aircraft, missiles, and naval vessels and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

ADJOURNMENT

Mr. GEPHARDT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clcok and 20 minutes p.m.), under its previous order, the House adjourned until Monday, June 25, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1855. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting reports filed covering fiscal year 1978 by former military and civilian employees of the Defense Department currently employed by defense contractors, and by current Defense Department employees formerly employed by defense contractors, pursuant to section 410(d) of Public Law 91–121; to the Committee on Armed Services.

1856. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of the District of Columbia Act 3–55, "To amend the Advisory Neighborhood Councils Act of 1975 by eliminating the two-term limitation of service for Advisory Neighborhood Commissioners," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1857. A letter from the Chairmen, National Endowment for the Arts and National Endowment for the Humanities, transmitting a draft of proposed legislation to amend the National Foundation on the Arts and the Humanities Act of 1965, as amended; to the Committee on Education and Labor.

1858. A letter from the Comptroller General of the United States, transmitting a report on Government agencies' auditing of the use of Federal grant funds (FGMSD–79–37, June 15, 1979); to the Committee on Government Operations.

1859. A letter from the Chairman, Securities and Exchange Commission, transmitting the eighth annual report of the Securities Investor Protection Corporation, covering calendar year 1978, pursuant to section 11(c)(2) of Public Law 91–598; to the Committee on Interstate and Foreign Commerce.

1860. A letter from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Grain and Feed, transmitting the committee's report on the Multilateral Trade Negotiations agreements initialed in Geneva on April 12, 1979, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

1861. A letter from the Comptroller General of the United States, transmitting a report on the Federal program for estimating natural gas reserves (EMD–78–68, June 15, 1979); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Interstate and Foreign Commerce.

1862. A letter from the Comptroller General of the United States, transmitting a report on regulation of natural gas on Federal lands (EMD–78–86, June 15, 1979); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Public Works and Transportation.

H.R. 51. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes. (Rept. No. 96–201, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. Report on allocation of budget totals for fiscal years 1979 and 1980 (Rept. No. 96–296). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 328. Resolution providing for the consideration of H.R. 1650. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board (Rept. No. 96–297). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 329. Resolution providing for the consideration of H.R. 2606. A bill to amend the Toxic Substances Control Act to extend the authorization of appropriations contained in such act (Rept. No. 96–298). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 330. Resolution providing for the consideration of H.R. 3641. A bill to extend for 3 fiscal years the expiring health information programs under title XVII of the Public Health Service Act, and for other purposes (Rept. No. 96–299). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 331. Resolution providing for the consideration of H.R. 3642. A bill to extend for 3 fiscal years the programs under section 789 and title XII of the Public Health Service Act relating to emergency medical services and to authorize assistance for poison control and assistance centers (Rept. No. 96–300). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 332. Resolution providing for the consideration of H.R. 3947. A bill to authorize certain construction at military installations for fiscal year 1980, and for other purposes (Rept. No. 96–301). Referred to the House Calendar.

Ms. CHISHOLM: Committee on Rules. House Resolution 333. Resolution providing for the consideration of H.R. 4057. A bill to amend section 18 of the Food Stamp Act of 1977 (Rept. No. 96–302). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3919. A bill to impose a windfall profit tax on domestic crude oil; with amendment (Rept. No. 96–304). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X,

Mr. FOLEY. Committee on Agriculture. H.R. 4195. A bill to amend section 103(f) of the Agricultural Act of 1949, and for other purposes; with amendment (Rept. No. 96–303, Pt. I). Referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93–344. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BOUQUARD (for herself and Mr. OBERSTAR):

H.R. 4581. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 4582. A bill to establish a program for providing talking books to the blind and handicapped; to the Committee on Education and Labor.

By Mr. CORMAN:

H.R. 4583. A bill to amend title 39, United States Code, to provide that the Chairman of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4584. A bill to amend the Internal Revenue Code of 1954 to authorize the payment of attorney's fees to taxpayers who prevail in tax litigation; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 4585. A bill to establish a mandatory commodity market for crude oil; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California (for himself and Mr. RODINO) (by request):

H.R. 4586. A bill to amend title 49 of the United States Code to increase competition and safety in the trucking industry; to the Committee on Public Works and Transportation.

By Mr. LAGOMARSINO:

H.R. 4587. A bill directing the Secretary of the Interior to conduct a study with a view to determining the feasibility of establishing the Juan Bautista de Anza National Historic Trail; to the Committee on Interior and Insular Affairs.

By Mr. LUKEN (for himself and Mr. HEFTEL):

H.R. 4588. A bill to establish a program for the commercialized production of synthetic fossil fuels; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 4589. A bill to authorize reduced fares for the elderly and handicapped on the Nation's railroads; to the Committee on Interstate and Foreign Commerce.

H.R. 4590. A bill to remove the coinsurance amount which a patient has to pay under part A of the medicare program for inpatient hospital services after such services have been furnished to such patient for 60 days during a spell of illness; to the Committee on Ways and Means.

By Mr. PERKINS (for himself and Mr. Goodling):

H.R. 4591. A bill to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978; to the Committee on Education and Labor.

By Mr. ROUSSELOT:

H.R. 4592. A bill to amend the Internal Revenue Code of 1954 and for other purposes; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 4593. A bill to amend the act of December 22, 1974 (88 Stat. 1712), and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALKER:

H.R. 4594. A bill to require oil refineries to sell a minimum percentage of synthetic fuels, to provide certain tax incentives for the production of synthetic fuels, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RAHALL:

H.R. 4595. A bill for the relief of Sheng Tchou and Ming Tchou Watt; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 4596. A bill for the relief of Lynn Rufus Pereira; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. Bowen, Mr. Broyhill, Mr. Campbell, Mr. Chappell, Mr. Robert W. Daniel, Jr., Mr. Daschle, Mr. Dougherty, Mrs. Fenwick, Mr. Fithian, Mr. Guyer, Mr. Hinson, Mr. Jeffords, Mr. Lee, Mr. Myers of Indiana, Mr. Nichols, Mr. Rinaldo, Mr. Thomas, Mr. Trible, and Mr. Wampler.

H.R 154: Mr. Biaggi.

H.R. 1979: Mr. Erdahl, and Mr. Rinaldo.

H.R. 3539: Mr. Barnard.

H.R. 3721: Mr. Hyde, Mr. Mitchell of New York, Mr. Robinson, Mr. Dougherty, and Mr. Dornan.

H.R. 4142: Mr. Daniel B. Crane, and Mr. Gibbons.

H.R. 4179: Mr. Moakley, Mr. Mitchell of Maryland, Mr. Santini, Mr. Stewart, Mr. Scheuer, Mr. Walgren, Mr. LaFalce, Mr. Green, Mr. Carr, Mr. Hughes, Mr. Gray, Mr. Flood, Mr. Lungren, Mr. Dougherty, Mr. Simon, Mr. Downey, Mr. Neal, Mr. Ford of Michigan, Mr. Kildee, Mr. Wolpe, Mr. Bedell, and Mr. Lowry.

H.R. 4443: Mr. Roybal, Mr. Wolpe, Mr. Bedell, and Mr. Weiss.

H.J. Res. 265: Mr. Coughlin.

H.J. Res. 276: Mr. Barnard, Mr. Coleman, Mr. Lee, Mr. Mitchell of New York, Mr. Neal, and Mr. Charles Wilson of Texas.

H.J. Res. 306: Mr. Addabbo, Mr. Beard of Tennessee, Mr. Brown of Ohio, Mr. Buchanan, Mr. Cheney, Mr. Collins of Texas, Mr. Dan Daniel, Mr. Dickinson, Mr. Fazio, Mr. Fountain, Mr. Guarini, Mr. Hance, Mr. Hutto, Mr. Hyde, Mr. Lagomarsino, Mr. Leath of Texas, Mr. Lungren, Mr. Mazzoli, Mr. McDonald, Mr. Mitchell of New York, Mr. Mollohan, Mr. Montgomery, Mr. Paul, Mr. Pepper, Mr. Roberts, Mr. Robinson, Mr. Roe, Mr. Satterfield, Mr. Staggers, Mr. Stangeland, Mr. Symms, Mr. Wampler, Mr. Whitten, Mr. Bob Wilson, Mr. Winn, Mr. Wyatt, Mr. Wylie, and Mr. Young of Florida.

H.J. Res. 338: Mr. Moakley, Mr. Mitchell of Maryland, Mr. Santini, Mr. Stewart, Mr. Scheuer, Mr. Walgren, Mr. LaFalce, Mr. Green, Mr. Carr, Mr. Hughes, Mr. Gray, Mr. Flood, Mr. Lungren, Mr. Dougherty, Mr. Simon, Mr. Downey, Mr. Neal, Mr. Ford of Michigan, Mr. Kildee, Mr. Wolpe, Mr. Bedell, Mr. Lowry, Mr. Frenzel, and Mr. Winn.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4514: Mr. Kramer.

AMENDMENTS

Under clause 6 of the rule XXIII, proposed amendments were submitted as follows:

H.R. 3930

By Mr. HEFTEL:

—Page 4, beginning on line 25, strike out "500,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than five years after the effective date of this section." and insert in lieu thereof "5,000,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than fifteen years after the effective date of this section.".

—Page 10, line 23, strike out "$2,000,000,000" and insert in lieu thereof "$5,000,000,000".

H.R. 4389

By Mr. CAVANAUGH:

—Page 12, line 24, strike out "prisoners" and all that follows through line 25 and insert in lieu thereof the following: "any prisoner for work performed prior to 180 days before the presumptive release date of such prisoner.".

By Mr. CORRADA:

—Page 19, line 9, increase the amount appropriated for carrying out titles III and VII of the Public Health Service Act and section 1122 of the Social Security Act by $320,000.

—Page 46, line 12, increase the amount for expenses for the Community Services Administration by $4,500,000.

By Mr. MOTTL:

—On page 25, line 8 after "title VII" insert: "section 921 ($10,000,000) and section 922 ($10,000,000)".

On page 25, line 13, strike the figure "$3,936,982,000" and insert in lieu thereof "$3,956,982,000".

H.R. 4394

By Mr. MILLER of Ohio:

—On page 38, after line 16, insert the following section:

Sec. 409. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

By Mr. NELSON:

—On page 24, line 23, strike "$6,854,924,000", and insert in lieu thereof, "$6,169,924,000".

EXTENSIONS OF REMARKS

LABELING OF WATER BUFFALO MEAT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

• Mr. DASCHLE. Mr. Speaker, on March 3, 1979, in Twin Falls, Idaho, the National Buffalo Assocation adopted a resolution calling for the proper labeling of water buffalo meat. I am today introducing legislation to accomplish the labeling improvement sought by the National Buffalo Association.

The legislation I am introducing will amend the Federal Food, Drug, and Cosmetic Act and establish requirements for the proper use of the terms "buffalo" and "water buffalo" in the marketing and labeling of food. My amendment reserves the use of the term "buffalo" for the marketing and labeling of products made from the American bison.

The American people have long referred to the American bison as buffalo. William Cody, for example, was called, "Buffalo Bill Cody," not "American Bison Bill Cody." Similarly, the lyric in "Home on the Range" is "give me a home where the buffalo roam" not "give me a home where the American bison roam." Allowing the term buffalo to be used in the labeling and marketing of any product other than American bison amounts to consumer deception.

In addition to providing needed protection for consumers, the legislation I am introducing today recognizes the serious economic threat to the fledgling market for buffalo that results from the labeling and marketing of products other than American bison as buffalo. Buffalo producers have made a substantial investment in the development of a market for buffalo and consumers who have purchased buffalo have recognized the high quality of this product. The marketing and labeling of an inferior product as buffalo could seriously damage the well deserved reputation for quality earned by buffalo producers and result in a loss of consumer confidence and destroy the developing buffalo market.

Buffalo producers do not fear competition from products such as imported water buffalo. Buffalo producers only seek to have consumer acceptance of these other products determined on their own merits and not by riding on the coattail of a reputation for high quality established by buffalo producers.

It has been my privilege and pleasure to work with the National Buffalo Association which is headquartered in Custer, S. Dak. and Ms. Judi Hebbring, the energetic and resourceful executive director of the NBA, in the development of this legislation. The National Buffalo Association has been an effective and strong voice for buffalo producers and their legitimate concerns deserve our prompt and thoughtful attention.

Mr. Speaker, I include the text of this legislation at this point in the RECORD:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end thereof the following new paragraph:

"(q) (1) Except as provided in subparagraph (2), if it is sold or offered for sale and—

"(A) it consists in whole or in part of the meat or other portion of the carcass of a water buffalo, unless its label or advertising contains the term 'water buffalo'; or

"(B) its label or advertising contains the term 'water buffalo', unless it consists in whole or in part of the meat or other portion of the carcass of a water buffalo.

"(2) Except as provided in subparagraph (1), if it is sold or offered for sale and its label or advertising contains the term 'buffalo', unless it consists entirely of the meat or other portion of the carcass of an American bison.".

(b) The amendments made by subsection (a) to the Federal Food, Drug, and Cosmetic Act shall apply with respect to food which is introduced or delivered for introduction into interstate commerce 180 days after the date of enactment of this Act.●

CONGRESSMAN BRUCE F. VENTO SPEAKS AT AMERICAN BRITTLE BONE SOCIETY BREAKFAST

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. PATTEN. Mr. Speaker, on Tuesday of this week, I had the pleasure of attending a breakfast in conjunction with the American Brittle Bone Society's first national conference. Since the society was founded 2 years ago, I have worked with the society in bringing to the attention of the Congress, and the Nation, the need for increased research into the causes and treatment of osteogenesis imperfecta and other brittle bone diseases. The dedication of the founders of this organization, particularly Mrs. Roberta DeVito and Mrs. Barbara Diem, has accomplished much. Through vigorous work, these and many other individuals have brought national awareness of the problems which thousands of individuals and families face on a daily basis.

Through my involvement with the American Brittle Bone Society, I have met many individuals, both adults and children, who are afflicted with brittle bone disease. And while these people are fragile physically, I have seen a dedication and special care which is so heartening to me as a Member of Congress.

Due to the testimony and good work of the members of the society, my Labor-HEW Appropriations Subcommittee has included language in our report for the second year in a row, urging the National Institutes of Health to pay special attention and allocate resources of those institutes which deal with these diseases for brittle bone research. I am pleased to have been able to play a small part in this process.

I was also pleased that our colleague and friend, BRUCE F. VENTO of Minnesota shares my concern in this field. Congressman VENTO was the guest speaker at the breakfast on Tuesday, and I would like to share with the House Members his remarks, as follows:

REMARKS BY BRUCE F. VENTO

Today marks the conclusion of the 1st National Conference of the American Brittle Bone Society. All of you who organized and participated in this conference are to be congratulated. You have demonstrated thru dedication, perseverence and plain hard work what organized efforts can accomplish. Thru this conference you have taken a giant step forward in making people aware of O.I. and related brittle bone diseases. And thru—not only this conference—but your diligent work for the past 2 years in your home states and, here in Washington, you have made elected public officials aware that some 15 million people in this country suffer from brittle bone diseases and from 10 to 30 thousand are affected by osteogenesis imperfecta. The Congress responded to your needs last year how much remains to be done. YOU have launched a good beginning and now your follow-thru is of the greatest importance.

My particular interest in O.I., was really sparked in two ways. First, one of my relatives was afflicted at an early age with a very rare bone disease called Stickell's Syndrome. For many years, her bone disorder was misdiagnosed as O.I. and then, like today, little research and medical treatment was available to treat her disorder.

When I'm told or when I read about the tremendous frustrations and suffering that families of O.I. or related bone disorders experience, I can assure you that I have felt that firsthand. And when all of you emphasize how the lack of research is responsible—DIRECTLY—for little progress in treating brittle bone diseases, I identify with you. In plain-speaking terms, it is unacceptable that both the victims of brittle bone diseases and their families—over 30 million people in this country—should tolerate or accept the void in research and medical technology that we have today.

The Second reason for my involvement in your cause, and I guess really why I'm here speaking before you today, is because of my association with John and Jean Mandeville, who you all know well. The parents of a son Jay afflicted with O.I., they visited with me early in 1978 about the sad lack of public support for research of brittle bone diseases. Needless to say, they brought back some unpleasant memories, but—more importantly—they shared with me a wealth of information that dramatically pointed out the need for Government support. John and Jean, like many of you, have labored hard to bring O.I. out of the closet and I will be ever grateful to them for involving me as part of this effort and as a spokesman for this effort. Their unselfish devotion to the victims and families of O.I. and the leadership positions they have taken to meet the challenges ahead generate enthusiasm and reflect a positive approach that hopefully will bring about continued progress in the years to come.

Looking over your conference program, I note that experts in brittle bone disorders have spoken on virtually every facet of such diseases—from the technical point of view—the medical point of view—the sociological point of view and the emotional and psycological point of view. I'm obviously not an expert so I'd like to take the next minutes to share with you what we in the Congress are doing to help and what the future may hold in terms of government support for the research that needs to be done.

In 1978 the National Institutes of Health, Institute of Arthritis, Metabolism and Digestive Diseases supported 16 independent private studies throughout the country for O.I. research. In 1978, NIH provided only $425 thousand in Government monies but it certainly signalled a beginning interest in O.I. Also, in 1978, the National Institute of Arthritis, Metabolism and Digestive Diseases received a $44 million increase over that received in 1977. A substantial part of this increase was, in fact, used for research studies for bone disorders.

Due to your organization and stepped-up lobbying efforts, both the House and Senate approved language in the Labor/HEW appropriations bill specifically related to osteogenesis imperfecta. The language stated that O.I. had not received enough attention to date and that NIH should devote more time and monies to intensify research efforts for both O.I. and related brittle bone disorders.

Today, as a result of that language, the NIH Institute of Arthritis, Metabolism and Digestive Diseases Clinical Center is undertaking—and will continue into 1980 and in years to follow—a sophisticated O.I. research project that hopefully will produce needed medical breakthroughs for the treatment of O.I.

I am happy to report to you today that the House will be considering the Fiscal Year 1980 Labor/HEW appropriation next week—a bill that calls for a $3.4 billion appropriation for NIH—up from $3.2 billion provided in 1979. The Senate bill also calls for an increase in the NIH budget for 1980; and both bills address the need for continued research into O.I. and brittle bone disorders.

WHAT DOES THIS MEAN?

It means, that in a day when there is pressure to reduce the federal budget, to cut monies from virtually all government programs, that this Congress is not about to pull the rug out from under our commitments to health care programs for the people of our society. It means that this Congress will continue to beef up its appropriation for NIH to insure that those research programs already undertaken as well as new research programs that have been proposed will be funded. I remain convinced that when we examine our spending priorities, we must not forsake our basic commitments to people in terms of health, and I will continue to fight against all proposals that slash away at our budget using meat-axe cuts with little or no regard for those commitments.

While you have correctly focused your collective efforts in Washington to insure that federal monies will support O.I. and brittle bone research, I want to encourage you to do likewise in your respective states. I also encourage you to work with your local units of government as well as groups and foundations in the private sector. In other words, don't leave any stone unturned.

You have already demonstrated success in many areas. I am pleased to note that today there are five clinics—one of which is located in St. Paul under the direction of Dr. Lowell Lutter—which are serving the needs of those afflicted with O.I. The others are located in New York City, Denver, Detroit and Chicago. A good start—yes but there is so much more that can and should be accomplished.

Roberta DeVito, Chairperson of the Board of Trustees for the American Brittle Bone Society, recently outlined a vigorous list of recommendations before the Senate Subcommittee on Labor/HEW Appropriations:

Direct Research grants;

Sufficient funds to strengthen the intramural orthopedic research program for brittle bone disorders;

A new Division of Brittle Bone Diseases within the National Institute of Arthritis, Metabolism and Digestive Diseases; and

Establishing research training and fellowship programs for brittle bone disease.

These are goals all of you will continue to rally around, will continue to work for in the future. I want you to know that I will continue to support those efforts and will do everything possible to help you as a Member of Congress.

I thank you for asking me to be with you this morning and look forward to your 2nd conference—and more progress to report—next year.●

AMENDMENTS TO H.R. 3930—DEFENSE PRODUCTION ACT AMENDMENTS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. BROWN of Ohio. Mr. Speaker, we are in general agreement with the amendments that Mr. Dingell will offer to H.R. 3930, relating to the production of synthetic fuels. However, one amendment which Mr. Dingell plans to offer would be ill advised and counterproductive. This amendment concerns the application of existing environmental laws with respect to the development of domestic sources of synthetic fuels.

Chairman Dingell's amendment would require that any exercise of authority under H.R. 3930 must be consistent with applicable environmental, conservation, antitrust, and fuel conservation policies of the United States. Environmental regulations have severely hampered the orderly development of our domestic energy resources and are still doing so. For that reason, our present energy supply shortage is much more severe than it would have been had we taken a more orderly approach to development of our environmental energy policies.

At the appropriate time, we will offer an amendment designed to provide the authority to waive environmental and other laws which unduly impede or postpone the development of synthetic fuels projects. We can ill afford the endless delays and bureaucratic bungling that have been caused by some of our existing environmental laws. If we are to have a viable synthetic fuels industry, we must realize that there will have to be tradeoffs between environmental and energy goals, and that the production of adequate supplies of energy is just as important as immediate protection of our environment.

For this reason, we cannot support Mr. Dingell's amendment concerning strict compliance with currently applicable environmental requirements, but we will support those other amendments which attempt to establish a viable and rational synthetic fuels industry in the United States.●

THE 1979 INTERNATIONAL SUMMER SPECIAL OLYMPICS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. LaFalce. Mr. Speaker, international attention will focus on Moscow and Lake Placid during the next 18 months, with both sites hosting the upcoming 1980 Olympics. Preceding them, however, is a totally different Olympics, one that promises victory for each and every participant. I speak of the 1979 International Summer Special Olympics, to be held August 8 to 13 in Brockport, N.Y.

American culture places a great deal of importance on success, particularly athletic success. Too often our children are taught that winning is an end in itself, and that athletics are most important when some title or prize is at stake. The importance of the Special Olympics is that victory takes a second place to participation; that the joy of taking part, of having fun, is the only reason for competing.

Special Olympics began in 1963 as an effort to allow mentally retarded children to share in the fun of physical exercise. It has grown into a global program which brings happiness to thousands through the selfless efforts of Eunice Kennedy Shriver and the members of the Joseph P. Kennedy, Jr., foundation. Their service in behalf of the mentally retarded children of this world is rare and commendable.

The community of Brockport, N.Y., has also joined in this effort to provide happiness to thousands of children. With the assistance of the community and the State University of New York at Brockport, the International Games Committee has worked at great length to provide participants and volunteers with a safe, attractive, and comfortable competition area. Due to the work of these people, including Dr. Albert W. Brown, president of SUNY-Brockport and Peter Smits, international games director, the games promise to be a major success.

I submit the following articles in the hope that my colleagues may learn more of the upcoming Special Olympics, and the impact they have on the lives of their participants:

[From the New York Times, Apr. 26, 1979]

These Olympics Are Special

(By Dave Anderson)

Behind him, Peter Smits felt a tug at his sleeve. Turning, he looked down at a mentally retarded athlete with two Special Olympic gold medals hanging from ribbons around his neck. "He was so small, only about 4 feet tall, I thought he was a youngster," Peter Smits says now. "I found out later that he was 32 years old." But as the tiny athlete stared up at him on the running track at Brockport State College during the 1976 New York State Special Olympics meet, Peter Smits asked what events he had won.

SPORTS OF THE TIMES

"The 100-meter dash and the 50-meter dash," he replied with a smile.

"How fast did you run?" Peter Smits asked. "What were your times?"

"I don't know my times," he said. "All I know is, I'm not small anymore."

Reflecting on that moment, Peter Smits says, "That's when I got hooked on Special Olympics." Now he is the director for the fifth International Special Olympics that will be held Aug. 8–13 at the State University of New York campus at Brockport, about 20 miles west of Rochester, with 3,500 mentally retarded athletes from more than 30 nations. While the world focuses on next year's Olympic Games at Moscow and Lake Placid, the Special Olympics are what the Olympics should be. No politics. No international incidents. No scandals. No controversies. And most of all, no overemphasis on winning.

In each 50-meter dash, for example, gold, silver and bronze medals are awarded to the first three finishers, but the other five competitors receive a ribbon each.

"In the 50-meter dash, we might have 300 races," says Bob Montague, the executive director of the Joseph P. Kennedy Jr. Foundation that created and sponsors the competition. "That means 300 gold medals in one event."

Perhaps the people who best understand the spirit of the Special Olympics are the athletes themselves.

"I've seen a runner fall and another runner stop and pick him or her up," Peter Smits says. "I've seen a runner drop a baton in a relay race and another runner pick it up and hand it to him or her. In one race I saw a boy's mother come out on the track to take his picture when he was leading and he stopped and posed for her. Some really want to win but most don't. Some don't seem to care whether they win or lose. They just love competing."

In addition to track and field, the Special Olympics will include swimming, diving, gymnastics, wheelchair events, bowling, basketball, Frisbee-disc, hockey played with plastic sticks and pucks, floor hockey, volleyball and soccer.

"It's been four years since our last International Special Olympics was held at Central Michigan University," Bob Montague says. "We've decided that we need a four-year gap to organize it properly. The first two International games were held in Chicago only two years apart, in 1968 and 1970, and the third was in Los Angeles in 1972, but then we had a three-year interval and now it's four years. If we kept three years, it eventually would fall on the same year as the Olympics themselves and we didn't want to do that."

No admission will be charged for the events, which will be held on Friday and Saturday after an opening ceremony Thursday evening.

"Albert Brown, the president of Brockport State, has a great interest in powerless people," Bob Montague says. "His school is one of the few in the nation with education classes in how to help mentally retarded adults. Many students there are familiar with the handicapped. And many of the foreign-language students will be our interpreters in French, Spanish, German, Portuguese and Swahili."

But no nation from behind the Iron Curtain has entered the Special Olympics program.

"We still hope that Poland will join," Bob Montague says. "But the Soviets do not appear to be interested and East Germany wrote us, saying that they did not want to participate. But in West Germany our American military units stimulated a program that has spread among the people there, so West Germany will have a team. We haven't had any correspondence with China let, but Hong Kong has entered a team. So has American Samoa. They had a telethon there to raise funds. I'm told there are only 30,000 people there, but they raised $50,000."

Ireland also has arranged to send a team despite a postal strike there, thanks to what Peter Smits calls "The Irish Connection."

"I give our correspondence to a friend of mine, Jim Brannigan, who gives it to his brother who sails on a freighter to Liverpool and who then gives it to his nephew who goes back and forth to Dublin," says Peter Smits with a laugh. "Then the Irish send their correspondence to me the same way."

But not even the Special Olympics are perfect. Occasionally a cheater is discovered.

"Not the competitors," Bob Montague says. "But once in a while a coach will falsify a runner's previous times so that the athlete will be put in a race with slower runners and have a better chance to win. It doesn't happen very often but it happens."

It's ironic that the mentally retarded are not smart enough to cheat. Only the mentally sound are.

BROCKPORT UNIV. TO HOLD OLYMPICS FOR RETARDED

(By Mark D. Frank)

BROCKPORT, N.Y.—All that glitters in New York State athletics is not Lake Placid gold.

There's also gold to be won in the 1979 International Summer Special Olympics, to be held Aug. 8–13 at the State University College at Brockport, about 20 miles west of Rochester.

The Games, for the mentally retarded, is the world's second largest officially designated Olympic event. It's purpose is to contribute to the physical, social and psychological development of the participants.

"It's a little frustrating being known as New York State's 'other' Olympics," said Peter Smits, 31, who has served as Games' director for nearly three years. "Here's another international olympics and the athletes in our Games are no less athletes than are those going to Lake Placid."

About 3,500 mentally retarded athletes—8 years or older with IQs of 75 or less—from all 50 states and 36 foreign countries are expected to converge on this small upstate village.

"The subject of the Special Olympics has been raised in Moscow and China," Smits added.

All three national television networks are bidding for the 1979 Games. The 1975 edition, held at Central Michigan University, was telecast on the CBS Sports Spectacular.

Events in the $2.5 million Olympics include track and field, swimming and diving, gymnastics, basketball, volleyball, bowling, floor and poly hockey and wheelchair races.

Smits said there are no losers in the Special Olympics.

"In this Olympics, everybody's a winner," said the 31-year-old assistant to Brockport State President Albert W. Brown. "It's not whether you win or lose, it's that you try.

"That's the heart and soul of the program," said the indefatigable Smits.

More than 400 volunteers are working on the project.

"We started out with an eight-man steering committee and now we've reached these proportions," Smits said. Another 3,500 "helpers" will work as judges, timers, referees and scorers once the Games begin.

Brockport State, armed with a 200-page blueprint developed by Smits over 11 months, outbid Vanderbilt, Ohio State, the University of Florida and the University of Tennessee for the fourth version of the Special Summer Olympics, sponsored by the Kennedy Foundation. The first international Winter Special Olympics was held February 1977 at Steamboat Springs, Colo.

"We really wanted it and we have a national reputation for programs for handicapped kids," said Smits.

The school solicited and received letters of support from Gov. Hugh Carey and every professional team in New York State.

Held every four years, the International Special Olympics is the culmination of more than 17,000 local, area, chapter and national training programs and competitive meets in which more than 700,000 mentally retarded athletes worldwide take part.

About 20,000 communities worldwide have Special Olympics programs," Smits explained. "There are 1 million Special Olympians."

The first Special Summer Olympics was held in 1966 in Chicago's Soldiers Field. UCLA and Central Michigan have also hosted the Games.

Among the invited celebrities are Special Olympic "coaches" Rafer Johnson, Frank Gifford, Bruce Jenner, Julius Erving, Wilt Chamberlain, John Naber and chairman for community affairs, Phyllis George.

"The community is excited about it," Smits said. "It's hard to describe what it's like to experience a Special Olympics.

"You see courage and determination and joy that you don't see in any other kind of event," he said.

BROCKPORT CELEBRATES 150 YEARS BY HOSTING THE SPECIAL OLYMPICS

(By Celia Viggo)

To observe its 150th birthday this year, the village of Brockport (20 miles southwest of Rochester; population 8,000) is going to make some new history for itself even while celebrating its past. All the usual plans are in place: a commemorative booklet, tours of historic homes, summer sidewalk sales, a gala ball. But besides all this, Brockport is going global by welcoming the 1979 International Summer Special Olympics.

What that means is that some 3,500 mentally retarded children and adults from every state and U.S. territory and from 35 foreign countries will be coming to Brockport August 8–13 for a series of competitions, teaching clinics and entertainments. The $2.4 million games (funded largely through contributions) will involve about 5,000 volunteers and chaperons and may attract as many as 20,000 spectators.

The games are a first not only for the village but for New York, and will be the first to be honored by a commemorative Special Olympics stamp, to be issued August 9. All of the events will be held on the 591-acre campus of the State University College at Brockport, with its impressively well-equipped athletic complex.

But the village as well as the college is heavily involved in the event. Residents found it a moving experience to observe two previous state-level meets held at the college. Under the affable prodding of Tom Martin, a former Brockport drama professor who now manages an insurance agency, villagers help staff no fewer than 65 planning committees, some of which have been at work for the past two years.

According to Peter N. Smits, international games director, the point of it all is expressed in the underlying theme of the games: "Be all you can become." Whether you're handicapped or not, he observes, your goal should be to use all your potential, and that's the spirit of the Special Olympics.●

NBC, ABC, PBS HELP DEAF—CBS REFUSES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. FINDLEY. Mr. Speaker, today I am introducing a resolution commending the American Broadcasting Co., the National Broadcasting Co., and the Public Broadcasting Service, for the exemplary work they have done, and are planning to do, to provide closed captioned television programing for the deaf and hearing-impaired. The resolution also urges the Columbia Broadcasting System, one of the Nation's largest television networks, to join with the other three major broadcasting companies in providing this much needed and long sought after form of television programing for the nearly 14 million deaf and hearing-impaired individuals living in this country.

The use of closed captioning by the networks will, for the first time, make it possible to bring into every deaf and hearing-impaired persons living room the pleasure of watching television. In December of 1976, the Federal Communications Commission granted the television networks permission to televise hidden or "closed" captions along with the video portions of their TV programing.

The closed captioning system operates by the placing of encoded visual subtitles on line 21 of the TV vertical blanking interval—a portion of the screen that does not ordinarily contain a televised picture. The encoded caption material is transmitted by the TV station along with the rest of the program. It becomes visible only when decoded by a special device incorporated into the viewer's home TV receiver. Viewers with normal hearing ability not using the decoders will not be able to see the captions, nor will the encoding disrupt normal viewing.

March 23 of this year marked a historic day for the deaf when Secretary Califano announced that ABC, NBC, and PBS, in conjunction with the Department of Health, Education, and Welfare, initiated a new program for the captioning of television programing. Committing a sizable sum of money, these three companies will spend $250,000 each for equipment to transmit the captioned signal and nearly $500,000 a year for captioning 5 hours of prime time programing per week. As both HEW and the networks recognize, the broadcasting of only 5 hours of captioned programing is just the beginning of a far more energetic and ambitious plan to provide this form of broadcasting for the deaf and hearing-impaired. These three networks have now committed themselves to this endeavor and they are to be commended.

Conspicuously missing, however, is the participation of one of the largest and most influential of the television networks, CBS. Citing the cost and uncertain success of the HEW sponsored program, CBS has chosen not to invest any money toward the purchasing of caption-transmitting equipment and the network has made a conscious decision not to broadcast any closed captioned programing. For a network that broadcasts such popular shows as "Sixty Minutes," "All in the Family," and "The Waltons," I cannot understand how CBS executives can justify ignoring a potential audience of nearly 14 million deaf and hearing-impaired viewers.

From an economic standpoint, I would not think CBS's position makes any sense at all. From a humanitarian and public service standpoint, it makes no sense. The amount of money it would cost is little more than it takes to film a single episode of "All in the Family." I am told that CBS is conducting its own research efforts into captioning equipment that may, in the long run, prove more flexible in providing different kinds of captioning on TV. For example, CBS is trying to design a system that will be capable of transmitting entire pages of printed material on the screen. But whether and when they will succeed is very unclear.

CBS should become an active participant with the other networks in the initial stages of captioning. In the event CBS is successful in unveiling its own new technology, so much the better.

I would urge my colleagues to join with me in commending ABC, NBC, and PBS for their efforts to provide closed-television captioning and urging CBS to become an active participant along with the other networks in providing this needed public service for the deaf and hearing handicapped.●

TRIBUTE TO MRS. BEVERLY SEEGER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. WOLFF. Mr. Speaker, I am very pleased to bring before the Congress the outstanding achievement of one of my constituents—Mrs. Beverly Seeger of Kings Point, Long Island, N.Y. Mrs. Seeger, through her dedication and devotion, is directly responsible for establishing the American Merchant Marine Academy Museum in Kings Point.

The purpose of the Merchant Marine Museum is to house rare memorabilia depicting this country's illustrious history and the role that the merchant marine played in it. This museum is a valuable cultural and historical institution and one that is greatly appreciated. The Merchant Marine Academy as well as all visitors to the museum will greatly benefit from it.

Mrs. Seeger took on the difficult project of establishing this museum because she recognized the need for such a worthy institution. She was dedicated to her goal and worked assiduously toward its attainment. She travelled extensively in the United States and Europe to promote the museum and gain support. She also enlisted the support and the participation of the Kings Point community in helping the museum to gain its objective through her unbounded enthusiasm. It was truly inspiring to see how the entire community was mobilized to work together on this worthwhile project.

It is truly amazing how Mrs. Seeger accomplished all this in such a short period of time as the 2 years that it took her to attain the goal. She is certainly an inspiration to us all. Her persistent devotion to this goal and her subsequent accomplishment is most praiseworthy.

Mrs. Seeger is most certainly an exceptional individual. Her untiring devotion, energy, and leadership has established an institution on Long Island which is a very significant contribution and one which will enrich not only the Merchant Marine Academy, but also Long Island, New York State, and our Nation.●

DOMESTIC ENERGY RESOURCES

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. CLINGER. Mr. Speaker, I would like to bring my colleagues' attention to an insightful editorial which appeared in the June 21 issue of the Washington Post, regarding an issue of great concern to our constituents.

The editorial emphasizes the urgent necessity for the Government to provide incentives for national utility companies to convert to greater use of coal. In light of the recent oil shortage fostered by our overdependence on foreign sources, I feel it is essential that we work toward developing and utilizing our domestic energy resources. I urge all members of Congress to read this enlightening editorial and carefully consider how we can help this Nation efficiently convert to a greater use of coal.

The article follows:

THE FAST WAY TO MORE FUEL

The fastest and most direct way to expand American energy supplies is to begin, forcefully, to shift oil-burning power plants to coal. That strategy is second only to conservation in the speed with which it could make a real difference in a tightening fuel shortage. Making synthetic fuels out of coal is very much worth doing, for the long term, but synthetics can't contribute much before the late 1980's. In contrast, burning more coal to generate power could free perhaps 1 million barrels of oil a day—the equivalent of the present national oil shortage—within five years. The coal strategy is an obvious choice, but it has been proceeding very slowly. Why?

One reason is uncertainty over environmental rules. Congress intended to rewrite the Clean Air Act in 1977, but got bogged down in a long quarrel that lasted until late 1978. Then the new law left the key decision on power plant standards to the Environmental Protection Agency, and the final ruling appeared only this month. Perhaps these delays were inevitable. Coal smoke is toxic, and requires careful regulation. But during that long debate, the utiilties had no way of knowing what it would cost to use coal. That was a powerful incentive to avoid any great commitment to it.

But economic uncertainty has also slowed progress. To the great surprise of the utilities, the country's consumption of electric power is no longer rising as fast as it used to. That's conservation of the most useful and beneficial kind. But, with demand far below their expectations and a recession probably coming, the utilities have grown more cautious than ever about embracing large construction programs.

At this point, the government has to end the uncertainty. It has to tell the utiilties that it will be in their own interest, as well as the nation's, for them to move rapidly and steadily toward greater use of coal. Tax cuts and other subsidies on a substantial scale would be justified to get a fast response. Coal generates about 44 percent of the country's electricity, compared with 17 percent for oil and 14 percent for natural gas. (The rest is nuclear and hydroelectric power.)

Public policy now needs to push hard to replace that oil and gas with coal, by converting those oil- and gas-fired plants that are capable of it, and by buying the rest into early retirement. It will take a lot of money, both public and private. But when you consider the costs of severe and repeated oil shortages and disruptions, the price of coal conversion begins to seem entirely reasonable.●

IDA NUDEL HAS BEEN IN EXILE IN SIBERIA FOR 1 YEAR

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. KEMP. Mr. Speaker, in commemoration of the first anniversary of the exile of Ida Nudel to Siberia, Ambassador Dobrynin has been petitioned to cut short her 4-year sentence and permit her to join her sister in Israel. The telegram, sent by the Congressional Wives for Soviet Jewry, an affiliate of the National Conference on Soviet Jewry which my wife Joanne cochairs, reminds Ambassador Dobrynin of the frustration which led Ida Nudel to place a sign on her balcony asking the KGB to give her a visa to leave the Soviet Union after 7 years of being denied permission to emigrate to Israel. This act earned her the title "malicious hooligan", as well as a 4-year period of exile in remote Siberia.

Ida Nudel has the dubious distinction of being the only woman prisoner of conscience in the Soviet Union, and as such, the Congressional Wives for Soviet Jewry have taken a special interest in her case. Through Joanne's involvement in this group I have been made aware of the harassment and discrimination Ida suffered throughout the long years of unsuccessful petitioning for an exit visa, and having had the pleasure of meeting with her sister, Ilana Fridman, I have come to know of the poor conditions under which she is now forced to live in Siberia.

I especially credit Ilana's diligent efforts in Ida's behalf as being so instrumental in garnering support for her sister's plight, and also heartily commend the work which the National Conference on Soviet Jewry and the Congressional

Wives for Soviet Jewry are going to keep people informed of what is being done to those who have expressed their desire to leave the Soviet Union, whether they have been labeled dissidents or not.

I urge all of my colleagues to join in this effort in behalf of Ida Nudel and her fellow prisoners of conscience. We must not let up our strong representation of their interests, for I truly believe that only our continuing pressure on Soviet authorities will keep the immigration levels high and convince them of our commitment to the release of all those Soviet citizens whose desire it is to leave the Soviet Union. Ilana Fridman can be contacted at Nakhlat Yehuda, Rishon Lezion, Israel, and she, as well as the national conference and the Congressional Wives for Jewry, would be grateful for your support for this extremely important cause, as would I and Ida Nudel, whose 3 remaining years in exile loom large with no assurance of an exit visa at the end of that time.●

ANNIVERSARY OF SENTENCING OF IDA NUDEL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. LENT. Mr. Speaker, I wish to call to the attention of my colleagues the fact that this date marks the first anniversary of the sentencing of Ida Nudel, one of the many Soviet Jews suffering from the cruel oppression of the Soviet regime. She is currently serving a 4-year term of internal exile in Siberia. Her "crime?" Publicly expressing her desire to emigrate to Israel to join her family. For this, the harsh "justice" of the Soviets found her guilty of "malicious hooliganism" and sentenced her to exile. Earlier this year, Mr. Speaker, I adopted Ida Nudel as my Fourth Congressional District's "prisoner of conscience" at the suggestion of Mrs. Lynn Singer, president of the Long Island Committee for Soviet Jewry, whose dedicated efforts have done so much to further the cause of human rights.

Each week, I have written letters to Soviet officials demanding that Ms. Nudel be released from her sentence and permitted to be reunited with her family in Israel. These weekly demands will continue until Ms. Nudel is released from her cruel and unnecessary punishment.

Mr. Speaker, I am confident that welcome event will come about. I am certain that the words we speak here in the Congress; the letters we send to the Soviet leaders do have an effect, although they may never be answered directly. For nearly 4 years, I wrote weekly letters to various Russian officials on behalf of my first "prisoner of conscience," Hillel Butman, with never so much as an acknowledgement. Yet, 2 months ago came the welcome word that Hillel had been released from his prison sentence and permitted to emigrate to Israel. And, in a letter from Hillel himself, now happily reunited with his family in Israel, he expresses his gratitude for my efforts, and for those of other Members of Congress who supported his cause.

Mr. Speaker, the keystone to success lies in patience, and persistence. We, my colleagues, must continue to bombard the Russians with our demands that the Soviet regime live up to its promises made in 1975 in signing the Helsinki accords. The Soviet Union agreed then, in a most solemn ceremony, that it would not deny the right of any individual to be united with his or her family in another country. The Soviet Union is violating the Helsinki accords at this very moment by denying Ida Nudel the right to join her family in Israel. And, it is heaping violation upon violation by denying thousands of other Soviet Jews the right to practice the religion of their choice in the country of their choice.

Let us mark this first anniversary of the sentencing of Ida Nudel as is being done in the Anatoly Shcharansky Garden in Hempstead, Long Island, N.Y., where the Long Island Committee for Soviet Jewry is holding a rally on behalf of Ms. Nudel, by pledging anew our devotion to the cause of human rights. Let the word go straight to the highest office in the Kremlin: Mr. President Brezhnev, we will never rest, we will never cease our demands, until you and your regime grant full human rights to Ida Nudel and every Soviet citizen. And, Mr. Speaker, let the word go straight to the highest office in the Kremlin that we know we shall be victorious.●

STATEMENT OF OPPOSITION TO H.R. 2444

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. ROSENTHAL. Mr. Speaker, I would like to bring to the attention of Members of the House the recently issued "Statement of Opposition," to H.R. 2444, the Department of Education bill, made by a group of 16 prominent women's organizations:

NATIONAL COALITION FOR WOMEN AND GIRLS IN EDUCATION

JUNE 19, 1979.

DEAR MEMBER OF CONGRESS: The Walker, Ashbrook, and Skelton amendments have converted H.R. 2444 into anti-civil rights legislation.

The undersigned organizations participating in the National Coalition for Women and Girls in Education therefore urge the defeat of the bill.

Sincerely,

American Association of University Women; Association for Intercollegiate Athletics for Women; Federal Education Project of the Lawyer's Committee for Civil Rights Under Law; League of Women Voters of the United States; National Association for Girls and Women in Sport; National Council of Administrative Women in Education; National Council of Jewish Women; National Federation of Business and Professional Women's Clubs, Inc.; National Organization for Women; National Women's Studies Association; Project on Equal Education Rights; Sociologists for Women in Society; Wider Opportunities for Women; Women's Equity Action League; WEAL, Educational and Legal Defense Fund; Women's Legal Defense Fund, Inc.●

A PRIZED INSTITUTION

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. VANDER JAGT. Mr. Speaker, I would like to bring to my colleague's attention a commendable article which appeared on the front page of the Detroit News, Detroit, Mich., on June 19, 1979. This article describes the merits of the Muskegon correctional facility, a unique and successful State prison system located in Muskegon, Mich.

The Muskegon correctional facility has proven to be superlative in three areas in particular. The first being elimination of problems typical in comparable facilities: homosexuality, crime, and peer pressure. The inmates are encouraged to get involved in activities that do not emphasize a "tough guy" attitude.

The second area which makes the Muskegon facility stand out is the relationship between the community and the prison. A successful effort has been made to blend the prison and its inmates into the community and surrounding area, under special circumstances. Muskegon County residents welcomed the establishment of the correctional facility and now it provides jobs for 200 residents. The community has done more than just accommodate the facility, as they have placed schools, jobs, and recreation at the facility's disposal.

The third area which deserves commendation is the establishment of rehabilitation programs "that go beyond mere correction to help inmates discover their personal worth and learn civic responsibilities and careers outside crime." A continual educational emphasis is placed on the importance of familial ties.

It is my opinion that the Muskegon correctional facility and Muskegon County should be highly commended for their creation of a truly exemplary institution. For your reference, I should like to include in the RECORD a copy of a news article from the Detroit News regarding this matter.

The article follows:

MUSKEGON PRISON MORE LIKE A DORM

(By Norman Sinclair)

MUSKEGON.—The prison here has all the good things that are missing in the aged, overcrowded penitentiaries elsewhere in Michigan. It is more than a lockup—it is a retraining school adopted by the community that surrounds it.

The cellblocks—low-roofed, modern buildings—blend into a grove of dogwoods, elms, maples and pines. A long, curving driveway leads to the administration building.

Only a 12-foot-high fence and a glassed-in watchtower betray the building's true identity.

Here at the Muskegon Correctional Facility, the prison system showcases what it feels prisons should be—places that go beyond mere correction to help inmates discover their personal worth and learn civic responsibility and careers outside crime.

The red brick walls of Jackson State Prison, the state's most populous facility, and the gray walls of the penitentiary at Marquette, where hardcore criminals are segregated, effectively cut off inmates from the outside world.

But the Muskegon facility melds into the landscape and, more importantly, into the community around it.

"Sometimes it's hard to remember where you are," said Alfred Bryant, a 24-year-old Detroiter serving a 2- to 20-year term for dealing in heroin. "It's not like being in prison at all."

At Jackson, electric gates, locks and paper work help the staff keep track of almost 6,000 inmates. The prime concern at Jackson and the 908-prison facility at Marquette is security.

But at Muskegon the chief worry of inmates and staff is whether the prison's new community building will open on schedule Aug. 1—in time for a social with townfolks.

At Jackson and Marquette, the euphemisms "resident" for convict and "officer" for "guard" or "screw" seem ludicrous. But at Muskegon, the reference to the prison compound as the "campus" seems almost natural.

Prisoners in Muskegon range in age from 22 to 30 and are serving sentences with minimum terms of five years or less.

Inmates here have keys to their cells, which look like private rooms and have regular doors, not barred gates. Instead of open toilets and sinks in cells, there are large, common bathrooms on each corridor.

The cellblocks, or "living units" are identified not with numbers but with names, such as Birch, Elm and Douglas, after trees in the area. Rather than tiers of bars, the two-floor interior hallways have wooden rails, cheerful paint schemes and television rooms.

But even Michigan's model prison suffers from overcrowding. Three of the nine TV rooms have been converted into dormitories. Opened in 1974 and designed to house 589 inmates, Muskegon has 630.

Pool and Ping-Pong tables are provided in each living unit. Phones are located on each floor and inmates may call home anytime—collect.

"It's a different world here," said William Jackson, 30, who spent the first year of a 6½-to 20-year term at Jackson before being transferred to Muskegon.

"In Jackson the resident has no responsibility," he said. "He is told exactly where to go, what to do. Here they encourage responsibility. They want to get you involved and they try to give positive reinforcement to the residents."

The reinforcement comes in the form of incentive to learn—and motivation on the job.

The prison band and choir conduct outside performances, as do drama teach, including a troupe of puppeteers. Some inmates work with the organizers of the Special Olympics, the games for the handicapped. Some do volunteer work in areas nursing homes.

"I think it is of tremendous rehabilitation value to put people outside. Still, our walkaway rate—31 in five years—is the lowest in the country," Wells said.

To prepare inmates for life on the outside, the administration promotes family participation in various events. It recently held a wives appreciation night hosted by the prison's Jaycee chapter. The inmates met their wives at the front door, pinned corsages on them and everyone dined on steak and potatoes. The prison band played for a dance that followed welcoming talks by prison officials and words of encouragement to maintain strong family ties.

The new $4.2-million community building will include classrooms, a 300-seat auditorium, a gymnasium and weight room and an auto repair shop. It is financed by a federal grant.

Even after the building is completed, Wells intends to continue sending inmates outside the walls to mix with the community.

Eighty inmates are enrolled in vocational programs, 200 in high school and 100 in part-time college programs.

"The key to motivating the residents (inmates) is to have an educational program that is reality-oriented," said Joseph A. Abramajtys, the prison's director of education. To make the program real to the inmates, Abramajtys stresses a stripped-down curriculum offering reading, writing and arithmetic.

Each inmate works at his own pace on individually tailored programs. Those who succeed take the General Educational Development examination, passage of which is accepted as the equivalent of a high school diploma.

When an inmate masters the three R's, he is given other courses he can handle, Abramajtys said. These deal with how to find a job and hold it, how to find an apartment, bachelor cooking, balancing a check book and other areas that help in adjusting to life outside prison.

Also, such trades as auto body repair, mechanics, electronics, welding and food management are taught.

"We are trying to strip down the education hurdles to make the process more sensible to the inmate. There is no point at this stage in teaching him things he won't apply outside," Abramajtys said.

Because about a third of the prisoners have a history of alcohol and drug abuse, drug rehabilitation counseling is also offered.

Wells believes new institutions should limit their populations to 500 or 600. "That way you can have both security and rehabilitation. I feel they are dual mandates and we can assure the public of security while working on rehabilitating the inmate."

He said the impression that other prisons get the older criminals is not supported by the record. The average age of inmates in Muskegon is 25, compared to 27 statewide. But Muskegon does not get the violent criminal who cannot be accommodated in a medium-security prison. The problem cases go to Jackson and those who are most inclined toward violence to Marquette.

The annual budget to operate Muskegon is $5,094,000. In addition, $558,000 is budgeted for the health clinic. Wells said this breaks down to $20 a day for each inmate. That compares with almost $15 a day for each inmate at Jackson and $24—because of heavy security—at Marquette.

Inmates interviewed said peer pressure, crime and homosexuality—major problems at prisons like Jackson and Marquette—are virtually nonexistent at the Muskegon facility.

Only six cells are reserved for segregating violent inmates. None was in use last week when The News visited.

"We don't have any cliques here," said editor-inmate Jackson. "You don't find the same cliques putting pressure on young guys that you find in Jackson. Here everybody is encouraged to get involved in activities. There is none of the tough-guy macho stuff here."

Wells said jogging is more popular in Muskegon than "pumping iron," the common term for weightlifting. That's not the case at Jackson and Marquette.

William Jackson, dressed in red running shorts, blue T-shirt and $35 jogging shoes, hardly resembles the Farmington heroin addict who was convicted of armed robbery in July, 1975.

He runs five miles every day, sings in the gospel choir and plays guitar in the prison band. He is also editor of the prison newspaper, The Factor.

He rebuffs any suggestion that he is drumbeating for the prison administration.

"I am not trying to suck socks. I know the programs here are working," he said.

Supt. H. Gary Wells said the "primary mission" of the institution is "to assist residents to become more responsible."

He said the relaxed setting of the prison is a "deliberate attempt by the administration to provide an atmosphere where change can take place.

"I think we are achieving that goal here," he said.

Unlike many cities, Muskegon welcomed the opportunity to become home to a prison. It was viewed as a new industry that would provide more than 200 jobs, Wells said. The community gratefully placed such important resources as schools, jobs and recreation at the facility's disposal.

When the prison was opened in 1974, Wells staged an open house for the Muskegon residents. The response was tremendous.

"We stopped counting after we got to 5,000 people," the superintendent said. There will be another open house this September when the community building is dedicated.

The president of the local Chamber of Commerce confirmed the fellowship between the community and the prison.

"In the vernacular, it's cool," he said. "We have a good working relationship . . . Prisons are like solid waste disposal facilities—we have to have them but no one wants them in their neighborhood."

Inmates are encouraged to join in programs that involve the Muskegon community. Prisoners play in city recreational softball and basketball leagues. Fifty are bussed to Muskegon Community College each day.

Bryant, the Detroiter, convicted of the heroin charge, had an unusual complaint about life in Muskegon. He said that because of the lack of peer pressure, some inmates take liberties they wouldn't dare take in Jackson or elsewhere. "Some of these guys will come right up to your face and cuss you out. They know a guy doesn't want to get into trouble fighting here."

Deputy Supt. Luwillus Gibson said extortion is minimized by having small stores in each of the six living units. Inmates buy from the store in their unit and supervisors soon know if any deals are being cut that are potentially troublesome.

The prison is constructed in such a way that there are no areas in which inmates can hide. So opportunities for sexual advances or attacks are minimized. Careful supervision also helps.

"Since each man can lock his own cell," Gibson said, "he is assured of personal privacy. We don't allow inmates to visit each other in their cells with the door closed.

"One resident can visit his buddy if he wants to but he has to tell the officer on the floor who he is visiting. While they visit he sits on a chair in the open doorway."

Officials say that, although Muskegon certainly is a model, it obviously cannot serve as a prototype for prisons with inmates such as Marquette's.

But much can be learned at Muskegon, they say, and much of what works there will work at Jackson and Marquette, giving rehabilitation more of a chance to succeed.

But the concept means more brick and mortar, a breakup of large prisons and intelligent planning to conserve costs.●

MOORHEAD, MURTHA DISCUSS SYNFUELS ON RADIO SHOW: QUESTIONS AND ANSWERS ON HOW H.R. 3930 WOULD OPERATE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, yesterday I had the pleasure to record a radio show with my very good friend JACK MURTHA, a fellow Pennsylvanian, and an important member of our delegation.

The subject of the show was H.R. 3930, my synthetic fuels legislation, which is scheduled for floor consideration next week.

In preparation for the show, JACK submitted his questions to me and I prepared written answers.

The actual transcript will show that my answers differ little from the simulated transcript which I now will put in the RECORD for informational purposes.

The Murtha questions and my prepared answers provide interesting as well as educational reading for those Members who want additional information about the way H.R. 3930 will work and what it contemplates in the way of energy independence for our Nation.

I would like to include this simulated exchange in the RECORD at this time, and again thank my good friend for the opportunity to be his guest.

The transcript follows:

RADIO SHOW

MURTHA.—Bill, let's start by my asking you to describe for our listeners exactly what we mean when we talk about "synthetic fuels"?

MOORHEAD.—Thanks Jack, I'll be very happy to answer that. In our bill, synthetic fuels mean any fuel which is not made from petroleum or conventional natural gas. The whole idea is to reduce our dependence on foreign oil imports. We are talking about synthetic fuels made from coal, oil shale, peat, tar sands, surplus grain and even garbage, just to name a few. Most of these would be converted into liquid fuels because that's what our big need is now. But gaseous and solid fuels are also included.

MURTHA.—What processes could use coal to produce synthetic fuels? How would coal fit into this process?

MOORHEAD.—Coal is very important in this picture. We can convert coal into gasoline for our cars—high, medium and low-Btu gas for our industry and home heating—and even clean-burning liquids to generate electricity.

MURTHA.—With today's technology, how much coal are we talking about? Would this create a significant new market for coal?

MOORHEAD.—This legislation would create a major new market for coal. Production might have to be increased 25 percent over the next 10 to 15 years. For example, our bill calls for a national production goal of 500,000 barrels of synthetic fuels a day. If all of this was made from coal, we would need an additional 132 million tons of coal a year.

MURTHA.—Would you tell our listeners exactly how your bill—which I've cosponsored—provides a stimulus for developing synthetic fuels?

MOORHEAD.—Of course, Jack, and I want you to know I'm honored to have you as a co-sponsor of this legislation. The major Government incentive in this bill is the guaranteed price contract. The Government would buy the synthetic fuel under a competitive bidding system. At the time of delivery, if the market price for the synthetic fuel is lower than the contract price, the Government would have the option of refusing delivery. But if it did so, it would have to pay the company the difference or spread between the market price and the contract price. This, of course, would cost the Government money. However, if the market price is higher than the contract price, the Government would save a substantial amount of taxpayers' funds.

MURTHA.—One critic of this bill charges that it really has the Government getting into the oil industry, and that if this was such a good idea, private industry would do it itself. How do you feel about that criticism?

MOORHEAD.—Well, of course, that critic doesn't know what he's talking about. Under our legislation, the bill is designed so that private industry would build these plants and pay for them. Their cost is tremendous. For example, one 50,000 barrel-a-day coal to gasoline plant would cost between $1.5 billion and $2 billion. When you have a foreign cartel setting an artificial price for oil up or down, that's quite a gamble for any private company. The Government minimum price guarantee contained in our bill gives private companies and investors the necessary confidence to build these plants in America. Each plant would provide 20,000 jobs on site and in various support activities—all in America. Keeping billions of dollars home instead of sending them overseas will strengthen our currency and fight inflation. Frankly, I see only two situations where the Government might be forced to build synthetic fuel plants. The first would be if private industry fails to respond, and I think that's quite unlikely. The second is what I call the "worst case" situation. If one or more of our major oil suppliers—say in the Middle East or Africa—cut off or drastically reduced our oil imports, the Government might have to build many of these plants very quickly. We had to do this once before during World War II to develop and produce synthetic rubber. Even so, the Government got back almost 97 percent of its investment when it sold the plants to private industry.

MURTHA.—What would the cost of this program be to the government?

MOORHEAD.—It might cost the taxpayer little or nothing. As we all know, the price of imported oil is going up by leaps and bounds. Synthetic fuels are likely to track those increases and a crossover in price competitiveness between synthetics and petroleum is expected within a few short years. What this means is that guaranteed prices set by the Government under competitive bids are likely to be exceeded by market prices at future delivery dates. In that event, the Government would pay no subsidy and indeed save money in its fuel purchases. Even so, we would authorize $2 billion if we had to keep our commitment to protect industry against losses stemming from a lower market price. But at least, if this did happen—and I don't think it will—the money would be going to American companies and American workers instead of overseas. If we had to build Government plants, I think we would eventually recover most of that investment as we did on synthetic rubber following World War II.

MURTHA.—South Africa already makes gasoline from coal, and in World War II similar technology was used. Is the technology really that far advanced, and if it is, why haven't we moved a lot faster on synthetic fuels?

MOORHEAD.—It is true, Jack. My Subcommittee sent investigators to South Africa to inspect those plants. They work and the plant sites are not environmental disaster areas. They are surrounded by corn fields, pastures and villages. The air is clean. You asked if this is so, why didn't the United States get moving earlier. The answer is simple. We made a mistake. Previous Administrations decided to bypass existing technology and try to build what are called second and third-generation plants. Given enough time and money, I am sure we could come up with advanced plants superior to anything in the world. However, the plain truth is money and time are running out. I'm also afraid we have tried too hard to manage a shortage and not to overcome one.

MURTHA.—I've heard there are environmental problems with making synthetic fuels. Is that true?

MOORHEAD.—I'm sure there were at one time. But the chemical engineers who design these plants have taken the criticisms and fears of environmentalists to heart. The plants now on the drawing boards feature both closed water and gaseous emission systems. The water is recycled and as it evaporates is replenished from time to time. The gases are also recycled in the processing system. Those gases not used are subjected to more complete combustion reducing pollutants or even made into by-products. Sulphur, for example, is an important and necessary element for many of our fertilizers to grow needed farm products.

As for the end product, the synthetic fuel, it is environmentally superior to natural fuels in the marketplace because so many contaminants such as sulphurous lead have been removed. The environmental benefits from these cleaner synthetic fuels are difficult to measure in dollars and cents, but I believe they are substantial.

MURTHA.—There are a lot of energy ideas around, but few quick solutions. If Congress adopts this idea, how long are we looking at before the technology could make a significant contribution?

MOORHEAD.—I think we will see results coming in a few short years. Alcohol will probably come on first and quite rapidly because of the smaller capital investments needed. Many small plants should be built all over the country. Look for more gasohol with better mileage for your car, better engine performance from the higher octane and much less harmful hydrocarbon emissions. The fuels from coal and shale will start to enter the marketplace in four to five years. Remember, all of the first 500,000 barrels of synthetics a day will be earmarked for defense needs, but this will create an immediate offset in the domestic civilian market because that's where the military now gets its fuel. The armed services draw fuel from the same supply as you and all our listeners do. Synthetic fuels under our bill will free greater supplies over time for everyone. Someday, I deeply believe that all of us who supported this legislation will be able to look back and say we helped to attain America's energy independence. I think it's quite appropriate that the House vote on this bill will come just before the Fourth of July, our Independence Day. It will also be a message to the OPEC cartel meeting next week that America is determined to achieve that energy independence.●

IDA NUDEL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. WAXMAN. Mr. Speaker, today, June 21, 1979, marks the first anniversary of Ida Nudel's exile to a filthy, despicable prison colony a few kilometers from the tiny Siberian village of Krivosheyno.

Known as the "Guardian Angel" of the other Jewish prisoners of conscience in the Soviet Union, Ida first applied to emigrate to Israel in 1971. Repeatedly detained and interrogated by the secret police, her frustration grew with each successive refusal of her visa application. Finally, a year ago she placed a sign on her apartment balcony which read: "KGB give me my visa." That defiant act led to her trial, conviction, and 4-year exile for the "crime" of "malicious hooliganism."

Ida Nudel has been refused permission to emigrate for longer than any other Soviet citizen. Her simple determination to live in freedom in Israel has been the cause of her persecution by the Soviet Government: Her exile is ample testament to the Soviet Union's flagrant violations of the Helsinki Final Act.

On this day, let us rededicate our efforts to secure her freedom. The Soviet Government must be continually urged to release Ida Nudel from exile and allow her to join her sister in Israel.●

TRIBUTE TO BILL STEWART

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. COUGHLIN. Mr. Speaker, I would like to join the rest of my colleagues in expressing sorrow upon the tragic death of correspondent Bill Stewart, brutally murdered in the chaos of the recently intensified Nicaraguan civil conflict.

Bill Stewart was a dedicated reporter, working his way up to the network level after positions at local television stations in Minneapolis, Philadelphia, and New York. He covered the civil war in Lebanon and the revolution in Iran, in which he secured an exclusive interview with Islamic leader Ayatollah Rolla Khomeini. A veteran of many hazardous assignments, Stewart has been employed by ABC News since 1976 as a foreign correspondent.

Newsman Stewart was the victim of the necessities of his profession, venturing into the uncertainty and peril of war to report on actual conditions in a struggle tainted by the misleading propaganda on the part of both belligerents. In such situations throughout the world, the American press must be lauded for its accurate and insightful coverage in pursuing the true nature of cases involving the outbreak of armed hostilities, a job none too easy in this day of increasingly confused and explosive international complications.

I am confident that my sentiments are shared by my colleagues in deploring the current situation in a war-torn Nicaragua. Civilian casualties increase as National Guard forces indiscriminately bombard urban Sandinista positions. A cessation of hostilities remains in the interest of all parties, in order to clear the way for a just and life-saving political settlement. The death of reporter Bill Stewart is one more tragedy in what has emerged as a tragic conflict.

I fully support a State Department communique demanding a report by the Nicaraguan Government concerning the grievous incident, and must condemn President Somoza for inciting his forces to such action in deeming the foreign press in Nicaragua as part of an "international Communist conspiracy." This sort of incitement by a supposedly responsible head of state has no place in dealing with the international community.

My deepest sympathies must go to the deceased's wife and family, and his colleagues at ABC. The murder of Bill Stewart, callous and coldblooded, will not be forgotten.●

SHALE OIL PRODUCTION TAX INCENTIVE ACT OF 1979

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. JENKINS. Mr. Speaker, I am today introducing legislation which will enable the United States to take the necessary action to increase our energy supplies, reduce dependence on foreign oil and bolster our national security. The bill I am introducing will enable the development of commercial shale oil production.

When we convened the 96th Congress, we were confronted by an increase in OPEC oil prices and supply disruptions in the Middle East. Unfortunately, as we look about us today and see gasoline lines, closed service stations, the daily news reports of shortages of fuel for our farmers, truckers, and other vital segments of society, we can see too well our vulnerability and dependence on foreign oil and the need for domestic self-sufficiency.

According to Government estimates, there are at least 1.8 trillion barrels of high-grade shale oil contained in the Green River formation in Colorado, Utah, and Wyoming. If this estimate is only moderately accurate, assuming a traditional recovery rate of one-third of the shale oil, it may still approach 20 times our Nation's presently proved crude oil reserves.

In terms of sheer quantity, 600 billion barrels could support production at our present import level, nearly 9 million barrels per day, for nearly 200 years. Even at lower production levels, however, the shale oil produced from these reserves will be a domestic barrel that will reduce our reliance on oil from abroad. The orderly development of a shale oil production will take time, but can help to free us from foreign oil dependence. We must begin to encourage production.

My bill will provide a $3 per-barrel production tax credit for shale oil. It is available to anyone who produces a barrel of shale oil without favoring one technology over another and without any redtape. It provides for a phased termination of the tax credit—or a sunset—when shale oil production costs equate costs of domestic petroleum. Such a credit is necessary because the technology for the commercial scale is new. The first facilities for shale oil production will be pioneer plants enabling large-scale production when needed.

Estimates of the capital investment required to open a shale oil facility range from $130 million for a 10,000 barrel-a-day plant to $1.3 billion for a plant producing 50,000 barrels per day. If we are going to see private investments of this magnitude, the Government's role must be to provide fair and needed economic incentive. A production tax credit provides that incentive doing so for minimal or no cost to the Government and our taxpayers.

This credit must be earned through oil production only after large private investment. In the next 5 to 10 years, this private investment is expected to reach $4 to $6 billion. The tax base associated with this domestic productivity will pay American tax revenues. It will not be a funds drain for importation of decreasing supplies of foreign oil at cartel prices. I fear that without a governmental policy today there will be no timely shale oil development and no import reductions, but only a continuing drain of dollars to other countries and loss of U.S. revenue, jobs, and productivity. I believe that the approach in this bill will produce an economic benefit for this country.

The production credit will phase out in increments of one-half dollar as the world price for oil rises and meets the current costs of the shale oil.

The Secretary of Defense testified before the House Ad Hoc Committee on Energy as early as May 1977 that:

> There is no more serious threat to the long-term security of the United States and to its allies than that which stems from the growing deficiency of secure and assured energy resources.

Last September, the Department of Defense wrote the Department of Energy urging the development of a shale oil industry. In a letter dated September 12, 1978, the Deputy Under Secretary of Defense for Research and Engineering states,

> It is thus of great urgency that the Department of Energy initiate substantial programs in recovery of crude oil from secure sources such as shale oil so as to provide the feedstocks for the synthetic mobility fuels industry. In the near term, DOD regards the development of shale oil as a most attractive alternative for military mobility needs and therefore of vital importance to national defense, it is imperative that we immediately initiate action that will develop our tremendous shale oil resources.

There are many advantages to the production tax credit approach to shale development. It is clear, simple, and easy to administer. It is preferable to a plan of governmental operation. There is no requirement for governmental regulations or a governmental bureaucracy to administer the program which is immediate savings for the U.S. taxpayer. It places a premium on aggressive development, but does not seek to evade or alter existing environmental, land-use, or social policies. It provides an equal opportunity to any company with confidence in a shale process, rather than limiting entry to some company or process selected by the Government or created by law or executive regulations. At no cost to the Government, it enables investments and employment with benefits to the Treasury and the country. It is not inflationary. It can reduce our trade deficit and balance of payments. Finally, it creates a secure domestic fuel source vital for national security.

This bill which I am introducing provides the most logical and simple mechanism for this Nation to tap a new and important alternative energy resource regaining its energy independence and preserving our security.●

POPE JOHN PAUL II'S VISIT TO POLAND

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. RITTER. Mr. Speaker, few events in our lives have captured the imagination of the world more effectively than the recent journey to Poland by Pope John Paul II. The impact of that visit will be felt throughout the globe for many years to come. Indeed, if the prayers of millions are fulfilled, the papal trip will prove to have been a turning point in recent history, dramatizing the yearning of peoples everywhere for religious freedom and human rights. It may be too early to fully assess the significance of the Pope's bold words and deeds, but we can already see how he has given fresh courage to nations and peoples long oppressed.

The worldwide reaction to the Holy Father's sojourn in his beloved homeland is evidence of the way in which Catholic, Protestant, Eastern Orthodox, Jew, and non-Christian alike have moved toward common understanding in an atmosphere of goodwill and respect. In a troubled and war-weary world, the symbolism of the Pope's return to Poland has inspired new faith, new hope, new courage.

Here in America these feelings are shared by many people, but especially by those of our citizens who trace their ancestry to Eastern Europe and to the Slav and Magyar traditions—people who have learned the price of liberty through centuries of struggle: Polish Americans, Slovak Americans, Ukrainian Americans, Hungarian Americans, Czech Americans, and Croation Americans—Americans, all each adding a distinctive cultural and ethnic heritage to the rich treasure of our Nation's life.

In the Lehigh Valley, which I represent, the spiritual significance of John Paul II's visit has uplifted the lives of all, most especially those of us who share the rich cultural and ethnic heritage made known to the world by John Paul II's courageous return to Poland. The Pope's journey to his native Polish homeland has brought a special sense of pride, a special sense of fellowship with kinfolk in the ancestral homelands, and a new sense of dedication to the American ideals of religious freedom and ordered liberty under law.

For the present, it is strikingly evident that in Poland, as elsewhere in Eastern Europe, the people, when given the opportunity, will express their longing for God and for a just and free society. "This Slav Pope" has exposed the failure of Soviet-style, atheistic Marxism to win the hearts and minds of free men and women bound by history and ancient tradition to their native homelands.

As one who shares that ethnic heritage, I am especially cognizant of the concerns of Americans of East European descent. I know that the Pope's call for civic and religious freedom, bravely enunciated on Polish soil behind the Iron Curtain, will find hearty response not only among the peoples of Eastern Europe and the Soviet Union but all over the world.

May this renewed spiritual heritage also fire our own commitment in the Lehigh Valley and through America to a society in which every human being is treated with equal dignity as a child of God. We cannot fail to carry forward the flame of individual truth and freedom so bravely rekindled by John Paul II on his beloved Polish soil.●

A PROUD AND RICH HERITAGE

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. DOUGHERTY. Mr. Speaker, I would like to bring to the attention of my colleagues and the American people an event which is to take place on Sunday, June 24, 1979. The German-American community in the metropolitan Philadelphia area will hold their Annual German Celebration Day at the United German-Hungarian Club in Oakford, Pa. This day is a celebration of their rich and proud heritage. The proceeds of the day's activities support the German-American Annual Von Steuben Day Parade in Philadelphia.

General Von Steuben left his native Germany to transfer Washington's freezing ragtag troops into a first-rate, well-disciplined army; an army which soundly defeated the British and helped to give birth to a free nation.

The German-American community has much of which to be proud. From the first German settler to Philadelphia in the latter part of the 17th century to the countless others who left their German homeland to settle throughout this Nation, the German-Americans have contributed much to the growth of these United States. These immigrants brought with them their skills as craftsmen and entrepreneurs, scientists, and more importantly, a willingness to work hard and a commitment to strong family values. These talents and values were freely given to the building of America.

German Day is celebrated throughout our country on various dates in recognition of the Central European immigrants who brought their proud heritage to a new land of promise and, together with others, built this mighty Republic. Today I celebrate this heritage with the German-Americans of the greater Philadelphia area.●

MAJOR FLOOR FIGHT DESCRIBED BY THE WALL STREET JOURNAL

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. WEAVER. Mr. Speaker, as a member of both the House Agriculture Committee and the House Interior Committee, I have had considerable exposure to proposals for improving agriculture, and improving water resources in the West. One of the largest projects I have seen, which is purported to deal with both agriculture and water resources, is the proposed giant desalting plant complex near Yuma, Ariz.

When this matter first came before the Water and Power Resources Subcommittee of the Committee on Interior and Insular Affairs, I was favorably disposed to it. I was told that this was a simple reauthorization bill to meet our treaty obligation to Mexico. This perception was dramatically changed after I heard the testimony of my friend and colleague from California, George Brown, who not only clarified what the legislation was about, but documented that alternatives existed for the United States to meet its treaty obligation at much lower cost, and far more permanently. Shortly after those hearings, the General Accounting Office issued a major report on the Colorado River Basin, which included specific recommendations on the proposed Yuma desalting plant which were completely consistent with the views expressed by our colleague, George Brown. The bottom line became that we have time to consider and adopt lower cost alternatives, if we have the political will to do so.

Mr. Speaker, today the Wall Street Journal carried an excellent article on this legislation, H.R. 2609, which is shaping up as a major floor fight later this year. I commend this article to my colleagues.

The article follows:

[From the Wall Street Journal, June 21, 1979]

WATER FIGHT: PLANS TO HOLD DOWN COLORADO RIVER'S SALT CONTENT AND AVOID IRKING MEXICO ARE HIT BY RISING COSTS

(By James M. Perry)

WASHINGTON.—The "salt agreement" with Mexico is facing big problems.

"It is in trouble," says the General Accounting Office in a highly critical report to Congress. It needs to be "reassessed," say five members of a congressional committee, because of runaway costs and because no one is certain the new and untested technology will work.

Forget the technology, fumes Democratic Rep. George Brown of California. "Plant guayule and jojoba."

The problem has nothing to do with strategic weapons. The problem is the Colorado River and all the salty water that it soon may be dumping (once again) on America's Mexican neighbors—and just when the U.S. will be wooing them for some of their oil and gas.

It began in 1944, when, in a treaty, the U.S. agreed to deliver 1.5 million acre-feet of Colorado River water annually to Mexico. (An acre-foot is the amount of water that would cover an acre of land a foot deep.) But nothing was said about the quality of the water. By 1972, Mexico was hopping mad about the salt—partly from U.S. land drainage in the water, and its president complained to President Nixon.

HUGE DESALTING PLANT

The next year, the U.S. reached an agreement with Mexico to take stern measures to reduce the salinity of the water being delivered south of the border, and Congress passed legislation to get on with the job. The law authorized construction of a huge desalting plant near Yuma, Ariz. The plant, 10 times larger than any desalting facility in the world and 100 times bigger than any in this country, would process 96 million gallons of water a day.

Until recently, there wasn't any rush to move ahead on the plant. The chief problem back in 1972 was the Wellton-Mohawk Irrigation and Drainage District in Arizona, which was sending its salty drainage down the Colorado to farms in Mexico. That crisis was overcome, temporarily at least, by diverting the Wellton-Mohawk drainage to the Gulf of California.

But other immense projects to make Western deserts bloom are moving along—the Central Utah Project, the Central Arizona Project, Dallas Creek, and more—and the drainage from all the freshly irrigated land soon will be rolling down the Colorado towards Mexico.

To do something about it, the House Interior Committee is rushing to the floor legislation that would authorize the spending of $356.4 million for the big desalting plant and "related features"—an increase of $201.2 million from the original authorization five years ago. The plant has Interior Department support.

But critices, such as the GAO, Congress' official watchdog agency, attack the economics of the plant, which is expected to salvage about half the drainage water flowing through the area. "The desalting plant," the GAO says, "is costing at least $178 million in construction costs plus $14 million in (annual) operation and maintenance costs to save 88,000 acre-feet of water each year." The GAO calculates the cost to be about $338 an acre-foot. Even then, the plant's technology may not achieve the desalting goals, the GAO contends.

The agency suggests that there are less-complicated alternatives, such as replacing the salty drainage water with nondrainage water from other sources, that could cost as little as $3 an acre-foot. But state officials in the region dispute that conclusion. "The availability of $3-an-acre-foot replacement water," the Arizona Water Commission scoffs, "is a pipe dream."

The GAO urged that financing for the desalting plant be deferred, at least temporarily, while cheaper alternatives were examined more closely. But the full Interior Committee, whose chairman is Democratic Rep. Morris Udall of Arizona, where the plant would be built, voted the legislation anyway, 25 to 5. To meet the questions raised about the technology, the government is directed to examine "technological improvements" in the design of desalting plants. But, the committee cautions, that evaluation shouldn't in any way delay construction.

The committee's five dissenting members followed the GAO's line and argued that a series of alternatives should be studied before construction begins.

When the bill gets to the House floor soon, the five dissenters will be joined by California Rep. Brown, who is angrier about the project than anyone else, even though he isn't a member of the Interior Committee. He expects to lead the fight to defeat desalting.

TURKEY IN THE DESERT?

Why? "My parents were 'desert farmers,' and I've been interested in desert agriculture all of my life," Rep. Brown says. "I wouldn't have tried to upset the Interior Department's apple cart except that so many of my friends back home in the district—scientists and engineers—told me the project was a turkey."

Mr. Brown asks a basic question: "Why should water from the Colorado River be used to irrigate these districts at all?"

The Wellton-Mohawk district, he says, is 130 farms spread across 65,000 acres. "Half of the land is in cotton, which is in surplus (some farmers are paid not to plant it). Much of the rest is in alfalfa, which is a huge consumer of water. Arizona is a desert; it wasn't meant to be a Garden of Eden for the raising of all these crops," he declares. (He insists that his native California's Imperial Valley, which also draws water from the Colorado, is different. "The land," he says, "is richer and, besides, it has an earlier entitlement to Colorado River water."

But if farmers insist on growing crops in the desert, Rep. Brown argues, "they should first learn to apply higher standards of irrigation practice—like lining the ditches with concrete and not letting pest plants use the water."

He gets around, finally, to his favorite subject—growing true desert plants such as guayule (pronounced gwa-YOO-lee) and jojoba (pronounced ho-HO-ba), which don't need much water and can tolerate lots of salt, instead of cotton and alfalfa.

"Indians have been making rubber balls out of guayule for hundreds of years," says Mr. Brown, warming to the subject. "Back in the early 1930s, a young Army major named Dwight Eisenhower surveyed the possibilities of guayule and recommended we grow it commercially He predicted our supply of natural rubber would be cut off during a war. It was. Now, with the energy situation, we have trouble getting oil to make synthetic rubber. Guayule is out there waiting to be developed."

JOJOBA'S USES

And jojoba, Mr. Brown says, produces oil. "It grows wild right now in the desert, and it's harvested by the Indians. It's like sperm oil. It can be used for the same purposes. So, of course, it's of great interest to the save-the-whales folks."

Instead of building giant desalting plants—he believes that the one in Yuma would turn out to be merely the first of many—Mr. Brown thinks that these farms should be bought out and the land leased back, with the provision that it be cultivated with guayule and jojoba. But backers of the desalting project term it the most practical solution to the problem of fulfilling the U.S. commitment to reduce the salt in water delivered to Mexico.

Mr. Brown, whose girth is considerable, is interested in jojoba for another reason. "It's supposed to be an appetite inhibitor," he explains. "You can chew the stuff and starve to death in total comfort."●

MURDER OF BILL STEWART WILL DARKEN THE HISTORY OF NICARAGUA

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. FROST. Mr. Speaker, the Nation and the world have witnessed the dramatic films of the senseless, deliberate, and brutal execution of ABC Television correspondent Bill Stewart at the hands of a Nicaraguan National Guard soldier.

As a former reporter in Washington, D.C., the Dallas-Fort Worth area, and other parts of the United States, I share the anxiety and grief of members of the press relative to the protection of foreign correspondents while covering foreign news events, and the loss of this brilliant correspondent's life.

President Carter, through proper diplomatic pressures and investigations, should determine if this murder was at the direction of the Somoza government or simply the act of a single soldier.

Whether the execution—murder is that of Bill Stewart or of Novedades columnist Pedro Pablo Espinoza, the history of the nation of Nicaragua has been darkened for decades to come.

I extend our deepest sympathy to Mrs. Bill Stewart on behalf of the citizens of the United States.●

VANCE EXPLAINS ADMINISTRATION'S RHODESIAN POLICY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. SOLARZ. Mr. Speaker, last week the House Foreign Affairs Committee, continuing our careful consideration of the question of Rhodesian sanctions, heard testimony from Secretary of State Cyrus Vance concerning the administration's Rhodesia policy. In his prepared remarks to the committee, Secretary Vance elaborated upon a number of critical points which the House must not ignore as we deliberate upon whether to lift or maintain our economic sanctions against Zimbabwe-Rhodesia. Mr. Vance's comments on the consequences of a premature lifting of sanctions by the United States present some extremely cogent arguments which the House should take into account. As the House considers H.R. 4439, a constructive and creative compromise solution to the question of Rhodesian sanctions, I believe it would be useful to share Secretary Vance's testimony with my colleagues:

SECRETARY VANCE'S STATEMENT, JUNE 12, 1979

The President has now made the determination called for by the Case-Javits amendment. I am here today to explain that judgment in more detail. Let me summarize the conclusions we have reached.

There has been encouraging progress in Zimbabwe-Rhodesia. But this progress is not yet sufficient to justify our lifting the sanctions.

We will continue to keep the sanctions issue under review. We will particularly look for movement toward a wider political process and genuine majority rule.

We will report on a monthly basis to the Congress on the progress being made.

We are convinced that the best interests of the United States would not be served by the lifting of sanctions now.

Our challenge now is to encourage further progress, both toward an end to discrimination and toward peace.

THE STAKES INVOLVED

Let me focus initially on the stakes involved. For this is not a small matter. It is among the more important issues on our foreign policy agenda.

Over the past several years there have been rising levels of interest in the Congress and in the country about political trends in Africa. Some have stressed our growing economic stake in good relations with African nations that possess many of the resources upon which our prosperity depends. Others emphasize our political interest in searching for dependable communications and understanding in the continent which holds more than a third of the world's nations. Still others have seen in Africa a new ground for East-West competition.

Whatever basis for an American interest seems most compelling, there is one reality which ought to be at the forefront of our deliberations. It is this: Our work for peaceful change in southern Africa—principally in Rhodesia and in Namibia—has been the most positive single element shaping our relation swith virtually all Afrcan nations.

The joint Anglo-American peace effort in Rhodesia and our efforts with four of our closest NATO Allies to bring peace to Namibia have demonstrated that we intend to respect in Africa the same ideals we espouse for ourselves: full equality under the law for all peoples of all races. Nothing else we can do strikes more resonance among African leaders and peoples.

This fact ought to be pondered very carefully in connection with any further cumpulsory legislation on our participation in the U.N. sanctions against Rhodesia. Do we really want to forswear our most important single resource in this increasingly important part of the world? It is my hope that we will not, for the sake of our interests as well as our ideals.

Lord Hugh Caradon, a distinguished British diplomat who has grappled with these issues for many years, recently put it this way: "(I)t will be a major disaster," he wrote, "if the West appears to be supporting white minorities, leaving the Soviet Union to reap the advantage. . . ."

Last year's Case-Javits amendment established two measurements of progress toward majority rule in Rhodesia that were to be considered in deciding whether to continue to enforce sanctions. The first was whether the Government of Rhodesia has ". . . demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues. . . ." The second standard was installation of a government ". . . chosen by free elections in which all political and population groups have been allowed to participate freely. . . ."

Both conditions encompass goals to which the Administration subscribes. At the same time, we have had a good reason to make a precise interpretation of that legislation. For if the President's determination had been positive, the amendment would have mandated that we cease our participation in sanctions adopted in 1966 and 1963, with our support, by the U.N. Security Council. The Security Council was acting within its mandatory powers under the U.N. Charter. As members of the committee know, such actions are legally binding treaty obligations of the United States. And we must assume that the Congress would would expect the most rigorous and compelling possible showing of fact when the outcome may be to place the United States in violation of international law.

These sanctions were imposed at the request of Great Britain, which retained sovereignty over Rhodesia after the white minority regime unilaterally declared independence in 1965. Britain retains today this legal and historic responsibility.

I share the view of the Congress, which underlies the Case-Javits legislation, that progress should be recognized. And, as the President said, there has been encouraging progress in Zimbabwe-Rhodesia. A step has been taken away from total white control and toward majority rule. For the first time in the history of that country, the white minority recognized the right of the black majority vote. For the first time, millions of black Rhodesians cast their ballots in a national election. There is a black Prime Minister—Bishop Muzorewa—and a degree of shared power.

But while there has been progress in Zimbabwe-Rhodesia, it is not yet sufficient, in our judgment, to satisfy the provisions of the Case-Javits amendment.

PROVISION CONCERNING THE ALL-PARTIES MEETING

Let me turn first to the determination regarding an all-parties meeting. Such a meeting was first proposed by Britain and the United States in March 1978. Within a month, the patriotic front agreed to such a meeting. The Salisbury parties, however, refused to agree to a meeting at that time on the grounds that further negotiations with the patriotic front would undermine the internal settlement.

Beginning last October, the Salisbury government appeared to reverse its opposition to an all-parties conference. In a meeting with the Senate Foreign Relations Committee, and later in a speech in Washington, Prime Minister Smith indicated for the first time that he would be willing to attend a meeting with other parties. That position was reiterated directly to the Administration in subsequent days.

However, the law requires that there be more than an expressed willingness to attend such a meeting. It calls for a demonstration by Salisbury that it would be willing to engage in good faith negotiations on all relevant issues. The Conference Report interprets "a willingness to negotiate in good faith" to mean that the Rhodesian Government has "committed itself" to participate. It goes on to define "all relevant issues" to include, among other things, the terms of majority rule, the protection of minority rights, the Anglo-American plan, and the terms of the Salisbury agreement. I believe it contemplated that the Rhodesian Government would have to be sufficiently committed to engage in serious negotiations at such a meeting and sufficiently flexible to discuss all issues.

The Rhodesian Government's positive expressions, however, were not supported by its actions. On October 19, 1978, the day before the Salisbury Executive Council conveyed to Administration officials its willingness to attend an all-parties meeting, major air strikes were inflated against opposition camps in Zambia, sharply intensifying the conflict. Despite our warnings about their consequences for possible negotiations, the raids continued for several days, and similar raids took place over the following months.

In subsequent efforts by Britain and the United States to build a substantive foundation for a successful meetings, Salisbury consistently refused to explore possible compromises that might lead to a settlement. British representative Cledwyn Hughes was sent on a mission in late 1978, accompanied by U.S. Ambassador Stephen Low, to explore the possibility of an all-parties meeting. They were unable to draw Mr. Smith and his colleagues into any discussions of matters of substance and concluded that there was no indication that the Salisbury parties would come to an all-parties meeting prepared to discuss arrangements other than their own.

Certainly, responsibility for the current crisis lies with both sides in the conflict. In recent months, the patriotic front has been equally unwilling to engage in serious negotiations. Both sides have engaged in acts of violence that inhibited peaceful negotiations. Both sides have sought dominance rather than accommodation.

In short, we and the British reluctantly concluded that neither side was willing to negotiate seriously and flexibly on all relevant issues.

PREREQUISITE FOR FREE ELECTIONS

Let me turn now to the second prerequisite of our law—that calling for free elections. On this part of the issue, considerable attention has been concentrated on the size of the turnout, the secrecy of the ballot, the security of the polling places, and other matters relating to the actual conduct of the April elections.

We should and do recognize that the elections were conducted in reasonably free fashion under the circumstances. Observers reported that the privacy of the polling booth was observed, that a massive voter education effort was made, that those parties participating in the election were allowed to campaign freely, and that the government did not bias the elections in favor of one of the participating parties over the others.

But we must also consider such central issues as the effective distribution of power and the freedom of political expression and choice.

The April elections were conducted on the basis of a Constitution approved in January in a national referendum in which only whites were permitted to vote. Under that Constitution the powers of government rest first with the House of Assembly—consisting of 100 members. Article 22 of Chapter III of the Constitution creates that body. Let me read from Article 22:

"(A) 72 shall be black members duly elected thereto by voters enrolled on the common voters roll . . .

(B) 20 shall be white members duly elected thereto by voters enrolled on the white voters roll . . .

(C) 8 shall be white members duly elected thereto in accordance with . . ." (The article then describes the separate procedures to be used in electing the other eight white parliamentarians.)

So the Constitution distributes seats in the government on the basis of race. It is enshrined in the Rhodesian Constitution that there shall be 28 white Members of the House Assembly—28% of the seats, reserved for less than 4% of the people.

But it is not only disproportionate representation that concerns us; it is the reservation of basic elements of sovereignty for minority control. The Constitution gives the minority continued control over the army, the police, the system of justice, and the civil service, and it also lets the 4% minority exercise a veto power over any significant constitutional reform. Let me be more specific:

For at least 5 years, positions in the Cabinet are to be distributed on the basis of each party's strength in the House. Thus, special privileges in Parliament automatically translate into administrative power. In the current 19-member Cabinet there are five "white only" places.

The Constitution requires that control of the military, the police, the courts, and the civil service be in the hands of those selected from the highest ranks of the current services. It also establishes white-dominated commissions to control administration and hiring practices in each of these branches, not subject to direction or control by elected leaders. This will have the effect of excluding blacks from upper levels of administration of these central functions of government.

Of 170 clauses in the Constitution, some 120 "entrenched clauses" can be changed only with the approval of 78 of the 100 Members of the House. That means an effective white veto power over major constitutional reform.

Similar provisions apply to day-to-day lawmaking in such areas as housing standards, electoral laws, medical care, and education. In these realms, too, the minority has retained extraordinary power for itself.

The Constitution does contain prohibitions against racial discrimination in the content or the execution of laws. However, it exempts from the discrimination ban such areas as family law, entry into employment, the appropriation of public funds, and important aspects of criminal proceedings. As a result, the Rhodesian Constitution legalize the treatment of black citizens as second-class citizens.

It is said that this is only a transitional, 10-year arrangement. But all that is promised in 10 years is a review to recommend changes. It will be carried out by a five-member commission, three of whom will almost certainly be white. Two of the commission's members will be chosen by the white members of the House of Assembly. Two will be chosen by the President. The fifth member, the chairman, will be the Chief Justice, who is likely to be white because the Constitution requires that he be appointed from persons who already are among the country's highest judges.

Let me be clear: We believe that it is essential that the rights and security of the country's minority be protected. For that reason, we have consistently taken the position that fair constitutional arrangements must include special clauses guaranteeing the rights of all individuals—including property and pension rights. This is important in assuring the white minority the security they must have if they are to remain in the country and continue to help build a healthy, multiracial society.

Protecting minority rights is important. And it is fair. But perpetuating minority privilege is not. And by protecting disproportionate power and privilege for a small minority, the current Rhodesian Constitution is likely to increase resentment and tension between the races and contribute to polarization and strife in the future.

We can only conclude that the same Constitution that permitted elections also kept them from being truly free.

Our judgment about the elections is reinforced by an assessment of some of the conditions that prevailed during the election period. The election authorities adopted a requirement that no party could participate unless it first embraced the Constitution adopted in January by white voters only. The two major opposition parties—ZAPU (the Zimbabwe African People's Union) and ZANU (the Zimbabwe African National Union)—were outlawed for the 7 months preceding the elections. All political activities by those groups were proscribed. Hundreds of their members were detained. They were prohibited from holding meetings, from having political rallies, and from expressing their views against voting in the election. Their statements could not even be carried in the news media.

The Salisbury parties did offer an amnesty to opposition forces. But it was conditioned on a requirement that they lay down their arms, accept the internal settlement, and return home. Those accepting the amnesty offer would have had to agree to the Constitution drawn up by the internal parties and to participate in elections managed by the internal parties. The mistrust among the parties has been far too great for either side to have accepted elections controlled by the other, without any guarantees that the elections would be impartially run.

It is primarily on the basis of these factors—the inherent problems with the Rhodesian Construction, the denial to nearly 97% of the people of any voice in approving that arrangement, and the firm restrictions on participation in the elections—that we have concluded that the April elections were not free as the Case-Javits amendment requires if the sanctions are to be ended.

At the same time it is clear that the elections have created a new reality in Zimbabwe-Rhodesia. A high proportion of the people there did choose to vote, many with great enthusiasm.

The minority has recognized that the majority must be brought into the political process, and there has been important movement toward majority rule. We must—and will—encourage further progress.

ROLE OF THE U.S.

Our challenge now is to build on this progress to help create the conditions which can bring an enduring peace. How can the United States best serve the cause of reconciliation and peace?

First, we will continue to do all we can together with our British colleagues in support of efforts toward a peaceful solution. We have consulted closely with the new Bristol Government and will do so on a continuing basis. The British Government is now engaged in broad consultations in the region to explore ways of enhancing the prospects for peace and international acceptance and will be sharing this information with us.

Second, we will seek to preserve our ability to communicate, and work for peace, with all the parties to the conflict. In this context, a member of our Embassy in South Africa will make periodic, extended visits to Salisbury, and will cooperate with the British emissary who is making similar visits.

Third, as we have previously said, we would support any pace agreement with the parties themselves might reach—whether it is based on open, impartially supervised elections or on some other form of political accommodation.

Finally, as the President has said, we will keep the sanctions question under constant review in light of progress toward a wider political proces and more legitimate and genuine majority rule.

As many observers have noted, it is too early to tell whether the new arrangement will bring greater progress toward full equality of political rights and truly representative government, or perpetuate disproportionate minority control; whether it will produce significantly greater opportunity for all citizens, or preserve economic and social inequities; whether it will produce new, serious efforts at accommodation with opposition parties, both external and internal, or bring heightened military confrontation.

It is not for us to prescribe the precise form progress might take. That is for the people of Zimbabwe-Rhodesia to decide. But, unless Salisbury makes a genuine effort in these directions, the military conflict will continue. We believe that African states would lend their full support to efforts toward political reconciliation.

At the same time, we believe the African states and the international community would agree that no party should be allowed a veto over a fair political solution. No party will be allowed a veto over our own policies. We would give our full support to fair arrangements and to genuine efforts toward political accommodation, even if some parties refused to cooperate.

The course we propose recognizes that progress has been made, encourages further progress, and at the same time allows us to continue to work with all the parties toward a peaceful settlement. We believe this position best serves our interests in the region, on the continent, and in the international community. For our primary national interest in the region is in a peaceful settlement.

Growing conflict would bear a heavy human toll. It would radicalize the situation further. It would deepen divisions within the country and throughout the region. And it would create greater opportunities for outside intervention. Progress has been made in Salisbury. But without further progress and accommodation, there will not be peace.

EFFECTS OF A PREMATURE LIFTING OF SANCTIONS

Premature lifting of sanctions would have several effects.

First, lifting Rhodesian sanctions now could undermine the position of the internationally recognized legal authority there—Great Britain. We should not prejudge or undercut current British efforts. We should not rush to lift sanctions or endorse the Salisbury arrangements at a time when Britain is withholding such actions and exploring means by which the prospects for further progress and a settlement can be improved. The situation could evolve significantly in the coming months. We should not discourage that evolution by effectively saying to Salisbury that its current arrangements have our support and need not be altered—and saying to the African nations that we no longer seek a fair settlement. As the President has noted, no other nation has recognized the new authorities in Salisbury.

The British position continues to be central. They are recognized by the international community as retaining legal sovereignty. They will be addressing this issue at the Commonwealth Conference in Lusaka, Zambia, in August. They must make their decision on the future of sanctions when the orders in council come up for review in November. We should recognize the difficult issues they face and refrain from any actions which will complicate their ability to deal with this problem.

Second, such an action would diminish the chances for a peaceful settlement. By giving the appearance of siding with Salisbury, our ability to work for a negotiated solution would be severely limited. We would encourage Salisbury to expect further American support and assistance in the military struggle. And we would harden the view of the external forces that their only option was a military one.

Third, a unilateral lifting of sanctions now would undermine the significant progress we have made in improving our relations throughout Africa in the past 2½ years.

That progress has been due largely to our efforts to help avoid racial conflict and growing instability in southern Africa through peaceful accommodation based on majority rule. To abandon that effort now would inevitably diminish our standing and our influence among Africans and indeed in many parts of the Third World.

We must clearly recognize that our relations with African and other developing nations are increasingly important to us. We have important economic interests in good ties. And the political significance of these nations to us is growing as well. African unwillingness to cooperate with the radical Arabs in their effort to discredit Egypt, for example, has been, and will continue to be, important. A recent example of this is the number of African governments which opposed efforts to suspend Egypt and Israel from the World Health Organization and Egypt from the nonaligned conference to be held in September.

Fourth, we would be giving others new opportunities to expand their influence in Africa at our expense. Concerned African nations want peace, and they have supported our negotiating efforts. But if they conclude that we have abandoned the goal of fair majority rule in southern Africa, they may turn increasingly to others in search of material and moral support for a military solution to the Rhodesian conflict and for protection of their territory from the expanding conflict. Any East-West polarization in Africa could not only hurt us; it would hurt our allies whose relationships throughout the continent are linked to ours. Indeed, many of our friends have expressed this concern to us.

Finally, to be satisfied that the progress already made in Zimbabwe-Rhodesia is sufficient would, in my judgment, represent a retreat from the principles of racial justice which we have strived to achieve in our own country. To have one standard of racial justice at home and another abroad is to deny our common humanity. We would tarnish our image abroad and divide ourselves at home.

We need not invite these results. We have fashioned a course which affirms our own law, including the Case-Javits amendment, at the same time that it respects our obligations as a member of the world community. It is a course which is faithful to our principles as well as to our national interests.

Elections have been held in Zimbabwe-Rhodesian. Almost every observer, of any ideology, has drawn the same overriding message from that event. The Rhodesian people want peace.

Let us respect that central result. Let us maintain our ability to work for reconciliation. Let us pursue our national interest, in recognition both of new realities in Zimbabwe-Rhodesia and of the continuing compelling cause of peace.●

PAC INFLUENCE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mr. MINISH. Mr. Speaker, the House Administration Committee recently refused to report H.R. 1, the bill to provide public financing of congressional elections.

During the debate on the bill, I offered an amendment to limit the influence of political action committees (PAC's). My amendment would have placed the same contribution limitations on PAC's as are now applied to individuals.

The amendment failed and, as a result, I could not support the passage of H.R. 1. The PAC influence issue is one that is becoming exceedingly important to the integrity of our electoral system. The undue influence now wielded by PAC's is no less than a threat to the role of the individual voter in the democratic system.

Mr. Speaker, my concern about the growth in the number and influence of corporate PAC's is shared by a number of thoughtful people. I wish to include for the RECORD, a portion of the TRB column from this week's New Republic. TRB's concern is one that should be considered by every Member of Congress.

The article follows:

Corporations have recently become aware of PACs (political action committees) by which they direct employees' and stockholders' voluntary contributions into political campaigns, although they are forbidden by law to make direct corporate contributions. Result? In four years the number of corporate PACs has jumped from 89 to 821. Trade unions have been using PACs for years, but now there are three times as many corporate as union groups. Because presidential campaigns are financed publicly, the new money mostly goes to legislators. Donors figuratively "buy" committees and committee chairmen. It is the fastest growing component in U.S. campaign financing. The New York Times daily suggests that if we don't reform this system soon, "Congress may already be sold." ●

NICARAGUA IN TRANSITION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. GILMAN. Mr. Speaker, the senseless murder this week of American newsman Bill Stewart has shocked the world and brought into sharp public focus the tragic bloodshed and loss of life that is taking place in Nicaragua. It is a sad fact that it took this bloodcurdling act to draw attention to the realities of what Secretary of State Vance has termed the "war of national destruction" that has engulfed that nation.

The civilized world must not continue to sit by idly ignoring this massive human suffering and continued violation of human rights. The United States must assume its legitimate and traditional role as leader of the Western Hemisphere in seeking to bring about an end to the hostilities and a resumption of all efforts in reaching a peaceful solution to the civil strife in that area.

I vigorously supported the past efforts of the United States in concert with the Dominican Republic and Guatemala in seeking to help the government and opposition forces in Nicaragua reach a peaceful and democratic solution to that nation's political crisis. In January, as ranking minority member of the Subcommittee on Inter-American Affairs, I joined with other members of the subcommittee in a meeting with the Foreign Minister of the Dominican Republic, who was the head of the three nation mediation effort. During that meeting he expressed hope that even at that late a date there was still an opportunity to bring about a peaceful settlement.

Since the end of our joint mediation efforts, U.S. policy toward Nicaragua has become a nonpolicy at best. This response, no matter how well intended, has contributed to the worsening situation. It has been received by Cuban and other Marxist elements as an open invitation to destabilize the area through violence.

In the past few weeks the conflict has escalated into a full-scale civil war throughout the country making even humanitarian assistance virtually impossible. As a result of this deteriorating situation, Secretary of State Vance went before an emergency meeting of the Organization of American States yesterday to propose a new American initiative to end the bloodshed.

During his speech, Secretary Vance proposed several steps that he termed "essential to an enduring solution to the crisis." The key elements of the Vance proposal include: The formation of an interim government of national reconciliation acceptable to all major elements of the society; a cessation of arms shipments; a cease-fire; an OAS peacekeeping presence to help establish a climate of peace and security, and a major international relief and reconstruction effort.

At this point many important aspects of the Secretary's proposal remain deliberately vague in the hope of developing a consensus during the OAS debate. Such questions as whether U.S. troops would be included in the proposed peacekeeping force or what role, if any, the Sandinistas will play in an interim government must first be answered before the plan will be given any chance of success.

Nevertheless, this action represents an important step by the administration in recognizing its responsibility to all of the peoples of the Western Hemisphere in providing alternatives to the current death and destruction.

In the past I had hoped that the present government would be able to reach an accommodation with its opposition to prevent further bloodshed and help restore democracy. Unfortunately, I am afraid that opportunity has been lost and now the only hope for a peaceful solution lies in our efforts to secure a mediated settlement. We must continue our past efforts to bring moderate elements into the government as the legitimate representatives of all the people of Nicaragua. At the same time we must make it abundantly clear to the present government that a continuation of the existing situation in Nicaragua will make it more likely that any possibility of a moderate government will be preempted by a Marxist, pro-Castro dictatorship.●

HUMAN RIGHTS IN CZECHOSLOVAKIA—CHARTER 77

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. BLANCHARD. Mr. Speaker, I wanted to bring to the attention of my colleagues some news regarding the plight of individuals in Czechoslovakia who bravely joined as signatories to Charter 77. Charter 77 is a movement in Czechoslovakia that was established to monitor compliance with the provisions of the Helsinki Final Act.

I am including with my statement copies of press releases, sent to me by the

Czechoslovak National Council of America, which report the arrest of Charter 77 signatories. These accounts are examples of the ways in which brave men and women continue to face persecution as a result of their struggle for basic human rights.

The signers of Charter 77 demonstrate the spirit and conviction of the Czechoslovakian people as they strive to reestablish a free and democratic way of life. They remain undaunted in their fight for human rights—even though virtually every effort to speak out or assert their basic rights is rebutted with greater oppression and harassment, such as that recounted in these news articles.

I am hopeful that my colleagues will take note of the continuing persecution in Czechoslovakia and will in turn, lend their support in the struggle to bring freedom back to the Czechoslovakian people.

The articles follow:

PRAGUE.—Charter 77 human rights movement have been arrested on charges of carrying out "dangerous activities" against the interests of the state, Caeteka News Agency reported today.

The agency cited a statement from the prosecutor generals office which said that the seven men and three wo men had gathered and spread false information at home and abroad with the aim of creating "loss of public confidence" in the state system.

It named the seven men as Vaclay Havel, Jiri Nemec, Vaclay Benda, Vaclav Maly, Ladislav Lis, Jiri Dienstbier and Petr Uhl.

The three women were named as psychologist Dana Nemcova and former journalists Jarmila Belikova and Otta Bednarova.

All ten are members of the comittee for the defence of the unjustly persecuted which was set up in conjunction with E "Charter 77" movement to monitor what they considered to be breaches of justice.

CZECH ARRESTS

Four members of the Charter seventy-seven human rights movement in Czechoslovakia arrested in a police swoop in Prague three days ago, reportedly have been charged with subversion.

Reports from Vienna and London say charges were filed against Vaclav Benda, Jiri Dienstbier, Dana Nemcova and Petr Uuhl.

The reports say police arrested seven other persons at the time. Four of them were released later while the remaining three are still in police custody.

Western European newspapers report the arrests were made in connection with a new Charter seventy-seven document comparing economic conditions in Czechoslovakia with conditions in Western Europe.

VIENNA.—A Speaker of the Charter 77 human rights movement in Czechoslovakia had to be hospitalized in Prague with brain concussions after being attacked by unknown persons, dissident sources said Thursday.

The sources said Ms. Zdena Tominova, one of the three Charter 77 speakers, was beaten up Tuesday night by men carrying masks as she entered her house. She had to be taken to a Prague hospital where doctors said she suffered brain concussions.

It was the third time that a Charter 77 speaker was attacked by unknown persons in the streets of Prague. The same happened to former foreign minister Jiri Hajek early 1977 and to Ladislav Hejdanek in 1978.

Both Hajek and Hejdanek later resigned as speakers but resumed their duties earlier this week because all other speakers were jailed last week in the biggest anti-Charter 77 campaign launched by Czechoslovak authorities so far.●

AUTOMOBILE FUEL ECONOMY TO CONTINUE IMPROVEMENTS

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. ECKHARDT. Mr. Speaker, in 1975, Congress took a big step to conserve gasoline by specifying statutory and regulatory fuel economy standards for new cars and light trucks that will double the mileage of passenger cars from 1974 to 1985, and produce comparable savings for light trucks. The wisdom of this program has been underscored in recent months as we are faced with a repeat of the severe energy crunch that purred this legislation 5 years ago. Once again there are long gas lines, and once again the American motorist, in his buying decisions, is speeding up the trend toward smaller, more fuel efficient care.

In the years since the Energy Policy and Conservation Act was passed, the fuel economy of cars has jumped dramatically, so that now we have available a range of high mileage, high performance cars. The all-new and fuel efficient General Motors X-body cars are a prime example, as are the Ford Fairmonts and the Chrysler Omni-Horizons.

I am happy to report to my colleagues that the trend to higher fuel economy will continue toward the goal Congress set for 1985 of 27.5 miles per gallon. Last fall, the two major automobile companies petitioned the Department of Transportation for a decrease in the rate at which fuel economy improvements were to be made over the next few years. The companies indicated that they meet the present schedule with the technological innovations they have in the works. What they argued was that the increases in the cost of the cars would outweigh savings in gasoline.

The Secretary of Transportation has reviewed the petitions and has just chosen to keep the present schedule of fuel economy improvements. I agree with him.

First, the price of gasoline has been going up at tremendous rates, and will continue to do so. Thus, gas savings will become an increasingly important part of the calculation and DOT's study concludes that its present standard saves rather than costs consumers money. But second, and more importantly, it is not just the cost of gas we should be worrying about. It is the availability of gas, and the effects on our national security and on inflation of our continued severe dependence on imported oil.

It seems to me that conservation from all sources is a national priority. Where, as it does here, conservation stimulates technological development, follows the directions consumers are going anyway, and is agreed to be reachable by the manufacturers. I think we should all applaud the Secretary of Transportation's conclusions.●

CONGRESSMAN TONY HALL SPEAKS ON DEVELOPMENTS IN NICARAGUA

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. HALL of Ohio. Mr. Speaker, yesterday, at the Organization of American States, Secretary of State Cyrus Vance called for a "transitional government of national reconciliation" in Nicaragua. This call for the ouster of the Somoza regime is a significant welcome shift of policy for the United States.

I commend the administration for this action to withdraw support for the dictatorship on Anastasio Somoza. It is my hope that this will contribute to establishment of a government that will enjoy the genuine support of the people of Nicaragua. A government that must depend upon arms and intimidation to keep itself in power cannot be considered legitimate.

I am especially encouraged that Secretary Vance called for "a clear break with the past." In seeking a transitional government, the United States and other members of the OAS should insure that all opposition elements in Nicaragua participate, and that such a government have the backing of the Nicaraguan people. Any effort by the United States or any other outside force to impose an artificial government on Nicaragua can only lead to further civil strife and instability.

While I commend the administration for the positive action it has taken, I caution the administration about the proposal for an OAS peace-keeping force. I am reminded that it was under the auspices of the OAS that U.S. troops were sent to the Dominican Republic in the last decade. If a peace-keeping force is constituted by the OAS, no U.S. troops must be sent. Given the close relationship for over 40 years between the United States and the Somoza family, the presence of U.S. troops would only complicate the situation and encourage hostility toward the United States. We have no business sending either troops or arms directly or indirectly to Nicaragua.

Nevertheless, a cease fire and a halt to the shipment of arms to the contesting factions can help to create a climate that will permit the establishment of a new government and the holding of free elections in which all parties participate. It is up to the Nicaraguan people to determine their own destiny. This cannot be done for them, and it would be arrogant to attempt to do so.

The senseless and barbaric murder of ABC correspondent Bill Stewart has brought home to the American people the violence and bloodshed in Nicaragua. The killing of one of our own citizens on national television has personalized for all of us the brutality of the conflict. As we grieve for the loss of this courageous journalist, let us also be reminded that families throughout Nicaragua are mourning the deaths of their children and wondering when they will be able to walk the streets of their towns in peace.

I deeply hope that the initiatives taken by the administration will help to alleviate the suffering of the Nicaraguan people.●

A CLEARLY CORRUPTING SYSTEM

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. WIRTH. Mr. Speaker, as a longtime advocate of public financing of congressional campaigns, and as one of the prime sponsors of H.R. 1, I am pleased to see that public awareness of this important issue is growing. It is only through this kind of increased concern by citizens, that we will begin to make progress toward passage of this much needed legislation. I would, therefore, like to share with my colleagues this insightful editorial on this subject from the Los Angeles Times:

A CLEARLY CORRUPTING SYSTEM

We were early supporters of partial public financing of presidential elections, first tried in 1976, and we now think the time has come to fund elections for the Senate and the House of Representatives in the same way.

Our reason for favoring public subsidies for presidential candidates was their increasing dependence on massive contributions from special interests. Candidates from both major parties had become too beholden to their biggest bankrollers, ranging from labor unions to corporations.

Until now, however, we have been against extending public financing to congressional candidates. It was our opinion that full disclosure of political contributions was an adequate safeguard against corrupting influences. We also thought that public financing and its concomitant spending limits would work unfairly in favor of inucmbents.

But it has become evident that candidates for the House and the Senate have also become dangerously dependent on special-interest money. It is just as apparent that the booming costs of running for congressional office have become a deterrent to challengers who might otherwise oppose incumbents.

Those changing realities compel a change in our view.

Spending by congressional candidates in 1978 was almost 150% higher than in 1976, and too much of the additional money came from political-action committees (PACs), representing the most powerful lobbies in Washington.

Last year, the PACs gave House and Senate candidates $35.1 million, eight times the $4.4 million spent on congressional races by the Democratic and Republican parties.

There has also been a tremendous increase in the number of political-action committees—from 600 in 1975 to more than 1,900 in 1978. The largest gain has been in committees representing corporations—from 89 in 1975 to more than 800 in 1978.

Until recent years, the political-action committees gave most of their money to powerful incumbents whose committee positions gave them life-and-death control over important legislation. But now the committees are spreading their largesse to larger numbers of senators and representatives and, for the first time, are investing heavily in new members of Congress.

Last year, the PACs gave an average of $43,000 to candidates now serving their first term. Two of them—Democrats from Texas—got more than $110,000 each from the committees, and found themselves under obligation to their benefactors before they even took the oath of office.

One of the post-Watergate political reforms was a $10,000 limit on the amount that a PAC could contribute to a single candidate—$5,000 in both the primary and general elections. The rationale was that $10,000 could not buy too much influence. But the recent proliferation of committees representing the same economic interests destroys the presumption. One of the winning freshman Democrats from Texas acknowledged that most of the more than $110,000 that he got from the PACs came from a number of committees representing different aerospace companies.

In the same way, PACs representing unions or trade or professional associations can pool their contributions to become the major contributor to candidates and, more often than not, the major influence on their voting record.

We believe that the growing power and resources of the political-action committees, which all but negate the importance of the political parties and which diminish to a nullity the importance of the small contributor, call for a public system of financing Senate and House elections.

S 623, now awaiting its first committee test in the Senate, and HR 1, which is in serious difficulty in the House, would fund congressional races in much the same way as presidential elections. HR 1 was struck down by the House Administration Committee late last week by a 17–8 vote, but Common Cause and other advocates of public financing will attempt to force a floor vote through the Rules Committee.

Both the House and Senate measures would cover only general elections, and would become effective next year. To be eligible for matching funds from the $1 voluntary income-tax checkoff, House nominees would have to show a broad base of support by raising $10,000 on contributions of $100 or less—and 80% of the amount would have to come from the candidates' own states. As a condition of receiving federal funds up to a limit of $60,000, House contenders would have to accept an overall spending limit of approximately $195,000.

In Senate races, the fund-raising necessary to qualify, the limit on matching funds and the spending ceiling would depend on the population of the state.

The matching dollars would amount to approximately $30 million for House contenders and $18 million for Senate nominees every two years.

Both the House and Senate measures also restrict the amount that candidates can contribute to themselves—$25,000 and $35,000, respectively. The limits now in effect for outside contributions—$1,000 from individuals and $5,000 from PACs—would remain the same. As in presidential elections, a party's nominee could reject public financing and the spending limits, but their opponents who did accept the subsidies would receive additional matching funds.

One of our objections to the new legislation and to the present mode of funding presidential elections is the binding limit on overall spending and on the expenditure of a candidate's own money. It strikes us that such controls impair a candidate's ability to communicate with the voters, and thus restrict the First Amendment guarantee of freedom of expression.

But the fact that nominees can choose not to accept public financing and its limits answers that objection, if not fully.

We are still convinced, however, that public financing will favor incumbents. Most succssful challengers have had to outspend their opponents, and by a considerable amount, but they will not be able to do that if they accept the public subsidy. More than 90 percent of incumbents win relection because they receive most of the political-action money and because they begin the race with a giant head start: office slush funds, the franking privilege, newsletters to their constituents, aides who specialize in public relations and many more advantages—all paid for with taxpayers' funds.

But we urge the enactment of H.R. 1 and S. 623 because the availability of public money would at least encourage more frequent and more credible challenges to incumbents in districts that are marginal because the incumbents' performance has been marginal.

More important, public financing would all but eliminate a clearly corrupting system in which national legislators owe too much to the special interests and too little to their constituents.●

REVITALIZATION CORPS

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. DODD. Mr. Speaker, today marks the 15th anniversary of the founding of the Revitalization Corps of Hartford, Conn. Under the direction of Ned Coll, the organization's founder, the Revitalization Corps provides virtually unlimited advocacy and public services not only to the poor, but to all individuals and groups regardless of economic, ethnic, or social background.

Since its inception, the corps has established a record of countless achievements which stand as living memorials to the efforts of President John F. Kennedy, Robert Kennedy, and Dr. Martin Luther King. Functioning as a kind of "private Peace Corps," Ned's organization was instrumental in securing over $3 million in Federal aid for the State of Connecticut in 1978. The program, called "Operational Fuel," entailed a march from Hartford to Washington, D.C., by Ned Coll to demonstrate the need of Connecticut's low-income families for assistance with winter fuel bills.

Due to the corps' efforts, over 50,000 needy people have been given new and used clothing. The corps is also responsible for sponsoring field trips for over 8,000 individuals, giving both inner-city children and their parents the opportunity to travel throughout Connecticut and, in some cases, to Canada, Florida, and California. During one of the worst storms in Connecticut's history, "Blizzard Larry," volunteers from the Revitalization Corps manned the Governor's information line and provided assistance to countless residents throughout the crisis.

In addition to the corps many visible accomplishments, it should be recognized that volunteers account for the organization's main manpower force. At a time when many groups are turning to the Federal Government for their funding, the Revitalization Corps must be commended for maintaining its operation entirely through private support.

Mr. Speaker, I invite my colleagues to

join me in honoring Ned Coll and the Revitalization Corps for the outstanding service they have provided, and continue to provide, for the needy, young, and old, not only in Connecticut but in other States as well.●

LETTING UP, BUT LATE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. HILLIS. Mr. Speaker, I am inserting an editorial today from the Wall Street Journal of June 21. I think it is appropriate as the House considers the HUD and independent agencies appropriations for fiscal year 1980 that some recognition be given to EPA's efforts to balance environmental and energy needs.

As a Member of Congress who has been critical of EPA in the past, I am hopeful that its decision not to enforce the ban on MMT indicates a future willingness to consider other than environmental factors in promulgating regulations. This country cannot be held hostage by a small group of ardent environmentalists who sue EPA anytime it recommends anything but the most extreme environmental standards.

The editorial properly addresses the need to balance our approach on environmental and energy issues:

Letting Up, But Late

With motorists fuming in gasoline lines, truckers going paranoid with rifles and rocks over diesel fuel prices and parts of the Southwest facing brown-outs, Washington has begun to ease up on those environmental rules that enlarge oil demand.

The recognition of the role of such rules in creating energy problems is most welcome, but it is too bad it did not come earlier, and go beyond mere tokenism. The unsparing zealousness of environmental extremists has not only damaged energy development but environmental policy as well. Because of the political crisis that revolves around energy, and the regional political interests that have now come so prominently into play, there is now a danger that we'll have neither a good energy or environmental policy in the months and years ahead.

The relaxation that responded most directly to the motor vehicle fuel problem was the decision by the Environmental Protection Agency to not enforce its ban on the gasoline additive MMT during the summer months. It also deferred for a year a scheduled further reduction in the amount of lead that can be used in leaded gasoline.

These measures, to the extent they can be quickly implemented by gasoline refiners, will reduce the need for scarce natural crude oil components to give gasoline the necessary octane level. They will thus enable refiners to make more gasoline per barrel of crude oil than would have otherwise been the case.

The EPA has also shown some "give" on emission rules for stationary power plants, although it is not certain whether this is primarily in response to the nation's energy problems or a reaction to regional political pressures. Its new standards, issued last month, were considerably more strict than existing rules, but less so than those the EPA proposed last year. The main difference is that users of more costly low-sulfur coal now might be able to get by with less expensive anti-pollution equipment than users of high-sulfur coal. Under the previously proposed standards, objected to by Congressmen from states that produce low-sulfur coal, there probably would have been little economic incentive to use that kind of coal.

These are evidences of a greater willingness at the EPA to recognize considerations other than environmental purity—such as whether the economy might grind to a halt for lack of power and fuel. But they are hardly dramatic. The easing of the MMT ban is only temporary, leaving us to expect that the demand for low-lead and unleaded fuel will once again cause problems when the ban is reinstated in October. And the coal power plant standards, while lower than at first contemplated, are certainly higher than existing standards and will be enormously costly to consumers.

Despite the meagerness of the EPA concessions, they will be fought by environmental radicals. Ralph Nader's Center for Auto Safety has attacked the suspension of the MMT ban. The Environmental Defense Fund is threatening to sue the EPA over the coal standards.

Under this kind of pressure, the EPA will continue to leave great uncertainties in the minds of people who must make long-term plans for energy development. Should they opt for coal, with its continuing regulatory risks? Should they take their chances on oil and, thus, on the Arabs? Is the government's policy against industrial use of natural gas permanent? Is nuclear energy dead?

Nobody can say for sure. The reason is that there is a political war on in which one side, the environmental radicals, show very little evidence that they want solutions to energy problems. What some of them may want instead is a continuing crisis which they can continue to blame on large corporations and the capitalist system. As long as the public can be duped with this kind of demagoguery, they will continue to use it.

But eventually, assuming that this does not lead to economic catastrophe, the public's legitimate demand for energy will have to win. The claims of reasonable environmentalists will suffer from the excesses of the extremists. The EPA is letting up, but not much, and it's getting very late.●

ISAAC ZLOTVER, LET HIM GO

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1979

● Mrs. FENWICK. Mr. Speaker, one of the more troubling aspects of the Soviet Union's attitudes toward citizens who want to emigrate is the apparently capricious nature of some of the decisions as to which visas are granted and which are rejected.

A case in point is the tragic situation of Isaac Zlotver. I began writing about this man in 1976. At that time, both Isaac Zlotver and his wife, Dina, were ill with cancer. I asked the Government of the Soviet Union for these two visas, but in July 1977 Dina Zlotver died. Since then, Isaac Zlotver's cancer has metastasized. His son and daughter, living in Israel with his grandchild, have also asked for a visa for him so that he may see his family before his death, which cannot be long delayed.

In the name of humanity, in the spirit and according to the letter of the Helsinki Pact, I urge Soviet officials to grant compassionate consideration of this truly pathetic case.●

WHO IS TILTING THE GASOLINE MACHINE, BY REPRESENTATIVE DAVID STOCKMAN OF MICHIGAN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. ROUSSELOT. Mr. Speaker, it is our fate as consumers to have to wait in long lines at the service station, because under the Department of Energy's arbitrary allocation rules, refiners, and marketers are unable to transfer gasoline from areas of low demand to areas of higher demand. Even if refiners were able to shift supplies, price controls would still interfere with the normal signaling process in the marketplace that refiners and marketers depend upon to tell them where the supplies are most needed.

This signaling process that I am referring to is also known as the price mechanism, and that mechanism only works when consumers are allowed to vote in the marketplace with their dollars. The more consumers are willing to spend on any particular product, the greater is the profit incentive for producers to expand output to meet consumer needs.

Unfortunately, this mechanism has not been working lately. The reason? The DOE is trying to "determine the precise street corner destination of each of the 300 million gallons that move through the system daily." And as we know from the gas lines, it is not doing a very good job.

This observation was aptly made by my colleague in the House of Representatives, Representative David Stockman of Michigan, in the recent editorial in the Washington Post that follows. As this article traces so well the inevitable dislocations that will occur when supplies are short and the Federal Government attempts to equitably allocate those short supplies among all consumers, I place this article in the Record and commend it to my colleagues:

Who Is Tilting the Gasoline Machine?

(By David A. Stockman)

The U.S. gasoline market is beginning to resemble a giant pinball machine. Some inept player is recklessly jiggling the board, causing it to go "tilt." But in a highly curious manner. The bells and lights of shortage—station closings, long lines and tank-topping—are not tripping off in a generalized, nationwide pattern, but sporadically, locally, almost randomly—one city at a time.

This hit-and-run pattern is the key to fingering the culprit. Thus, despite all its imperfections, the "invisible" hand of the marketplace automatically gets exonerated because it is inherently incapable of dispensing injustice so capriciously. Faced with an estimated 9 percent gap nationally between apparent demand and available supplies, the marketplace would close this gap by substituting higher prices for long lines. That would mean a market-clearing (line-eliminating) price in the range of $1.20 to $1.30 per gallon. Nor would price rationing dump the entire shortage burden on one or a few localities. The price would not be $1.50 per gallon in Washington where there are currently massive lines and only 85 cents per gallon in Albuquerque where there are no lines and half the stations are open 24 hours a day.

Instead—in response to opportunities to buy lower and sell higher—brokers, jobbers and speculators would move available supplies around in a hurry so that the price would equilibriate somewhere in between. The burden of shortage would be shared equally by all geographic areas and end-use sectors, as occurred when the nation's foreign coffee supplies precipitately dropped by 25 percent two years ago.

But something is at work in the internal marketplace, transforming the present 9 percent shortage in the national gasoline pool into a far more severe problem in a selective set of local retail markets. What is it?

In this instance, the major oil companies are not a plausible villain. While not noted for their political acumen, even they are not stupid enough to pick two of the nation's major political hot buttons—Washington, D.C., and Los Angeles—for a demonstration strike. The same reasoning holds for the greedy, panic-stricken consumer explanation. The aggregate 9 percent gasoline shortfall has not elicited a run on the retail gasoline bank in 90 percent of the country. While motorists in Washington and Southern California are admittedly unique in their political and cultural propensities, there is no evidence that they are any more irrational than average in their gas-buying habits.

The fact is, the fingerprints that appear on literally every barrel of gasoline that moves outward from the nation's 200 refineries, through 12,000 wholesalers and 200,000 retail outlets, for ultimate deposit in 120 million thirsty vehicle tanks, are those of the Department of Energy. Like the fabled handiwork of the Lilliputians, 3,000 pages of regulations and interpretive opinions rigidy bind the exact price and volume of each transaction through the marketing chain, and ultimately determine the precise street-corner destination of each of the 300 million gallons that move through the system daily.

The first thing to note about this massive pile of regulations is that it is stacked against the retail market, motorists, cities and growth areas— and toward farmers, nonmetropolitan areas, gasoline marketers and hoarders.

This month available supplies nationwide amount to 92 percent of the June 1978 base period. But most D.C. area retail stations are getting only 75 to 85 percent of last year's volume, at best. Why? Because 15 percent of the total supply is being skimmed off the top of the national pool for the state set-aside and so-called high priority users. The retail network gets an allocation fraction based on the diminished residual supply.

State capitol bureaucrats are supposed to distribute part of this—the 5 percent state set-aside—to areas of greatest need. But evidence from the 1973–74 experience suggests a good portion is going to pals, politically connected marketers and squeaky wheels in the commercial sector.

Similarly, in the last four months the share going to the other top-of-the-pool category—high-priority users—has more than doubled. Moreover, these high-priority users—especially farmers—are entitled to 100 percent of their "current needs," which is defined as whatever they say it is. For all practical purposes, this means unlimited entitlement to scarce supplies for priority claimants who are self-certified from the bottom of the marketing chain up. The fact that delivery times for 1,000 to 10,000 gallon steel tanks have ballooned dramatically in recent months suggests that "current needs" include the right to hoard for future use.

Overall, a substantial share of available supplies is being diverted out of the retail market to various categories of legally privileged and politically connected users who face absolutely no incentive to conserve, a wide-open opportunity to hoard, and an artificially low, controlled price to boot.

The second major distortion stems from the fact that the price-control regulations encourage dealers to respond to the present "sellers market" in a perverse way. While the retail price ceilings are leaky and ill-enforced, they most definitely do restrain the rate of price increase relative to what would otherwise occur in a supply-short market. This is supposed to protect the consumer, but what it actually does is encourage the dealer to take his seller's-market profits in an alternative way: Instead of raising prices, he reduces hours and operating costs, thereby widening his actual margin.

Thus, facing an already artifically low allocation fraction, retailers find it possible to move a fixed monthly gallonage by cutting out their highest cost hours—weekends and evenings. This in turn induces motorists to line up on Monday and Friday, which permits a further compression of sales hours. Soon there are Tuesday and Thursday lines, even fewer sales hours, still lower operating costs and even higher profits over a price-controlled but constant volume of sales. Fed by a spiral of consumer panic, the ultimate outcome is obvious. Your friendly gas-and-go operator, who normally moves 25,000 gallons to 3,000 customers over the course of a week stretching upwards of 90 hours, arrives at the crack of dawn on Wednesday to find a week's worth of customers neatly queued in a two-mile line—whence he laughs all the way to the bank or his favorite fishing hole by noon.

In the absence of the DOE ceilings, of course, some operators would sell higher and stay open longer; others would sell higher and stay open different hours; and the most enterprising dealers and jobbers would be out scrounging the regional and national market for additional, higher-priced supplies that will always gravitate toward the strongest local seller's market.

Yet under DOE rules, in which every gallon is earmarked, there are no free supplies and nothing for local jobbers to bid for in order to shift the short-run allocation. Necessarily then, motorists work harder and longer, marketers work less and more profitably, and eventually the system tilts. That this DOE-designed *market-clogging* outcome is of any more benefit to the consumer than the *market-clearing* outcome is by no means apparent.

Finally, the Lilliputian regulators are now applying a special supply noose to the cities. During the recreation season, the big cities are heavy exporters of weekend traffic, which creates seasonal bulges in gasoline demand along the interstates and in the beach, resort and vacation receiving areas. The allocation system is now perfectly reflecting this normal distribution of sales by allocating to each station an equal fraction of last year's base.

But worried motorists don't behave normally—and *aren't* reflecting last year's pattern. Exhausted from hustling for gas or apprehensive about being stranded, a significant fraction are staying inside the beltway on weekends. Last Friday, for instance, traffic across the Bay Bridge was down a full 20 percent from the same week last year. Unfortunately, when the traffic stops flowing down Route 50, the gasoline delivery trucks don't. The allocation system thus drains the cities and floods the highways and countryside.

Unless total supplies improve substantially in the next six weeks, the tilt lights will start popping in most major cities in the East and elsewhere. The administration can avoid this unhappy outcome instantly by pulling the rip cord on the Lilliputian regulators now knotting up the gasoline market. But Congress would have 15 days to veto such a decontrol plan. Undoubtedly it would do so. Better to risk massive dislocation, push public tempers to the flash point and beat the drums harder against scapegoats than to tell the public the truth: Gasoline is no longer cheap. Ironically, however, the present regulatory camouflage will ultimately prove even more costly.●

THE SMALL BUSINESS INVESTMENT INCENTIVE ACT

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. LUKEN. Mr. Speaker, recently I joined with our colleague, Jim Broyhill of North Carolina, and other members of the Consumer Protection and Finance Subcommittee of the House Commerce Committee as a cosponsor of H.R. 3991, the Small Business Investment Incentive Act of 1979.

This act would make certain specific and much-needed changes in the securities laws so as to allow venture capital to flow more easily into new and growing firms. It is certainly timely that these changes be made since the problems date back to as early as 1940.

H.R. 3991 would remove impediments to venture capital formation in four areas. First, it would remove certain unnecessary private purchase and resale provisions for investors who are clearly able to fend for themselves; for example, banks and insurance companies. Second, it would prevent a single investor with standing to sue from collapsing an entire financing. Such investor could sue only for his or her money back. Third, the resale restrictions on rule 144 stock would be removed from affiliates of an issuer after a 5-year holding period (the SEC has recently removed those restrictions for nonaffiliates after a 3- or 4-year holding period, depending on how the stock is traded). Fourth, H.R. 3991 would remove the jurisdiction of the Investment Company Act of 1940 from venture capital firms who meet the restrictive definition contained in the bill. All disclosure, reporting, and antifraud provisions of the other securities laws would, however, remain in effect.

I am certain that the passage of H.R. 3991 would result in the financing of many small firms which today cannot receive capital. Not only is that a desirable social goal, but it is also a necessary economic objective for small businesses in this country that produce nearly half of the gross national product and employ 55 percent of the private work force. Indeed, a recent study by MIT showed that growth-type small business in this country (the type which is perpetually capital starved) provided 66 percent of the net new jobs from 1969 to 1976.

I urge my colleagues to join me in support of the small business community and of H.R. 3991.●

NATIONAL HEALTH INSURANCE FOR SENIOR CITIZENS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. BONKER. Mr. Speaker, the following letter to the editor of the Seattle Times is an example of why we need a national health care plan for senior citizens. Medicare is just not doing the job in providing adequate health care coverage to older people. Many have assumed that medicare pays 80 percent of an older persons health care costs, but this original goal of the medicare program has never been met.

The debate for national health insurance has grown in intensity over the past several weeks, with no real agreement on how to implement a national health plan or who will be covered under this plan. I recently introduced legislation to provide national health insurance for senior citizens. Senior citizens cannot afford to wait for Congress to make up its mind on national health insurance. They need comprehensive health care coverage now. I urge my colleagues to consider this proposal as an option in the health care debate. Mr. Butler's case speaks to the need of most senior citizens:

MEDICARE RATE IS COSTLY TO ELDERLY

Editor, The Times:

Dr. John H. Walker, of the Mason Clinic, wrote in answer to an article on Medicare fees that "a large percentage of the over-65 population are sufficiently financially independent to pay at least 20 per cent of their medical fees . . ." (the page, February 10).

(The original article, by Harvey Bresler, told about Medicare paying only 80 per cent of what was determined to be the "reasonable fee" for a medical service.)

The letter indicated that Dr. Walker thinks medical fees and supplies under Part B of Medicare are paid by Medicare at the oft-mentioned 80 per cent rate. He is not alone in the misunderstanding. But it is greatly in error. Instead of 20 per cent, the over-65s pay closer to 50 per cent.

The Medicare Handbook says, ". . . as a general rule, after you have $60 of covered medical expenses in each calendar year, your medical insurance will pay 80 per cent of the reasonable charges for any additional covered services . . .

". . . New reasonable charges are put into effect on July 1 of each year, based on the actual charges made by physicians and suppliers in your area.

"First, the carrier determines the customary charge . . . Then the carrier determines the prevailing charges for each covered service or supply. The prevailing charge is the amount which is high enough to cover the customary charges in three of four bills submitted in the previous year . . .

"Whenever a medical-insurance claim is submitted, the carrier compares the charge shown on the claim with the customary and prevailing charges . . . The charge approved by the carrier will be either the customary charge, the prevailing charge or the actual charge, whichever is lower."

That explains the reasonable charge.

After that, the over-65 is faced with many medical expenses not covered—routine physicals, routine foot care, hearing examinations for eyeglasses or aides.

I am 90. For 25 years I have been sending claims for covered medical expenses. Here is how they have been paid:

In September, 1977, I had a fall and suffered a broken nose—surgeon's fee, $170; Medicare reasonable charge. $130; Medicare paid 80 percent of the reasonable charge, $104; so Medicare paid 61 per cent of the actual charge.

My actual charges by doctors for medical services and supplies in 1978 totaled $565. Medicare allowed reasonable charges of $360, and paid 80 per cent of that, $288. Medicare therefore paid 51 per cent of the actual charges.

O. L. BUTLER.

EDMONDS.●

CANADA, ISRAEL, SWEDEN, TAIWAN RESPOND TO INDOCHINESE REFUGEES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. WOLFF. Mr. Speaker, since Monday's resounding vote on House Resolution 321 calling for an emergency session of the United Nations General Assembly on the Indochinese refugee crisis, I have been reading into the record news accounts on the crisis as it continues to unfold.

These accounts have been uniformally horrifying, as they document the inescapable facts that the Indochinese refugee crisis continues to spiral beyond the capacity for the governments of Southeast Asia to respond, given the failure of the world community to move on helping to resettle the refugees.

Today, I am heartened to present for the RECORD an account showing that Canada, Israel, and Sweden have just announced their determination to accept more refugees for resettlement. While the numbers involved are small, the fact remains that if all the nations of the world reacted as they should, the Indochinese refugee crisis would quickly become a manageable problem, rather than a human tragedy.

That it remains a human tragedy is, of course, illustrated by the further items of news in the account which follows. Unfortunately, the Malaysian Government still feels it has no choice but to continue its policy of towing back out to sea newly arriving refugee boats—this despite the leaky craft's desperate human cargo of men, women, and children seeking to save their lives.

The horrifying implications of the continuation of this policy by Malaysia, as with the determination of Thailand to repatriate Cambodian refugees, does not require comment. Certainly, I do not pretend to deny the strains on Thailand and Malaysia which have produced these extreme measures. On the contrary, I have been striving for months to alert the world community to the need for action on resettlement precisely because of the strains which the refugees represent to the actions of temporary asylum.

The fact remains, however, that refugees driven from Malaysia's shores have no where else to go. These poor people, who have already surmounted impossible odds just to survive the journey to Malaysia, now must begin their quest again—this time with no port available to them. Thus continues their journey to oblivion.

This is why such gestures as Taiwan's announcement it will donate $300,000 and 10,000 tons of rice for refugees in Malaysia, Thailand and Hong Kong is so important. Hopefully, other governments will follow suit, and the implications of the other hopeful signs I have noted in the following article will favorably influence next week's scheduled meeting in Indonesia of Malaysia, Thailand, Singapore, and the Philippines as those nations seek to develop what they refer to as a "joint diplomatic stand" on the refugee crisis.

The article follows:

3 COUNTRIES OFFER TO ACCEPT MORE VIETNAM REFUGEES

Canada, Israel and Sweden announced yesterday they will accept more Indochinese refugees. At the same time, however, refugee-burdened Malaysia was preparing to ship thousands of Vietnamese back to sea.

Malaysia's navy intercepted two large Vietnamese refugee boats trying to land and escorted them back into international waters.

The Malaysian patrol boats apparently reprovisioned the 100-foot boats before escorting them out to the South China Sea. There was no indication where the boats, which carried estimated 2,000 refugees, could go.

In Hong Kong, officials reported that about 60 Vietnamese "boat people" were stranded on an oil rig in the South China Sea. The officials said the rig's crew had radioed a request for any passing ship to take the refugees off.

Many nations, including Vietnam, have endorsed the idea of convening some type of an international conference on the refugee issue. But U.N. High Commissioner for Refugees Poul Hartling cautioned against hurriedly convening a conference that could deteriorate into a "counterproductive" exchange of accusations.

Several nations announced new help for the refugees:

The Canadian government said it would expand its worldwide refugee quota by 1,000 make room for more Indochinese.

Prime Minister Menachem Begin's office announced that Israel, which over the past two years has taken 168 boat people, would accept 200 more Vietnamese refugees. Begin earlier this week called on all nations to take in Indochinese refugees in proportion to their own populations.

The Swedish government said it would take in 1500 Indochinese refugees beginning this fall. Sweden accepted 262 boat people last year.

The Taiwan government announced it would donate almost $300,000 and 10,000 tons of rice to help care for refugees now in Malaysia, Thailand and Hong Kong. Taiwan said it has taken in almost 12,000 refugees since 1975.

The United States reports it has taken in more than 200,000 Indochinese refugees since 1975 and is accepting more at a rate of 7,000 a month. U.S. officials said in Washington that the administration is considering raising that quota.

Meanwhile, Malaysian officials said the governments of Malaysia, Thailand, Indonesia, the Philippines and Singapore would adopt a "joint diplomatic stand" on the refugee problem when their representatives meet next Thursday in Bali, Indonesia.

In other developments, Vietnamese troops, tanks and artillery moved into two areas along the Thai-Cambodian frontier, raising fears of a strike across the border to hit hiding Khmer Rouge guerrillas, military sources in Bangkok said.

Thai Prime Minister Kriangsak Chamanan warned, "We are ready to pull the triggers of our guns if our soverignty is violated."

Thai military spokesmen said they could not guess the intentions of the Vietnamese, but they reported a continuing buildup and increased patrols along the Cambodian side of the border.●

THE PRESIDENT'S WELFARE REFORM PROPOSAL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. CLAY. Mr. Speaker, recently, President Carter presented Congress with his second welfare reform proposal. As we prepare to act on this plan, I would like to bring to the attention of my colleagues an editorial which appeared in the St. Louis Post-Dispatch on June 11, 1979. The editorial, "Carter's Republican Welfare Plan" spells out some of the basic inequities in the President's proposal.

The editorial follows:

CARTER'S REPUBLICAN WELFARE PLAN

In case you were wondering why Sen. John C. Danforth is leading a bipartisan effort to enact President Carter's welfare reform legislation, the explanation is that, like Mr. Carter's decision to ration gasoline through high prices, it is a Republican solution. The measure assumes that most people are on welfare because they don't want to work.

The president's bill, a drastic retreat from the comprehensive reform he submitted to Congress in 1977, would direct the bulk of the $5.7 billion it would add to federal welfare costs to funding some 600,000 public service jobs for welfare recipients or trying to place them in private jobs. Those who didn't find jobs in the private sector within eight weeks would be compelled to take jobs in the government's CEAT program, which is aimed at alleviating both cyclical and structural unemployment. Refusal to work could make a person ineligible for welfare benefits.

What gives that kind of proposal so much political appeal is that it makes the problem of poverty in this country seem simple and its solution relatively inexpensive, at the same time making it unnecessary to examine the social conditions and the economic system that are at the root of the nation's poverty.

Actually, there is nothing new about the president's mandatory work scheme; it is basically an enlargement of one that was enacted in 1967 and provides about 175,000 jobs for welfare recipients. There are about 3.3 million adult welfare recipients, so even the additional 600,000 jobs wouldn't solve the problem. But that is not the flaw in the proposal, for there is no reason to think the 600,000 job slots can be filled anyway. The vast majority of adult welfare recipients have children but no spouse. Accordingly, it would be necessary not only to provide jobs but child care services on a large scale, there being 8 million children on the welfare rolls. That might well prove more expensive than continuing a family's monthly benefit and letting the parent stay home, in which case much of job plan's Republican appeal would evaporate.

But even in the unlikely event Congress was willing to pay the difference, there would be great numbers lacking marketable job skills. The lack of skills, you see, is one of the reasons many people are on welfare to begin with. And, finally, when those with public service jobs have worked the maximum permissible length of time, how are they expected to find jobs when 5.7 percent of the labor force is already unemployed?

None of this is to say that job training and job placement are pointless, nor that able-bodied people should be allowed to live off the taxpayers. The idea, however, that the welfare problem can be solved by ordering recipients to go to work and claiming there are 600,000 jobs for them—or 3 million—is a delusion.●

GAO ANALYSIS WARNS OF NEED FOR MORE RESEARCH ON AIR BAGS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. DINGELL. Mr. Speaker, when the Department of Transportation fiscal year 1980 appropriation bill, H.R. 4440, is considered by the House next week, scheduled for Thursday, June 28, the following Members and I are asking our colleagues in the House to support an amendment to eliminate funding for the implementation and enforcement of the National Highway Traffic Safety Administration's mandate for air bags to be installed in any motor vehicle. I will offer the amendment, which is printed in the CONGRESSIONAL RECORD of June 20, 1979, on p. 15793.

We have a high regard for the need to continue to improve motorist and automobile safety in the United States. The Government safety standard, however, that continues to be of great concern to us regards the question of the efficacy of air bags, or occupant restraint cushions, to be installed in motor vehicles beginning in model year 1982.

This will be the same amendment the House, June 12, 1978, and later the House/Senate Conference, adopted on the fiscal year 1979 DOT appropriation bill. Our colleagues will recall that House vote, 237 to 143, which removed NHTSA's authority at DOT on the air bag standard regarding implementation and enforcement of Motor Vehicle Safety Standard 208. A subsequent action on that same amendment last year involved our support with the majority of the House Members for permitting the use of funds for research and development.

Importantly, the amendment does not eliminate the appropriation for continued research and development on what has become known as the controversial occupant restraint system, the air bag. We support more research and that is a major conclusion drawn from the General Accounting Office's draft report, "Passive Restraints For Automobile Occupants—A Closer Look," dated May 1979. This document will be released by GAO shortly after the congressional investigative arm for the House and Senate comments on both the DOT/NHTSA and U.S. Environmental Protection Agency's completion of their review and remarks on the report. (NHTSA and EPA have had the document since May 7, 1979, and NHTSA has subsequently requested and received from GAO and extension of time for review.)

But, the facts in the analysis are clear. This impartial investigation of the issue has turned up negative on the air bag and is critical of NHTSA's handling of the standard. The GAO analysis issues a warning on the mandate which requires a passive or automatic occupant restraint device in all large cars for model year 1982, for all intermediate cars in model year 1983 and for all passenger cars by model year 1984. The standard has not yet been extended to include light trucks and vans.

The report, self-initiated by the GAO following several inquiries by our congressional colleagues, regrettably cannot be distributed by GAO at this time due to the delays by NHTSA and EPA. However, our study of the draft analysis confirms the many uncertainties the House had when air bags were voted against last year.

The GAO draft, analytical comments, and recommendations, coupled with our concerns, are mutual—more testing of the passive restraints, both air bags and safety belts is needed, especially regarding the dangers to out-of-position occupants, such as children, when an air bag deploys in a frontal or head-on collision.

Most of the testing to date has been in the laboratory and there is not enough real world test data from the field.

GAO's draft recommends that DOT establish a passive restraint evaluation plan and that more information be collected by NHTSA to facilitate such planning. GAO discusses a study of possible modifications that the DOT could implement on the standard, MVSS 208.

GAO calls for EPA and the Occupational Safety and Health Administration to conduct further study into the possible health effects of sodium azide, the chemical used to detonate and deploy the air bags into the torsos of front seat occupants in the event of a frontal collision. The concerns have been that the chemical may cause carcinogenic and mutagenic health problems.

Most testing by DOT has been on the air bags, which are the most expensive in consumer costs, while little testing was done on the passive safety belts, which are least expensive.

GAO's audit points out the nagging question regarding reliability of data on air bags as to their effectiveness in reducing injuries and fatalities.

The cost question within the GAO analysis shows a range of estimates from $400 per car to as high as over $580 per car from different automobile manufacturers and points out that the cost estimate by NHTSA at the time of the standard, of $112 per car, was unrealistic.

GAO notices the claim by NHTSA that there would be insurance savings on automobile premiums, but what the figures in savings would be, remains unknown.

The GAO analysis points to the need

for more testing and evaluation of the standard for passive restraints and the amendment supports that objective by providing funds for an effort of further research.

While we want to provide the best protective safety devices for occupants of motor vehicles, we believe such systems must be proven as to their effectiveness, reliability, and safety.

We urge support for the amendment.

Cosponsors

James T. Broyhill, Lucien N. Nedzi, Thomas L. Ashley, James Collins, Bob Carr, Carl D. Pursell, Dave Stockman, Carlos J. Moorhead, James J. Blanchard, John D. Dingell, William D. Ford, Bob Traxler, William Brodhead, David Satterfield, Phil Gramm, John B. Anderson, Samuel L. Devine, and Clarence J. Brown.●

THE PROMISE OF WIND ENERGY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. BLANCHARD. Mr. Speaker, on April 10 of this year, Congressmen Mineta and Jeffords and I introduced H.R. 3558, the Wind Energy Systems Research, Development and Demonstration Act of 1979.

H.R. 3558 is designed to accelerate the wind energy program in the Department of Energy by authorizing an average of $143 million a year for the next 7 years, with the object of bringing wind energy costs down to a level where they will be competitive with conventional energy systems.

Mr. Speaker, wind energy is not some exotic, futuristic idea of the pie-in-the-sky variety. It is an energy source with a solid technological base going back many years. Already, the cost of energy generated by wind power is the most nearly competitive with conventional fuels of any renewable power source, with the possible exception of the direct burning of wood.

Wind electricity generating systems are already on the drawing boards which are projected to eventually become competitive with coal and oil-fired powerplants—and with little or no environmental impact.

In January of this year, Popular Science magazine carried an account of the building of a wind energy system in Denmark. I would like to insert this article in the Record for the benefit of my colleagues, because I believe it gives a good idea of what we may be able to accomplish in the near future with this promising new energy source.

The article follows:

Danish Amateurs Build the World's Biggest Windmill

(By John Dornberg)

Ulfborg, Denmark.—It is visible from miles away, glistening grayish-silver in the sun and rising high above the permanently wind-swept northwestern coastal plateau of Jutland, the main Danish peninsula. As you come closer, it looks like a huge, three-bladed aircraft propeller with a mammoth engine pod atop a colossal pillar.

But instead of the roar you'd expect from an enormous engine, there's a barely audible whooshing sound from the prop of the world's largest and newest power-producing windmill. Built over a period of three years, it has been generating electricity since early summer of 1978.

Besides its striking appearance, everything else about this gigantic wind generator is unique—a compilation of staggering statistical superlatives. It represents not merely unorthodox engineering, but a striking departure from conventional ways of dealing with energy problems.

Even more astonishing than its performance figures and dimensions is the fact that the entire windmill, including tower, pod, propeller, and generating equipment, was designed, financed, and assembled by rank amateurs—teachers and students from the unusual Tvind College complex near Ulfborg, and volunteers from all over Denmark and elsewhere.

The Jutland windmill has a rated capacity of 2000 kilowatts—10 times that of the wind turbine sponsored by the U.S. Department of Energy operating at Clayton, N.M. In full operation next spring, the Danish wind machine will produce four million kilowatt-hours of electricity annually. That will supply electricity as well as heat and hot water from immersion coils for 120 medium-size homes—or, in this case, the dormitories, classrooms, and other buildings of a campus with 500 students and 80 teachers.

There's ample wind almost every day on this campus only six miles from the North Sea. And since the schools' needs average from one- to two-thirds of the windmill's expected output, excess power will be fed into the regional grid and sold to the West Jutland network to raise funds and amortize the project.

The reinforced concrete tower on which the machine is mounted has a diameter ranging from 10 to nearly 20 feet and is 175 feet high. An elevator cage can carry four persons up to the capsule that houses the hydraulic equipment, drive shaft, gearbox, and generator.

This cigar-shape equipment pod is 16 feet in diameter and 50 feet long. Together with all its machinery and propeller it weighs about 110 tons.

Each of the three propeller blades—made of epoxy-reinforced fiberglass and polyester foam except for a metal base—is 89 feet long, has a maximum width of nearly seven feet, and weighs five tons. The prop sweeps an area 178 feet in diameter at up to 40 rpm.

Remarkably, the entire project, including the transformers and rectifier/inverter that scale down voltage and convert it into useable electricity, and a minicomputer that alters pod direction and blade pitch, cost only four million Danish kroner, or $720,000. That's about three-fourths the amount spent for the 100-kW ERDA–NASA prototype wind generator built in Ohio three years ago [PS, March '76].

Most amazing of all, however, not a single kroner of this amount came from either the Danish government or industry. It was financed entirely from the pooled paychecks of the Tvind schools' 80 teachers since the project first began taking shape in early 1975.

"To understand our windmill and why and how it was built," said Jane Nielsen, one of those teachers, "you must first understand the nature of our school."

That's easier said than done, for Tvind is a uniquely radical experiment in practical as well as theoretical education and living philosophy. There are, first of all, three schools on the campus. One provides secondary education for youngsters aged 14 to 18. Both a four-year teacher-training college and a "traveling college" stress travel and study in developing countries. Common to all three private but partly government-supported schools is the emphasis placed on the practical as well as the theoretical side of learning.

"We strive to integrate the world outside the classroom with the world inside," said Neilsen, "and the emphasis is on learning by doing."

Those precepts were applied to constructing the wind generator.

"If you have a goal such as building a windmill," she emphasized, "then you must certainly go and research every aspect of it; but more important, you must go and do it.

VOLUNTEER EXPERTS

"If you have never built a power windmill or worked on a project like this," she continued, "you have to research and get some help. So, we all read a great deal and we did 'recruit' four outside experts as part-time volunteers."

They happened to be energy-conscious environmental enthusiasts with engineering, aeronautical-design, and computer expertise, working at scientific and technological institutes in Copenhagen. They devoted their evenings, weekends, and vacations to making computer projections, wind-flow studies, giving advice, and helping on the site.

The only other outside assistance was a huge tent loaned by the Danish army that served as the assembly plant for the mill's components.

All told, several hundred young men and women—most of them teachers and students, bolstered by environmental buffs who volunteered labor and manual skills in exchange for nothing more than room and board—have worked on the project at one time or another since ground for the tower foundation was broken on May 28, 1975

Out of this group a smaller hard core of 30—the "mill team"—has been involved from the outset. They had varied backgrounds. Some had worked on construction sites and knew how to operate a bulldozer, a crane, or how to pour and reinforce concrete. Some knew how to weld, operate a lathe, or install electrical cable. Those who didn't were taught on the job by those who did.

"Under the circumstances and considering that no one had even undertaken to build a wind generator this large before," said Ole Friis, another teacher, who has been on the mill team since its inception, "it was predictable that we'd have mishaps, setbacks, and some real moments of doubt. And we did."

Sheer youth and enthusiasm sometimes outpaced know-how. Because the steel rods for the 72-foot-diameter tower foundation had been set too closely, the concrete could not be poured properly and the whole job had to be done over.

No plastics manufacturer was willing to take on the untried and probably unlucrative task of making the three huge fiberglass propeller blades. So the mill team decided to mold the blades themselves. To learn how, four members of the group first visited various plastics factories, read prodigiously, then put theory into practice by building three fiberglass fishing cutters that are now used by students to sail and fish the fjord near Ulfborg and study the life of Danish fishermen. After that work they started on the blades, which took almost 18 months to complete.

Obtaining the appropriate hardware, especially at prices commensurate with the aims of a low-cost, no-frills construction project, also posed obstacles.

All of it is actually secondhand. Ironically, considering its new purpose, the drive shaft—bought in Holland—came from a scrapped oil tanker. A 1:19 ratio gearbox had previously been installed at the elevator shaft of a now-defunct Swedish iron mine. The two-megavatt, 3300-volt, three-phase AC generator was being offered cheap by a Swedish paper factory.

However, notwithstanding amateurism, the dearth of funds, technical troubles, and the initial skeptical chuckles of Ulfborg residents and Danish government officials, it took only a little more than three years from the time ground was broken until this largest windmill in the world produced electricity.

WHY DID THEY DO IT?

Why did the teacher-owned Tvind schools set out to build the windmill in the first place? The reasons are twofold.

"We operate on a very low budget," said Jane Nielsen, "and try to keep tuition costs for students as low as possible by trimming all operating expenses, including teachers' salaries, to a minimum. But as a result of rising oil and power costs, in 1974 we were spending more than 240,000 kroner (about $43,000) a year just for heating and electricity with very distinct prospects that, as the school enlarged and energy costs soared, our bills would keep climbing. So we began looking for alternative energy sources for the campus."

The second reason is more complex. There is considerable popular opposition to the Danish government's proposal for building nuclear power plants. It is exacerbated by a sense of frustration at what is felt to be the continued disregard by the authorities of the energy potential of Denmark's consistently strong winds, and at what is called in this country a "monopolization and centralization of energy supplies."

"We looked for a powerful, environmentally clean alternative energy source for our campus," said Ole Friis. "And out here we didn't have to look very far to find it. There's only one. Wind. We sure don't have much sunshine, so collectors don't make much sense. But there's hardly a day when it doesn't blow. You can generally count on at least 300 really breezy days annually."

From its inception, the Tvind plan called for integrating the wind generator with the district power company's public grid in order to buy energy during periods of insufficient or too-forceful wind and to sell it when the mill's production exceeds the school's needs.

A rectifier/inverter feeds the first 500 kW produced by the 2000-kW generator into the local power grid. Actually the schools' needs are not expected to exceed 1500-kW capacity. There are also provisions for storing some produced energy. The immersion-coil water tank—still under construction—will be so well insulated that water in it should remain hot for up to 10 windless days, even with a 25-degree-F outside temperature.

In fact, though the public-power hookup exists, calculations by Friis and other teachers indicate that the mill will actually be a net supplier of power to the public grid on an annual basis.

Though it is still a bit early to make such predictions, one estimate put out by the Tvind schools is that the windmill will result in an annual saving of 400,000 kroner (about $72,000) by combining both proceeds from the sale of power and eliminating electricity and heating-oil purchases at current prices.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following vote. If I had been present, I would have voted as indicated:

On June 18, 1979: Rollcall No. 249—"yes" and rollcall No. 250—"yes".●

THE BALANCED BUDGET CAUCUS

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. GRASSLEY. Mr. Speaker, as cochairman of the Balanced Budget Caucus and as a Congressman from the State of Iowa, I take great pleasure in calling your attention to the Iowa General Assembly's Senate Resolution 1, calling for a constitutional amendment to require a balanced Federal budget. This noteworthy and laudable resolution states as follows:

For the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, on the application of the legislatures of two-thirds of both House or, on the application of the legislatures of two-thirds of the several States, calling a constitutional convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the Federal budget be balanced.

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual Federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal Government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all Federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is one of the greatest threats which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article five (V) of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necesary, or on the application of the legislatures of two-thirds of the several States the Congress shall call a constitutional convention for the purpose of proposing amendemnts which shall be valid to all intents and purposes when ratified by three-fourths of the several States, and we believe such action is vital; Now therefore,

Be it resolved by the General Assembly of the State of Iowa

SECTION 1. The Iowa general assembly proposes to the Congress of the United States that procedures be instituted in the congress to propose and submit to the States before July 1, 1980, an amendment to the Constitution of the United States requiring that the Federal budget be balanced in the absence of a national emergency.

SEC. 2. Alternatively, effectively July 1, 1980, if the Congress of the United States has not proposed and submitted to the several States an amendment as provided in section one (1) of this resolution, the Iowa General Assembly respectfully makes application to and petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

SEC. 3. Effective July 1, 1980, this application by the Iowa general assembly constitutes a continuing application in accordance with article five (V) of the Constitution of the United States until the legislatures of at least two-thirds of the several States have made similar applications pursuant to article five (V), but if the congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution, or if before July 1, 1980, the general assembly repeals this application to call a constitutional convention, then this application and petition for a constitutional convention shall no longer be of any force or effect.

SEC. 4. This application and petition shall be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

SEC. 5. The Iowa general assembly also proposes that the legislatures of each of the several States comprising the United States apply to the congress requesting the enactment of an appropriate amendment as provied in section one (1) of this resolution before July 1, 1980.

SEC. 6. The secretary of State of Iowa is directed to send copies of this resolution to the Secretary of State and presiding officers of both Houses of the legislatures of each of the several States in the Union, the speaker and clerk of the U.S. House of Representatives, the President and Secretary of the U.S. Senate, and each member of the Iowa congressional delegation.●

DAY OF PRAYER

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. MICA. Mr. Speaker, Mrs. Kathleen Lake, president of the Charismatic Outreach Prayer Program, has requested that I submit the following proclamation in the CONGRESSIONAL RECORD. This proclamation declares August 25, 1979, as a "Day of Prayer" in celebration of the Royal Palm Festival. This proclamation was adopted by the Palm Beach County Board of Commissioners on March 27, 1979:

PROCLAMATION DECLARING AUGUST 25, 1979, DAY OF PRAYER

Whereas, The Charismatic Prayer Outreach Foundation, chartered in the State of Florida, number 736253, and its members in Palm Beach County, will gather at the Jupiter-Hilton Inn on August 25, 1979 in a Family Festival of Prayer, and

Whereas, the purpose of this meeting is to embrace all Christians in a spirit of love and unity, and to learn the way to Fellowship in the Spirit, and

Whereas, to become the answer to Christ's prayer in a public, visible, physical and spiritual expression of the oneness of the Body of Christ, and

Whereas, to form a spiritual bridge between people of different denominations, and to unite those individuals who are interested in further understanding and seeking a deeper dimension of spirituality.

Now, therefore, be it proclaimed by the Palm Beach County Board of County Commissioners that Saturday, August 25, 1979 is hereby proclaimed Day of Prayer in celebration of the Royal Palm Festival, same to be entered in the Congressional Record.●

THE PUBLIC AND THE COURTS SUPPORT PASSIVE AUTOMOBILE OCCUPANT PROTECTION

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. ECKHARDT. Mr. Speaker, for several years there has been debate over whether the American people should have a choice of more than one kind of safety device in their cars to protect them from death and serious injury in accidents. In 1977 Transportation Secretary Brock Adams issued a motor vehicle safety standard (FMVSS 208) that will result in a marketplace choice of air cushions and advanced safety belt systems. Earlier this year the U.S. Court of Appeals unanimously upheld the Secretary's standard against challenges brought by the Pacific Legal Foundation and by attorney Ralph Nader.

Since, in the minds of some, this remains a controversial matter, I request that a synopsis of the court's ruling be printed in the RECORD.

In addition, I would request that a short summary of several recent public opinion polls be inserted in the RECORD.

The argument has been made that the American public does not want automatic crash protection. In fact, the polls show just the opposite—that people do want advanced safety equipment and adequate protection in their cars; they particularly want protection that works automatically, without requirements to "buckle up" to make the systems work, and they are willing to pay for it.

The synopsis and summary follow:

U.S. COURT OF APPEALS DECISION ON FMVSS 208

The Pacific Legal Foundation Claimed:

". . . experimental and real-world data do not support the Secretary's findings on the effectiveness of airbags . . ."

The U.S. Court of Appeals found that:

". . . Since this rulemaking began in 1969 DOT has conducted over 2,000 crash tests of airbags, including 188 with human volunteers in the vehicles, 274 with dummies, and a handful with cadavers and baboons. Following these experiments, involving speeds up to 50 miles per hour, the agency concluded that if airbags were installed in all cars over 9,000 fatalities and 100,000 injuries would be averted . . ."

The Pacific Legal Foundation Claimed:

DOT's conclusion on airbag effectiveness is contradicted by experience with the 12,000 airbag cars currently in operation in this country.

The U.S. Court of Appeals found that:

"Indeed, there have been more fatalities in frontal accidents involving airbag cars than the statistical projections from experimental data would have indicated. Nevertheless, in view of the relatively small sample involved, and the extraordinary nature of several of the accidents, this variation does not undermine the agency's conclusion that airbags are effective. Moreover, airbags have been very effective in reducing or preventing major injuries."

The Pacific Legal Foundation Claimed:

". . . the Secretary violated the Safety Act by failing to consider public reaction to the . . . standard."

The U.S. Court of Appeals found:

". . . the Secretary did take public reaction into account and satisfactorily explained his conclusion that widespread public resistance to passive restraints is unlikely . . . Adams distinguished the ignition interlock affair from passive restraints on the basis of the nature of the intrusion on the individual. Passive restraints do not require independent action by passengers to activate them . . ."

The Pacific Legal Foundation Claimed:

The Secretary's calculations of expected benefits from passive restraints fail to take into account the possible deactivation of systems by individual motorists.

The U.S. Court of Appeals found:

"If Secretary Adams correctly anticipates minimal popular resistance to passive restraints, petitioners argument has no force. In addition, experience with approximately 65,000 cars equipped with passive seatbelts, which are admittedly more intrusive than airbags, indicates a low deactivation rate."

The Pacific Legal Foundation Claimed:

Installation of passive restraints may deter use of lap belts.

The U.S. Court of Appeals found:

"DOT defends its estimate that lap belt use will continue at the 20 percent level, citing an agency study concluding that with no further need for more intrusive shoulder belts, lap belt use would actually increase to 26 percent. Petitioners point to nothing in the record to refute the agency's estimates."

The Pacific Legal Foundation Claimed:

The rule ignores collateral dangers to public safety posed by airbags.

The U.S. Court of Appeals found:

"The major danger associated with airbags is inadvertent deployment that might cause the driver to lose control of the car. There is evidence, however, that such deployments do not present a substantial hazard. In road experience three such incidents have occurred, and none caused a collision or injury, while tests with human volunteers have shown little loss of control by drivers. Moreover, the agency is optimistic that the causes of the three inadvertent deployments are understood and can be remedied so there is some prospect of reducing their likelihood in the future. Even without such improvements, DOT gauges at one in 200 the chance that in a lifetime an individual would experience an inadvertent deployment as an occupant of a car."

The Pacific Legal Foundation Claimed:

Rapidly inflating airbags also may injure out-of-position passengers in the front seat, especially children.

The U.S. Court of Appeals found:

"New methods of gas generation, however, permit an initially slower inflation, with the aim of more gently moving the occupant back from the dashboard and out of harm's way."

The Pacific Legal Foundation Claimed:

The chemical used to generate the gas, usually sodium azide, may present a danger in its own right, either during the car's lifetime or upon its demolition for scrap.

The U.S. Court of Appeals found:

". . . placement of the carefully sealed chemical cannister behind the dashboard should be sufficiently remote to prevent most accidents with it, and the cannister could be removed prior to shredding of the car, as is currently done with batteries and gas tanks."

The Pacific Legal Foundation Claimed:

The passive restraint rule violates the individual's right to privacy.

The U.S. Court of Appeals said:

"We find no basis for this contention. Passive restraints protect not only the owner or driver of of the car, but also any passengers, and thus involve more than a purely individual concern.

Ralph Nader Claimed:

The Secretary improperly delayed implementation of the standard and lacked good cause for permitting car manufacturers to introduce passive restraints gradually, rather than requiring full compliance by the effective date.

The U.S. Court of Appeals said:

"In his decision the Secretary explained the delay until model year 1982 as an attempt to assure 'orderly implementation' of the new standard. The four-year lead-in period, according to the Secretary, grants car and airbag manufacturers breathing room to gear up production. Moreover, by encouraging voluntary production of cars with passive restraints before the 1982 models, the Secretary hopes to increase the public's familiarity with the systems and facilitate their eventual acceptance.

SHORT SUMMARY OF PUBLIC OPINION POLLS

ABC News-Harris Survey, January 4, 1979, "Despite the public's reluctance toward more government spending, there are some federal programs, mainly those concerning health and safety, in which Americans would like to see the government make a more vigorous effort. These include such programs as those dealing with air and water pollution, toxic substances, disposition of solid waste, and auto safety." 86 percent of those surveyed felt that the federal government is "moving too slow" or at "just the right pace" in efforts to make automobiles more safe. More than half (51 percent) said the federal government is moving "too slow." 35 percent said the pace is "just right."

The Gallup Poll, July 24, 1977, "Although most drivers fail to use their seat belts—and oppose laws that would fine a person for failing to do so—they nevertheless vote in favor of a passive restraint system in cars in the form of air safety bags." 46 percent of those surveyed favored requiring automakers to put air cushions in cars. The standard allows automatic safety belts as well as air cushions. Had the question been phrased to reflect the flexibility of the standard, no doubt the number favoring the standard would have been higher.

Teknekron, Inc., 1978 Survey of Public Perceptions on Highway Safety, November, 1978, "Clearly the American public supports the 1984 requirement for air bags or similar safety devices. Support does not vary by geographic region, but is strongest among young drivers and those who regularly wear safety belts . . . 73 percent of American drivers support the passive restraint requirement . . . The 'government infringement on personal freedom' argument is leveled against the requirement less frequently than it is against a mandatory safety belt use law."

Roper Reports, April, 1977, When asked whether a variety of issues should be settled by public preference or by experts, 61 percent of those surveyed said that experts should decide what safety features should be required in cars. "Whatever protests the public has made about certain inconvenient or expensive auto safety devices, they don't want the decision to be left in the public's hands."

Insurance Institute for Highway Safety, August, 1976, "Nearly 80 percent of those interviewed prefer crash protection that requires no activation by drivers and passengers each time they travel, whether alone or in combination with some kind of active protection . . . In order to obtain increased automobile crash protection that would save 6,000 lives a year, the interview respondents say they are willing on average to add $12 per month, or $144 per year, to their car payments. For crash protection to save 12,000 lives a year, they are willing to add $17 per month ($204 a year), and $20 per month ($240 a year) for such protection if it could save 18,000 lives per year." ●

REMOVING RESTRICTION OF MEDICARE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. PEPPER. Mr. Speaker, I introduce for appropriate reference a bill to amend medicare to eliminate the coinsurance which the elderly must pay beginning with their 61st day of a stay in the hospital.

This bill was developed in the course of our recent hearings on abuses in the sale of health insurance to the elderly. Our investigation, conducted in nine States and the District of Columbia, proved conclusively that abuses are serious and widespread. Senior citizens are being sold multiple and unneeded insurance policies by some unscrupulous agents. Last week the Subcommittee on Health and the Environment of the House Interstate and Foreign Commerce Committee conducted hearings on my bill H.R. 2602 which is aimed at eliminating these abuses.

My bill has been cosponsored by Mr. WAXMAN, Mr. SCHEUER, chairman of the Subcommittee on Consumer Affairs, and more than 250 additional Members of the House. The bill essentially does three things: First, sets up a program of voluntary certification so that insurance companies may obtain a "Good Housekeeping" seal of approval if their policies meet or exceed Federal minimum standards; second, makes it unlawful for an agent to represent himself as a Government official or to sell insurance which substantially duplicates existing coverage; and third, would require that policies sold by mail first be cleared with the State insurance commissioner of the respective States before they are mailed into each State.

H.R. 2602 has wide support from Members on both sides of the aisle. The bill will not create a new bureaucracy or otherwise result in significant new Federal expenditures. The benefits to senior citizens will be great. For the first time the elderly will have some way of gaging what is and what is not an acceptable health insurance policy.

I asked the General Accounting Office to evaluate my bill and to give me any additional suggestions they might have to remedy the obvious abuses in the field of insurance sales to the elderly.

With respect to the concept in my bill, H.R. 2602, GAO said:

> Another alternative proposed by the staff report involves a voluntary certification program whereby HEW would approve those Medi-gap policies which meet minimum standards in terms of benefits and economic value. In view of the Committee's findings, we can see no valid basis for objecting to this alternative.

The General Accounting Office also agreed that medicare's coinsurance features were a significant source of confusion about the medicare program. GAO said that some insurance companies play upon this confusion:

> We do not know how much Medi-gap insurance is sold based on this lack of knowledge of Medicare coverage, particularly as it relates to the co-insurance features of the Medicare inpatient hospital benefit, but based on the advertising we have seen, this appears to be an important marketing feature. For example, for the 61st through 90th day of hospitalization, the current co-insurance is $40 a day, or a total potential liability of $1,200. For the additional 60 lifetime reserve days, the co-insurance is $80 a day, or a total potential liability of $4,800. These are quite impressive figures, if you are trying to sell insurance, but those familiar with Medicare know that these co-insurance charges rarely come into play.

GAO went on to suggest that the Congress might consider eliminating the medicare (part A) hospital coinsurance:

> Based on our prior work, we estimate that only about 2 percent of the beneficiaries using the inpatient hospital benefit are subject to any daily co-insurance charges and such charges amount to only 1 percent of total Medicare inpatient hospital benefits. Based on 1980 budget estimates, the amount of this co-insurance is about $220 million. If the Congress wanted to absorb this additional 1 percent cost, we believe it would eliminate one source of beneficiary confusion as well as a large potential, but extremely remote, beneficiary liability. On the other hand, if the Congress does not want to absorb this additional cost, a premium charge of $1 a month to each beneficiary would more than cover the value of the inpatient hospital co-insurance.

Mr. Speaker, I think that GAO makes a compelling argument. It is also significant to me that their comment comes in response to our question about what Congress should do to broaden the scope of medicare's coverage. It seems to me that we can help the elderly, broaden medicare, and remove a major source of confusion which leads senior citizens to buy multiple and essentially worthless insurance policies all for the comparatively small sum of $220 million. I think this is an excellent suggestion from GAO and one that we should act upon immediately. I am, therefore, introducing a bill to effectuate the objectives set forth by GAO. I hope that the House Ways and Means Subcommittee on Health and the Environment will consider this bill immediately and that this bill can be quickly enacted.●

MRS. DOROTHY A. LAMBERT RETIRES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. FLORIO. Mr. Speaker, today, on Friday, June 22, 1979, a fine resident of New Jersey's First Congressional District, Mrs. Dorothy A. Lambert, will be honored by coworkers, family, and friends at a retirement dinner.

An employee of RCA, Mrs. Lambert began working for that firm on January 14, 1954, as a keypunch operator in the Government and Commercial Systems Division on Front and Cooper Streets in Camden. In July 1969, she was transferred to the company's accounts-payable section as an accounts-payable clerk at the RCA Distributor and Special Products Division on Clements Bridge Road in Deptford, N.J.

Mrs. Lambert's official retirement date will be June 29, 1979. In the fall she will be honored once more when members of the RCA 25-Year Retirement Club will gather for a dinner.

A graduate of West Philadelphia High School, Mrs. Lambert resides at 502 West Somerdale Road in Somerdale, N.J. She lives there with her 87-year-old mother, Arline Moser, and her sister, Muriel Sterling.

Some 90 people will attend Mrs. Lambert's June 22 retirement dinner including the 14 employees who work with her in the accounts-payable office. It is, indeed, a pleasure for me to join in honoring Dorothy Lambert and extending best wishes for a long, happy, and healthy retirement.●

PUBLIC AUCTION OF ALL CRUDE OIL AND REFINED PRODUCTS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. FINDLEY. Mr. Speaker, today I am introducing legislation to increase competition in the oil industry by requiring that crude oil and refined petroleum products be sold through Government supervised public auctions. Under my bill all crude oil used in the United States, regardless of origin, would have to be sold in a commodity market auction, similar to those used for agricultural products. The first sale by refiners of their gasoline and other finished petroleum products would also be by public auction.

This would mean that Exxon, Shell, and all other crude oil producers and importers would have to sell all of their crude through competitive markets open to all bidders.

Refiners, whether Exxon, Shell, or one of the independents, would have to buy all of the crude they make into gasoline and fuel oil entirely through these auction markets and sell the gasoline and fuel oil they produce in the same way.

Major oil companies and independent distributors—in fact virtually anyone—would be able to buy gasoline and other petroleum products at the auction. This would assure that all dealers, whether affiliated with major oil companies or independent, would have an equal chance to buy fuel for their service stations.

Under my bill the auction markets would be regulated, like other commodity markets, by the Commodity Futures Trading Commission.

Frankly, the purpose of my bill is to strengthen competition in the oil business. Many people, believing that a few big oil companies have a monopolistic stranglehold on the industry, are calling for divestiture—a Government-ordered breakup of the big firms.

Divestiture would mean that companies drilling and shipping crude oil could not also refine and retail it. However, divestiture is a long agonizing legal process that could take decades to accomplish.

My bill would have all the advantages of divestiture and none of its disadvantages. Public auction markets could be set up swiftly with minimum inconvenience to the industry.

An even more extreme measure that some people favor is nationalization of the oil industry—Government takeover, ownership, and management. The inefficiency of the postal system should be answer enough to that proposal. The Federal Government should not take over the oil business.

The chief advantage of a public auction market for oil and its refined products would be to insure everyone equal access to supplies of gasoline, diesel fuel, and other oil products. This would encourage new business enterprises to organize in all aspects of the petroleum industry.

Today many Americans simply do not believe the oil shortage is real. They assume that the oil companies have withheld crude oil and gasoline in order to take advantage of higher prices later on.

In many areas gas stations have shortened hours, because they cannot get enough gasoline to sell. Lines have gotten longer during the few hours they remain open, and frustration is mounting.

It is clear that the Department of Energy has been unable to solve the problem or even to explain it to the satisfaction of most people. Some evidence suggests that Energy Department regulations may have actually made a bad situation worse.

The auction market for gasoline and other refined oil products would help dramatically. Every corner gas station would be able to get through the auction market its fair share of the gas that refineries produce.

Big oil companies could not hoard crude oil or gasoline to drive prices up or squeeze out competitors. Auction markets for crude oil and refined products would insure all refiners and distributors equal opportunity to secure the supplies they need.

These auctions would place industry operations before the full view of the U.S. Government and the American people. As it now stands, most of the oil drilled in the United States or purchased overseas is controlled by eight major companies until company dealers sell it at the pump. Most of the information we have about that oil and its products comes exclusively from those companies.

These major companies are vertically integrated. A single company like Exxon drills for oil, transports it, refines it, and then distributes it to contracted retail dealers or company-owned stations. It would be the same if the big three automakers not only built and sold cars, but also dug the iron ore and made the steel for their cars. Vertical integration allows monopoly profits and control of supplies.

Public auction sales, on the other hand, would generate reliable data on prices and volumes, both before and after refining. And the Government would gather information to estimate future production to facilitate the trading in futures which occurs on commodity markets.

Such information would make it relatively easy to detect attempts by large oil companies to take advantage of their monopoly.

I first proposed a public auction market for oil during the shortages caused by the oil embargo in 1973. It was a timely idea then, but it is even more urgently needed now, in view of the administration's decision to deregulate the price of domestic oil.

Under present price controls, a complicated entitlement program requires the major oil companies to share crude oil with independent refiners. As price controls are removed, a mandatory public auction market for oil will assure access to supplies for independent refiners at fair prices, without the need for Government directed allocations.

Summed up, establishing mandatory public auction markets for oil and oil products would assure competition within the oil industry, conducted in full public view. Consumers would be assured they were paying for gasoline and heating oil only what is required by the economics of the marketplace.

I would like to ask that a copy of my bill be placed in the Congressional Record following my statement.

The bill follows:

A bill to establish a mandatory commodity market for crude oil

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That six months after the effective date of this Act, all sales of domestically produced crude oil and crude oil sold for use or resale within the United States and all first sales of refined petroleum products within the U.S. shall be made through a commodity exchange by auction pursuant to rules and regulations promulgated by the President and under the supervision of the Commodity Future Trading Commission.●

BILL SAFIRE ON WHAT'S REALLY GOING ON IN MBFR AND SALT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. KEMP. Mr. Speaker, during the past week, attention has been focused on the recently signed SALT II Treaty. As a consequence, the protracted negotiations on mutual and balanced force reductions have been overlooked. Indeed, during the latter stages of the United States-Soviet negotiations, the United States set a very ominous precedent for these negotiations by initiating bilateral discussions with the Soviets on MBFR, despite the fact that these negotiations are multilateral. Such secret bilateral negotiations can only stimulate distrust and disunity within the NATO alliance at a time when unity of purpose is crucial to Western security.

Mr. William Safire, in a recent essay in the New York Times (June 14, 1979) entitled "Below the SALT" has called attenion to some of the most crucial issues affecting MBFR. Mr. Safire suggests four steps which U.S. policy should take: Modernize the theater nuclear arsenal in Europe, terminate alliance-wrecking bilateral negotiations with the Soviets on MBFR, require meaningful Soviet troop withdrawals; that is, a tank army rather than a simple manpower or equipment withdrawal, and to test Soviet sincerity by proposals which would require their acceptance of mutual onsite inspections. Regrettably, the United States agreed to terms in SALT II which will prevent ground-launched cruise missiles, whether nuclear or nonnuclear from being deployed in Europe at least through 1981—a precedent which may prevent modernization of the U.S. theater nuclear posture for many years. The Soviets, on the other hand are vigorously modernizing their theater nuclear posture with three new short-range ballistic missiles to replace the SS–12 Scaleboard, FROG–7 series missiles, and the SCUD. These have been developed in addition to the MIRVed SS–20 now being proliferated in numbers which suggest that the Soviets will have more warheads in their SS–20 force than they now have in their SS–4/5 medium/intermediate range ballistic missiles. Moreover, the unfortunate failure of the United States to insist that the Soviet Backfire be included in SALT means that the Soviets will be able to deploy 350–400 Backfire bombers useable against either the United States or the Eurasian land mass by 1985.

The disasterous arms control posture we have adopted has become a threat to American security, not only at the strategic level, but at the theater level as well. I include the text of Mr. Safire's essay in the Record at the conclusion of my remarks:

Below the SALT

(By William Safire)

Paris.—While the Carter Administration is thinking only of the signing of SALT II at the summit this weekend, Leonid Brezhnev is already figuring out the follow-up to his strategic triumph: a different treaty, called M.B.F.R., to assure the Soviet domination of Europe with more conventional arms and armies.

I remember M.B.F.R.—"Mutual and Balanced Force Reduction"—from a blunder I made in the preparation of a Nixon speech. Seeking to shorten a dull sentence, I cut the words "and balanced" from the name of the negotiations: a horrified Secretary of State William Rogers called to say "that could cost us a couple of hundred thousand troops." I hastily stuck the words back in.

Those words—"and balanced"—are one of the keys to the long negotiations on reducing conventional forces in Europe. When the Soviets withdraw troops from Warsaw Pact positions, they are still only a day's train ride away; when the United States pulls troops and weapons back, we cross an ocean; hence the need for "balance" or "asymmetry" in the numbers withdrawn.

M.B.F.R. (best remembered by its jocular translation, "More Better for Russia") is the negotiation nobody wanted. When Mike Mansfield was Senate majority leader and called for unilateral United States withdrawal, the White House countered with troop-reduction negotiations. When the Soviets wanted to legitimize their conquests with a European Security Conference, we went along on condition the Russians accommodated our need to deflect the Mansfield amendment with troop-reduction talks.

But negotiations, with delegations drawn up in what Churchill called "vast cumbrous array," take on a life of their own. In 1975, since the Russians had superiority in numbers of troops and tanks while we had the edge in the latest nuclear-tipped theater weapons, we proposed a deal called Option Three: we would limit our modern weaponry if they would buy the "and balanced" notion in troop and tank withdrawals.

The Russians stonewalled, and for good reason: they were busily leap-frogging our theater-weapon advantage. By 1978, their Backfire bomber and SS–12 "Scaleboard" missile matched our cruise and Pershing missiles: as they introduced the longer-range SS–20, the tactical tables were turned.

That is when the Russians announced grandly that they were prepared to buy the "balanced" idea pulling out more troops than the United States would if we carried out Option Three to weaken our missile force. The Carter Administration was nonplussed; how could we now turn down what we had been asking for?

The Carter response was to stall. We challenged the Soviet "data base"—that is, we said, quite rightly, that the Soviets were lying about their numbers.

In the coming summit weekend, in the joint U.S.-Soviet communiqué, the Russians will push us again: look for a sentence about the way "the two nations" (undercutting NATO) will pursue European troop reduction. Mr. Brezhnev has the initiative; Mr. Carter doesn't even have a policy.

The Soviet goals are clear: to limit the size of the West German Army and to maintain the new Russian theater-weapon superiority. That would give them effective military control of Europe.

Our policy should be just as clear:

1. Beef up NATO's tactical weapon force with Pershing II and cruise missiles, and withdraw our moot Option Three weakener.

2. Close off the the back channel between superpowers that erodes NATO unity. Keep our M.B.F.R. negotiations going in Vienna as an incentive to NATO unity: "Only in the presence of the Soviets," says strategist Edward Luttwack, "does our alliance act like an alliance."

3. Insist that any Soviet pullback have meaning—modern equipment in an entire tank army, not rusting old tanks and divisions of cooks and bakers.

4. Take the initiative with a new offer that will test Soviet sincerity: mutual on-site inspections. Spy satellites cannot count troops as well as surprise visits to barracks. Our allies, the West Germans, may not like this idea any more than the Russians, but our Joint Chiefs consider the accurate knowledge of troop and weapon strength more of a deterrent to attack than any troop withdrawals.

We know that Mr. Brezhnev intends to make a propaganda pitch for M.B.F.R. at Vienna. Unless we turn these negotiations into a genuine test of Soviet intentions, it is we—to use a favored Carterism—who will look like the warmongers.●

MILITARY AID TO TURKEY REJECTED

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. MATSUI. Mr. Speaker, I rise on this occasion to commend my colleagues on their vote to instruct House conferees to the bill H.R. 3173 to oppose a $50 million supplemental military grant to Turkey. This move not only reaffirms the traditional prerogative of the House in international assistance, but asserts the United States continuing concern for the strength of the southwestern flank of NATO and the need for a meaningful settlement to the Cyprus question.

The necessity for cooperation between Greece and Turkey is overwhelming. The two countries are vital not only to the stability of NATO but also to the security of the United States. Thus, the reluctance of Turkey to recognize this interdependency through concrete actions is particularly disconcerting. The veto of Greece's reentry into NATO ignores the importance to both countries of maintaining a unified presence in the Mediterranean. By the same token, the lack of progress in ending the Cyprus impasse represents a betrayal of the spirit of Congress decision to lift the Turkish arms embargo. At that time it was argued that military aid would encourage Turkey to adopt a more flexible position with regard to both of these concerns. However, nearly 1 year after this was accomplished, the situation is unchanged.

Mr. Speaker, this action should not be taken as an affront to the nation of Turkey. To the contrary, the House has already voted Turkey more aid than it has any country in the world except Israel and Egypt. Rather it is a move to demonstrate the desire of the American people to see a peaceful solution to the Cyprus impasse and the necessity of mutual cooperation on the part of both Greece and Turkey. Again, I applaud my colleagues on their determination to support this motion against additional aid to Turkey.●

ADMINISTRATION'S SOCIAL WELFARE AMENDMENTS ADDRESS SSI BENEFITS TO ALIENS PROBLEM, BUT NOT QUITE WELL ENOUGH

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. PEASE. Mr. Speaker, the Ways and Means Subcommittee on Public Assistance, chaired by Congressman JAMES CORMAN, this week continued to hold hearings on H.R. 4321, the new welfare reform bill of the administration that has been introduced by Chairman ULLMAN and Congressman CORMAN. In testimony Wednesady from Members of Congress, I made the point that while the "Support of Immigrants" section of the bill (section 305) addresses a large part of the alien-SSI problem, more needs to be done.

Because of the wide public interest in this matter and the heavy congressional interest in vairous legislation that was introduced to try to prevent this situation from occurring, I would like to include with my remarks portions of my testimony. They follow:

PORTIONS OF TESTIMONY OF DON J. PEASE

In 1977, the television news documentary "60 Minutes" aired a program that illustrated the apparently widespread abuse by newly arrived aliens of U.S. Supplemental Security Income benefits.

Proespective immigrants, if they cannot prove personal assets are adequate to support themselves after they enter our country, must be "sponsored" by an American citizen before they enter. These "affidavits of support" signed by the U.S. sponsors have been held to be only morally binding documents and are legally unenforceable. This situation has led to numerous instances where Americans, occasionally naturalized citizens, will knowingly and deliberately sign the affidavit of support document for immigrants when the sponsor has no intention of supporting the immigrant aliens in the event they are not able to support themselves. Some cases have been documented of the sponsors also being landlords or businessmen who then required the new immigrants—once they have begun receiving their SSI benefits—to live in the sponsor's rental units or make product or service purchases from him.

At the request of Senator Charles Percy and later Congressman Richard Gephardt, the General Accounting Office began an investigation of this entire situation. Completed in February 1978 and entitled Number of Newly Arrived Aliens Who Receive Supplemental Security Income Needs To Be Reduced, the GAO found that large amounts of federal SSI benefits were going to newly arrived aliens. Although a statistically reliable sample for the study limited it to only 5 States (California, Florida, Illinois, New Jersey and New York), the GAO found that about $72 millilon in SSI benefits went to recipients in these states. $16 million of that amount went to refugees—persons who should or would continue to receive benefits under most every bill I am aware of.

Section 305 of H.R. 4321 (actually referred to the House Judiciary Committee) before the Subcommittee today amends the Immigration and Nationality Act in a way similar to legislation I introduced in the last Congress and have again introduced in this Congress with 55 colleagues (H.R. 2558) to force a legal obligation on sponsors of newly admitted aliens. The sponsor, under this approach, is signing a legal obligation, not just a moral commitment, that mandates support for five years if the alien cannot manage on his own after he enters the United States. Suit may be brought against the sponsor if he does not meet his obligation to prevent the alien from having to resort to government welfare programs at any level.

Mr. Chairman, this section of the bill, if kept intact, would address a large part of the problem that the GAO has described, but not all of it. And it is for that reason that I appear before you today to urge that the Public Assistance Subcommittee also amend the Administration's bill with language that would amend the Social Security Act to prevent aliens from receiving SSI benefits unless they have permanently and continuously resided in the United States for at least five years.

If such additional language is not offered, I fear that lack of prosecution or extended litigation may defeat the intent of Section 305. By requiring the alien himself, or his sponsor, to assuredly support an immigrant for the first five years, I think many of the federal dol'ars lost to otherwise ineligible welfare recipients can be saved.

Incidentally, I'm sure the Public Assistance Subcommittee will also want to consider yet another approach to this problem—the one contained in H.R. 7200, passed in 1977 by the House but not by the Senate.

As you know, that approach would—when an alien applies for SSI benefits—ascribe the assets of the sponsor to the alien.

Mr. Chairman, I know that solutions to this problem are not as easy as they appear to be on the surface. I urge the Subcommittee, however, to add some language dealing with alien eligibility for SSI to the portion of the Social Welfare Reform Amendments of 1979 which have been referred to the Ways and Means Committee.

While it will obviously be some time before this long, complicated, and controversial bill can be sent to the full House for consideration, I hope that all Members will be presented with a bill that addresses in some fashion the problem of SSI benefits going to unsupported aliens. As Chairman CORMAN responded Wednesday, I think we all have that chance.●

RENEGOTIATION BOARD

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. MINISH. Mr. Speaker, it is my belief that the Congress acted irresponsibly in refusing to extend the life of the Renegotiation Board.

The Renegotiation Board, which went out of existence on March 31, 1979, recovered money for the Federal Government far in excess of its cost in salary and expenses. Furthermore, in acting as a deterrent to contractors who might otherwise have overcharged the Government, it also saved many millions of dollars over and above its actual recoveries.

The following article from last week's National Enquirer sheds some light on the consequences of the Renegotiation Board's demise—a classic case of a small but powerful special interest prevailing over the public interest. I commend the article, by Robert Terpstra, to the attention of my colleagues in both the House and the Senate:

CONGRESS KILLS GOVERNMENT AGENCY THAT SAVED TAXPAYERS $576 MILLION

(By Robert Terpstra)

Congress has shamefully knuckled under to a high pressure lobbying blitz by greedy defense contractors—and done away with an agency that's saved taxpayers a whopping $576 million.

For 28 years, the Renegotiation Board tracked down defense contractors earning excess profits and forced them to return the money to the Treasury.

It was one of the few federal agencies to earn more than it spent. In fiscal 1978 alone, it recovered $34.4 million while spending $6.2 million, for a handsome "net" of $28.2 million.

How did Congress reward this efficiency on behalf of the beleaguered taxpayers? By refusing to extend the board's life for another two-year period, thereby killing it.

"The board's demise was the result of an intense lobbying campaign by the defense industry," fumed Rep. Joseph G. Minish (D.-N.J.), leader of the unsuccessful effort to save it.

Lloyd R. Kuhn, vice president for legislative affairs at the Aerospace Industries Assn. of America in Washington, D.C., admitted that "an intensive defense industry lobbying effort" was behind the agency's demise.

"There has been an effort every two years in opposition to the board, with a number of companies testifying and working for its elimination," Kuhn conceded frankly.

"This time it was more intensive."

The really sad thing for taxpayers is that "we still had a backlog of filings that amounted to $162 billion worth of sales," lamented Harry Van Cleve former head of the agency that was set up in 1951.

"The day the board went out of existence, the public lost any ability to have a look taken at those sales.

"That fact chews on me a bit.

"We also had cases that amounted to $15 million worth of excessive profits which we were absolutely ready to go on."

All they needed was a third board member to take a determining vote. President Carter had nominated a member, but Congress had yet to approve the appointment when time ran out on the board last March 31.

"We could have wrapped up part of the $15 million within two months," said Van Cleve.

"Since 1951, our net recovery was $576 million."

Admiral Hyman Rickover, deputy commander of nuclear propulsion for the Naval Sea Systems Command, called the whole sordid affair "a sad commentary on the influence large corporations and their lobbyists can exert on the legislative process.

"There's never been a time in the history of the U.S. when the pressure of business lobbyists has been as great as it is today, and where there's been so much money available for them to accomplish their purpose." ●

A TRIBUTE TO HAROLD CHITWOOD

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. WATKINS. Mr. Speaker, it is with a great deal of pleasure that I rise today to pay tribute and honor to a man who has been very close to me personally and to hundreds of other young men and women during his 30 years of service as a vocational agriculture teacher and FFA advisor of Bennington High School in Bennington, Okla.

Mr. Harold Chitwood and his family have given unselfishly of their time and private lives above and beyond the duties and responsibilities normally demanded of a teacher. I take these few moments to publicly acknowledge the tremendous impact he has had on my life and the shaping and molding of the lives of many other young people. Too long have we gone without expressing our appreciation and thanks to people who have had a positive influence on our lives.

Mr. Chitwood has taken many of us who were very awkward and shy in public and assisted in providing the activities in his classroom and beyond to allow us to compete and seek to achieve more for not only ourselves but for those with whom we share our daily lives. The young people who have worn the blue and gold jackets of the FFA were taught to wear it honorably and with pride as we represented our school. It was this respect that we gained from wearing the FFA jacket that many of us translated into respect for the individual lives of others.

Mr. Chitwood has never been a flamboyant or boisterous man and, because of his quiet manner and humble spirit, he taught us the true meaning of the beginning sentence of the FFA creed which states:

> I believe in the future—with a faith born not of words but of deeds.

Surely, the deeds of this man speak louder than any words I could convey to you today.●

BILL STEWART'S DEATH WAS COLD-BLOODED MURDER

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. MATTOX. Mr. Speaker, Americans were shocked yesterday after viewing dramatic television footage of the deliberate slayings of an American TV news reporter Bill Stewart of ABC and his interpreter. The Nicaraguan soldier who committed these outrageous acts was guilty of nothing less than cold-blooded murder.

Dictator Somoza himself earlier this week set the appalling scene for what happened to Bill Stewart, when his state-owned media launched a vicious propaganda campaign against foreign journalists covering the war. We have known for sometime that Somoza does not want foreign journalists in his country, and now we know why: professional reporters like Bill Stewart have reported the truth about the barbaric behavior of Somoza's followers who are claiming to act in the name of democracy.

Acts of war committed upon innocent civilians, unarmed war correspondents, and other noncombatants have always been repugnant in the eyes of Americans. When such acts occur, we have always condemned them in the strongest possible terms.

In our sadness over these tragic deaths, however, we should not let go unnoticed the fact that such outrages have been commonplace in Nicaragua under the Somoza family rule. The cynical attitude of Nicaraguan officials toward these and other uncivilized acts is unbelievable. They brush off barbarism with matter-of-fact moralisms that such things happen in war.

And now we receive conflicting reports about whether the murderer is in custody, was killed in a skirmish with Sandinistas, or is free.

The Nicaraguan Government has a short memory about the aftermath of the earthquake that devastated the country in 1972. The United States poured millions of dollars in relief into Nicaragua, and it was American reporters and other foreign journalists who assisted in distributing food and medical supplies, as well as in lending moral and emotional support.

At a time when most of the civilized countries of the world recognize that journalists are neutral observers, reporters of fact, and truth seekers, Nicaragua's actions remove itself from the list of free countries and repudiate its claim that it is a true democracy.

I call upon Congress to go on record and condemn these murderous acts, and and to demand that the killer of Bill Stewart and his interpreter be brought to justice. I also urge my colleagues to take appropriate actions to reprimand the Nicaraguan Government in the strongest possible terms.●

GET A HANDLE ON THE ENERGY PROBLEMS

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. BENJAMIN. Mr. Speaker, on May 30, I introduced House Resolution 131, now referred to the Committee on Rules and cosponsored by 23 of my colleagues.

House Resolution 131 proposes to establish a Joint Select Committee to Investigate Oil Production and Pricing to determine the truth about the energy crisis by investigating all aspects of the availability, production, and marketing of oil and oil products. On the results of its findings, the joint select committee is charged with the development of a viable and comprehensive national energy policy.

Obviously, I am not the only Member of this body seeking to separate fact from fiction. The House overwhelmingly adopted House Resolution 291 last Friday to direct the President to furnish certain information regarding energy.

House Report 96–261, accompanying the resolution reported from the Committee on Interstate and Foreign Commerce, corroborated my belief that we are attempting to operate with less than adequate or reliable information.

According to the committee:

> . . . it cannot be said that all information necessary to a full understanding of the supply problem is collected by the DOE, nor that the information which is collected is timely. To the contrary, the Committee has found the DOE lacking vital information on such matters as secondary stocks and actual sales of products. The information is rarely timely, as a result of long lag times in sending out forms and retrieving them. For example, at the May 18, 1979 hearings on gasoline issues, the DOE was requested to submit a table showing the average price of crude oil to refiners and the average retail prices of gasoline for each month from April 1978 to April 1979. Incredibly, the DOE responded with data only until the month of February. The Department had no information on gasoline prices for the most current three months.
>
> Furthermore, the Department also continues to be heavily reliant on unverified industry data despite the clear directives from the Congress in a variety of statutes, such as the Energy Supply and Environmental Coordination Act of 1974, and the Department of Energy Organization Act, that the Department should collect its own verified information. The Department's failure to verify data has led to criticism and increased public skepticism. In this regard, Subcommittee Chairman Dingell in a June 5, 1979 letter to Secretary Schlesinger discussed the Department's information policies. The letter states in part:
>
> "Today, as in the embargo days, the DOE appears to be still floundering for energy data. Data concerning gasoline, diesel oil, and home heating oil supplies and pricing are poor and not timely. The forms provide blanket confidentiality for the data pursuant to another law. Months after the Iranian crisis began and gasoline shortages became a reality, weekly supply data for primary stocks is still not being collected. No data on secondary stocks is collected. Yet the Energy Information Administration has a budget for FY 1979 of over $80 million and more in FY 1980."
>
> The Committee members have also experienced serious difficulties in obtaining information from the Department in response to requests for information relative to these matters. Substantial delays have occurred and the information which is provided is often not fully responsive to the request.

The committee's problem has been compounded. According to a Washington Star report, Treasury Department officials have weakened the Federal Government's only independent source of information on oil imports.

According to the Star article, the new Customs manual directs customs officers to accept licensed gauger's reports instead of gauging by customs inspectors.

The Star article, written by Leonard Curry, continued:

> Public gaugers are independent contractors employed by the oil companies and the oil-exporting nations to confirm that the volume of petroleum on a tanker matches the original shipping manifest.
>
> The importance of the Customs Service role is that data it has collected so far this year appear to contradict information from the petroleum companies about the impact of the Iranian revolution on the U.S. oil supply.
>
> Customs Commissioner Robert E. Chasen, however, says this was not the case.
>
> In a report last month to President Carter on the California gasoline shortage, Energy Secretary James R. Schlesinger, relying on industry data, said:
>
> "It is expected that April was the low month for crude oil imports, which is now being reflected in low supplies of gasoline produced by refineries."
>
> But the Customs data, which the Commerce Department published in monthly trade statistics after the Schlesinger report, showed that the United States imported more petroleum in April than for any April on record—217 million barrels compared with 201 million barrels in March and 189 million barrels in April a year ago.
>
> Chasen said he was certain the Customs data was accurate for the first three months of this year because duties were being collected on oil imports. After tariffs died in April, Chasen said the Customs data information is less reliable.
>
> The decision to change the system came after a private meeting at petroleum industry headquarters.
>
> Chasen said the Dec. 7, 1978, meeting of Customs staff at the American Petroleum Institute was "not unusual" and did not influence the ultimate decision to end the practice of Customs' inspectors physically measuring 35 percent of the 2.4 billion barrels of oil imported into the United States in a year.
>
> The real reason for the work rule changes is to cut down on $70 million in overtime Customs inspectors are projected to receive this year, the commissioner said. But he said most of the overtime pay is justified with savings possible only in regard to $10 million or less, of which petroleum gauging is a minor part.
>
> Sen. Howard Metzenbaum, D-Ohio, and the chairman of three House subcommittees—Reps. James M. Hanley, John M. Murphy and Benjamin S. Rosenthal of New York—have questioned the wisdom of ending Customs' monitoring of petroleum imports.
>
> "At a time when the public is deeply suspicious of both the cause and extent of the recent oil and gas shortage, the federal government should take every possible step to develop independent, credible information about oil imports," said Metzenbaum.
>
> "Regrettably," said Metzenbaum, "recent U.S. Customs Service actions will result in less, not more, objective information about our imported oil supplies."
>
> "There is a need for credibility," said Rosenthal. "The present state of circumstances in this country demands it." "

In the Thursday edition of the Washington Post, Larry Kramer reported that oil nationalization is a threat if the oil companies do not explain the present crisis soon and stop what Tina Hobson, DOE Director of Consumer Affairs, called "manipulative practices."

In the article, Ms. Hobson is reported to have said that there is also little or no reason that consumers should not believe DOE is misleading, misinforming or even lying to them about petroleum data.

Quoting Ms. Hobson, the article continued:

> "We are heading toward nationalization of the oil companies," Hobson flatly told corporate consumer affairs representatives and government regulators from several areas at a dinner late Tuesday night.
>
> "I don't want to go in that direction, but if the oil industry and the DOE don't come up with better rationing and something better than those gas lines, there won't be a choice in the matter," she added.
>
> Hobson has held a variety of energy-related positions, including jobs in the Federal Energy Office and the Federal Energy Administration before joining the Department of Energy on October 1, 1977, when it was created.
>
> Although she previously criticized her department's handling of information pertaining to the energy crisis in her internal communications with other DOE officials, Tuesday's comments were her strongest public warning to date.
>
> Hobson said she had information that jobbers for the major oil companies were engaging in a "manipulative process of blackmailing gas station dealers" into staying open for only a limited number of hours and using only a limited number of pumps, "or else." She said dealers were being threatened with being cut off by those jobbers—their only suppliers—if they didn't heed the warnings.
>
> "The system is fraught with inequities," she said.
>
> In a recent internal memorandum to Energy Information Administration head Lincoln Moses and several other DOE officials which was obtained by the Washington Post, Hobson warned that "many consumers could reasonably question the department's projected shortfalls." She cited impartial interpretations that differ with DOE conclusions on oil supply problems.
>
> Further, she said, "While the department may have confused consumers regarding the demand for oil, it appears that information (also) was incorrectly provided on oil supplies and imports."
>
> She said alleged manipulation of import figures by the DOE "has raised significant

consumer doubt about the department's credibility."

"In addition to inaccurately reporting information on imports, the department may not have released accurate information on domestic production," Hobson added.

Her memo suggested that the department consider releasing significantly more raw information on the oil industry to consumers for their own analysis, as well as the department's interpretation of that data and assumptions behind that interpretation.

At the meeting Tuesday night, Hobson acknowledged that the department long has had a "problem" of sharing considerable information with oil industry representatives or lobbyists while withholding the same information from consumer groups.

"We have a credibility problem with consumers, and we aren't helping it now," she said.

Hobson said she has gone to speak to several groups about the energy crisis lately, but in her most recent speech before consumer leaders, she said she was shouted down and not even allowed to speak. "People are getting impatient with us," she said.

The committee report and the two articles are certainly not the only indication that the Congress is getting some poop, but it ain't the right scoop. I am sure that at least two such articles appeared in at least one newspaper in each congressional district during the past week. Unfortunately, it is not the first and will certainly not be the last. Equally unfortunate, the President wants us to persuade the public that there is a legitimate, bona fide, honest-to-goodness energy crisis. Well, it may be real, but it is going to be heck to convince fellow citizens that it is when DOE is doing everything conceivable to disprove that contention.

In essence, the Congress has to marshal the facts. Anything less cannot be "detained," and we may be foolish to even try. However, the question remains regarding the ability of the Congress to undertake the job under its present structure. I think not.

The reason that Congress cannot successfully handle the program under its present structure is more than evident in the article reported by Ward Sinclair and Richard L. Lyons, which also appeared in yesterday's Washington Post.

The article focused on the synthetic fuel fever sweeping Capitol Hill. Portions regarding our committee structure follow:

As gasoline lines grow longer and political frustration builds, members of Congress are trampling on each other in the hurry-up drive for synfuels.

House and Senate legislative hoppers are brimming with bills—at least 40 so far—to stimulate synthetics, and the fun really has only begun. Take yesterday, for example:

A House Education and Labor subcommittee, ordinarily devoted to social concerns, ignored jurisdictional lines and cranked out the whopper of the lot—a $205 billion program to produce synfuels.

Jurisdictions on Capitol Hill remain splintered, but the price and supply picture has changed. It has put new pressure on Congress to do something—"even if it is the wrong thing," as Sen. Dale Bumpers (D-Ark.) capsulized it the other day.

The frontrunner in the legislative derby appears to be the Moorhead bill, which House leaders agreed to push to passage before Congress goes home for the July 4 holiday.

Rep. Toby Moffett (D-Conn.), after a Tuesday leadership meeting on the Moorhead defense-production bill, said, "The synthetic fuel thing is greased. You've never seen such a locomotive."

If Moorhead is riding a locomotive, the bill that rushed through the House Employment Opportunities subcommittee yesterday looked like a crack express weaving through a crowded switching yard.

The bill is the brainchild of Rep. Carl D. Perkins, chairman of the Education and Labor Committee, whose coal-rich eastern Kentucky district stands to gain from a synfuel program.

Perkins said that he and his two dozen cosponsors, frustrated that the administration and Congress have not provided leadership, decided to act on their own, even though critics might be quick to say Education and Labor is the wrong forum.

Again yesterday, the jurisdictional confusion that long has plagued Congress on energy matters was underscored. A major synfuels bill introduced last week by Rep. John D. Dingell (D.-Mich.) was referred to eight House committees. The Perkins bill, however, touches on matters ordinarily handled by 11 other committees.

Energy and synfuels at Educational and Labor? Perkins made it legislatively proper by simply adding his proposal as a title to a small manpower training bill.

Mr. Speaker, I well appreciate the enthusiasm of each committee to get in its stroke. However, we are going to have problems. These problems are going to lead to major jurisdictional disputes which may well overshadow the substance of the legislation. When that happens, the DOE problems will be miniscule by comparison.

I urge that consideration be given to House Concurrent Resolution 131. This Congress must have a joint select committee to investigate the energy situation. Perhaps it really needs a joint committee with more powers than that proscribed in House Concurrent Resolution 131. If a joint committee cannot be formed, because the other body will not agree, I then urge a new standing committee in the House to deal exclusively with energy. Whatever be the mechanism, the one thing that is obvious—we had better gear up fast to determine the problem and then move to solve the problem before the public decides to take matters into their own hands. A little initiative, coordination, and cooperation will be extremely helpful at this time.●

THE GREAT OIL ROBBERY

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. HILLIS. Mr. Speaker, I am inserting in the RECORD a copy of an editorial which appeared in today's Wall Street Journal entitled, "The Great Oil Robbery," and a copy of an article which appeared in the Oil and Gas Journal on June 18.

These articles illustrate the need for a rational approach by Congress in addressing our energy shortages. We cannot afford to act in a rash manner in developing energy policies. As the articles illustrate, the hysteria caused by long gas lines is beginning to be reflected throughout the Federal Government's approach to the energy situation.

It appears that in an effort to control the activities of our oil companies, we are in the process of strangling their capabilities to produce more domestic supplies of fuel. I hope all my colleagues will take the time to read these most enlightening articles.

[From the Wall Street Journal, June 22, 1979]

THE GREAT OIL ROBBERY

We have said from the first that the President's "windfall tax" proposal was a revenue measure in thin disguise. This week the House Ways and Means Committee underlined the point with a vengeance, voting by 20-16 to raise the marginal tax on newly discovered oil to 70 percent instead of the 50 percent proposed by the President. The committee also amended the President's proposal in specific ways designed to squeeze more tax-revenues out of Alaskan oil, marginal wells and old oil. All in all the committee's bill amounts to an additional tax of $28 billion on domestic energy production over the next five years—a marvelous disincentive to the oil companies to reduce our dependence on OPEC oil, and a marvelous new slush fund for buying votes.

The men in Washington have made it clear that what comes first with them is not to solve the country's energy problems, but to profit by them. The tax is designed to make the U.S. government a beneficiary of all future OPEC price increases. And combined with the huge subsidies for synthetic fuel also rolling through Congress, it will come close to nationalizing the energy industry, reducing the oil companies to two roles: marketing OPEC oil and performing contractual services for the U.S. government. Investment in energy development will flow not to the cheapest alternatives, but to those that spread government largess to the widest number of congressional districts.

The tax will simultaneously discourage U.S. oil exploration and deprive the industry of the revenues necessary to establish itself in new technologies and energy sources. U.S. oil will be sold at the OPEC price, but U.S. producers will not receive that price. A benchmark price for U.S. oil is established, and the government takes 70 percent of the excess. The higher the OPEC price rises above the benchmark, the higher the government take, and the lower the incentive to recover oil from increasingly expensive environments.

Meanwhile, numerous bills have been introduced to give some of this money back to the oil companies to develop even more expensive energy, making synthetic fuels. For example, in the Senate there is legislation afoot to establish a Synthetic Fuels and Alternative Fuels Production Authority to the tune of $75 billion. In the House there is legislation to establish a government-owned Synthetic Fuels Reserve Corporation. According to Rep. Toby Moffett, who has played a leading role in creating the energy problem, "The synthetic fuel thing is greased. You've never seen such a locomotive."

There are no economic or energy reasons for discouraging the domestic production of relatively cheap natural fuels and establishing the government in the business of funding the development of relatively expensive synthetic fuels. But there are plenty of political reasons for doing so. Politicians can curry favor with voters by punishing oil companies for the gasoline lines caused in fact by DOE regulations, and they can use the multibillions of dollars in new tax revenues to hand out favors. Foremost of all is the additional power that accrues to government from control over the production and allocation of energy. Who can afford not to "cooperate" with Washington when he needs a government allocation before he can produce a product, offer a service or build a plant?

Some oil companies, especially those with little or no U.S. oil, might look forward with relief to becoming government contractors. There's nothing like cost-plus contracts to remove the risk from new ventures and untried technologies—or to balloon the cost of energy to the consumer. Many of the companies have already been trained to this role by the foreign governments who expropriated their equity and transformed them from owners to contractual marketing agents.

Faced with de facto nationalization of their energy activities, the oil companies naturally will try to protect the private equity they retain by diversifying into new lines of activity, limiting their energy role to no-risk government contracts. Having lost their property rights in oil abroad, they are now undergoing a full-fledged attack on them at home. The U.S. government is not yet expropriating department stores or electrical equipment manufacturers, so private capital seeks safety in these investments.

The future currently being sketched out in Congress is cushy for the politicians, and perhaps comfortable enough for some of the oil giants. But it is also a prescription for permanent and mounting energy problems. Do we really want energy provided in the same manner as mail and rail services, at the same expense as defense-cost overruns, and by the same people whose energy policies have given America the only gasoline lines in the world?

[From the Oil and Gas Journal, June 18, 1979]

SWEARINGEN SEES CONTINUED TIGHT OIL SUPPLY

The global crude shortfall—now about 2 million b/d—will last at least another 5 years, so industrialized nations will remain on the "ragged edge" of the energy supply/demand balance at least that long.

Any hope that Saudi Arabia will bail the world out of its energy troubles by producing a surplus of crude is just "a chimera," says John S. Swearingen, chairman of Standard Oil Co. (Ind.).

He told the International Monetary Conference in London last week that the days of plentiful supplies of cheap energy are over. To compensate, governments should try to cut energy consumption and allow energy prices to rise to their natural levels, Swearingen said.

For the time being, however, emotionalism is preventing the industrialized world from effectively dealing with the energy problem.

"Nostalgia for the past and fear of the future are intense," Swearingen said. "Ultimately, however, this high emotionalism will subside.

"Just as the prospect of hanging sharpens the mind, so does economic distress, once its causes are properly identified, bring a people together."

No more surplus. Swearingen said it would be "unrealistic in the extreme" to expect Saudi Arabia or other members of the Organization of Petroleum Exporting Countries to produce a surplus of crude.

"When you make more by producing less, and preserve your precious resources in the bargain, there are few incentives for increased production."

Swearingen emphasized that oil companies don't control OPEC policy.

Saudi Arabia, OPEC's biggest producer, formerly was willing to use its excess productive capacity to moderate efforts of some OPEC members to push prices to maximum levels. But that's changing, Swearingen said.

"Today, the Saudis feel that their own national self-interest dictates the building of bridges to their more militant neighbors. The idea that the Saudis will always be there to bail us out is little more than a chimera—especially when the realities of the day are taken into consideration."

As a consequence, crude supplies will remain tight in the near term.

"Even without widespread shortages, the industrialized nations of the world will be living on the ragged edge."

Regaining control. Industrialized nations can regain control of their energy futures by cutting consumption and facing up to higher costs of energy supplies, Swearingen said.

He urged consuming nations to comply—"preferably by the end of this year"—with the International Energy Agency's goal of reducing energy use by 5% in all member nations.

Success of that cutback "hinges in large part on the actions of my own country," which has "nothing resembling a coherent national energy policy," Swearingen said.

He applauded President Jimmy Carter's move to decontrol oil prices in the U.S., saying West Germany already has adopted that approach.

"Let prices rise to their natural levels, let higher prices be passed on to consumers, and a drop in consumption will naturally follow."

The U.S. can expand energy supplies during the mid-1980s ot 2000 by burning coal to produce electricity and producing crude from oil shale, coal, and tar sands, Swearingen said.

"But we must keep sharply in mind the magnitude of the task at hand."

He estimated the U.S. would have to invest $200 billion during 8-10 years to replace 8-10 million b/d of imported oil with oil from coal or shale. And he said solar power, geothermal power, and other forms of exotic energy "cannot be viewed as workable worldwide alternatives until well into the 21st century."●

CONTRASTS IN LAWMAKING

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. CAVANAUGH. Mr. Speaker, Mr. Thomas A. Fogarty, a Nebraska journalist, has written an unusually perceptive comparison of the greatest representative legislature ever created. Consideration of the contrast and similarities between the operation of the U.S. Congress and the Nebraska Unicameral Legislature is both interesting and informative. Each Member of Congress and every American's understanding of the objectives of their institutions of Government could be enriched by reading Mr. Fogarty's analysis:

WASHINGTON, LINCOLN OFFER CONTRASTS IN LAWMAKING

In Washington, the congressional bill hopper is chock full of political symbols.

They express the concern of introducers for full parity for farmers, the rights of children to pray in public schools, balanced federal budgets, proposals to decrease congressmen's salaries when inflation increases and hundreds of other unattainable and not necessarily desirable goals.

The proposals cascade into the hopper—useless, redundant or blatantly unconstitutional—and over the course of a two-year Congress, the bills number in the tens of thousands.

Perhaps more often than not, a member of Congress will use the introduction of a bill simply to project an image of concern. He may not really care about the bill. He may even oppose its passage.

Contrast bill introductions in Congress with the recent session of the Nebraska Legislature in which 47 percent of all bills introduced ultimately became law.

Unlike congressmen, Nebraska lawmakers have a limit on the bills they can introduce. The current 10-bills-a-year limit will be reduced to a 17-bill limit per two-year period beginning in 1980.

The mere introduction of a bill in Nebraska guarantees at least a gentle push down the road to enactment because legislative rules require a public hearing for each bill. In Congress, committee and subcommittee chairmen are free to choose the issues that will have hearings. But in Nebraska, the wishes of Unicameral committee chairmen have no bearing on whether the issue will be opened to public debate.

This is not to suggest that the members of the Unicameral necessarily have more worthy motives in the bills they choose to introduce. A large percentage of their bills are promoted by special interest groups. The internal limitation does, however, demand a degree of state senator commitment to the concept contained in any bill that is not necessarily required of federal congressmen when they introduce proposals.

The more parsimonious attitude toward bill introduction in the Nebraska system of legislating is but one of many differences that exist between Congress and the Unicameral.

A side-by-side comparison of the two legislatures is impossible. The roles and scopes of state and national legislatures vary greatly.

For example, the budget which the Congress is preparing for next year is 884 times larger than that which the Nebraska Legislature recently adopted for the state. Congress enacts laws for a population 141 times greater than that of Nebraska.

Setting aside some of the obvious differences, the U.S. Congress and the Nebraska Legislature do have a basis of comparison in that they are different manifestations of the same theory of representative government.

Since 1789, the Congress has provided a model for 50 state legislatures, all but one of which has grown up as faithful two-house replicas of the system created by the founding fathers.

At the age of 67, Nebraska rejected its two-house legacy and announced the equivalent of a legislative sex-change. The two-house legislature included one house too many, Nebraska voters declared.

The bold experiment in government continues today. The Unicameral is fully grown now. It maintains some of the characteristics of the national legislature, but its unique form has also caused significant departures from the conventional two-house, partisan system.

Nebraska's relatively weak committee system, the absence of formal political parties, the one-house structure and more restrictive rules of the body make it more open and simpler for citizens to understand. Those factors also combine to create a brand of politicking based more on personalities and one-on-one persuasion than is found in Congress. There, it is giant political, corporate, government and social institutions that define the politics. Most individual legislators are overshadowed by the huge institutions which set the congressional agenda.

In a sense, the openness of the Nebraska system creates greater political hazards for its legislators. Its relative structural simplicity and the less cosmic nature of the issues which come before it create political liabilities. Constituents are better able to understand the decisions that the state legislator makes.

Advancement of a bill in the Nebraska Legislature toward passage is definitive, not equivocal, as is the case in Congress. Advancement in a single house of a two-house legislature is meaningless unless the other house acts in a like manner. Absent in the Nebraska Legislature is the comfort of having another house act as a safety net for irresponsible decisions.

In Congress, the house which acts first on a bill has the greater luxury of demagoguery on that issue. Consider, for instance, a public works appropriation bill. If the political winds at a given time dictate wholesale reduction of water projects, the House (which constitutionally must initiate spending measures) can make the cuts, garner favorable press reviews, tell constituents about their commitment to fiscal conservatism and still know that the projects will continue to be funded because the Senate version will continue funding.

A conference committee of senators and representatives meeting to reconcile the versions of a bill passed by their respective houses can quietly slip the projects back in, and nobody's ox has been gored.

In the Nebraska Unicameral the game is played in a different form. To be sure, projects are inserted and deleted for political reasons as appropriation bills move toward passage.

In the recently concluded session, lawmakers wanted to rattle their sabers at the University of Nebraska Board of Regents to demonstrate just who runs the University. So the $1.6 million air conditioning unit for the East Campus—one of the top capital construction priorities set by the regents—was deleted, then re-inserted at several points of the legislative process.

But because a single appropriations bill works its way through a single body toward final passage, the antics of funding and deleting projects are played in full public view. If a senator wants to insert or delete a project for his political advantage, he had either be prepared to live with the consequences of losing the project or publicly change his position at the next stage of consideration.

Other procedures of the Legislature make it a more straightforward approach to lawmaking and less susceptible to gamesmanship. In Congress, a bill must pass through a rules committee before reaching the floor of either house. The committee has tremendous power over the fate of the bill because it sets the rules under which it will be considered.

The committee is able to decree the length of debate, whether it can be amended and, in some cases, it stipulates which specific amendments may be offered to the bill. In Nebraska's Legisature, a general set of rules applies to all bills, which are open to virtually any amendments that may be offered.

The Nebraska Legislature, too, is restricted to single-subject bills. The U.S. Senate, on the other hand, is free to tack on any amendment, regardless of subject matter, to any bill, regardless of its subject matter. The House falls somewhere in between the extremes.

House rules require that an amendment be germane to the subject in the bill. On the other hand, it is free to approve a conference committee version of a bill which may include a diversity of subjects which may have been included in the Senate version.

More than four decades after Nebraska voters decided to do away with the extra house of their state Legislature, it appears that backers of the unicameral concept were right. The one-house system does provide a more open and accountable method of making laws. Just look at the way Congress is still doing it.●

BLAMING THE OBSTETRICIAN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. ROUSSELOT. Mr. Speaker, the Government does not belong in the oil business. The energy policy of the United States must encourage domestic exploration of energy resources to relieve our dependence upon foreign imports. Deregulation will provide the needed incentive for new exploration and will help our Nation's oil producers to attract needed capital. Failure to deregulate will only compound the current shortage situation and discourage the development of future supplies.

We have all been asking the question in the past year, "Who is to blame?" Milton Friedman has stated that blaming the oil industry for the current shortages is likely blaming the obstetrician for the baby. He states:

> There is an energy crisis because government has decreed that there shall be one.

In light of the need to decontrol the oil and gas industry I commend to my colleagues the following article. Americans are currently realizing the results of 6 years of Government regulation and control over the oil industry by the Department of Energy. These Government regulations and controls have served to aggravate rather than alleviate our energy problems, resulting in distortions of production and distribution, with accompanying soaring prices and shortages.

BLAMING THE OBSTETRICIAN

(By Milton Friedman)

The explanations of the energy crisis and gasoline shortage that gush forth from government officials, newspaper reporters and TV commentators are tantamount to blaming the obstetrician for the baby.

A rapacious oil industry did not produce the gasoline shortage. Wasteful consumers did not produce the gasoline shortage. Hard winter did not produce the gasoline shortage. Not even Arab sheiks produced the gasoline shortage.

After all, the oil industry has been around for a long time—and has always been rapacious. Consumers have not suddenly become wasteful. We have had hard winters before. Arab sheiks have desired wealth as far back as human memory runs.

Why now? The subtle and sophisticated people who fill the newspaper columns and the airwaves with such silly explanations of the gasoline shortage seem never to have asked themselves the obvious question: why is it that for a century and more before 1971, there were no energy crises, no gasoline shortages, no problems about fuel oil—except during World War II?

There is an energy crisis, there are gasoline lines, for one reason and one reason only. Because government has decreed that there shall be. Of course, government has not done so openly. The President never sent a message to Congress asking it to legislate an energy crisis and long gasoline lines. But he who says A must say B. The government, beginning with President Nixon on Aug. 15, 1971, imposed maximum prices on crude oil, gasoline at retail and other petroleum products. And, unfortunately, the quadrupling of crude-oil prices by the OPEC cartel in 1973 prevented those maximum prices from being abolished when all others were. Maximum legal prices for petroleum products—that is the key element common both to World War II and the period since 1971.

Economists may not know much. But we know one thing very well: how to produce surpluses and shortages.

Do you want a surplus? Have the government legislate a minimum price that is above the price that would otherwise prevail. That is what we have done at one time or another to produce surpluses of wheat, of sugar, of butter, of many other commodities, and, most tragically, of teen-age labor. The minimum wage is a legislated price above the price that would otherwise prevail for the labor of many teen-agers. Like every minimum price, it enhances the amount supplied and reduces the amount demanded, and so produces a surplus, in this case of unemployed teen-agers.

Do you want a shortage? Have the government legislate a maximum price that is below the price that would otherwise prevail. That is what New York City and, more recently, other cities have done for rental dwellings, and that is why they all suffer or will soon suffer from housing shortages. That is why there were so many shortages during World War II. That is why there is an energy crisis and a gasoline shortage.

There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now, not six years from now. Eliminate all controls on the prices of crude oil and other petroleum products. The gasoline lines would melt faster than the snows of winter.

Other misguided policies of government and the monopolistic behavior of the OPEC cartel might keep petroleum products expensive, but they would not produce the disorganization, chaos and confusion that we now confront.

Gas would cost less: And, perhaps surprisingly, this solution would reduce the cost of gasoline to the consumer—the true cost. Prices at the pump might go up a few cents a gallon, but the cost of gasoline today includes the time and gasoline wasted standing in line, and hunting for a gas station with gas, plus the $10.8 billion annual budget of the Department of Energy, which amounts to around 9 cents per gallon of gasoline.

Why has this simple and foolproof solution not been adopted? So far as I can see, for two basic reasons—one, general, the other, specific. To the despair of every economist, it seems almost impossible for most people other than trained economists to comprehend how a price system works. Reporters and TV commentators seem especially resistant to the elementary principles they supposedly imbibed in freshman economics. Second, removing price controls would reveal that the emperor is naked—it would show how useless, indeed harmful, are the activities of James Schlesinger and his 20,000 employes. It might even occur to someone how much better off we were before we had a Department of Energy.●

THE PROBLEM FACING THE FARMERS AND CONSUMERS

HON. BILLY LEE EVANS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. EVANS of Georgia. Mr. Speaker, I rise today to call for prompt action to deal with a serious problem facing the Nation's farmers and consumers. The strike by the independent truckers, who have the responsibility of transporting the majority of the country's raw foodstuff, is having a severe detrimental effect on our farmers. Millions of dollars worth of fruits and vegetables are ready for harvest, but cannot be sent to market because of the lack of truck transportation. This situation is getting worse every day as evidenced by the state of emergency declared yesterday in the State of Florida.

I find it intolerable in these days of rising food costs that thousands of acres of fruits and vegetables across the Southeastern United States are today rotting in the fields because they cannot be transported to the consumer. Immediate action is necessary to solve this problem. This produce will not be there tomorrow.

The administration and the Congress have already declared that agricultural operations shall receive priority in the allocation of fuel in order to provide the Nation with an adequate food supply. This policy does no good; however, if agricultural produce cannot be transported to processors and consumers.

We must act now to make sure that the necessary truck transportation is provided. Carriers of agricultural commodities should be given a high priority in the allocation of diesel fuel supplies. Adequate protection should be given to truckers who transport these commodities. The Government must assert that the delivery of agricultural produce is essential to the welfare of its citizens and that action to prevent its transport by truck will not be tolerated.

We have an opportunity here to prevent an economic disaster. The farmer who has overcome the natural risks of farming should be able to sell the product of his labor. The consumer, already strapped by rising food prices, should not be forced to pay even more for produce that is now readily available.

If the Government does not act immediately to solve this problem we will be forced to act later to alleviate the economic distress that will result in farming communities across the Nation.

I propose that we act now and I join my distinguished fellow Georgians and former Members of Congress in the following message which has been sent to President Jimmy Carter:

> In the spirit of patriotism, Americanism and for and because of the impending threat to our national security, and not for any personal or political reasons, we submit that unless immediate transportation is provided for the movement of millions and perhaps billions of dollars worth of farm produce, our nation will face disaster, catastrophy and anarchy. We former members of the Congress of the United States and legal residents of the great state of Georgia stand ready to support you in any way we can.
>
> Respectfully submitted,
>
> John W. Davis, Bill Stuckey, David Gambrel, Carl Vinson, Robert Stephens, Maston O'Neal, Don Wheeler, Braswell Deen, Sr., Billy L. Evans.●

JAY SIGEL CONQUERS AMATEUR GOLFING WORLD

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure to present to you and my colleagues today the accomplishments of an outstanding young man. Jay Sigel, a constituent of mine from Berwyn, Pa., recently achieved a truly great feat in the world of sports which I would like to bring to the attention of my colleagues.

Jay Sigel is 34 years old and is a highly successful insurance executive. For many years he has enjoyed unanimous acclaim as the best amateur golfer in the Delaware Valley as well as in the Commonwealth of Pennsylvania. Earlier this month Jay emerged victorious from the British Amateur championship, the 21st American to win this prestigious title. This thrilling victory has catapulted Jay into the ranks of the best international players. It is an accolade greatly deserved, as Jay Sigel overcame a serious accident which jeopardized his golfing career to become one of the finest amateur golfers in the world today. His success has been continuous since his earliest days of participation in the sport, and he has consistently dominated the Philadelphia area golf scene for some 20 years. Among his many victories are:

PIAA State Champion, 1960, 1961.

International Junior Chamber of Commerce Champion, 1961.

Pennsylvania Amateur Champion, 1962, 66, 68, 72–76, 78.

Philadelphia Amateur Champion, 1973.
Pennsylvania Open Champion, 1974.
Philadelphia Open Champion, 1975, 77, 78.
Walker Cup Team Member, 1977, 79.
World Cup Amateur Champion, 1978.
Amateur Athlete of the Year, 1977 (Phila. Sportswriters' Association).
Masters Championship Qualifier, 1978, 79.
U.S. Open Championship Qualifier, 1974.
British Amateur Champion, 1979.

Unlike the U.S. Amateur tournament, the British Amateur attracts the top players from around the world to compete for this title. I believe that Jay's recent victory is deserving of our praise and congratulations, but more, that Jay Sigel deserves to be recognized as the outstanding amateur golfer in the world today.

Mr. Speaker, the Philadelphia Inquirer recently chronicled Jay's golfing career, and I request that you include this article in my remarks. Finally, I ask each of my colleagues to join me in offering our heartiest congratulations to this young man, who brings honor not only to the Fifth Congressional District and the Commonwealth of Pennsylvania, but to all Americans who enjoy the game of golf.

JAY SIGEL: ATOP BEST OF WORLDS

(By Bill Livingston)

Although his name now joins the ranks of such former British Amateur winners as Lawson Little and Bobby Jones, Jay Sigel remains a household word mainly in the households around his home course, Newtown Square's Aronimink GC.

His game is *amateur* golf, after all, and the sporting press, when it turns to this leisurely sport, usually focuses on the $353,000-plus won just this year by Tom Watson. Or it dwells on the hibernation of the Golden Bear, Jack Nicklaus. Or it records all those majestically rich weekly winners of all those Kemper Opens and Byron Nelson Classics.

Even last weekend's feat by Sigel, a 34-year-old insurance executive from Berwyn, who became the first-ever Philadelphia winner of the tournament, will be lost amid the hub-bub surrounding this week's U.S. Open.

But before Sigel defeated Scott Hoch of Raleigh, N.C., a man 11 years his junior, 3-and-2 in Southport, England, to win the British Amateur, he had already established his credentials as the dominant figure on the Philadelphia golfing scene.

He is the only player ever to win the local version of the Grand Slam of Golf, the so-called Pennsylvania Slam. Sigel has won the Philadelphia Amateur, the Philadelphia Open, the Pennsylvania Open and Pennsylvania Amateur, the last tournament a staggering nine times. He's also a former Pennsylvania Interscholastic League champion, when he attended Lower Merion High School.

Shortly after that, after an unhappy semester at collegiate golfing power Houston, he became the first recipient of the Arnold Palmer Scholarship to Wake Forest, where he was expected to hitch up his trousers and trample par to death in the same fashion as had Arnie, who personally recruited him for Wake.

He won the Atlantic Coast Conference championship twice and twice was selected to the collegiate all-America team at Wake Forest.

Then, in his senior year, Sigel somehow put his left arm through a glass door. Sixty stitches and a 3½-hour operation were required to knit Jay Sigel's hand back together. The door to the PGA tour closed right there.

"Maybe it was a blessing in disguise," he said. "More than anything else the injury influenced me against turning pro. I was afraid the wrist would never be strong enough to hold up during day-to-day competition. I would get cramps in the left hand and the right would take over. I got 'flippy wrist.' "

Constant exercise rebuilt the wrist, but Sigel found himself lining up policies for John Hancock rather than putts for birdies on the pro tour. "I'm very fortunate that I have a wonderful family (he and his wife, Betty, have three daughters) and a job I thoroughly enjoy. You never grow too old for insurance and it allows me to do something I've enjoyed all my life," he said.

Although Sigel probably has never enjoyed a tournament as much as last week's British Amateur, he summed up the satisfactions of golf well in 1974, when he rampaged all over Wilmington's Bidermann Club with his best-ever competitive round, a 66, which was the springboard for a devastating performance in the Philadelphia Open. Sigel, playing against local pros, won the event by 12 strokes with a 137 total for 36 holes.

It is said that the perfect round in gold is an impossible concept of dreaming minds on slow, green summery days. The PGA tour, in all its windings over all its courses, has offered only one afternoon of such magnificent realization of potential. Most golf fans know about that—the time Al Geiberger shot a 59.

Said Jay Sigel of his 66: "Except for one hole, I got as much as you could possibly expect from each shot."

As a result of becoming the 21st American winner in the 94 years of the British Amateur, Sigel gains an exemption to next year's U.S. Open, played at Baltusrol in Summit, N.J., and to the British Open for the next two years. As a Walker Cup team member he was already exempt from qualifying for this year's U.S. amateur and for next year's Masters, a tournament he has played twice.

What can you expect from life? A job you enjoy? A chance to play a game you love, a game whose structure makes a liar of the calendar and allows its skills to grow finer with age? To not only play it for the satisfaction of self, but to pit your skills against the most bedeviling tournament geography of the most demanding courses on the globe?

The only difference between Sigel and the PGA players is that the perfect round is an ornament to an amateur's otherwise full life, not an obsession.

"I have no regrets now," Jay Sigel said.●

INFLATION

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

SLOW GROWTH INFLATIONARY: OUTPUT IS KEY TO BUYING POWER

(By Arthur B. Laffer)

Money is fungible. It crosses national boundaries with ease. A wide variety of money market instruments exists allowing the unimaginable of one day to become reality the next. If it can be done at all, money can do it.

Inflation, which is on everyone's list as public enemy number one, is nothing other than the decline in the purchasing power of the monetary unit. This unit, in the case of the United States, is the U.S. dollar.

As such, inflation quite simply results from an imbalance between the supply of dollars and the supply of goods. It has nothing whatsoever to do with Alfred Kahn, the jaw-boning of the Council on Wage & Price Stability (COWPS) or other such nonsense. Any policy to reduce inflation must reduce the supply of dollars vis-a-vis the supply of goods. Alternatively stated, an anti-inflation policy must increase the supply of goods more than the supply of dollars. The process of inflation involves both the money supply and the supply of goods.

The relevant measure for money transcends national boundaries. Just as the Los Angeles money supply is not the appropriate money measure for Los Angeles inflation, so too the United States money supply is not the appropriate measure for U.S. inflation. Money markets are global in scope and inflation is a worldwide phenomenon.

Over the past year there has been a 33 percent increase in one dollar measure of global money. The bulk of this increase occurred prior to President Carter's announcement of the massive dollar rescue program of November 1, 1978. Since November, global money grew at a 20 percent annual rate but, has accelerated sharply in the last month. Recent dollar growth rates, large as they are, pale in comparison to money growth rates as measured in Japanese yen, Swiss francs, or West German marks. World money as measured in these currencies has skyrocketed.

Since November, the dollar has appreciated by some 20 percent, 14 percent, and 8 percent against the yen, franc, and mark, respectively. This appreciation marks a sharp reversal in the patterns of the past eight years. But, it would appear that the entire reversal has resulted from a complete disappearance of discipline from the German and Japanese monetary authorities as opposed to a "new found religion" in the United States. A depressing picture is rapidly emerging. While grim for the dollar, the picture is absolutely terrifying for the supposedly "strong" currencies.

The monetary side is only half of the total picture for inflation. Slow output growth is just as inflationary as rapid money growth. The slower the growth in output the higher will be the rate of inflation. To see this point clearly one need only imagine what happens to apple prices when there is a bumper crop. Obviously, the price of each apple falls. Likewise, when there is an apple shortage the price of each apple rises. Similarly, the more goods there are the lower will be the price level.

Inflation, along with the U.S. tax codes, leads to ever-higher tax rates. Whether pushing income earners into higher tax brackets or forcing firms to underreport their expenses or leading to illusory capital gains, inflation raises tax rates. And unfortunately, people don't work to pay taxes. Firms do not produce goods as a matter of social conscience. People work, in part, to earn after-tax wages and firms produce goods to earn after-tax profits. High and rising tax rates discourage production by removing incentives.

The bottom line is that without major legislation inflation will increase tax rates and reduce output growth. The "Catch 22" syndrome is that lower output further increases inflation. The process is self-reinforcing and strong. By way of illustration, an inflation rate of 7 percent annually will raise the marginal tax rate (tax bracket) of a family with $25,000 income to 38 percent in 1985 and 46 percent in 1990 from 28 percent in 1978.

President Carter and others assure us that there will be no Federal tax cuts in this session of Congress. Without being forced to face the voters they probably are correct. As a consequence, the prospects for output growth are dismal. Slow growth in output and rapid monetary expansion inexorably result in higher inflation. The Mikado should take note.

Forecasters abound. Most make their living by selling their forecasts and not by living by them. But, interest rates are one forecast where influence is determined exclusively by financial commitment. These forecasts have a definite ring of truth. When translated, interest rates foretell a period of higher inflation in the United States. In the global panorama the prognostications if bad for the United States are far worse for countries such as Germany and Japan.●

A POLICY OF FEAR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. MICHEL. Mr. Speaker, it is becoming evident that for the first time in our Nation's history we are engaging in a foreign policy increasingly based on fear.

American Ambassador to the United Nations Andrew Young recently suggested that part of the reason the administration has not lifted the sanctions against Rhodesia was fear of offending Nigeria, whose oil is important to us.

The entire argument of the administration for ratification of the Salt II Treaty is based on fear of what the Soviet Union will do unless it gets what it wants.

I would rather face problems resulting from a drop in imported oil than constantly live in fear of disturbing Nigerian leaders. And is it too much to ask that when a Soviet leader tells an American President to his face what the Senate of the United States can and cannot do, that the President would tell the Soviet leader—in diplomatic terms of course—to shut up, sit down, and mind his own totalitarian business? Perhaps I lack the proper diplomatic touch but you get the drift of my suggestions. Foreign policy based on fear is doomed to failure.

At this point I wish to insert in the RECORD, "Rhodesia, Cont'd," from the National Review, June 22, 1979, and "Fear of Rejection," the Wall Street Journal, June 16, 1979.

The articles follow:

RHODESIA, CONT'D

"Our interests there are somewhat limited." Thus, Ambassador Andrew Young discussing Rhodesia on "Meet the Press," June 3. Brian Crozier (see "The Protracted Conflict," p. 786) definitely demonstrates that Mr. Young is taking, as usual, strategic twaddle. Today, with a new government based on successful elections, a good chance of retaining most of its white minority, and at least a decent chance against Soviet-backed guerrillas, Rhodesia stands athwart Soviet goals in southern Africa.

Taxonomical notes: Pay close attention to the terms of the Rhodesia debate as it unfolds. For example, in 1973, during the OPEC oil boycott, the entire U.S. foreign policy establishment and its media allies made it clear that U.S. policy on Israel would not be affected by oil considerations. We were independent, yessiree. Today, however, we are being told that U.S. policy on Rhodesia must be submitted for approval to Lagos, Nigeria—because Nigeria is an exporter of oil. Listen to our reverend UN ambassador, bloviating on "Meet the Press": "I was thinking the economic realities [sic] of our economic interdependence with the entire African continent, and particularly the British dependence on Nigeria as their largest trading partner was very bluntly brought home to Britain when Nigeria decided that a British firm would not be allowed to bid on a $200-million port development contract, and when the British Deputy High Commissioner complained about it, he was given 48 hours to get out of the country." It's a good thing, whew, that Nigeria did not issue these threats when Israel was concerned.

The Senate, now firmly convinced that the President would have to be saved in spite of himself, is standing on Article I, Section 8 of the Constitution, which says, unequivocally, that "the Congress shall have power to regulate commerce with foreign nations." Last week the Armed Services Committee reported out, by a vote of 13 to 3, a veto-proof FY 1980 defense bill which lifts the sanctions against Zimbabwe-Rhodesia.

Bad news: Even if the U.S recognizes the Muzorewa government and lifts sanctions, *Young will not resign.* "I don't think—you know, I didn't get in this job thinking I was going to win every battle."

Hell, no, Young won't go—not until 1980, that is.

FEAR OF REJECTION

The long-imminent strategic arms treaty has finally arrived, and over the next few weeks there will be plenty of time for detailed textual analysis. But listening to many of the proponents over the last few months, we have heard that the text hardly matters. Whatever the flaws the provisions are the best we can do, they argue, and rejecting the deal will only make matters worse.

At the Vienna summit, Soviet Chairman Brezhnev backed this argument with some threats of his own. If the U.S. Senate rejects or even amends the treaty, he warned of "grave and even dangerous consequences for our relations and for the situation in the world as a whole."

The fear of rejection has to be faced squarely. It will be the great subterranean force behind the drive for ratification. Its influence reaches far beyond a final up-or-down vote. In our judgment it has already profoundly influenced the negotiations. And certainly it will influence the drive for amendments. Proposals for amendment are likely to be met not with arguments on their merits but with the objection: yes, yes, but do you want to kill the treaty?

Fear of rejection is in large part simply fear of the unknown, but if you try to break it into analytical pieces you come up with two concerns. Without the treaty, the Soviets will accelerate their military buildup. And without the treaty, the Soviets will stir up more trouble around the world. But the Soviets are already turning out arms like sausages, and are already stirring trouble from Cambodia to Angola to South Yemen. Will SALT really cause them to be more reasonable, or rejecting SALT cause them to be less so?

Even more precisely, what are the real constraints on the Soviets? It's hard to find any serious constraint on their weapons program in SALT. They have conducted a huge build-up, both strategic and conventional, under SALT-I. SALT-II will require them to deactivate some 250 missile silos, but it allows them to add some 5,000 warheads. Within the treaty they can meet any military requirement they are likely to want. Why would they build more without it?

The truly serious constraint on Soviet weapons-building is the economic one. Last June the CIA issued a public assessment of Soviet military spending, showing it growing 4 percent to 5 percent a year in constant prices, consuming 11 percent to 13 percent of the Soviet GNP, and consuming one-third of the output in machine building and metalworking. A slowing Soviet economy will make it more difficult to sustain this pace, the CIA estimated, but predicted at best a marginal slowing. It added, "Conclusion of a SALT II agreement along the lines currently being discussed would not, in itself, slow the growth of Soviet defense spending significantly."

In the political field, the Soviets have stepped up emigration permits and made a few friendly gestures. But even the gestures are marred by what seems a congenital ill-nature; as when they allow a dissident to flee but drag their feet over his family. In geo-politics, they have supplied arms aid to establish new Marxist regimes in South Vietnam, Laos, Cambodia, Angola, Ethiopia, Afghanistan and South Yemen. Without SALT, without détente would it have been nine nations instead of seven?

Regardless of treaty ratification, the Soviets will be constrained by their economic problems, by their succession uncertainties, and most of all by fairness about awakening a West still full of latent power. That is not to say, of course, that it's impossible to wring more military expenditure out of a stagnant economy. And it certainly is not to dismiss the possibility that they might react to the rejection or amendment of SALT II with a show of belligerence somewhere in the world, exploiting sooner rather than later the opportunities implicit in a deteriorating U.S. military posture, even in crucial areas such as the Middle East. Yet unless the West does something to redress the underlying military and political deterioration, these opportunities will only grow, and ultimately and inevitabiy be exploited, with SALT or without it.

This is why Senator Jackson has started to talk about "appeasement." About this he was rather precise: "Diplomatic accommodation becomes appeasement when we make concessions out of fear that the Soviets will cause trouble around the world unless we yield to their desires." The precise mistake made at Munich was to yield to unreasonable demands out of fear of what would happen if those demands were rejected; we learned that appeasement leads to yet more unreasonable demands and higher risks of conflict.

So the debate on SALT comes back to whether the text released yesterday can withstand the scrutiny it will receive, whether it really provides equality or advances the Soviet buildup, whether its terms are meaningful constraints or vaguely ambiguous. If it fails in these respects it should be amended or rejected. If there is no treaty, the essential constraints on Soviet behavior will remain. If a bad treaty is approved, the result is not likely to be a more reasonable Soviet Union. Rather, the result will be even more bold and strident Soviet demands.●

A MAGNIFICENT STATEMENT ON OUR NATION'S ENERGY PROBLEM BY FORMER TREASURY SECRETARY WILLIAM E. SIMON

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. VANDER JAGT. Mr. Speaker, I want to bring to the attention of my colleagues a truly outstanding statement by our country's former Treasury Secretary William E. Simon relative to our Nation's energy problem. This article by Bill Simon, who also served as Administrator of the Federal Energy Administration a number of years ago, appeared in the June 12 edition of the Oil Daily. As this Congress now prepares to deal once again with energy legislation, primarily the so-called "windfall profits" measure, I earnestly urge all Members to read this magnificent statement.

I would particularly stress several points in Mr. Simon's statement. First, and foremost, he states:

> The whole point of decontrol is to encourage production and competition, giving the consumers the best price possible.

Another segment of his statement is worth emphasizing:

> America has the ability to solve its energy and economic problems. That ability does not depend on more governmental solutions to those government created in the first place. Government doesn't create wealth; people do. The genius of the American free enterprise system has been, and continues to be, our ability to produce our way out of crisis.

The entire article, entitled, "Central Challenge Is How To Rekindle America's Pioneer Spirit," follows:

CENTRAL CHALLENGE IS HOW TO REKINDLE AMERICA'S PIONEER SPIRIT

(By William E. Simon)

Listening to President Carter's latest energy message, I kept saying to myself that I had heard all of this many times before. It was the same music set to different words.

The Carter Administration's "new" energy policy is based on old foundations. To be sure, the President has made some intellectual progress in recognizing at last that oil prices must be decontrolled. He rightly deserves credit for moving in that direction.

At the same time, his references to "ripoffs" and "enormous profits" which must be taxed away left considerable doubt in my mind that he will stick with price decontrol if Congress doesn't pass an affiliated confiscatory tax he has proposed.

President Carter has made a big point of decontrol's potential inflationary consequences. His advisors have tended to blame inflation on everybody and everything but those mainly responsible. They have blamed the unions, big business, the workers, obscene profits, and the American people.

Admittedly, current double-digit inflation is due to many factors. Not the least of these—and probably the basic cause—has been the irresponsible and excessive monetary policies of the government itself. To the extent that controls have any effect on inflation, they make it worse by discouraging production.

THE POINT

The whole point of decontrol is to encourage production and competition, giving consumers the best price possible.

If the congress and the administration want to identify the real culprit for our energy and economic crises, they should go home and look in the mirror. Our energy and economic situations should bear a label: "Made in Washington, D.C."

The latest set of complex taxes the President proposes show that his "new" energy policy isn't all that new. It largely is "the same old game" of trying to keep private industry under the thumb of the government. The main idea remains having Washington injecting itself into virtually every corner of the oil and gas business—closely examining, and ultimately controlling, how much the industry charges for its products, how much money it makes, and how it uses its profits.

There is an underlying assumption that every dollar made by an oil and gas company is dirty money—unearned money—and therefore should be subject to governmental direction

Certainly, President Carter's initial decontrol moves have to be applauded. But with a little more courage, it could have been done immediately—overnight.

Instead of the phased system, tied to added taxation there could have been one quick slice of the sword—and be done with it. Sure, that would have been a difficult political decision. But it would have shown that the President understood the problem and was willing to take political risks for the good of the country.

The White House contended that more rapid decontrol would have substantially worsened the rate of inflation. With the consumer price index climbing from a 4.8 percent annual rise rate in 1976 to nearly 15 percent today, that argument has an incredibly hollow sound to it.

If government removed the impediments and barriers it has erected to energy production, including all domestic crude oil price controls, the nation could move expeditiously toward greater self-sufficiency and break the stranglehold petroleum imports have on our economy.

Immediate decontrol would have generated confidence and a level of investment necessary to overcome petroleum exporting countries' ability to demand and get "blackmail" prices, such as a recent surcharge they tacked onto their oil. If the government had the courage to do so at that time, the market likely would not have sustained the surcharge.

From an inflation standpoint, we lost that one. Instead, we find ourselves still locked into the same old position of subsidizing foreigners because we are afraid to put money in the pockets of our own producers. Profits are what we need to destroy oil exporting countries' ability to blackmail us.

PRODUCE WAY OUT

America has the ability to solve its energy and economic problems. That ability does not depend on more governmental solutions to those government created in the first place. Government doesn't create wealth; people do. The genius of the American free enterprise system has been, and continues to be, our ability to produce our way out of crisis.

In the energy field, our country has a super abundance of natural resources and technology. It is government that is stifling the ability to bring them on-stream.

By the government's own admission, we have billions of barrels of oil awaiting exploration and production.

There are considerable natural gas supplies available, at slightly higher prices.

Half the free world's coal resources are in the U.S., enough to last 1,000 years.

Nuclear energy remains a viable source.

All these potential supplies are bound by constraints, such as federal and state limitations which have held U.S. coal mining to levels little more than they were four decades ago.

GOVERNMENT HOLDBACK

Domestic oil and gas production have been held back by government policies which artificially depressed prices and tied the petroleum industry's hands behind its back. The government encouraged consumers to believe they could have as much as they wanted at cheap prices.

In the nuclear area, we were the pioneers. Now it takes 14 years for us to build a nuclear power station, compared to 4½ years in Japan, for instance.

To break the stranglehold that petroleum exporting countries have on our economy and, importantly, on our foreign policy decisions, America needs a full-fledged double pronged attack:

Through conservation, effectively forcing necessary energy savings by allowing prices to reach market levels.

Through production, including development of alternate energy sources, such as shale oil production, safe use of nuclear power, and environmentally acceptable mining and burning of coal.

Nothing would more effectively force oil exporting countries to moderate their pricing and supply actions than the United States showing it is serious about conserving oil and gas and developing its readily accessable alternate energy resources.

Despite this, too many U.S. decision makers continue to cite excuses for the government running things with more of the same policies that put us in the position we are in today.

FAITH IN PEOPLE

What we so desperately need is for our elected leaders in Washington to stop placing so much faith in government and place more faith in the people themselves. Our greatness as a nation depends on trusting in our people as well as our ideals.

We are careening away from free individual choice and toward centralized governmental planning. Every year, we are becoming more and more like an energy police state.

The consumer is becoming increasingly regimented by Washington. Before long, I wouldn't be surprised to see government agents checking out thermostats. What is said to be voluntary seems to wind up actually being mandatory.

Bureaucracy is rapidly replacing a system of liberty which became the envy of the world. Government's major contribution in the energy field, for example, has been the creation of a Department of Energy, a bureaucratic sheikdom with a budget exceeding all the profits of the seven largest oil companies and the capital and exploration expenditures of the U.S. petroleum industry.

It has been estimated that the DOE spent $600,000 per employee in 1979, or $12.9 billion total.

What government has pretended to do is take all the risk and adventure out of living. As noted by author George Gilder, in a recent Harper's magazine article, it reflects an attempt to banish danger and uncertainty from human affairs. This is an odd approach for a nation built by risk takers, not risk averters.

"For those who doubt the decisive role of genius, of courage and of chance in history, the future always appears impossible," wrote Gilder.

Because government holds out the false promise of a safe, secure, and predictable world, too many have turned to it for all the answers. The true lesson of history is that the future is forever incalculable. It can be mastered only by those who are willing and permitted to tackle the unknown.

The central challenge of our time is how to rekindle the pioneer spirit, the spirit of adventure, of reaching into the not always predictable, and of preserving the liberty to do so.

Political courage and public wisdom are the keys to accomplishing this.●

DEFENSE TESTIMONY FAILS TO ENDORSE SYNTHETIC FUEL BILL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. PAUL. Mr. Speaker, I would like to insert in the RECORD an article that appeared in the Washington Post on June 13, 1979. It is not surprising that the subcommittee did not hear the testimony it apparently expected to hear, for the Defense Department had already testified before the subcommittee that a 5-year plan to create a commercial size synthetic fuels industry through massive Government subsidies is unrealistic.

The article follows:

DEFENSE TESTIMONY FAILS TO ENDORSE SYNTHETIC FUEL BILL

(By Richard L. Lyons)

A House subcommittee that had hoped to hear administration support for an expanded synthetic fuel subsidy program was frustrated yesterday when its witness failed to testify as expected.

Congressional Democratic leaders and their energy specialists have gotten behind a bill approved by the House Banking Committee authorizing price and loan guarantees to push conversion of coal to oil and production of other synthetic fuels. The committee bill would authorize $2 billion in federal aid to produce the equivalent of an extra 500,000 barrels of oil a day. The House leadership wants to at least double the program by floor amendments.

As part of the campaign to promote an expanded program, Rep. William Moorhead (D-Pa.), whose subcommittee wrote the original bill, asked the Defense Department to send a witness to discuss defense energy needs. He expected support for the program.

The statement that Deputy Undersecretary of Defense Ruth Davis submitted to the subcommittee a day in advance did exactly that, with a final paragraph stating that senior Defense officials believe the only short-term solution to "this serious national security problem [uncertainty of oil supplies], is for the United States to accelerate the commercial development of synthetic fuels."

But when Davis appeared yesterday morning, that paragraph, the only reference in her statement to synthetic fuel development, had been deleted.

It never became entirely clear what happened to that paragraph overnight. Rep. Stewart McKinney (R-Conn.), suggested that pennypinchers at the White House or the Office of Management and Budget ordered its deletion.

Davis said her original statement of support for stepped-up synthetic fuel development remains the position of top Pentagon officials, but she said she didn't know what the administration's position is. She said the paragraph of support was deleted within the Pentagon before the statement was submitted to some unnamed part of the administration for approval.

House Majority Leader Jim Wright (D-Tex.), who has become the chief cheerleader for the synthetic fuel subsidy, had sounded optimistic about getting administration support after a selling job at the White House last week. Yesterday, Wright said President Carter had told them he would have no objection to the proposal.

Part of the administration's reluctance to embrace the Wright bill reportedly is its desire to pay for any such program out of an energy trust fund it hopes to finance with proceeds from its proposed "windfall profits" tax on decontrolled oil, rather than from general funds.

Meanwhile, a group of senators led by Howard Metzenbaum (D-Ohio), and Edward M. Kennedy (D-Mass.) cosponsored a package of five mandatory energy conservation bills. Some had been dropped from Carter's omnibus energy bill last year. They would ban the sale of gas-guzzling cars, require retrofitting furnaces when a building is sold, require homeowners to have an energy audit conducted before selling their homes, require strict enforcement of the 55-mph speed limit, and require industrial motors to achieve minimum efficiency standards.●

ANOTHER TAX BILL AND ANOTHER "ANTIENERGY" STEP BACKWARD

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. VANDER JAGT. Mr. Speaker, as my colleagues realize, in recent days—our House Committee on Ways and Means has tried to deal with the question of "windfall profits." Unfortunately, in my opinion, the committee has reported another "big tax" bill and, more than likely, dealt a fatal blow to any future hopes of oil exploration and development in our own country.

Today's Wall Street Journal editorial, "The Great Oil Robbery," says it best. All in all the committee's bill amounts to an additional tax of $28 billion on domestic energy production over the next 5 years—a marvelous disincentive to the oil companies (and the independent wildcatters) to reduce our dependence on OPEC oil, and a marvelous new slush fund for buying votes.

My hope is that before we vote on this committee bill all Members will weigh it carefully. The measure has entirely the wrong approach, the wrong thrust and will produce the wrong results. The Wall Street Journal editorial follows:

THE GREAT OIL ROBBERY

We have said from the first that the President's "windfall tax" proposal was a revenue measure in thin disguise. This week the House Ways and Means Committee underlined the point with a vengeance, voting by 20-16 to raise the marginal tax on newly discovered oil to 70 percent instead of the 50 percent proposed by the President. The committee also amended the President's proposal in specific ways designed to squeeze more tax revenues out of Alaskan oil, marginal wells and old oil. All in all the committee's bill amounts to an additional tax of $28 billion on domestic energy production over the next five years—a marvelous disincentive to the oil companies to reduce our dependence on OPEC oil, and a marvelous new slush fund for buying votes.

The men in Washington have made it clear that what comes first with them is not to solve the country's energy problems, but to profit by them. The tax is designed to make the U.S. government a beneficiary of all future OPEC price increases. And combined with the huge subsidies for synthetic fuel also rolling through Congress, it will come close to nationalizing the energy industry, reducing the oil companies to two roles: marketing OPEC oil and performing contractual services for the U.S. government. Investment in energy development will flow not to the cheapest alternatives; but to those that spread government largess to the widest number of congressional districts.

The tax will simultaneously discourage U.S. oil exploration and deprive the industry of the revenues necessary to establish itself in new technologies and energy sources. U.S. oil will be sold at the OPEC price, but U.S. producers will not receive that price. A benchmark price for U.S. oil is established, and the government takes 70 percent of the excess. The higher the OPEC price rises above the benchmark, the higher the government take, and the lower the incentive to recover oil from increasingly expensive environments.

Meanwhile, numerous bills have been introduced to give some of this money back to the oil companies to develop even more expensive energy, making synthetic fuels. For example, in the Senate there is legislation afoot to establish a Synthetic Fuels and Alternative Fuels Production Authority to the tune of $75 billion. In the House there is legislation to establish a government-owned Synthetic Fuels Reserve Corporation. According to Rep. Toby Moffett, who has played a leading role in creating the energy problem, "The synthetic fuel thing is greased. You've never seen such a locomotive."

There are no economic or energy reasons for discouraging the domestic production of relatively cheap natural fuels and establishing the government in the business of funding the development of relatively expensive synthetic fuels. But there are plenty of political reasons for doing so. Politicians can curry favor with voters by punishing oil companies for the gasoline lines caused in fact by DOE regulations, and they can use the multi-billions of dollars in new tax revenues to hand out favors. Foremost of all is the additional power that accrues to government from control over the production and allocation of energy. Who can afford not to "cooperate" with Washington when he needs a government energy allocation before he can produce a product, offer a service or build a plant?

Some oil companies, especially those with little or no U.S. oil, might look forward with relief to becoming government contractors. There's nothing like cost-plus contracts to remove the risk from new ventures and untried technologies—or to balloon the cost of energy to the consumer. Many of the companies have already been trained to this role by the foreign governments who expropriated their equity and transformed them from owners to contractual marketing agents.

Faced with de facto nationalization of their energy activities, the oil companies naturally will try to protect the private equity they retain by diversifying into new lines of activity, limiting their energy role to no-risk government contracts. Having lost their property rights in oil abroad, they are now undergoing a full-fledged attack on them at home. The U.S. government is not yet expropriating department stores or electrical equipment manufactures, so private capital seeks safety in these investments.

The future currently being sketched out in Congress is cushy for the politicians, and perhaps comfortable enough for some of the oil giants. But is is also a prescription for permanent and mounting energy problems. Do we really want energy provided in the same manner as mail and rail services, at the same expense as defense-cost overruns, and by the same people whose energy policies have given America the only gasoline lines in the world.●

THE GASOLINE CRISIS

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. ROBINSON. Mr. Speaker, I rise to express total disgust about the confusing, contradictory plethora of Federal rules, regulations, controls and restrictions that have contributed so heavily to the present gasoline crisis.

As far as I am concerned, the current gasoline shortage represents the chickens coming home to roost for a recent succession of liberal-controlled Congresses, their regulation-happy friends in the Federal bureaucracy, and their like-minded cohorts at lesser levels of Government. Year after year, they have paved the way to the present mess by piling layer upon costly layer of more laws and controls upon the energy-producing segments of this Nation's economy.

Aided and abetted by some misguided public interest groups, they have raised Cain over numerous constructive energy growth proposals for the last decade, completely ignoring the fact that meeting basic human needs deserves precedence over curiosities like a lousewort plant or a small darter minnow. So they have stymied construction of essential oil and gas pipelines, blocked the development of new oil refineries and power plants. They have prevented rational exploration and development of promising energy fields in remote land areas as well as on the offshore ocean beds.

They have imposed unrealistic standards on auto-makers and refiners so that it now takes more oil to produce less gasoline. They have scapegoated the electric power industry, drastically disrupted the normal management operations of the oil industry and, through new mining requirements, are seriously impeding increased production by the coal industry.

All this can hardly be comforting to millions of citizens stuck in long waiting lines at the filling stations of America. But I think the record should be clearly pointed out. Thanks more to the Big Government crowd than to any oil cartel, we have been forced into our present plight.

We cannot hope to overcome present energy problems over the long term until Government in general starts eliminating the shortsighted controls that have handcuffed U.S. energy producers while rewarding the international oil cartel for its pricing irresponsibility. We have got to insist that the Department of Energy, EPA, OSHA, and all the rest of the regulators back off from trying to manage every aspect of the private enterprise system.

In order to reduce unhealthy demand on oil as a chief supplier of energy, we must also move full speed ahead with alternative energy innovations, like gasohol production, other synthetic fuel development, coal gasification, oil shale, solar, nuclear, and geothermal projects. Given a spirit of cooperation and reasonable compromise by both Government and private enterprise, it should be possible to develop these alternative energy supplies without jeopardizing either the environment or human health or safety.

The American people are not going to be forgiving if this Congress continues to dilly-dally instead of acting positively to overcome the fuel shortage.●

MAJOR CLEVELAND LABOR GROUP ENDORSES IRISH RESOLUTION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. BIAGGI. Mr. Speaker, it is a great pleasure for me to insert into the RECORD the text of a resolution adopted by the Cleveland AFL–CIO Federation of Labor in support of the work of the Ad Hoc Congressional Committee for Irish Affairs of which I am privileged to be chairman.

I am especially pleased with their support of House Concurrent Resolution 122 legislation which I introduced on May 17. It calls on the new Government of Great Britain to break the stalemate over Northern Ireland by embarking on a new initiative to restore human rights and self-determination. The resolution has 64 cosponsors at the present time.

I had the pleasure of speaking in Cleveland on May 29 at a luncheon sponsored by the Cleveland chapter of the Irish National Caucus. At that time an impressive coalition of labor, business, and political leaders from the Cleveland and Cuyahoga County area rallied around the theme of human rights for Northern Ireland. It demonstrated the extent to which recognition of the agony of Ireland is growing in America.

The ad hoc committee, 131 members strong, exists for the sole purpose of advancing a positive U.S. role in the pursuit of peace and justice in Ireland. The support we received from around the Nation provides a tremendously important incentive.

At this point in the RECORD I wish to insert the aforementioned Cleveland resolution:

RESOLUTION

Whereas the cornerstone of United States foreign policy is respect for human rights; and

Whereas part 1, article 1 of the International Covenant on Civil and Political Rights, to which both the United Kingdom and the United States are signatories, states that all people have the right of self-determination; and

Whereas the United States Congress is

deeply concerned over the tragic situation in Ireland; and

Whereas the United States has a meaningful role to play in the search for a just and lasting peace in Ireland;

Now, therefore, be it resolved, That the Cleveland AFL–CIO Federation of Labor support the work of Congressman Mario Biaggi's Ad Hoc Committee on Irish Affairs and the work of the Irish National Caucus on bringing about public awareness of the solution of the problem of Northern Ireland, and

Be it further resolved, That the Cleveland AFL–CIO Federation of Labor urge the Congress of the United States to call upon the Government of Great Britain to embark upon a new initiative for Ireland that ends all violations of human rights and promotes self-determination.●

HOUSE RESOLUTION 292

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mrs. SCHROEDER. Mr. Speaker, on May 30, Representative Mo UDALL, Representative ROBERT DRINAN, and myself introduced House Resolution 292, the House fair employment practices resolution. I am happy to drop the bill in the hopper again—this time with 43 cosponsors.

On June 6, a week after we introduced this legislation, the Supreme Court handed down a decision which presents House Resolution 292 in a different light—the Davis against Passman case. In this decision, the court reversed 5 to 4 the Sixth Circuit Court of Appeals decision in Davis against Passman and held that the fifth amendment gives congressional employees the right to sue in Federal court for damages for discrimination by their employers.

An instrumental factor in the decision was the fact that when Shirley Davis' constitutional rights had been violated, she had no form of redress other than the Federal courts; for Congress does not have a mechanism through which to implement clause 9 of rule XLIII of the House of Representatives Code of Official Conduct prohibiting sex discrimination. Our legislation, House Resolution 292, attempts to fill that void. It establishes a due process procedure for House employees, yet does not infringe upon the rights of Representatives to select staff based upon legitimate criteria related to job performance, nor does it prevent them from considering geographical, political, or other factors.

Next week, another "Dear Colleague" will be circulated on House Resolution 292. I urge my colleagues to take a close look at it and its provisions. You owe it to your employees and your constituents.

I include the following:

LIST OF COSPONSORS

Mr. Donald J. Pease of Ohio.
Mr. Howard Wolpe of Michigan.
Mr. Frederick Richmond of New York.
Mr. William Gray III of Pennsylvania.
Mr. Vic Fazio of California.
Mr. Bruce Vento of Minnesota.
Mr. Ted Weiss of New York.
Mr. Harold L. Volkmer of Missouri.
Mr. Don Edwards of California.
Mr. Daniel Flood of Pennsylvania.
Mr. Michael D. Barnes of Maryland.
Mr. Tony P. Hall of Ohio.
Mr. William M. Brodhead of Michigan.
Ms. Barbara Mikulski of Maryland.
Mr. Robert T. Matsui of California.
Mr. Pat Williams of Montana.
Mr. Abner Mikva of Illinois.
Mr. Charles Wilson of Texas.
Mr. Martin Frost of Texas.
Mr. John Buchanan of Alabama.
Mr. Jim Santini of Nevada.
Mr. Bill Frenzel of Minnesota.
Mr. Dante Fascell of Florida.
Mr. Matthew McHugh of New York.
Mr. Les AuCoin of Oregon.
Mr. Stephen Neal of North Carolina.
Mr. Dale Kildee of Michigan.
Mr. John Anderson of Illinois.
Mr. Edward Markey of Massachusetts.
Mr. Tom Downey of New York.
Mr. Stephen Solarz of New York.
Ms. Elizabeth Holtzman of New York.
Mr. John Seiberling of Ohio.
Mr. Paul Simon of Illinois.
Mr. Charles C. Diggs, Jr. of Michigan.
Mr. Paul McCloskey, Jr. of California.
Mr. Richard Gephardt of Missouri.
Mr. Berkley Bedell of Iowa.
Mr. Ron Dellums of California.
Mr. William Lehman of Florida.
Mr. Leon Panetta of California.
Mr. Richard Ottinger of New York.
Mr. Alvin Baldus of Wisconsin.

H. RES. 292

Resolved, That this resolution may be cited as the "Fair Employment Relations Resolution".

PURPOSE

SEC. 2. It is the purpose of this resolution to implement clause 9 of rule XLIII and clause 6(a) (3) (A) of rule XI of the Rules of the House of Representatives, by establishing a House Fair Employment Relations Board, a House Fair Employment Relations Office, and procedures for hearing and settling complaints alleging violations of clause 9 of rule XLIII and clause 6(a) (3) (A) of rule XI of the Rules of the House of Representatives by Members, officers, and employees of the House.

DEFINITIONS

SEC. 3. For purposes of this resolution, the term—

(1) "Board" means the House Fair Employment Relations Board established by section 101;

(2) "Office" means the House Fair Employment Relations Office established by section 201;

(3) "Director" means the Director of the House Fair Employment Relations Office established by section 201;

(4) "employee of the House" means any individual who is an employee of the House, or is treated as an employee of the House, for purposes of the Code of Official Conduct of the House of Representatives;

(5) "complainant" means an employee of the House or other individual who applies for a position in the House and who files a complaint under section 302;

(6) "respondent" means a Member, officer, or employee of the House against whom a complaint is filed under section 302;

(7) "Member" means a Representative in Congress, a Delegate to Congress, or the Resident Commissioner from Puerto Rico;

(8) "office of the House" includes the office of a Member; and

(9) "clause 9 of rule XLIII or clause 6(a) (3) (A) of rule XI" refers to clause 9 of rule XLIII or clause 6(a) (3) (A) of rule XI of the Rules of the House of Representatives.

TITLE I—FAIR EMPLOYMENT RELATIONS BOARD

ESTABLISHMENT

SEC. 101. (a) There is established an office of the House to be known as the House Fair Employment Relations Board. The Board shall consist of six members, selected from among individuals in the private sector, who have a demonstrated commitment to fair employment relations—

(1) three of whom shall be appointed by, and may be removed by, the Speaker of the House; and

(2) three of whom shall be appointed by, and may be removed by, the minority leader of the House.

No individual who has served as a Member, officer, or employee of the Senate or the House of Representatives or as an officer or employee of the Congress may be appointed as a member of the Board during the three-year period following the termination of his or her service as such a Member, officer, or employee.

(b) Each member of the Board shall be appointed for a term of four years commencing with the day after the expiration of the term of his or her predecessor, except that of the members first appointed—

(1) one member appointed by the Speaker and one member appointed by the minority leader (as designated at the time of appointment) shall be appointed for a term of two years commencing on the day on which this resolution is agreed to; and

(2) two members appointed by the Speaker and two members appointed by the minority leader (as designated at the time of appointment) shall be appointed for a term of four years commencing on such day.

Any member appointed to fill a vacancy occurring prior to the expiration of a term shall be appointed only for the unexpired portion of such term. Any member serving at the expiration of a term may continue to serve until his or her successor is appointed.

(c) The Board shall elect one of its members to serve as Chairperson.

(d) A quorum of the Board shall consist of four members, but no action of the Board in performing the functions and duties specified in paragraphs (1) and (3) of section 104(a) or in appointing or removing the Director under section 201 may be taken except with the concurrence of a majority of the members holding office.

(e) The Board is authorized to delegate to the Chairperson or any other member of the Board the authority to approve on behalf of the Board those actions of the Director which require approval of the Board under sections 201, 202, and 203.

COMPENSATION

SEC. 102. Each member of the Board shall receive compensation equal to the daily equivalent of the salary of the Clerk of the House for each day on which the member is engaged in performing his or her duties as a member of the Board and in traveling from or to his or her home to attend meetings of the Board. Each member shall also be entitled to reimbursement for transportation costs and actual travel expenses while so traveling in the same amounts as are payable to employees of the House.

MEETINGS; ADMINISTRATIVE SERVICES

SEC. 103. (a) The Board shall meet at least once every three months and shall also meet upon call of the Chairperson or of a majority of the members holding office. Notice of any meeting of the Board shall be given to all members at least three days prior to such meeting.

(b) All necessary administrative services required by the Board shall be furnished by the Office.

FUNCTIONS AND DUTIES

SEC. 104. (a) It shall be the function and duty of the Board—

(1) to establish and publish policies and guidelines for the implementation and enforcement of clause 9 of rule XLIII and clause 6(a) (3) (A) of rule XI;

(2) to supervise the actions of the Director and the operations of the Office through the Director; and

(3) to hear and determine complaints alleging violations of clause 9 of rule XLIII and clause 6(a)(3)(A) of rule XI in accordance with title III.

(b) In order to carry out its functions and duties under title III, the Board is authorized to appoint and fix the compensation (subject to applicable limitations imposed by or pursuant to law on the salaries of employees of the House of Representatives) of such number of hearing examiners as may be necessary. Any such hearing examiner may be appointed on a temporary (not to exceed one year) or intermittent basis and any hearing examiner so appointed may be paid, for each day on which he or she performs services, not in excess of the daily equivalent of the highest salary which may be paid to a hearing examiner appointed on a permanent basis.

(c) The Board may adopt such regulations as it determines necessary to carry out its duties and functions.

PAYMENT OF EXPENSES

SEC. 105. The expenses of the Board (including compensation of members of the Board and hearing examiners) shall be paid from the contingent fund of the House of Representatives pursuant to appropriations made to the contingent fund for such purpose. Until funds are first so appropriated, such salaries and expenses shall be paid from the contingent fund out of funds appropriated for "Miscellaneous Items". Such salaries and expenses shall be paid out of the contingent fund upon vouchers approved by the Chairperson, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

TITLE II—HOUSE FAIR EMPLOYMENT RELATIONS OFFICE

ESTABLISHMENT

SEC. 201. (a) There is established an office of the House to be known as the House Fair Employment Relations Office. The Office shall be headed by a Director who shall be appointed by, and shall serve at the pleasure of, the Board. The Director shall receive compensation at an annual rate fixed by the Board, but not in excess of the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code.

(b) The Director, with the approval of the Board, shall appoint and fix the compensation (subject to applicable salary limitations imposed by or pursuant to law on the salaries of employees of the House) of such personnel as may be necessary to carry out the duties and functions of the Office. All personnel of the Office shall be appointed without regard to political affiliation and solely on the basis of their fitness to perform their duties.

(c) In carrying out the functions and duties of the Office, the Director, with the approval of the Board, may procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract as independent contractors, or, in the case of individual experts or consultants, by employment at rates of pay not in excess of the daily equivalent of the highest rate of compensation which may be paid to employees of the Office appointed on a permanent basis.

(d) The Director may prescribe the duties and responsibilities of the personnel of the Office, and delegate to them authority to perform any of the functions and duties imposed on the Office or on the Director, with the exception of the submission of reports under sections 302 (b) and (c).

FUNCTIONS AND DUTIES

SEC. 202. (a) In addition to the functions and duties imposed on it by title III, the Office shall (1) develop procedures to implement the policies and guidelines of the Board to encourage full compliance with clause 9 of rule XLIII and clause 6(a)(3)(A) of rule XI by all Members, officers, and employees of the House and (2) perform such other functions as may be prescribed by the Board.

(b) The Office shall gather and maintain information with respect to each category of employees and individuals who are afforded equal employment opportunity by clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI, including, to the extent possible, information relating to individuals who apply for positions on the staffs of committees and offices of the House. The Office shall also gather and maintain information with respect to the employment practices of committees and offices of the House. Each year the Director, with the approval of the Board, shall submit to the House a report with respect to the information gathered under this subsection. Each report after the first report shall contain a comparison and evaluation of the data contained in such report with the data contained in prior reports.

(c) Upon the request of any committee or office of the House, the Office shall submit to such committee or office its recommendations for improvements in the employment practices of such committee or office. The Office shall assist the placement office with the development of procedures to collect and disseminate applications submitted by individuals from categories which are afforded equal employment opportunity by clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI.

(d) The Office shall review the procedures and practices for receiving, hearing, and settling complaints of alleged violations of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI under title III and make recommendations regarding the continuation or improvement of such procedures. Not later than January 3, 1981, the Director, with the approval of the Board, shall submit to the House the results of such review, together with his or her recommendations. Such report shall be referred to the appropriate committee or committees of the House which, within one hundred and eighty days after the date of referral, shall submit their recommendations on the report to the House.

SUPPLIES; PAYMENT OF EXPENSES

SEC. 203. (a) The Director is authorized to procure such books, stationery, and other supplies as may be necessary for the proper performance of the functions and duties of the Office. The Architect of the Capitol and the Sergeant at Arms of the House of Representatives shall furnish the Office such furniture and office equipment as may be necessary.

(b) The expenses of the Office (including salaries) shall be paid from the contingent fund of the House of Representatives pursuant to appropriations made to the contingent fund for such purpose. Until funds are first so appropriated, such salaries and expenses shall be paid from the contingent fund out of funds appropriated for "Miscellaneous Items". Such salaries and expenses shall be paid out of the contingent fund upon vouchers signed by the Director, and approved by the Board, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

TITLE III—COMPLAINTS OF VIOLATIONS OF EQUAL EMPLOYMENT OPPORTUNITY

PART A—COUNSELING AND CONCILIATION

COUNSELING AND ASSISTANCE

SEC. 301. (a) Any employee of the House, or other individual who applies for a position in the House, who believes that he or she is being or has been discriminated against in violation of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI may make a request to the Office for counseling and assistance. The Director shall designate employees of the Office to serve as counselors. Counselors shall advise employees and other individuals as to their rights under clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI and furnish such other advice and assistance as may be requested with respect to the application of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI. No written statement shall be required for an employee or other individual to receive counseling and assistance under this section.

(b) Counseling under this section must be requested within sixty days of the action giving rise to the alleged discrimination, unless the Director authorizes counseling after such sixty-day period or unless the alleged discrimination is based upon a continuing practice or policy.

INFORMAL COMPLAINTS AND CONCILIATION

SEC. 302. (a) Any employee of the House, or other individual who applies for a position in the House, who believes that he or she is being or has been discriminated against in violation of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI may, within twenty days after counseling is requested under section 301, file an informal complaint with the Director. Such an informal complaint may be filed only against an individual whom the complainant believes actually participated in the alleged violation or the individual who has authority to remedy the alleged violation, or both. Such an informal complaint shall consist of a brief written statement of the alleged violation. The Director shall furnish a copy of such informal complaint to the respondent and, if the respondent is an officer or employee, shall furnish a copy of such informal complaint to the respondent's employer.

(b) Upon the filing of an informal complaint under subsection (a), the Director shall collect information concerning the alleged violation. Within forty-five days after the date of filing, the Director shall submit a report to the Board with respect to such informal complaint and shall furnish copies of such report to the complainant and respondent and, if the respondent is an officer or employee, shall furnish a copy of such report to tre respondent's employer.

(c)(1) If as a result of the information collected under subsection (b), the Director determines that there is no reason to believe that a violation of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI may have occurred, he or she shall so state in the report submitted pursuant to such subsection, together with his or her reasons for such determination.

(2) If as a result of the information collected under subsection (b), the Director determines that there is reason to believe a violation of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI may have occurred, he or she shall attempt to resolve such violation by informal means. If an informal agreement between the complainant and respondent is reached, the Director shall so state in the report submitted pursuant to such subsection. If an informal agreement between the complainant and the respondent is not reached, the Director shall include his or her findings in the report submitted pursuant to such subsection.

PART B—FORMAL COMPLAINTS AND HEARINGS

FILING OF FORMAL COMPLAINTS

SEC. 311. (a) If the report of the Director under section 302 with respect to an informal complaint sets forth the Director's determination that there is reason to believe that a violation of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI may have occurred but no agreement has been reached between the complainant and the respondent, then the complainant may, within thirty days after the date on which such report is submitted to the Board, file a formal complaint with the Board. A formal complaint shall be under oath and shall be in such form and set forth the basis of the complaint in such detail as the Board may prescribe by rule or regulation.

(b) If the report of the Director under section 302 sets forth the Director's determination that there is no reason to believe that a violation of clause 9 or rule XLIII or clause 6(a)(3)(A) of rule XI may have occurred, the complainant may request the Board to review such determination. Such request shall be in writing and shall be made within thirty days after the date on which such report is submitted to the Board. The Board shall complete its review within thirty days after such request is made and if it determines that there is reason to believe that a violation of clause 9 or rule XLIII or clause 6(a)(3)(A) of rule XI may have occurred, the complainant may, within thirty days after the date of the Board's determination, file a formal complaint under subsection (a).

HEARINGS

SEC. 312. (a) Each complaint filed under section 311 shall be assigned by the Board (or by such individual as the Board may designate) for a hearing by a hearing examiner appointed under section 104(b). The hearing examiner shall cause a copy of the complaint to be served on the respondent and, if the respondent is an officer or employee, shall furnish a copy of the complaint to the respondent's employer. The respondent shall be entitled to file, within ten days after such service, or within such longer time as the Board may permit, a formal answer to such complaint. A formal answer shall be under oath and shall be in such form as the Board may prescribe by rule or regulation.

(b) The hearing on a complaint shall be conducted expeditiously with a record in transcript form. Upon conclusion of the hearing, the hearing examiner shall submit to the Board a report containing his or her findings and recommendations (if any) for remedial action.

DECISIONS BY THE BOARD

SEC. 313. (a) The Board shall review the transcript and the findings and recommendations of the hearing examiner with respect to each complaint filed under section 311. If the Board finds that the hearing is incomplete, it may remand the case to the hearing examiner. The Board shall render a decision in each case within sixty days after the filing of the formal complaint, unless prior thereto the complainant and the respondent reach an agreement disposing of such case.

(b) If the Board determines in any case that there is or has been a violation of clause 9 or rule XLIII or clause 6(a)(3)(A) of rule XI, its decision shall include an order for such remedial action as it determines appropriate, except that no remedy may be ordered which the Board determines would result in undue benefit or undue hardship to the complainant or the respondent.

RULES; PROCEDURE

SEC. 314. The Board shall prescribe such rules or regulations as it determines proper to carry out the provisions of this part, including rules or regulations relating to the conduct of hearings and proceedings under this part and the rights and privileges of complainants and respondents in such hearings and proceedings. The Board shall publish all rules and regulations which it proposed to prescribe under this section and shall give interested persons an opportunity to comment thereon.

PART C—APPEALS TO COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

APPEALS

SEC. 321. (a) A complainant or respondent who is aggrieved by a decision or order of the Board under section 313 may, within thirty days after the decision or order is issued, appeal the decision or order to the Committee on Standards of Official Conduct.

(b) Within sixty days after an appeal is filed under subsection (a), the Committee on Standards of Official Conduct shall render its decision with respect to such appeal. Such decision may affirm the decision on order of the Board, reverse such decision or order in whole or in part, or remand the case to the Board for further proceedings. In any case in which the committee reverses a decision or order of the Board in whole or in part, if the committee determines that there is or has been a violation of clause 9 of rule XLIII or clause 6(a)(3)(A) of rule XI, it may order such remedial action as it determines appropriate, except that no remedy may be ordered which the committee determines would result in undue benefit or undue hardship to the complainant or the respondent.

PROCEDURE

SEC. 322. The Committee on Standards of Official Conduct shall prescribe such rules or regulations as it determines proper to carry out the provisions of section 321.

PART D—MISCELLANEOUS

REMEDIES

SEC. 331. (a) The remedial actions which may be specified in an order issued by the Board under section 313 or by the Committee on Standards of Official Conduct under section 321 include, but are not limited to—

(1) if the discrimination is failure or refusal to hire an individual, a requirement that such individual be employed within a specified period of time, or the payment of a specified sum to such individual, or both;

(2) if the discrimination is discharging an individual, a requirement that such individual be reemployed within a specified period of time, or the payment of a specified sum to such individual, or both;

(3) if the discrimination is with respect to the promotion or compensation of an individual, a requirement that such individual be promoted to or compensated at a specified level within a specified period of time, or the payment of a specified sum to such individual, or both; and

(4) if the discrimination is with respect to terms, conditions, or privileges of employment of an individual, a requirement that such terms, conditions, or privileges be changed within a specified period of time, or the payment of a specified sum to such individual, or both.

(b) Any payment ordered to be made to an individual under an order issued by the Board or the Committee on Standards of Official Conduct shall be made out of the contingent fund of the House upon a voucher signed by the Chairperson of the Board or the chairman of the committee, as the case may be.

(c) No complainant or witness in a proceeding under this title shall be subject to any reprisal, interference, intimidation, or coercion by any Member, officer, or employee of the House as a result of filing such complaint or appearing as such a witness.

RECORDS; CONFIDENTIALITY OF INFORMATION

SEC. 332. (a) The records, files, and papers relating to each informal complaint filed under section 302, each formal complaint filed under section 311, and each appeal taken under section 321 shall constitute papers of the House and shall be retained for at least five years. All such information, including the existence of a case, shall be maintained on a confidential basis, and, except as provided in subsection (b) or as otherwise ordered by the House, such information shall not be disclosed to any person (other than the complainant and the respondent) and shall not be available for inspection other than the Board, the Director, and employees of the Office, and, with respect to any appeal taken under section 321, the Committee on Standards of Official Conduct.

(b) Decisions and orders of the Board under section 313 and decisions and orders of the Committee on Standards of Official Conduct under section 321 shall be made public.

COOPERATION BY COMMITTEES AND OFFICES

SEC. 333. Each committee and office of the House shall cooperate with the Board, the Office, and the Committee on Standards of Official Conduct in order that the functions and duties imposed on them by this resolution may be properly and effectively carried out.●

NUCLEAR POWER AND ITS FUTURE IN THE UNITED STATES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. WYDLER. Mr. Speaker, there has been much discussion on the details of the nuclear powerplant accident at Three Mile Island and even now a consensus appears to be developing as to what can be done constructively to enhance nuclear powerplant safety.

Charles F. Luce, the chairman of the Con-Edison Corp., recently made a serious and thoughtful assessment of the future of nuclear power in the United States and the implication of the Three Mile Island accident, particularly with respect to the effects on the institutional structure of the utility industries. I believe that it is an objective statement from a utility perspective which should prove particularly valuable to understand the degree to which this country is shackling itself while attempting to deal with a serious energy supply problem.

I strongly recommend that my colleagues read this most interesting speech:

NUCLEAR POWER AND ITS FUTURE IN THE UNITED STATES

ON THE NEED FOR NUCLEAR IN THE NATIONAL ENERGY PLAN

In President Carter's National Energy Plan-II, which he announced two months ago, he assigns to nuclear the supplying of 36 percent of the nation's electric energy requirements estimated for the year 2000. To accomplish this national goal will require the completion of an additional 70 nuclear units, above and beyond the 161 units now in service or under construction. The President's newest energy plan also calls for 2½ times as much coal as presently consumed, and 2½ times more than the present utilization of hydro, solar and geothermal sources to meet national energy requirements in the year 2000. It proposes to hold consumption of oil to its current level. Incidentally, the rate of growth of demand for electricity by which the President arrives at his estimate of total requirements in the year 2000 is about 3.6 percent, a rate far below the growth rate of 7.2 percent experienced during 1960–1973, just prior to the oil embargo.

ON THE CONSEQUENCES OF A NUCLEAR MORATORIUM—MORE OIL

To abandon the construction work in progress on 99,000 megawatts of new nuclear capacity could increase oil imports an additional 3.33 million barrels per day, if the capacity were to be replaced with oil-fired generators, and at today's oil prices could cost electric consumers an estimated $19 billion per year in additional fuel charges. Further, consumers would have to pay the capital charges necessary to amortize the $50 billion already expended toward completion of these units.

ON THE RELATIVELY SLIGHT RISKS OF NUCLEAR POWER

Coal was evaluated most dangerous, both as regards occupational and non-occupational hazards. Oil and gas were the next most dangerous. Nuclear, by factors of 5 to 300 times as compared to coal, was evaluated least dangerous.

Experience accumulated in 400 reactor years of operation has demonstrated that the risks to the public associated with nuclear generation are insignificant compared to risks that Americans accept every year: 50,000 deaths and 1,900,000 disabling injuries from the automobile; 100–200 deaths from commercial airplane accidents; 300,000 deaths from cigarette smoking; even 1,000 deaths per year from the use of electricity. No one seriously suggests that automobiles, airplanes, cigarettes, and electricity be outlawed. Yet by comparison with these and many other accepted risks of everyday life, nuclear power stations have yet to injure, let alone kill, any member of the public.

ON THE ANTINUCLEAR LOBBY

In a recent article, Llewellyn King, the publisher of Energy Daily, a trade publication, tried to explain a sociological phenomenon that we appear to be facing today in America. Following are his words:

"Those of us who have tried to codify and understand the nature of the nuclear opposition have gradually come to the conclusion that we are dealing with what amounts to a new class in American society, one that is unfettered by fear of shortage, privation or disaster. It is a class whose traumas have been external and national and not personal. It is a class of men and women who, paradoxically, are seeking to hobble the American economic machine when they themselves are the products of its bounty: well-fed, well-housed, and well-educated—a class that has been brought up in a cocoon of personal well-being in the comfort of a good home, the security of good schools and the luxury of university education. Their class perception of American society is of a good thing gone wrong; of venal capitalism astride the stallion of technology violating the wholesomeness of America."

Even if Mr. King's speculations in the field of behavioral science are correct—and surely he did not presume to categorize all opponents of nuclear power as members of his "new class"—I cannot believe that the American people will be persuaded that the industrial revolution was a mistake, that our energy-intensive economy must be scrapped, or that hand-operated industrial machinery and household appliances are morally superior to those operated by electricity.

This is not to say that despite Three Mile Island nothing will change. There will be changes, some relatively small and others possibly very far-reaching.

ON THE ATTITUDE OF THE UTILITY INDUSTRY

The biggest unanswered question raised by Three Mile Island, as I see it, is what effect it will have on the institutional structure of the utility industry. Several observers of our industry, including Llewellyn King, publisher of Energy Daily, have opined that Three Mile Island may compel a restructuring of our industry in such a way that the federal government will be the entity that builds, or at least finances, nuclear plants in the future. Other observers have commented that small utilities will be less likely to build nuclear plants in the future; that only large utilities or utility consortia with strong technical capability will continue to build nuclear plants.

Within the electric utility industry, there is a growing conviction that, somehow, a more predictable way must be found by which utilities can recover the costs, ordinary and extraordinary, of owning and operating nuclear power plants. To construct a new 1,200 MW nuclear plant costs about $2½ billion; and when the plant is out of service for any reason, the cost of oil-generated replacement power runs utility's lack of prudence (which lately seems to be taking on a meaning broad enough to include a failure to exercise that degree of "due care" which the wisdom of hindsight suggests should or might have been exercised.) "Prudence" and "due care" are concepts too vague, and in application too susceptible to considerations not related to the precise conduct being judged, to afford much comfort to utilities or investors who are making a decision whether to invest huge sums in a new nuclear plant.

ON THE NEED FOR A SENSIBLE REGULATORY POLICY WHICH RECOGNIZES THE GREAT SAVINGS FROM NUCLEAR PLANT OPERATION

It is not too late, I would like to believe, for regulatory agencies clearly to articulate a policy that will protect utility investors at least to the extent of taking into consideration, when they allocate costs associated with a nuclear plant outage, the savings that consumers have, and will, enjoy because of the utility's nuclear plant investment. Additional protection could be offered investors if an insurance program could be devised which would cover not only the presently insurable risks of property damage and public liability associated with the ownership and operation of nuclear plants, but also the presently uninsured risk of extended outages which require the purchase of expensive replacement power. The latter risk is hard to define, depending in part as it does on rate regulatory policy in the jurisdiction where the nuclear plant is located. Perhaps a policy to cover such a hard-to-define risk simply cannot be devised. But there is some thinking about it in our industry.

If neither regulatory policy nor an insurance program can offer utilities and investors assurance of a fair return on investment in nuclear plant, and if it is correct that nuclear energy is essential to the economy and security of our nation, then it is reasonable to suppose that the United States Government will be called upon to finance, and perhaps even build and operate, the required nuclear plants. Unlike a privately owned utility company, the government through its taxing power can socialize any risks it chooses not to allocate to electric consumers.●

A TRIBUTE TO ROBERT BLINN MAXWELL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. LAGOMARSINO. Mr. Speaker, on July 13, 1979, the Republican central committee of Ventura County will honor its senior member, Robert Blinn Maxwell.

Blinn's 20-year record of service on the committee is distinguished. He was unanimously elected second vice chairman of the central committee in 1956, and a year later he became Republican county chairman. Blinn has been the fifth supervisorial district representative since 1965. He has served as the fifth district precinct chairman, county resolutions chairman, a member of Century Club steering committee, nominating committee chairman, county campaign chairman for a number of Republican candidates and in countless other positions during these last 25 years.

As well as working for the Republican Party, he was vice mayor of the city of Oxnard. He has served on the Oxnard City Council since 1974, and before that, he had served 8 years on the Oxnard Planning Commission, starting in 1966. In the past, he has been exalted ruler of Oxnard Elks Club and commander of American Legion Post No. 48.

I hope Blinn continues to serve Ventura County in the same excellent manner for at least another 25 years. The country needs men like him.●

ANGOLA, ANOTHER AMERICAN EMBARRASSMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. ASHBROOK. Mr. Speaker, Mr. Carter has staked much of his political viability and credibility on his stand regarding the Rhodesian elections. I only wish that he was willing to devote similar attention to another nation in southern Africa.

Angola has been independent from Portugal 4 years now, however, the people of Angola are still not free from foreign rule. In the last few years they have exchanged the colonial rule of Portugal for the oppressive rule of a Soviet and Cuban backed government.

Fortunately a majority of the people rebeled against this regime and a state of civil war is still in effect. What is unfortunate about the Angolan situation is that few people here in Washington know or even seem to care about the plight of those fighting for freedom in Angola.

The Soviet Union is pouring as much as $2.5 million a day into this small African nation to try to stop the rebellion. As many as 8,000 Cuban troops have been killed in the fighting.

Reports of human rights violations in those segments of the country under Communist rule are startling. Yet, there is no sign of even awareness on the part of the Carter White House. How can so much time and effort be spent to call an open and free election in Rhodesia "not adequate enough" for recognition, when, only several hundred miles away, major affronts to human rights and freedom are being ignored.

An oppressed people are struggling to be free in Angola, but their pleas fall on the deaf ears of our State Department, our U.N. Ambassador, and the President. I urge my colleagues to read the following article written by one of the freedom fighters in Angola and urge them to not let this struggle go unnoticed:

[From the Free Trade Union News, May 1979]

ANGOLA—A CALL FOR COURAGE

(By Ernesto Mulato)

We realize that the events the past few weeks in Iran, Afghanistan, and Southeast Asia have occupied the American public's attention more than the situation in my part of the world. However, we in UNITA feel that we must share our unique perspective with you because we have been in the past three years on the frontlines in a brutal war against Soviet expansion. Our country, Angola, has become a vast cemetery and concentration camp. Our dreams of free elections and independence have become nightmares of foreign occupaiton. Our country has become an armed camp, a huge base twice the size of Texas, where the Soviets and Cubans arm and train others for takeovers in neighboring countries. From our position in Angola, we survey the lands of our brothers—the neighboring countries of Zaire, Zambia, and Namibia and know—quite clearly—their fate if the Soviets and Cubans aren't resisted. It is a cruel fate. A fate that runs counter to everything an African nationalist feels and believes. It runs counter to everything we cherish—self-determination, independence.

We hear the black Soviet foreign legion, the Katangese, called "progressives". We hear the West itself refer to the illegitimate government in Luanda as "pragmatic, moderate, and nationalist." We hear the largest foreign expeditionary force in the history of Africa called a stabilizing factor in a day when your government heralds human rights. We hear the West say that the occupation forces are in Angola to prevent invasions from the outside, that the puppet government in Luanada would rather be aligned with the West but must use these foreign forces to insure Angola's independence. We hear that it is in American interests to fund the Soviet-Cuban Vietnam by encouraging investment in Angola at a time when the issue of who will govern our country is still undecided, when 75 percent of our population refuses to live under Luanda's rule, when UNITA controls over 50 percent of the country, and when the civil war is more widespread than at any time in the past three years. To us, it sounds like the Queen in "Alice In Wonderland" saying, "Prizes for everyone. Everyone is a winner."

But our former allies forget that the real losers in this game are those who share with the West a belief in the will of the people, a belief in their right to a democratic government. Your ambassador to the United Nations has said that those who prefer to negotiate have no moral right to criticize those who engage in armed struggle. I will tell you, my friends, UNITA has always preferred to negotiate. Our history has shown it. On five separate occasions we sponsored all Angolan parties to hammer out a compromise to prevent the tragedy of the civil war. We have always urged reconciliation and a partnership between all Angolans in nation-building. But we are quite used to armed struggle also. In the words of your own Declaration of Independence when a government can not defend its citizens, can not create the conditions of stability, and can not create material and spiritual well-being for the people, then the citizens have an obligation to overthrow that government. We are used to fighting for a freedom. We fought since 1966 against Portuguese colonialism. We have fought since 1975 against Soviet and Cuban imperialism. And we claim the moral right to resist, to resist totally those who want to enforce their will on our people by a brutal war machine run and funded by foreigners.

For the past three years, the Warsaw Pact nations have occupied our country and propped up in power an illegitimate government in Luanda. In those three years, more Angolans have died than in all the years of the liberation wars against the Portuguese. Thousands have been jailed. Thousands have been forcibly removed from their land and compelled to work under slave conditions in strange territories. Thousands more have been rounded up in trucks and shipped to Cuba to undergo indoctrination and cut sugar cane in the name of solidarity. Yet with Angola now occupied by 26,500 Cuban soldiers, 8,000 Cuban civilian technicians, thousands of East Germans, Russians, and other East Europeans, UNITA governs a territory containing over three million people, over 50 percent of the Angolan population. In addition, 600,000 Angolans now live in Zaire. In fact, 17 percent of the population of Kinshasa is Angolan. Another 20,000 are refugees in Zambia and some 500,000 white Angolans now live in Portugal where they place a tremendous burden on the economy and create political tensions. Together, this means that 75 percent of the population isn't cooperating with the MPLA rule. The remaining population are political prisoners living everyday under constant intimidation, threats, and physical abuse. That, my friends, is the price we are paying to remain Angolans. Not African Cubans or black Russians. But Angolans.

You in the West seem puzzled by this new imperialism. We have read and heard new theories about the common ties that bind Africans to Cubans and vice versa. Mr. Castro is said to be the new messiah of Africa, selflessly working alongside the common people helping them become free. But, I will tell you that it is sheer nonsense to believe that the Cubans are in Angola out of love for my countrymen. You are asked to believe that the Cuban soldier is nothing more than a Peace Corps worker. But behind the smokescreen of their talk about solidarity, liberation, progressiveness, and democracy, they are nothing more than agents of death and chaos. I suppose the Cuban pilots were so excited by the revolutionary romance of Angola that they pleaded with the Soviets to guard Cuban airspace until they came back from helping our brothers and sisters become free. While the western media acts like sponges absorbing every word uttered by Mr. Castro, long columns of coffins wait for burial outside Luanda's cemeteries. In Cuba, honor guards watch as empty caskets are placed in the ground. The families are told that their son died by accident in Angola. Yes, by accident. We are the accident, the Angolan people. Then, more Cubans must be rounded up for service. Many in the West have come to believe that the young soldiers serve in Angola out of ideological concern. That they volunteer. I will tell you. If you are unemployed, or a peasant living in the poorest section of Cuba, you'd volunteer for a chance to own your own house and estate in Angola. It's an ingenious solution to domestic unrest and problems of the economy. Ship the problem to Angola.

It should be very clear to the American public by now that the Soviet-Cuban presence in Angola is not just an internal African problem. It is of vast international proportions. I think the American public understands this but I am not so sure about certain analysts and experts who make a habit of building castles in the air. Without a Cuban-Soviet victory in Angola during the days of conventional fighting, would they have dared to invade the Horn? No, absolutely not. For those who believe that the Russian presence in Angola and Ethiopia isn't of strategic importance to the West—look at a map. Both countries lies on or near vital oil shipping routes. Angola—oil rich herself with vast reserves of strategic minerals—is the gateway to Zaire and Zambia, other countries with minerals vital to Western economies and defense systems. South of us lies Namibia and South Africa where the same observation applies.

The Soviets moved like cats against us. Their desire to recolonize Africa is based on a global strategy. This strategy is aimed at intensifying the rivalry of the West over sources of raw materials in increasingly diminishing markets. After the fall of Indochina, the Soviets foresaw a transfer of European investment to Africa. They noted fifteen years of trade deficits between Europe and Africa. And they projected greater deficits in the 70s and 80s as world demand for strategic metals and petroleum products increased. The April 1974 coup in Portugal afforded the Soviets the opportunity they had waited for to implement their policy for southern Africa. One aspect of this was to force you into a reactive stance in an area of the world where the United States tried to walk a tightrope between the heavily American-financed economies of white-ruled southern Africa and black Africa. Since the end of conventional fighting they have done just that—driving you to the wall in Zaire, Namibia, and Zimbabwe, and challenging your investment policies in South Africa. They want to strike at the soft economic underbelly of Europe and force western Europe into accommodation with them, thus depriving the United States of any means to counter their influence elsewhere in the world.

Our country in 1973 and 1974 had the best transport system, the best harbor facilities, and one of the healthiest economies in southern Africa. The Benguela Railway was vital to Zaire and Zambia. Iron ore, gold, diamonds, manganese, uranium, and oil were found in great quantities. Even with these discoveries, 75 percent of Angola's territory until this day has never been systematically mapped for other mineral deposits. We were one of the few countries in Africa to export food. We were one of the largest coffee producers in the world. And, above all, we were in a strategic position along the shipping routes of the South Atlantic. In 1975, my country was a nice plum for the new adventurers.

The Soviets wanted to do two things after the coup. First they wanted to put the Portuguese Communist Party, the most Stalinist and Moscow-oriented in Europe, in power in Lisbon. For a time, it looked like they would be successful by the way they immediately seized control of Portugal's unions, media, and armed forces. Second, they wanted to gun the PCP's long time brother-in-arms, the MPLA, into power in Luanda. But the Alvor Agreement between the three Angolan parties and the Portuguese government rigorously stipulated the mechanics of a free election in Angola and the establishment of democratic institutions of government.

The people looked forward with eager anticipation to the elections. Independent observers found that we had 65–75 percent support while the FNLA and the MPLA split the rest. But the Soviets and the MPLA did not look forward to the elections and conspired with radical elements in the Portuguese armed forces to unilaterally cancel the provisions of the Alvor Agreement. But, at this time, the MPLA was the weakest party, not the strongest as some of your analysts claimed. Close to three-quarters of its army had deserted because of the power play of Neto and his clique to become more aligned with Moscow. Outside troops were needed to put Neto in power and deprive Dr. Savimbi of the presidency. Cuba was the logical choice.

Some people in the United States believe that the Cubans came into the fight because of the South African invasion. Much of the testimony before committees on the Hill states this as historical fact. But I ask those people where are the South African troops in Angola now. If the Cubans are supposed to guard against South Africa invading, how come they did nothing when South Africa attacked the SWAPO bases in Cassinga last May? Why is it that the Cubans have been forced to escalate their troop strength? I will tell you, my friends, the Soviet arms were being delivered to every Angolan port, to every Angolan city long before other powers became involved. UNITA supporters in the dock workers' union went on strike during the transitional government because they refused to unload the ships backed up in our harbors containing in their holds the most devastating armaments known. But they were unloaded and distributed to the MPLA and the Portuguese anyway. And the Cubans appeared in southern areas in March of 1975, nearly seven months before the South African invasion. Many of the American and Canadian missionaries we later evacuated can tell you how they saw them in remote towns and villages. You could see them as plain as day walking down the streets and eating our food. But, now your experts propagate the Cuban version of events, a new wave of revisionist history is underway which puts freedom, independence, justice, self-determination on the side of those very people who pervert those concepts and ideals.

SPECTRE OF VIETNAM

Somehow our resistance against the Soviets and Cubans has fallen on deaf ears. Everywhere you look you see a Vietnam. You are haunted by that spectre, that ghost of the past. Some say it is better now that the Soviets are involved in their own Vietnam. It is true. UNITA is costing the Soviets $2½ million a day. We have killed nearly 8,000 Cuban soldiers. History is on our side. The Portuguese with three times as many troops could not control Angola. There is no reason to believe that the Cubans can. But the more the war is protracted, the more our people are morally and physically mutilated. And the West, by sitting on its hands, encourages the next moves by the Soviets to control the region.

What is Angola like now? It is an armed camp. The so-called pragmatic regime of Mr. Neto has enacted repressive policies which demonstrate his total contempt for his countrymen. He has created concentration camps at Sao Nicolau outside Mossamedes and near Squrimo in the Lunda district. There are prisons in Luanda, Huambo, Luso, and Sa da Bandiera, which contain thousands of political, not common, prisoners. These prisoners included the nationalist elements of the MPLA, former party officials and army officers, Jehovah Witnesses, followers of Simon Toco, the religious leader, FNLA and UNITA sympathizers, and Catholic and Protestant clergy. Recently, when UNITA took over a government prison in Serpa Pinto, it released 800 prisoners who had been living in subhuman conditions and had been subjected to torture. Now, thousands of our young people in central and northern Angola are rounded up in trucks and taken to Luanda where they are shipped to the Oriente Province of Cuba. There they are forced to cut sugar cane and become indoctrinated thousands of miles from their family, friends, and villages. What other people call solidarity, we call slavery.

The MPLA has a twenty-year friendship treaty with the Soviet Union and an unprecedented party-to-party arrangement. That is why they call themselves the Worker's Party, which is a little ridiculous because 90 percent of our people are farmers. But, anyway, they have adopted in the name of the Angolan worker a draconian work code. If you are late for work, you work the next three days without pay. If you are slow on the job, you go to jail. No matter under what conditions you work, no matter what meager wages you receive, if you disagree with the factory management over the unsafe working conditions and low wages, you will be given a two-year vacation in prison. This is not exactly what you might call winning the people's hearts and minds. Plagued by food shortages and massive unemployment the workers are turning a deaf ear to the MPLA's strident appeals in the name of the proletariat. Slowdowns and wildcat strikes at the main ports of Lobito and Luanda as well as a rash of industrial sabotage indicate what the workers think about their workers' party.

An example of this refusal to work under the Soviets and Cubans is the flight of nearly 16,000 workers from the diamond mines in the Lunda Province. That figure represents 80 percent of the work force in that area. As a result, diamond production, once 10 percent of our exports, has dropped to a miniscule level.

The ever-vigilant Mr. Neto has decided that religion is a nuisance. Every church, mission school, and hospital in central Angola has been destroyed or closed. These institutions provided vital health and educational services to over 400,000 people. The government has made no attempts to provide these services themselves. All those connected with churches have lost everything they ever owned. All Protestant and Catholic property has been confiscated by the government and all clergy either banished or imprisoned. Today, all the clergy in the central areas of Angola live in UNITA camps to avoid persecution. There they continue the vital educational and medical functions they performed before the Soviet occupation. The Baptist churches in northern Angola have been razed. It is estimated that 200,000 of the Baptists have fled into Zaire. Mr. Young might be interested in the destruction of one mission. It is the Hualondo mission in southern Angola, which was founded by black Americans over 50 years ago. It was the mission Mr. Young was to be assigned to before he became a politician. It lies in ruins.

The government hasn't and cannot get the economy going. It will never possess the ability to do so. Before the civil war, Angola had a healthy growth rate of 11–14 percent. And now we hear western economists projecting the same this year for Angola. How is this possible when one-half million Portuguese technicians, merchants, and ranchers are gone? How is this possible when the elaborate network of roads built before the civil war to link our domestic markets is totally unusable because of our military activities. The once prosperous coffee fazendas in the north have been burned by their owners in protest against the Soviet-Cuban occupation. Angola must import 80 percent of its food. The mines are shut down. Almost all the government's revenue from the Gulf Oil royalties, which account for 90 percent of Angola's monies, must go to food.

The reason for this is simple. We control 85 percent of Angola's arable land. The breadbasket of Angola, the Central Highlands, has always produced all of Angola's meat and wheat supplies. It also has always been a UNITA stronghold. As a result, there is no food in the cities, no meat, no milk, no wheat, and no fish. But UNITA still has its farms and cattle producing areas. The government controlled areas do not.

The deceptions by Luanda to lure you into a business relationship with Angola raise the question, "How much say does Luanda have in the affairs anyway?" First, besides the UNITA territory, Luanda does not have effective control over Cuanza North, the strategic entrance to Luanda, Malange, and most of all the regime doesn't even control Luanda itself. According to the Portuguese weekly, "The Nation," there is increased UNITA activity in the capital. Every morning when people wake up, they find the walls painted with UNITA flags. Cubans FAPLA and MPLA officials can not go to the musseques, our shanty towns, where most of the population live because they will be killed. The reason for this resentment is obvious. The Cubans are hated not only because they are aggressors, colonialists, but also they have become a great burden. All the homes and plantations of the Portuguese have gone to the Cubans and their families. This is particularly true of the former *colonatos* around Cela and Caconda. But the Angolans have no houses. There is little food. What food there is goes first to the Cubans. The country's revenues goes first to paying the Cuban civilians. The Angolans come second. On top of this, the hardships imposed by the Cuban presence have created an astronomical rate of inflation which makes it virtually impossible for Angolans to buy goods and food on the rare occasions they are available.

Secondly, the Luanda regime is almost powerless to control the Katangese and the Soviets' use of Angola as a base of subversion in neighboring countries. This is important to say because the West has often declared that by dealing with Luanda peaceful solution can be found for the region.

The Soviets have continued their massive arm shipments into Angola. Today, we have an even heavier involvement of Russians in the country than in the beginning of the civil war. They have personally taken over the management of the Angolan ports of Barra do Cuanza, south of Luanda, and Porto Alexandre, south of Mocamedes, to expedite the unloading of ever increasing quantities of sophisticaed weaponry. High-ranking Soviet army officials are taking a more direct hand in training other liberation groups at various camps around my country. In addition to plotting the MPLA strategy, the Soviets are now directly participating in the entire logistical operations in combat zones.

Near Mocamedes, the Soviets have constructed one of the largest military airfields on the continent. By the size of the installation, it is obvious that it was constructed for the rapid mobilization and airlifting of troops to other countries. Neto attended the ribbon-cutting ceremonies and named the airport after our famous national hero, the [Soviet] astronaut Yuri Gagarin. To the Angolan people, this is the same insulting gesture as naming our towns after Salazar.

Also near Mocamedes, the Soviets have in the past two years planned to erect a vast radar complex to monitor Namibia, South Africa, and the South Atlantic shipping lanes. So far our military operations have made this venture impossible for them.

From our own experience fighting the Sovet-Cuban occupation, UNITA has concluded that if the Cubans are not thrown out of Angola, then within two or three years the situation in central and southern Africa will have dramatically changed in favor of the Soviet Union. If the Soviets are allowed to expand their sphere of influence unchecked, then the West will have lost any effective voice in the region.

Today, UNITA can say that it is more powerful politically and militarily than at any time in its history. We have moved in the past two years from fighting a guerrilla war to a semi-regular type of fighting. We have more trained soliders under arms than ever before and are politically active in every region of the country, among every class and ethnic group. While it is easy for anyone to say that history is on their side, we know we have the arms, the soldiers, the people, and land to back it up.

At first, we concentrated on cutting transportation and communication lines between Cuban garrisons, ambushing military convoys, sabotaging the railway, and encircling the cities. Now, we have moved to taking small and medium-sized towns and holding them. In many regions of the country we have forced the Cubans into a wholesale withdrawal. Now we can infiltrate the cities at will. The people have supported us on this.

The Cuban force now is demoralized and weakened. They have receded to garrisons which protect foreign economic interests, knowing they cannot subjugate the population. But this is a small consolation when Angola has become a large Gulag.

If America re-asserts its leadership position in the world, we can accelerate the defeat of the Soviets and the Cubans. But if you don't then the struggle will be more protracted and our society and culture will be further shattered, our prospects of building a humane, democratic society dimmer.

By asking you to re-assert your leadership in the world, we don't mean this as a veiled invitation for you to send troops, advisors, or arms to Angola. We don't want and we don't need that type of aid. We want you to remember your own beginnings. Maybe, you have grown cynical about your own revolution but we are encouraged by it. What rings in our minds happened to you two hundred years ago. We ask you to exert diplomatic means to facilitate a solution to our country's problem of occupation. You can look back at the history of UNITA and the leadership of Dr. Savimbi and you will find that we have consistently, even in the most dire circumstances, even under the greatest provocation by our brothers and sisters in the other parties, advocated national unity, reconciliation, peace, and free elections. We have never claimed the exclusive right to govern Angola and we don't today when we have the upper hand, when we are the most popular party, when we are the most persistent defenders of Angolan freedom and nationalism. If elections were held today, tomorrow, or even three years from now, we would win with a devastating majority. But we look around and see the legacy of the civil wars in Zaire, the Sudan, and Nigeria and see that it would not benefit us or Angola to outlaw, suppress, or exclude the other two parties who shared in our liberation struggle from sharing power. Angola would remain unstable. The only way to stabilize the entire region is to sponsor a government of national unity in Angola. That is *realpolitik*. Not until that day comes will the problems of Namibia be solved, the threats to Zaire cease, and the solution to Zimbabwe be found. The West has been eager to offer initiatives on Zimbabwe and Namibia but not on Angola, which set the precedent for the other two lands. We in UNITA have always believed that the burning issues in southern Africa can only be solved by African dialogue, by free elections without foreign intervention. This would foster our dreams of a free, independent region devoted to cooperation in development and national building.

Yet the U.S.'s attitude to the realities of the present Soviet-Cuban occupation we experience everyday of our lives is baffling to us. The pattern of Soviet expansionism in Africa is clear, it is undeniable. It is irrefutable. Its effects are obvious to anyone with even the slightest knowledge of our situation. How can we accept your envoys who come to Angola and justify the Cubans as a stabilizing influence and then defend human rights not only in your country but in the world? You can call for human rights in Russia, Cuba, and Europe but you accept the Cubans in Angola killing our people. There is no possibility of talking about human rights in a country where a minority group was put into power by a great expeditionary force. There are no human rights in a country where everyone is a political prisoner. We will never accept a peace that means total capitulation to the new colonists. We will never accept a peace that means living lives in fear and intimidation. We will never accept a peace that means our Angolan identity is completely destroyed for some alien ideology. Never.

At one time, we were allies against the biggest war machine Africa had ever seen. We understood that you were paralyzed by Watergate and the investigations of the CIA when you cut off any support to us. We understood it. We went our own way because we have always believed in self-sufficiency. Yet, then you had moral courage to press for Cuban withdrawal and a peaceful solution to our civil war. Today, we ask you to look squarely at the pattern of Soviet expansionism and respond to it. We urge you to withhold your recogntion of Angola and, instead, press for an end to our civil war, an end to the Cuban occupation. As for us, our resistance is absolute. We know that history will not be reversed again. With the support of the Angolan people, UNITA will triumph, no matter what the difficulties.●

GAS RATIONING IS NO SOLUTION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. MICHEL. Mr. Speaker, when George Will writes a column, all of us benefit from his wisdom and his style. When our colleague, DAVID STOCKMAN of Michigan, offers his views on economics and energy, we all benefit because of his understanding of the market system. When Will writes a column about STOCKMAN, our cup runneth over.

It so happens that George Will recently did write a column about DAVID STOCKMAN's views on gas rationing. I find these views persuasive because, as usual, STOCKMAN asks questions about unintended side effects of a policy. Will offers examples that help us all to understand the market mechanisms that are the heart of STOCKMAN's criticism of rationing.

How much better off the taxpayer and consumer would be today if attention to side effects and unintended consequences of nice-sounding legislation always were taken into consideration. As it is, we must thank Will and STOCKMAN for bringing to our attention the economic truths so often clouded over by emotion, demagoguery, and fear.

At this time I wish to insert in the RECORD, "Rational Gas Rationing" by George Will, the Washington Post, June 20, 1979.

RATIONAL GAS RATIONING

(By George F. Will)

Rep. David Stockman, the Cicero of southern Michigan, is a thin, almost spectral 32-year-old with graying hair, which is the product of seeing, at a tender age, how America actually is governed. Last month, before the House of Representatives rejected President Carter's standby plan for rationing gasoline with coupons, Stockman, a Republican, wrote a letter to his colleagues.

His colleagues had many reasons of varying merit for rejecting Carter's plan. But Stockman's letter raised especially cogent points. Now Americans say they strongly prefer rationing gas to scrambling for it, or to higher prices (price rationing), but they should look at Stockman's letter before they leap.

Carter's standby plan, if ever implemented, would not have altered the allocation of gasoline among the states or within the states. Rather, it would have created a $100-billion-a-year "white market" in coupons.

The initial distribution would have mailed to vehicle owners 90-day supplies ($25 billion worth) of entitlements to coupons. (Mailing coupons would create colossal theft problems; no mailbox would be safe.) Drivers would go (drive, probably) to banks to "cash" their entitlements for coupons. One bank estimate is that this would require banks to double window space and the number of tellers. Until that was done, bank lines would replace gas lines.

There would have to be millions of new coupon "checking accounts." Under Carter's rules, no transfer of gasoline from one person to another could occur unless coupons were exchanged for the exact amount. But the driver of a gasoline delivery truck, for example, might have $10,000 worth of coupons in bushel baskets at the end of the day. Someone would have to ride shotgun. Coupon "checking accounts" would be preferable, indeed indispensable.

Under Carter's plan, coupons would have been mailed for up to three registered vehicles per household. Many people would have rushed to register junk.

Today, five junk cars are worth about $500. But five registered junk cars would be entitled to coupons worth about $3,000 a year. The diversion of vehicles into the rationing game would mean a huge windfall to junk dealers.

The demand for coupons in some places (such as urban areas with mass transit) would be much less than in others (such as rural, suburban or resort areas). And there would be seasonal fluctuations. Brokers would spring up like dandelions to bid coupons away from areas of low demand to high-demand areas.

Did you notice what happened to United and American airline coupons? Those airlines handed out half-fare coupons to passengers on all flights, however short, for use on other flights, however long. Faster than you can say "Friendly Skies," brokers clustered at arrival gates, and ran newspaper ads, offering to buy coupons.

No wonder. A person on the $14 Los Angeles-to-San Diego flight got a coupon that could save someone nearly $300 on a first-class coast-to-coast flight. Of course, the brokering of airline coupons, although brisk, was small beer compared with the brokering that would be done in gasoline coupons.

Stockman says, rather sniffily, that many brokers would be tacky fellows "prowling neighborhood bars" in New York, buying coupons cheap and selling them dear in Denver. Fine. Coupon rationing would be a windfall for the poor.

Gasoline already is rationed. It is allocated to states, and within states to various groups, including priority users, such as farmers. And wherever there are gas lines, there is rationing by inconvenience.

Stockman demonstrates only that coupon rationing would be messy, not that it would be messier than the status quo (which is Latin for "the mess we are in"). But he should give people pause. After all, one purpose of politics is to keep things from getting worse, especially things (such as the allocation of petroleum products) that government has made a mess of already.

The only rational rationing is price rationing: letting prices rise until supply and demand are in rough balance. But the public flinches from this, and government hates it because it works without government.

There are not yet gas lines nationwide. If there ever are the nation may reasonably prefer rationing by coupon, with all its untidiness and irrationality, to the wear and tear involved in rationing by inconvenien

SOLVING THE GREAT GASOLINE MYSTERY: IT WAS AN INSIDE JOB

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. KEMP. Mr. Speaker, up in New York, where I come from, people are wondering whether we really have a gasoline crisis. In Buffalo they are wondering, because they do not have any problem finding gasoline, and in New York City they are wondering, because they have great difficulties while no one else does.

What puzzles everyone is very basic. Because of the Iranian revolution, world oil supplies dropped by a net of only about 4 percent. So why do we have shortages of 20 and 25 percent at the gas pump? Why in New York, Los Angeles, and Washington, D.C., but not in Detroit, Cleveland, or Buffalo? And why do we have gas lines only in the United States, but nowhere else in the world?

If all the oil must go somewhere, people reason, then the gas crisis is only one part shortage, and about four or five parts misallocation. But who is doing the misallocating? The Washington Post calls it "The Great Gas Mystery." Why, asks the Post, within a stone's throw of blocks-long gas lines, are these gasoline storage tanks so full that new shipments are being sent to New Jersey?

The Carter administration is telling us to round up the usual suspects. In recent weeks, President Carter, Energy Secretary James Schlesinger and other administration officials have said they do not have proof—but they think we must blame the gas shortage on big oil companies who hold back crude oil; refiners who withhold gasoline or do not produce enough; gas station owners who do not keep long enough hours, sell too much gasoline per customer, or do not sell enough per customer; greedy American motorists who guzzle too much gasoline; and unseasonably warm weather, which seduces us all into driving more than we should.

Now, each of these explanations has its attractions. But one drawback with all of them is that there is no supporting evidence. Take the possibility that big oil companies and major refineries are holding back crude oil or gasoline from this seller's market, to await price decontrol, or for more obscure and sinister reasons. This is believable in light of the big oil companies' unsavory reputations and their demonstrated lack of judgment.

Yet, as Congressman DAVE STOCKMAN points out:

> There is no financial reason whatsoever for U.S. oil companies to hold back supplies of gasoline in anticipation of decontrol. President Carter's decontrol program does not affect the price controls on refined petroleum products, which will remain in force until September 30, 1981, unless DOE asks that they be removed before then (which they have not done). Crude oil price increases attributable to the oil decontrol program can lawfully be used to justify higher prices for gasoline under the regulations anyway, but only for oil that was produced after June 1, 1979. Thus the only method by which an oil company could profit from awaiting decontrol would be to withhold domestic crude oil from the market, not refined products like gasoline. And DOE data shows that production of domestic oil in the first four months of 1979 was nearly 7 percent higher than in the corresponding period of 1978. This increase is primarily attributable to Alaskan oil. It is also apparent that no suppressing of other domestic production in anticipation of decontrol has taken place, however.

The explanation that Americans are running amok in consuming gasoline does not stand up, either. American consumption of gasoline increased only 3 percent last year, less than in the previous 3 years, and less than in almost every other major industrialized country in the world.

Least of all do we suspect our own Government, which spends every year on its Department of Energy the rough equivalent of the entire oil production of Saudi Arabia—presumably to solve our energy problems rather than to cause them.

Yet, incredibly, the more we look into the apparent mystery, the more we find that our own Department of Energy is holding a smoking pistol. We find that the Department of Energy ordered crude oil supplies to be diverted away from the United States on the world spot oil market. We find that the Department of Energy actively lobbied to reduce gasoline refining in the United States. And we find that the Department of Energy has fossilized the entire national gasoline distribution network into a pattern which bears almost no relation to the actual need for gasoline.

Here is what happened.

Oil production in Iran was interrupted last winter for 69 days, and resumed at somewhat lower levels than before. After market adjustments to the disruption, including increased production elsewhere in the world, America's share of crude oil supplies was reduced by 700,000 to 800,000 barrels a day, or about 4 percent. This much of the crisis is "real" but relatively minor and temporary.

Under something called the O'Leary rule, the Department of Energy directed American companies to refuse to bid for oil on the world spot market at more than $5 above the OPEC contract price of about $15 a barrel. This was supposed to hold down the price of oil. Because the American companies largely complied with this rule, the American crude oil shortage roughly doubled, from 4 to 8 percent; yet the spot price for oil still hit $37 a barrel.

Deputy Energy Secretary John O'Leary, after whom the O'Leary rule was named, now asserts the rule "may have cut world prices by $2 a barrel" below what it would have been. In other words, by deliberately increasing the American shortage, we saved the rest of the world $2 a barrel on the oil it did buy.

Next, the Department of Energy directed American refiners to divert enough of available crude oil from gasoline refining to manufacture 240,000 barrels of "middle distillate," more than normal every day until October. The DOE explained this was necessary to build up heating oil inventories to a higher than normal level for next winter.

The supply of crude oil available during the Iranian crisis was also reduced by the Department of Energy's administration of the strategic petroleum reserve, which was authorized by Congress back in 1975 for use in just such an oil shortage.

Now, except for military reasons, this kind of a reserve does not make much sense. It amounts to pumping oil from below ground in the Middle East in order to pump it back into the ground in this country. At the same time, enormous oil supplies already below ground in this country cannot be pumped because the price at the wellhead is controlled far below the price we pay to ship the oil from the Middle East.

Be that as it may, the DOE's Strategic Petroleum Reserve Office was supposed to have 250 million barrels of oil on hand by now, stockpiled in abandoned Louisiana salt mines. That would make up for nearly a year of an Iranian-sized oil shortage. At the time it stopped pumping oil into the ground a few months ago, the Department of Energy had only stockpiled 73 billion barrels, which made it two-thirds behind schedule. Still, that would have been enough to cover the temporary crisis.

Unfortunately, the Department of Energy has provided no way to recover the oil once it was buried. There will not be even emergency pumps in place for at least several more months. The only tangible result of this stockpile has been to bid up the world price of oil.

Once gasoline is produced, every gallon must be allocated according to Department of Energy regulations. This is where an 8-percent nationwide shortage of gasoline—compared with 1978—ballooned into localized shortages of 20 to 25 percent while gasoline stood uselessly idle elsewhere. The Los Angeles Times explained in a May 20, 1979, article how the DOE allocations work:

> Oil companies, sometimes in consultation with the government, decide how much gasoline they can make in each coming month. Then they set aside fuel to meet 100% of the needs of emergency services, such as ambulances, police cars and fire trucks. Farmers have just been added to this list, guaranteeing them diesel fuel for spring planting, which has already been delayed by rainy weather.
>
> Looking at last year's figures, the oil companies reserve an amount equal to consumption a year ago—plus an estimate for growth—for these high-priority users. Another 3% is set aside for the call of state government, to be distributed in hardship cases. (President Carter last week offered to increase this discretionary pool for Gov. Brown to 5%, a move that could improve the state's flexibility in responding to particular needs of problem areas but will not provide any overall increase in gasoline supply.) The remaining gasoline is allocated equally among all dealers.
>
> For the purposes of illustration, assume that Acme Oil Co. sold 100 gallons in June, 1978, but will make only 90 gallons this June. A year ago, the high-priority emergency users consumed 14 gallons, and that left 86 gallons for the dealers to sell.
>
> This year, Acme sets aside 15 gallons for the high-priority group, assuming a 7% growth in their needs, and another 1.8 gal-

lons as a state reserve. That leaves only 73.2 gallons for dealers to pump at their stations, instead of last year's total of 86 gallons.

Available supplies total 73.2 gallons, or 85% of the supplies that were available in June of last year. Thus, Acme's allocation figure to its dealers will be 85% of what they received in June, 1978. Whether a station sold a little or a lot is irrelevant; each dealer gets 85% of what he pumped a year ago.

"There is only so much gasoline to go around," David J. Bardin, head of the Energy Department's Economic Regulatory Administration, told a recent meeting of dealer representatives, oil companies and state energy officials.

"Every time we allocate gasoline, we take it from one place and move it to another outlet."

As companies squeeze their allocations to dealers, from an unlimited amount in normal times, to 100% of the previous year, then down to 90% and 80%, the cries of outrage from station owners and their customers became louder and louder. People began to fight for slices of a shrinking pie.

The State will receive this month a volume of gasoline equal to 93 percent of the fuel consumed during May of last year, according to the Energy Department. The national figure is lower, at 92 percent. Allocation rates differ state to state because each state is served by a different mix of oil companies.

Those percentages seem unbelievable to service station dealers who are getting only 85 percent of their May, 1978, shipments.

It is a fight over numbers, with each side scoring points but no additional gasoline being produced. In computing its percentage, the federal government counts the gasoline reserved for state use, the 100 percent of current needs assigned for high-priority users such as farmers and police, and then adds what is available for dealers. The total comes to 93 percent of the fuel consumed in California a year ago.

But dealers and drivers who fill their cars at retail stations naturally emphasize what is available for them. They are not interested in the full tanks of the fire trucks, telephone repair vans and tractors. They care about the fuel at retail service stations—and this is only about 85 percent of what it was a year ago.

Hence, both sides can be right about the numbers, but the gasoline shortage persists.

New York's official allocation is 93 percent of last year's supplies, but that dwindles to 80 percent at the corner filling station.

In Washington, D.C., the disparity is even greater. The DOE claims that the area is receiving 90 percent of its 1978 allocation, but at the retail gas pump, the percentage is 75 to 78 percent.

The priority allocations and the State set-aside have grown more than twice as quickly as total consumption of gasoline; yet there is no enforcement of who receives gasoline from these allocations.

According to the Los Angeles Times:

In some cases, Shell was ordered by the federal Energy Department to sell large quantities of gasoline on a priority basis to commercial accounts. Under federal energy rules, an oil producer like Shell has little recourse but to obey since—at least on paper—the fuel is supposed to be earmarked for users facing emergency problems in getting fuel.

For example, a 1-million gallon batch was ordered sent to a Los Angeles jobber who sells to many customers, including independent refineries who, in turn, feed independent gas stations around the Southland.

To get the gasoline in the first place, the jobber had to persuade the Energy Department that it had priority customers.

Similarly, Shell was told to sell 4 million gallons to a smaller San Francisco refiner. But did the jobber or refiner in fact deliver to their priority customers or unload the gasoline at sky-high prices in the private market?

Shell does not know.

Neither does the Energy Department.

"We don't have any data on commerce, industry, farm or government purchases," said Brian Mannix, a staff assistant in the Energy Department's policy arm. "It would be an extremely expensive and burdensome reporting system."

Another problem with the Department of Energy's regulations is that they are always out of step with the size and location of motorists' demand for gasoline. Until January 1979 gasoline distributors were required to allocate their gasoline to retailers according to where and how much was sold in 1972. By 1978, this formula was so out of date that it could be applied to only 60 percent of the market. The remaining 40 percent, however, was used by the distributors to form a free spot market which sent gasoline where it was needed.

In January, the DOE changed the base allocation period for any month to the corresponding month in 1978. This effectively froze gasoline distribution in a 1-year-old pattern, and at the same time virtually eliminated the free spot market. The resulting supply shortages and imbalances soon proved that population shifts, driving patterns and road construction can make a tremendous difference within a single year. The DOE then decided to turn the clock back to 1977, but changed its mind once again. Now the DOE has a 1978 base period, with an alternate option—allocating gasoline to retail dealers according to their monthly sales average from October 1978 to February 1979. But this method turns out to penalize areas which suffered severe winter weather during that time.

The point is, no matter what "base period" the Department of Energy chooses to allocate gasoline sales, freezing the network at one point in time will always create dislocations. Such a rationing scheme inherently ignores relative changes in demand. The only fair or efficient base period is today. And that requires a free market.

DOE regulation has neither held down the price of gasoline nor increased its availability; it has done the opposite. Still more DOE regulations freeze retailers' and refiners' profit margins at 1973 levels. However, if retailers forgo marking up their prices as much as permitted at any time, they may "bank" the difference and charge it in the future. For the past few years, the market would not bear the full markups permitted under DOE regulations, a fact which squeezed retail profit margins. But in the absence of competition—a condition enforced by the DOE—retailers are now catching up by raising their prices.

Likewise, with refiners' profit margins frozen—as opposed to the prices they may charge—there is no incentive to invest in expanding refinery capacity. In California today we see a simultaneous glut of Alaskan crude oil and an excess of refining capacity, because refineries have not been equipped to handle the high-sulfur Alaskan crude oil.

Mr. Speaker, if the Department of Energy's incredibly complex regulation of gasoline cannot succeed in holding down the price or increasing the supply of gasoline, and if the entire distribution network can be upset by normal changes in driving patterns or a seasonal change in the weather—what is there to recommend it?

A free gasoline market would eliminate the incredible disparities of price and supply we are witnessing today, in the time it would take a tanker truck to drive from an area of gasoline surplus to an area of gasoline shortage. The solution to the current gasoline crisis is clear: Get the Department of Energy out of the business of directing the production and distribution of gasoline. The only reason we have gas lines in parts of the country is that it is illegal today to match up willing suppliers with willing consumers of gasoline.●

A CHANGE OF MIND ON RHODESIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following article by Miles Hudson appeared in the June 19 edition of the Washington Post.

I think it is a useful description of yet another observer to the recent Rhodesia election and provides another reason to lift economic sanctions against the Rhodesian Government.

The article follows:

A CHANGE OF MIND ON RHODESIA

(By Miles Hudson)

In May 1972, Lord Greenhill, the permanent undersecretary at the British Foreign Office, and I handed the report of the Pearce Commission to Ian Smith in Salisbury. That commission had been set up by the British Conservative government to determine whether or not the agreement it had reached with Ian Smith was acceptable to the people of Rhodesia as a whole. It reported in the negative, and I am sure its judgment was correct. I thought, and think, that the Conservative government was right, as a result, not to drop sanctions and recognize the Smith government. In my view, also, the Labor government was right to take the same view.

However, as a result of my recent visit (my eighth) to Rhodesia, as one of five members of the commission under Lord Boyd sent by Margaret Thatcher to report on the recent elections, I have changed my views. The commission reported that the elections were fair and as free as possible in the circumstances of war that prevailed there. It also said that the "election did in fact constitute a kind of referendum on the Constitution." It was not asked to pronounce on the issue of sanctions: On that and other points not covered by the report my remarks represent only my own views, speaking in a private capacity.

Rhodesia is a moral issue. Previously the moral argument has been against recognition and the dropping of sanctions. There was racial discrimination enshrined in law and the whites had not taken an irrevocable decision to transfer power to the blacks. Now, all racially discriminatory laws (including the Land Tenure Act) have been repealed and the whites have actually handed over power to the blacks. There is a black prime minister and a predominantly black parliament and cabinet.

The arguments against recognition and the dropping of sanctions, although they may appear to be moral, in fact flow from expediency.

Two main reasons are given for not moving. First, the whites have not in fact relinquished power. Second, the Constitution was never approved by the blacks.

To take the first argument, the 28 white seats do not give positive power; they establish a negative blocking mechanism against amendments of the entrenched clauses. They protect the whites from arbitrary change to the Constitution against their essential interests. Some such provision was essential if the whites were to remain in Rhodesia and no one, not even Joshua Nkomo, wishes them all to leave. I will deal later with the vital matter of whether the Constitution itself was acceptable to the people of Rhodesia as a whole.

Then there is the question of the retention of whites in leading positions in the armed services, the police and the civil service. The fact is that the blacks, quite wrongly in my view, have not been trained up to take these positions immediately. Were they to leapfrog straight to the top with little or no experience, the result would certainly be chaotic. Examples where this has happened are not encouraging. Could, for instance, a lieutenant promoted to general effectively direct the war against the guerrillas? The real question is from whom these people will take their orders. The answer is, their black minister—Bishop Muzorewa, in the case of the armed services. This is clear in the Constitution itself (Paragraph 103 [3]). Power is effectively in black hands.

Then there is the Constitution. The essential point here is that this was negotiated on and agreed to by three black parties that between them received votes representing over 50 percent not only of those who voted but of the entire electorate as well. As far as I know, in no British colony was there a referendum on the Constitution. There were no proposals for a referendum in the Anglo-American plan. The white referendum was necessary to tie the whites irrevocably to the relinquishment of power, an essential element in the situation before the whole operation could be started.

The Patriotic Front could have taken part in the negotiations leading to the Constitution and in the election if they had been prepared to eschew violence. They refused and intensified their guerrilla campaign. In that situation, it would have been impossible for any administration to allow their political wings to take part in an election. For instance, could the United States have allowed the Nazi Party to stand in elections here while it was fighting Nazi Germany?

The election represented a struggle between the ballot box and the gun. The ballot box won, to the surprise of many. Of course people realized what they were doing when they voted. If the poll had been low, everyone would have said that this demonstrated a rejection of the Constitution by the people. The poll was high, and the argument was therefore changed. But the reality remains.

The queues, sometimes a mile long, of happy excited people, which we saw, were the expression of a collective act of will of a people. The election represented the cry of a nation, tormented almost beyond hope by violence and beset by anguish and fear, asking for help. It was a rejection of the gun as the arbiter of power, a plea for dignity and progress under their own black leadership, a spurning of the dark arrogance of Communist-armed and -trained fanatics. The people of Rhodesia need support. Their opponents will not concede the field as long as there is a hope of victory: With sanctions not lifted and recognition not extended, they will have this hope. The moral case for action is overwhelming. We should not give way to expediency.●

VICTOR LASKY DESTROYS ANOTHER MYTH

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. ASHBROOK. Mr. Speaker, Victor Lasky, the blunt and observant author of the two bestsellers, "It Didn't Start With Watergate," and "J.F.K.: The Man and The Myth," has done it again with his latest, "Jimmy Carter: The Man and The Myth." What amounts to "must" reading for the politically involved, Lasky's latest effort most certainly will be avidly consulted by participants in the 1980 Presidential campaigns.

A journalist for more than 30 years Victor Lasky writes a weekly column for the North American Newspaper Alliance, and knows Washington politics more completely and intimately than most of the current crop of journalists.

I insert at this point the first-out review of "Jimmy Carter: The Man and The Myth," which cannot fail to achieve bestseller status among Democrats in the 1980 Presidential primaries and, perhaps, among the Republicans in the general election.

ANOTHER LOOK AT THE CARTER ADMINISTRATION

Victor Lasky, author of the controversial bestseller, "It Didn't Start With Watergate," which New York Times columnist William Safire hailed as "a literary and political event," writes a probing critical analysis of the extraordinary rise of Jimmy Carter in, "Jimmy Carter: The Man and The Myth," was published by Richard Marek Publishers on June 14.

According to Victor Lasky, Jimmy Carter, the man who sermonized his way into the White House with remarkably simple phrases—"I will never lie to you," "A government as good as its people," "Why not the best?"—does not practice what he preaches. Lasky reports that several years before Watergate, Jimmy Carter presided over a gubernatorial campaign in Georgia riddled with just the kind of political excesses that helped destroy Richard Nixon's career. As Lasky notes, Jimmy Carter came to power largely because voters wanted someone who was decidedly not Richard Nixon—and Carter persuaded the country that he was Nixon's opposite.

Lasky portrays Carter as a stubborn, hard-edged Governor whose temper and inability to compromise often got in the way of his efforts to push his policies through the State legislature. Carter's much vaunted reorganization of the State government resulted in what one Carter critic called, "a cosmetic rearrangement of the furniture" which lowered neither the Georgia budget nor the number of local government employees.

Not everyone was surprised at Carter's quick rise to national prominence. Reg Murphy, former editor of the Atlanta Constitution, and the current editor and publisher of the San Francisco Examiner, who once called Carter "one of the three or four phoniest men I ever met," predicted in 1976 that Carter would be elected President. Murphy told Newsweek that Carter "will do what it takes to win; he will change what views it takes for him to win." And Lasky reports that that is exactly what Carter proceeded to do.

Even now, after the welcome success of Carter's Middle East policy, Lasky finds that the impression remains that Carter is "a politician of limited and uncertain talents, a well-meaning man whose power derives far more from the office he lucked into than the qualities of personal leadership he has been able to exert."

Lasky goes on to enumerate what he sees as the multitude of blunders and questionable practices that have surfaced during Carter's administration. Among them:

The possibility of a coverup in the Burt Lance affair.

The lackluster investigation of the "Koreagate" scandal.

The controversial dismissal of David Marston, the Republican U.S. Attorney who was prosecuting Democratic officials in Pennsylvania.

Dr. Peter Bourne's performance as Director of the White House Office of Drug Abuse Policy.

The inflammatory utterings of Billy Carter which have embarrassed the President and the Nation.

With his characteristic thoroughness and keen eye for the ironic detail, Victor Lasky has written a disturbing new book. "Jimmy Carter: The Man and The Myth" is support for Lasky's statement that "Obviously, if it didn't start with Watergate, it didn't stop with Watergate, either."●

SUPREME COURT RULING ON RIGHTS OF HANDICAPPED PEOPLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. SIMON. Mr. Speaker, last week, the U.S. Supreme Court ruled for the first time on a Federal law that forbids discrimination against handicapped people in federally funded programs.

The ruling came in a case brought by Frances Davis, a licensed practical nurse with a severe hearing disability who had been turned down for a registered nurse training program at Southeastern Community College in Whiteville, N.C., on the grounds that her disability would prevent her from safely caring for patients during her training and later in her work as a registered nurse.

Davis sued, charging that the college discriminated against her because of her handicap.

The Supreme Court based its holding in Davis against Southeastern Community College on its interpretation of section 504 of the Rehabilitation Act of 1973 which prohibits discrimination on the basis of a physical or mental handicap in every federally assisted program in the country. The Court's interpretation, however, was a narrow one.

The Court held in Davis that education institutions may require their applicants to meet necessary physical qualifications for admission to certain programs. In this case, it meant that Southeastern could refuse to admit Frances Davis to its nursing program on the ground that her hearing limitation could interfere with the safe care of patients. At the same time, the Court emphasized that schools may not exclude a handicapped applicant solely because of disability.

Mr. Speaker, many people have read this decision as a denial of the civil liberties section 504 guarantees to handicapped people. To react this way is to misinterpret the Supreme Court's ruling in the Davis case.

We must be careful not to read the Court's decision into situations beyond the specific facts of the case. The Davis ruling is a limited decision and should not be interpreted broadly.

Even while permitting Southeast Community College to exclude Frances Davis from its nursing program because of her hearing impairment, the Supreme Court acknowledged that "the line between a lawful refusal to extend affirmative action and illegal discrimination against handicapped persons" may not always be clear, and that "situations may arise where a refusal to modify an existing program might become unreasonable and discriminatory." The Court emphasized that HEW will continue to have the responsibility of identifying "instances where a refusal to accommodate the needs of a disabled person amounts to discrimination against the handicapped."

Indeed, Mr. Speaker, the Davis decision does not spell the end of section 504.

The Supreme Court confined its holding to professional training programs with particular physical requirements. Rather, the recent decision was a clarification of the meaning of section 504 when applied to a particular situation. The Davis decision does not mean that handicapped children are no longer entitled to a free public education or that disabled individuals are not entitled to jobs for which they are otherwise qualified.

Since its enactment, section 504 has done a good deal to dispel stereotypes about the handicapped. Those gains will not be undone by the Davis decision.

Mr. Speaker, at this point I would like to insert in the RECORD for the benefit of my colleagues a statement on the Davis case issued by the American Coalition of Citizens with Disabilities.

The statement follows:

SUPREME COURT RULING IN DAVIS CASE IS NARROW TO ISSUE OF AFFIRMATIVE ACTION IN SPECIFIC CASES; ACCD CAUTIONS AGAINST OVERGENERALIZATIONS

The Supreme Court ruled unanimously in *Davis* v. *Southeastern Community College* that section 504 of the Rehabilitation Act of 1973 does not impose upon institutions of higher education an obligation to exercise "affirmative action" in admissions when there is reasonable doubt as to whether an applicant would be able to perform all of the duties and responsibilities assumed by graduates of the program.

This is a narrow decision—it should not be "over-read" to say things it does not. The opinion refers repeatedly to the special nature of this case, specifically to the life-and-death nature of responsibilities of graduates of the nursing program. In such special cases, the Court said, nothing in section 504 imposes an "affirmative action" obligation on recipients to admit disabled persons. The Court did, however, affirm section 504's nondiscrimination requirement.

ACCD is especially concerned that Davis not be misinterpreted by recipients of federal assistance. The statute applies to elementary and secondary education, housing, transportation, and other areas as well as higher education. Cases as extreme as that of Ms. Davis are not likely to be large in number. We do, therefore, want to caution that the Supreme Court's ruling not mislead persons to believe that other areas of the statute have been affected. We note, too, that every major case involving section 504 to precede Davis affirmed section 504's requirements on behalf of disabled people.●

FOURTH DISTRICT CONGRESSIONAL CLASSROOM

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. CAMPBELL. Mr. Speaker, over the past 2 weeks, it has been my happy privilege to help introduce 26 outstanding young men and women from the Fourth District of South Carolina to both the inner workings of their Federal Government and to the beauty and historical riches of the Nation's Capital.

These impressive rising seniors were selected by their high schools to participate in the Fourth District congressional classroom program—an intensive 4-day dawn-to-dark schedule of meetings, briefings, and tours. Among the highlights of the trip were visits with members of the congressional delegation, attendance at House and Senate sessions and committee hearings, tours of the White House, Supreme Court, and Archives, as well as the national monuments and some Federal agencies, and participation at some of the wonderful cultural events the city offers.

With many difficult decisions being forced on us as a nation, it is imperative, I believe, for your young people to have the opportunity to ask questions directly and to see firsthand where and how our laws are made so that they might have a real understanding of their Government and their American heritage.

We are fortunate in the Fourth District to have companies and businesses which share this view, and I would like to offer a special word of appreciation and commendation to those whose civic mindedness and financial support made the program possible. They include: Bankers Trust, Liberty Life Insurance Co., Spartan Broadcasting, Citizens & Southern National Bank, Dan River, Texize Chemical Co., Intex Products, Inc., Daniel International, Multimedia, Inc., J. P. Stevens, and Southern Bank & Trust Co.

I also want to congratulate each of the congressional classroom participants and their parents—and to assure my colleagues that if the perception and inquisitiveness demonstrated by these young people is typical, then our future is in excellent hands. The 1979 Fourth District congressional classroom scholars include: Kyle Atkins, son of Mr. and Mrs. Donald Atkins; Ty Bond, daughter of Mr. and Mrs. J. Roy Bond; Mia Hodge, daughter of Mr. and Mrs. Jim Hodge; Bessie Jordan, daughter of Mr. and Mrs. Andrew Jordan; John Lenning, son of Mr. and Mrs. John Lenning; Elizabeth Loving, daughter of Mr. and Mrs. Walter Loving.

Art McCraw, son of Mr. and Mrs. Joe McCraw; Mark Moore, son of Mr. and Mrs. Lewis Moore; Wesley Seifert, son of Mr. and Mrs. W. W. Seifert; Randy Soden, son of Mr. and Mrs. James Soden; Mathew Thomas, son of Mr. and Mrs. Lowell Thomas; Ronald Thompson, son of Mr. and Mrs. Thomas Thompson; and Denise Underwood, daughter of Mr. and Mrs. Hulon Underwood.

Also participating were Bridget Bennon, daughter of Mr. and Mrs. Lee Roy Bennon; Lanyda Boyer, daughter of Mr. and Mrs. Donald Boyer; Samuel Campbell, son of Mr. and Mrs. Raymond Campbell. Trina Harrison, daughter of Mr. and Mrs. John Harrison; Shonda McCall, daughter of Mr. and Mrs. L. T. McCall; Gary Middlebrook, son of Mr. and Mrs. C. O. Middlebrook; Laurie Sargent, daughter of Mrs. Charlotte Sharp; Audrey Schmitt, daughter of Mr. and Mrs. Theophil Schmitt; Myra Shaw, daughter of Mr. and Mrs. Charles Shaw; Keith Smith, son of Mr. and Mrs. Hershel Smith; Frankie Theo, daughter of Mr. and Mrs. Ken Burnett; Dean Wallace, grandson of Mr. and Mrs. Willow Wallace; and Mark Wilson, son of Mr. and Mrs. Elmore Wilson.●

PERSONAL OPINION OF H.R. 3930

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. PAUL. Mr. Speaker, we have been told that H.R. 3930, extension of the Defense Production Act, is necessary in order to provide mobility fuels for the Department of Defense should there be an interruption in our imported oil supply. In the final report of the Department of Defense shale oil task force, the annual use of fuel by the Department of

Defense is reported to be approximately 150 million barrels. The goal of H.R. 3930 is to produce 182 million barrels of synthetic fuels per year in order to meet this need. There is, however, no such need. I quote from a General Accounting Office report dated June 15, 1979.

> DOE estimates that by the mid-1980s about 440,000 barrels of oil equivalent a day, or about 163 million barrels over 1 year, could be made available by private industry during petroleum supply interruptions.

This is the second time the Congress has been sold a bill of goods in the name of "national security." The Strategic Petroleum Reserve was pushed through the Congress on the basis of "national security." That program is a fiasco, riddled with cost overruns, serious delays, and the inability to get the crude oil out of the ground at this point. Compared with what will happen under H.R. 3930 or any similar bill, however, the Strategic Petroleum Reserve will be a model of sound management.●

NINE HOUSE MEMBERS BECAME PRESIDENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1979

● Mr. FINDLEY. Mr. Speaker, acting under the authority of House Resolution 605, which I sponsored and which the House of Representatives approved on December 3, 1973, the Architect of the Capitol has installed in the floor of Statuary Hall brass plates indicating the desk location of each former President of the United States who served as a Member of this body when it met in that hall.

The first such installation marked the desk location of Abraham Lincoln, who served as a Representative from Illinois in the 30th Congress. It was set in place by then Speaker Carl Albert on August 1, 1974, in a ceremony in Statuary Hall. On that occasion an address was given by William K. Alderfer, historian of the State of Illinois and secretary of the Abraham Lincoln Association, Springfield, Ill.

The ceremony was auspicious, made the more so by a program of music by the Marine Corps Band.

Very recently, the Architect placed in the floor additional plates marking the desk location of these former Presidents:

John Quincy Adams, James Buchanan, Millard Fillmore, Andrew Johnson, Franklin Pierce, James Knox Polk, and John Tyler.

No marker was placed for William Henry Harrison who was a Member of the House of Representatives when it did not meet in Statuary Hall. Some other suitable designation is now being studied for him.

All of these men and the unique role they played in the history of the Congress, the White House, and the Nation serve as an important inspiration to all Americans.●

SENATE—*Monday, June 25, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Day by day, dear Lord,
Of Thee three things we pray:
To see Thee more clearly,
To love Thee more dearly,
To follow Thee more nearly,
Day by day.
Amen. (Adapted)

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 25, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION—TREATY ON THE LIMITATION OF STRATEGIC OFFENSIVE ARMS

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty on the Limitation of Strategic Offensive Arms, known as SALT II, and Protocol thereto, both signed in Vienna, Austria, on June 18, 1979 (Executive Y, 96th Congress, first session), which was transmitted to the Senate by the President of the United States on Friday, June 22, 1979.

I ask unanimous consent, that the treaty be considered as having been read the first time, that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

The President's message is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Treaty on the Limitation of Strategic Offensive Arms, known as SALT II, including the Protocol thereto, both signed in Vienna, Austria, on June 18, 1979.

I transmit also, for the information of the Senate, the Report of the Secretary of State with respect to the Treaty, together with the following related documents:

1. a series of Agreed Statements and Common Understandings concerning the obligations of the Parties under particular articles of the Treaty;
2. a Memorandum of Understanding that will establish an agreed data base by categories of strategic offensive arms along with associated statements of current data;
3. a Joint Statement of Principles and Basic Guidelines on the Limitation of Strategic Arms concerning the next phase of negotiation on this subject; and
4. a Soviet statement on the Backfire bomber, together with a U.S. response.

For thirty years the United States has pursued a fundamentally bi-partisan foreign policy towards the Soviet Union, with the objectives of deterring aggression by maintaining strategic forces second to none, creating a pattern and tradition of negotiation to settle differences, building a strong framework of allies, and stabilizing the globe by halting the uncontrolled growth and spread of nuclear weapons.

SALT II strengthens each of these objectives. The seven years of negotiations, under three administrations representing both political parties, were carried out in closer consultation with Congress and under greater public scrutiny than any other arms limitation treaty. SALT II is truly a national accomplishment.

It is my best judgment and firm belief that these patiently negotiated agreements further the long-standing goals for our nation's security. They improve our strategic situation and allow for further improvements in the future.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

They reaffirm our leadership of the world in the cause of nuclear arms control. They allow us to negotiate for peace from strength in SALT III.

Like SALT I, the Test Ban Treaty, and the Non-Proliferation Treaty, SALT II is another important step forward toward our basic goal of a secure America at peace in a stable world.

I pledge the full cooperation of my Administration in helping to explain the principles and details of the agreements.

Therefore, I request with a sense of special urgency the advice and consent of the U.S. Senate to ratification of the SALT II Treaty.

JIMMY CARTER.

THE WHITE HOUSE, *June 22, 1979*.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no requests for time on this side. I yield back my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting minority leader, the Senator from Utah.

Mr. GARN. Mr. President, I have no requests for time on the minority side, and I yield back the minority time.

Mr. ROBERT C. BYRD. Mr. President, I do have a request. Mr. RANDOLPH, my senior colleague, wants some time, if I may retrieve my time. I ask unanimous consent that I may retrieve it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield such time as he may desire to my distinguished senior colleague.

HELVETIA, W. VA. CELEBRATES ITS SWISS HERITAGE

Mr. RANDOLPH. Mr. President, in our State of West Virginia, which is a mountain wonderland, we have in the high hills a unique village called Helvetia.

On last Saturday at Helvetia there was a program of dimension that goes beyond just the gathering of people. They came because, in substantial degree, Eleanor Mailloux, with her talent for cooperative effort, planned this happy event. That section of what is now West Virginia was settled long ago by men and women who came with their families from Switzerland. Included were forebears of Mrs. Randolph. Mary's families were named Scherr and Babb. Ofttimes, West Virginia has been referred to as the Switzerland of America.

These hardy folk from overseas came to this mountain wilderness. They carved out for themselves, from the Appalachian hardwoods, their cabins, their churches, their places of business.

Many hundreds of people were there, for a special celebration, the descendants of the original Swiss settlers and their friends. I call particular attention today—because it is important, even at the outset of this busy Senate session, with matters that will be of concern, such as appropriations and other items—that the Ambassador from Switzerland, his wife, Annemarie and members of the Embassy staff came to celebrate with West Virginians. A copy of the program is included, as follows:

PROGRAM

SATURDAY, JUNE 23, 1979

1:30 p.m: Arriving Swiss from Washington will please stop at the Helvetia Community Hall where you will be greeted by Swiss speaking Helvetians. You will receive a name card that will also be your ticket for *essen*. Those who made earlier reservations for lodging will be taken care of. The Helvetia Sunshine 4–H Club and Helvetia Folk Dancers will act as your guides.

3:00: Ringing of the Village Bells. Parade begins (Koerner Bridge). Parade into the Meadow if a shining day, into Helvetia Community Hall if a rainy day.

3:15–3:20: Hello, David Sutton.

3:20–3:25: Invocation, Dr. Theodore P. Grant.

3:25–3:35: Address, Senator Jennings Randolph.

3:40–3:55: Address, The Ambassador of Switzerland, Mr. Raymond Probst.

3:55–4:05: Presentation of Plaque, State Preservation Officer, Mr. Clarence E. Moran.

4:10: Acknowledgement of Guests on Speakers Platform, U.S. Judge Robert Maxwell, Mrs. Probst, Mr. and Mrs. Kurt Welte, Mr. Ernst Stutzman, Del. Jae Spears, Paul Jenkins, executive VP of The Benedum Foundation.

4:20–4:40: Entertainment by Helvetia Folk Dancers.

4:40–5:15: Entertainment by Swiss Folklore Group of Washington.

5:15: Benediction, Mr. Robert Raborn.

5:30: Food for the Washington Swiss and other guests at Helvetia Community Hall.

8:00: Enetertainment in the Helvetia Community Hall by the Swiss Folklore Group of Washington, D.C.

Immediately Following: Square Dance.

SUNDAY, JUNE 24, 1979

7:30: Breakfast in Helvetia Community Hall (self help).

9:00: Sunday School (Zion Presbyterian Church).

10:00: Church Services (Zion Presbyterian Church, Dr. Grant).

Thank you for journeying so far to our small village and for helping us celebrate our great honor. If you must leave us, remember:

"If I did not depart, how could I return?"

Ambassador Raymond Probst was informative in his comments, as he recalled for the more than 500 persons the history of the settlement. His remarks follow:

ADDRESS BY DR. RAYMOND R. PROBST

My wife and I, as well as Consul Kurt Welte and his wife, are very pleased to be here with you today. As Ambassador of Switzerland to the United States, it is a great joy to see how the Swiss in America and the Americans of Swiss origin demonstrate their attachment to the old homeland. It is moving to realize how they care for our traditions and values, and how cleverly they integrate them into the new way of life. I see proof of this repeatedly because I am not only a Washington-based but just as much a roving Swiss Ambassador who witnesses this special heartwarming devotion towards my country in the most diverse surroundings, under blue skies and under grey skies, sometimes in impressively large gatherings and sometimes among a "chosen few". Just last weekend, I spoke to almost two thousand American-Swiss from the Midwest at their Sängerfest in St. Louis/Missouri; on the same occasion, I visited the little town of Highland, Illinois, settled by Swiss immigrants in the first half of the last century; shortly before that I addressed the Swiss-American community in New Orleans; and today, I am with you on a West Virginia meadow, remembering the spirit of pioneers which inspired your forefathers when they laid Helvetia's foundation 110 years ago.

But let me now dwell a little on the reason why we are here today.

It was in early spring; there were still patches of snow on these slopes and meadows, on the roof tops and under those dark pines, when an invitation was sent to my office in Washington DC, asking that we join the Helvetians for a very special celebration which should take place once the sun had brought the leaves and flowers back to life. The celebration was to joyfully remind us that, at the end of last year, this delightful little town was accepted into the National Register of Historic Places.

What, you might ask, made Helvetia deserve such honors? Well, it is the people, all of you Helvetians. Without the courage and determination of your forefathers there would, first of all, be no "Helvetia", and without the patriotism and endurance of your parents and yourselves there would be no festivities going on right now on this meadow. No cabin would ever have served as a first modest church, nor would there have been the laughter and playing of children around the schoolhouse; the sounds from the blacksmith's shop would never have filled this pure air, and the fragrance of freshly baked bread and the aroma of homemade cheese would never have enchanted a hungry townsman's nose.

The history of this settlement is told in a thin booklet, but some details you should know. I give them to you in case you haven't done your homework, as I did before coming here.

One hundred and ten years ago, a group of pioneers ventured into the vast forests covering the Appalachian Mountains. They had come from Switzerland and Germany some years before and were mostly craftsmen. Since the Civil War hindered their permanent settling, they found temporary homes in Brooklyn/New York with their families. But as soon as the war was over, some men were sent out to the newly independent State of West Virginia, a State sizably bigger than Switzerland, to explore the possibilities of finding a better life there. The endless forests at first were discouraging, it all seemed such wilderness, but when they met with the West Virginians they felt their spontaneous hospitality, and it induced them to remain.

Very reasonable land prices made their decision even easier, and before long their families started the long journey from Brooklyn to their unknown destination. In 1870, a happy group of villagers baptized their new home and, since the community consisted mostly of Swiss, they were the ones to choose a name. What would appropriately express their pioneer spirit and their wish to build a little Switzerland among these hills so far away from their old home? They chose "Helvetia", the name which originated from our Celtic ancestors 2000 years ago, a symbol therefore of endurance throughout the centuries.

While many emigrating Swiss sought out the fertile plains of the Midwest or the promising shores of California, families by the name of Daetwyler, Zielman, Stutzman, Anderegg, Hofer, Teuscher, Fahrner and many others chose the rugged "Mountain State". After the first 32 families had arrived, an enthusiastic townsman wrote such glowing accounts of this new small world of theirs that many more families came to Helvetia. Imagine, during the first years there was neither a post office nor a store in the town, and since horses were an unaffordable commodity then, those stalwart men carried their loads on their backs to the next town about 30 miles away. In 1872, the Senhauser family opened a general store. My history booklet tells me that their first

> case of eggs never made it to Helvetia because the wagon tipped over on top of the hill.
>
> The settlement, in the meantime, grew constantly, reaching 380 inhabitants by 1874. Another milestone, again out of my history book, was the installation of a pastor which took place on one of the last days of June in 1879.
>
> Wouldn't it be fascinating if we could, today, catch a glimpse of those festivities? Everybody would be speaking in their native Swiss or German tongue, we would see the ladies wearing long, dark, heavily starched dresses and the men in their Sunday best with neatly trimmed beards, and all this on this very same spot! The building of a church, of more houses and shops, even of two hotels came about gradually. As the youngsters grew up, many of them left their native soil to venture beyond and to bring honor to Helvetia and its citizens.
>
> This caused the population to slowly decline, and today only about 150 Helvetians remain here. They are proud of what their forefathers built, and they preserve and beautify it. We all know that these efforts have been intensified in recent years under the tireless guidance and enthusiasm of our friend, Mrs. Eleanor Fahrner-Mailloux, who made this day, with many other helping hands, such a jubilant one for all of us.
>
> Such a community spirit keeps the family ties tightly knit and, although the young boys and girls are no longer noisily chatting away in the schoolhouse over there, since they go to the neighboring town for their schooling, an astonishing revival has taken place here. The crowning glory was achieved with national recognition of this pioneer town.
>
> It is indeed a wonderful occasion for all of us to look back, think about not only the hardships, but also about the joys which have kept this place alive and active. Nestled away in a splendid setting which provides amply but does not spoil, these people have indeed carried on the tradition of hospitality which their leaders, in 1869, encountered when they met the original local population. And that hospitality has since become their own nature.
>
> I am very happy that close ties were established between the Helvetians, the Swiss Club, the Folklore Group, and the Swiss Benevolent society, all of them from Washington, D.C. These organizations have, in a brotherly spirit, contributed to the preservation of some of the treasures which surround us, but I think that, in return, we, the city-dwellers, have found a haven of quiet and peace, a small world where Swiss heritage is alive: and all this in the rolling hills of West Virginia.
>
> Let us therefore enjoy these moments of togetherness by rekindling and intensifying our interest in the preservation of this lovely spot.
>
> Thank you Helvetians for all your hospitality and warmth in arranging this celebration, thank you friends of the Helvetians for paying tribute to this courageous group of people who help to preserve traditions which were bestowed upon them for safekeeping!

Accompanying the ambassador and Mrs. Probst, were: Consul Kurt Welte and his wife, Elizabeth; the Swiss community in our Nation's Capital by 20 members of the Swiss Folklore Group and another 30 members of the Swiss populace in Washington, D.C.

The good will of Switzerland was expressed toward the United States, and West Virginia. Little children in their native costumes of Switzerland, of another era, danced down our streets that flow into a beautiful meadow. Bellringers with alpine horns were heard through the countryside.

The people of Helvetia are highly loyal as American citizens, but they still carry over into this period the ability to speak the Swiss language. So the Ambassador and his group were greeted by men and women who live in Helvetia and who said in the Swiss language, "You are welcome."

Another commitment in Parsons, Tucker County, caused our departure before the program ended with the benediction of Rev. Robert Raborn. The prayer was a reaffirmation of the moving words by Dr. Theodore Grant in his invocation, inserted at this point in my remarks.

> Lord, You have been our dwelling place in all generations. Before the mountains were brought forth, or even You had formed the earth and the world, from everlasting to everlasting. You are God.
>
> We praise You and thank You for Your mightly deeds. Through all time You have called forth Your people and have given them a goodly heritage.
>
> From the land of the Chaldeans You called Abraham and led him to the land You promised. By Your strong arm, You humbled pharoah and brought Your people out of Egypt. Through the wilderness, You led them and sustained them. You established them in the land You had promised, and You ruled over them. When they went astray, You chastized them. And when they turned to You, You had mercy on them. Even so, You brought your people to this place and established them. For these things, we thank You and praise You.
>
> O Lord God, who rules over all things, we thank You for this heritage which You have given to us. We thank You for leading Your children to this place, for blessing them, and for making them prosper. We thank You for the work of their hands; for this community; for our homes and jobs; for family and friends. We thank You for the blessings of this day; for bringing others to rejoice with us, for watching over them on their journey.
>
> Giver of all good things, we are in Your hands, and we pray for Your blessing. Bless us this day and establish this work. Be with us as we celebrate what You have done for us. Help us to be good stewards of Your gifts. Let us prosper in Your service. And may all this be for Your glory.
>
> For we pray in the name of Christ Jesus, Our Lord and Redeemer. King forever. Amen.

It was a tremendous day. There was the recognition that Helvetia had been listed on the National Registry as a historic place. Clarence Moren came from Charleston and presented the plaque. It was our privilege to present to the community a large American flag that had been flown over the U.S. Capitol.

Mr. President I think a continuing strength of the family is expressed and known to exist in that section of West Virginia. It was a day of cooperation, a day of joy. It was a day not so much of looking back—although that was desirable—but a day of recognition of the characteristics and the traits and the principles of the early pioneering, hardy people from Switzerland. This is the continuance of the American dream, a dream in which work is included, a dream in which friendliness is paramount. We must realize that, in the strength we possess, we do not have the answer but there is always the Creator, who continues to sustain us.

Mr. President, I yield back the remainder of my time.

SUPPLEMENTAL APPROPRIATIONS, 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4289, which will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 4289) making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that pending the arrival of the manager there be a brief period for the transaction of routine morning business, that Senators may be permitted to speak therein up to 5 minutes each, and that the period not extend beyond 11 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the majority leader.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF MR. DURENBERGER ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow Mr. DURENBERGER be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is morning business closed?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. ROBERT C. BYRD. So the pending business now is the supplemental appropriations, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator is correct.

RECESS FOR 10 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes.

There being no objection, the Senate, at 10:50 a.m. recessed for 10 minutes; whereupon, at 11 a.m. the Senate reassembled when called to order by the Acting President pro tempore (Mr. EXON).

SUPPLEMENTAL APPROPRIATIONS, 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4289, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 4289) making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

The ACTING PRESIDENT pro tempore. Debate on any amendment in the first degree shall be limited to 30 minutes, except for 10 amendments by the Senator from Connecticut (Mr. WEICKER), on each of which there shall be 1 hour; one amendment by the Senator from Oregon (Mr. HATFIELD), on which there shall be 2 hours; one amendment by the Senator from Minnesota (Mr. BOSCHWITZ) on which there shall be 2 hours, or two amendments by the Senator from Minnesota (Mr. BOSCHWITZ) on each of which there shall be 1 hour; the time to be equally divided and controlled by the mover of the amendment and the manager of the bill. Debate on any amendment in the second degree shall be limited to 20 minutes, and debate on any debatable motion, appeal, or point of order limited to 10 minutes, and debate on passage of the bill limited to 1¼ hours, control of the time as follows: 30 minutes for the Senator from Washington (Mr. MAGNUSON), 30 minutes for the Senator from North Dakota (Mr. YOUNG), and 15 minutes for the Senator from Virginia (Mr. HARRY F. BYRD, JR.)

Who yields time?

Mr. MAGNUSON. I yield myself such time as I may require.

Mr. President, the committee recommendation for the fiscal 1979 supplemental appropriations bill is $13.9 billion.

This is a reduction of $2.9 billion below the President's request of $16.8 billion—nearly a 20 percent reduction.

Each and every one of the 13 subcommittees is involved in this huge supplemental.

It contains basically two parts: Title I is $11.4 billion for funds to support programs' mandatory expenses and some new initiatives which are necessary since the regular fiscal 1979 appropriations bill was passed.

Title II amounts to $2.4 billion. This is simply to increase pay costs for Federal personnel. This is a mandatory expense which must be paid. That total cost of this pay raise was $3.6 billion in fiscal 1979, but the various departments and agencies will have to absorb nearly 30 percent of this amount.

The recommendations of the committee which are contained in this bill will be adequate to support the various departments for the remainder of fiscal 1979. A great deal of time and effort was put into this bill by the various subcommittees to assure that only the most essential items were recommended in this bill. The nearly 20 percent reduction below the amount requested by the President is a true test of their efforts and awareness of the serious financial situation which is facing our Nation today.

As far as the budget ceiling is concerned, the committee recommendation is almost $200 million below the budget ceiling. We are right on target as far as outlays is concerned—and I underline outlays.

To our knowledge, very few, if any, amendments are expected on this bill. In order to speed it up, each of the subcommittee chairmen have asked that I submit for the record their statements pertaining to the individual chapters of the bill.

I ask unanimous consent that their statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR EAGLETON

CHAPTER I—AGRICULTURE

The recommendation of the Committee for Chapter I, Department of Agriculture, is for budget authority of $1,132,102,000. This is about a billion less than the budget estimate, but $624 million above the House bill. The principal difference is in food stamps, which I shall discuss later in my statement.

Included in the recommended supplemental appropriation are the following amounts: $3.4 million for buildings and facilities of the Agricultural Research Service ($1.7 million for the National Soil Erosion Laboratory at Purdue University and $1.7 million for a research feedmill at El Reno, Okla.); $4.9 million for accrued liabilities for retirement costs of the Extension Service; $1.9 million to close out the beekeeer indemnity program; and $1.1 billion for Child Nutrition Programs. Two decreases to the House bill are recommended by the Committee as follows: $27 million for elderly feeding, which has been funded through a reprogramming, and $750,000 for Food Safety and Quality Service which is not considered essential at this time.

With respect to the Food Stamp Program, the Committee recommends a supplemental of $988,786,000, which is $50 million below the budget request, but $609,086,000 more than the House allowance. It is recognized that this amount exceeds the present authorization level by $609,086,000; however, its action is predicated on need, the desire to avoid harm to program recipients, and the lack of adjustments in authorization levels by the Congress to date. We have also provided that the funds shall be available for obligation only through September 30, 1979, in order to insure that only that portion of the appropriation needed to finance 1979 benefits will actually be obligated and spent.

STATEMENT OF SENATOR STENNIS

CHAPTER II—DEFENSE

The budget request for the Defense portion of the supplemental bill is $4.260 billion. The recommended appropriation is $3.932 billion in new budget authority, of which $1.817 billion is for pay raises for military and civilian personnel, and $2.115 billion is for increases in program costs. The recommendation is $328 million less than the budget request and $1.048 billion more than the House allowance.

Major items within the $2.115 billion for increased program costs include funds for increased cost of food for enlisted military dining halls, increased permanent change of station travel rates, cost of living increases in military retired pay, restoration to full operating status of U.S. operated bases in Turkey, removal of asbestos-containing material from Navy ships, expansion of Joint Chiefs of Staff exercises, reduction in the backlog of real property maintenance and repair, procurement of engine modules for the F–15 aircraft, procurement of four DDG–993 destroyers, and research, development, test and evaluation funds for the following programs: Army TOW anti-tank missile, Pershing II ballistic missile, M–X missile, air launched cruise missile, and Very Low Frequency communications.

The recommendations include transfer of funds from the fiscal year 1977/1979 aircraft procurement appropriation of $80.1 million for the U.S. share of the NATO AWACS acquisition costs and $50.0 million for reduction in the backlog of real property maintenance and repair.

The Committee also recommends a provision in the bill that will prohibit use of appropriated funds to disestablish the National Board for the Promotion of Rifle Practice and the Director of Civilian Marksmanship program.

STATEMENT OF SENATOR INOUYE

SUBCOMMITTEE ON FOREIGN OPERATIONS

The Committee proposes a total of $1.7 billion in supplemental items under the jurisdiction of the Foreign Operations Subcommittee. This amount is $884,000 above the House level and $10,795,000 below the President's budget estimates. Of the total, $1,470,000,000 relates directly to the Middle East Peace Treaty. Detail on each item is included in the report (pages 44–50). Major items are as follows:

(1) Payment to the Foreign Service Retirement and Disability Fund:

Budget estimate, $856,000.
House allowance, $856,000.
Committee, $856,000.

This payment is required by law and will be used to meet the unfunded liability of the Foreign Service Retirement and Disability Fund.

(2) Economic Support Fund for Turkey:

Budget estimate, $100,000,000.
House allowance, $100,000,000.
Committee, $100,000,000.

This is a loan, repayable over 20 years including a 5-year grace period with a 5 percent interest rate. It is a balance of payments loan designed to give Turkey immediate support in that country's efforts to meet its balance of payments crisis. The U.S. contribution is part of a coordinated effort with the European Economic Community to restore health to the Turkish economy. The major Western governments have pledged approximately $900 million in various types of assistance in support of Turkey's efforts.

(3) Military assistance:

Budget estimate, $33,000,000.
House allowance, $22,500,000.
Committee, $27.500,000.

This amount is a reappropriation of unobligated balances of prior year funds. In effect, it raises the ceiling on the obligation of Military Assistance funds for fiscal year 1979. The additional funds made available by this reappropriation will be used to support programs in the Eastern Mediterranean ($11.8 million for Turkey, $4.5 million for Greece) where the United States has an increasingly important strategic interest. In addition to its contribution to strengthening NATO in the Eastern Mediterranean, a ceiling increase would also make possible a number of other important programs (for example: $2.6 million for Korea, $1.6 million for Portugal, and $900,000 for Spain).

The next three items are in support of the Treaty of Peace between Egypt and Israel. The President's pledge of extraordinary assistance to Israel and his promise of economic and military assistance to Egypt helped to secure this historic peace treaty. This assistance is crucial to the implementation of the Peace Treaty and it is hoped that the Senate will give its full support to the President's request.

(4) Economic Support Fund for Egypt:
Budget estimate, $300,000.000.
House allowance, $300,000,000.
Committee, $300,000,000.

Most of these funds will be used to finance urgently needed commodity imports in an effort to improve living conditions of the population in general and to provide visible evidence of the benefits of peace. The program developed by the Administration is designed to bolster support for President Sadat. It will ensure the availability of needed consumer goods for the urban lower and middle classes and thereby meet human needs as well as give support to President Sadat's policies.

(5) Assistance for the relocation of facilities in Israel:
Budget estimate, $800,000,000.
House Allowance, $800,000,000.
Committee, $800,000,000.

These funds would support the construction of two military air fields in the Negev to replace those which Israel is giving up in the Sinai. The terms of the Peace Treaty between Israel and Egypt call for Israeli withdrawal from the Sinai within three years. Israel simply could not afford to reconstruct airbases which are vital to Israel's security within that time-frame without the support of the United States. The provision of this assistance lies at the heart of the Peace Treaty and it is doubtful that agreement could have been reached without the President's pledge of support. It is important that we support the President's pledge and approve the full amount requested.

(6) Foreign military credit sales:
Budget estimate, $370,000,000.
House allowance, $370,000,000.
Committee, $370,000,000.

This appropriation would finance a total of $3.7 billion in Military Sales Credits ($2.2 billion for Israel and $1.5 billion for Egypt). Anyone who has studied a map of the Middle East will recognize that Israel has lost strategic depth with the withdrawal from the Sinai. Israel should be assisted as she adjusts to the new territorial arrangements which are a part of the peace.

Egypt, which increasingly stands alone in the Arab world, faces new threats to her borders, threats which she has courageously faced in her commitment to peace. The Committee will want to support this commitment and provide Egypt with the security she needs to continue in the pursuit of peace.

(7) Peace Corps:
Budget estimate, $4,400,000.
House allowance, $3,221,000.
Committee, $3,480,000.

The Peace Corps has been hard hit by inflation overseas. The requested supplemental will enable the Peace Corps to meet these rising costs and will provide needed support to the volunteers. The committee notes, however, that the dollar has improved in standing since the President submitted his request for supplemental funding and, so, the need for a supplemental has been reduced. In addition, a Peace Corps reprogramming action earlier this year took funds out of training and put them into program support. Because of the training cycle of the Peace Corps, it now appears that it will not be possible to restore to the training account all of those funds which were shifted from training to program support. Accordingly, the Committee recommendation for supplemental funding is $920,000 below the Administration's request.

(8) Migration and refugee assistance:
Budget estimate, $104,910,000.
House allowance, $104,910,000.
Committee, $103,035,000.

The Committee recommends the appropriation of all but $1,875,000 of the President's request. This minimal reduction is occasioned by the fact that a $1,875,000 drawdown of the United States Emergency Refugee and Migration Assistance Fund has already been used to provide initial relief of those financial pressures which the President seeks to address in his request for supplemental funding of the regular program.

Supplemental funding for the Migration and Refugee program is needed for two reasons. In the first place, the Soviet Union has liberalized its policies on exit visas and many more Soviet Jews are allowed to leave each month. The expected flow of refugees from the Soviet Union in this fiscal year is now estimated to exceed 36,000, a dramatic increase over last year. In the second place, supplemental funding is required to meet the need for refugee assistance in Indochina. Over 150,000 refugees are now gathered in camps in Thailand and others flee Indochina daily. Countries which have provided initial asylum are now facing overwhelming burdens.

This appropriation will ease economic and financial pressures placed on the countries of first asylum and the United States private and voluntary agencies which provide care, maintenance, transportation and resettlement assistance to the refugees. It is hoped the Senate will support this recommendation.

(9) U.S. Emergency Refugee and Migration Assistance Fund:
Budget estimate, $10,000,000.
House allowance, $10,000,000.
Committee, $7,500,000.

The Committee believes that the appropriation of $7,500,000 for the Emergency Fund at this time will provide adequate funding for the remainder of this fiscal year. It is noted that the emergency fund has been depleted, in part, because emergency funds were used to supplement regular programs. In view of the amount recommended in this bill for supplemental funding of the regular program, it is unlikely that the emergency fund will have to be used to meet additional requirements for these programs.

Statement of Senator Proxmire on Chapter V of 1979 Supplemental, H.R. 4289

Chapter V of the Supplemental Bill we have before us, the Hud-Independent Agencies Chapter, contains $1,880,449,000 for the Department of Housing and Urban Development and a number of independent agencies. The amount recommended is $74,635,000 below the budget estimate and $11 million less than the House-approved figure.

The $11 million reduction in the House-passed bill represents a decision by the Committee that no loan funds should be made available to the newly created Consumer Cooperative Bank in view of the fact that the Bank has not as yet been organized and will not be in a position to make any loans before the end of fiscal year 1979. The Committee also recommended that the National Commission on Air Quality be allowed to reprogram $45,000 into travel expenses rather than the $35,000 approved by the House.

In all other respects the Committee concurred with the House decisions on Chapter V. The Committee approved a total of $1.4 billion for VA benefits; $57.5 million for health manpower training institutions; $194 million for disaster relief; and $185 million for the space shuttle. The bill includes $5 million for a new neighborhood self-help development program but does not provide funds to start up a livable cities program under the HUD portion of the Chapter. A number of smaller appropriations were recommended, including $2,190,000 for the Consumer Product Safety Commission and $600,000 for the Selective Service System.

Finally, the Committee recommended three changes in the Hud-Independent Agencies portion of Title II of the bill as it was passed by the House—the pay raise portion of the legislation. The bill provides for a reduction of $10 million in the VA's medical care account—funds that the VA will not be able to spend under present manpower ceilings. The Committee also recommended minor increases of $12,000 for the Office of Consumer Affairs and $312,000 for the American Battle Monuments Commission.

Statement of Senator Robert C. Byrd

CHAPTER VI—INTERIOR AND RELATED AGENCIES

The Committee recommendation for Chapter VI of the bill for the Department of Interior and related agencies totals $214.4 million. This is a reduction of $98 million below the President's budget request but an increase of $36.1 million above the House allowance. Part of the increase over the House—$11 million—involved a late arriving supplemental request that was not considered by the House. These additional funds are to finance special environmental studies in connection with our outer continental shelf oil and gas leasing program.

Another increase over the House is $20 million recommended for grants to the Virgin Islands to cover the territorial government's operating deficit. Under limitations included in the bill, these grants cannot exceed the actual deficit and must be repaid if certain Federal excise tax revenues become available to the Virgin Islands.

The Interior chapter includes $20 million to initiate the recently authorized urban park and recreation grants, and there is a total of nearly $104 million for fightling range and forest fires on public lands.

The overall reduction in budget estimates represents our effort to cut spending to a minimum in repsonse to the current fiscal climate. All of the President's supplemental requests that were not considered urgent or timely were either denied or deferred to a later time. In many cases, the lateness of this supplemental appropriation bill made possible several savings.

Generally, our recommendations on budget requests follow the House except in the case of certain Department of Energy programs where we felt additional funding was needed to permit compliance with recently enacted legislation. I believe the language for Chapter VI in the Committee report sufficiently explains the individual allowances.

Statement of Senator Sasser

CHAPTER VIII—LEGISLATIVE BRANCH

The total amount of Chapter 8 relating to the Legislative Branch is $6 million which is:

$2 million over the House allowance; and
$12 million below the budget request.

The $2 million added by the Senate is required to cover four relatively routine items not considered by the House.

These four items consist of costs associated with:

(1) the establishment of the Committee on Aging as a Standing Committee of the Senate pursuant to S. Res. 376 agreed to March 6, 1978;

(2) the increases in allowance of the Senators from four States due to increases in the population of those States;

(3) the longevity compensation and merit increase program enacted by PL 95–391; and

(4) replacement of one hundred 70 year old windows in the Russell building.

Chapter 8 also includes a number of administrative provisions of a technical or housekeeping nature, each of which is printed in the report together with a short explanatory statement.

None of these provisions will require any additional funds for fiscal year 1979.

Among the provisions approved by the Committee are:

(1) A lump sum allowance in lieu of three statutory positions for the Office of the President Pro Tempore;

(2) a similar lump sum allowance in lieu of specified statutory positions for the Office of the Secretaries of the Conferences of the Majority and Minority as requested by the holders of the offices, Senators Inouye and Garn;

(3) an increase in the pay of the Senate chaplain as requested by Senators Bumpers, Hatfield, Robert C. Byrd and Howard Baker;

(4) an increase in the pay of certain Senate staff as requested by Senators Stevens, Robert C. Byrd and Howard Baker;

(5) a provision proposed by Senator Heinz designed to obviate the need to recover small salary sums in the event of the death of an employee between December 20th and December 31st.

(6) several other provisions of a housekeeping nature proposed by the Sergeant at Arms or the Secretary of the Senate.

These are the highlights of Chapter 8, as approved by the Committee. I urge my colleagues to support chapter 8 of the bill.

STATEMENT OF SENATOR HUDDLESTON

MILITARY CONSTRUCTION

The fiscal year 1979 supplemental budget estimate for Military Construction activities is $138,861,000 under Title I—Increased Program Costs. The estimate was submitted to offset the effects of dollar devaluation overseas and to accommodate a number of new requirements that were identified subsequent to passage of the fiscal year 1979 Military Construction Appropriations Act.

The Committee concurs with the House and does not recommend supplemental appropriations at this time as appropriate authorizing legislation has not been enacted. The items requested will be considered during the Committee's review of fiscal year 1980 Military Construction estimates.

STATEMENT OF SENATOR HOLLINGS

CHAPTER IX—STATE, JUSTICE, COMMERCE, THE JUDICIARY AND RELATED AGENCIES

In Chapter IX of the bill the Committee recommends program supplemental appropriations of $1,229,652,000 for the Departments of State, Justice, Commerce, the Judiciary and Related Agencies. This is a reduction of $16,348,000 in the amounts requested and is $70,745,000 over the amount allowed by the House of Representatives. The bulk of the funds recommended, $1,020,000,000 is for SBA's Disaster Loan Fund for floods and tornadoes earlier this year in Mississippi, North Dakota, Missouri, Arkansas, Texas, and elsewhere.

The increase over the House is due to items submitted too late for House consideration. The largest one is $60,000,000 to construct a West Coast Base for the National Oceanic and Atmospheric Administration at Sand Point, Washington. We also recommend an additionl $7,795,000 for items submitted late by the Department of Justice. The reductions to the budget mainly come under the Judiciary where we have cut half of the supplemental funds requested for the 152 new judgeships. Only 48 of the judges have been nominated and just 18 confirmed.

The Committee has inserted some requested language provisions. They will repeal the numerical ceiling on the lease and purchase of vehicles by the U.S. Marshals Service; extend the availability of $3,500,000 appropriated in the regular bill for the construction of the FBI's forensic science training and research facility at Quantico, Virginia until September 30, 1980; allow the $3,335,000 in this bill for an Alien Detention Center at Port Isabel, Texas to also remain available until September 30, 1980; allow the judges to be reimbursed for coffee and doughnuts provided jurors; and authorize the International Communication Agency to enter into a 25 year lease for a radio facility in Botswana.

The bill includes the full $96,000,000 increase requested in the limitation on obligations charged to the revolving loan fund of the Economic Development Administration. This is to complete the loan guarantee program begun last year to assist steel firms in making the required environmental improvements; and the modernization necessary to compete with imports. It is clearly indicated on page 116 of the report that the approval by the Committee of the full amount requested does not constitute approval or disapproval of the Wheeling-Pittsburgh loan guarantee. The Committee holds the EDA responsible for upholding the law as well as the intent of the program.

The Committee also recommends supplemental appropriations under Title II of $89,941,000 for increased pay costs or $28,308,000 below the estimates for the agencies under the jurisdiction of the State, Justice, Commerce, the Judiciary, and Related Agencies Appropriations Subcommittee.

STATEMENT OF SENATOR BAYH

CHAPTER X—TRANSPORTATION AND RELATED AGENCIES

Chapter X of the Supplemental Appropriations Bill, 1979 includes a total of $464,335,000 in new budget authority for the Department of Transportation and related agencies under the Subcommittee's jurisdiction. This amount is $14,964,000 below the Administration's budget and $14,249,000 above the allowance of the other body.

Office of the Secretary

The Committee has included $5,000,000 requested by the Administration to perform a study, jointly by the Secretaries of Transportation and Commerce, of inland waterway user taxes and charges as required by section 205 of the Inland Waterways Revenue Act of 1978.

Coast Guard

For the Coast Guard, the bill includes appropriations totaling $25,000,000. Of that amount, $13,000,000 is for the Pollution Fund; $4,000,000 is for retired pay, and $8,000,000 for the Offshore Oil Pollution Compensation Fund.

The bill also includes a provision which would provide for the collection of a fee, not to exceed 3 cents per barrel, on oil obtained from the Outer Continental Shelf as authorized by Title III of Public Law 95–372 and limits fiscal year 1979 obligations to a maximum of $60,000,000.

Federal Aviation Administration

For the FAA, the bill contains appropriations of $3,500,000 to enable them to accelerate development of collision avoidance systems. The Committee does not recommend the appropriation of $13,563,000 for the implementation of proposed rules for controlled visual flight. In terms of public comments received, this is one of the most controversial rules FAA has ever proposed. In testimony before the Transportation and Related Agencies Subcommittee, Administrator Bond described as a "very distinct possibility" the likelihood of a new proposed rule. We have included report language indicating that we would consider temporarily reprogramming F&E funds when a rule becomes final.

The bill also includes a provision limiting to $100,000,000 the extent to which the Secretary of Transportation may provide guarantees by the Federal Government of private aircraft loans. In addition, it does not contain language that would limit such loan guarantees to commuter airlines.

Federal Highway Administration

For the Federal Highway Administration, the bill contains an appropriation of $18,500,000 to liquidate obligations incurred by the Off-System Roads program as authorized in the Federal-Aid Highway Amendments of 1974.

In addition, a provision is included in the bill which prohibits the use of funds for the project authorized by section 152 of the Surface Transportation Assistance Act of 1978.

Federal Railroad Administration

For the Federal Railroad Administration, the bill includes $154,000,000 of which $119,000,000 is for Amtrak and $35,000,000 is for the Northeast Corridor Improvement Program. Of the amount provided to Amtrak, $90,000,000 is for operating deficits to continue the current system for the remainder of the fiscal year, and $29,000,000 is to continue the procurement of 11 additional AEM–7 lightweight locomotives.

Related agencies

For the related agencies under this chapter, the bill includes $276,835,000. Of this amount, $4,000,000 is for the Civil Aeronautics Board payments to air carriers under section 419 of the Airline Deregulation Act of 1978, $4,934,000 is for the operating expenses of the Canal Zone Government, $4,200,000 is for the administrative expenses of the U.S. Railway Association and $239,000,000 for the purchase of Conrail securities; $1,500,000 to begin the work of the National Alcohol Fuels Commission. Also included in that figure is $23,201,000 for the interest payments due July 1, 1979, of the Washington Metropolitan Area Transit Authority. This is the same total amount as allowed by the other side, however, they would transfer $7,099,000 from WMATA's capital program. We have provided the whole amount by direct appropriation, feeling that such a transfer was a poor precedent to establish.

Increased pay costs

Title II of the bill includes $85,752,000 in new budget authority. $5,027,000 in increased limitations and $5,249,231 in transfers for pay cost increases for agencies under the jurisdiction of the Subcommittee. This compares to requests of $95,350,000 in new budget authority, $5,597,000 in limitation increases and $63,331 in transfers for a reduction of $9,598,000, $570,000 and an increase of $5,186,000, respectively.

STATEMENT OF SENATOR CHILES

FISCAL YEAR 1979 SUPPLEMENTAL FOR THE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

The supplemental requests for the several agencies that fall within the jurisdiction of the Treasury, Postal Service, and General Government Subcommittee total $669,666,000, of which $100,989,000 is for pay adjustments. The Committee has recommended a fiscal year 1979 supplemental for these several agencies which totals $495,407,000. This recommendation includes $102,413,000 for the pay adjustments and $392,994,000 for program increases. The Committee's recommendations for these agencies in round terms is $174,000,000 less than the request and $23,000,000 less than the House recommendation.

While I will not take the Senate's time to discuss every item included in Chapter XI of this Bill, I would like to provide a brief highlight of several of the items.

First, the Postal Service has requested $18,233,000 to begin subsidizing mailings for political committees. The Committee does not agree with the concept of reduced rates for political committees and we have, therefore, eliminated the $18,233,000 requested for this purpose. The Postal Reorganization Act of 1970 provided a mechanism to permit the Postal Service to adjust their rates to recover the full cost of providing mail service for a particular category of mail in the event of a failure of appropriations. This provision of Public Law 91–375 has only been used once before in 1972 when the Congress decided not to permit a subsidy for specific categories of bulk mail advertising.

Secondly, I would like to very briefly highlight a number of supplemental funding proposals for the Department of the Treasury. First, the Committee has recommended $400,000 to permit the Bureau of Alcohol, Tobacco, and Firearms to begin to implement Public Law 95-575, a bill to aid states in combatting cigarette smuggling. This new program should assist the various states which collectively lose over $300 million in state revenue each year because of illegal trafficking in contraband cigarettes. Secondly, the Committee did not allow the funds requested by the U.S. Customs Service to pay for the expenses incurred to enforce the customs laws of the Virgin Islands. It is the Committee's belief that the Virgin Islands should continue to pay for these services on a reimbursable basis, which has been the practice since 1917. Thirdly, the Committee deferred consideration of a supplemental request to begin production of gold medallions as provided for in the American Gold Medallion Act of 1978. As the Committee did not receive this request until June 8, 1979, time was not available to consider it and, therefore, the Committee decided to consider the funding needs of this program along with the funding proposals for fiscal year 1980. Finally, with regard to the Department of the Treasury, the Committee denied the $700,000 requested for increased travel expenses for the U.S. Secret Service. It is the Committee's view that the Secret Service should take the necessary administrative actions to match its funding needs to the level of resources already available.

Thirdly, with regard to the Council on Wage and Price Stability, the Committee recommended a supplemental appropriation of $3,199,000, which is a reduction of $2,000,000 below the amount requested. The funding reduction recommended by the Committee will not impact on the programs of the Council but will also not permit the Council to reimburse the President's Unanticipated Needs account and the various agencies which have contributed staff and funds to the Council. The Committee felt that because of the lateness of the year these reimbursements would unlikely be available in time for actual expenditure in fiscal year 1979 and, therefore, their appropriation would be of questionable merit.

Finally, the Committee has recommended the full amounts requested for the Merit Systems Protection Board and the Federal Labor Relations Authority. These two agencies were created by the Civil Service Reform Act of 1978 and the Committee provided the full amount requested in order for these new agencies to be fully able to carry out the responsibilities assigned to them.

STATEMENT OF SENATOR LEAHY

FISCAL YEAR 1979 SUPPLEMENTAL—H.R. 4289

Chapter XII—District of Columbia appropriations

It is my pleasure to summarize the recommendations contained in this bill covering the District of Columbia.

The items covered in Chapter XII include funding for the Temporary Commission on Financial Oversight of the District of Columbia as well as direct funding to the city in the form of a Federal Payment. Also included are District-generated revenues, which require appropriation by Congress before they can be spent. The Federal funds requested total $73.9 million, while the suggested allowance is $23.9 million, a reduction of $50 million. The total amount requested in District of Columbia funds is $127.8 million, while the suggested allowance in just over $53 million, a reduction of $74.6 million.

Funding recommended in this chapter of the bill covers various mandatory items and allows for several new initiatives that should be funded. Major items include funding for the Temporary Commission on Financial Oversight of the District of Coumbia, in the amount of $4.5 million. This amount is matched by District of Columbia funds to provide a total of $9 million to implement much needed financial improvements. Funding in the amount of $2,565,000 is provided as a reimbursement for costs incurred by the District government resulting from the American Agricultural Movement demonstration on the Mall. Although reductions are suggested, funding is provided for police and fire pensions, and for public assistance payments. Additional funding is also included for snow removal and increased pay costs. Finally, $7.2 million is provided for the District's summer youth employment effort. The amount recommended for this program will supplement other available funding to provide a total of 30,000 jobs for District youth this summer.

In order to fund these programs, a Federal Payment of $15 million is recommended, which is $50 million less than the amount requested. The remaining necessary funding is provided from District revenues.

I am confident that these are worthwhile programs, and that funding is fully justified.

Mr. MAGNUSON. As far as Labor-HEW is concerned, I have just a brief statement and then I will yield to the ranking members of the committee, that distinguished Senator from North Dakota, Senator YOUNG. I think that it should be emphasized that we must move quickly on this supplemental and hopefully we will be able to begin and complete our conference tomorrow so that this measure can be adopted prior to the Fourth of July recess.

LABOR-HEW CHAPTER

The Labor-HEW chapter is $761 million below the President's supplemental requests. The House is lower than the Senate because there were several budget requests that came up after they considered the bill.

As I said earlier, many supplemental requests have come up from OMB. For Labor-HEW, we have tried to limit what was included in this bill to items that must be considered at this time. Frankly, many of the requests can be handled in the 1980 bill. If there is no urgency to include something, we left it out.

In the Department of Labor, there is $500 million for black lung and unemployment benefits. The funds will avoid delays in making these mandatory payments.

For the health programs, we have a few small items for research and prevention. In education, there is $243 million to fund additional guaranteed student loans for college students. There is also additional funding for Head Start and money to assure adequate nutrition services for the elderly. Finally, $162 million is being recommended to support the Federal match for the Corporation for Public Broadcasting.

As usual, this is one of the larger chapters of the supplemental. We have not been informed of any amendments relating to this section.

I yield now to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I agree with the distinguished chairman of the committee that it is urgent to get this bill through before the Fourth of July recess, as much of this money is badly needed immediately.

Mr. President, this is a very sizable supplemental appropriations bill. It represents a deficit in many functions of the Federal Government, many of which are highly justified. The Appropriations Committee did reduce requests of the administration by $2.9 billion from their total request of $16.7 billion.

One of the reasons that this is such a large supplemental is that the administration forwarded to the Congress an additional request of over $800 million just as the committee was commencing markup of the bill. This additional request included such things as $300 million for black lung which had not been authorized and $200 million for the unemployment trust fund.

Many of the items contained in this bill are urgent and cannot be delayed until the fiscal year 1980 appropriations bills. In addition, there are items contained in this bill that are required by law to pay salary adjustments because of the last October cost-of-living pay increase.

Mr. President, the Appropriations Committee continues to have difficulty in efficiently carrying out its responsibilities because of the lack of authorization for programs that have been requested. This is largely the reason why the supplemental appropriations bill has been pending in Congress for the past 2 months.

In considering this bill, the committee determined that the budget request for over $800 million lacked authorization. In some ways this can be considered a saving but in the long run it can be considered a detriment to the funding of urgently required programs.

The committee recommends funding for a number of significant items, of which I will mention only a few. The committee recommends $2.4 billion for increased pay costs for military and civilian personnel. These funds are required by law. The Veterans' Administration is provided $1.1 billion for compensation and pensions of veterans. These funds must be provided because the increases in payments to veterans are entitlements established by law.

In recent months there have been severe weather conditions that have created the necessity for disaster loans through the Small Business Administration. These disasters have extended over a large area of the country, including Texas, Arkansas, Oklahoma, Mississippi, Alabama, Louisiana, Missouri, Minnesota, and North Dakota. The committee recommends that $1 billion be provided to the Small Business Administration to aid such victims in those States affected by agricultural drought, winter storms, tornadoes, and flooding.

The committee recommends providing $1.3 billion for the purchase of four destroyers. These are the destroyers that were ordered by the Iranian Government and have since been canceled. These ships are needed by our Navy and can be purchased under these conditions at substantial savings. It has been estimated that these ships would cost as much as $800 million more if they were ordered today. This savings is primarily realized because the materials have already been purchased and will not be affected by future inflation.

Mr. President, there are other items contained in this bill which I have indicated earlier that are urgent, and there are still other items in this bill that it is prudent to fund at this time rather than to so act for the regular appropriation bill.

The committee has held hearings and considered the items requested in this bill in detail, and I urge the approval of the bill substantially as recommended by the committee.

Mr. STENNIS. Mr. President, will the Senator yield briefly?

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. YOUNG. I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. Let me just say that I appreciate, as representing one of the States injured by the flood disasters, what the committee has done to include in this measure what really are distress relief funds.

Mr. MAGNUSON. We included the State of Mississippi and several other places that were seriously injured.

Mr. STENNIS. Yes, that is right.

Mr. MAGNUSON. By tornadoes and floods.

Mr. STENNIS. Yes.

Mr. MAGNUSON. I understand they had 23 inches of rain in Mississippi in 24 hours.

Mr. STENNIS. That is correct. It is the first time we have ever had that. There has to be a first. We appreciate very much what the committee has done.

Mr. YOUNG. Mr. President, I express appreciation to the Senator from Mississippi for his fine statement. He was one of the foremost in getting this bill speedily approved by the Appropriations Committee; and probably no State has been hurt worse by these disasters than his State of Mississippi.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as thus amended be considered as original text for the purpose of further amendment, and that no points of order be considered waived.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, beginning with line 11, insert the following:

BUILDINGS AND FACILITIES

For an additional amount for "Buildings and Facilities" of the Agricultural Research Service, $3,400,000.

On page 2, beginning with line 19, strike through and including line 22;

On page 2, beginning with line 24, insert the following:

EXTENSION SERVICE

For an additional amount for "Extension Service", for retirement costs, $4,973,000.

On page 3, beginning with line 1, insert the following:

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

DAIRY AND BEEKEEPER INDEMNITY PROGRAMS

For an additional amount for "Dairy and Beekeeper Indemnity Programs" for indemnity payments to beekeepers, $1,943,000.

On page 3, line 14, strike "$200,000,000" and insert the following:

$133,000,000 including $6,077,000 for the State administrative expenses: *Provided*, That only claims for reimbursement for meals served during 1979 received by the Secretary of Agriculture before April 1980 shall be eligible for reimbursement: *Provided further*, That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966, as amended, shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture

On page 4, line 5, strike "$379,700,000" and insert "$988,786,000: Provided, That this amount shall be available for obligation only through September 30, 1979";

On page 4, beginning with line 8, strike through and including line 12;

On page 4, line 18, strike "$76,200,000" and insert "$56,200,000";

On page 4, line 21, strike "$29,200,000" and insert "$28,000,000";

On page 4, line 24, strike "$5,800,000" and insert "$900,000";

On page 5, line 3, strike "$14,500,000" and insert "$42,400,000";

On page 5, beginning with line 4, strike through and including line 6;

On page 5, line 9, strike "$4,100,000" and insert "$2,800,000";

On page 5, line 16, strike "$133,662,000" and insert "$128,662,000";

On page 5, beginning with line 17, insert the following:

OPERATIONS AND MAINTENAECE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Operation and Maintenance, Army", $16,700,000.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for "Operation and Maintenance, Navy", $36,000,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and Maintenance, Marine Corps", $10,500,000.

OPERATION AND MAINTENANCE, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operation and Maintenance, Air Force", $22,200,000, and in addition, $50,000,000 to be derived by transfer from "Aircraft Procurement, Air Force, 1977/1979".

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For an additional amount for "Operation and Maintenance, Defense Agencies", $600,000.

PROCUREMENT

OTHER PROCUREMENT, ARMY

For an additional amount for "Older Procurement, Army", $16,900,000, to remain available for obligation until September 30, 1981.

On page 6, line 20, strike "$628,000,000" and insert "$1,450,700,000";

On page 7, line 6, before "TRANSFER" insert "INCLUDING";

On page 7, line 7, after "Air Force"," insert "$20,000,000, and in addition,";

On page 7, line 10, after "1977/1979", insert "of which $80,100,000";

On page 7, line 19, strike "1979" and insert "1981";

On page 7, beginning with line 20, insert the following:

PROCUREMENT, DEFENSE AGENCIES

For an additional amount for "Procurement, Defense Agencies," $800,000, to remain available for obligation until September 30, 1981.

On page 8, beginning with line 2, insert the following:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For an additional amount for "Research, Development, Test, and Evaluation, Army", $43,700,000, to remain available for obligation until September 30, 1980.

On page 8, beginning with line 9, strike through and including line 11, and insert in lieu thereof the following:

For an additional amount for "Research, Development, Test, and Evaluation, Navy", $3,000,000, to remain available for obligation until September 30, 1980.

On page 8, beginning with line 17, strike through and including line 19, and insert in lieu thereof the following:

For an additional amount for "Research, Development, Test, and Evaluation, Air Force", $233,000,000, to remain available for obligation until September 30, 1980.

On page 9, beginning with line 17, insert the following:

No part of the funds appropriated for the fiscal year ending September 30, 1979, by this Act or any other Act may be used to pay for the disestablishment of the National Board for the Promotion of Rifle Practice, Office of the Director of Civilian Marksmanship or any reduction in force of the personnel assigned thereto.

On page 10, beginning with line 12, insert the following:

FEDERAL ENERGY REGULATORY COMMISSION

For an additional amount for the "Federal Energy Regulatory Commission", $2,700,000, to remain available until expended: Provided, That none of these funds or any other funds available to the Commission shall be be used to pay the expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings.

On page 13, line 10, strike "$232,875,000" and insert "$237,875,000";

On page 14, line 5, strike "$3,332,000" and insert "$3,480,000";

On page 14, beginning with line 6, insert the following:

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

On page 14, line 9, strike "$104,910,000" and insert "$103,035,000";

On page 14, line 20, strike "$10,000,000" and insert "$7,500,000";

On page 16, line 5, strike "$35,000" and insert "$45,000: *Provided*, That this increase will be available for the payment of travel expenses incurred by the Commission at any time during the fiscal year";

On page 16, beginning with line 18, strike through and including line 22;

On page 17, beginning with line 5, strike through and including line 15;

On page 18, line 22, strike "$44,850,000" and insert "$55,850,000, of which $11,000,000 shall remain available through September 30, 1980";

On page 19, line 7, strike "$500,000" and insert "$250,000";

On page 19, line 21, strike "$1,419,000" and insert "$23,312,000";

On page 19, line 22, after "expended" insert ", of which $20,000,000 shall be available for grants to the Government of the Virgin Islands as authorized by law (P.L. 95–348, 92 Stat. 490): *Provided*, That these funds shall not become available until the Secretary of the Interior and the Governor of the Virgin Islands, with the approval of the Legislature of the Virgin Islands, enter into an agreement that the amount so granted shall be repaid to the Treasury of the United States in the event the Government of the Virgin Islands receives retroactive payment of excise taxes levied by the United States on certain petroleum products: Provided further, That the amount granted shall not exceed the operating deficit of the Government of the Virgin Islands in the fiscal year ending September 30, 1979

On page 20, line 15, strike "$60,000,000" and insert "$57,245,000";

On page 20, beginning with line 17, insert the following:

ENERGY CONSERVATION

For an additional amount for "Energy Conservation", $1,200,000.

On page 20, line 22, strike "$5,600,000" and insert "$8,400,000";

On page 20, beginning with line 23, insert the following:

ENERGY INFORMATION ADMINISTRATION

For an additional amount for "Energy Information Administration", $2,000,000.

On page 21, beginning with line 20, insert the following:

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For an additional amount for "Advances to the unemployment trust fund and other funds", $500,000,000, to remain available until September 30, 1980.

On page 22, beginning with line 11, insert the following:

BLACK LUNG DISABILITY TRUST FUND

For an additional amount for payments from the "Black Lung Disability Trust Fund", $300,000,000, for payments of benefits and interest on advances.

On page 22, beginning with line 11, insert the following:

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

For an additional amount for "Health services" for carrying out titles III and X of the Public Health Service Act, $14,969,000.

On page 23, line 1, strike "$5,000,000" and insert "$10,713,000";

On page 23, beginning with line 11, insert the following:

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For an additional amount for "Alcohol, Drug Abuse, and Mental Health," $2,554,000.

On page 23, line 16, after "out" insert "titles VI, VII, and VIII of the Health Services and Centers Amendments of 1978 and";

On page 23, line 18, strike "$10,000,000" and insert "$11,000,000, including $2,000,000 for section 1317 of the Public Health Service Act";

On page 24, beginning with line 6, strike through and including line 11;

On page 25, beginning with line 4, insert the following:

SPECIAL PROJECTS AND TRAINING

For an additional amount for "Special Projects and Training," $300,000.

On page 26, line 8, strike "$151,528,000" and insert "$149,528,000";

On page 26, line 10, strike "$9,484,000 shall be for section 110(b)(3), and $2,000,000 for section 711" and insert "$9,484,000 shall be for section 110(b)(3)";

On page 26, line 13, strike "meeting State requirements to maintain operating levels for";

On page 28, line 1, after "$18,870,000" insert a colon and "Provided, That notwithstanding any other provisions of law, the unexpended amount provided for this account in Public Law 94-206 shall remain available until expended";

On page 28, beginning with line 9, insert the following:

NATIONAL COMMISSION ON THE INTERNATIONAL YEAR OF THE CHILD

For necessary expenses of the "National Commission on the International Year of the Child", including services as authorized by 5 U.S.C. 3109, $685,000, to remain available until expended.

GENERAL PROVISION

Section 301(a)(1) of Public Law 95-164 is amended by adding the following sentence at the end thereof: "Effective on the date of enactment of this Act, Health and Safety Academy is transferred to the Secretary of Labor."

Paragraph (1) of Section 502(c) of Public Law 91-173 as amended by Section (h) of Public Law 95-164 is amended by striking out: "Department of the Interior" and inserting in lieu thereof "Department of Labor", and striking out "Secretaries of Labor and Interior" and inserting in lieu thereof "Secretary of Labor."

Paragraph (2) of Section 502(c) of Public Law 91-173 as amended by Section 303(h) of Public Law 95-164 is deleted.

On page 29, beginning with line 6, insert the following:

SENATE

SALARIES, OFFICERS AND EMPLOYEES

For an additional amount for "Salaries, officers and employees", $1,594,000.

ADMINISTRATIVE PROVISIONS

SEC. 101. Effective October 1, 1979, the President pro tempore is authorized to appoint and fix the compensation of such employees as he deems appropriate: Provided, That the gross compensation paid to such employees shall not exceed $123,000 each fiscal year: Provided further, That the positions established by the Supplemental Appropriations Act, 1977, for the Office of the President pro tempore are abolished effective October 1, 1979.

SEC. 102. Effective October 1, 1979, the Secretary of the Conference of the Majority and the Secretary of the Conference of the Minority are each authorized to appoint and fix the compensation of such employees as they deem appropriate: Provided, That the gross compensation paid to such employees shall not exceed $70,000 each fiscal year for each Secretary: *Provided further*, That the positions established by the Supplemental Appropriations Act, 1977, for the Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority are abolished effective October 1, 1979.

SEC. 103. Effective January 15, 1979, the compensation of the Chaplain of the Senate shall be $34,398 per annum in lieu of $24,948 per annum, and the Chaplain may appoint and fix the compensation of a secretary at not to exceed $20,034 per annum in lieu of not to exceed $16,632 per annum. The Chaplain may authorize such change in the compensation of his secretary on such effective date if certified in writing to the disbursing office of the Senate not later than ten days after the date of the enactment of this Act. During the fiscal year ending September 30, 1979, the compensation of the Chaplain and his secretary may be paid out of any funds available in any appropriation under the headings "SENATE", "Salaries, officers and employees" in any appropriation Act.

SEC. 104. Effective August 1, 1979, the annual rates of compensation and maximum annual rates of compensation provided in the Order of the President pro tempore of the Senate issued on October 9, 1978, under authority of section 4 of the Federal Pay Comparability Act of 1970 shall be payable to employees covered by such Order, notwithstanding any other provision of law. During the fiscal year ending September 30, 1979, any increase in compensation payable by reason of the preceding sentence to employees covered by such Order may be paid out of any funds available in any appropriation under the heading "SENATE" in any appropriation Act.

SEC. 105. Effective on the first day of the first month which begins after the date of the enactment of this Act—

(1) the maximum annual rate of compensation of the Chief Reporter of Debates, Office of the Secretary of the Senate, shall be the maximum rate prescribed in section 105 (f) of the Legislative Branch Appropriation Act, 1968, as amended and modified (2 U.S.C. 61-1(f));

(2) the maximum annual rate of compensation of the Registrar, Office of the Secretary of the Senate, is increased to $24,948; and

(3) the title of a Reference Assistant, Office of the Secretary of the Senate, is changed to Chief, Bill Status Unit.

SEC. 106. Effective on the first day of the first month which begins after the date of the enactment of this Act—

(1) the maximum annual rate of compensation of the Deputy Sergeant at Arms and Doorkeeper of the Senate shall be the same as the maximum annual rate of compensation of the Assistant Secretary of the Senate;

(2) the maximum annual rate of compensation of the Administrative Assistant to the Sergeant at Arms and Doorkeeper of the Senate shall be the same as the highest maximum annual rate of compensation that may be paid to an employee in the office of a Senator; and

(3) the maximum annual rate of compensation of the Executive Assistant to the Sergeant at Arms and Doorkeeper of the Senate shall be the same as the second highest maximum annual rate of compensation that may be paid to an employee in the office of a Senator.

During the fiscal year ending September 30, 1979, the increases in compensation payable under this section may be paid out of any funds available in any appropriation under the headings "SENATE". "Salaries, officers and employees" in any appropriation Act.

SEC. 107. (a) Effective July 1, 1979, there is authorized an expense allowance for the Office of the Secretary of the Senate and the Office of Sergeant at Arms and Doorkeeper of the Senate which shall not exceed $2,000 each fiscal year for each such office. Payments made under this section shall be reimbursements only for actual expenses (including meals and food-related expenses) incurred in the course of conducting orientation seminars for Senators and members of their staffs, and other similar meetings, in the Capitol Building or the Senate Office Buildings. Such payments shall be made upon certification and documentation of such expenses by the Secretary and Sergeant at Arms, respectively, and shall be made out of the contingent fund of the Senate upon vouchers signed by the Secretary and the Sergeant at Arms, respectively. Amounts received as reimbursement of such expenses shall not be reported as income, and the expenses so reimbursed shall not be allowed as a deduction, under the Internal Revenue Code of 1954.

(b) Effective July 1, 1979, section 105 of the Legislative Branch Appropriation Act, 1978 (2 U.S.C. 69a) is repealed.

SEC. 108. (a) The first section of the joint resolution entitled "Joint Resolution relating to the payment of salaries of employees of the Senate", approved April 20, 1960 (2 U.S.C. 60c-1), is amended by adding at the end thereof the following new sentence: "In any case in which an officer or employee of the Senate dies during the month of December and the full compensation of such officer or employee for such month has been disbursed by the Secretary of the Senate before he receives notice of such death, no recovery shall be made of any portion of the compensation so disbursed.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1978.

SEC. 109. (a) Any funds made available for obligation during the fiscal year ending September 30, 1979, by section 101 of the Legislative Branch Appropriation Act, 1979, shall be merged with the funds appropriated for the same purposes by such Act and shall remain available until expended.

(b) Any funds appropriated or made available for the fiscal year ending September 30, 1979, under the heading "SENATE" in any appropriation Act shall, notwithstanding any other provision of law, remain available for obligation through September 30, 1980, for the same purposes for which appropriated or made available, and shall be merged with the funds appropriated for such purposes for the fiscal year ending September 30, 1980, and shall remain available until expended.

On page 35, beginning with line 10, insert the following:

SENATE OFFICE BUILDINGS

For an additional amount for "Senate office buildings", $600,000, to remain available until expended.

On page 36, beginning with line 14, insert the following:

GENERAL PROVISION

SEC. 101. Any funds appropriated under the heading "JOINT ITEMS", "Official Mail Costs" in any appropriation Act for the Legislative Branch for the fiscal year ending September 30, 1979, shall remain available until expended, for the same purposes for which appropriated.

On page 37, beginning with line 17, insert the following:

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $250,000.

On page 37, beginning with line 22, insert the following:

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, general legal activities", $974,000.

On page 38, line 7, after "Prisoners" insert "and repeal of the numerical ceiling provisions of the Department of Justice Appropriations Act, 1979, that pertain to the lease and purchase of vehicles for the U.S. Marshals Service";

On page 38, beginning with line 14, insert the following:

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,636,000 to be available only upon the enactment of all necessary authorizing legislation: Provided, That $3,500,000 appropriated in the Department of Justice Appropriation Act, 1979 for the purpose of constructing a forensic science training and research facility at Quantico, Virginia shall remain available until September 30, 1980.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $3,935,000: Provided, that $3,335,000 of this amount shall remain available until September 30, 1980 for the purpose of renovating the former Border Patrol Academy at Port Isabel, Texas into a Service Processing Center.

On page 39, beginning with line 15, insert the following:

CONSTRUCTION

For an additional amount for "Construction", $60,000,000, to remain available until expended.

On page 39, line 24, strike "$500,000" and insert "$8,000,000";

On page 40, line 5, strike "$300,000" and insert "$600,000";

On page 41, line 3, after "$4,000,000" insert a colon and "Provided, That funds under this heading shall be available for refreshments for jurors";

On page 42, line 5, strike "$850,000" and insert "$1,000,000";

On page 42, line 9, strike "$2,000,000" and insert "$3,000,000";

On page 42, beginning with line 19, insert the following:

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

Notwithstanding the provisions of section 801(3) of the United States Information and Educational Exchange Act of 1948, as the section applies to funds provided for "Acquisition and construction of radio facilities" in the Departments of State, Justice and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979, the International Communication Agency is authorized to enter into a lease of up to twenty-five years in duration for the establishment and operation of a radio in Botswana.

On page 44, beginning with line 3, insert the following:

OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For an additional amount for "Transportation planning, research, and development", $5,000,000 to conduct a study of inland waterway user taxes and charges, to remain available until expended.

On page 44, beginning with line 14, insert the following:

POLLUTION FUND

For carrying out the provisions of subsections (c), (d), (i), and (l) of section 311 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1321, $13,000,000 to remain available until expended.

On page 45, beginning with line 6, strike through and including line 11, and insert in lieu thereof the following:

RESEARCH, ENGINEERING AND DEVELOPMENT (AIRPORT AND AIRWAY TRUST FUND)

For an additional amount for "research, engineering and development", $3,500,000, to be derived from the Airport and Airway Trust Fund, to remain available until expended.

On page 46, beginning with line 18, strike through and including line 24;

On page 47, beginning with line 1, strike through and including line 7;

On page 48, line 22, beginning with the comma, strike through and including page 49, the word "establish" in line 2;

On page 49, beginning with line 3, insert the following:

NATIONAL ALCOHOL FUELS COMMISSION

SALARIES AND EXPENSES

For necessary administrative expenses of the National Alcohol Fuels Commission, $1,500,000, to remain available until expended.

On page 50, line 21, strike "fifteen" and insert "fifty";

On page 50, beginning with line 23, insert the following:

U.S. CUSTOMS SERVICE

Notwithstanding any other provision of law, the proceeds of customs duties collected in the Virgin Islands less the cost of collecting all said duties shall, effective for fiscal years beginning after September 30, 1978, be covered into the Treasury of the Virgin Islands, and shall be available for expenditure as the Legislature of the Virgin Islands may provide.

On page 51, beginning with line 6, strike through and including line 9;

On page 51, beginning with line 22, strike through and including line 25;

On page 52, beginning with line 2, insert the following:

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

In addition to the amount made available in the appropriation under this heading in the Treasury, Postal Service, and General Government Appropriation Act, 1979, for expenses of travel, $10,000 more shall be available in that appropriation for such expenses.

On page 54, beginning with line 7, strike through and including line 10;

On page 54, beginning with line 12, strike through and including line 14;

On page 54, beginning with line 15, insert the following:

OFFICE OF INSPECTOR GENERAL

To establish and fund, "Office of Inspector General", $1,700,000.

On page 54, beginning with line 19, insert the following:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $240,000.

On page 55, line 3, strike "$750,000" and insert "$1,048,000";

On page 55, line 8, strike "$700,000" and insert "$842,000";

On page 55, beginning with line 13, insert the following:

CHAPTER XII

TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,500,000, to remain available until expended.

DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For an additional amount for "Federal payment to the District of Columbia", $15,000,000; and $1,900,000 in lieu of reimbursements for charges for water and water services and sanitary sewer services furnished to facilities of the United States Government as authorized by the Act of May 18, 1954, as amended (D.C. Code 43–1541 and 1611); and $2,565,000 for reimbursement for necessary expenses incurred as a result of the American Agricultural Movement demonstration in the District of Columbia (D.C. Code 1–827(b)).

DISTRICT OF COLUMBIA FUNDS

GENERAL OPERATING EXPENSES

For an additional amount for "General operating expenses", $14,760,000: *Provided*, That not to exceed $250,000 of this appropriation shall be available for settlement of property damage claims not in excess of $1,500 each and personal injury claims not in excess of $5,000 each.

PUBLIC SAFETY

For an additional amount for "Public safety", $11,111,000.

EDUCATION

For an additional amount for "Education", $1,823,900.

RECREATION

For an additional amount for "Recreation", $43,000.

HUMAN RESOURCES

For an additional amount for "Human resources", $5,161,700.

TRANSPORTATION

For an additional amount for "Transportation", $4,194,900.

ENVIRONMENTAL SERVICES

For an additional amount for "Environmental services", $1,144,600.

PERSONAL SERVICES

For an additional amount for "Personal services", $12,000,000.

SETTLEMENT OF CLAIMS AND SUITS

For an additional amount for "Settlement of claims and suits", $291,500: *Provided*, That not to exceed $230,000 shall be available for payment to Robert J. Pierce, pursuant to District of Columbia law.

DEMONSTRATION EXPENSES

For expenses incurred as a result of the American Agricultural Movement demonstration in the District of Columbia (D.C. Code 1–827(b)), $2,565,000.

DIVISION OF EXPENSES

The sums appropriated herein for the District of Columbia shall be paid out of the general fund of the District of Columbia, except as otherwise specifically provided.

On page 58, beginning with line 7, insert the following:

SENATE

"Salaries, officers and employees", $6,019,000;

"Office of the Legislative Counsel of the Senate", $25,000;

"Senate policy committees", $74,000;

"Inquiries and investigations", $1,330,000;

"Folding documents", $6,000;

"Miscellaneous items", $13,000;

On page 60, beginning with line 7, insert the following:

"Senate office buildings", $389,000, to be derived by release of $55,000 from "Senate office buildings", withheld from obligation by the Architect of the Capitol pursuant to Section 311 of Public Law 95–391, and by transfer of $273,000 from "Capitol power plant" and $61,000 from "House office buildings" by release of those amounts withheld from obligation by the Architect of the Capitol pursuant to Section 311 of Public Law 95–391;

"Senate garage", $7,000, to be derived by transfer from "Capitol power plant" by release of that amount withheld from obligation by the Architect of the Capitol pursuant to Section 311 of Public Law 95–391;

On page 65, line 4, strike "$2,500,000" and insert "$7,500,000";

On page 65, line 14, strike "$756,000" and insert "$256,000";

On page 65, line 18, strike "$6,000,000" and insert "$6,936,000";

On page 65, beginning with line 19, strike through and including line 20;

On page 66, line 7, strike "$6,677,000" and insert "$8,677,000";

On page 68, line 19, strike "$362,134,000" and insert "$366,199,000";

On page 68, line 21, strike "$9,950,000" and insert "$13,550,000";

On page 68, line 22, insert the following: "Reserve personnel, Navy", $4,475,000;

On page 69, line 1, strike "$31,600,000" and insert "$36,600,000";

On page 69, line 3, strike "$8,123,000" and insert "$10,023,000";

On page 69, line 12, strike "$82,200,000" and insert "$102,200,000";

On page 70, line 4, strike "$19,200,000" and insert "$17,300,000";

On page 70, line 11, insert:

"Construction, general", $10,000,000;

On page 71, line 14, strike "$1,301,000" and insert "$1,571,000";

On page 72, line 2, strike in its entirety;

On page 72, line 3, strike "$5,664,000" and insert "$8,364,000";

On page 72, line 3, beginning with "and" strike through and including line 4;

On page 73, line 10, strike "$20,000" and insert "$32,000";

On page 74, line 8, strike "$4,500,000" and insert "$4,310,000";

On page 74, line 10, strike "$5,000,000" and insert "$7,041,000";

On page 75, line 24, strike "$3,213,000" and insert "$3,913,000";

On page 75, line 7, strike "$1,272,000" and insert "$772,000";

On page 76, line 10, strike "$772,000" and insert "$272,000";

On page 80, line 6, strike "$13,459,000" and insert "$10,833,000";

On page 82, line 8, strike "$50,000,000" and insert "$40,000,000";

On page 82, line 21, strike $873,000" and insert "$1,185,000";

On page 84, line 4, strike "$230,000" and insert "$200,000";

On page 84, line 8, strike "$1,750,000" and insert "$550,000";

On page 85, line 2, insert "(INCLUDING TRANSFER OF FUNDS)";

On page 86, line 9, insert "(INCLUDING TRANSFERS OF FUNDS)";

On page 87, beginning with line 4, strike through and including line 5;

On page 88, beginning with line 1, insert the following:

SEC. 303. The provisions of section 491(c) and 491(d) of the Legislative Reorganization Act of 1970, as amended (2 U.S.C. 88b–1), shall not apply to the pay of pages of the Senate and House of Representatives during the period when the Senate and/or the House of Representatives adjourns or recesses on or after the first of August for a period of at least thirty days but not more than forty-five days, such pay may continue until the end of such period of adjournment or recess.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, regarding the printing of the bill, because we were rushed, and the staff has done a great job on this bill, there were some typographical errors. On page 14, line 6 and line 7 should be roman instead of italics; on page 23, the heading "Alcohol, Drug Abuse, and Mental Health Administration" should be inserted between lines 10 and 11; on line 19, the figure should be $1.5 million instead of $2 million. So we save $500,000. On page 43, line 3, after the word "radio," insert the word "station."

The ACTING PRESIDENT pro tempore. If the Chair can interrupt the Senator, the Chair will ask that those be sent to the Chair in the form of amendments.

Mr. MAGNUSON. I ask unanimous consent that these and other technical changes be made by the Secretary of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point our usual table showing changes made by the committee.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL BILL—FISCAL YEAR 1979

Document No.		Budget estimates	House bill	Senate bill	Senate compared with — Budget estimates	Senate compared with — House bill
	CHAPTER I					
	DEPARTMENT OF AGRICULTURE					
	Agricultural Research Service (buildings and facilities)			3, 400, 000	+3, 400, 000	+3, 400, 000
	Extension Service			4, 973, 000	+4, 973, 000	+4, 973, 000
	Agricultural Stabilization and Conservation Service—Dairy and beekeeper indemnity programs			1, 943, 000	+1, 943, 000	+1, 943, 000
--	Food Safety and Quality Service		750, 000			−750, 000
	Farmers Home Administration					
	Rural housing insurance fund:					
	Home ownership assistance (authority to borrow)	954, 960, 000			−954, 960, 000	
	Home ownership assistance payments	30, 000, 000			−30, 000, 000	
	Total, rural housing insurance fund	984, 960, 000			−984, 960, 000	
--	Agricultural credit insurance fund:					
	Operating loans		(100, 000, 000)	(100, 000, 000)	(+100, 000, 000)	
	Food and Nutrition Service					
96–132	Child nutrition programs	133, 000, 000	100, 000, 000	133, 000, 000		+33, 000, 000
96–132	Food stamp program	1, 038, 786, 000	379, 700, 000	988, 786, 000	−50, 000, 000	+609, 086, 000
	Food donations programs:					
	Needy family programs	24, 901, 000			−24, 901, 000	
96–132	Elderly feeding program	27, 000, 000	27, 000, 000		−27, 000, 000	−27, 000, 000
	Total, Food and Nutrition Service	1, 223, 687, 000	506, 700, 000	1, 121, 786, 000	−101, 901, 000	+615, 086, 000
	Total, chapter I:					
	New budget (obligational) authority	2, 208, 647, 000	507, 450, 000	1, 132, 102, 000	−1, 076, 545, 000	+624, 652, 000
	Appropriations	(1, 253, 687, 000)	(507, 450, 000)	(1, 132, 102, 000)	(−121, 585, 000)	(+624, 652, 000)
	Authority to borrow	(954, 960, 000)			(−954, 960, 000)	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	CHAPTER II					
	DEPARTMENT OF DEFENSE—MILITARY					
	Military Personnel					
96-64	Military personnel, Army	76, 200, 000	76, 200, 000	56, 200, 000	−20, 000, 000	−20, 000, 000
96-64	Military personnel, Navy	29, 200, 000	29, 200, 000	28, 000, 000	−1, 200, 000	−1, 200, 000
96-64	Military personnel, Marine Corps	5, 800, 000	5, 800, 000	900, 000	−4, 900, 000	−4, 900, 000
96-64	Military personnel, Air Force	14, 500, 000	14, 500, 000	42, 400, 000	+27, 900, 000	+27, 900, 000
	Reserve personnel, Marine Corps	500, 000	500, 000		−500, 000	−500, 000
	Reserve personnel, Air Force	4, 100, 000	4, 100, 000	2, 800, 000	−1, 300 000	−1, 300, 000
96-64	National Guard personnel, Army	2, 000, 000	2, 000, 000	2, 000, 000		
	Total, military personnel	132, 300, 000	132, 300, 000	132, 300, 000		
	Retired Military Personnel					
	Retired pay, Defense	178, 662, 000	133, 662, 000	128, 662, 000	−50, 000, 000	−5, 000, 000
	Operation and Maintenance					
96-64	Operation and maintenance, Army	27, 200, 000		16, 700, 000	−10, 500, 000	+16, 700, 000
96-64	Operation and maintenance, Navy	36, 000, 000		36, 000, 000		+36, 000, 000
	Operation and maintenance, Marine Corps			10, 500, 000	−10, 500, 000	+10, 500, 000
96-64	Operation and maintenance, Air Force	22, 200, 000		22, 200, 000		+22, 200, 000
	Transfer from other account			(50, 000, 000)	(+50, 000, 000)	(+50, 000, 000)
96-64	Operation and maintenance, Defense agencies	2, 000, 000		600, 000	−1, 400, 000	+600, 000
	Total, operation and maintenance	78, 400, 000		86, 000, 000	−1, 400, 000	+86, 000, 000
	Transfer from other account			(50, 000, 000)	(+50, 000, 000)	(+50, 000, 000)
	Procurement					
96-64	Missile procurement, Army	25, 000, 000			−25, 000, 000	
96-64	Other procurement, Army	16, 900, 000		16, 900, 000		+16, 900, 000
96-64	Weapons procurement, Navy	219, 090, 000			−219, 900, 000	
96-64	Shipbuilding and conversion, Navy	725, 700, 000	628, 000, 000	1, 450, 700, 000	+725, 000, 000	+822, 700, 000
96-64	Aircraft procurement, Air Force	566, 100, 000		20, 000, 000	−546, 100, 000	+20, 000, 000
	Transfer from other account		(80, 100, 000)	(80, 100, 000)	(+80, 100, 000)	
96-64	Other procurement, Air Force	2, 100, 000			−2, 100, 000	
	Procurement, Defense agencies	800, 000		800, 000		+800, 000
	Total, procurement	1, 556, 500, 000	628, 000, 000	1, 488, 400, 000	−68, 100, 000	+860, 400, 000
	Transfer from other account		(80, 100, 000)	(80, 100, 000)	(+80, 100, 000)	
	RESEARCH, DEVELOPMENT, TEST, AND EVALUATION					
96-64	Research, development, test, and evaluation, Army	60, 700, 000		43, 700, 000	−17, 000, 000	+43, 700, 000
96-64	Research, development, test, and evaluation, Navy	23, 000, 000	20, 000, 000	3, 000, 000	−20, 000, 000	−17, 000, 000
96-64	Research, development, test, and evaluation, Air Force	357, 800, 000	190, 000, 000	233, 000, 000	−124, 800, 000	+43, 000, 000
96-64	Research, development, test, and evaluation, Defense agencies	24, 000, 000			−24, 000, 000	
	Total, research, development, test, and evaluation	465, 500, 000	210, 000, 000	279, 700, 000	−185, 800, 000	+69, 700, 000
	Total, chapter II:					
	New budget (obligational) authority	2, 420, 362, 000	1, 103, 962, 000	2, 115, 062, 000	−305, 300, 000	+1, 011, 100, 000
	Transfer from other account		(80, 100, 000)	(130, 100, 000)	(+130, 100, 000)	(+50, 000, 000)
	CHAPTER III					
	DEPARTMENT OF ENERGY					
	Energy, Science and Defense Activities					
	Operating expenses	45, 350, 000	12, 800, 000	12, 800, 000	−32, 550, 000	
96-82	Plant and capital equipment	42, 000, 000	23, 500, 000	23, 500, 000	−18, 500, 000	
	Total, energy, science and defense activities	87, 350, 000	36, 300, 000	36, 300, 000	−51, 050, 000	
	Federal Energy Regulatory Commission	10, 600, 000		2, 700, 000	−7, 900, 000	+2, 700, 000
	Total, Department of Energy	97, 950, 000	36, 300, 000	39, 000, 000	−58, 950, 000	+2, 700, 000
	DEPARTMENT OF DEFENSE—CIVIL					
	Department of the Army					
	Corps of Engineers—Civil					
96-132	Operation and maintenance, general	21, 000, 000	21, 000, 000	21, 000, 000		
96-132	Flood control and coastal emergencies	106, 000, 000	106, 000, 000	106, 000, 000		
	Total, Corps of Engineers—Civil	127, 000, 000	127, 000, 000	127, 000, 000		
	DEPARTMENT OF THE INTERIOR					
	Bureau of Reclamation					
96-108	Colorado River Basin project (by transfer)	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)		
96-108	General administrative expenses (by transfer)	(1, 900, 000)	(1, 900, 000)	(1, 900, 000)		
	Total, Department of the Interior (by transfer)	(21, 900, 000)	(21, 900, 000)	(21, 900, 000)		
	INDEPENDENT AGENCIES					
	Funds Appropriated to the President					
	Appalachian regional development programs (by transfer)		(10, 000, 000)	(10, 000, 000)	(+10, 000, 000)	
	WATER RESOURCES COUNCIL					
	Water resources planning	49, 186, 000	2, 000, 000	2, 000, 000	−47, 186, 000	
	Total, chapter III:					
	New budget (obligational) authority	274, 136, 000	165, 300, 000	168, 000, 000	−106, 136, 000	+2, 700, 000
	By transfer	(21, 900, 000)	(31, 900, 000)	(31, 900, 000)	(+10, 000, 000)	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	CHAPTER IV					
	FOREIGN OPERATIONS					
	FUNDS APPROPRIATED TO THE PRESIDENT					
	Payment to the Foreign Service retirement and disability fund	856,000	856,000	856,000		
	Economic support fund:					
96-96	Turkey	100,000,000	100,000,000	100,000,000		
96-92	Egypt	300,000,000	300,000,000	300,000,000		
	Military assistance program (reappropriation)	33,000,000	22,500,000	27,500,000	−5,500,000	+5,000,000
96-92	Assistance for relocation of facilities in Israel	800,000,000	800,000,000	800,000,000		
96-92	Foreign military credit sales	370,000,000	370,000,000	370,000,000		
	Total, funds appropriated to the President	1,603,856,000	1,593,356,000	1,598,356,000	−5,500,000	+5,000,000
	INDEPENDENT AGENCY					
	ACTION—INTERNATIONAL PROGRAMS					
	Peace Corps	4,400,000	3,221,000	3,480,000	−920,000	+259,000
	DEPARTMENT OF STATE					
96-85	Migration and refugee assistance	104,910,000	104,910,000	103,035,000	−1,875,000	−1,875,000
	U.S. emergency refugee and migration assistance fund	10,000,000	10,000,000	7,500,000	−2,500,000	−2,500,000
	Total, Department of State	114,910,000	114,910,000	110,535,000	−4,375,000	−4,375,000
	Total, chapter IV:					
	New budget (obligational) authority	1,723,166,000	1,711,487,000	1,712,371,000	−10,795,000	+884,000
	Appropriations	(1,690,166,000)	(1,688,987,000)	(1,684,871,000)	(−5,295,000)	(−4,116,000)
	Reappropriation	(33,000,000)	(22,500,000)	(27,500,000)	(−5,500,000)	(+5,000,000)
	CHAPTER V					
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
	Neighborhoods, Voluntary Associations and Consumer Protection					
	Neighborhood self-help development program	15,000,000	5,000,000	5,000,000	−10,000,000	
	Livable cities program	5,000,000			−5,000,000	
	Total, Department of Housing and Urban Development	20,000,000	5,000,000	5,000,000	−15,000,000	
	FUNDS APPROPRIATED TO THE PRESIDENT					
96-113	Disaster relief	200,000,000	194,000,000	194,000,000	−6,000,000	
	INDEPENDENT AGENCIES					
	CONSUMER PRODUCT SAFETY COMMISSION					
	Salaries and expenses	2,190,000	2,190,000	2,190,000		
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
	Research and development	185,000,000	185,000,000	185,000,000		
	NATIONAL CONSUMER COOPERATIVE BANK					
	Salaries and expenses	4,000,000	1,500,000	1,500,000	−2,500,000	
	Self-help development	10,000,000	3,000,000		−10,000,000	−3,000,000
	Total, National Consumer Cooperative Bank	14,000,000	4,500,000	1,500,000	−12,500,000	−3,000,000
	SELECTIVE SERVICE SYSTEM					
	Salaries and expenses	1,735,000	600,000	600,000	−1,135,000	
	DEPARTMENT OF THE TREASURY					
	Investment in National Consumer Cooperative Bank	40,000,000	8,000,000		−40,000,000	−8,000,000
	VETERANS' ADMINISTRATION					
	Compensation and pensions	1,129,400,000	1,129,400,000	1,129,400,000		
	Readjustment benefits	301,700,000	301,700,000	301,700,000		
96-130	General operating expenses	3,091,000	3,091,000	3,091,000		
	Assistance for health manpower training institutions	57,468,000	57,468,000	57,468,000		
96-130	Grants to the Republic of the Philippines	500,000	500,000	500,000		
	Total, Veterans' Administration	1,492,159,000	1,492,159,000	1,492,159,000		
	CORPORATIONS					
	Federal Home Loan Bank Board:					
	Limitation on administrative expenses	(313,000)	(50,000)	(50,000)	(−263,000)	
	Total, chapter V:					
	New budget (obligational) authority	1,955,084,000	1,891,499,000	1,880,449,000	−74,635,000	−11,000,000
	Limitation	(313,000)	(50,000)	(50,000)	(−263,000)	
	CHAPTER VI					
	DEPARTMENT OF THE INTERIOR					
	Bureau of Land Management					
S. Doc. 96-	Management of lands and resources	55,850,000	44,850,000	55,850,000		+11,000,000
	Heritage Conservation and Recreation Service					
	Urban park and recreation fund	37,500,000	20,000,000	20,000,000	−17,500,000	
	National Park Service					
	Operation of the National Park System	1,727,000	1,727,000	1,727,000		

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Geological Survey					
	Surveys, investigations and research	1,700,000			−1,700,000	
	Office of Surface Mining Reclamation and Enforcement					
	Regulation and technology	2,241,000			−2,241,000	
	Bureau of Indian Affairs					
	Operation of Indian programs	7,000,000	7,000,000	7,000,000		
	Office of Territorial Affairs					
	Administration of territories	1,419,000	1,419,000	23,312,000	+21,893,000	+21,893,000
	Secretarial Offices					
	Office of the Secretary					
	Departmental management	200,000			−200,000	
	Total, Department of the Interior	107,637,000	74,996,000	107,889,000	+252,000	+32,893,000
	RELATED AGENCIES					
	DEPARTMENT OF AGRICULTURE					
	Forest Service					
	Forest protection and utilization	60,000,000	60,000,000	57,245,000	−2,755,000	−2,755,000
	DEPARTMENT OF ENERGY					
	Energy production, demonstration, and distribution	3,000,000			−3,000,000	
	Energy conservation	43,025,000		1,200,000	−41,825,000	+1,200,000
	Economic Regulatory Administration	42,100,000	5,600,000	8,400,000	−33,700,000	+2,800,000
	Energy Information Administration	14,780,000		2,000,000	−12,780,000	+2,000,000
	Total, Department of Energy	102,905,000	5,600,000	11,600,000	−91,305,000	+6,000,000
	SMITHSONIAN INSTITUTION					
	Salaries and expenses	350,000	200,000	200,000	−150,000	
	Restoration and renovation of buildings	300,000			−300,000	
	Salaries and expenses, Woodrow Wilson International Center for Scholars	1,000,000			−1,000,000	
	Total, Smithsonian Institution	1,650,000	200,000	200,000	−1,450,000	
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
	National Endowment for the Arts					
	Salaries and expenses	1,400,000			−1,400,000	
	National Endowment for the Humanities					
	Salaries and expenses	1,400,000			−1,400,000	
	Total, National Foundation on the Arts and the Humanities	2,800,000			−2,800,000	
	PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION					
	Land acquisition and development fund (authority to borrow)	19,600,000	19,600,000	19,600,000		
	Public development	17,900,000	17,900,000	17,900,000		
	Total, Pennsylvania Avenue Development Corporation	37,500,000	37,500,000	37,500,000		
	Total, related agencies	204,855,000	103,300,000	106,545,000	−98,310,000	+3,245,000
	Total, chapter VI:					
	New budget (obligational) authority	312,492,000	178,296,000	214,434,000	−98,058,000	+36,138,000
	Appropriations	(292,892,000)	(158,696,000)	(194,834,000)	(−98,058,000)	(+36,138,000)
	Authority to borrow	(19,600,000)	(19,600,000)	(19,600,000)		
	CHAPTER VII					
	DEPARTMENT OF LABOR					
	Employment and Training Administration					
	Employment and training assistance	400,000,000			−400,000,000	
	Community service employment for older Americans	8,900,000	8,900,000	8,900,000		
S. Doc. 96-	Advances to the unemployment trust fund and other funds	500,000,000		500,000,000		+500,000,000
	Total, Employment and Training Administration	908,900,000	8,900,000	508,900,000	−400,000,000	+500,000,000
	Employment Standards Administration					
	Salaries and expenses	8,218,000	8,218,000	8,218,000		
S. Doc. 96-	Black lung disability trust fund	300,000,000		300,000,000		+300,000,000
	Total, Department of Labor	1,217,118,000	17,118,000	817,118,000	−400,000,000	+800,000,000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
	Health Services Administration					
	Health services	100,219,000		14,969,000	−85,250,000	+14,969,000
	Center for Disease Control					
	Preventive health services	20,600,000	12,000,000	12,000,000	−8,600,000	
	National Institutes of Health					
	National Institute of Child Health and Human Development	10,713,000	5,000,000	10,713,000		+5,717,000

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Alcohol, Drug Abuse, and Mental Health Administration					
	Alcohol, drug abuse, and mental health	4, 118, 000		2, 554, 000	−1, 564, 000	+2, 554, 000
	Assistant Secretary for Health					
	Salaries and expenses	23, 490, 000	10, 000, 000	11, 000, 000	−12, 490, 000	+1, 000, 000
	Health Care Financing Administration					
	Grants to States for medicaid	554, 429, 000	554, 429, 000	554, 429, 000		
	Office of Education					
	Elementary and secondary education	258, 000, 000	200, 000, 000		−258, 000, 000	−200, 000, 000
	Student loan insurance fund: Appropriation	243, 189, 000	243, 189, 000	243, 189, 000		
	Special projects and training	1, 000, 000		300, 000	−700, 000	+300, 000
	Educational activities overseas (special foreign currency program)	2, 000, 000	500, 000	500, 000	−1, 500, 000	
	Total, Office of Education	504, 189, 000	443, 689, 000	243, 989, 000	−260, 200, 000	−199, 700, 000
	Social Security Administration					
	Assistance payments program	4, 895, 000	1, 200, 000	1, 200, 000	−3, 695, 000	
	Refugee assistance	51, 664, 000	59, 964, 000	59, 964, 000	+8, 300, 000	
	Total, Social Security Administration	56, 559, 000	61, 164, 000	61, 164, 000	+4, 605, 000	
	Assistant Secretary for Human Development Services					
	Grants to States for social and child welfare services	188, 548, 000	188, 548, 000	188, 548, 000		
	Human development services	129, 028, 000	151, 528, 000	149, 528, 000	+20, 500, 000	−2, 000, 000
	Research and training activities overseas (special foreign currency program)	3, 490, 000	1, 000, 000	1, 000, 000	−2, 490, 000	
	Total, Assistant Secretary for Human Development Services	321, 066, 000	341, 076, 000	339, 076, 000	+18, 010, 000	−2, 000, 000
	Total, Department of Health, Education, and Welfare	1, 595, 383, 000	1, 427, 358, 000	1, 249, 894, 000	−345, 489, 000	−177, 464, 000
	RELATED AGENCIES					
	Action, operating expenses, domestic programs	15, 313, 000			−15, 313, 000	
	Corporation for Public Broadcasting: Advance appropriations for 1981	162, 000, 000	162, 000, 000	162, 000, 000		
	National Commission on the International Year of the Child	685, 000		685, 000		+685, 000
	National Commission on Social Security	2, 000, 000	2, 000. 000	2, 000, 000		
	Railroad Retirement Board:					
	Regional rail transportation protective account	18, 870, 000	18, 870, 000	18, 870, 000		
	Reappropriation/extended availability	37, 646, 000		37, 646, 000		
	Limitation on salaries and expenses	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)		
	Total, related agencies	74, 514, 000	20, 870, 000	59, 201, 000	−15, 313, 000	+38, 331, 000
	Limitation on salaries and expenses	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)		
	Total, chapter VII:					
	New budget (obligational) authority	3, 049, 015, 000	1, 627, 346, 000	2, 288, 213, 000	−760, 802, 000	+660, 867, 000
	Fiscal year 1979	(2, 849, 369, 000)	(1, 465, 346, 000)	(2, 088, 567, 000)	(−760, 802, 000)	(+623, 221, 000)
	Fiscal year 1981	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)		
	Reappropriation/extended availability	(37, 646, 000)		(37, 646, 000)		(+37, 646, 000)
	Limitation	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)		
	CHAPTER VIII					
	LEGISLATIVE BRANCH					
	Senate					
	Salaries, Officers and Employees					
	Committee employees	664, 000		482, 000	−182, 000	+482, 000
96-58	Administrative, clerical, and legislative assistance to Senators	204, 000		204, 000		+204, 000
	Agency contributions and longevity compensation	908, 000		908, 000		+908, 000
	Total, salaries, officers and employees	1, 776, 000		1, 594, 000	−182, 000	+1, 594, 000
	Total, Senate	1, 776, 000		1, 594, 000	−182, 000	+1, 594, 000
	House of Representatives					
	Salaries, Officers and Employees					
96-97	Office of the Clerk	264, 000	264, 000	264, 000		
96-108	Office of the Sergeant at Arms	2, 029, 000	1, 450, 000	1, 450, 000	−579, 000	
	Total, House of Representatives	2, 293, 000	1, 714, 000	1, 714, 000	−579, 000	
	Joint Items					
	Contingent Expenses of the Senate					
96-58	Joint Committee on Printing	95, 000	60, 000	60, 000	−35, 000	
	Education of Pages					
	Education of congressional pages and pages of the Supreme Court	27, 600			−27, 600	
	Capitol Guide Service					
	Salaries and expenses	20, 000	20, 000	20, 000		
	Total, joint items	142, 600	80, 000	80, 000	−62, 600	
	ARCHITECT OF THE CAPITOL					
	Capitol Buildings and Grounds					
96-108	Senate office buildings	600, 000		600, 000		+600, 000
96-82	House office buildings	400, 000	400, 000	400, 000		
	Installation of solar collectors in House office buildings	3, 000, 000	1, 500, 000	1, 500, 000	−1, 500, 000	
	Total, Capitol buildings and grounds	4, 000, 000	1, 900, 000	2, 500, 000	−1, 500, 000	+600, 000

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Library Buildings and Grounds					
	Structural and mechanical care	425,000	71,000	71,000	−354,000	
	Total, Architect of the Capitol	4,425,000	1,971,000	2,571,000	−1,854,000	+600,000
	LIBRARY OF CONGRESS					
	Salaries and expenses	3,360,000			−3,360,000	
	Furniture and furnishings	500,000			−500,000	
	Release of sec. 311 funds	(2,500,000)			(−2,500,000)	
	Total, Library of Congress	3,860,000			−3,860,000	
	Release of sec. 311 funds	(2,500,000)			(−2,500,000)	
	GOVERNMENT PRINTING OFFICE					
96–58	Office of Superindentent of Documents: Sales and expenses	980,000	413,000	413,000	−567,000	
	GENERAL ACCOUNTING OFFICE					
	Salaries and expenses	5,500,000	150,000	150,000	−5,350,000	
	Total, chapter VIII:					
	New budget (obligational) authority	18,976,600	4,328,000	6,522,000	−12,454,600	+2,194,000
	(Release of sec. 311 funds)	(2,500,000)			(−2,500,000)	
	DEPARTMENT OF DEFENSE—MILITARY					
	Military Construction					
96–64	Military construction, Army	(70,334,000)			(−70,334,000)	
	Military construction, Navy	(1,053,000)			(−1,053,000)	
96–64	Military construction, Air Force	(7,567,000)			(−7,567,000)	
96–64	Military construction, Defense agencies	(9,377,000)			(−9,377,000)	
	Total, Military construction	(88,331,000)			(−88,331,000)	
96–64	Family housing, Defense	(50,530,000)			(−50,530,000)	
	Total, new budget (obligational) authority	(138,861,000)			(−138,861,000)	
	CHAPTER IX					
	DEPARTMENT OF STATE					
	Administration of Foreign Affairs					
	Salaries and expenses	13,892,000	4,100,000	4,100,000	−9,792,000	
	Payment to the Foreign Service retirement and disability fund	3,462,000	3,462,000	3,462,000		
	Total, administration of foreign affairs	17,354,000	7,562,000	7,562,000	−9,792,000	
	International Organizations and Conferences					
	Contributions to international organizations	58,357,000	58,357,000	58,357,000		
	Contributions for international peacekeeping activities	40,000,000	40,000,000	40,000,000		
	Missions to international organizations	961,000	750,000	750,000	−211,000	
	Total, International organizations and conferences	99,318,000	99,107,000	99,107,000	−211,000	
	International Commissions					
	International fisheries commissions	30,000			−30,000	
	Total, Department of State	116,702,000	106,669,000	106,669,000	−10,033,000	
	DEPARTMENT OF JUSTICE					
	General Administration					
S. Doc. 96–	Salaries and expenses			250,000	+250,000	+250,000
	By transfer	(490,000)			(−490,000)	
	Legal Activities					
S. Doc. 96–	Salaries and expenses, General legal activities			974,000	+974,000	+974,000
	By transfer	(974,000)			(−974,000)	
	Salaries and expenses, U.S. attorneys and marshals	226,000			−226,000	
	By transfer		(185,000)	(185,000)	(+185,000)	
	Fees and expenses of witnesses	6,464,000	6,464,000	6,464,000		
	Total, legal activities	6,690,000	6,464,000	7,438,000	+748,000	+974,000
	Federal Bureau of Investigation					
	Immigration and Naturalization Service					
S. Doc. 96–	Salaries and expenses			2,636,000	+2,636,000	+2,636,000
	By transfer	(2,636,000)			(−2,636,000)	
	Immigration and Naturalization Service					
96–85	Salaries and expenses	200,000		3,935,000	+3,735,000	+3,935,000
S. Doc. 96–	By transfer	(3,935,000)			(−3,935,000)	
	Total, Department of Justice	6,890,000	6,464,000	14,259,000	+7,369,000	+7,795,000
	DEPARTMENT OF COMMERCE					
	General Administration					
	Participation in U.S. expositions	200,000			−200,000	
	Economic Development Administration					
	Economic development assistance program: Increase in limitation	(96,000,000)	(96,000,000)	(96,000,000)		

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	National Oceanic and Atmospheric Administration					
96-132	Construction	52,000,000		60,000,000	+8,000,000	+60,000,000
	Coastal zone management	7,000,000	6,500,000	6,500,000	-500,000	
	Fishing vessel and gear damage compensation fund	3,500,000	500,000	2,000,000	-1,500,000	+1,500,000
	Fishermen's contingency fund	600,000	300,000	600,000		+300,000
	Total, National Oceanic and Atmospheric Administration	63,100,000	7,300,000	69,100,000	+6,000,000	+61,800,000
	National Telecommunications and Information Administration					
	Salaries and expenses	541,000			-541,000	
	Total, Department of Commerce	63,841,000	7,300,000	69,100,000	+5,259,000	+61,800,000
	THE JUDICIARY					
	Courts of Appeals, District Courts, and other Judicial Services					
	Salaries of judges	3,550,000	1,200,000	1,200,000	-2,350,000	
	Salaries of supporting personnel	5,690,000	1,800,000	1,800,000	-3,890,000	
	Fees of jurors and commissioners	4,000,000	4,000,000	4,000,000		
	Travel and miscellaneous expenses	7,229,000	3,600,000	3,600,000	-3,629,000	
	Salaries and expenses of magistrates	50,000			-50,000	
	Space and facilities	2,377,000			-2,377,000	
	Furniture and furnishings	8,505,000	4,200,000	4,200,000	-4,305,000	
	Total, courts of appeals, district courts, and other judicial services	31,401,000	14,800,000	14,800,000	-16,601,000	
	Administrative Office of the U.S. Courts					
	Salaries and expenses	338,000	150,000	150,000	-188,000	
	Federal Judicial Center					
	Salaries and expenses	300,000	150,000	150,000	-150,000	
	Total, The Judiciary	32,039,000	15,100,000	15,100,000	-16,939,000	
	RELATED AGENCIES					
	Arms Control and Disarmament Agency					
	Arms control and disarmament activities	1,010,000	850,000	1,000,000	-10,000	+150,000
	Board for International Broadcasting					
	Grants and expenses	3,000,000	2,000,000	3,000,000		+1,000,000
	Equal Employment Opportunity Commission					
	Salaries and expenses: Increase in limitation	(3,500,000)			(-3,500,000)	
	International Communication Agency					
	Salaries and expenses	737,000			-737,000	
	Salaries and expenses (special foreign currency program)	454,000	300,000	300,000	-154,000	
	Total, International Communication Agency	1,191,000	300,000	300,000	-891,000	
	Renegotiation Board					
	Salaries and expenses	1,103,000			-1,103,000	
	Select Commission on Immigration and Refugee Policy					
	Salaries and expenses	224,000	224,000	224,000		
	Small Business Administration					
96-128	Salaries and expenses	2,000,000	2,000,000	2,000,000		
96-128	Disaster loan fund	1,018,000,000	1,018,000,000	1,018,000,000		
	Total, Small Business Administration	1,020,000,000	1,020,000,000	1,020,000,000		
	Total, related agencies	1,026,528,000	1,023,374,000	1,024,524,000	-2,004,000	+1,150,000
	Total, chapter IX:					
	New budget (obligational) authority	1,246,000,000	1,158,907,000	1,229,652,000	-16,348,000	+70,745,000
	Limitation	(99,500,000)	(96,000,000)	(96,000,000)	(-3,500,000)	
	By transfer	(8,035,000)	(185,000)	(185,000)	(-7,850,000)	
	CHAPTER X					
	DEPARTMENT OF TRANSPORTATION					
	Office of the Secretary					
	Transportation planning, research, and development	5,000,000		5,000,000		+5,000,000
	Coast Guard					
	Pollution Fund	23,000,000		13,000,000	-10,000,000	+13,000,000
	Retired pay	4,000,000	4,000,000	4,000,000		
	Offshore oil pollution compensation fund:					
	Appropriation	5,000,000	5,000,000	5,000,000		
	Authority to borrow	3,000,000	3,000,000	3,000,000		
	Total, Coast Guard	35,000,000	12,000,000	25,000,000	-10,000,000	+13,000,000
	Federal Aviation Administration					
	Facilities and equipment (airport and airway trust fund)	13,563,000	10,850,000		-13,563,000	-10,850,000
	Research, engineering and development (airport and airway trust fund)	3,500,000		3,500,000		+3,500,000
	Total, Federal Aviation Administration	17,063,000	10,850,000	3,500,000	-13,563,000	-7,350,000
	Federal Highway Administration					
	Off-system roads (appropriation to liquidate contract authorization)	(18,500,000)	(18,500,000)	(18,500,000)		

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Federal Railroad Administration					
	Northeast Corridor improvement program	35,000,000	35,000,000	35,000 000		
	Grants to the National Railroad Passenger Corporation	119,000,000	119,000,000	119,000,000		
	Total, Federal Railroad Administration	154,000,000	154,000,000	154,000,000		
	Urban Mass Transportation Administration					
	Urban formula grants (by transfer)		(40,000,000)			(−40,000,000)
	Waterborne transportation demonstration project		5,000,000			+5,000,000
	RELATED AGENCIES					
	Civil Aeronautics Board					
	Payments to air carriers	4,000,000	4,000,000	4,000,000		
	The Panama Canal					
	Canal Zone Government: Operating expenses	4,934,000	4,934,000	4,934,000		
	Panama Canal Ccmpany: Limitation on general and administrative expenses	(1,837,000)	(1,837,000)	(1,837,000)		
	U.S. Railway Association					
	Administrative expenses	4,200,000	4,200,000	4,200,000		
	Payments for purchase of Conrail securities	239,000,000	239,000,000	239,000,000		
	Total, U.S. Railway Association	243,200,000	243,200,000	243,200,000		
	Washington Metropolitan Area Transit Authority					
	Interest payments	16,102,000	16,102,000	23,201,000	+7,099,000	+7,099,000)
	By transfer		(7,099,000)			(−7,099,000)
	National Alcohol Fuels Commission					
	Salaries and expenses			1,500,000	+1,500,000	+1,500,000
	GENERAL PROVISIONS					
	Coast Guard: Offshore oil pollution compensation fund: Limitation on obligations.	(60,000,000	(60,000,000)	(60,000,000)		
	Federal Aviation Administration: Loan guarantee program (limitation on loan guarantees).	(50,000,000)	(100,000,000)	(100,000,000)	(+50,000,000)	
	Total, general provisions	(110,000,000)	(160,000,000)	(160,000,000)	(+50,000,000)	
	Total, chapter X:					
	New budget (obligational) authority	479,299,000	450,086,000	464,335,000	−14,964,000	+14,249,000
	Appropriations	(476,299,000)	(447,086,000)	(461,335,000)	(−14,964,000)	(+14,249,000)
	Authority to borrow	(3,000,000)	(3,000,000)	(3,000,000)		
	Appropriation to liquidate contract authorization	(18,500,000)	(18,500,000)	(18,500,000)		
	By transfer		(47,099,000)			(−47,099,000)
	Limitation	(1,837,000)	(1,837,000)	(1,837,000)		
	CHAPTER XI					
	DEPARTMENT OF THE TREASURY					
	International affairs	5,442,000			−5,442,000	
	Bureau of Government Financial Operations					
	Salaries and expenses	9,017,000	9,017,000	9,017,000		
	Payment to the Government of Guam	216,000	216,000	216,000		
	Total, Bureau of Government Financial Operations	9,233,000	9,233,000	9,233,000		
	Bureau of Alcohol, Tobacco, and Firearms	1,700,000	400,000	400,000	−1,300,000	
	U.S. Customs Service	2,848,000			−2,848,000	
S. Doc. 96-	Bureau of the Mint	1,600,000	1,531,000		−1,600,000	−1,531,000
	Internal Revenue Service					
	Salaries and expenses	1,492,000	1,362,000	1,362,000	−130,000	
	Taxpayer service and returns processing	35,445,000	27,555,000	27,555,000	−7,890,000	
	Examinations and appeals	1,721,000			−1,721,000	
	Investigations and collections	859,000			−859,000	
	Payment where energy credit exceeds liability for tax	700,000	700,000	700,000		
	Total, Internal Revenue Service	40,217,000	29,617,000	29,617,000	−10,600,000	
	U.S. Secret Service	700,000			−700,000	
	Total, Department of the Treasury	61,740,000	40,781,000	39,250,000	−22,490,000	−1,531,000
	U.S. POSTAL SERVICE					
	Payment to the Postal Service fund	18,233,000	18,233,000		−18,233,000	−18,233,000
	EXECUTIVE OFFICE OF THE PRESIDENT					
96-54	Council on Wage and Price Stability	5,199,000	3,199,000	3,199,000	−2,000,000	
	INDEPENDENT AGENCIES					
	General Services Administration					
	Federal buildings fund:					
	Limitation on availability of revenue:					
96-82	Construction of buildings	(4,436,205)	(36,205)	(36,205)	(—4,400,000)	
96-82	Rental of space	(14,000,000)	(14,000,000)	(14,000,000)		
	Real property operations	(—7,000,000)	(—7,000,000)	(—7,000,000)		
	Total, Federal buildings fund	(11,436,205)	(7,036,205)	(7,036,205)	(—4,400,000)	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Federal Supply Service: General supply fund	81, 300, 000	10, 000, 000	10, 000, 000	−71, 300, 000	
	National Archives and Records Service: Records declassification	1, 460, 000	1, 000, 000		−1, 460, 000	−1, 000, 000
	General activites: General management and agency operations:					
	Salaries and expenses	1, 700, 000	1, 700, 000		−1, 700, 000	−1, 700, 000
	Office of the Inspector General			1, 700, 000	+1, 700, 000	+1, 700, 000
	Total, General Services Administration	84, 460, 000	12, 700, 000	11, 700, 000	−72, 760, 000	−1, 000, 000
	Office of Personnel Management					
	Salaries and expenses	440, 000		240, 000	−200, 000	+240, 000
	Payment to civil service retirement and disability fund	335, 355, 000	335, 355, 000	335, 355, 000		
	Total, Office of Personnel Management	335, 795, 000	335, 355, 000	335, 595, 000	−200, 000	+240, 000
	Merit Systems Protection Board					
	Salaries and expenses	1, 048, 000	750, 000	1, 048, 000		+298, 000
	Office of Special Counsel	842, 000	700, 000	842, 000		+142, 000
	Total, Merit Systems Protection Board	1, 890, 000	1, 450, 000	1, 890, 000		+440, 000
	Federal Labor Relations Authority: Salaries and expenses	1, 360, 000	1, 360, 000	1, 360, 000		
	International Commodity Agreements: Investment in International Tin Buffer Stocks.	60, 000, 000			−60, 000, 000	
	Total, Independent agencies	483, 505, 000	350, 865, 000	350, 545, 000	−132, 960, 000	−320, 000
	Total, chapter XI: New budget (obligational) authority	568, 677, 000	413, 078, 000	392, 994, 000	−175, 683, 000	−20, 084, 000
	CHAPTER XII					
96-58	Temporary Commission on Financial Oversight of the District of Columbia	4, 500, 000		4, 500, 000		+4, 500, 000
	DISTRICT OF COLUMBIA					
	Federal Funds					
96-138	Federal Payment to the District of Columbia	69, 465, 000		19, 465, 000	−50, 000, 000	+19, 465, 000
	Total, Federal Payment to the District of Columbia	73, 965, 000		23, 965, 000	−50, 000, 000	+23, 965, 000
	DISTRICT OF COLUMBIA FUNDS					
96-138	General operating expenses	(22, 637, 900)		(14, 760, 900)	(−7, 877, 000)	(+14, 760, 900)
96-138	Public safety	(14, 984, 100)		(11, 111, 000)	(−3, 873, 100)	(+11, 111, 000)
96-138	Education	(2, 387, 500)		(1, 823, 900)	(−563, 600)	(+1, 823, 900)
96-138	Recreation	(151, 800)		(43, 000)	(−108, 800)	(+43, 000)
96-138	Human resources	(9, 435, 700)		(5, 161, 700)	(−4, 274, 000)	(+5, 161, 700)
96-138	Transportation	(5, 277, 000)		(4, 194, 900)	(−1, 082, 100)	(+4, 194, 900)
96-138	Environmental services	(5, 256, 400)		(1, 144, 600)	(−4, 111, 800)	(+1, 144, 600)
96-138	Personal services	(16, 000, 000)		(12, 000, 000)	(−4, 000, 000)	(+12, 000, 000)
96-138	Settlement of claims and suits	(291, 500)		(291, 500)		(+291, 500)
96-138	Transition expense	(71, 700)			(−71, 700)	
96-138	Demonstration expenses	(2, 565, 000)		(2, 565, 000)		(+2, 565, 000)
96-138	Capital outlay	(48, 728, 000)			(−48, 728, 000)	
	Total, District of Columbia Funds	(127, 786, 600)		(53, 096, 500)	(−74, 690, 100)	(+53, 096, 500)
	Total chapter XII:					
	New budget (obligational authority)	73, 965, 000		23, 965, 000	−50, 000. 000	+23, 965, 000
	District of Columbia funds	(127, 786, 600)		(53, 096, 500)	(−74, 690, 100)	+(53, 096, 500)
	Total, title I, general supplementals:					
	New budget (obligational) authority	14, 329, 819, 600	9, 211, 689, 000	11, 628, 099, 000	−2, 710, 720, 600	+2, 416, 410, 000
	Appropriations, 1979	(13, 119, 613, 600)	(9, 004, 589, 000)	(11, 378, 353, 000)	(−1, 741, 260, 600)	(+2, 373, 764, 000)
	Appropriations, 1981	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)		
	Authority to borrow, 1979	(977, 560, 000)	(22, 600, 000)	(22, 600, 000)	(−954, 960, 000)	
	Reappropriations, 1979	(70, 646, 000)	(22, 500, 000)	(65, 146, 000)	(−5, 500, 000)	(+42, 646, 000)
	Appropriation to liquidate contract authorization	(18, 500, 000)	(18, 500, 000)	(18, 500, 000)		
	By transfer	(29, 935, 000)	(159, 284, 000)	(162, 185, 000)	(+132, 250, 000)	(+2, 901, 000)
	Increase in limitations	(102, 650, 000)	(98, 887, 000)	(98, 887, 000)	(−3, 763, 000)	
	Release of sec. 311 funds	(2, 500, 000)			(2, 500, 000)	
	District of Columbia funds	(127, 786, 600)		(53, 096, 500)	(−74, 690, 100)	(+53, 096, 500)
	TITLE II					
	INCREASED PAY COSTS					
	LEGISLATIVE BRANCH					
	Senate					
	Salaries, officers and employees	6, 019, 000		6, 019, 000		+6, 019, 000
	Office of the Legislative Counsel of the Senate	25, 000		25, 000		+25, 000
	Senate policy committees	74, 000		74, 000		+74, 000
	Inquiries and investigations	1, 330, 000		1, 330, 000		+1, 330, 000
	Folding documents	6, 000		6, 000		+6, 000
	Miscellaneous items	13, 000		13, 000		+13, 000
	Total, Senate	7, 467, 000		7, 467, 000		+7, 467, 000
	House of Representatives					
	House leadership offices	75, 200	75, 200	75, 200		
	Salaries, officers and employees	1, 357, 700	1, 357, 700	1, 357, 700		
	Committee on Appropriations (studies and investigations)	8, 900	8, 900	8, 900		
	Office of the Law Revision Counsel	14, 000	14, 000	14, 000		
	Office of the Legislative Counsel	60, 400	60, 400	60, 400		
	Members' clerk hire	5, 142, 400	5, 142, 400	5, 142, 400		
	Allowances and expenses	773, 600	773, 600	773, 600		
	Special and select committees	2, 572, 000			−2, 572, 000	
	Total, House of Representatives	10, 004, 200	7, 432, 200	7, 432, 200	−2, 572, 000	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Joint Items					
	Joint Economic Committee	70, 000			−70, 000	
	Release of sec. 311 funds		(70, 000)	(70, 000)	(+70, 000)	
	Joint Committee on Taxation	77, 100			−77, 100	
	Release of sec. 311 funds		(75, 100)	(75, 100)	(+75, 100)	
	Education of pages	10, 900	10, 900	10, 900		
	Capitol Guide Service	29, 000	29, 000	29, 000		
	Total, joint items	187, 000	39, 900	39, 900	−147, 100	
	Release of sec. 311 funds		(145, 100)	(145, 100)	(+145, 100)	
	Office of Technology Assessment					
	Salaries and expenses	196, 000			−196, 000	
	Congressional Budget Office					
	Salaries and expenses	261, 010			−261, 010	
	Release of sec. 311 funds		(261, 100)	(261, 100)	(+261, 100)	
	Architect of the Capitol					
	Office of the Architect of the Capitol: Salaries	108, 000			−108, 000	
	By transfer of sec. 311 from House office buildings		(108, 000)	(108, 000)	(+108, 000)	
	Capitol buildings	223, 000			−223, 000	
	By transfer of sec. 311 from House office buildings		(223, 000)	(223, 000)	(+223, 000)	
	Capitol grounds	79, 000			−79, 000	
	By transfer of sec. 311 from House office buildings		(79, 000)	(79, 000)	(+79, 000)	
	Senate office buildings	389, 000			−389, 000	
	By release of $55,000 of sec. 311 funds and transfer of $273,000 of sec. 311 funds from Capitol Power Plant and $61,000 from House office buildings.			(389, 000)	(+389, 000)	(+389, 000)
	Senate garage	7, 000			−7, 000	
	By transfer of sec. 311 funds from Capitol Power Plant			(7, 000)	(+7, 000)	(+7, 000)
	House office buildings	570, 000			−570, 000	
	Release of sec. 311 funds		(570, 000)	(570, 000)	(+570, 000)	
	Capitol Power Plant	100, 000			−100, 000	
	Release of sec. 311 funds		(100, 000)	(100, 000)	(+100, 000)	
	Structural and mechanical care, Library buildings and grounds	95, 000			−95, 000	
	By transfer of sec. 311 from House office buildings		(95, 000)	(95, 000)	(+95, 000)	
	Total, Architect of the Capitol	1, 571, 000			−1, 571, 000	
	Release of sec. 311 funds and transfers		(1, 175, 000)	(1, 571, 000)	(+1, 571, 000)	(+396, 000)
	Botanic Garden					
	Salaries and expenses	56, 000			−56, 000	
	By transfer of sec. 311 from House office buildings		(56, 000)	(56, 000)	(+56, 000)	
	Library of Congress					
	Salaries and expenses	3, 320, 000			−3, 320, 000	
	Release of sec. 311 funds		(1, 387, 000)	(1, 387, 000)	(+1, 387, 000)	
	By transfer of sec. 311 from books for the blind and physically handicapped.		(1, 933, 000)	(1, 933, 000)	(+1, 933, 000)	
	Copyright Office: Salaries and expenses	561, 000			−561, 000	
	By transfer of sec. 311 from books for the blind and physically handicapped.		(61, 000)	(61, 000)	(+61, 000)	
	Congressional Research Service: Salaries and expenses	1, 031, 000			−1, 031, 000	
	Release of sec. 311 funds		(1, 031, 000)	(1, 031, 000)	(+1, 031, 000)	
	Books for the blind and physically handicapped:					
	Salaries and expenses	115, 000			−115, 000	
	Release of sec. 311 funds		(115, 000)	(115, 000)	(+115, 000)	
	Collection and distribution of library materials (special foreign currency program.	17, 000			−17, 000	
	Total, Library of Congress	5, 044, 000			−5, 044, 000	
	Release of sec. 311 funds and transfers		(4, 527, 000)	(1, 527, 000)	(+4, 527, 000)	
	Government Printing Office					
	Office of Superintendent of Documents: Salaries and expenses	285, 000			−285, 000	
	General Accounting Office					
	Salaries and expenses	7, 281, 000			−7, 281, 000	
	Release of sec. 311 funds		(7, 281, 000)	(7, 281, 000)	(+7, 281, 000)	
	Total, legislative branch	32, 352, 300	7, 472, 100	14, 939, 100	−17, 413, 200	+7, 467, 000
	Release of sec. 311 funds and transfers		(13, 445, 200)	(13, 841, 200)	(+13, 841, 200)	(+396, 000)
	THE JUDICIARY					
	Supreme Court of the United States					
	Salaries and expenses	400, 000			−400, 000	
	Care of the building and grounds	36, 000	25, 000	25, 000	−11, 000	
	Total, Supreme Court of the United States	436, 000	25, 000	25, 000	−411, 000	
	Court of Customs and Patent Appeals					
	Salaries and expenses	39, 000	22, 000	22, 000	−17, 000	
	Customs Court					
	Salaries and expenses	129, 000	40, 000	40, 000	−89, 000	
	Court of Claims					
	Salaries and expenses	95, 000	50, 000	50, 000	−45, 000	
	Courts of Appeals, District Courts, and Other Judicial Services					
	Salaries of supporting personnel	8, 954, 000	7, 500, 000	7, 500, 000	−1, 454, 000	
	Defender services	408, 000			−408, 000	
	Salaries and expenses of magistrates	296, 000			−296, 000	
	Salaries and expenses of referees	1, 358, 000	1, 358, 000	1, 358, 000		
	Total, Courts of appeals, district courts, and other judicial services	11, 016, 000	9, 858, 000	8, 858, 000	−2, 158, 000	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.					Senate compared with—	
		Budget estimates	House bill	Senate bill	Budget estimates	House bill
	Administrative Office of the United States Courts					
	Salaries and expenses	499,000	499,000	499,000		
	Federal Judicial Center					
	Salaries and expenses	132,000	104,000	104,000	−28,000	
	Total, The Judiciary	12,346,000	9,598,000	9,598,000	−2,748,000	
	EXECUTIVE OFFICE OF THE PRESIDENT					
	The White House Office: Salaries and expenses	452,000	452,000	452,000		
	Executive Residence at the White House: Operating expenses	108,000	108,000	108,000		
	Special Assistance to the President: Salaries and expenses	35,000	35,000	35,000		
	Domestic Policy Staff: Salaries and expenses	44,000	44,000	44,000		
	National Security Council: Salaries and expenses	125,000	125,000	125,000		
	Office of Administration: Salaries and expenses	183,000	183,000	183,000		
	Office of Management and Budget: Salaries and expenses	844,000	844,000	844,000		
	Office of Science and Technology Policy: Salaries and expenses	37,000	20,000	20,000	−17,000	
	Office of the Special Representative for Trade Negotiations: Salaries and expenses.	42,000	42,000	42,000		
	Total, Executive Office of the President	1,870,000	1,853,000	1,853,000	−17,000	
	DEPARTMENT OF AGRICULTURE					
	Office of the Secretary	105,000	105,000	105,000		
	Departmental administration	508,000	508,000	508,000		
	Working capital fund	(1,252,000)	(1,252,000)	(1,252,000)		
	Office of the Inspector General	557,000	150,000	150,000	−407,000	
	Transfer from food stamp program	(303,000)	(303,000)	(303,000)		
	Total, Office of Inspector General	557,000	150,000	150,000	−407,000	
	Office of the General Counsel	347,000	347,000	347,000		
	Agricultural Research Service	10,050,000	2,500,000	7,500,000	−2,550,000	+5,000,000
	National Agricultural Library	200,000			−200,000	
	Economics, Statistics, and Cooperatives Service	2,966,000	2,450,000	2,450,000	−516,000	
	World Food and Agricultural Outlook and Situation Board	40,000			−40,000	
	Foreign Agricultural Service	570,000	570,000	570,000		
	Federal Crop Insurance Corporation: Federal Crop Insurance Corporation fund: Increase in limitation	(560,000)	(560,000)	(560,000)		
	Rural Electrification Administration: Salaries and expenses	756,000	756,000	256,000	−500,000	−500,000
	Farmers Home Administration: Salaries and expenses	6,813,000	6,813,000	6,813,000		
	Soil Conservation Service:					
	Conservation operations	8,587,000	6,000,000	6,936,000	−1,651,000	+936,000
	River basin surveys and investigations	490,000	490,000		−490,000	−490,000
	Watershed planning	446,000	446,000		−446,000	−446,000
	Great plains conservation program	401,000	401,000	401,000		
	Resource conservation and development	441,000	441,000	441,000		
	Total, Soil Conservation Service	10,365,000	7,778,000	7,778,000	−2,587,000	
	Animal and Plant Health Inspection Service	5,178,000	5,178,000	5,178,000		
	Agricultural Marketing Service: Marketing services	1,352,000	1,352,000	1,352,000		
	Food Safety and Quality Service	10,677,000	6,677,000	8,677,000	−2,000,000	+2,000,000
	Funds for strengthening markets, income and supply (sec. 32): Increase in limitation.	(197,000)	(197,000)	(197,000)		
	Food and Nutrition Service: Food program administration	2,149,000	2,149,000	2,149,000		
	Forest Service:					
	Forest protection and utilization	28,741,000	21,556,000	21,556,000	−7,185,000	
	Construction and land acquisition	442,000	332,000	332,000	−110,000	
	Forest roads and trails	9,489,000	7,117,000	7,117,000	−2,372,000	
	Assistance to States for tree improvement	18,000	14,000	14,000	−4,000	
	Total, Forest Service	38,690,000	29,019,000	29,019,000	−9,671,000	
	Total, Department of Agriculture	91,323,000	66,352,000	72,852,000	−18,471,000	+6,500,000
	Increase in limitations	(757,000)	(757,000)	(757,000)		
	DEPARTMENT OF COMMERCE					
	General Administration					
	Salaries and expenses	780,000	740,000	740,000	−40,000	
	Bureau of the Census					
	Salaries and expenses	1,837,000	1,747,000	1,747,000	−90,000	
	Periodic censuses and programs	5,398,000	5,128,000	5,128,000	−270,000	
	Total, Bureau of the Census	7,235,000	6,875,000	6,875,000	−360,000	
	Economic and Statistical Analysis					
	Salaries and expenses	547,000	547,000	547,000		
	Economic Development Administration					
	Salaries and expenses	1,301,000	1,236,000	1,236,000	−65,000	
	Local Public Works Program	387,000	368,000	368,000	−19,000	
	Total, Economic Development Administration	1,688,000	1,604,000	1,604,000	−84,000	
	Industry and Trade Administration					
	Operations and administration	1,888,000	1,798,000	1,798,000	−90,000	
	U.S. Travel Service					
	Salaries and expenses	97,000	97,000	97,000		
	National Oceanic and Atmospheric Administration					
	Operations, research, and facilities	16,503,000	15,703,000	15,703,000	−800,000	
	Coastal zone management	140,000	140,000	140,000		
	Total, National Oceanic and Atmospheric Administration	16,643,000	15,843,000	15,843,000	−800,000	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with Budget estimates	Senate compared with House bill
	Patent and Trademark Office					
	Salaries and expenses	3,054,000	3,054,000	3,054,000		
	Science and Technical Research					
	Scientific and technical research and services	2,740,000	2,600,000	2,600,000	−140,000	
	National Telecommunications and Information Administration					
	Salaries and expenses	130,000	120,000	120,000	−10,000	
	Maritime Administration					
	Operations and training	1,437,000	1,366,000	1,366,000	−17,000	
	Total, Department of Commerce	36,239,000	34,644,000	34,644,000	−1,595,000	
	DEPARTMENT OF DEFENSE—MILITARY					
	Military Personnel					
	Military personnel, Army	440,375,000	437,448,000	437,448,000	−2,927,000	
	Military personnel, Navy	306,700,000	297,433,000	297,433,000	−9,267,000	
	Military personnel, Marine Corps	97,425,000	96,525,000	96,525,000	−900,000	
	Military personnel, Air Force	366,199,000	362,134,000	366,199,000		+4,065,000
	Reserve personnel, Army	18,950,000	9,950,000	13,550,000	−5,400,000	+3,600,000
	Reserve personnel, Navy	8,975,000		4,475,000	−4,500,000	+4,475,000
	Reserve personnel, Marine Corps	3,075,000	3,075,000	3,075,000		
	Reserve personnel, Air Force	7,750,000	7,750,000	7,750,000		
	National Guard personnel, Army	36,600,000	31,600,000	36,600,000		+5,000,000
	National Guard personnel, Air Force	8,123,000	8,123,000	10,023,000	+1,900,000	+1,900,000
	Total, military personnel	1,294,172,000	1,254,038,000	1,273,078,000	−21,094,000	+19,040,000
	Operation and Maintenance					
	Operation and maintenance, Army	174,200,000	174,200,000	174,200,000		
	Operation and maintenance, Navy	128,200,000	128,200,000	128,200,000		
	Operation and maintenance, Marine Corps	2,800,000	2,800,000	2,800,000		
	Operation and maintenance, Air Force	97,900,000	97,900,000	97,900,000		
	Operation and maintenance, Defense agencies	102,200,000	82,200,000	102,200,000		+20,000,000
	Operation and maintenance, Army Reserve	3,400,000	3,400,000	3,400,000		
	Operation and maintenance, Air Force Reserve	8,600,000	8,600,000	8,600,000		
	Operation and maintenance, Army National Guard	9,700,000	9,700,000	9,700,000		
	Operation and maintenance, Air National Guard	19,200,000	19,200,000	17,300,000	−1,900,000	−1,900,000
	National Board for the Promotion of Rifle Practice, Army	10,000	10,000	10,000		
	Court of Military Appeals, Defense	90,000	90,000	90,000		
	Total, operation and maintenance	546,300,000	526,300,000	544,400,000	−1,900,000	+18,100,000
	Family Housing					
	Family housing, Defense	8,619,000			−8,619,000	
	Total, Department of Defense—Military	1,849,091,000	1,780,338,000	1,817,478,000	−31,613,000	+37,140,000
	DEPARTMENT OF DEFENSE—CIVIL					
	DEPARTMENT OF THE ARMY					
	Corps of Engineers—Civil					
	Construction, general			10,000,000	+10,000,000	+10,000,000
	General expenses	2,400,000	2,400,000	2,400,000		
	Operation and maintenance, general	16,600,000	16,600,000	16,600,000		
	Total, Corps of Engineers—Civil	19,000,000	19,000,000	29,000,000	+10,000,000	+10,000,000
	Soldiers' and Airmen's Home					
	Operation and maintenance	590,000	590,000	590,000		
	The Panama Canal					
	Operating expenses	1,234,000	1,048,000	1,048,000	−186,000	
	By transfer		(186,000)	(186,000)	(+186,000)	
	Corporation: Panama Canal Company: Increase in limitation	(795,000)	(795,000)	(795,000)		
	Total, Department of Defense—Civil	20,824,000	20,638,000	30,638,000	+9,814,000	+10,000,000
	Increase in limitations	(795,000)	(795,000)	(795,000)		
	DEPARTMENT OF ENERGY					
	Energy, science and defense activities, operating expenses	15,617,000	15,000,000	15,000,000	−617,000	
	Federal Energy Regulatory Commission, salaries and expenses	1,930,000			−1,930,000	
	Power Marketing Administrations	1,457,000	209,000	209,000	−1,248,000	
	Fossil energy research and development	2,154,000	1,301,000	1,571,000	−583,000	+270,000
	Energy production, demonstration, and distribution	312,000	234,000	234,000	−78,000	
	Energy conservation	472,000	354,000	354,000	−118,000	
	Strategic petroleum reserve	289,000	217,000	217,000	−72,000	
	Energy information administration, operating expenses	1,258,000	1,258,000	1,258,000		
	Total, Department of Energy	23,489,000	18,573,000	18,843,000	−4,646,000	+270,000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
	Food and Drug Administration					
	Salaries and expenses	8,705,000	6,800,000	6,800,000	−1,905,000	
	Health Services Administration					
	Indian health services		5,664,000	8,364,000	+8,364,000	+2,700,000
	By transfer	(11,152,000)	(3,600,000)		(−11,152,000)	(−3,600,000)
	Center for Disease Control					
	Preventive health services	2,973,000	2,673,000	2,673,000	−300,000	
	National Institutes of Health					
	Office of the Director (by transfer)	(784,000)	(784,000)	(784,000)		

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Assistant Secretary for Health					
	Salaries and expenses	1,672,000	1,138,000	1,138,000	−534,000	
	National Institute of Education					
	National Institute of Education	160,000			−160,000	
	Alcohol, Drug Abuse, and Mental Health Administration					
96–54	Saint Elizabeths Hospital: By transfer	(3,428,000)	(3,428,000)	(3,428,000)		
	Health Care Financing Administration					
	Quality care management, research and administration	2,600,000	2,600,000	2,600,000		
96–54	Trust fund transfer	(3,800,000)	(3,800,000)	(3,800,000)		
	Social Security Administration					
	Limitation on salaries and expenses: Increase in limitation	(71,500,000)	(37,500,000)	(37,500,000)	(−34,000,000)	
	Public assistance	1,105,000	1,105,000	1,105,000		
	Assistant Secretary for Human Development Services					
	Human development services	2,387,000	2,387,000	2,387,000		
	Departmental Management					
	Office of Consumer Affairs	32,000	20,000	32,000		+12,000
	General departmental management	3,545,000	2,265,000	2,265,000	−1,280,000	
	Total, Departmental management	3,577,000	2,285,000	2,297,000	−1,280,000	+12,000
	Total, Department of Health, Education, and Welfare	23,179,000	24,652,000	27,364,000	+4,185,000	+2,712,000
	Increase in limitations	(71,500,000)	(37,500,000)	(37,500,000)	(−34,000,000)	
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
	Management and Administration					
	Salaries and expenses: Department of Housing and Urban Development	16,890,000	10,000,000	10,000,000	−6,890,000	
	DEPARTMENT OF THE INTERIOR					
	Bureau of Land Management					
	Management of lands and resources	4,418,000	3,300,000	3,300,000	−1,118,000	
	Bureau of Reclamation					
	Operation and maintenance	2,363,000	2,363,000	2,363,000		
	General administrative expenses	760,000	760,000	760,000		
	Total, Bureau of Reclamation	3,123,000	3,123,000	3,123,000		
	Heritage Conservation and Recreation Service					
	Salaries and expenses	406,000	300,000	300,000	−106,000	
	Land and water conservation fund (increase in limitation)	(258,000)	(188,000)	(188,000)	(−70,000)	
	U.S. Fish and Wildlife Service					
	Resource management	5,410,000	4,500,000	4,310,000	−1,100,000	−190,000
	National Park Service					
	Operation of the National Park System	9,121,000	5,000,000	7,041,000	−2,080,000	+2,041,000
	John F. Kennedy Center for the Performing Arts	83,000			−83,000	
	Planning, development, and operation of recreation facilities	350,000			−350,000	
	Total, National Park Service	9,554,000	5,000,000	7,041,000	−2,513,000	+2,041,000
	Geological Survey					
	Surveys, investigations and research	10,414,000	9,511,000	9,511,000	−903,000	
	Bureau of Mines					
	Mines and minerals	2,186,000	1,500,000	1,500,000	−686,000	
	Bureau of Indian Affairs					
	Operation of Indian programs	13,704,000	10,300,000	10,300,000	−3,404,000	
	Office of Territorial Affairs					
	Administration of territories	100,000	75,000	75,000	−25,000	
	Trust Territory of the Pacific Islands	130,000	98,000	98,000	−32,000	
	Total, Office of Territorial Affairs	230,000	173,000	173,000	−57,000	
	Office of the Solicitor					
	Salaries and expenses	526,000	500,000	500,000	−26,000	
	Office of the Secretary					
	Departmental management	1,217,000	900,000	900,000	−317,000	
	Total, Department of the Interior	51,188,000	39,107,000	40,958,000	−10,230,000	+1,851,000
	DEPARTMENT OF JUSTICE					
	General Administration					
	Salaries and expenses	967,000			−967,000	
	By transfer		(1,165,000)	(1,165,000)	(+1,165,000)	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
	Legal Activities					
	Salaries and expenses, general legal activities	457, 000			−457, 000	
	By transfer		(750, 000)	(750, 000)	(+750, 000)	
	Salaries and expenses, Antitrust Division	1, 131, 000			−1, 131, 000	
	By transfer		(1, 131, 000)	(1, 131, 000)	(+1, 131, 000)	
	Salaries and expenses, U.S. attorneys and marshals	7, 293, 000			−7, 293, 000	
	By transfer		(7, 293, 000)	(7, 293, 000)	(+7, 293, 000)	
	Total, Legal activities	8, 881, 000			−8, 881, 000	
	Federal Bureau of Investigation					
	Salaries and expenses	20, 506, 000	17, 293, 000	16, 593, 000	−3, 913, 000	−700, 000
	By transfer		(3, 213, 000)	(3, 913, 000)	(+3, 913, 000)	(+700, 000)
	Immigration and Naturalization Service					
	Salaries and expenses	6, 000, 000	6, 000, 000	6, 000, 000		
	Drug Enforcement Administration					
	Salaries and expenses	700, 000			−700, 000	
	By transfer	(572, 000)	(1, 272, 000)	(772, 000)	(+200, 000)	(−500, 000)
	Law Enforcement Assistance Administration					
	Salaries and expenses	1, 437, 000			−1, 437, 000	
	Total, Department of Justice	38, 491, 000	23, 293, 000	22, 593, 000	−15, 898, 000	−700, 000
	By transfer	(572, 000)	(14, 824, 000)	(15, 024, 000)	(+14, 452, 000)	(+200, 000)
	DEPARTMENT OF LABOR					
	Employment and Training Administration					
	Program administration	676, 000	676, 000	676, 000		
	Trust fund transfer	(1, 403, 000)	(1, 403, 000)	(1, 403, 000)		
	Employment Standards Administration					
	Salaries and expenses	6, 069, 000			−6, 069, 000	
	Trust fund transfer	(13, 000)	(13, 000)	(13, 000)		
	Occupational Safety and Health Administration					
	Salaries and expenses	1, 810, 000	1, 810, 000	1, 810, 000		
	Mine Safety and Health Administration					
	Salaries and expenses	2, 730, 000	2, 840, 000	2, 480, 000	−250, 000	
	Bureau of Labor Statistics					
	Salaries and expenses	715, 000			−715, 000	
	Departmental Management					
	Salaries and expenses	2, 442, 000	2, 167, 000	2, 167, 000	−275, 000	
	Trust fund transfer	(60, 000)	(60, 000)	(60, 000)		
	Total, Department of Labor	14, 442, 000	7, 133, 000	7, 133, 000	−7, 309, 000	
	Trust fund transfers	(1, 476, 000)	(1, 476, 000)	(1, 476, 000)		
	DEPARTMENT OF STATE					
	Administration of Foreign Affairs					
	Salaries and expenses	13, 460, 000	11, 460, 000	11, 460, 000	−2, 000, 000	
	Acquisition, operation, and maintenance of buildings abroad	177, 000	177, 000	177, 000		
	Total, administration of foreign affairs	13, 637, 000	11, 637, 000	11, 637, 000	−2, 000, 000	
	International Organizations and Conferences					
	Missions to international organizations	235, 000	235, 000	235, 000		
	International Commissions					
	International Boundary and Water Commission, United States and Mexico, salaries and expenses	189, 000	189, 000	189, 000		
	American sections, international commissions	65, 000	65, 000	65, 000		
	Total, international commissions	254, 000	254, 000	254, 000		
	Other					
	Migration and refugee assistance	35, 000	35, 000	35, 000		
	Total, Department of State	14, 161, 000	12, 161, 000	12, 161, 000	−2, 000, 000	
	DEPARTMENT OF TRANSPORTATION					
	Office of the Secretary					
	Salaries and expenses	834, 000	700, 000	700, 000	−143, 000	
	By transfer	(63, 331)	(63, 331)	(63, 331)		
	Coast Guard					
	Operating expenses	24, 470, 000	22, 670, 000	22, 670, 000	−1, 800, 000	
	Reserve training	1, 680, 000	1, 600, 000	1, 600, 000	−80, 000	
	Total, Coast Guard	26, 150, 000	24, 270, 000	24, 270, 000	−1, 880, 000	
	Federal Aviation Administration					
	Operations	60, 000, 000	54, 000, 000	54, 000, 000	−6, 000, 000	
	By transfer		(5, 000, 000)	(5, 000, 000)	(+5, 000, 000)	
	Operation and maintenance, Metropolitan Washington Airports	630, 000	630, 000	630, 000		
	Total, Federal Aviation Administration	60, 630, 000	54, 630, 000	54, 630, 000	−6, 000, 000	

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.					Senate compared with—	
		Budget estimates	House bill	Senate bill	Budget estimates	House bill
	Federal Highway Administration					
	Motor carrier safety	244, 000	220, 000	220, 000	-24, 000	
	Federal-aid highways (trust fund): increase In limitation	(4, 770, 000)	(4, 200, 000)	(4, 200, 000)	(-570, 000)	
	National Highway Traffic Safety Administration					
	Traffic and highway safety	1, 000, 000	400, 000	400, 000	-600, 000	
	Federal Railroad Administration					
	Office of the Administrator	335, 000	335, 000	335, 000		
	Railroad safety	570, 000	500, 000	500, 000	-70, 000	
	Total, Federal Railroad Administration	905, 000	835, 000	835, 000	-70, 000	
	Saint Lawrence Seaway Development Corporation: Increase in limitation	(32, 000)	(32, 000)	(32, 000)		
	Total, Department of Transportation	89, 772, 000	81, 055, 000	81, 055. 000	-8, 717, 000	
	Increase in limitations	(4, 802, 000)	(4, 232, 000)	(4, 232, 000)	(-570, 000)	
	DEPARTMENT OF THE TREASURY					
	Office of the Secretary: Salaries and expenses (by transfer)	(979, 000)	(979, 000)	(979, 000)		
	Bureau of Government Financial Operations:					
	Salaries and expenses (by transfer)	(2, 289, 000)	(2, 289, 000)	(2, 289, 000)		
	New York City loan guarantee program (by transfer)	(34, 000)			(-34, 000)	
	Bureau of Alcohol, Tobacco and Fire Arms: Salaries and expenses (by transfer)	(4, 900, 000)	(4, 900, 000)	(4, 900, 000)		
	U.S. Customs Service: Salaries and expenses	9, 409, 000	13, 459, 000	10, 833, 000	+1, 424, 000	-2, 626, 000
	Bureau of the Mint: Salaries and expenses (by transfer)	(584, 000)	(584, 000)	(584, 000)		
	Internal Revenue Service:					
	Salaries and expenses	5, 727, 000	5, 727, 000	5, 727, 000		
	Taxpayer service and returns processing	24, 133, 000	24, 133, 000	24, 133, 000		
	Examinations and appeals	20, 609, 000	20, 609, 000	20, 609, 000		
	Investigations and collections	19, 369, 000	19, 369, 000	19, 369, 000		
	Total, Internal Revenue Service	69, 838, 000	69, 838, 000	69, 838, 000		
	U.S. Secret Service: Salaries and expenses	1, 314, 000	1, 314, 000	1, 314, 000		
	By transfer	(3, 214, 000)	(3, 214, 000)	(3, 214, 000)		
	Total, Department of the Treasury	80, 561, 000	84, 611, 000	81, 985, 000	+1, 424, 000	-2, 626, 000
	By transfer	(12, 000, 000)	(11, 966, 000)	(11, 966, 000)	(-34, 000)	
	ENVIRONMENTAL PROTECTION AGENCY					
	Agency and regional management	2, 000, 000			-2, 000, 000	
	Research and development	1, 800, 000			-1, 800, 000	
	Abatement and control	2, 600, 000			-2, 600, 000	
	Enforcement	1, 700, 000			-1, 700, 000	
	Total, Environmental Protection Agency	8, 100, 000			-8, 100, 000	
	GENERAL SERVICES ADMINISTRATION					
	Federal Buildings Fund:					
	Limitations on availability of revenue:					
	Increase in limitations:					
	Real property operations	(9, 079, 000)	(9, 079, 000)	(9, 079, 000)		
	Program direction and centralized services	(2, 565, 000)	(2, 565, 000)	(2, 565, 000)		
	Total, Federal Buildings Fund	(11, 644, 000)	(11, 644, 000)	(11, 644, 000)		
	Personal Property Activities: Federal Supply Service, operating expenses	5, 116, 000	5, 116, 000	5, 116, 000		
	Records activities:					
	National Archives and Records Service, operating expenses	1, 983, 000	1, 938, 000	1, 938, 000		
	Records declassification	90, 000	90, 000	90, 000		
	Total, Records activities	2, 028, 000	2, 028, 000	2, 028, 000		
	Automated Data and Telecommunications Service: Operating expenses	386, 000	386, 000	386, 000		
	Federal Property Resources Service: Operating expenses	1, 279, 000	1, 279, 000	1, 279, 000		
	General activities:					
	General management and agency operations: Salaries and expenses	732, 000	732, 000	732, 000		
	Indian trust accounting	115, 000	115, 000	115, 000		
	Administrative and staff support services: Salaries and expenses	3, 492, 000	3, 492, 000	3, 492, 000		
	Consumer Information Center	26, 000	16, 000	16, 000	-10, 000	
	Total, general activities	4, 365, 000	4, 355, 000	4, 355, 000	-10, 000	
	Total, General Services Administration	13, 174, 000	13, 164, 000	13, 164, 000	-10, 000	
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
	Research and program management	30, 969, 000	25, 969, 000	25, 969, 000	-5, 000, 000	
	VETERANS' ADMINISTRATION					
	Medical care	74, 538, 000	50, 000, 000	40, 000, 000	-34, 538, 000	-10, 000, 000
	Medical administration and miscellaneous operating expenses	1, 266, 000			-1, 266, 000	
	General operating expenses	20, 620, 000	12, 620, 000	12, 620, 000	-8, 000, 000	
	Construction, minor projects	944, 000	944, 000	944, 000		
	Total, Veterans' Administration	97, 368, 000	63, 564, 000	53, 564, 000	-43, 804, 000	-10, 000, 000
	OTHER INDEPENDENT AGENCIES					
	Action:					
	Operating expenses, international programs	958, 000	958, 000	958, 000		
	Operating expenses, domestic programs	898, 000	798, 000	798, 000	-100, 000	
	Total, Action	1, 856, 000	1, 756, 000	1, 756, 000	-100, 000	
	Advisory Council on Historic Preservation: Salaries and expenses	34, 000	26, 000	26, 000	-8, 000	
96-132	American Battle Monuments Commission: Salaries and expenses	1, 185, 000	873, 000	1, 185, 000		+312, 000
	Arms Control and Disarmament Agency: Arms control and disarmament activities.	400, 000	400, 000	400, 000		

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with—	
					Budget estimates	House bill
96-130	Civil Aeronautics Board: Salaries and expenses	694, 000	694, 000	694, 000		
	Commission on Civil Rights: Salaries and expenses	341, 000	100, 000	100, 000	−241, 000	
	Commodity Futures Trading Commission: Salaries and expenses	532, 000	532, 000	532, 000		
	Consumer Product Safety Commission: Salaries and expenses	1, 300, 000	750, 000	750, 000	−550, 000	
	Equal Employment Opportunity Commission: Salaries and expenses	3, 827, 000			−3, 827, 000	
	Export-Import Bank of the United States: Increase in limitation	(225, 000)	(175, 000)	(175, 000)	(−50, 000)	
	Farm Credit Administration: Revolving fund for administrative expenses: Increase in limitation.	(350, 000)	(350, 000)	(350, 000)		
	Federal Election Commission: Salaries and expenses	293, 000	293, 000	293, 000		
	Federal Emergency Management Agency:					
	Emergency planning, preparedness, and mobilization	2, 285, 000	1, 885, 000	1, 885, 000	−400, 000	
	Hazard mitigation and disaster assistance	1, 255, 000	635, 000	635, 000	−620, 000	
	Total, Federal Emergency Management Agency	3, 540, 000	2, 520, 000	2, 520, 000	−1, 020, 000	
	Federal Home Loan Bank Board:					
	Increase in limitation:					
	Limitation on administrative expenses	(616, 000)	(200, 000)	(290, 000)	(−416, 000)	
	Limitation on nonadministrative expenses	(1, 161, 000)	(700, 000)	(700, 000)	(−461, 000)	
	Federal Savings and Loan Insurance Corporation: Limitation on administrative expenses: Increase in limitation.	(35, 000)			(−35, 000)	
	Federal Labor Relations Authority: Salaries and expenses	429, 000	429, 000	429, 000		
	Federal Maritime Commission: Salaries and expenses	330, 000	230, 000	200, 000	−130, 000	−30, 000
	Federal Mediation and Conciliation Service: Salaries and expenses	528, 000	528, 000	528, 000		
	Federal Trade Commission: Salaries and expenses	2, 000, 000	1, 750, 000	550, 000	−1, 450, 000	−1, 200, 000
	Intergovernmental agencies:					
	Advisory Commission on Intergovernmental Relations: Salaries and expenses	39, 000	39, 000	39, 000		
	Appalachian Regional Commission: Salaries and expenses (by transfer)	(77, 000)	(77, 000)	(77, 000)		
	Delaware River Basin Commission: Salaries and expenses	2, 000	2, 000	2, 000		
	Susquehanna River Basin Commission: Salaries and expenses	2, 000	2, 000	2, 000		
	Total, intergovernmental agencies	43, 000	43, 000	43, 000		
	By transfer	(77, 000)	(77, 000)	(77, 000)		
	International Communication Agency: Salaries and expenses	6, 038, 000	5, 938, 000	5, 938, 000	−100, 000	
	International Trade Commission: Salaries and expenses	482, 000	300, 000	300, 000	−182, 000	
	Interstate Commerce Commission: Salaries and expenses	2, 750, 000	2, 475, 000	2, 475, 000	−275, 000	
	Merit Systems Protection Board:					
	Salaries and expenses	378, 000	378, 000	378, 000		
	Increase in limitation	(9, 000)	(9, 000)	(9, 000)		
	Office of Special Counsel	14, 000	14, 000	14, 000		
	Total, Merit Systems Protection Board	392, 000	392, 000	392, 000		
	National Capital Planning Commission: Salaries and expenses	74, 000	56, 000	56, 000	−18, 000	
	National Commission on Libraries and Information Science: Salaries and expenses	12, 000	12, 000	12, 000		
	National Foundation on the Arts and the Humanities:					
	National Endowment for the Arts: Salaries and expenses	205, 000	150, 000	150, 000	−55, 000	
	National Endowment for the Hmuanities: Salaries and expenses	247, 000	185, 000	185, 000	−62, 000	
	National Labor Relations Board: Salaries and expenses	2, 545, 000	2, 295, 000	2, 295, 000	−250, 000	
	National Mediation Board: Salaries and expenses	64, 000	64, 000	64, 000		
	National Science Foundation: Research and related activities	625, 000			−625, 000	
	National Transportation Safety Board: Salaries and expenses	500, 000	480, 000	480, 000	−20, 000	
	Nuclear Regulatory Commission: Salaries and expenses	4, 300, 000	4, 300, 000	4, 300, 000		
	Office of Personnel Management: Salaries and expenses	4, 248, 000	4, 248, 000	4, 248, 000		
	Increase in limitation	(1, 164, 000)	(1, 164, 000)	(1, 164, 000)		
	Pennsylvania Avenue Development Corporation: Salaries and expenses	39, 000	29, 000	29, 000	−10, 000	
	Railroad Retirement Board: Increase in limitation	(1, 386, 000)	(1, 386, 000)	(1, 386, 000)		
	Renegotiation Board: Salaries and expenses	137, 000			−137, 000	
	Securities and Exchange Commission: Salaries and expenses	2, 450, 000	2, 450, 000	2, 450, 000		
	Selective Service System: Salaries and expenses	306, 000	185, 000	185, 000	−121, 000	
	Smithsonian Institution:					
	Salaries and expenses	2, 316, 000	1, 700, 000	1, 700, 000	−616, 000	
	Science Information Exchange	84, 000	63, 000	63, 000	−21, 000	
	Salaries and expenses, National Gallery of Art	317, 000	240, 000		−317, 000	−240, 000
	Salaries and expenses, Woodrow Wilson International Center for Scholars	28, 000	21, 000	21, 000	−7, 000	
	Total, Smithsonian Institution	2, 745, 000	2, 024, 000	1, 784, 000	−961, 000	−240, 000
	U.S. Tax Court: Salaries and expenses	88, 000	88, 000	88, 000		
	Total, title II—Increased pay costs:					
	New budget (obligational) authority	2, 591, 408, 300	2, 360, 772, 100	2, 412, 228, 100	−179, 180, 200	+51, 456, 000
	By transfer	(28, 379, 331)	(40, 231, 331)	(36, 831, 331)	(+8, 452, 000)	(−3, 400, 000)
	Trust fund transfer	(5, 276, 000)	(5, 276, 000)	(5, 276, 000)		
	Increase in limitations	(83, 058, 000)	(47, 456, 000)	(47, 456, 000)	(−35, 602, 000)	
	Release of sec. 311 funds and transfers		(13, 445, 200)	(13, 841, 200)	(+13, 841, 200)	(+396, 000)

SUMMARY

TITLE I—GENERAL SUPPLEMENTALS

	Budget estimates	House bill	Senate bill	Senate compared with— Budget estimates	Senate compared with— House bill
I. Agriculture:					
New budget (obligational) authority	2, 208, 647, 000	507, 450, 000	1, 132, 102, 000	−1, 076, 545, 000	+624, 652, 000
Appropriations	(1, 253, 687, 000)	(507, 450, 000)	(1, 132, 102, 000)	(−121, 585, 000)	(+624, 652, 000)
Authority to borrow	(954, 960, 000)			(−954, 960, 000)	
II. Defense:					
New budget (obligational) authority	2, 420, 362, 000	1, 103, 962, 000	2, 115, 062, 000	−305, 300, 000	+1, 011, 100, 000
Transfer from other account		(80, 100, 000)	(130, 100, 000)	(+130, 100, 000)	(+50, 000, 000)
III. Energy and Water Development:					
New budget (obligational) authority	274, 136, 000	165, 300, 000	168, 000, 000	−106, 136, 000	+2, 700, 000
By transfer	(21, 900, 000)	(31, 900, 000)	(31, 900, 000)	(+10, 000, 000)	
IV. Foreign Operations:					
New budget (obligational) authority	1, 723, 166, 000	1, 711, 487, 000	1, 712, 371, 000	−10, 795, 000	+884, 000
Appropriations	(1, 690, 166, 000)	(1, 688, 987, 000)	(1, 684, 871, 000)	(−5, 295, 000)	(−4, 116, 000)
Reappropriations, 1979	(33, 000, 000)	(22, 500, 000)	(27, 500, 000)	(−5, 500, 000)	(+5, 000, 000)
V. Housing and urban development—Independent agencies:					
New budget (obligational) authority	1, 955, 084, 000	1, 891, 449, 000	1, 880, 449, 000	−74, 635, 000	−11, 000, 000
Increase in limitations	(313, 000)	(50, 000)	(50, 000)	(−263, 000)	
VI. Interior and related agencies:					
New budget (obligational) authority	312, 492, 000	178, 296, 000	214, 434, 000	−98, 058, 000	+36, 138, 000
Appropriations	(292, 892, 000)	(158, 696, 000)	(194, 834, 000)	(−98, 058, 000)	(+36, 138, 000)
Authority to borrow	(19, 600, 000)	(19, 600, 000)	(19, 600, 000)		

SUPPLEMENTAL BILL—FISCAL YEAR 1979—Continued

Document No.		Budget estimates	House bill	Senate bill	Senate compared with— Budget estimates	Senate compared with— House bill
	VII. Labor and Health, Education and Welfare:					
	New budget (obligational) authority	3,049,015,000	1,627,346,000	2,288,213,000	−760,802,000	+660,867,000
	Appropriations, 1979	(2,849,369,000)	(1,465,346,000)	(2,088,567,000)	(−760,802,000)	(+623,221,000)
	Appropriations, 1981	(162,000,000)	(162,000,000)	(162,000,000)		
	Reappropriations, 1979	(37,646,000)		(37,646,000)		(+37,646,000)
	Increase in limitations	(1,000,000)	(1,000,000)	(1,000,000)		
	VIII. Legislative Branch:					
	New budget (obligational) authority	18,976,600	4,328,000	6,522,000	−12,454,600	+2,194,000
	Release of sec. 311 funds	(2,500,000)			(−2,500,000)	
	Military Construction:					
	New budget (obligational) authority	(138,861,000)			(−138,861,000)	
	X. State, Justice, Commerce and the Judiciary:					
	New budget (obligational) authority	1,246,000,000	1,158,907,000	1,229,652,000	−16,348,000	+70,745,000
	Increase in limitations	(99,500,000)	(96,000,000)	(96,000,000)	(−3,500,000)	
	By transfer	(8,035,000)	(185,000)	(185,000)	(−7,850,000)	
	X. Transportation:					
	New budget (obligational) authority	479,299,000	450,086,000	464,335,000	−14,964,000	+14,249,000
	Appropriations	(476,299,000)	(447,086,000)	(461,335,000)	(−14,964,000)	(+14,249,000)
	Authority to borrow	(3,000,000)	(3,000,000)	(3,000,000)		
	By transfer		(47,099,000)			(−47,099,000)
	Appropriations to liquidate contract authorization	(18,500,000)	(18,500,000)	(18,500,000)		
	Increase in limitations	(1,837,000)	(1,837,000)	(1,837,000)		
	XI. Treasury, Postal Service and General Government: New budget (obligational) authority	568,677,000	413,078,000	392,994,000	−175,683,000	−20,084,000
	XII. District of Columbia:					
	New budget (obligational) authority	73,965,000		23,965,000	−50,000,000	+23,965,000
	District of Columbia funds	(127,786,600)		(53,096,500)	(−74,690,100)	(+53,096,500)
	Total, title I—General supplementals:					
	New budget (obligational) authority	14,329,819,600	9,211,689,000	11,628,099,000	−2,701,720,600	+2,416,410,000
	Appropriations, 1979	(13,119,613,600)	(9,004,589,000)	(11,378,353,000)	(−1,741,260,600)	(+2,373,764,000)
	Appropriations, 1981	(162,000,000)	(162,000,000)	(162,000,000)		
	Authority to borrow, 1979	(977,560,000)	(22,600,000)	(22,600,000)	(−954,960,000)	
	Reappropriations, 1979	(70,646,000)	(22,500,000)	(65,146,000)	(−5,500,000)	(+42,646,000)
	Appropriation to liquidate contract authorization	(18,500,000)	(18,500,000)	(18,500,000)		
	By transfer	(29,935,000)	(159,284,000)	(162,185,000)	(+132,250,000)	(+2,901,000)
	Increase in limitations	(102,650,000)	(98,887,000)	(98,887,000)	(−3,763,000)	
	Release of sec. 311 funds	(2,500,000)			(−2,500,000)	
	District of Columbia funds	(127,786,600)		(53,096,500)	(−74,690,100)	(+53,096,500)
	Total, title II—Increased pay costs:					
	New budget (obligational) authority	2,591,408,300	2,360,772,100	2,412,228,100	−179,180,200	+51,456,000
	By transfer	(28,379,331)	(40,231,331)	(36,831,331)	(+8,452,000)	(−3,400,000)
	Trust fund transfer	(5,276,000)	(5,276,000)	(5,276,000)		
	Increase in limitations	(83,058,000)	(47,456,000)	(47,456,000)	(−35,602,000)	
	Release of sec. 311 funds and transfers		(13,445,200)	(13,841,200)	(+13,841,200)	(+396,000)
	Grand total—titles I and II:					
	New budget (obligational) authority	16,921,227,900	11,572,461,100	14,040,327,000	−2,880,900,800	+2,467,866,000
	Appropriations, 1979	(15,711,021,900)	(11,365,361,100)	(13,790,581,100)	(−1,920,440,800)	(+2,425,220,000)
	Appropriations, 1981	(162,000,000)	(162,000,000)	(162,000,000)		
	Authority to borrow, 1979	(977,560,000)	(22,600,000)	(22,600,000)	(−954,960,000)	
	Reappropriations, 1979	(70,646,000)	(22,500,000)	(65,146,000)	(−5,500,000)	(+42,646,000)
	Total, new budget (obligational) authority, 1979	(16,759,227,900)	(11,410,461,100)	(13,878,327,100)	(−2,880,900,800)	(+2,467,866,000)
	Appropriation to liquidate contract authorization	(18,500,000)	(18,500,000)	(18,500,000)		
	By transfer	(58,314,331)	(199,515,331)	(199,016,331)	(+140,702,000)	(−499,000)
	Trust fund transfer	(5,276,000)	(5,276,000)	(5,276,000)		
	Increase in limitations	(185,708,000)	(146,343,000)	(146,343,000)	(−39,365,000)	
	Release of sec. 311 funds and transfers	(2,500,000)	(13,445,200)	(13,841,200)	(+11,341,200)	(+396,000)
	District of Columbia funds	(127,786,600)		(53,096,500)	(−74,690,100)	(+53,096,500)

Mr. MAGNUSON. I want to call to the attention of the President of the Senate that we sit on the Budget Committee and look at line items and everything else. Here is a supplemental bill that has 52 pages of line items. It is time that we tell the adminitsration that they better send up their things ahead of time. What is happening, and the Senator from Missouri will understand this, is that we are running into the regular appropriation bill on agriculture, which he handles, which will be heard next week, and here we are just passing the supplemental. It is time somebody took a look at these things.

There are, however, some items which had to be taken care of. For instance, we would have been $500 million more under the budget if it had not been for the last minute receiving of two items. One pertained to the black lung matter, which is mandatory, and the other was unemployment insurance, which is also mandatory. They miscalculated downtown.

I just wanted to point this out to show the extent of the supplemental bill.

ENERGY AND WATER DEVELOPMENT SUPPLEMENTAL APPROPRIATIONS

Mr. JOHNSTON. Mr. President, chapter 3 of this supplemental appropriations bill provides additional fiscal year 1979 new budget—obligational—authority for the Department of Energy and the water resources programs and activities of the Federal Government. The committee recommends $168 million in supplemental appropriations under title I, for general program requirements and authorizes $31,900,000 by transfer. The supplemental budget requests totaled $274,136,000 in new budget authority and an amount of $21,900,000 by transfer. The committee recommends reductions of $106,132,000 from the $274.1 million requested.

For the Department of Energy, the committee recommends approval of $12.8 million for reliability testing of the Minuteman III and Poseidon nuclear warheads; $23.5 million for continued construction of the Rocky Flats, Colo.—project 71-9, fire, safety, and adequacy of operating conditions—new plutonium and waste treatment facility; and $2.7 million for the Federal Energy Regulatory Commission to implement the responsibilities assigned to the commission by the National Energy Act. This $2.7 million item is the only dollar change from the amounts aproved by the House. These funds are provided for contractual services and assistance in implementing the NEA requirements. No funds are provided to pay intervenors and the committee recommends a limitation on the use of any appropriations to pay intervenors.

For the Army Corps of Engineers, additional appropriations in the amount of $127 million are recommended. These funds are required as a result of the severe storms and floods during the past 6 months to pay the costs of additional dredging, flood fighting, repairs and rehabilitation. An additional $10 million is recommended in title II, increased pay costs, for the construction, general account. This is the amount proposed to be absorbed in the budget. However, by absorbing these costs, the corps would be forced to defer contract payments in September or not award scheduled work, and the committee agreed that such action should be avoided to the extent possible.

For the Bureau of Reclamation, the committee is recommending $21,900,000 by transfer from funds previously appropriated to meet the needs of the Colorado River Basin project contracts and to provide funds for preparation of an environmental impact statement involving the acreage limitation provisions of reclamation law.

An amount of $10 million, by transfer of funds, is provided the Appalachian

Regional Commission from Army Corps of Engineers funds to continue the work in the Big Sandy River, Tug and Levisa Forks, and Cumberland River, snagging, clearing, dredging, and channelization project in Kentucky and West Virginia.

Also, $2 million is provided to begin the Upper Mississippi River system master plan as required by Public Law 95–502.

The committee has agreed with the House in its action recommending that an additional 100 positions be made available for the Office of Nuclear Reactor Regulation of the Nuclear Regulatory Commission for the purpose of continuing its functions and responsibilities in the licensing of construction and operations of nuclear powerplants. The Three Mile Island accident has caused a diversion of approximately 70 to 90 staff positions for work in connection with Three Mile Island, with resulting detrimental impacts to licensing functions. An additional 85 positions are requested for this office in the fiscal year 1980 budget and the committee is just moving the full time permanent ceiling up about 2 months in order for the NRC to allocate additional positions to the NRR office.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Missouri.

UP AMENDMENT NO. 297

(Purpose: To provide funds for staffing necessary to implement financial management system)

Mr. EAGLETON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 297.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 56, line 10, strike out "$14,760,900" and insert in lieu thereof the following "$15,223,400".

Mr. EAGLETON. Mr. President, the purpose of this amendment is to enable the District of Columbia government to continue carrying out its part in what has been a highly coordinated effort by Congress, the District, and the General Accounting Office to develop a new financial management system. This new financial management system has been designed under the auspices of the Temporary Commission on Financial Oversight, which I have the honor to chair. The Commission was established by Congress in 1976 under Public Law 94–399. That law made the Commission responsible, among other things, for engaging contractors to design new systems. It made the District responsible for implementing them, and the Commission and the GAO responsible for overseeing the implementation.

For the past 2 years, the parties have been working diligently on the new Financial Management System (FMS), which is one of the key elements in the Commission's program under Public Law 94–399. The FMS design is now virtually complete and undergoing test in contemplation of going into full operation by October 1, 1979. This date was set by the Commission to fit into its overall program which is geared to meeting its goal of completing the first audit of the District's financial operations in fiscal year 1980.

The District government, which has been working closely with the Commission, its contractors, and the GAO, needs to perform a number of crucial implementation actions before October 1, 1979, in order to carry out its responsibilities under the law and help insure that the FMS will become operational by that target date. These actions include such mundane things as reproducing new forms, installing communications networks, and leasing equipment for operation of the new system. It also includes new personnel in the city's Offices of Financial Management, of Budget and Resource Development, and of the D.C. Treasurer. Finally, it includes temporary personnel for converting records and for operations while the new system is being phased in and old systems phased out. Specific amounts required for these purposes are shown in the accompanying tables.

Mr. President, I ask unanimous consent that the accompanying tables be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. I earnestly believe that the $462,500 are urgently needed to avoid interruption of the programs on which the Commission, the GAO, and the District have worked so hard over the past 2 years.

Finally, I might say, Mr. President, that Senator LEAHY of Vermont, the chairman of the D.C. Appropriations Subcommittee, has examined this amendment and it is agreeable with him.

EXHIBIT 1

DISTRICT OF COLUMBIA ESTIMATED COSTS—FMS IMPLEMENTATION FISCAL YEAR 1979

Personnel and other operating costs:	
Office of Financial Management:	
Office of the Controller	$42,243
Office of Financial Systems Support	40,259
Office of Budget and Resource Development	47,848
Department of Finance and Revenue (District of Columbia Treasurer)	14,376
Other operating costs at 15 percent	21,709
	166,435
Terminal costs:	
FMS terminals	157,648
Cash management system terminals	43,915
	201,563
Forms costs: 70 different forms (15,000 each×70 forms at $90/1,000)	94,500
Total estimated costs	462,498

OFFICE OF FINANCIAL MANAGEMENT, OFFICE OF THE CONTROLLER—FISCAL YEAR 1979 ESTIMATED PERSONNEL COSTS

Position	Annual salary	Months	Positions	Estimated costs
Accountant	$25,397	2	1	$4,233
Systems analyst	30,198	1	1	2,517
Accountant	41,976	2	1	6,966
Secretary	14,316	2	1	2,386
Accountant	25,397	2	2	8,466
Accountant	21,189	1	2	3,532
Accountant	14,316	1	2	2,386
Controller	47,500	2	1	7,917
Total salaries				38,403
Fringe benefits at 10 percent				3,840
Total personnel costs				42,243

OFFICE OF FINANCIAL MANAGEMENT, FINANCIAL SYSTEMS SUPPORT—FISCAL YEAR 1979 ESTIMATED PERSONNEL COSTS

Position	Annual salary	Months	Positions	Estimated cost
System administration chief	$30,198	2.0	1	$5,033
Production control clerk	17,513	2.0	1	2,919
Supervisory computer systems analyst	30,198	2.0	1	5,033
Cpmputer programer	17,513	2.0	1	2,919
Manuals and forms supervisor	21,189	2.0	1	3,532
Training supervisor	21,189	2.0	1	3,532
Administrative aide	11,557	2.0	1	1,926
Courier	10,330	1.5	1	1,291
Job control clerk	11,557	2.0	2	3,852
Accounting technician	14,316	2.0	1	2,386
Budget technician	14,316	1.5	1	1,790
Secretary (typing)	14,316	2.0	1	2,386
Total salaries				36,599
Fringe benefits at 10 percent				3,660
Total personnel costs				40,259

OFFICE OF BUDGET AND RESOURCE DEVELOPMENT—FISCAL YEAR 1979 ESTIMATED PERSONNEL COSTS

Position	Annual salary	Months	Positions	Amount
Revenue management specialist	$35,685	2	1	$5,948
Revenue analyst	30,198	2	1	5,033
Revenue analyst	21,189	2	1	3,532
Budget systems coordinator	35,685	2	1	5,948
Systems analyst	30,198	2	1	5,033
Budget analyst	17,513	2	1	2,919
Program analyst	25,397	2	1	4,233
Budget analyst	25,397	2	2	8,466
Budget assistant	14,316	2	1	2,386
Total salary cost				43,498
Fringe benefits at 10 percent				4,350
Total personnel cost				47,848

DEPARTMENT OF FINANCE AND REVENUE, OFFICE OF THE DISTRICT OF COLUMBIA TREASURER—FISCAL YEAR 1979 ESTIMATED PERSONNEL COSTS

Position	Annual salary	Months	Positions	Estimated costs
Mail processing supervisor	$17,513	2	1	$2,919

DEPARTMENT OF FINANCE AND REVENUE, OFFICE OF THE DISTRICT OF COLUMBIA TREASURER—FISCAL YEAR 1979 ESTIMATED PERSONNEL COSTS—Continued

Position	Annual salary	Months	Positions	Estimated costs
Accountant	$17,513	2	1	$2,919
Computer specialist	14,316	2	1	2,386
Cash control account technician	11,557	2	1	1,926
Treasury auditor	17,513	2	1	2,919
Total salaries				13,069
Fringe benefits at 10 percent				1,307
Total personnel costs				14,376

DISTRICT OF COLUMBIA—ESTIMATED FMS TERMINAL NETWORK COSTS FOR FISCAL YEAR 1979

Network components	Unit cost	Units	Total
CRT terminals	$74	140	10,360
Controllers	195	34	6,630
Minicontrollers	161	68	10,948
Pedestals	7	68	476
Printers	103	60	6,180
Amplifiers	43	4	172
Lines	110	50	5,500
Line multidrop factor (Moderns)	15	100	1,500
IBM 3705 port cost	200	16	3,200
Total monthly network components costs			44,966

	Fiscal year 1979 costs
Components (3 mos at $44,966)	$134,898
Installation cost	6,250
Line-monitoring analyzer [1] (at $33,000×50 percent)	16,500
Total fiscal year 1979 costs	157,648

[1] One-half of this cost will be paid for through Share's contract with the Temporary Commission on Financial Oversight.

DEPARTMENT OF FINANCE AND REVENUE, OFFICE OF THE DISTRICT OF COLUMBIA TREASURER, CASH MANAGEMENT SYSTEM—ESTIMATED TERMINAL NETWORK COSTS

	Amount
5-yr lease/purchase plan:	
Downpayment	$25,351
Monthly costs:	
Terminal equipment	4,010
Maintenance	1,998
Operating software	180
Total	6,188
At 3 mo	18,564
Total fiscal year 1979 costs	43,915

Mr. MAGNUSON. Mr. President, I have been informed that Senator LEAHY has discussed this amendment with the Senator from Missouri and has no objection to including the amendment in the bill. Since it is apparent that additional funding may be critical to the implementation of the comprehensive financial management system in the District of Columbia, this amendment is necessary.

I have no objection to it, if the Senator from North Dakota has no objection.

Mr. YOUNG. I have no objection. I believe it is a good amendment. It will help the District of Columbia.

Mr. EAGLETON. I thank my colleagues.

● Mr. LEAHY. Mr. President, I would like to briefly address the amendment proposed by the Senator from Missouri (Mr. EAGLETON).

The committee is certainly aware of the excellent work of the Temporary Commission on Financial Oversight of the District of Columbia in developing a comprehensive financial management system for the Nation's Capitol. After years of planning, the first audit of the District of Columbia will be conducted during fiscal year 1980. The funding requested in this amendment would allow the city to bring on 39 additional employees and train them in time to play an important role in the implementation stage of the system.

I would point out that the committee has addressed this need. The prevailing attitude with the District of Columbia in response to new requirements seems to be adding money and positions, without much attention being paid to existing resources. The committee felt that this requirement could be handled within existing resources, and in the report indicated that a reprograming request to accomplish this goal would be given immediate consideration. Since that time, I have discussed this matter with staff members of the Temporary Commission on Financial Oversight of the District of Columbia.

I have been assured that these positions are needed, and they are needed now if the financial management system is to be put in place during the coming fiscal year. With this assurance, I will not object to the amendment.

I am concerned that the amendment proposes funding in addition to that requested in the supplemental. I point this out because I find it frustrating that city officials cannot seem to decide exactly what is required to get a job done. Had this additional need been brought to my attention during budget hearings, or even subsequent to budget hearings, I would have given full consideration to the request. I can assure the Senator from Missouri that I will discuss funding for the financial management system in more detail than usual during the next round of subcommittee hearings so that we are all certain that the full amount necessary has been requested.

In closing, I will say that the efforts of the Senator from Missouri to put this financial management system in place should be applauded, and I support his amendment in full.●

The ACTING PRESIDENT pro tempore. Do Senators yield back their remaining time on the amendment?

Mr. EAGLETON. I yield back any remaining time.

Mr. MAGNUSON. I yield back any remaining time.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

Mr. STENNIS. Mr. President, will the Senator withhold that?

Mr. MAGNUSON. Yes.

Mr. STENNIS. Mr. President, I ask unanimous consent that Louise Hoppe and Don Lynch of the Armed Services Committee staff be granted the privileges of the floor during the consideration of the bill concerning the item about the Iranian ships.

Mr. MAGNUSON. I do not object to the request of the Senator from Mississippi but I want to make an inquiry. I thought we settled that matter in the last session when we handled HEW, with something like 62 requests for staff members to be in the Chamber, and probably another 40 in here. There were more staff people than Senators. I thought we were going to submit a list to the desk of those people we wanted to be in the Chamber. I do not know what happened to the rule. What happened to the Magnuson rule?

Mr. STENNIS. I just learned about it in the last few moments. I am glad to comply with it. I will settle for one staff member.

Mr. MAGNUSON. No, no.

Mr. STENNIS. I can get along.

Mr. MAGNUSON. No, the Senator can have both. I was just trying to save the time of the Senate. We had 62 people stand up and ask unanimous consent for people to be in the Chamber.

Perhaps the Senator from North Dakota remembers that I said—they had to have dog tags. I said, "Why give them dog tags? Just put a list of the people you want in at the desk." I understood that was going to be the rule.

Mr. YOUNG. They should have adopted the Magnuson rule.

The ACTING PRESIDENT pro tempore. The Chair advises the Senator from Mississippi that his request has been duly agreed to.

Who yields time?

UP AMENDMENT NO. 298

(Purpose: making a supplemental appropriation for fiscal year 1979 of $3,312,000 for the Administration of Territories)

Mr. JOHNSTON. Mr. President, I have an amendment which I send to the desk.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted amendment numbered 298.

Beginning on page 19 of the bill as reported by the Committee, delete all after "Administration of Territories" through "September 30, 1979" on page 20, line 9 and insert in lieu thereof: "For an additional amount for "Administration of Territories", $3,312,000, to remain available until expended."

Mr. JOHNSTON. Mr. President, what this amendment does is eliminate the $20 million appropriated by the Committee on Appropriations, late in the day during the last markup, for the Virgin Islands. The $20 million was to be used to take up the difference that the Virgin Islands has lost by virtue of the tax decrease voted by the last Congress. Under the law, the Virgin Islands gets a percentage of income based on the Federal income tax, and every time we lower the Federal income tax, the Virgin Islands claims that we should take up those funds by appropriation.

The essential question is whether or not the Senate ought to go along with a $20 million bailout for the Virgin Islands. I submit it is very clear that we should not. The level of taxation in the Virgin Islands is relatively low, as compared to the United States. On the basis of all taxes paid in the Virgin Islands, they paid about 21 percent of their per capita income for fiscal year 1977, while in the United States, taxes paid averaged 30 percent of per capita income. They are 21 percent, we are 30 percent. In 1976, we authorized the Virgin Islands to levy a 10-percent surtax on income tax obligations. The Government has recommended an 8-percent surcharge, but the legislature has not acted. That is to say, the legislature did not act on the surcharge; they did act on pay raises.

On pay raises, in the face of all these deficits, they have increased again the pay for the legislature. In fact, the pay for the legislature, which was a 66-percent pay increase, from $15,000 to $25,000, was so great that Alfred Kahn, our inflation fighter, has sent a letter of protest about the raises for the legislature and for the Governor and for the Lieutenant Governor and the other employees.

In essence, what we have in this request for the $20 million is a request for Congress to fund a 66-percent pay increase. Of course, the $20 million would do more than just that; but among other things, it would fund a pay increase which exceeds by almost 10 times the guidelines for inflation fighting.

Mr. President, the Virgin Islands has been strongly criticized in Comptroller General reports for the looseness of their fiscal matters. This is a recurring problem in the Virgin Islands. They simply are going to have to learn to cut down expenditures or increase taxes and not come to Congress every time they have a problem, because they are here, it seems, every time they have a problem. While I have sympathy for the Virgin Islands and would like to do anything legitimate to help them, in this case, Mr. President, a $20 million bailout for the Virgin Islands, against the background of what their efforts to help themselves have been, is not justified.

Mr. President, the Secretary of the Interior, Mr. Andrus, has written me on June 22. I ask unanimous consent to have a copy of that letter printed in the Record. It urges that the $20 million not be approved. The administration has not requested it.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C.,
June 22, 1979.

Senator J. Bennett Johnston,
U.S. Senate, Washington, D.C.

Dear Bennett: The Appropriations Committee has added to the fiscal year 1979 Supplemental Appropriations bill an item of $20 million to cover deficits of the government of the Virgin Islands. I am opposed to the inclusion of this appropriation item and I would appreciate your support.

My opposition to the item is based on the following considerations:

1. The amount of any deficit of the Virgin Islands government for fiscal year 1979 is not known with any certainty. The Virgin Islands government is adjusting its fiscal year, so their fiscal year 1979 will last 15 months and will end September 30, 1979. To appropriate $20 million now when the actual size of any prospective deficit is unknown is not justifiable.

2. The Virgin Islands government has made little effort to improve its financial condition although it has available to it several significant opportunities to do so, such as:

The Congress in 1976 authorized the legislature to levy a 10% surtax on the Federal income tax obligation of Virgin Islands residents. Despite a recommendation by the Governor, the legislature has refused to take action.

Although it has the authority to do so, the legislature has not imposed mandatory spending limits on government agencies through the budget process.

The Governor has proposed increases in taxes on gross receipts, real property, and other items estimated to raise about $20 million annually. The Legislature has agreed only to establish a tax on hotel occupancy which will raise some $2.4 million annually.

3. The Federal government already has provided $22.5 million in outright grants over the last two fiscal years to meet reductions in revenues to the Virgin Islands resulting from U.S. tax laws changes.

4. Because of a change in U.S. law enacted by the Congress in 1978 (P.L. 95-348), the Virgin Islands government will receive in September 1979, an advance payment estimated at $24 million to cover anticipated collections of excise taxes by the Internal Revenue Service. Up until this time, such payments were made as collected, so that in fiscal year 1979, the Virgin Islands will receive a one-time double payment of such receipts.

It is my conclusion that Federal assistance to the Virgin Islands government has not been matched by an appropriate level of effort by that government and that the appropriation of $20 million as proposed by the Appropriations Committee would do nothing to encourage the Virgin Islands government to attempt to, insofar as possible, solve its fiscal problems. In fact, the incentives to the Virgin Islands government caused by the deficit financing authorizations are for the Virgin Islands to run a deficit since they are presumably not eligible for such funds without one.

It is surely no coincidence that the Governor's tax package for fiscal year 1979 which would have raised revenues by $20 million—the amount of this proposed increase to the budget—was largely ignored by the legislature, or that the Virgin Islands is projecting substantially greater expenditures over the last six months of fiscal year 1979 and also for fiscal year 1980 than have occurred over the past three years.

I urge you to oppose this item.

Sincerely,

Cece,
Secretary.

Mr. JOHNSTON. In sum, Mr. President, this $20 million is totally unjustified and should be rejected.

Mr. YOUNG. Will the Senator yield?

Mr. JOHNSTON. Yes, I yield to my good friend.

Mr. YOUNG. This is a provision in the bill that is sponsored by the assistant minority leader, the distinguished Senator from Alaska (Mr. Stevens). He would have canceled his trip to Alaska if he thought there would be opposition here on the floor. He feels strongly about it and thought he had made a pretty good case for it in committee. I understand that the Senator from Oregon (Mr. Hatfield) feels strongly for it, too.

I wonder if the Senator would consider withdrawing his amendment and letting this go to conference to resolve it there?

Mr. JOHNSTON. I am very hesistant ever to turn down my good friend from North Dakota. I did, however, talk to Senator Stevens, the Senator from Alaska, on Thursday. We went into the matter in some detail. He was aware that I would bring it up at this time.

I would certainly be willing to delay the consideration of it here, on the floor, until anybody can be heard who wants to on the subject.

This is not a new issue. This business of financing for the Virgin Islands is a recurrent issue. In the former Committee on Interior and Insular Affairs, I was chairman of the Subcommittee on Territories, and it was a problem back at that time. It is still a problem in that committee, now that it has been renamed Energy and Natural Resources.

If it were a brandnew problem that is being considered for the first time, I would say, sure, let us give them the benefit of the doubt. But they are back here every time we give them the authority to enact the surtax. Instead of enacting the surtax, they enact 66 percent pay raises, then want us to pay for it. I just do not think, with all due respect to my good friend from Alaska and my friend from North Dakota, that the Senate wants to do that.

Mr. YOUNG. The Senator would be willing to withhold his amendment until Senator Hatfield can be here?

Mr. JOHNSTON. Certainly, I shall put it off if Senator Hatfield wants to be heard on this matter. We can put it aside. I had hoped we could deal with it quickly and move on to another matter. But sure, I will put it aside.

Mr. MAGNUSON. May I say that the Senator from West Virginia, the majority leader, agreed to this amendment, at least in writing, before, just at the end of the markup session. I wonder if the Senator from Louisiana would withhold until we can talk to him and find out what he thinks?

Mr. JOHNSTON. Sure.

I wonder if we could find out when the Senator from Oregon will be coming, because I have to preside at a hearing this afternoon.

Mr. YOUNG. I understand we shall know very shortly whether he will be here or not. Maybe we could have a quorum call.

Mr. JOHNSTON. Surely.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the quorum calls, which, as I look around the Chamber, apparently are going to be frequent today, not be taken out of the time of either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senator will agree to vitiate the request that all quorum calls for the remainder of the day not be taken out of the time of either side. I ask unanimous consent that the request be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

UP AMENDMENT NO. 299

Mr. STENNIS. Mr. President, I call up my amendment.

The PRESIDING OFFICER (Mr. LEVIN). The amendment of the Senator from Louisiana is still pending.

Mr. STENNIS. Mr. President, I ask unanimous consent that the amendment of the Senator from Louisiana be set aside temporarily and that my amendment be made the pending business. It relates to Panama Canal funds of $7.2 million.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STENNIS. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Mississippi (Mr. STENNIS) proposes an unprinted amendment numbered 299:
>
> On page 5, line 20, strike the sum "$16,700,000" and insert in lieu thereof "$10,000,000."
>
> On page 6, line 7, strike the sum "$22,200,000" and insert in lieu thereof "$21,700,000."

Mr. STENNIS. Mr. President, the reason for this amendment is very clear and very brief.

It would delete $7.2 million for the initial implementation costs of the 1978 Panama Canal Treaty. The reason why I propose this amendment now is that the same purpose is covered fully in the fiscal 1980 Department of Defense budget.

This is not necessarily an effort to kill the $7.2 million, but merely to defer it until the fiscal 1980 bill, when the Senate takes the action it sees fit.

Mr. President, the proposed amendments delete $7.2 million for the initial implementation costs of the 1978 Panama Canal Treaty that are discussed on page 21 of the report. After discussion during the full committee markup of the supplemental bill and subsequent discussion with Members, I feel that these funds should not be included in the supplemental appropriations bill. Funds available within the military services' operating accounts can be used to cover any fiscal year 1979 costs of assuming various personnel and base support functions currently performed by the Panama Canal Company and the Canal Zone Government.

The fiscal year 1980 Defense budget request includes $57.5 million for additional costs of these functions. We can go into this matter more fully during consideration of the fiscal year 1980 Defense budget.

I hope that, under those conditions, this amendment can be adopted. It would avoid some time in debate, at least, with reference to the whole subject of the Panama Canal implementation.

Mr. YOUNG. Mr. President, as the ranking minority member of this appropriations committee, I support the amendment. To keep this money in the bill now would only prolong debate on assistance to Panama, and this could easily be handled, and better handled, in the regular appropriations bill as suggested by the Senator from Mississippi. I think we should adopt the amendment.

Mr. MAGNUSON. Mr. President, I am like the Senator from North Dakota. I think this is a good amendment. The Senator from Mississippi has shown wise judgment in not pushing this in the supplemental bill, because it is not that urgent. This is a matter that is going to be subject to a prolonged debate, and we have to get this supplemental bill on the way. I am glad to accept the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. STENNIS. I yield back the remainder of my time.

Mr. MAGNUSON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

Mr. STENNIS. I thank the Chair.

Mr. MAGNUSON. Mr. President, does the Senator from Connecticut wish to present his amendment at this time?

Mr. WEICKER. Mr. President, I might ask for a call for a quorum for just about 30 seconds while I get my papers in order.

Mr. MAGNUSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Mr. Peter Goldfarb and Mr. Timothy Keeney, of my staff, be accorded the privilege of the floor during the course of the debate on the supplemental appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 270

(Purpose: To reduce the limitation on obligations for new loans and guarantees under the Economic Development Revolving Fund by $13,000,000)

Mr. WEICKER. Mr. President, I call up a printed amendment No. 270 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Connecticut (Mr. WEICKER) proposes amendment No. 270. On page 39, line 13, strike out "$171,000,000" and insert in lieu thereof "$158,000,000".

Mr. WEICKER. Mr. President, I ask that when the vote is taken on this amendment that it be by rollcall, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. WEICKER. Mr. President, I once again on amendment No. 270 ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSTON. Mr. President, is the amendment that I recently put up relating to the Virgin Islands still the pending business?

The PRESIDING OFFICER. The amendment was temporarily laid aside by unanimous consent.

Mr. JOHNSTON. Mr. President, I wonder if the Senator from Connecticut can tell me how long his amendment will take.

Mr. WEICKER. I would suspect that there is going to be a little debate on this matter. We are under a time limitation, as I understand it, of 1 hour, if I am not mistaken, on the amendment. So that is 30 minutes to a side.

Mr. JOHNSTON. Mr. President, at the request of the minority I had temporarily laid my amendment aside waiting to be heard on the amendment. He was supposed to be here in 15 minutes, which expires now. I wonder if the Senator would let us go ahead and dispose of that. As far as I am concerned, I am ready to vote at this time.

Mr. WEICKER. I have absolutely no difficulty with that at all. If that suits the purpose of the distinguished Senator from Louisiana, it is fine by me. I wish, first of all, to check with the chairman of the committee on this point.

Mr. MAGNUSON. Mr. President, let us dispose of the Weicker amendment and then come back to the Johnston amendment.

Mr. JOHNSTON. Mr. President, he was to take about an hour and I was waiting for Senator Hatfield who should be here momentarily.

Mr. MAGNUSON. He is not here.

Mr. ROBERT C. BYRD. Mr. President, whose amendment is before the Senate.

The PRESIDING OFFICER. The Chair did recognize the Senator from Connecticut in error. The Johnston amendment was pending before the Senate. It was temporarily laid aside for another amendment. I should have asked if there were unanimous consent for an additional amendment to be interjected at that point. I failed to do so. So technically the Johnston amendment is pending before the Senate unless it is temporarily laid aside again.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. JOHNSTON. Mr. President, the Johnston amendment is then pending.

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. Mr. President, I wish to make clear that I have absolutely no objection. I do not want to try to interfere.

Mr. MAGNUSON. The Johnston amendment is the pending business, but we are waiting for the Senator from Oregon. He is not here. So let us proceed.

Mr. JOHNSTON. Mr. President, I suggest that debate proceed on the Weicker amendment and then we get back on the Johnston amendment as soon as Senator Hatfield returns, which should be momentarily. Would that be suitable?

Mr. WEICKER. I would object to that because this is a technical enough matter that I really do not want to interrupt the continuity of debate on it. I think debate should proceed for 1 hour.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. JOHNSTON. Mr. President, I am advised that Senator Hatfield is on his way to be here momentarily.

The PRESIDING OFFICER. Does the Senator from Washington withhold his request for a quorum? Does the Senator from Washington withhold his request for the clerk to call the roll on the quorum call?

Mr. MAGNUSON. Is the Senator from Oregon going to support the amendment?

Mr. JOHNSTON. Senator Hatfield is opposing the amendment.

Mr. MAGNUSON. He is opposing the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, does the Senator from Louisiana have the floor?

The PRESIDING OFFICER. May I ask the Senator from Washington first whether or not the request for a quorum call has been withdrawn?

Mr. MAGNUSON. I yield to the Senator from Louisiana.

Mr. JOHNSTON. I yield to the Senator from New York.

Mr. MOYNIHAN. For a question.

Mr. JOHNSTON. Yes, for a question.

Mr. MOYNIHAN. Mr. President, I simply ask my distinguished friend—has not the debate on his amendment been concluded, or is there time remaining within which to discuss it?

Mr. JOHNSTON. Yes. There is time remaining within which to discuss it. I completed an opening statement and the minority, Senator Hatfield, asked to be heard on it. So there is time if the Senator wishes to speak.

UP AMENDMENT NO. 298

Mr. MOYNIHAN. May I record that I am sorry. I was not aware of the amendment coming up and did not hear the Senator's opening statement. I am sure the Senator knows that the Virgin Islands is a territory which falls under the jurisdiction of the New York Federal Government regional offices. So it is of more than passing interest to me.

A further point—I was there while I was in the Navy during the Second World War.

Mr. MAGNUSON. The amendment of the Senator from Louisiana is to cut out $20 million.

Mr. MOYNIHAN. Yes.

Mr. MAGNUSON. Which was a further plea made by the Senator from Alaska that the $20 million was to pick up some tax deficiency; is that correct?

Mr. JOHNSTON. That is correct.

Mr. MAGNUSON. I have no feeling about it one way or another. I am inclined to agree with the Senator from Louisiana that they can do this in the regular appropriation manner, but I am not going to oppose the amendment or be for it. It came at the last minute in the markup.

I received a plea from the Senator from West Virginia, the chairman of the subcommittee, I received word that he agreed with the Senator from Alaska, and he told me he was going to vote with him to keep it in.

The Senator from Louisiana has a good point. As a matter of fact, I was caught by surprise. I did not know that the Senator from Alaska was going to present it, although he had mentioned it a couple of days before that he was going to.

It involves whether you put $20 million into the supplemental or not. That is what it is all about.

Mr. MOYNIHAN. If I may say, I would like at the time the Senator from Oregon speaks to also have a moment to speak against the amendment and for the position of the Senator from West Virginia.

Mr. JOHNSTON. I will yield to the distinguished Senator from New York.

Mr. MOYNIHAN. When that time comes.

Mr. JOHNSTON. Would the Senator like to do it now?

Mr. MOYNIHAN. I would rise now to state simply what is the clear view of the Appropriations Committee and of the Senator from West Virginia, who put the matter before us, that this is an appropriate time for providing the necessary funds to an island which at this moment is experiencing a very difficult economic situation. There is no part of the American community where the problem of inflation has simultaneously produced higher prices and unemployment than the Virgin Islands.

It seems to me the Senator from West Virginia was correct in his decision and in his proposal. I think it should be supported. I hope he might find occasion to say something on its behalf, as well.

I rise out of the firm conviction that the Senator is right, and not out of my normal predisposition that he is right whether I know the particulars or not. In this case I believe I do know the particulars.

I think Senator Javits and I have a responsibility to speak for the Virgin Islands in this Chamber. I am happy to say that I see the Senator from West Virginia has risen. I think this Chamber would learn more from him on this matter than it has done from me.

Mr. ROBERT C. BYRD. Mr. President, I am sure the Senate will not learn as much from me nor will it learn more from me at this moment. I simply want to say that Mr. Stevens could not be here today. He is the ranking member of my subcommittee, the Appropriations Subcommittee on the Department of Interior. He works very closely with me. He feels very strongly about this amendment.

I indicated that I had no objection to the retention of the $20 million. I will vote against the amendment being offered by the distinguished Senator from Louisiana (Mr. Johnston). I do it in the main, because I feel Mr. Stevens' position is a strong one. He is dedicated to it, and if he were here he would speak for himself.

I regret that I am in this position, but under the circumstances I feel that I am bound to support the Senator from Alaska. I spoke with the distinguished Senator from Louisiana, who knows the situation I am in, and I am sure he understands it.

Mr. JOHNSTON. Mr. President, I hate to be the Scrooge in this whole situation because so many of my good friends are asking that our largesse be given to the Virgin Islands.

I am sensitive to the fact that inflation has gone up everywhere. But, Mr. President, the Virgin Islands pay an average of 21 percent of the average per capita income of its people in taxes. That compares to an average of 30 percent in the mainland United States. Twenty-one percent for them, 30 percent for us.

We have given the Virgin Islands authority to enact surtaxes and other taxes and, indeed, have recommended to them that they do so. The Governor of the Virgin Islands recommended an 8-percent surtax in the Virgin Islands because of these recurrent financial difficulties. But the legislature has steadily refused to do so. Why do they refuse to do so? Very clearly because they think they have got friends in Congress, and they think they will get bailed out by Congress. Who wants to increase his taxes, whether they are at 21 percent or whatever figure, if you can get Congress to come in and take up the deficit?

Mr. President, this is an old problem;

this is not new this year. I have here a Comptroller General's report which I ask unanimous consent to place in the RECORD at this time detailing the recurrent difficulties of the Virgin Islands.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AUDIT OF THE FINANCIAL CONDITION OF THE GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

PART I—U.S. GOVERNMENT COMPTROLLER'S COMMENTS

Introduction

The Office of the U.S. Government Comptroller made an audit of the financial records and a review of the more important aspects of the accounting system and financial management practices of the Government of the Virgin Islands of the United States, hereinafter referred to as the Territorial Government. The primary purposes of our audit were to determine, as accurately as possible, the fiscal condition of the Territorial Government and the results of the governmental operations. This audit also fulfilled our responsibility to furnish an annual report to the Governor and to the Secretary of the Interior as required by Section 17 of the Revised Organic Act of the Virgin Islands, as amended. Both the Executive and Legislative branches requested us to expand our normal audit efforts to the degree necessary to establish a true picture of the fiscal condition of the Territorial Government.

Our audit included examinations of the financial records of the Territorial Government as of June 30, 1977 and the accounting and financial management procedures in effect at the time of our audit. In addition, limited examinations were made of the financial records as of December 31, 1977. Our audit excluded independent governmental instrumentalities such as the Urban Renewal Board, Virgin Islands Water and Power Authority, the Virgin Islands Housing Authority, the College of the Virgin Islands, the Virgin Islands Port Authority, and the Virgin Islands Public Works Acceleration Authority.

Our observations regarding the more important financial management aspects, overall conclusions, and recommendations are included in the following paragraphs of this section of the report. Financial data is presented in Parts II, III, and IV. The financial data should not be considered absolute. An expression of an opinion on the exactness of the Territorial Government's financial statements was not essential to achieve the purpose of our audit. Therefore, we applied only those generally accepted auditing standards needed to achieve our purposes. However, our audit was sufficiently extensive so that the data presented is indicative of the true fiscal condition of the Territorial Government.

Observations

In terms of overall financial management, several conditions were noted during our audit that indicated serious weaknesses in the entire system. They are described briefly in the following paragraphs and should be pursued further to determine the full scope, severity, and causes of the problems.

Operating deficits

Positive measures need to be taken to ensure that the annual costs of the Territorial Government are no greater than the revenues it receives for government operations. Over at least the past 10 years, the Territorial Government, in its general operations, has operated at a deficit. Consistent operating deficits have not been readily apparent because of compensating interfund transfers and loans. The following graph displays the recurring revenues of the General Fund as opposed to obligations for Fiscal Years 1973 through 1977. This was the fund used predominantly for general government operations. The "supplemental" revenues used to finance the operating deficits were transfers from the Matching, Health Revolving and Special Funds, as well as interfund loans, Federal grants, and a one-time return of Oil Import Fees. (Graph not reproducible in RECORD.)

The "covering" of operating deficits has generally been legal, however, the money used had not always been budgeted for that purpose. Since the money was used for general operations, it was not available for the primary purposes for which the funds were established. Furthermore, the prime source of "supplemental" revenues, transfers from other funds, will eventually be exhausted. At that time, sufficient funds may not be available to pay normal recurring expenses of the Territorial Government.

Long-term debt

The total general long-term debt was $126.6 million and if allowed to increase substantially, could reach the point when the annual payments plus interest will severely impact the funds available for general operations of the Territorial Government. Also, two of the long-term notes may have been incurred for purposes not authorized by the Revised Organic Act of the Virgin Islands.

The Organic Act limits long-term debt to 10 percent of the assessed value of taxable property. At June 30, 1977, the debt limitation was $69.2 million. Although the total long-term debt was $126.6 million, only $63.7 million was applicable to the debt limitation, leaving a long-term debt margin of only $5.5 million. Although the Territorial Government had not exceeded the legal debt limitation, the total actual long-term debt was $57.4 million greater than the debt limitation. Fully servicing the total debt will obviously impact on the general operations of the Territorial Government.

The Organic Act limits the purposes for which long-term debts may be incurred. Long-term debts may be incurred only ". . . to construct, improve, extend, better, repair, reconstruct, acquire, and equip hospitals, schools, libraries, gymnasia, athletic fields, sewers, sewage-disposal plants, and water systems." Two of the long-term notes that totaled $13.7 million were for purposes other than described in the Organic Act. One $3.5 million note was to pay the FY 1977 operating costs of 12 agencies under the Executive Offices of the Governor. The other $10.2 million note was for the continued essential operation of the Virgin Islands Employment Service Agency.

Financial management information reporting system

A reliable system to periodically report financial management information to the Territorial Government's top financial managers would provide essential data during the decision-making process. However, consolidated information on the financial condition of the Territorial Government and the operating results was not available until about eight months after the end of the fiscal year. Interim financial information reports were limited and of little value to managers. The reports, when received, contained information that was outdated, inaccurate, or misleading. Under the present accounting system, including the mechanized and manual systems procedures, preparation of more current and accurate financial information reports may not be possible. The accounting system was implemented in 1962. While the system may have been adequate at that time, systems improvements did not keep pace with the overall growth of the Territorial Government. Obviously outdated information is of little value to managers, but more importantly, it can be dangerous when used in the decisionmaking process.

Internal audit

A greater internal audit capability is needed to ensure compliance with laws and regulations, to evaluate program accomplishment, and to improve efficiency and economy of operations. Most of the past internal audit effort has been devoted to pre-audit functions (audit of transactions before recording). Post audit capability has been, at best, extremely limited. Additionally, the internal audit functions have not been placed high enough organizationally to ensure independence of audit selections, conclusions, and recommendations. Internal audit functions have been a part of the Department of Finance. To ensure independence, the internal audit function should be an activity under the Executive branch. Many of the problems disclosed during our review are items that would normally have been disclosed by an effective internal audit organization.

Audit compliance

An audit compliance function, under either the Executive or Legislative branch, is needed to ensure and evaluate departmental compliance with recommendations from internal and other audit activities. Past audit recommendations made to improve efficiency and economy of operations have not often been implemented by the addressee. In June 1978, the Governor established a task force to ensure implementation of all recent audit recommendations. This effort should go a long way toward resolving the problem. The task force, however, will probably be dissolved after their objectives are completed. A continuing effort with audit compliance responsibility needs to be established.

Budget procedures

During our audit, the FY 1979 budget was under review by the Legislature. Many difficulties arose as to anticipated revenues and potential expenditure reductions. Although our audit did not include a detailed review of the budget process, we did note two areas worthy of comment.

Sufficient information was not available to reasonably predict revenues. Revenue-wide, the Territorial Government has consistently overestimated annual revenues during the budget process by millions of dollars. Professional analyses of revenue patterns and projections are needed to establish a realistic limitation for expenditures. If such analyses shows that estimated revenues are not sufficient to cover estimated expenditures, then a decision must be made to increase revenues (probably taxes) and/or decrease expenditures.

Decreasing estimated expenditures during the budget review process have been difficult. Usually, general decreases have been made in personnel, equipment, travel, and other types of expenditures or simply by Department. The effect of such general decreases on specific governmental programs could not be readily determined. The effects could be determined if the budget were prepared on a "zero-base" method. Requests of each department would be identified and costed by program and aligned by priorities. Then, if estimated revenues were insufficient, specific programs could be consciously eliminated.

Revenue controls

Much has been said lately about the possibility of large amounts of revenues such as property taxes, income taxes, custom duties, and gross receipt taxes not being collected. The Governor, in early June 1978, established a task force to review this area. Our audit did not include an extensive review of uncollected revenues. However, in a recent review of the Government Insurance Fund, a brief test indicated that 8.6 percent of the businesses were not filing reports and paying the required insurance. Responsible government officials were not aware of this because controls had not been established. Similarly, we noted $400,000 in property taxes receivable that were not collected because of appeals by taxpayers. The appeals had been open for long periods. Controls did not exist to ensure that hearings were held to resolve the cases. A significant portion of the annual revenues were derived from individuals and businesses on a recurring basis. Controls were not always established to identify instances when these revenues were not reported or were not received.

Indirect cost rates

Over $1 million probably could have been recouped from the Federal Government for indirect costs used to administer FY 1978 Grants and Contracts if indirect cost allocation plans and rates had been developed and approved. Such indirect costs recouped from Grants and Contracts would provide financial benefits to the general operations of the Territorial Government in that some of the costs paid out of the General Fund would be reimbursed.

Fiscal year

Some problems have been experienced because of the incompatability of the fiscal year of the Territorial Government (starting July 1) and that of the Federal Government (starting October 1). It would be advantageous for several reasons if the Territorial Government changed their fiscal year to coincide with the Federal system. Not the least of these is that legislation recently passed the U.S. House of Representatives, and is expected to pass the U.S. Senate, that provides advanced annual payment of "rum excise tax", but only after the Territory changes its fiscal year to begin October 1. This would not provide additional money, but would result in an immediate advance payment of $20 to $25 million. An advance payment would help alleviate cash flow problems.

Grant management

Federal grants to the Territorial Government have increased substantially in recent years. There has not been, however, a corresponding increase in the control of such grants. It is nearly impossible to get accurate data on grants which are available, those which have been requested and received, and what controls and reports have been established to ensure their effective, efficient, and continued use. Grant management has been diffused throughout the Territorial Government and needs to be centralized to allow top officials to evaluate the effectiveness.

Cash controls

Improvements over the control of cash is needed to ensure that all cash is properly accounted for and that financial reports issued are accurate. Accounting records for cash in banks have not been reconciled with bank records on a current basis or have never been reconciled at all. The General Fund bank balance for June 30, 1977, for example, was not reconciled until about May 1978. Other bank accounts have not been reconciled for several years. For one bank account, the accounting records and financial reports were overstated by more than $1 million when compared to the bank's records.

Controls over receipts also needs strengthening. Controls have not been established upon receipt of checks. A surprise cash count at two cashiers on June 15, 1978 disclosed checks totaling more than $11.5 million that had not been receipted or controlled in any manner.

Likewise, controls over accounts receivable need to be strengthened. Procedures for maintaining accounts receivable did not always ensure accurate and timely posting of transactions or provide for a periodic review to determine their collectibility. Some accounts receivable balances were invalid because they were incorrectly charged, or because they were previously paid. In other cases, the receivables were so old that collection of significant amounts was unlikely. Many accounts were for small amounts; the cost to collect may be greater than the amount collected.

Maintaining uncollectible accounts in the financial records is a costly administrative process and distorts the financial picture of potential income. There were more than 495,000 individual accounts in the receivables register at the end of Fiscal Year 1977. A substantial number, if not most, of the accounts were uncollectible. Administrative cost to maintain individual accounts is substantial when consideration is given to costs such as data processing, clerical, and collectors' time. Action is needed to identify the uncollectible accounts and to remove them from the financial records. A purified record of accounts receivable would substantially increase the possibility of collections.

Encumbrance validation

A government-wide procedure to periodically review and eliminate unneeded encumbrances from the financial records would free restricted funds for other purposes. Encumbrances are formal reservations of allotted funds. At June 30, 1977, encumbrances outstanding for all departments were $30.4 million. During May 1978 (11 months later), limited reviews at only four departments disclosed encumbrances of $2.6 million that appeared to be invalid. Some, or all, of these encumbrances could probably be cancelled.

Accounts maintenance

Procedures are needed to reconcile various general ledger control accounts with the detailed subsidiary records. In some cases, general ledger accounts had been adjusted to agree with subsidiary records without determining the reasons for the difference. In other cases, the general ledger accounts had not been adjusted even though the subsidiary records showed different totals. For example, the general controls showed that receivables for income, gross receipts, and excise taxes were $11.6 million. However, the subsidiary ledgers showed receivables of only $10 million. Since the financial records had not been corrected, the Territorial Government's Annual Report showed accounts receivable balances that were too high. Other general ledger control accounts not reconciled with subsidiary records were encumbrances, appropriations, allotments, and fixed assets.

CONCLUSION

The Territorial Government operated at a deficit for a number of years, the deficits being financed out of general government assets. The accumulation of the annual operating deficits eventually resulted in a deficit Fund Balance in the General Fund and in long-term debts of unprecedented proportions.

The impending result of the downward trend, as well as the trend itself, has not been evident because of the lack of current and accurate financial management information. The accounting system does not provide current and comprehensive financial information essential to top financial managers. The financial information that is furnished, as well as the accounting system as a whole, is not subject to independent reviews to establish creditability or third party reliance. Most of the existing financial management problems can be traced to some aspect of the accounting and information system problems.

RECOMMENDATIONS

A task force of some form must be established to evaluate the necessary revisions and/or replacement of the accounting and financial management information reporting systems. The task force should include executives from the Territorial and Federal Governments who are oriented in financial, accounting, and data processing. Consideration should also be given to representation from the private sector. Specific objectives must be formulated to include (i) reviews of systems of comparable governmental units, (ii) assessments of commercially-available packages, and (iii) evaluation of feasible revisions to the present systems.

An internal audit function should be established under the Executive branch of the Territorial Government to make independent reviews of financial operations and determine compliance with applicable laws and regulations; to improve efficiency and economy of operations; and to evaluate program accomplishment. An audit compliance function should be established under either the Executive or Legislative branch to ensure and evaluate implementation of audit recommendations.

The foregoing recommendations are basic to the successful correction of existing fiscal problems of the Territorial Government. In addition, responsibilities should be assigned for the determination of the scope, severity, and underlying causes of the specific deficiencies discussed in this report. Appropriate corrective action should then be taken.

OUTLOOK

The conditions and problems facing the Territorial Government are not unlike those faced by many of the States over the past several years. Sources of revenue became limited as the demand for public service increased. This problem was compounded by a lack of good financial management information.

Many States have overcome the problems and the Territorial Government can profit by their experiences. On the positive side, the declining trend of the fiscal condition of the Territorial Government is not, at this point, irreversible. With active and cooperative efforts of both the Executive and Legislative branches in making the "hard" decisions, the fiscal integrity of the Territorial Government can certainly be realized. This will require, of course, prompt and proper planning and the continued enforcement of corrective actions.

Mr. JOHNSTON. They have very poor fiscal practices, and they keep increasing their expenditures. This year expenditures in the Virgin Islands Government are projected to increase 18 percent in fiscal year 1979 over fiscal year 1978. Some of that is due to inflation, but much of it is due just to waste.

Mr. President, I wonder if the Senator from New York knows that the legislature increased its pay by 66 percent last year, also raises for the Governor and Lieutenant Governor, also raises for the State employees in excess of the guidelines and, accordingly, Alfred Kahn wrote them a letter taking them to task for that?

Mr. President, this problem, as I say, comes up year after year. The Virgin Islands, if they are unwilling to enact a surtax as recommended by Congress and as recommended by their own Governor, feel the necessity for raising the pay of their legislators, by 66 percent, if they feel it is necessary to exceed the voluntary guidelines in pay raises for Virgin Islands employees, then I say let them pay for it themselves.

This $20 million was not requested by the administration and, in fact, is opposed by the administration, as shown by the letter from the Secretray of the Interior which I introduced in the proceedings earlier today.

So, Mr. President, I think it is very clear that we would be fueling the fires of inflation, and we would not be dealing fairly with the taxpayers of the United States, who pay a higher rate than they do in the Virgin Islands, if we bail them out with this $20 million.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. How much time did the Senator from New York wish?

Mr. MOYNIHAN. If I could have 3 minutes.

Mr. JOHNSTON. I yield 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana has 30 seconds left.

Mr. MAGNUSON. I yield 3 minutes of my time to the Senator from New York.

Mr. MOYNIHAN. I thank the chairman.

I rise not to rebut the assertions of my friend from Louisiana in strident tones, but to suggest to him in what I hope is a reasonable manner that he makes effective claims but that they are not in every respect persuasive.

For example, the 21-percent rate of taxation in the Virgin Islands as against the 31 national average in the United States reflects the much lower income level of persons who live in the Virgin Islands and who, in consequence, pay in a progressive tax system a lower rate of taxes.

The Virgin Islands are largely populated by low-income people. They are agricultural people in a not entirely successful agriculture. They are tourist people dependent on an ever more chancy tourist trade. They pay a lot of taxes for poor people.

I do not say the legislators should have raised their pay, and I do not say that the civil service should have exceeded the guidelines. In the latter regard they ought not to have done it.

Mr. JOHNSTON. Is the Senator aware that it is a lower tax rate, not total amount paid necessarily but a total tax rate?

Mr. MOYNIHAN. It is a lower tax rate. It is a much poorer economy. The taxes are very high for such a poor economy. You would find that in most economies at that level, taxes are low, entirely direct taxes, and rarely paid, or paid with great difficulty.

I would hope that the Senate would be generous minded in this matter, and follow the guidance of the Senator from Alaska.

I would personally commit myself by becoming involved with the Appropriations Committee as, in effect, the representative in this Chamber, or one of them, of the Virgin Islands in the year to come, in an open-minded approach to the problems the Senator from Louisiana discusses, but I do not think we solve them in this manner; that is why I plead with the Senate to support the committee in its present provision.

I thank the Chair.

Mr. WEICKER. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Will the Senator yield me 3 or 4 minutes?

Mr. YOUNG. I yield the Senator 4 minutes.

Mr. WEICKER. Mr. President, I rise in opposition to the amendment of the Senator from Louisiana. The people of the Virgin Islands are not something separate and apart from all of us here in this Chamber. Although enjoying a somewhat different status, they are very much a part of this Nation. The fact is that the tax policies of this Nation, and more specifically, I gather, the 1978 Tax Reduction Act, altered the revenue to a considerable extent insofar as the Virgin Islands were concerned, and additional funds that were contemplated in legislation last year never came to pass for the simple reason that the legislation was vetoed.

I do not notice anyone on the floor of the Senate, including the distinguished Senator from Louisiana, advocating income tax increases here in the United States to offset the deficit which we are obviously going to have in this Nation. So the logic of that argument, I think—what is the expression? When one comes into court seeking equity, he should come with clean hands. The hands of the U.S. Senate in this respect, in balancing budgets and asking for tax increases, are not exactly spotless.

The Senator from New York has correctly pointed out that these are poor people. When any of us contemplate the Virgin Islands, we contemplate them from the point of view of the wealthy Americans who go down there and those of our friends who have retired to the Virgin Islands. The population of those islands has increased, and the increase requires additional government services. With these increases, our tax policies, our failure to give them the money promised in the Tax Act of 1978, the nature of the population and the population increase, I very much hope this amendment will be defeated. I gather that if it is not defeated, imminent backruptcy faces those islands.

This is not something to be just sort of swept off in the course of a few minutes' debate when no one is on the floor and no one has been alerted to the issue. I think that would be rather shoddy treatment of a part of our Nation, whatever their special technical status may be.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. WEICKER. Of course, I yield.

Mr. JOHNSTON. I would point out that this was not in the President's budget, and was not brought up in the hearings on the matter. This was a last minute $20 million addition at the full Appropriations Committee level. So it is not as though we are coming in at the last minute, without notice, to take away the $20 million. It was added at the last minute. And I might also point out, if you contemplate bankruptcy——

Mr. WEICKER. I remember also, Senator, in the Appropriations Committee we had $1.3 billion added at the last minute for defense, and we had $500 million added at the same time, at the last minute, for black lung disease. So when we see $20 million as far as the Virgin Islands is concerned, they are following the practice being followed by the Department of Defense and other agencies of this Government.

Mr. JOHNSTON. I say more power to them if they can get it and get away with it, but let us not say this amendment to take it away is a last minute, without notice——

Mr. WEICKER. Oh, no. I am just saying that many Members do not understand what is involved here, especially the impact it is going to have on those islands. I do not mean to infer it is something the Senator from Louisiana is bringing in at the last minute; but the issue itself is a rather large issue, affecting large numbers of people.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WEICKER. One more minute.

Mr. YOUNG. Will the Senator from Washington yield time on the amendment?

Mr. MAGNUSON. Oh, yes.

Mr. WEICKER. All I am saying is that it would be bad indeed, if these dire effects were to be felt simply in the light of general lack of knowledge of our colleagues of this particular matter.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, will the chairman yield 2 minutes to the Senator from New York?

Mr. MAGNUSON. I yield.

Mr. MOYNIHAN. I appreciate that. Mr. President, I rise to associate myself with the remarks made by my neighbor and friend from Connecticut.

The situation of the island government is evidently in very considerable distress just now, due to a combination of many factors, of which the energy crisis is probably as salient as any other. The costs of getting to and from have had their consequences in every aspect of this island economy.

The amount is not large, the need is very specific, and in a supplemental appropriation resolution that is scarcely ungenerous to other aspects, it seems to me that to deny this small amount of money to very needy people——

Mr. WEICKER. Mr. President, I would also point out to my colleagues that for a percentage of the year the Governor of the islands was very, very ill, finally dying of cancer, and there was almost a year's period where the government was not exactly being run; and a new Governor just having taken over within this past year. Insofar as giving direction to the general fiscal policies of the islands is concerned, this has been a difficult time for them.

Mr. MOYNIHAN. Mr. President, may I say that is a sensitive point very sensitively brought forth by the Senator from Connecticut. I appreciate that.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. MOYNIHAN. I yield back my time.

Mr. JOHNSTON. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. There is no time remaining to the Senator from Louisiana.

Mr. MAGNUSON. Mr. President, I yield the Senator some time.

Mr. JOHNSTON. Mr. President, it seems to me that this matter has not yet been adequately debated. Senator Hatfield was due to be here 25 minutes ago.

Mr. WEICKER. We are ready to go.

Mr. JOHNSTON. Very well.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. MAGNUSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute remains on the amendment.

Mr. MAGNUSON. I yield it to the Senator from Alaska.

Mr. GRAVEL. Mr. President, Senator Stevens is not here. He was apparently the author of these moneys in the committee. I hope the Senate will grant these moneys to the Virgin Islands. We in Alaska have a great deal of experience with respect to being a territory. It is most unfortunate that the administration has taken these funds out. I had heard there was a conversation between the Governor of the Virgin Islands and the Secretary of the Interior with respect to the lands bill, and that a disagreement in that respect was responsible for the deletion of these funds. I think this is most unfortunate, and I ask unanimous consent to have printed in the Record a letter from the Department of the Interior, and a letter from Senator Johnston on this subject, so that the Record will be complete in this regard.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Washington, D.C., June 22, 1979.

Senator J. Bennett Johnston,
U.S. Senate, Washington, D.C.

Dear Bennett: The Appropriations Committee has added to the fiscal year 1979 Supplemental Appropriations bill an item of $20 million to cover deficits of the government of the Virgin Islands. I am opposed to the inclusion of this appropriation item and I would appreciate your support.

My opposition to the item is based on the following considerations:

1. The amount of any deficit of the Virgin Islands government for fiscal year 1979 is not known with any certainty. The Virgin Islands government is adjusting its fiscal year, so their fiscal year 1979 will last 15 months and will end September 30, 1979. To appropriate $20 million now when the actual size of any prospective deficit is unknown is not justifiable.

2. The Virgin Islands government has made little effort to improve its financial condition although it has available to it several significant opportunities to do so, such as:

The Congress in 1976 authorized the legislature to levy a 10% surtax on the Federal income tax obligation of Virgin Islands residents. Despite a recommendation by the Governor, the legislature has refused to take action.

Although it has the authority to do so, the legislature has not imposed mandatory spending limits on government agencies through the budget process.

The Governor has proposed increases in taxes on gross receipts, real property, and other items estimated to raise about $20 million annually. The legislature has agreed only to establish a tax on hotel occupancy which will raise some $2.4 million annually.

3. The Federal government already has provided $22.5 million in outright grants over the last two fiscal years to meet reductions in revenues to the Virgin Islands resulting from U.S. tax laws changes.

4. Because of a change in U.S. law enacted by the Congress in 1978 (P.L. 95-348), the Virgin Islands government will receive in September 1979, an advance payment estimated at $24 million to cover anticipated collections of excise taxes by the Internal Revenue Service. Up until this time, such payments were made as collected, so that in fiscal year 1979, the Virgin Islands will receive a one-time double payment of such receipts.

It is my conclusion that Federal assistance to the Virgin Islands government has not been matched by an appropriate level of effort by that government and that the appropriation of $20 million as proposed by the Appropriations Committee would do nothing to encourage the Virgin Islands government to attempt to, insofar as possible, solve its fiscal problems. In fact, the incentives to the Virgin Islands government caused by the deficit financing authorizations are for the Virgin Islands to run a deficit since they are presumably not eligible for such funds without one.

It is surely no coincidence that the Governor's tax package for fiscal year 1979 which would have raised revenues by $20 million—the amount of this proposed increase to the budget—was largely ignored by the legislature, or that the Virgin Islands is projecting substantially greater expenditures over the last six months of fiscal year 1979 and also for fiscal year 1980 than have occurred over the past three years.

I urge you to oppose this item.

Sincerely,

Cecil D. Andrus,
Secretary.

Committee on Energy
and Natural Resources,
Washington, D.C., June 22, 1979.

Dear Colleague: On Monday, June 25 I will offer an amendment to H.R. 4289, the fiscal 1979 Supplemental Appropriations bill, to delete $20 million added during the Appropriations Committee markup to cover deficits of the government of the Virgin Islands. I strongly oppose this appropriation for the following reasons:

1. The intent of P.L. 94-392, which authorized an appropriation of up to $20 million in FY 1979 when the Congress deemed it necessary, was not to provide a disguised grant to the Virgin Islands. Rather, this provision was included to allow for compensation when revenues were lost to the Virgin Islands as a result of changes in the Federal tax rate, an event outside the control of the government of the Virgin Islands.

Deficits this year are a result of increased expenditures enacted by the government of the Virgin Islands, not a result of changes in the Federal tax code. In fact, due to a change contained in P.L. 95-348, the Virgin Islands government will receive in September 1979 an advance payment estimated at $24 million to cover anticipated collections of excise taxes by the Internal Revenue Service. Prior to this change, payments were made as collected and in FY 1979 the Virgin Islands will receive a one-time double payment of these receipts. To provide an additional $20 million payment would only encourage increased spending and would provide no incentives for the Virgin Islands government to attempt to solve any of its long-term, serious fiscal problems.

2. Expenditures of the Virgin Islands government are projected to increase 18 percent in FY 1979 over FY 1978. Most of the increase, and the full operating deficit, will occur in the last six months of FY 1979. Providing the Virgin Islands with $20 million in this supplemental bill will assure that this large increase occurs in spending and that no attempt is made to raise revenues to finance spending increases.

3. The Virgin Islands government has made no attempt to match Federal assistance or to improve its fiscal situation, despite the opportunity to do so.

In 1976, Congress authorized the Virgin Islands legislature to levy a surtax of up to 10 percent on the Federal income tax obligation of Virgin Islands residents, enabling the Virgin Islands government to raise revenues to finance new spending programs the Virgin Islands government believes are needed. Although the Governor recommended enactment of an 8 percent surtax, the legislature refused to take action.

Similarly, of a $20 million proposal made by the Governor to increase taxes on gross receipts, real property and other items, the legislature enacted only a tax on hotel occupancy which will raise $2.4 million annually, or about 10 percent of the Governor's request and 10 percent of the projected deficit.

Finally, no mandatory spending limits on Virgin Islands government agencies have been imposed by the legislature although it has the authority to do so.

I believe the case against this appropriation is compelling and I hope I can count on your support.

Sincerely,

J. Bennett Johnston,
U.S. Senator.

Mr. MOYNIHAN. Mr. President, while the Senator from Alaska has the floor, will he be kind enough to submit for the record a letter from Governor Luis to me?

Mr. GRAVEL. Mr. President, I ask unanimous consent that that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

June 19, 1979.

Hon. Daniel P. Moynihan,
Senate Office Building,
Washington, D.C.

Dear Senator Moynihan: Your urgent assistance is solicited to assist the United States Virgin Islands. The 95th Congress formulated a mandate to assist the Virgin Islands by enactment of Public Laws 95-348 and 95-561 which authorized to be appropriated among other sums 20 million dollars to help balance the Virgin Islands fiscal year 1979 budget and 5 million dollars (Public Law 95-561) to expand the public school system to accommodate its uncontrolled overpopulated student growth.

In enacting these laws Congress determined that the Virgin Islands could not be held fully responsible for its unprecedented overpopulation problems, fiscal woes, inadequate infrastructure and government services, inevitable four-way duplicative geographic expensive system of government, and a high cost of living which is 30% higher than most U.S. cities. In addition, Congress recognized by its sympathetic action that the above-described Virgin Islands problems are due to a great extent to federal laws and policies beyond the control of the Virgin Islands which are:

1. Federal immigration laws and policies that have caused the Virgin Islands population to quadruple in the past fifteen years where land mass is restricted and government services insufficient to meet population demand.

2. Denial by the federal government in violation of the 1954 Organic Act of over 400 million dollars in excise taxes lawfully owed

the Virgin Islands on locally refined petroleum products exported into the United States.

3. Denial of 3.5 million dollars to the Virgin Islands by federal government occasioned by veto of tax reduction act reimbursement.

Note that if the three above outlined problems were non-existent this plea would not be necessary.

The people of the United States Virgin Islands will remain forever grateful and appreciative for your noble effort in amending the U.S. 1979 fiscal year supplemental budget to include for the Virgin Islands the appropriation of 25 million dollars desperately needed and authorized by Public Laws 95–348 and 95–561. Due to time constraints if this request cannot be met at this time, I am requesting a Congressional investigation to evaluate the nature of our fiscal plight for the purpose of including in the U.S. 1980 supplemental budget 50 million dollars to improve the quality of life in the United States Virgin Islands.

Sincerely,

Juan Luis,
Governor.

Mr. GRAVEL. I only request, as I am sure Senator Stevens would were he here, that the Senate keep these moneys in for a very needed area of the Nation.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to proceed for half a minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I have no objection to this amendment.

It came in at the last moment and I did not know all the facts involved. But I am dedicated to not add it to this bill. We have reached pretty close to our ceiling. Therefore, without discussing the merits of the thing, I am going to vote with the Senator from Louisiana. I believe this is a matter which should be discussed in the full appropriations.

I do not know, but they did elect a new Governor down there. They threw out all the Democrats and elected Republicans. Republicans cannot handle the fiscal situation.

The PRESIDING OFFICER. All time has expired.

Mr. MAGNUSON. This may be an omen.

Mr. GRAVEL. I ask unanimous consent to proceed for 2 minutes on this very important point.

Mr. MAGNUSON. I do not mean to make this political, but it seems to me they have had ample time to come and present their case as it should have been presented.

Mr. GRAVEL. I would only hope that my colleague would not leave the impression for the people of the Virgin Islands that we will replenish their treasury based on any partisan consideration. I believe from my own visitations of the Virgin Islands this is required by law. They have an absolutely terrible situation. It is rotten simply because it is a territory. I would hope that the generosity I have seen flow from the senior Senator from Washington over the years——

Mr. MAGNUSON. I am perfectly willing to take up the $20 million next week.

Mr. GRAVEL. If perchance we lose today——

Mr. MAGNUSON. I am simply trying to keep things off this supplemental bill. Next week we are going to have hearings and they can come up and testify and everything else about their tax situation.

Mr. MOYNIHAN. Mr. President, is it not the case that the provision we are talking about is in the bill? This amendment would change the bill.

Mr. MAGNUSON. I know.

Mr. MOYNIHAN. The Senator wants the bill as it is and so do we. Almost always we agree with the chairman.

Let us not change the chairman's bill. Let us vote against this amendment.

Mr. MAGNUSON. All right.

Mr. GRAVEL. I know the vote will sustain the chairman of the committee.

● Mr. HATFIELD. Mr. President, I rise in opposition to the amendment offered by the Senator from Louisiana which would delete $20 million from the supplemental which is intended to relieve the fiscal crisis in the Virgin Islands.

The Virgin Islands anticipates over a $19 million gap between revenues and expenditures for the current fiscal year. We well realize the problems of trying to bring a budget into balance. The problem of the Virgin Islands is exacerbated by the fact that the Virgin Islands has limited control over their own revenues. The largest source of revenue for running the Government come from U.S. income taxes which are collected by the IRS and returned to the Virgin Islands. The Tax Reduction Act of 1978 led to a reduction in revenues. This, coupled with the fact that the population of the Virgin Islands has doubled in the last 10 years and the fact that they are no more immune to the ravages of inflation than are the 50 States, has placed the Government in a most precarious financial situation.

Language has been included in the bill which will have the effect of turning this appropriation into a loan should the Virgin Islands win a case against the Government which is presently being appealed. If the courts find in favor of the Virgin Islands, sufficient revenues from income and excise taxes should be available to insure fiscal stability for some years to come.

Mr. President, it would be very easy for the Senate to support the amendment offered by Senator Johnston as it would not affect any of our constituents and we could point to it as a budget cutting vote. Each of us, however, has a commitment to represent the needs of those residents of territories of the United States and I would join with Senators Weicker, Moynihan, and Gravel in urging that the Johnston amendment be defeated.●

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON: I announce that the Senator from North Dakota (Mr. Burdick), the Senator from Iowa (Mr. Culver), the Senator from Ohio, Mr. Glenn), the Senator from Michigan (Mr. Hart), the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), the Senator from Hawaii (Mr. Matsunaga), the Senator from South Dakota (Mr. McGovern), the Senator from Maine (Mr. Muskie), the Senator from Wisconsin (Mr. Nelson), the Senator from Connecticut (Mr. Ribicoff), the Senator from Maryland (Mr. Sarbanes), the Senator from Illinois (Mr. Stevenson), the Senator from Massachusetts (Mr. Tsongas), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. Long) is absent on official business.

Mr. GARN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Arizona (Mr. Goldwater), the Senator from New York (Mr. Javits), the Senator from South Dakota (Mr. Pressler), the Senator from Alaska (Mr. Stevens), and the Senator from Texas (Mr. Tower) are necessarily absent.

I further announce that, if present and voting, the the Senator from New York (Mr. Javits) would vote "nay."

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote who have not voted?

The result was announced—yeas 35, nays 43, as follows:

[Rollcall Vote No. 141 Leg.]

YEAS—35

Baucus
Bentsen
Biden
Boren
Byrd,
Harry F., Jr.
Cannon
Chiles
Church
DeConcini
Durkin
Exon
Heflin
Helms
Hollings
Jackson
Jepsen
Johnston
Kennedy
Magnuson
McClure
Metzenbaum
Morgan
Nunn
Pell
Percy
Proxmire
Pryor
Randolph
Riegle
Sasser
Stennis
Stewart
Stone
Talmadge
Zorinsky

NAYS—43

Armstrong
Bayh
Bellmon
Boschwitz
Bradley
Bumpers
Byrd, Robert C.
Chafee
Cochran
Cohen
Cranston
Danforth
Dole
Domenici
Durenberger
Eagleton
Ford
Garn
Gravel
Hatch
Hatfield
Hayakawa
Heinz
Huddleston
Humphrey
Kassebaum
Laxalt
Levin
Lugar
Mathias
Melcher
Moynihan
Packwood
Roth
Schmitt
Schweiker
Simpson
Stafford
Thurmond
Wallop
Warner
Weicker
Young

NOT VOTING—22

Baker
Burdick
Culver
Glenn
Goldwater
Hart
Inouye
Javits
Leahy
Long
Matsunaga
McGovern
Muskie
Nelson
Pressler
Ribicoff
Sarbanes
Stevens
Stevenson
Tower
Tsongas
Williams

So Mr. Johnston's amendment (UP No. 298) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. Zorinsky). The Senator from Connecticut is recognized.

Will the Senator suspend for 1 moment?

The Senate is not in order. Senators will please give their attention to the Senator from Connecticut, who has the floor, or will retire to the cloakrooms if they wish to have private conversations.

Mr. WEICKER. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. Does the Senator wish to reoffer his amendment No. 270?

Mr. WEICKER. Would that be necessary at this time?

The PRESIDING OFFICER. Yes, it would.

AMENDMENT NO. 270

(Purpose: To reduce the limitation on obligations for new loans and guarantees under the Economic Development Revolving Fund by $13,000,000)

Mr. WEICKER. Mr. President, I call my amendment No. 270.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 270: On page 39, line 13, strike out "$171,000,000" and insert in lieu thereof "$158,000,000".

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. WEICKER. Mr. President, my amendment would delete $13 million from the $96 million increase requested for the economic development revolving fund. This $13 million is the amount that EDA would use to support a $63.5 million loan guarantee for a new steel rail mill for the Wheeling-Pittsburgh Steel Corp.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from Connecticut is correct. The Senate is not in order. The Senate will be in order.

Mr. WEICKER. Mr. President, my amendment would not prevent EDA from approving the application for the loan. It would merely send a clear message to EDA that this body has many concerns about the propriety of EDA granting a loan guarantee to the Wheeling-Pittsburgh Steel Corp. to construct a new rail mill. If after reviewing our concerns EDA remained confident that the loan guarantee was in order, my amendment would not prevent EDA from approving the application.

The issues presented by this proposed loan guarantee are complex. But I believe the most basic issue which everyone can understand is the degree to which the Federal Government should be involved in the marketplace. We are being asked whether to bail out the Wheeling-Pittsburgh Steel Corp. by putting them into a new line of business, producing steel rail. This is a test of the free enterprise system much like the Lockheed loan guarantee of several years ago. The question is the same: To what extent should the taxpayer be asked to underwrite loans to financially sick companies?

My amendment today only addresses a loan guarantee for the construction of a new rail mill. Wheeling-Pittsburgh is also seeking a loan guarantee from EDA for $36.5 million to assist in constructing pollution control facilities. I have absolutely no problem with that request. In total, EDA is being asked to provide $100 million in loan guarantees for both the rail mill and the pollution control facilities. Senators might also be interested to know that the Farmers Home Administration is being asked to guarantee $50 million in loans, also for pollution control facilities. The Pennsylvania Industrial Development Authority is being asked to put up $10 million and Japan is coming up with another $14 million in export credits, while the remaining $17 million is coming from other sources.

Hence, EDA is seeking a total commitment of $191 million in loan guarantees, $150 million of which will come from the Federal Government, in order to construct a new rail mill and for pollution control facilities. As I have said before, my amendment addresses only the rail mill construction project.

The evidence stacking up against this loan guarantee proposal appears insurmountable, and yet politics up to this point has made up for a great lack of facts and logic.

To begin with, the loan guarantee violates EDA's own guidelines. EDA has a general rule which requires a job created or saved for each $10,000 of the loan guaranteed. Recognizing the normally heavy capital investment required in the steel industry, EDA has stated that this limitation would be more flexible for the special steel program. But, Mr. President, once constructed, this rail mill will at most create 300 new jobs, at a cost of $63.5 million. That is $210,000 for each job. EDA responds to this by stating that every single job in the company will be saved, that is 15,000 jobs. If that is the case, if every job in this company depends on this loan guarantee, I doubt there could ever be a clearer picture of a federally financed bailout.

The primary intent of the steel program is to assist companies with pollution control facilities and for modernization. Building a new rail mill, a product the company has never produced before, is not modernization. EDA responds by pointing to their own guidelines which include within a definition of "modernization"—facilitating the production of new products. Financing the construction of a new rail mill is not just a new product, it is a new business. A new business means new production lines, new distribution systems, new marketing techniques, new customers, new testing, and new safety procedures. This is certainly much more than was ever intended in the goal of modernization.

Ironically, one of the biggest problems this loan guarantee presents is that this new $191 million capital expenditure program will cut off private capital sources to fund the true modernization of all existing facilities. With $191 million in new debt, Wheeling-Pittsburgh's debt-equity ratio would be 88 percent, at a time when the industry average hovers around 30 percent.

With such an exceptionally high debt-equity ratio, all private capital markets will dry up and the only source remaining will be the Federal Government. So when Wheeling-Pittsburgh needs funding to modernize already outdated facilities in its nine existing operating plants, we will see them back for more help. Yet this time, the taxpayer will already be on the hook for $150 million, and in order to protect that investment, the Government will be much more likely to bail them out again. Therefore, rather than using money to modernize its existing facilities, the company wants to build a rail mill with a Federal loan guarantee. All we will be guaranteeing is that this same company will be right back at our doorstep in a few years, asking for millions more in Federal assistance. Do you think it will be any easier to say no at that time. You know it will not.

Not only are we being asked to bail out a sick company, but we are also being asked to subsidize the creation of a new product line for a company in an industry which is already competitive. Federal assistance may create a few hundred jobs in the short term, but over the long run, will mean layoffs and unemployment industrywide. What I am talking about is production capacity.

The domestic rail market is comprised of three producers: U.S. Steel, Bethlehem Steel, and C.F. & I. (Colorado Fuel and Iron). These producers have testified that their current production capacity equals 1,500,000 tons annually. Actual demand has averaged 1.1 million tons for each of the last 3 years. Mr. President, that means that these three producers of steel rail are operating at less than three quarters capacity to meet present demand.

A loan guarantee to Wheeling-Pittsburgh to construct a railmill would bring into the marketplace another 430,000 tons of capacity annually by 1983, meaning a total industry capacity of almost 2 million tons. Yes, demand is expected to increase, but the current estimates say that demand will increase over the next 5 years and will peak at 1.3 million tons by 1984. By 1985, demand is expected to fall back to 1.1 million tons.

What this means is that the three current producers of steel rail could feed the projected demand over the next 6 years with their own capacity. Yet the Government is being asked to subsidize another producer to bring into the marketplace an additional 430,000 tons. These additional tons will all be excess capacity. Thus, guaranteeing a 63 million loan for Wheeling-Pittsburgh today will guarantee industrywide layoffs and unemployment in the future. The construction of an additional railmill today will also weaken the domestic industry and make it more vulnerable to foreign penetration.

What does EDA say about capacity? EDA points to their 702 study which has been referred to as the extensive analysis, the exhaustive study. Yet EDA's 702 study looked at present capacity, asked all present producers what their capacity is, and arbitrarily cut their response by 30 percent. Thus, EDA is able to look at their 702 study and say that present capacity is only 1.1 million tons annually. The report itself states:

> No attempt has been made to examine in detail the accuracy and probability of the various components which make up these forecasts. If one is willing to accept the given assumptions about future events, they are all valid. All this office can do, given the constraints of time and resources, is to survey all the available forecasts and then make a judgment as to which are the most likely.

Mr. President, I ask for order, please.

The PRESIDING OFFICER. The Senate will be in order.

Senators who maintain private conversations please retire to the cloakroom.

The Senator from Connecticut.

Mr. WEICKER. Mr. President, this 702 study is the analysis upon which the Government must rely in order to determine whether subsidizing the construction of an additional rail mill today will bring massive layoffs and unemployment to what is today a healthy industry. This study is unreliable, this study is full of holes. Too much is at stake to not reexamine this critical question of excess capacity.

Another factor that has concerned me is the very integrity of this company and its spokesman. In Wheeling-Pittsburgh's quarterly statement, dated March 31, 1979, and distributed on April 27, the company declared in bold letters:

> **We obtained commitments for * * * Federal loan guarantees of $140 million * * * and for a $10 million direct loan through the State of Pennsylvania. These commitments will enable us to finalize financial arrangements in June * * * through a consortium of insurance companies.**

At the time this statement was made, the Farmers Home Administration had not even received the loan application. Furthermore, EDA has acknowledged that the following statement was attached to each letter of intent sent to Wheeling-Pittsburgh:

> **You should understand that any financial commitments or other obligations incurred by any party prior to the execution of a Guarantee Agreement by EDA are entirely at the risk of such party.**

EDA has stated that the intent of this statement was to make very clear that there had been no final commitment made by EDA. Mr. President, what we have here is an untrue statement designed to promote and foster investor confidence in this company. I am no securities expert but such a statement appears to me to be designed to manipulate and control the price of this company's securities, hindering the proper appraisal value of the securities and thereby preventing the fair valuation of collateral for loans. Such statements by the management of this company is a clear indication of lack of integrity. Is this the kind of company that we want to bail out? Do we want to bail out Wheeling-Pittsburgh for bad management?

Mr. President, while this company is asking the Government for $63 million to construct a rail mill, Wheeling-Pittsburgh's president, Dennis Carney, has acknowledged that a portion of a $77 million line of credit recently arranged with a seven-bank consortium "may be used" in the early 1980's for acquisition purposes. I ask again, is this the kind of company we want to bail out with $150 million in loan guarantees?

Mr. President, we will hear much today about how 15,000 jobs are to be saved. I am not against saving jobs, but the bigger question is what is the price that must be paid. A benign government that is so concerned about jobs that it will bail out a company for bad management, must also live with the consequences of mediocrity. Once this happens, excellence becomes a forgotten standard. A bailout for bad management means a reward for the unproductive. It means higher prices and wages with less productivity. With such action by this Government, why do we wonder why we are plagued with inflation.

Mr. President, 8 years ago on this same floor, while we were debating the Lockheed loan, I made the following statement:

> We get back to the point made earlier that the whole basis of the free enterprise system is wrapped up in the concept not only of success as the reward for good judgment and hard work and quality product, but it also includes failure as the consequences for bad judgment and bad products.
>
> This nation is strong enough to absorb such losses. But what it cannot withstand for its future economic health is the acceptance of Lockheed's way of doing business. It cannot accept Lockheed's way of doing business as the national standard. That is what the American people are being asked to underwrite. That is what the bankers were asked to underwrite, but shied away from, and well they should have.
>
> I would hope that the Senate also would reject that method as the basis for reward. Should the day come when industry feels that it can fail either managerially or productwise because government will make up the deficit, then the nation has concerned the failure of every enterprise and has resigned itself to the nationalization of its industries."

What is going on here today? The bankers have shied away from Wheeling-Pittsburgh and yet the American taxpayer is being asked to go ahead and back up Wheeling-Pittsburgh and the bankers who will then come in after their good money has been put along side a failing organization.

Mr. President, this statement is even more appropriate today. Support for Wheeling-Pittsburgh today will mean layoffs for all domestic producers in the future. We will be strengthening the hand of foreign producers. Foreign producers will be assisted with Federal tax dollars at the expense of weakening the position of all domestic producers. This proposed loan guarantee violates the law, public policy, and congressional intent. It is a bailout for bad management and a payoff for stockholders. It is not a proper use for taxpayers' money.

Mr. President, I, therefore, urge the Senate to delete $13 million from EDA's $96 million requested increase for the revolving fund for steel loan guarantees. Since EDA has room to manuever within this fund, such action will neither prevent EDA from granting the loan guarantee to Wheeling-Pittsburgh nor will it interfere with EDA's ability to proceed on other loan applications for loan guarantees for other steel companies. Support for this amendment will send a clear message to EDA that the Senate has strong reservations about the Wheeling-Pittsburgh loan guarantee application, and that if EDA should want to proceed, it should do so with the utmost care. I urge my colleagues to vote for this amendment.

It is, as a matter of substance, the correct thing to do. It is also a matter of fiscal prudence when such is being demanded by the taxpayers of this Nation.

I will grant you that politics of this situation are such that my amendment is in danger, not the facts of the situation, not the logic of it, not the fiscal prudence, but the politics. That is all.

I hope those politics will be thrown over at this time for some commonsense voting by my colleagues.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. WEICKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12½ minutes.

Mr. WEICKER. I yield 5 minutes.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator's yielding, and I rise to compliment him on the initiative he is taking in this matter, and I rise in full support of this amendment which he has suggested.

I think our colleague from Connecticut has summed up so well the essence of the problem which has prompted his amendment, and I certainly think that most Senators, certainly those who have looked carefully at this issue, will agree that it would be unwise for the Federal Government to subsidize the creation of a company within an industry that is already competitive and, in fact, where Federal aid will be used to create additional excess capacity. Now those are the facts.

I have looked into the facts, and I am satisfied, first of all, that the existing capacity exceeds the present demand. The industry is about two-thirds utilized at this time. Steel rail demand will not increase substantially, according to the best available projections, and so what we have here is really a case of the Federal Government intervening to create a new company in an already competitive field.

This would be bad enough were it not for the fact that other companies have previously put stockholder money, private money, money that has been earned and saved after taxes, into the creation of this kind of rail capacity.

In my own State, the Colorado Fuel & Iron Co. has invested $85 million in private funds in a 3-year modernization program. U.S. Steel has just commissioned a study about whether it should construct another steel rail facility, again using private financing.

So it seems to me the issue is very clear. I think it is inevitable that when someone arises from a State that has a vested interest in an amendment that there is a certain degree of credibility at stake here. I just want to, in the interest of full disclosure and keeping the record straight, make it perfectly clear that my State of Colorado is affected by this amendment because if the loan goes through, that is if the Weicker amendment is not adopted, there is the possibility of increased competition in the rail facility field which will result in a reduction of orders and job losses to the people of my State. No question about that.

In my mind that is not the issue. When similar questions involving my State have arisen where my interest was the opposite, I have not hesitated to say, "Let us go ahead and do what is in the national interest."

A few weeks ago, for example, when they suggested it was time to cut back on the Amtrak lines which, in effect, cut my State out of the Amtrak pie, I said, "All right, it is a good decision for policy reasons, and even though it hurts my State I think we ought to go ahead and do what is right for the long-term economic future of the country."

Well, I think we have here a classic case of a clear-cut economic decision, and I just want to make that point and establish my own credentials as one who applies the same rule whether it helps or hurts the people that I directly represent, because I think we gather here not as Senators from Colorado or Connecticut or Pennsylvania or someplace else but truly as legislators for the entire country. We are U.S. Senators not just State senators.

So I hope my colleagues will evaluate this amendment in that context, not in a parochial sense, not on the basis of what is good for one Senator or one State, but on a policy issue that is involved, and the overriding national question involved here is a very simple one: Should the Federal Government subsidize the creation of a new company within an industry that is already competitive and where Federal aid causes an entire industry more harm than good?

I think the answer to that clearly is "No," and therefore I will support the Weicker amendment.

Again I congratulate him and compliment him on the leadership he has shown in this matter.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Pennsylvania wish to speak first? I would be very glad to yield to him.

Mr. HEINZ. I thank the Senator. Will the Senator from Connecticut yield for a question?

Mr. WEICKER. On the Senator's time.

Mr. ROBERT C. BYRD. How much time does the Senator wish me to yield to him?

Mr. HEINZ. I would like 6 minutes.

Mr. ROBERT C. BYRD. I yield 6 minutes to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, the Economic Development Administration's steel loan guarantee program is an important part of the fiscal year 1979 supplemental appropriations bill. This supplemental will provide $96 million to the steel set-aside program and will generate approximately $500 million worth of loan guarantees. The program is indicative of this Nation's commitment to insure a viable and competitive steel industry. We must recognize the special needs, financial conditions, and pollution control difficulties facing our steel companies and work together to address these problems in the most efficient and most cost effective manner.

Under the provisions of the steel loan guarantee program, the Wheeling-Pittsburgh Steel Corp. has a letter of intent from EDA to guarantee $100 million worth of loans; $36.5 million of these loans would be used for pollution control projects in its Pennsylvania plants. These loan guarantees are crucial if Wheeling-Pittsburgh is to make the capital improvements and other expenditures totaling $86 million to meet the provision of a consent decree the company recently signed with the Environmental Protection Agency.

The remaining $63.5 million in loan guarantees will be used to help finance the construction of a mill for the production of railroad rails at the company's plant in Monessen, Pennsylvania.

My distinguished colleague, Senator WEICKER, has proposed an amendment to delete $13 million from the $96 million in EDA's supplemental for the revolving loan fund. This is the amount that EDA would use to support the $63.5 million loan guarantee for the Monessen rail facility. Such action will serve only to undermine the entire loan package that Wheeling-Pittsburgh is negotiating not only with EDA, but also Farmer's Home, through its business and industrial loan program, and the Pennsylvania Industrial Development Authority. The Senator from Connecticut has failed to adequately consider the important linkages in this financial package and has failed to consider the special needs of the steel industry.

Let us look at the facts in this case and refute point by point the Senator's arguments.

Wheeling-Pittsburgh now employs approximately 14,500 people in Pennsylvania, West Virginia, and Ohio. The firm is the eighth largest company in steel sales and accounts for over 3 percent of domestically produced steel.

Wheeling-Pittsburgh faces various challenges if it is to remain in business. First, it must resolve a variety of air and water pollution problems at its various plants. Second, it must eliminate those parts of its operation, such a rod and wire, that are no longer economically viable. And third, the company must get involved in new steel products where there is good demand and better profitability.

Wheeling-Pittsburgh has set to work and has developed a comprehensive long range plan which will address these problems. Each element in the plan in interrelated and each component is crucial to insuring financial stability and growth.

Senator WEICKER's amendment would eliminate the loan guarantees for the company's proposed rail facility. After careful study of its operation and the existing steel market, Wheeling-Pittsburgh has determined that this diversifiication is essential to improving the financial difficulties facing the company. There is a great need for increased rail production. Both present and future demand exceeds existing supply, a fact that is supported by GAO reports, the Federal Railroad Administration, various steel company projections, and most recently by a major EDA study which concludes "* * * approval of this project should have no adverse effects on efficient competing rail mills and that the additional output of rail will be absorbed by increasing demand."

Mr. WEICKER argues loan guarantees for this facility should be eliminated. What he fails to point out however is the profits and increased income to be generated by the rail production plant are inseparably tied to Wheeling-Pittsburgh's ability to finance $86 million in pollution control expenditures. Mr. WEICKER would allow a $36.5 million guarantee for pollution control but what is the point if Wheeling-Pittsburgh is to be denied the income from the rail facility to pay off its loans.

Is the Senator suggesting the Federal Government guarantee loans that cannot be paid back? By voting for the Senator's amendment we may well guarantee default. I for one want to cut back on Government spending not increase it.

The Senator raises several arguments against loan guarantees for the rail facility. The facts, however, refute each of his contentions.

First, the Senator contends the loan guarantees exceed EDA's own guideline ration of one job for each $10,000 worth of guarantees. Although the Monessen facility will employ only 300 people, this is not the relevant statistic. Wheeling-Pittsburgh employees 14,500 people—7,300 in Ohio; 5,100 in Pennsylvania, and 2,100 in West Virginia. The comprehensive guarantee loan package that Wheeling-Pittsburgh is developing with EDA and Farmer's Home affects all three States, all company facilities, all company employees. We are not talking about 300 new jobs, we are talking about the livelihoods of 14,500 people and the economic stability of countless communities.

Second, the Senator from Connecticut contends that the steel program is not intended to assist companies in activities like the rail facility at Monessen. But program guidelines state:

> The intent of this program is to finance the physical, financial, and technological modernization of eligible firms in the steel industry.

Modernization is specifically defined to include:

> Pollution control equipment, product related capital and organizational improvements which enhance profitability by improving the quality of existing products or by facilitating production of new products.

This is exactly the type of activity Wheeling-Pittsburgh has proposed. The rail facility will enhance profitability by facilitating the production of new products. The rail mill will be built on the site of a rod and wire mill which was closed in 1972. For the past 7 years, the company has not had any finishing capacity at the Monessen plant. Steel produced at Monessen is transferred to other plants in an ingot or semifinished form. This situation is not efficient. The new rail mill will use hot metal produced at Monessen which was previously devoted to the rod and wire mill.

Senator WEICKER also contends that Wheeling-Pittsburgh has a $77 million line of credit which he implies might be used for acquisitions. Again, let us look at the facts. Wheeling-Pittsburgh is in the final stages of completing a loan agreement with a consortium of banks for a $77 million revolving credit agreement. These funds are to be used only for working capital—the terms of the agreement require it. As most of my colleagues know, companies of Wheeling-Pittsburgh size need standby credit agreements to smooth out cash flow variations. The company has assured me that these funds are not available and will not be used for long-term capital projects.

I might also point out, the $77 million revolving credit agreement is conditioned upon the Federal long-term loan guarantees since the banks recognize that only through the rail mill and the resolutions of Wheeling-Pittsburgh environmental problems will the firm gain the financial stability to remain economically viable. The working capital funds are necessary during the construction period and initial operation of the rail mill and pollution control projects. Thus, once again, a more thorough analysis reveals the interrelated and interdependent nature of these loan programs.

I admit the Wheeling-Pittsburgh situation is complicated. But I think we perform a great injustice if we fail to comprehensively look at the problem in its entirety. All I ask is that we review the facts:

Wheeling-Pittsburgh provides approximately 14,500 jobs. It is an employer which cannot be replaced and cannot survive without assistance.

The company needs EDA loan guarantees of $100 million.

This supplemental will provide the necessary resources if EDA approves the financial package.

The loan guarantees will be used to install pollution control devices and to develop a rail mill.

Without the rail mill, the company's ability to finance the pollution control program and to assure future profitability will be jeopardized.

The rail bill and pollution control efforts fit within the EDA's special program to assist the steel industry and conforms with section 702 requirements of the Public Works and Economic Development Act.

EDA has conducted an extensive study of the proposed rail mill and concludes the plant "should have no adverse effects on efficient competing rail mills and the additional output of rails will be absorbed by increasing demand." The Federal Railroad Administration agrees with the documented need for this new mill and ConRail has already indicated it will purchase 20 to 30 percent of its rail needs from the mill.

Clearly, the facts are there and there is no credible reasons for deleting the funds in the supplemental.

Mr. ROBERT C. BYRD. Mr. President, this amendment would reduce the limitation on obligations for loans and loan guarantees by the Economic Development Administration. The amendment is not specific. Presumably, it is intended to delete the authority required by the agency to guarantee a loan for Wheeling-Pittsburgh Steel Corp. for construction of a rail mill in Pennsylvania. For that reason it is identical in purpose to another amendment offered by Mr. WEICKER.

The Appropriations Committee considered this matter in some depth, and proposed to maintain the EPA steel program at the level of the administration request, as set forth at pages 116 and 117 of the committee report. The committee found that a judgment in this matter should be left to the Secretary of Commerce.

Whereas, the distinguished Senator from Connecticut is taking a position for which I have no animosity and certainly do not intend in any way to leave that impression. But he has alleged that the loan guarantee violates the EPA's own guidelines, and that rather than create or save a job for each $10,000 in guarantee, the new rail mill only creates 300 new jobs, or 1 job for each $210,000 of loan guarantee.

The reply to that, Mr. President, is simply that the EDA steel program guidelines specify the following:

> EDA has a general rule that normally requires a job created or saved for each $10,000 of the loan guaranteed. In recognition of the enormous investment required in the steel industry, EDA may raise this limitation on an individual basis.

The real issue is not just one new rail mill plant, employing 300 people; unless Wheeling-Pittsburgh receives the Federal loan guarantees from EDA and the Farmers Home Administration, the entire Wheeling-Pittsburgh Corp. will collapse, and a total of 14,500 people will lose their jobs.

Therefore, since a total guarantee of $150 million is sought from EDA and FHA combined, the cost per each job created or saved is just slightly above EDA's $10,000 guideline.

However, the rule in question applies only to the EDA program. Thus, the amount per job involving EDA funds is only $7,000 per job, well below the EDA guideline.

Another allegation that Mr. WEICKER has made is as follows:

> The primary intent of the steel program is to assist companies with pollution control facilities and modernization. Building a new rail mill, a product the company has never before produced, is not modernization.

I would reply in this fashion:

The EDA Steel Industry Guidelines provide in part the following:

> ELIGIBLE PROJECT COSTS
>
> The intent of this program is to finance the physical, financial and technological modernization (including pollution control) of eligible firms in the steel industry. EDA's modernization assistance is directed towards project costs in two major areas:
>
> A. Modernization that will reflect improved profitability; for example, including but not limited to the following:
>
> 1. (Concerns improvements and replacement of obsolete facilities).
>
> 2. Product-related capital and organizational improvements which enhance profitability by improving the quality of existing product(s) or by facilitating production of new product(s).

Since the new rail mill will produce a new product specifically to enhance the profitability of Wheeling-Pittsburgh, it qualifies exactly for EDA funding under the Steel Industry Guidelines. No opposition to the financing guarantees for pollution control are indicated in the allegation, but, for the record, the guidelines specifically cover this kind of project under the eligibility rules.

Mr. WEICKER also says:

> EDA's principal supporting study fo rail capacity within the industry is completely invalid due to unreliable surveys and shoddy analysis.

I would reply that section 702 (Prevention of Unfair Competition) of the Public Works and Economic Development Act, prohibits Federal guarantees of financing which will result in excess domestic capacity (P.L. 89–136, Code Reference 42USCS3212).

Mr. President, the responsibility for determining "domestic capacity" in such cases as this rests, by law, with the Secretary of Commerce. The Department of Commerce, acting under its mandate, undertook an extensive study of domestic capacity for the production of rails, and concluded, in its official report, that the rail mill proposed by Wheeling-Pittsburgh will not result in overcapacity.

The characterization of this legal, official, and extensive report, as "completely invalid due to unreliable surveys and shoddy analysis" is a matter of purely subjective judgment, and is not supported by the evidence.

Mr. WEICKER says that:

> Wheeling-Pittsburgh's Quarterly Statement, dated March 31, 1979, announces to stockholders in bold letters, "We Obtained Commitment For Federal Loan Guarantees of $140 Million." At this time, the Farmers Home Administration, which is being asked for a $50 million guarantee, had not even received the application. EDA has acknowledged that the following statement was attached to each letter of intent sent to Wheeling-Pittsburgh: "You should understand that any financial commitments or other obligations incurred by any party prior to the execution of a Guaranty Agreement by EDA are entirely at the risk of such a party." EDA has stated that the intent of this was to make very clear that there had been no final commitment made by EDA.

Mr. President, Wheeling-Pittsburgh filed a preapplication with FmHA in early 1978. According to our information, on the basis of this preapplication, FmHA issued a letter of intent to Wheeling-Pittsburgh in January 1979. The final application, complete with an application from a bank to serve as lender, as required by law, was filed on May 18, 1979.

Both EDA and FmHA have already indicated to Wheeling-Pittsburgh their intent to guarantee financing upon the satisfaction of certain terms and conditions. In a special hearing of the Subcommittee on State, Justice, Commerce, and the Judiciary, convened by Chairman Hollings to consider this matter, Mr. Dennis Carney, president and chairman of Wheeling-Pittsburgh, testified in part as follows:

> A final point which needs discussion is a statement which was included in our First Quarter Report regarding "commitment" from the two federal agencies to guarantee the financing in question. This statement was included based on letters of intent which we had received from EDA and FmHA. These letters of intent stipulated a series of conditions to the issuance of guarantees. We have, in our judgment, satisfied all of these conditions other than those related to completion of loan documents, security interest, and the like. These are currently in negotiation and preparation. We took these indications from the government at face value as a good faith indication that if Wheeling-Pittsburgh did what it was required to do, guaranteed financing would be forthcoming. Our shareholders report further noted that these loans remain to be finalized and I believe it is clear from the face of that report that we did not have the money in the bank.

In any event, it is not clear how the firmness of an EDA or FmHA commitment to Wheeling-Pittsburgh is at all pertinent to the amendment to be offered, in view of the fact that there is language in the committee report which reads as follows:

> The approval by the Committee of the full amount requested does not constitute approval or disapproval of the Wheeling-Pittsburgh loan guarantee. The Committee holds the EDA responsible for upholding the law, as well as the intent of the program.

A final allegation is that—

> Japanese rail mill equipment is being purchased with $14 million.

I would reply:

> Japanese rail mill equipment is being purchased by Wheeling-Pittsburgh for its projected new plant, because, based upon the company's studies, it would be the most technologically and financially advantageous alternative. The supplier of this equipment is financing the purchase, and assurances have been given by Wheeling-Pittsburgh that none of the Federally guaranteed funds will be used to acquire either foreign equipment or technology.

In conclusion:

The EDA steel guarantee program is for firms which, according to EDA guidelines:

> Do not have reasonable access to regular capital markets and find it difficult or imprudent to use internally-generated funds for financing modernization (including pollution control) of facilities.

This program is designed to help companies with financial problems, but which, in the judgment of the Secretary of Commerce, give a reasonable assurance of repayment. Not only will the Secretary of Commerce not take these requirements lightly in our estimation, but the financial prospects of Wheeling-Pittsburgh and its capacity to service its debt should be left to the Secretary and her supporting staff, and not to subjective opinion otherwise unsubstantiated.

A recent Sunday issue of the Washington Post carried a lengthy story concerning the economic devastation left in the wake of another major steel plant closing in Youngstown, Ohio. Federal assistance to Wheeling-Pittsburgh would be a wiser and more prudent course to follow, than to subject other steel towns such as Wheeling, W. Va.; Steubenville, Ohio; and Monessen, Pa., to the horrors of chronic and massive unemployment and economic stagnation, with the enormous drain on the public treasury, in the form of unemployment compensation and welfare programs, that regularly attend such corporate failures.

Mr. President, I know that my senior colleague wishes to speak on this matter. I will simply close by expressing the hope that the Senate will reject the amendment offered by the distinguished Senator from Connecticut.

How much time does my colleague wish?

Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. Bradley). There are 13 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield as much of the 13 minutes to my colleague as he wishes.

Mr. RANDOLPH. Mr. President, I have listened very carefully to the Senator from Connecticut (Mr. Weicker), as I have listened to other Members of the Senate, Senator Byrd, our majority leader, Senator Heinz of Pennsylvania, and Senator Armstrong of Colorado. I wish to state very calmly but earnestly that Senator Weicker has pursued this matter with diligence. I commend him for that. I hope that the Senate will do what the Subcommittee on Appropriations has done, what the Appropriations Committee has done, and that is to vote against the position the Senator presents in the pending amendment.

I do not want to use a wrong word. I will weigh my words as I use them.

The Senator from Connecticut, in offering the amendment, has made a series of allegations. I think that is not an improper word to use in reference to this situation affecting the Economic Development Administration and the company that he has discussed, the Wheeling-Pittsburgh Steel Corporation.

Senator Byrd and I have placed on the desk of each Senator the answers to the positions taken by the Senator from Connecticut. I hope that Senators—those who are not in the Chamber at this time—through their staff will have the opportunity to read the statement of response which I have indicated is available.

Mr. President, the Senator from Connecticut says that what is being considered by the EDA in reference to the Wheeling-Pittsburgh pending loan guarantee is a Federal intrusion into the marketplace.

Mr. President, it is not an intrusion into the marketplace. There are many programs which the Federal Government uses to assist industry in strengthening itself and preserving the jobs of workers. I give only two examples: the steel trigger price mechanism. I do not find the steel companies who have joined in opposition to the Wheeling-Pittsburgh proposal crying out against that program. Is that an intrusion by the Government in the marketplace? No, it is not. It is the helping hand. That is what this whole debate is about. It is not a handout but a helping hand, a reasoned helping hand, by the Federal Government to assist our Nation's steel industry during a very difficult period.

The second illustration would be the Maritime Administration programs of assistance to companies and shipyards.

These are two areas in which there is the participation, properly, of the U.S. Government in programs which have been decried by implication by the Senator from Connecticut, if his argument holds true. He gives the impression that there is something unusual, something new, is being done when the Federal Government considers a loan guaranty for Wheeling-Pittsburgh.

I strongly support, Mr. President, the provision in the pending bill which would provide an additional $96 million in loan guarantee authority for the Economic Development Administration. To be used for what purpose? For loan guarantees to the steel industry. This authorization is vital to the continuance of the present administration's overall program of assistance to the steel industry. That program has been developed in cooperation with the Members of the Senate who compose the steel caucus, approximately 35 Members, including the able and articulate Senator Heinz, of Pennsylvania, who has spoken. Our steel caucus has worked closely with the administration, labor and management in developing an understanding of the needs of the steel industry. We have cooperated with the House of Representatives steel caucus as well.

Under this program, EDA has six active projects, two of which have been fully or partially funded. There are possibilities of at least three more proposals to strengthen our domestic steel-making capacity. These active and possible projects involve at least 10 States—not 2 or 3 States—and more than 100,000 workers.

I believe these figures convey the scope of the very substantial activity of EDA, a good agency, has undertaken in response to the steel program which as I have said is a cooperative effort of the administration and the Congress of the United States.

The funding of this bill, Mr. President, is essential to the success of this effort.

I commend, of course, the chairman, the very able chairman of the Appropriations Subcommittee on State, Justice, Commerce and Judiciary (Mr. Hollings) and also, the very able veteran chairman of the Appropriations Committee, the Senator from Washington (Mr. Magnuson) for their effective, well-reasoned and right effort in bringing this measure to the Senate.

I express appreciation also to the members of the subcommittee and the full committee.

It is, Mr. President, my firm belief that the Senate should approve the action of its Appropriations Committee. We should not reduce or impose unnecessary restrictions or restraints on the steel loan guarantee program, nor should we attempt to place restrictions or to stop individual projects.

Mention has been made here of Colorado Fuel and Iron. I only come to this point with the able Senator from Colorado present. I listened carefully to every word that was spoken by its president, Mr. Slater at the subcommittee hearing on June 11. Mr. Slater answered a question from Senator HOLLINGS, the chairman of the subcommittee, who asked in essence what would happen if this pending loan does not go to Wheeling-Pittsburgh.

Mr. Slater said, "I think they are going to go down the drain." That is in the record, the exact words that he spoke. Thus, even CF&I recognizes the need for this loan.

The EDA program of which I speak is the program that helps all the steel interests and I do not think this is an appropriate manner of handling this situation; that is, to strike from the program this one individual company, any more than it would be to stop other companies that are being considered for loans. If this body takes on the task of judging specific projects that are being considered by Federal agencies under law and established guidelines, our ability to handle necessary legislative issues, I think, would be destroyed.

Yes, the laws can be changed. The guidelines can be altered. But let us not attempt to make final determinations on individual projects on an appropriations bill. It will be a bad, bad precedent and the consequences could be unending.

With regard to the specific case of Wheeling-Pittsburgh, I endorse the committee's judgment that the decision on this project is a matter to be determined by the Secretary of Commerce and officials of EDA the responsibility for upholding the law, as well as the intent of the programs.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has 1 minute and 8 seconds remaining.

Mr. RANDOLPH. Mr. President, the pending amendment would reduce the limitation on obligations for loans and loan guarantees by EDA. The amendment, as has been said by Senator BYRD and others, is not specific. It is intended to delete the authority required by the agency to guarantee a loan for Wheeling-Pittsburgh Steel Corp., for the construction of a rail rolling mill in Monessen, Pa. It is, therefore, identical in purpose to most of the amendments that are proposed by Senator WEICKER. The Appropriations Committee has considered the matter in depth.

The Appropriations Committee considered this matter in some depth and voted to maintain the EDA steel program at the level requested by the administration as set forth on pages 116–117 of the committee report. The committee found that a judgment in this matter should be left to the Secretary of Commerce.

The Wheeling-Pittsburgh Steel Corporation provides some 14,500 jobs in the States of West Virginia, Ohio, and Pennsylvania. It is attempting to obtain from the Economic Development Administration a loan guarantee of $100 million, and from the Farmers Home Administration a $50-million loan guarantee.

This $150-million financial package proposed for Wheeling-Pittsburgh would be to implement and install pollution control devices on all of the company's plants located in the three states. In addition to the pollution program, the company proposes to construct a mill at Monessen, Pennsylvania, for the production of railroad rails. Company officials advise that they consider this plant essential to future profitability and to the company's ability to finance the pollution control program. The company must implement the pollution control program by 1982 or risk being shut down by the Environmental Protection Agency.

It would appear that the financial package, as proposed by Wheeling-Pittsburgh, fits well within the established guidelines of EDA's special program to aid the steel industry, through assisting the industry in modernizing its plants so that they will be more cost efficient, through the addition of pollution control equipment, and through the guarantee of loans for the necessary capital to facilitate the production of a new product to enhance profitability. Further, Wheeling-Pittsburgh is a major employer which cannot be replaced in the Monongahela and Ohio Valleys and which cannot survive without this assistance.

After exhaustive, specific study, the EDA has determined that the establishment of the railroad rail-producing plant "should have no adverse effects on efficient competing rail mills and that the additional output of rails will be absorbed by increasing demand. Therefore, approval of this project conforms to the requirements of Section 702 of the Public Works and Economic Development Act of 1965, as amended." Moreover, Conrail has written to Wheeling-Pittsburgh indicating that if a new mill is built, Conrail will purchase 20- to 30-percent of Conrail's rail needs from such a mill.

The Federal Railroad Administration supports the need for this new mill, and, in fact, the FRA has given support to the project from the start.

Since July 1977 we have labored on this program of modernization of facilities including pollution control and a new rail mill. Management and labor worked for a constructive future for Wheeling-Pittsburgh. Now as we prepare to vote, I thank those Members from our three States, Senators ROBERT C. BYRD, JOHN HEINZ, RICHARD SCHWEIKER, JOHN GLENN, and HOWARD METZENBAUM.

Our last words, but not the least, are spoken for the knowledge and effort of Phil McGance, our administrative assistant, as he toiled for an equitable solution.

Mr. President, I ask unanimous consent to have printed in the RECORD the response by Senator BYRD and one to which I referred earlier, a memorandum on the question of capacity, a summary of the EDA steel loan guarantee program, and a background memorandum on the Wheeling-Pittsburgh project which was submitted to the Appropriations Subcommittee on June 11.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESPONSE BY SENATORS RANDOLPH AND ROBERT C. BYRD TO ISSUES RAISED BY SENATOR WEICKER

ALLEGATION NO. 1

"1. The loan guarantee violates EDA's own guidelines. Rather than create or save a job for each $10,000 in guarantee, the new rail mill only creates 300 new jobs, or one job for each $210,000 of loan guarantee."

Reply

The EDA steel program guidelines specify the following:

"EDA has a general rule that normally requires a job created or saved for each $10,000 of the loan guaranteed. In recognition of the enormous investment required in the steel industry, EDA may raise this limitation on an individual basis."

The real issue is not just one new rail mill plant, employing 300 people; unless Wheeling-Pittsburgh receives the Federal loan guarantees from EDA and the Farmers' Home Administration, the entire Wheeling-Pittsburgh Corporation will collapse, and a total of 14,500 people will lose their jobs.

Therefore, since a total guarantee of $150 million is sought from EDA and FHA combined, the cost per each job created or saved is just slightly above EDA's $10,000 guideline.

However, the rule in question applies only to the EDA program. Thus, the amount per job involving EDA funds is only $7,000 per job, well below the EDA guideline.

ALLEGATION NO. 2

"2. The primary intent of the steel program is to assist companies with pollution control facilities and modernization. Building a new rail mill, a product the company has never before produced, is not modernization."

Reply

The EDA Steel Industry Guidelines provide in part the following:

"ELIGIBLE PROJECT COSTS

"The intent of this program is to finance the physical, financial and technological modernization (including pollution control) of eligible firms in the steel industry. EDA's modernization assistance is directed towards project costs in two major areas:

"A Modernization that will reflect improved profitability, including but not limited to the following:

"1. (Concerns improvements and replacement of obsolete facilities).

"2. Product-related capital and organizational improvements which enhance profitability by improving the quality of existing product(s) or by facilitating production of new product(s)."

Since the new rail mill will produce a new product specifically to enhance the profitability of Wheeling-Pittsburgh, it qualifies exactly for EDA funding under the Steel Industry Guidelines. No opposition to the financing guarantees for pollution control are indicated in the allegation, but, for the record, the guidelines specifically cover this kind of project under the eligibility rules.

ALLEGATION NO. 3

"3. EDA's principal supporting study of rail capacity within the industry is completely invalid due to unreliable surveys and shoddy analysis."

Reply

Section 702 (Prevention of Unfair Competition) of the Public Works and Economic Development Act, prohibits Federal guarantees of financing which will result in excess domestic capacity (P.L. 89–136, Code Reference 42USC3212).

The responsibility for determining "domestic capacity" in such cases as this rests, by law, with the Secretary of Commerce. The Department of Commerce, acting under its mandate, undertook an extensive study of domestic capacity for the production of rails, and concluded, in its official report, that the rail mill proposed by Wheeling-Pittsburgh will not result in over-capacity.

The characterization of this legal, official, and extensive report, as "completely invalid due to unreliable surveys and shoddy analysis" is a matter of purely subjective judgment, and is supported by no evidence to this effect.

ALLEGATION NO. 4

"4. Wheeling-Pittsburgh's Quarterly Statement, dated March 31, 1979, announces to stockholders in bold letters, 'we obtained commitments for Federal loan guarantees of $140 million.' At this time, the Farmers Home Administration, which is being asked for a $50 million guarantee, had not even received the application. EDA has acknowledged that the following statement was attached to each letter of intent sent to Wheeling-Pittsburgh: 'You should understand that any financial commitments or other obligations incurred by any party prior to the execution of a Guaranty Agreement by EDA are entirely at the risk of such a party.' SDA has stated that the intent of this was to make very clear that there had been no final commitment made by EDA."

Reply

Wheeling-Pittsburgh filed a preapplication with FmHA in early 1978. According to our information, on the basis of this preapplication, FmHA issued a letter of intent to Wheeling-Pittsburgh in January, 1979. The final application, complete with an application from a bank to serve as lender, as required by law, was filed on May 18, 1979.

Both EDA and FmHA have already indicated to Wheeling-Pittsburgh their intent to guarantee financing upon the satisfaction of certain terms and conditions. In a special hearing of the Subcommittee on State, Justice, Commerce, and the Judiciary, convened by Chairman Hollings to consider this matter, Mr. Dennis Carney, President and Chairman of Wheeling-Pittsburgh, testified as follows:

"A final point which needs discussion is a statement which was included in our First Quarter Report regarding 'commitment' from the two federal agencies to guarantee the financing in question. This statement was included based on letters of intent which we had received from EDA and FmHA. These letters of intent stipulated a series of conditions to the issuance of guarantees. We have, in our judgment, satisfied all of these conditions other than those related to completion of loan documents, security interest, and the like. These are currently in negotiation and preparation. We took these indications from the government at face value as a good faith indication that if Wheeling-Pittsburgh did what it was required to do that guaranteed financing would be forthcoming. Our shareholders report further noted that these loans remain to be finalized and I believe it is clear from the face of that report that we did not have the money in the bank."

In any event, it is not clear how the firmness of an EDA or FmHA commitment to Wheeling-Pittsburgh is at all pertinent to the amendment to be offered, in view of the fact that there is language in the Committee report which reads as follows:

"The approval by the Committee of the full amount requested does not constitute approval or disapproval of the Wheeling-Pittsburgh loan guarantee. The Committee holds the EDA responsible for upholding the law, as well as the intent of the program."

ALLEGATION NO. 5

"5. Wheeling-Pittsburgh has a $77 million line of credit which according to its President may be used for future acquisitions."

Reply

Mr. Dennis Carney, President and Chairman of Wheeling-Pittsburgh, testified before the Subcommittee on State, Justice, Commerce, and the Judiciary on June 11, 1979. He stated, indeed, that Wheeling-Pittsburgh is arranging a $77 million revolving credit agreement to replace existing bank lines of credit, in compliance with EDA requirements as a condition of EDA's guarantee of capital financing. However, he distinctly testified that these funds are for working capital purposes only, and cannot be used for acquisitions. Moreover, he stated that Wheeling-Pittsburgh has no plans for acquisitions.

Relevant passages from Mr. Carney's June 11 testimony are included as follows:

"We are in the final stages of completing a loan agreement with a consortium of banks for a $77 million revolving credit agreement. These funds are to replace existing capital bank lines and are only for working capital purposes. The terms of this arrangement provide for drawdown of these funds only as required by Wheeling-Pittsburgh for working capital. Any balance outstanding at the end of four (4) years will convert to a term loan to be retired over an additional three (3) year period. Any company of our size and, particularly one in steel industry, needs standby credit agreements to deal with peaks and valleys in cash flow. These funds are not available and will not be used for long-term capital projects. It is important to note that the $77 million revolving credit agreement is conditioned upon Federal guaranty of long-term financing since the banks are equally cognizant of the threat to our financial stability without the rail mill and a resolution of our environmental problems. Thus, we have the situation where the working capital loans (which are not guaranteed) are dependent upon guaranteed loans and vice-versa.

With regard to EDA, it should be noted that in our negotiations with the agency, they have expressly required that we have such a revolving credit agreement as a condition of the long-term capital loan guarantees. This provides assurance for the Federal government and the insurance company lenders that Wheeling-Pittsburgh will have adequate working capital during the construction period and initial operation of the rail mill and pollution control projects. The revolving credit agreement is not a substitute for EDA assistance, but a necessary companion of it.

". . . These funds are only for working capital for our present operation and will be restricted to this purpose. Wheeling-Pittsburgh has no present plans to acquire any other company. We have been approached recently by several smaller companies which indicated an interest in being acquired, primarily for the managerial capacity of Wheeling-Pittsburgh. We have indicated to all such inquiries that we have no funds for any such acquisitions."

ALLEGATION NO. 6

"6. Japanese rail mill equipment is being purchased with $14 million."

Reply

Japanese rail mill equipment is being purchased by Wheeling-Pittsburgh for its projected new plant, because, based upon the company's studies, it would be the most technologically and financially advantageous alternative. The supplier of this equipment is financing the purchase, and assurances have been given by Wheeling-Pittsburgh that none of the Federally guaranteed funds will be used to acquire either foreign equipment or technology.

CONCLUSION

The EDA steel guarantee program is for firms which, according to EDA guidelines:

"Do not have reasonable access to regular capital markets and find it difficult or imprudent to use internally-generated funds for financing modernization (including pollution control) of facilities."

This program is designed to help companies with financial problems, but which, in the judgment of the Secretary of Commerce, give a reasonable assurance of repayment. Not only will the Secretary of Commerce not take these requirements lightly in our estimation, but the financial prospects of Wheeling-Pittsburgh and its capacity to service its debt should be left to the Secretary and her supporting staff, and not to subjective opinion otherwise unsubstantiated.

A recent Sunday issue of the Washington Post carried a lengthy story concerning the economic devastation left in the wake of another major steel plant closing in Youngstown, Ohio Federal assistance to Wheeling-Pittsburgh would be a wiser and more prudent course to follow, than to subject other steel towns such as Wheeling (W. Va.), Steubenville (Ohio), and Monessen (Pa), to the horrors of chronic and massive unemployment and economic stagnation, with the enormous drain on the public treasury, in the form of unemployment compensation and welfare programs, that regularly attend such corporate failures.

RAIL MANUFACTURING CAPACITY

Section 702 of the Public Works Economic Development Act prohibits the Secretary of Commerce from approving EDA financial assistance to increase production where it is not sufficient demand to employ efficient capacity of existing enterprises. The language of this provision was carefully developed and has been in the law since 1965.

EDA has done an extensive study of demand for rails and the present capacity to produce them. In this study EDA considered estimates of rail demand and productive capacity made by:

1. General Accounting Office.
2. Federal Railroad Administration.
3. Bethlehem Steel.
4. U.S. Steel.
5. Colorado Fuel and Iron.
6. A special defense related study by the Industry and Trade Administration of the Commerce Department.
7. Wheeling-Pittsburgh.

EDA has concluded that efficient capacity to produce rails is approximately 1,125,000 tons per year. Demand for rails is projected at an annual level of 1.5 to 1.75 million tons in the 1983–1985 period. The gap would be partially filled by the rail mill proposed by Wheeling-Pittsburgh without a threat to existing employment. The Wheeling-Pittsburgh rail mill would provide additional competition in what would otherwise be very much a seller's market. In this regard the President of CF&I testified that his company has a monopoly on long length rails.

Key points on capacity:

1. The fuel crisis is creating increases in demand for rail service. Conversion to coal will require new lines and rehabilitation beyond all previous experience.

2. Rehabilitation of U.S. railroads is badly needed. The Wheeling-Pittsburgh rail mill is strongly supported by the Federal Railroad Administration, Conrail and many major railroads.

3. Purchasers of rails are currently on allocation.

4. Rail imports are increasing. Imports increased by a rate of 22 percent annually during the 1974–77. In 1978 over 200,000 tons of rails and accessories were imported.

EDA STEEL LOAN GUARANTY PROGRAM STATUS REPORT AS OF JUNE 12, 1979

Wisconsin Steel Company: Chicago, Illinois. 3,500 jobs in Chicago; 200 in Kentucky; total 3,700 jobs.

Request: $90 million—EDA 90% Guaranty—Maximum Exposure $81 Million.

	Millions
Pollution abatement investments mandated by EPA and OSHA	$23.6
Minimum working capital funds	15.0
Modernization-rehabilitation of steelmaking facilities like blast furnaces, continuous casting equipment, billet reconditioning and finishing and bar finishing equipment	51.4
Total	90.0

EDA needed reserve funds 20% of (8.1 million) $16.2 million.

Status: Final stages of negotiation and processing, EDA final decision on or before July 20, 1979.

Lenders:

Chase Manhattan Bank.

Connecticut General Insurance Co.

Teachers Insurance and Annuity Association of America.

Mutual Benefit Life Insurance Co. of New Jersey.

John Hancock Life Insurance Co.

National Life of Vermont.

Bankers Life of Iowa.

Co-Guarantors with EDA: International Harvester of Chicago, Illinois.

Wheeling-Pittsburgh Steel Corp.: Pittsburgh, Pennsylvania. 14,800 jobs; project location: nine mills at West Virginia, Ohio and Pennsylvania.

Request: $100 Million—EDA 90% Guaranty—Maximum Exposure $90 million.

	Millions
Rail Mill—Monessen, Pa., maximum capacity 432,000 tons	$63.5
Pollution abatement expenditures and investments at Monessen and Allenport, Pa.	36.5
Total	100.0

Status: Besides State of Pennsylvania lending $10 million for rail mill and FmHA $50 million 90% guaranty, $30 million in applicant and suppliers standby funds. Final stages of negotiations and processing. Expecting engineering and technical reports from kDA consultant shortly. Financial and economic analysis almost complete. Preliminary 702 study favorable. Expected EDA decision around July 27, 1979.

Lenders:

Prudential Insurance Company.

Metropolitan Life Insurance Co.

Aetna Life Insurance Co.

Connecticut General Life Insurance Co.

Mutual Life Insurance Co.

Northwestern Mutual Life Insurance Co.

Teachers Insurance and Annuity Association of America.

New York Life Insurance Co.

Massachusetts Mutual Life Insurance Co.

EDA needed reserve funds 20% of $90 million—$18 million.

J&L Steel Corporation: Pittsburgh, Pennsylvania. Project Locations: Pittsburgh and Aliquippa, Pennsylvania; plants in Ohio, Pennsylvania, Illinois and Michigan; 54,000 jobs.

Request: $111 Million—EDA 90% Guaranty—Maximum Exposure $100 Million.

$111 million—Pollution abatement expenditures in two plants in Penna., coke oven batteries, blast furnaces, electric furnaces, water quality, air emission controls, coke oven gas.

$29 million of borrower's funds.

Status: Applicant is involved in negotiations to resolve differences with EPA by means of a consent order with EPA and the State of Pennsylvania. Project analyzed as to technical and engineering feasibility; positive recommendation by EDA consultants. Expected EDA final decision by August 15.

Lenders:

Lending group put together by Lehman Brothers, Kuhn Loeb.

Mellon Bank of Pittsburgh Trustee.

EDA needed reserve funds 20% of $100 million—$20 million.

McLouth Steel Corporation: Detroit, Michigan. 5,000 jobs corporate-wide; (526 at Ironton, Ohio). Project location: Ironton, Ohio (Ironton Coke Corporation, subsidiary of McLouth Steel).

Request: $70 Million—EDA 90% Guaranty—Maximum Exposure $63 million.

Proceeds will be used for the rebuilding of applicant's wholly-owned subsidiary Ironton Coke Corporation's existing No. 3 Battery and rehabilitation of by-product area and required coke oven gas desulfurization and water treatment facilities as is required by federal EPA regulations.

The No. 3 Battery is required by EPA consent order to be shutdown by December 1980 which coincides with the apparent life of the Battery unless extensive rebuilding is undertaken. Metallurgical coke from this Battery is a necessary raw material to be used exclusively by McLouth for its steel production and its overall corporate viability is dependent on an assured and economically feasible source of metallurgical coke.

Status: Applicant is in the process of completing formal application requirements and on March 19, 1979, executed a consent order with EPA, Region 5, agreeing to shut down No. 3 Coke Battery in Ironton by December 31, 1980, or rebuild it inkind. Formal EDA decision on this project is anticipated not later than September 30, 1979.

Lenders: Lending group being structured by First Boston Corporation.

SUMMARY

Needed funds to do these four projects in addition to the Phoenix Steel $10 million for working capital to be part of the already approved $32.2 million leverage lease:

	Millions
Wisconsin Steel	$16.2
Wheeling-Pittsburgh	18.0
J&L	20.0
McLouth Steel	12.6
Phoenix	1.8
	68.6

plus already approved out of Section 203 funds:

	Millions
Korf Industries	$3.825
Phoenix Steel	5.807
	9.632

Total EDA needs: $78,232,000

If the $78,232,000 is available all four projects plus the other half of Phoenix Steel can be approved. This cut back from the $100 million the Agency thought it would have available for this Steel Program under Section 203 would preclude any assistance for Youngstown-Mahoning Valley for which $100 million in loans was being reserved to counter the over $5,000 jobs lost there and further cutbacks expected next year plus Penn Dixie Steel, Kokomo, Indiana; Kaiser Steel, California; or any other applicant. Total job cost ratio for these obligated funds is $862 per job.

WASHINGTON, D.C., *June 11, 1979.*

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, D.C.

DEAR FRITZ: As you know, Dennis Carney, Chairman of Wheeling-Pittsburgh Steel Corporation, will appear before the Subcommittee on State, Justice, Commerce and the Judiciary of the Committee on Appropriations, today, to review Wheeling-Pittsburgh's rail mill and pollution control financing plans and to respond to questions that were raised at last week's hearing regarding the application for a $100 million loan guaranty from the Economic Development Administration (EDA). This letter is to express my strong support for this Wheeling-Pittsburgh program. Since mid-1977, I and other Members of Congress have been working with the company and Federal officials in this effort.

The financing program developed by Wheeling-Pittsburgh in which EDA and the Farmers Home Administration (FmHA) are being asked to participate is essential to the maintenance of this corporation as a major employer in the Ohio and Monongahela Valleys. For a considerable period of time, the jobs provided by Wheeling-Pittsburgh in West Virginia and our neighboring states of Ohio and Pennsylvania have been threatened by the company's marginal financial condition and the possibility of enforcement action by the U.S. Environmental Protection Agency and State pollution control bodies. Through the diligent efforts of the company and many persons in EPA and the State agencies, an agreement was reached on March 19, 1979, for a company-wide pollution control program. Installation of pollution control devices at all of the company's plants over a three and one-half year period is required by this Consent Decree. However, successful future operations of the company depend on the strengthening of its product line in an area in which demand can reasonably be projected. Thus, the company is proposing to construct a rail mill at Monessen, Pennsylvania, for the production of railroad rails.

This facility is essential to the company's future profitability and its ability to finance the pollution control program, which itself will require approximately $85 million.

Federal loan guarantees of $150 million in debt financing are needed to implement this plan—$100 million from EDA and $50 million from FmHA. Approval of these loan guarantees by FmHA and EDA will maintain nearly 5,000 jobs involving West Virginians. The loss of this employment would be calamitous.

I personally appreciate the efforts of the Subcommittee in giving Mr. Carney the opportunity to review this program. I am confident that his testimony will show the full justification for Federal loan guarantees to Wheeling-Pittsburgh and the need to move forward with this vital steel project.

Enclosed is a copy of a more detailed memorandum on this matter.

With sincere thanks for your cooperation and with very best wishes, I am

Truly,

JENNINGS RANDOLPH.

MEMORANDUM

From Senator Jennings Randolph.
Date June 7, 1979.

This memorandum gives a brief background on the pending application for an EDA Loan Guaranty filed by Wheeling-Pittsburgh Steel Corporation. I emphasize that federal loan guarantees by EDA and FmHA for Wheeling-Pittsburgh are extremely important to the areas in West Virginia, Pennsylvania and Ohio where the company operates. The company is a major employer which could not be replaced. Accordingly, I and other Members of Congress, including Senators Glenn and Heinz, have invested considerable personal effort in the development of the plan described below.

BACKGROUND

W–P employs approximately 14,500 people in the Monongahela and Ohio Valleys in the States of Ohio, Pennsylvania, and West Virginia. In the period 1975–1977 the company experienced substantial operating losses which threatened its existence. Over this period requirements under the Water Pollution Control Act and the Clean Air Act became effective which imposed substantial obligations on W–P to control emissions from its mills. The Company was not in a financial position to make the investments required and is delinquent in putting in pollution control equipment required by EPA and the pollution control agencies of the three states in which it operates. Enforcement action by EPA and/or the state agencies against any one of the company's plants could trigger a general cessation of operations. Accordingly, it is essential to the maintenance of the jobs provided by the company that this problem be resolved.

In mid 1977 I and other members of the

Congress concerned with the maintenance of W-P as an employer began working with officials of the company to develop a financing plan involving EDA and FmHA which would permit resolution of its environmental problems and improve its profitability. These efforts subsequently coincided with the issuance of a Report to the President on a Comprehensive Program for Steel Industries prepared by a Task Force chaired by Undersecretary of the Treasury, Anthony Solomon. The report released December 6, 1977 recognized the need for federal assistance to help steel concerns to modernize and put in pollution control equipment required by federal law.

To ensure the future stability of W-P as a producer of steel and major employer, three things are required:

(1) fulfillment of its obligations under applicable air and water pollution control laws and regulations;

(2) the development of new, profitable products; and

(3) a financing plan to accommodate both.

These problems fit with the findings and recommendations of the Solomon Report, particularly the need for comprehensive agreements with EPA and federal financial assistance in the form of loan guarantees to help steel companies finance pollution control and modernization programs.

The EDA Steel Program was a direct descendant of the Solomon Report. The Steel Program consists of a one time program of approximately $500 million in loan guarantees to steel firms to assist in pollution control and modernization. The EDA Steel Guidelines provide for loan guarantees for the following:

Firms with serious financial problems, with little or no access to capital markets;

Firms seeking funds for modernization of plants located in areas of high and rising unemployment or threatened massive layoffs; and

Firms with viable plans for modernization.

EDA guarantees are limited to $100 million for any single company and projects must meet the statutory requirements of the EDA program including a secretarial finding of reasonable assurance of repayment and a finding that any new production capacity does not create over-capacity in the domestic economy.

WHEELING-PITTSBURGH

Wheeling-Pittsburgh is heavily concentrated in the production of sheet which is used primarily in the automobile and appliance industries and is subject to cyclical fluctuations in consumer spending. Therefore, a prime objective of management is a diversification which will lend greater stability to demand for its products. The company has experienced a major overhaul in management in the last three years which has led to sharply improved efficiency. Its manhours per ton of steel produced is below the industry average and the present management has reduced the work force substantially while increasing output. This is the price of an efficient, competitive enterprise. It has led to improved financial performance with four straight profitable quarters.

To accomplish the diversification needed for long term stability, W-P proposes to construct a new rolling mill for the production of railroad rails at Monessen, Pennsylvania. To meet its environmental responsibilities, the company sought an agreement with EPA. To finance both, Wheeling-Pittsburgh has applied for loan guarantees from the Farmers Home Administration ($50 million) and EDA ($100 million).

POLLUTION CONTROL PROGRAM

For the greater part of a year, from the late spring of 1978 through the early part of 1979, Wheeling-Pittsburgh worked earnestly with the Environmental Protection Agency to fashion a plan for meeting pollution control requirements. This was essential because enforcement action against any one of the company's facilities could trigger closings of all of them. Secondly, both the Economic Development Administration and the Farmers Home Administration, which had indicated a willingness to consider loan guarantees for the company, made it clear that a complete and final settlement with EPA was a prerequisite to federal assistance with financing. On March 19, 1979, W-P executed a Consent Decree with EPA which was the first, and to date the only company-wide consent decree between a major steel producer and EPA. This Decree was the result of very long and difficult negotiations. The resultant program requires approximately $85 million in expenditures by the company before the end of 1982.

During these negotiations it was recognized by EPA that in the absence of federal loan guarantees W-P could not finance a program of this magnitude. Accordingly, Section XXV of the Consent Decree expressly conditions the agreement on the issuance of guarantees by EDA and FmHA. A copy of the pertinent provision from the Consent Decree is attached.

DIVERSIFICATION

As I have indicated, to improve its financial stability the company proposes to construct a rail mill for the production of railroad rails as part of its plant at Monessen, Pennsylvania. This is to be a rolling mill which will not add to the company's capacity to produce steel. It will permit the use of some of its existing steel-making capacity for a new product line which is deemed by many to be in short supply. The proposed rail mill is the object of much, if not all, of the criticism of this project which has been voiced in your Subcommittee. Two points need to be made about this project.

First, relative to domestic capacity, there appears to be a substantial shortage of capacity to produce rails, both as to quantity and quality. There are only three other companies in the business presently and they enjoy the benefits of a tight market. As a precondition to a loan guarantee commitment, EDA has conducted a lengthy study of domestic rail capacity and has concluded that the Monessen mill will not create overcapacity. I am sure this study is available to you and the Subcommittee.

Secondly, the Monessen rail mill is inseparably tied to W-P's ability to finance $85 million in pollution control expenditures. The enhanced profitability and, perhaps more importantly, the stability of that profitability which will be provided by the rail mill is an essential part of the financing program since the pollution control expenditures do not generate any additional revenue, but simply permit the company to stay in business.

FINANCING

As these projects took shape, W-P began discussions with EDA regarding a loan guaranty under the Steel Program. EDA indicated a willingness to work toward such a guaranty if the additional financing could be arranged beyond its $100 million limit. Accordingly, the Farmers Home Administration was contacted about loan guarantees under its Business & Industry Program. In addition, the Pennsylvania Industrial Development Authority indicated a willingness to participate. The total cost of these programs is estimated at over $190 million.

The EDA and FmHA guarantees are for 90 percent of outstanding principal and interest. PIDA participation is in the form of a 4 percent loan. As the plan has developed, EDA would guarantee funds for the rail mill and pollution control projects in Pennsylvania and FmHA would guarantee funds for pollution control projects in West Virginia and Ohio. The following breakdown is as follows:

Financing plan

[In millions of dollars]

Rail mill:	
EDA-guaranteed	$63.5
Pennsylvania Industrial Development Authority	10.0
Equity	31.5
Total	105.0
Pollution control:	
FmHA-guaranteed	50.0
EDA-guaranteed	36.5
Total	86.5
Total Federally Guaranteed Funds	150.0
Total State (PIDA)	10.0
Total Equity	31.5

W-P has identified lenders for $150 million in the form of nine (9) major insurance companies subject to issuance of the federal guarantees, such guarantees are, of course, limited to 90 percent of outstanding principal and accrued interest. I am advised that the company has satisfied all of the conditions stipulated by EDA and FmHA for issuance of guarantees other than completion of final documents. The papers needed to complete the transaction are under negotiation and preparation.

AUTHORITY—EDA

The Steel Program is being carried out by EDA under the Economic Development Revolving Fund. For FY 1978 your subcommittee approved the use of $100 million for this fund for the Steel Program. Because of the time required to finalize these complex transactions, EDA has not committed these funds. An extension of this authority is required to maintain the Steel Program. The 1979 Supplemental Appropriation Bill passed by the House would extend this authority for FY 1979. I strongly urge that your subcommittee take similar action.

CONSENT DECREE

(Extract, pages 88–89—Consent Decree U.S. EPA v. Wheeling-Pittsburgh Steel Corporation March 19, 1979.)

XXV. The Defendant has applied for federal loan guarantees in a minimum amount of 140 million dollars ($140,000,000), a major portion of which is to finance the program of pollution control equipment and facilities required by this Decree. Letters of intent to issue such guarantees have been given to the Defendant by the Economic Development Administration, U.S. Department of Commerce (100 million dollars) and the Farmers Home Administration, U.S. Department of Agriculture (40 million dollars) subject to satisfaction of certain contingencies including identification of lenders, development and execution of all necessary loan agreements, and arrangement of equity. As of the effective date of this Decree the loans to be federally guaranteed are being arranged, but have not been closed. The parties to this Decree recognize that the agreement of Defendant to carry out the program of pollution control required herein is dependent upon such federally guaranteed financing. In the event such loans are not arranged and binding federal commitments to guarantee financing in this magnitude are not executed on or before December 1, 1979, this Decree shall be voidable, at the option of the Defendant or the Plaintiff.

STEEL LOAN GUARANTEE PROGRAM

Mr. GLENN. Mr. President, I rise to urge my colleagues to vote in support of the Economic Development Administration's steel loan guarantee program provided for in H.R. 4289, the fiscal year 1979 supplemental appropriations bill. This program provides loan guarantees to steel firms seeking funds for the modernization of steel production and pollution control facilities located in areas of high and rising unemployment. A brief review of events that produced this program demonstrates its merit and need.

In 1977 there were numerous steel plant cutbacks or shutdowns. These cutbacks and shutdowns resulted in the permanent loss of around 20,000 jobs. The loss of jobs while tragic, was only one element of the impact of these plant closings or cutbacks. The impact on the community and region in which steel plants are located was also substantial. Steel plants generate substantial indirect income and employment through their purchases from supplying firms and peripheral businesses. Steel firms also pay substantial amounts of State and local taxes. The impact of a plant closing on a community is much broader than the direct job and income loss and is particularly severe when the bulk of the smaller businesses in a community are heavily dependent on the plant.

The impact was further aggravated because the four plant cutbacks or shutdowns were concentrated regionally. Eight of the 16 plant closings and cutbacks and 78 percent of the resulting job losses occurred in a region which includes parts of the States of Ohio, Pennsylvania, and New York. These affected steel communities have vital interests in retaining their economic viability.

In response to these concerns, President Carter, at the urging of the Senate Steel Caucus, appointed an interagency task force, chaired by the Under Secretary of Treasury, Anthony M. Solomon, to formulate a program for the U.S. steel industry. The task force reported that the U.S. steel industry faced a number of serious problems. The task force concluded that these problems, when taken together, provide a persuasive case for action. Among the factors cited by the task force are the following:

The industry is one of the Nation's largest and is critical to its economy and security;

The present difficulties have created disruptive effects upon communities affected by employment cutbacks and plant closings;

A large reduction in U.S. capacity in this basic industry threatens future problems for the economy;

A worldwide glut of steel capacity continues to exist;

Steel plants concentrated in several Eastern regions face severe competitive problems;

U.S. policies relating to environmental controls and energy impose particularly burdensome obligations on the steel industry, which already faces needs for continuing modernization and capital replacement.

One of the objectives established by the task force was to assist the steel industry in a manner which would stimulate efficiency and to help ease the burden of adjustment to market trends for both industry and labor. Another objective was to provide meaningful incentives for plant and equipment modernization. The task force recognized the need to prevent closings of facilities which could be made viable, and therefore recommend a program of loan guarantees for:

Firms with serious financial problems, with little or no access to capital markets;

Firms seeking funds for modernization of plants located in areas of high and rising unemployment or threatened massive layoffs; and

Firms with viable plans for modernization.

Mr. President, the problems of the steel industry and steel communities are still with us. The case for EDA's steel loan guarantee program is as persuasive now as when President Carter proposed it. I urge the Senate to vote its support of this program that is so important to the stabilization of employment and improvement of the environment in our steel communities.

Mr. WEICKER. Mr. President, I commend both the distinguished Senators from West Virginia on their responses to my amendment. Both Senator RANDOLPH and Senator BYRD have, as in the tradition of the floor of this Chamber, opposed with logic the concept embodied in the amendment now before each one of us.

Mr. HEINZ. Mr. President, I rise on a point of personal privilege.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. WEICKER. Mr. President, I have had placed on the——

Mr. HEINZ. Will the Senator yield on a point of personal privilege?

Mr. WEICKER. I do not yield.

Mr. President, I have had placed on the desks of my colleagues an article which will appear in tomorrow's issue of Forbes magazine.

The headline above the title of that article is, "Wheeling-Pittsburgh Steel is pleading for the Government to bail it out. And some very smart speculators are hoping that Uncle Sam will come through." There then follows the headline of the article, "Lockheed All Over Again?"

It is the last part of the article which I intend to bring to the attention of my colleagues and I am now quoting from it:

> Perhaps Carney's most serious blunder, however, is the language in Wheeling-Pittsburgh's April 27 stockholders' report. It states in text and headlines that the company has "commitments" for $140 million in federal loan guarantees. Neither FDA nor the Farmers Home Administration, slated to provide $40 million of the package, has yet taken final action on the requests. FHA officials, in fact, say that the corporation's loan application was not filed until May 18. Carney admitted to the Senate that the guarantees are still under negotiation. "But I feel we have a commitment," he concluded.
>
> Others think a bit more precision is called for. "Because this loan is so significant for this company, you need a very precise statement of its status," says Joseph Wyman, a steel industry analyst Shearson Hayden Stone. Senator Lowell Weicker (R-Conn.), who has led the criticism of Wheeling's requests, is more direct: "It's a clear securities law violation."
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> At the moment, then, even though the ground has been broken for Wheeling-Pittsburgh's new rail mill, the money isn't there. Instead, there are lots of messy questions that its chairman, once so ready to talk to the press, doesn't seem eager to answer.
>
> Perhaps the biggest question people will ask is: Why should the government, in the interests of protecting a lot of jobs, hand a big fat capital gain to Larry Tisch, Victor Posner and Dennis Carney—who, not incidentally, owns 22,000 shares of Wheeling-Pittsburgh stock? Maybe all those steelworkers deserve retraining or a federal subsidy, but do Tisch, Posner and Carney?

That is the end of the last several paragraphs of the article, the full text of which is on the desk of each Senator.

Regardless of what innuendo has been floated around here, I think the arguments have been presented clearly on both sides—by Senator ARMSTRONG, Senator RANDOLPH, and Senator BYRD. It is a tough question. There is no question about that.

I know what the interest of the Senators from West Virginia is. It is their workers. That is fair enough. Unfortunately, I think their workers are being badly represented by management of the Wheeling-Pittsburgh Steel Co. That is where the difficulty lies, and that is the problem. That is a difficult one to resolve in this Chamber.

For the reasons I have stated, I urge my colleagues to support the amendment.

Mr. President, I yield 3 minutes to the distinguished Senator from Colorado.

Mr. HART. I thank the Senator from Connecticut.

Mr. President, I represent a steel State. The State of Colorado produces steel. I strongly support the amendment of the Senator from Connecticut.

The issue before the Senate is not support for the entire steel industry. It is support for one company, under very special and extraordinary circumstances. This proposal does not have the support of the entire industry. Indeed, the steel-producing company in the State of Colorado strongly opposes it and testified to that effect.

It would be one thing if the Congress of the United States or a Government agency intended to support an entire industry. But to assist, in this very direct way, the immediate financial needs of one company is nothing more nor less than a bailout, and it is not even a bailout for an entire industry; it is a bailout for a single company.

It is the worst possible form of Government involvement in the marketplace and Government interference. It is, in fact, a form of private socialism. It is to say that if a company cannot manage itself and operate in the marketplace in a competitive manner, the Congress of the United States is going to support a Federal agency which is going to bail out that single company, in discrimination against other companies in that industry.

The Colorado Fuel & Steel Co., of Colorado, has spent $85 million in a plant modernization and overhaul program in the last several years.

Essentially, what we are being called upon to do here is to put up public dollars to compete with the private dollars which those far-reaching and far-sighted steel companies have been able to raise and to manage properly.

If we take this step, I think we are taking another step down the road toward more Government involvement in the marketplace on behalf of single companies that happen to get themselves into trouble.

The fact is that there is a surplus of steel rail in this country. This loan will help one company provide jobs for 200 or 300 people, at the most, to compete with companies that are producing steel rail to meet the demands of this country. I think it is an absolutely outrageous act by a Government agency and I hope the Senate will oppose it.

Mr. President, I support Senator WEICKER's amendment. This amendment would reduce by $13 million the supplemental appropriation for EDA's economic development revolving fund. This is the amount EDA is proposing to use to guarantee loans by the Wheeling-Pittsburgh Steel Corp., to allow that company to build a new steel rail mill.

I support the Weicker amendment because the EDA loan guarantee would subvert a basic principle of fairness, by subsidizing one company at the expense of others in the same industry.

The proposal for the EDA loan guarantee is part of the overall Government effort to help the steel industry, on the grounds that the industry is unusually burdened by foreign imports, environmental standards, and other considerations.

Wheeling-Pittsburgh has been having serious financial troubles. Under the guise of the administration's general program of assisting the entire steel industry, EDA has proposed using its economic development revolving fund to bail out Wheeling-Pittsburgh. The form of the bailout would be EDA's guarantee of $63.5 million in loans by Wheeling-Pittsburgh.

The company would use the loans to build a new rail mill, to produce steel rails. This would be a new product for Wheeling-Pittsburgh, which has never made rails. Only from 200 to 300 people would be directly employed in the rail mill. The hope of those proposing the loan guarantees is that this new product would be successful enough to help turn around Wheeling-Pittsburgh's overall financial troubles.

I support Government efforts to make sure we continue to have a strong domestic steel industry, but those measures must be based upon the fundamental principle of fairness in any Government intervention in the free market.

The proposed EDA guarantee of Wheeling-Pittsburgh loans would be unfair. The Government would be bailing out one troubled steel company, by helping to finance a new plant to manufacture steel rails. Thus propped up by the government, Wheeling-Pittsburgh would compete with the existing manufacturer of steel rails, all of whom financed their own operations without assistance from the Government.

One of those existing manufacturers of steel rails is the C.F. & I. Steel Corp. of Pueblo, Colo. C.F. & I. has produced steel rails for many years, and is now just completing a 3-year, $85 million expansion and modernization of its rail mill. C.F. & I. undertook this privately financed expansion on the assumption that the Government would continue to treat fairly and equitably all producers of rails. Now, however, EDA is proposing to help another steel company begin making rails in competition with C.F. & I. This is patently unfair.

Mr. President, there are a number of other arguments against the EDA loan guarantee. There is substantial question whether the loan guarantee in fact complies with the guidelines for EDA assistance. There is question about Wheeling-Pittsburgh's ability to repay the loan. Wheeling-Pittsburgh's new rail mill would employ only about 200–300 people. The Government-subsidized entry of Wheeling-Pittsburgh into the rail business could well create an excess of supply of rails, harming the existing rail manufacturers and Wheeling-Pittsburgh.

Senator WEICKER has forcefully presented these and other arguments against the EDA loan guarantee. I endorse his very capable explanation of the many reasons to oppose the loan guarantee.

Even without these other arguments, however, I would oppose EDA's plan to bail out Wheeling-Pittsburgh. Putting the taxpayers' money behind a single company is an unfair and inequitable intervention by the Government in private enterprise. For that reason alone, even without looking at the other arguments against the EDA loan guarantees, my colleagues should be persuaded to support the Weicker amendment.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Forty seconds.

Mr. HEINZ. Mr. President, I rise on a point of personal privilege and assert my rights under rule XIX.

Mr. WEICKER. Mr. President, I ask unanimous consent that the full text of the article in Forbes magazine be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOCKHEED ALL OVER AGAIN?

Senator Jennings Randolph (D-W. Va.) has both hands on a shovel, while Wheeling-Pittsburgh Steel Corp. Chairman Dennis Carney stands beside him smiling. The occasion was a groundbreaking late in March for the company's new rail rolling mill just south of Pittsburgh.

The picture graces Wheeling's current quarterly report to stockholders, but despite its happy faces there is still no answer to one very important question: Where's the $105 million coming from to pay for the mill? It is impossible for Wheeling, a marginal company at best, to raise money without help. Early last year, in fact, the firm was so capital hungry that it sold $8.7 million in preferred stock to its own employees.

Carney, who came to Wheeling-Pittsburgh in 1974 after 32 years at U.S. Steel, thinks a move into railmaking is essential for his $1.2 billion-a-year company. Aside from overextended LTV Corp., it has the weakest balance sheet among the integrated steel giants and the heaviest dependence on cyclical flat-rolled products. To pay for diversification plus $86 million in mandatory pollution-control gear, Wheeling needs $140 million in federal loan guarantees.

To put that request in perspective, the total market value of Wheeling-Pittsburgh's equity is less than $75 million. With spotty earnings, the company can't go to the banks. So Carney headed for Washington, reminding the politicians that his plants provide nearly 15,000 jobs. Shades of Lockheed! The difference, of course, is that with refinancing the aerospace giant was a safe bet to become profitable again. There is no assurance that Wheeling-Pittsburgh's aging mills can ever be fully competitive.

Already, the issue of whether to aid Carney's company has sparked two unusually contentious Senate hearings. A Wheeling spokesman says its chief executive is now "on vacation" and unable to answer further questions, but among the issues raised are the following:

Other steel companies already in the rail business claim that Wheeling's subsidized entry amounts to unfair competition. This is aggravated, they argue, because the industry appears to be heading into a period of overcapacity that government studies ignore.

Wheeling's stock price has more than doubled in the past six months, and some of Carney's statements to the press hint that as soon as its loan guarantee is approved the company will be acquired, perhaps by a foreign firm.

In its April report to stockholders, Wheeling said that "commitments" for the loan guarantees were in hand. In fact, neither agency involved has yet taken final action on the corporation's requests, and in one instance no formal application was filed until mid-May.

Recent legislation linked to trigger-pricing of steel imports also created a special loan guarantee program for the industry. This is the fund Wheeling-Pittsburgh would like to tap into, though so far other major producers have shied away. "They think it's the foot in the door to federal control," says one trade association official.

* * * largest steelmaker, is asking for the maximum amount of assistance it can get, and the three firms that now make steel rails—Bethlehem Steel, Crane Co.'s Colorado Fuel & Iron and U.S. Steel—have organized a lobbying effort to challenge Carney's diversification. "We didn't wait for a handout; we went to the private sector for our money," says CF&I President Robert Slater. "Now we're being penalized for it." CF&I is paying 12% interest on its recently completed $85 million rail-mill modernization project; Wheeling, which can't borrow without federal help, plans to finance its new facilty for 10%.

By contrast, competitors don't object to Wheeling's bid for guarantees to buy pollution control equipment. That's why Carney states his funding requests shrewdly: Wheeling needs the rail mill, he explains, to provide cash flow to service the pollution loans. Without the whole package, the company is likely to be forced out of business during the next steel slump.

That threat frightens politicians—most importantly West Virginia's Senator Randolph. Nearly 5,000 residents of his state work for Wheeling-Pittsburgh, and Randolph's Public Works Committee oversees the Economic Development Administration, a Commerce Department agency that runs the steel aid program. Already, EDA officials seem to have the company's best interest in mind. Before backing the Wheeling-Pittsburgh requests, EDA must find that there is a need for a new railmaking plant. To bolster that case, its "independent" study cited eight outside estimates of current nationwide capacity, accepted the lowest one and reduced it by 20 percent.

With such friendly treatment from the bureacrats, it isn't surprising that Wheeling-Pittsburgh's stock is rising. Aided as well by a robust demand for steel, its shares have spurted from 9 late last year to nearly 19 today—a greater percentage gain than any other integrated producer. Through Loews Corp., investor Lawrence Tisch has owned 25 percent of the company for nearly five years, but recently two other outsiders have accumulated major positions: Wedbush, Noble, Cooke, Inc., a Los Angeles brokerage firm has held 8 percent and Victor Posner, the slumlord-turned-corporate-raider has 5 percent. "You've got nearly 40 percent of the stock in weak hands, held by people who bought in at substantially below today's price," explains a Manhattan merger lawyer. "Add to that an $80 per share book value with the possibility of solid 10 percent financing, and this is an obvious takeover target for somebody."

The leverage potential is tremendous. During the 1974 boom Wheeling-Pittsburgh earned close to $20 a share, but was in the red two of the next three years and barely broke even during the third. With cheap government financing, profits could soar even higher in another strong steel market. Recently, Carney has cut employment by 4,000, and the new loans would increase total capital by nearly 50 percent. Long run, the prospects aren't good, but long run the big speculators may no longer be in the picture.

One problem is that Carney, apparently out to achieve two incompatible objectives, has been putting his foot in his mouth. He helped push up the company's stock price this spring in interviews with *Business Week* and the *Wall Street Journal* when he claimed Wheeling was being courted by unnamed foreign suitors. * * * On the strength of forthcoming loan guarantees, Carney boasted, Wheeling negotiated a supplemental $77 million bank credit line, some of which would be used for acquisitions. When Senate questioners asked why the government should guarantee loans to a company that could borrow freely to pay for diversification, Carney claimed he'd been misquoted.

Perhaps Carney's most serious blunder, however, is the language in Wheeling-Pittsburgh's April 27 stockholder's report. It states in text and headlines that the company has "commitments" for $140 million in federal loan guarantees. Neither FDA nor the Farmers Home Administration, slated to provide $40 million of the package, has yet taken final action on the requests. FHA officials, in fact, say that the corporation's loan application was not filed until May 18. Carney admitted to the Senate that the guarantees are still under negotiation. "But I feel we have a commitment," he concluded.

Others think a bit more precision is called for. "Because this loan is so significant for this company, you need a very precise statement of its status," says Joseph Wyman, a steel industry analyst at Shearson Hayden Stone. Senator Lowell Weicker (R-Conn.), who has led the criticism of Wheeling's requests, is more direct: "It's a clear securities-law violation."

At the moment, then, even though the ground has been broken for Wheeling-Pittsburgh's new rail mill, the money isn't there. Instead, there are lots of messy questions that its chairman, once so ready to talk to the press, doesn't seem to eager to answer.

Perhaps the biggest question people will ask is: Why should the government, in the interests of protecting a lot of jobs, hand a big fat capital gain to Larry Tisch, Victor Posner and Dennis Carney—who, not incidentally, owns 22,000 shares of Wheeling-Pittsburgh stock? Maybe all those steelworkers deserve retraining or a federal subsidy, but do Tisch, Posner and Carney?

The PRESIDING OFFICER. The Senator from Pennsylvania has called the Senator from Connecticut to order. He must sit down and may not proceed without leave of the Senate, pursuant to rule XIX.

Mr. HEINZ. Mr. President, under the rule, I ask that the words of the Senator from Connecticut be read back to the Senate.

The PRESIDING OFFICER. The Official Reporter will read back the words of the Senator from Connecticut.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. There is no quorum call involved.

Mr. ROBERT C. BYRD. There is no quorum call.

Mr. President, I ask unanimous consent that Mr. WEICKER may be allowed the privilege of proceeding to speak. The rule has been put into effect. But I hope that what has been said will be forgotten. The Senator has been asked to take his seat. I hope he will be permitted to continue to speak and we will get on with the debate and forget about what was said 5 or 10 minutes ago and look forward. I make that request.

Mr. HEINZ. Mr. President, reserving the right to object, the majority leader was absent during the remarks of the Senator from Connecticut, and I rose on a point of personal privilege, because I take considerable exception to his characterization of the junior Senator from Pennsylvania.

I have not heard, and I do not expect to hear, frankly, from the Senator any willingness to remove those remarks from the record; therefore, I am going to insist on my right to have the exceptional material read to the Senate and then I will move to have it stricken from the record.

Mr. ROBERT C. BYRD. Mr. President, may I say that with all due respect to both Senators I do not share the viewpoint that was expressed by the distinguished Senator from Connecticut (Mr. WEICKER). I do not share that at all. I can understand the umbrage that the distinguished Senator from Pennsylvania has taken, and I imagine if the shoe were on the other foot the Senator from Connecticut would feel the same way, in which event I would be taking the floor to ask that the Senator from Pennsylvania be allowed to continue. But the Senator may ask unanimous consent or I will be glad to ask unanimous consent that the language be stricken from the record.

Many times many of us say things in the heat of debate here that we later would just as soon we had not said, and I hope the Senator will not object to my request, and I hope neither Senator will object to my request.

The Senator from Connecticut has spoken. He knows what he has said. The Senator from Pennsylvania rightly takes umbrage. I do not agree with the Senator from Connecticut, but I would like to see the matter stricken from the record. I would like to see the Senator from Connecticut be permitted to continue to speak and let us all shake hands and proceed.

Mr. HEINZ. Mr. President, further reserving the right to object, my understanding of the Senator's unanimous-consent request is that it does nothing to remove the exceptionable material from the RECORD.

Mr. ROBERT C. BYRD. No. I was going to add that. I was going to add that the material to which the distinguished Senator from Pennsylvania has taken exception, has taken umbrage, be stricken from the record and that the Senator from Connecticut be allowed to proceed.

Mr. WEICKER. Mr. President, I ask unanimous consent that I might participate in this dialog.

Mr. ROBERT C. BYRD. Mr. President, the Senator may reserve his right to object and participate.

Mr. WEICKER. I ask unanimous consent that I might be able to participate in this discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I suggest a way that might resolve this matter in a very amicable way. If, indeed, the Senator from Pennsylvania takes umbrage at my remarks, and I would if I were he, then I think it is also clear——

Mr. ROBERT C. BYRD. I think we are making progress.

Mr. WEICKER. I think it is also clear that I took umbrage to comments made by him impugning my integrity. I suggest, in other words, if those comments were removed, then my comments could be removed and we start right back at square No. 1.

Mr. HEINZ. Mr. President, reserving the right to object.

Mr. ROBERT C. BYRD. May I say in defense of the Senator from Pennsylvania I did not read that at all in what the Senator from Pennsylvania said.

Mr. HEINZ. May I respond?

Mr. ROBERT C. BYRD. The Senator should respond.

Mr. HEINZ. Perhaps the Senator from Connecticut perceived in my remarks something that was not there. The fact is, Mr. President, and I say to my good friend from Connecticut that Wheeling-Pittsburgh is not an international conglomerate with offices, it turns out, in New York City even.

If the Senator from Connecticut feels that in any way I was impugning his integrity, I am perfectly willing to withdraw any such remarks from the Record, and I apologize to him without being asked to do so.

Mr. WEICKER. I think that is exceedingly gracious of the distinguished Senator from Pennsylvania and my remarks, as correctly pointed out by the distinguished Senator from West Virginia, were made in the heat of argument. I think the one thing we all treasure on this floor the most is our character and our integrity. That is obviously why the distinguished Senator from Pennsylvania drew umbrage at my remarks and indeed I at his.

So I would suggest that those portions of my remarks that relate to his character be expunged from the Record and as a part of our amicable understanding, that those comments preliminary to the factual material attested to by the Senator from Pennsylvania also be removed from the Record.

Now, that is my perception of the matter, and I am sure that right or wrong what counts now is the perception of the matter by the Senator from Pennsylvania and myself, and I am perfectly satisfied to have my comments expunged.

Mr. ROBERT C. BYRD. Mr. President, I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. All time has expired on the amendment.

The question is on agreeing to the amendment of the Senator from Connecticut. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Wisconsin (Mr. NELSON), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG) is absent on official business.

Mr. BAKER. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER), are necessarily absent.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 29, nays 59, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—29

Armstrong
Bellmon
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Cohen
Dole
Garn
Hart
Hatch
Hatfield
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Proxmire
Pryor
Schmitt
Simpson
Talmadge
Thurmond
Wallop
Warner
Weicker
Zorinsky

NAYS—59

Baker
Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Danforth
DeConcini
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Goldwater
Gravel
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Levin
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stafford
Stennis
Stewart
Stone
Tsongas
Williams
Young

NOT VOTING—12

Culver
Glenn
Inouye
Leahy
Long
Mathias
Matsunaga
Nelson
Pressler
Stevens
Stevenson
Tower

So Mr. WEICKER's amendment (No. 270) was rejected.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

UP AMENDMENT NO. 300

Mr. MELCHER. Mr. President, I call up an amendment which I have at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 300:

Page 28, after line 14, insert:

The PRESIDING OFFICER. The Senate is not in order. Will Senators wishing to converse retire from the Chamber? The Senate will be in order.

The clerk will proceed.

The legislative clerk read as follows:

Page 28 after line 14 insert: Community Services Administration.

In addition to the amount warranted for activities under the Community Services Act through section 101(a) of the joint resolution of October 18, 1978 (Public Law 95-482), $4,226,000 shall be made available for emergency energy conservation services under section 222(a)(5).

Mr. MELCHER. Mr. President, the public law that has been cited of October 18, 1978, was a continuing resolution. In that joint resolution, $21 million was allocated to CSA for this purpose. An additional $4.2 million is necessary now, and is contained in the amendment. I have been advised by the Congressional Budget Office that no fiscal 1979 outlays would result, and there is sufficient budget authority in fiscal 1979 for this amount.

I urge the Senate to accept the amendment. I have discussed it with the management——

The PRESIDING OFFICER. If the Senator will withhold, the Senate is not in order. The business of the Senate is being interrupted. The Senate will be in order.

The Senator may proceed.

Mr. MELCHER. Mr. President, I have discussed the amendment with the chairman of the Appropriations Committee and the ranking minority member of the Appropriations Committee, and I hope it can be accepted.

Mr. MAGNUSON. Mr. President, this amendment does not include the outlays for fiscal 1979.

Mr. JAVITS. Mr. President, will the Senator use his microphone?

Mr. MAGNUSON. It seems to me a good amendment on research, the development of appropriate technology for solar panels and windmills, primarily for smaller scale use. Acceptance of this amendment would make funds available for the National Center for Appropriate Technology, which has been doing some fine work.

If the Senator from North Dakota agrees, I would be glad to accept the amendment.

Mr. YOUNG. This is a meritorious amendment, and I am willing to accept it.

Mr. MELCHER. I thank the Senator.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from North Dakota yield back the remainder of his time?

Mr. YOUNG. I do.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MELCHER. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, several Senators have asked how many more amendments there will be to the bill. I could not tell them exactly, but the Senator from Minnesota has a very important amendment. There has been some discussion between the Senator from New York and myself on another matter; that is, with both Senators from New York.

Mr. JAVITS. If the Senator will yield, I would like to lay before the Senate an amendment dealing with the problem of people not believing that we have an oil shortage, and how to try to reassure them that we indeed do, whenever the Senator is ready for it.

Mr. MAGNUSON. I think we can take care of that in the conference.

Mr. President, I do not know of any other amendments other than I have stated. Perhaps the Senator from Kansas does.

Mr. DOLE. The Senator from Kansas has one matter that we can do through colloquy. In addition, the Senator from Kansas and the Senator from Maine have been working on an amendment to the extent of increasing funds by $1 million or so for registration purposes. Then the Senator from Kansas will have an amendment which provides that none of the funds in this act will be used to enforce voluntary wage and price guidelines.

Mr. MAGNUSON. Does the Senator from Kansas have an amendment which is legislative in nature?

Mr. DOLE. A limitation on the use of funds is all that it is.

Mr. MAGNUSON. As the Senator describes it, it appears to be legislation.

Mr. DOLE. It is a very brief amendment. The one on selective service is simply to increase from $600,000 to $1.1 million. We are prepared to offer that amendment now. On the other one, I will read the amendment to the chairman.

The PRESIDING OFFICER. The Chair will point out that the Senator from Minnesota has been seeking recognition.

Mr. MAGNUSON. We will discuss the amendment of the Senator from Kansas later.

The PRESIDING OFFICER. The Senator from Minnesota.

UP AMENDMENT NO. 301

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. BOSCHWITZ), for himself and Senators GARN, MOY-

NIHAN, PRESSLER, LEVIN, JEPSEN, HATCH, ARMSTRONG, WEICKER, JAVITS, and SCHWEIKER, proposes an unprinted amendment numbered 301.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 9, strike the figure "$103,035,000" and insert in lieu thereof "$108,910,000".

On page 14, line 21, strike the figure "$7,500,000" and insert in lieu thereof, "$17,200,000".

On page 37, line 8, strike the figure "$58,357,000" and insert in lieu thereof "$30,641,000".

The PRESIDING OFFICER. Will the Senator state whether this is the amendment on which he has 1 hour of debate reserved or is it the one on which he has 2 hours?

Mr. BOSCHWITZ. Mr. President, I believe 1 hour will be adequate, a half hour to each side.

The PRESIDING OFFICER. That is agreed.

Mr. BOSCHWITZ. Mr. President, I am proposing an amendment for the purpose of bringing immediate aid to the Indochinese boat people. I am joined in this amendment by Senators GARN, MOYNIHAN, PRESSLER, LEVIN, JEPSEN, HATCH, ARMSTRONG, WEICKER, JAVITS, and SCHWEIKER, and perhaps others.

The additional aid would be accomplished, Mr. President, by deleting $27,716,000 in technical assistance funds used by the United Nations and their agencies, and adding $15,575,000 to finance refugee programs. Both of these programs have fiscal 1979 outlays of approximately $7.2 million. All of us are aware of the tragedy, the human tragedy, which is taking place in Southeastern Asia.

Yesterday the Washington Post spent a great deal of its time and effort on this tragedy in an article entitled "Exodus Without End." That is really what it is. Thousands and thousands of refugees are being driven from Vietnam each month. The free world is currently only finding homes for about 10,000 a month. Seven thousand of those are coming to the United States. Thus far, the United States has made a home for over 200,000 Indochinese refugees, more than any other nation. Indeed, twice as much as all other nations combined. But these statistics make it painfully obvious that our current efforts are insufficient, as the swelling number of stranded refugees increases on the oceans of the Far East.

Nearly a quarter of a million Indochinese have already died in this mass exodus, and many estimate that half of those who set out in boats do not reach their destinations but are gathered in by the seas.

On June 19 the Senate passed, as you know, by a vote of 98 to 0, a "Sense of the Senate" resolution calling upon the United Nations to immediately convene an emergency session to deal with this crisis. Today, I am proposing that the Congress go one step further and appropriate additional necessary funds so that we can respond with a more definitive and a more generous action. The United States must act, and must act now.

The Attorney General currently has authority to parole in 8,000 Indochinese refugees per month. However, funding is available to admit only 7,000 of these people. So increasing the fiscal year 1979 appropriation would allow those additional 1,000 people to come to the United States. That increase would save an additional 1,000 lives per month.

The voluntary organizations who are seeking to perform these great tasks of helping refugees throughout the world have just plain run out of money. Indeed, they have gone out and borrowed money. We are called upon to help them. However, because of the budget outlay ceilings for fiscal 1979, no funds are currently available to meet these emergencies.

I know many Senators have had similar frustrations knowing that a real crisis exists and not being able to act swiftly enough to help those in need. This amendment allows us to do just that. I am proposing to amend the fiscal year 1979 Supplemental Appropriations Act, H.R. 4289, by deleting approximately $28 million from the technical assistance funds used by the United Nations and their agencies and adding approximately $15 million in budget authority to finance the refugee crisis.

This will take care of our budget problem by immediately freeing up $7.2 million dollars in outlays which provides us with the funds to act now, rather than later. Payment of the technical assistance funds is not required until December 31, 1979. Therefore, the funds may be appropriated in fiscal year 1980 and payment still made in a timely fashion, and before going into arrears.

It is not my intention—and I want to make it adequately clear—to eliminate or to oppose those technical assistance funds for which I have previously voted in this Chamber. Rather, this obligation can be met in fiscal year 1980 so as to enable us, today, to meet the needs of these unfortunate people stranded on the Indochinese seas.

Mr. President, I have often felt, since I have come to this body, that my being here is the embodiment of the American dream. I believe that I am the only refugee in this body. When I was 5 years old, my father had the foresight to come to this country. Unfortunately, most of my relatives did not have that foresight and perished in the Second World War. My father gave hundreds and hundreds of affidavits to other immigrants even though, if those immigrants had become public charges, he would have become responsible. There was no way that he could have met the obligations of even one or two of them. Fortunately, none of them ever did become public charges.

Mr. President, I do not need to remind the Members of this body that we are a nation of immigrants, that the great strength of our Nation is through its immigrants—through the desire and challenge that an immigrant brings to this country. Perhaps because of my background, and perhaps because of my heightened sensitivity, I propose this amendment. But, Mr. President, I point out at the same time, that while some people are concerned about this aspect of American foreign policy, I am not concerned at all because no country has done for immigrants what this country has done.

It is with deep personal conviction that I introduce this amendment. These Indochinese refugees, Mr. President, cannot wait until fiscal year 1980.

I ask unanimous consent that the following chart prepared by the Congressional Budget Office, which shows the budget impact of my amendment, be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET IMPACT

[Fiscal year 1979; in thousands of dollars]

Function 150	H.R. 4289	Boschwitz amendment	Net change
Ch. IV—Foreign Operations:			
Migration and refugee assistance:			
Budget authority	103, 035	108, 910	+5, 875
Estimated outlays	41, 214	43, 564	+2, 350
U.S. emergency refugee and migration assistance:			
Budget authority	7, 500	17, 200	+9, 700
Estimated outlays	3, 750	8, 600	+4, 850
Ch. IX—Department of State:			
Contributions to international organizations:			
Budget authority	58, 357	30, 641	−27, 716
Estimated outlays	15, 173	7, 967	−7, 206
Net budget impact:			
Budget authority			−12, 141
Estimated outlays			−6

Mr. YOUNG. Will the Senator yield?

Mr. BOSCHWITZ. I yield to my colleague from North Dakota.

Mr. YOUNG. Mr. President, I rise to support this amendment. What is happening over in Southeast Asia to these hundreds of thousands of Vietnamese having to flee their country, many of them dying at sea and refused entry into another country. This is one of the most tragic things that has occurred in my time.

I have a special personal interest, too. In December 1969, my youngest son and his wife, having no children, adopted a little Vietnamese boy, 3½ years old—he is 13 now—and a little girl in April of 1970. She was 5 months old then, and is 9 years old now. They are both very loving children. The little boy's name is Than John Young and the little girl's name is Anh Lee Young.

When the little boy goes to bed at night, he goes all by himself, always at about 8 o'clock, he likes to have someone tuck him in. He always says how much he loves his parents and the person who tucks him in bed. He watches television, and one night this week, he told his daddy, "If it hadn't been for you, I probably would have been with the refugees." When he was adopted he was in an orphanage. He was terribly undernourished. He had only little stubs for teeth.

So I support this amendment.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that these three amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Will the Senator yield?

Mr. BOSCHWITZ. I yield to Senator DOMENICI, who has asked to be a cosponsor.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be shown as an original cosponsor of the Boschwitz amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I shall not take long, if the Senator will yield me 2 minutes.

Mr. BOSCHWITZ. Certainly.

Mr. DOMENICI. I want to commend the Senator, obviously, for the amendment, but more importantly, for what he said on the floor today. I think what he has said is as important as the amendment. What really makes his words important is that he has seen a way here to carry out in the Senate, in a small but meaningful manner, how he feels, the strength of his convictions. He wants this country to help some other people who need help because, as I understand it, he feels it has helped him as an immigrant and been very open to him and his ability to get ahead and achieve, and he wants to take this opportunity to share that, not only with his fellow Senators, but with the world.

The Senator knows I feel much as he does. I am not an immigrant, but both my mother and father were, as I have said before. They both came directly to New Mexico from Italy. My father never learned to write in English, but was a successful American, educated his children beautifully, and ended up with one of them here, in the Senate.

I understand the terrible plight of those who are victims that the Senator has spoken of, but I want to make a point, also. It is so infrequent that America tells the world the good things it does. If we listened around the world to the propaganda, you would think we are not a very good member of the world community, that we kind of hurt people. That is what they always say about this great country. Yet what the Senator has said is that we have done more for these immigrants that he is speaking of than all the countries of the world to this point, if I understand what he has said.

I thank him for telling the Senators that and telling America that and I think America ought to begin telling the world that a little bit—not in a prideful spirit, but rather in the reality that America is generous, even when we are having hard times. For that I am most appreciative, that the Senator would call that to everyone's attention again. I hope we start telling people about it, for we are a generous people.

I thank the Senator.

Mr. BOSCHWITZ. I quite agree with my colleague. Indeed, our country has been generous, has always been generous to our friends and enemies alike. In this case, twice as many of these immigrants from around the world have come to our shores as to all of the other countries in the world combined.

I yield to my colleague from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator's yielding. I want to compliment him on the amendment he has offered, which I think is an extraordinarily important amendment, far more important than the dollar amount of it would suggest.

A few weeks ago, I guess about 2½ months ago, I had occasion to become interested in the fate of a Cambodian family, which had, after some years in Cambodia, found its way out to Thailand. It was threatened with being returned to that country, where it was threatened, at least it was believed by those in a position to know, that this family would be imprisoned or put to death, as some hundreds of thousands of people have been in Cambodia. As a result of that experience, I became interested in the refugee process, and I must say I was appalled by the circumstances in which hundreds of thousands, truly millions of people, in Southeast Asia find themselves and how primitive, really, the resources available to them are and how desperate their plight has become. That is the background.

I picked up the paper a few days ago on Saturday morning and saw the dreadful statement that a large number of these refugees might actually be forced out to sea and then perhaps shot on sight if they attempt to flee to safety again. I began to investigate the role of the United States and what our country is doing to aid the refugees. I must say that I was dismayed when I discovered that there is legal authority to bring refugees to this country, who, nonetheless, could not come for lack of funding. So it occurred to me that perhaps I would offer an amendment of the kind that is now before us. I discovered very quickly, as I looked into that possibility, that our colleague and friend from Minnesota had been more farseeing than I and was already well down the pike in preparing the amendment he has now presented. I just say this by way of background.

I think this is an amendment that goes to the heart of what this country is all about. I really do congratulate the Senator for bringing this to us and I hope it will be unanimously adopted by the Senate.

Mr. JAVITS. Will the Senator yield?

Mr. BOREN. I yield to my colleague from New York.

Mr. JAVITS. Mr. President, the State Department has some reservations about this amendment. I have none. I am with the Senator. I have already gone on record on that. I think it would be useful to the RECORD to answer some concerns already answered in the Senator's "Dear Colleague" letter, in which the Senator makes it clear that these are funds not due until December 31, 1979, for U.N. programs; and we have the time to supply them, whereas the refugees are going to perish while we wait.

I would like the Senator to account in the RECORD why it is necessary to deduct $27 million in order to get $15 million. I know the explanation, but I think it is desirable to have that made clear.

Also, I think the Senator should include—or I will include, as part of my remarks—the lead editorial in the New York Times today, doing exactly what the Senator says we should do with respect to our own position, in taking a fair share of the refugees of this awful tragedy. The editorial is entitled "Where Will the Numbers End?" I ask unanimous consent to have it printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE WILL THE NUMBERS END?

The refugees pouring out of Indochina have finally stimulated international action to slow down their expulsions, to alleviate their misery in transit and, most important, to find them new homes. But until the appropriate conferences are held—and several countries would be content to see them drag indefinitely—something must be done for the drifting thousands.

The United States has accepted more of these exiles—215,000—than any other country, with the possible exception of China, which says it has taken 240,000. Among the major countries that could be expected to help, the record of admissions of Indochina refugees since 1975 looks like this:

France—52,000;
Australia—20,800;
Canada—12,000;
Hong Kong—3,000;
United Kingdom—1,900;
Switzerland—1,500;
Belgium—1,240;
Norway—1,060;
New Zealand—1,000; and
Taiwan—1,000.

Japan is reported to have accepted one.

About 300,000 more refugees are at this moment stuck in camps—and much worse places—in Thailand, Malaysia, Hong Kong, Indonesia and elsewhere. Every person admitted now to an industrial nation would save yet others elsewhere. For by raising their quotas, the advanced countries could encourage Thailand and Malaysia to slow down the brutal expulsion of refugees.

The United States has been asked by the United Nations High Commissioner for Refugees to double its quota of 7,000 admissions a month; it is said to be considering taking 10,000. Even so, the widely-mentioned "average" of 7,000 disguises slowdowns. Only 4,000 refugees were received in March and April and 5,000 in May, when Congress took its time providing the money.

France, pleading economic trouble, wants to lower its quota of 1,000 a month. West Germany may not hold to its 250. Japan's resistance is simply shocking. There will be time enough to pressure less wealthy nations into lending a hand. There will be time as well to condemn those who caused such misery and to examine the nature of their crime. But first, the United States and others must hurry to make room for more.

Mr. BOSCHWITZ. In answer to the Senator from New York, because of the spend-out being 26 percent in the case of technical assistance to the United Nations, and the spend-out being 50 percent in the case of the President's emergency fund, and the spend-out being 40 percent in the case of the U.S. refugee assistance, the difference in budget authority yields the same amount of budget outlays.

Mr. JAVITS. And the intention of the Senator from Minnesota is that whatever we owe the U.N. should be paid?

Mr. BOSCHWITZ. My intention is that whatever we owe the U.N. should be paid.

Mr. JAVITS. I thank the Senator.

Mr. BOSCHWITZ. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Minnesota for yielding and for his efforts.

It seems to me that the Senator from Minnesota is on the right track, particularly in view of the explanation just given to the distinguished Senator from New York.

The Senator from Kansas today has introduced a concurrent resolution, together with Representative SOLARZ, of New York, touching on the same issue. I hope that by unanimous consent we can agree to add the following language to the amendment of the distinguished Senator from Minnesota:

On page 14, line 16, immediately after "refugees." insert the following new language:

EMERGENCY REFUGEE ADMISSION POLICY

Pending the enactment of comprehensive legislation regarding the admission of refugees to the United States and because of the extreme international emergency relating to the resettlement of Indochinese refugees, it is the sense of Congress that the Attorney General should provide, in conjunction with the efforts of other nations, to provide for the acceptance and admission of such refugees and in consultation with the appropriate committees of the Congress for a substantial increase in the number of such refugees paroled into the United States under the authority of section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5).

The purpose is to demonstrate one step further than we did last week, by a vote of 98 to 0, our concern that something be done; and, second, to support the President of the United States, who on this very day is discussing this human tragedy with other countries, in the meeting in Tokyo.

It seems to me that this would demonstrate our concern, along with the concern of the distinguished Senator from Minnesota, that we not only provide the money but also that we provide the support and the encouragement to the President of the United States and to the Attorney General, so that the latter might speed up his actions and we might increase our share.

Other countries have done better than the United States; others have not done as well. However, it seems to the Senator from Kansas that it is not enough, that it does not answer the problem to condemn the front line countries, Malaysia or Thailand or Indonesia. They have just about taken in all they can. They do not have the resources, the potential.

It seems to me that with the amendment of the Senator from Minnesota, together with an amendment I will ask to be incorporated by unanimous consent, we would have the total picture, we would have some funds, plus our support for the President and for the Attorney General, in encouraging the latter to see if we can speed up the procedure to increase our share.

The all-day meeting held by the National Coalition for Refugee Resettlement on June 18 clearly indicated the magnitude of the tragedy unfolding before our eyes and involving hundreds of thousands of Indochinese refugees.

As of September 30, 1978, approximately 144,000 Indochinese refugees were in first asylum countries, while waiting for resettlement. The figure is now up to 330,000 in Thailand, Malaysia, Indochina, Hong Kong, Singapore, and the Philippines. The number is expected to reach half a million or more by September 1979.

As we know, Thailand has refused to accept any more boat people. Malaysia and Indonesia are following suit. How much longer before Hong Kong, Singapore, and the Philippines decide that they too have reached their saturation point?

The problem is expected to be further aggravated by the anticipated expulsion of about 1 million ethnic Chinese in Vietnam who are considered by the Hanoi government to be a dangerous element of the population because of alleged sympathies with Peking.

While legislation designed to help refugees in the future is in order, the problem before us cannot wait till legislation is passed and laws are enacted. We must act now. The men, women, and children whose lives are endangered daily cannot wait.

The word "Exodus" triggers dual images, that of a massive emigration of people, but also a ship by that name, loaded with European Jews fleeing nazism in the 1930's. I do not need to remind you of the ultimate fate of that ship, nor of the ultimate fate of the people it carried toward what they hoped would be freedom. Instead, they met with death, after being herded from one port to the other. The tragedy of the passengers aboard the *Exodus* is irreversible. The fate of the Indochinese refugees being shuffled from one shore to the other is not. It is my hope that we have learned from the past a lesson that we shall apply to the future.

Pending legislation that is designed to address the issue on a long-term basis, and in an attempt to deal with the problem immediately, I introduced a resolution, along with Mr. SOLARZ, my colleague from New York, calling for increased assistance in conjunction with other nations' increased assistance and resettlement. I have asked unanimous consent that similar language in the form of an amendment to the amendment by the Senator from Minnesota be added to H.R. 4289, to ask the Attorney General to provide for a substantial increase in the number of refugees paroled into the United States in conjunction with consultation with the appropriate committees of the Congress, and in concert with the efforts of other nations.

I am not unaware of the potential sources of opposition to an increase in the number of refugees we are prepared to accept in the near future. I do believe, however, that an increase in our assistance would be in keeping with our human rights policy, and with the obligations created by an international tragedy. Let us not be hasty in condemning the first asylum countries for declaring that they would no longer accept more refugees attempting to land on their shores or cross their borders. Malaysia, Thailand, and Indonesia are already straining their resources with the refugees they have now. Other nations must accept the responsibility to shift the burden. The United States is third in the number of refugees it has accepted and resettled per capita behind France and Australia. On June 21, Canada, Sweden, and Israel announced that they would increase the number of refugees that they will take in.

Human decency dictates that humanitarian concerns transcend all else for the United States and other nations who will join their efforts with our own. Our Nation was built upon the labor of generations of refugees and immigrants, and their descendants. They have enriched the economic tapestry of the United States, as much as they have enriched its cultural heritage. The United States in the past has done more than its share in this effort although this does not lessen the need we address now. All nations must respond to it.

By allowing waves of immigrants and refugees to swell the populations of the United States, we have time and again invested in the future of our country. That investment, born of the ethical principles of freedom and justice has paid off. Let us not allow the spirit of compassion that has permeated our history to dry out. Instead, let it be fortified by the example of our forebears who found a haven on these shores and were willing to share it with all those in need. Let us not forget our own roots. Let us not betray our past.

I ask unanimous consent that my amendment be added to the amendment of the distinguished Senator from Minnesota.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The modified amendment is as follows:

On page 14, line 9, strike the figure "$103,035,000" and insert in lieu thereof "$108,910,000".

On page 14, line 21, strike the figure "$7,500,000" and insert in lieu thereof "$17,200,000".

On page 37, line 8, strike the figure "$58,357,000" and insert in lieu thereof "$30,641,000".

On page 14, line 16, immediately after "refugees." insert the following new language:

EMERGENCY REFUGEE ADMISSIONS POLICY

Pending the enactment of comprehensive legislation regarding the admission of refugees to the United States and because of the extreme international emergency relating to the resettlement of Indochinese refugees, it is the sense of Congress that the Attorney General should provide, in conjunction with the efforts of other nations, to provide for the acceptance and admission of such refugees and in consultation with the appropriate committees of the Congress, for a substantial increase in the number of such refugees paroled into the United States under the authority of section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5).

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I wish to explain the budget context in which this amendment falls, so that Senators will understand what it is, and so that other Senators who have amendments will be aware of it.

The amendment of the Senator from Minnesota is framed as it is because of this budgetary situation. As framed, and if adopted in its present form, it would fall within the limits of the budget with which we must work.

The revised second budget resolution contains aggregate ceilings of $559,200,000,000 in budget authority and $494,450,000,000 in outlays.

The current spending level excluding H.R. 4289 is $546,642,000,000 in budget authority and $486,125,000,000 in outlays. If H.R. 4289 as it came to the floor were enacted into law, it would raise total budget authority for fiscal year 1979 to $559,011,000,000, a scant $189 million below the revised second budget resolution ceiling. Total outlays for fiscal year 1979 would be $494,450,000,000, which leaves no outlays remaining under the ceiling. I ask unanimous consent to have printed in the RECORD at this point a table detailing this situation:

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1979 BUDGET STATUS

($ Millions)

	Budget authority	Outlays
Current level excluding H.R. 4289	546,642	486,125
H.R. 4289 as reported by the Senate, net	12,369	8,325
Total	559,011	494,450
Revised second budget resolution	559,200	494,450
Amount remaining	189	0

Mr. MUSKIE. Mr. President, any amendment, combination of amendments or subsequent legislation which results in increasing fiscal 1979 budget authority by more than $189 million or outlays by any amount at all, would not have been in order because it would cause the revised second budget resolution ceilings to be exceeded.

This parliamentary situation does not mean, however, that Senators cannot offer amendments. It simply means that the Senate must first reduce other outlays included in the bill in order for amendments that would increase outlays to be voted upon. Senators, in fact, have two choices. They may introduce amendments which would cause the outlay levels in this bill to be reduced. Or they may introduce an amendment which involves outlay increases if proposals involving outlay decreases of at least an equal amount are also included. Such amendments would not be subject to a point of order.

I understand that an amendment by Senator STENNIS was accepted by the managers of the bill earlier today. This amendment dealt with Army operations and maintenance costs in the Panama Canal Zone. It reduced the amounts reported by the Appropriations Committee by $7 million in budget authority and $1 million in outlays. This small amount in outlays is the total amount remaining within the outlay ceiling established by the revised second budget resolution.

Mr. President, I would also like to point out that this bill leaves no room in fiscal 1979 for funding of possible legislation to establish an international emergency food reserve, for which $312 million in outlays were allocated to the Senate Agriculture, Nutrition, and Forestry Committee under the revised second budget resolution. It now appears, however, that funds for this program will not be necessary this year.

It should also be noted that this bill leaves no room for any further requests later this year that involve outlays.

For this reason, I hope that the Senate version of H.R. 4289, which now stands above the House version by $1.6 billion in budget authority and $1.0 billion in outlays, will return from conference with some cushion for emergency requests that might occur in the remaining months of the fiscal year.

Mr. President, the Congress must be successful in keeping Federal spending within the budgetary ceiling established for fiscal 1979, and even more successful in its efforts to restrain Federal spending in fiscal 1980 if we are to achieve our goal of a balanced budget in fiscal 1981.

Finally, I wish to commend once again Senator MAGNUSON, chairman of the Appropriations Committee and a valued member of the Budget Committee, for his outstanding leadership and support of the budget process.

Mr. President, in connection with the debate on the supplemental bill, let me point out that the first Senate budget scorekeeeping report for fiscal year 1980 has been issued today, and a copy is on each Senator's desk. The report will generally be issued weekly when the Senate is in session.

The scorekeeping report is designed to aid Senators by showing how individual spending bills relate to the overall congressional budget.

The new series of reports for fiscal year 1980 retains the format used in last year's reports, with summary tables for the budget as a whole and individual tables for each Senate Committee and Appropriations Subcommittee.

The committee and subcommittee tables form the bulk of the report and are designed to show the present status of the budget in relation to the committee "crosswalk" allocations under the first budget resolution. The format provides at the top of each table the first budget resolution crosswalk allocation to the committee or subcommittee, the current estimate of the budget taking account of action completed, underway, or in prospect, and a comparison of the current estimate to the crosswalk allocation. This is followed by a detailed explanation of the current estimate.

This same general format is used in the summary tables of the report, where the current estimate is compared to the aggregate targets of the first budget resolution.

As last year, the report also contains a summary section on the 1979 budget. While I have already detailed the effect of the supplemental appropriations bill on the fiscal year 1979 budget totals, Senators may find this section of the report—and particularly the table on page 65—useful in judging the effect of the supplemental on the 1979 budget.

The staff of the Budget Committee will be happy to assist anyone who has questions regarding the report and to receive suggestions for further improvement in its contents.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts. Who yields time?

Mr. BOSCHWITZ. I yield.

Mr. KENNEDY. Mr. President, will the chairman of the committee be good enough to yield 5 or 6 minutes, so that I can inquire of him and make a brief comment on the amendment?

Mr. MAGNUSON. I will yield after I make a statement.

Mr. KENNEDY. Mr. President, I have been recognized. I asked the Senator whether he will yield me 5 minutes.

Mr. MAGNUSON. I yield the Senator 5 minutes.

Mr. BOSCHWITZ. I yield to the Senator.

Mr. KENNEDY. Mr. President, I join and commend the Senator from Minnesota for his effort to provide emergency funds to the United Nations High Commissioner for Refugees and to the Department of State in order to help cope with the massive human crisis of Indochinese refugees in South Asia today.

Clearly, there are emergency needs among the swelling tide of refugees from Indochina, and an urgent need for the Congress to act upon them. The pending supplemental appropriations bill for fiscal year 1979 is the only vehicle we have, and regrettably it is at the budget ceiling—making it impossible to add emergency refugee funds without cutting from some other urgent supplemental appropriations request.

The Senator from Minnesota knows, however, that it concerns me greatly that we are proposing to cut other funds for United Nations programs in order to respond to the urgent needs of the United Nations High Commissioner for Refugees. However, I understand from the Department of State, and from the committee, that these funds would not be necessary for outlays until after October 1, so that we could appropriate these funds in the forthcoming 1980 appropriations bill without seriously disrupting our contributions to United Nations technical assistance programs.

The big "if," of course, is that we be certain to act favorably on them when the fiscal year 1980 bill is considered, both within committee, and on the floor. So, I support this amendment to shift United Nations funds appropriated under this supplemental appropriations bill if it is understood that we will act later to restore some $17.2 million cut from other United Nations programs.

Otherwise, this would be a tragic instance of robbing Peter to pay Paul—of taking funds from one humanitarian account to meet the needs of another humanitarian program.

If Congress desires to respond to the emergency needs among refugees in Southeast Asia—as I think we must—then Congress should be prepared to add these additional funds, not cut them from some other worthy United Nations program.

I have no doubt, however, that we need these urgent supplemental funds today—not later—and hopefully some compromise could be worked out in conference.

Mr. President, in this connection, I would like to draw to the attention of the Senate a letter I received today from the President of the National Conference of Catholic Bishops and the U.S. Catholic Conference, expressing strong support for the kind of amendment we are considering here today, and specifically for the refugee bill (S. 643) now before the Judiciary Committee.

I ask that the text of Archbishop John R. Quinn's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CONFERENCE OF
CATHOLIC BISHOPS,
Washington, D.C., June 12, 1979.

Sen. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, United States Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In response to your letter of April 17, I wish to commend you for having introduced S. 643 which will revise and amend our outdated refugee legislation and for having conducted hearings so expeditiously after the introduction of the bill. I hope the measure can be brought to the floor of the Senate with the least possible delay.

As you are well aware, the Catholic Church has been in the forefront of the struggle for revision of our refugee policy, and we were very pleased to have been able to join the other voluntary agencies in testimony before your committee last March. I would like to emphasize a few points of special concern to the United States Catholic Conference.

First, it is imperative that the very restrictive definition of refugee be broadened so that a refugee from tyranny or persecution in any part of the world may be qualified for admission under United States immigration policy. We have long advocated adoption of the definition of refugee contained in the United Nations Convention and Protocol. It has been of special concern to the Church that refugees from certain political systems in Latin America over the years have been unable to qualify for special refugee processing. The definition contained in your bill will go a long way to correct this inequity in our law.

The provision by which a much increased number of refugees can be admitted into the United States under normal processing will certainly bring a great measure of order to the chaos which has marked our ad hoc refugee policies of the past. Whether the proposed 50,000 will be sufficient to meet the political and humanitarian concerns of the United States remains to be seen, but in providing that an additional number may be admitted after consultation with the Congress, this bill should meet nearly all of the requirements of what is categorized as the normal flow.

Flexibility of action is absolutely essential when a crisis occurs. Most people become refugees as a result of the unexpected and unanticipated. Thus the plan by which additional refugees can be brought into the country, after proper consultation with the Congress, is certainly endorsed.

Over the years the voluntary agencies have labored under severe handicaps, both in maintaining their structures in the field and in continuing their service of resettling refugees, because of a lack of proper government programs to assist the agencies in this humanitarian effort. Title III of the proposed legislation contains authorization for funding and support services. This provision should go a long way to help the voluntary agencies, in cooperation with public agencies, to provide services which meet the needs of refugees. It is also essential that all refugees be treated alike and that the vast resources of this great country be brought to bear for the benefit of all. Consideration, however, might be given to making social services available to refugees for a period beyond the two years in your bill.

The record of refugee admissions by the United States over the past thirty-five years is a proud one. We of the United States Catholic Conference have been able to play a major role in providing sustenance and comfort to millions of the world's homeless. I wish to assure you that the Church will not falter in its efforts to provide new homes and new lives for the displaced and unwanted of the world.

With cordial good wishes, I remain
Sincerely yours in Christ,
Most Rev. JOHN R. QUINN,
Archbishop of San Francisco.

Mr. KENNEDY. Mr. President, I am especially concerned about the possible impact this amendment might have on the work of the World Health Organization. Under WHO Director, Dr. Mahler, impressive work has been done in international immunization by WHO. But, effectively, the amendment of the Senator from Minnesota may delay our contributions to such programs for the remainder of this fiscal year—until at least October 1.

However, I understand it will not permanently disadvantage those programs, if they are caught up in the regular appropriations bill for fiscal year 1980.

The concern I have is that we should receive some assurances that we are not, as I said, robbing Peter to pay Paul. Because, for the most part, where this funding would be coming from would be from the specialized agencies of the United Nations—that work, for the most part, with children.

What I am principally interested in, is finding out is what assurance either the Senator from Minnesota or the chairman of the committee could give us about whether these funds would be actually made up later. I have no question that the immediate needs are paramount.

I see the Senator from South Carolina, who chairs the Subcommittee on Appropriations on this particular matter. I wish to just find out where we are going to be on that particular issue, or what the indications are of those who have prime responsibility in this area, for the benefit of the Senate so we may complete the record.

Perhaps, if the Senator will briefly give me his own view on that issue, then maybe the Senator from South Carolina will respond as well.

Mr. BOSCHWITZ. Mr. President, as I stated earlier, I know it is not my intention to undo the technical assistance fund.

Mr. MAGNUSON. Mr. President, who yields time?

The PRESIDING OFFICER. The Senator from Minnesota has the floor. Does he wish to yield?

Mr. MAGNUSON. The Chair recognized me. How much time do we have remaining on my side?

The PRESIDING OFFICER. No time has been used on the chairman's side.

Mr. MAGNUSON. No time?

The PRESIDING OFFICER. Thirty minutes remain. The Senator from Minnesota has 4 minutes.

Mr. MAGNUSON. The Senator from Minnesota offered an amendment and he has taken up most of the time.

Mr. CRANSTON. All of the time of the Senator from Washington remains.

Mr. MAGNUSON. I have all my time?

The PRESIDING OFFICER. The Senator has not yielded any.

Mr. MAGNUSON. I thought the Chair said I have no time.

The PRESIDING OFFICER. I said the Senator from Washington has 30 minutes.

Mr. MAGNUSON. All right. I yield such time as he may wish to the Senator from South Carolina.

Mr. KENNEDY. Mr. President, I think I was recognized in my own right and asked for 5 minutes from the Senator from Minnesota.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. So I asked the Senator from Minnesota for a comment on my earlier observation, if I could get that.

Mr. BOSCHWITZ. Mr. President, if the Senator from Washington would let me respond to the Senator from Massachusetts——

Mr. MAGNUSON. All right.

Mr. BOSCHWITZ (continuing). Then I will be very happy to yield the remainder of my time inasmuch as I do not think anyone else wants to talk.

But it has not been my intention at all to undo the technical assistance funds, which I understand are principally for the World Health Organization as we discussed a little earlier, but it is my intention to seek to correct the situation that has arisen with regard to the refugees and see that they be taken care of. The United Nations, which is well known to not need funds immediately, can be delayed until the next fiscal year.

In the one vote that has been on the floor since I have been a Member of this Chamber—I believe it was a motion to table that had to do with technical assistance—I voted to table the motion that would suspend such technical assistance, and I would intend to vote that way again.

Mr. KENNEDY. Mr. President, if I still have some remaining time, which was yielded to me from the Senator from Minnesota, I inquire of the chairman of the committee and the chairman of the subcommittee whether that was also their intention to seek restoration of these funds in the regular appropriations bill, or perhaps resolve this favorably in conference?

Mr. MAGNUSON. May I just take 1 minute?

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. The Senator from Minnesota proposed an unpublished amendment in which he tries to take money away from certain United Nations functions and put it in the refugee function.

I just want to say something. I am sympathetic to the viewpoint of the Senator from Minnesota. As a matter of fact, in handling this appropriation bill, all these programs are good. Everyone has a good program. Everyone can weep crocodile tears about his program. But as the Senator from Maine has pointed out, we do have ceilings.

The bill, as recommended by the committee, will make available more than $110 million for refugees. This is an addition to $121 million previously provided for this purpose in the regular 1979 bill. And it is for 3 months, for the remaining fiscal year. If additional funds are needed they should be properly justified by a regular budget amendment in the 1980 bill, which is coming up next week, and justified in the regular manner. A total of $371 million has already been requested for fiscal 1980, and the United States now has taken in 65 percent of all Indochinese refugees. If we have not done a good job on this, I do not know what is.

Mr. BOSCHWITZ. Mr. President, will the Senator yield a moment?

Mr. MAGNUSON. The Senator from Minnesota wants to add a total of $15 million to be earmarked for refugee and migration assistance.

Now within the $375 million, I guess that is a modest request. I guess that is a modest request. But why take it away from some place else?

Mr. BOSCHWITZ. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator only had 1 minute.

Mr. MAGNUSON. Anyway, the effect of the amendment would be to increase by $5 million funds for Indochinese and Eastern European assistance, raising the total aid in the supplemental to $108 million. It would also add $9.7 million to the emergency relief and migration assistance account, for a total of $17 million.

This is a contingency account to provide emergency aid. I understand the purpose of the amendment of the Senator from Minnesota is for emergency aid, is it not? It is emergency, is it not? It is not for a long time.

Mr. BOSCHWITZ. May I respond to the Senator?

Mr. MAGNUSON. The reduction of the U.N. Technical Assistance Fund will have the effect of placing the U.S. account in arrears. That is what it will do. I do not know. With these figures, it seems to me we are doing all we can do.

I yield such time as the Senator may require.

Mr. BOSCHWITZ. Mr. President, if I may regain the remainder of my time, I yield momentarily to the Senators from Maine.

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. COHEN. Mr. President. I ask unanimous consent that James Dykstra, a member of my staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I recognize what the distinguished chairman from the State of Washington has said. I recognize the large amounts, as I stated in answering Senator DOMENICI, that have already been granted by this Congress. But the voluntary agencies and many of the agencies are backed up. They are in debt, and they do need supplemental appropriations going back to May in order to allow the 5,000 additional refugees who have been paroled in by the Attorney General to have the necessary funds to meet those specific needs.

Mr. YOUNG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. YOUNG. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Washington has 26 minutes remaining.

Mr. YOUNG. Mr. President, I yield 3 minutes of my time on the bill.

The PRESIDING OFFICER. Yes, the Senator has a right to yield his time on the bill.

Mr. YOUNG. Mr. President, I wish to say to the Senator from Minnesota that he is taking $27.5 million out of the international organization. Congress has an amount in the bill of $58.357 million. He is only subtracting $3.5 million of that.

Previously for the 1979 budget, we already appropriated $327.676 million.

So I think in view of all the money we appropriated for international purposes it would not hurt a bit to take $27.5 million out for probably the most important humane thing this country could do.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, maybe I could cut this short. Would the distinguished Senator from Minnesota eliminate the last part of that amendment where on page 37, line 8, he would strike the figure $58 million and insert in lieu thereof $30 million? That is where you take it away from the United Nations technical assistance. Would the Senator eliminate that section so we could bring this amendment into focus?

Mr. BOSCHWITZ. Mr. President, will the Senator from South Carolina repeat that, please?

Mr. HOLLINGS. Would you delete the last part of your amendment which says: "On page 37, line 8, strike the figure '$58,357,000' and insert in lieu thereof '$30,641,000' "?

The reason I asked the question of the distinguished Senator from Minnesota is to bring into focus exactly whether or not this is an elimination of the United Nations technical assistance, which I happen to believe is really the intent, or is this a refugee amendment. It has been discussed here as a refugee amendment, but I have had to withstand the onslaught for the past 2 years which has now put us in arrears on the special agencies and commissions of the United Nations.

We have until the end of this year to pay up these assessments, but if we do not appropriate them now, as recommended, we will have to put them in the appropriations bill coming onstream for fiscal year 1980.

We have an additional $40 million in that particular bill, and the distinguished chairman of the Budget Committee, the Senator from Maine (Mr. MUSKIE), has pointed out we will be constrained by the budgetary limitations.

If the Senator wishes to aid in the refugee program then do not kill the very agency and entity with whom we wish to work and build up credibility.

We happen to believe—many of us on the committee having handled about 70 percent of the world refugees and the boat people and, mind you, our conscience and our heart and sympathy, supplemented by our budget, is limited and, in fact, we are in a deficit condition—so the only way we really can handle an almost limitless problem of this kind is to call on the other members of the United Nations. How can we gain some credibility to call on them when we immediately say that we are not going to pay the amount due and owing for World Health, for the International Civil Aviation Organization, for the Food and Agriculture Organization, and all the rest of the entities and commissions under the United Nations?

I think we really injure the refugee problem and program if that is really what we are hoping to solve and assist by the very device of knocking out the technical assistance funds.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. HOLLINGS. Let me see what the Senator from Minnesota is willing to do, because he says he has the same intent as the others, and that is not to injure the technical assistance program.

Mr. BOSCHWITZ. I have no particular problem except that I believe a point of order would be available against the entire amendment because we would rise above the amount of budget outlays that has been mandated by the Budget Committee, so I am afraid we could not strike that last one.

Mr. HOLLINGS. I had hoped to be on the floor, because a point of order would have been in order, since the Senator's motions amends more than one section of the bill. I talked to the distinguished Senator before his unanimous-consent agreement was entered into, hoping we could divide it so that we could bring it to a solution on its merits. So I will argue the merits, and I hope it is defeated.

I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I just wanted to ask the distinguished Senator from South Carolina if this amendment is adopted—and I do not think anyone would have any question about the humanitarian intentions which are motivated—but if it is adopted, as I understand, it would be a charge against the assessments which we are obligated under treaty to pay? Am I correct in that?

Mr. HOLLINGS. That is exactly correct.

This is not a refugee amendment. This is against the United Nations and foreign assistance, actually what we call technical assistance.

Mr. MATHIAS. Let me ask the Senator another question, if I may. If we adopt this amendment then we really make a charge against the assessments, and we would have to come back sometime later this year and provide otherwise for making up what our assessed payment to these specific organizations would be?

Mr. HOLLINGS. That is right, and they would raise a point of order that we had exceeded the budget limit because we have got $40 million in there for the next year, for fiscal 1980, which we are going to debate on the floor of the Senate in the next 3 weeks. So they would be the ones in very clever fashion raising the point of order. As the distinguished chairman of the Budget Committee pointed out, we would then be beyond our particular level of the budget, and the distinguished Senator from Minnesota knows that because he is a member of the Budget Committee.

Mr. MATHIAS. We have got kind of a Catch-22.

Mr. HOLLINGS. He is trying to get us into a Catch-22, talking about refugees. I am not pleading guilty to that. This is not a refugee amendment. We will be the refugees.

Mr. MATHIAS. I do not think the Senator from Minnesota is trying to get us into a Catch-22 situation, but I think our job is to try to prevent getting into it and to see what can be done here.

Mr. HOLLINGS. I think what we ought to do is to defeat the amendment. If he wants to come in on refugees, that is another problem. What he is really doing, and what they try to do each year, and we have seen it for the past 2 years, the Helms amendment and otherwise, is to cut back in technical assistance to the United Nations, and the Members of this body should understand it. They could have come and picked up the $27 million anywhere else in this particular bill, but they elected this particular one, and on intense discussions they will not yield on it. They say now technically they would be glad to do it but they might get caught in a budget limit proposition. They know differently because they can take it out of any other part of the bill.

So I think what we really should do is call this amendment for what it is. It is another clever way to go after technical assistance for the United Nations. By not adopting this amendment, of course, the refugees are not as high and dry, as the chairman of the committee has pointed out. There is $121 million in this bill right now. On October 1, which is about 90 days away, 3 months' time, we are going to have another $371 million for refugees coming in the fiscal year 1980 budget. So we have not been puny at all, and that is another matter.

What is really designed here is to find some reason to knock out technical assistance because that is exactly what this amendment does, and the committee opposed it, as we have before.

The PRESIDING OFFICER. The Senator from Washington has all the remaining time. Does the Senator from Washington yield his time?

Mr. MAGNUSON. I am ready to yield my time back.

Mr. HUDDLESTON. Mr. President, will the Senator yield me some time?

Mr. MAGNUSON. I yield to the Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished chairman for yielding to me.

Mr. President, it is with some reluctance that I rise to inject a discordant note into this discussion about a very humanitarian problem. We all know it exists. We know the dimensions of it. We know this country's reputation for compassion and generosity, and we all have a natural inclination, to do what all that can be done to help resolve this difficult problem.

However, several questions occur to me which I think the Senate ought to consider before rushing into a new program at this particular moment. One question is what do we do to help find a permanent solution to the problem that exists with the Indochinese refugees? Do we, by this kind of unilateral action, solve the problem or do we, in fact, exacerbate it?

Right now we are trying to develop an international program to get at the root cause of this problem and to eliminate the situation that exists. Indeed, just a few days ago this Senate passed a resolution calling upon the President of the United States to work through the United Nations to convene an international conference to find the proper solution.

We presently are taking twice as many refugees, not just more, but twice as many refugees, as the rest of the world. Do we, the United States, help solve this problem by taking a few more or do we push forward into the future the real solution by encouraging other nations to continue to do nothing and to continue to depend upon the United States to carry the burden?

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I will yield in just a moment.

Do we, by continuing unilateral action without regard to the international community's position, in fact continue to feed the fires of the refugee industry that has been developing? The refugee industry: An industry that is fueled by the hope that those who flee their countries will eventually be resettled in the United States. And, it is an industry. Many nefarious entrepreneurs are making great profits.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. HUDDLESTON. I will yield in just a moment.

The PRESIDING OFFICER. The Chair must state that the Senator's time has expired.

Mr. HUDDLESTON. Will the Senator from Washington yield me 2 more minutes?

Mr. MAGNUSON. I yield the Senator 2 more minutes.

Mr. HUDDLESTON. Profits are being made——

The PRESIDING OFFICER. Does the Senator from Washington yield time?

Mr. MAGNUSON. I yield to the Senator from Kentucky.

Mr. BOSCHWITZ. Mr. President, I call for the yeas and nays.

Mr. HUDDLESTON. Profits are being made by nefarious entrepreneurs who are taking money from these unfortunate individuals. The Government of Vietnam is making millions of dollars off of them. Are we helping solve the problem, or contributing to the problem, as long as we go our own way without taking into account what the international solution ought to be to this international problem?

Mr. President, I am not unsympathetic to the plight of the refugees. I wish we could take them all. But obviously we cannot. So do we try to take a few more, or do we try to take the million individuals which the Vietnamese Government is expected to expel eventually?

What about the country of China, which is doing nothing compared to what the United States is doing? At this moment, the President of the United States is attending an economic conference in Japan, and on the agenda there will be the question of the refugee problem. It seems to me that the Senate would be well advised to wait and see what the attitude and policy of the international community is going to be toward solving this problem, and not just enact another stopgap measure—we will not substantially reduce the number in the resettlement camps, whether we take another 1,000 a month or 3,000 a month. Their places will be filled immediately. The question is, what needs to be done to get to the ultimate solution of this problem?

I question seriously, Mr. President, whether the United States, by a piecemeal approach to this problem, appropriating a little more money today and coming back in the regular budget with some more funds, can contribute to an ultimate solution to this problem. I think it is time we get at the underlying cause, and not continue to increase the Federal budget on a project which has very limited expectations of being completely successful.

Mr. BOSCHWITZ. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I yield the distinguished Senator from South Carolina such time as he may require.

Mr. HOLLINGS. One final word, Mr. President. We had an Attorney General around this town who said many things that you could not believe, but then he said certain things that you could believe. One of his more famous sayings was, "Watch what we do rather than what we say."

You look at this amendment, and you have got here the first part, where they strike $103 million and insert in lieu thereof $108 million; the Senator from Minnesota adds $5 million there.

On page 14 is the second part: Strike the figure $7 million and insert in lieu thereof $17 million, so he adds another $10 million. But then he comes down and knocks out $27 million on page 37. So, if you are saving $27 million, it seems like the generosity for refugees could turn to generosity with arithmetic, and he would want the full $27 million.

My point is, watch what he does and not what he says. He is really after the $27 million in here for technical assistance to the United Nations. He cannot believe that $15 million more is going to help materially with the refugee problem; he has, on the same sheet of paper, shown that he has $27.5 million in mind. I would suggest to you that if he was genuine in his efforts, he would certainly give the refugees, those poor people, as helpless as they are, the full $27 million. The intent is obviously to ruin the technical assistance program under the United Nations, and hurt the communicable diseases program, the world health program, the International

Atomic Energy Agency, the International Civil Aviation Organization, trying our best to control the DC-10's, and the Food and Agriculture Organization. We can go through the entire list of every one of these UN organizations where we have taken a leadership role and build up credibility and support; now we are in arrears, and he says, "Don't pay them, let them languish." I do not know how the UN is going to respond to that kind of appeal, when we are asking them in the same breath to please help us on the refugee problem.

As I say, he takes it out and leaves us there with a black eye, and makes it budgetarily beyond limits in our national 1980 budget. The Senator is on the Budget Committee, and must know this. Therefore, I say to the Senate that we should defeat this amendment.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. HOLLINGS. I am glad to yield.

Mr. BOSCHWITZ. I have said on several instances during the course of my remarks that it is not my intent to destroy the technical assistance to the United Nations. Indeed, I voted for those funds here in this body. But it is just a matter of priorities at this moment.

In answer to the Senator from Kentucky, unfortunately our country does have to act alone in this kind of humanitarian matter, and the reason that this specific sum is involved at this specific moment is that the Attorney General has used his parol authority for a thousand additional refugees a month, and, going back to the month of May, during which that parol authority began, there will be 5,000 additional refugees who would be available for haven in this country this year, and these funds are specifically to cover those 5,000, and perhaps even some additional funds from the volunteer associations to help the refugees who are encamped in Thailand and some of the other countries of the Far East.

It is specifically not my objective, as I have stated several times now on this floor, to take $27 million away from the technical assistance fund of the United Nations. The United Nations' needs monetarily are well known to be adequately provided for at the moment, and indeed they can wait until the next fiscal year.

Mr. HOLLINGS. Mr. President, I accept what the Senator says, but I also have to accept what he does. He insists that he is not even giving the amount saved to the refugees, but what he does, however, is make the United Nations and the technical assistance programs thereof a refugee.

Mr. BOSCHWITZ. Mr. President, if the Senator will once again yield, the $27 million results from $7.2 million in outlays, and the accommodations that I have made also results in $7.2 million in outlays, and that is where those figures look a little different, because there is a little less to the UN, but it is under emergency funding, and also the immigration emergency funding.

Mr. HOLLINGS. I would suggest, Mr. President, that if we let the Senator have his way we would really have the Senator wrecking the budget for us, because his amendment says to strike the figure 58 and insert in lieu thereof 30; in round figures, he has plus $28 million; getting to the exact figure, it is $27.5 million, and he says that really amounts to only 7.

That is really very interesting. If he can meet with himself three more times, and four other Members, we will have a balanced budget. I insist that technical assistance will really be in arrears, and we will be through with the United States dealing with the United Nations on refugee problems as a result of this amendment.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time? The Senator from Washington.

Mr. MAGNUSON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that Senator YOUNG be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair will advise the Senator from Washington that he has 7 minutes remaining.

Mr. MAGNUSON. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Wisconsin (Mr. NELSON), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG), is absent on official business.

Mr. BAKER. I announce that the Senator from South Dakota (Mr. PRESSLER) and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 70, nays 22, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—70

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Byrd,
Harry F., Jr.
Cannon
Chafee
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Garn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Jackson
Javits
Jepsen
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Lugar
McClure
Melcher
Metzenbaum
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pryor
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young

NAYS—22

Bayh
Bradley
Ford
Glenn
Heflin
Hollings
Huddleston
Johnston
Burdick
Byrd, Robert C.
Magnuson
Mathias
McGovern
Morgan
Proxmire
Randolph
Chiles
Church
Ribicoff
Stennis
Talmadge
Zorinsky

NOT VOTING—8

Culver
Inouye
Long
Matsunaga
Nelson
Pressler
Stevens
Stevenson

So Mr. BOSCHWITZ's amendment (UP No. 301), as modified, was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, will the Senator from Washington yield 15 minutes to me and my senior colleague?

Mr. MAGNUSON. May we have order in the Senate, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank the distinguished chairman.

Mr. President, may we have order?

The PRESIDING OFFICER (Mr. TSONGAS). The Senator is correct. The Senate is not in order. The Senate will be in order.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, as the distinguished chairman knows, a situation of some complexity, even of some absurdity, has arisen with respect to the appropriation to the Department of HEW.

The PRESIDING OFFICER. Will the Senator yield?

Does the Senator from Washington yield time to the Senator from New York?

Mr. MOYNIHAN. I believe the chairman said he did.

Mr. MAGNUSON. I yield him such time as he needs, on the bill.

Mr. MOYNIHAN. Mr. President, as the chairman knows, a situation has arisen in the Department of HEW, in consequence of the Michel amendment, which required HEW to reduce losses owing to fraud, waste, and abuse in fiscal 1979 by $1 billion. There were provisos in that amendment which also made clear no entitlement under existing legislation was to be eliminated or reduced.

The unintended consequence of these provisions working in tandem is that State payments—and this obtains in every State of the Union—under the AFDC program and medicaid program could possibly be withheld from recipients otherwise wholly entitled to these benefits, unless the Department of HEW avails itself of its general authority to use fiscal 1980 funds to meet obligations incurred by the States in the final quarter of fiscal 1979.

Mr. President the Assistant Attorney General in the Office of Legal Counsel has delivered an opinion in this matter, and I ask unanimous consent to have the opinion printed in the RECORD.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D.C., June 15, 1979.

MEMORANDUM FOR JOSEPH A. CALIFANO, JR., SECRETARY, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Re The Michel Amendment to the Department of Health, Education, and Welfare Appropriation Act of 1979.

This responds to your letter of May 1, 1979 to the Attorney General concerning the Michel Amendment, section 201 of the Departments of Labor and Health, Education and Welfare Appropriations Act of 1979, Pub. L. No. 95–480, 92 Stat. 1567, 1584 (1978). That section provides:

"Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education and Welfare is hereby reduced in the amount of $1,000,000,000: *Provided,* That this reduction shall be achieved by the reduction of fraud, abuse, and waste, as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further,* That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act."

The central question is whether the Michel Amendment constitutes a flat reduction in the total appropriation for HEW for FY 1979 or whether the Amendment instead states a goal for the elimination of waste, fraud and abuse in programs administered by the Department without reducing appropriations made available for such programs elsewhere in the Act. Your General Counsel, in a memorandum submitted with your opinion request, has recommended the latter position, stating that the Michel Amendment "merely restates a part of the Secretary's preexisting legal obligation" to prevent HEW expenditures for unlawful purposes and that it "does not reduce appropriations for authorized program purposes." We also have before us the May 7, 1979 opinion of the Comptroller General, written at the request of Congressmen William H. Hatcher and Robert H. Michel. The Comptroller General opined that the Michel Amendment works a $1 billion reduction in the amount of appropriated funds available to HEW for FY 1979. The Comptroller General recognized, however, that the Department might not be able to achieve the $1 billion reduction in expenditures through elimination of waste, fraud and abuse, thus placing the Secretary in a position of either spending more funds than were appropriated or cutting funding in programs for reasons other than waste reduction. In such a situation, the Comptroller General suggests that you report to Congress "so that any further congressional action deemed necessary can be taken."

After a careful review of the language of the statute and its legislative history, we conclude that the Michel Amendment reduced 1979 appropriations for the Department of Health, Education, and Welfare by $1 billion. The Amendment, however, does not disturb existing entitlements and obligations.

THE BACKGROUND OF THE MICHEL AMENDMENT

As you are aware, the Michel Amendment was a response to a March 31, 1978 report of the Inspector General of HEW which concluded that the incidence of fraud, abuse and waste in selected HEW programs was, at a minimum, between $6.3 and $7.4 billion.[1] The Inspector General inventoried estimates of waste, fraud and abuse in six key HEW program areas: health care (Medicaid and Medicare), Aid to Families with Dependent Children (AFDC), income security and supplemental security income (SSI), social services provided under Title XX of the Social Security Act, student financial aid, and Title I of the Elementary and Secondary Education Act (ESEA).[2] The waste, fraud and abuse identified included a wide variety of mismanagement and misconduct, such as payments to ineligible persons and overpayments to bona fide recipients in AFDC, SSI and Medicaid; Medicaid mill fraud; and defaulted student loans. We understand that the HEW budget submitted to Congress took into account substantial anticipated savings in waste, fraud and abuse in these programs.

THE LANGUAGE OF THE AMENDMENT

The statutory language does not parse easily. The first clause purports to reduce total budgetary authority for HEW as provided in the Appropriations Act by $1 billion. That is, the amount available to HEW for obligation in FY 1979 equals the sum of the line items in the Act minus $1 billion. This flat reduction, however, is modified by the first proviso which states that "this reduction shall be achieved by the reduction of fraud, abuse and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General." This proviso appears to identify the source from which reductions in expenditures are to come (the areas noted above). It does not, however, prescribe what is to occur in the event that the Secretary cannot identify and eliminate $1 billion in waste, fraud and abuse; instead, the amendment appears simply to assume that sufficient reductions can be achieved. Nor does the provision indicate what is to happen if the elimination of $1 billion or more of waste, fraud and abuse does not occasion a comparable reduction in expenditures.[3]

The second proviso ("this section shall not be construed to change any law authorizing appropriations or other budget authority in this act") is ambiguous. It appears to state that the reduction effected by the section shall not disturb any entitlements established or guaranteed by existing legislation. While it is not clear what the phrase "other budget authority" refers to, the most logical reading is that it should be coupled with the language "any law authorizing appropriations." This reading recognizes that in establishing programs, Congress may either authorize appropriations for an activity, or grant the relevant agency authority to commit funds (*e.g.,* by way of contract). Thus, the proviso would mean that the Amendment's reduction would not affect other laws (for which appropriations have been made in the Act) which authorize HEW to make expenditures or obligate funds.[4]

The ambiguities evident in the Michel Amendment give rise to several possible interpretations. As noted above, your General Counsel has suggested that the Amendment merely sets a goal for reduction of expenditures through elimination of waste, fraud and abuse. This interpretation relies most heavily on the second proviso's command that the Amendment not be read to change legislation authorizing appropriations or other budget authority. It is reasoned that since HEW was never authorized to obligate funds for waste, fraud and abuse, no real cut can occur in appropriations without taking away funds from legitimate programs in violation of the second proviso.

There are three defects in this interpretation. First, it effectively renders the Michel Amendmenat a nullity. As the General Counsel's opinion itself concedes, under its construction "the Michel Amendment merely restates a part of the Secretary's preexisting legal obligation." One source of that preexisting obligation is the Anti-Deficiency Act, 31 U.S.C. § 665. When the modern version of that Act was passed in 1951, the House Committee on Appropriations stated that "it is [the] responsibility [of every federal official] to so control and administer the activities under his jurisdiction to expend as little as possible out of funds appropriated." The Committee identified the purpose of the revision of the Act to be "to require careful apportionment of all types of funds expended by Federal agencies and efficient administration of the Government's business." H. Rep. 1796, 81st Cong., 2d Sess. 9 (1950). We are not inclined to adopt a construction of a statute which renders it redundant with existing law. Such a construction runs counter to the well-established "presumption against interpreting a statute in a way which renders it ineffective."[5]

Second, the interpretation misinterprets the second proviso, making a false leap from the existence of entitlements to the necessity for appropriations. The opinion appears to assert that the second proviso requires HEW to fund all entitlements up to the line item amounts in the appropriation act. As we read the second proviso, it provides that any reduction in appropriations shall not affect any entitlement or obligation established under other statutes. This is not necessarily a contradiction of the first clause which purports to reduce appropriations; legally enforceable entitlements and obligations may exist absent appropriations. *See United States* v. *Langston,* 118 U.S. 389 (186); *New York Airways, Inc.* v. *United States,* 369 F. 2d 743 (Ct. Cl. 1966); *Lovett* v. *United States,* 66 F. Supp. 142, 143 (Ct. Cl.), *aff'd on other grounds,* 328 U.S. 303 (1946) ("In a long line of cases it has been held that lapse of appropriation, failure of appropriation, exhaustion of appropriation, do not of themselves preclude recovery for compensation otherwise due."); 41 Op. A.G. 424 (1959). Finally, the interpretation adopted by the General Counsel was presented to Congress and expressly rejected by the Conference Committee. H. Rep. No. 1746, 95th Cong., 2d Sess. 24 (1978). *See* 124 Cong. Rec. 36369, Oct. 12, 1978 (remarks of Rep. Michel noting Conference's rejection of HEW interpretation of his Amendment).

The Comptroller General's opinion reads the Amendment as having greater significance. It concludes that the language of the first clause works a flat reduction in HEW appropriations and that such a reduction must be achieved by eliminating waste, fraud and abuse. That is, HEW's authority to expend funds stops when the Department reaches the total of all the line items minus $1 billion. Furthermore, the opinion takes the position that the first and second provisos prohibit the Secretary from reducing funding of any *bona fide* programs. The difficulty with this construction is that it provides no answer in the event that the Secretary cannot reduce expenditures by $1 billion solely through elimination of waste, fraud and abuse. As the Comptroller General's opinion itself recognizes:

"In that case, HEW would presumably be in violation of either the initial clause of section 201 or the provisos therein. Entering into or satisfying obligations in excess of the $53.1 billion total of budget authority provided in the Act would be a violation of the initial clause, while reducing obligations below the line item amounts appropriated for the specified programs for any reason other than the elimination of fraud, abuse, or waste would be in violation of the provisos."

The Comptroller General offers no legal solution to the problem; he simply suggests that the Secretary go back to Congress to solve the dilemma.

We understand that you believe that it is highly unlikely—if not impossible—to absorb a $1 billion reduction in appropriations solely through the elimination of waste, fraud and abuse in the areas identified by the Inspector General. According to information supplied by your Department, this is so for several reasons: (1) some of the waste, fraud and abuse identified in FY 1979 relate to program dollars spent or obligated in earlier fiscal years; thus recovery of these funds do not necessarily reduce FY 1979 ex-

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Footnotes at end of article.

penditures; (2) some savings in FY 1979 programs do not generate a comparable reduction in expenditures, see note 3 *supra*; (3) an unanticipated increase in the number of entitlees will increase expenditures in the designated programs; and (4) HEW's 1979 budget request already reflected at least half a billion dollars in savings through projected elimination of waste, fraud and abuse in FY 1979. If these facts are correct, to accept the Comptroller General's opinion would be to conclude that Congress intended to give instructions that could not possibly be achieved. This result is contrary to the basic tenet of statutory construction that the acts of Congress should not be construed to lead to absurd consequences. *See, e.g., United States* v. *American Trucking Ass'n*, 310 U.S. 534, 543 (1940); *United States* v. *Ryan*, 284 U.S. 167, 175 (1931) ("[A] literal application of a statute which would lead to absurd consequences is to be avoided whenever a reasonable application can be given which is consistent with the legislative purpose.") Accordingly, based on HEW's assurance that compliance with the Comptroller General's interpretation of the Michel Amendment is practically impossible, we are reluctant to endorse that interpretation.

In order to choose between these unsatisfactory constructions of the Michel Amendment—or to develop a reasonable alternative—it is necessary to examine the legislative intent as manifested in the legislative history. Our examinaton of the legislative history convinces us that Congress did indeed intend to reduce appropriations by $1 billion.

LEGISLATIVE HISTORY

Congressman Michel introduced the Amendment on the floor of the House on June 8, 1978. He explained that the Amendment's purpose was "solely" to eliminate waste, fraud and abuse and that the reduction in appropriation "is not to come out of regular program funds appropriated in this bill or any other bill." 124 Cong. Rec. 16784 (June 8, 1978). He noted that the Amendment preserved the Secretary's freedom to apply the reduction as he chose among the areas identified in the Inspector General's report but stressed that the reduction "must be limited to savings resulting from reduced waste, fraud, and abuse." *Id.*

Representative Obey opposed the Amendment on the ground that it was a "phony cut," stating that "[t]he Comptroller says this amendment has no effect." He asserted that—

"[N]o dollars are going to come out [of the bill] because I have looked all through this bill, but for the life of me, I do not find a line item labelled "fraud and abuse."

"Amendment No. 102: Reduces the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare by $1,000,000,000 as proposed by the House, instead of $2,000,000,000 as proposed by the Senate.

"The conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General in his report of March 31, 1978, as containing waste, fraud, and abuse. In other words, the Secretary of Health, Education, and Welfare shall not spend more than the total allocated individually for these programs in this Act minus $1,000,000,000. The Secretary shall submit to Congress 30 days following enactment of this Act a plan showing the breakdown of this reduction among the individual programs, based on projected waste, fraud, and abuse savings in each program, and shall report to the Congress periodically on progress in achieving the goals identified in the plan." H. Rep. 1746, 95th Cong., 2d Sess. 24 (1978).

You received a draft of the Conference Report and wrote a letter to Chairman Flood dated October 6, 1978, commenting on the proposed language quoted above. You recommended that the Conference Report not include the sentence: "In other words, the Secretary . . . shall not spend more than the total allocated individually for [the programs identified by the Inspector General] minus $1,000,000,000." You asserted that the report's assumption that HEW's waste reduction program would cut appropriations by $1 billion was not correct for the following reasons:

"To a large extent, HEW's 1979 budget request and the line items in the Act which the conferees have approved, already reflect the savings in our plan to reduce fraud, abuse, and waste by $1 billion in 1979. In addition, our waste reduction plan includes significant savings in Medicare, a program for which no appropriation action is required. Finally, our waste reduction plan includes actions that reduce funds for grantees who are misusing the money and shift it to grantees who will use it properly, actions which will not reget but ensure that whatever is appropriated is properly spent."

The Conference, however, retained the draft language in its final report.

Representative Michel, during the House debate on the Conference Report, indicated that the language in the report was added in response to your characterization of the Amendment as mere "exhortation."

"[W]e included language in the conference report making clear that the $1 billion reduction is in fact a real cut which the Secretary of HEW must adhere to. . . .

"The conference report seeks to correct [the] "misunderstanding" on the Secretary's part by stating in unequivocal terms that he "shall not spend more than the total allocated individually for these programs in this Act minus $1,000,000,000."

124 Cong. Rec. 36371 (Oct. 12, 1978). Representative Early noted that he had refused to sign the Conference Report because of the Michel Amendment; he repeated Representative Obey's argument that the Amendment "amounts to an admission that the Labor/HEW Appropriations Committee has indeed appropriated $1 billion for waste, fraud, and abuse and now is attempting to rescind that appropriation." Id. at 36371.

In the Senate, Senator Bellmon noted "two potential budgetary problems in [the] conference report," one of which was the Michel Amendment:

". . . This bill, and the budget, assume an additional $1.0 billion in savings, to result from elimination of fraud and abuse in programs administered by the Departments of Labor and HEW.

"I, for one, Mr. President, hope we can achieve these savings. We certainly must keep pressure on the administration to make every effort to achieve these savings. Bear in mind though, we have assumed the lion's share of these savings in entitlement programs. If we fall short of our expectations, Mr. President, we may find ourselves facing possible later requirements for additional appropriations, which would have to be provided, in amounts sufficient to satisfy these entitlements." 124 Cong. Rec. 36111 (Oct. 12, 1978).

Senator Magnuson, in a colloquy with Senator Eagleton, reiterated his view that, despite the language in the Conference Report, the Michel Amendment did not affect appropriations to be paid to *bona fide* entitlees:

"Mr. EAGLETON. Mr. President, I would like to address a question, if I could, to the distinguished chairman.

"I wish to inquire as to the intent of the conferees with respect to section 201 of the bill. Section 201 explicitly states that the reduction is to be achieved solely by the reduction of fraud, abuse, and waste, and that the amendment may not be construed to change any authorizing statute. The joint explanatory statement of the committee of conference states that "the conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General . . . as containing waste, fraud, and abuse."

"As I understand it, Mr. President, the conferees expect to see expenditures from the individual accounts reduced by $1 billion, but this is to be accomplished only by a reduction in the fraud, abuse, and waste, and in no way authorizes the Secretary of HEW to reduce amounts that he is legally obligated to pay to grantees and beneficiaries by statute. I would appreciate the chairman's clarification on this point.

"Mr. MAGNUSON. The Senator from Missouri's interpretation is correct. The conferees have set a goal for HEW in this regard. The bill does not authorize the Secretary of HEW to reduce expenditures from those accounts below the amount of the appropriation. All amounts legally owing under the covered statutes must be paid to the limit of the full appropriation. This in no way should affect the legitimate payments, entitlements, and scores of things we have in HEW." 124 Cong. Rec. 36119 (Oct. 12, 1978).

Our review of this legislative history satisfies us that Congress did indeed intend the Michel Amendment to constitute a real cut in appropriations. The statements of its sponsor and the language of the Conference Report—written to counteract HEW's interpretation (which is the same interpretation again adopted in the General Counsel's opinion)—are clear in this regard. This view is further supported by the opponents of the Amendment, such as Congressman Flood and Senator Bellmon, who recognized that enactment of the Amendment might require supplemental appropriations if statutory entitlements could not be met with the reduced funding. We recognize the statements of Senator Magnuson agreed with the HEW position that the Michel Amendment would not affect payments to entitlees and grantees, but we do not find them persuasive.[6] They are contradicted by the wording of the Amendment as well as the Conference Report. Cases establish that the Conference Report should prevail as a measure of Congressional intent. *Zuber* v. *Allen*, 396 U.S. 168, 186–87 (1969); *United States* v. *International United Automobile, Aircraft & Agricultural Implement Workers*, 352 U.S. 567, 585 (1957).

Equally important, the legislative history makes clear that the mandated reduction in appropriations is not intended to eliminate bona fide entitlements and obligations established under other statutes. This follows from the congressional belief that the reduction in appropriations would not necessitate cuts in legitimate program funds because of the huge amount of waste that existed in the Department's programs. The critical question this interpretation raises is what happens in the event the Department is unable to apportion the $1 billion dollar reduction among the areas identified in the Inspector General's report without cutting into the legitimate program expenditures. According to the information supplied to us by your staff, this situation is not hypothetical; indeed, we have been told that it is virtually impossible for HEW to absorb a $1 billion dollar reduction in appropriations without reducing expenditures in bona fide programs. The opinions of your General Counsel and the Comptroller General contend that to meet the $1 billion dollar reduction by cutting expenditures in legitimate programs would violate both provisos because the mandated reduction would not be accomplished solely through the elimination of waste, fraud and abuse. We recognize that there are statements in the legislative history which support this position. Representative Michel himself stated in the course of the floor debates that "[o]ur amendment

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Footnotes at end of article.

specifically prohibits reductions in regular programmed funds. If the Secretary did so or decided to make reductions in some of those programs, he would be violating the law." 124 Cong. Rec. 16785 (June 6, 1978). Similar statements were made by Senator Magnuson. See id. 36119 (Oct. 12, 1978). However, to accept these arguments is to read the Michel Amendment either as a contradiction (as in the case of the Comptroller General's opinion) or as a nullity (HEW's position).

We disagree with both these interpretations. We believe that it is necessary to read the first proviso as a statement of Congress' goal and an indication of its motivation, not as a direction. To construe the Amendment in this fashion is to give the proper recognition to its genesis: Congress added the Michel Amendment based on the Inspector General's report that $6 to $7 billion in waste, fraud and abuse existed in HEW programs; it apparently believed that a $1 billion reduction in appropriations could be made without reducing funding for bona fide programs. By reducing and limiting appropriations, Congress sought to put the Secretary's "feet to the fire" to compel a reduction in waste, fraud and abuse. The Amendment embodies Congress' deliberate choice of method to achieve its goal of eliminating unnecessary expenditures. And the statements of several legislators indicate that they were aware that the mandated reduction might necessitate supplemental appropriations to meet entitlements that would not be funded because of the Amendment's impact.

Nor do we believe that our construction sacrifices the important Congressional goal of ensuring that eligible persons receive the funds to which they are entitled under other statutes. Even if the reduction in appropriations should force cuts in legitimate programs, the beneficiaries are guaranteed their entitlements by the second proviso. Their legitimate claims may be satisfied through supplemental appropriations; or, HEW may avail itself of the provisions in the appropriations act which permit "borrowing" from the first quarter of the next fiscal year to meet entitlements in the final quarter of the present fiscal year. Finally, as the cases above demonstrate, the entitlees and grantees may pursue their statutory rights in court. In short, the Amendment cuts appropriations; it does not cut entitlements. As stated by Representative Obey: "The money is still going to go out."

FOOTNOTES

[1] A subsequent report by the Inspector General has reduced this estimate to $5.5 to $6.5 billion. The report further notes that "[t]he amounts on which significant action can be taken under present authorities and resources are less than half of the total [approximately $2.7 billion]." Office of Inspector General, Department of Health, Education and Welfare, Annual Report, January 1, 1978–December 31, 1978 (issued March 31, 1979), App. A, p. 2.

[2] The Inspector General's report also identified two non-programmatic areas of waste: unduly high indirect cost rates (*i.e.*, negotiated rates of reimbursement to grantees for overhead costs incurred by grantees) and uncompleted audits.

[3] For example, under ESEA federally funded projects must supplement, not supplant, local educational activities. If it is determined that a locality has sought funds for a project that runs afoul of this requirement, the funds are not automatically returned to the federal government; they may simply be reallocated to a proper project.

[4] An alternative reading is possible, but less satisfactory. The phrase "other budget authority" could be coupled with the language "in this Act." The proviso would then mean that the section's reduction shall not affect authorized programs nor shall it affect budget authority identified in the Act. The word "other" would therefore have to refer to budget authority in areas not identified by the Inspector General. This interpretation seems strained because it would mean that the proviso includes both an authorization and an appropriation element.

[5] *FTC* v. *Manager, Retail Credit Co.*, 515 F.2d 988, 994 (D.C. Cir. 1975). *See Bird* v. *United States*, 187 U.S. 118, 124 (1902); *Jackson* v. *Kelly*, 557 F.2d 735, 740 (10th Cir. 1977) ("We should not and do not suppose that Congress intended to enact unnecessary statutes."); *Consumers Union of United States, Inc.* v. *Sawhill*, 512 F.2d 1112, 1118 (2d Cir. 1975) ("Congress will not be presumed to have done a useless, ineffective or absurd thing.")

[6] We are also aware that in the course of the floor debate, Representative Michel stated: "A dollar *goal* established by Congress will hold [the Secretary's] feet to the fire. . . ." 124 Cong. Rec. 16785 (June 8, 1978) (emphasis supplied). However, viewing all of Michel's statements, we are convinced that he intended his Amendment to be a real cut in HEW appropriations. *See, e.g., id.* at 36369 (Oct. 12, 1978).

Mr. MOYNIHAN. Mr. President, it is my understanding, as it is the understanding of my revered senior colleague and of the Assistant Attorney General in the Office of Legal Counsel, that all such payments for 1979, when they are in order, when they are legitimate, may be made by State governments out of funds drawn from the appropriation for fiscal 1980. We believe this to be the case, as we read the existing law, and so does the Department of Justice.

In order that there not be chaos in these programs in the months ahead, my revered senior colleague, Mr. JAVITS, and I ask whether this is the understanding of the chairman and the committee, as the supplemental provision goes through.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. MAGNUSON. Mr. President, the Senator has stated the legal position very well. His interpretation of the law as it applies to the borrowing authority of HEW is the same as mine.

There is no reason, under the Michel amendment or any other amendment or the committee's recommendation, why anyone who is legitimately entitled to payments should not get them. If HEW finds that their estimates are too low, they have the borrowing authority, and they can come back to us and tell us what they have been doing.

The problems involved with the Michel amendment are complex. The HEW Inspector General reported last year that between $6.3 and $7 billion in HEW funds were being lost due to fraud, abuse, and waste. The Secretary of HEW, himself, said that he could cut about $1.1 billion. So our target in the Michel amendment was modest. By some standards, and certainly reasonable.

Mr. MOYNIHAN. That is correct.

Mr. MAGNUSON. For the year HEW should be able to end up somewhere around $700 to $800 million.

However, I do not think we should give up our drive against fraud, waste, and abuse, because there is far too much of it.

There is no reason for Congress to repeal the Michel amendment at this time. HEW has ample authority to pay all legitimate claims from all the States. There are plenty of funds for them to accommodate those needs.

But there is also no good reason why the HEW and State bureaucrats cannot achieve these savings called for by the Michel amendment.

The bulk of those lost funds are the result of errors. Errors in overpayments for services and errors due to ineligible recipients being on welfare rolls.

The thrust of the Michel amendment was the error rates in welfare programs—administered by the States—and error rates that result in billions of Federal and State dollars being paid out to ineligible welfare recipients.

Let me make it perfectly clear. It was never our intent to take any funds away from eligible recipients. And the States can achieve that $1 billion in savings today without cutting one nickel from benefits.

The Michel amendment would not cut one nickel from the benefits that any eligible recipient might receive in assistance from medicaid, medicare, or welfare programs.

The law then—and the law today—requires those payments to continue and in the full amounts allowed to all citizens eligible to participate. But the law does not authorize overpayments to either recipients or providers of welfare services, and the law does not authorize ineligible recipients to unlawfully receive benefits.

HEW and the States can abide by the Michel amendment or any other amendment. Congress should hold the feet of the bureaucrats to the fire to do this job. If they can find only $300 or $400 million, they can come back, and they have ample opportunity to borrow.

HEW has started a campaign to try to change their interpretation of the Michel amendment. They came to me, of all times, 5 minutes before I walked in to mark up this bill in full committee, and wanted me to change the law. They have known about it for a long time. The administration does not agree with them on this.

HEW estimates that $1,782,500,000 will be paid out due to errors in the administration of welfare programs by the States. It is not only fraud, waste, and abuse. It is downright errors. I think this has gone on far too long and we have gone a long way to clean this up.

The goals of the Michel amendment must be achieved and it is a reasonable figure. If we changed it I do not think the House of Representatives would take it anyway, and they should not.

New York State has one of the highest error rates in the Nation, 13 percent. That is not the fault of the Senator from New York. But it is because New York has such a large population and these programs have become so very complex.

I am hopeful that this will work out.

I yield the floor.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I yield.

Mr. JAVITS. What the chairman has said is enormously helpful. I believe the chairman is absolutely right on the law. Knowing the officials of these departments as we do, I call Senator MAGNUSON's attention to the fact that in a letter to him, and I think he just referred to that letter, dated June 18, this is what the Department says, that is, the fellow who signed this letter, who is the acting secretary, Hale Champion. He says at page 4 of his letter:

> In short, to comply with the Michel amendment as interpreted by the Comptroller General and the Attorney General, and in the absence of relief from Congress, HEW will reduce total fourth quarter 1979 grants awards to States for Medicaid by approximately $421 million and for AFDC by approximately $410 million in letters that must be sent by July 1, 1979.

He says the Attorney General. He is wrong. Facing that is the opinion of the Attorney General, which Senator MOYNIHAN has just put in the RECORD, signed John M. Harmon, Assistant Attorney General, Office of Legal Counsel, in which he says:

> Even if the reduction in appropriations should force cuts in legitimate programs, the beneficiaries are guaranteed their entitlements by the second proviso.

That is, of the Michel amendment.

Then it goes on to say:

> Their legitimate claims may be satisfied through supplemental appropriations; or, HEW may avail itself of the provisions in the appropriations act which permits "borrowing" from the first quarter of the next fiscal year to meet entitlements in the final quarter of the present fiscal year.

As Chairman MAGNUSON has said.

And that is borne out by the Appropriations Act in question under the title of "Health Care Financing" and under the title "AFDC Benefits," similar provisions "Assistance Payments Program," Public Law 95-480, October 18, 1978.

What we have to guard against and why what the chairman is now saying is so critical to us is that the HEW not getting what they say they think they need from Congress will not utilize these provisions and, as I understand the chairman, he is pointing out that the entitlements language being absolute, that is section 403 of the Social Security Act, it is their duty to utilize the provisions of the Appropriations Act to pay the entitlements which the Michel amendment requires them to pay and then to charge that against the first quarter of the ensuing fiscal year. And that is fine. We understand that. That is why we are not amending, and I hope very much that Chairman MAGNUSON will help us to see that the HEW authorities obey the law and do not just say to us:

> Well, Congress did not act, so we are sorry; we are going to cut it the $841 million we told Chairman Magnuson in our letter that we are going to do.

That is our practical problem.

Mr. MAGNUSON. Each year since 1972 HEW has told the Congress they were going to impose sanctions on those States with the highest error rates to get those error rates down. They have never done so. We cannot afford to pay out $2 billion each year, because of a lack of sound fiscal management and it is high time we took the initiative to see that that job gets done.

Now, the real problem is going to surface again in the 1980 budget, the 1980 Labor-HEW appropriations.

Mr. JAVITS. Right.

Mr. MAGNUSON. I do not think that this last-minute business of HEW belongs on a supplemental bill.

But the Michel amendment does not reduce by one nickel payments to any eligible recipient who is entitled to receive them.

Mr. JAVITS. Yes. And it is the duty of HEW to pay according to the entitlement.

Mr. MAGNUSON. Yes.

Mr. JAVITS. And we have given them a source, to wit, drawing on the first quarter of 1980.

Mr. MAGNUSON. As I have said, they have that authority.

Mr. MOYNIHAN. I thank the chairman for his explicit, lucid, and, to my mind, conclusive statement. It settles this matter in an appropriate way.

I wish to associate myself with his remarks, and those of my senior colleague from New York, on the matter of waste and fraud. This measure is designed to protect people who are legitimately entitled to benefits, and they will be protected. I thank the chairman.

Mr. JAVITS. I thank the Senator.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Did the Senator from New York wish to seek recognition?

Mr. JAVITS. I am seeking recognition to propose an amendment. Does the Senator have an amendment? If so, I will yield.

Mr. RIEGLE. Yes.

Mr. JAVITS. I will be at the Senator's pleasure, whatever the Senator says.

Mr. MAGNUSON. What did the Senator say?

Mr. JAVITS. I yield to the Senator.

Mr. RIEGLE. Both sought recognition and both have an amendment.

Let me say to the Senator from New York that Senator STENNIS and I are going to engage in a colloquy on this amendment and are both ready to go at this time. If the Senator has a particular compelling reason——

Mr. JAVITS. That is all right. The Senator may go ahead.

Mr. MAGNUSON. I wish to dispose of this colloquy and then I understand the Senator from Michigan and Senator from Mississippi have a small matter they wish to discuss.

Mr. RIEGLE. A pending disagreement.

Mr. MOYNIHAN. The Senator from New York and his senior colleague stated we most appreciate the statement of the Senator from Washington which we consider to be conclusive in the matter.

I defer to my senior colleague.

Mr. JAVITS. I thank Senator MAGNUSON very much.

Mr. MOYNIHAN. And express our deep appreciation.

Mr. JAVITS. I thank the Senator.

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, if I may further inquire of the senior Senator from New York: Can his matter be disposed of quickly?

The PRESIDING OFFICER. The Senator will suspend a moment.

Mr. MAGNUSON addressed the Chair.

Does the Senator from Michigan recognize the Senator from Washington?

Mr. RIEGLE. I yield to the Senator from Washington.

Mr. MAGNUSON. I ask what other amendments there are? I understand the Senator from Michigan has an amendment.

Mr. RIEGLE. Yes.

Mr. MAGNUSON. I will yield to the Senator from Michigan to present his amendment.

Mr. RIEGLE. I thank the Senator.

I was inquiring of the Senator from New York if his amendment could be disposed of quickly, because I do not want to delay him if we could handle it.

Mr. JAVITS. Will the Senator yield 2 minutes?

Mr. RIEGLE. I yield 2 minutes.

Mr. JAVITS. Perhaps I can explain what I have in mind and see how the managers feel about it.

The PRESIDING OFFICER. The Senator will suspend while I straighten out this parliamentary situation.

The Senator from Michigan may not yield time until the amendment has been proposed.

UP AMENDMENT NO. 302

Mr. RIEGLE. Mr. President, I send an amendment to the desk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Michigan (Mr. RIEGLE) for himself and Mr. WEICKER proposes an unprinted amendment numbered 302. On page 7, line 4, insert the following: "None of the funds provided by this Act shall be used to procure any equipment or materials for or to continue any work on the Iranian hull designated DDG-996 that is not directed toward completing that hull as an AEGIS guided missile destroyer."

The PRESIDING OFFICER. The Senator from Michigan.

Mr. MAGNUSON. Mr. President, will the Senator from Michigan allow me to yield 2 minute to the Senator from New York?

Mr. RIEGLE. By all means.

Mr. JAVITS. I thank my colleague.

What I have in mind, I might say this to Senator MAGNUSON and Senator YOUNG, is an effort to get into the Department of Energy's action to check out whether or not the oil companies are sitting on the oil, whether there is some kind of monkey business going on, or whether we legitimately have an oil crisis. It is for the opportunity to investigate that.

Now, apparently, Secretary Schlesinger's people are fully engaged in lots of other things except what will convince the public that there either is or is not an oil crisis, and until we do we are going to be trying to fight it with one hand behind our back.

I, therefore, in order to meet both the Budget Committee's problems and the problem I have just described, am prepared to propose an amendment which will provide for hiring 200 additional auditors for the specific purpose of running down this proposition, and to take that $9 million, which it is estimated to cost, out of a provision in the bill now for $12.8 million for salary increases on the part of the Department of Energy in connection with its energy, science, and defense activities, that, in order to qualify it respecting the Budget Committee. That is the sense of the amendment.

If the managers would see fit to accept it, I am sure Senator RIEGLE will yield to allow me to present it and have it acted upon.

Mr. YOUNG. I think there is great merit in what the Senator from New York is attempting to do. Almost everyone—maybe not everyone, but at least half of our people—does not believe there is a shortage of oil today. They think the oil companies are to blame, someone else is to blame, the President or the Congress, and what we ought to do is to find out what is wrong. Is there a shortage and, if so, why? I think it is a worthwhile thing to do.

Mr. JAVITS. I thank the Senator. That is exactly the point. This will not increase the amount of the bill because I have taken the money out of the Energy Department's $12.8 million, and these conferees can adjust it in conference any way they choose.

Mr. MAGNUSON. This is a new amendment to me. Senator BYRD wanted to talk about it, so if the Senator will withdraw it temporarily——

Mr. JAVITS. All right.

Mr. MAGNUSON. I can express my opinion very quickly. I think the oil companies are taking us for another ride.

Mr. JAVITS. Well, we will soon find out. I will withdraw it for the moment, and I thank the Senator.

The PRESIDING OFFICER. The Senator from Michigan.

UP AMENDMENT NO. 302

Mr. RIEGLE. I thank the Chair.

The amendment that has been proposed is offered by myself and the Senator from Connecticut (Mr. WEICKER).

I rise now in support of the amendment and to describe it for my colleagues.

This amendment would make an important refinement to the bill now before us. This amendment improves the bill from a military point of view because it would give the U.S. Navy a ship with far more capable air defense system than it would otherwise have if Congress just lets things slide along.

The amendment would accelerate delivery of the Navy's second high priority Aegis ship by an estimated 6 to 12 months.

This amendment is also prudent from a budgetary point of view. According to the Congressional Budget Office it would reduce the total cost of the Navy's second Aegis ship by about $100 million. That is not a small sum, and it is a sum well worth saving.

Let me make it clear that this amendment is fundamentally different from any previous amendment that I or others have offered on Iranian ships because this amendment does not reduce defense appropriations in this bill by one dime. So that there will be no misunderstanding, I want to underscore the fact that the bill now before us includes all four Iranian ships, and this amendment will not change that.

Several weeks ago we had a lively debate on the need for additional appropriations to procure four Iranian hulls that became available when the Government of Iran canceled the order.

After considering the facts in some depth, I came to the conclusion that the Navy could take full advantage of Iran's decision to cancel its order for four destroyers without the need for any new fiscal 1979 appropriations.

We put that case forward here in the Senate. It was argued at great length and, simply stated, the votes were not there to support my position. The Senate has expressed itself clearly on that matter. I do not raise that matter today. In fact, I have no interest in pursuing what would simply be a symbolic fight on an issue we have looked at and voted upon already.

So let us be clear then that the amendment I raise today with Senator WEICKER would leave the funding in this bill for all four ships. I know my colleague from Mississippi is pleased to hear that because this is what he has argued very forcefully be done.

Let me briefly explain the situation before us. The Shah of Iran back in 1974 ordered four *Spruance* class destroyers from the Ingalls shipbuilding division of Litton Industries. The ships were to be equipped with the Tartar-D air defense system. In fact, these ships are now under construction down in Pascagoula, Miss.

The Secretary of the Navy has testified that the fourth Iranian hull—the hull that is least far along in construction—can still be equipped either with the Tartar air defense system, which was ordered by the Shah of Iran, or, with a far more advanced Aegis system, which the Navy now considers to be vital to the defense of carrier-based battle groups.

The Navy's position is that work on the other three ships has proceeded now so far that it is no longer economically feasible to try to convert them into Aegis ships. However, we still do have that option with the last one of the four ships.

So the question we face here today is this: Do we want to provide the Navy with a Tartar ship when we can deliver a far superior Aegis ship instead? That is a very important choice.

The Tartar air defense system, the older system, was originally developed back in the 1950's to defend naval battle groups against attack from the air. The Tartar system, over the years underwent several improvements, and the latest now is the most sophisticated system actually operating in the U.S. Navy.

However, the ability of Tartar to provide adequate defense has been overtaken by recent Soviet advances in antiship missile technology, and the development of the supersonic Backfire bomber.

In 1969 the U.S. Navy began development of a much more capable air defense system called the Aegis system. That is what we now are producing as a replacement technology for the Tartar system. The Congressional Research Service recently prepared a comparison of Tartar and Aegis, and this is what that comparison states:

> As the Soviets acquire these new missiles and modern platforms like the Backfire bomber from which to launch them, they will be able to threaten all existing U.S. antiair warfare (AAW) systems with saturation; i.e., accurately-delivered missiles in such numbers and at such speed that the firepower of systems like TARTAR and TERRIER will simply be overwhelmed . . .

The Congressional Research Service makes it very clear that the Tartar system is not sufficient to deal with the threat that has now developed from the Soviet Union, and that is why we are in the process of moving ahead to the more advanced Aegis system.

As a matter of fact, our own Senate Armed Services Committee, from whom we will hear very shortly, itself recognized the inherent weaknesses of the Tartar-D system when it considered a request for a new nuclear cruiser to be equipped with the same Tartar weapons system that had been ordered by the Shah of Iran.

Congress refused to authorize that ship on the strength of the recommendation of the Armed Services Committee. I would like to quote from the Armed Services Committee report back in 1975, 4 years ago, when they said to the Senate:

> The Committee has carefully considered this request and believes it inappropriate to build any ship, and especially a nuclear ship, with a weapons system that is clearly inadequate to meet the projected threat within a relatively short time period after delivery of the ship.

Our own Armed Services Committee told us 4 years ago that it would be inappropriate to build any ship with this weapons system because it was clearly inadequate to meet the projected threat within a relatively short time period after delivery of the ship.

The Armed Services Committee was right in the forecast. The Russians weapons technology has moved along, the Backfire bomber and cruise missiles have been produced. So today the Tartar system is not able to provide adequate defense.

My staff and I have discussed this matter at length with defense analysts from several organizations and they all assert that the defense of a carrier-based battle group would be improved far more by supplying one ship equipped with Aegis than by supplying one more ship equipped with even the most advanced form of Tartar. Aegis is not only itself a far more capable air defense system, it can coordinate missile launching and control for several nearby Tartar ships. Therefore, the Aegis system provides the best expected method for extending the performance of existing Tartar ships beyond their inherent limitations.

Although Aegis is a costly system, the Navy is convinced that without it U.S. carrier battle groups operating in the "high threat" parts of the world will be dangerously vulnerable to the antiship missile threat posed by Soviet forces.

This is what the Chief of Naval Operations, Admiral Hayward, said during hearings on the fiscal year 1980 defense appropriations:

> I consider the Soviet missile threat as one of the major tactical threats that confront our operators at sea; that, and the Soviet submarine force. In order to combat that kind of threat from an enemy, one has to develop tactics, to understand the problem and work around it; to devise a battle group force that provides a capability within the battle group to deal with an air-launched missile threat.

Then Admiral Hayward went on:

> At the present time the threat is not so great as to be overwhelming. It is going to grow in the future. There is no question about it. In order to be prepared to handle that, we have introduced into the program over the last several years the AEGIS system to put on our destroyers. * * *

I call the attention of Senators particularly to the next two sentences. Admiral Hayward continued:

> I consider this (AEGIS) to be one of the highest priority programs that we have. If we do not get something like that, then we are going to have a much more difficult time handling the missile threat.

Later in his testimony, the Admiral said:

> If we had the best of all possible worlds, we would have nothing but AEGIS ships out there, but that is a very expensive way to go.

This amendment would simply allow us to follow Admiral Hayward's advice and take advantage of an Iranian hull that is being completed in the shipyard now and, turning it into an Aegis ship. We should use the ship, spend the money on the ship, keep shipyard workers employed building the ship, but build it into an Aegis destroyer. We can have that Aegis ship available to the U.S. naval forces 6 to 12 months faster than otherwise would be possible, and at a savings of about $100 million.

There you are. That is the bottom line here. The question is whether we are serious about the type of defense we are providing, and whether we are prepared to take advantage of this situation, get the ship faster, and get it cheaper.

Not a single defense expert has claimed that Tartar is as capable as Aegis in the face of the new threats facing the U.S. fleet. The Navy has claimed on many occasions that Aegis is urgently needed.

In fact, the Navy's 5-year plan includes 10 Aegis ships to be built on *Spruance* class hulls in the Litton/Ingalls shipyards—on hulls identical to the Iranian hull. Admiral Hayward testified that a total of 18 Aegis ships will be needed.

The first of those Aegis ships is now under construction.

The fiscal 1980 budget includes $820 million for a second Aegis destroyer. So there is no quesion that Aegis destroyers are of very high priority in the eyes of our military planners.

The Congressional Budget Office, as I say, has estimated that by taking advantage of work to date on the Iranian hull, $411 million in fiscal 1980 funds would be needed for the materials and equipment to complete the Iranian hull as an Aegis destroyer. That is $409 million less than is included in the budget for the second Aegis destroyer. Those savings could be used for other high priority items that would otherwise be squeezed out of defense or other areas of the Federal budget.

But I would point out that this amendment does not prejudge the action of Congress on the fiscal 1980 appropriations. Congress could choose, of course, to fund two Aegis ships in fiscal 1980. The savings would still be large, and the Navy would still be better equipped than if we simply fulfill the old purchase order, placed by the Shah of Iran 4 years ago.

So for these reasons, Mr. President, among others, I believe it is important that this amendment be agreed to. We would simply turn the one Iranian ship into a more capable ship of the kind needed by the Navy. We can get that ship faster, and we can save ourselves $100 million. That kind of bargain does not come along every day. But that is what we can achieve, if we move on it now.

To vote no on this amendment is to decide that defense capability is not the real objective here. Nor is it cost-effectiveness, but instead just producing another ship in a shipyard down there. If that is the issue, then Senators will want to vote with the other side on this amendment, and we will have an extra ship built in the old form. Mr. President, I would hope we would be smarter than that.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator's time has expired. Who yields time in opposition?

Mr. WEICKER. Mr. President, will the Senator from North Dakota yield me some time?

Mr. YOUNG. I yield the Senator 2 minutes on the bill.

Mr. WEICKER. Mr. President, I am pleased to join with the Senator from Michigan (Mr. RIEGLE) in offering this amendment to the Defense chapter of the fiscal year 1979 supplemental appropriations bill. I think it has been made perfectly clear that the Senate endorses the purchase of four Iranian destroyers ordered by the Shah and canceled by the new Government. We have had several votes already on this matter and while the results were not overwhelming in support of the ships, it appears that the purchase will go through.

So, it seems to me, that if we are going to buy the ships, we should at least equip them with the best, most modern air defense systems. It is my understanding that the fourth Iranian hull, and possibly the third as well, could be adapted to contain the new Aegis antiaircraft system. The other ships will be equipped with the Tartar air defense system designed back in the 1950's.

When we talk about the needs of the Navy, we should bear in mind that the Navy itself, as well as the Congress, does not attach a very high priority to the Tartar-equipped destroyers. No new ships of this type were included in the Navy's 5-year plan nor in budgets for fiscal years 1979 and 1980, and the Senate Armed Services Committee in its 1975 report considered this technology "inappropriate—to meet the projected threat."

The Aegis system, however, is needed and the Navy has plans to purchase at least 10 Aegis-equipped destroyers during the 1980's. Here we have a chance to get one of these ships 6 to 12 months sooner than planned at much lower cost, and that is what this amendment seeks to do.

In a larger sense, this amendment highlights the question that faces us all here in the Congress: What should our priorities be in the upcoming fiscal 1980 budget as we shortly begin floor action on the 1980 appropriations bill? More than ever we are faced with a choice between guns and butter and in the opening rounds of that debate—in the President's budget proposal and the congressional budget resolution—we have come down heavily on the side of more guns. Even as we are about to begin the great SALT debate, the President has decided to build the blockbuster MX missile at a cost ranging from at least $20 billion to as much as $70 billion. I am not saying this is a mistake. I may support the MX as I have supported other major military programs such as the B-1 bomber and the XMI tank. But what I am saying is that this country has other concerns and commitments that should not be abandoned or reduced at the expense of our military hardware. Our energy situation is no longer "the moral equivalent of war;" it is real war, a war for survival of our way of life and our whole future. We need to apply our tremendous resources in both the public and private sector to win. The health, housing, education of our citizens should not be sacrificed because in the end it is people who provide the best defense for this country, and the strength of our people is our best hope in times of crisis.

This amendment gives us a unique opportunity to meet the needs of the military by allowing the Navy to have its Aegis destroyer cheaper and quicker than planned, and at the same time, to save our $400 million in fiscal 1980 spending for use in meeting the pressing problems this Nation faces in energy, transportation, health, and other sectors. I urge my colleagues to join with us in support of this amendment.

Mr. STENNIS. Mr. President, how much time does the opposition have?

The PRESIDING OFFICER. Nine minutes and 40 seconds remaining on the amendment.

Mr. STENNIS. No, not on the amendment, please, but how much time was there to each side on this amendment? I understood there was 30 minutes to each side.

The PRESIDING OFFICER. Under the agreement, 30 minutes have been alloted to the entire amendment, 15 minutes on each side.

Mr. STENNIS. Mr. President, if that is the record, that is what we will have to go by.

Mr. TOWER. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STENNIS. Yes.

Mr. TOWER. Mr. President, I ask unanimous consent that Alton Keel, of the Armed Services Committee staff, be permitted access to the floor during consideration of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, the Senator from Michigan and I were both under the impression there was 30 minutes to each side on this amendment. I do not know how that could be remedied just now.

Mr. President, I yield myself 5 minutes.

Let me warn the membership that even though this matter has been voted upon twice by this body, and it went about 2 to 1 each time on a rollcall vote against the substance of this amendment, it is now up again in slightly different form. I speak with great deference to the author of this amendment.

The first time it came up the amendment was to strike all four of these vessels, just to strike them out and not let them be in the money bills or the authorization bills this year. That was defeated 2 to 1. That was the budget resolution.

It came up again on the authorization bill and the effort was to strike out two ships. That was defeated 2 to 1.

Now we come back and this amendment undertakes to substantially change one of those four ships. This is an important point, Mr. President. These four ships have not yet had any money appropriated for them, not one dime.

The Senate has already voted several times that they want these four ships. They have gone as far as they can go. They want them financed in this supplemental bill. This amendment does not go the hard way and offer to put in extra money to do what it wants done for the Aegis missile system. I think that would run them through the ceiling on the budget resolution, though I am not certain of that. I do know it would give trouble. They merely attempt to put a limitation on another ship that has not yet been authorized nor appropriated for, some imaginary thing out yonder somewhere that the Congress might do this year.

That is contrary to the recommendations of the committees of both Houses and our Armed Services Committee two or three different times.

I think we are backing up and trying to make a new start on something that has already been voted upon. I do not think the Senate should go that route at all. It would make a serious mistake.

The Senate position has been that we will put these in the supplemental bill, that we will finance them in the supplemental bill, and then we will have the fiscal year 1980 appropriations bill in which to use some discretion. I will say now, Mr. President, it is already full of needed ships this year. We are starting a really meaningful Navy program for ships and we are all proud of it. I believe the Congress is and the Nation is.

On this matter about the Tartar and the Aegis missile, the 1975 report was read. In the Armed Services Committee what we were talking about, as is clearly shown, was a nuclear powered cruiser, a larger class ship run under nuclear power. We said there we would not recommend these things for that type of ship.

Here is the testimony of the Chief of Naval Operations, who is certainly a qualified witness. The Senator has referred to this.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I yield myself 1 additional minute.

The testimony of the Navy Department, the Department of Defense, and the Chief of Naval Operations, an extraordinary man, Admiral Hayward, should be the testimony we follow today when they say, "We want these four ships as they are at this bargain, and to move as soon as we can to get them much quicker."

They say, "In fiscal year 1980 we want a ship with the Aegis missile system." This shows they are in line with their plan. They never planned any kind of Navy with all the destroyers carrying this $420 million missile system. They expect to have about one of the Aegis type to two of the other type.

The PRESIDING OFFICER. The Senator has used his additional minute.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. STENNIS. All right. I yield 3 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, the net effect of this amendment would lead to the loss of one of the ships authorized and needed by the Navy. I find this to be critical in view of the fact that Admiral Hayward has testified that a shipbuilding program adequate to maintain maritime superiority would maintain 14 Aegis ships, that construction of 89 new ships would be required as compared to the present 5-year plan of 67.

We are sorely behind on shipbuilding. Our maritime power is being seriously threatened by the growing Soviet naval buildup and the projected increase in Soviet naval tonnage to the extent that now they are building capital ships at a greater rate than the United States is.

The net effect here would be the loss of a ship. It would mean the loss of one Tartar destroyer. The Tartar system is not an obsolete system. It is the system currently in use in the Navy. It will be the system currently in use in the Navy until the introduction of the Aegis into the fleet in 1982–83, and will continue to be used married to the Aegis system after that.

I think we have a great opportunity to get this Iranian ship at a bargain. I do not think we should fool with this program right now.

This is a mischievous amendment. We have been over this matter both on the budget debate and on the supplemental authorization debate. We have gone through conference with the House on the matter. The matter is settled. Let it lie there. When we consider we will have to have increased deployment of ships in the Indian Ocean, now is no time to be dropping a ship out of our projected plans for Navy shipbuilding. That would be the net effect of this amendment since there is no money available for conversion of the Iranian destroyer to the Aegis system. It would mean dropping out a DDG–43, and this the Navy does not want to do. It has come out strongly against it. Anyone who understands what our naval requirements are going to be over the next decade I think should, on analysis, defeat this amendment.

The Acting Secretary of the Navy has said——

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. TOWER. I ask for 2 minutes on the bill.

Mr. YOUNG. I yield.

Mr. TOWER. He said:

> We have developed an AEGIS production schedule that integrates the most efficient procurement of an extremely complex weapon system with an efficient shipbuilding schedule. We believe this approach to be sound. We have applied to this procurement the hard lessons learned in the recent past while we were embroiled in huge claims backlogs. We designed this program with a gap between the lead ship and follow-on ships and with a steady increase in building rate through the years. Navy witnesses have previously testified about the possibility of installing an additional AEGIS system on the fourth Iranian ship, and while we concluded that it would be feasible, there are risks in doing so. Further, this would cost an additional $450 million in fiscal year 1979 which the Navy could not absorb.
>
> We believe that the proposed amendment would cause those risks to reappear due to an unnecessary perturbation of present workload at the yard. In addition, that perturbation will, in all likelihood, increase costs presently projected on future ships of the AEGIS class since it will change substantially the workload premises on which such costs were estimated.
>
> The result, then, will be some near-term savings if the proposal is adopted, but at the cost of the deletion of a very capable ship that we presently have an opportunity to acquire at a savings of $200 million. Moreover, this loss will be accompanied by the very types of procurement risks that we have been striving to avoid in our shipbuilding program.
>
> I solicit your support in defeating this proposed amendment. It is imperative that we take full advantage of this opportunity to fill rapidly the urgent need for capable anti-air warfare ships in the Fleet.

Mr. Woolsey, the Acting Secretary, goes on to say that he enlists our support to defeat the proposed amendment. Mr. President, I urge the Senate to defeat this untimely amendment.

Mr. YOUNG. Mr. President, I yield myself 2 minutes on the bill.

Mr. President, these four destroyers fit into the need of the Navy. It would save $800 million over what it would cost if we had to order those ships now. It has the support of the Navy. We are short of ships. We should get on with this building program and not delay it any longer. I can see, maybe, a long, long delay in this and a lot of wasted money if we do not accept the Senate amendment as is. I think it is fully justified.

Mr. STENNIS. Will the Senator yield me 3 minutes on the bill?

Mr. YOUNG. I yield 3 minutes on the bill to the Senator from Virginia.

Mr. WARNER. Mr. President, I rise in opposition to this amendment. This amendment proposed by the distinguished Senator from Michigan does not pose a new issue for the Senate.

We have been over this issue before, and we have voted twice to reject the Senator's amendments.

What the Senator from Michigan actually proposes is that we cut out one ship from the budget, that we have one less ship for our Navy.

The Senator puts the best face on his amendment by stating that, if we accept his amendment, we shall have an Aegis ship 6 to 12 months sooner and that we will save the taxpayers over $400 million. Those are highly desirable goals.

What he does not tell the Senate is that this can only be accomplished if we cut out of the fiscal year 1980 budget the $820 million for an Aegis destroyer.

Mr. President, I agree with the Senator from Michigan that we need Aegis at sea as soon as possible. As a matter of fact, 10 years ago, I was in the Department of the Navy and it was at that time that the concept of Aegis came to the forefront and the Department began to push these programs. Therefore, I agree that it is the most capable fleet air defense system in production today.

However, where I disagree with the Senator is that we should put Aegis on the fourth Iranian destroyer at the expense of an Aegis ship in the 1980 budget.

If the Senator were to be completely consistent in his logic, then he would be putting forward an amendment to add $411 million to this bill for the purpose of putting Aegis on the fourth Iranian ship.

Indeed, if the Senator were to do that, he would have my wholehearted support.

It is true that the Soviet antiship missile capability poses the most serious threat to our Navy.

It is true that the addition of Aegis to our Navy's antiair capability is essential to meeting that threat.

However, Aegis alone cannot meet the threat.

We cannot afford enough Aegis ships to provide coverage for all our fleet. Even with the 10 Aegis ships in the current 5-year plan, susbtantial segments of our fleet will have to do without Aegis.

Even more to the point, most of the Aegis ships will not be to sea until the late 1980's.

We need enhanced antiair capability before that time, and the so-called Iranian ships will provide some of that much needed capability.

Furthermore, all four of the Iranian ships will be available within the next 2 years.

Senator REIGLE has made the case in the past that the Tartar D missile system is obsolete—that it is "outmoded" and that we do not need it. That was in the "Dear Colleague" letter of April 25, 1979.

I say to the Senator that, if he believes that, he is misinformed.

The antiair missile system—the Tartar D—is one of the best in the world today. It will soon be upgraded with the SM-2 missile. Until the Aegis system is deployed, it is the best there is—and we need much more of it.

When Aegis is deployed, it will not be deployed in sufficient numbers to provide protection for all the fleet and, therefore, the missile system on these ships will be valuable and needed addition to our air defense capability.

In addition, this missile system can be easily integrated into an Aegis air defense system, thus adding additional numbers of missiles to the system.

Our carrier battle groups are already drastically short of modern antiair ships. We now have only 35 and, according to the official studies on this by the Navy, the Defense Department and the National Security Council, we need more than 70 such ships at our present 12 carrier task force level.

Both Secretary Claytor and Admiral Hayward have made clear statements on the importance of these Tartar D ships, and Under Secretary of Defense Dr. Perry has also testified as to the valuable contribution these ships would make to our naval force posture.

Mr. President, I urge my colleagues to defeat this amendment. If adopted, it would have the effect of reducing the Navy's antiair capability at sea in the 1980's—the very time when we need as much as we can get.

The Senate should not be fooled by this amendment—I do not believe the Senate will be fooled. I urge the defeat of this amendment.

Mr. RIEGLE. Will the Senator from North Dakota yield me 3 minutes on the bill itself?

Mr. YOUNG. I yield 3 minutes on the bill.

Mr. RIEGLE. Mr. President, I thank the Senator for his courtesy and thoughtfulness. Let me address a question, if I may, to the chairman of the Committee on Armed Services.

The chairman just referred to the question of whether or not the Tartar system should go on any ship and very particularly a nuclear ship. I am reading from the text of the Armed Services Committee report of about 4 years ago, in 1975. That report says:

> The committee has carefully considered this request and believes it is inappropriate to build any ship—

I emphasize any ship—

> and especially a nuclear ship with a weapon system that is clearly inadequate to meet the projected threat within a relatively short time period after the completion of the ship.

I hope the Senator can explain to me how it is that the committee 4 years ago, would have taken that position, with such clear language, "inappropriate to build any ship."

Let me also say to my friend from Virginia and my friend from Texas that they really misstate the situation when they say we are losing any ships. We are not losing any ships; in fact, we are gaining ships because of the cancellation of the Iranian order. We are going to pick up, now, all four Iranian ships.

I happen to think these additional appropriations for that purpose are not necessary, but we will vote to do it. Three of those ships are going to be the old Tartar system, but we have a chance right now to turn the fourth ship into the kind of ship we really need, which is, as the Senator from Virginia himself says, the Aegis ship. We can get that Aegis ship faster and save money in the bargain.

We are apparently going to turn that down here because we are looking at the wrong thing. We are looking here at numbers of ships rather than kinds of ships. We are flying right in the face of what the Armed Services Committee itself has told us consistently over the past 4 years.

The Armed Services Committee is coming in here and doing a 180 on this issue. They are saying, "Even though we said before we ought not to invest in this technology again, all of a sudden we are changing our minds; we ought to do it." Here is a chance for us to strengthen our defense capability, get improved technology on line faster, and save money. The real question is, why not?

We ought to think about that question, because there are answers to why we may not do it. But they are not answers that arise from good defense policy. That is what is so troubling here.

This issue came up in the Budget Committee because we are slashing in every other area of the budget. But we were asked to find essentially $1.3 billion to buy four extra ships with. Fine, it is the prerogative of the Senate to do that. But as long as we can turn one of the four ships into the kind of ship modern technology requires, why not do it? We bring it on line faster, we save $100 million at a minimum, and that strengthens the defense of the United States.

The burden that falls on the other side of this argument has to be for people to defend buying ships that are, in fact, out of date in terms of what we actually need. They are actually postponing the Aegis ship. They can have it 6 months faster, I say to the Senator from Virginia. Why not get it faster?

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. TOWER and Mr. STENNIS addressed the Chair.

Mr. YOUNG. I yield 3 minutes to the Senator from Mississippi and 1 minute to the Senator from Texas.

Mr. STENNIS. Mr. President, I have just a comment about this 1975 language.

The Senator quoted it the way I am sure it reads, "any ship." But everybody knows and the record shows that we are talking about a nuclear ship. The reason we did not put it in that bill is clear as crystal. I remember it. The word "any" is in there. It is a little misapplication, because that is what we had deliberated over and talked about, a nuclear ship, cruiser type, which is larger than a destroyer. Everybody is familiar with that fact. There is nothing new about it.

In all deference, the Senator was here a few weeks ago and he wanted to knock out all four of these ships—imposition, public works program, trying to give Iran a bailout, trying to give Litton a bailout. The Senate turned him down on that position, 2 to 1.

Then he proposed it another way—and I respect him; I even like him: Take two of them out, then. Nothing said about Aegis; take them out of it. Two of these four must go. The Senate said no, again, 2 to 1.

He did not say anything about Aegis. Now, now, with the four in place because it is the will of this body so far, he goes over into the 1980 budget and wants to take out an Aegis ship and put that Aegis missile system on one of these four ships that he wanted rejected. That is what it adds up to.

Just talk about a 180-degree turn. The Senator made a 360-degree turn, I respectfully say.

Let us stand by a hard judgment we have already made and let him come and help us try to get this by the conference on this matter and help us get the money for these ships and then help us get the money for the Aegis that is already in the fiscal year 1980 bill.

Then, after helping us out, he might feel we can find something we can stand together on.

Mr. President, I yield back the remainder of my time.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment for several reasons, chief among them being the fact that it would reduce the number of ships for the Navy by one vessel.

As the Senate knows, the current level of Navy ships is about 450, well below the numbers that our Navy leaders testified are needed to assure some degree of U.S. control of our supply lines.

The Tartar air defense system is a good system, and these ships would be able to perform their mission in most circumstances. The follow-on Aegis ship can handle a higher threat situation, and they are also needed to meet the enemy in such high threat areas.

Besides reducing the number of ships for our Navy, the proposed amendment will compress the Aegis schedule and possibly lead to higher costs. This is a new system, and it is being funded in the fiscal year 1980 bill under a careful procurement plan designed to avoid claims and give us a good lead ship in this new series.

Mr. President, the Navy and the Secretary of Defense solidly support the approach taken by both the Authorization and the Appropriations Committees on these ship procurements. Adoption of this amendment would be disruptive of those plans and reduce the Navy's ship buy. Therefore, I urge the amendment be rejected.

Mr. TOWER. Mr. President, again, the net effect of the adoption of the amendment offered by the Senator from Michigan would be to reduce our projected fleet by one ship, at a time when there are increased requirements for naval deployment, at a time when we are challenged in the Indian Ocean, along our vital oil supply routes, by the Soviet Navy.

It would be folly to accept this amendment. If the Senator from Michigan is so vitally interested in the modernization of our Navy, we invite him to support amendments we may offer next year to increase the authorizations for naval vessels. I hope he will be on board at that time.

Mr. President, I move that the amendment of the Senator from Michigan be laid on the table.

Mr. WARNER. Mr. President, will the Senator yield? I put a question to the Senator from Michigan.

The PRESIDING OFFICER. The motion to table is not debatable.

Does the Senator withhold his motion?

Mr. STENNIS. Mr. President, what is the pending matter before the Senate?

The PRESIDING OFFICER. The pending question is the motion to table the amendment by the Senator from Michigan.

Mr. RIEGLE. Mr. President, I ask for the yeas and nays on that motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. Culver), the Senator from Hawaii (Mr. Inouye), the Senator from Hawaii (Mr. Matsunaga), the Senator from Wisconsin (Mr. Nelson), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. Long) is absent on official business.

Mr. BAKER. I announce that the Senator from Nevada (Mr. Laxalt), the Senator from South Dakota (Mr. Pressler), the Senator from Pennsylvania (Mr. Schweiker), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators wishing to vote who have not yet voted?

The result was announced—yeas 71, nays 19, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—71

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Lugar
Magnuson
Mathias
McClure
Melcher
Morgan
Moynihan
Muskie
Nunn
Packwood
Percy
Randolph
Ribicoff
Roth
Sasser
Schmitt
Simpson
Stafford
Stennis
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Williams
Young

NAYS—19

Bradley
Cranston
Eagleton
Exon
Hatfield
Javits
Kennedy
Leahy
Levin
McGovern
Metzenbaum
Pell
Proxmire
Pryor
Riegle
Sarbanes
Tsongas
Weicker
Zorinsky

NOT VOTING—10

Culver
Inouye
Laxalt
Long
Matsunaga
Nelson
Pressler
Schweiker
Stevens
Stevenson

So Mr. Tower's motion to table Mr. Riegle's amendment (UP 302) was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 303

(Purpose: To provide $2 million for independent living programs for severely handicapped individuals)

Mr. CRANSTON. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistance legislative clerk read as follows:

> The Senator from California (Mr. Cranston) proposes an unprinted amendment numbered 303.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 26, line 8, insert the following: strike out "149,528,000" and insert in lieu thereof "151,528,000".
>
> On page 26, line 12, insert a comma "and $2,000,000 for section 711," after "110(b)(3)".

The PRESIDING OFFICER. Will the Senator please suspend? The Senate is not in order.

The Senate will be in order. The Senator may proceed.

Mr. CRANSTON. Mr. President, the amendment Senator Javits and I offer would provide $2 million for independent living projects under title VII of the Rehabilitation Act of 1973, as amended. Mr. President, prior to the adoption of the amendments made by the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978, there existed no specific program within the Rehabilitation Act designed to meet the needs of severely handicapped individuals who do not have a vocational potential. Last year's amendments, however, were a major step in recognizing the need to provide services to such individuals—individuals who presently may not have the potential for employment, but may benefit from services designed to enable them to live and function independently.

Mr. President, I worked very hard last year with Senator Randolph and others to develop the Senate provisions added in the 1978 amendments with respect to independent living. I cannot emphasize too strongly the importance and value of the vital services that would be provided as a result of this appropriation—services designed to assist severely handicapped individuals in learning how to live as self sufficiently as possible with the problems of everyday life.

In the State of California, the director of the department of rehabilitation, Ed Roberts, was part of a group that established the Center for Independent Living in Berkeley. In a magazine interview, Ed, who is handicapped himself, responded to a question as to how the idea for an independent living center developed:

> It came out of necessity. We wanted to be independent and we did not want to live in a nursing home or hospital the rest of our lives. I remember times when I was young that my biggest fear was what was going to happen when my parents die.
>
> So we began to just build our own idea set of service—things that we needed to become independent in the community, and it was all based on an integrated model, that is: How do we find our attendant? How would we get our wheelchairs repaired quickly, not sent off for up to 6 months? How would we get help with welfare advocacy to get the maximum amount of money so we could go to independent living? And how would we find accessible housing? This is how the whole thing began.

Mr. President, the other body approved $2 million for this program—$2 million which the administration requested and the Appropriations Committee here has deleted.

I urge my colleagues to support this amendment which the administration supports.

Mr. MAGNUSON. The amendment offered by my colleague from California is one that I would like to accept. However, we are on the borderline in terms of the 1979 budget resolution. The House committee has recommended $2 million and it is my intention to recommend that we accept that figure in conference.

Mr. CRANSTON. Mr. President, based on that assurance—that my colleague intends to recommend the acceptance in conference of the $2 million House level for the independent living program—I withdraw my amendment.

The PRESIDING OFFICER. The Senator withdraws his amendment. The amendment is withdrawn.

UP AMENDMENT NO. 304

(Purpose: To increase the appropriation for the Selective Service System)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) on behalf of himself and Mr. COHEN proposes an unprinted amendment numbered 304: On page 17, line 4, strike out "$600,000" and insert "$1,735,000".

Mr. DOLE. Mr. President, the amendment is offered by myself and the distinguished junior Senator from Maine (Mr. COHEN).

We are offering the amendment to restore the Selective Service System in fiscal year 1979 supplemental budget request to $1,735,000. Both House and Senate Appropriations Committees have recommended appropriations of $600,000; this amount is $1,135,000 less than requested by the administration.

Mr. President, our amendment would permit the Selective Service System to identify the specific computer capability and configuration needed for a rapid input of registrant information and processing of induction orders. This funding would also permit the completion of a comprehensive 5-year automated data system plan.

IMPROVEMENTS IN THE SELECTIVE SERVICE SYSTEM OR REGISTRATION FOR THE DRAFT?

Mr. President, there is very little doubt in my mind that we face serious problems because of our less than adequate manpower levels in our armed services. Members of this body have long been aware of these and related problems, that is why over the past several years I, along with many of my colleagues, have fought the proposed cutbacks in military manpower, such as the Naval Reserve. Many of us have fought the proposed cutbacks of military benefits, and in general, have opposed the kinds of cutbacks that are primarily responsible for the problems we are now experiencing in recruitment and retention of young people in our armed services.

Last year during the consideration of the fiscal year 1979 HUD/independent agencies appropriations bill, I offered an amendment that would have increased funding for the Selective Service System. This increase would have enabled the system to provide adequate manpower in the time of a national emergency. Even though the Senate adopted this amendment as a means to address our mobilization problems, the amendment was, unfortunately, eliminated in conference.

Mr. President, I am still inclined to believe that the best way to address our manpower and mobilization needs, at this point in time, is to improve the readiness capability of the Selective Service System to deliver inductees as soon as possible.

SELECTIVE SERVICE SYSTEM CAN PRODUCE

Mr. President, we have recently heard the Director of the Selective Service System state that "the preliminary findings" of a test of computers to register young people who had previously not signed up "indicate that such a system is quite feasible for accomplishing the input of registrant data quickly and efficiently in an emergency situation as well as during continuous registration." The Director has further stated that if the $1.7 million requested in the fiscal year 1979 supplemental appropriations bill and the $9.8 million requested for fiscal year 1980 is approved by Congress, the system would be able to process and place draftees into training camps within 30 days.

Mr. President, while I strongly support the need to be strong and ready in the event of a national emergency, I do not believe we should overlook the alternatives to mandatory registration. One of those alternatives is to provide the Selective Service System the level of funding that would enable it to respond effectively and in a timely manner in the event of a national emergency. I believe this amendment will provide that capability and I urge all of my colleagues to support this important amendment.

I might add I think we are within the budget so far as outlays are concerned.

It would seem to me that this $1.2 million, which does not seem to be a lot of money, would answer some of the questions and some of the criticisms voiced in the past few weeks on this floor.

I ask unanimous consent to have printed in the RECORD an analysis of what we should do with the money.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

TALKING POINTS ON AMENDMENT TO INCREASE SELECTIVE SERVICE SUPPLEMENTAL TO $1.735 MILLION

ISSUE

This amendment would increase the supplemental for the Selective Service from $600,000 to $1,735 million. Selective Service has testified that this will allow them to deliver the first personnel within 30 days of emergency mobilization.

USES OF THE $1.735 MILLION

(1). Identify the specific computer capability of the Selective Service.

(2). Completion of the 5 year Automated Data System Plan.

(3). Increase the number of Selective Service employees from 98 to 148.

(4). Increase the number of regional offices from 6 to 10.

(5). Addition of 64 reservists.

HOW MOBILIZATION WOULD BE ACHIEVED

(1). Selective Service Reserve and National Guard called; they will report within 72 hours.

(2). 10 days after mobilization registration will be held at voting places. Election officials have agreed to conduct this.

(3). National lottery held 15 days after mobilization.

(4). Induction notices sent to Western Union on day 19.

(5). Induction notices received on day 20.

(6). Inductees would have 9 days to appeal.

(7). First recruits would arrive at day 30.

(8). Agreements have been reached with GSA for rapid acquisition of offices and equipment and with OPM for the transition to emergency hiring.

(9). Discussions underway with DOD for joint uses of recruitment offices, personnel. Agreement expected 12-79.

OTHER FACTS

(1). Selective Service says this capability can be achieved within 6–8 months of receiving the supplemental.

(2). On October 16, 1940 16 million were registered by a similar process.

Mr. DOLE. I am also authorized to say that the amendment is supported by OMB.

I yield to my distinguished colleague from Maine.

Mr. COHEN. I thank the Senator for yielding.

I want to commend my colleague for introducing this particular measure and insuring that our Nation has the capability to mobilize as quickly, as effectively, and as economically as possible in time of emergency.

I think we should point out that the present $600,000 figure that is currently in the budget provides only for an improvement in computer capability for selective service. In fact, it denies the agency the opportunity to strengthen its field structure. I think all of us recognize the importance of having a mechanism in place that will truly meet our mobilization needs in time of national emergency. We can have the most wondrous computer system in the world, but if we do not have the field structure to implement it then it is not going to do us very much good.

Also I think we should point out if we can avoid the economic and social costs of registration, while at the same time strengthening severalfold our mobilization capability, then it is going to be a more responsible course of action, the most responsible we can take.

I frankly find it difficult to understand how we can try to force registration, as we did just a few weeks ago, and will take up as a separate matter in a few weeks, a registration program, force it on an administration that says it does not need it while, at the same time, refusing to provide the much smaller funding increase it says would enable it to accomplish the goal we all have set for it.

The Secretary of Defense, Harold Brown, has written to me and other Members pointing out that—

> The critical step toward achieving our goals is not the immediate collection of names through registration but rather the immediate improvement of our ability to prepare for processing people, and in case of mobilization actually to process them through the Selective Service System.

So it seems to me this is a responsible course of action for us to take at this time, and that is to give the administration the opportunity to enhance its mobilization capability, as this amendment would do, and then to get the facts on what the existing mobilization needs and capacities are, as our legislation, S. 1354, which Senator DOLE and I have introduced, would also do.

Finally, I think that to contrast this small expenditure with what would be required if we were to have registration as an alternative, the annual cost for peacetime registration was estimated at an additional $10 million in the December 31 DOD study. Reinstituting classification, as could be done on January 1, 1981, under the proposal we are going to debate in a few weeks, would cost a minimum additional sum of $30 million, according to the DOD estimate. The report also made reference to the resistance that could come to such a move. Were that to be the case it would be, of course, additional enforcement costs that cannot be overlooked or minimized. Full-scale classification would cost an estimated additional $470 million annually.

So when all of these things are considered, the additional $1.1 million entailed in our amendment represents, I think very small costs indeed. This expenditure in fact could be the soundest investment that we could possibly make toward insuring our Nation's future strength.

I thank the Senator for yielding to me.

Mr. DOLE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, Senator PROXMIRE's subcommittee handled this matter, and I would like to wait for him to come back to answer the request.

While I have this opportunity, may I say that everything they cannot get through a legislative committee ends up on an appropriation bill, everything.

Now, here is a matter that can wait at least for 1 week, can it not? This is just a supplemental appropriation. We will handle the full appropriation bill within a week.

With that explanation, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield time to the Senator from Wisconsin?

Mr. PROXMIRE. Will the Senator yield me 5 minutes?

The PRESIDING OFFICER. The Senator has 5 minutes remaining on the amendment.

Mr. PROXMIRE. Well, will the Senator yield me 3 minutes? Will the Senator from Washington yield me 3 minutes?

Mr. MAGNUSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the chairman.

Mr. President, the committee concurred with the House in providing $600,000 for the Selective Service System. These funds will allow the System to enhance its computer capabilities.

The committee did not provide funds to permit the expansion of the System from 6 to 10 regions. That expansion would simply generate higher labor and administrative expenses, with no demonstrated improvement in mobilization capability.

Various studies by CBO, GAO, and OMB clearly show that Selective Service must modernize their data processing system and develop an effective registration plan. This is what the funds we have provided would permit Selective Service to do. An expanded peacetime field structure, which would be funded by the proposed amendment, would be inconsistent with this approach and premature in the absence of a modernized data processing system.

An alternative to an expanded field structure would be a transfer of DOD recruiting stations and Army regional recruiting headquarters to Selective Service upon mobilization. This is an approach that would be foreclosed, at least in part, if we provide for an expanded field structure in this supplemental appropriation bill. A policy decision of this magnitude should not be handled through a floor amendment to a supplemental appropriation bill.

I happen to be a cosponsor with my friend from Kansas of the Dole-Cohen-McGovern amendment, and I think it is sensible to get the kind of answers that Senator DOLE has taken the leadership in requesting. But it would seem to me that first we ought to get the computer facilities in order. I think it is premature to put money in for additional personnel.

As I understand it, the request is for 50 additional positions, 37 civilian and 13 military, in the 1979 supplemental. I would hope that the Senate would not spend this money in view of the fact that we ought to see what the computer system can do for us before we spend it. After we have a little more information on this I think the amendment by the Senator from Kansas might be sensible. But for the time being I would hope that he would withhold it.

Mr. COHEN. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. COHEN. The purpose of this amendment was to comply with the Secretary of Defense's request that it is not enough simply to upgrade the computer capacity in Selective Service. That is the minimum. What they have to do to meet these mobilization needs is to have an upgraded field structure as well. Rather than to be faced in a few weeks with a call for full-scale registration by 1980 and classification by 1981, we felt at a minimum we should try to give the Secretary of Defense the funds they have requested to meet this request. This is a far more prudent course to follow and, as I stated earlier, this would really be a rather modest investment at this time considering what we have to do if we go to registration and classification with something like $470 million a year.

Mr. PROXMIRE. I might say to my friend from Maine that the computer might be able to do this without the additional personnel and we ought to give them a chance. We have rushed into this pretty fast. As the Senator knows, we acted on the amendment by the Senators from Kansas and Maine just the other day.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Kansas.

Mr. DOLE. I do not see any reason to belabor this further. I appreciate the views expressed by the distinguished Senator from Wisconsin. There is no question he understands the process and understands the need. There may be a difference of opinion but not a very large one. This is slightly in excess of $1 million.

What we hope the Selective Service System might do is to meet the new manpower delivery requirements in fiscal year 1980 and capabilities based on an emergency registration in peacetime. That is the same goal that the distinguished Senator from Wisconsin has. But we are told that there are needs for region expansion which add some dollars to the budget. That is the reason that the Senator from Kansas and the Senator from Maine have offered the amendment. It would also seem to be a signal to those who suggest the peacetime registration perhaps is not needed.

It is in that vein that the Senator from Kansas—I cannot speak for the Senator from Maine—thought it would be appropriate to offer it to this bill, to let our colleagues know that there is a difference of opinion, that we hope we can avoid a peacetime registration, and this would be a way to do that. We can take this, if it is a gamble, for about $1.2 million, or maybe less.

I am prepared to yield back the remainder of my time.

Mr. STENNIS. Will the Senator yield me 1 minute?

Mr. MAGNUSON. I yield.

Mr. STENNIS. Mr. President, this amendment regarding the Selective Service System is a matter within the Armed Services Committee responsibility. We had a bill this year for registration. We did not put it in the authorization bill. It was carried over.

This particular amendment is an appropriation matter entirely. I did not know that the amendment was here or that it was coming up. I have been on another amendment and trying to prepare for a further amendment.

I might ask the chairman of the Appropriations Committee if he could ask the indulgence of the Senate until I can get the Senator from Georgia to the Chamber. The Senator from Virginia has worked on these matters also. I would like to get them here and have them take a look at this to see what their counsel is.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the amendment of the Senator be set aside temporarily.

Mr. DOLE. That would be fine with the Senator from Kansas.

Mr. President, I have no objection to setting this amendment aside until they arrive, but I hope we will not set this aside until it is the last dog. We have a budget problem, too. If someone else steps in ahead of us with another amendment which adds $1.3 million, we will be out of business. As long as we can preserve that right, it would be OK. But the information I have received from the Budget Committee is that this absorbs every dollar. Is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. JAVITS. Will the Senator yield?

Mr. DOLE. Yes.

Mr. JAVITS. I am about to offer an amendment which does not require an expenditure.

Mr. DOLE. And then we can come back to this amendment following the disposition of the amendment of the Senator from New York?

Mr. MAGNUSON. Yes. I yield to the Senator from New York.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? Without objection, the amendment is temporarily laid aside.

The Senator from New York.

UP AMENDMENT NO. 305

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS), for himself and Senator BAYH, proposes an unprinted amendment numbered 305: On page 20, line 22, strike "$8,400,000" and insert in lieu thereof "$10,900,000 of which $2,500,000 shall remain available until expended".

Mr. JAVITS. Mr. President, as I understand it this relates to budget authority because what I have in mind will simply not be ready for a few months anyhow. If it were delayed, it would take a numbers of months beyond that and its purpose would be defeated.

As I explained before, the purpose is to enable the Department of Energy to hire outside auditors for the purpose of getting to the bottom of the public suspicion that the oil crisis is due to the fact that the oil companies are sitting on oil, or that by other manipulations the oil companies are exploiting the public.

The Government says that is not so, the oil industry says that is not so, many disinterested observes say that is not so, experts say that it is not so. And the public continues to believe that it is so.

Mr. President, the intention is to have this $2.5 million devoted to urgent verification of reported primary oil company crude and distillate stocks; investigation of Coast Guard records and tanker traffic and deliveries in all U.S. ports; reporting of distillate stocks in distribution systems and tertiary storage; reporting of industrial and electrical utility storage of distillates; reporting of gasoline and diesel retail storage; and investigation of deliveries of distillate to private storage. In short, to raise the main questions which are raised specifically by this public suspicion that, somehow or other, by manipulation, the public is being led to believe that there is an oil crisis and there really is not.

Mr. President, I do not know of anything the Department of Energy is doing which is more important than that degree of public support which will come from the fact that, hopefully, that will be the result—of course, we do not know—that this issue is being laid to rest.

The second element in it which is important is that the stockpiling of distillate, which should be going on now in order to look after the needs of the whole country on primary heating oil and diesel fuel during the coming winter months, is not taking place as it should.

We should have a 240-million-barrel-a-day stockpile when that moment comes that the demand becomes very great. Right now, our information is that we have half or less than that.

I, with Senator McGOVERN, conducted a hearing on that in the New York area about a week ago, and those were the facts that came out.

The questions are really endless and they are all based on the fact that, somehow, we are being deceived. Mr. President, in my judgment, there is no more urgent need than that by some independent means—and I have suggested that means, by independent auditors to be hired for the purpose by the Department of Energy—we can ascertain whether that is or is not true. As I say, the most authoritative information is that it is not true, but the public simply will not believe that.

A little while ago, the very distinguished Senator from North Dakota suggested that this amendment seemed right to him. I propose it for myself and Senator BAYH of Indiana. We have worked out the details respecting the matter in such a way, as I understand it, as to be agreeable to all Senators who have to do with the problem.

Mr. DOLE. Will the Senator yield?

Mr. MAGNUSON. Mr. President, whom does the Senator from New York direct to do this?

Mr. JAVITS. It will go, Mr. President, to the Economic Regulatory Administration, in the Department of Energy. That, we are advised, is the right place to put this kind of responsibility.

Mr. MAGNUSON. Economic Regulatory Administration?

Mr. JAVITS. That is its technical name. It is in the Department of Energy. That, we understand, is the right channel for this particular issue.

Mr. MAGNUSON. Mr. President, I am not against the amendment. I think the Senator poses a very good question. But we have the Interior Department doing it, we have Schlesinger trying to do it, we have the Energy Committee doing it in the Senate. We have everybody who is aware of this problem. I guess we might as well put another one in the act.

Mr. JAVITS. May I say to the Senator that we have analyzed—I think the Senator knows that I do not generally proceed without knowing what I am talking about.

Mr. MAGNUSON. It may be that the Senator is zeroing in on the right agency to do it.

Mr. JAVITS. What I was going to suggest to the Senator is simply the facts as we have found them, that there are a good many people at work, but they are not at work on this issue. They are at work checking, secondarily, the records of the oil companies, rather than going to the original sources. They are at work in the division of enforcement. They are at work dealing with gas stations, overcharging—all necessary work, but nobody is getting down to the guts of the public suspicion that this is a contrived crisis by the oil companies to exploit them. That is what we intend, and the only way to really get that done is to get independent auditors who will do it, who will do what independent auditors do, which is go to the source—tanks, Coast Guard records, and so on—and somehow give us some sort of hard verification of the real situation.

I can tell the Senator that in my State, and I think it is true in most other populous places, people just do not believe it. That is what this amendment is intending to do.

Mr. MAGNUSON. I do not believe it, either.

Mr. JAVITS. We may prove the Senator right.

Mr. MAGNUSON. I would be glad to be convinced.

In view of the fact that the amount of money involved is not too great, Mr. President, I should be glad to accept the amendment if the Senator from North Dakota does.

Mr. DOLE. Will the Senator yield?

Mr. JAVITS. I shall in a minute.

Mr. YOUNG. Mr. President, this is a good amendment.

Mr. MAGNUSON. I think it is a good try.

Mr. JAVITS. I thank the Senator.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. JAVITS. Yes, I yield.

Mr. DOLE. Mr. President, the Senator from Kansas still believes that no matter how many auditors you hire, as long as they are paid with Federal funds, there is going to be a credibility problem as far as the American motorist, the American farmer, the American trucker, or the person who wants to buy heating oil this fall is concerned. Everybody is trying to find some way to give it credibility so that when somebody makes a pronouncement, whether it is the President or someone else—it seems to the Senator from Kansas that we are not the most credible, those of us in Congress, or the President is not the most credible. Different people have different ideas on how to approach this.

It seems to this Senator that the best approach would be to have an energy council made up of outstanding people in this country, outside Government—no politicians, no economists, no oil people—people who have credibility in

America. They would, in effect, make an audit—maybe they can cooperate with this group—and report their findings to the American people because, before we can address the problem, we have to have the American with us.

I support the thrust of the amendment, and I know there are others on the floor—the distinguished Senator from New Jersey, the distinguished Senator from Arkansas—who have yet another idea on how to, somehow, bring credibility from some source. If we can tell the people whether there is a problem or not a problem—I do not have any quarrel with the amendment of the distinguished Senator from New York, but it seems to me there may be another step needed, maybe a summit conference, maybe an energy council, maybe confirmation, someone outside Government or outside industry telling the American people that we have a problem or it is contrived or whatever. I hope we can address that sometime or other.

Mr. JAVITS. I certainly would join in that. May I give the Senator the analogy of what I am trying to do?

American companies now are required, under the SEC rules, to have independent audits. The traditions and the practices now regulated by the Federal Government provide that they are entitled to credibility. That is what I have in mind, the independent auditor technique adapted to this situation.

I yield to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I wish to make an inquiry of the Senator from New York: I think that the thrust of this amendment is a good one. It does meet areas that are not now presently being met. But I should like to clarify for the Record, when the Senator said these will be independent auditors, does he mean they would be outside auditors or civil servants?

Mr. JAVITS. I would hope they would be outside auditors. That is the thrust I have in mind, the analogy with the independent auditor technique, which is used by companies.

Mr. BRADLEY. Would he make any conditions for the contracts to the outside auditing firms, such as no prior association with any oil company?

Mr. JAVITS. I believe that whatever conditions are now made under Federal practice to qualify an independent auditor for an enterprise which registers with the SEC should be made applicable here.

Mr. BRADLEY. As I say, I think that the distinguished Senator from New York has a good idea. I am not totally sanguine about the speed with which we could staff such an entity. I point only to the Special Counsel for Compliance that is authorized to have 805 auditors to do the long-term measures that the Senator has spoken of and that now has only 399 auditors and needs to add another 400. I hope that we could find a way to staff up quickly, though, because that is an issue that needs direct attention.

Mr. JAVITS. I thank my colleague very much. I think that, at least, we have to begin. As the Chinese say, every journey starts with the first step. The first step here will be the concurrence of the chairman and the ranking member, without which this amendment does not have a prayer.

Mr. BRADLEY. I agree with that. It is my opinion, also, that the Senator's amendment fits in very well with what the Senator from Arkansas (Mr. Pryor) and I hope to do on this whole issue of credibility of energy information.

Mr. JAVITS. It is the right line, and I thank my colleague, very much.

Mr. President, I am ready to yield back the remainder of my time.

Mr. MAGNUSON. I yield back my time.

Mr. ROBERT C. BYRD. Mr. President, this is a last-minute amendment. No mention of it was made to the committee before this morning. We have no reasonable opportunity to assess the proposal or to get the Department's views.

However, I fully realize there are difficult fuel supply problems confronting the public, and I know there is a real danger that shortages could become worse, even in the winter heating season. The public wants and deserves effective action by the Federal Government where appropriate. We must be certain our response is indeed effective and timely.

I think the funding level now proposed by the Senator from New York (Mr. Javits) is adequate to get the Department into an expanded and strenghtened investigatory program that will disclose all the facts involved in the current fuel shortages.

The committee has held hearings on current regulatory and information needs of the Department of Energy, and considerable concern has been expressed over the adequacy of the Economic Regulatory Administration budget in particular during the existing fuel supply shortage. We are still considering the ERA operating needs for fiscal 1980. That appropriation bill should be coming along shortly. We can pursue this problem further when we take up that bill.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. MAGNUSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Kansas.

Mr. MAGNUSON. Mr. President, I should like to ask a question. How long does the Senator from Kansas think his amendment will take?

The PRESIDING OFFICER. The Senator from Kansas has 5 minutes remaining.

Mr. MAGNUSON. The Senator from Oklahoma wishes to speak.

Mr. BELLMON. I ask for recognition to make a very brief statement.

Mr. MAGNUSON. I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I support this bill. It provides funding that is essential to many of the programs included in this bill.

However, I do have several concerns about the bill which I would like to discuss briefly. First, I would like to call attention to the discussion in the first six pages of the Appropriations Committee's report regarding the problems the committee has in controlling the budget. The report highlights the problems which stem from expansion of entitlement programs and the increased practice of automatically indexing for inflation.

I urge every Member of the Senate to read and reflect on this part of the committee's report. I hope the Budget Committee, the Appropriations Committee and other committees will redouble efforts to find new and better ways of reviewing and controlling costs in programs that are not now subject to control in the annual appropriations process. The more we index programs to protect them from inflation, the more we assure this country that inflation will be with us in the future.

A second concern that is discussed in the first few pages of the Appropriations Committee report has to do with the late submissions of budget requests by the administration. The report points out that 17 separate requests for supplemental funding have been received from the administration since the January budget was submitted. In the case of the black lung program, the supplemental request came so late that it could not be considered during the work on the revision of the second budget resolution or during the House of Representatives' work on the appropriations bill.

The administration simply must stop the constant flow of late, unexpected supplemental appropriation requests, or else Congress should slam the door on such requests, making exceptions only in the most extreme cases.

Let me turn now to my most important concern about this appropriations bill—the fact that this bill uses up nearly all the "room" left under the second budget resolution for fiscal year 1979 as Congress amended it just one month ago, in May of this year. If this bill passes the Senate and the conference does not agree on lower numbers, there will be less than $1 million in outlays and less than $200 million in budget authority left for later congressional action. This cuts the budget margin much too close for comfort with 3 months left to go before the end of the fiscal year.

We certainly do not want to revise the second budget resolution for fiscal year 1979 again. We did that in May of this year and I think we must live with it for the rest of the year if our budget discipline is to mean anything.

I serve on both the Appropriations and the Budget Committees and therefore accept particular responsibility for helping assure that our appropriations actions fit into the framework set by the budget. I did not know, and I believe other Members of the Appropriations Committee did not know, that we were coming out so close to the budget ceilings.

I understand that there were some technical problems in estimating outlays for some of the defense programs and that, after the bill was ordered reported, it was discovered that we were indeed using up all of the remaining outlays room under the budget resolution. In fact, we have crowded out of the budget about $300 million originally slated for the international grain reserve. The grain reserve will not likely need the money, but nevertheless, the Appropriations Committee has unintentionally put the Senate in a difficult position. Clearly, unless the present spending levels are changed in the coming conference, any emergency, no matter how small, would break the budget unless we chose to use the time-consuming process of revising the fiscal year 1979 budget once again.

Mr. President, I note that the Senate supplemental bill is $1.6 billion higher than the House bill in budget authority and $1 billion higher in outlays. While most of the Senate add-ons are either required to fund entitlement programs, such as the black lung program and food stamps, or other high priority needs which the Senate has already decided to support (for example: the Iranian ship purchases), I believe there are places the Senate conferees can and should accept lower numbers in the conference.

I hope we can come back from conference with a safety margin in the form of outlays room and a corresponding safety margin in budget authority. I do not know what this margin should be—my guess is $50 to $100 million should be a minimum. I am not going to ask the floor manager to commit himself now, but let me list a few of the areas where I think we could move toward the House numbers and thereby leave the Congress in a better position to deal with unforeseen requirements that might arise in the coming weeks.

I think the following increases over the House figures provided for in the bill before us could all reasonably be deferred until fiscal year 1980:

	Potential Reductions	
	Budget authority	Outlays
Family Planning and National Health Service Corps	14,969,000	7,722,000
National Institute of Child Health and Human Development	5,713,000	2,000,000
Interior Department—Outer Continental Shelf Environmental Studies	11,000,000	3,000,000

Mr. President, I cite these only as examples of areas in which it seems to me the funding could wait for the fiscal year 1980 appropriations bills. I hope the conferees can find other opportunities to cut or defer funding.

Mr. President, I am pleased that the committee accepted my suggestion of deferring, until fiscal year 1980, the appropriation for the new concentration grants program under title I of the Elementary and Secondary Education Act. It is late in the fiscal year; and I do not believe the conferees should accept the $200 million proposed by the House for this program, even though I am generally supportive of the concentration grants approach.

Mr. President, I commend Chairman MAGNUSON for his effective leadership of the work on this important supplemental appropriations bill and I urge approval of the bill.

Mr. PROXMIRE. Mr. President, will the Senator yield me 30 seconds?

Mr. MAGNUSON. I yield.

Mr. PROXMIRE. Mr. President, chapter V of the supplemental bill we have before us, the HUD-independent agencies chapter, contains $1,880,449,000 for the Department of Housing and Urban Development and a number of independent agencies. The amount recommended is $74,635,000 below the budget estimate and $11 million less than the House-approved figure.

The $11 million reduction in the House-passed bill represents a decision by the committee that no loan funds should be made available to the newly created Consumer Cooperative Bank in view of the fact that the bank has not as yet been organized and will not be in a position to make any loans before the end of fiscal year 1979. The committee also recommended that the National Commission on Air Quality be allowed to reprogram $45,000 into travel expenses rather than the $35,000 approved by the House.

In all other respects the committee concurred with the House decisions on chapter V. The committee approved a total of $1.4 billion for VA benefits; $57.5 million for health manpower training institutions; $194 million for disaster relief; and $185 million for the Space Shuttle. The bill includes $5 million for a new neighborhood self-help development program but does not provide funds to start up a livable cities program under the HUD portion of the chapter. A number of smaller appropriations were recommended, including $2,190,000 for the Consumer Product Safety Commission and $600,000 for the Selective Service System.

Finally, the committee recommended three changes in the HUD-Independent Agencies portion of title II of the bill as it was passed by the House—the pay raise portion of the legislation. The bill provides for a reduction of $10 million in the VA's medical care account—funds that the VA will not be able to spend under present manpower ceilings. The committee also recommended minor increases of $12,000 for the Office of Consumer Affairs and $312,000 for the American Battle Monuments Commission.

Mr. MAGNUSON. Mr. President, we revert now to the amendment of the Senator from Kansas, I believe.

Mr. DOLE. Mr. President, I am willing to set aside the amendment, if there are other amendments to be called up that do not cost anything.

Mr. MAGNUSON. The Senator may bring up his amendment now.

Mr. DOLE. It is up. Are there other amendments, or is this the end?

Mr. MAGNUSON. Does the Senator from Wisconsin yield back the remainder of his time?

Mr. PROXMIRE. I used up my time.

Mr. DOLE. Mr. President, do I understand correctly that the distinguished chairman is ready to move ahead? I understand that we are waiting for Senator NUNN and Senator BYRD, at the request of the chairman of the Armed Services Committee, Mr. STENNIS.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

UP AMENDMENT NO. 304

Mr. STENNIS. I thank the Senator for yielding this time.

Mr. President, I am unable to locate the Senator from Georgia at this time. I do not wish to defer the matter any longer. This report says that it is thought to be premature, and I think that is correct, as I understand the situation.

There will be $600,000 if we leave it as it is. Let us settle for that. Then, if we do anything more under the law, we can provide for it some way. We could transfer some money somewhere. That will take care of it.

We are for the Registration Act. I am sorry—that is all I know about it. I did not know it was in here.

Mr. DOLE. Mr. President, what is the time remaining in each side?

The PRESIDING OFFICER. The Senator from Kansas has 3½ minutes remaining. Time has expired for the manager.

Mr. DOLE. Mr. President, there is some difference of opinion on the part of those who want peacetime registration and those who do not, as to the merits of this amendment. It seems to me that if we provide this additional funding for the Selective Service System, we can avoid the peacetime registration. That is the intent; that is why the Senator from Kansas is offering it, and I hope that is the reason why the Senator from Maine is offering it. It would provide that capability.

The Selective Service System advises us that this can be done, but they need this small additional amount of money; $1,200,000 is a lot of money, but it seems to me that may or may not be the argument here.

I am prepared to vote, or am prepared to do whatever my colleagues desire.

I yield to my distinguished cosponsor.

Mr. COHEN. What we are really trying to do is to give the Department of Defense, the selective service, exactly what they requested in order to meet the Defense Department's mobilization needs and plans.

We can leave it at $600,000 and then go ahead and upgrade the computer system. We can come back 6 months from now and say, "We're very sorry we didn't give enough money and we need more time."

Then we will hear the argument of those in favor of full registration: "You fellows had the opportunity and gave us the $600,000 and the computer system is not enough, so let's go to registration."

For a moderate amount of money,

compared to what would be required for full registration and classification, we hope to obviate that.

This Senator is concerned about the mobilization needs of the country. I am not opposed to selective service in any form, as some are. I feel that we have the responsibility to make sure that we have an adequate national defense and an adequate mobilization capacity. If it takes $1.2 million to upgrade that, I want to be in favor of it, and that is the purpose of the amendment—not to defeat selective service, not to defeat the motion made by the distinguished Senator from Oregon; but, rather, to make sure that we have an adequate national defense system and mobilization capacity.

The $600,000 will not be enough, in the eyes of the administration, the Secretary of Defense, and selective service. So I think we should give them what they need.

Mr. MAGNUSON. Mr. President, will the Senator from Maine yield for a question?

Mr. COHEN. I yield.

Mr. MAGNUSON. What is the rush about that in a supplemental appropriation bill?

Mr. COHEN. The rush is that we have a measure coming up in a few more weeks——

Mr. MAGNUSON. We are going to have the regular bill coming up in a week. What is the rush to have it in here? I may agree with the Senator from Maine, but I do not know why everybody wants to pile everything on a supplemental bill.

Mr. COHEN. Because last year, the money was cut out.

Mr. MAGNUSON. The regular bill is coming up in 1 week—perhaps right after the recess; but that is 2 weeks. What is the rush?

Mr. COHEN. This is relative the restoration of funds cut from the original request. There is no rush. We are restoring what is needed and what has been requested by the Defense Department. They requested this for fiscal 1979, and this body cut it out. It is obvious now that they do not have the capacity to meet the mobilization needs, and we are trying to rectify that.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Oregon.

The PRESIDING OFFICER. All time on the amendment has expired.

Does any Senator wish to yield time?

Mr. MAGNUSON. I yield time on the bill.

Mr. HATFIELD. I thank the Senator from Washington for yielding time.

Mr. President, it seems to me that this action is premature and totally unnecessary.

The whole issue of the draft is still the question at hand. We may place these various moves under different titles and under different labels, but we still have the issue of whether or not we are going to provide a triggering mechanism for reinstitution of the draft, whether by additional money to the selective service or by registration, or whatever.

We had this whole issue put over, by unanimous-consent agreement, to a point after the House should vote on the whole question of registration under the draft.

It seems to me that this is such a closely related issue, it is so fundamental to the whole proposition of registration, that we should let that matter be taken up in toto, in package, in full form, rather than piecemealing these decisions until we reach the point of the debate.

I appreciate that this may be the logical position that we all agree upon, and I may be wishing to cosponsor this kind of proposition. I do not know. It is doubtful, but I might be willing to do so, if that is my only alternative to the draft.

However, I do not feel that this is the time to make this decision. As the Senator from Washington said, we have another vehicle down the road, in a week. This is a question I do not think we want to embark upon tonight, in full form of debate on whether we are doing this in order to get the draft back or whether we are doing it to create stronger selective service machinery to permit a draft at some point down the road.

I personally must make my position clear. I would like to abolish the Selective Service System entirely. I think it is a waste of money at this point. But that is another issue. So I do not want anyone thinking I am other than bringing my case totally in the open.

But I agree with the Senator from Washington, the Senator from Mississippi, and the Senator from Wisconsin, and others, that this is a matter that should be put away until we have the whole issue of the draft before the Senate.

At some appropriate moment, I hope that the authors of this amendment might decide to withdraw it pending that full discussion at a later time or when the full vehicle, the Appropriation Committee's full annual budget proposal, comes along in a week.

I wish to also indicate that if the proponents of the measure or the amendment do not wish to pull it down, that is quite all right. I wish to be able to move to table it at the appropriate time unless the Senator from Washington State proposes to do that himself.

Mr. MAGNUSON. No.

Mr. STENNIS. Mr. President, if I may have 1 minute, I feel I should say something. I have already said that this has escaped my attention, but just 2 weeks ago we had up the subject matter and carried it over by consent. Now all of a sudden we hear this demand for more money for the present system. I would think that we would wait and pass on that matter after we passed on the subject that we carried over. That is just commonsense.

I oppose this amendment. I am not going to ask for any more delay. I think there is enough money in the bill.

Mr. DOLE. Mr. President, I ask unanimous consent to print in the RECORD a selective service budget data memorandum.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

SELECTIVE SERVICE SYSTEM BUDGET DATA: DEPARTMENT OF DEFENSE MANPOWER REQUIREMENTS

In October, 1977, the Selective Service received revised manpower delivery requirements based on DoD revised estimates of mobilization manpower needed in a changing war scenario. The requirements are as follows:

	Previous acceptable-risk requirements	Revised requirements
First Inductee	*M+110 days	M+30 days
100,000 Inductees	M+150 days	M+60 days
650,000 Inductees	No requirement	M+180 days

*M-Day or mobilization day.

The Director of Selective Service testified before both the Senate and House Appropriations Subcommittees on HUD and Independent Agencies that Selective Service cannot meet the new manpower requirements without additional resources. The President approved and sent to Congress a request for a FY '79 supplemental of $1.7 million and an FY '80 appropriation of $9.8 million. With the additional funds the SSS will develop the capability to meet the new manpower delivery requirements in fiscal year 1980. This capability is based on an emergency registration plan and does not provide for or request peacetime registration.

SSS BUDGET REQUEST

The SSS appropriation request was based on a tentative approval effective April 1, 1979. Breakdown of a reduced figure based on approval August 1, 1979, is:

Fiscal year 1979 supplemental:

Personnel	$265,000
Computer enhancement	* 600,000
Region expansion	218,000
Total	1,083,000

* This is the figure reported by the House Appropriations Committee.

Fiscal year 1980 request:

The FY '80 request of $9.8 million continues the program level which was to be established in the FY '79 supplemental.[1]

A portion of the requested increase in the FY '79 supplemental appropriations would permit Selective Service to identify the specific computer capability and configuration needed for a rapid input of registrant information and processing of induction orders. The funding would also permit the completion of a comprehensive 5 year Automated Data System (ADS) plan.

In addition, the requested funding would permit Selective Service to increase the number of employees from 98 to 148. The regional offices will be expanded from the present 6 to 10 offices aligning with the Federal region structure. Each region will be equipped and trained for implementation of the emergency reconstitution and registration plans. The regional offices have the responsibility for recruitment and training of the Selective Service Reserve Forces (National Guard and Reserve Officers with special assignment to Selective Service). These officers will be the SSS "staff" in the event of an emergency. They are receiving training in the actions required by the Military Selective Service Act and they will be utilized to rapidly open area offices, hire and train additional personnel and supervise the actions necessary to accomplish our mission.

Funds for an additional 64 reservists were included in the FY '79 supplemental and the FY '80 funding request. These 64 officers will be assigned to the Armed Forces Entrance and Examining Stations (AFEES) to assist in the proper processing of registrants reporting for induction processing. The appropriations will also permit Selective Service to recruit and train the many local and appeal board members who will serve on an uncompensated basis.

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[1] Mr. Shuck has testified that it will be necessary to request a supplemental in FY '80 for additional computer hardware once the 5 year ADS study is completed.

The House Subcommittee on HUD and Independent Agencies reported out a figure of $600,000 for the FY '79 supplemental and a FY '80 appropriation figure of $7.330 million, a $600,000 increase over the present funding level. The full Committee sustained both figures. The appropriation increase is to be utilized to enhance the Agency's computer capability. The expanded field structure was denied. The $600,000 figure for the FY '79 supplemental was passed on the floor of the House.

The Senate Appropriations Committee has also reported out a $600,000 figure for the FY '79 supplemental.

EMERGENCY REGISTRATION

The Selective Service System has developed and is now finalizing a plan to be utilized for an emergency registration, but the capability to implement this plan is contingent upon passage of the FY '79 supplemental and FY '80 appropriation at the funding level requested.

If the United States suddenly needs to rapidly expand its military forces, the Selective Service Reserve and National Guard officers will be called to active duty. These reservists are trained in SSS plans and procedures and have signed agreements with the SSS to report for duty within 72 hours. Election officials have agreed to conduct an emergency registration and our emergency registration plans call for them to open registration (voting) places at M+10 (Mobilization plus days). During the days prior to emergency registration, Selective Service will distribute pre-prepared news releases advising young men when and where they will be required to register. Announcements will instruct these individuals as to times and places within each State, territory, etc.

The Selective Service will also use the officers to open the necessary field offices to permit the processing of essential actions. Special agreements have been secured with the General Services Administration for the rapid acquisition of office space and equipment and with the Office of Personnel Management for a disposition from routine official procedures for the emergency hiring of staff. (Discussions are underway with Department of Defense for transfer or joint use of recruiting offices and personnel during mobilization. Initial talks have been positive and final agreements are expected before December 1979. To permit successful accomplishment of the essential actions, Selective Service is now preparing to preposition packages of operational and administrative forms in each state.

A special one day emergency registration will be held on or about the 10th day after mobilization at pre-selected voting locations staffed by preidentified election personnel. (Registration of 2 or 3 year-of-birth groups is being planned at this time. There are approximately 2 million men in one year-of-birth group, roughly 4 million persons if women are included in the registration.) (A similar procedure employing election officials were used during WW I and WW II. One one day, October 16, 1940, 16 million men were registered by a similar process.) The registration forms will be collected and moved from the "voting" location to specific terminal locations for keying the data for electronic input to the computer. This data will be transmitted into the Selective Service Readings Region minicomputers. The Selective Service Reardiness Regions will immediately transmit "batch-data" to a central computer. Duplicate tapes of registrant data will be kept in the regional office of origin. (Back-up computer capabilities will be arranged in alternative locations should there be a breakdown of equipment in one location. The exact equipment and proposed locations will be clearly identified in the 5 year ADS plan. (A test and analysis of input capabilities was completed on May 2, 1979. The initial results of the test clearly indicate Selective Service can develop the capability to transmit one year-of-birth group to a central computer for processing within a five-day time period. The five-day period will permit the input of one year-of-birth group in its entirely to secure a complete data base before holding a National lottery and assigning the Random Sequence Number to each registrant.)

Once the registrant data of one year-of-birth group has been input into the main computer, a National lottery will be held (tentatively scheduled for the 16th day). After the necessary data is processed, special tapes for issuance of the first group of induction orders will be prepared and transmitted to Western Union around the 19th day after mobilization. Western Union will utilize the tapes for issuance of mailgram/induction orders. Induction notices will be received by the first group of potential inductees the following day, notifying them of the time and place to report for induction. (Each individual receiving an induction order will be permitted to file a claim under the procedural rights provided to each registrant.)

The individual will have approximately 10 days in which to submit a claim or report to the Armed Forces Examining and Entrance Stations (AFEES). The first non-volunteer inductees will report at M+30 days. The many local and appeal board members who we plan to have recruited and trained in SSS procedures, will be utilized to permit expeditious processing of each claim.

Further induction notices will be delivered on a schedule to meet the DoD manpower requirements. Once the initial induction process is in operation, the SSS will have the capability to meet or exceed whatever numbers and time-frames the DoD deems necessary.

TIMEFRAMES FOR DEVELOPING NEW CAPABILITY

The Selective Service System can develop and demonstrate the capability for meeting the revised DoD manpower requirements within 6 to 8 months after passage of the appropriations requested.

To meet a 6 to 8 month assured capability, some of the operational concepts will require negotation of special "stand-by" contracts until the equipment can be leased or purchased. Plans are to ultimately have an in-house capability for the computer processing equipment and materials. This capability would be identified in the 5 year plan and the necessary equipment and supplies would be leased or purchased over a period of 1 to 3 years.

Mr. DOLE. Mr. President, I think the troops are being divided here. I do not know who is the leader anymore. But we are down to about a squad in the entire body, and it would seem to me that maybe we could have a voice vote here and move on to something of substance. This is of substance, but I would be willing to have a voice vote rather than go through a 15- or 20-minute rollcall, if that is satisfactory to the chairman.

Mr. MAGNUSON. Yes. That is very satisfactory with me.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, will the Senator from Washington yield a minute?

The PRESIDING OFFICER. The Senator from Washington has 1 minute remaining on the bill; the Senator from North Dakota has 15 minutes remaining, as does the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. YOUNG. I yield 1 minute.

Mr. WARNER. Perhaps 2 minutes.

Mr. YOUNG. I yield 2 minutes to the Senator from Virginia.

Mr. WARNER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 minutes.

Mr. WARNER. Thank you, Mr. President.

I put a question to the proponents of this amendment because the Armed Services Committee by a majority vote endorsed legislation which would revive registration. Unfortunately, we do not have in the Chamber this afternoon the distinguished Senator from Georgia (Senator NUNN). He is unavoidably detained. I think in fairness to him, a man who has courageously brought this thing to the attention of the Senate, that he be present before this matter be considered.

But in his absence, I wish to ask Senator DOLE and Senator COHEN. As I listened to the dialog, there might well have been a difference of opinion. In the Senator's judgment, does his amendment prejudice in any way the Senate taking up at a later time the consideration of revising the registration?

Mr. DOLE. In my view, it does not. That is the reason the Senator from Kansas offered it. The reason is to give the Selective Service System the capability. I think it might have some impact down the road because we believe, or I believe, that if given this capability and recent expansion it might not be necessary to have a peacetime registration.

So from that standpoint I guess one could say it might prejudice what Senator NUNN and others may have in mind. But that is not the reason for offering the amendment.

Mr. COHEN. Mr. President, I share that view. It is not in any way to make a judgment on the registration issue. I think it is at least to lend some support to the Selective Service System, and they need additional money to upgrade their system. I, for one, do think the Selective Service System needs to be upgraded in computer capability and field structure. That is the only purpose for the amendment of this Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. HATFIELD. Mr. President, I move to table the amendment, if all Senators have been heard. I do not want to make the motion prior to anyone wishing to be heard on it. But I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas.

(Putting the question.)

The PRESIDING OFFICER. The ayes appear to have it. The ayes have it.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I move

to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Carolina.

UP AMENDMENT NO. 306

Mr. HELMS. Mr. President, I have an unprinted amendment which I send to the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS), for himself, Mr. HAYAKAWA, and Mr. THURMOND, proposes an unprinted amendment numbered 306.

H.R. 4289 is hereby amended as follows:

On page 4, line 5, strike "$988,786,000" and insert in lieu thereof "$660,000,000."

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. What is the time agreement?

The PRESIDING OFFICER. Thirty minutes on an amendment, equally divided.

Mr. HELMS. I thank the Chair.

Mr. President, the purpose of this amendment is to reduce the supplemental appropriations for the food stamp program to a level at which the Congressional Budget Office has reported is sufficient for the Food and Nutrition Service to operate the food stamp program for the remainder of this year without benefit reductions to any recipients.

In other words, Mr. President, the Congressional Budget Office has reported that the Food and Nutrition Service has managed the food stamp program in such a way that makes it necessary to appropriate $280 million more than was provided in the original authorization for fiscal year 1979. This amendment adopts that estimate and that figure.

The pending amendment, therefore, actually increases food stamp spending by $379 million over the original 1979 appropriaion of $5.7 billion, plus the $280 million the CBO says the FNS will need to operate the program for the remainder of this year without benefit reductions. Therefore, this provides an additional $659 million for food stamps for fiscal year 1979. It does not provide the $328,786,000 above that amount which is contained in the bill now before us.

Mr. President, unless and until Congress is prepared to exercise its control over the Food and Nutrition Service, I believe we shall never see the end of its insatiable appetite for more and more money.

To be perfectly candid, Mr. President, the officials of the FNS have made no effort to manage this program in a fiscally responsible manner and, in fact, have actually done the opposite.

I think there is plenty of evidence to indicate that this has been deliberate.

The best possible face to put on the manner in which the FNS has run this program for the past year is that they made a quarter of a billion dollar blunder. They do not have to pay for it. The taxpayers of this country have to pay for it. A quarter of a billion dollar blunder.

I think it is time for Congress to stop bailing out Federal agencies which act in wanton disregard of the budgetary process and sound fiscal management.

Mr. President, the FNS deliberately engaged in separate implementation of the participation-increasing and the participation-limiting portions of the 1977 Food Stamp Act—rather than the simultaneous implementation that was directed by Congress in that act. This has cost the taxpayers $275 million in unnecessary spending, at a very minimum, according to figures supplied by the Congressional Budget Office.

And, according to testimony presented to the Agriculture Committee's Subcommittee on Nutrition by the State Food Stamp Administrators, the plethora of regulations from Washington are written in such a way as to make it impossible for them to manage the program in a fiscally responsible manner.

On June 19 I provided the Senate with a detailed commentary on the degree to which this program is being mismanaged and maladministered, and in the interest of time I will not repeat that here.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. The Senate will be in order.

Mr. HELMS. I thank the Chair.

Suffice it to say that it seems incredible to me that this body would seriously consider writing a virtual blank check to the administrators of the food stamp program at a time when inflation is again in the double-digit range. There is no question that the money we appropriate here today is composed entirely of deficit dollars. We are borrowing this money against the future of generations yet unborn. I would think, Mr. President, that this alone would cause the Senate to act with extreme caution.

We have heard so much in recent months about the need for the Congress to make the hard decisions it takes to bring Federal spending under control. This amendment does precisely that by providing the barebones amount of funding it takes to operate the program, and no more. This amendment, I would reiterate and emphasize, is based on information from the Congressional Budget Office.

Mr. President, let me be candid. If Senators cannot support this amendment it ought to be pretty obvious that all of the talk and all the rhetoric we hear about a balanced budget and fiscal responsibility are just so much posturing.

It is interesting to note that my distinguished colleague from North Carolina (Mr. MORGAN) recently released a survey he had conducted among several thousand citizens of our State of North Carolina. From that survey Senator MORGAN reported that he found that fully 52 percent of the people of our State feel that the food stamp program should be abolished entirely. This amendment does not contemplate that. This amendment simply prescribes that this Senate follow the mandate it laid down in 1977. Senator MORGAN's survey also found that 83 percent of North Carolinians feel that reducing the Federal budget is absolutely essential.

Mr. President, the food stamp program is suffering great discredit among the people of this country, and I believe this Senate has an obligation to provide for sounder management and a more fiscally responsible attitude on the part of the bureaucrats who administer it, or should I say who have failed to administer it properly.

This amendment is intended to do just that and nothing more. Needless to say, I hope the Senators will support it.

Mr. President, this whole food stamp program is not a matter of wanting to be stingy with the truly needy, the truly deserving. Quite to the contrary. People who are on the lower end of the economic scale are the very ones who are victimized by the maladministration that has been so evident on the part of the Food and Nutrition Service.

We need efficiency. We need openhandedness in the operation of this program, and if we write the Food and Nutrition Service a blank check on this floor this afternoon we will reap the whirlwind.

Mr. President, I want to commend my distinguished friend from California (Mr. HAYAKAWA) for the leadership he has shown in this matter.

I believe he desires that I yield to him at this point.

Mr. HAYAKAWA. I would be grateful if the Senator would yield me a few minutes.

Mr. HELMS. I would be delighted to do so.

Mr. HAYAKAWA. Mr. President, I rise in support of the Helms amendment. We must control the spending for this food stamp program. Up until now, the spending has been carried on with no semblance of any limitations, despite the fact that there were and are spending constraints built into the program.

One could compare the spending rate for this program to someone who overspends his pay check each month. Say a person spends much, much more than they earn on food, clothing and shelter, and so forth. At the end of 8 or 9 months this person has almost run through their salary for the entire year, so they go scouting around for additional funds from any source they can find. This is what has happened with the food stamp program.

Of course we do not want to cruelly turn our backs on any friend who is out of money. We in Congress do not want to turn our backs on the poor of this country, who depend on food stamps for a nutritious diet. But I do resent having to pay hundreds of millions of dollars for a food stamp program that has been mismanaged.

Let me read a letter from one of my constituents that discusses the abuses of the food stamp program by some recipients. This letter is from Sebastopol, Calif. It is from an old acquaintance of mine who used to have a bar in Sausalito and now is in the grocery business. This is what he says:

> I would like to share with you my objections to the food stamp program as I see it practiced.
>
> I am now in a business where I am required to deal in food stamps and most of the customers who use stamps in my store—DO NOT—in my opinion qualify—and grossly abuse the system—and that means they abuse the taxpayers.
>
> The grossest example would be with the bottle waters—whether it be Perrier—which it usually is—or Crystal Springs or Caustoga—they can buy that expensive H_2O with a one dollar food stamp and I must give them cash change which they in turn can use for a non-food stamp item—it's done repeatedly—and I think it is a rip-off!!
>
> My store is adjacent to a health SPA—the people with food stamps pay to use that SPA—a luxury—pay to have a massage—a luxury—pay to buy $2 a pack herbal cigarettes—a luxury—pay for expensive hair coloring and conditioners—all luxuries—and then buy a bottle of Perrier—or a six pack of Perrier with food stamps—that is a rip off of my tax money. I have one customer who uses his food stamps in my store for nothing but candy bars—ranging in price from 35 cents to 60 cents—He buys 6 at a time—daily. Is that what the program is all about? We have fancy blended herb teas—that's a food stamp item? I thought food stamps were for people with a legitimate need—as I see it practiced in about 60% of the cases they only have a need because they spend their money on luxury items.
>
> The essence is—as long as they can buy Perrier water and get 50 cents change-in cash—the program is a failure!!
>
> Sincerely,
>
> NEIL DAVIS,
> *Resident of Sebastopol, Calif.*

I yield 2 minutes to Senator HARRY BYRD of Virginia, and I thank the Chair.

Mr. HARRY F. BYRD, JR. Mr. President, the food stamp program started in 1965, and in that year $56 million was appropriated—may we have order, Mr. President?

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order.

Mr. HARRY F. BYRD, JR. In 1965, $56 million was appropriated. In 1978, exactly 100 times that amount was appropriated; namely, $5.618 billion. That is what was spent in fiscal 1978.

Now we come to fiscal 1979, and, if the supplemental is approved as recommended by the Appropriations Committee, the total for food stamps will be, for fiscal 1979, $6.768 billion.

I point out that that represents a 20-percent increase in 1 year. I say again, a 20-percent increase in 1 year.

I am glad to support the amendment offered by the Senator from North Carolina and the Senator from California, and I am glad to be a cosponsor of that amendment. I hope the Senate will approve it.

Mr. President. I ask unanimous consent to have printed in the RECORD a table showing appropriations for the food stamp program from the year in which it began, 1965, through the current year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANNUAL FOOD STAMP APPROPRIATIONS FOR FISCAL YEARS 1965 THROUGH 1980, INCLUSIVE

(Prepared by U.S. Senator HARRY F. BYRD, JR., of Virginia)

[$ Million]

Year:	*Budget authority*
1965	56
1966	100
1967	140
1968	185
1969	280
1970	597
1971	1,666
1972	2,285
1973	2,496
1974	2,995
1975	4,869
1976	5,196
1977	5,506
1978	5,618
1979*	*6,768
1980*	**6,927
Total	45,684

*With supplemental recommended by Senate Appropriations Committee.

**Administration estimate.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. HELMS. I thank the Chair.

Mr. DOLE. Mr. President, will the Senator from Washington yield 3 minutes to the Senator from Kansas?

Mr. MAGNUSON. Yes.

Mr. DOLE. Mr. President, let me say at the outset, that I do not have any quarrel with the distinguished Senator from North Carolina. It is a matter of how we see the need and how we see the budget estimates.

The Senator from North Carolina takes CBO's middle-range figure, while the Agriculture Committee used its higher figures. He has determined what it would take to continue the food stamp program at the current estimate or above, and he might be accurate; but if he is not accurate, he might have to come back and do it all over again.

We had a vote of the Senate Agriculture Committee last week, and voted to increase the authority $620 million above the $6.8 billion cap; and that is a lot of money. The vote was 15 to 2. Both the House and Senate Agriculture Committees have passed legislation prohibiting unused funds to be carried over to the next year. Starting next year, under the leadership of the distinguished Senator from North Carolina and, I understand, the distinguished Senator from South Dakota, we are going to start an overall look at the food stamp program, to see if there are further abuses that should be addressed. We have contacted today, those who make the estimates at CBO, and there is no doubt that the USDA was slow to implement some of the reforms that they should have. They implemented all the benefits before the cost-saving reforms, and that added to the cost of the program.

I would also suggest that poor people are hit by inflation just like anyone else, and costs increase for them just like for anyone else. That is a factor we have to consider.

In addition, we did eliminate the purchase requirement, and the program has been extended to persons in rural areas who, for years, have gone without the benefits of this program.

I understand that this is an easy target. Anything that costs $7 billion is an easy target. I would guess that if we took a poll in my State, the results would be pretty much the same: All who were not on food stamps would say it was a bad program, and those who were receiving food stamps would say it was a good program.

As far as abuses of the program are concerned, fraud and the sale of stamps, the new program is still being implemented and we do not yet have accurate data. I remind Senators that we also have a fuel crisis which will add to unemployment. There are a lot of unknown factors, which I think argue against trying to limit the program at this time. CBO is beginning to make estimates for the second concurrent budget resolution. It is obvious that our economy is worsening. In determining the estimates now being used, January figures were used; so these are already outdated, and even the amendment of the Senator from North Carolina might be out of date. It probably is.

In summary, I would suggest that the CBO says that an additional $280 million cost over the cap is now no longer in the middle of the estimate range, but would fall at the low end of the scale. However, the news is not all bleak. USDA's Food and Nutrition Service originally estimated a participation load of 19.1 million persons for March. The estimate has now been revised downward to 18.8 million.

One additional matter. The Senator from Kansas suggests that it is a tough program. The program has, as the Senator from California has pointed out, some abuses, but every program has some abuses. Some of the tax benefits that go to millionaires in this country are abused, and we ought to take a long hard look at those.

But here we are dealing, for the most part, with people below the poverty line. What we are suggesting in H.R. 4289, I believe, is not out of line with the wishes of the majority of the committee, who approved it by a vote of 15 to 2. I do not quarrel with the Senator's efforts to try to save money, but let us not do it at the expense of the poor people.

Mr. McGOVERN. Mr. President, will the Senator from Washington yield to me 3 or 4 minutes' time?

Mr. MAGNUSON. I yield.

(Mr. LEVIN assumed the chair.)

Mr. McGOVERN. Mr. President, I rise in opposition to the amendment of the Senator from North Carolina, which would reduce the 1979 supplemental appropriations for the food stamp program.

I think all of us who have worked with this program recognize that this has not been an easy year for the food stamp program, due to the extraordinarily high food prices and the factor of inflation, which has thrown off all estimates of what every family, whether on food stamps or not, have to pay for their food budget. Obviously the costs have been higher than anticipated, and even a modest increase in the unemployment rate adds many thousands of people to the food stamp program.

The thing we have to keep in mind is that we are bumping up against the present ceiling on this program, and if we were to undertake the cuts proposed by the Senator from North Carolina, there is no question in my mind that benefits for millions of people participating in this program would have to be reduced. At the present time, they are only getting 33 cents per meal per person, and anyone who has been in the supermarket lately knows you cannot buy an awful lot of food for 33 cents. That is what we are doing for the average person on the food stamp program.

We are talking, Mr. President, about poor people. Seventy-five percent of all the people on food stamps today, the families under that food stamp program, are making $4,800 a year or less. That is what we make in a month as Members of Congress. We are talking about whole families. Seventy-five percent of all of those on food stamps are living on $4,800 per family or less, during the coming year.

So the issue before the Senate today is whether we want to be sure that we provide adequate funds for the food stamp program, or whether we want to run the risk of reducing food stamp benefits to all 19 million recipients.

Mr. President, if we are going to go on the assumption that the amendment of the Senator from North Carolina will not reduce any benefits of anyone in this program, we do not need the amendment in any event, because the committees of Congress have already written into the supplemental authorization and appropriation that any money unused in maintaining benefits at the present level would automatically revert back into the Treasury.

The great difficulty with the amendment that is now pending is that if we have miscalculated, then the Department of Agriculture has no option open to it other than to reduce the benefits of these people who are our poorest citizens, who are participating in this program.

We looked at this matter very carefully in the full Committee on Agriculture last week. Mr. President, as the Senator from Kansas has said, by a vote of 15 to 2, we voted for an increase to complete the program for fiscal 1979 which is commensurate with the figure recommended by the Committee on Appropriations.

So, Mr. President, this is an ill-advised amendment. However well-intentioned, it puts us in the position of not knowing whether we have sufficient funds to maintain the very modest benefits that are now sustaining life for some 19 million Americans. Some of the estimates that have been made on which this proposed cut in the program are based are already outdated.

The Secretary of Agriculture wrote to the chairman of the House Committee on Agriculture near the end of May and pointed out flaws in some of the earlier estimates that had been made by the Congressional Budget Office and other sources.

In any event, I want to assure my colleagues in the Senate and the Committee on Agriculture as well that the Committee on Appropriations, which came out with similar figures as to what it is going to take to maintain the present level of benefits in the food stamp program, have based those estimates on the best information available to us, but just to protect the taxpayers and to operate in a fiscally sound way we have made very clear that if the ceiling we have set is too high, any surplus will automatically revert back to the Treasury.

So, Mr. President, I hope this amendment will be defeated, as well as any other amendments offered to reduce the ceiling on this program, so we can continue to assure the families that are benefiting from this program that they are not going to have their benefits arbitrarily cut before the end of this fiscal year.

I thank the chairman for yielding.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Missouri such time as he may require.

Mr. EAGLETON. Mr. President, I believe passage of this amendment would be a tragic mistake. It would inevitably result in substantial reductions of food stamp benefits for the lowest-income strata of our society, those whose well-being virtually depends on food stamps to come close to achieving something near a reasonable diet.

This amendment is based on a CBO estimate of food stamp funding needs that is already outdated. It was made in mid-May, and by the end of May, the Department advised that some of its basic assumptions were not coming true. I ask unanimous consent to have printed in the RECORD at this point a letter from Secretary Bergland on this subject, addressed to THOMAS S. FOLEY, chairman, House Committee on Agriculture, dated May 30, 1979.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
May 30, 1979.

Hon. THOMAS S. FOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Members of the House Committee on Agriculture have recently received from the Congressional Budget Office a May 15, 1979, memo estimating the fiscal year 1979 cost of the food stamp program at $6.775 billion. We have analyzed CBO's procedures and conclude that their figure is not an appropriate basis for a revised authorization ceiling.

We have been advised that the CBO figure was never intended as, and should not be interpreted as, an appropriate authorization ceiling. CBO agrees that 1979 costs may be higher and is not recommending that $6.775 billion is a reasonable ceiling. Moreover there are problems with CBO's estimate. New data, not taken into account in CBO's May 15 memo, strongly indicate that its estimate is too low.

First, CBO assumes that the number of people participating in the program will drop from 19.1 million reported for March to under 18.8 million in May. Actual data from the States now show that participation remained at about 19.1 million in April and will most likely also be near that level in May. In addition, CBO assumes that participation will drop by over 1.5 million persons during the six months from April through September. This big a decline in so short a time is highly implausible considering that (1) participation increased by 25 percent during the first six months of the fiscal year, and (2) economic conditions, which greatly affect the size of the program, are not improving and could worsen before the year is out. Furthermore, the fact that participation has evidently not dropped in April and May means that CBO's 1.5 million decline would have to occur in only four months rather than six. Clearly, there is a very substantial likelihood that CBO may be guessing wrong in this respect. It would not seem wise to set an authorization limit that directly affects millions of persons on the assumption that, counter to recent observations, participation will suddenly plummet.

Second, CBO assumes that the elimination of the purchase requirement will have no additional effect on participation for April through September. During January, February, and March, the elimination of the purchase requirement added an estimated 2.7 million people to the program. CBO believes that any further growth would be totally offset by removal of some of the 2.7 million previously enrolled. However, it is questionable to presume that the very substantial effect of the elimination of the purchase requirement in January, February and March would suddenly stop completely in April for the remainder of the year.

Finally, CBO assumes that an energy crisis this summer will reduce participation in rural areas because some persons will be unwilling to travel to food stamp offices or issuance points. We believe it is most likely that an energy crisis would increase participation and program costs. When low income families have to spend more on energy and transportation, they will have less left for food, and will have greater need for food stamps. Also, an energy crisis could drive up unemployment, which usually increases food stamp participation at the rate of 750,000 people for every one percentage point of additional unemployment.

The consequences of setting the ceiling too low at this time are all too clear. If CBO's $6.775 billion were adopted as a ceiling but the actual need would be $7.147 (as allowed for by the recommendations of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition), the Department would be forced to cut benefits. The choices would be to reduce benefits either: 29 percent for each of two months beginning August 1, or 58 percent for one month beginning September 1.

In all cases, millions of food stamp households (with a median income of $3,600 per year) would have seriously reduced resources available to pay for food. More than half of the individuals in these households would be the elderly, disabled, and children in single parent families. These persons currently receive monthly food stamp benefits averaging only 33 cents per person per meal.

I should note that the provisions lowering the food stamp net income limit to the poverty line and replacing the old open-ended itemized deductions with standardized deductions took effect March 1 for all new applications and recertifications, and all States have been ordered to complete conversion of their entire food stamp caseloads to the new rules no later than June 30. Last week I wrote every State welfare commissioner in the nation warning that I would take vigorous action if a State failed to complete this process on schedule (a copy of this letter is attached). Savings from a full and timely completion of the conversion process are already figured into our estimates.

As a result, the judgment needed is whether we should risk drastic reductions in food assistance for low income families on the basis of uncertain estimates that assume an unlikely decline of fairly sudden and sharp proportions in the number of food stamp participants. The bill reported by the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition does not risk such benefit reductions. I believe this bill merits the support of the full Committee on Agriculture.

I would appreciate your help in seeking passage of the Subcommittee bill so that we can avert the specter of reductions in food stamp benefits this summer.

Sincerely,

BOB BERGLAND,
Secretary.

Mr. EAGLETON. I would like to quote briefly at this point, Mr. President, from that letter from Secretary Bergland. In the body of that letter, Secretary Bergland says as follows:

> The consequences of setting the ceiling too low at this time are all too clear. If CBO's $6.775 billion were adopted as a ceiling but the actual need would be $7.147 (as allowed for by the recommendations of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition), the Department would be forced to cut benefits. The choices would be to reduce benefits either: 29 percent for each of two months beginning August 1, or 58 percent for one month beginning September 1.
>
> In all cases, millions of food stamp households (with a median income of $3,600 per year) would have seriously reduced resources available to pay for food. More than half of the individuals in these households would be the elderly, disabled, and children in single parent families. These persons currently receive monthly food stamp benefits averaging only 33 cents per person per meal.

I will just restate in other language some of the points that the Secretary goes on to make in his letter:

One, participation in food stamps is not declining. That was one of the assumptions of the CBO but that assumption is simply erroneous from a factual point of view.

Two, elimination of the purchase requirement was assumed to result in no increased participation beyond March when, in fact, this also is not the actual fact.

Three, the energy crisis may well increase participation and cost rather than decrease participation, as was assumed by CBO.

Four, CBO assumed no increases in unemployment, when in fact this could be the case within the next few months. In fact, it is almost a certainty.

What I am saying, Mr. President, is four of the basic assumptions that CBO made with respect to food stamps early in May are now by this point in late June proven to be inaccurate assumptions. Thus, whatever the finding or recommendation of CBO in early May, it is no longer viable and no longer applicable as I see it here in the latter part of June.

Mr. President, the bill recommended by the committee funds the higher end of a range of food stamp estimates needed to avoid pro rata reductions in benefits. It prudently provides that if the funds are not spent, they will revert to the Treasury. The basic issue today is whether or not we are going to take a calculated chance of cutting benefits which average just over $1 per day, $33 per month, for those in the program.

Basically, for every $23.3 million that is cut out of the bill, we risk the possibility that we may need to totally cut off benefits for 1 day of the year, or reduce them on a pro rata basis.

I ask unanimous consent that a paper delineating food stamp benefit reductions be printed in the RECORD to illustrate the problems.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRIEFING PAPER—FOOD STAMP BENEFITS REDUCTIONS

Lead Time:

To reduce benefits as required by Section 18(b) (pro-rata reduction) of the Food Stamp Act of 1977, a minimum of 30 days lead time is necessary.

States must be notified a minimum of 30 days in advance of the effective date of the reduction in benefits. For example: The states must be notified by July 2 for benefit reductions to begin on August 1.

Regressive Nature of Cuts:

Under existing legislation, the only legal method of reducing benefits is pro-rata (USDA, OGC, GAO rulings).

The following table shows the reductions necessary in average benefits if varying funding cuts were made:

Reduction from the supplemental

	Average bonus/mo. ($33.10) reduced by	
	1 mo. reduction	2 mos. reduction
Supplemental reduced by:		
$−100,000,000	−5.30	−2.65
−200,000,000	−10.26	−4.97
−300,000,000	−15.56	−7.61
−400,000,000	−20.52	−10.26
−500,000,000	−25.82	−12.91
−600,000,000	−30.78	−15.23
−700,000,000	−33.10[1]	−17.87

[1] To reduce the supplemental by this amount would also require a reduction of benefits in August.

Daily Rate of Food Stamp Expenditures:

The estimated daily rate of food stamp expenditures in September, 1979 is $23.3 million.

A pro-rata reduction is very regressive as demonstrated in the following table:

Net earned income/month 2-person household	Amount of income spent for food	Amount of food stamp benefit	Total amount spent for food	Amount of reduction	Amount spent for food after reduction
$4,836	$102	$10	$112	$1	$111
$0	0	112	112	11	102

Mr. EAGLETON. Mr. President, I urge defeat of this amendment.

Mr. HAYAKAWA. Will the distinguished Senator from Missouri yield for a question?

Mr. EAGLETON. Yes.

Mr. HAYAKAWA. Concerning the figures from the CBO that the Senator from Missouri gives which he says are out of date, we have those same figures but they are dated, as received from Alice Rivlin, the Director, under date of June 22, which is not very far back.

Are we quoting the same figures?

Mr. EAGLETON. I have not seen the current figures from Miss Rivlin.

Mr. HAYAKAWA. We have before us the same figures the Senator is citing.

Mr. EAGLETON. I am told Alice Rivlin in her recent letter as of today puts in some precautionary language insofar as the assumptions that underlie her estimates are concerned. I think she exercises some sense of caution with respect to those assumptions.

Give me just a moment to read the letter.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that the Senator may be allowed to proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, has all time expired?

The PRESIDING OFFICER. The Senator has been yielded an additional 2 minutes.

Mr. EAGLETON. Briefly, within the constraints of time, let me say that on three occasions in Alice Rivlin's letter, the one dated June 11, she uses such language as "a great deal of uncertainty," "there is uncertainty," et cetera. That is, her opinion as of June 11 is certainly not based on bedrock.

In my opinion, with all due respect for Alice Rivlin, for whom I have the highest opinion, if anyone today can estimate that the need for food stamps throughout the remainder of this year is going to be less, then that person is resorting to some kind of magic economic wand that I do not know to be justified.

In the letter of June 25, she says, "Under alternative scenarios the needed supplemental could range between $600 million and $1 billion."

That is quite a range, $600 million to $1 billion.

> $220 million to $260 million over the current law's authorization ceiling. The range estimate will have a very high probability of including the final actual figure.

Mr. McGOVERN. Will the Senator yield on that point?

Mr. EAGLETON. I yield.

Mr. McGOVERN. I think the Senator earlier read from the letter to the chairman of House Agricultural Committee in which he pointed out that the CBO figure was never intended as an authorization appropriation ceiling. It was the lower end of an estimate as to what the program might possibly cost. But it could just as well be at the higher end.

Mr. EAGLETON. That is correct.

Mr. McGOVERN. As the Senator from Missouri has pointed out, there are a number of developments, including the increase in unemployment, the rising food cost, and a possible recession, all of which have the effect of weighting this on the side of the higher CBO estimate, and the Senator from North Carolina was taking the lower estimate.

Mr. EAGLETON. I thank my colleague from South Dakota.

Mr. HELMS. Mr. President, this amendment is really a referendum on the integrity of the Senate budget process—and on the integrity of the Congressional Budget Office.

If we are to maintain any control over the food stamp program, or any program for that matter, it is absolutely necessary that the amounts appropriated reflect in some way actual need.

The figure presently in this bill has the effect of giving the administrators of the program a blank check—in spite of their demonstrated irresponsibility with the program's budget.

Failure to accept my amendment—and the CBO figures upon which it is based—emasculates the worthy concept of a program "cap." Since it is not likely that carryover funds will be authorized in the future—upon passage of S. 1309 after the recess—the hundreds of millions of dollars that CBO tells us will not be necessary mocks the very idea of legislative restraint and control over program costs.

The CBO figures cited as the "range" of estimates were curiously delivered to the Senate very late in the afternoon—near 5 p.m.

The letter the Senator refers to seems to have been developed as a desperate move to inject a new figure into the debate.

I would point out that the very maximum amount referred to in the letter is the amount the FNS seeks—and who doubts that the figures are not "padded" in the tradition of all bureaucratic budget requests and, I point out that the maximum amount—the $1 billion—assumes a "worst case" assessment of the economy and all economic indicators.

And, it assumes a continued increase in program participation over present figures to 20 million people.

Tomorrow, FNS will publish figures indicating that participation is now on the downswing and may average about 19 million for the last quarter of fiscal year 1979.

My amendment's figures remain sound.

Mr. President, I ask unanimous consent that a letter dated June 22, 1979, from the CBO be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Congressional Budget Office,
U.S. Congress,
Washington, D.C., June 22, 1979.
Hon. Herman E. Talmadge,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared this cost estimate for S. 1309, a bill to amend the Food Stamp Act of 1977.

DESCRIPTION OF BILL

The bill contains three major sections. The first section would increase the fiscal year 1979 authorization ceiling from $6,158.9 million to $6,778.9 million. The bill leaves unchanged the authorization ceilings for fiscal years 1980 and 1981.

The second section of the bill would increase food stamp benefits to households containing a member 60 years of age or over or a member receiving supplemental security income (SSI) benefits. The bill would permit these households to deduct certain medical and additional shelter expenditures for determining program eligibility and benefits.

The final section of the bill mandates certain reporting procedures for the Secretary of Agriculture to follow in informing the Congress of ongoing program costs and the possible need to reduce food stamp benefits to remain within authorization ceilings. This final section would have no measurable cost impact on the federal budget.

SECTION 1 COST ESTIMATE

At the current time there is a great deal of uncertainty concerning the amount of funds needed to operate the food stamp program for the remainder of fiscal year 1979. This uncertainty results from the ongoing recertification of food stamp households under new provisions of the Food Stamp Act of 1977 and the potential for continued increased participation resulting from the new provision that removed the requirement that households purchase their food stamps. Also, uncertainty in the general economy generated by fuel and energy problems could result in significant changes in the needed funds.

Section 1 of S. 1039 would permit $620 million in appropriations over those that are allowed under the existing law. Based on preliminary program data through the month of March, we estimate that needed appropriations will increase by $280 million over the existing authorization ceiling. Federal budget outlays associated with this additional appropriation would be $278 million. Section 1 of S. 1309 would, therefore, result in increased program costs of approximately $280 million in fiscal year 1979. This estimate is subject to revision in early July as new economic assumptions are developed and more current program data become available.

SECTION 2 COST ESTIMATE

Section 2 of the bill would increase program costs in fiscal year 1979 very slightly, but, if fully implemented in fiscal year 1980, would result in increased program costs of approximately $55 million. This estimate is based on the assumption that the Secretary of Agriculture would act quickly to implement section 2 of the bill by the beginning of August 1979. The time schedule for implementing section 2 is specified within the bill. Delay in meeting the required time schedule would reduce the fiscal year 1980 cost impact.

Data used to develop this estimate were derived from medical and shelter expenditures on a sample of food stamp households in September 1976, inflated to fiscal years 1979 and 1980. Also, it should be noted that the actual impact of section 2 of the bill on the federal budget is predicated on action of the Congress to modify the current law's authorization ceilling of $6,189.0 million in fiscal year 1980. We currently project that the current program's costs will exceed the 1980 authorization ceiling if the ceiling were eliminated. Without a modification of the authorization ceiling, section 2 of S. 1309 will have no impact on the federal budget.

In total, then, the actual federal budget impact of S. 1309 is to increase program costs by approximately $280 million in fiscal year 1979. I hope this information will be of assistance to you. If you have questions concerning the cost estimates, please let us know.

With best wishes,
Sincerely,
Alice M. Rivlin,
Director.

Mr. EAGLETON. Mr. President, I ask unanimous consent that a lettter from Alice Rivlin, Director of the Congressional Budget Office, addressed to Senator Magnuson, chairman of the Appropriations Committee, dated June 11, 1979, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Congressional Budget Office,
Washington, D.C., June 11, 1979.
Hon. Warren G. Magnuson,
Chairman, Senate Appropriations Committee, U.S. Senate, Washington, D.C.

Dear Mr. Chairman. This is in response to a request from the Committee staff for the Congressional Budget Office's latest estimate of fiscal year 1979 food stamp program costs.

There is a great deal of uncertainty in the fiscal year 1979 program costs. This uncertainty is generated by the fact that the program has been undergoing major changes since January with the implementation of provisions in the Food Stamp Act of 1977. New regulations implementing the new law are yet to be fully implemented. This fact coupled with uncertainty in the economy generated by fuel and energy problems, could result in significant changes in the program's costs.

Based on our analysis of preliminary program data through the month of March, we estimate that total 1979 food stamp outlays will fall in the range of $6.7 billion to $7.1 billion. The major factor affecting this range is the level of program participation throughout the remainder of the year.

Under the current authorization ceiling, 1979 outlays for the food stamp program would be limited to $6.5 billion. At this time, our best point-estimate of total 1979 food stamp program outlays is $6.8 billion. This compares to the Administration's outlay estimate of $7.1 billion. The major reason for the lower CBO estimate is the assumption that the rapid participation growth in the program earlier this year will begin to stabilize in the period April through June and then decline through the remainder of the year. The Administration's estimate assumes participation will continue to increase as a result of the impact of eliminating the program's previous purchase requirement.

The authorization ceiling for new budget authority for 1979 under the current law is $6,159 million. To date, $5,779 million in new budget authority has been appropriated. The Administration has requested that the 1979 authorization ceiling be raised to $6,809 million and has also requested a supplemental appropriation of $1,039 million. Together with $338 million of unobligated 1978 budget authority carried forward to 1979, the Administration estimates total outlays will be $7,114 million.

Using the CBO best estimate of total 1979 food stamp program costs of $6,775 million, we would estimate that the supplemental appropriation of $1,039 million requested by the Administration would result in $658 million in additional outlays. This would be the amount that we would add to our present scorekeeping totals for 1979 outlays.

As I noted above, however, there is uncertainty about the total costs this year for the program. It is possible, therefore, that outlays from the supplemental appropriation requested by the Administration could be as much as the full amount.

I hope this information will be of assistance to you. We will keep you informed of any changes in our estimate that might be required as new program data becomes available.

With best wishes.
Sincerely,
Alice M. Rivlin,
Director.

Mr. EAGLETON. Mr. President, I ask unanimous consent that a letter from

Alice Rivlin, Director of the Congressional Budget Office, addressed to Senator TALMADGE, chairman of the Committee on Agriculture, Nutrition, and Forestry, dated June 25, 1979, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 25, 1979.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your staff's request asking our office to prepare a range estimate for the fiscal year 1979 food stamp supplemental, assuming the current law's authorization ceiling were eliminated.

In our official cost estimate of S. 1309 on June 22, we indicated that a supplemental of $660 million—$280 million over the authorization ceiling—would be required this year. We did indicate, however, that uncertainty existed in this point estimate because of the continual implementation of the new food stamp law coupled with increasing uncertainty in the future status of the general economy.

Under alternative scenarios, the needed supplemental could range between $600 million and $1.0 billion; $220 million to $620 million over the current law's authorization ceiling. This range estimate will have a very high probability of including the final actual figure.

The high-end estimate is based on an assumption of continual increase in food stamp participation throughout the remainder of the fiscal year—increasing from 19.1 million persons in March to an average of 20.0 million persons in the final quarter. The high-end estimate is also based on an assumption that cost savings of the new law (approximately $105 million this fiscal year) have already been achieved in the months January through April. The high-end estimate further includes the assumption that any seasonal decline in participation, which normally occurs in the summer months, would be offset by increases in unemployment and continual increases in participation associated with the elimination of the program's previous purchase requirement.

Two of the assumptions underlying the low-end estimate are similar to those for the point estimate provided Representative Mathis last week. A decline in participation because of normal seasonal factors and a reduction in participation associated with the new law's eligibility and benefit provisions are assumed.

The low-end estimate also assumes unemployment would remain at its current level of 5.8 percent for the remainder of the fiscal year. Recent estimates indicate that a one percentage point increase (decrease) in the national unemployment rate could increase (decrease) food stamp costs by about $500 million on an annual basis. The high-end estimate and point estimate provided Representative Mathis are based on the assumption that unemployment would increase to 6.3 percent in the final quarter.

The range and point estimate do not attempt to control for changes in program error rates that might be occurring with the new program.

I hope this information will be of assistance to you. If you have any further questions, please let us know.

With best wishes.
Sincerely,

ALICE M. RIVLIN,
Director.

THE FOOD STAMP PROGRAM

Mr. McGOVERN. Mr. President, I rise in opposition to Senator HELMS' amendment to cut the 1979 supplemental appropriation for the food stamp program.

This has not been an easy time for the food stamp program. Due to the changeover in the program structure, extraordinarily high food prices, inflation, and higher than anticipated unemployment rates, the cost of the food stamp program has increased faster than we might like. Clearly, this development at a time when all of us in the Congress are looking for ways to save money has brought a great deal of attention to the program. But we must keep in mind at all times that the average food stamp benefit is only 33 cents per person/per meal.

The people on the food stamp program are poor. Fifty percent of all the households participating in the food stamp program have an income under $3,600 and 75 percent of all households have an income under $4,800—85 percent under $6,000.

The issue before the Senate today is whether we want to make certain that we provide adequate funds for the program or whether we want to run the risk of reducing food stamp benefits to all 19 million recipients.

If maladministration is the target of this amendment, it falls far short. The Food and Nutrition Service will not be penalized or injured if this amendment is accepted. Food stamp program participants will suffer the consequences through the reduction of their already meager allotments.

The Senate Committee on Agriculture, Nutrition, and Forestry voted overwhelmingly, less than a week ago, by a vote of 15 to 2, to raise the 1979 food stamp authorization level by $620 million. We chose that figure because it represents the upper range of CBO's cost estimate. The Department of Agriculture thinks that not less than $610 million over the 1979 authorization cieling may be needed, and this is what the supplemental appropriations bill provides.

Simply stated, if we are in agreement that food stamp benefits should not be cut, it is better to be "safe than sorry."

In any event, if the amount appropriated proves to be more than is needed, the leftover funds will revert to the Treasury.

If we choose a lesser figure than that contained in the bill, we are taking a great gamble. If we do not provide enough funds, then all of the efforts we have made this year will have failed. It makes no sense to decide not to cut benefits and then not provide enough money to guarantee that we get the desired outcome.

A figure less than $989 million in additional appropriations would not provide an adequate degree of security sufficient to take account of all major contingencies. I urge the Senate to defeat the amendment.

Mr. President, I ask unanimous consent that a letter dated May 30, 1979, from the Secretary of Agriculture, Mr. Bergland, to the chairman, House Committee on Agriculture, Thomas S. Foley, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. THOMAS S. FOLEY,
Chairman, Committe on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Members of the House Committee on Agriculture have recently received from the Congressional Budget Office a May 15, 1979, memo estimating the fiscal year 1979 cost of the food stamp program at $6.775 billion. We have analyzed CBO's procedures and conclude that their figure is not an appropriate basis for a revised authorization ceiling.

We have been advised that the CBO figure was never intended as, and should not be interpreted as, an appropriate authorization ceiling. CBO agrees that 1979 costs may be higher and is not recommending that $6.775 billion is a reasonable ceiling. Moreover there are problems with CBO's estimate. New data, not taken into account in CBO's May 15 memo, strongly indicate that its estimate is too low.

First, CBO assumes that the number of people participating in the program will drop from 19.1 million reported for March to under 18.8 million in May. Actual data from the States now show that participation remained at about 19.1 million in April and will most likely also be near that level in May. In addition, CBO assumes that participation will drop by over 1.5 million persons during the six months from April through September. This big a decline in so short a time is highly implausible considering that (1) participation increased by 25 percent during the first six months of the fiscal year, and (2) economic conditions, which greatly affect the size of the program, are not improving and could worsen before the year is out. Furthermore, the fact that participation has evidently not dropped in April and May means that CBO's 1.5 million decline would have to occur in only four months rather than six. Clearly, there is a very substantial likelihood that CBO may be guessing wrong in this respect. It would not seem wise to set an authorization limit that directly affects millions of persons on the assumption that, counter to recent observations, participation will suddenly plummet.

Second, CBO assumes that the elimination of the purchase requirement will have no additional effect on participation for April through September. During January, February, and March, the elimination of the purchase requirement added an estimated 2.7 million people to the program. CBO believes that any further growth would be totally offset by removal of some of the 2.7 million previously enrolled. However, it is questionable to presume that the very substantial effect of the elimination of the purchase requirement in January, February and March would suddenly stop completely in April for the remainder of the year.

Finally, CBO assumes that an energy crisis this summer will reduce participation in rural areas because some persons will be unwilling to travel to food stamp offices or issuance points. We believe it is more likely that an energy crisis would increase participation and program costs. When low income families have to spend more on energy and transportation, they will have less left for food, and will have greater need for food stamps. Also, an energy crisis could drive up unemployment, which usually increases food stamp participation at the rate of 750,000 people for every one percentage point of additional unemployment.

The consequences of setting the ceiling too low at this time are all too clear. If CBO's $6.775 billion were adopted as a ceiling but the actual need would be $7.147 (as allowed by the recommendations of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition), the Department would be forced to cut benefits. The choices would be to reduce benefits either: 29 percent for each of two omnths beginning August 1, or 58 percent for one month beginning September 1.

In all cases, millions of food stamp households (with a median income of $3,600 per year) would have seriously reduced resources available to pay for food. More than half of the individuals in these households would be the elderly, disabled, and children in single parent families. These persons currently receive monthly food stamp benefits averaging only 33 cents per person per meal.

I should note that the provisions lowering the food stamp net income limit to the poverty line and replacing the old open-ended itemized deductions with standardized deductions took effect March 1 for all new applications and recertifications, and all States have been ordered to complete conversion of their entire food stamp caseloads to the new rules no later than June 30. Last week I wrote to every State welfare commissioner in the nation warning that I would take vigorous action if a State failed to complete this process on schedule (a copy of this letter is attached). Savings from a full and timely completion of the conversion process are already figured into our estimates.

As a result, the judgment needed is whether we should risk drastic reductions in food assistance for low income families on the basis of uncertain estimates that assume an unlikely decline of fairly sudden and sharp proportions in the number of food stamp participants. The bill reported by the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition does not risk such benefit reductions. I believe this bill merits the support of the full Committee on Agriculture.

I would appreciate your help in seeking passage of the Subcommittee bill so that we can avert the specter of reductions in food stamp benefits this summer.

Sincerely,

Bob Bergland,
Secretary.

● Mr. MUSKIE. Mr. President, I oppose the amendments offered by Senators Helms and Hayakawa to reduce the budget authority provided in the supplemental appropriations bill for food stamps.

It is true that the amount provided in this bill—$989 million—exceeds the amount which CBO estimates will be needed in fiscal year 1979—$660 million—by $329 million. At first glance, it would appear that a reduction in the budget authority provided would be fully justified.

I have a great deal of faith in the accuracy of CBO's estimates. In opposing these amendments, however, I am adopting a healthy bit of skepticism suggested by the CBO itself.

Mr. President, I ask that a letter dated June 25, 1979, from Alice Rivlin to Senator Talmadge be inserted in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. This letter confirms CBO's estimate of the total supplemental needs of the program as $660 million. However, CBO points to the uncertainty in this estimate which exists "because of the continued implementation of the new food stamp law coupled with increasing uncertainty in the future status of the general economy."

Dr. Rivlin goes on to point out that the additional costs could range under alternative scenarios from $600 million to $1 billion.

The Appropriations Committee has been cautious, Mr. President. They have provided adequate funds to allow full food stamp benefits even under the most adverse of scenarios.

Given CBO's uncertainty over the direction of this program and rising food costs, to provide less would be to threaten thousands of poor people with loss of benefits essential to their health and welfare.

EXHIBIT 1

Congressional Budget Office,
Washington, D.C.

Hon. Herman E. Talmadge,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This letter is in response to your staff's request asking our office to prepare a range estimate for the fiscal year 1979 food stamp supplemental, assuming the current law's authorization ceiling were eliminated.

In our official cost estimate of S. 1309 on June 22, we indicated that a supplemental of $660 million—$280 million over the authorization ceiling—would be required this year. We did indicate, however, that uncertainty existed in this point estimate because of the continual implementation of the new food stamp law coupled with increasing uncertainty in the future status of the general economy.

Under alternative scenarios, the needed supplemental could range between $600 million and $1.0 billion; $220 million to $320 million over the current law's authorization ceiling. This range estimate will have a very high probability of including the final actual figure.

The high-end estimate is based on an assumption of continual increase in food stamp participation throughout the remainder of the fiscal year—increasing from 19.1 million persons in March to an average of 20.0 million persons in the final quarter. The high-end estimate is also based on an assumption that cost savings of the new law (approximately $105 million this fiscal year) have already been achieved in the months January through April. The high-end estimate further includes the assumption that any seasonal decline in participation, which normally occurs in the summer months, would be offset by increases in unemployment and continual increases in participation associated with the elimination of the program's previous purchase requirement.

Two of the assumptions underlying the low-end estimate are similar to those for the point estimate provided Representative Mathis last week. A decline in participation because of normal seasonal factors and a reduction in participation associated with the new law's eligibility and benefit provisions are assumed.

The low-end estimate also assumes unemployment would remain at its current level of 5.8 percent for the remainder of the fiscal year. Recent estimates indicate that a one percentage point increase (decrease) in the national unemployment rate could increase (decrease) food stamp costs by about $500 million on an annual basis. The high-end estimate and point estimate provided Representative Mathis are based on the assumption that unemployment would increase to 6.3 percent in the final quarter.

The range and point estimate do not attempt to control for changes in program error rates that might be occurring with the new program.

I hope this information will be of assistance to you. If you have any further questions, please let us know.

With best wishes.

Sincerely,

Alice M. Rivlin,
Director.●

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. HELMS. All time has been used.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. Culver), the Senator from Hawaii (Mr. Inouye), the Senator from Hawaii (Mr. Matsunaga), the Senator from Wisconsin (Mr. Nelson), the Senator from Illinois (Mr. Stevenson), and the Senator from Indiana (Mr. Bayh) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. Long) is absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. Culver) would vote "nay."

Mr. BAKER. I announce that the Senator from Nevada (Mr. Laxalt), the Senator from South Dakota (Mr. Pressler), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Alaska (Mr. Stevens), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 22, nays 66, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—22

Armstrong
Bellmon
Boren
Byrd, Harry F., Jr.
Cochran
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Lugar
McClure
Proxmire
Roth
Simpson
Stennis
Thurmond
Tower
Warner
Zorinsky

NAYS—66

Baker
Baucus
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Young

NOT VOTING—12

Bayh
Culver
Inouye
Laxalt
Long
Matsunaga
Nelson
Pressler
Schweiker
Stevens
Stevenson
Wallop

So Mr. HELMS' amendment (UP No. 306) was rejected.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, in keeping with my commitment early in the session that the Senate would not be in late on Mondays through June, I take the floor at this time to ascertain how many amendments remain and to see if we can schedule them.

One for Mr. STENNIS, one for Mr. DOLE, one for Mr. HAYAKAWA, and one for Mr. JEPSEN.

I wonder if Mr. HAYAKAWA would mind calling up his amendment. I understand that he wants the yeas and nays on it. Let us order the yeas and nays. We will begin at 10 o'clock tomorrow morning on the bill, have a rollcall vote on that amendment soon thereafter, and follow that with the amendment by Mr. JEPSEN.

Mr. HAYAKAWA. That is satisfactory.

Mr. ROBERT C. BYRD. Mr. DOLE has an amendment.

Mr. DOLE. May I wait until later?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Senator JEPSEN has agreed to follow Senator HAYAKAWA.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SUPPLEMENTAL APPROPRIATION BILL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I believe there is one order for the recognition of a Senator tomorrow, is there not?

The PRESIDING OFFICER. Yes.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate resume the consideration of the supplemental appropriation bill at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if Mr. HAYAKAWA will call up his amendment now I am willing to announce to the Senate that there be no more rollcall votes today. Will he do that?

Mr. HAYAKAWA. I am glad to do that.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the amendment by Mr. HAYAKAWA even before he calls it up.

Mr. HAYAKAWA. That is perfectly satisfactory with me. I will ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. HAYAKAWA, Mr. JEPSEN be recognized to call up his amendment tomorrow.

Does Mr. JEPSEN wish to have a rollcall vote on his amendment?

Mr. JEPSEN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on the amendment by Mr. JEPSEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, now, as I understand it, I say to Senator MAGNUSON, other than these two amendments, there have been indications that there may be two other amendments. An amendment by Mr. DECONCINI would make three.

Mr. MAGNUSON. Unless we pick up something overnight, that is as far as I know.

Mr. STENNIS. Mr. President, to the leader and the Senators, let me say this: I believe as to the matter that I have here we can work it out through colloquy. There are five or six States involved, and the Senator from Kentucky, and others, worked very hard on the overall bill. If the bill is going over until tomorrow, frankly I think it will increase our chances, but we can settle it by a colloquy anyway. So, better tomorrow than now, frankly, if it is all right with the leader.

Mr. ROBERT C. BYRD. If it is all right with the chairman.

Mr. MAGNUSON. Yes.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

UP AMENDMENT NO. 307

(Subsequently Numbered Amdt. No. 284)

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from California (Mr. HAYAKAWA) proposes an unprinted amendment numbered 307.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page four, line five, strike "$988,786,000" and insert the following: "$800,000,000".

Mr. CRANSTON. Mr. President, I would like to address briefly another concern and ask for a comment by the distinguished chairman of the Agriculture Subcommittee. Mr. President, since February of this year the State of California has not received any funds from the U.S. Department of Agriculture (USDA) under the Older American Act's cash in lieu of commodities program. When these funds are received, the State distributes the funds to projects providing meals to elderly individuals.

To remedy the present funding shortfall the administration has sought, and the House has recommended, a supplemental appropriation of $27 million for the remainder of fiscal year 1979 for this program.

In the meantime, Mr. President, because the program has no funds for distribution, a reprograming from section 32 and the Commodity Credit Corporation (CCC) has been requested and approved.

Mr. President, I am concerned that the Appropriations Committee has not approved the administration's requested supplemental appropriation for this elderly nutrition program. The committee report indicates that needed funds and commodities are available through section 32 and the CCC, but it may be the case that section 32 funding will not be suitable for funding the full requirement.

If that is the case, I urge that a reprograming of the funds needed for the remainder of this fiscal year be accomplished quickly. If this cannot be done, I urge the acceptance of the House position in conference.

In any event, I hope that decisive action will be taken to avoid placing any more unwarranted burdens on the States and nutrition projects.

Could the distinguished subcommittee chairman provide me with some assurances today that a way out of this situation will be found so that the elderly persons—in my State and elsewhere—needing nutrition assistance from this program will be served in the last quarter of fiscal year 1979?

Mr. EAGLETON. I would say to the Senator from California that it was the full intent of the Committee on Appropriations to provide the funds needed for the elderly feeding program that would avoid any cutback in benefits. At the time the committee marked up, we were advised by the Department of Agriculture that section 32 funds could be used for both commodity support as well as for cash in lieu of commodities. Accordingly, recognizing the extreme tightness of the bill, we proposed to use section 32 transfers as a funding mechanism.

I want to assure the Senator that if section 32 transfers are not feasible for cash in lieu of commodities, or if there is any problem with this method, we will take necessary actions in conference to insure there is no cutback in the elderly feeding program. We are in communication with USDA, and expect a speedy answer—well in advance of the conference action on this bill.

Mr. DOMENICI. Mr. President, I wish to commend the Committee on Appropriations for its decision to include $5 million "to conduct a study of inland waterway user taxes and charges." This language appears on page 44, lines 6 to 9, of this bill. The House, I understand, has included no money for this study.

Let me review briefly the background of this issue. Many of my colleagues will recall the protracted struggle we had during the 95th Congress over the issue of waterway user charges and lock and dam No. 26. Eventually, we enacted a compromise law that rested on three legs: First, a fuel tax that would go into effect in October 1980; second, the authorization of locks and dam No. 26, which will cost a half billion dollars or so; and third, a study of the impact of future waterway user taxes and alternatives.

Mr. President, I ask unanimous consent that the language of section 205 of Public Law 95-502 be printed in the Record at this point.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Sec. 205. Study With Respect to Inland Waterway User Taxes and Charges

(a) Study Directed.—The Secretary of Transportation and the Secretary of Commerce, in consultation with the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Energy, the Attorney General of the United States, the Secretary of the Army, the Chairman of the Water Resources Council, and the Director of the Office of Management and Budget, shall—

(1) make a full and complete study with respect to inland waterway user taxes and charges, and

(2) make findings and policy recommendations with respect thereto.

Such study shall include (but shall not be limited to) a consideration of the matters listed in subsections (b), (c), (d), (e), and (f) of this section.

(b) Considerations Relating to the Taxing Mechanism.—

(1) The exent to which the Federal Government should seek to recover some or all of Federal expenditures for the benefit of inland waterway transportation from the users of the facilities for which such expenditures are made.

(2) The various forms of inland waterway user taxes and charges which could be established.

(3) The various methods of collecting inland waterway user taxes and charges, and the administrative costs of such taxes and charges.

(4) The classes and categories of users and other persons on whom inland waterway user taxes and charges should be imposed.

(5) The waterways of the United States (including the Great Lakes, deep draft channels, and coastal ports) which should be included in any system of user taxes and charges, together with the economic effects of such taxes and charges.

(6) The use of revenues derived from inland waterway user taxes and charges, including consideration of changes in, or alternatives to, the Trust Fund mechanism.

(c) Considerations Relating to Economic Effects.—The economic effects of waterway user taxes and charges on—

(1) Carriers and Users.—On—

(A) carriers and shippers using the inland waterways, and

(B) users (including ultimate consumers) of commodities which are transported on the inland waterways.

(2) Regions, etc.—On—

(A) existing investment in industrial plants, agricultural interests, and commercial enterprises, and on related employment, in regions of the country served by inland water transportation directly or in combination with other modes, and

(B) future economic growth prospects in such regions, including anticipated shifts of industry and employment to other areas together with an evaluation of effects on regional economies and their development, including consistency with Federal policies as set forth in other legislation.

(3) Small business and industrial concentration and competition.—On—

(A) small business enterprise, and

(B) industrial concentration and competition, both within the transportation industry and in any line of commerce (within the meaning of the antitrust laws).

(4) Competitors.—On the freight rates charged by other modes of transportation and the extent of short-term and long-term diversion of traffic from the inland waterways to such other modes. In considering such diversion of traffic, there shall also be considered the effects of such diversion on—

(A) the development of alternative sources of supply and on alternative modes of transportation and alternative routing to market.

(B) the comparative safety of the handling and transportation of hazardous materials, and

(C) the comparative energy efficiency of the modes and routes of the transportation involved.

(5) Prices.—On prices of commodities shipped by inland waterways and by competing modes, including the costs of energy materials and the effects on electric power rates.

(6) Balance of payments.—On the balance of payments of the United States based on our international trade.

(d) Considerations Relating to Economic Feasibility of Waterway Improvement Projects; Level of Benefits From Waterway Expenditures.—

(1) The effects of inland waterway user taxes and charges on the economic feasibility of inland waterway improvement projects.

(2) The comparative levels of benefits received from Federal expenditures on inland waterways for—

(A) commercial uses, and

(B) other uses, including (but not limited to) recreation, reclamation, water supply, low-flow augmentation, fish and wildlife enhancement, hydroelectric power, flood control, and irrigation uses.

(e) Considerations Relating to Federal Assistance.—

(1) The extent of past, present, and expected future Federal assistance to the several modes of freight transportation. Such consideration shall include an evaluation and comparison of the public benefits resulting from such assistance to each of the several transportation modes in terms of adequacy, efficiency, and economy of service, safety, technological progress, and energy conservation. The Federal assistance considered under this paragraph shall include all forms of such assistance, such as tax advantages, direct grants, rate adjustments for improvement purposes, assumption of pension fund liabilities, loans, guarantees, capital participation, revenues from land grants, and provision of right-of-way operation, maintenance, and improvement.

(2) The competitive effects of past, present, and expected future Federal expenditures on inland waterways on competitive modes of transportation.

(3) The need for Federal assistance to agricultural, industrial, and other interests affected by inland waterway user taxes and charges.

(f) Considerations Relating to Policy and Future Development.—The effects of inland waterway user taxes and charges on—

(1) The achievement of the objectives of the National Transportation Policy as set forth in the preamble to the Transportation Act of 1940.

(2) The expansion and improvement of the inland waterways determined to be necessary by the Secretary of the Army under section 158 of the Water Resources Development Act of 1976 (Public Law 94-587) or estimated to be necessary under paragraph (3).

(3) The requirements of the Nation through the year 2000 for transportation service, the portion thereof which should be provided by inland waterway carriers, and an estimate of the expansion and improvement of inland waterway capacity necessary to meet such requirements.

(g) Inland Waterway User Taxes and Charges Defined.—For purposes of this section, the term "inland waterway user taxes and charges" means taxes imposed on the use of the inland and intracoastal waterways of the United States and all alternatives to such taxes.

(h) Report.—Not later than September 30, 1981, the Secretary of Transportation shall transmit to Congress a final report of the study required by this section, together with his findings and recommendations (including necessary legislation) and the findings and recommendations of the Secretary of Commerce, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Energy, the Attorney General of the United States, the Secretary of the Army, the Chairman of the Water Resources Council, and the Director of the Office of Management and Budget.

(i) Authorization of Appropriations.—There are hereby authorized to be appropriated from time to time to the Secretary of Transportation such sums, not to exceed $8,000,000 in the aggregate, as may be necessary to carry out the study required by this section.

Mr. DOMENICI. All the participants agreed, including the barge industry, that this study was important. Failure to fund this study now would undermine that compromise. I would note that one of the most vocal and effective spokesmen for the waterways industry, Mr. William T. Hull, testified just this month to our Subcommittee on Water Resources that he and the barge industry supported strongly the funding and completion of this study.

Mr. President, frankly, I think the language of the study is written in such a way as to favor the interests of the barge industry. But I still believe an agreement is an agreement, so I certainly support the funding of this study.

Mr. BAYH. The Senator is correct. The House did not include any of the requested funds for this study. Secretary Adams was very concerned about this when he testified before the Senate Transportation Subcommittee. He pointed out that he must have these funds if he is to have any chance of completing the study, in cooperation with the Department of Commerce, by the legislatively mandated deadline of September 30, 1981. So, while I do not know what the study will say or what the Secretary may recommend as a result of the study, I do feel that it is important that he has these funds to do what Congress required him to do.

Since the House has not seen fit to appropriate money for this study, I would ask the distinguished floor managers if they intend to do all they can to hold firm on this funding, funding on which last year's compromise was built?

Mr. DOMENICI. I am also pleased to note that the committee has recommended an appropriation of $2,000,000 to initiate the upper Mississippi River system master plan. I applaud the committee on this proposal. But, certainly, we cannot expect to do all of this work, and then neglect the user charge study.

Mr. DOLE. Mr. President, there has been a question called to my attention concerning appropriations to the Bureau of Education for the Handicapped which I think needs some clarification. Last August, the President issued Executive Order 12073, which directs Government departments and agencies to target procurements to labor surplus areas. The Executive order is based on the Defense Manpower Act and the Small Business Act.

In general, I support targeting Government business to areas of high unemployment in an effort to produce more jobs for more persons. However, as the policy is being implemented, in some instances it is taking a shape which many of us never envisioned. I believe congressional intent behind the set-aside was to spur growth by reducing unemployment in labor surplus areas. The number of jobs produced, therefore, would be more critical than the actual dollar amount of the contract.

Is it the chairman's opinion that when we appropriated money for these procurements we intended them to go to areas where they would create the greatest number of jobs?

Mr. MAGNUSON. Yes, that is my impression of congressional intent.

Mr. DOLE. Recently, a problem has surfaced which demonstrates clearly that the labor surplus set-aside program is not being directed entirely toward projects which would encourage the greatest number of jobs. For instance, the labor surplus area set-aside has been applied to requests for proposals from the Special Needs Division of the Bureau of Education for the Handicapped within HEW. These projects are to explore new and innovative ways to train deaf/blind youth, to deinstitutionalize the severely handicapped, to train autistic children, and so forth. I cannot stress too strongly that these are very specialized areas in which relatively few professionals are qualified to work.

It is rather unrealistic to think that workers in high labor surplus areas would benefit from such a contract or that there is a sufficient number of qualified potential contractors in these areas. HEW seems to accept as fact that these contracts will go to universities, and I believe they should go to universities best equipped to serve the handicapped. Whether or not the university is located in an area designated as a labor surplus area is not relevant to the success of these projects. Furthermore, BEH estimates that about 15 persons nationwide would be employed under these contracts, a number so small as to have no impact on our unemployment problem.

Does the chairman share my concern that by restricting bidders to those in concentrated unemployment areas we may exclude some universities who are actually best prepared to operate these highly developed educational programs for the handicapped?

Mr. MAGNUSON. I concur with the concerns expressed by the Senator from Kansas.

Mr. DOLE. Given that application of the total labor surplus area set-aside will limit competition for BEH moneys, it is likely that handicapped children and youth would not be served as well as they would have been if the contracts had gone to the best qualified educational institution, regardless of its location. The BEH admits that the skills necessary for these projects are quite technical, and that some parts of the country simply do not have the expertise that exists elsewhere.

Furthermore, the location of target students is not negotiable, nor are the medical specialists needed for the projects evenly distributed across the country. If the interpretation of the labor surplus set-aside is not changed, approximately two-thirds of the recipients currently funded would be ineligible to bid for grants. Finally, I think we should recognize that the 15 persons who would be employed under these grants are probably so highly educated that it is unlikely they would have been unemployed without the contract. They are quite different from the unskilled, unemployed laborers for whom the set-aside provision was intended to assist.

It seems reasonable to suggest that perhaps the Secretary of HEW should look again at this matter. It needs to be reviewed to see if denying some universities the right to compete for grants under BEH works against the educational needs of handicapped children. Also, I would suggest that he consider whether congressional intent might be followed more closely if the labor set-aside were viewed in terms of number of employment opportunities created rather than monetary size of contracts. Does the Senator from Washington agree?

Mr. MAGNUSON. The Senator from Washington wants to associate himself with the remarks made by the senior Senator from Kansas, and to join in encouraging the administration to reevaluate its position on this issue.

Mr. DOLE. I appreciate the remarks of the chairman and thank him for sharing his opinion on this matter. His concern for the education of our handicapped citizens is well known, and I am grateful for his long-term commitment in this area. I know that Senator KASSEBAUM also has similar questions pertaining to the labor set-aside issue, and we are hopeful that this problem can soon be resolved satisfactorily.

THE ADMINISTRATION'S MISUSE OF LABOR SET-ASIDES

● Mrs. KASSEBAUM. Mr. President, the chancellor of the University of Kansas, Dr. Archie R. Dykes, recently called my attention to some disturbing information regarding the administration's application of labor set-aside requirements. It seems that the Special Needs Division of the Bureau for Education of the Handicapped has issued six requests for proposals (RFPs) dealing with highly specialized modes for the care and training of handicapped children and youth. A total labor surplus area set-aside requirement was attached to each of these RFP's. This requirement has the effect of eliminating from competition for these contracts the University of Kansas and several other universities with nationally recognized expertise in research relating to the developmentally disabled.

The policy of offering preference to labor surplus areas in the award of Federal procurement contracts originated during the Korean conflict as an emergency measure to put people to work in high unemployment areas. Congress has transformed this policy from one with a national defense orientation to one which focuses on socioeconomic considerations the clear legislative intent of Federal labor surplus policy as it is applied today is to assist economically distressed areas and to offer employment opportunities to the disadvantaged.

Mr. President, I have no argument with the principle of using labor surplus set-asides in an effort to alleviate chronic unemployment. That is not the issue. The issue is the inappropriate application of this policy in an area which is particularly ill-suited for meeting the goals established by Congress in creating the labor set-aside. It seems obvious to me that contracts designed to develop innovative approaches to assisting severely handicapped children are not likely candidates for drawing substantial numbers of unemployed individuals into the work force. In fact, each contract in question will create an average of 2½ full-time positions over a 1-year period. Thus, attaching labor set-aside requirements to these six RFP's hold, at best, the potential for reducing unemployment nationwide by a total of 15 people—the impact of which will be imperceptible. The more likely circumstance is no employment impact at all, as individuals with the expertise necessary to fulfill the terms of the contracts are no doubt already gainfully employed.

Much more serious than the disregard of congressional intent is the fact that application of the labor set-aside in this situation reduces the pool of expertise available to children with severe emotional and physical handicaps in an area central to their future well-being—their education and adjustment to society at large. Personnel of the Bureau for the Education of the Handicapped recognized the full ramifications of this decision and appealed it, arguing that the best interests of handicapped children would not be served by the set-aside requirement. Their appeal was denied, and it appears that the Office of Management and Budget played a major role in this denial.

I am frankly perplexed at the administration's position on this matter. The only explanation I have been able to find is the $26 million quota in fiscal year 1979 procurement obligation set-asides which the Office of Education is expected to meet. It is getting late in the fiscal year, and it may well be that the administration feels it must grasp at any straw in its last-minute rush to assure that the agency meets its quota. Putting economic logic and human compassion aside, one might almost be able to accept this rationale. I do not.

Mr. President, I am deeply concerned that, if this decision is not reversed, an unfortunate and damaging precedent will have been set. Many Federal contracts call for the expertise offered by our Nation's universities in meeting specialized needs. If use of labor set-aside requirements become routine in these situations simply to enable agencies to meet their dollar quotas, the net effect will be to diminish the amount of specialized talent available to deal with pressing needs. I strongly urge that the administration reconsider this decision, allowing all qualified institutions the opportunity to compete for these contracts.

Mr. MAGNUSON. Yes. I agree. I hope that Secretary Califano will reevaluate his decision in this matter. If the current policy stands, it will not benefit the education of handicapped children.●

SECTION 8 ASSISTED HOUSING

● Mr. BUMPERS. Mr. President, each year under HUD's section 8 lower income rental assistance program, funds are assigned to the Department's area offices. The funds are then reserved by the Department for local housing authorities and developers. From time to time, authorities and developers are unable to use all the reservations they have been provided. They then turn back these fund reservations to the area HUD office. In the past, these "recaptured" reservations have been redistributed within the States to housing agencies and developers that do have a need for more section 8 assistance. Is the Senator from Wisconsin acquainted with this procedure?

Mr. PROXMIRE. Yes.

Mr. BUMPERS. A problem has developed this year. Apparently, the reallocation process has been disrupted due to a directive that went out to all HUD area offices last May. The directive prohibited the reallocation of any recaptured funds until it was determined what funds would be necessary for amendments to existing commitments.

I think that the Senator from Wisconsin will agree with me that the section 8 rental assistance program is vital. There are many communities scattered throughout the country that need the assistance both for new construction projects as well as for recently completed housing projects. They need the assistance now, not several months from now, and yet the recaptured funds are still frozen.

Mr. PROXMIRE. I agree, this is a problem.

Mr. BUMPERS. It is my understanding that in the absence of a rescission or reprograming request from the administration, the section 8 funds are to be made available in fiscal year 1979. Is this correct?

Mr. PROXMIRE. The Senator is correct. We have received no reprograming or rescission request. Consequently, these funds should be made available for section 8 rental assistance projects in fiscal year 1979.

Mr. BUMPERS. I think it is important for the Senate to send a strong message to the Secretary indicating its interest in having a quick resolution to this problem. I have considered offering an amendment to the supplemental appropriation bill that would direct the Secretary to release the recaptured funds immediately. In light of what the Senator from Wisconsin has just stated, would it be necessary to add such language to the bill?

Mr. PROXMIRE. I do not believe such language is necessary. The Department is already obligated to make these funds available in fiscal year 1979. If there has been any confusion in the Secretary's mind over the issue, this colloquy should be sufficient to indicate the Senate's interest in having these funds released immediately.

Mr. BUMPERS. I thank the Senator. I trust that we can expect a quick response from the Secretary.●

SUPPLEMENTAL APPROPRIATIONS FOR ENERGY AND WATER DEVELOPMENT

● Mr. HATFIELD. Mr. President, chapter III of the supplemental bill provides funds to meet unanticipated fiscal year 1979 requirements for energy and water development in the Corps of Engineers, the Bureau of Reclamation, and the Department of Energy, and related activities in other agencies. In keeping with this year's fiscal constraints, the committee recommended supplemental funds only when deemed absolutely necessary to meet requirements. For example, Mr. President, we have agreed with the House in providing a total of $127 million for extraordinary maintenance dredging and flood control and emergency coastal activities to repair damage caused by this spring's severe storms and floods in the Southwest, Midwest, and Southern United States.

Mr. President, our recommendations differ in only two respects from those of the House on this part of H.R. 4289. First, we have recommended a supplemental appropriation of $2.7 million for the Federal Energy Regulatory Commission, a $7.6 million reduction from FERC's original request. The House approved no supplemental funds for FERC. The $2.7 million we recommend would enable the Commission to efficiently implement new requirements imposed on it by the National Energy Act.

Second, we have recommended a $10 million supplemental for increased pay costs in the Corps of Engineers, rather than having the corps absorb this amount out of the construction, general, account. This action will enable the corps to meet pay costs without reducing payments for contractor earnings toward the close of the fiscal year.

Finally, Mr. President, we concurred with the House in recommending 100 additional positions, within available funds, for the nuclear reactor regulatory function within the Nuclear Regulatory Commission. This recommendation was made so that the Commission staff can continue to process reactor licensing applications without undue delay caused by the diversion of resources to investigation of the Three-Mile Island accident. However, the committee was concerned that the provision of these 100 positions from within available resources not have a detrimental impact on the NRC's other priority-activities in reactor safety, research and inspection, and included language in the report to emphasize that concern.●

ORDER FOR RESUMPTION OF CONSIDERATION OF SUPPLEMENTAL APPROPRIATIONS, 1979, H.R. 4289, ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the prayer, the Senate proceed to the consideration of the recognition of the two Senators—one at a time, of course—for whom orders have been previously entered, and that at the conclusion of those two orders the Senate then resume consideration of the supplemental appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 15 minutes and Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MANSFIELD SHOWS SURE HAND IN JAPAN

Mr. PERCY. Mr. President, I call the attention of my colleagues to an article that appeared recently in the Los Angeles Times. The article is about someone most of the colleagues know well and deeply respect—Mike Mansfield, the U.S. Ambassador to Japan. Mike Mansfield's professional qualities and his personal warmth have apparently served him and the country as well in Tokyo as they served him and the country here in the Senate. We miss Mike, but we are proud of the job he is doing in Japan and glad he is there during this very challenging time in United States-Japanese relations.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, May 2, 1979]

MANSFIELD SHOWS SURE HAND IN JAPAN: AMBASSADOR KEEPS LOW PROFILE, ADOPTS ORIENTAL "STYLE"

(By Sam Jameson)

TOKYO.—The prime minister of Japan was addressing a throng on the spacious lawn of the consul general's home in Honolulu.

Fifty yards away a tall, distinguished-looking American stood alone, a pipe in his mouth, listening with sober intent.

He was Mike Mansfield, America's ambassador to Tokyo.

"Look at him," a Japanese official commented, glancing at Mansfield.

"He's always like that—taking himself out of the spotlight, pushing our officials into the forefront. He's done so much to help make this trip a success, and gone out of his way to avoid taking credit for it.

"The United States has never had an ambassador like that before."

A year has passed since that scene unfolded on a stopover visit to Hawaii by then-Prime Minister Takeo Fukuda. Now, once again, Mansfield has returned to the United States for a visit by a Japanese prime minister—Masayoshi Ohira and Washington—this time seeking to soothe frictions.

Mounting economic tensions between Japan and the United States have left Mansfield's standing in Tokyo and Washington official circles unscathed.

"He has a great ability to distinguish between important issues and those which are not so important," the Japanese official said. "He's very quick to grasp the domestic situation in Japan and assess it objectively. And he is very clear in presenting the American position on issues to Japan."

Mansfield is one of the few American ambassadors who "can—whenever I want to—get the President's ear," including contact by telephone, he said in an interview with The Times. He is also one of the few ambassadors who submits reports directly to the President and who does not restrict himself in those reports to matters involving only the country to which he is accredited.

Mansfield said he makes reports to the President "primarily on Japan . . . and (on) Asia, incidentally."

He also mentioned a face-to-face meeting with President Carter in which his recommendation was global: "That instead of the 55–45 (American) naval (emphasis) in favor of the Atlantic and Western Europe (compared with the Pacific), it ought to be at least 50–50."

"I told him (the President) . . . I'd like to see the 7th Fleet strengthened (and) I'd like to see the air forces in the Pacific strengthened" to counter a Soviet buildup in the Pacific region, he said.

The speeches he delivers in Japan have attracted prominent coverage and have given the United States some influence on the consensus form of decision-making that prevails here. None of his last four predecessors attempted to use such influence publicly.

"I've made those speeches as often as I have—and, for me, it's been quite often—because of the critical period in which we find our relationship . . . These have been two of the toughest years in our relations with Japan, and it all centers on economic problems. And the pressure is still there," Mansfield said.

Unlike most ambassadors, Mansfield does not clear his speeches with Washington. "We send them to Washington the day they are delivered—as a matter of courtesy," press officer Dan Howard said.

The speeches are unusual in their even-handed approach to the troubles arising from the trade imbalance, which last year tipped $11.6 billion in Japan's favor.

In prodding Japan to do more to open trade doors, Mansfield uses the same kind of low-profile, Japanese-style approach he took at the reception for the prime minister in Honolulu. Instead of American-style "demands," Mansfield offers praise for moves made in the direction of opening trade doors.

"You can get much further with a little honey than you can with a little vinegar," he said.

Never, however, has Mansfield failed to pinpoint American failings in the effort to reduce the trade imbalance.

"We've got to recognize that it's a two-way street," he said in the interview. "There are things we like Japan to do. By the same token, we've got to do something about our inflation . . . We've got to do something about importing so much petroleum. We're the world's biggest buyers and biggest wasters of energy . . . (and) we've got to increase our productivity."

Frequently, he has been so critical of American failings that he comes out looking like Japan's best (and perhaps only) spokesman in the United States.

"My job is to tell the truth here and to tell the truth to Washington. Whether they like it or not is immaterial. . . . Of course, if sometimes you try to point out the difficulties of the country to which you are accredited, people say, 'Well, he's pro-Japanese.' That's part of the game. . . .

"But you have to deal with your own conscience. . . ."

After a career of 35 years in Congress, capped by the post of Senate majority leader, the 76-year-old ambassador carries a prestige he clearly sees no need to enhance.

"Frankly, I wasn't looking for a job," he said of President Carter's 1977 offer of the Tokyo post. "Nobody owed me anything, and I was kind of surprised when the offer came."

His self-confidence combined with the influence of his congressional career often lead audiences to overlook statements that expose what some view as lapses in logic and others see as simple impracticalities.

Mansfield is one of the few American officials who can argue in favor of withdrawing ground combat troops from South Korea while advocating sending them back in again in case of war without being asked to explain the logic of such a stand.

Every morning, Mansfield walks down a tree-shaded path on a hill from the ambassador's residence and is in his office by 7:30 a.m. Reading newspapers and preparing for the day's meetings consume an hour or so. Then the day's official schedule begins.

In his few hours of leisure, he likes to read or watch baseball on television. Occasionally, he goes for a stroll outside the embassy—but always with a Japanese police guard. The metropolitan police require him to have a bodyguard at all times in public.

His wife, Maureen, a former school teacher in Butte, Mont., goes shopping on her own.

(The Mansfields have a married daughter and a granddaughter in Washington.)

Mansfield speaks in an unassuming, folksy, story-telling fashion. References to Montana, his days in the Marine Corps (1920–22) when he made his first trip to Asia, and the copper mines in which he once worked frequently appear in his speeches and in conversation.

Since arriving here as ambassador June 7, 1977, he has defused—or at least postponed—one potential political crisis between the United United and Japan. And some elements of the trade problem have improved since he arrived—although distortions caused by fluctuating exchange rates have hidden the improvements.

The potential crisis came over Japan's proposal to begin experimental reprocessing of spent nuclear fuel to produce plutonium, which can be used in nuclear bombs—a move Carter originally opposed. A compromise permitted Japan to go ahead with limited reprocessing for two years at its Tokaimura facility, using spent fuel originally supplied by the United States.

"Only once," Mansfield said, has the ambassador called the President on the telephone. "(That was) on the question of Tokaimura."

The Foreign Ministry official who said Mansfield had an ability to pinpoint important problems was asked—without being informed of Mansfield's statement—to cite an example. The Japanese diplomat responded: "The Tokaimura issue."

Although Japan's trade surplus with the United States set a record in 1978, growth in Japan's exports recorded a higher dollar value because of currency fluctuations. Volume of many exports, particularly steel and color TVs, fell.

U.S. sales to Japan, meanwhile, rose 22 percent, as Mansfield pointed out. During the first two months of this year, the ambassador added, American exports to Japan increased by 61.3 percent compared with the same two months a year earlier.

Mansfield makes no attempt to evaluate his own performance.

"I have no clout in Washington. I have access but that doesn't mean I have clout. I have access here. But clout? If I have any, it's in the eyes of the Japanese . . . I think I am given consideration, but I am not a decision-maker."

With Congress, Mansfield retains his "access" through longstanding friendships but confesses to finding himself out of line with many senators and representatives who have been taking the lead in criticizing Japan.

"I don't think (Congress) understands Japan as well as it should. Unfortunately, very few members of Congress are basically interested in the Pacific and the Far East. Their thoughts are either turned eastward towards Europe or inward towards domestic matters," he said.

Mansfield has been forced to run out to airports or visit hotel dining rooms at breakfast time to catch China-bound congressmen passing through Tokyo.

More congressmen should be visiting Japan, he said.

"Our No. 1 partner, only No. 1 ally, is Japan. And the normalization with the People's Republic of China hasn't changed that one whit," he said.

Mansfield has succeeded, however, in turning the attention of Japanese government leaders toward Congress. Both Fukuda last year and Ohira this year spent and will spend time meeting important chairmen and committee members in the Senate and the House.

"One thing I've tried to do since I've been here is to impress upon Japanese legislators and businessmen alike that Congress is a very important factor in our relationship, and that the President and the Secretary of state are not the know-all end-all and be-all (of foreign policy)," he said.

Not all of Mansfield's background in Congress worked in his favor initially, particularly with the American business community.

"His dovish views on Vietnam made me fear he might be a softie, not only on security issues but on trade as well," one American businessman said, and then added, "I couldn't have been more wrong."

Mansfield finds no trouble justifying his advocacy of a strong American naval and air presence in the Pacific with his views on the Vietnam war, which have not changed.

"I've always believed in a strong defense. Anybody who judges an individual on his stand on Vietnam is prejudiced himself, because Vietnam was not tied to our security. We had no business there . . ." he said.

Once a professor at Montana State University, Mansfield's academic orientation toward Asia was directed principally toward China. But he said he was glad to have been assigned to Japan.

"The Japanese people are a fine people, a good people, a decent people who want to be understood but find it difficult to be understood. . . . Other people don't spend enough time trying to find out what makes Japan tick and what kind of people the Japanese are," he said.

"There is no such thing as an expert. I think that you learn, you're a student, you inquire, you ask, you absorb. But there is so much you just can't absorb that the best you do is to try to get a feeling. . . . I've learned a lot—but I've got a lot to learn."

JOHN J. WALSH: A DEDICATED PROFESSIONAL RETIRES FROM THE SENATE

Mr. PERCY. Mr. President, John J. Walsh, an investigator on the Senate Permanent Subcommittee on Investigations, has just retired. During his 16 years on the subcommittee, Mr. Walsh, a former agent with the Federal Bureau of Investigation, has distinguished himself and the subcommittee through his thoroughgoing approach to whatever tasks have been assigned.

Mr. Walsh has handled some of the most complex, yet interesting investigations that the subcommittee ever conducted. These involve organized crime, mismanagement of the civilian health and medical program of the Uniformed Services (CHAMPUS), malfeasance in the federally guaranteed student loan program, as well as an attempt to loot the Teamsters Union welfare and pension funds.

During the subcommittee's inquiry into the Defense Department's coverup of the unsuitability of the F–111 aircraft, Mr. Walsh painstakingly reviewed contract files on the development of the plane which revealed serious irregularities. His patient and diligent attention to detail was also instrumental in identifying mismanagement and improprieties in the process by which the Federal Government allowed the sale of vast supplies of grain to the Soviet Union, which helped push up the domestic price.

His abilities as an investigator, coupled with his administrative expertise, were what led the Department of Health, Education, and Welfare to hire him in 1977 as Director of Investigations, a post in which he performed admirably. Fortunately for us, Mr. Walsh subsequently returned to the subcommittee to resume his distinguished work.

Mr. Walsh's investigative skill and evenhanded management of his assignments was admired by majority and minority Senators alike. He will be sorely missed. His strong sense of justice, coupled with compassion for persons who are victimized by those who abuse Federal programs, was indeed praiseworthy. At the same time, his fair-minded approach assured the subcommittee that when the matter on which he was working came before the members, its presentation would be complete and unbiased—in a word, professional.

I have on many occasions benefited from his counsel concerning cases that have come before the subcommittee at public hearings. The minority staff on the subcommittee advises that they always looked forward to working with Mr. Walsh. Over the years, he has been most helpful and thoroughly bipartisan.

John Walsh leaves many good friends behind at the subcommittee. I would like to consider myself one of them and wish him well in the future.

SALT II AND THE BUSINESS COUNCIL

Mr. PERCY. Mr. President, on May 12, 1979, at the Business Council Meeting in Hot Springs, Va., three national leaders expressed their views of the SALT II Treaty.

George M. Seignious, Director of the U.S. Arms Control and Disarmament Agency, said that the treaty would not end the arms race but would represent a constructive step toward decreasing the threat of nuclear war, Tom Watson, Jr., former president of IBM, shared these sentiments, adding that the modest limitations required under the treaty contributed to world security by discouraging rampant arms escalation.

Paul H. Nitze, chairman of policy studies of the Committee on the Present Danger, took an opposite view. He stated that SALT II does not reduce the risk of war because he considers that it allows imbalances favoring the U.S.S.R. Paul Nitze argued that the treaty must not be ratified without substantial Senate modifications insuring equality.

I know my colleagues in the Senate will want to study these views during their own study of the SALT II Treaty.

Mr. President, I ask unanimous consent that the speeches of these three distinguished Americans be printed in the Record.

There being no objection, the speeches were ordered to be printed in the Record, as follows:

U.S. Arms Control and,
Disarmament Agency,
Washington, D.C.

SALT II: National Security and National Will

(By George M. Seignious II)

President Carter and President Brezhnev will be meeting soon to sign a new SALT agreement. The leaders of two nations, which have the capacity to destroy each other, and in so doing poison much of this planet, will be sitting down to sign an agreement that will limit their nuclear arsenals.

This is no small accomplishment.

Once the SALT II agreement has been signed, the Senate and the American people must decide whether to accept it or reject it—a decision that will profoundly affect our national security.

National security is at the heart of the entire SALT process, for we are, after all, talking about limiting those nuclear weapons which could destroy both our countries—and limiting them in such a way as to preserve our unquestioned deterrent force and make nuclear war less likely.

The SALT II agreement, very simply, consists of three parts—a Treaty to last through 1985, a Protocol which lasts through 1981, and a Statement of Principles for subsequent negotiations, SALT III. I find it easier, in discussing SALT II, to divide the agreement into three conceptual slices—quantitative limitations, qualitative limitations, and verification provisions. Because we are limited by time today, I would like to discuss briefly the first two and focus on the third. I would, however, commend to you a set of publications, just released by the government, which discusses the details and specific provisions of SALT II. Copies will be available to you today.

First, let me outline the quantitative limits:

The Treaty will limit both nations to an equal overall ceiling on strategic forces—launchers of intercontinental ballistic missiles and submarine launched ballistic missiles, and heavy bombers. Initially, the ceiling will be 2,400, to be reduced to 2,250 by the end of 1981. To comply with this ceiling of 2,250, the Soviets will have to reduce their total of strategic forces by over 270 systems. No existing operational U.S. forces will have to be scrapped. Without this overall limit, the Soviets could have a total of more than 3,000 strategic nuclear delivery vehicles by 1985, merely by continuing their current programs.

Within this overall ceiling of 2,250, there will be a series of equal subceilings limiting heavy bombers equipped for long-range cruise missiles and launchers of missiles carrying multiple independently targetable warheads or MIRVs. Without these subceilings in SALT II, the number of deliverable strategic warheads in each nation's hands could be far greater.

SALT II will also take steps to limit the qualitative race in weapons technology. I believe we are at a window in time that gives us a chance to curb weapons developments. If we don't find a way to control them now, science may well outstrip our ability to devise policies and methods to set rational limits.

I'll make no claims that SALT II stops the qualitative arms race dead in its tracks. But it does take some very important first steps. Here are two of them:

Under SALT II, both countries will be limited to only one new type of ICBM. Constraints written into this provision will limit Soviet ICBM improvements in such characteristics as throw-weight and launch-weight.

Under SALT II, there will be limits on the number of warheads that can be placed on various types of strategic missiles. This will keep the Soviets from exploiting the potential of their large ICBMs by greatly increasing the number of warheads. For example, the Soviet SS–18 heavy ICBM could pack 30 or more warheads rather than the 10 SALT will permit. With over 300 SS–18's by the 1980's, this means potentially 6,000 fewer warheads on just one type of Soviet missile.

Verification provisions are the third major feature of the SALT II Treaty.

No aspect of SALT is more important.

In SALT, we do not rely on trust, or faith, or hope, or the Soviet's signature, because, to put it bluntly, we are dealing with our principal adversary. For this reason, we have consciously designed and negotiated a Treaty that will be adequately verifiable by our own independent intelligence capabilities. We shall use a wide variety of sophisticated systems—including extremely effective photoreconnaissance satellites—to monitor the entire spectrum of Soviet strategic forces and activities.

I should point out that we would monitor the Soviets even if there were no SALT agreement. It is essential for us to have good, solid intelligence on Soviet strategic forces, totally apart from any arms control agreement. In fact, only a portion of the total intelligence we collect on Soviet strategic forces is related to SALT limits.

There are no specific provisions in SALT II that make the job of monitoring the Soviets easier than it would be without SALT.

In SALT, both parties have agreed not to use deliberate concealment which would impede verification. This ban applies not only to concealment of construction and deployment of systems limited by SALT but also to concealment of testing of these systems, because some provisions are verified by observing testing.

In SALT, both parties agree not to interfere with intelligence systems used by the other side to verify SALT. For example, they will not be allowed to blind our satellites.

Precise definitions and counting rules have been incorporated. To solve such problems as determining which missile launchers have missiles that carry multiple independently targetable warheads, and which do not.

The production, testing, and deployment of the Soviet SS-16 ICBM is banned for the Treaty period to preclude difficulties that would have arisen in distinguishing it from a Soviet shorter-range missile that is not limited by the Treaty.

These are just some of the SALT II verification provisions. Without them, it could be much more difficult to collect needed intelligence on Soviet strategic programs. Without the bans on concealment and interference, we could find it much harder to determine how many strategic missiles and bombers they are deploying, and what their military capabilities and characteristics are. The Soviets would be free to take steps to complicate our ability to predict accurately the size and capability of Soviet strategic forces.

No military leader likes to plan with less rather than more information about a potential adversary.

Our various technical intelligence capabilities complement each other. We do not depend on any one source or any one system for the information we need. The overlapping coverage of our intelligence systems increases our confidence that we are receiving detailed, accurate, up-to-date information on those Soviet forces and activities limited by SALT.

Although the exact nature and capabilities of these intelligence systems are highly classified, I can illustrate their effectiveness by outlining the kinds of information we receive from them.

For example, we know the locations of the Soviet shipyards which build submarines. It takes several years to construct a ballistic missile submarine. We carefully observe it during this period. We count its missile tubes as they are being built, and we determine which type of missile will be installed in those launchers. When the Soviets launched their latest Delta III class strategic missile submarine, it was no surprise. We had followed its construction for several years. The President was informed that this submarine was being fitted out for sea trials shortly after its launch.

Similarly, we know where Soviet ICBM launchers are deployed and what type they are. We observe new missiles as they are flight-tested, and they are tested extensively. We know whether a missile is tested with one warhead or more than one. We can count the number of Soviet reentry vehicles as they reenter the atmosphere.

We monitor the conversion of older Soviet ICBM launchers so they can handle their new MIRVed missiles. Well before the conversion is finished and the launcher is again operational, we know not only whether it is a launcher for a MIRVed missile—but also the type of MIRVed missile which it is designed to contain.

In the case of Soviet heavy bombers, we have an accurate count of how many bombers there are, where they are produced, and where they are based. We monitor tests and training exercises; we can observe important modifications that are made to these bombers.

As in any intelligence effort, we can monitor some systems with greater precision than others, but I know of no way the Soviets could cheat on a scale which could affect the strategic balance without being caught by our intelligence.

We will monitor carefully Soviet activity and respond quickly to any indication of Soviet evasion.

We will employ necessary alternatives to make up for the monitoring stations in Iran which we no longer have.

The bottom line is that now—and in the future—we can safeguard the strategic balance against Soviet cheating.

As we stand vigilant in negotiations, so must vigilance, confidence, and national will be the watchwords of our military defense and the guides for our foreign policy.

Vigilance, because there is no substitute for strong strategic nuclear forces. We have such forces today, and we are taking steps to see that they remain strong.

We are modernizing all three parts of our strategic deterrent. We will be increasing spending for strategic forces by 20-40 percent each year for the next five years.

The Soviets may lead in some categories of strategic nuclear power; we may lead in others. But when all the categories are added up, the strategic nuclear forces of our two nations are essentially equivalent—and we must do all that is necessary to maintain that strategic balance.

United States and Soviet strategic forces were not mirror images before SALT, nor will SALT make them such. Nor should it. Let me give just one example. We have a balanced strategic deterrent. The Soviets have 70 percent of their strategic power carried on progressively more vulnerable fixed land-based missiles.

To vigilance, I would add confidence and national will.

Confidence, lest we belittle our strengths. We have not built and maintained our overwhelming strategic forces—at the cost of billions—in order to weaken their deterrent impact by telling the Russians and the world that we are inferior—when in fact, we are not.

There can be no meaningful strategic nuclear superiority in a world in which our two countries have a total of some 14,000 strategic nuclear warheads. When both of us can absorb a first strike and still retaliate and devastate the other, neither one of us is at an advantage.

There can be no meaningful strategic nuclear superiority, because neither superpower will settle for inferiority.

The Soviet Union does not have strategic superiority today, and they will not have it in the future if we continue to modernize our strategic forces, if we keep our confidence, and keep our will.

It is important to emphasize that SALT is not a substitute for national will. In this Treaty we have preserved our option to proceed with any of the programs necessary to modernize our strategic deterrent. But the programs we undertake to keep our deterrent strong must be supported by the American people and their elected representatives; the choice will not be foreclosed by SALT.

With or without SALT II, we will have to modernize our strategic nuclear forces. But with SALT II, we can maintain these forces at lower, less expensive, less dangerous levels than without it.

Events in recent months have demonstrated that change, uncertainty and even danger still stalk the world. As we face these events, we should not forget our assets—our economic system, our agriculture, our technology, our constant Allies, our friendly neighbors, and the strength of our democracy.

I believe that we can look out today upon a troubled globe with confidence in ourselves and in our country. And we can act abroad as befits a mature and confident nation.

For many, SALT is linked to every world problem, and some would decorate SALT, like a Christmas tree, with burdens it neither merits nor can endure.

We cannot quarantine SALT entirely from Soviet actions in other spheres. Some Soviet actions could signal a challenge so fundamental that we could ignore it only at our peril.

But to burden SALT with every aspect of that challenge would mean that we could settle nothing with the Soviets unless we settled everything. The nuclear threat to everyone's security is so overriding that we cannot wait until that day.

The Soviet challenge today is a challenge to be met on many fronts. To use SALT to meet every aspect of that challenge is not only inappropriate; it means that we lack the imagination and the will to use the many other, more effective resources at our disposal. Such a policy would prescribe paralysis. And it would prescribe peril, for would our security be better served, if Soviet actions abroad took place in an atmosphere of unrestrained and dangerous strategic arms competition?

We are poised today on a threshold. As a nation, we have a choice . . . to accept or reject SALT II. To me, the possible consequences of rejection are a persuasive case for acceptance. To all of you, I would like to pose a series of questions.

Without SALT II, will we be better able to stop the Soviet buildup? In an arms race we can increase our systems, but so can the Soviets. Rejection of SALT will not mean fewer Soviet missiles aimed at our nation.

Without SALT II, will we know more about Soviet strategic systems if we don't have the specific limitations and verification provisions SALT II provides?

Without SALT II, will we be better able to meet the Soviet challenge to NATO while spending unnecessarily larger sums on a nuclear arms race, rather than on our conventional forces?

Without SALT II, will our response to the Soviet challenge, in Africa and Asia, be more effective if we are concentrating our attention and resources, as a nuclear arms race could dictate, only part of that challenge?

Without SALT II, will we be better able to meet all the needs of this nation, at home and abroad, if we squander our resources on an arms race that needn't be?

And finally, will we lower the risks of nuclear war by rejecting SALT II? With over thirty years in the military service of my country, I cannot lightly contemplate the prospect of nuclear war. President Eisenhower said it very simply: "In a nuclear war, there can be no victors, only losers."

It all comes down to one question: Will the United States be better off with this Treaty or without it? There is no more important question before us all today.

The answer could determine the future, the security of this generation, and the legacy we leave for generations yet to come.

BUSINESS COUNCIL PRESENTATION

(By Tom Watson, Jr.)

Gentlemen: I'm delighted to be back here at the business council. During the last 28 years I have gotten more friendship, advice, and help from all of you and your predecessors than from any other group I've ever belonged to. It's Olive's favorite organization, too. She had hoped to be here with me, and she sends best regards to all.

With me on the panel are General George Seignious, Director of the Arms Control and Disarmament Agency, in the Department of State, and the Honorable Paul Nitze of the Committee on the Present Danger. General Seignious has most recently been a member at large of the SALT delegation in Geneva while serving as president of the Citadel in Charleston, South Caroline. Prior to leaving the Army, General Seignious had a distinguished service as an administrator, and combat leader. He holds numerous decorations and has been head of the Staff of Joint Chiefs for a considerable period of time. General Seignious is one of the most balanced military planners and arms control experts that we have in our country.

Paul Nitze has devoted most of his life to the preservation of the security of the United States. He is a former Deputy Secretary of Defense and a member of the first SALT delegation. Currently he is chairman of Policy Studies of the Committee on the Present Danger. You can't know Paul Nitze without admiring his long background in government, his brilliance, and the clarity of his speaking. He is a constructive public servant and we owe him a great deal.

This morning I will tell you what an ordinary businessman has learned about thermonuclear arms in the past two years. Then, Mr. Nitze will talk to you about the current situation as he sees it, and finally, General Seignious will conclude our presentation with a statement on the current state of play relative to SALT II and arms control in the agency that he heads. After this, we will be glad to answer any questions.

I'm here as chairman of the General Advisory Committee. The committee was set up by President Kennedy in the original Arms Control Act of 1961, and its chairman for the first 12 years of its history was our old friend. Jack McCloy.

The mission of the committee is to monitor, from a civilian point of view, arms control and disarmament activities and to give advice to the President of the United States, the Secretary of State, and the Director of the Arms Control and Disarmament Agency.

What have I learned in the year and one-half of our existence, and of course I speak only for myself. The Soviet Union and the United States have massive nuclear arsenals and they are increasing. We have about 9,500 separate strategic warheads, including bombs, and the Soviets have about 5,000. Five years from now we expect that the United States will have about 12,000 and the Soviet Union about 9,000.

The forces of the two countries are dissimilar, and this complicates the problem of treaties. The Soviets have relatively few long-range bombers. Eighty percent of their forces are in ground silos and the rest in submarines. We call our force a triad, with about a third in bombers, a third in silos and a third in submarines.

To further complicate the problem, some of the launch vehicles contain multiple weapons. The bombers will carry over 20 cruise missiles, and 550 of the missiles in the silos and all of the weapons in the submarines are MIRVed; that is, each missile carries a number of warheads—multiple independently targeted re-entry vehicles.

The power of the weapons is awesome. The weapon dropped on Hiroshima had a yield of 15 kilotons. There were 144,000 immediate casualties with 76,000 dead in a town of about 250,000. The minimum weapon in our current strategic arsenal is 40 kilotons, the maximum bomber weapons range up to several megatons.

The land-based missiles, our Minutemen, are increasingly vulnerable to the Soviet missiles. With 80 percent of the Soviet force in land-based missiles, and many of them with multiple warheads and only one-third of our force in the ground, by 1985 the Soviets using a part of their land-based force could eliminate most of our Minutemen.

But, and it's a very big but, if such an attack were executed by the Soviets, the President of the United States would still have available his cruise missiles and his thermonuclear submarines. In other words he would have over 66 percent of his force untouched.

Some say that if our Minutemen were destroyed our only response would be countercity which would be inhibited by the vulnerability of our own cities.

A strike on Minuteman would kill from 2 to 6 million Americans—not an inconsequential loss.

Our counter strike with the increasing accuracy of our submarine missiles could be on military and industrial targets calculated to be approximately as lethal as theirs.

Finally, the attacker would be betting his nation, his cities, and the lives of at least 50 percent of his population on the fact that a highly complex never-before-tried operation would go completely without slip.

His primary concern would be that the President of the United States could be counted on to react in a single predictable manner, that the President would do nothing until after the first enemy warheads had landed.

The President would have the option of launching our Minutemen before the Russian missile ever arrived and there would be powerful reasons for him to do so.

So, any way you look at it neither of us can effectively disarm the other to a point of strategic advantage.

You have heard and read and seen a great many things about possible thermonuclear war, how it can be fought and won, how it is impossible for either side to win, how an exchange of strategic missiles would eliminate both societies, etc.

I have only one comment. Any serious consideration of the possibility of fighting and winning a thermonuclear war is sheer lunacy. I can be fought. It cannot be won.

But is is equally senseless to allow ourselves to be vulnerable to a disarming first strike. So, in a way, each of us forces senseless actions on the other as we escalate upwards.

I view the present situation cautiously, even somberly.

A word now on perceptions. There is a relationship between international leadership and perceptions of power. It is necessary to educate the world to the fact that enough is enough in thermonuclear war.

Someone once asked General de Gaulle why he had ever taken such a large portion of the national wealth of France to develop his rather small "force de frappe" of nuclear weapons? The general replied, and I quote, "but, my dear sir, you don't understand the fundamental nature of thermonuclear war. All you need is enough." General de Gaulle was a very wise man.

However, all of us should be disturbed by the continual buildup of Soviet ground forces in Western Europe and elsewhere. It is never possible to understand the motivations of the other side, but the increase in conventional weaponry is of continual concern to NATO commanders and should be to all of us.

We must keep our conventional forces at an adequate level at all times and spare no investment necessary to do so. In fact, with the sure devastation to both sides in strategic nuclear war, I can conceive of a conventional war being fought under a nuclear umbrella without the detonation of any nuclear weapons.

In the nuclear area, however, we have only two choices. Either we both continue to increase our forces with a continuation of the nuclear arms race of the last thirty years constantly raising the accident possibility, or we recognize that the whole exercise is lunacy and work harder on SALT treaties to limit these weapons in the future.

The Soviet Union and the United States are in approximate equilibrium. SALT two will not interrupt that equilibrium provided the United States makes wise defense procurement decisions permitted under the treaty.

This is a very new ball game and I urge all of you to try to learn some of the basic rules. There are no experts in the arms control area. I sat very silent for the first several meetings of our committee, and then I heard experts say, they wish we had never mirved our weapons.

We plunged ahead with that program a decade ago never thinking about the danger to us when the Soviets duplicated these devices. Minuteman vulnerability derived precisely from this action-counter-action.

John McCloy, the chairman of the General Advisory Committee at the time, wrote a letter to President Nixon urging against their original deployment and anticipating the present situation.

So as other lay members of the committee and I realized that arms planners are no different than businessmen, they make good decisions and bad, we have come to have less and less fear of commenting upon the presentations that are made to us.

All of us should have enough general information to draw our own conclusions on these subjects. I respect the experts but their record is far from perfect. If we are to avoid the total destruction of a thermonuclear exchange for the next 50 to 100 years, it will be because of the sheer intellectual brilliance of a few people, probably generalists not specialists, who can think beyond the present and into the future and come up with ways and means of producing better stability and more positive control of the forces on each side of the Iron Curtain.

We are in a new historical period with no real defense possible and with marginal additional security added by materially increasing the weapons in place. Such a situation demands new thinking and new approaches.

I believe the ceilings of SALT II and its other provisions are a modest but important step toward controlling the present arms race. We need the constant efforts of both parties now and in the future to produce SALT III, IV, and V more rapidly than past treaties. Technology at the moment is moving much more rapidly than the treating process. If we don't watch out, we will have such exotic devices in the ground, in the air, under the sea, and in space that attempts at treatying them will become exercises in futility.

We will never eliminate nuclear weapons and I am not sure that we should. But, if we reduce the arsenals to levels of stable deterrent on an equal basis we will have made a major contribution to world security.

Thank you very much.

And now I present the Honorable Paul Nitze.

The SALT II Treaty—What Should be Done?

(Remarks by Paul H. Nitze)

The President tells us, I believe correctly, that the issues surrounding SALT II are the most important facing this country. Those issues include the basic thrust and direction of our foreign policy, the evolving conventional and nuclear military balance, our defense programs and budgets, and the relationship of SALT II to those issues.

Let me begin with the interrelation among the conventional military balance, the nuclear balance, and SALT II.

At all times since World War II the Soviet Union has had superior conventional forces on the European Central front and on its northern and southern flanks. This has been due, in part, to geography, the U.S.S.R. enjoying the central position and interior lines, and, in part, to the greater Warsaw Pact effort.

In the years up to the early 1950s this Soviet conventional superiority was offset by the U.S. nuclear monopoly. Later, NATO's conventional deficiency was in large measure offset by U.S. theater nuclear weapons. Today the U.S. theater nuclear superiority has disappeared, and it has proved necessary to assign a number of our Poseidon submarines to cover targets of interest to European NATO. As the Soviets deploy increasing numbers of SS-20 MIRVed missiles, Backfire, and other high performance theater bombers, more of our surviving strategic nuclear forces will be needed for theater missions.

For most of the post-World War II era the U.S. Navy has enjoyed unchallenged control of the seas. This assured that we could project our power, wherever needed, on the periphery of the Eurasian landmass. The Soviet Union had nothing comparable. Today it, together with its associates, is on the way to developing such a capability. Even now Soviet intermediate-range nuclear weapons, such as the SS-20s and the Backfires, provide an umbrella arching out some two to three thousand miles from the Soviet borders over Europe, the Middle East, South Asia, China, and the bordering seas.

The prudence, and therefore the likelihood, of either the Soviet Union or ourselves using conventional or theater nuclear weapons, even in connection with issues not directly involving the territory of the other, is importantly affected by the confidence it has in the quality of its strategic intercontinental nuclear forces relative to those of the other side.

The Soviet ruling group has a full understanding of the potential destructiveness of nuclear weapons. If this were not so, they would not have demanded such enormous sacrifices from their population to create the forces they are creating. Nor would they have persisted year after year in a civil defense program some twenty times as elaborate and costly as ours. The Soviet ruling group does not want a nuclear war. They believe the best way to avoid a nuclear war and still achieve their objectives is to have overwhelming superiority. As Clausewitz put it, the aggressor never wants war; he would prefer to enter your country unopposed.

But the Soviet Union does propose that no important decisions be made in the world without its aims and ambitions being taken fully into account. And beyond that, much of what they say to internal audiences within Russia, and what they do, is consistent with aspiration to world hegemony.

For many years the focus of Soviet strategy has been on Western Europe. By achieving dominance over the Middle East, they aim to outflank Europe. They propose to outflank the Middle East by achieving controlling positions in Afghanistan, Iran, and Iraq on one side, South and North Yemen, Eritrea, Ethiopia, and Mozambique on the other, and by achieving the neutrality of Turkey to the north. Concurrently, they are attempting to encircle China by pressure on Pakistan and India, by alliance with Vietnam, and dominance over North Korea. The United States is the only power in a position potentially to frustrate these aims. It is therefore the principal enemy.

As they pursue their global policy, they use the lowest level of pressure or of violence necessary and sufficient to achieve each specific objective. The purpose of their capabilities at the higher levels of potential violence, all the way up to intercontinental nuclear war, is to deter, if necessary control, escalation by us to such higher levels.

It is a copybook principle in strategy that, in actual war, advantage tends to go to the side in a better positon to raise the stakes by expanding the scope, duration or destructive intensity of warfare. By the same token, at junctures of high adversariness of short of war, the side better able to cope with the hypothetical consequences of raising the stakes has the advantage. The other side is the one under greater pressure to scramble for a peaceful way out. To have the advantage at the utmost level of violence helps at every lesser level. In such events as the Korean war, the Berlin blockades, and the Cuban missile crisis the United States had the ultimate edge derived from its advantage at the strategic nuclear level. That edge has slipped away.

These circumstances form a background for understanding the stakes in SALT II. In broad terms the U.S. aim has been to arrange a standoff so as to neutralize the strategic nuclear threat overhanging superpower rivalry. The Soviet Union's contrasting aim has been, and is, to take over or nail down the advantage which the U.S. has appeared willing to relinquish.

Specifically, our aim, when we began the negotiations six years ago, was a treaty of indefinite duration, to parallel the ABM Treaty and to provide:

Limits on offensive nuclear capabilities equal for both sides.

Terms assuring "crisis stability," that is, a situation where, in a crisis threatening war, there would be no significant advantage to the side striking first, preempting, or launching from under indications of attack.

Limits calling for, or consistent with, true reduction in offensive nuclear armaments and their capabilities and in related expenditures.

The limits should be verifiable; they should meet the legitimate concerns of our allies; they should be low enough to be economically and politically feasible for the United States to attain.

In sum, the agreements should be such as to reduce the risks of nuclear war and the weight of nuclear armaments on world politics.

Finally, for there to be a valid agreement, the terms must be acceptable both to the Soviet leadership and to two-thirds of the United States Senate.

For reasons to be considered in a minute, the terms, now all but finally agreed, meet none of these original objectives, except perhaps the last.

The first negotiating casualty, abandoned in 1974, was the hope for a treaty of indefinite duration paralleling the ABM Treaty. We settled in 1974 for a short-term pact to end in 1985; a time when the strategic relationship between the two sides will be far less favorable to the United States than it was in 1974.

The second casualty was equality. Notwithstanding the equal limits to 2,400—and later 2,250—on strategic nuclear delivery vehicles, and to 820 on MIRVed ICBM launchers, neither the actuality of equality nor the appearance, if one takes a second look, is preserved. To illustrate:

Within the permitted number of ICBM launchers, the Soviet Union is permitted more than 300 very large ICBMs of the latest type. Our side none.

It will be impossible for the U.S. to have more than 550 MIRVed ICBM launchers at the time the treaty lapses; probably fewer. The Soviet side almost certainly will have developed its full 820 by 1985—probably by 1982.

We will have no more than three warheads on each of our MIRVed ICBMs. The Soviet Union is permitted and is expected to have deployed four, six, and ten warheads during the period of the treaty. However, we will almost certainly not be able to deploy such a missile within that time period.

The Soviet Backfire bombers, and comparable U.S. bombers will be exempt from the count of strategic launchers. The USSR will have 300 to 400 Backfire bombers by 1985. Our side will have no similar planes by 1985 beyond its presently less proficient and much less numerous FB-111s.

The third casualty, and the most worrisome, is "crisis stability." Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBMs by the attacking side than the attack could have destroyed. By the early 1980s that situation will have changed. By that time, the Soviet Union will be in a position to destroy 90 percent of our ICBMs with an expenditure of a fifth to a third of its ICBMs. Even if one assumes the survival of most of our bombers on alert, for sufficient time to launch an immediate response, and of our submarines at sea, for a much longer time, the residue at our command after a Soviet initial counterforce attack would be strategically out-matched by the Soviet Union's retained warmaking capability.

The fourth casualty has been true reductions. Although the number of Soviet launchers will decline from around 2,500 to 2,250 during the term of the treaty, the more significant indices of nuclear power will rise dramatically; particularly on the Soviet side, but on our side as well. From the beginning of 1978 to the end of 1985, the number of Soviet warheads will have doubled; ours will have increased by a half. The capability of their weapons to knock out hardened targets, such as missile silos, will have increased ten-fold; if our cruise missiles, still under development, fulfill present expectations, ours will have increased four-fold.

By 1985, under the limits of SALT II and taking into account the current programs of the two sides, it will be virtually impossible for the United States to avoid a situation in which our prompt counterforce capability against hardened military targets (silos; command, control, and communication centers; storage depots; and shelters for leadership personnel, etc.) will be less than an eighth that of the Soviet Union. This will be compounded by the fact that they will have double the number of hard targets, each, on the average, twice as hard as ours.

The sponsors of SALT II do not anticipate that SALT II will warrant a reduction in our expenditures on nuclear forces, nor that the Soviets will reduce theirs.

The merits of a good agreement can be nullified if it isn't verifiable. A bad agreement, even if wholly verifiable, is still a bad agreement. The extent to which the terms of SALT II cover the strategically important factors, are clearly defined and are verifiable remains very much in doubt.

I believe SALT II, as now envisaged, will not reduce the risks of war. On the contrary, it can increase the risks of war if it reinforces the judgment that we are militarily stronger than the USSR at a time when we are not. War and defeat can arise from just such gross misjudgments of relative military capabilities by the weaker of two opposed powers.

A more sober evaluation of the balance, at a time when it is too late to reverse trends, could result in forced accommodation to the Soviet Union leading to a situation of global retreat and Finlandization.

Our budgeted direct expenditures on strategic nuclear forces are now about $10 billion a year. In the six years from 1956–1962 they averaged approximately $30 billion a year in today's dollars. We simply cannot reverse present adverse trends with currently projected programs and expenditures.

In view of all this, what do I believe should be done?

First, the SALT II Treaty and its accompanying agreements should be subjected to careful and objective analysis and debate before both Houses of Congress. The issues to be analyzed and debated should include the specific terms and provisions of the agreements, the strategic nuclear programs of the two sides, the nature of the strategic nuclear balance which can be expected to evolve over the life of the agreements (assuming ratification and entry into force of the agreements and continuation of currently projected programs in a manner consistent with the agreements), and the probable effect of that evolving strategic nuclear balance upon the world political situation. Consideration should also be given to how good the prospects are for negotiating a SALT III more favorable than SALT II on the basis of the adverse evolution of the power balance to be expected if we ratify SALT II and merely continue with our currently projected strategic programs.

Second, I would hope that as a result of this analysis and debate a majority of both the Senate and the House would insist upon modifications of the agreements necessary to assure their equitableness, their verifiability, and the freedom of the U.S. under the agreements to do what is necessary to assure the survivabiltiy and endurance of our deterrent forces.

Thirdly, with Congressional leadership and supported by a majority of the Congress, I would hope the Executive Branch would develop and implement plans to strengthen our strategic forces sufficiently to reverse current trends and assure the maintenance of fully adequate deterrent forces.

Fourth, I would hope that the Soviet Union, persuaded that the U.S. is determined under all circumstances to maintain an equal and adequate deterrent, would eventually come to agree to terms that we would and should be happy to live with.

THE GENOCIDE CONVENTION'S APPLICATION TO COMMUNIST COUNTRIES

Mr. PROXMIRE. Mr. President, on May 15, the distinguished Senator from Arizona (Mr. GOLDWATER) initiated an extremely important analysis of the merits of the Genocide Convention. He continued with another statement on June 12.

In these two statements, Mr. GOLDWATER has presented a very careful and thoughtful analysis of the Genocide Convention against a background of the unjustifiable actions of the People's Republic of China in seizing Tibet and, in his latest statement, the ruthless persecution of religious groups in the Ukraine by the Soviet Government.

His statements have raised two important aspects of the convention.

First, he has reviewed the wording of the Genocide Convention and its interpretation. His May 15 speech presented a very thoughtful examination of his concerns regarding the language of this treaty and the formal understandings proposed by the Senate Foreign Relations Committee to clarify that language.

I was delighted to note his conclusion that, if approved, these understandings "would go a long way toward meeting many of the major objections which I and others have made to the convention." I am particularly heartened by my good friend's conclusion because no Member of the Senate has so consistently—so steadfastly—admonished the Senate to carefully consider the implications of all of our international commitments. No Senator has been as willing to sound the clarion call on any potential threats to our national security so I welcome his satisfaction with the convention's language.

The second aspect he has raised is an issue of paramount importance regarding the application of the Genocide Convention—an issue on which the position of the U.S. Government must be straightforward and unambiguous.

Quite simply, his question is this: Would our State Department apply the same standards in defining the condemning genocide under the convention to Communist and nonCommunist countries alike?

As I pointed out in an earlier statement, there should not—indeed, there cannot—be any difference in our willingness to speak out against genocide, or any violations of basic human rights, whether they occur in Communist or nonCommunist countries.

Genocide is no respector of ideology.

I completely agree with Senator GOLDWATER that we cannot permit our concern for détente or our new foundfriendship with the People's Republic of China to muzzle us.

We need to set the record straight on this point. In my earlier statement I promised Senator GOLDWATER that I would request a clear and specific statement from the State Department regarding administration policy.

I have now received a response from Mr. Herbert Hansell, the Legal Adviser to the Department of State. His letter makes two important points.

First, he notes that "nothing in the convention permits or affords any basis" for distinctions between Communist and nonCommunist nations. Indeed, "the convention applies equally and in accordance with its terms to all nations that are parties to it."

Second:

> As a party to the convention, the United States would be obligated to view the practices constituting genocide, as identified in the convention, and to assess the responsibility of a nation for genocide, in the same manner irrespective of by whom committed and without regard to the nation involved.

Mr. President, it is clear from Mr. Hansell's letter that not only does the State Department feel that there is no basis for applying the convention differently with respect to Communist or non-Communist countries; in fact, we are obligated—obligated—not to make such distinctions.

Nothing could be clearer.

Mr. President, I am satisfied that the administration has made a firm commitment to protest genocide wherever it may occur. The fact that the United States led the way in protesting the barbarism of the Communist Pol Pot regime in Cambodia has reassured me that this letter does indeed reflect their policy.

But the Senate cannot drop its vigilance. I am quite sure that my good friend from Arizona will hold the State Department's feet to the fire, on both the letter and spirit of this communication. I will be more than happy to join him. There must be no misunderstanding, here or abroad, of our intent to pursue an evenhanded course in applying this treaty.

Mr. President, I have repeatedly stated that the Genocide Convention is not a panacea for human rights violations. It is a narrowly defined treaty, addressing a very specific problem. However, I believe very strongly that ratification of this convention will strengthen our hand in protesting human rights violations that are outside the specific language of this treaty, whether these offenses are committed by Communist or non-Communist nations.

In closing, I want to congratulate the Senator from Arizona on his willingness to examine this issue publicly and deeply appreciate his candor and perceptive analysis. I will certainly do anything I can do to be helpful.

Mr. President, I ask unanimous consent that Mr. Hansell's letter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., June 1, 1979.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: I am writing this letter to reply to your recent inquiry regarding the Genocide Convention.

You asked whether, if the United States ratifies the Convention, there would be any basis on which the United States could interpret the Convention in one way as to non-Communist nations and in a different way as to Communist nations. Nothing in the Convention permits or affords any basis for such differentiation. The Convention applies equally and in accordance with its terms to all nations that are parties to it.

You also asked whether the United States could make any such differentiation in determining when it believes genocide is being committed by a nation. As a party to the Convention, the United States would be obligated to view the practices constituting genocide, as identified in the Convention, and to assess the responsibility of a nation for genocide, in the same manner as irrespective of by whom committed and without regard to the nation involved.

I trust the above provides the information you requested. Please let me know if we can be of further help.

Cordially,

HERBERT J. HANSELL, *Legal Adviser.*

FLEECE OF THE MONTH AWARD—NATIONAL PARK SERVICE DIRECTOR'S DISCRETIONARY FUND

Mr. PROXMIRE. Mr. President, I am giving my Golden Fleece of the Month Award for June to the National Park Service for a $75,000 slush fund which pays for entertainment, travel, and other expenses in excess of those appropriated for and approved under the budget.

The fund, called the National Park

Service "Director's Discretionary Fund", has paid out $1,625 for a Secretary of Interior's reception, $6.30 for champagne glasses, $1,095 for a tent for a congressional breakfast, $125.95 for lunches at Dominique's, and almost $5,000 for President's visit to Yellowstone including $317.88 to purchase chicken wire to fence in Old Faithful and $172 for box lunches and rooms for the White House advance staff.

The fleece of the month is given for the biggest, most ridiculous or most ironic example of wasteful Government spending for the period.

The Director's Discretionary Fund, also know as the Cooperating Association Fund, has existed since February 1960, has been used by officials of six administrations, and by and for Republicans, Democrats, and bureaucrats alike.

Expenditures in the 3-year period from November 1, 1975, to September 30, 1978, amounted to $174,450.65 according to the records of the fund furnished to me by the General Accounting Office. The balance on hand at the beginning of the present fiscal year was $74,875.

While the Park Service justifies the fund under a law which allows "donations" to be used for broad National Park Service purposes, this fund was established and is maintained through an annual assessment of some 59 nonprofit "cooperating associations" who sell literature, books, maps, and handicraft items in the national parks.

A memorandum from the National Park Service Director noted how "gratifying" it was for him to learn that at a conference of the associations in Albuquerque the latter had endorsed:

> Contributions to the Servicewide Fund on a voluntary, fair share basis at ½% per year.

Sales for 58 associations in the 1978 tax year, on which the one half of one percent assessment is based, were $11.3 million.

There are several things wrong with the fund.

First. It is not a "voluntary" fund. Contributions are clearly required by the Park Service of its nonprofit concessionaires. It is an assessment or shakedown, not a "donation."

Second. It is a method of circumventing the official limitations on travel and entertainment imposed by both the Office of Management and Budget and the Congress. For example, the official entertainment allowance for the Secretary of the Interior is only $5,000.

An assessment, contribution or donation from the cooperating associations should be paid into the Treasury, appropriated by Congress, and disbursed under and not outside the Federal budget.

Third. The fund violates the National Park Service Director's own directive to "all NPS employees" that:

> "An employee shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, loan, entertainment, or any other thing of monetary value from a person who: 1) Has or is seeking to obtain, contractual or other business or financial relations with this Department; 2) Conducts operations or activities that are regulated by this Department; or 3) Has interests that may be substantially affected by the performance or non-performance of the employee's official duty".

While some of the recipients may not have been aware of the source of the funds used for their entertainment, among the items for which the fund has been used in recent years are:

Travel expenses for Cooperative Association Seminars. FY 1978	$13,650.00
Photos and Wall Prints, Interior Congressional Liaison, FY 1977	1,833.00
Lunches, Interior Subcommittee, Virgin Islands, April 1977	74.25
Mrs. Mondale, Blue Ridge, June 1977	137.50
Secretary of Interior Kleppe's Reception, FY 1976	1,625.00
August 29, 1976:	
Beef for President Ford's BBQ at Old Faithful	602.07
Purchase of Chicken Wire to fence in Old Faithful for President Ford's BBQ	317.88
Box lunches for White House advance staff, rooms	172.00
Reception for Rep. Roy Taylor, House Interior National Parks and Recreation Subcommittee Chairman. 9–30–76	3,000.00
December 7, 1976:	
Champagne & Wine from PX Liquor Shop	107.10
Cocktail sandwiches from Woodward and Lothrop	75.03
Champagne glasses from IRDA	6.30
Cheese platter from Grand Union	22.50
Floral centerpiece and corsages, 11–29–76	85.00
Coffee Breaks and Guest Dinners at Cooperative Association banquet, Albuquerque, Dec. 1976	885.46
Flowers, August 1976	40.00
September, 1976:	
Congressional Breakfast	73.00
Congressional Breakfast Music	250.00
Congressional Breakfast Tent	1,095.00
LBJ Dedication, Sept. 1976	712.40
Reception, Secretary Interior, Nov. 1975	1,625.00
Coffee, Office of the Secretary, served at Wolf Trap, 12–5–76	9.10
Watergate Wine and Beverage. Dec. 1976	85.13
Farewell Party for Russ Dickenson. Jan. 1976	113.72
Director's Cocktail Party, Dulles. Feb. 1976	49.46

AN ANALYSIS OF THE SMALL BUSINESS AND INDIVIDUAL REGULATORY RELIEF ACT

Mr. JEPSEN. Mr. President, several days ago I introduced S. 1385, a bill that would make reasonable compensation to successful defendants in civil suits filed by the U.S. Government mandatory. As I said then, the reason for the bill is my belief that the Federal bureaucracy will act more responsibly when they write, interpret, and enforce rules and regulations.

There is little dispute as to the need for such a check on the practically uncontrollable power of the Federal bureaucrats. The only question is what is the best method of dealing with the problem. My bill provides a workable, inexpensive remedy, and I am confident that my colleagues will find it both reasonable and acceptable.

To clear up any confusion that might exist as to just exactly what my bill will and will not do, I would like to provide my colleagues with an outline of my legislation.

What the bill will do:

First. It preserves the law of the existing title 28, United States Code, section 2412, which provides for a discretionary award of costs in any civil action brought by or against the United States. The costs which may be awarded are enumerated in section 1920 of title 28.

Second. It permits a court in its discretion to award attorney's fees and other expenses to prevailing parties in civil litigation involving the United States to the same extent it may award fees in cases involving private parties. Thus, cases involving the United States would be subject to the "bad faith," "common fund," and "common benefit" exceptions to the American rule against fee shifting.

Third. It will require—make mandatory—that reasonable compensation be paid to successful defendants in civil suits filed by the U.S. Government making the compensation mandatory, instead of discretionary, represents a significant reversal of the American rule. However, the decision as to what constitutes a reasonable sum for each category of legal expenses would be left up to the judge. Thus, while compensation for a wide range of legal expenses would be mandatory, the amount of compensation involved would be discretionary.

Fourth. Also, it will cover IRS "ability to pay" suits, which includes such things as summons enforcement cases, suits to collect taxes, and erroneous refunds suits. As presently drafted, it will cover IRS "tax liability" cases—where the amount of tax owed is in question. Because people accused by the IRS of paying insufficient taxes are, for all practical purposes, defendants just like people accused of violating an agency rule or regulation, they are equally deserving of compensation.

Fifth. It provides that a court shall award fees to a party who prevails upon judiciary review of an agency adjudication. This language has been included because the case for an award of fees if particularly strong in situations where a party has had to engage in lengthy administrative proceedings before final vindication of his rights in the courts.

Sixth. It will require that any award of compensation come out of the budget of the specific agency filing suit and that no sums may be appropriated to any agency specifically for the purpose of paying fees and other costs awarded under the bill. This fiscal responsibility is intended to make the individual agencies and departments accountable for their actions. The awards and resulting impact on the budget will provide a concrete basis for evaluating agency error.

Seventh. It will require the administrative office of the U.S. courts to report annually regarding the number and amount of fee awards under this bill. The report will allow Congress to evaluate the legislation's cost and impact on agency litigation when it expires at the end of 3 years. The report may also stimulate congressional oversight of those agencies or departments which appear to be engaging in unreasonable litigation.

Eighth. The phrase "reasonable expenses" which occurs in the bill is intended to cover not only court costs—as billed by the clerk of the court—but also witness fees, transcript fees, fees for parties of discovery under Federal rules of civil procedure, and travel expenses for expert witnesses. Also, in IRS cases accountant's fees would also be covered. In short the idea is to make the successful defendant whole insofar as his legal expenses are concerned.

Ninth. It establishes financial criteria which limit its application to those persons and small businesses whom costs may deter from vindicating their rights. Those persons eligible to recover fees include individuals with net assets of less than $1 million, and partnerships, corporations, and associations or public or private organizations that employ not more than 100 persons.

Some other similar proposals have attempted to define a small business in terms of gross receipts and/or assets across sector lines. It is my opinion, however, that, while employee size is not a perfect measure either, it seems to have the fewest liabilities. It remains constant over time; it is a relatively easy measure to handle; and it is available for proprietorships and partnerships as well as corporations.

Tenth. The phrase "any defendant who is the prevailing party in any civil action" is intended to apply to all those who ultimately win a case brought by the Federal Government. Thus, if a defendant wins a case in district court but loses in the appeals court, he would not be compensated. But, if that same defendant were to win the case on appeal, compensation would be made for legal expenses incurred at both the district and appellate levels.

Eleventh. It limits the application of the mandatory attorney's fees and reasonable litigation costs to a period of 3 years. The sunset provision was included because this concept is intended to be a limited experience. At the end of 3 years the results and impacts should be reviewed and reevaluated in light of the bill's basic objectives.

Twelfth. It is intended to cover all agencies, departments, and commissions of the U.S. Government—as well as all the employees of each—not just those who have the Department of Justice file suit in thier behalf. Thus, agencies such as the Equal Employment Opportunity Commission (EEOC), which can file its own suit, would be covered.

What the bill will not do:

First. It will not cover successful defendants in criminal cases.

Second. It will not apply to successful plaintiffs in suits filed against the Federal Government. Thus, it will not overturn the Aleyska case.

Third. It will not compensate successful defendants in civil suits not involving the Government, nor will it cover the prevailing party in nongovernmental suits.

Fourth. It will not permit the Government to be compensated should it file suit against a defendant and win—as legislation awarding compensation to the prevailing party in any suit involving the Government would do. To permit this would not only unduly reward Government for carrying out its assigned function, but it would also completely nullify one positive aspect of the bill. Instead of discouraging bureaucrats from filing unjustified suits, compensating the Government when it brought suit and won would give the bureaucrats extra incentive to file suit. Furthermore, compensation by unsuccessful defendants to the Government—for its legal expenses—could be looked upon as an added fine, or double taxation, or both. It would certainly lead to more instances of "compliance by coercion" rather than decisions based on the merits of the case.

Fifth. It will not cover administrative actions before either the regulatory agencies or the IRS unless they result in a case going to court, in which case compensation would be awarded under the heading of pretrial legal expenses. The reason for this is the fact that the bill is basically intended to encourage people to take their case to court, when they believe that they are right, rather than submit to some compromise settlement that is less than satisfactory but would otherwise be viewed as the lesser of two evils.

Sixth. It will not provide for the recovery of damages—loss of time, loss of business, and so forth—suffered by an individual or business that is used by the Government. While a strong case can frequently be made for reimbursing successful defendants for these kinds of losses, they are above and beyond what legitimately might be considered reasonable attorney's fees and other litigation costs. Furthermore, determining what would constitute fair compensation for these losses would be difficult and, even if this obstacle were not present, such compensation might have an undue effect on both the Federal budget and the willingness of the Government to pursue cases that do have merit.

Seventh. It will not require that bad faith be proved in order for the successful defendant to collect compensation. Just the fact that the Government brings the case and loses should be adequate grounds for mandatory compensation: regardless of the motives, the negative effect on the successful defendant is the same.

Eighth. Finally and most importantly, it should not increase costs to the American taxpayer. In fact, the costs of compensation should be more than offset by, first, a reduction in the number of unjustified suits being filed by the Federal Government and, second, by the fact that the cases which are filed should be better prepared and will therefore not result in compensation being required.

Benefits accruing from passage of the bill:

S. 1385 would remove the unjust financial penalty presently imposed on those who successfully exercise their right to defend themselves in court.

S. 1385 would encourage individuals and businesses to challenge Federal civil suits and IRS claims that they believe to be unjustified.

By virtue of the fact that the amount of compensation would become public knowledge, S. 1385 would give the American people a quantitative measure of agency error.

Having created such a yardstick, S. 1385 would give Federal agency personnel an incentive not to become overzealous or to engage in harassment tactics for personal or political reasons.

S. 1385 would give Federal departments, agencies, and commissions encouragement to simplify their rules and regulations and to drop those that are unreasonable or unnecessary.

S. 1385 would reduce the incidence of compliance by coercion and would restore faith in our system of justice by restoring the balance between the powers of Government and the rights of the individual.

Some additional thoughts:

S. 1385 should be considered a bipartisan measure. Moreover, it has the advantage of simplicity in that it deals with just one basic injustice—that of having economics, rather than facts, determine the course of justice in many civil proceedings initiated by the Federal Government. Unlike criminal proceedings, the civil defendant who cannot afford to contest a case has no choice but to give in and—or pay the fine. And, even if one can afford to go to court, what justice is there in penalizing him for proving his innocence. After all, he did not initiate the case and he should not be discouraged from exercising his right to defend himself in a court of law.

With 12 departments and 75 agencies now regulating many aspects of American life, it becomes more and more difficult for people to stay clear of disputes with the Government and to stand up for their rights against the Government. In short, the burgeoning of the bureaucracy has caused the balance of power between the individual and the Federal Government to tip markedly in favor of the latter. Enactment of S. 1385 would swing the pendulum back in the other direction.

With this in mind, it should be noted that there are many proposals that exist which would expand upon the basic concept of legal compensation presented here. Some are tempting, others less so, but the one thing each seems to have in common is that it is controversial. So, while the evidence indicates that S. 1385 has broad based support—a nationwide poll of independent small businessmen indicated that somewhere in the area of 85 percent were in favor of such a bill—each addition that broadens its scope risks alienating its backers. Therefore, from both a practical and philosophical standpoint, it would seem logical to make S. 1385 the basis for legislation dealing with attorney's fees and to deal with the different issues arising out of more sweeping or controversial proposals separately. This approach would also have the advantage of giving Congress the opportunity to wait and see how limited legal compensation works out, an advantage that might be most helpful in developing further legislation concerning attorney's fees.

J. MILLARD TAWES

Mr. MATHIAS. Mr. President, Millard Tawes was one of those rare and remarkable public figures whose reputation was enhanced as his length of service increased. By the time he left the Governorship of Maryland, I think he was more popular, more respected, more admired, and had more friends than at any time during his service as Governor.

Today, at the end of his long life, he is one of the most admired figures in the State of Maryland—a person whose wide knowledge of the State, whose love of the Chesapeake Bay country have made him a kind of legendary figure. And he is more popular today, at the time of his death, than at almost any other time.

It is a wonderful thing to have been consistently gaining in the friendship and admiration of his fellow Marylanders. It conveys more about Millard Tawes' qualities as a human being than you could get from reading reams of his biography.

Millard Tawes has been a positive force in Maryland life for a long time. His is going to be greatly missed because he has been one of those sage counselors to whom we could all turn in time of crisis. He has always helped to find the hard answers and to conciliate irreconcilable forces. His voice has always been the voice of reason. It has been stilled at a time when reason is in short supply. We will miss Millard Tawes sorely and Mrs. Mathias and I both extend our deepest sympathy to Mrs. Tawes and to all of their family.

Mr. SARBANES. Mr. President, I want to join my colleague, Senator MATHIAS, in expressing my own deep feelings at the death of Millard Tawes, who served the State and its people with such extraordinary commitment over a long lifetime.

Millard Tawes was our comptroller for a number of years, twice Governor, and after he left the Governor's office and retired, he was brought back to public service to be the first Secretary of the Department of Natural Resources.

He was willing to undertake that responsibility and make that commitment and provide that service.

He also served as our State treasurer. I think that willingness to come back after he had been Governor, and to continue to serve the people of the State was a marked reflection of the sort of person he was.

Millard Tawes loved the State of Maryland and its people deeply, and he gave extraordinary service, and his passing is a loss to all of the people of the State.

My wife and I extend our sympathies to Mrs. Tawes but, above all, we want to underscore our own deep appreciation of the extraordinary contribution which Millard Tawes made to the life of our State.

HUMAN RIGHTS VIOLATIONS IN SOUTH KOREA

Mr. KENNEDY. Mr. President, following the upcoming summit with major allies in Tokyo, President Carter plans to visit the Republic of Korea from June 29 to July 1. That visit will give the President an opportunity to reaffirm the continuing strong commitment of the United States to the security and well being of South Korea. But it will also give President Carter a major opportunity to press for substantial improvements in the human rights conditions of the Korean people, whose fate has been closely intertwined with ours since over 54,000 Americans gave up their lives for the freedom of the Korean people in the Korean war.

I have long admired the Korean people for their love of liberty and commitment to social justice. I have also been impressed with South Korea's rapid economic growth, but I have been disturbed by the human cost and unequal distribution of the benefits that have accompanied this growth.

Americans have watched, with deep and growing concerns the progressive deterioration of democracy and human rights in South Korea since President Park Chung Hee imposed the so-called Yushin political system in 1972. The Park government has sought to deflect this concern by pointing to far worse conditions which certainly prevail in North Korea under Kim Il Sung. No one questions that North Korea is a personalist totalitarian state in which political and civil rights are much more severely controlled than in the South, and Americans strongly oppose human rights violations in North Korea and in other parts of the world.

We are not, however, supporting North Korea and lending our prestige to President Kim Il Sung. By contrast, we are providing substantial support for South Korea, and we cannot avoid responsibility for the longstanding oppression of this government.

In South Korea, the Yushin Constitution places all power in the hands of Gen. Park Chung Hee, president for life. The President is the chairman of the ceremonial body which elects him; he appoints the members of the Central Election Committee which oversees election; he appoints one-third of the National Assembly directly and selects another one-third through his control of the nomination of the government party candidates; he may dissolve the National Assembly at any time; he has the power to appoint, dismiss, and discipline all judges; and he appoints and removes all the members of the constitutional committee which putatively determines whether the laws passed by the National Assembly are constitutional. Should these arrangements be deemed inadequate by the President, he can take emergency measures regarding any of the affairs of the State, whenever, in his judgment, "the national security or the public safety and order is seriously threatened or anticipated to be threatened."

Indeed, President Park has found it necessary to counter an intensifying struggle for human rights and the restoration of democracy through a series of such emergency measures, the capstone of which is Emergency Measure No. 9.

This draconian presidential decree is all embracing. It prohibits "fabricating or disseminating false rumors." It also bans all criticism of the Yushin Constitution, all unauthorized student activities and even what it calls "defamation" of the decree itself. Furthermore, the government can order any school, organization or business firm to expel or dismiss any student of employee who has violated the decree, and can even close down or suspend any such institution. Violation of the decree or of government orders based on it is punishable by imprisonment for not less than 1 year. The decree specifically provides that violation can be arrested or searched without a warrant. Those prosecuted for the dissemination of so-called false rumors under this decree are regularly denied the opportunity to call witnesses to prove the truth of their utterances.

Thousands of the Korean people have been subjected since 1972 to arbitrary arrest, torture and long-term incarceration under inhuman conditions for violation of this decree and other statutes which constitute the repressive control apparatus of the Yushin political system. The lack of judicial independence assures conviction in all political prosecutions. The exact number of political prisoners at any given time is impossible to determine, but I have a list of over 300 presently imprisoned, prepared by the North American Coalition for Human Rights in Korea, many adopted as prisoners of conscience by Amnesty International, which I am submitting for the record. Suspected opponents of the regime have been routinely harassed, and some have been brutally beaten and in the past hanged without due process of law. Some have died under mysterious circumstances.

Despite efforts to create the impression that political repression in Korea has lessened, and despite the occasional release of batches of prisoners, recent documentation of human rights conditions in Korea by the World Council of Churches and the International Commission of Jurists indicates an intensification of internal repression. Every nook and cranny of social life is infested by agents of the various and competing political control organizations. The cost of dissent has become higher than ever. Students who express opposition are not only expelled and banned from entering any other schools, but also excluded from jobs and other meaningful participation in the life of the community. Professors are forced to report on their students' political activities. Last year, 11 professors issued a statement which advocated a more humane and democratic educational system. They were arrested, interrogated and summarily dismissed. One of them was sentenced to 4 years imprisonment. Pluralist civil institutions have been purged of democrats and liberals who are less than enthusiastic about the Yushin system.

In 1975, scores of reporters were dismissed after demanding freedom of the press. They have been harassed and hunted down ever since, because they have published occasional newsletters covering important stories excluded from the regular press. On the 9th of May, seven of them were sentenced to terms of up to 2½ years for these activities. People are taken away by unidentified men and their whereabouts remain unknown for weeks. To have and express concern for human rights is a serious crime in Korea. Those who speak out against the human rights violations by the government have been put under surveillance, harassed, quarantined, and often brutally beaten.

Repression in Korea is harshest against ministers, priests, and intellectuals who try to improve the condition of the workers and the poor. The persecution of the Reverend Cho Wah Soon is a case in point. This clergywoman has been hauled in for interrogation no fewer than 300 times and branded a Communist, because of her work with female, teenage sweatshop workers. When these young workers attempted to elect their own union representatives, they were beaten, abuses, smeared with human excrement, and fired. Pictures of 126 of them have been circulated throughout the nation lest an unwary employer hire any of them. Reverend Cho tried to help them by taking up their cause and running a handicraft show in her mission. For these activities and her protest against a court's handling of a group of indicted working girls, she is serving a 5-year sentence.

Recently seven people who have been active in the labor and agrarian training programs of the respected Christian Academy were arrested, brutally interrogated and indicted for violation of the anti-Communist law, another catch-all instrument in the Yushin arsenal. The outcome of their trial is a foregone conclusion. No one prosecuted for a political offense has been acquitted on all counts since the advent of the Yushin political system in 1972.

Political offenders have been tortured to obtain confessions or information, to bring their stories into line with one another, or simply to teach them a lesson. Young women have been grabbed by the hair, and banged against tables and walls. The police have beaten girls on the face until they are completely bruised and swollen. Some have been hit with baseball bats, and indecently handled. One priest was beaten unconscious and dumped into the street. On September 22, 1978, the police viciously attacked a group of Christian leaders, human rights advocates, and fired workers who were conducting a peaceful prayer meeting in the Christian building, headquarters of the Korean National Council of Churches. Political prisoners have been beaten by the prison guards, denied adequate medical treatment and even the infrequent family visit allowed by the rules. They are frequently given rotten food and held in solitary confinement.

In one such incident on April 19 of this year, over 30 students who shouted slogans in support of the 1960 student revolution were severely beaten by prison officials, including the deputy warden, at West Gate Prison. In an apparent attempt to spread fear in the dissident community their parents were allowed to view their two injured children, but when the parents undertook to publicize the story, the police cracked down at once. One should call things by their proper names: The Republic of Korea is a veritable police state. The United States, committed to the defense of its security, stands in constant danger of also supporting the repression of its people.

The Park government justifies this systematic repression by citing the need for unity and strong leadership to promote economic development and to face the menace of a belligerent North Korea. It seems clear, however, that economic development was well underway long before the enactment of the Yushin constitution. More fundamentally, it is my view that repression promotes disunity between the people and their government. I know that many Korean opponents of the Park government share this view, and many fear that the Government's repression is undermining the will of the South Korean people to oppose the totalitarian system of the North.

The only genuine political security comes from the support of the people. Governments cannot last indefinitely without it. The Park government claims the overwhelming support of the Korean people. Yet it has rigged the political system to prevent a free electoral process. The 1978 parliamentary elections are a case in point. Despite circumstances overwhelmingly favorable to government party candidates, the opposition party polled more votes than the government party, but the rigged system did not allow the opposition to assume control of the National Assembly. It is this kind of political manipulation which must inevitably erode popular support of the Government.

Koreans are exceptionally warm, intelligent, and hard working people with a proud cultural tradition and a long history of struggle for independence and democracy. Their love of liberty is passionate and deep. Long before we had any presence in Korea that love was enshrined in their own 1919 declaration. We have contributed to their ideals of freedom. Restoration of democracy and the guarantee of human rights seems to be the only alternative to the rise of tension on the volatile peninsula. As long as the schism between government and the people which the Yushin system entails continues, the danger of war with the North and the repression exacted in its name will be heightened. Ending this schism will not end the danger of war, but it will reduce the North's temptation to take advantage of this dissent and it would rally the people of the South to wholehearted support of their system and their society.

The political stability of the Republic of Korea can be assured only when its government is based on the voluntary support of the people, not on repression; when the people can freely participate in the political process, not when they are systematically excluded; and when their dignity is respected, not when they are subject to arbitrary arrest, torture, and deprivation of livelihood because of their beliefs.

Our experiences in Iran and Vietnam have forcibly reminded us of the instability inherent in a government whose repression of its people blocks their voice in their own governmental affairs. United States support will not avail to save such governments. To persist in bolstering a government which 37 American missionaries in Korea recently characterized as "an ailing and oppressive dictatorship" eventually may lead to the same kind of anti-American feeling in Korea which is pervasive today in Iran. The reservoir of good will toward the United States is great in Korea, but it can only be maintained by policies which respond to the needs and aspirations of the Korean people.

The democratic opponents of President Park have uniformly stated that they do not welcome a visit from President Carter under present circumstances, because it will bolster the Korean Government's image and encourage the repression which followed President Ford's visit to Korea in 1974. It is, therefore, essential for President Carter not to appear to embrace the continuing dictatorship and repression of human rights in Korea. There should be no doubt that the United States stands for respect of human rights and restoration of democracy. We may not have the ability to liberate all those who are in chains around the world; they have, however, the right to expect us not to appear to endorse their oppressors even if we must continue to do business with those who hold power. Again and again, the consideration of short-term expediences, benightedness about political sentiments and forces in other countries, and the disproportionate influence of special interests in defining our policies in regard to them have caused serious damage to our relations with the people in those countries.

We must admit that the deep U.S. involvement since World War II has strongly influenced the political forces and leadership of South Korea. The enormity of our military support through the years—more military aid than we have given to any other nation in our history—has deepened the political repercussions of our presence, unintentionally supporting military interests chary of open and competitive political systems. This involvement through the years gives us a special obligation to be clearly identified with a more liberal and open political process in South Korea. We fail to do so only at our and South Korea's peril.

Unfortunately, the problems between South Korea and the United States did not end with the conclusion of the bribery scandal last year. We must not forget that a major reason for the Park government's efforts to manipulate the Congress and public opinion was to offset its image as a repressive dictatorship. Yet the repression continues, and threatens to undermine the close and strong alliance which we have all supported since the Korean war.

The Carter administration is committed to the furtherance of human rights and democracy around the world. I strongly support that commitment, and I believe there are few countries in which it can be acted upon more effectively than in Korea.

With the advent of this administration, the Korean people felt renewed hope in the United States after years of American acquiescence in their government's repression. They welcomed President Carter's statement, during his campaign, that "we cannot look away when a government tortures its people, or jails them for their beliefs," and they welcomed his specific condemnation of human rights in Korea as repugnant to the American people.

We must now keep faith with the Korean people. President Carter's trip can and should be the occasion for major improvements in the human rights situation of that country. Under no circumstances should the Korean people conclude that the purpose or the result of the President's visit was to provide aid and comfort to the Park dictatorship.

For these reasons, I hope that President Carter will take the opportunity of his visit to Korea not only to underline our strong and continuing commitment to the security and well-being of the Korean people—a commitment I strongly support—but also to disassociate the United States from the repressive policies of the Park government and to make clear his deep and persistent concern for human rights and democracy in Korea.

Specifically, I urge President Carter to take the following actions during his visit:

First. Urge President Park to take substantial and irreversible steps to guarantee the basic rights of the Korean people and to restore democracy.

Second. State in unmistakable terms, both publicly and privately, that the strong alliance between our two countries must be founded in shared ideals and values.

Third. Meet not only with those in power who seek to use the prestige of his office, but also with those Koreans who struggle for human rights and democracy, and who are being persecuted by the Park government. These people should include at least those who are not currently in jail, such as opposition leaders Kim Young Sam and Kim Dae Jung, Quaker leader Hahm Suk Hon, former President Yun Po Sun, and major religious leaders, especially the Reverend Kim Kwan Suk and Stephen Cardinal Kim.

Fourth. Ask President Park to release all remaining political prisoners, including the famous poet Kim Chi Ha and the over 300 individuals identified in the list I am releasing today.

Fifth. Ask President Park to repeal the infamous, draconian Emergency Measure No. 9 which is the instrument for so much of the continuing repression in Korea.

As the Korean poet Kim Chi Ha said in his "Declaration of Conscience" which was smuggled out of the prison where he is serving a life sentence for his writings:

> Corruption, privilege and dictatorship are a treasure trove for Communism. Preservation of dictatorship and repression does not bring security. Let us face the reality that rejection of dictatorship and oppression brings true security. If we lose freedom and democracy what is there for us to do then? Shall we risk our lives for a yoke of endless hunger, disease, benightedness and humiliation?

Mr. President, I ask unanimous consent that the list of political prisoners prepared by the North American Coalition for Human Rights in Korea be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PARTIAL LIST OF POLITICAL PRISONERS IN THE REPUBLIC OF KOREA AS OF APRIL 30, 1979

(Compiled by the North American Coalition for Human Rights in Korea)

Seoul Sudaemoon (West Gate) Prison,* 120/ Hyun-juh Donk No. 101:

Park Hyun-chae, 118, professor (4–20–79 "spy ring" case).

Kim Chi-ha, 5085, poet.

Huh Kyung-jo, 4118, Seoul National University (SNU) student.

Lee Chul, 966, Korea University student.

Kim Joo-sam, 4313, Chunggye Garment Factor worker.

Kang Kong-ik, minister.

Kim Bong-nae, driver.

Kim Choon-jin, 6510.

Lee Yong-nam, reporter for Kangwon Daily Newspaper.

Kim Jung-sa, 4000, Korean resident of Japan.

Kim Sok-won, 70.

Chang Jae-chul, 2034, member of Unification Socialist Party.

Kim In-gi, 5100, lawyer, National Assembly member.

Lee Kyu-taik, 5422.

Chin Du-hyun, 5218, SNU student.

Ahn Dong-il, Dongkuk University student.

Ahn Jae-wan, 1031, Dongkuk University student.

Lee Young-oo, 1100, Dongkuk University student.

Han Hyung-sook, 116, staff of Christian Academy.

Lee Oo-jae, 5, staff of Christian Academy.

Cho Nam-il, 1716, SNU student.

Kim Hyun-keun, 4419, SNU student.

Lee Seung-hwan, 4269, Korea University student.

Lee He-ja, 440, Korea University student.

Um Joo-oong, 5025, Korea University student.

Kim Yoo-soo, 560, Korea University student.

Song Young-kook, 665, Korea University student.

Han Hwa-Kap, 3025, secretary to Kim Dae-jung.

Lee Hyang-soon, 6522, Soongnyung Women's University student.

Moon Ik-whan, 2581, minister.

Ahn Jong-pil, 2480, former reporter for Dong-A Ilbo (newspaper).

Park Jong-man, 2421, former reporter for Dang-A Ilbo (newspaper).

Chang Yoon-hwan, 2429, former reporter for Dang-A Ilbo (newspaper).

Chung Yun-joo, 6527, former reporter for Dang-A Ilbo (newspaper).

Yun Hwal-shik, 180, former reporter for Dang-A Ilbo (newspaper)

Kim Se-gyoon, 410, staff of Christian Academy.

Kang Jong-hun, 677, Seoul Women's College.

Paik Ok-kwang, 5986, Pusan University.

Shin Kwang-yong, 4483, Chunggye Garment factory worker.

Noh Suk-hoi, minister.

Lee Chae-gwan, 3919.

Park Hyun-pil, 17, Democratic Unification Party member.

Kim Young-hun, 555.

Chung Jae-ryong, 7528.

Kim Tae-ryong, 206, member of the New Democratic Party.

Kim Bong-oo, 5616, former student of Kyunghee Univ.

Shin In-ryung, 178, Christian Academy staff.

Kim Hyung-tae, 5659.

Kim Seung-hyo, SNU student.

Kim Joon-young, Dongkuk University.

Yang Jung-kyu,, 94, researcher at agricultural research institute, (April 1979 "spy ring" case).

Im Dong-kyu, 96, Researcher on Labor Problems, Korea U. (April 1979 "Spy Ring" case).

Im Dong-suk, 88, Researcher on Labor Problems, Korea U. (April 1979 "Spy Ring" case).

Choi Chul-kyo, 5634.

Pai Ki-sun, 3375, Kukmin U. Student.

Chung Chang-yul, 157, Professor, Hanyang U.

Song Kwang-eui, 1537, Korean U. student.

Hwang Han-shik, 35, Staff of Christian Academy.

Lee Chung-koo, 399, Korean U. student.

Chung Sang-man, 446, Korean U. student.

Oh Sang-suk, 135, Korean U. student.

Yu Koo-young, 209, Korean U. student.

Kim Ki-won, 545, Korean U. student.

Park Hyung-kyu, 785, Minister, First Presbyterian Church, Seoul.

Choi Jae-eun, 6328, Soongmyung Woman's U.

Suk Won-jung, 6459, Soongmyung Woman's U.

Chang Sang-hwan, 377, Staff of Christian Academy.

Ahn Sung-yul, 2248, former Dong-a-Ilbo reporter.

Kim Jong-chul, 2446, former Dong-a Ilbo reporter.

Hong Jong-min, 2531, former Dong-a Ilbo reporter.

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* Most persons in this prison have not yet received final sentencing.

Sung Yoo-bog, 713, former Dong-a Ilba reporter.

Lee Ki-joong, 645, former Dong-a Ilbo reporter.

Sung Ook, 4362, Seoul National U. student.

Yang Min-ho, 4586, Seoul National U. student.

Kim Choon-mook, 4760, Myungji U. student.

Sohn Sang-kuk, 5289, Yonsei U. student.

Lee Kwang-hee, 389, SNU College of Agriculture student.

Lee Bum, 26.

Kim Joo-ho, 6933.

Im Dong-hwan, 84, April 1979 "Spy Ring" case.

Kwon Oh-hoon, 55, SNU College of Agriculture student.

Lee Yon-sook, Seoul Woman's College student.

Park Hee-ok, Seoul Woman's College student.

Ky Hoon-je, 58, Researcher of Paek Bum (Kim Ku) Institute.

Chung Tae-hun, 3031, Korea U. student.

Ahn Yong-keun, 168, Inha U. student.

Park Sung-ryong,152, Inha U. student.

Cho Young-ho, 123, Inha U. student.

Yang Hong-young, 469, Inha U. student.

Lee Oo-jae, 4293, SNU student.

Lee Dae-hyun, 4654, SNU student.

Cho Hee-yon, 4714, SNU student.

Kim Byung-don, 31, Yonsei U. student.

Kim Sang-bok, 293, Coongang Theological Seminary student.

Kim Chul-soo, SNU student.

Kwon Ho-young, 4660, SNU student.

Shin Un-kwan, 327, SNU College of Agriculture student.

Lee Byung-ho, 110, SNU College of Agriculture student.

Kim Sook-im, Seoul Woman's College student.

Hong Seung-gu, 1383, Sogang U. Student.

Chang Dong-hyun, 3001, Korea U. student.

Paik Byung-kyu, 3005, Korea U. student.

Kim Sang-oo, 478, Inha U. student.

Kim Myung-shik, 660, Inha U. student.

Kwa Han-gwang, 385, Inha U, student.

Kim Chun-young, 437, Foreign Language U. student.

Yu Joo-young, 209, Korea U. student.

Chi Jung-kwan, 144, April 1979 "Spy Ring" case.

Youngdeungpo Prison*, 150–04/Kochok Dong No. 102:

Sohn Kyung-ja, 4138, Worker.

Yu In-taik, 3623, SNU student.

Park Dong-ik, 116, SNU student (Seoul National Univ.)

Hong Chong-un, 476, SNU student.

Park Chi-kwan, 478, SNU student.

Chi Coung-kap, 168, SNU student.

Cho Sung-eul, 1541, SNU student.

Suh Jong-won, 1873, SNU student.

Lee Young-hwan, 2695, SNU student.

Chung Dong-gu, 2799, SNU student.

Ok Kwang-sup, 650, SNU student.

Hwang In-sung, 536, SNU student.

Kim Sun-nam, 4256, Korea University student.

Chang Joon-young, 1215, Sungkyunkwan University student.

Kim Sun-taik, 2194, SNU student.

Park In-do, 1200, SNU student.

Kim Soo-chun, 2880, SNU student.

Kim Seung-pae, 308, SNU student.

Kim Chang-min, 120, SNU student.

Im Heung-soon, 1868, SNU student.

Pai Nam-hyo, SNU student.

Kim Joung-bok, 2335, SNU student.

Lee Eun-tae, 64, SNU student.

Yaung Shi-young, 2581, SNU student.

Kim Young-sang, 568, SNU student.

Yu In-hyul, 1680, SNU student.

Yu Jong-sung, 1561, SNU student.

Paik Sam-chul, 1350, SNU student.

Chung Kyung-yon, 1396, Korea University student.

Chung Tae-yoon, 2289, SNU student.

Chu Tae-hwan, 2317, SNU student.

Lee Pil-yul, 1329, SNU student.

Choi Joo-ok, 1880, SNU student.

Chun Chang-soo, 1076, SNU student.

Chung Kwang-pil, 175, SNU student.

Kim Yong-heum, 1610, SNU student.

Park Byung-tae, 2087, SNU student.

Lee Heung-gook, 2098, SNU student.

Lee Sung-jae, 1001, SNU student.

Yu Dae-gi, 1014, SNU student.

Park Kwan-suk, SNU student.

Park Chung-doo, 1002, high school teacher.

Kim Young-hwan, Yonsei Univ. student.

Lee Soon-bum, 699, Sogang Univ. student.

Shim Sang-wan, 494, SNU student.

Kim Yong-kwan, 234, SNU student.

Oh Se-bum, 35, SNU student.

Yang Sung-oo, 33, poet.

Sung Dong Prison, 134–02/Kangnam Ku, Karak Dong San #5:

Lee Sung-kyu, 60, Democratic Unification Party member.

Kim Keum-dong, 65, Democratic Unification Party member.

Cho Hong-sup, 69, SNU student.

Shin Myung-shik, Kyunghee University student.

Kim Hyung-kook, 54, Kim Dae-jung's secretary.

Pai Kyu-shik, 68, SNU student.

Pyun Jae-yong, 70, SNU student.

Shin Yong-nam, Kyunghee Univ. student.

Ha Suk-tae, Kyunghee Univ. student.

Anyang Prison, 171/Hogye Dong #458:

Lee Hyo-joong, 707.

Kim Kuh-sung, 4517, Yonsei University student.

Yon Sung-man, SNU student.

Park Hong-ryul, SNU student.

Kim Young-hyun, SNU student.

Kim Sang-yul, 475.

Oh Sung-kwang, 4516, Yonsei Univ, student.

Yun Ban-ung, 4520, minister.

Keum Seung-ki, Korea Univ. student.

Kim Sang-soo, 1155.

Yu Jae-yhun, Sogang Univ. student.

Moon Sung-hoon, SNU student.

Lee Moon-gak, 3357.

Park Tae-yool, Sogang Univ. student.

Won Choong-yon, 11.

Chung Yong-hwa.

Yu Nam- sun.

Chunju Prison, 520/Chunju City, Pyungwha Dong 3–99:

Kim Han-dok, 2000, businessman.

Kang Chang-dok, 2003, former reporter.

Kim Jong-dae, 2030, director of private school.

Le Chang-bok, 2010, teacher.

Kim Jong-tae, 424, Korean resident of Japan.

Kim Hyun-soo, 683, Hankuk Theological Seminary student.

Chang Seung-bok, SNU student.

Cho Man-ho, 2008, businessman.

Chun Chang-il, 2001, company employee.

Yu Jin-gon, 2002, company president.

Lee Myung-joon, Choongang University student.

Park Chang-soo, 387, Hankuk Theol. Sem. student.

Chin Chul, 2243.

Han Seung-dong, Sogang Univ. student.

Chang Jung-soo, Sogang Univ. student.

Kwangiu Prison, 500–03 Kwangju City, Moon Dong 88–1.

Chun Jae-won, 2783, businessman.

Im Koo-ho, 1280, lecturer at private school.

Nah Kyung-il, 2089, engineer.

Lee Kang-chul, 1294, Kyungbuk Univ. graduate.

Suh Kwang-tae, 3676, SNU Medical College student.

Kim Won-shik, 2210, Kim Dae-jung's secretary.

Cho Deuk-hoon, 3083, Korean resident of Japan.

Im Young-chun, 2480, professor.

Park Man-chul, 3092, teacher.

Chun Byung-saeng, 1445, evangelist.

Kim Kwang-hoon, 2109, Hankuk Theol. Sem. student.

Shin Yong-gil, member of New Democratic Party.

Lee Young-song, 1480, Chon Nam University student.

Noh Joon-hyun, 2949, Chon Nam University student.

Ahn Kil-jung, 478, Chon Nam University student.

Park Hyung-joong, 2138, Chosun Univ. student.

Yu Je-do 2031, Chosun Univ. student.

Yu Sung-sam, Hayang Univ. student, foreign student, foreign resident.

Noh Chang-shik, Hankuk Theol. Sem. student.

Kim Jung-sa, student, foreign resident.

Hwang Hyun-seung, 1775, teacher.

Lee Sung-jae, former professor.

Lee Tae-hwan, 2495, architect.

Sun Kyung-shik, 2340, Korea Univ. of Foreign Studies—graduate.

Park Jong-yul, 3604, graduate of Korea Univ. Graduate school.

Yoon Tam-yong, 2254, Lecturer at private school.

Yang, Nam-gook, 2948, Korean resident of Japan.

Koh Young-keun, 994 minister.

Park Jong-ik.

Min Hyang-sook, wife of Lee Chul (#966, Seoul Sudaemoon Prison).

Kim Chang-oo, 2724, SNU student.

Song Ki-sook, 1419, professor.

Han Dong-chul, 1822, Chon Nam Univ. student.

Lee Taik, 2349.

Kim Yong-chool, 771, Chosun Univ. student.

Yang-Hee-seung, 1683 Chosun Univ. student.

Yoo Young-soo 1683, student of Kyungbuk Univ. Graduate School, foreign resident.

Kim Byong-kon, former SNU student.

Sung Nae-oon, former Yonsei Univ. professor.

Oh Sung-kwang, Yonsei Univ. student.

Paik Kye-moon, 2239, SNU student.

Kang Se-hyun, SNU student.

Choi Sang-il, 2069, SNU student.

Kim Byung-min, SNU student.

Lee Chul-oo, SNU student.

Lee Young-hee, 5005, professor

Mokyo Prison, 580/Sanjung Dong, No. 196:

Chang Young-dal, 1003, Kukmin University student.

Sul Hoon, Korea Univ. student.

Hongsung Prison, 350/Hongsung Kun, Hong Sung Eup, Oh Kwan Ri No. 305:

In Tae-sun, 1003, Hankuk Theol. Sem. student.

Lee Kwan-bok, 1004, principal of Kong Min School.

Noh Young-min, 1005, Yonsei Univ. student.

Kim Kyung-taik, SNU Univ. student.

Lee Byung-baik, SNU Univ. student.

Chung Prison, 310/Chungju City, Mipyung Dong:

Koh Kwang-jin, 20, Korea Univ. student.

Chung Sung-hun.

Huh Hyun-hoi, Korea Univ. student.

Lee Young-jae, 66, Hankuk Theol. Seminary student.

Park Suk-oon, 55, Seoul National University student.

Suh Joon-shik, Korean resident of Japan.

Taejon Prison, 300/Taejon City, Joong Chon Dong No. 1:

Chung Man-jin, 4003, businessman.

Kim Dong-hwi, 4116, Korean resident of Japan.

Choi Yon-sook, 3862, Korean resident of Japan.

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* Most persons in this prison have not yet received final sentencing.

Lee Dong-suk, 3827, Korean resident of Japan.

Chang Myung-ok, Korean resident of Japan.

Koh-Byung-taik, 7945, Korean resident of Japan.

Kim Chul-oo.

Lee Dae-soo, 2037, Yonsei Univ. student.

Kim Il-han.

Ki Kil-dong, 2636, SNU student.

Yang Ki-oon, 212, SNU student.

Kang Jong-kon, 3904, Korean resident of Japan.

Lee Won-ee, 3862, Korean resident of Japan.

Kim Won-joong, 3914, Korean resident of Japan.

Im Chung-jo.

Kim Jae-myung, 1482, SNU student.

Kong Yoo-sang, Yonsei University student.

Kang Sung-goo, Yonsei University student.

Lee Hyo-yool, Sogang University student.

Kim Myung-won, 2230, SNU student.

Chang Ki-young, 1820, SNU student.

Chung Jae-yong, 2986, student.

Kang Hee-nam, minister.

Chi Yom.

Soon Chun Prison, 540/ Soon Chun City, Sun Myung Dong No. 430:

Lee Min-goo, Korea University student.

Kim Ki-nam, Korea University student.

Im Tae-pyung, 1410, minister.

Kongju Prison, 300–35/ Choongnam, Kongju Kun, Chang Ki Myon, Keum Heung Ri No. 360:

Kim Kap-hat, 666.

Park Chan-oo, 9, SNU student.

Lee Chul-gook, 555, SNU student.

Kim Sung-man, 6, Korea University student.

Lee Byung-gak.

Lee, Sang-hoon, 7, Yonsei University student.

Hong, Yoon-gi, 3, SNU student.

Im Young-joon, 1111, Sogang University student.

Kim Yong-jin, 1234, Sogang University student.

Yuh Kyoon-dong, SNU student.

Taegu Prison, 630–15/ Taegu City, Chun Nae Dong No. 472:

Choi Yul, 932, Kangwon University graduate.

Kim Oh-ja, 2666, Korean resident of Japan.

Lee Sang-yul, worker.

Kim Yong-suk, 2552, Yonsei University student.

Chung Jae-jong, worker.

Shin Young-goo, worker.

Im Sung-hun, 2720, Hankuk Theology Seminary student.

Kim Byung-ho, Kyungbuk University student.

Kim In-je, Kyungbuk University student.

Chun Sang-soo, Kyungbuk University student.

Kim Chang-soo, Kyungbuk University student.

Cho Hwa-soon, 2609, minister.

Kang Ki-pong, 2880, Yonsei University student.

Kwon Tak, worker.

Kim Myung-soo, 3250, evangelist.

Lee Jae-hyung, 6113, businessman.

Park Du-hawn, worker.

Suh Seung, Korean resident of Japan.

Kim Chun-oo. 1766, SNU student.

Chun Byung-ok, Kyungbuk Univ. student.

Kim Jin-dok, Kyungbuk Univ. student.

Park Se-won, Kyungbuk Univ. student.

Yu Shi-dae, Kyungbuk Univ. student.

Kim Dong-ho, Kyungbuk Univ. student.

Choi Yong-shik, Kyungbuk Univ. student.

Choi Hyung-ho, member of Democratic Unification Party.

Yang Choon-seung, SNU student.

Kim Seung-nyung, Pusan University student.

Lee Sang-gyung, Pusan University student.

Chang Soo-won, Kyungbuk Univ. student.

Yu Huh-jung, Democratic Unification Party member.

Kim Hee-taik, Hankuk Theol Seminary student.

Lee Hee-suk, Pusan Univ. student.

Kang Choon-ku, Korea Univ. student.

Kwon Hyuk,choong.

Kim Hyung-il.

Shin Sang-hwan.

Kimhae Prison, 600–60/Kimhae Kun, Taeji Dong No. 779:

Chung Don-sang.

Ahn Byung-joon.

Masan Prison, 610/Masan City, Hui Sung Dong No. 345:

Chang Ki-pyo, SNU graduate.

Pu Yoon-gyung, SNU student.

Imprisoned through Military Trial:

Kang Bong-gi.

Choi Kap-sun.

Kim Chul-soo (Yang San).

Kim Jin-taik.

Chung Teung-ryong (Nam Han San Sung).

Yu Dong-yul (59 Hoosong Hospital).

Suh Suk-kook.

Hwang Kwang-oo (Yang San).

Park Jong-hoon.

Pai Ho-kyung.

Whereabouts Unknown:

Kim Jae-han.

Shin Sung-chul.

Kim Chul-hyun, student (foreign resident).

Kim Joo-sam.

Total: 350.

ADDITIONAL POLITICAL PRISONERS

Another source within the Republic of Korea supplied a second list of names of political prisoners which contained most of the names on the North American Coalition list plus the following additional names.

Park Young-chil, political party worker.

Park In-hae, woman university student.

Hahn Kyung-hee, woman university student.

Choi Hung-soon, woman university student.

Yei Gyung-dong, university student.

Kim Tai-hyun, university student.

Kom-Chun-youn, university student.

Kim Tai-kyung, university student.

Suh Dong-man, university student.

RELEASE OF PRISONERS AND THE TOTAL NUMBER OF POLITICAL PRISONERS

Twenty-one political prisoners were released during the month of May 1979, but since their names are not available yet it is not possible to confirm whether they are among the total of 359 arrived at by adding the two lists above together. If they are among those listed above the total is reduced to 338. It should be noted that those consulted have stressed the partial nature of these lists.

AMERICAN POLICY TOWARD NICARAGUA

Mr. KENNEDY. Mr. President, on June 18, I joined with Senators CHURCH, LUGAR, McGOVERN, and ZORINSKY in a letter asking President Carter to "openly advocate a policy which will make it abundantly clear to President Somoza that he must step aside and open the way for a political solution that will bring an end to the crisis and bloodshed."

We pointed out in our letter that "the major stumbling block to a solution to the Nicaraguan crisis is President Somoza himself," and that unless Somoza steps aside, the killing would continue and the foundation would be laid for an extremist political solution in Nicaragua.

I am glad that, 3 days later, Secretary of State Vance adopted our political recommendations in his statement to the Foreign Ministers of the Organization of American States. Secretary Vance stressed, and I fully concur, that any satisfactory solution "must begin with the replacement of the present government with a transitional government of national reconciliation, which would be a clear break with the past. It would consist of individuals who enjoy the support and confidence of the widest possible spectrum of Nicaraguans. Such a government would bring about a cease fire and proceed to build the base for a free and representative political system—one which inspires the trust and confidence of the Nicaraguan people."

Beyond this, however, Secretary Vance advocated an OAS peacekeeping force "to help establish a climate of peace and security." I seriously question the wisdom of pursuing this proposal at this time. Our first order of business should be peaceful political change with the participation of the democratic opposition, not the military intervention which evokes memories of an unfortunate past in our relations with Latin America. I am concerned that the intervention of a peacekeeping force at this time could be used to restore the status quo in Nicaragua. We should not impose "Somoza-ism" on Nicaragua; that is, a reactionary government without Somoza and opposed to the will of the Nicaraguan people.

If there is ever to be a peacekeeping force in Nicaragua, it must only come with the full consent of the Nicaraguan people and the agreement of a majority of the OAS.

Mr. President, last February 9, I joined with Senators CRANSTON, HATFIELD, JAVITS, and SARBANES in a letter to President Carter which advocated that we recall our Ambassador, refuse all except humanitarian loans, and either reduce or suspend import quotas (such as meat and sugar) for Nicaragua "if the Somoza government persists in rejecting reasonable proposals for the future peace and well-being of that troubled nation."

That was last February, Mr. President. Now, in June, we see the tragic consequences of the failure to press hard enough, early enough for peaceful change in a country which has the United States to thank for its existing political, military and economic order. Let us not forget that it was the United States which installed the Somozas in power and then gave their National Guard the arms and the training to repress the Nicaraguan people. Now, the least we should do is totally dissociate ourselves and refuse to support, directly or indirectly, this terrible regime which massacres its own people—with American planes and guns and American bombs and bullets—in order to cling to power.

We should proceed with political and economic sanctions now, Mr. President, if Anastasio Somoza persists in refusing to step aside and persists in refusing to accept both a transitional government and free elections in his country. There can be no more equivocation. Nicaragua has suffered too much. The stakes are too high, not only in that country but throughout Central America. We must now clearly aline ourselves with peaceful change, not with violent repression.

I ask unanimous consent that the full texts of our letter to the President of February 9 and June 18 be printed at this point in the RECORD, along with the text of Secretary Vance's important June 21 statement to the OAS Foreign Ministers in Washington. I also submit for the RECORD the Nicaraguan section of the "Cartagena Declaration" of the Andean States—which have begun to play an important, and welcome role in pursuing political solution to the Nicaraguan crisis, and which give concrete evidence of the positive potential for multilateral action in this Hemisphere on Nicaragua.

Finally, I ask unanimous consent to have printed in the RECORD a very thoughtful editorial from the Boston Globe which makes clear the overriding importance of a peaceful, democratic solution to the crisis in Nicaragua.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEBRUARY 9, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We welcome and support your recent actions to dissociate the United States from the Somoza government in Nicaragua. They are a clear message that President Somoza can neither oppose democratic rule nor violate the citizens' human rights with impunity.

The Inter-American Commission on Human Rights and Amnesty International have clearly documented the continuing gross violations of human rights in Nicaragua. In addition, President Somoza has rejected thus far all reasonable efforts by international mediators to effect peaceful accommodation between his party and the democratic opposition.

We hope that President Somoza will reconsider his position in the near future. If he does not, we urge that you seriously consider further political and economic actions, including the following steps:

Enlisting other American states, through the OAS and otherwise, to remedy the situation in Nicaragua.

Recall of the U.S. Ambassador from Managua.

Opposition to all international loans to Nicaragua, except those for humanitarian purposes.

Refusal of CCC and EXIM credits to Nicaragua.

Reduction and possible suspension of import quotas (such as meat and sugar) for Nicaragua.

We recognize you have already taken a number of positive steps: termination of all military ties, following Congressional initiative; no further economic assistance; reduction in Embassy and AID personnel; and withdrawal of all Peace Corps volunteers. We very much hope these measures by themselves will be sufficient to persuade President Somoza to restore freedom and democracy to the citizens of Nicaragua. But we also believe that the United States should be prepared to take these additional measures if the Somoza government persists in rejecting reasonable proposals for the future peace and well-being of that troubled nation.

Sincerely,

EDWARD M. KENNEDY,
ALAN CRANSTON,
MARK O. HATFIELD,
JACOB K. JAVITS,
PAUL S. SARBANES.

U.S. SENATE,
Washington, D.C., June 18, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We want to underscore our deep concern about the growing political and military crisis in Nicaragua. As you know, the situation there has worsened dramatically since the initial outbreak of violence in September of last year and the failed mediation effort in January of this year.

During that period, we recognize that the Administration did its utmost to develop a viable political solution to the Nicaraguan conflict. We also realize that following the demise of the mediation proposal, the Administration undertook a number of minor actions designed to evidence its disapproval of the Somoza government. However, despite these efforts and our good intentions, there has been little in the way of positive results.

At this point it is patently obvious that the major stumbling block to a solution in the Nicaraguan crisis is President Somoza himself. His determination to remain in power and to disregard the broad-based opposition to his regime serves only to polarize opposition forces and to lay the foundation for an extremist political solution. No other nation in the hemisphere, with the sole exception of Cuba, would welcome such an event.

In an effort to avoid this kind of development, we believe the time has come for the United States Government to declare in no uncertain terms that it views President Somoza as the principal impediment to a political settlement in Nicaragua and that it is our policy to support those nations seeking his removal from power and endeavoring to pave the way for a moderate political solution acceptable to the people of Nicaragua and to the democratic nations of this hemisphere. Indeed, to prolong the crisis at this juncture can only serve to reduce the chances for such a solution.

We hope that, without further delay, you and your Administration will openly advocate a policy which will make it abundantly clear to President Somoza that he must step aside and open the way for a political settlement that will bring an end to the crisis and bloodshed.

RICHARD G. LUGAR,
Ranking Member.
EDWARD ZORINSKY,
Chairman, Subcommittee on Western Hemisphere Affairs.
GEORGE MCGOVERN,
U.S. Senator.
FRANK CHURCH,
Chairman, Senate Committee on Foreign Relations.
EDWARD KENNEDY,
U.S. Senator.

STATEMENT BY THE U.S. REPRESENTATIVE, RECONVENED 17TH MEETING OF FOREIGN MINISTERS, JUNE 21, 1979

Mr. Chairman, let me first express deep admiration for your untiring efforts last autumn to develop the basis for a solution to the problems we confront in Central America. All the members of this organization owe you their gratitude.

Unfortunately, despite these determined efforts, we are faced with the inescapable fact that the situation in Nicaragua continues to deteriorate and at an accelerating pace.

The conflict in that country is becoming a war of national destruction.

The Organization of American States has, over the past nine months, made a concerted effort to help resolve the crisis in Nicaragua peacefully. Last September, this Meeting of Consultation urged all the governments directly concerned to refrain from any action that might aggravate the situation, urged Member States to give humanitarian assistance, and set the stage for a three country mission to help the Nicaraguans find a peaceful and democratic solution.

In December, the Permanent Council of this Organization met at the request of the Government of Costa Rica, reaffirmed the prohibition against the threat or use of force in international relations, cautioned the governments concerned to refrain from any action that would aggravate an already tense situation, and urged the speedy appointment of a Committee of Civilian Observers for the Costa Rican-Nicaraguan border.

Yet, despite these efforts, the situation today is far graver than it was nine months ago.

It is, first and foremost, a mounting human tragedy. The fighting in Nicaragua and on its border is now incessant, limited only by the means of destruction available to the combatants. Thousands are dying. The economy of the country is in shambles. The dimensions of the human suffering grow each day.

Humanitarian assistance is virtually impossible in the midst of an all-out war.

The persistent and widespread pattern of serious human rights abuses by the government, reported in November by the Inter-American Human Rights Commission, has become even worse. Thousands of Nicaraguans have been the victims of these wholesale abuses. This terror was brought home vividly to the American people yesterday with the cold-blooded murder by a National Guardsman of an American newsman who was simply carrying out his journalistic mission.

Foreign support for both sides has steadily increased. There is mounting evidence of involvement by Cuba and others in the internal problems of Nicaragua. This involvement may transform these internal problems into international and ideological issues, making it increasingly difficult to arrive at a peaceful solution.

The Civilian Observer Mission, which for a time was able to perform effectively, is now unable to function.

The conciliatory effort, in which my government participated, was not successful. More recently, an initiative was taken outside of the OAS, by five of our most prestigious member states—the members of the Andean Pact. Their action reflects the steadily growing concern in the Hemisphere over what is no longer merely a Central American problem. Unfortunately, despite the efforts of the Andean group, the death and destruction continue.

Mr. Chairman, the efforts of individual nations, and groups of nations, have not succeeded. We believe that the time has come to bring the full strength of our hemispheric organization to bear directly on the root cause of the crisis in Central America. We must now act, in unison, as a united hemisphere.

The heart of the problem in Nicaragua is the breakdown of trust between government and people. Any effort to deal with this crisis which ignores the breakdown of the internal political process will fail. We must, then, seek a political solution which will take into account the interests of all significant groups in Nicaragua.

Such a solution must begin with the replacement of the present government with a transitional government of a national reconciliation, which would be a clear break with the past. It would consist of individuals who enjoy the support and confidence of the widest possible spectrum of Nicaraguans. Such a government would bring about a ceasefire and proceed to build the base for a free and representative political system—one which inspires the trust and confidence of the Nicaraguan people.

We must call upon all Nicaraguan leaders to recognize this avenue to a lasting peace, and to take the steps necessary to carry it out.

We are fully conscious, Mr. Chairman, of the difficulty of accomplishing these steps in the present circumstances in Nicaragua. It is clear that the people of this devastated country will require all of the assistance which this Organization can place at their disposal.

It is essential that this meeting immediately send a special delegation to Nicaragua, charged with seeking a solution that takes into account the legitimate interests of all elements of Nicaraguan society. The efforts of the delegation would be directed toward facilitating the formation by the Nicaraguans of a transitional government of national reconciliation leading to free elections in which the will of the Nicaraguan people can be freely expressed. The purpose is to restore peace and to help to create an environment in which humanitarian assistance can be effectively given and in which national reconstruction can begin.

For such a delegation to be able to function effectively and for the many elements of Nicaraguan society to come together in a climate of reconciliation, there must be an end to the fighting.

Thus, we propose that this meeting insist on a ceasefire within Nicaragua and on its borders and a halt to all shipments of arms and ammunition into Nicaragua. In the past, this Organization has called upon interested governments to refrain from such actions. But the present situation requires a firmer stance. The flow of arms must halt and those who supply such arms must be put on notice that this violates the will of the Hemisphere.

The formation of a government of national reconciliation, a halt in the flow of arms, and an effective ceasefire are the initial elements of a solution. Once these elements were in place, however, the task of our Inter-American system would not be done.

A new government acceptable to all major sectors of the society would constitute a transitional solution that all OAS countries can support. Such a government must have at its disposal appropriate elements from OAS countries, acting within the Inter-American system, to assist it to establish its authority and preserve the peace; build a fair and open political process; and undertake the enormous task of economic reconstruction. We must not leave a vacuum or fail to respond to the needs of the Nicaraguan people for a new beginning and reconstruction.

All of the member nations of this Organization must consider on an urgent basis the need for a peacekeeping force, to help restore order and to permit the will of Nicaraguan citizens to be implemented in the establishment of a democratic and represenative government.

There will also be a particular need for sizeable outside resources—money, supplies, and technical assistance—to begin the work of reconstruction. We believe this meeting should call for the establishment of a program of humanitarian relief for the people of Nicaragua under the supervision of the General Secretariat of the OAS, and call upon all Member States to contribute generously to that effort. I can assure you that my Government is prepared to do so.

These then, Mr. Chairman, are the elements the United States sees as essential to an enduring solution to the crisis that has brought us here today:

Formation of an interim government of national reconciliation acceptable to all major elements of the society;

The dispatch by this meeting of a special delegation to Nicaragua;

A cessation of arms shipments;

A ceasefire;

An OAS peacekeeping presence to help establish a climate of peace and security and to assist the interim government in establishing its authority and beginning the task of reconstruction;

And a major international relief and reconstruction effort.

This is a formidable challenge to the Organization which the peoples of this Hemisphere have built. We must, and we can, rise to that challenge. Our objective could not be more important: the restoration of peace to a stricken land. May we approach it in the spirit of the prayer offered last Sunday by Pope John Paul II to:

"Enlighten the minds of those bearing responsibility for the atrocious conflict, reinforce the courage of those who, living amidst the difficulties and danger, have the duty to open the heart of all to hope, and grant to the whole people of Nicaragua better days in reestablished peace and brotherhood."

EXCERPTS FROM THE "CARTAGENA DECLARATION"

The Heads of State of Bolivia, Colombia, Ecuador, Peru and Venezuela consider, with the spirit of authentic and effective solidarity that has underpinned the deliberations held on the opportunity of our meeting in commemoration of the X anniversary of the creation of the Cartagena Agreement, and within the scope of idealogical pluralism that the destiny of the other countries is not alien to our own countries.

In that light, and after having gone through analysis of the situation that currently affects Nicaraugua, without any intention of interfering in the internal affairs of this sister country, we deem necessary to express the following positions:

International solidarity and the justified worry about the dramatic reality of Nicaragua makes us express our deepest preocupation as the political situation that exists in this country may convey a menace to America's peace; because of that we express our strong desire that the systematic violations of human rights cease forthwith and the bases of an authentic representative democracy be laid in Nicaragua.

With due respect towards the reasons considered by the States that have interrupted their diplomatic relations with Nicaragua, we declare that those that are still maintained by our countries with its Government, inspired in humanitarian reasons, neither establish a judgment or a presumption in regards to the legitimicy of such Government.

At the same time, taking into consideration that it is not possible to have an attitude of indifference regarding the loss of hundreds of innocent lives in Nicaragua, we formulate a calling to the democratic conscience of the American countries in order to adopt immediate collective measures that, within the existing multilateral mechanism, do offer an adequate and urgent solution to the pressing problems that are being suffered by the Nicaraguan people.

With this objective, we declare ourselves to be in permanent consultations in order to jointly foment the actions that may be needed to assure the effectivity of the measures that shall prevent the rupture of peace in the region, shall end the bloodletting in Nicaragua, and shall assure respect and complete observance of human rights in that country.

Signed in Cartagena, on the twenty and eight day of may in the year of nineteen hundred and seventy nine.

DAVID PADILLA ARANCIBA,
President of Bolivia.
JULIO CÉSAR URBAY ATALA,
Presidente of Colombia.
ALFREDO POVEDA BURBANO,
Presidente of the Supreme Council of Ecuador.
FRANCISCO MORALES BERMUDEZ CERRUTTI,
President of Venezuela.
LUIS HERRERA CAMPINS,
President of Venezuela.

ONLOOKERS: CAUTION ON NICARAGUA

The United States could not have signaled its break with the tyrannical Nicaraguan government of Anastasio Somoza more dramatically than it did Thursday with Secretary of State Vance's blunt call for Somoza's ouster and his suggestion that a peacekeeping force be created by the Organization of American States to accelerate the transition to a new, representative government there. And there can be no question about the correctness of the ultimate solution to the Nicaraguan tragedy which Vance outlined.

But his proposal for a "peacekeeping force," while apparently kept deliberately vague, is troubling. It must be emphasized that, unlike our intervention in the Dominican Republic in 1965, the Carter Administration has not suggested that we go in and attempt to persuade Latin American countries to legitimize the operation by joining us later. Instead, Vance broached the subject of military intervention with the OAS first, apparently hoping that Latin American nations will give a more definite shape to the plan.

Yet Latin American distrust of U.S. military intervention is long-standing and deep-seated. And the recent Carter Administration emphasis on the Cuban involvement with the Sandinista rebels has seemed to color its motivation, suggesting that it is as much concerned with what will replace Somoza as it is with ousting Somoza himself. The cool reception the Vance proposal received at the OAS is ample evidence of the lingering suspicion of American intervention.

There are other means by which the United States can make manifestly clear its revulsion with Somoza—a break in diplomatic relations, a move beyond the current ban on economic and military aid to active opposition toward all nonhumanitarian aid, prohibitions on private U.S. trade with and economic assistance to the current regime and sharp reductions in U.S. receipt of Nicaraguan exports.

The opposition to Somoza is incredibly widespread, including not only leftist elements but most of the mainstream society. In fact, only the national guard seems to support him. The brutal killing of ABC newsman Bill Stewart dramatized to millions of Americans the brutal warfare Somoza has for months been waging against his own countrymen.

So the U.S. effort must focus on nonviolent means of getting Somoza out, not worrying excessively about what might replace him. Talk of early intervention raises the fear inside and outside Nicaragua about our motives. A peacekeeping force of whatever composition should be sent only when and if it is requested by the opposition to Somoza, and we should allow the Nicaraguans to define the limits of U.S. participation. That call has not yet come.

The United States was responsible for the ascendancy of the Somoza dynasty 45 years ago. The time has come, as Secretary Vance declared Thursday, for "a clear break with the past." That break will be the clearest if the U.S. role in actively shaping the future in Nicaragua is delicately crafted.

INTERIOR SOLICITOR'S RESERVED WATER RIGHTS OPINION

Mr. WALLOP. Mr. President, today the Solicitor of the Department of the Interior issued an opinion which defines the nature and extent of reserved and appropriative water rights of Interior agencies. The opinion was issued in response to the President's water policy message of June 6, 1978, which called on Federal agencies to identify and quantify Federal reserved water rights.

I urgently call this opinion to the attention of my colleagues. Contrary to the President's assertion that the definition of the Federal reserved right would be "narrow and conservative," the Solicitor's opinion adopts a full and expansive view of the parameter of the rights.

Though both the President and the Secretary have pledged to work closely with the States, the opinion goes beyond reserved rights, and in the face of explicit congressional and judicial findings to the contrary, claims Federal appropriative water rights without regard to the substance of State water laws and in compliance wih State procedures as a matter only of comity.

Mr. President, the Solicitor's opinion will be used by Interior agencies as the letter of the law for the water rights inventories that the President's water policy directs them to pursue.

As to reserved rights it will cause Interior agencies to identify and attempt to establish wide categories of Federal reserved rights. I ask my colleagues to consider if this may not be an appropriate time for Congress to once again consider the necessity of recognizing and limiting the Federal reserved right, and providing compensation to those who are injured through its exercise.

In situations where water has not been reserved for a specific purpose, the opinion encourages Interior agencies to exercise authority to appropriate water for their every need, without regard to the substance of State water laws and State constitutional provisions, without regard to congressional assurances on the maintenance of State water laws, without regard to the Supreme Court's clear statement that the Federal Government must "acquire water in the same manner as any other public or private appropriator", and with regard to State procedures only because they "may be required."

Mr. President, this is the real mischief of this opinion. I have no doubt that given the opportunity the courts will disagree with the Solicitor in his strained interpretation of over 100 years of public land law. Yet until the courts act, the Federal Government directly and the States and public indirectly, are saddled with this costly misinterpretation. I, therefore, intend to introduce legislation without delay to clarify what appropriative rights the United States may have in unappropriated waters for public lands management purposes.

Mr. President, the need for our consideration of reserved rights legislation and our swift adoption of legislation clarifying the basis of Federal appropriative rights is apparent to me, but perhaps I should provide some background for my colleagues.

The administration's announcement of policy regarding Federal reserved water rights on June 6, 1978, was a positive first step in resolving what has been and is a lingering uncertainty in Western water resources management.

Both the Public Lands Law Review Commission in 1970 and the National Water Commission in 1973 adopted the view that Federal reserved water rights should be identified and quantified without delay.

President Carter realized that the quantity and priority of Federal reserved water rights are important to others who are now using water under vested rights recognized by State law. That they are important is an understatement.

The Federal reserved water rights is an implied reservation of water made by Congress or the Executive at the time public lands were reserved or withdrawn for a specific purpose. The quantity of water reserved is that amount necessary to accomplish the purposes for which the lands were withdrawn. The problem is that neither Congress nor the Executive explicitly reserved water when they withdrew or reserved the public land.

Water users who fully expected that their rights to the use of water were vested in priority, may now be told that they must stand in line behind the Federal Government and use whatever water may be left over. Not until 1963 when the U.S. Supreme Court decreed that reserve Federal reserved water rights may exist for reservations and withdrawals have had any notice of Federal reserved rights.

For my colleagues who are familiar with western water issues I would like to draw a rough analogy to show you the significance of this doctrine and, therefore, the significance of this opinion. Rights to the use of water in the West are a little like rights in real property. The analogy becomes less rough when we consider that in much of the West, land receives the bulk if its value only through the application of it to water.

Our ownership of land may seem absolute, but it is usually subject to a mortgage and other liens, and our use of the land may be subject to zoning and a host of other State, Federal, and local laws on one subject or another. But the important thing is that when we buy land, and when we make decisions on our investments on it, we do so only after searching the title to insure that we know of all liens against it, and after searching the law to see what we can and cannot do with the land.

The same is true of water in States which utilize the appropriation doctrine. Your water rights are specific and they are filed with the State so that others who would use water have notice of them. Your rights are subject to senior appropriators. State laws provide notice of how and when your rights may be exercised. Certainty is provided upon which economic judgments may be made.

But the reserved right is a quirk in the system. It is a right which the Federal Government retained without bothering to tell anyone up to 100 years later, when the Federal courts yelled "surprise." Private water rights immediately became junior in priority to the Federal Government's reserved right. If there is not enough water to go around, and in much of the West there is not, then the fact that your right is junior may mean that for all practical purposes it does not exist at all.

Now you may say it does not matter. Land or water, if it is necessary to a Federal constituted purpose, may be purchased or condemned. So why all the fuss?

The fuss is because the Federal Government, when it invokes the reserved rights doctrine, does not pay a nickel for purchase or condemnation. It is in effect saying that it need not condemn your property because its rights to the property are superior to yours. You are without recourse.

This is a rough analogy, but it points to why so many commissions, so many commentators, and the President all felt it important to move to quantify Federal reserved water rights.

Mr. President, as I have indicated, I believe the Solicitor's statement of the Federal reserved right is not the "narrow and conservative" statement which was promised. It extends to the limit the judicially discovered doctrine as it relates to virtually every withdrawal and reservation. Though this concerns me, and I disagree on many points, it is fairly consistent with the expansive Federal view which has been espoused for the last few years. I, therefore, call my colleagues' attention to only one point.

In dealing with the withdrawal of springs and water holes on public lands under the act of December 29, 1916, and the Executive order of April 17, 1926, the Solicitor considers whether springs resulting in flows which are tributary to a watercourse are in fact reserved. Disregarding the only authority on the issue, the Solicitor seems to have opined that all water of springs arising on affected Federal lands, whether or not the springs form a tributary, are, in fact, reserved.

However, the real mischief of this opinion is not in expanding the reservation doctrine; it is its attempt to establish a "Federal appropriations doctrine" apart from the Federal reservation doctrine and apart from the State water law upon which Congress has explicitly relied.

Federal policy has consistently maintained that the appropriations of water should be pursuant to State law. The constitutions of several Western States accepted by the Federal Government as a condition of statehood contain provisions to that effect.

The constitution of the State of Wyoming, article 8, section 1, states:

> The water of all natural streams, springs, lakes or other collections of still water with-

> in the boundaries of the state, are hereby declared to be the property of the states.

The constitution of the State of Colorado, article XVI, section 5 declares:

> The water of every natural stream, not heretofore appropriated, within the State of Colorado, is hereby declared to be the property of the public, and the same is dedicated to the use of the people of the State, subject to appropriation as hereinafter provided.

It is true that as a condition of statehood, many Western States agreed to forever disclaim all rights and title to the unappropriated public lands within their boundaries. However, by that time Congress had already established that the waters of natural streams do not constitute a part of the land. If that had not been the case, the constitutions of several States could not have been accepted.

Congress in the acts of 1866, 1870, and 1877 consistently declared that the water on public lands would be open to use and that rights to such use would be controlled by the laws and customs of the States and territories. The Solicitor now contends that these provisions applied to individuals on the public lands, but not to the Federal Government itself.

However, language in two more recent acts, the Wilderness Act of 1964, and the Wild and Scenic Rivers Act of 1976, is even more explicit, providing:

> Nothing in this chapter shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from state water laws.

These are interpreted by the Solicitor as standing only for the proposition that the status quo of Federal-State relations in water law was to be maintained.

A similar provision in the Federal Land Policy and Management Act states:

> Nothing in this Act shall be construed . . . (2) as expanding or diminishing federal or state jurisdiction, responsibility, interests, or rights in water resources development or control. . . .

Mr. President, the Solicitor now contends that the status quo is in fact the right of the Federal Government to appropriate water for congressionally recognized purposes without regard to the substance of State water laws controlling appropriation, and with only polite deference to State procedural laws. Vague congressional authorizations such as managing lands for "multiple use" are now seen by the Solicitor as granting appropriations authority, independent of State water law, and notwithstanding provisions, expressly adopted by Congress, that State law should not be diminished and that the Federal Government should be subject to State water laws.

Less than 1 year ago, the U.S. Supreme Court in United States against New Mexico narrowly construed the purposes for which reserved rights may be claimed. As part of their reasoning in that decision the court stated:

> Where water is necessary to fulfill the very purposes for which a federal reservation was created, it is reasonable to conclude, even in the face of Congress' express deference to state water law in other areas, that the United States intended to reserve the necessary water. Where water is only valuable for a secondary use of the reservation, however, there arises the contrary inference that Congress intended, consistent with its other views, that the United States would acquire water in the same manner as any other public or private appropriator.

The Solicitor is of the opinion that this language is only incidental to the Court's decision and is not to be relied upon. He also believes that the language is inconsistent with the holding in the pupfish case, Cappaert against United States, which held that Federal water rights are not dependent upon State law or procedures. But the Solicitor ignores the fact that the pupfish case dealt directly with Federal reserved rights, and not all other rights which must be acquired through appropriations pursuant to State law. The Court in United States against New Mexico specifically considered these "other" Federal rights and came to a conclusion opposite that of the Solicitor.

I ask my colleagues to study this opinion carefully, and to join me in nipping in the bud what appears to be the creation of a new doctrine of "Federal appropriation" of water.

To my friends in the administration, who have worked so long and hard on developing portions of a water policy it must appear that I am wholly unappreciative. That is not the case. I recognize that this Solicitor's opinion is a unique attempt to restate the Federal reserved water right and authorities of the Federal Government to otherwise appropriate water. It is long overdue.

I applaud the effort, but take serious exception to the finding. Mr. President, much of the confusion surrounding the reservation doctrine and Federal policy relating to water resources is directly traced to congressional inaction. I hope that this Solicitor's opinion will serve as a catalyst to prod Congress into clarifying the apparently jumbled state of the applicable law which supported, though tenuously, some of the opinions expressed by the Solicitor.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Pursuant to the authority of the order of June 21, 1979, the Secretary of the Senate, on June 22, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received during the recess are printed at the end of today's proceedings of the Senate.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVAL

A message from the President of the United States stated that on June 22, 1979, he had approved and signed the following act:

S. 869. An act to amend section 207 of title 18, United States Code.

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED BILL SIGNED

Pursuant to the authority of the order of June 21, 1979, the Secretary of the Senate, on June 22, 1979, received a message from the House of Representatives which announced that the Speaker has signed the following enrolled bill:

S. 429. An act to authorize supplemental appropriations for fiscal year 1979 for procurement of aircraft, missiles, and naval vessels and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on June 22, 1979, he presented to the President of the United States the following enrolled bill:

S. 429. An act to authorize supplemental appropriations for fiscal year 1979 for procurement of aircraft, missiles, and naval vessels and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1647. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the first annual report of the Urban Development Action Grant Program; to the Committee on Banking, Housing, and Urban Affairs.

EC-1648. A communication from the Chairman, Advisory Council on Historic Preservation, transmitting, pursuant to law, a report entitled "Assessing the Energy Conservation Benefits of Historic Preservation: Methods and Examples"; to the Committee on Energy and Natural Resources.

EC-1649. A communication from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Grain and Feed, transmitting, pursuant to law, the Committee's report on Multilateral Trade Negotiations agreements initialed in Geneva, April 12, 1979; to the Committee on Finance.

EC-1650. A communication from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Tobacco, transmitting, pursuant to law, the Committee's report on the Multilateral Trade Negotiations agreements initialed in Geneva, April 12, 1979; to the Committee on Finance.

EC-1651. A communication from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Cotton, transmitting, pursuant to law, the Committee's report on the Multilateral Trade Negotiations agreements initialed in Geneva, April 12, 1979; to the Committee on Finance.

EC-1652. A communication from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting, pursuant to law, the committee's report on the Multilateral Trade Negotiations Agreements initialed in Geneva, April 12, 1979; to the Committee on Finance.

EC-1653. A communication from the Secretary of State, transmitting, pursuant to law, final rule on compulsory liability insurance for diplomatic missions and personnel; to the Committee on Foreign Relations.

EC-1654. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-1655. A communication from the Assistant Secretary (Legislative Affairs), Department of State, transmitting, pursuant to law, reports prepared by the International Bank for Reconstruction and Development (IBRD) and the Asian Development Bank; to the Committee on Foreign Relations.

EC-1656. A communication from the Freedom of Information Act Privacy Act Officer, Small Business Administration, reporting, pursuant to law, on a proposed addition to a system of records; to the Committee on Governmental Affairs.

EC-1657. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "'Grant Auditing: A Maze of Inconsistency, Gaps, and Duplication That Needs Overhauling," June 15, 1979; to the Committee on Governmental Affairs.

EC-1658. A communication from the Chairman, Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1659. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-55, "Advisory Neighborhood Commissioners' Term of Office Act of 1979," and report, adopted on June 18, 1979; to the Committee on Governmental Affairs.

EC-1660. A communication from the Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "The Condition of Education," prepared by the National Center for Education Statistics (NCES); to the Committee on Labor and Human Resources.

EC-1661. A communication from the Secretary of Labor, reporting, pursuant to law, the status of consideration regarding title IV-A (Youth Employment Demonstration Programs) and title VII (Private Sector Opportunities for the Economically disadvantaged) of the Comprehensive Employment and Training Act (CETA); to the Committee on Labor and Human Resources.

EC-1662. A communication from the Chairmen, National Endowment for the Arts and the Humanities, transmitting a draft of proposed legislation to amend the National Foundation on the Arts and the Humanities Act of 1965, as amended; to the Committee on Labor and Human Resources.

PETITIONS

The **PRESIDING OFFICER** laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-311. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION NO. 37

"Whereas, Widespread cynicism exists in the minds of many residents of this state, and of other citizens throughout the United States, concerning the role of the major oil companies in the current shortage of gasoline and the nature of the shortage as real or artificial; and

"Whereas, In the absence of reliable evidence to the contrary, the idea persists that the crisis of rapidly rising prices and falling levels of inventory may have been manipulated for commercial reasons; and

"Whereas, Information on levels of gasoline stocks is primarily held by the individual oil companies and the American Oil Institute; and

"Whereas, The United States Department of Energy is directed by law to gather comprehensive information on energy and make that information available to the public in a form and manner easily adaptable for public use; and

"Whereas, The department is, at the same time, prohibited by law from divulging any proprietary information received from the oil companies; and

"Whereas, The importance of regarding levels of inventory as proprietary information in order to protect competitive relationships among the oil companies is greatly diminished in the noncompetitive market which has resulted from the general shortage of gasoline; and

"Whereas, The American people have an overriding need to have accurate information on whether stocks of gasoline are adequate for the nation's economic and social life in the immediate future, as well as in the longer term; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the legislature hereby memorializes the Congress of the United States:

"1. To remove or curtail the provisions of law allowing oil companies to withhold, as a proprietary privilege, information on their respective inventories of petroleum fuels; and

"2. To provide by law for a full independent examination of the inventories so that timely and reliable reports on their levels may be disseminated to the public to aid the public's understanding of the supply and pricing of petroleum fuels; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-312. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION NO. 27

"Whereas, Each human life is precious and irreplaceable and entitled to the full protection of the law; and

"Whereas, It is appropriate that the Constitution of the United States of America guarantee that each human being has a right to life which must remain inviolate; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That this legislature requests the Congress of the United States to call a convention limited to proposing an amendment to the Constitution of the United States to protect human life by restricting abortion; and be it further

"*Resolved,* That this legislature suggests to the convention so to be called that the proposed amendment should allow abortion in cases where the pregnancy results from rape or incest and in cases where continuation of the pregnancy would seriously endanger the life of the mother; and be it further

"*Resolved,* That this legislature conditions this request upon the Congress of the United States' establishing appropriate restrictions limiting the subject matter of a convention called pursuant to this resolution to the restriction of abortion, and if the Congress fails so to limit the subject matter, this resolution has no effect and must be considered a nullity; and be it further

"*Resolved,* That a copy of this resolution be immediately transmitted by the legislative counsel to the Vice President of the United States as President of the Senate, to the Speaker of the House of Representatives, to each member of the Nevada congressional delegation and to the presiding officer of each house of the legislatures of the several states; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-313. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Governmental Affairs:

"ASSEMBLY JOINT RESOLUTION NO. 34

"Whereas, The Federal Government, by actions of both the legislative and executive braches, requires the states to put new programs into effect and to provide increased levels of service under existing programs; and

"Whereas, In doing so, the states incur substantial costs which must be paid for out of current state revenues or by the imposition of additional taxes; and

"Whereas, There exists throughout the United States a growing resentment against the heavy burden of taxation and an active rejection of existing and proposed levels and methods of raising revenue; and

"Whereas, Public pressure for tax reduction makes it increasingly difficult for the states to raise the revenues which are necessary to finance the programs mandated by the Federal Government; and

"Whereas, As a matter of equity, a government which establishes programs and requires increased services in the public interest should provide the means for financing those program and services; now, therefore be it

"*Resolved by the Assembly and Senate of the State of Nevada, Jointly,* That the President and the Congress of the United States are hereby respectfully requested to undertake all appropriate action to:

"1. Make optional with each state the administration by it of all new as well as existing federal porgrams; and

"2. Ensure that the Federal Government reimburses a state for all costs incurred by it in administering any new federal programs or in providing increased levels of service under existing programs pursuant to any law enacted by Congres after January 1, 1980, or any Executive order or regulation issued by the President of the United States after January 1, 1980; and be it further

"*Resolved,* That copies of this resolution be transmitted forthwith by the legislative counsel to the President of the United States, to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to each member of Nevada's congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-314. A joint resolution adopted by the Legislature of the State of Nevada; to the Commitee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION No. 29

"Whereas, The Wild Free-roaming Horses and Burros Act of 1971, 16 U.S.C. § § 1331 et seq., protects wild horses and burros from destruction, capture or sale by any person or government entity except when authorized by the Secretary of the Interior or the Secretary of Agriculture in connection with public lands administered by the Bureau of Land Management and the Forest Service; and

"Whereas, The Wild Free-roaming Horses and Burros Act has been overly successful and has allowed once-threatened populations of wild horses and burros in Nevada to increase to the extent that approximately 40,000 wild horses and 1,500 wild burros currently inhabit public lands in this state; and

"Whereas, The populations of wild horses and borros are increasing at an annual rate between 20 and 25 percent and will, absent stronger measures to control their numbers, double in the next 5 years; and

"Whereas, The Wild Free-roaming Horses and Burros Act requires the Secretary of the Interior and the Secretary of Agriculture to manage the wild horse and burro populations in a manner that protects the natural ecological balance of all species of wildlife inhabiting the public lands; and

"Whereas, Wild horses and burros are already so numerous that they are destroying the habitat used by other species of wildlife; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the legislature of the State of Nevada strongly urges the Congress of the United States to enact legislation which:

"1 Requires the Secretary of the Interior and the Secretary of Agriculture to control strictly the populations of wild horses and burros on public lands; and

"2. Authorizes additional or more effective methods for the capture, sale, donation, transfer or other removal of horses and burros from public lands in Nevada;

and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President of the United States, the Vice President of the United States, as presiding officer of the Senate, the Speaker of the House of Representatives, the Secretary of the Interior, the Secretary of Agriculture, the director of the Bureau of Land Management and each member of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-315. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary:

"ASSEMBLY JOINT RESOLUTION No. 27

"Whereas, The first amendment of the Constitution of the United States prohibits Congress from making any law respecting an establishment of religion; and

"Whereas, The Supreme Court of the United States has held that the 14th amendment extended the prohibition to actions by the states; and

"Whereas, The Supreme Court has interpreted the establishment clause as prohibiting a state from prescribing by law any form of prayer to be used as part of a religious program carried on by government, and has applied the rule to certain prayers conducted in public schools; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly* That this legislature respectfully urges Congress to propose a constitutional amendment authorizing the several states to enact legislation permitting voluntary, nondenominational prayer in their public schools; and be it further

"*Resolved,* That a copy of this resolution be immediately transmitted by the legislative counsel to the President of the Senate and the Speaker of the House of Representatives of the United States and to each member of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-316. A joint resolution adopted by the Legislature of the State of Iowa; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 1

"Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is one of the greatest threats which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under Article five (V) of the Constitution of the United States, amendments to the federal Constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by three-fourths of the several states, and we believe such action is vital; now therefore,

"Be it resolved by the General Assembly of the State of Iowa:

"Section 1. The Iowa general assembly proposes to the congress of the United States that procedures be instituted in the congress to propose and submit to the several states before July 1, 1980, an amendment to the Constitution of the United States requiring that the federal budget be balanced in the absence of a national emergency.

"Sec. 2. Alternatively, effective July 1, 1980. if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution, the Iowa general assembly respectfully makes application to and petitions the congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

"Sec. 3. Effective July 1, 1980, this application by the Iowa general assembly constitutes a continuing application in accordance with Article five (V) of the Constitution of the United States until the legislatures of at least two-thirds of the several states have made similar applications pursuant to Article five (V), but if the congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution, or if before July 1, 1980, the general assembly repeals this application to call a constitutional convention, then this application and petition for a constitutional convention shall no longer be of any force or effect.

"Sec. 4. This application and petition shall be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

"Sec. 5. The Iowa general assembly also proposes that the legislatures of each of the several states comprising the United States apply to the congress requesting the enactment of an appropriate amendment to the federal Constitution, or requiring the congress to call a constitutional convention for proposing such an amendment to the federal Constitution if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution before July 1, 1980.

"Sec. 6. The secretary of state of Iowa is directed to send copies of this resolution to the secretary of state and presiding officers of both houses of the legislatures of each of the several states in the union, the speaker and the clerk of the United States house of representatives, the president and the secretary of the United States senate, and each member of the Iowa congressional delegation."

POM-317. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"*Whereas,* the fifth article of the amendments to the constitution of the United States provides for a grand jury to protect persons from unwarranted prosecutions; and

"*Whereas,* the grand jury is entrusted with the authority and responsibility to indict only upon probably cause; and

"*Whereas,* a potential exists for the abuse or misuse of the grand jury by government officials or agencies; and

"*Whereas,* such abuse or misuse may result in the harassment and intimidation of persons entitled to the protection of the grand jury and subsequent unwarranted indictments and prosecution; now therefore be it

"*Resolved,* that the Massachusetts House of Representatives respectfully requests the President of the United States and the Congress to support, enact and approve legislation designed to ensure the integrity of the grand jury system; and be it further

"*Resolved,* that copies of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of the Congress, and to the Members thereof from this Commonwealth."

POM-318. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on Appropriations:

"HOUSE JOINT RESOLUTION No. 292

"Whereas, the Constitution of the United States has been interpretated to preclude local taxation of federal installations; and

"Whereas, local school systems serving the employees of federal installations and their families are thereby deprived of a major revenue source; and

"Whereas, the adverse impact of this tax exemption appropriately has been reduced during the past twenty-eight (28) years by the provision of federal funds for federally impacted schools otherwise known as "874" funds; and

"Whereas, these federal funds which assist school districts serving twenty-three (23) million students—many of them young Tennesseans—have been threatened by dramatic funding cutbacks in President Carter's proposed FY 1980 Education Appropriation, including a more than eleven (11) million reduction in funding for "B" and "Hold Harmless" payments to Tennessee School Districts; and

"Whereas, a concerted effort is needed in order to persuade the United States Congress to reinstate this funding which is so vitally needed by many Tennessee School Districts and which, if eliminated, will result in reduced educational services or higher local taxes; now, therefore,

"Be it resolved by the House of Representatives of the Ninety-First General Assembly of the State of Tennessee, the Senate concurring, That this Body does wholeheartedly endorse the continuation of federal funding for federally impacted schools including "B" and "Hold Harmless" funds.

"Be it further resolved, That United States Senators and members of the United States House of Representatives are hereby encouraged to fully reinstate funding for this most necessary program.

"Be it further resolved, That copies of this Resolution be sent to the Speaker of the United States House of Representatives, the President of the Senate and each member of the Tennessee delegation to the United States Congress."

POM-319. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on Energy and Natural Resources:

"House Joint Resolution No. 348

"Whereas, local governments are heavily dependent upon real and personal property taxation as a source of revenue to provide the services required by their citizens; and

"Whereas, the real and personal property tax base is drastically reduced in many local jurisdictions by the presence of substantial amounts of non-taxed federally-owned real and personal property; and

"Whereas, the exemption of such federally-owned property directly increases the burden of taxation on the remainder of local property owners; and

'Whereas, the Advisory Commission on Intergovernmental Relations has identified payments in lieu of taxes as one of the major needs of local governments throughout the country, and is presently conducting a study of the overall impact of the federal presence on local government taxation; and

"Whereas, Congress has provided for a limited program of payments in lieu of taxes for local governments by the adoption of Public Law 94–565 (found at 31 U.S.C.A. Section 1601–07), which concerns "Entitlement Lands" only, such as the U.S. parks, U.S. forest, water resources development land and dredge disposal areas owned by the Corps of Engineers; now, therefore,

"Be it resolved by the House of Representatives of the Ninety-First General Assembly of the State of Tennessee, the Senate concurring, That the General Assembly of Tennessee hereby urges the Congress of the United States to adopt legislation authorizing and funding a method of payment in lieu of taxes for all federally-owned property within local governmental jurisdictions.

"Be it further resolved, That the clerk of the House is hereby instructed to transmit copies of this Resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and to the members of the Tennessee Delegation to the Congress of the United States in order that these persons may be apprised of the will of this elected Body."

POM-320. A resolution adopted by the Lions of New Jersey, Red Bank, New Jersey, supporting programs to meet the particular needs of the Vietnam veterans and their problems; to the Committee on Veterans' Affairs.

POM-321. A resolution adopted by the Meiners Oaks Sanitary District, Ojai, California, regarding construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

POM-322. A resolution adopted by the Board of Governors of the California Water Pollution Control Association, requesting the Environmental Protection Agency to review its announced policy which would deny construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Andrew A. DiPrete, of Rhode Island, to be a Member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1979; and

Andrew A. DiPrete, of Rhode Island, to be a Member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1983.

(The above nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HUMPHREY (for himself and Mr. Helms):

S. 1394. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Finance.

By Mr. BELLMON:

S. 1395. A bill to extend the Special Allocation of Middle Distillates for Agricultural Production beyond July 31, 1979; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself, Mr. Leahy, and Mr. Packwood):

S. 1396. A bill to modify and improve the financial incentives provided in part D of title IV of the Social Security Act with respect to State programs established under such part for the collection of support obligations assigned under part A of such title; to the Committee on Finance.

By Mr. HART (by request):

S. 1397. A bill to authorize the disposal of three materials from the national and supplemental stockpiles; to the Committee on Armed Services.

By Mr. METZENBAUM (for himself, Mr. Jackson, Mr. Hatfield, Mr. Weicker, Mr. Kennedy, Mr. Leahy, Mr. Bradley, and Mr. Tsongas):

S. 1398. A bill to establish energy efficiency standards for industrial equipment; to the Committee on Energy and Natural Resources.

By Mr. RIBICOFF (for himself, Mr. Nelson, Mr. Randolph, Mr. Baucus, and Mr. Domenici):

S. 1399. A bill to establish a program for replacing, by 1987, 10 percent or more of the gasoline consumed in the United States with alcohol and other replacement fuels derived from renewable and non-renewable resources; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY (for himself, Mr. Ribicoff, Mr. Metzenbaum, Mr. Riegle, Mr. Tsongas, and Mr. Hayakawa):

S. 1400. A bill entitled the "Trucking Competition and Safety Act of 1979"; to the Committee on Commerce, Science, and Transportation.

By Mr. BIDEN (for himself, Mr. Stewart, and Mr. Pell):

S. 1401. A bill to amend the Federal Power Act to revise procedures for the changing of rates; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE:

S. 1402. A bill to amend title XVI of the Social Security Act to provide an increase in SSI benefits, and for other purposes; to the Committee on Finance.

By Mr. JACKSON (by request):

S. 1403. A bill to amend Sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (P.L. 95–87), and to provide a seven-month extension for the submission and approval of State programs or the implementation of a Federal program; to the Committee on Energy and Natural Resources.

By Mr. PELL (by request):

S. 1404. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965, as amended; to the Committee on Labor and Human Resources.

By Mr. LAXALT:

S. 1405. A bill for the relief of Ludina V. Dave; to the Committee on the Judiciary.

S. 1406. A bill for the relief of Cecilia Daliva; to the Committee on the Judiciary.

S. 1407. A bill for the relief of Wilma Tupas Beltran; to the Committee on the Judiciary.

By Mr. WEICKER (for himself, Mr. Gravel, and Mr. Durkin):

S. 1408. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY (for himself and Mr. Helms):

S. 1394. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Finance.

● Mr. HUMPHREY. Mr. President, today I am introducing a bill to amend the Internal Revenue Code of 1954 to provide for the removal of the requirement presently on our children's summer camps to pay Federal unemployment compensation tax on students who by law are not entitled to receive benefits.

Small business is increasingly being burdened with Federal regulations. During school vacation periods, employment opportunities for youth are scarce. The summer camp industry collectively provides over a half a million jobs during summer recess, plus a wide variety of skill training programs. This tax reform legislation seeks to stimulate small business while increasing job opportunities in the private sector during these traditional school vacation times.

The bill will not deprive any individual of any current benefit nor change the status of an individual now compensable. It will, however, relieve the summer camp business of an unfair regulatory burden; a burden on the employer which provides no benefit to the employee.

Presently, under the Federal Unemployment Tax Act (FUTA), a basic tax of 3.4 percent is paid by the employer for all values received by the employee including in-kind compensation, for example, room and board. There are few exceptions under the act as to who is considered an employer. Title 26 United States Code 3306 broadly defines employer as one who pays wages of $1,500 or more during any calendar quarter, or who on each of 20 days during the calendar year, each day being in a different calendar week, employed at least one person for some portion of the day. Thus, most all employers, including camp employers, are required to pay such tax.

Simply stated, the problem is that there are employers paying taxes on individual workers who are exempted from FUTA benefits. Generally, employee benefits under FUTA apply to all employers earning over $6,000 annually, but there are certain exceptions. To become compensable, the worker must be employed for a specific number of weeks annually. The law is designed to prevent vacation period employees from receiving unemployment compensation benefits, yet contrary to this logic, the employer still pays unemployment compensation tax on such employees.

Unemployment compensation laws are intended to protect bona fide workers in the labor force. To assure that Federal qualifying restrictions limit FUTA benefits to such workers, certain employers are exempted from compensation benefits. From the perspective of the camping industry, most of their staff are this type of employee. Those workers excluded from such benefits include all college and university full-time students, those persons who are declared dependents of others, and semester/term holidays persons. Vacation time is considered "normal" and not a work loss to be compensated.

Our children's summer camps are still paying in full the FUTA tax on their noncompensable employees. The FUTA revisions effective January 1978, do not provide relief.

The summer camp industry is in a unique position, as compared with many other small businesses. Almost all the women and men they employ are noncompensable by statute or judicial decision. The student—or dependent—voluntarily places himself outside the labor force and elects to seek an education. This student accepts work during a vacation period with the understanding that employment is temporary and will terminate at an agreed-upon date. The employee is neither "fired" nor "laid off," but at the end of the season, returns to resume his or her schooling.

A number of States exempt such types of temporary employment from State unemployment compensation as regards benefits. Several States have taken the next logical step, which my bill attempts to take federally, and in cases of such exemptions, have also rescinded the requirement that the employer pay a State unemployment tax on persons not considered bona fide workers in the labor force protected under the law. However, even where the employer is excluded from paying a State unemployment tax, the employer must still pay the Federal unemployment tax, 3.4 percent, on that same noncompensable person.

I believe that this bill will rectify a situation under the Federal Unemployment Compensation Act, which I perceive to be legislative oversight. Employers shall be exempt from FUTA contributions for specifically defined student employees who are deemed outside the labor force the law was intended to protect. By removing this unnecessary regulatory burden from our children's summer camps, such businesses will have more operating funds with which to provide more job opportunities. In addition, the camps' purchasing power in the local communities will be increased.

In keeping with the congressional intent as regards FUTA, and to provide equity and basic fairness in taxation, and to assist small business in reducing its regulatory burden, I ask for my colleagues' bipartisan support for this needed tax reform.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1394

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 3306 of the Internal Revenue Code of 1954 (defining employment) is amended by striking out "or" at the end of paragraph (17), by striking out the period at the end of paragraph (18) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(19) service performed by a full-time student (as defined in subsection (q)) in the employ of an organized camp—

"(A) if such camp—

"(i) did not operate for more than 7 months in the calendar year and did not operate for more than 7 months in the preceding calendar year, or

"(ii) had average gross receipts for any 6 months in the preceding calendar year which were not more than 33⅓ percent of its average gross receipts for the other 6 months in the preceding calendar year; and

"(B) if such full-time student performed services in the employ of such camp during fewer than 13 calendar weeks in the calendar year.".

(b) Section 3306 of such Code is amended by adding at the end thereof the following new subsection:

"(q) Full-Time Student.—For purposes of subsection (c)(19), an individual shall be treated as a full-time student for any period—

"(1) during which the individual is enrolled as a full-time student at an educational institution, or

"(2) which is between academic years or terms if—

"(A) the individual was enrolled as a full-time student at an educational institution for the first of such academic years or terms, and

"(B) there is a reasonable assurance that the individual will be so enrolled for the second of such academic years or terms.".

(c) The amendments made by this Act shall apply to remuneration paid after December 31, 1978.●

By Mr. BELLMON:

S. 1395. A bill to extend the special allocation of middle distillates for agricultural production beyond July 31, 1979; to the Committee on Energy and Natural Resources.

● Mr. BELLMON. Mr. President, unless prompt action is taken by Congress, American citizens will soon find themselves facing food shortages as well as energy shortages. President Carter has suspended rule 9, the regulation which gives high priority to food producers, processors, and transporters in securing essential fuel. Such an action will predictably result in reduced food production. While the devastating result of this action will not be seen immediately, if food producers have no fuel, before long the country will have a shortage of food and energy exports will be out of the question.

Mr. President, I expressed my concern to the President in a telegram last Thursday that suspending rule 9 would be most unwise. Additionally, I am today introducing legislation which would extend rule 9, for 2 years beyond July 31 and make future suspension impossible. The fact is that our energy problems are not going to clear up in the near future and limiting fuel supplies to food producers, processors and transporters is sheer folly.

California and several east coast States are currently experiencing gas shortages and resulting gas lines. Many citizens have become panicked by this situation. Imagine, Mr. President, how anxious we all would be if we were to experience food shortages. There are increasing reports of violence, both by private automobile owners and truckers looking for fuel. Can you imagine the incidents which would occur as people fought to get enough food?

Another element of this problem is the fact that agricultural products play an increasingly important role in our balance of payments and worldwide economic stability. Since 1970, developing countries have increased imports of U.S. grain by 47 percent. Agricultural commodities are our largest source of export earnings amounting to $27.3 billion in calendar year 1978. To make the supplies of fuel for farmers scarce and unstable will deny food not only to Americans but to our customers abroad. In addition, it will destroy U.S. ability to earn the foreign exchange needed to buy imported oil.

Mr. President, I hope that my colleagues will see the wisdom of insuring an adequate and continuous supply of energy to produce, process and transport agricultural commodities. I ask unanimous consent that the text of the bill as well as the aforementioned telegram to the President be printed in the RECORD at this point.

There being no objection, the bill and telegram were ordered to be printed in the RECORD, as follows:

S. 1395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, Special Rule No. 9, 10 CFR Part 211, (44 FR 28606, May 15, 1979) promulgated pursuant to section 4 of the Emergency Petroleum Allocation Act of 1973, relating to the Special Allocation of Middle Distillates for Agricultural Production, shall not terminate on July 31, 1979, and shall continue in effect from August 1, 1979 to August 1, 1981.

The President,
The White House,
Washington, D.C.

Dear Mr. President: Cutting farmers' diesel fuel supplies for any purpose will soon complicate our nation's problems by adding food lines to existing gas lines. A food shortage caused by failure to provide energy needed to produce food will create an atmosphere of panic in the United States. I urge you to commit your Administration to agriculture's fuel priority.

Sincerely,

Henry Bellmon,
U.S. Senate.●

By Mr. HATFIELD (for himself, Mr. Leahy, and Mr. Packwood):

S. 1396. A bill to modify and improve the financial incentives provided in part D of title IV of the Social Security Act with respect to State programs established under such part for the collection of support obligations assigned under part A of such title; to the Committee on Finance.

● Mr. HATFIELD. Mr. President, earlier this year I introduced S. 941. Today I am introducing for myself, Mr. Leahy and Mr. Packwood an updated version of that amendment to the Social Security Act, which would permit States such as Oregon and Vermont with excellent State programs to retain 15 percent of the support collected on AFDC public assistance cases.

The bill I am introducing would correct an inequity in the child support program that was unforeseen when the program was originally designed. At that time, it appeared that the incentive provisions of title IV–D of the Social Security Act were necessary to encourage local political subdivisions of States with county-administered and State-supervised programs to become actively involved in implementing the program. That goal has been achieved in most of such States.

Unfortunately, the present IV–D incentive system has created a completely unforeseen result by tearing down and eroding away the effectiveness of some State-administered child support programs which were in operation and performing well at the time the IV–D programs started. It has also inhibited the development of some State-administered programs which had not existed previously.

My bill would extend the incentive program to those 42 States administered programs which collect child support on their own behalf. The cost would be minimal and the value great since it would provide the funding necessary to enlarge some of those State programs to provide the child support services needed by many of their residents.

According to the Committee on Finance staff data on child support, the States administer the child support programs through separate agencies—IV–D agencies. The State agency administers the program in 42 States. In the other States the program is administered by local political subdivisions under State supervisors. The States in which it is administered wholly by the State agency are being hurt by the way that the present law is written. Including these States, among them Oregon, will make the program more equitable at only a small increase in cost. This cost will be more than covered with the increased collections attributable to my amendment. This bill will merely extend the benefits to all States equally.

The result of the present system of incentives in part D of title IV of the Social Security Act has been that while Oregon excels in collection activity and its production of a profit for not only the State, but the Federal Government, as well, it has done so without the benefit of literally millions of dollars of incentives which are provided other States.

At the same time, my amendment would establish performance criteria beginning in fiscal year 1982 to encourage those States—or political subdivisions—without an adequate program to develop one. After all the program would then be over 6 years old and that should be more than enough time for all jurisdictions to have an effective program for child support and determination of paternity programs.

The State or political subdivision, as applicable, would have to meet one of the following performance requirements to be eligible for child support collection incentives after September 30, 1981:

First. The total of the amounts collected on behalf of AFDC families by a State on its own behalf, or by a political subdivision on its own behalf, during any quarter of any fiscal year must equal or exceed the total of the expenditures incurred during such quarter by such State, or by such political division, as the case may be, in collecting such amounts; or

Second. The total of the amount collected on behalf of AFDC families by the State during any quarter or any fiscal year must equal or exceed 3.5 percent of the total expenditures made during that same quarter in the form of money payments for AFDC recipients.

My bill would also provide that, at least 50 percent of the incentives received by the State or political subdivision, as applicable, would be expended to enhance or improve the scope of the State's plan.

To reduce the administrative burden on the States, the States would be authorized to determine the amount of the incentive to which they are entitled on the total amount of collections they made on their behalf during the quarter rather than on a case-by-case basis. There would, however, be no change to the present system of determining the amount of the incentives for the political subdivisions of a State. They would still compute the amount of incentives due a political subdivision on a case-by-case basis.●

By Mr. HART (by request):

S. 1397. A bill to authorize the disposal of three materials from the national and supplemental stockpiles; to the Committee on Armed Services.

● Mr. HART. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize the disposal of three materials from the national and supplemental stockpiles, with the understanding that we are in no way bound by the proposals appearing in this bill.

I ask unanimous consent that a sample letter, transmitting this legislation to Congress, requesting its consideration, and explaining its purpose to be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 1397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to the provisions of subsection (b) and notwithstanding the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, the Administrator of the General Services Administration is authorized to dispose of the following materials, in the quantities specified, from the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) and the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704):

(1) tin, ten thousand long tons;

(2) silver, fifteen million troy ounces; and

(3) industrial diamond stones, one million five hundred thousand carats.

(b) In disposing of the materials referred to in subsection (a), the Administrator of General Services shall fix the time and method of disposition with due regard to protecting the United States against avoidable loss and protecting producers, processors, and consumers against avoidable disruption of their usual markets in the materials concerned.

General Services Administration,
Washington, D.C., March 8, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Transmitted herewith for referral to the appropriate committee is a draft bill that would authorize disposal of tin from the national and supplemental stockpiles.

The quantity of material for the draft bill has been determined to be excess to stockpile needs.

The President reaffirmed major elements of the strategic and critical materials stockpile policy on October 7, 1977. The key elements of the policy are that (1) stockpile planning will be based on United States requirements during the first three years of a major war; (2) significant austerity measures will be taken as necessary within the national economy during wartime to sustain defense production; (3) the stockpile will provide a basis for timely mobilization and economic strength during wartime; and (4) an interagency stockpile planning process is approved, which includes development of an annual materials plan for acquisitions and disposals of stockpile materials.

Disposal of the material may not be made without the express approval of the Congress. This proposed legislation is part of a balanced program of acquisitions and disposals for the national stockpile designed to implement the President's stockpile program.

The Office of Management and Budget (OMB) has advised that there are no objections to the submission of this legislative proposal to the Congress and that the enactment of the bill would be in accord with the President's program.

We urge prompt introduction and enactment of this draft bill.

Sincerely,

JAY SOLOMON,
Administrator.●

By Mr. RIBICOFF (for himself, Mr. NELSON, Mr. RANDOLPH, Mr. BAUCUS, and Mr. DOMENICI):

S. 1399. A bill to establish a program for replacing, by 1987, 10 percent or more of the gasoline consumed in the United States with alcohol and other replacement fuels derived from renewable and nonrenewable resources; to the Committee on Energy and Natural Resources.

REPLACEMENT MOTOR FUELS ACT OF 1979

● Mr. RIBICOFF. Mr. President, I am today introducing a bill, the Replacement Motor Fuels Act of 1979, which requires that at least 10 percent of refinery output of gasoline by 1987 be composed of replacement fuels. Its purpose is to insure that a market is ready for the new fuels which will be developed from both renewable and nonrenewable resources. It is a necessary complement to the various recent initiatives to promote these new supplies at an accelerated rate.

I am honored that my distinguished colleagues, Senators NELSON, RANDOLPH, BAUCUS, and DOMENICI have joined me as original cosponsors of the bill. And I am pleased that a companion measure has been introduced in the House of Representatives by Congressmen JEFFORDS of Vermont and PERKINS of Kentucky, along with 100 cosponsors.

It is clear to anyone who commutes to work by car that the energy problem is largely a liquid fuels problem. Half the oil we consume daily goes into motor vehicles. We import about the same quantity of oil as we use in our transportation system—8 million barrels a day. If we were to replace 10 percent of that petroleum with liquids from coal, municipal waste, wood, grain, oil shale, tar sand, and other resources, we would far exceed the shortfall of oil which triggered the present shortage. We would save 800,000 barrels per day of imported crude, whereas the shortage attributable to the Iranian situation was 500,000 barrels.

A recent Department of Energy paper on alcohol fuels stated that the major barriers to their use were:

First, production costs; second, insufficient production capacity; and third, no ready end-use market.

OPEC pricing, as well as the increased costs from the President's decontrol policy, are fast eliminating the cost differential between the processing of petroleum and its substitutes. Estimates of extracting methanol from coal, for instance, range between $20 to $35 per barrel. World oil prices are sure to reach $20 per barrel in the near future, and estimates of the marginal cost of decontrolled domestic oil range between $45 to $100 per barrel. Alcohol from grain is commercially viable today, and alcohol from cellulose—wood fiber—is expected to be so shortly. Oil from shale, of which there is enough for our needs for 50 years, is estimated at $20 per barrel. Municipal waste processing is increasingly attractive. The same goes for tar sands.

Production capacity is certain to be expanded rapidly as a result of the crash programs now moving through Congress. Ambitious measures have been proposed in both chambers to stimulate large new supplies of liquids from all sorts of resources. If these proposals are only partly successful, more than enough liquids will be available to satisfy the requirements of my bill. For instance, 10 percent of gasoline demand could be met by processing only 6 percent of present coal output; 10 percent of demand could be met by 1985 with efficient use of municipal solid wastes alone. Methanol from wood comprise a large portion of the requirement if proper forest management techniques were followed. Ethanol from grains, now being used to produce gasohol in the Middle West, is certain to be expanded greatly.

The President announced last week an ambitious goal of getting 20 percent of American power from renewable resources by the year 2000. Much of this will come from the conversion of municipal waste and grain into alcohol for motor fuel mixes.

While these initiatives all should bring forth new supplies, it is important to mandate refinery output level as an incentive and a protection. It will help to guarantee to the new industry that refiners will buy their products. It is a market guarantee which will remove a major uncertainty from the fuel system.

Furthermore, the mandated program sets simple but aggressive goals that Americans can understand. The confusion surrounding the gasoline shortage must be ended now. This bill will provide a clear signal to the country that we are working out of our import vulnerability, that we are setting deadlines and taking practical steps to meet those deadlines.

The burden of producing and distributing replacement fuels is placed on American refiners. Yet refiners are given maximum flexibility to choose whatever liquid they desire from whatever source. They can shop around. They can produce the liquids themselves, or contract out for production. This approach is similar to that we have taken in mandating fuel economy standards for the auto industry, requiring the industry to reach average goals.

Although no Federal funds are authorized for production, Federal assistance to industry is provided in a variety of ways. The Secretary of Energy is required to establish a plan to encourage the development of a replacement fuels industry, to identify barriers to rapid commercialization, and set annual production goals from 1981–87. He is also to make a determination as to the feasibility of setting a replacement goal of 20 percent by 1992. Finally, he is to report to Congress within 6 months of enactment as to how best we can reach the goals in the bill.

In sum, Mr. President, the goals of this program can be met, and exceeded, in the next decade. It allows alternatives to be developed and to compete to keep prices down. Enforcement is through a per gallon fine for noncompliance.

I urge my colleagues to join with me in this enterprise, and I ask unanimous consent that the bill and a section-by-section description be placed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1399

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Replacement Motor Fuels Act of 1979".

FINDINGS

SEC. 2. The Congress finds that—

(1) the United States is currently importing significant quantities of the crude oil needs of the United States;

(2) a substantial portion of such crude oil is needed for the production of gasoline sold in commerce; and

(3) renewable resources, coal, and other substances can provide a sufficient source of replacement fuels suitable for blending with gasoline to decrease the need for imported crude oil.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "alcohol" means methanol, ethanol, or any other alcohol which is produced from renewable resources or coal and which is suitable for use by itself or in combination with other fuels as a motor fuel;

(2) the term "replacement fuel" means alcohol or other liquid produced from coal, oil, shale, or other substance as may be determined by the Secretary, for the purpose of mixing with gasoline to be used as a motor fuel;

(3) the term "replacement motor fuel" means any fuel described in paragraph (2) mixed with gasoline for use as a motor fuel;

(4) the term "commerce" means any trade, traffic, transportation, exchange, or other commerce—

(A) between any State and any place outside of such State; or

(B) which affects any trade, transportation, exchange, or other commerce described in subparagraph (A);

(5) the term "motor fuel" means any substance suitable as a fuel for self-propelled vehicles designed primarily for use on public streets, roads, and highways;

(6) the term "refiner" means any person engaged in the refining of fuel oil to produce motor fuel, including any affiliate of such person, or any importer of gasoline for use as a motor fuel;

(7) the term "Secretary" means the Secretary of Energy;

(8) the term "United States" means each State of the several States and the District of Columbia;

(9) the term "ultimate purchaser" means, with respect to any item, the first person who purchases that item for purposes other than resale; and

(10) the term "renewable" means any source of energy which is available in an inexhaustible supply in the foreseeable future.

REPLACEMENT FUEL PROGRAM

SEC. 4. The Secretary shall establish, pursuant to this Act, a program to promote the development and use of replacement fuels in the United States. Such program shall be designed to promote the replacement of gasoline to be used as a motor fuel with replacement motor fuel containing the maximum percentage of replacement fuel as is economically and technically feasible for use as a motor fuel.

DEVELOPMENT PLAN AND PRODUCTION GOALS

SEC. 5. (a) Under the program established under section 4, the Secretary, in the consultation with the Secretary of Transportation, the Secretary of Agriculture, the Secretary of Commerce, and the heads of other appropriate agencies, shall review appropriate information and determine—

(1) the most suitable raw materials, other than petroleum or natural gas, for the production of replacement fuels;

(2) the nature of the replacement motor fuel distribution systems, and the various production processes which use feedstock other than petroleum and natural gas, necessary for the rapid development of a replacement motor fuel industry, including a proposed timetable for the development of such systems and processes;

(3) the technical and economic feasibility of including liquids extracted from oil shale tar sands, and coal as part of the replacement fuels program; and

(4) the technical and economic feasibility of producing sufficient replacement fuels, by the calendar year 1992, in order to replace 20 percent or more, by volume, of the projected consumption of gasoline used as a motor fuel in the United States for that year.

The Secretary shall prescribe, by rule, a substitute percentage goal for purposes of paragraph (4) if the determines that 20 percent is inappropriate.

(b) The Secretary shall, by rule, establish production goals for the optimal production of replacement fuel in the United States in each of calendar years 1981 through 1987. In establishing such goals, the Secretary shall—

(1) take into account the availability of reliable sources of replacement fuel produced from renewable resources, coal, and substances other than petroleum and natural gas; and

(2) provide that the production goal for replacement fuel for calendar year 1987 and thereafter shall be not less than 10 percent by volume of the projected consumption of gasoline used as a motor fuel in the United States for each year.

(c) In carrying out subsection (a), the Secretary shall—

(1) identify ways to encourage the development of a reliable replacement fuel industry, and the technical, economic, and institutional barriers to such development, and

(2) include an estimation of the production capacity of replacement fuel needed to implement the provisions of this Act.

(d) Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete his review and determinations under this section and prepare and transmit a report thereon to each House of the Congress.

REPLACEMENT FUEL REQUIREMENTS

SEC. 6. (a) Of the total quantity of gasoline and replacement fuel sold in commerce during any of the following years by any refiner (including sales to the Federal Government), replacement fuel shall constitute the minimum percentage determined in accordance with the following table:

In the calendar year:

1981, 1982, 1983, 1984, 1985, and 1986, the minimum percentage of that volume which replacement fuel constitutes, shall be—determined by the Secretary under subsection (b) of this section.

1987, 1988, and 1989, the minimum percentage of that volume which replacement fuel constitutes, shall be—10 percent.

1990, and each year thereafter, the minimum percentage of that volume which replacement fuel constitutes, shall be—the percentage determined feasible under section 5 (a)(4).

(b) Not later than July 1, 1980, the Secretary shall prescribe, by rule, the minimum percentage replacement fuel, by volume, required to be contained in the total quantity of gasoline sold each year in commerce in the United States in calendar years 1981 through 1986 by any refiner for use as a motor fuel. Such percentage shall apply to each refiner, and shall be set for each such calendar year at a level which the Secretary determines—

(1) is technically and economically feasible, and

(2) will result in steady progress toward meeting the requirements under this section for calendar year 1987.

(c) Each refiner shall report annually to the Secretary the percentage replacement fuel by volume contained on the average in the total quantity of gasoline for use as a motor fuel that refiner sold during the preceding calendar year.

(d) The requirements under subsection (a) on any refiner may be satisfied directly with replacement fuel and gasoline refined and blended by the refiner or indirectly pursuant to any contract or other arrangement with replacement fuel and gasoline refined or blended by others.

(e) The Secretary may, on the application of any person, make adjustments to reduce the minimum percentage requirement as it applies to that person, but only if and to the extent that such adjustments are consistent with the purposes of this Act.

ENFORCEMENT BY THE SECRETARY

SEC. 7. (a) Any person who violates any requirement of section 6(a) is subject to a civil penalty of not more than $1 per gallon for each gallon of fuel sold that is not in compliance with section 6(a). Such penalties shall be assessed by the Secretary.

(b)(1) Before issuing an order assessing a civil penalty against any person under this section, the Secretary shall provide to such person notice of the proposed penalty. Such notice shall inform such person of his opportunity to elect within 30 days after the date of such notice to have the procedures of paragraph (3) (in lieu of those of paragraph (2)) apply with respect to such assessment.

(2)(A) Unless an election is made within 30 calendar days after receipt of notice under paragraph (1) to have paragraph (3) apply with respect to such penalty, the Secretary shall assess the penalty, by order, after a determination of violation has been made on the record after an opportunity for an agency hearing pursuant to section 554 of title 5, United States Code, before an administrative law judge appointed under section 3105 of such title 5. Such assessment order shall include the administrative law judge's findings and the basis for such assessment.

(B) Any person against whom a penalty is assessed under this paragraph may, within 60 calendar days after the date of the order of the Secretary assessing such penalty, institute an action in the United States court of appeals for the appropriate judicial circuit for judicial review of such order in accordance with chapter 7 of title 5, United States Code. The court shall have jurisdiction to enter a judgment affirming, modifying, or setting aside in whole or in part, the order of the Secretary, or the court may remand the proceedings to the Secretary for such further action as the court may direct.

(3)(A) In the case of any civil penalty with respect to which the procedures of this paragraph have been elected, the Secretary shall promptly assess such penalty.

(B) If the civil penalty has not been paid within 60 calendar days after the assessment order has been made under subparagraph (A), the Secretary shall institute an action in the appropriate district court of the United States for an order affirming the assessment of the civil penalty. The court shall have authority to review de novo the law and the facts involved, and shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part such assessment.

(C) Any election to have this paragraph apply may not be revoked except with the consent of the Secretary.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order under paragraph (2) or after the appropriate district court has entered final judgment in favor of the Secretary under paragraph (3) the Secretary shall recover the amount of such penalty in any appropriate district court of the United States. In such action, the validity and appropriateness of such final assessment order or final judgment shall not be subject to review.

PROCEDURES FOR RULEMAKING

SEC. 8. Section 501 of the Department of Energy Organization Act of 1977 shall apply to any rule, regulation, or order having the applicability and effect of a rule (as defined in section 551(4) of title 5, United States Code) prescribed or issued under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There is authorized to be appropriated to the Secretary to carry out section 5 not to exceed $1,000,000 for the fiscal year ending September 30, 1980.

SECTION-BY-SECTION DESCRIPTION

Section 1. Short Title. Cites the title.

Section 2. Findings. Finds that the nation is importing significant quantities of crude oil, a substantial portion of which is being converted into gasoline. However, it finds that a variety of substances, both "renewable" (such as grains, corn, wood, plant matter, garbage and other waste) and "non-renewable" (such as coal, tar sands and oil shale) can be processed to produce liquid which can serve as replacement fuels suitable for blending with gasoline.

Section 3. Definitions. "Replacement motor fuel" includes any fuel derived from renewable or non-renewable resources which can be mixed with gasoline to be used as a motor fuel. The motor fuel referred to is that used to propel cars, trucks and other vehicles which travel on the public roads.

Section 4. Replacement Fuel Program. The Secretary of Energy is to establish a program to promote the development and use of replacement fuels in the U.S. This program is designed to substitute for as much gasoline in the fuel mix as is technically and economically feasible.

Section 5. Development Plan and Production Goals.

I. The Secretary is to determine—

(a) the most suitable raw materials, other than petroleum, for the production of replacement fuels

(b) the distribution systems and production processes necessary to a rapid development of a replacement fuel motor industry, as well as a proposed timetable for the development of such systems and processes.

(c) the feasibility of including liquids extracted from oil shale, tar sands and coal as part of the replacement fuels program

(d) the feasibility of producing 20 percent of the projected consumption in the U.S. by 1982.

II. The Secretary is to establish goals for replacement fuels production in each of the calendar years 1981–87. However, he must establish a goal of at least 10 percent of projected gasoline consumption by 1987.

III. The Secretary must identify ways to encourage the development of a reliable replacement fuel industry and identify the various technical, economic and institutional barriers to such development.

IV. The Secretary shall report his findings under this section to Congress within 6 months after enactment.

Section. 6. Replacement Fuel Requirements. Each refiner must sell a mix of gasoline which contains at least 10 percent replacement fuels by 1987; and a percentage to be determined by the Secretary for each of 1981–87. In the year 1992 he must sell a mix containing at least 20 percent replacement fuels unless the Secretary makes another determination for that year and thereafter. The minimum percentages will be based on technical and economic feasibility. Each refiner is required to make annual reports to the Secretary as to the average percentage replacement fuel sold during the preceding calendar year. The Secretary may make adjustments to reduce minimum percentage requirements.

Section 7. Enforcement. Violators are subject to a civil penalty of not more than $1 per gallon for each gallon of fuel not containing a minimum percentage of replacement fuel. When notice of a proposed penalty is issued by the Secretary, two choices are available to the refiner: (1) he may request a hearing before an administrative law judge, or (2) he may institute action in the U.S. Court of Appeals. The Secretary will institute action in the appropriate district court if the civil penalty has not been paid within 60 calendar days after the assessment order has been made.

Sections 8 and 9. Rulemaking and Authorization of Appropriations. Permits rulemaking by the Department of Energy and authorizes up to $1 million for FY 1980 to produce the development plan and production goals required by Section 5.●

By Mr. KENNEDY (for himself, Mr. RIBICOFF, Mr. METZENBAUM, Mr. RIEGLE, Mr. TSONGAS, and Mr. HAYAKAWA):

S. 1400. A bill entitled the "Trucking Competition and Safety Act of 1979"; to the Committee on Commerce, Science, and Transportation.

TRUCKING COMPETITION AND SAFETY ACT OF 1979

● Mr. KENNEDY. Mr. President, on March 21 of this year, I introduced legislation (S. 710) to eliminate the antitrust immunity enjoyed by trucking companies which allows them legally to fix prices for trucking services in all parts of this Nation. The bill also proposed the establishment of a "zone of reasonableness" within which trucking firms could offer competitive rates without ICC interference.

At the time I announced that legislation, I called it an important first step to remedy some of the most egregious aspects of Federal regulation of this industry. I also expressed the hope that other, more comprehensive legislation would follow, which would address the other myriad regulatory restrictions which hamper the efficient growth and development of the trucking industry and diminish its ability to provide good service at fair rates.

Today, Mr. President, together with Senators RIBICOFF, METZENBAUM, RIEGLE, TSONGAS, and HAYAKAWA, I am happy to be able to introduce broad legislation directed toward those ends. This legislation, which President Carter and I have prepared jointly, will reduce substantially ICC regulation of the trucking industry and eliminate the industry's current antitrust immunity.

The legislation is long overdue. It will restore a large, much-needed measure of competition to an inherently competitive industry, where competition is today prevented by private price fixing and by the needlessly heavy hand of Government regulation.

Trucking regulation today contributes significantly to inflation and to our Nation's energy shortage. The Director of the Council on Wage and Price Stability, for example, estimates that regulation of the trucking industry costs consumers more than $5 billion a year in higher prices.

Trucking deregulation will also save a great deal of fuel, at a time when Americans cannot afford to waste a drop. The ICC has estimated that trucks in this country are forced to run empty more than 20 percent of the time, solely because of regulatory restrictions on who they may serve and what goods they may carry.

Eight months ago, Congress enacted and President Carter signed into law the Airline Deregulation Act of 1978, which loosened substantially the restrictive economic regulations which had interfered with the efficient performance of that industry. The results of that legislation have indeed been impressive. Airline deregulation has meant:

More people can afford to fly;

More industry jobs;

Increased entry and service;

More revenues and higher profits for the airlines themselves;

Reduced bureaucracy with substantial savings to the industry and the taxpayers;

And, of course, lower prices for consumers.

It turns out we underestimated how much airline deregulation would save American consumers. Prior to passage of the act, the General Accouning Office has predicted savings of $1.8 billion. The CAB now estimates that savings in the first year will total $2.5 billion.

Less Government regulation is even more necessary in the case of the trucking industry, which is nearly four times larger. Federal regulation of trucking was imposed more than 40 years ago, when the trucking industry was in its infancy and when the nation was in the middle of its most serious depression—and when, largely as a result of that depression, distrust of private enterprise and unregulated competition was high.

The trucking industry is no longer in its infancy. All segments of the industry included, trucking is a $108 billion a year business. It accounts for more than 75 percent of the total revenues earned by all forms of transportation. It is a mature, prosperous and inherently competitive industry. It no longer needs the extensive economic protection of a bygone age.

Moreover, in the last 40 years, we have learned that susbtituting bureaucratic economic decisions for those of independent businessmen is bad for consumers, bad for the economy, and ultimately bad for the industry itself.

Small trucking firms suffer from regulation because they cannot expand without difficult and costly ICC proceedings. Minorities and others who were not "grandfathered" into the industry in 1935 suffer because ICC regulations make it difficult and expensive for them to enter. Shippers suffer because they don't get the service they need. Consumers suffer because of the higher prices they pay. Small communities suffer because current regulations do nothing to prevent companies from stopping service to small communities but do restrict new companies from beginning service.

The best proof that trucking deregulation works is the fact that more than half of the trucking industry has never been regulated. ICC regulation places heavy burdens on unregulated truckers by barring them from carrying many commodities and effectively forcing them, in many cases, to return home empty. These burdens obviously affect the profitability and service of these truckers.

Nevertheless, these truckers provide good, dependable service to communities large and small across this country—service at prices substantially less inflated than those of regulated truckers.

The distinction between what shipments are regulated and what are not makes no sense.

Does it make sense to regulate shipments of roasted or boiled nuts but not shipments of raw nuts, shelled or unshelled?

Does it make sense to regulate shipments of wheat germ but not whole wheat?

Does it make sense to regulate shipments of racehorses but not riding horses for pleasure?

Does it make sense to regulate shipments of beef that is dressed and frozen but not poultry that is dressed and frozen?

Does it make sense to regulate cut vegetables depending on how long they are steamed, and at what temperature, before shipping?

Does it make sense to regulate frozen TV dinners if they are beef, spaghetti, or veal but not if they are chicken or seafood?

Does it make sense to regulate shipments of raisins if they are coated with chocolate but not if they are coated with honey?

The answer is, of course, that these distinctions do not make sense—and they reveal the absurdity of trying to justify regulation for half an industry when the other half of that industry operates more efficiently free from regulation.

When we have moved to deregulate truck shipments in the past, prices have come down and service has improved.

In the mid-1950's, fresh and frozen dressed poultry and frozen fruits and vegetables were declared exempt from ICC regulation. The U.S. Department of Agriculture estimates that as a result of deregulation, trucking rates dropped 33 percent for poultry and 19 percent for frozen fruits and vegetables.

A recent DOT survey indicates that unregulated intrastate rates in New Jersey may be as much as 15 percent lower than rates for comparable interstate shipments.

Unregulated household mover rates are estimated to be more than 27 percent lower within Maryland than rates for comparable interstate shipments.

The struggle to achieve trucking deregulation, and to improve consumer protection in such areas as the household goods industry, will not be easy. Reduced Government regulation threatens powerful and well-entrenched interests in the trucking industry who benefit greatly from the present system.

This should not deter us from our goal. When the arguments have been heard and the evidence is in, I believe that Congress will be persuaded to act decisively to restore the benefits of economic competition to this industry.

We have already come a long way. The supporters of this legislation represent a wide variety of groups and interests. How many legislative initiatives, Mr. President, have the support of the National Association of Manufacturers, Ralph Nader, the National Federation of Independent Businesses, the Consumer Federation of America, the American Farm Bureau, the National Consumer League, Common Cause, the American Retail Federation, the Ripon Society, the Food Marketing Institute, the National Grange, and the National Farmers Organization?

I agree with President Carter's statement last Thursday, in his message transmitting this legislation to the Congress, that the time has come for us to recognize that Federal regulatory policies toward many of our transportation industries must be reshaped to accord with new realities. We need to recognize that our fundamental national interest in a more productive, fuel-efficient, and responsive transportation system can best be achieved with less regulation and more reliance on private initiative.

I firmly believe that enactment of our joint legislation will greatly advance these goals, and I urge my colleagues in both Houses to give it their most serious consideration.

SUMMARY OF PROVISIONS

The attached section-by-section analysis details the provisions of the bill. In general terms, however, it embodies five major objectives. The bill would:

Outlaw private price-fixing by repealing the existing antitrust immunity.

Remove restrictions which bar existing truckers from carrying certain commodities or from taking the most direct route or from filling their trucks on a backhaul.

Ease the existing barriers to entry by reversing the burden of proof so that the opponents of new entry must prove that the entry is inconsistent with the public convenience and necessity (the applicant for entry will continue to have the burden of providing that he is fit, willing and able to meet financial, insurance and safety requirements).

Give truckers the freedom to raise or lower prices within a "zone of reasonableness" without I.C.C. approval.

Improve truck safety by expanding the role of the Secretary of Transportation in decisions concerning a trucking firm's "fitness" to haul freight, by stiffening penalties for safety violations, and by recognizing and protecting the rights of truck drivers to operate safe vehicles.

IMPROVEMENTS OF SERVICE TO SMALL COMMUNITIES

Finally, Mr. President, I think it important to mention one further policy objective which permeates all the provisions of title I of this legislation. A central rationale of those who support the current system of ICC regulation is that it assures service to small communities. While no impartial analyst or observer I am aware of has reached this conclusion, it is a threat we in Congress hear with increasing fervor from representatives of regulated segments of the trucking industry.

All available evidence indicates that reduced ICC regulation would have the reverse effect—that it would actually improve service to many small communities. Even now, most applications for new ICC operating authorities are to serve small communities. Moreover, the ICC routinely approves applications by truckers seeking to drop unprofitable routes from their existing certificates. Thus, the notion that there is in the trucking industry an identifiable and enforceable common carrier obligation is something of a myth.

The concern it speaks to, however, is a very real one, and one which this legislation addresses in a very direct way. No existing provision in the Interstate Commerce Act assures service to small or isolated communities, or directs the ICC to improve such service where deficient. The Trucking Competition and Safety Act contains several provisions directed toward these ends:

First. The general policy statement that governs ICC decisions specifically directs the ICC to improve small town service. Existing law contains no such provision.

Second. In determining whether applications for entry meet the "public convenience and necessity" standard, the ICC is directed to emphasize increased service to small communities. There is no such requirement in existing law.

Third. Certificate restrictions are liberalized to improve service to small communities. For example, many certificates today specify the actual highway a trucking company must use. If a truck leaves the designated highway to serve a town off the beaten track, it is violating the law. The proposed legislation liberalizes these certificate restrictions, and makes it easier for trucking companies to obtain authority to serve small towns.

Many existing certificates do not allow trucks to make intermediate stops and serve towns between authorized points. These restrictions are particularly harmful to towns that are so small that trucking companies are unwilling to undergo the costly and often unsuccessful process of obtaining authority to serve them. The proposed legislation would remove these restrictions and permit carriers to stop at intermediate points immediately.

Fourth. The program for phased route expansion without ICC approval will emphasize increased service to small communities. There is no such program under existing law.

Fifth. The agricultural commodity and agricultural co-op exemptions are substantially broadened. This will give carriers serving small towns increased opportunities to fill their trucks with commodities they cannot now carry.

Sixth. Increased pricing flexibility will allow lower backhaul rates to small communities.

Seventh. Any carrier that meets financial, safety, and insurance requirements (a "fit, willing, and able" carrier) may enter a point which an authorized carrier no longer serves, or which a railroad abandons. There is no such provision in existing law.

Mr. President, I ask unanimous consent that the text of the bill, together with a section-by-section analysis, be printed at this point in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 1400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Trucking Competition and Safety Act of 1979".

TITLE I—ECONOMIC REGULATION AND ANTITRUST IMMUNITY

TRANSPORTATION POLICY FOR MOTOR CARRIERS OF PROPERTY AND FREIGHT FORWARDERS

Sec. 101. (a) Chapter 101 is amended by inserting the following after section 10101:

" § 10101a. Transportation policy for motor carriers of property and freight forwarders

"To assure the development and maintenance of a healthy, efficient and competitive freight transportation system, in the private sector, in which the various modes of transportation are subject to impartial regulation, the Interstate Commerce Commission shall consider the following as being in the public interest:

"(a) maximum reliance on competitive market forces and on actual and potential competition among all transportation modes to provide transportation services at competitive prices and to enable efficient and well-managed carriers to earn adequate profits and to attract capital;

"(b) improvement of truck safety;

"(c) reduced concentration of market power, and prevention of unfair, deceptive, predatory or other anticompetitive practices;

"(d) reduction of regulatory barriers to entry into the industry;

"(e) national energy and environmental goals;

"(f) development and maintenance of a transportation system responsive to the needs of the public and the national defense, in which regulatory decisions are reached fairly and expeditiously;

"(g) maintenance of fair wages and working conditions;

"(h) encouragement of entry to and additional service for small or isolated communities; and

"(i) strengthening of smaller carriers to ensure efficient service and to promote competition.".

(b) Section 10101 is amended by striking "(a) To" and substituting "(a) Except where policy may have an impact on motor carriers of property and freight forwarders, in which case the principles of section 10101a of this title shall govern, to".

(c) The index for chapter 101 is amended by inserting the following after item 10101:

"10101a. Transportation policy for motor carriers of property and freight forwarders.".

RESTRICTION REMOVAL

Sec. 102. (a) Chapter 109 is amended by inserting the following after section 10922:

"§ 10922a. Restriction removal for motor carriers of property

"Notwithstanding the provisions of any other section in this chapter, the following provisions apply to motor carriers of property:

"(a) Where any motor carrier of property has authority pursuant to section 10922 to provide transportation between any two points but only in one direction, or between the points but without authority to make intermediate stops, the Commission shall, upon notice from a carrier, revise within thirty days such carrier's authority to allow the carrier to provide transportation between the two points in either direction and without any restriction as to any intermediate stop.

"(b) Any motor carrier of property who has authority pursuant to section 10922 (to provide regular route service) may each year, in accordance with procedures and standards developed by the Commission, automatically add to its authority in the manner provided by the Commission. Such procedures and standards shall be developed by the Commission within six months after the date of enactment of this paragraph. Such procedures and standards shall emphasize increasing opportunities for new or better service to smaller and isolated communities and shall be so structured as to minimize the need for Commission intervention once the standards and procedures are established.

"(c)(1) The Commission shall by regulation issued within ninety days after the date of enactment of this section develop a program to allow any motor carrier of property subject to section 10922 to provide more direct service between any points authorized in its certificate, regardless of any gateway or route requirements in its certificate. The program shall be developed in such a way as to allow any such carrier to travel the most direct way between any points in its certificate by the end of the second year after the date of enactment of this paragraph, or sooner if the Commission so determines.

"(2) The Commission shall not issue any certificate under this section restricting a motor common carrier of property to serving a single shipper or plantsite, nor shall it require any carrier to provide transportation via designated routes or through designated localities unless such carrier shall have requested such authority under subsection (b).

"(d) To provide a more efficient transportation system for motor carriers of property, the Commission shall, by rulemaking instituted within ninety days after the date of enactment of this paragraph, provide for the gradual phaseout over three years of all Commission restrictions on commodities or categories of commodities that may be carried by motor carriers of property. Three years after the date of enactment of this paragraph, any motor carrier of property may transport any commodity between any points or within any areas authorized in its certificate.

"(e) Any motor carrier of property may petition the Commission to remove a commodity restriction, to broaden the categories that the carrier may transport or to allow it to provide transportation over a less circuitous route or in a less costly fashion, and the Commission shall approve of the application within ninety days unless it is proven by an opponent to the application that the application is not consistent with the public convenience and necessity as determined pursuant to section 10101a.".

(b) The index for subchapter II of chapter 109 is amended by inserting the following after item 10922:

"10922a. Restriction removal for motor carriers of property.".

ENTRY AND PROCEDURAL FORM

Sec. 103. Section 10922 is amended by—

(1) inserting in subsection (a) "of passengers" after "motor common carrier";

(2) inserting the following sentence at the end thereof: "The provisions of paragraph (2) shall not apply to applications to transport shipments weighing no more than five hundred pounds.";

(3) redesignating subsections (b), (c), (d), (e), and (f) (and all cross references thereto) as subsections (c), (d), (e), (f), and (g) respectively;

(4) inserting after subsection (a) the following new subsection:

"(b)(1) the Commission shall issue a certificate to a person authorizing that person to provide transportation subject to the jurisdiction of the Commission under subchapter II of chapter 109 as a motor common carrier of property, if the Commission finds that—

"(A) the person is fit, willing and able—

"(i) to provide the transportation to be authorized by the certificate; and

"(ii) to comply with this subtitle and regulations of the Commission; and

"(B) except as provided as follows, the transportation to be provided under the certificate is consistent with the present or future public convenience and necessity.

The provisions of paragraph (B) shall not apply to an application to provide service between points not served by another motor carrier of property certificated under this section; to provide service as a substitute for abandoned rail service; or to transport shipments weighing no more than five hundred pounds.

"(2) In its determination of whether the proposed service is consistent with the present or future public convenience and necessity, the Commission shall not consider any possible diversions of revenues or traffic of carriers other than the applicant and shall accord substantial weight in favor of the application where it finds that such service would be reasonably likely to—

"(A) lower the applicant's average operating costs;

"(B) improve the applicant's equipment utilization or fuel efficiency;

"(C) improve the applicant's service, by, among other considerations, producing shorter transit time or avoiding interchanges;

"(D) meet user or consumer preference for service, lower rates, or combinations thereof not available from other carriers;

"(E) improve service to small communities; or

"(F) generally improve the competitive climate in the area for which the additional service is proposed.

"(3) In any determinations as to whether an applicant is fit, willing, and able to perform the transportation specified in the application filed pursuant to this subsection, and to comply with this subtitle and any applicable regulations, the applicant shall have the burden of showing that it is so fit, willing and able. In any determination as to whether or not an application under this subsection is consistent with the public convenience and necessity, an opponent of the application shall have the burden of showing that the proposed application is not consistent with the public convenience and necessity.

"(4) No common carrier of property by motor vehicle may protest an application of any other such carrier under this section unless that carrier has actively participated in the service which it seeks to protect during the preceding year or unless the Commission grants that carrier leave to protest and such a grant is consistent with section 10101a. No contract motor carrier of property may protest such an application.

"(5) With respect to any application filed under this subsection after one year after the date of enactment of this paragraph, the consideration of any such application shall be completed and a decision rendered by the Commission within ninety days of the filing of the application. If such decision is not rendered within ninety days, the application shall be deemed granted and the Commission shall issue the certificate as requested without further consideration.";

(5) inserting in subsection (c) (as so redesignated by this section) "and describe the transportation or service the applicant seeks to provide" after "water common carrier" in the first sentence;

(6) inserting in subsection (d)(1) and (2) (as so redesignated by this section) "of passengers" after "motor common carrier" wherever it appears; and

(7) amending subsection (f)(1) (as so redesignated by this section) by striking "required by" and substituting "consistent with".

EXEMPTIONS

Sec. 104. Section 10526 is amended by—

(1) amending paragraph (5) of subsection (a) to read as follows:

"(5) a motor vehicle controlled and operated by a cooperative association (as defined by section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)) or by a federation of cooperative associations if the federation has no greater power or purposes than a cooperative association, except that if the cooperative association or federation provides transportation for compensation between a place in a State and a place in another State, or between a place in a State and another place in the same State through another State for nonmembers, the transportation for all nonmembers may not exceed in each fiscal year, measured by tonnage, the total transportation between those places for the cooperative association or federation and its members during that fiscal year.";

(2) amending paragraph (6) of subsection (a) to read as follows:

"(6) transportation by motor vehicle of property consisting of—

"(A) livestock;

"(B) agricultural, or horticultural or aquacultural commodities (other than manufactured products thereof except if otherwise exempt under this section);

"(C) food and edible products whether processed or not and intended for human consumption; and

"(D) livestock and poultry feed; agricultural seeds and plants; agricultural limestone and other soil conditioners; agricultural fertilizers and chemicals; and farm tractors, implements, and other farm machinery, and parts and accessories therefor used in agricultural production;"; and

(3) inserting at the end thereof the following new subsection:

"(c) The Commission, to the extent necessary, may exempt from the requirements of this subtitle or any provision thereof, or any rule, regulation, terms, condition, or limitations prescribed thereunder relating to motor carriers of property, any person or class of persons if it finds that the exemption is consistent with section 10101a.".

MOTOR CONTRACT CARRIERS OF PROPERTY AND FREIGHT FORWARDERS

Sec. 105. (a) Section 10102 (12) is amended by—

(1) striking "motor common carriers" and substituting "motor common carrier of passengers"; and

(2) inserting "of passengers" after "transportation".

(b) Section 10102 is amended by inserting after paragraph (12) the following:

"(12A) 'Motor contract carrier of property' means a person providing motor vehicle transportation for compensation of property under a continuing agreement or agreements.".

(c) Section 10562(3) is amended by inserting "by common or contract carriers" after "rates".

(d)(1) Section 10703(a)(4)(A) is amended to read as follows:

"(4)(A) Motor common and contract carriers of property may establish through routes and joint rates and classifications applicable to them with other common and contract motor carriers, with rail and express carriers, and with water common caries, including those referred to in subparagraph (D)."; and

(2) Section 10703(a)(4)(C) is amended to read as follows:

"(C) Water common carriers shall establish through routes with each other and shall establish rates and classifications applicable to those routes and may establish—

"(i) through routes and rates and classifications applicable to them with motor carriers; and

"(ii) through routes and joint rates and classifications applicable to them with water common carriers referred to in subparagraph (D)(ii).".

(e) Section 10749 is amended by—

(1) inserting "or motor contract carrier of property" after "carrier" in subsection (a); and

(2) inserting "or motor contract carrier of property" after "water common carrier" in subsection (b)(1).

(f) Section 10766 is amended by striking "common" in the first sentence in subsection (b) and by striking the last three sentences in subsection (b).

(g) Section 10923 is amended by—

(1) inserting "or section 10101a" after "section 10101" in subsection (a)(2);

(2) redesignating subsections (b), (c), and (d) (and all cross references thereto) as subsections (c), (d), and (e), respectively;

(3) inserting a new subsection (b) as follows:

"(b) The following shall apply to an application pursuant to the preceding paragraph for authority to be a motor contract carrier of property or freight forwarder:

"(i) in any determination as to whether or not an applicant is fit, willing, and able, the applicant shall have the burden of proof; and

"(ii) in any determination as to whether or not the application is consistent with the public interest and the national transportation policy as expressed in section 10101a, the opponent if any, shall have the burden of proof.";

(4) amending subsection (c)(2) (as so redesignated by this section) by inserting "of passengers" after "motor contract carrier";

(5) amending subsection (e)(1) (as so redesignated by this section) by adding the following sentence at the end thereof: "Notwithstanding the preceding sentences, the Commission may not limit the number of shippers that a contract motor carrier of property may serve."; and

(6) amending subsection (e)(2) (as so redesignated by this section) by inserting "of passengers" after "motor contract carrier".

(h) Paragraphs (1) and (2) of section 10930(a) are amended by inserting "of passengers" after "motor common carrier" and "motor contract carrier" wherever such terms appear.

RATES OF MOTOR CARRIERS OF PROPERTY AND FREIGHT FORWARDERS

SEC 106. (a) Section 10704(b) is amended by—

(1) inserting ", motor carrier of property or freight forwarder" after "rail carrier" in paragraph (2);

(2) redesignating paragraphs (2), (3), and (4) (and all cross references thereto) as paragraphs (5), (6), and (7), respectively, and inserting the following after paragraph (1):

"(2) The Commission may not find that a proposed rate increase of a motor common carrier of property or freight forwarder is unreasonably high if the rate increase is within the following limits:

"(A) for the two-year period following the date of enactment of this paragraph, the increase is no more than 5 percent above the rate in effect one year prior to the proposed effective date of the proposed increase; and

"(B) after two years following the date of enactment of this paragraph, the increase is no more than 7 percent above the rate in effect one year prior to the proposed effective date of the proposed increase.

"(3) The Commission may not find that a proposed rate decrease of a motor common or contract carrier of property or freight forwarder is unreasonably low if—

"(A) for the two-year period following the date of enactment of this paragraph, the rate decrease is no more than 20 percent below the rate in effect one year prior to the proposed effective date of the rate decrease; or

"(B) after two years from the date of enactment of this paragraph the rate equals or exceeds the carriers variable cost of providing the specific transportation to which it applies.

For the purposes of this section, 'incremental cost' means that amount by which a firm's costs change as a result of a change in the quantity of a specific service or movement provided.

"(4) When prescribing a rate, classification, rule, or practice for transportation or service by a motor carrier of property or freight forwarder, the Commission shall consider, among other factors, the following:

"(A) the factors set forth in section 10101a of this Act;

"(B) the effect of the prescribed rate, classification, rule, or practice on the movement of traffic;

"(C) the desirability of a variety of price and service options such as peak and off-peak pricing or other pricing mechanisms to improve economic efficiency and provide low-cost service; and

"(D) the desirability of allowing such carrier to determine prices in response to particular competitive market conditions on the basis of such carrier's individual costs.".

(3)(A) amending paragraph (7) (as so redesignated by this section) by inserting "of passengers" after "motor common carrier"; and

(B) by striking "or a freight forwarder," and "or the inherent nature of freight forwarding, respectively".

(b) Section 10704 (c) is amended by—

(1) striking "(c)(1) When" and substituting: "Except as provided in paragraph (b)(2) when";

(2) inserting "or 10101a as appropriate" after "10101";

(3) striking the last sentence of subsection (c)(1); and

(4) striking all that follows "consider" in subsection (c)(2) and substituting: "those factors listed in 10704 (b)(4) of this title.".

(c) Section 10704 (d) is amended by—

(1) inserting "or 10101a" after "10101"; and

(2) inserting "and section 10704 (b)(3)" after "title".

(d) Section 10704 (f) is amended by striking the period at the end of the first sentence and substituting ", except that with respect to a motor carrier of property, the Commission may begin an investigation only upon complaint.".

RATE BUREAUS FOR MOTOR CARRIERS OF PROPERTY AND FREIGHT FORWARDERS

SEC. 107. Section 10706 (b) is amended by striking "(except a rail carrier)" and substituting: "(except a rail carrier, a motor carrier of property or a freight forwarder)".

INVESTIGATIONS OF RATES OF MOTOR CARRIERS OF PROPERTY AND FREIGHT FORWARDERS

SEC. 108. (a) Section 10708 is amended by—

(1) amending the section heading by inserting "certain" before "new";

(2) amending paragraph (a)(1)(A) by inserting "a motor carrier of property or freight forwarder" after "other than a rail carrier"; and

(3) amending paragraph (a)(1)(B) by inserting "other than a motor carrier of property" after "by a contract carrier under this subtitle".

(b)(1) Chapter 107 is amended by inserting the following new section after section 10708:

"§ 10708a. Investigation and Suspension of New Motor Carrier of Property or Freight Forwarders Rates, Classifications, Rules and Practices

"(a)(1) Subject to the provisions of section 10704, the Commission may begin a proceeding to determine the lawfulness of a proposed rate, classification, rule, or practice immediately on application of an interested party when—

"(A) a new individual or joint rate or individual or joint classification, rule, or practice affecting a rate is filed with the Commission by a motor carrier of property or freight forwarder, under this subtitle; or

"(B) a new or reduced rate or rule or practice that causes a reduction of a rate is filed with the Commission by a motor contract carrier of property or freight forwarder under this subtitle.

"(2) The Commission must give reasonable notice before beginning a proceeding under this section but may act without allowing an interested carrier to file an answer or other formal pleading in response to its decision to begin the proceeding.

"(b)(1) Pending the final Commission action in a proceeding under subsection (a) and subject to the provisions of the following paragraph, the Commission may suspend the proposed rate, classification, rule, or practice at any time for not more than three months beyond the time it would otherwise go into effect by—

"(A) delivering to each affected carrier, and

"(B) filing with the proposed rate, classifications rule, or practice, a statement of reasons for the suspension.

"(2)(A) The Commission may not suspend any proposed rate decrease and may not suspend any proposed rate increase that may not be found unreasonably high under the provisions of section 10704.

"(B) The Commission may not suspend any other rate increase under this section unless it appears from specific facts shown by a verified complaint of a person that—

"(i) without suspension, the proposed rate increase will cause substantial injury to the complainant or the party represented by the complainant; and

"(ii) it is likely the complainant will prevail on the merits.

The burden of proof is on the complainant to prove the facts referred to in the preceding sentence.

"(c) If the Commission does not take final action during the suspension period, the proposed rate, classification, rule, or practice shall take effect at the end of such period.

"(d) If the Commission does not suspend a proposed rate increase that is the subject of a proceeding under this section, the Commission shall require the carriers involved to account for all amounts received under the increase until the Commission completes the proceeding or until three months after the increase becomes effective, whichever occurs first. The accounting must specify by whom and for whom the amounts are paid. When the Commission takes final action, it shall require the carrier to refund to the person for whom the payments were paid that part of the increased rate found to be unjustified, plus interest at a rate equal to the average yield (on the date the proposed increase is filed) of marketable securities of the United States Government having a duration of 90 days. The Commission may also assess attorneys fees and costs of the complaining party or any portion thereof. If the Commission determines that an action under this section was initiated or continued in bad faith, it may assess the complainant the costs and attorneys fees incurred by the carrier, or any portion thereof.".

(2) The index for chapter 107 is amended by inserting the following after item 10708:

"10708a. Investigation and Suspension of New Motor Carrier of Property or Freight Forwarders Rates, Classifications, Rules and Practices."

NOTICE

SEC. 109. Section 10762 is amended by—

(1) inserting "except as provided in subsection (g)" before the period at the end of the third sentence in subsection (a) (2);

(2) striking "30" wherever it appears and substituting "15"; and

(3) adding the following new subsection at the end thereof:

"(g) Notwithstanding any other provision, with respect to rates filed before January 1, 1984, the Commission may not require more than fifteen days prior notice of any rate change by any motor common carrier of property or freight forwarder, and may reduce such period of notice if it finds it to be in the public interest. Rates of motor contract carriers may be filed as agreed by the carrier and shipper. After January 1, 1984, all rates of motor carriers of property and freight forwarders may become effective upon publication.".

MERGERS OF MOTOR COMMON CARRIERS OF PROPERTY

SEC. 110. (a) Section 11343 (a) is amended by inserting "(other than a motor carrier of property)" after "II".

(b) Chapter 113 is amended by inserting after section 11343 the following new subsection:

"§ 11343a. Consolidation, merger, and acquisition of control of motor carriers of property.

"(a) The following transactions involving motor carriers of property providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter II of chapter 105 may be carried out only with the approval and authorization of the Commission:

"(1) consolidation or merger of the properties or franchises of at least two such carriers into one corporation for the ownership, management, and operation of the previously separately owned properties;

"(2) a purchase, lease, or contract to operate property of another such carrier by any number of such carriers;

"(3) acquisition of control of such a carrier by any number of such carriers;

"(4) acquisition of control of at least two such carriers by a person that is not such a carrier; and

"(5) acquisition of control of such a carrier by a person that is not such a carrier but that controls any number of carriers.

"(b) A person may carry out a transaction referred to in subsection (a) or participate in achieving the control or management, including the power to exercise control or management, in a common interest of more than one of those carriers, regardless of how that result is reached, only with the approval and authorization of the Commission under this subchapter. In addition to other transactions, each of the following transactions are considered achievements of control or management:

"(1) A transaction by such a carrier has the effect of putting that carrier and persons affiliated with it, taken together, in control of another carrier.

"(2) A transaction by a person affiliated with such a carrier has the effect of putting that carrier and persons affiliated with it, taken together, in control of another such carrier.

"(3) A transaction by at least two persons acting together (one of whom is a carrier or is affiliated with a carrier) has the effect of putting those persons and such carriers and persons affiliated with any of them, or with any of those affiliated carriers, taken together, in control of another such carrier.

"(c) A person is affiliated with such a carrier under this subchapter if, because of the relationship between that person and such carrier, it is reasonable to believe that the affairs of another such carrier, control of which may be acquired by that person, will be managed in the interest of the other carrier.

"(d) Approval and authorization by the Commission are not required under this section if the only parties to a transaction referred to in subsection (a) are carriers providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 and the aggregate gross operating revenues of those carriers were not more than $1,000,000 during a period of twelve consecutive months ending not more than six months before the date of the agreement of the parties covering the transaction.

"(e) Notwithstanding subsections (a) through (d), the Commission may not approve or authorize any transaction referred to in this section if the Commission finds that as a result of the transaction, there is likely to be a substantial lessening of competition, creation of a monopoly, or a restraint of trade in freight surface transportation in any region of the United States unless the Commission finds that the anticompetitive effects of the transactions are outweighed in the public interest by the probable effect of the transaction in meeting significant transportation needs, and unless it finds that such significant transportation needs could not be satisfied by a reasonably available alternative having materially less anticompetitive effects. In evaluating any transaction under this subsection, opponents of the transaction shall have the burden of proving the reduction or elimination of competition, and the party defending the transaction shall have the burden of proving that transportation needs outweigh such anticompetitive effects.

"(f) The authority of the Commission under this section shall cease five years after the date of enactment of this section.".

(c) Effective five years after the date of enactment of his section, section 11 of the Act of October 15, 1914, as amended (known as the Clayton Act (15 U.S.C. 21)) is amended by inserting after "as amended" and before the first semicolon in the first sentence the following: "*Provided, however,* That the Interstate Commerce Commission shall not have jurisdiction to enforce the compliance of motor carriers of property subject to the Interstate Commerce Act, as amended, with sections 18 and 19 of his title.".

PRIVATE CARRIAGE

SEC. 111. (a) Section 10102(13) is amended by inserting "as defined by paragraph 15(B)," after "person".

(b) Section 10102(15) is amended to read as follows:

"(16) 'person' includes—

"(A) In addition to its meaning under section 1 of title I of the United States Code, trustee, received, assignee, or personal representative of a person; and

"(B) for the purpose of sections 10524 and 10921, a corporation or group of corporations consisting of a parent and all subsidiaries, including unincorporated divisions or other parts of such corporation or group, in which the parent controls, directly or through another subsidiary, more than 50 percent of the voting stock or such lesser percentage of stock as the Commission determines to be adequate to constitute control.".

(c) Section 10930 is amended by adding at the end thereof the following new subsection:

"(c) Any private motor carrier of property may operate as a motor common or contract carrier of property if it complies with all the requirements of section 10922 or 10923, as appropriate.".

(d) Section 11101 (c) is amended by striking the period at the end thereof and substituting the following: "; or

"(3) The motor vehicle is owned by a motor private carrier of property and is to be used in a movement described in paragraph (1) (c).".

AIR CARGO EXEMPTION

SEC. 112. Section 10526 (a) (8) is amended to read as follows:

"(8) transportation by motor vehicle of property as part of a continuous movement which, prior or subsequent there to, has been or will be transported by an air carrier subject to regulation under the Federal Aviation Act of 1958; or, to the extent so agreed by the United States, by a foreign air carrier subject to regulation under the Federal Aviation Act of 1958.".

TRUCKLOAD TRANSPORTATION

SEC. 113. Effective two years after the date of enactment of this Act, section 10526 (a) is amended by—

(1) striking "or" after paragraph (8);

(2) striking the period after paragraph (9) and substituting "; or"; and

(3) adding at the end thereof the following new paragraph:

"(10) transportation of property by motor vehicle in truckload movements which are: (A) over 10,000 pounds; (B) under a single bill of lading; or (C) transported by carriers other than general freight carriers.".

STUDIES

SEC. 114. Not later than January 1, 1983, the Secretary of Transportation, in cooperation with the Interstate Commerce Commission and the Department of Justice, shall prepare and submit to the Congress a detailed report on the implementation of this Act and whether continued regulation of the trucking industry is required. The Secretary shall also specifically report on how this Act has affected entry into the trucking industry and whether retention of a public convenience and necessity test should be continued. The Secretary shall also make any recommendations deemed advisable, after consultation with the Interstate Commerce Commission and the Department of Justice, on further legislation needed to provide a more competitive and responsive trucking system.

FEDERAL-STATE RELATIONSHIP

SEC. 115. (a) Chapter 115 is amended by adding at the end thereof the following new section:

"§ 11508. Federal-State relationship

"No State or political subdivision thereof and no interstate agency or other political agency or two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to rates, charges, routes, classifications, rules, practices, services (including abandonments or discontinuances of service), or financial structure of a motor carrier of property with respect to transportation described in section 10501 (a) (2).".

(b) The index for chapter 115 is amended by adding at the end thereof the following new item:

"11508. Federal-State relationship.".

MOTOR CARRIER OF PROPERTY SECURITIES

SEC. 116. (a) Section 11302 is amended by inserting "of passengers" after "carriers" or "carrier" in subsection (a) wherever they appear.

(b) Section 3(a) (6) of the Securities Act of 1933 (15 U.S.C. 77c(a) (6)) is amended by inserting "of passengers" after "motor carrier".

MOTOR CARRIER BROKERS

SEC. 117. Section 10924(a) is amended to read as follows:

"(a) The Interstate Commerce Commission shall issue, subject to section (10927(b), a license to a person authorizing the person to be a broker for transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105, if the Commission finds that the person is fit, willing, and able—

"(1) to be a broker for transportation to be authorized by the license; and

"(2) to comply with this subtitle and regulations of the Commission.".

TITLE II—COMMERCIAL MOTOR VEHICLE SAFETY

PART I—CONGRESSIONAL FINDINGS AND PURPOSE

FINDINGS

SEC. 201. The Congress finds—

(1) that the level of highway facilities and injuries related to commercial motor vehicle operations is unnecessary, unacceptably high, and must be reduced;

(2) that the level of property damage related to commercial motor vehicle operations is unnecessary, unacceptably high, and must be reduced;

(3) that the present level of fatalities, injuries, and property damage related to commercial motor vehicle operations has a detrimental effect on the economy, as well as on the public safety and welfare;

(4) that more comprehensive regulation of commercial motor vehicle safety and strengthened enforcement would reduce the level of fatalities, injuries, and property damage related to commercial motor vehicle operations;

(5) that interested State governments can provide valuable assistance to the Federal Government in assuring that commercial motor vehicle operations are conducted safely; and

(6) that enactment of legislation to strengthen commercial motor vehicle safety regulation and enforcement is in the public interest.

DECLARATION OF PURPOSE

SEC. 202. The Congress declares that it is the purpose of this title—

(1) to promote the safe operation of commercial motor vehicles operating in or affecting interstate commerce;

(2) to assure that all employers, employees and other persons involved in the provision of commercial motor vehicle services comply with rules and regulations governing the safe operation of commercial motor vehicles;

(3) to assure that the level of penalties imposed upon violators of rules and regulations governing the safe operation of commercial motor vehicles does not allow for violators to absorb penalties imposed as a cost of doing business;

(4) to increase the likelihood of violations of commercial motor vehicle safety regulations being detected;

(5) to promote national uniformity in the safety regulation of commercial motor vehicle operations; and

(6) to simplify the safety regulatory process by consolidating Federal safety authority regarding commercial motor vehicle operations in a single agency, the Department of Transportation.

PART II—SAFETY ASPECTS OF FIT, WILLING, AND ABLE DETERMINATIONS

SAFETY ASPECTS OF FIT, WILLING, AND ABLE DETERMINATIONS

SEC. 210. (a) Subchapter II of chapter 109 is amended by adding the following new section:

"SAFETY ASPECTS OF FIT, WILLING, AND ABLE DETERMINATIONS

"SEC. 10934. (a) (1) In making any determination under this subchapter as to whether a person is fit, willing, and able to provide transportation or other services, the Commission shall seek the advice of the Secretary of Transportation (hereinafter in this section referred to as the 'Secretary') with regard to the safety-related aspects of any such determinations. The Commission shall be bound by such safety determination of the Secretary, and the Commission may not authorize a person to provide transportation or other services if the Secretary determines that, as to the safety-related aspects of such determinations, that person is not fit, willing and able to provide those services, and the Commission may not deny a person authority to provide transportation or other services on the basis of considerations within the authority of the Secretary under this section, except when the Secretary determines that person is, as to safety-related matters, not fit, willing, and able to provide those services.

"(2) The Secretary shall advise the Commission of his determinations with regard to the safety-related aspects of fit, willing, and able determinations in accordance with the provisions of this section.

"(3) Nothing in this section shall apply to fit, willing and able determinations by the Commission regarding the authority of a person to provide transportation or other services as a broker or water carrier.

"(b) In the case of applications to the Commission for new or additional authority, the determinations of the Secretary with regard to the safety-related aspects of fit, willing, and able determinations shall be provided to the Commission as follows:

"(1) Upon receipt of an application under this subchapter for authority to provide transportation or other services, the Commission shall forward to the Secretary a copy of such application.

"(2) Within sixty days of receipt of the application by the Commission, the Secretary shall notify the Commission as to whether, as to matters related to safety, the Secretary determines the applicant fit, willing, and able to provide the transportation or other services in question. If the Secretary is unable to make such determination within such sixty-day period, he may within such sixty-day period, notify the Commission that he will require an additional period, not to exceed twenty days, to make such determination. Failure by the Secretary to reply to the Commission within sixty days of receipt of the application by the Commission or, in the case where an extension of time has been secured, within eighty days of receipt of the application by the Commission, shall be construed as a determination by the Secretary that, with regard to safety, the applicant is fit, willing and able.

"(3) The applicant, the Commission and other interested persons may submit information and recommendations to the Secretary as to whether, with regard to safety-related matters, the applicant should be considered fit, willing, and able to provide services. If any relevant fact material to the determination of the safety-related aspects of whether the applicant should be considered fit, willing, and able to provide services is in dispute, and resolution of that fact would be aided by the taking of evidence under oath with opportunity for cross-examination, the Secretary may certify the dispute to an employee of the Department who shall have the power to administer oaths; such employee shall conduct such proceedings as appropriate to resolve the dispute and shall recommend a finding to the Secretary. There shall be no interlocutory appeal of the finding of the Secretary as to the factual dispute.

"(4) With the concurrence of the Secretary, the Commission may authorize an applicant to provide transportation or other services on an emergency basis, for a period not to exceed eighty days, in advance of the Secretary's determination with regard to safety-related matters, as to whether the applicant is fit, willing, and able to provide such services.

"(c) (1) In any case where a person is authorized to provide services under this subchapter, that person shall, with regard to safety-related matters, be deemed fit, willing, and able to provide such services until such time as the Secretary may determine that such person is, with regard to safety-related matters, no longer fit, willing, and able to provide those services. Except when the Secretary determines that the public safety requires the utilization of the authority provided in paragraph (2), determinations may be made under the authority of this subsection only after notice and opportunity for hearing, open to participation by all interested parties, pursuant to section 554, title 5, United States Code. The Secretary may commence such hearing upon his own motion, or upon the request of an interested party, and shall conduct such a hearing upon the request of the Commission. When the Secretary determines that a person subject to the provisions of this paragraph is no longer, with regard to safety-related matters, fit, willing, and able to provide such services, the Secretary shall request the Commission to suspend all or part of the authority of that person to provide such services and the Commission shall immediately order such suspension. Such request by the Secretary shall be accompanied by a brief written statement, to be issued by the Commission with its order, of the reasons for the Secretary's determination.

"(2) In any case where the Secretary determines that the continued provision of services by a person poses an imminent hazard to public safety, the Secretary shall request the Commission to suspend all or part of the authority of that person to provide such services and the Commission shall immediately order such suspension. Such request by the Secretary, to be binding on the Commission, shall be accompanied by a brief written statement, to be issued by the Commission with its order, supporting the issuance of the order. Persons adversely affected by such order are entitled to a subsequent hearing pursuant to section 554, title 5, United States Code, to be commenced by the Secretary within ten days of issuance of the order. As used in this subsection an 'imminent hazard' exists when there is a substantial likelihood that serious harm will occur to a member or members of the general public, as a result of the continued provision of services by a person, prior to the completion of an administrative hearing initiated to review whether, as regards safety-related matters, that person is fit, willing, and able to provide services.

"(d) Determinations by the Secretary as to whether an applicant is, with regard to safety-related matters, fit, willing, and able to provide services, may be reviewed in the United States Court of Appeals for the circuit in which the applicant has his principal place of business or residence, or in the United States Court of Appeals for the District of Columbia Circuit, if petition for review of such determination is filed within thirty days of such determination by the Secretary. Review of such determination by the Secretary shall consider only whether the determination was supported by substantial evidence or was otherwise not in accordance with law. No objection which was not urged before the Secretary or his designated agent in the course of administrative proceedings may be considered by the court, unless reasonable grounds existed for failure or neglect to do so.

"(e) The Secretary is authorized to promulgate regulations establishing the basis for the Secretary's determinations with regard to the safety-related aspects of fit, willing, and able determinations. Such regulations may include the establishment of requirements bearing on the ability of an applicant to safely perform services, such as requirements that an applicant—

"(1) register with the Secretary, thereby providing notice of his intent to operate;

"(2) demonstrate knowledge of, agree to, and provide evidence, including accident and compliance histories and out of service ratios, of his ability to operate in compliance with all standards applicable to commercial motor vehicle safety promulgated by the Secretary, including hours of service rules, and including rules promulgated pursuant to this Act, the Department of Transportation Act, the Hazardous Materials Transportation Act, and sections 831–835 of title 18 of the United States Code;

"(3) carry such documentation as the Secretary may require;

"(4) carry adequate liability insurance or enter into comparable bonding arrangements;

"(5) designate an agent for service of process; and

"(6) carry and display vehicle identification in such form and manner as the Secretary may require. The Secretary may also promulgate such regulations as the Secretary may determine appropriate to assist in the implementation of this section, including rules to require that applications filed with the Commission include such information as the Secretary may require to assist the Secretary in making determinations as to whether, with regard to safety-related matters, a person is fit, willing, and able to provide transportation or other services.".

(b) (1) The provisions of subsection (a) shall be effective 180 days after the date of enactment of this Act.

(2) On the date that the provisions of subsection (a) become effective, the provisions of section 4 (e) of the Department of Transportation Act (49 U.S.C. 1653 (e)), so far as they require the Secretary of Transportation to report to the Commission regarding the safety records of persons who would be subject to the provisions of subsection (a) are superseded.

(3) The general powers provided to the Secretary of Transportation in section 222 of this Act are available to the Secretary of Transportation in his implementation of section 10934 of title 49, United States Code.

(c) The index for subchapter II of chapter 109 is amended by adding at the end thereof the following new item:

"10934. Safety Aspects of Fit, Willing, and Able Determinations.".

PART III—COMMERCIAL MOTOR VEHICLE SAFETY REGULATIONS

DEFINITIONS

SEC. 220. For the purposes of parts I, III, and IV of this title—

(1) "Secretary" means the Secretary of Transportation;

(2) "commerce" means trade, traffic or transportation within the jurisdiction of the United States between a place in a State and a place outside of such State, or which affects trade, traffic or transportation between a place in a State and a place outside of such State;

(3) "commercial motor vehicle" means any self-propelled or towed vehicle used on the highways in commerce: (A) to transport commodities or equipment, if such vehicle is over 10,000 pounds gross vehicle weight rating or is being used in the transportation of materials found by the Secretary to be hazardous for the purposes of sections 831–835 of title 18 of the United States Code or the Hazardous Materials Transportation Act; or (B) to transport passengers for hire;

(4) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or the Government of the Northern Marianas;

(5) "employer" means any person engaged in business who owns, leases, operates, or loads commercial motor vehicles in connection with that Business, or assigns employees to operate them in commerce or to load them, but such term does not include the United States, or any State, or a political subdivision of a State;

(6) "employee" means a driver (including an independent contractor), mechanic, freight handler, and any other individual whose employment directly affects commercial motor vehicle safety; and

(7) "person" means employers and employees, as well as one or more individuals, partnerships, associations, corporations, business trusts, or any other organized group of individuals, who use or operate commercial motor vehicles in commerce or who arrange for such use or operation.

REGULATORY AUTHORITY

SEC. 221. (a) The Secretary shall establish and revise as necessary such rules, regulations, standards and orders as the Secretary determines necessary to assure the safe operation of any class or classes of commercial motor vehicles. Such rules, regulations, standards and orders shall be promulgated after consideration of their costs and benefits, shall reach their objectives in the least costly manner, and shall be directed toward assuring—

(1) that commercial motor vehicles are safely maintained, equipped, loaded, and operated;

(2) that the responsibilities imposed upon drivers of commercial motor vehicles do not impair their ability to safely operate those vehicles;

(3) that the health and physical condition of drivers of commercial motor vehicles is adequate to enable them safely to drive the vehicles they are assigned to operate;

(4) that such records and reports are maintained as are necessary to insure compliance with regulations promulgated under this section, including reports regarding the condition of vehicles, vehicle inspection and maintenance practices, employee qualifications, and hours of service by employees;

(5) that persons operating commercial motor vehicles meet any requirements, including registration and liability insurance requirements, that the Secretary is authorized to develop under section 10934 (e) of title 49 of the United States Code as proposed by section 310 of this Act;

(6) that persons meet such other requirements as the Secretary may establish as bearing on the safe operation of commercial motor vehicles; and

(7) that persons are advised of the commercial motor vehicle safety regulations they are obligated to follow.

(b) All rules, regulations, or standards issued by the Secretary including those establishing, amending, revoking, or waiving compliance with a rule, regulation, or standard promulgated under this section shall be promulgated in accordance with the provisions of section 553 of title 5 of the United States Code. A transcript shall be kept of any oral hearing held by the Secretary. The Secretary may conduct an informal hearing in accordance with such conditions or limitations as he may make applicable thereto, for the purpose of resolving any issue of fact material to the establishing, amending, revoking, or waiving of a rule, regulation, or standard.

(c) The Secretary may, after proceeding in accordance with subsection (b) of this section, waive in whole or in part compliance with any rule, regulation, or standard established under this section, if he determines that such waiver of compliance is in the public interest and is consistent with the safe operation of commercial motor vehicles.

(d) Any final agency action taken under this section is subject to judicial review as provided in chapter 7 of title 5 of the United States Code.

GENERAL POWERS

SEC. 222. (a) The Secretary is authorized to conduct, directly or indirectly, such research, development, demonstrations, and training activities as the Secretary considers appropriate to develop rules, regulations, orders, and standards authorized to be promulgated under section 221 of this Act, to design and develop improved enforcement procedures and technologies, and to familiarize all affected persons with such rules, regulations, orders, and standards.

(b) In carrying out his functions under this Act, the Secretary is authorized to perform such acts including conducting investigations and inspections, compiling statistics, making reports, issuing subpoenas, requiring production of documents, records, and property, taking depositions, holding hearings, prescribing recordkeeping and reporting requirements, and carrying out and contracting for such research, development, testing, evaluation and training as he determines necessary to carry out the provisions of this Act or regulations issued pursuant thereto. With respect to the provisions of this part, the Secretary may delegate to a State such functions respecting the enforcement (including investigations) of the provisions of this part or regulations issued pursuant thereto as he determines necessary to carry out the provisions of this part.

(c) (1) To carry out the Secretary's responsibilities under this Act, employees, or agents of the Secretary are authorized to enter upon, inspect, and examine facilities, equipment, operations, and pertinent records without advance notice, in accordance with the provisions of paragraph (2) of this subsection. Such employees or agents shall display proper credentials when requested and may consult with employers and employees and their duly authorized representatives in the course of inspections.

(2) (A) A warrant under this paragraph shall be required for any entry or administrative inspection (including impoundment of motor vehicles or motor vehicle equipment) authorized by this section, except if such entry or inspection is—

(i) with the consent of the employer, employee, or agent of the employer in charge of the business, establishment, or premises;

(ii) in situations involving inspection of motor vehicles where there is reasonable cause to believe that the mobility of the motor vehicle makes it impractical to obtain a warrant;

(iii) in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking;

(iv) for access to and examination of books, records, and any other documentary evidence which can be easily altered, manufactured or falsified; and

(v) in any other situations where a warrant is not constitutionally required.

(B) Issuance and execution of administrative inspection warrants shall be as follows:

(i) Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by this section and of impoundment of motor vehicles or motor vehicle equipment appropriate to such inspections. For the purposes of this section, the term "probable cause" means a valid public interest in the effective enforcement of this Act or regulations issued thereunder sufficient to justify administrative inspections of the area, establishment, premises, records, or motor vehicles, or contents thereof, in the circumstances specified in the application for the warrant.

(ii) A warrant shall be issued only upon an affidavit of an officer, employee, or agent of the Secretary having knowledge of the facts alleged, sworn to before the judge or magistrate and establishing the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the application exist or that there is a reasonable basis for believing they exist, he shall issue a warrant identifying the area, establishment, premises, or motor vehicle to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall—

(I) identify the items or type of property to be impounded, if any;

(II) be directed to a person authorized under this section to execute it;

(III) state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof;

(IV) command the person to whom it is directed to inspect the area, establishment, premises or motor vehicle identified for the purpose specified, and where appropriate, shall direct the impoundment of the property specified;

(V) direct that it be served during the hours specified in it; and

(VI) designate the judge or magistrate to whom it shall be returned.

(iii) A warrant issued pursuant to this section must be executed and returned within ten days of its date unless, upon a showing by the Secretary of a need therefor, the judge or magistrate allows additional time in the warrant. If property is impounded pursuant to a warrant, the person executing the warrant shall give the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person making such inventory, and shall be verified by the person executing the warrant. The judge or magistrate, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and the applicant for the warrant.

(iv) The judge or magistrate who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

NOTICE OF VIOLATIONS; PENALTIES

SEC. 223. (a) If the Secretary finds a violation of this Act or regulations, rules, orders or standards issued pursuant to this Act, the Secretary shall issue a notice of violation. Such notice shall be in writing and shall describe with reasonable particularity the nature of the violation found and the section of the Act, rule, standard, regulation, or order which has been violated. The notice shall fix a reasonable time for abatement of the violation, specify the appropriate civil penalty, if any, and specify the actions the Secretary proposes be taken in order to avoid subsequent similar violations. The notice shall indicate that any person issued such notice may, within fifteen days of service, notify the Secretary of his intention to contest the matter. In the event of a contested notice, the Secretary shall afford such person an opportunity for a hearing, following which the Secretary shall issue an order affirming, modifying, or vacating the notice of violation.

(b) Any person who is determined by the Secretary, after notice and opportunity for a hearing, to have committed an act which is a violation of this Act or a regulation issued under this Act or a violation of any other regulation administered by the Bureau of Motor Carrier Safety, or who causes a violation to be committed, shall be liable to the United States for a civil penalty not to exceed $2,500 for each offense, except that, if the violation pertains solely to recordkeeping, the violator shall be liable for a civil penalty not to exceed $1,000 for each offense. If the Secretary determines that a safety violation exists or has occurred which could reasonably lead to, or has resulted in, serious personal injury or death, he may assess a civil penalty not to exceed $25,000 for each offense. Each day of a violation shall consitute a separate offense. The amount of any such penalty, and a reasonable time for abatement of the violation, shall by written order be determined by the Secretary, taking into account the nature, circumstances, extent, and gravity of the violation, the degree of culpability, any history of prior offenses, ability to pay, effects on ability to continue to do business, and such other matters as justice and public safety may require. In each case, the assessment shall be calculated to induce future compliance.

(c) With respect to uncontested actions of the Secretary under this section, all finding of fact, conclusions of law, fines, penalties and orders shall be conclusive and shall not be subject to judicial review.

(d) The Secretary may require any persons served with a notice of violation to post a copy of such notice of violation or notice thereof in such place or places and for such duration as the Secretary may determine appropriate to aid in the enforcement of this Act.

(e) Any person who knowingly and willfully violates any standard, rule, regulation, or order issued pursuant to this Act or who knowingly and willingly makes any false statement or representation in a document filed or hearing held pursuant to the authority of this Act shall, upon conviction, be subject for each offense to a fine not to exceed $50,000 or imprisonment for a term not to exceed one year, or both.

(f) The Secretary shall promulgate regulations establishing a range of penalties designed to induce timely compliance for persons failing to comply promptly with the requirements set forth in notices and orders.

(g) The Secretary, acting through the Attorney General, may, for good cause shown, obtain enforcement, including injunctive relief pursuant to rule 65 of the Federal Rules of Civil Procedure, of any penalties or orders issued under this section by applying to the United States district court for the District of Columbia or for the district where the violation occurred or where the cited party has his principal office or residence. In addition to granting enforcement, the district court may assess an appropriate penalty for noncompliance and award such further relief as justice and public safety may require.

(h) If, upon inspection or investigation, the Secretary determines that a violation, or combination of violations, poses an imminent hazard to public safety, the Secretary may order a vehicle or employee operating such vehicle out of service, or order an employer to cease all or part of his commercial motor vehicle operations, pending abatement of the violation without prior hearing. Subsequent to the issuance of such order, opportunity for review shall be provided in accordance with section 554 of title 5 of the United States Code.

(i) Any aggrieved person who, after a hearing, is adversely affected by a final order issued under this section may, within thirty days, petition for review of the order in the United States Court of Appeals in the Circuit wherein the violation is alleged to have occurred or where he has his principal place of business or residence, or in the United States Court of Appeals for the District of Columbia Circuit. Review of the order shall be based on a determination of whether the Secretary's findings and conclusions were supported by substantial evidence, or otherwise not in accordance with law. No objection that has not been urged before the Secretary shall be considered by the court, unless reasonable grounds existed for failure or neglect to so so. The commencement proceedings under this subsection shall not, unless ordered by the court, operate as a stay of the order of the Secretary.

(j) In any action brought under this part, subpoenas for witnesses who are required to attend a United States district court may run into any other district.

(k) In any proceedings for criminal contempt for violation of an injunction or restraining order issued under this section which violation also constitutes a violation of this part, trial shall be by the court, or, upon demand of the accused, by a jury, conducted in accordance with the provisions of rule 42 (b) of the Federal Rules of Criminal Procedure.

STATE REGULATIONS

SEC. 224. A State may adopt or continue in force any law, rule, regulation, order, or standard relating to commercial motor vehicle safety until such time as the Secretary has adopted a rule, regulation, order, or standard regulating that subject. A State may adopt or continue in force an additional or more stringent law, rule, regulation, order, or standard relating to commercial motor vehicle safety that does not create an undue burden on interstate commerce when necessary to eliminate or reduce a local safety hazard, and when not incompatible with any Federal law, rule, regulation, order, or standard.

DUTY TO INVESTIGATE COMPLAINTS; PROTECTION OF COMPLAINTS

SEC. 225. (a) The Secretary shall timely investigate any nonfrivolous complaint alleging that a material violation of any rule or regulation issued under section 221 or any rule or regulation issued by the Bureau of Motor Carrier Safety is occurring or has occurred within the preceding sixty days. The Secretary shall timely notify the complainant of findings resulting from such investigation. However, the Secretary shall not be required to conduct separate investigations of duplicative complaints.

(b) Notwithstanding the provisions of section 552 of title 5 of the United States Code, the Secretary shall not disclose the identity of complainants unless it is determined that such disclosure is necessary to prosecute a violation.

If disclosure becomes necessary, the Secretary shall take every practical measure within his authority to assure that the complainant is not subject to harassment, intimidation, disciplinary action, discrimination or financial loss as a result of such disclosure.

PROTECTION OF EMPLOYEES

SEC. 226. (a) No employer shall discharge, discipline, or in any manner discriminate against an employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under, or relating to, any standard, requirement, or regulation issued under this Act, or any rule or regulation issued by the Bureau of Motor Carrier Safety, or has testified, or is about to testify, or has participated in any way, in such proceeding.

(b) No employer shall discharge, discipline or in any manner discriminate against an employee for refusing to operate a vehicle when such operation constitutes a violation of any Federal standards applicable to motor carrier safety, or because of the employee's reasonable apprehension of serious injury to himself or the public due to the unsafe condition of such equipment. The unsafe conditions causing the employee's apprehension of injury must be of such nature that a reasonable person, under the circumstances then confronting the employee, would conclude that there is a bona fide danger of an accident, injury, or serious impairment of health, resulting from the unsafe condition. In order to qualify for protection under this subsection, the employee must have sought from his employer, and have been unable to obtain, correction of the unsafe condition.

(c) Any employee who is discharged, disciplined, or in any manner discriminated against in violation of this section shall be entitled to (1) reinstatement to his former position and be made whole for lost compensation and benefits, (2) compensatory damages, and (3) where appropriate under the circumstances, exemplary damages.

(d) Suits to enforce the provisions of this section may be brought in the United States district court in the district in which the employer owns or leases facilities or in the United States district court in the district within which the employee has been discriminated against, disciplined, or has received notice of discharge. No suit may be instituted to enforce such provisions more than twelve months after written notice of discharge is received by the employee concerned, or more than twelve months after the discipline or discriminatory practices (other than discharge) have been discontinued, whichever is later.

(e) Whenever an order is issued under this section, the court may assess costs and expenses, including attorney's fees, reasonably incurred in connection with the institution and prosecution of such proceedings.

EFFECT ON OTHER FEDERAL LAWS

SEC. 227. Nothing in this Act shall be construed to amend or modify the National Labor Relations Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, or the Hazardous Materials Transportation Act.

PART IV—GRANTS TO STATES

GENERAL

SEC. 240. Under the terms and conditions of this part, and subject to the availability of funds, the Secretary is authorized to make grants to States for the development or implementation of programs for the enforcement of Federal standards applicable to commercial motor vehicle safety and compatible State standards.

GRANTS TO STATES TO DEVELOP ENFORCEMENT PROGRAMS

SEC. 241. The Secretary is authorized, under such terms and conditions as the Secretary shall require, to make grants to States to assist them in developing programs to enforce Federal standards applicable to commercial motor vehicle safety and compatible State standards.

APPLICATIONS FOR GRANTS TO IMPLEMENT ENFORCEMENT PROGRAMS

SEC. 242. (a) A State may submit an application for a grant from the Secretary to assist that State in implementing programs for the enforcement of standards applicable to commercial motor vehicle safety if that application provides that, before receipt of a grant under this part, that State will adopt, and assume responsibility for enforcing, as State standards, such Federal commercial motor vehicle safety rules, regulations, orders and standards promulgated pursuant to section 221 of this Act as the Secretary shall specify, so that violations of those standards as of the date of receipt of the grant may be prosecuted by State officials in State courts or administrative bodies.

(b) An application for such a grant shall set forth the State's proposed program for the implementation of standards applicable to commercial motor vehicle safety and shall also include information to enable the Secretary to make the findings, set forth in section 243, prerequisite to the approval of a grant for assistance in enforcing standards applicable to commercial motor vehicle safety.

APPROVAL OF ENFORCEMENT GRANTS

SEC. 243. (a) The Secretary is authorized to approve an application submitted pursuant to section 242 and make a grant to an applicant in the whole amount requested or in part if, in the Secretary's judgment—

(1) that application provides for the applicant State's adoption and enforcement of Federal commercial motor vehicle safety rules, regulations, orders, and standards, as required by section 242 (a);

(2) the applicant State has developed a program to promote the enforcement of Federal standards applicable to commercial motor vehicle safety which includes such aspects as the Secretary shall specify or may authorize. The Secretary may require, among other things, that an application contain—

(A) designation of a State agency responsible for enforcing compliance with the Federal standards applicable to commercial motor vehicle safety;

(B) satisfactory assurances that such agency has or will have the legal authority, resources, and qualified personnel necessary for the enforcement of such rules and regulations, including a satisfactory system of penalties (including penalty levels) to enforce violations;

(C) satisfactory assurances that such State will devote adequate funds to the administration of such program and enforcement of such rules and regulations;

(D) a requirement that employers, employees, owners, and lessees of commercial motor vehicles make all reports required by the Secretary under this Act to the State agency;

(E) provision that such State agency will adopt uniform reporting requirements and use uniform forms for recordkeeping, inspections, and investigations as may be established and required by the Secretary;

(F) a requirement that registrants of commercial motor vehicles make a declaration of knowledge of applicable Federal and State safety regulations; and

(G) provision for certification of and for educational programs to be made available to personnel involved in certain motor vehicle operations, such as hazardous materials operations.

(b) The Secretary shall not approve any grant application under this section which does not provide that the aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for commercial motor vehicle safety programs will be maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this section. However, where the Secretary finds that an applicant State (including political subdivisions) has reduced the costs of its commercial motor vehicle safety program without reducing service levels, the applicant State shall be entitled to make a proportionate reduction in the amount of revenues required to be expended by the State by the first sentence of this subsection.

FEDERAL SHARE OF COSTS

SEC. 224. By grants authorized under this part, the Secretary shall not reimburse any State an amount in excess of 66⅔ percent of the costs incurred by that State in that fiscal year in the development and implementation of programs to enforce commercial motor vehicle standards. The funds of the State and political subdivisions thereof which are required to be expended under subsection 243(b) shall not be considered to be part of the non-Federal share. The Secretary is authorized to allocate, among the States whose applications for grants have been approved, those amounts appropriated for grants to support such programs pursuant to such criteria as the Secretary may establish.

AUTHORIZATIONS

SEC. 245. To assist the States in developing and implementing programs to enforce regulations applicable to the safe operation of commercial motor vehicles there is authorized to be appropriated an amount not to exceed $50,000,000 in each of the fiscal years 1981, 1982, and 1983. The Secretary shall use appropriated funds authorized by this section to reimburse to States the Federal pro rata share of costs incurred. Grants made by the Secretary pursuant to the authority of this part shall be for periods not to exceed one fiscal year, ending at the end of a fiscal year.

TITLE III—MISCELLANEOUS

EFFECTIVE DATE

SEC. 301. Except as otherwise provided by this Act, this Act shall take effect on January 1, 1980.

REFERENCE TO ACT

SEC. 302. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of subtitle IV of title 49.

SECTION-BY-SECTION ANALYSIS

The following analysis, prepared jointly by members of my staff and Administration officials, explains in greater detail the provisions of this legislation.

TITLE I—ECONOMIC REGULATION AND ANTITRUST IMMUNITY

Section 101. Transportation Policy for Motor Carriers of Property and Freight Forwarders.

Federal regulation of trucking was imposed more than 40 years ago when the nation was in the middle of its most serious depression—and when, largely as a result of that depression, distrust of private enterprise and unregulated competition was high.

In the last 40 years, government economic regulation of trucking has been shown to be less efficient, more wasteful, and less productive than private competition.

Moreover, the trucking industry is no longer in its infancy. Today trucking is a $108 billion a year business accounting for more than 75% of the total revenues earned by all forms of transportation. It is a mature, prosperous and inherently competitive industry. It no longer needs the extensive economic protection of a bygone age.

The Trucking Competition and Safety Act establishes a new policy statement to govern all aspects of ICC regulation of the trucking industry. The policy statement emphasizes reliance on competition rather than government regulation to the maximum extent possible to reduce rates, improve service, attract capital, increase efficiency and offer the opportunity to earn fair profits.

The policy statement also emphasizes the need to reduce existing regulations which contribute to concentration of market power, waste energy, restrict entry and service to smaller communities (and others), protect larger carriers at the expense of smaller carriers, and adversely affect the long-term maintenance of fair wages and working conditions.

The policy statement also emphasizes the need for fairer and more expeditious regulatory procedures and the need for more effective safety regulation.

Section 102. Restriction Removal:

ICC certificates today are subject to a variety of restrictions that control every aspect of a motor carrier's operations. For example:

A. Backhaul Restrictions. Many certificates award only one way authority, or specify that a carrier may haul named commodities to a point, but with "no transportation for compensation upon return unless otherwise authorized." As recently as 1975, only half the operating certificates awarded contained authority to haul goods on a return trip.

According to the ICC, more than 20 percent of all truck mileage is accounted for by trucks traveling empty as a result of backhaul and other regulatory restrictions. This waste significantly aggravates the energy shortage and raises prices.

B. Prohibitions on Intermediate Stops. Many certificates prohibit carriers from making intermediate stops between authorized points This, of course, prevents carriers from maximizing their loads, increases costs, and keep many towns, especially smaller ones, from receiving the best possible service.

C. Route Restrictions, including Circuitous Routings. Most certificates authorizing the carriage of general commodities specify the actual highway the truck must use.

In addition to restricting operating flexibility these restrictions harm service to small towns. A carrier cannot leave the highway to serve a town off the beaten track without violating its certificate.

In some instances, carriers are required to take an indirect route or travel through a designated "gateway city" to reach their destination. For example:

Denver, Colorado and Albuquerque, New Mexico, are connected to each other via Interstate 25, a distance of 442 miles. Garrett Freight Lines is permitted to haul freight from Denver to Albuquerque—but only if it goes by way of Salt Lake City, a distance of 730 miles.

In 1974, during the height of an energy crisis, Consolidated Freightways was denied a request to travel directly between Minneapolis-St. Paul and Dallas. The carrier's route authority required it to travel 37 percent extra miles on trips between the two points. Despite CF's desire to eliminate excessive mileage and save fuel, the ICC denied the request because the new service would harm carriers already serving the route.

Circuitous routings, like regulations which require trucks to travel empty, waste precious fuel and increase costs and prices.

D. Commodity Restrictions. ICC certificates specify in detail the commodities a carrier is authorized to haul. These restrictions often follow no logical pattern and serve no apparent purpose. Some certificates, for example, authorize the carrier to haul crated, but not uncrated machinery; or allow paint hauled in 2-gallon cans, but not paint in 5-gallon cans. One recent certificate permits a carrier to haul bananas. That carrier may also haul pineapples, but only if mixed with loads of bananas.

A regulated trucker whose certificate authorizes him to haul "foodstuffs" recently wanted to haul beer. Permission was denied by the ICC. Although "wine" falls into the category of "foodstuffs," "beer" does not. If this trucker persists in his desire to haul beer, he must go through the burdensome, costly and time-consuming process of obtaining a certificate to haul "malt beverages."

The Trucking Competition and Safety Act provides that:

All backhaul restrictions are removed immediately.

All prohibitions on making intermediate stops between authorized points are removed immediately.

All route restrictions, including requirements that a carrier take a circuitous route or pass through a designated gateway, shall be removed no later than December 31, 1981.

All restrictions limiting the types of commodities a carrier may haul shall be removed no later than December 31, 1982.

All other restrictions shall be removed no later than December 31, 1983.

The ICC shall adopt liberal standards and expedited procedures for carrier petitions for removal of individual restrictions prior to the statutory deadlines. Opponents to carrier's petitions have the burden of proof to show why a restriction should not be removed.

The ICC shall develop a program allowing existing carriers to increase their operating authority by a limited amount each year without ICC approval. The ICC program shall emphasize increased opportunities to serve small towns.

Section 103. Entry and Procedural Reform:

Under existing law, an applicant for a trucking certificate must prove:

A. that it is "fit, willing and able" (meets safety, insurance and financial requirements), and

B. that the proposed transportation is "required by the public convenience and necessity."

Historically, the ICC has applied these standards in a very restrictive manner. The trucker seeking to enter the industry or expand its authority has the burden of proving that the new competition is "required" by the public convenience and necessity. Carriers already serving the route have been able to block new entry if they could provide the service themselves, or if the new competition would impair their operations. The ICC has refused to find new entry required by the public convenience and necessity even though the ICC found such entry would increase competition, reduce prices, improve service to small communities, save fuel or otherwise increase efficiency.

One recent applicant for authority testified of his experience in this way:

"It takes lots of time, lots of money, and everyone that has authority protests . . . The threshold issue at such a [entry] hearing is 'necessity,' and it represents a difficult hurdle for an applicant. For example, if we testify in support of an application that we produce 500 trailer loads of meat for shipment each week and protesting carriers assert that they have the capacity to handle these loads, the new authority will not be granted. We may need trailers on Thursday for Monday arrival on the East Coast; and they may have trailers for Wednesday loading and Tuesday delivery. To us, that is inadequate service; to the ICC, that constitutes available service."

Even if new entry is ultimately allowed, it is only after much time and expense. The regulatory maze is particularly burdensome to small businesses. Large businesses may be able to afford experts to sift through the complicated regulations and wait the long months to obtain decisions, but this is not true for the small entrepreneur.

The regulatory system has also worked to restrict the opportunities for minorities to participate in the industry. Most of today's operating authority can be traced to the "grandfather" provision of the 1935 Act. Minority participation was quite limited at that time, however, and the subsequent restrictive entry policy has kept minority participation in the industry very low. Of the 2,500 interstate household movers, less than 1% are minority-owned and no minority owned carrier has broad geographic authority to move household goods.

The Trucking Competition and Safety Act liberalizes these restrictive entry standards. The Act substantially reduces regulation over time, and places increasing reliance upon the competitive marketplace. The Act:

Retains the requirement that the applicant prove it meets financial, safety and insurance requirements (i.e., that it is "fit, willing, and able").

Reverses the burden of proof and requires opponents of new competition to show that the transportation applied for would be inconsistent with the public convenience and necessity.

Applies new standards for the "public convenience and necessity" test. The ICC is directed to accord substantial weight in favor of the application where it finds that the service would lower operating costs, improve fuel efficiency; meet consumer or user preference for service or lower rates; improve service to small communities; or generally improve the competitive climate. The ICC shall not consider possible diversion of revenues or traffic from other carriers.

Requires the ICC to make a final decision on entry applications within 90 days.

Grants the application of any fit, willing and able carrier to enter a point which an incumbent carrier does not serve, or which a railroad abandons.

Section 104. Exemptions:

1. Exemption for Agricultural Cooperatives:

Farmer cooperatives are permitted to haul exempt products, but no more than 15% of their loads can consist of regulated commodities for non-farmers. This restriction results in a high percentage of unnecessary empty miles.

The Trucking Competition and Safety Act increases from 15% to 50%, the exempt tonnage of freight that can be carried each year by agricultural cooperative associations.

2. Agricultural Exemption:

During the Congressional debates of 1935, major farm organizations lobbied against imposing ICC regulation on the trucking industry. Farmers opposed regulation because it would (1) limit the operating flexibility needed for distribution of agricultural products, many of which are perishable, and (2) increase trucking rates. Congress responded by granting a special exemption to haulers of "unprocessed" agricultural commodities. The exempt hauler is free to haul these unprocessed agricultural commodities to any point at any price without ICC controls.

The agricultural exemption has served our nations' farmers and consumers well. The exemption is too restrictive, however, and should be expanded. For example:

Fresh meat is not exempt, but fresh chickens are,

Oranges and lemon are exempt, but orange and lemon peels are not,

Milk and whipped cream are exempt; butter and cheese are not,

An exempt hauler may transport fresh tomatoes to the processing plant, but it cannot haul catsup or canned tomatoes on the way back to the growing area.

An exempt hauler may transport grain from a rural area, but on the return trip, it cannot haul processed animal feed unless it obtains authority from the ICC.

These narrow restrictions have resulted in significantly more empty backhauls for exempt truckers than for regulated truckers. The transportation costs for food, and hence food prices to consumers, are consequently higher.

The Trucking Competition and Safety Act expands the agricultural exemption to include:

Livestock.

Agricultural, horticultural or aquacultural commodities.

Food and edible products whether processed or unprocessed.

Livestock and poultry feed; agricultural seeds and plants; agricultural limestone and other soil conditioners; agricultural fertilizers and chemicals; and farm tractors, implements, and other farm machinery, and parts and accessories thereof used in agricultural production.

These provisions will allow better utilization of trucks and fewer empty backhauls. The result will be better trucking services and lower rates for farmers and lower food prices for consumers.

3. General Exemptions:

Under existing law, the ICC has very limited authority to grant exemptions from ICC regulations.

The Trucking Competition and Safety Act gives the ICC discretion to grant exemptions from statutory or regulatory requirements if the exemption is consistent with the new policy statement in Section 102.

Section 105. Motor Contract Carriers of Property and Freight Forwarders:

Contract Carriers:

Contract carriers are ICC-regulated carriers who give specialized service to a limited number of shippers. They differ from common carriers in that they do not hold themselves out as serving the general public.

Contract carriers have been subject to two major restrictions: (1) they have been prohibited from applying for common carrier authority; and (2) they have been prohibited from entering into contracts to serve more than eight shippers. This second restriction has been particularly harmful to small shippers because contract carriers naturally arrange to serve only the largest shippers, since they are limited to no more than eight contracts.

Although the ICC has recently decided to reverse these two restrictions, their decision is being challenged in the courts, and the outcome remains uncertain.

The Trucking Competition and Safety Act:

Permits contract carriers to hold common carrier authority.

States that the ICC may not limit the number of shippers that a contract carrier may serve.

Freight Forwarders:

Freight forwarders are regulated companies who consolidate small shipments, pay a common carrier (railroad, motor carrier or airline) to transport the shipments to the forwarder's terminal in another area, and then deliver the shipments to their ultimate destination.

Since 1942, freight forwarders have been governed by largely the same regulatory controls and standards as other common carriers. They may not, however, provide line-haul transportation between their terminals. Also, they cannot negotiate rates with railroads, or with motor carriers on line-hauls more than 450 miles.

The freight forwarder industry would play a more important role in handling small shipment traffic if these restrictions were relaxed and the proposed reforms were adopted.

The Trucking Competition and Safety Act allows freight forwarders to negotiate rates and enter into contracts with rail and motor carriers. The removal of these restrictions will enable freight forwarders to compete more effectively and afford shippers of small shipments a greater variety of price and service options.

Sections 106 and 107. Rates and Rate Bureau for Motor Carriers of Property and Freight Forwarders:

Collective ratemaking, commonly known as price-fixing, is a felony, punishable by fines up to $100,000 and three years imprisonment for individuals, and up to $1 million for corporations.

Since 1948, however, the regulated trucking industry has enjoyed a special exemption from the antitrust laws. This immunity allows trucking companies to meet and decide in secret the prices they will charge for truck transportation. Although rate agreements are theoretically subject to ICC review, the ICC has been more inclined to rubber stamp rate agreements rather than subject them to an independent and thorough review.

This special immunity was enacted by Congress in 1948 over President Truman's veto. In his veto message, President Truman warned that:

"The exercise by private groups of this substantial control over the transportation industry involves serious potential harm to the public. Transportation rates affect the cost of goods as they move through each phase of production—from raw materials, through finished products, to the consumer. Power to control transportation rates is power to influence the competitive success or failure of other businesses. Legislation furthering the exercise of this power by private groups would clearly be contrary to the public interest."

Legalized price-fixing and the lack of rate flexibility have cost consumers billions of dollars in higher prices. There is considerable evidence that rates are higher today than they would be if set by the competitive marketplace.

The Council on Wage and Price Stability estimates that consumers pay some $5 billion a year in extra costs because of the current regulatory system.

In the mid-1950's, fresh and frozen dressed poultry and frozen fruits and vegetables were declared exempt from ICC regulation. The U.S. Department of Agriculture estimates that as a result of deregulation, trucking rates dropped 33 percent for poultry and 19 percent for frozen fruits and vegetables.

A recent DOT survey indicates that unregulated intrastate rates in New Jersey may be as much as 15 percent lower than rates for comparable interstate shipments.

Unregulated household mover rates are 27–87 percent lower within Maryland than rates for comparable interstate shipments.

The trucking industry is enormously profitable. Senator Kennedy has pointed out that:

"The average return on equity for the eight largest regulated motor carriers was nearly twice the average return for firms in the 'Fortune 500' in 1973 and 1975. . . . The average carrier return was substantially above the '500' in 1971, 1975, and 1976, and was actually more than twice the median return on equity for the Fortune sample in 1972: 21.8 percent versus 10.3 percent."

Last year the largest eight trucking companies earned an average return on equity of 28.8 percent. These returns far exceed the 14 percent return on equity earned by unregulated manufacturing companies as well as the return on equity for the top firms in any other major industry.

Because regulation permits such high profits and makes operating certificates so scarce, ICC certificates are bought and sold for enormous sums. When Associated Transport went bankrupt in 1976, the operating rights carried on its balance sheet at $976,000 sold for just over $20 million. Eastern Freightway, Inc., recently sold rights for about $3.8 million. These prices represents the capitalized value of monopoly power which the operating certificate conveys. Ultimately, of course, the certified buyer must recover the certificate's price from its customers in the form of higher prices.

Not all rates are set by motor rate bureaus. For example, regulated trucks have a virtual monopoly of less-than-truckload (or LTL) shipments. However, for truckload traffic, regulated trucks must compete with railroads, barges, and private and contract truck carriers. These railroads, barges, and private and contract truck carriers are prohibited from joining regulated carriers in a single rate bureau to fix the price of truckload traffic. Consequently, truckload rates are not effectively subject to price fixing.

A comparison of relatively competitive "truckload" rates with LTL rates set by motor rate bureaus shows significant differences—with the truckload rates much lower. For example, the relatively competitive truckload rates have increased less than either the Consumer Price Index or the Wholesale Price Index. By contrast, LTL rates set by motor rate bureaus have increased faster than both the CPI and the WPI.

Many agricultural commodities are not regulated by the ICC and trucking companies are free to ship them free from ICC controls. Prices are set by the competitive marketplace rather than by regulation or collective agreement. According to the American Farm Bureau:

"It is our judgment that if agriculture had been saddled with a totally regulated motor carrier and barge transportation system for the past 35 years, the cost of transportation, which now accounts for nearly 10 percent of the nation's food bill, would be a third greater; and we would be experiencing far more difficulties in securing needed transportation service."

The Trucking Competition and Safety Act of 1979

Repeals the special antitrust immunity, making the trucking industry subject to the same antitrust laws that govern most other industries. (Note: Carriers would be prohibited from discussing and voting on rates. Rate bureaus may, however, continue to publish rates. And carriers may continue to interline and set joint line rates so that a shipper can pay one rate even though more than one carriers hauls the shipment to its final destination.)

Encourages price competition by preventing the ICC from disapproving rates within a zone. For the first two years, carriers may lower their rates 20% per year without ICC interference. At the end of two years, the ICC may not disapprove a rate reduction unless the rate would be predatory. For the first two years, carriers may raise their rates 5% per year without ICC interference. After two years, carriers may raise their rates 7% per year.

Section 108. Investigations of Rates of Motor Carriers of Property and Freight Forwarders:

Under existing law, the ICC may suspend proposed rate changes for up to seven months while they are being investigated. This delay discourages innovative and competitive pricing, and prevents carriers from responding quickly to changing market conditions. Rate changes are not tested in the marketplace, and rate investigations are necessarily based on theory and conjecture.

The Trucking Competition and Safety Act reduces the ICC's power to suspend rates and thereby encourages lively and innovative pricing competition.

The Act provides that:

The ICC may not suspend any rate decrease, whether it falls within or without the zone of reasonableness (though it may declare such decrease unlawful as described above).

The ICC may not suspend rate increases outside the zone unless a complainant shows that without the suspension he will be substantially injured, and that he is likely to prevail in the ultimate hearing.

Any rate suspension may not exceed three months.

Section 109. Notice:

Background:

Under existing law, carriers must publish and file with the Commission tariffs containing their rates for transportation services. The rates cannot become effective until 30 days after the tariff is published and filed. This 30-day period limits the responsiveness of trucking firms to new competitive conditions in the marketplace, and is unduly long.

The Trucking Competition and Safety Act enables carriers to maximize opportunities to be more competitive in their rates by reducing this period and then eliminating advance notice altogether.

The Act provides that for rates filed before January 1, 1984, the Commission may require no more than 15 days notice of a rate change by a motor carrier of property or freight forwarder. Further, it gives the Commission discretion to reduce the 15-day time period if it finds a reduction would be in the public interest. Motor contract carrier rates may be filed as agreed by the carrier and shipper. After January 1, 1984, all rates for motor carriers of property and freight forwarders become effective upon publication.

Section 110. Mergers:

Under existing law, the ICC has authority to approve mergers and acquisitions involving certain motor carriers and to immunize such transactions from the antitrust laws. Because of the ICC's restrictive entry policies, many carriers have relied on mergers to expand and rationalize their route systems. As a consequence, there are 40 percent fewer regulated carriers today than in the late 1930's. The ICC is given considerable discretion in approving mergers; existing law does not require a rigorous analysis of possible anticompetitive effects.

The Trucking Competition and Safety Act requires the ICC to weigh possible anticompetitive effects of the proposed mergers.

The ICC may not approve or authorize any merger or acquisition if there is likely to be a substantial lessening of competition, creation of a monopoly, or a restraint of trade—unless the ICC finds that the anticompetitive effects of the transaction are outweighed by significant transportation needs that could not be satisfied by a reasonably available alternative having materially less anticompetitive effects.

After five years, the ICC's authority over mergers is eliminated, and jurisdiction is transferred to the FTC and the Department of Justice.

Section 111. Private Carriage:

companies (such as Sears and Pet Milk) may transport their own goods free from ICC regulation. Although these "private carriers" are not directly regulated by the ICC, their operations have been severely restricted:

Until recently, they were prohibited from applying for authority to fill their backhauls with non-company commodities;

They may not haul goods for their corporate subsidiaries except under very limited circumstances; and

Private carriers may lease their unused trucks to a regulated carrier only if the lease is for a minimum of at least 30 days.

As a result of these restrictions, private carriers are plagued with an unusually high rate of empty backhauls.

The Trucking Competition and Safety Act would:

Codify recent ICC reforms allowing private carriers to apply for authority to carry non-company commodities;

Permit private carriers to provide transportation for corporate subsidiaries; and

Permit private carriers to "trip-lease" with certificated carriers for single trips.

Section 112. Air Cargo Exemption:

Existing law exempts from ICC motor carrier transportation that is "incidental to transportation by aircraft." Since 19640, the ICC restricted such exempt movements to areas within 25 miles of airports and cities receiving service by air carriers. Recently the Commission slightly expanded this area to 35 miles.

The Trucking Competition and Safety Act eliminates the mileage restriction altogether and exempts traffic to and from a domestic air carrier that is part of a combined surface-and-air movement of freight to its destination.

Section 113. Truckload Transportation:

"Truckload" motor carriers of property, who concentrate on hauling specialized commodities in full truckload lots, is already a relatively competitive sector of the trucking industry. The ICC has been more liberal in granting entry, and rates are often negotiated between the shipper and carrier. Truckload carriers complete with railroads, and with shippers who haul their freight in their own trucks. The Commission has recently announced plans to deregulate several types of these "special commodity" carriers of truckload traffic.

The Trucking Competition and Safety Act builds on this trend toward less regulation of this segment of the industry. After two years, entry and rate controls over truckload transportation are removed.

Any trucking company that meets safety, financial, and insurance requirements may haul truckload lots to any point. Rates are subject only to the antitrust law's prohibition or predatory pricing. "Truckload" transportation is defined as carriage (a) by specialized commodity carriers as categorized by the Commission; (b) in lots over 10,000 pounds; or (c) in lots under a single bill of lading.

Section 114. Studies:

The legislative changes made in sections 101–114 will make the trucking industry substantially more efficient, competitive and responsive to consumers. It will also greatly reduce government interference with trucking companies' economic decisions. However, the legislation retains a greater degree of regulation over trucking than exists for any industry of comparable size and competitive potential. This permits increased competition, phased in gradually, without unnecessary disruption. It also permits review of the effects of the initial phase of deregulation before the industry is completely returned to the private sector.

The Trucking Competition and Safety Act requires the Secretary of Transportation, in cooperation with the ICC and the Department of Justice, to report to the Congress by January 1, 1983, upon the effects of this legislation, and whether ICC regulation over the trucking industry should be continued.

Section 115. Federal-State Relationship:

The Trucking Competition and Safety Act codifies court decisions to make it clear that federal law governs interstate motor carriage of property and that the states may not regulate in this area. The section does not affect the states' current authority to regulate intrastate carriage.

Section 116. Motor Carriers of Property Securities:

This section would remove the ICC's authority over securities for motor carriers of property and place this authority in the Securities and Exchange Commission.

Section 117. Motor Carrier Brokers:

Brokers are persons who do not provide transportation service themselves but arrange for transportation with others. This section liberalizes the entry standard for brokers by deleting the existing public interest test for entry but retaining the fit, willing and able requirement.

Part I: Congressional findings and purpose

Secs. 201 and 202. Congressional findings and purpose.

Background

Information available in recent years clearly indicates significant non-compliance with present Federal commercial motor vehicle safety rules and a steady, significant increase in accident rates for many regulated vehicles. Motor carrier accidents reported to the Bureau of Motor Carrier, Safety (BMCS) of the Department of Transportation (DOT) increased from 25,666 in 1976 to over 34,000 in 1978. Truck driver fatalities in heavy duty trucks reported to the National Highway Traffic Safety Administration under their FARS program increased from 717 in 1976 to 962 in 1978. According to the National Safety Council, more than 10,000 highway deaths occurred in each of the last 3 years as a result of accidents involving medium and heavy commercial vehicles. Truck accident fatalities are climbing at double the rate of increase of truck miles traveled. In 1978 the BMCS estimated that accidents involving interstate commercial carrier traffic alone resulted in over one billion dollars in property losses.

Further, it is clear that the safety rules that have been developed to help reduce accident rates are being widely ignored. In May of 1979, DOT and State law enforcement officials inspected commercial trucks selected on a random basis in five Mississippi River States. Of the 1,731 trucks stopped and inspected, 753, or 44 percent, were placed out of service because of violations. Additional vehicles had violations which were not serious enough to require that they be placed out of service. Further, this was not an unrepresentative incident. In recent years, intensive, periodic roadside checks performed over week-long intervals at specific sites throughout the country have resulted in vehicles being placed out of service at rates comparable to those of the May, 1979 inspection.

Recognizing the public interest in the safe operation of commercial motor vehicles and the need to reverse the safety trend in this area, any overall review of commercial motor vehicle regulatory policy should include a reaffirmation by the Congress that it is in the public interest to assure the safety of commercial motor vehicle operations. Further, that reaffirmation should provide the Secretary of Transportation, the nation's principal transportation safety official, with the necessary tools to assure the safety of those operations in or affecting interstate commerce.

Description

Section 201 would set forth Congressional findings that the level of fatalities, injuries, and property damage related to commercial motor vehicle operations must be reduced because of the detrimental effect of such fatalities, injuries, and property damage on the economy, the public safety, and the public interest generally. The section also notes that interested States can provide valuable assistance to the Federal Government in promoting commercial motor vehicle safety.

Section 202 would set forth as declared purposes of this title both the general purpose of promoting the safe operation of commercial motor vehicles operating in or affecting interstate commerce and the need to take certain specific types of actions to meet that goal. Specific purposes noted concern the need to impose appropriate penalties on violators of commercial motor vehicle safety regulations and the need to increase the likelihood of violations being detected.

Part II. Safety aspects of fit, willing and able determinations

SEC. 210. Safety aspects of fit, willing and able determinations.

Background

When the Department of Transportation was created, most of the Interstate Commerce Commission's authority to regulate motor carrier safety was transferred to DOT. However, the Commission still retains authority under subchapter II of Chapter 109 to determine whether persons subject to its jurisdiction who operate motor vehicles, i.e., motor common and contract carriers (of both freight and passengers) and freight forwarders, are "fit, willing, and able" to provide transportation or other services. This "fit, willing, and able" requirement has been interpreted as including such safety requirements as the Commission deemed necessary.

Since the creation of DOT, the Commission has not been actively involved in motor carrier safety matters; the focus of Federal activity in this area has been DOT. Since the organization of DOT, the safety provisions of part II of the Interstate Commerce Act, for hours of service and qualification of drivers, the safety of operations, and equipment standards for trucks and buses engaged in interstate or foreign commerce (but not in intrastate commerce) have been regulated by DOT. Further, the Department of Transportation Act provides that the Secretary of Transportation is to report to the ICC as to the safety records of applicants for ICC authority, 49 U.S.C. 1653(e), indicating a Congressional belief that, since the transfer of the ICC's safety operations to DOT, the ICC required DOT advice in order to effectively consider the safety aspects of fit, willing, and able determinations. This section would further consolidate safety authority in DOT by transferring from the ICC its present authority to make fit, willing, and able determinations on the basis of safety related factors. The transportation community has come to recognize DOT as the focal point of Federal motor vehicle safety activity and removing the possibility of significant safety actions by the ICC would streamline safety regulatory authority.

As mentioned above, DOT already has a statutory advisory role regarding safety aspects of fit, willing and able determinations. Therefore, it is expected that DOT's advisory role could be converted to a decision-making role with little difficulty.

Further, the bill would not transfer to DOT any authority regarding the economic and financial aspects of fit, willing and able determinations. It should be noted, however, that the bill treats liability insurance as a matter of safety fitness, and authority to impose minimum liability insurance requirements would be transferred to DOT. Cargo insurance would be considered a matter of financial fitness, and authority to impose requirements in this regard would remain with the ICC.

Liability insurance requirements can serve as an efficient device for screening out irresponsible operators. Operators with records of unsafe behavior will find it extremely difficult to obtain insurance. Therefore, minimum liability insurance requirements can effectively complement the other actions which the Secretary may take to promote commercial motor vehicle safety. Further, since liability insurance requirements do complement other safety actions that are within the authority of the Secretary, it is appropriate that, to further a comprehensive approach to commercial motor vehicle safety, that the authority to impose minimum liability insurance requirements also be placed with the Secretary.

DESCRIPTION

Section 210(a) of the bill would amend subchapter II of chapter 109 of title 49, United States Code, to add a new section 10934.

Subsection 10934(a) would provide that, as to all fit, willing, and able determinations made under Subchapter II of Chapter 109 regarding the authority of persons to provide services other than as water carriers or brokers (i.e., for persons subject to the provisions of the subchapter who operate commercial motor vehicles—motor common and contract carriers of both passengers and freight and freight forwarders) that, as to the safety aspects of such determinations, the Commission is to be bound by the determination of the Secretary of Transportation.

The meaning of "bound" in subsection (a) is set forth specifically as both: (1) prohibiting the Commission from granting operating authority to a person who the Secretary determines to be, from a safety standpoint, not fit, willing, and able to provide the services for which authority is sought; and (2) prohibiting the Commission from denying authority to a person on the basis of safety considerations within the authority of the Secretary under proposed section 10934, except when the Secretary determines that person to be, from a safety standpoint, not fit, willing, and able to provide those services.

Sections 10934 (b) and (c) set forth the procedures under which the Secretary would reach his safety determinations as to applications for new or additional authority and the authority of persons to continue to provide already authorized services, respectively.

As to applications for new or additional authority, Section 10934(b) provides that the Secretary must notify the Commission of his determination within eighty days of receipt of an application for new authority by the Commission, or else the Secretary is deemed to have found the applicant fit, willing and able, from a safety standpoint, to provide the service in question. Section 10934(b) also makes provision for the conduct of hearings as part of the process of determining whether, as regards safety, a person is fit, willing and able to provide services, and for such hearings to be open to participation by interested parties.

Section 10934(c) would provide the Secretary with the authority to determine that, from a safety standpoint, persons already authorized to provide services are no longer fit, willing and able to provide those services. Section 10934(c)(2) would provide the Secretary with authority to suspend a person's authority to provide services in advance of a hearing where such suspension of authority is required to abate an imminent hazard to public safety.

Section 10934(d) would provide for judicial review of the Secretary's safety determinations in accordance with the substantial evidence standard.

Subsection 10934(e) explicitly provides the Secretary with authority to promulgate regulations as to the bases for determinations made by the Secretary as to the safety related aspects of fit, willing and able determinations. The subsection also gives examples of the types of requirements that the Secretary may impose as a condition to certifying a person as fit, willing, and able to safely provide services requiring Commission authorization. Many of the potential requirements listed in this section are already required by either the ICC or DOT. The Secretary is also empowered to promulgate regulations as to the form of applications, so that determinations as to the safety related aspects of fit, willing, and able determinations can be made promptly. It should be noted, however, that proposed subsection (e) does not require the promulgation of such regulations or preclude the Secretary from making determinations as to safety related matters in the absence of such regulations.

Section 210(b)(1) of the bill would provide that the provisions of proposed section 10934 would not take effect until 180 days from their enactment. Such a delay would enable the Secretary to prepare to operate under the new procedures.

Section 210 (b)(2) would repeal safety reporting requirements that would be rendered moot by enactment of subsection 210(a).

Section 210(b)(3) explicitly provides the Secretary with general powers to implement the provisions of subsection 210(a).

Part III: Commercial motor vehicle safety regulations

Sec. 220. Definitions.

The definitions set forth in this section are applicable to the provisions of parts I, III, and IV of this title.

The most significant of the definitions is section 220(a), "commerce". Presently the Secretary is empowered to regulate commercial motor vehicle safety primarily with regard to vehicles that cross State lines or national boundaries or perform the intrastate portion of a continuous interstate movement. This class of vehicles is operated by the approximately 17,000 carriers who must obtain operating authority from the ICC plus the approximately 140,000 private and exempt interstate carriers. This definition would authorize the Secretary to promulgate regulations regarding the safety of commercial motor vehicle operations both in and affecting interstate and foreign commerce.

The definition of "commercial motor vehicle", section 220(3), includes vehicles used on the highways in "commerce" which are either: (1) over 10,000 pounds gross vehicle weight rating; or (2) used in the transportation of hazardous materials; or (3) used to transport passengers for hire. The 10,000 pound limit is proposed because small vans and pickup trucks are more similar to automobiles than to medium and heavy commercial vehicles, and can best be regulated under State automobile licensing, inspection, and traffic surveillance procedures. However, all vehicles transporting persons would be covered, because of the particular need to assure the highest levels of safety regarding the carriage of persons. Also vehicles transporting hazardous materials would also be covered because of the need to protect against the possibility of incidents involving the movement of even relatively small quantities of hazardous materials.

The definition of "person", section 220(7), explicitly includes persons (commonly known as "brokers") who arrange for the use or operation of commercial motor vehicles, whether as equipment or labor brokers. This definition, when combined with the provisions of section 223(b), would establish that a person who arranges services which cause a violation of rules or regulations would be punishable under the provisions of section 223. Of particular concern is the need to establish authority to prosecute persons who arrange for services which cannot be provided without violations of hours of service rules.

Sec. 221. Regulatory authority.

This section broadly empowers the Secretary to develop rules and orders to enhance commercial motor vehicle safety and provides the Secretary with authority to waive such requirements when it is consistent with commercial motor vehicle safety and in the public interest to do so.

Several aspects of the authority proposed here are noteworthy. One of the primary barriers to more effective safety enforcement is the lack of information available to the BMCS on all carriers. At the present time, only a minority of carriers are registered with the Federal Government. Private and exempt carriers in interstate commerce, as well as intrastate carriers, do not have to register. Several elements of the Secretary's authority under section 221(a)(5) address this problem. Should the Secretary exercise that authority to require carriers to register (i.e., file notice of intent to operate and be made a carrier of record) and display a unique identification number, safety fitness monitoring can be better conducted and the investigation of complaints will be facilitated. It is expected that the exercise of registration authority would improve motor carrier safety. A 1974 study by the BMCS indicated a ten percent improvement in the accident rates of motor carriers not previously in contact with the BMCS and BMCS took surveillance action with regard to that group of carriers. Related to this, the exercise of the authority to require that all carriers designate agents for service of process would make it possible to contact a carrier's representative in each State, regardless of the carrier's size or whether a fixed domicile is maintained. This will assure that violators can be found and served papers for the purposes of safety enforcement and adjudication of claims. Under the current system, it is difficult and often impossible to contact carriers that do not maintain a fixed domicile. To make inspection and enforcement activities more effective, all carriers could be required to carry documentation to cover the commodities being transported. Most carriers already carry such documentation, either as a requirement of regulation or as a good business practice. Some claim to not carry documentation in an effort to frustrate roadside "hours of service" checks; these carriers generally do, however, carry documentation to file with claims for settlement.

Sec. 222. General powers.

Section 222 provides the Secretary with broad administrative powers to assist in the implementation of this Act. Of note, section 222(b) includes provision for the Secretary to delegate enforcement functions of part III of title II to the States. This provision could be used to complement State enforcement pursuant to the grant program that would be authorized by part IV of this title.

Section 222(c) provides that, under certain conditions, warrantless searches may be utilized as part of efforts to enforce the provisions of this Act. This section is patterned after section 415 of the Motor Vehicle Information and Cost Savings Act, 15 U.S.C. 1990e.

Specifically, section 222(c)(2)(A) provides that an administrative warrant shall be required for any entry or administrative inspection unless the entry or inspection is: 1) with the consent of the employer, employee, or agent of the employer in charge of the business, establishment, or premises; 2) in situations where there is reason to believe that the mobility of a motor vehicle makes it impractical to obtain a warrant; 3) in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking; 4) for access to and examination of books, records, and any other documentary evidence which can easily be altered, manufactured, or falsified; or 5) in any other situations where a warrant is not constitutionally required.

Section 222(c)(2)(B) provides for the issuance and execution of administrative inspection warrants. Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants to conduct administrative inspections and to impound motor vehicles or their equipment. This section also sets forth in detail the circumstances under which a warrant shall be issued and the contents of the warrant. Details of the execution and return are also set forth in detail.

This section is provided in view of recent U.S. Supreme Court decisions with respect to the Fourth Amendment and the need for warrants for Federal inspections. See *Marshall* v. *Barlow's, Inc.*, 98 S. Ct. 1916 (1978), which held that inspection without a warrant or its equivalent pursuant to section 8(a) of the Occupational Safety and Health Act of 1970 violated the Fourth Amendment; also see *Camara* v. *Municipal Court* 387 U.S. 523, 528–529 and *See* v. *City of Seattle* 387 U.S. 541, 543 (1967).

Sec. 223. Notice of violations; penalties.

This section sets forth the penalties available to the Secretary in enforcing violations of motor carrier safety regulations and the procedures to be utilized in imposing those penalties. The section provides for both civil and criminal penalties, subsections (b) and (e), injunctive relief, subsection (g), and emergency safety authority, subsection (h). Subsection (b) provides that, in addition to regulations issued under this Act, the present regulations of the Bureau of Motor Carrier Safety shall also be enforceable by civil penalties; most of those present regulations are currently enforceable only via criminal penalties.

DOT has long considered that one of the most pressing legislative priorities in the motor vehicle safety area is the need to provide that, as a general rule, all violations of Federal commercial motor vehicle safety regulations should be punishable by civil penalties and that civil penalty authority should allow for significant fines.

At present, DOT has civil penalty authority only with respect to reporting and filing violations, and even this limited civil penalty authority does not reach private carriers, only common, contract, and exempt carriers. The present maximum civil penalty is $500. Substantive violations, by any type of carrier, are punishable only by criminal penalties of from $100 to $500 per violation, with special provisions for criminal penalties of up to $5,000 for recordkeeping violations.

Criminal penalties require the establishment, to the satisfaction of a court, that a violation was knowingly and willfully committed, thereby frustrating the imposition of penalties in cases where it is extremely difficult to show that a violator knew he was subject to the regulations and that he knew and permitted a particular action or omission to take place. Further, in many venues, cases may be several years old before they are presented to a judge because of heavy case loads. The number of counts presented and the level of fines assessed are subject to the subjective judgment of the U.S. Attorney and the judge, who may or may not feel strongly about what may be viewed as violations of administrative law covering a driver's excess hours, a defective vehicle, or a driver's qualifications. An additional limitation of the present reliance on criminal penalties is that the presentation of certain types of counts, particularly those involving vehicle defects, is made very difficult because of scattered venue. A particular carrier might have 10 vehicles placed out of service over a period of time and, under criminal procedures, because of the locations at which the vehicles were inspected, it is likely that as many as 10 separate and distinct cases would have to be prepared and presented in separate courts, thereby greatly weakening the chances of successful prosecution. Lastly, even in the case of a criminal conviction or settlement, present levels of criminal penalties can amount to little more than a routine cost of doing business.

In brief, the provision in this bill for general civil penalty authority will greatly increase the conviction rates of violators and create a deterrent to further violations.

Sec. 224. State regulations.

This section indicates the circumstances under which States may adopt or continue in force their own commercial motor vehicle safety standards.

Se. 225. Duty to investigate complaints; Protection of complainants.

This section requires the Secretary to investigate certain complaints and requires the Secretary to take steps to protect persons complaining of safety violations.

Sec. 226. Protection of employees.

This section, like section 225, affirms the strong belief of the Administration that persons reporting alleged safety violations should not suffer because of their efforts to report safety violations. Accordingly, this section provides certain protections to employees who report possible safety violations.

Sec. 227. Effect on other Federal laws.

This section expressly provides that this Act shall not be construed to have amended certain other provisions of law.

Part IV: Grants to States

Secs. 240–245.

These sections authorize the Secretary to provide grants to the States, from available funds, to assist them in developing and implementing programs for the enforcement of commercial motor vehicle safety standards.

The grant program authorized by this part is designed to provide for the effective enforcement of the regulatory structure proposed by the rest of title II. There are two key aspects of this enforcement program.

First, is the decision to enhance enforcement by authorizing a grant program which is structured so as to utilize the state enforcement personnel already in place and available to enforce violations by intrastate operators subject to the Secretary's jurisdiction as "affecting" interstate commerce, as well as violations by interstate carriers operating in a particular State. Some recent State efforts to improve motor carrier safety have shown that State enforcement can be effective. For example, during the last four months of 1978, the New Jersey Turnpike Commission, through concentration of safety enforcement officer efforts, supplemented by BMCS inspection staff, reduced truck and bus accidents by 12 percent, while experiencing a rise in all accidents in the same period of 1.3 percent due to increased noncommercial vehicle accidents. In Iowa, some 95 safety enforcement officers were deployed in 1978 (after a gradual buildup which began in 1975) resulting in a 20 percent decline in fatalities on a Statewide basis, and collection of almost $2 million in fines and penalties.

Second is the funding levels proposed. Current levels of operational funding for the Federal Motor Carrier Safety Program are running at about $13 million per annum and State funding is estimated to aggregate at about $50 million annually. These levels of Federal and State resources are inadequate. The Federal program reaches less than 1 percent of the interstate commercial vehicles and less than 3 percent of the business entities. State inspection programs vary as to levels of effort and are sporadic; the majority of States maintain an infrequent and low level of inspections. Surveillance at these levels is so infrequent as to encourage vehicle operators to take the risk of being caught in violation of regulations. The costs of infrequently imposed penalties can be absorbed as a cast of doing business. While it should be noted that section 223 of the Act would allow the imposition of more significant, and generally appropriate penalties, even greater penalties can be absorbed as a cost of doing business should they be infrequently imposed.

The Department of Transportation currently estimates that an inspection program that annually reaches 5 percent of the vehicles and a safety audit program that annually reaches 10 percent of the business entities represents a level of enforcement that will create a reluctance on the part of the employers and employees to assume that violations will go undetected.

As to the particulars of the proposed grant program, section 241 would authorize the Secretary to make grants to States to assist them in developing plans that could be eligible for funding under section 243.

Sections 242 and 243 set up prerequisites to a State's receiving a grant for enforcement purposes. Section 243 also sets forth some particular limitations on the Secretary's authority to make grants. Section 243(b) (and section 244) establishes that Federal grants for enforcement of commercial motor vehicles safety standards may not be used to maintain efforts in this area already undertaken by State and local governments. The purpose of the grant program is to raise the level of enforcement, not to substitute Federal for State and local dollars.

Section 244 provides that the Federal share of any grant issued under this part may not exceed sixty-six and two-thirds percent of the costs of the program to be supported by the grant and further provides that Federal funds may not be used in substitution for State and local funds already dedicated to commercial motor vehicle safety programs.

Section 245 provides for authorizations of $50 million annually for each of the fiscal years 1981, 1982, and 1983 to support the grant program set forth in this part. Section 245 also provides that the grant program is to be administered as a reimbursement program. The section also expressly provides that both the Federal Government and the States may utilize funds appropriated pursuant to the authority of this part only for periods of one fiscal year.

Clearly, the Administration does not expect the full program to come into being overnight. The extent to which the Administration will fund the initial years of this program will be set forth in subsequent appropriations testimony.

A key factor that will affect requests for appropriations will be the level of success of a three-year demonstration Federal/State safety inspection and weighing program now underway. This $3 million annual demonstration program will be conducted in several selected States, and Administration recommendations for appropriations for the grant program will be heavily influenced by the results of the demonstration program. States participating in the demonstration program should be available to participate in the grant program immediately. This would allow for program continuity, as other States would be likely to take longer periods to develop the tools and resources necessary for participation in the grant program. As the results of the demonstration program are evaluated in conjunction with other options for improving motor carrier safety, and as the various States develop programs and submit specific applications, consideration will be given to moving the program towards its full authorization level.

TITLE III—MISCELLANEOUS

Section 301. Effective Date.

The Act takes effect on January 1, 1980, except for those provisions that specify other effective dates.

Section 302. References.

Except as otherwise noted, all references are to the Interstate Commerce Act.●

○ Mr. METZENBAUM. Mr. President, I am pleased to join President Carter and the chairman of the Judiciary Committee in introducing the trucking competition and Safety Act of 1979.

Thursday, the President announced the administration's strong support for this measure—a concept that also enjoys the backing of such diverse organizations as the Consumer Federation of America, Public Citizen, Common Cause, National Association of Manufacturers, National Federation of Independent Businesses, and the American Conservative Union.

This bill embodies a consensus reached by a bipartisan coalition. It has support from interests that span the total range of American political thinking. In fact, the only ardent opponents of trucking reform are those with a vested interest in the status quo. That status, quo when viewed with any measure of objectivity, must be seen as a system that has outlived its usefulness.

Regulatory reform is one of this Congress principal concerns. Dissatisfaction with the regulatory process led recently to the introduction of the Administrative Practice and Regulatory Control Act of 1979. I cosponsored this act in the hope that it would make regulatory agencies more responsive to the public interest. It is in this same spirit that I join the other sponsors in proposing this legislation today. While shortcomings are not restricted to any one category of Federal regulatory agencies, nowhere is there a stronger case for a new policy direction than in the motor carrier industry. Most experts agree that trucking is a highly competitive industry which, in the absence of restrictive regulations and cartel-like price fixing, would function well under free market conditions. It is ironic that businessmen who say that they abhor government regulation, and who consistently challenge regulations on health, safety and the environment, fully embrace economic regulation that places a straitjacket on an otherwise competitive industry.

As a former businessman, I know that it is impossible for Government regulators to make decisions as efficiently and effectively as those produced by the free market. By eliminating the price fixing apparatus of the rate bureaus and by removing unnecessary barriers to entry in the trucking business, this bill promotes free competition—competition will reward the most efficient companies and it will bring to consumers the benefits of lower transportation costs for the goods that all of us must purchase.

Furthermore, Mr. President, this reform is especially timely when our Nation is desperately concerned with bringing inflation under control. The trucking industry, as crucial as it is to the entire economy, cannot escape its responsibility to help combat the No. 1 problem on the minds of the American people.

It is inflationary not to permit people who want to charge lower rates the freedom to do so.

It is inflationary to allow trucking companies to automatically pass their cost increases along to shippers and consumers in the form of uniform general rate increases.

But inflation is precisely what the present system encourages.

In addition, Mr. President, by eliminating illogical route restrictions and one-way hauling authority, this legislation will contribute toward our national effort to conserve energy. It will eliminate a major sources of waste. And by doing so, it will make more fuel available to move the Nation's freight.

Finally, Mr. President, minorities, independent truckers and other small businessmen will benefit directly as a result of this act. By removing the artificially imposed costs of entering the trucking business the bill will make it possible for new competitors to enter the field. And it will make it easier for those now in the field to survive.

Last year under the able leadership of Senator KENNEDY, the Antitrust Subcommittee explored the full range of issues associated with trucking regulation. As a member of that subcommittee then and as its chairman today, I can attest to the completeness and fairness of those hearings. All parties both pro and con participated fully in the discussions on the record.

I believe the record supports the legislation being proposed today.

The majority of Commissioners on the President's Commission for the Review of Antitrust Laws and Procedures reached a similar conclusion regarding the need to free the trucking industry from unwarranted regulation.

The ICC itself has recently moved to implement some much-needed policy changes.

But it is clear, Mr. President, that a permanent solution is the responsibility of Congress. And it is a responsibility that we must promptly meet.

I have recently submitted for the RECORD newspaper articles and editorials from across the country reflecting wide public support for less regulation and more competition in trucking. Today I am submitting further articles including some from my own State of Ohio. I commend them to the attention of my colleagues and ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Youngstown (Ohio) Vindicator, Dec. 19, 1978]

BRAKING TRUCK DEREGULATION

The Interstate Commerce Commission, pushed along by its new chairman, Daniel O'Neal, has already relaxed regulations that required privately owned trucks to return empty from long delivery runs. It has been moving toward further deregulation of trucking, but now has encountered a congressional roadblock.

Rep. Harold Johnson, D.-Calif., chairman of the House Public Works Committee, and Rep. James Howard, D.-N.J., chairman of its Surface Transportation Subcommittee, wrote jointly to O'Neal, suggesting that the ICC stop "implementing new policies" that alter regulations for the truck industry. They said that the committee should first hold hearings and that Congress should decide whether major changes are justified.

Technically, the ICC may not be required to await congressional action, but as a matter of practical politics it probably will do so, since Johnson's committee packs considerable clout. Indeed, the commission has suggested that some of its proposals to deregulate trucking might need legislative support.

One problem, from the viewpoint of the man who pays the bills, is that many ICC regulations, such as the "empty backhaul" rule recently rescinded, waste millions of gallons of precious fuel, not to mention manpower and investment. Congress may have a perfect right to intervene—but where has it been for the five years since the energy crisis first struck? The ICC itself has been slow enough in opening up backhaul to private carriers; Congress, which always has lent an attentive ear to the trucking lobby, is likely to be slower yet.

[From the Altoona (Pa.) Mirror, Nov. 10, 1978]

BETTER AIRLINE SERVICE SEEN

Since President Carter signed the legislation deregulating the airline industry, the nation's major cities are anticipating dramatic improvements in air passenger service.

Under the old regulatory procedures of the Civil Aeronautics Board, permission for new routes could take years, if they were approved at all. Under the new law, decisions on new routes will be made in a matter of weeks. Most are expected to be approved. In fact, air passenger service will now be limited chiefly by the availability of aircraft flight crews and airport space rather than by the CAB.

It's already apparent, then, that the immediate winners in the deregulation of airlines are travelers living in and around major metropolitan areas.

For the residents of smaller cities and towns, the picture is less clear. In the short run, many of these secondary markets will probably suffer a decline in air service as major carriers abandon uneconomical routes. In most cases we suspect these service reductions will be only temporary.

Departure of the national carriers from the secondary markets will encourage expansion of smaller commuter airlines to fill the vacuum. The use of lighter more economical aircraft should enable the smaller carriers to operate profitably where national airlines could not.

As for the industry, its prospects are more bullish than ever. Already enjoying the boom triggered by the limited, administrative deregulation implemented last year by former CAB chairman Alfred E. Kahn, industry profits will top $1 billion this year, the highest in history and a spectacular turnaround from 1975 when the industry suffered a net loss of $84 million. This year's record profits will be achieved despite the bargain-rate fares brought on by vigorous competition for passengers. Increased passenger traffic—a double-digit growth this year—stimulated by cheaper fares has made the difference.

Now if President Carter and Congress could only succeed in reducing the regulation of the trucking and railroad industries, consumers would have even more reason to celebrate.

[From the Greensburg (Pa.) Tribune-Review, Dec. 28, 1978]

Keep On Trucking

While industries (including railroads) want to shed costly regulations the trucking industry seems to be demanding government controls.

Why?

Because the big firms are worried about competition.

Following his price-cutting success in deregulating the airlines, President Carter is now eyeing the truckers. "Of all the weapons against inflation, competition is the most powerful. Without real competition, prices and wages go up, even when demand is going down," the President said recently.

He's right, but trucking deregulation could prove to be a thorn in his side. Because transportation costs represent only a small part of the merchandise price tag, even a major decrease in transit cutback wouldn't benefit consumers a great deal. Congress simply doesn't see the urgency in killing the controls. Carter also realizes the powerful Teamsters Union will oppose deregulation because it lies at the base of their wage scales.

Although most truckers admit government regulations raise havoc with operations and costs mountains of money, they claim opening the market to the "gypsies" would be far worse. The operators fear a surge of unscrupulous transporters ripping off the public and driving reputable firms out of business. That's a sad commentary on the trucking business. It cannot police itself.

This argument sounds familiar. It parallels the airline stand. But then, that predicted disaster never materialized. It it doubtful the black forecasts of the trucks would either.

Everytime government prevents or perverts free enterprise competition, the consumer suffers. The trucking industry is no exception.

[From the McKeesport, (Pa.) News, Oct. 11, 1978]

Global Fare—

(By M. Stanton Evans)

Washington.—The great success story of the American economy in the past 12 months has been written by the nation's airlines.

As noted previously in this space, the latter part of 1977 saw a decisive upturn in the financial condition of the airlines. Now these results have been confirmed, and then some, by profit figures for 1978. In its summary of corporate profits through the first half of the year, Business Week reports that airline earnings increased an average of 91 percent for the quarter, and a whopping 174 percent for the six-month period.

The reasons for this dramatic turnaround can be summed up in a single word: Deregulation. After decades of operation on a cartel basis that held prices above their market levels and drove away potential customers, the airlines in recent months have experienced the heady stimulus of competition. The Civil Aeronautics Board, in a sharp reversal of previous form, has been encouraging price competition. The result has been an orgy of fare-cutting, a rise in the number of customers, and instant prosperity for all concerned.

Among the many remarkable features of this story is the coalition of political spokesmen who have banded together to promote deregulation. People and groups as diverse as Sen. Edward Kennedy on the left and the American Conservative Union on the right have embraced the cause, helping create an atmosphere in which a move toward greater competition became politically feasible. Now, this unusual coalition is trying to work its magic with other forms of regulated transit—specifically, the trucking industry.

In many respects, of course, the trucking industry is sharply different from the airlines: It is a low-cost entry business, marked by extreme diversification rather than by concentration. Sen. Kennedy estimates there are 14,000 regulated trucking companies and 100,000 independent truckers who are not directly regulated by the Interstate Commerce Commission. Yet despite the structural differences, Federal regulation has managed to produce results in the realm of trucking that are strikingly similar to those attained among the airlines.

Most obvious of these similarities is the degree to which the regulators have fought against competition in terms of price. As a matter of explicit policy, the ICC encourages collusive price-setting among trucking firms through so-called rate bureaus. This arrangement is backed by collateral measures such as complex entry requirements, use of regulatory review to block requested rate decreases (weakened a bit by recent legislation), monopolistic apportionment of routes, and requiring trucks to make return trips empty.

The effect of these procedures, according to Prof. Thomas Moore of the Hoover institution, has been to hold freight rates at 20 percent or more above their normal market levels. Comparing regulated rates to those in areas exempt from regulation, Moore estimates that ICC directives resulted in shipping overcharges of $1.92 billion in 1968, and that an additional $1 billion in unnecessary charges resulted from limitations on so-called backhauls. In 1977 dollars, the equivalent overcharge would come to $4.63 billion.

Sen. Kennedy has been holding a series of hearings on this subject, with special emphasis on the problem of collusive rate setting. The thrust of his comments makes it clear that he thinks such practices should end. The ACU and other conservatives, meantime, have been evolving a piece of legislation which would move truck and related transportation services toward deregulated status over a six-year period. On the analogy of the airlines, both steps would doubtless benefit consumers and the industry itself.

[From the Pittsburgh (Pa.) Press, Oct. 23, 1978]

More Deregulations

One of the most noteworthy achievements of the just-ended 95th Congress was passage, with President Carter's enthusiastic backing, of a bill that would unsnarl the airline industry from government red tape.

Get this. The bill envisions the abolishment of a federal regulatory agency. Unless Congress decrees otherwise, the Civil Aeronautics Board goes out of business by 1985.

The bill allows airlines to slash prices without waiting for CAB permission and also allows them to raise prices by 5 percent on routes where they have competition. Higher rate boosts will still have to have CAB approval.

The airlines also will have vastly greater freedom to expand service between cities and eventually discontinue uneconomical service to airports with little traffic. Taxpayer subsidies for small-town services will continue for 10 years.

Most airlines threw up their hands in horror at the thought of removing their comforting blanket or regulation, which led to shared monopolies and little real competition.

But CAB Chairman Alfred E. Kahn, one of the real jewels of the Carter administration, lifted a lot of the price-route restrictions himself, opening up the skies to competition.

The airlines responded, offered all sort of cut-rate fares, and discovered to their delight that their planes were filling up and that they were making money hand over fist. They benefited, and so did the public.

This lesson should not be lost on Congress where long-outdated regulations still grip (or comfort) the trucking, railroad and barge industries.

Removal of route and rate restrictions on trucks, freight trains and barges would be one of the most salutory developments to come out of Washington in years.

[From the Pittsburgh (Pa.) Press, Nov. 19, 1978]

Trucking Competition

Normally, the cry from industry is that if only the federal government would get off its back, it could provide the nation with needed goods and services far more efficiently.

Not so the trucking industry, however. Far from shackling the big trucking lines, federal route and rate regulation provides them with a comfortable cocoon against the rigors of real competition.

Now the Interstate Commerce Commission proposes to unwrap that cocoon in a significant way, and the big truckers are horrified.

As it is now, when a trucking company wants to serve a new route, it must prove to the ICC that no existing trucking line would be inconvenienced (that it, suffer some competition). That's tough to do.

But the ICC proposes to turn this process around. It would make the trucking lines that already have the route prove that they would be harmed by competition if the route were opened up to the applicant.

"Unfair!" cries the American Trucking Association, the industry advocate of the status quo. "We can't prove it. We can only assume it."

What the ATA assumes is that the applying truck line is really going to go after the freight business, offering shippers lower rates or better service than the lines serving the route.

Well, what can possibly be wrong with that? That's what free competitive enterprise is all about, isn't it? If a trucking line has the equipment and the capital and the ambition to underbid or outperform its rivals, then have at it!

More competition, the textboks say, means lower freight rates, which means lower transportation costs and, ultimately, stable or even lower prices to the consumer. And that's what the fight against inflation is all about.

There comes a time when children must shed their security blankets. That time has now come for the trucking industry.

[From the Philadelphia Inquirer, Nov. 23, 1978]

Trucking on Up to Freedom

Like most of the airline industry before it, the trucking industry is taking a dim view of moves to free it from government regulation. The American Trucking Association the other day issued a blast at one such move by the Interstate Commerce Commission, traditionally the most hidebound of federal regulatory agencies. Now in the pangs of being born again to recognize the merits of deregulation, the ICC reversed its 40-year-old rule barring companies that haul their own goods by truck from hauling goods of other shippers. The American Trucking Association denounced the reverasl as "arbitrary, capricious and unreasonable."

How so? Under the old rule, the trucks that transported goods, say from Philadelphia to Chicago, would have to return from Chicago empty. That is expensive. It is a waste of energy. It is anti-competitive. At a time the U.S. is trying to curb the waste of energy—especially petroleum—and reduce the rate of inflation, what could be more "arbitrary, capricious and unreasonable" than to maintain a rule promulgated in the days of the Great Depression?

Under existing law, though, the ICC can only go so far to give the trucking industry the freedom of movement, on routes and rates and rules, that it is not all that eager to have. The Carter Administration, after its success in doing that for the airlines is now preparing similar deregulatory legislation for the trucks and railroads. Sen. Edward Kennedy (D. Mass.), whose antitrust subcommittee recently held hearings on the matter, is working on parallel lines.

The railroads, which have fallen into disrepair and disrepute under government regulation, tend to favor freedom. The truckers, who have prospered by comparison, are revving up for a fight to protect themselves from the perils of competition. But like the airlines, they may eventually discover that while free enterprise has its perils, it has its profits, too. For the industry. For the consumers. And for the economy.

[From the Greenville (Pa.) Record-Argus, Nov. 11, 1978]

Trucking Deregulation

(By John D. Lofton, Jr.)

New York.—Now that the airline industry is being deregulated, the trucking industry knows it is next, and it is not at all happy about the prospect.

I am in this city to speak to the California Trucking Association (ATA) annual convention. Almost every piece of literature on the press table contains at least one shrill, hysterical, and in some cases untrue attack on the concept of trucking deregulation.

A one-page handout blasts deregulation as "unconstitutional" and "a conspiracy!" that "will destroy the economy!" The October 30 issue of "Transport Times" quotes ATA President William Cassels Jr. as characterizing the advocates of deregulation as "anti-forces," observing:

"They don't seem to stand for anything, but they are against just about everything you and I stand for. Primarily, they seem to be against business in general and the private enterprise system . . . which they view as harmful to the health of conusmers. . . . The question that begs to be answered is, simply, 'why?' The theorists tell us the system needs to be changed, but they must be looking at the trucking industry in Outer Mongolia. The one here is working fairly well."

But Cassels' assault on the deregulators is positively Orwellian—it is Newspeak double-talk which asserts the opposite of the truth. It is the deregulators who are for increased competition in the trucking industry, whereas it is the ATA and its allies who are seeking to preserve the status quo which restricts private enterprise.

In this country (I'll yield to Cassels' knowledge of Outer Mongolia) the trucking industry is regulated by the Interstate Commerce Commission, which exercises absolute control over entry into this business. In order to be admitted as a "common carrier"—essentially a commercial trucker—an applicant must obtain a certificate of "public" convenience and necessity," generally granted only when the newcomer can demonstrate that existing firms cannot provide the service specified.

If established carriers can show they have the capacity to handle the traffic, the application normally has been rejected, regardless of whether or not the applicant might provide a cheaper or more efficient service. The burden of proof has been on the applicant, and it is often an impossible one. As the ICC itself admitted in a case involving an Oklahoma transportation company:

"From the beginning of federal motor carrier regulation restrictions generally have been imposed to protect already authorized carriers from unintended and unwarranted competition.

When Cassels says that the present system of regulating the trucking industry is "working fairly well" another question begs to be answered, and it is, simply, for who? Certainly not for those newscomers who are seeking to start a trucking business.

Testifying recently before the Senate Judiciary Antitrust Subcommittee, a variety of individuals told how the burden of proving need for new or additional trucking service has become "insurmountable" for most small carriers. Witnesses complained for bureaucratic ineptitude, the high cost of legal fees for seeking ICC authority, and the ease with which an application can be defeated by existing carriers. Truck operators told of building up considerable business on temporary ICC operating authority only to be denied permanent authority.

Margaret Hardin of the Valley Veterinary Supply in Fort Collins, Colo., told how she was forced to ship vaccines and medicines by air freight or United Parcel because common carrier service was so bad. Her firm, along with 41 others, had supported an application for temporary authority by Edson Express, an intrastate carrier in Longmont, Colo. But the bid was turned down. Edson said it found the burden of proof "insurmountable" because "virtually every city and whistlestop in the U.S. does have some 'carrier service available,'" yet there's no objective standard to determine whether it fills a need.

F. E. Keller of Keller Transport in Billings, Mont., pointed out that protests by existing carriers are given far more weight in ICC application hearings than the support of shippers seeking the service Keller said the ICC solicits protests from existing carriers, or at the very least asks them if they're aware of applications and want to comment on them.

Milton Boyd, executive director of Minority Trucking Transportation Development Corp., said there must be an end to "push-button" protests by carriers already holding authority.

Indeed, the end of this preferential practice may already be in sight. On October 6, by a vote of five to one: in a case involving the Liberty Trucking Co., the ICC established a new precedent which one government lawyer says "reverses I don't know how many years of decisional law." This ruling said that any trucking company protesting a license application by another firm is going to have to prove that it will be hurt substantially. And even if it will be hurt, the ICC may award the new license anyway, if "the benefits of heightened competition and new or improved service may outweight the potential substantial harm to protestants." Not surprisingly, a spokesman for the ATA says of this ruling, "I suspect we may appeal it to the courts."

So this is what the trucking deregulation debate is all about: will there be more or less competition?" What is good for the ATA and its associates is not necessarily good for America—and vice versa.

[From the Reading(Pa.) Eagle, Jan. 20, 1979]

Nervous Truckers

(U.S.) Transportation Secretary Brock Adams says that this year's battle to deregulate the trucking industry is going to make last year's scrap over airline deregulation look like a minor squabble.

He's probably right. But when the dust clears, it will be the trucking industry that suffers a loss of credibility, not the Carter administration.

The trucking industry favors federal regulation because it limits competition, thus producing handsome industry profits for existing firms with a minimum of effort. . . .

The airline industry claimed a lessening of federal regulatons would be a disaster if such a bill were ever passed by Congress, and the fight raged up and down Capitol Hill before the issue was settled on the side of deregulation. There was no disaster. Ticket prices fell as the airlines began competing for new business, and ridership soared, along with profits. . . .

The success of the airline deregulation simply encouraged the administration to do the obvious: look for other parts of the economy where deregulation could stimulate better consumer service at a lower cost. Dallas Times Herald.

[From the Scranton (Pa.) Times, Dec. 30, 1978]

ICC Acts To Promote Truck Competition

The Interstate Commerce Commission has moved further down the free enterprise road by permitting private truck fleets to compete for freight business with common carriers. If the new regulation isn't turned back by likely court action or an act of Congress, transportation costs of huge retailers which employ fleets of private trucks will be reduced and they themselves will be in a more competitive position when it comes to consumer prices.

Under the traditional arrangement, a truck bearing merchandise for a chain of supermarkets or retail stores had to return to home base empty. That is, the trucks were not permitted to load up for the return trip with merchandise for other companies. The waste involved has been tremendous in terms of fuel consumption and efficiency of operations. The unrecovered costs were passed on to retail buyers.

The ICC has estimated that private trucks were running empty 27 percent of the time they were on the road. Common carriers, on the other hand, able to consolidate freight at different points along routes, had an empty rate of only 16 percent, according to the ICC.

This phase of the gradual deregulation of the trucking industry is expected to be opposed by trucking associations and by legislators who don't want changes in the protection now afforded common carriers through the red tape restrictions of ICC regulations.

However, the ICC is in operation not to look out for the interests of the trucking industry but for the national interest. And in the free enterprise system, any move which improves competition is in the national interest and deserves widespread support.

[From the Scranton (Pa.) Times, Feb. 2, 1979]

Push for Trucking Industry Deregulation

"America has the greatest economic system in the world. Let's reduce government interference and give it a chance to work."

These words were spoken by President Carter in his State of the Union address in emphasizing his support of a proposal to continue the deregulation program by extending it to the railroad, bus and trucking industries.

"We must begin to scrutinize the overall effect of regulations on our economy," President Carter observed. "Through deregulation of the airline industry we have increased profits, cut prices for all Americans and begun for one of the few times in history actually to dismantle a major federal bureaucracy."

We have favored this return to a stronger free-enterprise spirit and departure from a situation in which private companies have benefited from government regulation which has stifled competition. This is particularly true of the trucking industry, which under a mistaken law of 1948 passed over the veto of President Truman has virtually exempted the trucking companies from antitrust laws forbidding collusion in price setting.

To its credit, the Interstate Commerce Commission has been moving toward deregulation of the trucking industry with the active support of the U.S. Justice Department, which has strongly contended that there is no longer any justification for ICC approval of trucking rate bureau pricing proposals.

Sen. Edward Kennedy has introduced a bill to eliminate price-fixing in the trucking industry and has the support of consumer groups, the American Conservative Union and the National Association of Manufacturers. President Carter is reported to favor legislation which would be more comprehensive and would include other modes of surface transportation as well.

The American Trucking Association has announced its opposition to Sen. Kennedy's bill. But the truckers are in a losing situation as sentiment mounts for an end to special protection of private enterprise through the mantle of government regulation.

[From the Dubois (Pa.) Courier-Express, Jan. 24, 1979]

INFLATION AND THE CEREAL BOWL

Begin with the cereal. It is made from grain which was probably grown somewhere in the Midwest. Unpredictable weather conditions may cause the size of grain harvests to vary tremendously from year to year. In years when there is a large supply of grain, prices fall and farmers may lose money. The government has a number of programs which affect grain producers. For instance, partly to protect farmers from heavy losses and to stabilize prices, the government has established target prices for grains and pays farmers the difference between what their grains sell for in the marketplace and the target prices. Another government program establishes acreage restrictions for farmers, to prevent huge surpluses. In 1978, 11 million acres were withdrawn from wheat production alone. One of the effects of such a set-aside program is to keep prices high by artificially limiting supply. The government income-support system costs taxpayers money, while acreage restrictions cost consumers money.

Once the grain is harvested, it may be taken to a company for processing into corn flakes. Costs for running the processing plant—machinery, wages, energy costs—and to profit for the company are added to the breakfast bill. Trucks, subject to regulation by the Interstate Commerce Commission (ICC), carry some of the processed goods to local wholesales. ICC regulation adds an additional 20 percent to what the transportation would otherwise have cost in an unregulated market, according to the Council on Wage and Price Stability, American Enterprise Institute, and the Brookings Institution. In addition, add whatever costs the trucking company needs to pay for its machinery, rising gasoline prices, the recently negotiated truckers' wages, and some profit to keep the company in business.

A wholesaler in Texas is in business to make some money, as is the owner of the local Fort Worth supermarket. Add these costs to the tab.

The trip is almost complete, except for the sugar and milk. A federal milk marketing order system, approved during the Depression, allows the dairy industry to set prices and make it hard for cheaper milk products to compete on the market. A dairy price support program also guarantees prices for milk. In effect, it sets a minimum price which consumers have to pay. According to the Council on Wage and Price Stability, these policies cost consumers an estimated $865 million a year.

Other government policies raise the price of sugar. The United States imports 40 per cent of its sugar. The price of foreign sugar is currently around 7 cents a pound. The U.S. has created import fees which, along with transportation costs, raise the price of foreign sugar to 13.5 cents, protecting domestic producers from cheaper competition and adding to consumer cost. Domestic sugar growers lobbied Congress heavily this year to tighten import quotas and increase tariffs on foreign sugar. Time ran out in the 95th Congress before the legislation could be enacted, but the outlook is for higher consumer prices in 1979.

Along each production stage of a simple breakfast cereal, there are workers who are also facing rising food, utility, and housing costs. They too want to be protected against inflation. So they ask for higher wages, and that added cost of production is reflected in each consumer's latest grocery bill. But even these higher wages are surpassed by the considerable rise in after-tax profits for corporations in the food processing industries, according to a Commerce Department study.

The newspaper tells consumers that inflation went up at an annual rate of over 11 per cent. But the story of how a bowl of cereal arrives at the breakfast table tells how difficult it will be to stop those prices from continuing to rise indefinitely. At each special interest stop along the way, more costs are added to the breakfast bill.

[From the Anderson (S.C.) Mail, Jan. 8, 1979]

RAIL, TRUCK—FIGHT SEEN OVER BILLS

Transportation Secretary Brock Adams predicts a battle in the 96th Congress over administration bills to move into deregulation of the rail and trucking industries which will make last year's airline deregulation setto look like a Sunday School picnic.

The railroad bill will be hardest pushed and for good reason. Railroads, which are 100 percent regulated, are in deep trouble in most sections of the country. There is a general feeling railroads must be saved. That is understandable because of the important role they played in moving material and people during World War II.

Adams says that if without regulations they cannot find themselves in the current economic market the government is faced with spending huge sums to bail them out.

The trucking industry bill is tied into the rail bill because of the interlinking nature of the two businesses. The rail bill would allow railroads to discontinue some of their operations. Transportation must be provided, so if a rail line pulls out of a community truck service must be substituted.

The railroad bill is believed to have the best opportunity of passage. Railroads are generally in favor of the move. Opposition will come from unions and communities faced with losing their service.

The trucking proposal is another kettle of fish. Only about 44 percent of the truck industry is regulated. These are the big boys who like the advantage regulation gives them. Unions are expected to side with them.

On the other hand, the small truckers would like to see deregulation so they can share in some of the business.

It is good to have the administration moving in the direction of less federal regulation. Business and industry claim, and rightly so, they are seriously hampered in their operations by it.

[From the Memphis (Tenn.) Commercial Appeal, Nov. 23, 1978]

KEEP ON TRUCKING

For hire freight haulers are hollering because the Interstate Commerce Commission gave private companies that own their own trucks the right to use their rigs to ship goods for other firms. But the ICC is right to hold it's not the commission's job to protect the industries it regulates when there's a greater public need.

The public's need is twofold—to control inflation and to conserve energy—and neither goal can be served by a rule that requires private carriers to come back empty after delivering their loads.

It's only natural the regulated trucking business doesn't want to give up that rule; it's flourished for 40 years under its shield. But it's the sort of regulation that drives up costs by driving down competition while it forces fuel to be wasted.

The rules of the market don't stop with motor transport but apply to the rail and water carriers the ICC also oversees, and there are all manner of industries aside from common carriers that come under government regulation. It's hardly a cure-all when one federal commission changes one of its multitude of regulations, but at least Washington is starting to relax at the controls.

The first step was airline deregulation, which took effect last month. If anything, the truckers' resistance echoes the complaints of some major airlines when the Civil Aeronautics Board proposed to free up competition.

Deregulation is still in the test stage, but so far it seems a smart move for almost all concerned. The airlines are vying for rates and routes, new competitors are finding the going easier, and passengers are being offered lower fares and better service. The strongest headwind seems to be coming from overseas, where U.S. deregulation is posing problems for international air agreements and for foreign governments that subsidize their airlines.

The President's new No. 1 inflation fighter, Alfred Kahn, is supposed to do for the trucking industry what he did for airlines in his 17 months as CAB chairman. But the ICC has moved on its own in the past few months, it has limited truckers' protests when applicants seek new operating rights, and its chairman, Daniel O'Neal, wants the agency to consider rolling back ICC regulation of truck rates and service.

Congress, for its part, has adopted a fee to end the free ride the nation's waterway users have historically enjoyed at the taxpayers' expense. The railroads are expected to face some rules changes, too, and Kahn is looking toward a sunset on any legislation that exempts entire industries, such as ocean shipping, from antitrust laws.

A fairer, freer way to regulate common carriers is an idea whose time has come, especially when the nation is short on energy and long on inflation. But at no time should the government protect transportation or any other industry at the public's expense.

[From the Chattanooga (Tenn.) Times, Dec. 16, 1978]

NEW DEREGULATION TARGETS

President Carter, whose success in deregulating the airline industry has led to cheaper fares for passengers and fatter profits for the airlines, has targeted two other transportation industries for similiar action. But judging by the complaints of one of those targets, the White House is bent on nothing less than the industry's destruction.

The two industries which are the subject of deregulation plans formulated by the Transportation Department and the White House are the railroads and the trucking lines. Each plays a key role in the nation's economy because together they move a majority of goods sold in this country, everything from foodstuffs to automobiles.

The railroad industry is fairly salivating for deregulation. Without it, say rail executives, government subsidies will have to increase drastically to keep most rail lines afloat. In passing, of course, they also blame government regulations for the problems facing them today.

But listen to the truckers. These soldiers of free enterprise are arguing to the White House that efforts to make their industry more competitive will result in poorer service and damage the nation's economic stability. And they couple that argument with a professed concern for their friends in the railroad business: Since both industries compete for a shipper's dollar, lower freight charges resulting from deregulation of the trucking lines could force the railroads to reduce their prices (and thereby their earnings) in order to remain competitive.

The truckers' alarmist predictions fail to persuade since they collapse of their own weight. We recall similar sky-is-falling arguments last summer from the airline industry which did not come true, as increased profits and business attest.

The real reason for the truckers' fears, we suggest, is that deregulation will open up an industry that is protected by federal regulations which limit competition and, therefore, maintain higher rates.

"Of all our weapons against inflation," Mr. Carter noted recently, "competition is the most powerful. Without real competition, prices and wages go up, even when demand is going down." That sounds to us like a reasonable justification for favorable congressional action on the deregulation bill.

[From the Chattanooga (Tenn.) News-Free Press, Dec. 22, 1978]

DEREGULATE TRUCKING, TOO

Deregulation has worked in the airline industry and now it's time to try it in the trucking industry. Only the trucking unions and some companies appear to be standing in the way.

It is interesting to note who the leading supporters of trucking deregulation are. Amazingly enough, they include Sen. Ted Kennedy and the chairman of the Interstate Commerce Commission, Daniel O'Neal. Sen. Kennedy, usually on good terms with the union leaders, is receiving harsh criticism for his stand on this issue. The head of the Illinois Motor Truck Operators Association lamented, "If Kennedy and O'Neal have their way, anyone with a down payment on a truck and enough to cover insurance will be in the trucking business."

Some trucking companies and trucking unions are afraid that the "gypsy" truck drivers will undercut them, and that these independents will choose not to join the union.

Such leeway in setting rates and wages and freedom to join or not to join a trucking union should be the order of the day, however. Anyone who can afford a truck and insurance and meet the safety standards should be allowed to compete in the trucking industry.

With the ICC stepping gradually out of the way, the increased competition should be healthy for both the consumer and the trucking industry.

[From the Dallas Times Herald, Jan. 2, 1979]

DEREGULATE TRUCKING

Transportation secretary Brock Adams says that this year's battle to deregulate the trucking industry is going to make last year's scrap over airline deregulation look like a minor squabble.

He's probably right. But when the dust clears, it will be the trucking industry that suffers a loss of credibility, not the Carter administration.

The trucking industry favors federal regulation because it limits competition, thus producing handsome industry profits for existing firms with a minimum of effort. There is little desired among those who corner lucrative pieces of the drayage pie to hustle in order to meet innovative competitors hungry for business and part of the action.

It used to be thought—and certainly implied—that it was un-American to be against the philosophy of competition and the free market spirit. The notion was spread with evangelical fervor, and perhaps no one described the flush of it and the business of business any better than novelist Sinclair Lewis.

Government regulation of business was then despised and cursed as a bane to the very concept of our economic system.

Now it is government that seeks deregulation of industry, under a Democratic President no less, who has assumed the posture business once tightly embraced.

The airline industry claimed a lessening of federal regulations would be a disaster if such a bill were ever passed by Congress and the fight raged up and down Capitol Hill before the issue was settled on the side of deregulation. There was no disaster. Ticket prices fell as the airlines began competing with each other for new business and ridership soared along with profits.

It was against that background that President Carter noted last October, "Of all our weapons against inflation, competition is the most powerful. Without real competition, prices and wages go up, even when demand is going down."

The success of the airline simply encouraged the administration to do the obvious: look for other parts of the economy where deregulation could stimulate better consumer service at a lower cost.

The proposal to deregulate the trucking industry and freight railroads will be submitted to the 96th Congress and we urge Texas' congressional delegation to work aggressively towards its speedy adoption.

[From the Salt Lake City (Utah) Tribune, January 8, 1979]

TRUCKING AND THE REGS

After Congress and President Carter eventually teamed up to reduce federal regulation of the nation's airlines, it was randomly observed that the trucking industry would be next. Observers are not now so sure this sequence is so promising.

Mr. Carter did say during his election campaign that he favored deregulation of most U.S. transportation carriers and the White House claims it has not backed away from that pledge. But while the airlines were ripe for less government control, the trucking community is not.

Some major airlines opposed deregulation, but that position was not unanimous. Competitors for exclusively-held routes clamored for more "free enterprise" in the skies. That sort of situation is not conspicuous among truckers.

Congressional Quarterly, reporting on proposed trucking deregulation concluded, for instance: "The industry seems to revel in the regulatory status quo." William T. Cassels Jr., American Trucking Assn. chairman, observed in 1977: "Motor carriers, strengthened by the discipline of government regulation, will continue to stand ready to serve the people who need us." He later referred to suggested deregulation as "transportation suicide." The Teamsters Union is just as adamant against the idea.

Teamsters legislative counsel, Bartley O'Hara, said of proposed bills for limiting trucking regulation: "That's one issue the man on the loading dock understands, I don't think (the administration) will meet with much success . . ."

Carter White House analysts estimate the federal trucking red tape costs American consumers from $1 billion to $4 billion annually in higher than necessary freight charges. They see cutting through the controls as another arrow in their anti-inflationary quiver.

Under the circumstances, however, the only early headway is likely to be roundabout, with Interstate Commerce Commission appointees favorable to deregulation, making decisions in that manner. That is how Congress was eventually nudged into passing airline deregulation law.

Perhaps, in the long haul, trucking can't be compared with the airlines when contemplating less federal involvement. Some legislative and ICC change may be due, updating and streamlining, without attempting a full-scale reform.

[From the Salt Lake City (Utah) Desert News, Dec. 26, 1978]

BRING FREE COMPETITION TO TRUCKING INDUSTRY

"The Interstate Commerce Commission is the worst regulatory agency in the federal government," former President Gerald Ford said on his recent visit to Brigham Young University.

Ford said he worked to mitigate the regulatory stranglehold on America's trucking industry, but was unsuccessful.

Deregulating trucking is not just a Republican issue. President Carter and Sen. Edward Kennedy, among others, actively support a trucking industry that relies less on government-imposed rules and prices and more on the free market.

The government now controls routes limiting competition between truckers. Government permission to operate over certain routes can be sold among firms, often for millions of dollars.

Charges are set by regional rate bureaus controlled by truckers. Not surprisingly, the truckers set rates so they can make money. The fifteen largest companies show profits of 18.8 percent over the past five years.

A recent article in Fortune Magazine by Charles G. Burck outlines the mounting evidence that regulation of trucking costs Americans money and contributes to inflation.

— A study comparing regulated and nonregulated truckers in New Jersey showed that the absence of regulations lowered costs to shippers by 9 to 15 percent.

— A study at Stanford University produced estimates that union drivers, helpers, and platform workers make 50 percent more than they would if government did not help companies set prices. Because labor costs are so easily passed along to their customers and ultimately to consumers, big truckers often don't bargain hard.

Teamsters and truckers will begin negotiations soon in what will be the first major test of President Carter's plan for voluntary restraint of prices and wages. Prompt action by Congress showing truckers that higher prices caused by large settlements may not receive government protection could have a salutary-effect on the negotiations.

— In all, government regulation of trucking costs the public between $1 billion and

$6 billion a year, according to estimates in the Fortune article.

To be sure, Congress must proceed carefully to deregulate trucking. Some provision must be made to avoid cutting off service to small towns. The industry should be given time to adjust. Careful anti-trust scrutiny must be maintained to prevent excessive consolidation or predatory practices.

But deregulation of trucking, like the recent deregulation of airlines, should be a major goal of a comprehensive program to reduce government interference in the American economy.

[From the Norfolk (Va.) Virginian Pilot, Jan. 24, 1979]

Trucking's Cozy Arrangement

Congress giveth and Congress taketh away. Roughly three decades ago it conferred upon the trucking industry the right to engage in collective ratemaking free from fear of anti-trust prosecution. Now Senator Edward M. Kennedy, D-Mass., is urging Congress to withdraw that considerable benefit.

Taking its cue from the Carter administration, Congress last year legislated an end to many long-standing anticompetitive regulations governing the airline industry. Now, to cheers from the White House, Senator Kennedy has proposed exposing the trucking industry to additional free-enterprise hazards.

Exhilarated by successful reduction of competition-stifling airline industry regulation, the administration several months ago announced that trucking would be the next candidate for moves to expand competitive pricing aimed at lowering consumers' costs. The trucking industry of course disputes arguments—by consumer advocates, the administration, and Senator Kennedy—that the dispensation under which it operates is contrary to the public interest.

Collective rate-making, the American Trucking Association (ATA) contends, is the core of the freight-transportation network and assures shippers of equal treatment. The practice is potent encouragement to order in a system that once was chaotic. The trucking industry is understandably loath to see it proscribed. The ATA's swift reply to Mr. Kennedy's announced assault on what he characterized as "legalized price-fixing" presages a vigorous trucking-lobby effort to preserve the status quo. The effort could succeed, given the lobby's political and economic clout.

For trucking is no longer the fledgling industry that the federal government undertook to regulate for the welfare of truckers and Americans generally. The United States is the pre-eminent consuming society, and trucking's vital role in the economy is manifest. Trucks on the roads make trucking the most visible link in the freight-transportation chain.

Prohibiting collective rate-making would inevitably add to trucking stresses and stimulate mergers as well as rate reductions. Viewed through a trucker's windshield, that is a doleful prospect. The trucking lobby will do its best to persuade American's representatives on Capitol Hill that changing the way the game is played could be unpleasant for consumers also. It may cite the air-traveling public's experience wtih cancelled airline service such as Norfolk International Airport's impending loss of a raft of daily National Airline flights. Some of the trucking's customers might suffer inconvenience and worse if collective rate-setting goes by the boards.

But one need not accept as gospel Mr. Kennedy's estimate that collective rate-making annually adds $2 billion in consumers' costs to believe that a stiff price is paid for trucking's cozy arrangement. If an industry as strategically situated and as robust as trucking cannot prosper in a brisk competitive climate, free enterprise isn't what it's cracked up to be.

[From the Bellevue (Wash.) Journal American, Jan. 27, 1979]

Deregulation Good for Business, Public

In one issue of the Wall Street Journal this week were three full page advertisements that tell a curious story. One was signed by the American Trucking Association. It begged for truckers not to be cut loose from the all-powerful federal bureau that regulates them. The other two ads were placed by Pan American Airways and United Airlines, recently released from federal regulation.

Pan Am's ad introduced "three new ways to fly the world"—first class (high priced), Clipper Class (medium priced) and Full Service Economy Class (lowest priced.)

United announced a super sale, just like an enterprising store. Through February and March you can get 55 percent off on a certain kind of flight, two can fly with one fare half off on some flights, and one child under 12 can go free.

The airlines, once as strictly regulated as the truck lines, now don't have to get permission to change their charges. So they are offering all manner of special rates to fill up their planes during off peak times. They make money at it and the public is responding just as intended—by flying a lot more. Planes are crowded. They often used to be half empty.

Truckers and the Teamsters union fear deregulation because it would open the way for independent drivers and truck owners to go into competition with the big haulers whose wage costs are set by the Teamsters. It is quite obvious that freight costs, which the consumer pays whenever he buys anything, are higher than they ought to be, just as plane fares were higher than they needed to be, because of government regulation. But the truck industry would have us believe that without government regulation, the public would not get satisfactory service.

What the truckers should be worrying about is not deregulation, but the coming new competition from airlines. Boeing foresees the time when it will be making more big planes to carry containerized freight than passenger planes. Maybe deregulation, with resulting lower freight rates, would postpone the day when air freight can compete effectively with the highway haulers.

[From the Everett (Wash.) Herald, Nov. 14, 1978]

Better Service . . . Through Deregulation

Air travelers in the United States are already benefiting from recently signed legislation deregulating the airline industry. New services and substantially reduced economy fares are the order of the day.

Under the old regulatory procedures of the Civil Aeronautics Board, permission for new routes could take years, if they were approved at all. Rate negotiations also were lengthy and iffy. Under the new law, decisions on new routes will be made in a matter of weeks. Most are expected to be approved. Basically, air passenger service will now be limited chiefly by the availability of aircraft, flight crews and airport space, rather than by the CAB.

Major benefactors of this system are travelers living in and around major metropolitan areas. The loser—at least initially—will be those living in secondary markets. Some of these areas will suffer a decline in air service as major lines cut back on the uneconomical routes. The gap, however, is expected to be taken up by the smaller commuter lines which will be encouraged to expand operations to serve areas no longer covered by the larger lines.

As for the industry, its prospects are more bullish than ever. Already enjoying the boom triggered by the limited administrative deregulation implemented last year by former CAB chairman Alfred E. Kahn, industry profits will top $1 billion this year, the highest in history and a spectacular turn around from 1975 when the industry suffered a net loss of $84 million. And this year's record will be achieved despite the bargain-rate fares brought on by vigorous competition for passengers. More passengers are making the profits possible.

Now if President Carter and Congress could only succeed in deregulating the trucking and railroad industries, which are constrained even more than the airlines, consumers would have even more reason to celebrate. Excessive regulation in these industries over the years has continually driven up costs which are passsed on to the consumer. It's the logical place to proceed in the hoped-for process of deregulating the American people.

Deregulation of the Trucking Industry

(KIRO Editorial Opinion)

[Aired: Dec. 27, 1978]

We know that in these days of romping inflation it's hard to imagine the price of anything dropping. But that's exactly what happened in the airline industry. This year when many federal regulations were dropped, so did the fares. And those lower prices resulted in more travelers flying and record profits for the airlines—all because the heavy hand of government was removed and the industry was allowed to base their operation on competition instead of regulation.

Well the same type of deregulation has been proposed for the trucking industry. Since 1935 the Interstate Commerce Commission has governed the trucking industry, and just like the Civil Aeronautics Board issued routes to airlines, the ICC has issued routes to truckers. By limiting the number of companies whose trucks can travel between certain cities, the route itself has become a valuable asset. In fact, so valuable that they're used as collateral for bank loans. That's because keeping out the competition creates a monopoly. And that only adds to the value of the route. In fact, it's estimated that the value of trucking routes is as much as $2 billion. And those who have routes charge plenty to those who don't. It costs a small trucker thousands of dollars to buy into a route, and keep in mind, when those routes were first issued by the government some 40 years ago, they were handed out for free.

And while we favor removing the federal bureaucracy from the trucking industry, many are concerned that as the government moves out, the syndicate—organized crime—will move further in. Some controls will obviously be necessary to keep this from happening. Increased competition through deregulation of the trucking industry can only lead to lower freight rates and better service, as present carriers have to hustle to compete against new challengers. But like the airline industry, for those who can compete effectively, it should mean increased profits for the truckers and more competitive prices for the consumers.

[From the Everett Herald, Feb. 10, 1979]

Deregulation . . . the Trucking Industry Will Fight

The battle to liberate the nation's truckers from the tentacles of government regulation—which is in their favor—may be far more difficult than it was to deregulate the airline industry.

Last year's action in the airline industry was widely applauded. It increased competition, lowered air fares and boosted industry profits.

But deregulation of the trucking industry will be more difficult. When the airlines were split on deregulation, the trucking industry.

which has gained handsomely from protected routes and rates granted by the Interstate Commerce Commission, is almost solidly opposed to such a move. The politically potent Teamsters union is also fighting deregulation because of the restraining influence competition would have on wages.

Both groups will be doing plenty of arm twisting on Capitol Hill and at the White House. Given the presence of both trucking companies and Teamsters in virtually every congressional district, the pressure against deregulation will be fearsome.

The question is whether the president and Congress can withstand the heat long enough to dismantle a regulatory structure that benefits a few at the expense of the many.

The many in this case are consumers who pick up the tab for the excessive transportation costs that result from the ICC's wasteful regulatory policies. Empty trucks rattle back and forth across the country burning up fuel and hiking overall operating expenses because of a senseless ICC rule against two-way hauling.

Through permits it grants for protected hauling routes, the ICC effectively limits both competition and entry of new trucking companies. The permits themselves become incredibly valuable assets to the companies.

Trucking regulation was designed primarily to protect the railroads, which now need to be protected from Washington. The railroads could probably save themselves if permitted to set their own freight rates and abandon unprofitable operations.

Deregulation of the trucking industry would reward the most efficient operators while offering shippers the advantage of a competitive marketplace in which to shop for carriers. Most truckers, like the airline industry, would find that competition is a boon rather than a burden.

[From the Tacoma News-Tribune, Feb. 19, 1979]

Deregulating the Truckers

If Congress and the Carter administration thought it was difficult to accomplish deregulation of the airline industry, wait until they tackle the truckers.

Successful deregulation of the airline business last year won plaudits for Carter and Congress, and deservedly so. Airline business is up and air fares are down. Competition is booming.

This year the target for government deregulation is the trucking business, and here the Carter administration has a real fight on its hands. Trucking companies and the politically powerful Teamsters Union are allied against deregulation on grounds it would be harmful both to business and labor.

On the other side is the argument the regulatory structure has grown so cumbersome that it inhibits competition and increases consumer costs. There are, of course, the disturbing examples of regulations which require trucks to travel empty or take circuitous routes to deliver cargo.

How much these regulatory policies cost the public is a matter of debate. One study by a Stanford University professor pegged the annual cost at $3 billion. Whether this figure is accurate may be questioned. But the cost factor will be used by the Carter administration as a major reason why deregulation should be tried.

Ironically, the government began regulating the trucking industry in the 1930s partly to protect small truckers against being pushed out of business by monopoly-sized trucking concerns. The 16,000 trucking companies now in operation serve to pretty well eliminate the monopoly argument.

Given the combined strength of the trucking companies and the Teamsters Union, the pressure to maintain the status quo will be intense. The proponents of deregulation have their work cut out for them.

[From the Parkersburg (W. Va.) News, Feb. 22, 1979]

Time To Deregulate

The American Truckers Association does not share the belief held by a great majority of American business and industrial leaders that government regulation is stifling our free enterprise system in the country.

The ATA has met Sen. Edward Kennedy's call for deregulation of the $56 billion-a-year interstate trucking industry with a prediction that "chaos and confusion" will follow any move to end Interstate Commerce Commission regulation and rate setting procedures and the 30-year-old exemption of antitrust laws against price-fixing now enjoyed by the industry.

The principle arguments being put forth by the trucking interests are that without "basic rate-making procedures there will be discrimination, preference and prejudice between communities, regions, shippers and commodities," and that small manufacturers in out of the way places and small towns would be hurt by a loss of service.

However, Ohio Senator Howard Metzenbaum, who introduced the bill that would deregulate the trucking industry, says he would save 20 percent on the cost of moving some furniture from his Cleveland home to Washington if the bill becomes law.

Supporters of deregulation—and they include, among others, Justice Department antitrust chief John Shenefield, American Consumers Union, the National Association of Manufacturers and Ralph Nader—hold that the present system of ICC regulation is stifling competition and costing the American consumer some $2 billion annually.

Aside from its rate-fixing function, the ICC has absolute control over new firms wanting to get into the trucking business. In order to be granted a "common carrier" license by the ICC an applicant must obtain a certificate of "public convenience and necessity," which translates into being able to provide a service not already supplied by existing firms.

If existing firms can show they have the capacity to handle the traffic specified in the applicant's, the request is usually rejected, whether or not the applicant could provide cheaper or more efficient service.

The American Trucking Association has admitted that these operating rights granted by the ICC are the "single most important asset" a firm may have. As a matter of fact many firms simply rent their rights to independent truckers, the independents do the work but the firm gets a sizeable chunk of the take—one of the bones of contention in the current steelhaulers squabble.

Advocates of deregulation also point to the ICC's rate making authority—usually handled by regional rate bureaus made up of representatives of companies who charge the rates—which sets price floors on services that can only be undercut if a firm wants to go through the time-consuming, expensive and usually futile effort necessary to accomplish a rate reduction.

The ICC also tells truckers what they can haul, where they can haul it and what routes they must take to get there. These restrictions severely limit shippers in the choice of firms to haul their commodities since they have to deal with a firm licensed to carry the specific items they want hauled and this, coupled with route restrictions, practically guarantees that trucks are running empty or only partly loaded much of the time.

And with all this, many trucking firms are reporting returns as high as 30 to 40 percent on their equity. It is no wonder thay want to see nothing happen to rock the boat now.

Certainly, advocates of deregulation put forth a pretty convincing argument that public well-being would be served by a move to deregulation and we think it is an idea whose time has come. After all, any proposition supported by both Ralph Nadar and the National Association of Manufacturers can't be all bad.

[From the Parkersburg (W. Va.) News, Dec. 25, 1978]

Opinions of Other Writers

Tulsa World:

The Carter Administration, having accomplished a great amount of decontrol of the airline industry, will tackle the trucking business next.

The job . . . will be much more difficult but promises even more benefit to the consumer than airline deregulation.

Deregulation of that industry has run into opposition from both the Interstate Commerce Commission and trucking firms. That the truckers are in favor of continued regulation is a tipoff that things perhaps are too cozy between the regulators and the regulated.

What the administration is proposing is not total decontrol. Its program is designed to eliminate government intervention where it is not clearly needed to accomplish a recognized public interest. . . .

While it appears the Carter approach to deregulation of airlines and truckers is a healthy move, it presents an interesting irony. The president has staunchly opposed deregulation of the oil industry, deftly jumping the fence to side with regulation forces. Competition in the oil industry is manifestly greater than in either the airline or trucking industry.●

Mr. HAYAKAWA. Mr. President, I am pleased to join Senator Kennedy, the chairman of the Judiciary Committee in introducing the Trucking Competition and Safety Act. This legislation, which I believe has been much too long in coming, will eliminate or reduce many of the burdensome regulations imposed on the trucking industry by the Interstate Commerce Commission.

The ICC regulation of the trucking industry is a clear example of the serious effects government overregulation has on our economy. Small towns and small shippers are frequently the losers in the highly inflationary system which now exists. ICC regulations which dictate indirect, inefficient routes and preclude a carrier from making intermediate stops or from leaving a highway to serve an out-of-the-way town have been harmful to many small towns and agricultural communities. Restrictions on what a trucker may haul cause many trucks to carry small loads and often force them to return empty. This backhaul restriction not only increases costs, but wastes tremendous amounts of fuel.

Regulation too often protects the less efficient and stifles competition. Unfortunately we are seeing the evidence of this in the bitter strike/slowdown by the owner-operator truckers. In a competitive free market the owner-operator trucker would not be trapped in the appalling situation he finds himself in today, being squeezed between rising fuel prices and his inability to adjust his rates.

I believe an individual should have the opportunity to work, save, produce, invest, and engage in an independent business. The present law stipulates that an applicant for a trucking certificate must prove it is "fit, willing, and able" and that the proposed transportation is "required by the public convenience and necessity." An application can be an expensive and laborious project.

One application filed at the ICC actually weighed about 12 pounds and cost the applicant over $15,000. Although this is an outrageous example of overregulation, there are other difficulties in obtaining a trucking certification.

Because the burden has been on the new entry many carriers already serving a route have prevented a new entry merely on the basis of existing service. The ICC has also refused to admit a new entry, even though it assured competition, reduced prices and improved service to small communities. I am happy to say that the Trucking Competition and Safety Act substantially reduces these restrictions by reversing the burden of proof to require the opponent of the new entry to show why the new service should not be allowed.

Although I would like to see these burdensome regulations removed immediately, I think this legislation is a major effort toward the creation of a competitive trucking industry in a free market.

By Mr. BIDEN (for himself, Mr. Stewart, and Mr. Pell):

S. 1401. A bill to amend the Federal Power Act to revise procedures for the changing of rates; to the Committee on Energy and Natural Resources.

CURBING THE ELECTRICITY RATE SPIRAL

● Mr. BIDEN. Mr. President, today I am introducing a bill on behalf of myself and Senators Stewart and Pell, to amend the Federal Power Act that would allow the Federal Energy Regulatory Commission to prevent unjustified electric utility rate increases. Every American is suffering the crunch of rising prices. The rise in electric utility rates has even far exceeded the inflation rate. The average cost per kilowatt hour of electrical power rose more than 250 percent from 1967 to 1977, while the cost of living rose 81.5 percent. Some of these price increases clearly were due to factors such as the high price of fuels. However, the Federal Energy Regulatory Commission has found that many electric utilities have overcharged their customers while the Commission was still investigating the validity of their requested rate increase.

At present, the Commission takes an average of 41 months to fully investigate a requested rate increase, and during this 3½-year period the utilities are entitled to receive their full requested rate increase, no matter how excessive it may be. My bill would allow the Commission to prevent utilities from receiving its full increase until they have completed their investigation. My legislation would instruct the Commission to develop a formula for giving utilities a percentage of the rate hike requested until a final determination of a just and reasonable increase is made.

The Federal Power Act, as currently amended, requires that an electric utility notify the Federal Energy Regulatory Commission 60 days in advance if it plans to increase its rates for electricity. The Commission must then briefly review the case within the 60-day period to decide whether the increase is "just and reasonable" as required by the Federal Power Act. If the Commission believes that the requested rate increase may be excessive, it has the power to suspend the rate increase for a period of 1 day to 5 months.

During the suspension period the Commission reviews the requested rate increase in depth to determine what a reasonable rate increase would be. This review process is rarely, if ever, completed within the 5-month suspension period and usually takes an average of 41 months. However, after the suspension period has ended, the utility receives its full requested rate increase.

Although the full requested rate increase goes into effect after the suspension period has ended, once the Commission has made a final decision on the validity of the requested rate increase, it has the authority to require the utility to refund any portion of the rate increase it finds unjustified. The Commission generally does require refunds. In 1978 the Commission determined that the requested rate increases were excessive in almost 9 out of 10 cases it investigated fully. It then required refunds in all of these cases. These refunds amounted to over $28.5 million in 1978.

Refunding excessive rates to individual customers is becoming increasingly difficult as residential customers become more mobile. It is practically impossible to locate a customer who overpaid for his electricity and deserves the Commission-ordered refund, but has changed addresses. Also, even though the excess rates are refunded with interest, interest rates are not keeping pace with today's inflation rate.

Overcharge refunds are especially difficult when the rates are increased for the sale of electricity at the wholesale level. Many municipalities purchase electricity wholesale from utilities and then resell it to individual residential and commercial customers. If the Commission determines that the wholesale supplier has overcharged a municipality, the supplier then refunds a block sum of money to the purchasing municipality. The municipality is then left with the responsibility of refunding the money to the individual residential and commercial customers. Unfortunately, many municipalities are simply ill equipped to handle the refunds.

The bill I am introducing today to amend the Federal Power Act will prohibit utilities from receiving the full requested rate increase after the suspension period has ended until the Commission has made a final determination of a just and reasonable increase. This legislation would allow the Federal Energy Regulatory Commission to give the utilities a percentage of the requested rate increase if it reasoned that the increase was unreasonable. My bill would in no way prevent refunds rather, by reducing the size of these refunds, it would prevent utilities from grossly overcharging their customers while the Commission reviews requested rate increases. Thus, I believe my bill, if enacted, would encourage utilities to seek reasonable rate increases which would less likely be suspended.

My amendment will in no way affect the automatic adjustment clauses that the Commission allows in a utility's rate schedules to compensate for the rise in the price of fuels. The purpose of my amendment is not to prevent electric utilities from recouping genuine increases in costs, but to prevent utilities from overcharging their customers.

Mr. President, we cannot seriously hope to lessen the impact of spiraling prices on the consumers of this country unless we can help curb unnecessary utility rate hikes. I believe that the bill I am introducing today will help control such excesses. I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1401

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Power Act Amendments of 1979".

Sec. 2. (a) Section 205(e) of the Federal Power Act (16 U.S.C. 842d) is amended by striking "Whenever" and substituting "Except as provided in subsection (f), whenever".

(b) Section 205 of the Federal Power Act is further amended by adding at the end thereof the following:

"(f)(1) With regard to a public utility which sells 500 million or more kilowatt hours of electricity during any calendar year, no new schedule which provides for a rate increase shall be allowed to take effect after the end of the suspension period (permitted under subsection (e)) unless the Commission has found that such rate increase is just and reasonable.

"(2) With regard to a new schedule which provides for a rate increase and in the event the suspension period permitted under subsection (e) has been ordered and expires and the Commission has not made a determination that such rate increase is just and reasonable, the Commission may order an interim rate increase which shall be based upon a formula derived from analysis of previous rate increases and such other relevant factors as the Commission may determine. Any interim rate order shall remain in effect until such time as the Commission makes a final order determining a just and reasonable rate increase. Any final order shall not provide for retroactive application of the approved rate, except that in a case where the final order is less than the interim order such final order shall contain provisions requiring such public utility to make refunds to customers who had paid the interim costs.

"(3) No change of any rate schedule which increases rates shall take effect without a hearing on the record (conducted in accordance with section 554, title 5, United States Code) if—

"(A) the Commission has reason to believe that such requested rate increase may not be just and reasonable, or

"(B) the Commission receives a valid complaint in relation to the requested rate increase from either direct or indirect purchasers.

"(4) Nothing in this subsection shall be construed to affect an automatic rate schedule change which has been approved by the Commission.".

(b) The amendment made by subsection (a) shall take effect 180 days after the date of enactment of this Act.●

By Mr. RIEGLE:

S. 1402. A bill to amend title XVI of the Social Security Act to provide an increase in SSI benefits, and for other purposes; to the Committee on Finance.

SUPPLEMENTAL SECURITY INCOME AMENDMENTS OF 1979

● Mr. RIEGLE. Mr. President, the Congress established the supplemental security income (SSI) program 7 years ago to insure that this Nation's aged, blind, and disabled citizens would have adequate incomes. Unfortunately, the program has not met this goal.

SSI BENEFIT LEVELS

Even before the SSI program became effective on January 1, 1974, the allotted benefit amounts were set below the poverty level. Despite subsequent legislation increasing benefits for SSI recipients, we have still not closed the gap. Since SSI payments and the poverty level are both adjusted according to changes in the Consumer Price Index, SSI payments cannot be expected to increase relative to the poverty level unless we raise the basic Federal payment.

At the beginning of this year, the Census Bureau determined that an individual is living in poverty if his or her income falls below $3,130 per year. For a couple, the poverty income level is $3,940. By comparison, the SSI benefit levels stand at $2,273 and $3,409 respectively. Thus the SSI program guarantees an income for the elderly, blind, and disabled that is 75 percent of the poverty level for individuals and 85 percent of the poverty level for couples. Clearly, these are inadequate benefits for our most disadvantaged citizens.

Current benefit levels, paid at monthly rates of $189.40 for an individual and $283.10 for a couple, indicate the difficulty that recipients have in maintaining even a meager standard of living. One out of every seven people over 65 years of age lives in poverty; many more do not have incomes that are sufficient to provide a decent standard of living. The situation is even more critical for the blind and disabled. One out of every two blind persons and one out of every five disabled persons live in poverty. All of these groups, which together comprise nearly 12 million Americans, are ill prepared to cope with today's inflation-ridden economy.

My bill raises the Federal SSI payment to $333.30 per month for an individual for an annual minimum income of $4,000 and $458.30 per month for a couple for an income of $5,500 per year. This higher benefit level guarantees adequate incomes to these disadvantaged Americans and assures them of a future in which they can manage their financial affairs with dignity.

INCREASES RESOURCE LIMITS

Under present law, the value of resources on which a recipient may draw has been kept at such low levels that recipients have no cushion in the event of emergency expenditures. Although a home and the land surrounding it, an automobile valued at $1,200, and personal effects of up to $1,500 are excluded from the assets limit, an SSI recipient may not have other resources that total more than $1,500 for an individual and $2,200 for a couple.

My bill contains three provisions that are designed to make the resources test for eligibility fairer, easier to compute, and more realistic in light of present economic conditions. First, my bill standardizes excludable resources in a manner consistent with similar exclusions in the current Food Stamp law. Because the SSI and food stamp programs are both Federal assistance programs aimed at similar income groups, there is no apparent reason why both should not apply the same standardized system for resource limits and exclusions.

This bill changes current law by raising the value limit for an automobile to $4,500, increasing the value limit of included resources to $2,000 for an individual and $2,450 for a couple, and indexing the resources limit to the Consumer Price Index. These are far more realistic provisions than present law provides. Because inflation affects those on fixed incomes much more severely than it does others, compassion dictates that we allow corresponding increases in the value limits of resources permitted to SSI recipients.

ENCOURAGES LESS INSTITUTIONALIZATION

Currently, an SSI recipient who lives with friends or relatives and receives free or reduced rent has his or her SSI benefit reduced by one-third. I believe that this provision of the law acts as a disincentive to families to care for an elderly or disabled relative in their own homes. It also restricts the ability of the SSI recipient to share in his or her support by making a meaningful contribution to the household expenses. As a result, this provision of the law can contribute to unnecessary or premature institutionalization of elderly and disabled persons who need assistance but do not require medical supervision.

Clearly, the extended family is well on its way to becoming a thing of the past. Although there are many reasons for the decline of extended families that are beyond the power of Congress to affect, I believe that we should encourage and support extended families wherever we can. For this reason, my bill eliminates the provision in present law which reduces SSI benefits by one-third when an individual receives in-kind shelter support from family or friends.

Additionally, under present law, when an SSI recipient enters a nursing home or a hospital, his or her monthly benefit is reduced to $25 after the first month in care. The reduced amount is intended to be used for personal expenses not ordinarily provided by health care facilities.

My bill eliminates this reduction in benefits until the SSI recipient has been institutionalized for a full 3-month period. This change will permit a person who is institutionalized for a relatively short period to continue to pay rent on an apartment or to reestablish himself in the community once he has recovered sufficiently to be discharged.

An identical provision was included in H.R. 8911, which passed the House of Representatives in the 94th Congress, and in H.R. 7200, which passed the House in the 95th Congress. I believe that this 3-month extension is long overdue and represents a much-needed change in the way the present law operates. As the law is written today, many persons must remain institutionalized because they cannot afford to leave, especially if they have no way of covering the initial expenses of rent and utility deposits, and so on.

My bill also raises the personal needs allowance that is payable to the recipient after he or she has been institutionalized for more than 3 months. Under my bill, the level of allowance is increased from $25 per month to $50 per month. The present $25 allowance has not been raised since 1973—although other SSI benefits are pegged to annual increases in the Consumer Price Index. In addition, my bill extends the principle of annual cost-of-living increases to the personal needs allowance.

PRESUMPTIVE ELIGIBILITY

In addition, my bill broadens the concept of "presumptive eligibility" to include all SSI applicants and increases the emergency payment made on the basis of presumptive eligibility from $100 to the full SSI payment. This provision allows decisions to be made immediately by the interviewer based on the evidence submitted, and if necessary, observations of an applicant's physical condition at the time of application. Under present law, the Social Security Administration can start full benefit payments on this basis to an applicant who alleges he is disabled even before the process of determining eligibility is completed. I believe all SSI recipients deserve this same respect and treatment.

WORK INCENTIVES FOR DISABLED

My bill also strengthens work incentives for disabled SSI recipients and applicants by incorporating provisions based on legislation introduced in the House by Representative WILLIAM BRODHEAD, and passed the House on June 6, 1979. There are disabled individuals, who, despite their handicaps, desire to work and to reduce their dependence on the SSI program. However, under present law, there are substantial disincentives for disabled recipients to seek and maintain employment.

To qualify for SSI benefits on the basis of disability, an individual must be unable to engage in any "substantial gainful activity (SGA)" by reason of a medically determinable physical or mental impairment. In prescribing the criteria for "substantial gainful activity", the Secretary of HEW has set the level of earnings for determining SGA at $280 per month.

The effect of this SGA test has been to place a more burdensome earnings limitation on disabled recipients than that imposed on the aged and the blind. For the disabled, the SGA earnings limitation is lower than the point at which SSI benefits would normally phase out as a result of earned income. Rather than gradually reducing benefits as earnings increase, as is the case for the aged and the blind, the disabled individual loses all benefits when his earnings exceed $280 a month. For example, a disabled individual who now earns more than $280 a month faces the loss of up to $1,200 in yearly SSI benefits plus the loss of any State supplementation. In addition, he or she may lose social service assistance and, perhaps more importantly, medicaid coverage. Faced with this abrupt loss of income assistance, health care, and services, disabled citizens with employment potential are discouraged from seeking and accepting employment. Even those with a strong desire to work and to contribute to their livelihoods face this benefits' "cliff" and dare not risk the complete loss of all income and supportive services.

My bill adopts the central provision of the Brodhead bill which eliminates this cliff by adjusting the SGA test to the point at which earnings would normally reduce SSI benefits to zero. In determining SGA, my bill permits the disregard of the first $65 of monthly earnings, any impairment-related work expenses that are necessary for the individual to remain employed, and 50 percent of any remaining earnings.

Disabled individuals who are able to work are frequently limited by the nature of their impairments to either part-time employment or employment at low hourly wages. When such individuals can earn more than $280 a month, the greater earning capacity does not mean that they are less disabled than before, nor does it mean that they are able to earn enough to become completely financially self-sufficient. Rather, increased earnings mean that these individuals have exerted a greater effort. Certainly, we should not continue to penalize those who strive to become more independent and self-supporting by having them do so at the risk of losing critically needed support and medical care.

Current law contains another significant disincentive for SSI recipients to remain employed. When continuing eligibility for benefits is calculated now, the first $65 per month and one-half of the remaining earnings are excluded. However, for severely disabled persons who require special equipment or attendant care, the cost of working can easily exceed the expected earnings. To modify this problem in determining continuing eligibility, my bill allows a disregard of the first $65 of monthly income, impairment-related work expenses, 20 percent of gross earnings for standard work-related expenses, and one-half of the remaining earnings. The intent of this provision is to increase the work incentives by disregarding both normal and special work expenses, so that employment becomes a financial and emotional benefit for those who want to work.

TIME TO ACT

I believe that we have an opportunity in this Congress to modify the SSI program in a way that assures an adequate income for all aged, blind, and disabled Americans. It is unconscionable that a country as affluent as ours permits so many of its older and disabled citizens to live in poverty. I hope my colleagues will join me in changing this sorry picture.●

By Mr. JACKSON (by request):

S. 1403. A bill to amend section 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), and to provide a 7-month extension for the submission and approval of State programs or the implementation of a Federal program; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, today, I am introducing, by request of the Secretary of the Interior, legislation which would amend the Surface Mining and Reclamation Act of 1977 by extending the August 3, 1979, deadline for submission of State regulatory programs to the Secretary of the Interior by 7 months to March 3, 1980.

The Committee on Energy and Natural Resources held 2 days of oversight hearings on the implementation of the Surface Mining Control and Reclamation Act on June 19 and 21. The hearings were chaired by Senator Ford who did yeoman's service in listening to more than 30 witnesses in those 2 days.

During the course of the hearings, Walter Heine, Director of the Office of Surface Mining, announced that Secretary Andrus had decided to recommend that the State program submission deadline be extended by 7 months. This is a period approximately equal to the delay in the funding of the OSM and to the delay in the issuance of the permanent regulations. Moreover, it comports with the recommendation of the National Governor's Association testimony presented by Gov. Ed Herchler of Wyoming.

Mr. President, I think there is merit in this proposal and am pleased that the Secretary has recommended its enactment. The various delays which OSM has experienced in carrying out the very difficult task of implementation of the Surface Mining Act has resulted in very little time for State governments to prepare their programs for submission to the Secretary. It will serve no good purpose to force them to submit incomplete proposals.

However, I would caution that if we are to enact this legislation prior to the August 3 deadline, this bill must be unencumbered by other amendments. It took 10 years to enact national surface mining legislation. The law is a good one, but remains highly controversial, as does its implementation. Attempts to change it further are sure to mire this legislation down in interminable delay. If changes in the act are warranted, they should be considered under separate legislation.

Mr. President, I ask unanimous consent that Secretary Andrus' statement submitted to the committee on June 19 about this extension be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Cecil D. Andrus

Mr. Chairman and Members of the Commitee: After long and deliberate analysis of the time requirements in the Surface Mining Act, I have decided to seek a very limited change in that statute to allow the Federal Government and States seven additional months to prepare State programs or implement Federal programs.

In coming to this decision, we have consulted with the Chairman of the House Interior and Insular Affairs Committee and the Chairman of this Committee. In essence, my proposal would allow a seven-month extension of the June 3, 1980, date for final decision on State programs. In this connection, I do anticipate that many of the States will submit full applications on August 3, 1979. Others will have major portions of their State program applications completed. In either case, the extension would allow the Federal Government and the States more time to assure these are strong programs which meet legislative requirements.

This seven-month extension would recover the seven months lost by the late appropriation to initiate the Office of Surface Mining and the subsequent seven-month delay in permanent regulations promulgation. Although the majority of the coal mining States are proceeding well with preparation of their State programs, the new schedule would allow the early part of the 1980 State legislation sessions to pass any needed laws prior to submittal of the program which would now be slated for March 3, 1980.

This has not been an easy decision and is one which is grounded in principles of fairness in dealing with the coal producing States. The Administration will support my proposal. However, I want to strongly emphasize that any other substantial changes in this important piece of legislation will not be acceptable to this Administration.

We strongly endorse the substance of the statutes and believe we are well on the way in achieving its purposes. We can increase coal production to meet this Nation's needs while assuring sound environmental protection.●

By Mr. PELL (by request):

S. 1404. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965, as amended; to the Committee on Labor and Human Resources.

● Mr. PELL. Mr. President, I introduce and send to the desk the Arts and Humanities Act of 1979.

I ask unanimous consent that a section-by-section analysis of the bill be printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Sectional Analysis of Draft Bill To Amend the National Foundation on the Arts and the Humanities Act of 1965, as Amended (20 U.S.C. 951, et. seq.)

Set forth below is a section-by-section analysis of "The Arts and the Humanities Act of 1979," a draft bill that would amend the National Foundation on the Arts and the Humanities Act of 1965, as amended.

Section 2 of the draft bill would repeal from the Act the authority of the National Endowment for the Arts to support construction projects. This authority has had only limited use since the creation of the Endowment in 1965. Both Endowments would be able to continue their support of projects involving renovation of facilities.

Section 3 would add the Northern Mariana Islands to the list of special jurisdictions contained in that section of the Act defining "States." This is deemed appropriate in light of Public Law 94-241 which requires that the Northern Mariana Islands be eligible for Federal financial assistance in the same manner as the other territories.

Section 4 of the draft bill would amend Section 5 of the Act by modifying the wording of paragraph (1) of subsection (c) so as to emphasize that projects and productions supported by the National Endowment for the Arts should reflect the broad aesthetic diversity of American society.

Section 5 would make two technical corrections to the last sentence of Section 5(c) of the Act. The first corrects the reference to "clause (5)" to read "paragraph (5)". The second amendment would recognize the new name of the Senate Committee on Labor and Human Resources.

Section 6 would make several changes to Section 5(g) of the Act. The first would delete obsolete language with respect to the Commissioner of the District of Columbia.

The second amendment would make two changes to the operation of the program of grants to State arts agencies in order to give the Chairmen more flexility to encourage State appropriations for the arts.

(1) Under present law, of the total amount appropriated each year to the Arts endowment for its program activities (authorized under Section 5(c) of the Act, 20 percent is set aside for distribution to the States. Presently, at least 75 percent of this amount is distributed in equal amounts to the States and special jurisdictions via block grant, and no more than 25 per cent is distributed via discretionary grants. Section 6(b) of the draft bill would change the ratio of block grants to discretionary grants from 75:25 to 50:50. This change would be implemented in five percent increment over the five-year period covered by the bill.

(2) The second part of Section 6(b) of the draft bill would allow the Chairman, in awarding discretionary grants to States and regional groups as authorized by Section 5(g)(3)(A) of the Act, to consider such factors as (1) standards of artistic excellence; (2) level of effort based upon State appropriations for the arts; and (3) State population.

The third proposed change would make the word "project" in paragraph (4)(A) plural.

The final amendment in Section 6 of the draft bill would result in those special jurisdictions with less than 200,000 population (i.e., the Virgin Islands, Guam, American Samoa and the Marianas) receiving an amount equivalent to the $200,000 block grant portion of the State allotment. The Arts Endowment has found that these jurisdictions cannot effectively utilize the larger amount of money they currently receive via block grant when treated in the samo manner as the fifty States and the larger special jurisdictions of the District of Columbia and Puerto Rico. The less populous jurisdictions would still be eligible for additional discretionary grants above the $200,000 award.

Section 7 of the draft bill would provide specific authority to the Chairman of the National Endowment for the Arts to enter into inter-agency agreements in pursuit of his responsibilities under Section 5(k) of tho Act that requires that he coordinate the programs of the Endowment with those of other Federal agencies. Under this authority, for example, the Arts Endowment establishes panels for the International Communications Agency (ICA) to recommend selections for the "Art in the Embassies" program, and for the General Services Administration (GSA) for the selection of artworks to be placed in Federal buildings. Currently, the Arts Endowment has been providing the services enumerated in this section of the draft bill from very limited administrative funds.

Section 8 of the draft bill would make an amendment to Section 5(l) of the Act that authorizes the Endowment's Challenge Grant program. The purpose of this amendment would be to emphasize that the basic purpose of those grants is to strengthen artistic quality.

Section 9 of the draft bill would repeal Section 5(m) of the Act that established a special program entitled the "Bicentennial Film Project." This program has never been funded since it was first authorized in 1976.

Section 10 of the draft bill would amend Section 6 of the Act to provide that the terms of office of all members of the National Council on the Arts would expire on September 3rd of the year in which their respective six year terms expire. Presently two of the 26 members have terms that expire in January. The remaining members' terms expire in September.

Section 11. The authority of the National Endowment for the Humanities to make loans has never been used; repeal is recommended.

Section 12, like Section 6 of the draft bill, would make two technical corrections to the Act. The first corrects the reference to "clause (6)" in the last sentence of Section 7(c) to read "paragraph (6)". The second amendment would recognize the new name of the Senate Committee on Labor and Human Resources.

Sections 13 and 14. The purpose of these amendments affecting the State Programs of the Humanities Endowment is to remove the $200,000 per State floor which now governs grants to four U.S. overseas jurisdictions with small populations:

Virgin Islands:

1970 Census 62,000; 1978 Estimate 98,390 (1978 Information Please Almanac).

Guam: 1970 Census 85,000; 1973 Estimate 102,000 (Statistical Abstract of the U.S.); 1976 Estimate of 96,000 (Statistical Abstract of the U.S.)

American Samoa:

1970 Census 27,000.

Northern Marianas:

1973 Census 14,000.

Trust Territory of the Pacific Islands.

This is not defined as a "State" in Section 3(g). It may, however, achieve that status in the future. 1973 Census 115,000.

The smallest State of the Union, Alaska, has a population of 302,173 according to the 1970 Census.

All of these jurisdictions remain eligible for grants in the Humanities State Program in amounts to be determined by the Chairman after receiving the advice of the National Council on the Humanities.

An additional change is included in Section 13 in order to give the Chairman more flexibility to encourage State appropriations to grant recipients. At present at least 75 percent of the funds appropriated for the State Humanities Program is distributed in equal amounts to the States and special jurisdictions via block grant, and no more than 25 percent is distributed via discretionary grants. Section 13 of the draft bill would change the ratio of block grants to discretionary grants from 75:25 to 50:50 in five per cent increments over the five year period covered by the bill.

In addition the amendments in Section 13 would allow the Chairman, in awarding discretionary grants to grant recipients and regional groups as authorized by Section 7(f)(4)(A) of the Act, to consider such factors as levels of State appropriations to a grant recipient and the size of population of a State.

Section 15. The purpose of this amendment is to authorize the Humanities Endowment to support renovation on the same basis as the Arts Endowment.

Currently the Humanities Endowment is supporting renovation and construction projects in the Challenge Grant program established under Section 7(h) of the Act. The use of the word "project" in Section 7(h)(2)(A) to describe activity supported by a Challenge Grant has required interpretation by the General Counsel of the Humanities Endowment because that word is presently described as follows in Section 3(d) of the Act:

"The term 'project' means existing programs which further the purposes of this Act, and programs newly organized to further such purposes, including programs to foster American artistic creativity, to commission works of art, to create opportunities for individuals to develop artistic talents when carried on as a part of a program otherwise included in this definition, and to develop and enhance public knowledge and understanding of the arts, and includes, where appropriate, rental, or purchase of facilities, purchase or rental of land, and acquisition of equipment. Such term also includes—

(1) the renovation of facilities if (A) the amount of the expenditure of Federal funds for such purpose in the case of any project does not exceed $250,000, or (B) two-thirds of the members of the National Council on the Arts (who are present and voting) approve of the grant or contract involving an expenditure for such purposes; and

(2) the construction of facilities if (A) such construction is for demonstration purposes or under unusual circumstances where there is no other manner in which to accomplish an artistic purpose, and (B) two-thirds of the members of the National Council on the Arts (who are present and voting) approve of the grant or contract involving and expenditure for such purpose."

The Humanities General Counsel has ruled that, in the case of Challenge Grants awarded by the Humanities Endowment, approval of a grant or contract involving renovation or construction must be given by the National Council on the Humanities instead of the National Council on the Arts.

Section 16 of the draft bill would provide specific authority to the Chairman of the National Endowment for the Humanities to enter into inter-agency agreements in pursuit of his responsibilities under Section 7(d) of the Act that requires that he coordinate the programs of the Endowment with those of other Federal agencies. Under this authority, for example, the Humanities Endowment has cooperated with the National Science Foundation in making grants in the increasingly important field of science, ethics and human values. Currently, the Humanities Endowment has been providing the services enumerated in this section of the draft bill from very limited administrative funds.

Section 17. The purpose of this amendment is to raise from $17,500 to $30,000 the ceiling on grants that the Chairman can make without a recommendation from the National Council on the Humanities. Such grants can be made only pursuant to a delegation from the Council and must be reported to the Council for its review. Although the statute allows a maximum of 10 percent of program funds to be obligated by such grants, the Humanities Endowment has obligated only about 1 per cent of such funds in this manner.

The figure of $17,500 has been affected by inflation since it was adopted in 1973. It appears that $30,000 would now be a figure which would give the Chairman greater flexibility in emergency situations.

Section 18 proposes two technical changes to the Act. The first amendment would give statutory recognition to both Endowment's practice of selecting for membership on the Endowment's peer review panels persons with a broad range of aesthetic and humanistic perceptions.

The second technical change would provide additional time for the submission of Annual Reports by the Chairman of the two Endowments and the two Councils to the President for transmittal to the Congress. The present requirement of January 15 contained in Section 10 of the Act is unrealistic given the recent change in the start of the Federal fiscal year from July 1 to October 1. The change would require that such Reports be submitted by April 15 of each year.

Section 19 of the draft bill would propose several changes to Section 11 of the Act, containing the authorization of appropriations for the activities of the two Endowments.

The first amendment would provide "such sums" appropriations authorizations for the basic program of the two Endowments for the five fiscal years ending September 30, 1985.

The second amendment would provide "such sums" appropriation authorizations for the "Treasury Fund" for the same five fiscal years. In addition it would permit the release of indefinite appropriations to match gifts received by grantees for the purposes of Section 5(c) and 7(c) of the NFAH Act. Presently all such gifts, in order to release matching funds from the Treasury, must be accepted by the Chairman as Federal funds. The new procedure would have three advantages:

(1) It will simplify accounting, particularly in the Challenge Grant program.

(2) It will permit the Endowments' gift funds to be retained by grantees and never become Federal funds. Presently gift funds are considered to be Federal funds, but are exempt from Treasury control. It is not feasible for the Endowments to duplicate the controls that Treasury applies to funds under its jurisdiction.

(3) In the case of Challenge Grants, the present provisions cause difficulty in accepting private gifts which are in the form of "deferred giving". Deferred giving is increasingly important in attempts by arts organizations, colleges, universities and museums, which are trying to build up their endowment funds, one of the chief purposes of the Challenge Grant program under Sections 5(1) and (h) of the Act.

This change would not result in any alteration of present requirements regarding the ratio of Federal funds, private gifts and funds used by grantees to match.

The third change would provide "such sums" appropriation authorizations to both Endowments for their Challenge Grant program, and proposes the same change as that described above regarding private donations.

The last amendment would repeal the appriations authorization for the Bicentennial Film program, the authorization for which is also proposed for repeal.

Section 20 would make the amendments effective upon the date of enactment.●

By Mr. WEICKER (for himself, Mr. GRAVEL, and Mr. DURKIN):

S. 1408. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

NATIONAL AQUACULTURE ORGANIC ACT OF 1979

● Mr. WEICKER. Mr. President, I am pleased to join my distinguished colleagues Senator GRAVEL and Senator DURKIN today to introduce the National Aquaculture Organic Act of 1979. This bill is a similar but less costly version of the Aquaculture legislation which was passed last year by Congress and subsequently vetoed by the President. I hope that this bill will reaffirm the Senate's interest in and commitment to a serious effort to promote aquaculture in the Nation.

Aquaculture is the controlled cultivation of aquatic plants and animals, primarily for the purpose of providing food protein. Other materials which can be provided by aquaculture are often underemphasized. Seaweeds are used in the production of industrial chemicals and animal feeds. Recent research has shown that aquaculture has a significant potential for producing energy, by converting ocean cultivated algae into methane gas.

Aquaculture is a fledging industry in the United States but has been practiced in other nations for many centuries.

China, for instance, has used aquaculture techniques for over 20 centuries and produces much of its fish products through aquaculture. Aquaculture accounts for roughly 10 percent of the world's production of fish products, but in the United States, it only provides a scant 3 percent of our total production.

World production of seafood still comes largely from hunting and gathering fish, shellfish, and seaweed from wild stocks. In an attempt to meet the growing demands for food to feed an ever expanding population and to satisfy worldwide affluence, many wild stocks of fish have already been fished too heavily, often exceeding maximum sustainable yields. It is expected that the world demand for seafood will increase dramatically in the near future; even in the United States the demand may increase 80 percent by the year 2000.

The sea still has potential for producing more food but seafood production will soon plateau and other methods of obtaining a source of high protein will have to be found.

Currently, the Nation imports about 70 percent of its fish products. They are the third largest contributor to our balance of trade deficit. If domestic production fails to keep pace with increasing demand, then the Nation will be faced with an even greater trade imbalance. Aquaculture offers a way to expand the nation's fish production, provide jobs and enhance the economy.

Aquaculture technology has reached a point where it has the potential in this country to produce low-cost, high-protein food as well as gourmet items, such as shrimp and possibly lobster. Catfish, trout and salmon are species that are already being cultured at moderately successful levels. Many other species, such as oysters, mussel, pompano and eel hold great promise. However, the development of the industry is stalled through a lack of serious Government support.

This situation, a Nation with a vast aquaculture potential importing over half of its fisheries products, at a cost of over $2 billion a year, is absurd. If the Nation is going to overcome current economic problems we must invest wisely in new programs. Aquaculture is a case in point. The time has come for the Federal Government to help aquaculture to its feet. Last year, by passing the "National Aquaculture Act of 1978," H.R. 9370, Congress recognized the need for a national aquaculture program.

The President's veto reflects an ignorance of the conditions which prompted this legislation. Although the President supports the purpose of the bill and recognizes the importance of aquaculture, he is unwilling to provide strong leadership and coordination in this field.

The President notes that several Federal programs for aquaculture already exist to assist aquaculture development. He says that the Small Business Administration can assist aquaculture. However, SBA has not been responsive to the needs of aquaculture. In 1975 and 1976, SBA issued only 10 loans totaling about $200,000. This is not going to change in the near future. As a matter of fact, in recent testimony before the House Merchant Marine and Fisheries Committee, the official SBA position was presented:

> It is this Administration's position that those provisions in PL 94–305 which authorize aquaculture concerns to be eligible for SBA assistance be repealed.

It is my understanding that SBA lumps aquaculture with agriculture. In a recent inquiry, however, SBA appears to be trying a more responsive approach to the aquaculture industry.

The Departments of Commerce, Agriculture, and Interior are each involved in aquaculture. In fact, there are no less than 16 Federal agencies which are involved. Give these activities the President believes that there is no need for new Federal programs, but fails to realize that these agencies have been ineffective in developing aquaculture because they do not provide strong leadership or a clear focus.

An embryonic industry such as aquaculture needs a strong guiding hand, not the disjointed and uncoordinated efforts of 16 Government agencies. Because aquaculture is an underdeveloped industry, it does not have the institutions that are needed for effective Government relations. Established industries can understand and effectively use Government programs only after years of experience and the development of governmental institutions of their own, such as trade councils. It is for this reason that I believe any aquaculture program which relies solely on existing Federal activities and does not provide a strong focal point for aquaculture development, will end in failure.

There have been many efforts to develop aquaculture in the past. The number of Government agencies is testimony to that fact. Clearly, restatements of support and the issuing of letters requesting new responsiveness from existing agencies are the types of actions whose impact quickly fades. They do not provide the sustained support and guidance that any new industry needs for development.

The President also expressed concern about offering major new Government subsidies, such as the loan guarantees and insurance programs. He feels the need for these programs should be studied and more clearly established. The need for these programs has been established, by voluminous congressional testimony.

I cannot help but think that interest in aquaculture will fade while another study is conducted. The President's fear of spending is preventing him from seeing the need for new programs to develop our Nation's potential.

It is clear to me that we need at least a small incentive program to give the industry an initial boost. The marine aquaculture industry is presently considered high risk. It must compete for SBA and other loans with other less risky industries and, therefore, cannot get loans easily.

Any serious attempt to develop aquaculture will cost money and take years of clearly directed effort. I believe it is time to commit ourselves to that effort and not shy away out of a fear of new programs. Our future depends not only on controlling spending but on wise investment.

The legislation that I am introducing today, similar to H.R. 9370 (vetoed last year) and similar to H.R. 20 (recently reported out of the House of Representatives) will establish a national aquacultural development plan.

It would coordinate programs to identify primary species with greatest aquaculture potential, and to conduct research in life history, behavior, physiology, disease control of aquaculture species and potential food organisms for such species.

A modest loan guarantee program would make developmental capital available for construction and operation of aquaculture facilities and for acquiring essential seed stocks.

It would also establish an insurance program covering only the essential stocks of an aquaculture facility that may be lost through such things as disease or unavoidable equipment failure.

This legislation will be less costly than last year's bill, which would have provided $300 million for loan guarantees. The current House bill requests $150 million. This bill proposes $100 million for loan guarantees. The insurance program request is one-half of last year's bill request, down to $125 million. The same amount as the House bill. These reductions represent major changes in the legislation. Yet it will still provide the support needed to begin the development of aquaculture.

I hope that the President will be receptive to this revised legislation and will join this year with Congress in establishing the long-needed national program for the development of aquaculture.

Mr. President, I ask for unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Aquaculture Organic Act of 1979".

SEC. 2. FINDINGS, PURPOSE, AND POLICY.

(a) FINDINGS.—Congress finds the following:

(1) The world consumption of seafood is increasing and the harvest of some populations of fish and shellfish has exceeded levels of maximum sustainable yield.

(2) Certain stocks of fish and shellfish of importance to the United States are depleted, or are declining, and such depletion or decline has an undesirable impact on both commercial and recreational fisheries.

(3) There is an extensive market for seafood in the United States, but the United States imports in excess of 50 percent of its fish and shellfish for human consumption (which imports are 10 times the level of exports), and this dependence on imports as a source of protein makes it difficult to insure continuous supplies and suggests that alternatives such as aquaculture be developed.

(4) Many segments of the world population are now facing serious nutritional deficiencies and food shortages due to adverse climatic conditions and the steady growth of population. These problems will become more severe, and the resulting demand for increased food production will have to be met chiefly through the application of scientific and technological advances from research on aquaculture and other food production systems.

(5) Aquaculture is contributing significantly to world food supplies with production equal to 10 percent of current landings of seafoods and has the potential for increase by a factor of five before the end of this century.

(6) Less than 3 percent of current United States fisheries production results from aquaculture but there is a good potential for expanding production from aquaculture to equal or exceed the worldwide average, thereby helping to provide United States consumers with stable supplies of high quality aquatic foods.

(7) The stocking of advanced life stages of fish and shellfish produced by aquaculture to the natural environment is a possible means of rebuilding and augmenting fish and shellfish populations and establishing new fisheries.

(8) The application of aquaculture technology offers opportunities for recovery of thermal energy, nutrients, and other resources normally wasted and may be a more efficient use of these resources for food production than current methods of agriculture.

(9) Water, whether fresh, brackish, or marine, which is suitable for aquaculture is diminishing or in many cases is underutilized.

(10) Many areas of the United States are suitable for aquaculture, but are subject to land-use or water-use management policies that may inhibit the development of aquaculture. These policies should be reviewed and modified so that aquaculture will be considered along with the other possible uses of such areas.

(11) Current efforts to develop aquaculture in the United States are highly diffuse, and a strong commitment by the Federal Government will make aquaculture more efficient and competitive, thereby stimulating public and private investment and development.

(12) While many scientific and technological problems are unsolved, there is sufficient knowledge to further the development of aquaculture production systems for some species of fish and shellfish.

(13) The development of aquaculture in the United States has been limited by the inability of producers of aquatic species to obtain adequate capital and a reliable source of seed stock.

(14) Aquaculture in the United States has traditionally concentrated on a few aquatic species, but many others have a potential for commercial and other culture.

(15) Government programs that help to reduce the risks associated with production of aquacultural commodities have not been generally available to producers of those aquatic species in which the risk is high.

(16) The rehabilitation and enhancement of fish and shellfish resources are desirable applications of aquacultural technology.

(b) PURPOSE—The purpose of this Act is to promote aquaculture in the United States by—

(1) declaring a national aquaculture policy;

(2) establishing and implementing a national plan for aquaculture; and

(3) developing programs and encouraging activities;

which will result in the coordination of domestic aquaculture efforts, the conservation, rehabilitation and enhancement of fisheries resources, the creation of new industries and job opportunities, and other national benefits.

(c) POLICY.—Aquaculture has a high potential for augmenting existing commercial and sport fisheries, thereby increasing the supply of aquatic protein for both human and animal consumption and assisting the United States in meeting its future food needs and contributing to the solution of world food problems. It is, therefore, in the national interest, and it is the national policy, to encourage the development of aquaculture.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) The term "aquaculture" means the propagation and rearing of aquatic species in controlled or selected environments, including ocean ranching.

(2) The term "aquaculture facility" means any dry or submerged land, floating or fixed structure, or other appurtenance, if such land, structure, and appurtenance is located within the United States, which is used for aquaculture, including, but not limited to, any laboratory, hatchery, rearing pond, raceway, pen, incubator, or other equipment, including vessels in support of aquaculture.

(3) The term "aquatic species" means any species, native or introduced, of finfish, mollusk or crustacean or other aquatic invertebrate, amphibian, reptile, or aquatic plant, but does not mean any species of finfish or aquatic plant primarily used for ornamental purposes.

(4) The term "fund" means the Federal Aquaculture Assistance Fund established by section 11.

(5) The term "person" means any individual who is a citizen or national of the United States and any corporation, partnership, association, or other entity (including, but not limited to, any community development corporation or fishermen's cooperative) organized or existing under the laws of any State.

(6) The term "Council" means the National Aquaculture Council established by section 4.

(7) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and any other Commonwealth, territory, or possession of the United States.

(8) The term "United States," when used in a geographical context, means all States including the adjacent fisheries economic zone.

SEC. 4. NATIONAL AQUACULTURE COUNCIL.

(a) ESTABLISHMENT.—There is established the National Aquaculture Council. The members of the Council are the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of the Interior, or the designee of any such Secretary.

(b) CHAIRMAN AND TERMS.—(1) The Council shall have a Chairman and, except as provided in paragraph (2) (A), the term of office of the Chairman is 2 years.

(2) Within 1 month after the date of the enactment of this Act, the Council shall select from among its members—

(A) the Chairman to serve during the period beginning on the date of selection and ending at the close of September 30, 1980;

(B) the Chairman (who may not be the Secretary selected under subparagraph (A)) to serve during the 2-year period beginning on October 1, 1980; and

(C) the Chairman (who may not be the Secretary selected under subparagraph (A) or (B)) to serve during the 2-year period beginning on October 1, 1982.

(3) After September 30, 1984, the chairmanship of the Council shall be rotated among the Secretaries concerned according

to the sequence established under paragraph (2).

(c) Staff Support.—The members of the Council shall assign from their respective departments such staff and clerical personnel as may be necessary to enable the Council to carry out its functions under this Act.

(d) Advisory Committee.—The Council may establish, and appoint the members of, an advisory committee to assist the Council in carrying out its functions under this Act. Individuals appointed to the advisory committee shall be knowledgeable and experienced in the principles and practices of aquaculture. The members of the advisory committee (other than officers or employees of the Federal Government), while away from their homes or regular places of business in the performance of services for the advisory committee, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(e) Information Services.—(1) In addition to performing such other functions that are assigned to it under this Act, the Council shall—

(A) establish and maintain an information service for the collection, analysis, and dissemination of scientific, technical, legal, and economic information relating to aquaculture;

(B) conduct appropriate surveys in coordination with other Federal departments and agencies of public and private aquacultural activities being conducted in the United States for the purpose of acquiring information on acreages, water use, production, culture techniques, and other relevant matters;

(C) arrange with foreign nations for the exchange of information relating to aquaculture;

(D) conduct a continuing study to determine whether existing capture fisheries could be adversely affected by competition from products produced by commercial aquacultural enterprises and include in such study—

(i) an assessment of any such adverse effect, by species and by geographical region, on such fisheries, and

(ii) recommended measures to ameliorate any such effect; and

(E) report to Congress on the findings made under the study provided for under such subparagraph (D) in the biennial status report required under subsection (f).

(2) Any production information submitted to the Council under paragraph (1)(B) shall be confidential and may only be disclosed to the advisory committee that may be established under subsection (d) or when required under court order. The Council shall by regulation prescribe such procedures as may be necessary to preserve such confidentiality, except that the Council may release or make public any such information in any aggregate or summary form that does not directly or indirectly disclose the identity, business transactions or trade secrets of any person who submits such information.

(f) Biennial Report.—The Council shall prepare on a biennial basis, and submit to Congress, a report on the status of aquaculture in the United States. Each such report shall contain a description and evaluation of the actions undertaken with respect to the Plan during the reporting period, an explanation of any revisions made to the Plan under section 5(d) during the reporting period, and such other comments and recommendations regarding aquaculture in the United States as the Council deems appropriate. The first report required under this subsection shall be submitted to Congress September 30, 1980.

Sec. 5. National Aquaculture Development Plan.

(a)(1) Before the close of the 18-month period beginning on the effective date of this Act, the Council shall be regulation establish a National Aquaculture Development Plan (hereinafter in this Act referred to as the "plan"). Within 6 months after such date of enactment and before developing proposed regulations with respect to the Plan, the Council shall give interested persons an opportunity to participate in the development of the Plan by holding public hearings at regional locations that the Council deems appropriate taking into account—

(A) the geographical proximity of States to one another,

(B) the similarity of States in aquacultural activities and potential, and

(C) other relevant factors.

(2) In developing the Plan, and revisions thereto under subsection (d), the Council shall consult with the Office of Science and Technology Policy, other appropriate Federal departments and agencies, appropriate States, and appropriate regional Fishery Management Councils established under section 302 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1852).

(b) Contents of Plan.—The plan shall—

(1) identify those aquatic species (hereinafter referred to in this Act as "priority aquatic species") which the Council determines to have a potential for culturing on a commercial or other basis, which determination shall be made by the Council after taking into account—

(A) the extent of commercial aquaculture, if any, currently being carried out with respect to such species, and the projected biological and economic feasibility of culturing such species;

(B) the extent to which aquaculture research and development have been undertaken, within the public and private sectors, with respect to such species;

(C) the time and resources which will be required to develop aquaculture technology to the point where such species can be cultured on a commercial or other basis;

(D) such other factors as the Council determines to be appropriate; and

(2) contain an aquaculture development program, prepared by the Council for each priority aquatic species.

(c) The aquaculture development program contained in the plan for each priority aquatic species shall set forth those actions which the Council determines should be undertaken, and the period of time within which each such action should be completed, to provide for the culture of each such species on a commercial or other basis. Such actions, with respect to each priority aquatic species, shall include—

(1) such research and development, technical assistance, demonstration, extension education, and training as may be necessary and appropriate regarding—

(A) aquaculture facility design and operation,

(B) water quality management,

(C) utilization of waste products (including thermal effluents),

(D) nutrition and the development of economical feeds,

(E) life history, behavior, genetics, physiology, and pathology and disease control (including research regarding organisms which may not be harmful to fish and shellfish but are injurious to humans),

(F) life history, behavior genetics, physiology and pathology and disease control of organisms designated as potential food sources for aquaculture species.

(G) processing and market development, and

(H) production management and quality control;

(2) research with respect to the effect of the culture of such species on estuarine and other water areas, including the effects on the natural flora and fauna;

(3) the identification and analysis of any legal or regulatory constraints which may affect the culture of such species;

(4) the development of adequate supplies of seed stock;

(5) the construction, purchase, lease, or acquisition of necessary development aquaculture facilities; and

(6) Such other actions relating to research and development, technical assistance, demonstration, extension education, and training as the Secretary deems necessary and appropriate.

(d) In preparing an aquaculture development program for any priority aquatic species, and in reviewing any such program pursuant to subsection (f), the Council shall, to the extent practicable, take into account any significant action which has been, or which is proposed to be undertaken by any other Federal agency, any State agency, or any person, and which may affect the accomplishment of the program.

(e) Actions and Implementation.—The Plan shall specify—

(1) with respect to each program included within the Plan pursuant to subsection (b), those actions that the Council determines should be undertaken, and the period of time within which each such action should be completed, in order to implement the program; and

(2) with respect to each action referred to in paragraph (1), that the Secretary of Agriculture, the Secretary of Commerce, or the Secretary of the Interior, acting individually, jointly, or collectively, has responsibility for implementing the action.

The specifications of Secretarial responsibilities under paragraph (2) for implementing actions shall be determined by the Council on the basis of—

(A) the responsibilities conferred on the respective Secretaries by law or by any executive action having the effect of law (including, but not limited to, Reorganization Plan Numbered 4 of 1979); and

(B) the experience, expertise, and other appropriate resources that the department of each such Secretary may have with respect to the action required under the program concerned.

(f) Revision of Plan.—(1) The Council, and any Federal or State agency which has significant functions which relate to aquaculture, shall review on an annual basis—

(A) each aquatic species not identified as a priority aquatic species; and

(B) the aquaculture development program established under the plan for each priority aquatic species to determine whether the actions specified in the program are being accomplished on a successful and timely basis.

(2) If as a result of the review conducted pursuant to paragraph (1)(A), the Council determines, after taking into account the criteria set forth in subsection (b)(1), that any aquatic species has a potential for culturing on a commercial or other basis the Council shall by regulation amend the plan to identify such species as a priority aquatic species and prepare an aquaculture development program for such species pursuant to subsection (c).

(3) If as a result of the review conducted pursuant to paragraph (1)(B), the Council finds that—

(A) any action so specified should be revised, the Secretary shall make such revision to the program as he deems necessary and appropriate; or

(B) sufficient progress is not being made with respect to any such program or that actions taken under any such program indicate that culture of the priority aquatic species concerned is doubtful, the Council shall cancel the program.

The Council shall by regulation amend the plan whenever any revision or cancellation is made pursuant to this subsection.

(g) Continuing Aquaculture Assessment.—The Council shall undertake a continuing assessment of aquaculture in the

United States for the purpose of maintaining, on a continuing basis—

(1) a complete profile of the aquacultural industry with respect to the incidence, size, and status of commercial aquacultural enterprises;

(2) the identification of private and public institutions and organizations involved in aquacultural research, extension, credit, and market development;

(3) the identification of the various aquatic species being cultured and a description of the status of commercial development of each such species;

(4) to the extent practicable, the identification of aquacultural production regions, species, and markets that have significant potential for development;

(5) a catalog describing all programs and activities that directly or indirectly encourage, support, or assist aquaculture; and

(6) the identification of the economic, physical, and social constraints that inhibit the development of aquaculture in the United States.

Within 6 months after the date of the enactment of this Act, the Council shall complete an initial assessment for purposes of carrying out this subsection. In developing the Plan, the Council shall take into account the information obtained as a result of such initial assessment.

Sec. 6. Functions and Powers.

(a) Mandatory Functions.—In implementing the aquaculture development program prepared under section 5 for any priority aquatic species, the Secretary of Agriculture, the Secretary of Commerce or the Secretary of the Interior, as the case may be, shall—

(1) provide advisory, educational, and techical assistance (including training) with respect to culture of the species to interested public and private organizations and individuals, but in providing such assistance, shall, to the maximum extent practicable, avoid duplication of like assistance provided by other Federal agencies;

(2) consult and cooperate with interested persons, Federal, State, and local government agencies, regional commissions, and educational institutions regarding the development of aquacultural technology;

(3) produce, under the authority of section 4(c)(4), and sell at cost seed stock for the priority aquatic species when privately produced seed stock is unavailable, unreliable, or not sufficient to meet production needs;

(4) prescribe such regulations as may be necessary to carry out such program; and

(5) encourage the implementation of aquacultural technology in the rehabilitation and enhancement of publicly owned fish and shellfish stocks (including such rehabilitation and enhancement by private nonprofit enterprises), and in the development of private commercial aquacultural enterprises.

(b) Discretionary Functions.—In implementing any program under the Plan, the Secretary of Agriculture, the Secretary of Commerce, or the Secretary of the Interior, as the case may be, may—

(1) for the purposes of assessing the biological and economic feasibility of any aquaculture system—

(A) conduct scale tests of the system, and, if necesary for the conduct of any such test, construct, operate, and maintain developmental aquaculture facilities, including, but not limited to, pilot plants for testing laboratory results; and

(B) conduct such other tests or analyses as may be necessary;

(2) develop methods to enhance aquatic species stocks by aquaculture;

(3) carry out such studies and research with respect to aquatic species as may be appropriate regardless of whether such species is or has been identified as a priority species; and

(4) take such other actions as the such Secretary deems necessary and appropriate.

(c) Acceptance of Gifts, Bequests, Etc.—(1) The Secretary of Agriculture, the Secretary of Commerce, and the Secretary of the Interior may each accept any gift, temporary donation, or devise or bequest of real or personal property, or the proceeds from the sale or other disposition of such property or interests therein, for use in performing any function that such Secretary may have under this Act. Any such acceptance may be subject to the terms of any restrictive or affirmative covenant, or condition of servitude, if such terms are deemed by the Secretary concerned to be in accordance with law and compatible with the purpose for which acceptance is sought.

(2) Gifts and bequests of money, and the proceeds from the sale of other property received as a gift or bequest under this subsection, shall be deposited in a separate account in the Treasury of the United States and shall be disbursed upon the order of the Secretary concerned.

Sec. 7. Coordination of Federal Agency Activities Regarding Aquaculture.

(a) Establishment.—(1) There is established the Interagency Committee on Aquaculture (hereinafter in this section referred to as the "Committee") which shall be composed of the following officers or their designees:

(A) The Secretary, who shall be the Chairman of the Committee.

(B) The Secretary of the Interior.

(C) The Secretary of Agriculture.

(D) The Administrator of the Environmental Protection Agency.

(E) The Administrator of the Energy Research and Development Administration.

(F) The Commissioner of Food and Drugs.

(G) The Administrator of the Small Business Administration.

(H) The Chief of Engineers.

(I) The Governor of the Farm Credit Administration.

(J) The chief executive officer of any other Federal agency and any Regional Fishery Management Council which the Secretary finds to have significant functions which relate, or may relate, to the development of aquaculture.

(2) Function.—The functions of the Committee shall be—

(A) to insure that there is a continuing exchange of information among the agencies represented on the Committee with respect to the nature and status of the programs or projects being carried out by such agencies which relate, or which may relate, to aquaculture in general or to the implementation of the plan; and

(B) to review on a continuing basis, for purposes of exchange of information the relevant programs and projects of all Federal agencies to determine whether they are being carried out in compliance with subsection (b).

(b) Federal Consistency.—Each Federal agency which has any function or responsibility with respect to aquaculture or has jurisdiction over any activity which affects, or may affect, the achievement of the purposes of this Act, shall, in consultation with the Committee and to the maximum extent practicable, carry out such function, responsibility, and activity in a manner which is consistent with the purposes of this Act.

(c) Nothing in this Act shall be construed to amend, repeal, or otherwise modify the authority of any Federal officer or any Federal agency to carry out any functions relating to aquaculture which are authorized under any other provision of law.

Sec. 8. Contracts and Grants.

(a) In General.—The Secretary of Agriculture, the Secretary of Commerce, and the Secretary of the Interior may each carry out any program that such Secretary is responsible for implementing under the Plan through grants to, or contracts with, any person, any other Federal department or agency, any State agency, or any regional commission.

(b) Terms and Conditions.—Any contract entered into, or any grant made, under subsection (a) shall contain such terms and conditions as the Secretary concerned shall by regulation prescribe as being necessary or appropriate to protect the interests of the United States, except that no such contract may be entered into, and no such grant may be made, for any purpose which is in violation of any applicable State or local law.

(c) Limitation.—The amount of any grant made under subsection (a) may not exceed an amount equal to one-half the estimated cost of the project for which the grant is made.

(d) Audit.—Each recipient of a grant or contract under this section shall make available to the Secretary concerned and to the Comptroller General of the United States, for purposes of audit and examination, any book, document, paper and record that is pertinent to the funds received under such grant or contract.

Sec. 9. Aquacultural Demonstration Projects.

(a) Definition.—As used in this section, the term "demonstration project" means any project that demonstrates, in a practical manner, the use, application, design, construction, or operation of procedures, techniques, equipment, or facilities that are useful and beneficial to aquacultural producers.

(b) In General.—In order to further the development of aquaculture, the Secretary, the Secretary of Agriculture, and the Secretary of the Interior may each provide financial assistance under this section.

(c) Financial Assistance.—The financial assistance provided under this section shall be in the form of grants in an amount not to exceed 50 percent of the estimated cost of any demonstration project.

(d) Applications for Financial Assistance.—Application for financial assistance under this section may be made by any person (including, but not limited to, any State agency and any regional commission) to the Secretary concerned in such form and manner as such Secretary shall prescribe. In providing financial assistance under this section, the Secretary concerned shall take into consideration whether similar projects are being implemented under Federal, State, or private auspices.

(e) Terms and Conditions.—Financial assistance shall be provided under this section to each recipient under such terms and conditions as the Secretary concerned deems to be necessary or appropriate to carry out this section, including, but not limited to, conditions—

(1) relating to the disposition by the recipient of products resulting from the demonstration project and of the proceeds resulting from any sale of such products; and

(2) requiring the recipient—

(A) if applicable, to provide tours of the project for aquacultural producers and other interested groups and individuals and, upon request, provide such groups and individuals with information concerning the project, and

(B) to compile on an annual basis a report setting forth the income, cost, operating difficulties, and producer interest with respect to the project and to submit the report to the Secretary concerned along with the recommendation for project modifications that the recipient deems advisable.

(f) Information Dissemination.—The results obtained from each demonstration project assisted under this section shall be disseminated through the State cooperative extension services, the Sea Grant Marine

Advisory Program, and such other systems as the Secretary concerned deems appropriate.

SEC. 10. GUARANTEES OF OBLIGATIONS ISSUED FOR AQUACULTURE FACILITIES.

(a) IN GENERAL.—(1) The Secretary of Agriculture and the Secretary of Commerce (each of whom is hereafter in this section referred to as the "Secretary") may each, subject to the provisions of this section, guarantee, or make a commitment to guarantee, the payment of interest on, and the principal amount of, any obligation issued by an obligor for any of the following purposes:

(A) The financing of the construction, reconstruction, or reconditioning of any aquaculture facility (including the financing of the purchase cost of any aquaculture facility to be reconstructed or reconditioned); except that no obligation may be guaranteed under this section later than 2 years after the date of the completion of the construction, reconstruction, or reconditioning of the aquaculture facility involved.

(B) The acquisition of stocks of aquatic species in all stages of development necessary to initiate any aquaculture facility.

(C) The financing of the initial operating expenses of any aquaculture facility.

(D) The financing of marketing operations exclusively for aquaculture products.

(E) The refinancing of any existing obligation issued for any of the purposes specified in subparagraph (A), (B), (C), or (D), whether or not guaranteed under this section, including, but not limited to, any short-term obligation incurred for the purpose of obtaining temporary funds for refinancing.

(F) Guarantees and commitments to guarantee may be made under this section without regard to section 3679(a) of the Revised Statutes of the United States (31 U.S.C. 665(a)).

(2) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including any interest, if provided for in the guarantee, which may accrue between the date of default under a guaranteed obligation and the payment in full of the guarantee.

(3) Any guarantee, or commitment to guarantee, made by the Secretary under this section shall be conclusive evidence of the eligibility of the obligation for such guarantee, and the validity of any guarantee, or commitment of guarantee, so made shall be incontestable.

(4) The aggregate unpaid principal amount of all obligations outstanding at any one time and guaranteed under this section—

(A) by the Secretary of Agriculture may not exceed $50,000,000; and

(B) by the Secretary of Commerce may not exceed $50,000,000.

To the extent that one Secretary has not guaranteed obligations up to the limit established for that Secretary under this paragraph, that Secretary may allow the other Secretary to guarantee obligations under this section in amounts to be charged against such limit; but the aggregate unpaid principal amount of all obligations outstanding at any one time and guaranteed under this section by both Secretaries may not exceed $100,000,000.

(b) CONDITIONS.—(1) Obligations guaranteed under this section—

(A) shall have an obligor approved by the Secretary as being responsible and possessing the ability, experience, financial resources, and other qualifications necessary for the adequate operation and maintenance of the aquaculture facilities;

(B) shall be in an aggregate principal amount which does not exceed 90 percent of the actual costs involved or the depreciated actual cost, as determined by the Secretary;

(C) shall have maturity dates satisfactory to the Secretary, but not to exceed 25 years;

(D) shall provide for payments by the obligor satisfactory to the Secretary; and

(E) shall bear interest (exclusive of charges for the guarantee and service percentage per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary.

(2) In guaranteeing any obligation under this section, the Secretary shall give preference to any person with 40 or fewer employees which, together with its affiliates, is primarily engaged in the business of aquaculture or commercial fishing for aquatic species.

(3) No obligation shall be guaranteed under this section unless the obligor conveys or agrees to convey to the Secretary such security interest as the Secretary may require to reasonably protect the interests of the United States.

(c) FEES.—(1) The Secretary may charge a fee for any obligation guaranteed under this section, the amount of which shall be established by the Secretary by regulation not to exceed one-half of 1 percent per annum of the outstanding principal balance of the obligation. Fee payments shall be made by the obligor to the Secretary when moneys are first advanced under a guaranteed obligation and at least 60 days before each anniversary date thereafter.

(2) The Secretary shall charge and collect from the obligor such amounts as the Secretary may deem reasonable for the investigation of the application for any guarantee, for the appraisal of properties offered as security for any guarantee, and for the inspection of such properties during construction, reconstruction, or reconditioning, except that such charges shall not aggregate more than one-half of 1 percent of the original principal amount of the obligation to be guaranteed.

(3) All fees and other amounts received by the Secretary under the provisions of this subsection shall be deposited in the fund.

(4) Obligations guaranteed under this section, and agreements relating thereto, shall contain such other provisions with respect to the protection of the security interests of the United States (including acceleration and subrogation provisions and the issuance of notes by the obligor to the Secretary), liens and releases of liens, payments of taxes, and such other matters as the Secretary may prescribe.

(d) DEFAULT.—(1) In the event of a default, which has continued for 90 days, in any payment by the obligor of principal or interest due under any obligation guaranteed under this section, the obligee or the obligee's agent shall have the right to demand, at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than 180 days from the date of such default, payment by the Secretary of the unpaid principal amount of said obligation. Within such period as may be specified in the guarantee or related agreements, but not later than 60 days from the date of such demand, the Secretary shall promptly pay to the obligee or his agent the unpaid principal amount of the obligation and unpaid interest thereon to the date of payment; except that the Secretary shall not be required to make such payment if before the expiration of such period the Secretary finds that there has been no default by the obligor in the payment of principal or interest or that such default has been remedied before any such demand.

(2) Payments required to be made by the Secretary under paragraph (1) shall be made by the Secretary from the Fund.

(3) In the event of any payment by the Secretary under paragraph (1), the Secretary shall have all rights in any security held by him relating to his guarantee of such obligations as are conferred upon him under any security agreement with the obligor. Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Secretary may, under such terms and conditions as the Secretary prescribes or approves, complete, recondition, reconstruct, renovate, repair, maintain, operate, or sell any property acquired by him pursuant to a security agreement with the obligor.

(4) After any default referred to in paragraph (1), the Secretary shall take such action against the obligor or any other parties liable thereunder that, in his discretion may be required to protect the interests of the United States. Any suit may be brought in the name of the United States or in the name of the obligee and the obligee shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary may accept a conveyance of title to and possession of property from the obligor or other parties liable to the Secretary and may purchase the property for an amount not greater than the unpaid principal amount of such obligation and interest thereon. In the event the Secretary receives through the sale of property an amount of cash in excess of any payment made to an obligee under paragraph (1) and the expenses of collection of such amounts, he shall pay such excess to the obligor.

(5) Whoever, for the purpose of obtaining any loan or advance of credit from any person with the intent that an obligation relating to such loan or advance of credit shall be offered to or accepted by the Secretary to be guaranteed, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage relating to an obligation guaranteed by the Secretary, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the purpose of influencing in any way the action of the Secretary under this section, makes, passes, utters, or publishes, or causes to be made, passed, uttered, or published any statement, knowing the same to be false, or alters, forges, or counterfeits, or causes or procures to be altered, forged, or counterfeited, any instrument, paper, or document, or utters, publishes, or passes as true, or causes to be uttered, published, or passed as true, any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset, or income shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 2 years, or both.

(e) The Secretary shall promulgate such rules and regulations as may be deemed necessary or appropriate to carry out the purposes and provisions of this section.

(f) For purposes of this section—

(1) The term "actual cost" of an aquaculture facility, as of any specified date, means the aggregate, as determined by the Secretary, of—

(A) all amounts paid by, or for the account of, obligor with respect to such facility on or before that date; and

(B) all amounts which the obligor is then obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of such facility.

(2) The terms "construction", "reconstruction", or "reconditioning" include, but are not limited to, designing, inspecting, outfitting, and equipping of the aquaculture facility involved.

(3) The term "depreciated actual cost" means the actual cost depreciated on a straightline basis over the useful life of the property involved as determined by the Secretary.

(4) The term "obligation" means any note, bond, debenture, or other evidence of in-

debtedness issued for one of the purposes specified in subsection (a).

(5) The term "obligee" means the holder of any obligation.

(6) The term "obligor" means any person primarily liable for payment of the principal of or interest on any obligation.

SEC. 11 INSURANCE AGAINST ESSENTIAL STOCK LOSSES INCURRED IN AQUACULTURE FACILITY OPERATIONS.

(a) DEFINITIONS.—As used in this section, unless the context otherwise requires—

(1) The term "essential stock insurance" means insurance against loss of, or damage to, any aquatic species being cultured at an aquaculture facility due to unavoidable or natural causes, including, but not limited to, drought, pollution, hail, frost, wind, winterkill, freeze, lightning, fire, excessive rain, flood, snow, wildlife, hurricane, tornado, insect or parasite infestation, disease, and such other unavoidable or natural causes as the Secretary by regulation shall specify.

(2) The term "insurer" includes any insurance company or group of companies under common ownership which is authorized to engage in the insurance business under the laws of any State.

(3) The term "owner" means any person having an insurable interest in an aquaculture facility or aquatic species stock.

(4) The term "pool" means any pool or association of insurers in any State which is formed, associated, or otherwise created for the purpose of making insurance more available.

(5) The term "reasonable premium rate" means that premium rate determined by the Secretary, which would permit the purchase of any direct insurance coverage by a reasonably prudent person in similar circumstances with due regard to the costs and benefits involved.

(b) The Secretary may by regulation define any technical or trade term necessary in the administration of this section, insofar as any such definition is not inconsistent with the provisions of this section.

(c) INSURANCE STUDY.—(1) The Council shall conduct, within 18 months after the effective date of this Act, a study to determine whether direct insurance for essential stock loss is generally available to owners at reasonable premium rates, through insurers, pools, or a suitable program adopted under State law.

(2)(A) If the Secretary of Agriculture or the Secretary of Commerce (each of whom is hereafter in this section referred to as the "Secretary") finds, as a result of the study referred to in paragraph (1), that essential stock insurance is not available at reasonable premium rates in any State and that such insurance has not been provided by State action, the Secretary may establish a program to provide such insurance in such State.

(B) Any essential stock insurance issued by the Secretary under this paragraph shall be subject to such terms and conditions and to such deductibles and other restrictions and limitations as the Secretary deems appropriate; except that the Secretary may not provide essential stock insurance with respect to any stock of aquatic species if the Secretary determines such stock to be uninsurable due to the failure of the owner to follow established principles for culturing aquatic species or due to the lack of reasonable protective measures at the aquaculture facility concerned to prevent the loss of, or damage to, the stock being cultured.

(d) PREMIUM RATES.—(1) In determining the premium rate for any essential stock insurance offered from time to time under subsection (c) the Secretary shall consult with persons knowledgeable and experienced in insurance, including, but not limited to, State insurance regulatory authorities, and may take into consideration with respect to the insurance concerned, the nature and degree of risk involved, the protective devices employed, the extent of past and anticipated losses, the prevailing rate for similar coverages, the economic importance of the insurance, and the relative abilities of the particular classes and type of insureds to pay the actual premium for such coverage.

(2)(A) The Secretary may not establish the premium rate for essential stock insurance at less than 60 percent of the actual premium rate for such insurance.

(B) For purposes of subparagrah (A), the actual premium rate for essential stock insurance offered under this section shall be determined as follows:

(i) If insurance of the same kind is generally offered by insurers or pools in the State concerned, the actual premium rate shall be that rate which the Secretary determines to be the median premium rate for all such insurance so offered.

(ii) If insurance of the same kind is not generally offered by insurers or pools in the state concerned, the actual premium rate shall be that rate which the Secretary determines to be the rate at which insurers or pools in such State would offer such insurance, taking into account actuarially sound principles applicable to the elements making up, such rate, including, but not limited to, claim losses, general administrative expenses, acquisition expenses, taxes, license fees and profits.

In making determinations under clauses (i) and (ii), the Secretary shall consult with the insurance regulatory authority of the State concerned and any rate advisory organization licensed by such State.

(3) Nothing in this section shall be construed to prohibit or require either the adopting of uniform national rates or the periodic modification of the currently estimated reasonable premium rates for any particular coverage, class, State, or risk on the basis of additional information or actual loss experience.

(e) REINSURANCE.—(1) The Secretary may enter into any contract, agreement, treaty, or other arrangement with any insurer or pool to provide reinsurance coverage with respect to essential stock insurance issued by such insurer or pool, in consideration of payment of such premiums, fees, or other charges by insurers or pools which the Secretary deems to be appropriate, after consultation with persons knowledgeable and experienced in insurance.

(2) Reinsurance issued under this subsection shall reimburse an insurer or pool for its total proved and approved claims for covered losses resulting from providing insurance concerned during the term of the reinsurance contract, agreement, treaty, or other arrangement, over and above the amount of the insurer's or pool's retention of such losses, as provided in such reinsurance, contract, agreement, treaty, or other arrangement entered into under this section.

(3) Such contracts, agreements, treaties, or other arrangements may be made without regard to section 3679(a) of the Revised Statutes of the United States (31 U.S.C. 665(a)), and shall include any terms and conditions which the Secretary deems necessary to carry out the purposes of this section. The premium rates and terms and conditions of such contracts, agreements, treaties, or other arrangements with an insurer or pool shall be uniform in any one year throughout the country.

(f) ADMINISTRATIVE PROVISIONS.—(1) All premiums received by the Secretary under this section shall be deposited into the fund.

(2) The Secretary, in a suit brought in the appropriate United States district court, shall be entitled to recover from any owner, insurer, or pool the amount of any unpaid premium lawfully payable to the Secretary by such owner, insurer, or pool under essential stock insurance or reinsurance issued under this section.

(3) No action or proceeding shall be brought for the recovery of any premium due the Secretary, or for the recovery of any premium paid to the Secretary in excess of the amount due, unless such action or proceeding is commenced within 5 years after the right accrued for which the claim is made; except that, if the insurer has made or filed with the Secretary a false or fraudulent statement or other document with intent to evade, in whole or in part, the payment of premiums, the claim shall not be deemed to have accrued until its discovery by the Secretary.

(g) CONTRACTS.—In order to provide for maximum efficiency in the administration of the insurance and reinsurance program provided under this section, and in order to facilitate the expeditious payment of any claims under such program, the Secretary may enter into contracts with any insurer, pool, or person, for the purpose of providing for the performance of any of the following functions:

(1) The estimation or determination of any amounts of payments for reinsurance or direct insurance claims.

(2) The receipt, disbursement, and accounting for funds in making payments for reinsurance and direct insurance claims.

(3) The auditing of the records of any insurer, pool, or person to the extent necessary to assure that proper payments are made.

(4) The establishment of the basis of liability for reinsurance or essential stock insurance payments, including the total amount of proved and approved claims which may be payable to any insurer, pool, or owner, and the total amount of premiums earned by any insurer or pool in the respective States from essential stock insurance or reinsurance.

(5) The provision of assistance in any manner provided for in the contract to further the purposes of this section.

(h) USE OF OTHER FEDERAL EMPLOYEES, SERVICES, ETC.—The Secretary may, with the consent of the agency concerned, accept and use, on a reimbursable basis, the officers, employees, services, facilities, and information of any Federal department or agency with respect to any insurance matter that is within the purview of this section.

(i) REGULATIONS.—The Secretary may prescribe regulations establishing a general method or methods by which proved and approved claims for losses are paid under any direct insurance or reinsurance issued under this section. Proved and approved claims shall be paid from the Fund.

(j) PAYMENT OF CLAIMS.—The Secretary, in providing essential stock insurance or reinsurance under this section may adjust and pay all claims for proved and approved losses covered by such insurance and, upon the disallowance by the Secretary, or upon the refusal of the claimant to accept the amount allowed upon any such claim, the claimant, within one year after the date of mailing of notice of disallowance or partial disallowance of the claim, may institute an action on such claim, against the Secretary in the United States district court for the district in which the insured owner or reinsured insurer or pool resides or principally conducts business, and jurisdiction is hereby conferred upon such court to hear and determine such action without regard to the amount in controversy.

(k) LIMITATIONS.—The face amount of essential stock insurance and reinsurance coverage outstanding and in force at any one time under this section

(1) by the Secretary of Agriculture may not exceed $62.500.000; and

(2) by the Secretary of Commerce may

not exceed $62,500,000. To the extent that one Secretary has not issued any such coverage up to the limit established for the Secretary under this subsection, that Secretary may allow the other Secretary to issue such coverage under this section in amounts to be charged against such limit; but the face amount of direct insurance and reinsurance coverage outstanding and in force at any one time and issued under this section by both Secretaries may not exceed $125,000,000.

(1) TERMINATION.—No essential stock insurance or reinsurance may be issued by the Secretary under this section after the close of the 5-year period beginning on the effective date of this Act.

SEC. 12. FEDERAL AQUACULTURE ASSISTANCE FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a Federal Aquaculture Assistance Fund. The Fund shall be available to the Secretary of Agriculture and the Secretary of Commerce (each of whom is hereafter in this section referred to as the "Secretary") as a revolving fund for the purpose of carrying out, and administering sections 10 and 11. The Fund shall consist of—

(1) any sums appropriated to the Fund;

(2) any fees received by the Secretary in connection with any guarantee made under section 10;

(3) recoveries and receipts by the Secretary under security, subrogation, and other rights and authorities under section 10;

(4) premiums paid to, or recovered by, the Secretary for any direct insurance or reinsurance issued by the Secretary under section 11; and

(5) moneys deposited pursuant to the last sentence of subsection (b).

All payments made by the Secretary to carry out the provisions of sections 10 and 11 (including reimbursements to other government accounts) shall be paid from the Fund only to the extent provided in appropriation Acts. Sums in the Fund that are not currently needed for the purposes of sections 9 and 10 shall be kept on deposit or invested in obligations of or guaranteed by the United States.

(b) TREASURY BORROWING.—If at any time the moneys in the Fund are not sufficient to pay any amount the Secretary is obligated to pay under section 10 or any direct insurance or reinsurance claim under section 11 the Secretary shall issue to the Secretary of the Treasury notes or other obligations (only to such extent and in such amounts as may be provided for in appropriation Acts) in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury prescribes. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations to be issued under this subsection, and for such purpose the Secretary may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury at any time may sell any of the notes or other obligations acquired by the Secretary of the Treasury under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Moneys borrowed under this subsection shall be deposited in the Fund and redemptions of such notes and obligations shall be made by the Secretary from the Fund.

"SEC. 12. REPORT AND RECOMMENDATIONS.

Before the close of the 90th day after the close of the 3-year period beginning on the effective date of this Act, the Secretary of Agriculture and the Secretary of Commerce (each of whom is hereinafter in this section referred to as the "Secretary") shall review the operation and effectiveness of the insurance program provided for under section 9 and shall submit a report thereon to the Congress, together with the recommendation of the Secretary as to whether or not such program should be continued and, if the Secretary recommends continuation, such suggestions as the Secretary may have for improving the operation and effectiveness of such program.

SEC. 13. AUTHORIZATION FOR APPROPRIATIONS.

(a) OTHER THAN TO FUND.—For purposes of carrying out provisions of this Act (other than sections 10 and 11), there are authorized to be appropriated—

(1) to the Department of Commerce, not to exceed

(A) $7,000,000 for fiscal year 1981,

(B) $10,000,000 for each of fiscal years 1981 and 1982;

(2) to the Department of Agriculture, not to exceed

(A) $7,000,000 for fiscal year 1980, and

(B) $10,000,000 for each of fiscal years 1981 and 1982; and

(3) to the Department of the Interior, not to exceed

(A) $3,000,000 for fiscal year 1980, and

(B) $5,000,000 for each of fiscal years 1981 and 1982.

(b) TO FUND.—Commencing with fiscal year 1980, there are authorized to be appropriated, without fiscal year limitation, to the Fund such sums as may be necessary and appropriate for purposes of carrying out sections 9 and 10.

SEC. 14. EFFECTIVE DATE.

This Act shall take effect October 1, 1980.●

● Mr. GRAVEL. Mr. President, I am pleased today to join Senator WEICKER in cosponsoring the National Aquaculture Organic Act of 1979. This bill is a dramatic revision of the aquaculture legislation which passed both Houses of Congress last year only to be vetoed by the President. By introducing this revised version, we hope to renew interest and focus attention on the activity of aquaculture, which this country has neglected for far too long.

AQUACULTURE—AN OVERVIEW

Aquaculture is the controlled cultivation of aquatic plants and animals. It is practiced in various degrees of intensity throughout the world and the time is now right for concerted action in the United States.

The world activity in aquaculture is wide and varied. China has been cultivating fish for over 2,000 years. Japan now produces more than 10 percent of its seafood needs through aquaculture. And Russia has been giving aquaculture increased attention.

The United States has been dabbling in various forms of aquaculture for a considerable period of time, but a Library of Congress report—aquaculture—1976—serial No. 94-31—indicates that aquaculture in the United States has grown insignificantly compared to such activities in other parts of the world. The species which are presently receiving the most attention in the United States are salmon, catfish, trout, oysters, crawfish, clams, and shrimp. The potential for increased production of these species, as well as the production of species heretofore uncultured in the United States is very promising.

My home State of Alaska has been involved in the cultivation of fin fish since the late 1800's. With more than 50 percent of the entire U.S. coastline located within the State of Alaska, one can understand why my interest in aquaculture is great. The potential for marine aquaculture development within Alaska is truly incredible, not to mention the vast possibilities for future freshwater cultivation.

AQUACULTURE—MARKET POTENTIAL

World fishery resources were once thought to be practically unlimited. This has been clearly shown not to be the case. The world resources are now estimated by some experts to be capable of yielding a maximum global harvest of 100 to 150 million metric tons per year. More conservative estimates rarely exceed 100 million metric tons, including that of the National Oceanic and Atmospheric Administration, which estimates that the 100 million metric ton figure will be met by 1980. This suggests that a world shortage of fish products is possible in the foreseeable future.

World per capita fish consumption has increased over the past several years and in the United States alone has risen to a present level of 12.9 pounds per person per year. Reliable estimates project American consumption will increase to 15.2 pounds by the year 2000. A Library of Congress study has predicted that in the same period of time overall demand for seafood products in the United States, both edible and industrial, is expected to increase by a full 80 percent.

All these indicators suggest that the demand for fish products will only continue to increase in the years to come. With wild fish stock exploitation reaching maximum levels, per capita consumption of fish products on the rise, and the world population expected to increase from a level of 4 billion today to 6 billion by the turn of the century, aquaculture must be viewed as a promising possibility in helping to meet these food demands.

AQUACULTURE—ECONOMIC POTENTIAL

For a Nation practically surrounded by water and replete with possible sites for raising inland fish species, fishery imports into the United States are surprisingly high. In 1976 the United States imported 4.6 billion pounds of edible fishery products valued at $1.7 billion, and 1.6 billion pounds of industrial fishery products worth $.5 billion. This adds up to $2.2 billion of American money sent abroad to purchase fishery products. The U.S. fishery exports in 1976 amounted to 241 million pounds, valued at only $330 million.

This leaves a net annual trade deficit of practically $2 billion for foreign fish products. Stated another way, close to 65 percent of fish consumed in the United States is imported from foreign countries.

The studious application of aquaculture techniques could help to reverse this unfavorable balance of trade situation. A promotion of aquaculture will result in the creation of many new jobs, fishery employment on a year-round rather than a seasonal basis, and an overall stability to the historical boom or bust fishery economy.

LAST YEAR'S LEGISLATION

Mr. President, the bill we offer today is less ambitious than the aquaculture legislation which passed both Houses of Congress last year. In light of greater fiscal restraint, the goals this bill seeks to accomplish have been significantly reduced. The most notable differences between the vetoed 1978 legislation and the bill we are introducing today can be found in the amount of funds sought.

Last year's legislation asked for loan guarantees which totaled $300 million. The Merchant Marine and Fisheries Committee of the House of Representatives recently reported out an aquaculture bill, H.R. 20, which asks for $150 million in loan guarantees. We propose loan guarantees of $100 million.

The insurance provisions of the 1978 aquaculture bill asked for $250 million. Our proposal, like that of the Merchant Marine and Fisheries Committee, reduces the authorization for the 1979 act to $125 million.

These two reductions constitute a major alteration in the 1979 version of the aquaculture legislation. But even though the amounts of funding sought for the loan guarantees and the insurance programs have been greatly reduced from last year's levels, they have been kept at a level where they can provide some real incentive to the production of aquacultural products.

NATIONAL AQUACULTURE ORGANIC ACT—ALASKA RELATED PROVISIONS

Mr. President, the National Aquaculture Organic Act of 1979 will provide long overdue impetus to the promotion of aquaculture in the United States. My desire is to encourage the development of aquaculture of all types in all parts of the United States. This would include encouraging aquaculture for marine as well as fresh water species; for aquatic plants as well as aquatic animals; for presently cultured species as well as species as yet untested by the techniques of aquaculture; and for the rehabilitation and enhancement of public fisheries as well as the promotion of commercial enterprises.

Three specific provisions of this bill are of particular significance to the State of Alaska. They deal with problems that are of special concern to those involved with the artificial propagation of fish in my State.

The first deals with formulation of the national aquaculture plan. This bill requires that regional involvement must accompany the preparation of the national plan. In a country as large as ours, with aquaculture interests as varied as they are, regional input for this national plan is an absolute necessity.

To insure adequate input from interests as diverse as shrimp farmers in Florida, salmon ranchers in Alaska, oyster raisers in Maine, and catfish farmers in the Midwest, information must be gathered on a regional basis. Only persons intimately familiar with the regional needs and conditions of the various parts of this country can provide such particularized data.

A second provision of importance to Alaskans addresses the need for rehabilitation and enhancement of Alaska's public owned fishery stocks. In addition to encouraging the development of commercial aquaculture for the private sector, the desirability of rehabilitating and enhancing the numerous depleted fish stocks which are of vital importance to the entire Nation should not be overlooked.

The third and final issue of great importance deals with the problem of land and water access for aquaculture facilities. With the possibility that passage of the Alaska national interest lands ((d)(2)) legislation might prohibit or sharply curtail the uses to which much of Alaska's coastline might be put, it is necessary to state a national policy which insures that land and water management decisions include aquaculture activities as a legitimate possible use. The contributions which aquaculture can make by helping to meet nutritional needs, stimulating commercial activity and enhancing existing fisheries warrant its being given due consideration in land and water use management deliberations.

CONCLUSION

Mr. President, aquaculture is an activity that has been neglected in this country far too long. Congress has been working on legislation in this area for quite some time. This culminated last year in the unfortunate veto by the President. In light of the numerous benefits which can be gained—commercial, nutritional, and conservational to name but three—I am especially happy to be cosponsoring the aquaculture legislation being introduced today.

Introduction of this measure should focus attention on the need for national legislation in this area. The House has again completed hearings on aquaculture legislation for this session. The White House has expressed its receptivity to aquaculture legislation this year. Introduction of this bill in the Senate today should provide a stimulus to action in this Chamber as well.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Mr. Weicker, for himself and others, relating to aquaculture, be jointly referred to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 91

At the request of Mr. Thurmond, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 91, a bill to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes.

S. 92

At the request of Mr. Thurmond, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 92, a bill to amend title 5, United States Code, to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 221

At the request of Mr. Wallop, the Senator from Florida (Mr. Stone) was added as a cosponsor of S. 221, a bill to establish a Congressional Award program.

S. 378

At the request of Mr. Bellmon, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 378, a bill to authorize the Robert A. Taft Institute of Government Trust Fund.

S. 391

At the request of Mr. Roth, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of S. 391, the Federal Administrative Improvements in Reports Act.

S. 446

At the request of Mr. Williams, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 794

At the request of Mr. Levin, the Senator from Massachusetts (Mr. Tsongas) was added as a consponsor of S. 794, a bill to establish dispute resolution procedures and an arbitration board to settle disputes between organizations of supervisors and other managerial personnel and the U.S. Postal Service.

S. 1106

At the request of Mr. Sasser, the Senator from Colorado (Mr. Armstrong) was added as a cosponsor of S. 1106, a bill to amend the Elementary and Secondary Education Act of 1965 to provide that upon request a member of advisory councils established under that act may receive a copy of the law, and for other purposes.

S. 1112

At the request of Mr. Leahy, the Senator from Montana (Mr. Baucus) was added as a cosponsor of S. 1112, a bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes.

S. 1236

At the request of Mr. Williams, the Senator from New Jersey (Mr. Bradley) was added as a cosponsor of S. 1236, the State and Local Government Accounting and Financial Reporting Standards Act of 1979.

S. 1246

At the request of Mr. KENNEDY, the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Maryland (Mr. SARBANES), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 1246, the Energy Antimonopoly Act of 1979.

S. 1295

At the request of Mr. BAUCUS, the Senator from Indiana (Mr. BAYH), the Senator from Vermont (Mr. LEAHY), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 1295, a bill to amend title XVIII of the Social Security Act to provide for a program of voluntary certification for health insurance policies sold in supplementation of medicare.

S. 1308

At the request of Mr. JACKSON, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1308, a bill to set forth a national program for the full development of energy supply, and for other purposes.

S. 1332

At the request of Mr. GRAVEL, the Senator from Hawaii (Mr. INOUYE), was added as a cosponsor of S. 1332, a bill to authorize federally chartered credit unions to utilize share draft accounts.

S. 1377

At the request of Mr. DOMENICI, the Senator from Kentucky (Mr. FORD) and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 1377, the Synthetic Fuels Production Act of 1979.

AMENDMENT NO. 219

At the request of Mr. WEICKER, the Senator from Idaho (Mr. CHURCH) and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of amendment No. 219, intended to be proposed to S. 712, the Amtrak Improvement Act of 1979.

SENATE CONCURRENT RESOLUTION 30—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE STATUE OF FREDERICK DOUGLASS

Mr. BAYH (for himself, Mr. KENNEDY, and Mr. GLENN) submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 30

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is authorized and directed to procure a bust or statue of Frederick Douglass and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed $25,000, shall be paid out of the contingent fund of the Senate on vouchers approved by the chairman of the joint committee.

● Mr. BAYH. Mr. President, it is an honor for me to submit legislation that directs the Joint Committee on the Library to procure a bust or statue of Frederick Douglass to be placed in a suitable location in the Capitol as determined by the joint committee. I am pleased to announce that Senators KENNEDY and GLENN have joined me in introducing this legislation. I am also pleased to announce that Congressman PARREN MITCHELL, a very close friend of mine and a very outstanding leader and legislator, will introduce an identical bill on the House side in the very near future.

Mr. President, there are the doubters who may ask why is such legislation necessary and why do we propose such an honor for Mr. Douglass? Let me try to answer these questions for our friends who may doubt the necessity for this legislation.

At the present time there are 681 statues and portraits of distinguished Americans in the Capitol. However, not one of these statues or portraits is of a black American. The failure of Congress after Congress to honor a black American in such a manner is a disgrace to a nation striving to correct 200 years of racial injustice. This resoluion would not only be a mark of respect for the memory of Frederick Douglass, but it would also be a means of expressing our appreciation for the important role of black Americans in our Nation.

For too many years the history of the black Americans' accomplishments in this country have been ignored. Black children have been denied the proud pleasure of reading in the history books of the great accomplishments of their ancestors. Recently, many schools have attempted to remedy this unpardonable omission through the creation of black studies courses and through the inclusion of black Americans in the history books. Now it is time for the U.S. Congress to do the same. Black children must be able to feel the same kind of pride when they walk through the Halls of Congress as they do when they sit in a black studies class or read in the history books about the great deeds of Frederick Douglass, Harriet Tubman, Sojourner Truth, or Booker T. Washington. A bust or statue of Frederick Douglass would be the first step in achieving such a feeling of pride among our black citizens when they visit their Nation's Capitol.

A cultural legacy is a key variable in any people's struggle for ethnic or racial identity. For this body not to pass this resolution and thusly deny more than 22 million people the right to a feeling of their own racial accomplishments would be unjust. As you well know, I introduced a similar bill in the 95th Congress which, if it had passed, would have called for placing a bust or statue of Dr. Martin Luther King, Jr., in the Capitol. However, since the Senate has a rule which states such honors are only bestowed upon Americans who have been deceased for over 21 years, Dr. King's candidacy for this honor was nullified. I feel that such a rule is unfortunate in this case, because Dr. King certainly is deserving of such an honor. However, I feel that Frederick Douglass is just as deserving. His accomplishments are as great as any American who has fought for equality and freedom in our country.

Born in slavery, self-educated, and self-liberated, Douglass rose against formidable odds to become one of America's most distinguished 19th century leaders. Frederick Douglass was born in February 1817 on the Eastern Shore of Maryland. For 21 years he suffered under the humiliating and debilitating system of slavery. Finally, in 1838, Douglass had suffered enough. He courageously escaped to the North, and found his freedom. However, once a free man, he was not satisfied as long as he knew his fellow human beings were still suffering under such an oppressive system. Douglass did not only feel compassion for his fellow blacks who were still in bondage, but he felt compassion for the entire society, because he felt that blacks and whites together suffered under such a terrible system. He admonished America that its society was only as effective as the degree of freedom enjoyed by all its members. As long as black Americans were slaves then the American dream of equality, liberty, and freedom was a fraud. He stated, in his famous July Fourth speech, that it was hypocritical for Americans to celebrate the birth of democracy, when in fact, democracy was being denied throughout the South. He urged his fellow Americans to take up the cause and crusade to destroy all vestiges of slavery in America. For years, his extremely effective oratory, as well as his compassioned pleas for abolishing slavery which appeared in his newspaper, Freedom Journal, served as a conscience for America. He made it quite clear that a consummation of America's struggle for freedom would only occur once slavery was abolished. He lobbied President Lincoln to issue the Emancipation Proclamation, which the President finally did in 1862. During the Civil War he effectively argued that black Americans should have the right to fight for their freedom. It was at his urging that Lincoln finally used black troops in many of the battles.

After the Civil War, Douglass continued to fight for equal rights for blacks as zealously as he had carried the battle for emancipation. One reason why Douglass is considered one of America's outstanding citizens is that he was not only concerned with the plight of black Americans, but also expressed a strong desire to help women achieve full equality in America. He was in fact one of the first strong advocates of equal rights for women. He was also a champion of free public education. At the Louisville Convention of (black) Men, on September 24, 1883, he urged:

> The national government, with its immense resources, (to) carry the benefits of a sound common school education to the door of every poor man from Maine to Texas . . .

He stated at that same convention that it was critical for—

> The American people to unite most emphatically with others who have already spoken on this (free public education) subject, in urging Congress to lay the founda-

tion of a great national system of aid to education at its next session.

In 1889, Douglass reached the height of his career when President Harrison appointed him to the position of Minister Resident and Consul General to the Republic of Haiti—and unprecedented appointment for a black man.

Mr. President I could go on with pages of this man's accomplishments. But I think we all would agree that those mentioned above should suffice. Because Frederick Douglass has meant so much to black America as well as to all Americans concerned with liberty, justice, and equality for all, I think it is fitting and proper that the 96th Congress bestow this honor on a very honorable man.●

SENATE CONCURRENT RESOLUTION 31—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO INDOCHINA REFUGEE RESETTLEMENTS

Mr. DOLE submitted the following concurrent resolution, which was referred to the Committee on the Judiciary:

S. CON. RES. 31

Whereas the United States was founded upon the principles of freedom and justice;

Whereas this great nation has been built and enriched by refugees who fled from political, religious, and economic oppression, and by their descendants;

Whereas war, repression, and persecution have forced thousands of people in Cambodia and other parts of Indochina to flee their homelands;

Whereas countless thousands of men, women, and children have died in their forced exodus by boat from Vietnam;

Whereas tens of thousands of Cambodians have been forcefully repatriated;

Whereas nations of first asylum are now rejecting additional numbers of refugees;

Whereas basic human decency requires that the United States Government not stand idly by; and

Whereas the United States Government has sought to encourage other nations to assist, by supplying financial assistance and offers of permanent resettlement, such refugees: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that, pending the enactment of comprehensive legislation regarding the admission of refugees to the United States and because of the extreme international emergency relating to the resettlement of Indochinese refugees, the Congress supports the President's efforts to encourage all nations to provide substantially increased aid and resettlement assistance to such refugees; and consonant with this effort the Attorney General should provide, in conjunction with the efforts of other nations to aid and admit such refugees, and in consultation with the appropriate committees of the Congress, for an increase in the rate of parole of Indochinese refugees into the United States under authority of section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)) and sufficient funds should be made available immediately to provide for the necessary costs relating to such additional admissions.

REFUGEE RESETTLEMENT

● Mr. DOLE. Mr. President, on June 18, the National Coalition for Refugee Resettlement held an all-day meeting to report to Congress on the refugees in Southeast Asia and in Europe. The meeting sought to highlight the situation, to identify the problems, and to exchange views. If it could not add to our already acute awareness of the tragedy that is unfolding before our eyes, it did, however, point to the urgency of the problem that is confronting the world and needs to be addressed by no less urgent measures.

As of September 30, 1978, approximately 144,000 Indochinese refugees were in first aslyum countries, while waiting for resettlement. The figure is now up to 330,000 in Thailand, Malaysia, Indonesia, Hong Kong, Singapore, and the Philippines. The number is expected to reach half a million or more by September 1979.

As we know, Thailand has refused to accept any more boat people. Malaysia and Indonesia are following suit. How much longer before Hong Kong, Singapore, and the Philippines decide that they too have reached their saturation point? The problem is expected to be further aggravated by the anticipated expulsion of about 1 million ethnic Chinese in Vietnam, who are considered by the Hanoi government to be a dangerous element of the population, because of alleged sympathies with Peking.

When a building is on fire, one does not call for a meeting to determine the cause of the fire. Instead, one calls the fire department for help, and all efforts are deployed to try and save the people trapped inside the building. While legislation designed to help refugees in the future is in order, the problem before us cannot wait till legislation is passed and laws are enacted. We must act now. Each moment that goes by means more lives lost. We are dealing not with issues but with human beings, men, women, and children, who are forced back on boats, with no place to go and limited supplies of food and medicine aboard. It was reported that 80,000 Cambodian refugees were forced back across the border with Thailand.

We are all too familiar with the painful remembrance of ships loaded with European Jews seeking refuge, during the Nazi period and in the aftermath of World War II. I do not need to remind you of the fate of many of these ships, nor of the ultimate fate of the people they carried toward hope. Instead, many found death after being herded from one port to the other. The tragedy of the unfortunate passengers of these ships is irreversible. The fate of the Indochinese refugees being shuffled from one shore to the other is not. It is my hope that we have learned from the past a lesson that we shall apply to the future.

Pending legislation that is designed to address the issue on a long-term basis, and in an attempt to deal with the problem immediately, I am submitting today, along with Mr. SOLARZ, my colleague from New York, a concurrent resolution to express the sense of the Senate to direct the President to use all influence at his discretion, to persuade the international community to increase its assistance and resettlement of refugees by the United States. It also asks that the Attorney General provide for a substantial increase in the number of refugees paroled into the United States in conjunction with consultation with the appropriate committees of the Congress. The United States in the past has done more than its share in this effort although this does not lessen the need we address now. All nations must respond to it.

I am not unaware of the potential sources of opposition to an increase in the number of refugees we are prepared to accept in the near future. I do believe, however, that an increase in our assistance would be in keeping with our human rights policy, and with the obligations created by an international tragedy. Let us not be hasty in condemning the first asylum countries for declaring that they would no longer accept more refugees attempting to land on their shores or cross their borders. Malaysia, Thailand, and Indonesia are already straining their resources with the refugees they have now. Other nations must accept the responsibility to shift the burden. The United States is third in the number of refugees it has accepted and resettled, behind France and Australia. Canada, Sweden, and Israel have already announced an increase in the numbers they are willing to accept. The President is expected to address this issue in Tokyo today, as part of the economic summit with the Japanese Government. By introducing this resolution, it is my hope that the Congress will go on record urging the President to use every power at his discretion in order to get our allies and other nations around the world to accept their fair share of these unfortunate refugees.

Human decency dictates that humanitarian concerns transcend all else for the United States and other nations who will join their efforts with our own. Our Nation was built upon the labor of generations of refugees and immigrants, and their descendants. They have enriched the economic tapestry of the United States, as much as they have enriched its cultural heritage.

By allowing waves of immigrants and refugees to swell the populations of the United States, we have time and again invested in the future of our country. That investment, born of the ethical principles of freedom and justice has paid off. Let us not allow the spirit of compassion that has permeated our history to dry out. Instead, let it be fortified by the example of our forebearers who found a haven on these shores and were willing to share it with all those in need. Let us not forget our own roots. Let us not betray our past.

Before concluding, I should like to let it be known that so deep is my commitment to what I consider a gesture of justice as well as of compassion and duty, that it is my intention to not miss a single opportunity to bring my message to the administration and to my colleagues in Congress, by introducing this resolution as an amendment to legislation as well.●

AMENDMENTS SUBMITTED FOR PRINTING

EXPORT ADMINISTRATION ACT OF 1979—S. 737

AMENDMENT NO. 281

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to S. 737, a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

● Mr. MATHIAS. Mr. President, S. 737 keeps intact the basic structure of export controls that has been in place for 30 years, since the Export Control Act of 1949. The changes worked by S. 737 represent improvements in our export control policies, but the improvements fall short of the major overhaul that is needed. We should not let 4 years go by before we focus our attention on the problems again. Therefore, I submit an amendment to S. 737 to terminate the authority granted by the Export Administration Act in 1981, rather than in 1983 as now provided in the bill.●

AMTRAK AUTHORIZATIONS—S. 712

AMENDMENT NO. 282

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him to S. 712, a bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

● Mr. WEICKER. Mr. President, when the Senate turns to the consideration of S. 712, the Amtrak Improvement Act of 1979, I intend to offer an amendment which will mandate that the Office of Technology Assessment, instead of the Secretary of Transportation, study the potential benefits and costs of a 55-mile-per-hour speed goal for Amtrak.

Western European countries and Japan place a great deal of emphasis on the research and development functions of their intercity rail passenger systems. As a result of this emphasis, there have been technological innovations in those countries which have enabled them to implement a rail system that can achieve speeds in excess of 100 miles per hour while assuring safety and comfort. Yet Amtrak trains average only 42 miles per hour, which is 13 miles per hour lower than the highway speed limits. Clearly, Amtrak will have a difficult time competing with the automobile if it cannot provide service at a comparable speed.

Section 13 of S. 712 directs the Secretary of Transportation, in consultation with Amtrak, to study the potential benefits and costs of a 55-mile-per-hour speed goal for Amtrak and to report the results of the study to Congress. This study promises to be very important to the future of Amtrak as a viable alternate mode of intercity transportation.

It is because of the importance of the study that I am proposing that the Office of Technology Assessment, and not the Secretary of Transportation, conduct the study. We have recently seen an example of an Amtrak-related study conducted by the Secretary of Transportation. That study resulted in a recommendation to cut 12,000 miles, or 43 percent, of the present Amtrak system. Yet only 4 months after making the recommendation, the Secretary has had to acknowledge that it was inaccurate and he has endorsed more Federal aid to maintain a nationwide rail system.

I am also concerned that the Secretary does not have the objectivity necessary to insure a fair, meaningful study. Secretary of Transportation Adams has frequently indicated his preference for the automobile and his distaste for rail passenger service. In a letter to me dated March 22 of this year, the Secretary stated:

> . . . In the event of an energy emergency Amtrak could play no significant role in meeting the Nation's passenger transportation needs. . . .
>
> It is also important to remember, when discussing energy conservation, that for the past 50 years Americans have shown a clear preference for the unrivaled flexibility and convenience of the private automobile. . . .
>
> Given the dominance of the automobile in American travel, it is clear that the largest payoff in energy conservation can be in making that travel mode more efficient. That is why I have challenged America's automobile manufacturers to redesign the automobile to make it an even more efficient machine, and why I have committed so much of my own time and energy to that effort.

Mr. President, the House Committee on Interstate and Foreign Commerce has stated that—

> Despite the conflicting studies and statistics advanced by proponents of various modes of transportation, it is widely recognized that with sufficient ridership levels and modern, state-of-the-art equipment, the passenger train is the most energy-efficient of all modes.

Given the potential energy-efficiency of Amtrak, it is important that an unbiased study be conducted.

The Office of Technology Assessment (OTA) is perfectly suited to carry out this study. This office was created by the Technology Assessment Act of 1972 to provide an independent and objective source of information about the impact of technological applications. It is presently reviewing a comparison of American and Canadian rail safety. Pursuant to Public Law 94–348, OTA published an evaluation of rail safety in May of 1978. Since its inception, OTA has also conducted studies of national rail issues, the financial viability of Conrail, and a railroad rehabilitation study.

Mr. President, this amendment will insure that the feasibility of the adoption of a 55-mile-per-hour speed goal by Amtrak will be objectively evaluated. I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> On page 21, line 18, strike "Secretary of Transportation" and substitute "Office of Technology Assessment".●

AMENDMENT NO. 283

(Ordered to be printed and to lie on the table.)

Mr. WEICKER (for himself, Mr. HATFIELD, Mr. CHURCH, and Mr. DOMENICI) submitted an amendment intended to be proposed by them, jointly to S. 712, supra.

● Mr. WEICKER. Mr. President, I am submitting today, along with Senators HATFIELD, CHURCH, and DOMENICI an amendment to S. 712, the Amtrak Improvement Act of 1979.

This amendment would restore, based upon specified performance criteria, certain of the Amtrak routes scheduled to be eliminated effective October 1, 1979. Additionally, Amtrak would be authorized to retain deserving experimental trains.

The amendment also authorizes funds to preserve tracks and facilities, owned by private railroads and used by Amtrak for passenger services which will be discontinued, until Amtrak has assessed the advisability of preserving such tracks and facilities in passenger condition for future use. Finally, Amtrak would be directed to study the feasibility of restoring service, when it has sufficient equipment to provide efficient service, to areas affected by the elimination of existing routes.

Mr. President, last Wednesday Secretary of Transportation Adams announced that he had reconsidered his recommendation to eliminate a 43 percent of the present rail service. While I commend Secretary Adams for his willingness to recognize his error in his earlier recommendation, I disagree with his proposed plan to remedy the situation. The proposal to authorize funds to enable Amtrak to provide "substitute service" is merely a stopgap approach to a fundamentally more serious problem. In light of the severe energy problems confronting the Nation, alternatives to automobile travel must be developed. Amtrak offers a potentially energy-efficient mode of intercity transportation. Clearly, Amtrak service must be expanded, not contracted. However, DOT's most recent proposal does not effectively enable Amtrak to act to effectively continue needed routes and to develop a cohorent plan to expand its services.

I am quite concerned about DOT's failure to integrate Amtrak into an energy-efficient system of intercity transportation. In a letter to me dated March 22 of this year, Secretary Adams indicated that "in the event of an energy emergency Amtrak could play no significant role in meeting the Nation's transportation needs." Yet, despite the fact that, in the words of the House Committee on Interstate and Foreign Commerce, "with sufficient ridership levels and modern, state-of-the-art equipment, the passenger train is the most energy efficient of all modes," Secretary Adams did not propose to make Amtrak a more viable transportation alternative. Instead, he recommended that efforts be directed at making the automobile more efficient.

Mr. President, the policy expressed by Secretary Adams in his March 22 letter has not been changed by his most recent proposal. I am afraid that the plan for "substitute service" is merely one which is made for politically expedient purposes. It does nothing to develop Amtrak as a viable alternative for transportation. Yet, in his preliminary report on a reexamination of the Amtrak route structure which was submitted to Congress in May of 1978, Secretary Adams recognized that:

> One of the primary benefits to the public of maintaining Amtrak is its availability as an alternative to the automobile in an era of increasing energy problems. Therefore, of special note in any review of Amtrak history is its performance during the 1973–1974 energy crisis . . . during the period from November 1973 to April 1974, as compared with the equivalent 6-month period in 1972–1973, Amtrak registered gains in passenger miles across all major categories of routes (+36 percent in the NEC Northeast Corridor, +50 percent on long-distance routes and +54 percent on short distance routes). *Further, the corporation managed in so doing to reduce the system wide deficit per passenger-mile by 19 percent.*
>
> While the positive ridership increases of the energy crisis period did not continue in later periods and while the deficit per passenger-mile soon began to increase again, *it is clear that during the 1973–1974 period of reduced availability of gasoline, people turned to the train.* It is also clear that an unexpected surge in traffic was accommodated by Amtrak and a portion of that increase (19 percent) was retained in the following year. (Emphasis added.)

Mr. President, Amtrak has registered significant gains in ridership and passenger-miles during the present energy crisis. Last Tuesday, Amtrak released data comparing ridership, passenger-miles, average trip length, and passenger-mile per train-mile for the second week in May of this year with the second week of May in 1978. Ridership was up 19.6 percent in 1979, the average trip length was up nearly 10 percent, the total passenger-miles increased by 31 percent, and the passenger-miles per train-mile increased over 28 percent this year. Clearly, people are willing to turn to Amtrak as an alternative mode of transportation.

Mr. President, I ask unanimous consent that the Amtrak table comparing selected ridership data for the second week in May 1978 with that of May 1979 be printed in the Record. This table delineates the increases on some of the routes scheduled to be terminated under the original DOT recommendation.

There being no objection, the table was ordered to be printed in the Record, as follows:

NRPC—REVENUE ACCOUNTING, SELECTED RIDERSHIP DATA, MAY 1978 VERSUS 1979

Train	Ridership			Passenger miles			Average trip length			Passenger mile/train mile		
	May 14–20, 1978	May 13–19, 1979	Percent change	May 14–20, 1978	May 13–19, 1979	Percent change	1978	1979	Percent change	1978	1979	Percent change
Pioneer	3,629	3,654	0.7	818,526	1,218,682	48.9	225.6	333.5	47.8	54.0	80.5	49.1
Lone Star	6,259	6,313	.9	1,697,255	2,126,001	25.3	271.2	336.8	24.2	86.7	108.5	25.1
Inter-American	3,261	4,430	35.9	766,032	1,108,682	44.7	234.9	250.3	6.6	69.7	100.9	44.8
Floridan	2,559	2,880	12.5	1,323,715	1,898,739	43.4	517.3	659.3	27.5	50.2	72.0	43.4
Montrealer	6,713	7,234	7.8	1,424,885	1,433,396	.6	212.3	198.1	(6.7)	151.7	152.6	.6
Champion	3,503	4,077	16.4	2,074,187	2,776,929	33.9	592.1	681.1	15.0	116.1	155.4	33.9
Silver Meteor	4,897	5,443	11.2	3,120,924	3,466,959	11.1	637.3	637.0		163.0	181.0	11.0
Shenandoah [1]	1,364	1,094	(19.8)	315,694	208,747	(33.9)	231.4	190.8	(17.5)	41.3	27.3	(33.9)
Cardinal	2,332	3,055	31.0	796,903	1,115,267	40.0	341.7	365.1	6.8	63.4	88.7	39.9
Southern Crescent [2]	3,157	4,859	85.3	1,310,032	3,079,922	135.1	415.0	526.6	26.9	109.3	159.6	46.0
National Limited	4,042	4,524	11.9	1,569,477	1,778,524	13.3	388.3	393.1	1.2	79.2	86.5	9.2
North Coast Hiawatha	2,717	2,272	(16.4)	1,555,678	1,725,450	10.9	572.6	759.4	32.6	116.1	128.7	10.9
Total	44,433	50,825	+14.4	16,773,308	21,937,298	+30.9	377.5	431.6	+14.3			

[1] Due to Chessie track work in 1979 Amtrak is busing through passengers from Grafton, WV to Cincinnati, Ohio thereby disrupting our long-distance ridership.

[2] Major change in frequency and in 1979 includes New York to Washington through passengers.

Mr. WEICKER. Mr. President, on May 24 I stood on this floor and urged my colleagues to pass a resolution disapproving the Secretary of Transportation's plan to eliminate 43 percent of the present Amtrak system. Consistent with this philosophy, I cosponsored amendment 238 which will be offered to S. 712. That amendment would authorize sufficient operating funds to enable Amtrak to continue to operate all of its existing services. Unfortunately, as Amtrak President Alan Boyd has noted, the Amtrak fleet is mainly "traveling antique museums" and Amtrak simply does not have enough equipment to provide efficient service on all existing routes. To solve this problem of a lack of adequate equipment, I will offer amendment 219 to increase the authorization for Amtrak's capital budget.

The amendment I am submitting today recognizes the inability of Amtrak to, at present, efficiently accommodate all routes. It provides for retention of service, based on objective criteria, on many of those routes scheduled to be terminated pursuant to the DOT recommendation. Using economic performance and ridership levels as the criteria for qualifying routes, the amendment would require Amtrak to operate service over long-distance routes which would not be continued under the DOT plan if the short-term avoidable loss per passenger-mile on the route is not more than $0.08 per mile and the passenger-mile per train-mile on the route is not less than 140, projected for fiscal year 1980. Based on these criteria and present projections, Amtrak would be required to maintain, in addition to those routes in the basic system recommended by DOT, the Montrealer, the Crescent, the New York to Florida lines, and a version of the Inter-American.

Additionally, the amendment would prohibit the discontinuance of any experimental services started within the past 2 years over new routes. This provision eliminates the inequitable result of the DOT recommendation which projected ridership for 1980 based on 1977 ridership figures for newly inaugurated trains. It is simply not fair to compare an established train with one which has been just inaugurated and has not been properly marketed. Yet this is what DOT did in making its route restructuring recommendation. Under this provision and its criteria, the Pioneer would be saved.

To permit retention of these routes, the authorization levels for Amtrak's operating budget would be increased in fiscal year 1980 to $635 million from the $581 million authorized in S. 712 and from $610 million in fiscal year 1981 to $665 million.

Additionally, Amtrak would be required to submit to Congress by January 31, 1980, a study of the feasibility of restoring and intercity rail passenger train which is eliminated. This would enable the Commerce and Appropriation Committees to make necessary adjustments for fiscal year 1981. The study will include information on: First, the availability and cost of alternate modes of transportation to the affected areas; second, changes in energy consumption of all modes of transportation, such as automobiles and taxies, which would occur if a particular train were operated; third, social and environmental effects; fourth, ridership projections; and fifth, costs.

Under the provisions contained in a 1971 agreement between Amtrak and private railroads, a railroad cannot dispose of or downgrade any track currently being used for passenger service contingent upon Amtrak's continuing use of the line. However, elimination of passenger service over a line segment permits a railroad to modify its trackage and eliminate facilities. If the lines are downgraded, it would cost a great deal of money to upgrade the track and facilities. For example, it is estimated that to upgrade the line segment between Cumberland and Pittsburgh to accommodate the restructured Broadway Limited will cost between $30,000 and $60,000 per route mile.

Accordingly, this amendment would require a railroad to obtain approval from Amtrak prior to disposing of or downgrading a line. If Amtrak does not approve, DOT would establish the railroad's avoidable cost in connection with the incremental maintenance, which Amtrak would be required to pay if it wishes to preserve the track and facilities. A total of $5 million is authorized for purposes of this "railbanking," thereby enabling Amtrak to easily restore service in the future to those areas which will lose routes at the present time.

Mr. President I urge the support of my colleagues for the concept embodied in this amendment. I will continue to study performance criteria to determine how we might best guide Amtrak in rationally expanding its system. One element of a national energy plan must be to develop a rounded transportation system in this country. Amtrak will be an integral part of this system. We must insure that Amtrak has the ability to adequately fulfill its role.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 23, after line 8, insert the following:

"SEC. 16. Title IV of the Rail Passenger Service Act is amended by adding at the end thereof the following new section:

"SEC. 406. RETENTION AND MAINTENANCE OF FACILITIES.

"(a) No facilities of a railroad (including a regional transportation agency) which are used in the operation of rail passenger services by the Corporation on February 1, 1979, shall be downgraded or disposed of without obtaining the prior approval of the Secretary under this section.

"(b) Whenever any railroad intends to downgrade or dispose of a facility referred to in subsection (a) of this section which is not currently being used in the operation of services by the Corporation, such railroad shall first notify the Corporation of its intention to take such action. If, within 60 days after receipt by the Corporation of such notice, the Corporation and such railroad are not able to enter into an agreement for the retention or maintenance of such facility or for the conveyance to the Corporation of such facility or an interest therein, the railroad may apply to the Secretary for approval of the downgrading or disposal of the facility.

"(c) (1) If the Corporation does not object to an application of a railroad to downgrade or dispose of a facility within 30 days after the date such application is submitted, the Secretary shall promptly approve such application.

"(2) If the Corporation makes a timely objection to such an application, the Secretary, shall within 180 days after the date of such objection, determine the costs which the railroad could avoid if it were not required to maintain or retain the facility in the condition requested by the Corporation. If the Corporation does not, within 60 days after the date of the Secretary's determination, agree to pay such avoidable costs to the railroad, the Secretary shall approve such application.

"(d) In electing whether to enter into an agreement pursuant to this section to pay a railroad the avoidable costs of maintaining or retaining a facility, the Corporation shall consider—

"(1) the potential importance of restoring rail passenger service on the route on which such facility is located;

"(2) the market potential of such route;

"(3) the availability, adequacy, and energy efficiency of alternate modes or alternate rail lines for providing passenger transportation to or near the points which would be served by the route;

"(4) the extent to which major population centers would be served by such route;

"(5) the extent to which the provision of service over such route would encourage the expansion of a national intercity rail passenger system; and

"(6) the possibility of increased ridership on lines of railroad connecting with such route.

"(e) For purposes of this section—

"(1) the term 'facilities' means railroad tracks, rights-of-way, fixed equipment and facilities, and real property appurtenant thereto, and includes signal systems, passenger station and repair tracks, station buildings, platforms, and adjunct facilities such as water, fuel, steam, electric, and air lines;

"(2) the downgrading of a rail line means a reduction in track classification as specified in the Federal Railroad Administration track safety standards (46 C.F.R. 213), or any other change in such rail line or related facilities which may increase the time required for a passenger train to operate over the route on which such rail line is located; and

"(3) approval of downgrading or disposal under this section shall not be construed as relieving a railroad from compliance with its other common carrier or legal obligations with respect to a facility.

"(f) The schedules of any trains which are restored or added to operation, in whole or in part, over the rail lines of a railroad which are covered by this section, and which have not been downgraded with the prior approval of the Secretary, shall be at least as expeditious as the schedules in effect for operation of trains over such rail lines on February 1, 1979.

"(g) Not later than January 31, 1980, the Corporation shall submit to Congress a study of the feasibility of restoring any intercity rail passenger train operated on February 1, 1979, which is not in service on October 1, 1979, and of operating any other trains which the Corporation determines may produce social benefits which would warrant the costs of providing such additional service. The study shall include a detailed analysis and statement of the following information for trains on each route studied:

"(1) for trips to and from locations on a particular route, the availability and cost of alternate modes of transportation, with special emphasis on significant changes in the cost or availability of gasoline which have occurred recently or might reasonably be expected to occur in future periods;

"(2) changes in energy consumption by all modes which would occur if a particular train were operated;

"(3) other positive or negative social and environmental effects which may be caused by a decision with respect to restoration or addition of train service on a particular route;

"(4) the type of rail passenger car and the different car configurations within each type which would be required to provide appropriate services on a particular train;

"(5) the propulsion and mechanical systems of locomotives to be operated on each train;

"(6) the amount of equipment required to provide train service on a particular route, or on several connecting routes, including the source, cost, and time required in order to obtain such equipment;

"(7) the ridership (in both number of riders and passenger train miles) which can reasonably be projected for a particular train, and the revenues of all types which would be obtained from operation of such train; and

"(8) the total cost (including necessary capital acquisitions or improvements) which would be incurred in operating a particular train, including the amount of each of the cost elements of which such total is comprised.".

On page 9, strike lines 10 through 17 and substitute the following:

(1) in paragraph 4 thereof, by striking out "Act." and inserting in lieu thereof "Act until October 1, 1979, on or after which date "basic system" means the system of intercity rail passenger service estbalished pursuant to section 4 of the Amtrak Improvement Act of 1978 (Public Law 95–421), as amended, service required to be operated under section 403 (e) of this Act, and any changes to such system or service subsequently made by the Corporation using the Route and Service Criteria."; and

On page 22, line 18, strike "Act." and substitute "Act. Notwithstanding the Secretary's recommendations, the Corporation may continue after September 30, 1979 to provide service which was inaugurated as service over a new route pursuant to section 403 (a) or 403 (c) of this Act within two years prior to the date of approval of such recommendations. After September 30, 1979, such service may be discontinued by the Corporation pursuant to the Route and Service Criteria.".

On page 17, line 17, strike the quotation marks.

On page 17, insert the following between lines 17 and 18:

"(e) Where reductions in operating expenses can be obtained, the Corporation shall operate rail passenger service over any long distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978, with or without any restructuring of such route to serve major population centers as end points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

"(1) the short term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than 8 cents per passenger mile; and

"(2) the passenger miles per train mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 140.

Short term avoidable loss per passenger mile calculated by the Corporation for purposes of this subsection shall be based upon consistently defined factors for all types of routes, and such short term avoidable loss and passenger miles per train mile shall be calculated in the same manner for all routes. The Corporation shall, no later than 30 days after the date of enactment of this subsection, submit a report to the Interstate and Foreign Commerce Committee of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the methodology, equations, factors used, assumptions, and results in connection with the calculation of short term avoidable loss per passenger mile and passenger miles per train mile under this subsection.".

On page 18, line 8, strike "$531,300,000" and substitute "$635,000,000".

On page 18, line 9, strike "$610,000,000" and substitute "$665,000,000".

On page 19, line 3, strike "and".

On page 19, insert the following between lines 3 and 4:

"(E) for the payment of expenses for the retention and maintenance of facilities pursuant to section 406 of this Act, not to exceed $5,000,000 for the fiscal year ending September 30, 1980, and not to exceed $5,-

000,000 for the fiscal year ending September 30, 1931; and".

On page 19, line 4, strike "(E)" and substitute "(F)".●

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Wednesday, June 27, 1979, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a hearing on S. 1338, the Industrial Equipment Efficiency Act of 1979. This hearing will commence at 1:30 p.m. in room 3110 of the Dirksen Senate Office Building.

Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

● Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices has scheduled a hearing on the marketing problems which farmers will face when rising wheat prices trigger the release level set for the farmer held reserve program. The release price at which the Secretary of Agriculture would call for all loans for wheat in the farmer held reserve is 175 percent of the loan level, or approximately $4.11 per bushel.

Since the expectation is that prices will soon reach this level, Senator Boschwitz has requested that the subcommittee hold hearings as soon as possible in the hope that some advance planning might alleviate some of the anticipated marketing problems.

The hearing has been set for Thursday, June 28 at 2 p.m. in room 324, Russell Senate Office Building. The subcommittee will hear from invited witnesses only, but statements submitted for the record are welcome. Anyone wishing further information should contact the Agriculture Committee staff at 224–2035.●

SUBCOMMITTEE ON GOVERNMENT REGULATION AND PAPERWORK

● Mr. NELSON. Mr. President, I wish to to announce that the Subcommittee on Government Regulation and Paperwork of the Committee on Small Business will hold a hearing on Federal paperwork requirements, on Wednesday, June 27, 1979. The hearing will take place in room 424, Russell Senate Office Building. For further information, contact Tom Cator of the committee staff at 224–3840.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON AGRICULTURAL PRODUCTIONS MARKETING, AND STABILIZATION OF PRICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Agriculture Production, Marketing, and Stabilization of Prices of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate today to review the operation of the farmer-held grain reserves.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today on continuation of the middle distillate supply and the desirability of reimposing mandatory Federal price and allocation controls on fuels.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, June 27, 1979, to consider S. 1338, legislation to establish energy efficiency standards.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AFRICAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on African Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hear administration officials on the current situation in Namibia.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Communications of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to consider S. 611 and S. 622, amendments to the Communications Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PETE SEEGER: A SINGER FOR AMERICA

● Mr. McGOVERN. Mr. President, Colman McCarthy of the Washington Post, wrote an eloquent article on the occassion of Pete Seeger's recent benefit for striking miners and their families from Stearns, Ky. As Mr. McCarthy points out, Mr. Seeger has long been a major figure in the musical and political life of this country.

His musical wisdom, always hand in hand with simplicity, is not the kind gleaned from books, but is the surer kind based on experience. From the time he left Harvard as a sophomore in the late 1930's, he has continued his education by traveling across America, sometimes hitchhiking, sometimes riding freight trains. Traveling through our small towns and our big cities, he has sung on street corners, at union meetings, in saloons, in churches, in migrant camps, and at Carnegie Hall. He likes to describe himself as "a professional singer of amateur music," because his music has always been the folks' music. He has sung for peace, for civil rights, and for freedom.

Pete Seeger is a man "who loves the beauty of the world around him and wishes to be of service to his fellow man." He has entertained protest and criticism only because of his deep faith and trust in the essential goodness of America and her people. His songs have both delighted us, and inspired us to look forward—to recognize our mistakes, and leave them behind us.

In the United States, and throughout the world, when he sings, the world sings with him. I can think of no better tribute than that.

I submit the Washington Post tribute for printing in the Record.

I urge my colleagues who have not had the chance to take part in a Pete Seeger concert, to read the following article:

Pete Seeger, Folk American

(By Colman McCarthy)

He pipes a flute, picks a banjo, strums a guitar and sings the songs of folk America like no one else. Pete Seeger, a composite of back-porch talents refined into Carnegie Hall art came onto the stage at Lisner auditorium the other night only after the honored guests of the evening—some coal miners from Stearns, Ky.—had come out first.

The miners, on strike for a bitter 36 months and with few friends or dollars left, were here for a benefit concert featuring Seeger. From the wings, he sent the workers and their families onstage first. He would give the show, but they were the showcase. Seeger would spend the next three hours giving the sell-out and cheering audience of 2,000 what John Steinbeck once called "hard hitting songs for hard hit people."

Seeger began with a number from Woody Guthrie, "You Got to Walk That Lonesome Valley." He sang the first verse and then, waving his arm like a broom sweeping away passivity, called out for the crowd to join in. "If you don't know the verses," he said, "it's time you learned." He lifted the neck of his cherished five-string banjo, swung his head back and sang into the rafters, which looked to be shaking.

These were not the simulated emotions of a professional singer here for his act, but the burstings of radical individualism that has made Seeger a treasured presence in American life. Since he left Harvard in his sophomore year in 1938 to get the sounder education offered by the open road, he has given thousands of concerts for causes like the Stearns miners.

The country came to know him best in the early 1960s. In civil-rights demonstrations, he would sing the great Negro spiritual "Ain't No Grave Can Hold My Body Down." At peace rallies few could resist joining him in his "Where Have All the Flowers Gone." The loudest cheers came for "Waist Deep in the Big Muddy" and his refrain directed at the Vietnam policy of Lyndon Johnson: "Now every time I read the papers/that old feeling comes on/We're waist deep in the Big Muddy/and the big fool says to push on."

For going among protestors, migrant workers, union organizers, strikers, prisoners and others on life's periphery who need comfort, Seeger has riled the establishment. He was blacklisted by network television for 17 years. The American Legion has picketed his concerts. In 1961, he was convicted on 10 counts of contempt of Congress for refusing to answer questions before witch-hunt hearings of the House Committee on Un-American Activities. The U.S. Court of Appeals later reversed the conviction.

Seeger turned 60 last month, well ahead of schedule of Garson Kanin's thought that "it takes a long time to become young." Backstage the other evening, he lingered after the concert to talk with a group of youngsters. Learn your traditions, he urged. We get our identity from them, as individuals and as a nation.

Turning to a friend, Seeger said that "I never expected to be such a supporter of tradition, but I've been shifting. This is what the musicians can teach the politicians: Improvise, get the feel of things and then go with the flow." Unless we improvise, he didn't think we had any other way to survive this machine age of Nukes and violence.

Were he a flashier fellow who would get out of his workshirts when he gets onstage or were he a singer who wouldn't clear his throat for less than $10,000 a performance, Seeger might be more acclaimed by mass taste. But it's part of American shortsightedness to give a blind eye to the authentic when it is among us. Many saw nothing out of order when John Denver, not Seeger, was chosen to perform for the Chinese premier at the Kennedy Center, even though Denver is to American folk music what Cool Whip is to protein.

Holding onto one's art for 40 years is a rare enough accomplishment, but Seeger's victory is in his long winning streak of getting citizens to use their own power through hearing their own voices. The flavor of a Seeger concert is the audience participation. Why shouldn't everyone join in? he asks. Where else do folk songs come from but the minds of the folk?

Seeger, whose vast repertoire includes everything from the sea chanties of Kerry fishermen to African lullabies, has been coming forward for 40 years with one message to his listeners: Trust your traditions, trust yourselves.

It's a revolutionary message only because we hear it so seldom from our leaders.●

SENATOR JAVITS

● Mr. BAKER. Mr. President, last month the Senate paid well-deserved tribute to the senior Senator from New York on setting a new record for serving the State of New York in the U.S. Senate longer than any of his predecessors.

The New York Legislature has also memorialized this most significant milestone in our friend Jack Javits' career, and I ask that the resolution of the New York Legislature in tribute to our distinguished colleague be printed in the Record.

The resolution follows:

Legislatve Resolution

Whereas, On May fourth, nineteen hundred seventy-nine, the Honorable Jacob K. Javits completed twenty-two years, three months and twenty-five days of service as a United States Senator from the State of New York; and

Whereas, No Senator from New York State has ever served that long in office, the previous record having been set by the late Robert F. Wagner, Senior, more than thirty years before; and

Whereas, Jacob K. Javits' career in public life, as a member of the House of Representatives for seven years and as New York State Attorney General for two years prior to his election as United States Senator in 1956, has been marked throughout by rare ability, diligence and concern for issues which has transcended partisan considerations; and

Whereas, As United States Senator, Jacob K. Javits is the ranking member of his party on the Foreign Relations Committee and the Joint Economic Committee, and senior Republican on the Labor and Human Resources Committee and the Government Affairs Committee; and

Whereas, Senator Javits has won national recognition for his leadership in the enactment of the Civil Rights Law in 1964, the War Powers Act of 1973, and the pension legislation of 1974; and

Whereas, He is recognized as an outstanding member of the Senate, a fact which brings credit to all of the citizens of this State; now, therefore, be it

Resolved, That the Legislature of the State of New York does hereby congratulate the Honorable Jacob K. Javits on the occasion of this milestone in his public life and in the history of our State; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to Senator Javits with the best wishes of all of the members of the Senate and Assembly.●

UNITED STATES HAS COAL, SHALE TO LICK ENERGY CRISIS

● Mr. CRANSTON. Mr. President, Dr. Armand Hammer of Occidental Petroleum Corp. has long been one of the most forceful and vigorous advocates of bringing into production our tremendous natural resources of coal and shale as a long-term solution to our dependence on imported oil and our own dwindling petroleum resources.

Recently, Dr. Hammer was interviewed by the Los Angeles Herald Examiner on the benefits to be derived from accelerated development of coal and shale.

While I do not necessarily share all of Armand Hammer's views, I believe his ideas merit serious consideration. I ask that the Los Angeles Herald Examiner interview be printed in the Record.

The article follows:

Armand Hammer Says U.S. Has Coal, Shale To Lick Energy Crisis

Armand Hammer is chairman of the board and chief executive officer of Occidental Petroleum. He was interviewed by Financial Editor Arelo Sederberg.

Question: Petroleum experts say we will run out of crude oil in 30 to 40 years. What are some alternate sources?

Hammer: Coal is the most plentiful substitute we have. Coal should be used immediately to replace boiler fuel. I don't think any industrial boiler in the United States at the end of five years ought to burn anything but coal. This would cut our imports of oil in half, enable us to meet the present energy crisis, and help us solve the problem of inflation caused by the $55 billion we are spending this year for importation of oil.

Q: Could that be done in the near future?

A: Yes. I wouldn't have felt quite as optimistic a year ago, but Occidental had the longest coal strike in history last year. When we settled, we obtained a concession to let us give incentives to the workers. This is something unions usually do not allow. If John L. Lewis were alive today, we never would have gotten that concession.

It enables us to motivate the workers, so they are eager to earn more money and produce more coal. It has practically eliminated wildcat strikes from Occidental's operation.

Q: How much coal does Occidental own?

A: We own the Island Creek Coal Co., which is the fourth largest coal company in the United States. We have 4 billion tons of coal reserves, so we're extremely interested in the substitution of coal for oil. If Japan could pass a law that within five years there will not be a single industrial boiler that burns anything but coal, I see no reason why we can't.

Q: Would it cause any environmental problems?

A: No. If the utilities install desulphurization equipment, that would take care of any environmental problems. Right now some environmental restrictions are much too severe. There ought to be some alleviation.

Q: How should the government encourage use of coal?

A: The government should use a carrot and stick. It should use the carrot to give the public utilities some tax advantages, or perhaps more rapid depreciation, if they would put in coal-burning facilities. Those utilities that already had coal-burning facilities and switched from coal to oil in the last 10 years, ought to be compelled to go back to coal. If they don't do this, we ought to use the stick.

Q: What about gasification of coal?

A: That is possible and practical and should be encouraged. Coal was used successfully by Hitler during the war. If it weren't for the process that enabled the Germans to make gasoline out of coal, I don't think the Germans could have continued the war. Right now South Africa is liquefying coal. But before coal, we have shale oil. Shale oil is more immediate than coal, I think.

Q: There are tremendous reserves of shale oil in the United States, are there now?

A: Just in Colorado, Utah and Wyoming, there are 1.8 trillion barrels of (shale) oil.

Q: How long would that last?

A: That's 2½ times the reserves of the whole world. It would last for hundreds of years, and could make us completely independent of foreign oil. By 1990, we could be producing as much as 5 million barrels of oil (a day from shale), and by 1995, we could be completely independent.

Q: The technology has been developed?

A: Occidental has developed a modified in-situ (in place) process. This is necessary because of environmental problems connected with above-ground processing of shale. We gain entrance to the ore in the mountain where the ore is, plant explosives, then dynamite the ore into small pieces. This makes a huge chamber.

Occidental is producing shale oil from one of these underground chambers that is an acre in diameter and the height of a 30-story building. In the last several months, we produced 42,000 barrels of oil from that one room, and we're still producing.

Q: Does this process eliminate environmental complaints?

A: Yes, practically. There may be some extremists who will continue, but we have already obtained permission from the Department of the Interior to go ahead on a commercial venture. Rio Blanca, which is a partnership of Gulf Oil and Standard Oil of Indiana, is using a similar process. It has agreed to pay us $6 million and a reasonable royalty for use of our patents.

Q: Do you think the U.S. oil situation is almost a war-like crisis?

A: I do. It is the greatest crisis this country has ever faced.

Q: What caused this crisis?

A: The reason we're in this mess is because we've never considered the warnings. Our oil reserves in this country are running out, and we're in jeopardy because of OPEC (Organization of Petroleum Exporting Countries). That cartel has been formed by several oil producing countries, and it is able to control the flow of oil. I personally believe that, while conservation is fine, the more we conserve, the less the cartel will produce. Conservation is not the answer.

Years ago when our governments were warned that we were running out of oil, we should have been looking for alternative sources. We should have been thinking of developing our shale. If we had, today we would have a shale oil industry, and we could have a negotiating point with OPEC. Probably there would be no OPEC, and oil would be selling at competitive prices instead of at artificially regulated prices controlled by the cartel.

Q: Then we could negotiate from strength?

A: Right, that's what we should do. If Mr. Carter would take the steps I'm recommending, even though it might take 10 years to get a shale oil industry able to take care of most of our imports, the members of the cartel, particularly those in the Middle East, would start negotiating now. Because in 10 years we would not need their oil.●

ORGANIZED LABOR CONTRIBUTIONS

● Mr. **GOLDWATER**. Mr. President, it is easy to read in the newspapers that we receive in Washington about the contributions made to candidates for the House and Senate by companies or private individuals, but it is not so easy to find out what big labor organizations have given for these campaigns.

Now, I am not implying that the law prevents labor unions from giving certain funds to the candidates of their choice, nor that there is anything wrong in it. I am just raising the issue of why there is so much interest in contributions which come from people in the corporate field, but there is not equal attention to labor donations.

My colleagues might find it interesting that a minmum of $11,083,815 in financial contributions was given by organized labor to candidates for the U.S. Senate and House of Representatives in the 1978 campaigns. These figures have been compiled from public reports that have been filed with the Federal Election Commission and appropriate State agencies. It should be noted that they are not complete statistics yet, since all reporting requirements have apparently not been fulfilled to date by many labor committees.

From the data available at this time; it appears all Democrat candidates received $10,475,332, while all Republicans received $608,283.

Broken down between the House and Senate, total labor contributions to Democrat candidates in the House of Representatives amounted to $7,621,738 and contributions to Republicans were $293,586. Democrat candidates for the U.S. Senate received $2,853,594, while Republicans received $314,697.

Mr. President, the source of these figures is a study prepared recently by the Americans for Constitutional Action.

Mr. President, I ask that the complete itemized list of funds contributed by various labor organizations to congressional candidates in 1978 elections be printed in the RECORD.

The list follows:

A. ORGANIZED LABOR CONTRIBUTIONS TO SENATE CANDIDATES IN 1978 ELECTIONS

Carl Levin (D-Mich.)	$242, 148
Wendell Anderson (D-Minn.)	190, 656
Floyd Haskell (D-Colo.)	165, 520
Dick Clark (D-Iowa)	158, 619
Bill Bradley (D-N.J.)	141, 693
Donald Stewart (D-Ala.)	135, 401
William Hathaway (D-Maine)	122, 273
Charles Ravenel (D-S. C.)	115, 780
Max Baucus (D-Mont.)	110, 574
Joe Biden (D-Del.)	103, 080
Bill Roy (D-Kansas)	121, 325
Edward Brooke (R-Mass.)	98, 265
Andrew Miller (D-Va.)	91, 546
Donald Barnett (D-S.D.)	62, 900
Thomas McIntyre (D-N.H.)	60, 363
Charles Percy (R-Ill.)	56, 632
Ted Stevens (R-Alaska)	53, 075
Tony Anaya (D-N.M.)	52, 286
Paul Tsongas (D-Mass.)	50, 787
Claiborne Pell (D-R.I.)	50, 733
Howell Heflin (D-Ala.)	48, 737
Dee Huddleston (D-Ky.)	44, 212
Robert Krueger (D-Tex.)	37, 085
Jane Eskind (D-Tenn.)	27, 845
Robert Short (D-Minn.)	25, 629
Maurice Dantin (D-Miss.)	21, 764
Bennett Johnston (D-La.)	16, 600
Mark Hatfield (R-Ore.)	14, 400
Dwight Jensen (D-Idaho)	12, 547
John Ingram (D-N.C.)	12, 378
Howard Baker (R-Tenn.)	11, 475
J. J. Exon (D-Neb.)	9, 800
Larry Pressler (R-S.D.)	9, 250
Thad Cochran (R-Miss.)	7, 750
William Cohen (R-Me.)	6, 100
Alex Seith (D-Ill.)	5, 700
Pete Domenici (R-N.M.)	5, 400
Vernon Cook (D-Ore.)	5, 200
Rudy Boschwitz (R-Minn.)	5, 000
Nancy Kassebaum (R-Kansas)	3, 900
Sam Nunn (D-Ga.)	3, 225
James McClure (R-Idaho)	2, 550
Gordon Humphrey (R-N.H.)	1, 000
Al Simpson (R-Wyo.)	1, 000
Jessie Helms (R-N.C.)	500
David Pryor (D-Ark.)	500
Charles Evers (I-Miss.)	200

(Anyone not listed did not report receiviny any Labor support.)

B. ORGANIZED LABOR CONTRIBUTIONS TO HOUSE CANDIDATES IN 1978 ELECTIONS

DEMOCRATS

J. Martin Frost (Tex. 24th)*	$87, 145
Tom Daschle (S.D. 1st)*	83, 400
Charles Carney (Ohio 19th)	79, 200
Mark Hannaford (Calif. 34th)*	74, 946
John M. Murphy (N.Y. 17th)*	74, 677
John McFall (Calif. 14th)	74, 450
Bob Eckhardt (Tex. 8th)*	74, 125
Howard Wolpe (Mich. 3rd)*	73, 365
Robert A. Young (Mo. 2nd)*	70, 376
Joshua Eilberg (Penn. 4th)	63, 795
Herbert Harris (Va. 8th)*	62, 383
Marty Russo (Ill. 3rd)*	62, 132
Claude Pepper (Fla. 14th)*	62, 108
Abner Mikva (Ill. 10th)*	$60, 758
Thomas A. Luken (Ohio 2nd)*	60, 550
Tim Wirth (Colo. 2nd)*	60, 400
James Weaver (Ore. 4th)*	59, 010
Les AuCoin (Ore. 1st)*	58, 600
Gerry Sikorski (Minn. 1st)	58, 095
Stan Kress Idaho 2nd)	56, 830
Tony Hall (Ohio 3rd)*	56, 700
David Bonior (Mich. 12th)*	55, 384
Vic Fazio (Calif. 4th)*	54, 925
Richard Nolan (Minn. 6th)*	53, 575
Jim Wright (Tex. 12th)*	53, 450
Charles Wilson (Calif. 31st)*	52, 895
David W. Evans (Ind. 6th)*	51, 650
Gladys Spellman (Md. 5th)*	50, 100
Doug Walgren (Penn. 18th)*	50, 018
Peter Peyser (N.Y. 23rd)*	49, 894
William Clay (Mo. 1st)*	49, 608
James Baumann (Ohio 12th)	48, 525
Bob Gammage (Tex. 22nd)	48, 270
Bob Carr (Mich. 6th)*	48, 053
Mike Lowry (Wash. 7th)*	46, 600
Frank Thompson (N.J. 4th)*	46, 473
Julian Dixon (Calif. 28th)*	46, 000
Pat Schroeder (Colo. 1st)*	45, 741
Charlotte Zietlow (Ind. 7th)	44, 234
Pat Williams (Mont. 1st)*	43, 965
Keith McLeod (Mich. 11th)	43, 590
Michael Barnes (Md. 8th)*	43, 138
Thomas Foley (Wash. 5th)*	43, 086
Floyd Fithian (Ind. 2nd)*	43, 000
Helen Meyner (N.J. 13th)	42, 890
Peter Kostmayer (Penn. 8th)*	42, 229
Michael Blouin (Iowa 2nd)	42, 220
Phillip Burton (Calif. 6th)*	42, 050
Bob Sogge (Calif. 18th)	42, 023
Carey Peck (Calif. 27th)	41, 132
John Burton (Calif. 5th)*	41, 050
Thomas Downey (N.Y. 2nd)*	40, 785
James Howard (N.J. 3rd)*	40, 513
Morris Udall (Ariz. 2nd)*	40, 475
James Florio (N.J. 1st)*	39, 553
Douglas Brandon (Ark. 2nd)	38, 795
Al Swift (Wash. 2nd)*	38, 606
James Lloyd (Calif. 35th)*	38, 475
William Moorhead (Penn. 14th)*	38, 132
Tom Ashley (Ohio 9th)*	37, 500
Robert Edgar (Penn. 7th)*	37, 336
Donald Allegrucci (Kansas 5th)	37, 296
David Cornwell (Ind. 8th)	37, 253
John Brademas (Ind. 3rd)*	36, 865
Tom Easterly (Ky. 6th)	36, 355
Terry L. Bruce (Ill. 22nd)	36, 353
Norman Dicks (Wash. 6th)*	36, 175
Hess Dyas (Neb. 1st)	35, 890
Austin Murphy (Penn. 22nd)*	35, 564
Michael Freeman (Minn. 3rd)	35, 472
Jerry Patterson (Calif. 38th)*	34, 475
Bruce Vento (Minn. 4th)*	33, 514
Nick Rahall (W. V. 4th)*	33, 350
Richard Ottinger (N.Y. 24th)*	33, 295
Gene Wenstrom (Minn. 7th)	33, 100
Andrew Maguire (N.J. 7th)*	32, 738
Edwin Firmage (Utah 2nd)	32, 555
William Gray (Penn. 2nd)*	32, 334
James Mattox (Tex. 5th)*	31, 798
James Shannon (Mass. 5th)*	30, 750
James Blanchard (Mich. 18th)*	30, 672
James Hanley (N.Y. 32nd)*	30, 395
Jerome Ambro (N.Y. 3rd)*	30, 079
Fred Rooney (Penn. 15th)	29, 788
Robert Matsui (Calif. 3rd)*	29, 710
Romano Mazzoli (Ky. 3rd)*	29, 689
Leo Zeferetti (N.Y. 15th)*	29, 657

Footnote at end of article.

DEMOCRATS

William Ratchford (Conn. 5th)*	$29,200
Ray Kogovsek (Colo. 3rd)*	29,080
Robert Garcia (N.Y. 21st)*	28,971
Richard Bolling (Mo. 5th)*	28,810
Patrick Rodey (Alaska at lge.)	28,733
John Randolph (N.Y. 1st)	28,632
William D. Ford (Mich. 15th)*	28,458
Joseph Ammerman (Penn. 23rd)	27,862
Mary Rose Oakar (Ohio 20th)	27,775
Nicholas Mavroules (Mass. 6th)*	26,891
Robert A. Roe (N.J. 8th)*	26,698
Robert J. Cornell (Wis. 8th)	26,696
Gillis Long (La. 8th)*	26,350
Matthew McHugh (N.Y. 27th)*	26,339
Roy Truby (Idaho 1st)	26,295
Jack Bass (S.C. 2nd)	26,023
Toby Moffett (Conn. 6th)*	25,955
Allen Ertel (Penn. 17th)*	25,352
John Cavanaugh (Neb. 2nd)*	25,226
Anthony Coelho (Calif. 15th)*	25,200
Raymond Lederer (Penn. 3rd)*	25,180
Leon Panetta (Calif. 16th)*	24,910
Geraldine Ferraro (N.Y. 9th)*	24,885
Alvin Baldus (Wis. 3rd)*	24,450
Gary Hindes (Del. at lge.)	24,348
Phil Sharp (Ind. 10th)*	24,200
Edward Patten (N.J. 15th)*	23,273
Norman Mineta (Calif. 13th)*	23,260
Phil Snowden (Mo. 6th)	23,126
Edward Beard (R.I. 2nd)*	22,960
Martha Keys (Kansas 2nd)	22,681
Tom Harkin (Iowa 5th)*	22,450
Lewis Fickett (Va. 7th)	22,185
Bob Traxler (Mich. 8th)*	21,900
Christopher Dodd (Conn. 2nd)*	21,850
Howard Leroux (Mich. 9th)	21,743
Ronald Mottl (Ohio 23rd)*	21,743
Theodore S. Weiss (N.Y. 20th)*	21,650
David Obey (Wis. 7th)*	21,400
Harley Staggers (W.Va. 2nd)*	21,294
Martin Sabo (Minn. 5th)*	21,240
Joseph Gaydos (Penn. 20th)*	21,082
John Quinn (Maine 1st)	21,050
Lew Puller (Va. 1st)	20,750
Brian Donnelly (Mass. 11th)	20,700
Joseph A. Addabbo (N.Y. 7th)*	20,550
Edward Pattison (N.Y. 29th)	20,357
John Dingell (Mich. 16th)*	20,356
George Miller (Calif. 7th)*	20,280
Donald Albosta (Mich. 10th)*	20,210
John Slack (W.Va. 3rd)*	20,203
Frederick Richmond (N.Y. 14th)*	20,124
Robert Drinan (Mass. 4th)*	20,120
Michael Myers (Penn. 1st)*	20,115
Edward Stack (Fla. 12th)*	20,000
Donald Pease (Ohio 13th)*	19,950
Markham Gartley (Maine 2nd)	19,850
Gunn McKay (Utah 1st)*	19,640
Stanley Lundine (N.Y. 39th)*	19,340
Mickey Leland (Tex. 18th)*	19,300
Les Aspin (Wis. 1st)*	19,250
Norma Bartle (N.Y. 30th)	18,854
Kirsten Olsen (Calif. 12th)	18,800
Henry Nowak (N.Y. 37th)*	18,460
Robert Giaimo (Conn. 3rd)*	18,450
William Lehman (Fla. 13th)*	18,450
Parren Mitchell (Md. 7th)*	18,225
Dan Rostenkowski (Ill. 8th)*	17,970
James Corman (Calif. 21st)*	17,745
Dale R. Sprik (Mich. 5th)	17,700
Daniel Corcoran (Calif. 37th)	17,608
Barbara Mikulski (Md. 3rd)*	17,550
Dick Myers (Iowa 1st)	17,275
Adam Benjamin (Ind. 1st)*	17,150
Mario Biaggi (N.Y. 10th)*	17,150
Ralph Metcalfe (Ill. 1st)	17,005
Gerard Frank (Colo. 5th)	16,844
Dale Kildee (Mich. 7th)*	16,800
Thomas O'Neil (Mass. 8th)*	16,800
Lester Wolff (N.Y. 6th)*	16,800
Don Bailey (Penn. 21st)*	$16,669
Jack Brooks (Tex. 9th)*	16,550
James Sherck (Ohio 5th)	16,400
Daniel Akaka (Hawaii 2nd)*	16,300
Joe Moakley (Mass. 9th)*	16,250
Louis Stokes (Ohio 21st)*	16,141
Robert Hawk (N.M. 1st)	16,000
Robert Mollohan (W.Va. 1st)*	15,994
Douglas Applegate (Ohio 18th)*	15,716
Mike McCormack (Wash. 4th)*	15,556
Morgan Smith (Colo. 4th)	15,550
Dennis Kazarian (Calif. 33rd)	15,226
Joseph Fisher (Va. 10th)*	15,031
Frederick Steffen (Ill. 13th)	14,865
Joseph Minish (N.J. 11th)*	14,575
Cecil Heftel (Hawaii 1st)*	14,565
Paul Simon (Ill. 24th)*	14,449
Matthew Flynn (Wis. 9th)	14,380
Gus Yatron (Penn. 6th)*	14,077
Henry Waxman (Calif. 24th)*	13,900
Fernand St Germain (R.I. 1st)*	13,750
Stephen Solarz (N.Y. 13th)*	13,300
John Walda (Ind. 4th)	13,229
Mendel Davis (S.C. 1st)*	13,150
Don Bonker (Wash. 3rd)*	12,747
Tim L. Hall (Ill. 15th)	12,676
Glenn Anderson (Calif. 32nd)*	12,650
Fortney Stark (Calif. 9th)*	12,450
Bill Bagley (Wyo. at lge.)	12,330
Jim Santini (Nev. at lge.)*	12,200
Thomas Monahan (Mont. 2nd)	12,121
William Farris (Calif. 39th)	12,067
George Danielson (Calif. 30th)*	12,065
Charles Wilson (Tex. 2nd)*	11,900
Norman D'Amours (N.H. 1st)*	11,290
John LaFalce (N.Y. 36th)*	11,225
Harold Ford (Tenn. 8th)*	11,119
Henry Reuss (Wis. 5th)*	10,850
Ted Strickland (Ohio 6th)	10,772
Edward Markey (Mass. 7th)*	10,575
John W. Matthews (N.Y. 5th)	10,460
James Oberstar (Minn. 8th)*	10,445
John Murtha (Penn. 12th)*	10,382
Charles Rangel (N.Y. 19th)*	10,250
Sue Ward (Md. 4th)	10,245
Ron Arline (Tenn. 6th)	10,070
Wendell Mitchell (Ala. 2nd)	10,050
Morgan Murphy (Ill. 2nd)*	10,020
Richard Gephardt (Mo. 3rd)*	9,783
Ron Dellums (Calif. 8th)*	9,700
William Hughes (N.J. 2nd)*	9,498
Bill Bonner (Tenn. 5th)*	9,480
Ed Jones (Tenn. 7th)*	9,430
Ike Skelton (Mo. 4th)*	9,400
Dan Glickman (Kansas 4th)*	9,365
Frank Guarini (N.J. 14th)*	9,173
Augustus Hawkins (Calif. 29th)*	8,925
Roy Bernardi (N.Y. 33rd)	8,825
Frank Annunzio (Ill. 11th)*	8,669
Harold Volkmer (Mo. 9th)*	8,580
George E. Brown (Calif. 36th)*	8,400
Carter Burden (N.Y. 18th)	8,400
Kenneth Holland (S.C. 5th)*	8,400
Lionel Van Deerlin (Calif. 42nd)*	8,000
Daniel Flood (Penn. 11th)*	7,932
Robert Kastenmeier (Wis. 2nd)*	7,890
James Scheuer (N.Y. 11th)*	7,800
William Brodhead (Mich. 17th)*	7,747
Janice Niemi (Wash. 1st)	7,745
Richard Shelby (Ala. 7th)*	7,700
John Conyers (Mich. 1st)*	7,686
Harold Johnson (Calif. 1st)*	7,650
Neal Smith (Iowa 4th)*	7,590
King Golden (Calif. 41st)	7,550
John Fahy (N.J. 5th)	7,533
Benjamin Rosenthal (N.Y. 8th)*	7,500
Carroll Hubbard (Ky. 1st)*	7,282
John Considine (Minn. 2nd)	7,265
William Cotter (Conn. 1st)*	7,235
James Peck (N.Y. 38th)	$7,050
Lamar Gudger (N.C. 11th)*	6,950
Marilyn Lloyd (Tenn. 3rd)*	6,865
John Jenrette (S.C. 6th)*	6,800
Peter Rodino, Jr. (N.J. 10th)*	6,723
Elizabeth Holtzman (N.Y. 16th)*	6,450
Lindy Boggs (La. 2nd)*	6,400
Lucien Nedzi (Mich. 14th)*	6,269
Leo Ryan (Calif. 11th)*	6,250
Robert Duncan (Ore. 3rd)*	6,137
Stephen Neal (N.C. 5th)*	6,125
John Fary (Ill. 5th)*	6,055
Michael G. Morgan (Conn. 4th)	6,000
Clarence Long (Md. 2nd)*	5,930
Joseph Early (Mass. 3rd)*	5,900
Charlie Rose (N.C. 7th)*	5,800
Shirley Chisholm (N.Y. 12th)*	5,610
James Christison (Fla. 6th)	5,500
Bill Burlison (Mo. 10th)*	5,439
Lee Hamilton (Ind. 9th)*	5,410
Don Edwards (Calif. 10th)*	5,350
Lou Schroeder (Ohio 8th)	5,350
Charles Diggs (Mich. 13th)*	5,168
Jerry Huckaby (La. 5th)*	5,100
Samuel Stratton (N.Y. 28th)*	5,050
Billy Lee Evans (Ga. 8th)*	5,000
Claude Leach (La. 4th)*	5,000
Edward Roybal (Calif. 25th)*	5,000
Nicholas Mastorelli (N.J. 9th)	4,950
Dante Fascell (Fla. 15th)*	4,775
James R. Jones (Okla. 1st)*	4,775
Cardiss Collins (Ill. 7th)*	4,770
Goodloe Byron (Md. 6th)	4,600
Edgar Helms (N.H. 2nd)	4,600
John Seiberling (Ohio 14th)*	4,541
Albert Gore, Jr. (Tenn. 4th)*	4,540
Melvin Price (Ill. 23rd)*	4,422
John Breaux (La. 7th)*	4,400
W. G. Hefner (N.C. 8th)*	4,200
Ronnie Flippo (Ala. 5th)*	4,150
Robert Henry (Calif. 22nd)	4,100
Norma Bork (Calif. 2nd)	4,050
Joseph Vigorito (Penn. 24th)	3,950
Richard Ichord (Mo. 8th)*	3,700
Bob Samuelson (S.D. 2nd)	3,700
David Bowen (Miss. 2nd)*	3,500
John Krebs (Calif. 17th)	3,500
Elliott Levitas (Ga. 4th)*	3,450
Gerry E. Studds (Mass. 12th)*	3,425
Patrick Donlin (Ohio 11th)	3,400
Walter Jones (N.C. 1st)*	3,250
Morgan Hager (Mich. 4th)	3,000
Joseph Quinn (Md. 1st)	3,000
Tom Steed (Okla. 4th)*	2,986
L. W. Noonan (Ala. 1st)	2,900
Tim Burke (Ohio 1st)	2,800
Clement Zablocki (Wis. 4th)*	2,800
Clifford Sinclair (Ill. 17th)	2,705
Bill Alexander (Ark. 1st)*	2,700
Berkley Bedell (Iowa 6th)*	2,600
John H. Stennis (Miss. 4th)	2,400
W. Thomas McGann (N.J. 6th)	2,300
Ray Roberts (Tex. 4th)*	2,300
Henry Gonzalez (Tex. 20th)*	2,250
Bill Chappell (Fla. 4th)*	2,200
Gordon Ball (Tenn. 1st)	2,130
Butler Derrick (S.C. 3rd)*	2,100
Bruce Hagen (N.D. at lge.)	1,900
Earl Hutto (Fla. 1st)*	1,900
Alan Rubenstein (Penn. 13th)	1,850
Francis Repicci (N.Y. 35th)	1,700
John Knudson (Iowa 3rd)	1,600
Daniel Mica (Fla. 11th)*	1,600
Al Ullman (Ore. 2nd)*	1,600
Nelson Wolff (Tex. 21st)	1,600
Marilyn Fowler (Neb. 3rd)	1,550
Champ Clark (Va. 9th)	1,542
Walter Fauntroy (D.C. at lge.)*	1,500
Blaine Havice (Penn. 9th)	1,500
Michael McCormick (Ariz. 4th)	1,500

DEMOCRATS

G. V. Montgomery (Miss. 3rd)*	$1,500
Joe Wyatt (Tex. 14th)*	1,500
Wyche Fowler (Ga. 5th)*	1,400
Carl Perkins (Ky. 7th)*	1,282
Sam B. Hall (Tex. 1st)*	1,250
James McGuy (Calif. 40th)	1,200
Betty Collier (Mich. 19th)	1,168
Andrew Ireland (Fla. 8th)*	1,144
Tom Bevill (Ala. 4th)*	1,084
Don Fuqua (Fla. 2nd)*	1,025
Virginia Shapard (Ga. 6th)	1,025
Andrew D. Thomas (Ill. 4th)	1,005
Owen Hand (Ohio 16th)	1,000
Ed Jenkins (Ga. 9th)*	1,000
Bob Stump (Ariz. 3rd)*	1,000
Jim Thomas (Mo. 7th)	1,000
Richard White (Tex. 16th)*	1,000
Richardson Preyer (N.C. 6th)*	900
Mike Synar (Okla 2nd)*	900
Victor W. Roberts (Ill. 20th)*	872
Sam Gibbons (Fla. 7th)*	850
Douglas Barnard (Ga. 10th)*	800
E. de la Garza (Tex. 15th)*	800
Jack Hightower (Tex. 13th)*	800
Rajeshwar Kumar (Penn. 19th)	800
Harold Runnels (N.M. 2nd)*	800
Dawson Mathis (Ga. 2nd)*	750
Gilbert Bogen (Ill. 12th)	700
Bo Ginn (Ga. 1st)*	700
Jack Brinkley (Ga. 3rd)*	500
Glenn English (Okla. 6th)*	500
Bill Nichols (Ala. 3rd)*	500
J. J. Pickle (Tex. 10th)*	500
Charlie Whitley (N.C. 3rd)*	500
J. D. Knipp (Okla. 5th)	400
Jerome Zamos (Calif. 19th)	400
Eugene Atkinson (Penn. 25th)*	319
Ike Andrews (N.C. 4th)*	300
Don Hawkins (Ala. 6th)	200
Sidney Yates (Ill. 9th)*	269
Jonathan Bingham (N.Y. 22nd)*	250
Marvin Leath (Tex. 11th)*	250
Larry McDonald (Ga. 7th)*	200
Jeanne Quinn (Ill. 6th)	55
William Hatcher (Ky. 2nd)*	42
Ernest Dahlin (Ill. 16th)	5

REPUBLICANS

Matthew Rinaldo (N.J. 12th)*	$36,005
Margaret Heckler (Mass. 10th)*	26,155
Donald Young (Alaska at lge.)*	24,800
Benjamin Gilman (N.Y. 26th)*	18,290
Harold Hollenbeck (N.J. 9th)*	12,120
Gene Snyder (Ky. 4th)*	11,300
Carl Pursell (Mich. 2nd)*	8,575
Newton Steers (Md. 8th)	6,750
William Harsha (Ohio 6th)*	6,350
Marc Marks (Penn. 24th)*	6,200
Donald Clausen (Calif. 2nd)*	6,050
Paul Trible (Va. 1st)*	5,850
Hamilton Fish (N.Y. 25th)*	5,730
Frank Horton (N.Y. 34th)*	5,500
Charles Pashayan (Calif. 17th)*	5,000
Elwood Hillis (Ind. 5th)*	4,700
Dan Marriott (Utah 2nd)*	4,500
John Buchanan (Ala. 6th)*	3,984
Joseph McDade (Penn. 10th)*	3,982
Jerry Lewis (Calif. 37th)*	3,750
Bud Shuster (Penn. 9th)*	3,413
Guy VanderJagt (Mich. 9th)*	3,400
Robert Livingston (La. 1st)*	3,125
Trent Lott (Miss. 5th)*	2,850
James Quillen (Tenn. 1st)*	2,800
Gene Taylor (Mo. 7th)*	2,700
John Cunningham (Wash. 7th)	2,600
Jack Edwards (Ala. 1st)*	2,500
G. William Whitehurst (Va. 2nd)*	2,500
Gary A. Lee (N.Y. 33rd)*	$2,250
Charles Dougherty (Penn. 4th)*	2,200
Newt Gingrich (Ga. 6th)*	2,200
Barry Goldwater, Jr. (Calif. 20th)*	2,000
Donald Mitchell (N.Y. 31st)*	1,850
Elford Cederberg (Mich. 10th)	1,750
Floyd Spence (S.C. 2nd)*	1,700
Tom Railsback (Ill. 19th)*	1,532
Robert Daniel (Va. 4th)*	1,500
Edward Madigan (Ill. 21st)*	1,500
John Wydler (N.Y. 5th)*	1,500
John J. Rhodes (Ariz. 1st)*	1,400
Michael Edelman (N.Y. 24th)	1,380
John Rousselot (Calif. 26th)*	1,350
Mark Andrews (N.D. at lge.)*	1,313
James Abdnor (S.D. 2nd)*	1,300
Bob Wilson (Calif. 41st)*	1,250
Tom Corcoran (Ill. 15th)*	1,213
Robert Bauman (Md. 1st)*	1,200
Silvio Conte (Mass. 1st)*	1,200
Edward Derwinski (Ill. 4th)*	1,200
John Duncan (Tenn. 2nd)*	1,100
Richard Schulze (Penn. 5th)*	1,100
Tim Lee Carter (Ky. 5th)*	1,013
John B. Anderson (Ill. 16th)*	1,000
John Ashbrook (Ohio 17th)*	1,000
William Bronson (Mass. 6th)	1,000
James Courter (N.J. 13th)*	1,000
David Emery (Maine 1st)*	1,000
George Guidera (Conn. 5th)	1,000
William Wampler (Va. 9th)*	1,000
Henry Hyde (Ill. 6th)*	750
Ron Marlenee (Mont. 2nd)*	750
Stewart McKinney (Conn. 4th)*	750
Dave Stockman (Mich. 4th)*	550
Clair Burgener (Calif. 43rd)*	500
E. Thomas Coleman (Mo. 6th)*	500
H. Joel Deckard (Ind. 8th)*	500
Sam Devine (Ohio 12th)*	500
John Nance Garner (Wash. 2nd)	500
Tom Hagedorn (Minn 2nd)*	500
Thomas Loeffler (Tex. 21st)*	500
James Martin (N.C. 9th)*	500
George O'Brien (Ill. 17th)*	500
Dudley Kircher (Ohio 3rd)	406
James Jeffords (Vt. at lge.)*	400
W. Henson Moore (La. 6th)*	400
Edwin Forsythe (N.J. 6th)*	300
Bill Goodwin (Tenn. 5th)	300
Paul McCloskey, Jr. (Calif. 12th)	300
Joel Pritchard (Wash. 1st)*	300
Robert W. Davis (Mich. 11th)*	250
Thomas Evans (Del. at lge.)*	250
Manuel Lujan (N.M. 1st)*	250
William Thomas (Calif. 18th)*	250
Alfred DelliBovi (N.Y. 9th)	140
William James (Fla. 11th)	100
Eugene Kane (Penn. 7th)	100
Richard Kelly (Fla. 5th)*	100
Robert McEwen (N.Y. 30th)*	100
Dan Quayle (Ind. 4th)*	100
Harold Sawyer (Mich. 5th)*	100
William Clinger Penn. 5th)*	50
Steven Symms (Idaho 1st)*	50

(Anyone not listed did not report receiving any labor support.)

FOOTNOTE

*Indicates Winner.●

WESTERN/CONTINENTAL AIRLINE MERGER SUPPORTED

● Mr. McGOVERN. Mr. President, the Civil Aeronautics Board has begun public hearings this week on the merger application of Western/Continental Airlines (Docket No. 33465).

The merger has been approved by an administrative law judge and has the strong and active support of a majority of the States served by these two airlines.

South Dakota's interest in this merger goes to the very heart of commercial airline service in our State. We have been advised by Western—which now boards over 50 percent of the more than 500,000 passengers who utilize the four airlines presently serving our State—that if the merger does not go through they will have to give serious consideration to the abandonment of their route schedules "north and east of Denver."

Such action will work a tremendous hardship on South Dakota air travelers who have consistently "voted with their ticket purchases" that they need and want Western Airline service.

The U.S. Departments of Justice and Transportation have opposed this merger on the grounds that it is "anticompetitive." That will certainly be the case for South Dakota if the merger is not approved—because we will have no competition at all on the routes presently served by Western in our State.

South Dakotans have forcefully endorsed this merger. The three major cities involved—Sioux Falls, Rapid City, and Pierre—and the State of South Dakota are strongly behind it.

The South Dakota congressional delegation has made a strong presentation to the Civil Aeronautics Board in favor of the merger.

Mr. President, I request that the State of South Dakota congressional delegation statement and the statement of the State of South Dakota to the CAB in support of this airline merger be printed in the RECORD.

The articles follow:

STATEMENT OF THE SOUTH DAKOTA CONGRESSIONAL DELEGATION

Mr. Chairman: The South Dakota Congressional Delegation strongly supports the pending merger application of Western and Continental Airlines. We recommend that it be approved.

South Dakota is presently served by four commercial airlines through nine (9) boarding points as follows:

City and carrier

Sioux Falls, Western; Ozark; and North Central (Republic).

Rapid City, Western; Frontier; and North Central (Republic).

Pierce, Western; and North Central (Republic).

Aberdeen, Watertown, Huron, Brookings, Mitchell, and Yankton, North Central (Republic) is the sole commercial carrier in these six markets.

With a population of about 700,000, South Dakotans continue to demonstrate their commitment to commercial air travel. About half a million passengers boarded our four commercial air carriers in calendar year 1978—over 50% of whom initiated their trip on Western Airlines.

Western serves our two largest cities (Sioux Falls and Rapid City) and our State Capitol, Pierre.

Approval of the merger will permit South Dakota to maintain existing Western service, improved with single plane and multiple market service through a combined Western/Continental system, along with the reduced fare structure that such a merged airline will permit.

While we are most interested and appreciative of the potential benefits of the merger to South Dakota air travelers, we are more concerned about the impact on commercial air service to our State in the event the merger is not approved.

Western officials have made it clear, both in private and publicly, that if the merger does not go through, they will give serious consideration to the elimination of service to South Dakota.

After extensive discussions with Western officials and a close review of the testimony that has been presented in various proceedings associated with the Airline Deregulation Act of 1978 and this merger application, it is clear to us that Western would prefer to remain in South Dakota if they had a viable economic opportunity to do so.

But it is also clear, that the prevailing market forces at work in a deregulated airline environment require air carriers to rethink their established service patterns and to propose mergers where they are necessary in order to maintain adequate income levels.

In its service to South Dakota, Western has employed a basic linear route concept—which connects our three Western served South Dakota boarding points with hub airpoints (Denver and Mineapolis/St. Paul).

On this kind of route structure, passengers are collected along the scheduled stops; with the hub airport as their final destination or transfer point. On these linear routes, the originating carrier generally will lose money on the short-haul passenger, but will make money if the passenger stays on the carrier for a longer flight.

According to Western's 1978 figures as contained in their April 27, 1979, testimony before the Senate Commerce Committee's oversight hearings—the following information was developed on this aspect of South Dakota service:

"From Denver to Rapid City, we had a pretax profit of $407,000. From Rapid City to Pierre, we had a pre-tax loss of $240,000. From Pierre to Sioux Falls, we had a pre-tax loss of $144,000. From Sioux Falls to Minneapolis/St. Paul, we had a pre-tax loss of $1.7 million.

So, this shows that each segment (except one) shows a loss. Therefore, for this entire segment we showed a pre-tax loss of $1.67 million. However, when you include the passengers going the longer distance, it shows a more profitable operation:

"From Denver to Sioux City, we made $644,000. From Rapid City to Minneapolis, we made almost $223,000. From Pierre to Minneapolis/St. Paul, we made $15,567.

"While this is a more profitable operation, it still shows that this linear route was a losing operation in 1978. A total of $794,000 was lost, before taxes, on this route. This is an example of only one operation; we have similar losses on other linear routes."

The second, and more desirable, approach is to utilize a "hub and spoke" concept. Under this system, Western would feed travelers from small and medium sized communities—such as their service points in South Dakota—to a central location where they are then congregated and flown on to their final dstination on the same carrier.

In examining the Western flight patterns—we fail to find a single effective "hub" in any city they presently service.

Thus, it appears to us, that one of the primary reasons for this merger is to permit the combined airline (Western/Continental) to establish several of these "hubs" so that their present small community boarding points will generate a sufficient number of longer haul passengers to permit service to continue.

It is also apparent, that acting alone, Western does not have the equipment, traffic or general capacity to create this kind of desirable "hub and spoke" operation.

A compelling case can be made that if the relatively small amount of traffic generated at the smaller Western service points can be consolidated with other traffic at a "hub"—these communities can be effectively and profitably served.

Western has consistently taken the position that they must be able to convert from a linear to a hub and spoke system. The only way that can be done is to merge with Continental. Without the merger, Western will be forced to abandon service to South Dakota.

It is not our purpose here today to address, in detail, the allegations raised by filings of the U.S. Departments of Justice and Transportation in the previous proceeding on this matter before the Administrative Law Judge.

We do want to note, however, that the intent of the Congress under the Airline Deregulation Act of 1978 (P.L. 95–504) on matters of this kind is quite specific. Mergers in the air carrier industry are to be tested by the antitrust standards traditionally applied by the courts to unregulated industries. However, even if a merger does not meet antitrust standards of the Sherman and Clayton Acts, it may nonetheless be approved if it meets "significant transportation needs of the community to be served," and if there is no "reasonably available less anti-competitive alternative" to the merger. The foundation of the 1978 Act is that it is in the public interest to allow the airline industry to be governed by the forces of the marketplace.

Translating this into more general terms—the Congressional intent on passing airline deregulation was to improve and expand access to the national airways system. Mergers should be judged not only on the impact of the merger, per se, but also examined on the basis of what the service status will be if the merger is not consummated.

Applying this standard to the Western/Continental merger, it is our view that commercial air service to South Dakota will substantially deteriorate if the merger is not approved.

It would be ironic—and an improper interpretation of the intent of the Congress on airline deregulation—if, in an effort to stimulate competition—all service was withdrawn. Yet that is the situation faced by South Dakota in relation to this merger application.

The Administrative Law Judge's opinion of April 26, 1979, took note of this in his comments on South Dakota service, as follows:

"DENVER–RAPID CITY

"Historic data show Frontier with a big edge in traffic over its only competitor in this market, Western. And as of April 1979 Frontier offered 4½ daily roundtrips to Western's 1½. In terms of feed, the merger will strengthen Western's position, but. Frontier may have more feed than the merged carrier. The merger should have no harmful impact on competition in the Denver-Rapid City market. In fact, it may foster competition.

"SIOUX FALLS-DENVER

"Western carries 80% of the traffic in this market. Western offers nonstop service. Ozark, the only other incumbent, provides one-stop flights. Moreover, the feed Continental provides will strength Western's post-merger position in this market appreciably."

In a footnote to these comments, the Administrative Law Judge pointed out:

"Western President Renda testified that Western might end service to points such as Sioux Falls if the merger is disapproved . . . That could, of course, reduce service and competition in the Denver-Sioux Falls market. But I am not persuaded that that possibility should be given any weight".

We respectfully suggest here that the Administrative Law Judge is wrong in his lack of attention to the impact of a loss of Western to the South Dakota market.

Perhaps understandably, these hearings have focused on the probable impact of the merger. We are suggesting here that the CAB must also look at the markets involved in the event the merger is not approved.

Whether you are talking linear or hub-spoke concepts—the fact remains that Western—and Western alone—provides cross-state service in South Dakota, in addition to a vital linkage with the major terminals of Denver and Minneapolis/St. Paul.

Without Western in our State—air travelers would be denied service across our State and to the State Capitol, which is used almost as a "shuttle operation" by many of our citizens who have business with State Government. It is the only carrier providing that service. In other filings, I think the CAB will find that the load factors on these cross-state Western aircraft will support the view that they are heavily used by South Dakota residents.

It is our understanding that the CAB has employed the consulting firm of Sobotka & Company to provide "expert economic analysis of the hearing record which will augment those research efforts of the Board's Office of Economic Analysis and General Counsel."

Commenting on this matter, Senator McGovern write to Chairman Cohen on May 18th of this year ". . . I am hopeful that in the Sobotka study and the CAB staff workup on this merger, some attention will be paid to what will happen to service if the merger is not approved."

We feel strongly that the CAB must closely and critically examine not only the merger itself—but what the situation will be in the areas served if the merger does not go through.

The chief criteria must continue to be the public interest. In South Dakota's case that is evident.

We feel strongly that the CAB must examine "both sides of the coin" on this merger application if the public interest is to be effectively served.

The focus of concern of the South Dakota Congressional Delegation during the debate in the 95th Congress on airline deregulation was, understandably, on the probable impact this new approach would have on service to and from our State.

It was clear to us at that time that as the opportunity for entry into major markets became available, carrier managements would naturally shift their resources from the multiple stop linear markets which they have been obligated to serve to concentrate their efforts in the larger non-stop market where the profit potential is greater.

That is certainly what is happening in this case. Absent the merger, Western will have little recourse but to move their equipment into city pairs where, with adequate promotional marketing, they will be able to substantively increase long-haul load factors and system profitability.

With the merger, however, they will have the additional equipment availability to not only continue service to South Dakota and other "small and medium-sized communities" in their present system, but also to take advantage of the benefits of the "hub and spoke concept" which appears to be the ultimate goal of most major trunk carriers in the country today.

If the CAB is concerned about service to small and medium-sized communities—and the Board has certainly indicated that they are—then this merger must be approved.

We want to note, as well, that this merger has the approval not only of our State's Congressional Delegation, but of the communities of Sioux Falls, Rapid City and Pierre, presently served by Western, and the State of South Dakota as well. We are unified in our support of this merger application.

We have spent millions of Federal, State and local tax dollars to upgrade and update our airports and systems to accommodate increasingly sophisticated aircraft of the kind a combined Western/Continental Airline will provide. If you turn aside this merger application you are, in effect, consigning thousands of upper great plains air-travelers to the murky backwaters of commercial aviation. Without Western service, days will be added to our travel schedules, costs will go up and general inconvenience and even hardship will result.

Finally, Mr. Chairman, let us note that this merger application is, in a sense, a "litmus test" of the operational aspects of the Airline Deregulation Act. The Board, the Congress and the Administration will be tested by the public on this matter on the basis of whether total air service has improved or deteriorated under airline deregulation.

It is not enough to provide low cost air travel between major city pairs. Attention must be paid to small and medium sized cities as well.

If the Act (P.L. 95–504) is not responsive to the needs of states like South Dakota—those who represent rural states in the Congress may have no other alternative but to look, again, at the provisions of that Act to determine what changes may have to be made to insure that our needs are met.

We know that the Board is sensitive to these problems and that you share our concerns. We are hopeful that you will, accordingly, approve the Western/Continental merger application now before you.

ORAL STATEMENT OF GOVERNOR WILLIAM J. JANKLOW

I am William J. Janklow, Governor of the State of South Dakota. I am pleased to be allowed to represent our state before the Civil Aeronautics Board regarding this proposed merger between Western Airlines and Continental Airlines.

South Dakota wholeheartedly supports the merger of Western Airlines, Inc., and Continental Airlines, Inc. The South Dakota Aeronautics Commission endorsed the merger at their regular meeting held on December 5, 1978.

In South Dakota our entire population is wholly dependent upon scheduled air carrier service for intrastate and long distance passenger travel. The State of South Dakota has a total lack of rail passenger service and relies heavily on scheduled air service for both passenger and cargo movement. The competitive capability of Western Airlines, Inc., as a trunk air carrier is of great importance to our citizens.

South Dakota is a prosperous and rapidly expanding state and one that is vitally interested in convenient and frequent air service between our major cities and the business and financial centers throughout the rest of the country.

South Dakota being a rural oriented state, is blessed with a potential for industrial development, has an established and developing mining industry, a strong agricultural economy, which is now beginning to grow internationally, and of course a growing recreational and tourism industry centered on the Black Hills and Mt. Rushmore. In order to allow this economic base to prosper, the levels and quality of air transportation to our state must be allowed to grow to stimulate the economic growth of South Dakota.

The ability of Western Airlines, Inc., to continue excellent service to the State of South Dakota will be enhanced by this merger for many reasons. The combining of Western and Continental routes will offer single carrier service to additional destinations to the Southern United States and to the Far East.

The merged carriers will reflect a stronger financial base which will be necessary to compete in the deregulated environment. The commitment of offering competitive fares for the traveling public has been demonstrated by both Western and Continental.

The airline industry is now going through changes which will make air service totally different in the near future as compared to the industry today. The Regulatory Reform Act of 1978 will cause tremendous changes in the way the carriers will be doing business; where they will fly, what they will charge, and the resulting impact on the communities throughout the country will be tremendous.

We feel that the intent of Congress in passing this Air Reform Bill is to turn the management of the airlines over to the managers and to keep the Federal Government out of the decision-making process of these carriers that make up our Air Transport System.

The citizens of our state have always felt that there should be a minimum of Federal intervention in all private enterprise and we have consistently tried to limit the State's affairs with regard to businesses that reside in the State.

Therefore, we strongly feel that the Government should allow all air carriers the right to make sound business decisions that will not only benefit their companies, but also benefit the traveling and shipping public.

This particular merger, which is before the Board today, is one in our opinion that will benefit the citizens of South Dakota through substantially lower fares, better and more convenient schedules, new markets for our expanding line of products and services being produced throughout the state, and a greater source of vacation-bound travelers who will want to visit the natural wonders of South Dakota.

The new airline being formed by Western and Continental will, in our opinion, be more efficient and productive and better able to compete with the industry giants in the marketplace as well as expand to new areas not currently served by either company.

As Governor of South Dakota, I urge you to give every possible consideration to this merger application and to act favorably for approval in your final decision.●

IMPORTANCE OF ROCKFISH RESEARCH AS PART OF ANADROMOUS FISH CONSERVATION ACT

● Mr. MATHIAS. Mr. President, I am pleased to join my colleagues, Senators CHAFEE, RANDOLPH, STAFFORD, CULVER, and BAKER in cosponsoring S. 838, the Anadromous Fish Conservation Act, which passed the Senate by voice vote on Wednesday, June 13.

As my colleagues are all well aware, anadromous means "ascending rivers from the sea for breeding."

This legislation is designed to protect and enhance the national fish stock which swims upstream to spawn. Non-Federal participants in this effort include 29 State fishery agencies, universities, and Indian tribes.

The results of this research and development program to date have helped maintain profitable catches for commercial and sport fishermen.

Of particular interest to me is a provision in this legislation for an accelerated investigation of one species of anadromous fish—the striped bass, also known as the striper or rockfish to those who fish Chesapeake Bay.

The rockfish, originally an Atlantic Coast fish, has been dwindling as a species since 1970. Early in this century the fish was also introduced to San Francisco Bay and its estuaries and has become a very popular fish in that region of the country for recreational fishing.

Scientists have discovered that rockfish has a 6 to 7 years cycle of propagation. The recruitment phase lasts about 3 years when the fish is spawned and the fry begin to forage for food as it begins its growth process. The food which they rely upon are nutrients in Bay waters.

But 1970 was the last good year for recruitment of rockfish. Many experts believe this decline is due in part to increased toxicity in waters where the fish spawn. They have also found that early, cold winters followed by abundant spring rains have helped maintain and increase bay nutrients. Thus, in those years when we have early and cold winters, the subsequent spring has been a relatively good one for rockfish spawning and survival of the fry.

The Chesapeake Bay, the Nation's largest estuary, is a major spawning ground for rockfish. And there are two hatcheries in my State which are attempting to increase the stock of rockfish and which have worked closely together on this problem.

The hatchery at Elkton, Md. was established by Maryland watermen in response to the decline in the fish population.

The University of Maryland's laboratory at Horn Point on the Eastern Shore has witnessed the difficulties the species has had in recent times in reproducing itself.

As the Easton, Md., Star Democrat noted in the recent editorial:

> But less than 50 percent of the eggs used in the experiment thus far are fertile, only 10 to 20 percent of the fertile eggs are hatching, only about one percent of the fry survive for as long as three days, and almost all of the fry show deformities such as distorted bodies and improperly developed eyes.

Despite these setbacks, the lab is moving ahead to identify the causes of this decline in fish survival. And, with the financial help of the State legislature, the Horn Point lab can soon begin construction of 15 acres of rearing pods with the hatching operation starting in the 1980 spawning season.

The lab estimates it could hatch from 250,000 to 1.5 million fingerling bass in the early spring using spawning females from the adjacent Choptank River. Subsequently, they would be transferred to outdoor rearing pools and released into the Bay by the summer of 1980.

I would hope that the moneys provided by this legislation would be used to improve data collection on both commercial and sport catches; monitoring the existing stock; and investigating the factors which contribute to a decline or increase in the stock. And lastly, I would hope that this special attention to rockfish—striped bass—would deal with this fish as a coastwise species.●

A SALUTE TO THE FIRST GRADUATING CLASS OF LEADERSHIP MEMPHIS

● Mr. SASSER. Mr. President, the future of our communities depends upon the quality of our civic leadership. We need leaders who can meet the challenges of tomorrow, deal with complex problems, and offer realistic solutions. The purpose of Leadership Memphis is to recruit present and future community leaders into a program that provides them the information, skills, and techniques needed to provide effective community leadership. In addition, the program is designed to motivate these emerging future community leaders to direct their talents toward a wide range of current and anticipated community problems and opportunities.

Mr. President, I am proud of the dedication and concern for the city of Memphis that these future leaders have shown by their giving of their time to attend the seminars and meetings with present leaders and resource people. I applaud the leadership provided by the Board of Trustees of Leadership Memphis: Mr. Lucius E. Burch, chairman, Mr. Edgar Bailey, vice chairman, Mr. D'Army Bailey, secretary-treasurer and Ms. Kate Gooch, executive director.

On December 2, 1978, the Memphis Press-Scimitar published an article listing the names of the persons selected to participate in the first class. On June 6, 1979, the Memphis Commercial Appeal published an article on the graduating class.

Mr. President, I ask that these articles be printed in the RECORD.

The articles follow:

[From the Memphis Press-Scimitar, Dec. 2, 1978]

FORTY-TWO CITY LEADERS NAMED FOR RETREATS, SEMINARS

Leadership Memphis, an independent, nonprofit corporation established to motivate and inform emerging community leaders, today announced the names of the 42 persons who will participate in a series of retreats and seminars next year.

The participants, who were chosen from 440 nominations by a selection committee, represent a mix of income levels, professions, women, men and minorities. Members were chosen for the civic leadership program on the basis of leadership potential and commitment to the community.

The members will meet during two retreats and six all-day seminars through mid-June to discuss such topics as education, politics, religion, health care and welfare, and the environment as they relate to the growth of Memphis. At the opening retreat on Jan. 12 and 13, race relations and the history and present-day status of Memphis will be discussed.

The tuition for the program is $400 which may be paid by members' companies and organizations.

The following are the new members of the program:

Vida Anderson, field coordinator for MIFA and past president of the League of Women Voters of Memphis-Shelby County.

Stoy Bailey, chairman of the Memphis Area Planning & Design Center and president of Rozelle-Annesdale Area Association.

Frank Banks, chairman of the board & partner in Banks, Finley, White & Co., and chairman of South Memphis Development Corp.

Martin Belz, vice president of Belz Investment Co.

Barbara Bisno, staff attorney for Memphis Area Legal Services Inc., and past vice president of the League of Women voters.

Mr. Wilbur Hawkins, Area Representative, TVA, and member of Coalition of Benevolent Youth.

Richard Borys, administrator of pre-trial services for Shelby County and chairman of the board of Project First Offender.

Howard Bragg, manager of Bragg Brothers Farms and director on executive committee of Shelby County Farm Bureau.

Terry Britt, vice president and manager of Memphis Branch of Federal Reserve Bank of St. Louis and past president of Community Day Care & Comprehensive Services Association.

Olivia Bruce, career development trainer and education and community arts chairman for the Junior League of Memphis.

Patricia Calvert, administrator and president of Lamplighter Montessori School, president of Whitehaven Community Association and past chairman of the American Wind Symphony Visit.

E. Winslow Chapman, director of Memphis Police Department.

Shirlone Cosby, news producer, RKO-General (WHBQ-TV) and board member of the City Beautiful commission.

Gus Denton, executive vice president of National Bank of Commerce and vice president of United Way drive.

Sharon Dobbins, doctoral candidate at Memphis State University and board member of the Memphis chapter of the United Nations Association.

Vickie Gilmore, manager of financial investments and analysis at Federal Express Corp. and president of Coalition of Benevolent Youth.

Osble Howard, assistant chief administrative officer for Shelby County and board member of the Lewis Center for Senior Citizens.

Aubrey Howard, president of Doyen Associates Inc. and vice president of Ballet South Inc.

Susan Jones, teacher at St. Mary's Episcopal School and chairman of Focus Memphis.

Barbara Lapides, public affairs coordinator with Planned Parenthood and vice chairman of the steering committee of Human Services Co-op.

B. Lee Mallory, executive vice president of Memphis Compress Storage Co. and president-elect of Memphis Area Chamber of Commerce.

Mark Mathony, co-minister of St. John's Methodist Church and founder of Bellevue-Lamar Opportunity Organization.

Gail Mathes, associate with Armstrong, Allen, Braden, Goodman, McBride & Prewitt and board member of Planned Parenthood.

Willie T. Miles, special assistant to U.S. Sen. Jim Sasser and chairperson of Tennessee Commission for Human Development.

Dwight Moore, manager of the management analysis section of the Office of Budget & Management in Shelby County government and vice president of Frayser Jaycees.

Lorene Osborne, president of the Memphis Education Association.

Ida Payne, special education teacher with Memphis City Schools and president of Cane Ridge Civic Group.

Judith Peisor, founder and director of the Center for Southern Folklore.

John Pettey, manager in administrative services division of Arthur Andersen & Co. and president-elect of Commitment Memphis.

Richard Rantzow, partner in charge at Ernst & Ernst and division 1 membership chairman of the Chamber of Commerce.

Don Roman, attorney with Rosenfield, Borod, Bogatin & Kremer and NAACP member.

Jack Shands, attorney and assistant business manager for International Brotherhood of Electrical Workers Local Union No. 474.

Patricia Shaw, vice president of Universal Life Insurance Co. and commissioner of MLG&W.

Mark Stansbury, manager of community relations at Holiday Inns Inc. and chairman of publicity for NAACP.

Harold Thompson, architect and owner of Thompson and Partners and member of the Shelby Farms Planning Board.

Robert Towery, president of Towery Press Inc. and publisher and editor of Memphis magazine.

Melvyn Tyggle, regional underwriter of MFA Insurance Co. and second vice president of Alpha Phi Alpha Fraternity Inc.

John Vergos, attorney with Less, Pinstein, Vergos & Garrison and vice chairman of Plough Park Advisory Commission.

Robert Wallace, economics professor at Southwestern and president of Mid-South Association of Business Economists.

A. C. Wharton, executive director of Memphis Area Legal Services Inc. and president of Community Day Care and Comprehensive Services.

Dan Wilkinson, vice president and partner of Wilkinson and Snowden Inc. and vice president of Mid-South Fair and chairman of Libertyland.

Ben Woodson, president of Overton Square Inc. and vice chairman of Convention and Visitor's Bureau.

GRADUATES LAUD LEADERSHIP COURSE

(By Ron Russell)

Forty-two members of Leadership Memphis' first "graduating class" were told yesterday that Memphians must shun "the politics of the negative" if the city is to solve its problems.

"We don't have the luxury of a gestation period until a new group of leaders can emerge," said A. C. Wharton Jr., president of the group's alumni association.

"The time is now, and if it's not taking ourselves too seriously, we are the people."

The "graduates," who met at Southwestern for the close of six months of civic training sessions, represents a cross section of persons between 25 and 40 considered likely future leaders in the community by the nonprofit Leadership Institute of Memphis.

The institute, modeled after similar ones in other cities, was formed last year.

The 42 men and women selected for the first round of sessions—chosen from more than 400 applicants—paid $400 for the privilege. And, judging from the mood at a reception following yesterday's brief ceremonies, most felt the time and money spent were worth it.

"I think there were areas where we were redundant, but that's to be expected of an undertaking as broad in scope as this," said Rev. Mark Matheny, associate pastor of St. John's United Methodist Church.

"It was a highly useful experience."

The sessions attempted to take a close look at Memphis, particularly in the areas of government, education, environment, religion, health and welfare, and the news media.

Particularly useful, said attorney John Vergos, were the group's "exchanges" with about 200 guests—many of them the movers and shakers in Memphis political, business, educational and religious circles.

"We've gotten to know each other. We've been able to establish friendships. And most importantly, we've learned a lot about what makes Memphis tick," he said.

B. Lee Mallory, president of the Memphis Area Chamber of Commerce, echoed the opinion of other participants, saying the sessions "gave us the chance to find out how Memphis functions, to get a better understanding of people, and, I think, an opportunity to build trust."

The reception following the ceremonies at the university's student center was primarily a chance for the participants to enjoy themselves and compare notes.

Some talked about their experiences of the past six months.

Said Harold Thompson, an architect "My eyes have been opened to a lot of things. One of the main things that motivated me to apply in the first place was to try and find out just who is making the decisions that count in this city.

"I see now that a lot of people are. The big challenge is to try and harmonize the different factions."

Said Vergos, "We've asked some tough questions of some important people in this community. Not all of them were prepared to give us straightforward answers."

Thompson agreed.

"The day we met with the leaders of private (secondary) schools one of us just had to ask, 'I don't notice any blacks. Just why is that?'

"And the answer was, 'Well, we're trying to recruit one for the football team.' "

"To me, that's an example of the kind of questions more of us need to be asking. At least it's a start."

Kate Gooch, executive director of the program, said participants for the 1979–80 session, which begins in September, will be named this month.●

FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER TO BE 31ST PRESIDENT OF THE UNITED STATES

● **Mr. HATFIELD.** Mr. President, within the past 2 weeks, I have had the privilege to share with my colleagues, and general readers of the RECORD, two essays submitted to me by leading scholars on Herbert Hoover. One presented a view of the personal side of Hoover, while the other discussed in large part Hoover's economic policies during his service as Secretary of Commerce in the Harding and Coolidge administrations.

Both were offered to commemorate the 50th anniversary of the inauguration of Hoover, with the hope of contributing to the reevaluation of Hoover and his policies now underway.

Today, I offer a third essay on Hoover. Joan Hoff Wilson, professor of history at Arizona State University, has written an insightful paper discussing, in part, Hoover's public image, the successful attempts of his contemporary political opponents to tarnish it, and the fact that his staff facilitated this in his pre-Presidential days by portraying him as a superman.

Mr. President, I ask unanimous consent that Ms. Hoff's essay, and a brief biographical sketch of the author, be printed in the RECORD.

There being no objection, the material referred to was ordered to be printed in the RECORD, as follows:

BIOGRAPHIC SKETCH OF JOAN HOFF WILSON

Born: Butte, Montana, June 27, 1937

Education: B.A. University of Montana, 1957; Fulbright Fellow, University of Strasbourg, 1958–59; M.A. and Woodrow Wilson Fellow, Cornell University, 1959; Ph. D. University of California, Berkeley, 1966

Employment: Assistant Professor of History, California State University, Sacramento, 1967–70; Associate Professor of History, 1970–73, Professor 1974–76, California State University; Professor of History, Arizona State University, 1976–present

Publications: American Business and Foreign Policy, 1920–33; Herbert Clark Hoover: Forgotten Progressive; Ideology and Economics: the United States and Soviet Relations

HERBERT HOOVER REASSESSED[*]

(By Joan Hoff Wilson)

The fiftieth anniversary of Herbert Clark Hoover's inauguration as the thirty-first President of the United States deserves to be commemorated with a reassessment of his place in American history. I am reminded on this anniversary of another one several years ago marking what would have been Hoover's hundredth birthday. The centennial of his birth took place in 1974 with the usual number of commemorative and academic events. They occurred exactly ten years after Hoover's death in 1964 at the age of ninety. The largest of these gatherings was planned on his birthday, August 10, at his birthplace in West Branch, Iowa. However, it was overshadowed in press accounts and in the public mind by the resignation of President Nixon on the previous day.

Organizers of this major Hoover centennial celebration included the Hoover Presidential Library, the National Endowment for the Arts, the National Park Service and the National Archives and Records Service. The president himself had been scheduled to appear as the honored guest of the occasion. Needless to say, Nixon was a "no show" and Secretary of the Interior Rogers C. B. Morton gave the main address instead.[1] Thus, history once again robbed Hoover of the chance to be honored without qualification, without untoward and unprecedented events intervening—like the worst depression in the country's history or the first resignation of a president of the United States. It is to be hoped that the current anniversary year passes without equally traumatic events occurring.

Perhaps a more accurate title for this reassessment would have been: "Herbert Hoover: The Popular Image of an Unpopular Politician." Certainly since the crash of 1929 the most commonly held public image of him has been at best that of a chubby Calvin Coolidge,[2] and at worst that of an uncaring, political reactionary in time of economic crisis. Both images are inaccurate as so many popular (or in this case, unpopular) images are. Moreover, they are in direct contradiction to the considerable popularity that he enjoyed as a national figure between 1914 and 1929.

In all honesty it must be admitted that even before the Great Depression his supporters had expressed some reservations about his public image. The most common one was summed up in the title of a magazine article in 1928 which pointedly asked: "Is Hoover Human?" This question apparently occurred to many Americans in the course of his long public career, which began in 1914 and continued unabated until the last year of his life in 1964. And despite all the efforts of his loyal friends and sympathizers to convey an image of Hoover as a selfless humanitarian in time of war, peace and depression, the picture has remained unconvincing and one-dimensional, with little life or human warmth.

A large part of this "public amnesia" with respect to both the personality and public achievements of the thirty-first president of the United States is obviously due to the negative impression he created during the depression years, and to the ignominy Democrats heaped upon him after he left office in 1933. But the "inhuman" or cold-blooded Hoover had been common in the public mind before economic disaster struck his administration in 1929 and before Democratic hatchet men like Charles Michelson began to work his image over with modern, mass media smear tactics.[3] In time, of course, even those who had suffered most from the depression gradually began to suspect that Hoover's partisan enemies protested too vehemently and too long against an aging, but nonetheless, devoted public servant. His lifeless image persisted however.

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[*] Unless otherwise footnoted all quoted material in this paper is from my biography "Herbert Hoover: Forgotten Progressive" (Boston: Little, Brown & Co., 1975).

Numbered footnotes at end of article.

But I do not believe that Hoover's cold, impersonal memory in the minds of most people today, and at the height of his public career, can be blamed exclusively on the writings of journalists like Michelson or on such liberal, democratic historians as Arthur Schlesinger, Jr., who wanted to enhance the reputation of FDR and the New Deal at Hoover's expense. On the contrary, his negative image stems in large measure from the fact that his various publicity staffs inadvertently oversold him between 1914 and 1928 as they promoted the important projects with which he was associated during those years.

First they oversold him as an incomparable engineer, "human symbol of efficiency," then as the unemotional savior of starving Europeans, and still later in the twenties as the "super businessman," the great salesman, and finally as an "omniscient economist" until all of these "sell jobs" evolved into the superman image of "some great impersonal force" capable of solving any and all problems the country might encounter under his presidential leadership. During the 1928 campaign his public relations staff realized the necessity of planting articles in newspapers and magazines about his personableness. He is "charming to intimates and children, [and demonstrates] a shyness appealing to women . . .," proclaimed one headline.[4] These attempts to reveal the "real" human or natural Hoover became all the more frantic and unconvincingly evident after the Great Depression began. But what had not caught the public imagination during years of prosperity, had little chance of succeeding in time of economic crisis and anxiety.

Part of this failure in public relations can be attributed to the jealous way Hoover and his wife Lou Henry guarded their private lives from public view since their marriage in 1899. Indeed, until the 550 boxes of Lou Henry Hoover papers are opened to researchers no new light can be cast on this personal side of his life. The most personal piece of primary material by Hoover (as opposed to second-hand statements about him) concern his private life before 1914 is a "love letter" he wrote to a young Quaker girl named Daisy Trueblood at the age of thirteen or fourteen. He and his brother Theodore were apparently competing for her affections in 1887 and 1888.[5] It read:

"FRIEND DAISY (and I hope you are more than my friend, althought I do not dare to head it [the letter] that way yet). You do not know the extent to which I am enthralled, and I am sure that no girl should be allowed such mastery over any person's heart, unless there are such feelings in her own heart. I could not have helped paying my attentions to you, if I had tried and I am sure I did not try very hard. I do not think you care. Do you?

Answer this please,

BERT."

In contrast to this very private glimpse of Hoover as a "lock-sick" youth, his official papers reveal voluminous facts and figures from 1914 about Herbert Hoover, the public man. He appears from these sources to be almost the perfect example of the ideal statesman, a figure of "matchless integrity" and boundless energy devoted to the selfless service of his country. Such a commendable image carried with it an enormous liability as Hoover came to realize only too well. "It is impossible for people to believe someone would try to save the country," he wearily told a close friend in 1939, "without being motivated by politics or vindictiveness."[6]

Another factor contributing to this failure in public relations was Hoover's own personality. Here apparently was the perfect public man whose official image masked an inordinately shy, self-effacing private individual who was a lamentably poor speaker and who harbored strong asocial and apolitical feelings. I do not mean to imply that Hoover was an unsuccessful politician before 1929 because he was apolitical. I am using this term because he refused to practice or endorse traditional electoral or power politics and insisted on a non-coercive role for government whenever possible. But his disdain for traditional, particularly congressional politics, was more than balanced by his successful application of nontraditional, administrative policies and tactics. Unlike his apolitical approach, however, his asocial nature was a distinct liability for which Hoover developed no compensating tactics.[7]

His public image, for which there is an abundance of factual evidence, remains, therefore, flat and uncomfortably unbelievable—an internationally known statesman and humanitarian frozen into a cold exterior by his own personality. Or as one contemporary biographer summed it up: "Herbert Hoover can do things more intensely personal with a more helpless and hopeless impersonality than almost any body else."[8] How could there be a successful American politician who refused to backslap, fraternize with local supporters, kiss babies or engage in any of the expected social and political amenities of the roaring twenties? Truly amazing exclaimed his supporters; truly suspicious grumbled his opponents. In fact there is something both appealing and pathetic in the image of President Hoover struggling painfully through endless state dinners scarcely talking to anyone while press releases about him reported that his favorite song was: "Hail! Hail! The Gang's All Here!"

Thus, his oversold public image, his lack of charisma, combined with the secrecy surrounding his family life and his own retiring, a social nature have led most of his biographers, both hostile and friendly, to conclude that Hoover's career represented a paradox, an enigma, something disturbingly enticing and undecipherable. New research, which began with the opening of the Herbert Hoover Presidential Library in 1966, is finally breaking down this myth about the unfathomable, mystifying Hoover. His public career is being studied in depth as was never possible before, and psycho-historical methods are shedding a little more light on his reticent personality. While his private existence continues to elude historians because of research restrictions, Hoover's known personality traits can now be related to his public career, rather than made to appear in contradiction to it. Furthermore, his contributions to American domestic and foreign policies are currently undergoing such drastic re-evaluation by revisionist historians that he is emerging as a major twentieth century figure. This positive reconsideration comes as a surprise, no doubt, to his friends, relatives, and hagiologists, who cherish the ideal memory of a man who could do no wrong. It also comes as a surprise, no doubt, to those few unforgiving enemies who managed to outlive him.

Few enemies, or friends for that matter, did outlive the ninety year-old Hoover. It is fitting perhaps that the life of this man whose first public image was that of the "Great Engineer" spanned every major technological innovation from the invention of the electric light bulb to outer space travel. Perhaps it would be useful to point out some of the little-known "firsts" about his long and varied life experiences. He was, for example, in the first class to graduate from Stanford University; the highest paid and richest engineer of his time; the first man to personally direct relief efforts on an international scale during and after World War I; the first to make the Secretary of Commerce a major cabinet position; the first Washington official to systematically employ public relations techniques and national conferences on a massive administrative scale; his was the first image transmitted on closed circuit television in 1927; the first Quaker president; the first president born west of the Mississippi; the first president whose inaugural was carried by three media—radio, talking motion pictures, and shortwave; the first president to install a telephone and intercom system in the White House; and finally, he was the first president to use federal power in time of depression.

His "lasts" are not usually recorded, but at least some of them should be. Hoover is, to date, the last of the Horatio Alger presidents of the United States (neither Truman's, Nixon's, Ford's nor Carter's private careers were as meteoric or as financially rewarding as Hoover's before they turned to politics). Hoover's "rags to riches" life began when he left Stanford University in May, 1895, with a little less than fifty dollars in his pocket and an AB in geology. In that year the country was in the midst of a severe national depression, but by 1914 he was a millionaire engineer at the age of forty.[9]

In may ways he also can be considered the last Progressive president, combining many of the best ideas of both Theodore Roosevelt and Woodrow Wilson. But unlike them he made the mistake of becoming a depression president and thus he is seldom thought of as a reformer. And so far he remains the last president to be in office during a major depression. Whether this dubious historical honor will last remains to be seen.

While it is beyond the scope of this paper reassessing Hoover's various public images, I am also convinced on the basis of my own research and that of other revisionist historians that he was the first and possibly the last president in this century to bring to the White House "a comprehensive scientific, organizational approach for dealing with the political economy of the United States" and an equally "comprehensive, non-coercive approach to foreign policy."[10] Although his domestic and foreign policies are now being seriously re-evaluated by a wide array of historians, it will take the rest of this century for his enhanced reputation to be integrated into textbooks for appreciation at any mass level.[11]

Still, there is still a good deal of talk today in academic circles about a so-called "new" Hoover largely because the "old" one has been so misinterpreted or ignored. This is also why "disparate political groups ranging from the far right to the far left think they are rediscovering him." The simple fact is that "his progressive philosophy contained ideas whose time has finally arrived. Americans had to experience the Great Depression, template a value change in domestic and Watergate before they could begin to contemplate a value chaneg in domestic and foreign policies along the cooperative, decentralized, anti-interventionist lines Hoover suggested in the 1920s."

Rather than belabor this particular point I want to review briefly the major positive and negative images Hoover projected from 1914 to 1964. Some of them such as that of the Great Engineer and the Great Humanitarian are obviously derived from his professional and public activities before and during World War One. In particular, his relief work first in Belgium and then in other parts of Europe and Russia, along with his position as Food Administrator in the Wilson administration, made him the best known postwar public figure in the United States next to President Wilson himself. As a re-

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sult, he was sought after as a presidential candidate by progressive reformers in both political parties in 1920.[12]

The images his publicity staff cultivated of him in the course of the 1920s were largely combinations of the original reputations he had earned as an engineer and humanitarian. Thus, for the first half of the decade as Secretary of Commerce Hoover appeared at the lowest common denominator of public opinion to personify the efficient engineer turned super-businessman or great salesman. At the same time more discerning public opinion groups such as economists and engineers recognized him as an advocate of some of the most advanced ideas on scientific social planning and of economic theories for controlling business cycles.[13] His humanitarian reputation was also considerably enhanced during the 1927 Mississippi flood when he completely overshadowed President Coolidge as director of flood relief measures. His relief recommendations included an unsuccessful attempt to break up large southern plantations by subdividing them into family sized farms that could be bought on reasonable credit terms by tenant farmers and sharecroppers.[14]

Hoover's increasing popularity in the decade of the 1920s did not rest on his work in the Mississippi valley alone. In retrospect, however, given the cold, impersonal exterior which Hoover projected in all of his activities, even in his humanitarian work, it is somewhat difficult to believe he was as popular as the mass media reported. This is especially true when Hoover is placed next to notables of the Jazz Age such as Paul Whiteman, Louis Armstrong, Charles Lindbergh, Amelia Earhart, F. Scott Fitzgerald, Ernest Hemingway, Mary Pickford, Rudolph Valentino, Gloria Swanson, Clara Bow, Douglas Fairbanks, Mae West, Aimee Semple McPherson, Paul Robeson, Will Rogers, Rudy Vallee, Charlie Chaplin, Al Capone, and Izzy and Moe—the two best-known prohibition agents. That Hoover should capture the political limelight in such a bizarre and colorful period seems unusual. But in fact the New Era was a curiously lackluster political decade, and by any criteria Hoover was obviously the most active, the most vocal, and hence, perhaps by default, the most popular political leader.

Americans were, after all, weary of the crusading, charismatic leaders that the war had produced at home and abroad and with Herbert Hoover they had an apolitical man who represented the best of the 1920s—a blend of the modern and the traditional.

Even so, Hoover was personally uneasy about his own peculiar brand of apolitical and impersonal popularity by the time he became a presidential candidate in 1928. For example, after delivering his nomination acceptance address on August 11, 1928, he turned to a friend near him and said:

"I wonder if this speech will help me to live down my reputation as an engineer." He was apparently apprehensive that this positive public image had been exaggerated out of all proportion by the time the presidential campaign officially began. Later as president-elect he was more explicitly pessimistic about his greatly inflated reputation. "My friends have made the American people think of me as sort of superman, able to cope successfully with the most difficult and complicated problems," he confided to Willis J. Abbot, the editor of the Christian Science Monitor. "They expect the impossible of me and should there arise in the land conditions with which the political machinery is unable to cope, I will be the one to suffer." It was as though Hoover's administrative machinery for publicizing his activities had acquired an independent existence over the years that was beyond his control by 1928. He feared a negative reaction, a backlash of resentment against him even before the depression occurred. In 1932, during the worst economic crisis this country had ever experienced, he was all the more convinced that he had "been absurdly oversold." As he told Senator George Moses of New Hampshire, "No man can live up to it."

In retrospect Hoover's concern about his inflated image as a superhuman engineer, economist, businessman and humanitarian, who could solve all problems, was certainly warranted. He had spent a good portion of his adult life trying to convince the general public, the business community and individual engineers that they all should be socially responsible.[15] Yet he ultimately did not successfully convey his most complex ideas about reorganizing the American economy along the lines of "cooperative individualism" any more than he did his foreign policy views about "independent internationalism."[16]

This meant that on the eve of the Great Depression he had not succeeded in effecting any basic value change among Americans in general, corporation leaders, or most engineers. In view of this failure to change American values Hoover's most remembered and most negative public image—that of the Great Depression president—was as inevitable as it was accidental.

With characteristic stubbornness he did not quietly accept this single horrendous portrayal of himself as the man who was both responsible for, and did nothing about, the worst depression in the nation's history. If anything Hoover compounded the situation by becoming one of the most vociferous (and in my opinion one of the most prophetic) critics of the New Deal and of American foreign policy both before and after World War II.[17] It is true that after FDR's death in 1945 Hoover's reputation improved slightly because both Truman and Eisenhower sought his advice and employed him as an efficiency expert to improve the organization of the executive branch of government. And we still hear reports from time to time about work of so-called "Little Hoover" commissions at state level. In addition, for a brief period both before and after the Second World War he also re-emerged in his humanitarian role as director of European relief projects.[18]

But by and large his public image remained more negative than positive to the end of his long life because of his consistent opposition to both the New Deal and bipartisan Cold War tactics. Portrayed for years by historians as a laissez faire conservative and isolationist, it is ironic that Hoover is now emerging as the darling of the New Left (or the New Right depending on your point of view). Since this image of Hoover is currently the least understood or accepted among the general public and the academic community, I would like to elaborate upon it.

First, his criticism of the New Deal never waned after 1933 much to the chagrin of most members of his own party, who, by the election of President Eisenhower, had accepted most of FDR's antidepression measures. So his unwavering stand against the New Deal placed him outside not only the mainstream of American politics for the remainder of his life, but also outside of the majority within his own party, as a member of what has come to be called the Old Right.[19] Yet like his criticism of U.S. foreign policy before and after World War II, his attacks on the New Deal sound very modern, that is, they sound much like the criticisms of domestic and foreign policy that became so common in the last half of the 1960s and that have continued into the 1970s.

Both publicly and privately Hoover struck out at those Democrats and Republicans alike whom he deemed "totalitarian liberals," who were devoted to an excessive use of state power, especially in the area of massive government expenditures, but also in terms of increased presidential power over foreign affairs because of the secrecy and deception that often accompanied such power. Moreover, he accused the New Dealers in general and FDR in particular of authorizing interventionist diplomatic and military actions without public or congressional knowledge and of using government propaganda to arouse emotions and to deceive the American people. Finally, he lashed out at Congress for abdicating its constitutional authority over both domestic and foreign affairs, saying that this could only lead to an undermining of the Bill of Rights and of participatory democracy.[20]

Because we have just been through the traumas of Vietnam and Watergate, many of us have almost become inured to statements about the dangers of an "imperial presidency" or of a "Gestapo frame of mind" in governmental circles. Consequently similar statements made by Hoover and other so-called reactionary critics of both the New Deal and the Cold War do not now sound like the crazy aberrations they were made out to be in the 1930s, 40s, and 50s. It is all too easy to forget in either the agony or euphoria produced by the end to the Vietnamese War (followed now by the fall of South Vietnam and most of IndoChina to the communists and the resignation of Nixon and continued investigation of the CIA's and FBI's violations of civil liberties, that the reputations and in some cases the careers of several generations of sincere men and women who opposed the New Deal and the Cold War were ruined by New Deal liberal internationalists. Ironically they used the same tactic against conservative nonconformists like Hoover as McCarthy did against alleged communist sympathizers, namely, guilt by association.[21]

On the one hand Hoover and others like him were conveniently labeled foreign policy isolationists, which automatically made them guilty of being friends either of Hitler before 1941 or of Stalin after 1945. On the other hand they were also written off as domestic conservatives who were out of touch with the need for an ever-expanding economy accompanied by an increasingly anonymous and autonomous governmental bureaucracy. What is curious about this use of guilt by association by liberal New Dealers before and after the Second World War is that they never recognized in themselves the very tactic they so rightly opposed when McCarthy employed it. Their blindness with respect to the righteousness and rightness of their own domestic and foreign policies is best illustrated, I think, when the Cold Warriors of the Truman administration actually accused Hoover of being "a tool of the Kremlin" because of his strong opposition to the ideological nature of the Korean War and because his anti-communism was too moderate by their postwar standards.[22]

Hoover was not alone in his struggle against mainstream American domestic and foreign policies. In fact, he was associated with such leading liberal and conservative politicians, journalists, businessmen, and historians as Charles A. Beard, Oswald Garrison Villard, Senator Robert A. Taft, I. F. Stone, James Paul Warburg, Charles C. Tansill, Walter Lippmann, Harry Elmer Barnes, Senator Claude Pepper, Henry A. Wallace, Senator Glen H. Taylor, John T. Flynn, Senator Gerald P. Nye, Charles A. Lindbergh, and Lawrence Dennis. I do not mean to imply that these men always agreed with each other, but their reputations, like Hoover's, are now undergoing a gradual rehabilitation in the hands of revisionist historians in the United States—most of whom did not experience the Great Depression, the New Deal or even the origins of the Cold War as adults. This is not to say that all aspects of the activities and ideas of these New Deal

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and Cold War critics are equally laudable in retrospect. It is simply a case of their best and most prophetic thoughts and suggestions on foreign and domestic policy now being singled out for reconsideration.[23]

What I have found most surprising in my own attempt to rehabilitate some of Hoover's best domestic and foreign policy ideas is the extent to which he was associated with revisionist historians like Beard and Barnes. There now exists conclusive documentary proof that he not only provided them with information from his own private files, but in the case of Barnes, actively encouraged him and sought funding for his research through the wealthy Portland, Oregon lumberman John W. Blodgett, Jr., the Joseph Pew family of Philadelphia, and Jesse Jones, the former Reconstruction Finance Corporation chairman. Similarly he supported the projects of revisionist historian Charles Tansill.[24] Charles Beard was not in need of financial aid and so in his case Hoover simply provided him with access to restricted documents, including several confidential position papers that he wrote to Secretary of War Henry Stimson and President Truman in May 1945 for ending the war with Japan, which would not have necessitated the use of the atomic bomb, and for avoiding a Cold War in Europe with the Soviet Union.[25]

What we find in this final image of Hoover, therefore, is not an obsolete progressive reformer, or a neo-Wilsonian or even a moderate advocate of New Dealism, multilateralism and globalism, let alone a precursor of Nixonomics as some historians would have us believe.[26] Rather he offered basic alternatives to Americans in the fields of both foreign and domestic policy that were not particularly well articulated or appreciated during his life time. In summary:

Hoover was not alone . . . in anticipating the negative, internal results of modern total warfare. These were commonly held fears among many old-time Progressives of both parties, the Republican Old Right, those concerned primarily with domestic reform, and knowledgeable isolationists and pacifists in the late 1930s. The Second World War did effectively end New Deal reform—just as the First World War had killed progressivism as a national movement and the Indochina war was to end Lyndon Johnson's attempt to create the Great Society. Most important, from Hoover's point of view, was the abandonment of noncoerciveness as a mainstay of American foreign policy in direct proportion to the acceptance of unlimited American intervention in world affairs. Stimsonianism rather than Hooverism became the most pervasive of all the diplomatic legacies of World War II, the defense of an American political, economic, and military empire abroad its major raison d'etre. Such an empire—based on rigid ideological motivation and military tactics—meant to Hoover the extinction of both international and domestic cooperative communities. He had always defined such communities as self-regulating entities. If self-serving groups of political, business, and military bureaucrats were to manage the governing process, then the people would no longer be in control of the country or its foreign policy. The Indochina war and the Watergate scandal have amply demonstrated his worst fears of a society and economy run from the top down by a coercive system of expertise and by what he recently been called an "arrogant elite guard of political adolescents." [27]

The real tragedy of World War II for Hoover lay ultimately therefore, in its impart on his domestic dreams: American self-suffciency, cooperative individualism, associationalism, and a decentralized economy . . . The Great Depression . . . [and the New Deal had already] retarded serious consideration of the merits of public versus private power, of the importance of cooperative versus elitist individual action in a modern, technological nation, and of the impact on the democratic process of employing the immense power of managerial, corporate state in an unlimited fashion at home and abroad. Moreover, the material benefits associated with the New Deal and World War II further delayed consideration of these basic questions; only most recently have domestic and foreign-policy problems been increasingly attributed to a bureaucratic, elitist, community-destroying federal power than borders, some say, on American fascism.

Like many Marxist and non-Marxist anti-establishment historians Hoover had been asking these significant and enduring questions apout the domestic and foreign affairs of the United States since the 1920s. It is no wonder that he criticized the negative implications of such an arrogant interventionist approach to reform and foreign policy before they were anything but the vaguest fear to most critics of the New Deal.

It is true that Hoover placed too much confidence in the ability of his own informal corporatism both to employ expertise in the public interest without succumbing to selfish elitism and to establish a proper balance between industry, agriculture, and labor. He also had too munch faith in the willingness of capitalists to produce efficiently and maintain enough competition to insure that profits would pass on to the workers in the form of lower prices and higher wages. Hoover himself realized that these ideals were unrealized, and that the problem of technological unemployment, for example, was very real . . . While his belief in a cooperative, humane, common-sense capitalism never materialized in the 1920s, it was rooted in the sound idea that only through scientifically controlled expansion could the best of individualism and neoguidist corporatism serve the people, the country, and the world. In other words, there were clearly defined limits to the American system that had to be honored if the United States was not to stumble onto the path of state socialism, fascism, or monopoly capitalism—all of which would destroy the material independence of people, their innovativeness, and their sense of significant political participation.

However correct his theories may appear in retrospect, there were serious defects in Hoover's methodology.[20] . . . Nonetheless, there is much to be said for the best of the transitional ideas that Hoover came to embody. Despite the limitations of his personal philosophy and temperament, they did allow for an alternative foreign policy after both world wars that was not based on unlimited interventionism or the military suppression of revolutions based on communist ideology but rather on disarmament and peaceful coexistence. His views also recognized the relationship between domestic reform and international relations and called for a coordination of national and international policies. They also perceived the dangers of making individuals increasingly dependent upon government bureaucracies they no longer controlled and the necessity of preserving a sense of community participation. That such ideas were not endorsed by his successors in the White House cannot be blamed on Hoover.

His unpopularity and the state of mind of the American public prevented a serious reassessment of Hoover's ideas until most recently. He was, therefore a transitional figure who failed to change people's thinking while he was alive. But his ideas finally are coming into their own—despite his lingering unpopular image.

FOOTNOTES

[1] Herbert Hoover Presidential Library Association News 2 (August and September 1974).

[2] Ray T. Tucker, "Is Hoover Human?" the North American Review 226 (November 1928): 519. The concluding paragraph of this article from which this description of Hoover comes reads: "It may be, after all, that the Hoover whom the public sees only faintly is a fanciful, frustrated figure. It may be that he would prefer to be a people's idol—a rollicking Roosevelt, say, rather than a chubbier Coolidge."

[3] Eugene Lyons, Herbert Hoover: A biography (New York: Doubleday, 1964; reprint of original 1948 Doubleday edition), p. 10; Craig Lloyd, "Aggressive Introvert: A Study of Herbert Hoover and Public Relations Management, 1914–1932" (Ph.D. dissertation, University of Iowa, 1970), p. 296 (subsequently published by Ohio State University Press in 1973): William A. Williams, "What This Country Needs . . . ," New York Review, November 5, 1979, p. 7 (ftnt. 1); Hoover to Lewis L. Strauss, September 10 and October 1, 1934, Herbert Hoover Post-Presidential Papers (hereafter cited as HHPPP), Individual File, Herbert Hoover Presidential Library, West Branch, Iowa; Lewis L. Strauss Interview, February 13, 1967, pp. 27–29, Hoover Oral History Program (hereafter cited as HOHP), Herbert Hoover Library. According to Strauss, Hoover was so angry with Michelson that he nicknamed a piece of blue and white china with a dragon on it, "Charlie."

[4] Nation's Business 13 (November 1925): 81; John Hays Hammond, the Autobiography of John Hays Hammond (New York, 1935) 2: 712; Craig Lloyd, "Aggressive Introvert," pp. 270–71; Will Irwin, Herbert Hoover: A Reminiscent Biography (New York: Grosset and Dunlap, 1928), pp. 30, 58; Oswald Garrison Villard, Prophets: True and False (Freeport, N.Y.: Books for Libraries Press, 1969; reprint of original 1928 edition) pp. 19–36; Tucker, "Is Hoover Human?" p. 513.

[5] For the original of the attached copy see the Burt B. Barker Papers, Herbert Hoover Presidential Library.

[6] David Hinshaw, Herbert Hoover: American Quaker (New York: Farrar, Straus and Company, 1950), p. xix; Hoover to Ashmun Brown, July 11, 1939, Individual File, HHPPP.

[7] For more details about his brand of administrative politics, see: John Westrate, "The Administrative Theories and Practices of Herbert Hoover" (Ph.D. dissertation, University of Chicago, 1963); Peri Arnold, "Herbert Hoover and the Department of Commerce: A Study of Ideology and Policy" (Ph.D. dissertation University of Chicago, 1972); Barry Karl, "Herbert Hoover and the Progressive Myth of the Presidency," paper delivered at the August, 1974 Hoover Centennial Seminar; Jordan A. Schwarz, the Interregnum of Despair: Hoover, Congress and the Depression (Urbana, Illinois: University of Illinois Press, 1970), passim.

[8] William Hard, Who's Hoover (New York: Dodd, Mead, 1928), p. 10.

[9] The best source about his financial situation before and after 1914 remains an article in Fortune for August, 1932. All primary material of a financial nature is not open to research at the Hoover Library. Minor additional information about his finances can be found in the appendices of both Roy V. Peel and Thomas C. Connelly, the 1932 Campaign: An Analysis (New York: Farrar and Rinehart, 1935) and Walter W. Leggett, the Rise of Herbert Hoover (New York: H. K. Fly Company, 1932). Also see David Burner, Herbert Hoover: A Public Life (New York: Alfred A. Knopf, 1979), pp. 21–62.

[10] I have extensively discussed both subjects in Herbert Hoover: Forgotten Progressive (Boston: Little, Brown and Company, 1975). I have dealt even more extensively with Hoover's economic and political foreign policies in American Business and Foreign Policy, 1920–1933 (Lexington: University Press of Kentucky, 1971) and Ideology and

Economics: United States Relations With the Soviet Union, 1918–1933 (Columbia, Mo.: University of Missouri Press, 1974). The most sophisticated and authoritative material on his domestic economic and organizational ideas can be found in the published and unpublished essays of Ellis W. Hawley. In brief, Hoover's domestic economic ideas stressed the principle of associational, decentralized corporatism, which involved an informal cooperation and delicate balance between private and public segments of the political economy. It is essentially a neoguildist brand of corporatism that Hawley has called "cooperative capitalism" and that I have referred to as "cooperative individualism." The concept and the principles upon which it was based were seriously undermined in the course of the 1920s as the distinctions between, and the responsibilities of, the private and public sectors of the economy became increasingly blurred as a result of often contradictory legacies from the Progressive Movement and World War I. This neoguildist brand of corporatism was repudiated and finally abandoned in the panic of the Great Depression for an equally ambiguous, pluralist brand of liberal welfare statism. Neither version of corporatism as yet established an economic and political order compatible with the proclaimed humanitarian and democratic ideals of the United States.

[11] While this much needed re-evaluation was begun by William Appleman Williams in the early 1950s, it is now being conducted by a number of younger historians of various political persuasions. Much of their work remains unpublished in the form of Ph.D. dissertations or in a few recently published articles. See Wilson, Herbert Hoover, pp. 289–300 for a review of this new Hoover scholarship. As of 1970 just as most of this scholarship was beginning to appear, a new poll of historians indicated that Hoover has risen slightly in the estimation of historians (from 20th in 1948, to 19th in 1962, to 18th in 1968). This latest poll also showed that historians were beginning to recognize certain similarities between Presidents Wilson and Hoover, largely in terms of their "inflexible idealism," even though their political ideologies were considered to be quite different. Ironically, much of the revisionist work on Hoover since 1970 has documented many similarities in the political ideologies of the two men and other facts about Hoover about which historians polled in 1970 knew little, if anything. See Gary M. Maranell, "The Evaluation of Presidents; An Extension of the Schlesinger Poll," The Journal of American History 57 (June 1970): 104–113. Two of the latest and best reevaluations of his foreign and domestic policies are: Ellis W. Hawley, The Great War and the Search for a Modern Order: A History of the American People and Their Institutions, 1917–1933 (New York: St. Martins Press, 1979), pp. 100–229, *passim*, and Melvyn P. Leffler, The Elusive Quest: America's Pursuit of European Stability and French Security, 1919–1933 (Chapel Hill: The University of North Carolina Press, 1979), pp. 273–315, passim.

[12] This is not meant to imply that there was little criticism of Hoover's work as Food Administrator or as director of foreign relief. In neither position did he act as objectively as his Memoirs would lead one to believe. There is now abundant evidence that he favored certain business interests over others, sometimes used food relief to maintain high agricultural prices in the United States and as weapon against communist forces abroad. Feminists, for example, criticized him for portraying women as the major wasters of food in the United States, while others have noted his economic and ideological biases. See: Anne Henrietta Martin, "Will Women Vote for Mr. Hoover?" 1920 draft copy, Box No. 1, Martin Collection, Bancroft Library, University of California, Berkeley; Gary Dean Best, "Food Relief in Price Support: Hoover and American Pork," Agricultural History 44 (October 1970); William R. Johnson, "Herbert Hoover and the Regulation of Grain Futures," Mid-America 51 (July 1969): 155–74; George W. Hopkins, "The Politics of Food: United States and Soviet Hungary, March-August, 1919," Mid-America 55 (October 1973): 245–70; Benjamin M. Weissman, "The American Relief Administration in Russia, 1921–1923; A Case Study in the Interaction Between Opposing Political Systems" (Ph.D. dissertation, Columbia University, 1968), pp. 36–37, 51–56, 76–76, 107–9, 138–39, 180–81, 209–9, 263–4, 341–49, 354. [Subsequently published by Stanford University Press in 1974] Murray Rothbard, "Hoover's Memoirs and his 1919 European Work," paper delivered at the October, 1974 Hoover Centennial Seminar. Despite such criticism of his relief and food activities, Hoover remained, motionless, a promising presidential candidate in 1919–1920: See Wilson, Herbert Hoover, pp. 47–53, 73–78; Gary Dean Best, "The Hoover-For-President Boom of 1920," Mid-America 53 (October 1971): 227–44.

[13] J. Joseph Huthmacher and Warren I. Susman, eds., Herbert Hoover and the Crisis of American Capitalism (Cambridge: Schenkman Publishing Company; American Forum Series, 1973), passim; Ellis W. Hawley, "Herbert Hoover and the Economic Planners, 1931–1932," paper delivered at the Southern Historical Association Convention in November, 1968; idem, "Herbert Hoover and Economic Stabilization 1921–1922," paper delivered at the April, 1974 Hoover Centennial Seminar; iden, "Herbert Hoover, the Commerce Secretariat and the Vision of an 'Associative State,' 1921–1928," The Journal of American History 62 (June 1974): 116–140; idem, "Herbert Hoover and American Corporatism, 1929–1933 in The Hoover Presidency: A Reappraisal (Albany: State University Press, 1974); Carolyn Grin, "The Unemployment Conference of 1921: An Experiment in Cooperative National Planning," Mid-America 55 (April 1973): 83–107.

[14] Bruce Alan Lohof, "Hoover and the Mississippi Flood of 1927: A Case Study of the Political Thought of Herbert Hoover." (Ph.D. dissertation, Syracuse University, 1968), pp. 210–213, passim.

[15] Kent Schofield, "Herbert Hoover and the Engineers in the 1920s," paper delivered at the AHA Convention in December, 1974; David Burner and Thomas R. West, "A Technocraft's Morality: Conservatism and Hoover and the Engineer in the Hofstadter Aegis: A Memorial (New York: Alfred A. Knopf, 1974) edited by Stanley Elkins and Eric McKitrick; Burner, Hoover, pp. 63–71; Edwin T. Layton, Jr., The Revolt of the Engineers: Social Responsibility and the American Engineering Profession (Cleveland: The Press of Case Western Reserve University, 1971), passim; Hawley, The Great War and the Search for a Modern Order, pp. 54–55.

[16] These were not Hoover's terms, but they are ones I have defined and used to refer to his domestic and foreign policies. See: Wilson, American Business and Foreign Policy, pp. xv–xvii, 240–41; idem, Herbert Hoover, pp. 6–7, 26–27, 57–58, 64, 168, 175, 179; idem, "A Re-evaluation of Herbert Hoover's Foreign Policy," in The Hoover Presidency. Also see footnotes 10 and above and 25, 26 below.

[17] For details about his initial criticisms of the New Deal and his views on foreign policy following World War II see: Joan Hoff Wilson, "Herbert Hoover's Progressive Response to the New Deal," paper delivered at the Conference on Three Progressives from Iowa, March, 1979, and idem, "Herbert Hoover's Plan for Ending the Second World War," The International History Review 1 (January 1979): 84–102.

[18] Charles D. Cary and Russell M. Ross. "Herbert Hoover and Executive Reorganization: An Appraisal," paper delivered at October, 1974 Hoover Centennial Seminar (see footnotes for other accounts of his reorganization activities) Hoover to Truman, May 30, 1945 (three memoranda on food relief and related economic problems), April 21, 1946, December 3, 1946, January 18, 19, February 26, March 12, 18, 29, April 21, 1947, February 6, 9, 14, June 19, July 4, 9, 1949; Truman to Hoover, January 18, 1947, November 12, 1948, February 11, July 14, 1949, Hoover to Eisenhower, January 13, April 23, 1954, April 29, 1955, April 22, December 27, 1956, February 7, 25, May 18, 1957, February 11, June 7, 10, August 8, 1958; Eisenhower to Hoover, October 15, 1956, January 3, 8, February 4, 6, 1957, February 11, 1958—all in individual Files, HHPPP.

[19] By the end of the decade of the 1930s the Old Right was composed largely of the least conservative Republicans who were drawn together by their common opposition to the New Deal because by that time the ultraconservative big business and banking interests had retired from the battle against the New Deal after discovering they had little to fear from its moderate reforms. It was this middle or left-of-center group of Old Right Republicans that New Dealers first characterized as conservatives (because of their opposition to FDR) and later renamed as isolationists. For more information about this group see: Leonard P. Liggio, "A New Look at Robert Taft," and Justus D. Doenecke, "The Strange Career of American Isolationism, 1944–54," both papers delivered at the AHA Convention in December, 1973, Ronald Radosh, Prophets on the Right: Profiles of Conservative Critics of American Globalism (New York: Simon and Schuster, 1975), passim.

[20] Hoover's private correspondence with John Callan O'Laughlin is probably the most valuable source for his criticisms of foreign and domestic policy from 1933 to 1949. It is housed in the Library of Congress. Also see Wilson, Herbert Hoover, pp. 208–68.

[21] "Goldwater on the State of the U.S.," San Francisco Chronicle, October 3, 19, 27; Arthur M. Schlesinger, Jr., "The Imperial Presidency," Sacramento Bee, Section P, December 2, 1973, p. 1. In 1955 the Hoover Commission warned against "the growth of license and abuse of power" inherent in the supersecrecy accorded U.S. intelligence gathering agencies. See San Francisco Chronicle December 15, 1974, p. 21. For the similarity of tactics between liberals and McCarthy see: Wayne S. Cole, "A Tale of Two Isolationists—Told Three Wars Later," The Society for Historians of American Foreign Relations Newsletter 5 (March 1974): 11–12.

[22] Justus D. Doenecke, "Harry Elmer Barnes," paper delivered at the OAH Convention in April, 1972; Cole, "Tale of Two Isolationists," pp. 2–6; Wilson, "Hoover's Plan for Ending the Second World War," pp. 92–93.

[23] Justus D. Doenecke, "Harry Elmer Barnes," Wisconsin Magazine of History 56 (Summer 1973): 311–323, idem, "Harry Elmer Barnes: Prophet of a 'Usable' Past," The History Teacher 8 (February 1975): 26–76; idem, the Literature of Isolationism: A Guide to Non-Interventionist Scholarship (Colorado Springs; Ralph Myles, Publisher, 19/2); Radosh, Prophets On the Right, passim; Thomas G. Patterson, Cold War Critics: Alternatives to American Foreign Policy in the Truman Years (Chicago: Quadrangle Books, 1971), passim.

[24] John W. Blodgett, Jr., to Hoover, December 15, 1950, November 5, 1951, March 4, 1952, February 2, May 10, 1954; Beard to Ray Lyman Wilbur, October 9, 1945, Wilbur to Hoover, October 16, 1945; Hoover to Beard, October 16, 1945; Ray Henle to Hoover, June 10, 1958, Individual Files, HHPPP: Barnes to Hoover, May 12, 1952, William Castle, Papers, Hoover Presidential Library; Hoover to Barnes, January 12, 1946, July 17, 1947, July

19, 1950, January 12, June 12, November 10, 1951; February 12, 1952; December 25, 1959; Barnes to Hoover, January 9, 1946, January 9, June 9, November 8, 1951, May 12, 1952; William Neumann to Blodgett, October 16, 1947, Barnes to Blodgett, January 9, 1953, Blodgett to Barnes, June 9, 1953—all in Henry Elmer Barnes Collection, Coe Library, University of Wyoming.

[25] Mrs. Alfred (Miriam) Vagts to author, March 30, 1971. These confidential position papers are now part of the Public Statements Collection at the Hoover Library and were published for the first time in Wilson, "Hoover's Plan for Ending the Second World War," pp. 93–102.

[26] Donald R. McCoy, "Herbert Hoover and Foreign Policy, 1939–1945," paper delivered at October, 1974 Hoover Centennial Seminar; Alexander De Conde, "Hoover and Foreign Policy," paper delivered at August, 1974 Hoover Centennial Seminar; Selig Adler, "Hoover's Foreign Policy and the New Left," in The Hoover Presidency; Melvyn P. Leffler, "Political Isolationism: Economic Expansion or Diplomatic Realism? American Policy toward Western Europe," in Perspectives in American History 7 (1974): 413–61; Michael J. Hogan, "The Private Structure of Cooperation in American Foreign Policy, 1918–1928" (Ph. D. dissertation, University of Iowa. 1974); Joseph Brandes, "Herbert Hoover's Anti-Monopoly Campaign at Home and Abroad," paper delivered at April Hoover Centennial Seminar; Donald J. Mrozek, "Herbert Hoover and Conservative Opposition to Truman's Overseas Military Policy," private paper in possession of author; New York Times, June 25, 1975, p. 53.

[27] Vice President Ford quoted in San Francisco Chronicle, March 31, 1974, p. 1.

[28] For details see Wilson, Herbert Hoover, p. 280, passim.●

FREEDOM FOR LITHUANIA

● Mr. LEVIN. Mr. President, June 14 marked a tragic anniversary. Thirty-eight years ago countless thousands of Lithuanians were deported by the Soviets to certain death in Siberia.

Lithuania was one of the first countries to experience the aggression of both Hitler and the Soviet Union. When the outbreak of the Second World War seemed imminent, Lithuania attempted to maintain absolute neutrality, but was gradually engulfed. The numerous arrests, executions and exiles during the year of Soviet domination of Lithuania testify to the resistance offered by the Lithuanian nation to Communist rule. During Soviet occupation, it is estimated that 45,000 Lithuanians died, and an equal number fled. Others were deported or arrested. On the night of June 14, 1941, 30,000 members of Lithuanian intelligentsia were deported to Siberia and 5,000 political prisoners were executed when the Soviet forces hastily retreated under German attack. Only a few days later, after the German attack June 22, 1941, Nazi forces overran Lithuania. Almost all Lithuanian Jews were executed by the Nazis. During this occupation the Germans inaugurated a colonization policy and several thousand German families were settled in Lithuania. These German families remain in this area today.

But the struggle of the Lithuanians for the homeland has not stopped. Active in the anti-Soviet resistance movement of the 1940's, Lithuanians, Balys Gajuaskas and Viktoras Petkas have spent much of their life in Soviet concentration camps. Their crimes—human and religious activities.

Balys Gajuaskas has since been harassed, searched and interrogated for activities, including possible participation in the production of the chronicle of the Catholic Church in Lithuania. Viktoras Petkus has since been arrested and charged with anti-Soviet agitation and propaganda. He is sentenced to 10 years hard labor in a Soviet concentration camp, and 5 years of enforced exile. Both men were designated "prisoner of conscience" by Amnesty International and both men, in 1979, were nominated, with other dissidents, for the Nobel Peace Prize by congressional members of the Commission on Security and Cooperation in Europe. An article from the underground paper "Ausrele"—Young Dawn—circulated in occupied Lithuania on February 16, 1978, spoke of a new freedom:

> Free people exist not only in the free world, protected by democratic constitutions, but also in countries where any desire for freedom is squelched with bullets, jails, psychiatric hospitals. A slave is only he who accepts his servitude, who does not feel the chains which bind him. A man who is afraid is already defeated. He easily succumbs to the economic and political exploitation of the enslaver. Self-respecting man has to overcome innate fear, to rise above natural inclinations, to prove that there are aspirations which are more valuable than life itself.

Men like Balys Gajuaskas and Viktoras Petkus who work and speak so strongly of a newly defined freedom set an example for all. Their inextinguishable yearning for freedom justifies recognition for all Lithuanians who under the most impossible conditions continue the traditions of the free Lithuanians. Balys Gajuaskas is in poor health because of his previous imprisonment. It is unlikely that he can survive his current sentence unless his freedom is secured.

Viktoras Petkus has no family to plead his case. Only the Western World can help to secure his release and freedom. It is my hope that these men are soon set free and their continued struggle for freedom finds success.●

THE UNTOUCHABLES YOUTH RAPPORT

● Mr. ARMSTRONG. Mr. President, the Untouchables Youth Rapport is a Denver nonprofit group dedicated to helping kids in trouble. Whether it is heroin-addicted teenagers, preteen runaways, or sixth graders with VD, the Untouchables offer counsel, and try to restore a sense of purpose and meaning to their lives.

The Untouchables touch lives of troubled youths in ways so successful and so dynamic that I safely say no Federal or State youth program can match their enviable record.

Ten years ago Ron Rubanowitz left a successful Colorado corporate career to start the Untouchables. Now some 70 volunteer counselors work with more than 9,000 kids who seek the Untouchables help each year.

Their success is fantastic. In 1978, for example, 1,478 runaways came to the Untouchables; 1,385 have returned and stayed home. Then each receive a weekly call from the Untouchables to check on their progress and to offer encouragement.

What makes the program work is that, "we never talk down to a kid. We teach them better with love," says Ron. Another reason it succeeds is Ron's fine leadership. He embodies all the qualities of a leader. Effective, committed, dedicated, goal-oriented, aggressive, practical, and principle. This leadership is why the Untouchables make miracles happen, operating on just a few thousand dollars when so many other multimillion dollar social programs fail.

Mr. President, I commend the Untouchables. I hope my colleagues can take a few minutes to read the Rocky Mountain News article about the great work the Untouchables are doing.

I submit the following article for the RECORD.

RON RUBANOWITZ: TACOS TO "THE UNTOUCHABLES"

(By Pamela Avery)

Eight years ago, Ron Lee Rubanowitz was a successful corporate executive. As vice president of the Mister Taco Mexican food chain, he was living the good life.

But, that was before he witnessed a youngster overdosing on drugs outside of a Boulder Mister Taco. And, it was before he became alarmed about the rampant drug and alcohol abuse among his young clientele.

Rubanowitz, now 39, decided to do something about this. He formed, with the help of his young sons, Eric and Dan, an organization called the Untouchables Youth Rapport.

The Untouchables, now a 60-member-strong volunteer agency, offers informal counseling, food and occasionally a place to stay for hundreds of young runaways, drug and alcohol abusers, and victims of parental battering.

Today, Rubanowitz no longer is a corporate executive. He gave up the Mister Taco vice presidency and now lives in a modest Denver home, drives a modest car and wears modestly priced clothes.

He traded the executive suite for a ramshackle clubhouse packed most afternoons with youngsters noisily competing against each other on clubhouse pinball and football machines.

But he still lives the good life.

"Helping kids is the biggest high you can get." Said Rubanowitz. "This is one of the things we try to sell to our kids. Helping others is better than drugs and booze."

Rubanowitz, who now makes ends meet by working as a restaurant consultant, has been selected to receive the Minoru Yasui Community Volunteer Award.

The award, which is sponsored by the Denver Commission on Community Relations, the Rocky Mountain News and United Bank of Denver, will be presented 7:30 p.m. Wednesday in the Untouchables clubhouse, 3422 S. Bannock St.

Hard-rock tunes blare and clubhouse pinball machines clatter in the background as Rubanowitz, oblivious to the din, helps youngsters with the same zeal he once reserved for peddling tacos.

"It took that kid overdosing in front of the restaurant for me to realize that there really isn't any place for young kids to go," sighed Rubanowitz. "There's nothing for 9-10- and 11-year-olds to do. They turn to drugs and alcohol as an escape."

The first thing Rubanowitz did to change this was to open "kid" centers in the back of Mister Taco restaurants. Next he began to instill some pride in his young clients by offering them job training.

Then he and several dozen community volunteers organized enough support to open a separate clubhouse where kids could go after school to listen to their own brand of music, eat pizza and play pinball machines without being hassled by parents, the police or the drug pushers who lurk around many teen hangouts.

Rubanowitz flipped through two thick scrapbooks jammed with newspaper clippings about the organization and endorsement letters from businessmen, politicians and celebrities. He picked out letters from former clients expressing what the Untouchables did for them.

There are dozens of such letters scattered throughout the scrapbooks. One is from a former drug addict who now is a Florida veterinarian. Another is from a once-confused young woman who intends to become a police officer" when she grows up."

Rubanowitz recalls only a few failures.

"There's no big secret," he said. "It's all a matter of caring, and helping these kids to care about something. Many of these kids have nothing to go home to. Now they can come here."

Many of his young clients are the sons and daughters of prominent, well-to-do parents, he noted. Some are as young as seven years old.

He told of a nine-year-old with a cocaine habit who would deposit $10 in the donation jar every time he came to play pinball at the club.

"The kid was getting $20 a week allowance from a father who was a successful doctor," said Rubanowitz.

He eventually asked the child why he was donating to the Untouchables fund even though he continued to use drugs.

"That kid looked at me and said, 'Hey big man, I'm not ready to give up drugs yet, but when I am, I want to make sure that you guys are around'," quoted Rubanowitz.

The youngster, now 11, did quit, he added, and has decided to become a doctor. "He really wants to do something for society."

Rubanowitz has one more thing he wants to do for troubled kids and for society: he wants to open a kids' nightspot.

"It would be something like the London House, only no booze," said Rubanowitz looking dreamily across the room. "There would be lots of fun, different kinds of food and dancing."

The funds generated from the "nightclub," would be used to finance a halfway house for youngsters who need a place to stay. It also would provide seed money for the dozens of Untouchables clubhouses Rubanowitz wants to open around the state.

He's about $84,000 short of his goal, an amount that might discourage a less adventurous entrepreneur.

"We've got a ways to go," he admits. "But we're not going to give up. These kids—the ones who come here—are the best resources this nation has. We're not going to give up on them." ●

IMPROVING TRANSPORTATION IN RURAL AMERICA

● Mr. McGOVERN. Mr. President, last week the administration released its sixth rural development initiative, "Improving Transportation in Rural America." These initiatives are to provide the foundation for a comprehensive Federal rural policy.

Of all of the problems facing millions of Americans living in rural America, adequate transportation may be the most serious. Airlines have reduced service to hundreds of small and medium seized communities since passage of airline deregulation. Railroads are abandoning rural branch-line service in an effort to consolidate plant and reduce costs. Due to a decline in the intercity bus industry hundreds of small towns have lost service in the last few years. The inability to efficiently move people and goods in rural areas paints a dismal picture for the future of many rural economies.

Unfortunately, the administration's rural transportation initiatives does not even begin to address these grave transportation problems. Their initiative is little more than a summary of existing inadequate programs and offers no hope for improvement in rural transportation.

Some of our greatest gains in energy efficiency could be realized under a strong rural transportation initiative. During the present fuel shortages, rural residents have had little opportunity to conserve fuel. This is especially true in my State South Dakota where in many cases we must drive or walk to conduct daily business. The development of a program to provide adequate access to both freight and public transporttion could go a long way toward reducing oil consumption for every rural State in the country.

Against this backdrop, the administration's proposal has completely ignored public intercity transportation for small communities that have no alternative form of common carrier intercity transportation.

Only a few years ago, this industry served hundreds of additional isolated communities, but service has been eliminated due to an overall decline in the industry. Intercity bus companies have never received any comprehensive Federal assistance. Yet, they compete head to head with other federally subsidized transportation modes. Intercity buses are the most fuel efficient means of passenger transport. Yet the administration's rural transportation policy completely ignores their significant contribution to rural transportation and energy conservation, and consistently refuses to provide any assistance to improve rural bus transport.

Mr. President, I ask unanimous consent that a letter to the President from the American Bus Association, which represents many of the carriers providing rural bus service, be printed in the Record.

The letter follows:

American Bus Association,
Washington, D.C., June 21, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: I was shocked and dismayed that in the initiatives to improve transportation in small towns and rural areas announced yesterday that the nation's principal method of intercity transportation in rural areas, the intercity bus, was ignored completely. I cannot believe this policy properly reflects your own views. We do not take issue with the objectives announced, but we do take issue with the fact that the intercity bus industry is totally left out of the picture while alternative programs, many of which would divert traffic from the intercity bus industry, are expanded and funded.

The intercity bus industry serves approximately 15,000 communities over 277,000 miles of route. Of these, over 14,000 have no alternative form of common carrier intercity transportation. Unfortunately though, intercity bus service is gradually being withdrawn from rural areas. In the past ten years service has been dropped at approximately 1,750 communities and schedule frequency has been reduced generally in all rural areas. At present, service to over 1,000 rural communities is in jeopardy because these communities are served on routes which are losing money and these losses are impairing the ability of bus companies to meet their cash needs to replace buses and rehabilitate bus terminals. Thus, at a time of critical energy shortages, the fuel efficient intercity bus service is being eliminated as an alternative to the private automobile for intercity service within and to and from rural areas. This program provides additional subsidized competition which will further impair the ability of the intercity bus to do its job. With these new initiatives it will be more difficult for us to maintain and improve service.

Your Administration is proposing to spend billions of dollars a year to improve mass transit services in urban areas to provide the urban resident a fuel efficient alternative to the private automobile, and that makes sense. It also makes equal sense to make certain the fuel efficient intercity bus is available as an alternate to the private automobile in rural areas as well.

We do not understand the logic of this Administration which for the last two years has opposed the nominal assistance requested by the intercity bus industry to provide for a continuation of bus service in rural areas and to provide financing for the rehabilitation and construction of modern bus terminal facilities. These programs were authorized in the Surface Transportation Assistance Act of 1978 and the funding to the extent of $35 million will be considered this next week. The support of the Administration is urgenty needed.

As contrasted to this modest but effective program, the Administration proposes to "target over $200 million in newly available grant, loan and loan guarantee resources . . . to commuter airlines wanting to enter rural markets and to small community airports to upgrade facilities. These resources would supplement over $1 billion which the Administration hopes to make available between 1981 and 1985 through a proposed amendment to the Airport Development Assistance Act of 1970."

Last year approximately 30 percent of the 335 million passengers who rode the intercity bus originated or terminated their trips in rural areas. These passengers were carried in the most fuel efficient mode of transportation—the intercity bus—which at normal load factors achieves a fuel efficiency six and one-half times that of commuter airlines. It is inconceivable that this Administration would develop a transportation policy for rural areas which would result in the expenditure of an additional $1.2 billion over the next five years to subsidize commuter airlines in rural areas and refuse any support for the present fuel efficient common carriers serving those rural areas at a loss.

I strongly suggest that any rural transportation policy which does not recognize the essential service that the intercity bus provides for rural citizens and which does not work to enhance and strengthen that service is fundamentally unsound.

I respectfully urge you to ask your Task Force to re-evaluate the posture of your Administration in regard to the support of this Administration for rural transportation and the intercity bus industry.

Arthur D. Lewis,
President. ●

WHY WE NEED A LONG RANGE ENERGY POLICY NOW

● Mr. MATHIAS. Mr. President, in 1959, we were extracting more than 2.9 billion barrels or 81.4 percent of all the oil we used from our own resources in Texas, Oklahoma, Louisiana, California, and other oil-producing States.

Today we are extracting 3.7 billion barrels, but our consumption has more than doubled. We are guzzling 6 billion barrels of oil annually. Half comes from foreign sources, because we no longer have the cheap reserves of 1959.

In 1959 the average American family owned one car. Today, the two- and three-car family is commonplace. In 1959 there were 59.4 million registered cars in the country. Today, we have 117.1 million—almost double in about two decades. That's just automobiles. We have not even considered the motor homes, campers, trucks, farm tractors, motorboats, power mowers, motorcycles, mopeds, dunebuggies, and other gasoline-propelled vehicles and gadgets that have made us the most extravagant consumers of energy in the history of the world. With 6 percent of the world's population, we consume more than 30 percent of its energy.

In 1960, the American electric power industry generated 760 billion kilowatt-hours of electricity, mostly in coal-fired generating plants. Last year, we generated 365 billion kilowatt-hours of electricity in oil-burning plants alone.

Wherever I travel in Maryland, I find people baffled by our country's energy policies and resources. Many believe today's gasoline shortage is phony. They believe it is a result of bad management, or government interference and overregulation, or is an outright conspiracy by oil companies to extract maximum profits.

We have a serious credibility problem. But facts do not lie, and the facts of American oil consumption indicate we are in a genuine crisis.

Let us look at some of the statistics. Dr. Owen Phillips of Johns Hopkins University, writing in the Baltimore Sun recently, estimates that the United States has only 31 billion barrels of oil in reserve. That is less than a 10-year supply at the rate we are using our own oil reserves. We consume about 2 billion barrels of domestic oil a year. Today U.S. oil meets only 57 percent of our needs.

Not only are we consuming more oil, but we are paying seven times what it cost just a few years ago. In 1975 a barrel of imported crude cost $2. Today, that same barrel costs $17.20 and is the main cause of inflation in the United States and elsewhere in the world.

How did we get into this position? Part of it is a result of just plain growth. Another part is the loss of oil from Iran to the world market, as a result of the Iranian revolution of last February. But the bottom line in the world energy crisis is the decision by the Organization of Petroleum Exporting States (OPEC) to use their oil as a political and economic weapon.

The current level of oil imports is causing the huge unfavorable balance of payments in our trade with the rest of the world, which in turn fuels inflation. We are sending far too many of our hard earned dollars abroad.

By every known barometer, the energy crisis is real. What steps we take today will determine how well off we are tomorrow. That is why I believe we must move now to develop a definitive national energy policy.

In our inventive and imaginative society, there are ways to alleviate the immediate crisis and begin insuring stable energy sources for the future.

We must insist that the oil companies plow any new profits into exploration, research, and intensified oil production.

We must make better use of alternative fuels at hand, principally coal, especially because the future of nuclear power is in doubt.

We can conserve, as many Americans are already doing at considerable sacrifice. Over a period of time, we can reduce our consumption of fuel for heating and cooling through better insulation and by lowering thermostats in the winter and raising them in the summer.

We can conserve by driving smaller and more fuel-efficent cars many of which are already on the market and by restraining our desire to drive on every little errand.

We need effective and efficient public transportation—rail, bus, subway, and more automobile pooling.

But, some solutions such as widespread use of solar energy, the gasification and liquefaction of coal, harnessing the wind and tides, the production of synthetic gasoline, and the assembly line production of cars which can travel 50 to 70 miles on a gallon of gasoline are definitely long term.

We can look bleakly to many years of shortages and high prices.

On many occasions in the last few years I have expressed concern about the Administration's inadequate leadership on energy matters. The President has not acted vigorously and urgently. He has proposed energy programs, but has not pressed for them consistently or effectively.

Long ago, he should have brought business leaders, scientists, representatives of Government, and private organizations together for a White House Conference on Energy.

As for the feeling that we are being "ripped off" by the oil industry, we need full assurances that the accounting methods of the oil companies can be trusted. They should open their books to fuller public view and examination. Their accounting practices, particularly the determination of expenses incurred in exploration, drilling and depreciation, should be made public.

A recent Washington Post analysis of the finances of 27 large oil companies shows that the industry's earnings are not spectacular, but each of the 27 companies with sales of $1 billion or more are doing significantly better than immediately before the quadrupling of oil prices.

If it is true, as the oil companies claim, that their profits are not as high as those of American industry in general, then we should have access to all the facts to confirm it.

The situation is far from bright. It would be less alarming and more easily endured, however, if there were a general consensus in the country that we truly have an energy crisis, that it will be costly to work our way out of it, and that American ingenuity, if freed from restrictions and given leadership in both public and private sectors, will find solutions.

Today's energy crisis challenges our civilization and threatens its very survival. It is the nature of our democratic way of life that ideas must be tested in the crucible of public debate. Ultimately, confrontations must give way to compromise. We must begin to bind the disparate forces of our society into a coalition of common purpose. If we do not, we surely will exit, as T. S. Eliot tells us, not with a bang, but with a whimper.

The energy issue is really bipartisan, because it involves all of us. As one of my colleagues said recently:

> The problem of energy is so serious we're approaching a condition of war * * * we almost have to return to bipartsanship on that issue.

It is an awesome sight when Americans are fully mobilized, as we were in World War II. It is not overstatement to say that the peace and progress of the world depend on how soon we as a nation make up our minds on energy and do something about it.●

COMPETENCY IN FEDERAL AGENCY APPOINTMENTS

● Mr. SASSER. Mr. President, I wish to share with my colleagues an idea which should be considered in our discussions of regulatory reform. This idea is thoughtfully presented in an article in the February edition of the American Bar Association Journal.

The article below makes the case for establishing an independent review panel to consider the qualifications of individuals being considered for Presidential appointments. The authors of this article feel that such a review panel would enhance the quality of the individuals being named to head Federal regulatory agencies.

I ask that the article be printed in the RECORD.

The article follows:

ASSURING COMPETENCE IN FEDERAL AGENCY APPOINTMENTS

(By Ernest Gellhorn and Robert E. Freer, Jr.)

It is generally acknowledged that one of the critical drawbacks of the regulatory commissions—indeed, probably their most serious deficiency—is the quality of appointments made to them. Commissioners often have limited knowledge of their agencies before they are appointed, and few have special qualifications for their positions in terms of ability, background, or preparation. The realities of practical politics, while not irrelevant in a democratic society, have intruded to an alarming degree. As one recent study, the Graham-Kramer Report, of appointments to the Federal Communications Commission over the past quarter century concluded, the agencies too often have become a haven for defeated congressmen and members of their loyal staffs, for political friends without other redeeming qualities, and for those without even the energy to learn.

The procedures used by presidents in making appointments are informal, unstructured, and idiosyncratic. No mechanism exists for developing a wide spectrum of able candidates, for evaluating their credentials, abilities, and interests, for assaying their commitment to the task, or for assuring adequate performance once they assume office.

Just as the appointments system appears to be limited and quixotic, so the confirmation process in the Senate is often cursory and routine. For example, three F.C.C. commissioners were approved in 1974 after hearings that lasted half a day. In 1976 a member of the Federal Trade Commission was approved after seven minutes of hearing and a voice vote on the Senate floor with a handful present. Seldom are the questions put to nominees in Senate hearings penetrating; frequently they deflect serious discussion into trivial issues of only parochial interest.

One response, proposed by Sen. Abraham Ribicoff, focuses on the Senate's review of financial and other data submitted by nominees who require Senate consent. While useful for improving the confirmation process, true reform must begin with the president and his staff assigned the task of selecting candidates for appointment. Without the president's commitment, effective change is unlikely. The formation of an independent review panel to advise the president on merit selection of ambassadorial appointments and the further strengthening of the judicial selection process for appellate court appointments suggest that the White House may now be receptive to a similar effort as to other presidential appointments. The hearings that resulted in the Graham-Kramer report, which outlines, for the most part, the tragic record of F.C.C. and F.T.C. appointments over the past quarter century, as well as other related studies, suggest that Congress also is increasingly sensitive to the constant criticism of the quality of the agency appointments.

On the other hand, as long as the appointment process for agency members operates in secret with little opportunitiy for outside comment, it seems likely that influence, political tradeoffs, and similar factors unrelated to an appointee's qualifications and competence will continue to rule.

Using the example provided by the American Bar Association's Committee on the Federal Judiciary, we believe that the appointment process can be improved by assuring that interested and informed opinion is heard before selections are made, or at least before they are approved. We propose that the American Bar Association create a committee and procedure for independent review of candidates for agency appointments.

The advantages of an effective and fair screening process seem obvious, although still worth reciting in order to provide balance when considering possible problems. If a screening system for agency nominees were to operate as designed, it would provide the president and his staff with an informed, independent evaluation of the relative qualifications of the various suggested appointees and would advise him before a nomination is made whether a candidate falls below a threshold of minimum qualification. This information also could be made available to the Senate for use in the confirmation process. The effect of this information, if the judicial analogue is instructive, would be to assure that unqualified candidates are not selected by the president or approved by the Senate.

Indeed, it seems likely that the presence of this preappointment screening procedure would measurably improve the quality of presidential appointments to the regulatory agencies. Knowing that candidate listings will be subject to outside scrutiny and increased public pressures, the president's staff would be more careful in suggesting possible candidates, and the political process, which undoubtedly would continue to operate in promoting possible candidates, would be more selective. It is even possible that the political benefits of merit appointments might become so apparent that a president would in most instances select only persons identified as most highly qualified.

An appointment process subject to outside screening would not prevent a president from selecting regulatory commissioners with policy views consistent with his own. The process we propose is unrelated to the candidates' political affiliations or policy preferences. It focuses solely on their qualifications—educational background and experience, temperament, judgment, ability, integrity, and similar factors. With certain important differences, it would operate in a manner similar to the Association's Committee on the Federal Judiciary.

As the background from which our proposal can be understood and evaluated, a brief review of the Federal Judiciary Committee counterpart seems necessary. That committee is composed of fourteen members, one from each judicial circuit, a member-at-large, and a second member from the Fifth and Ninth circuits. The members are appointed for staggered, three-year terms by the A.B.A. president; no member serves more than two terms. Despite its existence as a private group without constitutional or statutory basis, every president of the United States, for more than twenty years, has consulted the committee regarding judicial appointments. In addition, the Senate, through its Judiciary Committee, has requested the opinion of the committee with respect to every judicial nomination since 1948. Unlike most committees, the Committee on the Federal Judiciary is authorized to speak without having its views first approved by the Association's Board of Governors or House of Delegates.

While rigorous and often exhaustive, the committee's investigations are limited to a prospective nominee's professional qualifications—professional competence, judicial temperament, and integrity. It does not investigate or report on political affiliation or ideological views. For the federal district courts and the courts of appeals, the committee uses four categories for evaluating prospective nominees—"exceptionally well qualified, "well qualified," "qualified," and "not qualified." To assure the committee's investigations and reports are fully understood, recent attorneys general have made themselves available to the committee's chairman for personal briefings. This process also minimizes the risk of disclosure and enables the committee to convey its views candidly.

The committee's members read a candidate's writings, poll a prospect's colleagues, engage in a series of in-depth interviews, and generally seek to learn as much about a candidate as possible. A personal questionnaire is submitted to candidates for the federal district courts and the courts of appeals.

Not surprisingly, this wide-ranging inquiry involving many persons usually results in public identification of the nominees under investigation. This can be helpful, since it provides additional scrutiny of prospects for these important positions. Evaluation disclosures, in contrast, are carefully avoided and considered undesirable because they are likely to impair the candor of responses and the quality of the investigation.

The successful development of a similar screening body for independent agency appointees is, we believe, critical. To say it is important, however, is not to gainsay the difficulties or to suggest that the judicial analogue precisely fits. The inherent dangers of subjectivity in nominee review, conflict of interest, the special requirements for independence and fairness of regulatory agency nominees, and the strain on confidentiality posed by a wider number of persons to be consulted and considered, although not unique to regulatory agency selection, are present in a greater degree than in judicial selection. They require specific response. It will take time and experience to work out an appropriate system. We can do no more than outline some of the techniques and standards that might be used.

In designing the independent agency review panel, primary attention should be paid to the diversity, lack of bias, and prestige of its members. The panel's value will depend on the quality of its investigation and on the public acceptability of its judgment. If viewed as a narrow, partisan group representing only the view of the organized bar, the panel will have little influence, and the result would not be worth the effort.

We suggest that a panel of a quality similar to the Committee on the Federal Judiciary be appointed. It should be composed of about a dozen members but need not be geographically as diverse or as representative of judicial circuits. Short terms of two years seem appropriate. Each year half of the members should be appointed by the A.B.A.'s president, and no member should serve more than two terms. Every effort must be taken to avoid even the appearance of bias or favoritism. Any person selected to serve on the panel must agree beforehand not to accept appointment to any agency within the panel's purview for a period of two years after his or her service with the committee terminates.

Other steps also might be considered. While it is appropriate that the selection of this review panel should be a responsibility of the president of the A.B.A., membership in the A.B.A. should not be a condition for selection. But most important is that the selection of the panel should be done with great care. A diverse group of distinction should be chosen. Nonlawyers, such as economists and engineers as well as labor and consumer leaders, should be included. Many regulatory agencies, for example, are not limited to lawyers, although they perform numerous adjudicative functions.

As an initial assignment, the panel would review prospective appointees to the seven major independent agencies: Civil Aeronautics Board, Federal Communications Commission, Federal Trade Commission, Energy Regulatory Commission, Interstate Commerce Commission, National Labor Relations Board, and Securities and Exchange Commission. There is no magic in this listing except that they are among the most visible of the agencies. They are a diverse group. Each has adjudicatory as well as regulatory responsibilities, so lawyers can be said to have special reasons to be concerned with their quality and some insight into their needs. In addition, this is a manageable group that would allow the review panel to work out its procedures without being overwhelmed. As experience is gained, other agencies might be added, including the Commodities Futures Trading Commission, Consumer Product Safety Commission, Federal Martitime Commission, and Postal Rate Commission.

These agencies require a sufficient commonality in the core analytical skills of their appointees to allow the panel to perform its function without requiring that the panel also be composed of experts in each field. The panel would not have to be composed of experts in individual agencies. Nor would the prospective appointees have to be expert in the field regulated by an agency before the appointment is approved, although this expertise should also not be disabling. Still, certain criteria or factors should be considered in reviewing candidates.

First, the review panel can use the criteria already developed by the Committee on the Federal Judiciary—professional competence, judicial temperament, and integrity. While this listing can cover almost all traits of any candidate, we think the panel should consider a candidate's educational background, experience, ability, independence, sensitivity to the public interest, identification with persons or industries regulated by the agency, and reputation. Since a candidate will be joining a multimember agency, a candidate's distinctive contribution to those already on that commission also should be considered.

We have sought to list relevant criteria, not to suggest that each be applied in every case or to contend that this list is comprehensive. Others might be developed by the panel, particularly as it gains experience. The evaluation of a candidate involves a complex judgment that may require giving different weight to various factors. No formula can be presented to simplify the task.

The review panel will develop its own procedures. It seems clear, however, that a group of twelve is too large to act as an investigative unit. As the panel's jurisdiction is expanded, its review assignment will require that the work be shared. The Committee on the Federal Judiciary has solved these problems in the past by working in subpanels occasionally. Care is taken to assure diversity in subpanels so that they are reflective of the entire committee's membership. Similar steps could be taken by the proposed review panel to assure an efficient and effective operation.

A subcommittee would present its finding to the entire review panel. Whether those findings should include a recommendation is unclear to us. What is important is that the findings be comprehensive and complete. They should assure that the panel has all the information needed to render a careful judgment.

The panel should rely on the four evaluative categories used to rate federal judges. A written report summarizing and supporting the panel's findings should be prepared and made available to the president and, after nominations are made, to the Senate. Consideration also should be given to whether, and how much of, the document should be public after the nomination of the candidate. In addition, the chairman of the review panel should be available to the president's staff member in charge of appointments and the chairman of the appropriate Senate committee to explain the panel's findings and to offer confidential data. The chairman should also be available for public testimony.

This proposal is deliberately a modest one. It is only a limited first step. Seven agencies are included, and the sole focus is on agency members. As experience warrants, other agencies, including those in the executive branch, could be covered. Appointments of other high-level agency officials also could be examined.

One last question remains. Why should the American Bar Association sponsor this review panel? Its interest is no stronger than that of many other groups, and whatever the panel's recommendations, some people will object, and the Association will be criticized.

We think there are several answers. The need for close review of agency appointments is well established. No group has filled this gap. Even if others step in, competing reviews could prove helpful, or the A.B.A. could then join forces with other responsible groups. In the meantime, the A.B.A. is in a position to provide leadership. It has the capacity and credibility to perform this important task. To do so, despite possible risks, would be in the highest standards and traditions of the bar and the public it seeks to serve.●

AMTRAK RIDERSHIP

● Mr. TOWER. Mr. President, we are reminded daily of the problems and inconveniences that a shortage of gasoline causes. While these problems are apparent in commuting to and from work on a daily basis, the impact of gasoline shortages has been quite pronounced on long-distance travel as well. Because fuel supplies for our automobiles are no longer reliable, many travelers have turned to alternate means of transportation where available.

Nowhere is this trend more evident than in the tremendous upsurge in Amtrak sales and ridership experienced over recent weeks. Systemwide figures for May provide additional support for retaining many long-haul routes that have been filled to capacity on practically every run. These routes have demonstrated their cost effectiveness beyond doubt, yet many of these same trains are destined for extinction under the Department of Transportation's recommendation slashing some 43 percent of the Amtrak system.

Many Senators have correctly viewed the DOT proposal with skepticism, as it is based on suspicious economic premises from which a recommendation for wholesale route elimination simply cannot logically be derived. But recent developments suggest that there is yet another compelling argument in favor of maintaining the Amtrak system largely intact. Calls for massive cutbacks in Amtrak service have simply been overtaken by events. To adhere blindly to the original DOT plan is to ignore data that convincingly shows the utility of a great portion of the Amtrak system. Recent concessions by DOT suggest that the ridership explosion may merit reconsideration of the original proposal, and well it should.

So that my colleagues may study the hard facts behind the resurgence of Amtrak, I request that systemwide figures for the month of May be printed in the RECORD.

The data follows:

SYSTEMWIDE FIGURES FOR MAY

The month of May 1979 has been marked by a great upsurge in Amtrak reservations, ridership and sales, due to a number of factors, among them higher fuel prices and difficulties in obtaining gasoline.

For the month of May 1979 versus the same month in 1978, the following increases have been experienced:

a. In our Automatic Reservations and Ticketing System:

Reservations, May 1978, 194,000; May 1979, 443,000; increase 127.8 percent. Denial space due to sold-out conditions, May 1978, 68,040; May 1979, 756,246; increase 1011.5 percent.

b. In our Central Reservations Offices we recorded:

Calls attempted, May 1978, 1,695,731; May 1979, 6,812,827; increase, 301.8 percent.

Busy signals received, May 1978, 92,937; May 1979, 4,865,588.

Calls handled, May 1978, 1,550,235; May 1979, 1,503,173 *; increase (3 percent).

c. This reservation and ticketing activity has generated ridership which compares as following:

Ridership (000) May 1978, 1,651; May 1979, 1,975; increase, 19.6 percent.

Average trip length (mi) May 1978, 197; May 1979, 216; increase, 9.6 percent.

Passenger miles (millions) May 1978, 325; May 1979, 426; increase, 31 percent.

Passenger miles per train mile, May 1978, 121; May 1979, 155; increase 28.1 percent.

d. Total sales (millions) for the month of May registered as follows: May 1978; $26.7; May 1979, $36.1; increase 27.7 percent.

SELECTED RIDERSHIP DATA: MAY 1979 VERSUS MAY 1978

At the request of the DOT Amtrak recently tabulated the ridership for twelve selected trains for the third week of May 1979 and compared the data for these trains to the ridership of these same trains for the third week of May 1978. The third week of May was selected in both instances since the week is traditionally not a peak travel period, nor is traffic affected by a major national holiday. The twelve trains surveyed are all long-distance trains slated for discontinuance October 1, 1979.

Almost all trains showed a substantial growth in passenger miles and average trip length. The latter statistic is significant in that not only were more passengers riding, but they were riding considerably longer distances.

Several parallel routes were examined, such as Chicago-Texas, where both the Inter-American and the Lone Star showed growth in all categories; and New York-Florida, where the Silver Meteor and the Champion experienced growth in nearly every category. It should be pointed out that even higher growth—in ridership and passenger mile per train mile—could be expected if, instead of two services, one train were to connect these end points.

On the basis of these tabulations, and the surge in advance bookings Amtrak is currently experiencing, substantial ridership growth over last year is expected to continue. However, as Amtrak heads into its traditionally heavy summer travel season, the percentage growth of ridership of each train should taper off as Amtrak exhausts the capacity available for each train.

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* More calls were handled in 1978 due to 1979 callers planning more long trips and increasing length of call. Two hundred clerks have been added to keep up with workload, but we still anticipate thousands of lost calls.

COMPARATIVE DATA, MAY—WEEK DATE-SET (REG 6–16)

	Percent changes passengers		Percent change passenger miles		Passenger miles/train mile				
	1 week May	March FYTD	1 week May	March FYTD	1 week May	Seasonally adjusted May week [1]	DOT base case	Percent change DOT base vs. annualized May	Notes
Pioneer	0.7	24	48.9	27	80.5	91	81	12.3	Includes PDX–SEA locals.
Lone Star	.9	−1	25.3	−2	108.5	118	107	10.3	
Inter-American	35.9	16	44.7	37	100.9	83	54	53.7	Includes CHGO-St. L.
Floridian	12.5	13	43.4	22	72.0	86	69	24.6	
Montrealer	7.8	6	.6	14	152.6	170	141	24.1	Includes NEC locals.
Champion	16.4	[2] 21	33.9	[2] 21	155.4	182	[3] 203	−10.3	
Meteor	11.2	[2] 21	11.1	[2] 21	181.0	212	[3] 203	4.4	
Shenandoah	−25.1	2	−34.6	−1	27.0	22	30	−26.7	
Cardinal	31.0	−5	40.0	−18	88.7	67	63	6.3	
Crescent	85.3	NA	135.1	NA	159.6	183	118	55.1	
National	11.9	5	13.3	8	86.5	97	99	2.0	
Hiawatha [4]	−16.4	−16	10.9	6	128.7	145	105	38.1	

[1] Week of May 1979 PM/TM is not comparable to the 1980 DOT base case PM/TM. Therefore, the May 1979 data was seasonally adjusted and projected to 1980 using the same assumptions as were used in the DOT base case.

[2] Percent change for NY-FLA route (3 trains).

[3] This is an average figure for the 3 NY-FLA trains.

[4] It should be noted that both the Empire Builder and the Hiawatha serve the cities of Chicago, Milwaukee, Minneapolis, Fargo, Spokane, and Seattle. Therefore, some of the growth reflected here is transferable to the Empire Builder.

NRPC, REVENUE ACCOUNTING, SELECTED RIDERSHIP DATA—MAY 1978 VERSUS 1979

Train	Ridership			Passenger miles			Average trip lengh			Passenger mile/train mile		
	May 14 to 20, 1978	May 13 to 19, 1979	Percent change	May 14 to 20, 1978	May 13 to 19, 1979	Percent Change	1978	1979	Percent change	1978	1979	Percent change
Pioneer	3,629	3,654	0.7	818,526	1,218,682	48.9	225.6	333.5	47.8	54.0	80.5	49.1
Lone Star	6,259	6,313	.9	1,697,255	2,126,001	25.3	271.2	336.8	24.2	86.7	108.5	25.1
Inter-American	3,261	4,430	35.9	766,032	1,108,682	44.7	234.9	250.3	6.6	69.7	100.9	44.8
Floridian	2,559	2,880	12.5	1,323,715	1,898,739	43.4	517.3	659.3	27.5	50.2	72.0	43.4
Montrealer	6,713	7,234	7.8	1,424,885	1,433,396	.6	212.3	198.1	(6.7)	151.7	152.6	.6
Champion	3,503	4,007	16.4	2,074,187	2,776,929	33.9	592.1	681.1	15.0	116.1	155.4	33.9
Silver Meteor	4,897	5,443	11.2	3,120,924	3,466,959	11.1	637.3	637.0		163.0	181.0	11.0
Shenandoah [1]	1,364	1,094	(19.8)	315,694	208,747	(33.9)	231.4	190.8	(17.5)	41.3	27.3	(33.9)
Cardinal	2,332	3,055	31.0	796,903	1,115,267	40.0	341.7	365.1	6.8	63.4	88.7	39.9
Southern Crescent [2]	3,157	5,849	85.3	1,310,032	3,079,922	135.1	415.0	526.6	26.9	109.3	159.6	46.0
National Limited	4,042	4,524	11.9	1,569,477	1,778,524	13.3	388.3	393.1	1.2	79.2	86.5	9.2
North Coast Hiawatha	2,717	2,272	(16.4)	1,555,678	1,725,450	10.9	572.6	759.4	32.6	116.1	128.7	10.9
Total	44,433	50,825	+14.4	16,773,308	21,937,298	+30.8	377.5	431.6	+14.3			

[1] Due to Chessie track work in 1979 Amtrak is busing through passengers from Grafton, W. Va., to Cincinnati, Ohio, thereby disrupting our long-distance ridership.

[2] Major change in frequency and in 1979 includes New York to Washington through passengers. ●

COMMENTS ON EMERGENCY BUILDING TEMPERATURE RESTRICTIONS

● **Mr. BENTSEN.** Mr. President, it is commonly accepted that personal comfort is affected by a variety of climate conditions such as temperature, humidity, and wind velocity. This explains why we frequently use a combination of factors to more accurately describe the effects of climate conditions on humans. A good example is the use of chill factor to describe harsh winter weather.

In recent congressional action permitting mandatory thermostat settings in public buildings, both the House and Senate committee reports instructed the Department of Energy to provide sufficient flexibility in their implementing regulations to take into account variations in humidity and other localized climate conditions. If drafted properly, the regulations should permit lower thermostat settings for high humidity climates where 80 degree temperatures will result in extreme discomfort and lower worker productivity. I have read the proposed DOE regulations and do not believe they adequately compensate for differing climate conditions as Congress intended. I have submitted comments to the Department of Energy expressing my specific objections to their draft regulations. I request that these comments be printed in the RECORD.

The comments follow:

COMMENTS FOR SENATOR LLOYD BENTSEN BEFORE THE DEPARTMENT OF ENERGY ON STANDBY CONSERVATION PLAN NO. 2 EMERGENCY BUILDING TEMPERATURE RESTRICTIONS

When the Congress approved Standby Conservation Plan No. 2 Emergency Building Temperature Restrictions we did so with the clear understanding that the DOE would promulgate regulations that were flexible enough to effectively implement the Plan in the various climates, structures and space-conditioning systems that exist in our nation. As a Member of the Senate, I supported this plan because I felt that energy conservation was necessary and that this Plan presented a potentially workable method of achieving significant savings. I supported the Plan, however, under the assumption that Congressional intent would be fully expressed in the DOE regulations. After reviewing the regulations proposed by the Department of Energy, I am concerned that they do not fully reflect our intent.

The legislative history of the Plan is clear. The Senate Report on the Plan specifically urges that a flexible application of the Plan be governed by a "rule of reason", S. Rept. No. 97, 96th Congress 1 Session 4 (1979); 125 Congressional Record S. 5139. The Senate Report cautions that "there will be individual cases in which extreme worker discomfort—particularly from excessive humidity in summer—may severely reduce performance" and suggests that the DOE take this factor into account when it issues its regulations.

The House of Representatives also stressed that flexible regulations were required and, more specifically, that "a set of thermostat limits that take humidity into account is desirable."

At that time, Representative Moorhead cautioned:

"Due to the different and complex operating characteristics of the many types of building heating and cooling systems, building operators should not be bound to observe *inflexible* interior temperature limits."—125 Cong. Reg. H. 3018 (May 10, 1979) (Emphasis added)

He also recommended that—

"Careful consideration must be given to defining 'summer' and 'winter' modes of operation . . . In particular, building operators should be free to exercise judgment during spring and fall intermediate seasons when neither 65 F nor 80 F (but rather some temperature in between) may often be the most energy-conserving temperature objective." *Id.*

Our ultimate objective in approving Standby Conservation Plan No. 2 was to provide a workable program for nationwide energy conservation. Yet, we recognized that a reduction in the nation's energy consumption can occur only if the Plan is flexible enough to take local and regional differences in both weather and technology into account. Thus, the underlying goal of the Plan is to reduce energy consumption in our nation's buildings and not merely to regulate temperatures within those buildings.

Several sections of the proposed regulations are of concern to me. First, the proposed regulations are based on a seasonal approach to heating and cooling. A seasonal approach, however, simply cannot be used in many states like Texas where there are no clearly definable heating and cooling seasons. For example, even in January outside temperatures often go above 80°F and below 40°F in a single 24-hour period. Because of these conditions, sophisticated space-conditioning systems have been developed that will automatically switch from heating to cooling modes. The only alternative in these areas of the country is to manually reset the thermostats as the outside temperature changes—clearly an impractical solution in large office buildings with hundreds of thermostats. The proposed regulations, however, require a deadband between 65°F and 80°F where neither heating nor cooling can occur. Thus, in climates with rapidly varying temperatures the proposed regulations mandate that all systems must either manually adjust all their thermostats several times during a day or install deadband thermostats—costly devices that are not yet available in sufficient quantities in this country.

Second, the proposed regulations have responded to our concern with the effects of humidity in the environment prescribed by the Plan by setting 67°F dew-point temperature as the maximum amount of humidity that will be permitted in buildings. I have been informed, however, that this setting may not adequately take into account the humidity problems encountered in many areas of the country. For example, many areas of Texas, such as the Gulf Coast and the Rio Grande Valley, which have high humidity climates may be adversely affected by the humidity limit prescribed by the proposed regulations.

The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) has concluded that 80°F and 67°F dew-point temperatures (the maximums allowed under the proposed regulations) describe an environment significantly out of ASHRAE's recommended comfort zone. The experts have indicated that in this environment, worker productivity will go down. They also anticipate that clothing, rugs, and clothcovered furniture may be damaged by mildew. Also, in older buildings without sophisticated dehumidification equipment and with windows that no longer adequately seal out the outside humidity, condensation will occur on the ducts and outlets that could cause further physical damage. Thus, implementation of the Plan without modifying the proposed regulations could cause substantial property damage in areas, like Texas, that have hot and humid climates.

Third, under the proposed regulations, I am concerned that there is not sufficient incentive for states and localities to devise comparable energy conservation programs that can particularize the goals of the Plan to meet the unique needs of their areas. The Plan, as approved by the Congress allows an exemption for state and local governments if they have comparable mandatory programs in effect that cover the same subject matter and conserve at least as much energy as the Federal Plan.

Unfortunately, the proposed regulations have strictly construed this exemption. They appear to prohibit local programs that control temperatures but also trade off energy consumption by space-conditioning equipment with energy savings in other areas of the building. I am most concerned that the proposed regulations preclude state and local governments from modifying the Plan in light of local conditions. This interpretation of the Plan is clearly inconsistent with the flexible approach we intended. We much encourage such plans and allow state and local governments, who best know their weather conditions and technology, to become active in energy conservation.

Finally, it appears that the proposed regulations may be complex and confusing to both those who must meet the requirements and those who must enforce the program on a local level. The definitions and guidelines should be stated so that every owner and operator of every building can easily understand what he must do to comply with the Plan. It is my understanding that the DOE is receiving further technical information from highly qualified scientists and engineers who have examined the proposed regulations. I urge the DOE to consider this additional material.

I am confident that the Department of Energy will ultimately promulgate workable regulations. This nation needs to conserve energy and this Plan, if properly implemented and enforced, will be a major step towards comprehensive energy conservation.●

HENRY R. SHOEMAKER

● Mr. MATHIAS. Mr. President, recently, Frederick County, Md., lost an extraordinary citizen. Henry R. Shoemaker, who died on May 1, had served not only our farming community for 37 years as the agricultural extension agent, but became a genuine leader of the entire community.

Mr. Shoemaker was born in Montgomery County, July 2, 1895, and in 1917 received a bachelor of science degree in agriculture from the University of Maryland.

After graduation, he began teaching at Middletown High School in Frederick County, but was called into the Armed Forces and served in several campaigns during World War I.

Following the war, Mr. Shoemaker continued his teaching career at Middletown until 1926 when he was appointed agriculture agent for Frederick County. At this point he began to receive the general recognition that made him widely known throughout Maryland.

In 1946, he was recognized for the quality of his work by the National Association of County Agents. He received the first Distinguished Service Award ever given to a Maryland county agent.

Other honors lay ahead. In 1954, Mr. Shoemaker earned the first full professorship awarded to field personnel of the Maryland Extension Service by the University of Maryland.

The county agent is a critical ingredient of farming in this country. The county agent is the teacher, the provider of information, and the counselor of the family farmer. Henry R. Shoemaker was a fine example of all of these.

We in Frederick County shall miss him very much, but were fortunate to have his leadership, his counsel, and his guidance in years of dramatic change that might have obliterated the unique rural qualities of Frederick County.

Mr. President, I ask that an editorial from the Frederick News-Post honoring Henry R. Shoemaker be printed in the Record.

The editorial follows:

Henry R. Shoemaker

Mr. Henry R. Shoemaker, a man whose hands, head, heart and soul touched generations of Frederick County's rural families, died Tuesday morning, May 1. He was nearly 84.

Mr. Shoemaker was county agent-emeritus of Frederick County. He had served our farm families for 37 years as the Agricultural Extension Agent—from 1926 until his retirement in 1963.

He unquestionably had a greater positive influence on the farm families of this large farm county than perhaps any other person—working with them for almost four decades, teaching each generation the best farm practices of the day, keeping them abreast of new technologies and the latest agricultural information.

Generations yet unborn will benefit from the work of this man in almost every facet of farming and agricultural business in the county. His legacy will reach the sons and daughters, grandsons and granddaughters of the families who knew and gained personally from his leadership and good counsel.

It seems most fitting that just a few weeks ago, "Shoe"—as he was called by his intimates—was signally honored by his colleagues, the College of Agricultural Alumni Chapter of the University of Maryland, at their annual fellowship banquet and meeting at Peter Pan Inn.

Mr. Shoemaker was the recipient of the Agricultural Alumni Chapter's "Alumnus Award for Meritorious Services to Agriculture." It was truly recognition for a lifetime of "meritorious service" to his fellow man.

This man, who was a pacesetter in the annals of Maryland Agriculture—the first county agent in the field ever named to a full professorship—was roundly applauded (even in his absence) when his granddaughter, Mrs. Janney Key Marshall, received the award in his name.

Henry R. Shoemaker leaves his loving wife of many years, Edna Freeman Shoemaker; one son, H. Reese Shoemaker Jr., well known Frederick attorney; two grandchildren, Mrs. Marshall and James R. Shoemaker; a niece, Mrs. Paul E. Hardy of Charleston, W. Va.

Services will be held at 11 a.m. Thursday from the Smith, Fadeley, Keeney & Basford Funeral Home, the Rev. Ralph Sharpe officiating, with interment in Mount Olivet Cemetery. There will be no viewing or hours of visiting at the funeral home.

The family requests that memorial contributions be made to the 4–H Camp Inc., c/o Mrs. Anna Schaden, 615 Fairview Ave., Frederick, Md. 21701.

The 4–H Camp, for which land was recently acquired and for which work has begun but slowly, was an early dream of Mr. Shoemaker. Many of his 4–H stars are among the leaders of the effort which has brought the camp as far as it has come to date.

It would be fitting, indeed, if this camp, or some part of it, were to bear the name which has meant so much to the 4–H movement and to farming in Frederick County: Henry Reese Shoemaker.●

IS IT TIME FOR DIVESTITURE?

● Mr. BAYH. Mr. President, at the end of last week the highest energy official in the Federal Government, the Secretary of Energy, openly admitted that he is afraid to use the authority vested in the Government to force the Nation's major, multinational oil companies to produce enough gasoline and diesel fuel to meet the Nation's needs. In a turnaround from statements earlier in the week, Secretary Schlesinger said that he is "reluctant" to use the authority now vested in the Federal Government to require the U.S. oil companies to increase their refinery throughputs to produce more gasoline, diesel fuel, and home heating oil because these companies might respond by leaving oil overseas, or otherwise manipulate supplies, to further build crude oil stocks and keep petroleum products from an increasingly frustrated and perplexed public.

Further, Secretary Schlesinger refused to publicly state the names of specific companies that are holding back on releasing oil inventories. Finally, other DOE officials have indicated that the companies are likewise threatening to withhold imports if the Department does not revise certain rules designed to insure that they import the cheapest crude oil available to them.

Mr. President, these developments make clear the extent to which the multinational oil companies, accountable to no one, are able to snub their nose at the American public and make energy policy for this country based on their own private interests, despite the costs to the Nation. It further reinforces my long-held view that it is past time to break these corporate giants into their component parts, by requiring that the multinationals divest themselves of all but one segment of the petroleum industry—production, transportation, refining, or marketing—so they can no longer decide alone who gets how much gasoline, or home heating oil and at what prices. As long as the majors continue to control oil from the time it is loaded onto their tankers, or extracted from the ground here in America, to the time it goes, as a refined product, into the cars and furnaces of American consumers, they will be able to do what they like, willy nilly, while you and I pay the price.

Mr. President, on June 20, the Northeast-Midwest Senate Coalition, which I cochair along with Senator CHAFEE from Rhode Island, held hearings on why Federal allocation and pricing regulations are not holding down gasoline prices or getting petroleum products to those in need of them. Once again, the Department of Energy was unable to give us any hard facts or figures, or demonstrate that they even fully understand our current problems, much less that they could do anything about them.

Mr. President, we are in the midst of the worst fuel shortage since the Arab oil embargo of 1973. The Nation's transportation system is threatened by truckers protesting high prices and diesel fuel shortages. The planting season this spring was interrupted for many of the Nation's farmers because they could not get fuel for their farm equipment. People who rely on their automobiles to get to work are finding it difficult to purchase adequate gasoline. Long service station lines are typical in major eastern metropolitan areas, and more and more States have instituted odd-even, minimum purchase gasoline sales. And, in the face of all this, the Nation's oil companies are running their refineries at far less than capacity, and the Secretary of Energy is refusing to use the full powers available to him to get refinery operation up to maximally efficient levels.

Instead of using his authority to deny crude to refiners running at less than fuel capacity, Secretary Schlesinger has been content to try and persuade the oil companies to increase refining operations, and to express official disappointment with the lack of progress that has been made to date. Mr. President, I do not believe this is going to be enough. While Mr. Schlesinger is hopeful, according to his public statements, that we will have enough gasoline and home heating oil, his personal memos to the President purportedly indicate we will not. I do not believe we should rely on oil industry assurances that refinery utilization will rise when the majors deem it "prudent" to do so. We need to operate those refiners at at least 87 percent of capacity now if we are going to be able to guarantee our people adequate supplies of heating oil and gasoline this winter. The most recent figures available show refineries operating at only 84.5 percent of capacity. This is inadequate, and we can no longer afford to stand for this.

Mr. President, if anyone doubted it before, it should be clear now that the vertical integration of the oil industry—ownership by the majors of the production, transportation, refining and retailing segments of the petroleum industry—makes it possible for them to bring this country to its knees and makes it impossible for the Government to guarantee full utilization of crude oil supplies.

In January, I introduced S. 82, the Petroleum Industry Competition Act of 1979, which would break the major oil companies into their component parts over a period of 5 years. The bill would require that the major vertically integrated oil companies be split into three component and independent parts: production, transportation and refining-marketing. To protect gasoline retailers from further encroachment from large refiners, it also prohibits large refiners from acquiring retail outlets not owned prior to January 1, 1979. It provides for an orderly divestiture process by giving the responsibility for drawing up a divestiture plan to the companies themselves, in concert with the Federal Trade Commission and the Securities and Exchange Commission, to make sure it is done as efficiently as possible in a manner that will be beneficial for the company's stockholders. Because vertical integration only reaches severe anticompetitive levels with firms of a certain size, the bill is addressed to producers who produce 100,000 or more barrels of oil a day, and to refiners and marketers who refine or market more than 300,000 barrels a day, respectively. The 18 companies affected by these criteria are listed in the following table:

Company	Produce over 100,100 barrels per day	Refine over 300,000 barrels per day	Market over 300,000 barrels per day
Exxon	767.0	1,339.0	1,748.0
Texaco	564.0	1,019.0	1,278.0
Shell	505.0	1,086.0	1,046.0
Standard of Indiana	453.0	1,067.0	1,294.0
Atlantic Richfield	407.7	774.9	736.2
Gulf	402.2	847.5	822.0
Standard of California	362.0	1,213.0	1,264.0
Mobil	314.0	798.0	852.0
Getty	278.9	(234.5)	(262.4)
Phillips	255.2	(297.0)	491.0
Sun	201.1	531.6	798.3
Union	202.1	451.9	438.8
Continental	187.5	354.0	398.0
Marathon	180.9	478.2	488.4
Standard of Ohio (BP)	167.2	425.8	406.0
Cities Service	113.5	(251.9)	(297.8)
Ashland	(22.1)	358.2	501.0
Amerada Hess	(95.2)	700.0	648.0

Note: Figures in parentheses represent amounts below the size threshold contained in this bill.

Source: "Market Shares and Individual Company Data for U.S. Energy Markets; 1950–1977"—American Petroleum Institute.

Finally, to assure expeditious and equitable handling of all proceedings arising under the bill, S. 82 would establish a temporary petroleum industry divestiture court to handle litigation arising under the act and provide ample opportunity for all parties with an interest to participate in the proceedings.

Mr. President, the Petroleum Industry Competition Act is identical to legislation reported out of the Judiciary Committee in the 94th Congress in 1976. It was not scheduled for floor action at that time because of threats of a long, drawn-out filibuster at the end of the session. In the 95th Congress, consideration was held up because of our action on the national energy plan, which tied this body in knots for almost 2 years. However, a similar proposal just missed passing the Senate, in 1975, by a vote of 45 to 54.

In the face of our recent experiences, I hope that the Senate will once again take up the divestiture issue. Only by breaking the multinationals into smaller pieces can we hope to introduce competition into the energy industry and reduce the vast corporate power of these giants who, by virtue of their huge economic resources, political influence and stranglehold over our energy supplies, have a predominant influence over the future economic health of the Nation.

Mr. President, I ask that two articles from the June 22 Wall Street Journal on these issues be printed in the RECORD for the information of my colleagues.

The articles follow:

U.S. OIL FIRMS' REFINERY OUTPUT TERMED TOO LOW

WASHINGTON.—Energy Secretary James Schlesinger said U.S. oil companies still aren't producing enough gasoline or heating oil, but he fears if he tries to force them to do so they'll withhold oil from the U.S.

Addressing a packed news conference, the Energy Secretary also went to great lengths to defend the companies against charges they have caused or deliberately aggravated the current U.S. fuel shortage.

Last week Mr. Schlesinger said that, unless the oil companies soon increase the rate at which they are utilizing refinery capacity, he might use his oil-allocation powers to take supplies away from companies that are running refineries at lower levels.

But yesterday, after reporting that refinery rates are still "a disappointment," he said "I am reluctant to use allocation as an instrument of discipline." He explained that "we must recognize that the companies have inventories on the high seas and overseas" and that "they may well refrain from bringing such inventories into the U.S." if the oil would be "susceptible reallocation" here.

He insisted that the companies haven't actually threatened to boycott the U.S. if allocation is imposed, but said he is acting on the "supposition" that they might exercise that "option." Sources said a similar fear that oil will be withheld from the U.S. is driving the department to consider easing its price controls in a manner requested by the companies.

Furthermore, Mr. Schlesinger said the International Energy Agency, a 20-nation group, has been deterred from imposing a world-wide oil allocation system for fear the oil companies will withhold some of the production they have voluntarily agreed to place under its jurisdiction.

The Energy Secretary didn't flatly rule out the use of allocation powers, saying he'd invoke them "if necessary," despite his reluctance. But he declared that he prefers "persuasion" to "the instruments of authority" and said it's his "inclination" to embarrass the offending companies eventually by publicizing their names rather than to use his powers to take away their oil.

He said that, despite a continuing good level of imports, the companies were running their refineries last week at about 84.5 percent of capacity, only slightly above the prior week's level and well below the 87 percent rate he says is needed to produce adequate amounts of gasoline and heating oil. He said the industry dug into its crude-oil inventories only mildly last week, while gasoline stocks fell again and heating oil stocks grew only barely, insufficient to meet government targets.

But Mr. Schlesinger said he has met with officials of seven or eight oil companies in the past week and received "indications" that refinery operating rates will rise in July if imports stay strong, and that crude oil inventories will be drawn down faster during the rest of the summer. The government wants the companies to run an added 250,000 barrels of stored crude oil through their refineries daily this summer.

If these "indications" bear fruit, he said, the gasoline shortage will have "bottomed out." But he acknowledged that the companies didn't offer any guarantee of higher refinery rates and said "we haven't gotten total satisfaction," particularly from the larger multinational oil companies. He said these companies are especially worried about conserving crude-oil stocks in case of another oil cutoff overseas.

He said these differences of opinion between the industry and the government over rates of inventory usage shouldn't be used as a reason to blame the companies for the oil shortage itself. He said that the oil-producing nations had deprived the U.S. of 100 million barrels of oil so far this year, and that the companies weren't withholding crude oil to drive up prices.

The companies were managing their inventories according to "normal" business practice, he asserted, and the government is trying to get them to deviate from the best conservative business practice because the national interest requires greater production of fuels.

He urged the press, politicians and members of the public to avoid the "tempting" practice of assigning "culpability" for the situation to the industry, or of suggesting it can be solved with some "magic wand."

To help shore up public confidence, he said the department is checking the accuracy of oil-supply data the companies provide. But he said "at this juncture, we don't see any reason to anticipate" that the checks will turn up "major discrepancies."

Oil Firms Warn They May Ship Crude to Europe Unless U.S. Eases Price Limits

(By Walter S. Mossberg)

Washington.—Several major U.S. oil companies have quietly warned the Energy Department they may have to ship some oil to Europe instead of to the U.S. unless key federal oil-price controls are eased.

According to industry sources, representatives of the companies have met in recent days with Energy Secretary James Schlesinger and other Energy Department officials to complain that the federal "transfer-pricing" rule in making it difficult or impossible for them to send certain oil cargoes to the U.S. They have asked that the rule be suspended or loosened, the sources said, a move that probably would result in further increases in domestic gasoline prices.

The transfer-pricing regulation is designed to bar companies from artifically boosting the cost of their foreign oil purchases to pass them through to gasoline buyers in the form of higher prices as allowed by federal price controls. The rule specifically blocks companies from increasing the price of oil they buy from their own subsidiaries abroad and from shipping to the U.S. the highest-priced oil available in foreign markets.

Mr. Schlesinger confirmed in an interview that he recently has met with company representatives to discuss the transfer-price rule. He said the company officials didn't directly threaten to divert oil to Europe from the U.S. unless the rule is changed. But he added: "They don't need to intimate the problems. The situation is clear. I think they are concerned about the current reality."

Some government officials worry that the meetings represent an attempt by the companies to use the current gasoline shortage as a lever to open loopholes in federal gasoline-price controls. And one knowledgeable industry official called the company actions outrageous."

SYMPATHY EXPRESSED

But Mr. Schlesinger said "I don't think it's blackmail," and expressed some sympathy for the companies' position. He declared that "the transfer-price rules were adopted under entirely different circumstances."

A top aide to the Energy Secretary said the companies' request for a change in the rule is "under review." He emphasized that the department hasn't decided whether to change the rule, but said "if we insist on these controls and the companies then send less oil to the U.S., we're just cutting off our nose to spite our face."

The aspect of the regulation that most troubles the industry, sources said, is language that bars companies from recovering their cost of buying extraordinarily high-priced oil, such as that currently sold on the European spot market, while they still have access under contract to comparable grades of oil at lower prices.

SPOT-MARKET CARGOES

The companies argue that this restriction makes it difficult or impossible to bring to the U.S. any spot-market cargoes they may be able to obtain. They noted that the U.S. needs all the oil it can get, and that the Carter administration has encouraged them to buy oil for import on the spot market, even if prices are high.

Thus, the companies want changes in the rules to allow them to recoup their costs for high-priced oil, even if they could theoretically obtain similar oil at lower prices.

For years, the industry has disputed the validity of the transfer-pricing regulation. The government has, in the past, accused several companies of overcharging their customers by overstating oil costs in violation of the rules. Last year, Gulf Oil Corp. paid back $42 million in settlement of a case in which transfer-pricing violations were alleged. Gulf didn't admit any violations in settling.●

AMTRAK'S EQUIPMENT NEEDS

● Mr. WEICKER. Mr. President, I have previously indicated that I intend to offer an amendment to the Amtrak authorization bill to increase the authorization levels contained in the bill for Amtrak capital acquisitions and improvements by $100 million in both fiscal years 1980 and 1981. This amendment would enable Amtrak to purchase the equipment it will need to accommodate its increased ridership and to make it a more attractive transportation alternative.

I would like to share with my colleagues a letter dated June 19, 1979, which Alan S. Boyd, Amtrak president, sent to me expressing Amtrak's support for my amendment. As Mr. Boyd notes, if Amtrak is to provide a viable alternative to automobile travel, it must have a reliable fleet of equipment:

> . . . if it is the policy of the United States to discourage unnecessary consumption of gasoline through voluntary conservation, we can expect a further increase in gasoline prices or some form of gasoline rationing. I would certainly hope that in this event, the American public could turn to a safe, efficient, comfortable and reliable rail passenger transportation system. In terms of the long-range future of rail, it is obvious that a reliable fleet of equipment is essential. Without modern equipment Amtrak will never attract sufficient passengers to make it viable, nor will it be able to serve the many individuals who may ultimately depend on rail to meet their personal mobility needs.

Mr. President, nearly two-thirds of the 1,400 serviceable Amtrak cars average more than 29 years of age. The Eastern and Southern long hauls—the Broadway, the Florida lines, and the Crescent—are currently equipped with cars built between 1948 and 1952 which are approaching the end of their serviceable life.

Funds used now for capital acquisitions will defray the inflationary impact that will be experienced by deferring these expenditures. Additionally, capital expenditures for equipment will be partially offset by a reduction in Amtrak's operating budget due to reduced maintenance costs. In 1978, 28 percent of Amtrak's operating budget went to maintenance costs. This figure would be diminished by the addition of modern equipment.

Unless Amtrak receives additional funds for capital acquisitions, it will be forced to break its contracted right to purchase new lightweight locomotives at prices agreed upon with General Motors, thereby increasing the eventual cost for these locomotives and delaying Amtrak's plans to retire obsolete, energy-inefficient locomotives. Additionally, Amtrak would have to delay introduction of energy-efficient cars which are both attractive to the public and more economical to operate.

Mr. President, we in Congress have never given Amtrak a chance. We have denied it the funds it needs to provide efficient service, and when passengers haven't stampeded to use the old, inefficient Amtrak equipment, we have responded by saying "We told you so," and further cut available funds. However, this country is now faced with a severe energy crisis that will not go away at the end of the summer. It will be with us for 20 years.

Alternatives to automobile transportation must be developed. Amtrak offers a potentially energy-efficient alternative. Yet, it does not have the equipment it needs to attract, or accommodate, new riders. As Mr. Boyd points out in his letter to me:

> We will never really know the real potential of Amtrak as long as we have locomotives built in the 1930's, passenger cars built in the 1940's and 1950's, stations which are falling apart and a fleet which can never be responsive to peak demand.

Mr. President, I urge my colleagues to support increase funding for Amtrak capital acquisitions. This will enable Amtrak to play an integral role in the development of a rounded transportation system which must be an element of our national energy plan.

Mr. President, I submit Mr. Boyd's June 19 letter, together with attachments, to be printed in the Record.

The material follows:

Washington, D.C., *June 19, 1979*.

Senator Lowell Weicker, Jr.,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Weicker: As you know, earlier this year the Administration had proposed an Amtrak capital budget of $171 million for fiscal year 1980 to meet the needs of the Department of Transportation's proposed restructured system. Although Amtrak believed that the $213 million was a more realistic capital budget for such a system, we ultimately agreed that $171 million may be sufficient.

Since our original agreement, circumstances have changed considerably. First, the Administration decided to recommend that Congress require that the estimated $69 million in FY 1980 labor protection payments associated with reducing the system come out of the $171 million capital funding. This resulted in a real capital budget of $102 million (S. 712 would separate labor protection payments from capital funding and provides $122 million for capital—$49 million short of our original agreement with DOT and $83 million less than what Amtrak originally believed was necessary). Second, it now appears that the Amtrak system in FY 1980 will be somewhat larger than either Amtrak or DOT had considered it would be when we worked out the capital budget for FY 1980. For example, it now appears certain that Amtrak will not combine the Southwest Limited and the San Francisco Zephyr into one route as recommended by the DOT final report because of the physical and financial difficulties associated with the necessary track connection (see enclosed letter to Senator Long). There is also a possibility that Congress will require Amtrak to operate additional routes. While this possibility is less certain than the former, the fact is that both the House and the Senate authorizing legislation include provisions which we believe will result in our continuing to operate, at the very least, the Montrealer, the Shenandoah (Washington-Cumberland), and the Cardinal (Washington-Chicago). There also appears to be considerable support in Congress and the Administration for the operation of additional state-assisted 403(b) trains and certain commuter type services which may place an additional strain on our equipment needs.

Third, no one can predict how long the current surge in ridership will continue or how long gasoline availability may be a problem. In any event, if it is the policy of the United States to discourage unnecessary consumption of gasoline through voluntary conservation, we can expect a further increase in gasoline prices or some form of gasoline rationing. I would certainly hope that in this event, the American public could turn to a safe, efficient, comfortable and reliable rail passenger transportation system. In terms of the long-range future of rail, it is obvious that a reliable fleet of equipment is essential. Without modern equipment Amtrak will never attract sufficient passengers to make it viable, nor will it be able to serve the many individuals who may ultimately depend on rail to meet their personal mobility needs.

Until Amtrak's final system is in place, it is virtually impossible to anticipate total equipment needs. However, it is clear that because of the inordinate delays in the delivery of the Superliner equipment (over 2½ years) and the shortages of conventional cars due to upgrading programs and necessary basic maintenance, Amtrak's equipment availability may in fact worsen before it improves. The energy shortages and increased demand for rail will only exacerbate this problem.

I appreciate the fact that you have recognized that one of the most serious problems facing Amtrak is the lack of modern, safe and efficient equipment. I, therefore, support your efforts to improve Amtrak's equipment inventory and reduce the associated problems by increasing our capital funding. I hasten to add that capital dollars utilized now will defray the inflationary impact that we will certainly experience by deferring capital expenditures. In addition, I should point out that capital expenditures for equipment will be partially offset by a reduction in our operating budget as a result of the reduced cost of maintenance. This becomes evident when you consider the fact that in 1978, maintenance of equipment was almost equal to the cost of transportation ($236 million for maintenance vs. $289 million for transportation), fully 28 percent of Amtrak's operating budget. This percentage would be unheard of in any other transportation mode.

I strongly believe that we will never really know the real potential of Amtrak as long as we have locomotives built in the 1930's, passenger cars built in the 1940's and 1950's, stations which are falling apart and a fleet which can never be responsive to peak demand. That being the case, even the DOT restructured system would require a larger capital expenditure for equipment than Congress is currently considering.

Because of your interest and support, I have enclosed for your review a breakdown of capital expenditures for our request of $171 million as well as a breakdown of additional equipment needs that could be obligated in FY 1980.

We at Amtrak thank you for your concern and your support and wish you well with your Amendment.

Sincerely,

Alan S. Boyd,
President.

AMTRAK CAPITAL BUDGET REQUIREMENTS

The Administration has proposed an Amtrak capital budget of $171 million for FY80. During the budget process, Amtrak, in mid-December, 1978, requested a budget mark of $213 million, plus such amounts as may be necessary for new track connections, but subsequently agreed that $171 million would meet the needs of the reduced national system recommended in the DOT's Final Restructuring Report. After Amtrak agreed on the $171 million, the Administration decided to recommend that Congress require that an estimated $69 million in FY80 labor protective payments associated with reducing the system, should come out of the $171 million. This would reduce capital funding to $102 million for FY80. Amtrak's capital needs are critical. Some of the impacts of the DOT capital budget proposal follow. Amtrak assumes a general 10% annual inflation factor associated with most deferrals in spending.

The DOT budget mark would reduce Amtrak's proposed $62 million in FY80 for 23 AEM–7 lightweight locomotives, to $36 million. This would interrupt the production line, breaking Amtrak's contracted right to purchase these locomotives at prices agreed upon with the Electro-Motive Division of General Motors; would significantly increase the eventual cost for these new locomotives; would defer Amtrak plans to retire obsolete, energy-inefficient, expensive-to-maintain GG–1 locomotives; and could result in Amtrak's having insufficient new electric motive power which the Northeast Corridor Improvement Project will institute. Currently, Amtrak has 15 AEM–7 locomotives in production. Another 11 will be funded with $29 million in the pending supplemental appropriation.

The DOT budget mark would delay $8 million in FY80 funding which Amtrak had proposed for conversion of 65 conventional coaches to head-end (HEP) power in order to meet the need to free Amfleet equipment currently in use throughout the system for use in the Northeast Corridor. This will delay introduction of less energy-consuming cars which are both more attractive to the public and more economical to operate. Although DOT proposes to increase funding for HEP conversions in 1981, the unevenness of the DOT-proposed funding would cause inefficient, unproductive cycles in utilization of facilities and labor, involving possible layoffs and subsequent rehiring at Beech Grove overhaul shops. Further, the Amtrak-programmed HEP conversions assumed adoption of the DOT reduced national system. If any trains are added to the DOT system through the authorization appropriation process, increased rather than reduced numbers of conventional cars will need to be converted to HEP, with a consequent increase in capital requirements.

The Amtrak-proposed capital budget for FY80–81 would program $51 million in FY81 to begin acquisition of 55 new low-level passenger equipment needed for eastern routes outside the Northeast Corridor, including New York-Florida service and Broadway (New York/Washington-Chicago) service. These routes have never been provided with new equipment since Amtrak took over passenger service from the private railroads. The DOT budget mark for FY80 would delay and delete other capital investments which Amtrak would then have to program for FY81. This would delay ordering new low-level equipment; receipt would then be delayed until at least FY84.

The DOT budget mark would delay $9 million out of a total of $23 million in proposed capital improvements at Amtrak maintenance facilities at Chicago 12th Street Yard and Beech Grove, intended to increase productivity and improve efficiency of these operations, and at other maintenance facilities to improve environmental protection.

The DOT budget mark would delay $12 million of a proposed $21 million in FY80 capital improvements at certain Amtrak stations. Amtrak had programmed improvements at certain Amtrak stations. Amtrak had programmed improvements at Baltimore, Philadelphia, Newark, New York, Providence, Harrisburg, Boston, Portland, Alexandria, Los Angeles, Tampa, Fayetteville, Altoona, Charlottesville, Memphis, El Paso, and San Antonio. In addition, Amtrak has programmed certain basic system-wide station repairs and improvements.

The budget mark would delete $9 million FY80 funding Amtrak had proposed to utilize for right-of-way improvements, including $3 million for a joint project with the State of Michigan to upgrade 83 miles of Amtrak-owned track to support 79 mph operation over a portion of the Chicago-Detroit Corridor, and $1.3 million for Amtrak's participation in State/railroad/local grade-crossing programs designed to increase safety to motorists, and $4.3 million for equipment needed to maintain improved right-of-way on the Northeast Corridor and for renovation of facilities not included under NECIP such as the Hellgate Bridge.

The addition of $100 million to the Senate authorization for Amtrak's capital appropriation in each of FY 80 and FY 81 would result in funding availability increases as follows:

	Fiscal year—	
	1980	1981
Senate authorization:		
Reported from committee	$122	$223
Proposed increase	100	100
Present Amtrak program	171	203
Increased funding	51	120

Amtrak would use the entire increased funding to speed up the acquisition of 285 new low-level medium distance and long haul coaches, sleeping cars, lounges and diners. This will allow replacement of failure-plagued conventional cars that range in age between 20 to 35 years with modern, attractive and efficient new equipment. Acquisition of this equipment is currently called for in Amtrak's 5-year capital program; however, scarcity of capital funding delayed the proposed inception of the program to FY 81 with conclusion of funding in FY 84.

Much of the Amfleet equipment currently being used on the Amtrak network outside the Northeast Corridor on trains such as the Panama Limited, the Inter-American and the Cardinal, is essentially on loan. When the NEC improvements are completed in FY 82, the Amfleet equipment will have to be recalled to the NEC to handle the passenger loads generated by the NEC projects. The trains which will lose Amfleet equipment will require equivalent replacement equipment, none of which has been contracted for or produced. (The Superliner equipment has already been fully allocated to the major Western longhauls). In addition, the Eastern and Southern longhauls—The Broadway Limited, the Florida trains, and the Crescent—are currently equipped with cars built in 1948–52. This fleet of cars has approached the end of its serviceable life and in order to continue such services beyond the next two years, modern replacements would be required.

Amtrak has found that equipment is the greatest single stimulant to increasing ridership and revenues. If Amtrak is to substantially improve its ratio of revenue to cost, new and improved equipment must be slotted on the production line as soon as possible. This would be accomplished with the proposed increase in the Senate's capital authorization level.

WASHINGTON, D.C.,
April 27, 1979.

Hon. RUSSELL B. LONG,
Chairman, Subcommittee on Surface Transportation, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: When the DOT route report was issued on January 31, 1979, Amtrak suggested that there would have to be additional study of the implementation aspect of three new or restructured routes in the recommended system. These were the Lake Shore Limited, to be rerouted through Canada connecting Buffalo and Detroit; the Broadway Limited, with a segment linking Washington and Cleveland; and the San Francisco Zephyr, which would be rerouted to provide both Chicago-Los Angeles and Chicago-Oakland service by splitting at Ogden, Utah.

Subsequently, and in cooperation with DOT and the affected railroads, Amtrak conducted extensive site inspection trips and engineering analysis to determine:

(1) more precise estimates of track connection and other capital costs;

(2) the reasonable time frame within which the new service could be initiated; and

(3) the operational and passenger service impacts of the new routings.

I indicated in testimony before the Congress on March 5, March 21, and April 3, that Amtrak would report to the appropriate committees when this new data was complete.

Attached you will find the report of those field investigations and railroad discussions. Missing from the report is "attachment A" for each segment which details the line item estimates. I feel that releasing these costs in such detail at this time would further erode our negotiating position with the operating railroads.

I would like to summarize for you what the situation is on each of these proposed routes and what the implications are for the pending authorization and appropriation legislation.

Since this data was compiled, we have coordinated closely with DOT and are in substantial agreement in terms of the estimated time and costs involved. I have added my own conclusion on the quality of service implications.

I. The Lake Shore Limited—Boston/New York-Chicago service with a rerouted segment through Canada connecting Buffalo and Detroit.

This restructured route will cost $6.7 million in capital to implement and will result in an increased annual operating cost of $2 million over the DOT budget request for Fiscal Year 1980. While service could begin October 1, 1979, it must be instituted simultaneously with the rerouted Broadway Limited to maintain Cleveland-Chicago service as required by the DOT report.

II. The Broadway Limited—New York/Washington-Chicago service to be achieved by rerouting the Washington-Pittsburgh section through Cumberland, Maryland, and rerouting Pittsburgh-Chicago service through Cleveland.

These connections will cost $19 million to achieve and will add $1.3 million to the annual operating cost included in the DOT FY80 budget request. Service could not begin before May 1981.

While most of the capital cost are associated with the Alliance, Ohio-Cleveland section, there are some serious service implications in the Cumberland-Pittsburgh segment. This trackage permits an average speed of 34.4 miles per hour, is subject to frequent derailments, has heavy freight traffic (mostly coal), and has no alternate or detour possibilities in case of blockage.

I have some question of committing to new service if it is not going to be better service than we now operate. Unfortunately, these two routes, after improvements, will both operate with longer running times and slower average speeds than the present Lake Shore and Broadway routes.

III. The San Francisco Zephyr—Chicago-California service with the train splitting at Ogden, westbound, sending one section to Oakland and the other to Los Angeles through Las Vegas. Eastbound, the two sections would join at Ogden and proceed to Chicago as one train.

Two prospective routings between Kansas City and Denver were investigated. Each would cost nearly $8 million in capital to achieve and would raise annual operating costs over the DOT FY80 budget request, depending on which routing is selected by Amtrak.

The routing via LaJunta, Colorado, could not be in service before May of 1981 while the routing via Salina, Kansas, could be instituted possibly by May of 1980.

In either event, Amtrak will be required to maintain existing Chicago-Oakland and Chicago-Los Angeles service until such time as the restructured route can be instituted.

Keeping the present Zephyr and the Southwest Limited in place to maintain this service will require an additional $10.5 million in operating costs for Fiscal Year 1980. For Fiscal Years 1981 and 1982, the additional operating costs for these two trains drop to below $1 million per year because of the introduction of the Superliner equipment.

On this restructured route, Amtrak again would be offering service that is longer in endpoint mileage and overall running time and slower in average speed.

I would question whether this is really what we had hoped route restructuring would achieve.

The one segment of this route which can be immediately implemented with minimal capital costs ($1.1 million) is the Ogden, Utah-Las Vegas-Los Angeles segment. Because this service was predicated on a market potential involving Las Vegas, Los Angeles and Denver, it makes sense to me to initiate such service independently of a restructured Zephyr. We estimate that this service will require an additional $6 million subsidy on an annual basis.

No one could know of all the cost and operational problems when the DOT report was issued in January. Now that we have the advantage of such data, it appears to me that Amtrak should have the flexibility of being able to maintain present service on all of these routes until such time as the proposed routes become feasible in terms of both costs and service.

Keeping present service of the Broadway, Lake Shore, Zephyr, and Southwest Limited (on their existing routings) will require an additional $12.3 million in operating subsidy for Fiscal Year 1980. This, however, will be offset by the fact that $10 million in scheduled labor protection payments would not have to be paid.

Other Fiscal Year 1980 savings involved in retaining this existing service would be the $33.6 million in track, signal, and facility costs involved in the three restructured routes. As you can see from the attached chart, the three restructured routes will result in up to $7.2 million in increased operating costs when implemented.

In summary, the three restructured routes will take up to two years to implement, result in $33.6 million in capital costs, and up to $7.2 million in increased annual operating costs.

Continuing the existing Southwest Limited, Zephyr, Broadway and Lake Shore along their present routings maintains all endpoint service recommended in the DOT study. The only intermediate point which would not be served would be Detroit (which has and will continue to have Chicago service under the DOT plan).

Continuing existing service on these routes will cost $12.3 million in FY80, offset by not requiring labor protection payments of $10 million.

Because of the above, it is my feeling that Amtrak should be relieved of the absolute statutory deadline for implementing the new routes. I would propose instead a requirement that: (1) operations be initiated soon after the start of FY 80 on those portions of the new routes where it is physically and economically possible and constitutes improved service; (2) on other portions of the new routes operations be commenced only when economical, desirable construction work can be completed; and (3) so as not to disrupt service in the interim, existing patterns of service between the end points of the new routes be continued until the new routes can feasibly be operated in total.

I believe that such a course of action would represent the most orderly and sensible way to implement the Secretary's route structure recommendations.

I would be happy to meet with you or any members of the Committee to explain any of the attached in greater detail.

Sincerely,

ALAN S. BOYD,
President.

PRELIMINARY ESTIMATED IMPLEMENTATION OF REROUTED SERVICES

[Dollar amounts in millions]

Route	Capital required	Implementation date	Annual operating cost impact versus study	Annual revenue impact versus study	Annual net operating shortfall
Broadway Ltd	$19.0	2 yr[1] [2]	$0.5	($0.8)	$1.3
Lake Shore Ltd	6.7	Oct. 1, 1979[1]	2.0	None	2.0
S. F. Zephyr:					
Via Salina (Chi-LAX/Oakland)	7.9	1 yr[2]	1.6	(1.7)	3.3
Via LaJunta (Chi-LAX/Oakland)	7.9	2 yr[2]	2.0	(1.9)	3.9
Total	33.7		4.1–4.5	(2.5–2.7)	6.6–7.2

[1] Broadway and Lakeshore must be rerouted simultaneously.
[2] After authorization is approved.

Note: All estimates in fiscal year 1980 dollars.

ESTIMATED IMPACT OF NOT REROUTING SERVICES (COMPARED TO DOT BUDGET)

[Dollar amounts in millions]

Route	Operating subsidy impact	Labor protection impact
Broadway Ltd	None	($0.5)
Lakeshore Ltd	$1.1	
S. F. Zephyr, Southwest Ltd	10.5	(9.5)
Shenandoah (Washington-Cumberland only)	0.7	None
Total	12.3	(10.1)

DOT ROUTE RESTRUCTURING

SUMMARY OF FIELD INVESTIGATION

Cumberland-Pittsburgh (via Chessie system)

General

A 152-mile double track line (FRA Class 4) with Automatic Block Signals. Very limited capability for passing freight trains.

Low speed mountainous railroad with severe grades and numerous 7 to 9 degree curves. Freight helper locomotives operated over 36 mile district.

Heavy freight tonnage, approximating 40 million gross tons per mile per year. Slow freight train operation includes high tonnage coal trains.

Line subject to frequent freight train derailments blocking main tracks (27 occurrences in six months).

In event of blockage, no detour route available.

Preliminary capital requirement

$1,513,000—See Attachment A.

Prerequisites for implementation

Construction of track connection at Pittsburgh.

Elimination of clearance restrictions.

Securing of necessary run-through crew agreements.

Implementation

Spring 1980 upon completion of trackwork for Pittsburgh connection.

Passenger train schedules

Start Up: 4 hrs. 45 min.; 32.0 mph average.

Ultimate: 4 hrs. 20 min.; 34.4 mph average.

Additional operating expenses are shown in Attachment B.

CUMBERLAND TO PITTSBURGH

Additional Annual Operating Expenses over Present Route 440–441 Washington-Harrisburg:

Item	Amount
Train and Engine Crews (Note 1)	$100,000
On Board Service Crews (Note 1)	108,000
Total (Note 1)	208,000

In addition, failure to obtain run-through crew agreement: Cumberland to Pittsburgh, $267,000 (Note 2).

NOTE 1.—These expenses may or may not be included as additional expenses in the DOT route study.

NOTE 2.—Expenses not contemplated in DOT route study.

SUMMARY OF FIELD INVESTIGATION

Alliance-Cleveland (via Conrail)

General

A 56 mile double track line with Automatic Block Signals. Line is not presently equipped for handling passenger trains due to lack of sidings to permit trains to pass slower moving trains and freight trains performing work en route on main tracks.

Maximum speed for freight trains is 40 mph; however, over 20 miles presently has a 10 mph speed restriction.

Last passenger train operation over this line in October, 1959.

Heavy freight tonnage ranges over specific line segments from 29 to 40 million gross tons per mile per year including unit coal trains northbound and ore trains southbound. In addition there are road trains and yard transfers handling traffic for two large automobile plants near Cleveland.

This line now carries ore, coal and overhead freight traffic formerly handled by PRR, NYC and EL on separate lines.

Preliminary capital requirement

$17,441,000 Conrail requirement including minor Amtrak station costs—See Attachment A.

Prerequisites for implementation

Construction of track connection at Cleveland.

Upgrading of main tracks.

Implementation of HEP Equipment on Broadway Limited.

Amtrak commitment to CTC program.

Implementation

October 1980 with slower schedules.

October 1981 with expedited schedules upon completion of CTC.

Passenger train schedules

Prior to completion of plant improvements:

Westbound—4 hours; 14.0 mph average.

Eastbound—3 hours; 18.7 mph average.

Subsequent to completion of plant improvements.

Both directions—1 hour 45 minutes; 32.0 mph average.

Additional operating expenses are shown in Attachment B.

ALLIANCE TO CLEVELAND

Additional Annual Operating Expenses over Present Route.

Item	Amount
Train and Engine Crews (Note 1)	$253,000
On Board Service Expense (Note 1)	390,000
Fuel Expenses (Note 1)	70,600
Total	*713,800

* Based upon completion of track upgrading and modifications to plant. Does not include additional costs for initial slow speed operation.

The above comparison does not reflect schedule improvements attainable on the present (Ft. Wayne) route with the installation of CTC and track upgrading which should reduce schedule time by an estimated one hour. This would equate to a cost reduction on the present route of $230,000.

NOTE 1.—These expenses may or may not be included as additional expenses in the DOT route study.

SUMMARY OF FIELD INVESTIGATION

Niagara Falls-Detroit (via Conrail)

General

A 231 mile double track line with Automatic Block Signals. Line is in good condition capable of 70 mph passenger train speeds.

One local-through freight is operated each way between St. Thomas and Windsor. Conrail is planning to single track this line, retire the Automatic Block Signals and downgrade the remaining track to a 30 mph freight train operation. Conrail has already instituted the action with the Canadian Transport Commission to retire the signal system.

Conrail's position is that any maintenance expense for the ABS system, second main track or track speeds over 30 mph represent "incremental" expenses to be borne by Amtrak.

A legal question remains open on Amtrak's obligation with respect to the costs of passenger train operation in Canada, Conrail and Amtrak disagree upon the costing methodology (allocated or incremental).

Will result in a transfer of work from American train and engine crews to Canadian crews.

Preliminary capital requirements

Potential $6,700,000 to convert Automatic Block Signal system to single track railroad.

Implementation

October 1, 1979.

Passenger train schedules

Comparable to former operation of Niagara Rainbow: 231 miles—4 hours 50 minutes; 47.8 mph average.

The New York-Chicago schedule would be comparable to the present operation.

Additional operating expenses are shown in Attachment A.

NIAGARA FALLS TO DETROIT (VIA CONRAIL)

Preliminary estimates of capital requirements

Conversion of Automatic Block Signals from double to single track, $6,720,000 (Note 1 & 2).

Additional annual operating expenses

Based on Conrail "incremental" expense concept for downgraded line

Signal Maintenance (Note 1 & 2)	$152,000
Incremental Track Mtnce. (Note 1 & 2)	672,000
Total (Note 1 & 2)	824,000

Conrail position on allocated expenses for Canadian operation, $1,150,000 (Note 1 & 2). Total $1,984,000.

Note 1—Amtrak does not agree that it is obligated to pay these expenses. Based on Conrail's position, these figures represent an estimate of Amtrak's potential exposure should Conrail's position prevail.

Note 2—Expenses not contemplated in the DOT route study.

SUMMARY OF FIELD INVESTIGATION

Kansas City-Denver (via Union Pacific)

General

A 640 mile line with Automatic Block Signals. Maximum freight train speeds are 70 mph Kansas City to Topeka, 65 mph Topeka to Salina and 60 mph Salina to Denver.

Line traverses more than 450 miles of largely uninhabited and desolate country. There are few paralleling roads in the area.

The line from Salina, Ks. to Limon, Col. is a secondary freight line with only one scheduled through train daily.

No radio communications and a very limited and unreliable wayside telephone system exists between Salina and Denver.

No mechanical forces are employed between Salina and Denver, a distance of 456 miles.

365 miles of track requires surfacing before passenger trains can operate at more than 60 miles per hour.

Snow removal has a low priority because of light traffic; this periodically results in this line being closed due to snow conditions.

Preliminary capital requirements

$3,000,000—See Attachment A

Prerequisites for implementation

Securing appropriate train and engine crew run through agreements.

Installation of radio communication to cover Denver to Salina.

UP-Amtrak agreement on improvements.

Implementation

April, 1980 with slower schedule.

October, 1981 with expedited schedule upon completion of track rehabilitation.

Passenger train schedules

Prior to completion of plant improvements—13'07".

Subsequent to completion of plant improvements—12'00".

Additional operating expenses are shown in Attachment B.

KANSAS CITY TO DENVER (VIA UP)

Estimated Annual Operating Expenses Chicago to Denver (excluding equipment maintenance).

Present Route:

Burlington Northern—Chicago to Denver (Note 1)	$9,077,000
AT&SF—Chicago to Kansas City UP—Kansas City to Denver (Note 1) and (Notes 2, 3 & 4)	10,712,000
AT&SF—Chicago to Denver via La Junta (Note 1)	11,164,000
AT&SF—Chicago to Denver via Topeka and LaJunta (Note 1)	11,469,000

Note 1—These expenses were developed as a result of field inspection and current contractual arrangements independent of the DOT route study.

Note 2—Included in the Chicago-Kansas City-Denver UP cost segment but not included in the DOT route study is $429,000 additional track maintenance expense. Also not included is $395,000 additional track maintenance expense between Denver and Ogden.

Note 3—Not included in this estimate or in the DOT route study is the incremental cost of snow plowing on this line. Thirty-two work train crews and related equipment expenses per season is estimated to cost $43,000.

Note 4—Not included in the DOT route study is $122,000 for Mechanical Department riders required between Salina and Denver.

SUMMARY OF FIELD INVESTIGATION

Kansas City-Denver (via AT&SF)

General

AT&SF present route Kansas City to LaJunta is in excellent condition for 90 mph passenger train operation. AT&SF track (including MP joint track) LaJunta to Pueblo will be satisfactory for 79 mph operation following the 1979 rail program.

The line from Pueblo to Denver (114 miles) is a joint operation between AT&SF, D&RGW and Colorado and Southern with major operating problems.

The Pueblo-Denver segment handles approximately 40 million gross tons annually and tonnage is increasing rapidly. This territory is slow, mountainous railroad with heavy grades, and helper engines required on freight trains.

The volume of traffic in an 11 day period, March 1975 compared to March 1979, increased from 135 trains to 330 trains. The growth was primarily related to coal traffic.

In 1973 a 32 mile portion of this railroad was converted to single track with centralized traffic control. This segment is now handling approximately 30 trains per day. The carriers are considering restoration of the second main track in this area.

The line lacks the sidings and signalling to provide the flexibility required to operate a passenger train.

Preliminary capital requirements

$6,800,000—See Atachment A.

Prerequiistes for implementation

Installation of centralized traffic control and/or siding construction.

Implementation

Summer 1981 at earliest.

Passenger train schedules

Upon completion of capital work, Amtrak proposes a 4 hour 45 minute schedule Denver to LaJunta, 179 miles, averaging 37.7 mph.

The overall schedule Denver to Kansas City would be 13 hours 20 minutes direct or 14 hours 05 minutes via Topeka. This compares with 12 hours via the UP Kansas route.

KANSAS CITY TO DENVER (VIA AT&SF)

Estimated Annual Operating Expenses Chicago to Denver (excluding equipment maintenance):

Present Route:

Burlington Northern—Chicago to Denver (Note 1)	$9,077,000
AT&SF—Chicago to Kansas City UP—Kansas City to Denver (Note 1)	10,712,000
AT&SF—Chicago to Denver via La Junta (Note 1)	11,164,000
AT&SF—Chicago to Denver via Topeka and La Junta (Note 1)	11,469,000

Note 1—These expenses were developed as a result of field inspection and current contractual arrangements independent of the DOT route study.

SUMMARY OF FIELD INVESTIGATION

Ogden-Barstow (via Union Pacific)

General

A 669-mile track with Automatic Block Signals. Line is maintained for a maximum 70 mph freight train speed.

Medium freight tonnage over a mountainous terrain.

Traverses desolate area; however, frequent train movements would provide emergency support.

Dispatcher to train radio communications exist over entire route.

Preliminary capital requirement

$1,110,000—See Attachment A.

Prerequisites for implementation

Modifications to facilities at Ogden to permit switching and servicing of trains.

Improvements to station facilities at Las Vegas.

Radio modifications.

Implementation

October, 1979.

Passenger train schedules

14 hours 05 minutes—Ogden to Barstow.

18 hours—Ogden to Los Angeles.

SUMMARY OF FIELD INVESTIGATION

Sacramento Valley (via Southern Pacific)

General

Present route is known as the West Valley Route between Davis and Tehama, 110.7 miles. Proposed route is known as the East Valley Route between Davis and Tehama via Sacramento and Roseville, 136.2 miles. Another option exists via the Western Pacific Sacramento to Binney Jct., north of Marysville. See Attachment C.

The present route is maintained as FRA Class 3 track with a maximum passenger speed of 60 mph. Bus connections operate between the Sacramento station and Davis (15 miles) to connect with Trains 11 and 14.

The proposed route Roseville to Tehama, 105 miles, is in good condition (better than the present route) with a maximum passenger train speed of 70 miles per hour. The line is equipped with centralized traffic control.

Heavy freight traffic operates over the East Valley Route to and from Roseville Yard. Considerable congestion occurs in the vicinity of Roseville. Operation via the Western Pacific avoids the Roseville congestion but will not reduce schedule time due to time consumed moving through the track connections. A track connection at Binney Jct. must be constructed.

Operation, including station time at Sacramento and operation around Roseville Yard, in addition to the additional mileage, will require approximately 1 hour to 1 hour 15 minutes additional schedule time. Lengthened schedule time will materially increase operating expenses. See Attachment B.

One additional train crew district (Redding to Klamath Falls, 105 miles) will be required because of the additional time.

Preliminary capital requirement

$3,341,000—via Southern Pacific, See Attachment A.

$2,396,000—via Western Pacific, See Attachment A.

Prerequisites for implementation

Southern Pacific-Amtrak agreement on capital improvements.

Revision to present Southern Pacific operating agreement.

Amtrak contract with Western Pacific (optional).

Implementation

October 1979.

Passenger train schedules

Davis to Tehama—Present route, 2 hours, average speed 55.3 mph.

Davis to Tehama—Proposed route (via SP), 3 hours 05 minutes, average speed 44.2 mph.

EAST VALLEY ROUTE

Preliminary estimate of increased annual operating expense

Train and Engine Crews	$168,000
Meals and Lodging	32,900
R of W Payments	14,300
Station Staffing	69,000
Fuel & Watering	67,200
On Board Service Crews	165,300
Total (Note 1)	516,700

Note 1—These expenses may or may not be included as additional expenses in the DOT route study.

STANFORD ROSS TAKES POSITIVE STEPS TO IMPROVE SOCIAL SECURITY

● Mr. CHURCH. Mr. President, the social security programs—perhaps more so than any other program in Government—touches the daily lives of almost every American family.

About 114 million employees and self-employed persons will pay into social security this year.

Nearly 95 percent of all individuals now reaching age 65 are eligible for benefits.

Social security is the economic mainstay for the vast majority of older Americans, accounting for 50 percent or more of total income for 73 percent of nonmarried beneficiaries 65 years or older and 56 percent of aged couple beneficiaries. It represents almost the entire source of support—90 percent or more of total income—for 34 percent of nonmarried elderly beneficiaries and 18 percent of aged couple beneficiaries.

Despite its importance for practically all Americans, social security is facing a public confidence crisis.

There are loud and clear signals about public unease with the present level of payroll taxes.

Many people have interpreted newspaper articles describing social security's recent need for additional financing to be tantamount to bankruptcy.

A program as large and as important as social security must have full public trust.

Stanford Ross, who became Commissioner of the Social Security Administration last October, has initiated several important actions to restore public confidence in social security.

One of his major goals is to make workers and young people aware of the importance and value of social security.

Social security is more than just a retirement program for older Americans. In a very real sense it is family security, protecting workers and their families from loss of earnings because of retirement, death, or disability. In addition, today's employees are also purchasing hospital insurance protection when they reach age 65 or become disabled.

A worker retiring in January 1979, who paid the maximum old-age and survivors insurance tax since 1937, would recover that contribution in 15 months—and in 10 months if married to a spouse entitled to benefits.

Social security has other important advantages for employees and retirees:

It is almost a universal and totally portable system. Workers generally carry their rights to benefits with them from job to job.

Beneficiaries have protection from inflation, because of the automatic cost-of-living adjustment mechanism.

Benefits are exempt from Federal income tax.

Stan Ross has also taken concrete steps to reduce fraud, abuse, and errors. The purpose is to insure that social security pays the right amount to the right person at the right time. Since 1975, the supplemental security income error rate has dropped sharply, from 11.5 to 4.6 percent. And, Stan is working to reduce that figure further.

Finally, he wants to insure that social security is actuarially sound without imposing burdensome taxes upon the workers of today and tomorrow.

A recent article by Jane Bryant Quinn describes Stan's efforts to overcome some of the doubts about social security.

Mr. President, I commend this article to my colleagues and ask that it be printed in the RECORD.

The article follows:

POSITIVE STEPS TO IMPROVE SOCIAL SECURITY

(By Jane Bryant Quinn)

NEW YORK.—Perhaps the weakest point in the Social Security system today is the fury it inspires in the hearts and minds of many taxpayers. Feeling, in fact, is running so high that the Social Security Administration—perhaps for the first time since its birth is studying ways to resell itself to the American people.

The job won't be easy. "I couldn't live long enough to get 50 percent of what our small business is pouring into that program," one angry woman wrote to me—signing herself, "My name is legion."

Other readers have sent me pages of figures "proving" that if they invested their own and their employer's Social Security contributions in an insurance-company annuity, they'd be better off.

The ideas these readers, and their legions, have about Social Security are generally not correct. The public program is a far better deal for the money than we'd get from any private pension and insurance plan.

But as long as substantial numbers of voters believe they aren't getting their money's worth, Social Security is in danger. Lack of financing isn't the chief threat to future payments—it's lack of public belief.

The new Social Security commissioner Stanford Ross is laying plans to fight back.

"We never paid much attention to the people whose taxes finance the program," he told me in Washington last week. "We were all caught up in helping beneficiaries. But now our focus has to change. We need to convince American workers—the program's future beneficiaries—that Social Security is a good system and deserves their support."

So far, his plans include:

Brochures for high-school seniors, explaining what Social Security does for them. "The idea is to reach new workers right away, and tell them that the system provides benefits not only in retirement, but every day during working lives." Ross says. So far 3.4 million brochures have been printed.

More information, brochures, still in the works, for distribution to workers through employers and labor unions.

A personal statement, mailed to workers every few years, showing what benefits they have accumulated. This project, still under consideration, is expensive—perhaps too expensive to carry out. But it would be the most graphic reminder of all that Social Security does provide some security for almost everyone.

Most working Americans associate the program almost entirely with retirement income—hence the letters comparing Social Security with annuities. But your annual payment provides far more coverage than that.

There's disability pay, plus benefits for your spouse and young children, if you become unable to work. The scale of benefits is richer than that provided in private plans. Also, you're covered regardless of health.

There are survivor's benefits—a form of life insurance—worth several thousand dollars a year to your spouse and children if you die prematurely. You'd pay a lot of money for similar coverage on the private market.

There's Medicare at age 65. Adequate old-age health insurance isn't available on the private market, so it's not even possible to make cost comparisons.

The retirement-income side of Social Security is also far better than you'd get from private plans. At private companies, for example, you have to work for five to 10 years before qualifying for pension payments: if you quit too soon, you'll get nothing. But Social Security follows you from job to job, building benefits as you go.

Perhaps most important is the fact that Social Security payments are indexed to inflation. This June and July, for example, the Social Security checks of all beneficiaries will rise by 9.9 percent. By contrast, retirees on fixed company pensions or insurance annuities see their purchasing power erode every year.●

MR. CARTER BREAKS THE TIMBER LINE

● Mr. BUMPERS. Mr. President, I would like to call the attention of my colleagues to an editorial which appeared in the New York Times on Friday, June 22, 1979, and ask that it be printed in the RECORD. The editorial, entitled "Mr. Carter Breaks the Timber Line" raises some cogent points about the President's recent order to increase the timber harvest from national forests and appropriately calls for vigilant congressional oversight to insure that existing laws are not violated under this order.

The editorial follows:

MR. CARTER BREAKS THE TIMBER LINE

President Carter needs to give a much better justification for his unprecedented order to increase the timber harvest from national forests. These lands have hitherto been managed to produce a "sustained yield" and "even flow" of timber from year to year—cutting has been held to the rate as which new trees replaced the felled ones. But now Mr. Carter wants a decade of faster cutting on lands administered by the Forest Service and the Bureau of Land Management, to raise the harvest by 1 to 3 billion board feet a year over the current rate of about 12 billion.

The Administration explains the order primarily as "an important contribution to easing the rising cost of housing." But it figures that every extra billion board feet would reduce the cost of a new house by only six-tenths of one percent. The median price of a new house rose 120 percent from 1971 to 1978, at twice the rate of other consumer goods. Yet wood accounts for only 14 percent of the cost of each house. Every tiny gain on inflation helps, of course, but is this reason enough to abandon traditional cutting patterns?

The White House also contends that many national forests in the West contain much timber that would die and go to waste if not soon harvested. Fair enough—if it could be shown that such waste will, in fact, occur and that the timber companies will seek out these vulnerable trees. Many foresters suspect, however, that the extra cutting will be concentrated in the stands that are most accessible.

It is hard to avoid the conclusion that the President's main interest lies in helping the timber industry of the Pacific Northwest, which has drastically overcut its own lands. It needs now to find new sources of wood in that region or move elsewhere. The Administration says larger harvests on Federal lands on the Pacific Coast would "sustain employment in timber communities." But a Library of Congress study suggests that the national forests are already supplying more trees than they are growing. And some experts think the cut there may eventually have to be reduced to meet other forestry objectives, like wildlife protection, recreation, watershed management and erosion prevention.

Some foresters say it would be wiser to encourage larger harvests from small commercial holdings and from forests in the South and East, which are closer to the major housing markets. Congressional committees ought to make sure that the President's order does not violate laws requiring a sustained yield from the national forests. That kind of vigilance would at least require a better accounting from the Administration. Mr. Carter bills his order as "temporary," but it could set a most disturbing precedent.●

ESTIMATING THE SIZE OF THE UNDOCUMENTED ALIEN POPULATION

● Mr. KENNEDY. Mr. President, much has been written about the size and impact of the undocumented alien population on our society. Some would have us believe that we are being invaded by "hordes of illegals." Such presumptions are, of course, exaggerated and do not contribute to the formulation of constructive solutions.

Fortunately, new reliable data is emerging which for the first time provides the American public with some insight and new dimensions on the size of the undocumented alien population. Recently Mr. Gregory Robinson, demographic statistician at the Department of Commerce, Bureau of the Census, presented a report at the annual meeting of the Population Association of America which estimated the undocumented alien population to be approximately 4 million.

Mr. Douglas S. Massey of the Office of Research at Princeton has also conducted recent studies on the undocumented alien population. His findings parallel those of Mr. Robinson. This new data discredits some common fallacies about undocumented aliens. The latest research concludes that undocumented persons pay taxes, that they are very unlikely to use social services and that their numbers are much smaller than previously thought.

Mr. President, if we are to sponsor enlightened legislation that addresses this complex and sensitive issue, we must first divorce ourselves from the old emotional misconceptions that have for too long prevented us from seeking just and humane solutions to this problem.

I would like at this time to share with the Senate some of Mr. Massey's thoughts and ask that a recent article from the New York Times be printed in the RECORD.

The article reads as follows:

HORDES OF "ILLEGALS"? NO

(By Douglas S. Massey)

PRINCETON, N.J.—Many people believe that the United States is being silently invaded by millions of illegal aliens who take away jobs and burden taxpayers.

While the clandestine nature of illegal immigration largely precludes an objective assessment of its impact on American society, there are a few facts that may serve as a guide to the thoughtful citizen trying to make sense of this complex issue.

How many illegal aliens are there? Speculation on their numbers ranges as high as 12 million nationwide, and up to two million in New York City. Such figures are widely quoted but scientifically indefensible because of dubious methods and questionable assumptions.

A common mistake is made in counting only those who enter the country illegally while ignoring the many who subsequently leave.

The best demographic evidence suggests that there may be about four million illegal aliens living in the United States at any time. Furthermore, recent work indicates that this population has not greatly increased since the early 1970s. However, while authorities agree that there are concentrations of illegal aliens in many cities, there are no adequate estimates for individual urban areas and no defensible methods for obtaining such figures.

A common misconception is that illegal aliens are a drain on taxpayers, making use of social services while paying no taxes.

A growing body of research indicates that this is simply not the case. Whether we consider welfare, food stamps, education, unemployment compensation or health care, all studies indicate that illegal aliens are very unlikely to use social services. Utilization rates are typically on the order of 5 percent or less.

On the other hand, illegal aliens are very likely to be taxpayers. Studies have consistently shown that most illegal aliens—between 65 percent and 90 percent of those studied—have Social Security and income taxes withheld from their paychecks; they necessarily pay state and local taxes in the form of sales and property taxes. Far from ripping off the system, illegal aliens are more likely to be subsidizing it.

It is often alleged that American workers are being displaced by illegal aliens who are willing to work for lower wages and under less-favorable conditions than American citizens. This emotional issue has been seized upon by some public officials who point to the presence of large numbers of illegal aliens as a cause of unemployment. However, it is unreasonable to suppose that unemployment would be eliminated—or even seriously reduced—if illegal aliens were somehow to be removed from the labor force. Some economists would argue that the effect of such a removal would be a loss of jobs to American citizens. Illegal aliens typically work in menial low-paying positions shunned by citizens, who often work in supervisory and administrative positions in the same firms. If illegal aliens were unavailable, it is argued, these firms would either leave the country or go out of business, taking the supervisory and administrative positions held by American citizens with them.

The point is not that illegal aliens represent a net loss or net gain for American workers but that it is a complicated question for which there is no clear and easy answer. Blaming illegal aliens for current levels of unemployment is scapegoating.

As for the frequent blurring of the distinction between foreignness and illegality, just because someone is poor, foreign, and speaks little English does not mean that person is an illegal alien—a fact sometimes overlooked by school, hospital and welfare officials faced with chronic budget deficits.

The muddling of foreignness with illegality can be particularly misleading when applied to children. Many people decry the expenditure of public money on services to children of illegal aliens. What is overlooked is that many of these children were born here and are thus American citizens with a right to such services.

Because statements made in connection with illegal aliens inevitably reflect back upon other members of the ethnic groups to which they belong, public officials and journalists have an obligation to make sure of their facts before speaking out.

At this time, our best evidence suggests that the facts are these: The United States is not being inundated by an out-of-control "invasion" of illegal immigrants; nor is it likely that illegal aliens represent a burden to taxpayers; nor is there any clear evidence to indicate that, on balance, illegal aliens displace American workers.

Bearing these points in mind will help put the issue of illegal immigration into a reasoned perspective.

DEVELOPMENT OF SYNTHETIC FUELS

● Mr. DOMENICI. Mr. President, research into how this Nation can use the vast shale, coal, geothermal, heavy oils, tar sands, and similar resources to free ourselves from our dangerous dependency on foreign sources of energy reveals two things: The Government itself has been one of the biggest stumbling blocks and, second, that it will take an all-out effort to achieve self-sufficiency this century.

During my review of the past several years of hearings and investigations into the use of synthetic fuels, I came across the report of the Subcommittee on Energy of the House Committee on Science and Astronautics in December 1974. This report contains important information about the potential for using the U.S. tar sands for oil production; it also outlines the work that our neighbors in Canada have carried out to use extensive tar sands to supplement conventional crude oil production. Last week, Mr. President, I pointed out that Canada has made a strong commitment in the area of synthetic fuels. While that nation has more tar sands reserves than we do, we have billions of barrels of potential oil and oil equivalent from coal and oil shale that we could develop with the same approach that Canada has used in tar sands development.

What is holding up American development of synthetic fuels? Why are other nations so far ahead? First and foremost, the Government itself has retarded growth of a synthetic fuels industry. Regulatory delays have become so much a part of any large-scale energy project that a new phrase—"regulatory risk"—is now a routine part of the economic risk-benefit analysis that investors make before embarking on new construction plans. In hearings held by the Senate Energy and Natural Resources Committee last week, we heard six different witnesses outline horror stories about delays, regulatory snags, and excruciatingly slow decisions on important energy projects.

In addition, the Government agencies involved in coal and oil leasing have taken long periods of time to make decisions. Our present coal leasing program is a disaster; the Federal Government itself is the single biggest deterrent as we try to use our huge coal reserves to free ourselves from the stranglehold of the OPEC cartel. I have now learned, and the House Energy Subcommittee's 1974 report confirms it, that if we try to embark on a tar sands development program, we will run into another Federal roadblock—the current leasing policy for federally-owned tar sands. The Department of Interior has issued no new leases for these lands for more than 13 years. As the report says:

> Institution of a leasing policy which defines oil from tar sands under an "umbrella definition"—of all hydrocarbon substances except coal, gilsonite, and oil shale—would remove a major legal roadblock to development of federally-owned tar sands.

In the 93d Congress, Senator Frank Moss and Representative Wayne Owens introduced changes in current law so that leasing of the tar sands would be expedited. Those provisions failed to clear the Congress.

This Nation has about 30 billion barrels of oil potential in our tar sands, with most of this in Utah. A small deposit of tar sand exists in my home State, near Santa Rosa, Guadalupe County. We must remember that Federal ownership of resources is enormous—70 percent of tar sands, 50 percent of total known coal reserves, 72 percent of the Nation's oil shale reserves, and 56 percent of known geothermal areas. In light of this ownership, it may take substantial revision of present leasing and development laws to allow America to achieve the energy independence that is so clearly in our national interest. As the debate on such proposals as my bill, S. 1377, the Synthetic Fuels Production Act of 1979, continues, I hope that a central focus will be on what has been identified so clearly as a large barrier to self-sufficiency in energy—the laws and regulations of the Government.●

A TRIBUTE TO SENATOR LEV SALTONSTALL

● **Mr. WILLIAMS.** Mr. President, it is always a sad day when we must pause to note the passing of a dear colleague, but somehow, the recent news that former Senator Leverett Saltonstall has died brings other emotions as well.

No one who served with him can look around this Chamber and not help but realize how much his special kind of leadership and representation made this a much better place. I feel proud that the U.S. Senate can boast Members like "Salty" and I will remember always watching him work and cajole and lead during the years we shared here in the late 1950's and 1960's.

We did not always agree, and certainly the Members on his side of the aisle had many disputes with our side during that time, but Saltonstall always had that uncommon gentleness which could turn anger into compromise, and disagreement into progressive legislation.

His service on the Armed Services Committee, as its ranking minority member at the time of his retirement, is still recalled as an example of enlightenment and quality. And his service to our Nation was topped only by his unflinching loyalty to his beloved Massachusetts, which he led as Governor and where he died peacefully.

From his service in the military during the First World War, to the statehouse, to the Senate Chamber, to his quiet place of rest in Dover, Leverett Saltonstall brought a special brand of excellence to public service and tranquility to private life.

It is certainly not surprising that he was mentioned frequently as a possible leader for the national fortunes of his political party, and—in that respect—he is not too unlike many sons of Massachusetts past and present. But it is also not too startling that he preferred the strong and quiet leadership that he rendered here in the Senate and it is for these reasons that all of us here will miss him so much, even as we cherish his splendid memory.

Mr. President, to his widow and his children, we all express our most profound sorrow.●

DIRECT ELECTION

● **Mr. WILLIAMS.** Mr. President, the Record of Bergen County, N.J., has come out strongly in favor of the proposed amendment to abolish the electoral colleges and establish direct popular election of the President.

The editors contend that we are engaged in a quadrennial game of electoral roulette and that is indeed correct. On eight occasions in the century, a shift of less than 1 percent in the popular vote for President would have awarded a majority in the electoral college to a candidate who failed to receive a majority of the votes cast.

Few people dispute that the collegial system is outmoded, risky and, in some cases, inequitable. The system itself has been under fire since at least 1826.

My conclusion, Mr. President, follows the reasoning of the Record editorial:

> Isn't is about time to recognize the electoral college for what it is—a constitutional crisis waiting to happen—and get moving with the Bayh amendment?

Mr. President, I ask that the text of the Record editorial of March 28, 1979, be printed in the RECORD.

The editorial follows:

[From the Bergen County (N.J.) Record, Mar. 26, 1979]

ELECTORAL ROULETTE

Sen. Birch Bayh of Indiana calls it "electoral roulette." The late Hubert Humphrey considered it "a violation of equal treatment under law." Both candidates in the last presidential election agree that it is outdated. And according to a recent Gallup Poll, 84 percent of the American people think it should be abolished.

Every year since 1966, Senator Bayh has offered a constitutional amendment to abolish the Electoral College and provide for the direct election of the President and vice-president by popular vote. For the last 12 years, his bill has either been killed in committee or foiled by a filibuster on the Senate floor. Now, he's about to try again, and we wish him the best of luck on his 13th attempt.

It's remarkable that the Electoral College has lasted this long. It was originally adopted as a compromise between those Founding Fathers who favored direct popular election and those who believed the president and vice-president should be chosen by the "national legislature." This issue generated such controversy during the Constitutional Convention of 1787 that it was left to a special "Committee of Eleven" to hammer out the system of "intermediate electors" that later came to be known as the "Electoral College—under which each state receives a number of electoral votes equal to the number of representatives and senators it has in Congress. The presidential candidate who gets the most votes in a state gets all of that state's electoral votes, whether he wins the state by one vote or a million.

As early as 1824, it was apparent that this system had its shortcomings. That November, some 400,000 Americans went to the polls, and they chose Andrew Jackson by a convincing 40,000-vote margin over John Quincy Adams. But there were two other candidates in the field, and none of the four won a majority of the electoral votes. So the election, by constitutional mandate, was thrown into the House of Representatives. There, Adams and one of the other candidates, Henry Clay, struck what Jackson was to call their "corrupt bargain"; Clay made no secret of his desire to be secretary of state, and Adams was happy to oblige—in return for Clay's 37 electoral votes. The House gave Adams the presidency on the first ballot. Jackson proceeded to form his own Democratic Party, and soundly trounced the incumbent in a rematch four years later.

In two later elections—1876 and 1884—candidates who lost the popular vote went on to become president. Long after the bitter 1876 election, Rutherford B. Hayes, who lost at the polls by 250,000 votes but won in the Electoral College by one vote, was to write in his diary that his opponent, Samuel Tilden, should have been president.

History came dangerously close to repeating itself in 1976, when Jimmy Carter won the presidency by 1.7 million popular votes and 57 electoral votes. The shift of a mere 6,364 votes—2,677 in Ohio and 3,687 in Hawaii—would have swung the election to Gerald Ford by two electoral votes, even though Mr. Carter would still have won the popular vote by a substantial margin. Imagine what that would have meant in terms of public confidence in the president!

Defenders of the Electoral College have three basic arguments. The first is that it protects the interests of smaller states like Delaware, Nevada, Vermont, and Wyoming; presidential candidates can't afford to ignore these states, it is argued, because their electoral votes could be crucial. Yet in 1976, neither presidential candidate paid a single visit to Delaware, Nevada, Vermont, or Wyoming. For decades, candidates have been focusing their attention on the "big six"—California, New York, Pennsylvania, Texas, Illinois, and Ohio—which account for more electoral votes than 33 other states combined. If anything, the Electoral College makes a single vote in a state like New York or Texas more important to a presidential hopeful than 10,000 votes in Alaska or South Dakota.

The second argument is that the Electoral College helps preserve the two-party system. Since splinter parties and single-issue groups can't expect to win a majority of votes in any state, they know they won't receive any electoral votes and won't really influence the outcome of an election. Therefore, this reasoning goes, voters tend to cast their ballots for the two major-party candidates. But if the Electoral College were abolished and the president were elected by direct popular vote, these same splinter parties could wreck havoc with the electoral process.

But the Electoral College is scarcely an ironclad guarantee against this sort of thing, as Adams and Clay demonstrated. And the Bayh amendment, by contrast, does contain a safeguard against splinter-group influence:

If no candidate receives 40 percent of the popular vote, a run-off election is held between the two top vote-getters.

Finally, the defenders of the Electoral College fear that direct election would destroy a fundamental element of federalism—the constitutional system that defines the balance between the states and the central government. Their reluctance to tamper with the Constitution is understandable. But we don't think it should be decisive, set against the political dangers inherent in the Electoral College. How is federalism served by a system that allows the election of a presidential candidate who gets fewer votes than his opponent? Isn't it about time to recognize the Electoral College for what it is—a constitutional crisis waiting to happen—and get moving on the Bayh amendment? ●

INDIAN HOUSING RECEIVES A BOOST FROM SENATE HOUSING SUBCOMMITTEE

● Mr. GRAVEL. Mr. President, from time to time I have made several efforts to bring the problems associated with the HUD Indian housing program to the attention of the Congress. These problems have since been documented in reports by the General Accounting Office and the Senate Select Committee on Indian Affairs. The GAO concluded:

> Existing Federal programs have not been successful in meeting the Indian Housing needs because they are underfunded, have not received enough emphasis, require too many complex and time-consuming procedures, lack flexibility, require more trained people, and are uncoordinated. The present goal of eliminating substandard housing on Indian reservations in the 1970's cannot be achieved under present programs and is no longer feasible.

The 1978 consolidated housing inventory of the Bureau of Indian Affairs shows that about 49 percent of existing Indian housing units are substandard, 25 percent need replacement and 24 percent need renovation. The current Indian housing inventory is 126,676 units. BIA estimates that there is a need for 60,172 new units and 28,031 families need housing.

In spite of these compelling statistics, the administration has taken little action either to demonstrate a strong commitment to Indian housing or to streamline the existing program. In fact, the 1980 budget calls for a reduction of the current goal of 6,000 units of Indian housing to 4,000 units. This represents a cut of 33 percent, which compares quite unfavorably with the overall cut for subsidized housing, which was proposed at 20 percent.

I am pleased to report that the Congress has responded to this administration proposal with characteristic sensitivity to the needs of the Indian people. Both the Senate Subcommittee on Housing and Urban Affairs and the House Subcommittee on Housing and Community Development have directed HUD, through report language, to maintain a strong commitment to Indian housing. The Senate report says:

> The committee is also concerned about the disproportionately high cutback in the number of additional assisted housing units proposed for Indian housing under the public housing program. The committee would expect that the Department, in using the funds authorized, would make every effort to achieve goals established in the past for the Indian housing program, and to achieve greater parity with other assisted housing programs than that proposed by the administration in its fiscal year 1980 budget.

The House report language says:

> INDIAN HOUSING
>
> The effects of this cut can be seen graphically by looking at the difficulties being faced in the HUD Indian housing program. In 1969 the Department committed itself to a goal of providing 6,000 assisted housing units per year to help meet the pressing needs for housing on Indian reservations. However, in the almost 10 years which have passed since the commitment was made, this goal has never been reached. In fact, over those 10 years, the number of families who live in substandard housing has grown rather than declined. According to a recent GAO report, almost 60 percent of all Indian families live in substandard conditions. Yet, as a direct consequence of the reduced funding level for all assisted housing, the Department projects that it will commit funds for only 4,000 units of housing on Indian reservations in Fiscal Year 1980. The funding level for Indian housing, however, is only one of the problems besetting this program. Clearly, there are administrative difficulties. HUD has yet to fully recognize the special needs and circumstances of Indian tribes and families. And many of the Indian housing authorities have yet to fully develop the expertise necessary to successfully construct and operate the housing financed through the HUD programs. There are also problems with coordination between HUD, the Bureau of Indian Affairs, the Indian Health Service, the tribal councils, and the Indian housing authorities. The Committee recognizes the difficult and complex nature of developing solutions to these problems. However, the Committee believes that the Department can and must take action to improve coordination with the Indian Housing Authorities and with the other agencies concerned with Indian housing. Therefore, the Committee directs the Secretary to at least maintain the level of personnel now active with the Indian housing programs in order to assist in that process. Additionally, the Committee believes that these personnel should direct attention toward achieving the original 6,000 unit goal by increasing the level of housing construction starts from reservations now in the pipeline and thus increase the number of Indian families able to receive assistance. Because of its own concern, the Committee is currently undertaking a careful review of the program to determine if legislative action is necessary to assist in the development of solutions to the very pressing problems of Indian housing.

Finally, the House Appropriations Subcommittee on HUD-Independent Agencies says in its fiscal 1980 appropriations bill:

> Within the new annual contract authority provided for public housing, the Committee directs the Department to allocate not less than 6,000 units for Indian public housing.

Mr. President, both the Department of Housing and Urban Development and the relevant congressional committees have shown a distaste for congressionally mandated set-asides of funds available to the agency. I believe that the language cited above successfully avoids a statutory set-aside and at the same time makes clear the congressional commitment to a revitalized Indian housing program. I know that the housing authorities in Alaska appreciate the action taken in Congress, with particular appreciation for the actions of the Senate Housing Subcommittee chaired by Senator Harrison Williams.

I ask that several letters from Alaskan housing authorities be printed in the Record.

The letters follow:

Tlingit & Haida Regional
Housing Authority,
Juneau, Alaska, April 9, 1979.

Hon. Mike Gravel,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Gravel: This is to inform your office that the Tlingit & Haida Regional Housing Authority (T-HRHA) is vehemently opposed to the proposed reduction in Indian Housing expected this fiscal year. We consider it bitter irony that, of all HUD programs, Indian Housing has been singled out and targeted for such an inordinate and disproportionate cut-back.

We are compelled to draw your attention to the recent report to the Congress by the Comptroller General which stated that, among other reasons, "the number of Indian families living in substandard housing increased from about 63,000 to about 86,000 due to a relatively low level of housing production." It would appear that the proposed cut-back in Indian Housing seeks to make a sham of the Comptroller General's report.

This Housing Authority is very cognizant of your offices' previous efforts to support Indian Housing and therefore respectfully petition, once again, your assistance in preserving the Indian Housing program.

Sincerely,

Johan A. Dybdahl,
Executive Director.

KANA Housing Authority,
Kodiak, Alaska, April 2, 1979.

Hon. Mike Gravel,
U.S. Senate, Dirksen Senate Office Building
Washington, D.C.

Dear Senator Gravel: The KANA Housing Authority would like to vigorously protest the proposed one-third reduction in the number of units for Indian Housing. This cut is completely disproportionate to the total reduction of 3 to 4 percent in HUD's total budget. When more than 40 percent of the Federal Budget is for transfer payments, not including subsidies, and when new social programs are proposed, it is unacceptable to reduce a hardware program that produces tangible, lasting benefits.

We would encourage your support for the cause of Indian Housing.

Sincerely,

Horace O. Simmons,
Executive Director.

NANA Regional Housing Authority,
Kotzebue, Alaska, April 6, 1979.

Hon. Mike Gravel,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Mike: As you know the HUD Budget for fiscal year 1980 will provide for *up to* 4,000 new Indian units. This represents a cut in the Indian Program of one-third over fiscal year 1979.

The NANA Regional Housing Authority fully supports your effort in trying to restore the fiscal year 1980 Housing Budget to acceptable levels for the Indian Housing Program.

Sincerely,

Tommy Sheldon Sr.,
Executive Director.

THE ASSOCIATION OF
VILLAGE COUNCIL PRESIDENTS
HOUSING AUTHORITY
Bethel, Alaska, June 4, 1979.

Hon. MIKE GRAVEL,
U.S. Senate,
Dirksen Building,
Washington, D.C.

DEAR SENATOR GRAVEL: On behalf of the approximately 16,000 Native Alaskans representing fifty-seven (57) villages of the A.V.C.P/Calista Region in Southwestern Alaska, I am calling upon your support of two (2) vital housing issues which will have a substantial effect on alleviating the substandard housing situation or conversely prolonging the time these same people will be denied, "decent, safe, and sanitary" housing.

The first issue concerns President Carter's proposed fiscal year 1980 budget cut of 33⅓ percent in the Indian Housing Program from 6,000 units nationally to 4,000 units nationally. This is the single largest program available to alleviate the inadequate and substandard housing in rural Alaska. At the present rate of funding and based on H.U.D.'s "fair share formula" only three (3) villages a year in our Region are able to be funded. Based on this rate it will take nineteen (19) years to provide the housing needs the villages in our Region desperately require. Simple mathematics dictates what a ⅓ cut in this program will provide for the rural residents of Alaska. I urge you to do whatever you can to prevent this injustice and request that the program be maintained at its present funding level of 6,000 units nationally.

The second issue concerns the Bartlett Housing Program which is currently in litigation. Currently the Department of Housing and Urban Development at the Central Office is contemplating replacement of the structures. After seeing many of these units, I am in agreement with the studies which have been completed that reveal it would be more economical to replace them due to the extensive deficiencies and inferiorities of the houses, than rehabilitate them. As a recipient of 196 of the 346 units under the Bartlett Program the A.V.C.P./Calista Region, as well as the other Rural areas of Alaska, would greatly benefit in the replacement of these units and in alleviating the housing needs of Native Alaskans. I urge you to do whatever in your powers you can to assist us in urging the Department of Housing and Urban Development in coming to an early settlement of this prolonged situation.

Sincerely,

EDWARD HOFFMAN, Sr.,
Chairman.●

NOMINATION OF THOMAS EVERETT HARRIS TO THE FEDERAL ELECTION COMMISSION

● Mr. PELL. Mr. President, I am glad to support the action of the Senate on June 19, 1979, in confirming the nomination of Thomas Everett Harris to the Federal Election Commission.

On June 14, 1979, the Committee on Rules and Administration voted 9 to 0 to report favorably to the Senate the nomination of Thomas Everett Harris for a term expiring on April 30, 1985. Commissioner Harris and Frank P. Reiche had been nominated by President Carter on May 1, 1979.

On May 9, 1979, the committee held hearings on the nominations. The hearings were part of a thorough examination of the backgrounds and qualifications of the two nominees. Commissioner Harris responded to the committee's questionnaire, answered questions at the May 9 hearing, and responded to supplementary questions submitted by committee members. All questions were answered thoroughly and thoughtfully, and the nominee should be commended for his candor and cooperation during this process.

As chairman of the committee, Mr. President, I would like to state my strong support for Commissioner Harris. It was a pleasure to review the qualifications of such a distinguished nominee, and I would like to discuss briefly the background and committee consideration of Mr. Harris.

Commissioner Harris is before the Senate for a third time in 4 years as a nominee to the Federal Election Commission. He was first nominated on March 10, 1975, for a 3-year term on the Commission. He was confirmed by both the House and the Senate, and sworn in as one of the six original Commissioners of the FEC.

On January 30, 1976, the Supreme Court ruled in the case of Buckley against Valeo that, among other things, the method of appointing FEC Commissioners was unconstitutional. After passage of the FECA amendments of 1976, President Ford renominated Commissioner Harris for a term expiring on April 30, 1979. The Senate confirmed the Harris nomination on May 18, 1976. Although Commissioner Harris' term ended April 30, 1979, he has continued to serve on the FEC as authorized by statute.

Commissioner Harris was born in Little Rock, Ark., on May 25, 1912. He received his B.A. from the University of Arkansas in 1932 and his LL.B. from Columbia in 1935. Immediately after law school, he served as law clerk to Mr. Justice Stone of the U.S. Supreme Court. From 1936 until 1948, Commissioner Harris was associated with several law firms, and was employed by several Government agencies. He served as associate general counsel of the Congress of Industrial Organizations (CIO) from 1948 until 1955, after which he served in the same capacity for the American Federation of Labor and Congress of Industrial Organizations (AFL–CIO) until his nomination to the FEC in 1975.

Mr. President, I ask that the biographical information submitted by Commissioner Harris in response to the committee's questionnaire be printed in the RECORD.

The material follows:

COMMITTEE ON RULES AND ADMINISTRATION OUTLINE OF INFORMATION REQUESTED OF NOMINEE

A. Biographical:

Q1. Name: (Include any former names used).

A1. Thomas E. Harris

Q2. Address:

A2. 1201 Key Drive, Alexandria, Virginia 22302

Q3. Date and Place of Birth:

A3. May 25, 1912, Little Rock, Arkansas

Q4. Marital Status: (Include maiden name of wife or husband's name).

A4. Margaret Samson Harris

Q5. Names and Ages of Children:

A5. Marvin B. Harris, 39; Ruffin K. Harris, 37; Thomas E. Harris, Jr., 34.

Q6. Education: (List institution(s), dates attended, degree received and date degree granted.)

A6. Little Rock Public Schools, 1922–28; University of Arkansas, 1928–1932 (B.A. 1932) Columbia Law School, 1932–35 (LL.B., 1935).

Q7. Employment Record: List all positions held since college, including the title or description of job, name of employer, location of work, and dates of inclusive employment.

A7. 1935–36: Law Clerk to Supreme Court Justice Harlan F. Stone;

1936–37: Associate, Covington and Burling (Washington, D.C.);

1937–39: Attorney, Lands Division, Dept of Justice;

1939–41: Attorney, Office of Solicitor General, Dept. of Justice;

1941–42: Assoc. Gen. Counsel, Fed. Communications Commission;

1942–43: Assoc. Gen. Counsel, O.P.A., in charge of legal staff on rationing;

1943: Board of Economic Warfare (North Africa);

1943–45: Associate, Cahill, Gordon, Zachry & Parlin (New York City);

1945–46: Military Government, Berlin, Germany;

1946–47: Partner, Alvord and Alvord (Washington, D.C.);

1947–48: Special Assistant to A. G., Alien Property Div., Dept. of Justice, in charge of litigation;

1948–55: Assoc. Gen. Counsel, CIO:

1955–75: Assoc. Gen. Counsel, AFL–CIO, Washington, D.C.

Q8. Government Experience: List any experience in, or association with federal, state or local governments, including any advisory, consultative, honorary or other part-time service or positions.

A8. See item 7 above. Also, Member, National Labor Management Panel, 1963–7; Administrative Conference of the U.S. 1968–74.

Q9. Memberships: List all memberships and offices held in professional, fraternal, scholarly, civic, charitable and other organizations.

A9. Citizens' Research Foundation, 1973 (?)–1975, Princeton, N.J. Member, Board of Trustees;

National Consumer Center for Legal Services, 1971(?)–1975, Washington, D.C. Vice President;

Civil Liberties Clearing House, 1950's, Washington, D.C.;

American Civil Liberties Union, early 1950's, New York, N.Y.;

American Bar Association, 1950's and 1960's, Washington, D.C.;

District of Columbia Bar Association, inactive membership.

Q10. Political Affiliations and Activities: List all memberships and offices held in or financial contributions and services rendered to all political parties or election committees during the last ten years.

A10. No political activities in the last ten years. No contributions since 1975. During 1939–74, contributions of about $100 annually to the AFL–CIO COPE; and contributions totalling about $200 annually to local Democratic candidates and political committees in Alexandria, Virginia.

Q11. Honors and Awards: List all scholarships, honorary degrees, honorary society memberships, and any other special recognitions for outstanding service or achievement.

A11. Scholarship covering tuition and room at Columbia Law School, 1932–35. Kent Scholar, Columbia Law School, 1933–35.

Q12. Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

A12. None, except two book reviews for legal publications many years ago.

Q13. Speeches: Identify each speech which you have given during the past three years, the organization to which the speech was given, and supply two copies of each speech.

A13. Two speeches. Copies attached.

Q14. Qualifications: State what, in your opinion, qualifies you to serve in the particular position to which you have been nominated.

A14. Have served in position for the last four years.

B. Future Employment Relationships:

Q1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

A1. Not applicable.

Q2. Do you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

A2. No.

Q3. Has anybody made a commitment to employ your services in any capacity after you leave government service?

A3. No.

Q4. If confirmed, will you serve your full term of office?

A4. I hope to.

Q5. If confirmed, will you be engaged in any business, vocation, employment or outside activities other than related to your duties as a Commissioner?

A5. No.

C. Potential Conflicts of Interest:

Q1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers. [The following summary does not include the value of the nominee's interests in the pension, securities and trusts listed. However, such information is a matter of public record and may be obtained from the Committee on Rules and Administration.]

A1. Pension: I receive a pension under the AFL–CIO Staff Retirement Plan and Trust Agreement. This pension is based on salary and length of service with the AFL–CIO. It is a vested legal right, not involving any continuing obligation to the AFL–CIO.

Ownership of Stocks, Bonds, etc.:

1. Securities owned by Thomas E. Harris (5/1/79):

Company:
American Realty Trust.
American Security Corp.
Garfinckel's Brooks Bros.
Ownership of Stocks, Bonds, etc.:
King Dept. Stores.
Reece Corp.
United Canso. Oil & Gas.
UNC Resources.
United VA Bank.
VEPCO.

2. Securities Owned by spouse, Margaret S. Harris (5/1/79):

Company:
Am. Int. Group, Inc.
Celanese.
Cluett Peabody & Co.
Eastman Kodak Co.
General Motors.
Giant Food.
Gordon Jewelry.
Nabisco.
Shawmut Assn.
Southern Natural Resources.
Tenneco.
Twin Disc, Inc.
Woodward & Lothrop.
VEPCO.

3. My wife is the beneficiary of two trusts, the first administered by her brother, Hugh Samson, and the second administered by Bankers Trust, Hugh Samson, and Lewis Isaac. The trust holdings consist mainly of publicly traded securities.

Q2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

A2. During the last four years, I have recused myself from two matters—one audit and one compliance proceeding and ensuing litigation—involving the AFL–CIO. I have recused myself from one compliance matter because of stock ownership by my wife.

Q3. Describe any business relationship, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

A3. Same as answer to Question 2.

Q4. Describe any activity during the past ten years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

A4. I did some lobbying on behalf of the AFL–CIO with regard to the Federal Election Campaign Act of 1971 and the 1974 amendments thereto. I may have done some minor lobbying for the AFL–CIO on other matters during 1969–75, but cannot recall any particular matters.

Q5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

A5. I will continue to recuse myself when that course seems indicated.

D. Testifying Before Congress:

Q1. Are you willing to appear and testify before any duly constituted committee of this Congress on such occasions as you may be reasonably requested to do?

A1. Yes.

Q2. Are you willing to provide such information as is requested by such committee?

A2. Yes.

Mr. PELL. During the nomination hearings, the committee addressed questions to Commissioner Harris concerning the Commission's delays in completing audits of the 1976 Presidential candidates, as well as overall problems at the FEC. A focus of the committee's attention was an article which appeared in the Washington Post on April 30, 1979, criticizing the FEC on its poor record of administering the Federal Election Campaign Act and possible conflicts of interest at the Commission.

The Post article pointed out that the FEC has no certified public acountants on its auditing staff, and alleged that it was incompetent to examine adequately campaign finances. Commissioner Harris responded that it is doubtful that the Commission's auditing of campaigns requires the participation of CPA's, especially audits that are neither complicated nor sizable. Commissioner Harris also indicated that the Commission has had difficulty in finding experienced auditors who are willing to stay on while compensated at a much lower rate than it is possible to earn in a private firm.

The Post account mentioned an FEC staff memo to the Commissioners specifying 27 steps and dates needed to prepare for the 1980 campaigns, 20 of which had already passed without Commission action. Commissioner Harris explained that the memorandum in question was an informal staff proposal devised as a starting point for discussions, not a formal schedule adopted by the Commission.

The Post story also alleged that there was so little guidance to candidates in the 1976 election that the FEC believed that it could not hold the Carter campaign, for one, accountable for thousands of dollars in inadequately documented expenditures. Commissioner Harris asserted that the Commission has recently promulgated and published new regulations covering presidential primary matching payments which will alleviate many of the documentation problems encountered in the 1976 campaigns.

In reply to charges of "cronyism" in hiring and a high turnover rate, Commissioner Harris stated that he had never been in any organization where persons not satisfied with their rates of promotion did not complain of "cronyism," and that the turnover rate has been reduced.

Senator HATFIELD also submitted additional questions to Commissioner Harris pertaining to potential conflicts of interest that the Commissioner might have in dealing with cases involving his former employer, the AFL–CIO. Commissioner Harris pointed out that all Commissioners have had extensive connections with political figures and parties over the years and, in fact, a majority of the Commissioners have been former Congressmen. In his four years on the FEC, Commissioner Harris disqualified himself from considering matters involving the AFL–CIO which went back to the time when he was employed there. In addition, he refused to participate in a matter involving a firm in which his wife was a stockholder.

Opposition to the Harris nomination was received from the National Right to Work Committee (NRWC) which alleged that Commissioner Harris had demonstated a bias toward those not sharing his views in favor of organized labor. The NRWC cited three cases in which the U.S. District Court for the District of Columbia had ruled against the Commission and in favor of the NRWC. Despite the tenuous connection between the three court cases and the nominee's fitness to serve another term on the FEC, the Committee sought comment on the NRWC allegations. Commissioner Harris asked FEC General Counsel William Oldaker to report on these three cases, and his memo was provided the committee. Having reviewed this memorandum, I believe that such charges against Commissioner Harris are baseless.

The NRWC also claimed that Commissioner Harris' role with respect to Samuel D. Zagoria and his interest in being considered for a Republican seat on the FEC was improper. Mr. Zagoria was nominated by the President in October 1977, for a 6-year term on the Commission but the nomination was withdrawn in August 1978, for reasons unrelated to the nominee's qualifications. Commissioner Harris, in response to questions from Senator HATFIELD, admitted that he had spoken to Mr. Zagoria prior to the latter's nomination, to determine whether he was interested in being considered for a seat on the FEC. The Commissioner stated that he suggested Mr.

Zagoria, among others, to the White House staff, but that he did not recruit or solicit Mr. Zagoria for the position. Commissioner Harris responded fully to several other questions by Senator HATFIELD on this issue, and I am satisfied that the Commissioner's conduct was proper throughout.

I believe that Commissioner Harris has been a credit to the Federal Election Commission during its difficult early years, and that his considerable acumen, experience and insight will serve the Commission well during the course of his next term.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER FOR RECOGNITION OF SENATOR STONE ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the order that has already been entered for the recognition of a Senator, Mr. STONE may be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

There being no objection, the Senate, at 6:51 p.m., recessed until Tuesday, June 26, 1979, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate June 22, 1979, under authority of the order of the Senate of June 21, 1979:

DEPARTMENT OF STATE

Lyle Franklin Lane, of Washington, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Robert Krueger, of Texas, to be Ambassador at Large and Coordinator for Mexican Affairs.

IN THE ARMY

The United States Army Reserve officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. James Carroll McElroy, Jr., [redacted]

Brig. Gen. Gordon Clark McKeague, [redacted]

Brig. Gen. Henry Watts Meetze, [redacted]

To be brigadier general

Col. Walter Kazuhiko Tagawa, [redacted]

Col. Robert Quince Jones, [redacted]

Col. Roy Rocco Moscato, [redacted]

Col. Gerald Gaines Sanderson, [redacted] 2007.

Col. Robert Gardner Ownby, [redacted]

Col. Edward Richard Burka, [redacted]

Col. James Riley Montgomery, [redacted]

Col. Thomas Stoneham Edwards, [redacted]

Col. Robert Edward Louque, Jr., [redacted]

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major general

Brig. Gen. Robert Lee Meyer, [redacted]

Brig. Gen. Harry Van Steel, Jr., [redacted]

To be brigadier general

Col. Carl Eugene Briscoe, [redacted]

Col. James Kenneth Corley, [redacted]

Col. Melvin John Crain, [redacted].

Col. Louis (NMN) Duckett, [redacted].

Col. Charles Eugene Franklin, [redacted]

Col. Robert Donald James, [redacted].

Col. Glenn Harold Kothmann, [redacted]

Col. James Ballard McGoodwin, [redacted]

Col. Harry Alfred Moldaw, [redacted].

Col. David Lawrence Nudo, [redacted].

Col. Andrew Gus Skalkos, [redacted].

Col. Ivan Ray Smith, [redacted].

Col. Leo Paul Tritsch, [redacted].

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Billy Gene Welman, [redacted]

To be brigadier general

Col. George Eugene Coates, [redacted].

Col. John Francis Gore [redacted].

Col. Warren Glenn Lawson, [redacted].

Col. Charles Junior Wing, [redacted].

IN THE NAVY

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Kent J. Carroll, U.S. Navy.

Executive nominations received by the Senate on June 25, 1979:

DEPARTMENT OF STATE

Irving G. Cheslaw, of California, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Trinidad and Tobago.

Anthony C. E. Quainton, of Washington, Director of the Department of State's Office for Combatting Terrorism, for the rank of Ambassador.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Susanna B. McBee, of California, to be an Assistant Secretary of Health, Education, and Welfare, vice Eileen Shanahan, resigned.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Leroy D. Clark, of New York, to be General Counsel of the Equal Employment Opportunity Commission for a term of 4 years, vice Abner Woodruff Sibal, resigned.

NATIONAL MUSEUM SERVICES BOARD

Emily Rauh Pulitzer, of Missouri, to be a member of the National Museum Services Board for a term expiring December 6, 1983, vice Joan Mondale, term expired.

HOUSE OF REPRESENTATIVES—*Monday, June 25, 1979*

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
June 22, 1979.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, June 25, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious heavenly Father, who has promised to be with us always, we give thanks that through the turmoil and confusion of a busy world, Your spirit and presence continue to give us strength and hope.

Though we falter and fail, You forgive and allow us to begin again, though we lack vision and go our own way, You still encourage us to seek the good of all people, for You are one God, and we are one people.

In spite of the noise and activity of each moment, may we hear Your voice calling us to repentance and to faith each new day. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agreed to the amendments of the House with amendments to bills of the Senate of the following titles:

S. 976. An act to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1980.

S. 1007. An act to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 229. An act for the relief of Lourie Ann Eder;

S. 276. An act for the relief of Steve Wing-On Yan;

S. 400. An act to relieve the liability for the repayment of certain erroneously made contributions by the United States; and

S. 404. An act for the relief of Yaeko Howell.

GASOLINE SHORTAGE

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, why is there a gasoline shortage in the United States? The answer is right here in Congress—Congress voted price control on oil and gas, the only commodity in the United States under price control.

Do you know that the major oil companies only make 2 cents profit on a gallon of gasoline? Maybe a very efficient oil company makes 3 cents profit on a gallon of gasoline.

But they need some profit to replace the oil that is being used up.

The problem is that regulations confuse the market. First, the Energy Department gives diesel to the farmers. Then the truckers are short. Now the service stations say they need to make more margin. Regulation confusion builds more regulation confusion.

Get the Energy Department out of allocations. It is all right for the oil companies to make 2-cent-a-gallon profit. I wish they made 3-cent-a-gallon profit so they could get America more oil.

OPEC MUST OBEY THE LAW

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, this week's economic summit in Tokyo provides a unique opportunity for President Carter to take a tough stand against OPEC's price-fixing policies. Clearly the world is on the brink of a worldwide recession triggered by unconscionable oil pricing.

In this perilous economic climate the strongest weapon the United States and the free world have to resort to is the rule of law. The fundamental political issue of our time may well be whether the rule of law prevails in world economic relations or whether the lawless domination of basic resources becomes the primary hallmark of international trade and thus the greatest threat to the maintenance of world peace. Clearly the only way the free world can respond to OPEC is with firm determination to enforce antitrust laws equitably in all countries.

In this regard it should be stressed that the Foreign Sovereign Immunities Act clearly brings OPEC price fixing actions under U.S. court jurisdiction, and article 90 of the Treaty of Rome specifically covers the antitrust implications of nation-state activities within and affecting the Common Market.

I would accordingly urge President Carter in Tokyo to make it profoundly clear that if there is an oil embargo or serious restriction on petroleum production; or if there is an effort to withdraw OPEC-controlled funds from any of the principal economies of the world in an effort to influence the political or economical policies of any government; or if there is an effort by OPEC to substantially influence currency values, the United States and any other affected governments should be prepared to use antitrust violations as a basis to impound OPEC investments within their jurisdictions.

REMOVAL FROM OFFICE OF THE SECRETARY OF ENERGY

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, both last night and the night before the frustration of my constituents with the energy crisis and the Federal Government's inability to cope with it erupted into serious violence and bloodshed in my congressional district.

Two thousand angry citizens joined with striking independent truckers to block a key intersection and close several main arteries in Levittown, Pa., a few miles north of Philadelphia.

Like me, Mr. Speaker, they are shocked and appalled at the Federal Government's inability, not to solve the crisis overnight, but to even explain it.

They are fed up as am I with a Secretary of Energy who refuses to use his authority to gain information from the oil companies or to compel them to refine adequate amounts of gas and home heating oil or to adequately manage an allocation system to avoid unreasonable and unexplainable spot shortages.

The President apparently remains unwilling to remove Mr. Schlesinger, but I call upon him again today to fire the Secretary of Energy and demonstrate on his own part, the clear and decisive leadership which America demands and needs in this time of anguish, confusion, and now violence.

EFFECT OF DIESEL FUEL CRISIS ON CENTRAL CALIFORNIA FARMERS

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, it is my intention today to begin a series of speeches to highlight the critical situation now facing the central California farmer in shipping his produce to market. With the continued scarcity of diesel fuel and the ongoing strike by disgruntled truckers, perishable fruits, vegetables, meat and dairy products sit idle, spoil and rot, and have little access to the marketplace. The inflammatory economic situation is quickly becoming explosive.

To those in this Chamber who view this dilemma as parochial to California, may I remind that it affects all American consumers. Even now, eastern markets are beginning to feel the pinch while the problem continues to get worse.

Mr. Speaker, in the coming days it is my hope to direct the attention of this House toward the plight of the California farmer and American consumer.

The diesel crisis continues.

TECHNICAL CORRECTION IN ENGROSSMENT OF H.R. 111

Mr. BAUMAN. During the consideration of the bill, H.R. 111, the Panama Canal Act, the House adopted an amendment offered by the gentleman from Arizona (Mr. RUDD). Due to a clerical error the version of the amendment which was at the Clerk's desk and which was technically adopted by the committee contained a provision striking language in the bill which the gentleman from Arizona did not intend to offer as part of his amendment.

On behalf of the gentleman from New York (Mr. MURPHY) I, therefore, ask unanimous consent that in the engrossment of the bill, H.R. 111, the Clerk be permitted to reinsert section 233 dealing with the emergency fund as it was reported from the committee on page 148 after line 9, as follows:

SEC. 233. EMERGENCY FUND.—(a) On the effective date of this Act, the Secretary of the Treasury shall establish and thereafter shall maintain in the Treasury a fund to be known as the "Panama Canal Emergency Fund". There are authorized to be appropriated for deposit in such Fund (1) for the fiscal year beginning on October 1, 1979, $40,000,000, and (2) for any fiscal year beginning on or after October 1, 1980, such additional sums as may be specifically authorized for such fiscal year.

(b) The Panama Canal Commisison may make withdrawals from the fund by check in order to defray emergency expenses and to insure continuous, efficient, and safe operation of the Panama Canal, if funds appropriated for the operation and maintenance of the Canal are insufficient for such purposes. Any withdrawal from the fund to cover increased costs attributable to unprogrammed increases in traffic may not be made in amounts greater than the revenues from such increased traffic. This fund shall not be available for payments to Panama under Article XIII of the Panama Canal Treaty of 1977. Any withdrawal from the fund or expenditure made under this subsection shall be reported forthwith by the Commission to the Congress and to the Office of Management and Budget.

(2) Redesignate existing sections 233, 234, and 235 as sections 234, 235, and 236, respectively.

(3) Amend the table of contents accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(1) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

All such rollcall votes if postponed, will be taken on Tuesday, June 26, 1979.

□ 1210

PEANUT MARKETING PENALTIES FLEXIBILITY ACT

Mr. MATHIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3575) to provide the Secretary of Agriculture with flexibility in the imposition of marketing penalties for peanuts as amended.

The Clerk read as follows:

H.R. 3575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective for the 1978 through 1981 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1359), is amended by adding at the end thereof a new subsection (k) as follows:

"(k) Notwithstanding any other provision of this section, the amount of any penalty assessed under this section may be reduced, in accordance with regulations issued by the Secretary, if the Secretary determines that the marketing subject to the penalty was done unintentionally or unknowingly and that a reduction in the amount of the penalty would not impair the effective operation of the price support program for peanuts.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Georgia (Mr. MATHIS) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. FINDLEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill H.R. 3575, which would provide the Secretary of Agriculture with authority to reduce marketing penalties for peanuts. The 1978 peanut crop was the first to be marketed under the two-tier price system. Extensive recordkeeping was required for the handling of the 1978 peanut crop, which consisted of quota and additional peanuts produced from the same farms, in order to assure proper accounting for the two categories. These reporting requirements were new and unfamiliar to both producers and handlers and a large number of clerical and recordkeeping errors were made.

As a result of these errors, a substantial number of producers unintentionally and unknowingly overmarketed their poundage quotas and are subject to penalties of 120 percent of the quota support level. This means that a producer who made a totally innocent error could be penalized $504 for each ton he overmarketed when his total income from that ton of peanuts was approximately $420. The Department of Agriculture estimates that as many as 1,200 growers throughout the nine-State peanut belt unintentionally exceeded their quotas and that the total penalty liability could be as much as $2,000,000. In the case of individual growers, the penalty ranges from a few dollars to several thousand dollars.

This bill does nothing more than give the Secretary of Agriculture the authority to exercise his discretion to make an appropriate determination as to which overmarketings were deliberate and which were not. The bill in no way diminishes the Secretary's authority to penalize those growers who overmarket deliberately. This bill will result in no cost to the Government, but will lift from these peanut producers an unfair burden. I urge your support of the bill.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. MATHIS. I am happy to yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I would like to compliment the gentleman from Georgia and say that I certainly support the bill.

Title VIII of the Food and Agriculture Act of 1977 established a new two-tier peanut price support system applicable to crops in 1978 through 1981. If the "quota peanuts" marketing category is exceeded, it is subject to a mandatory, monetary penalty equal to 120 percent of the quota support level, assessed against both producers and handlers.

Inasmuch as the 1978 peanut crop was the first to be marketed under this system, there were many inadvertant recordkeeping errors leading to excess marketing. The Department of Agriculture, which supports this bill thinks as many as 1,200 growers could have a liability of up to $2 million. USDA would be required to collect the penalties unless the law is changed.

This bill simply allows USDA to reduce any penalty assessed with respect to the excess marketing of peanuts if it determines that the marketing was unintentional and would not impair the effective operation of the peanut price support program. As the gentleman said, it would cost the Government nothing, but would allow reasonable discretionary authority in determining penalties.

Mr. MATHIS. Mr. Speaker, I know of no objection to this piece of legislation which, as the gentleman from Alabama correctly states, is a technical, procedural amendment that will, in fact, correct an error that was made in the burden of the 1977 legislation.

Mr. Speaker, I reserve the balance of my time.

● Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I am certain that all the Members of this body recall the previous two winters when many of the farmers of this country came to Washington to express dissatisfaction with the treatment they received at the hands of the Federal Government. One of their complaints involved the capricious manner in which the Government administers price support programs. Mr. Speaker, we have an opportunity to correct such a problem and to demonstrate that the Congress is not insensitive to the plight of the American farmer. I speak, of course, in support of H.R. 3575, a bill to provide the Secretary of Agriculture with flexibility in the imposition of marketing penalties for peanuts.

As a result of the Food and Agriculture Act of 1977, the Department of Agriculture is required to assess both growers and the handlers of peanuts a penalty equivalent to 120 percent of the quota support level for any violations of the quota standards for peanuts. The Secretary of Agriculture, speaking in favor of H.R. 3575, testified that the amount of penalty due this year could be as much as $2 million. The Congressional Budget Office supported this estimate and noted that this is 10 times higher than the traditional level of penalties imposed. This means that farmers, many of them from my district, the Fourth District of Virginia, would have to pay fines of up to several thousands of dollars for noncompliance with the quota.

This is the first year for peanuts to be marketed under the provisions of the Food and Agriculture Act of 1977. The penalties were devised to prevent growers from intentionally exceeding the quota for peanuts. Mr. Speaker, I submit that the dramatic increase in violations results from a widespread lack of experience and understanding of the new standards and not from disregard. Passage of H.R. 3575 would allow the Secretary of Agriculture to give credit to those who unknowingly exceeded the limit.

In his testimony the Secretary of Agriculture stated that this flexibility is desirable, "to provide fair and equitable treatment to producers and handlers." I agree with the Secretary that passage of this bill is important to avoid imposing unnecessary hardship upon those who fully intended to abide by the peanut program standards. This legislation will not impair the effective operation of the program. I therefore suggest that H.R. 3575 be passed by the House of Representatives.●

● Mr. FOUNTAIN. Mr. Speaker, I rise in support of H.R. 3575, a bill to provide the Secretary of Agriculture with much needed authority to reduce penalties for excess marketing of peanuts. I have sponsored a similar bill in this Congress, H.R. 3724.

Under this legislation, the Secretary may reduce penalties if it is determined that the excess marketing subject to penalty was done unintentionally or unknowingly, and that such reductions would not impair the effective operation of the essential peanut price support program. The provision would apply to 1978 through 1981 crops.

This bill is a technical amendment to the revised peanut program enacted by the Congress in 1977. The program changes included in that law placed extensive additional recordkeeping requirements on our peanut farmers and handlers. As a result, about 1,200 peanut producers made accidental or unintentional errors subjecting them to individual penalties ranging from a few dollars to several thousand dollars.

The legislation before us permits the administration to reduce penalties in cases where fairness and equity so dictate. Unintentional recordkeeping errors in the marketing of the 1978 crop alone would require the collection of about $2 million in aggregate penalties.

Unless this bill is enacted, the Agriculture Department will have no choice but to proceed against peanut producers and handlers who made errors unintentionally or unknowingly. However, this legislation would still permit the full collection of penalties assessed against those who intentionally or knowingly marketed excess quantities of peanuts in 1978, and who do so in crop years through 1981.

Mr. Speaker, this legislation has the support of the Department of Agriculture and of various peanut producer organizations. It has been passed by the Senate in identical form. I urge my colleagues to approve this bill to bring some equitable relief to our peanut growers and handlers.●

Mr. FINDLEY. Mr. Speaker, I know of no objection to this bill and urge its support.

I have no requests for time.

Mr. MATHIS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. MATHIS) that the House suspend the rules and pass the bill, H.R. 3575, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to provide the Secretary of Agriculture with authority to reduce marketing penalties for peanuts.".

A motion to reconsider was laid on the table.

Mr. MATHIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 984) to provide the Secretary of Agriculture with authority to reduce marketing penalties for peanuts, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective for the 1978 through 1981 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1359), is amended by adding at the end thereof a new subsection (k) as follows:

"(k) Notwithstanding any other provision of this section, the amount of any penalty assessed under this section may be reduced, in accordance with regulations issued by the Secretary, if the Secretary determines that the marketing subject to the penalty was done unintentionally or unknowingly and that a reduction in the amount of the penalty would not impair the effective operation of the price support program for peanuts.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 3575, was laid on the table.

GENERAL LEAVE

Mr. MATHIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FISHERY CONSERVATION AND MANAGEMENT ACT AUTHORIZATION

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1798) to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, as amended.

The Clerk read as follows:

H.R. 1798

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 406 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1382) is amended by inserting at the end thereof the following:

"(6) $33,000,000 for the fiscal year ending September 30, 1980.

"(7) $40,000,000 for the fiscal year ending September 30, 1981.

"(8) $47,000,000 for the fiscal year ending September 30, 1982.".

SEC. 2. (a) The last sentence of section 302(a)(6) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1852(a)(6)) is amended to read as follows: "The Pacific Council shall have 15 voting members, including 10 appointed by the Secretary pursuant to subsection (b)(1)(C) (at least 2 of whom shall be appointed from each of the States of California, Oregon, and Washington, and 1 of whom shall be appointed from the State of Idaho).".

(b) Of the 2 additional voting members of the Pacific Regional Fishery Management Council provided for by subsection (a), the Secretary of Commerce shall appoint one such member to serve an interim term of 1 year beginning on August 11, 1979, and one such member to serve an initial term of 2 years beginning on such date.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

● Mr. JOHN M. MURPHY. The purpose of H.R. 1798 is to extend for 3 years the funding authorization for the Fishery Conservation and Management Act of 1976—better known as the 200-Mile Act.

The 200-Mile Act became public law in April of 1976. That act made it unlawful for the first time—beginning with March 1, 1977—for foreign fishing vessels to fish within 200 miles of our shores without a permit. Already that landmark piece of legislation has had a salutary effect in protecting and conserving the fisheries resources of the United States.

For instance, while our annual domestic catch has increased slightly since 1976, we have seen the foreign catch off our shores decline 25 percent from 2.3 million metric tons in 1976 to 1.8 metric tons in 1978.

Moreover, we have seen the number of foreign vessels fishing off our shores decline by 77 percent from 2,500 in 1976 to 586 in 1978, and an even lesser number is expected in 1979.

Mr. Speaker, the 200-Mile Act also provided for the creation of eight regional fishery management councils. Those councils, which have the responsibility of developing management plans for each of the fisheries within their respective geographical areas, have identified more than 70 fisheries that will require management plans. Thus far, only seven of such plans are in existence and are being implemented by the Secretary of Commerce. Three of these plans involve fisheries off the Atlantic coast—groundfish, herring, and clams.

Mr. Speaker, H.R. 1798 authorizes to be appropriated $33 million for fiscal year 1980, $40 million for fiscal year 1981, and $47 million for fiscal year 1982. Hopefully, with the passage of this legislation, which authorizes the necessary funds for the collection of biological data and fisheries statistics, the councils to prepare the remaining management plans, and the Secretary to implement the act, the fisheries resources of the United States will receive the attentions to which they are entitled.

Mr. Speaker, H.R. 1798 parallels the anticipated funding needs of the Department of Commerce, it has the support of our commercial fishing industry, and it was unanimously reported by the Committee on Merchant Marine and Fisheries.●

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 1798, is a bill to reauthorize the appropriation to carry out the Fishery Conservation and Management Act of 1976, as amended, and for other purposes.

Mr. Speaker, the act authorized appropriations of $25 million in fiscal year 1977 and $30 million in each of the fiscal years 1978 and 1979. Of the $30 million authorized for fiscal year 1979, just over $23 million has been appropriated.

Mr. Speaker, as we are on the floor today arguing for the reauthorization of the FCMA, our subcommittee, the Fish and Wildlife Subcommittee, is at the present time having extensive oversight hearings on this bill.

This is a major piece of legislation. Therefore, I think it is very appropriate that the Congress see how it is working. It is commonly referred to as the 200-mile fishing bill and it has had the effect of greatly decreasing the foreigners coming into our 200-mile zone and using our fishing waters for their benefit and leaving very little of the fish in return.

Last year we picked up something like $15 million in foreign license fees paid by foreigners who have come into our waters and fished our surplus stocks that we can afford to allow other countries to fish; but there are some problems with this legislation because of its monumental importance in some of the programs it has encouraged to come about. As a result, we are undergoing 4 days of extensive oversight hearings.

This, of course, is just an authorization bill. It reauthorizes the act for 3 years at sums which I think are consistent with what the National Marine Fisheries and the Department of Commerce have requested.

I think it is a good bill. I think it is one that should be reauthorized.

Mr. Speaker, I reserve the balance of my time so that the minority may discuss the bill.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Speaker, The Fishery Conservation and Management Act is the most important, challenging and constructive fisheries legislation in the history of this country. This act established eight regional fishery management councils charged with the responsibility for developing conservation and management plans for the fisheries found within 200 miles of the U.S. coast. To date, seven fishery management plans have been implemented. By the end of 1980, approximately 47 plans will be established and it is anticipated that another 25 plans will be developed after 1980. We now have under fishery management plans all those fisheries that have been overfished prior to 1976. Foreign fishing has been halted or cut back to levels that will aid in rebuilding stocks in 16 fisheries.

As a result of this management program, there has been a 27-percent decrease in the foreign harvest off U.S. shores. This decline in foreign activity has been matched to some extent by an increase in the U.S. harvest. Preliminary data for 1978 shows that U.S. fishermen landed a record 6 billion pounds of seafood with a dockside value of $1.9 billion. The previous record for landings was set 16 years ago when 5.4 billion pounds were landed. I believe this improved situation is the result of the conservation and management program and the favorable economic climate created by the 1976 act.

Unfortunately, many problems remain. The administration has failed to request sufficient funding for the operation of regional fishery management councils. Unless these councils are adequately funded, it is clear that fishery management plans will not be developed as promptly as they should be. Another major problem is the general inadequacy of the biological, economic and social data upon which to base fishery management plans. Never before has a management program of this scope been attempted, and it is critically important that the data base upon which conservation and management plans are based be improved.

H.R. 1798 provides funds for the implementation of the Fishery Conservation and Management Act and insures that needed research will be undertaken and that the regional fishery management councils are adequately funded. Although I believe the Fishery Conservation and Management Act should be amended in some ways, specifically to bring them under the act, I urge the adoption of H.R. 1998 because of the progress which has been made in the conservation of species which are covered.

Mr. BAUMAN. Mr. Speaker, I yield back the balance of my time.

● Mr. HUGHES. Mr. Speaker, in recent weeks, there have been several reports along the east coast about proposals to require licenses or fees for salt water recreational fishing.

Such reports, quite naturally, are upsetting to many people. Salt water fishing is a vital recreational activity. It provides jobs and income to coastal communities, such as those along the south Jersey coast in my congressional district. It grants direct financial benefits to charter boat operators, tackle and bait shops, marinas, resort hotels, and restaurants.

In addition, it is an inexpensive and enjoyable pastime for thousands of vacationers, sportsmen, and families along the Nation's shorelines.

Consequently, a great number of people are quite dismayed over the reported proposals to impose salt water fishing licenses and fees. A fee or license requirement would have several bad effects. It would discourage a large number of people from engaging in salt water fishing. This would be particularly true for those who have never tried it before. A recent study in New Jersey showed that 2 out of every 10 of the State's fishermen would not fish if they needed salt water license.

This, in turn, represents a sizable loss of fisherman and vacationers for resort communities and fishing towns. The accompanying financial harm to these areas would be substantial. For example, recreational fishing in New Jersey generates on estimated $375 million a year for the State's economy.

In short, saltwater, or ocean, fishing is simply a vital part of our resort and recreation industry. It is an invigorating and wholesome sport. It is enjoyed by people of all ages. It provides fresh air, sunshine, and good exercise. And best of all, it is inexpensive, with no licenses or admission fees. That is the way it should be kept.

Today, the House is considering two important fishing bills, the Fishery Conservation and Management Act and the Anadromous Fish Conservation Act. These bills are being considered under suspension; thus, no amendments can be offered.

Nevertheless, I am today introducing legislation that would prevent the Federal Government and discourage the individual States from requiring licenses or fees for saltwater recreational fishing.

My legislation would block imposition of saltwater fishing licenses at the Federal level by amending the Fishery Conservation and Management Act. It would amend the act to stipulate that no regional management council could require recreational fishing licenses as part of any conservation or management measure.

My bill also would cut off grant assistance under the Anadromous Fish Conservation Act to any State that requires a fee for saltwater recreational fishing. In addition, it would cut off grants from the Dingell-Johnson funds to any State imposing saltwater recreational fishing fees.

The Merchant Marine and Fisheries Committee, on which I serve, is today beginning a series of oversight hearings on the Fishery Conservation and Management Act. The hearings are expected to extend over the rest of the year. I am hopeful that the committee will devote part of these hearings to a look at the recreational fishing industry. I intend to work hard during these hearings and during all future action on fishing legislation to insure that recreational fishing in saltwater is not subjected to licenses, fees, or other bureaucratic entanglements at either the Federal or State level.●

● Mr. CLAUSEN. Mr. Speaker, the Fishery Conservation and Management Act is commonly known as the 200-mile limit bill. Its goal is to conserve and enhance our coastal fishery and to limit fishing by foreign fishing fleets.

I believe we have moved toward a more stable fishery through the implementation of the act and we do not now fear foreign depredation of our coastal fishery as much as we did before we assumed jurisdiction.

Now our goal must be to refine our management decisions by improving the data collection upon which they are based and by maintaining vigorous stocks of the various fishery species through research and other biological investigation.

The committee recognized the problems we have uncovered and the need for a greater effort on the part of the management councils by increasing the authorization level above that recommended by the administration. I fully concur in this action and hope it will be approved by the House.●

Mr. BREAUX. Mr. Speaker, I have no further requests for time.

Mr. BAUMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 1798, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended, so as to read: "A bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.".

A motion to reconsider was laid on the table.

Mr. BREAUX. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 917) to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 406 of the Fishery Conservation and Management Act of 1976, as amended (16 U.S.C. 1882) is further amended by adding at the end thereof the following new paragraph:

"(6) $30,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, and $47,000,000 for the fiscal year ending September 30, 1982.".

Sec. 2. Section 4311 of the Revised Statutes (46 U.S.C. 251) is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of this section, the term 'fisheries' shall include the planting, cultivation, catching, taking, or harvesting of fish, shell fish, marine animals, pearls, shells, or marine vegetation at any place within the fishery conservation zone established by section 101 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1811).".

Sec. 3. Subparagraph (6)(A) of section 204(b) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(b)(6)(A)) is amended by adding at the end thereof the following new sentences: "No permit may be issued to any vessel of any nation certified by, the Secretary of Commerce under the provisions of section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)). This prohibition shall remain in effect until the Secretary determines that the conditions which led to the certification no longer prevail.".

MOTION OFFERED BY MR. BREAUX

Mr. BREAUX. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Breaux moves to strike out all after the enacting clause of the Senate bill, S. 917, and to insert in lieu thereof the provisions of the bill, H.R. 1798, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1798) was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

□ 1220

ANADROMOUS FISH CONSERVATION AUTHORIZATIONS

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2035) to authorize appropriations for fiscal years 1980, 1981, and 1982 to carry out cooperative programs with the States for the conservation of anadromous fish, as amended.

The Clerk read as follows:

H.R. 2035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(a) of the Anadromous Fish Conservation Act (16 U.S.C. 757d(a)) is amended by striking out the first two sentences and inserting in lieu thereof the following: "There are authorized to be appropriatd to carry out the purposes of this Act not to exceed the following sums:

"(1) $11,000,000 for fiscal year 1980.

"(2) $13,000,000 for fiscal year 1981.

"(3) $15,000,000 for fiscal year 1982.".

Sec. 2. Subsection (c) of the first section of the Anadromous Fish Conservation Act (16 U.S.C. 757a(c)) is amended by striking out the second sentence thereof.

Sec. 3. Section 2 of the Anadromous Fish Conservation Act (16 U.S.C. 757b) is amended by striking out the last sentence and inserting in lieu thereof the following: "Title to lands or interests therein acquired by the Secretary pursuant to this Act shall be transferred to the State in which such lands are located or, in any case in which another non-Federal party has an agreement with the Secretary under subsection (a) of the first section of this Act, to such party.".

Sec. 4. The Anadromous Fish Conservation Act is amended by redesignating section 7 as section 8 and by inserting after section 6 the following new section:

"Sec. 7. (a) The Secretary shall cooperate with States and other non-Federal interests in conducting studies of—

"(1) the size and distribution of the population of striped bass (Morone Saxatilis) throughout its range, and

"(2) the factors responsible for the decline in the numbers of striped bass which are available to the public for recreational and commercial use.

Such studies shall include a determination of the amount and geographical location of annual spawning, analyses of the extent and causes of mortality at successive stages in the life cycle of the striped bass, determination of the effects of pollutants on eggs and larval stages of striped bass, and a study of the economic importance of recreational and commercial striped bass fisheries.

"(b) The Secretary shall make annual reports to the Congress concerning the progress and findings of the studies conducted pursuant to subsection (a) of this section. Such reports shall, where appropriate, contain recommendations of actions which could be taken to improve the population of striped bass.

"(c) For purposes of conducting the studies required by this section, the Secretary may enter into agreements with States and other non-Federal interests in accordance with the provisions of the first section of this Act or he may carry out such studies directly, as he deems appropriate, provided that any agreement entered into pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(d) There are authorized to be appropriated for the purposes of carrying out the studies described in subsection (a) of this section not to exceed $1,000,000 for the fiscal year ending September 30, 1980, not to exceed $1,750,000 for the fiscal year ending September 30, 1981, and not to exceed $2,000,000 for the fiscal year ending September 30, 1982. Funds authorized to be appropriated by this subsection are in addition to any funds authorized by section 4 which may be used for projects involving or affecting striped bass.".

The SPEAKER pro tempore. Is a second demanded?

Mr. McCLOSKEY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. Breaux) will be recognized for 20 minutes, and the gentleman from California (Mr. McCloskey) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. Breaux).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2035, a bill to reauthorize appropriations to carry out the Anadromous Fish Conservation Act of 1965, as amended, and for other purposes.

Since the act was passed in 1965, $60,594,000 has been appropriated. This expenditure has produced economic benefits to the participating States of about $560 million in sport fisheries and $34.5 million in commercial fisheries.

In hearings on the bill, there was testimony to the effect that appropriations had ranged from $2.2 million in earlier years to $5.6 million in fiscal year 1979 for the program. The increase in appropriations has reflected the success of the program.

The administration requested that $5.7 million be authorized for fiscal year 1980 and such sums as may be necessary for fiscal years 1981 and 1982. However, hearings revealed that substantial numbers of proposed projects had not been funded or had been underfunded, because of inadequate appropriations. The Interior and Commerce Departments have submitted lists of such projects. Interior already has $2.6 million of unfunded requests for fiscal year 1980. Commerce lacks funding in the amount of over $2 million at the present time.

The Merchant Marine and Fisheries Committee believes that the past successes and excellent potential of the program justifies an increase in funding. Therefore, although the authcrization levels in the bill as introduced were reduced in committee they nevertheless reflect higher amounts than were appropriated in previous years and requested by the administration for the coming year.

Eleven million dollars for fiscal year 1980 represents the administration request for $5.7 million, plus $5.3 million for existing and anticipated underfunded and unfunded project requests to the Departments of Commerce and the Interior; $13 million for fiscal year 1981 and $15 million for fiscal year 1982 reflect expected inflation and anticipated increases in project requests.

The committee also decided to remove from the act a prohibition on the use of Federal funds for operation and maintenance of common basin, multistate facilities, a prohibition which is not imposed on other projects in the act. The committee believes that common basin projects should not be placed at a disadvantage, but should be encouraged. The administration agrees with this change.

The committee decided to delete from the act the requirement that title to land or interests therein acquired under the act be in the Federal Government. This would bring the act into line with other similar legislation and was supported by the administration.

Finally, the committee agreed to amend the act to provide for special studies by the Secretary of Commerce, in cooperation with the States, of striped bass. These stocks have experienced severe declines in recent years. Authorizations for appropriations are set at $1 million for fiscal year 1980, $1.75 million for fiscal year 1981, and $2 million for fiscal year 1982.

Mr. Speaker, the motion to suspend the rules and pass the bill, as amended, also included a change to the bill to correct a misspelled word and a change to overcome the prohibition in section 401(a) of the Budget Act pertaining to new spending authority, by inserting language in section 4 of the bill to make such spending authority to be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

I believe that this is important legislation for what continues to be a highly successful program. I urge your support for passage of the measure.

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this important legislation which will provide funds for the conservation of this Nation's anadromous fish resources. Since the inception of this act in 1965, hundreds of projects have been funded which supplement natural reproduction with artifically spawned and hatchery-reared fish. For example, four salmon hatcheries, constructed in California, Oregon, and Washington at a total cost of more than $7 million are producing more than 12 million young salmon and steelhead trout annually for release in Pacific coast streams. About 12 State-owned salmon hatcheries on the west coast have been enlarged or improved. Fish screens and bypasses to protect migrant salmon and steelhead trout have been installed in four California rivers. The fish saved as a result of these projects will add 120,000 salmon to the commercial catch and provide an additional 30,000 salmon and 3,500 steelhead for sportsmen. Although I am most familiar with the projects which have been undertaken in my State, these projects are illustrative of the benefits realized from the Anadromous Fish Act throughout the United States.

In addition to the construction of fisheries enhancement facilities, the Anadromous Fish Conservation Act has provided money for invaluable research in aquaculture, hatchery techniques, and the control of fish disease. For example, scientists in Oregon and California are investigating ocean mortality and are searching for ways to increase the offshore troll catch of salmon. If these efforts are successful, the salmon harvest could be substantially increased.

Mr. Speaker, since 1965 approximately $60 million has been appropriated for the Anadromous Fish Conservation Act. This expenditure has resulted in economic benefits to participating States of approximately $560 million in sport fisheries and $34.5 million in commercial fisheries. I believe that this proven record of accomplishment demonstrates the need for extending the authorization of this act and I urge the adoption of H.R. 2035.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I just want to call the attention of the House to a very important provision in this legislation, an amendment which was sponsored by the gentleman from Massachusetts (Mr. STUDDS) and in which I joined in wholehearted support. It authorizes over a 3-year period the Secretary of Commerce to conduct an extensive study of the problems facing one particular species of anadromous fish, and that is the mislabeled striped bass which all Marylanders know as the rockfish.

This particular species has suffered an inordinate decline in numbers, and since more than 80 percent of the species spawns in the waters of the Chesapeake Bay, this has caused great hardship not only to the fishermen involved in my State and district but to those who treat this as one of the premier sports fish all up and down the Atlantic coast from the Carolinas to New England.

This particular study will, we hope, answer many of the questions as to the decline in the species and allow us once again to have on our tables that succulent delicacy which is the Maryland rockfish. When I cook it, I personally use a little bit of butter, fresh mushrooms, and bake it in a dry white wine. It is one of the best things Maryland folks have to enjoy, along with the oyster, the clam, and the crab.

We see this rockfish problem in the whole range of the other problems we face, including energy, SALT II, and other major issues. But I assure the Members that along with these issues, my constituents are most avidly concerned about this major national issue, the decline of the rockfish.

So, Mr. Speaker, I recommend the passage of this legislation that will help us solve the problem of the rockfish and I thank the gentleman from California (Mr. McCLOSKEY) for yielding.

● Mr. MURPHY of New York. Mr. Speaker, the purpose of H.R. 2035 is to extend for 3 years the funding authorization for the Anadromous Fish Conservation Act and, in addition, to provide for a 3-year study on striped bass.

The Anadromous Fish Conservation Act was enacted in 1965 for the purpose of conserving, developing, and enhancing the anadromous fishery resources of the Nation and the fish in the Great Lakes that ascend streams to spawn. In the 95th Congress, the act was amended to include under its coverage fish in Lake Champlain that ascend streams to spawn.

Programs are carried out under the act by the Secretaries of Commerce and the Interior on a 50–50 matching fund basis with the States, except when two or more States are concerned with a program involving a common stream or river, in which case, the Federal share is increased to two-thirds of the cost of such program.

Mr. Speaker, more than $60 million of Federal funds have been expended under the act since its inception in 1965. This expenditure has resulted in economic benefits to participating States of approximately $34 million in commercial fisheries and $560 million in sport fisheries, including more than 70 million angler days of recreational fishing. Examples of projects which have been funded under the act include the production of shad and striped bass through aquaculture, salmon stock assessment, fish hatchery construction and operation, construction of fish screens and fish passes, disease control, and stream and habitat enhancement.

Mr. Speaker, H.R. 2035 would authorize appropriations of $11 million for fiscal year 1980, $13 million for fiscal year 1981, and $15 million for fiscal year 1982. Included in the 1980 authorization is the administration's request of $5.7 million and the unfunded or underfunded State requests of $5.3 million. In my State of New York alone, which is the largest participant in the program on the Atlantic coast, unfunded requests amount to $613,000, of which $588,000 would be for anadromous trout and salmon hatchery development, and $25,000 for a Hudson River sturgeon study.

Mr. Speaker, H.R. 2035 also would authorize to be appropriated $4,750,000 over a 3-year period to study one of the most sought after sport fish along the Atlantic coast, the striped bass. One of the major spawning rivers for striped bass is the Hudson River in the State of New York. Although the commercial catch of striped bass off the Atlantic coast since 1970 has remained around 5 million pounds per year, we have seen the recreational catch decline from over 100 million pounds in 1970 to around 40 million pounds in 1974, the latest year for which such catch statistics are available. Unfortunately, the causes for this dramatic decline are largely unknown. Therefore, it is imperative that a study such as that authorized by this legislation be carried out to determine such causes, and that, based on such study, necessary actions be taken to restore the striped bass to its former levels of abundance.

Mr. Speaker, H.R. 2035 was unanimously reported by the Committee on Merchant Marine and Fisheries, and it has the strong support of the administration, the States participating under the program, and the sport anglers throughout the country.●

● Mr. DINGELL. Mr. Speaker, I rise in support of H.R. 2035 as reported from the Merchant Marine and Fisheries Committee.

I have been directly involved in the shape and progress of the Anadromous Fish Conservation Act since its inception in 1965. The accomplishments of this statute in terms of habitat and species protection need not be enumerated. I am concerned, however, about the manner in which revenues from this statute are allocated. A majority of these funds have been used for the construction of enhancement facilities; that is, hatcheries, fish ladders, or on husbandry techniques. Resultantly, the status of some salmonid species has in fact been greatly enhanced and a viable sport and commercial fisheries developed.

My primary concern is that the greatest latitude for the protection of other species provided for by the Anadromous Fish Conservation Act has not been fully developed. To mitigate this problem, the Merchant Marine and Fisheries Committee adopted an amendment mandating a comprehensive habitat assessment of the striped bass. This provision in the legislation requires two basinwide investigations into the population dynamics, and, an analysis of factors that contribute to the decline of the striped bass for recreational and commercial use. The studies would focus on specific causes of species mortality at various stages in the life cycle, the effects of environmental contaminants and an economic impact analysis on the importance of striped bass.

The data acquired by these studies will allow resource managers the opportunity to consider the construction of hatcheries, fish ladders and other enhancement facilities with more substantive data at hand. Further, it would provide regulatory agencies at the Federal or State level with data adequate for the mitigation of physical and chemical alterations in the habitat of striped bass. These provisions provide for particular considerations for the striped bass and I believe that the legislation has made it abundantly clear that these studies are a vital tool in the decisionmaking process.

This legislation also suggests that the U.S. Fish and Wildlife Service, as well as the National Marine Fisheries Service, should cooperate with the States and others to order their priorities in such a manner that studies of the nature described in the striped bass provision should be completed prior to any consideration of constructing enhancement facilities. Such cooperation will obviate the need for future amendments specifying species-by-species protection.

My Speaker, I fully support passage of H.R. 2035 and would encourage my colleagues to do likewise. I am prepared, however, to offer an amendment to a future reauthorization of this act that would allocate preferential funding for future basinwide efforts which would provide resource managers with habitat assessment data necessary to render decisions regarding the protection of all anadromous species rather than a select few.●

● Mr. CLAUSEN. Mr. Speaker, I strongly support this legislation to extend and expand the Anadromous Fish Conservation Act. As an original coauthor of the program, I am pleased to see the strides that have been made in scientific research into the habits of the various anadromous fish species and in the enhancement of their numbers throughout the United States.

As the Merchant Marine and Fisheries Committee learned during hearings on this legislation, benefits from this program are averaging about $10 for each dollar invested. Few Federal programs can demonstrate this kind of cost-benefit ratio.

My guess is that even this tenfold return will grow as the program matures. Some species (particularly on the Atlantic coast) were so near extinction that much work has had to be completed to stabilize their populations. Now that the groundwork has been laid we can now expect to see much more impressive gains.

I was particularly pleased the committee recognized the need for additional funding for the Mad River hatchery in northern California. I can assure the House that this facility will make a significant contribution to the anadromous fishery program.

The growing attention of both the private and public sectors to the problems and potential of anadromous fish is most encouraging. Our national economy will benefit, recreational fishing will improve and consumers throughout the Nation will reap the benefits of this effort.●

Mr. McCLOSKEY. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to make only one other point.

We removed from the legislation a prohibition which we felt, after committee hearings, was really not necessary. That is a prohibition against using any of the funds for multistate projection, and now under the new revised act that the committee adopted there would be no prohibition on the use of Federal funds for operation and maintenance of common basin and multistate facilities.

In other words, the idea is to try to get States to cooperate and put together projects that have no State boundaries, since fish, of course, do not recognize State boundaries. Our purpose, rather, is to encourage States to get together and be encouraged to work out some plan for anadromous fish species throughout their range. We have removed the prohibition against multistate operations and facilities, and I think that is a major improvement in the bill.

Mr. Speaker, I would ask the adoption of the bill at this time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. Breaux) that the House suspend the rules and pass the bill, H.R. 2035, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title was amended so as to read: "A bill to authorize appropriations for fiscal years 1980, 1981, and 1982 to carry out cooperative programs with the States for the conservation of anadromous fish, and for other purposes.".

A motion to reconsider was laid on the table.

Mr. BREAUX. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 838) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(c) of the Act of October 30, 1965, as amended (16 U.S.C. 757a et seq.), is further amended by striking in its entirety the sentence, "Structures, devices, or other facilities, including fish hatcheries, constructed by such States under a cooperative agreement described in this subsection, shall be operated and maintained without cost to the Federal Government.".

Sec. 2. Section 2 of the aforementioned Act, as amended (16 U.S.C. 757b), is amended by striking out "United States" in the last sentence and inserting in lieu thereof "cooperating States or other non-Federal interests".

Sec. 3. Section 4(a) of the aforementioned Act, as amended (16 U.S.C. 757d(a)), is amended to read as follows:

"(a) There is authorized to be appropriated for the purposes of carrying out this Act, not to exceed $10,000,000 for the fiscal year ending September 30, 1980, not to exceed $11,000,000 for the fiscal year ending September 30, 1981, not to exceed $12,000,000 in the fiscal year ending September 30, 1982, and not to exceed $13,000,000 in the fiscal year ending September 30, 1983.".

Sec. 4. Section 4(b) of the aforementioned Act, as amended (16 U.S.C. 757d(b)), is amended to read "Not more than $1,000,000 or 20 per centum, whichever is greater, of the funds appropriated under this section in any one fiscal year shall be obligated in any one State.".

Sec. 5. At the end of the aforementioned Act as amended (16 U.S.C. 757a et seq.) add a new section 8 to read as follows:

"Sec. 8. (a) The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of the Interior acting through the Director of the Fish and Wildlife Service in accordance with the authorities in the Act, are directed to cooperate with States and other non-Federal interests in conducting studies of—

"(1) the status of the striped bass (Saxatalis Morone) population in Atlantic coastal waters, and

"(2) the factors responsible for the decline in the numbers of such fish which are available to the public for recreation and commercial use including, but not limited to—

"(A) a determination of the extent and success of annual spawning,

"(B) an analysis of the extent and causes of mortality at successive stages in the life cycle of the striped bass,

"(C) a determination of the effects of pollutants on viability and condition of eggs and larval fish, and

"(D) a survey of economic significance of the striped bass to both recreational and commercial fishing.

"(b) The Secretary of Commerce acting through the Director of the National Marine

Fisheries Service and the Secretary of the Interior acting through the Director of the Fish and Wildlife Service is directed to make reports to the Congress concerning the progress of the studies conducted pursuant to subsection (a) of this section. Such reports shall be submitted annually and shall, where appropriate, contain recommendations as to how the Congress could improve the status of the striped bass.

"(c) The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of the Interior acting through the Director of the Fish and Wildlife Service are authorized to employ such personnel as may be necessary to carry out the purposes of this section, and to cooperate with State and other agencies and institutions upon such terms and conditions as they deem appropriate.

"(d)(1) Any funds dispersed to the States and other non-Federal interests to this paragraph shall not exceed 66⅔ per centum of the cost of conducting the study. There is authorized to be appropriated for the purposes of carrying out the study in subsection (a)(1) of this section not to exceed $500,000 in the fiscal year ending September 30, 1980; not to exceed $750,000 in the fiscal year ending September 30, 1981; not to exceed $1,000,000 in the fiscal year ending September 30, 1982; and not to exceed $1,000,000 in the fiscal year ending September 30, 1983.

"(2) There is authorized to be appropriated for the purposes of carrying out the study in subsection (a)(2) of this section; not to exceed $500,000 in the fiscal year ending September 30, 1980; not to exceed $1,000,000 in the fiscal year ending September 30, 1981; not to exceed $1,000,000 for the fiscal year ending September 30, 1982; and not to exceed $1,000,000 in the fiscal year ending September 30, 1983.".

MOTION OFFERED BY MR. BREAUX

Mr. BREAUX. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BREAUX moves to strike out all after the enacting clause of the Senate bill, S. 838, and to insert in lieu thereof the provisions of H.R. 2035, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read:

A bill to authorize appropriations for fiscal years 1980, 1981, and 1982 to carry out cooperative programs with the States for the conservation of anadromous fish, and for other purposes

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2035) was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members who wish to do so may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FORT MITCHELL REGIONAL VETERANS' CEMETERY

Mr. BRINKLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3989) to provide for the establishment within the National Cemetery System of a new national cemetery to be located in Russell County, Ala., and to be known as the "Fort Mitchell Regional Veterans' Cemetery".

The Clerk read as follows:

H.R. 3989

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to section 2, the Administrator of Veterans' Affairs shall establish within the National Cemetery System a national cemetery in Russell County, Alabama, to be known as the "Fort Mitchell Regional Veterans' Cemetery".

SEC. 2. (a) The Fort Mitchell Regional Veterans' Cemetery is to be established on a site to be donated to the United States for such purpose by the Russell County Commission, Russell County, Alabama, and such cemetery may not be established unless such commission conveys to the United States, without consideration, all right, title, and interest in and to real property consisting of 450 acres, more or less, which is located in the area of Fort Mitchell in Russell County, Alabama, and which is otherwise satisfactory to the Administrator as being a suitable site for such cemetery.

(b) The Administrator of Veterans' Affairs is authorized to accept and administer any real property conveyed to the United States under subsection (a).

SEC. 3. The national cemetery established pursuant to the first section of this Act shall be administered and maintained in accordance with the provisions of chapter 24 of title 38, United States Code, relating to national cemeteries and memorials.

SEC. 4. There is authorized to be appropriated for fiscal year 1980 to carry out the purposes of this Act the sum of $3,385,000

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Georgia (Mr. BRINKLEY) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. BRINKLEY).

GENERAL LEAVE

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BRINKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reported bill, H.R. 3989, would establish a new national cemetery on land to be made available by the Federal Government at Fort Mitchell, Ala. The Veterans' Administration is actively considering three possible sites in the southeast United States for the establishment of a national cemetery within that region. These sites include the Fort Mitchell property, a site at Fort Gillem, Ga., just outside Atlanta, and a site at Fort Jackson, S.C. Mr. Speaker, it is our firm belief that a regional cemetery at Fort Mitchell is the better location in that it is close to the center of Federal region IV. There are no environmental hazards in establishing a cemetery at this particular site. That would not be the case if a cemetery was established at the Fort Gillem, Ga. location. During recent hearings by the committee it was established that there is a critical need for a national cemetery in this particular region of the country and it is my hope that this bill will be adopted by the House. For 3 years now the officials of the Veterans' Administration have been telling us that they are ready to proceed with the establishment of a cemetery in this region; however, for unknown reasons a site still has not been designated although construction money is included in the fiscal year 1980 HUD-independent agencies appropriation bill.

Mr. Speaker, I urge the adoption of the bill.

Mr. DANIELSON. Mr. Speaker, I commend the gentleman from Georgia (Mr. BRINKLEY), for his efforts in sponsoring the bill H.R. 3989, shepherding it through the Veterans' Affairs Committee and managing it today on the floor of the House.

The establishment of a regional veterans cemetery as part of our national cemetery system in the Southeastern area of the United States is long overdue and is badly needed. For many years, there has been a public demand for the establishing of such a cemetery and there have been numerous requests made by the Veterans' Affairs Committee of the House of Representatives to the Veterans' Administration to commence and to carry out appropriate action to establish such a cemetery. The region to be served includes the eight Southeastern States and, according to information furnished to the Veterans' Affairs Committee by the Veterans' Administration, there are approximately 510,000 veterans who live within a 100-mile radius of the proposed site at Fort Mitchell including about 76,000 who live within 50 miles of the proposed cemetery. Those figures, while impressive, must not obscure the fact that there must be several millions of veterans residing within the eight States which make up the Southeast area, all of whom have earned and are legally entitled to burial within a national cemetery if that should be their wish.

Three or four years ago, while I was chairman of the Subcommittee on National Cemeteries and Burial Benefits of the House of Representatives Committee on Veterans' Affairs, my subcommittee and I visited numerous proposed sites for national cemeteries in the various regions of the United States. As a part of that effort, we visited the Fort Mitchell site in Russell County, Ala., in the autumn of 1975. Our subcommittee was very much impressed with the Fort Mitchell site and we considered it to be, without doubt, the most magnificent site for a national cemetery of all of those which we surveyed within the United States. In addition, the Fort Mitchell site is politically unique in that it enjoys the enthusiastic support of people of the entire region without regard to such local and parochial interests as the State or congressional district or the county in which it is located.

Fort Mitchell is located on a most magnificent and beautiful site on a high bluff overlooking the Chattahoochee River, directly across that river from Fort Benning, Ga. Although Fort Mitchell is situated in Russell County, Ala., the site has the full support not only of the people of Alabama but also of the people of Georgia. It is accessible by a fine highway from the Columbus, Ga., and thereby from the entire area. It is favorably located with respect to transportation by airline, by rail, and by highway.

The Fort Mitchell site itself is beautiful beyond description. It is featured by a gently rolling terrain wooded with magnificent trees and with a splendid view over the valley of the Chattahoochee River and the plains of Georgia which lie to the East.

Fort Mitchell has other great advantages. It is not in a so-called developed area. There are no homes, no structural developments on the site. The use of Fort Mitchell as a national cemetery would not require the condemnation and tearing down of people's homes or places of business and would not be accompanied by the public resistance which ordinarily characterizes the taking of land for a public purpose. As I mentioned, the terrain is slightly rolling. As a result, there is very adequate drainage. It is atop a high bluff overlooking the river. Our subcommittee was informed that there is a very adequate water supply. There are no noticeable outcroppings of rock or other obstructions to the development of the land as a cemetery.

One other feature of this selection which all of us should bear in mind is that the premises would cost the American taxpayers nothing. The land already belongs to the county of Russell, Ala., and they have offered to turn it over free of charge to the appropriate U.S. authorities for its use as a national cemetery.

Fort Mitchell also has a long and splendid history. It is known to have been frequented and visited by U.S. officials as far back as shortly after the American Revolution.

As far back as 1785, Benjamin Hawkins was appointed by the Congress of the United States to a commission to negotiate a treaty with the Creek Indians and he visited the Fort Mitchell area at or about that time. He actually resided with the Creeks until after the War of 1812.

In 1813, the Georgia Militia established Fort Mitchell as a military outpost and it continued in use in that capacity until the mid-1930's. During that time, it was visited by such historically significant people as Andrew Jackson, later a President of the United States, by the Marquis de Lafayette, by Francis Scott Key, the writer of the "Star-Spangled Banner," and by Davey Crockett.

Perhaps the most poignant part of the history of Fort Mitchell was its use as the gathering point or place of embarkation for the removal of the Creek Indians from the southeast United States to Indian territory, now known as Oklahoma. Because of that historical event, Fort Mitchell was the origin of the lamented "Trail of Tears."

The acquisition of Fort Mitchell as a site for and the establishment thereon of a new national cemetery to serve as the Veterans regional cemetery for the southeastern United States is an opportunity which should not be missed. I urge each and all of my colleagues to vote for this bill.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Speaker, I rise in support of H.R. 3989. I am an original cosponsor of this legislation and I am very proud that it has been so enthusiastically supported by my colleagues in the Veterans' Affairs Committee, especially my good friend from Georgia.

The purpose of the regional veterans cemetery concept is to provide a particular region with a centrally located cemetery site that meets the criteria of the Veterans' Administration and can be provided to the Veterans' Administration at little or no cost.

Fort Mitchell, Ala., which is in my congressional district, meets the specifications of the Veterans' Administration plus it is supported by a group of Members of Congress that represent four of the eight States comprising the Southeastern Region IV.

At this point let me assure my colleagues my interest in the Fort Mitchell location is not for parochial reasons. There is no question, in my mind, or in the opinions of my esteemed colleagues from Georgia, Mississippi, and Tennessee who have also cosponsored this legislation, that the Fort Mitchell location can best serve the Southeast as our regional veterans cemetery location.

Furthermore the Veterans' Administration has endorsed and recommended the location though it has not made its final site selection for the Region IV regional veterans cemetery. In 1975, two VA investigators visited the Fort Mitchell site and recommended the location for the regional veterans cemetery. My good friend and colleague, the Honorable GEORGE DANIELSON, a cosponsor of this legislation, has officially visited the Fort Mitchell site and a committee report this year commented that—

> There is no need for further delay in site selection; delay will translate into additional expense.

He has been most favorably impressed with the Fort Mitchell location and as former chairman of the Veterans' Affairs Subcommittee on Burial Benefits, I have full confidence in his judgment.

In addition to congressional visits to Fort Mitchell, former VA Administrator, the Honorable Richard Roudebush also visited this Alabama location. His own comments to me were:

> I do not want to assure you that the entire locality at Fort Mitchell . . . impressed me considerably. I have no doubt that a lovely cemetery [at Fort Mitchell] . . . will certainly provide enough ground to meet the burial needs of all the veterans in that area for many years to come.

Further evidence of the Veterans' Administration's opinion of Fort Mitchell is found in the draft environmental impact statement prepared this year. Let me quote you just a few lines:

> Fort Mitchell is an historic site which could be developed to respect and enhance the existing resources.

The VA is referring to the fact that the Fort Mitchell location is rich in historic heritage which includes use of the property as a small cemetery for veterans of the Indian Wars, the War of 1812, and the War Between the States:

> The Fort Mitchell site has probably the most potential, the forested areas are extremely attractive; the historic features of the site add to the appropriateness of the proposed use.

From an esthetic, from an economic, from a historic standpoint, the Fort Mitchell location is by far the best choice for a regional veterans cemetery. It is within 100 miles of more than half a million veterans and I believe it would provide the "most benefit for the greatest number" of our region IV veterans.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the bill directing the Veterans' Administration to establish a national cemetery in Russell County, Ala., at Fort Mitchell. It is recommended to us by both the distinguished gentleman from Georgia, JACK BRINKLEY, and the distinguished gentleman from Alabama, BILL NICHOLS. Mr. BRINKLEY serves with me on the House Veterans' Affairs Committee and the subcommittee with jurisdiction over the Veterans' Administration's Department of Memorial Affairs.

The need for a national cemetery to serve veterans and their families in Federal Region IV is not contested, Mr. Speaker. This region is made up of eight Southeastern States: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. The Veterans' Administration has been considering a site in the area for more than 3 years but has failed to make a selection.

After our hearings I am unable to fathom the delay. The Fort Mitchell site is one of three the VA has pondered over. It seems ideal from every standpoint. The site has been offered to the Government by Russell County at no cost. It is 10 miles southeast of Columbus, Ga., and consists of 498 acres of currently unused land. It is across the Chattahoochee River from Fort Benning, Ga., and, according to the VA, more than a half million veterans reside within 100 miles of the site.

Mr. Speaker, our colleagues who know this area best believe it to be the best location for a regional IV national cemetery and I agree with them. I urge approval of H.R. 3989.

● Mr. DICKINSON. Mr. Speaker, I rise in support of H.R. 3989, legislation to establish a new national cemetery at Fort Mitchell, Ala.

There is a pressing need for a national cemetery in the Southeast-Federal Region IV, and I commend the distinguished gentleman from Georgia (Mr. BRINKLEY) and my esteemed colleague from Alabama (Mr. NICHOLS), for their efforts in bringing this legislation to the floor of the House today.

As the report indicates, there are 4,391,000 veterans living in the eight States of region IV. Despite the fact that the National Cemeteries Act of 1973 authorized the Administrator of the Veterans' Administration to establish a National Cemetery System and a site for a national cemetery in the Southeast has been under active consideration for more than 3 years, the VA has failed to select a site.

The Fort Mitchell site is rich in cultural history. Russell County, Ala., will donate land for the cemetery so the cost of establishing the national cemetery will be minimal. The site is centrally located in region IV, easily accessible to all of the eight States.

We have the need for a national cemetery, Mr. Speaker; therefore, I urge the passage of H.R. 3989.●

● Mr. SPENCE. Mr. Speaker, I rise in opposition to H.R. 3989 which directs that a new national cemetery be designated in Alabama to be known as the "Fort Mitchell Regional Veterans Cemetery." For all practical purposes this would be the regional cemetery for region IV.

Mr. Speaker, the Veterans' Administration also opposes the enactment of this bill as it will disrupt the orderly system of administrative planning which has been established since passage of the National Cemeteries Act of 1973. The VA, in 1974, recommended adoption of a regional cemetery system. Site selection studies are currently underway within the VA and it has already issued, in March of this year, a draft environmental impact statement for region IV. This region consists of the eight Southeastern States: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. Sites in Georgia and South Carolina, in addition to the Alabama site, are under consideration and the VA has received numerous comments on all three proposed locations.

We in South Carolina are fortunate in having an excellent site at Fort Jackson in Columbia and my fellow citizens overwhelmingly support it for designation as the national cemetery for region IV. I urge the House to lay aside the pending bill and permit the Veterans' Administration to make a selection under procedures which have been followed in designating regional cemeteries in other parts of the Nation.●

● Mr. ABDNOR. Mr. Speaker, I rise to join my colleagues on the Committee on Veterans' Affairs who have preceded me with their remarks in favor of this measure.

The purpose of this bill is simple. It mandates the construction of a national cemetery at Fort Mitchell, Ala. I will not take much time explaining my support of this bill. In a 1977 study of the national cemetery system, the University of Alabama recommended that a policy be established to create an active national cemetery in each of the 10 Federal regions. Since that time the effort has progressed at a slow, and favorable pace in every region, but region IV which is the Southeastern region of the Nation. This region does not have an active regional cemetery, nor even one under construction. Numerous studies have been conducted in the past 3 years of the three sites—Fort Jackson, S.C., Fort Gillam, Ga., and Fort Mitchell, Ala.—the Veterans' Administration has determined will be "finalists," the Fort Mitchell site is by far the most favorable site. I believe that the committee report which accompanies this bill will support.

As I said earlier, it is my concern that all veterans have equal opportunity. Simply, this bill provides that the provisions of State constitutions or statutes which limit the interest ceiling will not apply to loans insured or guaranteed, or made directly by the Veterans' Administration under the provisions of chapter 37 of title 38, United States Code. I have long been an advocate of States' rights and am pleased to say that section 2 of the bill restates the intent that States be allowed to determine their usury rates. Expressly, it says that the State, if they wish, can override the exemption by taking appropriate action at the State level.

In closing, I hope that you will agree with me that this bill is important in it attempt to assist veterans in the State of Arkansas and in any other State, should, in the future, they be faced with a similar problem. I ask you to join me in supporting this bill.●

Mr. BRINKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HAMMERCHMIDT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. Brinkley) that the House suspend the rules and pass the bill, H.R. 3989.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WAIVER OF USURY PROVISIONS FOR VETERANS LOAN GUARANTY BENEFITS

Mr. BRINKLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 411) to authorize veterans loan guaranty benefits notwithstanding usury provisions of State constitutions or statutes, and for other purposes.

The Clerk read as follows:

H.R. 411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the constitution of any State expressly limiting the amount of interest which may be charged, taken, received, or reserved by lenders and the provisions of any law of that State expressly limiting the amount of interest which may be charged, taken, received, or reserved shall not apply to any loan or mortgage which is insured, guaranteed, or made under chapter 37 of title 38, United States Code.

Sec. 2. The provisions of section 1 shall apply to such loans, mortgages, or other interim financing made or executed in any State until the effective date (after the date of enactment of this section) of a provision of law of that State limiting the amount of interest which may be charged, taken, received, or reserved on such loans, mortgages, or financing.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Georgia (Mr. Brinkley) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. Hammerschmidt) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. Brinkley).

Mr. BRINKLEY. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the bill, H.R. 411.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BRINKLEY. Mr. Speaker, the current interest rate on VA home loans is 10 percent, the highest in the history of the VA home loan program. In States where there is no statutory or constitutional limitation on the interest rate set by lenders, veterans are not having difficulty in obtaining VA guaranteed home loans; however, this is not true in the States of Arkansas and possibly other States where such loans may not be available because of usury provisions of State constitutions or statutes. The distinguished ranking minority member of the full committee, the very able John Paul Hammerschmidt of Arkansas called to our attention the situation that exists in his State and the committee was unanimous in its support of H.R. 411. The reported bill provides that the provisions of the constitution of any State which expressly limits the amount of interest charged by lenders and the provisions of any law of a State which expressly limits the amount of interest, shall not apply to any loan insured, guaranteed, or made by the Veterans' Administration under chapter 37 of title 38, United States Code. Mr. Speaker, any State affected by the reported bill may, however, enact a law which reimposes the interest rate limitations made applicable by the reported bill.

Mr. Speaker, if this bill is not adopted, veterans in the State of Arkansas, and possibly a few other States, as a practical matter will be unable to obtain VA guaranteed home loans; therefore, it is my hope that the reported bill will be adopted unanimously by the House.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 411, a bill to exclude Veterans' Administration guaranteed or insured home loans from interest rate ceilings of State constitutions or statutes. I am most appreciative for the understanding and support of my friend and colleague, Mr. Brinkley as well as my friend, Mr. Abdnor.

Simply stated, Mr. Speaker, this measure provides that the constitution of any State or the laws of that State that limit the amount of interest that may be charged by lenders shall not apply to any loan or mortgage insured, guaranteed or made under the Veterans' Administration home loan guaranty program.

In order that the State may have the final word with respect to its intentions, section 2 of this measure provides that the exclusion of VA loans or mortgages shall only be effective until the State enacts a provision of law which, in effect, overrides the VA mortgage exclusion.

The constitution or laws of many States, Mr. Speaker, contain usury provisions. In most cases, however, either the VA and FHA home loans are excluded or the interest ceiling is so high that it is not restrictive in the current market.

Two examples that come to mind are Louisiana and Rhode Island. The State of Louisiana has a 10-percent interest rate ceiling, but Veterans' Administration home mortgages are exempt from this ceiling. Rhode Island has pegged its usury statute at 21 percent which is sufficiently high in relation to the 10-percent interest rate on VA home loans that no exemption is necessary.

The State of Arkansas, on the other hand, has an absolute prohibition in its constitution against lenders charging more than 10 percent per annum interest. The dramatic impact of this interest ceiling on veterans loans in the State of Arkansas in light of the increase to 10 percent in the Veterans' Administration interest rate on April 23 can be seen in these statistics. During calendar year 1978, the Veterans' Administration guaranteed 4,111 loans—a monthly average of 342 loans. In the 8 weeks since the rate was increased to 10 percent, exactly three Veterans' Administration loans have been guaranteed in Arkansas.

Mr. Speaker, the House recognized this crisis situation with respect to FHA loans just 2 weeks ago and took the first step in resolving it with the passage of an almost identical provision in H.R. 3875, the Housing and Community Development Act of 1979. To be consistent, Mr. Speaker, the same exclusion should apply equally to FHA and VA loans.

I cannot believe it was the intent of Congress to deny home loans to certain veterans because of their State of residence—nor can I believe that drafters of State constitutions ever intended to deny their own war veterans the American dream—the opportunity to purchase their own homes.

I strongly support the bill and urge that it be passed.

Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, I rise to voice my support for the measure of the able ranking member of the Committee on Veterans' Affairs, the Honorable JOHN PAUL HAMMERSCHMIDT. As the ranking member on the Subcommittee on Housing, I am most concerned that the loan guaranty program be made equally available to all veterans.

Unfortunately, the rapid increase in the interest rates in the past couple of years has had an adverse impact on veterans in certain parts of the country. States have long had interest ceiling or usury provisions to protect its citizens from unfair interest rates. The States have taken different approaches to the problem. When most of the laws were written, few would have even thought that interest rates would hit 10 percent. However, they have and some States have been caught in a right spot. Two years ago, we adopted an amendment which eventually became a part of Public Law 94-324 to assist California in overcoming this problem. Today, Arkansas faces the same problem. Arkansas' State constitution has a usury limit of 10 percent. In April, the interest rate for VA guaranteed loans was increased to 10 percent. Therefore, veterans in Arkansas were closed out.

On this one point I must point out that the Russell County, Ala., County Commission has advised the committee it will donate the 450 acres at Fort Mitchell to the Federal Government at no cost for establishment of a cemetery. Members of the committee have visited the site and can attest to the fact that the Fort Mitchell site is the best in the area. I, therefore, would ask that you join us in supporting this measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Mr. Speaker, I would like to associate myself with the remarks made by my distinguished colleague, the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Knowing that the constitution in Arkansas is prohibitive insofar as the usury ceilings are concerned, I know personally that this legislation is needed and, therefore, I support it with all sincerity.

I would like to add, Mr. Speaker, that this is comparable to legislation recently passed by the House with respect to FHA loans, recognizing that there is national policy with respect to FHA loans and with respect to VA loans. It is very much-needed legislation, and I commend my colleague for his initiative in bringing this matter to the floor.

● Mr. GONZALEZ. Mr. Speaker, the legislation under consideration at this time is very disturbing to me. What we are doing in H.R. 411 is authorizing exorbitant and usurious interest rates by exempting VA loans from the State usury laws.

I am well aware that it would be unrealistic to think that we can bring interest rates back to 6 percent and if we would do it the investors would only place their money into other markets where they could obtain a higher return. However, I feel it is urgent that we discuss the higher and higher interest rates for mortgage loans that is of great concern to me and I know to many of my colleagues.

We have not seen 6-percent rate since 1965 which is the year when rates started rising without returning to previous levels as had been the trend. In the early 1970's rates were up close to if not at 10 percent and dropped very slightly only to pass the 10-percent mark this year. And from the indications we have received from economists we can expect to see double-digit mortgage interest rates for some time to come.

What disturbs me so is that we have become blase about the rising rates. We mandated similar action in the housing bill that was debated in the House recently. That legislation allows the Secretary of HUD to continue to raise the interest rates for FHA-insured loans as well as circumvent the State usury laws if the market loan rate is higher. I commented briefly on these provisions at that time, but not much else was said about it.

Mr. Speaker, the tragic result of these higher interest rates is that most low- and moderate-income families, and especially the first time home buyers are simply being priced out of the housing market. Today home buyers not only have to contend with the higher price of land and building materials that have forced up home prices to figures higher than they have ever been in our country's history, but these home buyers are being hit with the highest interest rates in history.

Who can the American people turn to for relief? Many felt that the State and Federal Government would be there to protect them, but look what we are doing. In this very bill we are exempting VA loans from State usury laws and taking away the protection the citizens have from exorbitant and usurious interest rates.

Congress must stop condoning and encouraging these higher and higher interest rates and we must take a stand in favor of what is in the best interests of the American people. I urge my colleagues to work together to bring back mortgage interest rates in line with the workers ability to pay for housing if we are serious about enabling our constituents to purchase a decent home on reasonable terms.●

● Mr. ALEXANDER. Mr. Speaker, I rise in support of H.R. 411, legislation to waive State constitution or State statute usury provisions on veterans loan guaranty benefits. I want to commend my colleague, JOHN PAUL HAMMERSCHMIDT, for his sponsorship and work on this legislation, which most directly impacts on our State of Arkansas.

Mr. Speaker, my State has the most restrictive usury limitation in the Western Hemisphere—a constitutionally mandated 10-percent ceiling on all types of loans. Inasmuch as the current interest rate on VA loans is 10 percent, the highest in the history of the program, very few Government-backed loans are being made in our State. Thus, this legislation is necessary to make our State competitive in the national economy and guaranteed loans available to Arkansas veterans.

I would point out that Arkansas is in the midst of a State constitutional convention and that convention is expected to recommend a more realistic usury provision in the new document that will be presented to the voters in the 1980 general election.

Most other States with fairly rigid interest rate ceilings exempt Federal home loan programs from their usury ceilings. This bill allows States, which may at a later date become significantly impacted by the bill, to override this exemption by enacting laws to reimpose the interest rate limitations made inapplicable by the bill.

Mr. Speaker, today's national economic climate has created a situation in Arkansas that deprives veterans of the opportunity to secure home loans. I urge my colleagues to support this bill.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time.

Mr. BRINKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. Brinkley) that the House suspend the rules and pass the bill. H.R. 411.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WHALE KILLING MORATORIUM

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 143) calling upon the President to urge a moratorium on the commercial killing of whales.

The Clerk read as follows:

H. Con. Res. 143

Whereas whales are a unique marine resource of great esthetic and scientific interest to mankind and are a vital part of the marine ecosystem; and

Whereas the protection and conservation of whales are of particular interest to citizens of the United States; and

Whereas the United States, which, in December 1971, effectively banned all commercial whaling by United States nationals, has sought an international moratorium on the commercial killing of whales since 1972; and

Whereas in 1971 the Congress adopted resolutions requesting the Secretary of State to negotiate a ten-year moratorium on the commercial killing of whales; and

Whereas the United Nations Conference on the Human Environment, composed of one hundred and seventeen nations, adopted a resolution in 1972 calling for a ten-year moratorium on commercial whaling; and

Whereas that 1972 resolution was confirmed in 1973 and 1974 by the United Nations Governing Council for Environment Programs, and that Council continues to support whale conservation efforts; and

Whereas the management regime established by the International Convention for the Regulation of Whaling, signed in 1946, and implemented by the International Whaling Commission, is not providing adequate protection to the world's whale population; and

Whereas the data-gathering structure established under the International Whaling Commission has not provided all the available data necessary for sound whale conservation; and

Whereas there is strong evidence of continuing and increasing importations of whale products by member nations of the International Whaling Commission from nonmember nations; and

Whereas defects in the management regime of the International Whaling Commission allow harvests of whale species that are in a state of decline: Now, therefore, be it.

Resolved by the House of Representatives (the Senate concurring), That the Congress calls upon the President to vigorously urge—

(1) the International Whaling Commission to adopt an indefinite moratorium on the commercial killing of whales; and

(2) Japan, Norway, the Soviet Union, Brazil, Denmark, Iceland, Chile, the People's Republic of China, Peru, Portugal, the Republic of Korea, the Democratic Republic of Korea, Spain, and Taiwan to immediately recognize and comply voluntarily with a moratorium on the commercial killing of whales, as endorsed by the United Nations Environment Programme.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington, (Mr. Bonker) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. Derwinski) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. Bonker).

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to commend my colleagues, Representatives Les AuCoin and James Jeffords, for initiating legislation in the House calling for an international ban on commercial whaling. I would also like to commend Senator Magnuson for having sponsored a similar resolution in the Senate. Senator Magnuson's resolution was adopted in the State Department authorization bill.

PURPOSE OF HOUSE CONCURRENT RESOLUTION 143

House Concurrent Resolution 143 calls upon the President to urge the U.S. delegation to the IWC to seek the adoption of an indefinite moratorium on the commercial killing of whales by the IWC. The adoption of this resolution by the House is timely since it will serve to strengthen the position of the U.S. delegation to the IWC's annual meeting in London from July 9 to 13, 1979.

Passage of House Concurrent Resolution 143 will convey to the executive branch and the IWC congressional support for the adoption of a moratorium on commercial whaling by the IWC. Calling for an indefinite moratorium will permit the IWC discretion as to the duration of the moratorium.

OTHER ISSUES

Passage of House Concurrent Resolution 143 would not authorize the appropriation of any funds. Any expenditure on the part of the United States for the purpose of this resolution would be subject to the regular procedure for authorization and appropriation.

Passage of House Concurrent Resolution 143 would not affect whaling by American Eskimos since their hunting of whales is for subsistence, not commercial purposes.

CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 143

Whales are a unique marine resource of great esthetic and scientific interest to mankind, and are a vital part of the marine ecosystem. Their protection and conservation concern the people of all nations, and are of particular interest to the citizens of the United States.

Before whaling began over 100 years ago, the number of large whales was estimated at about 3.9 million. By 1975, the whale population had declined to approximately 2.1 million; presently the mature whale population is estimated at around 1.2 million. Some baleen species in the Antarctic have decreased by as much as 96 percent. The population of the larger species of whales, those which are hunted for commercial purposes, have, in fact been, reduced to very low levels; and are threatened with extinction.

REASONS FOR THE DECLINE IN WHALE POPULATIONS

The rapid decline in the whale population is due to several factors. First, major whaling States continue to demand whale meat and whale products as a source of food, and export earnings. Second, technological advances, such as harpoon guns, have made the hunting of whales more efficient. Third, although whaling has declined as a livelihood in some countries, such as the United States, it remains an important occupation in others; for example, Japan and the Soviet Union.

INTERNATIONAL AND DOMESTIC EFFORTS TO PROTECT WHALES

The International Whaling Commission was established by an International Whaling Convention in 1946. Its member states are: Argentina, Australia, Canada, Brazil, Denmark, France, Iceland, Japan, Mexico, the Netherlands, New Zealand, Norway, Panama, South Africa, South Korea, Seychelles, the United Kingdom, the Soviet Union, and the United States. The IWC's major purpose is to promote the conservation and protection of whales through the adoption of various regulatory measures; for example, quotas or moratoria on the hunting of certain species.

The U.S. Government banned all commercial whaling by its nationals in December 1971. Since 1972, it has supported the adoption of an international moratorium on commercial whaling in the International Whaling Commission.

Mr. Speaker, I include at this point in the Record the report of the Subcommittee on International Organizations of the Committee on Foreign Affairs concerning its hearings and actions on House Concurrent Resolution 143:

Calling Upon the President to Urge the International Whaling Commission to Adopt an Indefinite Moratorium on the Commercial Killing of Whales

PURPOSE OF HOUSE CONCURRENT RESOLUTION 143

The purpose of House Concurrent Resolution 143 is to call upon the President to vigorously urge the U.S. Delegation to the International Whaling Commission (IWC) to adopt an indefinite moratorium on the commercial killing of whales. Such a moratorium would strengthen the position of the United States Delegation at the International Whaling Commission's annual meeting in London from July 9 through July 13, 1979.

COMMITTEE ACTION

On March 27, 1979, Representaives James Jeffords introduced House Concurrent Resolution 87, which was referred to the Committee on Foreign Affairs and, in turn, referred to the Subcommittee on International Organizations of which Representative Don Bonker is chairman. H. Con. Res. 87 called for an indefinite moratorium on the commercial killing of whales.

An April 2, 1979, Representative Les AuCoin introduced House Concurrent Resolution 92, which was referred to the Committee on Foreign Affairs and, in turn, referred to the Subcommittee on International Organizations. This resolution called for a moratorium on commercial whaling.

On May 24, 1979, the Subcommittee on International Organizations held an open hearing to consider proposals to ban commercial whaling and to consider House Concurrent Resolution 87 and 92. The witnesses were Representatives Les AuCoin of Oregon, and James Jeffords of Vermont; Richard

Frank, Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, and United States Commissioner to the International Whaling Commission; Christine Stevens, Secretary, Society for Animal Protective Legislation; and Craig Van Note, Monitor, Inc.

At the beginning of the hearing Representative Bonker, Chairman of the Subcommittee on International Organizations, proposed a resolution which reflected the main points of H. Con. Res. 87 and 92. However, Chairman Bonker's resolution provided for an "indefinite moratorium" on commercial whaling as called for in Representative Jefford's resolution. Representative AuCoin made no objection to including the word "indefinite" in the Subcommittee's version. In addition, the Subcommittee Chairman's substitute include the phrase "calls on the President to vigorously urge the International Whaling Commission to adopt an indefinite moratorium," in order to strengthen the position of the U.S. Delegation to the IWC. All the witnesses tesifying on the subject of commercial whaling supported the resolution.

On June 14, 1979, the Subcommittee, meeting in open session, agreed to report favorably to the full committee H. Con. Res. 143 as a substitute for House Concurrent Resolutions 87 and 92. On June 15, 1979, the full Committee on Foreign Affairs meeting in open session, considered House Concurrent Resolution 143.

COST ESTIMATE

Passage of House Concurrent Resolution 143 would not authorize appropriation of any funds. The resolution exresses the sense of Congress in support of the adoption by the International Whaling Commission of an indefinite moratorium on commercial whaling. Any expenditure on the part of the United States for the purpose of this resolution would be subject to the regular procedure for authorization and appropriation.

BACKGROUND

Whales are a unique marine resource of great esthetic and scientific interest to mankind, and are a vital part of the marine ecosystem. Their protection and conservation concern the people of all nations, and are of particular interest to the citizens of the United States.

Before whaling began over 100 years ago, the number of large whales was estimated at about 3.9 million. By 1975, the whale population had declined to approximately 2.1 million; presently the mature whale population is estimated at around 1.2 million. Some baleen species in the Antarctic have decreased by as much as 96 percent. The populations of the larger species of whales, those which are hunted for commercial purposes, have, in fact been reduced to very low levels; and are threatened with extinction.

The rapid decline in the whaling population is due to several factors. First, major whale states continue to demand whale meat and whale products as a source of food, and export earnings. Second, technological advances, such as harpoon guns, have made the hunting of whales more efficient. Third, although whaling has declined as a livelihood in some countries, such as the United States, it remains an important occupation in others (e.g. Japan and the Soviet Union).

The International Whaling Commission was established by an International Whaling Convention in 1946. Its member states are: Argentina, Australia, Canada, Brazil, Denmark, France, Ireland, Japan, Mexico, the Netherlands, New Zealand, Norway, Panama, South Africa, South Korea, Seychelles, the United Kingdom, the Soviet Union and the United States. The IWC's major purpose is to promote the conservation and protection of whales through the adoption of various regulatory measures, e.g. quotas or moratria on the hunting of certain species.

The U.S. Government banned all commercial whaling by its nationals in December 1971. Since 1972, it has supported the adoption of an international moratorium on commercial whaling in the International Whaling Commission.

The International Whaling Commission at its July meeting should act to adopt an indefinite moratorium on the hunting of whales for commercial purposes. The purpose of H. Con. Res. 143 is to strengthen the position of the U.S. Delegation for an indefinite moratorium at the IWC by conveying to the Executive Branch and the IWC Congressional support for the moratorium.

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Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, whales are a unique marine resource of great esthetic and scientific interest to mankind, and are a vital part of the marine ecosystem. Their protection and conservation concern people of all nations, and are of particular interest to U.S. citizens.

Before whaling began over 100 years ago, the number of large whales was estimated at about 3.9 million; by 1975 their numbers had declined to around 2.1 million; and today, the number is about 1.2 million. Populations of larger species of whales, those hunted for commercial purposes, are now threatened with extinction.

Major whaling countries, such as Japan, Norway, and the Soviet Union, continue to demand whale meat and whale products as sources of food and export earnings.

The International Whaling Commission, established in 1946, seeks to promote conservation and protection of whales through various regulatory measures, adoption of quotas and moratoria on hunting of certain species, and so forth. The U.S. Government banned all commercial whaling by its nationals in December 1971, and since 1972, the United States has supported adoption of an international moratorium on commercial whaling by the IWC.

The resolution calls upon the President to urge the U.S. delegation to the IWC to have IWC adopt an indefinite moratorium on commercial killing of whales so as to strengthen the position of the U.S. delegation to IWC's annual meeting in London from July 9 to 13, 1979.

The Committee on Foreign Affairs considered this resolution on Friday, June 15, and found that a moratorium on commercial whaling is urgently needed to cope with the threat of extinction of whales.

House Concurrent Resolution 143 conveys to the executive branch and IWC congressional support for adoption of a moratorium by the IWC on commercial whaling and in calling for an indefinite moratorium allows IWC discretion as to the duration of the moratorium.

Mr. DERWINSKI. Mr. Speaker, I have no further requests for time.

Mr. BONKER. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Speaker, today I rise in support of House Concurrent Resolution 143, a resolution which urges that the International Whaling Commission adopt a moratorium on the commercial killing of whales at its July meeting. I commend the subcommittee chairman, the gentleman from Washington (Mr. BONKER) for expeditiously holding hearings on resolutions introduced by Congressman JEFFORDS and myself and for promptly reporting this resolution to the floor.

Unique in form and intelligence, the whale is one of nature's most precious gifts. Noble and peaceful by nature, the whale swims in our oceans at the mercy of whaling pirates and sanctioned industry harvests which far exceed the ability of the present whale population to replenish itself. We must apply more stringent conservation measures to our present management regime if we hope to enjoy the company of this life form in years to come.

My view is based on the following facts. Last year alone approximately 38,000 whales were slaughtered. For more than a quarter of a century the IWC has been warned of the threatened extinction of these mammals. In the last 50 years more than 2 million whales, including the rarest species, have been slaughtered by commercial hunters.

How many whales are left in the world? Because of a chronic problem of inadequate data—a problem that has been compounded by the reluctance of some nations to provide essential data to the IWC—no one can say with any degree of certainty. This makes it all the more important to stop the continued killing of these great mammals.

There is nothing romantic about man the predator, using helicopter spotters, shooting an explosive harpoon from modern whaling ships into the vital organs of a whale, which may then thrash about for hours before it dies. It is a bloody, cruel, and debasing business.

The Soviet Union and Japan account for between 80 and 85 percent of the total yearly whale take. Therefore, efforts to halt whale slaughter must be aimed at these two countries. Each year they kill about 31,000 whales, bringing these mammals nearer and nearer to extinction.

Japan and the Soviet Union implicitly take the position that their need for whale meat and oil justifies their intensive exploitation of this resource. I think we should examine these presented justifications at closer length. With respect to the use of whale meat, Japan takes the position that it provides a needed protein supplement for the national diet. I would like to point out that only about 1 percent of all protein consumed by the Japanese comes from whale meat. Furthermore, the amount of fishery products exported by Japan is approximately 12 times greater than the amount of whale meat consumed in that country.

The Soviet Union does not make use of whale meat in its diet regime. Its main interest is in whale oil, particularely that of the sperm whale. In recent years Soviet production of sperm oil has seen a sharp increase, going from 79 to 90 percent of the total world use. It is nevertheless a fact that various substitutes have been developed for sperm oil that no longer makes it essential or even useful to hunt down and destroy the largest creature inhabiting this planet.

There are cost-effective substitutes for all whale products. No longer does the world need the whales for lamp oil, soap, cosmetics, or lubricating oil. But the whalers appear bent on killing the last whale on the last day of the last whaling season.

The only rationale for continued whaling lies in extracting as much return on current investment in whaling fleets as possible before world opinion finally halts the operation.

The sooner that day comes, the better. Time is running out for the great whales. It is time now for the United States to assume leadership in obtaining a truely international commitment to save the remainder of these great creatures.

Mr. BONKER. Mr. Speaker, I yield such time as he may consume to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise in support of House Concurrent Resolution 143, to provide for a moratorium on the commercial killing of whales. This is an issue that has been of considerable importance to me, so much so that I introduced a resolution this session calling for just such a moratorium.

I share with the subcommittee chairman, and my colleague from Oregon, and other Members, a deep concern for the future of these magnificent sea mammals.

In May of 1972, the whale was the symbol of the United Nations Stockholm Conference on the Human Environment. It was asked at that time by one of the participants to the Conference: "If we can't save so great and remarkable a creature as the whale, what hope is there for the environment as a whole?" There was unanimity at Stockholm that a 10-year moratorium be adopted on commerical whaling. Since then U.S. delegates to the International Whaling Commission have consistently supported the 10-year moratorium. But now, 7 years later, the tide has not yet turned despite the enormous public interest in whales which has grown to the extent that more money is made from living whales, through the sale of books, records, sculpture, jewelry, whale watching expeditions and other commercial enterprises built around the popularity of whales, than the biggest whaling nation makes from killing whales. It is clear from this point and from the increasing presence of whales in the literature, are, music, dance, conservation efforts, news media coverage, and legislation of this country that an increased awareness of the values of whales in their live state makes the practice of whaling unacceptable to U.S. citizens on ethical grounds.

It is time to press for a moratorium on commercial whale killing with renewed force and energy. This is not a new concept Mr. Speaker. Since the early 1970's, the United States has been involved in efforts to restrict and curtail all commercial whaling. Importation of whale products was banned in 1971. Passage of the Marine Mammal Protection Act in 1972, curtailed entirely U.S. whaling operations following the 1969 precedent of listing eight species of great whales as endangered species.

In 1971, the U.S. House and Senate passed resolutions instructing the Secretary of State to seek a worldwide, 10-year moratorium on commercial whaling. In 1977, Senator PACKWOOD successfully amended the Fishery Management and Conservation Act to prohibit all whaling within the U.S. 200-mile limit. This year, another amendment to this act by Senators PACKWOOD and MAGNUSON forbidding the United States to issue any fishing permits to nations that diminish the effectiveness of any international fishery conservation agreement, passed the Senate in April.

On May 2, the U.S. Government called for the International Whaling Commission to adopt a moratorium on all commercial whaling and had this request placed on the IWC agenda for their meeting in London July 9–13.

With this past history of pro-whale activity on the part of our country, but more importantly, because of the urgency of the situation; the actions of Congress between now and the IWC meeting, could tip the balance in favor of an end to the slaughter of whales.

Passage of this resolution will provide our delegate to the IWC with a clear message to deliver to the other members of the Commission that now is the time to achieve this long sought reprieve for the whales.

There are some very compelling reasons for implementation of the moratorium, besides those I have already expressed concerning preservation of this magnificent mammal. From strictly an economic point of view, there appears to be little reason for continuance of the practice. Japan, which shares 75 percent of the whale slaughter worldwide with the Soviet Union, has found its whaling industry to be virtually bankrupt. It only survives with a government subsidy of some $10,000,000.00 a year, and the Taiyo Fishery Co. recently suffered an operating loss of $20,000,000.00, according to the Japan Company Handbook published by the Oriental Economist for the first half of 1979.

Though senior officials of the world's largest whaling nation, the Soviet Union, have recently announced that their nation will cease pelagic whaling within 5 years, such action is not enough. Five more years of whaling by this nation at current levels could lead to the destruction of at least one type of whale species' social system and add decades to the recovery period. It is even possible that the changes might prove to be irreversible.

The passage of a moratorium now by the House as well as the July meeting of the International Whaling Commission are crucial for several other reasons.

First, during discussions of a new Whaling Convention which began last year in Denmark, Participating nations seemed far more concerned with staking out coastal sovereignty at the same time. IWC nations, in particular those which have demonstrated pro-whale stances, have become increasingly unwilling to contribute sufficient funds to permit the convention to carry out its work.

One previously pro-whale nation, Panama, is apparently withdrawing under commercial pressure from Japan. This loss, along with the entry in IWC of South Korea and possibly Peru and Chile, threatens to cancel the voting majority conservationists now enjoy and give the whalers the power to stalemate the Commission.

Second, confidence in scientific assessments of whale populations among scientists themselves is at a low ebb. The virtual annihilation of young male sperm whales in many areas during the 1960's and early 1970's has produced such a shortage of "socially mature" males in the present populations that the birth rate has plummeted.

Third, unregulated "pirate" whaling operations, expanded during 1979, increasingly menace endangered whales placed under IWC protection after being nearly wiped out by the major fleets. Japan continues to import most of the production from these operations (including a new Japanese financed whaling station in Taiwan) in defiance of an IWC resolution urging an end to imports from, or transfer of equipment or expertise to, non-IWC whalers.

There is an encouraging sign before us though, as our delegates prepare for their trip to the London IWC meeting. At this meeting, we can expect strong support from one of our former major opponents of the moratorium, Australia, which last year, was still a whaling nation. As a result of popular demand, a comprehensive inquiry on whales and whaling was conducted by an Australian high court, Sir Sydney Frost, who on the basis of the evidence presented by experts throughout the world, recommended that Australia not only end whaling herself and declare a whale sanctuary in her waters, but that she seek to convince the rest of the world to adopt a ban on commercial whaling. Sir Frost's report concluded: "* * * The time has come to recognize that the method used to kill whales is inhumane."

We may be encouraged too, by the good news that Sweden, where the first moratorium proposal received such overwhelming support from the nations gathered in Stockholm in 1972, has just made the decision to join IWC. Swedish observers have been present at recent IWC meetings, and now this leader among conservation-minded nations is ready to take part in determining the fate of the whales.

At the same time, the government and the people of the tiny island nation of the Seychelles, whose major natural resources lie in the rich waters surrounding their small land area, have chosen to ratify the international convention on whaling. Additionally, the Seychelles Government has proposed and placed on the agenda of the July IWC meeting, a closing of all commercial whaling either by pelagic operations or from land stations, in the Indian Ocean, north of the Equator and eastward to 100 degrees east. Our delegation to the IWC meeting should have the vigorous support of the legislative branch of our Government in the strenuous fight it has ahead to obtain a three-quarters majority vote for acceptance by the Commission of a moratorium, as required by the IWC rules.

Whaling is a dying industry, but if it is allowed to die a natural death, it will take the whales with it to the grave. We have an obligation to humanity to prevent that from happening by putting a stop to commercial whaling before it destroys forever the possibility of recovery of the whales.

● Mr. WEISS. Mr. Speaker, I rise today in support of House Concurrent Resolution 143. As a cosponsor of this measure, I believe strongly that the International Whaling Commission should adopt an international, indefinite moratorium on the commercial killing of whales. In 1971, this body, along with the Senate, passed House Concurrent Resolution 381 and Senate Joint Resolution 115, asking for a 10-year moratorium on whale killing. Despite these efforts, the whale's fate is still uncertain.

As we know, the International Whaling Commission will be meeting early next month in London (July 9–13). The American delegation's recommendation to the Commission is identical to the provisions of the resolution that is before us today. It is crucial that this body act now through the passage of House Concurrent Resolution 143 to declare its support for the majority view of the American public, environmental groups and various administrative agencies and departments. Our distinguished body should not forego this opportunity to show our concern for the whale and our solidarity with the American delegation.

Passage of this bill will not harm United States and international industry—there is a viable alternative to whale oil. By passing House Concurrent Resolution 143, we do not seek to end international trade in such whale oil-related products as animal feeds, candles, crayons, floor coverings, printing inks, and cosmetics. The jojoba (pronounced hohoba) plant's seed can be used as a substitute for whale oil in all its forms because of its almost identical chemical composition to sperm whale oil. The University of Arizona's Department of Agriculture has extensively studied the use of the jojoba's seed, as have environmental and scientific groups, and they have concluded that the jojoba's seed's oil compares most favorably to the oil derived from sperm whales and could be processed into a multipurpose alternative to whale oil.

My distinguished colleagues, it is this body's responsibility to advance conservation of all plant and wildlife. In an age of scarcity and limits, we must develop an ethic that encourages preservation and renewal. I urge my colleagues to support House Concurrent Resolution 143.●

Mr. BONKER. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 143).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington (Mr. BONKER)?

There was no objection.

TECHNICAL CORRECTIONS TO HEALTH LAWS

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 14) to correct an error made in the printing of Public Law 95–613, as amended.

The Clerk read as follows:

S.J. RES. 14

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (3)(B) of subsection (b) of the first section of Public Law 95–613 (92 Stat. 3093) is amended by striking out "1979; $3,600,000 for the fiscal year ending September 30, 1980;" and inserting in lieu thereof "1979, $120,800,000 for the fiscal year ending September 30,".

(b) The amendment made by subsection (a) shall be effective as of November 8, 1978.

SEC. 2. (a) Section 3(c)(2)(B) of the Health Maintenance Organization Amendments of 1978 (Public Law 95–559) is amended by inserting "of this subsection" after "paragraph (3)".

(b) Section 11(a) of such Amendments is amended by striking out "section 1310(b)" and inserting in lieu thereof "section 1310(b)".

(c) Section 14(b)(1) of such Amendments is amended by striking out "organizations" and inserting in lieu thereof "organization".

(d) Section 1305(b)(1) of the Public Health Service Act (42 U.S.C. 300e–4(b)(1)) (as amended by section 4(a)(1) of such Amendments) is amended by striking out "$4,000,000" each place it occurs and inserting in lieu thereof "$4,500,000".

(e) Section 1305A(c)(1) of the Public Health Service Act (42 U.S.C. 300e–4(c)(1)) (as added by section 5 of such Amendments) is amended by striking out "The" and inserting in lieu thereof "the".

(f) Section 1310(e)(1) of the Public Health Service Act (42 U.S.C. 300e–9e(1)) amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a), (b), or (c)".

SEC. 3. (a) Section 504(b)(3) of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (Public Law 95–602) is amended by striking out "to the" and inserting in lieu thereof "for the".

(b) Section 506(a)(3) of such Amendments is amended by striking out "that such State" and inserting in lieu thereof "that each State".

SEC. 4. Section 1802 of the Public Health Service Act (42 U.S.C. 300v–1) (added by section 301 of Public Law 95–622) is amended by striking out "(b) DEFINITIONS" and inserting in lieu thereof "(f) DEFINITIONS".

SEC. 5. (a) Section (b) of the Health Services Research, Health Statistics, and Health Care Technology Act of 1978 (Public Law 95–623) is amended by striking out "second time" and inserting in lieu thereof "third time".

(b) Section 3(d) of such Act is amended by striking out "Section 304(d)(3)" and inserting in lieu thereof "Section 304(b)(3)".

(c) Subsection (e) of section 304 of the Public Health Service Act (42 U.S.C. 242c(e)) (added by section 7 of the Health Services Research, Health Statistics, and Health Care Technology Act of 1978) is redesignated as subsection (d).

(d) Subsection (f)(2)(A) of section 309 of the Public Health Service Act (42 U.S.C. 242n) (added by section 6(c) of the Health Services Research, Health Statistics, and Health Care Technology Act of 1978) is amended by striking out "Chief Medical Officer" and inserting in lieu thereof "Chief Medical Director".

SEC. 6. (a) Paragraph (7)(L) of section 329(a) of the Public Health Service Act (42 U.S.C. 247d(a)(7)(L)) (as amended by section 103(a)(3) of the Health Services and Centers Amendments of 1978 (Public Law 95–626)) is amended by striking out "; and" and inserting in lieu thereof a period.

(b) Section 104(d)(5) of the Health Services and Centers Amendments of 1978 is amended by striking out "Paragraph (2) of subsection (e)" and inserting in lieu thereof "Paragraph (3) (as so redesignated) of subsection (e)".

(c) The last sentence of section 330(g)(2) of the Public Health Service Act (42 U.S.C. 254c(g)(2)) (as amended by section 104(f)(3) of such Amendment) is amended by striking out "this subsection" and inserting in lieu thereof "this paragraph".

(d) Paragraph (4) of section 330(g) of the Public Health Service Act (42 U.S.C. 254c(g)(4)) (as amended by section 104(f)(4) of such Amendments) is redesignated as paragraph (3).

(e) In paragraph (2)(C)(ii) of the amendment to section 314(d) of the Public Health Service Act made by section 201(b)(2) of such Amendments strike out "uniform national reporting system" and insert in lieu thereof "uniform national health program reporting system".

(f) In the last sentence of paragraph (4)(A) of the amendment to section 314(d) of the Public Health Service Act (42 U.S.C. 246(d)(4)(A)) made by section 201(b)(2) of such Amendments (1) strike out "Notwithstanding clauses (i) and (ii)" and insert in lieu thereof "Notwithstanding the preceding provisions of this subparagraph", (2) strike out "the amounts determined" and insert in lieu thereof "the amount determined", and (3) insert before the period a comma and the following: "except that if the amount appropriated for a fiscal year is equal to or less than the amount appropriated for the fiscal year ending September 30, 1979, the total amount of grants for a State health authority shall be an amount which bears the same ratio to the amount appropriated as the total amount of grants received by such authority from the appropriations for the fiscal year ending September 30, 1979, bears to the amount appropriated for that fiscal year".

(g) Section 202 of such Amendments is amended by striking out "Effective October 1, 1979" and inserting in lieu thereof "Effective October 1, 1978".

(h) Section 315(d) of the Public Health Service Act (42 U.S.C. 247(d)) (added by section 203 of such Amendments) is amended by striking out "subsection (l)" each place it occurs and inserting in lieu thereof "subsection (k)".

(i) Section 317(j) of the Public Health Service Act (42 U.S.C. 247b(j)) (as amended by section 202 of such Amendments) is amended (1) by striking out "or (3)" in paragraph (4) and inserting in lieu thereof "(3), or (4)", (2) by redesignating paragraph (4) as paragraph (5), and (3) by inserting after paragraph (3) the following new paragraph:

"(4) For the purpose of grants under subsection (a) for establishing and maintaining community and school-based fluoridation programs, there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for the fiscal year ending September 30, 1981."

(j) Section 204(c)(2) of such Amendments is amended by striking out "demonstration," and inserting in lieu thereof "demonstrations,".

(k) Section 1707(f) of the Public Health Service Act (42 U.S.C. 300u–6(f)) (added by section 501 of such Amendments) is amended by striking out "section 503(d) of this Act" and inserting in lieu thereof "section 1708(c)".

(l) Subsection (d) of section 1708 of the Public Health Service Act (42 U.S.C. 300u–8(d)) (added by section 501 of such Amendments) is redesignated as subsection (c).

SEC. 7. (a) Title II of the Public Health Service Act is amended by inserting above section 221 (42 U.S.C. 213a) the following title heading:

"RIGHTS, PRIVILEGES, ETC. OF OFFICERS AND SURVIVING BENEFICIARIES".

(b) Section 320(a) of the Public Health Service Act (42 U.S.C. 255(a)) (as amended by section 105 of Public Law 95–626) is amended by striking out "under section 332 or 361 of this Act" and inserting in lieu thereof "under subsection (b) or section 361".

(c) Section 330(d)(1)(B) of the Public Health Service Act (42 U.S.C. 254c(d)(1)(B)) is amended by striking out "subsection (e)(2)" and inserting in lieu thereof "subsection (e)(3)".

(d) Section 332(a)(2)(C) of the Public Health Service Act (42 U.S.C. 254e(a)(2)(C)) is amended by striking out "part D of title III" and inserting in lieu thereof "section 320".

(e) Subpart 3 of part F of title III of the Public Health Service Act is amended by inserting above section 360A (42 U.S.C. 263i) the following section heading:

"INSPECTION AND REPORTS".

(f) Section 404(a)(7) of the Public Health Service Act (42 U.S.C. 285(a)(7)) is amended by inserting a comma after "general public".

(g) Sections 208(c), 337(b)(2), 436A(d), 440(d), and 1503(c)(3) of the Public Health Service Act (42 U.S.C. 210(c), 289c–3a(d), 289c–7(d), 300k–3(c)(3)) are each amended by striking out "section 5703(b)" and inserting in lieu thereof "section 5703".

(h) Subsections (a) and (b) of section 12 of the Emergency Medical Services Amendments of 1976 (Public Law 94–573) are each amended by striking out "Section 776" and inserting in lieu thereof "Section 789".

(i) Section 751(g)(3) of the Public Health Service Act (42 U.S.C. 294t(g)(3)) is amended by striking out "section 5303" and inserting in lieu thereof "section 5305".

(j) Section 839(a) of the Public Health Service Act (42 U.S.C. 297e(a)) is amended by striking out "September 30, 1977" and inserting in lieu thereof "December 31, 1980".

(k) Section 853(6) of the Public Health (42 U.S.C. 298b(6)) is amended by striking out "this clause (3)" and inserting in lieu thereof "this clause".

(l) Section 1203(c)(2) of the Public Health Service Act (42 U.S.C. 300d–2(c)(2)) is amended by striking out "the first at least" and inserting in lieu thereof "at least the first."

(m) Section 1513(e)(1)(A)(i) of the Public Health Service Act (42 U.S.C. 300l–2(e)(1)(A)(i)) is amended by inserting "of 1972" after "Treatment Act".

(n) Section 1701(b) of the Public Health Service Act (42 U.S.C. 300u(b)) is amended by inserting "(other than grants and contracts under sections 1707, 1708, and 1709)" after "this title".

SEC. 8. (a)(1) Section 103 of the Community Mental Health Centers Extension Act of 1978 (Public Law 95–622) is amended by adding at the end the following new subsection:

"(c) The amendments made by this section shall take effect with respect to grants made under section 203 of the Community Mental Health Centers Act from appropriations made for fiscal years ending after September 30, 1977."

(2) Section 110(b) of Public Law 95–622 is amended (A) by inserting "(1)" after "(b)", and (B) by adding at the end the following:

"(2) The amendment made by paragraph (1) shall take effect with respect to grants made under section 203(e) of the Community Mental Health Centers Act from appropriations made for fiscal years ending after September 30, 1977."

(3) Section 111 of Public Law 95–622 is amended by striking out "section 110(c)" and inserting in lieu thereof "sections 103, 110(b)(1), and 110(c)".

(b) Section 206(c)(2)(B) of the Community Mental Health Centers Act (42 U.S.C. 2689e(c)(2)(B)) is amended by inserting "and" at the end of clause (iii).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. WAXMAN) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on January 18, 1979, the Senate passed Senate Joint Resolution 14 to correct an enrollment error in Public Law 95–613, an act to extend the programs of assistance under title X and part B of of title XI of the Public Health Service Act. Specifically, the resolution provided an authorization of appropriations of $120.8 million—the amount actually approved by the Congress—for fiscal year 1980 research programs under title X of the Public Health Service Act, in lieu of the authorization of $3.6 million inadvertently printed in the enrolled bill.

Having carefully reviewed all health legislation adopted by the 95th Congress, as well as the current compilation of the Public Health Service Act, the Subcommittee on Health and the Environment discovered several additional technical corrections which are also needed at this time. In order to address those needed technical corrections, the subcommittee unanimously reported an amendment in the nature of a substitute to Senate Joint Resolution 14 on April 3, 1979. In addition to the original Senate correction, Senate Joint Resolution 14, as amended by the subcommittee, provides technical correcting amendments to six public health laws adopted in the 95th Congress and to the Public Health Service Act.

On May 9, 1979, the Committee on Interstate and Foreign Commerce considered Senate Joint Resolution 14, as amended by the subcommittee, and ordered it reported by voice vote. Because Senate Joint Resolution 14, as reported by the committee, is a resolution of technical correction and because some of those corrections relate to authorizations of appropriations for fiscal year 1980, we have asked that it be considered under suspension of the rules.

The six acts addressed by these amendments of technical correction are:

Public Law 95–613, An act to extend programs of assistance under title X and part B of title XI of the Public Health Service Act;

Public Law 95–559, the Health Maintenance Organization Amendments of 1978;

Public Law 95–602, the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978;

Public Law 95–622, the Community Mental Health Centers and Biomedical Research Act of 1978;

Public Law 95–623, the Health Services Research, Health Statistics, and Health Care Technology Act of 1978; and

Public Law 95–626, the Health Services and Centers Amendments of 1978.

Mr. Speaker, I trust my colleagues will join me in suspending the rules and passing this resolution of technical corrections to health laws.

□ 1250

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the provisions of Senate Joint Resolution 14—as amended by the Subcommittee on Health and Environment and reported by the full Commerce Committee.

This bill simply makes technical corrections to legislation adopted in the 95th Congress—as well as technical corrections to the current compilation of the Public Health Service Act.

Authorizations contained in this legislation are consistent with actions already approved by Congress.

I regret that these errors have occurred, but it is necessary to correct them.

I urge favorable consideration of this resolution.

Thank you, Mr. Speaker.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I am happy to yield.

Mr. DERWINSKI. Do I understand correctly that the gentleman from California and the gentleman from Kentucky handled this bill at the time? I was just wondering how with their usual diligence and ability they could permit technical errors to take place?

Mr. CARTER. If the gentleman remembers the night we adjourned, I believe on the last quorum call only 144 Members answered.

Mr. DERWINSKI. I recall. I was there with the gentleman.

Mr. CARTER. And further we were up continuously for some 31 hours. I regret that these errors were made by staff, but they were made.

To err is human and to forgive is divine. I trust that in the goodness of my friend's soul, the gentleman from Chicago, Ill., will approach divinity and forgive a human error.

Mr. DERWINSKI. Well, I do, of course. I just wanted to point out that the two gentlemen are often leading us in areas of their legislative expertise and we want to have absolute confidence in their technical as well as their philosophical points of view.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I will yield to the gentleman.

Mr. WAXMAN. I want to state for the gentleman the reasons articulated by the gentleman from Kentucky, Dr. CARTER, I believe to be true. However, at the time those errors were made I was not the chairman of the subcommittee and I was not aware of the technical aspects of the legislation. I am convinced it was a staff error which resulted in authorizations without the appropriate number of zeros. I do not know whether it was the staff of this House or the other body, but I have my ideas about that.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield further?

Mr. CARTER. I yield to the gentleman.

Mr. DERWINSKI. Have these staff persons been properly chastised?

Mr. CARTER. Mr. Speaker, if I may reclaim a little of my time, I regret very much this error on the part of the staff, but they were working very diligently and at a time that I was the ranking member of the subcommittee. However, it escaped me and it evidently escaped the chairman and I regret it. We offer this bill to correct the error we made.

● Mr. STAGGERS. Mr. Speaker, I rise in support of the passage of Senate Joint Resolution 14 as reported by the Committee on Interstate and Foreign Commerce. This measure contains a series of needed technical amendments to several public health bills enacted during the 95th Congress, and to the Public Health Service Act.

I commend the members of the Subcommittee on Health and the Environment and particularly its chairman and ranking minority member, for their diligent work in reviewing existing legislation to find the needed technical changes provided for by this resolution.

I urge my colleagues to join me in voting for passage of these technical corrections to health laws.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 14) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution, as amended, was passed.

The title was amended so as to read: "Joint resolution to amend the Public Health Service Act and related health laws to correct printing and other technical errors.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on Senate Joint Resolution 14.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

STATE HEALTH PLANNING AGENCIES EXTENSION AMENDMENTS

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4556) to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies.

The Clerk read as follows:

H.R. 4556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1521(b)(2)(B) of the Public Health Service Act is amended by inserting before the period a comma and the following: "except that the Secretary may extend the period for such additional time as he finds appropriate if he finds that the designated State Agency is making a good faith effort to comply with the requirements of section 1523".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. WAXMAN) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us, H.R. 4556, would allow the Secretary of the Department of Health, Education, and Welfare to extend the period of conditional designation for a State health planning and development agency designated under section 1521 if he finds that the designated State agency is making a good faith effort to comply with the requirements of section 1523 of the Public Health Service Act. Under existing law, State health planning and development agencies can be conditionally designated for up to 36 months. After that time, if an agency does not meet all the requirements for full designation, the designation would have to be terminated with the resulting loss of funding. For 16 States the end of the 36-month conditional designation period expires on June 30. HEW estimates that some of these State health planning and development agencies will not be qualified for full designation by that date. Under current law the Secretary will have no choice but to let the agreements with these agencies expire. This bill would allow the Secretary to avoid such action.

A provision identical to that which is contained in H.R. 4556 was approved on May 15 by the Committee on Interstate and Foreign Commerce as part of H.R. 3917, the Health Planning and Resources Development Amendments of 1979. Section 122(g) of that bill is the same as the provision in the bill under consideration today. Because it now appears unlikely that H.R. 3917 will pass the House and that a conference report will be approved by June 30 it is necessary for the House to consider this State agency provision separately. However, we expect the House to take up H.R. 3917 to amend and extend the health planning program in the near future.

Mr. Speaker, there are a number of reasons why some States have had difficulty in becoming eligible for full designation under title 15 of the Public Health Service Act. The statute itself is complex and has required a good deal of interpretation. There were substantial initial delays in promulgating the regulations which set forth the requirements for full designation. State legislative action is required to implement portions of the planning program and for some States the legislative session has not coincided with the timetable for implementing the State program. The bill before us adds flexibility to the current law. It allows the Secretary to explicitly recognize some of the problems that have provided obstacles to a State health planning and development agency reaching full designation and to continue designation for additional time if a State is working to meet the requirements of the law.

A designated State health planning and development agency is of major importance in the success of the health planning system which Public Law 93-641, the National Health Planning and Resources Development Act of 1974, established. The State health planning and development agency is responsible for carrying out the State's certificate of need program under which a State assures that only needed institutional health services are developed and thus duplication of costly services and facilities is avoided. The State agency plays a key role in the development of a State health plan. It also works with the health systems agencies in carrying out their functions.

Mr. Speaker, passage of H.R. 4556 is required to assure that the State health planning and development agencies in some of our States continue to carry out these important functions. I urge the Members of the House to support this needed legislation.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4556, the State Health Planning Agency Extension amendments, is a provision taken from H.R. 3917, the Health Planning amendments of 1979, which has already been cleared for floor action by the Commerce Committee and the Rules Committee.

As the distinguished chairman of the Subcommittee on Health and the Environment has explained, several of the State Health Planning agencies established by the Health Planning Act must be terminated by HEW at the end of this month unless we change the law to allow flexibility in the time period allowed for full designation of these agencies.

That is why we have taken the step of bringing this particular provision of the health planning bill before the House at this time.

Of course, Members will have an opportunity in the near future to propose, and vote on, other amendments to the health planning program when the rest of the bill is before the House under the open rule already granted.

Mr. Speaker, the Health Planning Act established a complex program to plan rationally for health services and facilities.

At the time the law originally was passed we were perhaps a bit too optimistic in thinking that States could take all of the actions necessary to comply with this law in the 36-month time limit which the law set forth.

After reviewing the situation and noting that most States were diligently attempting to comply with the law, the Commerce Committee decided that it is reasonable and proper to provide flexibility regarding the time limit for States to come into compliance with the law.

I would urge my colleagues to support the committee's action on this matter.

Thank you, Mr. Speaker.

● Mr. STAGGERS. Mr. Speaker, I urge my colleagues in the House to join me in support of H.R. 4556. This bill will prevent the discontinuance of planning activities in a number of our States on June 30 by allowing the Secretary of Health, Education, and Welfare to extend their conditional designation beyond the 36-month limit contained in existing law.

A provision identical to the one contained in this bill was considered and approved by both the Subcommittee on Health and the Environment and the Committee on Interstate and Foreign Commerce as part of its reporting. H.R. 3917, the Health Planning and Resources Development Amendment of 1979. I urge House approval of this legislation.●

□ 1300

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 4556.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4556.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MAGISTRATE ACT OF 1979

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1046) to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1046

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Magistrate Act of 1979".

SEC. 2. Section 636 of title 28, United States Code, is amended—

(1) by redesignating subsections (c) through (f) thereof as subsections (d) through (g), respectively; and

(2) by inserting immediately after subsection (b) thereof the following new subsection:

"(c) Notwithstanding any provision of law to the contrary—

"(1) Upon the consent of the parties, a full-time United States magistrate may conduct any or all proceedings in a jury or nonjury civil matter and order the entry of judgment in the case, when specially designated to exercise such jurisdiction by the district court or courts he serves. When there is more than one judge of a district court, the designation shall be by the concurrence of a majority of all the judges of such district court, and when there is no such concurrence, then by the chief judge.

"(2) If a magistrate is designated to exercise civil jurisdiction under paragraph (1) of this subsection, the clerk of court shall notify the parties of their right to consent. The decision of the parties shall be communicated to the clerk of court. No district judge shall be informed of the parties' response to this notice, nor shall he attempt to persuade or induce any party to consent to reference of any civil matter to a magistrate.

"(3) Upon entry of judgment in any case referred under paragraph (1) of this subsection, an aggrieved party may appeal on the record to the district court in the same manner as on an appeal from a judgment of the district court to a court of appeals. Wherever possible the local rules of the district court and the rules promulgated by the conference shall endeavor to make such appeal expeditious and inexpensive. The district court may affirm, reverse, modify, or remand the magistrate's judgment.

"(4) Cases in the district courts under paragraph (3) of this subsection may be reviewed by the appropriate United States court of appeals by writ of certiorari granted upon the petition of any party to any civil case, before or after rendition of judgment or decree. Nothing in this paragraph shall be construed to be a limitation on any party's right to seek review by the Supreme Court of the United States pursuant to section 1254 of this title.

"(5) Notwithstanding the provisions of paragraphs (3) and (4) of this subsection, at the time of reference to a magistrate by the clerk of court under paragraph (2) of this subsection, the parties may further consent to appeal directly to the appropriate United States Court of Appeals in the same manner as an appeal from any other judgment of a district court. In this circumstance, the consent of the parties allows a magistrate designated to exercise civil jurisdiction under paragraph (1) of this subsection to direct the entry of judgment of the district court in accordance with the Federal Rules of Civil Procedure. Nothing in this paragraph shall be construed as a limitation on any party's right to seek review by the Supreme Court of the United States pursuant to section 1254 of this title.

"(6) Any proceeding conducted by a United States magistrate under this subsection shall be taken down by a court reporter appointed pursuant to section 753 of this title, if a district judge in such a proceeding would have been provided a court reporter under section 753, unless the parties with the approval of the judge or magistrate agree specifically to the contrary. Reporters referred to in the preceding sentence may be transferred for temporary service in any district court of the judicial circuit for reporting proceedings under this subsection, or for other reporting duties in such district court.".

SEC. 3. (a) Section 631(a) of title 28, United States Code, as amended by adding immediately after the first sentence thereof the following: "All magistrates shall be appointed pursuant to standards and procedures established by law.".

(b) The first sentence of section 631(b) of title 28, United States Code, is amended (1) by inserting "reappointed to" immediately after "appointed or"; and (2) by striking out the colon after "unless" and inserting in lieu thereof "he has been a member of a bar of the highest court of a State, the District of Columbia, the Commonwealth of Puerto Rico, or the Virgin Islands of the United States for at least five years: *Provided also:*".

(c) Paragraph (1) of section 631(b) of title 28, United States Code, is amended by striking after the word "requirements" the words "of the first sentence of this paragraph" and inserting in lieu thereof the words "of this subsection."

(d) Section 631(b)(2) of title 28, United States Code, is amended to read as follows:

"(2) He is selected pursuant to the recommendation of a Magistrate Selection Panel (hereinafter referred to as the 'Panel') established in each district by the district court:

"(A) The Panel shall be selected by the judges of the district court when a magistrate position is created or at a reasonable time before the term of such a position expires or an existing position becomes vacant. The Panel shall be composed of no fewer than five members, and its size shall be determined by the chief judge of the district court. A majority of the Panel shall be members of the bar, and at least one of the remaining members shall be a nonlawyer. Each member of the Panel shall be a resident of the district for which the appointment is to be made. In selecting members of the Panel, the judges of the district court shall insure that a cross section of the legal profession and the community is represented. The Chairman of the Panel shall be chosen by a majority vote of its members.

"(B) The Panel shall (i) give public notice in a manner designed to inform the widest possible segment of the legal profession of the vacancy throughout the district, inviting suggestions as to potential nominees; (ii) conduct inquiries to identify potential nominees; (iii) conduct inquiries to identify those persons among the potential nominees who are well qualified to serve as magistrates; and (iv) report to the district court within ninety days after the Panel's creation the results of its activities and recommend at least three, and not more than five, persons whom the Panel considers best qualified to fill the vacancies, using the criteria established by this chapter and any such criteria as the conference may from time to time promulgate: *Provided, however,* a Panel may recommend, with the concurrence of the district judges, one individual who is a sitting magistrate up for reappointment. All decisions of the Panel shall be by majority vote of the members.

"(C) The district court shall select from the list provided by the Panel. However, a district court may, by majority vote, reject the first list submitted by the Panel. If such list is rejected, however, the Panel shall submit a second list in accordance with this section from which the district court shall then select its magistrate.

"(D) No person shall be considered by a Panel as a potential nominee while serving as a Panel member or during a period of one year after termination of such service.

"(E) All information made available to the members of the Panel in the performance of their duties and all recommendations made to the district court shall be kept confidential.

"(F) Congress (i) takes notice of the fact that women and minorities are underrepresented in the Federal judiciary relative to the population at large; and (ii) recommends that the Panel, in recommending persons to the district court, shall give due consideration to qualified women, blacks, Hispanics, and other minority individuals.

A district court which cannot meet the procedural requirements of this paragraph, for good cause shown, may appoint a part-time magistrate pursuant to its own publicized procedure, after having filed with the conference the reasons for not being able to comply with the requirements of this paragraph."

(e) The amendments made by this section shall take effect on the date of enactment.

Sec. 4. Section 633(c) of title 28, United States Code, is amended by striking the final sentence.

Sec. 5. (a) Section 633 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Reports by the Director.—The Director shall, within two years immediately following the date of enactment of the Magistrate Act of 1979, conduct a study and report to the Congress with respect to (1) the professional qualifications of individuals appointed under section 631 of this chapter to serve as magistrates, (2) the number of matters in which the parties consented to the exercise of jurisdiction by a magistrate pursuant to section 636(c) of this chapter, and (3) the number of appeals taken pursuant to paragraphs (3), (4), and (5) of such section 636(c), and the disposition of each such appeal. Thereafter, the Director shall conduct a study and report to each Congress with respect to the matters set forth in this subsection.".

(b) The heading for section 633 of title 28, United States Code, is amended by inserting "; Reports by the Director" immediately after "magistrates".

(c) The item relating to section 633 in the table of sections of chapter 43 of title 28, United States Code, is amended by inserting "; Reports by the Director" immediately after "magistrates".

Sec. 6. Section 1915(b) of title 28, United States Code, is amended to read as follows:

"(b) Upon the filing of an affidavit in accordance with subsection (a) of this section, the court may direct payment by the United States of the expenses of (1) printing the record on appeal in any civil or criminal case, if such printing is required by the appellate court; (2) preparing a transcript of proceedings before a United States magistrate in any civil or criminal case, if such transcript is required by the district court, in the case of proceedings conducted under section 636(b) of this title or under section 3401(b) of title 18, United States Code; and (3) printing the record on appeal if such printing is required by the appellate court, in the case of proceedings conducted pursuant to section 636(c) of this title. Such expenses shall be paid when authorized by the Director of the Administrative Office of the United States Courts.".

Sec. 7. Section 3401 of title 18, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) When specially designated to exercise such jurisdiction by the district court or courts he serves, any United States magistrate shall have jurisdiction to try persons accused of, and sentence persons convicted of, misdemeanors committed within that judicial district.";

(2) in subsection (b)—

(A) by striking out "minor offense" and inserting in lieu thereof "misdemeanor";

(B) by striking out "such judge" and inserting in lieu thereof "a district judge or magistrate";

(C) by striking out "both"; and

(D) by striking out "and any right to trial by jury that he may have";

(3) by adding at the beginning of subsection (d) the following: "A magistrate may impose sentence and exercise all powers under chapter 402 of this title: *Provided, however,* That no such sentence shall include a commitment for a period in excess of one year for conviction of a misdemeanor or six months in other cases."; and

(4) by amending subsection (f) to read as follows:

"(f) For good cause shown the attorney for the Government may petition the district court to have proceedings in any misdemeanor case conducted before a district judge rather than a United States magistrate. Such petition should note the novelty, importance, or complexity of the case, or other pertinent factors, and be filed in accordance with regulations promulgated by the Attorney General. Nothing in this subsection shall be deemed to limit the discretion of the court to have any misdemeanor case tried by a district judge rather than a magistrate.".

Sec. 8. (a) The heading for section 3401 of title 18, United States Code, is amended by striking the words "Minor offenses" and inserting in lieu thereof "Misdemeanors".

(b) The item relating to section 3401 in the table of sections of chapter 219 of title 18, United States Code, is amended by striking the words "Minor offenses" and inserting in lieu thereof "Misdemeanors".

Sec. 9. No additional funds are authorized to be appropriated to implement the provisions of this Act for expenditure prior to October 1, 1980.

Sec. 10. Such sums as may be necessary to carry out the purposes of this Act are hereby authorized to be appropriated for expenditure on or after October 1, 1980.

The SPEAKER pro tempore. Is a second demanded?

Mr. SENSENBRENNER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 20 minutes, and the gentleman from Wisconsin (Mr. SENSENBRENNER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, today I am pleased to bring to the floor a legislative proposal to amend the current jurisdiction provisions in titles 18 and 28, United States Code, for U.S. magistrates. The legislation (H.R. 1046) passed the Senate on May 2, 1979, and was ordered reported by the Committee on the Judiciary on June 5, 1979. Virtually identical legislation passed this body during the 95th Congress by almost a 7-to-1 margin. In addition to the Department of Justice—and the Attorney General, who endorses the measure—H.R. 1046 has been supported by the American Bar Association, the Federal Bar Association, the Judicial Conference, the Legal Services Corporation, the American Trial Lawyers, the Association of the Bar of the City of New York and the California Bar Association. There is no organizational opposition to this legislation. In fact, I can confidently say that those few individuals who oppose this legislation do so because they have had bad experiences with a Federal magistrate. That is no reason to contest a needed nationwide reform.

In brief, H.R. 1046, as reported by the Judiciary Committee, grants magistrates the authority to try civil cases where the parties consent to the exercise of that jurisdiction. It also provides for an expansion of the present power of magistrates to dispose of certain less serious criminal offenses by including all Federal misdemeanors within their jurisdiction. All of this trial authority is also based on consent.

I emphasize the word "consent" because the free, willing, and voluntary waiver of the right to be tried by the district court is the foundation of the proposed legislation. I wish to make it clear that no individual can be forced to have his or her case tried by a magistrate. The House report language makes that very clear.

By way of background, the Federal magistrates system—created by an act of Congress in 1968 and implemented in 1971—was built upon the foundation of the U.S. Commissioner system. Although the 1968 legislation was a vast improvement over the existing system, it was not perfect. It did not clearly delineate the power of magistrates. The result was uneven usage of this judicial officer throughout the Federal system. As a result, in 1976 we undertook to clarify and further define the duties which could be assigned a magistrate by the District Court. Although our 1976 effort clearly broadened the powers of magistrates, it still left the appointment and utilization of magistrates in the hands of the District Court. This had two results: unevenness in quality and a continued disparity in the use of magistrates. It also made more legislation, as stated in the fine report of the Association of the Bar of the city of New York "inevitable." As a consequence, early in the 95th Congress, the Department of Justice—and its new Office for Improvements in the Administration of Justice—formulated a proposal to redefine the criminal and civil jurisdiction of magistrates and to place that jurisdiction on a more formalized basis.

In addition, my subcommittee, when marking up the legislation, added explicit standards and procedures for selection of magistrates. This legislation passed the House by an overwhelming vote of 323 to 49. During the 95th Congress magistrates reform legislation also passed the Senate. The reason a law was not enacted is that the House and Senate conferees could not find a compromise on a related court reform measure, the abolition of diversity of citizenship jurisdiction.

Mr. Speaker, the time is now ripe for passage of this legislation. Magistrates have made a significant contribution to aiding the district courts to meet their delegated responsibilities. Statistics before us when we considered the omnibus judgeship bill prove this. We have reprinted many of these statistics in the hearing record on magistrates reform and in the House report.

Lastly, I would like to address myself to the view expressed in the dissenting views that the prepared legislation is unconstitutional. This contention fails analysis.

When Congress passed the Magistrates Act of 1968 there were three separate lines of authority which indicated that the trial and final adjudication—including the entry of judgment—of minor offense cases by U.S. magistrates, with the consent of the parties, was constitutional. The pertinent case law and commentary at that time indicated that any one of these pillars, standing alone, would be sufficient. The presence of all three created a solid constitutional foundation for creation of the Federal magistrates system.

First, the magistrate is an adjunct of the U.S. District Court, appointed by the court and subject to the court's direction and control. When the magistrate tries a case, jurisdiction remains in the district court and is simply exercised through the medium of the magistrate.

Second, both parties must consent to trial before a magistrate and must consent to entry of final judgment by the magistrate for the district court.

Third, in all instances an appeal from a magistrate's decision lies in an article III court.

These three lines of authority are intact today. They provide firm support for the proposed legislation which not only respects them, but reinforces them in several ways. No court has found the present statutory scheme to be constitutionally defective, and several have spoken approvingly. Moreover, the U.S. Department of Justice, the Judicial Conference of the United States and the U.S. Senate, after studying this question in detail, all concluded that the legislation is constitutional. I am confident—in my role as chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice—that the proposed legislation passes constitutional muster.

In conclusion, H.R. 1046 would allow magistrates to continue to complement the article III judiciary. It would add needed flexibility to the Federal judiciary and it would provide litigants with a less formal, more rapid, less expensive means of resolving their disputes. You strongly supported this legislation during the 95th Congress and I urge your support today.

Mr. McCLORY. Mr. Speaker, will the gentleman yield to me?

Mr. KASTENMEIER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, the magistrates have proven themselves, and it is a way of expediting the trial of cases for much less cost than the cost of creating new judgeships, as was shown by a report of an ad hoc committee studying the cost of litigation in the Seventh Circuit Judicial Committee and the Bar Association of the Seventh Federal Circuit, which is the circuit which embraces the area which the gentleman from Wisconsin and myself are from.

I am confident that these improvements that are being made in H.R. 1046, which is before us today, can further justify the confidence we reposed in the magistrate system.

Mr. Speaker, I rise in support of H.R. 1046. This legislation would further clarify and expand the jurisdiction of U.S. magistrates and, at the same time, improve access to the Federal courts for the American public. H.R. 1046 provides for case-dispositive jurisdiction for magistrates in civil cases where the parties to the litigation consent to the exercise of such power by the magistrate. Further, the bill provides for an expansion of the present power of magistrates to dispose of, with the consent of the parties, certain less serious cases by including all Federal misdemeanors within that jurisdiction. Today, magistrates are limited to the hearing of minor offense cases.

There are two significant features to this legislation. First, it retains and further develops what I believe is a key to the whole magistrates system, and that is its flexibility. We are not locking in the judiciary to any particular arrangement for meeting the ebb and flow of business. In our country we have highly varying conditions from one Federal district to another. The magistrate system is flexible enough to merit these changing needs. It is a supplementary judicial power which can be supplied and taken away as the need comes and goes.

A second significant feature of this bill is that it upgrades the position of magistrate by providing a system of merit selection. H.R. 1046 would require the establishment, by the district court in each district, of a magistrate merit selection panel to nominate candidates for magistrate positions. The membership of such a panel would include both lawyers and nonlawyers and would have to be representative of the population of the district using criteria established by the Judicial Conference of the United States. A selection panel would recommend at least three, and not more than five persons, to fill each magistrate position. The district court could then select from this list provided by the panel. The criteria used may well include excellence in legal education, familiarity with Federal civil and criminal practice, periods of active practice of law, as well as the individual's discretion, commonsense, compassion, and decisionmaking capabilities.

A similar bill has already passed the other body. I urge the Members to vote favorably for the enactment of H.R. 1046.

Mr. KASTENMEIER. Mr. Speaker, I thank the gentleman for his contribution, both in the last Congress and in this Congress, with respect to this legislation.

Mr. GUDGER. Mr. Speaker, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from North Carolina.

□ 1310

Mr. GUDGER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks of my subcommittee chairman, the respected Member from Wisconsin (Mr. KASTENMEIER). During the late days of the 95th Congress, a virtually identical legislative proposal passed the House by a lopsided margin of 323 to 49. In spite of overwhelming support for the proposal inside this body and among lawyers, judges, scholars, and Government officials, during the 96th Congress the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice held 3 further days of hearings. The reason for these hearings was to allow the new members of the subcommittee—like myself—to learn firsthand about the legislation, to weigh its pros and cons, and to amend it or vote against it if thought necessary. Thus far, not a single amendment has been offered to change it and there is no reason to vote against it. A measure of the popularity of the proposal is that there is no institutional or organized opposition to it.

Mr. Speaker, our Federal system of justice has in the past served effectively to meet its statutory and constitutional mandates. We point to it with pride when comparing it to foreign justice systems. Indeed, we have exported parts of it to other countries.

Today, however, our entire system of justice is severely threatened. The twin demons of delay and costs are reducing the ability of courts to fairly, consistently, and impartially resolve disputes. Confidence in the system—so important in a democracy—is being eroded.

The Magistrates Act of 1979 is not offered as a magical cure for these serious problems. Rather, it merely is tendered as a "first step" in the direction of keeping our Federal justice system strong and respected. The legislation—which builds on the important and integral role that magistrates already play in the system—places a flexible judicial resource at the disposition of the district court to use in meeting the varying demands on its docket. Because of magistrates' limited tenure and the method of appointment, magistrate supply and expertise can be used to complement the article III created Federal bench. Because of the consent requirement—which was discussed by Mr. KASTENMEIER—magistrates will be used only as the practicing bar and litigants desire. Nothing could be fairer.

In conclusion, this legislation is cost-effective, constitutional, well thought out, and broadly supported. With all these attributes in mind, I urge its passage.

Mr. KASTENMEIER. Mr. Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the primary rationale for the passage of this bill to expand the power of the Federal magistrates was developed during the past Congress, the 95th Congress, in that the Federal district court system was overloaded and that there were substantial case backlogs. One of the ways that the case backlogs could be solved was to give magistrates expanded jurisdiction. Since that time, however, the 95th Congress passed Public Law 95-486 which created 117 new Federal district judgeships throughout the country. Many of these judges have not yet been appointed and confirmed by the other body. Those who have are just taking the bench at the present time, so they have not had an opportunity to cut into the case backlog which has been amassed in many of the districts around the country. So the passage of the Omnibus Judgeship Act in the last Congress will take a lot of the pressure off of the Federal district courts throughout the country and, thus eliminate the need for the magistrates bill being enacted.

Second, and more importantly, in my opinion, this bill is unconstitutional for it delegates the power of a Federal district judge to somebody who is not a judge, who is a magistrate who has been appointed pursuant to law. From a constitutional standpoint, authorizing a magistrate to exercise the power of a district court judge is roughly equivalent to authorizing a legislative assistant to vote on the House floor in the place of a Member, or authorizing a White House aide to sign or veto legislation. The U.S. Constitution prohibits the delegation of article III judicial power to persons who are not life-tenured judges of article III courts. According to the Supreme Court in the case of *Muskrat* v. *United States*, 219 U.S. 346, at page 361, decided in 1911, the right to determine actual controversies arising between diverse litigants duly instituted in courts of proper jurisdiction is the essence of judicial power. So article III judicial power is the power to dispose of cases and determine controversies in article III courts. It is the power to decide and it is the power to issue orders and to pronounce judgments.

Only district court judges—and neither magistrates nor other persons—may dispose of cases, determine controversies, decide matters, issue orders, and pronounce judgments in and for the district courts.

The Federal Magistrates Act currently authorizes magistrates to perform certain functions to assist district court judges, provided the judges supervise and control the performance of those functions. In *Mathews* v. *Weber*, 423 U.S. 261, decided in 1976, the Supreme Court upheld the delegation to magistrates of the function of conducting a preliminary review and making a recommendation to a district court judge. The Supreme Court in that case stressed the fact that the district court judge retained the power to approve or reject the recommendation and to decide the case.

This bill gives the magistrate the final authority to decide a case if that is agreed upon by the litigants. The magistrate can go so far as to declare a State or Federal statute unconstitutional, subject only to appellate review either in the district court or further on in the Federal judicial system. That is a power which goes far too far in delegating the authority of a judge to decide a case or controversy to someone who is not a judge. For this reason this bill should be defeated.

I now yield 4 minutes to the distinguished gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I rise in support of H.R. 1046. The purpose of this bill, H.R. 1046, is to slightly expand the jurisdiction and use of the magistrate, and, in the process, upgrade that position. The most important aspect of this legislation is that the expanded use of the magistrate is permitted only with the consent of the parties. In my opinion, this bill creates a vehicle by which litigants can consent, freely and voluntarily, to a less formal, more rapid and less expensive means of resolving civil disputes. In other words, the parties may make use of a magistrate if they so choose. Presently, there are 48 judicial districts in 28 States which permit magistrates, with the consent of the parties, to try civil cases.

Under H.R. 1046, if the parties decide to use a magistrate, they may appeal the magistrate's decision to either the district court or they may skip over the district court and go directly to the court of appeals. If an aggrieved party chooses to appeal a magistrate's decision to the district court, he may do so on the record, as of right. The district court may affirm, reverse, modify, or remand the magistrate's decision. The decision of the district court may be reviewed by the court of appeals if that court chooses, but review by the court of appeals is totally at the discretion of that court and not at the discretion of the parties. However, if an aggrieved party wishes to appeal a magistrate's decision directly to the court of appeals and skip over the district court, he may as of right, if the other parties agree. The choice of appeal must be made at the time the case is referred to a magistrate.

The success of the magistrate system under a consensual framework will require the confidence of the district court, the legal professional, and the parties. The Judiciary Committee, in the interest of securing that confidence, for the first time provides in H.R. 1046 detailed legislative requirements for merit selection of a magistrate. We believe that this will insure consistent high quality among Federal magistrates.

The legislation before you today is not intended to solve the problems of our Federal judiciary, or overnight clear the dockets of our Federal courts. Its primary purpose is to improve the quality of decisions and, at the same time, provide flexibility and further open the door to a quicker, less expensive, access to justice.

I urge the Members to support this legislation.

Mr. SENSENBRENNER. Mr. Speaker, I yield 5 minutes to the gentleman from Virigina (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, I rise in support of the bill, but I would like to use this time to make reference to a collateral problem. Last year we created 117 new Federal district judgeships, making a total of 516. It is significant to note that as of this moment only 17 of these judgeships have been filled, and yet the crisis which led us to this legislation in the creation of these judgeships has not developed. It is important, I think, at this moment to consider the cumulative effect on the district court workload of a number of pieces of legislation recently enacted or under consideration, including the Magistrates Act.

The 94th Congress substantially abolished the use of the three-judge court; The last Congress completed overhaul of the Bankruptcy Act, shifting a substantial portion of the district court workload.

In May we passed H.R. 10, requiring State prisoners to use their State remedies prior to coming to the Federal court, resulting in a 6-percent reduction in workload.

A bill which passed the House of Representatives last year is now under active consideration to abolish diversity of citizenship as the basis for Federal court jurisdiction. This could eliminate 23 percent of the workload of the Federal district courts. The Magistrates Act, along with these others, would substantially reduce the workload of the Federal district court. So it raises serious questions of whether in our efforts to solve the problems of congested Federal courts, we may find ourselves having more Federal judges than we have business with the Federal courts. In my opinion, this is a matter which we should consider because it is wasteful and will be expensive.

The proposed new magistrates law provides that no vacancy occurring, that is, by death, resignation, or expiration of term will be filled in the magistrates unless there is an appropriate determination of need to do this.

□ 1320

I have prepared for introduction legislation which I would have offered as an amendment to the magistrate bill were there not some question about its germaneness but this would make the same standard applicable to Federal district courts that this legislation makes to the magistrate's court. Thus this legislation, if a vacancy hereafter occurs in the Federal district court, the Federal Judicial Council, which is the judiciary policemen, the Federal Judicial Conference, would determine the need for filling such vacancy after investigation and consultation with the appropriate people.

If the Judicial Conference, then, would find there were too many judges, then it would be the province of Congress to determine whether to approve or disapprove the filing of the judicial vacancy.

I mention this legislative proposal because of its relevance to what we are doing today about the Federal court system and if the gentleman from Wisconsin would respond I would appreciate his assurance that he is cognizant of the problem in the legislation which I have introduced and if it comes within the jurisdiction of the subcommittee I would like to receive assurance that it will be considered this year if possible.

Mr. KASTENMEIER. Mr. Speaker, would the gentleman from Virginia yield?

Mr. BUTLER. I would be happy to yield.

Mr. KASTENMEIER. I appreciate the gentleman's taking this time. I also want to express my thanks to him for his contribution to this legislation in the last Congress and other legislation designed to reform the Federal courts.

One of the difficulties I have in responding to the gentleman from Virginia is that I do not know whether the matter to which he refers is a matter within the jurisdiction of my subcommittee. I say that to the gentleman because during the last Congress the creation of the 117 judgeships and 35 appellate judges was processed through another subcommittee. Presumably that subcommittee still retains jurisdiction over the question of creation of Federal judgeships.

Therefore, I can give the gentleman no personal assurance on this point.

With respect to what future impact the addition of 152 judges—117 at the district level—will have on future legislation and what it would be like when vacancies occurred, is a little hard for me to imagine at this time.

As the gentleman knows, this bill does not necessarily contemplate additional magistrates. The Congressional Budget Office has thought it might create 10 to 15 more full-time magistrates in the whole system. It is essentially not a bill to authorize additional magistrates.

I would say to the gentleman that notwithstanding how slowly the Federal judgeships are filled and notwithstanding whether the 117 prove more unwieldly than we contemplated, the magistrates reform in legislation is nonetheless needed.

The SPEAKER pro tempore. The gentleman from Virginia has consumed 5 minutes.

Mr. SENSENBRENNER. Mr. Speaker, I yield an additional 3 minutes to the gentleman from Virginia.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman from Virginia yield further?

Mr. BUTLER. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. If, however, the creation of judgeships is referred to my subcommittee, I will be happy to entertain the gentleman's solution or his concern, whether it is in legislative form or not. I would be pleased to look at this subject matter area because it is obvious that the impact of all these Federal judgeships that the Congress authorized last year, will be enormous.

It was contemplated that the expanded number of judges in the Federal courts would literally bring up to date the Federal judicial system with its present day needs; that is the additional judges would, in fact, be working full time on present Federal judicial problems. Whether this is true in fact should be an urgent matter of interest to us in the future. Nonetheless, I can give no definitive answer to the gentleman's concern at this moment.

Mr. BUTLER. I thank the gentleman. I appreciate the assurance that this is a problem which we can address.

It seems to me if I may change a little bit, the reason for this legislation is, however, shifting the responsibilities for matters which the district court judges need not bother themselves with to competent people at a lesser level of the judiciary strata, and that must necessarily mean their workload, the character of their work, is bound to shift to some other type of work and if we are also going to abolish diversity, which I very much think we should do, and if we are going to implement the Bankruptcy Act like we intended, the workload of the district court judges and their direction and their attention is going to shift considerably. For that reason it seems to me that we strengthen our Magistrate Act with some assurance to the other body and to the people who are concerned about it, with some assurance that we are going to look at its impact on the overall workload of the district court system.

I appreciate the gentleman's response and I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. KASTENMEIER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. DANIELSON) who has contributed so much to this bill.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman for yielding. Mr. Speaker, I strongly urge the adoption of this bill. I have been interested in and I have followed the colloquy that has gone on. All of it has a great deal of merit. I would like to point out that in our effort to provide a system of justice to our people, one of the things which we must not overlook is bringing justice to the people at a minimum cost and with maximum speed. Through the creation of broader powers in the magistrates, it will be easier for many people to receive their day in court much more quickly and at a much lesser cost than if they were compelled to go through the entire formality of a full-blown proceeding in the district court.

I certainly commend the gentleman from Wisconsin (Mr. SENSENBRENNER) for his comments in which he clearly notes his belief that this bill might be unconstitutional. I respectfully disagree with him on that point though I am glad he is sensitive to keeping all our procedures in line with the Constitution.

I would like to point out that if it is constitutional rights that concern us, and I am sure it is, everyone has the right and the power to waive certain of his constitutional rights.

In a criminal case, for example, there is absolutely no reason why a criminal case has to be tried to verdict or judgment in a district court, or before a jury. A defendant can plead guilty. He can admit his guilt and the trial is dispensed with. Certainly, admitting guilt, voluntarily conceding the guilt as established, does away with all the need for meeting the burden of proof, it does away with the need for a trial by jury, it is a total throwing of oneself upon the court. It is an accepted part of our system of administration of justice.

Similarly, in civil proceedings, a person who has been served with a summons and a complaint does not have to appear. He can default and permit judgment to be entered against him. Or, once having appeared, he can stipulate to the entry of judgment against him. He need not go to trial. He can do this voluntarily.

That is really what we are doing by analogy in this magistrate bill. We do permit persons to consent to be tried for minor offenses by magistrates but only if it is voluntary, and subject to appeal to the district court.

In civil matters again, if a person consents, if both of the parties to a civil matter consent to have their matter tried by the magistrate, then who is being prejudiced? Who is losing a constitutional right?

If I am a plaintiff and you are a defendant and we both consent to have our case heard by a magistrate, who is being hurt? No one at all. We also have procedures in this bill to permit review on appeal.

I would like to point out that in the 94th Congress we considered a similar bill in this House. A committee report was filed, House Report No. 94-1609 of the 94th Congress, 2d session, in 1976.

☐ 1330

The committee report was reprinted in the United States Code Congressional and Administrative News at page 6162:

> In this regard, the 1976 report of this committee observed (at 6168): "While the U.S. District Court has long been a single tiered court as far as original jurisdiction is concerned, the Congress has nevertheless recognized that it is not feasible for every judicial act, at every stage of the proceeding, to be performed by 'a judge of the court'.
>
> "In several instances the Congress has vested in officers of the court, other than the judge, the power to exercise discretion in performing an adjudicatory function, subject always to ultimate review by a judge of the court. For example, a judgment or order of a referee in bankruptcy, adjudicating legal rights, is a final order unless an appeal is taken to a judge of the district court. Title 11, U.S.C., section 67(c); Rule 801, Rules of Bankruptcy Procedure.
>
> "Also section 636(a)(3) of Title 28 vests in the magistrates the power to try persons accused of minor criminal offenses, which power was formerly vested in a United States Commissioner. Thus, under section 3401 of Title 18, United States Code, the magistrate has jurisdiction to try minor offenses and under section 3402 of Title 18, an appeal may be taken from the judgment of the magistrate to a judge of the district court.
>
> "Finally, section 1920 of Title 28 United States Code authorizes 'a judge or clerk of any court' to tax costs in a case. Rule 54(d) of the Rules of Civil Procedure implements section 1920 by providing that costs may be taxed by the clerk on one day's notice and that on notice 'the action of the clerk may be reviewed by the court'. Therefore, by analogy, the committee believes that the judicial functions vested in the magistrates, as a judicial officer, by this bill are not in violation of Article III of the Constitution."

Mr. KASTENMEIER. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I have no further requests for time and yield back the balance of my time.

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 1046, the Magistrate Act of 1979, which among other things expands and defines the power of the Federal magistrates in civil and criminal cases.

I have to point out that one of my areas of concern and of legislative priorities has been the Federal judicial system. I have seen how this branch of the Federal Government has been growing at an enormous rate without receiving the necessary relief. We started to take positive and corrective actions during the last Congress when we passed the omnibus judgeship bill and more recently when the President sent to Congress his message to improve the Federal Judicial System. I agree with the President. By handling certain judicial chores, magistrates reduce the district courts' workload. They will also serve as a mechanism to improve the quality of justice that the people need. We need this kind of approach if we want to help an overburdened system and at the same time giving assurance to the people that our system works and that they should trust it.

In addition to expanding the jurisdiction of magistrates, this bill establishes a merit selection process for their appointment. I have to associate myself with this provision. If the magistrates responsibilities are increased and they are to act as a Federal judge in some cases, I believe, then, that the best qualified candidates should be selected.

The magistrate system has clearly demonstrated its potentialities. It provides the level of flexibility that the Federal court system needs. This is a great opportunity we have to improve the institution of the magistrate at the same time providing a valuable tool to the Federal judges to get some relief in their ever increasing workload.

I wish to commend the members of the committee and in particular the chairman of the Subcommittee on Courts, Civil Liberties, and its staff for having reported a bill that will have to be considered as a landmark in the history of the magistrate institution.

I urge you to vote for this bill. Thank you.●

The SPEAKER. pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the bill, H.R. 1046, as amended.

The question was taken.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin (Mr. KASTENMEIER)?

There was no objection.

FOOD STAMPS FOR THE ELDERLY

Mr. HARKIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4303) to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons who are age 60 or older or who are recipients of benefits under title XVI of the Social Security Act and to allow deductions for certain medical and dental expenses in the computation of incomes for such households, as amended.

The Clerk read as follows:

H.R. 4303

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) in the fourth sentence, by striking out "Households" and inserting in lieu thereof "Except as provided in the following sentence, households"; and

(2) by adding at the end thereof the following new sentences: "The proviso contained in clause (2) of the preceding sentence shall not apply with respect to any households which contain a member who is age sixty or older or who is a recipient of benefits under title XVI of the Social Security Act. In addition, households described in the preceding sentence shall be entitled to a medical expense deduction to the extent that the monthly amount expended by any such household for medical or dental care exceeds $35 a month.".

SEC. 2. The provisions of this Act shall be implemented in all States by no later than January 1, 1980.

The SPEAKER pro tempore. Is a second demanded?

Mr. KELLY. Mr. Speaker, I demand a second. I am opposed to the bill.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. HARKIN) will be recognized for 20 minutes, and the gentleman from Florida (Mr. KELLY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, which has jurisdiction over the food stamp program, I wish to present for debate, under the rules of suspension H.R. 4303.

The bill would aid those of our elderly and disabled citizens who are suffering under the burden of extraordinary medical, shelter, and utility expenses. Specifically, H.R. 4303 establishes a separate medical deduction which will allow households containing an individual of 60 years or older or a SSI recipient to deduct the household's cost of medical expenses in excess of $35 from the household's net food stamp income. The bill also removes the limitation on shelter reductions in excess of 50 percent of the net income by eliminating the current cap of $80. Finally the bill requires that these provisions be implemented by all the States no later than January 1, 1980.

As many of you will remember, 2 years ago Congress passed a comprehensive bill to reform the food stamp program. Among the long-awaited reforms was a provision which eliminated the purchase requirement—thus enabling many of our neediest citizens to participate for the first time in the program. To date over 3 million poor people have benefited from this provision, including a large number of elderly and disabled citizens.

At the same time that we eliminated the purchase requirement, we also established a number of standardized deductions to take the place of the burdensome itemizations which we believed were hindering access to the program and lowering its efficiency. Unfortunately, when these changes went into effect this past March, widespread reports reached Congress informing us that many needy citizens, especially the handicapped, the sick, and the elderly, were suffering terrible cutbacks in their allotments.

During the past 2 months, we received thousands of calls, letters, and petitions describing the pitiful implications of these reductions of the personal lives of recipients. Upon further investigation we discovered that three issues were responsible for these massive cutbacks: High shelter costs, unusual medical expenses, and inflated utility charges. The unprecedented inflationary rises in these three areas have laid a particularly harsh burden on the elderly and disabled who are forced to live within the confines of a fixed income and a severely limited food budget.

Our subcommittee held extensive hearings on H.R. 4303. We received testimony from over 20 Members of Congress and have heard from over 50 public witnesses, including representatives from leading organizations serving the needs of the elderly and disabled. The most eloquent testimony we heard, however, came not from those in high places or elected offices but from the poor and disadvantaged themselves. The simple, artless and indeed pitiful narratives of the elderly recipients who appeared before us brought home to us the terrible injustice caused by our earlier actions. To our dismay we realized that the new law had given aid with one hand and taken benefits away with the other.

According to the Congressional Budget Office, as a result of the 1977 legislature changes over 200,000 households have been cut out of the food stamp program completely, including almost 18,000 households with an elderly person in them. Of the households left on the programs, about 1.5 million of them have been seriously hurt by having their benefits significantly reduced—including over 200,000 elderly households.

While the national impact of these cutbacks is still being compiled, a look at some of the available State-by-State statistics is instructive. In Oregon 89.7 percent of all senior and disabled households suffered reductions in benefits. In Des Moines, Iowa, 10 percent of elderly participants have been eliminated and 80 percent have had benefits reduced. Of the quarter of a million households receiving assistance in Florida, more than 50 percent had their allotments terminated or cutback. During the past 3 months, two-thirds of the food stamp population in New York have had their benefits adversely affected.

Because of such widespread negative effects upon the lives of needy Americans, over 20 separate bills aimed at providing relief for the elderly and SSI recipients have been introduced. In a moving display of bipartisan cooperation, over 200 Members of Congress have indicated their common concern by mutually cosponsoring a number of these bills. Recognizing the compassion and contributions of these Members, H.R. 4303 combines the best elements of their various but related proposals.

The provisions of H.R. 4303 which expand excess medical and excess shelter deductions would make as many as 25,000 elderly or disabled households eligible who had previously been ineligible to participate in the food stamp program and would aid by increasing benefits to an unknown number of the 1.1 million qualifying households with at least one member a recipient of SSI or age 60 or over.

According to the Congressional Budget Office, the cost of such needed assistance would increase overall program expenditures by only $41.4 million in 1980.

□ 1340

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. HARKIN. Mr. Speaker, I have concluded my opening remarks, and I reserve the balance of my time.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. HARKIN. I will later, Mr. Speaker. When we get into the colloquy, I will be glad to yield, but now I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. HARKIN) has consumed 6 minutes.

The Chair recognizes the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation is simply not subject to this procedure. There are many amendments that should be permitted to the bill. The chairman of the subcommittee himself has amendments that he made that were not passed by the committee and that should be considered by the whole House.

Later on this week we are going to be voting on a cap to increase the cost of this bill by $620 million, and the cost of the program, including the carryover authorization, will be an additional $1 billion for 1979.

While we are increasing the cost of this program for 1978 and 1979 by approximately $2 billion, we are reducing the eligibility for the elderly who are sick, with the result that we are in a position of providing more money for a program that provides less for the elderly.

In my State, Mr. Speaker, we had 56,000 recipients 60 years old and older who were receiving foodstamps. Under the changes that this Congress made in 1977, 34,000 of those food stamp recipients 60 years old or older had their food stamp eligibility either reduced or eliminated entirely.

It seems to me, Mr. Speaker, that if we are going to provide a welfare program that has three-quarters of a billion dollars worth of mismanagement and waste, certainly we should not be reducing the amount of that program that would go to the elderly who are sick. Many of the Members of the House feel as I do, that the food stamp program is a bad program, that it has been poorly administered, that it costs too much, and that it saps the incentive of the American people to work. It has been a very bad program, but if we are going to have the program, it should feed the elderly who are sick. If it is not going to do that, I do not know what reason we would have for it to exist.

When the Senate considered the question of increasing the cap or the cost of the food stamp program, they at the same time considered the question that it involved in this bill, and that is the medical deduction that was permitted to the elderly. Here, the procedure we are following provides that we will consider the cap and as a separate package we will consider this bill which deals with the medical deduction and a deduction for housing.

The present bill, Mr. Speaker, provides benefits that will go to the nonworking poor while it does not reinstate the benefits that existed for the elderly who are sick.

It is for this reason, Mr. Speaker, that I oppose the measure provided in the bill as well as the procedure by which it is being considered.

At this time I would like, if I may, to engage the member of the subcommittee managing the bill for the majority in a colloquy. I would like to ask a question as to whether or not the gentleman from Iowa (Mr. HARKIN) agrees that this bill does in fact provide deduction for dependent care as it amends section 5(e) of the Food Stamp Act of 1977.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Speaker, the cap of $80 remains on that, and it does not amend that.

Mr. KELLY. I am sorry, Mr. Speaker, would the gentleman repeat that?

Mr. HARKIN. There is a cap of $80, and if the gentleman from Florida (Mr. KELLY) will look at the report, Report No. 96–295 that accompanies this bill, he will see that on pages 26 and 27 there is language that addresses the gentleman's question.

Mr. KELLY. Mr. Speaker, if the gentleman will let me restate my question, all I want to know is: Does this bill that ostensibly deals with the question of restoring the eligibility that was taken away from the elderly, this bill that was ostensibly for that purpose, provide that it is going to give deductions for dependent care, in other words, more deductions to the nonworking poor?

Mr. HARKIN. Mr. Speaker, I will say again that if the gentleman would read pages 26 and 27 of the report which I just pointed out to him, he will see that on page 26 it says this—and I will read the report——

Mr. KELLY. I understand that.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. KELLY. Yes; I will yield, but first let me point out that I know what the report says. But I want to know what the gentleman says, because the Congressional Budget Office said that it does. I just want to know that. I just want to get the gentleman's commitment and opinion.

Mr. HARKIN. Mr. Speaker, I can only give the gentleman a report of what the will of the subcommittee and the committee was, and that is as reflected in this report and in the bill. If I could just read that, I think I could clarify it for the gentleman.

Mr. KELLY. Mr. Speaker, I think the reading of the report is not necessary. But the gentleman now states that it was the intention of the committee there would be no deduction for dependent care included in the rent deduction or shelter deduction? Does the gentleman wish to make that commitment at this time?

Mr. HARKIN. Yes; as I am informed, if the gentleman will yield further, and as we would read from this, I would say certainly for my purposes those are two separate deductions. Shelter is affected, but the child care deduction is not.

Mr. KELLY. But the shelter deduction, as it is termed in the bill, provides for child care also as a deduction. That is what the Congressional Budget Office says, based on the bill's language.

Mr. HARKIN. Mr. Speaker, I am informed by counsel that they are both subject to the same cap, but now the cap has been removed for the shelter but certainly not for the dependent care. I think that is what the gentleman would read if he would read the report language on pages 26 and 27.

Mr. KELLY. Mr. Speaker, would the Chair advise me as to the amount of time that has been consumed?

The SPEAKER pro tempore (Mr. BENNETT). The Chair will inform the gentleman from Florida (Mr. KELLY) that he has consumed 8 minutes.

Mr. KELLY. I thank the Chair.

Mr. Speaker, the act provides that households shall also be entitled to, No. 1, a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in the clause. So the Congressional Budget Office advises that what this bill does is provide for a deduction for child care which is an increase in the benefits to the nonworking poor under the guise of trying to help the elderly by restoring to them the benefits that were taken away from them by this Congress in the 1977 amendment.

Mr. HARKIN. It does not. Mr. Speaker, if the gentleman will yield further, on page 27, in the italicized portion, in the last paragraph, it says:

> The proviso contained in clause (2) of the preceding sentence—

which the gentleman just read—

> shall not apply with respect to any households which contain a member who is age sixty or older.

□ 1350

Mr. KELLY. The gentleman represents to the body that there is no child care deduction available under the provisions of this legislation?

Mr. HARKIN. The child care deduction was always there.

Mr. KELLY. What is the gentleman's answer?

Mr. HARKIN. We are not changing the child care deduction. It is not part of this legislation.

Mr. KELLY. Mr. Speaker, I thank the gentleman for his answer.

Mr. Speaker, at this time I yield 7 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, though I support wholeheartedly the thrust of this bill, that of providing certain assistance to the elderly under the Food Stamp Act of 1977, I wish to point out certain aspects of the legislation which, though not obvious on casual observation, go beyond the scope of focusing assistance directly to the elderly.

First, the title of this bill might lead one to believe that this bill is to provide certain relief under the Food Stamp Act of 1977 to households composed entirely of persons aged 60 or older. That is not the case. The bill allows deductions for households which contain any member who is 60 years of age or who receives supplemental security income (SSI) payments. These medical deductions will be allowed to the household, though not necessarily attributable to the aged or SSI member.

Though the report on this bill is silent as to whether the "dependent care deduction" is affected by H.R. 4030, such is the case since dependent care and excess shelter are integrally linked under the same cap provisions in section 5(e) of the 1977 act. Although both CBO and USDA estimate a $60 million cost for this bill, the CBO cost estimate reflects this linkage of shelter and child care, while the USDA estimate does not.

These apparent expansions of the provisions of the act beyond medical and shelter aid to the elderly indicate to me that the cost of the bill may be considerably more than any of the Members have been led to believe.

Though not focused on in statutory language, another concern relates to the action of the Agriculture Committee on deleting the medical expense deduction to H.R. 4057, the fiscal year 1979 authorization level increase legislation scheduled for floor action tomorrow. A more narrowly focused amendment providing medical and shelter relief to certain recipients was enthusiastically supported during committee consideration of H.R. 4057, the authorization bill, only to be deleted and considered separately in this legislation now being rushed through floor action just moments ahead of the legislation to which it was originally appended.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Florida.

Mr. KELLY. Then, as I understand the gentleman's argument, if we are going to add another $1 billion to the program, we should consider how that $1 billion is going to be spent, and it should be considered in the same way that the other body considered it, as one package?

Mr. GRASSLEY. Yes; and that is, obviously, why I supported the gentleman's amendment in the full Committee on Agriculture when the Kelly-de la Garza amendment was proposed, because there are a lot of things besides trying to help the elderly, as we are trying to do today that need to be done in the name of welfare reform; there is some fraud and mismanagement and some noncompliance that needs to be dealt with. I think it would help, not only get this bill passed, but I think it would help to give public respectability to the food stamp program which it does not now have.

Mr. KELLY. If the gentleman will yield further, the gentleman is arguing that, rather than trying to segment the consideration of a $7 billion welfare program, we should consider it all as a package, and at least as important a consideration as everything else is what we are going to do about the fraud and mismanagement. When we consider what is going to be done with that we then consider whether we are willing to vote another $1 billion in the year 1979 for the program.

Mr. GRASSLEY. Yes; that and what we are dealing with here today in this legislation probably should have been dealt with all at the same time. That is my contention. I am sorry we are not able to do it.

Mr. KELLY. If the gentleman will yield further, certainly I think the gentleman's argument is strengthened by the fact that this is precisely the way the other body did it except for the fact that they did not take up the question of fraud. But at least two parts of this three-pronged consideration are included in the Senate bill. When we go to conference, we will go with two bills, while the Senate will go with one, because they had the foresight and sense of responsibility to consider both of these important elements at the same time.

Mr. GRASSLEY. And the Members of the other body obviously are not afraid to deal with the total picture.

Mr. KELLY. I do not see why we should be unwilling to deal with both questions at the same time for the obvious reason that many people would be much more willing to vote an increase in the cap or the cost if we thought that the elderly were going to be at least restored to the benefits that they had under the 1964 act.

Mr. GRASSLEY. I agree with the gentleman.

Mr. HARKIN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I should say, in response to the remarks of the gentleman from Iowa (Mr. GRASSLEY), that the reason for allowing a household composed, for example, of a 62-year-old man and a 55-year-old wife, to allow them to deduct the medical expenses of the 55-year-old wife, is that her expenses affect the entire household's income as calculated for food stamp purposes. If her expenses are not considered, he and she both will receive fewer food stamps than otherwise and elderly persons would obtain less food, which is precisely what this bill is seeking to avoid. What we are trying to prevent is a situation which we have had before in a lot of other programs where elderly people are actually prompted to break up their households and to separate and to live apart because if they live together and if one is over 62 and one is, let us say, 55, they are going to be affected adversely rather than if they lived apart. The same thing is also true of elderly persons living with their children. The children have been kind enough to take them into the house, and they may have an elderly father or an elderly mother, and yet if they cannot deduct their medical expenses, since it would affect the entire household income it would be better for those young people to kick their father and mother out of the house and let them go live down the street someplace in a low-rent house or unit or to find whatever housing they can obtain. So that is the kind of injustice that this bill seeks to avoid.

Mr. Speaker, I yield 3 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I rise in support of this bill, and I compliment the gentleman from Washington, the chairman of the full committee, and the gentleman from New York, the chairman of the subcommittee, who worked so hard on this.

Mr. Speaker, I would first like to direct my remarks to the gentleman from Florida before I begin. I am advised that the Congressional Budget Office indicates they did not state what has been said here about the dependent care deduction. This bill does not question that deduction and was not intended to affect it by our committee or subcommittee in any way whatsoever. It simply continues the current dependent care deduction for elderly containing households with the existing monthly maximum, which will be $90 as of Sunday, July 1. Elderly containing households would thus be entitled to the standard deduction, the earned income deduction—if they work—the dependent care deduction—subject to the $90 ceiling—the new medical cost deduction—with no ceiling—and the special elderly shelter cost deduction—with no ceiling. There would be no combined dependent care/excess shelter expense deduction under section 5(e)(3) for elderly containing households, since that would be taken care of by the separate dependent care and excess shelter expense deductions.

□ 1400

H.R. 4303, as amended, is intended to restore food stamp benefits and eligibility to households containing elderly, blind, or disabled persons as soon as possible. Their benefits have been either terminated or reduced in a substantial number of cases, involving over 30 percent of the entire elderly caseload, between March 1 and June 30 of this year with the implementation of the Food Stamp Act of 1977. That act substituted a standard deduction for all households—$70 a month as of July 1, 1979—for a series of itemized deductions, including one for all medical costs once such costs exceeded $10 a month per household. It further replaced an unlimited excess shelter cost deduction for all shelter costs over 30 percent of net household income—after all other allowable deductions—with a similar deduction applicable only for such costs in excess of 50 percent of net household income and, even then, with a ceiling on such deduction—no more than $90 a month as of July 1, 1979.

As a result, households facing large medical costs or rising rents or increasing utility bills could no longer deduct such items from their gross income in order to ascertain their net income for purposes of calculating food stamp eligibility or benefits. The consequences nationwide were that at least 2 percent of all households containing persons 65 years of age or over were rendered ineligibile to participate in the food stamp program and nearly 30 percent of the remainder had their benefits reduced by from $1 to over $50 a month.

H.R. 4303, as amended, will effectively reinstate the benefit and eligibility impact of the old medical and shelter deductions for all households containing members who are either 60 years of age or older or who are recipients of supplemental security benefits (SSI) under title XVI of the Social Security Act—basically the blind and disabled, in addition to the elderly. Such households would be entitled to deduct those household medical expenses which exceed $35 a month—the list of allowable medical expenses would resemble that in effect prior to March 1 of this year—and to deduct all shelter costs in excess of 50 percent of net income without regard to any ceiling.

The impact of these revived deductions upon the eligibility and benefits of the elderly, blind, and disabled should place them in a position comparable to the situation they were in prior to the advent of the 1977 act on March 1 of this year, even though the new itemized deductions are slightly less generous than the preexisting ones, because of the addition of the standard deduction that was not previously in effect.

The committee wishes to highlight the fact that these new deductions would simply be added to the framework of the existing authorized food stamp program and, therefore, are subject to authorizations previously enacted or enacted in other legislation. During fiscal year 1979, these new deductions would have no budgetary impact whatever, since they could not be implemented prior to October 1, 1979, but, even if they were put into effect at an earlier date, they would be subject to section 18 and its cap or ceiling on authorization of appropriations, currently fixed at $6,158,900,000, although this committee has reported out H.R. 4057, which would expand that ceiling by $620 million. Thus, the new deductions could not function to increase the authorization level for fiscal year 1979. The existing authorization would merely be redistributed among food stamp recipients to the benefit of food stamp households containing elderly persons or SSI recipients.

Similarly, for fiscal year 1980, even though the new deductions might be in effect for three-fourths of that fiscal year, they could not breach the existing authorization ceiling of $6,188,600,000. Again, the elderly/SSI households would profit, possibly at the expense of other households, if the authorization was not sufficient to cover program costs. But in no event would the deductions provide new budget authority to the Department of Agriculture.

The committee further would like to note that it has under consideration and has already conducted at least one hearing on several measures, including one sponsored by the Department, to legislate savings in the food stamp program for fiscal years 1980 and 1981. The committee expects to act on these measures and report them to the House for action in orderly course during the next year.

I would like to bring up an additional point. It is estimated that the cost of this program for fiscal year 1980 will be $41.4 million. There were efforts in the committee to vastly expand the program to cover all food stamp recipients. This additional coverage would have cost $300 million. I am sure that despite the cost differential between the two programs, questions will still arise why the bill only targets elderly and SSI recipients when everyone feels the brunt of rising costs.

The answer is this: There has been an overwhelming tide of concern by Members of Congress, both liberal and conservative, and by people all over the country who say that the dramatic increase in the cost of food, medical care, and energy has made even subsistence survival very difficult for a large and growing number of elderly people. Regrettably, when additional benefits were most needed to account for the problems senior citizens face, such as high medical bills, the standardized deduction came into effect, barring those elderly people from receiving the itemized medical deductions they need and that they are entitled to. Moreover, the elderly on fixed incomes cannot absorb the impact of skyrocketing prices and must make some terrible sacrifices to meet even their most basic needs. It was for this reason that the bill is targeted mainly toward the elderly.

I would say to the gentleman from Florida and others who have had some interest in this bill that they know as well as I that perhaps this bill in theory should be expanded to cover everyone. Working within limited budgetary restraints, however, the committee decided that the most productive way of handling the matter was to target where the greatest need was—and that was for those who are 60 years of age and older.

Again, I would like to indicate my support for this bill. It is in a modest form, but the fact remains that it helps the people who are in greatest need within responsible budgetary limits.

Mr. KELLY. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I would like to say to the House that there is no bill that I have been involved with over my years in the Congress that I take really more satisfaction in than this particular bill. Some of my colleagues may recall back on the 1st of February, when we first began to get a feeling of what was going to happen to the elderly and the handicapped under our legislation of 1977. I took the floor—Members were most gracious in putting up with it, every day for nearly 7 weeks—and cited examples of elderly or handicapped persons who were being faced with an impossible and intolerable situation.

The typical examples were elderly men or women in their seventies or eighties, who had a total income perhaps of $200 a month, who under the old regulations were entitled to $44 worth of food stamps, and on March 1 of 1979, they were reduced to $17 or to $12.

Obviously, with inflation and costs, we could not tolerate this.

The Congress reacted, and reacted promptly. We very quickly got 140 Members who joined with me in that particular effort, and many were just very helpful.

My good friend, the gentleman from Florida (Mr. STACK) and others were constantly encouraging me to keep going on with this effort.

We then went to the committee, and I want to thank at this time the gentleman from New York (Mr. RICHMOND), who was the chairman of the subcommittee, who did respond and did promise to bring this bill up as rapidly as possible.

Also to the chairman, the gentleman from Washington (Mr. FOLEY), who responded and initiated the studies by the Department of Agriculture to see what the impact of this legislation would be.

We moved and kept reminding and talking to the Members. Ultimately, I joined with my good friend from Alabama (Mr. DICKINSON), in increasing the scope of the program from purely the aid for shelter expenses to the aid and the deduction of medical costs as well.

We have reached a point that we now have this legislation on the floor of the House. It is under the rule of suspension, which means that two-thirds of the Members must vote to approve this.

There is no question in my mind that, while many people several months ago did not think this can happen, that tomorrow we will pass this by two-thirds, and we will have responded to the elderly, the handicapped in a very meaningful way.

I am really proud of the Congress and the committee that handled this and just to have played a small part in this.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Speaker, I thank the gentleman for yielding, but does not the gentleman feel as though, if we are going to expand this food stamp program as we are asked to tomorrow by an additional billion dollars just for this year, that we should at least restore the medical deductions that were taken away from the elderly? We have expanded the program from between 3 to 4 million additional food stamp recipients, so does not the gentleman think if we are really concerned about the elderly, that if we are going to spend that much more money, at least the elderly who are sick should get the deductions that they previously had?

Mr. PEYSER. Well, the elderly are being covered; as the gentleman knows, the elderly are being covered, and the handicapped are being covered in this bill in a form that this House will accept and will be able to pass and enact this excellent legislation.

□ 1410

Mr. KELLY. Mr. Speaker, every Member of this House has got to understand this: If we vote this suspension down today then we will have an opportunity to amend this bill so that the elderly can adequately be provided for. If we do not vote down this suspension, then no Member of this House is going to be permitted any amendment to try and restore to the elderly what they have lost by virtue of what we did in 1977.

We have expanded the program by almost $2 billion. We have added between 3 and 4 million new people, but we have reduced the benefits that go to the elderly.

For my part I am not willing to accept half a loaf for the elderly. Their medical deductions were taken away and I want them restored and I do not intend to vote for anything less. This bill restores only part and Congress should vote against it.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the gentleman from Iowa (Mr. HARKIN), a question.

On May 2, while we were considering the budget resolution, the chairman, the gentleman from Washington (Mr. FOLEY), promised and I quote:

> The Committee on Agriculture is going to be holding hearings next week on this question of the cap for 1979; and shortly, therefore, it is going to be holding hearings on the 1980 cap, at which time I am sure that in the committee or on the floor Members are going to be offering amendments.

Now my question is: Based on the fact that the committee has held one morning of hearings on H.R. 4318 and that is the fiscal year 1980 authorization bill which was to be available for major amendments in the committee or on the floor, according to what the gentleman from Washington (Mr. FOLEY) told us on May 2, based on this, the gentleman from Idaho (Mr. SYMMS), who is the ranking minority member of this committee, and I as a member of the subcommittee as well, were anxious to finalize committee hearings on H.R. 4318, and this is strictly as the chairman promised; so my question to the gentleman, as floor manager of this bill, is, can he confirm the chairman's promise and can we expect prompt action in getting the fiscal year 1980 authorization bill to the floor by the end of July or at least during the month of September of this year?

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from Iowa.

Mr. HARKIN. I cannot absolutely guarantee that, but I do understand from talking to both the gentleman from Washington (Mr. FOLEY) and the gentleman from New York (Mr. RICHMOND), that a series of hearings are planned for this summer and early fall on the fiscal year 1980 food stamp program. And so the bill will be coming out. But I cannot tell the gentleman exactly when. I am obviously not the chairman of the committee.

Mr. GRASSLEY. The main question is, is the gentleman saying that the bill will get to the floor before the next 2 or 3 months are over? That is the key thing we want to know. That is what we were promised on May 2, at least that is the inference I get from the May 2 CONGRESSIONAL RECORD.

Mr. HARKIN. If the gentleman will yield further, that may be the inference the gentleman gets; it is not the inference I get. The inference I get from it is, in fact, we will be addressing the food stamp program after we have a series of hearings, that yes, that food stamp bill will be reported out.

Mr. GRASSLEY. I thank my colleague.

Mr. HARKINS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida (Mr. STACK).

Mr. STACK. Mr. Speaker, after the adoption of the Food Stamp Act of 1977, which became effective on March 1 of this year, I received many telephone calls and letters from my district, from elderly retirees, and some, which were particularly distressing, from handicapped individuals, who were either terminated from the food stamp program or who had the number of stamps they were entitled to receive sharply reduced.

In consequence, I introduced legislation to correct this unintended inequity by removing the cap for excess shelter expense and, also, by allowing out-of-pocket medical expenses to be deducted from income in computing financial eligibility for food stamps.

One hundred and thirty-four Members of the House joined me as cosponsors of that legislation, which certainly demonstrated your commitment to the cause of the elderly poor and the handicapped.

The bill which I offered was referred to the Agriculture Committee and to the subcommittee, so ably chaired by the gentleman from New York (Mr. RICHMOND).

In committee, the bill was amended in certain particulars which broadened the scope of those who would be afforded relief. The final product is before you today for passage—I urge you to adopt it.

I commend Chairman RICHMOND and, also, the distinguished chairman of the Committee on Agriculture, Mr. FOLEY, for taking up the cudgels for the beneficiaries of this bill.

I would be remiss if I did not also commend the distinguished gentleman from New York (Mr. PEYSER) who has lent his great talent to this cause.

I have a very special interest in this legislation—Florida, as I need hardly tell you, is a magnet for retirees—this is particularly true of my district—of which Fort Lauderdale is the principal city. My district abounds in natural beauty. It has glorious beaches and a most salubrious climate—none of which has much meaning to those who are hungry—the elderly—who are living on social security and miniscule pensions. These are people who are being ravaged by inflation, by soaring utility bills, by the unconscionable cost of medical care—paradise in south Florida, for these people, is paradise lost. To pay the inflated cost of other necessities, the elderly must deny themselves an adequate diet—they desperately need food stamps.

My constituents, who retired to Florida, worked hard all of their lives. They contributed to making this the great country it is. They are not professional welfare recipients. They are embarrassed to take food stamps, but have no other recourse.

Today they are looking to you, Members of Congress, in desperation, for help in their hour of need. I know you will not fail them.

Mr. Speaker, I urge the Members to adopt this legislation.

Mr. HARKIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I first would like to compliment the gentleman from Florida (Mr. STACK).

In many ways it was his efforts that led the way to this particular piece of legislation; his bill had the most cosponsors I believe, and he should be commended for his personal interest.

Mr. STACK. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Florida.

Mr. STACK. Mr. Speaker, I thank the gentleman for his comments.

Mr. GLICKMAN. Mr. Speaker, inflation is eating away at all of us, but its carniverous appetite is particularly directed toward the elderly who are hit hardest with utility bills, high medical bills, and rising food costs.

In response to what I believe the gentleman from Iowa and the gentleman from Florida have said, I wish to state categorically to this House that if we want to help senior citizens facing skyrocketing costs through some enhancement of the food stamp program and target it to them, this is the action to take.

Mr. Speaker, in conclusion, for those Members who do want to help the elderly and help them cope with these massively increasing bills, this legislation is the best way to do it.

I urge the Members to vote for this bill.

● Mr. GRASSLEY. Mr. Speaker, as ranking minority member of the Select Committee on Aging and a member of the subcommittee that unanimously reported this bill, let me say that I support this legislation. I only wish that it could have been enacted sooner. For it is the elderly in the United States that have been most adversely affected by the elimination of the itemized deductions for medical and shelter deductions. As everyone knows inflation cuts the deepest into the limited funds of the elderly.

I proposed two amendments at the subcommittee level which I believe are essential to curbing food stamp fraud. Not only would there be more funds available for the elderly recipients but the amendments would put some teeth into a very weak enforcement program. With the addition of 3 million people into the program within the last several months, CBO estimates that the potential for abuses in the program are certainly much greater.

Let me briefly explain the amendments. My first amendment provides that State agencies be authorized to suspend individual participants and households up to 2 years. Current law provides for a mandatory suspension of 90 days for individuals where a State agency finds that they obtained benefits fraudulently. The General Accounting Office has recommended that this amendment be made to allow State administrators more flexibility to make exceptions and adjustments in unusual cases—to issue warnings of suspension in special cases where this might seem more appropriate than suspension and longer suspensions where the situation warrants it. Second, my second amendment requires the Secretary of Agriculture to pay each State agency responsible for food stamp program investigations and prosecutions 50 percent of all funds recovered. GAO with the concurrence of the Department of Justice has recommended this change as a better financial incentive for States and local projects to devote more effort to identifying and recovering overissuances and punishing recipient fraud.

Now I know that my colleagues will say that these amendments are better left to be made when the committee considers more substantive reforms. My response is that the American taxpayer cannot afford to wait—especially when one takes into account the estimated $730 million which are fraudulently received this year alone. For that reason I have asked my colleague, Senator JEPSON, offer these amendments to this bill when it is voted on this Wednesday or Thursday. These amendments can be in place and operating immediately without any lag time. I hope that the House conferees see fit to retain these amendments.●

● Mr. DICKINSON. Mr. Speaker, as a primary sponsor of this legislation, I rise in support of H.R. 4303, to reinstate the deductions for medical expenses and excess shelter costs for elderly and disabled food stamp recipients. I would also like to thank the members of the Agriculture Committee and their Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition for the expeditious way in which this bill was handled. It is very rare that a bill reaches the floor within 2 weeks of the hearings, but the situation is urgent.

March 1 of this year arrived with devastating impact in the homes of many elderly people in my congressional district. It was on that day certain provisions of the Food Stamp Act Amendments of 1977 went into effect with the result that some unfortunate individuals lost as much as 85 percent of their food stamp allotment.

Mr. Speaker, I would be the first to say that, if we are going to have a program of this nature, it should be as tightly regulated as possible to insure that those receiving the benefits are really in need. I do not believe this program should provide assistance for the ablebodied. As many of you are aware, I have sponsored legislation for many years to prohibit giving food stamps to striking workers. To me, it has never made sense to have public funds used to underwrite strikers, students, and anyone who chooses not to work.

This legislation deals with an entirely different situation. I refer to the elderly and infirm who in many instances can barely get around and who will never be able to work again. Inflation, bad health, increased housing costs, and other circumstances beyond control have put these people in terrible financial straits. They do not qualify for medicaid, and yet they still run up subtantial medical bills which have to be paid. Some are faced with a choice between food and medical attention.

I realize some will not feel comfortable with the amendments to the original bill, changing the "household" requirement or the $35 exclusion from the medical deduction which will be allowed. However, I do feel this is probably the best that can be done under the circumstances and I would hope my colleagues could support the bill.●

● Mr. RICHMOND. Mr. Speaker, as chairman of the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, which has jurisdiction over the food stamp program, I wish to present for debate, under the rules of suspension, H.R. 4303.

The bill would aid those of our elderly and disabled citizens who are suffering under the burden of extraordinary medical, shelter, and utility expenses. Specifically, H.R. 4303 establishes a separate medical deduction which will allow households containing an individual of 60 years or older or a SSI recipient to deduct the household's cost of medical expenses in excess of $35 from the household's net food stamp income. The bill also removes the limitation on shelter deductions in excess of 50 percent of the net income by eliminating the current cap of $80. Finally the bill requires that these provisions be implemented by all the States no later than January 1, 1980.

As many of you will remember, 2 years ago Congress passed a comprehensive bill to reform the food stamp program. Among the long-awaited reforms was a provision which eliminated the purchase requirement—thus enabling many of our neediest citizens to participate for the first time in the program. To date over 3 million poor people have benefited from this provision, including a large number of elderly and disabled citizens.

At the same time that we eliminated the purchase requirement, we also established a number of standardized deductions to take the place of the burdensome itemizations which we believed were hindering access to the program and lowering its efficiency. Unfortunately, when these changes went into effect this past March, widespread reports reached Congress informing us that many needy citizens, especially the handicapped, the sick and the elderly, were suffering terrible cutbacks in their allotments.

During the past 2 months, we received thousands of calls, letters, and petitions describing the pitiful implications of these reductions on the personal lives of recipients. Upon further investigation we discovered that three issues were responsible for these massive cutbacks: High shelter costs, unusual medical expenses, and inflated utility charges. The unprecedented inflationary rises in these three areas have laid a particularly harsh burden on the elderly and disabled who are forced to live within the confines of a fixed income and a severely limited food budget.

Our subcommittee held extensive hearings on H.R. 4303. We received testimony from over 20 Members of Congress and have heard from over 50 public witnesses, including representatives from leading organizations serving the needs of the elderly and disabled. The most eloquent testimony we heard, however, came not from those in high places or elected offices but from the poor and disadvantaged themselves. The simple, artless and indeed pitiful narratives of the elderly recipients who appeared before us brought home to us the terrible injustice inadvertently caused by our earlier actions. To our dismay we realized that the new law had given aid with one hand and taken benefits away with the other.

According to the Congressional Budget Office, as a result of the 1977 legislative changes over 200,000 households have been cut out of the food stamp program completely, including almost 18,000 households with an elderly person in them. Of the households left on the program, about 1.5 million of them have been seriously hurt by having their benefits significantly reduced—including over 200,000 elderly households.

While the national impact of these cutbacks is still being compiled, a look at some of the available State by State statistics is instructive. In Oregon 89.7 percent of all senior and disabled households suffered reductions in benefits. In Des Moines, Iowa, 10 percent of elderly participants have been eliminated and 80 percent have had benefits reduced. Of the quarter of a million households receiving assistance in Florida, more than 50 percent had their allotments terminated or cutback. During the past 3 months, two-thirds of the food stamp population in New York have had their benefits adversely affected.

Because of such widespread negative affects upon the lives of needy Americans over 20, separate bills aimed at providing relief for the elderly and SSI recipients have been introduced. In a moving display of bipartisan cooperation, over 200 Members of Congress have indicated their common concern by mutually cosponsoring a number of these bills. Recognizing the compassion and contributions of these members, H.R. 4303 combines the best elements of their various but related proposals.

The provisions of H.R. 4303 which expand excess medical and excess shelter deductions would make as many as 25,000 elderly or disabled households eligible who had previously been ineligible to participate in the food stamp program and would aid by increasing benefits an unknown number of the 1.1 million qualifying households with at least one member a recipient of SSI or age 60 or over.

According to the Congressional Budget Office, the cost of such needed assistance would increase overall program expenditures by only $41.4 million in 1980. I am aware that there has been some question about the committee's decision to single out one segment of the population when there are many others who are equally in need of such assistance.

To be quite frank, I must tell this body that a majority of our witnesses have placed themselves on record in favor of offering assistance not only to the elderly but to all our citizens who are faced with high medical and shelter costs. Neither sickness, landlords, nor utility companies are respecters of age. The young, the middle aged, the old; the single parent of a sick child, and the working poor with high rent are all equally in need of help. I would go further and say that indeed, they deserve help. Last week, I offered an amendment to extend that help to all needy citizens. It was defeated not because our colleagues were insensitive to the poor but because some believed that time and circumstances demanded a less costly and more circumscribed bill. Insofar as that is the expressed will of my committee, I support H.R. 4303 as reported and recommend its passage.

Before I relinquish my time, Mr. Speaker, I would like all the Members of this body to hear the words of Thelma Rutherford of the Gray Panthers, a group which has been a leader in the struggle of rights for the elderly:

> Poverty is the Great Equalizer. It knows no age barrier, No color barrier, nor can it judge the motivation or drive in somebody's head. Poverty doesn't respect how hard someone's trying not to be poor . . . Simply put, we should not have to make the choice to aid one group at the expense of another—to deem one group more worthy than another—when it comes to something as basic as food. There is enough money to help all those who need food. We should not be forced to make the choice between adequately nourishing an elderly person or a disabled person; between a child and their grandparent; between so-called "In-tact" families and one-parent families. People who are hungry should be served, regardless of their age.●

● Mr. BARNES. Mr. Speaker, I strongly support H.R. 4303, which would provide medical and dental deductions in the food stamp program for the elderly, blind and disabled, and would also liberalize the excess shelter deduction.

As a cosponsor of similar legislation, I was pleased to see that the Agriculture Committee acted expeditiously to correct serious inequities created by the Food Stamp Act of 1977. The rapid rise in the inflation rates, particularly for medical expenses and housing, has caused severe problems for many elderly and handicapped citizens dependent on fixed incomes. The legislation will provide them with some degree of additional protection against the ravages of inflation. I commend the gentleman from New York (Mr. Richmond), the chairman of the subcommittee, and the floor manager, the gentleman from Iowa (Mr. Harkin), for their leadership.●

● Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 4303, Food Stamp Act amendments, pertaining particularly to those elderly over 60 years of age and those individuals receiving SSI payments. This legislation is long in coming, and will finally provide relief for the milions of elderly and handicapped who became ineligible for full food stamp benefits as of March 1, 1979.

I would like to commend the chairman of the Agriculture Committee, Mr. Foley, for ushering this legislation through his committee and onto the floor, and would also like to praise my colleague from New York (Mr. Peyser), who has been the moving force behind the restoration of food stamp eligibility for those millions left unserved.

Mr. Chairman, this legislation allows the elderly and the disabled the value of medical and dental expenses which exceed standard deduction which will be $70 as of July 1. The cap on shelter deductions will also be lifted.

Last year, in the Congress's zeal to curb fraud and abuse, particularly in the food stamp program, many elderly and handicapped people were penalized. As of March 1, benefits were reduced, or eliminated altogether in some cases, and a family of four, previously eligible at a monthly income of $640 was reduced to $542. Some individuals once eligible for $35 worth of food stamps, were told that their benefits would be reduced to $10. We certainly know that $10 will buy almost next to nothing, and that such cuts have forced our handicapped and elderly to eat nonnutritious, inexpensive foods.

It is essential that this legislation be passed, and that the House sees to it that a large segment of our population go unserved no longer. Our handicapped and elderly deserve to have all the assistance which has been promised to them. Accordingly, I urge my colleagues to join with me in support of this worthwhile and necessary legislation.●

● Mr. AKAKA. Mr. Speaker, I would like to take just a few minutes to speak in support of H.R. 4303, which amends the food stamp program to help the elderly and disabled.

When my colleagues and I worked on legislation to reform the food stamp program 2 years ago, we attempted to improve the way the program functioned for eligible poor people, as well as to tighten up the program's operation to merit the public's confidence in the program and the way it served poor people. By and large, I think we did a very good job, and I am proud of my role in that effort.

However, we have since learned that all our efforts to balance equity against cost, and to make judgments that were right for the most people, have not resulted in fair treatment for all people. In my State alone, with very high costs for all consumer goods, many people have suffered significant benefit reductions and, in some cases, loss of eligibility because of oversights on our part.

We have only learned about these unintended results this spring, as the new program went into effect around the country. We have learned that many of the people who were hurt are the elderly who pay a disproportionately high percentage of their income for shelter, and who have more medical bills than other households. Our decisions in 1977 to limit the shelter deduction and to eliminate the medical deduction, therefore, has had an especially harsh effect on these households.

This bill, H.R. 4503, helps to alleviate some of the hardships we have imposed. The legislation helps those households with at least one elderly or disabled person in two ways. First, it removes the ceiling on the excess shelter deduction, thereby enabling households with exceedingly high shelter costs to get a full deduction for those costs in excess of half their net income. The current law limits that deduction arbitrarily. This is extremely important in Hawaii where shelter costs are so high, and where a household can only claim a maximum of $120 a month as a shelter deduction.

Second, H.R. 4303 allows elderly households to get the same kind of medical expense deduction they received under the old program's rules and instructions to make sure these households lose no food stamp benefits because they are in need of medical care. The only difference is that the deduction can be claimed just to the extent that medical bills exceeds $35. Since medical expenses are usually difficult to anticipate, if the food stamp office cannot incorporate the deduction into the household's benefits in the month the medical expense was billed, the office would be permitted to give the household the deduction in the next month. The only thing we are concerned about is that the household have the deduction computed into its benefits and eligibility as soon as possible, even if the medical expenses could not be anticipated at the time the household was certified.

Mr. Speaker, this bill helps a certain group of food stamp recipients cope with some of their problems that result in their inability to purchase enough food. While I had supported a more generous bill to help all people with these problems, and not just the elderly, I feel this bill deserves my support and I urge my colleagues to support it as well.●

● Mr. MOFFETT. Mr. Speaker, both Congressman Richmond and Congressman Foley are to be commended today for their efforts on behalf of food stamp recipients. The crisis situation we are facing, with the cap on the food stamp program threatening a potential slashing of benefits, would leave many of our poorest citizens, including the elderly and disabled, confronting starvation.

In Connecticut, our State Agency on Income Maintenance currently serves 57,000 food stamp recipients. We were informed in May that severe cuts would have to be made unless the Congress lifted the current cap on food stamp expenditures. If the committee's bill lifting the cap is not approved, and impending 50 percent across-the-board cuts are made for the months of August and September, I feel sure we will be endangering the very lives of many food stamp recipients.

Take, for example, the average food stamp eligible family of four in Connecticut, which receives $90 per month in benefits. If Connecticut is forced to cut back under the current law, this four-person family must try to survive on only $45 per month for each of August and September. Or consider the average one-person household in Connecticut receiving a cut in half of the already meager $32 per month benefit, in each of August and September. That is $16 per month for the person living alone receiving food stamps. Many of these are elderly and sick people. How can we ask the very poorest to make this kind of sacrifice? How can we ask them to face a bare cupboard day after day as food prices soar up more each month.

Let me point out, Mr. Speaker, that the food stamp program has been one of the most successful. The Congressional Budget Office, after studying the impact of the program, concluded that 87 percent of food stamp recipients are families below the poverty line. The CBO also showed that food stamp benefits have lifted 4 million people above the poverty line, including several million working poor. In fact, food stamps are virtually the only Government aid offered to the working poor.

As for the "food stamp caviar and shrimp" myth, recent research by Washington State University Economist Donald West compared the spending practices of middle-class food buyers with those of poor people who used food stamps. Both groups of people allocated their food dollars quite similarlly, except that the food stamp recipients spent more on poultry, pork, and flour while the middle-class family spent a little more on beef, veal, and finished bakery goods.

Clearly the food stamp program has sustained a great many elderly, children and working poor. We must recognize that the tremendous food price inflation that all of us are feeling hits them harder than any. When Congress placed a lid on the food stamp program it did not foresee this surge in prices. Now is the time to amend our original estimates and to free up the dearly needed funds for the survival of so many poor Americans.●

● Mr. NOLAN. Mr. Speaker, I rise in support of H.R. 4303, and urge its immediate adoption by this House.

As a member of the subcommittee that worked on this legislation, it was my hope that this bill would be broader than it is. The legislation amends the Food Stamp Act of 1977 and corrects some of our oversights by adding a medical deduction, and improving the excess shelter deduction, for the elderly and the disabled. I feel that it is wrong to single out the elderly for this kind of assistance, and I argued unsuccessfully that the medical deduction and shelter relief should be applied to all households that needed such assistance. I was outvoted by my colleagues and, as a result, I am afraid that many poor people who are experiencing severe nutritional problems will remain unserved. I intend to address this issue again when we consider future legislation regarding the food stamp program.

However, I still intend to vote for H.R. 4303 as it does make gains for households with elderly and disabled members. It does help to correct some of the problems created by the 1977 law. But this legislation will only help people if the Department of Agriculture promptly and properly implements this provision. I know they did not favor adoption of this provision, so I would like to make sure they do it as we intended.

The most important job for USDA is to note the amendment I offered in the subcommittee that requires the legislation to be in place and in operation by January 1, 1980. I do not mean by this that it simply be promulgated as regulations. or that only a notice be sent to the States. This legislation must be implemented no later than January 1, 1980, so that eligible households are receiving the benefits under this new legislation on that date. We also intend that the benefits reach people in reality and not just on paper. I understand that under the old law, which had a medical deduction, many people who were entitled to a deduction never received one because the food stamp office did not act on it quickly enough.

Therefore, we want to make sure that once an eligible household indicates that it has been billed for allowable medical expenses, using the same definition as in the old regulations and instructions, and the office determines that the household is entitled to a deduction, it actually receives that deduction—to the extent the billed amount exceeds $35. If it is not possible to give the deduction for the month in which the household was billed, we want to make sure that it is taken into account in the computation of benefits and eligibility in the following month, with the household suffering no loss of any benefits to which it was entitled. When it comes to something as important as recognition of medical bills, there should be as little delay as possible, and then only to comport with the limitations of what a local office can do in the shortest amount of time.

Again, I am disappointed we could not do more for the many households that, like the elderly, have expenses that reduce their ability to purchase an adequate diet. However, I reluctantly support this overly narrow bill as an effort to provide some relief as quickly as possible to at least some people who need it.●

● Mr. BIAGGI. Mr. Speaker, the Food Stamp for the Elderly Act considered here today has my full support. The measure is similar to legislation I have cosponsored and have been backing since early this year. The bill would restore food stamp benefits to elderly persons who lost part or all of their benefits as a result of the changes in determining eligibility which became effective earlier this year. We must enact this legislation before us today; if not, we will force substantial numbers of elderly poor to make cruel choices between adequate food, medical care, heat, and other necessities.

Implementation of the Food Stamp Act of 1977 resulted in the termination or reduction of benefits to many elderly, blind, and disabled persons. Its main provisions set new criteria for determining eligibility by:

Eliminating deductions for medical costs in excess of 30 percent of the household's income;

Establishing a 20 percent work expense disregard;

Establishing a standard deduction—$70 as of July 1, 1979; and

Establishing a combined excess shelter cost and dependent care cost deduction for expenses over 50 percent of net income, with a ceiling—$90 as of July 1, 1979.

H.R. 4303 would:

Restore a medical deduction of expenses which exceed $35 per month, and

Also for deduction of all shelter costs in excess of 50 percent of net income without any regard to any ceiling.

Expenses in the areas of medical costs, shelter and food consume a disproportionate share of the elderly persons budget. On the average 58 percent of the elderly person's budget goes for costs in these three areas. At the same time, these same costs consume only 49 percent of the younger person's budget.

Medical care, shelter, and food are essentials of life for everyone. However, the elderly require more medical care, adequate room temperatures, and good nutrition in order to maintain a state of well-being. For example, 85 percent of the elderly population suffer from at least one chronic condition. The per capita medical costs for the elderly are 3.5 times higher than for those under 65. In 1976, medical costs were over $1,500 per person for those over 65 and less than $500 for those under 65 years of age.

Since so many of the elderly suffer from chronic and other disabling diseases, adequate room temperatures are necessary for the health and safety of the individuals. Low temperatures, even in the sixties, can be fatal. At the same time, rapidly rising fuel and heat costs are increasingly difficult to meet on fixed incomes.

The net result of H.R. 4303, by allowing deductions for these very real expenses, would be to increase the income of many poor elderly. And, if increased food benefits are available there will be more room in the budgets for other necessities.

We must pass H.R. 4303 if we are going to enable our elderly persons to maintain adequate standards of living, after all, the health and welfare of our low-income population was the reason for establishing the program in the first place. The least we can do is assure that those who need the benefits can participate in the program.●

● Mr. RICHMOND. Mr. Speaker, I would again like to add my voice to those of my colleagues who have endorsed this important legislation. H.R. 4303 restores important benefits for impoverished elderly and disabled food stamp recipients, and deserves the overwhelming support of this House.

While this legislation rectifies some of the problems inadvertently brought about by our 1977 reforms, I am somewhat disappointed that we could not have gone farther in this bill to help other food stamp recipients who are suffering substantial reductions in benefits because of the 1977 changes in the law. We have correctly recognized in this legislation the needs of the elderly and SSI recipients; I wish we had not restricted the limited aid in this bill only to those people.

H.R. 4303 restores, in part, the medical deduction that was in the food stamp program prior to our legislative efforts 2 years ago, and improves the shelter deduction that people are entitled to if they pay a very high proportion of their income for shelter. It is my feeling that all needy participants with these excess expenses should have them recognized in computing their net food stamp income. We heard extensive testimony from many groups, program participants, and administrators that convinced me of this point of view. Many witnesses urged us not to separate the elderly for special treatment, calling such an effort "divisive," and, in the case of one witness from the Gray Panthers, "all-too-convenient" for many Members who wanted to be praised for helping the elderly without having to take a controversial position on the food stamp program.

We debated this issue extensively in both the Agriculture Subcommittee that I chair, and in full committee markup. My efforts to expend the coverage of this bill narrowly failed in a 4 to 4 tie in the subcommittee, and by a larger margin in the full committee. I do not subscribe to the notion put forward by my friend from the Gray Panthers because I realize that many of my colleagues on the committee were concerned about the fiscal implications of a more expansive amendment. Other members of the committee were concerned that a more expansive bill would invite substantial floor amendments, thus perhaps jeopardizing legislation to benefit anybody. I respect these arguments, although I disagreed in committee. I am just disappointed that we were not able to do more for the many people who are having a difficult time making it today.

However, I supported this bill because it does help some of the most vulnerable groups of people in the food stamp program: the elderly, the blind, and the disabled. These groups tend to have a great deal of medical expenses, and often pay a large portion of their income out for rent, and thus deserve whatever assistance we can muster for them.

We have essentially restored the medical deduction that was in the old program, as defined in the pre-1977 rules and instructions. We hope that this benefit is put in place as quickly as possible, but it must be in operation and benefiting the elderly and disabled no later than January 1, 1980. We also want to make sure that it does, in fact, help people. We have learned that the old medical deduction did not always aid people, either because food stamp recipients did not know they could report such expenses to the food stamp office, or because the offices did not act quickly enough to get the added benefits to recipients. We expect this provision to work in concert with the Agriculture Department's new regulations so that if, upon the report of a medical expense, the food stamp office cannot include it in that month's allotment, the benefits for the next month should reflect the medical deduction. We want to make sure that when eligibility and benefits for people with medical expenses are computed, people get the full deduction to which they are entitled.

The only difference between this new medical deduction and the old program's is that we have imposed a $35 "deductible" which must be met before a household's medical expenses are deducted. Thus, if a household is billed for $100 in medical costs, it would only be entitled to a $65 deduction. I tried to lower this figure in the committee in an effort to make the deduction more useful for participants, but I was not successful in this effort.

The shelter provisions in this bill will also help the people most in need of the relief. Instead of their being an $80 limit to the shelter deduction households may claim, that limit is eliminated for households with an elderly person or an SSI recipient in it. This is especially important to participating households in urban areas and areas with very high utility and heating costs. Again, while I am disappointed that the deduction could not have benefited more households, this provision makes H.R. 4303 stronger.

I am glad we have an opportunity to make some gains for people who have suffered since the new food stamp program went into effect this winter. This bill provides some important benefits to people all of us would agree deserve the help, and I strongly urge my colleagues to join me in voting for H.R. 4303.●

● Mr. HARKIN. Mr. Speaker, I would like to add my voice in support of H.R. 4303. This legislation will significantly improve the flexibility of the food stamp program for needy households containing one or more elderly, disabled or blind members. From information that we have obtained in hearings and through our constituents, this legislation is vitally necessary.

Before I describe the necessity of this legislation, I would like to state for the record that I am sorry that the legislative improvements in this bill were not extended to all food stamp households. It appears that many households—whether they contain elderly, disabled and blind members or not—were harmfully affected by our 1977 reform of the food stamp program. When we moved from a flexibly personalized deduction system to a more rigid standard deduction process, many households lost significant benefits. In brief, the standard deduction and less generous shelter deduction caused a reduction of aid for many people.

I believe that it would have been far more equitable to provide relief to all households suffering from excess medical and shelter expenses, rather than singling out more popular constituencies for assistance. A family that incurs high medical expenses for its children—even though such family has no elderly, disabled or blind member in it—is as much in need of relief as the households we will help if H.R. 4303 is enacted.

Despite my reservations about the failure of this legislation to extend benefits to additional households, I still strongly support the bill. The bill will lift the ceiling on the shelter-dependent care deduction for households containing one or more elderly or SSI recipients. I support that and feel it is fully justified. Additionally, the bill restores a portion of the medical expense deductions that such households had available to them prior to 1977. I support that partial restoration of benefits as well.

The reestablishment of the excess medical deduction is the most important part of the bill. Specifically, all medically related expenses that qualified as deductions under USDA's regulations and instructions prior to the 1977 legislation will qualify as a deduction under this bill. However, less charitably than the pre-1977 deduction system, these medically related expenses will only be computed as deductions to the extent that they exceed $35 per month.

In passing this legislation, the committee was serious in offering decent assistance to the elderly, blind and disabled. Consequently, it is imperative that the deduction, which will be based on a household's medical expense billings, be provided as soon as possible after the household is billed for the expense. Thus, if it is impossible to provide a deduction for the month in which the medical bill arrives, the deduction must be applicable in the following month for determining such household's eligibility and benefit status.

Since the Agriculture Department has been slow in implementing previous legislation, the bill directs that these changes be put into effect by no later than January 1, 1980. Consequently, affected households will receive the benefit of these changes by no later than the beginning of the next calendar year.

In sum, this bill merits the support of the House. I urge my colleagues to give it overwhelming approval.●

● Mr. LOWRY. Mr. Speaker, today we are debating H.R. 4303, a bill to increase medical, dental, and shelter deductions for certain beneficiaries of the food stamp program.

I had the opportunity to testify before Mr. Richmond's subcommittee on this legislation, last week, to express the concerns of many of my constituents. While I applaud the efforts of the chairman of the Agriculture Committee, my colleague, Mr. Foley, and Mr. Richmond, the chairman of the subcommittee, I am concerned about the precedent we are setting. We are dividing individuals who benefit from this program into two distinct classes. The real strength of the program has been its intent to regard poor people as a whole. Congress has recognized that low income meant low purchasing power for food. The food stamp program has addressed this larger need without regard to age, infirmities or household living arrangement. We are about to change that course.

Of course, I am distressed when I hear about some of our older citizens having to eat dogfood to stretch their food dollars. But, as I stated in my testimony before the subcommittee, I am also concerned about women, ages 54 and 55, selling their blood to gain an additional $25 for food or chewing gum and drinking hot water to "get used to hunger". How do we justify our actions to those people who do not qualify because they were born too late to receive these benefits? Perhaps, we can convince them if they can "hang on" for another 5 and 6 years, they, too, can benefit from our actions.

It is ironic, in the International Year of the Child, we are, in essence, telling 17½ million children in this country they cannot be adequately nourished because of budget constraints. But, if they can hang on for another 50 years?

We in Congress are aware of the rising cost of fuel and other essentials. The members of the Housing and Community Development Subcommittee of the Banking, Finance and Urban Affairs Committee, on which I serve, are aware of the increased cost of housing. And yet, we deny these facts when it comes to allowing these rising costs to be deducted to gain a few more dollars toward the purchase of food, a very basic to survival.

Mr. Speaker, I will vote to increase the shelter and medical deductions in the food stamp program for the balance of fiscal year 1979, so that a few of our citizens will receive some relief, though I do not subscribe to the "half a loaf is better than none" theory.

I will be working to increase benefits for all of our citizens for fiscal year 1980. The standard we should aim for is justice and fairness. No one who is poor is more worthy than another. We should not penalize some because they do not have the resources to make themselves heard.●

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. HARKIN) that the House suspend the rules and pass the bill, H.R. 4303, as amended.

The question was taken.

Mr. **KELLY**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. **HARKIN**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Iowa.

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON S. 918, SMALL BUSINESS ADMINISTRATION AUTHORIZATION, 1980 AND 1981

Mr. **SMITH** of Iowa. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the Senate bill (S. 918) to amend the Small Business Act and Small Business Investment Act of 1958 and for other purposes.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ADDRESS BY CONGRESSMAN BOB CARR

(Mr. **BRADEMAS** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. **BRADEMAS**. Mr. Speaker, Congressman BOB CARR of Michigan, last week, on Saturday, June 23, 1979, delivered a most thoughtful address at the first Harry S. Truman Fourth Congressional District Democratic Party Dinner in Sturgis, Mich.

I insert Mr. CARR's address at this point in the RECORD.

The speech follows:

REMARKS BY CONGRESSMAN BOB CARR

You honored me with your invitation to be your keynote speaker and with the kind attention you've given to the details of my visit.

I grew up myself in a small town, and I always have a sensation when I visit this area, that I'm "coming home." The lovely, tree-lined picturesque towns and the flourishing farmland of southern Michigan are spiritual "homes" to many more Americans than those who are actually fortunate enough to live there.

Visits like this for a politician like myself are the oasis of reality from the desert of Washington life—where reality is more often a mirage and someone is always kicking sand in your face.

Don't get me wrong—I like my work in Washington on behalf of the more than 500,000 people of my district and the people of the State of Michigan. I'm proud of the trusted position that I hold—even if my mother continues to ask: "What kind of work do you do?"

CRITIQUE OF PRESIDENT CARTER

However, I did not come all the way from Washington to this beautiful civic center in Sturgis, Michigan to entertain you with the incongruities of the greatest deliberative body in the world, nor to make a foolish attempt to impress you with my knowledge of things with which you are more knowledgeable. I do wish to spend our time together talking about the Presidency of Jimmy Carter, and what we ought to do about it as our party faces the uncertainty of the coming presidential election year.

In the past two and one half years I have had abundant occasions to look critically down Pennsylvania Avenue toward the White House. What I say was a time of promise married by confusion, newness, occasional but severely damaging political ineptness, and a general lack of understanding about how government—Washington style—operates. There were mistakes—unpardonable faux pas such as canceling a water project in the Vice President's state and letting him learn about it in the newspaper, months of slighting congressional egos, the display of more loyalty to Bert Lance than to the ideal of a government whose ethics must be beyond reproach. And more, much more.

I personally have been greatly disappointed that my President failed to keep his pledge to trim military spending by 5 billion dollars. In fact, he's presented us with a budget to increase the military share while at the same time holding the line on spending for human needs. He has also just decided to produce a first strike, destabilizing, 40 billion dollar weapons system called MX. This missile system will be transported back and forth on train tracks . . . and yet we still don't have a sensible system of mass transit. There are threats that in a time of fuel crisis, trains for people will be cut that we can have trains for missiles!

As another example, after a strong beginning the Administration failed at good follow-through on a national energy policy, letting it get ripped to shreds in the Senate and contributing to the fix we are in today.

DRAFT KENNEDY MOVEMENT

I'm not the only one who has reservations about some of the President's actions. Some of my closest friends in the Congress—Rick Nolan of Minnesota, Dick Ottinger of New York, Pete Stark of California—are part of a dump Carter/draft Kennedy effort. Members of the Michigan delegation to Congress—with whom I have a close relationship both professionally and socially—have quietly, if not openly, given comfort to that idea. They have gone about the countryside and told everyone who would listen of their disappointments with Carter. I was asked to join this movement. Without a moment's hesitation, I declined. Let me tell you why.

Edward Kennedy is, beyond a doubt, one of the most distinguished persons in government today. To those who say he is coasting on the Kennedy name, I say the opposite is true: He works hard, he has an excellent staff, he knows his nuts and bolts, and his dedication on the issues is firm and unwavering. It would have been easy for him to go along, relying on his name and enjoying the prerogatives of his office. He didn't have to get out on front on every major issue of the day: health, arms control, racial equality, you name it. But he has done so, and he's done it with ability and dedication. He deserves exceptional respect.

But to now regard him as a non-controversial shoo-in for the Presidency, as many seem to do, is wrong. Dead wrong.

As a Senator, as a maybe-maybe not presidential candidate. Senator Kennedy gets great press. He can do no wrong. That's all very nice.

But just let him become a candidate for the Democratic nomination.

It would tear our party apart and the only winner would be the Republican candidate. And in the aftermath of such an intra-party battle the Republic presidential vultures would most probably leap to pick Senator Kennedy's bones dry with a hate campaign to destroy him by unfairly raising the many personal tragedies of the Kennedy family, and at very least deny him support in Southern states.

The memory of 1968 is fresh in my mind. The Republicans did not win the White House, the Democrats lost it. When I think of what some well-intentioned Democrats did to Hubert Humphrey, I fear that some are poised to do it again to President Carter.

CARTER'S INCREDIBLE ACCOMPLISHMENTS

Notwithstanding some obvious mistakes and blunders—to which none of us are immune, including Kennedy or ourselves, and, I'm sure, to which the President would admit, President Carter's presidency has seen some great surprises and some incredible accomplishments.

Who could have predicted that a graduate of Annapolis and a protege of Admiral Rickover would have vetoed, for the first time in our entire history, a complete defense authorization bill? Carter did that because he wasn't willing to see our money wasted on a nuclear carrier we don't need.

Who could have foreseen the immense personal skill and diplomatic ability required to get a Mideast peace treaty signed—a treaty that is our best chance ever to end centuries of hate.

Who would have expected a Georgia peanut farmer to become the best environmentalist President since Teddy Roosevelt?

I didn't expect these things of Carter, so despite some of my fundamental disagreements with him over military spending and energy policy, I respect him as a man—and a leader—capable of surprise and capable of producing results.

He has managed to walk the fine line necessary to keep a Democrat in the White House during a time when the main priorities for many voters are balancing the budget and cutting federal spending.

And, unless the predicted recession later this year is worse than expected, next January the President will propose to Congress a balanced budget. He will thus deprive the Republicans of the one string on which they harp, the one political goal they offer the American people. That is no mean achievement for a man who has also supported:

Increases in the minimum wage;
Hospital cost containment;
National health insurance;
Progressive tax reform;
Strong environmental legislation;
Aid to the cities;
An extension of the deadline for the Equal Rights Amendment;
The Agency for Consumer Protection;
The Labor Law Reform Bill;
Repeal of the Hatch Act; and
Major progressive welfare reform.

Carter has not accomplished all of these goals. He has, for example, run into stiff opposition from the Congress on tax and welfare reform, but he has demonstrated his commitment to them. We can be sure he will be back on Capitol Hill with every one of the programs he couldn't get through Congress in the past session.

EIGHT MILLION JOBS CREATED

Recalled the really "bad old days" of the past two Republican administrations. Compare, for example, our present economic situation—for all its uncertainties—to that presented to the American people by Presidents Nixon and Ford, whose one-two punch resulted in negative growth for 3 of 8 years. President Nixon's carefully engineered recession threw millions of people out of work and pumped unemployment to an unbelievable annual rate of 8.5% in 1975—a Republican accomplishment President Carter has been undoing ever since he took office. 8 million jobs have been created since 1977. And in the last year, unemployment has been held under 6%. The growth rate has been 4.5%. There has been an annual growth of 9% in investments in the last year. The rate during the Nixon-Ford years was 1%.

Inflation has proved an intractable problem for the President—as it has for Congress. But Carter has met the problem head-on and has taken almost every step possible short of wage and price controls. His real wage insurance proposal and his hospital cost-containment proposals were shot down by Congress. His wage-price guidelines have come in for their share of criticism, but they have also been taken seriously—which is more than can be said for Gerald Ford's silly campaign to hand out WIN buttons.

And we also must not forget that Jimmy Carter is managing our economy that scarcely resembles the national economy of 25 years ago. Presidents Eisenhower, Kennedy, and Johnson presided over an American economy that was clearly in the international driver's seat. The world economy was the American economy. Europe and Japan were recovering, with assistance from the United States, after the world war. The US was producing nearly all of its energy needs and sending its goods to eager foreign buyers. Inflation and recession were localized, American problems, solved solely by American institutions.

But now we and Jimmy Carter are faced with an economy that is no longer as controllable, because it is now part of a truly international and interdependent world economy. Inflation is no longer vulnerable to the same weapons, because it is no longer an isolated phenomenon. OPEC energy pricing, competition from Japan and Western Europe, and negative trade balances that were unheard of 25 years ago—all these are factors beyond our sole control and beyond the single control of our President. It is irrational to react to these changes by merely pointing to the President and saying "he's not a leader."

The fact is, he is a leader—this becomes evident if we look over his foreign policy accomplishments.

MATURITY, COURAGE AND STRENGTH

Carter's accomplishments in foreign policy are remarkable, and though they have engendered howls of Republican protest, many of his triumphs represent the successful achievement of goals sought, but not attained, by his Republican predecessors: the Panama Canal, SALT II, the normalization of relations with China, and the successful negotiation of peace between Israel and Egypt.

Perhaps more important, President Carter has avoided the foreign policy disasters that plagued every one of his predecessors, Republicans and Democrats alike. Two years into their presidencies, Eisenhower had approved CIA-supported coups in Iran and Guatamala; Kennedy had suffered the Bay of Pigs disaster, which invited the Berlin crisis and the Cuban missile showdown; Johnson had committed American lives in Vietnam; Nixon had widened that war to Cambodia and Laos; and Ford had lost 40 Marines invading the wrong island to rescue 38 American crewmen on the Mayaguez who had already been released. Under President Carter, we have undertaken no simplistic military "solutions" to complex foreign problems. We have successfully avoided the temptation to demonstrate our stupidity by throwing around our military weight. Courage and strength—as we all learned from our parents and try to teach our children—are different from bullying and shouting. There is more to courage than going into a rough situation with your guns blazing. You may recall John Connally said he would not journey to the Mideast in the quest for peace unless success were assured in advance. Jimmy Carter risked failure and the humiliation that failure would have meant—by going himself to Jerusalem and Cairo to do everything he could to insure a peace agreement. And he *succeeded*. The President has demonstrated a mature capacity for courage and strength, and he deserves our respect for it.

Yet Connally, who gave us the decade's most graphic demonstration of "no guts, no glory," is regarded by the media as a "strong" leader, while the convention media wisdom regards Carter as a "weak" leader. You sure can fool some of the people all of the time.

"THE BUCK STOPS HERE"

Mr. Carter has achieved—by any measure—a substantial record of accomplishments—which I defy any Member of Congress to try to match. The trouble is that we expect the President to be perfect.

Citizens in monarchies build palaces to show the reverence they have for their hereditary leaders. They wrap those leaders in velvet and ermine and surround them with gold. The hope we have in our President does not show itself in tangible or material ways. We build dreams, not palaces, and we surround our President with all our most cherished ideals. It's hard for a man to live up to the expectations engendered by regal trappings, but it's harder still to live up to dreams and visions of a perfect world. As Jim Wright, House Majority Leader, has said, "We expect our President to be more than human and condemn him when he is not. But we would despise him if he were."

Our Presidents have always been aware of the contradictions and impossibilities of their position. Thomas Jefferson called the presidency a "splendid misery." Teddy Roosevelt found it a "bully pulpit." Abraham Lincoln was most struck with its loneliness. Harry Truman, the person we honor here tonight, laid it right on the line when he said, "The buck stops here."

Recall what the media said when Truman inherited the Presidency. The pundits told the nation he was too small a man for the job, and Dewey would mop the floor with him. They were proven wrong on both counts, of course, but it's interesting to ask why Truman was so severely underrated at the time. He was underrated because he was compared, not merely with the reality of FDR, who in many respects was the greatest President in our national history, but with the glowing memory of FDR, which was even more formidable than reality.

CARTER HAS EARNED SUPPORT

Now many of us are comparing Carter with an even more formidable standard. We compare him not with JFK, nor even with the memory of JFK, but with perfection itself. We think about what our ideal President would do in any given circumstance, and when Carter falls short of our ideal, we condemn him for it.

My friends, let's get back to reality. We don't have a choice between Carter and perfection. We have a choice between Carter and John Connally.

We all have our dreams—what we don't have is the responsibility to make them real. Jimmy Carter does. Of course, he will disappoint us—every last one of us. It is not possible to be President—to be the repository of all our deepest ideals—and not fail. That is the reason that President's age so noticeably in office. Sure, they work hard, but work never killed anybody. What is deadly is the responsibility and the pressure we place on our Presidents to give us what we so unrealistically desire—to turn all our dreams into realities.

Jimmy Carter has not given us all we want. He hasn't, because he can't. No president can. He has, however, as much as any man can, measured up to the office. He has demonstrated himself to be a man of vision, courage, compassion, energy, and accomplishment. He is, however, only going to be as good a President as he is strong. He is only as strong as we make him by our support. It is our responsibility to dissent when necessary, but we must never forget that those are our dreams on the President's shoulders. When we disparage him, we disparage ourselves and our dreams. President Carter has proved himself to us. He has earned our support. He has mine. I call upon Senator Kennedy to give him his—immediately, unequivocally, publicly. The national interest—and the Democatic party interest—requires nothing less—from him and from all of us.●

SUMMARY OF PROVISIONS OF H.R. 4514

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, on June 20, the Subcommittee on Economic Opportunities, chaired by Mr. HAWKINS of California, took a historic step and approved H.R. 4514 as amended, a bill addressing the urgent need to establish a synthetic fuels industry for the Nation.

It will be considered by the full Committee on Education and Labor on Wednesday, June 27.

Title I of the bill provides for grants for energy manpower training in the synthetic fuels field.

During subcommittee consideration, a title II was added to establish a new Government corporation and direct that it produce 5,000,000 barrels of synthetic fuels a day from our abundant coal, oil shale, lignite, peat, biomass, and other resources within our own borders.

Also added was a title III, encompassing Congressman JIM JEFFORDS' imaginative Replacement Motor Fuels Act of 1979.

The goal of this measure is to rid of the present grave threat to our economy and our national security caused by our dependence upon foreign producers for at least half of our daily petroleum needs.

Tremendous interest has been expressed in this bill which already has some 30 cosponsors, including the ranking minority member of the Committee on Education and Labor, Mr. ASHBROOK.

Mr. Speaker, to accommodate more readily the requests for information about the measure, I include the summary of the provisions of H.R. 4514 in the RECORD:

SUMMARY

TITLE I—GRANTS FOR ENERGY MANPOWER TRAINING

CETA grants

Title I of the bill amends the Comprehensive Employment and Training Act to provide for grants by the Secretary of Labor to State or local public agencies to provide funds to train individuals for jobs needed to supply the manpower necessary for the development and expansion of the synthetic fuel industry. Appropriations are authorized to the extent of $100 million for FY 1980 and for each of the two succeeding fiscal years.

TITLE II—SYNTHETIC FUELS RESERVE CORPORATION ACT

Synthetic Fuels Reserve Corporation

Title II of the bill establishes the Synthetic Fuels Reserve Corporation (hereinafter "Corporation"), a wholly-owned Government corporation. Section 202 sets forth specific Congressional findings relative to the excessive dependency of the United States upon precarious foreign sources of petroleum, the absence of any meaningful commercial development of synthetic fuels in the United States notwithstanding substantial reserves of power sources (as such as coal, shale, peat, and biomass) within its boundaries, the national defense and well-being implications thereof, and declared that the appropriate response to this national emergency—and the purpose of this Act—is to make the United States energy-independent as soon as possible by expediting development of a synthetic fuels industry based upon power sources not subject to curtailment by foreign powers.

The purpose and duty of the Corporation is to produce, or to provide assistance for the production of, synthetic fuel equivalent to 5 million barrels of crude oil per day. "Synthetic fuel" is defined to mean "liquid or gaseous fuel from coal, shale, lignite, peat, solid waste, or other minerals or organic materials (other than oil, gas, or derivatives of oil or gas)." The Corporation is also authorized to conduct relevant research and development activities.

Organization of corporation

Section 205 provides that the Corporation shall have a Board of Directors consisting of 5 members (not more than 3 from the same political party) appointed for six-year terms by the President, by and with the advice and consent of the Senate. The President shall designate the Chairman of the Board. Provisions are also made for staggering the terms of initial appointees, vacancies, compensation, quorum requirements, potential conflict of interest prohibitions, and financial disclosure rules.

Section 206 provides for the appointment of officers and employees of the Corporation, who are also covered by potential conflict of interest prohibitions and financial disclosure rules.

Obligations of corporation

Section 209 authorizes the Corporation, subject to the approval of the Secretary of the Treasury, to issue negotiable bonds, notes, debentures, and other similar obligations—the total amount of which may be outstanding at any one time shall not exceed $200 billion—to enable the Corporation to carry out this Act. Payment of principal and interest on these obligations shall be guaranteed by the United States. The Secretary of the Treasury may purchase obligations issued by the Corporation from sale proceeds of any securities issued under the Second Liberty Bond Act.

The principal and interest on obligations issued by the Corporation are exempted from all State or local taxation (except gift and inheritance taxes) and interest payments on the bonds are not includable as gross income for purposes of the federal income tax.

Provisions are also made for selling the bonds by competitive bidding or otherwise, authorizing officers or agents of the United States to accept them as security for all fiduciary, trust, and public funds, and for issuing the obligations in different forms and denominations, maturitise, rates of interest, and terms and conditions generally.

Powers and duties of corporation

The Corporation may discharge its purpose and duty to produce, or to provide assistance for the production of synthetic fuel (equivalent to 5 million barrels of crude oil per day), by—

(1) Producing synthetic fuel by facilities owned and operated by the Corporation or by facilities owned by the Corporation but operated by other persons or entities under arrangements entered into by the Corporation. No person or entity owned or controlled, directly or indirectly, by any foreign government or instrumentality thereof, may lease a facility of the Corporation unless the President determines that such lease arrangement is in the national interest and specifically authorizes the transaction. All fuel produced by facilities owned by the Corporation (or otherwise acquired by the Corporation) shall be sold only to the United States or to persons or entities which will make the fuel available for use within the United States. Such fuel shall be sold at the market price prevailing for the nonsynthetic fuel for which the synthetic fuel is an equivalent. If the costs to the Corporation of producing the fuel exceed the prevailing market price, the United States shall pay to the Corporation an additional amount equal to that difference.

(2) Making direct loans to any person or entity to assist in the establishment and operation of facilities to produce synthetic fuel.

(3) Guaranteeing loans on behalf of any person or entity to assist in the establishment and operation of facilities to produce synthetic fuel.

(4) Making grants to any person or entity to assist in the establishment and operation of facilities to produce synthetic fuel.

(5) Entering into and performing such contracts, cooperative agreements, joint ventures, or other similar transactions with any person or entity (including those located outside the United States) as may be appropriate to carry out the business of the Corporation, including agreements providing that the Corporation shall assist in financing certain operations (e.g., direct loans, guaranteed loans, or grants) for the production of synthetic fuel and shall receive a stated portion of the synthetic fuel output.

(6) Recommending that, where appropriate, the United States pay an amount equal to the difference between the costs of production (if greater) and the prevailing market price to private producers of synthetic fuel, provided that the producer agrees to sell the fuel to the Corporation at the prevailing market price, or, if the Corporation elects to refuse the offer of the fuel, at the prevailing market price to any other person or entity which shall make such fuel available for use within the United States.

(7) Entering into "take or pay" contracts for the purchase of synthetic fuel under which the Corporation has the right to refuse delivery of the fuel involved and instead pay the amount by which the price for the synthetic fuel specified under the contract exceeds the market price for the fuel on the delivery date specified in the contract.

Section 204 provides further that the United States shall acquire any synthetic fuel produced (or otherwise acquired) by the Corporation, or by any person or entity which receives financial assistance from the Corporation and which is a citizen of the United States, which the Corporation or such person or entity is unable to sell within 3 months after producing the fuel. Payment will equal the prevailing market price or costs of production, whichever is greater.

Section 207 grants authority to the Corporation to purchase, lease, or otherwise hold real or personal property necessary to its business and to exercise the right of eminent domain in the name of the United States. It may sue and be sued. The section also permits the President to provide for the transfer of the use, possession, or control of real or personal property of the United States to the Corporation when appropriate.

Financial resources of Corporation

As stated earlier, section 209 authorizes the Corporation to issue bonds, notes, debentures, and other similar obligations, to enable it to carry out its powers and duties under this Act. The total amount of such obligations which may be outstanding at any one time shall not exceed $200 billion. The total amount of direct loans and loan guarantees which may be outstanding at any one time (pursuant to the authority to make such loans or guarantees provided by section 207) is included as an outstanding obligation in making this determination.

Section 215 authorizes the appropriation of an additional $5 billion for each fiscal year beginning with FY 1980 to assist in carrying out the Act.

Tax incentives

Section 214 provides generally that the Corporation shall study, and recommend to the President and the Congress within six months (and thereafter), tax incentives for private entities to encourage the production by such entities of synthetic fuel. It also provides three specific forms of tax relief—

(1) Tax credit—a tax credit of $3 per barrel (or BTU equivalent thereof) of synthetic fuel produced during the taxable year from any U.S.) property in which the taxpayer has an interest to the extent such production is attributable to the taxpayer. Any such credit is reduced to account for the value of any funds provided by federal grant to the taxpayer (including grants by the Corporation).

(2) Investment tax credit—makes the provisions of section 48L of the Internal Revenue Code of 1954 clearly applicable with respect to equipment for the production of synthetic fuel.

(3) Accelerated depreciation—makes the provisions of section 169 of the Internal Revenue Code of 1954 (relating to the amortization of pollution control facilities in up to 5 years) applicable to facilities used in connection with the production of synthetic fuel.

Environmental factors

Section 211 establishes within the Corporation a division responsible for assisting all persons or entities engaged in the production of synthetic fuel to obtain expeditiously all permits, licenses, and other forms of approval required by Federal, State, or local authorities for the construction and operation of facilities for producing synthetic fuel, and to act as liaison and information source among all of the parties so as to facilitate compliance with all such requirements.

Section 211 also establishes a technological requirement limit not to exceed the best available technology on the Corporation or any producer or synthetic fuel assisted under the Act, notwithstanding the provisions of any other Federal, State, or local law providing for air or water environmental standards.

Accounts and report to Congress

Section 208 provides that the Corporation shall maintain complete and accurate books and accounts of its business which shall be subject to audit at least once each year by the Comptroller General. At the end of each fiscal year, the Corporation shall publish an annual report containing a financial statement and a complete description of its business during the preceding year, including a detailed listing and explanation of every grant, loan, or loan guarantee from the Corporation. Copies of the report shall be submitted to the President and the Congress, together with recommendations of the Board for changes relating to its duties or powers.

Net proceeds payable into Treasury

Section 210 provides generally that the net proceeds derived by the Corporation from the sale of synthetic fuel and from any other revenue-producing activity shall be paid into the Treasury of the United States to the extent they exceed $5 billion in the aggregate.

Possession by Government in time of war

Section 212 provides that the United States reserves the right to take possession of any property owned or controlled by the Corporation in time of war or national emergency declared by the Congress.

Effective date

This Act shall take effect on its date of enactment.

TITLE III

Analysis of Replacement Motor Fuels Act of 1979

I. Section 1 is the title of the bill, as indicated above.

II. Section 2 sets out Congress' findings as to the necessity for replacement fuels to decrease the need for imported crude oil.

III. Section 3 defines the terms used in the bill, including alcohol, replacement fuel, replacement motor fuel, renewable resource, etc., as used in the bill. The term "replacement fuel" is broad enough to include alcohol or any other liquid produced from coal, oil, shale or other substance that can be mixed with gasoline and used as a motor fuel. The Secretary of Energy is designated as the major implementer of the program.

IV. Section 4 requires the Secretary of Energy to establish a program to promote the development and use of replacement fuels in the United States. Specifically, the Secretary is required to design a program promoting replacement of gasoline with the maximum percentage of replacement fuel as is economically and technically feasible for use as motor fuel.

V. Section 5 requires the Secretary of Energy, in consultation with the Secretary of Transportation, Agriculture, Commerce and any other appropriate agency, to establish a development plan and production goals for the optimal production of replacement fuel in the U.S. in calendar years 1981 through 1986. The ultimate goal, by calendar year 1990, is to replace 20 percent or more, by volume, of the projected consumption of gasoline used as a motor fuel in the U.S. for that year. The interim goals for 1987 through 1989 is 10 percent replacement, by volume, of the projected consumption of gasoline used as a motor fuel in the U.S. for each of those years.

In developing the plan, the Secretary of Energy is required to identify ways of encouraging the development of a reliable replacement fuel industry, the barriers to its development, and include an estimate of the production capacity of replacement fuel needed to implement this bill's requirements.

The Secretary has 6 months to complete his development plan and production goals and report to Congress.

VI. Section 6 established minimum percentages of replacement fuel to be included in the total quantity of gasoline and replacement fuel sold by any refinery. For CY's 1981 through 1986, to be determined by the Secretary of Energy. For CY's 1987 through 1989, 10 percent. For CY's 1990 and thereafter, 20 percent or more, unless the Secretary establishes, by rule, that 20 percent is inappropriate. The minimum percentages will be based on technical and economic feasibility. Each refiner is required to make annual reports to the Secretary as to the average percentage replacement fuel sold during the preceding calendar year. The Secretary may make adjustments to reduce minimum percentage requirements.

VII. Section 7 sets out the enforcement mechanisms available to the Secretary. Violators are subject to a civil penalty of not more than $1 per gallon for each gallon of fuel not containing a minimum percentage of replacement fuel. When notice of a proposed penalty is issued by the Secretary, two choices are available to the refiner: (1) he may request a hearing before an administrative law judge, or (2) he may institute action in the U.S. Court of Appeals. The Secretary will institute action in the appropriate district court if the civil penalty has not been paid within 60 calendar days after the assessment order has been made.●

□ 1420

FOREIGN POLICY CRITIQUE—HOUSE REPUBLICAN RESEARCH COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LAGOMARSINO) is recognized for 60 minutes.

GENERAL LEAVE

Mr. LAGOMARSINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend and to include therein extraneous matter on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LAGOMARSINO. Mr. Speaker, the Republican Party's foreign policy positions have always been guided by the tradition of bipartisanship. Today's special order by the foreign policy task force of the House Republican Research Committee is squarely in line with this tradition, and represents a critique made by the "loyal opposition."

We are here today because circumstances compel us to speak out on what we consider to be alarming trends in U.S. foreign policy—trends that could seriously jeopardize American prestige and authority around the world.

I find it ironic, that an administration that prides itself on being "in touch" with the people, is in fact conducting a foreign policy alien to the commonsense of the American people. Indeed, it is alien to the thrust of our foreign policy since World War II, and seems to be the product of self-doubt and guilt. At its core, it is apparently a policy of abrogation of U.S. leadership of the free world. It seems to be motivated by a wish to see things the way we would like them to be, rather than the way they are.

This attitude can be summed up in the words of one high National Security Council staff member who recently said—and I quote:

> Even if the U.S. could attain strategic superiority it would not be desirable because I suspect we would occasionally use it as a way of throwing our weight around in some very risky ways. . . . It is in the U.S. interest to allow the few remaining areas of strategic advantage to fade away.

A strange comment, indeed, for one charged with coordinating national defense policy.

The Vietnam war served as the catalyst for this new approach to American foreign policy. As one commentator has remarked:

> The worst thing to have come out of the Vietnam war has been the conclusions drawn from it.

The "lessons" which the architects of Carter's foreign policy "learned" from the Vietnam experience can be summarized by Pogo's "We have met the enemy, as he is us."

It is now thought axiomatic that—

First. America's commitments inexorably lead to quagmires—therefore they should be trimmed as much as possible.

Second. America's foreign policy should be a policy without force, and

Third. American power has become a danger to the free world.

During the Carter administration, these faulty axioms have been applied time and time again. To better avoid quagmires, America's "vital interests" have been largely concentrated on Western Europe, Japan—and sometimes Israel. Yet the administration's actions all too often undermine even this fall-back position.

In Western Europe, for example, the preponderance of Soviet military strength increases the possibility of a neutralized Western Europe. And these trends can only worsen if U.S. nuclear superiority, the mainstay of NATO's deterrent, becomes a thing of the past.

And how does such a foreign policy without force work? At the first sign of a crisis, administration spokesmen rush to the microphones to proclaim that the United States is not involved, will not interfere, and certainly has no intention of resorting to the use of force to protect our vital interests. Our poorly planned and poorly executed move to send F-15's—unarmed—to Saudi Arabia and the contrary orders given to a Pacific carrier task force during the Iranian crisis clearly reflect this lack of forcefulness and show indecision at the highest levels of the administration.

Unfortunately, our new foreign policy seems to be influenced by the desire of some people in the administration to "atone" for the "sins" we committed in Vietnam. How else can one explain our litany of self-abasement before the nations of the Third World? How else can we explain the administration's dedication to creating what amounts to a global welfare state through the redistribution of our wealth to the Third World?

Our Ambassador to the United Nations equates the political prisoners of the Gulag Archipelago to what he calls our "political prisoners." He equates the ayatollah's summary executions with Florida's criminal justice system.

The administration treats differently the abuse of human rights intrinsic in the nature of most Communist regimes, manifested in the Gulag of the Soviet Union, and the genocide in Southeast

Asia. Yet it finds plenty of opportunity for the sanctimonious berating of Argentina, South Korea, or Chile. All this is justified in the name of the new "international order."

Yet events have a way of intruding upon Utopias. The massive Soviet military buildup, the October 1973 Middle East war and oil embargo, the Soviet abetting of the North Vietnamese conquest of South Vietnam, Laos, and Cambodia; Soviet and Cuban carnage and conquest in Angola and Ethiopia; pro-Soviet coups in Afghanistan and South Yemen; and the destabilization of Iran—these events show not that the world has changed, and not that the Soviets have changed, but that America's leadership has lost its stomach for the fight to preserve human liberty.

We are presenting this special order in the hopes of stimulating a foreign policy dialog with the administration. I would hope that the administration would begin to take into account some of the problems that we will be discussing today. If the President could begin to consult more with Congress—including the minority—I think that we could begin to mold a truly bipartisan foreign policy.

We in Congress should be included in the take-off, as candidate Carter indicated he would do during his 1976 campaign, not just consulted after the crash.

Mr. SHUMWAY. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to my colleague from California.

Mr. SHUMWAY. Mr. Speaker, I am very pleased to participate in the colloquy this afternoon. The relations between our Nation and the rest of the world have never been more important or more difficult. We live in extremely challenging times, and if we are to develop and preserve a stable and peaceful international order, we must meet the challenges with which we are confronted.

There is no relationship more important to the United States than that we have with our neighbor to the south, Mexico. While Mexico has been receiving a great deal of attention lately, largely because of her emerging role as a giant in the energy field, United States-Mexican relations go far beyond energy. The 2,000-mile-long border between our two countries has resulted in a host of other issues and problems—undocumented aliens, narcotics trafficking, and trade, to name a few of the most important—that have shaped and will continue to shape the United States-Mexican relationship in the future.

From the perspective of the United States, the traditional attitude toward Mexico has been one of benign neglect. In spite of our common borders Mexico has always been viewed as something of a "poor relation," and while the reasons for this attitude are obvious, the fact remains that, to a large degree, Mexico's current perception of the United States is based on the history of our relationship, which is marked by several periods of conflict and mutual misunderstanding.

To quote Ambassador Patrick Lucey:

> And yet, despite the economic differences and despite the contrasting cultural traditions, there are no two countries on earth whose present and future or more closely intertwined.

It is imperative that the problems that divide us today be resolved; that the issues which arise in the future be mutually addressed. If the areas of potential conflict that I touched upon above are not sufficient, we would do well to consider one basic fact: by the year 2000, at the current rate of growth, Mexico will have over 150 million people, and Mexico City will be the largest city in the world. By 2050, if current trends hold, Mexico's population could be double that of the United States.

The fact of the matter is that Mexico is no longer a small, poor country but rather a large, potentially wealthy nation with a population greater than any country in Western Europe. Population pressure is one of the reasons for the illegal alien problem. Although the Mexican economy is making dramatic strides, the fact remains that 40 percent of all Mexicans are unemployed or underemployed. Thus, the so-called push factors, including unemployment and underemployment, high population growth, and low wages, are coupled with the "pull" factors from the United States, such as better job and wage opportunities and enhanced access to consumer goods. It is estimated that there are from 3 to 6 million undocumented Mexicans currently in the United States, and that 1 to 2 million cross the border annually without valid documents. Of this latter number, somewhere between one-half and two-thirds return home to Mexico each year.

Although, historically, there has always been a great deal of movement across the United States-Mexican border—in fact, entry into the United States was not restricted until the late 1920's—the problem has reached crisis proportions for some areas—such as my home State of California—of our Nation.

Within the United States undocumented aliens are perceived in two alternate fashions. One point of view holds that these workers make a valuable contribution by providing labor for undesirable jobs, by accepting low salaries, and by paying taxes and social security while not drawing significantly on government services. Certainly, the importance of Mexican labor to agriculture in California cannot be overstated.

On the other hand, it is argued that the minimum wage, job security, and labor standards in general are jeopardized by a group of people willing to accept jobs not meeting such standards. The burden undocumented workers placed on local community services is also emphasized.

In fact, the truth probably lies somewhere between these characterizations. Yet, the problem does exist, and will undoubtedly grow increasingly severe unless we both—the United States and Mexico—work to alleviate the flow of illegals.

President Lopez Portillo has repeatedly stated that Mexico wants to export goods, not people. An expanding American export market for Mexico products, it is argued, will create job opportunities within Mexico, and help stimulate the Mexican economy. The massive reserves of Mexico oil and natural gas, much of which will find a natural market in the United States, will be a great boost to the Mexican economy in coming years.

Yet, this approach will create problems for some economic sectors in the United States. Mexico is now our fifth largest trading partner, with exports and imports amounting to more than $9 billion annually. As Mexico becomes a major energy producer, the traditional Mexican trade deficit vis-a-vis the United States may well become a surplus. But as Mexico's industrial and agricultural sectors develop and expand, U.S. sensitivity to import competition will be enhanced.

In California, for instance, farmers and growers—many of whom are my constituents—have complained that Mexican strawberries, tomatoes, avocados, and winter vegetables in general are undercutting their markets. They have asked that such imports be restricted.

The problem, of course, is that we cannot have it both ways. We cannot object to illegal immigration, yet remain dependent on cheap agricultural labor. Further, we cannot object to illegal immigration, yet refuse to allow Mexico the kind of access to our markets it needs for development of its economy. Finally, we cannot expect Mexico to sell us energy, at a price we want to pay, yet refuse to buy agricultural produce and industrial goods.

The United States-Mexican relationship must be a two-way street in the future. Our two nations are becoming more and more dependent on each other. We must learn to mutually respect one another.

And here, if I may be partisan for a moment, is where I feel the Carter administration has failed. Particularly in the energy area, but also in others—I recall the Justice Department's suggestion that we build an impenetrable fence along the border—the administration has managed to deeply offend Mexico's sensibilities.

Given our current energy situation, and given our geological proximity with Mexico, I can only wonder why France and Japan have both made greater progress in reaching energy agreements. For obvious historical reasons, popular sentiment with Mexico has tended to be anti-American. The Carter administration, even in the face of dramatically changing conditions, has probably contributed to an intensification of this sentiment.

There can be no doubt that serious problems remain to be resolved between our two nations. If this is to be done, a spirit of cooperation, rather than confrontation, is essential. It is to this end that I trust Congress will work in the coming months.

□ 1430

Mr. LAGOMARSINO. I thank the gentleman for his comments and would like to say that what the gentleman says is certainly very accurate and very apt. At the present time we are negotiating with Mexico for oil and gas, and I think we all know how important those negotiations will be. I would hope that the administration will take heed of what the gentleman has just said.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Mississippi.

Mr. LOTT. I thank the gentleman from California for yielding.

First, I would like to commend the gentleman from California for his efforts in trying to set this country's present foreign policy into proper perspective. As chairman of the Republican Task Force on Foreign Affairs, I think it is most appropriate, and also as a member of our committee that deals with these important issues. I know that the gentleman is most qualified to get into the details of what is going wrong with our foreign policy.

Mr. Speaker, President Carter has set American foreign policy on a new course, leading us into uncharted and dangerous waters. This new direction consists of a repudiation of the purpose that has guided American foreign policy since the end of the Second World War. In its place has has substituted a new foreign policy which is far more suited to the Land of Oz than to the realities of the present day world.

The old purpose which the President now rejects in our opposition to the spread of communism. In his first major foreign policy address, delivered at Notre Dame University, Carter argued that this concern had become an obsession. Our old foreign policy had been motivated by an "inordinate fear of communism."

The Carter administration would replace the old phobia with a new concern, which can be fairly characterized as a commitment to securing global welfare.

Prior to the Carter administration, the understanding that guided American foreign policy was that the struggle between slavery and freedom, the struggle between East and West was of such overriding importance that it overshadowed all other concerns. In other words our survival as free men was the precondition of any other foreign policy considerations. The assumption of the Carter administration's new foreign policy is that the fears regarding communism are now unfounded. Is this really the case? Can we now afford the luxury of disregarding the spread of world communism? Can we assume it does not now threaten the survival of the free world? Let us see.

Sometimes the argument is made that Communist nations have mellowed so that now they are less of a danger to world peace. But is it not really true that Communist nations are intrinsically destructive of human nature? The Soviets have set the example with their Gulag. And now there are many copies—Cambodian genocide, or the flight of 700,000 people a year from Vietnam. Furthermore, it comes as no surprise that Communist regimes treat other nations no better than their own people. Witness Soviet and Cuban imperialism in Angola, Ethiopia, Afghanistan, and South Yemen.

What makes all of this possible? One cause is the massive Soviet military buildup which is eclipsing the West's strategic deterrent. The other cause is the attitude of the West itself—here President Carter's foreign policy is representative—which attempts to wish away the growing threat to Western civilization posed by its implacable totalitarian foes.

The Greek historian Thucydides once observed that, "Strong nations do what (ever) they will, while weak nations do what they must (are forced to do)." President Carter's foreign policy goals could be followed by strong nations. But does the United States act like a strong nation? Is it not rather true that more and more, we act like a weak nation—acting out of fear lest we incur Soviet displeasures or anger?

Consider the record. The United States has attempted to curry favor with the Soviets in a base sycophantish manner. For example President Carter fell silent over human rights violations in Russia when the Soviets objected to our criticism of their system. And the Soviet rejection of President Carter's SALT proposals of March 1977 was unnerving to the administration. And so we made nine concessions to the Soviets so that "progress" in the negotiations could continue. Moreover, an American carrier task force was turned around and sent home after the Soviets warned us to stay out of Iran. Finally, the Soviets capped the SALT negotiations by threats of dire consequences for the United States if we do not do her will and ratify without change, the SALT treaty.

The Carter administration long ago compromised American honor and prestige around the world. We can only hope they will not also compromise our survival as well.

Mr. LAGOMARSINO. I want to commend the gentleman from Mississippi (Mr. LOTT) for his statement and for his leadership of the Republican Policy Committee, or Republican Research Committee. I think what the gentleman said is very apt and very true. Our foreign policy is one of weakness and indecision. Foreign aid is up, as the gentleman noted, but our foreign influence has never been lower.

I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. I thank the distinguished gentleman from California (Mr. LAGOMARSINO) for yielding, and I congratulate him for his leadership in the Republican Task Force on Foreign Affairs and the chairman of our Research Committee of the Republican Party, the gentleman from Mississippi (Mr. LOTT). He has given us outstanding leadership, and it is a pleasure to be part of the program.

We do not approach foreign policy on the minority side in a partisan way because it is too important a national concern to be dominated by political considerations. It should and it can be bipartisan, but the administration should be willing to make the Congress, through both the minority as well as the majority leadership, a part of the decisionmaking process. As far as foreign aid is concerned, it is not so much, I think, the amount we spend but how we spend it, and whether or not we can differentiate between friend and foe. Judging by our current foreign policy orientation, we seem to be a bit hazy on that subject.

I would like to discuss this afternoon for a few minutes the question of our foreign policy as it relates to the continent of Africa, a continent that has all too often been forgotten. Africa is a continent that has approximately 50 different countries, 400 million people, 800 languages and dialects, and a land mass of 11½ million square miles. Africa is a massive continent that extends almost 5,000 miles, from the southern part of the Mediterranean Sea to the Cape of Good Hope. The continent of Africa is rich in natural resources. Thirty-eight percent of our crude oil imports come from Africa. Ninety-one percent of the world supply of chrome comes from Rhodesia and South Africa, as well as 60 percent of the world's production of gold. Additionally, Africa produces a significant number of industrial diamonds and a substantial percentage of the world's supply of uranium and cobalt. These are all very strategic resources for us and for the rest of the world.

□ 1440

The continent of Africa is strategically important to the United States. We need to keep the shipping lanes open around this continent because over 50 percent of the oil exported by the OPEC countries rounds the Cape of Good Hope.

The Horn of Africa is strategically important to our national security and to our allies in Western Europe. In addition to the natural resources and the strategic importance of Africa, Africa can become a market for American goods. Africa is a tremendous potential market. Four hundred million people are potential consumers for U.S. goods and services. That means jobs for American workers and revenue for the Federal Treasury. It means, over the long run, that we can continue to expand our economy in a productive fashion and do something about America's No. 1 domestic problem: Inflation.

We need to establish an African policy and we need to recognize the importance of the continent of Africa and I can assure you that the Russians and the Cubans recognize its importance. They are directly attempting to influence several nations' political development and they are exporting and initiating armed revolutions in a number of areas on the continent of Africa. And, Mr. Speaker, there is no longer any doubt that the East-West confrontation is taking place today on the continent of Africa.

I said at the beginning that we need to distinguish between friend and foe. I think it is critically important to send a message to our friends in Africa that we mean to stand behind them and that we will support them.

Let me say to my friend from California (Mr. LAGOMARSINO) that one specific country, the Sudan, is a friend of the United States and operates with a distinctly pro-Western orientation. The Sudan is as big as everything in the

United States east of the Mississippi River. It has tremendous potential, especially from an agricultural standpoint. Sudan could be the breadbasket for Africa and the entire Middle East. Yet, of the 200 million potentially arable acres in the Sudan, they are currently cultivating less than 2 million acres. The President of the Sudan, President Nimeri, is also Chairman of the Organization of African Unity. He is pro-West, he is pro-United States and a friend of ours on a continent where we have very few allies. Both our friends and foes in Africa are looking at the Sudan and looking to the United States to determine what our actions are going to be toward a government which has gone out on a limb to support our efforts at achieving peace in the Middle East. Are we going to support a friend or are we going to turn our back on a friend?

Iraq and some of the other hard-line nations in the Middle East would dearly love to see the Nimeri government fall, and yet that government has one of the finest records in the area of human rights of any nation in the world. But because of their economic problems and due because of the lack of infrastructure, there are only 515 miles of usable paved roads in the entire country of Sudan.

President Nimeri has given tacit approval to the Egyptian-Israeli peace treaty. He has done that at great peril to his government and country because all nations clearly do not support that treaty in the Middle East. Yet, he is attempting to bring about peace in the entire area. Unfortunately, President Nimeri's efforts to support the United States are undermined by his country's economic difficulties. Because of the economic problems there, such as their balance-of-payments difficulties, for example, the International Monetary Fund came in and determined that they would aid the Sudan in its efforts to solve the tremendous balance-of-payments problems. But as all of you know, the IMF does establish some very stringent procedures in providing assistance to troubled nations. They set some tough standards in the Sudan. They said, for one thing, the Government of Sudan would have to stop subsidizing the purchase of bread. What that meant is that overnight a loaf of bread in the Sudan went up 40 percent. That action typifies what can only be described as a very tough economic situation.

For the strategic and political reasons I outlined earlier, I think we should back President Nimeri up wherever we possibly can, primarily in terms of economic and military security assistance. When the Foreign Operations appropriations bill for fiscal year 1980 comes to the floor I will introduce an amendment to increase our economic and security assistance to this vital country because the Sudan can be an example and showcase for U.S. assistance to other nations in Africa. It can be an example of the integrity and the support that the United States gives its friends.

I would much prefer to spend money on preventive medicine to prevent the spread of communism and to support a friend, than be forced to go in later with tens of millions of dollars. We can see on the other side of the Red Sea in South Yemen and North Yemen where millions of dollars were spent in response to armed efforts by Communist-backed forces to topple the Government of North Yemen. We could and should spend the money now in the Sudan for a friend, establish a valuable precedent, and set the right example for the United States. I think the Sudan will eventually lend a great deal of support to the peace treaty, to the extension of the peace settlement throughout the Middle East. We have an obligation to support countries which assist us in this valuable and necessary effort to achieve a lasting peace in the Middle East.

Rhodesia is another country where the administration seemingly cannot recognize a political system that has been agreed upon in a legitimate fashion by the citizenry that is very consistent with the Constitution of our country. One of the concerns that the opponents of lifting sanctions against Rhodesia have is that we should not lift those sanctions because of what is perceived to be an unjustifiable effort to maintain white property rights in Zimbabwe-Rhodesia. But the new constitution does protect legitimate minority rights and insures legal respect for minority rights. That is entirely consistent with our Constitution and we should not ask any person or any nation to have its citizens property confiscated without due process of law. Bishop Muzorewa has forged a majority rule in Rhodesia and yet there are revolutionaries on the other side. Mr. Nkomo and Mr. Mugabe who were supported by the Russians and by the Cubans who do not want that government to succeed. We need to send a message not only to Rhodesia and to Mr. Muzorewa but to others including Mr. Nkomo and Mr. Mugabe that we mean to stand behind a nation that has democratically established majority rule.

It may not be perfect but no one achieves success overnight. I think that is part of our problem in America. We expect instant success and instant solutions to very complex and difficult problems.

In view of the black majority rule that has been forged in Rhodesia, I think it is critically important for the Nation at some date, at some date certain, to send a message to them that we mean to stand behind them and that we mean to trade with them.

□ 1450

South Africa is another country where we really do not seem to have any policy. We do not encourage investment in South Africa and we do not discourage investment in South Africa.

I abhor apartheid and this Nation should do everything it possibly can to eliminate that ugly practice; but the elimination of apartheid and economic opportunity, opportunity for blacks and others, is not going to be achieved overnight. We should as a nation, I believe, encourage investment in South Africa and set an example there. We can set an example if we follow the Sullivan principles. Rev. Leon Sullivan, a highly respected gentleman from Philadelphia, Pa., established a set of principles that call for fair employment practices of American companies doing business in South Africa. One hundred seven American companies have endorsed the Sullivan principles.

Last year I introduced an amendment to the Export-Import Bank authorization bill that, stated briefly, would provide extensions of credit for purchases of American goods if those purchasers of American goods in South Africa practiced fair employment. This is the type of positive, constructive approach which needs to be expanded in South Africa.

There can be an alternative to bloodshed and revolution that so many people think is inevitable in South Africa. We can bring about peaceful and progressive change in South Africa; but we cannot by throwing up our hands and leaving the country. We should stay in that country and set an example.

The South Africans are making some progress. Black South Africans have greater opportunity today and they will doubtless have even greater opportunity tomorrow. They will ultimately have greater equality of opportunity if we stay there and set the right example.

Russian-Cuban intervention in Africa is directly influencing armed struggles. They are exploiting revolutions and that is wrong. The destiny of Africa should not be dictated and must not be dictated by any country or group of countries. We should have a policy in Africa that is a stable, comprehensive, coherent, and a perhaps most importantly differentiates between friend and foe.

If we establish that policy, we will go a long way in proving to the rest of the free world and to the developing nations of the world that communism does not make sense, that communism breeds on ignorance, poverty, and lack of opportunity. So it is in our best interests as a nation and the best interests of world peace for us to establish a policy that will lend support to our true friends in Africa, especially to countries like the Sudan.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for a very forceful, a very eloquent and a very comprehensive statement.

I would like to agree with the gentleman that all too often we seem to be aiding at least indirectly our enemies, or at least not standing in their way in any way whatsoever, while at the same time letting down our friends.

The gentleman's example of Sudan and Rhodesia, I think, are very apt at this point.

Why should a country surrounded by hostile neighbors, suspicious neighbors, powerful neighbors, endanger itself by risking an encounter with them when the United States does not do anything to help?

I think the gentleman makes a very good point. I would like to ask the gentleman some questions, if I might.

Mr. EVANS of Delaware. Mr. Speaker, if the gentleman will yield for just a moment, it seems to me that we should give incentive to nations and people to be our friends, rather than a disincentive. I think the present American policy toward Africa acts as somewhat of a disincentive, rather than an incentive, to stable productive relations with the United States.

Mr. LAGOMARSINO. Mr. Speaker, I certainly agree with the gentleman.

What is our current policy toward continued investments by U.S. citizens and corporations in South Africa?

Mr. EVANS of Delaware. We have no policy. The administration's policy is not to encourage investment and not to discourage investment. That is a "none" policy which contradicts our legitimate interests in South Africa.

We should be encouraging investment so that we can set an example, so that we can bring about positive, peaceful, progressive change in South Africa over a period of time, by setting the right example.

Mr. LAGOMARSINO. Mr. Speaker, I would certainly agree with the gentleman that the Sudan has set a very courageous example by supporting the Egyptian-Israeli peace process, which is altogether not very popular in that part of the world.

In light of their current economic problems, what does the gentleman think that the United States should do with regard to Sudan?

Mr. EVANS of Delaware. I think we should support President Nimeri and his government. The Sudan is a country, a nation of over 100 different languages and dialects, a nation that essentially has no infrastructure. Its transportation system is practically nonexistent from a road standpoint; but there are railroads, almost 3,000 miles of rail. The backup on those rail lines, the delay for shipping, is almost 3 months because they cannot get parts for the railroad.

I think we could help the Sudan develop that infrastructure, develop greater economic opportunities, fulfill their potential, and by so doing we will be helping a country that is supportive of us and has been supportive of the Egyptian-Israeli peace treaty. In this fashion we will be setting an example for friend and foe alike in Africa and the rest of the world.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. Erdahl).

Mr. ERDAHL. Mr. Speaker, I want to thank the gentleman for yielding.

Mr. Speaker, I think we should all commend the gentleman from California for his leadership in putting this special order together.

We as a nation must be strong. We must be strong militarily. We must be strong economically. We must be strong diplomatically and foreign policy must be a key concern of every American and every Member of this Congress.

At the start of this brief speech on the United States and Japan's trade relations, here are a few facts to put my remarks in perspective.

We are faced with a worldwide trade imbalance of about $29 billion, according to last year's statistics. Much of this is due to our current oil situation and the large importation of foreign crude oil; but oil is not the only problem.

Look at Japan, raising itself out of the ashes of destruction. Japan has developed the third largest economy in the world, an economy the United States helped them to design. The United States has a yearly trade deficit with this eastern industrial giant amounting to $12 billion. This incredible imbalance with Japan deserves our instant attention.

If we look to the causes of the Japan-American deficit, we find that our exports to Japan consist mainly of raw materials, while Japan exports to the United States finished products of high technology.

As a result, much of the balance of trade deficit suffered by the United States results from the difference in cost of finished products requiring labor intensive activity minus raw products requiring less overhead prior to export. The very nature of the Japanese economy and economic law in general dictates that this imbalance is going to persist. Besides foreign technology items invading our market, like color TV's automobiles and electronic goods, there are other causes for the trade imbalance.

Another reason for the imbalance, according to recent State Department findings, is the complex trade barriers that restrict the volume and price of Japan's imports from the United States. Some cartels are informal agreements between businesses, others are aided by the government. The effects of these cartels and import restrictions prevent free trade between our two nations. Products like beef and citrus fruits are examples of items that cannot be freely imported by the Japanese.

An important part of our trade with Japan involves exporting agricultural products. Japan imports 50 percent of its food. The United States currently exports $816 million worth of our soybean crop, which comprises 95 percent of Japan's importation of soybeans.

□ 1500

They also import 89 percent of their corn from us, amounting to $374 million. As we can see, Japan relies on us to a large extent for its food supply. The average size of a farm in Japan is only 3.5 acres. Though the Japanese are working toward self-sufficiency in terms of their food supply, they will depend upon us for their agricultural products for the foreseeable future.

Now that we have a brief review of our current trade situation, let us turn to some possible solutions.

It should be emphasized that our two countries are working to solve the trade problems. The recent trade negotiations which took place in the Tokyo round discussions and the Strauss-Ushiba agreement of 1978 have begun to loosen up trade restrictions and allow freer trade between our two countries. President Carter is in Tokyo today meeting with Prime Minister Ohira, and hopefully further improvements in our trade situation can be accomplished. But past activities by our present administration give us scant basis for hope.

We must continue our trade negotiations and work to relax the restrictions currently imposed by Japan. Because of Japan's need for food and its lack of capacity to produce needed farm commodities and our ability to produce, we should encourage more aggressive agricultural trade.

The Japanese currently pay high prices for food. If we can export more food products to them, there will be two benefits. First, we would increase our production and market share, and, second, we would increase their supply and lower the cost of Japaneses food. The barriers to free trade are hurting both our countries.

Let us turn to another way to reduce the trade imbalance and help improve our domestic economy.

Many of the products we import from Japan are similarly produced in the United States. By reasonable restrictions in the importation of these goods, we will strengthen the position of our American manufacturers. Items like electronic goods, for example, of similar quality are produced by both countries.

Why is there a lack of competition in our domestic market for products such as these? As the Japanese have done, we must continue to stress the positive economic impacts of productivity.

Another area of concern is the recent rising costs of our leather products. American leather manufacturers must compete with the Japanese to purchase American rawhides. The result is higher prices for the hides, which ultimately result in higher leather prices for American consumers.

Finally, I stress the importance of these problems. The continually growing balance-of-payments deficit must be corrected. We must work to liberalize the trade restrictions the Japan have imposed, and we must work to increase the amounts of agricultural products and manufactured goods we export to Japan.

Congress and American agriculture and business are ready and eager to participate in expanded and freer trade with Japan. We welcome the full cooperation by the chief executive as well.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman from Minnesota (Mr. Erdahl) for his statement.

I certainly agree that our balance-of-payments deficit is very serious. We must remedy that, and one way of doing that is having fairer trade with Japan. At the same time I am sure the gentleman agrees we must not do anything precipitously that would in any way weaken Japan, which is one of our strongest allies in the Pacific.

Mr. ERDAHL. Mr. Speaker, I thank the gentleman very much, and I agree with his statement.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I would like to join my colleagues in expressing my appreciation for the fact that our distinguished colleague, the gentleman from California (Mr. Lagomarsino), took this time to focus some attention on a foreign policy that needs some of our attention.

It seems to me, as a freshman Member

looking at the administration's efforts, I came here to Congress with every expectation that there would be a bipartisan effort to try to support the administration in what it was trying to do, but I found that there is one major hurdle that we run into. That is that the administration does not give us a real indication of what it wants to do.

It seems to me one of the first things we should ask of the administration is to have a single voice on foreign policy. Time and time again we receive word from Andrew Young, we receive word from Mr. Powell, we receive word from Cyrus Vance, and then we get a clarification from the President himself. If that confuses us, we must think how that confuses not only our adversaries but our allies around the world.

That suggests to me one thing that at least ought to be done, and that is that the administration should get its house in order on foreign policy and really have a single voice on major issues.

We are not suggesting that somehow we should not discuss all the options, but once the decision is made, they should make that decision public and hopefully stick with it, and then ye would have some leadership out of the Oval Office.

One other thing that is extremely painful, as far as I am concerned, is the attitude of the administration on foreign policy matters that after a full decision has been made, somehow the Congress has to go along with it or somehow we are going to embarrass the President and, therefore, the American people. We saw that in the Panama Canal issue, and we are seeing it now on SALT II. It seems that what really happens is that we are told on the floor of the House that we cannot possibly add amendments or we cannot disagree because somehow, if we do, we are going to embarrass the President.

That, of course, is not the way to get a foreign policy. That is not the way we should act to get a sufficient foreign policy. Certainly there has to be cooperation.

I would suggest, since we are about the business in this administration of recognizing some countries that we have not recognized before, one of the first steps we ought to have is to have the administration recognize the Congress as a full partner in establishing foreign policy decisions.

One area that was alluded to by a previous speaker is one that is very close to those of us in California because it deals with the relationship between this country and one of our closest friends, Mexico. We all know that there has unfortunately been in the past in the attitude of the American Government a sort of indifference and somewhat of an ignoring of the hopes and aspirations of the Mexican people. That is something that has to stop.

But it also seems that when we start to recognize them, we attempt to do it in a manner which fully depreciates the fact that they consider themselves a full partner in the international community. That suggests that we do not have a President of the United States going down and making tasteless comments and jokes that can only insult the Mexican people.

We are reminded of the difficulty we are having at the present time on energy, and we are reminded of the fact that we had just about reached an agreement between American businessmen and Mexican businessmen a little over a year ago on natural gas from Mexico that can be utilized in the United States. We know right now that in Mexico they are firing off—just firing off—enough natural gas to supply all the energy needs of an American city of the population of at least 500,000.

What happened there? After the initial agreement had been made, the President dispatched his emissary down there, the Secretary of Energy, Mr. Schlesinger, who in the midst of negotiations managed to embarrass and virtually insult the Mexican people through their President and their representatives.

It seems to me that would not have been done if we had had prior consultation not only with the Congress, but within the administration itself and if a single decision had been made, a single choice had been forthcoming, and a single attitude had been displayed on the part of the administration.

Others have suggested that the real problem with our foreign policy is that we deal from a position of weakness. I think that is true. It is not that we want to deal from strength in the sense of being a bully; it is rather that we recognize that we want to be a strong partner and a strong ally.

One area many of us would like to commend the President for in foreign affairs is the Middle East, where we hopefully accomplished something to work out the differences between Egypt and Israel. If we really focus on that, the only reason we were able to do anything substantial there is that both of those countries are depending on our strength, military as well as economic, but primarily military. They depend on the strength of the United States to back up decisions made in that area. If Egypt goes astray, if the other Arab countries go astray, they know they have the economic and military support of the United States.

That suggests to me that a real foreign policy, a practical foreign policy, has to recognize that. We just have not in this administration recognized the fact that if we are going to deal with other countries in the terms of a real foreign policy, we have to respect ourselves first, and, second, we have to respect that other country. That means not being condescending to them, but it means being up front with them, and it means being very open with them. It also means telling them what the American interests are and fighting for those American interests, because it seems to me that if they know we do not fight for our own interests, they will wonder how they are going to be dependent on us to fight for their interests when we have made a promise that that is what we will do in the future.

So again, Mr. Speaker, I commend the gentleman from California (Mr. LAGOMARSINO) for having taken this special order and suggest we are not here just to criticize the administration; we are here for some constructive criticism to hopefully suggest to them that we can work in partnership for the balance of this administration so that we can have an effective, practical, and strong foreign policy for this country.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman from California (Mr. LUNGREN) very much for his comments.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding, and I salute the gentleman for arranging this special order.

As I sat here listening to the gentleman, listening to the gentleman from Delaware (Mr. EVANS), the gentleman from Minnesota (Mr. ERDAHL), the gentleman from Mississippi (Mr. LOTT), and the gentleman from California (Mr. LUNGREN), I felt that this has been a virtual seminar on foreign policy. I think it is something we can all read in the RECORD with great profit.

Mr. Speaker, more tragic examples of the Soviet bloc's complete and total disregard for human rights present themselves in the recent cases of harassment, beatings, and arrests in Czechoslovakia of Charter 77 signatories, who are also members of the Committee for the Defense of the Unjustly Persecuted. One of the spokesmen for the group, Mrs. Zdena Tominova, was so badly beaten that she had to be hospitalized for a brain concussion.

The Charter 77 movement was established to monitor the implementation of the final act of the Helsinki accords in Czechoslovakia. The Committee for the Defense of the Unjustly Persecuted publishes communiques on the fate of those who have in some way suffered because of their beliefs or their activities which do not please the Czechslovak Communist regime.

It is believed that the recent wave of attacks against these signatories was precipitated by the publication of a Charter 77 magazine entitled "Economic Revue" which included several articles critical of the economic situation in Czechoslovakia.

The Charter 77 signatories are to be commended for their bravery, and for their admirable efforts in their struggle for human rights in their homeland. The United States, as the leader of the free world and the champion of global human rights, must protest the unjust and heavyhanded treatment of these signatories in the strongest possible terms. I believe it is imperative that our U.S. representatives to the next Human Rights Conference scheduled to take place in Madrid in 1980 confront the Soviet bloc representatives concerning the inhumane harassment, the beatings, and the arrests of the Charter 77 signatories.

It is particularly relevant in determining whether we should ratify the SALT II treaty, to let the Soviets know that the precedent they have set over the years of ignoring solemn treaty obligations when it suits them can only destroy any confidence in their assurances concerning human rights, strategic arms limitations, or anything else. If they are to ever be believed, let them live up to the promises made in Helsinki. Let freedom of speech and freedom of assembly once more flourish in suffering Czechoslovakia.

□ 1510

Mr. LAGOMARSINO. I thank the gentleman for a valuable contribution and for pointing out the kind of people that we have to deal with, the people in the Soviet Union, who all too often will violate solemn treaty obilgations.

The gentleman from California (Mr. LUNGREN) mentioned the natural gas deal that we nearly concluded with the Republic of Mexico 2 years ago. I think the thing that upset the Mexicans and the Mexican Government more than anything else about that was not just that the deal was not signed, was not agreed to, but it was the way in which the refusal was done, an insult to the Mexican Government and to the Mexican people, very abrupt, without any finesse or diplomacy whatsoever. I think that, unfortunately, has set relations back for some time. We have to overcome that. When President Carter went to Mexico City to confer with the Mexican leaders and with President Jose Lopez Portillo, he seemed to be surprised, he seemed to be caught by surprise by the statements that the Mexican President made in his presence. It should have been no surprise to him or to anyone in his administration that relations were not altogether that warm at that particular point. He should have been ready with a response. A couple of days later, to his credit, he did come back and say that things probably should have been said right away. But progress was lost. I would submit that, as Republicans, as members of the too small, in my opinion, loyal opposition, I think we have a right to feel deprived of consultation with the President because we have very rarely been consulted by him. But lest we feel too badly, I think we can point out occasion after occasion where the President has not adequately consulted with many of his own party, even the leadership of his own party.

The joint communique with the Soviet Union with regard to the peace treaty or the peace agreement in the Middle East is one example. It caught everyone by surprise. The Taiwan legislation was another example where, even despite the fact that both Houses had unanimously passed legislation asking the President to consult with us prior to abrogating any defense or other commitments to Taiwan, he failed to do so. On the Panama Canal issue, also mentioned awhile ago, the same thing is true.

I think much of the agony and the dispute we had on this floor last week could have been avoided had the Congress been adequately consulted well in advance and had been asked for our input to what was going on.

And, of course, now with the SALT II agreement, prominent members of the other body from the President's own party have complained that they have not been consulted by the President on very important issues relative to the signing of the agreement.

So I would hope the President and his administration will pay at least some attention to what we are saying here this afternoon and would start to recognize the need for consultation with Congress and with all elements in Congress and would recognize the Congress is indeed an independent body of this Government, a separate branch of Government, one elected by all of the people and one which certainly should be consulted and have a part to play in our Nation's foreign affairs.

● Mr. COLEMAN. Mr. Speaker, As a member of the Republican Task Force on Foreign Policy I am happy to have this opportunity to join my colleagues on the task force in addressing some of the major foreign policy issues facing our Nation. From my perspective, the timing of today's special order could not have been better. I plan to discuss a foreign policy issue of great concern to myself and of critical importance to our Nation—SALT II. And, although the new agreement is extremely technical, I intend to address the broader political implications of this treaty, reserving a more technical discussion to my colleagues.

A broad view will be beneficial at this juncture in the SALT II debate, because it offers to create a frame of reference for judging the merits of the proposed agreement. Hopefully, it will establish the agreement's significance, the political consequences of its acceptance or rejection, and perhaps most importantly, define the criteria necessary for evaluating its relative merit.

On June 18, 1979, President Carter and Soviet leader Brezhnev signed SALT II, a new treaty representing 6 years effort by three American administrations. The present agreement can easily be described as the handiwork of three individuals: President Nixon who initiated the SALT process by negotiating SALT I thus laying the groundwork for SALT II; President Ford who negotiated the Vladivostok accords in 1974, a milestone in the SALT II process; and President Carter whose work resulted in the successful culmination of this process.

Now, however, Congress must carefully scrutinize the SALT II Treaty, unquestionably the most important foreign policy issue Congress will be addressing this year. Indeed, its acceptance or rejection will have repercussions which will be felt throughout the international community.

When SALT I was debated during the summer of 1972, consideration was lengthy and heated. Four months passed before the treaty was eventually ratified. We can certainly expect this same intensity again. The Senate has already scheduled approximately 20 days of hearings. The House of Representatives, while not charged with a direct role in the treaty ratification process, will nevertheless devote considerable time to this debate as well. The importance of the SALT II agreement requires, indeed dictates, it have this attention.

Americans feel very strongly about this issue. While most polls and surveys indicate a broad spectrum of Americans support the concept of strategic arms limitation, their support is highly qualified. They are fully cognizant that strategic arms limitation is only an abstract concept, until given concrete form. The present treaty now offers specifics, numbers, and limitations which are no longer abstract. As such this treaty will have a direct impact upon our Nation's security. In particular the Senate must decide whether or not this new treaty actually translates the concept of equitable strategic arms limitations into acceptable reality. While most Americans support the SALT concept, the caveat remains: Any new SALT agreement must insure strategic balance and equality between the Soviet Union and the United States. Failure to do so is totally unthinkable to the American people. Senate action on the SALT II treaty should, therefore, always bear this fact in mind.

I believe that there are three essential conditions upon which any SALT agreement must rest. The absence of any one of these three fundamental components must inevitably make the new agreement unacceptable to the American people. First, the treaty must be equal and balanced. The United States cannot be asked to make a greater sacrifice than the Soviet Union. Some will argue that we should, "in the name of peace," but I am unalterably opposed to this approach. It is based upon flawed logic which threatens our Nation's security. Indisputable and unquestioned equality, strictly enforced, and clearly defined, must be the first fundamental principle upon which the new agreement is founded.

Second, no provision in the agreement should compromise strategic stability between the Soviet Union and the United States. Relative equivalence between the strategic capabilities of the United States and the Soviet Union must be preserved so as to insure the continued survivability of both countries' retaliatory forces. Without this security element guranateed in the new treaty, it may prove to be more a threat to peace than foster it.

Finally, perhaps most importantly, our colleagues in the Senate must be absolutely certain that the new agreement is adequately verifiable. This is the linchpin of the agreement; for if verification is in question, equality and security, are insufficient reasons for SALT II.

Clearly these three elements—equality, security, and verifiability—the watchwords of the SALT II debate and any agreement which falls short in any one of these three areas must be deemed inadequate.

With the essential criteria for evaluating the new agreement established, another question arises. Should Senate consideration of SALT II be broad or narrow in scope? Many observers feel that SALT was not conceived in a vacuum, therefore, it should not be considered in one. They argue other factors should be taken into consideration when weighing the relative merits of the agreement. For instance, should not Soviet actions throughout the globe be considered, because they are a reflection of Soviet strategic intentions? I believe they should. Some participants in the SALT II debate will argue that the new agreement should be judged only on its technical merits, avoiding other issues such as Soviet involvement in Africa. I do not agree. Such aggressive actions on the part of the Soviet Union are certainly germane to any discussion of the Soviet-U.S. strategic balance, which is after all, the core of the SALT II agreement. The magnitude of importance of the treaty demands that it be considered in a broad, all-encompassing manner. SALT II is an integral part of the Soviet-American relations and as such its effect on the course of Soviet-American relations is complex and multifaceted. To ignore this fact would do a grave injustice to the people we represent.

Ultimately the Senate has only two basic options in considering the new SALT agreement, either to accept or reject it. On the surface this appears simple enough, however, there are nevertheless a number of variations inherent in both these options. First, the Senate may see fit to accept the SALT II agreement, but with modifications. While the Soviet leadership declares this option totally unacceptable, it is certainly well within the constitutional prerogatives of the Senate. Second, the Senate could reject the SALT II Treaty and return it to the President with the directive that he renegotiate certain provisions in the agreement which the Senate has found unacceptable. The President has said that he finds this option unacceptable; nonetheless, it is well within the rights of the Senate. SALT is after all a negotiating process in which the Senate has a clear role. The U.S. Senate cannot be compared with the Soviet Supreme Soviet which will be a mere "rubber stamp" for SALT II. Senate modification of the treaty or rejection with directions for renegotiation should not be considered an end to the SALT II process. Threats to this effect should be totally disregarded.

And while the Senate is debating this treaty in hearings and on the floor of the Senate, what should we here in the House of Representatives be doing? While we will not actually act to ratify the new agreement, the House will help to relay to our colleagues in the Senate the views of the people we represent. House debate will aid our Senate counterparts in weighing the pros and cons of the new agreement. Furthermore, through our defense authorization and appropriation powers, we will be able to shape the form and direction of our Nation's post-SALT II defense posture. Indeed, congressional actions in this area over the past decade have been responsible for creating the present military conditions upon which the SALT II Treaty is formulated. Because of this we too must follow the SALT II debate very closely.

In conclusion, SALT II demands careful attention. While the Senate is the cutting edge, the views of the American people must ultimately form the basis for final decision. Technical issues and discussions of statistical data will undoubtedly abound during the SALT II debate, yet while these issues most certainly have their place, the dominant consideration remains simple and straightforward. SALT II must insure equality, security, and verifiability. Anything less will only serve to undermine our Nation's security.●

IS SALT II REALLY AN ARMS CONTROL AGREEMENT?

● Mr. SYMMS. Mr. Speaker, I am pleased to have the opportunity to participate in this special order today organized by the Republican Foreign Policy Task Force of which I am a member. I realize that my colleague from Missouri (Mr. COLEMAN) is also discussing the SALT II Treaty this afternoon, but there are some comments on this most important issue that I feel compelled to make.

Mr. Speaker, for those who believe in legitimate arms control through equitable and verifiable agreements, the SALT II Treaty as signed by President Carter and Secretary Brezhnev must be a serious disappointment. SALT II as signed will do nothing but codify Soviet strategic nuclear superiority. It will not provide for "crisis" stability; that is, the elimination of any incentive for either side to strike first should some kind of United States-Soviet confrontation occur. Furthermore, contrary to some pronouncements, SALT II will not result in lower defense expenditures by either the United States or the Soviet Union. The Carter administration has admitted that many improvements to our own strategic forces will be necessary over the next 5 to 10 years with or without SALT. The CIA estimates that Soviet defense expenditure growth rate will be lowered by no more than 0.2 percent during the next few years as a result of SALT.

By allowing the Soviet Union to increase its number of nuclear warheads by 300 percent under the terms of the agreement—giving them 50 percent more than the United States—the treaty will, however, permit the Russians to achieve a first-strike war-winning capability over the United States by the early to mid-1980's. I need not point out the tremendous blackmail potential inherent in such capability and the diplomatic, political, and economic leverage that such perceived capability will provide the Soviets, especially with the United States so heavily dependent on foreign sources for its oil supplies. Let us now look at some of the asymmetries that will allow this situation to arise.

First of all, while the treaty will provide for equality in numbers of missile launchers and bombers, there are sharp differences in such characteristics as throw-weight, payload, warhead yield, and force structure. The following tables compare the performance characteristics of United States and U.S.S.R. ICBM's and SLBM's. Represented here is the likely force mix during the period of the SALT II Treaty (1979–85) as well as, for the most part, the best attainable legally under the terms of the treaty:

	SS-16 (U.S.S.R.)	SS-17 (U.S.S.R.)	SS-18 (U.S.S.R.)	SS-19 (U.S.S.R.)	MM-II (United States)	MM-III (United States)	Titan (United States)
Land based ICBM's:							
Throw-weight (pounds)	2, 000	5, 000	15, 000	7, 000	2, 500	2, 500	8, 000
Warheads per missile	1	4	10	6	1	3	1
Warhead yield (megaton)	1	0. 4	0. 6–1. 0	0. 4	1	0. 17	5–10
Best CEP test to date (accuracy) (nautical mile)	0. 2	0. 15	0. 1	0. 1	0. 2	0. 1	0. 2–0. 5
Numbers permitted [1]	580	100–200	308	300–400	450	550	54
	SS-N-6 (U.S.S.R.)	SS-N-8 (U.S.S.R.)	SS-NX-17 (U.S.S.R.)	SS-N-18 (U.S.S.R.)	A-3 (United States)	C-3 (United States)	C-4 (United States)
Submarine launched ballistic missiles:							
Throw-weight (pounds)	1, 500	1, 500	2, 500	2, 500	1, 000	2, 000	2, 500
Warheads/missile [2]	1	1	1	7	3	10	7–10
Warhead yield (megaton)	1+	1+	0. 5	( )	0. 2	0. 04	0. 10
Missile range (nautical mile)	1, 500	4, 200	2, 500	5, 000	2, 500	2, 000	4, 000
Numbers permitted [3]	0–450	0–450	0–450	500	0–160	0–496	0–656+

[1] Except for SS-18's deployment figures are approximate for optimal force effectiveness.

[2] The U.S.S.R. could MIRV more of her SLBM's under the terms of SALT II, but it would require a reduction in the number of her MIRVed ICBM's, something that the U.S.S.R. has shown little inclination to do.

[3] Numbers of SLBM launchers permitted under SALT II can vary depending on the force mix desired. The SS-N-18 can be carried by the Delta class submarine. Up to 500 SS-N-18 launchers could be deployed before the U.S.S.R. would have to reduce the number of MIRVed land based ICBMs under the 1,320 MIRVed launch vehicle limitation in the treaty. For the United States, the Trident submarine will be coming on line during the duration of SALT II; thus, the U.S. SLBM mix (i.e., C-3 and C-4 missiles) can vary widely. However, it is not likely that the United States would exceed the 656 total for SLBM's due to the desire for a better mix of MIRVed ICBM's, SLBM's, and bombers carryihg ALCM's. Accuracy figures are not given for the above SLBM's since none of them are likely to achieve accuracies capable of giving them a hard-target kill potential.

As the chart illustrates to Soviet land-based ICBM's are capable of delivering three times the number of warheads of much higher megatonnage and with equal or better accuracy than the U.S. ICBM's. Although the SALT Treaty will limit to 820 the number of MIRVed land-based ICBM's that each side may deploy, this limit is high enough that the Soviet Union will have the capability to destroy over 90 percent of our land-based ICBM force with only 362 of their ICBM's. This would leave them with as many as 1,138 ICBM's left in reserve capable of delivering 4,000 additional warheads. That is, after such an attack, the Soviets would still retain more ICBM's than the United States started with. Now these figures do not take into account silo reload capability of the SS–17 and SS–18 systems, which is permitted under the treaty. If the Soviets were to reload their silos (which can be done in a matter of hours) after an initial counterforce strike against the United States their postattack reserve forces would be nearly doubled.

In addition to the asymmetries permitted in the ICBM process, SALT II will not restrain future submarine launched ballistic missile (SLBM) development and deployments, except for the overall restraints on the aggregate numbers deployed. At present few of the Soviet SLBM's carry multiple warheads (MIRV's), but, since the SALT II MIRV ceiling for SLBM's is 14 warheads each, it is apparent that a major Soviet strategic growth program is being codified by the treaty. The Soviets can be expected to MIRV at least 500 of their SLBM's, and their accuracies with these systems are steadily improving and can be expected to continue to do so.

As has been widely discussed the SALT II Treaty does not limit deployment of the new Russian Backfire bomber, although it is now admitted that the plane can fly intercontinental missions. The treaty only attempts to establish "understandings" limiting production rates, basing, and refueling. Nevertheless, the U.S.S.R. can be expected to deploy some 400 of these new bombers, constituting an increase of 35 percent in Soviet megatonnage. An alternative way of looking at it is that by 1985 the Soviets will have deployed enough of these bombers—not counted in SALT—to equal 1,300 SS–19 ICBM's in terms of "equivalent megatonnage." While some may argue that our 20-year-old B–52 bomber force is more capable than the Backfire in terms of payload and range, the B–52's would have to penetrate the world's heaviest air defense system. The Russian Backfire bombers, however, would face virtually no U.S. air defense since we have been steadily dismantling what little bomber defense we once had. Even more outrageous, the U.S. SALT negotiating team agreed to Soviet demands that we count the four B–1 bomber test vehicles in the SALT limits even though President Carter canceled the B–1 program. Furthermore, the B–52 SALT count is 573; yet we only have about 340 B–52's operationally capable. The remaining 233 being counted are in mothballs or are part of the scrap heap.

Besides some of the asymmetries previously described in terms of numbers, warheads, and capability, there are many other loopholes in the treaty that relate to verification, vague definitions, and the potential for the Soviet Union to abrogate the treaty suddenly and gain even greater strategic advantage before the United States could respond (the so-called "breakout" potential).

There is a popular belief, for example, that the SALT II Treaty limits numbers of ballistic missiles. It does not—it only limits ballistic missile launchers such as land-based silos and submarine launch tubes. There is absolutely no restriction on the number of missiles that either side could manufacture. The problem that this presents becomes evident when we consider the fact that the Soviet SS–17 and SS–18 silos are reloadable, as alluded to earlier, since they use the so-called "cold launch" technique. What is more, there is no technical reason why missiles have to be launched from silos; they could just as easily be launched from above-ground launchers deployed very quickly and that would be very difficult to detect. Thus, it is possible that the United States could be faced with a much larger Soviet missile force than expected, and that would not be verifiable by national technical means.

Also, the treaty attempts to restrict improvements on present ICBM systems, but none of these restrictions apply to SLBM's. Thus, improvements in guidance, propulsion, and reentry vehicle technology could be tested on long range SLBM's then transferred to existing ICBM systems. This would not be detectable by "national technical means" meaning, of course, satellite surveillance.

In addition to placing the United States at a strategic disadvantage and jeopardizing "crisis stability" by codifying Soviet first-strike counterforce capabilities over the United States, the terms of SALT II will seriously weaken the U.S. negotiating posture in SALT III. Thus, it may be totally impossible to negotiate real reductions in nuclear weapons in the next round of SALT. If the Soviets were so intransigent concerning attempts to make real reductions in SALT II, for example President Carter's March 1977 proposal cutting in half the allowed number of SS–18's, how can we expect them to be any more reasonable at a time later on when they have real superiority?

At this time, Mr. Speaker, it might be worthwhile to consider briefly what impact this may have on the NATO alliance which is supposed to be a major factor in any SALT III negotiations. This is the subject of a new book entitled "SALT II: The Eurostrategic Imbalance" authorized by Stewart Menaul of the Institute for the Study of Conflict in London. Menaul writes:

> Having gained a measure of superiority over the United States in strategic nuclear capability, it was inevitable that the USSR should attempt to achieve a similar advantage in what has become known as Eurostrategic nuclear capability, in which nuclear delivery systems based in the Soviet Union pose a strategic nuclear threat to European hard and soft targets. This is precisely what Moscow has now achieved, while NATO watches with growing apprehension, but little sign that positive action will be taken to redress the imbalance: indeed, the ban on cruise missiles with a range exceeding 600 km and the inhibition on the transfer of cruise missile technology apparently agreed in SALT II places further obstacles in the way of doing so. Nor has any pressure being exerted on the Soviet Union in any discussions, official or unofficial, to reduce the strategic nuclear threat to Europe, which has steadily increased over the years. . . .
>
> In January 1978 the Soviets had about 700 I/MRBMs, 430 medium bombers and at least 20 submarine-launched ballistic missiles, all targeted on high priority European targets. The introduction by the USSR of the SS–20 mobile MIRVed ballistic missile and Backfire bomber has greatly increased their Eurostrategic capability since the SS–20 carries three MIRV warheads. It has been estimated that by 1985 there will be about 275 SS–20 missiles and 250 Backfire bombers deployed against European targets in addition to the 700 I/MRBMs, 430 medium bombers, 20 SLBMs and other nuclear capable systems. This represents a massive nuclear capability in Eurostrategic delivery systems in addition to the theatre nuclear superiority already enjoyed by the Soviet Union and the Warsaw Pact—a threat to which NATO has not so far responded. . . .

Such capability to deliver nuclear, conventional, chemical, or biological warheads on European strategic targets not only enhances Soviet capability to wage war, but also their capacity to engage in political coercion or blackmail. If a SALT II Treaty is permitted to impose limitations on the range of cruise missiles and on the transfer of technology to America's allies, the United States and European members of NATO will find it much more difficult to redress the present imbalance in eurostrategic nuclear systems. This could have grave consequences in the SALT III negotiations as well as the ongoing mutual balanced force reduction (MBFR) negotiations between NATO and the Warsaw Pact.

Furthermore, in considering the SALT II Treaty, I think it is important to give some attention to the strategic thinking of both the United States and Soviet Union; hence, we may better understand why we are faced with a treaty that is asymmetrical and that does not arrest the growth in nuclear weapons. Our strategic policy for years has generally been one of deterrence and mutual assured destruction should deterrence fail. Soviet doctrine is one of counterforce, war-fighting/war-winning capabilities. They have made it clear that, should deterrence fail, they intend to survive and win a nuclear war. Their force structure—with their emphasis on first-strike weapons such as large ICBM's—and their civil defense program as well as their emphasis on active mainland defense is clear evidence of this. They have repeatedly emphasized their belief in the political and diplomatic utility of nuclear superiority, while we renounce the utility of nuclear superiority. In short, the United States wants to remove nuclear weapons as an instrument of international politics, while the Soviet Union envisions strategic preponderance as a basis for directing world events to their advantage and triumph. This attitude is clearly illustrated by the reaction given

Senator JOHN TOWER by Soviet Academician Shchukin, described as the most able and distinguished member of the Soviet SALT negotiating team, when Senator TOWER asked what the Soviet side would do to reciprocate for our cancellation of the B-1 bomber. Mr. Shchukin replied:

> You misunderstand us. We are not pacifists nor are we philanthropists.

It can be argued, Mr. Speaker, that many of our underlying assumptions about the SALT process are wrong. By now only the most naive can continue to believe that unilateral restraint by the United States will result in a slowing of the Soviet strategic buildup or that the Soviets are only reacting to U.S. weapon developments. Unfortunately, some of these assumptions have so permeated the U.S. attitude toward SALT over the years that the negotiations have been characterized as only an American show; that there are no United States-Soviet negotiations, that the only negotiations are among U.S. officials over what Soviet advantages are tolerable and what can be passed through the Senate.

Consequently, Mr. Speaker, I call upon the Senate to substantially amend the SALT II Treaty so that it represents a genuine and verifiable arms control agreement, or if that is not possible, to reject the present treaty so that a better one can be negotiated. For the U.S. Senate to reluctantly ratify the present treaty out of fear of Soviet actions were it to be rejected or, for the Senate to ratify the treaty believing that it is the best that we can get, would be to openly admit that the Soviet Union is now in the driver's seat in world politics and that the United States is no longer operating from a position of strength.●

● Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from California for having taken the time to bring these timely issues before this body.

Mr. Speaker, I rise to join with the chairman of the Republican Research Committee's Task Force on Foreign Policy, the Congressman from California (Mr. LAGOMARSINO), and my other colleagues in drawing attention once again to developing situations around the globe which will directly, or indirectly, affect the economic and military security of our country in the very decade ahead of us. However, today I am particularly concerned with the issue of human rights, more specifically, the plight of those Soviet citizens who are being violently suppressed for merely desiring to emigrate, or simply wanting to express their religious beliefs openly and without fear of reprisal. The issue of human rights has become a key element in determining the foreign policy of the United States. It takes on an even more significant meaning just 1 week after President Carter's trip to Vienna and the signing of SALT II with the Soviets.

In 1976 Congress passed legislation declaring that—

> A principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries.

The Carter administration's human rights initiatives were built on an extensive history of congressional interest and involvement in human rights policy. Frustrated with the seemingly inability of the Nixon and Ford administrations to make human rights conditions abroad a persistent and key consideration in their foreign policy, Congress passed legislation prohibiting, with a few qualifications, foreign assistance transfers to any country whose reigning government participated in, or tolerated, a perpetual pattern of gross violation and neglect of human rights. It also singled out a number of countries for that type of specific prohibitions. The Carter administration then made it clear that it wanted to go beyond the identification of a limited number of egregious violators and use its influence incrementally to improve human rights conditions in a broader range of countries.

This attitude is certainly not out of context with the variety of human rights commitments made by a large group of countries, including the Soviet Union. In the 1975 Helsinki accords, the Soviet Union pledged with 34 other signatory states to "respect the freedom of the individual to profess and practice—religion—in accordance with the dictates of his own conscience." However, we have ample evidence of the fact that the Soviet authorities do not readily adhere to this commitment.

Mr. Speaker, if justice delayed is justice denied, then hope of equity in the handling of human rights pursuant to the Helsinki accords may be abandoned. Indeed, the Soviets have apparently turned the tactic of postponement into a lapidary art. In this pursuit they have aided themselves through a maze of contradictory laws and regulations, and an overlap of jurisdictions which permit the filing of parallel complaints, lodging of the same complaint in different places, or a continuing sequence in which the termination of one sentence of a dissident merges into another extended incarceration based upon a new conviction on old charges.

It was only a few weeks ago when the President of the U.S.S.R. Supreme Soviet, Leonid Brezhnev, gave a speech in the Kremlin Palace of Congresses, contending that one of the major goals of the Party is—

> In essence, a program for every, I repeat, every Soviet person, to be able to feel involved in the affairs of state, to be confident that his or her opinion, his or her voice, will be heard and heeded when large and small decisions are being made.

I doubt that complimentary copies of that speech were circulated in the many prisons across their country which are detaining those citizens who have done nothing more than to seek to implement that philosophy.

I am still extremely concerned with the fate of one of the imprisoned dissidents; namely, that of Anatoly Shcharansky. I have been involved in his case for quite some time now, and for those of my colleagues who may be unfamiliar with Mr. Shcharansky, and I hope there are not many who are, permit me to express a few remarks on his behalf. In doing so, I wish to make reference to an article in the New York Times—July 10, 1978—on the eve of the Shcharansky trial:

> For Russians who have hoped for a liberalized society, for Soviet Jews who have struggled against a historical anti-Semitism and fought for the right to emigrate, for Americans who have sought closer ties between the two great powers, the Soviet government's decision to try Mr. Shcharansky for treason darkens the future.
>
> I am confident that this hearing today will send a clear signal from the representatives of the American people to the Government of the Soviet Union. It is a statement to those who while seeking the benefits of American technology through increased trade and scientific exchanges, and desiring American commitments to ease great power tension, at the same time make a mockery of the basic principles which the United States so cherishes.
>
> Our message to the Soviet Union must clearly and loudly proclaim American unwillingness to accept for any purposes the blatant disregard for the most basic of human rights. It is hoped that the Administration will reflect our nation's concern by initiating appropriate action on this matter by our government and by supporting responsible initiatives undertaken by the international community to condemn Soviet repression.

In the interim, both public and official interest in Mr. Shcharansky's fate has never ceased to lose momentum, yet his distressing situation has not been alleviated.

In brief review, Anatoly Shcharansky, a 31-year-old computer engineer, was projected into his present dilemma as a result of two events rather than anything he had done; an article in "Izvestia" accusing him of being an agent for the CIA, and the carefully plotted show trial, which not only made a complete mockery of the Helsinki accords, but certainly delivered a brutal affront to the character of Anatoly Shcharansky and other similarly persecuted refusenicks.

The trumped up charges of "high treason" have resulted in a severe 13-year sentence at hard labor for Mr. Shcharansky whose only crime it has been to insist that he be reunited with his family and that the principles set forth in the Helsinki accords be fully and persistently adhered to by the Government of the Soviet Union, particularly in regard to the issue of Soviet Jews wishing to emigrate to Israel. The trial was conducted in an arbitrary manner despite worldwide outrage. We should take some time to seriously reflect on the amount of good faith our negotiations should incorporate in a foreign policy toward a country which is unwilling to respect even the most fundamental of human rights. Indeed, a lessening of support for the Jackson-Vanik amendment and other demonstrative forms of American commitment to the humanitarian concept at stake here, will most definitely not auger well for any truly fruitful SALT II agreement, as it would have already been undermined by both a weak-willed and inconsistent attitude, as well as setting a quasi-legal precedent for further persecution of those people seeking the abolition of intellectual and spiritual deprivation.

In an attempt to assist in the process of making the plight of Anatoly Shcharansky known to the world at large, every conceivable channel is being explored by his wife, Avital, many Members of Congress, and private initiative of concerned citizens. The American intellectual community in an unprecedented manner rose on behalf of Mr. Shcharansky: 72 deans of American law schools and over 100 law professors signed a resolution which was forwarded last month to Brezhnev deploring the action of the Soviet Union. Many industrial and scientific organizations sent letters to the Soviet authorities as well as to Anatoly and his immediate relatives. This has provided for yet another serious transgression on the part of the Soviets against the Helsinki accords—the interruption of mail.

Following discussions with the U.S. Postal Service, key American Jewish, and Baltic states groups, and with relatives of Soviet refusenicks, I have found that the Soviet Union is still quite clearly engaged in their scheme to systematically stop certain classes of U.S. mail addressed to individuals in the Soviet Union. I have been involved in this matter as far back as October 1977, when I submitted to our U.S. delegation at the Belgrade conference, a brief documenting the Soviet Union's interruption of international postal communication. To this date, nothing of significance, on the part of the Soviets, has been undertaken to rectify the matter. Accordingly, I have recently introduced House Concurrent Resolution 58 which deals directly with this problem and is designed to incorporate the Soviet response more appropriately into future negotiations. Presently, Anatoly Shcharansky is still in solitary confinement and, like many others, has neither received his mail, nor been allowed his two visits per year.

In the past, I have written to the Soviet authorities, as well as to President Carter on behalf of a number of dissidents, and would like to insert into the RECORD, at this point, in full, copies of the two most recent letters:

WASHINGTON, D.C.,
May 30, 1979.

His Excellency ANATOLY DOBRINYIN, *Embassy of the Union of Soviet Socialist Republics, Washington, D.C.*

DEAR MR. AMBASSADOR: I am writing to urge that you convey to the government of the Union of Soviet Socialist Republics my concern, and the concern of countless other Americans, about the fate of Anatoly Scharansky and other individuals who have expressed a desire to leave the Soviet Union but are now being held against their will in Soviet penal or mental institutions, or in internal exile.

Recent reports indicate that Mr. Scharransky has been suffering from very severe headaches and, in addition, has been diagnosed as suffering from anemia. These conditions and other humanitarian considerations should indicate to you that Mr. Scharansky deserves to be released from prison.

I also urge that you take up with your government my intertst in the release of the individuals on the attached list.

With the approach of the signing ceremony for the Strategic Arms Limitation Treaty, I do not need to point out to you the importance of a good climate between the people of our two nations. This climate, I assure you, would be inestimably improved by the release of Scharansky and the other individuals I have mentioned.

With best wishes,
Sincerely,

BENJAMIN A. GILMAN,
Member of Congress.

WASHINGTON, D.C.,
May 30, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge that the Administration accelerate its efforts on behalf of Anatoly Scharansky and other Prisoners of Conscience now incarcerated in Soviet institutions or in internal exile.

I hope that you will raise this issue with Soviet officials at the highest levels both in advance of and during your upcoming meetings with Soviet Premier Brezhnev in Vienna.

I also urge that you make public your commitment to the human rights of people within the Soviet Union during your stay in Vienna, and that you include in your party members of your staff and officials of the Department of State with responsibilities for Human Rights so that they may have the opportunity to contact Soviet officials during the Vienna meetings.

I have long been concerned with the case of Mr. Scharansky. I believe he is being singled out for especially harsh treatment because of his determination, his demonstrated courage, and his leadership of Soviet dissidents. The fact that Mr. Scharansky has been falsely accused of being an agent of the United States Government places on all of us a particular responsibility to try to gain his release.

According to a recent report from Mrs. Scharansky, he has been suffering from medical problems. He has been experiencing severe headaches, which have been so painful as to force him to curtail his letter-writing to his family. In addition, he has been diagnosed as having anemia. I am sure you can understand, Mr. President, how much Mr. Scharansky has suffered for his beliefs, and the anxiety of his wife, Avital, and his many supporters are now experiencing.

Attached is a list of other Prisoners of Conscience whose cases I hope you will raise with the Soviet authorities.

By making Human Rights the cornerstone of United States foreign policy, you have advanced our Nation's moral leadership in the world. As you move toward the conclusion of your strategic arms negotiations with the Soviet Union, I urge you to continue the struggle for human dignity which makes peace worth achieving.

With best wishes,
Sincerely,

BENJAMIN A. GILMAN,
Member of Congress

SOVIET JEWISH PRISONERS OF CONSCIENCE

Iosif Begun—Born: July 9, 1932. From: Moscow. Occupation: Radio Engineer. Marital Status: Married. Arrested: May 17, 1978. Charges: Passport violations. Sentence: 3 years internal exile. Address: Post Index 686326, Magandanskaya Oblast, Susumanksi Rayon, Burkandya.

Yuri Federov—Born: June 14, 1943. From: Moscow. Occupation: Student/worker. Marital Status: Married. Arrested: June 1970. Charges: Treason, anti-Soviet propaganda and organization, stealing state property. Sentence: 15 years-strict regime. Address: POB 5110/1 Zh/Kh 385/1, Moscow, RSFSR, USSR.

Dr. Seymon Gluzman—Born: February, 1946. From: Kiev. Occupation: Psychiatrist. Marital Status: Single. Arrested: May 11, 1972. Charges: Anti-Soviet agitation and propaganda. Sentence: 7 years-strict regime. Address: POB 5110/1 VS 389/37, Moscow, RSFSR, USSR.

Boris Kalendrov—Born: July 17, 1957. From: Leningrad. Occupation: Student. Marital Status: Single. Arrested: March 16, 1979. Charges: Draft evasion (still under appeal).

Iosif Mendelevich—Born: August 3, 1947. From: Riga. Occupation: Student/engineer. Marital Status: Single. Arrested: June, 1970. Charges: Treason, misappropriation of state and public property, anti-Soviet organizational activity. Sentence: 12 years-strict regime. Address: Tatrskaya ASSR, 422950 Cristopol, P/YA UE 148/ST4.

Aleksei Murzhenko—Born: November 3, 1942. From: Kiev. Occupation: Student/worker. Marital Status: Married. Charges: Anti-Soviet propaganda and organization, treason, misappropriation of state and public property. Sentence: 14 years-strict regime. Address: POB 5110/1 Zh/Kh 385/1, Moscow, RSFSR, USSR.

Mark Nashpitz—Born: March 27, 1948. From: Moscow. Occupation: Dentist. Marital Status: Single. Arrested: February 24, 1975. Charges: Active partaking in group activities that are disturbing public order. Sentence: 5 years-internal exile. Address: Selo Tupik, Olekminsky Rayon, Chitinskaya Oblast, RSFSR, USSR.

Ida Nudel—Born: April 27, 1931. From: Moscow. Occupation: Economist. Marital Status: Single. Arrested: June 1978. Charge: Malicious hooliganism. Sentence: 4 years-internal exile. Address: Tomskaya Oblast, 636300, Celo Krivosheino, DO Vostrebonvaniya, USSR.

Mikail Roiz—Born: 1948. From: Kishniev. Occupation: Radio-engineer. Marital Status: Single. Arrested: August 1978. Charges: Evasion of Army Service. Sentence: 2 years imprisonment.

Isaak Shkolnik—Born: July 24, 1936. From: Vinnitsa. Occupation: Mechanic. Marital Status: Married. Arrested: July 5, 1972. Charges: Treason. Sentence: 7 years. Address: POB 5110/1 VS 398/35, Moscow, RSFSR, USSR.

Simon Shnirman—Born: November 8, 1957. From: Kerch. Occupation: Student/chemical technician. Marital Status: Single. Arrested: May 31, 1978. Charges: Evasion of Army Service. Sentence: 2½ years. Address: UCHR YU. Z. 17/7, Salo Starosburavaka, Golospristansky Rayon, Khersonskaya Oblast, UKRSSR, USSR.

Vladimir Slepak—Born: October 29, 1927. From: Moscow. Occupation: Radio engineer. Marital Status: Married. Arrested: June 1, 1978. Charges: Malicious hooliganism. Sentence: 5 years-internal exile. Address: Chitinskaya Oblast, Aginsky Rayon, Selo Tsogto Khaingil, (Poste Restante), USSR.

Boris Tsitlionok—Born: June 26, 1944. From: Moscow. Occupation: Locksmith/plumber. Marital Status: Single. Arrested: February 24, 1975. Charge: Active partaking in group activities that are disturbing to public order. Sentence: 5 years-internal exile. Address: ul. Bograda 10, Krasnoyarsky Drai, Eniseisk, RSFSR, USSR.

Aleksandr Vilik—Born: 1956. From: Bolgrad, Ukraine. Occupation: Student. Marital Status: Single. Arrested: February 13, 1979. Charges: Draft evasion. Sentence 1½ years.

Elias Zaks—Born: Tashkent. Arrested: April, 1979. Not tried as of yet. Details lacking.

Amner Zavurov—Born: December 26, 1950. From: Shakrizyab. Occupation: Radio technologist. Marital Status: Married. Arrested: December 23, 1976. Sentence: 3 years. Address: Novoi Camp 176429, Bukarskaya Oblast, Uzbek SSR, USSR.

I would also like to point out that although both letters are dated less than 1 month ago, we have since then found out that Mr. Shcharansky's health has deteriorated even further, and the refusal of the Soviets to administer proper medical attention has added yet another gray shade to the ugly colors of their human rights record. The Washington Post on June 11, 1979, reported the following:

SCHARANSKY, IN A SOVIET PRISON, REPORTED AILING

(By Keith Richburg)

The health of Soviet dissident Anatoly Scharansky is deteriorating rapidly, according to a letter said to have been sent out of the Soviet Union's Chistobol prison by a fellow inmate.

Scharansky's health problems have long been known, but the latest message—received in Israel Friday and relayed to his wife, Avital, in New York—indicates that the 31-year-old prisoner's condition is worsening, that he is losing weight rapidly, and that he is not getting medical attention.

Scharansky "suffers from strong headaches," the message said, according to the translation provided by his wife. "He has constant shivering fever, and he is losing weight drastically. There is definitely some dangerous process taking place, maybe in the brain," according to the translated message.

The identity of the Chistobol inmate who wrote the letter is being protected for fear of Soviet reprisal, Mrs. Scharansky said. Political prisoners are not allowed to discuss health matters in their allotted monthly letters out of the prison, and Mrs. Scharansky said the news of her husband's health was written in code.

A Scharansky letter to his mother, received May 10, indicated that he was losing his sight and suffering the same kind of severe headaches described in the more recent message. "When I read or write, my eyes and then my head begin to hurt," Scharansky wrote then.

The latest news of Scharansky's health was received as his wife was en route to Washington to attend the annual policy conference on Soviet Jewry, a three-day gathering that began yesterday. On Thursday, President Carter leaves for Vienna and a summit conference with Soviet President Leonid I. Brezhnev, highlighted by their signing of the new strategic arms limitation treaty (SALT II.)

Scharansky, a computer technician, became a cause celebre in the West when he was first refused an emigration visa and then arrested for treason in March 1977, accused of working for the CIA. President Carter personally intervened on Scharansky's behalf.

Scharansky was convicted in July 1978 and sentenced to 13 years in the Chistobol prison at Tataria, east of Moscow. The timing of the trial, conducted while Secretary of State Cyrus R. Vance was meeting in Geneva with Soviet Foreign Minister Andrei Gromyko to discuss SALT II, was interpreted then as a rebuke to Carter's human rights policies.

Mrs. Scharansky, in Washington yesterday, said she had no plans to meet with Carter to ask him to intervene again on her husband's behalf when he meets with Brezhnev. She said she was somewhat encouraged, however, by what western analysts interpret as a Kremlin move to better relations with the United States, as evidenced in the release of five Soviet dissidents in a prisoner exchange last month.

The national conference on Soviet Jewry was scheduled for this week before the Carter-Brezhnev summit was planned. Mrs. Scharansky, who has been in this country for about three weeks, has traveled widely in the west since her husband's arrest to seek support on his behalf.

This persistently cruel policy should not go unchallenged. Whether they are Jews, Christians, Moslems, or of other faiths, those people being persecuted are not making unreasonable demands. They seek only to exercise their fundamental human rights guaranteed them under a number of international documents to which the Soviet Union is committed, including the Universal Declaration of Human Rights and the Helsinki Final Act. The West must be relentless in pressing the Soviet Government to honor these pledges guaranteeing the human right to freedom of religion and belief.

Yet this worldwide struggle of free people against the vicious suppression of opinion and desire to emigrate is going to be a protracted one, which will require a high degree of persistence and diplomacy. As we all know, the Communist world is not monolithic, but as we see the actual number of free nations diminish under the authoritarian regimes coming into being around the world, we must recognize the challenge. The price of freedom is high. Nevertheless, many people are willing to take the necessary steps to obtain the early freedom of many dissidents. It is now the obligation of the U.S. Congress to shoulder its responsibility in terms of legislation assisting the dissidents who have been victimized by these suppressive regimes.

This matter is of absolute and crucial importance. The balance of power between the United States and the Soviet Union is a very delicate one. Any item of contention between these two global powers merits considerable attention, as world peace may ultimately pivot on it and, penultimately, depend upon it. I close with the oft quoted words of Alexis Tocqueville written in 1835:

> There are at present, two great nations in the world which started from different points, but tend toward the same end. I allude to the Russians and the Americans—all other nations seemed to have nearly reached their limits, and they have only to maintain their power; but these are still in the act of growth. All others have stopped or continue to advance with extreme difficulty; these alone are proceeding with ease and celerity along a path to which no limit can be perceived. The American struggles against obstacles that nature opposes to him; the adversaries of the Russians are men. The former combats the wilderness and savage life; the latter civilization with all its arms. The conquests of the Americans are, therefore, gained by the plowshare; those of the Russian, by the sword. The Anglo-American relies upon interest to accomplish his ends and give free scope to the unguided strength and common sense of the people; the Russian centers all authority of society in a single arm. The principle instrument of the former is freedom, of the latter, servitude. Their starting point is different, and their courses are not the same; yet, each seems marked out by the will of heaven to sway the destinies of half the globe.

I urge my colleagues to take this precious opportunity to rekindle the flame of hope for a better future soon to come for Anatoly Shcharansky and for all other ostracized dissidents and their relatives around the globe. May this endeavor never fall short of success.

CRIME SUBCOMMITTEE CANCELS HEARING ON PARENTAL KIDNAPING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, has found it necessary to cancel its scheduled June 27 hearing on H.R. 1290, the Kidnaping Prevention Act of 1979, and related bills. As soon as a new date for this hearing has been established, it will be announced accordingly.●

THE COMMEMORATION OF THE BATTLE OF KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, June 28 marks the commemoration of the Battle of Kosovo when almost six centuries ago the courageous Serbs fought against the Turkish invasion of their homeland.

Serbia was one of the first Christian nations brought under Moslem influence when Turkey began its centuries-long expansion into Europe. The Battle of Kosovo on June 28, 1389, marked the beginning of the 500-year struggle to keep the Serbian national spirit alive, despite Serbia's position as a battleground for the Turkish, Austrian, and Russian empires. Turkish attacks on that day proved to be too strong for the Serbian forces, and the Serbian kingdom collapsed, but to this day the Serbians remain undeterred in their hopes for restoring their political freedom.

The Serbs, Slavs, Croats, and other ethnic groups united to form the nation of Yugoslavia at the end of World War I selecting Serbia's former capital city, Belgrade, as their new capital city. The observance of the Battle of Kosovo's anniversary was officially abolished in 1945 when Communist power was established. The fact that this historic date continues to be observed signifies the strength and courage of a people dedicated to the preservation of their culture, their sense of community, and their national aspirations.

Throughout the centuries, national song and folklore have memorialized the Battle of Kosovo, honoring all the Serbs who perished in the bloody battle, including Czar Lazar I and most of Serbia's aristocracy. The words reflect the undiminished national spirit and the valor of the Serbs, as the following selection illustrates:

> A glory that shall not grow old;
> There remaineth to Serbia a story,
> A tale to be chanted and told!
> They are gone to their graves grim and gory.
> The beautiful, brave, and bold;
> But out of the darkness and desolation,
> Of the mourning heart of a widowed nation,
> Their memory waketh an exultation!
> Yea, so long as a babe shall be born,
> Or there resteth a man in the land—
> So long as a blade of corn

Shall be reapt by a human hand—
So long as the grass shall grow
On the mighty plain of Kosovo—
So long, so long, even so,
Shall the glory of those remain
Who this day in battle were slain.
—(Translated by Owen Meredith in 1877.)

Mr. Speaker, I extend my greetings to Americans of Serbian descent in the 11th Congressional District, which I am honored to represent, and across the Nation, who are commemorating the Battle of Kosovo. We who enjoy the blessings of liberty must remember the sacrifices others have made on the altar of freedom and continue to do all that we can to support the aspirations of a people dedicated to the principles of individual liberty and national self-determination.●

STILL NO ARREST IN MURDER OF FEDERAL DISTRICT JUDGE JOHN W. WOOD OR ATTEMPTED MURDER OF ASSISTANT U.S. DISTRICT ATTORNEY JAMES W. KERR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise to remind the House that no arrests have been made whatsoever either in the assassination and the murder of Federal District Judge John W. Wood or the attempted murder of the assistant Federal district attorney, James W. Kerr, this last having occurred last November.

I have tried to set forth the context in which these two unprecedented crimes have been committed. But last week, on Friday, the New York Times had an extensive article which I consider to be a very comprehensive background article on some aspects that would give us some understanding of the crime committed when Judge Wood was murdered. Even though it does not touch on this other aspect that I have mentioned particularly last week that has to do with the yet puzzling and unsolved death of Sante Bario, who was the former agent in charge of the Mexico office of the Drug Enforcement Administration, and who was being held incarcerated in San Antonio, charged with possible bribery, when he was given a peanut butter and jelly sandwich and choked up and went into a coma and lingered for several months and, finally, died last month.

At this point I include in the RECORD for my colleagues this very well-done article from the New York Times:

EL PASO IS CALLED A MAJOR NEW HUB OF DRUG TRAFFIC

(By John M. Crewdson)

LAS VEGAS, NEV., June 8.—From the oil-stained driveway in San Antonio where Federal District Judge John H. Wood Jr. fell last week, mortally wounded, the trail leads in many directions—to the sunny back streets of El Paso and Juarez, Mexico; to the Florida Everglades and the jungles of northern Colombia; to Boston and even to the gambling palaces of this Nevada city. And at the hub of it all is narcotics.

Federal prosecutors say it is no accident that the first Federal judge murdered in more than a century died in the midst of a fierce Government battle against the growing drug trade in the Southwest.

Over the past three or four years El Paso has come to rival Miami, New York and Los Angeles as a port of entry for drugs, not only Mexican marijuana but also Colombian cocaine, which enters Mexico along the sparsely populated Yucatan Peninsula and moves overland.

Many of the rapidly growing number of narcotics cases brought by the Government in this part of the country were tried in Judge Wood's courtroom, and Jamie C. Boyd, the United States Attorney for the Western District of Texas, said last week that he believed the judge's murder was "drug oriented."

"People in the drug business have a very large economic interest; they have been threatened and they are upset," the prosecutor asserted before another Federal judge placed a gag order on the Justice Department.

An interagency task force and a special grand jury were recently set up in El Paso to investigate not just narcotics trafficking but also the racketeering, gambling, prostitution and extortion that the Government says the traffic is breeding across six states.

Mr. Boyd has moved from San Antonio to El Paso for what he predicts will be a long, hot summer for the targets of his investigation, and for some weeks now a parade of grand jury witnesses has been passing up and down the steps of the ancient Federal courthouse there.

O. Leon Dobbs, the special agent in charge of the El Paso office of the Federal Bureau of Investigation, warned in a speech to the Kiwanis Club that some of the community's most upright citizens, including "doctors, lawyers and businessmen," were providing seed money for narcotics smugglers.

Many of those "good, solid citizens," Mr. Dobbs went on, were attracted to the business by the rate of return, as high as 25 percent a week, but others were victims of extortion through prostitution.

And there have been broad hints from the Government recently that some old-line organized-crime figures are beginning to view El Paso and the border as the new land of opportunity.

There have been a number of narcotics indictments so far, and several convictions, and more charges are expected to be filed this summer. Even so, one Government lawyer conceded, "I don't think we've gotten near the top yet," partly because narcotics traffic in the Southwest is highly decentralized.

Control of the drug traffic rests for the moment with families headed by what another official described as a half-dozen "local crime boses," one of whom is said to have been Lee Chagra, a 42-year-old El Paso lawyer who was murdered in his office last December.

Mr. Chagra and his two brothers, who came from a family of Lebanese merchants, rose from an unremarkable middle-class upbringing to join the ranks of El Paso's wealthiest citizens.

"The Chagras are some of the main threads in the smuggling fabric," one well-placed narcotics official said the other day.

ENEMY OF TRAFFICKERS

Judge Wood was a merciless enemy of drug traffickers. He assessed the maximum legal penalty in 72 of his 90 narcotics cases that ended in convictions, and the dozens of F.B.I. agents assigned to track down his killer are talking to every former defendant they can find, among them members of an outlawed Texas motorcycle gang called the Bandidos.

On the morning Judge Wood died, two F.B.I. agents stopped off at the plush El Paso law offices of Joseph Chagra, Lee's younger brother.

Lee Chagra had defended numerous narcotics suspects in Judge Wood's court. In one of the cases, the first narcotics case ever heard by the judge in El Paso, Rick de la Torre, a banker and Mr. Chagra's brother-in-law, was convicted on a charge of importing marijuana and was acquitted of smuggling cocaine.

Joseph Chagra told the Federal investigators he knew nothing about the judge's murder and, in fact, says it is the worst thing that could have happened for his brother Jamiel, 32, known as Jimmy.

Jimmy Chagra recently moved to Las Vegas, where he has set himself up as a professional gambler. But he faces charges in Texas of acting as an "organizer" of narcotics traffic in Colombia, Mexico, Florida and Texas and specifically of conspiring to import some 80,000 pounds of marijuana and nearly 20 pounds of cocaine, worth millions.

In a superseding indictment issued last month, the Government accused Jimmy Chagra of operating a "continuing criminal enterprise," the most serious narcotics charge possible. If found guilty, he could be sentenced to life in prison.

Mr. Chagra was arraigned in El Paso last week on the more serious charge. His lawyer, Oscar B. Goodman of Las Vegas, who has represented such high ranking organized crime figures as Meyer Lansky and Anthony Spilotro, railed then against what he called "unfortunate" suggestions that his client might somehow have been involved in Judge Wood's murder. Jimmy Chagra, Mr. Goodman told the court, was "innocent and conscience-free."

Mr. Chagra's trial was originally scheduled to begin on the day Judge Wood died, but his death, Joseph Chagra said the other day, "is the worst thing that ever could have happened to us." That remark, too, was made before the issuance of the gag order, which applies to the Chagras as well as the Justice Department.

The Chagras say they are convinced that Judge Wood had a "personal bias" against them. They are still smarting from the judge's disclosure in open court two years ago that Lee Chagra had been under grand jury investigation since 1973. And they have accused the Justice Department of arranging to have Jimmy Chagra tried by Judge Wood by filing charges in Midland, Tex., where Judge Wood had sole jurisdiction, although no criminal acts listed in the indictment are alleged to have occurred there.

SOUGHT JUDGE'S REMOVAL

In March the Chagras asked Judge Wood to remove himself from the case, citing an "extraprofessional relationship" between the judge and James Kerr, the Federal prosecutor who had been assigned to try the case and who had frequently faced Lee and Joseph Chagra in Judge Wood's courtroom.

Mr. Goodman said at a court hearing that he had information that Judge Wood had written a letter to another judge asserting that the Chagras were "responsible" for an unsuccessful murder attempt on Mr. Kerr the previous November. No one was ever charged with that crime.

Mr. Goodman also said that the judge and Mr. Kerr had traveled and dined together "on numerous occasions."

Judge Wood denied writing such a letter or engaging in any impropriety, and he refused to remove himself from the case. His decision was upheld by the United States Court of Appeals for the Fifth Circuit, but the Government withdrew Mr. Kerr as its principal prosecutor.

The Chagras contend that the murder of Judge Wood can only hurt their case and say they fear a frame-up: that anyone charged with the judge's murder will say it was done at their behest.

DECLARED NEARLY $2 MILLION

Jimmy Chagra looks and acts the part of a successful gambler—he once bet $100,000 on a single hand of black jack and won, and he lived in a plush complimentary suite at the Caesars Palace Hotel here last year while his palatial home was built. He declared nearly $2 million in gambling income last year.

The Government is preparing to argue, however, that his "winnings" are really narcotics profits laundered through Las Vegas' gambling tables.

Mr. Chagra says he hit a remarkable "hot streak" toward the end of last year, winning $50,000 or more a night.

But sources familiar with the Government's investigation say that Caesars Palace records showed he owed the hotel some $1.8 million in January of this year.

The Chagra family sees the charges against Jimmy Chagra as merely the most recent manifestation of a Government vendetta that began 10 years ago, when the Justice Department first began trying to prove that Lee Chagra was a major controller of narcotics traffic.

The Chagras contend that Lee's victories in the courtroom—among them, an acquittal for 10 defendants in the largest marijuana-smuggling case ever brought in Oklahoma—the high fees he won, and the way he spent them angered Government lawyers like Mr. Kerr.

LEGEND BUILDING UP

While he was alive, F. Lee Chagra, as he became known, cut a figure slightly larger than life, but in death he is on the way to becoming a minor legend.

He began his career by defending the poor of the El Paso barrio, often for no fee, and such outcasts as the Bandidos.

To hear his friends tell it, his natural concern for society's victims led him eventually to the defense of those accused—unjustly, he always argued—of trafficking in narcotics. The narcotics cases in turn led him to money, they say, more money than he had dreamed of, enough to finance both his love of gambling and his taste for cocaine, traces of which were in his bloodstream when he died.

The Government believed, but could never prove, that much of Lee Chagra's money came from the narcotics trade and was disguised as legal fees and gambling winnings. Of his law firm's declared income of $448,000 in 1973, $121,000 was attributed to gambling. Mr. Chagra was indicted on narcotics charges in Tennessee that year, but the Government did not press the case.

His family charges that it was the Government's anger and frustration over its continuing inability to jail Lee Chagra that led, last February, to the indictment of Jimmy Chagra.

What angers the Chagras most of all, however, is their conviction that at least some of the charges brought against Jimmy were based on material taken by the police from Lee's office after his murder.

The El Paso police were first to arrive at the downtown office where Lee Chagra lay dead with a .22-caliber bullet in his side, but agents of the Internal Revenue Service and the Federal Drug Enforcement Administration quickly followed.

The El Paso police have acknowledged that, despite having no search warrant and despite knowing that the files were protected by the attorney-client privilege, they shared the information they gleaned with interested Federal agencies.

There have been a spate of arrests since then, and some investigators admit that the captured files have been useful in putting together new cases.

In February, Woodrow Bean, a state judge in El Paso, ruled that the police search had been illegal. An El Paso newspaper later reported that members of the Chagra family have contributed $4,700 to the judge's last re-election campaign. Judge Bean says the family's contributions totaled only $820.

The Chagra family, angered at what I considered official indifference in the search for Lee Chagra's killer, prevailed upon Roosevelt Grier, the former Los Angeles Rams football star and a friend of Lee, to intercede with Senator Edward M. Kennedy, Democrat of Massachusetts. Mr. Grier, who has been close to the Kennedy family for years, did relay an appeal, a spokesman for the Senator confirmed, adding that Mr. Kennedy never took any action.

THREE CHARGED IN KILLING

Three men were eventually charged with Lee Chagra's murder, the motive which was said to be the theft of $400,000 in cash that he kept in his office. Two of the three were soldiers stationed at nearby Fort Bliss, and the third, Louis F. Asper, 55, who was arrested here in Las Vegas, is a relative of the Chagra family. Mr. Asper is to go on trial soon; the other two pleaded guilty.

The investigations in the Lee Chagra and Jimmy Chagra cases have turned up what Government officials say is the "relatively new" presence along the border of figures alleged to have ties with organized crime.

In an 11-page memorandum filed in court by the Government last March, prosecutors disclosed that the grand jury in El Paso had been inquiring into "the relationship" between Lee Chagra, Anthony Spilotro, the reputed Mafia chief from Chicago with ties to Las Vegas, and Ten Binion, the son of the owner of the Horseshoe Casino here, which has lately become Jimmy Chagras' favorite haunt.

Moreover, one of the men who appeared in El Paso in the days after Lee Chagra's murder has been identified as Salvatore Michael Caruana of Boston, who the F.B.I. has said in court is a narcotics trafficker and a lieutenant in the family of Raymond Patriarca, the reputed crime leader in New England.

MOTIVE FOR COMING

Mr. Caruana reportedly told the bureau that he had flown to El Paso at the request of the Chagra family to aid in the search for Lee Chagra's killer, but the Chagras have said that Mr. Caruana came on his own, out of friendship for Lee.

There have also been reports that Joseph Bonanno, the head of a New York organized crime family who has been living in Arizona for some years, has become the chief of a rapidly expanding organized crime network in the Southwest that specializes in narcotics. Mr. Bonnano has previously dismissed such suggestions as "incredible."

Federal investigators, who say they are "a hairsbreadth away," have not yet linked high figures in organized crime to their expanding inquiry. But Mr. Dobbs recently compared El Paso to Newark a quarter of a century ago.

"I'm sure," he said, "that national organized crime has already been observing El Paso as a future area of their business targets."

BILLION-DOLLAR DESALTING PLANT STILL PENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, today the Washington Post published a major story on the proposed desalting plant at Yuma, Ariz. This billion-dollar, first-of-a-kind desalting plant is being proposed in order to clean up the highly saline return flows from the Welton-Mohawk Irrigation District. This desalting plant is planned to be 100 times larger than any similar desalting plant in the world, at a total construction, operation, and maintenance cost of at least $1 billion, and possibly as much as $2 or $3 billion. All this to keep fewer than 150 farms and less than 65,000 acres in production in "business as usual."

Mr. Speaker, this matter is of importance to this body for a number of reasons, not least of which is the fact that the authorizing legislation, H.R. 2609, is pending on the House Calendar. The pending authorization increases for the Colorado River Basin Salinity Control Act are only a tip of the iceberg of what the total costs this single desalting plan will be, and are only the beginning of the astronomical costs of the desalting plant strategy for the Colorado River. The Congress should be fully aware of this broader question for the future of the Colorado River, and consider not only what this one desalting plant will cost, but also what the next desalting plants will cost.

Mr. Speaker, my position on this proposal has been clear, and is quite simple. We should consider all practical alternatives to building costly and energy inefficient desalting plants. A number of technically practical, but institutionally resisted alternatives exist. As long as the Congress does not question the costs, and selects the alternative most attractive to the beneficiaries of Federal subsidies, the desalting plant option will come out on top. Once the Congress begins to question costs, and requires the least expensive alternative, the other options will receive acceptance.

The Washington Post story, which I will insert in the RECORD at the conclusion of these remarks, helps explain many of these issues. The General Accounting Office report, "Colorado River Basin Water Problems: How to Reduce Their Impact" (CED–79–11, May 4, 1979) is another excellent source for understanding the importance of this issue.

One aspect of the Washington Post story concerns me, however, and that is the over personalization of some of the participants in this debate. When I began seeking answers to the reservations I had about this project last year, I wrote to a number of Federal agencies seeking their views. Among the answers I received were those from the Department of Interior, the Department of State, the Department of Agriculture, and the Environmental Protection Agency. Some of these responses only generated more questions, such as the Department of Interior's statement that:

> A cost-benefit analysis has never been applied to this program, nor do we believe it should be. * * * We do not believe that cost-benefit analyses have any basis in the justification of this project.

This statement was made in spite of the original authorizing legislation which states,

> The Secretary is authorized to provide for modifications of the projects authorized by this title * * * at the lowest overall cost to the United States.

In those letters, Doug Castle of the Environmental Protection Agency expressed "environmental reservations" regarding the Yuma Desalting Plant, and added:

> Our major concern was, and continues to be, that a desalting plant should not be viewed as a panacea for salinity problems in the Colorado River. EPA supports a basin-wide approach to solving these complex and controversial problems. * * *

The EPA letter went on to state that:

> The Technical Field Committee on Irrigation Efficiency for the Welton-Mohawk Irrigation and Drainage District is seeking, with the cooperation of other interested parties, to minimize the size and cost of the Title I desalting plant by reducing the volume and salt load of irrigation return flows to the plant. EPA is an active participant in this effort.

Perhaps the most interesting letter I received was from the Secretary of Agriculture, our former colleague, Bob Bergland. In response to my question, Secretary Bergland stated,

> As to whether the desalting plant is necessary to achieve the objectives of the Act is a diffiucit question. This Department feels there may be viable alternatives which have not been fully explored. For example, the onfarm program in the Welton-Mohawk has been more successful than originally anticipated by those outside the Department. Quite possible, this program should be reevaluated to see if an increased contribution from irrigation water management can at least reduce the size of the proposed desalting plant.

Mr. Speaker, I think it is reasonable for this body to ask for serious study of the Yuma Desalting Plant before we commit the taypayers of this country to more than a $1 billion of limited financial resources.

The article follows:

[From the Washington Post, June 25, 1979]

THE DESERT BLOOMS, BUT AT AN EVER HIGHER PRICE

(By Bill Curry)

WELLTON, ARIZ.—It is harvest time in the desert.

Now it is the sweet fruit of cantaloupe that is being brought in by the migrant workers, but at other times it is citrus, lettuce, wheat, alfalfa, sorghum. Today, rows of cotton are broken by the glint of sunlight reflected off standing irrigation water.

Blessed with rich soil and abundant water for irrigation, the people around Wellton produce, on average, a handsome $1,000 worth of crops a year on each of 65,000 acres of farmland reclaimed from the surrounding desert.

But it is costing American taxpayers increasing sums to maintain that food and fiber production, to the benefit of the 1,000 or so landowners here—the actual number of farmers is far fewer than that because of absentee owners, such as trusts, churches, banks, retirement funds and others who lease out their land.

A growing number of critics say that a $1 billion federal water project planned for the area could be avoided if those who do farm the land would change their agricultural ways.

The project is a 96-million-gallon-a-day desalting plant designed five years ago to reduce the salt content of the Colorado River. The river had become so salty it was endangering irrigated crops downstream in Mexico, and after protests from the Mexican government the United States agreed to act.

Now Congress is moving to increase funding of the plant to offset millions of dollars in cost overruns caused by inundation, design changes and errors. At the same time, there is growing sentiment that the plant could be substantially reduced in size and cost—or even eliminated—if farmers here would use irrigation water more prudently or perhaps grow different crops.

"We are convinced," says Jan van Schilfgaarde, director of the Agriculture Department's salinity laboratory, "that the time has come to realize we can't continue to use huge capital and energy-intensive solutions where [irrigation] management and social solutions will work."

The General Accounting Office reported last month that Congress should "temporarily defer funding for this plant until the Bureau of Reclamation reevaluates its feasibility as well as alternatives which might provide a more economical solution."

Yet the Senate recently voted to increase funds for the plant by $83 million, more than the facility was expected to cost in the first place ($62 million). Inflation has added $33 million more, and, combined with other efforts to meet the commitment to Mexico, including a smaller test project now in operation east of Yuma, the government now plans to spend $333.4 million, compared to a $155.5 million estimate in 1974.

The Senate vote—one is expected soon in the House—reflected a basic decision by the Nixon administration and continued under President Carter: in the West, it is better to spend money than water.

In the West, hard-won and jealously guarded water rights and federal water projects are the wellspring of much of the region's growth, development and, therefore, money. And sentiment for the plant runs strong here, where water policies and farming practices are highly and politically sensitive.

So five years ago, federal officials rejected plans for the West to use less water—relatively small amounts—and therefore create fewer problems with Mexico. Instead, it was decided that all taxpayers would share the burden.

Says C. L. Gould, manager of the Wellton-Mohawk irrigation district, "Divided among the taxpayers, it's only $2.50 to $3.50—even at $5 or $6 a family, there just isn't the justification for making this amount of fuss.

"The Federal Government took on an obligation [to Mexico] which was not theirs to take."

In 1944, the United States agreed to a treaty to assure Mexico that when the Colorado River crosses into the Mexicali Valley, there will be enough flow left to irrigate 1.5 million acres with water one foot deep. For 17 years, more than enough river water flowed to Mexico annually, but in 1961, when the United States began filling Lake Powell on the Utah-Arizona border, less water moved downstream.

At the same time, Wellton-Mohawk began discharging salty, used irrigation water into the Colorado. The Mexican government protested.

In 1974, the United States agreed to reduce the salt content, and the desalting plant was decided on.

Van Schilfgaarde opposed it then, and he opposes it even more now. Crop yields, he said in an interview in his Riverside, Calif., office can be maintained on less water. For example, citrus trees once given 10 feet of water a year need only six feet at the most, he said.

Farming technology and techniques are available now, he said, "that could essentially solve the problem—have the same effect on the river as the plant."

His views have been taken up by Rep. George Brown (D-Calif.), who has waged a battle, a lonely one so far, and acknowledges he does "not relish getting into this issue because it is complicated, time-consuming and politically messy."

Brown estimates that operating costs over the next 50 years will make the desalinization plant, to be built just west of Yuma, a $1 billion project benefiting roughly 150 farmers. (Gould of the irrigation district questions that estimate.)

Brown also says the plant will consume large amounts of electricity at a time of an energy shortage. Now more than four years behind schedule, the plant has been pushed forward without any idea until recently of where that electricity will come from.

The legislation increasing the funding for the plant provides for it to get power from a federal coal-burning facility on a nearby Navajo Indian reservation. Congressional budget watchers say this means the United States will lose $1.8 million in revenue a year bcause the power could have been sold to others.

Van Schilfgaarde's suggestions include the use of more modern irrigation equipment and sophisticated field plowing—for example, using laser beams to make a field absolutely level, thus reducing its need for water. Some fields in the Wellton-Mohawk district have been plowed using lasers, and as a result the same amount of irrigation water does three times the work as before.

Alternatives offered by others include:

Buying the 65,000 acres and telling farmers what to grow and how much water they can use. Ten thousand acres already have been bought by the government and taken out of production to reduce salty discharges.

"Buying the water rights from farmers and then telling them how they can use the water."

Those prospects do not rest well in a region that professes its independent and ruggedly individualistic spirit.

"People have been here for three generations," says Gould. "They came out to develop the West. They put their blood, sweat and tears into it."

Gould portrays his irrigation agency and the 5,000 inhabitants of the desert valley more as victims in the current dispute than as the source of a problem. "All of these people," he says of farmers along the 1,400 miles of the Colorado River, "are contributing to the salt problem, but we're the ones at the bottom of the pool.

"People say, 'Look at all this money being spent for a handful of people' and say it's our obligation. It is not our obligation. The federal government assumed the obligation to accommodate its relations with Mexico."

Gould scoffs at van Schilfgaarde's irrigation management ideas as unproved; van Schilfgaarde disagrees. Critics say the salt plant itself is a risk, because no desalting plant this big has ever been built.

Even officials of the Interior Department's Bureau of Reclamation, which is responsible for the plant's construction, acknowledge that the desalting facility is not the only possible solution.

They say, though, that political problems make it the only practical one. "What may be economically attractive," says Roy D. Gear of the bureau's Boulder City, Nev., office, which is in charge of the project, "isn't always politically viable."

Thus notions such as buying up land or having the seven states supplied by the Colorado River give up their legal allocations of water are politically doomed. No one suggests reneging on the agreement with Mexico, particularly as that nation continues to develop oil and gas.

With the Colorado running strong now, the water is within the limits agreed to by the two nations.

But it won't last, as the 242,000-square-mile Colorado River basin continues to grow, taking water from the river and returning to it salts leeched from the ground. Thus the long-range question is whether the solution to the salt problem is more expensive construction projects or better use and management of the water up and down the river.

The current battle over the Yuma desalting plant may not represent the end of a war, only the beginning.●

POPE VISITS POLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentlema from Pennsylvania (Mr. Ritter) is recognized for 10 minutes.

● Mr. RITTER. Mr. Speaker, at a time when the proposed SALT II Treaty is before the U.S. Senate for ratification, while international events in other parts of the world distract attention, Pope John Paul II's recent visit to his beloved Polish homeland dramatizes for the entire world the emotional trauma suffered by the countries of East Europe bound under Soviet-style Marxism since the close of World War II.

The outpouring of emotion for Pope John Paul II in Poland in 1979 is as impressive as the heroic Hungarian uprising in 1956, and similar events earlier in East Germany and then in Czechoslovakia in 1968. The nations of Eastern Europe, despite years of Marxist-Leninist indoctrination, continue to struggle to turn to the West, to renew their ancient cultural and religious ties, and to throw off in every way possible the increasingly intolerable Communist yoke.

The national expression of faith in the Catholic Church represents for all to see the Polish people's unmistakable way of saying that 35 years of Communist rule have not taken, that Poland remains a daughter of the Western church, and is not an ally but the prisoner of the Soviet Union.

The Pope's appeals for religious revival in East Europe went beyond his native Poland to call for human rights for all the Slavic peoples of Eastern Europe. His call serves as a reminder to Western political leaders everywhere who profess to believe in human rights that precious few such rights are tolerated in Marxist-Leninist dogma.

The Pope's courageous acts on his native Polish soil underscore the fundamental conflict over individual and religious freedom existing so starkly throughout Eastern Europe. This noble act of spiritual leadership places us all in his debt for having shown us the elemental truth of the current political situation in Eastern Europe.

The thirst of the people of East Europe for freedom and renewed individual liberty clearly is undiminished. And as a Nation, we must never fail to work for their same rights to life, liberty, and the pursuit of happiness we have fought for and sworn to maintain.

Despite the increased scope of activity and international events in other vital sectors of the world, our vigorous, talented, and freedom-seeking brothers and sisters of East European origins cannot forever be denied those same individual liberties and spiritual rights we cherish at home.●

□ 1520

DEVASTATING BLOW TO RURAL AMERICA!

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Tauke) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, rural America has been dealt a devastating blow by President Carter.

On the evening of June 21, 1979, the President repealed special rule No. 9, the Department of Energy regulation enabling farmers and truckers hauling agricultural goods top priority in securing diesel fuel.

The regulation went into effect following a pledge by the President in Des Moines, Iowa, on May 4, that "rural America will not run dry."

It appears as if the President has reneged on yet another promise.

The impact of the administration's action has already been felt by farmers and oil jobbers who have contacted my office complaining about their inability to obtain adequate supplies of diesel fuel because special rule 9 has been terminated.

Farmers are in the process of applying fertilizer and chemicals to their crops to insure healthy produce this fall. Hay is also down and must now be baled. The use of diesel fuel does not end when the crops have been planted.

The full impact of the administration's decision may not be felt until the fall harvest season when farmers may not be able to have enough fuel to get their crops out of the fields.

The President is claiming that the lifting of special rule 9 will result in additional supplies being transferred to the trucking industry. But this will not be the case.

Department of Eenergy officials admit this will not happen. They have admitted that the move is "only symbolic to psychologically appease" the trucking industry.

The fact is this: Agriculture only consumes 5 percent of the total middle distillates produced in the country every year. Failure to give priority allocations for this 5 percent of the total supply will not significantly increase the amount of diesel fuel available to truckers.

It is unfortunate that the President takes actions which will have an adverse impact on our food-producing industries in order to achieve nothing more than symbolism. This is particularly true when the President could have pursued an alternative which would have benefited both truckers and food producers. The President should have ordered the Department of Energy to encourage oil companies to devote maximum refinery capacity to the refining of middle distillates. The abolishment of the special rule leaves the system for the allocation of middle distillates in the Middle West in a shambles. There is no longer any guidance or direction for the allocation of diesel fuel.

Mr. Speaker, just hours before the President ordered special rule 9 be repealed I attempted to persuade him to allow the regulation to remain intact. Unfortunately, the President did not heed my plea on behalf of the Nation's farmers. The insensitivity of the current administration to the needs and problems of the agricultural sector is clear.

I ask unanimous consent that immediately following my remarks, my letter which was hand-delivered to the President prior to his decision to repeal special rule No. 9 appear in the Congressional Record.

Congress of the United States,
June 21, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: It has come to my attention that you are considering suspending the Federal rule which guarantees priority allocations of diesel fuel to farmers and truckers hauling perishable farm products. While I am fully cognizant of the pressures being exerted upon you and government in general as a result of the currrent fuel shortage, I respectfully urge you to dismiss the option of suspending priority allocations to agriculture. My request is based on the following observations:

1. Removing the agricultural production priority allocation would not significantly contribute to the satisfaction of the needs of other diesel end-users nor would it make the middle distillate inventory goals more easily achievable. According to the USDA's energy office, agricultural production consumes only five percent of our nation's middle distillate supply. A guaranteed allocation of five percent of all supplies has not caused the shortfalls felt by other diesel end-users. The pinch felt by the trucking, barge, mining, and railroad industries and prospectively, homeowners, is due to the fact that systemwide inventories are at least 15 percent below last year's levels. Removing guarantees to five percent of the users will not solve the systemwide problem. A consistent DOE program to emphasize middle distillate production and the reasonable allocation of remaining supplies will alleviate that problem.

2. The need for priority diesel fuel allocations for agriculture remains great. While the planting season has been completed, the agriculture demand for fuel has not abated. Normal summer fieldwork, the approaching harvest, and the transport of agricultural products require sufficient diesel fuel supplies. Agricultural consumption of fuel does not stop after the planting season, and the government's guarantee of essential supplies for food production should likewise continue.

3. Special Rule Nine has considerable value as a policy statement. The practical application of the rule guaranteeing supplies to agriculture has been, in large part, stymied by the reams of red-tape accompanying the rule. However, the Special Rule has been effective in giving refiners a clear indication of the priority allocations to be followed in the distribution of middle distillate. Most oil companies have responded to Special Rule Nine by establishing their own general allocation schemes. For the most part, these schemes have resulted in the delivery of adequate diesel fuel supplies for agricultural products.

Therefore, a repeal of this Special Rule would be a signal to refiners to forget about the agricultural priority. Witn the coming of the fall grain harvest season, such a signal could be disastrous in the Midwest.

4. Many oil companies have modified their distribution systems in order to comply with Special Rule Nine. Certification, load verification and delivery schedule systems have been established to meet the priority needs of agricultural production. An immediate repeal of the Special Rule would disrupt these intricately laid marketing plans. Further disorder in the petroleum product system would adversely affect all diesel end-users.

5. A repeal of Special Rule Nine would be premature. The Rule was implemented only a little over one month ago. And alterations in the Rule are not yet a month old. Surely the Special Rule should be allowed to operate until the July 31 expiration date. At that time a full review of the efficiency and mar-

ket impact of the regulation could be conducted. An informed decision regarding the fate of the rule could then me made.

Mr. President, it has been correctly observed that nearly all diesel fuel users are priority users. Food, industry, transportation and the heating of residences are all dependent on adequate diesel fuel supplies. It is imperative that a national effort be undertaken to guarantee adequate supplies to these essential users. However, we should not lose sight of the fact that food remains the most basic of necessities and production and transportation of it should continue to occupy a preeminent position on the list of national priorities.

Thank you for your consideration of this important matter.

Sincerely,

TOM TAUKE,
Member of Congress.●

ELEVATION OF REV. MSGR. BASIL SEREDOWYCH TO RANK OF MITRAT ARCH PRIEST OF STAMFORD EPARCHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

● Mr. HANLEY. Mr. Speaker, I would like to bring to the attention of my colleagues an important event which has transpired in the religious community of central New York, the elevation of the Reverend Monsignor Basil Seredowych to the rank of Mitrat arch priest of the Stamford Eparchy.

The Reverend Monsignor Basil Seredowych was born on April 16, 1908, in Swydnycia, western Ukraine. He completed his theological studies in 1932, and was ordained the same year to the priesthood by Bishop Josephat Kocylowsky. From 1932 to 1944, he served in the capacity of assistant pastor and pastor in various parishes in western Ukraine.

In 1944, with the invasion of the Soviet Army in western Ukraine, Msgr. Mitrat Basil Sededowych was given permission to leave his native land. From 1944 to 1947, he served as pastor among Ukrainian Catholics in displaced person's camps in Austria and Germany. From 1947 to 1952, he served as pastor in Perth Amboy, N.J., and rector of the Immaculate Conception Cathedral in Philadelphia. In 1952, he became pastor of St. John the Baptist Ukrainian Catholic Church in Syracuse, N.Y.

During his administration, the parish grew and prospered. Three major edifices were erected: The parish school, 1953; the convent, 1963; and the rectory, 1967. In 1977, 40 acres of land were purchased for St. John's Cemetery, as well as for the purpose of the future new Ukrainian Community Center. Also accomplished during this time period was the beautification on the interior of the church, with paintings done in the Byzantine-Ukrainian art style.

In 1968, for his dedication and hard work for the Ukrainian Catholic Church, His Holiness Pope Paul VI raised him to the rank of Papal Chamberlaine, and, in 1979, Bishop Basil H. Losten has raised him to Mitrat arch priest of the Stamford Eparchy. Besides functioning as St. John's pastor, Reverend Monsignor Mitrat Basil is also dean of the Syracuse Ukrainian Catholic Deanery and consultor of the Stamford Eparchy.

Being well aware of the Reverend Monsignor Seredowych's many contributions and dedication to the Ukrainian Church and in many other areas of community affairs, I know that my colleagues share with me in congratulating Reverend Monsignor Mitrat Basil on the new honor that has been bestowed upon him. I am certain that he will bring to this new position the zeal and dedication that has characterized all of his past endeavors.●

EXCERPT FROM RECORD OF APRIL 27, 1953—A PERSPECTIVE ON SYNTHETIC FUELS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, for some days past I have included in my remarks certain excerpts from the RECORD of debates in this House in April 1953—26 years ago.

At that time, some of us were attempting to save from termination a synthetic fuels-from-coal program that was then in operation. But the Eisenhower administration had other ideas. The powers that were at that time wanted us to put all of our eggs in one basket—an oil basket. And today, we see Americans standing in long lines to get a tankful of gasoline.

So that the Members today may have the benefit of this perspective on the synthetic fuels program we are now attempting to create, I include this additional excerpt from the RECORD of April 27, 1953, at this point:

EXCERPT

Mr. KIRWAN. Mr. Chairman I yield 5 minutes to the gentleman from Illinois [Mr. Price].

Mr. PRICE. Mr. Chairman, I have been very much interested in this program which was created by Congress back in about 1944 to develop these demonstration plants, to develop new fields of use for the coal industry from the oil shale lands out on the western slope of the Rocky Mountains, particularly in Colorado. May I say in effect this, that we may be overlooking something here this afternoon if we follow the pattern set up in this particular bill. Who can say that the next step will not be to eliminate the agricultural end of this particular program to find use for waste products, and the next step may be to close the demonstration plant out in Illinois that takes these agricultural products and experiments in making synthetic fuels of them? So this is a question that Congress should think through very clearly and thoroughly before it gives approval to this recall of appropriations for this program.

I do not know how thorough the hearings were before the subcommittee on these projects; I do know that I looked in the report and in the copies of the hearings for guidance, particularly on the question of the oil-shale experimental plant at Rifle, Colo., and I could find there only a few sentences dealing with the subject of experimentation in oil shale. That coincides with the remark made by the regional director of the Bureau of Mines that the proposal to withdraw appropriations might lead to the closing of the plant. I saw that he was completely surprised by the action. The manager of the plant was surprised by the action. The Rifle, Colo., plant is a 6-year-old demonstration plant that has been very successful.

May I point out that it appears that the only reason that funds are being withdrawn from these projects at the present time is that they have been very successful operations. The committee reports indicate that they have been successful operations. They have been fulfilling objectives that were set up when they were created by this Congress.

I would like to point out to the membership of the House that these are babies of the Congress. They were not given to the Congress by the bureaucrats, they were not given to the Congress by the departments downtown. They were the creatures of men of vision in this body who saw the potentialities of these experiments. Men like Dr. Fenton, Carl Perkins, and Mr. Kelley from Pennsylvania were the originators of this idea. The legislation was directly the responsibility of this Congress.

There are still 2 more years to run before these legislative acts expire and I do not think it would be sound policy on the part of the Congress to withdraw its support of these programs until the experiments are completely finished.

Mr. FENTON. Mr. Chairman, will the gentlemen yield?

Mr. PRICE. I yield to the gentleman from Pennsylvania.

Mr. FENTON. I know the gentleman is interested in these projects, and I agree with him as far as the projects are concerned. They are wonderful demonstration plants, they have done a wonderful job, and I would refer the gentleman to the dialog on pages 602–603 of the hearings between my colleague, the gentleman from Idaho (Mr. BUDGE), and Dr. McCabe. I want to point out one little statement that Dr. McCabe made:

"I think we will come to a point before too long where we can begin to phase out the big operation at Rifle. I do not think that it will be too long before the west-coast petroleum industry will pick up the oil shale. They have been in to see the Secretary of the Interior, talking about additional acreage on the public domain, asking him to give them a 20-year period to stay. Under the present rules, the area would be too small."

Mr. PRICE. I wonder what Dr. McCabe meant by "too long." He certainly did not think it should be done quickly. If he did, I do not agree with him on the matter of national defense.

Mr. KIRWAN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia (Mr. BAILEY).

Mr. BAILEY. Mr. Chairman, as a boy in high school I learned one of the immutable laws of nature was that liquids always found their level. Applied to crude oil today, we find it seeping out of a lot of cleavages in the top-level strata, both within and without the administration. In fact, I think the level of petroleum has risen so high it is flooding out the soft coal mines in West Virginia today.

Let us remember that this program had its birth back in the critical days of the war period when my fellow Congressman from the State of West Virginia, Jennings Randolph, sponsored this liquid-fuels program. When I came to the Congress in 1945 we had already passed a bill in 1944 but no appropriations were made for it. In 1946 we appropriated approximately $15 million to implement the program, including the establishment and development of a research plant of the Bureau of Mines in connection with the School of Mines in West Virginia University. Later on demonstration plants were set up in Louisiana, Mo.; they were set up at a point in Pennsylvania, Bristol, I believe. There was one set up near Birmingham in Alabama, all part of research being done in connection with the Bureau of Mines and the School of Mines of the West Virginia University. I believe the oil shales plant was established in Colorado, somewhere along about the same time, and I believe under the same authority.

Now, we find this situation developing:

That demonstration plant down in Missouri, so I am advised, was able to produce high octane gasoline within approximately 6 cents of the wholesale cost of the production of natural high octane gasoline. Anyway, let us remember that the fight started 2 years ago. Out of that $15 million original appropriation there was $4,500,000 left unexpended. The minority leader of the Committee on Appropriations at that time, along with the gentleman who I believe is the chairman of the present subcommittee, the gentleman from Iowa [Mr. JENSEN] attempted in that appropriation bill to recover that money into the Federal Treasury. You will recall I raised the point of order that it was legislation on an appropriation bill. I went to the Bureau of Mines and talked it over with them. They had arrangements for a new research plant at Morgantown in connection with the Bureau of Mines, and they told me the purpose of the new research plant over there was to further refine this old German process to a point where the end product could go into competition with the natural product. There was not anything said about a new process, and I doubt seriously if there is any new process. I think it is just an attempt to refine that old German process; at least, I was given to understand that. I insisted to the head of the Bureau of Mines that he would have to let his contract for his new research plant before the 30th of last June 1952.

That plant is approximately two-thirds constructed at the present time. I cannot see the wisdom and the advisability of our going ahead with this research there and cutting off demonstration plants like the one down in Missouri and like the one over in Colorado or anywhere else if we are going ahead and completing this process to a point where it could protect this country in a defense way in the event that oils coming from foreign countries were stopped by foreign submarines like they were back in 1944 and 1945, that caused the initial adoption of this program.

I just cannot understand why they would want to appropriate $500,000 to put that Missouri and Colorado plant in standby order. Let me call your attention to the fact that on page 20 of the committee report you will find that the Secretary is directed to dispose of these plants. Why spend half a million dollars if we are going to sell them? It is time for the subcommittee to quit kidding the Members of Congress on this proposition.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. YOUNG of Alaska (at the request of Mr. RHODES), for June 25, 1979, on account of official business.

Mr. JEFFRIES (at the request of Mr. RHODES), for today and tomorrow, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 60 minutes, tomorrow.

(The following Members (at the request of Mr. CHENEY) to revise and extend their remarks and include extraneous material:)

Mr. RITTER, for 10 minutes, today.

Mr. TAUKE, for 5 minutes, today.

(The following Members (at the request of Mr. STACK) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BROWN of California, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. HANLEY, for 5 minutes, today.

Mr. VANIK, for 15 minutes, today.

Mr. WOLFF, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DANIELSON, immediately following the remarks of Mr. BRINKLEY on the bill, H.R. 3989, Fort Mitchell Regional Veterans' Cemetery.

Mr. MURPHY of New York, to insert his remarks just prior to statement of Mr. BREAUX on H.R. 1798.

Mr. GONZALEZ, during debate today on H.R. 411, waiver of usury provisions for veterans' loan guaranty benefits.

(The following Members (at the request of Mr. CHENEY) and to include extraneous material:)

Mr. LUNGREN.

Mr. RHODES.

Mr. MICHEL.

Mr. LAGOMARSINO in two instances.

Mr. SPENCE.

Mr. MCCLORY in two instances.

Mr. GRADISON.

Mr. GRASSLEY.

Mr. COLEMAN.

Mr. EVANS of Delaware in two instances.

Mr. RINALDO.

Mr. ROBERT W. DANIEL, JR.

(The following Members (at the request of Mr. STACK) and to include extraneous matter:)

Mr. MAVROULES in two instances.

Mr. GIBBONS.

Mr. ASPIN.

Mr. MOLLOHAN.

Mr. STOKES.

Mr. BINGHAM in 10 instances.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. FORD of Tennessee.

Mr. LELAND.

Mr. MAGUIRE.

Mr. MCDONALD in five instances.

Mr. HALL of Texas.

Mr. CARR.

Mr. CONYERS.

Mr. LEHMAN.

Mr. DONNELLY.

Mr. FLORIO.

Mr. BENJAMIN.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. SKELTON.

Mr. HANLEY.

Mr. WOLFF in two instances.

Mr. SOLARZ.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 229. An act for the relief of Lourie Ann Eder; to the Committee on the Judiciary;

S. 276. An act for the relief of Steve Wing-On Yan; to the committee on the Judiciary;

S. 400. An act to releive the liability for the repayment of certain erroneously made contributions by the United States; to the Committee on the Judiciary; and

S. 404. An act for the relief of Yaeko Howell; to the Committee on the Judiciary.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 26, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1863. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Defense Appropriation Act, 1979, and the Military Construction Appropriation Act, 1979, during the period October 1, 1978–March 31, 1979, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 835 and 109 of the respective acts; to the Committee on Appropriations.

1864. A letter from the Secretary of Housing and Urban Development, transmitting the first annual report of the urban development action grant program, pursuant to section 119(c)(4) of the Housing and Community Development Act; to the Committee on Banking, Finance and Urban Affairs.

1865. A letter from the Secretary, Council of the District of Columbia, transmitting a copy of Council Resolution No. 3-219, "Transfer of jurisdiction of part of U.S. Reservation 520 for highway purposes"; to the Committee on the District of Columbia.

1866. A letter from the Secretary of Labor, transmitting a report on the status of consideration regarding Youth Employment Demonstration Programs and Private Sector Opportunities for the Economically Disadvantaged under the Comprehensive Employment and Training Act, pursuant to section 607 of the Congressional Budget Act of 1974; to the Committee on Education and Labor.

1867. A letter from the Assistant Secretary for Education, Department of Health, Education and Welfare, transmitting the fifth annual report of the National Center for Education Statistics on the condition of education in the United States, pursuant to section 406 (d) of the General Education Provisions Act, as amended (88 Stat. 556); to the Committee on Education and Labor.

1868. A letter from the Secretary of State, transmitting the regulations to implement the liability insurance requirement for foreign diplomatic missions to the United States, pursuant to section 510(2) of Public Law 95–148; to the Committee on Foreign Affairs.

1869. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

1870. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development and the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1871. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1872. A letter from the Acting Administrator, General Services Administration, transmitting a report summarizing and analyzing the reports submitted by executive agencies on the amount of personal property furnished to non-Federal recipients, pursuant to section 202(a) of Public Law 81–152 (90 Stat. 2455); to the Committee on Government Operations.

1873. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $317,728.57 in royalty payments to Chevron U.S.A., Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1874. A letter from the Secretary of the Treasury, transmitting a report on the state of the finances of the U.S. Government for fiscal year 1978, pursuant to section 257 (First) of the Revised Statutes (31 U.S.C. 1027); to the Committee on Ways and Means.

1875. A letter from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Livestock and Livestock Products, transmitting the committee's report on the Multilateral Trade Negotiations Agreements initialed in Geneva on April 12, 1979, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

1876. A letter from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Poultry and Eggs, transmitting the committee's report on the Multilateral Trade Negotiations Agreements initialed in Geneva on April 12, 1979, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

1877. A letter from the Assistant Attorney General Antitrust Division, transmitting a report on the competitive and social impact of mergers and acquisitions by large business enterprises, pursuant to section 10(c)(2) of the Small Business Act, as amended; jointly, to the Committees on Small Business and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 4023. A bill to amend the Clean Water Act of 1977 to extend the moratorium on industrial cost recovery; with amendment (Rept. No. 96–305). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER:

H.R. 4597. A bill to extend and improve title V of the Social Security Act; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DONNELLY:

H.R. 4598. A bill to amend the Home Owner's Loan Act of 1933 to permit savings and loan associations to make and invest in reverse annuity mortgages to the extent permitted by the Federal Home Loan Bank Board; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 4599. A bill to amend the Railroad Retirement Act of 1974 to eliminate disqualification of employed spouses for certain annuities; to the Committee on Interstate and Foreign Commerce.

H.R. 4600. A bill to amend title II of the Social Security Act to provide that mother's insurance benefits will continue to be paid as long as the mother has in her care a child, entitled to child's insurance benefits, who is between ages 18 and 22 and is a full-time student; to the Committee on Ways and Means.

By Mr. HUGHES:

H.R. 4601. A bill to withdraw certain Federal fish restoration and management assistance to States that impose fees for recreational salt water fishing, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LaFALCE:

H.R. 4602. A bill to provide training, counseling, and services for displaced homemakers; to the Committee on Education and Labor.

By Mr. MURTHA:

H.R. 4603. A bill to provide the American consumer the assurance that foreign dairy products marketed in the United States meet minimum standards of quality by requiring the inspection of these products at the U.S. ports of entry, at the foreign milk processing plants which provide dairy products for export to the United States, and at the foreign dairy farms which supply milk to foreign milk processing plants for the production of dairy products to be exported to the United States; to the Committee on Agriculture.

H.R. 4604. A bill to amend title 18 of the United States Code with regard to the additional sentence imposed for commission of a felony while using or unlawfully carrying a firearm; to the Committee on the Judiciary.

H.R. 4605. A bill to amend title 18, United States Code, so as to impose mandatory minimum terms with respect to certain offenses, and for other purposes; to the Committee on the Judiciary.

By Mr. NICHOLS:

H.R. 4606. A bill to establish Federal standards for the weights and lengths of vehicles using the National System of Interstate and Defense Highways, and for other purposes; jointly, to the Committees on Public Works and Transportation and Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 4607. A bill to provide certain authorities for the Department of Energy; jointly, to the Committees on Interstate and Foreign Commerce, Armed Services, Science and Technology, and House Administration.

By Mr. UDALL:

H.R. 4608. A bill to amend the Water Resources Planning Act; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Public Works and Transportation.

By Mr. SOLARZ:

H. Con. Res. 145. Concurrent resolution expressing the sense of the House of Representatives that the House of Representatives support and encourage the President's efforts to encourage all nations to increase aid and resettlement assistance to Indochinese refugees, and that in conjunction with their effort the Attorney General should substantially increase the number of Indochinese refugees paroled into the United States, and for other purposes; jointly, to the Committees on Foreign Affairs and the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

238. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to extending the coverage of the Economic Opportunity Act of 1964; to the Committee on Education and Labor.

239. Also, memorial of the Legislature of the State of Illinois, relative to reimbursement of the States for all costs incurred with respect to implementing Federal programs, to the Committee on Government Operations.

240. Also, memorial of the Legislature of the State of California, relative to peace between Israel and Egypt; to the Committee on Foreign Affairs.

241. Also, memorial of the Legislature of the Territory of Guam, relative to extending the coverage of the supplemental security income program for the aged, blind, and disabled in the territory of Guam; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII:

Mr. LEDERER introduced a bill, (H.R. 4609), for the relief of Leonida Santiago Smith which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Madigan.

H.R. 990: Mr. Gingrich, and Mr. Leach of Iowa.

H.R. 1576: Mr. Corman, Mr. Hillis, Mr. Mattox, and Mr. Railsback.

H.R. 1577: Mr. Corman, Mr. Hillis, Mr. Mattox, and Mr. Railsback.

H.R. 1578: Mr. Corman, Mr. Hillis, Mr. Mattox, and Mr. Railsback.

H.R. 2272: Mr. Stenholm.

H.R. 2282: Mr. Satterfield, Mr. Edwards of California, Mr. Danielson, Mr. Hall of Texas, Mr. Leath of Texas, Mr. Boner of Tennessee, Mr. Daschle, Mr. Hillis, Mr. Guyer, Mr. Deckard, and Mr. Corcoran.

H.R. 2744: Mr. Jones of Tennessee, Mr. Bevill, Mr. Shelby, Mr. Lloyd, Mr. Hinson, Mr. Burgener, Mrs. Boggs, Mr. Coelho, and Mr. Long of Maryland.

H.R. 2973: Mr. AuCoin, Mr. Carr, Mr. Mitchell of Maryland, Mr. Rinaldo, Mr. Kildee, Mr. Moakley, Mr. Pepper, Mr. Williams of Ohio, Mr. Brodhead, Mrs. Spellman, Mr. Gilman, Mr. Albosta, Mr. Lederer, Mr. Martin, Mr. Marriott, Mr. Perkins, Mr. Weiss, Mr. Mottl, Mr. Mathis, Mr. Lloyd, Mr. Clay, Mr. Watkins, Mr. Yatron, Mr.

Stokes, Mr. Edwards of California, Mr. Minish, Mr. Corrada, Mr. Madigan, Mr. Vento, Mr. Downey, Mr. Glickman, and Mr. Murphy of Pennsylvania.

H.R. 3057: Ms. Mikulski, Mrs. Schroeder, Mrs. Bouquard, Mr. Guarini, Mr. Pepper, Mr. Seiberling, Mr. Ottinger, and Mr. Glickman.

H.R. 3058: Mr. Markey.

H.R. 3584. Mr. Frost.

H.R. 3795: Mr. Kemp, Mr. Ashbrook, Mr. Frenzel, Mr. Kogovsek, Mr. Whitehurst, Mr. Hinson, Mr. Yatron, Mr. Andrews of North Dakota, Mr. Archer, Mr. McDonald, Mr. Cheney, Mr. Lott, Mr. Badham, Mr. Wyatt, Mr. Whittaker, Mr. Guyer, Mr. Roth, Mr. Sebelius, Mr. Paul, Mr. Sensenbrenner, Mr. Symms, Mr. Watkins, Mr. Grisham, Mr. Collins of Texas, Mr. Livingston, Mr. Coughlin, Mr. Hillis, Mr. Moorhead of California, and Mr. Leach of Louisiana.

H.R. 3895: Mr. Gephardt, Mrs. Bouquard, Mr. Seiberling, Mr. McClory, Mr. Tauke, Mr. Simon, Mr. Akaka, Mr. Stokes, and Mr. Goodling.

H.R. 4019: Mr. Petri.

H.R. 4120: Mr. Conte, Mr. Courter, Mr. Gilman, Mr. Green, Mr. Nolan, Mr. Patterson, Mr. Roth, Mr. Scheuer, and Mr. Wolff.

H.R. 4265: Mr. Coelho, Mr. Gaydos, and Mr. Bedell.

H.R. 4476: Mr. Abdnor, and Mr. Murphy of Pennsylvania.

H.R. 4512: Mr. Rosenthal, Mr. Maguire, Mr. Kostmayer, Mr. Wolpe, Mr. Mitchell of Maryland, Mr. Thompson, Mr. Markey, and Mr. Duncan of Tennessee.

H.J. Res. 209: Mr. Bedell, Mr. Bingham, Mr. Davis of Michigan, Mr. de la Garza, Mr. Foley, Mr. Gingrich, Mr. Hall of Ohio, Mr. Maguire, Mr. Synar, Mr. Van Deerlin, Mr. Bob Wilson, and Mr. Stokes.

H.J. Res. 347: Mr. Mitchell of New York, Mr. Oberstar, Mr. Mollohan, Mr. Wampler, Mr. Jenrette, Mr. Peyser, Mr. Solarz, Mr. Stokes, Mr. Gephardt, Mr. Courter, and Mr. Charles Wilson of Texas.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7

By Mr. PAUL:

—On page 32, strike subsection (d).

H.R. 3919

By Mr. MOORE:

—Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Crude Oil Windfall Profit Tax Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. WINDFALL PROFIT TAX.

(a) IN GENERAL.—

(1) AMENDMENT OF SUBTITLE D.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.
"Sec. 4989. Windfall profit; removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Newly discovered oil; certain Alaskan oil; tertiary recovery projects.
"Sec. 4992. Other definitions and special rules.
"Sec. 4993. Records and information; regulations.

"SEC. 4986. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) TAX PAID BY PRODUCER.—The tax imposed by this section shall be paid by the producer of the crude oil.

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—Except as provided in the provisions referred to in subsection (b), the amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be 60 percent of the windfall profit on such barrel.

"(b) PROVISIONS PROVIDING FOR 50 PERCENT RATE.—For provisions providing tax rate of 50 percent in the case of—

"(1) a certain portion of the windfall profit from newly discovered oil, see section 4991 (a)(2), and

"(2) Sadlerochit oil, see section 4991(b) (1)(A).

"(c) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"SEC. 4988. TAXABLE CRUDE OIL; THE 3 TIERS FOR TAX PURPOSES.

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than—

"(1) qualified Alaskan oil (within the meaning of section 4992(b)(6)), and

"(2) newly discovered oil and incremental tertiary oil removed (or deemed removed) from the premises after December 31, 1990.

"(b) TIER 1 OIL.—For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1930 and each month thereafter by 1½ percent (instead of 3 percent).

For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter.

"(c) TIER 2 OIL.—For purposes of this chapter, the term 'tier 2 oil' means upper tier oil other than—

"(1) oil described in subsection (b)(2),

"(2) oil removed (or deemed removed) from the premises after December 31, 1980, and

"(3) Sadlerochit oil (within the meaning of section 4991(b)(3).

"(d) TIER 3 OIL.—For purposes of this chapter, the term 'tier 3 oil' means taxable crude oil other than tier 1 oil and tier 2 oil.

"(e) LOWER AND UPPER TIERS.—For purposes of this chapter—

"(1) LOWER TIER OIL.—The term 'lower tier oil' means domestic crude oil which is or would be subject to the lower tier ceiling price rule of the June 1979 energy regulations.

"(2) UPPER TIER OIL.—The term 'upper tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"SEC. 4989. WINDFALL PROFIT; REMOVAL PRICE.

"(a) GENERAL RULE.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4992(d).

"(b) NET INCOME LIMITATION ON WINDFALL PROFIT.—

"(1) IN GENERAL.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel.

"(2) DETERMINATION OF NET INCOME.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) TAXABLE INCOME FROM THE PROPERTY.—For purposes of paragraph (2)—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) CERTAIN DEDUCTIONS NOT ALLOWED.—No deduction shall be allowed for—

"(i) depletion,

"(ii) section 263(c) costs, and

"(iii) the tax imposed by section 4986.

"(C) TAXABLE INCOME REDUCED BY COST DEPLETION.—Taxable income shall be reduced by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all section 263(c) costs had been capitalized and taken into account in computing cost depletion, and

"(ii) cost depletion had been used with respect to such property for all periods.

"(D) SECTION 263(c) COSTS.—Purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this chapter (other than this paragraph). Such terms shall not include costs incurred in drilling a nonproductive well.

"(4) SPECIAL RULES FOR TRANSFERS OF PROVEN OIL OR GAS PROPERTIES.—

"(A) IN GENERAL.—In the case of any proven oil or gas property transfer which, but for this subparagraph, would result in an increase in the amount determined under paragraph (3)(C) with respect to the transferee, paragraph (3)(C) shall be applied with respect to the transferee by taking into account only costs incurred during periods after such transfer.

"(B) PROVEN OIL OR GAS PROPERTY TRANSFER.—For purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613A(c)(9) (A)).

"(5) SPECIAL RULE WHERE THERE IS PRODUCTION PAYMENT.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) REMOVAL PRICE.—For purposes of this chapter—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) SALES BETWEEN RELATED PERSONS.—In the case of a sale between related persons (within the meaning of section 103(b)(6) (C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"Sec. 4990. Adjusted Base Price.

"(a) Adjusted Base Price Defined.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) Inflation Adjustment.—

"(1) In General.—For purposes of subsection (a) the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978 (June 30, 1979, in the case of tier 3 oil).

"(2) First revision of price deflator used.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(c) Base Price for Tier 1 Oil.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(d) Base Price for Tier 2 Oil.—For purposes of this chapter

"(1) In general.—Except as provided in paragraph (2), the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(2) Monthly increments starting November 1, 1986.—Beginning with November 1986, the base price for tier 2 oil of any grade and location shall include such monthly increments as may be provided pursuant to regulations prescribed by the Secretary (and modified by him from time to time) for the purpose of eliminating (as ratably as may be practicable) over the 50 month period ending December 31, 1990, the gap between the tier 2 base price for such oil and the tier 3 base price for such oil.

"(e) Base Price for Tier 3 Oil.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in December 1979 if the average landed price during such month for imported crude oil were $16 a barrel.

"Sec. 4991. Newly Discovered Oil; Tertiary Recovery Projects; Certain Alaskan Oil

"(a) Newly Discovered Oil and Tertiary Recovery.—

"(1) Base price to be $17.—The base price for any newly discovered oil and incremental tertiary oil shall be determined by substituting '$17' for '$16' in section 4990(e).

"(2) Rate of tax on first $9 of windfall profit shall be 50 percent instead of 60 percent.—For so much of the windfall profit on any barrel of newly discovered oil and incremental tertiary oil as does not exceed $9, the tax rate applicable under section 4987(a) shall be 50 percent instead of 60 percent.

"(3) Additional ½ of 1 percent quarterly adjustment.—

"(A) In general.—The adjusted base price for any barrel of newly discovered oil and incremental tertiary oil shall be determined by substituting for the implicit price deflator referred to in section 4990(b)(1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after September 1979 and before the calendar quarter in which the oil is removed (or deemed removed) from the premises.

"(B) Inflation adjustment and additional ½ of 1 percent quarterly adjustment also apply to amount of windfall profit subject to the 50 percent tax.—The $9 figure contained in paragraph (2) shall be adjusted in a manner similar to that provided under subsections (a) and (b) of section 4990 (as modified by subparagraph (A) of this paragraph).

"(4) Severance tax adjustment not to apply to portion subject to 50-percent rate.—For purposes of determining the windfall profit on any barrel of newly discovered oil and incremental tertiary oil section 4992(d)(1)(B) shall be applied by substituting for 'its adjusted base price' the following: 'its adjusted base price plus $9, adjusted as provided in section 4991(a)(3)(B)'.

"(5) Newly discovered oil defined.—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter)—

"(A) In general.—Except as otherwise provided in this paragraph, the term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(B) Reopenings.—The term 'newly discovered oil' does not include crude oil produced from a property from which there has been any production of crude oil after 1969 and before 1979. For purposes of this subparagraph, the term 'property' has the meaning given to such term by the June 1979 energy regulations.

"(C) Behind-the-pipe oil.—The term 'newly discovered oil' does not include crude oil produced from a reservoir on a tract or parcel if—

"(i) the reservoir was penetrated after 1969 and before 1979 by a well (on such tract or parcel) from which crude oil was produced (whether or not such production was from such reservoir), and

"(ii) crude oil could have been produced from such reservoir through such well before 1979.

"(D) Production must have been in commercial quantities.—For purposes of subparagraphs (B) and (C), only production in commercial quantities shall be taken into account.

"(b) Alaskan Oil From Sadlerochit Reservoir.—For purpcses of this chapter—

"(1) In general.—In the case of Sadlerochit oil—

"(A) Rate of tax.—The rate of tax provided in section 4987(a) shall be 50 percent instead of 60 percent.

"(B) Base price.—The base price shall be $7.50.

"(C) Adjusted base price increased by TAPS adjustment.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(D) Removal pbice determined on monthly basis.—The removal price of such oil removed during any calendar month shall be the average of the producer's removal prices for such month.

"(E) Severance tax adjustment not to apply.—The amount of the windfall profit shall be determined without regard to section 4989(a)(2).

"(2) TAPS adjustment.—

"(A) In general.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26 plus the product of $6.26 and the inflation adjustment, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) Inflation adjustment.—For purposes of subparagraph (A), the inflation adjustment shall be determined under section 4990(b) as if paragraph (1)(B) thereof referred to the calendar quarter ending June 30, 1978.

"(C) TAPS tariff.—For purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(D) TAPS defined.—For purposes of this paragraph, the term "TAPS" means the Trans-Alaskan Pipeline System.

"(3) Sadlerochit oil defined.—The term 'Sodlerochit oil' means crude oil produced from the Sadlerochit reservoir in the Prudhoe bay oil field.

"(c) Incremental Tertiary Oil Treated as Tier 3 Oil.—For purposes of this chapter—

"(1) Tteatment as tier 3 oil.—Incremental tertiary oil which is taxable crude oil shall be treated as tier 3 and not as tier 1 or tier 2 oil.

"(2) Incremental tertiary oil defined.—

"(A) In general.—The term 'incremental tertiary oil' means the excess of—

"(i) the amount of crude oil which is removed during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over.

"(ii) the base level for such property for such month.

"(B) Base level.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed from such property during the 6-month period ending March 31, 1979, reduced by the sum of—

"(i) 1 percent of such amount for each month which begins after 1978 and before the project beginning date, and

"(ii) 2½ percent for each month (after the last month described in clause (i) or, if no such month, after 1978) which is before the month for which the base level is being determined.

"(C) Minimum amount in case of projects certified by doe.—In the case of a project described in paragraph (4)(A), the amount of the incremental tertiary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(3) Allocation rules.—The determination of which barrels of crude oil removed during any month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between oil which (but for this subsection) would be tier 1 oil and oil which (but for this subsection) would be tier 2 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(4) QUALIFIED TERTIARY RECOVERY PROJECT.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such is in effect under the June 1979 energy regulations, or

"(B) any project for the tertiary recovery of crude oil which meets the requirements of paragraph (5).

"(5) REQUIREMENTS.—A project meets the requirements of this paragraph if—

"(A) the project involves the application (in accordance with sound engineering principles) of one or more tertiary recovery methods which can reasonably be expected to result in a significant increase in the amount of crude oil which will ultimately be recovered from the property,

"(B) the project would be uneconomic without the benefits of this subsection,

"(C) the project beginning date is after May 1979, and

"(D) the operator submits (at such times and in such manner as the Secretary may by regulations prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets the requirements of subparagraphs (A), (B), and (C) (and continues to meet the requirements of subparagraph (A)), and

"(ii) such other information as the Secretary may by regulations require.

"(6) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) TERTIARY RECOVERY METHOD.—The term 'tertiary recovery method' means—

"(i) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or

"(ii) any other method to provide tertiary enhanced recovery which is approved by the Secretary.

"(B) PROJECT BEGINNING DATE.—The term 'project beginning date' means the date on which the application of the method or methods referred to in paragraph (5)(A) begin.

"(C) PROJECT ONLY AFFECTS PORTION OF PROPERTY.—If a qualified tertiary recovery project affects only a portion of a property, such portion shall be treated as a separate property.

"(D) SIGNIFICANT EXPANSION TREATED AS SEPARATE PROJECT.—A significant expansion of any project shall be treated as a separate project.

"(d) FRONT-END FINANCING FOR TERTIARY RECOVERY PROJECTS.—If under any energy regulations crude oil receives special price treatment for purposes of providing front-end financing for tertiary recovery projects, for purposes of this chapter, such crude oil shall be treated as tier 2 oil.

"SEC. 4992. OTHER DEFINITIONS AND SPECIAL RULES.

"(a) PRODUCER.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'produce' means the holder of the economic interest with respect to the crude oil.

"(2) EXCEPTION IN CASE OF CERTAIN SPECIFIED AMOUNT PRODUCTION PAYMENTS.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(A) is not limited by time or to a specified number of units, but

"(B) will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the holder of the economic interest from which the production payment was created (rather than the holder of the production payment) shall be treated as the producer of such portion.

"(b) OTHER DEFINITIONS.—For purposes of this chapter—

"(1) CRUDE OIL.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) BARREL.—The term 'barrel' means 42 United States gallons.

"(3) DOMESTIC.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) UNITED STATES.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) POSSESSION OF THE UNITED STATES.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) QUALIFIED ALASKAN OIL.—The term 'qualified Alaskan oil' means any crude oil produced from a well north of the Arctic Circle other than Sadlerochit oil.

"(7) TAXABLE PERIOD.—The term 'taxable period' means each calendar quarter beginning after December 31, 1979.

"(8) ENERGY REGULATIONS.—

"(A) IN GENERAL.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as amended.

"(B) MARCH 1979 ENERGY REGULATIONS.—The March 1979 energy regulations shall be the terms of energy regulations as such terms existed on March 1, 1979.

"(C) JUNE 1979 ENERGY REGULATIONS.—The June 1979 energy regulations—

"(i) shall be the terms of energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) CONTINUED APPLICATION OF REGULATIONS AFTER DECONTROL.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) PURCHASER COLLECTS TAX.—If the removal of any taxable crude oil is determined under such 4989(c)(1)—

"(1) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amount of such tax from amounts payable for such oil,

"(2) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(3) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

In determining the amount to be collected under paragraph (1), section 4989(b) shall not apply.

"(6) SEVERANCE TAX ADJUSTMENT.—For purposes of this chapter—

"(1) IN GENERAL.—The severance tax adjustment with respect to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been extracted and sold at its adjusted base price.

"(2) LIMITATION ON AMOUNT OF SEVERANCE TAX.—The amount of severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979.

"(e) SPECIAL RULES FOR POST-1978 TRANSFERS OF PROPERTY.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer.

"(1) crude oil produced from any portion of such property shall not constitute stripper oil or newly discovered oil if such oil would not be so classified if the property had not been divided, and

"(2) the allocation of the base production control level among portions of the property shall be made under regulations perscribed by the Secretary.

"(f) EXEMPTION FOR CERTAIN INTERESTS HELD BY STATE OR LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—If—

"(A) an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution which is an agency or instrumentality of any of the foregoing, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to public education,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest. For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to such interest.

"(2) AMOUNTS PLACED IN CERTAIN PERMANENT FUNDS TREATED AS DEDICATED TO PUBLIC EDUCATION.—The requirements of paragraph (1)(B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to public education.

"SEC. 4993. RECORDS AND INFORMATION; REGULATIONS.

"(a) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purpose of this chapter including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or apppropriate to carry out such purposes."

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

(b) TECHNICAL AMENDMENTS.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(2) Subsection (a) of section 613 (relating to percentage depletion) is amended by inserting before the last sentence the follow-

ing new sentence: "For purposes of this subsection and section 613A(d)(1), in the case of taxable crude oil (within the meaning of section 4988(a)), gross income from the property shall be reduced by the amount of the windfall profit (within the meaning of section 4989(a) determined without regard to the severance tax adjustment) and taxable income shall be determined without regard to the tax imposed by section 4986."

(c) Time for Filing Return of Windfall Profit Tax; Depositary Requirements.—

(1) Time for filing return of windfall profit tax.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6076. Time for Filing Return of Windfall Profit Tax.

"(a) General Rule.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4992(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) Cross Reference.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax."

(2) Depositary requirements.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Windfall Profit Tax.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations."

(3) Technical amendment.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. Information Furnished by Purchaser and Operator Regarding Windfall Profit Tax on Domestic Crude Oil.

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary, the purchaser of taxable crude oil (within the meaning of section 4988) shall furnish to the taxpayer liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable crude oil purchased from such taxpayer during such month,

"(2) the removal price of such oil,

"(3) the base price and the adjusted base price with respect to such oil,

"(4) the amount of such taxpayer's liability for tax under section 4986 with respect to such oil, and

"(5) such other information as may be required by regulations prescribed by the Secretary.

"(b) Information Furnished by Operator.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time for Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished by Operator.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4990) with respect to such crude oil. For purposes of section 6652(b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) Technical and conforming amendments.—

(A) Section 6652(b) is amended by striking out " or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profit tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information furnished by purchaser and operator regarding windfal profit tax on domestic crude oil."

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end there of the fololwing new section:

"Sec. 7241. Willful Failure To Furnish Certain Information Regarding Windfall Profit Tax on Domestic Crude Oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil."

(f) Information Furnished by Partnerships, Trusts, and Estates.—

(1) Information to be furnished to partners and to beneficiaries of estates and trusts.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"Sec. 6050D. Windfall Profit Information To Be Furnished to Partners and to Beneficiaries of Estates and Trusts.

"(a) Requirement.—Under regulations prescribed by the Secretary, each partnership, estate, and trust producing domestic crude oil for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050C,

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) Time for Furnishing Written Statement.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) Clerical amendment.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts."

(g) Effective Date.—The amendments made by this section shall take effect on January 1, 1980.

Sec. 3. Establishment of Energy Trust Fund.

(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the "Energy Trust Fund" (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) Transfer to Trust Fund of Amounts Equivalent to Certain Taxes.—

(1) In general.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") to be equivalent to the amounts received in the Treasury under section 4986 of the Internal Revenue Code of 1954.

(2) Method of transfer.—The amounts appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amount subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) Management of Trust Fund.—

(1) Report.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year ending on or after September 30, 1980, on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected conditions and operations during the next 5 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(2) Investment.—

(A) In general.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be required (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) Sale of obligations.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) Interest on certain proceeds.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and from a part of the Trust Fund.

(d) Expenditures From Trust Fund.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures for such purposes as may hereafter be specified by law.

Sec. 4. Study of Effects on Decontrol of Oil Prices and of Windfall Profit Tax.

(a) General Rule.—The President shall, not later than January 1, 1983, submit to the Congress a report on the effect of decontrol of oil prices and the windfall profit tax on—

(1) domestic oil production,
(2) foreign oil imports,
(3) profits of the oil industry,
(4) inflation,
(5) employment,
(6) economic growth,
(7) Federal revenues, and
(8) national security.

(b) Report To Include Recommendations.—The report required under subsection (a) shall include such legislative recommendations as the President determines to be advisable.

H.R. 3930

By Mr. BROWN of Ohio:

—Page 2, beginning on line 12, strike out ", including petroleum,".

Page 10, line 9, strike out "is amended" and all that follows down through line 10 and insert in lieu thereof the following: "is amended by inserting 'energy production or construction for defense and defense-related purposes,' after 'construction,'."

Page 2, line 19, after "(a)" insert "(1)".

Page 2, after line 25, insert the following new paragraph:

(2) Section 301(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the Department of Energy and the Tennessee Valley Authority may use for the purposes of this section only funds specifically appropriated or allocated to each such agency for such purposes pursuant to this Act."

Page 3, line 7, insert "(A)" before "$38,000,000".

Page 3, line 15, strike out the period and insert in lieu thereof the following: ", and (B) $250,000,000, except with the approval of Congress. Any notice under this paragraph relating to obligations of the Department of Energy or the Tennessee Valley Administration shall also be transmitted to the appropriate authorizing committees of the Senate and the House of Representatives."

Page 3, line 20, after "period." insert the following new sentence: "Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except that any reference in that subsection to any resolution or resolution with respect to an energy action shall be considered to refer to a resolution pursuant to this section."

Page 4, line 2, before the quotation marks insert "for national defense".

—Page 4, line 24, strike out "national production goal" and all that follows down through "feedstocks" on line 1 of page 5, and insert in lieu thereof the following: "national goal of domestic production of diversified and reliable sources of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to at least 500,000 barrels of crude oil".

Page 5, line 2, strike out "The President" and all that follows down through line 7.

Page 5, line 12, after "stocks" insert "produced from facilities which are located within the United States".

Page 5, line 13, strike out all after "use" and insert ", resale, or exchange, or for sale by the producer of such fuels and feedstocks, as provided in this section; and."

Page 5, after line 16, insert:

"In the case of any synthetic fuel or synthetic chemical feedstock which is not appropriate for storage in the Strategic Petroleum Reserve, the President may provide for the exchange of such fuel or feedstock for crude oil or any petroleum product appropriate for storage in such Reserve and may transfer to, and store in, such reserve crude oil or any petroleum product acquired in such exchange.".

Page 5, beginning on line 18, strike out "without regard to the limitations of existing law,".

Page 5, line 20, strike out ", including advance payments,".

Page 5, line 17, insert "(1)" after "(c)".

Page 5, strike out line 22 and all that follows down through line 12 on page 6 and insert in lieu thereof the following:

"(A) no such contract may be entered into (or extended) after September 30, 1985; and

"(B) such contracts may be entered into only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(2) (A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President finds, after notice in the Federal Register and opportunity for public comment of not less than 60 days' duration, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a)."

Page 8, strike out line 7 and all that follows down through line 15 on page 9.

Page 9, after line 15, insert the following:

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, antitrust, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources).

Page 9, after line 15, insert the following:

"(g) Notwithstanding any other provision of this Act, purchase contracts and commitments to contract under this section may only be entered into with individuals, and corporations, partnerships, associations, existing under or authorized by the laws of the United States or any State, the District of Columbia, or any possession of the United States, or of any foreign country.

Page 9, after line 23, insert:

"(i) No purchase or commitment to purchase shall be made for synthetic fuels and synthetic chemical feedstocks produced from any facility for which a grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury, unless the President—

"(1) determines it necessary to attain the goal established by subsection (a) or to assure a diversified source of supply of such fuels and feedstocks,

"(2) determines that such other assistance was made pursuant to any law which has as an express purpose the financing of the development and demonstration of such type of facilities and which is administered by the Secretary of Energy, and

"(3) notifies the Congress in writing of such determinations and 60 days of continuous session of Congress have expired following the date such notice was transmitted to Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation.

Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except any reference in that subsection to any resolution, or resolution with respect to an energy action, shall be considered to refer to a resolution pursuant to this section. The term 'continuous session of Congress' shall have the same meaning as given such term in section 301 of this Act.

Page 9, strike out line 24 and all that follows down through line 6 on page 10 and insert in lieu thereof—

"(i) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean liquid fuels and chemical feedstocks, respectively, produced from coal, shale, lignite, peat, solid waste, tar sands and heavy oils (if the gravity of the hydrocarbon content (A.P.I.) is 15 degrees or less, or such higher gravity (A.P.I.) as the President determines necessary to carry out the purposes of this section), and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either), and gaseous byproducts of such production.".

Page 10, beginning on line 22, strike out "There are hereby authorized to be appropriated $2,000,000,000" and insert in lieu thereof: "Not to exceed $2,000,000,000 are hereby authorized to be appropriated from (1) funds in the general fund of the Treasury not otherwise appropriated, (2) any trust fund which is established by the provisions of any law enacted after the date of the enactment of this section and which makes funds available for purposes covered by this section, or (3) both such general fund and such trust fund".

Page 11, strike out line 2 and insert in lieu thereof the following: "305(d) (5) and section 305(e).".

Page 10, after line 6, insert the following:

"(j) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree, if any, of foreign ownership or control of any such person."

—Page 8, after line 13, insert the following new subsection:

"(g) (1) Each Federal officer and agency having authority to issue any permit, or to otherwise approve or authorize, the construction or operation of any facility which is to produce any synthetic fuel or synthetic chemical feedstock for which the President has contracted (or entered into a commitment to contract) under this section shall, to the maximum extent practicable, expedite all actions necessary for the issuance of such permit, approval, or authorization and take final action thereon not later than 12 months after the date application for such permit, approval, or authorization is made. After taking any such action, such officer or agency shall publish notification thereof in the Federal Register.

"(2) (A) Within 6 months after the date of the enactment of this section, and from time-to-time thereafter, the President shall—

"(i) identify those provisions of Federal law or regulations (including any law or regulation affecting the environment or land leasing policy) which the President determines should be waived in whole or in part to facilitate the construction and operation of any facility which is to produce any synthetic fuel or synthetic chemical feedstock for which the President has contracted (or entered into a commitment to contract) under this section; and

"(ii) submit any such proposed waiver to both Houses of the Congress.

"(B) The provisions of law so identified shall be waived with respect to the construction and operation of such facility to the extent provided for in such proposed waiver if 60 days of continuous session of Congress have expired after the date such notice was transmitted and neither House of the Congress has adopted during that period of continuous session a resolution stating in substance that such House disapproves of that waiver. The term 'continuous session of Congress' shall have the same meanings given it in section 301 of this Act.".

Redesignate the following provisions accordingly.

By Mr. DINGELL:

—Page 2, strike out lines 24 and 25 and insert in lieu thereof the following:

Defense, the Department of Commerce,".

—Page 2, beginning on line 12, strike out ", including petroleum,".

Page 10, line 9, strike out "is amended" and all that follows down through line 10 and insert in lieu thereof the following: "is amended by inserting 'energy production or construction for defense and defense-related purposes,' after 'construction,'."

Page 2, line 19, after "(a)" insert "(1)".

Page 2, after line 25, insert the following new paragraph:

(2) Section 301(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the Department of Energy and the Tennessee Valley Authority may use for the purposes of this section only funds specifically appropriated or allocated to each such agency for such purposes pursuant to this Act."

Page 3, line 7, insert "(A)" before "$38,000,000".

Page 3, line 15, strike out the period and insert in lieu thereof the following ", and (B) $250,000,000, except with the approval of Congress. Any notice under this paragraph relating to obligations of the Department of Energy or the Tennessee Valley Administration shall also be transmitted to the appropriate authorizing committees of the Senate and the House of Representatives."

Page 3, line 20, after "period." insert the following new sentence: "Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except that any reference in that subsection to any resolution or resolution with respect to an energy action shall be considered to refer to a resolution pursuant to this section."

Page 4, line 2, before the quotation marks insert "for national defense".

—Page 4, line 24, strike out "national production goal" and all that follows down through "feedstocks" on line 1 of page 5, and insert in lieu thereof the following: "national goal of domestic production of diversified and reliable sources of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to at least 500,000 barrels of crude oil",

Page 5, line 2, strike out "The President" and all that follows down through line 7.

Page 5, line 12, after "stocks" insert "produced from facilities which are located within the United States".

Page 5, line 13, strike out all after "use" and insert ", resale, or exchange, or for sale by the producer of such fuels and feedstocks, as provided in this section; and."

Page 5, after line 16, insert:

"In the case of any synthetic fuel or synthetic chemical feedstock which is not appropriate for storage in the Strategic Petroleum Reserve, the President may provide for the exchange of such fuel or feedstock for crude oil or any petroleum product appropriate for storage in such Reserve and may transfer to, and store in, such reserve crude oil or any petroleum product acquired in such exchange.".

Page 5, beginning on line 18, strike out "without regard to the limitations of existing law.".

Page 5, line 20, strike out ", including advance payments.".

Page 5, line 17, insert "(1)" after "(c)".

Page 5, strike out line 22 and all that follows down through line 12 on page 6 and insert in lieu thereof the following:

"(A) no such contract may be entered into (or extended) after September 30, 1985; and

"(B) such contracts may be entered into only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(2)(A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1974 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President finds, after notice in the Federal Register and opportunity for public comment of not less than 60 days' duration, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a)."

Page 8, strike out line 7 and all that follows down through line 15 on page 9.

Page 9, after line 15, insert the following:

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, antitrust, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources).

Page 9, after line 15, insert the following:

"(g) Notwithstanding any other provision of this Act, purchase contracts and commitments to contract under this section may only be entered into with individuals, and corporations, partnerships, associations, existing under or authorized by the laws of the United States or any State, the District of Columbia, or any possession of the United States, or of any foreign country.

Page 9, after line 23, insert:

"(i) No purchase or commitment to purchase shall be made for synthetic fuels and synthetic chemical feedstocks produced from any facility for which a grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury, unless the President—

"(1) determines it necessary to attain the goal established by subsection (a) or to assure a diversified source of supply of such fuels and feedstocks,

"(2) determines that such other assistance was made pursuant to any law which has as an express purpose the financing of the development and demonstration of such type of facilities and which is administered by the Secretary of Energy, and

"(3) notifies the Congress in writing of such determinations and 60 days of continuous session of Congress have expired following the date such notice was transmitted to Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation.

Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except any reference in that subsection to any resolution, or resolution with respect to an energy action, shall be considered to refer to a resolution pursuant to this section. The term 'continuous session of Congress' shall have the same meaning as given such term in section 301 of this Act.

Page 9, strike out line 24 and all that follows down through line 6 on page 10 and insert in lieu thereof—

"(i) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' means liquid fuels and chemical feedstocks, respectively, produced from coal, shale, lignite, peat, solid waste, tar sands and heavy oils (if the gravity of the hydrocarbon content (A.P.I.) is 15 degrees or less, or such higher gravity (A.P.I.) as the President determines necessary to carry out the purposes of this section), and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either), and gaseous byproducts of such production.".

Page 10, beginning on line 22, strike out "There are hereby authorized to be appropriated $2,000,000,000" and insert in lieu thereof: "Not to exceed $2,000,000,000 are hereby authorized to be appropriated from (1) funds in the general fund of the Treasury not otherwise appropriated, (2) any trust fund which is established by the provisions of any law enacted after the date of the enactment of this section and which makes funds available for purposes covered by this section, or (3) both such general fund and such trust fund".

Page 11, strike out line 2 and insert in lieu thereof the following:

305(d)(5) and section 305(e).".

Page 10, after line 6, insert the following:

"(j) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree, if any, of foreign ownership on control of any such person."

—Page 4, strike out subsection (e) of section 3 (beginning on line 19 and ending on line 6 of page 10) and insert in lieu thereof the following:

(e) Title III of the Defense Production Act of 1950 (50 U.S.C. App. 2091–2094) is amended by adding at the end thereof the following new section:

"SEC. 305. (a) In order to meet national defense needs and thereby reduce dependence on foreign supplies of energy resources, it is declared to be a goal of the Nation to have, beginning 5 years after the effective date of this section, domestic production of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to 500,000 barrels of crude oil.

"(b) If the President determines that in the absence of the exercise of authority under this section it would be unlikely that the national goal established under subsection (a) would be attained, the President shall, in accordance with the provisions of this section—

"(1) enter into contracts to purchase or commit to purchase synthetic fuels, synthetic chemical feedstocks, or both, to the extent necessary to assure the attainment of that goal, and

"(2) (A) provide for the use of such synthetic fuels and synthetic chemical feedstocks for national defense needs;

"(B) with respect to such fuels and feedstocks as are not to be used under subparagraph (A), provide that such fuels and feedstocks, be transferred to and stored in the national stock piles in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 and following) or the Strategic Petroleum Reserve in accordance with the provisions of the Energy Policy and Conservation Act (42 U.S.C. 6231 and following); or

"(C) with respect to such fuels and feedstock as are not to be used or stored under subparagraph (A) or (B), exercise the option under the contract involved not to take delivery of such fuel or feedstocks, as provided under subsection (c) (4).

"(c) (1) Subject to the limitations of this subsection and subsection (f), such contracts to purchase or commit to purchase shall be for such quantities, for such periods, and on such terms and conditions, as the President determines will assure attainment of the national goal established in subsection (a).

"(2) Any such contract may be entered into only—

"(A) before October 1, 1995, and

"(B) to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(3) (A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President determines, after notice in the Federal Register and opportunity for public comment of not less than 60 days, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a).

"(4) Any contract for such purchases or commitments to purchase shall provide that the President would have the right, in accordance with terms and conditions set forth in the contract, to refuse to take delivery of all or a portion of the synthetic fuels and synthetic chemical feedstocks produced under the contract and to pay the producer involved an amount equal to the amount by which the price specified in the contract for the fuel or feedstock involved exceeds the market price (as determined by the Secretary of Energy) for such fuel or feedstocks on the delivery date specified in the contract.

"(5) (A) Except as provided in subparagraph (B), any purchase or commitment to purchase synthetic fuels or synthetic chemical feedstocks under this section, shall be made by sealed competitive bidding.

"(B) In any case in which no such bids are submitted to the President or the President determines that no such bids have been submitted which are acceptable to the President, the President may negotiate contracts for such purchases and commitments to purchase if the President publishes notice in the Federal Register of the intent to do so together with a statement of the reasons for such action.

"(6) (A) The President shall exercise the authority under this section in a manner designed to assure (i) that diversified sources of supply of synthetic fuels and synthetic chemical feedstocks are established and maintained in the United States, (ii) that such sources of supply would be reliable in the event of war, national emergency, or foreign energy supply interruption, and (iii) to the maximum extent practicable, that supplies from such sources would replace, directly or indirectly, imported crude oil or refined petroleum products.

"(B) In no event may any contract be awarded to any person if the quantity of synthetic fuels and synthetic chemical feedstocks contracted for by the President (pursuant to this section or under any other authority) with that person or any affiliate of such person would exceed over any period the daily equivalent of 100,000 barrels of crude oil.

"(7) The President may enter into any contract under this section for synthetic fuel or synthetic chemical feedstock only if the President determines that the fuel or feedstock involved are to be produced from facilities—

"(A) which are located within the United States,

"(B) which have been placed in commercial operation after the date of the enactment of this Act, and

"(C) for which no grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury.

"(d) If deliveries of fuels or feedstocks are used or stored under subsection (b) (2) (A) or (B), the agencies involved shall pay the supplier, from funds generally appropriated to such agencies for fuels and feedstocks, for the portion of the contract price which does not exceed the fair market price for the fuel and feedstock involved, as determined by the Secretary of Energy. Any amount owed because of the contract price exceeding the fair market price shall be paid by the President from funds appropriated for such purpose under the second sentence of section 711(a).

"(e) The President may contract for such transportation, storage, processing, and refining as may be required under subsection (b) (2).

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources).

"(g) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section, together with recommendations for legislation as the President considers appropriate. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree of foreign ownership or control of such person.

"(h) For the purposes of this section—

"(1) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean liquid fuels and chemical feedstocks, respectively, produced from coal, shale, lignite, peat, solid waste, and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either), or gaseous byproducts of such production.

"(2) The term 'United States' means the several States and the District of Columbia.

"(3) The term 'person' means any individual, corporation, partnership, association, or any other group of persons organized for a common business purpose.

"(4) The term 'affiliate', when used with respect to any person, means any other person who controls, is controlled by, or is under common control with such person.

"(5) The crude oil equivalency of any synthetic fuel or synthetic chemical feedstock shall be determined by reference to the quantity of crude oil generally required to produce a comparable petroleum-derived fuel or feedstock.".

—Page 5, beginning on line 9, strike out "may—" and all that follows down through line 16 and insert in lieu thereof the following: "may contract for purchases of or commitments to purchase synthetic fuels and synthetic chemical feedstocks which may be used as fuels and chemical feedstocks for Government use or resale.".

—Page 6, line 2, strike out "established ceiling prices" and insert: "ceiling prices established pursuant to the Emergency Petroleum Allocation Act of 1973".

Page 6, lines 3 and 4, strike out "currently prevailing market prices" and insert: "the then current weighted average landed cost of comparable petroleum-derived fuel or feedstock imported into the United States".

Page 6, line 6, after the word "determined", insert "by the President, after notice in the Federal Register and opportunity for public comment of not less than 60 days,".

Page 6, line 12, after the period, insert: "The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of any ceiling price determination".

—Page 7, strike out line 7 and all that follows down through line 12 and insert the following:

"(4) In no event may any contract be awarded to any person if the quantity of synthetic fuels and synthetic chemical feedstocks contracted for by the President (pursuant to this section or under any other authority) with that person (or any other person who controls, is controlled by, or is under common control with such person) would exceed over any period the daily equivalent of 100,000 barrels of crude oil."

—Page 9, after line 23, insert:

"(i) No purchase or commitment to purchase shall be made for synthetic fuels and synthetic chemical feedstocks produced from any facility for which a grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury, unless the President—

"(1) determines it necessary to attain the goal established by subsection (a) or to assure a diversified source of supply of such fuels and feedstocks,

"(2) determines that such other assistance was made pursuant to any law which has as an express purpose the financing of the development and demonstration of such type of facilities and which is administered by the Secretary of Energy, and

"(3) notifies the Congress in writing of such determinations and 60 days of continuous session of Congress have expired following the date of such notice was transmitted to Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation.

The term 'continuous session of Congress' shall have the same meaning as given such term in section 301 of this Act.

Page 9, line 24, strike out "(i)" and insert "(j)".

—Page 10, line 6, strike out the quotation marks and the period which follows.

Page 10, after line 6, insert the following new subsection:

"(j) Notwithstanding any other provision of law, no contract to purchase or commit to purchase under this section may be made with any foreign government or any corporation or organization owned or controlled by any foreign government.".

—Page 10, line 6, strike out the quotation marks and the period which follows.

Page 10, after line 6, insert the following new subsection:

"(j) The Comptroller General shall conduct an annual review of the activities of the President under this section, including the contracts and commitments made under this section, and shall prepare and transmit to the Congress a report on each such review.".

By Mr. **GORE**:

—Page 7, line 7, insert "(A)" after "(4)".

Page 7, after line 12, insert the following:

"(B) In no event may any contract be awarded by the President to any person if the synthetic fuels and synthetic chemical feedstocks contracted for would—

"(i) be produced from facilities located other than in the western hemisphere; or

"(ii) result in production covered under contracts under this section from facilities outside of the several States and the District of Columbia exceeding over any period the daily equivalent of 100,000 barrels of crude oil.

—Page 10, line 6, strike out the quotation marks and the period which follows and insert in lieu thereof the following new sentence: "Such term includes fuels and chemical feedstocks produced from tar sands and heavy oils if the hydrocarbon content thereof has a gravity of 15 degrees or less (API). For purposes of applying the preceding sentence, the President may substitute a higher gravity rating (API) for 15 degrees in any case in which he determines that the application of the higher gravity rating would further the purposes of this section.".

By Mr. **MOORHEAD** of California:

—Page 2, beginning on line 12, strike out ", including petroleum,".

Page 10, line 9, strike out "is amended" and all that follows down through line 10 and insert in lieu thereof the following: "is amended by inserting 'energy production or construction for defense and defense-related purposes,' after 'construction,'."

Page 2, line 19, after "(a)" insert "(1)".

Page 2, after line 25, insert the following new paragraph:

(2) Section 301(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the Department of Energy and the Tennessee Valley Authority may use for the purposes of this section only funds specifically appropriated or allocated to each such agency for such purposes pursuant to this Act."

Page 3, line 7, insert "(A)" before "$38,000,000".

Page 3, line 15, strike out the period and insert in lieu thereof the following: ", and (B) $250,000,000, except with the approval of Congress. Any notice under this paragraph relating to obligations of the Department of Energy or the Tennessee Valley Authority shall also be transmitted to the appropriate authorizing committees of the Senate and the House of Representatives."

Page 3, line 20, after "period." insert the following new sentence: "Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except that any reference in that subsection to any resolution or resolution with respect to an energy action shall be considered to refer to a resolution pursuant to this section."

Page 4, line 2, before the quotation marks insert "for national defense".

—Page 4, line 24, strike out "national production goal" and all that follows down through "feedstocks" on line 1 of page 5, and insert in lieu thereof the following: "national goal of domestic production of diversified and reliable sources of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to at least 500,000 barrels of crude oil".

Page 5, line 2, strike out "The President" and all that follows down through line 7.

Page 5, line 12, after "stocks' insert "produced from facilities which are located within the United States".

Page 5, line 13, strike out all after "use" and insert ", resale, or exchange, or for sale by the producer of such fuels and feedstocks, as provided in this section; and."

Page 5, after line 16, insert "In the case of any synthetic fuel or synthetic chemical feedstock which is not appropriate for storage in the Strategic Petroleum Reserve, the President may provide for the exchange of such fuel or feedstock. for crude oil or any petroleum product appropriate for storage in such Reserve and may transfer to, and store in, such reserve crude oil or any petroleum product acquired in such exchange.".

Page 5, beginning on line 18, strike out "without regard to the limitations of existing law,".

Page 5, line 20, strike out ", including advance payments,".

Page 5, line 17, insert "(1)" after "(c)".

Page 5, strike out line 22 and all that follows down through line 12 on page 6 and insert in lieu thereof the following:

"(A) no such contract may be entered into (or extended) after September 30, 1985; and

"(B) such contracts may be entered into only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(2)(A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President finds, after notice in the Federal Register and opportunity for public comment of not less than 60 days' duration, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a)."

Page 8, strike out line 7 and all that follows down through line 15 on page 9.

Page 9, after line 15, insert the following:

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, antitrust, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources).

Page 9, after line 15, insert the following:

"(g) Notwithstanding any other provision of this Act, purchase contracts and commitments to contract under this section may only be entered into with individuals, and corporations, partnerships, associations, existing under or authorized by the laws of the United States or any State, the District of Columbia, or any possession of the United States, or of any foreign country.

Page 9, after line 23, insert:

"(i) No purchase or commitment to purchase shall be made for synthetic fuels and synthetic chemical feedstocks produced from any facility for which a grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury, unless the President—

"(1) determines it necessary to attain the goal established by subsection (a) or to assure a diversified source of supply of such fuels and feedstocks,

"(2) determines that such other assistance was made pursuant to any law which has as an express purpose the financing of the development and demonstration of such type of facilities and which is administered by the Secretary of Energy, and

"(3) notifies the Congress in writing of such determinations and 60 days of continuous session of Congress have expired following the date such notice was transmitted to Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation."

Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except any reference in that subsection to any resolution, or resolution with respect to an energy action, shall be considered to refer to a resolution pursuant to this section. The term 'continuous session of Congress' shall have the same meaning as given such term in section 301 of this Act.

Page 9, strike out line 24 and all that follows down through line 6 on page 10 and insert in lieu thereof—

"(i) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean liquid fuels and chemical feedstocks, respectively, produced from coal, shale, lignite, peat, solid waste tar sands and heavy oils (if the gravity of the hydrocarbon content (A.P.I.) is 15 degrees or less, or such higher gravity (A.P.I.) as the President determines necessary to carry out the purposes of this section), and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either), and gaseous byproducts of such production.".

Page 10, beginning on line 22, strike out "There are hereby authorized to be appropriated $2,000,000,000" and insert in lieu thereof: "Not to exceed $2,000,000,000 are hereby authorized to be appropriated from (1) funds in the general fund of the Treasury not otherwise appropriated, (2) any trust fund which is established by the provisions of any law enacted after the date of the enactment of this section and which makes funds available for purposes covered by this section, or (3) both such general fund and such trust fund".

Page 11, strike out line 2 and insert in lieu thereof the following: "305(d)(5) and section 305(e).".

Page 10, after line 6, insert the following:

"(j) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree, if any, of foreign ownership or control of any such person."

By Mr. **OTTINGER**:

—Page 2, beginning on line 12, strike out ", including petroleum,".

Page 10, line 9, strike out "is amended" and all that follows down through line 10 and insert in lieu thereof the following: "is amended by inserting 'energy production or construction for defense and defense-related purposes,' after 'construction,'."

Page 2, line 19, after "(a)" insert "(1)".

Page 2, after line 25, insert the following new paragraph:

(2) Section 301(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the Department of Energy and the Tennessee Valley Authority may use for the purposes of this section only funds specifically appropriated or allocated to each such agency for such purposes pursuant to this Act."

Page 3, line 7, insert "(A)" before "$38,000,000".

Page 3, line 15, strike out the period and insert in lieu thereof the following: ", and (B) $250,000,000, except with the approval of Congress. Any notice under this paragraph relating to obligations of the Department of Energy or the Tennessee Valley Administration shall also be transmitted to the appropriate authorizing committees of the Senate and the House of Representatives."

Page 3, line 20, after "period." insert the following new sentence: "Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except that any reference in that subsection to any resolution or resolution with respect to an energy action shall be considered to refer to a resolution pursuant to this section."

Page 4, line 2, before the quotation marks insert "for national defense".

—Page 4, line 24, strike out "national production goal" and all that follows down through "feedstocks" on line 1 of page 5, and insert in lieu thereof the following: "national goal of domestic production of diversified and reliable sources of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to at least 500,000 barrels of crude oil".

Page 5, line 2, strike out "The President" and all that follows down through line 7.

Page 5, line 12, after "stocks" insert "produced from facilities which are located within the United States".

Page 5, line 13, strike out all after "use" and insert ", resale, or exchange, or for sale by the producer of such fuels and feedstocks, as provided in this section; and."

Page 5, after line 16, insert: "In the case of any synthetic fuel or synthetic chemical feedstock which is not appropriate for storage in the Strategic Petroluem Reserve, the President may provide for the exchange of such fuel or feedstock for crude oil or any petroleum product appropriate for storage in such Reserve and may transfer to, and store in, such reserve crude oil or any petroleum product acquired in such exchange.".

Page 5, beginning on line 18, strike out "without regard to the limitations of existing law,".

Page 5, line 20, strike out ", including advance payments,".

Page 5, line 17, insert "(1)" after "(c)".

Page 5, strike out line 22 and all that follows down through line 12 on page 6 and insert in lieu thereof the following:

"(A) no such contract may be entered into (or extended) after September 30, 1985; and

"(B) such contracts may be entered into only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(2)(A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President finds, after notice in the Federal Register and opportunity for public comment of not less than 60 days' duration, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a)."

Page 8, strike out line 7 and all that follows down through line 15 on page 9.

Page 9, after line 15, insert the following:

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, antitrust, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources).

Page 9, after line 15, insert the following:

"(g) Notwithstanding any other provision of this Act, purchase contracts and commitments to contract under this section may only be entered into which individuals, and corporations, partnerships, associations, existing under or authorized by the laws of the United States or any State, the District of Columbia, or any possession of the United States or of any foreign country.

Page 9, after line 23, insert:

"(i) No purchase or commitment to purchase shall be made for synthetic fuels and synthetic chemical feedstocks produced from any facility for which a grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury, unless the President—

"(1) determines it necessary to attain the goal established by subsection (a) or to assure a diversified source of supply of such fuels and feedstocks,

"(2) determines that such other assistance was made pursuant to any law which has as an express purpose the financing of the development and demonstration of such type of facilities and which is administered by the Secretary of Energy, and

"(3) notifies the Congress in writing of such determinations and 60 days of continuous session of Congress have expired following the date such notice was transmitted to Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation.

Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except any reference in that subsection to any resolution, or resolution with respect to an energy action, shall be considered to refer to a resolution pursuant to this section. The term 'continuous session of Congress' shall have the same meaning as given such term in section 301 of this Act."

Page 9, strike out line 24 and all that follows down through line 6 on page 10 and insert in lieu thereof—

"(i) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean liquid fuels and chemical feedstocks, respectively, produced from coal, shale, lignite, peat, solid waste, tar sands and heavy oils (if the gravity of the hydrocarbon content (A.P.I.) is 15 degrees or less, or such higher gravity (A.P.I.) as the President determines necessary to carry out the purposes of this section), and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either), and gaseous byproducts of such production.".

Page 10, beginning on line 22, strike out "There are hereby authorized to be appropriated $2,000,000,000" and insert in lieu thereof: "Not to exceed $2,000,000,000 are hereby authorized to be appropriated from (1) funds in the general fund of the Treasury not otherwise appropriated, (2) any trust fund which is established by the provisions of any law enacted after the date of the enactment of this section and which makes funds available for purposes covered by this section, or (3) both such general fund and such trust fund".

Page 11, strike out line 2 and insert in lieu thereof the following: "305(d)(5) and section 305(e).".

Page 10, after line 6, insert the following:

"(j) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree, if any, of foreign ownership or control of any such person."

By Mr. PAUL:

—Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Defense Production Act Amendments of 1979".

EXCLUSION FROM GROSS INCOME

SEC. 2. For purposes of the Internal Revenue Code of 1954, in the case of any person engaged in the trade or business of producing or mining any fuel, the gross income of such a person shall not include income attributable to the sale of such fuel.

EXEMPTION FROM FEDERAL REGULATIONS

SEC. 3. Notwithstanding any other provision of law, no Federal regulation shall apply to the production of any fuel.

EXTENSION OF ACT

SEC. 4. The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

DEFINITION

SEC. 5. For purposes of this Act, the term "fuel" means petroleum, natural gas, coal, uranium, wood, and fuel produced by the conversion of any renewable or nonrenewable resource.

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect on October 1, 1979.

Amend the title so as to read: "An Act to amend the Defense Production Act of 1950 to extend the authority granted by such Act, and for other purposes.".

By Mr. STOCKMAN:

—Page 2, beginning on line 12, strike out ", including petroleum,".

Page 10, line 9, strike out "is amended" and all that follows down through line 10 and insert in lieu thereof the following: "is amended by inserting 'energy production or construction for defense and defense-related purposes,' after 'construction,'."

Page 2, line 19, after "(a)" insert "(1)".

Page 2, after line 25, insert the following new paragraph:

(2) Section 301(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the Department of Energy and the Tennessee Valley Authority may use for the purposes of this section only funds specifically appropriated or allocated to each such agency for such purposes pursuant to this Act."

Page 3, line 7, insert "A" before "38,000,000".

Page 3, line 15, strike out the period and insert in lieu therof the following: ", and (B) $250,000,000, except with the approval of Congress. Any notice under this paragraph relating to obligations of the Department of Energy or the Tennessee Valley Administration shall also be transmitted to the appropriate authorizing committees of the Senate and the House of Representatives."

Page 3, line 20, after "period." insert the following new sentence: "Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except that any reference in that subsection to any resolution or resolution with respect to an energy action shall be considered to refer to a resolution pursuant to this section."

Page 4, line 2, before the quotation marks insert "for national defense".

—Page 4, line 24, strike out "national production goal" and all that follows down through "feedstocks" on line 1 of page 5, and insert in lieu thereof the following: "national goal of domestic production of diversified and reliable sources of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to at least 500,000 barrels of crude oil".

Page 5, line 2, strike out "The President" and all that follows down through line 7.

Page 5, line 12, after "stocks" insert "produced from facilities which are located within the United States".

Page 5, line 13, strike out all after "use" and insert ", resale, or exchange, or for sale by the producer of such fuels and feedstocks, as provided in this section; and."

Page 5, after line 16, insert: "In the case of any synthetic fuel or synthetic chemical feedstock which is not appropriate for storage in the Strategic Petroleum Reserve, the President may provide for the exchange of such fuel or feedstock for crude oil or any petroleum product appropriate for storage in such Reserve and may transfer to, and store in, such reserve crude oil or any petroleum product acquired in such exchange.".

Page 5, beginning on line 18, strike out "without regard to the limitations of existing law,".

Page 5, line 20, strike out ", including advance payments,".

Page 5, line 17, insert "(1)" after "(c)".

Page 5, strike out line 22 and all that follows down through line 12 on page 6 and insert in lieu thereof the following:

"(A) no such contract may be entered into (or extended) after September 30, 1985; and

"(B) such contracts may be entered into only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(2)(A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President finds, after notice in the Federal Register and opportunity for public comment of not less than 60 days' duration, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a)."

Page 8, strike out line 7 and all that follows down through line 15 on page 9.

Page 9, after line 15, insert the following:

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, antitrust, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources).

Page 9, after line 15, insert the following:

"(g) Notwithstanding any other provision of this Act, purchase contracts and commitments to contract under this section may only be entered into with individuals, and corporations, partnerships, associations, existing under or authorized by the laws of the United States or any State, the District of Columbia, or any possession of the United States, or of any foreign country.

Page 9, after line 23, insert:

"(i) No purchase or commitment to purchase shall be made for synthetic fuels and synthetic chemical feedstocks produced from any facility for which a grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury, unless the President—

"(1) determines it necessary to attain the goal established by subsection (a) or to assure a diversified source of supply of such fuels and feedstocks,

"(2) determines that such other assistance was made pursuant to any law which has as an express purpose the financing of the development and demonstration of such type of facilities and which is administered by the Secretary of Energy, and

"(3) notifies the Congress in writing of such determinations and 60 days of continuous session of Congress have expired following the date such notice was transmitted to Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation.

Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except any reference in that subsection to any resolution, or resolution with respect to an energy action, shall be considered to refer to a resolution pursuant to this section. The term 'continuous session of Congress' shall have the same meaning as given such term in section 301 of this Act.

Page 9, strike out line 24 and all that follows down through line 6 on page 10 and insert in lieu thereof—

"(1) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean liquid fuels and chemical feedstocks, respectively, produced from coal, shale, lignite, peat, solid waste tar sands and heavy oils (if the gravity of the hydrocarbon content (A.P.I.) is 15 degrees or less, or such higher gravity (A.P.I) as the President determines necessary to carry out the purposes of this section), and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either), and gaseous byproducts of such production.".

Page 10, beginning on line 22, strike out "There are hereby authorized to be appropriated $2,000,000,000" and insert in lieu thereof: "not to exceed $2,000,000,000 are hereby authorized to be appropriated from (1) funds in the general fund of the Treasury not otherwise appropriated, (2) any trust fund which is established by the provisions of any law enacted after the date of the enactment of this section and which makes funds available for purposes covered by this section, or (3) both such general fund and such trust fund".

Page 11, strike out line 2 and insert in lieu thereof the following: "305(d)(5) and section 305(e).".

Page 10, after line 6, insert the following:

"(j) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree, if any, of foreign ownership or control of any such person."

—Page 7, line 7, insert "(A)" after "(4)".

Page 7, after line 12, insert the following:

"(B) In no event may any contract be awarded by the President to any person if the synthetic fuels and synthetic chemical feedstocks contracted for would—

"(i) be produced from facilities located other than in the western hemisphere; or

"(ii) result in production covered under contracts under this section from facilities outside of the several States and the District of Columbia exceeding over any period the daily equivalent of 100,000 barrels of crude oil.

—Page 10, line 6, strike out the quotation marks and the period which follow and insert in lieu thereof the following new sentence: "Such term includes fuels and chemical feedstocks produced from tar sands and heavy oils if the hydrocarbon content thereof has a gravity of 15 degrees or less (API). For purposes of applying the preceding sentence, the President may substitute a higher gravity rating (API) for 15 degrees in any case in which he determines that the application of the higher gravity rating would further the purposes of this section.".

By Mr. WRIGHT:

—Page 5, line 2, strike out the period after "section" and insert in lieu thereof "and at least 2,000,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than ten years after the effective date of this section."

Page 5, line 24, strike out "goal" and insert in lieu thereof "goals".

Page 8, line 16, strike out "goal" and insert in lieu thereof "goals".

Page 10, line 23, strike "appropriated $2,000,000,000" and insert in lieu thereof "appropriated from general funds of the Treasury not otherwise appropriated or from any fund hereafter established by Congress after the date of enactment of this sentence not to exceed $3,000,000,000".

H.R. 4389

By Mr. BEARD of Tennessee:

—Page 11 add at the end of line 17 the following: "None of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations by an operator of any coal or other mine of any standard, rule, or regulation promulgated under the Federal Mine Safety and Health Act of 1977 (other than willful or repeated violations under section 110 of such Act) resulting from any inspection or investigation under such Act, unless such operator is cited, on the basis of such an inspection or investigation, for 10 or more such first instance violations.".

—Page 12, add after line 25 the following:

Sec. 103. No part of the funds appropriated under this title shall be used by the Mine Safety and Health Administration to carry out section 601(i) of the Powerplant and Industrial Fuel Use Act of 1978.

—Page 45, add after line 24 the following:

Sec. 211. No part of the funds appropriated under this title shall be used for the operation of the national vocational education data reporting and accounting system under section 161 of the Vocational Education Act of 1963 with respect to any institution of postsecondary education.

By Mr. CLAY:

—Page 3, add at the end of line 4 the following: "At least $5,000,000 of the amount appropriated under this paragraph shall be available to carry out offender programs under title III of the Comprehensive Employment and Training Act.".

By Mr. MILLER of Ohio:

—On page 53, after line 18, insert the following section:

Sec. 410. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

H.R. 4392

By Mr. MILLER of Ohio:

—On page 40, after line 5, insert the following section:

Sec. 605. Of the total budget authority

provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

H.R. 4393

By Mr. MILLER of Ohio:

—On page 39, after line 16, insert the following section:

SEC. 614. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

H.R. 4394

By Mr. WEISS:

—Page 18, lines 3 and 4, strike out "$3,799,500,000, to remain available until September 30, 1981." and insert in lieu thereof the following: "$3,784,800,000, to remain available until September 30, 1981: *Provided*, That, no part of any funds appropriated pursuant to this Act may be used for any research or development activity relating to civilian Advanced Supersonic Transports, or for any other study, analysis, or planning relating to technology for such transports.".

(As a substitute for the amendment offered by Mr. NELSON.)

—On page 24, line 23, strike "$6,854,924,000", and insert in lieu thereof "$6,854,923,999".

(As an amendment to the amendment offered by Mr. NELSON.)

—On page 24, line 23, "to strike the last word.".

H.R. 4440

By Mr. MILLER of Ohio:

—On page 33, after line 21, insert the following section:

SEC. 317. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

EXTENSIONS OF REMARKS

THE KGB AND DGI IN JAMAICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. McDONALD. Mr. Speaker, with our State Department and the administration taking little note of direct intervention of some 200 Cuban military advisers who recently entered Costa Rica to participate in the invasion of Nicaragua by the Marxist-Leninist-led forces of the Sandinista National Liberation Front—FSLN—unfortunately it is not surprising that our Government is equally unconcerned about the rapidly growing Cuban influence in the Caribbean.

Not only has Grenada been seized by a Cuban-supported Marxist revolutionary regime that staged a military coup reportedly directly aided by a Cuban commando unit, but with the "good offices" of Jamaica, Cuba has also been courting both the governments of other English-speaking Caribbean states and the local revolutionary movements.

Jamaica has been drawing closer to the Havana-Moscow axis. Among the agreements Jamaican Prime Minister Michael Manley made with the U.S.S.R. during his spring visit to Moscow was to provide Soviet trawlers and other vessels with port facilities. And so it can not be surprising that Soviet "research trawlers" loaded with electronic gear find more and more things to investigate in the Caribbean.

Earlier this month, Jamaican opposition leader Edward Seaga, revealed that Cuban intelligence activities in Jamaica had increased to such an extent that the Cuban General Directorate of Intelligence—GDI—had appointed a local coordinator, one Juan Cabonel. Mr. Seaga also exposed the identities of Soviet KGB men and the details of several Cuban centers in Jamaica.

A full report of Mr. Seaga's speech appeared in the June 4, 1979, edition of the Kingston, Jamaica, newspaper, the Daily Gleaner, and is attached.

SEAGA CLAIMS KGB, DGI AGENTS ALL OVER COUNTRY

The number of Cuban intelligence officers in Jamaica has grown so greatly resulting in the appointment of a field organizer, Mr. Juan Cabonel, charges opposition leader Edward Seaga. He also said the highly rated K.G.B. officers, Mr. Valadimir Klinentov and Mr. Michael Kousfovski had been placed in Jamaica as part of a Cuban-Russian infiltration and that they were in active contact with the local special branch.

Speaking to over 500 supporters at a fund raising banquet at the Jamaica Pegasus hotel on Saturday night, Mr. Seaga said that 5,000 Cubans were already operating in and out of Jamaica and that enough stores were housed in a Cuban school project at Vernamfield to feed a small army.

Mr. Seaga said that beginning next month he would be visiting some 30 rural constituencies to tell the people that they have been too nice in view of the foreign infiltration and he was not looking for them to be as nice as usual. "From our assessment, our own reports tell us that there is something of the order of 5,000 Cubans operating in and out of Jamaica now. There is a storehouse down at Vernamfield, in another school the Cubans are building, with stores there that could feed a small army," Mr. Seaga said.

"It was because of these things, plus the many other things that we know, that I recently petitioned the governor-general and invited him to set up a commission of inquiry into the security forces of Jamaica, because we are alarmed at the state of national security," Mr. Seaga said. "I deeply regret that the governor-general has accepted the advice that was given to him that it is not in keeping with the convention of the Westminster model for him to use the powers, which he agrees he has, to unilaterally decide to set up this commission of inquiry without taking advice from the cabinet.

That power was given to the governor-general by the framers of the constitution, of which he and I were two members, and it was specifically given to him, whoever holds that post, because we foresaw that the day might come in which a corrupt government would try to prevent a just inquiry, and therefore you could not put so delicate a matter in the hands of a government to decide whether they would inquire into delicate matters like these," Mr. Seaga said.

Mr. Seaga said that the matters on which he had written to the governor-general were matters of grave national importance. They concerned the state of security in Jamaica. It was an alarming state and he deeply regreted that the governor-general had not seen it fit to appoint a commission of inquiry into the matters. He said that he was not through with the matter yet, as there are many other areas of information to be dealt with.

"This country cannot stand by and watch Cubans and Russians come here and defeat the will of the people. This party is going to call the names of those operatives and call the names of those Jamaicans who are working with them," he said. "I am not apologising to anyone for any conventions in terms of calling names, because the situation has reached the point now where to hell with conventions."

He said that it was one thing to have to fight the People's National Party, because the people of Jamaica had already made up their minds as far as they are concerned; but it was something else to fight this government, the party in power, the government of a neighbouring territory, and something else to have to fight one of the most powerful governments in the world.

He said that he could name other governments which were involved in the plot to keep on the PNP in power against the will of the people of Jamaica. The opposition leader accused the government of using the security forces of the country as an adjutant and arm of the PNP. Government's intention was to build up the home guard to a force of some 20,000 strong. It was reasoned on the basis that there are some 4000 villages or districts in Jamaica and the need is for five home guards to each district. What were these home guards to do?

"These home guards are to become the People's National Party's agents in each district. It is the part of the electoral design of the PNP, bearing in mind that they might not be able to manipulate the electoral system as they have done in the past to use the security forces and especially the home guards to make up for that deficiency.

"The plan, as we understand it, is to have PNP home guards in every district of Jamaica who, acting under the suppression of crimes act, which allows you to detain a person without charge for up to sixty days, use the powers to arrest, which home guards have, to detain J.L.P. supporters and front line people and in fact do the same things that the state of emergency did in a lesser fashion, but on a more effective and broader base of strategy. "I want you to understand that, because it is part of the strategy of the PNP in so far as any forthcoming electoral activity is concerned."

He said that the other functions of home guards were to spy upon the members of the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

regular police force and to inform the political directorate, who were supporting the PNP. He said that meanwhile, the police themselves were being reduced to the role of messenger boys.

Recently, letters from the PNP were delivered by the police, and a letter from a PNP front organization, the Cuba-Jamaica Association, was delivered to the J.L.P. by five uniformed policemen. He said that it had been established that some home guards were illiterate, yet they had powers of arrest. Not only were they illiterate but they were being indoctrinated into ideology and party political support, he said that policemen had informed the J.L.P. as to the extent of indoctrination, where was to form part of the PNP political machinery.

He said that despite the fact that home guards should be patrolling in the company of policemen, his party had been informed that they were patrolling on their own. They are supposed to patrol in their own districts, but policemen have informed the party that they were patrolling outside of their own districts and were taking action outside of their jurisdiction. He said that although only one member of a home guard team was supposed to carry firearms on occasions, all home guards on patrol were carrying firearms.

"Imagine therefore a team of half a dozen home guards selected from the ranks of the P.N.P., some of whom may be illiterate, all of whom are armed, without the company of a regular policeman, patrolling in and out of their own areas; imagine what havoc this can do to the political will of the people and you will understand the design of the People's National Party," Mr. Seaga said. He said that the home guard movement had found such favour with the P.N.P., that an assistant commissioner had been placed in charge, while a senior superintendent still headed the island special constabulary force.

Mr. Seaga said that there was a Cuban connection. He named seven policemen who had departed for Cuba on April 18. They were Inspector Hector White, formerly the minister of national security's chauffeur; Corporal Peter Rhule, from Squad 103; Sergeant Clement Clarke, from Special Branch; Corporal Delroy Young, from Special Branch; Detective Constable Merman Farquharson from Special Branch; Constable Lincoln Grant from Special Branch; and, Detective Constable Roesworth Atkinson, from the Criminal Investigations Department. Mr. Seaga said that the men had been sent to Cuba for special indoctrination "for political assignments." "I have had a report this week that the connection goes further," Mr. Seaga said.

And while I am not at this time able to tell you that I have checked it out completely to my satisfaction, I can tell you that from credible sources within the forces itself, I am advised that the great bulk of the graduates from the Jose Marti school were taken to 69 Duke Street to be enrolled in the police force. We begin to see the stream that is being created; indoctrinate the youth and put them in the police force."

Mr. Seaga said that the number of Cuban intelligence officers connected to the D.G.I. working in Jamaica had become so large that a field organizer has been appointed, in Mr. Juan Cabonel. He said that the connection now extends to the patron of Cuba—the U.S.S.R. and its intelligence service—the K.G.B. Vladimir Klimentov and Mr. Michael Kousfovski, who were highly rated intelligence officers, had been assigned to Jamaica, showing the importance which Russia places on Jamaica.

"The country is riddled with K.G.B. and D.G.I. personnel and this is of little interest to the country's own intelligence service, the Special Branch. These K.G.B. and D.G.I. personnel are in active contact with the Special Branch of the government of Jamaica." Dr. Ronald Irvine, was the chairman, Mr. Bruce Golding, party secretary, moved the vote of thanks.●

FOURTH OF JULY CELEBRATION

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. LUNGREN. Mr. Speaker, the city of Huntington Beach—which I represent with my colleague, U.S. Representative ROBERT E. BADHAM—will shortly host a very special Fourth of July celebration.

For the past 74 years that Huntington Beach has had a Fourth of July celebration, the city government has paid a substantial part of the cost of this celebration.

But this year, because of proposition 13, the city government has reduced a number of its expenditures—including the funds for this annual Fourth of July celebration.

In a tremendous response, the citizens of Huntington Beach have decided to raise the money for all the festivities from the private sector of their community and to rely upon voluntary efforts to put it on.

Every part of the community is helping out: Businesses are donating equipment and helping to raise funds and private citizens are giving their time and donations.

This will make the 1979 Huntington Beach Fourth of July celebration truly a people's celebration.

Now, many people around the country are watching California to see what happens in the wake of proposition 13. Some think that government spending is irreplaceable, and that services cut because of less government spending are services lost forever.

The experience in Huntington Beach proves that is not so.

Moreover, it proves that cutting back Government spending does not mean cutting back on the quality of life—it can actually improve it.

We forget that quality of life means more than just bigger and better things for everybody—it includes the feelings people have about themselves and their community.

The people of Huntington Beach now have a greater personal stake in their Fourth of July ceremonies than they ever had before.

This community effort is bringing back a sense of community spirit, cooperation, and helpfulness that used to characterize voluntary efforts in the good old days.

I would like to commend the citizens of Huntington Beach for this year's Fourth of July celebrations—which I am sure will be one of the finest ever.

And I would like to hold Huntington Beach up as an example to the rest of the country of the positive effects—in terms of community spirit and life—that proposition 13 can have.

Proposition 13 and its progeny can provide us an opportunity to became even more active participants in our community life, instead of mere spectators in a world handed to us by big Government subsidies.●

POWER ALTERNATIVES THIN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to share with my colleagues an editorial published in the Press-Courier, June 6, 1979. In view of the current energy situation, it seems more pertinent than ever. Becoming self-sufficient is a long-term goal; however until then, we must do everything in our power to ease todays energy shortage. This article offers one possibility.

POWER ALTERNATIVES THIN

The Nuclear Regulatory Commission has put a three-month freeze on issuance of operating licenses for new nuclear power plants. Fourteen nuclear plants already licensed are under temporary shutdown orders to improve their earthquake safety or to make modifications as a result of the Three Mile Island accident.

In the United States and abroad the future propects of nuclear power are being recalculated. That explains the long faces at the recent meeting in Paris of energy ministers from the major oil-importing countries. There was not much to smile about at this strategy session for dealing with the clampdown on petroleum production which the OPEC cartel is maintaining to support its high prices.

In their final communique, America's James Schlesinger and his foreign counterparts acknowledged the new safety questions surrounding the use of uranium as an alternative to oil as power plant fuel, and promised to take a closer look at coal.

The trouble is, taking a close look at coal is what has always made the case for nuclear power. Three Mile Island notwithstanding, the argument can still be made that it is easier to build and operate a safe nuclear power plant than to burn coal with as little risk to public health and the environment. The technological developments which could change that outlook may lie well in the future.

In the here and now, nuclear power is not so much an option as a necessity. It would take 1.3 million barrels of oil a day to generate the amount of electricity that can be produced by the 70 nuclear power plants currently licensed in the United States. The six new plants whose licensing is being delayed under the current moratorium represent the energy equivalent of 217,000 barrels of oil a day. The temporary shutdown of nuclear plants for safety modification is taking a toll in fuel demands for oil-fired plants working overtime to take up the slack.

Oil-fired power plants are producing about 16 percent of the nation's electricity, and that is about as far as they can go with today's outlook for oil supplies. The 1.7 million barrels of residual fuel oil they consume every day represents the entire output of U.S. refineries, and the U.S. is importing another 1.3 million barrels from foreign refiners to meet the demands of the rest of U.S. industry.

This explains why President Carter quickly scotched the idea that there should be a general shutdown of nuclear plants until the causes of the Three Mile Island accident are thoroughly analyzed. But it leaves the question of how much hesitation and delay the country can wisely allow in the completion of nuclear plants now in various stages of planning and construction.

Utilities face agonizing decisions over their further investment in nuclear plants. There were 92 new plants in some stage of construction and another 34 on order at the time of the Pennsylvania accident. Uncertainty is undermining some of the economic assumptions on which the projects were based.

One thing is certain. Those 126 plants would go a long way toward making the U.S. energy problem manageable between now and the end of the century. Without them, the problem of stretching out oil supplies and figure out how to use America's coal resources would move from a national headache—which it already is—to a chronic case of migraine.●

THE FED HAS DECIDED TO ALLOW SMALL SAVERS TO POOL THEIR FUNDS TO OBTAIN HIGHER INTEREST RATES, BUT WHO IS TO KNOW?

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. EVANS of Delaware. Mr. Speaker, my first order of business this session of Congress was to introduce legislation designed to curb the uncontrolled growth of the Federal Government's regulatory power. This regulatory power, gone unchecked, has allowed the Federal Government to foist a glut of regulations upon our business community. It has been estimated that this year alone, it will cost American businesses and consumers approximately $98 billion to comply with these regulations as increased business costs are inevitably passed onto the consumer in the form of higher prices. My measure, entitled the Regulatory Review Act of 1979, would bring the actions of the Federal regulators under review by Members of Congress who are held responsible directly to their constituents. Congressional review hopefully would create not only better regulations but also less regulations.

My purpose today is to call to the attention of my colleagues, a recent regulatory change issued by the Board of Governors of the Federal Reserve System in behalf of the various Federal banking agencies. A revised interpretation of regulation Q will now allow savers to pool their funds in order to purchase high priced money market certificates. At last, the working man with only a small amount of investment money will be able to take advantage of the 9 percent interest rate offered by the money market certificates as opposed to the highest passbook savings rate of only 5.5 percent.

However, if you are waiting to hear shouts of joy resounding from small savers throughout your districts, or from bankers, do not hold your breath. At first glance this new ruling appears quite provocative, however, upon closer examination, one will see how trifling it really is, since under the ruling banks are expressly forbidden to "solicit, advise or encourage depositors to pool funds." While the ruling itself was barely publicized, the average depositors seeking to invest their small amounts of money, will not likely learn of how they could double their interest on savings, since banks cannot tell anybody about pooling as an investment opportunity.

Mr. Speaker, I would like to quote a portion of the notice of final interpretation published in the Federal Register by the Board of Governors of the Federal Reserve System and ask that it be inserted in its entirety at the close of my remarks, and I quote:

> This interpretation provides that under Regulation Q, member banks may accept funds pooled by depositors, but may not solicit pooled funds through advertisement, announcement or other notice where the purpose of such pooling is to pay higher rates of interests on deposits . . . printed and broadcast advertisements stating that depositors can achieve higher interest rates by pooling their funds with others and depositing them in the bank would be inappropriate. In addition, responding to inquiries from depositors concerning available instruments and rates, member banks are not permitted to suggest the practice of pooling as a means of meeting minimum denomination requirements.

It is obvious that the bureaucrats have taken a new slant on the familiar carrot-on-a-stick approach, but I for one do not appreciate how they have stuck it to the investor and to the banker.

To be given a very desirable commodity on the one hand and to be barred by regulation from marketing it on the other is ludicrous. I do not think that you will find many bankers laughing, however, as the Federal Government has placed them in a "damned if you do, damned if you don't" type of a situation. Customers who will learn by happenstance about this practice of "pooling" to obtain higher rates of interest on deposits, will no doubt direct their wrath at their friendly bankers rather than at the faceless bureaucrats who created this imbroglio.

In the meantime, what possible purpose has been served by the restrictive language in the final interpretation of regulation Q?

Mr. Speaker, I hope that my remarks today will serve to educate the public as to how they can nearly double their interest on savings. In the meanime, I have written Chairman Miller of the Board of Governors of the Federal Reserve System to request that the new interpretation of regulation Q, that allows pooling, be amended to permit banks to advise small investors of this new pooling provision that would enable them to take advanage of the 9 percent interest rate that is offered by money market certificates.

The interpretation follows:

TITLE 12—BANKS AND BANKING

CHAPTER II—FEDERAL RESERVE SYSTEM

Subchapter A—Board of Governors of the Federal Reserve System

[Regulation Q, Docket No. R–0227]

Part 217—Interest on deposits

(Pooling of Funds to Obtain Higher Interest Rates)

Agency: Board of Governors of the Federal Reserve System.

Action: Final interpretation.

Summary: This interpretation provides that under Regulation Q member banks may accept funds pooled by depositors but may not solicit pooled funds through advertisement, announcement or other notice where the purpose of such pooling is to pay higher rates of interest on deposits.

Effective date: Immediately.

For further information contact: Gilbert T. Schwartz, Assistant General Counsel (202/452–3623), or Paul S. Pilecki, Attorney (202/452–3281) Legal Division Board of Governors of the Federal Reserve System, Washington D.C. 20551.

Supplementary information: 12 CFR 217 is amended by adding a new section 217.155 to read as follows:

217.155 Pooling of funds to obtain higher interest rates:

(a) The Board of Governors has reviewed its previous rulings concerning acceptance of pooled funds by member banks. Under these rulings the Board had expressed the view that a member bank that paid a higher rate on a deposit that it knew or had reason to know resulted from funds aggregated (pooled) principally for the purpose of obtaining a higher rate of interest would be acting contrary to the spirit of Regulation Q. This interpretation replaces these prior Board rulings that had been issued in the form of letter opinions in 1968 and 1970.

(b) The Board has determined that member banks accepting and paying higher rates of interest on pooled deposits from depositors who themselves have pooled their funds whether or not the bank knows or has reason to know that such funds have been pooled would not be violating Regulation Q. However, member banks are not permitted to solicit, advise or encourage depositors to pool funds for the purpose of paying higher interest rates. In addition, member banks are not permitted to solicit deposits from customers on the basis that the funds will be pooled by the bank for the purpose of paying higher interest rates. The Board believes that participation by member banks in encouraging or establishing pooling arrangements constitutes a device to avoid interest rate limitations. The Board further believes that adopting this new policy will facilitate the administration of Regulation Q interest rate ceilings.

(c) The Board would regard any advertisement, announcement or solicitation by a member bank indicating that it will accept pooled funds or that funds can be pooled to obtain higher rates as a violation of Regulation Q. For example, printed and broadcast advertisements stating that depositors can achieve higher interest rates by pooling their funds with others and depositing them in the bank would be inappropriate. In addition, in responding to inquiries from depositors concerning available deposit instruments and rates, member banks are not permitted to suggest the practice of pooling as a means of meeting minimum denomination requirements. Similarly, any advertisement, announcement or solicitation, written or oral, by a member bank discussing a policy, practice, program, or procedure for accepting pooled deposits would not be permitted. If, for example, two depositors come into a member bank on their own with checks of $5,000 each seeking to purchase jointly one $10,000 minimum denomination money market time deposit, the bank is permitted to accept such funds in the form of a money market time deposit and to pay the ceiling rate on such deposits. However, a member bank could not arrange to introduce, directly or indirectly, separate depositors that are seeking to pool their funds.

(d) This interpretation is not intended to affect other well-established practices which involve pooling of funds such as money market mutual funds, trust department aggregation of temporarily idle balances of bona fide fiduciary accounts, or combination of funds held in escrow by a person acting in a fiduciary or custodial capacity. In addition, member banks are expected to report interest earned by depositors on pooled funds in accordance with the regulations of the Internal Revenue Service.

The Board has issued this interpretation based upon its statutory authority under section 19 of the Federal Reserve Act, 12 U.S.C. 461, 371a and 371b.

By order of the Board of Governors of the Federal Reserve System, May 30, 1979.

THEODORE E. ALLISON,
Secretary of the Board.●

LET IN MORE ASIAN REFUGEES

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. SOLARZ. Mr. Speaker, I ask permission to reproduce in the CONGRESSIONAL RECORD the very moving statement issued by Terrence Cardinal Cooke, the Cardinal Archbishop of New York, on the current refugee crisis in Southeast Asia.

The statement follows:

[From the New York Times, June 23, 1979]

LET IN MORE ASIAN REFUGEES

(By Terence Cardinal Cooke)

People who need the help of the United States do not always suit our national or personal convenience. We would like distressed people to fit into established programs of aid. They rarely do. We would also like to settle some problems. We rarely do.

The frightful crisis on the Cambodian-Thailand border is a terrible example of what man can do to man. More than 300,000 refugees (a figure that could easily rise) are in Thailand. Of those, more than 100,000 are penned in a tight area just inside the Thai border. Many of them have fled the powerful Vietnamese military forces inside Cambodia. Most of them are women and children. They are desperate for food, clothing and shelter. As I write this, the Thais, who have been generous and helpful to refugees in the past, are now driving Cambodians back to their own country where an "uncertain future awaits them." The sound of gunfire across the border strongly supports the concern that a tragic massacre is taking place.

A series of most unhappy turns seems to be isolating refugees in Southeast Asia from help.

The Thai Government, driven by fear of both the Cambodians and Vietnamese, is alarmed by so many volatile refugees occupying Thailand's border areas; at the same time the Vietnamese have announced an ethnic war on people of Chinese origin, sharply evoking Germany in 1933; and France, usually so hospitable to Eastern refugees, will soon reduce the number of refugees it will receive. As the Vietnamese Government is about to expel 1.3 million ethnic Chinese from its shores, we also have word that Malaysia and Indonesia are sealing their coastlines against boat people. The prospect of wholesale death is on the horizon. Death by drowning, starvation or bullets is imminent for as many as two million people.

The very finest tradition of American concern for human beings is being challenged. Understandably, the President and the Congress are weary and see no end to requests for help. But this Southeast Asian misery is neither hopeless nor endless, if we act now.

If our Government moves swiftly to reassure and help the Thais with their refugee problem, with food and medicine, and above all by enlarging the number of refugees we will take, the fearful slaughter of Cambodians may be stopped. World pressure should also be exerted on the Vietnamese to stop the expulsion of a whole ethnic group from its longtime home in Vietnam. New Yorkers can do something. They can speak to the White House and the Congress. They can urge the international community to support these poor people. They can write to the President and they can strongly encourage all others to take positive action to save the lives of hundreds of thousands of our brothers and sisters in God's one human family.

American aid to the Cambodians will create a special American witness. Unlike people who were once our allies and who share our cultural or religious heritage, the Cambodian refugees, pitiable in their human distress, have no political or cultural or social claims on Americans. They were, some of them, part of an army that in 1975 led a mass death march in Cambodia which may rank as one of the great horrors in history. Many are Communists and bitter verbal despisers of the United States. They are promising us no special gratitude or future friendship. What a splendid opportunity for America to reaffirm its authentic concern for suffering men, women and children and to stand firm for the human rights of all people.

What's in it for us? Nothing and everything.●

ARCHBISHOP IAKOVOS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. MAVROULES. Mr. Speaker, it is a pleasure for me to take this opportunity to pay tribute to His Eminence, Archbishop Iakovos, on the 20th anniversary of his enthronement as primate of the Greek Orthodox Church in the Americas.

Archbishop Iakovos has led the Greek Orthodox Church through a time when religious leaders were mocked. During the tumultuous sixties and early seventies, he managed to preserve the traditions and beliefs of orthodoxy. Moreover, he has strengthened in the Orthodox Church a deeper awareness of justice and human decency.

Archbishop Iakovos has been a spiritual leader for people from all faiths. He was at the forefront of the civil rights movement and is presently a vigorous leader of ecumenicism.

As testimony to his achievements, the Archbishop has been recognized by several Jewish, Christian, and secular organizations, and he has been awarded honorary doctorate degrees from Catholic colleges such as Holy Cross, Notre Dame, and Catholic University, as well as other institutions, too numerous to mention.

In essence, Archbishop Iakovos has dedicated himself to all men and women, for he lives a life that revolves around others, regardless of their race or creed.

I have known the archbishop for many years, and I can truly say that our relationship has been one of the most rewarding friendships of my life.

As a leader, as a teacher, as a friend, and as a man, the archbishop is a spiritual beacon for all peoples, and on behalf of myself and my constituents, I wish to applaud him for his inspiration and guidance.●

OPERATION YOUTH

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. GRADISON. Mr. Speaker, in this time of great cynicism about our governmental processes, I think it is appropriate to call attention to a positive development, the annual Operation Youth which recently took place in my district. The conference, held this year June 9–16 at Xavier University in Cincinnati, has for 19 years provided interested young men and women the opportunity to learn about our system of government.

Eighty-eight high school students from Ohio, Kentucky, and Indiana participated in the program. Included in the agenda were speeches by leaders of government, industry, and education on such topics such as "Political Image in America," "United States Economy—A Challenge for the 80's," and "America's Ethnic Heritage." The students were provided forums in which to discuss these topics and other current issues. In addition, the students participated in a political simulation as they formed political parties and elected officials to mock municipal government. I am proud to recognize those students who were elected to office as well as those who participated in all other aspects of this valuable program.

They are as follows: Tom Tran of Loveland Hurst High School, mayor; Glen Napolitano of Elder High School, vice mayor; Michael Rusconi of St. Xavier High School, city manager; Ed Bracke of McNicholas High School, clerk of council; and council members, Duana Barnett of McAuley High School, Clark Deer of Madeira High School, Linda Gibson of Mother of Mercy High School, Ann Grammel of St. Ursula Academy, Monty Lobb of Princeton High School, Sue Murdock of Seton High School, and Mark Ruehlman of St. Xavier High School.

Also participating in the conference were Timothy Angel, Lisa Ashmore, Sandra Ballard, Elliot Beraha, Kevin Bien, Ruth Born, Mark Brandewiede, Joseph Bronkar, Mark Chappel, Alice Clark, Denise Cook, Diane Cope, Colleen Cunningham, Scott Davis, Ronald DeYoung, Stephanie Dreyfuss, John Eddingfield, Rob Edington, Jeff Enyart, Carolyn Evans, Annette Fahlbusch, Bruce Farris, Maria Fiore, Robert Fletcher, Kathy Gehret, Gayle Gottlieb, Teresa Greenwell, Mary Gundlach, Michele Hankinson, Cheryl Henke, Ana Maria Hidalgo, Loretta Houston, Scott Irvine, David Keenan, Patricia Kelly, Thomas Knuever, Amy Kokenge, Mark Lastition, Mary Leonhardt, William Maly, Steven McCarthy, Amy McDiffett, Blair Miller, Kay Nieme, Pamela Obee, John Okuley, Jackie Pasternak, Joyce Reke, Elizabeth Riddiough, John Rossi, Kevin Ryan, Gail Schimpf, Margie Schroeder, Keith Schutter, Christopher Shalosky, Nancy

Sifferlin, Steve Stadelman, Patty Stockslager, Eric Strand, Kenneth Thieman, Paula Trauth, Mark Vandegriff, Gary Ward, Karen Weed, Eric Witte, and Audrey Wong.

I would especially like to honor Mr. William E. Smith, director of Operation Youth and professor of accounting and education at Xavier University. His efforts, as well as those of his staff, Bryan Adrick, Leo Bowden, Marilyn Mayer, Maureen Murphy, Randy Berning, Lisa Bruemmer, Phil Burress, Tom Gardner, Sue Tepe, Allen Burke, and Jan Thompson, enabled 88 young citizens to gain new insight into the workings of democracy. With programs such as Operation Youth, I am optimistic about the future of America.●

THE MATERNAL AND CHILDHOOD NUTRITIONAL DISORDERS PREVENTION AND INFORMATION ACT OF 1979

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. LELAND. Mr. Speaker, the Maternal and Childhood Nutritional Disorders Prevention and Information Act of 1979, H.R. 4362, which I have recently sponsored with the Honorable ANDREW MAGUIRE, is a major step forward in the development of a national preventative health policy focused on the future strength of our Nation, our children. Mr. MAGUIRE, the foremost spokesman for child health, has joined me in introducing this bill as part of a strategy to break the cycle of poor preventative health care in this otherwise wealthy Nation. Nutritional disorders, in particular, affect the health of every one out of three children in America. Iron deficiency, anemia, dental caries, and obesity, among other disorders that are widespread, are both preventable and treatable. Unfortunately, the nutrition research, education, and treatment efforts in this country have been uncoordinated, undirected, and unfocused.

This legislation was written, therefore, to increase the quality, effectiveness, and availability of nutrition information and programs for the prevention and treatment of nutritional disorders in children and women. This act will first of all, develop under existing public law, programs to locate, assess, and establish referral procedures for treatment of children and pregnant women vulnerable to nutritional disorders utilizing more specific diagnosis biochemical procedures and other standards. Modern instrumental and technical know-how have produced breakthroughs in characterizing those populations in greatest need of dietary counseling and treatment. For example, Hambidge and Butrimovitz, in recent surveys of children from low-income families, have found that 35 percent, better than one of every three of these children, had a growth-impairing zinc deficiency. The need for nutritional screening and treatment of some segments of society is greater than we ever thought necessary. And such programs, according to the Center for Disease Control, are not only cost-effective but are relatively inexpensive when incorporated within existing screening programs.

As we pour millions of dollars into the WIC and other food commodities supplement programs, it would be most useful to have a measure of their effectiveness in ameliorating the effects of malnutrition for future legislative policy decisions. In the words of Secretary Bergland:

> We think this country must develop a policy around human nutrition, around which we build a food policy for this country and as much of this world as is interested.

Indeed, the formation of a Presidential Commission to "End World Hunger" and the recent legislation by my colleague, the Honorable RON DELLUMS, to end unscrupulous marketing of infant formula to Third World countries contributing to millions of cases of severe malnutrition, understates this Nation's increased awareness that malnutrition robs our citizenry of attaining a mental and physical development capacity that might break costly poverty-welfare cycles.

Mr. Speaker, I find it incongruous that we attempt to promote nutrition goals abroad, when we do not even have a national policy or recommendations here at home as to what good nutrition for pregnant women, infants and children should be. It is incongruous that the resources for such a policy exists today within HEW and USDA but that the bureaucratic haggling over a "lead agency role in human nutrition" continues to produce uncoordinated and unfocused activity. I believe that is is necessary, Mr. Speaker, to require through legislative mandate, reports to Congress from these two agencies on their human nutrition program activities and effectiveness in developing coordinating mechanisms. It is shameful in light of recent increases in appropriations earmarked for these activities, that scientifically sound nutrition recommendation that might promote optimal health and prevent nutritionally related diseases in the general public, are not forthcoming.

I am proud of the health professionals who have found coordination to serve the public's interest. Some digestive diseases which previously led to death in early life, have been treated through use of total parenteral nutrition (TPN) developed by the joint work of pharmacists, laboratory scientists, and physicians. The need for coordination and direction in human nutrition research is a matter of life and death for this Nation. Through such effort and appropriate outreach, we may foresee a reduction in infant mortality, a reduction in mental retardation or death resulting from untreated hereditary metabolic disorders, a reduction in obesity as a major risk factor in heart disease, and a reduction in high-cost medical services associated with untreated childhood disorders.

Mr. Speaker, let us end this boondoggled interagency struggle that began with the publication of the political document "Dietary Goals" and find out what can and what cannot be expected from following certain dietary practices.

While this struggle goes on, the dollars targeted by many Federal food and health intervention programs to the low-income consumer unfortunately ends up going for the most colorful, the most tasteful or the most highly marketed products that tend to be the least nutritious. Are cereals fortified with 8 to 10 vitamins and minerals necessarily more nutritious? The Honorable FREDERICK RICHMOND in the last Congress, documented the need for a nationally coordinated consumer-oriented nutrition information policy. In Mr. RICHMOND's words:

> Industry emphasizes government's responsibility to educate children in the school system. Yet, a major area of industry's nutrition education activities is the development of materials for schools. All too often these materials are product promotions under the guise of public service.

How does one reach these low-income consumers, when over $1 billion a year is spent on food marketing and advertising to tell them, what will make them feel young, popular or even sexually appealing? Clearly, the Federal Government is far behind these commercial enterprises in outreach. The interest in nutrition information is at an all-time high according to recent surveys. Americans are seriously concerned about obesity, cholesterol, and fat, I have therefore proposed in this bill, that the Secretary of HEW "in consultation with the Federal Trade Commission and individuals and entities skilled in advertising, marketing of products and opinion survey" develop public service announcements (PSA) to present to children and the general public, information concerning the relationship between diet, nutrition, and health. I have as well requested in this legislation development of other PSA's "to present to women, information concerning the relationship of medical care and good nutrition and the adverse effect of alcohol consumption on the course and outcome of pregnancy," in that alcohol consumption coupled with poor nutrition has been found to be the single greatest cause for birth defects.

Mr. Speaker, in recognition of the very urgent need for a more directed national nutrition policy, the Health and Environment Subcommittee of Interstate and Foreign Commerce gave H.R. 4362 a high priority within their child health (CHAP) hearings on June 7 and June 11 for congressional consideration.

I ask my fellow Members of Congress to join me in sponsoring and supporting this necessary legislation.●

THE NEED FOR ADEQUATE NUTRITION INFORMATION

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. MAGUIRE. Mr. Speaker, I am proud to join the Honorable MICKEY LELAND in sponsoring H.R. 4362, the Maternal and Childhood Nutritional Disorders Prevention and Information Act of 1979. H.R. 4362 augments important policies initiated by previous Congresses, such as Public Law 95-626, to improve and maintain the health of all U.S. citizens through preventive medicine strategies. H.R. 4362 complements my CHAP legislation—H.R. 2461, the Child Health Assurance Act of 1979—and amplifies H.R. 1650, the National Digestive Diseases Prevention, Cure and Control Act which I cosponsored.

First, the Maternal and Childhood Nutritional Disorders Prevention and Information Act of 1979 emphasizes the important nutritional aspect of our preventive strategy of improving the health of our children in the next decade. Implementation of CHAP legislation will result in outreach to several million additional indigent pregnant women and children who unfortunately have or are extremely vulnerable to nutritional disorders. Screening of these individuals for a wide variety of disorders can provide the mechanism for nutritional intervention when necessary—that is, for offering information leading to improvement in health when disorders result from or are complicated by the lack of a balanced, nutritional diet.

Implementation of H.R. 4362 will underscore the importance of a unified Federal nutrition policy. We can utilize this policy and its guidelines in redirecting the women, infants, and children feeding programs (WIC); the expanded food and nutrition education program (EFNEP); the early and periodic screening, diagnosis, and treatment (EPSDT) and the proposed CHAP program as outreach mechanisms for these vital preventive services.

The prevalence of childhood nutritional disorders is disturbing. Iron-deficiency anemia, dental caries, and obesity are widespread in this country. Zinc deficiency, clearly shown to be a limiting factor in development potential, is at a prevalence level of 35 percent among lower socioeconomic groups. Federal recommendations to resolve these disorders are realistic. Until we improve the health, development, and educational capacity of those children deprived of certain advantages due to low levels of family income, we will be unable to break the poverty or welfare cycle which results in an annual outlay of billions in welfare programs.

Second, the research and educational outreach mechanisms already exist within both the U.S. Department of Agriculture (USDA) and the Department of Health, Education, and Welfare (HEW) but they lack coordination and priority. The focus on preventing chronic "killer" diseases by changing dietary patterns is attractive and may indeed help prevent heart disease, cancer, stroke and hypertension, diabetes, atherosclerosis, and cirrhosis of the liver. However, no absolute cause and effect data is yet available. The reluctance of scientists and clinicians to present positive supporting evidence that can be used to develop Federal dietary guidelines—until every shred of data is in—is deplorable. This does not help prevent or cure the blatant societal problems of malnutrition. It is particularly significant since this reluctance directly and indirectly forces this country into spending billions in medicaid funds for resulting long term restorative and rehabilitative services.

Redirection of nutrition research and nutrition education programs would help all people learn what sound nutrition practices are. More particularly, individuals can learn to adjust their nutritional intake to their lifestyles and economic resources. Without such redirection we will continue to learn pseudonutrition information from best-seller health and diet books and from subtle advertising and marketing efforts of vitamin supplement and health food promoters—on breakfast cereal boxes, for example.

In conclusion, CHAP represents a major step in preventive services to our Nation's needy; the Material and Childhood Nutritional Disorders Prevention and Information Act represents an important strategy in refinement of preventive services through nutritional intervention for the future.●

CONGRESSMAN ROBERT McCLORY REPORTS ON 13TH ILLINOIS CONGRESSIONAL DISTRICT QUESTIONNAIRE RESULTS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. McCLORY. Mr. Speaker, the results are now in from my biennial questionnaire survey of constituents in the 13th Congressional District in Illinois. The 13th District includes large parts of Lake McHenry, and Kane Counties. It is a diverse district on the edge of the Chicago metropolitan area. It includes industrial areas, urban and suburban communities, small towns, and farmland. Its thinking on political issues is likely to be a bellwether of important national trends.

Mr. Speaker, I am grateful to all those constituents who took the time to fill in the questionnaire and put on 15 cents postage to return it. The questionnaire was in the form of a computer card to allow for easy tabulation. Although it could be mailed back without an envelope, it did require full first-class postage, since the card was too large to qualify for the postcard rate of 13 cents.

Mr. Speaker, the results of this survey confirm the idea that there is a mood in the Nation to hold down spending and cut back on Government activity in some areas. The highest percentage of yes votes—85 percent—was recorded as a response to the question: "Do you favor a constitutional amendment requiring a balanced budget except during national emergency?" The second highest percentage of yes votes—70 percent—was recorded in response to this question: "Do you favor calling a constitutional convention for that purpose if Congress does not act?" It appears that the national sentiment in favor of reducing Federal spending is still running very strong.

Mr. Speaker, the poll also reveals, contrary to what some commentators have been saying, that the voters do understand that cutting back on Government spending will require saying no to some potentially attractive Government programs. For example, only 38 percent of the voters responded positively to this question: "Do you favor comprehensive national health insurance, paid for through payroll tax deductions?" However, this was not the lowest positive response of the poll. That response—only 25 percent positive—came in response to the question: "Do you favor legislation providing for Federal financing of congressional election campaigns?" This suggests that the House Administration Committee did the right thing when it killed this piece of legislation.

Mr. Speaker, the prevalent attitude in the 13th District, as in the Nation generally, against the mushrooming growth of Government can undoubtedly be traced to a belief that one of the evil consequences of big Government and unbalanced budgets is the seemingly unstoppable inflation which now attacks our Nation. The people are angry about inflation but it seems that they realize that the centralization of power in Washington, which has created the inflation, cannot be counted on to cure it. Only 41 percent of the voters responded favorably to the question: "Do you favor mandatory, across-the-board wage and price controls?" In view of the high level of frustration and anger about rising prices, this ought to be considered a rather low positive response. It indicates that many people have learned from our past experience that Government controls are ineffective, inequitable, and lead to shortages.

Mr. Speaker, however much the voters may wish to restrain Government spending, there seems to be a general concensus that this should not be done if it will result in sacrificing our vital interest in national security. An absolute majority—54 percent—responded positively to the question: "Should the United States spend more money on national defense?" An even larger majority—60 percent—supported this proposition: "Do you favor returning to some form of military draft system?" These responses seem to indicate that the antimilitary mood so noticeable at the end of the Vietnam War has now dissipated considerably. The people realize that a strong defense capability is absolutely necessary to protect vital American interests.

Mr. Speaker, the final results are broken down both by counties and by sex. The divisions between the counties were not unexpected—the urban areas proved to be a bit more liberal, the rural areas a bit more conservative. As to the division between the sexes, there was general agreement on most things, but a few issues did produce a disparity. For example, only 51 percent of the men favored stricter Federal handgun control laws while 64 percent of the women did. There was a similar disparity on the issue of the military draft, with 63 percent of the men favoring some form of draft, while only 56 percent of the women did. These disparities reflect the same sorts of differences between men and women which also show up in national polls.

Mr. Speaker, many constituents have written suggesting that some particular issue should have been covered in the questionnaire. However, limitations of space, plus the need to prepare the questionnaire in advance of its mailing date, resulted in some important issues being left out. In particular, energy is an issue on which many constituents have expressed their concern. It is much to be hoped that constituents will write me on this or any other issue which is important to them. Such expressions of voter opinion as are reflected in constituent letters or in the results of this questionnaire are invaluable in letting elected officials including myself and others in Washington know what is on the voters' minds.

Mr. Speaker, although the total number of voters who participated in this biennial poll cannot be precisely ascertained, it is clear that more than 25,000 individual responses to the questionnaire have been tabulated. This total is far in excess of the number of persons polled by the commercial polling organizations. Also, the percentage of participants that is 25,000 out of an estimated total of 150,000 households is extremely high. Accordingly, I am encouraged by this broad constituent participation—and I am pleased indeed, to find myself philosophically and politically so closely attuned to those whom I am charged with representing in this great legislative assembly. The questionnaire results follow:

	Voting		Percent
	Yes	No	Yes
1. Do you favor a constitutional amendment requiring a balanced Federal budget except during national emergency?	18, 519	3, 377	85
2. Do you favor calling a constitutional convention for that purpose if Congress does not act?	15, 490	6, 683	70
3. Do you favor some form of Federal support for preserving agricultural land for agricultural purposes?	14, 599	6, 983	68
4. Should the Federal income tax provide a tax credit for tuition at private colleges and universities?	10, 211	11, 944	46
5. Should the Federal income tax provide a tax credit for tuition at private elementary and secondary schools?	8, 130	14, 465	36
6. Do you favor stricter Federal hand-gun laws?	13, 718	10, 278	57
7. Do you favor comprehensive national health insurance, paid for through payroll tax deductions?	9, 898	16, 303	38
8. Should the United States spend more money on national defense?	11, 767	9, 898	54
9. Do you favor returning to some form of military draft system?	14, 214	9, 642	60
10. Do you favor mandatory, across-the-board wage and price controls?	9, 940	14, 308	41
11. Do you favor legislation providing for Federal financing of congressional election campaigns?	5, 829	17, 901	25

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NOT GOING ON VACATION, BUT STAYING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I am pleased to introduce to my colleagues an article by Chuck Thomas, editor of the Ventura County Star-Free Press. He has an answer to vacation plans in our gasoline-short era. Chuck urges my constituents to explore their own wonderful back country, which perhaps will serve as an impetus and inspiration to others around the country. Though other areas may not have as scenic a countryside as Ventura County, I am sure that the districts of my colleagues have many natural treasures that have not been sufficiently explored by their constituents.

Mr. Thomas' column follows:

NOT GOING ON VACATION, BUT STAYING

(By Chuck Thomas)

If the gasoline scene has you hung up on vacation plans, have I got a trip for you: Towering mountains and beautiful beaches, verdant orchards and inviting parks, golf and tennis, city stores and country roads, boating and hiking, historical sights and memorable restaurants—and you can do it all on one tank of gas—maybe two, if you guzzle.

What we're talking about is a backyard vacation, really seeing Ventura County. It's a vacation formula that wouldn't work too well in, say, Bakersfield, but it works here, because we have one of the world's nicest backyards.

Wherever you start from, whether it's Ventura or Simi or anyplace in between, the first thing you do is forget the freeways. We're going the backroads route, so you can see what you've been missing from the freeway, the Ventura County you may never have seen.

Say you're going from Ventura to Ojai. Forget Highway 33. If Caltrans can forget it, you can, too. Take Ventura Avenue out through what's left of the orchards and oilfields, and remember, this was once the hub of Ventura County. Oil and agriculture have done, and are still doing, more for the county than a lot of recent immigrants seem to realize.

Cross the river at what's left of Foster Park. (The highway builders displaced the whole village, which wasn't much.) Take Santa Ana Road through the park, and I hope you brought a picnic lunch.

Foster Park isn't as well-manicured as it might be—none of the county parks are since Proposition 13—but it's still worth some leisure hours. There's also Camp Comfort—named for a person, not the accommodations—on another backroad to Ojai. (Take Creek Road at Rancho Arnaz. The really scenic backroad to Ojai is Sulfur Mountain Road, but that's now closed to casual traffic—which is probably a favor to your car, unless you have a rattle-trap. And if you don't, you would, after that trip.)

Santa Ana Road skirts Lake Casitas, where you can boat, fish, camp or just look. Highway 150 continues on around the lake to Carpinteria in a scenic drive, but that's another trip. For now, we want to linger a while in Ojai.

Remember W. C. Fields' line about spending a week in Philadelphia one afternoon? Well, Ojai is the flip side of that. You can spend a week there and it will seem like an afternoon.

Park the car and walk Ojai, from the Arbolada to the old elementary school. If you take all the beckoning detours and stop to sample all the sights along the way—the cafes, the park, the art galleys, the creek, the shops—that will take a couple of days.

Take a side trip to Meiners Oaks, which isn't much except for one detail: This one little community has two of Southern California's most memorable restaurants: The Ranch House, which offers the perfect match of picturesque setting with superb food, and the Coolibah, which is so delightfully snooty that you need a reservation weeks ahead and they still insist that women wear dresses and men wear neckties.

Take Highway 33 on up to Matilija Lake and the Hot Springs, and bring your bathing suit. You'll be constantly tempted to picnic, to hike, to camp, to absorb the majesty of the mountains in Los Padres National Forest. It's the kind of temptation that's meant to be surrendered to.

By now, we've used up half your vacation, half this column and only half a tank of gas. And this is only one backroads tour of a dozen in Ventura County.

Take Highway 150 from Ojai to Santa Paula, and stop to sample the postcard views of the Ojai Valley just before you stop to picnic at Dennison Park. Take a look at Thomas Aquinas College at the old Ferndale Ranch, just before you picnic at Steckel Park. (If you don't like picnics, you're on the wrong tour.)

Park your car and walk Santa Paula: the old train station, the Glen Tavern, the Union Oil museum. Santa Paula is a town with a lot more personality you'll see from the freeway.

You've seen the little Red Schoolhouse on Highway 126, so take the backroad route—South Mountain Road, through what's left of Bardsdale—to Fillmore, and after you walk up Main Street, take Guiberson Road to Piru. The Newhall mansion is sometimes open for tours and even when it's not, it's worth the trip, just to gawk from the outside. Piru itself is favored by moviemakers because it's one of the few villages around that hasn't gone the way of Foster Park.

Take Grimes Canyon Road from Fillmore to Moorpark. It's one of the county's best off-the-freeway detours. Etch the rural atmosphere of Moorpark's tree-lined main drag in your mind, because the area is on the verge of a boom that will probably mean an asphalt atmosphere in the future.

Thousand Oaks may seem like San Fernando with acorns, but it has some worthwhile shopping and dining and golf, if that's your bag. If not, it has some worthwhile sidetrips. Take Westlake Boulevard through Westlake Village, and remember, this was all barren semi-desert not too many years ago. Take Potrero Road to Lake Sherwood, another rural retreat that progress may catch up with. There are backroads aplenty between there and Ventura, with such off-the-freeway sights as Somis and Saticoy. From Somis to Santa Paula is a nice detour, by way of Balcom Canyon Road, with a return to Ventura on Foothill Road. Here we are, back where we started, and we haven't even mentioned the whole Oxnard Plain.

Yes, I know it sounds like a joke to talk about vacationing in Oxnard. But there is some history in the area, and you might be pleasantly surprised at what's happening to Port Hueneme. Stay off Oxnard Boulevard, which is the city's worst feature, and you might even be pleasantly surprised by Oxnard. (I better be careful here, or I'll wind up with the infamous Ed Jones Hoof-in-Mouth Award from the Oxnard Chamber of Commerce.)

We haven't even started on things to see and do in Ventura, but that's a whole 'nother vacation. You've just about run out of vacation by now and I've just about run out of column, but—a short fanfare, please—we haven't run out of gas.

You can take this whole tour in one afternoon, of course, but not if you do like it says in the song, and stop to smell the flowers. Instead of going on vacation, try staying on vacation, for a change. Like it says in another song, you'll find it all waiting for you—back in your own backyard.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4. agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 26, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 27

8:30 a.m.

Armed Services

To continue hearings on S. 1024, authorizing funds to implement the Panama Canal Treaty.

1224 Dirksen Building

9:00 a.m.

Finance

To resume consideration of pending health insurance proposals.

2221 Dirksen Building

Labor and Human Resources

To continue hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.

4232 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to review the impact on U.S. agriculture from the Multilateral Trade Agreements.

324 Russell Building

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To resume hearings on S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

Commerce, Science, and Transportation

To continue oversight hearings on the trucking industry's economic regulation by the Federal Government.

235 Russell Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

6226 Dirksen Building

Select on Small Business

Government Regulation and Paperwork Subcommittee

To hold hearings on Federal paperwork requirement.

424 Russell Building

Joint Economic

To hold hearings to review economic conditions and to discuss the future outlook for the economy emphasizing productivity.

2168 Rayburn Building

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To hold hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.

3110 Dirksen Building

Environment and Public Works

Business meeting, to resume markup of S. 914, authorizing funds through fiscal year 1985, for public works and economic development programs of the Economic Development Administration, and to consider the nomination of Robert N. Clement, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

4200 Dirksen Building

Foreign Relations

To receive a briefing, in closed session, by Administration officials on military base arrangements with Turkey.

S–116, Capitol

Governmental Affairs

To hold hearings on S. 503 and 865, bills to provide for the confidentiality of medical records and information.

3302 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

1318 Dirksen Building

1:30 p.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1338, to establish effective measures for energy efficiency relating to home heating units and industrial equipment.

3110 Dirksen Building

2:00 p.m.

Appropriations

Energy and Water Development Subcommittee

To mark up H.R. 4388, appropriating funds for fiscal year 1980 for energy and water resources development projects.

S–128, Capitol

2:45 p.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Marcus Alexis, of Illinois, Darius W. Gaskins, Jr., of the District of Columbia, and Thomas A. Trantum, of Connecticut, each to be a Member of the Interstate Commerce Commission.

235 Russell Building

JUNE 28

9:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To continue hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.

3110 Dirksen Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold hearings on title 5, proposed oil shale commercialization test program, of S. 1308, to provide for the development of domestic energy supply.

357 Russell Building

Finance

To continue consideration of pending health insurance proposals.

2221 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

To continue hearings to review the impact on U.S. agriculture from the Multilateral Trade Agreements.

324 Russell Building

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold hearings on issues relating to condominium housing focusing on condominium conversions.

5302 Dirksen Building

Joint Economic

To continue hearings to review economic conditions and to discuss the future outlook for the economy emphasizing productivity.

345 Cannon Building

10:00 a.m.

Armed Services

Manpower and Personnel Subcommittee

To receive testimony on proposals to consolidate the undergraduate helicopter pilot training program of the Department of Defense.

212 Russell Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Tyrone Brown, of the District of Columbia, to be a Member of the Federal Communications Commission; and Geoffrey Cowan and Kathleen Nolan, both of California; Paul S. Friedlander, of Washington; Howard A. White and Jose A. Rivera, both of New York; Michael R. Kelley, of Virginia, and Michael A. Gammino, Jr., of Rhode Island, each to be a Member of the Board of Directors of the Corporation for Public Broadcasting.

235 Russell Building

Governmental Affairs

To continue hearings on S. 503 and 865, bills to provide for the confidentiality of medical records and information.

1318 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

4232 Dirksen Building

Conferees

On H.R. 3324, authorizing funds for fiscal year 1980 for International Development Assistance.

S–116, Capitol

2:00 p.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To continue hearings on issues relating to condominium housing focusing on S. 612, to establish minimum national standards for consumer protection in the sale of new and converted condominium units.

5302 Dirksen Building

Commerce, Science and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 1281 and 1365, bills to provide for the operation of the S.S. *United States* and the S.S. *Independence*, respectively, in domestic and/or foreign commerce of the United States, primarily in cruise trade between the Hawaiian Islands and the mainland.

235 Russell Building

2:30 p.m.
Foreign Relations
African Affairs Subcommittee
Closed briefing by the CIA on the security situation in South Africa.
S–116, Capitol

JUNE 29

11:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Samuel B. Nemirow, of Virginia, to be Assistant Secretary of Commerce for Maritime Affairs.
235 Russell Building

JULY 6

10:00 a.m.
Joint Economic
To hold hearings on the employment-unemployment situation for June.
1202 Dirksen Building

JULY 9

8:00 a.m.
Energy and Natural Resources
To resume hearings on title 2, proposed Priority Energy Act, of S. 1308, to provide for the development of domestic energy supplies.
3110 Dirksen Building

10:00 a.m.
Joint Economic
Priorities and Economy in Government Subcommittee
To resume closed hearings on the allocation of resources within the U.S.S.R. and China.
5302 Dirksen Building

JULY 10

8:00 a.m.
Budget
To hold hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission, for the remainder of term expiring October 26, 1979 and to be a Commissioner of the Consumer Product Safety Commission for term to expire October 27, 1986.
235 Russell Building

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on title 9, proposing a mandatory fuel switching program, of S. 1308, to provide for the development of domestic energy supplies.
Room to be announced.

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the Federal Trade Commission's study of the life insurance industry's cost disclosure policy.
235 Russell Building

Energy and Natural Resourcs
Energy Resources and Materials Production Subcommittee
To hold oversight hearings on the 5-year offshore oil and gas leasing program of the Outer Continental Shelf Lands Act Amendments of 1978.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Governmental Affairs
To resume hearings on S. 596, to reform the process by which congressional districts are created.
3302 Dirksen Building

Joint Economic
To resume hearings to review economic conditions and to discuss the future outlook for the economy emphasizing productivity.
6226 Dirksen Building

JULY 11

8:00 a.m.
Budget
To continue hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.
4232 Dirksen Building

10:00 a.m.
Commerce Science, and Transportation
Aviation Subcommittee
To hold hearings on the certification and inspection procedures of the DC–10 and other types of aircraft.
235 Russell Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings on Title 7, proposing oil and gas leasing programs, of S. 1308, to provide for the development of domestic energy supplies.
Room to be announced

Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.
3302 Dirksen Building

Joint Economic
To continue hearings to review economic conditions and to discuss the future outlook for the economy emphasizing productivity.
6226 Dirksen Building

JULY 12

8:00 a.m.
Budget
To continue hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on Title 9, proposing mandatory transfers of electric power to reduce oil consumption, of S. 1308, to provide for the development of domestic energy supplies.
1114 Dirksen Building

Labor and Human Resources
To continue hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.
4332 Dirksen Building

Veterans' Affairs
To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.
6226 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on the certification and inspection procedures of the DC–10 and other types of aircraft.
235 Russell Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume oversight hearings on the implementation of the Outer Continental Shelf leasing program.
3110 Dirksen Building

Environment and Public Works
To hold hearings on proposed legislation to provide additional office space for the Department of the Judiciary.
4200 Dirksen Building

Governmental Affairs
To resume hearings on S. 2, to provide for a review of Government programs every ten years.
3302 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on S. 339, to revise provisions relating to foreign trade treatment of nations allowing free emigration.
5302 Dirksen Building

JULY 13

8:00 a.m.
Energy and Natural Resources
To resume hearings on Title 2, proposed Priority Energy Act, of S. 1308, to provide for the development of domestic energy supplies.
3110 Dirksen Building

JULY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on foreign acquisition of U.S. banks.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 730, to provide for the establishment of the Energy Corporation of the Northeast designed to bring together the States, Federal Government and private industry in a creative effort to deal with the energy problems of this area.
3110 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on Title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.
3110 Dirksen Building

JULY 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to examine U.S. policies and initiatives of the U.S. Conference on Science and Technology for Development.
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee

To hold hearings on S. 344, to assist States in their responsibility for highway beautification, and to review outdoor advertising regulation programs.

4200 Dirksen Building

Governmental Affairs

To resume hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

2:00 p.m.

Energy and Natural Resources
Energy Research and Development Subcommittee

To continue hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 18

9:30 a.m.

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee

To resume hearings on S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resources Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

Environment and Public Works
Transportation Subcommittee

To continue hearings on S. 344, to assist States in their responsibility for highway beautification, and to review outdoor advertising regulation programs.

1114 Dirksen Building

10:30 a.m.

Governmental Affairs

To continue hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

2:00 p.m.

Energy and Natural Resources
Energy Research and Development Subcommittee

To continue hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 19

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To hold oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 1104, to provide for the establishment of the Channel Islands National Park.

3110 Dirksen Building

Environmental and Public Works
Environmental Pollution Subcommittee

To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

2:00 p.m.

Energy and Natural Resources
Energy Research and Development Subcommittee

To continue hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

5110 Dirksen Building

JULY 20

9:30 a.m.

Finance
Tourism and Sugar Subcommittee

To hold hearings on S. 589, 749, and 940, bills to provide for the applicability of tax rules affecting foreign conventions.

2221 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on foreign acquisition of U.S. banks.

5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee

To continue hearings on Title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

Environment and Public Works

To hold hearings on proposals for the John F. Kennedy Center for the Performing Arts to issue free tickets and to provide payment on outstanding bonds.

4200 Dirksen Building

JULY 23

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

235 Russell Building

JULY 24

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

Governmental Affairs

To hold oversight hearings on the activities of the Department of Energy.

3302 Dirksen Building

JULY 25

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

6226 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

Governmental Affairs

To continue oversight hearings on the activities of the Department of Energy.

3302 Dirksen Building

JULY 26

8:00 a.m.

Budget

To resume hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.

6202 Dirksen Building

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

JULY 27

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

235 Russell Building

JULY 30

9:15 a.m.

Governmental Affairs

To hold hearings on S. 930, to restrict free Federal employee parking.

3302 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

JULY 31

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.

6226 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To resume hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To continue hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

CANCELLATIONS

JUNE 27

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

JUNE 28

9:30 a.m.

Judiciary

*Administrative Practice and Procedure Subcommittee

To resume hearings on S. 1291, 755, 262, 299, and 104, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.

424 Russell Building

10:00 a.m.

Environment and Public Works
Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

SENATE—*Tuesday, June 26, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. DAVID H. PRYOR, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, from age to age the same, help us to live one day at a time in Thy keeping. When we sin, forgive us. When we make mistakes, correct us. When we fall, lift us up. Help us to serve Thee with gladness, humility, and diligence. Make us good workmen in Thy kingdom. Grant us grace and wisdom to live by the prophet's injunction to do justly, love mercy, and walk humbly with our God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., June 26, 1979.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID H. PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.
>
> WARREN G. MAGNUSON,
> *President pro tempore.*

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATORS UNDER PRIOR ORDERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Minnesota (Mr. DURENBERGER) is recognized for not to exceed 15 minutes.

Mr. BAKER. Mr. President, I am advised that the distinguished Senator from Minnesota does not require that time. Before I yield it back on his behalf, I would inquire of the majority leader if he has any use for it.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader. I believe, if the distinguished minority leader would be willing to yield some of the time to the Senator from Wisconsin (Mr. PROXMIRE)——

Mr. BAKER. I am glad to do so.

Mr. ROBERT C. BYRD. And the Senator from Minnesota (Mr. DURENBERGER) would not object, the Senator from Wisconsin has indicated he would like some time.

Mr. BAKER. I yield such part of Senator DURENBERGER'S time to Senator PROXMIRE as he may wish.

Mr. PROXMIRE. I thank the majority and minority leaders.

EMPHASIS NEEDED ON POSITIVE ASPECTS OF GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention has been a matter of pending business before the Senate for the past 30 years. During that time, every major as well as minor point has been carefully scrutinized many times. The treaty has been viewed from every conceivable perspective. And yet no action has been taken.

How is this possible? What excuse can there be for the Senate's lack of action?

Debate continues on peripheral as well as critical issues. It continues despite exhaustive and conclusive investigations into all aspects of the treaty. For example, some critics repeatedly object that political groups are not covered by the treaty.

On this point the critics are factually correct.

However, they are incorrect in asserting that this is a basis for objecting to ratification of the treaty. What these critics overlook is that without ratifying the treaty not only are political groups not protected, but neither are ethnical, racial, national, or religious groups. It is for their sake that the treaty must be ratified.

It is also impractical to suggest that we include political groups since 83 other countries have already ratified the treaty without a similar provision. It would lead only to confusion.

Rather it makes more sense that we view ratification of the treaty as a starting place for future treaties concerning international violations of human rights.

I strongly urge my colleagues who oppose ratification to carefully reconsider their position with the hope that the long overdue ratification of the Genocide Convention will take place in the very near future.

KEEPING POLITICS OUT OF CREDIT

Mr. PROXMIRE. Mr. President, I wish to express my appreciation to the members of the Federal Election Commission for the courage they displayed on June 21 in their 4-to-2 decision to reject the proposal by the Republican National Committee that it be allowed to join forces with bank credit card companies in a joint venture to solicit campaign funds.

I might say this is not partisan, because both Republicans and Democrats have tried to do this, and they are both wrong.

Under this plan, the bank credit card issuer would have solicited Republicans to accept a Republican-sponsored credit card. As part of the compensation to the Republican National Committee for its assistance in the sale of "Republican" bank credit cards, the RNC could have received a percentage of the charges made by a credit card holder using a "Republican" card.

I firmly believe that a ruling by the FEC allowing this type of venture between the national parties and the bank card industry would have seriously undermined our system of democracy.

There is no industry more heavily regulated by the Federal Government than the banks. There is no industry that could benefit more or lose more from adverse regulatory rulings.

I find it impossible to assume that the bank card firms would have been able to negotiate the compensation arrangement for this plan, at arm's length, with political elements that may now or in the future control the very profitability of the entire bank card industry.

Eventually the Congress would have been faced with the realities of this unholy alliance: "What's good for the credit card industry must be good for the parties."

While we cannot entirely insulate our parties from influences, I am heartened by the Federal Election Commission's recent display of courage in rejecting this particular venture.

Mr. President, once again I thank the distinguished leaders. I appreciate very much having been yielded this time.

Mr. BAKER. Mr. President, is there any time remaining under Senator DURENBERGER's order?

The ACTING PRESIDENT pro tempore. The Senator from Minnesota has 10 minutes remaining.

Mr. BAKER. I thank the Chair. Mr. President, I yield now to the distinguished Senator from Vermont (Mr. STAFFORD) such part of the remaining Durenberger time as he may require.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished minority yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. If he would not mind, I suggest that we utilize this time for morning business, with statements by Senators being allowed up to 3 minutes each.

Mr. BAKER. Mr. President, I have no objection to that, and I understand that the Senator from Vermont has a statement he wishes to make as in morning business; so if there is no problem with him, I will be happy to yield this time now to the majority leader so that he may construct the period for morning business as he may wish.

Mr. ROBERT C. BYRD. I thank the minority leader.

ROUTINE MORNING BUSINESS

There being no objection, the Senate proceeded to the consideration of routine morning business.

Mr. ROBERT C. BYRD. I yield to the Senator from Vermont.

S. 344: DOT FOSTERS ANOTHER DELAY IN SOLVING THE BILLBOARD PROBLEM

Mr. STAFFORD. Mr. President, the Secretary of Transportation, I am informed, has asked the administration for permission to establish a Billboard Advisory Commission. This commission would supposedly last for 2 years, and it would study the future of Federal billboard control legislation. Among other things, the 16-to-20 member commission would review the results of hearings the Department of Transportation is presently conducting around the Nation.

Mr. President, what a farce. This issue has been studied to death. A few years ago, I was a member of a commission on billboards. That commission accomplished next to nothing. Establishment of this new advisory commission will prove to be just another 2 years of inaction and delay. DOT should at least wait and see what happens to S. 344, which the States, and nearly everyone else but the billboard industry, support. We have hearings set on this bill for July 17 and 18. The development of the idea for this new commission raises again the inevitable suspicion that the billboard industry is running the DOT and its program for billboard control, because a perpetuation of the present law is exactly what the industry wants.

I would urge that Secretary Adams review his decision and reject the study idea, at least until the Congress has worked its will on S. 344.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Under the previous order, the Senator from Florida (Mr. STONE) is recognized for not to exceed 15 minutes.

THE DUMPING OF FRESH WINTER VEGETABLES ON THE U.S. MARKET

Mr. STONE. Mr. President, over the past few months I have witnessed an unprecedented attempt to influence an administrative decision of a Federal agency which, for over 50 years, has been insulated from political and other pressures.

I am talking about the antidumping petition concerning the importation of fresh winter vegetables from Mexico which was filed last fall by the Florida winter vegetable growers. Florida farmers filed this petition to try to obtain an objective determination of whether or not the Mexicans were selling their winter vegetables at less than fair value, which, in many cases, meant at less than the cost of production. Survival of the Florida farmer requires an end to such dumping practices.

The attempts are extraordinary in their nature and scope. Never before have I seen an agency such as Treasury besieged or pressured by other agencies in Government to take an action which would be contrary to their normal course of action and violate years of precedent. Never before have I seen outside forces put pressure on other Government agencies to exert such pressure on Treasury. The Mexican growers and their allies are well funded and represented by some of the biggest names in Washington. They have claimed that an affirmative finding for the Florida growers would result in a complete deterioration of United States-Mexico trade relations.

Actually, it is incredible that the Florida growers are still in the ball game. In February, prior to the President's trip to Mexico, the administration circulated working papers which, among other things, suggested that the U.S. agricultural sector be traded off for other Mexican interests. I urged the President to insist that each economic issue be evaluated on its own merits. To the President's great credit, the winter vegetable question was allowed to proceed on its own merits. However, last month the Mexican growers, allied with certain administration officials, attempted to pass, as part of the multinational trade negotiation implementing legislation, an amendment which would change the applicability of the Antidumping Act to eliminate perishables and to kill this particular antidumping case by legislation. This attempt was incredible for at least three reasons: First, the implementing legislation in no way dealt with applicability of dumping codes of the various countries to perishables; second, the attempt was made in a closed House Trade Subcommittee executive session without any opportunity for the Florida growers to present their views on the matter; and, third, it constituted legislative interference with the rights of private parties engaged in a quasi-judicial proceeding.

I would ask my colleagues to step back and look at this case as it has developed and ask themselves whether the rights of a small American group are in danger of being stripped away and, further, to focus on the wider ramifications of these actions.

In September of last year, a small group of Florida growers filed a petition, with the encouragement of the Office of the Special Trade Representative and the Customs Service, to protect their failing industry. They filed under the antidumping laws so that they might obtain the most objective determination on the merits of their case possible. They engaged an economist who concluded that the Mexican winter vegetable industry was controlled by a growers association which completely controlled exports to the United States. The farmers raised funds among themselves to pay for this study through barbecues, raffles, and other community events in order to fund this first comprehensive study of the Mexican growing industry so that they might be armed with information to file their petition. They engaged counsel to pursue the case. They filed a solid dumping petition which established a prima facie case of dumping and that resulted in the Customs Service engaging in an extensive investigation in Mexico.

The investigation began to cause alarm to the Mexican growers several months ago when it became apparent that the Customs Service and the Treasury Department were uncovering evidence to support that Florida growers' claims of unfair trade and might conclude that there were substantial dumping margins in this case. The Mexican growers, fearing a negative finding in this objective forum, began to urge the administration to trade off the Florida growers for other national goals. They tried to create a legislative solution in its worst form: a law designed to affect a single case. Not being successful in this, they have continued to lobby for the same ultimate result. These people would deny the Florida winter vegetable growers access to the law and the right to get a fair and objective hearing.

What are the terrible demands that the Florida growers are making which have triggered one of the most sophisticated and all-pervasive lobbying operations I have ever seen? The Florida growers want free trade with fair trade. They do not want to bar Mexican produce from this country. They simply want the Mexicans to stop dumping over 50 percent of the produce they sell in this country. They want the Mexicans to compete according to internationally recognized fair trade standards and to stop selling their products in the United States at less than the cost of production. The Florida farmers want to remain in business as farmers. They want a stable winter vegetable market, a stable market that will result in reasonable prices to the American consumer without the wild price gyrations which now occur. They want Treasury to make an objective determination on the merits of their case.

The tactics used by representatives of the Mexican growers, such as the argument that if the Florida growers win their action, there will be no Mexican produce coming into this country, are absolutely ridiculous and without foundation. The Mexican growers, Treasury, and other U.S. Government agencies know that the Florida growers stand ready to discuss and accept a reasonable solution to this problem.

In sum, the campaign to kill this antidumping action is in high gear. It is well financed, well managed, and hitting sensitive nerves in Government. I hope that fair government will prevail in this case and that a reasonable solution will be achieved. The Florida growers have asked for no more and deserve no less under the law.

To date the Department of Treasury has held firm in the face of this awesome onslaught and appears to be proceeding according to past precedent. I bid them to hold their ground. I ask my colleagues to join me and lend their expression of support for what I think no reasonable and rational man can argue against: A fair and objective legal process.

Mr. President, my colleague, the senior Senator from Florida, is unable to be present on the floor at this time, but he did ask that I mention that he is in agreement with my comments.

(During the foregoing remarks Mr. McGOVERN assumed the chair.)

Mr. PRYOR. Will the Senator from Florida yield at this point?

Mr. STONE. I will be happy to yield.

Mr. PRYOR. I have been listening to the remarks of the Senator. I was astounded at the facts he presented, especially that 50 percent of the Mexican crop was basically "dumped" in this country. Coming from a State that produces a large number of tomatoes, I am especially concerned with this particular situation. I want to applaud the Senator from Florida for bringing these matters to the attention of the Senate.

Am I to understand that the distinguished Senator from the State of Florida is saying that some forces in government would ask the Treasury Department to create a new category within the dumping law to deal specifically with perishables which would, in effect, eliminate this particular case now before the agency. Is that correct?

Mr. STONE. The Senator from Arkansas is correct, that there are some forces in our administration asking the Treasury Department to create that kind of a category, and if that category were created that would eliminate one case, this case.

Mr. PRYOR. In other words, would this not mean that the procedures of perishable goods in my State, in the State of Florida, and in practically every other State, would be afforded less than their full rights under the antidumping law, which I understand is the most objective measure of whether or not unfair trade is being carried on with the United States?

Mr. STONE. The Senator is correct.

Mr. PRYOR. If that is the case, Mr. President, I would like to associate myself with the remarks of my friend and distinguished Senator from Florida. I would like to lend my support to the proposition that all merchandise and all commodities should enjoy the same protections under the antidumping laws. As the Senator has so eloquently stated, anything less will make second-class citizens out of those who work in many of our domestic industries.

Mr. STONE. I sincerely thank the Senator from Arkansas for his remarks and his association with this effort.

Mr. HELMS. Mr. President, what bothers me most about the statement of my colleague from Florida is that the tactics used in this case seem to be leading to the use of economic blackmail: Either you let us dump our winter vegetables in your country or we will withhold oil and gas, send in illegal immigrants, or become lax in the drug area. I, personally, do not feel that the Mexican Government feels that way. I feel that they want to meet with us and examine each issue on its own merits. However, these tactics of hysteria and scare which the Senator mentioned are undoubtedly being used by representatives of these growers in the United States. It is my position that we should not succumb to such tactics. If we do, soon another domestic industry will be traded off for an interest in another country. If we deal from weakness, we might not as well deal at all. In this regard, therefore, I strongly endorse the remarks of my colleagues from Florida and lend my support to the proposition that this case should stand or fall on its facts and that outside influences and pressures should not be allowed to prevail.

Would the Florida growers accept any reasonable solution in this case which would cause the matter to be settled in a way that the dumping petition could be discontinued?

Mr. STONE. Absolutely. They have expressed this view to representatives of several Government agencies. It is the other side that feels that they have the muscle to win this case other than on the merits. Perhaps indications like those expressed today will fortify the Treasury Department and enable it to persevere in the face of these pressures. Perhaps the expressions indicated here today will also put all on notice that the Florida growers in this case only want an equitable and just solution to the problem and they are willing to fight for their rights and their way of life. But let all know that they are also willing to do anything possible to achieve a solution which would benefit the farmers of both countries.

Mr. HELMS. I cannot say that I am the expert on the merits on this case. I cannot tell which side I would come down on if I were to judge the case. I will tell my colleagues that if I were a judge, I would apply the law to the facts and come to my own impartial conclusion. It appears that there are forces that do not want to see such an impartial decision made. If my colleague is arguing for the sanctity of the process, I give him my wholehearted support.

Mr. STONE. The Senator has phrased it eloquently. That is what I am arguing for and, I believe, what no reasonable and fair person can argue against.

Mr. President, I thank my friend, the Senator from Arkansas.

In conclusion, I want to alert my colleagues that if we are willing to trade off farmers for gas, then who is next? The popular song, "A bushel of wheat for a barrel of oil," would be in reverse; we would be trading off farmers for that barrel of oil.

The Senator from Florida supports paying the Mexicans a reasonable and fair price for their oil and gas. I want to get more of it. I want to offer them appropriate market prices for it. I applaud the private pipelines negotiations, which were consummated a year ago, only to be vetoed by the administration, so as not to allow them to bring in natural gas, which was the equivalent, and would still be, of 50,000 barrels of oil a day.

But obtaining other supplies and trading with the Mexicans fairly and squarely on their oil products is not the same thing as saying that we shall trade unfairly with them in order to get their oil and, in trading unfairly, trade unfairly with our own producers. That is wrong. That is not correct. It is not good economics, it is not good morality, and it certainly is not good representation of our own constituents.

Mr. PRYOR. Will the Senator yield at that point?

Mr. STONE. I yield.

Mr. PRYOR. I sincerely thank the Senator from Florida for bringing this matter to the attention of this body, because I do not know of any issue that is more directly related to the survival of the small farmers in this country than the issue he has just so eloquently enunciated in this Chamber. He has performed a real service by doing this and it is with great pleasure that I associate myself with his remarks.

Mr. STONE. I sincerely thank the Senator from Arkansas.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATIONS, 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 4289, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4289) making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

The ACTING PRESIDENT pro tempore. The pending question is on amendment No. 284, by the Senator from California (Mr. HAYAKAWA).

Mr. MAGNUSON. Mr. President, I yield to the Senator from California.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mr. HAYAKAWA. I thank the Senator from Washington.

AMENDMENT NO. 284

The amendment is as follows:

On page 4, line 5, strike $988,786,000 and insert the following: $800,000,000.

Mr. HAYAKAWA. Mr. President, my amendment, which I sent to the desk last night, would set the increased spending limitations of the food stamp program at $800 million. This figure represents one and a half times the Congressional Budget Office estimates the Department of Agriculture will need to carry out the program until the end of this fiscal year.

I should like to put this figure in perspective. The House appropriation bill, in bringing the program spending up to the so-called cap for the food stamp program, suggested a figure of $379 million. The cap would have put the total figure at $6,158,900,000. The Helms amendment, which was defeated last night, would have added above the cap $280 million that the Congressional Budget Office says is needed for food stamps. So that, in itself, was a generous addition. My amendment adds above the cap one and a half times the amount the Congressional Budget Office says we need, or $420 million above the "cap."

The proposed increases in the Senate bill add $988 million proposed for food stamps over the original 1979 appropriation. That is almost $1 billion, Mr. President. And this proposed increase is more than double the research budget of the entire Department of Agriculture.

On June 22, the Senate Agriculture Committee received a letter from Alice Rivlin, director of the Congressional Budget Office, addressing this subject. According to Ms. Rivlin, the Food and Nutrition Service needs $280 million over the spending cap for this program. My amendment would allow for an additional $800 million for this program, which is one and one half times the additional money which the Congressional Budget Office says is needed over the cap, or an additional $140 million over what is needed, according to the CBO. These are generous figures, indeed.

According to the Congressional Budget Office, this estimate is based on data derived from medical and shelter expenditures on a sample of food stamp recipients and food stamp households in September 1976, and inflated to fiscal years 1979 and 1980 to allow for the differences in the value of money.

Now we are all aware that the food stamp program is not an entitlement program. The Food and Nutrition Service should be quite aware of the budget constraints under which they are mandated to operate. The Department of Agriculture, however, knew from the beginning of this fiscal year what its budget constraints were. Nevertheless, these budgetary boundaries were blatantly ignored. The Food and Nutrition Service has established a record of free spending. Officials at the Food and Nutrition Service have implemented separately the various provisions of the 1977 act, and this mismanagement has cost the taxpayers more than $275 million.

I resent the sort of free spending that has accompanied this program, because Congress is now backed into a corner. Well, the money has been spent—yes, the money for the entire year. We in Congress are now expected to bail the program out. The taxpayers back home are sick and tired of seeing their tax dollars going to programs that are managed poorly and without restraint. Yet who will get blamed for the additional hundreds of millions of dollars that will get spent to pull this program through the rest of this year? Not the food and nutrition program but Congress itself, we ourselves, will get the blame. And if we do not spend the money, again Congress itself will be labeled and blamed for having cut food stamps for the poor.

Mr. President, I want to make it clear for the record that I do not support cutting food stamps for the poor. But there are plenty of people receiving these food stamps who do not qualify for the program, and who are abusing the taxpayers of this country.

As I stated in my remarks yesterday in support of Senator HELMS' amendment, we have numerous State administrators of the food stamp program who complain that it is Federal regulations themselves that prevent them from asking the questions that will prevent the fraud and the abuse of the program.

The Nutrition Subcommittee recently held a hearing on food stamps. Several State administrators testified about their frustration in having their hands tied in many instances where the program is not being properly managed. One of the administrators in California who talked to my staff estimated that approximately 20 percent of the food stamp recipients in that county were not truly eligible to receive them. But as their hands are tied they have no way of cutting these people out of their client lists.

There are a number of illegal aliens who properly are not entitled to receive these food stamps. The number of illegal aliens participating in this program is supposedly very high. Yet unless a social worker can produce evidence that a non-English speaking applicant is not a U.S. citizen—that is produce negative evidence to that effect—then the social workers are obligated to issue food stamps to the applicant.

According to county workers, most applicants ask for expedited services, so that they can receive their first food stamps sooner. Unfortunately, such practices are so rampant that the food stamp officers are backed up with such emergency or special cases. Such services were intended to be reserved for a few but are used now for many applicants.

Mr. President, I could speak for hours about the abuses in the program. I have spoken about some of them already in my remarks of yesterday. The point is that the program is not run as honestly and as smoothly as it should be, and we in Congress have been taken advantage of by the excessive spending practices of the Food and Nutrition Service for the food stamp program. We need to draw the line on this spending, as representatives of our taxpayers.

I thank the Chair.

Mr. MAGNUSON. Mr. President, this argument about the food stamps was well covered yesterday with the so-called Helms amendment. As I understand the amendment of the Senator from California, it just reduces the amount to be cut from the food stamps program.

The Senate voted yesterday, overwhelmingly to put this extra money into the food stamp program. It is true that the administration underestimated the need for food stamps. They did not appreciate the fact that when we amended the law, the Agriculture Committees and Congress amended the law, there would be more recipients for food stamps. They also underestimated the inflationary processing in which they for some strange reason used the food inflation figure at 3½ percent, when everyone knows that is not correct.

It is way up into 8, 9, and 10 percent. Therefore, there was an urgent need for this extra amount. It was partially due to the administration's estimates and partially due to the law that Congress passed.

The Agriculture Committees have both passed out bills practically unanimously—I see the Senator from South Dakota is here who is one of the leaders in the Agriculture Committee of the Senate—clearing up a situation on the food stamps which cause some great hardship, that is, the inability to use medical expenses and other expenses as a criteria for eligibility.

And all in all, it added up to the fact that we needed this extra money; otherwise, some of the really eligible people were going to get hurt. I think the food stamp program is much better since we passed the law which reestablished eligibility rules and it is doing away with some, not necessarily fraud, but waste in certain cases, and this money is really needed.

If we overestimate the amount of money, as suggested by the Senator from California, well and good. I would rather err on the side of overestimating than to have it so tight that a lot of good people who really need food stamps—and inflation is working on them, social security taxes are higher, everything—would be left out in the cold. There are many instances all over the United States where this has already happened.

I am hopeful that the Senate will act swiftly on the recommendation of the Senate Agricultural Committee on rerevising the eligibility insofar as the deductions are concerned. I hope they will. I was talking to the Senator from South Dakota about this yesterday and I read a piece in the paper that if we do revise the eligibility list, it is going to take up to about January to have it come into force. That is too long and I do not think that should happen. But in the meantime for the next few months we just have to have this extra money, and I agree it is an estimate. But I think it is a pretty good estimate and probably on the low side.

So I am going to oppose the amendment of the Senator from California.

Mr. McGOVERN. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I fully support the comments made by the distinguished chairman of the Appropriations Committee, Senator Magnuson.

As he has indicated, the proposed cuts in the supplemental for the food stamp program—the one offered yesterday by the Senator from North Carolina and the one now pending offered by the Senator from California—are both based on tentative estimates by the Congressional Budget Office that $660 million would be needed as a minimum for the supplemental. But as the Director of that Office has since noted in a letter to the chairman of the Senate Agricultural Committee, Senator Talmadge, dated yesterday, she warns that the uncertainty about the economy today throws off all of their earlier estimates, and she says the cost could very well go as high as $1 billion.

What we have here is an amendment to take the low end of what is admittedly an uncertain range of estimates, somewhere between $660 million and $1 billion, and I think it throws into serious question the wisdom of what the Senator from California is proposing.

The reason I find it very hard to see any merit in these proposed cuts is that both Senator Helms and Senator Hayakawa made clear they do not intend to cut the benefits to any of the 19 million people participating in the program.

That being the case, there is absolutely nothing that can be lost in staying with the proposed supplemental figure of the committee because the committee has made quite clear if they have estimated too high, any overage would go back into the Treasury.

Every indication is we have not estimated too high. The congressional budget figure was based on the assumption that the 19.1 million people participating in the program in March would decline to about 18.8 million by May. That has not happened. There are just as many people participating in the food stamp program today, from all the evidence we have and the statistics we have, as there were in March.

So the proposed reduction in the program on which this cut suggested by the Senator from California is based just has not materialized.

I think it is quite possible, as much as I hate to be gloomy about the future, that if the economy slows even slightly for the balance of this year, as is being predicted by some very thoughtful and perceptive observers, it is questionable whether we will not need every dime that is provided in this supplemental.

We certainly do not want to come back here in the middle of September in order to make up a $25 million shortfall or a $50 million shortfall or something of that kind that would otherwise result in a reduction of benefits.

So I very much hope this amendment will be defeated, as was a similar amendment offered yesterday.

Mr. HAYAKAWA. Mr. President, will the Senator from South Dakota yield for a question?

Mr. McGOVERN. I was speaking on time yielded by Senator Magnuson. If he will yield I will be glad to respond to a question.

Mr. MAGNUSON. I yield such time as may be required.

Mr. McGOVERN. Certainly I yield to the Senator for a question.

Mr. HAYAKAWA. If we have 19 million people on food stamps and if the population of the United States is roughly 220 million, it is something like 1 out of 11 people in the United States is dependent on food stamps; is that correct?

Mr. McGOVERN. That is correct.

Mr. HAYAKAWA. But the unemployment rate in this country is nothing like that, is it?

Mr. McGOVERN. That is correct.

Mr. HAYAKAWA. It is far short of 10 percent?

Mr. McGOVERN. That is correct.

Mr. HAYAKAWA. Therefore, it is an extraordinary figure that we should be supporting all these people, half of whom seem to be employed.

Mr. McGOVERN. The Senator has to keep in mind that when we talk about 19 million people being on food stamps that is not comparable to the labor force figure because a high percentage of these people are infants and children or elderly people who are out of the work force. I cannot give the Senator the exact figure, but I can say well over half the people who are on food stamps are young children and elderly people.

Most of the increases in the food program over the last year, I will say to the Senator, are old people and people in rural areas who heretofore have not participated largely because of the purchase price barrier on their admission to the program. But these 19 million people on food stamps are not by any means workers. Most of them are out of the work force because of age or health reasons.

Mr. HAYAKAWA. I thank the Senator for his clarification. I am sure he is quite right that many are dependents.

But in the case of dependents, are they not represented by the head of a family?

Mr. McGOVERN. In some cases they are represented by the head of the family. In many cases that is a woman.

Mr. HAYAKAWA. Yes.

Mr. McGOVERN. A higher percentage of people, as the Senator knows, in the whole range of welfare and nutritional programs are families headed by women.

Mr. HAYAKAWA. But the woman, let us say she has three dependents. There are four people on food stamps or is there one person counted in the 19 million?

Mr. McGOVERN. One person makes the application, but the 19.1 million figure refers to the total number of persons in all families who participate.

Let me just say to the Senator that, perhaps, the crucial figure is this one, that the average income embracing over 50 percent of the people on the program is family income of $3,600 a year, and even at the $4,800 figure 75 percent of the people come under $4,800 annual income, and I am sure the Senator would recognize that with the cost of food where it is today, trying to run a family, in some cases with several children, on a total income of $4,800 a year is impossible without some food stamp assistance. I think we either have to have the food stamp program or we have got to have some kind of a minimum guaranteed income to take care of these poor people in the United States.

Mr. HAYAKAWA. In the case of the kind of people you speak of I think I agree with you completely that they are people for whom the food stamp program is intended. But according to the administrators of the food stamp program in California, and those we heard in the subcommittee from Oklahoma and Louisiana, there are thousands and thousands of people who are not in the category of the very young or the one-parent family, with only a mother to take care of the family or old people, but are able-bodied people who are taking advantage of the food stamp program, who are perfectly capable of taking care of themselves and ought to have supplementary incomes.

Nevertheless, we are prevented from weeding out these cases. That is what I am driving at. So far as the compassionate concern for people who actually need them, you and I have no quarrel whatsoever, and I would like the Senator from South Dakota to understand that.

Mr. McGOVERN. Well, I appreciate that.

Let me say to the Senator that I would not pretend that in a program involving some 19 million people there are not a few cheaters. Obviously, there are.

As the Senator knows, I have offered, as chairman of the Subcommittee on Nutrition, which subcommittee has jurisdiction over this program on the authorizing side, to go out into the field later this year, and I will be happy to take the subcommittee to the Senator's State of California and, as he has indicated to me earlier, he would welcome that, and we will go into any Senator's State who wants us to look at some of these reported abuses in the program and see if we cannot take steps to tighten the program up.

Two years ago Senator Dole and I worked very hard on the food stamps reforms that are just now going into effect. I think within a year or 18 months' time we are going to discover that we have really substantially tightened up many of the abuses the Senator has rightfully been concerned about. Maybe we can do better. Maybe there are additional things that need to be done. On the basis of what I hope will be rather careful and perceptive field hearings we may be able to reach some of the things the Senator from California is concerned about.

Mr. HAYAKAWA. I would be very grateful to the Senator from South Dakota for his assistance. I want to assure him I shall cooperate with him in every way possible so that we can reduce the abuses in the program.

Mr. McGOVERN. I thank the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from California yield for a question?

Mr. HAYAKAWA. I am happy to do so.

Mr. HARRY F. BYRD, JR. As I read the figures, the appropriations for the food stamp program for fiscal 1978 were $5.618 billion. Now, for fiscal year 1979, if the supplemental is approved in its present form without the amendment offered by the Senator from California, the figure would be $6.768 billion.

That represents an increase in 1 year of $1.150 billion. My mathematics suggest to me that that is precisely a 20-percent increase in that one program in 1 year.

My question to the Senator from California is, Does the Senator from California think that that is quite a large increase, an increase of 20 percent, and would his amendment seek to slightly reduce that tremendous increase?

Mr. HAYAKAWA. That is precisely the source of my concern, that 20 percent increase. The Senator is quite right; and the amendment I am offering does provide an increase, but it does not provide that much of an increase.

Mr. HARRY F. BYRD, JR. No; it provides a reasonable reduction in the 20 percent increase.

Mr. HAYAKAWA. I am hoping it can be taken to conference. Like Senator McGovern, I am concerned with these rising prices as well, but I do think the 20 percent increase is more than sufficient under the circumstances.

Mr. HARRY F. BYRD, JR. I thank the Senator from California.

Mr. President, I ask unanimous consent to have printed in the Record at this point a table showing how the food stamp program has increased in cost since it began in 1965.

There being no objection, the table was ordered to be printed in the Record, as follows:

Annual Food Stamp Appropriations for Fiscal Years 1965 Through 1980, Inclusive

(Prepared by U.S. Senator Harry F. Byrd, Jr., of Virginia)

[$ Million]

Year:	Budget authority
1965	56
1966	100
1967	140
1968	185
1969	280
1970	597
1971	1, 666
1972	2, 285
1973	2, 496
1974	2, 995
1975	4, 869
1976	5, 196
1977	5, 506
1978	5, 618
1979*	*6, 768
1980*	**6, 927
Total	45, 684

*With supplemental recommended by Senate Appropriations Committee.

**Administration estimate.

The PRESIDING OFFICER (Mr. Stewart). Who yields time?

Mr. YOUNG. I yield myself 3 minutes on the bill.

Mr. President, I commend the Senator from California (Mr. Hayakawa) for the effort he is putting forth to try to make sense of the food stamp program, to make it a fair program, with adequate provision for the really needy poor and to have many of the foolish provisions eliminated from the law.

If we were to call together the State administrators and many of the local administrators, I am sure we could find many ways in which to do that. Let me mention one or two of them.

When the new depreciation rate provision was added, where a farmer or businessman can take depreciation on the equipment and things he owns, by doing so he reduces his income and makes himself eligible for food stamps. This has happened many times.

I received a letter from a county welfare director, signed by all of the directors, calling attention to some cases like that. I would like to read into the Record a letter I received from Mr. T. M. Tangedahl, the executive director of the North Dakota State Welfare Department. It reads as follows:

> Dear Senator Young: The Senate and House Agriculture Committees have recently recommended that the Fiscal Year 1979 Food Stamp Program spending cap be raised in order to prevent food stamp benefit decreases as would otherwise be required by the Food Stamp Act of 1977.
>
> Senator Young, we urgently solicit your supporting vote when this comes before the full Senate, possibly in mid-June.

Here is the important paragraph:

> Since elimination of the food stamp purchase requirement last January, the caseload in North Dakota has increased about 44 percent, from 4,771 cases in December to 6,799 in April. A percentage cut in program benefits at this time would adversely affect approximately 20,000 of our lowest income citizens.

So I feel compelled to vote against the amendment of the Senator from California, very reluctantly, only because a provision in the law requires that welfare directors, those handling the programs, make payments they themselves do not think are necessary. As long as that is the law, and the money is spent, and we do not provide additional funds now, I feel, like Mr. Tangedahl, that many would go without food stamps. So I reluctantly will vote against the amendment, but I commend the Senator from California for the effort he is making to make sense out of the food stamp program.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I yield to the Senator from Kansas at this time.

The PRESIDING OFFICER. Does the Senator from Washington yield his time to the Senator from Kansas?

Mr. MAGNUSON. Yes, I yield time to the Senator from Kansas.

The PRESIDING OFFICER. Fifty-five seconds are yielded to the Senator from Kansas.

Mr. HAYAKAWA. Mr. President, I would like to ask unanimous consent——

Mr. MAGNUSON. How much time is left on this?

The PRESIDING OFFICER. Thirty-four seconds to the Senator from Washington; 4 minutes and 34 seconds to the Senator from California.

Mr. DOLE. Well, the seconds are ticking away.

Mr. MAGNUSON. I yield time on the bill.

The PRESIDING OFFICER. The Senator has only 2 minutes remaining on the bill.

Mr. YOUNG. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from North Dakota has 23 minutes.

Mr. YOUNG. I yield the Senator 5 minutes.

The PRESIDING OFFICER. The Senator from North Dakota yields 5 minutes to the Senator from Kansas.

● Mr. HELMS. Mr. President, though there has been much talk of range estimates and the like, it remains that the Congressional Budget Office's current cost estimate for the 1979 food stamp program is $280 million above the present cap for that program. The Senator from California proposes an amendment that would provide half again as much over the cap as the CBO estimate deems necessary.

This amendment, which would lower the food stamp appropriation by $188 million, is very generous and would surely prevent any benefit reductions. It assumes significantly worsened economic conditions.

Yesterday, shortly before 5 o'clock, Senator Talmadge received another letter from CBO. That letter was referred to repeatedly in debate yesterday. I should like to remark upon some points made in that letter.

The letter states it is in response to a request for a range estimate. So, that is why a broad-range estimate was given.

The high-end estimate of the range, which opponents to this amendment would have you adopt, is based upon the gloomiest imaginable economic assumptions.

The high-end estimate is based on the assumption of a continual increase in food stamp participation throughout the remainder of the fiscal year. Yet, Bob Greenstein, Director of FNS, yesterday told my staff that March participation estimates are now more than 100,000 less than had earlier been projected. So, program cost estimates are too high.

Instead of experiencing an increase in program participation and outlays since March, as the high-end estimate assumes, I understand the program is experiencing a reduction in both.

The bottom line on all of this is that CBO prepared a range estimate at the request of Congress. This range assumed a wide variety of economic assumptions—the worst of them being highly unlikely. We should adopt the Senator from California's amendment, rather than providing the administrators at FNS a blank check to cover program mismanagement.●

Mr. DOLE. Mr. President, I first commend the distinguished Senator from California (Mr. HAYAKAWA), who is, as the Senator from North Dakota has said, trying to make sense out of the food stamp program, I think in an effort to support the program. He did support the food stamp program, but then, like many of us, felt he was let down by inaction by the Department of Agriculture Food and Nutrition Service. After months of hearings, reviewing the law, and adding reforms to the program, Congress had a right to expect that the reforms would be implemented. I think it is without question that the reforms were not implemented in timely fashion, which has caused the Senator from California as well as the Senator from Kansas and others great consternation.

The point is that notwithstanding the failure by the Food and Nutrition Service to implement some of the provisions that would cut back on abuse and excesses within the program, we are now faced with the question of funding. I would just say, as one who has supported the food stamp program consistently and who has worked with the Senator from South Dakota and others to reform the program, that I cannot support the Senator's amendment; but I will serve notice on the Department of Agriculture Food and Nutrition Service that unless they continue to be forthcoming to the Senate and unless they really start to implement some of the reform features that were adopted, the Senator from Kansas will take another direction on the food stamp program.

The bottom line is this: We should not penalize those who need the food stamps because of the shortcomings on the administration's side.

The Senator from California has announced hearings in California. There will be hearings in other States. We should look at some of the abuses that have been aired. We should look at all of them. The Senator from California, the Senator from North Dakota, and the Senator from Washington have mentioned abuses, and I am sure there are some in my State. Such abuses should not be permitted to continue.

We do not need the amendment of the Senator from California, because, if there are any unused funds, they cannot be carried over, but will revert to the Treasury. I would only suggest, as I said yesterday, that the food stamp program is an easy target to criticize.

The Senator from Kansas has been accused of voting for the food stamp program because he represents farmers in his State, because he represents people who provide food.

It may help the farmers in my State, although I have never tried to figure that out.

I assume it does, however, because people have a right to eat.

I would suggest that based on the recent study by the Field Foundation, the food stamp program has been a success. I would only say for the RECORD that although the food stamp program has grown, before it we had a commodities program. There were 8 or 9 million recipients receiving commodities. While food stamps is not simply something that has grown to replace that program, it has grown to some extent because we started talking about poverty and how to lift people out of poverty. We have had unemployment, we have had inflation. Let us face it: The poor people suffer from inflation probably more than anyone else. The cost of food they buy goes up just as much as food anyone else buys.

It would seem to me that what we better do is say to the Food and Nutrition Service, that based upon the reservations which Senator HAYAKAWA, Senator HELMS, Senator YOUNG, Senator DOLE, and others have, "This may be your last opportunity to clean up your act."

I am prepared to vote against the amendment with that word of notice to the Department.

A recent study by the Field Foundation showed within the last 10 years hunger in America has been dramatically reduced. Infant mortality and disease have dropped significantly. We generally no longer find the pockets of malnutrition which were so pronounced 10 years ago.

I believe the food stamp program deserves some of the credit for this change. It is a costly program. I do not suggest that anybody should be entitled to benefits except those who are really in need. That is what all the frustration is about, because there are some in this body who believe that that has not been accomplished.

When we look at the vote in the Senate Agriculture Committee, the vote was 15 to 2 to increase the authority $620 million above the cap, to $6.78 billion.

On the Republican side Senators LUGAR, YOUNG, BOSCHWITZ, COCHRAN, and DOLE voted for this figure.

We have also had recent CBO estimates that indicate——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. DOLE. Will the Senator yield 1 additional minute?

Mr. YOUNG. Yes.

Mr. DOLE. Recent CBO estimates indicate there may be a downtrend in the number of persons participating in the food stamp program. The estimate in March was 19.1 million recipients. It has now been revised downward to 18.8 million for the month. That is still a lot of people participating, but it seems to me that the figures that were used when we talked about the Hayakawa amendment and the Helms amendment are already outdated. In view of the provision that says the unused money reverts to the Treasury, based on my warning to the Food and Nutrition Service, and considering the promises of the chairman that we are going to have field hearings to look at some of the abuses, the Senator from Kansas will oppose the amendment.

Mr. President, I think it is fair to say that probably no one in the Senate looks forward to the task which we have to do today, that of considering once again the proper spending level for the food stamp program. This has long been a major point of discussion and a source of much controversy. For the past several years I have been quite supportive of the food stamp program, for I feel that it offers needed nutritional assistance to persons who without the program would be at nutritional risk, that is, not receiving an adequate diet. Nonetheless, it is not a pleasant task to have to consider increasing the appropriations for food stamps, for the fact that we have to do so points out once again that our economy is not as strong as we would wish, inflation is soaring, too many Americans lack jobs, and the USDA has been lax in its administration of the program.

In addition to the hardships our economy imposes on the food stamp program, there have been administrative difficulties of which we are all aware. The 1977 Food Stamp Act amendment made several major changes in the food stamp program. Not only did we remove the purchase requirement to allow for greater participation by persons at the very bottom of the income scale, but we also made administrative changes to improve the program's operation. These changes were designed to provide better control of the program in an attempt to reduce and eliminate fraud, inefficient management, and eligible recipients. Under pressure from advocacy groups, the administration chose to implement the elimination of the purchase requirement prior to economizing measures, a mistake which has not only resulted in higher expenditures, but has also fueled criticism of the program.

Now, perhaps in response to this criticism, the administration has proposed several antifraud and abuse amendments to be considered when we discuss the funding levels for fiscal year 1980. I look forward to an opportunity to scrutinize the program, particularly after we have more information as to the effects of the 1977 changes. I know that many of my colleagues have questions and suggestions about the operation of the program which we should address in our overview of the food stamp program. Constituents have written suggesting changes, and I also plan to offer amendments to the food stomp program. Unfortunately, the fiscal year 1979 cap poses crucial problems which we must address immediately. While I am prepared to support the administration's request for a higher spending cap during the remainder of fiscal year 1979, I want to forewarn the administration that it can expect more attention to be given this issue in the near future.

Mr. President, in spite of reservations about the increasing level of Federal spending, I would urge my colleagues at this time to approve the increase for the remainder of this fiscal year. There is no denying the fact that the biggest reason for the requested increase is directly attributable to increases in the cost of food. When the cap was set, the Congressional Budget Office projected an increase of 3 to 4 percent each year. Now, it estimates a 12 to 15 percent increase in fiscal year 1979, and in fact for the first 3 months of this year food increased at an annual rate of 17.7 percent. Because a 1 percent increase in the cost of food adds $50 million to the food stamp program, these escalating food prices have had a disastrous effect on the food stamp program. Another factor involved is employment rates. When the cap was established, we expected an unemployment rate of 5.7 percent. Recent figures from CBO indicate that a figure around 7 percent is more realistic for the upcoming year.

In addition, I might point out to my colleagues that the food stamp program does increase food purchases, and therefore has an effect of farm income. For instance, the House Agriculture Committee reported that if the food stamp program were cut by $800 million, farm income would be reduced by $112 million. Before we become too zealous in our attempts to slash all increases in Government spending, I think we should consider all ramifications to such cuts.

Furthermore, I think that it should be pointed out that while the traditional concept of food stamps is that of an urban program, the 1977 amendments are increasing rural participation. It is a development which I approve, for I think that in Federal assistance programs there should be equal participation by equally qualified urban and rural residents. I know also from my mail that many elderly persons are experiencing a reduction of benefits, which stand to be reduced even further if there are not adequate funds this year to provide benefits accorded in the law.

Mr. President, I do not stand here and pretend to be completely receptive to this request for more appropriations. I have reservations about the increase, but I think that we have an obligation to view the food stamp program not simply in terms of cost, but also in terms of effectiveness. A recent study by the Field Foundation shows that within the last 10 years hunger in America has been dramatically reduced. Infant mortality and disease has dropped significantly, and in general we no longer find the pockets of malnutrition which were so pronounced 10 years ago. The food stamp program deserves great credit for this change, and we should recognize that ultimately it is working to do what we intended—to allow needy Americans access to a better diet, and a life free from hunger. I recognize the problems in the program and places for improvement, but in the final analysis, the food stamp program is working to reduce hunger and that fact cannot be discounted.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time, Mr. President.

Mr. HAYAKAWA. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG) is absent on official business.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

The PRESIDING OFFICER (Mr. BOREN). Are there any Senators in the Chamber still desiring to vote who have not yet voted?

The result was announced—yeas 28, nays 62, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—28

Armstrong
Baker
Bellmon
Bentsen
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Exon
Ford
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Proxmire
Roth
Schweiker
Simpson
Thurmond
Tower
Warner
Zorinsky

NAYS—62

Baucus
Bayh
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sasser
Schmitt
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Young

NOT VOTING—10

Culver
Durkin
Inouye
Long
Matsunaga
Muskie
Nelson
Sarbanes
Stevens
Wallop

So Mr. HAYAKAWA's amendment (No. 284) was rejected.

UP AMENDMENT NO. 308

(Purpose: To facilitate compliance with section 201 of the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979)

The PRESIDING OFFICER (Mr. BOREN). Under the previous order, the Senator from Iowa (Mr. JEPSEN) is recognized to call up an amendment.

Mr. MAGNUSON. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. Mr. President, I understand that under the previous order, the amendment by the Senator from Iowa will be called up, and I yield to him.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. JEPSEN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated:

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 308:

On page 88, after line 9, insert the following:

SEC. 304. It is the sense of the Senate that the Secretary of the Treasury and the Secretary of Health, Education, and Welfare, as the case may be, shall borrow funds to comply with the provisions of section 201 of the Departments of Labor, Health, Education, and Welfare Appropriations Act, 1979, and that such funds shall be repaid from appropriations made for fiscal year 1980 for the programs assisted by the provisions of this section.

Mr. JEPSEN. Mr. President, I rise today to express my utter contempt for the manner in which HEW failed to comply with an expressed act of Congress.

The act of Congress I refer to is the amendment to section 291 of the fiscal year 1979 Labor-HEW Appropriation Act, the so-called Michel amendment.

Representative MICHEL offered his amendment in response to testimony by the Inspector General of the Department of HEW, that there was approximately $6 to $7 billion of fraud, waste and abuse in HEW of which $3.6 to $4.7 billion could not be addressed for correction.

That being the case, Representative MICHEL offered an amendment which mandated that HEW reduce their fiscal year 1979 budget authority by $1 billion in that area of waste, fraud, and abuse. HEW knew this last October.

Mr. President, I contend that HEW never intended to comply with the spirit of the Michel amendment. From the outset, HEW was opposed to it and unsuccessfully tried to soften its effect in conference committee. Fortunately, the conferees stood firm.

HEW then took the posture of benign neglect, essentially ignoring the amendment until May of this year and in order to comply with the law HEW has informed the States that they must pay their representative share of fraud, abuse, and waste, a total of $831 million effective July 1, 1979, unless the Congress acts to nullify the Michel amendment. In the judicial world, they would label this contempt of court. In the Government arena, I would call it a ludicrous and disdainful attempt to sandbag and blackjack the Congress of the United States, and the innocent and needy recipients of ADC and medicaid in this country.

Specifically, in order to comply with the Michel amendment, HEW is advocating that needy children go hungry, the poor and elderly postpone or go without proper medical care. I find it uncomprehensible that an agency as large as HEW with its vast resources for legal counsel would fail to accurately and ethically interpret the intent of the Michel amendment. Mr. President, what we have here is not a failure to interpret or a failure to communicate—but rather a total disregard of an act of Congress by an agency of Government.

Mr. President, the people of this country are tired of waste and fraud in Government. Yes, the people of this country are tired of waste and fraud in Government—in addition I can say that they are sick and tired of being tricked and manipulated by a bloated insensitive and arrogant bureaucracy.

This inane request of the States by HEW is projected to cost my State of Iowa $9.2 million—$5.7 million taken away from legitimate medicaid claims and $3.5 from ADC. I have a list of the reductions by States. If any Senator has any question of why he should support this amendment, I would be pleased to advise about the amount his or her individual State will be asked to shortchange the poor and needy in order to compensate for the failure of the Washington HEW to properly manage its affairs.

And these have been distributed and they are on the desk of each Senator.

Mr. President, I respectfully request this body, with the House of Representatives hopefully concurring, instruct the HEW to borrow against their fiscal year 1980 budget in order to save the States from having the $831 million required by HEW to be in compliance with the Michel amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Florida such time as he wishes.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I listened to the statement of the distinguished Senator from Iowa. I certainly concur in the thoughts and the sentiments that he expresses in regard to HEW's cavalier treatment early on of the Michel amendment. But I think the remedy that he now seeks would be the exact wrong thing and the wrong signal that we could send in regard to the amendment.

I think that there are sufficient moneys that could make up the Michel amendment if the States would simply correct the errors rates that they have. I think that responsibility is on the States. The States are not pure in this either. One of the reasons for the Michel amendment was because of the waste that we saw and inefficiencies that Congress saw not only at the Federal level but also in the way that the Federal programs were administered at the State levels. To now say we are going to negate the Michel amendment, we are going to have the Federal Government borrow on next year's money I think is the worse signal of all that we could send to the States as to whether we mean business or not as to whether they should correct the errors rates. Right now I think maybe one of the best things that is happening is HEW is finding out that Congress means what it says. Now, under the interpretations that the courts have given to the Michel amendment, the States are finding out that we mean something when we say that they have to correct their errors rates and clean up their programs. And if we turn around now and say, "No, this does not mean anything, do not worry, we are going to borrow a bunch of money," we are going to negate the Michel amendment and we are going to slap the wrist of HEW, we are going to make some strong speeches, and we are going to say they were bad guys again. We have been saying that for years. Everyone of us have walked around our States and talked about the bureaucracy in HEW. Every one of us have said no matter what we say they do not pay any attention, and we are going to prove it. We are going to prove it because we are going to say "Borrow the money." While we tried and told HEW to do they did not do, and so we are borrowing off of next year.

I think the only way that you are going to prove it to HEW and the only way you are going to prove it to the States is you are going to let them boil a little in their problems.

If there are eligible recipients in a State, we are going to protect them, and they are protected. But as far as the States that have errors rates, goodness gracious, we have to at some time hold their feet to the fire. We are talking about $1.782 billion will be paid out in 1979 due to errors in the administration of welfare programs by the States.

And if you look at the chart on the errors rates, you will see that those rates run all the way to 17.1 percent, the errors rates in Illinois. How much money is that? And we are going to say to Illinois "Do not worry, Illinois; we are going to borrow some money and we are going to hold you harmless; you are not going to have to do a thing," and I can see what anyone is going to do about correcting a program in Illinois. They are going to say, "Business as usual; nothing is going to happen; it never does."

I look at Missouri, 11.3 percent; New York, 11.8 percent; Alaska, 12.4 percent; Kentucky, 10.1 percent. And it look like if you look at any of the big States, Massachusetts, 9.9 percent; Michigan, 9.2 percent; Pennsylvania, 9.5 percent; the larger the States are, the ones that have——

Mr. MAGNUSON. California, 12.

Mr. CHILES. California, 12 percent.

The larger the State, the larger the program, and in the more sophisticated States with the ability to correct these things, and certainly take care of the program, you see these horrendous errors rates, and I think they are going to continue. I know they will if we say we do not mean what we say when we passed the Michel amendment.

I know some of us stood up in the Chamber on the Michel amendment and said: "This is a dangerous way to go about it." You have not selected a way. You just said you are going to make a saving but at the time everyone wanted to put themselves on the record as wanting to be for the savings and so we all voted for it.

Now we are coming along to the licklog, and, yes, HEW has not done what they should do. I certainly do not defend them and I joint with the Senator in his castigating remarks about HEW. But we are going to come along and say "We are going to hold you harmless, everybody; we are not going to have a train wreck; we do not really mean what we say and we are going to save some money."

I think it is time to have these States hollering, also. I think it is time for them to be effecting savings and to say to HEW: "You know we cannot stand this; we want you to do something about it, too."

And the same States that we are talking about with these error rates are the States with the tremendous surpluses that have the surplus in government today. When we are talking about maybe some burden might fall on a State—I think it is the Federal Government that got the burden of the deficit.

Mr. STONE. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. STONE. Did the Senator notice as the junior Senator from Florida did that here in Washington a few months ago when the Governors Conference was up they were holding themselves up as the examples of fiscal sanity and balancing their budgets and the Federal Government as the examples of fiscal insanity and unbalancing our budgets, and telling us, were they not, "Why don't you be more like us?" Do you think that this is the way for us to help them help us?

Mr. CHILES. I think when you note that $1 out of every $10 that the Federal Government sends down to the States in entitlement programs is overpaid, is in errors rates, then I certainly concur with the distinguished Senator in his remarks, because it is easy to say "Our house is in order, we have a surplus," when you have a 17 percent errors rate and when you are overpaying and you are taking that kind of moneys. So I really think, as I say, I concur very much in what the Senator is saying, with regard to HEW, and the fact they have not done anything up to now on the Michel amendment. They were ignoring it. They were not planning on doing anything about it. But now they are going to have to do something about it and now some of these States are going to have to do something about cleaning up their programs, and I think it would be the worst of all times if we relieved this.

Now I say to the distinguished chairman of the Appropriations Committee, if the distinguished Senator from Iowa wanted to say in his amendment that we were not going to allow any harm on any eligible recipient, then I think that that would follow our intent because I do not think today there will be any harm on any eligible recipient. But to say that we are just going to hold everybody harmless, every State, and to say we are going to borrow money on next year's appropriation because we did not mean that we said before, I think would be the worst kind of signal that we could have, and under the way the amendment is now drawn, I really think that we should defeat it.

Mr. MAGNUSON. Mr. President, I want to associate myself with the remarks of the Senator from Florida.

Mr. President, at the outset I must say that I believe the Senator from Iowa's proposal gives the appearance of repealing the Michel amendment.

At the very least it does that. I must oppose his amendment because I believe the Senate should reaffirm our dedication and our support of the goals of that legislative mandate.

Although the able Senator from Iowa and I agree—I firmly believe—on the rationale behind his amendment, I do not come to his conclusion.

His motion would add language to the bill.

It would put this issue into conference—an issue that could prove to be most controversial with our colleagues in the House and delay eventual enactment of this supplemental well into July.

This amendment uses the mandatory "shall" in directing both the Secretary of the Treasury and the Secretary of HEW to borrow funds from the 1980 appropriations.

And it says "to comply with the provisions of section 201" the so-called Michel amendment.

I just saw this language this morning, so I am not sure just how that language would be interpreted.

I fear the lawyers would seize upon it as another item they would take into court. Another excuse for the lawyers to be the only "winners" in our continuing struggle to get a handle on error rates and the tremendous cost burden they impose.

I have no idea how the House will view this amendment.

At the very least this amendment gives the appearance of taking all the heat out of the Michel amendment.

It might well cut the heart out, too.

And let me stress the fact: The Michel amendment was not heartless.

The Michel amendment does not require HEW or the States to cut one nickel from the benefits that flow to one eligible recipient of any of those programs.

As I pointed out yesterday, in discussion of this issue with the Senators from New York—Mr. MOYNIHAN and Mr. JAVITS—HEW has well established authority to draw down—or borrow—from the first quarter of 1980 if they run into unforseen difficulty with any of these programs in the last quarter of 1979.

That authority is contained in the Labor-HEW Act of fiscal 1979.

That authority is the same authority as HEW has used for many years past.

It is impossible to "fine tune" the cash flow in programs of this magnitude, and that authority has been used by every administration in the past.

And that authority is available to HEW today.

The memorandum of the Assistant Attorney General pointed that out. The Senator from New York (Mr. MOYNIHAN) placed that in the RECORD yesterday.

There is no good reason for HEW to be running around Capitol Hill—and fomenting fear out in the States—trying to get the Congress to back down from the mandate contained in the Michel amendment.

Just what does the Michel amendment do?

First, the Michel amendment is directed only at fraud, abuse and waste within programs administered by HEW and State bureaucracies.

Second, it requires those HEW and State bureaucrats to save just a fraction of what HEW's own Inspector General has found to be lost due to fraud, abuse and waste.

Third, there is no good reason why HEW and State bureaucrats can not achieve those savings of Federal—and I might add an additional amount in the billions of State funds.

And those bureaucrats can live with the Michel amendment without reducing by one nickel the benefits of any legally elegible medicaid, medicare or welfare recipient.

Fourth, making the Michel amendment work will help to protect those programs for those citizens who most need them.

And at the same time it will take an important step towards balancing the Federal budget.

The administration says they want to balance the budget.

The States say they want Congress to balance the budget.

Everybody says the Federal budget should be balanced.

And everybody would certainly agree that we must stop any fraud, abuse, and waste in any Government program.

Yet we see those bureaucrats out working to repeal the Michel amendment when they should be out working to implement the Michel amendment.

If those bureaucrats would only put equal time into reducing the error rates in these programs—into finding ways to end fraud, abuse, and waste in these programs—then the Senator from Iowa and I—all of us—could get on with equally important public business.

Where was that fraud, abuse, and waste that prompted the Congress to adopt the Michel amendment last year?

A major portion—better than $4.5 billion that the Inspector General cited—was in the medicaid and medicare programs.

Another billion dollars was in the welfare programs.

The bulk of those lost funds is the result of errors, errors in overpayments for services and errors due to ineligible recipients being on welfare rolls.

The thrust of the Michel amendment was the error rates in welfare programs—administered by the States—and error rates that result in billions of Federal and State dollars being paid out to ineligible welfare recipients.

Let me make it perfectly clear. It was never our intent to take any funds away from eligible recipients.

That was the thrust of our discussion yesterday of this issue. The States could be achieving that $1 billion in savings today and doing it without cutting one nickel from benefits to eligible recipients.

The law before the Michel amendment—the law today—requires payments to continue and in the full amounts allowed to all citizens eligible to participate.

But the law does not authorize overpayments to either recipients or providers of welfare services.

The law does not authorize ineligible recipients to unlawfully receive benefits.

The Senate should be reaffirming that principle and we should be sending HEW and the States—all those bureaucrats—the strongest of signals that we really mean it.

The Senate should not repeal the Michel amendment. They should not even give the appearance of repealing the Michel amendment or in backing down in our determination to put an end to the increasing error rates that some States show in these programs.

Just yesterday I received a report from HEW on those error rates. Unfortunately, it covers the period of January through June of last year.

I will ask that a copy be inserted in the RECORD.

The national average is 8.1—for some States the error rate is 12 percent, 13 percent or, even 17.1 percent.

The Senator from Iowa and I can take some solace in our own States—we are below that national average.

But I hope he would agree 5.9 percent

and 6.8 percent are still too high for taxpayers in Iowa or Washington.

In conclusion—the amendment of the Senator from Iowa is not necessary.

It puts language in the bill that is not necessary.

It raises the possibility of controversy in conference that is not necessary—and that could well delay for weeks the enactment of this important supplemental appropriations.

At the very best this amendment would take all the steam out of the Michel amendment.

It takes the heat away from the feet of bureaucrats in HEW and in the States who must address the issue of fraud, abuse, and waste in these State-administered programs.

It would do that when I believe the Senate should be increasing the heat we initiated last year when Congress adopted the Michel amendment.

This is no time for the Senate to back down—it is no time for the Senate to even blink—we should send all those bureaucrats a message that they are to get busy bringing those error rates down.

They should fire the lawyers and get some backbone and get to work.

I now ask unanimous consent to have printed in the RECORD the error rate data on payment errors due to ineligibility and overpayment, the percentage rate from all States.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

Error rate data for AFDC during January to June 1978. Payment errors due to ineligibility and overpayment

(Excludes technical errors such as failure to acquire a social security number)

State:	*Percent*
U.S. average	8.1
Alabama	4.2
Alaska	12.4
Arizona	8.1
Arkansas	8.0
California	4.0
Colorado	5.3
Connecticut	5.6
Delaware	7.5
Washington, D.C	13.5
Florida	5.5
Georgia	8.4
Hawaii	6.3
Idaho	3.7
Illinois	17.1
Indiana	3.3
Iowa	6.8
Kansas	3.5
Kentucky	10.1
Louisiana	5.8
Maine	8.0
Maryland	13.2
Massachusetts	9.9
Michigan	9.2
Minnesota	3.9
Mississippi	5.6
Missouri	11.3
Montana	6.2
Nebraska	3.5
Nevada	1.9
New Hampshire	4.4
New Jersey	5.6
New Mexico	5.4
New York	11.8
North Carolina	6.0
North Dakota	1.4
Ohio	8.4
Oklahoma	3.5
Oregon	5.4
Pennsylvania	9.5
Rhode Island	8.9
South Carolina	6.6
South Dakota	4.1
Tennessee	7.5
Texas	4.1
Utah	2.0
Vermont	7.2
Virginia	6.8
Washington	5.9
West Virginia	5.0
Wisconsin	3.9
Wyoming	2.7

Mr. MAGNUSON. I want to suggest to the Senator from Iowa that no one is more perturbed about HEW than the Senator from Washington. I have to deal with them every day, with the HEW budget and, of course, as the Senator from Florida pointed out, they did nothing about this. They waited until, as I have told Members, we were going to mark up this very bill, 5 minutes before, to ask us to make a change.

I do not know, but I think they are subject to a lot of criticism. However, the States have to be involved in this, too, and there is just as much waste and abuse within the States, the errors are made right there in State offices by State officials, as there are in the Federal Government. It is too high in all cases. That is why the Senators from New York had a colloquy on this yesterday, and they understood New York is going to be hit, according to HEW figures.

They, HEW and others, ran around scaring everybody, telling them they would cut this and cut that—but if they would reduce those errors they will not have to cut anybody. I want to make it clear that there is no one eligible citizen who is going to be denied any benefits.

Washington, D.C., has a 13.5-percent error rate. That was not mentioned. Some of the States are pretty good. Missouri has 11.3; and New York has 11.8; Pennsylvania has 9.5, and so it goes all down the line.

One State that has the least amount of error is Texas with 2 percent. That is one big State doing a good job.

I see the Senator from Idaho is here. Idaho has a pretty good record, 3.7 percent. My State has 5.9, and that is too much. I am giving notice that on the amendment of the Senator from Iowa, which is superfluous to the bill and does not add anything, that at the proper time I am going to move to table the amendment.

Unless somebody wants to speak now I will move to table it unless the Senator from Iowa wishes to speak.

How much time is remaining?

The PRESIDING OFFICER. Three minutes, 36 seconds for the proponents and 11 minutes for the opponents.

Mr. JEPSEN. Mr. President, I want to thank the Chair, and I thank the distinguished chairman of the Appropriations Committee for his remarks, as well as the distinguished Senator from Florida for his remarks.

Let us understand that in no way am I advocating that the States should be held blameless. But let us also remember the States just received notice a very short time ago. My amendment will give the Department of HEW a year to sit down with the States and talk about it to see how these things can be corrected.

To say that this will not be taken out of the payments to families with dependent children, the poor and elderly who are on medicaid, is flying in the face of what they—HEW—say they are going to do. HEW has announced their intention. It was published in this morning's paper.

I might also add that Congressman MICHEL said, and I will quote:

> Secretary Califano, I understand, has asked the Congress to bail him out of this mess by repudiating the amendment adopted last year.

Then he goes on to say,

> It is unfair for HEW to require the States to do something at the last minute that it was unwilling to do a few months ago.

HEW is responsible for the administration of these programs, HEW was the one that admitted we had given them comptrollers, legal counsel, all kinds of extra help to run this great big monstrosity of a bureaucracy whose budget is the third largest in the entire world, which by their own testimony lost $6 billion or $7 billion, and then they say, "Oops, I wonder where the yellow went?"

We cannot find it, or explain it. Then when they are told just to recoup $1 billion by instituting a little better management, what happens? They ignore it, they thumb their noses at Congress and then come out here with a blackjack 2 or 3 days before this bill is going to be taken up, send the States notice that they are going to take it out of the legitimate claims to the needy and elderly.

I say let HEW take it out of their budget and find the stuff and fat right here in Washington, D.C.

Are the States blameless? No; but, who is in charge of the program? HEW, therefore, the buck stops there.

So far as I am concerned if they leave the States alone, just send them money and let them manage it, I assure you they would do a much better job than this "happiness academy" over in Washington, D.C., will do.

But that is not what happens. That is not the program. That is not the structure. HEW is the one that is responsible for it. I say their actions here is just another indication of what the bureaucracy thinks by way of insensitivity and disdain for the people of the United States of America and the people they elect to serve them here in Congress and I, for one, am not going to stand around and let the tail wag the dog any longer.

The people of the United States of America have had it clear up to their ears with respect to the insensitivity of bureaucracy and the little games they play when it comes to trying to comply with what the elected Representatives of this country, who are serving the people of this country, try to give when they give them some direction.

We do not want to negate the Michel amendment. All I want to do is pick it up, and nip this large, indifferent bureaucracy in the bud, which has thumbed their noses at Congress. Give them a year to sit down with the States. Our State legislature is out of session. If there is some remedy or something they want to do administratively about this that would take some legislation or appropriations which have already been made, plans have already been made, it is too late for the legislature of my State to do something about it, and I am sure that this is the case in many other States.

So, I am saying let us not just allow HEW to get by with this sandbagging or this blackjacking. It is just a sample of what I have experienced since I have been here, and I am sure I will experience it many more times and it will be attempted again by the bureaus to ignore the wishes and the direction of Congress in order for them to get their own way.

Mr. President, the Senator from Oklahoma asked for some time. I do not see him in the Chamber. If that is the case, I yield back to the Senator from Washington for his motion to table my amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MAGNUSON. I wonder if the Senator from Idaho—I want to make a correction. I said it was 2 percent for Texas. I was looking at the wrong line. Texas is 4 percent. One of the lowest is Utah, which is 2 percent, and I can understand why; can you not?

Mr. McCLURE. I think we would expect in Utah that it might be one of the lowest, and I am proud to say that Idaho is among the lowest as well.

Mr. MAGNUSON. Mr. President, I move to table the amendment of the Senator from Iowa.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. Culver), the Senator from Hawaii (Mr. Inouye), the Senator from Hawaii (Mr. Matsunaga), the Senator from Maine (Mr. Muskie), and the Senator from Wisconsin (Mr. Nelson) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. Long) is absent on official business.

Mr. BAKER. I announce that the Senator from Pennsylvania. (Mr. Heinz), the Senator from Alaska (Mr. Stevens), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators present who have not yet voted, who desire to vote?

The result was announced—yeas 36, nays 55, as follows:

[Rollcall Vote No. 147 Leg.]

YEAS—36

Baucus
Bayh
Bellmon
Bentsen
Boren
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Exon
Glenn
Gravel
Hollings
Huddleston
Jackson
Johnston
Magnuson
McClure
McGovern
Metzenbaum
Nunn
Proxmire
Pryor
Randolph
Ribicoff
Sasser
Schmitt
Stennis
Stevenson
Stone
Talmadge
Tsongas
Williams
Young

NAYS—55

Armstrong
Baker
Biden
Boschwitz
Bradley
Burdick
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Helms
Humphrey
Javits
Jepsen
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Lugar
Mathias
Melcher
Morgan
Moynihan
Packwood
Pell
Percy
Pressler
Riegle
Roth
Sarbanes
Schweiker
Simpson
Stafford
Stewart
Thurmond
Tower
Warner
Weicker
Zorinsky

NOT VOTING—9

Culver
Heinz
Inouye
Long
Matsunaga
Muskie
Nelson
Stevens
Wallop

So the motion to lay on the table amendment (UP No. 308) was rejected.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Iowa.

UP AMENDMENT NO. 309

Mr. CHILES. Mr. President, I send to the desk an amendment to the amendment of the Senator from Iowa and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. Chiles) proposes an unprinted amendment numbered 309 as a substitute to the Jepsen amendment 308.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

Sec. 304. It is the sense of the Senate that the Secretary of the Treasury and the Secretary of Health, Education, and Welfare, as the case may be, shall borrow funds if necessary to make payments to eligible recipients to comply with the provisions of section 201 of the Departments of Labor, Health, Education, and Welfare Appropriations Act, 1979, and that such funds shall be repaid from appropriations made for fiscal year 1980 for the programs assisted by the provisions of this section.

Mr. HUDDLESTON. Will the Senator yield?

Mr. CHILES. Before I explain the amendment, I yield for a unanimous-consent request to the distinguished Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Roger Le Master of my staff and Allen Neece of the Small Business Committee be granted the privilege of the floor during debate and vote on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous agreement, the time on the substitute amendment will be 20 minutes, to be equally divided.

The Senator from Florida is recognized.

Mr. CHILES. Mr. President, all this substitute does is take the Jepsen amendment and add language to say that, if it is necessary to make payments for eligible recipients, then we would be able to take this action.

The primary purpose of this is to keep the pressure on the States to correct the errors rates that they have out there. We now know that $1 out of every $10 of entitlement programs that we are sending back to the States is really being overpaid, and it is an errors thing. If we pass the Jepsen amendment, my fear is that without this kind of language, the States are going to say, "We do not have to do anything about the errors rate, the Michel amendment is gone, they repealed it, there is no reason we should do anything about it."

I think this would do anything the Senate is concerned about with regard to whether the States are going to receive their money or not. At the same time, we would not be sending a wrong signal out to the States that they do not have to do something about correcting the errors rates.

The amount of $1,750,000,000 of the welfare program itself—not the other entitlemen programs, just in welfare—is being overpaid through errors rates. If we could get the States to bring their errors rates down to a reasonable level, we would make up the money for the Michel amendment right there.

That is what the public has been concerned about: Waste, inefficiency, the wrong administration of these programs. That is why I think Congress passed the Michel amendment. If we are going to repeal that, we might as well say we do not care anything about waste, we do not care anything about inefficiencies, we do not care whether the States do anything about the errors rates.

I think that would be the worst of all signals we could send at this time, so I hope the Senate will accept the amendment that I have, which simply would keep the States from feeling that they do not have to do anything about their errors rates.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Will the Senator from Florida yield for a question?

Mr. CHILES. I yield.

Mr. BUMPERS. Here is this morning's Washington Post, which says:

> HEW intends to reduce Medicaid grants by $420.8 million and Aid to Families with Dependent Children (AFDC) by $410.2 million for the last quarter of fiscal 1979 because of a congressional directive.

The directive, I assume, being the Michel amendment.

On the Jepsen amendment, I was one who voted to table, but there was obviously a lot of confusion among the Members here, as was apparent from the change in the voting pattern there in the last 5 minutes of the rollcall.

I voted to table because I thought I was voting to hold the States feet to the fire and forcing them to reduce their error rate. Was I correct? Would that have been the effect of a tabling motion?

Mr. CHILES. I think the Senator was correct, because that article is not entirely correct. HEW has the authority right now to borrow if they need it. The Attorney General has held that they have the authority, and the chairman of the Appropriations Committee stood on this floor and said no eligible recipient was going to be deprived of any money by virtue of the passage of the Michel amendment; that would not be true. But I think because of that confusion and the fact that people felt that the States were going to be deprived, I think that is the reason that we saw this change and confusion in the vote.

In order to make that abundantly clear, I am putting the language in that the Jepsen amendment will apply if it is necessary to make payments to eligible recipients. If we do not do that, I fear that the Jepsen amendment sends just the wrong signal now to the States, and says that the Senate did not mean what they said or Congress did not mean what they said when they passed the Michel amendment; they are not concerned about trying to save $2 billion in waste, fraud, and inefficiency; they are going to repeal or they have repealed the Michel amendment. I think that is the effect if we do not do something to require the States to do this.

HEW did not really follow the Michel amendment. Now they are putting out the information that we have to repeal it.

So they are going to have the best of all worlds if we do that, and I think it would be foolish for us to do it. With this language, if there is any fear that the States are not going to get their money, it is corrected; but at the same time, the States are going to know that they have to do something about their errors.

Mr. BUMPERS. I make two observations that I ask the Senator to verify or deny.

No. 1, the Senator says that none of the States will lose if they choose to borrow it against their appropriation of next year.

Mr. CHILES. That is correct.

Mr. BUMPERS. No. 2, if that is the case, I doubt that any of us need have any great fear about anybody being cut on medicare and medicaid payments.

For example, my home State has an error rate of 8 percent. The national average, I understand, is about 8.1 percent. Under the Michel amendment, will those States that have an error rate equal to the national average or below receive their money; and even if HEW borrows money, will those States which have an error rate more than 8 percent still be deprived of their payments because they have not come into compliance with the Michel amendment? Does the Senator follow me?

Mr. CHILES. No, because the Michel amendment does not say anything about error rates. The Michel amendment says we are trying to save $2 billion. One way to save that is to have the States do something about the error rate.

There is nothing in the Michel amendment that is going to cut off a State. There is nothing in anything we are doing that is going to cut off a State.

HEW has never done anything to date about even saying to a State, "Look, we're going to penalize you unless you do something."

We are just trying to keep the pressure on. The New York State figure is 11.3 percent. There is no reason why it should be that high. There is no reason why Illinois should have a 17-percent error rate. They have the ability to do something about that. There is no reason why in my State it should be 5.5 percent. I think it should be lower than that.

I am afraid that we are just going to send the wrong signal if we say we did not mean the Michel amendment and that they do not really have to do anything about their errors. That would be a mistake.

Mr. BUMPERS. I thank the Senator.

Mr. MOYNIHAN. Mr. President, will the Senator from Washington yield me some time?

Mr. MAGNUSON. I yield.

Mr. MOYNIHAN. Mr. President, I must reluctantly oppose this amendment by my friend from Florida. Although the intention is good, it seems to me to confuse an already sufficiently confused issue.

Yesterday, it was established, in a colloquy with the distinguished chairman of the committee, that any State which found itself short of funds in fiscal 1979 to pay legitimate claims under medicaid and AFDC would be able to borrow from its first-quarter allotment for fiscal 1980, as the law provides. These are entitlements of American citizens and residents. They are not discretionary payments, and the Michel amendment specifically provided that there would be no change in those entitlements.

How did we get into this situation? We got into this situation, I am sorry to say, in no small part because of too great a desire for publicity in the Department of HEW, which put out an Inspector General's report that there was $7 billion in waste, fraud, and abuse. It did not specify where and did not say how. That made the people at HEW sound the way the Members of this body like to sound—firmly and resolutely against waste, fraud, and abuse.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. MAGNUSON. Of course, waste, fraud, and abuse are where you find them. You cannot specify it ahead of time. You have to go out and look at it.

Mr. MOYNIHAN. That is right.

Mr. MAGNUSON. But we do know for certain the error rate in the States that can bring this amount down.

Mr. MOYNIHAN. We know with a measure of probability. It should be remembered that "error rate" includes underpayment as well as overpayment. If you canceled them out, no one could say——

Mr. MAGNUSON. It is a waste of the taxpayers' money any way you look at it.

Mr. MOYNIHAN. An underpayment deprives someone of an entitlement he or she has legitimate claim to. An overpayment is a waste of money.

HEW avoided this question for a very long time. They waited until the last moment and then came in here and put the waste, fraud, and abuse into two categories: the category of dependent women and children and the category of people who are indigent and cannot pay their doctor bills.

The Department of HEW has not acquitted itself well, but certainly the Senate should not acquit itself even worse.

We had a stable situation before, in which the Senator from Iowa produced a perfectly acceptable measure, and I hope we will stay with that measure.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. JAVITS. Mr. President, what we are being influenced by is a newspaper article. This fellow Warren Sinclair is no authority. He is a newspaper writer. He says Mr. MOYNIHAN and I spoke briefly and we submitted no amendment. We did not have to submit an amendment. The chairman of the committee laid down the law exactly as it is. Let us not complicate it any further.

I was not too happy about the Jepsen sense of the Senate proposal. I do not like to ask a witness a question he has already answered. He may give me another answer. Happily for all of us, the Senate gave the same answer. Let it lay just as it is. That is fine.

The PRESIDING OFFICER (Mr. RIEGLE). The Chair apologizes for interrupting the Senator from New York, but all time has expired, save 10 minutes that remain for the Senator from Iowa.

Mr. JAVITS. Mr. President, does the Senator from Iowa have any time?

The PRESIDING OFFICER. He has 10 minutes.

Mr. JAVITS. Is he here to yield to me?

The PRESIDING OFFICER. The Chair believes he just left the Chamber.

Mr. JAVITS. I am sure he would not mind if I yield myself 1 minute of his time.

Here he is.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the Senator from New York have 1 minute.

Mr. JAVITS. May I have 2 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, as I said before, that is all we are acting on. We are reacting to a fellow who writes in a newspaper and who tells us what we are doing. He did not even report what we were doing. Anyway, the Senate has now expressed itself.

The difficulty with this amendment is this: We are talking about the fourth quarter, which is now—the fourth quarter of 1979. This amendment will invalidate every recipient and leave HEW just where it wants to be, just what they told us they would do—deduct the money, forget about the eligibles. They say everybody is eligible now. So if you are going to put it up to them, they are going to protect themselves and not pay the money.

What I think Senator CHILES means—and this is a sense of the Senate resolution—is that if they are ineligible, you cut them off. They have to do that, anyway. It is belaboring the obvious. But if his amendment is construed to mean that HEW can decide whether or not it is necessary, they are going to do exactly what they told us they would do: They are going to deduct the payments.

Mr. MOYNIHAN. Is it my colleague's understanding that Senator JEPSEN's amendment simply confirms the colloquy that was conducted yesterday with the chairman of the committee?

Mr. JAVITS. Exactly.

Mr. MOYNIHAN. And that is what we want.

Mr. JAVITS. I told him I was unhappy about it, because I do not like to ask a witness a question he has already answered. But the Senate has sustained it. Let us leave it as it is.

Mr. MOYNIHAN. That requires us not to accept the substitute.

Mr. JAVITS. That is right.

Mr. MOYNIHAN. I thank my colleague.

Mr. JAVITS. I thank my colleague for yielding.

The PRESIDING OFFICER. The Chair advises that the Senator from Iowa has 8 minutes remaining.

Mr. CHILES. Mr. President, will the Senator yield? I should like to ask him a question.

Mr. JEPSEN. I am glad to yield to the Senator.

Mr. CHILES. I wonder whether the Senator from Iowa has any objection to the amendment I have proposed. This amendment does not hold the States to a zero error rate. It covers eligibility only.

We have been talking about a zero error rate, but this amendment says it would not cut off the entitlements that States pay individuals for welfare or medicaid. The Federal Government reimburses the States for a portion of the cost. All this says is that the Federal Government will reimburse only for the cost of recipients who are correctly determined to be eligible.

I think the Senator from New York said it very succinctly. We think that is what we are supposed to be doing now. In fact, some States are paying people they have not even found to be correctly eligible.

So I think we should keep the heat on to see that we are not going to pay that. So that is all that I am adding to the amendment, to see that these people would be determined to be eligible. I certainly hope the Senator from Iowa will not be wanting to pay anyone who was not determined to be eligible.

I wonder why there would be any problem in just adding this amendment on.

Mr. JAVITS. Mr. President, will the Senator yield to me to answer that? Will the Senator yield me 1 minute?

Mr. JEPSEN. I yield 1 minute to the Senator from New York.

Mr. CHILES. I would like for the Senator to answer it himself and then to hear from the Senator from New York, also.

Mr. JAVITS. The Senator from Iowa has yielded me 1 minute.

The point is one cannot know in the last quarter, which is now, that there are any other ineligibles, because they can only pay people who are eligible and recover right now. They cannot make new inquiries in the next 2 weeks. That is all we are talking about, the last quarter of 1979.

So the Senator's amendment is necessary. It leaves it to HEW to decide what it thinks is necessary. It has already told us that. It is going to deduct it from every State. That is the safe course, and that is the course the bureaucrats will follow, and the Senator is giving them the window through which they can climb in order to follow it.

That is why I object to it.

Mr. JEPSEN. Mr. President, I repeat that we have four options open to us.

First, we can waive the Michel amendment. That is what HEW would like to see us do, and that is essentially what they tried to blackjack us into doing.

Second, we can bill the States. That is the proposed method HEW has threatened to use in trying to get us to do away with the Michel amendment.

Third, HEW can use existing money.

Fourth, HEW can borrow against their fiscal 1980 budget, which yesterday was affirmed here by the chairman of the committee.

The issue here is that HEW has known since October about the nature and intent of the Michel amendment. I repeat, they have thumbed their nose at this Congress.

They have notified States by letter that they are going to make them pay their representative share of fraud, abuse, and waste of $831 million, effective July 1, 1979.

So when people say they are not going to do it, they already said they are going to do it, and they have taken action implementing what they said they are going to do, that is, they said in a June 17 letter to Members of the Senate:

> The only alternative available to achieve the required reduction requires the Department to decrease the fiscal year 1979 fourth quarter medicaid and aid to families with dependent children (AFDC) grant awards to the States.
>
> In many States, this action will inevitably result in the curtailment of program services for eligible beneficiaries.

This letter signed by Dick Warden, Assistant Secretary for Legislation, and he further said to every Senator:

> We do not want to waive the Michel amendment.

HEW is responsible for the administration of this. I think we should hold their feet to the fire.

It is not my intention to bail out HEW by way of the 1980 budget. My concern is the protection of the entitlements to the States.

In short, the States should not be forced to bear the burden of HEW. Let them pay for their own mistake.

They can find a billion dollars somewhere without taking it out of the mouths of AFDC children or having the elderly and poor postpone their medical care.

I repeat once again, the States are not blameless. I could not agree more. I do not see that what we are doing here, in any way prohibits the HEW from instituting good management practices and good supervisory procedures which they should have been doing in the first place.

All I am saying is that I do not want to see money taken away from people who are dependent upon the AFDC and medicaid for health care and for food to eat just to cover up a mistake of some boondoggling in a great big fat bureaucracy that lost $6 or $7 billion and cannot tell anyone where it went.

Mr. EXON. Mr. President, will the Senator from Iowa yield for a question?

Mr. CHILES. Mr. President, will the Senator respond? Does he see anything wrong with the language I added that the money should only go to eligible recipients?

Mr. JEPSEN. Senator CHILES, I am respectfully of the opinion that your language puts HEW exactly where they would like to be postured, and further allows them to perpetuate the blackjacking of this Congress into repealing the amendment by threatening to take it to the States, and this says, if necessary—of course, they think it is necessary. They have written a whole letter on it saying it is necessary, and I have it right here. They say it is the only alternative.

Your amendment Senate says, "Go ahead," gives them a license to do what they want.

Mr. CHILES. No. My amendment just says if it is necessary to make the payments for eligible recipients. Does the Senator from Iowa want to pay someone who is not an eligible recipient?

Mr. JEPSEN. The Senator said there is a 13.5, a 9.6, and a 9.8 percent errors rate and so forth. Evidently, in their administration, they cannot tell the difference sometimes between the certain percentage of who is eligible and who is not eligible. They have waste, fraud, and abuse. This is what we are talking about.

But right now they are telling the States after the fact practically, as already has been pointed out, as we enter the fourth quarter.

Mr. EXON. Mr. President, will the Senator yield?

Mr. CHILES. I say forget the yes or no. The Senator wants to pay people in the States who are not eligible, an ineligible recipient. He wants to pay people.

Mr. JEPSEN. There is no way to determine eligibility at this late stage.

Mr. CHILES. It has already been determined. Does the Senator think that we should have as a goal that we only pay money to the people who are eligible?

Mr. JEPSEN. Of course, that is part of the whole problem.

Mr. CHILES. Then I would think he would accept my amendment.

Mr. JEPSEN. The Senator's amendment gives them a license to do what they have been trying to do to us.

Mr. CHILES. They should be paying eligible recipients.

Mr. JEPSEN. Are you still trying to beat your wife? I am told that is the traditional question. When did you stop beating your wife? That is what the Senator is asking me.

Mr. CHILES. No. The only thing I am trying to find out is whether the Senator has any problem with saying that we should only use this money to pay eligible recipients. If the Senator does, then I have to trust he wants to pay ineligible recipients.

Mr. JEPSEN. I say to the Senator we like to believe that the entire program is to pay only those who are eligible.

Mr. CHILES. We would like to believe that, but we now know we cannot believe that. There are $1.750 billion not going for that.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Florida.

(Putting the question.)

The noes appear to have it.

Mr. CHILES. I request a division.

Mr. JEPSEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. Culver), the Senator from Hawaii (Mr. Inouye), the Senator from Hawaii (Mr. Matsunaga), and the Senator from Wisconsin (Mr. Nelson) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. Long) is absent on official business.

Mr. BAKER. I announce that the Senator from Alaska (Mr. Stevens), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators who desire to be recorded?

The result was announced—yeas 41, nays 52, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—41

Armstrong
Baucus
Bayh
Bellmon
Boren
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
DeConcini
Exon
Glenn
Gravel
Heflin
Hollings
Huddleston
Jackson
Johnston
Magnuson
McClure
McGovern
Melcher
Morgan
Nunn
Pell
Proxmire
Pryor
Randolph
Roth
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Young

NAYS—52

Baker
Bentsen
Biden
Boschwitz
Bradley
Chafee
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Durkin
Eagleton
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Lugar
Mathias
Metzenbaum
Moynihan
Muskie
Packwood
Percy
Pressler
Ribicoff
Riegle
Sarbanes
Schmitt
Schweiker
Simpson
Stafford
Thurmond
Tower
Warner
Weicker
Williams
Zorinsky

NOT VOTING—7

Culver
Inouye
Long
Matsunaga
Nelson
Stevens
Wallop

So Mr. Chiles' amendment (UP No. 309) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Iowa. The yeas and nays have been ordered.

Mr. BELLMON. Mr. President, will the Senator yield me 5 minutes?

Mr. YOUNG. I yield the Senator 5 minutes on the bill.

Mr. BELLMON. I yield to the Senator from Connecticut for a unanimous-consent request.

Mr. WEICKER. Mr. President, I ask unanimous consent that Bob Dotchin and Stan Twardy have the privilege of the floor during the consideration of H.R. 4289.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I rise in opposition to the Jepson amendment, which is unnecessary and ill advised at this time. Yesterday the distinguished chairman of the Appropriations Committee and the two Senators from New York engaged in a colloquy—the object of which, as I understand it, was to establish for the record that the Department of Health, Education, and Welfare has the authority to draw down against fiscal year 1980 appropriations to pay legitimate entitlements in fiscal year 1979. I believe that is the case.

Mr. MOYNIHAN. If the Senator will yield, that is my understanding.

Mr. BELLMON. And that HEW has the obligation to make legitimate entitlement payments when they are due.

If I understand the colloquy correctly, Chairman Magnuson confirmed that this was indeed the case, that these provisions had existed in law for some time, and that he would exert any influence he could to assure that these provisions of the law were invoked, if HEW ran short of fiscal year 1979 appropriations from which to pay legitimate entitlement payments.

Today, we are in a position of considering an amendment to more formally invoke the influence of the entire Senate, to insure that these provisions of law will be carried out if necessary.

This entire discussion, and the amendment which follows from it, are a result of HEW's pique at which the agency perceives to be the blasphemy of Congress—that we should dare to cut their appropriation in an attempt to force the Department to put in place proper safeguards to reduce fraud and abuse in the programs they administer—fraud and abuse reported by the Department's own Inspector General.

Let me not be misunderstood. I do not criticize my esteemed colleague from Iowa for introducing this amendment. In fact, I would support the amendment if that is the only way to insure that truly eligible poor people, who are the recipients of these entitlement payments, receive the benefits to which they are entitled. But let us examine that premise for a moment. This morning's Washington Post reported: "Hill war against waste catches up with HEW." I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, June 26, 1979]

HILL WAR AGAINST WASTE CATCHES UP WITH HEW

(By Ward Sinclair)

The Department of Health, Education and Welfare will cut Medicaid and welfare payments to the states by $831 million next week because, it turns out, Congress was not kidding when it ordered a war on waste.

A last-minute bailout failed to materialize in the Senate yesterday because no one would propose increasing a supplementary appropriation, and HEW was left holding a dwindling money bag.

In an appeal last week, HEW Undersecretary Hale Champion told Sen. Warren G. Magnuson (D-Wash.), Appropriations chairman, that the cuts would begin July 1 unless Congress provided some help.

On the floor yesterday, New York Sens. Daniel P. Moynihan (D) and Jacob K. Javits (R) talked briefly about problems that would ensue from the cuts, but neither offered an amendment.

Magnuson said, "I do not think that this last-minute business belongs on a supplemental bill." And that ended that.

HEW intends to reduce Medicaid grants by $420.8 million and Aid to Families with Dependent Children (AFDC) by $410.2 million for the last quarter of fiscal 1979 because of a congressional directive.

The directive is the Michel amendment, named for Rep. Bob Michel (R-Ill.), which last year instructed HEW to cut its spending by $1 billion in programs where waste, fraud and abuse had been found.

According to Champion's message to Magnuson, $169 million had been cut this year from college student loans by winnowing out ineligible students.

The rest of the $1 billion would come from cuts in grants for Medicaid and welfare, thus requiring each state to accept responsibility for erroneous benefit payments it has made.

HEW's decision to go ahead with cutbacks in those two programs came after a June 15 legal opinion from the Department of Justice held that Congress was entirely serious when it issued the order to cut $1 billion.

States affected by the Medicaid and welfare cuts are expected to file suit against HEW to win restoration of the funds, a prospect that doesn't seem to bother Congress in the least.

The real problem, Michel said, has been HEW Secretary Joseph A. Califano's "defiant" refusal to understand that Congress intended to "hold his feet to the fire" on waste, fraud and abuse.

The secretary is on a trip to China, but an HEW spokesman said that major controls had been put in place to comply with Michel's amendment.

"Secretary Califano, I understand, has asked the Congress to bail him out of this mess by repudiating the amendment adopted last year," Michel said. "It is unfair for HEW to require the states to do something at the last minute that it was unwilling to do a few months ago."

Although HEW apparently could avoid the cuts legally by borrowing the $831 million from its fiscal 1980 appropriation, a Califano aide said the agency won't do that because it would violate the spirit of the Michel amendment.

Should the HEW cuts take effect, Congress may feel fire from another quarter—food stamp recipients who might be entitled to larger benefits.

Carol Tucker Foreman, assistant secretary of agriculture, said yesterday that welfare cuts that, in effect, reduce recipients' incomes makes them eligible for greater amounts of food stamps.

A Department of Agriculture aide estimated that the AFDC cuts would translate roughly into a need for $100 million more in food stamps.

Mr. BELLMON. I feel strongly that we do not need to do what we are about to do here, and that we ought to leave the law as it is.

There has been much concern—and I have been as concerned as anyone—since Acting Secretary Hale Champion sent his letter of June 18 to Chairman MAGNUSON, and in that letter, informed the chairman of the Appropriations Committee that HEW would reduce payments to States by $831 million if the Department did not receive some relief from the Michel amendment.

The Washington Post article goes on to assert that those reductions, "* * * would come from cuts in grants for medicaid and welfare, thus requiring each State to accept responsibility for erroneous benefit payments it has made."

This may not be the proper way to recoup the amounts of erroneous benefit payments made by the States; but surely the idea of placing some pressure on the States to accept responsibility for erroneous payments is in order. As you know, Mr. President, I am a cosponsor of the administration's proposed welfare reform legislation. One thing I shall work for, as Congress considers welfare reform legislation, is a more workable system of controls—including sanctions if necessary—to reduce improper payments in these programs.

This may seem beside the point, Mr. President, but I do not think it is. I have long held strong reservations about so-called "across-the-board" reductions. I have resisted those kinds of cuts consistently when they have been offered as amendments to budget resolutions. As ranking member on the Budget Committee, I well understand how alluring is the siren song of "across-the-board" cuts. It is so much easier not to identify the programs you want to cut; and therefore not have to deal with the consistency for each of the programs. But Congress passed the Michel amendment, and the President signed it into law.

What HEW is now telling us is essentially that they did not take us seriously. They are further telling us they will take it out on the States—and by implication on the poor recipients of welfare benefits, if we do not relent and withdraw the constraints of the Michel amendment. They admit they already have the authority the Jepson amendment would confirm. They say, however, that they will not invoke that authority because it would be contrary to "the spirit of the Michel amendment."

I submit, Mr. President, the "spirit of the Michel amendment" had nothing to do with depriving legitimately needy welfare recipients. I also submit, Mr. President, that it is very late in the year for the Department to start feeling so much concern about the "spirit of the Michel amendment." If the Department had been more concerned earlier in the year, there would have been no need for this debate, as they would have achieved the savings the Congress said it expected.

I said in my statement on the pending bill, and I must emphasize it again here, that this administration must stop the constant practice of coming to Congress at the last possible minute, with numerous budget and appropriations requests. Now we see this 11th hour practice again in the form of their implementation (or lack thereof) of the Michel amendment. The administration came to us at the 11th hour on food stamps. They did it on black lung benefits and unemployment insurance, and now this.

How can we exert the control over Federal spending our constituents are demanding if the administration continues along this path.

Mr. President, I commend my colleague from Iowa for his concern that poor people receive their entitlements, but this amendment is not necessary. We should not have to amend a supplemental appropriations bill to tell a Federal Department to obey the law.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. MOYNIHAN. I simply rise to support what the Senator has said. The colloquy between myself, my senior colleague, and our beloved chairman yesterday established the state of the law; it need not have been added to.

The situation is confused already. The only thing that was clear was the state of the law. All this does is add to the situation of confusion as it is, and bring forward attitudes on this subject which do not much advance the understanding of the problem.

I very much agree with the Senator from Oklahoma.

Mr. MATHIAS. Mr. President, will the Senator yield for a further question?

Mr. BELLMON. I am happy to yield.

Mr. MATHIAS. Accepting what the distinguished Senator from New York has said as actual fact, which I am sure it is, and accepting what the Senator from Oklahoma says is actual fact, which I assume it is, is not the problem now that we have the Jepsen amendment before us, and we have already voted on it twice? If we vote it down at this point, we wipe out the dialog which took place between the two New York Senators yesterday. How do we get back to point zero? That is the question.

Mr. MOYNIHAN. Mr. President, if the Senator from Oklahoma will yield, I have to agree, not reluctantly but entirely, with the Senator from Maryland. That would be the case.

Mr. BELLMON. Mr. President, if the Senator will yield, I do not see that the fall of the Jepsen amendment wipes out the dialog. The dialog is a part of the record.

Mr. MATHIAS. This would certainly be a later judgment of the Senate. The Jepsen amendment embodies the dialog yesterday. If we vote against the amendment, we reject that legislative history.

Mr. BELLMON. The dialog suggests that the amendment is unnecessary, that HEW already has the authority and responsibility. In my judgment the amendment is superfluous.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. UP-308) of the Senator from Iowa (Mr. JEPSEN). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Wisconsin (Mr. NELSON), the Senator from Illinois (Mr. STEVENSON), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG) is absent on official business.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 24, as follows:

[Rollcall Vote No. 149 Leg.]

YEAS—67

Armstrong
Baker
Bayh
Biden
Boschwitz
Bradley
Bumpers
Burdick
Chafee
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Lugar
Mathias
Melcher
Metzenbaum
Moynihan
Muskie
Packwood
Pell
Percy
Pressler
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stafford
Talmadge
Thurmond
Tower
Warner
Weicker
Williams
Zorinsky

NAYS—24

Baucus
Bellmon
Bentsen
Boren
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Glenn
Gravel
Hollings
Huddleston
Magnuson
McClure
McGovern
Morgan
Nunn
Proxmire
Randolph
Sasser
Stennis
Stone
Tsongas
Young

NOT VOTING—9

Culver
Inouye
Long
Matsunaga
Nelson
Stevens
Stevenson
Stewart
Wallop

So Mr. JEPSEN's amendment (UP No. 308) was agreed to.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 310

(Purpose: To limit the compensation of members of the Commission and to restrict the GS level of permanent employees)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FORD). The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes unprinted amendment numbered 310.

Mr. DECONCINI. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, line 13, add the following after "685,000":

"(except that members of the Commission shall not be entitled to any compensation for their services)".

On page 28, line 14, before the period insert a semicolon and the following:

"*Provided*, That none of the funds appropriated in this paragraph may be used to pay the compensation of any employee in grades GS–17 or GS–16, and not more than two employees in grade GS–15 and not more than three employees in grade GS–14 under section 5332 of title 5."

Mr. DECONCINI. Mr. President, the distinguished floor manager of the bill knows the contents of this amendment and is in agreement with its objectives. I want to express to him my appreciation for his indulgence in working out the details of its provisions.

The purpose of the amendment is simply to rectify certain bureaucratic excesses in the administration of the National Commission on the International Year of the Child. As you and the distinguished floor manager are aware, Mr. President, I have consistently opposed funding for the International Year of the Child, both in its national and international manifestations. It is, in my judgment, a waste of scarce resources which could be used to provide real benefits to children. A few days ago, Mr. William Raspberry's column in the Washington Post went directly to these issues. I ask unanimous consent that his article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A YEAR FOR EXPLOITING THE CHILD

(By William Raspberry)

The International Year of the Child is being touted with near-revolutionary fervor by child-rights advocates of the left. It is under attack as a sinister plot by elements of the political right.

For the rest of us, we are scarcely aware that IYC is going on. That isn't necessarily a pity.

For the debate, it turns out, has very little to do with children, and quite a lot to do with the political agendas of the two sides. IYC is supposed to deal with the exploitation of children. In fact, in many ways, it *constitutes* the exploitation of children.

It isn't always exploitative, of course. Sometimes it's only silly.

Listen to some of the IYC advocates:

"Developing nations import weapons from the major arms merchants of the world at a rate of more than $6 billion a year," says Rep. Patricia Schroeder (D-Colo.). "How could these countries better spend their money?"

(The answer, of course, is: on their children.)

Schroeder urges that legislators "think about a 'children's budget' when we monitor the appropriations priorities within our federal budget"—a sort of Humhrey-Hawkins for the young.

Freda Brown, president of the International Committee for the U.N. Decade of Women, told the World Conference for IYC: "Today the arms race robs children of 380 thousand million dollars yearly. . . . There must be an end to the arms race, so that the war budget can be reduced and eventually abolished and money diverted to improve the conditions for all children."

My point isn't that anyone should favor an arms race. It is simply that to talk about arms reduction principally as a service to children is exploitative and, well, silly. It is on a par with Jesse Jackson's calling upon blacks to support the SALT agreements because blacks are disproportionately resident in the major cities, which would be the target of enemy attacks in the case of war.

IYC opponents are no less reluctant to use the issue for their own purposes.

Sen. Orrin Hatch (R-Utah), for example, blasts IYC as "a dangerous tool being used on people who are generally ignorant of its profound significance for the family unit.

"With its seemingly harmless name, the IYC appears to be a platform for pushing such liberal causes as abortion, federal funding of day-care centers, expansion of the welfare state, and so forth."

Adds the pro-life National Coalition for Children, "At the heart of the controversy is whether, in terms of government policy, the child will be treated as a part of the family unit or a separate individual who is only incidentally and by economic, sociological and biological necessity part of a family unit."

A Republican Study Committee chaired by Rep. David C. Treen of Louisiana sees IYC as, in part, a plot by advocates to push their positions on "racism, busing and class struggle."

How in the name of sanity can something called the International Year of the Child be expected to do either the good things its advocates believe in or the bad things its opponents fear? Can anyone seriously believe that IYC will lead to children being "brought up in a spirit of understanding, tolerance and friendship among people, peace and universal brotherhood of children that will transcend sovereignty of nations," as the IYC proclamation fervently hopes? Or that it will lead inexorably to some pinko one-world federalism, as its right-wing opponents fear?

It will do neither. In fact, it is hard to see how it will do anything at all. Already, IYC is half over, and most Americans—let alone the rest of the world—are only vaguely aware that 1979 is the International Year of the Child.

Of course, everybody opposes the abuse, malnourishment, poverty and undereducation of children. Of course, there are a number of specific child-related reforms that need to be undertaken.

But IYC will do no more for these problems than the International Women's Year—remember?—did for the concerns of the world's women.

The mystery is that anyone could seriously believe otherwise.

Mr. DECONCINI. Mr. President, the Senate has, in general, supported this position and I think the record should show that on July 28, 1978, the full Senate Appropriations Committee voted to delete the entire $1.3 million, which was originally requested for the National Commission on the International Year of the Child.

The permanent staff is headed by a GS–17. The salary range for this grade is $52,429 through $59,421. There is also one GS–15 on the Commission's payroll; the salary range for this grade is from $38,601 to $49,608, and there are five GS–14's with a range in salary from $32,442 to $42,171. Not surprisingly, the average salary for the direct hires is $25,022, while personnel assigned from other agencies average almost $42,000.

Mr. President, I consider such top-heavy and expensive bureaucratic structure an affront to the Commission's stated goal of stimulating greater awareness of the needs of children, particularly, disadvantaged children.

The aim of my amendment, Mr. President, is to remedy some of this topheaviness. It would deny funds for the compensation of any Commission employee above the grade of GS–15. It would also prohibit funding for the compensation of more than three GS–14's, or more than two GS–15's. It would, in addition, prohibit the payment of honoraria to Commission members. Presently members of the Commission receive both travel and a per diem in the amount of $50 for their expenses away from home, plus over $180 per day in honoraria. The effect of my amendment would be to deny them this $180 honorarium.

Mr. President, I believe that my amendment limiting the compensation of members of the Commission and restricting the GS level of permanent employees is justified and is another step in the direction of limiting bureaucratic spending. I urge my colleagues to accept my amendment.

I again thank the distinguished chairman of the Appropriations Committee for his diligence and efforts toward resolving this matter.

Mr. MATHIAS. Mr. President, will the chairman yield me 5 minutes?

Mr. MAGNUSON. I yield.

THE BABES ARE NOT OUT OF THE WOODS YET

Mr. MATHIAS. Mr. President, the International Year of the Child, 1979, ultimately will be exactly what each of us—as citizens, parents, and public officials—makes it.

Today the supplemental appropriation for the National Commission on the International Year of the Child is being considered on the Senate floor. Some doubt that either the National Commission, or the International Year of the Child serve any useful purpose. I do not share those doubts.

Certainly, no number of conferences, or programs, or funds for improving conditions for children can accomplish one iota as much as a concerned and loving parent can. But it's not enough to hug our children and tell our children we love them. We must show them by giving them better health care, better education, a safer, saner environment and brighter prospects for the future.

It is unrealistic to expect that one International Year of the Child will make our country entirely safe for children and other living things. But it can give a push in the right direction.

The U.S. National Commission on the International Year of the Child was established by President Carter to spearhead U.S. participation in a celebration of international dimensions. Each participating nation is developing programs specifically designed to produce the most lasting benefits to the children of that nation.

The National Commission was never intended to provide services directly to children. That is clear from the authorizing legislation. But this does not mean that the return on the taxpayer's investment is any less. Many of the problems which confront children in this country can be solved only by educating the public. The National Commission has concentrated its efforts on making the public aware of problem areas and on stimulating programs to respond to identifiable needs.

In furtherance of that goal, the Commission has elicited the support of over 30 States, which have appointed commissions, task forces or liaison to stimulate activities and projects at the local level and work closely with the National Commission. Federal agencies have launched more than 120 projects to benefit children, and approximately 300 civic, professional, business, labor and religious organizations are actively involved in projects that have a positive effect on the growth and development of our Nation's young people. Among the groups participating in this effort are the Girl Scouts and Boy Scouts, the Kiwanis Club, the League of Women Voters, the YMCA and YWCA, the Rotary Club, the National Council of Churches, and the Boys and Girls Clubs of America. The National Commission has also enlisted corporate support. Among the activities being sponsored by U.S. corporations are the presentation of scholarships, support or development of zoo and museum programs, educational activities, support for research on birth defects, and a nutritional hotline.

The supplemental appropriation which we are considering today will enable the National Commission to continue its valuable work through April 1980. As you know, the Commission was authorized as part of the Elementary and Secondary Education Amendments of 1978. This act mandates that the Commission promote in the United States a significant observance of 1979 as the International Year of the Child; stimulate a better understanding of the needs of children; encourage groups to initiate programs and activities which will focus attention at the local, State, and national levels on the needs of the child, and make recommendations to the President on national policies affecting children.

But there are costs involved in educating the public. In the case of the National Commission, much of the funding is used to pay the salaries of Commission staff members who conduct public relations for the Year of the Child—accepting speaking engagements throughout the country, assisting organizations in developing programs for the Year of the Child, and answering the 500 or so inquiries about IYC that the Commission receives each week.

No effort should be judged solely by its boosters or its detractors. It should be judged on its merits. The total amount of Federal money that will be spent by the National Commission on the International Year of the Child to call attention to the needs of America's children in the 2 years of its operation will be $1.7 million.

I am told that the advertising for junk food, beer, etc., during last year's coverage of the Superbowl game cost $380,000 a minute—and there were 22 minutes of it. That comes to about $8 million in all. One can argue, of course, and with justification, that the money for television advertising does not come from the public purse. But, still, if what we spend our money on is a measure of how we order our priorities, these figures are worth thinking about.

I support the appropriation for the National Commission on the International Year of the Child.

Mr. YOUNG. Mr. President, I yield myself 2 minutes.

I understand that the chairman of the committee, Mr. MAGNUSON, who is temporarily out of the Chamber, is willing to accept this amendment.

I have no objection. I think it is a good amendment.

The PRESIDING OFFICER (Mr. FORD). Do Senators yield back their time?

Mr. YOUNG. I yield back my time.

Mr. DECONCINI. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. YOUNG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 268

(Purpose: To reduce the interest rate on disaster loans to homeowners)

Mr. STENNIS. Mr. President, I call up my amendment No. 268, in which I am joined by the Senator from Mississippi (Mr. COCHRAN), the Senator from Texas (Mr. TOWER), and the Senator from North Dakota, (Mr. YOUNG).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Mississippi (Mr. STENNIS), for himself and others, proposes an amendment numbered 268:
>
> On page 43, line 19, before the period insert the following: ": *Provided*, That, in the case of a disaster occurring on or after Otcober 1, 1978, the rate of interest on any disaster loan made under section 7(b) of the Small Business Act to repair or replace a primary residence or to repair or replace personal property shall be 3 per centum per annum on the first $55,000 of such loan".

Mr. STENNIS. I yield myself 5 minutes, under the rule.

Mr. President, may I have the attention of the membership? This is a very simple, short matter which can be disposed of, I am sure, by a voice vote.

This is an appropriation bill. After it was written up, I took cognizance of the fact, in thinking about flood damage and the distress loans that require legislation, that there is money for those loans in this appropriation bill. I quickly put together an amendment that provides that the interest rate on these small loans, domestic loans, would be 3 percent.

That question has been voted on by the Senate within the last few weeks, by a rollcall vote. That question has been voted on in the last few weeks by the House of Representatives, by a rollcall vote. A majority was in favor in each case.

The bill is in conference, and has been for a while, where conferees are working on it.

Mr. President, these distress loans and these floods go on. Interiors of homes are totally destroyed, furniture is destroyed, everything is wiped out. These loans, in Jackson, Miss., and environs, in round numbers, are a billion dollars. Texas had the fire at Wichita Falls. There were floods in North Dakota and in Oklahoma.

This is the policy of the Government, and time is of the essence. My proposal is that this be taken out and go on to conference. It is not in controversy. I believe the House will take it.

This is on a humanitarian basis. No one gets any advantage from it. It is policy; it has been fixed law. It just has to be used.

Last year, we passed a bill and the President vetoed it on some related matter, because it did not tie in well. He expected a correction, and he is ready to make a correction.

I see in the Chamber the Senator who held the hearing on the bill, the Senator from Kentucky. I checked this with him, the chairman of the committee, and with the ranking minority member of the Appropriations Committee.

This is on a humanitarian basis. It had the support on the merits of every person to whom I have been able to mention it.

I hope, along with all those from the affected States especially, we feel the urgency. Our promises have been made. We are failing to deliver on them.

So on those bases, we ask the Senate in the spirit of compassion to let this matter, that has already been voted on on the merits, go its way down the line of legislation. It is not going to affect the pending bill that is in conference. It is a small bill.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. BOREN. Mr. President, I associate myself with the remarks of the Senator from Mississippi.

Mr. STENNIS. I yield to the Senator 1 minute. That will keep the record straight.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 minute.

Mr. BOREN. This is indeed a matter which deserves our immediate and urgent attention.

We respond quite approximately to crises in other nations, to those who suffer great loss in other lands. I think we should do not less for our people here at home.

This spring and early this summer the people in my home State in Oklahoma as well as those in Texas suffered through the devastating tornadoes. There are those in States like Mississippi who have suffered untold hardships because of the floods. These people have no place else to turn. Their entire life savings in many cases have been wiped out. Their homes are gone.

I think the very least we can do is adopt the proposal of the Senator from Mississippi to help our own people who are in such great need.

I am proud to associate myself with his remarks.

Mr. STENNIS. Mr. President, I yield such time as he may wish to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. YOUNG. Mr. President, we do have an unusual situation and a real emergency. There were some seven States that were hurt badly this year by floods, tornadoes, and by other destruction.

In my own State, the Red River Valley had the worst flood in this century, probably the worst flood in history. Many thousands of people have been hurt badly. Some will not be able to put in their crops at all this year, also great property damage.

I know this is an unusual procedure that we are engaging in now, but this appropriations bill should have been passed quite a long while ago. These people have been waiting since April to get help.

So I hope that some of the regular procedures might be waived so that we could pass this very unusually important bill today.

Mr. STENNIS. I thank the Senator from North Dakota.

Mr. President, on a time basis, I yield to the Senator from Kentucky 3 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. HUDDLESTON. Mr. President, I thank the distinguished Senator from Mississippi. I commend him for offering this amendment at this particular time.

What the Senator is attempting to do is to implement a disaster loan program that has already been voted upon and approved by the Senate and the House of Representatives. Due to the urgency of the situation, which has been amply described already, we have those who have suffered from serious flooding and other disasters throughout the country wondering what type of program the Federal Government will offer to assist them in their difficulties.

The flooding goes back to the first of this year, as a matter of fact, in my State of Kentucky.

The question of what the interest rates will be and the question of what the disaster plan will be are still undetermined at this time. With the small business authorization bill still in conference no date certain as to when the issues will be resolved, there is a great deal of uncertainty for the people as to what type of assistance will be available to them.

The proposal of the Senator from Mississippi is one that has been approved and this action will simply make certain that the plan will take effect.

Mr. President, I wish to offer a substitute for the proposal of the Senator from Mississippi. I have discussed this with him and have his concurrence. His proposal deals only with losses in connection with personal home and personal property. The bill which was passed in the Senate, of course, dealt with the entire disaster loan program, including businesses and farms. My substitution would expand what he is offering here to include the total package that has been approved by the Senate and the House of Representatives, relating to the program and the interest rates that will be charged for those who are damaged by disasters.

I move, Mr. President, that the Senator's amendment be modified by my amendment.

The PRESIDING OFFICER. The amendment is not in order until the time has expired on the previous amendment.

Mr. HUDDLESTON. I withhold that until the appropriate time.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. STENNIS. Mr. President, if I may just use a half minute, for the reasons given by the Senator from Kentucky and in order to more completely reach the objective here about which there is no dispute as to the facts nor the desire, I yield to his judgment on what better covers the situation and if his language better controls the situation as he sees the whole problem then that is, of course, the language the Senate would want.

Does the Senator from Connecticut wish to say a few words on this amendment?

Mr. WEICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Who controls the time in opposition to the amendment?

The PRESIDING OFFICER. The Senator from Washington unless he is in favor of the amendment.

Is the Senator from Washington in favor of the amendment?

Mr. MAGNUSON. I am in favor of the amendment.

The PRESIDING OFFICER. The time in opposition will be controlled by the minority leader or his designee.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut designate himself?

Mr. WEICKER. I designate myself since the amendment has been cosponsored by the ranking Republican on the Appropriations Committee.

Mr. YOUNG. Mr. President, I yield such time to the Senator from Connecticut that he desires.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I rise to oppose the amendment offered by the distinguished Senator from Mississippi and at the appropriate time I intend to raise a point of order on the amendment.

I share the concerns of my colleague with respect to the need to help disaster victims.

However, as a member of both the Small Business Committee and Appropriations Committee, I believe I am in a unique position to respond to this proposal. The Small Business Committee has moved in an expeditious manner to respond to the disasters in various States. It has done so with a piece of responsible and comprehensive legislation.

The Stennis amendment provides for a 3-percent interest rate on SBA disaster loans to homeowners. This same provision is included as part of the comprehensive disaster loan section of S. 918, which passed the Senate on May 16 and the House on May 22. Currently S. 918, which is a six title omnibus small business bill, including a 3-year authorization for the Small Business Administration, is in conference. Unfortunately, the conference report is stalled because of some disagreement on two outstanding issues. I point out that this disagreement does not concern interest rates on homeowner loans.

There is no disagreement over a 3-percent interest rate on disaster loans to homeowners.

Mr. President, the distinguished Senator from Mississippi has good reason to offer this amendment. The residents of his State have suffered terribly as the result of flooding which occurred earlier this spring. Presently, these disaster victims are awaiting passage of this supplemental appropriation which will provide the funds for disaster loans to cover their extreme loss. Without the Stennis amendment, or without passage of the conference report on S. 918, these victims will be paying an interest rate of 7⅜ percent on those loans.

Two days of conference have already taken place on S. 918. I am hopeful the current logjam can be broken. Members of the Senate Small Business Committee are continuing negotiations with the House Small Business Committee and the House Agriculture Committee in an attempt to resolve the outstanding conference issues and to file the report on S. 918 as expeditiously as possible. The Small Business Committee has worked diligently, and I believe the Senate should defer to the committee with legislative jurisdiction.

I would also point out to my colleagues that the reason we are in this bind is the failure to have enactment of the authorization bill passed by both Houses last year. In effect, this has caused the rates to rise to the level where they are now instead of the 3 percent level supported by the Senator from Mississippi.

Unless there is pressure brought to bear on the conference, or at this juncture on the conferees, we are going to be in the same position as before without an authorization since last year's authorization bill was vetoed.

The interest rate issue is one of the many elements that is involved in a very comprehensive bill. Because each one of those elements obviously being on the mind of the various conferees, each element has the ability to be used to exert pressure on another.

To withdraw this particular item from the conference, I think, will guarantee the result that we will not arrive at an agreement on the conference report. I hope we would not abandon the proper parliamentary procedures, the proper jurisdictional procedures, in what seems to be, and rightfully is, a proper move on behalf of those in need. Rather, we should do so the correct way.

I believe in the propriety of a lower interest rate to help disaster victims, and the 3 percent rate is fine. But I think it should be arrived at through the normal procedural manner.

What the Senator from Mississippi is attempting to do here is clearly outside of the normal course of procedure and, therefore, as I say, at the appropriate time I will raise a point of order in objection to the amendment.

Mr. STENNIS. Mr. President, I appreciate the Senator's agreement here that the need is there. The facts are proven, there is no dispute about the facts. But I certainly hate to see him send word to those victims who have been waiting now since before Easter week that instead of help and assistance we are going to do things in the regular order, we are going to stick to the order.

I do not know whether they can live on germaneness or the regular order very long or not.

I yield to my colleague, the Senator from Mississippi.

The PRESIDING OFFICER. The junior Senator from Mississippi.

Mr. COCHRAN. I thank the distinguished Senator for yielding to me, Mr. President.

I want to congratulate him on the initiative he has taken in bringing this amendment before the Senate, bringing this amendment to this bill.

This may be an unusual procedure, but we have unusual circumstances with which to deal and with which to try to contend.

We have many flood victims throughout the United States, disaster victims in Texas, flood victims in North Dakota, Mississippi, Kentucky, and many other parts of the country who, right now, are in a most precarious emotional and financial situation, having seen property and business interests damaged and destroyed, with no indication from the Government that their Government is willing to come in and help them in this kind of situation.

I think it has been one of the hallmarks of our system of Government that we have responded expeditiously, with sensitivity and caring and concern for those who are unable to help themselves in times of natural disaster.

Here we see our Government unable and unwilling to respond promptly to this very clear, demonstrable need on the part of many, many citizens in this country.

So I hope, Mr. President, we can accept the amendment offered by the senior Senator from Mississippi. I join him in sponsoring that amendment and I hope the distinguished Senator from Connecticut will withhold his objection because of these very unusual circumstances.

I would like to add as well, Mr. President, if time permits that this is a situation that was initially brought on not by the Senate, not by the House or the Congress, in my judgment, but because of a veto of legislation that would have provided for a sensitive, good, fair, equitable disaster loan program, and that was vetoed last year.

Congress has come back and worked very quickly to try to get legislation through that would provide a vehicle for helping those with low-interest rate loans and other benefits who really do need such help at this time.

I thank the distinguished Senator from Mississippi for yielding to me.

Mr. STENNIS. Mr. President, how much time remains on this amendment?

The PRESIDING OFFICER. The Senator from Mississippi has 40 seconds.

Mr. WEICKER. I will yield a minute.

Mr. STENNIS. I thank the Senator.

Mr. President, we have got to find a way now to get to the merits of this matter. We are hemmed in, we are cut off. I understand this appropriation bill will go by courier to the President of the United States, wherever he is in Asia, if we pass it in time. That is what I am informed.

The only way to reach these people is to put this amendment on here, gentlemen, and let it go long with this supplemental bill. Everything else is in there but they are left out.

This is sound from every viewpoint. No one has challenged a single fact connected with it, its policy, its principle. The money is in the bill.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. HARRY F. BYRD, JR. Mr. President, I have 15 minutes and I will be glad to yield to the Senator from Mississippi any part of that 15 minutes he would like to have.

The PRESIDING OFFICER. The Senator has 15 minutes on the bill.

Mr. HARRY F. BYRD, JR. I will be glad to yield to the Senator from Mississippi.

Mr. STENNIS. I have said about all I can say. I just feel as to the humanities of the matter that we should lift the barrier, whatever it is. I have been on the Appropriations Committee for a long time, and I do not go around filing these kinds of amendments. This is a humanitarian matter pure and simple, that is all.

I thank the Senator from Virginia, and I yield 2 minutes to the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, for the purpose of making a plea to the distinguished Senator from Connecticut, let me say that I, too, serve on the Appropriations Committee, the Small Business Committee, and also the Agriculture Committee. All three committees have jurisdiction relating to this particular problem with which we are dealing.

Hard cases make hard law. We have a situation which is different, and we need to address it in the most expeditious way we can. It is difficult to tell the people of the United States that Congress cannot respond to their dire problems because of a particular parliamentary procedure with which we are confronted.

Yesterday we diverted certain funds that had been appropriated for another purpose in order to assist refugees in Southeast Asia. How are we going to tell our people that we can help citizens all over the world but we cannot provide any assistance to them right now? We cannot tell them what their interest rate is going to be because we have an uncertain conference situation. We have a recess coming, we have another recess after that recess, and it might be late this year or next year before we can put into place a disaster program to meet a human need that exists throughout many of our States right now.

I appeal to the Senator not to make his point of order at this particular time but to accept this amendment.

The conference on the small business legislation will continue. When it is worked out it will supersede whatever is done here today. But at least we will give the people an opportunity to know the extent of the program and give the Government an opportunity to process applications for loans. We are talking about disaster loans. We are not talking about something that might be helpful or might be needed. We are talking about a situation where disaster has already occurred.

People are waiting to find out how they can receive some help. As the Senator from Mississippi has indicated, it is apparent that this bill will go quickly to the President for his signature. We will have something in place immediately to meet this very real need which exists.

Mr. MAGNUSON. Mr. Presdent, I have no time left on the bill. I ask unanimous consent that I have 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, will the Chair indulge me? I did not hear the request of the Senator.

The PRESIDING OFFICER. The Senator from Washington was asking unanimous consent that he be given 2 minutes.

Mr. STENNIS. Excuse me.

The PRESIDING OFFICER. Without objection, the Senator from Washington does have 2 minutes.

Mr. MAGNUSON. Mr. President, I would like to comment briefly on this amendment and the SBA bill in conference. I have no objections to attaching this amendment to the supplemental. However, I want its sponsor, and the other conferees on the SBA bill, to know that I strongly object to a related provision in the tentative conference agreement.

That provision, as I understand it, would eliminate the requirement in existing law that the SBA pay intrest to the Treasury on the funds it borrows from Treasury for its disaster loan fund. Those interest costs are a real cost of SBA's operations, and as such must be appropriated by the Appropriations Committee. The provision to which I object would eliminate the Appropriations Committee's jurisdiction and eliminate its opportunity to exercise oversight over SBA's disaster operations. I hope the conferees will reconsider their position on that provision.

(Mr. EXON assumed the chair.)

Mr. MUSKIE. Mr. President, will the Senator yield on that point? Will the Senator yield?

Mr. MAGNUSON. Oh, yes.

Mr. MUSKIE. I would like to strongly endorse the point that the distinguished chairman of the Appropriations Committee has made with respect to the payment of interest by SBA on money it borrows from the Treasury. That simply transforms that kind of expenditure to the backdoor spending which the budget process is supposed to eliminate. I strongly endorse the chairman's position, and urge the conferees to respond to it.

Mr. MAGNUSON. I thank the Senator.

Mr. President, I am willing to accept the amendment at the proper time, but I believe the Senator from Connecticut wishes to make a point of order.

Mr. WEICKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 11½ minutes remaining.

Mr. WEICKER. Mr. President, I wish to make several points on this matter.

First, the idea that, for some reason or other, this is the only portion of the bill that affects people. There are six titles in this bill. Five of those titles, which have nothing to do with the amendment of the distinguished Senator from Mississippi, affect people. Why should they be left standing and preferential treatment be given to those who are affected by this one particular title?

Mr. HUDDLESTON. Will the Senator yield to me for an answer?

Mr. WEICKER. I will be glad to yield in a minute.

The fact is that obviously many persons are affected by the entire purview of the legislation before the conference committee. This is not an emergency that happened yesterday.

That brings me to my second point. This matter has been before Congress and the President of the United States for close to a year and a half. There are a lot of Democrats on this floor, a lot of Democrats in the conference committee, and a Democratic President downtown. Because these majorities cannot agree among themselves, for a variety of reasons, none of which have anything to do with the legislation before us, we are asked to throw the rule book out the window.

I believe in accountability. Is that not the purpose of the two-party system? I do not see any necessity to throw the rule book out the window. Let us just get the act together as between a majority on the Senate floor and a majority in the conference, in conjunction with their chosen leader.

Let us not say there is any callousness, if you will, on the part of the Senator from Connecticut vis-a-vis disaster victims. Indeed, this whole disaster loan program is used as a vehicle to overturn our budget process, and now to overturn the parliamentary process.

I suggest that the conference do its work and arrive at its agreement, which can be done within 5 or 10 minutes without in any way upsetting parliamentary procedures.

Well, the real fact of the matter is that they will not do that. There are other matters in the conference totally divorced from the 3-percent interest rate, such as the Maybank provision and others. That is what is tying the conference up.

It is not unusual that the Senator from Connecticut should be making this point of order. What is unusual is that the heavy majorities represented in that conference cannot get together and present a bill which will be signed by the President of the United States. That situation has existed for a year and a half; and now, as we come bump-to-bump with a recess, the rule book is supposed to go out the window.

No, if this were an emergency, something that happened yesterday which required our immediate response, I would have been the first to agree with the Senator from Kentucky and the Senator from Mississippi. But it is not. We are being asked to bail some chestnuts out of the fire here on account of the inability of our colleagues in the Senate and the House to agree on some very basic legislation affecting thousands of people in and out of Mississippi, Oklahoma, North Dakota, or wherever.

When the appropriate time comes, I will probably be defeated on this, although I must confess to my colleague the chairman of the Appropriations Committee that by agreeing to this, believe me, are we ever softening up the future so far as legislation on appropriation bills is concerned.

That is what is going on here. Here is the precedent, right here. Everybody from now on has a right to stand up seeking legislation on future appropriation bills. It is going to be a matter for the chairman to decide as to which legislation we will accept and which not?

I think that is a dangerous precedent. I am sorry to see the committee accept the amendment. We would be far better off if the committees and the conferences do their work and we go through the regular process of working toward the achievement of what I think is a very desirable end.

Mr. STENNIS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator from Connecticut has all the time remaining on the amendment.

Mr. WEICKER. I promised to yield to the Senator from Kentucky. I will be glad to yield to him for a minute.

Mr. HUDDLESTON. Mr. President, I agree that the small business authorization legislation has a lot in it for people of this country. It is a good bill. The differences in the conference are not so substantial that they cannot be resolved, but we are confronted here with a time constraint.

The Senator asks why this particular section and not the others is being proposed. It is because this section is the only one dealing with disaster situations, which have occurred in this country already. It is an emergency situation. It may not be for some, but for that house owner who saw his house float down the river and who is struggling to try to reestablish his family, for the businessman who saw his future wiped out, and for the farmer who suffered extensive damage, it is an emergency situation. I am sure the Senator from North Dakota, the Senator from Oklahoma, the Senators from Kentucky, and the Senators from Mississippi can point out a good many emergency situations that do exist, and this is true in other States as well.

It is a desperate situation that we need to correct, and we need to do it most expeditiously. This happens to be the best method of accomplishing that at this particular time.

Will the Senator allow me——

Mr. WEICKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. WEICKER. Mr. President, I would just respond to that by saying the fact is that there are business loans also involved in this legislation.

Mr. HUDDLESTON. To businesses damaged by disaster.

Mr. WEICKER. I understand. I am saying in the rest of the legislation. There is money there essential for those who either need a helping hand in the sense of keeping their business going or in the sense of making some money to put food on the table. That is important, too.

All I am saying to the Senator from Kentucky is that I am not willing to go ahead and say that I think there are any priorities as between those, in effect, who are getting a helping hand from their Government. That is the whole object of the bill, is to assist and help. Now, though, if we have decided there is only one category to be assisted, of course they are worthy, but we are increasing the possibility that the rest of the people looking for help will have to wait longer, because now you have removed one of the pressure points in the conference.

How long has it been, a year and a

half, that we have been working on an authorization? A year and a half deliberating on an authorization. You know, that is an awfully long time to neglect a significant percentage of the population.

I am prepared to yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, will the Senator yield to permit me to inquire of the Chair as to whether the point of order the distinguished Senator from Connecticut has proposed to raise should come before or after an amendment which I offer to the pending amendment?

Mr. WEICKER. Mr. President, it was my understanding that the substitute had been offered.

The PRESIDING OFFICER. No, a substitute amendment has not been offered.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

Mr. HARRY F. BYRD, JR. Will the Senator withhold that?

The PRESIDING OFFICER. The Senator must yield back his time and then suggest the absence of a quorum.

Mr. WEICKER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. The call for the quorum would be taken from my time?

The PRESIDING OFFICER. That is correct. The Senator does not have enough time.

Mr. STENNIS. Will the Senator withhold his suggestion of the absence of a quorum and the Chair indulge us for a moment? We may have something to resolve this.

Mr. HARRY F. BYRD, JR. Will the Senator from Connecticut yield for one moment?

Mr. WEICKER. I yield.

Mr. HARRY F. BYRD, JR. The Senator from Oklahoma wishes to speak briefly. I would like to yield 2 minutes to the Senator from Oklahoma from my time.

The PRESIDING OFFICER. There is less than 1 minute remaining. Who yields time?

Mr. HARRY F. BYRD, JR. I am yielding from the time of the Senator from Virginia. I will yield 2 minutes to the Senator from Oklahoma and 2 minutes to the Senator from Kentucky, if he wishes.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. I thank the Senator. I would like to join in the pleas of the Senator from Mississippi and the Senator from Kentucky to the Senator from Connecticut to withhold his point of order.

He said we have allowed the situation to go on for a long time and, therefore, there is no need for urgency. I would suggest that the fact that it has gone on for a long time is all the more reason why we must act. We are not dealing with the usual situation. We are not dealing with just a pressure group or one group or another in the country that wants some kind of assistance. We are dealing with people who literally, within a split second, have seen their entire life's work wiped out.

I think of one experience I had with a citizen who was in his late sixties in the midst of what had been his home literally a minute or 2 minutes beforehand. Everything was wiped out, his entire life's work, his home, his business.

Here had been a hardworking, taxpaying citizen. The work of his entire adult life was wiped out in a split second by an intense storm.

Then we continue to tell these people to wait. I do not think we are opening up an undue precedent when we say we can get the wheels of Government to respond to the needs, the intense needs, of the people who are afflicted with a situation like this. I would urge the Senator from Connecticut to lay aside his point of order and to consider, as the Senator from Mississippi said, on the basis of human feelings, the needs of these people.

I know he is very sincere about the procedures involved in this case. I understand what he is saying. I would normally agree with him when we are dealing with a very normal situation. But here we are dealing with people who are in genuine distress and I urge him to reconsider his point of order.

Mr. WEICKER. Mr. President, in response to my distinguished colleague from Oklahoma, I wish he would have used those arguments with the President of the United States last year. He is the one who should have been impressed. He vetoed the bill. I was for a 3-percent interest rate. I was for the loans. He vetoed the bill. Because he vetoed the bill is no reason to put ourselves on the spot. Let him stay on the spot. Let the conference stay on the spot. Let us get these loans to the people at 3 percent. There is no reason for us to do it in an awkward way to satisfy the inability of the Chief Executive and a majority of the conference to arrive at an agreement.

I am prepared to yield back.

Mr. FORD. Mr. President, I believe the Senator from Virginia said he would yield me 2 minutes from his time on the bill.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I understand that when the facts are with you, you argue the facts. When the law is with you, you argue the law. If neither one is with you, you just plead your case.

The Senator from Connecticut can say all these beautiful things about the majority party, and I think that is perhaps the point he is trying to raise here. He is trying to say that the President of the United States vetoed a piece of legislation, it is all his fault, and we ought to keep the pressure on.

Well, the pressure is on the people who lost their homes, who lost their businesses, who lost their farms. That is where the pressure is. Do we not have compassion here? If things do not work out and people do not do what we think is right, can we not go ahead and do what is right?

Go back to your State and say, "We are quick to send money overseas, we are quick to send our tax money everywhere. But when it comes to being compassionate to our people, we are slow to come to help."

So, Mr. President, if the Senator from Connecticut does see his way clear to raise a point of order, that this is legislation on an appropriation bill, I hope we have the compassion to say this time if we have to bend the rules a little bit, let us bend those rules so we can help those people who have had the problem, and that we can express our compassion for our own people for a change.

I would be very hopeful that our colleague from Connecticut would withhold his motion and that we could go about helping those people in need. I thank the Senator from Virginia for allowing me this time.

● Mr. BENTSEN. Mr. President, I commend my distinguished colleague the senior Senator from Mississippi for his active concern for the welfare of the many victims of the disasters which Mother Nature has dealt out so widely and so frequently this year. My own home State of Texas has been the recipient of several of the disasters, with the string being topped out by the tornadoes which last April reduced about a fourth of the cities of Wichita Falls, and Vernon, Tex., to rubble. I am pleased to support this amendment to allow the desperately needed funds in this supplemental appropriations bill to be used for the low-interest loans which Congress fully intends to make available to these disaster victims. However, the Small Businesss Administration authorization bill has not yet cleared the conference committee, so these funds cannot be used for the low-interest loans authorized in that bill. If this amendment is not approved, then SBA and the battered victims of these disasters will face the administrative hassle of redoing the paperwork on these loans later when the authorization bill passes and retroactively authorizes lower interest rates.

Mr. President, I also wish to thank the very distinguished senior Senator from Washington for his able assistance in expediting Senate passage of this bill in order that these badly needed funds could become available to make the many SBA loans which have been approved but not completed due to lack of funds. It is a cruel shock to those lucky people who were able to crawl out of the rubble left after the Wichita Falls tornado to be promised aid by their Government and then denied that aid. They have seen their homes reduced to rubble, and over 40 of their friends, neighbors, and relatives died in that shattered wreckage. That is trauma enough for anyone. These people need help, not hassles, from the SBA disaster assistance program, and this bill and this amendment will make a good start in providing that help.

I urge expeditious consideration and passage of this appropriations bill with the full $1,018,000,000 included for SBA disaster assistance and the amendment to allow the low-interest loan program to take effect immediately.●

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. WEICKER. Has all time expired?

The PRESIDING OFFICER. All time has expired.

Mr. WEICKER. Mr. President, the amendment offered by Senator STENNIS is general legislation amending a program authorized by the Small Business Act. Paragraph 4 of rule XVI of the Standing Rules of the U.S. Senate provides that no amendment which proposes general legislation shall be received to any general appropriations bill. Accordingly, I raise a point of order on this amendment in that, pursuant to rule XVI, paragraph 4, this amendment is legislation on an appropriation bill.

Mr. STENNIS. Mr. President, under the precedents of the Senate I submit that the amendment is germane to the money that is in the bill for these purposes.

The PRESIDING OFFICER. Under the precedents of the Senate, when the question of germaneness is raised as in this situation, it tolls the action on the point of order and the Chair must submit the point of order to the Senate for its decision ab initio.

Mr. STENNIS. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Will the Senator withhold for a moment?

The Chair, however, wants to state that the precedent is based on the Senate amendment language being germane to House language, and in this case there is no House language for the Senate language to be germane to. However, the Chair submits the question, as he must.

Mr. STENNIS. Without debate, is that correct?

The PRESIDING OFFICER. It is not debatable.

Mr. WEICKER. I ask for the yeas and nays.

Mr. STENNIS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

Mr. FORD. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. FORD. What will the vote be to say that the amendment is germane?

The PRESIDING OFFICER. The question is, Is the amendment germane?

Mr. FORD. So that would be a yea vote. I thank the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG) is absent on official business.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS), is necessarily absent.

The PRESIDING OFFICER. Are there Senators in the Chamber who have not voted who wish to do so?

The result was announced—yeas 83, nays 11, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—83

Baker
Baucus
Bayh
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—11

Armstrong
Bellmon
Biden
Byrd, Robert C.
Glenn
Hayakawa
Lugar
Mathias
McClure
Proxmire
Weicker

NOT VOTING—6

Culver
Inouye
Long
Matsunaga
Nelson
Stevens

The PRESIDING OFFICER (Mr. BRADLEY). The amendment is germane, and the point of order falls.

Mr. STENNIS. Mr. President, I move to reconsider the vote.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I modify my amendment to conform to the language presented by the Senator from Kentucky, which already has been presented at the desk.

The PRESIDING OFFICER. The vote of the Senate on germaneness was action on the amendment. Therefore, unanimous consent is required to modify the amendment; and, without objection, the amendment is so modified.

Mr. STENNIS. For my part, I will not ask for the yeas and nays, Mr. President.

Mr. HUDDLESTON. Mr. President, I wish to make this point, for the benefit of Senators who may not have been in the Chamber earlier. The modification simply adds the total disaster loan package, to include not only homes, but also farms and businesses which suffer from disasters.

Mr. STENNIS. I thank the Senator. The Senator from Kentucky has been on the conference, has been involved in the writing of the bill in this field. Is that correct?

Mr. HUDDLESTON. That is correct.

Mr. STENNIS. I move the adoption of the amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was agreed.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, on behalf of the Senator from Washington, the chairman, I yield time to the Senator from Kansas, such time as he may see fit to use, Mr. President, and I ask for order so that he may be heard.

The PRESIDING OFFICER. The Senator from Washington has no further time on the bill. Only the Senator from North Dakota has time.

Mr. YOUNG. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from North Dakota has 13 minutes.

Mr. YOUNG. I yield 2 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I shall just take 2 minutes to indicate that the Senator from Kansas intended to offer an amendment which would have simply stated that none of the funds appropriated by this act shall be available for payment of salaries or expenses incurred in connection with the withholding of Government contracts as a means of enforcing compliance with "voluntary" wage and price guidelines.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. Let there be order in the Senate. Senators please take their seats.

Mr. STENNIS. Mr. President, give the Senator 2 full minutes now that he has not been heard. It is impossible to hear him.

Mr. DOLE. Mr. President, I thank my distinguished colleague from Mississippi.

The Senator from Kansas was just indicating that he intended to offer an amendment that would prohibit the withholding of contracts as a means of enforcing compliance with "voluntary" wage and price guidelines.

I have been persuaded not to offer the amendment because it might somehow prejudice the rights of either party of a case that I understand will be appealed to the Supreme Court. However, I would like to express my own personal views on this subject.

CARTER'S FAILURE

Over a year ago the President identified inflation as a serious domestic problem. Unfortunately, that assessment represents the highwater mark of the administration's efforts to combat inflation. During the last 12 months, prices have continued to rise at a 10-percent rate.

It is clear that the President's wage and price guidelines have not and will not work. They cannot be administered fairly, they distort economic signals and they retard economic growth. Most importantly, they distract us from the real cause of inflation—the fiscal and monetary policies of the Government.

Faced with the failure of his voluntary guidelines, the President has, in effect, made them mandatory by invoking the possibility of contract denials for noncompliance. I had hoped that a district court decision earlier this year which invalidated Government procurement sanctions would force the President to abandon his wage and price guidelines and begin to demonstrate leadership in finding a lasting solution to our economic woes.

But Friday's D.C. Circuit Court decision reversing the district court is sure to encourage the administration's continued reliance on wage and price guidelines. Unless the Supreme Court reverses, President Carter will now hold Government contract sanctions over the head of every contractor, subcontractor, and union in America.

PLAN IS UNCONSTITUTIONAL

In addition to being unworkable, impractical and misdirected, it is my personal belief that the President's threat to withhold Government contracts from firms which do not comply with the "voluntary" guidelines is unconstitutional.

President Carter initiated his wage-price control program through powers he said he derived from the U.S. Constitution and the Federal Property and Administrative Services Act of 1949. But legal experts at the Library of Congress, the General Accounting Office, the American Bar Association's Economic and Resources Committee and the AFL–CIO argue that this program clearly oversteps his authority.

These experts state that the U.S. Constitution gives Congress, not the administration, sole authority to authorize regulation of wages and prices. Legislative history shows an unbroken pattern of positive congressional action was necessary to delegate wage and price control authority to the administration. On at least three occasions since 1974, Congress has specifically chosen not to grant the executive branch such authority. Furthermore, experts point to Youngstown Sheet & Tube against Sawyer and other Supreme Court cases which hold the executive branch cannot act without an express delegation of authority from the Congress.

GOVERNMENT ACCOUNTING OFFICE

The Government Accounting Office, which has significant expertise in procurement policy, explicitly states the President does not now have the power to impose mandatory controls through Government procurement. The GAO arrived at this conclusion after a thorough analysis of the legislative history of the 1949 Federal Procurement Act. In the GAO's opinion:

> We would say the President is not authorized to implement his program of applying wage and price standards on a mandatory basis to companies involved in government procurement.

The Library of Congress, which has also taken a close look at the Federal procurement act, agrees.

PRESIDENT CAN REQUEST AUTHORITY

The President is certainly free to request that authority from the Congress if he intends to promulgate any wage or price programs consisting of specific numerical wage and price guidelines. But we cannot permit the President to enforce any such standards by direct, indirect, implied, or informal sanctions. To do so would be to allow the executive branch a power the Congress has never delegated.

COUNCIL ON WAGES AND PRICE STABILITY ACTIVITIES INVALID

Additionally, to implement his anti-inflation program, President Carter has given the Council on Wages and Price Stability powers beyond those specifically authorized by the 1974 act creating the Council. According to that act, the Council is solely an advisory body whose "purpose is to analyze, review and monitor" Federal procurement and private sector activities which may increase inflation.

Under the President's program, COWPS is transformed into an operating agency, with quasi-legislative, quasi-adjudicative characteristics of a typical regulatory agency. For example, the Council alone determines compliance with the wage-price guideline it alone has established, and imposes severe penalties for noncompliance.

CREATES "MANDATORY" GUIDELINES

More importantly, the President's program creates mandatory wage and price controls expressly prohibited by the act creating it. Section 3(b) says:

> Nothing in this act . . . authorizes the continuation, imposition or re-imposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends or any similar transfers.

The constitutionality of the President's efforts to enforce his guidelines by withholding Government contracts has been under consideration in the courts. last Friday, the U.S. court of appeals here in Washington reversed the U.S. district court in holding that President Carter has the authority to deny Federal contracts to violators of the administration's wage and price guidelines. It is my understanding that this decision will be appealed to the Supreme Court before it is settled. That is a question for the courts to decide.

Because of my fears that a Senate vote today would prejudice that case, I have decided not to offer this amendment. However, depending on the outcome of this case, I do plan to offer this amendment at some appropriate time in the future, for I believe it is crucial that we force the President to move beyond his wage and price guidelines to find lasting anwers to double digit inflation. Whatever the courts ultimately decide, we should act in the future to prevent the administration from implementing essentially "mandatory" wage and price guidelines.

I thank my distinguished colleague.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HEINZ. I say that I support the intent of the Senator from Kansas. I think he and I and many other Senators in this Chamber feel very strongly that it is absolutely wrong for the administration to use compulsory techniques to enforce a voluntary program.

I commend the Senator for his initiative in bringing the issue. I understand his sensitivity to the court question. I think he is to be commended on that sensitivity as well.

I stand with him in every respect.

Mr. DOLE. I thank the Senator.

Mr. STENNIS. Mr. President, I am acting for the Senator from Washington who is detained for a few additional minutes.

Mr. President, we know of no further amendment to be proposed.

● Mr. WILLIAMS. Mr. President, I rise in support of the provisions in H.R. 4289 concerning the supplemental appropriations for the Federal public transportation program.

As we are all too well aware, the energy crisis is now upon us with full force. As oil prices rise and gas lines lengthen, more and more people are leaving their cars at home and turning to mass transit as an alternative form of transportation. We are finding that the capacity of our systems is being severely strained and in some cases overwhelmed.

Mr. President, I have been deeply involved in the issue of mass transit for many years. I believe that the ability of our transit systems to meet this tremendous increase in demand over a short period of time is the greatest challenge in the history of the program. Millions of Americans in many communities may be starting a new shift in living patterns involving less dependence on the automobile. The ability of our transit systems to meet this challenge will have a major impact on the viability of our urban areas in an energy-scarce future.

Beginning with our first energy crisis in 1973, the Congress has become increasingly aware of the importance of the transit program as an integral part of a national energy conservation policy. In 1974, the Congress created the operating assistance program and significantly increased the capital grant program. The best evidence of the importance the Congress attaches to the transit program is the Surface Transportation Assistance Act of 1979, which authorized long-term funding for transit totaling close to $18 billion between 1979 and 1983.

Mr. President, the supplemental appropriations bill before us falls far short of what the Congress has authorized for the transit program in fiscal year 1979. It also falls far short of what the cities and States around the country will need in order to deal effectively with ridership increases which transit systems are experiencing.

While I am disappointed that the administration has not committed itself to higher spending for transit, I believe the Appropriations Committee has acted wisely to get the most out of the available resources. Under the leadership of Senators MAGNUSON and BAYH, the respected chairmen of the full committee and the Subcommittee on Transportation, the supplemental bill will conform the 1979 appropriations to the provisions of the subsequently enacted Surface Transportation Act and better reflect the priority use of the limited dollars available to the program in a tight budget.

For example, the committee has rejected the administration's request to reprogram $55 million from the section 3 rail modernization category to the bus program. The Banking Committee has previously recognized the importance of a larger rail modernization program, estimating that an annual program level of at least $600 to $700 million is necessary to make reasonable progress against the continuing deterioration of our existing rail facilities. "Modernizing our existing fixed-rail facilities must be a high priority of our transit assistance program. Almost 7 million people use these systems daily in seven urbanized areas." (S. Rept. 95–857). The Appropriations Committee's action is consistent with the original advice and actions of both the authorizing and appropriating committees.

Another example of the wisdom of the committee's action is its treatment of the administration's request for funding of the urban initiatives program created by the 1978 Surface Transportation Act. As the principal sponsor in the Senate of the transit provisions in this comprehensive transportation bill, I supported this creation of this program. In fact, on March 2, 1978, I wrote to President Carter to support DOT's recommendations to the Urban and Regional Policy Group to include such a component in the administration's urban policy statement. And I was more than pleased to sponsor the amendment in committee last year to incorporate the urban initiative into the UMTA program and authorize up to $200 million a year for fiscal year 1979.

However, the original appropriation act was enacted first. Since there was no such program in existence at the time, no funds were appropriated for it. In the supplemental appropriations bill, the committee did not follow the advice of the administration to spend $200 million on urban initiatives in 1979, largely because no specific additional funds were requested. Moreover, the committee recognized that each transit dollar is too precious to be diverted away from traditional program functions at this critical time to fund a new program which has yet to be established, especially since the fiscal year is better than half over.

By appropriating $60 million for urban initiatives, the committee bill would allow a modest start for the new program and afford eligible projects from all over the country the opportunity to apply for grants on the basis of merit. Moreover, as contained in the bill, the urban initiatives program will be administered as a separate program as was intended in the authorizing legislation.

Mr. President, this committee bill is far superior to the House passed bill which proposed inappropriate changes in the fiscal 1979 appropriations. The Senate committee would restore the balance which has always existed between the old transit systems and the newer ones now in various phases of construction. Earlier this year, I understand that the Appropriation's Committees approved a reprograming request to devote $25 million to Atlanta from Baltimore, Buffalo, and Miami in view of the progress in actual construction. At the same time, the Senate bill would restore to the category of rail modernization and extensions the drastic cuts proposed in the House bill, although at a somewhat reduced level from the original appropriations. Finally, the Senate bill would not follow the House provision which transferred funds from section 3 to section 5. While I recognize the need for additional operating assistance, I do not believe it to be a good precedent to shift funds from section 3 to the section 5 program, particularly in a year when the section 3 program is underfunded.

Mr. President, neither the 1980 appropriations bill nor the supplemental presently before us, will allow sufficient improvement in our public transportation services which we must have in order to come to grips with a serious and long term energy program. Given the soaring cost of running transportation systems at ever higher levels of service, the proposed appropriations levels will financially starve transit operations all over the country.

Mr. President, this is no time to shortchange public transportation. By the time the 1980 appropriation is before us, I am hopeful my colleagues will share this perception and that the administration will replace its words about public transportation with actions to fully fund the program in order to help these systems meet increasing demand.

Recently, the Wall Street Journal published an excellent article describing the mounting pressures on our transit systems, and their difficulty in meeting the new demand created by people leaving their cars at home. As the article points out, some areas might be able to patch together a response by bringing old buses out of retirement and pressing schoolbuses into commuter use. The long range answer is, of course, more difficult. We are going to have to make a commitment to provide adequate funding so that our transit systems will be able to play a key role in both the short and long range solutions to our energy problems. And we are going to have to take steps to assure that Government, transit operators, and transit suppliers are working together to provide the equipment and expertise to keep these systems operating to provide the best possible service.

Mr. President, beginning on July 17, the Subcommittee on Housing and Urban Affairs which I chair, will hold oversight hearings on the Federal public transportation program. In these hearings, I intend to fully explore how the program is working to meet our transit needs, and what should be done to make it work better. I expect to hear from the Department of Transportation, transit operators and suppliers, State and local officials and other interested groups on their actions and ideas to make maximum use of our mass transit potential.

I ask that the Wall Street Journal article appear in the Record following my remarks.

The article follows:

Rough Riding—Nation's Mass Transit Heads Toward Big Jam as Passengers Increase

(By Albert R. Karr)

Jerry Long was getting fed up with seeing ever-rising gas prices and "empty" signs on gas pumps every time he drove the 10 miles to his job at R. J. Reynolds Industries Inc. in Winston-Salem, N.C., from his home in the town of King. So recently he and some fellow employes decided to do something about it.

They asked the Winston Salem Transit Authority, which has a 65-bus fleet, to start a new route so they could take the bus to work avery day. But the transit people turned them down because they, said, there were no buses available.

On its own, this stands as a minor frustration. Collectively, it is just one more indication of the mounting traffic jam facing transit operators and their customers as tight and expensive gasoline supplies push more and more commuters back into the way of mass transit. After years of neglect, the nation's bus and subway fleets are too small and the requirement is too old and unrealiable to meet the growing demand for service. And with money scarce and production backlogs high, there is no hope of a quick expansion of service.

THEY STAND AND WAIT

Thus, Los Angeles buses now often carry a passenger load that is 150% beyond seating capacity; Seattle commuters are left standing on street corners while full buses pass them by; trains into New York City from Long Island carry an average of 4,000 standees every day; the Chicago bus system is straining at the seams at peak hours, and similar stories come from Nashville, Tenn., and Syracuse, N.Y., to name two other cities.

"There isn't any way we can handle the crunch we may get overnight" if too many commuters decide to leave their cars at home, says Houston Ishmael, who heads the Memphis area transit system. "I don't think there's any system in the country that could handle it."

Just to cope with the demand already anticipated is taxing transit managers. They are laying plans to bring old buses back into service, to wring more use out of their existing fleets, to use school buses for commuter service and to ask employers to stagger work hours so that more of the passenger load can be shifted to off-peak periods.

But even with these actions, an official at the U.S. Conference of Mayors office in Washington warns that the situation "could get very bad in the next few months." Looking further ahead, B. R. Stokes, executive vice president of the American Public Transit Association (APTA), says "If this thing is as severe as it seems to be, we're going to be in for a tough couple of years."

WE DON'T HAVE ANYTHING

Any big swing from private cars to mass transit "would overwhelm any public transportation that we have," says Transportation Secretary Brock Adams. "We don't have the buses, we don't have rail systems, we don't have anything out there" to meet a real energy crisis effectively, he warns.

Even before the gasoline worries of recent weeks, transit ridership had been slowly building. Following the 1973–74 Arab oil embargo, total patronage rose by 6% in 1975; it held the gain after showing tiny additional rises in the next two years. In 1978, according to the APTA, ridership climbed by 4.5% in the first four months of this year, the passenger load grew by another 4.8%, and all signs indicate that it rose more sharply during May.

In Nashville, ridership was 11% ahead of the 1978 in April, and may have been even heavier last month. And the Seattle "Metro" system in recent weeks has been contending with an increase of 15% over last year's passenger rate.

With any severe, long-term gasoline shortage, the demand for public transportation will swell still further. In a recent Gallup poll, 11% of those questioned said they would turn to mass transit if gasoline supplies were seriously restricted.

A BIG SWITCH

In communities of 500,000 to one million population, fully 24% of the respondents said they would switch to mass transit, and in cities with over one million people, 14% said they would switch. With that much switching, government analysts believe, transit demand would more than double last year's total of 26.3 million daily trips by buses and trains. But, the analysts say, transit systems won't be able to handle a surge of that size any time in the near future.

The most common short-term plans calls for keeping old buses in service instead of retiring them on schedule. If the need arises, the Denver, Cleveland and Washington systems expect to bring old buses out of mothballs. But these preparations take time—perhaps six months or more to beef up maintenance shops, recondition old buses and train more drivers, transit officials say.

To get more daily mileage out of their buses, many transit operators are considering reducing the number of stops, speeding up and thus increasing the number of trips. Some systems are considering increasing the number of full-size buses on their main routes and using small buses, vans and even taxis to carry suburban commuters to the main routes. Transit managers in Dallas and Los Angeles are working hard to persuade companies to stagger working hours for employes in the belief that this would enable buses to carry 40% more riders.

Some transit systems would like to use school buses if the passenger demand becomes overwhelming. This idea has been recommended for Dallas and Fort Worth, but Texas law bans the use of school buses for commuters. It's also pointed out by transit officials that school buses would be an extremely short-term solution because they are less durable than regular buses.

New equipment is going to be of little immediate help. It will be as long as two years before all new buses and train cars now on order are delivered, and the 4,500 buses ordered will equal less than 10% of the entire fleet of all local systems.

The two U.S. manufacturers of local-service buses, General Motors Corp. and Grumman Co.'s Flxible Co. subsidiary, are both booked well ahead and have no plans to boost production, although GM indicates it's willing to increase its output if orders increase greatly.

To buy more buses, transit managers are hoping for more federal financing. Although the government pays 80% of the cost of new buses, many systems, Seattle among them, say they are not getting enough help. Even before the current gasoline problems, the Urban Mass Transportation Administration (UMTA) had requested $300 million more than President Carter budgeted for bus-purchase aid in the fiscal year starting next Oct. 1. And although increased ridership is adding to revenues, the added expense for transit systems is wiping out any profits.

"We're doing the best we can with existing resources to expand mass-transit systems, but you don't do that overnight," says John Taylor, associate administrator of the UMTA.

Rail-transit managers are pressing the government for $15 billion in rehabilitation funds. Cities like Los Angeles, Detroit and Honolulu want federal help in building their first subway systems, while Washington, Atlanta and Baltimore are counting on the government for help in finishing their new lines. And most bus systems need more or newer buses or better maintenance facilities "or all of those," says Mr. Taylor of the government's transit agency.

The federal budget for both equipment purchasing aid and operating subsidies amounts to about $3.2 billion annually, and that sum is too stingy to get the job done, transit managers contend. Richard Page, head of the Washington "Metro" system and former federal transit chief, has testified in Congress that genuine transit needs are much greater than the budget allows. Some members have shown sympathy. "Because of the energy crisis, the federal government should be trying to get as many buses on the road as it can, as soon as possible," says Rep. Robert Edgar, Democrat of Pennsylvania.●

Mr. TOWER. Mr. President, I strongly support the amendment offered by the distinguished Senator from Mississippi (Mr. STENNIS) to the supplemental appropriations bill, H.R. 4289, to reduce interest rates on homeowner's loans for disasters occurring on or after October 1, 1978, from the current rate of 7⅜ to 3 percent. This is identical to the treatment to be afforded homeowners under S. 918, the Small Business Investment Act, which has been deadlocked in a conference since May 22.

It is imperative that prompt action be taken by Congress to authorize the Small Business Administration to extend these low interest rate loans to homeowners struck by natural disasters.

This is an emergency situation. Major disasters have occurred throughout the country.

In my State of Texas tornadoes devastated parts of Wichita, Wilbarger, Baylor, and Clay Counties. Floods laid waste to areas in Nacogdoches, Harris, and adjacent counties. There is little we can do to bring relief to the people of these areas to compensate them for the loss of loved ones but we can lighten the load of their suffering by bringing relief through the financial aid provided in this amendment.

Mr. President, I wish to commend the members of the Appropriations Committee and in particular the chairman and ranking minority member for promptly reporting out the supplemental appropriations bill. This contains funds for the Small Business Administration's disaster loan program of vital importance to my constituents. It is my understanding that the Small Business Administration which is to be commended for their work in Texas has now processed some 335 cases for disaster loans of approximately $6.8 million in the Wichita Falls-Vernon area which cannot be funded because that agency has exhausted its appropriations for such loans. H.R. 4289 will provide funds for this emergency.

I urge the adoption of this amendment and the prompt passage of H.R. 4289.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STENNIS. Mr. President, I understand that there will be a rollcall vote on this bill. Here is the Senator from Washington now.

The PRESIDING OFFICER. Do the Senators from North Dakota and Virginia yield back their time?

Mr. YOUNG. I yield back my time.

Mr. BAKER. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back.

The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG) is absent on official business.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted?

The result was announced—yeas 86, nays 8, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—86

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Lugar
Magnuson
Mathias
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young

NAYS—8

Armstrong
Byrd,
Harry F., Jr.
Hatch
Helms
Humphrey
Laxalt
Roth
Zorinsky

NOT VOTING—6

Culver
Inouye
Long
Matsunaga
Nelson
Stevens

So the bill (H.R. 4289), as amended, was passed.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to, and the Presiding Officer appointed Mr. Magnuson, Mr. Stennis, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Inouye, Mr. Hollings, Mr. Bayh, Mr. Eagleton, Mr. Chiles, Mr. Johnston, Mr. Leahy, Mr. Sasser, Mr. Young, Mr. Hatfield, Mr. Stevens, Mr. Mathias, Mr. Schweiker, Mr. Bellmon, Mr. Weicker, and Mr. McClure conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, the Secretary of the Senate is authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 4289.

Mr. ROBERT C. BYRD. Mr. President, the Senate has just completed action on H.R. 4289, making supplemental appropriations for the fiscal year ending September 30, 1979. The bill contains many important appropriations for the current fiscal year.

I want to thank the distinguished chairman of the Appropriations Committee, Mr. Magnuson, the ranking minority member, Mr. Young, and the members of the committee for their fine work on this bill. The need to slow down federal spending is clearly demonstrated in the recommendations contained in the 1979 supplemetal as reported by the Senate Appropriations Committee.

The bill provides funds to continue needed programs. For example, funds are provided for SBA disaster loans to be used for flood-fighting activities and repair work in the Southwest, Midwest, and Southern United States.

Virtually every area of the government is affected by this bill: Agricultural and rural agencies, such as the Appalachian Regional Commission, and others; the Department of Defense and foreign assistance activities; environmental protection, housing, veterans programs; health and educational; transportation—in short, government activities which affect the lives of many hundreds of thousands of Americans.

Also included in the committee's recommendations are funds for the initial implementation costs of the 1978 Panama Canal Treaty, and funds to implement the Middle East Peace Treaty. There are funds for increased pay costs for military and civilian personnel, grants for military and civilian personnel, grants to States for social and child welfare services and funds for Amtrak and ConRail.

While the committee has clearly responded to the need to restrain Federal spending, the funds contained in the bill as reported by the Senate Appropriations Committee are needed to help existing programs continue to operate efficiently through the end of this fiscal year as well as to help implement new programs.

S. 1413—EXTENSION OF ANTITRUST EXEMPTION FOR CERTAIN OIL COMPANIES

Mr. JACKSON. Mr. President, I am introducing a bill to extend the existing antitrust defense for oil companies that participate in the international energy program until January 19, 1986. Without this extension, companies that participate in the voluntary agreement and plan of action to implement the IEP will be subject to prosecution under the antitrust laws for activities carried out under the agreement. Under the voluntary agreement, the oil companies can cooperate to help the U.S. restrain petroleum demand and meet our IEP commitments. Oil companies presently are eligible for the antitrust defense under the Energy Policy and Conservation Act, but the defense expires at the end of this month.

On June 21, 1979, the Committee on Energy and Natural Resources voted to report S. 1317 as amended. This bill would enable oil companies to continue to participate in the IEP for 4 months—until October 31, 1979—while giving Congress time to consider the advisability of the longer extension embodied in the bill I am now introducing.

A more detailed description of the 1986 deadline extension is contained in the Congressional Record of June 12, 1979, in my remarks on S. 1317 which, when introduced, was identical to the bill I am introducing today.

Mr. President, I ask unanimous consent that the bill I am now introducing be referred jointly to the Committee on the Judiciary and the Committee on Energy and Natural Resources.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, has this been cleared with the other chairman?

Mr. JACKSON. The Senator is correct. It has been cleared with the ranking minority member (Mr. Hatfield) on this committee; it has been cleared with Senator Kennedy, chairman of the Judiciary Committee, and with Senator Thurmond, the ranking minority member of the Judiciary Committee.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF ANTITRUST EXEMPTION FOR CERTAIN OIL COMPANIES

Mr. JACKSON. Mr. President, I ask unanimous consent for the immediate consideration of S. 1317, which was reported by the Energy Committee today.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1317) to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, this is a very important piece of legislation. I would simply like to see if we could get an agreement of, say, not to exceed 20 minutes on the measure, with the understanding that there will be no amendments and no debatable motions, and that the only vote occur on the passage of the bill.

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not intend to object, will the Chair be good enough to inform me, is the bill as reported with the limit of 4 months? I know that was the intention.

Mr. JACKSON. Mr. President, that is true. It will expire on October 31, 1979.

Mr. METZENBAUM. I thank the distinguished chairman of the Energy Committee. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? Without objection, the bill will be considered as having been read twice, and the Senate will proceed to its consideration, with the time limitation as requested by the Senator from West Virginia.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time limitation of up to 20 minutes be equally divided between the Senator from Washington (Mr. Jackson) and the Senator from Oregon (Mr. Hatfield).

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Washington yield for a further unanimous-consent request?

Mr. JACKSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, Mr. Bradley and Mr. Pryor will shortly call up a resolution, and ask for its immediate consideration. It has been cleared on the other side of the aisle. I ask unanimous consent that on that resolution there be a 30-minute time limitation, to be equally divided between Mr. Bradley and Mr. Hatfield or their designees, that there be no amendment in order, and no motion, but only a vote up or down on the resolution itself.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, and I shall not object, could we have some indication as to the subject matter?

Mr. ROBERT C. BYRD. Yes. The resolution would call upon the President to convene a domestic Energy Summit Conference for the purpose of giving the American people an authoritative explanation of the present energy supply shortage, and for other purposes.

Mr. HARRY F. BYRD, JR. I have no objection. I think that is an excellent idea.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF ANTITRUST EXEMPTION FOR CERTAIN OIL COMPANIES

The Senate continued with the consideration of S. 1317.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The legislative clerk read as follows:

On page 1, line 5, strike "January 19, 1986" and insert "October 31, 1979", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6272(j)) is amended by striking out "June 30, 1979" and inserting in lieu thereof "October 31, 1979".

Mr. JACKSON. Mr. President, S. 1317, as reported by the Committee on Energy and Natural Resources, would extend the existing antitrust defense for oil companies that participate in the voluntary agreement under the international energy program until October 31, 1979. Without this extension, companies that participate in the voluntary agreement will be subject to prosecution under the antitrust laws after June 30, the last day of this month, for activities carried out under the agreement.

I introduced S. 1317 on June 12, at the request of the administration. The original bill would have extended the current antitrust defense until January 19, 1986. Because of the limited time available before the June 30 expiration date, the committee did not hold hearings on S. 1317. Instead, the bill was amended by the committee to shorten the deadline until October 31, 1979. S. 1317 as amended would enable the oil companies to continue to participate in the IEP for 4 months while giving Congress time to consider the advisability of extending the antitrust defense for a longer period.

I introduced a bill earlier today that would extend the antitrust defense until January 19, 1986, the deadline recommended by the administration. If S. 1317 is adopted, we will have 4 months in which to hold hearings on the longer extension. At those hearings, we will be able to explore in detail whether the oil industry is engaging in any anticompetitive practices through the IEP, and whether any further extension of the antitrust defense is necessary.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Alice Rivlin, of the Congressional Budget Office, dated June 22, 1979, pointing out that it is expected that no additional cost to the Government would be incurred as a result of the enactment of this bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 22, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, 3106 Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 1317, a bill to extend the existing antitrust exemption for oil companies that participate in the Agreement on an International Energy Program, as ordered reported by the Senate Committee on Energy and Natural Resources, June 21, 1979.

Based on this review, it is expected that no additional cost to the government would be incurred as a result of enactment of this bill.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. JACKSON. Mr. President, I do not have any request for time on my side. Does my distinguished colleague from Oregon have a requirement?

Mr. HATFIELD. No, Mr. President, there are no requests on our side for time. I will yield time to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I appreciate the Senator yielding me time.

Mr. President, this measure has a very major impact upon the energy policies of this country. As a matter of fact many of us knew that the antitrust exemption would expire on June 30, and, as a consequence, the committee staff members of the Energy Committee advised the Department of Energy that it would expire back in January of this year. No action was forthcoming from the administration.

Later, on March 26, the staff of the Judiciary Committee advised the Antitrust Division of the Department of Justice that the exemption would expire on June 30, and that if they had any intention of coming to the Congress with an extension request, they should do so at that time.

Unfortunately, they did not see fit to do so.

Then they came to the Congress and asked us under the pressure of time to provide the extension.

There are very serious questions involved with respect to this entire matter, a matter of whether or not the oil companies of this Nation have the right to be exempt from the antitrust laws in connection with their activities at the International Energy Agency. Although I attended a meeting of the International Energy Agency and was very much impressed with the power and the influence that the oil companies have, they were actually manning three of the major subcommittees of the International Energy Agency, the fact is that I am not positive what purpose is served as far as our Nation is concerned.

There have been suggestions made in the public print indicating that the oil companies of this Nation have diverted from our shores to other shores, to other countries, oil that properly belonged to this country. They ostensibly did it on the basis of their determination of how they were interpreting their responsibilities under the IEA agreement to cut back on a voluntary basis 5 percent. Only what they did is they cut back 5 percent of total consumption instead of 5 percent of imports, which meant that our country had diverted from its shores more than twice as much as many other nations had, those other nations not actually having any production of their own.

There is a real question as to how our Nation's purposes are served by the International Energy Agency. Even if the purposes of our Nation are served by participating in the International Energy Agency, the question arises as to whether or not there should be an antitrust exemption for those oil companies that are involved, and why there need be an exemption.

Under the proposal that we have here today we will extend for a period of 4 months the exemption, and, thereafter, under the legislation previously introduced by the chairman of the Energy Committee, the matter will be considered in full, with adequate time to determine whether or not it serves our country's best interests or whether it serves the oil companies' interests for the antitrust exemption to continue.

I rise to support the extension for 4 months, and I am pleased about the fact that in due time the Antitrust Subcommittee of the Judiciary Committee will have ample opportunity to give this matter full consideration as will the Energy Committee, both of which will be in a position to conduct hearings on the subject.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I merely want to express my appreciation to Senator METZENBAUM and Senator KENNEDY, as well as Senator HATFIELD, for working out what I think is a sensible solution so there can be a full ventilation of potential issues which could be raised in connection with this waiver that we have provided in the past for the international energy program.

I believe we are ready to vote. I am prepared to yield back the remainder of my time.

Mr. HATFIELD. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JACKSON. I yield back the remainder of my time.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (S. 1317), as amended, was passed as follows:

S. 1317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6272(j)) is amended by striking out "June 30, 1979" and inserting in lieu thereof "October 31, 1979".

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, what is the parliamentary situation?

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that before the Senate returns to the unfinished business, there be a period for the transaction of routine morning business of not to exceed 45 minutes, and that Senators may have up to 5 minutes to speak during that period.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.) Is there objection? The Chair hears none. It is so ordered.

The Senator from Oregon.

Mr. KENNEDY. Mr. President, will the Senator from Oregon yield for a unanimous consent request?

Mr. HATFIELD. I yield.

Mr. KENNEDY. Mr. President, I felt we would be back on the direct election debate. I intended to comment. I ask unanimous consent that my remarks be printed in the RECORD in their entirety if I am not allowed to get to them later. I ask unanimous consent that my remarks be printed in their entirety as if read, and that they be appropriately placed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I say to the distinguished Senator from Massachusetts that I do not believe it will require 45 minutes. The distinguished Senator from New Jersey (Mr. BRADLEY) will call up a resolution and ask unanimous consent to proceed with it, I am sure. He will want a rollcall vote.

On the disposition of that rollcall vote, the Senator from Massachusetts may proceed.

Perhaps the Senator will want to get the yeas and nays now, Mr. President. I ask unanimous consent that it be in order for the yeas and nays to be ordered on the resolution by Mr. BRADLEY at any time.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

PROPOSED DOMESTIC ENERGY SUMMIT CONFERENCE

Mr. BRADLEY. Mr. President, on behalf of myself, the Senator from Arkansas (Mr. PRYOR) and the following Senators, I send to the desk a resolution calling on the President to convene a domestic energy summit conference: Mr. JACKSON, Mr. HATFIELD, Mr. BIDEN, Mr. DECONCINI, Mr. DANFORTH, Mr. WEICKER, Mr. TSONGAS, Mr. PRESSLER, Mr. MOYNIHAN, Mr. BUMPERS, Mr. FORD, Mr. CANNON, Mr. DOMENICI, Mr. EXON, Mr. MCGOVERN, Mr. RANDOLPH, Mr. SASSSER, Mr. STONE, Mr. WILLIAMS, Mr. BAUCUS, Mr. DURENBERGER, Mr. LEVIN, Mr. MORGAN, Mr. JOHNSTON, Mr. CHILES, Mr. HEINZ, Mr. METZENBAUM, Mr. DURKIN, Mr. DOLE, and Mr. STEWART.

I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 191) calling upon the President to convene a domestic Energy Summit Conference.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, Mr. BRADLEY and Mr. PRYOR have discussed this resolution with me in the last several days. It has been cleared, I believe, with the minority. I not only do not object, but I applaud them on their initiative.

Mr. BRADLEY. I thank the majority leader for his comments and his help on this matter.

The Senate proceeded to consider the resolution.

Mr. BRADLEY. Mr. President, the resolution is simple in nature, but important. In a nutshell, it calls on President Carter to convene an energy summit conference in a new effort to determine the reasons for our current energy supply problems, to independently verify all industry information, and then to give the American people a full report on the situation. The need for such action is undeniable. Citizens across this land are increasingly confused, angry, and suspicious. Credibility has been eroded to the point where many citizens not only believe the gasoline shortage has been contrived by the oil industry to raise prices, but even believe that the Energy Department has been collaborating in this scheme.

The American people want straight answers and they are getting precious few. Every day, we see additional evidence of frustration on the rise. We see fragmentation in the special interest groups. We see a deteriorating sense of national unity. We see a growing "Me first" attitude which breeds civil contempt and social breakdown.

If we want the American people to face adversity together, they must get authoritative and credible explanations for the present circumstances. Our resolution establishes a process by which the American people can obtain that information. It has a clear beginning and a definite conclusion.

First, the President would call upon the energy industry to provide all information he wants or needs for an assessment. Many facts are already in Government hands, but some still may be unavailable or unknown.

Second, the data received should be subjected to analysis, independent verification and auditing by various public institutions, which now exist for those express purposes. Chief among them are the Energy Information Agency, which has a budget of $85 million, and the Energy Department's Special Counsel for Compliance, which is funded at a $35 million level specifically for the purpose of checking the facts of the oil industry.

We should also consider engaging other entities such as GAO in this search for independent verification of oil industry facts.

Third, the results of this collection process should be submitted to a conference comprised of representatives of the industry such as dealers, retailers, jobbers, by consumer groups, Government experts, and other qualified participants.

This conference can assess the true impact of reduced production in Iran, of topping off of gasoline tanks in the United States, whether U.S. Government regulations have helped or aggravated the problem, whether refinery runs are up or down. It can also address the various other questions and theories that have been advanced.

The report of the conference and the President's assessment of its results would then be provided to Congress and delivered by the President to the Nation as a whole. Unless the Nation perceives the crisis, they will not make the sacrifices. Obtaining the facts allows the crisis to become real and allows us to begin talking about what remedies should be taken.

The idea behind the resolution, as I said, is simple. The process is not unusual, but the objective is important. The American people will believe the explanation only if it comes directly from the President, if it is based on the best evidence available, and if the explanation is the result and the product of all differing interests and perspectives. Our resolution accomplishes all of these goals.

I yield now to Senator JACKSON.

Mr. JACKSON. Mr. President, I commend the distinguished junior Senator from New Jersey for his leadership in putting together this resolution. It is the kind of move that is needed to restore public confidence in this country.

I must say that the problems that we face, especially at the gasoline pump, remind me in many ways of my years as a youngster, during the depression in the 1930's, when we had runs on the banks.

The country lacks confidence in our energy program, no matter how much we have tried, no matter how much we have been able to do.

Mr. President, this resolution brings together all groups within the Senate. I am sure it will be a unanimous vote.

I pay my special respects to the distinguished Senator from New Jersey, who is an able member—new member as he is—on the Committee on Energy and Natural Resources. We are most appreciative.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BRADLEY. I yield.

Mr. HATFIELD. Mr. President, I join the chairman in commending the junior Senator from New Jersey (Mr. BRADLEY) and the junior Senator from Arkansas (Mr. PRYOR) for their leadership in this matter.

Mr. BRADLEY, as a member of our Energy Committee, has been very active and has provided excellent leadership toward helping to solve this problem. His creative mind, together with that of Senator PRYOR, is an illustration of the high caliber of our new freshman class in the Senate.

I have supported Senator BRADLEY and Senator PRYOR in this effort. As the ranking minority member of the Energy Committee, I wish to add my voice at this time to theirs and to indicate the enthusiastic support I have for their proposal.

Mr. PRYOR. Mr. President, will the Senator yield?

Mr. BRADLEY. I yield to my distinguished colleague, the junior Senator from Arkansas (Mr. PRYOR).

Mr. PRYOR. Mr. President, I should like to add my vote of thanks to the Senator from New Jersey for his leadership in this field. We started together some weeks ago, working as a team, attempting to get the President to call an energy summit relative to establishing some basic facts of life and answering some very critical questions that haunt this country.

The first question is, do we have an energy crisis? The second question is, is it for real, and do the people believe it? How do they perceive it?

However, probably even more dangerous than a lack of energy is the lack of credibility which is building daily in America. Upon which set of facts do we rely? Whose information do we accept? Whose information can be discarded? What is fact and what is fiction?

Mr. President, major energy producers are under siege. The Department of Energy has turned out to be an all-thumbs bureaucratic monstrosity. The American consumer is losing faith, and the Government's inability to come to grips with this crisis is spreading like a prairie fire across this great Nation.

It is my belief, and I think it is the belief of the distinguished junior Senator from New Jersey, that one of the main reasons for the lack of public confidence is the almost total absence of credible facts upon which the American people and those of us in Congress can base our decisions which will ultimately determine the energy policy of this country.

Today, almost every discussion in the area of energy production, foreign dependence, and allocation formulas has resulted in unresolved arguments over whose facts are real. This is a preposterous and indefensible position and one which will lead to chaos if not corrected immediately. It is impossible for us to assume that the American public will follow our leadership under such circumstances.

Therefore, Mr. President, I believe the people of America are today crying out for positive action which will demonstrate that their Government has the capacity to resolve this national crisis. The American people want the facts, no matter how alarming or how bad those facts might be. We can do no less than to provide a proper forum for these facts to be developed and then to act, quickly and decisively, upon those facts.

Mr. President, I especially say thanks to those Senators who have joined us in this resolution. I pay a special tribute to the Senator from Kansas (Mr. DOLE), who has been helpful in drafting the language and incorporating some of his ideas into this sense of the Senate resolution, which I think is most timely. I certainly hope that our colleagues will support it wholeheartedly.

I thank the Senator for yielding, and once again I thank him for his leadership in this area.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from New Jersey yield?

Mr. BRADLEY. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the two splendid Senators—the Senator from New Jersey (Mr. BRADLEY) and the Senator from Arkansas (Mr. PRYOR)—for this proposal. I think it is one that is greatly needed.

The initiative shown by the Senator from New Jersey and the Senator from Arkansas is one that will be helpful to our Nation.

There are many of our fellow citizens, including many of our colleagues, who do not have the answers to the problems posed and the questions posed in this resolution.

If this resolution is carried through, as presumably it will be, and a conference is held, and a report is made to the Congress of the United States, the people of this country will be greatly enlightened, and it is hoped that at that point a new direction can be charted in this vitally important matter.

I commend Senator BRADLEY and Senator PRYOR.

Mr. BRADLEY. Mr. President, I thank the Senator from Virginia for his support in this issue. I concur with him that this does establish a process, which is the critical thing. The American people can know that, at the end of it, they will have the facts as we know them, they will be independently verified, and we can then begin the great debate as to what to do about those facts.

Mr. President, I am prepared to yield back the remainder of my time. I have no further requests for time.

The PRESIDING OFFICER (Mr. TSONGAS). Who yields time?

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I am prepared to yield to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I first apologize for delaying the Senate. I was speaking in another meeting and was unavoidably detained.

I certainly support the resolution submitted by my distinguished colleagues from New Jersey and Arkansas.

If it has not already been done, and if it is satisfactory with the original principal sponsors, I ask unanimous consent that I be joined as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the Senator from Kansas rises in support of this resolution submitted by my distinguished colleagues from New Jersey and Arkansas. However, I do with some reservations.

This resolution placed before the Senate today calls upon the President to convene a domestic energy summit conference so to give the American people a credible explanation to our present energy supply shortage. The resolution states that the data should be independently verified by experts such as the Energy Information Administrator and the General Accounting Office. It also states that the conference take a look at the possibility of the President establishing a National Energy Council to review on a continuing basis the facts on energy supply and data credibility.

Mr. President, the one concern that I have had, whether it is a summit meeting or the establishment of a National Energy Council, has been that most Americans, whether they live in my State of Kansas, or in Arkansas, or New Jersey, or Virginia, or in Massachusetts, do not believe that an energy crisis really does exist. I believe that if a poll were taken of those who went through the Capitol today 70 or 75 percent would say, "Well, there really isn't any energy shortage; it is a contrived shortage by the oil industry."

Unfortunately, Mr. President, very little has been done by Congress or by the executive branch to alleviate this crisis of credibility.

Mr. President, what we need to address now and what is being addressed in this resolution is the problem of credibility. A determination must be made by some independent source, someone outside politics, and someone outside the energy industry, as to our energy reserves and our energy supplies whether we talk about coal or oil or gas, or whatever, and then indicate the findings to the American people.

The point is we have today a crisis of credibility. The American people are in the gas lines, and they really are not certain there is a gas shortage. When that happens they are looking to Congress to point the finger of blame or at least extend a hand of "please help me."

But, Mr. President, before the Congress can begin to deal with the symptoms of this shortage, and the more complex longrun approach to solving our energy crisis by exploring alternative energy sources, we must have the full trust and confidence of the American people. Without that confidence, this Congress cannot proceed in its tasks. Difficult decisions will have to be made to solve the energy crisis. But I am afraid, as I have stated before, these decisions will be meaningless unless the Government has the full support of all our citizens.

The Senator from Kansas is proud to join the distinguished Senators from New Jersey and Arkansas, and the other cosponsors. I do not think anyone has any great pride of authorship when it comes to this resolution. What we are trying to decide is a way to establish credibility. The Senator from Kansas thought at the outset perhaps the best way to do that would be to establish a National Energy Council, chaired by the Vice President of the United States, Mr. MONDALE, and composed of 15 public members, none of who are in politics, or the energy industry. The membership of this council would reflect a cross-section of views and philosophies drawing from leaders of consumer groups, environmental groups, academic and research groups, and the labor organizations.

This Senator believes that the only way the American people are going to trust what is said about the energy situation is if such a council is formed and that they report their findings to the American public.

I believe the way the resolution is presently drafted an accommodation has been made for that to happen. It does not necessarily have to happen, but if the President determines that such a council were necessary he could proceed to establish one.

I hope that the President of the United States will seize the opportunity he has, and he does have an opportunity at hand. This resolution provides the President with a concept for action, directed at restoring credibility in the public's eye. It also provides him with the support of Congress. We are willing to share some of the blame or some of the criticism, but more than that is needed. The Nation needs answers to our current problem.

I think what we are suggesting, in a very noncritical way, is that we believe, and particularly those who are the original cosponsors of this amendment, that now is a time to establish credibility. Now is the time to develop some credible approach to solving our energy problem.

I hope the President will realize the necessity to hold such a summit that is set forth in the resolution, and I hope he will also see fit to form an ongoing national energy council, which could act as a buffer between Congress, the executive branch, the energy industry, and the American people; some independent objective group that would make independent determinations from time to time as to our progress in achieving a sound, credible national energy policy.

Mr. President, to assure that our energy needs are met we must move quickly to dispel existing doubts and answer questions concerning our problem, and the reporting of these parts by an independent council of Americans would be the best method of solving the crux of the energy problem—that being credibility.

The American people need reassurance that they are being told the truth about the current situation and the establishment of a National Energy Council will provide open and honest, and nonpolitical answers to the questions and doubts of the American people.

Almost 3 years ago President Carter declared his "moral equivalent to war" against the energy problem, but today we are faced with a crisis which has exceeded everyone's expectations.

Mr. President, there is no doubt about it, the time is running out. The American people have been patient for the most part. They are, however, becoming more and more frustrated and confused, and quite frankly I do not think anyone can blame them.

So I am very pleased to support the resolution. I appreciate the distinguished Senators accommodating not the request but the suggestion of the Senator from Kansas for the reasons that I have just stated. My proposal does not detract from the resolution offered by the Senator from Arkansas, the Senator from New Jersey, and others. I think it can only add credibility if it is properly utilized.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the Senator from Kansas for his remarks and for his cosponsorship of this resolution.

I think that his suggestions have improved and indeed the whole idea of a conference might form the germ for a more permanent body, such as the energy council he has suggested.

I thank him for his assistance in this matter.

● Mr. STONE. Mr. President, today I rise in cointroducing a resolution calling for a National Energy Summit Conference. This resolution is very similar to a resolution which I introduced, and the Senate adopted, during the last Congress. Unfortunately, such a conference was not convened.

Mr. President, I hope that this time, the call for a National Energy Conference will be answered. Although the time has long passed for the Federal Government to have adopted an effective national energy policy, the sad reality is that as yet we have no such policy. We have bills pending before our Energy Committee which would embark us on a "Manhattan-type" project to develop synthetic fuels and which would increase the production of "gasohol" and solar energy, along with other alternative fuels. I support these efforts. However, in addition to all of these measures, we need to adopt a coherent, long-range, national energy plan to end our dependence on unstable foreign sources of energy such as OPEC. We need to get the information necessary to develop such policy. We need a National Energy Summit Conference to bring together the top minds from the private and public sector to determine the best course for our Nation to take in making our great Nation energy self-sufficient.

Mr. President, I am hopeful that my colleagues will join in adopting this resolution. I hope even more that we can work with the administration in putting into place a national energy policy.

Mr. President, I ask that my remarks and the text of my joint resolution which I introduced in the last Congress be inserted into the RECORD.

The statement and joint resolution are as follows:

STATEMENT BY SENATOR STONE, NATIONAL LEADERSHIP CONFERENCE ON ENERGY POLICY

Mr. President, I am today introducing, with several other Senators, a resolution which calls upon the President of the United States to convene a national leadership conference on energy policy. On August 27, 1976, the Senate passed an almost identical resolution, Senate Joint Resolution 206. Unfortunately, the same resolution introduced by Congressman Harley Staggers, Chairman of the Interstate and Foreign Commerce Committee, was not acted upon by the House of Representatives before the 94th Congress adjourned. I am introducing this resolution again because the country does not as yet have a comprehensive, national energy policy. This is the case despite the fact that our dependence on foreign sources of energy is increasing and our vulnerability to any future embargo is greater than ever before.

The dangerous situation we are in was recently dramatized by the ability of the Organization of Petroleum Exporting Countries to increase yet again the price of crude oil. Even though Saudi Arabia and the United Arab Emirates will apparently keep this price increase less than expected, the fact remains that our country and other industrial countries must pay whatever price the OPEC nations decide to set. This is certainly an intolerable situation.

Mr. President, the new Administration has a unique opportunity to lead the nation toward the development of an effective national energy policy. Certainly a fresh approach is needed and I am confident that President-elect Carter will provide that approach. In my opinion, the National Leadership Conference on Energy Policy, as called for by this resolution, would be of considerable assistance to the new President in this respect. I have presented the suggestion of a National Energy Conference to President-elect Carter and his energy advisors. The introduction of this resolution today is in the spirit of suggestion and with the belief that such a conference can help the President and the Congress to come to grips with the continuing energy problem.

In directing the President to convene a National Leadership Conference on Energy Policy, this resolution seeks to renew the public's concern and attention with respect to the nation's energy crisis and to stimulate the development, adoption, and implementation of a comprehensive national energy policy.

The resolution sets forth a list of individuals, institutions, organizations, and citizens groups which shall be represented at the Conference, including Members of Congress and other government officials; representatives of energy industries, public utilities, industrial and financial trade organizations; representatives or environmental, conservation, agricultural, and consumer organizations; representatives of organized labor; and individual citizens with particular academic, scientific, or other special expertise in the energy field.

The 1973 embargo on petroleum exports imposed by the Organization of Petroleum Exporting Countries shocked the economies of the United States and other industrialized countries. In this country, inflationary pressures were dangerously exacerbated and the recession was deepened. Unemployment increased dramatically in sectors of the economy particularly dependent on energy consumption. America's national security interests and position within the community of nations were adversely affected. The OPEC embargo dramatized how precariously dependent America had become on foreign sources of energy. It also underscored how wasteful America had become in its consumption of energy.

Before, during and after the embargo, the 93d Congress took a number of significant actions in the energy field, including the enactment of the Emergency Petroleum Allocation Act; the establishment of a major energy research and development program; and the creation of the Federal Energy Administration to administer allocation and pricing programs, collect energy information and develop new energy policies.

Although the end of the embargo alleviated some of the immediate problems facing the country, the fundamental problems of increasing dependence on foreign energy sources and increasing energy demand remain. Energy prices have quadrupled in three years and are increasing. Our economy and our national security are more dependent than ever before on unreliable sources of energy.

With this situation in mind, the 94th Congress considered and debated numerous legislative proposals dealing with various aspects of the nation's energy crisis. Countless days of public hearings were conducted by many different committees of the Senate and House of Representatives. A number of significant measures were enacted including the Energy Policy and Conservation Act, the Naval Petroleum Reserves Production Act and the Energy Conservation and Production Act. These measures provide, among other things, for the development of a Strategic Reserve System, the administration of domestic energy pricing policies and the establishment of major conservation programs.

Despite the enactment of these and other statutes, Mr. President, experts and government leaders remain divided and uncertain as to the contents of an effective national energy policy and the public appears to have become indifferent. Energy demand, having leveled off for two years following the embargo, is rising again as economic recovery proceeds. Although the short-term supply situation appears secure, America's dependence on foreign sources of energy continues to increase and OPEC continues to raise its prices for petroleum and petroleum products.

We remain today—as we were at the time of the 1973 embargo—dangerously dependent upon OPEC for our vital energy supplies. Until this situation is corrected, our national security—as well as our economic well-being—will to a large extent be subject to decisions made beyond our shores and over which we have no control.

I respectfully suggest, Mr. President, that we have come to a point of national indifference toward America's energy supply. As a people we seem to prefer the illusion of short-term comfort to the reality of dealing with our fundamental energy problems. Ironically, this apathy is increasing as the country begins to recover from the economic recession and has a higher demand for energy. If the recovery continues—as we hope it would—demand for more energy must be expected to rise in tandem.

An example is the increased demand for motor gasoline. For the month of September, 1976, demand for motor gasoline was 7.08 million barrels per day. Compared to the same period in the last three years, demand was up 5.2 percent over 1975; 10.8 percent over 1974; and 7.6 percent over 1973. Motor gasoline demand for the year 1976 to date—ending in September—was up 4.6 percent over the same period for 1975; 7.2 percent over 1974; and 4.1 percent over 1973.

In order to rekindle our national resolve and to focus our thinking about energy, I propose that the conference should convene soon enough to lay the groundwork for a Presidential and congressional energy-policy initiative early this year. The recommendations of the conference should provide a springboard for the President and the Congress to achieve a truly comprehensive energy program for the country.

As set forth in section 2 of the joint resolution, the conference would consider alternative policies available to the United States in resolving the energy problems confronting us. The conference would review our present situation, analyze our opportunities and difficulties, and construct proposals which would form the basis for an immediate national energy policy. In this process, the conference would consider the development of reliable sources of energy, the need for meaningful energy conservation, the economic, environmental, and international as well as domestic impact of specific energy proposals.

Section 3 of the joint resolution directs the President to establish a conference committee, composed of 15 individuals representative of conference participants, to plan the conference pursuant to Presidential guidelines. It provides for the staffing of the conference committee should be directed by rection of the conference committee. The conference committee should be directed by the President to consult with interested citizens, organizations, and associations at every stage of planning and structuring the conference, in order to assure that the format and focus of the conference reflects the whole range of concerns and viewpoints regarding energy.

Section 6 of the joint resolution provides for the authorization of such sums of money as are necessary to carry out the provisions of the resolution. The Conference Planning Committee would have control over the cost of the Energy Conference, but it could be and should be as inexpensive as possible. As in the case of past Presidential conferences, I anticipate that most of the participants would pay their own way in order to present their views at such a crucial symposium.

The main focus of this conference is to be the development of a near-term energy policy. While we have much to accomplish in the area of research and development for new energy sources and improved technology, the Nation's most urgent need is to put into place an energy policy which will assure reasonable economic growth, encourage meaningful conservation, and safeguard the environment over the next ten years. The conference should concentrate on what should be done now to encourage greater domestic production of oil, gas and coal recognizing that the American economy and standard of living will continue to require enormous amounts of energy.

We need to review and analyze the impact of present Government policies including oil and gas price control, Federal coal-mining regulation, and Federal tax provisions—to determine their impact on America's energy situation. Although the 94th Congress enacted the Energy Policy and Conservation Act of 1975 and worked hard on other legislation affecting energy, we do not have either a clear understanding of the resulting impact of the present energy legislation or the proper future role of Government regulation in the energy field.

The conference should give attention to at least five areas which bear upon the formulation of a national energy policy. These areas are: the worldwide energy situation, energy resources in the United States, the social, economic, and political implications of energy policy options, the environmental implications of energy policy options, and energy conservation. All of these areas interrelate and these relationships should also be explored.

Most Americans realize that there can be no consideration of America's energy needs without reference to the international energy situation. The OPEC cartel controls crucial production and pricing levels. To a great extent, the economies of the industrial West and Japan and the survival and development capabilities of the Third World are tied to OPEC supplies. The possibility of changing this control seems remote; therefore, we have to review the international situation carefully in the process of developing a national energy policy.

The conference will want to study our own American resources. Our highly developed technological capabilities and our abundant natural resources give the United States a unique position among industrialized nations in meeting future energy needs. Taken together and properly fastened, we may have sufficient sources of oil, gas coal, and nuclear power to meet our energy needs in the near future. How wisely we use these resources and this technology will in large part determine our future economic development and national security.

There is a price to be paid for new energy development or the lack thereof. The impact of alternative energy policies on our way of life must be recognized. It is incumbent upon us as a people to chart a course somewhere between ill-considered development and no development at all. The conference must address these matters.

There is a strong sentiment that energy development in this country must not be undertaken without first carefully considering the impact on the environment. We have already paid a high price for the random energy development practices of the past. Only the orderly and intelligent use of the Nation's energy resources can provide for continued economic development without ruining our precious natural heritage. The National Leadership Conference on Energy Policy should review carefully the relationship between the need for energy development and the imperative of preserving the environment.

Additionally, Mr. President, the conference must look to energy conservation. No nation wastes more energy than the United States. A significant amount of our consumption is mindlessly lost without purpose. As yet, neither the Federal Government nor State governments have implemented an effective energy conservation program. Consumption levels must be reduced, however, without undue disruptions to the essential requirements of our economy and standard of living. What we need, and what the conference should work toward, is a practical and equitable conservation program for the country that will have the support of the American people.

Mr. President, we need a comprehensive energy program now. Waiting earns us nothing and may cost us plenty in lost jobs, another round of inflation, and low national morale. Our energy problems are serious—and they are not going away by wishful thinking. Let us marshal our resources—our advanced technology, our material abundance, our diplomatic skills, and our "can do" spirit—and direct them toward our most critical continuing dilemma—energy. To do less is to invite disaster.

For all these reasons, Mr. President, the resolution I have submitted today, calling for what amounts to a summit conference on energy, should be agreed to and implemented.

Mr. President, I would like to include in the Record a chart of United States petroleum imports for the period of January through September, 1976. I ask unanimous consent that the text of the joint resolution be printed at this point in the Record.

S.J. Res. 11

Whereas the United States continues to face critical problems relating to energy, despite enactment in 1975 of the Energy Policy and Conservation Act;

Whereas, because of insufficient development of reliable domestic energy sources, such as oil, gas, and coal, and insufficient energy conservation programs, United States dependence on unreliable foreign energy sources continued to increase during 1976;

Whereas the Nation's security, economic vitality, and environmental well-being depend upon the adoption of a comprehensive energy policy to resolve these problems; and

Whereas the successful development and implementation of such a policy requires the active support of the American people and the cooperation of all levels and branches of government. Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall call a National Leadership Conference on Energy Policy (hereafter in this joint resolution referred to as the "Conference") to convene in Washington during 1977. The President shall, not later than April 1, 1977, announce the beginning date of the Conference.

Sec. 2. (a) It shall be the purpose of the Conference to consider alternate policy approaches available to the United States with respect to energy. In particular, the Conference shall develop specific proposals to increase the supply of energy from reliable sources with minimum impact on the environment, and decrease domestic energy demand in ways not harmful to America's economic recovery, which shall form the basis for the development of a national energy policy to be implemented during 1977 and thereafter.

(b) The Conference shall be composed of, and bring together—

(1) Members of the Congress and Federal, State, and local government officials with responsibility over energy policies and programs;

(2) representatives of energy industries;

(3) representatives of public utilities;

(4) representatives of environmental and conservation organizations;

(5) representatives of consumer organizations;

(6) representatives of industrial and financial trade associations;

(7) representatives of organized labor;

(8) representatives of the academic and scientific communities;

(9) representatives of agricultural groups; and

(10) individual citizens with particular expertise in the energy field.

SEC. 3. (a) Within thirty days after January 22, 1977, the President shall appoint a committee which shall make all necessary arrangements and preparations for the Conference. The committee shall consist of fifteen members and shall, insofar as possible, be representative of members of the Conference. The President shall designate one of the members of the committee to serve as Chairman and one to serve as Vice Chairman.

(b) The committee shall prepare and make available background materials for the use of members of the Conference.

(c) The committee is authorized—

(1) to request the cooperation and assistance of other Federal departments and agencies in order to carry out its responsibilities, and

(2) to employ such personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 51, and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, but no individual so employed may be paid compensation at a rate higher than the annual rate of level V of the Executive Schedule under section 5316 of such title.

(d) Each Federal department and agency is authorized and directed to cooperate with and provide assistance to the committee upon its request.

SEC. 4. Members of the Conference and members of the committee shall, when attending the Conference or when attending to the business of the committee, as the case may be, and away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

SEC. 5. A final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President not later than sixty days following the close of the Conference, which final report shall be transmitted to the Congress and made public.

SEC. 6. There are authorized to be appropriated such sums as may be necesary to carry out the provisions of this joint resolution.●

● Mr. PRESSLER. Mr. President, I am pleased to be a cosponsor of this bipartisan effort to have the President convene a "Camp David" Conference of U.S. leaders to determine, if at all possible, exactly where the country is in relation to the energy situation.

The purpose: To reduce public suspicion and get moving toward an answer to our energy challenge.

Mr. President, I question why the Senate has not spent as much time solving domestic matters as it has with its preoccupation with matters of foreign policy.

We will be tied up for 3 months on debates over the Panama Canal and SALT II, but where is the effort when it comes to energy?

I must respectfully urge that the President:

First, ask for any and all information from corporations that produce, refine, and/or transport oil within the United States;

Second, have the information analyzed by independent experts within the Government and the private sector; and

Third, present the conclusions of the conference to the American people so they can make judgments and prepare themselves for any individual sacrifices they may have to make.

When so much contradictory information is sent out to the American people, it is no wonder that there has been an erosion of credibility and public confidence.

We need clarification by the President so Americans can get the facts from one source.

As we pointed out in our letter to our colleagues, Mr. President, it is distressingly evident that great confusion exists throughout the country over our present energy situation.

Polls show a majority of Americans unconvinced that there is an oil shortage. Conflicting explanations for the shortages and contradictory predictions about the situation for the balance of the year have combined to produce great disarray in the country.

As a result there is no consensus about the energy situation or what policies must be followed to meet it.

Many people in the country believe that shortages are the result of deliberate action by the Department of Energy, the oil producers, retailers, or a conspiracy among them.

It is quite clear that satisfactory policies cannot be formulated by Government and will not be supported by the American people until the public is persuaded that there is an energy problem, and until Americans receive a candid, coherent, and authoritative explanation.

That is why we, along with other Senators, have called upon the President to convene an energy summit conference.

Mr. President, I would hope that the Senate would pass this resolution today to show the American people that we mean business about the energy crisis and that we want to get to the bottom of the problem. As we pointed out in our letter, the credibility of the public can only be restored if the President can provide the people with an authoritative explanation—founded on the best evidence and analysis possible—of what is really going on.

This Senate resolution, to set up the Energy Summit Conference, will help our country face up to its responsibilities and meet the real challenges at hand.

It is my sincere hope, Mr. President, that the Senate sees fit to pass this resolution overwhelmingly.●

● Mr. BIDEN. Mr. President, I am also pleased to sponsor, with a number of colleagues, the Senate resolution before us now, calling on the President to convene an Energy Summit Conference bringing together representatives of the oil industry, consumers knowledgeable on energy matters, and Government officials. I believe such a summit should be charged with developing a consensus on the nature of the present shortage and a recommendation for public and private action to meet it. Therefore, I urge my colleagues in the Senate to support this resolution.

While the public is rightfully concerned about the shortage of gasoline, we must now begin focusing on the even more worrisome prospect of home fuel oil shortages. Inventories for home heating oil are at record low levels, and decisions must be made soon if we are to insure the public of a winter free of heating oil shortages.

Should it be necessary to consider more stringent restrictions on the use of gasoline now in order to adequately prepare for winter, I believe the public would make the necessary sacrifices. Inconvenience or hardships suffered for lack of transportation pale in significance in comparison to the possiblity of subfreezing temperatures without adequate heating oil next winter.

One thing is already quite clear about next winter—heating oil prices will go up dramatically. I have, therefore, introduced legislation to provide needy senior citizens some financial assistance to meet unusually high fuel bills. Present fuel assistance programs are neither effective nor adequate. I believe Congress must immediately consider fuel assistance legislation before the cold weather is upon us.

An energy summit should focus on the home heating oil supply question and present the American people with a policy prescription for adequate heating fuels for winter. The choices may be difficult, indeed, but to take no action at all would be intolerable.

The energy shortages we are now experiencing are real. The extent to which we can attribute some portion of this shortage to malfeasance or incompetence on the part of various parties will not be clear for a while.

We would delude ourselves, however, were we to expect everything to return to normal through one or another simple Government or industry action. The world's appetite for oil is exceeding our ability to find additional new oil supplies. The future will be characterized by having to get by with less oil.

For the present, we must do our best to insure that existing supplies are equitably distributed throughout the country and we must begin thinking seriously about ways to reduce our dependence on overseas sources of oil, particularly from the OPEC countries.

I am exhaustively studying every policy option the Government can pursue to generate more energy supplies. These run the gamut from convening a Northern Hemisphere Summit Conference to toughly negotiate more oil and natural gas from our energy-rich neighbors of Canada and Mexico, to possible multi-billion-dollar additions to our already huge alternate energy research and development budget. As a member of the Senate Judiciary Committee, I will also pursue whatever antitrust remedies most appropriately address any oil industry behavior judged to be contrary to the public interest.

Legitimate questions have been raised concerning the oil industry's role in the gasoline shortage we are experiencing. Specifically, are oil companies running their refineries at the fullest possible capacity in order to produce as much gasoline and other refined products as possible? Present evidence suggests that they are not.

Secondly, is the industry producing as much crude oil from domestic wells as they are capable of? Or are companies reducing output in anticipation of higher prices as more domestic oil is relieved of price controls?

Third, is the oil industry keeping unnecessarily high stockpiles of crude oil waiting for higher prices, thus reducing the volume of refined petroleum products which could be available for public consumption?

I am vigorously pursuing answers to all of these questions. I am actively supporting a Justice Department investigation into the refinery capacity charges, as I have similarly asked the Department of Energy to determine the impact of oil price decontrol on reduced domestic oil production.

I have also requested of the Department of Energy a comprehensive review of the sources of information the Government depends on for the statistical bases on which its energy policy decisions are made. I am very concerned that the Federal Government's few independent sources of energy supply information may, in fact, be inadequate for making policy judgments in the public's best interest.

It appears that the current shortage may be attributed to three sets of circumstances:

First. The oil industry imprudently reduced their purchases and inventories of crude oil and refined products during 1978, when there was a surplus of oil in the world market.

Second. The Federal Department of Energy, not anticipating any near-term shortage of petroleum products, did not object to the oil industry's product supply being drawn down.

Third. The OPEC nations, with Iranian production shut down earlier this year, seized upon the tightening world oil supply situation and assured its continuance by manipulating their production levels and pricing.

The panic that has understandably gripped certain consumers and industrial customers, prompting petroleum-product stockpiling and "topping off," has exacerbated the shortage situation. So, too, have certain Department of Energy regulations intended to insure adequate supplies for various vital functions like agriculture.

The bottom line, however, is that the gasoline shortage is real and will probably be with us for the foreseeable future. We cannot expect any quick or easy solutions to the problem.

Simply raising the price of gasoline and other petroleum products in this country will do little to discourage the OPEC nations from continuing to jack up the price of their oil. In fact, Mr. President, since OPEC has asserted that one of the reasons it is aggressively increasing prices is to reduce world oil consumption, it is sure that higher prices as the means of dampening demand will simply encourage future OPEC price spirals. That is why I will actively support legislation to extend price controls on domestic oil. I believe that partial lifting of the cap on domestic oil prices by President Carter this month was a bad policy implemented at a worse time. We need no reminder of the absurdity of world oil prices, which are set, not by free market forces, but by the OPEC oil cartel. For us to anchor our domestic oil prices to the irrational behavior of that cartel would be even more absurd, especially now. I also do not believe decontrolling domestic oil prices will significantly increase domestic energy supplies. In fact, I believe decontrol has already been partially responsible for reduced domestic output from oil companies anticipating higher prices as decontrol becomes fully effective. Unfortunately, those of us trying to extend domestic oil price controls are fighting an uphill battle. I hope, however, that recent events may add more impetus to stem oil price decontrol.

Limiting the importation of OPEC oil, if it can be done in concert with the other industrial nations, appears to be our only hope of influencing the price decisions of the OPEC nations. Sooner or later, if we are to make any sense of our long-term energy situation, we must begin making serious efforts to prevent OPEC from holding our policy a hostage to OPEC oil.

All of these actions, however, will take time to have their desired effect—and will not reverse the fact that our appetite for oil is exceeding our supply. More immediately, I believe we must adapt our policies in the same commonsense way the American people have adapted to the gasoline shortage.

Mr. President, as a people we have been confronted before with threats that have challenged our courage, imagination, strength, and patience. We are confronted with just such a situation today. By reducing nonessential travel, by utilizing public transport, and by adapting calmly and rationally to the inconvenience and hardships imposed by the gasoline shortage, I believe Americans are already showing the way to more sensible policies by the Government and the oil industry. Beyond their legitimate interest in enjoying the summer vacations they rightly believe they have earned, the real concern people feel today is that they be able to get to work, to the doctor's office and to the supermarket—and that everybody get a fair shake. That is the reasonable expectation to which I believe we must urgently address ourselves.

As a Senator and a citizen, I would enjoy nothing more than being able to say that the current crisis will soon blow over and that we can soon return to our normal comforts and conveniences, at the same low prices we have historically enjoyed. But it would be totally irresponsible for me to say anything of the kind. The realistic prospect is essentially for more of the same, with perhaps some small short-term relief later this year. What we are seeing today is the shape of things to come, and I believe, if we respond with the willingness to adapt and cooperate that has always characterized the American people in times of crisis, we will accommodate that future with a minimum alteration to the lifestyle we have all learned to enjoy.●

Mr. LEVIN. Mr. President, every day we hear about the energy crisis. Long lines, and high prices for gasoline (when it is available) are daily manifestations of its existence. The forces for crude oil price control battle those for decontrol, and the mushroom cloud over nuclear power grows darker. OPEC blames us for our problems, and we blame OPEC, the oil companies, DOE, EPA, the President, and each other. Meanwhile, everyone is pushing his own solutions—conservation, alcohol fuel, synthetic fuel, nuclear power, hydrogen power, fusion, photovoltaics, and food for crude.

The bickering must end. The moral equivalent of war must not be waged against each other, but rather, against our collective inability as a Nation to come to grips with the energy problems threatening our well-being. The leaders in this fight must sit down together and first agree on what the enemy is and what the strategy should be to beat it. Government, industry, and consumer representatives should get together at a summit meeting at which this country will map out an energy strategy that will assure its security and prosperity (that is, its energy independence) for the foreseeable future.

That is why I joined with Senator BRADLEY in cosponsoring the call for such an Energy Summit Conference. It is only by making the major energy actors into partners in assuring our future that we will be able to free this country from its self-destructive backbiting to conquer the major challenge of our time.

Mr. BRADLEY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Wisconsin (Mr. NELSON), and the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS), is necessarily absent.

The PRESIDING OFFICER. Has everyone voted who wishes to do so?

The result was announced—yeas 90, nays 3, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—90

Armstrong
Baker
Baucus
Bayh
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater

Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stafford
Stennis
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Warner
Weicker
Williams
Young
Zorinsky

NAYS—3

Bellmon
Schmitt
Wallop

NOT VOTING—7

Culver
Inouye
Johnston
Matsunaga
Nelson
Stevens
Stevenson

So the resolution (S. Res. 191) was agreed to.

The preamble was agreed to.

The resolution, together with its preamble, is as follows:

S. Res. 191

Whereas, the nation faces an energy crisis which threatens our economic stability, our national security, and the personal well-being of all American citizens; and

Whereas, the American people have been confused by contradictory facts and explanations for the current crisis; and

Whereas, this confusion has resulted in a loss of public confidence in important institutions in the country; and

Whereas, continued confusion hampers the nation's ability to develop adequate policies for meeting the energy crisis; and

Whereas, only a complete and factual explanation of the present energy supply situation will restore public confidence and enable the President and the Congress to formulate policies to meet the crisis: Now, therefore be it

Resolved, That it is the sense of the Senate that the President shall call as soon as possible an Energy Summit Conference. In preparation for the Summit the President shall call upon industry and other sources to provide any necessary supply data not already in the possession of the government. This data should be independently verified by experts such as the Energy Information Administrator, the Special Counsel for Compliance to the Department of Energy, and the General Accounting Office. The purpose of the Conference, which should be held as soon after the call as possible, is to bring together representatives of the oil industry, consumer representatives knowledgeable on energy matters, officials of the Executive Branch and from other levels of government, and such other persons as the President deems appropriate. The participants shall be directed to review the data-submitted, and report to the President the group's agreements and disagreements on the reasons for current and expected shortages, a prognosis for the future, and recommendations for public and private action to meet those shortages. The Conference also shall consider the establishment of a national energy council to review on a continuing basis the facts on energy supply; and

Resolved further, That the President shall report to the American people the results of the Conference along with his recommendations for a national energy policy and shall make recommendations with respect to the formation of a national energy council to monitor our progress in achieving a national energy policy.

Mr. BRADLEY. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. PRYOR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION—PROTOCOLS FOR THE FOURTH EXTENSION OF THE 1971 INTERNATIONAL WHEAT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, is this for the purpose of considering the so-called wheat treaty?

Mr. ROBERT C. BYRD. It is.

Mr. BAKER. I thank the majority leader. We have no objection to proceeding on that basis.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive L, 96th Congress, First Session, the Protocols for the Fourth Extension of the Wheat Trade Convention and Food Aid Convention constituting International Wheat Agreement, 1971, which was read the second time, as follows:

1978 PROTOCOLS FOR THE FOURTH EXTENSION OF THE WHEAT TRADE CONVENTION AND FOOD AID CONVENTION CONSTITUTING THE INTERNATIONAL WHEAT AGREEMENT, 1971

PREAMBLE

The Conference to establish the texts of the 1978 Protocols for the fourth extension of the Convention constituting the International Wheat Agreement, 1971

Considering that the International Wheat Agreement of 1949 was revised, renewed or extended in 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968, 1971, 1974, 1975 and 1976,

Considering that the International Wheat Agreement, 1971, consisting of two separate legal instruments, the Wheat Trade Convention, 1971 and the Food Aid Convention, 1971, both of which were further extended by Protocol in 1976, will expire on 30 June 1978,

Has established the texts of the 1978 Protocols for the fourth extension of the Wheat Trade Convention, 1971 and for the fourth extension of the Food Aid Convention, 1971.

1978 PROTOCOL FOR THE FOURTH EXTENSION OF THE WHEAT TRADE CONVENTION, 1971

The Governments party to this Protocol:

Considering that the Wheat Trade Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1976, expires on 30 June 1978.

Have agreed as follows:

ARTICLE 1

Extension, expiry and termination of the Convention

Subject to the provisions of Article 2 of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1979 provided that, if a new international agreement covering wheat enters into force before 30 June 1979 this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE 2

Inoperative provisions of the Convention

The following provisions of the Convention shall be deemed to be inoperative with effect from 1 July 1978:

(a) paragraph (4) of Article 19;
(b) Articles 22 to 26 inclusive;
(c) paragraph (1) of Article 27;
(d) Articles 29 to 31 inclusive.

ARTICLE 3

Definition

Any reference in this Protocol to a "Government" or "Governments" shall be construed as including a reference to the European Economic Community (hereinafter referred to as "the Community"). Accordingly, any reference in this Protocol to "signature" or to the "deposit of instruments of ratification, acceptance, approval or conclusion" or "an instrument of accession" or "a declaration of provisional application" by a Government shall, in the case of the Community, be construed as including signature or declaration of provisional application on behalf of the Community by its competent authority and the deposit of the instrument required by the institutional procedures of the Community to be deposited for the conclusion of an international agreement.

ARTICLE 4

Finance

The initial contribution of any exporting or importing member acceding to this Protocol under paragraph (1)(b) of Article 7 thereof, shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing members for the current crop year shall not be altered.

ARTICLE 5

Signature

This Protocol shall be open for signature in Washington from 26 April 1978 until and including 17 May 1978 by Governments of countries party to the Convention as further extended by the 1976 Protocol, or which are provisionally regarded as party to the Convention as further extended by the 1976 Protocol, on 23 March 1978, or which are members of the United Nations, of its specialized agencies or of the International Atomic Agency, and are listed in Annex A or Annex B to the Convention.

ARTICLE 6

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory Government in accordance with its respective constitutional or institutional procedures. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 23 June 1978, except that the Council may grant one or more extensions of time to any signatory Government that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE 7

Accession

(1) This Protocol shall be open for accession

(a) until 23 June 1978 by the Government of any member listed in Annex A or B to the Covention as of that date, except that the Council may grant one or more extensions of time to any Government that has not deposited its instrument by that date, and

(b) after 23 June 1978 by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, upon such conditions as the Council considers appropriate by not less than two thirds of the votes cast by exporting members and two thirds of the votes cast by importing members.

(2) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(3) Where, for the purposes of the operation of the Convention and this Protocol, reference is made to members listed in Annex A or B to the Convention, any member the Government of which has acceded to the Convention on conditions prescribed by the Council, or to this Protocol in accordance with paragraph (1)(b) of this Article, shall be deemed to be listed in the appropriate Annex.

ARTICLE 8

Provisional application

Any signatory Government may deposit with the Government of the United States of America a declaration of provisional application of this Protocol. Any other Government eligible to sign this Protocol or whose application for accession is approved by the Council may also deposit with the Government of the United States of America a declaration of provisional application. Any Government depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE 9

Entry into force

(1) This Protocol shall enter into force among those Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, in accordance with Articles 6, 7 and 8 of this Protocol by 23 June 1978 as follows:

(a) on 24 June 1978 with respect to all provisions of the Convention other than Articles 3 to 9 inclusive and Article 21, and

(b) on 1 July 1978 with respect to Articles 3 to 9 inclusive, and Article 21 of the Convention,

if such instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application have been deposited not later than 23 June 1978 on behalf of Governments representing exporting members which held at least 60 per cent of the votes set out in Annex A and representing importing members which held at least 50 percent of the votes set out in Annex B, or would have held such votes respectively if they had been parties to the Convention on that date.

(2) This Protocol shall enter into force for any Government that deposits an instrument of ratification, acceptance, approval, conclusion or accession after 23 June 1978 in accordance with the relevant provisions of this Protocol, on the date of such deposit except that no part of it shall enter into force for such a Government until that part enters into force for other Governments under paragraph (1) or (3) of this Article.

(3) If this Protocol does not enter into force in accordance with paragraph (1) of this Article, the Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declaration of provisional application, may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application.

ARTICLE 10

Notification by depositary Government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding Governments of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to, the Protocol as well as of each notification and notice received under Article 27 of the Convention and each declaration and notification received under Article 28 of the Convention.

ARTICLE 11

Certified copy of the Protocol

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE 12

Relationship of Preamble to Protocol

This Protocol includes the Preamble to the 1978 Protocols for the fourth extension of the International Wheat Agreement, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party and to the Executive Secretary of the Council.

1978 PROTOCOL FOR THE FOURTH EXTENSION OF THE FOOD AID CONVENTION, 1971

The parties to this Protocol,

Considering that the Food Aid Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1976, expires on 30 June 1978.

Have agreed as follows:

ARTICLE I

Extension, expiry and termination of the Convention

Subject to the provisions of Article II of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1978 provided that, if a new agreement covering food aid enters into force before 30 June 1979 this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE II

Inoperative provisions of the Convention

The provisions of paragraphs (1), (2) and (3) of Article II, of paragraph (1) of Article III, and of Articles VI to XIV, inclusive, of the Convention shall be deemed to be inoperative with effect from 1 July 1978.

ARTICLE III

International food aid

(1) The parties to this Protocol agree to contribute as food aid to the developing countries, wheat, coarse grains or products derived therefrom, suitable for human consumption and of an acceptable type and quality, or the cash equivalent thereof, in the minimum annual amounts specified in paragraph (2) below:

(2) The minimum annual contribution of each party to this Protocol is fixed as follows:

	Metric tons
Argentine	23,000
Australia	225,000
Canada	495,000
European Economic Community	1,287,000
Finland	14,000
Japan	225,000
Sweden	35,000
Switzerland	32,000
United States of America	1,890,000

(3) For the purpose of the operation of this Protocol, any party which has signed this Protocol pursuant to paragraph (2) of Article V thereof, or which has acceded to this Protocol pursuant to paragraph (2) or (3) of Article VII thereof, shall be deemed to be listed in paragraph (2) of Article III of this Protocol together with the minimum contribution of such party as determined in accordance with the relevant provisions of Article V or Article VII of this Protocol.

ARTICLE IV

Food Aid Committee

There shall be established a Food Aid Committee whose membership shall consist of the parties listed in paragraph (2) of Article III of this Protocol and of those others that become parties to this Protocol. The Committee shall appoint a Chairman and a Vice-Chairman.

ARTICLE V

Signature

(1) This Protocol shall be open for signature in Washington from 26 April 1978 until and including 17 May 1978 by the Governments of Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland and the United States of America, and by the European Economic Community and its member States, provided that they sign both this Protocol and the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971.

(2) This Protocol shall also be open for signature, on the same conditions, to any party to the Food Aid Convention, 1967 which is not enumerated in paragraph (1) of this Article, provided that its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967.

ARTICLE VI

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory in accordance with its constitutional or institutional procedures, provided that it also ratifies, accepts, approves or concludes the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 23 June 1978, except that the Food Aid Committee may grant one or more extensions of time to any signatory that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE VII

Accession

(1) This Protocol shall be open for accession by any party referred to in Article V of this Protocol, provided it also accedes to the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971 and provided further that in the case of any party referred to in paragraph (2) of Article V its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967. Instruments of accession under this paragraph shall be deposited not later than 23 June 1978, except that the Food Aid Committee may grant one or more extensions of time to any party that has not deposited its instrument accession by that date.

(2) The Food Aid Committee may approve accession to this Protocol, as a donor, by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, on such conditions as the Fod Aid Committee considers appropriate, provided that the Government also accedes at the same time to the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971, if not already a party to it.

(3) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

ARTICLE VIII

Provisional application

Any party referred to in Article V of this Protocol may deposit with the Government of the United States of America a declaration of provisional application of this Protocol, provided it also deposits a declaration of provisional application of the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971. Any other party whose application for accession is approved may also deposit with the Government of the United States of America a declaration of provisional application, provided that the party also deposits a declaration of provisional application of the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971 unless it is already a party to that Protocol or has already deposited a declaration of provisional application of that Protocol. Any such party depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE IX

Entry into force

(1) This Protocol shall enter into force for those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession.

(a) on 24 June 1978 with respect to all provisions other than Article II of the Convention and Article III of the Protocol, and

(b) on 1 July 1978 with respect to Article II of the Convention and Article III of the Protocol

provided that all parties listed in paragraph (1) of Article V of this Protocol have deposited such instruments or a declaration of provisional application by 23 June 1978 and that the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971 is in force. For any other party that deposits an instrument of ratification, acceptance, approval, conclusion or accession after the entry into force of the Protocol, this Protocol shall enter into force on the date of such deposit.

(2) If this Protocol does not enter into force in accordance with the provisions of paragraph (1) of this Article, the parties which by 24 June 1978 have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, provided that the 1978 Protocol for the fourth extension of the Wheat Trade Convention, 1971 is in force, or they may take whatever other action they consider the situation requires.

ARTICLE X

Notification by depositary Government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding parties of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to this Protocol.

ARTICLE XI

Certified copy of the Protocol

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE XII

Relationship of Preamble to Protocol

This Protocol includes the Preamble to the 1978 Protocol for the fourth extension of the International Wheat Agreements, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited with the Government of the United States of America which shall transmit certified copies thereof to each signatory and acceding party.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the treaty be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, the treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The assistant legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocols for the Fourth Extension of the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from April 26 through May 17, 1978 (Ex. L, Ninety-sixth Congress, first session).

Mr. ROBERT C. BYRD. Mr. President, Mr. CHURCH is here and is prepared to proceed with the Protocols for the Fourth Extension of the 1971 International Wheat Agreement. There will be a rollcall vote.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, the vote will occur on the protocols. There is a 10-minute time limitation. I ask that the time be divided between Mr. CHURCH and Mr. BAKER, or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, the papers relating to this matter have not yet been delivered to me from the committee room, but this morning the Senate Foreign Relations Committee voted 11 to 0 to report to the Senate the protocols for the fourth extension of the 1971 International Wheat Agreement. The committee held hearings on May 8 at which private and government witnesses testified in favor of continued U.S. participation in this agreement. The State Department has urged the committee to act on these protocols. Senate ratification is needed before June 30. Hence the request, which has been cleared with the Republican side of the aisle, to take up the protocols this afternoon.

I have just a word of explanation concerning the treaty. It is the same treaty to which the United States has been a party to since 1971. This is its fourth extension. It is composed of two conventions; the Wheat Trade Convention and the Food Aid Convention. This treaty contains no provisions to establish wheat quotas, nor any provisions which have any impact on wheat prices, nor any provisions which establish wheat reserves. It is not in any sense an international commodity agreement like the tin agreement or the proposed sugar agreement, which contain economic provisions such as buffer stocks to stabilize prices.

It is, purely, purely consultative. The purpose of the Wheat Trade Convention is to provide a mechanism whereby the member countries, some 55 nations, can obtain information concerning projected wheat harvests and weather conditions in order to better plan for their own plantings from year to year. The administrative body through which this is accomplished is the International Wheat Council.

The other convention, the Food Aid Convention provides for a commitment of a minimum level of food aid by the United States annually, in the amount of 1.89 million metric tons. That commitment is approximately 40 percent of what the United States actually furnishes, annually, in the way of food supplies through our Public Law 480 programs. This, too, is consonant with past practices.

So all that we are really faced with here is extending an existing agreement for 1 year, from July 1, 1978 to June 30, 1979.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. CHURCH. Yes, I am happy to yield.

Mr. METZENBAUM. Why is it that just before we are ready to go out of session, the administration sends up a treaty to be ratified? Earlier today we had to enact some legislation having to do with the International Energy Agency and antitrust exemption. Also in that instance we were put under pressure that it had to be done.

My question is this: None of us have had an opportunity to read this treaty. We do not know what is in it. We accept the representations of the chairman of the Foreign Relations Committee. But it seems to me to be something wrong with the procedures that we in the Senate are called upon and we must act under pressure, under duress, because somehow the whole world will fall apart if we do not do it. We could have had this treaty, as I see it, weeks or months ago since it is merely an extension of a pre-existing agreement. If my question or statement has no other value, perhaps it would serve in having the chairman of the Foreign Relations Committee notify the administration that in this instance there are some Members in this body who are willing to go along with this situation but in the future we may not be so willing.

Mr. CHURCH. May I simply say to my good friend from Ohio (Mr. METZENBAUM) that I fully agree with the Senator.

It is not the purpose of the committee to rush the Senate into consideration of any treaty. It just happened in this case, such are the imperfections——

The PRESIDING OFFICER. The Chair informs the Senator that his time has expired.

Mr. CHURCH. I ask unanimous consent that I may have 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. They are running a big shop down there and sometimes we do not get notified about deadlines until it is very late. But we did hold hearings, as I said, earlier this year. We would have brought this up in the ordinary order. I apologize to the Senator, but this is so totally noncontroversial that we felt, under the circumstances, it would serve the national interest to meet the deadline. For that reason only, we bring it here this afternoon.

Mr. JAVITS. Will the Senator yield?

Mr. CHURCH. Yes, I yield.

Mr. JAVITS. Mr. President, I am the ranking member of the committee. I give the same assurances to the Senator from Ohio that the chairman did, with one addition. It had been hoped that a new wheat agreement would be negotiated. The Department of State admits, in a letter addressed to us, that they delayed in asking the Senate to extend U.S. participation in the 1971 agreement, because they had hoped to submit a new agreement, separately, to the Senate.

Now the deadline is on us. By June 30, 1979, the United States must deposit its instruments of ratification. So we are caught short in the sense that there is no new agreement and the deadline for expiration is upon us.

We are satisfied in the Foreign Relations Committee. We understand that there is no adverse reaction as far as the United States is concerned. It simply does not do much except get facts and figures and give a forum for discussion as to the situation in the wheat field, but it would be harmful to the interests of wheat growers and consumers if there were not something on the books.

I want just to concur with Senator CHURCH that we agree with the Senator from Ohio thoroughly, but there really is so little new in this matter. I have no requests even to speak on this side. There is no objection on this side, I am informed by the majority leader and the secretary for the minority.

We hope very much that the Senate will, in view of these exigencies, allow approval to be given.

Mr. McCLURE. Will the Senator yield, Mr. President?

Mr. JAVITS. Senator CHURCH has the time.

Mr. CHURCH. Yes, I yield.

Mr. McCLURE. I share the concerns of the Senator from Ohio as expressed, but I might address this question to the managers of the bill.

What happens if the protocol expires? As a matter of fact, nothing good has happened under this agreement in the last several years, although we have tried. If the agreement expired, what would happen then that is so terrible?

I am a little puzzled, because this protocol has produced no good, in spite of the efforts of people on our side to get something good. Maybe if we allowed it to expire, some of our friends in the world would be interested enough then to sit down and discuss in good faith the opportunity to negotiate a wheat agreement.

Mr. CHURCH. Mr. President, I wish that that were the case. If I felt that it were, I would not ask the Senate to act today.

The fact is that this is an agreement of so little substantive consequence that it would not matter very much whether we joined it or did not. But, on balance, it does serve our agricultural interests to have the information that we obtain through this agreement.

Representatives of the National Farmers' Union and the National Association of Wheat Growers did appear before the committee. They urged the Senate to ratify the agreement, even though they recognize its limitations. That is the reason why we think that it would serve the interests of our wheat growers in a limited way. They, themselves, have asked that the Senate ratify an extension.

This is a 1-year extension. We hope in the near future to reinstitute negotiations that could lead to a more substantive international agreement.

Mr. YOUNG. Mr. President, if the Senator will yield, did any farm organization appear for or against?

Mr. CHURCH. There was no opposition to it. The record of the committee shows that the principal farm organizations and the wheat growers associations do support the extension, the 1-year extension, and do support continued American membership.

Mr. YOUNG. This one I do agree does not do any harm. If we wait longer, we may have one that would.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. BAKER. Mr. President, I yield the 5 minutes under my control to the Senator from New York.

Mr. JAVITS. Mr. President, I believe there is only one aspect of the treaty, to answer Senator McCLURE's question, that might help. The protocol extending the Food Aid Convention calls for about 4 million metric tons of food aid to be provided by a consortium of countries to which even the EEC makes a contribution. Now, one cannot tell about these things, but sometimes, if a thing like that falls apart, it may be difficult to put it back together again.

I think this is really a de minimis proposition, I say to Senator McCLURE. Neither Senator CHURCH nor I can jump up and down about it. But apparently, and we have not been able to get any opinion to the contrary, the idea of keeping it together forms a better basis for the hope to get something really effective in the way of an international wheat understanding than letting it fall apart.

Mr. McCLURE. Will the Senator yield?

Mr. JAVITS. Of course.

Mr. McCLURE. The only reservation that I have about it at all is that there have been efforts made to form some kind of international wheat agreement that would improve the income of the wheat farmers in the United States, at the same time guaranteeing a sufficient food supply to the consumers of this country. In every instance, our trading partners have refused to come to that agreement on terms that are favorable or acceptable to the wheat farmers in the United States. We are hearing a great deal today about forming some kind of alliance in regard to food supplies as a counterbalance to the forces of OPEC in the oil arena, and here is one of the most obvious opportunities to do that and we are passing it by as though it has almost no merit.

Mr. JAVITS. May I make a suggestion to Senator McCLURE and to Senator METZENBAUM?

Mr. McCLURE. Surely.

Mr. JAVITS. We might do the following: If Senator CHURCH and I would commit ourselves for early next year—we cannot do it with SALT hanging over our heads—to have hearings on whether or not, this being only a 1-year extension—remember, it would expire June 30, 1979—the policy of the United States should be to renew any further extensions and to lay out what we believe a wheat agreement should contain. And we would not agree to renew any further extensions unless we are satisfied that something can be done toward that end. Consider that an understanding by the Senate, adopted in connection with this particular ratification of the 1-year extension. Would that be of some help?

Mr. McCLURE. I say to my good friend from New York that, of course, any effort that we can make to build an international wheat agreement has to be to the advantage of this country, the producers of wheat and the consumers of wheat products alike. I have a greater sense of urgency about what might be done and I had hoped that we might be focusing attention on that, building pressures toward that agreement perhaps yet this year, rather than waiting until next year. I recognize that the problem that the committee has with the SALT agreement is a time-consuming one.

The other side of that, and I do not mean to derogate at all from the offer the Senator has made—that is helpful—but we have a critical international situation concerning energy today. Any tools that we can forge to bring to bear upon that subject are of critical importance to the entire free world. I think we may well be passing the opportunity to focus on that by precipitate action on this protocol.

Mr. JAVITS. Would the Senator yield further?

Mr. McCLURE. Of course.

Mr. JAVITS. I would be willing to undertake, if Senator CHURCH would, to try to work up a sense of the Senate resolution for introduction in this session, with those interested, like the Senator from Idaho and others interested in the field, expressing what I know would certainly be the intent of the Senate, and try to get something put in this year.

The only thing I did not want to offer is hearings, because they apparently would take some time and we are really in a jam on hearings. But I would dedicate myself, in cooperation with those interested, to work out a resolution as to the U.S. intentions.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield.

Mr. METZENBAUM. Is it necessary to extend this treaty for the entire year? Could it be extended for 3 or 6 months?

Mr. JAVITS. This treaty is only being extended until June 30, 1979. All other nations involved agreed to a 1-year extension. I do not think we would be serving our best interests.

Mr. CHURCH. Mr. President, the Committee on Foreign Relations held hearings on continued U.S. participation in the fourth extension of the International Wheat Agreement. This is a 1-year extension, from July 1, 1978, to June 30, 1979. Public and private witnesses testifying at that hearing were supportive of continued U.S. participation in the 1971 agreement—hearing on May 8. This morning the committee reported the IWA favorably by a vote of 11 to 0.

The International Wheat Agreement is composed of two conventions: the Wheat Trade Convention and the Food Aid Convention. Fifty-four nations plus the European Community are members of the Wheat Trade Convention, while 17 governments, plus the European Community are members of the Food Aid Convention.

The Wheat Trade Convention contains no economic provisions on maximum and minimum prices, or purchase and supply obligations; rather, it is purely consultative in nature. The major function of the International Wheat Convention is to continue the operation of the International Wheat Council. The IWC is an administrative body which conducts annual reviews of the world wheat situation and provides statistical information to member governments. Witnesses considered U.S. participation on the International Wheat Council useful.

The Food Aid Convention provides for pledges of minimum annual levels of food aid to developing countries. The U.S. pledge is 1.8 million metric tons in this Convention, well below the 4.7 million metric tons that the U.S. provides through Public Law 480 or other bilateral programs. These commitments are met through the Public Law 480 program and other bilateral aid programs.

Expeditious treatment of these protocols by the Senate is required so that the United States may pay its annual administrative fee of $144,000 to the International Wheat Council. It cannot do this unless the United States is a participant in the International Wheat Agreement. The IWC is in need of funds.

● Mr. BAUCUS. Mr. President, I rise to support the extension of the International Wheat Agreement. I hope that my "yes" vote will not be interpreted as an endorsement of present trade policy as it relates to wheat.

The sad fact is, that American wheat is grossly underpriced in world markets. I have long supported an international wheat agreement that would assure American farmers of recovering their costs of production plus a reasonable profit.

As recently as 1973, a bushel of wheat would buy a barrel of oil. Today, it could take 10 bushels of wheat to buy that same barrel of oil.

The United States of America must immediately establish a greater degree of parity between the price we are paying for crude oil and the prices we are charging for grain and other food products. Other foreign countries are using every ace-in-the-hole that they have got. It is time that America does likewise.

A 1-year extension of the current wheat agreement will be useful. It will provide a forum for wheat producers and users to get together and discuss world supply and demand conditions. It does not commit the United States to establish wheat reserves or make other concessions.

I would hope that during this year the United States will aggressively pursue policies to make greater use of our "food power." Such an aggressive policy is necessary to provide adequate prices for farmers and to offset the effects of OPEC oil price increases.●

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the resolution of ratification. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER (Mr. DECONCINI). Does any other Senator care to vote?

The yeas and nays resulted—yeas 89, nays 6, as follows:

[Rollcall Vote No. 153 Ex.]

YEAS—89

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Gravel
Hart
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—6

Armstrong
Dole
Garn
Hatch
McClure
Schmitt

NOT VOTING—5

Culver
Inouye
Matsunaga
Nelson
Stevens

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to exceed 10 minutes with statements of Senators permitted to speak of up to 2 minutes each before the Senate resumes consideration of the unfinished business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

Mr. HARRY F. BYRD, JR. Mr. President, I will need more time. In order not to prevent the Senate from getting to the regular order I will delay my comments on a matter before the Armed Services Committee, and I will get the floor when we have the regular order when I will have more time.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT

The PRESIDING OFFICER. The Senate will now consider the unfinished business, which the clerk will state by title.

The legislative clerk read as follows:

> Senate Joint Resolution 28 proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

The Senate resumed consideration of the joint resolution.

Mr. JOHNSTON. Mr. President, will the Senator yield long enough for us to engage in a colloquy?

Mr. HARRY F. BYRD, JR. Yes.

Mr. JOHNSTON. I thank the distinguished Senator from Virginia.

Mr. BAYH. We are beginning the debate on the resolution and several Members of the Senate want to be heard, and I would be glad to hear from the distinguished Senator from Louisiana and the distinguished Senator from Massachusetts who have studied this matter for some period of time and, as the chairman of the Judiciary Committee, is in excellent position to contribute to our debate.

Mr. HARRY F. BYRD, JR. I assume, Mr. President, that I did not lose my right to the floor.

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Massachusetts make a statement that there will not be any more votes today?

Mr. KENNEDY. If the majority leader made the statement it would have more meaning, but I understand the Senator's statement.

Mr. President, with the 47th day of hearngs on the proposed direct election amendment concluded on April 9 of this year, a solid record has been established. It is now the time to act upon that record and to heed its mandate. I rise in support of Senate Joint Resolution 28 to abolish the electoral college and to establish the direct popular election of the President and the Vice President.

The electoral college is a product of its time—America in 1787. A major reason for its adoption stemmed from a distrust of the electorate: The lack of available information would, supposedly, prevent the electorate from making an informed decision on the candidates. This feeling was due, no doubt, to the vast land areas which had to be traversed, the absence of a public education system, illiteracy, and the primitive means of communication. Yet, despite these misgivings, the issue was bitterly contested at the Constitutional Convention. The electoral college was a compromise to break a deadlock. Clearly, the Founding Fathers were dealing with a much different society. We should not let the political realities of 1787, which gave rise to the electoral college, dictate the course of Presidential elections in 1980, let alone in the 21st century.

Exhaustive testimony on this great issue has revealed serious and alarming flaws in the electoral college system. The American Bar Association characterized the institution as "archaic, undemocratic, complex, ambiguous, indirect, and dangerous." Specifically, the system fails to insure that each elector will vote the will of the State's electorate.

The so-called "faithless elector" is free to defect from voter expectations with impunity. Examples of such defections have occurred in six of the last eight elections. The likelihood of such defections in the future remains real, especially where an electoral majority rests on a very few votes.

A second defect arises from the "unit rule," which bestows all of a State's electoral votes to the winner of the popular vote plurality. Most dangerous in terms of our Nation's political stability is the contingency election in the House of Representatives with the choice to be made from the top three contenders. In recent elections this appears to have been a real possibility.

Finally, and most troublesome, is the ever present danger of an election where the winner of the popular vote fails to win the general election because of the way the electoral votes are cast. A serious and fundamental problem is then raised over the effectiveness of a President who has received fewer votes than his opponent.

These defects have plagued the Nation virtually from the beginning of our history. Taken separately, each alone provides cause for grave concern about the electoral college. Taken together, they make an overwhelming case for reform.

It is extremely difficult, if not impossible, to assess the impact of the proposed amendment on particular States or regions of the country or particular blocks of voters or interest groups. In my view, the case for direct popular election rests on a more solid foundation than narrow partisan or sectional considerations such as these. The amendment deserves our support for a nobler reason, because it serves the larger interests of our democracy and the fundamental principles of representative government on which the strength and vitality of America will rest in the years to come.

Over the past century, our system of democracy has made important strides through amendments to the Constitution expanding the rights of citizens in our society to participate in their Government; 6 of the past 12 amendments to the Constitution have involved the right to vote:

The 15th amendment, ratified in 1870, provided that the right to vote could not be denied because of race or color, thereby opening up the franchise to millions of black Americans.

In an obvious precedent for today, the 17th amendment, ratified in 1913, achieved direct popular election of Senators, and abolished the antiquated procedure by which members of the Senate were elected by State legislatures instead of by the people.

The 19th amendment, ratified in 1920, provided that the right to vote could not be denied because of sex, thereby opening up the franchise to half our population, the women of America.

The 23d amendment, ratified in 1961, allowed citizens of the District of Columbia to vote in President elections.

The 24th amendment, ratified in 1964, provided that no citizen could be denied the right to vote because of failure to pay a poll tax or any other tax.

And the 26th amendment, ratified in 1971, extended the right to vote to persons 18 years of age or older, thereby encouraging millions of young Americans to participate in the political life of the Nation.

It is time now to take another important step in this continuing effort to strengthen American democracy. A solid record has been compiled on the defects of the electoral college. An overwhelming case for change has been made. It would be unwise for any of us in Congress to seek additional delay.

The time for action is now. The cracks in the pylon of the electoral college are clear for all to see. It would be foolish to argue that the engine has not yet fallen off the wing, or that the present machinery of the electoral college is safe enough for future landings.

And so I urge the Senate to approve the pending amendment and send it on to the House of Representatives, so that we may achieve this urgently needed improvement in the machinery of our democracy at the earliest possible opportunity.

Mr. President, I also commend Senator BIRCH BAYH for his long and untiring efforts to bring this amendment to the Senate floor. As chairman of the Judiciary Committee's Subcommittee on the Constitution, he has done an outstanding job in preparing the present amendment for action by the Senate, and I congratulate him on the skill and commitment he has brought to this important effort.

Mr. BAYH. Will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. I yield to the Senator from Indiana.

Mr. BAYH. There has been much discussion about the advantage to minorities under the present electoral college system. Do you feel the minority populations in Massachusetts are advantaged?

Mr. KENNEDY. During the campaign for the Presidency in 1976, after the candidates for both parties were chosen, Massachusetts was visited once by Senator DOLE, then the Republican candidate for Vice President, and once by Mr. Carter. No other national candidates visited our State and there were not enough campaign resources to allow candidates to revisit Massachusetts. Yet other States with more electoral votes than mine, and even States with less electoral votes than Massachusetts, received much more attention from the national parties. I am pleased to say that Massachusetts has a long history of supporting Democratic Presidential candidates.

However, a State that consistently votes for one party in the Presidential race can be safely ignored by both parties because it is a waste of precious resources to expend money and energy in a State you know you are either going to win or lose. The size of the winning plurality makes no difference under the present system. Under the unit rule all of Massachusetts 14 electoral votes go to the winner of the State's popular vote. Therefore it does not benefit the Democrats to inflate their plurality or the Republicans to cut their losses. Candidates can thus get away with paying minimal attention to Massachusetts, they therefore also do not have to give adequate attention to the concerns of the large minority populations in Massachusetts. I believe the Senator from Louisiana has a similar problem.

Mr. JOHNSTON. For exactly opposite reasons it is indeed true that the largest minority in the State of Louisiana is disadvantaged. The State of Louisiana has the second largest percentage of black voting age population in the country, behind only the State of Mississippi. I am proud to say that Louisiana has more elected black officials than the States of New York and Pennsylvania combined. Yet, in 1968 and again in 1972, not only were approximately 150,000 black voters in Louisiana disenfranchised but their votes were recast for the candidate that was not their choice. Louisiana's black citizens have a right to have their vote count for the candidate for whom it was cast, yet in 1972 and in 1968, Mr. Nixon and Mr. Wallace were the victors in my State and under the winner-take-all provision of the electoral college, the votes of Louisiana's black citizens which were cast overwhelmingly for Mr. Humphrey and Mr. McGovern were recast for Mr. Nixon and Mr. Wallace. This disadvantages the minority community in my State enormously. It means that in many years black votes in Louisiana do not count for the candidate of their choice.

Mr. KENNEDY. It is my understanding that the situation that exists in Louisiana exist throughout the South. In fact is it not true that 53.7 percent of the black voting age population in America resides in the South?

Mr. JOHNSTON. That is true, and as the Senator from Massachusetts knows, all of those Southern States fall into the medium-size State range, 6 to 14 electors, which are all the most disadvantaged under the electoral college system according to mathematicians.

Mr. KENNEDY. How many black voters were disenfranchised and had their votes recast for the candidate that was not their choice in the Southern States in 1968 and 1972?

Mr. JOHNSTON. I believe that in 1968 approximately 590,000 voters were disenfranchised in that fashion by the electoral college system. Their votes were recast for George Wallace. In 1972 the number was even more appalling, over 1 million Democratic black votes were recast for Mr. Nixon.

Mr. KENNEDY. Then would the Senator from Louisiana agree that it is even more than the concept of one person, one vote that is at stake here? It is making sure that all votes count for the person for whom they were cast as well.

Mr. JOHNSTON. I would agree.

Mr. BAYH. I thank the Senators from Massachusetts and Louisiana for the information they have given us about the electoral college system in their States. I believe the Senator from Louisiana wishes to make a statement about Senate Joint Resolution 28.

Mr. JOHNSTON. Mr. President, I rise in support of Senate Joint Resolution 28 and would like to address my remarks to the questions raised by Mr. Kennedy and to the effect of the electoral college on minority voters in the South. Mr. President, while I know in the past that southern Senators have been associated with opposition to direct election, I am pleased to say that there is a new mood in the South today and that I am sure many of my southern colleagues who have agreed to support direct election will be coming forward in the next couple of days of debate on this issue.

Mr. President, we in the South have truly opened up the political process to our minority groups. In the last three elections percentage of black voter participation in the South outdistanced that of the North.

Yet, as I pointed out in my exchange with Senator Kennedy, many of those votes have been wasted and even worse, recast for the other candidate. There are those in the black community who have said that the electoral college system advantages the black community because it advantages the large industrial States which have large electoral vote blocks and that the black community can swing those States. While it may be true that such States are advantaged under the present system that does not mean that the present system advantages minority groups in those States. Even if it did, this has nothing to do with the black community in the South, a black community that makes up the majority of black voting age Americans.

I submit, Mr. President, that the argument offered by one black leader that the black community in the Northern industrial States is better able to form coalitions with the white community and therefore has more influence is untrue. I doubt that Ernest Morial, the distinguished mayor of New Orleans would agree that he is less able to build coalitions with white voters simply because he is from the South. In fact, 60.7 percent of the Nations black elected officials are elected in the South. That would seem to me fairly conclusive evidence that both black and white voters in the South are interested in forming coalitions and in electing the best person to the job whatever their race, religion, sex, or ethnic background.

As John Lewis said in his statement at the recent hearings on direct election:

> It is important to realize that there has been a peaceful political revolution in the South, and that black voters now are active participants in our national political process.

I believe that direct election is the next positive step in the direction of total sufferage for all Americans.

In addition, Louisiana like Indiana and Massachusetts is also a medium-size State and therefore is among the most disadvantaged by the electoral college system. We receive very little money from the national parties and very little attention from the Presidential candidates. Mathematically my vote, as a citizen of Louisiana does not count for as much as a citizen of Texas or of Alaska. For the very same reasons the vote of a black citizen in Louisiana does not count the same as the vote of a black citizen in a larger State. I cannot, under these circumstances see how the electoral college does anything but disadvantage the black citizens of the South.

But, my reasons for supporting direct election do not really involve trying to advantage Louisiana, but rather to end its disadvantage. I am simply trying to help equalize the votes of all Americans when they elect their President. Direct election is fair, it insures that the person who receives the most votes wins and that every vote would count and count the same.

I must return to the stirring words of John Lewis at this point. Mr. Lewis explained his support for direct election in this way:

> It is based on the fundamental principle of "one man, one vote" that I view the direct election of the President. Its value is self evident: every person's vote counts, and every vote must count the same. It was on this principle that we suffered abuse, attack, and even death in the struggle for the right to vote for minorities.

Mr. Lewis was himself imprisoned over 40 times during the struggle for the vote and was almost killed during his valiant efforts to assure equal voting representation for black Americans. His assessment of direct election is one I must listen to and one I would hope my colleagues would listen to as well. I would like at this time to submit Mr. Lewis' statement for the Record along with some charts on black voting patterns and wasted votes in various parts of the country.

Mr. President, as I said earlier, I am proud to be able to say that we are opening up our political process in the South, that black Americans are voting in the South in greater numbers than ever before and are being elected to office in Louisiana and other parts of my region. I am equally proud to cosponsor direct election as the final step in our continuing effort to make certain that all Americans have the right to vote and that all votes are counted equally. I yield to the Senator from Indiana.

(The remarks at this point by Mr. Harry F. Byrd, Jr. on the Panama Canal legislation are printed elsewhere in today's Record.)

DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT

The Senate continued with the consideration of Senate Joint Resolution 28.

AMENDMENT NO. 280

[Purpose: To amend the Constitution of the United States to provide for balanced budgets and a limitation upon the outlays of the Government]

Mr. HARRY F. BYRD, JR. Mr. President, to get back to Senate Joint Resolution 28, the pending proposal now before the Senate, I do not propose to comment on this resolution at the present time. I have, however, submitted an amendment. It has been printed. It was submitted on June 21, and I propose now to call up amendment No. 280 and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Virginia (Mr. Harry F. Byrd, Jr.) proposes an amendment numbered 280:
>
> Beginning with the word "That" in line 1, page 2, strike out all to and including the colon in line 6, page 2, and insert in lieu thereof the following: "That the following articles are hereby proposed as amendments to the Constitution of the United States, any one of which shall be valid to all intents and purposes as part of the Constitution only if ratified separately by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:".
>
> On page 4, after line 9, insert the following:
>
> "Article —
>
> "Section 1. Beginning with the first fiscal year after the ratification of this article, the

Congress shall assure that the total outlays of the Government during any fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States, shall not exceed the total receipts, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States.

"SEC. 2. Beginning with the first fiscal year after the ratification of this article, the Congress shall assure that the total outlays of the Government during any fiscal year shall not exceed 20 per centum of the gross national product during the calendar year immediately preceding the beginning of such fiscal year.

"SEC. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that either section 1 or section 2 of this article may be set aside for the fiscal year designated in such concurrent resolution. Both section 1 and section 2 may be set aside for the specified fiscal year: *Provided*, That a separate concurrent resolution setting aside each section is agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.".

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, it seems to me that one of the most important matters facing the American people today is the question of inflation. I realize there is a difference of viewpoint, but so far as the Senator from Virginia is concerned, I think the major cause of inflation is the reckless deficit spending by the Federal Government.

That is not the only cause of inflation. I do not contend that, but I think it is a major cause, if not the major cause. It is the accumulated and accelerated deficits of the Federal Government that have played such a significant part in the tremendous inflation facing our Nation today.

Let us consider just this one fact, Mr. President: The national debt of our country new exceeds $800 billion. One-half of that deficit was accumulated during the past 8 years.

Mr. President, now is an opportunity for the Congress of the United States to face up to this vital issue as to whether there will be a constitutional amendment to mandate discipline on the part of the Federal Government.

As all of us know, 30 different States have now petitioned the Congress for a constitutional convention. Frankly, I think it would be much better to handle any constitutional amendment dealing with a balanced budget and the control of spending in the conventional way, namely, having the Congress propose the amendment to the States and having the States, if they so conclude to do, to ratify that amendment.

I am not too inclined to the convention process. I much favor the normal way of doing things, namely, as I mentioned, having the Congress propose. But if the Congress will not propose, if the Congress will not act, then I am one Senator who will support a constitutional convention should it come to that point.

If 34 States petition the Congress, then under the Constitution, Congress is obligated to act.

Senate Joint Resolution 28 is a constitutional amendment dealing with the direct election of Presidents. I am not addressing my remarks to that, either pro or con, today. I am presenting as an amendment another constitutional amendment which I believe is of great significance to the future of our Nation.

The amendment which I have presented is a twofold amendment in this sense: Namely, it would mandate a balanced budget, and it would put a ceiling on Federal expenditures, a ceiling of 20 percent of the previous year's gross national product.

I think that any constitutional amendment dealing with a balanced budget must have flexibility.

I served in this body for some 10 or 11 years before I could find a formula that seemed to me, at least, to provide adequate flexibility and at the same time would require discipline on the part of the Congress and the Federal Government. I think the flexibility built into the amendment which I have just presented is adequate to do that.

Either the balanced budget requirement or the 20 percent limitation requirement, or both, could be set aside by a two-thirds vote of each House.

We have heard a great deal about the need to get Government spending under control. There were many speeches in the Senate along that line, and many speeches in the House of Representatives. I concur in that view. The time has come, Mr. President, as I see it, to act.

I do not see much hope of the Senate Judiciary Committee reporting any amendment to the Constitution putting a limitation on spending or requiring a balanced budget. It has not done so through the years. Hearings have recently been held. I do not anticipate action along that line.

Mr. BAYH. Will the Senator yield?

Mr. HARRY F. BYRD, JR. Here is an opportunity now for the Members of the Senate to address this issue.

Yes, I will yield.

Mr. BAYH. I do not wish to interrupt the Senator's remarks.

I just wanted to give others reading the RECORD the information that the Senate Judiciary Subcommittee on the Constitution is in the process of holding hearings.

Mr. HARRY F. BYRD, JR. I believe I said that.

Mr. BAYH. We have just recently gotten geared up. This is a very serious matter. We do appreciate the great interest of the Senator from Virginia.

Just as it has taken him a while to arrive at the formula which he is comfortable with, some of the rest of us who have studied this problem more recently are going to take a little time, I think, before we can resolve it in our own minds.

I do not say that in an obstructionist kind of way, because we are not trying to be obstructionist. We do want to have a chance, really, to get a wide cross-section of opinion as to what can accomplish the purpose. We do not want to suggest something that is going to end up triggering economic conditions that will make matters worse. The Senator from Virginia does not want that, either.

I just wanted to say that to him. I know he has been interested in this. I am sincere in my desire to pursue this. I do not know where it is going to end up, I say sincerely, but I am sincere and I do appreciate the long-term interest of the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from Indiana. I realize that the subcommittee is involved in holding hearings. I also know that, through the years, constitutional amendments have been presented to the Committee on the Judiciary on this same subject and that no action has taken place.

I think what happened in the great State of California, the most populous State in the Union, a year ago this past June, has had a big effect over the country. It has focused attention on a vitally important problem. When one considers that the legislatures of 30 different States have taken the initiative to petition Congress to call a constitutional convention for the one purpose of achieving a balanced budget and mandating that in the Constitution, I think that is a highly significant fact. The indications are that there will be at least four more States that will take that action and, under the Constitution, when 34 States so petition Congress, Congress must act.

If we are not going to act on our own, if we are not willing to act and submit to the States a constitutional amendment along the lines that I have suggested, then we shall, very likely, be faced with a constitutional convention, called for that purpose. In my judgment, a constitutional convention is not the best way to accomplish the end.

I hope that the Senate will give careful consideration to the amendment which I have just proposed to Senate Joint Resolution 28, the proposal for the direct election of the President. It is not going to be acted on immediately; it will be a while yet before it will come to a vote in the Senate. In the meantime, there will be ample time to consider the amendment offered by the Senator from Virginia.

Mr. THURMOND. Mr. President, we are considering today one of the most significant and dangerous proposals ever to come before the Senate. For over 20 years, I have worked to obtain reform in the method by which the President is selected. However, that reform has always been in a form that would maintain the important facets of our Federal system of government. The proposal now before us, Senate Joint Resolution 28, goes tragically beyond reasonable reform and into the realm of a radical and unnecessary change in our Constitution.

To point out the danger of this proposal, one need only cite the words of Charles L. Black of Yale Law School, one of the foremost authorities of our Constitution and its development. He accurately has assessed the proposal in remarking that:

> If direct election passes, it will be the most deeply radical amendment which has ever entered the Constitution of the United States.

As our recent hearings illustrated, his remarks represent the prevailing thought among constitutional and political scholars. The list of those who testified reads like a Who's Who in the academic community: such names as Walter Berns, Jean Kirkpatrick, Ralph Winter, Judith Best, Harry Bailey, Charles Black, Bill Van Alstyne, Aaron Wildavsky, and Austin Ranney, just to mention several who oppose this measure.

So, Mr. President, as we begin our debate of Senate Joint Resolution 28, let us be aware of the concern that has been expressed about direct election. In addition, for those of us in the Senate who are opposed to this radical proposal, let us be aware of the need to inform other Members of this body and the Nation of the dangers and simplistic concepts that are inherent in Senate Joint Resolution 28. Therefore, Mr. President, I want to set aside for the moment the concerns I have with our present system in order to discuss the potential dangers and highlight the simplistic and erroneous concepts in relation to American democracy that prevail in this proposal. I have far greater fear for the welfare of this country if Senate Joint Resolution 28 is adopted than I do with maintaining the electoral college.

When the Constitutional Convention was convened in Philadelphia, many proposals for a new and effective government to replace our weak confederation were discussed by the delegates. What resulted was one of the greatest achievements in history that has since been referred to as the great compromise. The delegates agreed that the House of Representatives would be created to represent the people at a close level. The Senate would represent the interests of the States as a whole, with each State, regardless of size or population, to be represented equally.

In regard to the executive office, the delegates struck a median ground. The delegates disapproved a proposal that the President be selected by the Congress. In addition, a proposal for direct election was defeated. Instead, a method whereby the people through concurrent majorities within each State, would select the President, was adopted. In so doing, one of the basic concepts in Federal Government was established.

Proponents of Senate Joint Resolution 28 say that democracy demands direct election of the President. They fail to realize that this country is a democracy, but a Federal democracy, established by our Founding Fathers. The President, as part of that democracy, is not only our chief national officer but our chief Federal officer. One cannot be separated from the other. The late Martin Diamond stated it this way:

> The President is a federal and national officer. As with the Senate of the United States, there are both federal and national characteristics in the mode of his selection. As with the House of Representatives, there are both federal and national characteristics in the mode of his choice and operation. The Constitution created a compound state and national system. It built a role for the states into the choice of national lawmakers and of the national executive.

Therefore, the danger is clear that adoption of direct election of the President will not simply be undesirable but will shatter the very Federal foundation by which our republic rests.

One of the strongest arguments that proponent of Senate Joint Resolution 28 utilize is the principle of one-man, one-vote. I contend, however, that the principle is simplistic and must be considered with a full understanding of its application to our Federal democracy. The representative concept of concurrent majority which has been forged into our political thought is a principle that is applicable in regard to the Chief Executive of the United States. The votes of the people of each State as represented by the electoral votes are combined to choose the President. This is not the adding machine-like numerical majority of a town meeting but the concurrent majority that is necessary for a country with broad coalitions of differing interests that spread over an entire continent. Dr. Judith Best stated in her testimony that:

> The principle of the simple numerical majority is not the American idea of democracy because it rests on a fallacy, the fallacy that the numerical majority are the people and that any restrictions or conditions set upon the rule of the numerical majority are restrictions on the rule of the people. Let us remember that the numerical majority is merely a part of the people.

To be elected President, a candidate must be concerned with more than accumulating votes but with having a broad base of appeal throughout the country. Mathematicians can easily calculate that accumulation of the large votes in the Northeast with one or two other States could provide a numerical winner. An electoral system, whether it be proportional, district, or the present system, requires the candidate to go beyond and seek support from all areas of the country. As Grover Cleveland saw in the election of 1888, the appeal to sectionalism does provide a numerical winner but will not amass the concurrent majorities necessary for election. Once again, Dr. Best has stated:

> The principle of the concurrent majority does set conditions on the rule of the numerical majority. It sets a distribution condition. It says numbers are not enough for legitimacy. It says we must take into account the fact of group formation and group alliance; we must take into account the geographic distribution of interests.

An electoral system insures that a President is produced who represents the concurrent majority. In doing so, he has won the support of a broad cross-section of the country and represents the Nation with all of its diversities. The direct election system has but one concern: which is the size of the popular vote. The electoral system is concerned not only with the size of the popular vote, but also with the distribution of the popular vote.

If the simplistic one-man, one-vote slogan is to be adopted for the selection of the President, how can other constitutional institutions defend against this onslaught? For example, should not the House of Representatives reflect the votes of the people in a nationwide canvas instead of within each congressional district? In 1942, just to cite 1 year, Republican congressional candidates won 52 percent of the vote, yet the Democrats controlled the House by 13 seats. Moreover, the Republicans have captured fewer House seats than the proportion of popular vote the party received in every year except one since 1932. Why do the proponents of Senate Joint Resolution 28 not complain that this system thwarts the national will? It is difficult to understand, using their logic, why this is also not democratic.

The notion of simple majoritarianism can be carried one dangerous step further. I, along with my colleague in the Senate from South Carolina, represent a State with a lesser population than the city of New York. However, South Carolina has equal representation in the Senate as the whole State of New York. This is clearly at odds with the one-man, one-vote concept so ardently advocated by proponents of Senate Joint Resolution 28. Yet, Senate representation is a fundamental part of our Federal democracy that, for the present, no one seeks to abolish.

Mr. President, I urge my colleagues to look very closely at this proposal. Can our other constitutional institutions survive, and, more important, maintain popular legitimacy and needed respect, if the simplistic "democratic" notion of Senate Joint Resolution 28 is given credence? To insure their survival, we must not accept the majoritarian concept of this proposal. Professor Walter Berns stated it clearly: "constitutionalism is a qualification of majoritarianism."

Mr. President, I ask unanimous consent that an article by Edwin M. Yoder, Jr., which appeared in the Washington Star on June 8, 1978, entitled, "An Enduring Lesson From John C. Calhoun" be printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the adoption of this proposal will also promote the increased introduction of splinter parties into the political arena. According to section 3 of Senate Joint Resolution 28, candidates joined together for President and Vice President must receive at least 40 percent of the vote to be elected and escape the runoff provision. As was pointed out during the hearings by several witnesses, acquiring the necessary 40 percent under a system of direct election will be extremely difficult. This difficulty will arise from the increased influx of special interest and favorite son candidates. Senator HATCH has appropriately referred to this as the "Boston Marathon" of politics. Others have simply argued that direct election will injure the structure of the two-party system by encouraging splinter parties. The late Professor Alexander Bickel goes further in referring to direct election, when he predicts:

> The monopoly of power enjoyed by the two major parties would not likely survive the demise of the Electoral College.

Mr. President, most of us are familiar with the multiple party states in Europe. We see over and over again the difficulty in getting a clear mandate for the executive to act. Compare this to the smooth and effective operation of the President in this country.

In the past, the chief threat to the two major parties has been limited to a third party. This I think has served a useful purpose on many occasions to alert the major parties of neglected concerns. However, direct election will likely result not in just third party challenges but a proliferation of smaller and frequently more extreme political parties. Vernon Jordan speaking on behalf of the Black Leadership Forum readily warns that if direct election is adopted we will see a Black Political Party. We can also anticipate a Pro-Life Party, Gun Control Party, Fundamentalist Religious Party, Anti-Nuclear Party, Environmental Party, Pro-Labor Party—the list of one issue parties will be endless.

Direct election will encourage this proliferation because rather than having to engage in the hopeless task of attracting large numbers of votes to defeat a major party candidate, and thereby exerting influence, small splinter parties will be competing only to deny the major candidates the 40 percent. Splinter parties will not be competing against the larger parties, but against the 40 percent requirement. It will not be necessary that there be a dominant third, fourth, or fifth party capable by itself to deny the threshold level to the major parties, but simply that minor parties, taken in the aggregate, be able to keep all parties beneath that figure. The incentive as George Will, columnist for the Washington Post, has stated for these minor parties is that "they [will] try to force a second vote so they [can] sell their support." It will undoubtedly be a time, in Madison's words, of "extraneous management and intrigue."

Mr. President, I would now like to address the runoff provision and recount possibilities inherent in direct election.

As stated earlier, if no candidate under the proposal of Senate Joint Resolution 28 receives 40 percent of the popular vote a nationwide runoff is held between the top two candidates. With the proliferation of candidates encouraged by direct election, this will undoubtedly be a frequent occurrence. Therefore, what we now refer to as the general election will in fact become a primary to choose the top two candidates for the runoff. The runoff will be the real election. The expense of Presidential campaigns already runs into several million dollars; we do not need to increase this by yet another expensive campaign.

Something that should be considered here also is the effect that this runoff will have on the operation of our Government during a national emergency. I shudder to think of the United States in a situation where we need to know who our leader will be as soon as possible. The time required for the runoff could seriously endanger our success in a national crisis.

One hundred and twenty years ago this country was in a crisis of the most dangerous kind—a growing fury for a civil war. Many States were talking openly and violently about seceding from the Union. The President at that time chose to do virtually nothing to calm the winds of war. When the election of 1860 came, already several States were on the brink of secession. America needed a leader to guide it through this crisis. The Nation spoke and elected Abraham Lincoln, President of the United States. However, he only received 39.9 percent of the vote. Under the runoff proposed by Senate Joint Resolution 28, with the threat of war increasing and the country literally falling apart, Abraham Lincoln would have been forced to forget these needs and focus on a runoff election. How can anyone argue that this is good for the future of our country. Although the threat of civil war no longer exists in the United States, there is always the danger of world war. Should we shackle the new President in time of war with a runoff election when the country needs the transition from the old administration to the new?

Under the current electoral system, the selection of President is made by the House of Representatives if no candidate receives a majority of the electoral vote. This system is not as desirable as what I have advocated in the proportional plan. That is, to have both Houses of Congress meet in joint session and vote individually for the candidate of their choice. However, the current system is much better than the national runoff proposed by Senate Joint Resolution 28.

Congress can act quickly in a time of emergency when we cannot afford to wait weeks for a final selection.

One must also consider the possible consequences of the required nationwide recount in a close election. Presently, the Presidential elections are held at the State level. If there is a discrepancy, it can be examined within each State. The States will no longer provide this insulation under a direct election system. The necessity of a nationwide recount requiring weeks and, if there is a runoff, and another recount, could result in the election of the new President not being certain until right up to the inauguration. Senate Joint Resolution 28 does not indicate when the runoff will be held or how any recounts will be conducted. We are left in uncertainty and in this endeavor such uncertainty places the country in a precarious position.

Much has been said during this debate about the effects direct election will have on the small States. Recently, the Library of Congress did a study on the effect direct election would have on the individual States. This study was entitled the "Effect of the Adoption of Direct Popular Election of the President and Vice President on the Relative Influence of the Several States in Electing the President and Vice President in 1976." The study simply compared each State's percent of the popular vote of the Nation and came up with a figure. It then compared the percent of each State's proportion of the electoral vote and came up with a figure. The amount of a State's nationwide popular vote was then compared to the figure representing its electoral vote nationwide. The study concluded that 31 States and the District of Columbia would have a lesser effect on the election in a nationwide popular election. I am aware that there are other arguments that can be made on the other side, that the electoral system helps large States. However, these figures are clear and simply computed and cannot be disputed. I implore my colleagues to closely examine this study before a final decision on this matter. I make this point not to suggest that one should vote on this measure simply from a standpoint of the effect it would have on his or her State, but to illustrate that the great compromise is still working. Small States are protected from the larger States. Senators from all States, large and small, however, should oppose this proposal because of the injury it will do to our federal system of government.

I ask unanimous consent that this study be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. THURMOND. Mr. President, as to minorities:

Not only do the smaller States suffer a loss under the direct election system but minorities also stand to lose considerable influence. Under an electoral system which promotes concurrent majorities, cohesive minority groups within the States wield considerable electoral clout. However, as Vernon Jordan testified, direct election would result in "serious setbacks for minorities." The American Jewish Congress, an organization that has fought hard against this proposal, clearly states the case as follows:

> By tending to inhibit the nomination of candidates likely to be objectionable to sizeable minority groups, the electoral system assures attention to the needs and desires of groups whose interests might be given much less consideration under a system of direct popular election.

Mr. President, I ask unanimous consent that an article which appeared in the Atlanta Daily World of Thursday, April 5, 1979, entitled "NAACP's Hooks Among Leaders Supporting Electoral College," with the subheading "Dangers of Presidential Race by Popular Vote Only Cited," be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. THURMOND. Mr. President, I ask unanimous consent that an article which appeared in the Washington Post by Eddie N. Williams, president of the Joint Center for Political Studies entitled "Would Popular Election Dilute the Black Vote?" be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. THURMOND. If we adopt direct election and remove the States as participants in the selection of the President, the adoption of a Presidential Election Code is certain. No longer would a State be limited to its electoral vote with a direct election system and thus the incentive to increase the voters in a State or area would be great. For example, what would prohibit a State from lowering its voting age to gain more voters? Could New Hampshire count ballots that Missouri rules void because of improper markings? The problem is significant.

Richard Smolka, professor of government at American University, who has written several papers on elections, testified in regard to this point. I ask that the issues he raised regarding the need for a uniform national election code be printed in the RECORD at this point:

[Times, places, and methods of voter registration; State residency law (S.J. Res. 28 authorizes Congress to "establish uniform residency qualification");

Absentee ballot requirements and procedures;

Methods by which candidates and political parties can qualify for the ballot;

Who has the right to use party names? May a candidate run on the liberal or conservative party tickets in New York, or the DFL or IR tickets in Minnesota, and have their votes aggregated with differently named parties in their States?;

Can Presidential ballots be combined with State or local ballots? Will voting be by party row or party column? Can a party level be used? Will ballot position be fixed?

What will voting hours be? What types of voting machines will be permitted? How large an area may a precinct comprise? What sorts of election officials must oversee each precinct?

Who will count ballots? Who will rule on disputed ballots? What appeals procedures will be established? What showing will be necessary for a recount? How will ballots be maintained pending recounts?]

Therefore, Mr. President, the smooth operation that now exists at the State level will be erased by complete Federal control. One of the few remaining areas where federalism still flourishes will be eliminated. Decisionmaking that is currently handled in a responsible manner by thousands of election officals throughout the country will fall prey to rigid centralization in Washington, D.C. This, of course, will require the creation of a new bureaucracy to administer these responsibilities.

In conclusion, Mr. President, I want to reiterate that reform of our electoral system has always been one of my aims. However, Senate Joint Resolution 28 is not reform, it is radical and unneeded change. It clings to simplistic head counting not compatible with the concurrent majority concept of our Federal democracy. It will promote the downfall of our two-party system by encouraging the proliferation of numerous special interest parties. The runoff and recount provisions are uncertain commodities which could seriously hamper our country in a time of emergency. An electoral system protects the interests of small States which are equal partners in our republic; Senate Joint Resolution 28 would dilute their strength. Furthermore, the various minority groups throughout the country realize their loss will be significant under a direct election system. Finally, direct election can only mean more involvement and control by Washington bureaucracy over what is best handled at the State level.

I hope the Senate of the United States will overwhelmingly defeat this unwise proposal.

EXHIBIT 1

[From the Washington Star, June 8, 1979]

AN ENDURING LESSON FROM JOHN C. CALHOUN

(By Edwin M. Yoder, Jr.)

Since *Middle East Perspective*, a New York "newsletter," probably reaches somewhat fewer than all Star readers, let me quote an indictment recently printed there.

Dr. Alfred Lilienthal, its editor, thinks that my recent defense of the electoral college failed to "take into consideration the present inordinate power . . . given to minority pressure groups to use their antiquated electoral method to advance their personal interests, to the great disadvantage of the rest of the country.

"Maybe," Dr. Lilienthal goes on to speculate, "Mr. Yoder objects to any change in the present method (of electing presidents) because he has so strongly favored and realizes the great advantage that the Zionist lobby possesses so long as they can barter the Jewish vote, threaten Congress and above all, the President, with throwing this pivotal vote in one direction or another."

At the risk of shocking Dr. Lilienthal, let me admit that he has my views, as he has my full name (the first isn't Edmund) approximately half right.

Permit me to demur at his suggestion that my high estimate of the electoral college is mainly based in its advantages to the Zionist lobby," whatever that is. But among the great virtues of the electoral college is indeed that it gives considerable—I would not say "inordinate"—political power to "minority pressure groups," including, I suppose, some Zionists.

It assures the special viewpoint of any number of disparate interests, lobbies, economic and ethnic and religious communities, regions and states of a hearing. They can't be ignored by a serious presidential candidate.

That minorities should have such a hearing flows naturally from the spirit and philosophy of the Constitution. But we are bombarded today by propagandists for the majoritarian ideology, which holds that the only test of political validity and even truth is a head count, the faster the better. That ideology is distant indeed from the conception of "national interest" written into the Constitution in 1787.

In a stable democracy, all sub-constitutional issues must ultimately be resolved by majority rule. Ultimately. But what kind of majority? A moment's reflection will suggest that no majority, however large, enjoys automatic legitimacy; and the more eagerly expressed, the more suspect. Russian officials are regularly elected by majorities far larger than those that elect presidents and prime ministers in America or Western Europe. The last referendum in Chile commanded a bigger pro-government majority than the anti-government majority mustered this week by California's Proposition 13. The anschluss of 1938 was ratified by almost all voting Austrians, overjoyed, no doubt, to abolish their national identity to please Hitler.

Among those who value personal liberty, the quality of majorities always matters. And no majority can be evaluated without reference to the manner in which it was assembled.

Dr. Lilienthal would not, I suspect, write as he does if he had read John C. Calhoun with care. Sure, Calhoun—"the Marx of the master class" as the late Richard Hofstadter once called him—is in bad odor today. He defended slavery and nullification.

But on the American philosophy of majorities, he was magisterial and even definitive.

There are, he believed, two ways of registering the sense of a political community. The numerical majority (the kind of majority most people mean when they invoke the sacredness of "majority rule") "regards numbers only," wrote Calhoun, "and considers the whole community as a unit having but one common interest throughout." On some low-temperature issues that kind of majority is easily assembled and usually suffices.

On more difficult issues, quite another kind of majority is demanded in view of the clashing interests that divide any free society. Calhoun called it the "concurrent majority"; and to collect its sense always demands barter, brokerage, compromise, since it "regards interests as well as numbers."

The electoral college, to my mind, is one of several institutions that protect us from a mere numerical majority when a "concurrent majority," in Calhoun's sense, is needed—as it certainly is when we choose presidents. Determined minorities are usually assured of a voice, sometimes a veto, when Americans seek a presidential consensus. And that suits me entirely, even when I happen to find the result disagreeable.

EXHIBIT 2

[From the Congressional Research Service]

EFFECT OF THE ADOPTION OF DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT ON THE RELATIVE INFLUENCE OF THE SEVERAL STATES IN ELECTING THE PRESIDENT AND VICE PRESIDENT IN 1976

(By Joseph B. Gorman)

In the Tables below, the second column, "Percentage of 1976 Electoral College," presents the percentage of the total number of 538 electoral votes cast by each State and the District of Columbia. The third column, "Percentage of Nationwide Popular Vote," presents the percentage of the total nationwide popular vote of 81,555,889 cast in each State and the District of Columbia. The fourth column, "Percentage Gain/Loss under Direct Popular Election," presents the gain/loss, in percentages, of the respective States' and the District of Columbia's share of influence in electing the President and Vice President had direct popular election replaced the present electoral college system for the 1976 election. [Source: Richard M. Scammon and Alice V. McGillivary, comps. "America Votes 12" (Washington, Congressional Quarterly, 1977) 15.]

I. ALPHABETICAL LISTING

[In percent]

State	1976 electoral college	Nationwide popular vote	Gain/loss under direct popular election
Alabama	1.6729	1.4504	−13.31
Alaska	.5576	.1515	−72.83
Arizona	1.1152	.9107	−18.35
Arkansas	1.1152	.9411	−15.61
California	8.3643	9.6463	+15.33
Colorado	1.3011	1.3262	+1.93
Connecticut	1.4870	1.6940	+13.92
Delaware	.5576	.2892	48.13
District of Columbia	.5576	.2070	−62.88
Florida	3.1599	3.8632	+22.26
Georgia	2.2305	1.7993	−19.33
Hawaii	.7435	.3572	−51.96
Idaho	.7435	.4219	−43.25
Illinois	4.8327	5.7861	+19.73
Indiana	2.4164	2.7225	+12.67
Iowa	1.4870	1.5686	+5.49
Kansas	1.3011	1.1745	−9.73
Kentucky	1.6729	1.4311	−14.45
Louisiana	1.8587	1.5676	−15.66
Maine	.7435	.5925	−20.31
Maryland	1.8587	1.7655	−5.01
Massachusetts	2.6022	3.1237	+20.04
Michigan	3.9033	4.4801	+14.78
Minnesota	1.8587	2.3909	+28.63
Mississippi	1.3011	.9434	−27.49
Missouri	2.2305	2.3954	+7.39
Montana	.7435	.4031	−45.78
Nebraska	.9294	.7451	−19.83
Nevada	.5576	.2475	−55.61
New Hampshire	.7435	.4164	−43.99
New Jersey	3.1599	3.6962	+16.97

I. ALPHABETICAL LISTING—Continued

[In percent]

State	1976 electoral college	Nationwide popular vote	Gain/loss under direct popular election
New Mexico	.7435	.5130	−31.00
New York	7.6208	8.0119	+5.13
North Carolina	2.4164	2.0586	−14.81
North Dakota	.5576	.3644	−34.65
Ohio	4.6468	5.0418	+8.50
Oklahoma	1.4870	1.3393	−9.93
Oregon	1.1152	1.2628	+13.24
Pennsylvania	5.0186	5.6658	+12.90
Rhode Island	.7435	.5042	−32.19
South Carolina	1.4870	.9841	−33.82
South Dakota	.7435	.3687	−50.41
Tennessee	1.8587	1.8102	−2.61
Texas	4.8327	4.9928	+3.31
Utah	.7435	.6636	−10.75
Vermont	.5576	.2302	−58.72
Virginia	2.2305	2.0809	−6.71
Washington	1.6729	1.9073	+14.01
West Virginia	1.1152	.9208	−17.43
Wisconsin	2.0446	2.5800	+26.19
Wyoming	.5576	.1917	−65.62

II. IN DESCENDING ORDER ACCORDING TO PERCENTAGE GAIN/LOSS UNDER DIRECT POPULAR ELECTION

Minnesota	1.8587	2.3909	+28.63
Wisconsin	2.0446	2.5800	+26.19
Florida	3.1599	3.8632	+22.26
Massachusetts	2.6022	3.1237	+20.04
Illinois	4.8327	5.7861	+19.73
New Jersey	3.1599	3.6962	+16.97
California	8.3643	9.6463	+15.33
Michigan	3.9033	4.4801	+14.78
Washington	1.6729	1.9073	+14.01
Connecticut	1.4870	1.6940	+13.92
Oregon	1.1152	1.2628	+13.24
Pennsylvania	5.0186	5.6658	+12.90
Indiana	2.4164	2.7225	+12.67
Ohio	4.6468	5.0418	+8.50
Missouri	2.2305	2.3954	+7.39
Iowa	1.4870	1.5686	+5.49
New York	7.6208	8.0119	+5.13
Texas	4.8327	4.9928	+3.31
Colorado	1.3011	1.3262	+1.93
Tennessee	1.8587	1.8102	−2.61
Maryland	1.8587	1.7655	−5.01
Virginia	2.2305	2.0809	−6.71
Kansas	1.3011	1.1745	−9.73
Oklahoma	1.4870	1.3393	−9.93
Utah	.7435	.6636	−10.75
Alabama	1.6729	1.4504	−13.31
Kentucky	1.6729	1.4311	−14.45
North Carolina	2.4164	2.0586	−14.81
Arkansas	1.1152	.9411	−15.61
Louisiana	1.8587	1.5676	−15.66
West Virginia	1.1152	.9208	−17.43
Arizona	1.1152	.9107	−18.35
Georgia	2.2305	1.7993	−19.33
Nebraska	.9294	.7451	−19.83
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Mississippi	1.3011	.9434	−27.49
New Mexico	.7435	.5130	−31.00
Rhode Island	.7435	.5042	−32.19
South Carolina	1.4870	.9841	−33.82
North Dakota	.5576	.3644	−34.65
Idaho	.7435	.4219	−43.25
New Hampshire	.7435	.4164	−43.99
Montana	.7435	.4031	−45.78
Delaware	.5576	.2892	−48.13
South Dakota	.7435	.3687	−50.41
Hawaii	.7435	.3572	−51.96
Nevada	.5576	.2475	−55.61
Vermont	.5576	.2302	−58.72
District of Columbia	.5576	.2070	−62.88
Wyoming	.5576	.1917	−65.62
Alaska	.5576	.1515	−72.83

EXHIBIT 3

[From the Atlanta Daily World, Apr. 5, 1979]

NAACP'S HOOKS AMONG LEADERS SUPPORTING ELECTORAL COLLEGE

DANGERS OF PRESIDENTIAL RACE BY POPULAR VOTE ONLY CITED

Reaction has come quickly from our leading story in Tuesday's Daily World edition relative to the danger of a proposad constitutional amendment to abolish the Electoral College.

The Judiciary Committee previously headed by Senator Birch Bayh has sent to the senate a proposed amendment which would elect the president by popular vote, and this proposal has the approval of President Carter.

Rev. Benjamin Hooks, executive director of the NAACP is among prominent black leaders who oppose this amendment.

William Little, president of the Auburn Avenue Merchants Association, expressed surprise that such a proposal would be made, and stated that he could be quoted as being strongly against it.

Rev. A. S. Dickerson, president of the Lincoln-Douglass Club and co-chairman of the Atlanta Bi-Partisan voters League, said the change would be unwise and he opposed it. He also said he would issue a fuller statement later.

Rev. W. W. Weatherspool said he would take the question to the Atlanta Baptist Ministers Union, which he thought would be against the change.

In Washington, D.C. the NAACP's chief lobbyist said that they are doing all they can to block passage of the bill that would outlaw the Electoral College.

Under the present Electoral College System each state has as many presidential electors as it has members in the Congress. Georgia has 12—two senators and ten members in the House of Representatives.

The electors who receive a plurality of the popular votes get all the state's electoral votes. The Negro vote is sufficient in many states to provide the popular vote majority.

PREDICTS PASSAGE

In his opening statement in the Senate last week in support of abolishing the Electoral College, Senator Bayh said he was confident the Senate would pass this resolution this year. He said the House had passed a similar resolution in 1970 and the vote was 339 in favor of abolishment and 70 against. However, he also stated: "Yet, for the past 12 years, a determined but small group of senators has managed to use every delaying tactic available in order to keep the full senate from having the opportunity of voting on this important issue."

The document discusses the pros and cons of various other ways to elect the President, such as by keeping the Electoral College and giving the candidates a proportion of the Electoral Vote based on the popular vote. Also the congressional district method of voting by giving an electoral vote for each congressional district.

But the proposal stands to abolish the Electoral College and substitute the popular direct vote.

OTHER DANGERS

Some opponents to the direct vote method also argue that with 70 million presidential votes involved fraud would be encouraged by the popular vote method. Also the danger of a recount would be increased.

For example, suppose one presidential candidate received 35,000,150 and another candidate got 35,000,250 votes. But later it was discovered that a fraud of 150 votes was discovered in the count for the candidate who had the 100 vote margin in the first report. The other candidate then would become the winner by 50 votes.

This type of situation could cause a collapse of the Electoral system and the Republic itself. The direct vote simply puts too much power in one vote. It is not practical with such a large number of votes involved.

EXHIBIT 4

WOULD POPULAR ELECTION DILUTE THE BLACK VOTE?

(By Eddie N. Williams)

There is serious concern, among some students of minority voting behavior, that a system of popular election might dilute the black vote and indeed the vote of all "special interest" constituencies in this country. For blacks, this possibility represents a threat to the political leverage they have acquired so recently. And this threat is not diminished by the President's welcomed call for universal voter registration, which would no doubt result in greater political participation by those who now participate least: the educationally and economically deprived, the young, the highly mobile and minority citizens.

Blacks derive their political leverage from a combination of several characteristics: They are 10 percent of the national electorate; they are strategically concentrated in the metropolitan areas of key states with large numbers of electoral votes; and historically, they have tended to vote as a bloc. This strategic concentration has been especially important, and it is this factor that would be lost under the proposed reform.

In 1976 the black vote helped Jimmy Carter win the electoral votes of key states needed to capture the presidency. In that instance the electoral college system appears to have favored blacks, although Carter's six million black votes would have assured his victory in any case.

It can also be argued, however, that if Carter's direct popular vote plan had been in effect last November, a black candidate might have been in the running, Eugene McCarthy might have polled more blacks votes, Wallace might have stayed in the race and, as a result, Carter might have lost the popular vote or the election might have been forced into a run-off.

The views of reputable scholars on all these possible effects of a change in the electoral system differ so widely as to leave us in our political cave. Politicians and pundits are similarly unhelpful. Their conclusions are based so heavily on one side or the other of the scholar's debate that their own biases are unmasked.

For example, the Senate Subcommittee on Constitutional Amendments, headed by Sen. Birch Bayh, who has perennially tilted against the electoral college system, has produced studies that attempt to show that (1) the electoral college system is bad; and (2) that blacks are not likely to be adversely affected by a system of direct elections. The studies thus far have been neither conclusive nor persuasive. On the other hand, a 1970 Brookings Institution study suggested that blacks, Jews and other minorities stood to lose substantially if the present system were replaced by direct elections.

On the surface the Carter plan appears to offer three attractions: to simplify the electoral process by abolishing what is widely regarded as a useless relic—the Electoral College; to remove the possibility of an inconclusive election or a situation in which the popular vote can be negated by peculiarities of the Electoral College; and to give equal weight to all votes.

However, the proposed reform raises several serious questions for the country as a whole and for blacks in particular, to which clear answers must be found. Some of these questions, now being examined by the Joint Center for Political Studies, are:

Is there a role for the state, as an entity, in the presidential selection process? Is it desirable to shift entirely to a concern with winning the popular vote nationally rather than with winning majorities within states? What do we know about the implications of this shift for the integrity of the federal system?

To what extent will popular presidential elections move us toward a greater degree of regional or big state presidential policies? Would this be a desirable development? For example, should we ignore the present concern that President Carter lost the Western states?

What kind of impact will the proposed reform have on the future of the two party system? Would it discourage third party bids when there is no longer the possibility of using electoral votes as bargaining chips, and thereby strengthen the two-party system? Or, alternatively, would it invite "spoilers" or non-serious candidates to seek enough regional or national votes to force a run-off election? What are the advantages of a two-party system to minorities when both parties can ignore them?

Would direct elections encourage or discourage, favor or disfavor the creation of a black political movement either as a serious third force or as a strategic attempt to make the major parties more responsive?

Would a system of popular election lead to the dilution of the political leverage blacks perceive they now have under the electoral college system?

Clearly, we do not know enough at present about the implications of the reform being proposed. As newcomers on the political block, blacks have too much at stake to gamble on the unknown. Support for such a change should be based on nothing less than conclusive evidence that the advantages of the proposed reform far outweigh its disadvantages.

The question blacks will continue to ask is whether the new rules make it easier or harder for them to play the game.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, I appreciate having this opportunity to share my views on the proposed constitutional amendment abolishing the electoral college, substituting direct popular election of the President, and providing for a runoff between the top two candidates if no candidate receives 40 percent of the popular vote.

Many of my colleagues are aware that I have in the past introduced an alternative to the electoral college, the so-called proportional plan which would, among other things, divided each State's electoral votes among the candidates for President in proportion to their share of the popular vote. I still believe in the equity of this alternative; however, I do not intend to push for the proportional proposal at this time, since the task at hand is to defeat the direct election proposal and since nothing in the Constitution forbids States from awarding their electoral votes on a proportionate basis.

Let me begin by stating that I am strongly opposed to direct election, principally because of the potential adverse effect it could have on the uniquely American idea of democracy, the federal system. Our system of government came about as a result of an elaborate series of compromises at the Constitutional Convention. It is a constitutional system of "checks and balances" among the three branches of the National Government. I believe it to be operating well, and operating the way it was intended.

There is another system of checks and balances, the balance of power between the State governments and the National Government. It is this system that I believe direct election would radically and fundamentally change, particularly to the disadvantage of small States.

The electoral college, by definition, serves as a continuing imposition of the rights of the States on the National Government since electoral votes are awarded on a State-by-State basis. In addition, each State's electoral vote, being the sum of its Senators and Congressmen, is a reflection of the great compromise of the Constitutional Convention that resolved the competing claims of the large versus the small States by making the Senate representative of States and the House the body of proportional representation of the people. The present system has provided an intimate connection between Presidential elections and State and local politics. This has provided a vehicle for input into Presidential decisionmaking. With the States eliminated from Presidential campaigns, there is an incumbent loss of States and local influence on national affairs.

Much discussion has taken place on this particular point which is vital to me. I am more firmly convinced than ever that adoption of direct popular election will mean a loss of influence for the majority of States and the District of Columbia and an increase of influence for the most populous States in this country. This would come at a time when several States are already complaining that the National Government does not pay enough attention to the needs of certain States. I believe that these complaints are legitimate and well taken. For instance, those of us from the West are acutely aware of the circumstances created by Federal ownership of substantial portions of our States and problems relating to the great distances in the West between populated areas. Without the extra advantage each State enjoys under the electoral college and with national totals the only criterion for election, candidates could concentrate on heavily populated areas much more so than they already do.

Once again, I urge each of my colleagues to examine closely either the chart prepared by the Library of Congress, or the chart in Congressional Quarterly showing the impact of direct election on small States.

At this point, I would like to briefly address one of the points raised about the defects of the electoral college. I certainly recognize the problem of the so-called "faithless elector." The Constitution provides that an elector is completely independent and can vote for any candidate he or she chooses. However, from the very first election, almost all electors have voted for the candidate who won the popular vote of their State. Of the nearly 18,000 electors who have voted for President in the history of the Republic, no more than a dozen have ever cast their vote in violation of the pledged loyalties and none has ever altered the outcome of an election.

Thus, in the final analysis, a very strong case can be made for the electoral college system, as opposed to direct election. The former is very compatible with and supportive of the American idea of democracy. Ours is a Government of coalitions and compromise. Proponents of direct election are too prone to indulge in mathematical speculation which ignore political and historical realities. The case against federalism and the principle of the concurrent majority has not yet been made. And if it were to be made, then we would certainly have to take into consideration the complete revision of our system of Government, including the Senate, the Supreme Court, the Amending Procedure, and, indeed the Constitution itself.

Additionally, I believe that the electoral college is a much greater safeguard of the two-party structure than would be the case under direct election. I also believe that other difficulties which could arise under a system of direct election include the possibility of minority Presidents. A candidate could win the Presidency under direct election without an electoral majority, or even an electoral plurality, in a single State.

Senate Joint Resolution 28 simply requires that he receive 40 percent of the vote, however distributed. In a three-way race, candidate A could receive 40 percent in every State, with candidates B and C alternating between 42 percent and 18 percent.

A minority candidate could not only win the Presidency, but in view of the 40 percent threshold for avoiding run-off elections, and the incentives for 3d parties provided by direct election, it is likely that Presidents will be elected under direct election with 50 percent plus only in rare, landslide elections.

Under the electoral vote system, 3d parties are discouraged because voters will not "waste" their votes on parties incapable of carrying their States. Under direct election, there would be incentives for 3d, 4th, and 5th parties, since each vote cast would go toward denying 40 percent to any party. Coalitions that now form prior to the general election would be formed during the hectic prerunoff with 3d parties positioned to exercise disproportionate influence by bargaining for their support. And, if direct election stimulates a proliferation of multiple parties to the extent that no candidate is able to garner 40 percent of the vote, the amendment would have not only changed the method of electing a President, but also would have introduced a completely new area of Presidential elections: the run-off campaign.

In conclusion, I remind my colleagues that direct election will nationalize an important function currently performed by the States—the administration of elections. I would think that the need for a national election code would be certain thereby creating more bureaucracy, and once again, increasing the influence of the Federal Government over our lives.

I think that everyone will agree that no electoral system is neutral. Every system favors certain groups and interests and discriminates against others. Therefore, the question is not whether the electoral college has biases, but rather whether the biases are more compatible with and supportive of our basic system of government than direct election. I believe it is.

Many devices and institutions exist within our system of Government to protect minorities, to prevent all-national majorities and to limit the power of ordinary majorities. The Constitution itself was so designed, as was the amendment procedure. The Supreme Court and the U.S. Senate function likewise. All of these directly or indirectly incorporate the Federal principle and all impose a Federal-geographic limitation on the exercise of Government power. None of these institutions operates solely under the principle of one-man, one-vote. I hope we never see the day in this country when we have Government by adding machines.

I strongly urge that we defeat the direct election proposal.

Mr. THURMOND. Mr. President, I would like to commend Senator CANNON for the splendid address he delivered in regard to this dangerous and radical proposal. He has cited some very vital points which I believe will be of tremendous assistance to the Members of the Senate. His remarks indicate the long hours of study he has put into this proposal.

Mr. BAYH. Mr. President, I have listened with a great deal of interest to the remarks of our friend and colleague from Nevada and the remarks of our friend and colleague from South Carolina about the devastating impact that a direct popular vote would have on this country and our political system. But I think any disinterested party, someone who had spent the last 6, 8, or 10 years on the Moon, for example, would have to understand that there are some rather devastating consequences occurring under our present political system, the one that exists in this country today.

If the electoral college system is so important to the structuring of our political system, why is it that by any barometer you can imagine, the political parties are at their lowest ebb today? Why is it that the participation in the political process is lower than it has ever been before? Why is there a kind of disenchantment about our political institutions such as we have not observed in ages?

I cannot honestly say I know all the answers, but certainly the electoral college has not protected us from any of those particular faults. I suggest that anyone who studies this matter carefully will find that, rather than being some sort of a revolutionary vehicle that the proponents of direct election are trying to foist onto the poor unsuspecting people of this country, the direct popular vote is really the rule. The electoral college is the exception.

I see in the Chamber my distinguished friend from Arkansas, who prior to coming to this forum served with distinction in the other body, with a little detour in between through the Governor's mansion down in the great State of Arkansas, but he has been a longtime student of the political process in this country. He was elected Senator, he has been elected Governor, he has been elected a Member of the House of Representatives, a Congressman, and he has been elected to his State house of representatives, and served with distinction there.

I would like to inquire of my distinguished friend and colleague from Arkansas, did they have an electoral college mechanism that governed any of those elections. What sort of elective process existed in those other avenues to public service that have been so successfully followed by the distinguished Senator from Arkansas?

Mr. PRYOR. Mr. President, I would respond to the distinguished Senator from Indiana that, of course, the answer is in the negative. We have a direct popular vote in our State for the office of Governor, the office of Representative, and the office of U.S. Senator, as all the other 49 States do. But somehow in our State, like the other 49 States, we have a strange barnacle that hangs on this whole democratic system of ours in the form of the electoral college. This is a system which is greatly misunderstood and which, I think, is a wrong system.

I would also like once again to applaud the Senator from Indiana for his leadership on this important issue. He is certainly one of the most renowned students of the electoral process that we have in this great country.

I would like to pose the following supposition to my friend from Indiana: Let us assume for a moment that in 1787 the Founding Fathers who drafted our constitutional framework decided that we should have direct election of the President, rather than an electoral college. Let us assume that we had direct elections for President and Vice President during those 200 years, and suddenly in 1979 a U.S. Senator, a Representative, or an advocate in another forum proposes—just proposes—that we go to a system where someone would cast our votes for us for President and for Vice President.

I state to my good friend, that if we attempted to go to an electoral college system such as we actually have now, that you would not get one sponsor to support that proposition or become an advocate.

The reason you would not get that sponsor or those groups to support that change is because we would have seen, down through these 200 years, that turning this decision over to the people freely, independently, without this vehicle of the electoral college casting our votes for us had worked. I think if we would have looked back down those 200 years, we would have looked back with a great sense of pride in our system, knowing that that system had not only worked, but it had worked well, because the matter had been left up to the people.

It was in the 1787 Constitutional Convention that the delegates to that convention made the decision to go to an electoral college process of electing a President and a Vice President. It was because of several reasons, as the Senator from Indiana knows. One of those reasons was the lack of communications. The next was the lack of means of travel. Also there was the lack of education among the population at that time. We had only five cities in America in 1787 that had a population of over 10,000 people. We had a country of close to 4 million people. 97 percent of whom were rural people, as the Senator well knows. So we had an entirely different situation, and at that moment in the history of America, the electoral college may have been the wise thing to do.

But for this moment in history, 200 years later, when we have matured, when we have communications, when we have travel in a matter of hours to every section of this great country of ours—for this moment, I would say to my friend from Indiana, it is time that we reach into this century and find a system of electing a President that is better than the one adopted some 200 years ago.

Mr. BAYH. I appreciate the observation of my friend from Arkansas. I must say in response to his question, what does he think would be the response if someone came on the floor of the Senate after 200 years of history under a direct popular vote and suddenly proposed an amendment to go to the electoral college system? I think there probably would be 99 brethren who would suggest immediately that the gentleman in question be fitted for a white coat with long arms and probably sent off to a rest camp someplace until his sanity returned.

The fact of the matter is our Founding Fathers probably were the wisest group of men who had assembled in one place in one time in the history of civilized human beings.

One of the wisest elements of this great document they put together, which we now know as our Constitution, was the fact that they realized that circumstances could be changed, that time and they had human frailties. So they were really starting a new experiment and they had human frailties. So they provided a vehicle for changing that great work, if indeed it needed to be changed.

It is interesting to note that some of those who are the stoutest supporters for the electoral college system talk about it being an indispensable ingredient in our Constitution, because our Founding Fathers put it in there. Somehow they forget that almost before the ink was dry on that Constitution, our Founding Fathers found out they had erred, and the country was thrown to its knees, because of the Presidential election system, the electoral college provision. So we had to amend the Constitution and see that we did not have another repeat of the Jefferson-Burr deadlock situation.

They were treading untested trails when they wrote that Presidential provision into the Constitution. Interestingly enough, I do not suppose anybody here would suggest, even the stoutest supporters of the electoral college would suggest, that we return to the way the Founding Fathers intended for the electoral college to function. They intended for those electors to be elected as free, independent agents, if we believe the electoral college should function as it did in 1787 then instead of criticizing this poor character in the State of Washington who decided to ignore the people of that State and vote what he thought his conscience compelled him to do, to vote for Governor Reagan independently we should be commending him. That is what our Founding Fathers intended for those first electors to do.

I do not think any of us would suggest that we return to that particular way of doing things. Rather, I think we should recognize that times have changed and that the time has come, really, to place the democratic process in the hands of the people generally, as the Senator from Arkansas suggested. He should know as well as anybody in this body, because of the diversity of the public offices he has held.

Mr. PRYOR. I would like to say I am a little embarrassed any time anyone mentions the public offices I have held. Some people in Arkansas say I have lived off the public payroll for a long time, so let us not go into that.

Mr. BAYH. I would say the public is getting its money's worth.

Mr. SIMPSON. Mr. President, if the Senator will yield the floor, I do have some remarks to make in this area. I feel they are slipping into some light colloquy, and, if so, I would like to be able to proceed.

Mr. BAYH. Will the Senator permit me to make a few comments on statements made by the Senator from Arkansas and the Senator from Nevada, specifically? Then I will be glad to hear what he has to say.

Mr. SIMPSON. Of course.

Mr. BAYH. The Senator has heard the assertions made by our colleagues that if we go to direct popular vote we will have a splintering of parties. What has been the case in Arkansas? How many different splinter parties are there in Arkansas where there is direct popular vote?

Mr. PRYOR. I think if we are going to have splinter parties in this country we will attempt to have more under the electoral college system than we would have in a direct election system. There is nothing to indicate that the direct election system to elect a President and Vice President, in my way of thinking, will encourage splinter parties in America. I believe that either system we have is going to give a sufficient opening or sufficient encouragement if a splinter party needs to be born or if a third party needs to become a viable part of our political system. I think in a direct popular election the vehicle would be there, and I think in the electoral college system that vehicle is also there. If the idea is right, if the timing is right, I think splinter parties will occur notwithstanding whether we have direct popular election or an electoral college.

After considering the thoughts expressed by the two distinguished Senators preceding us, who took an opposite side on this particular issue, I hope the points they raised will be properly discussed during the course of this debate, and certainly discussed when this issue is brought before the 50 State legislatures of this country. It is the type of debate which needs to occur in the 50 State capitols of this country. It is a very appropriate way to have this issue properly and thoroughly thrashed out closest to the people—in the State capitols of this country.

Mr. BAYH. I appreciate the response of the Senator from Arkansas. Interestingly enough, in the poll we have taken of State legislatures, in every one that was returned—and we have had returns from all 14 of them we polled—they show that we have a 61 percent approval ratio across the board. You do not have small States refusing to support this kind of thing.

I might just touch on one more point and then I am anxious to hear what the Senator from Wyoming has to say. He is from a small State. I understand that perhaps he will come down on the other side of this issue.

Mr. PRYOR. I cannot imagine a man of his wisdom and background coming down on the other side of this issue. I would assume that the distinguished junior Senator from Wyoming would be on the right side of this issue and would support the people electing the President. I hope he will.

Mr. BAYH. He is indeed a wise individual. I am pleased to say that I had an opportunity to serve with his distinguished father, who preceded him. I am sure in his speech he will point out that neither of the presidential candidates visited his State in the last election. The Republican Party did not think enough of it to spend any money on it and the Democrats felt the same way. I would think he would want the direct popular voting system so the parties would have to pay attention to his State.

I listen to my colleagues talking about the advantage the small States have, but the fact of the matter is you can be elected President of the United States by not carrying a single small State, if you carried the 10 largest States and the District of Columbia, theoretically by one vote per State. You could be defeated by millions in the other States but you would still be elected President of the United States. It seems to me there is only one system that will say you must pay the same amount of attention to a population center in New York, in Wyoming, and so on. That is a direct popular vote.

Although I know some of our colleagues from small States feel very jealous about the small-State advantage that they feel they have, there are other of our colleagues from small States who feel just as forcefully that they do not have an advantage. Nobody ever comes there, they do not invest any money in campaign resources there. In some instances, you can say that the small States have an advantage; in some instances, you can state a large State has an advantage.

It seems to me that the truly democratic—I say with a small "d"—way of conducting an election is to say that your vote counts the same. Why should we divide up between small States and large States and say, I am going to fight to continue an advantage that I have? The people of this country ought to have an advantage—one person, one vote. They ought to be able to cast and have it counted for the candidate for which it is cast. That is not the case right now.

I notice our distinguished colleague from Rhode Island is here now. I know that he is one of our most avid supporters. One could say that, as important as the State of Rhode Island is in the Union, it is still, compared to some other States, a small State. Yet he is one of our strong supporters. I do not know whether he cares to make an observation on that. He and the Senator from Wyoming might debate the small-State question here.

Mr. CHAFEE. Will the Senator yield?

Mr. BAYH. I am prepared to yield the floor to whoever wants it right now.

Mr. CHAFEE. I thank the Senator very much.

Mr. President, I rise in support of Senate Joint Resolution 28, which has been introduced by Senator BAYH, proposing an amendment to the Constitution to provide for the direct election of the President and Vice President of the United States. This measure was the first which I cosponsored as a U.S. Senator, more than 2 years ago. Since that time, Mr. President, I have become increasingly convinced of its merits and its importance. Direct popular election will eliminate the inequities of the electoral college system, which threaten our very ideal of a popularly elected President, and it will reinforce this country's 200-year-old commitment to increasing the participation of its citizens in the election process.

Mr. President, that commitment alone represents a fundamental justification for direct election; in other words, that the one who gets the most votes wins. However, as has been mentioned by the distinguished Senator from Indiana, I come from what might be called a small State. Indeed, it is the smallest in geographic size. So I should like to address some of the concerns which have been raised regarding the effect that a direct popular election will have on the distribution of political power between the larger and the smaller States.

In my judgment, the electoral college system does not serve to protect the smaller and less populous States. I think in using the term "smaller," what we are really talking about here is not only in geographic size, but particularly, we are talking about small in the size of its population; thus, in the number of electoral votes that it has.

It is the electoral college which has most damaged the political position of the less populous States. What we are talking about under the electoral college, of course, is the unit rule: the winner takes all. If you have a million voters and one fellow gets 500,001 votes and the other gets 499,999 votes, he loses. From a political perspective, Presidential candidates running under the present system have determined that they want to spend their time and their energies and their money in the big States, the populous States, such as New York, Illinois, and California, which are profitable targets for them, because if they win there, they win something big. They win 45 electoral votes. They carry Rhode Island and what do they get? They get four votes.

What the candidates have done is avoid the smaller States. They do not waste any time in Rhode Island or Wyoming or Delaware, because what do you get? You may get a lot of votes, you may get all the votes. If you win 500,000 votes in Rhode Island and the opponent gets very few—and that has happened. President Johnson took our State by 87 percent of the vote, a landslide. But it was hardly worth it to him, because he only got the four electoral votes that we have.

We have made a study. During the last election, in September and October, when the heat is really on, when the candidates are really out there pounding the campaign trail, the 15 smaller, less populated States were not visited once by either of the candidates, then-President Ford or then-Governor Carter. They would not waste their time coming to see us, and we regretted that.

Not only are the large State's voters more sought after by the candidates, but they end up with a far greater influence, because a single voter in California can determine the outcome of an election. The electoral college winner-take-all system allows the largest State voter an opportunity to determine the swing. One extra vote in California gives the winner—President Carter or President Ford, whoever it is—45 electoral votes. One extra vote in Rhode Island, Delaware, or Wyoming does not do anything for the candidate. He wins and he gets four electoral votes.

Let us look at 1980. Let us suppose that equally close outcomes determine California's 45 electoral votes and Rhode Island's smaller block of four. In that situation, it could be said that each Californian's vote has more than 11 times the national impact of each Rhode Islander's.

"Well," one might ask, "won't direct election candidates continue to concentrate their efforts in larger and more populous communities?" Yes, they will—but with one very important caveat.

The electoral college system does not allow a candidate's votes to be pooled across State lines.

In other words, under the electoral college system, we cannot take the votes of Connecticut and pool them with Rhode Island. It does not work that way. There is absolutely no incentive for a candidate either to increase his winning margin or to cut his losses.

My State has been traditionally Democratic and rather heavily so. In the election of 1960, we gave President Kennedy a greater percentage than Massachusetts gave him. We gave the highest percentage in the Nation to President Kennedy.

So it was in the 1964 election. We gave the highest percentage in the Nation to President Johnson.

So it was in the 1968 election. We gave the highest percentage to Humphrey. Then we slipped a little. In 1972, we did not give the highest to McGOVERN—we gave the second highest. In other words, a very solidly Democratic State.

What happens is that both sides write us off. The Democratic candidate does not bother coming around, because he is assured of our electoral votes. The Republican candidate does not bother coming around, because there is nothing there for him to do, he does not cut his margin of loss.

So, again, we are ignored.

This has a very pernicious effect. It means that the losing candidate does not come in and spend any time or money and help build up the minority party. The winning candidate stays away because he is happy the way it is. So what happens is that the two-party system is not strengthened.

Many people have said they are in favor of the two-party system. But the system we are under now, the electoral college, does not strengthen the two-party system in the States that are heavily one way or the other, because there is no percentage in increasing your margin or cutting your losses.

There is a further discouraging factor that has occurred under the electoral college, and that is the diminishing of voter participation. I do not know whether the distinguished Senator from Indiana has touched on that, but I think it is something about which we should be concerned.

In 1964, about 70 percent of the eligible voters in the Nation cast their votes. In 1968, it shrunk to 68 percent; in 1972, 63 percent; in 1976, down to 59 percent.

This is very disturbing in a direct election. With the knowledge that no voter is advantaged, that every voter must turn out, whether he is a Republican in Iowa, or whatever, even though the Republican candidate for President is probably going to carry the State, he will turn out because his vote will add to the national total. In Rhode Island, the Democrats will turn out. Even though they know they have it safely in the bag under the electoral system, they will turn out under the direct election system, because every vote in Rhode Island, every extra vote, counts for the national total.

It might be interesting to point out that recent surveys indicate, according to the best statistics we have, that 80 percent of the American people support the direct popular election. This overwhelming support is evenly distributed without regard to the geographical location, whether it is a Southern State, Northern, Eastern, or Western, and regardless of the size of the State, whether a big or little State. Eighty percent of the people support the direct popular election.

Just last week, a survey appeared in the RECORD, and I am not sure whether the Senator from Indiana touched on this. It was very interesting to me that the survey conducted by the Subcommittee on the Constitution demonstrated equally strong support among small State legislators for the direct popular election. In every small State surveyed—by "small" I mean those with few electoral votes—this was the case.

In my own State, with four electoral votes, 74 percent of the legislators responding said they would vote to ratify the proposed constitutional amendment. Only 9 percent indicated that they would oppose it.

So, Mr. President, I believe we should strive to eliminate the weighted factors in our election process. Direct popular election will not allow future candidates to neglect the smaller States, because each individual's vote, regardless of where it is cast, will count the same.

Our present system of Presidential elections, including the electoral college, threatens not only the position of the less-populous State, as I have said; but, more fundamentally, it threatens the ideal of a popularly elected President. I am sure this has been touched upon, and it is of tremendous importance. It has happened once in our Nation, when a man who did not receive a majority or a plurality of the popular vote was deprived of the Presidency, and it could have happened in 1976. Just a very small shift of electoral votes—I am sure the Senator from Indiana touched on this in his remarks—could have guaranteed the reelection of President Ford, even though he overwhelmingly would have lost the popular vote.

Therefore, I urge my colleagues to continue this country's tradition of increasing the openness and equity of participation by its citizens in the election process. We have made many changes in the Constitution to insure this. We have given women the vote. We have insured that blacks have the vote. Those without property have been allowed to vote. Senators are elected by popular election, not by the State legislatures. Most recently, we permitted the 18-year-olds to have the vote.

It seems to me that now it is time for all the votes to count equally, for every vote to have an equal weight, and direct elections will insure that.

Mr. President, I commend the distinguished senior Senator from Indiana for the vigorous efforts he has made in this area. It is not only beneficial to the smaller, less-populous States, as I have pointed out, but, more important, it is the right thing to do.

Mr. BAYH. Mr. President, if the Senator will yield, I say to him that I appreciate the contribution he has made here. His support has meant a great deal to us in this effort.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I realize the lateness of the hour, but I do wish to make some comments on this issue.

With regard to the earlier colloquy, which I enjoyed very much, between the Senator from Arkansas and the Senator from Indiana, I have a small, silver-handled shovel under my desk which I will keep in readiness for any future activities along that line. [Laughter.]

I might add that Senator BAYH is a fraternity brother of mine. I have admired his work in the U.S. Senate for many years.

As for Senator PRYOR, I have found him a very delightful friend, who brings real freshness to this institution, which I think is going to be well received.

Meanwhile, back at the fort in Wyoming, the land of high altitude and low multitude, we do not concur in the feelings of the sponsors of this measure. Wherever you find large and diverse populations, you will find splinter parties. I was interested in the remarks concerning how it goes in the State of Arkansas. There, we are talking about a single State and a single region, not the United States of America.

It is a curious issue; there is no question about it. I have watched it for years. There is no rhyme or reason as to how people come down on one side or the other. We have both small and large States on each side of the issue. It is curiously compelling, I suppose.

I could not help thinking of what the reaction might be if the proponents of the electoral college of 200 years ago had come into this body to witness this debate and wondered how we had come to it and what was wrong with the present system.

Obviously, I oppose Senate Joint Resolution 28, the proposed constitutional amendment which would abolish the electoral vote system and substitute direct election of the President.

Mr. President, let me begin by sharing with my colleagues a very brief but appopriate quotation which I have found very meaningful ever since my college days in Laramie, Wyo., at the time of the beginning of my checkered career. The words were spoken nearly 2,500 years ago in Athens, the first democracy. They were spoken by Pericles, the Athenians' greatest statesman. Pericles was delivering an oration at the funeral of the brave warriors who had fallen in the war with Sparta. He used the occasion in part to remind the mourners of just why their loved ones had given up their lives in battle.

At one point in his speech, Pericles asked a very sobering and pungent series of questions and this is what I hope my colleagues might consider. He asked:

> What was the road by which we rose to our present position? Under what form of government did our greatness grow? Out of which national habits did it spring?

Mr. President, I will not go on to relate what Pericles then said about the sources of Athenian greatness. However, I believe my colleagues should consider the questions that were asked by Pericles.

Are we all certain that we know the source of America's greatness? We give the issue great verbal exercising, but our knowledge discloses a flabbiness of real understanding.

Our success as a nation is at least partly related to the degree of freedom, stability, and national unity which we have enjoyed. Our freedom, our stability, and our national unity are related somehow to our political institutions, to a Government framework which was designed by some of the wisest political scientists in history—I have heard that phrase from the proponents as well—which has been refined by nearly 200 years of national experience, and which above all reflects reason and balance—balance between the different branches of the Federal Government, between the Federal and State governments, and between different regions of the country.

Mr. President, can we really be sure that we know precisely why the American political system has worked so uniquely well? And if we cannot, how can we be certain which of the elements of the system are essential to its successful functioning and which on the other hand can be beneficially altered? Therefore, should we not be most cautious when we contemplate changing it? And should we not be most skeptical in the extreme when we contemplate a radical change, a change which would only serve to bring it more into conformity with much less successful systems around the world?

In the words of Prof. Charles Black of Yale Law School, a respected constitutional scholar:

> As the other countries, almost without exception have rolled through one constitutional revolution after another, this constitution has stood there in substantially its present form, has accommodated a whole continent and now has reached out to the islands of the Pacific and brought them into a political structure of obvious solidity and strength.

Professor Black continues with a comment on direct election:

> I approach this question with the feeling, which I believe to be validated historically as well as any can be, that the Constitution of the United States is an almost miraculously successful document, and that any change in its structure is to be approached with every presumption against it.

Mr. President, I am not stating that our political system should not be further refined in the future. However, refinement based on experience is very different from radical change based on pure theory.

A most important point in this debate is to understand that direct election would not be a mere refinement. If this amendment were to be ratified, it would be, in the words of Professor Black:

> The most deeply radical amendment which has ever entered the Constitution of the United States.

The less radical changes which have been made in the past were made only after our national experience made the need for change obvious.

Surely we have learned to beware of those who pretend to have theories so true and so complete that we may approach the perfect society or the perfect solutions by following their designs, ignoring traditions and institutions which have evolved and proven themselves over generations.

How important is it really that so far we have no theory—only the reality of being here and functioning, which in itself explains the degree of success of our political institutions?

Mr. President, what is it that we are trying to further accomplish by political institutions? What greater benefit can we expect from them than that which we already enjoy?

Frankly I do not understand what we hope to gain by radically changing the present system for electing our Presidents.

Do different conditions exist now, so that the avoiding of sectionalism and providing for a fair degree of influence for all States in the Union are no longer in the interest of national unity? Is a strong sense of state citizenship no longer in the interest of a healthy federalism?

Mr. President, although I do not perceive or feel what we have to gain, I have a real and strong feeling about what we have to lose. We risk losing some of our freedom, some of our political stability, and some of our national unity. This is the case, because these good things are affected by the strength of federalism and the belief of the majority of citizens in each State—and each region of the country—that they have fair representation in the central government—the excutive as well as the legislative branch.

We must not take for granted the good things which we have enjoyed under the present system. We should not just assume that they would remain intact if we radically altered the institutions that have supported them. Indeed, as the central government becomes stronger and stronger at the expense of the States, we need to encourage federalism, not discourage it—and we need now more than ever to assure the citizens of each and every State that they have that representative voice in Washington.

Mr. President, what do these proponents of direct election tell us that should make us want to jump ship and abandon the present system and to take such risks?

Let me briefly review the argument presented for direct election. The Judiciary Committee report on Senate Joint Resolution 28 describes four alleged "defects in the present system":

First, the uncertainty that the candidate receiving the most popular votes will win the election;

Second, the winner-take-all rule for allocating a State's electoral votes;

Third, the possibility that an elector will not vote for the candidate to whom he is pledged—that is the rascal known as the faithless elector; and

Fourth, the contingency election procedure used when no candidate receives an absolute majority of the electoral votes.

The last two of these alleged "defects," the faithless elector problem—spoken of so very eloquently and candidly by the author, James Michener, in hearings before the committee—and the contingency election procedure, are easily taken care of by very simple nonradical amendments. In the case of the faithless elector issue, at least, I doubt if there would even be much controversy.

The winner-take-all rule is not a reason to make a change as radical as direct election. The winner-take-all rule is not required by the U.S. Constitution. The Constitution merely assigns to States their total electoral votes. The individual States then decide how such votes are to be allocated. One State, Maine, has decided to award two electoral votes to the statewide winner and one to the winner in each congressional district. The other States have chosen to use the winner-take-all rule. Their reason is apparently that it maximizes the influence on the election outcome of the majority of voters in these States. In effect, the voters select a State choice, a collective choice for the entire State, which is selected by majority vote.

If the citizens of any State should desire, they could follow the lead of Maine, that most progressive State so ably represented in this body by Senator MUSKIE and Senator COHEN, two whom I have come to enjoy very much. No amendment to the U.S. Constitution would be necessary, certainly not an amendment as radical as direct election.

In defense of the winner-take-all rule,

it is worth noting that the rule has at least two beneficial results. First, the winner-take-all rule favors a moderate, two-party system. Since no electoral votes can be won without a statewide victory, the rule encourages broad, intrastate coalitions and discourages splinter parties, a very important recurring theme in this debate. Second, the rule increases the feeling of State citizenship. All the voters of a State select their State's candidate, as distinguished from the choice made by the voters of other States. Whatever serves to strengthen the awareness and pride of State citizenship and the realization of separate State interests will always serve to strengthen the Federal system and, therefore, reduce the very subtle and undefinable willingness of voters to see powers flowing from their States to the Federal Government.

It is the fourth alleged defect, however, which seems to be the real thrust for the direct election effort. I hear the strident cries of the proponents claiming that the election of a candidate who had received fewer popular votes than his opponent would cause a grave and disruptive crisis, that a significant portion of the American people would not accept such a President as legitimate and he would have difficulty effectively governing.

Proponents also claim that such an election would in fact be just plain wrong, illegitimate, undemocratic.

This alleged "defect" really involves two claims: One, that election of a runnerup President would cause a crisis; two, that such election would be inconsistent with American political principles. Neither claim is correct.

First, election of a runnerup President is most unlikely. It has happened only once in American history. In 1888, Benjamin Harrison won the electoral vote contest and, therefore, the election, despite a narrow loss to Grover Cleveland in the popular vote (the difference was less than 1 percentage point). Cleveland's narrow popular vote victory and his electoral vote loss both resulted from his sectionalist campaign strategy, which was aimed at achieving large margins in one-party States in one region of the country. Harrison, conversely, conducted a genuinely national campaign and received broad support across America. In view of the modern, two-party system, and national campaigns, it is not likely that a runnerup President would ever be elected in the future.

But even if a runnerup President were elected, however, a crisis would not be likely. Such a President would necessarily have received broad support since this is a practical necessity for an electoral vote victory. A crisis did not occur in 1888 with Harrison's election, nor even—I remind my colleagues—in 1974 when Gerald Ford became President despite receiving no popular votes. Constitutionally valid procedures automatically produce results that have great legitimacy. This legitimacy could only be undermined if influential political and opinion leaders were to constantly weave the sinister scenario for the American people, that a runnerup President would lack legitimacy. When proponents of direct election dourly predict and foreswear the doom that a crisis would occur if a runnerup President were elected, their statements seem to smack of a self-fulfilling prophecy. When properly advised and informed, the American people are very capable of understanding and accepting the reasons why the electoral vote system was developed and the advantages which it still possesses over direct election.

Perhaps the most serious claim of the advocates of direct election is that election of a runnerup President would be inconsistent with our political principles.

That is not true, at least not yet. There are other values which often override majority rule and the simple one-man, one-vote principle. Some of these values relate to the prevention of majority oppression of minorites—minorities of all kinds: Political, religious, racial, any minorities. Such values are expressed in the bill of rights, the 14th amendment, and other constitutional limitations on the power of popularly elected governments. Other overriding values relate to the encouragement of national unity. These are expressed in political institutions which are based on geographical/regional factors—the classic example is right here, in this body, the U.S. Senate.

One other example of the overriding of simple majority rule and the one-man, one-vote principle in the interest of national unity is this issue, the electoral vote system for election of our President.

The electoral vote system provides a dual encouragement for national unity. First, the system reduces the specter of a sectionalist President, a President who had received extraordinary support in one region or even one State of the country, but had been rigorously opposed or rejected everywhere else. Under the electoral vote system, no matter how large a candidate's margin of victory in a State he cannot receive any more than that State's electoral votes. Extra wide margins in a few States cannot compensate for losses in other States having a greater total number of electoral votes. Thus indeed the electoral vote system is biased in favor of candidates who receive geographically broad support.

The second way in which the electoral vote system encourages national unity is by giving slightly disproportionate influence to less populous States. Such States have a larger share of electoral votes than their share of the total popular votes cast.

The intent of the framers was to create one unified nation out of many relatively sovereign States. The people of the less populous States feared that they could be overwhelmed by a national government controlled by the large States, that their integrity as separate communities—with their own laws, customs, economy, and priorities would be lost. Therefore, small States were each given extra influence—in both the legislative and executive branches of the Federal Government to which they were surrendering a very real degree of sovereignty.

It was then left up to the States as to how to allocate their share of the total electoral votes. But whatever their allocation, the small States' share of the total is disproportionately large. When the winner-take-all rule is in effect—as it is in 49 of the 50 States—the electoral vote system has the effect of forcing the people of a State to vote as a bloc, with the choice of the bloc decided by majority vote. In a small State the majority does control a total number of electoral votes that is disproportionate to that State's population. Regardless of whether any particular member of that majority may have "made the difference," his chosen candidate is given a greater boost than if he and other members of the majority had merely contributed their relatively few popular votes.

Mr. President, let me emphasize this point: The extra influence for small States was provided in the interest of national unity. This concern is not out of date. Each of my colleagues—whether from a large or a small State—should continue to be concerned lest we jeopardize a unity for which this Nation paid such a terrible price a century ago. In the pragmatic words of Austin Ranney of the American Enterprise Institute for Public Policy Research:

> If I am going to get the sweats about something that happened in the 19th century the last time, I might be inclined to worry about something that happened in 1861 rather than 1888.

My colleagues may know that thousands of Alaskan citizens have signed a petition calling for Alaska to secede from the Union. Fifty years ago in my home State of Wyoming there was an attempt to form a new State of Absaroka—encompassing the northcentral region of the beautiful Big Horn Mountains. This shows how strong sectional feelings can still be in this Nation. States continue to be different in economy, geography, laws, customs, and priorities. That is one of the fundamental strengths and beauties of our Nation, but it is also the source of continuing creative tension and challenge. If we are not most careful to respect the differences between States and provide each State a reasonable influence over the central government, we risk doing great damage to the structural unity of our Nation.

Mr. President, I have discussed the four alleged "defects" of the electoral vote system. I have pointed out the weakness of the argument. The alleged "defects" of the present system are either, (a), easily correctable or (b), not really defects at all.

Direct election, on the other hand, is fraught with real defects. In fact, its shortcomings are particularly odious and obvious with respect to those qualities which I earlier suggested were closely related to our success as a nation; namely, a healthy federalism and a belief in most citizens in each region of the country that they have fair representation in Washington.

Under direct election, States would have no significance. This contrasts sharply with the present system under which votes are counted separately for each State. The present system strengthens the feeling of being a citizen of one State as distinguished from other States. Again whatever strengthens the awareness and pride of State citizenship and the realization of separate State interests, will indeed strengthen the Federal system by reducing the desire of voters to see powers flowing from their State to the national government.

In addition to weakening federalism, direct election could threaten national unity by eliminating the slight extra influence given to less populous States, reducing the protection against sectionalist Presidents, and modifying Presidential campaign strategies.

The threat of sectionalism is not purely theoretical. In 1968, the plurality in the Northeast for Hubert Humphrey was nearly 1,600,000 votes. This was the only area of the country to give such an enormous lead to either candidate. Mr. Humphrey lost the South by approximately 690,000 votes, the Midwest by about 650,000 votes, and the West by 590,000 votes. Had his numerical support in the Northeast increased by only 5 percent he would have been elected President under a direct election system. The outcome would have been a popular vote winner lacking any true mandate—a President clearly rejected everywhere but in a narrow segment of the country.

One State alone could affect a direct election outcome. In 1968, Mr. Humphrey won in Massachusetts by over 700,000 votes. This plurality was nearly enough to swing the popular vote.

Douglas Bailey of Bailey, Deardorff, the political consulting firm, testified in behalf of direct election that—

> In 1976 President Carter won the three electoral votes of the District of Columbia, but under the direct election system, his plurality in the District of Columbia was big enough to have wiped out the Ford pluralities in seven or eight separate States, where Ford won over 50 electoral votes.

Although this testimony was intended as support for direct election, it merely increased my strong feelings that direct election would create an even greater and realistic risk of sectionalism. I would remind my colleagues that these kind of margins were—and are—being achieved under the present system. We can expect even greater margins under direct election since direct election could only serve to fully encourage sectionalist campaigns.

In hearings, I asked Dr. Judith Best, author of one of the most authoritative books on the electoral system, to compare the possible crisis if a runnerup President were elected under the present system—with the possible crisis if a sectionalist President were elected under direct election. She replied:

> There is really no comparison between the two situations. The "runner-up" Presidency is a mere technical violation of a simplistic democratic theory * * *.
>
> A truly sectional President would provoke a severe crisis. Such a Presidency would not be a mere technical violation, it would be a substantive violation, a violation of the spirit and intent of the constitutional system as a whole * * *. Sectional crises are in no way comparable to "technical" violations. One might as well try to compare a pinprick to a bleeding artery.

Mr. President, direct election would also lead to campaign strategies that pay little attention to small States like Wyoming.

We would never again see Air Force One cloud our skies or wait on an airfield apron in Wyoming, or, for that matter, any other aircraft ferrying a Presidential standard bearer of either political faith. The reason? A simple one: Why waste time?

I cannot help but share a story with you. When an Eastern lady came to Wyoming to visit one of my constituents, she said:

> Young man, I understand you have more cows than people out here. Why is that?

He hooked his thumb in his belt, looked her in the eye, and said, "We prefer 'em."

This could only have a further negative effect on national unity by making small States feel even more remote from the national campaign process than they already feel. Not only would the significance of small States decline, because of the elimination of their extra electoral influence, but the lack of any necessity or reason to carry States would encourage candidates to utilize more national media campaigns and reduce their least important—often unscheduled—personal appearances.

Let me share with you the comments of Ronald Wilner, of the political consultant firm of Robert Goodman Agency:

> Advertisers buy on a cost-per-thousand basis ratio. . . . A dollar spent anywhere will reach virtually the same number of potential voters. However, there is a way to beat the prevailing cost-per-thousand ratios and that is by taking advantage of the efficiencies offered in network advertising. I would suspect that we would see our Presidential candidates using a lot more of it—network advertising—than in the past. Lacking the need for a state-by-state strategy, they would be prime candidates as network advertisers.

Mr. President, to summarize this point let me say that far from being an improvement, direct election could threaten national unity through eliminating of the carefully crafted mechanism providing fair representation for less populous States, permitting the election of a sectionalist candidate, and causing a modification in campaign strategies.

Mr. President, I want to express two additional and final concerns I have about direct election.

First, if direct election is adopted in America it will be because simple majority rule and the one-man, one-vote principles have been elevated to the status of our paramount political principles. If this occurs, I cannot understand how we should be able to justify not applying these principles to all elections. If we are not justified in violating these principles in Presidential elections—for the sake of the issues defined and for national unity and federalism—why are we then justified in violating those principles for senatorial elections? If one-man, one-vote is to be paramount, how can we really justify the fact that it took only 83,000 voters in Wyoming to elect me, whereas it takes millions of voters in California and New York to elect Mr. CRANSTON, Mr. HAYAKAWA, Mr. JAVITS, and Mr. MOYNIHAN? Why that distinction? Other than, of course, the factor of a more discerning electorate. That is inserted only to test your alertness at this hour.

Second, I firmly believe that direct election could well eliminate the moderate, two-party system in America. The electoral vote system and the winner-take-all rule together operate to discourage third parties since there is no possibility that such parties could gain electoral votes except by winning on a statewide level. Rather than "throw-away" their votes, many sympathizers of third parties vote for one of the major party candidates. Direct election would encourage minor parties since statewide victories would no longer be necessary.

Senate Joint Resolution 28 contains an additional incentive for the formation of minor parties. In the event no candidate received 40 percent of the popular votes, a runoff election would be required between the top two candidates. Therefore, if the votes cast for minor party candidates taken together denied the major candidates the 40 percent plurality necessary to avoid a runoff, such minor parties would be in an excellent position to bargain for policy and personnel concessions prior to the runoff election. For example, if five Presidential candidates received 39, 39, 11, 10, and 1 percent of the vote, respectively, then each of the minor parties, including the smallest, could deliver victory to either major party in the runoff election. Such bargaining power could act as a very real incentive for the formation of minor or splinter parties.

Mr. President, such a development would certainly not be in the national interest—not only because of the bargaining power which minor parties would have in the Presidential election, but also because of the risk that indeed Congress could be affected as well. On this last point, I will quote the late Alexander M. Bickel of Yale Law School. Professor Bickel stated:

> It would seem to me unlikely that in a system that broke down into a multi-party system we would long stick with the single-member plurality constituency. It would seem to me that the drive to change that and to give these minor parties, which will then be so effective in the Presidential elections, some hold on power in Congress as well, will be very strong. I should expect to see in many states modifications of the single member constituency, either into multi-member constituencies—something I think the Court has been driving us toward anyway with its one-man, one-vote rulings—or even to proportional voting. And I should expect to see a fragmentation occur in the legislature as well as in the Presidency.
>
> Our present system virtually forces the formation of coalitions at the electoral level. The difference between our Congress and European Parliaments elected on a proportional representation basis is that with us most of the coalitions, the basic coalitions, have been made at the electoral level. Whereas in Parliaments constructed on the proportional representation principle the legislature is the place where the coalitions have to be constructed from the ground up. Those legislatures are, consequently, a lot weaker, a lot less effective. They do a lot less useful work.

Mr. President, direct election has so many other defects as well, but they have been or will be adequately covered by others.

Mr. President, let me conclude with a brief summary.

We cannot be certain precisely why our carefully balanced political system works so successfully, nor what elements of the system are essential to its success.

Direct election would be a radical change, the most radical change yet made in our system. For the first time in any Federal election the role of the States would be completely eliminated and smaller States would receive no special consideration in the interest of national unity.

We cannot predict precisely what would happen under direct election, but we should obviously expect the changes to be significant.

We have no reason to expect any of these changes to increase our freedom, stability, or national unity, but many reasons to believe just the opposite.

The present system reinforces the deep feelings of State citizenship, statehood if you will, and, therefore, federalism. Direct election would do the opposite.

The present system encourages national unity by decreasing the likelihood of a sectionalist President and by providing fair representation in Washington for all States in the Nation—one of the conditions on which each State joined this Union. Direct election would do just the opposite.

Mr. President, curiously enough the burden of proof on this issue is not on defenders of the present system. The burden of proof is upon the strident proponents of direct election, who would reject a system that has worked spectacularly well in favor of one which might just work or might not work at all. Proponents must be on their proof to show with a high degree of certainty, first, that the present system produces unsatisfactory results, and second, that direct election would result in significant constitutional improvements, that it would most certainly not create more problems than it would solve. It is my view that such a showing has not and cannot be made. It seems to me that by retaining the electoral college system we have everything to gain and nothing to lose. To abolish it is to abolish our country's provenly effective way of selecting its governing Chief Executive. Thank you very much, Mr. President.

Mr. THURMOND. Will the Senator from Wyoming yield?

Mr. SIMPSON. I yield.

Mr. THURMOND. Mr. President, I commend the able Senator from Wyoming for the magnificent address he just delivered. I believe it shows his deep, studied knowledge of our Constitution and our system of electing the President. I hope every Member of the Senate will take the time to read this address, as I am sure they will find it most helpful.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PLACE H.R. 4556 ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I understand this request has been cleared. I ask unanimous consent that H.R. 4556, which is at the desk, be read for the first and second time and placed directly on the calendar, this request having been cleared by the Labor and Human Resources Committee. The bill extends the period of conditional designation for State health planning and development agencies.

Mr. President, I temporarily withhold that request.

Mr. President, I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOW GOVERNMENT REGULATIONS CREATE MONOPOLIES

Mr. HATCH. Mr. President, the heaviest impact of Government regulation on the American business community is generally conceded to fall on small businesses, which have limited resources to cope with the unique problems created by Government paperwork and regulatory schemes. However, a "Review and Outlook" editorial of the Wall Street Journal on June 13, 1979, illustrates that even a business giant such as Chrysler Corp., the country's 10th-largest industrial firm, can have its competitive position in the marketplace substantially weakened or even destroyed by the harsh inequities of Federal regulations.

It is shocking that Congress and the Federal regulatory agencies have failed to anticipate the crushing blow of Federal regulations. The demand for increased regulation of business on the one hand, and the dire predictions of a monopolistic society on the other, are both made without recognizing the correlation between the two. The far-reaching impact of any regulatory scheme on the business community must be carefully balanced with its possible benefits before rushing forward with band-aid solutions to temporary dislocations in the marketplace. In spite of the antibusiness rhetoric of certain sectors of our society, a vigorous business sector oriented to the free-enterprise system remains the key to preserving our economic position in today's world.

Governmental interference with the private business sector slows down the creation of jobs and lessens the high standard of living we all enjoy. We cannot continue to bite the hand that nourishes us without stunting its growth.

Unfortunately, the adverse effects of Federal regulation of the marketplace often go unnoticed because its impact falls heaviest on small businessmen, who are not as visible as big business. Hopefully, knowledge of how regulations have contributed to the economic ills of such industry leaders as Chrysler Corp., will help awaken us to the fact that we are stifling efficiency and destroying the competitive forces in our free market system by attempting to control the marketplace.

Mr. President, I ask unanimous consent that the editorial "Ralph Nader's Monopoly Machine" be placed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Ralph Nader's Monopoly Machine

As we watch the results of the last decade's proliferation of government regulation, we are gradually realizing that the regulatory burden hurts small firms worse than big ones. Now we are learning that in terms of this effect, small firms may include members of our 10 largest industrials.

The woes of Chrysler Corp., the nation's tenth-largest industrial company, are by now well advertised. As part of the effort to understand its predicament, Chrysler started to wonder about the relative competitive burdens of the auto industry's safety, pollution and energy regulation. It hired Boston's H.C. Wainwright & Co., which has now produced a study authored by Kenneth W. Clarkson, Charles W. Kadlec and Arthur B. Laffer. The Wainright report concludes not only that the regulations are a disproportionate burden on Chrysler, but that the escalating burden between now and 1985 may drive it right out of the auto business:

The auto industry is of course difficult competitive ground. General Motors is the nation's largest company, and Ford is third. Since Ralph Nader's debut as a public figure, the industry has also become among the most heavily regulated. There are some 40 safety standards alone. The air pollution concern gave us the catalytic converter, and the energy crunch gave us the mileage standards. Complying with these standards has been a man-sized job even for the auto giants.

These ambitious performance standards mandate huge research and engineering costs, which are basically the same for big companies and small ones. When it comes to recovering these costs by increasing auto prices, though, companies with big production runs have a huge advantage. They can spread the fixed costs over many more units, recovering the added costs with relatively modest price increases. A smaller producer needs larger per-auto boosts to cover the costs, and is faced with the choice of swallowing part of the cost or posting prices above those of its larger competitor.

Beyond that, the resources of a smaller competitor are diverted away from their logical strategic uses. If all autos were standardized, there is no doubt that GM could use its economies of scale to produce cheaper than anyone else. Smaller firms have to carve out a niche on the basis of styling, engineering or some other advantage. A huge burden of regulation makes them play the big company's game.

The Wainwright report tries to quantify these effects. In particular, it tries to measure how rates of return for the various auto makers will be affected by the new regulations already scheduled to go into effect. The final stages of both emission standards and mileage standards take effect between now and 1985. The regulations hurt all of the companies, but they hurt the smallest worse.

Chrysler shows negative rates of return and "may not be able to survive as a full-line auto manufacturer." American Motors "likely will not continue as a producer of domestic automobiles." The estimates on the nation's third-largest company are particularly interesting: "Ford's viability as a full line auto manufacturer also will be impaired. The company's domestic operations may well become unprofitable, with its profitable foreign operations providing most of the financial resources required to attain compliance with the various U.S. standards. That too is an untenable position in the long run."

We would guess that Ralph Nader is unperturbed by the monopoly machine created by the burst of regulation he spearheaded; when GM becomes the only remaining auto maker, he will be delighted to argue that its prices and procedures must therefore be set by something that will be called FAC, the Federal Automobile Commission. But those of us who think that consumer prices and choices are best protected by competition have great reason to worry—and not only about auto makers. For if Mr. Nader's monopoly machine is doing in a company as large and resourceful as Chrysler, imagine what it must be doing to the fledgling enterprises that give a competitive economy its innovation and vigor.

EZRA TAFT BENSON

Mr. HATCH. Mr. President, I wish to enter into the RECORD at this time a biographical sketch of one of my dear friends in Utah, Ezra Taft Benson, a former Cabinet member under President Dwight D. Eisenhower and one of the great pillars of strength in this country today, advocating limited government, moral integrity in government, and the free market system. He has been a light in a storm with respect to these principles and it seems most appropriate that we recognize his great contribution at this, the most patriotic season of the year, at a time when our hearts and minds are turned to our great heritage of freedom brought about by others of similar caliber.

I have known President Benson for a number of years. He has always been very kind to me. He has taken whatever time I have needed to answer questions on agriculture, on government, on many other matters pertaining to the welfare of our country. I have never met a person in my life who has revered this country more and the principles for which it stands.

There are a number I would place in the same category who are colleagues of his, but I can just not say enough good about this fine, good, and, in fact, great man.

So, at this time, Mr. President, I ask unanimous consent that a biographical sketch, dated April 1978, of Ezra Taft Benson be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EZRA TAFT BENSON: BIOGRAPHICAL SKETCH

Ezra Taft Benson has been a prominent figure in the United States during the last three decades. He served for eight years as Secretary of Agriculture in the Cabinet of President Dwight D. Eisenhower, 1953–1961.

He grew up on a farm in Idaho where he developed his philosophy of self-reliance and love for freedom. This has been nurtured through long and devoted servitude to his fellowmen, his community, his state and nation.

He was ordained an apostle of The Church of Jesus Christ of Latter-day Saints (Mormons) in October 1943. He presently serves as the president of the Council of the Twelve Apostles of the Church.

During World War II, he was a member of the National Agricultural Advisory Committee. After serving as Executive Secretary of the National Council of Farmer Cooperatives, he was the United States delegate to the first International Conference of Farm Organizations in London, England, and an advisor to the United States delegation at an international farm gathering in Denmark in 1946.

In the aftermath of World War II, he was assigned by the President of the Church to go to Europe to alleviate the suffering among members of the Church in the war-devastated countries of Europe. He remained in Europe for 10 months, traveling over 60,000 miles in 14 countries. He saw, first-hand, entire nations economically prostrate. He saw the hunger, the refugees, and the homeless. He was instrumental in distributing tons of clothing, bedding and food to these people as peace was once again restored to Europe. In his own words, he said, "I saw the struggles on every hand to get to America in an effort to enjoy freedom and liberty. These were people who had once known freedom, but had let it slip away."

In 1952, President-elect, Dwight D. Eisenhower invited him to become the United States Secretary of Agriculture. During his eight-year tenure in office, he waged a constant fight for more freedom to farm for the farmers of America. His thesis was that the government should get out of agriculture and allow the free market to operate.

As a high government official, his travels took him over 600,000 miles and into more than 40 nations in all parts of the world where he promoted markets and raised his voice in defense of the free market system.

While Mr. Benson was serving in office, the Soviet Union invaded Hungary. As a member of the Eisenhower Cabinet, he urged that the President of the United States make a strong vigorous denunciation of the brutality of the Soviet Union during this invasion. He was asked to draft such a statement, which was later released with a few minor changes on Human Rights Day. A portion of that statement released by President Eisenhower in December 1956 reads as follows:

The recent orgy of brutality in Hungary has moved free people everywhere to reactions of horror and revulsion. Our hearts are filled with sorrow. Our deepest sympathy goes out to the courageous, liberty-loving people of Hungary.

The Hungarian Massacre repudiates and negates almost every article in the Declaration of Human Rights.

It denies that men are born free and equal in dignity and rights, and that all should act in the spirit of brotherhood.

It denies the human right to life, liberty, and security of person.

It denies the principle that no one shall be subjected to torture, or to cruel, inhuman, or degrading treatment.

It denies that all are equal before the law and entitled to its equal protection.

It denies the right to fair and public hearings by an independent and impartial tribunal.

It denies the right to freedom of thought, conscience, and religion.

It denies the right to freedom of opinion and expression.

It denies the right to freedom of peaceful assembly.

It denies that no one shall be held in slavery or servitude.

It denies that the will of the people shall be the basis of the authority of government.

It denies the right to leave one's country or to seek in other countries asylum from persecution.

That these human rights have been so flagrantly repudiated is cause for mourning, national and world-wide.

But the human spirit knows, as Jefferson said, that "the God who gave us life, gave us liberty at the same time." Once again the tree of liberty has been watered by the blood of martyrs. The courage and sacrifices of the brave Hungarian people have written anew in crimson the sentiment attributed to Patrick Henry nearly two centuries ago ("Give me liberty or give me death") . . .

On this Human Rights Day, it is for each one of us to recognize anew that we are brothers in our Father's house, and each is truly his brother's keeper. We cannot shed that responsibility, nor do we want to. Let us resolve on this day that the world shall never forget what tyranny has done in Hungary.

Each in his own way, let us do all that we can to build public sentiment, world-wide, to such a pitch of resolution that the cause of Human Rights may once again move forward.

So doing, these honored dead "shall not have died in vain."

He visited the Soviet Union twice in official capacity as a United States Cabinet officer. During one visit to the Soviet Union, he had one of the most poignant experiences of his lifetime. He asked the Russians to direct him to one of the few Christian churches still open in Moscow, where he might attend the services. Reluctantly they granted his request. As the Americans walked into the chapel, the people in the congregation could hardly believe it. The minister of the Church unexpectedly called Secretary Benson to the pulpit and invited him to speak. Choked with emotion, he testified to the reality of God and said to the congregation of people: "I firmly believe in prayer. It is possible to reach out and tap an unseen power which gives strength and anchor in times of need. Be not afraid. Keep God's commandments. Love the Lord. Love one another. Love all mankind. Truth will triumph. Time is on the side of truth."

The Americans, then, slowly walked down the aisle toward the door. As they passed the pews, anxious hands and hungry hearts reached out and from thankful lips came the strains: "God be with you 'til we meet again." The entire congregation waved their handkerchiefs in farewell. Everyone realized that this hope would likely never be fulfilled in this lifetime. Secretary Benson described this moment as a victory of spirit over tyranny, oppression, and ignorance. "Never can I doubt," he reported, "the ultimate deliverance of the Russian people."

Since his government service Mr. Benson annually addresses tens of thousands of people before civic, patriotic and church assemblies on freedom, the family, constitutionalism, and Communist tyranny.

In 1967, a delegation to draft Mr. Benson for President of the United States came to Salt Lake City to solicit his acceptance. The organization was well underway with offices in Michigan and Illinois. He offered no encouragement, indicating that his lifetime service was to his Church.

In 1975, the Ezra Taft Benson Agriculture and Food Institute was organized at the Brigham Young University for the purpose of improving the quality of life in the developing countries and North America.

He has been awarded the George Washington Honor Medal from Freedom Foundation at Valley Forge four times, the most recent being for his address in 1977, "The Case For The Free Market".

He serves on the Board of Directors of the Foundation For Economic Education.

He was the recipient of the American Farm

Bureau Federation Award for Distinguished and Meritorious Service in 1978, the highest award American Agriculture offers one of its native sons.

He is the author of many pamphlets and nine books, all dealing with the topic of freedom as man's God-given heritage.

Mr. HATCH. Mr. President, I thank the distinguished majority leader. I yield the floor.

IMPLEMENTING LEGISLATION DEALING WITH THE PANAMA CANAL

Mr. HARRY F. BYRD, JR. Mr. President, the Armed Services Committee this morning held hearings on the proposed implementing legislation dealing with the Panama Canal. The administration witnesses included the Deputy Secretary of Defense, Mr. Duncan, and the Deputy Secretary of State, Mr. Warren Christopher.

In querying the witnesses this morning, Mr. President, a number of facts were established: First, it was established that the cost to the American taxpayer as a result of Senate ratification of the Panama Canal Treaty will be $870 million.

That is part of the cost. Mr. President, when I put that question to the witness as to whether the cost to the taxpayers would be $870 million, the witness replied that it would be $870 million.

I rephrased the question. I said, "Will the cost to the taxpayers be $870 million?" And his reply was, "The cost to the taxpayers will be $870 million."

One item involved in that $870 million figure is $72.9 million to build three new airbases in Panama. Three brand new facilities in Panama. My question to the witness was: "Why do we need three new bases in Panama? We have adequate bases there." His reply was that the new bases are necessitated by the treaties ratified by the Senate last year.

Now another fact, Mr. President: Under the administration's proposal, the $20 million in annual interest that normally would be due to be paid to the United States over a 20-year period, namely, a total of $400 million—those interest payments, under the administration's proposal, would be waived. The administration contends that the waiving of that interest is no cost to the taxpayer.

Mr. President, each citizen can judge that for himself. This country is owed, in interest payments, $400 million. If those interest payments are not made, the taxpayers lose $400 million. I think it is ridiculous for the administration to contend that that is not a loss to the Treasury of our Nation.

I plan to present an amendment, at the proper time, to require the payment of those interest charges which are due the United States, and which would be owed to the United States under normal procedures.

Another fact was developed today, Mr. President, but before getting to that let me state that when you add the $870 million to the $400 million, there is a figure of $1.27 billion right there that it will cost the taxpayers for giving away the Panama Canal.

The House of Representatives passed the implementing legislation not in the form that the administration wanted, but in a considerably different form. It was the proposal offered by Representative MURPHY; and the Murphy proposal, in my judgment, is far better from the point of view of the taxpayers than is the Carter administration's proposal. The Murphy proposal, as I say, was approved by the House of Representatives.

I put this question separately to the Deputy Secretary of Defense, Mr. Duncan, and to the Deputy Secretary of State, Mr. Warren Christopher. I asked Mr. Duncan, "Did the Defense Department support or oppose the Murphy bill when it came to a vote in the House of Representatives last week?"

I had some difficulty getting an answer from the Deputy Secretary of Defense. Finally he stated that the Defense Department supported the Murphy bill "with reservations."

Mr. President, each of us in the Senate votes to support or oppose measures everyday, but we cannot do it with reservations. We cannot vote "maybe." The fact is, according to the testimony of the Secretary of Defense, that the Defense Department supported the Murphy bill when it was before the House.

I put the same question to the Under Secretary of State, namely: "Did the State Department support or oppose the Murphy bill when it came to a vote in the House of Representatives?"

The Under Secretary of State stated that the State Department did support the Murphy bill.

So I think when it comes to the Senate, the Senate should start with the Murphy bill. So far as this Senator is concerned, I am going to throw overboard the administration's proposal. The House of Representatives passed the Murphy bill, the State Department supported the Murphy bill in the House, and the Defense Department supported the Murphy bill, so that is a good starting point, it seems to me, for the Senate.

Now, another fact that was established today: As a result of the Panama Canal giveaway, the toll charges will be increased by a minimum of 19 percent.

A minimum of 19 percent; and who is going to pay that? Who will pay that increase? The consumers of the United States will. Most of the cargo going through the Panama Canal either comes from the United States or is destined for the United States. So there again, the American people are paying a big price for giving away the Panama Canal.

NATIONAL SOCIETY OF ARTS AND LETTERS

Mr. PERCY. Mr. President, I have always felt that the true lasting greatness of a nation is measured not so much by its material wealth as by its cultural wealth. The arts, in all of their expressions, have not only exerted a profound influence on American society, but they have become part of our cultural development as a great country. The arts are not a luxury. They are a necessity for improving the quality of life in America.

One organization working to promote the expansion of the arts in this country is the National Society of Arts and Letters. Recently, I had the honor of addressing this group during its Chicago conference. My mother, Elizabeth Percy, a concert violinist, who is responsible for instilling in me a deep appreciation and love for the arts, introduced me on that occasion. It was a pleasure for me to be able to attend the conference and I wish to commend this organization for its efforts to develop this Nation's cultural character.

Mr. President, I ask unanimous consent that my remarks to the National Society of Arts and Letters on June 2, 1979, be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR CHARLES H. PERCY

I've always believed that if one plans to do a great deal of public speaking, it always pays to be introduced by your mother.

The last time I spoke to this group, which was five years ago, Mother introduced me. At the time I thought she had said everything she possibly could have said that was favorable about me, but this time she added even more. Either her memory or her imagination has improved.

Actually, Mother is the one who should be speaking to you about the importance of the arts in our lives. She instilled this appreciation in me at an early age through playing her violin and reading classical literature.

Mother is a brilliant example of incorporating the arts into various aspects of life. During the depression, for example when other people were without work, she was hired to play in the WPA Illinois Symphony for 4 years. Subsequently, she played in the Evanston Symphony for almost a quarter century. When I was running for re-election she played her violin at nursing homes to entertain the residents and to urge them to vote.

I would like to see the enrichment that the arts have brought to Mother's life extended to all Americans, as I know you would. The arts enhance our lives like nothing else we can pursue.

The famous American author Henry James described art by saying: "It is art that makes life, makes interest, makes importance, for our consideration and application of these things, and I know no substitute whatever for the force and beauty of its process."

The work of a great artist can make us see. It can give man the reflective calm, the inspired reason to change our own lives and the lives of others, for the better.

The arts are not a luxury. They are a necessity for improving the quality of life in America. Our Nation has a responsibility to encourage the arts and humanities. The judgment of history is passed not upon a nation's gross national product but upon the quality of its life. Art must be an integral part of our lives.

How many young Americans, whose natural talents and abilities could have led them into long and productive lives in the arts, have been forced to turn to other professions by the economic pressures of our society?

How many hundreds of potentially accomplished singers have grown discouraged and dropped from the ranks of those studying opera because they could not afford the risks of foreign bookings or study?

How many potential poets have we lost because publishing houses cannot afford to publish poetry?

And how do these losses—in talent and in inspiration—affect our lives as a people and our purpose as a nation?

The effect, I think, is great. We need men and women who confront the reality of life and tell us the truth as they see it.

For many years the cultivation of the arts in this country was left to private groups such as the National Society of Arts and Letters. From these endeavors we have seen great accomplishments, and you are to be commended for your outstanding efforts in promoting the arts.

Groups like yours have sparked the interest of millions of Americans. By nurturing grassroots support for culture, budget increases will follow closely behind.

Financing is one of the key factors in considering how far we can go to encourage individual expression and creation. There is a delicate balance that we must recognize when seeking funds to promote the arts: the balance between the federal government and the private sector.

Federal support for the arts has blossomed in the last 10 years through creation of such groups as the National Endowment for Arts (NEA). This group takes some of the money that the federal government allocates for the arts and distributes it to individuals, state and regional arts agencies and non-profit organizations.

One particular type of NEA grant that I am most enthusiastic about is the challenge grant program. It combines private and public sector effort by providing one federal dollar for every three private dollars raised.

The Federal government has increased funding levels for the arts from $2.5 million in 1965 to $149.4 million this year. Year after year Federal funds have increased in leaps and bounds, but the future is uncertain. The Administration has asked for a three per cent increase. Some may think it's too much; I think it should be preserved.

But I am confident that the fire for raising more funds will not be smothered thanks to the grassroots support that you have helped to cultivate.

Even though Federal funds are of great assistance to the arts, the difference between operating costs and government funds provided is a great income gap. Some think the best way to make up the difference is by raising ticket prices.

I don't agree. Such an approach has two flaws. First, it wouldn't make up the difference. Second, and most importantly, it makes the arts a pursuit of an affluent minority rather than a creative majority.

We should take up the slack not by ticket sales, but by contributions from businesses and corporations.

In our history, business and industry initially concentrated their drive for social change on the physical environment of the community. This drive should be turned now toward the creation of an environment in which man's spirit, as well as his surroundings may flourish. The business community has recognized the role of the arts in a balanced society. We are making progress.

In 1968 David Rockefeller established the Business Committee for the Arts (BCA). The Committee's board consists of realistic and practical people, many of whom are our nation's leading business executives.

In outlining the purpose of the committee David Rockefeller said: "If we as a committee, can contribute to bringing about in this country a renaissance of beauty and creativity and greatness in culture, we will have made a significant contribution to our country and toward solving the problems that seem in one sense so remote from the arts and, in another, so close to them. This is our challenge and our responsibility."

According to the BCA, corporate gifts increased tenfold in the decade following 1967, reaching $250 (m) last year.

On another front, a Corporate Fund helps support performing arts at the Kennedy Center in Washington, D.C. I serve as Vice-Chairman of the Board of Trustees of the Kennedy Center, and work closely with this program. The Kennedy Center Corporate Fund is directed by a prestigious Board of Governors, headed by a chairman and ten vice presidents.

This dedicated group of business executives was organized for the express purpose of raising $1 million from the corporate sector for the Center in 1977. The group raised another million in 1978. This money has been used to broaden the Center's scope in the areas of education and public services with programs designed to develop new talent, works and audiences.

Here in Chicago the Lyric Opera is well aware of the importance of the business commodity. It has included top executives on its Board of Directors.

One active fundraiser makes the link between attracting new people to the city and the artistic community by approaching his business colleagues this way: "If your company wants its fair share of bright young executives, Chicago had better have a full complement of cultural activities."

A strong and cohesive partnership can be established between the arts and business. Everyone stands to benefit—the artists, business and the consumer.

The interest in the arts has grown to such proportions that a poll quoted in the April issue of "Nation's Business" magazine showed that the arts now rival or exceed sports in popularity. In 1977, 20 million people went to the ballet compared to 15.2 million who attended professional football games.

The American people have a hunger for the arts. It must be nurtured. We are not talking about a few thousand people here and there. We are talking about a large proportion of the American public who attend cultural events on a regular basis.

Since the Kennedy Center opened in 1971 it has presented more than 6,000 performances to a total of almost 10 million people. And in Chicago last year, 164 cultural organizations provided 4,400 full-time and 2,200 part-time jobs, accounting for $53 million in salaries, wages and benefits. The federal government now directly subsidizes between 8,000 and 10,000 artists and administrators through the Comprehensive Employment and Training Act (CETA).

There is interest; there is government funding; there is great potential for more private funding; and there are unlimited resources of untapped artistic talent. We must combine these forces to sustain and hopefully expand our artistic horizons.

Keep up the outstanding work in promoting this vital aspect of American life.

MESSAGES FROM THE HOUSE

At 1:03 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 984. An act to provide the Secretary of Agriculture with authority to reduce marketing penalties for peanuts.

The message also announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 838. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters.

The message further announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

The message also announced that the House has passed the following joint resolution, with amendments in which it requests the concurrence of the Senate:

S.J. Res. 14. A joint resolution to correct an error made in the printing of Public Law 95-613.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 111. An act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977;

H.R. 411. An act to authorize veterans loan guaranty benefits notwithstanding usury provisions of State constitutions or statutes, and for other purposes;

H.R. 3989. An act to provide for the establishment within the national cemetery system of a new national cemetery to be located in Russell County, Ala., and to be known as the "Fort Mitchell Regional Veterans' Cemetery"; and

H.R. 4556. An act to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 143. A concurrent resolution calling upon the President to urge a moratorium on the commercial killing of whales.

HOUSE BILLS AND CONCURRENT RESOLUTION REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 111. An act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977; to the Committee on Armed Services.

H.R. 411. An act to authorize veterans loan guaranty benefits notwithstanding usury provisions of State constitutions or statutes, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 3989. An act to provide for the establishment within the national cemetery system of a new national cemetery to be located in Russell County, Ala., and to be known as the "Fort Mitchell Regional Veterans' Cemetery"; to the Committee on Veterans' Affairs.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 143. A concurrent resolution calling upon the President to urge a moratorium on the commercial killing of whales; to the Committee on Foreign Relations.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and placed on the calendar:

H.R. 4556. An act to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 688. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes (together with additional views) (Rept. No. 96-232).

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 190. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 688. Referred to the Committee on the Budget.

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

S. 1317. A bill to extend the existing antitrust exemption for oil companies that participate in the Agreement on an International Energy Program.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Mary P. Bass, of New York, to be Inspector General, Department of Commerce;

Paul Robert Boucher, of Virginia, to be Inspector General, Small Business Administration;

Thomas F. McBride, of the District of Columbia, to be Inspector General, Department of Agriculture; and

Charles L. Dempsey, of Virginia, to be Inspector General, Department of Housing and Urban Affairs (Ex. Rept. No. 96-9).

Rowland G. Freeman, III, of California, to be Administrator of General Services.

The following-named persons to be Members of the Federal Labor Relations Authority:

Ronald W. Haughton, of Michigan; and
Henry Bowen Frazier III, of Virginia.

(The above nominations from the Committee on Governmental Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Shellie Fountain Bowers, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

Harriett Rosen Taylor, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

Truman Aldrich Morrison III, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

William Cornet Pryor, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Luther H. Hodges, Jr., of North Carolina, to be Under Secretary of Commerce.

(The above nomination from the Committee on Commerce, Science, and Transportation was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. GOLDWATER. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the following nominations: In the Army, Lt. Gen. Edward Leon Rowny, USA (age 62), to be placed on the retired list in that grade; Maj. Gen. La Vern Weber, to be lieutenant general in the Reserve of the Army; Maj. Gen. Charles R. Myer, to be lieutenant general; Chaplain Kermit Douglas Johnson, to be major general; Chaplain Patrick John Hessian, to be brigadier general; and, in the Navy, Rear Adm. William J. Cowhill, John D. Johnson, and Ernest R. Seymour, to be vice admirals; Vice Adms. James B. Stockdale (age 55), Vincent A. Lascara (age 59), and William L. Read (age 52), for appointment to the grade of vice admiral on the retired list, and there are 37 temporary rear admirals for permanent promotion to the grade of rear admiral (list beginning with Karl J. Christoph, Jr.). I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. GOLDWATER. In addition, Mr. President, there are 176 appointments/reappointments to the grade of colonel and below (list beginning with Wilford J. Hoff, Jr.) in the Army and in the Navy there are 58 appointments/reappointments to the grade of captain and below (list beginning with Timothy P. Rooney). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on June 12, 1979, at the end of the Senate proceedings.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Allie C. Felder, Jr., of the District of Columbia, to be a member of the Board of Directors of the Overseas Private Investment Corporation.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

James Keough Bishop, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Niger.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: James K. Bishop.
Post: Ambassador to Niger.

CONTRIBUTIONS, AMOUNT (IF NONE, WRITE NONE)

1. Self, none.
2. Spouse, none.
3. Children and spouses names, none.
4. Parents names, none.
5. Grandparents names, none.
6. Brothers and spouses names, see attachment.
7. Sisters and spouses names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

JAMES K. BISHOP.

Subscribed and sworn (or affirmed) before me this 10th day of May A.D. 1979, at Washington, D.C.

STELLA MAKARA,
Notary Public.

Commission expires: July 31, 1982.

POLITICAL CONTRIBUTIONS BY BROTHER, THOMAS A. BISHOP

1974—Groton Republican Town Committee, $25.00.

1974—Sam Hellier—Republican Congressional Candidate, $50.00.

1976—Barbara Brown—Republican Candidate for Connecticut State Senate, $25.00.

1976—Groton Republican Town Committee, $25.00.

1978—North Stonington Republican Town Committee, $35.00.

1978—Betty Chapman—Republican Candidate for Connecticut State Senate, $15.00.

By Mr. CHURCH, from the Committee on Foreign Relations:

Anne Clark Martindell, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States to New Zealand, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to Western Samoa.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Anne C. Martindell.
Post: Ambassador to New Zealand.

CONTRIBUTIONS, AMOUNT (IF NONE, WRITE NONE)

1. Self, see rider attached.
2. Spouse (separated during entire period involved—no knowlegde of contributions).
3. Children and spouses names, see rider attached.
4. Parents names, deceased.
5. Grandparents names, deceased.
6. Brothers and spouses names, see rider attached.
7. Sisters and spouses names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ANN C. MARTINDELL.

Subscribed and sworn (or affirmed) before me this 18th day of May A.D. 1979, at Newark, N.J.

RICHARD M. EITTREIN,
Attorney at Law of the State of New Jersey.

Anne C. Martindell, Contributions under Federal Election Campaign Act

1975:	
Feb., Jimmy Carter	$100
May, Udall, 1976	250
Aug., Bella Abzug	25
Oct., Terry Sandford	250
Dec., Harrison Williams	375
1976:	
Jan., Udall	25
Feb., Helen Meyner	100
Feb., Udall, 1976	250
Feb., Birch Bayh	100
Mar., Church	60
Mar., Carter	400
Mar., Udall, 1976	475
Apr., Mikulski for Congress	25
Apr., Carter	500
July, Minna Peiper for Congress	25
July, Friends for Patsy Mink	50
July, Ned Schneier for Congress	25
Aug., Helen Meyner	300
Sept., Frank Thompson's People	200
Sept., Helen Meyner	40
Oct., Nero for Congress	200
Oct., Williams, 1976	250
Apr., Frank Mankiewicz	50
1978:	
Jan., Citizens for Leone	1,000
Mar., Helen Meyner	200
Apr., Dick Clark for Senate	100
May, Pete Flaherty	50
June, Bill Bradley	250
Aug., Andy Maguire for Congress	100
Sept., Friends of Alex Menza	25
Oct., Helen Meyner	250
Oct., Friends of Les Aspin	25
Oct., Bill Bradley	750
1979:	
Mar., McGovern Campaign Comm	1,000
Mar., Idaho for Church	1,000

Anne C. Martindell—Children's contributions

1976:	
May, Alan Luther (Carter)	1,000
June, George Scott (Carter)	1,000
June, Roger Martindell (Carter)	850
June, David Scott (Carter)	1,000

Blair Clark (brother)

1978, Leone for Senate	250.00
1977, Eleanor A. Clark to Republican National Committee	100.00
1978, Eleanor A. Clark to Republican National Committee	175.00
1979, Eleanor A. Clark to Republican National Committee	100.00
1976, Marjorie Luther's contribution to Ed Pierce for Congress	42.50

Anne C. Martindell—Contributions to political organizations

1975:	
Jan., Hunterdon County Democratic Committee	96
Jan., Roxbury Township Democratic Club	60
Feb., Hunterdon County Democratic Committee	25
May, Hunterdon County Democratic Committee	55
May, Center for Study Democratic Institutions	25
May, Hopewell Democratic Club	10
June, Democratic State Committee	20
July, Mercer County Democratic Party	77
July, Hunterdon County Democratic Committee	72
Sept., Committee for a Responsible Legislature	$1,000
Sept., Governors Day Outing	125
Sept., Hunterdon County Democratic Committee	60
Sept., Raritan Township Democrats	10
Oct., Democratic State Committee	45
Oct., Ewing Township Democratic Club	25
Oct., Mercer County Democratic Committee	1,000
Oct., Princeton Democratic Club	10
Oct., ACLU-ERA	10
Oct., Committee for a Democratic Future	1,500
Oct., ERA Coalition	100
Dec., Democratic Committee	108
1976:	
Jan., Citizens for Responsible Power Politics	25
Jan., Hunterdon County Democratic Committee	25
Jan., Hopewell Democratic Club	10
Jan., Women's National Political Caucus	15
Jan., Women's National Political Caucus	100
Jan., Democratic Women's Agenda '76	25
Jan., Roxbury Democratic Club	15
Feb., Somerset Democrats	25
Feb., Hunterdon County Democratic Committee	101
Mar., Hunterdon County Women	30
Apr., National Women's Political Caucus	100
Apr., New Jersey Democratic State Committee	50
Apr., Morris County Democratic Committee	30
Apr., Camden County Democrats	25
May, Hunterdon County Democratic Committee	75
May, Hunterdon County Young Dems	18
June, Women's Campaign Fund	50
June, National Women's Political Caucus	100
June, Hunterdon County Democratic Committee	144
June, Hunterdon County Democratic Committee	25
Sept., Democratic National Committee	1,000
Sept., Hunterdon County Democratic Committee	132
Sept., Hunterdon County Democratic Committee	101
Sept., Ewing Township Democratic Club	25
Sept., West Ward Democratic Club	31
Sept., Casinos—No Dice	500
Sept., Hunterdon County Democratic Committee	30
Sept., Princeton Democratic Headquarters	250
Oct., Governor's Day Outing	250
Oct., Hunterdon County Democratic Committee	75
Oct., Mercer County Democratic Committee	100
1977:	
Feb., Nero Testimonial	15
Feb., Hunterdon County Democratic Committee	25
Mar., Roxbury Democratic Club	15
Apr., Hunterdon County Democratic Committee	180
Apr., Hopewell Democratic Club	10
Apr., National Democratic Forum	100
Apr., Hunterdon County Democratic Committee	75
May, Committee for a Responsible Legislature	100
Aug., Mercer County Democratic Committee	25
Aug., Democratic State Committee	1,000
Sept., Hunterdon County Democratic Committee	25
Nov., Women's Campaign Fund	100
Dec., Democratic State Committee	50
1978:	
Feb., President Club	$25
Apr., N.J. Democratic State Committee	250
Apr., Congressional Womens Caucus	100
June, Mercer County Democratic Committee	500
June, Presidents Club	10
July, Committee for a Responsible Legislature	25
Aug., Womens Campaign	150
Sept., Presidents Club	20
Sept., No Casinos	250
Oct., Womens Campaign Fund	250
Oct., Mercer County Democratic Committee	200
Nov., Presidents Club	20
Nov., Presidents Council—DNC	1,000
Dec., N.J. Democratic State Committee	100
1979:	
Mar., Womens Political Caucus	15
Mar., Womens Political Caucus	25
Mar., N.J. Democratic State Committee	750
Apr., N.J. Democratic State Committee	750

By Mr. CHURCH, from the Committee on Foreign Relations:

Robert P. Smith, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States to Liberia.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert P. Smith.

Post: Ambassador to Liberia.

CONTRIBUTIONS (IF NONE, WRITE NONE)
AMOUNT

1. Self, Robert P. Smith; none.
2. Spouse, Irene R. Smith; none.
3. Children and spouses names, Michael B. Smith, Steven P. Smith, Karen L. Smith, David R. Smith; none.
4. Parents names, (deceased); (Mother-in-law) Mrs. Alice M. Roundtree; none.
5. Grandparents names, deceased; none.
6. Brothers and spouses names, Raymond and Eleaner Smith; Farris and Ottisa Smith; Myron and Mary Smith; none.
7. Sisters and spouses names Winifred and Emma Louise (Smith) McEver; None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ROBERT P. SMITH.

Subscribed and sworn (or affirmed) before me this 15th day of February A.D. 1979, at Accra, Ghana.

DAVID L. LYON,
American Vice Consul.

Commission expires: indefinite.

By Mr. CHURCH, from the Committee on Foreign Relations:

Frank V. Ortiz, Jr., of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States to Guatemala.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Frank V. Ortiz, Jr.
Post: Guatemala.
Nominated: January 1979.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self, $40, March 9, 1975, Gale McGee for Senate Committee.

2. Spouse, $40, March 17, 1976, Gale McGee for Senate Committee.

3. Children and spouses names, none, $100, June 10, 1976, Joseph Montoya for Senate Committee $30, October 5, 1976, Manuel Lujan for Congress Committee.

4. Parents names, none.

5. Grandparents names, none.

6. Brothers and spouses names, none.

7. Sisters and spouses names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

FRANK V. ORTIZ.

Subscribed and sworn (or affirmed) before me this 2d day of February A.D. 1979, at Bridgetown, Barbados.

RICHARD R. LAROCHE,
Consul.

Mr. CHURCH. Mr. President, as in executive session, I also report favorably sundry nominations in the Foreign and Diplomatic Service which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on June 4 and June 21, 1979, at the end of the Senate proceedings.)

PERMISSION FOR COMMITTEE TO FILE A REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs have permission to file a report until 7:30 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEE TO FILE A REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Ethics Committee have until September 28 to file the report and recommendations required by Senate Resolution 117.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEE TO CONSIDER A NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs have an extension of time until July 20, 1979 to consider the nomination of Elvin D. Taylor to be Inspector General of NASA.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIEGLE (for himself and Mr. JAVITS):

S. 1409. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such Act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ROTH:

S. 1410. A bill to reduce permanently the level of the Federal civilian work force; to the Committee on Governmental Affairs.

By Mr. CHILES (for himself, Mr. BENTSEN, and Mr. DANFORTH):

S. 1411. A bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BELLMON:

S. 1412. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain contributions of real property for conservation purposes; to the Committee on Finance.

By Mr. JACKSON:

S. 1413. A bill to extend the existing antitrust exemption for oil companies that participate in the Agreement on an International Energy Program; to the Committee on Energy and Natural Resources and the Committee on the Judiciary, jointly, by unanimous consent.

By Mr. GOLDWATER:

S. 1414. A bill to amend title 5 of the United States Code to allow Congressional employees to purchase and receive civil service retirement credit for employment on the personal office staff of a former Presidential candidate in the period immediately following a Presidential election; to the Committee on Governmental Affairs.

By Mr. BENTSEN:

S. 1415. A bill entitled the "Priority Energy Project Act of 1979"; to the Committee on Energy and Natural Resources.

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. YOUNG):

S. 1416. A bill to amend the Clean Air Act with respect to temporary emergency suspensions of implementation plan provisions; to the Committee on Environment and Public Works.

By Mr. HATFIELD:

S. 1417. A bill to provide for the establishment of an entitlements program in the Department of Energy for imported petroleum, and for other purposes; to the Committee on Energy nad Natural Resources.

By Mr. HEINZ:

S.J. Res. 92. A joint resolution relating to foreign control of United States financial institutions; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 1410. A bill to reduce permanently the level of the Federal civilian work force; to the Committee on Governmental Affairs.

● Mr. ROTH. Mr. President, today I am introducing the "Federal Civilian Employment Reduction Act of 1979". An identical bill has been introduced in the House by Representative TOM LOEFFLER. It has since received the support of an additional 28 House cosponsors.

The Federal Civilian Employment Reduction Act of 1979 is designed to augment the Leach amendment which passed during the 95th Congress, and which froze civilian employment at the level which existed on September 30, 1977—approximately 2.2 million.

The legislation calls for a 2-percent reduction—by attrition—in Federal civilian employment each year for 5 years beginning on September 30, 1980. Existing law calls for Federal employment to be frozen on September 30, 1979 at a level of approximately 2.2 million. This bill will reduce Federal employment by September 30, 1984 to approximately 1.95 million. Since the annual attrition rate historically runs about 22 percent per year, no present employee need fear losing his job. Instead, the Government will simply be able to replace 2 percent fewer employees than is the current practice.

In addition, this bill provides that—

The cuts be allocated proportionally throughout the Federal Government, with each agency head being given the flexibility of deciding where in his agency the cuts should be made;

A bipartisan mechanism, equally divided between the two political parties, be created by the Congress to decide how and where to make the necessary reductions in the legislative branch;

Exemptions be provided for the judicial branch, the CIA, the NSA, the FBI, and personnel serving in veterans health care facilities;

No more than 15 percent of the reductions be made from civil service grade scales GS–5 and below; and

The statute may be suspended in time of war or national emergency.

This legislation is not only a major step in attempting to reduce the size of the Federal bureaucracy nationally but there also will be a significant cost savings as well. It is estimated that there will be savings of $1 billion in reduced spending for salaries alone, followed by an additional billion each succeeding year. By 1984 this legislation could be responsible for saving approximately $5 billion annually.

This legislation is in keeping with my previous attempts to reduce the size of the Federal bureaucracy and its programs. My proposal for reducing Government growth by forming a group of bipartisan Senators (the SOB task force) to support reductions in appropriations was indeed successful. In fact, we intend to continue our effort this year. In addition, my amendment to streamline the Federal bureaucracy by slicing $500 million from travel funds of the first budget resolution was the only spending reduction that the Senate accepted. I can only hope that this legislation meets with similar success.

Over President Carter's first 2 years in office the civilian bureaucracy grew despite his campaign pledge to streamline the Government—now this excess has to be trimmed. Government statistics show that the civilian work force rose from 2.1 million in 1950 to 2.8 million in 1978—an increase of less than one-third. However, in this same period the number of state and local employees tripled to over 12 million, largely as a result of the growth in Federal programs.

It is time we at least attempt to slay the federal bureaucratic dragon as it grows larger and larger. It is time we also realized that bigness does not always mean the best. This legislation will be that first step toward such a goal.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to subsection (b) and section 3, the civilian work force of the executive branch of the Government—

(1) on September 30, 1980, shall not exceed 98 percent of the 1977 civilian work force of such branch,

(2) on September 30, 1981, shall not exceed 96 percent of the 1977 civilian work force of such branch,

(3) on September 30, 1982, shall not exceed 94 percent of the 1977 civilian work force of such branch,

(4) on September 30, 1983, shall not exceed 92 percent of the 1977 civilian work force of such branch,

(5) on September 30, 1984, and on each September 30 thereafter, shall not exceed 90 percent of the 1977 civilian work force of such branch.

(b)(1) Any work force reductions necessary in order to comply with subsection (a) shall be made by attrition.

(2) No more than 15 percent of the positions involved in work force reductions made in any 12-month period in order to comply with subsection (a) shall be positions for which the rate of pay is less than or equal to the minimum rate of basic pay payable for GS–5 of the General Schedule.

(c) Subject to subsection (d), the President shall, with respect to positions in the executive branch of the Government—

(1) take such steps as may be necessary to ensure that any work force reductions necessary in order to comply with the requirements of the first section of this Act are apportioned among each of the agencies of such branch in a manner consistent with the relative size of the work force of each such agency, and

(2) prescribe regulations to carry out the purpose of the first section of this Act, including regulations to ensure that no increase in the procurement of personal services by contract occurs by reason of the enactment of this Act.

(d)(1) Subsection (c)(1) shall not apply with respect to the Central Intelligence Agency, the Federal Bureau of Investigation, the National Security Agency, or any health care facility directly operated by the Veterans' Administration.

(2) Any work force reductions which may be prescribed under subsection (c)(1) to be made in any agency of the executive branch of the Government shall be made with respect to such positions as the head of such agency designates.

(e) Subsection (a) shall be effective notwithstanding any provision of section 311 of the Civil Service Reform Act of 1978 (92 Stat. 1153).

Sec. 2. (a) Subject to subsection (b) and section 3, beginning on October 1, 1980, work force reductions with respect to positions in the legislative branch of the Government shall be commensurate with those prescribed in the first section of this Act for the executive branch of the Government.

(b) Any work force reductions necessary in order to comply with subsection (a) shall be made by attrition unless attrition alone is insufficient to satisfy the requirements of such subsection.

(c) Work force reductions made in order to comply with subsection (a) shall be made with respect to such positions as are designated by such entity (representing both major political parties equally) as the Congress shall by concurrent resolution prescribe.

Sec. 3. (a) The preceding provisions of this Act shall not apply during a time of war, or during a period of national emergency, declared by the Congress or the President.

(b) For purposes of the preceding provisions of this Act, the position of an individual employed on a part-time career employment basis shall be counted as a fraction, the size of which is determined by dividing 40 hours into the average number of hours of the regularly scheduled workweek of such individual.

Sec. 4. Not later than January 20, 1981, and January 20 of each year thereafter, the Director of the Office of Management and Budget shall submit to the Congress a report indicating the changes in the level of the Federal civilian work force of the executive branch of the Government made during the previous 12-month period pursuant to this Act.

Sec. 5. Not later than January 1, 1983, the Director of the Federal Judicial Center shall submit to the Congress recommendations as to how reductions commensurate with those prescribed in the first section of this Act for the executive branch of the Government might be made among the offices, agencies, and other establishments of the judicial branch of the Government to assure the least impairment to the capacity of the Federal courts to handle the volume of cases filed in such courts.

Sec. 6. For purposes of this Act—

(1) the term "civilian work force", when used with respect to any branch of the Government, means the total number of persons employed by all agencies of such branch.

(2) the term "1977 civilian work force", when used with respect to any branch of the Government, means the civilian work force (as defined in paragraph (1)) of such branch on September 30, 1977.

(3) the term "agency"—

(A) when used with respect to the executive branch of the Government, means each Exceutive agency, as such term is defined by section 105 of title 5, United States Code, except that such term does not include the United States Postal Service or the Postal Rate Commission, and

(B) when used with respect to the legislative branch of the Government, means each office, agency, or other establishment in such branch, and

(4) the term "civil service" has the meaning given such term by section 2101(1) of title 5, United States Code.●

By Mr. CHILES (for himself, Mr. Bentsen, and Mr. Danforth):

S. 1411. A bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management, and for other purposes; to the Committee on Governmental Affairs.

PAPERWORK AND REDTAPE REDUCTION ACT OF 1979

● Mr. CHILES. Mr. President, on behalf of myself and Senators Danforth and Bentsen I am today introducing the Paperwork and Redtape Reduction Act of 1979.

The Paperwork Commission estimated 2 years ago that Federal paperwork burdens amount to $100 billion a year.

That is a huge figure that represents not only big bucks in hidden taxes but much wasted time and citizen frustration as well.

I recently held a hearing in Jacksonville where people from various walks of life talked about the paperwork in their lives.

A small business counselor told me that many of his clients refuse to expand their businesses because of the added paperwork they would face. He unwound a 60-foot strand of taped together forms to show me the material any small business person has to know to even think about getting into business.

Two elderly widows read instructions to me from tax forms that neither I nor they could understand.

A pharmacist showed me how it takes some 7 minutes to fill a prescription and get paid if someone walks off the street, but as a medicaid provided to nursing homes he is lucky to get paid in 7 months because of the paperwork shuffle.

He spends more time on paperwork than delivering the services he was trained to do in 6 years of higher education.

A young doctor, just entering practice, told of the difficulty of being paid for services to a medicaid patient and estimated that only 10 to 15 percent of the doctors in Jacksonville will ever accept medicaid patients in their office.

Frightening was the testimony of several people who said they were "afraid of their Government."

They had been bombarded with Government forms, neglected or wrongly answered some particular form, and were afraid that the "Government" was going to "get" them as a result—a nagging feeling of fear.

Federal paperwork requirements, whether they be tax forms, medicare forms, financial loans, or job applications are something each individual in this country touches, feels, and works on. The cumulative impact is excessive. Too many paperwork requirements are an unnecessary hassle and wasteful.

It is important to recognize that every 1-percent reduction in that $100 billion total is a billion bucks.

Perhaps more significant is the need to get a handle on and control the growth rate in paperwork requirements.

Paperwork is one thing that is rising faster than inflation.

WHAT THE LEGISLATION DOES

The Paperwork and Red Tape Reduction Act represents some beginning statutory steps needed to get a handle on and manage paperwork requirements throughout the Government.

It creates an institutional framework to carry out recommendations of the Commission on Federal Paperwork. The intent is that the Commission's work not sit on the shelf, gathering dust.

The bill—

Places authority for setting information management policy in the President's central management agency, the Office of Management and Budget;

Insures that paperwork reduction controls will be visibly established and implemented by creating a watchdog office similar to the Office of Federal Procurement Policy;

A Presidential appointee, confirmed by the Senate, will be administrator of the office and the accountable person for the effective working of government-wide paperwork controls. The design is to better concentrate presently fragmented resources for paperwork management and place the needed authorities within OMB so that the clout of the budget process can be used to create incentives for agencies to meet paperwork management and reduction goals.

Mandates that OMB review at least every 3 years each agency's paperwork reduction activities;

OMB is to set target goals for reductions of the numbers and burdens of information collection requests imposed on the public by the agencies.

Requires Federal agencies to inventory and periodically review their information resources and make sure their information systems do not duplicate paperwork requests of other agencies;

Rewrites the Federal Reports Act of 1942, by giving teeth to a central clearing process for agency requests for information imposed on the public;

Presently, progress towards controlling the growth of paperwork costs is slow because responsibility for checking on whether agency requests duplicate each other, are necessary, and cost efficient is split among four organizations—the Office of Management and Budget, the General Accounting Office, the Departments of Commerce, and Health, Education, and Welfare.

Second, the Internal Revenue Service and other agencies have always been exempted from any clearance controls. The exemptions amount to 80 percent of the paperwork burden on the public.

This legislation consolidates the four authorities into one and eliminates all exemptions from a central clearing process. While OMB is required to approve or disapprove agency requests within 60 days, individuals, businesses, and State and local governments are told they do not need to answer requests not cleared by OMB.

An OMB number is clearly visible on a cleared request; it is easy to see. This clearance process will eliminate a lot of repetition, redundancy, and ridiculousness we see coming from the system today.

Consolidates statistical policy activities with information management in OMB; and

Establishes by law a Federal Information Locator System to contain descriptions of all information requests made by agencies on the public. The system will be used to:

Identify duplication in existing and new reporting and recordkeeping requirements;

Locate existing data that meet agency needs thereby promoting sharing and avoiding duplication; and

Help OMB decide which agency requests should be approved.

LEGISLATIVE STRATEGY

Identical legislation has been introduced in the House and is cosponsored by Congressmen JACK BROOKS, FRANK HORTON, TOM STEED, and RICHARDSON PREYER. Congressmen HORTON, the cochairman for the Paperwork Commission, has told me that he feels that the legislation goes a long way in meeting the goals of the Paperwork Commission. Comptroller General Elmer Staats, who also served on the Commission, made many worthy recommendations in drafting this legislation and strongly believes the measures designed to improve paperwork management along the lines described in the bill are long overdue.

The President promised paperwork legislation to Congress last April in his regulatory reform message. I understand the administration is closely studying this bill in the development of their proposal.

My own belief is that the bill takes necessary steps for fighting proliferating paperwork requirements. What is most needed is progress toward creating a sense among the people of this country that something is being done to make that shower of paperwork that falls upon them more manageable.

I have often felt that fighting paperwork is a little bit like punching a pillow—you punch in one side and watch the other poke out; you eliminate one horrendous form only to see another one appear.

But in conducting field hearings and asking people about the paperwork they face I notice they nearly always talk about repetition, duplication, unnecessary time, or the ridiculousness of some particular Federal request. Much of the paperwork in our lives is acceptable because people can see and understand what the information is used for. It is the waste in duplication, unnecessary detail, and outright arbitrariness and arrogance that make people cynical.

It seems to me that we can make a difference and get a public perception across that government can work if the authority, tools, and visibility needed to manage the way government imposes paperwork requirements on the public is established. When every 1 percent reduction equals a billions dollars, the importance of getting a handle on paperwork requirements is very clear.

The Subcommittee on Federal Spending Practices and Open Government will be holding hearings on this legislation later this session. Senator DANFORTH, the ranking minority member of the subcommittee and I have held hearings in our respective States and plan more field hearings this summer. We will be looking to add and improve on the Paperwork and Redtape Reduction Act as the subcommittee proceeds.

I invite other Senators to join the present sponsors in supporting this legislation.●

● Mr. BENTSEN. Mr. President, one of my main concerns in the Senate over the years has been to reduce the costly burden imposed on American businesses and consumers by unnecessary and excessive government paperwork and redtape. Excessive paperwork reduces business efficiency. It takes time from both clerical workers and top management that could be put to more productive uses. It threatens the very existence of small businesses, whose owners are diverted by complying with government paperwork requirements from the necessary tasks of producing goods and serving customers. It adds to costs and contributes to inflation. Its pervasiveness threatens to sap the very energy from our private enterprise system.

Today, I am introducing legislation with Senators CHILES and DANFORTH that will help bring the Federal paperwork and redtape monster under control, the Paperwork and Redtape Reduction Act of 1979.

This bill consolidates all responsibility for controlling Federal paperwork under the Office of Management and Budget and establishes a policy toward paperwork that is based for the first time on the recognition that government paperwork and redtape imposes a significant cost on businesses and consumers and diverts resources from other productive uses.

Many of the provisions of the Paperwork and Redtape Reduction Act come out of recommendations made by the Commission on Federal Paperwork. The legislation being introduced today is the result of over a year of work and cooperation by congressional committees, the General Accounting Office, and government agencies. Certain of the bill's provisions will receive widespread support.

Others, however, such as the section which brings the forms and reporting requirements of the Internal Revenue Service and the bank regulatory agencies under the Federal Reports Act (and thus the OMB), will be controversial. Overall, this bill deserves the serious consideration, and support, of every Member of this body who is concerned with reducing the cost of unnecessary and excessive government paperwork and redtape.

I am cosponsoring this legislation because Federal paperwork has grown out of all reasonable proportion.

The lastest figures from OMB and GAO show that Federal agencies currently impose more than 4,400 reporting and recordkeeping requirements on grant recipients, businesses subject to some form of Federal regulation, State and local governments and others who deal with the U.S. Government in one capacity or another. Complying with these requirements annually consumes an estimated 143 million manhours, the economic equivalent of a small army. According to the Federal Paperwork Commission's final report, "a substantial portion of this expense is unnecessary."

Last year, I asked the General Accounting Office to report to me on the nature and extent of Federal reporting and recordkeeping requirements affecting private industry. The GAO found that, according to agency estimates, businesses take about 69 million hours yearly to respond to more than 2,100 U.S. reporting requirements.

Each of these reporting requirements, all of which have been approved by either OMB or GAO under the provisions of the Federal Reports Act, creates an average of 10 separate forms—and the staff at the GAO reported finding one OMB-approved reporting requirement that actually created 90 separate forms.

At the hourly rate of $15, the figure used by the Paperwork Commission, the 69 million hours spent by businesses complying with U.S. Government paperwork requirements annually costs more than $1 billion.

The burden imposed by individual reporting requirements can be staggering. For example, the 4,160 radio stations in this country spend more than 18,000,000 hours per year—or an average of 4,330 hours each—complying with the FCC's Standard Broadcast and FM Station Program Logging Rules. The Department of Energy's forms used by petroleum wholesalers to report on all sales of petroleum products takes an estimated 864,000 hours each year. The Department of Labor's recordkeeping requirements under OSHA take an estimated half million hours annually.

Yet, as high as these numbers are, they probably grossly underestimate the burden of Federal reporting and recordkeeping requirements, largely because they are based on estimates made by the very agencies who impose them. Under the terms of the Federal Reports Act, Government agencies must submit their plans for collecting information to either the OMB or GAO for approval.

As part of the request for a clearance, agencies have to estimate the burden of the new requirement on those who must comply. Atlhough some estimates are thoroughly researched, many are sheer fabrications and bear no relationship to the actual compliance burden.

Furthermore, we have very little idea as to whether or not Government agencies ever make any use of the information they collect.

A rational solution to the problem of excessive Government paperwork and redtape requires that we know the true burden of Federal reporting requirements and the actual uses that Government agencies make of the accumulated information. To throw light on these concerns, I have asked the GAO to undertake a series of in-depth studies of specific reporting requirements of various Federal agencies.

The GAO will determine the true burden of the selected reporting requirements and determine how the data is used. The first of these reports, which is tentatively scheduled for August, will look into the Department of Agriculture's reporting requirements under the Packers and Stockyards Act.

These reports will be coming to me every 2 or 3 months after the first is issued and will cover paperwork problems in such areas as transportation, pensions, energy, environmental protection, and taxes. Following each report, I plan to introduce legislation, based on the GAO recommendations, to cut out unnecessary paperwork and reduce the reporting and recordkeeping burden on American businesses.

Last year, Congress enacted two paperwork reduction measures I introduced, including an amendment to the HUD authorization bill requiring the FHA and VA to merge the forms used in their single-family housing programs. As a result of this amendment, I have learned that FHA and VA, as well as the Farmers Home Administration, are making progress on merging forms. I have asked Secretary Harris for an interim report, and I will make it available to my colleagues later this summer as soon as I receive it.

To put the 69 million hours per year on business paperwork in further perspective, I should point out that this doesn't even include the most burdensome of all Federal paperwork—tax forms. Over 80 percent of all Federal Government paperwork is imposed by the IRS.

Yet, because the IRS has been exempted from the requirements of the Federal Report Act, we have no real control over the numerous tax forms that impose such a tremendous burden—over 250 million hours per year—on both individuals and businesses. The OMB should have the right to monitor IRS tax forms, and the legislation introduced today will correct this omission.

Another piece of evidence that the paperwork burden has been exploding uncontrollably is the recent growth of the Government's paperwork catalog—the Federal Register. In 1955, the total length of the Federal Register came to 10,000 pages. Fifteen years later, in 1970, its size had doubled, but the number of pages still amounted to only 20,000. By 1977, however, the number of pages had mushroomed to over 65,000, and the Federal Register is expected to reach 100,000 pages by 1980.

This rapid growth has compounded the problem of paperwork and redtape because Government agencies that need or want the same kind of information have done little to coordinate their efforts. Far too often, businesses that have submitted information to one Federal agency have to turn around and submit the exact same data to another agency. There are even examples where the same data had to be submitted under different programs to the same agency, with a different form for each different program.

Here is a typical example of overlapping and duplicative Government paperwork, taken from a recent report published by the U.S. League of Savings Associations. The League found that there are more than 800 separate reporting requirements that affect savings and loan associations in this country. These 800 reporting requirements are imposed by no less than 8 separate Government or Government-sponsored agencies.

According to the Savings League study, the Federal Home Loan Bank Board has 156 reporting requirements; the Federal National Mortgage Association has 128; the Government National Mortgage Association has 25; the Federal Home Loan Mortgage Corporation has 58; the Farmers Home Administration has 40; the Veterans' Administration has 149; the Treasury Department and IRS have 96; the Federal Housing Administration and the Department of Housing and Urban Development have 93; and other Federal agencies have 43.

In its study, the U.S. Savings League listed five main sources of excessive Federal paperwork:

Seemingly endless demands for information by Congress, Government agencies and consumer groups;

Legislation passed by the Congress and regulation issued by agencies with little regard for cost and other impacts on the operations of associations;

Multiple independent Federal, State, local and private agencies and institutions seeking information with little regard for duplication;

Programs and policies established and administered in ways that require unproductive or excessive paperwork; and

Policies and practices which fail to distinguish between useful information and unnecessary paperwork, and an absence of limits on costs which may be imposed by Federal paperwork.

While these findings were developed from the experiences of the savings and loan industry, they have general applicability throughout the Federal Government. We have failed to limit the private sector costs of Government paperwork. We have failed to insure that all information collected by the Government is needed and useful. We have failed to coordinate agency information requests and to eliminate duplicative and overlapping reporting requirements. As a result, American businesses are burdened with unreasonable amounts of paperwork and redtape, at a high cost that is just passed on to consumers through higher prices.

During this period of skyrocketing inflation, Congress must act to eliminate Government-mandated inefficiencies and costs.

Earlier this year, I introduced four bills to cut the excessive costs of Federal Government regulations—S. 51 through S. 54. These bills included a proposal to require that all Federal regulations are cost-effective and a proposal for a regulatory budget, as well as a bill requiring the President to eliminate duplicative and conflicting Federal regulations. These bills recognize that Government regulations impose a cost on the private sector and use resources that have to be balanced against other possible uses.

The paperwork reduction bill I am cosponsoring today is based on the same fundamental truth—the more of our Nation's resources and energies that go into preparing Government forms and complying with Government reporting requirements, the less that can be devoted to satisfying consumer needs or expanding the productive capacity of our economy. We must eliminate excessive and unnecessary paperwork and redtape, and the Paperwork and Red Tape Reduction Act of 1979 will be an important tool in the battle.●

● Mr. DANFORTH. Mr. President, I am pleased to join Senator Chiles and Senator Bentsen in introducing S. 1411, the Paperwork and Redtape Reduction Act of 1979. This bill is identical to H.R. 3570, introduced on April 10 by Congressman Horton, joined by Congressmen Brooks, Steed, and Preyer. At that time Congressman Horton entered a brief statement in the Record explaining the provisions of the bill. The legislation, as explained by Congressman Horton, does the following:

> Recognizes, for the first time, that management of Federal information resources is a responsibility of the Federal Government.
>
> Places the authority for setting information management policy in the Government's central management agency, the Office of Management and Budget.
>
> Insures that information management policy will receive priority attention within OMB by establishing a separate office similar to the Office of Federal Procurement Policy, headed by a Presidential appointee, to assume responsibility in that area.
>
> Consolidates statistical policy activities in that office.
>
> Requires Federal agencies to:
>
> (a) Systematically inventory and periodically review their information resources;
>
> (b) Plan and manage their information resource needs in conjunction with other resource needs; and
>
> (c) Make sure that their information systems do not overlap each other or duplicate those of other agencies.
>
> Mandates that OMB review, at least once every 3 years, each agency's information management and paperwork reduction activities. Requires OMB to set target goals for reductions of the numbers and burdens of information collection requests imposed on the public by the agencies.
>
> Rewrites the Federal Reports Act of 1942, which governs the central clearance of devices used by Federal agencies to collect information from individuals, businesses, and State and local governments, so that:
>
> First, the law is made clearer;
>
> Second, all Federal agencies are made subject to the act (80 percent of all information collections are now exempt from it);
>
> Third, the authority to approve or deny an agency's request to collect data from the public is placed in OMB, rather than being divided among several agencies;
>
> Fourth, independent regulatory agencies are given the right to veto OMB disapprovals of their requests to collect information;
>
> Fifth, OMB is forced to approve or disapprove agencies' requests within 60 days of receipt of the requests;
>
> Sixth, agencies are permitted to collect material only if they demonstrate that they actually plan to use it;
>
> Seventh, an approval of a request to collect data will expire after a limited period of time;
>
> Eighth, OMB may authorize the transfer of lists of businesses among agencies for the collection or compilation of survey data; and
>
> Ninth, individuals, businesses, State and local governments, and others from whom agencies collect information are told that they need not respond to requests which were not cleared by OMB.
>
> Establishes a Federal information locator system to contain descriptions of all requests made by Federal agencies for the collection of information from the public. The system will be used to:
>
> First, identify duplication in existing or new reporting and recordkeeping requirements;
>
> Second, locate existing information that may meet the needs of a Federal agency and thereby promote sharing of data and avoid duplication; and
>
> Third, consequently help OMB to decide which agency requests for information collection ought to be approved.

Mr. President, this legislation is long overdue. According to the Federal Paperwork Commission, it costs about $100 billion a year to fill out and process Federal paperwork. That amounts to something like $500 for every man, woman, and child in this country. The Treasury Department estimates that Americans spend almost 600 million hours each year just filling out some 300 different tax forms. Overall, there are something like 5,000 repetitive reporting requirements demanded by the Federal Government, 7,000 different forms in all, adding up to about 1 billion pieces of paper.

The Paperwork Commission says we can cut Federal paperwork by 10 percent—$10 billion each year—if we cut out waste, cut out unnecessary reporting, and start doing a better job of managing Federal paperwork. That is why we propose to put a watchdog in the Office of Management and Budget with authority to review every request for information that comes out of the Federal Government. We know we cannot put an end to Government paperwork. But we can help bring it under control.

Remarkably, nearly 80 percent of the paperwork currently churned out by the Federal Government—most of it tax forms—is subject to no kind of administrative control whatsoever. So—we propose to put somebody in charge of paperwork and we propose to give that person authority to reject any request for information—bounce it right back to the bureaucrats—if the information request would impose excessive costs on the person who has to answer it, if the information requested is available elsewhere, or—to put it plainly—if the information requested is just flat-out unnecessary. And here's one other requirement I think I would like to see added. To the extent they do not do so already, I think the Federal Government should be required to tell each person asked to fill out a form why the information asked for is needed, and what the Federal Government plans to do with the information once they get it. It seems to me that if the Federal Government is going to ask the American people to fill out a lot of forms, they ought to at least have the common decency to tell them why they are doing it.

Finally, there is one aspect of the legislation that deserves special mention: If an information request goes out of Washington without being approved by the paperwork watchdog, the person who gets it does not have to answer it. He can tell the Federal Government to go fly a kite. That is important. If we are really going to do something about reducing paperwork—we have got to make the bureaucrats sit up and take notice.

The cost of the Federal paperwork burden is staggering. It has been called a hidden tax—because the cost of complying with and processing paperwork drives up prices and forces State and local governments—and even the Federal Government itself—to increase taxes in an effort to cover expenses.

But there are other costs to paperwork. The dollars governments spend pushing paper around are dollars unavaliable for building playgrounds and parks, buying textbooks, and repairing streets. The dollars spent by hospitals filling out forms are dollars unavailable for medical research. The time and money a businessman spends tending to paperwork means less time that he can spend tending to his business.

On May 31, in an effort to assess the impact of Federal paperwork, I held a field hearing in St. Louis of the Subcommittee on Federal Spending Practices and Open Government. At that hearing I received testimony from small business people, health care providers, and local government administrators. I had an opportunity to hear, first hand, the problems people are encountering with Government paperwork. That hearing was widely reported in the Missouri press, and I ask unanimous consent that three newspaper articles, discussing the hearing, together with editorials from the St. Louis Globe-Democrat and the Joplin Globe, be printed in the Record.

It is clear to me, given the testimony I received at that May 31 hearing, that the real cost of unnecessary Federal paperwork exceeds the widely reported dollar figures—however tremendous they may be. Paperwork is stifling small business initiative, stealing precious hours from the time of health care providers, and demoralizing dedicated public servants. Margaret Stroup's description of the effect of paperwork on her staff in the St. Louis County Department of Human Resources states the case quite well:

> Overall, the effects of paperwork requirements on program services . . . are predictable. If the delivery system is kept "churning" to respond to paperwork demands by the various funding sources then the people it employs to administer services are stealing time for lower priorities. Employees, especially those who are highly motivated and dedicated to services for people, are first demoralized and then encouraged to become cynical and non-caring. Filling in the forms becomes more of a job description for many employees than providing human services.

Mr. President, no one denies the need for the Government to obtain information in order to manage its affairs properly. But there is clearly something wrong with the current state of affairs.

We can do better. This bill provides us that opportunity.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the St. Louis Globe-Democrat, June 1, 1979]

FEDERAL PAPERWORK, REDTAPE ASSAILED

(By Robert Blanchard)

A virus created by the federal government has stricken business, health care providers and city and county governments.

The disease has taken a high toll. Not only is it costly to all consumers, it has stymied business development, discouraged innovation, damaged employee morale, created widespread fear and contributed to the deaths of thousands of small businesses.

The virus, which has spread at an alarming rate in the past 15 years, is the paperwork and red tape required by a myriad of federal regulations.

To combat the disease, Sen. John C. Danforth, R-Mo., is working for passage of the "Paperwork and Redtape Reduction Act of 1979," which he introduced in the Senate. He conducted a hearing on the bill Thursday in the federal building at 1520 Market St.

The act would create a new paperwork office in the Office of Management and Budget and give the director authority to review all paperwork and reject information, reqests that prove unnecessary.

"I'm hoping the act would reduce paperwork by 10 percent. The bureaucracy now sends out requests for information on anything the bureaucrats dream up. At least they should send it by someone who can say if it is really necessary," Danforth said at the hearing.

"I don't know of a magic solution to government, I'd like to go through it with a scythe," he declared. "We need a hard-boiled person who is intent on curbing the bureaucracy."

While he agreed with some speakers that the new law would treat the symptoms rather than attacking the disease of government intervention, Danforth said it is still worthwhile. He commented, "The question is not the policy itself, but the question is in implementation of policy. Too many people are not doing their jobs, but instead are filling out federal forms."

Overall, there are about 5,000 repetitive reporting requirements demanded by the federal government, 7,000 different forms in all, adding up to about one billion pieces of paper a year, reported Danforth, who is the ranking minority member of the Governmental Affairs Subcommittee on Federal Spending Practices and Open Government.

At the hearing, testimony was given by an expert in regulatory costs, a small business panel, a health care provided panel and a local government panel.

Kenneth W. Chilton, assistant director of Washington University's Center for the Study of American Business, which has extensively studied cost of government regulations called the bill "a step in the right direction."

Chilton said of the $100 billion total annual paperwork burden, nearly $43 billion represents what the federal government is doing to itself "or more accurately to the taxpayer in processing and disseminating information." The cost to private industry was estimated at $25 billion to $32 billion a year.

"The true prescription for reducing the reporting burden remains to decrease government involvement in the economy.

"There is a need for more creative thought in order to achieve our country's social objectives in the most efficient manner. It is imperative that our federal government rely on the strengths of our economic system in promoting a better life for its citizens. This is an appeal that transcends the distinctions between business and government, manufacturer and consumer," Chilton said.

In response to a question, Chilton said many small businessmen comply with regulations rather than complain to officials, mainly because they fear sanctions against them such as cancellation of government contracts. Also, he said, regulations force bids up or discourage bids on federal projects because of all the reporting required.

Mrs. Dawn L. Larmer, associate director of General Business Services, 1900 Sturbridge Meadows, which provides consulting services to small businesses, told Danforth that her clients are "buried under a mountain of paperwork." She displayed a lengthy roll of several government forms that the government requires from a small business each year.

"If they don't comply, there is an audit or a penalty or other punitive action," Mrs. Larmer said. "Some are very complicated forms, and if not filled out just right, there is a penalty of $10 a day."

Albert C. (Charlie) Roland Jr., board chairman of Roland Industries Inc., a scientific food blending firm at 2280 Chaffee Dr., agreed that the threat of government agencies is bothering. He asserted, "Small business is actually afraid of the federal government. If the IRS or OSHA comes in, the businessman starts to shake. And regulations are actually putting some out of business."

Another witness on the small business panel, Nylon R. Wilson, vice president of the Gateway National Bank, said federal regulations are especially hard on minority businesses. He said there is an opportunity to consolidate some of the required reports and "I think the federal government should take the lead in consolidating information for local agencies as well."

Describing the adverse effects of federal regulations on health care providers were Dr. Richard V. Bradley, who has a private practice here; David A. Gee, president of Jewish Hospital; and Larry E. Schreiber Jr., of the St. Louis College of Pharmacy. Speaking on local government problems with these regulations were Victor Ellman, city manager of University City, and Mrs. Margaret A. Stroup, director of the St. Louis County Department of Human Resources.

Gee said since Medicare went into effect 13 years ago, there has been an explosion of regulatory agencies with which hospitals must deal. He said hospitals have had to add personnel (his clerical staff has more than doubled) and shortage space for the required records.

Dr. Bradley commented, "The content of federal paperwork is a great concern to 75 percent of us who are not experts. Some regulations cannot be understood."

Schreiber said the independent community pharmacist pays 10 cents in regulation compliance costs versus 1 cent in these costs of large national multi-unit corporate drug chains, adding: "One can easily see that if this cost is passed on to the consumer, small pharmacies are going to suffer."

An erosion in the morale of employees who have to complete the paperwork, instead of handling work for which they were trained, was noted by Mrs. Stroup.

"Any change in forms and regulations—so we could get back to serving people—would be appreciated," Mrs. Stroup asserted.

Ellman offered Danforth a 40-foot long strip of an Equal Employment Opportunity Commission form that each city is required to file yearly. But Danforth declined, saying, "I know where I can get more."

[From the St. Louis Globe-Democrat, June 4, 1979]

DANFORTH ATTACKS PAPERWORK

The Carter administration has talked about cutting down paperwork and federal red tape, but Sen. John C. Danforth has a good plan for actually doing something to rescue the country from a blizzard of federal forms and reporting requirements.

Senator Danforth has introduced the Paperwork and Red Tape Reduction Act of 1979 and is working hard for its passage by the Senate. The legislation would create a new paperwork control office in the Office of Management and Budget and give its director authority to review all paperwork and reject information requests that prove unnecessary.

The Missouri senator doesn't claim this is the perfect solution. But if the bill is approved, he believes the new office could reduce federal paperwork by 10 percent.

Ten percent may not sound like much, but when one considers how incredibly massive and costly federal paperwork has become, a reduction of this size would be a huge saving.

In testimony on the bill, Kenneth W. Chilton, assistant director of Washington University's Center for the Study of American Business, said that it costs taxpayers about $43 billion for the federal government to process and disseminate information. And this paper flood from Washington adds about $25 billion to $32 billion a year to the costs of private industry.

This means that a 10 percent reduction could save almost $7 billion a year, quite a saving even in today's inflationary climate.

The situation has gotten so far out of control that there are about 5,000 repetitive reporting requirements and 7,000 different federal forms in all, Danforth said. It is estimated that federal bureaus now send out and receive about one billion pieces of paper a year.

It has been obvious for a long time that federal bureaus and agencies won't voluntarly cut back on their paperwork demands upon businesses. A parade of witnesses testified at the local hearing on Danforth's bill that the paperwork is becoming more onerous and costly all the time.

Mrs. Dawn L. Larmer, associate director of General Business Services, told Senator Danforth that her clients are "buried under a mountain of paperwork." She brought a lengthy roll of forms the government requires from small business each year to back up her charge.

Washington bureau chiefs also don't brook any resistance to their paperwork demands.

"If they (businessmen) don't comply," said Mrs. Larmer, "there is an audit or a penalty or other punitive action."

Albert C. Roland Jr., board chairman of Roland Industries, Inc., a scientific food blending firm, testified that "Small business is actually afraid of the federal government. If the IRS or OSHA comes in, the businessman starts to shake. And regulations are actually putting some out of business."

It will be interesting to see what kind of reception the Senate and House give to Danforth's anti-paperwork bill. This will be another test of whether members of Congress really want to do something to curb the federal paper monster. Certainly the Danforth measure should be approved. It would represent the first significant effort by Congress to do more than talk about and study this problem ad infinitum.

[From the Kansas Times, June 1, 1979]

TALES OF A PAPERWORK JUNGLE

(By James J. Fisher)

ST. LOUIS.—Sen. John C. Danforth listened to horror stories Thursday about what would seem an innocuous subject—governmental paperwork.

The Missouri Republican, who claimed not to be shocked easily by governmental excesses, listened in open amazement as witnesses before his subcommittee on federal spending told of:

A form that 5,000 small cities and towns must file each year reporting compliance with regulations of the Equal Economic Opportunity commission. Taped together, the form is almost 40 feet long, an official of University City, Mo., which has just finished filling out the form, estimated it cost them at least $1,200 to complete.

Minority contractors struggling to fill out complicated reports on affirmative action regulations although the majority of their employees were members of minority groups.

The Jewish Hospital of St. Louis generating 11,000 documents a month, mostly for Medicare and Medicaid, and forwarding them to Washington. That same hospital, in requesting a new piece of equipment, ended up with an application to the federal government 2 feet thick and weighing 54 pounds.

An explosion of federal, state and municipal paperwork in the last dozen years, paperwork that now costs each American man, woman and child $500 a year, Kenneth Chilton, assistant director of the Center for the Study of American Business at Washington University in St. Louis, called that a "hidden tax."

Charles Roland, owner of a small St. Louis bakery products firm, told Danforth, "Small businessmen are, quite frankly, now afraid of their government."

"The threat of paperwork is always there," said Roland. "But it's more. It's the threat that if you don't do the paperwork right you are going to get hit with a horrendous fine or even some time in jail. Now isn't that a hell of a thing to say to a small businessman?

"I'm not kidding you, senator. There are people out there who are small businessmen who hire people, provide jobs, and, in a real sense, are doing more to help all Americans who want to work—black, white, brown, you name it—who are in actual dread of a knock on the door and hearing that the U.S. government is outside."

Danforth was in St. Louis to gather information for a bill that would appoint an administrator to control federal paperwork. He will co-sponsor it when the Senate goes back in session next week. A similar bill already has been introduced in the House.

Danforth said 80 percent of all paperwork—mostly tax forms—goes out with no administrative control whatsoever.

"What we want to do," Danforth said, "is put some hardnose in charge of paperwork with authority to reject any request for information if it would impose excessive costs on the person filling out the forms or if the information is available somewhere else in the federal bureaucracy."

Danforth said he wants to see a provision in the legislation that would tell the person filling out the form what the information is going to be used for, plus a requirement that if the form isn't approved by the administrative overseer of paperwork, then "the person who gets it doesn't have to answer it. He can tell the federal government to go fly a kite."

Danforth said he doesn't expect Americans to retreat from stated policies of equal opportunities, a cleaner environment and job safety, adding, "There has been testimony here of a St. Louis Blue Cross application to the federal government which weighed 320 pounds and, if stacked, would have measured 16 feet high. I'm not expecting miracles. I know the bureaucracy. But maybe we can knock 10 percent off. That would be something—32 pounds and a foot and a half."

Chilton said the Center for the Study of American Business conservatively estimates that federal regulation, including paperwork, is costing the private sector $102.7 billion in fiscal 1979. He said the cost of paperwork has grown from $1.2 billion a year in 1950 to about $30 billion now.

Chilton said that with the exception of reports required by the Internal Revenue Service to ensure proper tax collections and Census Bureau data needed to measure economic health, all other reporting requirements result from myriad efforts to manage and control the private sector.

Although many of the laws passed to ensure a better environment, energy independence and job safety have been on the books for years, Chilton said, various bureaucratic agencies are adding requirements for paperwork. Such diverse occupations as trash haulers, manufacturers of small cigars and medical instrument companies now come under the purview of the federal government, Chilton said.

Nylon Wilson, vice president of the Gateway National Bank, St. Louis, urged Danforth to press for the bill.

Wilson, a black, said some reporting is needed to make sure minorities are getting their share of the economic pie, but he said he winces when he sees a member of a minority who decides to start a small contracting business become strangled by paperwork.

"You get a man who's good with his hands and all of a sudden that's not enough," Wilson said. "All of a sudden he has to become an interpreter of what the forms mean and what the government wants. These forms are killing a lot of businesses. People just can't put up with them."

David Gee, president of the Jewish Hospital of St. Louis, said fully 30 percent of the 150 physicians on the call board of the hospital emergency room refuse to take Medicare patients.

"They will help indigent patients," Gee said. "They will help the poor. They will do charity work. But they won't do Medicare. They don't want the paperwork."

[From the St. Louis Post-Dispatch, June 1, 1979]

Committee Tries To Cut Redtape

(By Brad Riesenberger)

"This is nuts," the senator said.

"It seems to me that if the federal government is going to ask the American people to fill out a lot of forms, they ought to at least have the common decency to tell them why they're doing it."

With those comments, Sen. John C. Danforth, R-Mo., opened a U.S. Senate subcommittee hearing here Thursday on government paperwork. Witness after witness appearing before Danforth's panel said government red tape was killing small business.

Danforth said that burdensome federal regulations and paperwork—a problem costing Americans substantial amounts of time and money—can be reduced legislatively. Next week, when Congress returns from Memorial Day recess, he and Sen. Lawton Chiles, D-Fla., will introduce a bill to do just that—the Paperwork and Redtape Reduction Act of 1979.

The legislation will attempt to ensure that government information systems don't overlap. It will require a periodic review of agencies' paperwork and set up an "information locator system" that will contain descriptions of all requests made by federal agencies for information from businesses and individuals.

The red tape reduction act, which has already been introduced in the House this session, would require agencies to demonstrate that they intend to use information before they are allowed to gather it. And anyone would be able to ignore requests for information that have not been cleared by the Office of Management and Budget.

"They could tell the government to go fly a kite," Danforth said.

The defunct Federal Paperwork Commission estimated that it costs about $100 billion a year to fill out and process federal paperwork, or about $500 for every U.S. citizen. Of that total, up to $20 billion falls directly on small businesses, according to estimates by Washington University's Center for the Study of American Business.

Kenneth W. Chilton, assistant director of the center, said that mounds of federal paperwork are expensive to American business, not only in terms of out-of-pocket costs, but also in terms of reduced productivity and reduced investment in research and development.

"The regulatory performance in the energy field is a cogent example of the shortcomings of data gathering and government control over market price. The long lines of autos waiting for gasoline in California, Florida and other such population growth centers are testimony to the inefficiency of allocation and price control schemes," Chilton said.

Chilton said that small businesses are harder hit by federal information requirements than larger firms and often lack the necessary expertise to comply.

Paperwork burdens have contributed to the termination of 13,000 small-firm pension plans, according to research done by the Center. Within months of the passage of the 1974 Employee Retirement Income Security Act—accompanied by 250 pages of regulations—the plans were cancelled.

"The losers were, of course, the employees previously covered by the plans," Chilton said.

Charles Roland, operator of a food processing firm here and a delegate to the White House Conference on Small Business, said that small businesses are afraid of what he called a "fill-this-out-or-else" attitude on the part of bureaucrats who want information about firms.

"It's not just the paperwork that's upsetting, it's the threats of fines and jail terms that accompany it. You have no idea how that dampens the entrepeneurial spirit," Roland told Danforth. "Frankly, I'd like to tell them to go to hell."

Dawn Larmer, a small business consultant, unrolled at the witness table dozens of forms she had taped end-to-end to show the number of federal forms a typical small business operator must fill out during a year.

"A contractor may be a good bricklayer, but he may not know diddly about government forms," Mrs. Larmer said. "He wants to cooperate, but he doesn't understand the forms, which often are unintelligible even to experts."

She said the businessman either hires an accountant to handle the forms and passes the additional costs to the consumer, or is unable to absorb the costs and goes out of business.

Earlier, Chilton told Danforth that the proposed red tape reduction act is treating the symptom of the paperwork problem, rather than the disease.

"The true prescription for reducing the reporting burden remains to decrease the government involvement in the economy," he said.

[From the Joplin (Mo.) Globe, June 8, 1979]

Snipping the Redtape of the Bureaucrat

Consider, if you will, the plight of a St. Louis hospital recently when it decided to ask for Uncle Sam's help in procuring a new piece of equipment. What transpired was a perfect example of bureaucratic excess. The hospital had to file an application that, when completed, weighed 54 pounds and measured two feet thick.

Nor is that horror story of governmental red tape and paperwork requirements unusual. Rather, according to testimony before Sen. John Danforth's Senate subcommittee in St. Louis last week, they are the rule, not the exception. And, unless something is done, the problem will rapidly worsen.

Danforth, Missouri's junior senator, and Sen. Lawton Chiles, D-Fla., are co-sponsoring a bill that would create a paperwork czar in the Office of Management and Budget to review federal forms and the need for them. The Paperwork and Red Tape Reduction Act of 1979, the St. Louis Republican acknowledges, wouldn't work miracles, but might "knock 10 percent off" the volume of reports now being demanded by federal regulatory agencies.

Paperwork has become more and more a way of life to government. Kenneth Chilton, assistant director of the Center for the Study of American Business at Washington University in St. Louis, told the subcommittee that not only does Uncle Sam spend more than $40 billion annually to collect and disseminate information, but it costs the private sector another $30 billion or so to fill out and file all of the reports required.

Uncle Sam doesn't simply request information from businesses and individuals. There is always the threat—explicit or implied—of fine or even jail for filling out a report improperly or filing late. Few small companies have the expertise required to understand the governmentese gobbledygook on federal forms. So they are forced to hire accountants and attorneys, and pass that expense along to their customers, or shut down.

Nor is Washington's interest in generating paperwork limited to the private sector. Officials of University City, near St. Louis, estimate that an annual Equal Economic Opportunity commission report cost the community a minimum of $1,200 to complete. There is no shortage of forms required by other agencies, departments, divisions, bureaus and offices either.

How is government responding to the appeal for help from Americans being buried under this incredible avalanche of forms, reports, documents, guidelines and redtape? The Small Business Administration is conducting a study of paperwork demands by federal, state and local governments. Small businesses have been asked to do more paperwork to keep a record of their paperwork. Uncle!●

By Mr. BELLMON:

S. 1412. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain contributions of real property for conservation purposes; to the Committee on Finance.

● Mr. BELLMON. Mr. President, today I am introducing legislation to amend the Internal Revenue Code to allow a deduction for certain contributions of real property for conservation purposes. Simply, the amendment will allow a landowner to donate land, retaining the mineral rights, and still receive a tax deduction equal to the fair market value of the property.

Charitable contributions have in the past been made for social or economic reasons, and whereas, tax savings may not be the primary reason for making a gift, it is certainly given full consideration. Congress, in an effort to combine tax savings with philanthropic giving, passed legislation that provided special incentives for the donation of land that was suitable for conservation purposes. The Tax Reform Act of 1969, however, provided that a charitable deduction would not be allowed for contributions to charity of less than the taxpayer's entire interest in the property.

I am convinced, Mr. President, that Congress needs to take a closer look to determine if the Government's position has been too tough on mineral rights. Recent Revenue Rulings by the Treasury Department have significantly expanded the type of donations which qualify for favorable tax treatment. A tax deduction was allowed for an individual who donated only part of his land to be used for the creation and maintenance of a recreation trail to be used by the public for hiking and skiing.

A charitable contribution deduction was also allowed for a taxpayer who donated to a county, vacant beachfront property to be used as a public beach and recreational area while still retaining all mineral rights in the land underlying the easement. The Treasury Department also allowed a charitable contribution deduction for a gift of timberland to a charitable organization for transfer to the U.S. Government for use as a wildlife preserve in which the grantor retained certain timber and mineral rights which could be exercised only upon approval by the Government.

Mr. President, I believe the absent exception in the statute is a category for property to be acquired for exclusive conservation purposes—particularly those properties where a mineral interest is held by the property owner. We must realize the events of the world in the past 10 years have drastically increased the importance of mineral rights and that landowners will be more than hesitant to give us those rights. We must also realize that gifts of surface rights to conservation groups are of a charitable nature and should, therefore, be given the tax deduction.

Enactment of this legislation should eliminate a major obstacle facing conservation groups, such as nature conservancies, environmental and historic trusts, and State and local governments, in their effort to expedite the acquisition of property for conservation purposes. "Conservation purposes" is defined in the Tax Reform Act as: First, the preservation of land areas for public outdoor recreation, education, or scenic enjoyment; second, the preservation of historically important land areas or structures; or third, the protection of natural environmental systems. Major transactions, where the donor wishes to retain mineral rights, are held up in anticipation of a charitable contribution tax deduction. The Nature Conservancy has been working to acquire three outstanding wetlands of Texas coastland for migratory bird habitat and other natural values. One tract, known as the McFaddin Ranch, supports 13 endangered or threatened animal species, including the American bald eagle. Other stretches of unprotected coastal prairie marshland and bottomland hardwood all along the southeastern gulf coast have little value for commercial purposes, but are not being contributed, because of this tax disincentive. Large corporations are unable to commit lands to conservation groups, because the mineral rights are too important.

In addition to allowing tax deduction for charitable gifts of surface rights, this legislation strikes a provision in the Tax Reduction and Simplification Act of 1977, that imposes a time limitation of June 14, 1981, for receiving a tax deduction on transactions of this type. The effect of striking this provision would be to alleviate the concern of time constraints on the acquisition of property for conservation. Eliminating the time limitation would allow for more orderly estate planning and more charitable gifts by taxpayers who desire to retain the mineral rights under the gift.

Mr. President, there is a pressing need for this legislation. It provides a major attempt at encouraging conservation efforts while still allowing property owners to maintain valuable mineral interests. Because more and more donations are frustrated for lack of the tax deduction, the problems we now face in preserving ecologically significant natural areas and the wildlife dependent on them, will be greatly reduced by passage of this legislation.●

By Mr. JACKSON:

S. 1413. A bill to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program; to the Committee on Energy and Natural Resources and the Committee on the Judiciary, jointly, by unanimous consent.

(The remarks of Mr. JACKSON when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. BENTSEN:

S. 1415. A bill entitled the Priority Energy Project Act of 1979; to the Committee on Energy and Natural Resources.

● Mr. BENTSEN. Mr. President, I am introducing legislation today that would make it possible for a firm contemplating a major energy installation to obtain a definite answer—yes or no—on environmental and regulatory questions within 1½ years.

Mr. President, I think it is preposterous, I think it is absurd, that with a full-blown energy crisis looming over this country the regulatory unknown has become a major and frequently insurmountable obstacle to the development of alternative energy facilities, to the construction of pipelines to move available crude oil from areas of surplus to areas of demand, and to move natural gas from the field to the market.

In recent months the American people and their elected representatives have finally come to appreciate the urgency of our energy problems, problems that extend far beyond lines at the gas pumps. We have come to understand that failure to respond, rapidly and effectively, to the challenge of energy will lead inevitably to greater and humbling dependence on the whims of foreign suppliers, to increased trade deficits, to increased pressure on the dollar, to higher rates of domestic inflation and, eventually, to a position of weakness and vulnerability totally incompatible with our status as the leader of the free world.

Currently our attention is focused on problems of energy cost and supply. We have not yet faced up to the fact that, sometime in the next 5 years, there may well come the day when adequate supplies of energy are unavailable at any price; when world demand simply outstrips world willingness or capacity to produce.

Now let us assume, just for the sake of argument, that we all agree it is time to regain control of our own energy future. It is time to do something, something that will indicate to our people and to the world that we are serious about greater energy independence. Many people are currently focusing on the possibility of exploiting our enormous coal and oil shale reserves. There is more oil trapped in the mountains of Colorado, Wyoming, and Utah than under the sands of Saudi Arabia—we have got to learn how to develop it.

Let us further assume that Government and the private sector join hands in this effort. They will have to, because an alternative energy plant large enough to produce 50,000 barrels a day of synthetic fuel will cost between $1.5 to $2 billion. Mr. President, even in these days of inflation, that is a lot of money.

But the problem is urgent. Assume the Government is ready to help, and the private sector is ready to invest and take a chance. What happens next? Well, you have got to get some permits—some local permits, some State permits, and some Federal permits. And make no mistake about it—there should be a requirement for permits. We do not want to sprinkle the landscape with alternative energy plants or pipelines without a thorough understanding of what we are doing to the environment or the economy.

But the way we currently manage our affairs, Mr. President, you would be lucky to finish the permitting process for an alternative energy plant in 5 years. And there would still be a possibility that your billion dollar investment would sooner or later get snagged in the web of an environmental suit.

The peril of permitting is not a phoney issue. It is the most frustrating, time consuming, and potentially catastrophic impediment to greater energy self-sufficiency for America.

We hear a great deal these days about the crude glut on the west coast about the fact that we cannot make maximum use of an asset like Alaskan crude, because we cannot move it to places where it is needed. It did not have to be that way. The problem was foreseen, and steps were taken to deal with it. Sohio was prepared to build a pipeline to move Alaskan crude from Long Beach, Calif., to Midland, Tex., where it could enter our eastern distribution system and be delivered to refineries and eventual end users.

The idea was first proposed 5 years ago. Today it is a dead issue. There is not going to be a Sohio pipeline. Why? Basically because of permitting requirements. Seven hundred permits were required to build the Sohio pipeline—a project that makes eminent and obvious good sense, a project that was endorsed at all levels of government, a project that was approved by 61 percent of the voters of Long Beach, Calif. Sohio spent over $50 million for engineering and environmental studies in an effort to cope with the permitting process, but before they were able to find their way out of the regulatory maze the project ceased to be economically attractive.

When the Sohio project finally crumbled under the burden of 700 permits, the company's chairman, Alton Whitehouse, noted ruefully but accurately:

> That a project like the PACTEX pipeline which has been endorsed by all levels of government should experience such difficulty when the country is facing its most serious threat in energy supply must be as astounding to the rest of the country and the world as it has been at Sohio.

Whitehouse went on to note that—

> New energy projects in the United States have little hope of success today. A guagmire of federal and state regulations now exists that can bog down any project, no matter how worthy and regardless of the national interest. The lesson of PACTEX is that no major energy project can be seriously considered in many areas of the country by industry today unless governmental processes are changed to provide answers within reasonable time periods.

Mr. President, I could not agree more, and that is why I am introducing legislation today that will guarantee a firm yes or no answer on major energy projects with a one and a half year period. If such legislation had been in force 5 years ago, Alaskan crude might well be flowing to Midland today. Alternative energy plants might already be in existence. We could perhaps look to our energy future not with panic, but with a plan.

Much to the credit of the Congress, a number of bills have been introduced in the last few days, in both the Senate and in the House, which address this vital need to fully develop our domestic energy resources. I have noted these bills with interest and with pleasure, since to me they indicate that Congress is finally beginning to understand the urgency of the situation. I believe, however, that none of these proposed laws is quite strong enough to do the job. The essential element they all lack is the setting of firm deadlines on the time allowed for Government action at all levels—Federal, State, and local. My legislation addresses this need for a final, outside time limit.

Before I go into the specifics of this legislation, just let me make a point, and I do not mean to make it facetiously. Let us imagine, for the sake of comparison, that World War II broke out in 1979 rather than 1940. Let us imagine that one of our vital commodities—rubber—was denied to us, and we had to make it synthetically, on a massive scale—on a scale commensurate with warfare. We did in 1941 in 247 days after the decision was made to produce—and it was essential to our war effort. But could we do it in 1979? Not likely. We would have to get an environmental impact statement for each and every synthetic rubber plant, and the litigation would almost certainly last the duration of the war.

The legislation I am introducing today will authorize the Secretary of Energy to designate certain priority energy projects for accelerated project review and certification. It requires the Department of Energy to work with the project sponsors and all Federal, State, and local regulatory and permitting bodies to facilitate concurrent agency reviews and to establish a firm deadline within which all required governmental actions must be completed. Once a project has received priority status, the Secretary of Energy will set time limits, not to exceed 1 year, for completion of all Federal, State, and local governmental actions regarding the project. If a Federal agency fails to act within the deadline established by the Secretary, the President will be required to make the permit decision in lieu of the agency. If a State or local agency fails to act on the project within 1 year, the President may declare a waiver—subject to veto by one House of Congress—of the provision of State law responsible for the delay.

My bill also creates a special category for major natural gas pipelines, and requires all Federal Energy Regulatory Commission certifications and permits to be approved or disapproved within 1 year. Partially because of the unreasonable regulatory delays caused by the FERC, there has not been a single major natural gas pipeline constructed in the lower 48 States in more than 15 years. Currently pending before the FERC are several applications to build major pipelines that will deliver several trillion cubic feet of natural gas into our interstate delivery network. We can no longer afford to shut in vast fields of domestic natural gas while our bill for imported oil skyrockets at an unbelievable rate.

Before submitting an application for priority treatment, this legislation requires the project sponsor to consult with the Department of Energy and the permitting agencies to identify and develop the information that will be needed in the certification or permit process. The applicant should have all the essential information in order before applying for priority designation.

Mr. President, I would like to emphasize that this legislation does not reduce or eliminate any of the important Federal or State permit requirements for major construction projects. Nor does it encourage the Government to grant approval to projects which for good reason should not be built. All it does is require the Government to issue a final decision—yes or no—within 1 year after a priority project has been designated.

My bill protects the right of serious citizens to challenge the final decision reached by the permitting agencies, but it discourages frivolous or nuisance litigation. It requires all claims against Federal actions on priority energy projects to be filed within 45 days with the Federal court of appeals for the circuit in which the project is located. The court is instructed to give such claims precedence over all other matters pending before it, and must render a decision within 90 days unless it determines that more time is needed to satisfy the requirements of the Constitution.

The Supreme Court, which is given sole appellate jurisdiction over priority energy projects is to render its decision within 45 days. The entire judicial review process should be completed in no more than 200 days. The entire process from initial application through Supreme Court review will consume less than 2 years—in most cases much less.

I believe Americans are fed up with the delays and senseless waste caused by Government redtape. I am sure that most citizens would be appalled to know that their own Government is holding back the construction of the projects needed to bring an end to long gas lines; to ease the pressure for higher and higher OPEC prices; and to insure our national security.

I urge my colleagues to join with me in putting an end to this ridiculous situation in which we are presently entrapped.

I ask unanimous consent that the text of the Priority Energy Project Act of 1979 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1415

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PURPOSES AND DEFINITIONS

PURPOSES

SEC. 101. The purposes of this Act are—

(a) to provide for a coordinated, prompt, and simplified process for Federal approval of non-nuclear energy projects that are determined to be in the national interest;

(b) to expedite the Federal approval process without expanding or diminishing existing substantive Federal authority over proposed energy projects and without unduly interfering with the present statutory authorities and responsibilities of individual Federal agencies; and

(c) to foster integration of local, State, and Federal procedures for permitting, licensing, and approving energy projects which are determined to be in the national interest.

DEFINITIONS

SEC. 102. As used in this Act the term—

(a) "approval" means any permit, license, lease, grant or other form of authorization or approval issued by an agency of Federal, State, or local government;

(b) "atomic energy" means all forms of energy released in the course of nuclear fission of nuclear transformation;

(c) "Deputy Secretary" means the Deputy Secretary of the Department of Energy.

(d) "designation request" means a request to the Secretary of Energy pursuant to Section 202 of this Act for an order by the Secretary designating a project as a priority energy project.

(e) "energy facility" means any physical structure, including any equipment, building, mine, well, rig, pipeline, transmission line, processing facility, transportation device, manufacturing facility, easement, right-of-way, or installation which will facilitate energy conservation and invention, exploration, development, demonstration, transportation, production or commercialization of any form of energy other than atomic energy, including, but not limited to, any facility owned or operated in whole or in part by any Federal, State, or local government or any combination thereof;

(f) "Federal agency" means an executive agency as defined in Section 105 of title 5 of the United States Code;

(g) "major natural gas pipeline project" means any gas pipeline construction project in the lower 48 States requiring certification under Section 7(c) of the Natural Gas Act of 1938, including any equipment, buildings, and rights-of-way associated therewith which is over 20 inches inside diameter, has a length in excess of 150 miles and is capable of transporting gas at pressures in excess of one thousand pounds per square inch gauge;

(h) "person" means any individual, cooperative, partnership, corporation, association, consortium, unincorporated organization, trust estate, or any entity organized for a common business purpose, and any instrumentality of Federal, State, or local government;

(i) "priority energy project" means a project which has been determined by the Secretary of Energy to be in the national interest pursuant to his authority under Title II of this Act;

(j) "project" means any plan, proposal, scheme, or undertaking to build, install, operate, maintain, repair, replace, expand, or in any other way produce or operate an energy facility;

(k) "Secretary" means the Secretary of Energy; and

(l) "State" means any of the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

TITLE II—PRIORITY ENERGY PROJECTS

AUTHORITY TO DESIGNATE PRIORITY ENERGY PROJECTS

SEC. 201. The Secretary of Energy is hereby authorized to designate a proposed energy facility as a priority energy project pursuant to the procedures and criteria provided in this Title.

AUTHORITY TO APPLY FOR PRIORITY STATUS

SEC. 202. (a) Any person planning or proposing an energy project may file a designation request with the Secretary of Energy. Projects which already have applications pending before agencies or on which construction has already begun are not disqualified from applying under this Section.

(b) Not later than fifteen (15) days after the receipt of a designation request filed pursuant to Subsection (a) hereof, the Secretary shall publish notice of the filing of the designation request in the Federal Register, together with a description thereof. Interested persons shall be afforded a period of time not to exceed thirty (30) days thereafter within which to submit written comments relative to such designation request for the Secretary's consideration.

(c) Prior to filing a designation request, prospective applicants shall contact the Deputy Secretary for the purpose of determining which Federal agencies are likely to be implicated under Section 207 and what information such Federal agencies are likely to require from the applicant, in connection with the discharge of their statutory responsibilities, before said agencies can transmit to the Secretary the information and requirements specified in Section 207.

(d) the Deputy Secretary shall transmit copies of the designation request, as well as any other information the Deputy Secretary deems relevant, to the agencies identified pursuant to Subsection (c) of this section so that such agencies may begin preparation of the requirements specified in Section 207 in the event that the applicant eventually receives designation as a priority energy project.

PROCEDURE AND CRITERIA FOR DESIGNATING PRIORITY ENERGY PROJECTS

SEC. 203. Not later than sixty (60) days after receipt of a designation request filed pursuant to Section 202, the Secretary shall determine whether the proposed energy project is of sufficient national interest to be designated a priority energy project. Upon reaching a determination the Secretary shall publish his decision in the Federal Register and shall notify the applicant and the agencies identified pursuant to Subsection 202 (c). In making such a determination the Secretary shall consider—

(a) the extent to which the project would reduce the Nation's dependence upon imported oil;

(b) the magnitude of any adverse environmental impacts associated with the project and the existence of alternatives that would have fewer adverse impacts;

(c) the extent to which the project would contribute to the development of new production or conservation technologies and techniques;

(d) the time that would normally be required to obtain all necessary Federal approvals and the adverse impacts that would result from delay in completion of the project; and

(e) the degree of specificity in describing the project in the application.

(f) the extent to which the applicant is prepared to complete or has already completed the significant actions which the Deputy Secretary, in consultation with the applicant pursuant to Section 202(c), has identified as significant actions that are likely to be required of the applicant pursuant to Section 207(c).

EFFECT OF DEADLINE

SEC. 204. In the event the Secretary has made no determination at the end of the sixty (60) day period established in Section 203, the proposed energy project shall automatically be given the status of a priority energy project.

RELATIONS TO NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 205. A determination by the Secretary under Section 203 of this Title is not a major Federal action within the meaning of Section 102(2) of the National Environmental Policy Act of 1969.

EARLY ACTION REQUIREMENT

SEC. 206. The Secretary shall encourage prospective applicants under Section 202 to file applications for any necessary Government actions or approvals with the appropriate agencies as soon as possible in order that any eventual action or decisions may be expedited. The Secretary shall consider the ability of applicants to file such applications in a timely fashion in making his determination on an application under Section 203.

FEDERAL AGENCIES REQUIRED TO SUBMIT INFORMATION

SEC. 207. Not later than thirty (30) days after notice appears in the Federal Register of an order designating a proposed energy project as a priority energy project, any Federal agency with authority to grant or deny any approval or to perform any action necessary to the completion of such project or any part thereof, shall transmit to the Secretary of Energy and to the priority energy project—

(a) a compilation of all significant actions required of or by such agency before a final decision or any necessary approval(s) can be rendered;

(b) a compilation of all significant actions and information lawfully and reasonably to be required of the applicant before a final decision by such agency can be made;

(c) a tentative schedule for completing actions and providing the information listed in subsections (a) and (b) of this section; and

(d) all necessary application forms which must be completed by the priority energy project before such approval can be granted.

PROJECT DECISION SCHEDULE ESTABLISHED BY THE SECRETARY

SEC. 208. (a) Not later than sixty days after notice appears in the Federal Register of an order designating a proposed energy project as a priority energy project, the Secretary, in consultation with the appropriate Federal, State and local agencies, shall publish in the Federal Register a Project Decision Schedule for the project containing deadlines for all Federal actions relating to such project. The Project Decision Schedule shall clearly identify the order in which licenses, permits and other Government approvals must be obtained by the priority energy project before such project can be completed. The Project Decision Schedule may also require concurrent review of applications and joint hearings by agencies of Federal, State, and local governments.

(b) The deadlines in the Project Decision Schedule shall be consistent with the deadlines submitted to the Secretary under Section 207 unless the Secretary determines that different deadlines are essential in order to expedite and coordinate Government review or in order to meet the requirements of Subsection (c) of this section.

(c) Except as provided in Section 210, no deadline established under this Section or any extension granted under Subsection (e) of this Section may result in a total time allowed for completion of all final agency action and the issuance of all final agency decisions with respect to licenses, permits and other governmental approvals or authorizations in excess of one year beginning from the date on which notice appears in the Federal Register of an order designating the proposed energy project as a priority energy project.

(d) Notwithstanding any conflicting provision of Federal law, the deadlines imposed by the Project Decision Schedule for action or decisions by Federal agencies shall constitute the lawful decisionmaking deadlines for reviewing applications filed by the priority energy project.

(e) Upon the petition of any agency with authority to approve or disapprove any application, or of any priority energy project, and subject to Subsection (c) above, the Secretary may review any procedure, extend any deadline, or modify in any other way, the Project Decision Schedule at any time within ninety (90) days after publication of the Project Decision Schedule: *Provided*, That no extension shall be granted unless the Secretary determines that such agency or priority energy project has exercised all due diligence in attempting to comply with the Project Decision Schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

DELEGATION OF DECISION AUTHORITY TO THE PRESIDENT

SEC. 209. If a deadline established by the Project Decision Schedule for a final decision or action by a Federal agency has elapsed and the agency has not made the decision or performed the required action, the President shall make the decision or perform the action within thirty days in lieu of the Federal agency. The Federal agency so involved shall make available to the President the entire contents of its files pertaining to the project, including any public comments. The decision of the President pursuant to this section shall be final.

EXTENSION OF PROJECT DECISION SCHEDULE DEADLINE UPON PETITION TO PRESIDENT

SEC. 210(a). In the event that the Secretary refuses to grant to a Federal agency or to a priority energy project an extension under Section 208(e) of the time for completion of agency action specified in the Project Decision Schedule, or in the event that a Federal agency or a priority energy project desires an extension such that the total time for completion of agency action would exceed one year from the date on which notice appears in the Federal Register of an order designating the proposed energy project as a priority energy project, the Federal agency or priority energy project may request an extension from the President of not longer than 120 days within which to complete all Federal actions and decisions relating to such project.

(b) In making his decision under this Section, the President is to consider the purposes of this Act, the national need for expeditious completion of agency review of the priority energy project, and such other factors as the President considers relevant. The President shall not grant an extension unless he determines that the agency or the project requesting the extension has exercised all due diligence in attempting to comply with the Project Decision Schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

(c) The President shall make and shall publish his decision in the Federal Register within thirty (30) days from the receipt of the request for an extension. The decision of the President shall be final.

(d) Not more than one extension may be granted by the President under this section.

CERTIFICATION OF COMPLETED FEDERAL AGENCY REVIEW

SEC. 211. (a) If the Secretary determines that all Federal agency actions and approvals necessary to the completion of a priority energy project have been granted, the Secretary shall certify the same to the project. Such certification shall indicate the expiration date of any Federal approvals that have been granted to the project.

(b) A certificate issued by the Secretary under Subsection (a) of this Section shall constitute conclusive evidence in any judicial or executive proceeding that all necessary Federal permits have been granted for the duration specified on the certificate.

REQUIREMENT OF STATE COOPERATION AND INFORMATION

SEC. 212. (a) Not later than ten (10) days after notice appears in the Federal Register of an order designating a proposed energy project as a priority energy project, the Secretary shall notify the Governor of any State within which any portion of a priority energy project would be located and shall require the Governor to supply within thirty (30) days from the date of such notification—

(1) a compilation of all significant actions required of or by the State and local governments within the State before the priority energy project can be completed;

(2) a compilation of all significant actions and information lawfully and reasonably to be required of the applicant before a final decision can be made;

(3) a tentative schedule for completing the actions and providing the information listed in paragraphs (1) and (2) of this Subsection; and

(4) all necessary application forms which must be completed by the applicant before such approval can be granted.

(b) The Secretary shall provide any assistance authorized by law to assist State and local authorities in complying with requests for cooperation from the Secretary.

DECISION SCHEDULES FOR STATE AND LOCAL AUTHORITIES

SEC. 213. (a) The Secretary shall transmit to the priority energy project all information received from the Governor and from State and local governments pursuant to requests from the Secretary under section 212.

(b) Not later than sixty (60) days after notification of the Governor under Section 212(a), the Secretary, after consultation with the appropriate State and local authorities, shall transmit to the Governor a schedule for timely review and decision setting deadlines for the completion of all State and local governmental agency actions relating to the priority energy project.

(c) The deadlines for State and local review established under the preceding Subsection shall, to the extent possible, be consistent with the schedule supplied by the Governor pursuant to Section 212(a), provided that no deadline established pursuant to this Section may be such that the total time permitted for agency action exceeds one year from the date on which the schedule for timely review and decision is transmitted to the Governor pursuant to the preceding Subsection.

(d) Notwithstanding any conflicting provision of Federal, State, or local law, the deadlines imposed by the schedule for timely review and decision for State and local action shall constitute the lawful decisionmaking deadlines for State and local review of applications filed by the priority energy project.

(e) The Secretary may participate or intervene in the proceedings of any State or local agency which permits such participation or intervention in order to request such agency to adopt procedures recommended by the Secretary.

WAIVER OF STATE OR LOCAL LAW PROVISIONS CAUSING DELAY

SEC. 214. (a) The Secretary shall keep apprised of the processing of applications for priority energy projects by State and local governments. If the Secretary determines that a priority energy project is being delayed or threatened with delay by the inability or unwillingness of any State or local government to implement the schedule for timely review and decision, the Secretary shall notify the Governor of such State and transmit to the President a statement describing the delay and the causes thereof.

(b) The President shall have the authority to declare waived any provision of State or local law he deems necessary pursuant to this section.

(c) If the President, after consultation with the Secretary and the Governor of the delay-causing State, and after review of whether adequate steps have been taken or are likely to be taken to make unnecessary the waiver specified in this Section, determines that such delay in implementing the schedule for timely review and decision remains likely to hinder or preclude construction or operation of the priority energy project,

(1) the President shall prepare and submit to Congress a report on such consultation and determination, containing—

(a) an explanation of why such delay remains likely; and

(b) a proposed waiver of the provisions of state or local law which he has determined under this Section as remaining likely to hinder or proclude the timely construction or operation of the priority energy project;

(2) such waiver shall not take effect if either House of Congress disapproves such proposed waiver in accordance with the provisions specified in Section 551 of the Energy Policy and Conservation Act of 1975.

TITLE III—MAJOR NATURAL GAS PIPELINE PROJECTS

PURPOSES

SEC. 301. The purposes of this Title III are to provide for an expedited process for certification of major interstate natural gas pipeline projects in the lower 48 states and to expedite the approval of construction of these pipeline projects without expanding or diminishing existing substantive Federal authority over such projects under the Natural Gas Act.

DESIGNATION OF MAJOR NATURAL GAS PIPELINE PROJECTS

SEC. 302. Upon application by a major natural gas pipeline project as defined in title I of this Act, the Secretary of Energy is hereby directed to designate each such applicant project as a project for expedited processing by the Federal Energy Regulatory Commission (FERC).

RELATION TO NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 303. The mandatory designation by the Secretary provided for in section 302 is not a major Federal action within the meaning of section 102(2) of the National Environmental Policy Act of 1969.

CERTIFICATION SCHEDULE TO BE ESTABLISHED BY THE SECRETARY

SEC. 304. Not later than thirty (30) days after designating a proposed major natural gas pipeline project in accordance with provisions of section 302 of this title the

Secretary in consultation with the FERC shall publish in the Federal Register a project certification schedule containing deadlines for all actions by the FERC relating to such project. This decision schedule shall clearly identify the dates for each element of the certification process under section 7(c) of the Natural Gas Act of 1938. This certification schedule shall also require concurrent reviews and joint hearings to the extent that they are necessary or appropriate.

(b) Notwithstanding any other provisions of the law, the schedule imposed by the Secretary shall constitute the lawful decision-making deadlines with respect to FERC consideration of applications for certification of major natural gas pipeline projects under section 7(c) of the Natural Gas Act of 1938.

(c) Upon petition of the FERC the Secretary may revise any procedure, extend any deadline or modify in any way appropriate and necessary the project certification schedule set forth by the Secretary at any time within thirty (30) days after publication of the schedule in the Federal Register, *Provided, however,* That no extension shall be granted unless the Secretary determines that the FERC has exercised all due diligence in attempting to comply with the project certification schedule published by the Secretary and that it would not be feasible for the FERC to reach a decision or complete the required action within the specified time.

DELEGATION OF DECISION AUTHORITY TO PRESIDENT

SEC. 305. If the schedule deadline set forth by the Secretary has elapsed and the FERC has not made the decision approving or denying the certificate, the President shall make the decision within thirty (30) days in lieu of the FERC. FERC shall make available to the President its entire record on the project including public comments.

EXCEPTIONS TO PROCEDURES REQUIRED BY OTHER LEGISLATION

SEC. 306. The Secretary may establish a deadline for Federal agency action in a project decision schedule that is shorter than the minimum period required under existing legislation.

PRECEDENCE OVER OTHER LAWS

SEC. 307. Notwithstanding any other provision of law, the actions of Federal officers or agencies pursuant to this title shall be subject to judicial review except as provided in this Act.

TITLE IV—JUDICIAL REVIEW AND MISCELLANEOUS PROVISIONS

PRECEDENCE OVER OTHER LAWS

SEC. 401. The provisions of this title govern the manner in which judicial review shall be available with respect to the actions of any Federal agency or officer relating to a priority energy project or to a major natural gas pipeline project, and the substantive and procedural provisions of any other statute in conflict shall be superseded for such purpose.

DECISION REGARDING PRIORITY ENERGY PROJECT STATUS

SEC. 402. A decision of the Secretary granting or denying an order designating a proposed energy facility as a priority energy project or designating a pipeline project as a major natural gas pipeline project shall not be subject to judicial review under any law except as required by the Constitution of the United States.

OTHER ACTION PURSUANT TO THIS ACT

SEC. 403. (a) Except as provided in section 402, claims alleging that an action taken pursuant to this Act will deny rights under the Constitution of the United States, or that an action is in excess of statutory jurisdiction, authority, or limitations, or short of statutory right shall be brought not later than forty-five (45) days following the date of such action or such claims shall be barred, except as required by the Constitution of the United States.

(b) For the purposes of this Act, any action by any Federal agency or officer relating to a priority energy project or to a major natural gas pipeline project shall constitute an action pursuant to this title.

TIME BAR: JURISDICTION OF THE COURT OF APPEALS

SEC. 404. (a) Any challenge to any action of a Federal agency or officer relating to a priority energy project or to a major natural gas pipeline project shall be barred unless an appeal or petition for review is filed in the manner and within the time limits prescribed by this Title.

(b) Any such appeal or petition for review shall be filed in the United States Court of Appeals for the circuit in which the priority energy project or the most significant portion thereof would be located. Such court shall act as a special court and shall have exclusive original jurisdiction to determine such proceedings in accordance with procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have original jurisdiction of any such claim in any proceeding instituted prior to or on or after the date of enactment of this Act.

(c) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and such court shall render its decision relative to any claim within ninety (90) days from the date such claim is brought unless such court determines that a longer period of time is required to satisfy requirements of the United States Constitution.

SUPREME COURT REVIEW

SEC. 405. (a) The Supreme Court shall have exclusive authority to review any interlocutory judgment or order of the court of appeals pursuant to this Title and the appellant must file a petition for certiorari or a certification as provided in Section 1254 of Title 28, United States Code within fifteen (15) days after the decision of the Court of Appeals or his appeal shall be barred.

(b) Any review by the Supreme Court shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and the court shall render its decision relative to any claim within forty-five (45) days from the date such claim is brought unless the court determines that a longer period of time is required to satisfy requirements of the United States Constitution.

INJUNCTIVE RELIEF

SEC. 406. No court shall have jurisdiction to grant any injunctive relief against the issuance of any right-of-way, permit, lease, or other approval or authorization pursuant to this Title except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this Act.●

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. YOUNG):

S. 1416. A bill to amend the Clean Air Act with respect to temporary emergency suspensions of implementation plan provisions; to the Committee on Environment and Public Works.

● Mr. HUDDLESTON. Mr. President, I am joined today by Senators FORD and YOUNG in introducing a bill to provide sufficient flexibility during energy emergencies to allow a Governor or the President to suspend overly stringent air quality regulations for a period of time long enough to permit utility and industrial plants to switch from scarce fuels to more abundant alternatives.

Existing authority under section 110 (f) of the Clean Air Act limits emergency deviations from State implementation plan requirements to a maximum of 4 months. This is far too short a period to permit utility and industrial plants to switch fuels—for example, from oil to coal—particularly if some capital investment is needed.

The bill we are introducing today would extend the permissible period for a suspension from a maximum of 4 months to 5 years, provided that the longer suspension does not result in a violation of any national ambient air quality standards. It would permit the President as well as a Governor to issue such a suspension. And, it would establish a new condition on which a suspension may be based, "that energy imports from outside the United States of fuels used by a source have reached an excessive level and such imports can be reduced by such emergency suspension."

The energy situation in this country is extremely tight—so tight that every individual is suffering high prices, inconvenience and, in too many cases, outright hardship. But, even more serious than our current problems is the chilling fact that we could be plunged into the most debilitating crisis this Nation has faced at the whim of any one of the oil exporting nations.

In this light, it is a sad but indisputable fact that coal use in this country is demand rather than supply limited. It is a sad but indisputable fact that thousands of coal miners are out of work and millions of tons of coal is going unmined, while we wait in gas lines, worry about next winter, and send $50 billion a year overseas for the privilege.

The constraints on coal use are numerous and varied, but among them are air quality regulations which are stricter than necessary to meet national ambient air quality standards.

There is no question in my mind that we cannot sacrifice our hard won environmental improvements to energy expediency. At the same time, however, I am equally confident that in times of emergency we cannot permit ourselves to be straightjacketed by regulations which may be more stringent than absolutely necessary to maintain ambient air quality.

In the best of all worlds, we would be able to have a pristine environment and abundant, cheap energy. Unfortunately, though, we are a long way from Utopia. Unfortunately, environmental benefits often have to be weighed against energy costs, and what may be highly desirable when adequate energy supplies are available may be undesirable during a shortage.

It is altogether possible that the President will have to decide, on a case-by-case basis, that we cannot afford the energy costs of environmental decisions that were made in less austere and troubled times. It is altogether possible that the President will decide that it is in the national interest to suspend certain provisions of state implementation plans which are more stringent than necessary to meet national ambient air quality standards, and to suspend them for a period of time long enough to permit utility and industrial plants to switch from scarce fuels to more abundant ones.

This bill would provide the President with the authority to act on such a decision. In and of itself, the bill does not suspend a single regulation. But, it does provide the option for doing so under specified limited conditions.

Our energy options for the short term are severely limited. We can ill afford to shut the door on any of them.●

By Mr. HATFIELD:

S. 1417. A bill to provide for the establishment of an entitlements program in the Department of Energy for imported petroleum, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. HATFIELD. Mr. President, the Organization of Petroleum Exporting Countries managed to triple the price they received for their crude oil almost overnight when they chose to exert a cartel's influence on the world market 5 years ago. In those days, there was surplus world productive capacity. That factor made the cohesiveness of OPEC all-important, as nonintegrated oil buyers had little difficulty shopping around.

Today, world oil demand is very near the world productive capacity, so that OPEC's role of maintaining price floors is considerably easier. Saudi Arabia's moderating influence within OPEC—one of seeing that floors do not go through the ceiling is now waning. The United States cannot hope that either traditional Arab frictions will cause the cartel to break down, or that at least Saudi Arabia will be able to keep the cartel's actions within reason. It is therefore necessary today that we act to drive a wedge into the OPEC pricing process.

To do this most effectively will take combined action on the part of the nations which participate in the International Energy Agency. To that end, I ask President Carter to present the matter to our major trading partners at the economic summit this week in Japan. Even without general IEA participation, though, the United States is a large enough importer by itself that it could carry out a program that would be effective.

I have proposed that we adopt the approach advanced by Prof. Morris Adelman at MIT and seek to extend it internationally. This approach would create a single-agent oil buying system for imports. In the United States, we would establish a small Office of Oil Import Administration within the Department of Energy. On a monthly basis, the Administrator would collect from our refiners a projection of need for imports, and would then invite bids from potential foreign suppliers. On opening the bids, he would first assign the crude oil offered at the lowest prices to the refiners according to their orders and would then return the highest bids. This would create pressure against the OPEC bonds, as there would be a definite incentive to undercut other bidders.

To create further leverage, I would empower the President, acting through the Administrator, to limit the available rights or entitlements to imported oil for any month. He may do this through the establishment of a price ceiling for bid acceptance or through the establishment of a quantity ceiling—that is, quota—on oil imports. It is clear that we must create some slack in the oil supply/demand situation worldwide. If the market remains drum-tight, the slightest future disruptions in supply will be magnified and felt in the Western economies. I might add here that future disruptions are not only possible, they are highly probable. Situations that directly threaten various quantities of our foreign oil supply are developing in Iran, South Yemen, and Nigeria, and could develop almost overnight in other producing countries.

Given the American propensity to resist cutting back in the consumption of petroleum—and Congress reflects that propensity—we have little choice but to throttle back the supply and allocate the resulting shortages. I foresee a very painful decade ahead. I do not foresee an early return to normalcy—all the oil we want or need—unless it is a fleeting phenomenon brought about by temporary production increases that cannot be sustained.

We must therefore take extraordinary steps to deal with the oil supply and price problem. I offer oil imports system embodied in this legislation as such a step and as necessary.

By Mr. HEINZ:

S.J. Res. 92. A joint resolution relating to foreign control of United States financial institutions; to the Committee on Banking, Housing, and Urban Affairs.

BANK TAKEOVER STUDY

● Mr. HEINZ. Mr. President, without doubt, we live in an era of changed economic circumstances. My colleagues know that I have been concerned for some time that our Government has yet to come to grips with the new reality. We are no longer an economic Gulliver roaming freely in a world of Lilliputians. We have been shackled as a result of our own failure to wake up to the economic facts of a world populated by aggressive, powerful foreign economic systems well able to compete with us for any market.

The 1977 trade deficit totalled $31 billion. In 1978 it increased to $34 billion, a figure equal to total U.S. exports a decade ago. United States foreign policy since World War II has had as one of its prime objectives the strengthening of the economies of our allies and major trading partners. We can, of course, be justly proud of this effort, but as a result we now find ourselves in a highly competitive international trading arena. The meaning of this diffusion of world economic power has not been fully comprehended. During the past decade, U.S. exports as a percentage of GNP increased from approximately 4 to 7 percent, but the U.S. share of total world trade declined. Unfortunately, our trade and banking practices seem to be geared to the era of our pre-eminence rather than to the new reality of fierce international competition.

Mr. President, it is my firm conviction that in large part this economic decline is due to a variety of outmoded and ill-conceived policies, statutes, and regulations, which overregulate U.S. commerce and industry and which grant special treatment to foreign competitors. Perhaps, at one time, as the world recovered from World War II, giving foreign competitors special benefits made sense. However, in 1979 such policies are ludicrous. No longer can we permit foreign interests to have unlimited access to our markets, unlimited rights to buy our property and our businesses, while at the same time the foreign countries, from which these very foreign interests come, do not grant similar treatment to our people. No longer can this country afford to restrict the activities of U.S. industry while permitting largely unregulated foreign industry and commerce to grow and prosper. We, as a Nation, cannot continue to misapply antitrust concepts in the international realm, spending millions of dollars suing or threatening to sue our most competitive international firms, while at the same time permitting and even encouraging enormous foreign cartels to market their merchandise, set up new factories, and buy out competitors in this country.

Released from the bondage of overregulation, given fair, even-handed treatment, I am sure American commerce, industry, and labor can meet any competitive challenge, but if our Government continues to overregulate, if we continue to apply laws and regulations suited to an economic world which no longer exists, we are, I am afraid, going to continue our downhill slide.

Mr. President, as the Members of this body know, there is a great deal which must be done to get our ailing economy back on the road to prosperity. This task requires nothing less than a fundamental rethinking of every law and regulation which restricts the productive potential of our industrial and financial community, or which favors, however subtly, foreign competition.

Mr. President, I rise today to begin this process, to call on our major bank regulatory agencies to study the policy implications of foreign acquisitions of U.S. banking institutions. I do this not to intrude my judgment on matters which are now before those agencies but rather to begin a process of reexamination of the role which foreign ownership and control ought to play in the U.S. banking system of the 1980's and beyond.

Banks play a pivotal role in our economic system, and I fear that the recent wave of foreign takeovers may have profound implications not only for our banking system but for the entire economy, implications which have not yet been fully explored by the very bank regulatory agencies which will be called upon to make some difficult decisions in the not so distant future. Let me pause for a brief review of the factors and events which have convinced me of the necessity of the proposed study.

Since 1972, when the Federal Reserve first started keeping track of the figures on foreign ownership, foreign bank assets in the United States have more than quadrupled, going from $18 billion to more than $74 billion, and if all of the currently proposed acquisitions are approved by the Fed, foreign-owned bank assets will soar to more than $95 billion. This represents approximately 9 to 10 percent of total bank assets in the United States. The problem is that we are not really sure of the statistics, because even the Federal Reserve admits that their figures in this area are preliminary and possibly incomplete. The General Accounting Office is currently compiling figures on this question, in response to a request from Congressman St Germain, but their study will not be ready until sometime in late summer.

Foreign banks now make more than 15 percent of all big U.S. business loans. In California and New York, where foreign banks have the highest concentrations, that proportion approaches 30 percent.

Foreign involvement in the U.S. banking market has been increasing steadily and substantially over the past 6 years. The number of foreign banks operating in the United States in 1972 was 66. By the end of 1978 this number had grown to 189, a nearly threefold growth in 6 years. Over this same period America's preeminent postwar position in world banking showed significant signs of decline. For example, in 1972 the United States boasted 7 of the top 10 largest banks in the world. Today, that situation is reversed, with foreign banks comprising 7 of the 10 largest.

Until quite recently foreign bank presence in the United States came principally as a result of de nova establishment of new offices or affiliates. Within the last 2 years, however, it has become clear that the pattern of foreign penetration of the U.S. banking market has changed dramatically. Foreign interests have suddenly begun to achieve substantial positions in the market by means of acquisitions of large U.S. banks. For example:

Hong Kong and Shanghai Banking Corp. is on the verge of acquiring majority ownership of Marine Midland Banks—total assets of $12 billion. This acquisition has already been approved by the Federal Reserve Board and is currently under review by the office of the New York State Banking Superintendent.

Standard Chartered Bank, Ltd., of London, has acquired Union Bank of California—total assets of $4.7 billion.

National Westminster Bank, Ltd., has purchased the National Bank of North America, in New York, from C.I.T. Corporation—total assets of $3.8 billion.

Algemene Bank Nederland, N.V., the second-largest Dutch bank, has proposed an acquisition of LaSalle National Bank, of Chicago—total assets of $1.6 billion.

Argentinean interests are reported to have acquired a significant stock interest in Riggs National Bank, the largest bank in Washington, D.C.

The press has reported that Deutsche Bank—the largest bank in West Germany—which already owns 20 percent of the stock of European American Bank & Trust Co., in New York—total assets of about $3.8 billion—is planning to acquire another substantial U.S. bank.

Foreign interests, from Switzerland and Luxembourg, have acquired about 20-percent ownership of the parent company of Long Island Trust Co. of New York—total assets of $1 billion.

In addition, it has been widely reported that there are a number of other foreign interests which are exploring, either directly or through investment bankers, possible acquisitions of large U.S. banks. Virtually every leading U.S. investment banking firm has compiled an analysis of major U.S. banks that might be acquisition targets for their foreign clients.

Several factors have contributed to this phenomenon, including the following: First, the weakened position of the dollar and the depressed level of bank stocks enables foreigners to acquire U.S. banks at bargain prices; second, for a foreign purchaser which is itself a foreign bank, the acquisition of a U.S. bank can yield important advantages in capturing the banking business of multinational customers; third, although U.S. laws do restrict foreign ownership of various other businesses affected with a public interest, no comparable limits apply to foreign ownership of U.S. banks; in fact, the Bank Holding Company Act encourages foreign ownership by largely exempting foreign companies which control U.S. banks from the provisions which otherwise would limit their ownership of foreign-based nonbanking or industrial firms; fourth, the current wave of foreign acquisitions may indeed have a "snowball" effect; with each additional acquisition, more foreign banks are encouraged to believe that they must make a comparable acquisition in the United States to keep pace with their competitors; fifth, several sizable U.S. banks recently have become available for acquisition by reason of the divestiture requirements of the 1970 amendments to the Bank Holding Company Act, which generally require one-bank holding companies to divorce their banking and nonbanking businesses by the end of 1978, the same legislation, in combination with other U.S. laws, makes it virtually impossible to divest a large bank except to a foreign purchaser, since domestic banks or business concerns which are large enough to make the acquisition are almost certain to be barred from doing so under the antitrust laws and/or the interstate banking prohibitions of the McFadden Act or the Bank Holding Company Act.

For all of these reasons, unless we take actions based on the broad implications of foreign control of our domestic banking system, the wave of attempted foreign takeovers of major U.S. banks is likely to continue and possibly even increase. Moreover, if we do not take actions now, the reality of foreign ownership of a major segment of our banking system will be irreversible. Any specific decision approving a foreign acquisition of a major bank will be irreversible because it will be feasible only to require the foreign purchaser to divest the bank to another foreign purchaser. Even more important, the trend itself will be irreversible in the sense that the approval of several such acquisitions will encourage additional foreign organizations to attempt similar U.S. acquisitions; and each approval will contribute to a pattern which will make it increasingly difficult to deny additional acquisitions without causing serious international repercussions based on claims that the disapproved acquisitions reflect U.S. discrimination against a particular purchaser or country. Claims of discrimination could then justify retaliation against U.S. banking and business activities in that country.

In short, a continuation of our present case-by-case approach to foreign takeovers of U.S. banks, based on present standards, will virtually assure that, within the foreseeable future, a substantial segment of the U.S. banking system will be under foreign control. The implications of such a development plainly must be considered now, while there still is an opportunity for rational debate and intelligent policymaking.

Mr. President, I believe foreign takeovers of major U.S. banks are likely to cause a number of problems which are both serious and novel. Because such takeovers have not occurred in any significant numbers in the past, existing U.S. laws and policies have not been designed to cope with them.

Foreign control of a substantial portion of our domestic banking system would inevitably raise questions concerning the degree to which we could have confidence that such banks would carry out monetary or investment policies supportive of U.S. interests when those interests happen to conflict with those of the owners' home country. Foreign exchange operations and willingness to make loans to other large domestic banks are two areas where conflict of interest might arise. Willingness to make loans to large U.S. firms in competition with the home country's state-owned business enterprises is another potential problem area.

Up to now, foreign acquisition of U.S. banks has been made for the most part by banking institutions with established reputations. But it is unclear what bank regulatory agency policy is with regard to acquisitions by a foreign individual or group of individuals. Such an attempt to acquire a U.S. financial institution, especially a large one, may have been of a very low order of probability in the past, but the tens of billions of dollars in surpluses currently being accumulated by OPEC states, makes this a very real possibility for the future. Only last year the Securities and Exchange Commission charged four Arab businessmen with violations of securities laws for secretly attempting to acquire control of the $2.2 billion Financial General Bankshares of Virginia. It is likely that the prospect of both direct and indirect financial and political influence will convince more wealthy Arab businessmen that U.S. banks are indeed a good investment.

I remain convinced that to protect the public and assure the soundness of each bank, the U.S. bank regulatory agencies must supervise any foreign-controlled bank as thoroughly as they supervise other U.S. banks. That was the intention of the Congress in passing the International Banking Act in 1978. However, the fact of foreign control can be expected to complicate fully effective supervision. First, foreign secrecy laws and practices, differing foreign financial and accounting principles, and the varying character of foreign business and governmental relationships may make it difficult or impossible for the U.S. regulatory agencies to obtain all of the information they need from a foreign owner of a U.S. bank. Second, unlike domestic companies, whose records and officers can be reached by U.S. legal process or investigative techniques, foreign companies can submit information which will not be subject to verification by U.S. regulatory agencies, creating an obvious risk that inaccurate information will result in adverse domestic consequences. And finally, the ability of U.S. regulatory agencies to enforce legal or supervisory requirements will be severely limited in many cases, since those ultimately in control of the foreign parent company will be beyond the reach of U.S. jurisdiction.

Mr. President, I firmly believe that the anticompetitive effects of acquisitions of major U.S. banks by large foreign banks also present serious problems that have not been presented in purely domestic acquisitions. The customary type of competitive analysis based on local office locations, deposits, and assets will be entirely inadequate in a foreign-bank-takeover context, and the data essential to an accurate antitrust analysis are under present procedures likely to be unavailable. A foreign acquiring bank can be a substantial competitor of a U.S. target bank even though the foreign bank has no offices in the United States, or even if its offices here appear insignificant when measured by local deposits and assets. To begin to grasp the extent to which a foreign bank acquisition may eliminate competition and concentrate the control of banking business in a relatively few hands it will be necessary to develop new antitrust analyses and standards, focusing on specialized product markets such as large-term loans, project financing, international services, and the like.

There essentially are no potential entrants into the "big bank" market other than the large foreign banks. As I mentioned earlier, large U.S. banks are limited in their ability to cross State lines, and major U.S. nonbanking firms, of course, are excluded by the Bank Holding Company Act from entering the banking business. Thus, even in the relatively rare cases where a major foreign bank is not already effectively competing with the large U.S. bank it wishes to acquire, the foreign bank will be one of a very few potential competitors capable of developing a meaningful level of competition with that U.S. bank in the future. Standards and policies to prevent the elimination of this important potential competition need to be devised.

Particularly because the major U.S. banks are increasingly dependent on the banking business of foreign and multinational customers, the present ability of foreign bank holding companies to retain and establish affiliations with a broad variety of nonbanking businesses is certain to have a profound effect on banking competition in the United States if such foreign organizations are permitted to acquire major U.S. banks. Those major U.S. banks which are not affiliated through a foreign parent company with important nonbanking enterprises will be disadvantaged in competitive terms, and this inevitably will encourage even a further increase in the number of major U.S. banks which become targets of foreign acquisition efforts.

Finally, Mr. President, it is essential to note that a series of takeovers of the character which I have been discussing will give foreign banking organizations an advantageous position which U.S. banks cannot match. U.S. banks already have increasingly fallen behind the growth rates of the largest foreign banks. I understand that in such major countries as the United Kingdom, France, Germany, Japan, and Italy, it would be impossible for a major U.S. bank to acquire a comparable "clearing house" size bank. If the foreign banks alone can acquire leading positions in both their home markets and in the United States, they will have a significant advantage in many areas of international finance.

Mr. President, as I believe I have demonstrated, the potentially serious problems associated with foreign takeovers of U.S. banks require a detailed reexamination of U.S. laws and policies. However, Mr. President, there is a very real danger that in the absence of a congressional mandate the Federal regulatory agencies concerned would undertake such a study only after the situation had reached a critical stage, if at all. Accordingly, I believe that it is necessary to take the following two steps immediately. First, it is essential to establish an immediate moratorium on further foreign takeovers pending a reexamination of U.S. laws and policies on this subject. Second, I believe that it is essential that a complete, indepth study of the takeover problem be completed as soon as possible.

To begin this process, Mr. President, I wish to introduce at this time a joint resolution. This resolution calls upon the Federal agencies that regulate banks and savings institutions—the Federal Reserve Board in consultation with the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board—to immediately prepare a study that fully analyzes the impact on the U.S. banking system of the takeover of domestic banks and savings institutions by foreign banking and nonbanking interests and that outlines the legislative and regulatory changes necessary to give these agencies the powers to achieve the following goals—in the event Congress deems it appropriate: First, to prevent hostile takeovers of U.S. banks and savings institutions by foreign persons, second, to prevent takeovers of U.S. banks and savings institutions by foreign persons which will have an anticompetitive effect on the financial markets, third, to prevent an excessive concentration of foreign ownership of U.S. banking interests, fourth, to prevent the takeover of U.S. banks and savings institutions by any foreign interests from a country which does not permit similar takeovers of financial institutions organized under its laws, and fifth, to permit U.S. bank regulatory authorities to have adequate supervisory and investigative powers over foreign owners of U.S. banks and savings institutions. Such a study is to be presented to the Congress for review by the House and Senate Banking Committees within 6 months of the enactment of the joint resolution.

During the period of the study, the joint resolution establishes a moratorium on the takeover of U.S. financial institutions by foreign persons, unless such takeovers are necessary to prevent the bankruptcy or insolvency of the U.S. institution, or unless applications for such takeovers have been submitted to the regulatory agencies on or before June 1, 1979.●

ADDITIONAL COSPONSORS

S. 460

At the request of Mr. STAFFORD, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 460, a bill to encourage bicycling and physical fitness by assuring greater safety for bicycles parked at Federal office buildings.

S. 1061

At the request of Mr. CRANSTON, the Senator from Vermont (Mr. STAFFORD) and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 1061, a bill to extend daylight saving time by 2 months in order to save energy.

S. 1269

At the request of Mr. SCHWEIKER, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1269, a bill to amend the Urban Mass Transportation Assistance Act of 1964 with respect to reduced fare ridership for elderly or handicapped persons.

S. 1354

At the request of Mr. DOLE, the Senator from Arkansas (Mr. BUMPERS), the Senator from Nebraska (Mr. EXON), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 1354, a bill calling for a Presidential study of the Selective Service System.

S. 1364

At the request of Mr. TALMADGE, the Senator from Florida (Mr. CHILES) and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 1364, a bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States.

S. 1395

At the request of Mr. BELLMON, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1395, a bill to extend the special allocation of middle distillates for agricultural production beyond July 31, 1979.

SENATE JOINT RESOLUTION 53

At the request of Mr. CRANSTON, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of Senate Joint Resolution 53, to proclaim October 8 through 14, 1979, as "National Renewable Energy Week."

SENATE RESOLUTION 135

At the request of Mr. JAVITS, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Resolution 135, to request the President of the United States to award the Congressional Medal of Honor posthumously to Pfc. William James Tsakanikas.

SENATE RESOLUTION 183

At the request of Mr. SCHMITT, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Resolution 183, a resolution to give coal mining operators 100 percent of their diesel fuel allocation.

AMENDMENT NO. 210

At the request of Mr. SASSER, the Senator from New York (Mr. JAVITS) was added as a cosponsor of amendment No. 210 intended to be proposed to S. 712, the Amtrak Authorization Act of 1979.

AMENDMENT NO. 239

At the request of Mr. EAGLETON, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of amendment No. 239 intended to be proposed to S. 712, the Amtrak Authorization Act of 1979.

SENATE RESOLUTION 190—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. JACKSON, from the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 190

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such act are waived with respect to the consideration of S. 688. Such waiver is necessary because S. 688, the Department of Energy Authorization Act for fiscal year 1980—Civilian Applications, authorizes appropriations for fiscal year 1980 for the civilian programs of the Department of Energy.

The authorizations contained in S. 688 are consistent with the March 15, 1979, recommendations of the Committee on Energy and Natural Resources to the Committee on the Budget pursuant to Section 301(c) of the Congressional Budget and Impoundment Control Act of 1974.

Compliance with the deadlines of the Congressional Budget Act of 1974 was not possible by May 15, 1979, with respect to these authorizations because of the large numbers of energy and natural resource matters that needed to be considered by the Committee on Energy and Natural Resources. Extensive hearings and markup sessions were necessary for full consideration of the President's proposed fiscal year 1980 budget for the Department of Energy.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL TRADE COMMISSION AUTHORIZATIONS—S. 1020

AMENDMENT NO. 285

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to S. 1020, a bill to authorize appropriation for the Federal Trade Commission.

● Mr. HELMS. Mr. President, this amendment to S. 1020, the Federal Trade Commission authorization bill, would clarify the scope of the FTC's authority in promulgating any rule in connection with the trade regulation proceeding conserving the sale of used motor vehicles.

The amendment provides that the FTC shall not mandate that a seller of a used motor vehicle either offer a warranty with the vehicle or perform an inspection of the vehicle which would have the effect of creating a warranty under State law.

Section 102(b)(2) of the Magnuson-Moss Act specifically states that title I of the act does not authorize the Commission "to require that a consumer product or any of its components be warranted." Section 109(b) of title I requires that the FTC initiate "a rulemaking proceeding dealing with warranties and warranty practices in connection with the sale of used motor vehicles." Section 109(b) further provides that the FTC—

> * * * may require *disclosure* that a used motor vehicle is sold without any warranty and specify the form and content of such *disclosure.* (Emphasis added.)

These two sections of title I, when read in conjunction, demonstrate the congressional intent that the FTC not require that a warranty be offered in connection with the sale of a used car.

Moreover, the conference report accompanying act specifically addresses that warranty issue with respect to the rulemaking proceeding on used vehicles:

> The conferees agreed that *any such rules could not require that a warranty be given on any used car which is sold, but if a warranty is not given,* such rules could require that there be clearly set forth the seller's repairs to such car. (Emphasis added.)

Nonetheless, the FTC staff has proposed a rule in its pending used motor vehicle proceeding which would require sellers of used vehicles to inspect approximately 60 items or functions of the car and then check "OK" or "Not OK" for each item on a disclosure sticker affixed to the car window. Under the Uniform Commercial Code, which has been adopted by the District of Columbia and all States except Louisiana, this inspection procedure would create an express warranty. Thus, the effect of the rule would be to require that sellers of a used car offer a warranty for most systems of the used car.

Consequently, in order to prevent the FTC from going beyond the scope of the authority that Congress intended the FTC to exercise in this rulemaking proceeding, this amendment expressly prohibits the FTC from mandating a warranty, either directly or indirectly, in connection with the sale of a used car.

The amendment does not infringe upon any other aspect of FTC authority. The purpose of the amendment is specifically focused upon the used car warranty requirement only.●

PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT—S. 885

AMENDMENTS NOS. 286 THROUGH 297

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. PACKWOOD submitted 12 amendments intended to be proposed by him to S. 885, a bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes.

● Mr. PACKWOOD. Mr. President, today I am submitting 12 amendments to S. 885, a bill I am cosponsoring with other Northwest Senators to plan the future availability of electricity in the Pacific Northwest.

I testified about my amendments and other concerns regarding the Northwest power bill on May 23, before the Senate Energy Committee. I ask that my testimony and each of my 12 amendments be printed in the CONGRESSIONAL RECORD at the end of my remarks.

The only amendment I will discuss briefly today is one I developed in recent weeks. The amendment would add a new section to S. 885 to protect the region's salmon and steelhead trout resource. It does so by four basic provisions.

First, the National Marine Fisheries Service and the Fish and Wildlife Service would determine, after consultation with the important State fishery agencies, the number of salmon and steelhead, by species and run, which must successfully migrate downstream past each hydroelectric dam in the region to result in a healthy fishery resource. These numbers must, over time, reflect the increase in runs due to new hatcheries and habitat improvement efforts.

Second, the Bonneville Power Administration, the Army Corps of Engineers and the Bureau of Reclamation must make sure the appropriate number of fish have the opportunity to migrate downstream past each dam under their authority. They could do this, as they do now, by either allowing the young fish to stock up behind the dam and then spilling just the right amount of water, or they could use other viable techniques such as barging or trucking the fish downstream.

In short, any technique may be used so long as the appropriate number of young fish have the opportunity to migrate downstream. This language maximizes the efficiency of salmon protection by giving the involved agencies the flexibility needed to accomplish the goal, but at a minimal cost to the region in hydroelectric power generation.

Third, several dams are not operated by the Federal Government. These non-Federal authorities, such as the Mid-Columbia Public Utility Districts, would simply receive from the Federal fishery agencies recommended numbers of fish which should be given the opportunity to migrate. I feel confident these non-Federal authorities would cooperate to the fullest extent, just as they have in the past.

Finally, my salmon protection amendment would require the National Marine Fisheries Service and the Fish and Wildlife Service to count the actual numbers of fish which successfully migrate downstream beyond each hydroelectric dam in the region. Any cost-effective method of counting fish which provides a reasonably close estimate would comply with this provision.

This amendment is the result of much effort and consultation with Federal authorities, local officials, industry representatives and environmental groups. Several changes have already been made at the suggestion of these individuals.

Mr. President, I ask my colleagues in the Senate Energy Committee and full Senate to adopt my salmon protection amendment. It would create the tools necessary for protecting a resource which has not been treated fairly in our rush to develop electric energy. Yet, it would do so without unnecessarily impairing our power generating capacity. This amendment would also give us some crucial information as to how we might better protect and enhance salmon and steelhead trout.

Senator MAGNUSON and I are holding a series of hearings in the Commerce Committee on the issues of fisheries management and enhancement, but unless we take this most important first step of protecting against migration losses due to hydroelectric dams, little can be done to save the salmon.

I ask unanimous consent to have my earlier testimony and my 12 amendments printed at this point in the RECORD.

There being no objection, the testimony and amendments were ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the Committee, I appear before you today, as I did on August 25, 1978, to offer my support for the Pacific Northwest Electric Power Planning and Conservation Act (S. 885).

I am cosponsor of this measure, just as I was a cosponsor of S. 3418 in the 95th Congress. It was then, and is now, the most beneficial legislation to Oregon consumers of this decade, but with one caveat. If it is not enacted, it is of no benefit. If it is enacted the monthly electricity bills of the typical Oregon rate payer will be between 10 and 20 percent less. The Pacific Northwest will have in place the best plan for the pursuit of energy conservation and renewable energy resources of the entire nation.

The priority given in the bill to conservation and renewable energy sources is not a new development in our region. Pacific Northwesterners and, especially, Oregonians, lead the nation in creative, constructive and conservation-minded uses of our precious few natural resources. The legislation before you would add a significant and positive federal framework to these efforts.

Since the bill before you is identical to S. 3418 of the 95th Congress I once again request your consideration of several amendments I introduced previously. I will not, this morning, deal at length with each of my amendments. I hope to describe them very briefly and then move onto three more specific problem areas.

One amendment requires the economic benefits of this bill be passed through by the utilities to the ultimate consumers of electrical power. Second, several amendments are intended to protect existing small businesses and communities already involved in the use of energy conservation and renewable resources. BPA should not preempt their positive efforts taken to date. Third, equity is not well served in this bill by the gross disparity of rates paid by federal versus state and local agencies. Why should federal agencies like the Bonneville Power Administration receive power at the lowest rates available in the region while city governments served by private utilities, such as Portland, must pay the highest rate? Fourth, I recommend a $10 million program to provide small grants to individuals with creative conservation measures and projects to develop renewable energy resources. I also suggest that the administrator be required to project his use of the region's water resources as a part of his twenty year plan.

The aforementioned amendments, I feel, would improve the bill. As I said last year, I do not want to slow the bill's passage. I feel these amendments can be added during normal Committee consideration.

But today I want to make three special requests of the Committee. First, I ask for open, public consideration of eliminating the five-year phase-in of rate equity. I am not now submitting an amendment of my own on this subject, but I feel the Committee should not ignore this issue. I am willing to live with the Committee's recommendation to the Senate, but only if the issue receives the attention it deserves.

Ending the five year phase-in would save Oregon rate payers $160 million.

The real question in my mind, is to what extent the aluminum companies and other direct-service industries are able to pay this amount. Several direct-service industries assert that if the five year phase-in is eliminated they would either have to close their doors in the Northwest forever or not participate in the new regional plan by refusing to exchange their current contracts.

If this Committee determines on the basis of substantial evidence the cost to the direct-service industries is too high, I sincerely believe the rate payers in Oregon and the region will accept the current five year phase-in. If the aluminum companies can, indeed, pass much of this cost through to metals buyers outside the region, and without burdensome dislocation or unemployment, I hope the Committee will remove the five year phase-in, or at least shorten it. As I said, Oregon residents alone would save $160 milion by its elimination.

Second, I ask that the Committee more carefully spell out the treatment this legislation would give two nuclear power plants being built in the State of Washington. At $2 billion each the Washington Public Power Supply System units 4 and 5 will be, unquestionably, the most expensive large power blocks ever to be brought on line in the Pacific Northwest. Many of my constituents had no opportunity to participate in the development of these resources. Many other constituents chose not to participate. Now, gross mismanagement in the construction of WPPSS 4 and 5 has resulted in cost overruns in the hundreds of millions of dollars. Under this bill my Oregon constituents may be forced to pay these costs.

My question to the Committee is how this bill affects these nuclear power plants? As you know, the bill before you says all cost effective energy conservation and renewable energy resources must be used before the administrator of the Bonneville Power Administration can turn to a coal or nuclear power plant. Where in this schedule of priorities, is the power from WPPSS 4 and 5? Will it compete against conservation and renewables under the "cost-effective" language?

Or will it be given last priority along with other thermal resources?

I understand the public utilities involved in WPPSS 4 and 5 would like the "sunk costs", or those expended to date, to be excluded from consideration in a cost-effective test. This would, of course, make WPPSS plants much cheaper and make large blocks of conservation and renewable resources fail the test of "cost-effective".

Finally, I ask the Committee to help protect the region's salmon runs.

Senator Magnuson and I are holding hearings in the Commerce Committee which will, hopefully, result in a comprehensive regional management and enhancement program for salmon. But such a program for the Columbia River will be a meaningless gesture if sufficient water is not spilled over the river's hydroelectric dams. Each witness who testifies on Northwest salmon describes as the one most severe problem on the Columbia the failure to spill sufficient water for the downstream migration of salmon.

We should require both federal and non-Federal organizations with hydroelectric dams in the Columbia River Basin to participate in providing enough water for this purpose. I intend to offer in the coming weeks an amendment to this bill which will require Federal agencies to insure a minimum spillage rate at special times of the year for salmon migration. At the appropriate time, I hope this amendment will be considered by the Committee for inclusion in this legislation.

Again, you have my complete support. I only hope the Committee acts expeditiously in its deliberations. We should not allow a failure to plan for our entire *nation's* energy needs to distract us from the need for such a *regional* plan. This is a positive solution to the most pressing energy problems in the Pacific Northwest. Thank you.

AMENDMENT NO. 286

On page 6, line 21, insert the following new sentence after the period: "Before such program is implemented it must be approved by a simple majority of (1) the regions' governors, (2) the Bonneville Consumers Council, and (3) the Bonneville Utilities Council.".

AMENDMENT NO. 287

On page 6, line 23, insert "projections of monthly water use," after "forecast,".

AMENDMENT NO. 288

On page 7, line 2, insert the following new sentences after the period: "Such program must also include those measures the Administrator deems appropriate to utilize and protect the region's small business community, especially those emerging businesses and other entities engaged in energy conservation and the use of renewable sources of energy. Such program must include the measures the Administrator intends to take in order to give added economic recognition for the greater achievement of conservation and conversion to renewable resources by certain local communities beyond that of other communities in the region.".

Amendment No. 289

On page 7, line 16, insert "and State and local governments for their own use, not for resale," after "agencies,".

Amendment No. 290

On page 7, line 22, insert "and State and local government" after "residential".

On page 7, line 25, insert "and State and local government" after "residential".

Amendment No. 291

On page 8, line 6, insert "with existing contracts on the date of enactment of this Act" after "customers".

On page 8, line 10, insert "with existing contracts on the date of enactment of this Act" after "customers".

Amendment No. 292

On page 10, strike line 15, and substitute the following: "reliability: *Provided*, That, prior to taking any action pursuant to this section, the Administrator shall determine that his proposed actions will not jeopardize other, similar efforts being initiated by current institutions or utilities in the region.".

Amendment No. 293

On page 10, strike lines 16 through 20 and substitute the following:

"(e) To the extent conservation or acquisition of resources under this Act require direct arrangements with the ultimate consumers of electric power, the Administrator shall make maximum practicable use of existing local institutions able to supply credit, materials or expertise to such consumers.".

Amendment No. 294

On page 12, insert the following between lines 2 and 3:

"(i) In order to assist in the determination of the feasibility and cost effectiveness of conservation measures for the purposes of resource acquisition under section 6(a) and waste heat, cogeneration or renewable resources acquisition under subsection (b), the Administrator with consultation with the region's governors, the Bonneville Consumers Council and the Bonneville Utilities Council, is authorized to establish and carry out a program of contracts with, or grants-in-aid to, groups, or, in appropriate cases, individuals with exceptional talent and expertise engaged in research and development of creative energy alternatives. Preference shall be given to—

"(1) projects having greatest beneficial economic impact on the ultimate energy consumer;

"(2) projects having as an end result the maximum use of a community's small businesses and labor force;

"(3) projects minimizing duplication of research or demonstrations being carried on by other entities either Federal or non-Federal;

"(4) applicants offering to match the grant with an equivalent amount from other sources;

"(5) applicants demonstrating a lack of funding from other sources;

"(6) applicants requesting not more than $30,000; and

"(7) applicants from the Pacific Northwest.

The contracts or grants-in-aid provided under this subsection shall be further regulated under such rules as the Administrator deems necessary and appropriate but shall, in no event, exceed a total annual outlay of $10,000,000."

Amendment No. 295

On page 13, line 7, insert "and State and local government" after "residential."

Amendment No. 296

On page 14, insert the following between lines 22 and 23:

"(g) The Administrator shall insure, by contract clause or otherwise, that rates charged the ultimate residential and local government consumers shall directly reflect the benefits received by any sale of power to a Pacific Northwest utility under this Act.".

Amendment No. 297

On page 15, insert the following between lines 8 and 9:

"SALMON PROTECTION

"Sec. 8. (a) The Secretary of Commerce and Secretary of Interior, in consultation with the Governors of the region, shall determine annually the numbers of salmon and steelhead trout, by species and run, that must migrate successfully downstream beyond each hydroelectric dam in the region to result in a healthy fishery resource which reflects increased stocks of fish resulting from habitat improvement and hatchery development efforts.

"(b) The Administrator, the Secretary of the Army and the Secretary of Interior, shall operate the federal hydroelectric dams under their authority, or take other measures, to insure salmon and steelhead trout have the opportunity to migrate successfully downstream in such numbers as determined in subsection (a). A waiver of the requirements of this section may be made by the appropriate agency head upon a showing the requirement would pose an undue hardship on the region.

"(c) The Secretary of Commerce and Secretary of Interior shall recommend annually to any organization with primary authority over a non-federal hydroelectric dam the number of salmon and steelhead trout, as determined by subsection (a), which should have the opportunity to migrate successfully downstream beyond such dam.

"(d) The Secretary of Commerce and Secretary of Interior shall estimate, as closely as practicable, and report to Congress annually, the numbers of salmon and steelhead trout which successfully migrate past each federal and non-federal hydroelectric dam.".

On page 15, line 10, strike "Sec. 8." and substitute "Sec. 9.".

On page 18, line 4, strike "Sec. 9." and substitute "Sec. 10.".●

EXECUTIVE AMENDMENTS SUBMITTED FOR PRINTING

SALT II TREATY—EX. Y, 96–1

EXECUTIVE AMENDMENT NO. 2

(Ordered to be printed and to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to Ex. Y, 96–1, a treaty between the United States of America and the Union of Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979.

Mr. HATFIELD. Mr. President, with or without the SALT II Treaty, in its present form, the world faces the clear threat of massive destruction, if not annihilation, by an accelerating nuclear arms race.

With or without the SALT II Treaty, in its present form, that race will not only escalate in the quantity of explosive power; far more alarming, it will bring the world closer to nuclear holocaust because of the momentum of both sides toward postures of counterforce.

Regardless of what one argues as to its possible merits, we face this transcending fact: the SALT II Treaty neither brings the arms race to a halt nor prevents the threat of counterforce.

The amendment I am submitting today to the SALT II Treaty accomplishes both those objectives. Its effect, very simply, is to freeze mutually the arsenals of strategic nuclear destruction possessed by both the United States and the Soviet Union at their present levels.

The administration acknowledges that in terms of overall strategic nuclear balance, both sides are "roughly equal." While differing in specific numbers of launchers, amount of throwweight, accuracy, and numbers of warheads, the arsenals of each are perhaps more equal in total effect than at any time previous in the history of the nuclear arms race.

Possessing this parity, we must ask one simple question: Why must we race further in order to limit our strategic nuclear arsenals?

This amendment would transform the SALT II Treaty into an instrument for halting further escalation in the nuclear arms race. That is, after all, the purpose of the SALT process. Is it asking too much to simply lend clear integrity to that process? Why should SALT II not spell a stop to the escalation of strategic nuclear arms?

More arms added by both sides will not make up any more equal than we are at present; they will, however, make us far more insecure.

This approach—simply freezing further development, testing, and deployment of each of our strategic nuclear arsenals—has not been seriously considered at the negotiating table. The SALT process, instead of enabling such a moratorium, has circumvented it.

It would be foolhardy to ratify a treaty virtually insuring the mutual expansion of both sides' nuclear arsenals without first discovering whether a mutual, comprehensive freeze is not, in fact, acceptable to both parties. The most compelling and rational advice the U. S. Senate can give to the administration is to insist that the alternative of stopping the arms race be thoroughly explored before approving a treaty which will legitimate its escalation.

Specifically, this amendment would have the effect of freezing "further development, testing, and deployment" of both those strategic nuclear systems which are now in place, and prohibit the introduction of any new strategic nuclear systems.

On the Soviet side, this would mean, for example, that further deployment of their ICBM's would be prohibited, including the SS–17, SS–18, and SS–19. Further deployment of the Delta I and II submarines, and of the SS–N–8 missile, as well as development of the SS–N–8 missile, would be prevented. Development of a new Soviet heavy bomber would not take place, nor would their development of cruise missiles.

On the U.S. side, the amendment would prevent deployment of the MX missile system. Further deployment of the Trident I missile would be halted, as would development of the Trident II missile, and the building and launching of additional Trident submarines. Air launched cruise missiles could not be deployed, and development of ground and sea launched cruise missiles would be halted.

These are illustrative examples of the major effects of this amendment. Upkeep and limited modernization of existing strategic nuclear weapons systems would be allowed. This would consist only of those normal steps necessary to keep the present nuclear arsenals of each side reliably functional, and would not comprise any additions to those arsenals.

From the U.S. perspective, this approach eliminates, in the simplest and least costly manner, any threat to the vulnerability of our land-based missiles. From the Soviet perspective, this approach eliminates deployment of those new U.S. weapons systems, such as the MX and the cruise missile, which they see as potentially giving us a capability to eliminate their land-based missiles. Thus, for both sides steps toward a counterforce posture are averted.

From the U.S. side, the money that would be saved by adopting such a freeze, and foregoing a whole new generation of nuclear weapons systems, could total as much as $90 to $100 billion. Before spending such massive amounts, is it not prudent to consider an approach which would save those funds, without changing the strategic nuclear balance?

One of the objectives of the SALT III negotiations, set forth in the statement of principles, is to achieve "significant and substantial reductions in the numbers of strategic offensive arms." Is not the best foundation for achieving that objective a halt in the building of additional arms now? With such a freeze in place, both parties can then begin negotiations on what cuts can be made in a framework of insuring continuing equivalence in their strategic nuclear arsenals.

Long ago the strategic arms race left the limits of sanity. That race is a race to oblivion. Yet we remain focused on who appears to be "ahead" and who is "behind." Let us instead draw our attention to the direction of that race—nuclear annihilation.

SALT II does little more than set speed limits to that race—limits which, in most cases, we must accelerate to in order to attain.

The purpose of this amendment is to propose a differing, very straightforward approach: Let us bring this race to a stop, content mutually with the ability to destroy the entire globe several times over. Let us decide that this is sufficient; that we can stop securely; and that this is the only course for building a foundation that can reduce, rather than increase, the possibility of nuclear destruction. Certainly the American people and the Russian people would expect nothing less.

NOTICE OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. CHURCH. Mr. President, I wish to announce that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources (chaired by Senator JACKSON) will begin its hearings on S. 1308 in Boise, Idaho, on Monday July 2, 1979. This hearing will concern title VIII of the bill, "gasohol," which seeks to encourage the use of gasohol in this country by requiring that the total quantity of all gasoline sold as motor fuel in this country must contain 1 percent of alcohol motor fuel by 1981, increasing to a maximum of 10 percent in 1990. The hearings will begin at 9 a.m. at the city hall, in Boise, Idaho.

Questions concerning this hearing should be directed to Mr. Lee Wallace and Mr. Ira Dorfman of the subcommittee staff at 224-4431.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. CHURCH. Mr. President, the Subcommittee on Energy Research and Development, of the Committee on Energy and Natural Resources (chaired by Senator JACKSON), will hold hearings on July 16 and 17, 1979, on title III of S. 1308, "Demonstration of Near-term Energy Technologies." The purpose of this title is to encourage the demonstration of near-term energy technologies. The hearings will examine the technologies listed in section 6(b)(3) of the Federal Nonnuclear Energy Research Act, and the forms of assistance listed in section 7 of the same act. The subcommittee will consider any modifications to these sections which may appear appropriate. The hearings will be held in room 3110 of the Dirksen Senate Office Building, at 2:00 p.m.

Any questions or inquiries concerning these hearings should be addressed to Mr. Lee Wallace at 224-4431.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to consider S. 1024, legislation to implement the Panama Canal treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION, ARTS, AND THE HUMANITIES

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Education, Arts, and the Humanities Subcommittee of the Committee on Labor and Human Resources be authorized to meet during the sessions of the Senate today; Wednesday, June 27, 1979; and Thursday, June 28, 1979, in order to hold hearings on the reauthorizations for the National Endowments for the Arts and Humanities and the Institute of Museum Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Agricultural Production, Marketing, and Stabilization of Prices Subcommittee of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, June 28, 1979, beginning at 1 p.m. to review the operation of the farmer-held grain reserves.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today in order to hold an oversight hearing on the Federal economic regulation of the trucking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER RESOURCES

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Water Resources Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on water policy issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today beginning at 2 p.m., to hold a hearing on the nomination of Bob Clement as Director of the Tennessee Valley Authority.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOCIAL SECURITY AND SSI BENEFICIARIES TO RECEIVE 9.9 PERCENT COST-OF-LIVING INCREASE

● Mr. WILLIAMS. Mr. President, on July 3 nearly 35 million social security beneficiaries will receive a 9.9 percent cost-of-living adjustment. This increase is based upon the rise of prices from the first quarter—January, February, and March—in 1978 to the first quarter in 1979.

On an individual basis, the 9.9-percent adjustment will boost average monthly benefits from: $258 to $283 for a retired worker without dependents; $439 to $482 for an aged couple; and $243 to $267 for an elderly widow.

In addition, almost 4 million aged,

blind, and disabled persons will receive a 9.9 percent increase in their monthly supplemental security income payments on June 29.

The maximum Federal SSI benefit will rise from $189.40 to $208.20 for a qualifying individual and from $284.10 to $312.30 for a couple.

Mr. President, I shall submit for the RECORD a table illustrating the impact of the cost-of-living adjustment for persons receiving social security and SSI.

In my home State of New Jersey, the cost-of-living increase will provide welcome relief for older Americans and others who have been hard hit by rapidly rising prices. Many of these individuals depend solely or almost entirely upon their monthly social security or SSI checks.

About 1,175,000 New Jerseyites will receive the 9.9-percent social security cost-of-living adjustment. During the next year, New Jersey social security beneficiaries will receive an additional $400 million. And, almost 79,000 SSI recipients will benefit from the 9.9-percent increase.

The Social Security Administration is certainly one of the more important institutions in our society today. Over the years the Congress has assigned enormous, complex, and important tasks to SSA. The true measure of these responsibilities can be illustrated by the following facts:

SSA administers benefit payments approximating one-fourth of the total Federal budget.

The agency handles more than 58 million transactions every month to process beneficiary claims and post wages.

About 308 million wage items are logged every year to workers' social security accounts.

An agency as large and as important as SSA requires effective leadership from central headquarters to the 1,400 district offices throughout the country. I am especially pleased that Stan Ross, who became Commissioner last October, has taken several positive steps to make SSA more efficient and effective in handling the taxpayer's money. He has moved quickly to correct problems and to build upon the strengths of the agency. One example is "Project Accuracy" which is designed to:

Prevent payment errors; detect mistakes quickly; and recover or settle payment errors promptly.

SSA's operating expenses now represent about 2 percent of the agency's program amounts. This is a noteworthy achievement, and Commissioner Ross is working to improve upon it.

Another example is the recent reorganization to enable SSA to pursue its mission more effectively. A major focus is to improve staff services at the heart of the SSA organization—the district office level.

Mr. President, I support these efforts because I believe that they will help to strengthen social security administratively and programmatically now and in the future.

The table follows:

EXAMPLES OF MONTHLY PAYMENTS

Benefit category	Current payment	July payment with 9.9 percent increase
I. Maximum and minimum social security benefits:		
Maximum benefit, worker retiring in 1970 at age 65	$503.40	$553.30
Minimum benefit, worker retiring in 1979 at age 65	121.80	133.90
II. Average social security benefits:		
Retired worker alone	258.00	283.00
Aged couple, both receiving benefits	439.00	482.00
Mother and 2 children	614.00	674.00
Aged widow	243.00	267.00
Disabled worker, wife, and children	581.00	639.00
All disabled workers	291.00	320.00
III. Maximum Federal SSI payments:[1]		
Individual	189.40	208.20
Couple	284.10	312.30

[1] Most States provide payments supplementing the Federal SSI payment levels for some or all categories of recipient. ●

THE SALT PARADOX

● Mr. McGOVERN. Mr. President, although I am not opposed to the contents of the SALT II Treaty, I am concerned that the negotiating and ratification processes create incentives for the opponents of arms reduction on both sides to accumulate new weapon systems which are far more lethal than any controlled in the treaty itself. The evidence convinces me that the internal negotiations between the Pentagon and the President and between the President and the Senate may undermine whatever slim hope we have of negotiating genuine arms limitations with the Soviet Union. President Ford and Secretary Kissinger all recognized these internal obstacles. I am sure President Carter will do the same in his memoirs. Undoubtedly, the same process of bargaining and side deals takes place between the Politbureau and the Soviet military.

Several weeks ago, the President announced his decision to proceed with the MX ICBM. In my view, his decision was related to the need to guarantee support by the Joint Chiefs for the SALT Treaty. I can find no other explanation for the fact that the President selected a missile without selecting a basing mode when the whole MX program was designed originally to overcome the alleged vulnerability of the Minuteman basing mode. Unfortunately, the MX will be far more destabilizing than any existing weapon now in our arsenal.

The newspapers this morning report the second major deal brewing to win the support of the military for SALT. The Strategic Air Command is lobbying to transform the FB-111 intermediate-range bomber into an intercontinental range bomber capable of striking the Soviet Union from the United States.

This SAC proposal illustrates the weaknesses of the SALT process. Originally, the Joint Chiefs were given a commitment for a new intermediate-range bomber which would be the equivalent of the Soviet Backfire bomber. Under this arrangement, the Joint Chiefs would acquiesce in the arrangement to keep the Backfire out of the SALT aggregate totals for strategic nuclear delivery vehicles. There was never any convincing military justification for such an intermediate-range bomber since the United States already possessed lethal forward-based systems in Europe, including the FB-111's in Great Britain and the nuclear-capable aircraft deployed on aircraft carriers near NATO's northern flank. Instead, the sole justification was political: if the Soviets could have a Backfire outside the SALT limits, we should also have a new intermediate-range bomber.

This original arrangement revealed the SALT problem because the weapon levels tend to become ceilings rather than true restrictions. Political pressure is created to build up to the maximum extent allowed under the SALT ceilings and to deploy forces which create a mirror image of the other side's forces. Despite the fact that the Soviets deploy the Backfire as a substitute for carrier-based aircraft and as a strategic weapon against China—both missions which the United States does not perform—SALT created the incentive for us to develop a new Backfire-type bomber.

The new proposal of the SAC goes beyond this original commitment because it would lead to a new intercontinental range strategic weapon instead of an intermediate range weapon. The FB-111, refitted with B-1 engines and with B-1 avionics, could reach the Soviet Union from American territory if refueled. Thus it goes beyond a mere side-deal which, though wasteful and unnecessary, would not necessarily upset the strategic balance or directly undermine the SALT process.

The new SAC proposal would undermine the SALT process. Unless the new FB-111B were counted as a strategic nuclear delivery vehicle under the SALT limits, the United States would be approaching a violation of the spirit and the letter of SALT II. The SAC appears to be seeking to reinvent the B-1 penetrating bomber without having to count it under the SALT limits.

If the United States is allowed to develop such an intercontinental capacity, then the Soviet Union will claim the same right. Instead of limiting the Backfire and thus reducing the nuclear threat to the United States, the SAC proposal will legitimize the development of a Backfire with a refueling capability and a true intercontinental range. The outcome will be higher levels of weapons on both sides and lower security for both sides.

Mr. President, I hope that President Carter realizes that committing the United States to additional weapon systems not required for our security could so disfigure the SALT agreement that liberal support would be jeopardized. The SALT II agreement makes only a tiny step toward real arms control. A number of Senators might support it because they look forward to read reductions in SALT II.

But a SALT treaty in the context of an MX ICBM, a new intercontinental range bomber, a new intermediate range bomber, a new intermediate-range ballistic missile, and so on may very well negate the promise of any real reductions in SALT III. We are rapidly reaching the limit of abuse of the SALT process.

In the face of new demands for unnecessary weapon systems, we need strong leadership from the White House to oppose these demands. We expect stronger leadership to prevent the oil companies from exploiting the energy crisis. We have an equal right to expect strong leadership to prevent special interests in the Pentagon from exploiting the SALT ratification process.

I submit the article, "Air Force Leaders See SALT II as a Way to Get the United States a Backfire of Its Own," from this morning's Washington Post, for printing in the RECORD.

The text of the article follows:

AIR FORCE LEADERS SEE SALT II AS A WAY TO GET THE U.S. A BACKFIRE OF ITS OWN

(By Walter Pincus)

U.S. Air Force leaders are hoping to use the strategic arms limitation treaty to create a political backfire within the administration in support of an American version of the controversial Soviet "Backfire" bomber.

Although the White House and Defense Secretary Harold Brown are publicly neutral on a hotly lobbied proposal to turn the F111 into an intercontinental bomber, the idea is being pushed strongly by the Strategic Air Command and its allies in Congress.

The SAC plan would give the fighter-bomber, originally conceived in the early 1960s as the TFX, a strategic capability of reaching the Soviet Union from American soil.

But by taking advantage of the SALT II loophole created for the Soviet Backfire, the aircraft would not be counted as a strategic weapon subject to the treaty's weapons limitations.

In Senate testimony given in closed session earlier this year and released last week, Gen. Richard H. Ellis, SAC commander, declared the modified FB111B "would effectively offset the omission of the Backfire from SALT II."

SALT II opponents want the treaty changed to require that the Backfire be included as a strategic weapon because, they argue, it could reach some parts of the United States from Russia.

At Vienna, after a heated exchange, Soviet President Leonid Brezhnev gave his verbal assurance that only 30 Backfires a year would be built. In a written statement, Brezhnev said Backfire was "a medium-range bomber" that will not be given "the capability of operating at intercontinental distances."

Until the treaty was signed, the Joint Chiefs of Staff consistently argued that the Backfire must be covered by the agreement.

The SAC proposal may be introduced in the Senate as an amendment to the fiscal 1980 defense authorization bill, according to aides of Sen. John G. Tower (R-Tex.), who supports the plan and has indicated his opposition to the SALT II agreements.

The SAC proposal thus creates a potential dilemma for the president.

If he turns down the idea, he would seem to be backing away from a statement made before the Vienna summit that the United States, in allowing the Soviets to keep Backfire out of SALT II, retained the right to build for itself a comparable bomber.

If he approves the new program, liberal critics will say he is buying a new, unnecessary weapon to gather Senate votes for SALT ratification.

Asked last week if he would support the FB111B modification program, Defense Secretary Brown said, "I still need a lot of convincing."

SAC Commander Ellis told the Senate committee that the first modified FB111Bs could be ready 29 months after the program began. It would take slightly more than three years to have 30 bombers ready for service.

The quick upgrading of the F111 is needed, according to Ellis, to generate a larger retaliatory force in the early 1980s when, according to the administration's estimates, U.S. land-based ICBMs theoretically will be vulnerable to a Soviet first strike.

"For a fairly reasonable investment," Ellis said, "these modified F-111 aircraft would give our force more range, more mass and greater damage potential by adding the capability to deliver [number deleted] more warheads on target."

The SAC proposal was presented to the Pentagon earlier this year for inclusion in the fiscal 1981 budget, which is in the early stages of preparation.

It contemplates modifying 89 of the Tactical Air Command's F111D fighter-bombers and 66 FB111A's, which belong to the Strategic Air Command.

Were the United States to go ahead with the FB111B program, it could create for the Soviets more of a military threat than the Backfire poses to the United States.

Backfire, as now constructed, has no refueling capabilities. Therefore any mission to the United States would not permit it to return to its home base. The Soviets also currently are keeping the Backfires at airfields that place them out of U.S. range.

In addition, half the Backfires now produced are configured for antiship warfare and are turned over to the air arm of the Soviet navy.

The other half, according to the Soviets, are used to provide nuclear air support for Warsaw Pact forces in Europe.

The proposed FB111B, by contrast, could be refueled and thus could reach anywhere in the Soviet Union and still return to the United States.

Furthermore, SAC specifically plans to give it the strategic role of a bomber capable of penetrating Soviet air defenses at low attitudes.●

THE COST OF HEALTH CARE

● Mr. DURENBERGER. Mr. President, the rising cost of health care is a great concern to every American. In fact, finding effective curbs to the cost increases while assuring every citizen adequate and accessible health care is one of today's most pressing needs.

I am proud of the progress that has been made, mostly through private initiative, in my home State, Minnesota, and especially the metropolitan area of the Twin Cities, can serve as a national example of competitive alternatives in hospital and health care.

A great deal of that success is due to the development and acceptance of health maintenance organizations. I am proud to share the story of that success and ask that the following article from the June 1979 issue of Corporate Report be printed in the RECORD.

I also ask that an article from the January-February 1979 issue of Harvard Business Review by Prof. Alain C. Enthoven of the Stanford University Graduate School of Business be printed in the RECORD.

The material follows:

BATTLING THE HEALTH-COST MONSTER

(By Anda Divine)

Was there ever a company that offered employee benefits because it was a nice thing to do? Probably not. Good employee benefits are good business: they take advantage of group purchasing power; they can attract new employees and persuade present workers to stay; they can offer a corporation certain tax benefits, and, most important, they can alleviate workers' fears and help to stave off financial disaster. In recent years, benefit packages have become as critical a bargaining issue as wage and salary levels in most Upper Midwest industries. And they are getting commensurately sophisticated—and expensive.

The U.S. Chamber of Commerce estimates that typical fringe benefit packages now approach 40 percent of the average company payroll. Not too surprisingly, a huge chunk of that figure goes toward health-care benefits. Private insurance premiums alone are rising 12 to 14 percent a year, nearly matched by Worker's Compensation premiums. Through employees' health insurance, business now pays fully one-third of the nation's $180 billion annual medical bill. In the past, business has just written checks to pay their workers' medical bills, but now, many firms are exploring new ways to bring the cost of health care into line. The new emphasis is on prevention, trying to keep employees healthy instead of just paying the bills when they get sick or hurt. In the process, private enterprise just might be able to change the structure of the health care industry in this country.

"The American health care system has never had an incentive to be cost-effective," says Gerald B. Meier of InterStudy, the Excelsior, Minn., based health-policy and research firm. "[Health care] providers have never had to deal with the marketplace competition that the rest of business must," says Meier. "They've gotten fat, and American consumers and businesses keep paying for it. Our purpose [at InterStudy] is to develop some true marketplace conditions in the health-care system, and to stimulate businesses to demand cost conservation from providers."

One of InterStudy's most strongly touted approaches is that of freely competing health-maintenance organizations (HMOs). Under the usual agreement, the HMO agrees to supply medical care for those employees who select it rather than the regular indemnity program. Employees and members of their families covered by the HMO plan must choose from among the doctors on the HMO roster and must use the hospital and clinic facilities provided. Among these alternatives, however, individuals may continue to see the doctor of their choice and use the facility of their choice. Since virtually all care is covered, out-of-pocket expense is limited to drugs (usually available at reduced prices) and modest fees charged for special problems such as chemical dependency. Traditional market incentives provide the cost control, since employees unhappy with the service or employers unhappy with costs can look for a competing HMO or return to standard indemnity plans when the contract is reviewed (normally on an annual basis).

The HMO concept is pretty familiar by now. Prepaid group practice was developed 40 years ago in California, but HMOs really took off in the early 1970s. Reinforced by federal law, the Health Maintenance Act of 1973, HMOs are proving to be an effective alternative to the traditional comprehensive insurance and third-party reimbursement structure. While 70 percent of the standard metropolitan service areas in this country are still without certified HMOs, wherever such facilities are available they are very well received. More than 90 percent of the people who join HMOs elect to stay in them. The four areas where HMOs have gained the most acceptance are California, Rochester, N.Y., Hawaii and the Twin Cities.

In 1978, InterStudy prepared a major five-part report for the National Chamber Foundation which, in part, addresses the business community's role in containing health costs. One section, called "How Business Can Stimulate a Competitive Health-Care System," states, "Businesses may be reluctant to become involved in the health-care system for a variety of reasons. However, your business is already involved in at least two ways. First, under Public Law 93–222 and certain state laws, you are required to offer your employees the opportunity to join a health-maintenance organization if specific conditions are met. Second, your health-insurance costs are almost certainly rising, and your prospects for long-term control of those costs are dim unless you alter your company's health-benefits program and work to influence the health-care system in your community. Given the fact that your company's involvement in health care is inevitable, it makes sense to structure that involvement so that your business and your employees benefit from it."

What's involved in offering an HMO option to your employees? Generally, it's not as complicated as most employers expect, but care must be exercised. As mentioned in the InterStudy report, federal law requires an employer meeting certain criteria to offer the option of membership in a federally qualified HMO, although the employer does not have to contribute more to that option than to the firm's present plan. The criteria are:

The employer must be covered by the Fair Labor Standards Act.

The employer must have at least 25 employees, full- and part-time, residing within the HMO's service area.

The employer must currently contribute to a health-benefits plan.

The employer must receive a written request from a federally qualified HMO. ("Federally qualified" means the HMO has applied for and received federal financial assistance.)

In addition, under Minnesota law, any firm with 100 or more employees must offer the option of membership in a state-certified HMO.

There are nine HMOs operating in Minnesota, only one of which, SHARE, Inc., of St. Paul, is federally qualified. (Many HMO managers have concluded that the red tape and other "built-in inefficiencies" of dealing closely with the federal government make "federal qualification" unattractive.) According to Ruth Stack, executive director of the National Association of Employers on Health Maintenance Organizations (NAEHMO), most of the larger companies in the Twin Cities area have already been activated by SHARE. "That means they've been approached by SHARE and now offer membership in it and possibly other HMOs," she explains. The next marketing target for the HMOs will be the small firms, those with perhaps 300 to 500 employees. What all this means is that the employers will have to explain the HMO concept to their workers, compare it to their present benefit arrangement, tell them where the HMO facilities will be, and explain any cost differentials. Or they can let the HMO representatives make the presentation.

"There will be some one-time paperwork for the employees who sign up and some initial administrative cost," Stack continues. "In other areas of the country five to 10 percent of the employees usually elect to join an HMO. In the Twin Cities, however, 20 to 40 percent is not uncommon."

Once enrollment is completed, the advantages of HMOs become obvious. The employer does not have to handle paperwork on claims. There is just one monthly payroll deduction or employer contribution. Because there is no out-of-pocket expense for each visit, employees are apt to make more frequent use of the HMO facilities, so ailments tend to be detected and treated before they become illnesses that could require hospitalization. While solid data are still hard to come by, many employers report reduced absenteeism and decreased use of hospital facilities by their HMO members.

It is essential to shop for an HMO. NAEHMO, which is headquartered in Minneapolis, counsels employers in selecting and setting up an HMO program that's right for them. "We take the employer's side, and are very concerned about the product the employer receives," says Stack. "We monitor the fiscal health of HMOs—unfortunately, not all of them are in good shape. We provide the employer with comparison charts updated monthly and annually. We give the employer checklists and work kits to aid the decision-making process. When you're dealing with something as personal as an employee's health-care habits, it's critical that the program be sound." The largest HMO in the Midwest is Group Health Plan, Inc., of St. Paul, with 124,000 members. First operative in 1957, it was based on a consumer cooperative plan. It is member-owned and maintains seven clinics in the Twin Cities area. According to Group Health's Leo Stock, the costs to an employer versus an HMO plan "are going to be about same," at least in the beginning. "But employers get much more for their health-care dollar from an HMO," he argues, referring to the fact that at Group Health and most other HMOs, all clinic visits, lab and X-ray tests, immunizations and allergy treatments, well-child care, hospitalization, surgery and maternity care are all taken care of by one pre-paid premium.

Even if motivated by somewhat reformist reasons in considering the HMO option, a corporate decision maker will have to see some positive cost effects of changing an employee-benefit package. A. Charles Bredesen, executive director of the Nicollet/Eitel Health Plan (a Minneapolis HMO), confronts the issue squarely: "Smaller businesses get the worst buy in insurance." he says. "Fifty percent of their premiums go to administration. They haven't developed their skills in buying health care. They often fail to ask tough, business-like questions concerning health care. A businessman should shop for an HMO the same way he would shop for any supplier. An altrusistic employer would be most easily discouraged."

Here are some of Bredesen's tough questions:

Don't be seduced by the convenience factor. It doesn't mean much to have many facilities (clincs and hospitals) if they aren't multi-specialty. What's offered at each location?

Be careful of loss-leader pricing. Look at the fiscal structure. How is the HMO financed? Who are its backers? How good is its credit rating?

Look at growth figures—projected and actual. Is the HMO growing at a manageable rate to assure quality care?

Bredesen, like most of the health industry professionsl interviewed here, acknowledges that, in the early stages of enrollment, HMOs are not going to be cheaper than traditional insurance (see accompanying story). But he notes that HMO premiums have been increasing six to eight percent a year in this area, compared with the average of 12 to 14 percent for indemnity coverage. "It's also a matter of getting more for your health dollar with an HMO," he maintains. "I'm convinced that's the case. HMOs are not a cause; they're a business."

While more than a quarter-million Twin Cities area residents have enrolled in HMOs, a clear endorsement of the concept, there are several other ways employers can reduce their health costs. They all reflect the new emphasis on preventive care, however, and all seek to increase employees' awareness of and responsibility for their own health.

"I see more companies making their employees price conscious when it comes to health care," says Robert J. Ryan, vice president for human resources management at Alexander & Alexander, a Minneapolis insurance broker. "They are pushing cost-control benefits such as second opinions for elective surgery. Prepaid programs, such as the Delta Dental Plan, are the fastest-growing employee benefits in the last five years. Down the road, we'll be seeing more applications of this idea, in prescription drugs, vision care, group legal coverage and group homeowners and auto coverage."

Today, of the 96 percent of the population that has hospital insurance, the employer pays the full premium three-fourths of the time. But that is changing as employers look for more cost-sharing. A spokesman for the Connecticut General Life Insurance Co. suggests that "requiring employees to cover 20 to 25 percent of their health-care costs . . . can create a genuine recognition that health-care cost containment is everyone's business." A report by the National Commission on the Cost of Medical Care (December 1977) says that the best approach is for employers to offer many health plan options "with an appreciable impact on out-of-pocket costs . . . [but which are] flexible enough to encourage early identification and treatment of illness." In other words, give the employees a financial incentive to maintain their health. One company gives its employees additional pay at the end of the year for each of the five sick days they do not take during the year, and other firms are considering giving premium rebates to employees who stay well.

Many larger firms have found it economically feasible to set up their own extensive prevention, screening and fitness centers. Xerox, Inc., with its seven U.S. fitness centers, is an example, as is Kimberly-Clark Corp. of Neenah, Wis. Kimberly-Clark built a $2.5-million health complex but doesn't expect a payback for 10 years.

To serve the smaller employer, a whole new consulting industry has developed to set up "wellness-in-the workplace" programs. The Health Central Institute of Minneapolis, for example, is preparing a model program of physical and psychological tests, nutrition and fitness education and skill-building which will probably be ready for marketing this month. Tom McLoughlin, vice president for educational resources, says the program will make unprecedented use of community hospitals in the region. "We're going to link employers with some of the more progressive hospitals, like Unity [in suburban Fridley], Douglas County Hospital in Alexandria, Dakota Midlands in Aberdeen [S.D.] and Family Hospital in Milwaukee."

Another local aid is National Health Testing Services, Inc., of St. Paul. This firm maintains a fleet of large, fully equipped vans staffed with medical personnel who can drive directly to a work site. For $68 per employee, the staff runs a battery of 19 diagnostic tests, including electrocardiograph, blood tests, urinalysis, vital capacity and pap smear. The company's largest contract is with the state of Minnesota (it has screened 25,000 of the state's 40,000 workers).

Yet another dimension of the employee wellness issue is that of employee assistance programs (EAPs). In the past, EAPs tended to focus on one particular problem, usually alcohol or drug abuse. Some organizations, such as the Johnson Institute, continue to specialize in this area, but others have expanded widely. The Minnesota Growth Exchange of St. Cloud, for example, addresses a spectrum of troubles—including marital difficulty and emotional stress. Growth Exchange assesses the employee's problem confidentially and refers the person to the most appropriate agency.

One of the most sophisticated EAPs in this area was developed by Control Data Corp. Called the Employee Advisory Resource (EAR), the program helped an average of 360 Control Data workers per month in 1978, and, last March, it worked with a record 436 people. David J. Reed, general manager of EAR, reports that a poll of people who have used the service indicates that well over half were pleased with the program and would use it again.

"Ours is a broad brush concept of employee assistance," Reed explains. "We followed the development of the ombudsman principle in government and consumer affairs and began to focus on the process of problem resolution. No organization is perfect. An employee should have some means of resolving differences [with an employer]. The idea is not to let the employee get lost, alienated or polarized. We've greatly amplified the notion of employees health. No one is going to work well or productively if something is bothering him or her—whether physically or emotionally, financially or any other way.

"Our objective is to make a sound diagnosis of an employee's problem and refer him or her to the appropriate source for help," Reed continues. "We've got to be resource experts. Then, we also have to help the employee deal with the human services he's offered." Control Data has set up a 24-hour toll-free telephone line to deal with employee concerns. The high degree of confidentiality this method offers helps to explain its success.

"Confidentiality is the absolute cornerstone of a program like this," Reed says. "Unless there is trust, it will never work."

Control Data is now marketing EAR to about 100 other companies. The fee is $15 per employee per year, plus initial data processing costs. Greg Kagan of the EAR marketing staff says that while typical employee assistance will reach between three and eight percent of the employees, EAR often helps 15 percent.

Robert Christianson, a commercial sales representative for the Towle Co. of Minneapolis and a member of the West Metro Hospital Trustee Council, is pleased to see business coming to grips with health care costs. "Business is rightfully tired of having to pay and pay into a [health] system that has refused to take a businesslike approach to containing costs," he says. "Neither providers nor consumers have ever had incentives to be reasonable. The way the present reimbursement system is set up, the sky's the limit. But that's finally changing.

"Employers are as yet an untapped influence," he continues. "When they begin to bargain with providers for benefits, when they begin to make their workers see where their dollars are going, and when they and their employees take a preventive approach to health, only then will the system begin to change. Few employers will probably be motivated by purely reformist ideals. The fact is, it's going to save them money. But they all have to get involved."

This comes full circle to the policies being developed by InterStudy, the research group. "I would say that most of the business community is violently opposed to any form of national health insurance," Gerald Meier says, "and yet, the longer the present health system is allowed to escalate, the more likely that prospect becomes. Unless the business community brings its influence to bear, gets involved both at the work site and in the community, the whole thing will be taken out of our hands. The government has given us guidelines and then regulations. It's up to business to prevent the next step—total government control."

Positive Case

The Community State Bank of Bloomington had been pretty happy with its "traditional" insurance benefit package for its employees. "We were aware of HMOs," conceded president Robert J. Bauer, "but since we were having no problem with our arrangement, we were rather reluctant when [an HMO] first approached us about a year ago."

The bank has a fairly special employee population, however: many single women, often in their first jobs. "Since they had no insurance coverage through their husbands' employers, a good program for them would be one with a reasonable fixed expense," Bauer says. "[The HMO] offered that, as well as facilities the women were likely to use regularly. So we tried it."

The employees' reaction was immediate, and favorable. "One-quarter of the people with hospitalization coverage switched over to the HMO during the first enrollment period," Bauer reports. During a subsequent open enrollment period, another 10 percent switched, and now, 66 percent of the bank's employees have enrolled in the HMO. "Among our new employees," says Bauer, "the enrollment rate is 99 percent."

Bauer says the bank is starting to see some cost savings through the HMO. In 1978 its monthly premium rates were:

Private insurance: Single, $30.95; HMO, $32.50.

Private insurance: Family, $64.88; HMO, $67.00.

Now these rates are: Private insurance, single, $36.09; HMO, $34.00; family, $70.54, HMO, $65.50.

Bauer says there was some initial administrative cost and paperwork in joining the HMO, but "now that it's online, there is far less than with the indemnity plan. And the billing is always accurate."

Negative Case

It's a matter of some curiosity in the Twin Cities area as to why so few (3.5 percent) of the employees at St. Paul-based 3M Co. have elected an HMO option. The company offers enrollment in three HMOs: Group Health, Med Center and SHARE. According to Don Kissack, manager of employee benefits, the company has strongly supported the HMO concept over the years. "We invested a lot of money to gear up for a larger enrollment," Kissack says. "We set up new programming to handle deductions and billing. We've had many presentations and made sure that all the information was put through employee communication channels. We're somewhat mystified about not getting more response."

Kissack acknowledges that health benefits are administered somewhat differently at 3M than at some other area firms. "We are self-insured, an approach that might not work for too many companies," he says. "Some of our own cost containment measures, however, have been to encourage second opinions for elective surgery. We remind employees that some pre-surgery testing can be done on an outpatient basis prior to hospitalization. Our [benefits] plan does have a deductible, and the fact that employees do see their bills further heightens their awareness of healthcare costs. But our policy has been to keep such measures voluntary."

Kissack feels it's important for any company to give employees some level of choice in health benefits. If a company offers two or three packages to choose from, and the employee chooses the one with the most out-of-pocket expenses (and therefore, the least expensive for the company), the company could give the employee a partial refund at the end of the year, for example.

Consumer-Centered vs. Job-Centered Health Insurance

(By Alain C. Enthoven)

In 1977, the nation's health care spending exceeded $160 billion—four times the 1965 amount. From 1965 to 1977, real per capita spending (i.e., net of general inflation, increased 94 percent; health care spending went up from 5.9 percent to 8.8 percent of the GNP. Business bears much of this cost, as employer and taxpayer. For example, from 1965 to 1977, General Motors' health insurance premiums increased 6.8 times over, from $170 million to $1.16 billion.

Public sector spending rose more than seven-fold, from $9.5 billion (25 percent of the total) in 1965 to 68.4 billion (42 percent of the total) in 1977. Federal Medicare outlays alone will double from 1976 to 1980, up from $18 billion to $35 billion. Most of this government spending is open-ended and not controllable. Not only does this spending contribute much to the tax burden, but also to the federal deficit and inflation, and therefore to the "inflation tax" on business (i.e., taxable income based on historical cost rather than replacement cost).

Reduced to simplest terms, the main cause of runaway health spending is that our health care financing system is dominated by cost-increasing incentives and is almost devoid of economic competition in the production of health care services.

Today's familiar system of job-centered health insurance is one of the main barriers to economic competition in health services. It is thus a major contributor to health care cost inflation. It is incompatible with universal continuous coverage. And it is the cause of many nonproductive administrative burdens.

To achieve real economic competition in health care services, universal continuous coverage, and administrative simplification, we need a fundamental change to a consumer-centered system. We need a system in which each consumer (i.e., individual or family) can choose annual membership in any of the health care financing and delivery plans '"health plans") meeting appropriate standards in his or her area; and in which employer and government premium contributions on behalf of each consumer are directed to the plan of his or her choice.

The need for this change is one of the most fundamental. and poorly understood. issues in the national health insurance policy deliberations in Washington today.

TODAY'S FINANCING SYSTEM CAUSES INFLATION

There are good reasons for much of the increase in health care spending: growth in public and private insurance coverage brought access to many who previously did not have it, especially the aged and the poor; advances in technology increased the power of medicine to prolong life and enhance its quality. But the increase in spending has far exceeded what could be justified on these grounds, especially in recent years.

The main cause of the unjustified and unnecessary increases in costs is the complex of perverse incentives inherent in today's dominant system of health care financing. Consider:

Most doctors are paid on a fee-for-service basis that rewards them for providing more and more costly services whether or not more is necessary or beneficial to the patient.

Hospitals are reimbursed for their costs, and so are rewarded with more revenue for generating more costs. Indeed, a hospital administrator who seriously pursued cost cutting (e.g., by instituting tighter controls on surgical procedures and laboratory use and avoiding purchase of costly diagnostic equipment by referring patients to other hospitals) would be punished both by an immediate loss in revenue (Medicare and

Medicaid would cut dollar for dollar) and eventually by a loss in physician staff, and therefore, patients.

Most consumers have health insurance and thus are left with, at most, a weak financial incentive to question the need for or value of services. Today's system gives most patients the right of "free choice of doctor," but little or no incentive to seek out a less costly doctor or system of care because their health insurance premium will be the same whichever they choose. Furthermore, benefits for more than two-thirds of the employees in private industry health plans are paid for entirely by employers, so many employees have little or no knowledge of or concern over how much their health insurance costs.[1]

Within this financing system, the question of how best to spend a limited amount of money for the health care of a population is never even posed. Providers of health care services (mainly doctors and hospitals) are not required to set priorities, look at alternatives, and make hard choices. Such a system must produce inflation in prices and waste in the use of resources.

What we have today can be described as tax-subsidized membership in an "Expensive Lunch Club." Imagine that you and 19 friends belong to a lunch club. You agree that you will each pay 5 percent of the total lunch bill for the group. Consider the incentives. Suppose you go to lunch one day feeling that a $2 salad would satisfy your needs and be just fine for your health. You sit down and watch your friends order. One orders filet mignon; another orders lobster. Now it is your turn. You calculate that if you order the $12 filet instead of the $2 salad, it will cost you only 50 cents more.

Not only does membership in this club give you little incentive to chose the less costly meal, but also, if everybody in town is a member of this or a similar club, there is not much incentive for anybody to open an economical restaurant that specializes in healthy $2 salads.

ALTERNATIVE FINANCING AND DELIVERY SYSTEMS

This system so dominates our health care financing that most people take it for granted. But there are alternatives in succesful operation in the United States today, economically rational health care financing and delivery systems that reward people for finding ways to deliver better care at less cost.

Physicians control or influence most health care spending: the key issue in cost control is how to motivate them to use hospital and other resources economically. In the alternative sytems, the source of funds is not open-ended. Rather, physicians accept responsibility for providing comprehensive health-care services to defined populations, largely for a periodic per capita payment.

The list of such alternative sytems includes prepaid group practices, individual practice associations, health maintenance plans, health care alliances, and variable cost insurance.[2] There are many variations on these concepts, but each includes some reward for economy in the use of resources. (Their essentials are summarized in the ruled insert opposite, Alternative health care financing and delivery systems.)

Many comparison studies provide convincing evidence that prepaid group practices reduce total per capital costs (premium and out-of-pocket) to levels some 10 percent to 40 percent below those for comparable people cared for under traditional fee-for-service insurance programs.[3] The main way they do this is by cutting the use of hospitalization by some 30 percent to 50 percent. Such cost reductions can be achieved without reducing the quality of care.[4] Other systems might be able to achieve similar savings.

I believe that if they were given an opportunity to compete on equal terms, alternative financing and delivery systems that use resources wisely would largely replace the system of uncontrolled fee-for-service, cost-reimbursement, and third-party intermediaries.

DECENTRALIZED MARKET TO CONTROL COSTS

The main direction of public policy in the 1970s has been to protect the dominant system, and then to try to limit its cost-increasing effects by government regulation in the form of direct controls over prices and capacity. I believe public policy should be directed to creating and maintaining a system of competition among health plans that relies on a decentralized market to control costs.

COMPETITION WORKS BETTER THAN REGULATION

There are many reasons for believing that the competitive approach would be far more satisfactory than reliance on direct controls on prices and capacity as a means of limiting cost. For example:

1. Experience in health care and other industries shows that government controls on prices and capacity are likely to raise the cost and retard beneficial innovation.[5] In the long run, price regulation amounts to cost reimbursement, and it gives producers the same incentives. An across-the-board percentage limit on hospital revenue increases, as proposed by the Carter administration, rewards the fat and punishes the lean.

2. Certificate-of-need regulation by states in which a regulatory authority must issue a permit before an increase in hospital capacity can take place has failed to control overbedding. The leading experts cannot agree on standards for the appropriate number of beds.[6]

3. Where tried, competition has been effective in controlling cost. The best example is Hawaii where most people belong either to the Hawaii Medical Service Association or to the Kaiser-Permanente Medical Care Program. While other factors contribute to cost control there, and competition remains attenuated by various government programs, the two plans do compete vigorously. Their premiums for comprehensive care are among the lowest in the country. In 1976, hospital expense per Hawaii resident was 68 percent of the national average despite the fact that consumer prices generally are higher in Hawaii than in most areas.[7]

4. Medical care has many characteristics that make it particularly unsuitable for successful economic regulation. Because of the nature of the service, the government cannot measure output or evaluate its quality (except in cases of extreme abuse.) The "doctor office visit" and the "patient bed day" are therefore much more likely to pressure regulated like passenger miles or kilowatt-hours.

5. Government often responds to well-focused producer interests; competitive markets respond systematically, if imperfectly, to consumer interests. People specialize in production, diversify in consumption. They are therefore much more likely to pressure their representatives in government on their producer interests. Health care resource allocation ought to be guided primarily by consumer preferences.

6. People accept efficiency-improving changes (e.g., closing unneeded plants or hospitals) produced by impersonal market forces in the private sector. But, when such changes are imposed by government, those who would be harmed resist them, usually successfully, through legal and political action. (Consider the extreme difficulty of closing post offices and defense installations.) This makes for great rigidity in regulated industries. It would be virtually impossible to close many unneeded hospitals by regulatory action.[8]

7. Even if government were successful at controlling total health care spending at the desired growth rate, there would be no force in the regulatory system to motivate efficiency or equity in the production or allocation of services. At best, the controls would freeze the health services industry in its present wasteful and inequitable patterns.

8. The decentralized competitive market leaves maximum freedom to individual providers and consumers. It encourages the pluralism and diversity that is valued by the American people. The regulatory approach works on the basis of uniform numerical standards. It does not tolerate diversity.

9. The Carter administration's recent failure even to get its proposed Hospital Cost Containment Act through the House Health and Environment Subcommittee illustrates that there is little political support for more direct federal controls. The administration is simply incapable of enacting, let alone implementing, an effective system of controls.

10. As FTC Chairman Michael Pertschuk recently observed, "Although regulation might appear to be capable of achieving faster results, it would be unlikely to have much impact before it is fully in place and any unforeseen imperfections worked out. . . . All our national experience with such programs, in fact, teaches that implementation of a regulatory program takes a long time and never fully achieves the promise which is so eloquently laid out on paper."[9]

FAIR ECONOMIC COMPETITION TODAY?

The usual response to recommendations that we follow a strategy of fair market competition is: "We already have competition in health insurance and health services and it is not working." This response is based on a lack of understanding of today's system. To be sure, we do see hospitals competing for doctors and for prestige and doctors competing for patients and for professional recognition. And we do have vigorous economic competition in health insurance (i.e., insurance carriers compete with each other and with employer self-insurance for contracts to insure employee groups).

But because of the way that health insurance connects to health services, with few exceptions, there is not economic competition in health services. The competition we see is not of a kind that rewards economy in the use of resources either in the production or purchase of health care services. Just as a town full of Expensive Lunch Clubs would have competition only among expensive restaurants, so today's dominant system of health care financing, for the most part, limits competition to costly health care delivery systems.

When economists talk about the competitive economy as the most efficient way to allocate resources, they are referring to a system in which:

1. Each producer pays the full cost of production of the goods or services he sells. His profit margin (i.e., the difference between the competitive market price and unit cost) is reduced if he lets his production cost increase.

2. The consumer has limited resources. If he spends more on one thing, he has less money for other things, so he is motivated to consider the value received for each dollar he spends. The consumer is assumed to be well informed about the price and quality of his purchases before he buys, and his purchases are voluntary.

Under competitive conditions, trade produces a kind of social optimum in which all opportunities for mutual gain have been exhausted. For the most part, these conditions are not satisfied in our health care economy today.

The system does not hold doctors and hospital administrators responsible for the costs

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Footnotes at end of article.

they generate. Doctors face no economic penalty for giving care in an unnecessarily costly way. And, within weak restraints, hospital administrators can pass on increased costs to the third-party intermediaries who pay more than 90 percent of the bills.

Even the consumer is not cost-conscious because his medical purchases are largely paid for by insurance. And the consumer is at a large disadvantage when it comes to information about the costs and benefits of various health services. If his need is urgent, his purchase is not well characterized as voluntary.

Instead of requiring that the alternative financing and delivery systems be allowed to compete on a fair basis, the government blocks competition by the unintended effects of many laws and programs. Virtually all Medicare beneficiaries are stuck with the system of fee-for-service and cost reimbursement. So Medicare pays more on behalf of people who choose more costly systems of care.

For example, in 1970, Medicare paid $202 per capita on behalf of beneficiaries cared for by cost-effective Group Health Cooperative of Puget Sound, but paid $356, or 76 percent more, on behalf of similar beneficiaries who chose to get their care from the fee-for-service sector. So while the Medicare program strains the federal budget, its beneficiaries are locked into an Expensive Lunch Club. And the tax laws block competition in ways that are described below.

CONSUMER CHOICE HEALTH PLAN

A system of universal health insurance and fair market competition among health plans would work as follows:

1. Once a year, each consumer would be offered the opportunity to enroll for the coming year in any one of the qualified health plans operating in his area. While traditional insurance plans offering "free choice of doctor" on a fee-for-service basis would be allowed, I believe that competition would encourage, and in fact compel, the development of "limited provider plans" with built-in cost controls.

In these plans the consumer would agree to get his care from, or on referral by, physicians participating in that plan, and each health plan would have agreements with participating providers covering costs and delivery of services. Plans might allow "out of plan" use on financial terms less favorable to the beneficiary, and would have to cover emergency services for members temporarily outside the plan's service area.)

2. Whatever financial assistance each person or family got toward the purchase of its health insurance—from Medicare, Medicaid, employer, or tax laws—would have to be the same whichever qualified health plan the family chooses. Today, these financing sources usually pay more on behalf of people who choose more costly health plans. Thus, if a family chose a more costly health plan, it would pay the extra cost itself out of its own net aftertax income.

3. A uniform set of rules would apply to all health plans. For example, each plan would have to accept all comers, up to its capacity, without regard to age, job status, prior medical conditions, and so forth. (The system would include means for compensating health plans for serving a less favorable than average mix of medical risks.) Every health plan would have to follow rules with respect to nondiscriminatory pricing (called community rating), comprehensive benefits (as defined by the national health insurance law), and full protection against the cost of catastrophic illness (i.e., a limit such as $1,000 on each family's annual out-of-pocket cost for covered benefits).

The point of such rules would be to assure that the health plans compete to provide good quality comprehensive care at a reasonable cost—the social goals of the program—and not to profit by such practices as selection of preferred risks or catering to the willingness of some people to take chances with inadequate coverage.

4. For simplicity, each health plan would offer one or two standard plans for the whole community rather than a different, specially negotiated plan for each employee group.

Consumers who join health plans that do a good job of controlling costs would pay lower premiums or receive better benefits. Health plans that do a poor job of controlling costs would lose customers and risk being driven out of business. Thus, in the long run, the surviving health plans would be the ones that offer a good value to their customers.

These are among the fundamental design principles of the Consumer Choice Health Plan, a new national health insurance proposal intended to assure universal health insurance coverage and to control costs through fair economic competition in the private sector.[10] Its main elements are summarized in the ruled insert on page 145, *Consumer Choice Health Plan (CCHP) compared to today's situation*. The proposal has been receiving serious consideration by the Carter administration. Its adoption will require substantial business understanding and support.

(Carter and Kennedys views on national health insurance are summarized in the ruled insert on page 148, Carter, Kennedy, and the AMA: where they stand.)

The feasibility of such a competitive system is demonstrated in the ruled insert on page 150. The Federal Employees Health Benefits Program. The plan has been in successful operation since 1960.

Consider a couple of simplified models of health insurance, chosen to illuminate the essence of today's problem and the character of the competitive solution:

Today all the doctors in town practice on a fee-for-service basis, each charging what he or she considers "usual, customary, and reasonable." The hospitals charge amounts that cover their costs. There are many insurers, each paying these fees and charges. Each person is covered through an insurance plan linked to his or her job (or parent's or spouse's) and 100 percent paid by the employer, with complete freedom of choice of doctor. (This simplified model of traditional insurance abstracts from the fact that some of the insurance carriers are active in creating alternative delivery systems and some other reforms; this is part of "competition" described below.)

Today the insurers cannot control the cost of health services. (The administrative cost they do control is a small percentage of the total.) They can only pay the bill after the fact. They cannot negotiate effectively with doctors and hospitals over fees and charges, because they do not have the authority not to buy if the price is not right. Only the patient, with his free choice of doctor, has that. Similarly, the employers (or unions) cannot control the cost unless they are willing to tell their employees which providers they can and cannot use—a willingness not much in evidence in most industries.

The providers can control the cost of care, but today there is no reward for doing so. Lower cost does not attract more patients because the insured patients have no reason to consider the cost. On the contrary, a patient may perceive a reduction in cost as a reduction in quality.

The insured patient realizes little or no savings from going to a less costly provider or accepting a less costly style of care (e.g., substituting outpatient for inpatient care for the same condition). Even if he does choose a less costly provider, his insurance premium reflects the costs of all the more costly providers in town used by his insured group.

Contrast the foregoing model with economic competition in which those who have the power to make economizing choices are rewarded for doing so. Most of the doctors in town are full-time participants in one or another of several competing alternative health plans. Each employee gets the full multiple choice of health plans. Each employer pays, say, $60 per family per month toward the premium of whichever health plan is chosen by the employee. The employee pays the rest, as well as any copayments charged by the health plan.

The patient still has "free choice of doctor" in the sense that he can join the health plan in which his favorite doctor participates. But now he also has the right to agree to get his care from a limited set of providers who offer him a lower premium and/or better benefits. In this system, the patient is costt-conscious because he can benefit by joining a more cost-effective health plan.

The competing health plan must control costs and pass the savings on to the consumers. And it can control costs because it has the authority not to buy from providers that it considers too costly. Providers must sell their services to consumers who have incentives to consider cost as well as quality.

Among other things, these simplified models illustrate why the individual consumer, and not the employer or union, should be the customer. It is the consumer-patient who chooses the doctor. Together, they decide the costs. If we want the costs to be controlled, they must both benefit from economizing choices.

THE RIGHT PRODUCT FOR ECONOMIC CHOICE

The conditions under which the competitive market produces an efficient allocation of resources cannot be well satisfied by a market in which the "product" the consumer buys is the individual medical care service. (The following are also reasons why consumer cost-sharing in individual medical purchases is not likely to produce satisfactory cost control.)

First, our society has accepted the principle that everybody should have health insurance. This confronts us with the incentive effect of insurance on the purchase of individual units of care. If the insurance pays 80 percent, the consumer has an incentive to treat a unit of care that costs $10 as if it really cost $2. Moreover, in order to protect families from the risk of serious financial loss, an increasing number of insurance policies include an upper limit on the family's out-of-pocket costs above which all costs will be paid by insurance. At that point, the weak economic incentive introduced by coinsurance is removed altogether.

Second, for most illnesses, the physician cannot quote a fixed price for treatment in advance. You go to the doctor with a pain in your chest and you want to buy a cure. He cannot quote you a price for a cure. Until he has done some work, he does not know whether you have indigestion or a heart attack. Thus in buying a cure, a patient buys a sequence of services whose composition is uncertain at the outset. And the doctor's fee for an office visit, for example, may be a poor indicator of what the total cost for treatment by him will be.

Third, the individual episode of medical care is not good material for rational economic calculation. If the patient is in pain or urgent need of care, the transaction is not entirely voluntary. The sick patient is in a poor position to make an economic analysis of treatment alternatives or negotiate with the doctor over fees.

Fourth, it is very costly for the patient to become well-informed about the costs and benefits of alternative treatments. He needs an appropriately motivated doctor to act as his adviser and agent. The comprehensive health plan can satisfy this need. Part of what it offers is the confidence that services

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Footnotes at end of article.

will be provided only if they are necessary and efficacious.

I believe the appropriate "product" for rational economic choice by the consumer is the annual membership in one or another health care plan that provides comprehensive services (i.e., whatever medical care you need) largely for a fixed prospective monthly payment. (This does not rule out limited use of copayments.) And the annual enrollment is the time when one can reasonably expect people to make a considered choice.

Thus a fair economic competition that allocates resources efficiently can be organized around the annual choice among comprehensive health plans.

NEGATIVE EFFECTS OF JOB-LINKED HEALTH INSURANCE

Today's job-centered system of health insurance is largely the product of a series of actions by the federal government, in the 1940s and 1950s whose primary focus was on wage controls, labor relations, and taxes, and not on the structure of the health insurance industry. Employer health plan contributions were excluded from World War II wage ceilings. In 1948, the National Labor Relations Board ruled health benefits an appropriate subject for collective bargaining. The Internal Revenue Code of 1954 confirmed the exclusion of employer health plan contributions from gross income.

The consequence of these actions was to make the employee group the predominant basis for health insurance and to tie most people's health insurance to the job of the head of the family. Two important economic effects of these tax laws are to subsidize employee decisions to select more costly health care systems and to encourage employee pressure for more employer-paid health benefits. If the employees take an additional dollar of gross compensation in cash, they get to keep roughly 60 to 70 cents after tax; if they take it in health benefits, they get the full dollar. Employers and unions are motivated to exhaust this opportunity for tax-sheltered pay.

The end point of this process is 100 percent employer-paid comprehensive benefits. One serious consequence is that employees then no longer have any financial incentive to choose a less costly health plan. For example, the autoworker who chooses membership in a prepaid group practice plan that provides comprehensive benefits for $77 per month, rather than the Blue Cross plan that costs $101, does not get the savings because General Motors must pay the whole cost either way. Thus some collective bargaining agreements force the employer to subsidize the employee's choice of a more costly health plan.

It should not be surprising that the alternative systems have grown slowly when one considers that such powers as the U.S. government and the auto industry pay large subsidies to the fee-for-service sector on behalf of people who choose not to join them.

An equally important unintended effect of the tax laws excluding employer contributions from taxable income is to limit the employee's health insurance options to the plan or plans offered by the employer or labor-management health and welfare fund.

Employers have seen health benefits as a way of attracting qualified employees to their company, or as a way of discouraging unionization. Union leaders have seen health benefits as a prize to be won at the bargaining table, and as a way of making the union the worker's benefactor. Both emphasize benefits specific to the employer or union, and not the use of this medical purchasing power to create a market of competing provider groups in the community.

As we approach 100 percent employer-paid comprehensive benefits, health benefits cease to be an effective tool for management to use in competing for employees. Other companies offer similar benefits, and opportunities for bargaining prices for unions become exhausted. At this point, management, unions, and workers are locked into the Expensive Lunch Club.

While management may try to roll back the benefits, experience in 1978 with the mineworkers and in 1976 with the autoworkers illustrates that union leaders must forcefully resist any "take away" of previous bargaining gains.

As we approach the end point, health benefits become an albatross around the necks of employer and union, eating up an increasing percentage of total compensation, and yielding no additional benefit to either.

Labor and management might be able to control health care costs by bargaining with providers over charges and controls on hospital use. To be effective they would have to be able to limit the employees' care to providers with whom they have reached cost control agreements (or at least reward employees for choosing participating providers). While this has been tried, it has not become widespread because it would take away the employee's free choice of doctor—a valued right. Also, there is the threat of physician boycott to enforce the free choice principle.[11]

Since the employee—not the employer or union—chooses the provider, it seems reasonable to let him bear the costs or realize the savings associated with his choice. Labor and management could accomplish this by agreeing that the employer's contribution would be the same whichever health plan the employee chose.

The Health Maintenance Organization Act of 1973 requires employers to offer their employees the option of joining one group practice HMO and one individual practice HMO if such federally qualified organizations are operating in their area. But this small step in the right direction still leaves the health plan market segmented.

For example, some employers might offer one HMO in addition to their conventional insurance plan while others offer a different one, so that the HMOs rarely or never meet each other in direct competition. Each can become, say, 25 percent to 30 percent more efficient than its fee-for-service competitor and then settle into an equilibrium in which its costs rise at the same relative rate as in the fee-for-service sector.[12]

To create real competition, we need multiple choice for each consumer. Also, to make the competition fair, the law should require the employer contributions to be equal among health plans. And we need a tax law that does not subsidize the choice of more versus less costly health plans, and that gives the same tax benefit to premium payments for any qualified health plan as it gives to employer-provided plans. The way to do this is to replace today's exclusion of employer contributions from taxable income with a refundable tax credit usable only as a premium contribution to a qualified health plan.

In 1974, the Nixon administration proposed its "Comprehensive Health Insurance Plan" (CHIP), intended to achieve universal coverage by a three-part national program including mandated employer-employee health benefit programs meeting federal standards, a state-operated "assisted health care program" for low income families and high medical risks, and a federal program for the aged.

The Department of Health, Education and Welfare staff has recently developed a version called "Publicly Guaranteed Health Protection" (PGHP), which would require everyone in the country to purchase health insurance from a federal insurance plan, unless employment groups chose to "opt out" and purchase equivalent insurance—approved by the government—from a private company.[13] The first groups to opt out would be the low medical risk employment groups who could get lower premiums through experience rating. This would leave the high risks to be cared for by HMOs, which must practice community rating (i.e., same premium for same benefits for all groups), or by the federal plan. Thus PGHP would leave the market fragmented and strengthen today's barriers to competition.

Officials at HEW defend their reliance on the job-link on the basis that it is familiar and, therefore, easier to sell politically. The federal plan would have to be a "free choice of doctor" plan based on fee-for-service and cost reimbursement (the Expensive Lunch Club again). Lacking competition, PGHP would have to rely on direct price and capacity controls to limit spending. Thus it is an example of the way government intervention tends to freeze existing patterns and block desirable change.

ADMINISTRATIVE COMPLEXITY

System that try to build universal coverage on the employer-provided plan assume implicitly that everybody is a member of a "typical family" headed by one earner continuously employed at one fulltime job. But millions of people do not fit that model; for example, of roughly 20 million manufacturing workers, about 800,000 leave their jobs each month.[14] Their failure to fit raises a host of administrative complexities.

People who change jobs are often forced to change health insurance plans, with gaps in coverage, new starts on annual deductibles, and possible exclusions or waiting periods for preexisting medical conditions. If they belong to a closed panel plan such as a prepaid group practice, they are likely to be forced to change doctors when they change jobs, which means new starts on medical records and doctor-patient relationships.

In March 1977, of 47.5 million husband-wife families, about 27.2 million had two or more earners.[15] How would CHIP or PGHP deal with such families? Are they to be covered twice, through each spouse? In fact, in 1976, about 30 million people under 65 had duplicate hospital insurance.[16] That is wasteful, can produce excess insurance (collecting twice for the same bill), and creates a need for complex "coordination of benefit" rules. If one employer must provide the family's health plan, what are the rules for deciding which it will be? Rules can be devised, but they are likely to become extremely complex and have perverse and unforeseen effects.

The job-health insurance link adds greatly to administrative complexity in other ways. Each employer negotiates his own package with his insurance company, with a special mix of benefits, coinsurance schedules, and provisions concerning cash flow and experience rating. Many of the variations are idiosyncratic and add little or nothing to consumer choice or better health care at less cost. It would make more sense if each insurer offered one or two standard policies, a "high option" and a "low option" in each market area.

While marketing to employee groups instead of individuals certainly aided the spread of health insurance, the job-link adds greatly to the time and cost required to market a new health plan. A health plan must first sell the employer and/or union and meet their special requirements, and then sell the plan to the employees. New alternative delivery systems such as individual practice associations would have a far easier time getting started if they were merely required to satisfy the criteria of one regulatory agency and if they were then allowed to participate in a government-run open enrollment in which membership was made available to all persons in a market area.

Footnotes at end of article.

A NEW ROLE FOR LABOR AND MANAGEMENT

There is little to lose and much to gain by cutting today's link between jobs and health insurance. Instead of labor and management bargaining with each other over the details of comprehensive health benefits, they should join forces and use their considerable resources to create competition in the health services industry—as industrial companies have often done in other industries that supply them.

They could sponsor the creation of prepaid group practices, supply managerial talent and know-how, help them raise money for start-up investment, and sit on their boards. They could encourage the offering of prepaid groups, individual practice associations, health maintenance plans, and other cost-effective organized systems to their workers. They could organize good consumer information on the alternatives (not an easy task), and act as advocates for their employees in dealing with the health plans.

By creating an effective competitive system, labor and management could cut the albatross of increasingly costly health benefits from their necks and simplify employer-union relationships. They could agree, for example, on an employer health insurance contribution level that would pay for membership in a good comprehensive plan. The worker who wanted a more costly plan could then pay the extra cost with his own money. Employer contributions would no longer be tied to the costs generated by the most costly providers. Union leaders would then feel less management pressure for roll backs in health benefits, and they could concentrate on more meaningful benefit improvements. And it would let those employers who want to get out of the health insurance business do so.

Workers would benefit from breaking the job-link. They would have the assurance that their families could remain covered by the health plan of their choice, even if the breadwinner were to become disabled or die, be laid off, or change jobs. And health plan competition would give the employees the benefits of better service and quality of care at lower cost.

A company that can help reduce health care costs in its area can thereby lower its total employment costs and improve its competitive position relative to employers in other areas. A company that leads in creation of a cost-effective organized system of care can earn recognition as a benefactor to its workers and its community.

Creating a competitive system and making it work would reduce the need for government regulation and government spending on health care. Public spending on health care is now increasing about 12 percent per year. Heading off a fourfold increase in public spending on health care over the next 12 years surely deserves the high priority attention of business leaders.

FOOTNOTES

[1] Daniel Price, "Private Industry Health Insurance Plans: Type of Administration and Insurer in 1974," *Social Security Bulletin*, March 1977, p. 15.

[2] Alain Enthoven, "Shattuck Lecture—Cutting Costs Without Cutting the Quality of Care," *New England Journal of Medicine*, June 1, 1978, p. 1229.

[3] Harold Luft, "How Do Health Maintenance Organizations Achieve Their 'Savings'?" *New England Journal of Medicine*, June 15, 1978, p. 1336.

[4] Enthoven, Shattuck Lecture.

[5] Roger Noll, "The Consequences of Public Utility Regulation of Hospitals," *Controls on Health Care* (Washington, D.C.: National Academy of Sciences, 1975).

[6] Alain Enthoven and Roger Noll, "Regulatory and Nonregulatory Strategies for Controlling Health Care Costs," *Sun Valley Forum*, August 1977 (Stanford University Graduate School of Business Research Paper No. 402).

[7] Jon Christianson, "Do HMOs Stimulate Beneficial Competition?" *Inter Study*, April 1978.

[8] Charles Schultze, *"The Public Use of Private Interest"* (Washington, D.C.: The Brookings Institute, 1977).

[9] Michael Pertschuk letter to Joseph N. Onek, Domestic Policy Staff, The White House, May 4, 1978.

[10] Alain Enthoven, "Consumer-Choice Plan," *New England Journal of Medicine*, March 23 and 30, 1978, p. 650 and p. 709.

[11] "MDs to Quit Blue Shield in Michigan," *American Medical News*, November 7, 1977.

[12] Alain Enthoven, "Competition of Alternative Delivery Systems," *Competition in the Health Care Sector: Past, Present, and Future* (Washington, D.C.: Federal Trade Commission, March 1978), p. 322.

[13] U.S. Department of Health, Education and Welfare, Lead Agency Memorandum on National Health Insurance, April 3, 1978, p. 24.

[14] *Monthly Labor Review*, April 1978 reporting 1977 averages.

[15] Howard Hayghe, "Marital and Family Characteristics of Workers, March 1977," *Monthly Labor Review*, February 1978, p. 51.

[16] Source Book of Health Insurance Data 1977–78, Health Insurance Institute, Washington, D.C.●

ALLIED ATTITUDES TOWARD SALT

● Mr. **BIDEN**. Mr. President, as the American debate over the SALT II accord begins to grow more informed—and information is still running behind passion—we are coming to realize that Americans' views of the treaty are not the only ones worth hearing out. Our allies in Europe have been and are especially concerned with the potential impact of the treaty on their security and that of NATO.

As chairman of the Foreign Relations Committee's European Affairs Subcommittee, I have made a special effort to go behind the public statements supporting SALT made by many European political leaders to be certain that their attitudes are full and forthright expressions of their true concerns. In making that inquiry, I spent time myself in Bonn earlier this month in long and helpful talks with Chancellor Schmidt, Foreign Minister Genscher, Defense Minister Apel, and defense spokesmen for the opposition Christian Democratic Union. Additionally, two staff members of the committee interviewed other experts in Bonn and similar authorities in London, Brussels, and Paris to prepare a thorough report on the subject of allied views. In Washington, also, I have been able to discuss the matter with France's Foreign Minister, Mr. Jean Francois-Poncet.

Normally, such exhaustive inquiry would be a kind of political overkill. After all, the public record is full and uniform in the expression of official European support for the President's efforts. But because it has been alleged in the press—and last week in this House by the distinguished junior Senator from Iowa—that the public statements largely reflect an uncritical European commitment to détente and a "wish not to unnecessarily antagonize the Carter administration," I believe it necessary to look into the matter deeply.

My conversations and the staff work I have directed make it clear that European analysts did, indeed, have serious concerns about the treaty as it was being negotiated. Their fears, however, have been largely allayed. Their remaining, overriding anxiety is for the fate of the alliance itself if the leading power in it, the United States, is shown to be unable to conduct and conclude a negotiation with the Soviet Union as important and as detailed as the SALT II treaty. Their judgment is a political one. It is not the only political consideration we must weigh in our debate. But it is important that we understand the conviction with which it is held.

On one specific issue, the protocol, of most immediate concern to NATO, it is true that Europeans are just as anxious as are most Americans that the December 1981 expiry be a firm date, not a minimum duration. I would hope that the administration and the Senate will find ways to make it clear that the protocol will not be extended without another, full consideration of the issue in this House. As to article XII of the treaty pledging that neither party will circumvent its provisions, I found Europeans sharing a confidence which the Senate may well be able to reinforce by making it clear that the noncircumvention clause will not bar the United States from acting as a full and cooperative ally in the pressing task of modernizing NATO's theater nuclear forces. In the meantime, I believe it is worth noting that the Prime Minister of England, Mrs. Thatcher, has specifically expressed her support for the administration on this very point. Asked directly about the impact of the noncircumvention provision on weapons and technology cooperation between England and America, she told the House of Commons on June 14:

> The United States have made clear that SALT II will not affect existing cooperation within the Alliance. So far as our own position is concerned, we have received assurances that there is nothing in the agreement to prevent us from insuring the continuing effectiveness of Britain's nuclear deterrent.

Finally, I would recommend to my colleagues a thoughtful analysis of West German views on SALT as printed in the Christian Science Monitor, June 21. The article is by Elizabeth Pond, a veteran Monitor foreign correspondent, whose reporting succinctly reflects the range of views I found for myself in Bonn. Mr. President, I ask that Ms. Pond's article be printed in the Record.

The text of her article follows:

WEST GERMANS SIGNAL SENATE THEY BACK SALT

(By Elizabeth Pond)

Following the June 19 US briefing of NATO allies on SALT II, the West German Government is doing everything it can to help US President Carter win Senate ratification of the US-Soviet treaty.

Publicly and privately, government officials here are stressing their view that the latest strategic arms control agreement is an essential building block in Western European security.

Of itself, West Germany's strong pro-SALT stance may not have much influence on anti-SALT senators. But even a lukewarm attitude by Western Europe's strongest conventional military power and front-line state surely would become a weapon for American hard-liners opposing the treaty. The West German Government wishes to avoid this development at all costs.

Even before the SALT signing, Social Democratic Chancellor Helmut Schmidt therefore endorsed SALT in many of his speeches in the US in early June. And Foreign Minister Hans-Dietrich Genscher didn't even wait for the allied briefing before welcoming SALT II the day of the June 18 signing in Vienna.

Given its position bordering the Soviet-bloc Warsaw Pact, West Germany is especially sensitive both to the Soviet military threat and to threats to East West détente.

On the one hand, Mr. Schmidt was the first Western leader to call for a NATO response 1½ years ago to the "Euro-strategic" disparity caused by Soviet deployment of SS–20 medium-range mobile missiles.

On the other hand West Germans have insisted this year that vigorous initiatives in arms control accompany NATO's military efforts to balance the continued Soviet buildup.

In this context SALT II fits into the West German perception that security must rest on both military strength and effort to curb the arms race.

Some two years ago West Germany was concerned lest the US negotiate away European options in SALT II without prior consultation with NATO allies. This issue was resolved to the Europeans' satisfaction at the end of 1977, however.

Following this clash and following the neutron-warhead contretemps in spring of 1978, there have been adequate consultations on the whole spectrum of security issues ranging from arms control to modernization of NATO's nuclear defense.

Now the West German Government believes it can live with both the noncircumvention clause in Salt II (blocking the US from transferring to European allies weapons that the US would itself be barred from using) and the protocol prohibiting deployment of cruise missiles before the end of 1981. The West German wish that the cruise protocol not be extended beyond 1981 is well understood in Washington.

The opposition conservatives in West Germany are more reserved than the West German Government in endorsing SALT, but even they have not articulated an outright anti-SALT position.

As far as SALT III goes, there has not yet been any formal NATO decision that this should be the forum for discussion of European-negotiating party in consultation with the allies. This is the informal assumption, however.

The official French position still is that Paris will have nothing to do with such negotiations and would not submit its nuclear "force de frappe" to any US-Soviet arms-control agreement. But unofficially the French are more ready for allied cooperation, according to German sources, because they are more worried than a year ago by the Soviet SS–20 missiles.

As West German diplomats describe it, there are some differences between West Germany and the US on tactics and style of future nonstrategic arms-control negotiations, but these are minor.

Bonn supports, while Washington is unenthusiastic about, the standing French proposal to hold a 35-nation disarmament conference to explore "confidence-building" and other arms-control measures in a wider area than the Central European strip covered in the Vienna Mutual Balanced Force Reduction (MBFR) talks.

West German officials regard the American indifference here as a question of timing. They point out that the US was also unenthusiastic initially about the 35-nation security conference that led eventually—with strong American participation—to the Helsinki agreement of 1975.

The West Germans would be especially happy to see the French proposal adopted for one particular reason: the MBFR talks on Central Europe in effect cover only West German territory among the NATO allies. The West Germans would like to see any future agreed restrictions apply to more participating countries and not just to West Germany alone.●

TRIBUTE TO KAY FOLGER

● Mr. MATHIAS. Mr. President, the Congressional Class of 1961 will lose one of its most valued adjunct members on Friday, when Kay Folger retires. Within a very few months of my own arrival on Capitol Hill as a freshman Congressman, Kay Folger joined the staff of the State Department's Congressional Liaison Office. She has served there ever since with great distinction. Frankly, I cannot imagine how the State liaison operation functioned before Kay joined it and I cannot imagine how it will function without her.

Because I serve on the Foreign Operations Subcommittee of the Appropriations Committee, I have been able to observe Kay Folger in action at close hand. Even in the heat of battle, when, on occasion, the stakes have been extremely high, I have never seen her lose her sense of proportion or her sense of humor. And more than once the provocation has been there.

But the quality I most admire in Kay Folger is her scrupulously nonpartisan approach. Kay came here directly from 7 years as director of the Speaker's Bureau of the Democratic National Committee. Obviously, she was not by nature or by habit apolitical. But from the moment Kay Folger appeared on Capitol Hill, no matter what she may have been feeling in her heart of hearts, she was just as understanding and cooperative with those on my side of the aisle as with the members of the party she had previously served in what was a very highly charged political job.

I cannot begrudge Kay her retirement after 18 years on Capitol Hill. But I do regret that the class of 1961 is losing a member of such high character and ample humanity.●

ARTHUR SCHLESINGER ON THE 1980's

● Mr. McGOVERN. Mr. President, 1980 promises to be a landmark year in American political history because it will provide us with an opportunity to assess our Nation's values and dreams at the start of a new decade through a Presidential election. The last similar occasion came in 1960, when the American people responded positively to President Kennedy's call to get the country moving out of the stagnation of the 1950's.

At the Americans for Democratic Action annual convention recently, Arthur Schlesinger, Jr. offered his perspective on the challenges American liberalism will face in the 1980's. I share his conviction that:

> We can be confident that sometime in the 1980's the dam will break, as it broke at the turn of the century, in the 1930's and in the 1960's. Our sense of adventure will revive. Our blood will start flowing again. There will be a breakthrough into a new political epoch, a new conviction of social possibility, a new demand for innovation and reform, new efforts to redeem the promise of American life.

Professor Schlesinger emphasizes that the Democratic Party will not be able to create these new opportunities by carrying out Republican policies. I agree with him that:

> The Democratic party will never succeed as a timorous, respectable, standpat, conservative, private-market, pro-oil company, anti-government party, luxuriating in alibis of public impotence. It will succeed only as it reclaims its heritage—the heritage of concern and reform, of innovation and experiment, of commitment to the poor and the powerless.

I want to share Professor Schlesinger's comments with my colleagues because he views American politics not only as a distinguished historian but also as an active participant in the political and policy process. His remarks are an important contribution to raising the level of the political dialogue on the 1980's.

I submit Professor Schlesinger's remarks to be printed in the RECORD.

The text of the remarks follows:

REMARKS OF ARTHUR SCHLESINGER, JR.

It is always a pleasure to come to a convention of the longest-lived liberal organization in American history. Our longevity is a tribute, I guess, both to the number of things ADA has done—and to the number of things ADA has left to do.

You have much business before you at this convention. But none of your tasks is more important than to canvass and record liberal sentiment on the current political situation. I recognize that this is technically a matter for Sunday's agenda. But I propose to take unscrupulous advantage of my opportunity tonight to unburden myself of some of my own thoughts. And there is no point in beating about the bush. The question on the table is: what do we think about Jimmy Carter? and what do we propose to do about him?

I might as well begin by saying that I am in general sympathy with President Carter's instincts in foreign policy. I think he is right on detente—and that he deserves all liberal support in the fight for the ratification fight of SALT II. I think he is right on the human rights campaign—and that he deserves all liberal support in the promotion and execution of that campaign. I think he is right in his policy of international restraint, in refusing to send American force, for example, to "save" the Shah in Iran. He is right on Panama and right on China and right on the Middle East. These are all pretty crucial issues to be right about.

I often wish his administration was as competent in carrying out policies as it is high-minded in proposing goals. The President seems to lack much feel for the realities and sensitivities of other countries. I won't dwell on Mexico—anyone can have a bad day and speak loosely about whipping Montezuma's ass, or whatever it was. It is harder to overlook President Carter's misconceptions about Iran, the country he described on New Year's day 1978 as an "island of stability." That was the night he marvelled at the "love" the Iranian people had for their Shah. Such misconceptions, stubbornly entertained against expert advice, led us to stick by the Shah far too long and thereby encouraged the radicalization of Iran; just as the administration's undue tolerance of Somoza, against the advice of our friends in Venezuela, Costa Rica and Mexico, has so effectively encouraged the radicalization of Nicaragua.

The argument that we owe something to these foreign tyrants is ridiculous. Neither the Shah or Somoza ever took an action on behalf of the United States at any sacrifice of their own power or wealth. The accompanying argument that, because we did not stand by the Shah, no foreign leader will trust us in the future is equally ridiculous. The fate of the Shah is a signal to foreign leaders that those among them who oppress their own people and misuse, squander and steal American assistance cannot expect unconditional American support. I cannot imagine a healthier message to send to foreign potentates around the planet.

Still, for all such defects in insight and execution, President Carter has not done at all badly in foreign policy. He has not, for example, wrought a Bay of Pigs, as my own administration did—though it may be that we had a greater capacity to learn from our mistakes. In any event, the President has earned a better than passing grade in the conduct of foreign affirs. Yet, even where he is right, he seems somehow to lack the skill—even perhaps the interest—required to build domestic support for his international positions.

On issue after issue on which he has had the better case, from the Panama Canal to SALT, he has surrendered the initiative and allowed himself to be thrown mysteriously on the defensive.

This is, I fear, part of a larger failure, one that applies to domestic as well as to foreign policy—the failure to understand that politics is ultimately an educational process. President Carter is a highly intelligent man. But his is the intelligence of an engineer, not that of a political leader. If the blueprint is clear to him, it ought to be, he evidently feels, instantly accepted by everyone else, especially when vouched for by a man of his superior moral rectitude. He seems indifferent to the responsibilities of explanation and persuasion, irritated by doubt and disagreement and uncomprehending of the role of Congress as the constitutional partner in forming national policy. And he seems bored by speech-making, though every great President we have had this century has known that the speech is the most effective means within a President's power to let the people know the direction in which he thinks the republic should move.

This leads to the deeper question: in what direction does President Carter think the republic should move? No one had any doubt about the direction in which the great Democratic leaders of this century—Bryan and Wilson, Roosevelt and Truman, Stevenson, the Kennedys and Johnson, Humphrey and McGovern—wanted to take the country. These men saw American democracy as constricted by wealth and privilege. They recognized that change is the law of life and that the fulfillment of American values requires the reform of American institutions. They were innovators, who understood that experiment, not dogma, is the way to progress. They had a vision of a fair and equitable society and used affirmative government as the means to achieve wider freedom and justice and especially to give the poor and the powerless a decent chance in American life.

Each of these leaders pursued this vision in the context of his times. FDR pursued it in a setting of depression and unemployment. Today President Carter faces domestic questions quite as fundamental and as intractable as the questions FDR faced in the 30s: notably the questions of inflation and energy.

No one really knows how to deal with these questions. The conservatives of course have their cherished remedies. For inflation: induce an economic slowdown and throw millions of people out of work; thereby placing the burden of the war against inflation on those least equipped to bear it. For energy: decontrol oil prices, thereby increasing inflation and oil company profits. Obviously gasoline prices must rise somewhat; Americans have no divine right to pay half as much for gas as Europeans do. But, after a point, when supply falls so far short of demand that rationing becomes inevitable, rationing by price is the most unfair form a ration system can possibly take—and rationing by price places the burden of the energy war on those least equipped to bear it.

The Carter administration's remedies are based on the theory that we can best cope with our problems by turning them over to the private market and keeping the government out of it. This is the conservative theory. It is the establishment theory. It is the Republican theory.

Actually we liberals have not done too well with these problems either. Our chairman tonight told us as long ago as 1952, "Inflation, more than depression, I regard as the clear and present economic danger of our times and one that is potentially more destructive of the values and amenities of democratic life"—a point he has reiterated at regular intervals ever since. Ambassador Galbraith was everlastingly right, as he will be the first to admit.

Unfortunately, all too few liberals listened. Even liberal economists over the last generation have steadily dismissed inflation as no worse than a bad cold and a low price to pay for high employment.

Thereby liberals foolishly relinquished what should have been our issue to the conservatives. For stable prices *is* a liberal issue. It was Franklin Roosevelt who said that the United States needed "the kind of dollar which a generation hence will have the same purchasing and debt-paying power." Instead of waving away inflation as a minor problem, liberals should have been thinking hard for a long time about the reasons why the modern economy has so inbred a propensity toward inflation and about the tough questions involved in constructing a national incomes policy. As for energy, though I am as committed an environmentalist as anyone, I wish the same intellectual concern and resourcefulness that have been expended over the last decade in the cause of environmental protection had been expended in the search for new means both of economizing energy use and of developing alternate energy sources. The liberals do not, alas, come to the issues of inflation and energy with clean hands.

Still I hope that liberals have not forgotten the liberal approach to questions that perplex the conventional wisdom. When depression and mass unemployment baffled the establishment half a century ago, Franklin Roosevelt said, "The country needs . . . bold, persistent experimentation. It is common sense to take a method and try it: If it fails, admit it frankly and try another. But above all, try something." Except for the part about admitting failure frankly, this is what the New Deal was all about. Like the problems of depression and mass unemployment in the 1930s, the problem of inflation and of energy today are not amenable to these every-one-for-himself, devil-take-the-hindmost, private-market solutions favored by the Carter administration. Such remedies exact a fearful social and human cost, and they won't work in the end.

A liberal administration in Washington today—a Democratic administration in the tradition of our great Democratic leaders—would take action to stop inflation by calling for selective direct controls over prices and wages; it would take action to equalize the burdens of energy conservation by proposing a realistic system of gasoline rationing. Moreover, it could do these things in the confidence, attested by the polls, that this is what a majority of Americans want. A wise liberal administration, I will add, would not regard controls and rationing as a permanent answer to the inflation and energy crisis. But it would see them as necessary ways to buy time for that process of social invention, innovation and experimentation that is the indispensable preliminary to lasting solutions.

President Carter, challenged by rising prices and declining energy, faced the choice between dogma and experiment, between consigning our problems to the private market or invoking the resources of public action. It is evident that what pretends to be a Democratic administration has deliberately and methodically chosen Republican policies. During his campaign for the Presidency, Jimmy Carter catered to cheap prejudice against government action. As President, he has systematically disparaged the role of government in the resolution of our problems. To find a Democratic President as ideologically conservative as Jimmy Carter, you have to go back nearly a century to Grover Cleveland.

Democratic administrations ought to be bristling with ideas. But, in his embrace of private-market dogma, President Carter has turned his back on the creative traditions of the modern Democratic party, as, in his embrace of the trickle-down theory, he has turned his back on the poor and the powerless. The Carter administration, Alan Greenspan, chairman of President Ford's Council of Economic Advisers said the other day, has adopted the same policies on inflation and energy that the Ford administration, if renewed, would have adopted. I will add, however, that there would have been one difference: had a Republican administration adopted such policies, the Democratic party would have been liberated to oppose them.

Now this situation creates an interesting impasse for our democratic process. The theory of our presidential elections is that they offer the voters a choice. It turns out that the election of 1976 offered very little in the way of choice. Even in foreign policy, a Ford administration would have gone ahead with the Panama Canal treaties, SALT, China, the Middle East, and would have had an easier time with them—because Democrats would have supported such initiatives anyway on their merits, and Republicans would have been harder put to oppose their own President. And on our two major domestic issues Ford and Carter are indistinguishable. The Democratic national chairman tells us that, if we oppose Carter's renomination, we will elect a Republican President. That is a great threat. The fact is that we elected a Republican President in 1976.

The nation is entitled to a choice in 1980. A choice will not only be better for the health of our democracy. It will also be better for the health of the Democratic party. For, when a liberal party dedicates itself to carrying our conservative policies, the voters are likely to prefer the genuine article. The Democratic party will never succeed as a timorous, respectable, standpat, conservative, private-market, pro-oil company, anti-government party, luxuriating in alibis of public impotence. It will succeed only as it reclaims its heritage—the heritage of concern and reform, of innovation and experiment, of commitment to the poor and the powerless.

Among our contemporary political figures, one man is preeminent as the embodiment and executor of that heritage. I speak, of course, of Senator Kennedy. He has proven himself a commanding figure in the Congress. The polls show him to be, despite the supposedly conservative temper of our times, the most popular political leader in the nation. He is splendidly qualified for the Presidency. But, as a friend and associate of his brothers, I must confess deep personal apprehension about his standing for the Presidency. He faces a decision of enormous human complexity and risk. We cannot lightly demand that he make this decision; certainly cannot demand that he make it far in advance of unpredictable political development. It is a tragedy for the country that this should be the situation; but the fact is that this is a tragic situation. Should events propel Senator Kennedy into the contest, he will receive a national outpouring of support. Should he conclude, as some close to him think he should conclude, not to become a candidate in 1980, the obligation still remains for the liberal movement to provide the Democratic party and the nation a serious choice.

For I cannot as an historian accept the cliché that the republic has taken some profound and irrevocable turn to the right. Our political history demonstrates an inherent cyclical rhythm in our public affairs. We customarily go through seasons of action, passion, reform and affirmative government, until the country is worn out; whereupon we long for respite and enter into seasons of quietism, apathy, cynicism and negative government. We are for the moment in the depressive phase of the cycle. But we will not be in that phase forever.

Recall the political history of the 20th century. The apathetic twenties succeeded the activist years of Theodore Roosevelt and Woodrow Wilson; the apathetic fifties succeed the activist years of Roosevelt and Truman; the apathetic seventies succeeded the activist years of Kennedy and Johnson. But two things always happen during these periods of quiescence and stagnation. The national batteries begin to recharge; and the problems we neglect in the years of indifference become acute and threaten to become unmanageable. We can be confident that sometime in the 1980s the dam will break, as it broke at the turn of the century, in the 1930s and in the 1960s. Our sense of adventure will revive. Our blood will start flowing again. There will be a breakthrough into a new political epoch, a new conviction of social possibility, a new demand for innovation and reform, new efforts to redeem the promise of American life.

This is the challenge to American liberalism. If the ADA has a mission in life, it is surely to keep the liberal banner flying in bad times as well as in good—so that we will have somewhere to march when better times come. As an eminent political leader once put it, "Why not the best?" Let those who will make their deals, seek their jobs, settle for the convenient and the expedient. If ADA does not insist on the best, what point is there in American liberalism? It is our obligation to insist on the best standards in the present—so that we may truly lay new foundations for the future.●

TRIBUTE TO THE LATE SENATOR FRANCIS CASE OF SOUTH DAKOTA

● Mr. PRESSLER. Mr. President, June 22 will mark the 17th anniversary of the death of Senator Francis Case, who represented South Dakota for 25 years in the U.S. Congress.

Senator Case's public service to our State and Nation has been an inspiration to me. Indeed, my own interest in public service stems from my experience in working as an aide on his staff when I was a student at the University of South Dakota.

Now, as a member of the Senate Committee on Environment and Public Works, I am pleased to have the opportunity to carry on in the areas of public works and water resources—interests Senator Case so ably represented when he was a member of this committee during his tenure in the U.S. Senate.

Senator Case was respected by all who knew him—his colleagues in Congress, his fellow South Dakotans, and members of his staff. An article written by Harold Schuler of Pierre, S. Dak., an assistant on his staff, attests to the high esteem in which he was held by all those whose paths he crossed.

Mr. President, I submit Harold Schuler's tribute to the late Senator Francis Case to be printed in the Record.

The statement follows:

TRIBUTE

(By Harold Schuler)

I was an Assistant to U.S. Senator Francis Case for eight years until his death on June 22, 1962. I was in his Senate Office in D.C. but the last four years I headed up his state office in Pierre, S.D.

For some reason I was the one who traveled with him during most of his South Dakota trips. I literally traveled with him thousands of miles and attended hundreds of civic, political, and governmental meetings with him.

During all those many times, I never saw him take a drink. I never saw him angry. I never heard him criticize another person other than a mild rebuke. His relations with the people he met in route were always genuine and sincere.

I am not implying that the was not political. In fact, we would drive a hundred miles out of our way if necessary to talk to a person who might have disagreed with his vote or position. He always remembered his political friends and especially those who worked for him in elections.

He never ran out of ideas as to what should be done to improve South Dakota and the nation.

Out in the field he was always writing when a person would be talking to him about their governmental problem. He never said, write to me or contact me at the office, but instead he considered this the meeting and took extensive notes. After a long trip in the state it was quite a task for all the staff to go through these notes and help him work out a solution to the problems of these citizens.

He always said he was a roads and water Senator. I think his greatest accomplishment was pioneering the legislation for the Interstate Highway System in the early fifties. During that time he was Roads Subcommittee Chairman in 1953–54 in the Senate Public Works Committee. Senator Gore of Tennessee was Chairman of this Highway Subcommittee in 1956 and 1958 and Senator Gore said, except for his (Francis Case) aid, I doubt if those bills could have been written and enacted.

Francis Case worked hard in the field of water development for South Dakota and the nation. He was the joint sponsor of Case-Wheeler Water Conservation Acts of 1937 and 1940 resulting in stock dams. His resolution adopted in 1939–40 by the House Committee on Flood Control produced the studies which led to the authorization of the Missouri River Flood Control Act of 1944.

Senator Dirksen in tribute to Senator Francis Case summed it all up with these words, "He gave more than he got."●

A COLD REALITY

● Mr. DOLE. Mr. President, the signing of the SALT II Treaty in Vienna last week by President Carter and the approaching debates on the treaty, have stimulated a great deal of commentary and searching analysis on the whole issue of arms control and national defense. As the leading power in the world on the side of freedom and individual self-determination, the United States finds itself inexorably bound up in questions of strategic political balance that necessarily become predicated on military and nuclear strength. Although a traditionally isolationist nation, by virtue of the very success of our traditional principles of liberty, self-reliance, and independence, we have been thrust many times in this century into the role of arbiter of world events. We cannot shirk the duties incumbent on our position any more than we can repudiate the ideals our Founding Fathers built into our system of government.

STRATEGIC POLICY

The argument over our strategic policy therefore, reflects the conflict this country has felt in the 20th century between our desire "to remain aloof from foreign conflicts" in George Washington's phrase, and the necessity to defend our own, and by extension, the free world's right to life, free will, and liberty. Our approach to the nuclear question reflects the basic question about who we are, and how we ought to interact on the global scene. As the world is revolutionized by technology and the increasingly complex web of interrelationships among nations, the United States is often placed in the situation where our interests impel us to action, even while events seem increasingly beyond our scope to control.

In the SALT process the Nation faces a new searching appraisal of where this country is headed with our future nuclear arms policy. The concept of nuclear deterrence may become increasingly vulnerable with the deployment of multiple warheads on missile systems. Mobile-based or multiple aim point launching systems as a counter to this threat may actually have a destabilizing effect on the political balance between rival systems of government. Concommitantly, the diffusion of nuclear-capable nations may soon remove significant levers of control in the effort to prevent occasions for nuclear holocaust, at least increasing the instability of any major-power arms limitation agreements.

These concerns will have to be addressed in the process of Senate advise and consent procedures. It is the belief of this Senator that as awareness grows on the ramifications of the SALT Treaty issues, a consensus must form on the direction our entire strategic policy must eventually take.

Mr. President, the noted columnist, George Will, recently spoke about this problem in a June 25 editorial, which I submit to be printed in the Record following my remarks as I believe it has great bearing and timeliness on the SALT debate.

The text of the editorial follows:

Carter's Cold World

(By George F. Will)

On Oct. 23, 1917, in trenches near Nancy, France, a gun of the American Expeditionary Force fired the first American shot into German lines. With that, says Henry Fairlie, the U.S. entered world history. But the U.S. only dipped a toe into that cold sea, and quickly pulled back. It has been a long, reluctant march to Vienna.

Americans wish 1919 had never ended, that foreign policy could be an intermittent and largely optional business. Americans did not feel permanently immersed in world history until they were dragged in by Central European events in 1948, when the Prague coup and the Berlin blockade awakened them to the cold war. In that year, policy was defined as "containment," and for seventeen years, debate primarily concerned implementation of that policy, not its premises. Vietnam shattered that consensus, but by 1972, wishful thinking had produced a new consensus: détente. The summit at which SALT I was signed produced, Nixon said, a "structure of cooperation" with the U.S.S.R.

That chimera was blown away by Soviet complicity in the Yom Kippur war, the destruction of South Vietnam, and by Cuban proxies in Africa. Yet, in 1977, President Carter chose a SALT negotiator who believed that arms control is primarily a matter of U.S. self-control. The U.S., according to Paul Warnke, is the U.S.S.R.'s only "superpower model" and so can "inspire" Soviet behavior. If so, U.S. restraint should inspire imitative restraint. But the Secretary of Defense, Harold Brown, says that Soviet military spending "has shown no response to U.S. restraint—when we build, they build; when we cut, they build."

Arms spending: In the last year alone, the U.S.S.R. has added 1,000 warheads to its strategic arsenal, nearly half the total number of U.S. land-based missiles. The Rand Corp. calculates that in the last decade the U.S.S.R. has spent $104 billion more than the U.S. on strategic arms. With that much additional spending, the U.S. could have paid for: all the B–1 bombers once planned (241 planes), the entire MX program (missiles and shelters), all Trident submarines and missiles, 7,000 XM–1 tanks, all currently planned procurement of tactical aircraft (F–14s, 15s, 16s, 18s and A–10s).

It was in Vienna in June 1961 that Khrushchev misread Kennedy, deciding that the President who had bungled the Bay of Pigs two months earlier would be similarly irresolute about the introduction of offensive missiles into Cuba. Humiliated in the missile crisis of October 1962, the U.S.S.R. accelerated its long climb toward the status of the world's foremost military power.

Edward Luttwak, a senior fellow at Georgetown University's Center for Strategic and International Studies, argues that, for the first time since 1945, the classic conditions for a big war are emerging.

The Soviet buildup will produce military superiority in the mid-1980s. But the longer-term Soviet future is clouded by economic stagnation, the diminishing appeal of the state ideology, various unfavorable demographic trends and, of course, China. "The result," says Luttwak, "is a fatal combination of operational optimism in the near term . . . with strategic pesssimism for the long term." So the Soviet leadership probably will find itself "under a powerful pressure to exploit its 'window' of military advantage in the 1980's in order to avert the bleak future awaiting it in the 1990s."

As Sen. Daniel P. Moynihan says, an argument about the future. Today's foreign-policy debate is comparable to the debate in Britain in the 1930s. That debate was about what inferences should be drawn from the evidence of German arms. Today, The Economist of London infers from the evidence of Soviet arms that Brezhnev "has equipped his country for an imperial role. The problem of the 1980s . . . will be to find ways of dissuading Russia from using its new-forged strength for imperial ends." But perhaps neither of the men who met in Vienna will be important in the 1980s. Both are ailing, one physically, the other politically. Neither is a good bet to be where he is two years from now.

The main business in Vienna SALT II, concerned a material basis of power, weapons. But events preceding the summit underscored political weaknesses on both sides. Pope John Paul II's homecoming was one of the great events of the postwar era. Religion is supposed to be the opiate of the masses but it has not had a noticeably sedative effect on Poland's surging, singing, clapping, praying masses. No Communist leader in Eastern Europe or the U.S.S.R. will ever hear such cheers. For 30 years, atheist regimes have been enforcing official ideology, yet Catholicism is the only mass movement in Eastern Europe; nothing else, least of all Communism, is a mass movement anywhere in the Communist world. Communist masses are moved to and fro, but by commands, not by the authorized ideas.

As Carter flew to Vienna, Louis Harris was discovering that the Democratic Party is less of a mass movement than it was in November 1976, 51 per cent of those polled identified themselves as Democrats. Today, 38 per cent do. The crumbling of Carter's foundations continues.

Icy ocean: Kennedy was the last President to enjoy the triumphal sweep of Presidential authority and discretion in foreign policy that developed under Roosevelt. That was done in by Vietnam, a commitment deepened by Kennedy as a show of strength after his Vienna summit. On the eve of Carter's Vienna summit, Carter reaffirmed a Rhodesia policy that had been resoundingly repudiated by the Senate, and it was promptly repudiated again. This strengthened the feeling in Washington that his foreign policy has been overtaken by events, and soon may be taken over by Congress.

In Washington, as elsewhere, only more so, one thing leads to another. In the Presidency, especially, events bump one another like billiard balls, passing along momentum. On the eve of the SALT debate, Carter risked Senate defiance on Rhodesia and got it. Defiance gets easier every time. The debate about SALT is, at bottom, about what the U.S. can do, militarily and diplomatically, to pull itself from the hole it is in. Every consideration touches, at some point, the question of Carter's judgment. His desire to continue sanctions against southern Africa's most democratic government, sanctions that benefit Communist guerrillas, does not help him.

Krushchev left Vienna in 1961 believing the U.S. was a strong nation weakly led. Brezhnev almost surely came to Vienna believing the U.S. is in decline. Consider Soviet behavior, from show trials that shredded the Helsinki agreement, through the aggressive policies in Vietnam, Angola, Mozambique, Ethiopia, South Yemen, Afghanistan, Cambodia, southern Africa and elsewhere. As Moynihan says: "If the Soviets had decided to be intentionally contemptuous, they need hardly have acted any differently." Clearly, the U.S. is waist-deep in the ocean of history, and the water is cold, icy cold.●

OUR GROWING DEPENDENCE ON FOREIGN SOURCES FOR FERTILIZERS

● Mr. BELLMON. Mr. President, we are becoming increasingly aware these days of the results of dependence on foreign energy supplies; however, a shortage of fuel is not the most serious problem the United States faces today. We face a far more dramatic problem—growing dependence on foreign sources for the fertilizers used to produce our food.

The fertilizers in question are those which are nitrogen based. Nitrogen-based fertilizers are produced from anhydrous ammonia which is primarily made from natural gas.

In past years as the United States was concerned about natural gas shortages, Mexico, the Soviet Union and oil-producing nations in the Middle East flared their natural gas as a waste product. In an attempt to put this natural gas to good use, the United States provided these nations with the equipment and technology necessary to produce anhydrous ammonia. Because the natural gas was being treated as a waste product, the cost of the raw material in the anhydrous ammonia was negligible, allowing foreign producers to ship us ammonia at a price far below U.S. costs of manufacture.

Mr. President, in 1974, the price for anhydrous ammonia was about $400 per ton. Today, in large part because of cheap foreign imports, the price is $85 per ton which is far below the price needed for American plants to amortize their costs. As a result, 29 anhydrous ammonia plants have closed in the United States during the past 2 years. These closing have come in Kansas, Texas, Georgia, Ohio, Arizona, Oklahoma, California, Louisiana, New Mexico, and West Virginia. A recently declassified CIA report warns that more closings can be expected here as the Soviet Union's increased production of anhydrous ammonia further cuts prices in the 1980's. The same can be expected as Mexican exports of anhydrous ammonia continue and as the Middle Eastern OPEC nations produce more of this vital nitrogen fertilizer feedstock.

As we have seen in our other dealings with the Organization of Petroleum Exporting Countries, dependence on foreign sources of supply when we have our own unrealized capabilities is a dangerous matter.

As our domestic anhydrous ammonia fertilizer plants continue to shut down, we are becoming increasingly more dependent on unstable foreign sources of agricultural fertilizer. Mr. President, the blunt facts are that some of those nations may succumb to revolution in the near future and some have a vested interest in seeing the fabric of our system torn. A disruption in the flow of the anhydrous ammonia supply could bring catastrophe on this Nation. At a minimum the United States would be exposed to a second and more virulent form of extortion.

Without nitrogen-based fertilizer our food production will be severely reduced. Bread lines will far outreach gas lines. Panic could grip this Nation as it never has before.

Last year, agricultural products provided $27.3 billion in export income for the United States. This year, the Department of Agriculture estimates U.S. agriculture will place $32 billion worth of goods on the world market. Without this volume of agricultural exports, the progress we have made in our balance of payments account will be reversed drastically. Our economy could not absorb such a shock. Neither could our economy absorb the shock of losing off-farm jobs which agriculture provides for transporters, processors, wholesalers, retailers and restaurateurs.

Because of the economic consequences inherent in the disruption of anhydrous ammonia supplies, our policies could be manipulated by the whims and aspirations of foreign nations. We would become malleable to protect what security we would have left. I believe we have already seen this willingness to bend to other nations' desires to protect our economic security in this administration's refusal to recognize the legitimacy of the new government in Zimbabwe-Rhodesia. In that case, we gave in to pressure from a major foreign source of petroleum.

Mr. President, I am frankly worried that a fundamental component of American agriculture can be denied the American farmer. I am extremely worried that this denial would be disastrous to the United States. Action must be taken soon to protect us from such havoc. It is my intention to propose effective legislation at an early date. To help my colleagues understand this problem, I ask that articles on this subject from Business Week, Fertilizer Progress, and the Jacksonville, Fla., Times-Union and Journal be printed in the Record.

The articles follow:

[From Business Week, Oct. 9, 1979]

The Carnage Imports Are Bringing to Fertilizer

For producers of ammonia and ammonia-type fertilizers, the last few months have been a bad dream turned nightmare. Transaction prices are now running 20 percent to 25 percent lower than a year ago, and demand for most fertilizer products is weak. The toll of ammonia plants that have shut down or severely cut operations in the past 18 months now runs to 25 out of 110 in the U.S.

The situation threatens to get much worse as foreign producers ship rapidly increasing amounts of anhydrous ammonia, the prime ingredient of nitrogen fertilizers, to the U.S. at prices that undercut domestic production costs. Imports of this ammonia could jump as much as 50 percent, or to 1.5 million short tons, in the fertilizer year that ends next June 30, importers estimate. By 1982, Mexico will have a further 2 million tons of ammonia ready for export, and the Soviet Union will also be vastly increasing the amount of fertilizer that it exports to the U.S.

MISREAD THE SITUATION

"I suppose the patient has to hemorrhage to death before you can put on a tourniquet," complains R. R. "Barney" Baxter, president and chief executive officer of CF Industries Inc., the huge cooperative that is the largest marketer and distributor of fertilizer in North America.

Baxter concedes that U.S. fertilizer producers have caused part of the problem themselves. They misread the situation in 1974 when the price of some nitrogen fertilizers in the U.S soared to more than $400 a ton—close to 200 percent over 1973—and rushed in to build new facilities at the same time. As a result, there is gross overcapacity in ammonia today. Total domestic nitrogen fertilizer consumption, of which ammonia is but a part, was only 17.9 million short tons last year, while production capacity was close to 26 million tons.

At the rate that the present situation is deteriorating, by the early 1980s half the supplies of nitrogen-based fertilizers in the U.S. will be imported from state-controlled economies, industry experts agree. That, charges a bitter Baxter, will be the real danger. "After you have killed the North American nitrogen industry, you're opening yourself up to another OPEC," he fumes. "And that means a threat to the long-term security of the most essential business that the U.S. has, its agribusiness."

NATURAL GAS

Baxter stops just short of accusing countries such as Mexico of dumping ammonia in the U.S., although he claims that imports are now coming in "10 percent below production costs" from plants that Pemex, the state-owned Mexican petroleum organization, has built on the Yucatan Peninsula.

These plants use gas that would otherwise be flared from Pemex oil wells to produce over 2 million tons of ammonia annually. Some 600,000 tons of this product could move into the U.S. this year. By 1980 some 2 million tons of ammonia from the Soviet Union will be imported by Occidental Petroleum Co. in exchange for U.S.-produced finished phosphate fertilizers.

Mexican producers are able to undercut U.S. ammonia prices because they pay only 25 cents per thousand cu. ft. (mcf) for the natural gas they use to make their ammonia, U.S. sources say. And for the Russians, there is a "negative value," or no cost at all, for their raw material. By comparison, U.S. producers are paying up to $2.55 per mcf for their natural gas, and prices could double by the early 1980s if Congress decides to release control over interstate natural gas prices, as now expected.

The differences in the relative economics already are staggering. In California, ammonia now lists for $161.50 a ton, say James H. Lindley, president of Valley Nitrogen Producers Inc., a cooperative of 5,000 California growers that has closed two of its four ammonia plants there despite inherent tax advantages to its members from keeping them open. It now takes $102 worth of natural gas and $30 worth of power to produce that ton of ammonia, according to Lindley. By comparison, ammonia entering the U.S. from Mexico is selling for $83.50 a ton.

The large cooperatives, which now control close to 50 percent of U.S. fertilizer production, are hurting because of the nitrogen situation. In the year that ended last June 30, CF's earnings plunged 67 percent, to $15.4 million, and those of Farmland Industries Inc., the nation's largest co-op, dropped 63 percent, to $31 million. But in even worse shape are some privately owned fertilizer producers whose profits have plummeted and who have little chance of recovering their investment in plants they have been forced to close.

DEFAULT

In the most trouble is Beker Industries Corp., of Greenwich, Conn. It booked a 1977 operating loss of $3.3 million on $175.8 million in sales but saw its net loss widen to $30.3 million, largely because of the write-off of two nitrogen-based fertilizer facilities in Carlsbad, N.M., and Courtright, Ont., and a urea plant, also in Carlsbad. "These facilities comprised about 85 percent of Beker's nitrogen capacity," says a senior executive. As a result, Beker defaulted in March for a second time on a $125 million credit arrangement that it has with eight U.S. banks.

Beker now has a new arrangement with its banks. To raise some $50 million in repayments before the end of December, it has agreed to sell a 50 percent interest in a phosphate mine and beneficiation plant it owns in Idaho to Western Cooperative Fertilizers Ltd., of Calgary. The phosphate fertilizer business is a bright spot in the industry right now, with prices an average of 12 percent above last year and with the export market running strongly.

"Beker may manage to hang on with what they will have left of a phosphate business," says a competitor. "But that is by no means sure." And in ammonia, even such a well-entrenched producer as Agrico Chemical Co., a subsidiary of Williams Cos., admits to real concern about the carnage in the next few years. "Gas costs will determine who runs and who doesn't," predicts Eugene B. Graves, Agrico's vice-president for planning and economics. He finds a further threat in electricity costs, which, he says, "are probably going up faster than gas."

For some fertilizer producers, high gas prices are producing something of a silver lining. International Minerals & Chemicals Corp. was forced to shut down one of its two ammonia plants in June for lack of sales. But because it owns its own natural gas feedstock, it is selling gas to pipelines instead of processing it into ammonia. Thereby, says Deneb Teleki, the company's director of agricultural economic analysis IMC is "losing less money."

SURVIVAL THROUGH EXPORT

By some estimates, IMC might remain in the gas business for quite a while. "I don't know anybody who believes that the ammonia market will turn around in the next three years," says Edwin M. Wheeler, president of the Fertilizer Institute, a trade organization. "Gas costs in Mexico, Trinidad, and Russia are going to be below ours, no matter what happens." As long as that persists, U.S. exports of nitrogen-based fertilizers may also be hard hit.

"The export market is the only thing that's preventing us from closing down our ammonia and urea facilities altogether," says a spokesman for one major producer. "Urea especially is in short supply on a worldwide basis and prices are relatively strong outside the U.S."

ONE HOPE

More urea-making capacity is being built in Europe and elsewhere, however. When those plants come on stream, they will be able to convert ammonia and sell it far cheaper in many markets than U.S. producers can.

U.S. producers may have one long-range hope: Delivery of imported ammonia, coming from as far away as Russia, could be erratic. Says Ray C. Early, fertilizer sales vice-president of Farmland Industries: "You've got to ask yourself, "Will I be able to depend on ammonia supplied by ship? Where will it be stored so that it's in position in time for seasonable application? What distribution system will these imports use?"

But the price advantage of imports is so great that fertilizer distributors will be working hard to solve such problems. "There is no question that a huge shakeout is coming in the U.S. nitrogen fertilizer business," says the executive vice-president of a major producer. "Right now we are making contingency plans for all our production facilities in this area. I'd wager that not only will there be fewer than half of today's ammonia plants still operating in the U.S. by 1982, but that the bulk of those shut down will have been closed permanently."

[From Fertilizer Progress, September–October 1978]

The Ammonia Dilemma: A Real Tear Jerker

(By John Douglas)

Four years ago, the price of ammonia ranged between $200 and $400 per ton. And it was difficult to find even at these prices. It seemed the price increases would never end. Predictions were rampant that the world would not have enough fertilizer throughout the remainder of the twentieth century. Long term contracts were being entered into at these high prices. But these were mostly destined to be broken.

RED INK IS UPON THE BOTTOM LINE

Construction contracts for new plants were being let even though the owners of the new plants were well aware that the price of raw materials would be very high before the plant opened. Today, the books of many of these producers reflect red ink in ever increasing magnitude.

A DILEMMA FOR SOME PRODUCERS

Today, with ammonia prices at $85, or below, the feedstock for over 20 percent of the world's ammonia is worth more than the ammonia it yields. Producers with these high feedstock costs truly face a dilemma.

GREAT EXPECTATIONS

Many of them have new plants that are among the most efficient in the world. They were built in expectations of providing one of the most necessary functions possible—helping produce more food to feed hungry people—and at the same time, make money for their owners.

TO PRODUCE—OR BUY?

These owners suddenly face a world surplus of such a magnitude that prices have decreased to the point that, in many cases, it is much more profitable to close a plant and buy ammonia than it is to continue production at current losses.

Let's investigate this dilemma from an economist's viewpoint—to try to pin down the scope of the problem, point out some of the results already evident, and look at what is likely to occur in the future.

WORLD NH_3 SUPPLY—DEMAND SITUATION

World supply and use of NH_3 for fertilizers in 1974 seemingly was in a very tight situation. Everyone wanted a little more than was available and prices skyrocketed. Between then and 1976, supply capacity increased as world ammonia capacity increased by 10 million metric tons N from 1973 to 1976. Production of nitrogen fertilizers in the same period increased from about 38 million metric tons N to about 44 million. Then in 1977 began the rapid increase in capacity which had been brought on, in great part, by the high prices and profits of 1973–74.

PRODUCTION INCREASES FASTER THAN DEMAND

In just two years since 1977, we have seen an added 15 million tons of anhydrous ammonia—or over 21 percent increase at a time when demand is increasing at a much lower rate. There is now a world surplus of ammonia capacity of a magnitude of 6–10 million tons of anhydrous ammonia, even with some plants already closed. And much more capacity is under construction.

PRICES HAVE TUMBLED

With this increasingly severe world surplus, world prices of ammonia have tumbled. From a high of around $400 per ton in late 1974 or early spring 1975, prices have dropped to $300—to $200—to $100—and now this spring, to $85 or below per ton. There have been numerous reports of imported ammonia being delivered to U.S. Gulf ports at below $100 C. & F. and some as low as $85 C. & F.

For foreign producers with surplus natural gas, and no alternate sale of that gas, this type upgrading and sale of that gas may be a completely logical course of action. It enables them to develop their nations and the technical skills of their people. It gives a better way of life to their people. And it fully repays them for the cost of the added investment while giving them a small return for the gas which otherwise would have been flared or capped. Thus, it is to their best economic interest to sell every ton they can make—even if world competitive situation does force the price below $100 per ton.

THE PREFERRED FEEDSTOCK

Today, about 68 percent of our world's supply of nitrogen is based upon natural gas. Increasingly, natural gas is becoming the preferred feedstock as new plants are built in massive numbers in areas which have surplus natural gas supplies. And the amount dependent on natural gas increases both on an absolute scale and in relative terms.

"SPECIAL CIRCUMSTANCE" FEEDSTOCK

In addition, we have about 15–17 percent of ammonia capacity which depends upon coal, coke-oven gas, refinery off-gas, electrolytic hydrogen, and other sources for its feedstock. In almost all cases, these plants are in countries or at locations which have very special sets of circumstances which dictate the economic or political viability of the projects. In almost all such cases, these plants are built with a specific local market in mind. Few were built to compete on the world market—and few are, in fact, vulnerable to any great degree to general problems encountered by the world market.

NAPHTHA AND/OR FUEL OIL FEEDSTOCK

But what of the others? TVA statistics indicate that about 15 percent of the world's ammonia capacity uses naphtha and/or fuel oil as a source of feedstock. In 1975, about 11 million tons nitrogen capacity was based on such feedstocks. Today, we have another 1.5 million. And over 1.2 million more capacity is under construction and scheduled onstream by 1980 using naphtha and/or fuel oil as a basic source of feedstock.

Economically, what faces this entire category of producers? In the 1960's, when the large majority of these plants were built, naphtha sold for $28–37 per ton. It takes about 0.8 tons of naphtha to produce a ton of ammonia. Thus, their feedstock then cost them about $30 per ton of ammonia produced. Then, in the early 1970's, the OPEC suddenly raised the prices of crude oil and the price of naphtha shot up to $125 per ton or more in many nations. And the price of fuel oil paralleled that of naphtha.

Overnight, these ammonia producers, who used naphtha or fuel oil, found themselves paying $100 per ton of ammonia produced—just for the feedstock alone. In addition, they were paying high cash labor costs which today probably average $10 per ton of ammonia produced. Then, by the time they pay for electricity, other utilities, catalysts, repair and maintenance parts and materials, there is another $10 cash cost per ton of ammonia produced.

CLOSE PLANTS—BUY PRODUCT AND SAVE

Today, this 15 percent of the world's ammonia capacity has cash out-of-pocket costs of $120 per ton for a product which is priced as low as $85 or less.

Let's assume that these producers need 400,000 tons of ammonia annually for sales. It is quite probable that today these producers can close their plants and buy the required ammonia with cash savings of $12-15 million each annually.

MORE OF THE SAD PICTURE

Even this does not reflect the whole sadness of the picture. The book costs must also include provision for depreciation before any profit can be shown to stockholders. And with ever-increasing construction costs, depreciation charges may well approach $20 per ton of ammonia—thus, putting "book costs" at $140 per ton. This means that the break-even point for this segment of producers is $140 per ton. And even this $140 cost figure includes no provision for return on investment.

PICTURE NOT BRIGHT FOR ROI

Few investments would be made at expectations of less than 20 percent pretax levels. And with investment costs per annual ton of production now running at $200–250, there would be another $40–50 per ton added. Thus, with world oil prices running at today's level, we would not expect to see more new commercial naphtha or fuel oil fired construction until the price of ammonia increases and stabilizes at the $180–190 per ton level.

PLANTS CLOSED IN EUROPE AND JAPAN

What has been the result of this sad economic mess facing the producers who use naphtha and/or fuel oil as a feedstock? Plants with about 2 million metric tons capacity have already been closed. Japan alone has closed 1.275 million tons of ammonia capacity and recent announcements indicate they will close another 20 percent of what is left. In Europe, about 725,000 tons ammonia capacity has already been closed, primarily in Italy and Spain. Others, such as ERT, have announced that they expect to close more naphtha- or oil-based plants and buy the ammonia which they need.

TEN MILLION MORE TONS OF CAPACITY MAY BE IDLED

We can't say how far or how fast this trend will continue. We can predict one thing with certainty: as long as the cost of fuel oil and naphtha remains at or above its present level and the world price of ammonia stays at or near its present low level, there will be increasing pressure to close more such plants. It is fairly safe to predict that, in the next few years, the price of crude oil and, therefore, the price of naphtha and fuel oil will not be significantly decreased. Between now and July 1980, then, it is easily predictable that up to 10 million tons additional capacity will be idled unless the world price of ammonia increases by at least $35–50 per ton.

THE U.S. SITUATION

In the United States, too, we've seen a massive buildup of large technically efficient new ammonia plants within the past two years. We now have operational plants with rated capacity of about 21.4 million short tons ammonia compared with about 17 million in 1974. We are producing ammonia at about a 17-million-ton-per-year rate compared with 15.6 million in 1974. Our production rates have not increased as rapidly as our capacity to produce and we now have significant excess production capacity.

IMPORTS HURT U.S. PRODUCTION

Much, if not all this excess capacity has, in truth, been generated by the rapid change in our import posture on nitrogen fertilizers. In 1973, we were net exporters of nitrogen fertilizers—by over 0.6 million tons. We lost this position in 1974 and through 1975 as our producers held more material for their U.S. customers. By 1977, we had become net importers—by about 0.6 million tons of nitrogen fertilizers. See figure 7. And in 1978, this probably was increased. Thus, the American farmer has ample supplies of bargain basement priced fertilizers, but portions of our own industrial empire wither and die under the assault of ammonia priced lower than many can produce it.

MORE IMPORTS TO COME

There are few bright clouds on the immediate horizon. Imports from Canada are increasing monthly. Mexican ammonia has begun to flow into the Gulf Coast and promises to become a real flood. The U.S.S.R.-Oxy deal has begun and Russian ammonia is coming in and threatens to increase. New plants in Trinidad promise, by 1980, to increase the inflow of ammonia even further.

PRICE DECREASES ARE NORMAL RESULT

Against this background of increasing surplus capacity, the normal result has been a decrease in prices of ammonia. Spot prices in the U.S. have closely approached those of the world markets. Based upon U.S. Department of Commerce statistics, average prices of ammonia decreased from $152 per ton in 1975 to about $118 per ton in 1978. Since then, it is safe to estimate that they have decreased further to $85–$90 by 1978. And we all know that much ammonia sold this year at $80 or below f.o.b. producing point. See figure 9.

NATURAL GAS COST HAS SKYROCKETED

Meanwhile, as we wait for a national energy policy to be developed, the cost of natural gas to ammonia producers has skyrocketed. Intrastate gas has gone well above $2.00 per M.c.f., and generally, only intrastate gas has been available to potential new producers. In 1976, none of our ammonia producers was known to be paying $2.00 for their gas. Now, it is estimated that 26 percent of U.S. capacity is based upon gas costing between $2.00 and $2.50 per M.c.f., probably averaging $2.20. Another 11 percent is based on gas at $1.50 or more, much of which can be expected to be over $2.00 before 1980 See figure 10.

NEW EFFICIENT PLANTS FACE THE REAL DILEMMA

Producers who installed new plants to keep our nation self sufficient in the most vital nitrogen resource are paying $2.00 or more per M.c.f. And it is suddenly clear that these are the people who face the biggest economic troubles in this time of general surplus capacity and resulting depressed market prices. It is not the old, small, supposedly inefficient plant—with low gas prices on long term contract who is suffering. It is rather the newer plant with high priced intrastate gas contracts—or gas which they own and could sell for more than they get for the ammonia if they close their ammonia plant—who face a real dilemma.

OUT-OF-POCKET COSTS $100 A TON

It takes about 37.5 M.c.f. of natural gas to produce a ton of ammonia. At $2.20 per M.c.f., feedstock costs $82.50 per ton of ammonia. Other out-of-pocket cash costs will easily average another $17.50 per ton—or even more if the plant operates at less than full capacity. Thus, total cash costs, then, approximate $100 per ton.

THE SUM OF $120 PER TON TO REOPEN IDLE PLANTS

Such a producer who needs 400,000 tons of ammonia can close his plant at today's market level and save $6 million or more a year by buying ammonia rather than producing it. See figure 11. Once closed, few of these plants will reopen until the cost-price situation gets back to at least a book break-even point. This means an addition of up to $20 per ton to cover normal depreciation charges. Few will reopen until the price level reaches $120 per ton and the natural gas price is stabilized.

THE SUM OF $160 TO $170 PER TON TO TRIGGER NEW PLANTS

And the price level of ammonia must reach appreciably higher levels before we can afford to build any number of additional new plants in the United States. With a pretax return on investment need of at least 20 percent, we can safely predict little, if any, new ammonia plant construction in our nation until the price of ammonia reaches $160–170.

SEVENTEEN PLANTS ALREADY IDLE

And what has been the result of such an economic situation? As of June 1, 1978, there were 17 plants which were already idle—or had already announced that they would be idled within the month. These plants had a total rated annual capacity of about 2.75 million tons of anhydrous ammonia.

A LUXURY WE CAN'T AFFORD

And as a staff member of a major producer stated to me recently, "We, as well as many others, are actively studying the alternative of closing our plant and buying ammonia, even though our plant is brand new and technically one of the most efficient on earth. It simply costs us more out-of-pocket cash to produce ammonia than to buy it. We can't afford it much longer. It's eating up the returns of all the rest of our operation."

MORE AND MORE DEPENDENCE ON FOREIGN SUPPLY

Again, it is impossible to predict precisely how many more, or when, additional plants will close in the United States. It is quite safe, however, to predict that, unless gas prices go down—or ammonia prices go up—ammonia producers in the U.S. will close up to 5.0 million tons additional capacity by 1980. See figure 12. And the U.S., with all its vast industrial might, will become increasingly dependent upon other nations for our supply of this vital commodity—nitrogen fertilizer. And we shall have lost more of our power as a nation.

REBUTTAL

It would not be entirely truthful and honest to close this paper without pointing out one or two other economic and historical facts. And these facts dictate mightily against the severity of some of the above predictions ever being felt by the world or by the United States.

Fact I. Historically, in all periods of economic surplus of a material and resulting depressed prices, plants scheduled to come on-stream are delayed. Thus, instead of the world having the now projected 98.5 million metric tons nitrogen capacity in effect by 1980—many plants will be delayed and total capacity will be less than projected.

Fact II. If all the plants losing money on feedstock costs were to close, we would not then have enough capacity left in being to produce the nitrogen needed for vital food production. Long before this happens, the normal market forces will take place and prices will improve significantly over those of today.

[From the Jacksonville (Fla.) Times-Union and Journal, Apr. 22, 1979]

West-Financed Plants in Russia Glutting U.S. Ammonia Market

ATLANTA (AP)—A glut of ammonia imported from plants built in Russia with Western financing has driven at least 29 U.S. plants out of production, the Atlanta Journal-Constitution reported in Sunday editions.

Ammonia, made from natural gas, is used in production of the nitrogen component of fertilizer and has a variety of other industrial uses.

The newspaper said the closed plants represent about 20 percent of total U.S. production capacity.

The newspaper said Western nations and banks have been willing to lend Russia money for construction of chemical plants because most of the money is returned in the form of contracts to build the plants.

The Occidental Petroleum Corp. has contracts calling for the sale in the United States of 6 million tons of Russian ammonia over the next decade.

A recently declassified study by the Central Intelligence Agency warns that during the 1980s ammonia from the Soviet Union will cause intense competition, low prices and further domestic plant closings, the newspaper said.

The domestic market price for ammonia dropped from more than $300 a ton in 1975 to under $100 at the beginning of this year, as imports, have increased, the newspaper said. Industry figures show that 29 plants in 10 states, representing 20.1 percent of U.S. production capacity, have closed in the past 18 months.

Plants have been closed in Georgia, Ohio, Texas, New Mexico, California, West Virginia, Louisiana, Oklahoma, Arizona and Kansas.

"If we as a nation and as an industry permit this thing to go so far that we are at the mercy of foreign suppliers, then we will be in trouble," said Frank Wooten, a vice president of Kaiser Aluminum and Chemical Co. Kaiser is buying Russian ammonia from Occidental and has shut one of its own ammonia plants in Savannah.

"But I would like to think that before that happens, the country would take some action. We don't want to get 50 percent dependent on the Russians or the Mideast or the Mexicans or anyone else."●

SARAH McCLENDON

● Mr. BENTSEN. Mr. President, Sarah McClendon has been a pioneer in the women's movement. She carved out a place for herself in Washington at a time when our Nation's capital was indeed a man's world. Sarah has been known to every President from Franklin Delano Roosevelt to James Earl Carter as a tough questioner and incisive reporter. And I might add, Mr. President, that she can be an even tougher questioner of Members of Congress. Her goal is now, and has always been, to inform her readers faithfully.

I am pleased to note that Ms. McClendon has recently launched a new nationally syndicated column. I ask that one of her first columns in this new venture be printed in the Record in its entirety.

The column follows:

Hydrogen Could Solve U.S. Energy Needs

(By Sarah McClendon)

There is another way for the United States to escape its present crisis and obtain energy to run its factories, heat its homes, cook its food and operate its automobiles, says Dr. Harvey Silverstein, assistant professor of Internation Studies, University of South Carolina.

It is using hydrogen as fuel. This is not a new source of energy, but a new system for delivery of energy, produced from hydroelectric plants, solar plants or nuclear reactors. Since hydrogen power can be produced by other means, we could choose whether to use or reject nuclear reactors. Hydrogen can be produced by electrolysis, waves, wind and tides. It can even be obtained from windmills serving one family or 40 families, according to Scientific American.

Hydrogen as fuel is given scant attention these days by the U.S. Department of Energy and the National Science Foundation when one considers the vast amount of money spent on other research. Why? The U.S. Government knows about it. The, now defunct, Atomic Energy Commission worked on it in the '60s. The National Aeronautics and Space Administration has proven its value. For some reason, most research is being done not by the federal government but by the same major oil companies now busy consolidating their ownership of energy sources—coal mines, oil shale deposits and solar sites. And, hard though it may seem to believe, you may even find engineers building gigantic nuclear reactors who will profess ignorance of how hydrogen power would work.

Other countries around the world are fascinated by it, as shown by the Second World

Hydrogen Energy Conference in Zurich, Switzerland, which Dr. Silverstein attended last summer and where he drove a hydrogen-powered Mercedes from Germany. Norway leads the world in hydrogen fuel applications, selling giant electrolizers to other nations. Japan, which will host a similar conference in 1980, is experimenting with waves to produce electric power, probably as a way station to a hydrogen energy based economy.

Dr. Silverstein and physics Prof. E. R. Jones of the same University at Columbia, S.C., point out that any sixth-grade science student is familiar with producing hydrogen by running an electric current through water. So, hydrogen is not new, but today what makes it important, they say, is that its use would not be accompanied by radiation spouting nuclear wastes, only the by-product of harmless water.

Hydrogen can be stored as energy bars or cassettes for insertion in one's automobile at an H-Station, with the cost of what would be approximately equivalent to a gallon of gas at roughly $2. Improvements in both cost and its use for automobiles would undoubtedly follow if such a system were adopted. Hydrogen fuel can be used to run supersonic jet transport planes with far less weight problem than their present fuel, kerosene. Hydrogen can run turbine engines, even submarines. The Massachusetts Institute of Technology demonstrated this. Today, a bus operates on it in Riverside, Calif. and a lawn tractor and Cadillac in Utah.

Hydrogen can be manufactured into fuel in excess, stored and transmitted in existing pipelines with only slight modifications. It can provide heating and air cooling systems for homes and fuel for the kitchen stove with certain modifications. Homes would not require chimneys, vent systems, central heating or humidifiers.

When could this new system be started? Today, says Silverstein.

Is it economical? "Yes, for the long haul and short haul, taking into consideration that presently used fossil fuels are heavily subsidized secretly by the U.S. government," he says. The subsidy to which he refers is mainly concentrated in the military weapons field.

Is hydrogen fuel safe? "There is far less chance of passengers being burned to death in a hydrogen fire in an automobile than in one where gasoline is used," he says. He cites tests conducted on automobiles. The hydrogen fire shoots upwards and is usually out quickly, whereas gasoline usually obliterates the passenger compartment. For home use it is recommended that an oderant be put in hydrogen as is now used in natural gas, also that an illuminant be added to hydrogen which is not visible when burning.

The world mainly knows about hydrogen from the Hindenburg fire near Lakehurst, N.J. But there, the scientists cite, 67 of the 92 passengers survived, and, of those who perished, many died because they jumped from the craft.

With hydrogen systems, there would be no poisonous hydrocarbons for us to breathe and which endanger the ozone layer surrounding our planet. The world would be "a far cleaner place to live in than it is today," says the Scientific American.●

PROOF EXPLOSIVES TAGGING LEADS TO BOMBERS

● Mr. JAVITS. Mr. President, the Committee on Governmental Affairs this spring completed its hearings on S. 333, the Omnibus Antiterrorism Act. One of the key provisions of that legislation would require that explosives manufactured in this country contain an inexpensive and harmless tagging substance. During the hearing the tagging provisions were the subject of much discussion. Opponents of explosives tagging cited as a major objection the lack of proof that tagging could actually lead law enforcement officials to bombers engaged in terrorist activities. I would therefore like to share with my colleagues a recent article from the New York Times, entitled, "Tagging Bombs, Trapping Bombers," which offers just such proof. I submit the text of the article for printing in the RECORD.

The article follows:

TAGGING BOMBS, TRAPPING BOMBERS

(By Richard D. Lyons)

WASHINGTON.—Nathan A. Allen left his job on the swing shift at the Bethlehem Steel plant in Sparrows Point, Md., one day last month, walked to his Dodge pickup in the company lot, got in, inserted the ignition key, and turned it. In the split second that the key actuated the starter it also energized a blasting cap that in turn detonated two sticks of dynamite under the driver's seat. Mr. Allen was catapulted outward through the windshield, mortally wounded.

But for a quirk of fate, the murder of the 45-year-old steelworker probably would have gone unsolved. About 1,000 bombings take place in the United States each year, yet in 11 out of 12 cases not even an arrest is made because explosives are virtually impossible to trace, no matter how diligent the police work. Millions of hours of detective work have been invested in trying to solve the 1975 LaGuardia Airport bombing in which 11 persons were killed. To date not even the type of explosive used has been identified, much less who made and set that device.

But now there is a way to trace the explosives used in bombs, a method unknown to the person who planted the dynamite under Mr. Allen's seat. When police searched the remains of the pickup for clues, they found tiny amounts of explosive that had not been detonated. The shards were sent to the laboratory of the Bureau of Alcohol, Tobacco and Firearms in nearby Rockville, Md. There Treasury Department scientists, examining the evidence under a microscope, discovered that the dynamite contained "taggants."

Taggants are tiny chips of layered paint, one coat upon another like layers in a cake, each chip about the size of a piece of coarsely ground pepper. A typical identification taggant might consist of 10 different colored layers, including one composed of extremely fine particles of iron, so that the taggant can be extracted with a magnet.

As many as 10 billion different color combinations are possible, so in theory, if each batch of explosives were distinctly tagged, the color code registered, and records kept of shipments to explosives dealers and sales to the public, the purchaser of an explosive could be identified after the explosive was detonated.

At least that was the idea thought up five years ago by the bureau's Advisory Committee on Explosive Tagging, which wanted to counter a rash of plane hijackings. After getting advice and technical help from the 3M Corporation, which developed the taggants, the DuPont Corporation, a major explosives maker, and management groups such as the Aerospace Corporation, a think tank, the bureau started an experimental program with selected batches of explosives, less than one percent of those manufactured since 1977. The number of batches was so small that no one even considered the possibility of solving a crime with a tagged lot until the murder of Mr. Allen.

Examination of the evidence at Sparrows Point disclosed the presence of the taggants, which, in turn, were found through the records of the DuPont Corporation to have been placed in a five-pound batch of Tovex 220 dynamite sticks bearing a date/shift code required by Federal law. DuPont records carried Federal agents to the Jenkins Explosives Company in Martinsburg, W. Va.

According to the affidavit supporting the arrest warrant served early last week, "on March 11, 1979, a person identifying himself as James L. McFillin purchased two sticks of Tovex 220, 1¼-by-8-inches, date/shift code 8DE02A0146 . . . and two DuPont electric blasting caps." The affidavit went on to state that Mr. McFillin had given the owner of the store, Lawrence Jenkins, a Martinsburg address, had shown his West Virginia driver's license, whose serial number was recorded, and said he wanted the dynamite to blow up tree stumps.

On Mr. McFillen's arrest in Martinsburg last week, Federal agents said he told them he had indeed bought the explosives, had brought them to his home and had stored them in his garage. A search of the garage did not turn up any dynamite, but questioning of relatives revealed that Mr. Allen and Mr. McFillen had argued over a woman. Mr. McFillen is now being held on $250,000 bond pending extradition to Maryland on a series of charges involving violations of the explosives laws. While a formal indictment has yet to be made, he probably will be charged with and tried for murder, an unusual charge in a crime involving explosives.

The initial goal of the taggant work was prevention of plane hijackings by making it easier to detect bombs about to be placed on aircraft and then tracing the explosives if detection failed and detonation occurred. Being tested now are even more exotic taggants. These capsules of inert vapor would show up when they passed through an airport screening device.

While protecting planes and their passengers was the original intent of the taggant program, in the last several years it has been broadened toward the protection of any potential terrorist target. Legislation has been before Congress for several years that attempts to deal with terrorism by toughening the penalties for bombings and making bomb threats, cutting off aid to countries that harbor terrorists, offering antiterrorist assistance to foreign governments that seek it, and further expanding the experimental taggant program.

Several thousand pages of testimony have been taken from more than a score of witnesses, some of whom represent airlines and aircraft pilots who favor the legislation. Not so the explosives industry and groups representing gun owners, such as the National Rifle Association. Virtually to a man, the spokesmen for the latter group have testified that the costs of tagging all explosives would be enormous, that the tagged explosives might in some way be more unstable and thus likely to detonate spontaneously, and that there was no proof that a taggant could trace a bombing to a buyer.

Responding to such criticisms, Richard J. Davis, who as Assistant Secretary of the Treasury is in charge of the taggant program, conceded that it "is no panacea to the problem of instantly solving the explosives crime, but it will solve some bombings. The extent to which it is successful depends on how fast it is put into operation." Despite that advice, antiterrorist bill is expected to be reported out of the House Public Works and Transportation Committee this week, with the taggant section deleted. The word among insiders around Capitol Hill is "the taggant section was mugged by the gun lobby."●

SENATOR JOHN GLENN DISCUSSES U.S. POLICY IN ASIA

● Mr. MUSKIE. Mr. President, our distinguished colleague from Ohio, Senator JOHN GLENN, spoke recently to the Council on Foreign Relations on U.S. Policy in Asia. As chairman of the Foreign Relations Subcommittee on East Asian and Pacific Affairs, Senator GLENN is uniquely qualified to give a congressional perspective on the key economic, social, and political issues in the region.

Each of us, of course, have ideas about the region and U.S. relations in the area, but I think all of us will find Senator GLENN'S comments informative and useful.

One particularly interesting proposal Senator GLENN advanced is for the United States to encourage establishment of an institution through which Asian nations can coordinate efforts to solve their region's economic problems.

To share his speech with my colleagues, I ask that his remarks of June 8, 1979, to the Council on Foreign Relations in New York, be printed in the RECORD.

The remarks follow:

U.S. POLICY IN ASIA: A VIEW FROM CAPITOL HILL

(By Senator JOHN GLENN)

No one in this room tonight will be surprised. . . . when I say that the United States' involvement in East Asia and the growing importance of this region in our foreign policy is an inescapable reality. We need only remind ourselves that America's last three wars began in Asia, and that the only foreign attacks on American soil since 1812 have taken place on our Pacific, not our Atlantic flanks. So in some sense I am preaching to the choir. . . . but I'm sure you also appreciate that recognizing this reality and developing a coherent and successful Asian policy are two entirely different matters.

In formulating our policy we must consider a multitude of national actors and the region's wide diversity in culture, attitudes, and politics. An important element of the equation is our relationship with the Soviet Union. We both are involved because we physically are Pacific states, with fundamental security and superpower interests at stake in the region. Similarly, the major regional powers—China and Japan—as well as the other nations in the area have their own vital interests to protect. But of course these security issues are not our only concern. We still must factor in the whole array of economic, political, cultural and humanitarian interests of all involved—19 countries the last time I checked. This underscores my belief that Asia is the least homogeneous of the world's major regions.

Although Asia today is an arena of complex interaction among the various actors that has elements of both competition and cooperation, we are in Asia to stay and have a major role to play in insuring that peace and prosperity, not war and famine, are maintained.

What I would like to do tonight is to review in a general fashion the present situation in East Asia, some of the problems I see frustrating our hopes for the future and then to offer some policy suggestions from the perspective of American interests in the region.

THE REGION: AN OVERVIEW

The post-Vietnam period in Asia has been in many ways a "Era of Uncertainty." Peace and stability in the region have proven elusive. This period has seen the emergence of:

The perception by friend and foe alike of the U.S. disintegration from Asia, that we lacked the resolve to meet our remaining commitments;

The Soviet Union eager to play a more active role, but vulnerable due to its own Asian nationalities problems and heavy handed tactics;

China—despite its new normal relationship with the U.S.—faced with heightened threats in its northern and southern borders and simultaneously struggling to modernize its economy.

A bellicose and expansionistic Vietnam dominant not only in what was formerly South Vietnam, but also now in Laos and Cambodia;

The ASEAN countries attempting to cooperate where possible, hopefully a counterweight to Vietnamese and Soviet activities in the region;

Continuing tension on the Korean peninsula where Kim Il Sung remains intent on expanding his military might;

Australia and New Zealand with new doubts concerning the U.S. connection, steering a more independent course; and

The region's economic giant, Japan, reestablishing ancient ties with China and playing a more active diplomatic role in regional affairs.

In sum, there is at present a constantly shifting equilibrium in Asia that will require adroit diplomatic maneuvering in order to create and maintain balances and minimize the danger of military conflict.

NATIONAL ACTORS

As I mentioned earlier, each of the major Asian actors has its own unique position and interests in the region. Let me highlight some of the major elements in each case:

China. China is a focal point for Asian developments, if only by virtue of the central geographic location which from the earliest times led the Chinese to regard themselves as the "Middle Kingdom." The sources of China's modern power and influence include its vast population—960 million by the Chinese' own latest estimate—its three million man military establishment and substantial nuclear capacity, as well as its great if still largely undeveloped, economic potential.

China's policy in Asia and its relationships with other states of the region are heavily influenced by its desire to limit Soviet influence. The recent period has seen China adopt a relatively more flexible approach to the non-communist states, particularly the five Southeast Asian states of ASEAN, and an openly hostile posture towards its strongest Southeast Asian communist neighbor, Vietnam. The improvement of US-PRC relations brought about by normalization does not eliminate continuing US-PRC differences, but it does restore maneuverability in U.S. foreign policy decisions in this area.

China's other interests in the region include economic modernization, the attraction of capital for its development program, and a general interest in the welfare and the cultivation of ties with the large overseas Chinese communities in the area.

Soviet Union. Unlike other powers in the region, the Soviet Union's almost sole currency in East Asia is military might. The Soviets are unable to translate military power into political influence and are not well-regarded by most Asians. For the Soviet Union, traditional Russian interests in securing control over the vast and sparsely populated territories of Russian Asia form a backdrop to its continuing nervous confrontation with China along their extended common border. In direct support of its interest in containing Chinese influence in Asia, the USSR is actively engaged in consolidating its relationships with Vietnam. The Soviets also hope to call on Japanese capital and technology in the development of the natural resources of eastern Siberia.

The Soviets have suffered periodic reverses in their relations with the non-Communist Asian states, most dramatically in the aftermath of the unsuccessful communist coup in Indonesia in 1965. But, the Soviets are doing whatever they can to nurture these relationships, and the states of the region are generally willing to deal with them as a balance to China and a hedge against the possibility of declining Western support. Yet, China, Japan and the United States now present a formidable obstacle to Soviet and Vietnamese expansion.

Japan. Japan, the region's dominant economic power and increasingly an important global actor, is now feeling the burdens of its success. Although Japan's eschewing of security responsibilities in the region has properly meant that Japan is not a military factor, Japan's increasing prosperity has inevitably led to pressures on Japan to assume more varied responsibilities in the region. I, for one, would welcome a much greater Japanese role in such matters as handling refugee problems. Japan now faces the potentially-painful process of adjusting its keen competitive instincts, developed out of the deep-seated economic insecurities of a resource-poor island nation, to account for the responsibilities toward the rest of the region that come with its hard-won preeminence.

For Japan, and the United States, close mutual cooperation remains essential. Both are also beneficiaries of the lack of a similar degree of cooperation between the communist powers in Asia. Japan will undoubtedly continue its efforts to improve its relations with the Soviet Union, but it is unlikely to shift from its current relative emphasis on broadening and deepening its relationship with China.

United States. Finally, the United States has in the past decade been undergoing its own sometimes painful process of readjustment from the era in which America's military and economic dominance granted it an undisputed leadership role to the far more ambiguous and complex circumstances of the post-Vietnam period.

U.S. POLICIES

U.S. diplomacy, particularly at the beginning of President Carter's administration, moved at high velocity through a staccato series of events. Rapid, seemingly disjointed policy initiatives disturbed our friends and caused them to question our willingness to honor our commitments. In truth, the President inherited many problems, and the end of the Vietnam war obviously signalled the need for some changes, but I think we went too far and cast grave doubts about our intentions and role in East Asia when we for example:

Unilaterally declared our intent not to send military forces into the Indian Ocean area;

Conducted a nuclear debate with Japan, the nation least likely to develop nuclear weapons;

Announced a withdrawal of American ground troops from Korea based on an arbitrary time schedule without due regard to the balance of forces;

Publicly cast doubt upon the role of bases in the Philippines; and

Assailed our allies, but not our foes, over human rights.

I am glad to acknowledge that since 1977 these doubts have receded somewhat as our policy has become more coherent. We have turned the corner and are on the right track. And let there be no doubt we will fully honor our treaty commitments and executive agreements with Japan, Korea, Thailand, the Philippines, ANZUS and Taiwan. We have vital interests in the region and intend to remain an active partner for constructive growth and change.

In the security sphere, like Britain of old, we cannot allow a hostile power to dominate the region. Our relationship with Japan is clearly of crucial importance. With its economic might, Japan can help build a congenial regional order or, if hostile, can threaten American security. Indeed, an alliance of Chinese manpower and Japanese managerial and technical skills would produce a truly formidable opponent. Likewise, a resurrection of a Sino-Soviet alliance, although extremely doubtful, would be severely troubling. Korea's proximity to China, the Soviet Union and Japan, coupled with our own role there, means that any conflict on the Korean peninsula would threaten the present uneasy equilibrium in the region. This demands a continuing high priority to the deterrence of renewed conflict in Korea.

Politically, the U.S. has well-established friendship in East Asia, as well as the reciprocal responsibilities that inevitably accompany such relationships. We perhaps began the decolonization movement in East Asia when we promised independence to the Philippines in 1935. The ANZUS alliance cements a tie originally forged in war. Japan has become a true success story of democratic government and of the transformation of enmity into firm friendship. We are likewise striving to develop more cordial ties with other more recent adversaries in the region. Significantly, for the first time since the 1930's, the U.S. does not now have to make a choice between relationships with China and Japan. Continued attentiveness to all these relationships is of no small importance to our overall interests and position in the region.

ECONOMIC AND DEVELOPMENT PROBLEMS

Economically, however, Asia faces a variety of perplexing problems:

The region is caught in a grim race between population growth and food supply. The twin terrors of flood and drought insure the perpetual insecurity of food production. Existing food stocks are plagued by inadequate storage. The net result is an ever-increasing potential for widespread malnutrition. In a real crisis, palliatives would be quickly exhausted and we would be faced with human misery on a vast scale, graphically visible in full color on our living room televisions. And yet, morally acceptable fundamental solutions remain elusive.

Economic development is now the nearly universal goal of the region's governments, and the measure against which those governments are increasingly judged by their peoples. But in much of the region performance still lags far behind the promises. Capital accumulation remains limited due to low income levels. Human skills are not fully developed. And decades of study and investment have yet to produce the alchemist's stone of economic development, the crucial formula for changing attitudes and social structures.

Growing trade imbalances have the potential for disrupting political relationships in the region. Asian states fear a continuing surge of protectionism in Western markets, the Chinese loom as future competitors, the U.S. suffers from a massive trade deficit, and the tremors of change are shaking the Japanese economic system. Differences of view over trade practices and the appropriate degree of government support for private enterprise, over how to approach stabilization of commodity markets, and over the necessity for basic industrial adjustment to changing trade patterns are all potentially disruptive issues if permitted to fester.

East Asia is also critically—if not uniquely—vulnerable in its sources of energy. Japan is dependent on the Persian Gulf for 80% of its oil; the other growing economies of Asia are in an analogous position. Although regional sources of oil do exist—Indonesia, Malaysia and at least in a potential sense Chinese and offshore fields—the sea lanes through the Malacca Straits will remain the strategic energy lifeline for East Asia for the indefinite future. Should Persian Gulf supplies be cut off at their source, or should the sea lanes be blocked, the economy of Asia would face death by strangulation. Resource insecurity was an important contributing factor in the outbreak of the Second World War in Asia; a further cataclysm trigged by the denial of critical resources cannot be considered beyond the realm of possibility.

And finally, continuing upheavals in the region are producing population movements which threaten to have a profoundly destabilizing impact on many countries. Refugee flows in East Asia are now running at a rate of over a third of a million people annually and are still growing. These flows are producing increasing problems for the neighboring states which bear the immediate brunt of the exodus and for others, such as the United States, which provide the ultimate haven for so many of the refugees. Clearly we must continue to meet the immediate humanitarian requirements of this situation. Yet the disruptive potential of this problem will not be defused until the causal problems are dealt with and ways are found to induce the countries which are the source of these waves of refugees to face up to their own responsibility to provide tolerable conditions of life for all their people. This in turn would appear to be impossible in the absence of a concerted approach by all the region's powers, but thus far all concerned have reacted to this problem on a highly individual basis, in accordance only with their own views of their immediate interest and responsibilities.

In another sense, these upheavals in the region also reflect the basic fact that nationalism remains a driving force in the minds of Asians. The wounds of Western imperialism still persist. As the Burmese leader Ba Maw said in 1943, "My Asiatic blood has always called to other Asiatics." This same view was reflected in the 1955 Bandung Conference, the founding of ASEAN, and President Marcos' 1975 Peking speech. No superpower is immune. Conversely, the danger of political archaeology also threatens all these states. The family is still the pillar of Asian society; the Philippine barrio is more important than the national government. Racial minorities, the Chinese in Malaysia, the Koreans in Japan, the Uighurs of Sinkiang Province in China, illustrate the wide-ranging potential for further disorder from this source.

Despite the continuing development problems plaguing parts of the region, East Asia is the world's most dynamic growth center. It is the only region in the world that has averaged a real growth rate in the 6 to 10 percent range over the past decade. U.S. two-way trade with East Asia currently exceeds $70 billion annually and has exceeded our two-way trade with Europe since 1972.

U.S. direct investment in the region now exceeds $16 billion. Thus, our economy is intimately tied into Asia. Indeed, the U.S. trade deficit with the region in 1978 was about $20 billion. Likewise, access to the U.S. market is vital to Asian prosperity, particularly that of Japan. Economically, East Asia is a major source of raw materials, finished goods, and a potentially vast market containing fully a third of mankind. The United States, however, must gear up its export potential to offset our deficit and Japan, in particular, must invest more in the U.S., or trouble looms for all.

COOPERATION AND COMPETITION

The relationship between the interests of each of the major Asian actors contain possibilities for both cooperation and potential conflict. All the powers clearly share an interest in the avoidance of conflict. Thus, the most unsettling aspect of the recent Chinese incursion into Vietnam was the evident danger of direct Soviet counteraction in support of its Vietnamese ally. One suspects that a recognition of this potential was a fundamental reason for the vocal Chinese insistence throughout this episode that their action was purely "educational" in nature, was not directed at the acquisition of territory or permanent damage to Vietnam, and would be of a strictly limited duration. Further, because all of the powers are interested in continuing economic expansion in the region, there should be room for complementary economic policies.

Regrettably, however the common interests of the major states in conflict avoidance and economic expansion are continually held hostage to the many differences between them. On balance, and for the foreseeable future, I believe we will have to live in Asia with an uneasy multiple balance of power in which the mutuality of interests will only serve to define the outer boundaries of otherwise largely competitive relationships. For example, even though we have achieved, and I have strongly supported, normalization of our relations with China, this development in no way alters the fundamental dedication of the Chinese leadership to increasing China's global power and influence. As China succeeds, it will become all the more imposing as a competitor in both the political and economic spheres. The historic example of Japan is instructive in this regard. Overall, the mid-term future seems likely to be marked by more, not less, superpower competition in East Asia, including ideological, geographical and national tensions between communist states.

The major current potential for conflict in the region is the continuing confrontation between China and Kampuchea on the one hand and the Soviet/Vietnamese alliance on the other. The next Sino-Vietnamese war—and I for one do not at all rule out the possibility that there will be another round in this conflict—could easily reach the level of global politics. It is dangerous fallacy to assume that regional conflicts can be contained or capped indefinitely. Unless resolved, local crises in East Asia have an uneasy historical habit of global infection. The example of the Korean War in producing direct great-power conflict is certainly more indicative of the potential in this regard than the more recent experience of our involvement in Vietnam. This in turn is yet another reason why the U.S. must not appear to "tilt" towards either of the competing communist powers. To do so would be to play with fire, in my view an act of irresponsible folly.

TOWARD REGIONALISM

In this context, one might well ask how can the states of the region promote their own collective interest in peace and economic progress? My response to that question starts with another—how are these states now going about addressing their various common problems? The short answer is they generally aren't, or, at least, aren't doing so very well or in any very systematic way. Bilateral talks are of little assistance in East Asia with its great cultural diversities, its uneven stages of economic development, its varying degrees of alliance with external powers. Yet East Asia is the world's most rapidly growing region; by the year 2000, the region will have experienced the world's greatest economic surge in less than forty years.

It is my judgment that this situation strongly suggests the need for some sort of mechanism to facilitate communication among the states of the region. Such a mechanism, alongside and supplementing existing more restricted or specialized channels such as bilateral consultations, ASEAN, or the Asia Society's Williamsburg meetings, could be a key building block for regional peace and progress. A truly regional forum would offer the opportunity to talk in an integrated manner about the complex dynamics of East Asia and reduce the odds of conflict through misunderstanding or miscalculation.

I believe that it is also time that the United States began to devote more concerted attention to the various economic problems which have accumulated in the region—such problems as economic development, trade and investment practices, and industrial adjustment. The development of a regional forum would provide a mechanism through which the best thinking of all the countries of the region could be devoted to finding solutions to these problems. I believe that an effort is in order to stimulate this process.

Of course, I am not here speaking just of an American effort. This idea cannot be mandated by Americans alone, or be a creature of U.S. policy. It can only develop on the basis of broad regional interest and acceptance. But, there is already a considerable degree of interest within the Asian-Pacific region in the development of a regional consultative mechanism. This is particularly true in Japan and Austrialia. Prime Minister Ohira of Japan for one has expressed enthusiasm over the possibility of improved cooperation within the Pacific Basin area. I had the opportunity to hear his views on the subject personally when I met with him in Tokyo in January.

One of the most detailed proposals along these lines, which has gained considerable currency in Asian and American academic circles, calls for the creation of a Pacific Basin Trade and Development Organization as a general umbrella under which work could be done on a number of the specific economic problems facing the region. Obviously there would be difficulties in any effort to form a new international institution in the Pacific, including questions of membership, structure and how to avoid the creation of yet another expensive, cumbersome international bureaucracy which could as easily impede progress as stimulate it. Nevertheless, a permanent, formal structure may well become advisable at some stage down the line. I will shortly be releasing a thought-provoking analysis of this concept done for the Library of Congress by two distinguished economists, Hugh Patrick of Yale and Peter Drysdale of Australian National University. I plan also to hold hearings in the near future in which these ideas can be considered in some detail. But the really immediate requirement, in my view, is to initiate some kind of practical multilateral consultations, of whatever degree of formality, in which the urgent substantive problems of the region can be addressed on a constructive, mutual basis. Without such an effort, the problems will continue to fester. Inevitably, they will also over time become intermixed with and exacerbate superpower competition in the area. It requires little imagination to forsee the potentially dire effects of this process on the interests of all of the states of the region including the United States. The only real question is: do all concerned have the political will to take the action necessary to alter the present course of drift?

The United States is a Pacific power. We have extricated ourselves from what was a military overcommitment in Asia. Our policies now should be designed to stabilize the region, dampen the negative impact of inevitable superpower competition, make clear our own enduring commitment, and help the states of the region address its very real economic and political economic problems. In particular, I believe we should give a strong impetus to the present tentative movement in the region towards an improved consultative process. Given imaginative policymaking, true consultation and cooperation, and sustained effort, I am convinced that the present "Era of Uncertainty" in the Asian-Pacific region can yield to an "Era of Opportunity", an era of stability and prosperity in which a genuine Pacific Community may at last begin to emerge.●

NECESSITY OF DEVELOPING A COMPREHENSIVE EXPORT PROMOTION POLICY

● Mr. BENTSEN. Mr. President, on Monday, June 18, the Tax Subcommittee of the Finance Committee held hearings on several tax proposals that I have introduced with Senator DANFORTH to boost exports.

The testimony we heard reinforced our belief that Congress must promptly enact a comprehensive export promotion policy.

Our enormous trade deficit which reached about $34 billion last year contributes to inflation, destroys the value of our currency, and creates doubt about our free market system. Fundamental improvement in our trade position is critical to a healthy American economy.

The following statistics dramatize the seriousness of the problem. Prior to 1976, the largest U.S. trade deficit for a full year was the $6.4 billion deficit in 1972. In comparison, the trade deficits in 1976, 1977, and 1978 were $9 billion, $31 billion, and an estimated $34 billion, respectively. The U.S. share of total manufactured exports of 15 industrial countries fell from almost 30 percent in the late 1950's to 19.2 percent in 1972. It rose to 21.1 percent in 1975 but has declined steadily since then, falling to 18.9 percent by the first quarter of 1978, the lowest since mid-1972.

Over the past 20 years, our exports have grown at only half the rate of other industrial nations.

The United States, once the world leader in international trade, is now in danger of falling to third place in exports of manufactured goods. West Germany took the lead in that field in 1970 and now Japan is almost even with the United States with respect to exports of manufactured products.

According to Commerce Department officials, our current trade deficit of $30 billion can reach the staggering level of $40 billion a decade from now. This would, indeed, be alarming.

Over the past several months the Finance Committee has helped draft the implementing legislation for the multilateral trade negotiations (MTN). Since the entire purpose of MTN is to facilitate international trade and reduce inequities in the trading system, it follows that our own laws such as the Internal Revenue Code should be consistent with this objective and with our international obligations. We can be sure that our competitors in the international marketplace will not overlook any opportunity to give their exports a competitive edge.

During the June 18 Finance Committee hearings, Mr. Robert Best, executive vice president of the American League for Exports and Security Assistance, delivered an excellent statement on the need for a positive export program. In particular, he emphasized the number of jobs created by additional exports.

Mr. President, in view of the seriousness of our trade imbalance, I ask to print his statement at this point in the RECORD.

The statement follows:

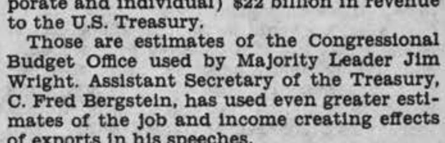
STATEMENT OF ROBERT A. BEST

Mr. Chairman, members of the Subcommittee on Taxation and Debt Management, we welcome this opportunity to provide our views on the need for a positive export trade program.

The American League for Exports and Security Assistance is a unique labor-management organization. Founded in 1977, it has as its charter and principal goal the development and implementation of policies to encourage American exports. The thirty-four corporations, employing over 800,000 workers, and the four international unions, representing 4.1 million American workers, in the ALESA membership firmly believe that the United States needs to adopt a national policy that encourages the production and export of American-made goods and services if we are to achieve the goals of (1) full employment; (2) price stability; and (3) preserving the integrity of the dollar.

We are delighted that Members of this Committee have taken initiatives to encourage U.S. exports. We only hope the Congress as a whole and the Administration would see the critical importance of exports to our economy.

The economic strength of this nation is rapidly being eroded by the vicious cycle of:



Mr. Chairman, we don't have all the answers but we do strongly believe that we cannot continue for very long to permit the vicious cycle described above to persist.

We do know that:

Every billion dollars worth of exports create 40,000 to 50,000 jobs.

Every 1 million jobs creates in taxes (corporate and individual) $22 billion in revenue to the U.S. Treasury.

Those are estimates of the Congressional Budget Office used by Majority Leader Jim Wright. Assistant Secretary of the Treasury, C. Fred Bergstein, has used even greater estimates of the job and income creating effects of exports in his speeches.

Given the multiplier and feedback effects of exports on jobs, income and revenue, if we only increased the ratio of exports to GNP by 1 or 2 percentage points we would eliminate the fiscal deficits and gainfully employ another 1.6 million Americans. That's the best human rights program for American workers and investors I can think of.

The issue therefore is exactly what you, Mr. Chairman, indicated in your press release. The issue is not whether we can afford to have a positive export policy; the issue is whether we as a nation can afford not to have one.

We strongly believe that America's greatest long-term strength—our industrial base—depends importantly on the high technology sector where we have maintained our only competitive advantage. This in itself becomes an ever increasingly important factor in our overall long-term national interest.

Across America, there is the growing sense that we as a nation are falling behind in the competitive race, that our spirit of innovation is gone, that we have become an over-regulated, welfarized, lethargic, and divided nation incapable of coming to grips with our problems.

There has been in recent years, a dangerous erosion in the ability of U.S. industry—particularly high technology industry—to compete in the world marketplace. A major reason has been the anti-export policies of the government which inhibit and discourage exports through laws, licensing procedures, regulations, and other disincentives. In contrast to U.S. policy, other major industrial nations have developed positive export programs to provide jobs in the private sector through domestic production for export and to earn through exports the foreign exchange needed to pay for energy imports.

One has only to compare the $39.6 billion deficit (cif basis) of the United States with the $20.3 billion surplus (cif basis) of Germany and the $18.3 billion surplus (cif basis) of Japan to recognize that those countries—despite the appreciation of their currencies, despite their 80–95 percent dependence on imported energy—have overcome external problems and maintained high levels of employment and, particularly in Germany's case, relative price stability. Germany and Japan have surpassed the United States as the leading exporter of manufactured products. They beat our brains out in competition while we generously spend billions to defend their freedom. While we should defend freedom we cannot do it with a weak domestic economy or a continuous decline in our competitiveness. These facts underscore the critical importance of a positive export policy for security as well as domestic economic reasons.

Mr. Chairman, the domestic budget cannot be balanced as long as our nation maintains a passive approach to exports and permits the stagflationary effects of massive trade deficits. Why? Trade deficits of the magnitudes we have experienced severely weaken the dollar; drive up the costs of imports (including energy) thereby inducing inflation which leads either to controls or recessions or both thus creating further domestic budget deficits. As long as the economy remains weakened by the stagflation it will be impossible to balance the Federal budget.

The massive inflation-inducing trade deficits are symptomatic of a deeper problem than the simple line heard frequently by Administration officials, paraphrased as follows: "if we didn't import $50 billion in oil each year, we would be in great shape." That is the reasoning of a defeated and/or bankrupt policy, not a positive, aggressive approach. It's really more of an excuse for a laissez faire approach to the inflation-inducing effects of structural trade deficits. When you don't really want to solve the problem, you lay the blame at someone else's doorstep.

The sponsors of the four bills mentioned in the Committee press release are taking a positive approach to the structural trade deficits. Senators Bentsen and Danforth correctly analyzed the long term nature of the problem, the importance of R&D to our competitive position and the relationship between trade deficits, inflation and JOBS.

Inevitably, the proposals will be "costed out" by Treasury and the Joint Committee staff. Hopefully, they will add a rational "feedback" for the proposals. Simply assuming that despite added tax incentives, R&D efforts will not be changed, will doom any intelligent tax program before it gets off the drawing boards. The critical issues involve which combination of writeoffs and credits will get the most bang for the buck.

Having served on this Committee's staff for over ten years, I have learned to be very suspicious of official Treasury revenue estimates. I am sure many Members witnessing the yo-yo pattern of revenue estimates are also skeptical. More often than not, these official estimates appear to tailor assumptions to reach foreordained conclusions. I could cite many examples under both Democratic and Republican Administrations, but will not take your time to do so, unless requested.

As to the budget implications, we agree with Senator Byrd's statement "In light of the costs of energy imports, we cannot afford not to have a program to increase exports. And we should be especially interested in encouraging medium-size and small companies to export."

We completely agree—even with the emphasis on medium-size and small companies. However, we cannot fail to mention that U.S. exports are and will remain a big business; the risks are great; coping with the maze of U.S. and foreign regulations; currency fluctuations and exchange risks is not a particular environment that "small business" thrives in. Nevertheless, we should do everything reasonable to encourage medium and smaller sized firms to become exporters. Many of the innovations that have greatly enriched our nation have come from the "Tom Edisons" in smaller firms. Innovation should be encouraged in every reasonable way.

At the same time we should avoid the trap of clobbering "big business" with punitive measures to theoretically recover sufficient revenue to subsidize "small business". Big business provides the majority of the jobs, the income, the taxes that make the economic machine work. In fact big business in many instances keeps small business alive through billions of dollars worth of subcontracts and supplier relationships.

We are not in a position to provide you with a cost benefit analysis of the proposals that are before you. We do promise to ask all of the tax and economic experts in our membership for their thoughts on what should go into a comprehensive export incentives program and provide this Committee with the benefit of their views.

The fundamental problem is that the Administration appears to believe there is no problem, or at best, they underestimate the magnitude of the trade problem. I am tempted to believe that some of the economic theorists in the Administration feel trade deficits are good—that they keep the rest of the world afloat. They reason that if we ended the deficits the poor developing countries would "go under". I really believe it is this attitude which underlies the refusal to do anything positive to encourage exports and in fact to take actions, administrative and regulatory, to discourage exports. Our problem is not only foreign competitors and their barriers, but our own attitudes and actions. We constantly subvert a tough realistic trade program to tax theory or foreign policy considerations.

These theorists are wrong. We cannot resolve the world oil deficit problem by continuing to run U.S. deficits to finance some developing countries mounting debt to other developing countries. By doing that we erode the value of the dollar, lead to greater OPEC price rip-offs and further damage the developing countries and ourselves. Moreover, our deficits are not the surpluses of the poor developing countries; they are with the rich industrialized countries and with OPEC.

If the present trade deficits persist for another year or two we believe our nation's currency will be persona non grata; that the protectionism all the high theorists fear will indeed occur, and a massive economic earthquake will ensue. Perhaps that sounds alarmist, but these are not ordinary times. The prestigious Bank for International Settlements (BIS), sometimes referred to as the "central bank's central banker" recently issued an annual report which stated:

"A loss of confidence in the dollar due to a large current account deficit is likely to lead to a disorderly and excessive depreciation, fueling inflation in the United States and causing excessive appreciations elsewhere—not to mention its impact on the prices of oil and other commodities." [1]

On Saturday, June 9, the Congressional Budget Office warned Congress to expect a full-fledged recession this year and through most of 1980.

The warning signals are there but the Administration appears to ignore them. Never in my lifetime has the international economic (and political) system appeared so fragile. It's nice to have an Export Council of 40 distinguished Americans; I only wish we could have a positive, meaningful export program. It took almost a year to get a Council; how long do you think it will take 40 people to agree on a program, when they meet but several times a year, even though they be very capable and well intended.

Mr. Chairman, there is an urgent need for a comprehensive export incentives package—now! The problem is too serious and too urgent to nickel and dime it to death. If the Congress wishes to make American corporations "export conscious" the program must be bold. This is not just my view: the Chairman of the President's Export Council, Reginald Jones, has spoken often and forcefully for a strong export program. The interest in this hearing among various elements in the export community attests to the importance of the issue. May I suggest, Mr. Chairman, that the Subcommittee request the official views of the Export Council on the proposals before you. Moreover, Bob Strauss, Frank Weil and John Moore all appear extremely concerned about the export problem. All are experienced businessmen and bankers who understand the nature of the export business. If they were allowed to express their own independent judgments, I believe they would support a positive incentives package including many of the provisions in the legislation already introduced. It would surprise me if, under those circumstances, these distinguished men would continue to talk the problems without supporting an action program to eliminate those problems.

Mr. Chairman, this concludes my statement. I have tried to be honest and straightforward in my support of what I consider to be an absolute imperative: a positive export trade program for this nation, the only industrialized nation without one. I will be happy to answer any questions.●

ORDER FOR RECOGNITION OF SENATOR JEPSEN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. Jepsen be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I be recognized for not to exceed 15 minutes, following Mr. Jepsen, tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the disposition of the orders for recognition of Senators on tomorrow, the Senate resume consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

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[1] Reported in Washington Post, June 11, 1979, p. D10.

LEGISLATIVE ACHIEVEMENTS OF THE 96TH CONGRESS, 1ST SESSION, JANUARY–JUNE 1979

Mr. ROBERT C. BYRD. Mr. President, it is appropriate at this time, before recessing in celebration of the Nation's 203d birthday, to look at the achievements of the Senate during 1979. In the past 5½ months, the Senate has been working with resolve and efficiency on a number of important issues.

The first matter disposed of by the Senate this year dealt with changes to the Standing Rules of the Senate necessitated by the increasing use of the cloture rule to delay Senate proceedings after cloture has been invoked. In February, the Senate agreed to a 100-hour cap on time after cloture has been invoked, while including mechanisms for protecting the rights of Senators to be heard and to offer amendments. These important modifications have helped restore the original intent of cloture to close off dilatory action and have lessened the ability to use the cloture rule to unduly prolong debate. Disposal of this controversial matter at the beginning of the session has resulted in a more efficient Senate that is better able to keep to a workable schedule that allows Senators to carry out their responsibility to their national and State constituencies more efficiently.

The Senate has effectively disposed of numerous controversial issues without undue delay. In early March, the Senate debated and passed a measure clarifying commercial, cultural, and other unofficial relations with the people on Taiwan in light of U.S. recognition of the People's Republic of China. This bill, which has been signed by the President, will serve as an important instrument in normalizing U.S. relations in the Far East.

With regard to other international matters, the Senate has already passed five major authorizations, including a special Middle East assistance bill in support of the peace treaty between Egypt and Israel. The Senate has debated and expressed its will regarding economic sanctions against Rhodesia, aid to Turkey, and the MX missile.

Congressional action has reflected the general public desire for fiscal restraint and reduced Federal spending. In March, the Congress required that balanced budgets be submitted to Congress yearly for review along with their consequences on the various programs in achieving a balance. The President was also required to submit a balanced budget for congressional review whenever he submits a budget not in balance. This year, the Congress reduced the Federal deficit by $21 billion. In setting fiscal 1980 budget levels, the Congress cut the President's budget request for budget authority by $12.4 billion and the projected deficit by $17.6 billion. The Congress extended and expanded the Concil on Wage and Price Stability so that it could improve its monitoring of wages and prices.

The Senate acted again this year to establish a Cabinet-level Department of Education as a means of strengthening the Federal commitment to education while assuring that the responsibility for education continues to be reserved to the States and local school systems.

In the area of energy, the Congress approved the President's standby emergency building temperature restriction contingency plan requiring owners of nonresidential buildings except for hospitals and certain other designated buildings, to keep thermostats no higher than 65° in the winter and no lower than 80° in the summer. The Senate has also voted to give the President emergency authority to create a conservation program under which State Governors would be authorized to identify the most appropriate methods to conserve energy in their States and submit their own plans for approval. The Senate also approved the President's modified standby gasoline rationing plan, but it was defeated by the House.

Relative to the environment, the Senate authorized funds for 3 years for programs under the Endangered Species Act. It extended authorizations for the Environmental Protection Agency, marine protection programs, ocean pollution research, safe drinking water, solid waste disposal, toxic substances control, and noise pollution control. It voted to establish a new program to assist airports and surrounding communities in the development and implementation of noise abatement programs.

In the health field, the Senate extended and amended five health programs dealing with alcohol abuse and alcoholism prevention, drug abuse and treatment, emergency medical services, health planning and nurse training. Markup sessions have been held on hospital cost containment which will be considered later this year on the floor.

For the first time is history, an authorization for the Justice Department was debated and passed. Programs under the Law Enforcement Assistance Administration were reauthorized for 5 years.

In response to veterans' needs, the Senate passed two bills to improve health care and to make benefits more equitable.

A more complete listing of the measures passed by the Senate is contained in a report prepared by the staff of the Democratic policy committee. I ask unanimous consent that this report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SENATE LEGISLATIVE ACHIEVEMENTS INDEX

(Prepared by Senate Democratic policy committee, ROBERT C. BYRD, chairman)

AGRICULTURE

Agricultural Stabilization Services Employee Benefits (S. 383).

Agricultural Subterminal Storage Facilities (S. 261).

Consolidated Farm and Rural Development Loans (S. 985).

FIFRA (S. 717).

Peanut Marketing Penalty Reduction (S. 984).

Rural Development Loans; Pilot Energy Projects (S. 892).

Rural Development Policy (S. 670).

School Nutrition Programs Study (S. Res. 90).

APPROPRIATIONS

1979 Supplemental (H.R. 4289).

ATOMIC ENERGY AND NASA

NASA Authorization (H.R. 1786).

NASA Supplemental Authorization (H.R. 1787, P.L. 96–16).

BUDGET

Deferrals: American Fisheries (S. Res. 50).

Rescissions: First Budget Rescission, 1979 (H.R. 2439, P.L. 96–7).

Resolutions: First Budget Resolution, 1980; Third Budget Resolution 1979 (H. Con. Res. 107).

CIVIL AND CRIMINAL JUSTICE

Civil Rights Commission (S. 721).

CONGRESS

National Symphony Concerts (H. Con. Res. 114).

CONSUMER AFFAIRS

Consumer Controversies (S. 423).

Truth-In-Lending (S. 108).

DEFENSE

Coast Guard Authorization (S. 709, P.L. 96–23).

Defense Production (S. 932).

Military Procurement (S. 428).

Military Procurement Supplemental (S. 429).

National Defense Stockpile (H.R. 2154).

DISTRICT OF COLUMBIA

Temporary Commission on Financial Oversight (H.R. 3879, P.L. 96–27).

ECONOMY-FINANCE

Carson City Silver Dollars (H.R. 1902 (P.L. 96–2).

Council on Wage and Price Stability (H.R. 2283, P.L. 96–).

Federal Reserve Banks Purchase of U.S. Obligations (H.R. 3404(P.L. 96–).

Financial Privacy Notification Repeal (S. 37, P.L. 96–3).

International Investment Survey (S. 758).

Public Debt Limit—Balanced Budget (H.R. 2534, P.L. 96–5).

Small Business Administration Authorization (S. 918).

Small Business Employee Ownership (S. 388).

EDUCATION

Department of Education (S. 210).

ELECTIONS

Federal Election Commission Authorization (S. 832) and (S. 994).

EMPLOYMENT

Employee Retirement Income Security (H.R. 3915, P.L. 96–24).

ENERGY

Department of Energy—Military (S. 673).

Domestic Energy Summit Conference (S. Res. 191).

Domestic Oil and Coal Production (S. Res. 175).

Emergency Advertising Lighting Restrictions (S. Res. 123).

Emergency Building Temperature Restriction (S. Res. 122).

Emergency Energy Conservation (S. 1030).

Oil Company Participation in IEP (S. 1317).

Pipeline Safety (S. 411).

"Severe Energy Interruptions" Definitions (S. Res. 151).

Small Hydroelectric Power Plants (S. 948).

Standby Gasoline Rationing Plan (S. Res. 120) and (S. Res. 153).

Tennessee Valley Authority (S. 436).

Three Mile Island Commission (S.J. Res. 80, P.L. 96–12).

ENVIRONMENT

Endangered Species (S. 1143).

EPA Authorization (H.R. 2676).

Industrial Cost Recovery Payment Moratorium (S. 901).

Marine Protection (S. 1140).

National Advisory Committee on Oceans and Atmosphere (H.R. 3577, P.L. 96–26).

Ocean Pollution (S. 1123) and (S. 1148).
Ocean Pollution Research and Development (H.R. 2520, P.L. 96–17).
Quiet Communities (S. 1144).
Safe Drinking Water (S. 1146).
Solid Waste Disposal (S. 1156).
Toxic Substances Control (S. 1147).

FISHERIES

Anadromous Fish Conservation (S. 838).
Fishery Conservation and Management (S. 917).

GENERAL GOVERNMENT

Federal Fire Prevention and Control (S. 1160).
Federal Procurement Policy (S. 756).
Intelligence Activities Authorization (S. 975).
International Affairs of Treasury (S. 976).
National Science Foundation Authorization (H.R. 2729).
National Tourism Policy (S. 1097).
President's Commission on Pension Policy (S. 532, P.L. 96–141).
Smithsonian Authorization (S. 927).
Smithsonian Canal Zone Biological Area (S. 817).
U.S. Travel Service (S. 233).

GOVERNMENT EFFICIENCY AND REORGANIZATION

Alaska Gas Pipeline Reorganization (S. Res. 126).
Ethics in Government Amendments (S. 869, P.L. 96–28).

GOVERNMENT EMPLOYEES

Federal Employee Health Benefits (S. 716).
Federal Employee Participation in Pan-American and Olympic Games (S. 387).

HEALTH

Alcohol Abuse and Alcoholism Prevention (S. 440).
Drug Abuse and Treatment (S. 525).
Emergency Medical Services—Sudden Infant Death (S. 497).
Health Planning (S. 544).
Nurse Training (S. 230).

INTERNATIONAL

Ambassador to Afghanistan (S. Res. 106).
Arms Control and Disarmament Agency (H.R. 2774).
Economic Assistance Review (S. Res. 92).
International Development Assistance—Food for Peace (H.R. 3324).
International Security Assistance—Arms Export Control (H.R. 3173).
International Wheat Exporters Conference (S. Res. 163).
Iranian Human Rights (S. Res. 164).
Mideast Arms Sales (S. 1007).
Multilateral Development Banks (S. 662).
NATO (H.J. Res. 283, P.L. 96–9).
Nazi War Criminals (S. Res. 99).
Peace Corps Authorization (S. 802).
Rhodesian Election Observers (S. Con. Res. 8).
State Department Authorization (H.R. 3363).
Taiwan Relations (H.R. 2479, P.L. 96–8).
Ugandan Aid (S. 1019).

JUDICIARY

District Court Relocations (H.R. 2301, P.L. 96–4).
Justice Department Authorization (S. 1157).
LEAA Authorization (S. 241).
Speedy Trials (S. 961).
Supreme Court Cases—School Prayer (S. 450).
U.S. Attorneys for Eastern District, New York (S. 567).
U.S. Magistrates Jurisdiction (S. 237).

NATURAL RESOURCE-NATIONAL HISTORIC SITES

Colorado River Basin Salinity Control (S. 496).
Frederick Law Olmsted National Historic Site (S. 495).

NOMINATIONS

Robert J. Kutak to be Member of Legal Services Corporation.
Leonard Woodcock to be Ambassador to China.

SENATE

Female Senate Employees (S. Res. 119).
Financial Disclosure Rule Review (S. Res. 117).
Honoraria Limitations (S. Res. 93).
Honoraria Limitations (S. Res. 93) and (S. Res. 115).
Human Resources Committee Name Change (S. Res. 30).
Post Cloture Rule Changes (S. Res. 61).
Senate Witness Fees (S. Res. 178).

SOCIAL SERVICE—WELFARE

Domestic Volunteer Services (ACTION) (S. 239).
WIC and Other Food Programs (S. 292).

TAXATION

Tax Treatment of State Legislators' Residence—Social Services Amendments (H.R. 3091).

TRADE

Countervailing Duty Extension (H.R. 1147, P.L. 95–3).

TRANSPORTATION-COMMUNICATIONS

Aviation Safety and Noise Abatement (S. 413).
Hazardous Materials Transportation (S. 1141).
Maritime Authorization (S. 640).
Merchant Marine March (H. Con. Res. 3).
Railroads: Office of Rail Public Counsel (S. 448) and Chicago, Milwaukee, St. Louis and Pacific Railroad (S. 967); (S.J. Res. 81); and U.S. Railway Association (S. 447).
Shipping Rebating Practices (S. 199, P.L. 96–199).

TREATIES

International Wheat Agreement (Ex. L. 96–1).

VETERANS

Veterans Health Care (S. 7, P.L. 96–22).
Veterans Health Resources and Programs (H.R. 3892).

AGRICULTURE

Agricultural Stabilization Service employee benefits: Amends title 5, U.S.C., to allow former county committee employees of the Agricultural Stabilization and Conservation Service, upon obtaining employment in any Federal agency, to transfer certain benefits including entry into any Federal agency at their highest previous salary level, transferral of accumulated annual and sick leave, and crediting of service for the purpose of leave and reduction of force. S. 383—Passed Senate May 22, 1979. (VV)

Agricultural subterminal storage facilities: Amends the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for agricultural commodities that can be transported in bulk from the farm and temporarily stored in bulk quantities without undergoing processing or packaging, and commodities and products (that can be stored or shipped in bulk) used by producers in the production of agricultural commodities; authorizes $3.33 million for fiscal 1980, 1981, and 1982 to fund Federal planning grants (up to 80 percent of the cost of developing the plan) for the development of State and regional subterminal facilities plans; conditions the availability of planning funds on the establishment of a plan review commission consisting of local producers, local elevator operators, representatives of the affected motor and rail carriers and other interested parties; requires that a majority of the membership of any plan review commission be local producers; and authorizes the Secretary to insure and guarantee loans for the construction and improvement of subterminal facilities with funds allocated for that purpose by the Secretary from the Rural Development Insurance Fund with preference given to existing agricultural elevator operators and local producers in the area to be served by the subterminal facility. S. 261—Passed Senate May 23, 1979. (VV)

Consolidated farm and rural development loans: Amends the Consolidated Farm and Rural Development Act, which authorizes rural development loan programs, to set overall lending limits for fiscal 1980, 1981 and 1982 (pursuant to section 346 of that act which requires that lending limits for the loan programs be set every three years) as follows: for loans under the Agricultural Credit Insurance Fund: real estate loans—$1.615 billion (including $1.5 billion for farm ownership loans of which $1.4 billion is for insured loans, $100 million for guaranteed loans and $100 million for water development, use and conservation loans of which $90 million is for insured loans and $10 million for guaranteed loans); operating loans—$1.2 billion (of which $1.15 billion is for insured loans and $50 million for guaranteed loans); and emergency disaster loans—such amounts as necessary to meet needs resulting from natural disasters; and for loans under the Rural Development Insurance Fund: insured water and sewer loans—$1 billion; business and industrial development loans—$1.5 billion (of which $100 million is for insured loans and $1.4 billion for guaranteed loans); and insured community facility loans—$500 million. S. 985—Passed Senate May 23, 1979. (VV)

FIFRA: Extends the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) for two years, through fiscal 1981, and authorizes therefor $62.25 million for fiscal 1980 which includes funds for the Environmental Protection Agency's research and development program involving exposure to pesticides. S. 717—Passed Senate May 22, 1979. (VV)

Peanut marketing penalty reduction: Authorizes the Secretary of Agriculture, effective with the 1978–81 crops of peanuts, to reduce any penalty assessed on a producer or handler with respect to marketing peanuts in excess of the farm quota if he determines that the marketing was done unintentionally or unknowingly. S. 984—Passed Senate May 10, 1979; Passed House amended June 25, 1979. (VV)

Rural development loans; Pilot energy projects: Extends for 2 years, through fiscal 1981, the annual authorization of $20 million for the rural development extension, rural development research, small farm research and small farm extension programs conducted under title V of the Rural Development Act of 1972; requires the Secretary of Agriculture to provide for additional pilot energy projects for the production of industrial ethanol and gasohol from agricultural commodities and forest products through loan guarantees, not to exceed $500 million and limited to $30 million per project, from the Commodity Credit Corporation; and modifies the Consolidated Farm and Rural Development Act to permit Indian tribal governments to receive Farmers Home Administration disaster assistance loans. S. 892—Passed Senate June 14, 1979. (VV)

Rural development policy: Amends the Rural Development Act of 1972 to require the Secretary of Agriculture to establish and maintain a rural development policy management process in partnership with local and State governments and involving all Federal departments and agencies and major private institutions having policies and programs affecting the quality of life in rural America, and authorizes therefore $1.5 million annually; repeals the requirement for the submission to Congress of five annual reports on rural conditions and substitutes a requirement that the Secretary prepare and submit to Congress comprehensive 5-year appraisals of rural conditions establishing goals and strategies for a national rural development program; authorizes the Secretary to initiate new and expanded ongoing research and development efforts to solve rural development, economic, technological, and social problems; authorizes planning grants of not to exceed $15 million annually to assist in establishing and maintaining the policy management process at the State and local levels; and directs the Secretary to establish and operate, in no less than five rural states, rural information and assistance centers as demonstration projects to provide current data and information on existing Federal programs and other related financial, eligibility, and statistical information. S. 670—Passed Senate June 14, 1979. (VV)

School nutrition programs study: Requests the Secretary of Agriculture to conduct a study of the school nutrition programs administered under the National School Lunch Act and the Child Nutrition Act of 1966 including: 1) program costs; 2) income of participating families; 3) use of the programs for nutrition education purposes; 4) contribution of the programs to the agricultural economy; 5) income verification procedures; and 6) the need for legislative changes; and requests the Secretary to report to Congress on the progress of the study by January 31, 1980, and to submit a final report by March 31, 1981. S. Res. 90—Senate agreed to June 20, 1979. (VV)

FISCAL 1979: APPROPRIATIONS

Supplemental: Makes supplemental appropriations totaling $13,865,712,100 for fiscal year 1979 which includes funds for the activities of nearly every governmental department and agency and to meet increased pay costs; includes $2,412,228,100 for increased pay costs for military and civilian personnel; $988,786,000 for the food stamp program; $133,000,000 for the child nutrition program; $194,000,000 for disaster relief; $185,000,000 for NASA research and development; $1,129,400,000 for VA compensation and pensions; $301,700,000 for VA readjustment benefits; $554,429,000 for Medicaid; $243,189,000 for the student loan insurance fund; $188,548,000 for grants to States for social and child welfare services; $162,000,000 for the Corporation for Public Broadcasting; $1,018,000,000 for SBA disaster loans; $119,000,000 for Amtrak; $239,000,000 for Conrail; $335,355,000 for the Civil Service retirement and disability fund; $1,470,000,000 for the Middle East peace treaty; $190,000,000 for the M–X missile; and $1,353,000,000 for the purchase of 4 DD6–993 destroyers. H.R. 4289—Passed House June 6, 1979; Passed Senate amended June 26, 1979; Senate requested conference June 26, 1979. (151)

ATOMIC ENERGY AND NASA

NASA authorization: Authorizes $4,961,000,000 for the National Aeronautics and Space Administration for fiscal 1980 of which $3,838,500,000 is for research and development, $157,600,000 is for construction of facilities including the space shuttle, and $964,900,000 for research and program management; contains the following authorizations for new initatives to meet future needs in space and technology: $2 million for development of a solid state, multispectral resource sampler for remote sensing applications; $4 million for technology of variable cycle aircraft engines; $5 million for a program in advanced rotocraft technology directed at maintaining U.S. leadership in this aircraft technology; $3 million for an increased effort on the development of advanced space structures; and $2 million to support additional activities to identify and verify potential contributions to national energy needs; calls for internal reallocation of $1 million to advanced programs in the space flight operations program for definition studies of a large deployable antenna, including planning for multiagency participation in a demonstration project; authorizes cost variations up to 10 percent of the sums authorized for the construction of facilities or up to 25 percent with congressional notification and permits certain reprogramming of research and development funds to the construction category; expresses the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds when feasible and that NASA should explore such distribution of its research and development funds; increases from $5,000 to $25,000 the amount by which NASA may settle or adjust claims for actions resulting from the conduct of its functions; and authorizes the Administrator to provide liability insurance to any user of a space vehicle to compensate them for third party claims for damage resulting from described activities. H.R. 1786—Passed House March 28, 1979; Passed Senate amended June 14, 1979. (VV)

NASA Supplemental Authorization: Authorizes $185 million in fiscal 1979 supplemental funds to NASA for research and development in connection with the space shuttle program which when added to the $1,443,400,000 appropriated would provide a total authorization of $1,628,300,000 for the program. H.R. 1787—Public Law 96–16, approved June 4, 1979. (VV)

BUDGET

Deferrals:

American fisheries: Disapproves the deferral of funds under the Saltonstall-Kennedy Act totaling $6,579,000 for the promotion and development of fishery products and research pertaining to American fisheries as recommended by the President in his message of October 2, 1978. S. Res. 50—Senate agreed to March 13, 1979. (VV)

Rescissions:

First budget rescission, 1979: Rescinds $723,609,000 of the $914,617,000 recommended by the President in his message of January 31, 1979, as follows: $608,167,000 as recommended for HUD ($600,000,000 for State housing finance and development agencies and $8,167,000 for new community assistance grants); $95,850,000 instead of $227,258,000 as recommended for HEW ($37,000,000 for the NIH building and facilities, $46,350,000 instead of $167,893,000 for health resources and $12,500,000 instead of $22,365,000 for special projects and training in the Office of Education); $8,000,000 instead of $9,000,000 for payment of Vietnam and U.S.S. *Pueblo* prisoner of war claims: $6,065,000 instead of $14,665,000 for salaries and expenses of the Small Business Administration; $3,127,000 as recommended for the Bureau of Mines, Helium fund, within the Department of Interior; and $2,400,000 as recommended for NASA research and program management; and disapproves in its entirety the proposed rescission of $50,000,000 for fossil energy construction within the Department of Energy. H.R. 2439—Public Law 96–7, approved April 9, 1979. (VV)

Resolutions:

First budget resolution, 1980; third budget resolution, 1979: Recommends levels for fiscal 1980 for Federal revenues of $509.0 billion, budget authority of $604.4 billion and outlays of $532.0 billion, with a deficit of $23.0 billion, and public debt limit of $887.2 billion; amends the 1979 second concurrent budget resolution by setting Federal revenues at $461.0 billion, budget authority at $559.2 billion and outlays at $495.5 billion, with a deficit of $33.5 billion, and public debt limit of $834.2 billion; and contains projections for fiscal 1981 and 1982 to achieve a balanced budget by fiscal 1981:

Assumes a $1 billion rescission in fiscal 1980 of funds already appropriated for the Strategic Petroleum Reserve; includes budget authority of $9.5 billion and outlays of $9 billion for all health programs other than medicare and medicaid; reflects the possibility that the Congress may consider changes in General Revenue and enact new programs of targeted fiscal assistance; provides for no tax cut in fiscal 1980; recommends that ways be found within the Congressional budget process to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget; contains a provision relating to reports by House Committees regarding legislative savings and unobligated balances which do not apply to Senate Committees which already provided similar information in their March 15 reports to the Senate Budget Committee; and makes the following recommendations for budget authority (BA) and outlays (O) by function for fiscal 1980 as compared to the President's requests (in billions of dollars):

National Defense—$135.6 instead of $138.3; O: $124.2 instead of $125.4;

International Affairs—BA: $12.6 instead of $13.4; O: $7.9 instead of $8.4;

General science, space and technology—BA: $5.7; O: $5.5;

Energy—BA: $18.8 instead of $19.8; O: $6.8 instead of $7.6;

Natural resources and environment—BA: $12.6 instead of $12.8; O: $11.7 instead of $11.6;

Agriculture—BA: $5.0 instead of $4.9; O: $5.4 instead of $5.2;

Commerce and housing credit—BA: $6.9 instead of $8.3; O: $3.2 instead of $3.3;

Transportation—BA: $19.5 instead of $19.1; O: $18.2;

Community and regional development—BA: $8.9 instead of $11.3; O: $8.1 instead of $7.9;

Education, training, employment and social services—BA: $30.9; O: $30.5 instead of $30.9;

Health—BA: $58.1; O: $53.6 instead of $55.0;

Income security—BA: $214.8 instead of $216.9; O: $183.3 instead of $184.4;

Veterans' benefits and services—BA: $21.2 instead of $21.0; O: $20.6 instead of $20.5;

Administration of justice—BA: $4.2 instead of $4.3; O: $4.4;

General government—BA: $4.4 instead of $4.5; O: $4.3 instead of $4.4;

General purpose fiscal assistance—BA: $8.1 instead of $8.8; O: $8.1 instead of $8.8;

Interest—BA: $56.0 instead of $56.4; O: $56.0 instead of $56.4;

Allowances—BA: −$0.1 instead of $2.2; O: −$0.1 instead of $1.4;

Undistributed offsetting receipts—BA: −$19.7 instead of −$19.8; O: −$19.7 instead of −$19.8;

Makes the following revisions to the Second Budget Resolution for fiscal 1979 (H. Con. Res. 683) recommending budget authority (BA) and outlays (O) as follows (in billions of dollars):

National defense—BA: $127.0; O: $114.4;

International affairs—BA: $11.4; O: $7.5;

General science, space and technology—BA: $5.4; O: $5.2;

Energy—BA: $7.6; O: $7.4;

Natural resources and environment—BA: $12.9; O: $11.3;

Agriculture—BA: $8.3; O: $6.2;

Commerce and housing credit—BA: $5.9; O: $2.9;

Transportation—BA: $19.1; O: $17.0;

Community and regional development—BA: $9.2; O: $9.7;

Education, training, employment and social services—BA: $32.7; O: $29.7;

Health—BA: $53.0; O: $49.7;

Income security—BA: $194.2; O: $161.1;

Veterans' benefits and services—BA: $20.4; O: $20.2; O: $4.2;

Administration of justice—BA: $4.2; O: $4.2;

General government—BA: $4.3; O: $4.2;

General purpose fiscal assistance—BA: $8.7; O: $8.8;

Interest—BA: $52.4; O: $52.4;

Allowances—BA: $0.7; O: $0.7;

Undistributed offsetting receipts: BA: −$18.1; O: −$18.1.

Pursuant to the mandate in the Public Debt Limit Act, includes aggregate totals reflecting the House and Senate recommended budgetary levels in order to achieve a balanced budget in fiscal 1981 and 1982, as follows (in billions of dollars):

Fiscal 1981—Senate: Revenues, $583.3; Budget authority, $640.3; Outlays, $577.7; Surplus, +$5.6; House: Revenues, $579.8; Budget authority, $658.7; Outlays, $577.7; Surplus, +$2.1;

Fiscal 1982—Senate: Revenues, $621.0; Budget authority, $691.6; Outlays, $616.9; Surplus, +$4.1; House: Revenues, $655.3; Budget authority; $721.4; Outlays, $622.7; Surplus, +$32.6. H. Con. Res. 107—Action completed May 24, 1979. (61)

CIVIL AND CRIMINAL JUSTICE

Civil Rights Commission: Amends the Civil Rights Act of 1957 to authorize such sums as may be necessary for fiscal 1980 to carry out the duties of the United States Commission on Civil Rights; requires the Commission to study and report to Congress and the President no later than April 1, 1980, on the legal questions involved in eliminating the legislative branch's exemption from the Civil Rights Act; and requires the Commission to continue to appraise the laws and policies of the Federal Government and report to Congress concerning discrimination against Americans who are members of eastern and southern European ethnic groups. S. 721—Passed Senate June 7, 1979. (124)

CONGRESS

National Symphony concerts: Permits the National Park Service to sponsor a series of four National Symphony Orchestra concerts on the Capitol Grounds during 1979, to be free to the public and arranged so as not to interfere with the needs of Congress. H. Con. Res. 114—Action completed May 3, 1979. (VV)

CONSUMER AFFAIRS

Consumer controversies: Provides for the establishment, within 60 days of enactment, of a dispute resolution program within the Department of Justice to be administered by the Attorney General; establishes a Dispute Resolution Resource Center as part of the program which shall (1) serve as a national clearinghouse for the exchange of information concerning the improvement of existing and the creation of new dispute resolution mechanisms, (2) provide technical assistance to State and local governments, (3) conduct research and development, (4) undertake comprehensive surveys of the various State systems and major private dispute resolution mechanisms, (5) identify those dispute resolutions that are most effective and fair to all parties and suitable for general reapplication and (6) make grants and enter into contracts for research, demonstrations or special projects; proscribes the duties of the Attorney General under the act in establishing the program; specifies the purposes for which funds authorized under the act may be used and the distribution of such funds to the various States; provides that the Attorney General may suspend payments, after the opportunity of a hearing, if he finds that the project for which the grant was received no longer complies with the provisions of the act or the application as approved by the Attorney General; requires recipients to keep such records as the Attorney General may prescribe; gives the Attorney General access to any records or books of recipients for audit purposes and gives the Comptroller General such access for financial and performance audits; requires submission of a report by February 1 of each year which shall include a list of grants awarded and the results of financial and performance audits; and directs the Federal Trade Commission to hire and assign applicants for employment and to promote, train, discipline, demote and dismiss employees on the basis of individual merit, without regard to race, color, sex, religion or national origin and without engaging in any act or practice which has the purpose or effect of illegal discrimination against any individual because of his or her race, color, sex, religion or national origin. S. 423—Passed Senate April 5, 1979. (VV)

Truth-in-lending: Amends the Truth-in-Lending Act in order to provide the consumer with clearer information, make creditor compliance easier, limit creditor civil liability for statutory penalties to only significant violations, and strengthen the administrative restitution enforcement; excludes agricultural credit from the act's coverage with respect to the $25,000 cut-off for disclosure requirements and also excludes from the $25,000 cut-off, purchases of mobile homes expected to be used as a principal dwelling; amends the definition of "open-end credit" in order to curb the use of spurious open-end credit by requiring that the merchant must reasonably contemplate repeated transactions on an open-end credit plan which he operates; requires the Board to promulgate model forms and clauses for common credit transactions which utilize readily understandable language; sets October 1 of each year as the effective date for any Board regulation or interpretation requiring new or different disclosures and allows a creditor to comply with a change prior to its effective date; makes clear that certain charges incurred in a transaction, such as sales tax, license and registration fees, are not included in a finance charge; establishes an acceptable tolerance of one-eighth of one percent for disclosure of the annual percentage rates; establishes parameters for restitution by enforcement agencies when they discover understatement by a creditor of an annual percentage rate or finance charge; allows the Board to submit a single annual report to the Congress on its functions under the Truth-in-Lending Act, the Federal Trade Commission and the Equal Credit Opportunity Act; simplifies the act's general disclosure requirements; expands the rescission provisions in the bill to persons whose principal residence is a mobile home or trailer; increases from 10 to 20 days the period in which the creditor must refund the consumer's money and take possession of the property after a consumer exercises a right to rescind; preserves the consumer's right of rescission where an enforcement agency institutes a proceeding and concludes that the consumer was not informed of his or her right to rescind within three years by extending that right for one year following the decision; provides that a consumer who exercises his right to rescind may also bring suit under the act for other violations not relating to the rescission; simplifies the disclosures required for "open-end" credit and makes compliance with the act's billing requirements easier for small creditors; reduces the number of disclosures for "closed-end" (single transaction) credit; restricts creditor civil liability for statutory penalties; requires a notice of how to contact the creditor in the event a card is lost or stolen and provides that consumer liability be curtailed after the card issuer is made aware of the loss; requires the Federal Reserve Board to initiate a pilot project to determine the feasibility and value of "shopper guides", which would be issued periodically in metropolitan areas, listing the annual percentage rates charged by creditors in that area for common types of loans; and loosens creditor restrictions on credit advertising in the hope of enhancing creditor competition. S. 108—Passed Senate May 1, 1979. (VV)

DEFENSE

Coast Guard authorization: Authorizes $1,391,593,000 for fiscal 1980 for the operation and maintenance of the Coast Guard of which $1,058,357,000 is for operating expenses including expenses related to the Capehart housing debt reduction of $224,218; $292,811,000 is for acquisition, construction and improvement of vessels, aircraft, shore units and aids to navigation; $14,900,000 is for alteration or removal of bridges which shall remain available until expended; and $25,525,000 is for research, development, test and evaluation; sets the end-of-year strength for active duty personnel at 39,758; authorizes the average military training student loads; increases the ceiling on commissioned officers from 5,000 to 6,000; raises the statutory limit on the annual pay of lighthouse keepers from $7,500 to $15,000; and provides for paying the Coast Guard's only remaining, full-time civilian lighthouse keeper (at Coney Island) back pay of about $2,900 which represents the difference between what the keeper actually received after his salary reached the statutory ceiling in 1974 and what he would have received under the general schedule salary rates had there been no such limitation. S. 709—Public Law 96–23, approved June 23, 1979. (VV)

Defense production extension: Extends for two years, through fiscal 1981, the expiring titles of the Defense Production Act of 1950, as amended, which contain the sole authority for a number of programs designed to maintain the national defense industrial production base in peacetime, prepare mobilization programs, and provide a pool of trained manpower for war production management. S. 932—Passed Senate June 20, 1979. (VV)

Military procurement: Authorizes a total of $40,108,896,000 billion for fiscal 1980 for military procurement, research and development and civil defense.

Procurement: Contains $26,439,700,000 for procurement of aircraft, missiles, naval vessels and weapons including tracked combat vehicles, torpedoes and related support equipment of which $3,847,200,000 is for the Army, $12,267,300,0000 is for the Navy (including Marine Corps) and $10,325,200,000 is for the Air Force; represents, by weapons systems, $13,437,700,000 for aircraft, $4,974,900,000 for missiles, $5,791,600,000 for Naval vessels $1,538,00,000 for tracked combat vehicles, $336,800,000 for torpedoes and $348,700,000 for other weapons; contains additions of $351.5 million to procure 25 Navy F–18 fighter aircraft; $88.9 million for 6 Navy A–6E All-Weather Attack Aircraft, $79 million for 8 C–130H cargo aircraft for the Air National Guard and Reserves, $149.2 million for 12 2-place A–7K aircraft for the Air National Guard, $55 million for 208 Army fighting vehicles, and $60 million to upgrade 251 Army M60A1 tanks to M60A3 configuration; reduces by 120 missiles and $15.4 million funds for Navy Sparrow missiles and 660 missiles and $59.7 million for Air Force Sparrow missiles; authorizes $1.760 billion for a modified Kennedy-class large-deck conventionally powered carrier rather than the requested CVV medium carrier at a cost of $1.617 billion; and authorizes DOD to waive certain charges and undertake certain obligations pursuant to the Multilateral Memorandum of Understanding on the NATO AWACS aircraft programs.

Research and development: Contains $13,562,396,000 for research and development which includes $5,341,000 for the special foreign currency program as follows: $2,318 billion for the technology base portion of the programs; $637.1 million for Advanced technology development (which includes $8.3 million in the Air Force's all-weather target sensing system; and $3.6 million for the Army fuels and lubricants advanced development program to accelerate the engineering scale-up of the cellulosic waste/alcohol conversion program at the Natick Laboratory); $2.334 billion for strategic programs (which includes $30 million to the Air Force for continued flight testing of the third and fourth B-1 bomber prototypes; $6.75 million to resume advanced development of the Extremely Low Frequency (ELF) communications system if a site is selected and the President approves the site for deployment; and $670 million for full scale development of the M-X missile and basing system); $5.327 billion for tactical programs (which includes $1,549 billion for the Army of which $63.4 million is for the XM-1 tank, and $47.490 million for continued development of a 120-millimeter gun for the XM-1 tank; $2,672 billion for the Navy of which $12.419 million is for advanced ship development, $54.953 million for ship development (engineering), and $25 million for the design of a new light carrier; and $1.106 billion for the Air Force; $1.023 billion for intelligence and communications; and $1.982 billion for defensewide mission support, which includes funds for a new naval surface warfare training devices program;

Requests the Secretary to review the strategic command and control area and report to Congress by January 15, 1980; requests the Secretary to make a review of the Cruise Missile Program (which includes the air launched cruise missile (ALCM), the ground launched cruise missile (GLCM) and the sea launched cruise missile (SLCM), and adequacy of the ALCM and GLCM test programs and the potential for shifting tests from the SLCM program to the ALCM and GLCM programs; requires the President and the Secretary to report by October 1, 1979, on the final characteristics of the M-X missile and basing system and provides that no funds may be spent for the program for 60 days after receipt of the report unless each House passes an approval resolution within that period; contains a mechanism whereby passage of a disapproval resolution by either House within this time period would bar expenditure of funds for this program;

Active forces: Sets the overall active duty end strength at 2,047,000 as follows: 776,700 for the Army, 524,000 for the Navy, 189,000 for the Marine Corps and 557,300 for the Air Force; includes no further withdrawal of combat troops from Korea; increases Army personnel involved in military sales to Israel and Navy personnel involved in military sales to Saudi Arabia; and increases manpower in intelligence analysis capabilities;

Recommends certain actions in order to reduce the number of dependents of military personnel overseas and requests the Secretary to report by December 31, 1979, on the implementation of these recommendations and other management actions planned to reduce the number of dependents by 10 percent in 1980 and by 30 percent within 5 years; discontinues payment for future travel of dependents, household goods and automobiles for junior enlisted personnel; provides for the counting of Reserve general and flag officers of all the Services serving on active duty against only the active duty strength authorizations; requires each of the Service Secretaries to submit an Officer Grade Distribution Report and promotion plan to the Congress each year as part of the annual Manpower Requirements Report;

Reserve forces: Sets the average strength in the Reserve Forces at 835,200 as follows: 335,700 for the Army National Guard, 197,400 for the Army Reserve, 87,000 for the Naval Reserve, 33,600 for the Marine Corps Reserve, 92,500 for the Air National Guard, 57,300 for the Air Force Reserve and 11,700 for the Coast Guard Reserve; sets an end strength of 14,547 for full-time active duty personnel within the authorized average strength of the Armed Forces as follows: 6,244 for the Army National Guard, 4,288 for the Army Reserve, 1,707 for the Naval Reserve, 67 for the Marine Corps Reserve, 1,560 for the Air National Guard, and 681 for the Air Force Reserve; repeals the authority for additional pay for Reserve and National Guard commanders for the performance of administrative duty;

Civilian personnel: Sets the end strength for civilian personnel in DOD at 980,900; includes a 100 man increase for intelligence functions; directs the Secretary to give priority to maintenance and related activities for force readiness; includes planned productivity improvements in the Naval shipyards as well as a program of overhauls that will reduce to 13 the backlog of ships awaiting overhauls; recommends maintaining the current provision in law which allows the Secretary to exceed the civilian authorization by 1¼ percent when he determines it is in the national interest to do so;

Military training student loads: Sets the average student load at 230,488; includes a separate authorization of 27,790 for the Army. One Station Unit Training; requires the Secretary to adjust the training loads so that they are consistent with changes in the authorized active duty reserve and civilian personnel strengths; requests the Secretary to submit, by December 31, 1979, a report outlining the goals, planned programs and alternatives with respect to ROTC scholarships, junior ROTC scholarships and platoon leaders class program.

Civil defense: Authorizes $106,800,000 for civil defense; increases from $35 million to $40 million the limit on the amount that can be appropriated annually for Federal contributions for personnel and administrative expenses; limits Federal contributions for emergency operation centers or similar facilities to 65 percent.

General provisions: Amends article 2 of the Uniform Code of Military Justice (UCMJ) to affirm the law and public policy of the U.S. dealing with the commencement of in personam jurisdiction for purposes of the Code; reaffirms the law as set forth, by the Supreme Court in In re Grimley, 137 U.S. 147 (1890); requires compliance with only the following two factors before an enlistment will be considered valid: capacity to understand the significance of enlistment in the armed forces and the voluntary taking of the oath of enlistment; provides for jurisdiction based upon a constructive enlistment which arises at the time an individual submits voluntarily to military authority, meets the mental competency and minimum age qualifications, receives military pay and performs military duties; amends article 36 to clarify the authority of the President to promulgate an authoritative manual of procedure for the military justice system covering not only trial procedures but all procedures relating to an offense as well; requires the President to cease import restrictions on strategic materials from Rhodesia and to lift all other trade sanctions against that country upon enactment of this act, or June 30, 1979, whichever is later; bars the use of funds for deactivating any of the Navy's Polaris submarines earlier than 1 year after enactment and requires the Secretary of the Navy to submit to Congress a study of maintaining Polaris submarines in full operational status or for transferring the Polaris submarines to a standby operational status and maintaining them in such status during fiscal 1980 through 1985; increases the dollar levels above which Selected Acquisition Reports must be submitted and changes the date by which the first report must be submitted each year; and authorizes up to $10 million for assistance in the 1980 Winter Olympic Games for certain specialized services uniquely within the competence of DOD and not readily provided locally by the Lake Placid Olympic Organizing Committee or by other State and Federal agencies. S. 428—Passed Senate June 13, 1979. (127)

Military procurement supplemental: Authorizes $2,020,000,000 in supplemental funds for fiscal 1979 in addition to amounts previously authorized for procurement of aircraft missiles, naval vessels and other weapons and for research development, test and evaluation for the Armed Forces;

Procurement: Authorizes a total of $1,719,500,000 as follows: $80.1 million for the U.S. portion of the NATO AWACS program and limits waiver authority—necessary for U.S. participation in the program pursuant to the Multilateral Memorandum of Understanding on NATO AWACS—to those specific items that apply to the expenditure of fiscal 1979 funds, or the liability arising out of such expenditure and then only to the extent provided for in appropriations acts; $15 million for initial procurement of modification kits for equipping the B-52G with an air inlet that will serve as a functionally related observable difference for arms control verification purposes; $20 million for F-100 engine modules to improve the readiness posture of the F-15 aircraft program; $20 million for the Air Force ALQ-131 electronic countermeasure (ECM) pods; $1.3553 billion for 4 DDG-993 Spruance class destroyers originally intended for Iran; $59 million for Harpoon missiles already produced or for missiles, subsystems and spares which were originally produced for Iran; $58.8 million for 150 Phoenix missiles for the Navy; $25.9 million for 258 surface-to-air missiles already built for Iran for use in alleviating current shortages in the Navy inventory; and $97.7 million for final settlement of shipbuilding claims;

Research and development: Authorizes a total of $300,500,000 as follows: $13.7 million for improvements in the TOW antitank missile to maintain NATO capability to defeat first-line Warsaw Pact tanks; $30 million to accelerate full scale engineering development of the Army's Pershing II missile system; $3 million to continue feasibility studies and exploration of various propulsion concepts for the Navy SWATH (Small Wetted Area Twin Hull) program; $190 million to start full scale development of the Air Force M-X missile and the multiple protective structure (MPS) basing system; $33 million for the Air Force to cover cost growth and expanded scope of work associated with the integration of the air-launched cruise missile with the B-52; $10 million for ground test equipment for the Air Force air-launched cruise missile plus an additional $12 million for Air Force development of an added air inlet for the B-52G's equipped with cruise missiles; and $8.8 million to accelerate improvements to the VLF channels that are a part of the minimum essential emergency communications network (MEECN);

States the sense of the Congress that (1) maintaining a survivable land-based intercontinental ballistic missile system is vital to U.S. security and that the development of a new basing mode for land-based intercontinental ballistic missiles (ICBM's) is necessary to assure the survivability of the land-based system; and (2) the basing mode for the MX missile should be restricted to location on the least productive land available; directs the Secretary of Defense to immediately proceed with full scale engineering development of the Multiple Protective Structure (MPS) system concurrently with the full scale engineering development of the MX missile unless and until he certifies to Congress that an alternative basing mode is militarily or technologically superior to, and more cost effective than, the MPS system or the President informs Congress that, in his view, the MPS system is not consistent with U.S. security interests; and provides that nothing in the act shall be construed to prohibit or restrict the study of alternative basing modes of land-based ICBM's. S. 429—Passed Senate May 3, 1979; Passed House amended May 31, 1979; Senate agreed to conference report June 18, 1979. (81)

National Defense stockpiles: Revises the Strategic and Critical Materials Stock Piling Act, which provides for the acquisition and retention of stocks of certain strategic and critical materials in order to preclude, whenever possible, a dangerous and costly dependence by the United States upon foreign sources for supplies of such materials in times of national emergency and to provide for the timely disposal of excess materials; authorizes the President to determine stockpile requirements and provides, for the first time, Congressional guidance as to how these determinations are to be made; combines the three existing stockpiles (National, Supplemental, and Defense Production Act Inventory) into one stockpile to be collectively known as the National Defense Stockpile and requires that excess materials under the control of any Federal department or agency be transferred to the stockpile; retains the existing provisions requiring authorization by commodity and quantity before any excess material is released from the stockpile and adds a requirement that acquisition of required materials also be authorized; provides standing authority for routine stockpile operations which would be subject only to the annual appropriations process; provides that the President shall designate an appropriate Department or agency to manage the Stockpile, outlines those management responsibilities, and provides guidance on acquisitions, disposals, and barter; provides the authoritiy for the disposition, of the stockpiles for their intended purpose; gives the President broad authority to direct studies and investigations to improve the readiness and reliability of the stockpile; establishes in the Treasury a separate fund to be known as the National Defense Stockpile Transaction Fund to earmark receipts from the stockpile sales for use in purchasing other necessary stockpile materials, and to provide a ready reference for analysis of the scope and status of stockpile activity; contains a "sunset provision" to require that moneys remaining in the fund after three years would revert to the Treasury as miscellaneous receipts; provides for the establishment of advisory committees to assist and advise on stockpile operations; requires periodic reports by the Advisory Committees; and retains the provision requiring a report to Congress every 6 months on stockpile operations. H.R. 2154—Passed House March 19, 1979; Passed Senate amended June 13, 1979. (VV)

DISTRICT OF COLUMBIA

Temporary Commission on Financial Oversight: Increases from $16 million to $38 million the authorization for the Temporary Commission on Financial Oversight of the District of Columbia. H.R. 3879—Public Law 96-27, approved June 21, 1979. (VV)

ECONOMY-FINANCE

Carson City silver dollars: Amends the Bank Holding Company Act Amendments of 1970 to authorize the Administrator of the GSA to conduct future sales of the remaining inventory of approximately one million rare Carson City silver dollars using such terms, conditions and prices as he deems proper. H.R. 1902—Public Law 96-2, approved March 7, 1979. (VV)

Council on Wage and Price Stability: Amends the Council on Wage and Price Stability Act to extend the authority of the Council for an additional year, through fiscal 1980, and to increase its authorizations from $2,210.000 to $6,952,000 in fiscal 1979 and to $8,483,000 in fiscal 1980 in order to enable the Council to hire additional personnel to monitor the wage and price standards outlined in President Carter's voluntary anti-inflation program; amends the Employment Act of 1946 to establish numerical goals for gradual reduction of the share of the GNP accounted for by Federal outlays to 21 percent or less by fiscal 1981 and 20 percent or less by fiscal 1983, provided that these policies do not upset the goals for the reduction of unemployment; requires the President in his economic report to establish numerical goals for the current year and the next four calendar years for Federal outlays as a proportion of the GNP; allows the President to recommend to the Congress a modification of the timetable for achieving the 21 and 20 percent ratios of Federal outlays to GNP; urges the Council to consider the need to stimulate productivity in monitoring wages and prices; and directs the Council to submit a report to Congress recommending policies designed to promote greater national productivity growth. H.R. 2283—Public Law 96-10, approved May 10, 1979. (35)

Federal Reserve Banks purchase of U.S. obligations: Restricts the Treasury's current authority to borrow cash from the Federal Reserve to "unusual and exigent circumstances and only when authorized by at least five members of the Board of Governors of the Federal Reserve System for renewable periods of up to 30 days; gives the Treasury new authority to be used in more routine circumstances, to borrow securities from the Federal Reserve and sell them in the open market to meet its short-term cash needs under the direction of the Federal Open Market Committee; requires the Treasury to repurchase the securities and return them to the Federal Reserve within six months; raises the limit on the amount of the Treasury's borrowings (of cash or securities) from $5 billion to $15 billion at any one time; and extends the draw authorities for five years. H.R. 3404—Public Law 96-18, approved June 8, 1979. (VV)

Financial privacy notification repeal: Repeals the notice requirement contained under section 1104(d) of the Right to Financial Privacy Act which would become effective on March 10, 1979, and require every creditor and financial institution to notify all of their customers of their rights under the act. S. 37—Public Law 96-3, approved March 7, 1979. (VV)

International investment survey: Authorizes $4.4 million for fiscal 1980 and $4.5 million for 1981 for the data collection activities authorized under the International Investment Survey Act which relate to foreign investments in the United States. S. 758—Passed Senate May 17, 1978. (VV)

Public debt limit—balanced budget: Provides for a temporary increase in the public debt limit through September 30, 1979, by increasing the temporary limit of $398 billion to $430 billion which combined with the statutory limit of $400 billion provides for a combined limit of $830 billion;

Requires the Budget Committees of the Senate and the House to report by April 15, 1979, balanced budgets for fiscal 1981 and 1982 and by April 15, 1980, a balanced budget for fiscal 1981 and by April 15, 1981, a balanced budget for fiscal 1982; requires the Committees to show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security; requires the President to submit an alternate balanced budget for any year for which he submits a budget which is not balanced;

Increases by $8 billion, from $32 billion to $40 billion, the authority for the Secretary of the Treasury to issue long-term bonds with interest rates above 4¼ percent to the public; increases the present ceiling on the interest rate for savings bonds from 6 percent to 7 percent, and authorizes the Secretary of the Treasury to raise the rate on new and outstanding issues of savings bonds to that level, with the approval of the President. H.R. 2534—Public Law 96-5, approved April 2, 1979. (28)

Small Business Administration authorization: Authorizes $677,453,000 for fiscal 1980 and $850,100,000 for fiscal 1981 for the Small Business Administration; includes an open-ended authorization for the disaster loan program; provides program authorizations for SBA's loan and other financial and guaranteed assistance programs, for capital appropriations for the various revolving funds, and for salaries and expenses;

Calls for a study on the small business timber set-aside program to identify trends and conditions affecting the survival of small businesses as a viable portion of the forest products industry; provides that energy shortage loans may be made available to small businesses injured by an energy source shortage unless the shortage is caused by a strike, boycott, or embargo directed against the business; provides a three percent rate of interest on the first $55,000 on SBA disaster loans to homeowners; provides a five percent rate of interest on disaster loans to concerns that cannot obtain credit elsewhere; sets the same rate of interest as provided in section 324 of the Consolidated Farm and Rural Development Act (currently 8¼ percent) for concerns that can obtain credit elsewhere, and amends the Consolidated Farm and Rural Development Act to provide the same terms for emergency loans under that act; disallows the investment of excess monies from the surety-bond guarantee fund in bonds or guarantees; allows excess monies from the pollution control bond fund to be invested in bonds or guarantees; authorizes SBA to guarantee debentures of certain State and local development companies; authorizes the transfer of loan processing functions to qualified banks; provides a sunset for the guaranteed loan program on October 1, 1981; sets a $350,000 ceiling on direct loans; authorizes organizations and individuals eligible for handicapped assistance loans to participate in the procurement set-aside program; provides priorities for the placement of government procurement contracts in labor surplus areas; revises the duplication of benefits provisions applicable to SBA disaster loans;

Provides for the establishment of a small business development center program to provide a single local source to aid small businesses in such areas as management, marketing, and government regulations; authorizes SBA to make grants to States to defray up to 50 percent of the cost of developing and operating the program;

Establishes a national small business economic policy to assist the development and expansion of small and medium-sized businesses and requires certain means of addressing and implementing the policy;

Requires SBA to establish a data base of economic information pertaining to small business, and to regularly publish indices of that data; establishes the Office of the Chief Counsel for Advocacy at Executive Level IV; requires a study of small business credit needs;

Provides for enabling legislation and funding authorization for the White House Conference on Small Business; outlines the purposes of the conference; requires annual reports on the status and implementation of the Commission's findings and recommendations for a three-year period following submission of the final report; and

Authorizes SBA to make loan guarantees of up to $500,000 available under the regular business and loan guarantee program to employee organizations seeking to buy their companies and to firms or employee organizations using Employee Stock Ownership Plans who meet specified qualifications for such loans. S. 918—Passed Senate May 16, 1979; Passed House amended May 22, 1978; In Conference. (VV).

Small business employee ownership: Authorizes the Small Business Administration to make loans of up to $500,000 available under the 7(a) regular business loan guarantee program to both employee organizations seeking to buy their companies and to firms or employee organizations using Employee Stock Ownership Trusts (ESOT's) provided they otherwise meet specified qualifications; requires that loan applications submitted by employee organizations for consideration by the SBA (1) include a plan demonstrating that all employees will be offered an opportunity to participate in the plan, (2) that the distribution of company stock will be fully vested by the time the loan is repaid and will comply with IRS requirements, (3) that a majority of the employees will own a majority of the stock by the time the loan is repaid, (4) that managerial or owner-employees have at least one year of service with the firm, (5) that certified plans provide for voting rights, periodic review of the mode of company organization, and adequate management contracts and (6) that the plan enable the company to repurchase stock from employees when they leave the firm or sell their stock and provide a method of wage deductions in non-ESOP cases where such deductions are determined to be necessary to repay the loan; requires SBA to report periodically to Congress on the status of employee-owned firms; states that guarantees may be made directly to the seller of a business when selling under an installment sales contract, provided that the seller agrees to pay a specified penalty, if after the buyer defaults, he chooses to reassume the contract and resell the business; and amends SBA's section 8(a) minority assistance program to clarify that a firm in which 51 percent of the stock is owned by socially and economically disadvantaged individuals through an ESOP may also qualify for participation in the individuals through an ESOP may also qualify for participation in the SBA section 8(a) minority assistance program. S. 388—Passed Senate May 1, 1979. (VV)

EDUCATION

Department of Education: Provides for the establishment of a cabinet-level Department of Education which shall be administered by a Secretary of Education appointed by the President with the advice and consent of the Senate; provides for the transfer of agencies and functions from the Department of Health, Education, and Welfare (HEW) as follows: all programs of the Education Division, the Office of the Assistant Secretary for Education, the Institute of Museum Services, the Office of Information and Resources for Handicapped Individuals, the Rehabilitation Services Administration (except for the development disabilities programs), the National Institute of Handicapped Research, the Interagency Committee on Handicapped Research, the Helen Keller Center for Deaf-Blind Youth and Adults, and the National Council on the Handicapped; also transfers HEW's education functions for the Office for Civil Rights, for education advisory committees, the telecommunications-demonstrations grants, HEW's responsibilities for Gallaudet College, Howard University, the American Printing House for the Blind and the National Technical Institute for the Deaf, and the student loans for health professions and nurse training; transfers from other agencies: Department of Defense operation of overseas schools for dependents; National Science Foundation's science education programs, including programs for the undergraduate instructional improvement, assistance, and research in science education; the Department of Agriculture's graduate school; Department of Justice's law enforcement student loans and grants; the Department of Housing and Urban Development's college housing program; the Department of Labor's migrant education program; and the Advisory Council of Education Statistics; states that some of the purposes of the Department are: to enable education to receive appropriate emphasis at the Federal level; to continue and strengthen the Federal commitment to equal educational opportunity; to supplement and complement State and local school systems and other instrumentalities of the States and tribal governments, the private sector, public and nonpublic institutions, including educational research institutions, community organizations, parents and students; and to improve educational utility and quality; states that the establishment of the Department of Education shall not increase the authority of the Federal government over education or diminish the responsibility for education which is reserved to the States, the local school system, and other instrumentalities of the States and tribal governments; states the intent of Congress in establishing the Department to protect the rights of these entities in the areas of educational policies, administration of programs, competency testing and selection of curricula and program content; and redesignates HEW as the Department of Health and Human Services. S. 210—Passed Senate April 30, 1979. (70)

ELECTIONS

Federal Election Commission authorization: Authorizes $8,881,000 for the Federal Election Commission for fiscal 1980. S. 832—Passed Senate April 4, 1979. (VV)

Authorizes $250,000 to the Federal Election Commission in fiscal 1980 for distribution to the States to cover their expenses in receiving, indexing and maintaining reports required to be filed under the Federal Election Campaign Act, as amended; and directs the Commission to devise a formula for distributing the funds to States in accordance with the number of electoral votes each State cast in the previous Presidential election. S. 994—Passed Senate May 10, 1979. (VV)

EMPLOYMENT

Employee retirement income security: Amends the Employee Retirement Income Security Act of 1974 by postponing for 10 months, from July 1, 1979 to May 1, 1980, the date on which the Pension Benefit Corporation (set up by Congress to administer the termination insurance program which guarantees benefits of retirees and workers in pension plans terminated with insufficient assets to pay benefits) may pay benefits under terminated multi-employer plans. H.R. 3915—Public Law 96–24, approved June 19, 1979. (VV)

ENERGY

Department of Energy—military: Authorizes $3,001,798,000 for fiscal 1980 to the Secretary of Energy for the operating expenses and capital equipment and construction costs related to the national defense programs of the Department of Energy of which $1,707,605,000 is for the nuclear weapons program which includes expected new requirements for the Advanced Strategic Air Launched Missile, Trident II Missile and the Pershing 11 and provides for the production of new nuclear weapons for the stockpiled weapons approved by the President; $37,860,000 for the verification and control program; $512,248,000 for the materials production program; $285,201,000 for the defense waste management program $133,890,000 for the inertial confinement fusion program; $278,367,000 for the naval reactors development and $46,627,000 for the nuclear materials security and safeguards program.

Prohibits the reprogramming of funds in excess of 5 percent of an authorization or $10,000, whichever is less, without prior approval by the appropriate Congressional committee within 30 calendar days; authorizes the Secretary to carry out any construction projects under the general projects provisions if the total estimated cost does not exceed $1 million; prohibits initiation of a construction project costing more than $5,000 if its estimated cost exceeds by 25 percent the amount authorized without approval by the appropriate Congressional committee within 30 calendar days; authorizes the transfer of funds, to the extent specified in appropriations acts, to other government agencies for work for which such sums were appropriated; authorizes the Secretary using funds for plant engineering and design, to carry out advanced planning and construction design and to obtain architectural and engineering services, not exceeding $300,000, in connection with construction projects not authorized by law; authorizes such funds as necessary for increases in salary, pay, retirement, or other benefits authorized by law; prohibits use of funds, with respect to the waste isolation pilot plant project, for purposes other than a demonstration project for the long-term storage of nuclear waste generated by the nuclear weapons research, development, and production complex; directs the Secretary, within a 10-year period and in consultation with other agencies, to carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York, which shall include: (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with the project; requires submission of progress reports to the appropriate Congressional committees by February 1 of each year. S. 673—Passed Senate June 18, 1979. (VV)

Domestic energy summit conference: States as the sense of the Senate that the President should convene a domestic Energy Summit Conference to provide the American people with an authoritative explanation of the present energy supply shortage; directs the President to bring together representatives of the oil industry, consumer representatives knowledgable on energy matters, officials of the Executive Branch and from other levels of government, and such other persons as he deems appropriate to review energy supply data submitted by industry and other sources and report to the President the group's agreements and disagreements on the reasons for current and expected shortages, a prognosis for the future, and recommendations for public and private action to meet these shortages; and requires the President to report to the American people the results of the Conference along with his recommendations with respect to the formation of a national energy council to monitor our progress in achieving a national energy policy. S. Res. 191—Senate agreed to June 26, 1979. (VV)

Domestic oil and coal production: States the sense of the Senate that the U.S. should pursue a policy of displacing a specified percentage of foreign oil with domestic coal; and that the President should submit to Congress within 60 days a target and plan which will, to the maximum extent practicable, achieve such displacement. S. Res. 175—Senate agreed to June 4, 1979. (VV)

Emergency advertising lighting restrictions: Rejection of the resolution approving Standby Emergency Advertising Lighting Restrictions Contingency Plan Numbered 3 which would prohibit any person from using electricity (1) to illuminate any advertising sign (except to indicate if open for business or to identify products or services supplied) or (2) illuminate any window display; makes the plan applicable in every State (including the District of Columbia, Puerto Rico, or any territory or possession of the United States) and provides that it shall preempt any State or local law that is inconsistent with this plan or any rule, regulation, or order promulgated pursuant to it; authorizes the President to exempt a State or locality from this plan, in whole or part, during a period for which (1) he determines that it has in effect a comparable program (defined as a mandatory program which deals with the same subject matter as this plan, and which conserves at least as much energy as this plan), or (2) he finds special circumstances exist in the State or locality; and requires the Secretary to review requests for an exemption and to submit his recommendations thereon to the President or his delegate. S. Res. 123—Senate rejected May 2, 1979. NOTE: (See also S. Res. 120, 122, and 153 on other energy conservation plans.) (76)

Emergency building temperature restrictions: Expresses Senate approval of Standby Emergency Building Temperature Restrictions Contingency Plan Numbered 2 which requires owners of non-residential buildings (except hospitals and other health care facilities and other buildings as determined by the Secretary of DOE) to maintain thermostats at no higher than 65 degrees F. for room heating and at no lower than 80 degrees F. for cooling room or at other ranges for heating or cooling as determined reasonable and necessary by the Secretary; exempts from these temperature level areas where a "manufacturers warranty" requires specific temperature levels for the operation of special equipment or where special environmental conditions are required to protect animal or plant life or materials;

Requires owners of non-residential buildings to maintain thermostats controlling hot water at no higher than 105 degrees F. or at other levels as determined by the Secretary; permits higher water temperatures specifically for dishwashing purposes for which health codes require higher sanitizing water temperatures;

Makes the plan applicable in every State (including the District of Columbia, Puerto Rico, or any territory or possession of the United States) and provides that it shall preempt State or local law or to the extent that such law is inconsistent with this plan or any rule, regulation or other promulgated pursuant to it; authorizes the President to exempt a State or locality from this plan, in whole or in part, during a period for which (1) he determines that it has in effect a comparable program (defined as a mandatory program which deals with the same subject matter as this plan, and which conserves at least as much energy as this plan would be expected to conserve); or (2) he finds special circumstances exist in the State or locality; and requires the Secretary to review state requests for an exemption and to submit his recommendations thereon to the President or his delegate. S. Res. 122—Senate agreed to May 2, 1979. H. Res. 209—House agreed to May 10, 1979. NOTE: (See also S. Res. 120, 123, and 153 on other energy conservation plans.) (74)

Emergency energy conservation: Authorizes the President to create an emergency energy conservation program and permits State Governors to identify the most appropriate methods to conserve energy in their States; authorizes the President, whenever he finds that a severe energy supply interruption exists or is imminent or that actions to restrain domestic energy demand are required in order to fulfill the obligations of the United States under the international energy program, to: (1) announce a national emergency energy conservation target which, if achieved, will, to the maximum extent practicable, minimize the impact of anticipated energy shortages on the domestic economy by saving an amount of energy equivalent to the projected shortage; (2) notify the Governor of each State of the State emergency energy conservation target established by the President for that State; provides that the target for each State shall be a uniform national percentage reduction in an adjusted base period energy use for each State which may be adjusted to reflect: (a) reduction in energy consumption already achieved by conservation program; (b) current trends in population and economic activity; (c) energy shortages which may be having an effect on energy consumption; (d) variations in weather from seasonal norms; and (e) such other factors as the President finds relevant; (3) notify the Governor of each State of the Federal implementation plan which would be imposed in that State if their State plan is not submitted and approved; (4) announce an emergency energy conservation plan for the Federal Government which will take into consideration energy consumption reductions by Federal buildings and equipment, by Federal employees through car and van pooling, preferential parking for multipassenger vehicles and greater use of mass transit and by executive departments and agencies as a result of modification in Federal procurement policies; specifies that the President is not authorized to restrict weekend gasoline sales unless sales on other days of the week are similarly restricted; exempts from any conservation plan food, solar energy, bio-mass, gasohol, or synthetic fuel, fuels used in the production exploration or distribution of fuels, used for pumping of water for hydropower storage or for production of agricultural goods and fibers; allows the President to prohibit the hoarding of petroleum fuels in excess of reasonable need regardless of the state of energy emergency; allows the States to appeal their conservation targets in the courts; and requires that any conservation plan not constitute a burden on interstate commerce. S. 1030—Passed Senate June 5, 1979. (120)

Oil company participation in IEP: Extends from June 30, 1979, until October 31, 1979, the provisions of section 252 of the Energy Policy and Conservation Act (EPCA) which govern oil company participation in the International Energy Program (IEP). S. 1317—Passed Senate June 26, 1979. (VV)

Pipeline safety: Amends the Natural Gas Pipeline Safety Act of 1968 (NGPSA) to clarify and update existing provisions; clarifies the Department of Transportation's (DOT's) authority to regulate liquified Natural Gas; clarifies that safety standards applicable to new pipeline facilities (those relating to design and construction) can be made applicable to existing facilities that are considered hazardous to life or property; leaves in place the existing policy on preemption, criteria for establishing standards and procedures for granting waivers with states having the right to adopt more stringent safety standards for intrastate pipeline tranportation if compatible with the Federal standards issued under NGPSA; requires State agencies to encourage and promote programs to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunneling, or construction activities; increases from $1,000 to $5,000 the level of property damage required to trigger the State reporting requirements and requires state agencies to investigate and report on any accident which the agency considers significant; strengthens and expands the enforcement powers of the Secretary by providing authority to issue compliance orders, expedited collection of civil penalties, and criminal penalties for willful violations;

Establishes the Hazardous Liquid Pipeline Safety Act (HLPSA) which replaces the Transportation of Explosives Act (TOEA) and gives it a statutory framework similar to the NGPSA to regulate transportation of hazardous liquids by pipeline; establishes regulatory authority over the transportation and storage of hazardous liquids moved by pipeline which is parallel to that of the NGPSA; gives the Secretary authority to promulgate safety standards and assure compliance of covered facilities with the standards; establishes a State enforcement program so that the appropriate agency within a State would be certified to enforce the Federal standards and establishes a State grant-in-aid program to fund the program; provides the same inspection, recordkeeping, administrative and judicial remedies as NGPSA; and

Authorizes $8.5 million for fiscal 1980 and $9.1 for 1981 for DOT's Research and Special Programs Administration which includes $3.5 million for fiscal 1980 and $3.8 million for 1981 for grants-in-aid to State agencies for conducting gas pipeline safety programs and hazardous liquids pipeline safety programs. S. 411—Passed Senate June 14, 1979. (VV)

"Severe energy interruptions" definition: Expresses the sense of the Senate that the term "severe energy interruptions" as used in section 201(c) of the Energy Policy and Conservation Act (Public Law 94–163) to determine the severity of a petroleum supply shortage in the United States which would require the President to recommend to the Congress that the Standby Gasoline Rationing Plan provided for in that section be implemented, shall be a national energy supply shortage which the President determines: (1) has or is likely to result in a loss to the United States, or an allocation away from the United States under international obligations, of more than 20 percent of the U.S. supply of petroleum for a period exceeding 30 days, (2) cannot be managed adequately through withdrawals from the Strategic Petroleum Reserve or acquisition from other sources, (3) is not manageable under other energy emergency authorities including any approved Energy Conservation Contingency Plans, (4) is expected to persist for a period of time sufficient to threaten seriously the adequacy of stocks of crude oil or petroleum products, (5) is and can be expected to continue to have a major adverse impact on the national safety or economy, and (6) has resulted from an interruption in the supply of petroleum by an act of God, sabotage, or by governmental decisions of the several oil producing countries to limit the export of crude oil to the United States, or to governments with which the United States has obligations; and states further that the commencement of international hostilities under constitutional authorities, including commitment of troops by the President under the War Powers Act and the determination that rationing of gasoline is necessary to assure adequate supplies to protect the national security, shall be sufficient cause for the President to recommend to the Congress that the Standby Gasoline Rationing Plan be implemented. S. Res. 151—Senate agreed to May 9, 1979. (VV)

Small hydroelectric powerplants: Amends the Public Utility Regulatory Policies Act of 1978 to increase the authority of the small hydroelectric program by including loans for feasibility studies and construction of projects at new or existing hydroelectric projects up to 25MWe; and extends the authorization for the loan program for two additional years, through fiscal 1982, at $100 million annually. S. 948—Passed Senate June 14, 1979. (VV)

Standby gasoline rationing plan: Expresses the Senate's approval of the Standby Gasoline Rationing Plan Numbered 1 which establishes a gasoline rationing program in the event of serious oil supply shortage which would involve the use of rationing checks and coupons to allocate available gasoline to owners of State-registered gasoline-powered vehicles, as revised by Contingency Plan No. 6 as contained in S. Res. 153; requires DOE to calculate ration allotments for each class of vehicle; allots a State Ration Reserve to each State to meet the priority needs of the handicapped and for other hardship applications; provides priority allotments to essential public services such as fire protection, police, ambulances and public transportation; provides sufficient allotment to delivery vehicles for delivery of goods and services, and sufficient ration rights to tractors and other off-highway gasoline powered equipment for food and fiber production; requires ration checks to be issued quarterly which would be redeemable in ration coupons which drivers would present at gas stations in order to purchase gasoline; and allows individuals with a lesser need for gasoline to sell a portion of their ration coupons to others with a greater need. S. Res. 120—Senate agreed to May 9, 1979. H. Res. 212—House defeated May 10, 1979. Note: (See also S. Res. 122, 123 and 153 on other energy conservation plans.) (85)

Makes revisions to Standby Gasoline Rationing Plan Numbered 1 (S. Res. 120) which: (1) provides each State with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan but to add flexibility to the States in dispensing supplemental ration allotments to citizens with special needs; establishes a National Ration Reserve which would be made up of approximately two percent of the available gasoline supply to meet emergency disaster relief and certain national security needs; (2) provides a new method for calculating the ration rights by basing allotments entirely on historical gasoline use in each State; and (3) limits the number of ration rights received by each household to three vehicle allotments but does not preclude a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors. S. Res. 153—Senate agreed to May 9, 1979. Note: (See also S. Res. 120, 122 and 123 on other energy conservation plans.) (84)

Tennessee Valley Authority debt limit: Increases the debt limit for the Tennessee Valley Authority from $15 billion to $30 billion. S. 436—Passed Senate June 20, 1979. (VV)

Three Mile Island Commission: Confers certain powers on the Presidential Commission appointed pursuant to Executive Order Numbered 12130, of April 11, 1979, to investigate the Three Mile Island nuclear power plant accident including (1) the power to subpena and (2) the power to issue an order for Commission members to inspect the Three Mile Island Nuclear power plant; provides that, upon application by the Attorney General, any U.S. district court may issue an order requiring the appearance of a witness or production of material, and provides that the court may issue a contempt citation against any person failing to obey a court-issued order; and provides witnesses with the same fee and mileage expenses that are paid witnesses in the courts of the United States. S.J. Res. 80—Public Law 96–12, approved May 23, 1979. (VV)

ENVIRONMENT

Endangered species: Extends the authorization for the Endangered Species Act at a level of $23 million for fiscal 1980, $25 million for 1981 and $27 million for 1982 to the Department of the Interior; authorizes $2.5 million for fiscal 1980, $3 million for 1981 and $3.5 million for 1982 to the Department of Commerce which is charged with the protection of endangered and threatened marine species, and continues through fiscal 1982 the current annual authorization of $600,000 for the Endangered Species Committee;

Authorizes $500,000 to carry out the proposed recovery plan for the California condor, which was developed pursuant to a report produced jointly by the National Audubon Society and the American Ornithologists Union; changes the various terms in the 1978 amendments concerning the potential impact of a Federal action on a threatened or endangered species or its critical habitat to "is likely to jeopardize"; makes an emergency designation (whereby the Secretary may list a species or critical habitat on an emergency basis if a situation exists which poses a significant risk to the continued existence of the species) effective for 1 year instead of 120 days; requires the Secretary to withdraw the listing if he finds at any time, based on substantial showing using the best scientific and commercial data available, that the emergency condition no longer exists or that the species should not in fact be listed; clarifies Congressional intent under the 1978 amendments that when the Secretary finds that a permanent exemption would result in the extinction of a species, the Endangered Species Committee would have 30 days to determine whether the exemption should be granted; requires the Secretary, if he determines that a Federal agency action is likely to jeopardize the existence of a proposed or endangered species or adversely modify the proposed critical habitat of the species, to complete or withdraw, within 90 days, the proposed listing and critical habitat designation notwithstanding any other requirements; and specifies that, when a permit or license is involved, the exemption applicant has 90 days after final agency action on a permit or license to apply for an exemption. S. 1143—Passed Senate June 13, 1979. (130)

EPA authorization: Authorizes a total of $379,635,000 for the environmental research and development programs conducted by the Environmental Protection Agency for fiscal 1980 as follows: $96,899,500 for water quality research of which $32,340,000 is for the energy program; $9,368,000 for pesticide research and demonstration; $27,734,000 for drinking water research and demonstration of which $4,065,000 is for the energy program and $4 million for a new program for groundwater research and development; $33,977,000 for toxic substances research; $2,930,000 for radiation research; $134,731,500 for air quality programs of which $58,769,500 is for the energy program and $50,624,000 for the Health and Ecological effects program; $19,728,000 for research and development on solid waste of which $11,585,500 is for the energy program; $2,000,000 for noise control; $24,544,000 for intermedia activities; $27,452,000 for program management and support; and $4 million for two environmentally related research programs at the National Bureau of Standards; and authorizes the Administrator to allow the Agency's facilities to be used by an outside organization with appropriate reimbursement which may be waived if he determines it to be in the public interest. H.R. 2676—Passed House March 27, 1979; Passed Senate amended May 23, 1979. (VV)

Industrial cost recovery payment moratorium: Amends the Clean Water Act of 1977 to extend for 1 year, until June 30, 1980, the existing moratorium on industrial cost recovery (ICR) payments to the Treasury (contained in the Federal Water Pollution Control Act of 1972 to insure that industrial participants in municipal treatment plants repay the share of the Federal construction cost attributable to the treatment of their industrial wastes) in order to allow the Environmental Protection Agency to continue their study, mandated under the Clean Water Act of 1977, on the effectiveness and need of the ICR provision and issues relating to their implementation, taking into account the desirability of industries joining municipal treatment works. S. 901—Passed Senate June 14, 1979 (VV)

Marine protection: Extends for two years, through fiscal 1981, title III of the Marine Protection, Research and Sanctuaries Act of 1972, which provides for the designation of marine sanctuaries to preserve or restore specific areas of ocean, coastal and Great Lakes Waters chosen on the basis of conservation, recreational, ecological, scientific or esthetic values; adds the term "scientific" to the list of criteria for which a marine sanctuary can be established; and authorizes therefor $3 million for fiscal 1980 and $4 million for 1981 to the National Oceanic and Atmospheric Administration, charged with administering the program. S. 1140—Passed Senate May 22, 1979 (VV)

National Advisory Committee on Oceans and Atmosphere: Authorizes $565,000 for fiscal 1980 and $600,000 for 1981 to the National Advisory Committee on Oceans and Atmosphere which is mandated to (1) undertake a continuing review of national ocean policy, coastal zone management and the status of U.S. marine and atmospheric science and service programs and (2) advise the Secretary of Commerce with respect to carrying out the programs of the National Oceanic and Atmospheric Administration; and strikes the provision allowing for the carryover of funds from one fiscal year to the next. H.R. 3577—Public Law 93–26, approved June 21, 1979. (VV)

Ocean pollution: Authorizes $9.5 million in fiscal 1980 for the National Oceanic and Atmospheric Administration to monitor ocean dumping and to carry out research on marine pollution, under title II of the Marine Protection, Research, and Sanctuaries Act of 1972. S. 1123—Passed Senate June 6, 1979. (VV)

Extends for 3 years, through fiscal 1982, title I of the Marine Protection, Research and Sanctuaries Act under which the Environmental Protection Agency has the authority to regulate transportation of material for ocean dumping and prevent ocean dumping of any material which would adversely affect human health or welfare, the marine environment, an ecological system, or economic potentialities; authorizes therefore $1,232,000 each for 1980–1982; and authorizes EPA to conduct a study evaluating the technological options available for the removal of heavy metals and other toxic organic materials from the sewage sludge of New York City which is to be completed by July 1, 1980. S. 1148—Passed Senate June 6, 1979. (VV)

Ocean pollution research and development: Authorizes $4.3 million for fiscal 1980 to carry out the provisions of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 (Public Law 92–273). H.R. 2520—Public Law 96–17, approved June 4, 1979. (VV)

Quiet communities: Amends the title of the Noise Control Act of 1972 to read the "Quiet Communities Act" and conforms all references in law to the new name; authorizes $15 million annually for fiscal 1980 and 1981 to carry out the provisions of the act; requires the Administrator of the Environmental Protection Agency to develop a 5-year plan to be submitted to Congress by March 1, 1980, setting forth a detailed description of the objectives of each program and activity which the Administrator will carry out in fiscal 1981 through 1985, and to prepare and submit to Congress a revision of the plan by January 31, 1981, and each 2 years thereafter; requires that the plan contain a separate discussion of the Administrator's research objectives with respect to the health aspects of noise and that the research portion of the plan (1) set forth the relative priorities assigned to various categories of noise research activities to be performed by EPA or other Federal agencies, a detailed statement of the annual levels of funding to be allocated to each category, and a schedule or timetable of activities proposed to attain the noise research objectives; and (2) contain an analysis of the relationship between the research elements and the other activities for programs described elsewhere in the plan; requires that the plan contain a separate portion on aircraft and airport noise studies; and allows local governments to petition EPA requesting a change in Federal Noise regulations which affect fixed railroad facilities. S. 1144—Passed Senate June 14, 1979. (VV)

Safe drinking water: Extends for three

years, through fiscal 1981, the programs under the Safe Drinking Water Act and authorizes therefor $59.2 million for fiscal 1980, $69.1 million for 1981 and $81.6 million for 1982; includes $21.4 million for 1980, $24.6 million for 1981 and $30.5 million for 1982 for research and primary enforcement responsibilities; $29 million for 1980, $30 million for 1981 and $35.9 million for 1982 for grants to States for public water suspension programs; and $7.8 million for 1980, $14.5 million for 1981 and $15.2 million for 1982 for grants for underground water source protection programs; and contains a $1 million authorization for a new program of demonstration projects for abatement and control of drinking water contaminants in water supply systems serving 5,000 persons or less. S. 1146—Passed Senate May 22, 1979. (VV)

Solid waste disposal: Extends the Solid Waste Disposal Act for 3 years through fiscal 1982; authorizes therefor $158.95 million for 1980, $170 million for 1981 and $180 million for 1982 for the Environmental Protection Agency and $5 million for each of these years for the Department of Commerce to carry out the purposes of the act; makes minor modification of the statute;

Allows the Administrator to delegate the power to enforce Solid Waste Disposal Act regulations to other agencies in order to avoid duplication of compliance efforts; provides greater administrative flexibility in allocating funds while retaining an emphasis on technical assistance to States and local governments on funding for hazardous waste control; requires that a minimum of 25 percent of the funds appropriated under the act be used for support of State and local solid waste planning and management activities; suspends subtitle C of the Resource Conservation and Recovery Act with respect to drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil or natural gas for a 24-month period to enable EPA to conduct and submit to Congress a study to determine the degree of hazard associated with these wastes, the adequacy of existing State and Federal regulatory programs, potential changes to regulatory programs, and the cost and impact of those changes on the exploration, development and production of crude oil and natural gas; establishes a procedure for congressional approval of any hazardous waste regulations; codifies the existing common law concept that the generator of waste is responsible for assuring its arrival at an appropriate facility; authorizes the Administrator to distinguish in establishing performance standards for hazardous waste treatment storage and disposal facilities between requirements for new facilities and those for facilities in existence; specifies that the Administrator may authorize EPA contractors to obtain samples, perform inspections and examine records at facilities which handle hazardous wastes; provides that the Agency's access, entry and inspection authority applies to persons or sites which have handled hazardous wastes in the past but are no longer doing so; gives the Agency the option of requesting that persons handling such wastes either provide records or furnish information in the form of a summary; adds provisions to assure appropriate confidentiality of data in the hands of private contractors; amends the enforcement provisions to bring them into line with those in the Clean Air and Clean Water Acts; imposes a civil penalty of up to $25,000 per day for dumping of hazardous wastes regardless of whether the dumping party has been served with an order to stop dumping; authorizes the Administrator to act against violations before a 30-day period has elapsed; clarifies the authority of the Administrator to issue an order suspending or revoking an operating permit and to go to court to enforce suspension or revocation; specifies that grant funds for State hazardous waste activities can be used for inactive site response planning and control; and that both States and local governments may not be prohibited from entering into long-term contracts for operation of hazardous waste disposal facilities or long-term contracts to secure markets for these materials; prohibits open dumping after publication of criteria to define this practice; gives EPA the flexibility to choose which products would be purchased for recycled materials and to set timetables for issuance of new specifications; extends the deadline for changing specification to allow use of recycled materials from 18 months to 5 years; directs the Administrator to issue final guidelines by specified times which will be used by Federal agencies in procuring products containing recovered materials; allows the Agency to take enforcement action against any practice which is presenting a substantial endangerment to health or the environment; modifies the judicial review provisions of the act to follow comparable provisions in the Clean Air and Clean Water Acts; requires that all court actions challenging regulations under this act, including petitions to modify regulations, be heard in the Appeals Court for the District of Columbia; gives the Administrator authority to subpena records and compel testimony of witnesses in enforcement actions; and calls for a special study of the degree of hazard and adequacy of existing regulatory programs associated with drilling fluids, produced waters and other oil and gas exploration and production wastes. S. 1156—Passed Senate June 4, 1979. (VV)

Toxic substances: Extends the Toxic Substances and Control Act for three years, through fiscal 1982, and authorizes therefor $69.3 million for fiscal 1980, $94 million for 1981 and $121 million for 1982 to EPA to carry out its responsibilities under the act which include production, use and effects of commercial chemicals; limitation of the import and distribution of harmful chemicals; and improving coordination among Federal and State agencies concerned with toxic substances. S. 1147—Passed Senate May 22, 1979. (VV)

FISHERIES

Anadromous fish conservation: Extends the Anadromous Fish Conservation Act of 1965, through fiscal 1983, and authorizes therefore $10 million in 1980, $11 million in 1981, $12 million in 1982, and $13 million in 1983 to the National Oceanic and Atmospheric Administration and the U.S. Fish and Wildlife Service to carry out their responsibilities under the Act; removes the restriction on use of funds for operation and maintenance costs of facilities constructed under multistate projects; vests title of lands acquired under the Act to the cooperating States or other non-Federal interests rather than to the Federal government to encourage purchase of necessary lands and to conform to other closely related Federal fish and wildlife grant-in-aid programs; modifies the $1 million limitation that a State may receive in any year to $1 million or 20 percent, whichever is greater, of the funds appropriated in any fiscal year in order to allow the Federal government to increase the funds available to a State above the $1 million limitation; directs the Secretary of Commerce, acting through the Director of the National Marine Fisheries Service, and the Secretary of Interior, acting through the Director of the Fish and Wildlife Service, to cooperate with States and non-Federal interests in conducting studies of: (1) the status of the striped bass (Morone Saxatilis) population in Atlantic coastal waters, and (2) the factors responsible for the decline in the number of such fish available to the public for recreation and commercial use, including a determination of the extent and success of annual spawning, an analysis of the extent and causes of mortality at successive stages in its life cycle, a determination of the effects of pollutants on viability and condition of eggs and larval fish; and a survey of economic significance of the striped bass to both recreational and commercial fishing; and requires Congress to annually report on the progress of the study, and where appropriate include their legislative recommendations, and authorizes therefore $1 million in fiscal 1980, $1.75 million in 1981, $2 million in 1982, and $2 million in 1983. S. 838—Passed Senate June 18, 1979. Passed. House amended June 25, 1979. (VV)

Fishery conservation and management: Extends for three years, through fiscal 1982, the Fishery Conservation and Management Act of 1976 (FCMA) and authorizes therefor $30 million for fiscal 1980, $40 million for 1981 and $47 million for 1982 to provide for the continued conservation and management if fishery resources of the U.S.; updates the definition of the term "fisheries" in the shipping laws to reflect the 200-mile U.S. fishery conservation zone; and denies access to the U.S. fishery conservation zone to fishing vessels of any foreign national certified by the Secretary of Commerce (under section 8(e) of the Fishermen's Protective Act) to be in violation of any international whaling or fishery agreement. S. 917—Passed Senate April 30, 1979; passed House amended June 25, 1979. (VV)

GENERAL GOVERNMENT

Federal fire prevention and control: Authorizes $27,274,000 for the United States Fire Administration (USFA) and $5,600,000 for the Center for Fire Research within the Department of Commerce for a total authorization of $32,874,000; includes funding for the Federal arson, firefighter protection and rural firefighting assistance programs; contains increased funding for major acceleration of the National Fire Academy (established by the Federal Fire Prevention and Control Act of 1974) programs which, with the purchase of a site in Emmitsburg, Maryland, are expected to be implemented this year; and calls for the Administrator of the PSFA to carry out a 10-month study on the effectiveness of smoke and heat detectors and sprinkler systems in saving lives, preventing injuries, and limiting property damage in fires and to report his findings to Congress and the President. S. 1160—Passed Senate May 23, 1979; Passed House amended June 4, 1979. (VV)

Federal procurement policy authorization: Extends the Office of Federal Procurement Policy for an additional five years, through fiscal 1984, and authorizes such sums as may be necessary for the Office to carry out its duties. S. 756—Passed Senate May 21, 1979. (VV)

Intelligence activities authorization: Authorizes such amounts as specified in a classified report prepared by the Senate Select Committee on Intelligence for fiscal 1980 for intelligence activities of the United States Government including specific amounts for the Central Intelligence Agency, National Security Agency, military services, Departments of State, Treasury and Energy, Federal Bureau of Investigation, and the Drug Enforcement Administration; provides that copies of the report shall be made available to the House Permanent Select Committee on Intelligence, the Committees on Appropriations and Armed Services of the House and Senate, and to the appropriate entities of the intelligence community for which funds are authorized; conforms the fiscal 1980 Intelligence Authorization to actions taken by the Senate regarding intelligence activities of the FBI; provides dependent educational travel benefits for CIA and NSA employees serving overseas; authorizes

$12,627,000 for the Intelligence Community staff which provides support and assistance to the Director of the Central Intelligence Agency in fulfilling his responsibilities for management and direction of the intelligence community; sets at 245 the end strength of full-time employees for the intelligence community staff and provides that any employee detailed to the staff from another entity shall be detailed on a reimbursable basis except that an employee may be detailed on a non-reimbursable basis for a period of not less than one year for performance of temporary functions as required by the Director of Central Intelligence; and authorizes $51,600,000 for the Central Intelligence Agency Retirement and Disability System. S. 975—Passed June 20, 1979. (VV)

International Affairs of Treasury: Authorizes $24 million for fiscal 1980 for the international affairs functions of the Treasury Department, including sums for official functions, receptions and representation expenses. S. 976—Passed Senate May 22, 1979. (VV)

National Science Foundation authorization: Authorizes $1,003,500,000 for the National Science Foundation for fiscal 1980 plus an additional $6,000,000 in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States; contains funding for the following categories in the total amount of: $295.65 million for mathematical and physical sciences and engineering; $243.35 million for astronomical, atmospheric, earth and ocean sciences; $55 million for the U.S. Antarctic program; $175.5 million for biological, behavioral and social sciences; $86.2 million for science education programs of which not less than $2.5 million be available for the program "Minorities, Women and the Handicapped in Science" and not less than $2.3 million be available for the program "Ethics and Values in Science and Technology"; $62.4 million for applied science and research applications of which not less than 12.5 percent shall be expended to small business concerns; $25.8 million for scientific, technological and international affairs; and $59.6 million for program development and management; requires that not less than 10 percent of the total available funds for equipment and instrumentation under the categories of mathematical and physical sciences and engineering; astronomical, atmospheric, earth and ocean sciences; and biological, behavioral and social sciences be available to 2- and 4-year colleges for equipment and instrumentation costing $25,000 or less; prohibits the Director from transferring funds to or from the science education programs and applied science or research applications categories exceeding ten percent prior to notifying Congress and gives Congress 30 calendar days to disapprove the transfer; and requires the Director to keep the relevant Congressional committees informed with respect to all activities of the Foundation. H.R. 2729—Passed House March 27, 1979; Passed Senate amended May 8, 1979; In conference. (VV)

National tourism policy: Establishes a national tourism policy and the principal mechanisms for coordinating and implementing that policy; creates a cabinet-level Policy Council to deal with issues of duplication, contradiction and lack of coordination among Federal agencies having tourism and tourism-related programs and policies; and creates a Federally chartered, nonprofit corporation as an implementing mechanism for the national policy to: (1) develop and administer a comprehensive program to stimulate and encourage travel to the United States, (2) monitor Federal programs for compliance with the national tourism policy, (3) act as the tourism industry's advocate within the several government agencies impacting tourism and (4) develop and administer programs to assist the industry and consumer. S. 1097—Passed Senate May 14. 1979. (VV)

President's Commission on Pension Policy: Provides a statutory basis to continue for two years the President's Commission on Pension Policy which was established under Executive Order No. 12071, effective September 1978, to conduct a comprehensive review of retirement income programs in the U.S., and develop national policies for these programs; requires the Commission to report to Congress on a regular basis and to submit a final report of its recommendations and findings to the President and Congress; provides for the continued service of the present Commission members and requires Senate confirmation of the Chairman in the event of a vacancy; authorizes the Commission to enter into contracts for the conduct of research and surveys, the preparation of reports, and other activities necessary to carry out its duties and responsibilities; authorizes $2 million for fiscal 1980 for the operation of the Commission which shall remain available until expended; and provides for the termination of the Commission 90 days following submission of its final report. S. 532—Public Law 96–14, approved May 24, 1979. (VV)

Smithsonian authorization: Authorizes $500,000 for fiscal 1980 to the Smithsonian Institution to plan the development of the area south of the original Smithsonian Institution Building, known as "the Castle", adjacent to Independence Avenue for the multiuse purpose of constructing a new home for the Museum of African Art (which the Smithsonian acquired pursuant to provisions contained in Public Law 95–414), an Oriental Art Center and several other facilities, including a lower level parking garage consisting of about 400 spaces. S. 927—Passed Senate May 21, 1979. (VV)

Smithsonian Canal Zone biological area: Increases from $350,000 to $750,000 the limit on annual appropriations for the Canal Zone Biological Area (the Barro Colorado Island facility of the Tropical Research Institute of the Smithsonian Institution) in order to upgrade the facility. S. 817—Passed Senate April 14, 1979. (VV)

U.S. Travel Service: Continues funding the United States Travel Service, pending the legislative recommendations of the National Tourism Policy Study, for one year at a reduced level of $8 million and requires a 60 percent staff reduction in the Washington office by September 1, 1979. S. 233—Passed Senate March 8, 1979. (VV)

GOVERNMENT EFFICIENCY AND REORGANIZATION

Alaska natural gas pipeline reorganizations: Approves Reorganization Plan No. 1 of 1979 which provides for the establishment of an Office of Federal Inspector for the Alaska Natural Gas Pipeline as a separate unit in the Executive Branch to be headed by a Federal Inspector appointed by the President and subject to Senate confirmation; transfers to the Federal Inspector authority to enforce the terms and conditions of permits, certificates, leases, rights-of-way, and other authorization issued by the Departments of Agriculture, Interior, Transportation and Treasury, the Federal Energy Regulatory Commission (FERC), the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers; provides for the creation of an Executive Policy Board composed of the Secretaries of Agriculture, Energy, Interior and Transportation, the Administrator of EPA, the chief of the U.S. Army Corps of Engineers and the Chairman of FERC which will serve in an advisory capacity to the Federal inspector; and provides that the Office shall be phased out one year after the initial operation of the Alaska pipeline system. S. Res. 126—Senate rejected disapproval resolution May 23, 1979. H. Res. 199—House rejected disapproval resolution May 31, 1979. (VV)

Ethics in Government amendments: Makes certain clarifying and technical amendments to the Ethics in Government Act (Public Law 95–521) which: specifies that the ban on "aiding and assisting in representing" is limited only to those particular matters in which the former official has been "personally and substantially" involved while in office; limits "aiding and assisting in representing" to on-site appearances before the Government; equalizes the treatment of military officers and civilian officials insofar as automatic inclusion for certain provisions such as the one-year "cooling off" period by increasing the military grade subject to automatic inclusion from a O–7 (brigadier general) to O–9 (three star general); specifies that no Federal employees below GS–17 (except members of the Senior Executive Service) and no military personnel below O–7 could be subjected to the "no contact" provisions; allows certain exemptions for contact with employers in a different bureau in an agency; and exempts the prohibition of contact for employees of State and local governments, institutions of higher education, and non-profit medical facilities. S. 869—Public Law 96–28, approved June 22, 1979. (VV)

GOVERNMENT EMPLOYEES

Federal employees health benefits: Amends section 4 of the Retired Federal Employees Health Benefits Act by revising the Retired Federal Employees Health Benefits Program (RFEHB) to make the Government contribution to RFEHB equivalent to the cost of part B of Medicare (currently $8.20), with a built-in escalator allowing for subsequent increases. S. 716—Passed Senate May 23, 1979. (VV)

Federal employee participation in Pan-American and Olympic Games: Provides for paid leave, of up to 90 days, for a Federal employee participating in the Pan American or Olympic games as a representative of the official U.S. team. S. 387—Passed Senate May 23, 1979. (VV)

HEALTH

Alcohol abuse and alcoholism prevention: Extends the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, through fiscal 1982, and authorizes therefor $208 million for 1980; $223 million for 1981 and $238 million for 1982 to continue the alcohol abuse and alcoholism research, prevention, treatment and rehabilitation programs of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) in the Department of Health, Education and Welfare; establishes an Associate Director for Underserved Populations within NIAAA, to develop and coordinate prevention, treatment, research and administrative policies and programs to assure increased focus on minority and other underserved populations; provides greater emphasis on prevention, evaluation, occupational programs and families of alcoholics; replaces the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism with an Interdepartmental Committee for Alcohol Abuse and Alcoholism to better coordinate Federal alcoholism activities; creates an Intradepartmental Committee for Departmental Activities on Alcohol Abuse and Alcoholism to coordinate alcoholism activities within HEW; provides for more coordination between NIAAA and the National Institute on Drug Abuse in matters of data collection, program management and evaluation; establishes a 2-year center for American Indian-Alaskan Native Concerns within the National Institute on Alcoholism and Alcohol Abuse to study the problem of alcoholism and alcohol abuse among American Indians and Alaskan natives; authorizes a small grant program to States for demonstration and implementation of insurance regulations to cover alcoholism and alcohol abuse; extends the prohibition of discrimination against alcoholics in health care facilities to all services receiving Federal support; authorizes emergency assistance to victims of alcohol-related domestic violence; encourages technical assistance to States; includes social consequences of alcohol abuse as a subject of research; increases the maximum annual grant to National Alcohol Research Centers to $1.5 million; specifies research on biomedical, behavioral and social issues; authorize designation of consortia as Centers; requires laboratory, reference and data analysis suited to Center research plans; establishes a 2-year National Commission on Alcoholism and Alcohol-Related Problems, consisting of 8 members of Congress (4 from each House) and 11 public members appointed by the President, to undertake a comprehensive national study of alcohol-related problems and make recommendations to the President and Congress at the end of the 2-year period; and authorizes therefor $2 million. S. 440—Passed Senate May 7, 1979. (VV)

Drug abuse and treatment: Revises and extends for 1 year, through fiscal 1980, the authorizations under the Drug Abuse Office and Treatment Act of 1972 to continue drug abuse prevention, treatment and rehabilitation programs, and certain research programs of the National Institute on Drug Abuse (NIDA) with a contingent extension of such authorizations for an additional year if Congress fails to consider renewal legislation during the forthcoming fiscal year; authorizes $243 million in fiscal 1980 and the same level for 1981 for the contingent extension; provides for greater emphasis on evaluation, occupational programs and prevention and emphasizes the need for Federal, State and local planning, adaptability to changing demographic and drug use patterns, coordination of domestic and international activities, and the active involvement of municipalities in planning and coordination of drug abuse services; abolishes references to the former Office of Drug Abuse Policy (IDAP) and transfers responsibility for coordinating Federal, international and domestic drug policy to the President, as provided for under Reorganization Plan No. 1 of 1977; requires special emphasis on prevention and treatment services to currently underserved populations; provides for greater representation of minorities, poverty groups, and vulnerable populations on State advisory panels and enhances the role of general local government units by authorizing small grants for planning and coordination to local governments with high concentrations of drug abuse; extends the prohibition on discrimination against drug abusers in health care facilities to other Federally supported social services; encourages technical assistance to States; provides for the designation of an Associate Director for Underserved Populations within the National Institute on Drug Abuse to develop and coordinate prevention, treatment, research and administrative policies and programs to assure increased focus on minority and other underserved populations; and provides for more coordination between NIDA and the National Institute on Alcohol Abuse and Alcoholism in data collection, program management, credentialing and related areas. S. 525—Passed Senate May 7, 1979. (VV)

Emergency medical services: Extends for three years, through fiscal 1981, the programs under the Emergency Medical Services Systems (services; research; burn, trauma or poison; and training) and authorizes therefor $50 million annually; deletes the requirement under present law that no more than 50 percent of the sums appropriated each year for planning grants and contracts may be made for second planning grants; requires that priority in awarding planning grants be given to those EMS regions which have not had a first planning grant; includes $40 million annually for grants or contracts for planning, to initiate development and expansion of an EMS; earmarks 1 percent of the funds appropriated for planning grants rather than the 2½ to 5 percent earmarked in current law; extends the current requirement that not less than 20 percent of systems development funds be used for (1) grants or contracts for the initial operation of an EMS system, and (2) grants for expansion of an EMS system; includes $3 million annually for grants and contracts for research in emergency medical services; provides for a representative of the Federal Emergency Management Agency as a member of the Interagency Committee on EMS; includes trauma and poison in the Burn Injury Program and authorizes therefor $3 million annually; and authorizes $4 million annually for grants or contracts for training in emergency medical services;

Establishes an administrative unit within HEW to carry out the Sudden Infant Death Syndrome (SIDS) program and requires the Secretary to provide the unit with adequate staff to carry out the program effectively; authorizes the Secretary to make grants and contracts to non-profit private organizations for projects pertaining to SIDS and related issues such as death investigation and biomedical research activities and authorizes therefor $5 million for fiscal 1980 and $7 million for 1981; requires the Secretary to develop an annual reporting system for data collected by the counseling and information projects and to carry out coordinated clearinghouse activities regarding SIDS in order to improve dissemination of information; directs the Secretary to seek an equitable distribution of funds among the various regions and ensure the needs of rural and urban areas; requires annual reports concerning the activities of the counseling and information projects; requires development and submission, with the first annual report, of a plan for expanded counseling and information services to all States by July 1, 1980, and to all U.S. territories and possessions by July 1, 1981; calls for a study regarding the death investigation laws and systems of the various States and their impact on SIDS; and requires the Secretary to provide assurances that adequate funding is made available for the National Institute of Child Health Development's (NICHD) research activities in the area of SIDS and calls for reports on the number of applications approved and the amount of funding required by NICHD, and any other Institute within the National Institutes of Health, to carry out their activities relating to SIDS. S. 497—Passed Senate May 9, 1979. (VV) .

Health planning: Extends the authorities and revises the requirements under titles XV and XVI of the Public Health Service Act for health planning and health resources development and adds a new part G under title XVI providing for the establishment of a program to assist the voluntary discontinuance and conversion of unneeded hospital services;

Revises and extends the national health planning and development authority under title XV of the Act; authorizes $150 million for fiscal 1980, $175 million for 1981 and $200 million for 1982 for planning grants to health systems agencies; $40 million for 1980, $45 million for 1981 and $50 million for 1982 for grants to State health planning and development agencies; $6 million each for 1980, 1981 and 1982 for grants to State rate regulation programs and $6 million for 1980, $8 million for 1981 and $10 million for 1982 for grants to centers for health planning; makes a number of revisions in the existing program in order to: (1) provide that the State health plan (HSP) is to have the concurrence of the Governor and that the statewide health coordinating council (SHCC) and health systems agencies (HSA's) are to develop a uniform format for use by HSA's in developing health systems plans (HSP's); (2) specify the material to be included in the health systems plans of HSA's and the preliminary State health plans prepared by the State agencies for use by SHCC's; (3) provide for 3-year designation of health systems agencies and State agencies and establish a 3-year cycle for development, review and revision of HSP's and State health plans; assure that certificate of need decisions are consistent with the State health plan and that approved certificates of need are reviewed for progress at least once every 24 months (with provision for withdrawal of approval in the absence of substantial progress); (5) extend requirements for certificate of need review to all medical equipment valued over $150,000 if it is to be used to provide services on a regular basis to inpatients of a hospital; provide that only those new institutional health services entailing annual operating costs of $75,000 or more will be subject to certificate of need review and set forth certain limited criteria that are the sole criteria to be used in processing qualified health maintenance organization applications for the purchase of medical equipment over $140,000 and for new inpatient hospital facilities; (6) provide that each certificate of need be based solely on the record established in administrative and judicial proceedings and stipulate procedures and criteria for review by HSA's and State agencies for purposes of certificate of need and appropriateness of existing services; (8) assure representation of medically underserved populations especially in rural areas; (9) assure effective consumer participation; (10) clarify procedures for redesignation of health service areas, including those involving standard metropolitan statistical areas; (11) increase minimum funding levels for small population HSA's and permit 5 percent of HSA planning grant appropriations to be used, among others, to increase grants to HSA's with extraordinary expenses due to a large health service area; (12) redefine the requirements for public HSA's to allow for the parent governing body to retain certain responsibilities for personnel rules and budget approval; (13) improve coordination between health planning entities and appropriate drug abuse, alcohol abuse, mental health, area agencies on aging and rate review authorities; and (14) direct that special consideration be given throughout the planning process to the importance of maintaining and improving competition in the health industry;

Revises and extends the health resources development authority under title XVI of the act; authorizes such sums as necessary for 1980, 1981 and 1982 for loans and loan guarantees and $40 million for 1980, $50 million for 1981 and $50 million for 1982 for project grants to eliminate safety hazards or to meet accreditation standards; provides that the Governor as well as the SHCC must approve the State medical facilities plan; extends the loan and loan guarantee program to public as well as nonprofit private entities and sets forth the types of information to be included in applications for loans or loan guarantees; provides no new authorizations for State allotments or for area health services development funds;

Establishes a program to assist the voluntary discontinuance or conversion of unneeded hospital services and authorizes therefor $30 million for 1980, $50 million for 1981 and $75 million for 1982; provides that any hospital in operation on the date of enactment and which (1) intends to discontinue providing all inpatient health services could apply for a debt payment and an incentive payment for this discontinuance, (2) intends to discontinue an identifiable unit of the hospital that provides inpatient health services could apply for an incentive payment, or (3) intends to convert an identifiable part of the hospital into providing long-term services, ambulatory care services or any other service designated by the Secretary and provides that they could apply for a conversion payment if the State agency has determined that such new service is needed; and

Contains miscellaneous amendments repealing obsolete sections under title III of the act and repeals title IX entirely. S. 544—Passed Senate May 1, 1979. (VV)

Nurse training: Extends the following programs of the Nurse Training Act for one year, through fiscal 1980: nursing school construction at $4 million; Federal guarantees of loans and interest subsidies made by non-Federal lenders or the Federal Financing Ban to nonprofit private schools of nursing for construction of training facilities; loan guarantees and interest subsidies at an open-ended authorization but not to exceed $1 million; capitation grants to schools of nursing at $24 million; special project grants and contracts at $17 million; advanced nurse training programs at $13.5 million; nurse practitioner programs at $15 million; nurse traineeships at $15 million; nursing student loan funds at $13.5 million plus such amounts as necessary through fiscal 1983 to enable students who received a loan ending before October 1, 1980, to complete their education; and nursing student scholarship program with such amounts as necessary authorized through fiscal 1983 to enable schools to continue making payments under scholarship awards to students who received their awards prior to October 1, 1980; prohibits recipients of nursing student loans who attend a nursing school before October 1, 1980, to receive concurrently a National Defense Education Act loan; extends the time period allowed for the capital distribution of the balance of the student loan fund to after September 30, 1981, but not later than December 30, 1983: stipulates that, in the case of a student who received a nursing student loan before the date of enactment, an amount of up to 85 percent may be cancelled for full-time employment as a professional nurse in any public or nonprofit private agency, institution or organization; requires the Secretary of HEW to arrange for a study to (1) determine the need to continue a specific program of Federal finance support to nursing education, (2) make recommendations regarding ways to encourage nurses to practice in medically underserved areas and (3) examine the rate at which nurses leave the nursing profession, the reasons therefore and any recommendations for steps that could be taken to retain nurses within the profession; and requires the Secretary to request the National Academy of Sciences, acting through its Institute of Medicine, to conduct the study. S. 230—Passed Senate May 7, 1979. (VV)

INTERNATIONAL

Ambassador to Afghanistan: Provides that the Senate shall not grant its advice and consent, as required under article II, section II of the United States Constitution, on the appointment of an Ambassador to Afghanistan, until the President certifies to Congress that the Government of Afghanistan has officially apologized and given satisfaction to the U.S. concerning the death of Ambassador Adolph Dubs and has provided satisfactory assurances respecting the security of U.S. government personnel in Afghanistan. S. Res. 106—Senate agreed to May 17, 1979. (VV)

Arms Control and Disarmament Agency: Authorizes $18,876,000 for fiscal 1980 to fund the operations of the Arms Control and Disarmament Agency (ACDA); provides that no commissioned officer of the Armed Forces serving on active duty may be appointed either Director or Deputy Director of the Agency; provides that only one of the two positions (Director or Deputy Director) may be held at any time by a person who has, within the ten preceding years, been relieved from active duty or retired as a commissioned officer of the regular components of the Armed Forces; and requires the Director of the ACDA, in consultation with the appropriate officials of the executive branch to conduct a comprehensive study on the impact of military expenditures and U.S. economy and the impact of specified economic factors on national defense policy decisions and to submit a report thereon to the President and Congress within one year of enactment. H.R. 2774—Passed House March 22, 1979; Passed Senate amended May 2, 1979. (VV)

Economic assistance review: Requests the President to review U.S. foreign assistance programs to determine whether more or all development, humanitarian and disaster assistance should be provided through multilateral organizations and private voluntary organizations and to submit to Congress a report on the results of the review by September 5, 1979. S. Res. 92—Senate agreed to May 16, 1979. (VV)

International Development Assistance—Food for Peace: Authorizes $1,724,500,000 for fiscal 1980 for foreign economic assistance; includes $583,548,000 for agriculture, rural development and nutrition assistance in developing countries with emphasis given to community woodlots, agroforestation, protection of watershed forests and more effective forest management; includes $193,630,000 for family planning and population control programs and $124,731,000 for health assistance programs including health delivery systems, environmental health, disease control and health planning; includes $87,646,000 for education and human resources development programs to reduce illiteracy, extend basic education and increase manpower training in skills related to development; includes energy development and production as one of the critical problems upon which U.S. aid should focus; authorizes the President to furnish assistance (including data collection and analysis and the training of skilled personnel) to enable developing countries to undertake development of their energy resources; contains $119,747,000 for technical cooperation programs and other selected development activities which include assistance provided through private voluntary organizations, post-disaster reconstruction, research, energy, and urban development assistance; states Congressional findings that energy production and conservation are vital elements in the development process and that an enhanced effort to increase the access of the poor to energy resources and to expand energy resources of developing countries is required; authorizes $30 million to implement the Sahel Development Program which shall remain available until expended; authorizes the President to permit selected least developed countries to pay the sum equivalent to principal interest on U.S. loans under Part I of the Foreign Assistance Act into local currency accounts to fund development activities agreed upon by the recipient country and the Administrator of AID and authorizes therefor $18.8 million; directs the Administrator of the agency primarily responsible for administering part I of the act to conduct an annual review of bilateral concessional loan balances and to determine and identify those countries whose financial resources make possible accelerated loan repayments; specifies that European countries that were recipients of concessional loans by AID's predecessor shall be contacted to negotiate accelerated repayments; requires that the Senate Foreign Relations Committee and the House Foreign Affairs Committee be consulted in establishing the criteria used to determine which countries should accelerate their loan repayments and that an annual report on the status of such accelerated loan repayments be provided to the Committees; contains $25 million for the American Schools and Hospitals Abroad Program; increases the ceiling on guaranty authority for housing guaranty programs from $1.18 billion to $1.555 billion and extends the period of program authority through September 30, 1982; extends the program authority for the issuance of guarantees under the Agricultural and Productive Credit and Self-Help Community Development Programs through 1982; deletes the existing formula for establishing interest rates on loans guaranteed under the Housing Guaranty program on the basis of a range establishing both minimum and maximum interest rate levels and replaces it with a new formula for setting maximum interest rates without specifying minimum interest rates; deletes the existing limitation on housing guarantees to countries which are receiving, or in the previous two fiscal years, have received development assistance and replaces it with a requirement that guarantees be issued only for housing projects which are coordinated with and complementary to any development assistance being furnished under chapter 1 of part 1 of the Foreign Assistance Act; earmarks $25 million each in Housing Guarantees for Israel and Egypt; contains $279,590,000 for voluntary contributions to International Organizations and programs; provides that $9.5 million of the $52 million authorized for the U.N. Relief Works Agency for Palestinian Refugees will be disbursed only when matched by equivalent contribution by members of the Organization of Petroleum Exporting Countries (OPEC); contains $25 million for programs of assistance of victims of natural and manmade disasters;

Prohibits use of funds under this act to Afghanistan until the President certifies that the Government of Afghanistan (1) has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs, and (2) agrees to provide adequate protection for all U.S. government personnel in Afghanistan; states that these provisions shall not apply if the President determines that it is in the national interest of the U.S. because of substantially changed circumstances in Afghanistan; authorizes the use of up to $3.8 million for the Reimbursable Development Program; contains $268 million for operating expenses of AID; changes the responsibility for registering private and voluntary agencies for eligibility to receive AID resources from the Advisory Committee on Voluntary Foreign Aid to AID;

Authorizes $105,400,000 plus such sums as necessary for increases in salary, pay, retirement or other employee benefits authorized by law for fiscal 1980 for the Peace Corps; deletes the provision earmarking $1 million for support of the United National volunteer programs; and confers upon qualified former and current Peace Corps employees, with 3 years of service, the civil service status which would enable them to reenter Federal service as Civil Service employees;

Includes a Food-for-Peace title amending Public Law 480 by making certain policy changes (1) to reflect the determination that U.S. food assistance be provided in a way that will not serve as a disincentive to local food production and marketing and (2) to strengthen the U.S. commitment to use food aid to encourage economic development in needy countries;

Provides for payment of travel expenses related to educational purposes for dependents of employees of the State Department, the International Communication Agency, and the Agency for International Development; expresses the sense of the Congress that the President should take appropriate steps to negotiate with other developed nations to increase their contributions for development assistance through multilateral programs; allows the President to make available funds under this act for the benefit of any country demonstrating any significant improvement in its human rights record if it would serve U.S. national interests; requires the Secretary of State to report to Congress on the impact on foreign relations of annual human rights status of every foreign country; states the sense of the Senate that the President should call for convening of an emergency session of the General Assembly to deal with Southeast Asian refugee problem; clarifies U.S. policy in the relationship between development and illicit narcotics production; authorizes $18.4 million for Haiti if the President determines that Haiti has made good faith implementation of adequate fiscal reform; urges that all nations which are not a party to the Treaty on Nuclear Non-Proliferation becomes parties to that Treaty and directs the Secretary of State to submit a report by September 1, 1979, to the appropriate committees of the Congress respecting Department implementation of this provision on a country-by-country basis;

Establishes the John Sparkman Center for International Public Health Education to be located at the University of Alabama at Birmingham.

Provides $1.7 million in grant military assistance to Sudan. H.R. 3324—Passed House April 10, 1979; Passed Senate amended June 19, 1979; Senate requested conference June 19, 1979. (137)

International Security Assistance—Arms Export Control: Authorizes a total of $2,887,000,000 for fiscal 1980 which includes $1.959 billion for economic support fund assistance, $673.5 million for foreign military sales, and $159.6 million for grant military assistance; *Economic Support Fund:* Authorizes $1.959 billion primarily for countries of the Middle East, including $785 million for Israel, $750 million for Egypt, $98 million for Turkey, and $75 million for Southern Africa; authorizes $100 million in supplemental economic assistance to Turkey in fiscal 1979; calls for withdrawal of foreign forces from Cyprus, except UN forces;

Gives the President contingency authority to draw upon $10 million appropriated for other foreign aid purposes in case of economic emergencies and gives him the authority to draw down $10 million in Defense Department stocks in case of emergencies requiring military aid; authorizes $54.4 million for international narcotics control programs which include $16.6 million for Colombian interdiction programs;

Foreign Military Sales: Authorizes $673.5 million for foreign military sales financing which would allow the Federal Financing Bank to make FMS-guaranteed loans totaling $2.225 billion, of which $1 billion is earmarked for Israel; eliminates the $40 million ceiling on military assistance to African countries;

Authorizes the President to waive on a reciprocal basis various administrative costs and fees for arms sales made pursuant to NATO cooperative projects; provides that prohibitions controlling the export of nuclear weapons materials shall not cover depleted uranium of no use for radioactive characteristics;

Military Grant Assistance: Authorizes $159.6 million for military grant assistance programs with specific allocations as follows: $30 million for Portugal, $3.8 million for Spain, $30 million for Jordan, $25 million for the Philippines and $50 million for Turkey; provides termination of the availability of funds three years after the last fiscal year for which assistance was authorized;

Establishes a ceiling of $95 million on the value of additions to overseas stockpiles of defensive articles designated as war reserve stocks, authorizes the establishment of stockpiles in the Republic of Korea outside U.S. military bases; requires the President to transmit to Congress by December 31, 1979, a report on the war reserve program in Korea; increases the ceiling on commercial sales of major defense equipment from $25 million to $35 million; authorizes the assignment of more than six military personnel to perform security assistance management functions in each of fourteen specified countries;

Authorizes the grant transfer to the Arab Republic of Egypt of the facilities and related projects of the Sinai Field Mission and of $11.6 billion war reserve materiel and property located on Taiwan to the people of Taiwan; releases Thailand from its obligation to repay $10 million for ammunition; authorizes $6 million for the Sinai Field Mission and $9 million for Cyprus for peacekeeping operations; provides emergency transfer authority of $10 million between the Economic Support Fund and the peacekeeping account; authorizes the President to make available the resources of the Department of Defense in removing foreign troops from Zaire;

Reports to Congress: Excludes construction and non-weapons service, training or support sales from the President's arms sales report required under the Arms Export Control Act and requires the Administration to improve the accuracy of the report and to update it semiannually; requires the President to transmit to the Congress detailed estimates of the international arms traffic; directs the President to review the procedure governing the transfer of sensitive weapons technology; requires the President's report on arms sales to identify the degree of sensitivity of the technology of articles to be sold; extends the due date of quarterly reports on commercial and FMS sales and exports from 30 to 60 days after the close of the quarter; requires that the personnel costs of performing the functions covered by the Arms Export Control Act be accounted for; and explicitly exempts confidential information furnished in connection with arms export licenses from disclosure unless the Secretary of State finds the disclosure to be in the national interest. H.R. 3173—Passed House March 29, 1979; Passed Senate amended May 22, 1979. (107)

International Wheat Exporters Conference: States as the sense of the Senate that the collapse of international negotiations and the current situation in the world wheat market makes it imperative that the President actively work toward convening a negotiating conference of wheat exporting nations with the intent of reaching a cooperative arrangement to improve wheat trade policy and achieve equitable prices for producers while assuring adequate supplies for consumers. S. Res. 163—Senate agreed to May 23, 1979. (108)

Iranian human rights: Expresses abhorrence of the summary executions without due process in Iran and welcomes the recent statement of the Ayatollah Khomeini that hereafter executions for crime in Iran shall be limited to the crime of murder and be based upon proof of guilt; and states that the Senate will act to prevent and to punish any attempts to carry out criminal or terrorist actions against persons in the U.S. whatever their alleged offenses in other countries. S. Res. 164—Senate agreed to May 17, 1979. (VV)

Mideast Arms Sales: Declares that U.S. policy supports the peace treaty concluded between Egypt and Israel on March 26, 1979, authorizes the President to (1) enter into contracts for the construction or two air bases in Israel to replace the Israeli air bases located at Etzion and Etam on the Sinai Peninsula that are to be evacuated by Israel within three years after the date of the exchange of instruments of ratification and (2) provide to Israel on a grant basis up to $800 million (which is authorized to remain available until expended) worth of defense articles and services to construct the air base; makes the authority of the President to incur such obligations subject to a requirement that the Israeli government provide the U.S. with any additional funds that may be required over the amount authorized and in advance of the time that the payments are due; states the sense of the Congress that the President take necessary measures to insure completion of the Negev bases in an efficient and timely manner; authorizes the hiring of 60 non-government U.S. employees on a contract basis to expedite construction;

Authorizes an additional $3.7 billion under the Arms Export Control Act to guarantee loans of $2.2 billion to Israel and $1.5 billion to Egypt for the purchase of defense articles and services; states that this does not authorize or approve the sale of any particular weapons system to either country; establishes special terms which call for repayment of the $3.7 billion within a period of not less than 30 years and includes a ten-year grace period; states a finding of Congress that it may become necessary to modify the terms of the loans; directs the President to transmit by January 15 of each year a report regarding the economic conditions in Israel and Egypt and the impact of these conditions on their ability to meet their repayment obligations;

Authorizes an additional $300 million for economic aid to Egypt pursuant to chapter 4 of part II of the Foreign Assistance Act; states the sense of the Congress that other members of the Organization for Economic Cooperation and Development (OECD) should give favorable consideration to providing financial support for implementing the Israel-Egypt treaty; requests the President to consult with other OECD members to develop a common program and submit a report thereon to Congress within 180 days of enactment; requests the President to negotiate an agreement with other nations for the establishment of a peace development fund to help underwrite the costs of the Middle East Peace; requires a report on the impact of Arab economic sanctions on Egypt;

States that the Congress strongly encourages all nations who are not a party to the Treaty on the Non-Proliferation of Nuclear Weapons, including Israel and Egypt, to become parties to that Treaty; and states that no provision of this act be construed as Congressional approval for any other agreement, understanding or commitment which may have been made by the Executive Branch. S. 1007—Passed Senate May 14, 1979. (90)

Multilateral Development Banks: Authorizes additional subscriptions for the period 1979–1982 of $2.543 billion to callable capital (requiring no budgetary outlays) in the Inter-American Development Bank (IADB) and additional contributions of $1.476 billion to the Bank's Fund for Special Operations and to the lending facilities of the Asian Development Bank and the African Development Bank;

Authorizes the U.S. Governor of the IADB to vote for two resolutions proposed at a special meeting in December, 1978, and pending before the Board of Governors which (1) increase the authorized capital stock of the Bank and additional subscriptions thereto and (2) increase the Fund for Special Operations and Contributions; authorizes $2,749,207,988 as the U.S. subscription for the newly authorized capital stock ($2,543 billion callable and $206.19 million paid-in) and a contribution of $700 million to the Fund for Special Operations;

Authorizes a contribution of $445 million as the U.S. share of the Asian Development Fund (which is the soft loan window of the ADB);

Authorizes a contribution of $125 million as the U.S. share of the African Development Fund;

Provides that all authorized funds shall be available without fiscal year limitation; requires that all authorizations in this act be provided for in advance of appropriations acts; and provides that the act shall take effect upon enactment but that no funds shall be available prior to October 1, 1979. S. 662—Passed Senate May 17, 1979. (101)

NATO: Reaffirms, on the occasion of its 30th anniversary, the North Atlantic Treaty Alliance (NATO) as a vital commitment and cornerstone of United States foreign policy and rededicates the bi-partisan spirit that inspired its birth to the purpose of strengthening it further in the cause of peace and security; recognizes the contribution of the Canadian and European allies to the common defense and to the preservation of the civilization and common heritage of the west; and pledges Congressional support for the Alliance as the indispensable basis for the achievement of our mutual security, the reduction of tensions and the pursuit of improved relations among all nations. H.J. Res. 283—Public Law 96-9, approved April 19, 1979 (VV)

Nazi War Criminals: Expresses the sense of the Senate that West Germany abolish or extend its statute of limitations, which expires on December 31, 1979, concerning the prosecution of Nazi and other war criminals in order to allow a period of time sufficient for their prosecution. S. Res. 99—Passed Senate May 21, 1979. (VV)

Peace Corps authorization: Authorizes $105,400,000 plus such sums as necessary for increases in salary, pay, retirement or other employee benefits authorized by law for fiscal 1980 for the Peace Corps; deletes the provision earmarking $1 million for support of the United National volunteer programs; and confers upon qualified former and current Peace Corps employees, with 3 years of service, the civil service status which would enable them to reenter Federal service as civil service employees. S. 802—Passed Senate June 14, 1979. *NOTE:* (These provisions are also contained in H.R. 3324 as passed by the Senate.) (VV)

Rhodesian election observers: Provides for the President pro tempore of the Senate and the Speaker of the House, acting jointly after consultation with the majority and minority leaders, to appoint two cochairpersons of a team of observers of the Rhodesian elections on April 20, 1979, these cochairpersons to select 25 to 50 other observers; delineates the purpose of the observers as being to determine whether all the people of Rhodesia were given a fair opportunity to participate in the election, whether public participation was disrupted by guerrilla activities, and whether eligible voters expressed opposition to the election by voluntarily refraining from voting; authorizes an amount not to exceed $250,000 from the contingent fund of Senate to cover the expenses of the observer team; and provides that nothing in the resolution shall be deemed to endorse or legitimize the election or the government of Rhodesia. S. Con. Res. 8—Senate agreed to March 28, 1979. (31)

State Department authorization: Authorizes a total of $2,123,951,000 for fiscal 1980 for the Department of State, the International Communication Agency and the Board for International Broadcasting (which makes grants to Radio Free Europe/Radio Liberty); and authorizes a total of $104,-910,000 in fiscal 1979 supplemental funds for the Department of State;

Authorizes $1,610,052,000 for fiscal 1980 plus an additional $104,910,000 in supplemental funds for 1979 for the State Department; includes $849,423,000 for Administration of Foreign Affairs which includes almost all salaries expenses and allowances for officers and employees of the State Department; funds for foreign service buildings abroad; and funds for mandatory payments to the Foreign Service Retirement and Disability Fund; makes $268,000 available on a contingency basis to open a post in Rhodesia, Namibia, Uganda or Angola if the President determines that it is in the foreign policy interests of the United States; states the sense of the Congress that the President, not later than 10 days after the installation of the black majority government in Rhodesia, should determine that section 27 of the International Security Assistance Act of 1978 has been substantially complied with and should not enforce sanctions against Rhodesia; requires the President to report to Congress, no later than two weeks after the installation of a new government in Rhodesia or June 30, 1979, whichever is earlier, his determination as to whether section 27 has been complied with so that sanctions against Rhodesia may be lifted; contains $502,945,000 for International Organizations and Conferences which includes the U.S. assessment to the United Nations, and its specialized and associated agencies, Inter-American Organizations, regional organizations including NATO, and other international organizations and conferences; contains $26,733,000 for International Commissions which includes U.S. boundary commitments with Canada and Mexico and the U.S. share of the expenses of nine international fisheries commissions; contains $248,951,000 for Migration and Refugee Assistance which provides U.S. assistance to migrants and refugees through contributions to the Intergovernmental Committee for European Migration, the U.N. High Commissioner for Refugees, the International Committee of the Red Cross and direct assistance through voluntary agencies; earmarks $25 million of the amount authorized for the purpose of resettling Soviet and Eastern European refugees in Israel; contains $104,900,000 in supplemental funds for 1979 necessary to assist the unexpected increase in refugees from the Soviet Union, Eastern Europe and Indochina; makes permanent the following authorities, which in the past have been provided annually: (1) authorization to pay nondiscretionary employee benefits authorized by law; (2) authority to provide appropriations for a fiscal year to offset adverse fluctuations in the value of the dollar which would undermine the regular and necessary operational activities of the Department; (3) authorization for funds to remain available for expenditure beyond the end of the fiscal year when so provided; and (4) authority to transfer funds from one departmental account to another because of unanticipated changes and requirements; provides for a new appropriation request of $1.4 million to finance the U.S. share (50 percent) of an ongoing program of Science and Technology Cooperation with Yugoslavia for a second 5-year period; repeals a provision adopted to the 1979 State Department Appropriations Act (Public Law 95-374) which prohibited the U.N. to use any of the U.S. assessment to furnish technical assistance; makes the promotions of 64 Foreign Service Officers of classes 7 and 8 on the promotion list confirmed by the Senate on March 21, 1979, retroactively effective to December 17, 1978; amends the Immigration and Nationality Act of 1952 to authorize a narrow expansion of existing authority to waive nonimmigrant business and tourist visa requirements for persons coming from countries where visa fraud is very low; requires the State Department to keep open the following 6 of the 13 consulates slated for closing pursuant to the Civil Service Reform Act (Public Law 95-454) requiring Federal personnel level reductions: Goteborg, Sweden; Bremen, Germany; Salzburg, Austria; Turin, Italy; Nice, France; and Adana, Turkey; calls for a study of the State Department's overall personnel needs and resources and requires submission of a report thereon to the Congress by January 1, 1980; requires the Secretary of State to implement to the maximum extent possible, the recommendations of the April 5, 1979, GAO report relative to coordinating and monitoring pay systems and wage schedules of foreign nationals employed by U.S. agencies overseas;

Authorizes $426,982,000 for 1980 for the International Communication Agency (ICA), (which came into being on April 1, 1978, as a result of Reorganization Plan No. 2 which consolidated into it the functions previously performed by the U.S. Information Agency and the Bureau of Educational and Cultural Affairs in the Department of State); places into permanent law the same authorities as those granted the State Department with regard to Nondiscretionary Personnel Costs and currency fluctuations; equalizes the compensation of members of ICA's Board of Foreign Scholarships with that of members of other Federal advisory boards; authorizes the distribution within the United States of the films "Aspen" and "Margaret Mead—Reflections" if the agency obtains the necessary copyright clearances; repeals conflicting provisions to allow the agency to conduct its security clearances more efficiently; amends the Smith-Mundt Act of 1948 to extend ICA's present authority to employ aliens for the preparation and production of foreign language programs as well as for narration and translation and provides permanent authority for ICA to hire aliens within the U.S.; permits the procurement of furniture and furnishings from sources other than the GSA; authorizes the reimbursement for services which ICA performs at an agency's request in connection with exchange activities; provides authority in ICA's basic legislation to make payments for rent, repairs and improvements for land and equipment used by the Voice of America; and makes certain technical amendments to the Act which include authority to enter into real estate leases abroad for up to 10 years and to purchase righthand drive vehicles without maximum price limitations;

Authorizes $86,917,000 for 1980 for the continued oversight activities of the Board for International Broadcasting (BIB) and for its grants to Radio Free Europe/Radio Liberty (RFE/RL) for broadcasts to Eastern Europe and the Soviet Union; earmarks $800,000 of these funds for BIB to carry out its oversight responsibilities; repeals a provision enacted in the 1979 Foreign Relations Authorization Act (Public Law 95-426) which prohibits funds to RFE/RL if it permits a Communist country to use its broadcasting facilities without having the use of that country's broadcasting facilities on a comparable basis; requires BIB to prepare and transmit to the Congress a report setting forth alternative plans for the relocation of RFE/RL headquarters in Germany; and

States the sense of the Congress that it should be U.S. policy to promote and encourage cultural, scientific and economic relations between Egypt and Israel; authorizes the continuation of diplomatic immunities and privileges to employees of the International Labor Organization (ILO), from which the United States withdrew in November of 1977, since a return to the ILO is under active consideration; urges the International Whaling Commission and all whaling nations to adopt a complete cessation of commercial whaling; and establishes, within the Executive Office of the President, the positions of Assistant and Deputy Assistant to the President for National Security Affairs and requires that these positions be subject to Senate confirmation if filled. H.R. 3363—Passed House April 24, 1979; Passed Senate amended May 15, 1979. (95)

Taiwan relations: Provides statutory authorization for the maintenance of commercial, cultural and other unofficial relations with the people on Taiwan in light of the recognition of the People's Republic of China (PRC) as the sole legitimate government of China; provides that relations with respect to the people on Taiwan shall be conducted by or through the American Institute in Taiwan, a private corporation which is funded by the U.S. Government and whose trustees are appointed by the Secretary of State; assures that the recognition of the PRC does not affect the ownership of property owned by Taiwan in the name of the Republic of China, including its former embassy at Twin Oaks;

States U.S. policy: to preserve and promote extensive, close and friendly relations with the people on Taiwan, mainland China and all in the Western Pacific area; to make clear that the U.S. decision to recognize the PRC rests on the expectation that any resolution of the Taiwan issue will be by peaceful means; to consider any effort to resolve this issue by other than peaceful means, including boycotts or embargoes, as a threat to the peace and security of the Western Pacific area and of grave concern to the United States; to provide the people on Taiwan with arms of a defensive character; and to maintain U.S. capacity to resist force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan; states that nothing in this act shall contravene the U.S. interest in the human rights of the people on Taiwan; provides that in furtherance of this policy, the U.S. will assist the people on Taiwan to maintain a sufficient self-defense capability through the provision of defensive articles and services, the nature and quantity of which the President and Congress shall determine; directs the President to inform the Congress promptly of any threat to the security or social or economic system of Taiwan and any danger to U.S. interests arising therefrom;

Provides that no requirement for diplomatic relations or for recognition by the U.S. as a condition of eligibility for participation in programs, transactions or other relations under U.S. law shall apply to Taiwan; provides that recognition of the PRC shall not affect the ownership of properties held by the people on Taiwan before or after December 31, 1978;

Provides that the $1,000 per capita income restriction applicable to the Overseas Private Investment Corporation in regard to its determining whether to provide any insurance, reinsurance loans or guarantees for a project shall not apply with respect to Taiwan;

Provides that U.S. programs, transactions and other relations be conducted through the American Institute in Taiwan and authorizes its employees in Taiwan to assist and protect Americans abroad;

Requires the Secretary of State to transmit to Congress the text of any agreement to which the Institute is a party;

Provides that the House Committee on Foreign Affairs, the Senate Committee on Foreign Relations and other appropriate committees of the Congress monitor the implementation of this act; and authorizes for fiscal 1980 such funds as may be necessary for the Secretary of State to carry out the provisions of this act. H.R. 2479—Public Law 96–8, approved April 10, 1979. (17, 32)

Ugandan aid: Removes existing restrictions on humanitarian and economic assistance to Uganda which were imposed by authorities under the International Development and Food Assistance Act of 1978 (Public Law 95–424) and the Foreign Assistance and Related Programs Appropriations Act, 1979 (Public Law 95–481) and removes the trade restrictions invoked against Uganda by authorities under the International Monetary Funds Amendments of 1978 (Public Law 95–435) and the Export-Import Bank Act Amendments of 1978 (Public Law 95–630). S. 1019—Passed Senate May 7, 1979; Passed House amended May 21, 1979. (VV)

JUDICIARY

District Court relocations: Amends section 4 of the Federal District Court Organization Act of 1978 (Public Law 95–408) to assign the senior district judge of the former eastern district to the new southern district on the effective date of the act; provides for a second judge for the newly constituted southern district to be appointed by the President; assigns the remaining district judge from the former eastern district and the district judges from the former southern districts to the new central division; provides that the tenure of the U.S. attorney, the assistant U.S. attorney and the U.S. marshal of the eastern district will remain the same though their district of service will become the southern district and makes the same provisions for officers in the former southern district which will become the central district; ensures that the inquiry and indictment powers of any grand jury impaneled in the new districts extends to acts committed within the territory they encompassed before or after the effective date of the realinement; and conforms the effective date of Public Law 95–573 which placed Kankakee County, Illinois, into the Central District of Illinois with the March 31, 1979, effective date in Public Law 95–408. H.R. 2301—Public Law 95–4, approved March 30, 1979. (VV)

Justice Department authorization: Authorizes a total of $1,928,816,000 for the Department of Justice for fiscal 1980 as follows: $31,417,000 for general administration; $5,555,000 for the U.S. Parole Commission; $111,748,000 for general legal activities which includes $30,315,000 for the criminal division, $25,207,000 for the civil division, $16,076,000 for the civil rights division, $16,439,000 for the land and natural resources division, and $23,711,000 for other legal activities; $48,592,000 for the antitrust division; $232,573,000 for U.S. attorneys and marshals; $25,100,000 for support of U.S. prisoners; $27,052,000 for fees and expenses of witnesses; $5,428,000 for community relations services; $584,408,000 for the Federal Bureau of Investigation; $313,317,000 for the Immigration and Naturalization Service; $193,836,000 for the Drug Enforcement Administration; and $349,790,000 for the Federal Prison System;

Prohibits authorized funds to pay the salary of any attorney (except a foreign counsel in special cases) employed after enactment unless the attorney is licensed and authorized to practice under the laws of any State, territory or the District of Columbia; adds language which states that the Department of Justice will not be required to absorb from appropriated sums any increases in salary and other nondiscretionary costs in order to encourage the Administration to seek a pay supplemental; prohibits the use of funds under the act to purchase or lease message-switching equipment until the Judiciary Committees of both Houses have approved; authorizes the FBI to use funds for certain activities connected with its undercover operations, such as leasing space, upon certification by the Director or the Attorney General; requires the Director to conduct a detailed fiscal audit of any undercover operation having gross receipts or income in excess of $50,000 and to submit a report thereon to the Attorney General and calls for the Director to make similar reports to the Congress annually; retains the requirement that the Department of Justice inform the appropriate Congressional committees of impending reprogrammings with a modification which requires committee notification 20 working days prior to the action; directs the Attorney General to complete evaluations on the efficiency and effectiveness of Justice Department programs at the request of either the Senate or House Judiciary Committee and requires the Attorney General to submit to the requesting committee, within 30 working days, a design and timetable for making the evaluation; requires the Attorney General to obtain a comprehensive, independent management analysis of the Immigration and Naturalization Service and to submit a report to Congress on the results of the analysis together with any administrative or legislative recommendations to improve the operations of the Service; requires the Attorney General to prepare and submit to the Senate and House Judiciary Committees by January 1, 1980, a plan for the activation and coordination of comprehensive case management information and tracking systems for each judicial district; provides for a separate appropriation for the Special Counsel appointed by the Attorney General on March 23, 1979; prohibits the Immigration and Naturalization Service from paying any of its employees more than the amount earned by the Commissioner; authorizes the Attorney General to initiate, at his discretion, investigations of possible violations of the environmental or natural resources laws; amends the Controlled Substances Act to (1) authorize the Attorney General to make payment for tort claims arising in a foreign country as a result of the operation of the Drug Enforcement Administration, and (2) provide that informants who furnish information leading to the seizure and forfeiture of goods under customs laws are entitled to compensation of up to 25 percent of the value of the forfeited goods, but not to exceed $50,000; contains $5 million for joint State and local law enforcement agencies engaged in cooperative enforcement; terminates the service of private process by U.S. marshals, except for indigents or as ordered by a court; and requires the Attorney General to submit a plan to Congress on the rehabilitation of the Leavenworth Penitentiary. S. 1157—Passed Senate June 4, 1979. (115)

LEAA: Reauthorizes the Federal criminal justice improvement program for five years, through fiscal 1984; restructures LEAA to assist State and local governments in improving the quality of their justice systems and reforms Federal criminal justice research, statistics and assistance efforts to make them more effective and to reduce redtape and delay;

Restructures the current law enforcement assistance programs by establishing two new organizations within the Department of Justice: the National Institute of Justice (NIJ) to engage in and encourage research and development activities relating to the administration of justice; and the Bureau of Justice Statistics (BJS) to provide for and encourage the collection and analysis of statistical information relating to crime and the justice system; establishes an Office of Justice Assistance, Research and Statistics (OJARS) to coordinate the activities of these two new organizations and the Law Enforcement Assistance Administration; requires Senate confirmation of the Directors of NIJ, BJS, LEAA and OJARS; and authorizes $825 million annually for fiscal 1980 through 1984 for law enforcement assistance programs and $15 million annually to pay death benefits for public safety officials killed in the line of duty;

Contains other reforms to: reduce redtape by eliminating burdensome annual planning requirements and replacing them with simplified, three-year applications: provide States and localities greater flexibility to deal with unique needs by eliminating earmarking of funds except for juvenile delinquency and community anticrime programs; guarantee large cities and counties a fixed allotment of funds; grant localities greater control over the uses of LEAA funds in their communities; eliminate the matching requirements for funds for criminal justice improvement projects; place limitations on the use of funds for criminal justice improvement projects; place limitations on the use of funds for administrative or equipment costs and curtail use of funds for general salary payments and construction costs; guarantee citizen, neighborhood and community groups opportunities to participate in the priority-setting process and to be represented on State and local advisory boards; authorize research directed at developing new methods for the improvement of police-minority relations; encourage prison industry programs through not more than seven pilot projects; require LEAA to provide a comprehensive analysis of criminal justice in 18 central aspects; require evaluation of funded programs and use of resources for essential purposes; develop programs to reduce parental kidnapping; provide that all States shall be considered equally for reallocated funds; exempt energy impact areas from the prohibition on the expenditure of funds for certain criminal and juvenile justice programs and continue judicial coordination functions and special recognition of judicial need. S. 241—Passed Senate May 21, 1979. (102)

Speedy Trials: Amends the Speedy Trial Act of 1974 to expand the act's existing time limits from 100 days (arrest to trial) to 180 days in all cases subject to automatic and discretionary exclusions; postpones for two years until July 1, 1980, the dismissal sanction, so that no criminal case could be dismissed for failure to indict or try the defendant within the act's final time limits; merges the present ten-day indictment-to-arraignment and 60 day arraignment-to-trial intervals into a single 70-day period; prohibits any trial from occurring within 30 days from the date on which the defendant first appears through counsel or expressly waives counsel unless the defendant consents in writing to an earlier trial; assures necessary flexibility where a defendant is to be retried following dismissal of an indictment which is reinstituted following an appeal, or where he is to be retried following other appeals, declaration of mistrial or order for new trial; defines more precisely periods of delay resulting from "proceedings concerning the defendant" which are automatically excludable from the act's time limits, relating especially to physical and mental examinations, motions practice, interdistrict transfers and transportation; clarifies the grounds for "ends of justice" continuances to permit reasonable delay where, due to the nature of the case or attendant circumstances, it is unreasonable to expect an indictment to be returned or either party to be fully prepared for pretrial proceedings or trial within the time limits, and in routine cases, to protect the defendants ability to obtain counsel of choice and the ability of both parties to prepare fully after unforeseen circumstances; makes the interim limits for the trial of detained or high risk defendants permanent; extends the planning and reporting procedures of the district planning groups now in effect for two additional years; permits circuit councils to promulgate guidelines which promote uniform interpretation of the act; amends the judicial emergency provision to (1) eliminate the requirement that application-for-suspension be processed all the way up through the Judicial Conference before emergency suspensions take effect, (2) require the Administrative Office of the U.S. Courts and the Justice Department to file pre-sanction reports, (3) preserve the reporting requirements and the involvement of the Congress in the suspension process and assure that the initial interval remains in effect; and (4) permit the chief judge of any district to suspend the time limits in his district for up to 30 days under emergency conditions. S. 961—Passed Senate June 19, 1979. (VV)

Supreme Court cases—school prayer: Provides greater discretion to the U.S. Supreme Court in selecting the cases it will review by converting its appellate jurisdiction from being totally obligatory to being almost totally discretionary with minor exceptions: repeals the mandatory appellate jurisdiction in the Supreme Court for cases from district courts where one judge has invalidated an Act of Congress involving the U.S. Government as a party; substitutes review by writ of certiorari for mandatory appellate jurisdiction in cases involving Federal questions arising from the U.S. Court of Appeals; provides for writ of certiorari rather than appellate jurisdiction over cases from the highest State court involving Federal questions, and from the Supreme Court of Puerto Rico; abolishes three special appellate jurisdictions over cases involving (1) the Federal Election Campaign Act, (2) certain California Indian lands and (3) the construction of the Alaska pipeline; specifically allows direct jurisdiction over Alaska pipeline cases by writ of certiorari; and eliminates all jurisdiction of the Supreme Court and the District Courts over any case arising from State legislation relating to voluntary prayer in public schools. S. 450—Passed Senate April 9, 1979. (40)

U.S. Attorneys for Eastern District, New York: Amends section 545(a), title 28, U.S.C. (which requires that U.S. attorneys and assistant U.S. attorneys reside in the district for which they are appointed), to allow the U.S. attorney and the assistant U.S. attorneys appointed for the eastern district of New York to reside within 20 miles of the district. S. 567—Passed Senate May 2, 1979. (VV)

U.S. magistrates jurisdiction: Expands the jurisdictional provisions for U.S. magistrates (section 636, title 28, U.S.C., in civil cases and section 3401, title 28, U.S.C., in misdemeanor cases) in order that they may finally determine civil and all misdemeanor cases;

Makes the authority to try civil cases subject to the consent of the parties to trial before the magistrate and requires that the district court judges approve the magistrate's exercise of this authority; provides a right of appeal from any judgment entered to the proper court if both parties consented at the time of reference to the magistrate; provides that a magistrate may serve in one or more adjoining districts upon the concurrence of a majority of the judges of each of the courts involved; requires the Judicial Conference to promulgate standards for the qualifications of magistrates and procedures for their selection and requires the Director of the Administrative Office of the United States Courts to report to Congress on the implementation of the new selection procedures; extends existing provisions for payment of certain litigation expenses for indigent parties to include proceedings before a U.S. magistrate;

Expands the existing jurisdiction of magistrates to try minor offenses to include all misdemeanors; provides the government with the right to remove a particular misdemeanor from the magistrate for trial before a district judge for good cause; authorizes magistrates to conduct misdemeanor proceedings involving juveniles subject to specified limitations;

Authorizes the magistrates to accept guilty pleas or pleas of *nolo contendere* in a case lying outside of his trial jurisdiction; directs the Judicial Conference to conduct a comprehensive study of the magistrates system and report its findings and recommendations to Congress within 18 months of enactment; provides the Judicial Conference and the Administrative Office with the necessary authority to consider magistrates' needs for legal assistance in allocating staff support; and authorizes such sums as necessary to carry out this act. S. 237—Passed Senate May 2, 1979; passed House amended June 26, 1979. (VV)

NATURAL RESOURCES AND NATIONAL HISTORIC SITES

Colorado River Basin salinity control: Increases from $155,500,000 to $333,382,000 the appropriations ceiling for the construction of a large desalting plant near Yuma, Arizona (pursuant to an agreement with Mexico dated August 30, 1973) to cover increases in construction costs and certain project changes; authorizes the use of excess power and energy from the Navajo Generating Station at Page, Arizona, to meet the power requirements of the program; authorizes the Secretary to enter into contracts for the delivery of certain water within the United States for irrigation, municipal and industrial uses; and authorizes the Secretary to provide measures to mitigate fish and wildlife habitat losses resulting from the construction. S. 496—Passed Senate June 4, 1979. (VV)

Frederick Law Olmsted National Historic site: Establishes the home and office of Frederick Law Olmsted, in Brookline, Massachusetts, as a national historic site within the National Park System; authorizes the Secretary of the Interior to acquire the home and office, together with the Olmsted archival collection which is housed there, and to enter into a cooperative agreement with an appropriate entity to provide for the management of the collection; authorizes, from the Land and Water Conservation Fund, $514,000 for the acquisition of the archival collection, $1,230,000 for its preservation, and $200,000 for site development plus such sums as necessary for land acquisition; requires submission of the following reports to the appropriate congressional committees: within 3 years of enactment a general management plan; within 6 months, an acquisition progress report and provisions for management and permanent protection of the archival collection; and within 1 year the final management and protection arrangements for the collection; limits entrance and admission fees charged at units of the national park system to those areas and rates which were in effect as of January 1, 1979; and makes technical and clarifying amendments to the National Parks and Recreation Act of 1978 (Public Law 95–265) and to the Wild and Scenic Rivers Act of 1968. S. 495—Passed Senate June 7, 1979. (VV)

NOMINATIONS

(Action by Roll Call Vote)

Robert J. Kutak, of Nebraska, to be member of Board of Directors of Legal Services Corporation: Nomination confirmed May 2, 1979. (75)

Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China: Nomination confirmed February 26, 1979. (9)

SENATE

Female Senate employees: Repeals S. Res. 112, adopted in the 92nd Congress, permitting the appointment of Senate pages, elevator operators, post office employees, or Capitol policemen without discrimination on the basis of sex, which was superceded by Rule L of the Standing Rules of the Senate, effective January 3, 1979, which barred employment discrimination with respect to any Senate employee based on race, color, religion, sex, national origin, age, or state of physical handicap. S. Res. 119—Senate agreed to May 14, 1979. (VV)

Financial disclosure rule review: Directs the Senate Ethics Committee to review the desirability of repealing in part or modifying Rule XLII (42) of the Standing Rules of the Senate (dealing with public financial disclosure) and review the provisions of S. Res. 109 (substituting a new rule XLII which contains disclosure provisions that are comparable to the 1978 Ethics in Government Act including higher cutoff levels for reporting, elimination of random audits, disclosure of travel expenses, elimination of mandated reporting on certain private matters such as home mortgages and furniture and car loans, and raising liability disclosure from $2,500 to $10,000) and, after consultation with the Governmental Affairs and Rules Committees, report to the Senate within 90 days on the results of its review, together with any recommendations. S. Res. 117—Senate agreed to March 28, 1979. (VV)

Honoraria limitations: Delays from January 1, 1979, until January 1, 1983, the effective date of rule XLIV (44) of the Standing Rules of the Senate, as added by the adoption of S. Res. 110 of the 95th Congress (the Senate Ethics Code), which limits honoraria of a Senator to 15 percent of his or her annual salary, or $8,625.00 based on present rates, and $1,000 per honorarium, and places the same limitations on Senate officers and employees earning over $35,000 per year with a $300 limit per honorarium. Note: This action permits the continuance of the limits on honoraria earned by Senators under the Federal Election Campaign Act of 1976 of $25,000 per year and $2,000 per honorarium. S. Res. 93—Senate agreed to March 8, 1979. (VV)

Makes rule XLIV (44) of the Standing Rules of the Senate—as added by the adoption of S. Res. 110 of the 95th Congress (the Senate Ethics Code)—effective on January 2, 1979, thereby upholding the March 8, 1979, voice on S. Res. 93 which delayed until January 1, 1983, the effective date of the rule limiting honoraria earned by a Senator to 15 percent of his or her annual salary or $8,625.00 based on present rates, and to $1,000 per honorarium, and limiting Senate officers and employees who are paid over $35,000 per year, to a $300 limit per honorarium. S. Res. 115—Senate rejected March 28, 1979. (29)

Human Resources Committee name change: Changes the name of the Committee on Human Resources to the Committee on Labor and Human Resources. S. Res. 30—Senate agreed to March 7, 1979. (VV)

Post cloture rule changes: Amends rule XXII (22) of the Standing Rules of the Senate regarding postcloture procedures to provide a 100-hour "cap" on debate after cloture is invoked and to provide mechanisms for protecting the rights of Senators to be heard and to offer amendments;

One hundred hour cap: Provides that at the expiration of 100 hours after cloture has been invoked the Senate shall proceed without debate to vote on the pending matter; provides that no amendments or motions not then pending shall be in order except motions to table, to reconsider or to establish a quorum immediately before the final vote; allows the 100 hours to be increased by a vote of three-fifths of the Senators duly chosen and sworn, with the additional time to be equally divided between and controlled by the Majority and Minority Leaders, or their designees; provides that no more than one motion to extend the time can be made in a calendar day and that such motions are not debatable;

Amendments: Provides that no Senator may call up more than two amendments until every other Senator has had the opportunity to call up two amendments; provides that if a measure is reprinted after cloture, amendments which were in order before the reprinting may be conformed as to lineation and pagination and remain in order; provides that after cloture has been invoked, the reading of amendments shall be dispensed with if the amendment has been available in printed form at the members' desks for at least 24 hours; requires that first degree amendments, to be in order, must be submitted in writing to the Journal Clerk by 1:00 p.m. on the day following the filing of the cloture motion; and requires that second degree amendments, to be in order, must be submitted in writing at least one hour prior to the beginning of the cloture vote;

Speaking guarantees: Allows any Senator who has not used or yielded ten minutes of his time to speak for up to ten minutes after the cap has expired;

Yielding time: Allows a Senator to yield all or part of his time to the Majority or Minority leaders, or the majority or minority floor managers, provided however, that none of these Senators may have more than two hours yielded to him or her; allows the leaders and floor managers to yield time to other Senators; and

Reading of the Journal: States that while cloture is in effect the reading of the Journal shall be dispensed with and the Journal shall be considered approved to date. S. Res. 61—Senate agreed to February 22, 1979. (6)

Senate witness fees: Increases from $35 to $50 the limitation on daily witness fees payable to witnesses summoned to appear before the Senate or any of its committees thus making the fee consistent with the per diem rates for Government employees traveling on official business. S. Res. 178—Senate agreed to June 13, 1979. (VV)

SOCIAL SERVICES-WELFARE

Domestic volunteer services (action): Extends authorizations for certain programs within the Domestic Volunteer Service Act of 1973 (Public Law 93–113) which expired at the end of fiscal 1978, and improves the ACTION agency's ability to administer its domestic programs and carry out its mandate to encourage volunteerism; makes a number of substantive amendments to the Act as follows: extends for three years through fiscal 1981, the authorization for VISTA, University Year for ACTION (UYA), and ACTION's demonstration program for special or demonstration projects; requires that for any fiscal year after 1979 not less than 50 percent of moneys appropriated in excess of the amount of the fiscal 1979 appropriation must be used to carry out fixed-income counseling and "Helping-Hand" programs; extends through fiscal 1979 the authorization for business volunteer programs (SCORE/ACE) and for program administration; modifies the career development plan provisions for low-income VISTA volunteers to permit the initial plan to be made available within 30 days after (rather than prior to) assignment and to make such a plan available to any other full-time, one-year title I volunteer upon request; requires the Governor to state in writing reasons for disapproving a VISTA volunteer serving in the State or requesting that a project be removed from the State; makes terms of payment for VISTA volunteer stipends consistent with provisions in the Peace Corps Act; places limitations and requirements on national and regional VISTA grants to maintain current volunteer service year levels at no more than $5.8 million; requires competitive awarding of such grants and contracts for new projects and requires a poverty focus; seeks to ensure that sufficient funds are provided to enable the agency to meet commitments to its current UYA grantees, while providing greater flexibility to the agency in supporting other service-learning programs particularly those of demonstrated effectiveness; reinforces the Director's discretionary demonstration program authority assisting victims of domestic violence, fixed-income persons, and for programs focused on deinstitutionalization ("Helping-Hand"); provides support for short-term, part-time volunteers who are enrolled for period of service of 20 hours or more per week for 26 or more consecutive weeks; ensures that VISTA volunteers (whose prior AGDC or Medicaid eligibilities are protected under existing law) not be required to register with a Work Incentive Program (WIN) sponsor; requires that the Director of ACTION take appropriate steps to encourage employers to consider favorably experience in volunteer work by applicants for employment; provides that part-time volunteers enrolled for a period of service of not less than 20 hours per week for at least 26 consecutive weeks may be deemed to be Federal employees for purposes of the Hatch Act, Internal Revenue Code, Social Security Act, Federal Tort Claims Act, and Federal Employees Compensation Act, and makes full-time and part-time volunteers Federal employees for the purposes of waiving collection of erroneous payments; expands non-discrimination provisions; includes provisions to encourage the reduction of paperwork; authorizes the Commissioner of Rehabilitation Services in HEW to continue funding, until December 31, 1980, certain entities conducting projects under the Rehabilitation Act of 1973 (Public Law 93–112); establishes a Commission on Volunteerism to study appropriate roles for volunteers and to determine the proper function of the Federal Government in encouraging volunteerism; and forbids the use of ACTION funds to influence State or local legislation unless those activities are requested by State or local legislative bodies, committees, or members. S. 239—Passed Senate June 20, 1979. (140)

WIC and other food programs: Amends the Child Nutrition Act of 1966, as amended (Public Law 95–627), to reduce from $800 million to $750 million for fiscal 1980 authorization for the special supplemental food program for women, infants, and children (WIC); authorizes the withholding of funds from States which fail to administer properly effectively, and efficiently the child feeding programs; authorizes the extension of nutritional assistance progarms to dependents of military servicemen and DOD employees overseas; and limits service institution eligibility in the summer food service program. S. 292—Passed Senate May 23, 1979. (111)

TAXATION

Tax treatment of State legislators' residence—social services amendments: Extends for one additional year, to taxable years beginning before January 1, 1979, the effective date of a provision which allows a State legislator to treat his place of residence within his legislative district as his tax home for purposes of computing the deduction for living expenses;

Makes permanent a provision for Federal matching of the costs incurred by States for providing services to families not on welfare to assist them in obtaining child support from absent parents;

Makes permanent the authority for States to use title XX social security funds to reimburse the costs of hiring welfare recipients in child care jobs; increases the maximum per recipient annual combined tax credit and title XX reimbursement from $5,000 to $6,000; makes the payment and credit available for part-time as well as full-time employment in child care jobs; permits the credit to be computed on the basis of the full wages, including the part reimbursed under title XX, subject to a minimum combined tax credit and title XX payment not to exceed 100 percent of the first $6,000 of wages; makes the tax credit coverage applicable to the date it previously expired, October 1, 1978, and the effective date it previously expired, October 1, 1978, and the effective date of the new credit enacted on January 1, 1979; and

Makes permanent the authority of States to use funds under title XX for certain services to drug addicts and alcoholics. H.R. 3091—Passed House March 27, 1979; Passed Senate amended March 28, 1979; In conference. (VV)

TRADE

Countervailing duty extension: Extends retroactively from January 3, 1979, the authority of the Secretary of the Treasury to waive the imposition of countervailing duties under section 303 of the Tariff Act of 1930 to the earliest of the following dates: (a) the date on which either House of Congress defeats, within 90 legislative days, the legislation to implement the Multinational Trade Agreements governing the use of subsidies, (b) the date of enactment of the implementing bill or (c) September 30, 1979; and provides that any waiver in effect on January 2, 1979, shall remain in effect until the earliest of the following dates: (a) the date of the above extension, (b) the date the Secretary revokes the waiver or (c) the date either House of Congress adopts a resolution disapproving a waiver. H.R. 1147—Public Law 96–3, approved April 3, 1979. (30)

TRANSPORTATION

Aviation safety and noise abatement: Authorizes $90 million for fiscal 1980 to establish a new program to assist airports and surrounding communities in the development and implementation of noise abatement programs to reduce existing noncompatible land uses and prevent future noncompatible land uses around airports; authorizes an increase for airport construction and development of $87 million for air carrier airports and $13 million for general aviation and reliever airports; authorizes the Secretary of Transportation to provide waivers from noise regulations on a case-by-case basis when the aircraft operator has made a good faith effort to comply, but external circumstances prevent compliance; authorizes the Secretary of Transportation to grant a waiver from noise regulations compliance deadlines if an operator has a signed contract with a manufacturer for a new technology Stage three aircraft by January 1, 1983, for two or three engine aircraft, and by January 1, 1985, for four engine aircraft; exempts two or three engine aircraft exceeding the regulatory level by no more than five decibels; sets guidelines for the Civil Aeronautics Board to use its existing authority to impose a surcharge to ensure that noise compliance is met even if industry profits dip drastically; and provides a schedule for the Secretary of Transportation to submit timely reports on the status of the development of collision avoidance systems and proposed timetables for implementation of such systems. S. 413—Passed Senate May 1, 1979. (73)

Hazardous materials transportation: Extends the Hazardous Materials Transportation Act for one year, through fiscal 1980, and authorizes therefor $5.5 million to continue the Department of Transportation's hazardous materials transportation safety responsibilities. S. 1141—Passed Senate May 22, 1979. (VV)

Maritime authorization: Authorizes $517,288,000 (which includes $73,506,000 in carryover and deferral funds) for the Maritime Administration as follows: $101 million for ship construction-differential subsidies; $256,208,000 for operating-differential subsidies; $16,360,000 for research and development; $34,616,000 for maritime education and training expenses including $25,874,000 for maritime training at the U.S. Merchant Marine Academy at Kings Point, N.Y., $6,785,000 for assistance to State marine schools, and $1,957,000 for supplementary training authorized under section 216(c) of the Merchant Marine Act, 1936; $35,598,000 for maritime administration operating expenses, including $6,377,000 for the National Defense Reserve Fleet and $29,221,000 for operating expenses related to the development and use of waterborne transportation systems and to general administration; includes fisheries facilities in the loan obligation guarantee program and the capital construction fund; and provides that a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States shall be considered a U.S. citizen for the purposes of the Merchant Marine Act. S. 640—Passed Senate May 24, 1979. (113)

Merchant Marine March: Declares as the sense of the Congress that "Our Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine. H. Con. Res. 3—Action completed April 10, 1979. (VV)

RAILROADS

Office of Rail Public Counsel: Authorizes $500,000 for fiscal 1980 for the Office of Rail Public Counsel which is expected to be phased out by no later than September 30, 1980. S. 448—Passed Senate May 8, 1979. (VV)

Chicago, Milwaukee, St. Paul and Pacific Railroad: Expresses the findings of Congress with respect to the embargo on service requested by the Trustee of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company that: (1) the embargo would reduce service on approximately 75 percent of the system, (2) the embargo would result in the loss of thousands of jobs, (3) continued operation of the Railroad is essential to further national policy established by Congress in the Power Plant and Industrial Fuel Use Act of 1978 to rehabilitate coal-carrying railroads, (5) the Secretary of Energy examine every way in which that act can be implemented to alleviate this crisis, and (6) emergency measures be considered to avoid the substantial economic damage that would result: and directs the Secretary to conduct immediately an assessment of present and potential railroad coal hauling needs in the area and report his findings to Congress within 30 days of enactment. S. 967—Passed Senate May 3, 1979. (VV)

Requires continuation of rail service by the Chicago, Milwaukee, Saint Paul and Pacific Railroad for a period of sixty days, using funds authorized under the Emergency Rail Services Act of 1970, in order to explore every possible alternative to an embargo, including time for the Milwaukee Railroad, employees, shippers and all interested parties to come up with a plan to purchase and operate those portions of the railroad that the trustee wants to abandon and to enable States to find other adequate means of transportation in event of an embargo. S.J. Res. 81—Passed Senate May 23, 1979. (VV)

U.S. Railway Association: Authorizes $30 million to the U.S. Railway Association (USRA) for administrative expenses during fiscal 1980. S. 447—Passed Senate April 10, 1979. (VV)

Shipping rebating practices: Amends the Shipping Act, 1966, to strengthen the Federal Maritime Commission's (FMC) enforcement authority over rebating practices in the United States foreign waterborne trades; increases the civil penalties for malpractices (such as the giving or receiving of lower rates by means of false billings, weight, or classification) from not more than $5,000 per violation to not more than $25,000 per violation; increases penalties for tariff-related violations other than rebating (such as failure to file a tariff, charging rates other than those set by tariffs, and changing tariffs without proper notice) from $1,000 per day to not more than $5,000 per day; increases penalties for rebating from not more than $1,000 per day to not more than $25,000 per shipment; permits FMC to suspend for up to 1 year a carrier's tariffs for rebating violation subject to disapproval by the President for national defense or foreign policy reasons; authorizes FMC to require from executives of carriers, shippers, and forwarders certificates attesting to company policies and efforts to prohibit rebating and pledging cooperation in any investigation of rebating; imposes a civil penalty of not more than $5,000 per day for failure to file a certificate; authorizes FMC to suspend the tariffs of a U.S. or foreign carrier for failure to comply with subpoenas for discovery orders in adjudicatory investigations of illegal rebating; requires FMC to notify the Secretary of State where a carrier claims inability to produce the necessary documents or information because of a "blocking statute" and directs the Secretary to consult with the government of the nation within which the documents or information are located; permits the President to nullify the suspension for national defense or foreign policy reasons; provides for a penalty of not more than $50,000 per shipment for the carriage of cargo during a suspension period; clarifies that penalties for rebating should be entirely civil; and authorizes FMC to assess all civil penalties under the Shipping Act. S. 199—Public Law 96–25, approved June 19, 1979. (VV)

TREATIES

International Wheat Agreement: Extends until June 30, 1979, the International Wheat Agreement consisting of (1) the Wheat Trade Convention, an administrative body established as a mechanism for international cooperation in matters relating to the production and sale of wheat, and (2) the Food Aid Convention which commits its nine parties to provide minimum annual quantities of food aid to developing countries. Ex. L, 96th-1st-Resolution of ratification agreed to June 26, 1979. (152)

VETERANS

Veterans health care: Establishes new health services programs for veterans and improves existing programs; specifies that the priority for medical examinations for service-connected disabilities be included in the third priority for outpatient care; requires the Administrator to notify the Veterans Committees when VA expenditures for outpatient contract dental care and services exceed the fiscal 1978 expenditure ($45.2 million); extends eligibility for outpatient dental-care benefits to veterans who were prisoners of war for at least six months or who have 100 percent service-connected disabilities and sets certain priorities for service-connected dental care; authorizes limited dental service to hospitalized veterans for non-service connected dental conditions; establishes a new program of outpatient readjustment counseling and followup mental health services for Vietnam-era veterans; provides that psychologists as well as physicians may make determinations in providing mental health services to the veteran; gives the VA the same authority to furnish Vietnam-era veterans with readjustment counseling and related services through contracts with private facilities as is available to veterans with 100 percent service-connected disabilities incurred in combat if he determines that a VA facility cannot effectively furnish contract services and requiring the Administrator to establish, in regulation, criteria for approval of the quality of such private programs; establishes a 5-year pilot program for the treatment and rehabilitation of veterans with alcohol and drug dependence or abuse disabilities; establishes a 5-year pilot program of preventive health-care services for veterans with 50 percent or more service-connected disability ratings and for veterans receiving treatment involving a service-connected disability; provides that the maximum expenditures for the pilot program may not exceed $10 million in fiscal 1980, $12 million in 1981, $13 million in 1982, $14 million in 1983, and $15 million in 1984; authorizes care for certain Filipino veterans in VA medical facilities in the U.S.;

Provides greater flexibility to the VA in furnishing medical services through private facilities under contractual arrangements; restores limited authority to expand the circumstances under which certain veterans would be eligible for contract outpatient treatment for non-service-connected disabilities; provides authority for contract diagnostic services for the treatment of a non-service-connected disability at an independent VA outpatient clinic; authorizes the Administrator to enter into contracts with certain organizations to provide emergency medical services at national conventions of VA organizations; requires annual reports on the VA's use of contract care authorities;

Provides that no appropriation shall be made for the construction, alteration or acquisition of any VA medical facility costing more than $2 million, or for the lease of any medical facility at an annual rental of more than $500,000 without the appropriate Congressional Committees having first adopted resolutions approving the projects; allows the Administrator to increase the estimated construction or acquisition costs (including leases) by 10 percent over the amount specified in an approval resolution; requires that the appropriate Congressional committees be notified in advance of any proposed reprogramming of appropriated funds; establishes a revolving fund for certain garage and parking construction projects at VA medical facilities involving expenditures of $2 million or less; requires submission of annual reports on (1) a 5-year plan for construction, replacement, and alteration of medical facilities that are in need of construction, replacement or alteration; a priority listing of 10 or more hospitals most needed; and general plans for each facility (to be submitted by June 30 with an extention to Septmeber 1, 1979, for the first report), and (2) a report containing a listing and the status of all approved medical facility projects not completed at the time of the previous report (to be submitted by January 31); recodifies and makes various minor, technical, and conforming amendments to title 38, U.S.C., relating to the construction and acquisition of VA medical facilities;

Requires, in order for VA benefits to be paid to or on behalf of a child residing outside the U.S. who was adopted under the laws of a foreign country, that the adoptive child be under age 18 at the time of the adoption; be receiving one-half or more of his or her annual support from the veteran; be residing with the veteran, except in certain specified circumstances; and not be residing with his or her natural parent, unless the natural parent is the veterans' spouse; requires that such an adoption would be recognized for VA benefits purposes after the veterans' death only if the veteran were entitled to and received a dependent's allowance or similar benefit for the child during the year before the veteran's death, or if the above requirements were met for at least one year prior to the veteran's death; requires submission of a report on various issues involved in the payment of VA benefits to persons residing outside the 50 States and the District of Columbia; and

Makes certain changes with respect to administrative and personnel matters; authorizes the Administrator to prescribe regulations permitting certain employees of the VA's Department of Medicine and Surgery (DM&S) to accept payment from non-Federal agencies, organizations, and individuals for travel expenses in connection with official duties in certain limited circumstances; provides for Senate confirmation of the Deputy Administrator of Veterans' Affairs; repeals the outdated authority for a VA office in Europe and provides certain benefits to VA employees working outside the U.S.; amends the schedules of rates of basic pay for certain DM&S employees to reflect the pay rates set by Executive Order No. 12087, effective October 7, 1978; and requires the Administrator to report to Congress by October 1, 1979, on the need for totally blinded service-connected veterans for home modifications which cost more than the allowable amount. S. 7—Public Law 96–22, approved June 13, 1979. (VV)

Veterans health resources and programs extension: Extends for three years, through fiscal 1982, the annual $15 million authorization for the program of matching grants to the States for construction, remodeling and renovation of State veteran's home hospital, nursing home and domiciliary facilities; provides that under the program of matching grants for State home construction projects no State could receive in any fiscal year more than one-third of the amount appropriated for such fiscal year or $3 million, whichever is greater; extends for three years, through fiscal 1982, the annual $4 million authorization for the exchange of medical information program; authorizes the Administrator to enter into agreements under the EMI program with public or nonprofit institutions, organizations, corporations or entities in order to participate in cooperative health care personnel education programs within the geographic areas of VA health care facilities located in areas remote from major academic health centers; and increases per diem rate payments to State veterans' homes to $6.35 for domiciliary care, $12.10 for nursing home care and $13.25 for hospital care;

Contains three cost-savings amendments which would: (1) limit reimbursement for allowable travel expenses incurred going to and from a VA facility to the excess over $4, in the case of a non-service-connected disability, (2) limit the furnishing of outpatient dental services, dental treatment and related dental appliances to a veteran with a service-connected, noncompensable (zero-rated) dental condition or disability to only those veterans (a) who have served on active duty for a period of at least 180 days and made application for such treatment within 6 months after discharge and (b) who were not provided, during the 90 days immediately prior to discharge, with a complete dental examination (inculding X-rays) and all appropriate dental services and treatment indicated by such examination; and (3) limit the furnishing of nonprescription drugs, medicines and medical supplies in connection with non-service-connected outpatient care generally to those veterans who are receiving, or are eligible to receive, pension (or who meet the income standard for receipt of pension) under section 521 of title 38; requires the Administrator to promulgate regulations authorizing the furnishing of nonprescription drugs, medicines and supplies as part of non-service-connected outpatient care in order to avoid substantial hardship that would result from the extraordinary cost to the veteran of obtaining such products commercially; requires that, before the cost-savings provisions take effect, the VA must be provided by OMB with the staffing levels for which appropriations are made and that these measures would remain in effect only if the VA is provided personnel ceilings at the level contemplated in the appropriations act;

Provides for the reimbursement (or direct payment) of reasonable charges for chiropractic services, not otherwise covered by available health insurance or other reimbursement, provided to certain veterans with neuromusculoskeletal conditions of the spine; limit the amount payable for authorized chiropractic services to $4 million in any fiscal year; establishes a September 30, 1983, cutoff date for the provision of chiropractic services for which reimbursement or payment may be made; requires the Administrator to submit an annual report on the utilization of chiropractic services under the new authority; requires prior to the furnishing of fee-basis dental care to a veteran at a cost of more than $500 in any 12-month period, a determination by the Administrator, based on the results of an examination by a VA dentist, that the furnishing of such treatment is reasonably necessary; clarifies that veterans who, as a result of non-service-connected disability, are in need of regular aid and attendance or are housebound are eligible for home health services; provides that the surviving spouse of a person whose death during active-duty service was the result of service-connected causes would be eligible for benefits under the civilian health and medical program of the Veterans' Administration (CHAMPVA) if the surviving spouse had remarried and the subsequent marriage had been terminated by death, divorce or annulment; provides that a CHAMPVA-eligible child between the ages of 18 and 23 who is pursuing full-time study at an approved educational institution and who suffers from a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until (1) 6 months after the mental or physical condition is no longer disabling, (2) 2 years after the date of onset of the disability, or (3) the student's 23rd birthday, whichever comes first.

Sets October 1, 1979, as the effective date of these amendments except for the cost-savings amendments relating to beneficiary travel reimbursement, dental benefits and the provision of nonprescription drugs, medicines and supplies;

Specifies that psychologist are among those health professionals who may be appointed to Civil Service positions in DM&S and establish qualification standards, including a general requirement for licensure or certification by a State, for eligible psycholigists; adds a U.S. citizenship requirement for appointment of podiatrists and optometrists in DM&S; shortens from 3 to 2 years the probationary period for DM&S professional employees; expands the Administrator's authority to enter into sharing agreements to include agreements between VA facilities and blood banks, organ banks and similar institutions; gives veterans of World War I special priority for VA outpatient service and treatment; and

Directs the Secretary of HEW to conduct a study on the long-term health effects from exposure to "dioxins", especially those produced during the manufacture of herbicides, including those used during the Vietnam conflict, and to report to Congress no later than 30 days after enactment. H.R. 3892—Passed House May 21, 1979; Passed Senate amended June 18, 1979. (VV)

RECESS UNTIL TOMORROW

Mr. **ROBERT C. BYRD.** Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to and, at 6:55 p.m., the Senate recessed until tomorrow, Wednesday, June 27, 1979, at 12 noon.

HOUSE OF REPRESENTATIVES—*Tuesday, June 26, 1979*

The House met at 12 o'clock noon.

Dr. John Lee Taylor, pastor, West Jackson Baptist Church, Jackson, Tenn., offered the following prayer:

Eternal God, who has made and preserved us a nation, we bow before you today in prayer.

In these demanding days and troubled times, we pray for these representatives of the people. We pray that they will do their best and be their best as persons of untainted truth, obvious integrity, and constant courage.

Renew their commitment to serve God and man. Restore their deep sense of purpose to guide America as "one nation under God." Rekindle their pursuit of peace remembering that Jesus called "happy" those who were peacemakers.

Grant to each leader of our Government a clear mind with gleaming visions of the future of our land, steady hands to guide our people with confident assurance, a loving heart to feel with empathy the needs of America.

In the name of Jesus, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DR. JOHN LEE TAYLOR

(Mr. JONES of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Speaker, our guest chaplain today, Dr. John Lee Taylor, is pastor of the West Jackson Baptist Church in Jackson, Tenn. A native of Crystal Springs, Miss., Dr. Taylor is a graduate of Mississippi College. He received his bachelors and masters degrees in divinity from Southern Baptist Theological Seminary in Louisville, Ky. He received his doctor of divinity from William Carey College in Hattiesburg, Miss.

Dr. Taylor served in several pastorates in Kentucky and Mississippi before coming to Tennessee, and he has been highly active in community and civic affairs wherever he has been. We are especially pleased to have him in the Seventh Congressional District of Tennessee, and we are proud to have him as our guest chaplain today.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by authority of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 334) and asked for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 334

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on the District of Columbia: Michael D. Barnes, Maryland; and

Committee on Post Office and Civil Service: John J. Cavanaugh, Nebraska.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORT ON H.R. 2610, WATER RESOURCES PLANNING ACT OF 1979

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight, Wednesday, June 27, 1979, to file a report on the bill, (H.R. 2610) to amend the Water Resources Planning Act (79 Stat. 244, as amended).

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

TIME FOR MORATORIUM ON COMMERCIAL KILLING OF WHALES

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, It is long past time for an indefinite moratorium on the commercial killing of whales. As we have been reminded once again by the recent beaching of 41 sperm whales on the Oregon coast at Florence, in my district, we know very little of the lives and habits of these highly developed mammals. Yet there is every reason to believe that whales, the most intelligent creatures of the oceans, are also the most sensitive indicators of developments in the ocean ecosystem which may have profound effects on man as well.

Despite the mounting evidence of the surpassing intelligence of whales and porpoises, and the obvious implication that humankind has much to learn from further contact and scientific exploration of cetacean intelligence, whale killing for profit continues unabated. A moratorium on commercial whaling, endorsed by the U.S. Congress and the International Whaling Commission, cannot help but have a beneficial effect in the current, critical situation.

DUANE DELACORTE, WHERE ARE YOU NOW WHEN WE NEED YOU?

(Mr. MICHEL asked and was given permission to address the House for 1 minute to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, today's New York Times carries an interview with Ernest L. Boyer, our U.S. Commissioner of Education.

Mr. Boyer was asked how much difference a new Department of Education would make. His answer was, and I quote:

> The difference would be primarily symbolic * * * I'm not sure it would lead to greater efficiency.

While I admire Mr. Boyer's candor I can only wonder what we are doing debating the issue of a new Department. We have been told by the highest ranking educational expert in the Carter administration that all we are involved in is a "symbolic" issue.

I am reminded of the character in the comic strip "Doonesbury." His name is Duane Delacorte, Jimmy Carter's Special Assistant for Symbolism. He thought up the idea of the cardigan sweater and the fireside chat. Delacorte is now working as a symbol creator for Governor Brown of California.

It is as I suspected: This new Department of Education was created by a comic strip character. But this is not comic, my friends, it is tragic.

PLIGHT OF THE INDOCHINESE BOAT PEOPLE

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, over the weekend I was back home in Columbus, Ohio. I was surprised by the many expressions of concern over the plight of the Indochinese refugee people who have become known as the "boat people." I should not have been surprised, however, because we are a compassionate people.

But, I have been remiss in not speaking out on the issue before, as I should

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

have, about this stateless mass of people who, out of fear and desperation, have left their homes of many generations to search out a new homeland.

The journey was not out of a need for any quick economic enhancement, but rather out of fear of survival in a land that has fallen prey to the evil of totalitarianism.

The flood of refugees from the war-torn area has now become hopelessly unmanageable for any single nation. The United States has absorbed an enormous number of them, 7,000 per month but the volume is becoming too great, exceeding 1 million persons. It is the responsibility of all nations to help these people. Great Britain and the United States have called on the United Nations to address this problem, and I suggest that we, as Members of Congress, do the same thing; that we send a message to our representative to the United Nations to tell him that the United Nations should do something about these most unfortunate people.

While it is true that only Hanoi can solve the problem, I firmly believe Congress can help. I ask everyone to transmit your concern to Geneva in hopes that these signs of support by U.S. lawmakers could help bring enough pressure on those responsible to answer the "boat people's" cries for help. The terrible plight of these people transcends provincial interest. Let us show that we care.

A TRIBUTE TO THE LATE U.S. DISTRICT JUDGE JOHN H. WOOD, JR.

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I am today introducing a bill in memory of one of San Antonio's greatest jurists, U.S. District Judge John H. Wood, Jr.

Judge Wood ably served the western district of Texas for 8 years until he was brutally assassinated in a most heinous display of crime against an individual and against the American system of law and order.

Judge Wood has been praised by many. President Carter described the judge as "courageous, hard-working, tough-minded and fair," and many others have paid tribute to him as one of the country's most vigorous defenders of law and order, particularly in the area of narcotics offenses.

Because of Judge Wood's long and outstanding service to the city of San Antonio and the western district of Texas, the bill I am introducing would designate the Federal Office Building at 727 East Durango in San Antonio as the "John H. Wood, Jr., Federal Office Building."

Mr. Speaker, this is only a minor tribute compared to the major service and accomplishments of the man. I urge prompt consideration and passage of this bill.

"NO" VOTE URGED ON H.R. 4303

(Mr. KELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KELLY. Mr. Speaker, this morning the House is going to vote, under suspension, on H.R. 4303. I urge the Members of the House to vote against this bill under suspension so that it can be amended to restore the full medical deduction for the elderly who are sick. The 1964 Food Stamp Act provided medical deductions for the elderly in excess of $10 in determining their food stamp eligibility. In 1977, the Congress abolished these deductions, which took effect in March of this year.

□ 1210

This bill restores the medical deductions but only over $35. The full medical deductions for the elderly should be restored. We are getting ready to expand the food stamp program by a billion dollars later this week, possibly today, and we certainly should not expand the program without restoring the benefits that we took away from the elderly who are sick.

U.S.-U.S.S.R. MILITARY BALANCE—MYTHS AND FACTS

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, there is a growing fear in the United States of the military might of the Soviet Union. Increasing numbers of people, including many Members of this Congress, are convinced that the Russians have been conducting an unrestrained and largely successful drive to obtain military superiority in both conventional and strategic weapons. Cries of alarm about Soviet military might have resounded through these halls with increasing frequency, and many Members are convinced that the Soviet military machine is now more powerful than any on earth.

This alarmist view has traditionally been stressed to drum up support for larger spending on U.S. forces, but this year I fear that it will also be turned against the Strategic Arms Limitation Treaty. Those who become convinced that the Soviets' military might surpasses our own in almost every category can also be convinced not to support a SALT agreement which only deals with one part of the military imbalance. In an effort to deflate some of the exaggerated fears about Soviet military capabilities, I will undertake to highlight some of the weaknesses of Soviet conventional forces, and the superior strengths of U.S. and Allied Forces. In a series of brief speeches over the next few months, I want to demonstrate that the military balance is not so dangerously lopsided as too many people seem to believe.

THE FUTURE GASOLINE CRISIS

(Mr. JEFFORDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFORDS. Mr. Speaker, at this time when everyone is looking for the bill to end the future gasoline crisis, I think it is important that we act with some deliberation and that we do not ignore some very good ideas that are coming along.

On June 6 a bipartisan group introduced the bill that is now H.R. 4345. Today that bill has 104 cosponsors. H.R. 4345, the Replacement Motor Fuels Act of 1979, introduces a concept which relies primarily upon the free enterprise system to solve the motor fuel problem. It mandates that, by 1987, refiners replace 10 percent of the motor fuels they produce with alternative fuels, whether they be derived from coal, oil shale, tar sands, or renewable resources, such as corn, wood, or garbage.

Time magazine called this concept the idea of the week a couple of weeks ago, and quoted the president of Ford Motor Co. as saying that:

> It would get the alternative energy industry off the ground, unendangered by politics and paperwork. Also it would cost the taxpayers nothing.

This concept is also one which complements any of the other synfuel proposals we are discussing, including the Moorhead bill and bills calling for tax credits or government corporations. In fact, the Subcommittee on Employment Opportunities adopted H.R. 4345 as part of Chairman PERKINS' energy bill last week, and the full Education and Labor Committee is expected to report that bill out tomorrow.

Several experts testified about the bill before the Employment Opportunities Subcommittee, and acclaimed it as a good idea and an excellent solution to a very complicated problem.

I would commend the attention of the Members to this bill and ask for their support when the time is right. I will also address this issue at greater length during general debate.

CLEAN WATER ACT OF 1977 AMENDMENTS

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4023) to amend the Clean Water Act of 1977 to extend the moratorium on industrial cost recovery.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. CLAUSEN. Mr. Speaker, reserving the right to object, I just do so to assume that the gentleman from Texas (Mr. ROBERTS) will be explaining the bill and I will be able to respond to that.

Mr. ROBERTS. Mr. Speaker, if the gentleman will yield, I rise in support of H.R. 4023.

H.R. 4023 amends section 75 of the Federal Water Pollution Control Act Amendments of 1977 and extends for 2 years the moratorium on collecting industrial cost recovery payments.

In the 1977 act, the House sponsored a provision which calls for a 12-month study by the Environmental Protection Agency (EPA) of the efficiency of, and the need for, industrial cost recovery (ICR) payments. The study was to include, but not be limited to, an analysis of such payments on rural communities and on industries in economically distressed areas or in areas of high unemployment.

The House gave very specific directions as to what the study should encompass. Nine questions were to be addressed.

First. Whether the industrial cost recovery program (ICR) discriminates against particular industries or industrial plants in different locations, and do small town businesses pay more than their urban counterparts? What is the combined impact on such industries of the user charge and ICR requirements?

Second. Whether the ICR program and resultant user charges cause some communities to charge much higher costs for wastewater treatment than other communities in the same geographical area? (Some communities have indicated that disparities in ICR and user charges affect employment opportunities.) Whether a mechanism should be provided whereby a community may lower its user and ICR charges to a level that is competitive with other communities in order to restore parity?

Third. Whether the ICR program drives industries out of municipal systems, the extent and the community impact?

Fourth. Whether industries tying into municipal systems pay more or less for pollution control than direct dischargers?

Fifth. Whether the ICR program encourages conservation. The extent and the economic or environmental impact?

Sixth. Whether the ICR program encourages cost effective solutions to water pollution problems?

Seventh. How much revenue will this program produce for local, State, and Federal governments, and to what use will or should these revenues be put?

Eighth. Determination of the administrative costs of this program. Additional billing costs imposed, costs associated with the monitoring in industrial effluent for the purpose of calculating the ICR charges, ancillary benefits associated with the monitoring of industrial effluent, procedures necessary to take account of changes in the number of industries discharging into municipal plants, and the impacts of seasonal or other changes in the characteristics and quantity of effluents discharged by individual industries?

Ninth. Whether small industries should be exempted from ICR? How should small be defined? Is there a reasonable floor that can be established for ICR based upon percentage flow?

In January 1979 the study was submitted to Congress. The major finding of the contractor was that ICR is ineffective in achieving its legislative purposes.

The significant findings of the contractor include:

Changes in the tax law mooted the question of the construction grant program being a subsidy to industries that participate in municipal treatment works;

User charges have had a more significant impact on water conservation practices than industrial cost recovery;

ICR has been an administrative burden for both EPA and municipalities;

ICR produces little discretionary revenue for most local governments, particularly when revenues are compared with local costs of administering ICR.

On the basis of this information, it was expected that EPA would develop recommendations as to legislative alternatives to ICR, including whether the provisions should be repealed. However, EPA decided not to endorse the contractor's recommendations and stated they would prepare a separate analysis of alternatives and recommendations. Such a package has yet to be received by the committee.

It is expected that EPA will move immediately to develop such recommendations and alternatives, taking into account, among many other things:

An analysis of the impact of Federal tax laws on an industry's decision to discharge either directly or as part of a municipal system;

The combined impact of pretreatment costs and requirements, user charges, and industrial cost recovery on an industry's decision to join a municipal waste treatment works;

The net effect of amendments contained in the Federal Water Pollution Control Act Amendments of 1977: The provision allowing municipalities to modify an industry's pretreatment requirements and the provision allowing EPA to exempt from industrial cost recovery any industrial user with a flow equivalent to 25,000 gallons or less per day of sanitary waste;

The impact of abolishing ICR altogether; and

The total amount of money which can be expected to be collected through the implementation of ICR when compared with the costs of administering the system.

Section 204(b)(1) of the act requires grantees with industry tie-ins to develop an approvable industrial cost recovery system as a condition of the grant award. This condition is not affected during the time of the moratorium. However, the Administrator is expected to continue to make grants and not to withhold any funding. According to EPA regulations, EPA cannot pay more than 50 percent of the Federal grant unless the grantee has submitted adequate evidence of timely development of its system, nor more than 80 percent of such grant unless the regional administrator has approved the system. It is expected that EPA will continue this policy until either the moratorium ends or Congress legislates on ICR, whichever occurs first.

Mr. Speaker, the Subcommittee on Water Resources held a full day of hearings on this matter. We heard from the Environmental Protection Agency and representatives of industry, cities, States, and environmental groups. All witnesses unanimously supported the need to extend the moratorium on industrial cost recovery.

I urge the enactment of this necessary legislation.

Mr. CLAUSEN. Further reserving the right to object, Mr. Speaker, I rise in support of H.R. 4023 which, as the gentleman from Texas has already explained, extends the current moratorium on the implementation of the industrial cost recovery requirements at the Federal Water Pollution Control Act for 2 additional years.

As the original author of the amendment to the 1977 Clean Water Act which imposed the moratorium and called for a study on the need for, and utility of, the ICR requirement, I am most disappointed over the execution of this study by EPA. It was my intent that the agency would provide Congress with recommendations which would become the basis for further legislative action. Instead, Congress must now develop their own record and, in essence, conduct their own study because of EPA's failure to favor us with a recommendation.

It is my understanding that the contractor which carried out this study for the agency did make specific recommendations and included as their No. 1 recommendation the possible repeal of the ICR requirement. The reasons for this recommendation were:

Changes in the tax laws have largely mooted the question of the construction grants program being a subsidy to industries utilizing publicly owned treatment works.

ICR has had only a minor impact upon water conservation, when compared to the effects of proportionate user charges. In most cases, ICR has had an insignificant impact on industrial decisionmaking.

ICR has been extremely difficult to manage for both grantees and EPA, and will continue to be a resource intensive activity if ICR is continued. ICR tends to be more of a managerial burden in small communities than in large communities.

The exemption for industries with flows of 25,000 gallons or less per day makes the program somewhat more manageable for grantees, but is inequitable because many industries are exempted from ICR based only on size.

With the exception of small communities with very large industrial flows, ICR produces little discretionary revenue for most local governments, particularly when revenues are compared with local costs of administering ICR.

ICR is a 30-year program after the construction is completed. During this period, the industrial payment recovered to the U.S. Treasury is estimated to be $30 million per year.

The user charge system is effective in accomplishing the bulk of the aims of ICR, especially on inducing waste reduction or water conservation.

I would also like to mention one other point. A number of the witnesses that came before the Subcommittee on Water Resources noted that the moratorium, as implemented by EPA, does not obviate the requirement of municipalities to develop an ICR system during the period of the moratorium. Since the development of the ICR is grant eligible we may be faced with a situation where funds are extended to attempt to develop a system and then Congress at a later date abolishes ICR. Therefore, there is a real possibility of wasting the money expended for this effort. When the Assistant

Administrator, Tom Jorling, testified on behalf of EPA, he stated, and I quote:

> Before I conclude, I would like to clarify one point, H.R. 4023 extends by two years the moratorium on Federal collection of ICR payments. We assume it is also intended that the agency extend by two years the date by which grantees are required to have an approved ICR system.

In addition, my good friend and colleague, the gentleman from Ohio (Mr. HARSHA) while questioning Mr. Jorling raised this issue specifically, and Mr. Jorling indicated that he felt the agency had sufficient discretionary authority to resolve this problem.

Since the statute does not specifically preclude EPA from imposing a moratorium on the development of the ICR system, as well as on the repayment requirements, it is expected that the Agency will use its authority to suspend the mandate to develop an ICR system.

Mr. Speaker, I feel it is unfortunate that we are not able to resolve the ICR problem at this time. However, given the failure of the Agency to respond to the Congressional mandate and the fact that we must now develop our own record, I support the moratorium extension in light of the time deadline of June 30 which is facing us.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that (a) subsection (b) of section 75 of the Clean Water Act of 1977 (91 Stat. 1610) is amended by striking out "eighteenth month" and inserting in lieu thereof "forty-second month".

(b) Subsection (d) of section 75 of the Clean Water Act of 1977 is amended by striking out "eighteen-month period" each place it appears and inserting in lieu thereof "forty-second month" in each such place.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the enacting clause and insert:

That (a) subsection (b) of section 75 of the Clean Water Act of 1977 (91 Stat. 1610) is amended by striking out "eighteenth month" and inserting in lieu thereof "forty-second month".

(b) Subsection (d) of section 75 of the Clean Water Act of 1977 is amended by striking out "eighteen-month period" each place it appears and inserting in lieu thereof "forty-second month" in each such place.

(c) The amendments made by subsections (a) and (b) of this section shall take effect on June 30, 1979.

The committee amendment was agreed to.

● Mrs. HECKLER. Mr. Speaker, few Federal programs have as great an impact on the jobs picture in my congressional district as the industrial cost recovery charge addressed in H.R. 4023 before the House today. Levied on industrial users of publicly owned wastewater treatment works, this powerful charge has discouraged industrial expansion and even played a part in the closure of two textile plants employing over 400 people in the largest city in my congressional district.

Two and one half years ago I began meeting with Massachusetts officials to discuss the charge and its effect on the local economy. As enacted, ICR required the collection of payments from industrial users of POTW for their proportionate share of construction costs. I emphasize that the ICR charge is in addition to operation and maintenance (user) charges. Its devastating effect on the area's economic health coupled with a complete lack of benefit lead me to introduce legislation to eliminate the charge. That was in February of 1977. Nearly a year later the Congress enacted the Clean Water Act of 1977 which placed a moratorium on the collection of the ICR payments and mandated a year long study of the need for and efficiency of ICR. That action had my active support and participation.

The extensive ICR study, performed by the distinguished accounting firm of Coopers & Lybrand, not only found that the charge failed to accomplish its legislative intent but concluded that the charge should be eliminated. The evidence was drawn from 10 regional hearings, an ICR advisory board composed of environmental, governmental and industry representatives, and surveys of 227 municipalities.

The original report conclusion: "Eliminate the Industrial Cost Recovery provisions of Public Law 92–500." Yet, EPA ignored the recommendation, left the evidence intact, changed the conclusion and forwarded the report to Congress. EPA's rewritten version stated that the program was "not effective in accomplishing their legislative purposes." The omission of the Coopers & Lybrand conclusion that the charge be eliminated was obvious. Many months later EPA recommended that the moratorium be extended another 2 years. In short, I have found EPA's role to be counterproductive at best.

Due to the approaching end of the 18 month moratorium, Congress is compelled to act to prevent collection of charges after July 1, 1979. I am disappointed that our only option is to vote to extend the moratorium for 2 more years. I feel the evidence is clear that the charge should be eliminated. However, in the absence of that, I favor the 2-year moratorium, for that time period will give EPA sufficient time to consider the charge and its effect in addition to making timely legislative recommendations to the Congress. Congress will be able to act based on an objective analysis of the charge rather than be forced by the calendar.

In closing, Mr. Speaker, I applaud the leadership shown by the House Public Works Committee, its distinguished chairman, Congressman JOHNSON, and the gentleman from California, (Mr. CLAUSEN). Their untiring efforts have been instrumental in bringing this legislation to the House floor today.●

● Mr. SYMMS. Mr. Speaker, today we have an opportunity to reduce some of the Federal redtape by placing a 2-year moratorium on the Industrial Costs Recovery Act, as suggested by the Environmental Protection Agency.

In 1972, the Congress passed the Federal Water Pollution Act and introduced the requirement that industrial users of publicly owned sewage treatment plants pay local municipalities for the use of those plants. And, while the intent of Congress may have been honorable in trying to lessen the burden that is imposed on the individual user, the results, as is often the case, were disastrous.

During the ensuing years, local municipalities were terribly burdened by the excess paperwork that was caused by this law. It seemed that the cost of implementing and maintaining the requirements of the law far outweighed any benefit that may have been anticipated.

Consequently, in the 1977 Clean Water Act, a moratorium was placed on the collection of ICR payments and that an independent study be done to determine if the ICR was really needed.

The firm of Coopers & Lybrand performed the study and they basically found that the ICR was not accomplishing its objectives and that, as suspected, the costs outweighed any benefits.

As a result, the Environmental Protection Agency has requested an extension of the 1977 moratorium for 2 years to allow it to develop the appropriate legislative recommendations. It is apparent that if we do not again impose this moratorium we will be doing a disservice to the already overburdened and overregulated taxpayer.

I commend the committee for their work on this problem and thank them for their cooperation, which will help my constituents.●

● Mr. HARSHA. Mr. Speaker, the minority has no objection to the passage of H.R. 4023 which is, as already stated, to extend the moratorium on industrial cost recovery for 2 additional years. It is our hope that the differences with the Senate can be worked out quickly so that the deadline of June 30, when the current moratorium ends, will not pass without congressional action.

The gentleman from California (Mr. CLAUSEN) and the gentleman from Texas (Mr. ROBERTS) have already expressed the committee's displeasure over the handling of the industrial cost recovery study by the Environmental Protection Agency and I will not say anything further on that matter except that I support and concur in their statements.

One point that I would like to bring to the attention of the House is the impact of the moratorium on the requirement that grantees develop an approved ICR system. The statute enacting the moratorium is silent on this point. Additionally, it makes no sense for municipalities to be required to develop an industrial cost recovery system, which requires significant expenditures of money, when Congress may abolish this requirement at the end of this moratorium extension. These funds would be wasted if Congress adopted this change. EPA, in interpreting the impact of H.R. 4023 on the requirement to develop an approved industrial cost recovery system, stated:

> We assume it is also intended (by H.R. 4023) that the Agency extend by two years the date by which grantees are required to have an approved ICR system.

When questioned during the hearings on this point Mr. Jorling, the EPA witness, further buttressed this interpretation and I would like to include at this point in the Record the question and response:

> Mr. Harsha. Given the difficulty with the ICR and the inability of some municipalities to have one far enough along for you to approve or disapprove, and your problem with personnel; and you also indicate somewhere in your statement, I believe, that you plan on having to reduce your personnel by some 25–40 positions, because of lack of appropriations: Why would you insist on enforcing this particular section?
>
> Mr. Jorling. As of that date, it no longer becomes a discretionary matter with the Agency. It becomes a grant requirement, and that would be an unlawful grant if we made it, and therefore, we would be vulnerable to lots of other sanctions on ourselves.
>
> The point that we were making is that during this period of the moratorium, neither the applicants, the engineers, nor ourselves have been spending our scarce resources in working out those approvable plans.
>
> It takes resource allocation to go back to the community to work with them, work in the community, work with the engineers, to come up with a provable plan.
>
> That is where our weakness has been during this moratorium.
>
> Mr. Harsha. Should this committee, and ultimately the Congress as a whole, pass this legislation, giving a two-year extension, there is no relief provided for the requirement to develop a system, even though we give you an extension and give you discretion to fund the project without a system, would you support an amendment which would also place a moratorium on this requirement to develop a system?
>
> Mr. Jorling. As I point out in my prepared remarks, we interpret that extension to include the requirement to have as a condition of the grant award, the moratorium and use pretty much the existing system of looking at it at 50 and 80 percent.
>
> Once we have the moratorium, we believe we can use our deviation authority to make exceptions, so without that minimal relief, we would suffer considerable pain in the system and the obligation rates would fall rather seriously.
>
> So it would be nice to have that clear. But we still think we could work within it, if the moratorium is extended.

These interpretations are exactly what is intended by H.R. 4023, and the agency is expected to adhere to this interpretation in implementing this extension.

Mr. Speaker, I support H.R. 4023 as reported by the Committee on Public Works and Transportation and I urge its adoption bv the House.●

● Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 4023. This bill amends the Clean Water Act of 1977 to extend the moratorium on collecting industrial cost recovery payments.

I congratulate the chairman of the Subcommittee on Water Resources, Congressman Ray Roberts of Texas, and the ranking minority member of the subcommittee, Congressman Don Clausen of California, on the continued interest they have focussed on this very pivotal provision.

The industrial cost recovery (ICR) provision is contained in section 204 (b)(1) of the Federal Water Pollution Control Act Amendments of 1972. This section provides that industries which participate in municipal waste treatment works which receive construction grant assistance under the Act must pay back their proportionate share of the Federal grant in the form of industrial cost recovery (ICR) payments. Such payments are to be made by the industry over a 30-year period with no assessment of interest. These payments were thought of as non-interest-bearing loans to industry which would act as a powerful financial incentive to industry to join in a publicly owned treatment works.

As the 1972 amendments were implemented and more and more cities and industries were forced to develop ICR agreements and administrative systems, there were many complaints. Industry claimed that the additional cost of ICR was driving them away from regional publicly owned waste treatment plants to direct discharges. Industry which was already discharging into municipal plants claimed that ICR acted as a penalty which in some cases caused them to shut down and to relocate. Municipalities reported that the mechanism required to assess and collect ICR charges was so burdensome that administrative costs exceeded the moneys recovered.

It was these reports which led the Congress to impose the moratorium and to call for an EPA study. In January 1979, the study was sent to Congress. It did not contain any analysis of legislative recommendations or alternatives. Such analysis is a vital component of Congress' substantive review of ICR.

A deadline is now upon us—the moratorium ends on June 30. If there is no legislative action by the end of this month, all industries which discharge into municipal waste treatment works which were federally funded must begin making industrial cost recovery payments. We are most concerned about the impact that this would have on all affected cities and industry, especially since Congress has not had an opportunity to examine any EPA recommendations.

H.R. 4023 would extend the moratorium for 2 years. This is sufficient time for EPA to do a thorough study of alternative approaches to ICR and to develop legislative recommendations. It is expected that this will be done in close cooperation with the committee.

Mr. Speaker, I urge enactment of this important legislation.●

● Mr. PASHAYAN. Mr. Speaker, I rise in support of H.R. 4023 and applaud this fine effort by the Honorable Harold T. (Bizz) Johnson, the distinguished chairman of the Committee on Public Works and Transportation, and Mr. Don Clausen of California, as well as the Honorable Ray Roberts of Texas, chairman of the Subcommittee on Water Resources.

The 2-year extension provided for by this bill should provide the Environmental Protection Agency with the necessary time to do a proper job, and one which will be done in response to congressional directive.

That the Committee on Public Works and Transportation has recognized some of the inherent problems with full implementation of the industrial cost recovery (ICR) programs at this time leads me to believe that it is an issue we must review most carefully.

As my district contains many small communities in an area of a State facing water problems, I feel it absolutely necessary that we have the additional 2 years for study.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, I call up a similar Senate bill (S. 901) to extend the time limits contained in the industrial cost recovery moratorium provision of the Clean Water Act of 1977 (91 Stat. 1610), and ask unanimous consent for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 901

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 75(b) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby amended by striking out "the last day of the eighteenth month which begins after the date of enactment of this section" and inserting in lieu thereof "June 30, 1980".
>
> (b) Section 75(d) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby amended by striking out "eighteen-month" each time these words appear and inserting in lieu thereof each time the words "thirty-month".

MOTION OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Roberts moves to strike all after the enacting clause of the Senate bill, S. 901, and to insert in lieu thereof the provisions of H.R. 4023, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to amend the Clean Water Act of 1977 to extend the moratorium on industrial cost recovery."

A motion to reconsider was laid on the table.

A similar House bill, H.R. 4023, was laid on the table.

GENERAL LEAVE

Mr. CLAUSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3, rule XXVII, the Chair will put the question on each motion to suspend the rules on which further proceedings were postponed on June 25, 1979, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 1046 and H.R. 4303.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

MAGISTRATE ACT OF 1979

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1046, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the bill, H.R. 1046, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 374, nays 42, not voting 18, as follows:

[Roll No. 277]

YEAS—374

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Danemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Goodling
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thomas
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—42

Ashbrook
Badham
Bauman
Bennett
Breaux
Crane, Daniel
Crane, Philip
Dellums
Dingell
Drinan
Gephardt
Glickman
Gore
Grassley
Hamilton
Hansen
Holt
Holtzman
Jones, Okla.
Kelly
Kindness
Kostmayer
Leland
Lungren
McDonald
Miller, Ohio
Mottl
Oakar
Paul
Pease
Rousselot
Rudd
Satterfield
Seiberling
Sensenbrenner
Shumway
Solomon
Stump
Symms
Taylor
Weiss
Wolpe

NOT VOTING—18

Akaka
Anderson, Ill.
Biaggi
Bolling
Bonker
Conable
Conyers
English
Flood
Forsythe
Giaimo
Goldwater
Harkin
Jeffries
Spellman
Staggers
Thompson
Vander Jagt

□ 1230

The Clerk announced the following pairs:

On this vote:

Mr. Thompson and Mr. Akaka for, with Mr. Conyers against.

Mr. Conable and Mr. Goldwater for, with Mr. Jeffries against.

Until further notice:

Mr. Biaggi with Mr. Forsythe.

Mrs. Spellman with Mr. Anderson of Illinois.

Mr. English with Mr. Vander Jagt.

Mr. Giaimo with Mr. Flood.

Mr. Staggers with Mr. Harkin.

Messrs. HALL of Texas, GOODLING, and PURSELL changed their vote from "nay" to "yea."

Mr. SATTERFIELD and Mr. WOLPE changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 237) to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Magistrate Act of 1979".

SEC. 2. Section 636 of title 28, United States Code, is amended—

(1) by redesignating subsections (c) through (f) thereof as subsection (d) through (g), respectively; and

(2) by inserting immediately after subsection (b) thereof the following new subsection:

"(c) Notwithstanding any provision of law to the contrary—

"(1) Upon the consent of the parties, a full-time United States magistrate or a part-time United States magistrate who serves as a full-time judicial officer may conduct any or all proceedings in a jury or nonjury civil matter and order the entry of judgment in the case, when specially designated to exercise such jurisdiction by the district court or courts he serves. Upon the specific written request of the parties and with the approval of the district court, any other part-time magistrate agreed to by the parties may exercise such jurisdiction.

"(2) Upon entry of judgment in any case referred under paragraph (1) of this subsection, an aggrieved party may appeal directly to the appropriate United States court of appeals from the judgment of the magistrate in the same manner as an appeal from any other judgment of a district court. In this circumstance, the consent of the parties allows a magistrate designated to exercise civil jurisdiction under paragraph (1) of this subsection to direct the entry of a judgment of the district court in accordance with the Federal Rules of Civil Procedure. Nothing in this paragraph shall be construed as a limitation of any party's right to seek review by the Supreme Court of the United States.

"(3) Notwithstanding the provisions of paragraph (2) of this subsection, at the time of reference to a magistrate, the parties may further consent to appeal on the record to a judge of the district court in the same manner as on an appeal from a judgment of the district court to a court of appeals. Whenever possible the local rules of the district court and the rule promulgated pursuant to section 2072 of this title shall endeavor to make such appeal expeditious and inexpensive.

"(4) Cases in the district courts under paragraph (3) of this subsection may be reviewed by the appropriate United States court of appeals upon petition for leave to appeal by a party stating specific objections to the judgment. Nothing in this paragraph, however, shall be construed to be a limitation on any party's right to seek review by the Supreme Court of the United States.

"(5) The district court shall inform the parties of the provisions of this subsection. The court, however, shall not attempt to persuade or induce any party to consent to a reference of any civil matter to a magistrate under this subsection. Rules of court for the reference of civil matters to magistrates under this subsection shall include procedures to protect the voluntariness of the parties' consent.

"(6) The court may, on its motion, or for good cause shown, vacate a reference of a civil matter to a magistrate under this subsection.".

SEC. 3. (a) Section 631(a) of title 28, United States Code, is amended by striking the last sentence and inserting in lieu thereof the following: "Where the conference deems it desirable, a magistrate may be designated to serve in one or more districts adjoining the district for which he is appointed. Such a designation shall be made by the concurrence of a majority of the judges of each of the district courts involved and shall specify the duties to be performed by the magistrate in the adjoining district or districts.".

(b) Section 631(b) of title 28, United States Code is amended—

(1) by inserting "reappointed to" immediately after "appointed or";

(2) by adding the word "or" at the end of subparagraph (1)(A);

(3) by striking the word "or" from the end of subparagraph (1)(B); and

(4) by striking subparagraph (1)(C).

(c) Section 631(b) of title 28, United States Code, is amended by inserting immediately at the end thereof the following new paragraph:

"(5) He is selected pursuant to standards and procedures promulgated by the Judicial Conference of the United States. Such standards and procedures shall contain provision for public notice of all vacancies in magistrate positions and in the case of appointments to full-time magistrate positions for the establishment by the district courts of merit selection panels, composed of residents of the individual judicial districts, to assist the courts in identifying and recommending persons who are best qualified to fill such positions.".

(d) Section 631 of title 28, United States Code, is amended—

(1) by redesignating subsections (f) through (j) thereof as subsections (g) through (k), respectively; and

(2) by inserting immediately after subsection (e) thereof the following new subsection:

"(f) Upon the expiration of his term, a magistrate may, by a majority vote of the judges of the appointing district court or courts, continue to perform the duties of his office until his successor is appointed, or for one hundred and eighty days from the date of the expiration of the magistrate's term, whichever is earlier.".

(e) The Congress suggests that the district courts, in selecting individuals for appointment to magistrate positions, select the best qualified individuals regardless of race, color, sex, religion, or national origin. The Congress notes that members of recognized minority groups and women do not serve in the Federal judiciary in proportion to their ratio of the total population and suggests that due consideration be given all qualified individuals.

(f) Magistrates serving prior to the promulgation of magistrate selection standards and procedures by the Judicial Conference of the United States may only exercise the jurisdiction conferred by section 2 of this Act after having been reappointed under such standards and procedures or after having been certified as qualified to exercise such jurisdiction by the chief judge of the circuit in which the magistrate serves.

(g) Section (c) of this section shall not take effect until thirty days after the meeting of the Judicial Conference of the United States next following the effective date of this Act.

SEC. 4. Section 633(c) of title 28, United States Code, is amended by striking the final sentence.

SEC. 5. Section 604(d)(3) of title 28, United States Code, is amended by adding immediately after the word "magistrates" the following: ", their professional backgrounds and qualifications, and any appeals that may be taken from the decisions of magistrates".

SEC. 6. Section 1915(b) of title 28, United States Code, is amended to read as follows:

"(b) Upon the filing of an affidavit in accordance with subsection (a) of this section, the court may direct payment by the United States of the expenses of (1) printing the record on appeal in any civil or criminal case, if such printing is required by the appellate court; (2) preparing a transcript of proceedings before a United States magistrate in any civil or criminal case, if such transcript is required by the district court, in the case of proceedings conducted under section 636(b) of this title or under section 3401(b) of title 18, United States Code; and (3) printing the record on appeal if such printing is required by the appellate court, in the case of proceedings conducted pursuant to section 636(b) of this title. Such expenses shall be paid when authorized by the Director of the Administrative Office of the United States Courts.".

SEC. 7. Section 3401 of title 18, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) When specially designated to exercise such jurisdiction by the district court or courts he serves, a United States magistrate shall have jurisdiction to try persons accused of, and sentence persons convicted of, misdemeanors committed within that judicial district.";

(2) by amending subsection (b) to read as follows:

"(b) The magistrate shall carefully explain to the defendant that he has a right to trial, judgment, and sentencing before a district judge in any misdemeanor case, including a petty offense case, and that he also has a right to trial by jury before either a judge or magistrate. A petty offense case, however, shall not be tried before a jury except as guaranteed by the United States Constitution.

"The magistrate shall not try the case unless the defendant first signs a written consent to be tried before the magistrate that specifically waives a trial before a district judge.".

(3) by adding at the beginning of subsection (d) the following:

"A magistrate may impose sentence and exercise all powers under chapter 402 of this title. No such sentence shall include a commitment for a period in excess of the maximum term which could have been imposed on an adult convicted of the same offense.";

(4) by amending subsection (f) to read as follows:

"(f) The district court may order that proceedings in a misdemeanor case be conducted before a district judge rather than a United States magistrate upon the court's own motion or, for good cause shown, upon petition by the attorney for the Government. Such petition should note the novelty, importance, or complexity of the case, or other pertinent factors, and be filed in accordance with regulations promulgated by the Attorney General."; and

(5) by adding at the end thereof the following new subsection:

"(g) A magistrate may exercise all powers of the court pursuant to chapter 403 of this title in the case of a juvenile accused of a violation which would be a misdemeanor, including a petty offense, if committed by an adult. If the violation would be a petty offense if committed by an adult, proceedings pursuant to chapter 403 may be initiated against the juvenile by a violation notice or complaint without the certification of the Attorney General referred to in section 5032 of this title. Any term of commitment or imprisonment imposed upon a juvenile by a magistrate shall not exceed six months.".

SEC. 8. (a) The heading for section 3401 of title 18, United States Code, is amended by striking the words "Minor offenses" and inserting in lieu thereof "Misdemeanors".

(b) The item relating to section 3401 in the table of sections of chapter 219 of title 18, United States Code, is amended by striking the words "Minor offenses" and inserting in lieu thereof "Misdemeanors".

SEC. 9. Rule 11 of the Federal Rules of Criminal Procedure is amended by adding the following new subsection:

"(h) In a case not triable before a United States magistrate under section 3401 of title 18, United States Code, such magistrate may perform the duties of the court under subsections (a), (b), (c), and (d) and accept a plea of not guilty, or upon the consent of the defendant a plea of guilty or nolo contendere.".

SEC. 10. (a) Congress finds that this is the third Act in a little over ten years dealing with the Federal magistrates system; that at the time of the passage of the Omnibus Judgeship Act of 1978 there were one hundred and ninety-six full time magistrates and two hundred and ninety-two part-time magistrates and three hundred and ninety-nine district court judges, indicating that the nationwide ratio of full time magistrates to judges is approximately one to two; that this ratio and the number of magistrates will probably increase because the Omnibus Judgeship Act of 1978 created one hundred and seventeen new district court judges and the jurisdiction of magistrates is substantially increased by this Act.

Since it appears that the magistrate system has become a permanent fixture in the Federal district courts, Congress feels that careful study and consideration from a structural viewpoint is desirable. Therefore, the Judicial Conference of the United States is requested to undertake a study within ninety days after the effective date of this Act and report to Congress its conclusions and recommendations with respect to the following:

(1) Whether the Federal district courts should be uniformly structured as a two-tier trial court utilizing Federal district judges and magistrates as separate, in dependent tiers.

(2) What steps should be taken to insure the independence of magistrates in exercising their civil and criminal jurisdiction and to promote the uniformity of the magistrate system throughout the Federal district court system.

(3) Whether a new title such as "Division Judge" or "Associate Judge" should be fashioned to enhance the status and prestige of the magistrates who are primarily engaged in the trial of cases within their jurisdiction or who serve as full-time judicial officers.

(4) The need for supportive personnel and facilities for magistrates, bearing in mind the differences between part-time magistrates and full-time magistrates.

(5) Whether the civil jurisdiction of magistrates should be fixed or should remain open-ended, and if it should be fixed, what jurisdiction should be entrusted to magistrates.

(6) If fixed civil jurisdiction of magistrates is recommended, procedures by which the jursdiction may be changed from time to time without long delay.

(7) Whether or not part-time magistrates should exercise jurisdiction in civil cases.

(b) The results of the study directed to be made in accordance with (a) above shall be made available to Congress within eighteen months after the effective date of this Act.

SEC. 11. (a) Section 634(c) of title 28, United States Code, is amended by inserting "legal", immediately after the word "necessary".

(b) Section 635(a) of title 28, United States Code, is amended by inserting "legal", immediately before the word "clerical".

SEC. 12. Such sums as may be necessary to carry out the purposes of this Act are hereby authorized to be appropriated for expenditure on or after October 1, 1979.

MOTION OFFERED BY MR. KASTENMEIER

Mr. **KASTENMEIER**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. KASTENMEIER moves to strike out all after the enacting clause of the Senate bill, S. 237, and to insert in lieu thereof the provisions of H.R. 1046, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1046) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 237

Mr. **KASTENMEIER**. Mr. Speaker, I ask unanimous consent that the House insist upon its amendments to the Senate bill (S. 237) to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes, and request a conference with the Senate thereon.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

The Chair hears none and, without objection, appoints the following conferees: Messrs. KASTENMEIER, DANIELSON, MAZZOLI, GUDGER, MATSUI, MIKVA, RAILSBACK, MOORHEAD of California, and SAWYER.

FOOD STAMPS FOR THE ELDERLY

The **SPEAKER** pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4303, as amended.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. HARKIN) that the House suspend the rules and pass the bill, H.R. 4303, as amended, on which the yeas and nays are ordered.

The Chair would like to advise the Members that this is a 5-minute vote. The yeas and nays are ordered.

PARLIAMENTARY INQUIRY

Mr. **PEYSER**. Mr. Speaker, I have a parliamentary inquiry.

The **SPEAKER** pro tempore. The gentleman will state it.

Mr. **PEYSER**. Mr. Speaker, I did not understand the bill that we are now voting on. Is this vote on the food stamp bill?

The **SPEAKER** pro tempore. The gentleman is correct. This vote is on the food stamp bill.

The vote was taken by electronic device; and there were—yeas 405, nays 8, not voting 21, as follows:

[Roll No. 278]

YEAS—405

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—8

Badham
Collins, Tex.
Crane, Daniel
Hinson
Kelly
McDonald
Paul
Schulze

NOT VOTING—21

Anderson, Ill.
Biaggi
Bolling
Conable
Conyers
Deckard
Derrick
English
Flood
Forsythe
Giaimo
Goldwater
Harkin
Jeffries
Murphy, N.Y.
Nichols
Shumway
Spellman
Stewart
Thompson
Vander Jagt

☐ 1240

The Clerk announced the following pairs:

Mr. Thompson with Mr. Goldwater.
Mr. Giaimo with Mr. Jeffries.
Mr. Biaggi with Mr. Anderson of Illinois.
Mr. Nichols with Mr. Conable.
Mr. Murphy of New York with Mr. Forsythe.
Mrs. Spellman with Mr. Vander Jagt.
Mr. Derrick with Mr. Conyers.
Mr. English with Mr. Flood.
Mr. Harkin with Mr. Shumway.
Mr. Stewart with Mr. Deckard.

Mr. **BETHUNE** changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which contain a member who is age sixty or older or who is a recipient of benefits under title XVI of the Social Security Act and to allow deductions for certain medical and dental expenses in the computation of incomes for such households.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **FOLEY**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1979

Mr. **DODD**. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 324 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 324

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3930) to amend the Defense Production Act of 1950 to extend the authority granted by such Act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER** pro tempore. The gentleman from Connecticut (Mr. Dodd) is recognized for 1 hour.

Mr. **DODD**. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. Quillen) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 324 provides for the consideration of H.R. 3930, the Defense Production Act Amendments of 1979. It provides for an open rule with 1 hour of debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs. It waives section 401(a) of the Budget Act which prohibits consideration of bills which contain contract authority in excess of levels established in the most recent budget resolution. The rule also provides for one motion to recommit.

Mr. Speaker, H.R. 3930 represents congressional initiative to reduce U.S. dependence on imported oil by encouraging the production of nonpetroleum synthetic fuels from coal, shale rock, and organic waste. The bill would extend the Defense Production Act of 1950 for 1 year and grant authority to establish a joint Government-private industry program for the development of synthetic fuels and synthetic chemical feedstocks for national defense purposes.

The technology for the production of synthetic fuels is already available particularly from synthesizing gasoline from coal and for making wood alcohol. During World War II, Germany used synthetic fuels made from coal. However, the anticipated cost of producing synthetic fuels is higher than the current world price of oil. The committee has supported financial incentives for industry participation in the program in order to achieve the national production goal for national defense purposes of at least 500,000 barrels per day of synthetic crude oil by 1985.

The administration has endorsed the development of synthetic fuels in budget proposals and the President has suggested that some revenues from the proposed windfall profits tax on oil be used for the program. H.R. 3930 is supported by the Speaker, House majority leader, majority whip, the Democratic Steering and Policy Committee and others.

The bill would also: Raise the dollar limits on the value of direct and indirect loans, broaden the applicability of the Defense Production Act of 1950 to specifically include energy, establish guidelines for awarding contracts, and authorize appropriations of $2 billion to achieve the production goal through purchase guarantees.

Similar proposals for synthetic fuels subsidies were introduced during the 95th Congress but were not enacted. Provisions which spurred a jurisdictional dispute in 1976 between the Committees on Ways and Means, Interstate and Foreign Commerce, Science and Technology and the Banking Committee have been deleted from H.R. 3930.

□ 1250

Mr. **QUILLEN**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Connecticut (Mr. Dodd), has ably explained the resolution. We are here today on this synthetic fuel bill because the American people have demanded action by the Congress that something be done. It is long overdue.

I am very happy that it is on the floor today, because it is so important that we develop synthetic fuels and chemical feed stocks.

The bill calls for 500,000 barrels of synthetic fuels per day. That would almost take care of the defense needs of this country when it comes into effect in 1984, but 500,000 barrels of synthetic fuels is not enough.

I understand some amendments are going to be offered to increase the number of barrels per day, and I shall support them.

One can go anywhere in this country of ours and see long lines of people queued up and waiting to get to the gasoline tanks for gasoline.

I think that the Congress and the White House should have taken action years ago to do just exactly what we are doing now.

We have a coal supply that will last for more than 300 years, and we ought to be tapping it. We ought to be using it to its fullest extent. We ought to be letting the utilities of this country burn coal to produce electricity.

We should be making gasoline and oil from coal, as did the Germans, as now they are doing in South Africa.

So the action brought about today is action demanded by the American people.

Mr. Speaker, I support the bill.

Mr. **DODD**. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. Perkins).

Mr. **PERKINS**. Mr. Speaker, I rise in support of the resolution and support the bill. Mr. Speaker, the gravest danger facing the United States today, both militarily and economically, is in its reliance upon an interruptable supply of imported oil.

This country's whole economy is based upon its consumption of energy. But today half of our liquid fuel is supplied by other nations—some of whom are unfriendly and potentially hostile.

Recent testimony before the Subcommittee on Economic Opportunity by a well-known chemical engineer indicated that one supertanker sunk by saboteurs in the narrow channel through Hormuz Strait could effectively bottle up half the oil that passes from the Persian Gulf to the free nations of the West. That includes shipments from Iran, Saudi Arabia, Kuwait, and other areas.

Even a temporary interruption of supplies from that region would have far-reaching repercussions in the American economy. It is probable that a great many jobs held by American men and women would simply evaporate.

The longer the interruption, the more drastic the economic dislocation.

Reliance upon foreign sources for such a significant portion of our energy needs already has robbed the United States of its freedom of action in many areas of foreign policy. Our policy decisions are vulnerable to international blackmail by our petroleum suppliers.

Our national security is jeopardized, and the continued outflow of upwards of $50 billion a year for foreign oil purchases will surely bring ruin to our economy.

Because of this situation, I welcome and support the efforts that have been made by Chairman Moorhead and the Subcommittee on Economic Stabilization, and by its parent committee. I urge the House to pass without delay H.R. 2920, the Defense Production Act amendment and extension.

By directing the startup of a synthetic fuels industry based upon coal, shale, peat, and the other domestic resources, the committee is moving us in the direction of energy independence.

My only regret is that the measure before us starts us toward energy self-sufficiency at a crawl when we should be going at a full gallop.

I recognize that the measure reported by the committee addresses only one small segment of our total energy needs. It deals with the half-million barrels a day of crude oil equivalent required by our peacetime defense systems.

But our domestic economy uses at least 18 million barrels of crude oil a day—and we are at the mercy of foreign producers, the OPEC brethen, to sell us half of that, at their price.

I will vote for this bill gladly, but I don't have any illusion that it provides any substantial contribution to our overall energy requirement.

Even if it succeeds to the full limit of the committee's expectation, it will not shorten the gasoline lines by one car or one-quarter hour.

It is important to understand that this measure deals with military needs. The synthetic fuel that it will produce is not going to show up in our neighborhood gasoline pumps.

If the parliamentary situation were such that this measure could be amended to address the energy needs of the civilian segment of the economy, I would certainly have several strengthening amendments to propose.

The fact that the committee is limited by its jurisdiction to getting at synthetic fuels creation through the Defense Production Act of 1950 illustrates the reason for the House's seeming paralysis to act decisively on the energy issue.

There must be a dozen committees of the House with some legitimate claim of jurisdiction over one or more parts of a bona fide synthetic fuels industry bill.

Now, I know it is the tradition of the House for committees to guard their jurisdictions jealously. The Committee on Education and Labor guards its own. This is not without reason as legislation should be formulated where there has been developed an indepth knowledge of the subject area. At the same time the House should use every means at its disposal to cut through parliamentary redtape when it must legislate promptly in a national emergency.

But I want to say to the Members that this matter of internal housekeeping does not mean a thing to the vast majority of the people of this country. They could not care less.

They know that Congress is not going to get very far on a tank full of jurisdiction. And if we do not switch to something that will burn in a combustion engine—the people might just switch for us.

As many of you know, the Committee on Education and Labor this week will attempt to report H.R. 4514, the Synthetic Fuels Reserve Corporation Act. The bill already has been approved unanimously by the Subcommittee on Economic Opportunity.

This broad-gaged measure sets a goal of 5 million barrels of synthetic fuels a day equivalent. And it sets up the mechanism for accomplishing the task.

There is no question that it cuts across House jurisdictional lines. But someone has to do something to cut through this paper-and-tradition barricade and get a bill before the House that will make a real dent in our energy situation.

Our bill in no way conflicts with the measure before us today, nor does this bill conflict with H.R. 4514. This bill confines itself to synthetic fuels for military needs while ours expands across the whole economy.

To give the House an opportunity to strike two blows for energy independence at once, I wish it were possible to offer the text of H.R. 4514 as an amendment to this bill, but I am advised that it would not be germane. I certainly shall try to persuade the Committee on Rules to give the House an opportunity to vote on it at an early date.

Mr. Speaker, there is great interest in this body in synthetic fuels as an alternative to our present intolerable situation. Bills addressing that subject are now reckoned by the dozen.

There is no question about the practical application of synthetic fuels technology. It is available, and it is proven.

In my judgment, synthetic fuels provide the only satisfactory alternative to the energy blackmail with which we now live.

I urge the House to take a step toward energy independence and pass the Moorhead bill today. And then, as soon as possible, let us get up and run at a gallop and pass a comprehensive synthetic fuels bill.

Mr. QUILLEN. Mr. Speaker, if we go back in our minds today and see what this country did when we ran out of natural rubber for the manufacture of automobile tires and tires for military equipment, the Government started a massive program for synthetic rubber. Within a few months we had synthetic rubber that took care of our needs during the war years and is taking care of our needs now.

We can do it. This is a beginning. We must pass this legislation.

□ 1300

We can go into our shale deposits, we can produce shale oil and refine it into gasoline to meet our needs. We can create chemical synthetic feed stocks. We can create synthetic fuels from grain. We can do whatever we have to do.

Go back to another project during the war when the Manhattan project was conceived at Oak Ridge. No one except a very few knew what was going on. But through a massive effort this country developed the atomic bomb, and then the hydrogen bomb later. This country can do whatever it wants to do if we set our minds to do it.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I rise in opposition to both the rule and this bill. I believe this bill is ill-conceived, it is brought up under a sense of hysteria in this country today. I would like to label this bill the economic Tonkin Gulf resolution.

People are responding today to the shortage. We know why the shortage is here. The shortage is here because the Government has been overly involved in the energy industry. It took us a lot of years to get to the point of destroying the delivery of services such as energy. Yet, we want to start a new industry with the Government hand on top of the industry at its inception.

I do not think it will be successful. If it is, it will be surely beneficial for some industrial corporation.

It is frequently pointed out that the rubber industry is an example of beneficial Government involvement. Rubber was developed synthetically and it was a tremendous boon to the country with the assistance of Government. This is true to a degree. But, the know-how was developed by the free market prior to the time the mass production was begun. And who says it would not have been developed if the Government had not subsidized it, and who has ever calculated the benefit of big business who received these subsidies even back at that time? I claim synthetic rubber would have been developed even without subsidies.

There is a bit of confusion here too. I think it is rather remarkable that a bill of this nature comes out of the Banking Committee. Here we have a Defense Production Act, and an energy bill coming out of the Banking Committee. I am on the Banking Committee. I thought I was going to be working with banking matters, but here we are with a bill dealing in defense production and synthetic fuels coming out of the Banking Committee. It is very, very strange indeed.

Mr. SYMMS. Mr. Speaker, would the gentleman yield on that point?

Mr. PAUL. Yes, I yield to the gentleman.

Mr. SYMMS. I think the reason it is significant is because they are going to bank this thing with printing press money, and that is consistently what the Banking Committee has been doing for the last 25 years.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I am glad to yield.

Mr. MOORHEAD of Pennsylvania. I am reading now from the Rules of the House of Representatives concerning the jurisdiction of the Committee on Banking, Finance and Urban Affairs which includes under subsection 5:

> Economic stabilization, defense production, and (7) financial aid to commerce and industry (other than transportation).

Mr. PAUL. If I can regain my time, I would have to say I agree that technically they are able to legislate in this manner. But, it is rather ironic that we are doing it this way.

I would like to discuss, for a few moments the Defense Production Act. This was established in 1950. Later on I would like to talk more about why I think it is ill conceived for Government to subsidize industries to develop synthetic fuels. I happen to be one who is very much in favor of synthetic fuels. However, I happen to believe that there are two ways of doing this. One is with an economy totally controlled and regulated and subsidized by Government; that is, at the expense of the taxpayers, where all the risks rest upon the taxpayers; the other is through the market economy. The market method of development of synthetic fuels is the only fair and equitable and sensible and economic way of achieving success.

We are about to extend the Defense Production Act, which was written in 1950 and which we are extending today. I think it would be wise for us to at least pay attention to this because I have published in the Record the details of the 1950 law. I think it would be very important that we know a little bit more about what we are extending.

Let me just state here the confusion that exists between war and peace, military and nonmilitary, defense and nondefense and indicates to me that we are well on our way to the confusion of thoughts so vividly portrayed in Orwell's "1984." I vigorously object to the selling of a synthetic fuels program in the name of defense. It has been proven rather recently by one of DOE's studies although not available to us for strange reasons, that if you would allow prices to fluctuate and rise we would increase our supplies by 600 or 700 percent. I believe it is totally unnecessary and unwise for the Government to go into the development of synthetic fuels.

In saying this, however, it does not exhaust the issue. H.R. 3930, by extending the Defense Production Act for 1 year, incorporates by reference the language of the 1950 act, and I quote from that for the benefit of those who have not read it:

> In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes.

That sounds rather benign. I have an extensive summary here that I will be glad to let anybody see, but I would like to summarize a little bit more on what is in this bill.

The list of powers granted to the President is extraordinary. Nowhere in the act is the President required to declare a national emergency. In certain isolated cases the Congress may veto special actions of the President, but there is no necessity to seek any prior permission from Congress at all.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield the gentleman from Texas 2 additional minutes.

Mr. PAUL. By extending this act another year the House will be approving, No. 1, standby rationing authority, which has been overwhelmingly rejected by this House. Also it will be approving standby allocation authority, assumption of risk taken by banks and other lending institutions, unlimited loans to private corporations, the prohibition, with criminal penalties of hoarding, whatever that means, forcing private persons to accept contracts and then to perform them.

Can you imagine? This is what we are talking about today, making subsidy payments to corporations for operating transporation, storage, processing and refining facilities, installing Government-owned equipment in privately owned businesses and developing synthetic materials. All of these things we are giving sanction to and I think it is rather dangerous that we are carelessly extending these powers to the executive branch.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I will yield to the gentleman.

Mr. SYMMS. If the gentleman has completed his statement, I would like to compliment the gentleman from Texas on his insight in this matter. I think it is really interesting that here we are talking about creating synthetic money to finance a new way to solve an energy crisis that has been caused by the membership of this body over these past many years, when tomorrow or the next day it is my understanding the House will have before it a way to take money away from people who are in the production of energy; that is, increased taxes on production. In other words, what we are watching here is a rapid takeover of the energy industry in the United States by the Government.

What other things can we look at, what is it the Government has done so well in their other endeavors that makes us think somehow a Government energy company is going to solve the crisis when the Government has caused it? Price control on natural gas, the price controls on old oil, regulations that make it either illegal to burn or illegal to mine coal. I could just go on ad infinitum. It is the Government that has created the production crises we are now in.

The SPEAKER pro tempore. The time of the gentleman from Texas has again expired.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. I think what is happening here is there are many people with very, very good intentions who are trying to do something to solve the quote, unquote energy production crisis that has been brought about by Government.

It reminds me of an old fellow at home that when walking down the trail he saw a snake. He decided he better kill the snake, so he jumped down to pick up a stick to kill the snake. But when he picked up the stick, he found out the stick he grabbed was actually the snake, and the snake that he thought he had seen was only a stick.

I think this is exactly what is happening here. The Congress feels the pressure from the folks back home, they have to do something to solve the problem so that they can go home and say we are solving the quote, unquote energy crisis. They do not bother to tell the folks that we caused the energy crisis.

I would like to say to the Members of the majority party that there is legislation before this very Congress in my good Chairman Udall's committee that would outlaw leasing a coal lease to somebody who happened to be in the oil business. In other words, punish them for trying to solve the energy crisis.

Here we have another situation where we are going to get in there and loan them money, guarantee loans, get this thing going. But what is going to happen from it?

□ 1310

Are we going to create a Government energy company? Is that what we are talking about? Are we talking about nationalizing the oil companies? If the tax bill passes this week, it will be putting on a 70-percent tax, and it must be called nothing other than a severance tax on the production of energy. It is the most anti-incentive program I have heard of, and here we are trying to crest a government incentive.

What we should do, rather than trying this Government energy loan guarantee program and giving all this new regulation, is to start repealing laws, revising laws, reforming laws by primarily removing the obstacles to production and reinstilling the incentive system back in the United States.

If we do that, this energy production crisis will soon be something that we will read about in our past history, because it will be taken care of by the genius of the American entrepreneurs if we just allow the system to work and remove the obstacles. Repeal, repeal, repeal.

Mr. DODD. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. Gibbons).

Mr. GIBBONS. Mr. Speaker, I support this rule; I support the committee bill. Let me tell the Members why.

We have come to the point in our history where we have got to quit complaining and start acting. For many years, we have stayed here and thought that this problem would solve itself, and we pretty much left it in the hands of the people who were in the energy business, the power to solve these problems. There were some inhibitions, but not overriding inhibitions.

Not 50 years ago, in Germany, I. G. Farben patented synthetic fuel from coal. World War II was largely fought, from the German point of view, on this same fuel, and they fought it quite effectively and with a great amount of petroleum product at their command.

Ten years ago, on the Ways and Means Committee, I asked the people who were going to develop shale oil what kind of price it would take on shale oil to develop shale oil. They told me that a price of $8.00 a barrel would be plenty sufficient to develop shale oil. These were the people from the shale oil country who were interested in developing it. They were not wild-eyed people, but honest to God, hard-nosed businessmen. Here, 10 years later, we are not producing shale oil.

The time has come when we must act. We must act affirmatively. I hear talk about synthetic money and talk about not being able to pay for this. Let me remind everyone here that by the year 1985 we will be paying, in 1979 valued dollars, to the OPEC countries at least $110 billion a year. That is how much the outflow will go to. That, in effect, is a tax upon the U.S. economy and the U.S. taxpayer.

We must do all that we can to eliminate that. We cannot eliminate it completely, but at least we could try to get it under control. I believe, as Mr. PERKINS has said and as others have said, that this is a good beginning, even though it is a small beginning.

Mr. Speaker, I hope that the Congress will act affirmatively to provide the encouragements that we need to develop synthetic fuel.

Mr. DODD. Mr. Speaker, first of all I want to compliment the gentleman from Florida on his statement, and associate myself with his remarks.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I want to rise in support of this legislation and urge its passage, and also to state that just a couple of days ago I had joined with the chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS) in the support of his bill dealing with synthetic fuels, which I hope we are going to be able to also move ahead on.

I thought one comment was appropriate that I heard this morning from a friend of mine who spent a couple of hours on a gas line. He said to me, "You know, if the Congress was only doing something, even if it were long-term, to address this fuel problem, it would make it a lot easier waiting in these gas lines knowing that there was—if you will forgive the expression—a light at the end of the tunnel, and that there was hope for us."

"Because," he said, "many people are giving up hope that anything is ever going to happen to correct this situation."

I think this is a definite ray of hope, and it is the way we ought to be moving. I would like to see us moving much faster in this direction and in a much larger way, but certainly this is the step that moves us into an area where we can get synthetic fuel, where we can begin to end our reliance and dependence on the OPEC countries.

Mr. Speaker, I urge the overwhelming support and passage of this bill.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we all must realize that this is an extension of the Defense Production Act, and the defense of this country is most important. As I said recently on the floor of the House, with Russia building up her fleet in the Persian Gulf and in the Indian Ocean, where the oil supply travels through, if something should occur I do not know what this Nation would do to defend itself. So, getting going on a program to develop synthetic fuels is not only a good thing; it is the right thing to do.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I will be happy to yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, I commend the gentleman from Tennessee for making that statement. We read in the papers and know that the defense establishment, right now, its training program possibly has to draw down more reserves at the present time, so we can understand what might happen in terms of an emergency. So, I believe the gentleman is speaking to a very important point on this legislation, and I commend him.

Mr. Speaker, I rise in strong support of the most comprehensive development program for synthetic fuel that we can pass on this floor today. I believe the time has come when the Congress must move quickly to end our national dependence upon fuels produced by other nations.

While this program is only another step toward energy independence, it is certainly an important one. New York City will require huge amounts of fuel oil in the next decade if it is to produce the basic electricity that is required to meet the needs of its citizens. Presently, 62 percent of the fuel used to generate electricity in New York is fuel oil, most of which—about 120,000 barrels per day—is imported. A year ago this oil cost $13.50 per barrel. Today, the newspapers tell us that in the coming weeks we can expect that we will be paying $20 or more per barrel.

Even if Consolidated Edison, the city's electrical producer, were to be successful in converting three oil-fired units to coal, some 24 percent of the required fuel will still have to be generated by a liquid fuel. That means that we are faced either with importation at blackmail prices or with the need to develop synthetic fuels.

Last year Consolidated Edison tested 6,000 barrels of gasified coal and found that it burned as effectively as fuel oil and burned more cleanly than low sulfur fuel. Con Ed would love to use this as its primary fuel, but at our present rate of development, the synthetic fuel—SRC–II—will not be ready for commercial development until the late 1980's.

It seems to me that this story can be repeated in every urban area in America. We have plenty of coal in this country and we ought to be developing it as quickly as possible. The Japanese have shown us that we can end our dependence on oil while at the same time keep from contaminating the air.

It is time, Mr. Speaker, that we began to get serious about resolving the problems of energy that are quickly bringing us as a nation to our knees. I hope that the House not only votes this bill out overwhelmingly but that the administration uses every bit of persuasion available to it to assure that the Senate follows our lead expeditiously.

Mr. QUILLEN. I thank the gentleman for his contribution. Only this past weekend the Air National Guard in my district had to cancel a number of flights for lack of fuel—the Air National Guard, an arm of our military. If we continue to dilly-dally here on the floor of the House and not get started with programs that are long overdue, then the American people are going to speak even louder, in crystal clear language that we can all understand next November. So, I commend the committee for bringing this bill to the floor of the House, not only for getting new action to make synthetic fuels, but for the use of those synthetic fuels for our defense posture. It is important; it is mandatory; it is a must.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, I rise in support of the rule to the extent that this will allow us more opportunity to fully debate on the bill brought before us.

Mr. Speaker, if my instincts are accurate, we will probably pass this legislation shortly and then pat ourselves on our collective backs for so determinedly facing the harsh realities of the energy-starved world. And, the congressional news letters proclaiming this great victory will begin to roll off the presses.

But, really, who are we fooling? This legislation is being hailed this afternoon as Congress wise and well-timed response to the latest energy crisis. Although it may be somewhat beneficial, it is also an exercise in futile symbolism. It is a symbol of this institution's inability or unwillingness to cope with an energy crisis that has been with us for most of a decade. It reveals once again how Congress will avoid painful decisions as long as possible before making choices clouded by confusion.

Experts saw the energy crisis coming a decade ago. The public was not aware of it until the 1973 Arab oil embargo. At that time, we imported about a third of our oil from abroad at a cost of $8.5 billion. The gasoline lines and the fuel oil shortage of 1973–74 placed enormous pressures on the Government in general and the Congress, in particular, to do something—anything—about the energy crisis.

And, Congress did the wrong things. Rather than passing legislation that would increase the output and utilization of domestic energy sources, Congress took the politically easy path to cheap energy. Let us look at the record.

We passed the Energy Policy and Conservation Act of 1975.

This bill holds the price of old domestic oil to about one-quarter of the current world price. This was supposed to protect consumers from price gouging. In fact, it has resulted in our subsidizing the price of oil from OPEC and thereby encouraging higher foreign oil prices.

□ 1320

We passed the Surface Mining Control and Reclamation Act which makes the production of coal more difficult, and the Clean Air Act which makes the use of coal darned near impossible. As a result our use of coal has barely increased since the end of the Arab oil embargo 5 years ago. This is especially appalling when we realize that our reserves of coal are virtually inexhaustible and that each ton of coal mined here offsets the need for 4½ barrels of oil produced elsewhere.

We continue the outmoded and counterproductive price controls on natural gas. In fact, we extended those controls to the hitherto unregulated intrastate market just last fall. The effect of this Byzantine system of price control has been to effectively preclude the domestic market from those very synthetic fuels we are ostensibly about to promote through the taxpayers here this afternoon.

Mr. Speaker, in considering the development of these synthetic fuels one thing should be crystal clear. There are not new technologies.

For example, coal was first gasified

and sold as a lighting fuel in the early years of the last century—back in 1810 and 1812 in Baltimore.

"Town gas" has been sold in Britain for years and is only now being supplanted by natural gas from the North Sea. It is produced from coal.

Oil shale was produced in abundance in Scandinavia until then cheap foreign oil displaced it.

Hitler ran much of his war machine on liquid fuels made from coal.

And South Africa, which is being hailed as a leader in the field of synthetic fuels, if nothing else, is utilizing the services of an American engineering firm today to tap a process invented decades ago by an Italian citizen.

The point is clear. We are talking about technologies that not only exist today but existed before most of the people in this Chamber were born.

Before we launch this multimillion-dollar Federal program, we ought to look squarely at it and say, What are we doing? What are we doing? In the same week we are talking about creating a Federal program paid for by tax dollars for synthetic fuel, we are about to consider a bill that will make it impossible for many companies already in the energy field to produce energy.

In my hometown of Long Beach, Calif., we citizens of the city jointly own with the State of California an oilfield. We have over 300 oil wells that are presently shut in. Shut in because there is no oil? No. Shut in because we do not have the technology to produce it? No. Shut in and denying the proceeds to the people of my State and my city because this Congress has created a regulatory process, and this Congress has created a price-control mechanism that makes it uneconomical to produce oil that we happen to have in this country. If we took price controls off, we could have through tertiary recovery in California alone almost the doubling of known oil reserves in the United States.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. LUNGREN. I thank the gentleman.

The point I am making is this: Although this bill may be worthy of support as a start or as an indication that something needs to take place with the Government acting as the agent, it seems to me we should also face the question as to whether or not continued price controls and putting on so-called windfall profits tax to such an extent that even public entities cannot produce oil for the people of this country makes much sense. It seems to me we owe the American people some hard decisions—not just rhetoric, not just fine-sounding ideas and fine-sounding new Government projects, which are paid for by the taxpayers—but also some real work, some real hard thinking, and some real production so that those people in the gas lines tomorrow and next week can get some relief and not just hear a lot of rhetoric and observe a lot of inaction from this Congress.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Mr. Speaker, I would like to commend my colleague, the gentleman from Pennsylvania (Mr. MOORHEAD), of the Committee on Banking, Finance, and Urban Affairs—and I serve on the committee—for his foresight in bringing this matter to the floor. The whole idea here is to activate and utilize our private enterprise system, and that idea should not be distorted by the rhetoric here on the floor.

I generally agree with my colleague, the gentleman from Texas (Mr. PAUL) in his notions about the free market, but the fact is there are unusual risks involved in starting up a synfuels program in this country. Economic distortions in our energy policy are caused by our past regulatory actions. There is uncertainty among those in our private enterprise sector because there is no predictability of future Government action. So, for those reasons I think there comes a time when we must fight fire with fire. Some form of Government incentive is needed to help us make the transition from where we are now to the future.

I think this bill does that. The simple fact is that oil is short in supply and coal is plentiful, and I think that therein lies the interim solution for America. This bill will give us time, if we act now, to develop some of the more esoteric sources for the future.

If I thought that the marketplace could overcome the stranglehold of regulation that exists today and function as beautifully as my friend, the gentleman from Texas, would wish, and as I would wish, then I would be for his notion. But it seems to me that we are strangled right now by regulation, and private enterprise cannot get into this business of developing synfuels unless it has some help and some proper incentive. That is all this bill does. It is loose enough to allow flexibility to adjust as circumstances would dictate. We need to move fast.

I think we can anticipate some additional amendments here on the floor today in the nature of improving amendments to increase the supply of synfuels not only for military uses but for domestic industrial uses.

It has been mentioned that Hitler did this during World War II. I was a little young, but I have learned from history that Hitler did run the Luftwaffe and the Panzer Divisions on synthetic fuel because Germany did not have access to oil during those years and they had to turn to synfuels. I think there is a lesson in that for us. It can be done!

My point is that it seems to me that this is a reasonably small insurance policy for this country at a time when we really need it, and I could not endorse this bill more.

Mr. PAUL. Mr. Speaker, will the gentleman yield?

Mr. BETHUNE. I yield to the gentleman from Texas.

Mr. PAUL. I thank the gentleman for yielding.

I must ask the gentleman, if he concedes that regulations have been so damaging to us in producing oil and gas today, just what is it that makes him think that these same regulations might not be just as harmful in a new synthetic fuels industry?

The SPEAKER pro tempore. The time of the gentleman from Arkansas (Mr. BETHUNE) has expired.

The Chair recognizes the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, before we can walk a mile, we must first take a single step. This step we are taking today is going to open the door in the future for massive production of synthetic fuels, and we must take this first step, and take it we will.

Mr. Speaker, I have one further request for time. I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank my colleague for yielding.

Mr. Speaker, I address the body as one who listens regularly to the speeches in the well of this Congress, and it is amazing how many legislators find constant complaints with the Department of Energy but they voted for it. I find complaints with DOE, but I did not vote for it. They complain about allocations but voted for them. I did not vote for the system of allocation. They complain about price controls but voted them. I did not vote for the system of price controls. But I am going to vote for this bill.

Frankly, I do not understand the philosophy of those who think it is all right to pay the OPEC nations anywhere from $18 to $25 a barrel for oil but somehow resist any kind of subsidy when it comes to American domestic production. I am basically against subsidies as my record would clearly show, but here is one area I would subsidize, and I will tell the Members very simply why. We are talking about American labor; it would be American industry, and we start with an American product, an American raw material. And, above all, we end up with an American finished product. Any way we look at it, that makes more sense than sending billions of dollars overseas.

I know for a fact, because they are in operation, that we can put coal into gasoline. We have an example in this country where one company could produce methane. It wrote the Department of Energy, and it took 2 years to even get a reply and only then through the intervention of one of our colleagues.

My colleague, the gentleman from Texas, is correct in his concern about regulation, but I think we have to get to the place where we are self-dependent, and we can do that by starting with our own product and ending up with our own product. If it costs a little bit more in the process, we still end up with our own product, and, to my way of thinking, that justifies going forward in this project even if it is costly. I would support it wholeheartedly, although I might have some differences to the way in which the bill is written. It is hard for this Congress to write a reasonable, commonsense bill and this measure injects Government too much in this vital area but, on balance, we need it and it should pass.

I point out that in time of need, American technology and ingenuity developed the synthetic rubber we needed in World War II. We must do the same in energy.

☐ 1330

As a concept, to start with an American product and end up with a finished American product is what we must do. I would do it differently and more simple but the idea at least makes sense and it is the right direction.

Mr. PAUL. Mr. Speaker, will the gentleman yield to me?

Mr. ASHBROOK. I yield to the gentleman from Texas.

Mr. PAUL. I would like to ask one question, Mr. Speaker. Why do we suppose that we are smarter than the market? The supposition here is that the Congress and the bureaucrats know which fuel to make, whether it should be natural gas, gasoline, coal or something else. This is a presumption I do not think proper to make. We cannot pre-empt the market and make market decisions—which require choices by millions of people made voluntarily.

Mr. ASHBROOK. Mr. Speaker, my colleague is absolutely correct, but he is starting at the end rather than at the beginning.

The market is not determined now by factors under our control. The market is determined because of our dependence on foreign oil. They determine the market. They are the people who make the decisions. They blackmail us. They bring us to our knees. They determine the price by politics and not market and we are not in a position to counter their arrogance.

I would agree with you regarding the problems of DOE making allocations and making decisions but even at that I would rather have Americans, even bureaucrats, making decisions over my life rather than an OPEC nation or cartel which can bring us to our knees when we are dependent on them. We can throw the foolish bureaucrats who are creating these problems out on their ears. That can happen if we want to. As long as we are dependent on OPEC, we cannot throw them out. They can set the rules and price. Just the other day, Nigeria, a nation dependent on our foreign aid, threatened us. If we become self-reliant we can tell them where to go.

I talk as a person, as you well know, who is no friend of bureaucracy and would do everything I can to limit bureaucracy and go back to the market. We cannot unring bells. We do have a DOE, we do have an OPEC, we do have boycotts, we do have regulations but we do have energy insufficiency and it is a national disgrace. You cannot unring those bells in the 95th Congress with the liberal majority we have here but we must go forward from here and not on the basis of what our textbook says, but on the basis of what the facts of life are as they face our country today, limited though our options may be in this Democratic controlled pro-big government Congress.

Mr. DODD. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. Alexander).

Mr. ALEXANDER. I would like to compliment the gentleman from Pennsylvania (Mr. Moorhead) and this committee on their foresight in bringing this bill to the floor and giving us the opportunity to debate this critical question and a chance to take action on the energy question.

It has been 6 years since the Arab oil boycott which disrupted this Nation. We have learned that America is a nation of oil junkies. We are so dependent upon petroleum products that it frightens me.

With just about 6 percent of the world's population we consume about 30 percent of the world's energy and that translates into about 19 million barrels of oil per day; 8 million barrels of which come from foreign oil suppliers.

Now, Mr. Speaker, last year that cost us $41 billion and that $41 billion produced a trade deficit of almost $28.5 billion. Bill Miller, Chairman of the Federal Reserve Board, tells me that about 40 percent of our inflation comes from the fact that we are buying oil from foreign producers that we cannot afford.

It is obvious to me we must do something about it. Six years is enough. We have wrung our hands, we have debated, we have discussed this issue and it is now time for the Congress to take action. It is time for America to kick the petroleum habit and formulate a multiple energy policy which includes the continued development of U.S. petroleum reserves, but also develops alternative sources of energy such as coal liquifaction, nuclear, gasohol, hydrogen, ocean thermal, wind power, and coal gasification.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DODD. I would yield to the gentleman from Arkansas 1 additional minute.

Mr. ALEXANDER. It is true that many of our people say, "Well, we do not know which of these options to take."

Many are content to wait around another 6 years wringing our hands debating the issue and cursing the darkness. The synthetic fuels bill will light a candle. It is better to light one single candle than to curse the darkness.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I would like to associate myself with the gentleman's remarks and with the remarks of the gentleman from Ohio (Mr. Ashbrook).

I would like to say the gentleman from Pennsylvania (Mr. Moorhead) and I sent our staff, we did not go ourselves, to South Africa and Brazil to investigate their synfuels programs. Guess whose technology built the South African plant? Ours. A firm in California.

I would also like to laud the gentleman from Ohio's remarks about the "freedom" of this market. What could have even been considered a free market—which never was because OPEC controlled it—has now become a political market. We, quite frankly, have Nigeria waiting to see what we do with Rhodesia, ordering us what to do with Rhodesia. On top of that we have Mr. Qaddafi who has said in a public interview published in our magazines here that they are a backward country and they do not really care if they stay a backward country for 10 more years, but we care if we do not get his oil for 10 more years.

I do not think I even have to discuss with the gentleman or any Member of this House the Ayatollah Khomeini and what he would like to do to us. This is an intolerable situation. I applaud what the gentleman said. This is money to be spent on American technology in this country so that this country can eventually develop its own resources.

Mr. DODD. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. Heftel).

Mr. HEFTEL. Today, we are going to witness an example of how bipartisan politics in this body enacts legislation and exerts leadership in this country when it is not forthcoming from the administration.

Two and a half years have elapsed since the President told us that the energy crisis was the moral equivalent of war and in those 2½ years he has not demonstrated the ability to prosecute a war—of whatever nature it may be.

I applaud the gentleman from Pennsylvania (Mr. Moorhead). The gentleman's committee by a vote of 39 to 1, demonstrated great ingenuity in having brought this bill to the floor.

Let us now hope that this body will exert the leadership the country elected us to provide, which neither we nor the administration have provided. We cannot go home and say, "We failed." We have an obligation to perform—now.

I certainly hope that before this day is over the very prudent half million barrels a day introduced by the committee will be increased to 2 million barrels and that we will recognize we must have one plan, one methodology for escaping the noose which has been placed around our neck by the OPEC nations.

The people of this country, of the world, are watching us dangle at the whim of the OPEC nations. Let us tell them today that we are through dangling, we are going to recapture the initiative, protect our future; we are going to provide within this body the necessary leadership and positive action.

Mr. DODD. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. Moorhead).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, today the Congress of the United States of America has an opportunity in H.R. 3930 to send a message to the world, the American people and the President.

That message is simply this:

America is going to rise and fight the challenge of energy supply and we are determined to be victorious.

We have had enough blackmail and extortion threats, we are fed up with our apparent inability or unwillingness to do something meaningful. And we are not about to go the way of ancient Rome.

The trouble with this country is that we have been trying too hard to manage an energy shortage rather than overcome it. Today we can act on the supply side of the equation.

This approach should not be in conflict with the motivations which prompted Congress to pass the Defense Production Act of 1950. The original law was approved in the early days of the Korean war when the United States found itself, because of supply shortages, unprepared to fight even a limited conflict.

The act was designed to put America in a state of preparedness to deal with any major emergency which might arise. This was intended to prevent the need of always acting after the fact.

In the recent energy crisis, Congress and the administration have been emphasizing primarily voluntary and mandatory conservation measures. Our Government has been giving consideration to allocations and possible rationing actions. The problem of increasing supply was sidelined because of multiple committee jurisdictions, political warfare over price decontrol, and general indecision over a great many matters.

As a result, the House Committee on Banking, Finance and Urban Affairs is proposing a series of major amendments to the Defense Production Act to update it in light of the national security threat facing us today.

Now we are faced with the opportunity of legislating on a one-committee production bill.

In the past we have looked on the demand side of the equation—now we can focus on the supply side of that equation.

What we have before us in H.R. 3930 are amendments to the Defense Production Act of 1950—not a new law, but one that has been with us for 29 years.

That law was enacted during the Korean war period when the scarcity of certain minerals and metals was the most serious production threat to our national security.

Oil and other forms of energy were in such great supply that it was not considered by the framers of the act of 1950 to be of enough significance to be included in the 1950 act.

Today, the House of Representatives has not only recognized the situation but has come up with a one-committee, legislatively feasible answer to our energy problem.

The legislative answer for today involves the series of amendments to the Defense Production Act now before you.

I stress defense and production.

First: Defense in its broadest terms, military, economic, and political.

At the present time our foreign policy and our strategic policy are dangerously dependent upon the need to rely upon the OPEC nations for our lifeblood supply of oil. Some of these nations (Libya, Algeria, Iraq, and Iran) have openly expressed their hostility to us.

Some are behind the Strait of Hormuz which are so vulnerable to terrorist sabotage.

Others may be subject to the kind of instability which affected Iran. One country (Nigeria) has threatened an oil embargo to blackmail our foreign policy stance in Africa.

Our loss of foreign policy independence is only equalled by our loss of economic independence. While the total import in barrels of oil has increased somewhat from 1973 to present, the increase in the outflow of dollars has been astronomic—from $8 billion in 1973 to over $50 billion in the present year.

National defense and national security are the reasons, and production of secure alternatives is the basis for congressional action.

Amendment of the Defense Production Act is one logical answer to the problem.

H.R. 3930 is designed to spur commercial synthetic fuel production. It is not a research and development bill—although we all believe that research and development should proceed forward. It is not a conservation bill although we have, in part, done this in the Energy Policy and Conservation Act.

It does not purport to be a bill to use the regulation of interstate commerce, although that may be an interesting addition to a total energy program.

H.R. 3930 is a production bill.

Three years ago we had a synthetic fuel production bill before us and the rule for its consideration was defeated by one vote— 292 ayes to 293 nays.

Part of the reason was timing. It was near the end of a session. One of the opponents of the bill wrote a "Dear Colleague" letter saying defeat the rule if you want to be home for Christmas.

That argument on this rule is not present today.

Part of the reason for the defeat of the 1976 rule was the fact that the opponents of synthetic fuels proposed some 165 perfecting and tightening amendments which would have made the bill unworkable.

While some of the opponents may attempt those tactics today, I am happy to report to the House that through the genuine cooperation of the gentleman from Michigan (Mr. DINGELL) we have reduced our area of differences to approximately six amendments over which we have friendly disagreements.

Therefore, that argument against the rule does not exist today.

Part of the reason for the defeat of the 1976 rule was the fact that it was an all encompassing four-committee bill, comprising 133 pages with four committee reports totalling 352 pages.

That argument does not exist today because today's bill is a narrowly focused 11-page bill with one committee report totalling 65 pages.

Finally, unlike 1976, there is a new perception of our supply crisis.

As President Giscard d'Estaing of France recently said:

> I am convinced that on the day the United States will really start to move in the production of synthetic fuels, there will be a major change in the world situation.

That day is today.

Today's vote on the rule, today's votes against crippling amendments, today's vote for the passage of H.R. 3930 will mean the beginning of a new world situation and the beginning of the end of the U.S. diplomatic, strategic, and economic dependence on the OPEC countries.

Let us, today, vote our new declaration of independence before the 203d celebration of our first Declaration of Independence.

□ 1340

Mr. STRATTON. Mr. Speaker, would the gentleman yield?

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, just 1 minute and then I will.

While there may be some opponents of this legislation that will try this tactic today, I am happy to report to the House that through the genuine cooperation of the gentleman from Michigan (Mr. DINGELL) we have reduced our differences to approximately six amendments, over which we may have friendly disagreement.

Mr. DODD. Mr. Speaker, before closing debate, I would like to commend the gentleman from Pennsylvania (Mr. MOORHEAD).

I would note, I was sort of half expecting one of my colleagues to make mention of it that as we sit here this afternoon beginning to debate this particular piece of legislation, there is another meeting going on in the world today in Geneva. The OPEC nations are sitting down to determine what we should be paying for gasoline and home heating oil in this country in the months and years ahead.

We really have no recourse at all. We can talk about the demand side of the problem, but it will be through legislation such as this that we may begin to deal with the supply side of the problem.

While I certainly was interested in the comments of some of the Members of this body who were in opposition to this legislation, I think most of us in this House recognize that unless we begin to deal with the supply side of the ledger, that we will be continually in the situation we are in today.

I strongly urge the adoption of this resolution and the legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3930) to amend the Defense Production Act of 1950 to extend the authority granted by such act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3930, with Mr. STUDDS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Pennsylvania (Mr. MOORHEAD) will be recognized for 30 minutes, and the gentleman from Connecticut (Mr. MCKINNEY) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in my remarks on the debate on the rule, I stressed the reasons for some U.S. action on the energy production crisis.

Now, in the Committee of the Whole let me stress how H.R. 3930 seeks to achieve a partial solution to that problem.

First, what does it do and second, what does it not do.

To increase the production of fuels alternative to petroleum, H.R. 3930 does four things:

Price supports, subject to competitive bid, to a requirement for a multiparty participation and to the appropriations process;

Direct loans, subject to congressional veto;

Guaranteed loans, subject to congressional veto; and

Government corporations to do the job as we did in synthetic rubber, subject to congressional veto.

The primary focus of the direct loans and loan guarantees is geared toward small businesses interested in producing such synfuel as alcohol, although, subject to congressional veto it is not strictly limited.

The first or guaranteed price support program, is the basic thrust of the bill.

The Government corporation program is designed to give a stimulus toward the success of the first three programs and to give the President an alternative production source if the first three fail in whole or in part or if the Nation faces an emergency in which ordinary free enterprise could not be expected to operate. I might say that emergency is a very real possibility.

Your Banking Committee has, by an almost unanimous bipartisan vote of 39 to 1, therefore, presented you with a well-balanced program for alternative production sources for our increased dependence on imported oil from the OPEC countries.

Let me now return to the guts of the bill—the guaranteed price feature—which is designed to unleash the fantastic power and ingenuity of our free enterprise system to solve a national, even international, problem.

Today our businesses are willing to risk vast sums of capital despite ordinary business risks. They are not—and should not be—willing to invest large amounts of capital against the risk of an international cartel which has shown itself capable of raising or lowering prices—not just for economic reasons—but also for the caprice of an international political power play.

Our bill preserves the principle of the free competitive market system by providing that all businesses submit sealed competitive bids in order to obtain price floor ceilings against OPEC. It does not specify any raw material or any particular process to achieve the goal of a particular amount of oil equivalent. That is open to all technologies. It provides for performance competition by limiting the number of businesses that could participate. In other words, no one, two, or three corporations could be awarded a contract to do the whole job. There would be no cornering of the market.

This bill is designed to harness the imagination, the ingenuity and the know-how of the American free enterprise system, with a minimum of Government interference to do a job for the United States.

The pluses of this legislation are so tremendous that I am mystified by the fact that there are opponents.

However, as in the case of all far-reaching legislation, there are opponents.

Some are the extreme environmentalists who express a vague, unarticulated fear of supporting energy production legislation.

First, as a conservationist before I came to Congress and as a former chairman of what is now the Environment, Energy, and Natural Resources Subcommittee, I consider myself a dedicated environmentalist.

On that score, I would like to offer some words of reassurance. The report on H.R. 3930 establishes a legislative history which says this new program should be carried out, and I quote:

> Subject to existing environmental and other requirements provided by law.

Now the chemical engineers who design these plants have taken the criticisms and fears of environmentalists to heart. The plants now on the drawing boards feature both closed water and controlled gaseous emission systems. The water is recycled and as it evaporates is replenished from time to time. The gases are also recycled in the processing system. Those gases not used are subjected to more complete combustion, reducing pollutants, or even made into useful and valuable byproducts. Sulfur, for example, is an important and necessary element for many of our fertilizers to grow needed farm products. Believe it or not, we still import sulfur into this country.

As for the end product, the synthetic fuel, it is environmentally superior to any similar natural fuels in the marketplace, because so many contaminants such as sulfur and lead have been removed. The environmental benefits from these cleaner synthetic fuels are difficult to measure in dollars and cents, but just think what they can mean to improving public health. They will be a blessing to persons with respiratory illnesses and potential cancer victims.

Second, the bill before us is strictly a financial bill. It does not, nor does it purport to, amend any air or water quality legislation, any safety legislation, or any stripmining legislation.

Third, as to the question of cost.

It might cost the taxpayer little or nothing. As we all know, the price of imported oil is going up by leaps and bounds. Synthetic fuels are likely to track those increases and a crossover in price competitiveness between synthetics and petroleum is expected within a few short years. Some say it already has occurred.

What this means is that guaranteed prices set by the Government under competitive bids are likely to be exceeded by market prices at future delivery dates. In that event, the Government would pay no subsidy and indeed save money in its fuel purchases.

Even so, we would authorize $2 billion if we had to keep our commitment to protect industry against losses stemming from a lower market price and possible price maneuvers by OPEC. But at least, if this did happen—and I do not think it will—the money would be going to American companies and American workers instead of overseas. If we had to build Government plants, I think we would eventually recover most of that investment as we did on synthetic rubber following World War II.

Some of you may be asking, if this is so good, why did not the United States get moving earlier?

The answer is simple. We made a mistake. Previous administrations decided to bypass existing technology and try to build what are called second- and third-generation plants. Given enough time and money, I am sure we could come up with advanced plants superior to anything in the world. However, the plain truth is money and time are running out.

Our carefully crafted set of amendments to the Defense Production Act—including those we will offer on the floor—have been designed to eliminate the negative, accentuate the positive and by a careful balance between private and Government participation appeal to Mr. In-Between.

As the Columnist Joseph Kraft has said:

> This is an idea whose time has come.

Let us move ahead with this congressional initiative which now has the full support of the President and the administration.

Let us move toward our 5-year, 500,000-barrel-per-day objective while President Carter is in Tokyo so that he can urge the other industrialized nations to adopt similar goals.

If seven of them would agree, that would mean that in 5 years the non-OPEC nations would be producing 4 million barrels per day of oil substitutes, and we and our allies would be free from OPEC blackmail.

Finally, let us help to lead America to victory in a war—not fought with arms—but with the lifeblood necessary to keep alive and strong the greatest industrialized nation of the world.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to my friend, the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I simply wanted the gentleman to yield a moment ago to point out that I, too, recall when that bill to create subsidies for synthetic fuel production went down by a narrow margin a couple years ago.

Mr. MOORHEAD of Pennsylvania. One vote is very narrow, if the gentleman will agree.

☐ 1350

Mr. STRATTON. I have forgotten the exact number, but the reason it went down, as the gentleman will recall, is that the conservative Members of this body voted against it, because they thought it was outrageous that we should increase the Federal deficit by the amount of money contained in the bill. The liberals, on the other hand, voted against it, because they thought it was outrageous that we should give all of this money to these "fat, private energy companies" that ought to be able to put up their own dough.

Today, of course, we wish we had gotten started a lot sooner. I hope that kind of combination will not defeat this legislation today.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I thank the gentleman from New York (Mr. STRATTON) for his contribution.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding.

I remember that day 3 and a half years ago when the rule was defeated so that this House did not have an opportunity to bring on course at that time a synthetic fuels program. I think we would not be in the sad energy shape we are in today had we taken different action then.

It is my intention to support the bill, and I commend the gentleman from Pennsylvania (Mr. MOORHEAD) for bringing it to the attention of the House.

I have one question. I would like to ask the gentleman to clarify one point about the mechanism for providing incentives to the private sector to produce the synfuels. As I understand it, the dollar equivalent of the synfuel to a barrel of oil based on the legislation before us is $28 a barrel of synfuel.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the bill does not set any dollar figure. The bill says that will be set by competitive bidding, sealed competitive bids.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield further?

Mr. MOORHEAD of Pennsylvania. I would be delighted to yield.

Mr. LEVITAS. In some information that was made available to the Members, there is a reference that says the committee maintains that the real cost to the American economy of imported oil is much higher than the posted price of $17 a barrel, and the committee uses the figure of $33 a barrel as the real cost of imported oil, with a $5-a-barrel differential between synfuel and the $33 a barrel of oil. That is why I came up with the figure of $28 a barrel of synfuel.

Are we by this legislation pegging the price of oil at $28 a barrel?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I would say to the gentleman that we are not. The estimates that were received by our committee said that synthetic fuel would cost in a range between $25 and $35. We will not know until we put this out for bids.

The real merit of this legislation is that it does rely on competition, and on free enterprise, and a free competitive system. We also provide for competition by saying in effect that no fewer than five corporations can be involved in it.

So we will have not only competition going into the contract but in performance competition thereafter. I think once we get moving on synthetic fuels, it will put a cap on the OPEC prices.

Mr. LEVITAS. Mr. Chairman, if the gentleman will yield further, as I understand it, then, what we are doing with this legislation is we are creating an incentive for the free competitive market and the strong and inventive private sector industry in this country to produce the synthetic fuels which will make us less dependent on OPEC and which will challenge the OPEC cartel pricing mechanism, and that could indeed have the effect of eventually bringing the price of oil down, because there would finally be a competitive market and not a cartel-controlled market.

This legislation can truly be the light at the end of the energy tunnel. It deals with more, not less. It deals with supply not just conservation. It gives the American people a reason to sacrifice today because tomorrow can be a better day. It holds out hope.

I understand that to be the case, and again I commend the gentleman from Pennsylvania (Mr. MOORHEAD). The people of America have been waiting at least 6 years to see this legislation enacted so we can get on with the business of becoming self-sufficient and breaking the OPEC cartel.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I would say the gentleman from Georgia (Mr. LEVITAS), with his usual brilliance, has analyzed this legislation perfectly.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman from Pennsylvania for his comment. Let me take this discussion a step further in depth.

Mr. Chairman our security depends on energy—readily available supplies of energy.

Our economy depends on energy—readily available supplies of energy at affordable prices. It is absolutely necessary to keep our economy running.

Oil and oil prices are controlled by a cartel of nations which have shown their antagonism to the United States in the past and which have no concern whatsoever for the American economy or the American consumer. The OPEC cartel control of the oil needed for our economic machinery has created shortfalls of oil, as well as constantly increasing prices for the oil that is available.

Unfortunately, we are dependent on OPEC for nearly 50 percent of the oil we as a nation consume each year. This is an untenable situation as we are becoming more and more aware. Long gas lines (when there is a station open and pumping) diesel oil shortages and truckers' strike and rapidly climbing prices for that gas have brought home in the most tangible way that we must break the OPEC stranglehold. The cartel must be broken. Then, and only then, will the price of oil and gasoline come down. Then, and only then, will the benefits of a free, competitive market be able to occur.

We must take all steps to break the OPEC price-fixing cartel. This is precisely what the people of America are looking for—a way out of our energy troubles on which we can all agree—the move toward energy independence.

I recently took a survey of my constituents, asking them what they believe the Federal Government's priorities should be. Overwhelmingly, my constituents, many of whom can generally be considered fiscal conservatives, told me that new energy development should be the Federal Government's No. 1 priority. They know that we must become self-sufficient in energy, and they want to utilize any and all means of accomplishing that self-sufficiency.

Now is the time to make the decision to invest in, search for, and develop new forms of energy. Now is the time to decide how to divert funds into the research and mass production technology that is necessary to perfect solar energy, electric cars, synthetic fuels, and the like.

New, alternative fuel sources have not even been tapped to any significant extent. Synthetic fuels, gasoline from coal and other materials, new uses of coal, biomass, geothermal, in situ gasification are just a few possible new sources of energy, along with solar energy, which must be developed; and we are going to have to have them.

This bill, H.R. 4514, the Synthetic Fuel Development/Defense Production Act amendments, is another in our efforts to bring the Nation to energy independence, using proven technology, and for all practical purposes, what are unlimited resources of coal, shale, lignite, peat, biomass, and other domestic energy sources. By providing Federal incentives to the private sector, we let the resources and genius of our mighty industrial base have the ability to produce the synthetic fuels we need.

There are other steps we need to take to break the OPEC stranglehold:

We must learn to conserve the resources we have. But, conservation alone is not going to fill up the empty oil barrels, empty fuel tanks, empty furnances. It will only stretch out those resources left to us for a slightly longer period of time.

We must take immediate steps to encourage an increase in our domestic oil production. One way to increase domestic production is to decontrol the price of domestically produced oil. Why should we pay OPEC two and three times what we pay our own American producers for a barrel of oil? And why should an American producer sell oil for considerably less than the world market price? Decontrol, coupled with an equitable windfall profits tax that can help fund this bill, will increase our domestic oil supplies and help provide the means to produce alternative energy through "synfuels."

We can also set up a national grain board to make sure that American farmers are getting top prices for the grain they export to these nations. Such a board would be able to bargain effectively, wheat for oil. "A bushel of wheat for a barrel of oil" is the slogan for this effort. I am a cosponsor of such legislation, and I believe it is just one more way to strike at the OPEC cartel.

However, the only real solution in the long run to our energy problems is the domestic production of new alternative energy sources. That is why we are passing this legislation today to encourage the production of synthetic fuels. This is necessary for our national defense, and our domestic economy. Indeed, we cannot go very long without such "synfuels."

We need this comprehensive synthetic fuels bill, one that addresses the needs of the entire population for energy—the men and women who have to drive to work, the housewives who need to get to market, the transportation industry which moves our goods, the farmers who provide our food, everybody.

The time for action has come. The American people are tired of waiting. I urge the passage of this bill so that we can get on with the job of making America energy self-sufficient and break the OPEC cartel.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Florida.

Mr. NELSON. Mr. Chairman, I thank the gentleman for yielding.

As a cosponsor of an identical piece of legislation, I also wish to say that I appreciate very much the leadership of the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. Chairman, I wish first to endorse H.R. 3930—the Synthetic Fuels Development/Defense Production Act amendments—because there is reason to hope now that this country's political inaction, which has allowed a greater dependence on Arab oil, may be broken. This major "syn-fuel" effort offers us a real chance for a national consensus on energy.

In addition to cosponsoring this legislation, I have introduced a comprehensive energy supply bill today. This bill is the companion bill to S. 1308, introduced earlier this month by Senator HENRY JACKSON in the Senate. I wish to commend Senator JACKSON for taking the initiative and the leadership to pull together this comprehensive energy package as chairman of the Senate Energy and Natural Resources Committee.

It seems to me that with the United States importing almost 50 percent of its oil at a cost of more than $60 billion each year, it is mandatory to take action and to develop and commercialize those renewable energy resources, such as solar, wind, and urban waste. So far this year, the Organization of Petroleum Exporting Countries (OPEC) has increased the price of a barrel of oil by 40 percent and this does not even include the impending price rise today being considered by the cartel in Geneva.

We must plan for long-term energy needs through extensive research and development, but we must also take action now on those technologies that are currently available. We must cut through the redtape of the Federal Government. Technology currently exists for development of nonnuclear energy sources, such as coal conversion, solar, wind, urban waste, and other renewable sources that can be implemented right now. This is an action bill. It facilitates immediate implementation of many of the energy sources that can be made effective immediately.

My bill, Mr. Chairman, would set up procedures for cutting through Federal redtape for priority energy projects; would mandate action on near-term nonnuclear technologies covered by the Nonnuclear Energy Research and Development Act of 1974; would provide funding for a variety of energy development, demonstration, and commercialization projects; would mandate a major program to determine the viability of our vast oil shale resources; would call for an immediate study of the world oil supply and the production opportunities in non-OPEC countries; would launch an immediate 5-year program to lease onshore Federal lands for oil and gas exploration, development, and production; would provide for a gasohol program; and would propose to advance the commercialization and use of solar, wind, urban waste, and other renewable energy systems.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MOORHEAD) has expired.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield myself 2 additional minutes.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the distinguished chairman of the full committee

Mr. REUSS. Mr. Chairman, I thank the gentleman for yielding.

I want to add my congratulations to the many that have been received by the gentleman from Pennsylvania (Mr. MOORHEAD), the gentleman from Connecticut (Mr. McKINNEY), and all those who have worked so hard on this bill.

In my judgment, this is a sound and necessary bill. I am proud that our Committee on Banking, Finance and Urban Affairs has reported it out. But in saying that, I also recognize the great contributions made by so many others on other committees. This is no empire-building attempt by the Committee on Banking, Finance and Urban Affairs. This is an effort to work with the Committee on Interstate and Foreign Commerce, the Committee on Energy, and the numerous other committees which necessarily have great expertise in this subject matter.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, would the chairman of the committee agree with me that this is a focus bill, a bill focused on defense and production?

Mr. REUSS. That is exactly it. The answer to those who raise questions about economics is simply this: It lies within the power of OPEC, after an American firm has put in a huge investment, to momentarily lower the price of oil in the direction of 40 cents a barrel so as to ruin the American competition.

So we have to have some incentive to permit the exploitation of this great technical possibility.

I will at the proper time introduce an amendment which will put into place, if adopted, a 30-day veto by either House of the Congress on any purchase contract of more than 75,000 barrels a day. I have discussed this with the bipartisan leadership on the bill, H.R. 3930, and I believe it is agreeable. The amendment will insure that Congress has a full opportunity to consider environmental aspects and economic aspects, without in any way delaying the program.

I urge overwhelming support for H.R. 3930.

Mr. MINISH. Mr. Chairman, I rise in strong support of H.R. 3930, the Synthetic Fuel Development Act. Passage of this legislation, which I have cosponsored, is a vital step in the effort to free our Nation from blackmail by the OPEC cartel.

The measure before us today sets a domestic synthetic fuel production goal of 500,000 barrels a day of crude oil equivalent by 1984. Incentives are provided for industry to build commercial synfuel plants and the President is granted broad standby authority to involve the Federal Government in actual production of synthetic fuel if the private industry is not able to meet the production goal.

The bill defines synthetic fuels in very broad terms. The definition encompasses the conversion of any organic material into fuel, including, but not limited to, fuels produced from coal gasification, coal liquefaction, shale, lignite, peat, solid waste, and other mineral gasification, liquefaction, or other conversion.

In order to achieve the 500,000 barrels a day synfuel goal, the bill grants the President authority to:

Enter into contracts to purchase synfuels and to encourage the development and production of such fuels;

Transport, store, process, and refine any synfuel procured under the authority of the legislation;

Install additional equipment, facilities, processes or improvements to synfuel industrial facilities, whether owned by the Federal Government or by private persons;

Organize Government corporations, subject to a 60-day, one-House veto, for the production of synfuels; and

Transfer excess synfuels to the national stockpile or to the strategic petroleum reserve.

The financial incentive provided by the bill is a guaranteed price on Government synfuel orders. The bill allows the President to refuse delivery of contracted synfuel supplies if he determines that they are not necessary for national defense. If delivery is refused by a Government agency, however, the Government must pay the synfuel supplier the difference between the contract price and the market price of the synfuel, assuming that the market price is lower than the contract price. If the market price is higher than the contract price, no Government payment is required. The bill authorizes $2 billion for payments for undelivered synfuels with contract prices higher than market prices.

Mr. Chairman, today America is far too vulnerable to the demands of foreign governments. It is time to harness American ingenuity on our dependence on foreign imports and create an energy source of our own—synthetic fuels.

Mr. McKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the distinguished ranking minority member of the committee.

Mr. STANTON. Mr. Chairman, I rise in support of H.R. 3930. I think the time is here when we must shift gears from research to production. For years now we have been talking about an energy program. We have been experimenting with weak and unproductive conservation programs, encouraging alternative energy uses, and engaging in research seeking some optimum technique for producing synthetic oil. But the time has come when we can no longer wait for the optimum technique—we must move ahead with production using present technologies while continuing to seek better ones.

Mr. Chairman, this bill passed our committee by an enthusiastic vote of 39 to 1 not because we think it is by any stretch of the imagination a panacea for our energy problem but because we feel it is a first step—a long overdue first step—toward reasserting our commitment to freedom and our national integrity. It is a modest first step designed only to assure sufficient supplies for our Armed Forces; but it was our hope that it would point the way and that, as with other military programs, demonstrate technologies that will have widespread benefits for all of our citizens. We are delighted to hear that the President has endorsed this idea and that the distinguished minority whip will introduce an amendment with bipartisan support and jurisdictional questions notwithstanding which will substantially increase the production goal we were forced to settle for because of our jurisdictional limitations. I will support an increase in those goals, and I urge other Members to do so.

I am not surprised to hear that there have been some criticisms expressed about this bill, particularly from our colleagues on committees who have worked on the broader energy question. Certainly, there is great merit to the efforts they are making to develop a well-balanced overall energy program, but the fact remains that those efforts have been bogged down by multiple referrals with the result that the one thing we all agree we need—namely, commercial-size production facilities to reduce our dependence on oil imports—are not being built. That is the one thing this bill is designed to do, and we present it to you for your endorsement.

I cannot get excited about the broad powers in the Defense Production Act. This act has been on the books since 1950, and I have not heard anyone screaming about administrative abuses or urging its repeal. On the contrary, it has been amended and extended numerous times with minimal dissent. The amendments which we are offering to it today are saying one thing loud and clear—we are making it a national commitment of the highest priority to regain energy independence so we can remain No. 1 economically, militarily, and politically. We are giving the President the tools to do that job.

For those who continue to be skeptical about these powers, let me point out that some safeguards have been built in to the bill which will keep us notified about larger loans and guarantees. Some of the complaints about this suggest that the complainers anticipate that once the bill is passed, Congress will turn its back on the matter and let the administrators go their merry way. Let me assure those who have this view that nothing like that will happen. I can assure you that I will be watching this program very carefully, and I rather expect there will literally be millions of Americans watching it with me for the very simple reason that our national destiny may well depend on its success.

Mr. Chairman, in defending this bill against its critics, I do not mean to suggest that it cannot be improved, but neither do I apologize for it. We have fiddled here in Congress seeking the perfect answers to our energy problems. I am convinced there are none. The time to take a chance and move ahead is here. The Defense Production Act has proven effective in previous national emergencies—I am prepared to use it in this one.

Mr. Chairman, I also want to take this opportunity to congratulate the gentleman in the well, along with the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. Moorhead), for the great leadership they have shown on this particular issue. These two gentlemen, I think, more than anyone else I can think of in the House, were responsible for pushing this through in the early days.

As has been brought out earlier, this passed our committee by a 39 to 1 vote. All I can do is help the gentleman in the well and the gentleman from Pennsylvania (Mr. Moorhead) by assuring them of my support. For an hour and 10 minutes many of us sat on the side and heard person after person appear in support of this legislation.

I would hope that the gentleman would have the support of the Members when a few of the amendments will be coming along a little bit later in which a divergency of views will surface and in which we will get away from production. Certainly the support these gentlemen have been given so far is an indication of the support they will have at the end of this bill.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to my friend, the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I thank the gentleman from Connecticut. I share the opinions voiced by the distinguished gentleman from Ohio (Mr. Stanton), and I congratulate both the gentleman from Connecticut (Mr. McKinney) for his leadership on the minority side on this bill and, on the majority side, the gentleman from Pennsylvania (Mr. Moorhead).

Mr. Chairman, I rise in strong support of H.R. 3930, a bill which will take the necessary first steps in the development of a domestic synthetic fuels industry.

The simple truth of our energy situation is that our domestic demand for crude oil cannot be satisfied by our domestic supplies. I have seen no evidence which would lead me to conclude that we possess untapped domestic reserves likely to make up the difference between domestic demand and domestic supply. As long as we depend on foreign sources to balance supply and demand we will remain extremely vulnerable. For too long the economy and the people of this Nation have been hostages to production and pricing decisions for crude oil made by the oil exporting countries. The effects of our dependence on imported oil have been severe and will grow more so as our current gasoline supply problems graphically illustrate. It is absolutely essential, for both the preservation of the fabric of our society and for our national security that we break the stranglehold now maintained by the oil-producing nations.

I believe that a massive program of conservation is our only realistic short-term response to tight supplies and high prices of petroleum.

Such a program can and must be implemented. It can and it must be efficiently administered. In addition, however, we need a long-term solution. A "made in America" solution. A solution that will allow us to reclaim the means to determine our energy destiny. Mr. Chairman, I firmly believe that synthetic fuels have the potential to be that solution.

We already possess the technology necessary to produce synthetic fuels. We possess the raw materials necessary to produce these fuels in quantity. What we need to do is to provide a climate in which private business and business capital are encouraged to take the risks necessary to establish a domestic synthetic fuel industry. This bill would assist in the creation of that climate.

I fully realize that there are serious difficulties with the production of synthetic fuels. The procurement of the quantities of water used in the production process and the disposal of the quantities of toxic waste, which are a residue of that process, present problems which will have to be solved. I believe that these problems can be solved. I know that the development of a domestic synthetic fuels industry will be expensive. I firmly believe, however, that continued dependence on OPEC supplies will, in the long run, be even more expensive.

Twice before in the last 40 years, the Federal Government has assisted in the creation of an industry when our national security demanded it. The synthetic rubber industry and the aluminum industry are tributes to the genius of American technology and production capability. I would rather take my chances with those traits any day than continue to be dictated to by the uncertainties of politics in the Middle East. I urge that this bill be passed so that we can get about the business of making our own decisions on energy rather than always reacting to someone else's.

Mr. McKINNEY. Mr. Chairman, recently I found the draft of a statement that I never had the opportunity to deliver before this House. The date on the top of the page was September 23, 1976; the legislation to be considered that day was a bill providing loan guarantees for the demonstration of new energy technologies. I had strong reservations about that proposal but I had decided to vote for passage in spite of my traditional aversion to Government subsidy programs due to several compelling factors.

As I had written then:

> The first factor concerns the dire energy situation presently facing the United States and the equally pessimistic forecasts for the future.

How distressingly prophetic that observation has turned out to be. What needs to be said about those pessimistic forecasts of the future which in little more than 2 years have become the reality of today. The situation I experienced in Connecticut this past weekend has been repeated in many parts of the country. Admittedly, the fuel situation may not be as bad in all parts of the country as it is in the Northeast, but in some areas it is much worse as is evidenced by the outbursts of violence in Alabama and Pennsylvania last week.

Few of us probably realized in 1976 that we were enjoying the relative luxury of unrestricted gasoline. Even though the United States relies on imports for 40 percent of our oil supply and two-thirds of that was directly imported from OPEC nations which only 2 years earlier had seriously disrupted our economy through their embargo, the Members of this House decided that it was not in our country's best interests to develop a synthetic fuels industry at that time. I think the events of the intervening months, particularly the most recent period, have forced a rethinking of that decision.

For example, in a Rules Committee hearing last week on this legislation two of the primary opponents to the synfuels bill in 1976 made the statement that they were actually supporting the development of a synthetic fuels industry. Their support is welcome.

There are, however, very major differences between H.R. 3930 and any previous legislation aimed at the development of synthetic fuels in this country. In the past we have recognized the need for Congress to act in response to the energy problem, but there has been no corresponding consensus as to the means by which to resolve the problem. Simple recognition that an excessive degree of oil imports has a detrimental effect on the United States is not sufficient; calls for energy conservation may help but these are not the solution. There is only one answer for our dilemma and that is the production of domestic energy supplies. Conventional sources are not sufficient to meet this challenge, but coupled with production from syn-fuel technologies, the United States can achieve a reasonable degree of energy independence within the next decade.

Opponents of our bill have launched every type of attack on this legislation. Perhaps the most difficult to understand, and the easiest to refute, is the charge that national defense is not an issue in this proposal.

Most of my colleagues know that I am not the Pentagon's biggest supporter when the defense appropriations bill is on the floor. As a former sergeant during the Korean war period, I am a frequent vocal critic of excessive defense spending. But we are faced now with a situation that begs for a logical solution.

In the name of defense Congress is willing to appropriate more than $180 billion to provide manpower, machinery, and the other tools of war to protect the free world, primarily that part which is the United States. To keep that military juggernaut rolling—or sailing or flying, as the case may be—requires a substantial amount of petroleum. According to our testimony the figure for peacetime requirements is approximately 500,000 barrels daily. That is for direct defense-related needs and does not take into account the requirements of the defense industrial base, the civilian support establishment. Also, it should be emphasized that this is a figure for peacetime. Any involvement of American troops in a "police action" or larger commitment will require greater energy consumption. The Banking Committee received classified testimony from the Defense Department on this matter. Without being more specific, I would like to assure you all that every drop of synthetic fuel that results from this legislation is justified on the grounds of national defense.

I have another great concern—our national economic well-being—which is a peripheral part of this legislation. Some of those who oppose H.R. 3930 contend that there is no relationship among energy, the economy, and national defense. Perhaps during a simpler period that was true. However, times have, indeed, changed and we are not playing by Marquis of Queensbury rules. Embargoes, threats, and blackmail are very real concerns now because we are at the mercy of our petroleum suppliers.

In a memorandum to President Carter last March, Treasury Secretary Blumenthal stated that—

> Our Nation's growing reliance on oil imports has important consequences for the Nation's defense and economic welfare.

Let me repeat those two factors: Defense and economic welfare. Integrally related, especially in today's world.

Secretary Blumenthal concluded that memorandum with this paragraph:

> The continuing threat to the national security which our investigation (pursuant to the Trade Expansion Act of 1962) has identified requires that we take vigorous action at this time to reduce consumption and increase domestic production of oil and other sources of energy. To the extent feasible without impairing other national objectives, we must encourage additional domestic production of oil and other sources of energy, and the efficient use of our energy supplies, by providing appropriate incentives and eliminating programs and regulations which inhibit the achievement of these important goals.

In that memorandum the Secretary identified three steps that must be taken to reduce the threat to our national security: Reduced consumption, increased domestic oil production, and increased production from other energy sources. There are finite limits to the benefits of the first two solutions. Increased production from other sources is, in fact, the only escape route that we have available.

If there is anyone in this Chamber who is so naive that he fails to recognize the relationship between the economy and world peace, I would suggest a review of history might change that attitude. How often have you heard people say that we should send troops into the oilfields or take other military action to obtain an adequate flow of petroleum? An economic attack on this Nation, such as an embargo, can have devastating effects on our present and future lifestyle. Realistically speaking, we would probably have to take military action in some form to keep our country and our Government from falling apart.

The ludicrous point is that any military action would further exacerbate our energy problem because we are in such a critical position now. Supplies from outside our shores are vulnerable to any number of threats. Even the great Alaskan pipeline is, mile after mile and foot after foot, a potential disaster. How much safer then can a slow moving oil tanker be?

If this Nation is going to be able to protect itself, if we are going to be able to conduct our own foreign policy, then it is absolutely imperative that we develop an independence from outside energy suppliers.

One of the other arguments that has been thrown at this bill is that the synfuels producers will destroy the environment by ignoring all of the environmental safeguards that Congress has established. As a founding member of the Environmental Study Conference I want to assure you that this legislation does not affect any such policy. It has been the intention of the Banking Committee to draft language that is consistent with authority given to the President in the Defense Production Act as well as authority and policy in other statutes. The charges that this would sacrifice our environment in the name of national defense is an extreme overreaction fueled by a small group who are opposed to the development of any synthetic fuel industry in this country.

Also it has been said that this bill would be detrimental to consumer interests. I fail to see the logic in that argument. Continually rising gasoline prices are not helping the consumers in my district. They are demanding that Congress do anything it can to provide more gasoline this summer and sufficient heating oil next winter. If H.R. 3930 can provide some incentives that will eventually reduce these shortages, and at a price that is no worse than that being charged by OPEC nations, I cannot understand the charge that this approach is anticonsumer. I do not think the public will accept that either.

Mr. Chairman, the basic purposes of H.R. 3930 can be summarized as follows: It identifies national energy resources as a strategic material vital to maintaining national defense preparedness; it recognizes that continued heavy reliance on imported petroleum makes our national defense subject to conditions beyond our control; it makes available to the President additional authorities under the Defense Production Act of 1950 to implement programs for the development of substitutes for such foreign source-dependent strategic materials; and it extends the authorities contained in the Defense Production Act of 1950. If, as a result of our passing this legislation, a commercially feasible synthetic fuels industry develops which reduced the U.S. dependence on foreign oil imports, I say, right on and full speed ahead.

There are two meetings being held in opposite corners of the world today which could be determining the very future of the United States. Or we, the elected Congress of the United States, could determine our own future. I have a definite idea of how the people of Connecticut want me to react to that challenge. As one of the principals involved in framing this proposal, I am proud to see a new declaration of independence sent by the elected representatives of the American people.

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Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this bill and to associate myself with the remarks of the gentleman from Connecticut (Mr. McKinney). I compliment the gentleman and his colleagues on the committee who have worked so hard in developing this approach. This is the type of action that will go a long way in creating some confidence in the minds of the American people on the ability and the determination of this Congress and this Government to do something about the long lines at the gasoline stations and our short supply of liquid fuels. Mr. Chairman, this is the first real action by Congress to do something about production. And that is what we have been needing for so long. Conservation is good and essential but when dealing with a very restricted supply, conservation alone will not provide the solution. Conservation combined with added production will. This bill speaks to that long neglected issue of production and I urge my colleagues to support it.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Indiana.

Mr. HILLIS. I thank the gentleman for yielding.

Mr. Chairman, I wish to express my support for this measure, H.R. 3930, which would amend the Defense Production Act to allow the Federal Government to encourage private industry to increase the production of synthetic fuels for national defense purposes.

When I first heard this measure was coming before the House, I was somewhat reluctant to support it. My apprehension was not based on a belief that the Federal Government should not encourage the production of synthetic fuels. In fact, I think the Federal Government has been negligent in not doing more to further synthetic fuel technology. It has been almost 6 years since our overdependence on OPEC oil was dramatically demonstrated by the 1973–74 oil embargo. However, this Nation has yet to develop a meaningful energy policy designed to curtail that dependence.

I hesitated to support H.R. 3930 because I do not feel the Defense Department or its budget should be used to solve social or economic ills, or address any nonmilitary issue. However, after reading the provisions of H.R. 3930, I am convinced that our reliance on OPEC oil is of military importance. Our national security is threatened by an excessive dependence on foreign sources of oil.

The fall of the Shah's government in Iran illustrates how tenuous are our oil supplies. Many of the 13 OPEC countries are located in unstable parts of the world. It is conceivable that the United States could lose access to major sources of OPEC oil due to events beyond our control. Should this occur, not only would our economy suffer, but our military capabilities would be jeopardized. It is, therefore, appropriate that the Defense Department, along with other agencies of the Federal Government, be required to purchase synthetic fuels.

Synthetic fuel technology is still in the embryonic stage. It will be a number of years before substantial amounts of nonpetroleum-based fuel are available. H.R. 3930 provides the requisite incentives and guarantees for private industries to construct commercialized synthetic fuel refineries. As the committee report outlines, this bill has received widespread endorsement throughout the Federal Government and private sector. While H.R. 3930 is too limited in scope to provide an answer to our energy situation, it is nevertheless a first and significant step in the right direction.

I hope the Congress will continue to examine other alternatives to spur the development of synthetic fuels. The growth potential of this industry is almost limitless. If this Nation is to remain economically sound and militarily secure, we must learn how to produce fuel from sources such as coal and feedstocks.

The timeliness of this bill is significant with President Carter in Japan attending an economic summit of industrialized nations in an effort to develop an international response to the world energy situation. The OPEC nations are also meeting at this time and are expected to announce an increase in prices once again. I believe passage of this bill will illustrate to the entire world that the United States is at long last endeavoring to reduce its reliance on foreign oil.

I urge all my colleagues to join in this message and pass H.R. 3930.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Wisconsin.

Mr. ROTH. I thank the gentleman for yielding.

Mr. Chairman, I also wish to join my colleague in complimenting the gentleman from Connecticut (Mr. McKinney) on his remarks and on his insight.

Mr. Chairman, energy is the lifeblood of our economy. And the future of this Nation is largely dependent upon the policies Congress adopts regarding energy. To reach our national energy goals it is clear that the United States must act to increase its domestic energy supplies and to reduce its vulnerability to embargo or other disruption of supplies.

Two years ago, the President called for "the moral equivalent of war" to deal with the energy crisis. So far, both the administration and Congress have failed to develop an effective energy policy.

In my view, our national energy policy should include four major points:

First. Incentives for expanded domestic production of gas and oil.

Second. Research and development of alternative energy sources, including solar, geothermal, coal, oil shale and nuclear.

Third. Improved relations with Western Hemisphere nations that have significant energy resources.

Fourth. Fair, reasonable energy conservation measures.

H.R. 3930 is an important step in this direction. It would establish a national production goal of synthetic fuels and chemical feedstocks equivalent to 500,000 barrels of petroleum per day and a Government purchase apparatus that would insure the development of a domestic synthetic fuel industry—an industry that would rely largely on the huge resources of coal, shale and biomass in the United States and begin to free us from dependence on foreign energy sources.

U.S. dependence on foreign oil has increased dramatically over the years. It constitutes a serious danger to long-term national security and economic stability. Half of the Nation's critical oil supplies are imported; of that amount, 83 percent comes from OPEC nations. For the next decade, U.S. reliance on imported oil is expected to remain relatively undiminished.

The risk of supply interruption is of major concern, considering the 1973 embargo and recent developments in Iran.

Disruption of any source of supply tends to concentrate U.S. reliance on other supply sources, and leads to unscheduled price increases. Dependence impairs the national defense by creating doubts about U.S. ability to sustain prolonged conflict. This hampers our country's ability to achieve foreign policy objectives, both economic and political.

Achievement of U.S. eonomic objectives is seriously threatened by excessive dependence. Imported petroleum is a major factor in the large U.S. trade deficits. The ability to produce and operate weapons systems depends on the ready availability of energy supplies. Everything the United States has in the way of weapons systems on the drawing boards for the next 25 years relies on petroleum or a synthetics substitute.

These facts illustrate the growing need for the United States to move ahead in developing a synthetic fuels industry to replace in some measure imported oil. Although the United States does not have any commercialized synthetic fuel plants in operation, the technology to bring these plants on is available. The crossover point between price competitiveness of synthetic and petroleum fuels is closing rapidly.

No issue is likely to have greater budgetary importance in the years ahead than energy. Its impact on spending, revenues, taxes and the general goals of fiscal policy are of great importance. At present expenditures for energy are a relatively small part of the total Federal budget. But the importance of energy far overshadows its dollar ratio to the total budget.

While the costs of developing a synfuels industry capable of meeting the production goal are not cheap, the costs of not proceeding could be far greater. I believe this program demonstrates that the Federal Government is prepared to share in the risks to promote private investment in the commercial development of these technologies. The longer we delay developing a synfuels capability, the greater will be the likelihood in a future crisis of being forced into a massive crash program funded entirely by the Federal Government to achieve the same purpose.

In short, we must continue to be concerned about the size of the Federal budget. However, because of the importance of energy to our economy and the Nation's future we cannot afford to be penneywise and pound foolish.

The United States has enormous reserves of oil shale, tar sands, geothermal steam and coal which are suitable for liquefaction or gasification. However, development of the new technologies required to utilize these resources cannot be handled completely by private capital markets. Such development will depend on some form of Federal incentive. I believe that H.R. 3930 addresses this problem.

In the final analysis I believe this measure will prove to be a good investment for the United States. Not only does it promise to improve our energy situation, but it also offers the opportunity to increase employment in our own Nation. Producing more of our own energy will also reduce the trade deficit, and ease inflation, thus benefiting our economy.

I have no illusions about this bill being a complete answer to the energy situation. Better conservation measures are required. But it is clear that we must produce more energy to meet the Nation's needs. And this bill marks an important step toward increased production.

I reserve the right to vote for amendments which are expected to be offered. However, I believe the aim and direction of this bill is right. In my view the United States in now living in a fools paradise as far as energy is concerned. The situation urgently demands action. It is long past time that the Congress and the administration acted to put the Nation on the road to a solution of our energy problems. I support this bill as one important step toward achieving that goal. I urge the support of my colleagues on this measure.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, once again the House is considering legislation to encourage synthetic fuels production. I support the development of synthetic fuels, and I have been working with the various proponents of synthetic fuels legislation to draft legislation which will truly develop a healthy synfuels industry. I am joined in this effort by my colleagues Representatives OTTINGER, BROWN of Ohio, STOCKMAN, GRAMM, MOFFETT, ECKHARDT, and MOORHEAD of California.

The Subcommittee on Energy and Power, which I chair, has taken an active interest in the development and commercialization of synthetic fuels during the past three Congresses. In fact, the subcommittee heard testimony several days ago from a number of Federal agency officials and representatives of the private sector concerning their views on synthetic fuels. I would also note that the purchase authority provisions of H.R. 3930 are similar to the price support concepts embodied in the Commerce Committee version of H.R. 12112, which was a synthetic fuels bill developed by our committee and the Science Committee in 1976.

I commend the Banking Committee for bringing these issues to the attention of the House once again. They have taken useful steps in using the Defense Production Act to encourage synthetic fuels. However, such an approach brings with it some unnecessary consequences. Because of the Defense Production Act's broad powers which are given to the President, it is important to preserve a tight definition of what constitutes national defense. We are all too well aware of what some Presidents have done under the catchword of "national defense." The legislation before you broadens the definition of national defense to include all energy production, and amends the scope of the act's provisions to include energy production. In so doing, the act's allocation powers could be construed to include rationing, and the allocation of petroleum supplies for purposes other than those which we would consider the "national defense." Congressman MOORHEAD of California, however, assures us that his committee did not intend.

I intend to offer amendments to remedy this problem and ensure that the Defense Production Act remains an act to be used for national defense purposes. Energy legislation dealing with allocation authorities, such as the Emergency Petroleum Allocation Act, has been carefully developed by our committee and its Senate counterpart over the years. We have built in safeguards, such as priorities for agricultural uses of gas and prohibitions on allocation of intrastate gas. The Defense Production Act should not be broadened so as to possibly overrule that legislation and its safeguards.

As I stated before, I endorse the purchase authority concepts in H.R. 3930. I intend to support perfecting amendments to this authority. For example, the new section 305(c) would permit purchases to be made "without regard to the limitations of existing law." In other words, the contracts would not be governed by any other laws, such as civil rights laws, clean air and water laws, NEPA, antitrust laws, and procurement laws. I fail to understand the need for such an exemption and I do not understand its scope. Nor, I think, does anyone else.

The purchase authority would extend to synthetic fuels plants located in foreign countries; I believe purchases should be permitted only from plants located in this country. The legislation would also permit OPEC to own these plants; my amendments would preclude foreign governments from ownership. I would also limit the authority by requiring additional scrutiny of the piggybacking of multiple benefits, such as grants and loan guarantees on plants which are already receiving the benefits of this section. It is important that companies entering this field share in some of the risk—if they do not, we will not encourage a U.S. synthetic industry—only a U.S.-subsidized effort which will never be able to stand on its own.

I am less enthusiastic about the value of loan guarantees for such plants. I suspect that what is needed is a guaranteed market, not a guaranteed loan. A guaranteed market should be good as gold to a company looking to raise capital.

Certain technical changes should also be made to the legislation. For example, what appears to be a one-House veto provision, for loan guarantees in excess of $38 million, includes no provision for expedited procedures or for privileged motions to discharge. The Energy Department could guarantee a project for $2 billion and, unless the Armed Services Committee reports a disapproval resolution, the House will never have an opportunity to vote on it. Very large guarantees should be subject to separate authorizations.

I am also not enthusiastic about the establishment of Government corporations to achieve the production goals of the bill. I want to encourage a healthy industry in the private sector to produce synthetic fuels. A Government corporation could be industry's greatest nemesis in achieving success. The Government should encourage competition in this industry, but should not itself be the competition.

Finally, there are a number of curious provisions in this bill for which I can discern no reason, but which could provide the President with some rather unique powers. For example, the bill states that:

> The President is authorized and directed to require fuel and chemical feedstock suppliers to provide synthetic fuels and synthetic chemical feedstocks in any case in which the President deems it practicable and necessary to meet the national defense needs of the United States.

Who are "suppliers"? Do they include jobbers and retailers? Can the President make them sell synthetics? What would such an order look like? I would not want to be a "supplier" who got a Presidential order to "provide" synthetics—I am not sure to whom—if I did not have any.

Then there is an interesting provision which permits the President "when in his judgement it will aid the national defense * * * to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons." I am not sure what purpose this provision serves. I would not want to be a factory owner when the President decides to put some "equipment" in my factory.

My purpose in raising these issues is not at all to defeat initiatives to encourage synthetic fuels. To the contrary, I strongly support increased use of synthetic fuels. But we must put our incentives where they will help the most. We must build a healthy industry, which will not depend on the continuing aid of the Federal Government. We must not stifle an industry by heaping too many subsidies on one project so others cannot afford to compete. Nor should we let the Government itself, in the form of a corporation, bar potential entrants from the market.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, as the Member who led the fight against loan guarantees for development of synthetic fuels in the last Congress, I want to make it clear that I support the concept of the purchasing authority that has been devised by the gentleman from Pennsylvania and his subcommittee and congratulate him for a very useful and, I think, well-thought-out and well-crafted method for bringing on synthetic fuels. I do have some problems with the other authorities in the bill, however, and with the gentleman from Michigan (Mr. DINGELL) and other colleagues, will attempt to assure adequate protection of the taxpayer as we proceed with this legislation.

□ 1410

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, would the gentleman agree with me that the bill that went down to defeat was a big loan guarantee with a little purchase contract?

Now we are bringing a big purchase contract on at this time with a little loan guarantee?

Mr. OTTINGER. I do agree. I think there are still some problems there. My principal concern is that we are dealing in an area where we have some of the largest and most voracious sharks that appear in the waters who would like to get their teeth into the Federal Treasury.

The loan guarantee program that was put forth in the last Congress had no limits on it whatsoever. The Government would take all the risks on any kind of project whatsoever without any congressional control; if it was successful, the company promoting it would make all of the profits. If it was unsuccessful, and the way that was geared up, it was almost sure to be unsuccessful, Uncle Sam would have ended up footing the entire bill. The potential Federal exposure amounted to billions of dollars.

In this legislation we have some of the same problems, which I hope we will be able to work out with the gentleman from Pennsylvania, to assure that the same kind of unlimited liability for the Federal Government does not again occur.

Most of the projects that we are talking about are already in the process of development by the Department of Energy through authorizations by the Energy Development and Applications Subcommittee of the Committee on Science and Technology, which I chair. They are being developed under cost-sharing arrangements under which the Federal Government has put up at least half the money. Under this legislation, loans, loan guarantees and guaranteed purchase prices are also authorized. We have to make sure that the companies seeking Federal subsidies are subject to reasonable oversight. We properly minimize their risks through the purchase authority provided by the committee. We must be sure that their risk is not reduced to zero or below.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I want to commend my good friend from Pennsylvania (Mr. MOORHEAD) for bringing this important bill to the floor at this time. He has long been in the vanguard of our foresighted legislators who have tried to get the attention of the Nation to focus on the need for a synthetic fuel capability. The gentleman from Pennsylvania has encouraged the Members and the staff of the Economic Stabilization Subcommittee to study the various alternative processes so we could more knowledgeably deal with the overall problems. I, for one, am grateful for his leadership.

As we see lines of waiting cars inch ever so slowly into those service stations which still are pumping gasoline, we are becoming alarmingly aware of our national defense vulnerability to interruptions in our petroleum fuel supplies. Long gone are the days when the United States exported oil to our allies around the world when their supplies were cut off. But even when the Arab oil boycott should have taught us an important lesson that we must develop alternative energy sources for defense purposes, we, as a Nation, chose to ignore it.

Today, we are experiencing a severe energy problem. The appropriate role of government is, of course, an issue. Government controls neither the supply nor the demand side of the energy equation today, and yet we are expected by the people we represent to somehow reconcile the disparities that occur between supply and demand.

On the supply side there is a finite amount of conventional resources including oil and on the demand side we have permitted a wide latitude of consumer choice for all practical purposes without Federal/State Government intervention. The growth of that demand and the efforts to meet it have, for a variety of reasons, outstripped supply and the consequences of a small shortfall of conventional oil is evident around us today. The dollar flow and balance-of-trade issue is of profound threat to our future. Government by definition exists to resolve problems that individual societies cannot solve themselves; in my judgment, an appropriate description of the present shortfall and a likely specter that hangs over the future of our society.

The legislation which has my support as a cosponsor, H.R. 3930, addresses the supply side of the equation. It provides the opportunity for our Government to create the framework within narrow parameters to capture existing technologies, and increase the supply of oil and oil products within our economy. It is not a panacea for our energy problem, it is just one of many initiatives that should and must be implemented if we are to successfully engage in helping this country meet its future needs and economic growth.

We have lost too much time and are living in peril while our tremendous resources of coal, oil shale, tar sands which rival in magnitude the energy from the world's present oil reserves lie relatively untapped. The bill before us makes one important if modest effort to change that. The scope of the bill is limited to supplying the petroleum equivalent of 500,000 barrels of oil a day which is presumably the normal daily consumption of the Department of Defense.

I favor this limited approach because the synthetic fuel and feedstock capability this bill provides will demonstrate our determination that this country is prepared to look to guaranteeing its defense fuel requirements and that the oil blackmail strategy of the exporting countries has run its course.

We must maintain this synthetic fuel and feedstock capability even if foreign suppliers drop petroleum prices and increase supplies to counter our strategy because we must never again be vulnerable to oil blackmail.

Mr. Chairman, the Arab oil embargo and the first big jump in world oil prices was nearly 6 years ago. Repeat—6 years. During that time this Nation and this Congress have dawdled, and our people know it. In one crucial area of response to this wholly new threat to our economy and our very national security—a serious synthetic fuels capability—we have accomplished practically nothing.

The bill before the House today would get us started at least. The vehicle—the Defense Production Act of 1950—is entirely appropriate. It contains the flexibility that the executive branch simply must have in order to get these large plants built and operating. And it ought to be obvious to everyone that this Nation's vulnerability in its oil supplies is a matter of direct national defense concern. Testimony at the hearings on this bill from Defense Department witnesses left no doubt on that point. The Defense Department said, without equivocation, that it urgently wants a domestic synthetic fuel capability.

The genius of this legislation is that it avoids the thing that has tied us up for all these years—an effort to have Congress specify exactly what should be done and how it should be done. That is the thing we in Congress are least equipped to do, and this bill contains the necessary discretion for the President to get moving. It specifies no particular technology. It specifies no particular financial tool. It would tell the President—and our people—that the time has come to get going. Not wait for the third or fourth generation technology. Not allocate plants by congressional district. Not hold up everything to await the last decimal point of savings in cost. But get going.

I believe that is what the Members of this body want—to get going at last. This is the bill to do it.

I am well aware of the high costs of a fully implemented program as envisaged by this legislation, but I am convinced the value of synthetic fuel, as insurance against the price and supply aggression of the oil cartel, and for preserving the liberty of the free world can be incalculable.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman, I think this is a euphoric moment, and I mean here we are in Congress finally doing something good for the Nation. I think in our excitement that we should not forget who we are and what the nature of Congress really is. We could be right in the middle of creating one of the most gigantic and initially popular pork barrels that this Nation has ever seen.

I voted for this bill in committee, and I voted for the bill in committee because the good judgment of the chairman of the subcommittee was such that he joined with me in report language that causes this bill to be structured in this way, that the President can specify the kind of energy that he wants, but he is not permitted to specify the technology, the feedstock or the location of manufacture, so that way there is some hope that the industry in this country, the free enterprise system will have an opportunity to perform the miracles to solve this energy problem that it has with other industrial problems of the Nation.

Before we start jumping on the oil companies again, I would like to remind everyone at this particular moment that the only reason the U.S. Government is required to subsidize the manufacture and production of synthetic fuels is because those bad old, oil companies have produced energy so cheap in America today that there is no other form of energy that is competitive. And those bad OPEC nations, also, have provided energy for this country at prices that are so cheap that there is nothing else that is competitive. That is why we are having to subsidize the production.

So, if we can just cause the industry that has provided this miracle of energy for the United States up to this point to participate in the synfuel production we can expect the energy problem to be solved. Provided, of course, the Government does not strangle the effort with regulation.

The CHAIRMAN. The time of the gentleman from Florida (Mr. KELLY) has expired.

Mr. McKINNEY. I yield the gentleman 1 additional minute.

The CHAIRMAN. The gentleman from Florida is recognized for 1 additional minute.

Mr. KELLY. I thank the chairman.

So if we can keep the free enterprise system involved in solving the energy problems in this country we are going to continue to have the cheapest energy in the world. Today the American consumer, with all the griping and complaining by everybody and all of the castigation by the Government officials who are trying to scapegoat the free enterprise system, we, as consumers, can buy gasoline cheaper than any consumer in any industrialized nation in the world and this even after deregulation. And those just happen to be the facts.

So, I am hoping that this bill will come out in a way that we can lean on the free enterprise system and solve the Nation's energy problems.

Mr. SHUMWAY. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I would be happy to yield to the gentleman from California.

Mr. SHUMWAY. Mr. Chairman, I am pleased to rise in strong support of the legislation before us today. H.R. 3930, which was drafted by the Economic Stabilization Subcommittee, on which I serve, amends the Defense Production Act of 1950 in a most innovative fashion.

The centerpiece of this bill is that provision which requires the President to attempt to achieve production of a 500,000 barrel per day synthetic fuel crude oil equivalent. Given our current energy situation, it is imperative that we not only begin to reduce our dependence on the OPEC nations, but that we increasingly utilize alternate domestic energy sources. Certainly, the American people expect no less.

During the extensive testimony our subcommittee heard on the Defense Production Act amendments, one key point was repeatedly made: U.S. dependence on OPEC has increasingly serious implications for our national security and economic well-being. We currently import about 50 percent of the crude oil consumed in this country—some 8 million barrels per day. Of this amount, 83 percent comes from OPEC nations.

That the increasingly expensive purchase of foreign oil weakens our economy through continuing balance of payments deficits and inflation is obvious. If there were no other compelling reason for turning to alternate domestic energy sources, the approach embodied in H.R. 3930 would still be justified.

Yet there is another compelling reason—national security. It may not be extreme to say that the OPEC nations, through their ability to withhold oil supplies, have the capacity to prevent the United States from acting militarily to defend vital interests. The U.S. military crude oil requirement currently averages around 500,000 barrels per day; in an emergency situation, this level would rise dramatically.

Our focus, therefore, has been on, at a minimum, developing a synthetic fuel capacity which would equal our current daily defense needs. And H.R. 3930, we believe, is an appropriate vehicle for achieving this objective—500,000 barrels per day of synfuel crude oil equivalent.

The bill, as drafted, provides for maximum reliance on the private sector, through the utilization of price competition and the removal of restrictive regulatory requirements.

However, since synfuel production will be exceedingly expensive, at least in the initial stages, the bill provides for a guaranteed price. Only when the market price of synfuels is below the contract price will the Federal Government be required to make up the difference.

In addition, as a last resort, the bill gives the President the authority to set up Government owned corporations for the production of synfuels if the private sector proves unwilling or unable to meet production goals. I might point out that we have provided for a one-House veto provision in this area.

In closing, I would like to reiterate that a synfuels programs, on any sizable scale, will be very expensive. Although we have made great efforts to keep Government involvement at a minimum, the fact remains that it is currently just not economically feasible for the private sector to develop a synfuels capability on its own.

H.R. 3930 therefore mandates that the Federal Government share in the risk and in the expense. And while the costs will admittedly be significant, the alternative—increased reliance on foreign sources—will be much more expensive in the long run. I urge the House to accept this vital legislation.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I want to compliment the getleman from Pennsylvania (Mr. MOORHEAD), for his leadership and the gentleman from Connecticut (Mr. McKINNEY), for his hard work and leadership in bringing this bill to the House floor today.

Fortunately, I was one of those who spoke in favor of the rule 3 years ago when a similar bill was on the House floor. So I am on record as supporting the concept then and want to go on record as supporting it now.

I also testified in favor of a similar bill before the subcommittee of the gentleman from Pennsylvania (Mr. MOORHEAD), 3 years ago. I am especially interested in this bill, being from the State of Ohio, because we have been told that there is over 750 trillion cubic feet of natural gas trapped in the Devonian shale which covers the eastern half of the State of Ohio; and that there are large quantities of oil trapped in this shale.

We have an enormous amount of coal, which is high in sulfur content, and which if it were liquefied and gasified could provide pollution free energy resources for many years to come.

□ 1420

Viewed together, coal gasification, shale gas and oil could meet most of the energy needs for the whole country for the next century. All we need is to develop the technology to provide this synthetic fuels process. The problem is that the technology is expensive. The uncertain economics of fuel conversion projects combined with the large capital investment required for private financing is difficult today.

I think this bill is in the best tradition of the free enterprise system, of the Federal Government working in partnership with private enterprise. I have no doubt in my mind that with this kind of an incentive it will pay off handsomely for the people of the State of Ohio and for this Nation. I suggest this is an excellent bill and I think we should support it here in the House. H.R. 3930 will, I believe, provide an answer to many of our energy problems and it can provide us an opportunity for access to abundant fuel sources other than oil and gas. I am pleased to be a cosponsor.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman very much.

I want to commend the gentleman and his committee for bringing up this legislation. It is certainly timely and extremely important to our future energy independence.

I am concerned, however, that this bill says nothing about who owns the fruits of the money that the Federal Government would put in under this bill, in terms of any energy technology that is developed with that money. We already have existing law, in the Federal Non-Nuclear Energy Research and Development Act of 1974, Public Law 93-577, which provides in section 9 thereof that whenever any invention is made or conceived in the course of or under any contract of the administration—and that would now be the Department of Energy—and the Secretary determines that the person who made the invention was employed or assigned to perform research, development or demonstration work during the course of the carrying out of the contract, or using Government funds, or the invention is related to the contract or the work or duties he was employed or assigned to perform, the title to such invention shall vest in the United States unless in particular circumstances the administrator waives all or any part of the rights of the United States to such invention in conformity with the provisions of that section. Then it sets forth various criteria for the Secretary to follow in deciding whether to grant a waiver.

I would just like to ask the distinguished gentleman from Pennsylvania if it is his intention that technology developed with Government money or pursuant to Government contract under this statute or under this bill will be subject to section 9 of the act that I refer to, in terms of the right of the United States to any such technology?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman.

Mr. MOORHEAD of Pennsylvania. I would say to the gentleman that clearly this act does not explicitly amend or repeal the Federal Non-Nuclear Energy Research and Development Act. I would assure the gentleman that it is not the intention of the committee to implicitly repeal or amend that act. It continues in full force.

Mr. SEIBERLING. It is not only a question of repealing that act. It is a question of whether it applies to the research and development that is the result of the enactment of this bill?

Mr. MOORHEAD of Pennsylvania. That act continues in full force and effect under the intention of the committee.

Mr. SEIBERLING. If it is in full force and effect, but not applicable to this program, then I will feel constrained to offer an amendment to make it explicitly apply.

Mr. MOORHEAD of Pennsylvania. I agree completely with what the gentleman has said. Section 9 is in full force and effect and it applies to this program. We do not purport to touch that act.

Mr. SEIBERLING. I thank the gentleman.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I will yield.

Mr. McKINNEY. I would like to say to the gentleman I think it is our clear legislative intent by this colloquy that we do not intend for the Government to depart from this practice in the law and it should also be part of this legislation.

Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Chairman, today's debate will touch on subjects of concern to all of us, energy, national defense, the environment, and the cost of Government. H.R. 3930 authorizes an appropriation of $2 billion of taxpayers' money, and that is something that none of us takes lightly. The bill further involves matter of crucial importance to our environment and I would like to address myself to these issues.

As a member of the subcommittee that developed this bill, I assert that it in no way relaxes the requirements of the National Environmental Policy Act. The issue has arisen because of language on page 5, lines 12 to 14 of the bill, which provides that—

> Purchases, commitments to purchase, and resales . . . under such subsection may be made without regard to the limitations of existing law . . .

That language is not newly drafted language. In fact, it has been taken virtually verbatim from long-standing language in the Defense Production Act which can be found at title 50, United States Code, appendix section 2093. I think that language, as has historically been the case, is intended strictly to deal with the necessary overriding of normal Government procurement practices, which is implicit in the Defense Production Act. That it does deal simply with those issues I think is made clear on page 7 of the bill, line 23, where the power that is granted to the President is very specifically described as a "procurement power."

Mr. Chairman, H.R. 3930 proposes bold action in response to a crucial defense need: Energy; and this is a problem shared by our whole society. Many Americans doubt that the Congress is willing to take the steps necessary to address our energy crisis and defeat of this bill would reinforce that impression.

How much longer can the United States afford to neglect the development of a domestically controlled energy source, synthetic fuel? South Africa, Brazil, Canada, and other countries have already made substantial progress in this regard. Yet, to date, the United States has virtually no capacity to produce synfuels. I suggest that we cannot afford to wait much longer, and that we must recognize that liquid fuels are essential to our national defense.

A recent study done by the Census Bureau for the National Science Foundation indicates private spending in this country in 1978 for the research and development of synfuel production was a little over $200 million. In the previous year, $7.8 billion of private money was spent exploring for conventional sources of oil and gas in the United States. The nature of the technology and the risk involved in synfuel development make it difficult for private concerns to raise the necessary capital. The primary objectives of H.R. 3930 are to facilitate the raising of this necessary capital and to stimulate synfuel production in the private sector.

By continuing to neglect synfuels, we will not be serving our economy, our environment, or our constituents, since all of these will suffer in the long run if we fail to act. I urge strong support for H.R. 3930.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. GREEN. Yes, I will yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I would like to address the synthetic fuels issue with respect to the Moorhead bill and in a more general sense.

I am a cosponsor of the Moorhead bill. We need to insure our country's energy viability in the event of a defense emergency, and the only way to do that is to promote the development of a synfuels industry. The Moorhead bill does not, however, address the full scope of the fuel shortage problem that this Congress must deal with.

If this Nation is ever to free itself from the tightening grip of the OPEC oil cartel, we must provide the general public with an alternative to buying OPEC oil. That means this Congress must look beyond emergency defense needs and provide some answers to the confused and angry consumers waiting in long lines at gas pumps all around the country.

Yet at this time when everyone is looking for the bill to end the future gasoline crisis, I think it is important that we act with some deliberation and that we do not ignore some very good ideas that are coming along. We must be extremely careful not to hastily pass legislation that may have unintended consequences in the future. Furthermore, we must not handle the fuel shortage issue in a partial and shortsighted manner.

On June 6 a bipartisan group introduced the bill that is now H.R. 4345. Today that bill has 104 cosponsors. They include the following Members:

COSPONSORS OF H.R. 4345

Daniel K. Akaka, John Anderson, Al Baldus, Berk Bedell, Douglas K. Bereuter, James J. Blanchard, William Broomfield, John Buchanan, M. Caldwell Butler, Beverly Byron, Tim Lee Carter, Shirley Chisholm, Tony Coelho, Barber Conable, Silvio Conte, John Conyers, Tom Corcoran, James A. Courter, Norm D'Amours, Thomas Daschle, Thomas Downey, Don Edwards, Dave Emery, Arlen Erdahl, John Erlenborn, Allen Ertel.

Millicent Fenwick, Paul Findley, Joseph L. Fisher, Ben Gilman, Dan Glickman, Bill Goodling, Bill Gradison, Charles Grassley, Lamar Gudger, Tennyson Guyer, Gus Hawkins, Cecil Heftel, Margaret Heckler, Elwood Hillis, Harold C. Hollenbeck, Larry Hopkins, Frank Horton, William Hughes, Henry Hyde, Jim Jeffries, Jim Johnson, Ray Kogovsek, Jim Leach, Gary Lee, Norman Lent, Ed Madigan.

Ed Markey, Dan Marriott, Roman Mazzoli, Bob McEwen, Robert McClory, Paul McCloskey, Stewart B. McKinney, George Miller, Norm Mineta, Donald Mitchell, Joe Moakley, William Moorhead, Austin Murphy, Stephen Neal, Richard Nolan, George O'Brien, Leon Panetta, Jerry Patterson, Claude Pepper, Carl Perkins, Tom Petri, Melvin Price, Joel Pritchard, Carl Pursell, Tom Railsback, Nick Rahall.

Fred Richmond, Toby Roth, Harold Sawyer, James Scheuer, Keith Sebelius, F. James Sensenbrenner, Jr., Paul Simon, Virginia Smith, Olympia Snowe, Gerald Solomon, Arlan Stangeland, Louis Stokes, Thomas Tauke, Frank Thompson, Bob Traxler, Doug Walgren, Bill Wampler, James Weaver, Ted Weiss, G. William Whitehurst, Charles Wilson (Texas), Larry Winn, Howard Wolpe, Chalmers Wylie, Gus Yatron.

H.R. 4345, the Replacement Motor Fuels Act of 1979, introduces a concept which relies primarily upon the free enterprise system to solve the motor fuel problem. It mandates that, by 1987, refiners replace 10 percent of the motor fuels they produce with alternative fuels, whether they be derived from coal, oil shale, tar sands, or renewable resources such as corn, wood or garbage.

Time magazine called this concept "The Idea of the Week" a couple of weeks ago, and quoted the president of Ford Motor Co. as saying that "it would get the alternative energy industry off the ground, unendangered by politics and paperwork. Also it would cost the taxpayers nothing."

This concept is also one which complements any of the other synfuel proposals we are discussing, including the Moorhead bill and bills calling for tax credits or Government corporations. In fact, the Subcommittee on Employment Opportunities adopted H.R. 4345 as part of Chairman PERKINS' energy bill last week, and the full Education and Labor Committee is expected to report that bill out tomorrow.

Several experts testified about the bill before the Employment Opportunities Subcommittee, and endorsed the concept. Ted J. Pollaert, manager of the Synfuels American Lurgi Corp., commented about the bill:

> I am not sure that all of my clients like to hear this, but I suspect that a mandate that says: By a certain date, or by a certain year, a certain percentage of your fuel shall be synthetic, is the most effective weapon to get this industry going.

Frederic W. Hammesfahr, of Hammesfahr, Winter and Associates, Inc., who has been invloved in developing and commercializing advanced energy technology for over 25 years, said:

> I think that it is a very good idea and an excellent approach to the problem.

H.R. 4345 creates an assured market for substitute fuels. But rather than accomplishing this through Government subsidies, it allows the market forces of the free enterprise system to determine the best technology to be used for the replacement of petroleum-derived motor fuels with alternatives. In this way, the bill promotes the development of a synfuels industry in the most efficient possible way.

According to another expert who testified before the Employment Opportunities Subcommittee, this approach provides industry with essential flexibility. It also overcomes "one of the big hurdles in the successful operation of this type of undertaking," in the opinion of Dr. Clarence Larson, an energy consultant. It does this by guaranteeing that companies who seek to raise money on the bond market can show purchase contracts for their products.

The idea behind H.R. 4345 is patterned after the mandates we have placed on the auto industry to reach a goal of 27 miles per gallon by 1984. In fact, Mr. Pallaert, the witness I quoted earlier, said on this approach:

> When I look at these things, I am impressed at what has happened in the automobile industry . . . If I compare that to any other approach, such as making millions of dollars available to develop some specific engines, or specific car models, it obviously is the most effective method and the least bothersome method to get anything done.

In light of the fact that we are supposed to consider the windfall profits tax bill this week, it should be pointed out that this bill would help insure that the oil companies spend their profits from decontrol on developing energy alternatives. It would force refiners to begin phasing in substitute fuels in 1981, which means that they would have to start investing in new technologies as decontrol takes effect.

Refiners could mix the fuels themselves, or contract with others to do it. They would have flexibility to alter their percentages at different times of the year and among the geographic regions they serve. If they failed to meet the goal at the end of the year, they would be fined a dollar for each gallon of fuel sold in violation of the law.

It is important to note that our bill will work with or without decontrol. Those of us opposing decontrol—and I happen to be in that category—have an obligation to come up with an alternative. This legislation can fulfill that obligation. Those who favor decontrol must find a way to assure excess profits will be put to good use. The bill could also accomplish that purpose.

It should also be understood that we are not proposing a venture into the unknown. Brazil already mandates 10 percent gasohol, and big oil companies such as Exxon and Texaco have complied. South Africa now produces synthetic gas from coal. Germany used liquified coal in World War II. With the research and experience behind us, and with the vast natural and technical resources available to this country, we can do it better and cheaper.

The 10 percent replacement goal is expected to produce at least 800,000 barrels per day of alternative fuels. The capital requirements of this enterprise are less than either the cost of decontrol or continued dependence on oil imports. Furthermore, the per-barrel cost of replacement fuels is already competitive with the higher range of current oil costs.

While CBO estimates that decontrol will cost consumers $12 billion annually by full implementation in 1982, the capital required for each 50,000 barrel per day synfuels plan is $1 to $2 billion, or $16 to $32 billion for a total of 800,000 barrels per day. Recent spot market prices for imported oil have averaged $30 per barrel, and up to $50 in Rotterdam. At the same time, reliable estimates put the cost of coal-derived fuels at between $20 and $35 per barrel.

The cost to the consumer of 10 percent replacement can be computed:

Cost of a gallon of gasoline	$1.00
Reduced by 10 percent	—.10
Total	.90

Assuming replacement fuel costs of as much as $55 per barrel refined, the cost of a gallon of replacement: $1.31. (Or, one-tenth gallon in each gallon of gas equals $0.13 per gallon for the cost of replacement fuel.

Total per-gallon cost of the mixture is then:

Gasoline	$0.90
Replacement fuel	.13
Total	1.03

Thus, even a very conservative estimate shows a price rise of less than 3 percent at the gas pump, in exchange for energy independence.

While the costs to the consumer would be very small, the costs to the taxpayer would be almost nonexistent. H.R. 4345 authorizes appropriations only for enforcement of the mandate and for studies required from the Secretary of Energy.

To anticipate a question you might well ask, if the idea is so sound, why hasn't our own Energy Department suggested it? One DOE spokesman gave me a candid answer that is not likely to be repeated publicly. DOE considered it, but has not used it because the oil companies did not like it.

Any realistic plan for energy independence requires substantial lead time. This bill does not provide a full answer today. But positive action by Congress will send crucial messages, to OPEC and to the major oil companies.

The message to OPEC will be that we have a serious program, putting us on the road to energy independence, and that they would be well advised to deal with us in a reasonable manner.

The message to the oil companies will be that Congress, rather than Big Oil, will be dictating America's energy policies from now on.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, as a cosponsor of this bill, I think it is good legislation whose time is well past due.

I rise in support of H.R. 3930, the Defense Production Act Amendments of 1979. As a cosponsor of this bill, I would like to congratulate the gentleman from Pennsylvania (Mr. MOORHEAD) and the gentleman from Connecticut, (Mr. McKINNEY) for developing this legislation in their subcommittee and for the expeditious and balanced manner in which they have proceeded.

It is rare that this House has an opportunity to act in such a positive fashion on a mater of such urgency, and I think the House and the Nation owe the gentlemen a debt of gratitude.

Mr. Chairman, the idea embodied in this bill is not a new one. The idea for such a proposal is at least as old as World War II, and the technology has been around for just as long. What has not been around, and what constitutes the unique contribution of this bill, is the incentive, the market. As we have already heard, the Germans were converting coal into gasoline all through World War II. South Africa has met the bulk of its petroluem needs the same way for many years. And the United States, demonstrated that it could mount the same sort of production campaign when we switched from natural to synthetic rubber during the same period.

What has been lacking to accomplish the same feat with oil has been the incentive. Until the 1973 oil embargo, we enjoyed ready access to cheap fuel. We failed, unfortunately, to learn our lesson from the oil embargo and today we are again witnessing long lines at the gas stations, emphasizing once again our dependence on foreign supplies.

This bill, provides us with the opportunity to do something about the problem before we face a real crisis. Through the simple yet effective process of authorizing the Department of Defense to, in effect, create a market for synthetic fuel, it supplies the missing key ingredient, the solution to the problem of how to stimulate and create a new industry in the United States.

And I emphasize that it will be within the United States. If this bill and this effort succeeds, and I think there is at least an even chance that it will, there will be no need to rely in the future on a long line of tankers reaching halfway around the globe, or transiting the Panama Canal, to heat our homes, power our cars, and fuel our industries. We will once again become at least much more self-sufficient in energy.

I would like to emphasize, Mr. Chairman, that this bill provides adequate safeguards to the environment and to our health. It prohibits violations or exemptions from existing health, safety, and environmental laws.

At the same time, it provides the incentives and the assurances needed to start us on the road to self-sufficiency in energy.

Mr. Chairman, at the end of this week we will be going back to our districts to mark the 203d anniversary of the Declaration of Independence. I urge all my colleagues to support this bill, as a declaration of our own independence from foreign oil. It is one habit we can break.

Mr. McKINNEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding, and I rise in support of this legislation.

Mr. Chairman, the dilemma in which we find ourselves—with lines of cars at gas stations—could have been avoided by the exercise of better judgment—and by a clearer recognition that our private industrial concerns possess the potential for developing vast new and additional sources of energy.

Providing incentives to our private companies to risk their capital and resources is inherent in this legislation.

I should add that the concept which we are advancing here today comes almost 3 years after former President Gerald Ford proposed a similar program.

It is gratifying to observe that this House is coming at long last to support that part of the Ford administration program which an earlier Congress refused to support.

Our Nation—and our private industry—have the capability of developing vast amounts of synthetic fuels. The technology is already well known. The roadblocks which have discouraged private industry from proceeding thus far—have been placed in the path of industry by this Congress and by the bureaucracy which we have created.

By enacting this measure we will be removing at least that roadblock which penalizes the private sector today—if it should dare to produce synthetic fuels.

Mr. Chairman, there are many provisions of this measure which may prevent some of the most capable companies from taking advantage of the synthetic fuel program which we are here providing.

Mr. Chairman, I am in general—and enthusiastic—support of this bill, H.R. 3930.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the distinguished minority whip, my good friend, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I am a cosponsor of this piece of legislation as reported by the committee. The days of cheap fuel sources have passed. We must begin to take some concrete steps to develop and produce alternate sources of energy.

The day may come when we will not have any fuel available at any price. Positive action is long overdue, so I am particularly pleased to support the bill before us.

I think it would be misleading to say, however, that this bill will solve our energy problems in the immediate future. We have a long way to go and this is only a beginning.

This week when we consider the windfall profits tax legislation, it certainly is going to have as much of an effect on future oil and gas supplies as any other legislation that we will be considering during this session of the Congress. I do feel, however, that it is important we make this kind of a beginning.

The technology to produce liquid fuels is not new. In fact, the knowledge to produce an oil equivalent from coal has been around since World War II. Unfortunately, the costs have been too high for such synthetic fuels to be competitive with the cheaper alternatives which we have always had so readily available. There has been no incentive for the energy industry to pour the billions of dollars necessary into developing alternate sources which would have no guaranteed market.

This bill will provide an incentive by providing that the Government will be a guaranteed customer of the new fuel.

The bill further provides that the contracts with any one company will be limited so that several companies could be assured of a share of the Government market. If this does not provide the necessary stimulus to get the private industry moving, the bill further provides that the President may use standby authority to establish Government-owned corporations for the production of synthetic fuels and synthetic chemical feedstocks, subject to a congressional disapproval through the one-House veto.

As the cost of oil and other natural energy resources continues to rise, the natural incentive to produce synthetic fuel will grow as the prices for the alternative become more and more competitive. But it will take at least 5 years to get a plant in operating condition. If we do not get started now, there is no way we can hope to end our current enslavement to foreign energy politics in the foreseeable future.

We are all aware of our own vast resources of coal. I believe it is time we began a concentrated effort to find ways of putting our own natural resources to wider use. I strongly support this bill as the first step toward reducing our dependence on foreign energy sources while assuring this Nation of a continuing supply of vital fuels and feedstocks.

It is my understanding the majority leader will be offering an amendment during the reading of the bill under the 5-minute rule. My current support for the bill is with the projected goal of a half million barrels a day and the cost as projected by the committee. Now, if we go beyond that goal to some grandiose scheme that might require additional billions of dollars appropriated from the general funds, then I may have to part company with my distinguished friend from Texas. If the majority leader intends to change the national production goal of at least 500,000 barrels per day within 5 years to 2,000,000 barrels per day within 10 years then the thrust of this bill has been changed considerably. This legislation is designed to put America in a much stronger defense posture to deal with potential energy shortages stemming from our increasing dependence on foreign oil imports. Changing our production goals this drastically worries me because of the large commitment of taxpayers' dollars which we would be making.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. McKINNEY. Mr. Chairman, I will yield 2 additional minutes to the gentleman from Illinois.

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Mr. MICHEL. Mr. Chairman, I notice the distinguished majority leader on the floor, and I yield to the gentleman.

Mr. WRIGHT. Mr. Chairman, I appreciate the gentleman's comments. I would like to advise the gentleman that the amendment which I offer would make possible—in fact, facilitate—financing of any cost out of the revenues of the windfall profits tax. But, let me just say this: I feel quite confident that we can achieve a production goal of 2 million barrels a day in 10 years as easily as we can achieve 500,000 barrels a day in 5 years, or more easily.

I also feel very confident that it really is not going to cost us anything to do so because the rapid rate at which world oil prices are escalating, I am certain, will cause the crude oil price to reach and exceed the price for which we can produce this synthetic fuel by the time we have it in line, 4 or 5 years from now. In that case, the entire program would not cost us anything. It would be a saving to us, in fact, if we could cut down that much on OPEC oil that otherwise we would import.

Mr. MICHEL. It is my understanding that the text of the gentleman's amendment reads something like, either, or, and I am not altogether sure that I like that kind of flexibility. I would like to tie it down specifically. If we are going to have this trust fund then that would be the specific source from which the money for these increased production levels is derived.

I have a reservation about moving toward such a large volume so quickly, and the temptation resulting from the large number of contracts involved ending in a new breed of pork barrel projects. I would rather move a little bit more slowly, but I readily agree with the gentleman that as we look down the road 4 or 5 years, we have got to increase the levels of our synthetic fuel production because we are not going to get further foreign sources of oil.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I thank the distinguished gentleman from Pennsylvania for yielding.

I should like to suggest, in response to thoughts expressed by my friend, the distinguished minority whip, first, that the reason it would not be possible irrevocably to tie any expenditure under this bill to an excess profits tax is because we do not have such a tax yet. But, I think my amendment has been written in such a way that it definitely can be financed from that tax, and I recommend that it be so.

The second thing I would like to say is that it is not at all unreasonable to look 10 years into the future and to make a commitment that this Nation can reduce our dependence on foreign oil by 2 million barrels a day. In my view, that surely should not be referred to as pork barrel. As the gentleman will recall, in the last 6 years we have given a windfall to the Arabs of more than 2 million barrels a day. In 1973, we were importing 6.2 million barrels daily. Now, we are importing 8.6 million barrels daily. We have retrogressed in 6 years to the extent of 2.4 million barrels.

To set a goal of greater self-sufficiency within the next 10 years of 2 million barrels a day, is not excessive.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, as the House is preparing to authorize billions of dollars to promote the development of synthetic fuels, we should be fully aware of the frightening health hazards to workers that these processes may present. Studies of existing oil shale and coal liquifaction and gasification processes, as well as studies conducted in similar industries, show cause for serious concern. Workers may be exposed to toxic substances in the handling of raw materials, in maintenance operations, in cleaning up spills, and in transporting the finished products. A list of harmful substances that may be present in coal gasification and liquifaction plants include those that cause cancer, such as arsenic, benzene, beryllium, hexavalent chromium, and coal tar pitch volatiles. It also includes substances that can cause nervous system damage such as hydrogen sulfide, lead, and mercury.

I would like to insert in the RECORD, following these remarks, a list of the toxic agents and the potential health effects NIOSH has identified as being associated with coal gasification.

In proposing that Federal funds be used to promote these new energy technologies, we must assure that appropriate steps are taken to protect the health and safety of the workers in these industries. The time to prevent these problems from developing is now while these plants are still in the pilot and demonstration stage. Research on health effects, safety hazards, and engineering control must be an integral part of the development of these technologies so that new plants can be designed with safety—as well as productivity—in mind.

I ask the chairman, for the purpose of establishing legislative history of some sort, whether he can give some assurances that the committee intends that worker health and safety is of prime concern in the design of facilities developed with the aid of this program and the program conducted by NIOSH, to be conducted by this program.

Mr. MOORHEAD of Pennsylvania. If the gentleman will yield, I want to emphasize and reemphasize that this is merely a financing bill. It does not purport to, nor does it amend or repeal any other acts, so that OSHA, or mine safety, all other laws remain in effect and must be complied with. This is merely a financing mechanism. It does not repeal environmental laws. It does not repeal the matter the gentleman from Ohio (Mr. SEIBERLING) referred to, nor the concerns of the gentleman from Pennsylvania, who has been such a hero in working for the safety and protection of workers.

I can assure the gentleman that there is no intention to alter those basic laws.

Mr. GAYDOS. With this assurance, Mr. Chairman, I concur in this very timely legislation, and wish to commend my colleague for its introduction. I very strongly support the legislation.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I rise in support of H.R. 3930 and commend the gentleman from Pennsylvania (Mr. MOORHEAD), and the Committee on Banking, Finance and Urban Affairs, for reporting this bill to the floor.

The bill follows an approach similar to the approach we used in World War II to develop a synthetic rubber industry. The time is long overdue for us to develop a synthetic fuels industry. I do not have the exact numbers at hand but we all know what has happened to oil imports since the Arab embargo in 1973.

Instead of decreasing our reliance upon imports we are more dependent today than we were in 1973. In 1973 we imported about 25 percent of our oil needs. Today we are importing close to 50 percent. We must not only reverse the adverse trend, we should develop a policy of energy independence. Our dependence upon foreign oil to meet our energy needs has become a national security problem. H.R. 3930 is not a quick-fix. There is no quick-fix to our energy problems. But H.R. 3930 is a viable long-term vehicle to help solve our energy problems.

Coal gasification, for example, is a technology that we do not have to wait for. It is a technology in being and one which has been in being for many years. The Germans used it in World War II. The South Africans, using German technology, improved by American technology and with the help of an American engineering firm have had a gigantic coal gasification plant, SASOL No. 1 in operation for many years.

It is high time that we encourage the installation of facilities such as SASOL in this country rather than discourage them as we have in the past.

I wholeheartedly endorse H.R. 3930 which represents a valuable first step in the United States attaining energy self-sufficiency.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Chairman, I rise in strong support of the pending legislation, and want to commend the distinguished gentleman from Pennsylvania (Mr. MOORHEAD) for his initiative in this regard. I wish to commend also the distinguished majority leader of this body, the gentleman from Texas (Mr. WRIGHT) and the leadership of the House for their strong support of this synthetic fuels legislation.

I note also that it does have the support of the administration, and although rather late in coming, and perhaps rather begrudgingly, I commend the administration for its support of this legislation also.

I think perhaps everyone would like the initiative for synthetic fuels legislation and the entire financing of it to come from private industry. However, as has been pointed out, because of the tremendous cost involved, such an approach is not feasible. What we are doing here today is not setting up a Government corporation, but merely a Government partnership with private industry and, indeed, a Government partnership with the people of this country.

It is appropriate that we meet today to consider this legislation on the day OPEC is meeting in Geneva to consider almost certain price increases that the American people will pay for gasoline and crude oil. So, Mr. Chairman, I hope that through this legislation today we can take the first step, and perhaps through the amendment process even beef up the process by which this country strives to break the grip the foreign oil cartel holds upon us; and through development of our domestic resources for coal liquefaction and gasification we can, indeed, provide the American people strong indications that the Congress is serious about our energy situation, that we can make ourselves self-reliant and free of any foreign oil cartels.

Mr. MILLER of Ohio. Mr. Chairman, my major disappointment with H.R. 3930 is that it is a program that we should have started years ago. Back in 1975 and 1976, I recall we had a similar synthetic fuels bill proposed but we never had an opportunity to bring it out to the House floor.

Nevertheless, H.R. 3930 is a good start to create a new commercial industry that can help free this country from the stranglehold OPEC has on us. I am pleased to be a cosponsor of this bill and I hope we might even broaden its scope here on the floor today. I understand the gentleman from Texas (Mr. WRIGHT) will offer an amendment to increase the production goal to 2 million barrels per day. I intend to support that amendment and I hope it will be approved.

To date the congressional response to the energy crisis, and it is and has been a real crisis since 1972, has been to allocate fuel shortages. Congress has done very little to encourage and promote more energy production in this country. This head-in-the-sand posture in large measure is responsible for the long lines at pumps throughout the country and the skyrocketing gasoline prices people are forced to pay if they can find gasoline. The American people have been led to believe that Congress has been looking out for the national interest. To the contrary by its negative actions of control and allocation, Congress has forced the United States to grow more dependent on foreign energy sources.

In 1973 we imported 35 percent of our oil. Today it is over 50 percent. We stand at the mercy and whim of foreign oil cartel. Back in April 1972 I wrote in a newsletter to my constituents in Ohio's 10th District that—

> Our country is facing a monumental energy shortage, the effects of which will be felt not only throughout the business sector but into every industry, household and institution in the nation . . . the energy crisis is no longer a vague future threat. Unless comprehensive energy policies designed to encourage the development of domestic supplies are formulated, the record volume of oil imports will undoubtedly have a profound effect on domestic energy strategy, on the U.S. balance of trade, and on foreign policy decisions for years to come. We can not allow the energy situation to drift.

During those intervening 7 years the energy situation has drifted and we still have no comprehensive energy policy that in 1972 I thought was a self-evident priority.

In acting on H.R. 3930 let us not leave the impression that synthetic fuel production will solve the crisis. It is but a part, a very important component, in a mix of programs that we must have to free up more domestic production and lessen offshore reliance. The energy crisis did not just happen overnight and it will not be solved overnight nor by a single governmental action. A viable synfuel industry will take years to bring on line but no matter how much precious time we have frittered away yesterday, today we have a significant opportunity to take a positive action that will return tangible dividends in the long term. In the months and years ahead our situation I regret to say will further deteriorate because of what we have failed to do or what we have done without foresight. Personal hardships and economic dislocation will plague the American people for some time. But it is a fact that unless we pass this important bill with hopefully a greater production commitment there will be no light at the end of a long, dark, and dangerous tunnel we are traveling.

Therefore, I urge that we act promptly on this measure. Let it also signal to the American people that their legislators have abandoned the ruinous "share the shortage" mentality of the past for a bold new design that harnesses all the ingenuity of American industry to develop and use the vast energy potential we have waiting us in this country.

Mr. McKINNEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I rise in strong support of H.R. 3930.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, as one of the original cosponsors of the Defense Production Act, I rise in strong support of H.R. 3930. Part of our energy problem today is that we have not taken enough action in the past. We must begin or we will forever be dependent on a bunch of sheiks in the Middle East who should not and must not set our domestic and foreign policy.

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We are long overdue in developing alternative sources of energy through the genius of American technology. This bill is not the total answer, but it is a substantial step in the right direction. It does provide proper incentives for the enormous capital investment necessary to develop synthetic fuel capability. If we think our problems and our lines at the gasoline stations are long today, they could get worse. So I support this bill, and I congratulate the gentleman from Pennsylvania (Mr. MOORHEAD) and the gentleman from Connecticut (Mr. McKINNEY) for their leadership on the Committee on Banking, Finance and Urban Affairs in bringing this bill to the floor of the House.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, everybody today here is agreed upon the fact that action must be taken in promoting synthetic fuels. Unfortunately, I believe the type of action we're taking is incorrect. We are going to be making mistakes, and we are going to be spending a lot of money, and we really are not going to get any more synthetic fuel than we already have, because we already have access to synthetic fuel.

A lot of talk is being put out today about how much hostility we should direct toward the Arabs for creating this problem and criticize them for how much they are charging us for their oil. But I might draw to the attention of the Members this one little fact, that if we try to measure oil in something of real value. In earlier times and throughout most of history money was related to something of intrinsic value. In 1964, if one happened to have one silver dollar, he could go down to the gas station and buy 4 gallons of gasoline. Today if one happened to have struggled to get and or keep one of those silver dollars, he could take it and go down to the gas station and buy 7 gallons of gasoline, which means the Arabs are getting very little for their oil in terms of real value.

The problem here is not only energy and regulation, the problem we face is inflation as well. We are not discussing inflation today and its very difficult to solve the energy problem without addressing this subject. We are talking today about how we are going to compensate for all the bad effects of inflation by doing something which in reality will make the problem worse. Just by doing something we are determined to go out and spend more money. We are going to create credit. We are going to expand its credit markets. We are going to distort credit markets, which is so often the situation, with almost all legislation and make the basic problem of inflation worse.

I have seen estimates for synthetic fuels programs going as high as $200 billion, an amount that is astronomical. Some are concerned if it gets too high, and will not vote for it. But all boondoggles have to start someplace. We plant a little seed that grows into a large tree. We are planting the seeds today for a synthetic fuel pork barrel, and it is bound to grow and become a very, very large tree.

The gentleman's earlier suggestion that this would cost us nothing is rather provocative because I am very suspicious that it is going to cost us a whole lot.

I think the basic assumption here is that we are smart, that the Congress is smart, that the bureaucrats are smart, and yet in truth we do not have the vaguest idea of what we are doing. The arrogance that we display by supposing that we know just which fuel is best, which price is best and just when we should quit using fossil fuels and go to synthetic fuels demonstrate to me that this Congress does not have the vaguest notion about the marketplace and how it operates.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PAUL) has expired.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi (Mr. HINSON).

Mr. HINSON. Mr. Chairman, I rise on behalf of H.R. 3930, the Defense Production Act amendment and extension. Detractors of this proposal have asserted that it is not a defense bill. They would argue that its purpose is not to prepare us for the contingency of war. They are mistaken. It is only a first step in a process in the development of a production capacity for synthetic fuels, which, coupled with domestic petroleum production, will prevent our possible military vulnerability from lack of liquid fuels.

But it is a defense bill in another sense. Dependency on imported fuels threatens our economic security which is clearly inseparable from our military security. This struggle is not a possible future contingency. It is here and now, and we must meet the challenge or watch our economic life's blood siphoned away by the extortive policies of nations whose good will toward us is, to say the least, questionable.

Some question the feasibility of synthetic fuel technology. But the technology is not new or even experimental. From 1942 onward until the victory of the Allies, the fuel on which the German Army moved and fought was in a substantial and ever-growing proportion, synthetic. Today's technology is much advanced over the primitive state of that time. Brazil is producing gasohol and synthetic natural gas economically from biomass conversion. South Africa is heavily engaged in coal conversion to an array of synthetic fuels, from high-grade gasoline and synthetic natural gas to diesel fuels and jet propulsion fuel. And, they are using American technology to do it.

The economic feasibility of synthetic fuels also has been questioned. When the price of petroleum fuels is determined by monopolies beyond our control, almost any alternative becomes economical. At this very moment the energy sheiks are deciding how much of the wealth we produce they will take and what part they will leave us with, and we have little to say about it. This bill will only give birth to a new industry. Either that industry will place a lid on the level of extortion or the prices demanded by OPEC will make synthetic fuel production a growing, self-sufficient alternative. I have no sympathy with the attitude that says we must merely be OPEC's victims. Willing victims deserve their fate. Americans are not now and never have been willing victims of anyone, whether it be in the American Revolution, or the petroleum revolution.

This endeavor resembles no program in our Government's history so much as our World War II development of a synthetic rubber industry. That effort was also expensive. Yet the Government was able to recoup over 96 percent of its investment from the sale of its interests in the new industry, not including the tax revenues and employment thereby generated as well as the great contribution to the war effort. We can do just as well with synthetic fuels.

With our massive coal and oil shale reserves, and our present incidental generation of vast biomass materials which are almost entirely unused, this bill is tailor made to resources in which we are as rich as Croesus. It may not be the ultimate answer to the energy crisis, but it is a start. It is certainly better than mere wailing and gnashing of teeth in a gas line. I urge your support for H.R. 3930.

Mr. Chairman, I wish to commend the distinguished chairman of the subcommittee, the gentleman from Pennsylvania (Mr. MOORHEAD) and the distinguished ranking minority member of the subcommittee, the gentleman from Connecticut (Mr. McKINNEY),

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 1 minute to the distinguished chairman of the Committee on Science and Astronautics, the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, today I want to speak in strong support of the Moorhead bill, H.R. 3930, and to congratulate him for working so hard to report a bill to the House that can do something positive about energy production.

As a member of the Science and Technology Committee, I was privileged to work with Mr. MOORHEAD when our respective committees reported out the loan guarantee provisions contained in H.R. 12112 and subsequently enacted as Public Law 95-238. I very much appreciated his support at that time for our efforts in science and technology to provide guarantee authority to get some substitute fuel plants built.

Today's bill takes a direct approach toward energy production by setting a goal for substitute fuel production for national security purposes. The bill is not discriminating as to type of fuel or technology, but wisely leaves these decisions to the persons implementing the act.

The bill makes available a variety of strategies which can be offered to potential applicants in order to be assured the requisite production such as loan guarantees, take or pay contracts, or price supports.

I applaud the committee for its objectives and for its approach which offers new authorities with a refreshing absence of reliance on the regulatory approaches which often appear designed to create more problems then they solve. In the work of the Science and Technology Committee, we have learned again and again that there is a crying need to build some first-of-a-kind plants. We need the assurance and certainty that only comes with the hands-on experience of building substitute fuel plants in this country. A plant that is built to produce low or medium Btu coal gas can be substituted for imported oil in the industrial sector. High Btu coal gasification technology can be used today with western coals with even more flexibility. Its applications can be directly substituted for the generation of power, or in industrial markets, and free valuable oil for the transportation market. Although American companies design and build plants around the world, none have been built here.

The coal technologies which have been funded by the Science and Technology Committee, have been targeted to eastern coal use. These second generation plants will produce both liquids and gases. For example, SRC–II, which has been strongly endorsed by several committees, will produce approximately 75 percent liquids and 25-percent gas, but may be optimized for a higher yield of gas, depending on the economics of the coal, the location of the plant, and user requirements.

Mr. Chairman, I want to take one more minute to state, unequivocably, that now is the time to act. The U.S. Congress has been ahead of the administrations that have come and gone since the first Synthetic Fuels Act of 1944. In many ways, our world position vis-a-vis 1944 is far more difficult. We need an assured source of supply and we need to develop the technology to take advantage of our abundant coal reserves, oil shale reserves, and agricultural lands and skills that are underutilized.

I thought it would be instructive to all Members to briefly review the record of the Science and Technology Committee and of the Congress that has continuously supported it. The Science and Technology Committee received all nonnuclear energy R. & D. jurisdiction in 1975 and immediately started its efforts to accelerate energy production technologies. Basically, the record shows that we have taken the lead in several areas by adding authorization for specific pilot plants and second generation demonstration plants, as well as legislating loan guarantee authority for full-sized first-of-a-kind plants.

The fiscal year 1976 authorization, Public Law 94–187, contained funding for two coal liquefaction plants, H-coal, which was authorized for design funding, and an existing Bureau of Mines pilot plant, Synthoil. In addition the solvent refined coal (SRC) pilot plant was supported with operating funds. New congressional activities contained in the 1976 authorization were one high Btu synthetic gas demonstration plant (76–1–b), one low Btu fuel gas demonstration plant (76–1–c), and one fluidized bed direct combustion demonstration plant (76–1–d).

Also during that year, our committee undertook its first efforts to legislate loan guarantee authority beginning with hearings in the full committee on September 18, 1975. Of these initiatives, the H-coal plant, located in Cattletsburg, Ky., which I recently visited, is completing construction and some sections of the plant are now in the shakedown phase with planned 1980 operation. The Department of Energy has not yet made a final decision on the award for the first high Btu demonstration plant. The low Btu and fluidized bed demonstration plants appear to be in limbo.

The fiscal year 1977 authorization, Public Law 95–39, continued the same pattern of new congressional initiatives. The donor solvent pilot plant to produce coal liquids was authorized for design work that year. This plant is now in its final stages of construction at Baytown, Tex., and is planned to undergo shakedown operations in calendar year 1980. In addition, the smaller SRC plant at Wilsonville, Ala., was authorized. The two SRC pilot plants were able to develop data which provided confidence for the SRC–II technology for coal liquids and for sorting out the filtration problems which had to be overcome to make SRC–I an attractive option for coal conversion.

In addition, the committee authorized a second high Btu pipeline gas demonstration plant (77–1–b) and a low Btu gas demonstration plant (77–1–c). Regrettably, these plants, which have had the strongest support in both bodies and in both the Authorization and Appropriations Committees, have not been aggressively pursued by the administration.

During the fiscal year 1977 authorization, the committee added an initiative for a coal solids plant, SRC–I. This initiative was followed last year when we added a coal liquids plant, the SRC–II demonstration plant. All of the demonstration plants have been congressional initiatives. I am pleased to report that the SRC plants are being funded by the DOE for phase O design. The DOE commitment to construction of the two plants remains unclear.

I did not plan today to get into the specifics of the loan guarantee authority that was enacted into law in Public Law 95–238. However, that authority does contain another committee initiative for oil shale demonstration which has been strongly supported by the Appropriations Subcommittee on Interior and related agencies, chaired by Mr. SID YATES. Through his efforts, the DOE is now actively seeking a partner for an aboveground oil shale retort demonstration plant and plans to award the design phase contract in fiscal year 1980.

Mr. Chairman, I hope these brief remarks will serve to indicate that the Congress has been toiling in the vineyards these past several years, taking the initiative and expressing serious reservations about the lack of an aggressive Federal program. I am personally proud of our record, and can only say that we would be far better off today if we had several plants built, or at least under construction, instead of just the two coal liquefaction plants, H-Coal and Exxon donor solvent.

I am pleased to say that Mr. MOORHEAD has also worked with me to clarify the intent of the bill before us. My concerns have been very limited ones and I hope they are viewed as perfecting in nature only. As I said earlier, our two committees have an enviable record of working together and it is my feeling that cooperation is absolutely vital to achieve the goals of energy production we jointly seek.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I want to pose four questions, if I may, to the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. MOORHEAD). Inasmuch as I have such short time, I will pose all of them together. I refer first to page 5 for the gentleman for the questions.

Mr. MOORHEAD of Pennsylvania. If the gentleman will yield, is that page 5 of the bill?

Mr. WHITE. Page 5 of the bill.

In subsection (1) it states—and I will ask all of the questions and then I will ask for the answers—it says:

> "(1) contract for purchases of or commitments to purchase synthetic fuels and synthetic chemical feedstocks which may be used as fuels and feedstocks for Government use or resale;"

The first question, then, is, Is there intended to be any kind of definition or limitation as to whom resale can be made? Can this resale be made abroad?

The second question pertains to the bottom of that page in subsection (1) where it says:

> "(1) no contract for purchases or commitments to purchase may be entered into after September 30, 1995, or the achievement of the production goal authorized in subsection (a), whichever occurs first;"

Would this in effect cause production to be held down, in other words, perpetuate the corporation? Would it, indeed, be not a stimulus but a disincentive to competition or the attainment of the goal?

Mr. MOORHEAD of Pennsylvania. If the gentleman will yield, this bill is intended to work for total production, so it is the intention to shorten that time rather than to extend it.

Mr. WHITE. The third question is, it says on page 8:

> "(e) The procurement power granted to the President by this section shall include the power to transport and store and have processed and refined any products procured under this section."

Does that mean, then, that the Government can refine or go into the refining business itself, or would it mean that legislatively the gentleman's intention would be that they would then contract for the refining? In other words, would we then have a Government corporation going into the refining business and have, in other words, a nationalized Government oil refining business?

Mr. MOORHEAD of Pennsylvania. If the gentleman will yield, the thrust of the bill is to have private enterprise wherever possible, and Government corporations only as a last resort.

Mr. WHITE. Is there anything in the bill to prevent the production of solid synthetic fuels?

Mr. MOORHEAD of Pennsylvania. No; there is no prohibition.

Mr. WHITE. I thank the gentleman.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from Indiana (Mr. SHARP).

Mr. SHARP. Mr. Chairman, I rise in support of the legislation. It is obvious that if we are to maintain our national defense and our world position, if we are to have a vibrant economy in which everybody has opportunities, then we must assure an adequate supply of energy for our future.

This bill will provide temporary, not permanent, subsidies to see to it that pioneer plans are built, pioneer plants that can provide us with more certain knowledge of the economic viability of more energy technologies, provide more certain knowledge of the environmental effects they will have and the requirements for protection of the public's health, and provide for a cadre of experienced technical and managerial personnel needed to rapidly expand this technology.

Mr. Chairman, this bill alone is enough for a national insurance policy for future of energy supplies. We must provide for solar and renewable energy technology. We must develop a fast-track system for getting quick bureaucratic approvals of critical energy projects whether they be oil pipelines or pioneer synthetic fuel plants. And we must continue to encourage conservation in this country because it can be a very significant source of our future energy supply.

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Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in support of this bill. This is a very innovative bill and I applaud the gentleman from Pennsylvania.

I would like to ask the gentleman from Pennsylvania a couple questions.

What protections exist to insure we do not concentrate all of the effort foreseen by this legislation in the direction of just one of the numerous synthetic fuel technologies?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, this bill provides no one person/corporation can contract for more than 100,000 barrels capacity so that at a minimum we have 5 competing corporations or persons. Hopefully, through the use of direct loans and loan guarantees we will have more, getting down into the smaller range of business.

Mr. GLICKMAN. However, it is the intention not to put all the eggs in one basket in terms of just everything in coal liquefaction or some other related technology, but it will be across the board in terms of every type of synthetic technology?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the gentleman is entirely correct.

Mr. GLICKMAN. My second issue: In the committee report there is a colloquy between Secretary O'Leary and the gentleman from Minnesota (Mr. VENTO) regarding the fact that if we wanted to get 100,000 barrels of synthetic fuels on line tomorrow we would get it from gasohol.

I realize the committee has a goal of 500,000 barrels by 1984. I want the assurance that it is the intention of this Congress that we expedite the availability of synthetic fuels so the goal begins immediately and not 5 years from now. Does the gentleman agree with that statement?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I agree wholeheartedly with the statement. The short-term thing is probably going to be in gasohol. Coal liquefaction is probably several years down the road.

Mr. GLICKMAN. It is the intention of this Congress that we begin immediately with the development of synthetic fuels and not wait for our 5-year goal of a half million barrels a day to spring out of nowhere?

Mr. MOORHEAD of Pennsylvania. Absolutely. There is a certain lag time in getting these big plants going.

Mr. GLICKMAN. I appreciate that.

I yield back the balance of my time.

Mr. McKINNEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Chairman, I rise in strong support of the synthetic fuels bill before us today and recently voted out by the Banking Committee on which I serve. This effort of using Government stimulus in a time of crisis to foster the emergence of a new industry is not new. We have seen it during the time of World War II, in the development of our aircraft industry. There is no question but that without the Government's role in producing the large propeller-driven, turbo-prop and jet aircraft that we would not have today the kind of predominance in the aircraft industry that we have all around the world. The same is true of the synthetic rubber industry when our access to natural rubber was cut off by the then enemy Japanese. The same can be said of peaceful uses of nuclear power. The original development in the nuclear power industry came as a result of efforts of the Atomic Energy Commission in preparing the first atomic weapons. In my own district, the technology of liquefying gases, once the sole domain of Government, is now 95 percent non-Government, private sector sales. Each of these industries today commands a major share of the world free enterprise economy.

We are seeing here today another positive step by a Government/American industry partnership in a time of crisis in this country. Each time, it was private industry which entered into the partnership to carry out the urgent task at hand. Given assurance of purchase which is what all those emerging industries had in common with the synthetic fuels industry of today's legislation, the private sector went ahead and did the job. I salute my good colleague on the Banking Committee, Mr. MOORHEAD and add that my only regret with this legislation is that it was not effected 10 years ago. Perhaps OPEC would not be so powerful today.

Mr. McKINNEY. Mr. Chairman, I yield my remaining 30 seconds to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I rise in support of H.R. 3930, the Defense Production Act Amendments of 1979—synthetic fuels—and commend the gentleman from Pennsylvania (Mr. MOORHEAD) and the gentleman from Connecticut (Mr. McKINNEY) for their extensive efforts in bringing this measure to the floor.

Mr. Chairman, as a result of the long gaslines and soaring prices, the irresistible power of a concept that is by no means new on the market, has ripened and begs to be harvested. This concept, of course, is the idea of a joint Government-private industry effort in the production of synthetic fuels. Synthetic gasoline can be produced from shale and tar sands, which are presently in abundance both at home and abroad. Another potential source is the use of alcohol in producing gasohol.

Price has been the main obstacle in the development of synthetic fuels. Prior to 1973, when consumers paid a mere 30 cents per gallon, there was little room for debate over such an expensive undertaking. Yet the first major increase in prices in 1974 set off more serious discussion about Government stimulus for an increase in production. Among others, I strongly favored the nurturing of that concept, 3 years ago when I strongly supported Vice President Nelson Rockefeller's proposals to develop synthetic oil. Nevertheless, our energy situation at that time apparently was not critical enough to encourage the institutionalization of those ideas.

However, the present severe energy crisis has revived the possibilities of implementing legislation stimulating production of synthetic fuels. Be it by chance, by mistake, or by willful manipulation, those oil exporting countries in the OPEC cartel can, at any moment's notice, cut back production considerably more than importing countries can cut back consumption. Therefore, the present crisis can and probably will be repeated over and over again. Let us make no mistake about that presupposition. The cost of energy has been skyrocketing. We do not need a bevy of energy economists to warn us that these two elements—production control and escalating costs—are pushing our economic stability, indeed, our very existence, closer and closer to the edge of the cliff.

OPEC countries are meeting at this hour in Geneva, ostensibly to slap on another, in a never ending sequel, of outrageous petroleum price hikes on the world at large. Before the year is out, the retail price of gasoline will probably rise to $1.50 per gallon, with even more price hikes and shutoffs on the horizon.

Accordingly, I am urging support of this bill which I am cosponsoring, requiring the President to achieve production of 500,000 barrels per day of crude oil equivalent of synthetic fuels and synthetic feedstocks, and provide up to $2 billion in guarantees for that production, Mr. Chairman, at this point in the Record, permit me to insert, in full, a New York Times article of June 6, 1979, which gives an exceptional report of our present predicament.

Mr. Chairman, whether or not the gas shortage is real or contrived is not the issue. Our paramount concern should be in resolving the energy crisis, which is so critically impacting our Nation's economy. I strongly urge my colleagues to take one of the sorely required significant steps in helping our country become energy abundant and independent by adopting H.R. 3939.

The article follows:

Plan To Counter the Oil Cartel

(By Leonard Silk)

The Iranian revolution has again exposed the utter vulnerability of the United States to interruptions in oil supply. The rapid run-up in prices resulting from the subtraction of a couple of million barrels a day has still not run its course.

Saudi Arabia, the reluctant dragon, has now announced that it regretfully is raising the price of its Berri-field crude to $17.87 a barrel as a means of achieving "stability" in world oil prices before the June 26 meeting of the Organization of Petroleum Exporting Countries. And Iran itself has raised the price of its crude again.

With other OPEC countries charging from $1 to $5 more than Saudi Arabia, the oil cartel has already exploited the interruption of supply from Iran to achieve the 50 percent price increase that was predicted for this year. This will add about $22 billion to the United States' oil import bill, which last year came to $43 billion, and will cost the world as a whole an extra $70 billion. Moreover, it is imposing severe pressures on both inflation and production, threatening the United States and world economy with another seige of stagflation.

The paramount issue here is how to deal with the threat of future interruptions in oil supply, whether in Iran (as may happen again, with Arabs in the Persian Gulf oil center fighting Government troops, and with the Soviet Union hoping to swing Iran into its orbit) or elsewhere in the troubled Middle East, North Africa or other parts of the third world.

A proposal by three leading members of Washington's foreign-policy community could provide a much greater degree of protection of the economy than is likely to result from the unaided market response to OPEC's concerted strategy and soaring prices.

Lloyd Cutler, a lawyer who has taken on various negotiating jobs for Secretary of State Cyrus R. Vance; Paul R. Ignatius, president of the Air Tranport Association and a former Secretary of the Navy, and Eugene M. Zuckert, a lawyer and former Secretary of the Air Force, have drawn up a plan by which the United States could create a synthetic oil industry capable to producing 5 million barrels a day—about half the country's current import requirement—within the next five to 10 years from sources such as shale, tar sands, heavy oils, coal and farm crops.

In essence, the plan calls for the establishment of a Government corporation to do what the United States Government has done before in other national emergencies. During World War II, the Government solved critical shortages of natural rubber, aluminum and steel by building plans operated by private companies under leases or management contracts.

During the Korean War, another method was used. The Government entered into market-guarantee contracts with private industry to build new aluminum, copper and nickel capacity. The private companies, under these agreements, obtained private financing, received five-year tax amortization certificates, and gave the Government the option to buy, at specified or prevailing market prices, any part of the output that could not be sold to military or commercial users. The long-run cost of these projects to the Government was negligible, since the new capacity was privately financed and the Government later resold excess inventories to private buyers or to the original producers at higher prices than it originally paid.

The authors now propose a similar plan for energy. Through joint Government-industry efforts, the nation would create a synthetic oil industry in much the same way that it once created a synthetic rubber industry and doubled its nonferrous metal capacity.

The Government would subsidize the difference, if any, between the cost of synthetic fuel and current market prices, using the additional supplies to reduce imports or build up stockpiles. Either way the leverage of OPEC would be reduced, and this might lower world prices for the country's remaining needs.

Unquestionably, the initial costs would be high. Synthetic fuels are likely to cost between $5 and $10 a barrel more than imported crude for several years to come. Even if the world market price climbs enough to make the costs of synthetics competitive, private companies might be hesitant to take the risk of huge investments without some price guarantees, lest OPEC cut the price once new synthetic capacity has been installed. The planners estimate the one-time investment cost at roughly $20 billion for each million barrels of synthetic capacity, or $100 billion for the proposed program. But the cost to taxpayers would be much less. With OPEC now free to manipulate the world oil price and arrest supplies, the program could actually mean net savings as well as far less economic vulnerability.

A bill with provisions similar to the authors' plan has been introduced in Congress by Representative William S. Moorhead, Democrat of Pennsylvania. It calls for Government measures to achieve a national production goal of "at least 500,000 barrels per day of crude oil equivalent of synthetic fuels and synthetic chemical feedstocks" within five years. The Democratic majority leader, Representative James C. Wright Jr. of Texas, has said that he would favor a much larger production target for synthetic fuel. The House Banking Committee has approved the Moorhead bill by 39 to 1, but it is still waiting for White House support.

Those who believe the United States needs such a plan believe that it would give this country a positive means of regaining control of its own destiny and of striking back at the oil cartel.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I rise in opposition to this bill.

Mr. Chairman, I have been getting my earful from the folks back home. The 1-, 2-, and 3-hour gaslines, the $1-a-gallon price at the fuel pumps—"What," my constituents ask, "is Congress doing about it?"

Tonight on the evening news we will see the oil ministers at their meeting in Geneva before a battery of microphones and whirling cameras tell us that the price per barrel is going up even higher. And during the recess of Congress next week we will hear from the folks back home again, "What are you guys going to do about it?"

Well many of you see this bill, H.R. 3930, as the opportunity to tell the folks back home that Congress did something about it. I remember that grueling weekend last October when the House, rushing to adjourn, worked through the night on the President's energy bill so that we could tell the voters how proud we were of our national energy policy. Well, you see how proud we are now.

This bill, in my opinion, is, conceptually, a good idea. I have always advocated the development of alternative energy technologies. But in reality, the approach this legislation takes is a far cry from the best way to go about the business of developing synthetic fuels.

The bill is costly. Billions of taxpayer's dollars—no one can tell me exactly how many billions. But we are giving Jim Schlessinger who, as we all know, runs such a fine operation at DOE down the street—we are giving him a blank check to make grants and guarantee loans to anyone who can devise a new source of energy.

I agree, unless we take the initiative now we will be paying through our nose in the very near future. But this bill is not the way to take the initiative. Deregulation, decontrol, and restructuring the tax laws are the most efficient way to bring on line the alternative sources of energy which we so desperately need.

It is a shame that this measure cannot be amended far enough to accomplish these goals. But this legislation, in typical Federal Government style, calls for an infusion of tax dollars in an energy-exploration venture when incentives for the private sector would do the job much better and much quicker.

Mr. Chairman, I am not going home next week to tell my constituents that we are busy here in Washington trying to cut down on gaslines and reduce prices at the fuel pumps. This bill is a far cry from the type of legislation which would do the job in the best way, and I urge this body to send to the President a bill which will develop our energy potential much, much more efficiently.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield the balance of the time remaining to the gentleman from Iowa (Mr. Smith.)

Mr. SMITH of Iowa. I thank the gentleman for yielding.

I want to point out it was 9 years ago right now, Committee on Small Business held extensive hearings on the impending energy crunch. The gentleman from Michigan is well aware that and participated in the extensive hearings which were later used as the basis for both Senate and House proposals by other committees. At that time it was so obvious, even though we were importing only 6 million barrels per day, that we were going to be in trouble. However, almost no one would believe we should take action to substitute more domestic source fuels for imported petroleum products.

In the conclusion that we drew in October of 1970 we said in those reports, we must move to the point of at least producing low-Btu gas from coal, that we must use more domestic energy sources. I visited gasification research projects under Federal Government sponsorship even then the technology was available. I am surely glad to see that finally one of the committees of Congress has brought forth something that is really constructive—a plan which will reduce dependence on foreign oil without curtailing our employment opportunities and standard of living. I think this is a good step and I compliment the committee for reporting the bill and bringing it to the floor for consideration.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 15 seconds to the gentleman from Indiana (Mr. FITHIAN).

● Mr. FITHIAN. Mr. Chairman, I rise in support of H.R. 3930.

America's security must not be mortgaged to the foreign oil-producing nations. It is time to harness American ingenuity to lessen our dependence on foreign imports and create an American energy source—synthetic fuels.

Today, America is far too vulnerable to the demands of foreign oil-producing nations. Foreign nations threaten to cutoff their oil exports to us unless we take certain actions. This is nothing less than blackmail. The United States has the resources, technology, and capital to render those threats meaningless by making our Defense Establishment energy independent.

The bill emphasizes this country's great forte—production. This legislation gives the President the authority to establish a synfuel industry in the United States that could reduce our need for oil imports.

Some synfuel technologies are well-established. Germany waged World War II on a synfuel produced from coal. South Africa has been producing a synthetic oil since 1955. Synthetic fuels derived from biomass feedstocks—most notably alcohol—are now beginning to be produced and sold throughout the United States.

As a long-time supporter of synthetic fuels derived from biomass, I applaud the provisions of H.R. 3930 which permit biomass synfuel technologies to compete on an equal basis with coal gasification and liquefaction, shale, lignite, and other mineral liquefaction or gasification. I strongly urge the Departments of Energy, Commerce, Defense, and the TVA to give equal consideration to each technology in implementing the law. The intent of Congress is clear in this regard. Only if we have a clear idea of the comparative costs of each can we make intelligent decisions on future synfuel policy.

But at the same time, I firmly believe that we need to do more in the area of advanced research, development, and demonstration of near-term biomass synfuels technology. This effort is needed, in part, because Federal support for biomass synfuels R. & D. has, traditionally, lagged far behind support for competing technologies, and in part because of the tremendous potential offered by biomass synfuels.

It is, therefore, my intent to offer an amendment to the Department of Energy authorization bill which will help place biomass synfuels on a more equal footing with other synfuels technologies. Only if this additional support is offered can we expect a true test of the cost-effectiveness of competing technologies to emerge from the synfuel program contained in the bill now before us.

Of all DOE's renewable energy programs, biomass development has been one of the most neglected by DOE and other agencies. Yet, biomass' potential to meet U.S. and world energy needs puts it in a class by itself. According to the administration's recently released domestic policy review on solar energy, wood and other forms of biomass currently contribute between 1.8 and 2.4 quadrillion Btu's (quads) of the Nation's 78 quad energy budget. By 2000, biomass is projected to contribute more energy than any other renewable source: 3.1 quads in the $25/bbl base case, 4.4 quads in the $32/bbl base case, 5.5 quads in the intermediate case, and 7 quads in the high case.

Biomass' promise remains unfulfilled partly because biomass programs—particularly those centered on near-term applications—are underfunded and partly because program management has been inadequate. Most of the impediments to biomass development could, however, be eliminated and all could be alleviated. Making this resource live up to its awesome potential requires allocation of additional funds and the bringing together of a DOE staff with the skills and determination needed to redress neglect of this major energy source.

Under my amendment, the Federal Government would begin or add to programs in nine specific areas which would help us achieve the tremendous potential of biomass. These programs are derived from internal DOE and USDA budget requests—requests which, in most cases, were irresponsibly slashed by these agencies or OMB before seeing the light of day on Capitol Hill. My amendment will reinstate nine programs which were well conceived and carefully thought out by program managers at DOE and USDA.

1. POWER SYSTEMS PROGRAM, $16.3 MILLION

The objective of this program is to develop, demonstrate, and commercialize near-term biomass applications using agricultural and forest residues. Intermediate- and small-scale gasification and direct combustion systems will be developed. Specifically, it is proposed that $3.1 million support the design and implementation of safety and performance standards for residential wood stoves—expected to be used in 15 million residences by 1985—to support the development of advanced high-efficiency stoves, to support the implementation of the proposed tax credit; $10.2 million will fund the development and demonstration of low-Btu gasification units in industrial applications.

This program was originally proposed as a part of DOE's Fossil Fuels Utilization Division. Program documents indicate that 4 quads could be produced annually by 1985, if the program were implemented. However, DOE, oblivious to the program's potential decided to cut it in fiscal year 1980.

2. GASOHOL TECHNOLOGY DEVELOPMENT, $7 MILLION

DOE's fiscal year 1980 budget request projects a slight relative increase in funding for fermentation development above fiscal year 1979 levels. However, this increase does not adequately support the technology, considering its significant potential—it may provide up to 0.33 quads or 4 billion gallons of ethanol by 1985. The $7 million increase should support further R. & D. for such near- to mid-term concepts as acid hydrolysis, enzymatic hydrolysis, as well as on-farm fermentation, an application which has been ignored by DOE.

3. COMMERCIALIZATION, $8.4 MILLION

DOE has recently chosen wood combustion—and gasification—as being ready for commercilization and has designated a "resource manager" to oversea the Agency's wood commericalization program. However, almost no funds or staff have been allocated to this program. Moreover, DOE has taken a narrow view in choosing only wood combustion as a commercializable biomass technology. For these reasons, $8.4 million is earmarked for a comprehensive commercialization activity supporting a host of near-term bioenergy applications including fermentation, gasification of forest and agriculture residues, and direct combustion in utility and industrial applications. The program will be complimentary to the technology development effort in the power systems program discussed above.

4. ON-FARM SYSTEMS, $3.5 MILLION

An area which has received very limited support from DOE or USDA is the development and implementation of on-farm energy production systems. The $3.5 million designated for this program is to fund design studies and demonstration projects which integrate food, feed, and fuel production. Particular attention will be given to comparing integrated farms with conventional farms as to net energy conserved, net profit, and soil and water conservation effectiveness.

5. ANAEROBIC DIGESTION, $2.3 MILLION

DOE has historically promoted the development of large scale anaerobic digestion units having limited application. A $2.3 million amount is designated to support development work on onfarm digestors which can provide 0.3 quad in the near-term, and which can have significant regional economic and environmental impacts.

6. ADVANCED PYROLYSIS R. & D., $4 MILLION

An area sorely lacking in Federal research has been advanced rapid pyrolysis of biomass. The advanced pyrolysis R. & D. program would support applied research into fast throughput pyrolysis systems having high reaction rates and potentially high efficiencies. Research in this area has the promise of providing biomass conversion technologies capable of producing ethylene—which can be converted to ethanol—acetylene, and other petrochemical feedstocks which will displace fossil fuels.

7. BASIC BIOMASS RESEARCH, $4.1 MILLION

Another area which has been overlooked by DOE has been in the area of basic and applied thermochemistry research. The sum of $4.1 million is earmarked to support projects investigating the gas phase kinetics and catalysis of biomass. The results of this research could add greatly to the scientific understanding of bioconversion and result in many engineering advancements.

8. FOREST RESOURCE UTILIZATION RESEARCH AND DEMONSTRATION, $17 MILLION

The Federal Government, particularly DOE, has been preoccupied with developing biomass "energy plantations" which have speculative, if any, potential in the near term. As a consequence, little emphasis has been placed on using forestry wastes and logging residue resources, despite the fact that there is over nine quads of this waste material that can be readily converted to energy today with commercial technology.

The forest resource utilization research and demonstration program is to dovetail the commercialization progam mentioned above by focusing on demonstrating and implementing a forest waste and residue supply infrastructure. The object of the program is to establish energy markets for residues resulting from conventional forest harvest operations. Particular attention will be given to integrating forest and energy programs and policies.

9. AGRICULTURAL RESOURCE UTILIZATION RESEARCH AND DEMONSTRATION, $13 MILLION

DOE and USDA have done relatively little to research, much less implement, any agriculture resource utilization programs. This program will develop and demonstrate a diverse range of feedstock cultivation and harvesting techniques. Its focus is to develop supply mechanisms capable of delivering feedstocks to an energy user(s) in an economically and environmentally acceptable fashion. Particular emphasis will be given to integrating agriculture and energy programs and policies.

While I strongly support the bill before us, the nine programs embodied in my proposed amendment to the DOE authorization bill are far superior on a cost/benefit basis. I commend these programs to the careful review of my colleagues.●

● Mr. BENNETT. Mr. Chairman, I am in strong support of this legislation. I am cointroducer of it and I consider it to be perhaps the most important energy bill that we have had before us in several years. I voted for a similar bill that failed to pass several years ago and I regret that that other synthetic bill did not pass, because if it had we would be years ahead of where we are now in finding a practical solution to our overdependence on oil imports.

It is a shame that our great country is almost held hostage by the foreign oil-producing countries. Something must be done to end this dependence and I believe that this bill will do just that.

This bill is important to the national defense of our country and is important to the well-being of our citizens. I remember how in World War II Congress provided for the production of synthetic rubber when the Japanese fleet prevented us getting the natural rubber we needed for our war effort.

And similarly there was the production of aluminum in our country in that same time frame, something our country was required to do because of the war and which worked out well.

I have confidence that this legislation, too, will prove fruitful, and I suspect that it will be the most important response that Congress has yet made to the energy crisis. I hope it will pass overwhelmingly.●

● Mr. CONTE. Mr. Chairman, today the OPEC nations are meeting in Geneva and are almost certain to increase prices sharply. The figure most mentioned now is $20 a barrel. Presently, the average selling price of OPEC oil is about $18 a barrel, up 31 percent since the first of the year. The increase in oil prices to $20 a barrel would raise the gasoline prices about 5 cents a gallon in the United States.

It should be obvious now to this body that we must take positive steps to break the OPEC stranglehold. This Nation is the beneficiary of almost 48 percent of the total coal on this planet. The energy value of our recoverable coal deposits exceeds that of the world's total proven petroleum reserves.

In addition, we have two-thirds of all the world's oil shale deposits. There is more oil trapped in the mountains of Colorado, Wyoming, and Utah than under the deserts of Saudi Arabia. Two trillion barrels of oil should be recoverable from shale deposits in this country. Even with current technology, we could produce 600 billion barrels of oil from shale at costs that are rapidly becoming competitive.

Mr. Chairman, we must unite the financial resources of the Federal Government with the know-how and ingenuity of the private sector to achieve an objective of overriding national importance.

No longer can we afford to wait for the private sector to assume this tremendous burden alone. Rather, we must extend to it the necessary incentives to take the inherent risks of developing this alternative source of energy. Synthetic fuels is a necessity for this Nation's economic survival. This bill is our insurance policy for future growth.●

● Mr. HARRIS. Mr. Chairman, the deepening uncertainty over the Nation's fuel supply threatens to undermine our economy and security. A failure to harness our available resources, technology, and national will to meet this challenge could derail the progress toward economic and personal freedom for all Americans. It is clear that this contest is as great as other national tests of strength and spirit—creating and preserving a Union of free States, settling the frontier, and battling worldwide tyranny and depression in the 1930's and 1940's. History would not judge a failure lightly.

There are those who say that Government has moved slowly on energy because there has been no clear national consensus on what to do. There are those who would blame the divergence of political power in the country—the inability of the body of Congress to lead, and the collapse of the "imperial Presidency." Still others claim America has grown too soft to meet this challenge with resolve. None of these excuses is acceptable.

SYNTHETIC FUELS: TECHNOLOGY TO MEET THE DEMAND

The Defense Production Act amendment, which I have cosponsored, would enable the United States to strike back at the OPEC cartel and cut our dependence on foreign oil. The bill, H.R. 3930, would provide for the startup, through a joint Government industry effort, of the production of synthetic fuels and synthetic chemical feedstocks from such sources as shale, tar sands, heavy oils, coal, farm crops, and even solid waste. This legislation would establish a national production of 500,000 barrels per day, the current daily level of oil derived products used for national defense purposes. The achievement of this production goal would not only meet our current defense needs, but it would begin to build major capacity to fill our future energy requirements.

The technology of synthetic fuels is well established—Germany waged World War II on synthetic fuel produced from coal; South Africa has been producing synthetic oil since 1955; and gasohol is now being sold throughout the United States. Clearly, we have the technology and the resources to develop a synthetic fuel industry. We need only an assured market to get the industry underway. This legislation would give private industry the incentives to produce synthetic fuels through price, loan, and purchase guarantees.

I believe the public-private cooperation mandated in this legislation is, without question, the key ingredient to any such successful effort. The initial cost of synthetic fuels and chemical feedstocks poses a prohibitive barrier to industry and investors, especially in light of the uncertainty of future energy markets. The intention of this bill is to create a stable and favorable synthetic fuel investment climate to achieve the production goal of 500,000 barrels per day within 5 years.

OPEC INCREASES: AN ECONOMIC PEARL HARBOR

In times past, Americans would never have surrendered to the oil chiefs of OPEC and those who enforce their orders—the international oil companies.

Oil and gas are limited resources. The mind and spirit of this Nation are not.

We ought to consider today's OPEC meeting in Geneva to be an "economic Pearl Harbor," and respond to it with the same determination we have shown in the Nation's past.

Let us give the same priority to developing new fuel that we gave to developing synthetic rubber when our supplies of natural rubber were cut off by the Japanese in World War II. Overnight, America became a leading producer of rubber—synthetic rubber—in the world. And we could not be held hostage by any foreign government or corporation that controlled the rubber tree plantation.

We can take the same kind of forthright action with regard to oil: synthesizing petroleum from coal, tar sands, shale, and turning urban wastes or farm surpluses into gasohol.

Today's bill must be combined with a continued commitment to energy conservation including a restructuring of utility rates in a way which rewards, rather than penalizes, conservation. We must step up research on solar and geothermal energy, and put this technology into practice in a way that creates jobs. We ought to be ending the monopoly the oil companies have in conducting this Nation's trade policy with oil nations, requiring sealed bids from those who wish to sell to us and requiring competition for the right of entry into our market. These are more sensible ways of spending our resources and energy, than continuing to hand money to the Barbary pirates of OPEC and the international oil companies.●

● Mr. ANNUNZIO. Mr. Chairman, in Geneva at this very minute a group of countries who in any normal sense are not world powers are meeting to decide how much the American people are going to pay for gasoline and heating oil in the months and years ahead. Without any disrespect to the OPEC countries, I find this downright humiliating, and I think we all do. There are some things in this world we can do nothing about, but this is not one of those cases. We cannot break our dependence on OPEC oil immediately, but we can start immediately on the road toward independence. That road is synthetic fuel.

The technology is there. The raw materials—coal, shale, farm, and forestry products—are there. The finance, in our huge capital markets, is there. What has been lacking is the will to move ahead.

In part our delay has been understandable, because the probable cost of synthetic fuels was well above even the high OPEC price that was established in the winter of 1973–74 and raised a bit in the next 4 years. But that excuse no longer holds. The increases in OPEC prices of the past 6 months, triggered in part by the events in Iran, have changed the economics of synfuels dramatically. The price premium for synfuels, while it cannot be estimated precisely, is now modest or even nonexistent.

In my view, we should have moved ahead with synfuels on national security grounds long ago, even if they were more costly. But we did not. Now there is no longer any valid reason for delay. The bill before us will get us started. It gives the President the flexible tools he needs and it gives industry the necessary incentives and price insurance to make the investments required.

It is time to stop quarreling about details and act on a straightforward issue of national security and economic independence. A large synthetic fuels industry in the United States cannot be built rapidly, but is entirely feasible. It is the way to avoid in the future hanging over the news ticker to see what the latest decision by OPEC on our energy prices is going to be.●

● Mr. LAFALCE. Mr. Chairman, I rise in strong support of H.R. 3930, the Defense Production Act Amendments of 1979.

The skyrocketing cost of gasoline and the long lines at service stations are constant reminders of our deeprooted energy crisis, and that crisis is not going to disappear. Conditions are expected to worsen in the 1980's, as finite supplies of oil are drawn down. While there is little agreement about the extent of worldwide oil reserves, there can be no disagreement about the fact that they are finite in nature and essentially nonrenewable.

The present inconveniences associated with the crunch in gasoline supplies could easily be transformed into actual hardships for many Americans who have to depend on the automobile for their real transportation needs. Conservation is a vital necessity, but conservation has its limits in a society which revolves around the automobile. Increased funding for mass transit projects is also a vital necessity, but it will take years and perhaps decades to rebuild our long neglected mass transit systems. People also frequently forget that intracity buses, intercity buses and Amtrak all burn oil; and increased usage of all three in the coming years will mean greater demand for oil by mass transit systems, bus companies, and railroads.

Another important aspect of the energy crisis is the geographic location of our oil supplies. Approximately 50 percent of our oil comes from foreign countries, primarily from the OPEC oil cartel which reportedly is considering yet another drastic increase of the price of oil. This country is dangerously dependent for its supplies of oil on nations which are sometimes hostile to the United States and often politically unstable.

Numerous witnesses, including spokesmen for the Departments of Defense, Energy, and Treasury, testified before the Banking Subcommittee on Economic Stabilization that this country's national security interests are endangered by the worldwide gasoline crunch and our dependence on foreign supplies. The concept of being dependent on Colonel Gaddafi and the Ayatollah Khomeini is not only frightening, but also morally repugnant. The Department of Defense has even registered some concern about its ability to obtain sufficient oil supplies to enable it to maintain its training programs at the desired levels for maximum military effectiveness.

The obvious conclusion is to reduce our reliance on oil in general and foreign oil in particular without destroying our highly industrialized economy. An accelerated development of synthetic fuels, made from coal, oil shale, peat, tar sands, grain stalks, and garbage, hold the potential for avoiding a disastrous energy crunch in the coming decades.

Mr. Chairman, as President Carter once said, we are in the "moral equivalent of war"; and the last time we were faced with a comparable situation was World War II. In early 1942, this country was suddenly cut off from 90 percent of its natural rubber sources and had to quickly shift to synthetic rubber, in order to insure our national security. Government-owned and industry-run plants successfully coped with that crisis, and by 1945, 87 percent of the rubber consumed in the United States was synthetic. Shortages in the supply of aluminum and steel were also successfully overcome in the same manner. If this approach helped us defeat our enemies in World War II, it quite possibly could be of immeasurable aid in breaking OPEC's stranglehold on the United States. To achieve this goal, we need no less an effort than as if we were engaged in war.

H.R. 3930 contains a provision which would authorize the construction of Government corporation plants leased to and operated by private industry, along the pattern used in World War II for the production of synthetic rubber. This is decidedly not a visionary scheme; on the contrary, it is a tried and true method for coping with shortages.

H.R. 3930 also directs the President to achieve a national production goal of 500,000 barrels of synthetic fuel by 1985. This would insure that our military needs for fuel would be met in the mid-1980's and would encourage the creation of a commercially viable synthetic fuels industry which could then also help meet civilian needs for fuel. Without this minimum level of production, there would be scant encouragement for the development of a synthetic fuels industry which will require huge initial investments.

Mr. Chairman, there have been a number of complaints about the cost of this bill, but I believe that those complaints are unfortunately shortsighted. The price of imported oil is constantly rising and adding to our problems with our balance trade, and the cost of that imported oil to the average consumer is staggering. This bill will help reverse that trend and prevent the transfer of billions of dollars to our "friends" in the OPEC oil cartel.

There will be efforts made to essentially cut this bill, and I want to urge all of my colleagues to soundly reject those attempts. We can no longer afford to endlessly debate proposed solutions to the energy crisis, because those lines at service stations are just going to become longer and longer. I am pleased to be an original cosponsor of H.R. 3930, and I am pleased that over 120 of my colleagues have also agreed to cosponsor this bill which is a new and innovative response to the energy crisis.

H.R. 3930 gives Congress the opportunity to do something to help solve the energy crisis and the gasoline crunch.

before conditions become catastrophic. I urge all of my colleagues to support this imaginative and innovative congressional initiative.●

● Mr. BIAGGI. Mr. Chairman, for the millions of Americans sitting in gasoline lines—for the independent truckers whose wheels have stopped, because their supply of diesel fuel has dried up—for the millions of Americans who face the prospect of a long cold winter with dwindling supplies of home heating oil—the moral equivalent of war has come to pass. This Nation, for whatever reason, is in the midst of a serious energy problem whose origins are not as important as the solution. Therefore, with a sense of fighting this war with sufficient strength, I rise in full support of H.R. 3930, the Synthetic Fuel Development/Defense Production Act amendments.

This legislation has profound implications on both the short and long run. In the short term, this bill will provide for the development of a domestic synthetic fuels industry capable of meeting at least the needs of the Defense Department. However, on the longer term, this legislation will finally give this Nation the semblance of an energy policy which recognizes that we do not have to look to foreign sources for our energy. It will permit the production of our own domestic energy sources. H.R. 3930 is a catalyst which could transform Project Independence from a rhetorical pipedream to a viable objective.

Let us look at the record. Since the establishment of an energy independence goal for the United States, our Nation's dependence on foreign oil has increased rather than decreased.

H.R. 3930 would go beyond mere expressions of support for an energy independent America. This important measure would help to stimulate the creation of an abundant domestic energy source—synthetic fuels.

Synthetic fuels, as defined under this bill, include fuels produced from coal gasification, coal liquefaction, shale, lignite, peat, solid waste, and other mineral gasification, liquefaction, or other conversion.

I am especially enthusiastic that this legislation would create a major new market for coal, our Nation's most abundant energy source. I have long maintained the importance of coal to our Nation's efforts to become energy independent. The development of a synthetic fuels industry, as provided for in this bill, would certainly utilize this vital domestic resource to the maximum.

The major provisions of the bill provide for the development of a domestic synthetic fuels (synfuels) production goal of 500.000 barrels a day (b/d) of crude oil equivalent by 1984; an amount equal to the total petroleum consumption of the Defense Department. This would be accomplished by establishing incentives for industry to build commercial size synfuel plants, and by granting the President broad standby authority to involve the Federal Government in actual synfuel production if private industry is not able to meet the production goal.

The cost of this bill to the American taxpayer will be little or nothing. Under this legislation, private industry would build these expensive synfuel plants and pay for them, with the assurance that they will receive a minimum price guarantee for the synfuel they have been contracted to produce for the Government. Further, the House Banking Committee, which reported this bill to the full House, estimates that savings realized from synfuel purchases instead of equivalent imported oil purchases to be $1.8 billion over 5 years.

At a time when our Nation is facing a serious unemployment and inflation problem, I am especially enthusiastic about the positive effect this new synfuel industry would have on our economy. Each synfuel plant would provide about 20,000 jobs onsite and in various support activities. About 10 or more plants are expected to be needed to achieve the established synfuel production goals.

Mr. Chairman, the American public is crying for leadership on the energy front. There is cynicism abounding about who is to blame for the current problems; there is apprehension about future problems; and above all, there is a long overdue recognition that this Nation lacks an energy policy. H.R. 3930 in and of itself does not constitute an energy policy, but it does provide one of the strongest foundations for a policy ever enacted by the Congress. This legislation is good for America, which has taken a prestige beating internationally, because of our failure to handle the energy problem. H.R. 3930 deserves our prompt support today.●

● Mr. BROWN of California. Mr. Chairman, I intend to support this legislation, because I believe it is both wise and inevitable that this country have workable commercial scale synthetic fuel production facilities. I must confess, however, that I am highly skeptical of the claims of some supporters that synthetic fuels can be produced at a lower cost than other fuels, or that a U.S. synthetic fuel industry will "break the back of OPEC." The demand for energy is too great in the world, and in the United States in particular, for any modest increases in supply, whether it is 500,000 barrels of oil a day, or 5 million barrels of oil a day, to abate the trend for even higher energy costs. Successful conservation will go much further than synthetic fuels in this regard.

If we are lucky, and luck may very well be the operative factor here, we will prove that we can produce enough synthetic fuels to keep our national defense and the vital parts of our economy operating in the event of a major oil supply discontinuity. We will probably find that these synthetic fuel technologies are too expensive and have too many adverse side-effects to be put into widespread use, except under the most favorable circumstances. But without legislation such as H.R. 3930, we will find out none of these things for sure, and the debate about domestic alternatives will continue to be dominated by wild assertions about the vast quantities of oil and gas we have locked up in the mountains of the West.

Mr. Chairman, over the past 5 years I have participated in many hearings, debates, and markup sessions on the subject of synthetic fuels. In 1975, the Senate added a $6 billion loan guarantee program for synthetic fuel production to the fiscal year 1976 Energy Research and Development Administration's authorization bill with much less debate and consideration than the House Banking Committee and the full House has given H.R. 3930 today. As a conferee on the ERDA bill in 1975, I insisted on a thorough and careful review of the legislation before the House conferees voted on it. The chairman of the Science and Technology Committee at that time, "Tiger" Teague, agreed to hold hearings and an informal markup session on the Senate proposal, before actually negotiating with the Senate, in order to give the House Members a full opportunity to carefully consider the proposed legislation. While it was not easy, I and other Members were able to amend that legislation in conference to produce a final product which at that time I said was "as good or better than any legislation passed by the Congress this year."

Mr. Chairman, I hate to say it, but that legislation in 1975 was better than the bill before us in many regards. Unfortunately, the House rejected the conference report, and the opportunity for the United States to slowly and carefully build up a commercial demonstration scale synthetic fuel industry. If we had taken this step in 1975, today we would have answers, rather than questions about the economic, environmental, and technological feasibility of this legislation.

H.R. 3930, as presently drafted, has the potential for vast abuse by the executive branch. While I do not doubt the present Executive's good intentions, I hate to see legislation enacted which relies upon "good intentions" as a safeguard. For this reason, I will be supporting some of the amendments being offered here today to more carefully circumscribe the actions of the Executive, especially in regard to existing environment, health, and safety laws. In general, however, I believe H.R. 3930 is a good approach to this problem of developing a fledgling industry which has serious national security implications. I commend the Banking Committee, and particularly my good friend, BILL MOORHEAD, for his timely initiative.●

● Mr. WIRTH. Mr. Chairman, I rise in support of H.R. 3930, the Defense Production Act Amendments of 1979, and also on behalf of Congressman ROBERT GIAIMO, chairman of the Budget Committee, who cannot be here at this time. This bill will provide the United States with a capability to produce synthetic fuels, a capability which we sorely need. As OPEC meets again today in Geneva, we are again reminded of the seriousness of our energy problems. This synthetic fuels program may yet turn out to be expensive; however, the cost of doing nothing may be as expensive, if not more so.

On behalf of Chairman GIAIMO and the Budget Committee, I want to note that the bill we will vote on today is simply an authorization bill. It does not present a budget act problem. Further, before the authorities in it could be used, a future appropriations bill, making those authorities effective, would have to be enacted. In this context, it seems to me to be proper to authorize a bill with sufficient leeway in it for the appropriations process to work its will.

For these reasons, I strongly support enactment of this bill.●

● Mr. FOUNTAIN. Mr. Chairman, I am pleased to rise in support of H.R. 3930, the Defense Production Act Amendments of 1979, and to urge its adoption. I have joined my friend and colleague from Pennsylvania (Mr. MOORHEAD) in sponsoring an identical bill, H.R. 4568.

This legislation is appropriately oriented toward our Government's responses to disruptive actions by foreign nations which could reduce or terminate the availability of certain critical and strategic materials, including petroleum. We desperately need to reduce our dependence on foreign oil and to increase our domestic supplies and production of energy in order to maintain adequate national defense preparedness. This is essential to our national security.

News reports over the last several days indicate that additional steep increases in the price of petroleum, imposed unilaterally by the OPEC nations, are imminent. Passage of this bill would send a clear message to OPEC that we fully intend to use our domestic technology to reduce oil imports. In 1978 alone, we paid out $42 billion for petroleum imports. Think of the favorable effects on our economy which would result from our keeping a significant portion of that amount here at home.

Speeding the development of synthetic fuels, not only for defense purposes but also for civilian uses, will insure more adequate domestic energy supplies into the future. An efficient synthetic fuels industry can counter the adverse effects of the oil cartel on domestic and world economies. It can assist the United States in paving a road to energy independence through the development of synthetic gasoline and other essential fuels. The need is compelling, as we do not have a single commercial-sized synthetic fuels plant in actual operation today. A worsening gasoline situation dictates that we take forceful action in this area.

Mr. Chairman, we have the technology available to make oil and gas from coal. Energy technology in this country has traditionally been a joint venture by Government and the private sector. This bill would authorize financial incentives and promote a national demonstration of the promise of coal technology as a measured response to our petroleum shortage.

In spite of my support for this legislation, there is one concern which I would like to express in the hope that the administration will fully police the awarding of contracts for synthetic fuels development. This bill delegates broad discretionary authority to the executive branch in making and guaranteeing loans within stated limits. Government contracts will be awarded following competitive bidding procedures. Consequently, there is a good deal of potential for fraud, abuse, and other illegalities. My hope is that an Inspector General-type procedure will be used to monitor in an aggressive manner the synthetic fuels program and to investigate any substantive allegations of impropriety in the awarding or performing of these contracts.

Mr. Chairman, this legislation deserves our support in order for us to begin arriving at a necessary national concensus on energy matters. Our Nation must be assured of adequate energy supplies in both the short run and the long run. Otherwise, our national security will be seriously handicapped.●

● Mr. APPLEGATE. Mr. Chairman, I rise in support of the bill, H.R. 3930, as authored by my good friend and colleague, BILL MOORHEAD. It is an honor for me to aline myself with him and others in the House of Representatives in which I believe to be the first real attempt on the part of this Congress to ease our current energy problems.

One need only briefly review the energy situation in America today to understand why this bill is needed. The constant threat of an oil embargo against this Nation; the ever escalating price of the crude oil that we do receive; the constantly increasing trade deficit that is directly attributed to the purchasing of foreign oil; and that which is most evident to us today, the long lines of automobiles at the gas stations waiting for gasoline, all indicate one thing—that we must act to lessen our dependency on foreign oil and we must act now. H.R. 3930 will provide the necessary vehicles to achieve this.

As we know, this bill, if enacted into law, will amend the Defense Production Act to authorize the President to offer guaranteed price controls or loan guarantees as needed to stimulate production of synthetic fuels by private industry. It is the goal of the bill we now debate to produce 500,000 barrels of synthetic fuel per day by 1985. This goal, which I hope would be exceeded, can only be achieved if we act responsibly here today.

Many of those individuals who oppose this bill do so, because they believe the Federal Government should not be in the energy production business. This may or may not be true, but H.R. 3930 does not put us in that position. Government/industry efforts are not new. The nation would create a synthetic oil industry, again through price supports and loan guarantees, much in the same way that it once created a synthetic rubber industry and doubled its nonferrous metal capacity.

The time has come when we cannot afford to idly sit back in the hopes of our energy problems being eliminated by a great new discovery or by private industry alone. We, the Government, must help. Coal is in such abundance in this nation and the world as a whole that we would be fools not to take advantage of it. We must move in the direction of formulating a national energy policy that emphasizes and relies primarily upon coal as the fuel of this Nation.

On June 4 of this year, Secretary of Energy, James Schlesinger, presented his recommendation on the ways to increase the production and use of coal to the President as was requested of the Secretary on April 5, 1979. While the report was very detailed in problems, methods and objectives, I would like to quote one particular sentence of the report which, to me, sums up the coal situation in this Nation. That sentence is:

> If this nation is to cope effectively with economic and national security problems during the rest of this century, the obstacles to increase coal production and use must be removed by an effective national commitment to coal.

I commend the Secretary for his keen observations in this area and hope that this Congress will now do its part and approve a bill that will help increase the use of coal and at the same time lessen our dependency on foreign oil. H.R. 3930 can achieve this and I hope that you will join me in supporting and voting in favor of it.●

● Mr. MAZZOLI. Mr. Chairman, I strongly support H.R. 3930, the Defense Production Act of 1979, a bill to encourage the production of synthetic fuels in America.

I realize that many thoughtful people oppose this legislation either, because they fear damage to our environment or because they believe that this bill would cause an unnecessary Government intervention in the private sector.

These are legitimate concerns. And, as we pursue this legislation, we should not lose sight of them. However, I believe that we must go ahead with a vigorous synthetic fuels program despite these concerns.

The tremendous costs of the program—and the waste and overruns which are inevitable—are acceptable nonetheless, because we will become less energy-dependent as a result of the program. And, at worst, our money will stay at home.

A synthetic fuels production capacity will give the U.S. leverage against OPEC's arbitrary price increases. Even a cut of 20 percent in American imports will make it difficult for the oil cartel to administer the price-increase lash to this Nation and to many others around the globe.

Furthermore, action on a synfuel program will raise our national spirit and end our defeatist attitude.

I am convinced a lot of our problems as a nation are psychological stemming from our dependence on decisions made in foreign forums over which we have little or no control. With our own fuel we can make our own decisions.

I would like to insert in the RECORD, the following editorial from the New York Times of June 24, 1979, which develops these themes brilliantly:

THE MORAL EQUIVALENT OF THE GAS LINE

For one poignant moment last week, between gandiose journeys to foreign summits, Jimmy Carter had a chance to experience the humiliation that the OPEC cartel daily inflicts on his country. For a President, it should have been the moral equivalent of the gas line.

The President's men were telling him about a lawsuit to be heard in Los Angeles tomorrow. Brought by the International Association of Machinists, it charges price-fixing by the Organization of Petroleum Exporting Countries, which meets in Geneva on Tuesday to fix some more. Legally, the case against OPEC looks substantial. But economically, a court victory over OPEC would be disastrous. To avoid fines and damages, the oil nations could wreck American banks and ruin the dollar abroad by withdrawing billions from their short-term accounts. They could also stop investing in the United States or further hold down oil production. They have not even bothered to answer the charge in court.

So while the lines were growing at pumps charging more than $1 a gallon, the President was asked what to do. Did he care to appear in court in the politically absurd role of OPEC's defender or trust the California judge to grasp the stakes and find a pretext for dismissing the suit? No one at the White House could even afford to worry about the legal merits. Probably it was decided to explain the national interest to the judge by some unofficial means.

These denigrations of our institutions and blows to the spirit define the true dimensions of the energy crisis. They may appear trivial beside the huge tangible costs of dependence on OPEC oil. But there is no safe distinction between the loss of material goods and social values. As we should be learning also from the animal behavior of truckers and others at gas stations, a loss of time and money turns swiftly into a loss of civility. Unless a society is brilliantly summoned to unite in the common defense, a profound threat to its standard of living also threatens its standards of life. We, not OPEC, are on trial.

In one sense, the nation has wasted the six years since OPEC tied its noose. Experts debated whether the oil crisis was one of price or supply, when it was both. Politicians debated whether the remedy was more conservation or more production, and stimulated neither. By and large, Americans heatedly blamed each other for a crisis they denied existed.

In another sense, the six years between gas lines were not entirely lost. They exposed the staggering dimensions of the problem and cost of every remedy. Even in losing ground to OPEC, Americans have been ranking their values and approaching a consensus for a determined response. They palpably want equitable sharing of the energy in hand and a massive effort to produce more of their own.

There's no point, then, in asking them to make do with less while awaiting the blessings of the sun in the year 2000, the full benefits of conservation or a car that will burn the garbage. But there's no excuse, either, for letting OPEC run the planet for a generation. The American economy will not withstand such pressure. The alliance of industrial democracies might not survive. The poorest nations will surely be crushed.

Politics is policy and opportunism—doing what the experts think will work when the people will allow it. President Carter has lucked into such a moment and if there's a leader there, he will now direct the nation to an energy moonshot.

The United States can afford to finance a multibillion-dollar energy corporation to create new but known technology to make gas and oil from vast and known resources of coal and shale. By producing the equivalent of one to two million barrels of oil a day by the mid-1980's, while also saving and producing more conventional energy, the nation could reduce its imports by perhaps 20 percent. More important, it would gain the power to keep OPEC from endlessly raising the price of the other 80 percent. Huge sums might be wasted in experiment, but new industries would emerge to be sold to private interests for long-term commercial energy production. And even the wasted sums would be spent at home, not sent abroad.

Most important, the ugly defeatism would be contained. Americans would gain a sense of uplift and a stimulus for their productive talents. On the way, they would more generously adapt to shortage, even rationing, and regain the political confidence that comes with purpose. And in confronting their predicament, their President would not have to cringe.●

● Mr. HAGEDORN. Mr. Chairman, since the original Arab oil boycott of 1973–74, it should have been evident to the American people and the majority of their elected officials in the Congress that concentrated and bold steps had to be taken to reduce our dependency on imported petroleum.

However, since that time, we have increased the amount of petroleum we import and today we are seeing massive disruptions in our economy and lifestyle, because of just a small decrease in the amount being received from abroad and refined in this country.

As frustrating and disrupting as the present situation is, we must learn from it and act now as we should have acted after the first petroleum supply shortage of several years ago. The American public is looking to us for answers. Although it will take some time for adequate supplies of synthetic fuels to become available, we must act today to insure these supplies in the future. Members of the 93d, 94th, and 95th Congresses did not band together to gain the necessary majority to pass such a bill as we are considering today so we must not allow this opportunity to pass by. The vascillation of the past must not continue.

The administration has accused the Congress of being unable and unwilling to address the problem of energy. Our support of this bill today will demonstrate that we are willing to commit the resources of the Federal Government combined with the abilities of American industry and individuals in order to furnish energy supplies vitally important to the welfare of our Nation. If we have inadequate supplies of energy for our military needs, we will pay a much greater price than higher prices and long gasoline lines. We cannot afford to suffer the consequences of a military defense capability crippled from lack of adequate fuel to operate weapons and to transport troops. If we do not develop synthetic fuel supplies for the lowest possible price in the near future, someday we will be at the mercy of a foreign government who will use energy shortages to bring us to our knees and use our weakened situation to their military advantage.

As many of my colleagues know, I have long supported Government involvement in the production and use of an alternative fuel source—gasohol, a mixture of 90 percent gasoline and 10 percent alcohol. One of the principal ways of doing this would be through Federal loan guarantees. This bill allows the Government to go even further than the conversion of grain into fuel alcohol as the synthetic fuels we are considering today will include coal gasification, coal liquification, shale, lignite, peat, solid waste and other mineral gasification, liquifaction, and the conversion of any organic material into fuel.

One of the principal duties of the Federal Government is to insure the protection of this Nation by the maintenance of a strong defense posture. Inadequate energy supplies would certainly hamper any military operations which may become necessary for the protection of our Nation. It is appropriate that we take these steps today to insure that at least 500,000 barrels per day equivalent of synthetic fuels and synthetic chemical feedstocks could be produced by 1984. This is just 5 years away—the same amount of time since the Arab boycott. In the past 5 years we have done little to progress in this area so we dare not wait any longer to take the initiative that should have been taken in the past. It is regrettable that it takes the present fuel crisis to force the majority of the Congress into action, but at least this action is not being put off any longer.

Our action today could be the beginning of a concerted effort by the Congress to bring some type of relief from the economic straitjacket we are finding ourselves in. We cannot solve these problems without more money and effort of all kinds. The technology is available but the high cost of snythetic fuels has caused a lack of interest by the Congress and industry. Now that world petroleum prices are skyrocketing, the prices that we will be forced to pay for imported petroleum are fast approaching what it will cost for these fuels. As more is produced the price per barrel will also be reduced. The price and supply picture will change as more and more attention is paid—by the Congress and American industry.

We should not delude ourselves or the public into thinking that the eventual mass development of snythetic fuels on a grand and economical scale will be the U.S. answer to OPEC in the next few years. It will take years before the American dependence is such that we are free of their price and supply control, but the strides we are making for defense purposes will—at some time in the future—help to break this crippling dependence.●

● Mr. SANTINI. Mr. Chairman, I rise in strong support of H.R. 3930. It is time that the United States put its many energy resources—coal, oil shale, tar sands, and so forth—to work. This legislation represents an important first step down the road to energy independence. It is regrettable we have delayed this journey so long.

I have one general concern. Will the raw materials necessary for the production of synthetic fuels really be available when they are needed?

Our Mines and Mining Subcommittee just finished 2 days of hearings on the Federal Government's coal leasing policy. The Department of the Interior is relying upon the Department of Energy production goals. Those goals do not consider the prospect of a major national synfuel program. Obviously such goals will have to be amended.

The United States is rich in one of the most important elements in synthetic fuel production, coal. Our coal energy resources exceed the oil resources of Saudi Arabia in potential energy by 100 times. We have perhaps 50 percent of the world's coal resources within our boundaries.

The legislation we are considering today has as its primary purpose stimulating the production of synthetic fuels. It achieves this not through the establishment of Government plants, but through simply providing a market for the private sector's synthetic fuel production. This free-market stimulus approach should be applauded.

Unfortunately, the coal resources on which this system will depend are not afforded the same free market approval. The Federal Government owns or effectively controls development of more than 40 percent of our Nation's coal reserves. The percentage of Federal holdings in other energy minerals is even higher.

After 2 days of hearings I have grave misgivings that the Federal Government's coal leasing system can never meet the Nation's future need for coal, even without synthetic fuel production.

In yesterday's hearing, we had five Government agencies testify before this subcommittee. The Justice Department expressed grave concerns that because so little was being put up for lease the Government was in the position of becoming itself a monopolist and forcing the price of coal higher than its true cost. How can the Government encourage substitution of coal for oil in our powerplants when we do not make every effort to make the lowest cost coal available to our industry? How can we develop successful synthetic fuels industry, where cost is perhaps the most important factor, without a Federal program which, in fact, reduces coal prices rather than increasing them?

Second, we were presented with a distressing realization about our national coal policy. The Council on Wage and Price Stability testified on a report it sent to Interior recommending they do a basic cost/benefit analysis on their newly adopted program. The only such study available showed this new program to have negative benefits in social and environmental costs, even without considering the increased cost of producing coal.

Interior has continually taken refuge in the assumption that there are enough reserves already under lease—some 16 to 17 billion tons—to satisfy any anticipated demand. However, GAO as it indicates in an important new report released at our hearing yesterday morning, found not one shred of evidence that this impressive figure accurately reflects production potential in the near future.

The driving force behind Interior's new program is not the free market, but production goals dictated by the Department of Energy.

Yesterday, we discovered that the Department of Energy had not included synthetic oil and gas plants in their production. Nuclear energy production projections are manifestly deficient given recent experiences at Three Mile Island. Now there must be a significant revamping of the assumptions on which the Department of Energy and the Department of the Interior coal goals are based. How will Interior respond? Will they revise goals to include an entire new industry that was missed in the last targets, and more importantly, how much time will this revision require?

We have no guarantee that when these new synthetic fuel plants come on line, that we will have the coal necessary to keep them running. If we do have the coal, we have no guarantee that it will be available at a reasonable price. The same problems are all-too probable in Federal leasing of oil shale and other essential raw materials.

Mr. Chairman, I support this legislation. It is essential that we move now to promote the use of alternative fuel sources. But I hope that my colleagues will followup on their votes and speeches this afternoon by reviewing again that essential question, "Will our Federal leasing policies make available the coal we need to run these plants, produce the electricity to light our homes and make the steel which supplies our industry?"

I earnestly hope that our actions this afternoon do not represent an exercise in legislative futility.●

● Mr. McDADE. Mr. Chairman, I rise in support of H.R. 3930 and to urge its approval by the Members of this House. It is an action that this Government should have undertaken years ago. And it is an action which if carried to its extension could finally put a cap on the outrageous OPEC price increases that are bleeding our Nation's resources dry each day.

Mr. Chairman, as a cosponsor of this bill, I intend to vote for it. I believe it can and should be improved as it winds its way through the Congress. Given the present piecemeal approach to energy self-sufficiency that exists in the Office of Management and Budget and the irresoluteness over which processes to speed up and slow down in the Department of Energy, it is time for Congress to create a new industry in the private sector of our economy that will have as its modest beginning the ability to provide 500,000 barrels of synthetic fuel each day by the mid-1980's. This represents 75 percent of our present procurement needs. But this is only a beginning and, given a little willpower, we could do even better. We could provide 5 million barrels per day of syn fuel. But we need a greater expression of national willpower from the administration. We need to mandate the syn fuel purchase and we need to provide the funds in this bill and in subsequent appropriations bills to get this program underway now.

Mr. Chairman, I doubt that anyone of us here have any illusions about the difficult trade-offs involved. We need a fast track approach to create this industry. We are going to spend large sums of money to get it going. We are going to have to get out from under the bureaucracy and the paperwork and get into the hardware of breaking this country's desperate need for oil. The alternative is to continue to pour billions of dollars out the front door into the hands of OPEC. These are dollars that have no relationship to the actual cost of production. This is the choice facing the American people today.

I trust that the action of the Congress today will help to shake some of the lethargy from an administration trying to fight inflation by ignoring its chief cause—high-priced foreign oil. If they will not make the fight, then we must. I urge the overwhelming approval of the House in support of this bill.●

The CHAIRMAN. All time has expired.

Mr. DINGELL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1500

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Defense Production Act Amendments of 1979".

□ 1510

Mr. McKINNEY (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. DINGELL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of section 1.

Mr. BROOKS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to address a couple of inquiries to my distinguished friend, the chairman of the subcommittee that brought this legislation out, the gentleman from Pennsylvania (Mr. MOORHEAD).

I want to say, I will point out to the gentleman from Pennsylvania (Mr. MOORHEAD), that I am in general support of the objectives of this legislation and expect to vote for the bill. However, I do have questions about several provisions which I would like to address to the gentleman from Pennsylvania in hopes that he can clarify some concerns I have. The first is on competitive bidding.

First. The bill gives the President the authority to purchase and resell syn-

thetic fuels "without regard to the limitations of existing law." That is rather broad language, and I am always cautious about sweeping exemptions from existing law. It is my understanding that this is intended to be an exemption only from procurement laws, but even then I have some concern about it. The language on page 6 of the bill requiring sealed competitive bidding appears to restore one major requirement of government procurement law. However, I would ask the gentleman if it is the committee's intent that, in addition to competitive bidding, the Government follow other requirements of government procurement law to the maximum extent practicable?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield, the gentleman is correct that we would expect Government purchasing authorities to follow to the maximum extent practicable the usual requirements of Government procurement laws.

For example, I would expect that such things as small business, minority business set-asides, labor surplus areas, and so forth would be included. We do not amend those laws.

Mr. BROOKS. Mr. Chairman, I note that the requirement on page 6 relating to sealed competitive bids deals only with "purchases or commitments to purchase" and makes no mention of resales. Is it the committee's intention that such resales are to be conducted pursuant to generally applicable Government disposal policies?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield, as a member and as chairman of the subcommittee, I would say to the gentleman that that is our intention.

Mr. BROOKS. Although the legislation requires the use of sealed competitive bidding, there is a provision that authorizes the President to negotiate contracts when no bids are submitted or when the President determines that none of the submitted bids are acceptable. Section 304 of the Federal Property Act contains a number of requirements for negotiated contracts, including a prohibition against cost-plus-a-percentage-of-cost contracts and the inclusion in all negotiated contracts of a provision authorizing the General Accounting Office to audit such contracts. Is it the committee's intention that contracts negotiated pursuant to the provisions of this act are to be subject to audit by the General Accounting Office and other provisions normally required in the case of negotiated contracts?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield, the short answer is yes.

Mr. BROOKS. Mr. Chairman, I have one further question.

This bill authorizes the President to install Government-owned equipment in privately owned facilities. Is it the committee's intent that the equipment so installed: First, shall remain government property; Second that reasonable charges are to be assessed private users or that appropriate adjustments are to be made on Federal Government purchases; and third, that such property is to be disposed of under the requirements of existing law relating to the disposal of surplus Government property?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield, I would say to the gentleman from Texas (Mr. Brooks) that that is the committee's intention.

Mr. BROOKS. Mr. Chairman, I want to thank the gentleman from Pennsylvania (Mr. Moorhead) very much, and I yield back the balance of my time.

Mr. FUQUA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this time I would like to engage my colleague, the chairman of the subcommittee, the gentleman from Pennysylvania (Mr. Moorhead) in a colloquy on the definition of national defense programs which is amended by the bill which strikes the word "atomic" from the definition contained in section 702(d) of the Defense Production Act.

I was prepared to offer an amendment in order to clarify this provision, but I am pursuaded, after discussing the matter wtih Mr. Moorhead, that this colloquy would be preferable to clarify the legislative history surrounding this change.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I am happy to yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I very much appreciate the distinguished gentleman's interest in clarifying the definitions he has referred to. As the gentleman knows, we wanted to offer a bill which is broad enough to provide energy for the defense base, but to retain the established purposes of the act which is limited to those national defense needs only.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's response. How then is the language "energy production or construction" to be interpreted? I have read the explanation contained on page 23 of the report which states that the "Committee's intent is to include in the definition of national defense programs all types of energy production or construction, thereby including in the definition the programs for the production of synthetic fuels and synthetic chemical feedstocks contained in the bill's other sections." Although I understand and support the bill's purpose to provide energy production for our defense base, I do not feel that this act is the appropriate vehicle for the demonstration of energy technology.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I am happy to yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I quite agree that the production goal set by the bill of 500,000 barrels a day crude oil equivalent of synthetic fuels and chemical feedstocks within the next 5 years, sets the stage for the basic purposes of the act. I share the gentleman's feeling that the Defense Production Act not be used as the authority for the demonstration of energy technology; otherwise every good sounding idea, and every technology application could be funded by the DOD or by another agency, such as the DOE, under this act. That is not our intent. We feel this act creates new authority for energy production for defense purposes and for defense-related purposes only. The defense industrial base will be critical in time of national emergency. We need the energy production necessary to keep it going, up to the point of a major conflict. But beyond this, and for the purposes of Research and Development, the use of this act for such program is inappropriate.

Mr. FUQUA. Mr. Chairman, I want to thank the distinguished gentleman from Pennsylvania (Mr. Moorhead) for his clarification, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DECLARATION OF POLICY

Sec. 2. The second sentence of section 2 of the Defense Production Act of 1950 (50 U.S.C. App. 2062) is amended by striking out the period at the end thereof and inserting in lieu thereof "or to respond to actions occurring outside of the United States which could result in the termination or reduction of the availability of strategic and critical materials, including petroleum, and which would adversely affect the national defense preparedness of the United States. In order to insure the national defense preparedness which is essential to national security, it is also necessary and appropriate to achieve greater independence in domestic energy supplies.".

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dingell: Page 2, beginning on line 12, strike out ", including petroleum,".

Mr. DINGELL. Mr. Chairman, I want to express high regard for my friend, the gentleman from Pennsylanvia, even though I happen to differ with him on the legislation before us.

The Committee on Banking, Finance and Urban Affairs has recognized the Defense Production Act is a limited piece of legislation to enable the President to respond to national emergencies. While the powers granted to the President are sweeping, the major limitation on the powers is that they must be performed to meet national defense purposes. "National defense" is defined in the Defense Production Act to mean programs for military and atomic energy production or construction, military assistance to any foreign nation, stockpiling, space, and directly related activities.

□ 1520

H.R. 3930 deletes the term "atomic" so that national defense would now mean any program for any form of energy production and construction. In addition to that, the act's declaration of policy would be amended by H.R. 3930 to include the development of programs to increase power productive capacity for energy production, and it specifically includes petroleum as a critical material. This is not necessary, since the administration would have the authority to select it as a critical material where they so desire. The practical effect of the language is to broaden the definitions of the act, and it would turn an emergency preparedness law into an energy law. In so doing, it would make all of the Presidential authorities in the law available in the area of petroleum supplies, regardless of their relationship to national defense. It would have the practical effect of making the whole of the authorities of the Defense Production Act available for such action as exploring or drilling for petroleum, and it would enable whatever Department was designated by the President to have the authority to go into the petroleum business, including drilling, exploration, and other things, with assurance of Government guarantees, Government laws, and also Government purchase authority.

While I favor granting broad powers to the President and while I favor dealing with the questions of defense preparedness, insofar as energy, I do not believe that powers this broad should be granted under this particular act.

The Congress has over a number of years written a series of laws, such as the Emergency Petroleum Allocation Act of 1973, the Natural Gas Policy Act, and all of these include highly specific and numerous safeguards and priority considerations for allocations, such as priorities for agricultural uses and prohibitions on allocations of intrastate gas. None of these protections would be afforded under the Defense Protection Act. The amendment which I offer today, which was printed in the RECORD, on behalf of a broad list of cosponsors, brings the Defense Production Act back to its purpose as a defense act. The amendment does not define the definition of "national defense" to include energy production or construction, but only for defense-related purposes.

Thus, the President would not achieve new authorities to allocate or ration fuels. And under the language of the committee bill, as we now have it before us, conceivably the President would achieve authorities to ration petroleum products right down to the retail level. So for the reasons mentioned, to keep the President out of the petroleum-drilling business, to keep him out of the petroleum retail rationing proposals, something on which the Congress just refused the President authority, I urge my colleagues to adopt the amendment and to perfect the bill by an amendment which does no hurt, and, which at the same time permits the President to take the necessary steps relating to the actions he must take considering petroleum as a critical and a strategic material, which he would still have the authority so to do.

I urge the adoption of my amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

I think that the Members should understand that when the Defense Production Act was enacted in 1950, supplies of energy, including domestically produced energy, were sufficient to support the maintenance of the industrial preparedness base. Situations have changed. In 1950 we were thinking about scarce minerals and metals, and this affected our strategic and defense posture in the world. Today supplies of energy are scarce. We are faced with an OPEC cartel that can use its power to blackmail us and use it to hamper our defense efforts.

What the gentleman's amendment would do would be to say, "Turn the clock back to 1950, when oil and energy supplies were in plentitude," which is not the case today.

If we are to have a defense production energy base, we have to recognize that today petroleum is a scarce material that can be used to hamper our national defense effort. Therefore, that was the reason the committee put this language in the bill, and this is the reason it should be maintained. The amendment should be defeated.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the distinguished gentleman from New York, a member of the Committee on Armed Services.

Mr. STRATTON. I appreciate the gentleman's yielding to me.

Mr. Chairman, I was not in on the development of this bill, but since it does relate to the Defense Production Act, which is a responsibility of our Armed Services Committee, let me just say that the gentleman is absolutely correct that petroleum is not only a strategic material for the defense of our country, but it has been so recognized for many years. As a matter of fact, up until the oil embargo of 1974, the Committee on Armed Services had total control over the Naval Petroleum Reserve precisely so that adequate supplies of petroleum would be available for the needs of the U.S. Navy or any of the other of our Armed Forces in periods of emergency. In the hysteria of 1974, the Congress saw fit to take that oversight control away from the Committee on Armed Services and to give it to the Committee on Interior and Insular Affairs, and to the Interior Department. The only thing in this petroleum area that we have left over which the Committee on Armed Services still has oversight is not the extensive and valuable Petroleum Reserve No. 4 up in Alaska, that could contain perhaps 30 billion gallons of reserve, but only little Elk Hills, out in California. Nevertheless, our committee has been trying to guarantee and protect those resources for the Navy. In part because, Members of the House know, the Commander in Chief, for some reason or another, would prefer to have our Navy go back to oil-propelled ships rather than use nuclear-propelled ships. So if we are going to be in a position to protect our interests in the Indian Ocean or anywhere else, we are going to have to have petroleum; and there is not enough oil in Elk Hills to keep the Navy going for more than about 3 months.

So this bill is certainly in keeping with the changing needs of our Defense Department. I would strongly oppose the amendment of the gentleman from Michigan, who is trying to suggest that one of the most critical fuels, one of the most critical materials that we get out of the ground, has no relation to national defense. Of course it has a profound relation to national defense and I strongly support the position of the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be delighted to yield to the gentleman from Connecticut (Mr. McKINNEY), the ranking minority member of the subcommittee.

Mr. McKINNEY. Mr. Chairman, I would just like to add to the words that the chairman has stated, that this amendment would, in fact, philosophically totally destroy this bill. We have had very real testimony in secret session from the Defense Department concerning the fact that fuel in this Nation, not just for the needs of the Defense Department, in fact, but fuel is basically threatening our national security in every fashion. It is threatening our national security in our foreign policy. It is threatening our national security through the value of the dollar. It is threatening our national security through the fact that we simply cannot conduct our military affairs.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MOORHEAD) has expired.

(On request of Mr. McKINNEY and by unanimous consent, Mr. MOORHEAD of Pennsvlvania was allowed to proceed for 2 additional minutes.)

Mr. McKINNEY. If the gentleman will yield further, what we are looking here at is a total concept. All of this bill is totally defense related. But it is perfectly true that under this bill the President would have the latitude and the leeway to make intergovernmental transfers. So that, for instance, if we can find in Washington—I happen to be an expert on the Blue Plains sewage treatment plant, being on the District of Columbia Committee—some way that that plant could make the gas to heat our Federal buildings, at which point the President could then transfer the heating oil from those Federal buildings to the Navy to run its ships.

I think I have to say this to my friend, the gentleman from Michigan, who has been a strong supporter of my Alaskan oil prohibition, that we simply are going to vote billions and billions of dollars and go home and say to our constituents, "Well, we are going to keep America strong, we are going to keep America safe."

I would suggest, as the gentleman from New York (Mr. STRATTON) well knows, this Nation is presently in effect in an indefensible position because of energy. The President must have the right to explore, to build, to manufacture, to synthesize, to do anything else, to keep this country safe.

Mr. STOCKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been listening to this debate, and I would like to have the attention of the author of the amendment, the gentleman from Michigan, because it has been implied that if we were to have a national emergency or contingency we would have absolutely no tools available to insure that fuel supplies were delivered to the Armed Forces. I have a hard time believing that, because I know that we have on the books today allocation authority that is possessed by the Department of Energy for every petroleum product that we use in the civilian economy or that the military could possibly need.

☐ 1530

I would point out further that there is a 100-percent priority in terms of current needs to the military in that allocation program, whether it is for diesel fuels or gasoline or kerosene or any of the other fuels that would be used.

I am wondering why we need redundant authority in this act since it is already provided for.

Mr. McKINNEY. I would suggest to the gentleman, it is something I was not aware of, and I think what most of us forget is that during the time of military crisis, be it the sort of Korean police action or an all-out world war such as World War II, civilian consumption jumps at an even faster rate than military. That is assuming the most stringent of consumer restraints, such as three gallons per car, or get your car off the road and everything else, simply because at that point the entire Nation goes on a 24-hour-a-day system, and you have three shifts at every plant.

I would suggest to the gentleman there is not enough energy, period.

Mr. STOCKMAN. If I could reclaim my time.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman.

I think the committee is totally disregarding two facts.

The first is the language of the bill is totally unnecessary for the President to utilize his powers under the Defense Production Act to deal with petroleum supplies to the military, and where it is necessary, rationing, for national defense.

Now, by adding the word "petroleum" here—and I do not know whether the gentleman from Pennsylvania has that intention; maybe he wants to rise and answer at this point. It is my view that this language authorizes rationing right down to the retail level for all purposes. It also authorizes the President to utilize full power in connection with the allocation and the sharing of petroleum and actions to develop petroleum resources throughout the existing system of our economy, regardless of whether or not there is a war at this particular time.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. STOCKMAN) has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. The gentleman from Pennsylvania has very adroitly avoided the discussion on rationing, which I say is possible under the proposal. The gentleman from Pennsylvania has very adroitly avoided the question of dealing with agricultural priorities which are afforded under the emergency Petroleum Allocation Act and other statutes and also dealing with the various priorities which have been very carefully ingrafted into that particular statute to take care of essential civilian services.

Now, if the gentleman wants to tell us whether he is for rationing or is against rationing here, if the gentleman wants to tell us whether that is in fact so, I would be delighted to hear from him.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Let me assure the gentleman it was not the intention of the committee, and I do not think the legislation does authorize rationing. However, because the gentleman from Michigan has raised this point with me, in an effort to be cooperative with the gentleman who is so knowledgeable in this area, when we get to section 3 of the bill, and out of an abundance of caution, although I do not believe it is necessary, I intend to offer an amendment that would read, "Nothing in this act shall be construed to authorize the President to institute, without the approval of the Congress, a program for the rationing of gasoline among classes of end users."

Mr. DINGELL. What about putting the President in the petroleum and exploration business, as this language would? Or what about upsetting the agricultural priorities that are included in the existing laws? Is that the gentleman's intention.

Mr. MOORHEAD of Pennsylvania. Absolutely not.

Mr. DINGELL. Then why not take this amendment, because that is all this amendment does is take care of those particular matters the gentleman says it is not his intention to interfere with?

Mr. MOORHEAD of Pennsylvania. If the gentleman would yield, I think what the gentleman from Michigan failed to realize is this is a Defense Production Act, and what we said by putting in the language "petroleum" was to force the administration to recognize that today, unlike 1950, petroleum is a very scarce, strategic material; and, therefore, this amendment should be defeated.

Mr. STOCKMAN. Mr. Chairman, I would still insist, after listening to this debate, this is an entirely redundant provision of the bill. We have full authority to allocate fuel supplies to the military. They would get 100 percent of their current needs right off the top of the pool before any part of the civilian economy got gasoline or diesel oil. And since there is so much ambiguity and lack of clarity as to what this provision would do beyond rationing at the end-use level or allocating at the marketing level, I think we would be wise to adopt the gentleman's amendment and remove that open-ended and ambiguous authority from the bill.

Mr. VENTO. Mr. Chairman, reading from the Defense Production Act, I look at the addition our subcommittee made to that act, and I find it indeed very modest to obtain the purposes for which we intended in terms of production, synthetic production of various types of fuel, as I read from that act.

I think it should be read in that context, and I listened to the fears that my friends and colleagues, and the gentleman from Michigan, have with regard to this. I am looking at title I of that act, for instance, the existing act, the law right now.

☐ 1540

It goes on to point out the authority the President should have if he finds certain conditions exist. Right now in the act, and I will read to the gentleman this portion of this because I think it is pertinent to his concern, if the President finds that supplies are scarce, he may go into exploration, production, refining, transportation, conservation of energy supplies, or for the construction and maintenance of energy facilities. And then it goes on.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I would yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman makes the point that I was trying to make. It is not necessary to have the language of the committee bill open at this particlar point because the President has all of the powers that the gentleman from New York is just complaining he does not have, and because the language of the bill as now amended appears to deal with things like rationing and deal with things like putting the President into the business of drilling for oil.

Mr. VENTO. If I can reclaim my time, I do not see where this new language ends up rationing. I think the President under this title I of the Defense Production Act, not in the declaration of policy we are addressing right now, which is quite independent of that, you know, I think really we are talking about an issue that already is in the act. If we do not like that particular portion of the act, I suggest we narrow the gentleman's amendment to deal with that. I think it ought to be imposed because it has not brought about the consequence that the gentleman from Michigan envisions is going to be caused by putting this in the declaration of policy. I think we are arguing about something in terms of the declaration of policy that is really not at issue. That authority already exists in title I of the act and has not brought about the consequences the gentleman is complaining about.

Mr. DINGELL. Mr. Chairman, will the gentleman yield further?

Mr. VENTO. I will yield to the gentleman.

Mr. DINGELL. For the benefit of the gentleman, I am talking not about the declaration of policy, but about the definition of the term "national defense." The definition triggers a whole series of events I have described, including setting aside agricultural priorities and making possible rationing.

Mr. VENTO. I would say to the gentleman the parameters of when the President can implement those particular things, rationing and other things in title I, are very well laid out, that contracts with declaration of policy, which addresses itself only to production, not the other scenarios the gentleman has indicated a concern about and, therefore, this amendment deserves to be defeated. This amendment is in the declaration of policy of the bill that we have before us.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to commend my colleague and good friend from Pennsylvania for bringing this bill before us. I am concerned about this amendment if it does what my friend says it will do. Our problem in this country today is to find a source of energy supply domestically that we do not have, and our problem today in this Congress is to gain back what we lost almost 3 years ago when we failed by one vote, one vote, to pass a similar piece of legislation.

The danger today is not just in the gas lines or in the high price of the product, but in the possible capriciousness of a few OPEC countries in shutting down our Nation's economy, our Nation's farms, our Nation's trucks, and for those of us who live in the northern tier of States, our ability to heat our homes, and our plants and our business places during the cold winters that we have recurrently.

I have a group in my State that we are proud of, one of the best G. & T. operations in the Nation, Minnesota Power. They have worked with lignite coal for years. Because they are concerned with the problem that they see of a lack of adequate fuel, they have spent their own money on research projects and have hired a consulting group from Ohio, Wentworth Brothers, Inc. They have come up with a plan for a methanol plant from coal that can deliver 7½ million gallons of product a day. It can deliver that at the present price of construction and the present cost of coal at 60 cents a gallon. That is certainly competitive.

But, when they go to the bond markets for money to build this $2.5 billion plant and the bond market people say sorry, we cannot give you the money because we do not know if the OPEC countries might lower the price on their oil. The only way this group sees, and I see, that we can get this type of a plant going, going incidentally without the shackles of Government, is to give them a price guarantee saying that the Government, through the Defense Department, will buy this fuel at 60 cents to 65 cents a gallon, which will allow them to move ahead. It is will below the price we can get it for now.

Is this not essentially what the gentleman's bill will do?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I am glad to yield to my friend.

Mr. MOORHEAD of Pennsylvania. The economics of this situation are that anybody who wants to invest money recognizes that OPEC, which can raise prices, can also lower and put that corporation into bankruptcy. If there is a defense related purpose, the gentleman's project would qualify for a price floor under this legislation.

Mr. ANDREWS of North Dakota. Actually what we are doing by adopting this type of legislation is not getting the Government into the fuel business, all we are doing is using the same technique we used before at the time of the Korean war when we gave price guarantees to industry or an incentive to build plants. In World War II we did it by the Government moving in and building whole plants and then leasing them to industry. We may well have to do that in the case of oil shale as well as methanol or a host of other fuels, but this is one way of doing it. If the gentleman from Michigan's amendment strikes this part from the bill, as I understand it, it would make it much more difficult for this type of a contract to exist.

Mr. MOORHEAD of Pennsylvania. If the gentleman would yield further, fundamentally if we want a defense and a production bill, the basis for it is that the petroleum is now a strategic material which much more than any previous situation is being used politically against us. For the good of this country we have to recognize that fact, that the situation today with respect to petroleum and energy is different from what it was in 1950. It is now strategic. If we want a bill we would have to defeat this amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I am glad to yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman from Pennsylvania totally ignores the question. The proposal adds nothing to the President's power over petroleum or anything else in the event that he finds that there is a strategic concern involved. But more importantly, it could move the Defense Production Act from simply producing energy for defense to one which deals with questions like agricultural priorities for use of energy.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ANDREWS of North Dakota was allowed to proceed for 2 additional minutes.)

Mr. ANDREWS of North Dakota. My colleague expresses this, but this group from my State had tried to contact the Department of Energy on three separate occasions. They could not even get answers to their letters. They have written to the White House, they have not gotten answers other than to state that the President does not have the authority now. They were finally able to meet with DOE people this month and got a good reception. Under the bill of the gentleman from Pennsylvania he maintains the President will have that authority.

Mr. DINGELL. If the gentleman will yield further, the language of the particular amendment does not deal with the question you are addressing at all, nor does this portion of the bill deal with the matter that you are discussing. It simply deals with the question of the President being able to disregard existing law, which has a number of safeguards in it regarding agricultural priorities, priority for the transportation of food-stuffs and things of that kind. I am trying to bring this particular provision into conformity with existing law so the President can use his powers on petroleum where he finds there is a strategic or a defense concern.

□ 1550

If the gentleman cannot understand that——

Mr. ANDREWS of North Dakota. I recognize my colleague's concern about another committee operating on the turf of his committee, and I recognize the fact that all the "i's" ought to be dotted and all the "t's" crossed and all the rest, but quite frankly, what we need is production. I am frankly at the end of the rope as far as looking at excuses the administration has been offering lately. We have had excuses for too long, and I think it is about time that we remove by supporting this bill and get about the business of supplying energy for our country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 69, noes 351, answered "present" 1, not voting 13, as follows:

[Roll No. 279]

AYES—69

Archer
Bonior
Broomfield
Brown, Ohio
Butler
Carney
Cheney
Collins, Tex.
Corcoran
Crane, Daniel
Crane, Philip
Dannemeyer
Daschle
de la Garza
Dingell
Dornan
Eckhardt
Edwards, Okla.
Findley
Frenzel
Goldwater
Gramm
Guyer
Hammerschmidt
Hansen
Jacobs

Kelly
Kemp
Kindness
Lagomarsino
Latta
Livingston
Loeffler
Lott
Lungren
McDonald
Markey
Martin
Mikva
Moore
Moorhead, Calif.
Ottinger
Paul
Petri
Quayle
Roberts
Robinson
Rose
Rousselot
Rudd
Satterfield
Schroeder
Sensenbrenner
Shuster
Staggers
Steed
Stenholm
Stockman
Symms
Synar
Thomas
Traxler
Treen
Waxman
Whittaker
Williams, Mont.
Wolpe
Wyatt
Young, Alaska

NOES—351

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Stewart
Stokes
Stratton
Studds
Stump
Swift
Tauke
Taylor
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—13

Anderson, Ill.
Bolling
Conable
Conyers
English
Flood
Forsythe
Giaimo
Jeffries
Leach, Iowa
Patterson
Spellman
Thompson

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Thompson against.

Mr. WHITTAKER and Mr. FINDLEY changed their vote from "no" to "aye."

Mrs. BYRON, Mr. OBERSTAR, and Mr. EVANS of Georgia changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there additional amendments to section 2? If not, the Clerk will read.

The Clerk read as follows:

EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 3. (a) Section 301(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by striking out "the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce," and inserting in lieu thereof "the Department of Defense, the Department of Energy, the Department of Commerce, the Tennessee Valley Authority,".

(b) Section 301(e)(1) of the Defense Production Act of 1950 (50 U.S.C. App. 2091(e)(1)) is amended—

(1) by striking out "Except with the approval of the Congress, the" and inserting in lieu thereof "The"; and

(2) by striking out "$2,000,000." and inserting in lieu thereof "$38,000,000, unless the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of such proposed obligation and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.".

(c) Section 302 of the Defense Production Act of 1950 (50 U.S.C. App. 2092) is amended—

(1) in the first sentence, by striking out ", and manufacture of newsprint" and inserting in lieu thereof ", manufacture of newsprint, and production of energy"; and

(2) in the second sentence, by striking out "$25,000,000" and inserting in lieu thereof "$48,000,000".

(d)(1) Section 303(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(a)) is amended by striking out "and mining of critical and strategic minerals and metals" and inserting in lieu thereof "mining, and production of critical and strategic minerals, metals, and materials".

(2) Section 303(b) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(b)) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1995".

(3) Section 303(g) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(g)) is amended by striking out "and upon a certification" and all that follows through "other national emergency,".

(e) Title III of the Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 305. (a) The President, utilizing the provisions of this Act and any other applicable provision of law, shall attempt to achieve a national production goal of at least 500,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than five years after the effective date of this section. The President is authorized and directed to require fuel and chemical feedstock suppliers to provide synthetic fuels and synthetic chemical feedstocks in any case in which the President deems it practicable and necessary to meet the national defense needs of the United States.

"(b) To assist in carrying out the objectives of this section, the President, subject to subsections (c) and (d), may—

"(1) contract for purchases of or commitments to purchase synthetic fuels and synthetic chemical feedstocks which may be used as fuels and feedstocks for Government use or resale; and

"(2) encourage the development and production of such synthetic fuels and synthetic chemical feedstocks for national defense preparedness.

"(c) Purchases, commitments to purchase, and resales under subsection (b) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods as the President deems necessary, except that—

"(1) no contract for purchases or commitments to purchase may be entered into after September 30, 1995, or the achievement of the production goal authorized in subsection (a), whichever occurs first; and

"(2) purchases or commitments to purchase involving higher than established ceiling prices (or if there are no established ceiling prices, currently prevailing market prices as determined by the Secretary of Energy) or anticipated loss on resale shall not be made unless it is determined that supply of synthetic fuels and synthetic chemical feedstocks could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of supplies overseas for national defense purposes.

"(d)(1) Except as provided in paragraph (2), any purchase or commitment to purchase synthetic fuels and synthetic chemical feedstocks under subsection (b) shall be made by sealed competitive bidding.

"(2) In any case in which no such bids are submitted to the President or the President determines that no such bids have been submitted which are acceptable to the President, the President may negotiate contracts for such purchases and commitments to purchase.

"(3) Any contract for such purchases or commitments to purchase shall provide that the President retains the right to refuse delivery of the synthetic fuels and synthetic chemical feedstocks involved and to pay the person involved an amount equal to the amount by which the price for such synthetic fuels and synthetic chemical feedstocks as specified in the contract involved exceeds the market price, as determined by the Secretary of Energy, for such synthetic fuels and synthetic chemical feedstocks on the delivery date specified in such contract.

"(4) With respect to any person, including any other person who is substantially controlled by such person (as determined by the Secretary of Energy), the President may not award contracts for the purchase or commitment to purchase more than 50,000 barrels per day equivalent of synthetic fuels and synthetic chemical feedstocks.

"(5) In any case in which the President, under the provisions of this section, accepts delivery of and does not resell any synthetic fuels or synthetic chemical feedstocks, such synthetic fuels or synthetic chemical feedstocks shall be used by the appropriate Federal agency. Such Federal agency shall pay the market price, as determined by the Secretary of Energy, for such synthetic fuels or synthetic chemical feedstocks from sums appropriated to such Federal agency for the purchase of fuels and feedstocks and the President shall pay, from sums appropriated for such purpose under the second sentence of section 711(a), an amount equal to the amount by which the contract price for such synthetic fuels and synthetic chemical feedstocks as specified in the contract involved exceeds such market price.

"(e) The procurement power granted to the President by this section shall include the power to transport and store and have processed and refined any products procured under this section.

"(f) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install Government-owned equipment in plants factories, and other industrial facilities owned by private persons.

"(g)(1) Subject to paragraph (2), the President is authorized to organize corporations for purposes of achieving the production goal authorized in subsection (a). Any such corporation shall have the power—

"(A) to produce and acquire synthetic fuels and synthetic chemical feedstocks; and

"(B) for purposes of producing synthetic fuels and synthetic chemical feedstocks—

"(i) to purchase and lease land;

"(ii) to purchase, lease, build, and expand plants;

"(iii) to lease such plants to any person; and

"(iv) to purchase and produce equipment, supplies, and machinery.

"(2) No such corporation may be organized unless both Houses of Congress have been notified in writing of the proposed organization of such corporation and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to both Houses of Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such organization of such corporation. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.

"(h) Notwithstanding any other provision of law, products acquired pursuant to the provisions of this section which, in the judgment of the President, are excess to the needs of programs under this section, shall be transferred to the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) or to the Strategic Petroleum Reserve, when the President deems such action to be in the public interest.

"(i) For the purposes of this section, the terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean fuels and chemical feedstocks produced by the conversion of renewable and nonrenewable resources, including, but not limited to, products produced from coal gasification, coal liquefaction, shale, lignite, peat, solid waste, and other mineral gasification, liquefaction or other conversion, and the conversion of any organic material into fuel.".

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I ask unanimous consent to dispense with further reading of section 3 and that it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk concluded the reading of section 3.

□ 1610

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, with the understanding I will not move immediately for closing off debate, I ask unanimous consent that section 3 be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the technical committee amendments to section 3.

Mr. DINGELL. I know I am not very large in size, Mr. Chairman, but I was trying to reserve the right to object.

The CHAIRMAN. The Chair apologizes. The gentleman was on his feet.

The gentleman from Michigan reserves the right to object.

Mr. DINGELL. Mr. Chairman, does the gentleman propose to—just under the reservation, does the gentleman from Pennsylvania propose to limit debate now?

Mr. MOORHEAD of Pennsylvania. No, I just announced I would not at this time limit debate. I would have to say in fairness to the gentleman, sometime I am going to——

Mr. DINGELL. Well, up until the time the gentleman said, "At this time," I thought I might not object. "At this time" means what?

Mr. MOORHEAD of Pennsylvania. The gentleman has managed bills on the floor and knows there comes a time when we start repeating ourselves. At that time I will so move.

Mr. DINGELL. Mr. Chairman, would the gentleman tell me when that time is going to come?

Mr. MOORHEAD of Pennsylvania. The gentleman knows, if the gentleman would yield, that you can never tell in advance. I do intend at sometime, after we get a feeling of this, to move to close debate because I think most Members have made up their minds.

If the gentleman wants to object, let us read the bill.

Mr. DINGELL. I will not object, but I do not want the gentleman to get the idea we should restrict the debate to the point where we cannot discuss these matters or offer amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. MOORHEAD)?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the technical committee amendments to section 3.

The Clerk read as follows:

Committee amendments: Committee amendment, page 3, line 4, before the word "Congress" insert the word "the".

Page 4, line 20, strike "2061 et seq." and insert "2091–2094".

Page 7, line 11, strike "50,000" and insert "100,000".

Page 9, line 21, strike "98–98h" and insert "98 et seq."

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. REUSS. Mr. Chairman, I offer an amendment.

Mr. ROUSSELOT. Have we voted yet on the amendments, the committee amendments?

The CHAIRMAN. The Chair would advise the gentleman from California, the committee amendments were agreed to by unanimous consent. The technical committee amendments.

Mr. ROUSSELOT. Well, could we have them explained or is that too much to ask?

Well, the gentleman said without objection.

The CHAIRMAN. The Chair will advise the gentleman that his request does not come in timely fashion.

Mr. ROUSSELOT. I was on my feet.

The CHAIRMAN. The Chair did not see or hear the gentleman address the Chair.

The amendments have been agreed to.

Mr. ROUSSELOT. You will see me on my feet from now on.

The CHAIRMAN. The Chair had that impression.

AMENDMENT OFFERED BY MR. REUSS

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS: Page 7, line 12, add the following:

"With respect to any person, including any other person who is substantially controlled by such person (as determined by the Secretary of Energy), the President may not award contracts for the purchase or commitment to purchase of more than 75,000 barrels per day equivalent of synthetic fuels and synthetic chemical feed stocks unless both Houses of Congress have been notified in writing of such proposed contracts or commitments and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to the Congress and neither House of Congress has adopted, within such 30-day period, a resolution disapproving such proposed contracts."

Mr. REUSS. Mr. Chairman, this is a very simple amendment. In order to allay fears about environmental matters, fears about economic matters, fears about monopoly matters, this amendment would provide that any substantial purchase order for more than 75,000 barrels shall be subject to a one-House congressional 30-day vote. That provision does not discombobulate the process of the synthetic fuels legislation but it does give either House of Congress the opportunity to call into question a commitment which it feels for any reason to be unsound.

The mere existence of this monitoring authority is going to make any administration very careful about a synthetic fuels or synthetic chemical feedstocks contract unless it is sure of its ground.

There is in the amendment I put on the Clerk's desk a minor typographical error which I should like unanimous consent to correct. The amendment as read referred to 60 days of continuous session of Congress. In fact, that should be 30 days so that it is consistent with the 30 days disapproval period.

I would ask unanimous consent that that correction be made.

The CHAIRMAN. The Clerk will report the modification of the amendment.

The Clerk read as follows:

Page 7, line 12, add the following: "With respect to any person, including any other person who is substantially controlled by such person (as determined by the Secretary of Energy), the President may not award contracts for the purchase or commitment to purchase of more than 75,000 barrels per day equivalent of synthetic fuels and synthetic chemical feedstocks unless both Houses of Congress have been notified in writing of such proposed contracts or commitments and 30 days of continuous session of Congress have expired following the date on which such notice was transmitted to the Congress and neither House of Congress has adopted, within such 30-day period, a resolution disapproving such proposed contracts.".

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I will be glad to yield.

Mr. McKINNEY. I thank the gentleman for yielding.

I was going to amend the gentleman's amendment and he has most graciously accepted my amendment and put it in the form of his so, therefore, I would feel constrained to go along with the gentleman's amendment on this side.

Mr. MOORHEAD of Pennsylvania. Would the gentleman yield?

Mr. REUSS. I will be happy to yield to the chairman of the subcommittee.

Mr. MOORHEAD of Pennsylvania. Although I have been very reluctant to support amendments that restrict the power to get production going, I think the amendment of the distinguished chairman of the full committee is reasonable and I have no objection on this side.

AMENDMENT OFFERED BY MR. OTTINGER TO THE AMENDMENT OFFERED BY MR. REUSS

Mr. OTTINGER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER to the amendment offered by Mr. REUSS:

On the sixth line of the amendment, after the word "feedstocks," add "or which involves the commitment of $100 million or more through purchase commitments, loan guarantees, loans, grants, cost-sharing, or any combination thereof and any other federal commitment,".

☐ 1620

Mr. OTTINGER. Mr. Chairman, I congratulate the distinguished chairman of the Committee on Banking and Currency on the intent of the gentleman's amendment, which is that any large contracts should be subject to congressional review.

I do think it has to be extended, however, to be really effective, because a contract to purchase 75,000 barrels per day can involve us in perhaps $2 or $3 billions in Federal commitments.

I think that on the really major contracts that are involved, particularly when we consider that you can combine the contract authority with loan guarantees, loans, cost-sharing arrangements under which much of this technology is presently being developed, and bid other Federal Government subsidies, it is vital that we have an opportunity to take a look at all really major commitments; so I have added to the 75,000-barrel equivalent the limitation that we will have that same opportunity to review any contract which involves the Government in a commitment of more than $100 million.

I think that any arrangement that commits the Government to that much money, requires that there be provision for congressional review so that we can examine the financial arrangement entered into by the DOE to be sure the taxpayer is adequately protected.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, a plant, a 50,000-barrel-a-day plant, costs about $1 billion. That is about what it costs. It ought to be understood what we are dealing with.

What the gentleman from Wisconsin would have us do would be to approve plants which would cost $1½ billion. Since these matters under the bill do not go through the appropriation process or the authorization process, the gentleman is letting an awful lot escape.

The gentleman from New York would bring most of those plants back under the congressional process from which they escaped under the language of the bill and under the language of the amendment as offered by the gentleman from Wisconsin, the chairman of the committee.

Mr. OTTINGER. Mr. Chairman, I thank my friend and colleague from Michigan and I agree with him.

I would like to point out that the amendment of the gentleman from Wisconsin (Mr. REUSS) does not obstruct procurement of synthetic fuels. The gentleman had no intention to obstruct the process. It merely allows for a 30-day period for the Congress to be notified and to have a chance to look at what kind of financial arrangements we are making with Exxon or Gulf or Texas eastern pipeline or some of these other huge corporations that have come in and tried to dip their hands into the Government pocket. It gives us a chance for that limited period to have a look at them and assure that the subsidies do not exceed 100 percent of the costs—which is entirely possible under this act—and that the other interest of the taxpayers are adequately protected.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr OTTINGER. I would be glad to yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman. I find it a little bit impossible to sit here and discuss intelligently an amendment that the minority side has not seen. I would hope the gentleman could show us the courtesy of giving us a copy, so that we can look at it.

Mr. OTTINGER. Mr. Chairman, I believe I gave the gentleman a copy, but I would be glad to give him another.

Mr. Chairman, what this amendment does is to take the excellent procedure which the gentleman from Wisconsin has prescribed, which is merely a 30-day look at whatever arrangements the Department of Energy may make and apply this protection not only to contracts for the production of 75,000-barrels a day, but also to arrangements which involve a total commitment by the Federal Government by any means of more than $100 million.

I would hope that this amendment would be accepted.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I will be glad to yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I would rise in support of the gentleman's amendment. I think it makes a lot of sense. We are not talking about a small kind of activity here. We are talking about an awful lot of money and certainly an awful lot of power in the hands of the administration.

I would hate to think that this administration or any administration would have that kind of power to apply these various processes, whether they are loan guarantees or price supports or cost sharing to one particular process over another without an opportunity of this branch of the government to have some input.

I think it is a significant action that we are taking.

I think by reinjecting or putting the Congress in the process provides for accountability and I think it is a good amendment.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. Yes; I would be glad to yield.

Mr. McKINNEY. Mr. Chairman, I have a problem with the gentleman's amendment in the form of the dollar amount. You know, in this body we pass $100 million bills under suspension with three people voting on them on the floor of the House. One hundred million dollars in this process that we are talking about is a very, very minute amount of money. We are talking in the probabilities of, for instance, some plants costing $1,500 million to $2 billion. Some of the Defense Department estimates are even bigger.

I was hoping that if the gentleman would accept and could get unanimous consent to change his amendment to $500 million, I would be willing to support it.

The CHAIRMAN. The time of the gentleman from New York (Mr. OTTINGER) has expired.

(At the request of Mr. McKINNEY, and by unanimous consent, Mr. OTTINGER was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, I think that gets very high, because you can build these units in modules. I would be willing to increase the amount shall we say to $300 million.

Mr. McKINNEY. Mr. Chairman, if the gentleman will yield further, I really am not in an auction. I have tried to talk with the staff who have spent along with this Member hours and hours studying this particular piece of legislation. I feel if we get below $500 million I would have to object to the gentleman's amendment.

Mr. OTTINGER. I really think that very major commitments we make on this ought to be subject to congressional approval.

I will ask unanimous consent to raise the amount to $300 million.

Mr. McKINNEY. Mr. Chairman, if the gentleman will yield further, I still am really trying to cooperate, but I have just got to go by my staff's opinion that to go below $500 million would be to obstruct the process, which is, after all, the Defense Production Act and it is something that should be expeditiously carried forward.

Mr. OTTINGER. If I get the gentleman's support, I guess it is the best I can get.

Mr. Chairman, I ask unanimous consent that the figure be raised to $500 million.

The CHAIRMAN. Is the gentleman propounding a unanimous-consent request?

Mr. McKINNEY. Mr. Chairman, I say to the gentleman, the gentleman will get some minority support. I cannot, of course, speak for my chairman. I will let the gentleman address that issue if the gentleman in the well will yield to him.

The CHAIRMAN. Does the gentleman from New York wish to propound a unanimous-consent request?

Mr. OTTINGER. Mr. Chairman, I will request that the amount be increased to $500 million.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

or which involves the commitment of $500 million or more through purchase commitments, loan guarantees, loans, grants, cost-sharing or any combination thereof and any other federal commitments.

Mr. OTTINGER. Mr. Chairman, I ask for support of the amendment. Certainly at the level of one-half billion dollars, this ought to have the unanimous support of the Members of the House.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I reluctantly agreed to the limitation put on by the chairman of the full committee in terms of barrels, because that is consistent with the purchase authority when we are talking about a capacity of 500,000 barrels per day. At no point in this legislation do we talk in terms of dollars. We have had no testimony relating dollars to barrels; so a barrel limitation is consistent with the purposes of the act. A dollar limitation is not.

With the amendment of the chairman of the full committee, we have these limitations:

No. 1, these bids must be competitive sealed bids.

No. 2, no corporation can contract for more than 100,000 barrels. That means that at least five, and I hope many more corporations, many more will be competing for the bid; but on the operating, there will be at least five and hopefully more.

Finally, the process is subject to the limitation that even over 75,000 barrels, and again I stress barrels per day, there is the congressional veto in the amendment of the gentleman from Wisconsin, the chairman of the committee.

Finally, the whole process is subject to the appropriations process. I think if we want to keep this bill consistent, if we want to have production, if we want to have defense production, we should not accept any more restrictive amendments, because this legislation is carefully crafted and as amended, is even tighter in its restrictions and I believe that this country wants us to move forward without technical restrictive hamstringing amendments.

Mr. Chairman, I urge defeat of the amendment.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I just want to make a very brief statement, and then I will yield.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield, I was just going to see if we could have an agreement by unanimous consent on limitation of debate on this amendment, the Ottinger amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, the gentleman has referred to the Reuss amendment, as amended; is that correct?

Mr. MOORHEAD of Pennsylvania. No. Mr. Chairman, if the gentleman will yield, I refer to the Reuss amendment and the Ottinger amendment, because I think the Reuss amendment is agreed to in principle, so we are really just talking about debate on the Ottinger amendment.

Mr. ROUSSELOT. And the gentleman suggests 10 minutes?

Mr. MOORHEAD of Pennsylvania. What I am suggesting is that in 10 minutes we close such debate.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's comment, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The gentleman from Connecticut (Mr. McKINNEY) had been recognized before the limitation of debate, and he is now recognized for 5 minutes.

Mr. McKINNEY. Mr. Chairman, I would just say to my friend, the gentleman from New York (Mr. OTTINGER), that although the change in his numbers makes his amendment far more palatable, I think the chairman of the subcommittee has brought forth a very good argument that we are somewhat mixing apples and oranges here.

Since the bill does talk about barrels or barrel equivalents, it is difficult to put a dollar figure into that situation, and I think it confuses somewhat our thinking on the problem.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. Yes, I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, it is somewhat ironic to have the Members involved in the Committee on Banking, Finance and Urban Affairs tell us they do not know anything about money. It just stretches our credibility that there could have been no evidence before the Committee on Banking, Finance and Urban Affairs on what all this is going to cost.

I understand the gentleman, in response to my agreeing to the half billion dollars, said he was going to support the amendment. If we do not maintain some effective control on the subsidies granted under this bill, then we are in effect telling the taxpayer that we going to "roll out the barrel and damn the cost."

Mr. McKINNEY. Mr. Chairman, I would suggest to the gentleman, if he will allow me to regain my time, that the members of the Committee on Banking, Finance and Urban Affairs do know a little bit about money, and what we are assured of right now is that we are not in control of our economy. Any Members of this Congress who think we are are just kidding themselves.

There are two meetings going on in the world right now, one over in Geneva and the other one over in Japan, where foreign nations are far more in control of our Congress than this particular body is.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I think we should not forget so soon, because we only said it a few minutes ago, that the chairman of the subcommittee did remind all of us that whatever we do and whatever amount we do stipulate is subject to the appropriations process.

They are subject, are they not, to the ordinary appropriations process? Am I correct in that?

Mr. McKINNEY. Mr. Chairman, the gentleman is absolutely correct.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKinney) has expired.

Members standing at the time the unanimous consent request was agreed to will be recognized for 1 minute each.

The Chair recognizes the gentleman from New York (Mr. Bingham).

Mr. BINGHAM. Mr. Chairman, I am strongly in favor of this bill.

I thought that the gentlewoman from New Jersey (Mrs. Fenwick) made a passionate and effective argument in favor of the bill, but her argument was not directed against this amendment. This is a reasonable amendment.

My goodness, we are talking here about contracts, now that the gentleman has modified his amendment, amounting to half a billion dollars. All the amendment says is that the Congress should still have the opportunity to take a look at those contracts, and if we do not like a contract, one House can veto it.

Mr. Chairman, I think that is a highly reasonable provision. I do not expect to support all the amendments to this bill. However, the amendment offered by the committee chairman, the gentleman from Wisconsin (Mr. Reuss), was a reasonable amendment. This is a reasonable amendment, too.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I wonder if the chairman of the subcommittee could tell us why $500 million, as the gentleman from New York (Mr. Bingham) has just pointed out—and that is half a billion dollars proposal—should not that be a trigger point to come back to Congress for review?

I realize that we get used to talking about billions here and billions there, but why is this not a reasonable take-off point for the House or the Senate to review this contracting procedure?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes, I will be glad to yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will read this section of the bill carefully, he will understand that it is a bid price mechanism price related to a price per barrel.

Mr. ROUSSELOT. Yes, I understand that.

Mr. MOORHEAD of Pennsylvania. And the cost, as explained by the Congressional Budget Office—and I refer the gentleman to the committee report, beginning at page 27 of the report—depends on the variation between the synthetic fuel price and the OPEC price. If the OPEC price is higher, not only will it not cost anything but the Government will save money.

Mr. ROUSSELOT. But the Congress should review that kind of guarantee.

The CHAIRMAN. The time of the gentleman from California (Mr. Rousselot) has expired.

(By unanimous consent, Mr. Stratton yielded his time to Mr. Moorhead of Pennsylvania).

The CHAIRMAN. The Chair recognizes the gentleman from Maine (Mr. Emery).

Mr. EMERY. Mr. Chairman, I rise in opposition to the amendment, noting two facts.

First of all, there is an appropriation process that will provide an orderly and rational review of the expenditures provided for by this legislation.

Secondly, I think we are putting our collective necks in a familiar old noose. We are trying to tie up an important energy program in unnecessary bureaucracy and redtape. We have seen comment and review periods added to legislation, and amendments creating countless numbers of veto procedures that this House has passed in the last few years. The result has been delay, the result has been procrastination and the result has been increased cost of the ultimate purpose of our labors.

With the necessary reviews that are built into the bill by the Reuss amendment, with the reviews that exist within the Committee on Appropriations, I see this amendment as just another unnecessary fifth wheel on the synthetic fuels cart, and I urge that the amendment be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. Dingell).

Mr. DINGELL. Mr. Chairman, I wonder if my colleagues are aware of the amount of money we are talking about in the long-range commitment being made. The contracts here, as included in the amendment offered by the gentleman from New York (Mr. Stratton), are for half a billion dollars. The exposure might be for all of that, for part of it, or for none of it, with very little congressional review.

There is not undue delay. As a matter of fact, the one thing that should be noted about the bill is that under the bill the contract may be negotiated. The provisions for a sealed competitive bid can be waived by the President almost at a whim. As a matter of fact, it can be done in the dark on long-range commitments which can go for as long as 10, 20 years, or more. With the figures the majority leader is going to add in terms of increasing the procurement authority, the figures can grow much larger and the liability of the public can increase much more.

Mr. Chairman, all I am saying is that we ought to have a chance to look at these figures when they get very large. When they get to half a billion dollars, we ought to be able to look at them. I think we should support the amendment offered by the gentleman from New York (Mr. Ottinger). We must protect the taxpayer.

☐ 1640

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Badham).

Mr. BADHAM. Mr. Chairman, I would like to associate myself with the remarks made by the gentleman from Maine and the gentleman from Hawaii. Basically, what we are doing by this amendment is preventing American industry from using its technological ability to produce what it has been prevented from producing heretofore, because of over regulation and bars to capital formation. If we were to use the sensible route of decontrol and the sensible route of allowing formation of capital in the United States of America again, our industrial expertise and our technological capabilities would allow the production of synfuels, nuclear fuels, coal, oil, gas, and others in order to make our Nation energy self-sufficient.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Wright), the majority leader.

Mr. WRIGHT. Mr. Chairman, I hope that the Members will reject the Ottinger amendment. It would slow things down. Given the size of an investment that is necessary to build one of these plants, it would make almost every contract subject to congressional review. It would be somewhat unprecedented. If indeed this energy crisis is the moral equivalent of war, and I believe that it is, then we do not want to throw impediments in the path of a program that we command the President to undertake and fulfill. For those reasons I would hope that the amendment would be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Ottinger).

Mr. OTTINGER. Mr. Chairman, all this does is it takes the mechanism which the committee has accepted, as proposed by the gentleman from Wisconsin (Mr. Reuss), for plants designed to produce 75,000 barrels or more, and applies it to situations where the total Government support is more than one-half billion dollars.

Contrary to what was said just recently, we do not have the protection of the appropriation process; to the extent that loan guarantees are used, appropriations of $1 will support loan guarantees of $10, and you do not have a periodic congressional review of that.

I think when you have that major a Federal commitment and you have the kind of contracts that I see day after day the Department of Energy engages in with the major producers in this country without adequate protection, it is important that we have some safeguards. This is simply the very process, a mere 30-day review that was proposed by the chairman of the Committee on Banking, Currency and Urban Affairs and acceptable to the committee, and applies it to every really major contract of one-half billion dollars or more.

I hope that the amendment will be approved.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. Moorhead) to close debate.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to this amendment.

Quite frankly, Mr. Chairman, this amendment would make this bill unworkable and, if the Members vote for it, they are voting against defense-related production and energy.

What does this purchase agreement do? It says that if someone wants to produce synthetic fuel, he bids a certain price per barrel.

If the OPEC price goes above that price, there is no cost to the taxpayer. But if this legislation or other events causes OPEC to drop its prices, then it will cost the taxpayer money. I do not know how much. But if we can succeed in persuading OPEC to lower its prices, why, our economy is so much better off that the taxpayer is better off. So if we treat this as the carefully worked out bill of the committee did and the carefully structured amendment by the chairman of the full committee, in terms of barrels, we have the check and the limitation that we need. We do use dollars when we are talking about direct loans and loan guarantees because that is a different concept. But this concept, to make it workable, we cannot tell how much it will cost. The more OPEC lowers its prices, the more it will cost the taxpayer, but the better off the country will be.

I think for the good of the country, for the good of producing energy under the free enterprise system, this amendment should be defeated.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York (Mr. Ottinger) to the amendment offered by the gentleman from Wisconsin (Mr. Reuss).

The amendment to the amendment was rejected.

The question is on the amendment offered by the gentleman from Wisconsin (Mr. Reuss).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. Wright: Page 5, line 2, strike out the period after "section" and insert in lieu thereof "and at least 2,000,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than ten years after the effective date of this section."

Page 5, line 24, strike out "goal" and insert in lieu thereof "goals".

Page 8, line 16, strike out "goal" and insert in lieu thereof "goals".

Page 10, line 23, strike "appropriated $2,000,000,000" and insert in lieu thereof "appropriated from general funds of the Treasury not otherwise appropriated or from any fund hereafter established by Congress after the date of enactment of this sentence not to exceed $3,000,000,000".

Mr. WRIGHT. Mr. Chairman, I ask unanimous consent that the amendments may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. JEFFORDS. Mr. Chairman, reserving the right to object, I have a substitute to one part, the part that is in section 3 of the amendments. My parliamentary inquiry is, if the amendments are considered en bloc, whether or not I can offer as a substitute an amendment to the part which appears in section 3?

The CHAIRMAN. The Chair would advise the gentleman that any germane amendment to the amendments offered en bloc would be in order.

Mr. JEFFORDS. Mr. Chairman, further reserving the right to object, it is my understanding that, if I have a substitute to one part of the amendments offered en bloc, that is in order if it is germane; is that correct?

The CHAIRMAN. That is correct.

Mr. JEFFORDS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, can the gentleman tell us how many amendments he is offering en bloc?

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield, there are two amendments, one to title III and one to title IV.

That is why I asked unanimous consent that they may be considered en bloc. I think that they kind of go together, because one would increase the production goal and the other would increase the allowable appropriation.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, the fact that the gentleman is offering en bloc an amendment to title III and an amendment to title IV does not automatically move us into title IV and preclude other amendments to title III, does it?

The CHAIRMAN. The gentleman is correct.

Mr. BROWN of Ohio. I thank the Chair, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas (Mr. Wright) is recognized for 5 minutes in support of his amendments.

Mr. WRIGHT. Mr. Chairman, the amendments that I offer would increase the goal from the 500,000 barrels a day that we authorize and direct the President to achieve by 1985 or by 5 years from the enactment date to encompass an additional goal of 2 million barrels a day by 1990. We believe that is an achievable goal. The administration says that it is an achieveable goal. The Department of Energy says that this goal can be achieved.

Why should we go to 2 million barrels a day instead of just stopping at 500,000? Quite obviously because the great problem that confronts this Nation, the problem that is getting worse and not better, is our growing vulnerability to and reliability upon foreign nations, particularly OPEC nations, for our supply. That is why we have shortages now, because we are importing almost 9 million barrels daily. Almost 9 million barrels a day. That is our deficiency. It certainly is not too much to commit ourselves in 10 years to produce at least 2 million barrels to reduce our Nation's vulnerability.

□ 1650

What is happening of course is that our known commercially and technologically producible oil reserves have been falling from approximately a 10- to 13-year supply in the 1940's and 1950's, to what now is about a 5-year and 4-month supply.

We hope and believe that we will find more oil. We also must find ways to produce more of what we have discovered, but presently this is what we have to count upon.

The supply of producible natural gas is a similar picture. What was perhaps a 40-year supply of producible natural gas in the 1940's has declined to probably a 10-year supply today.

The dangerous picture that we see when we look to our economic vulnerability is even more alarming.

In 1973, the Arab embargo really should have shocked us out of our lethargy and into doing something dramatic, but it did not. That year we were importing 6.2 million barrels a day of foreign oil. Now we are importing 8.6 million barrels a day of foreign oil. The cost, the drain on the American economy, has grown exponentially.

In 1973, foreign oil imports cost this Nation some $8 billion. This year it is expected to drain $60 billion out of the American economy. That is $60 billion that could be spent producing American jobs and producing American materials. We have grown terribly vulnerable to just about anything the OPEC nations want to do to us by way of price.

Another dimension of the problem is seen when we begin to look at those upon whom we have become reliant. How reliable are they?

We have seen what happened when production from Iran was interrupted by a domestic disturbance. Right now that disturbance still is sending shock waves through our economy.

What would happen, and how much worse could it be, if that same thing were to occur with respect to Saudi Arabia, the most prolific of our producers, upon whom we rely for approximately 1½ million barrels daily of that imported oil?

Already four of the nations upon whom we rely for our oil supply have publicly asserted their hostility toward us. Those shown on these charts in red—Libya, Algeria, Iraq, and Iran—together account for 2,300,000 barrels daily, or approximately 26 percent of our imports.

Our second largest supplier, Nigeria, just a few weeks ago publicly lectured us to the effect that if we did not take the action they approved of with regard to the recognition of the government in Zimbabwe-Rhodesia, they would find ways not to make their oil available to us. We are relying on them for a million barrels a day.

Just a few days ago, a spokesman for Saudi Arabia suggested very darkly that, in view of our reliance on them for oil, they felt it was time for us to begin to negotiate with the PLO.

What I am saying, my friends, is that the time has come for us to do everything within our power to break the stranglehold upon this country that foreign nations are asserting.

We do not have a lot of time left, but we have time to do what we must.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

Mr. WRIGHT. Mr. Chairman, I think the answer is synthetic fuels. I want to congratulate this committee on having come to us with a very imaginative and I think very workable program. It builds upon the historic success, not the failures, of this country.

In 1941, when the Japanese cut off our supplies of rubber, we built a synthetic rubber industry in this country. Three years later, when the Allies rolled into Berlin, they rolled in on synthetic rubber tires made by an indigenous American synthetic rubber industry.

We have enough coal, and that is only one of the synthetic sources that would be authorized by this bill, to last us for many years. We could be the Middle East of the world in coal. We have producible coal in commercial quantities in 26 of our States. We have one-third of the world's known supply of coal.

If we compare our coal reserves in longevity with our known oil reserves, we see a stark contrast. We have 5.4 years of presently economically recoverable oil reserves. Let us assume that decontrol, by allowing some of the marginal and small wells to continue producing, will add some 2 or 3 years of additional supply. Tertiary recovery, if perfected, would add some more. Even upon these assumptions, we still would have only some 16 years of known recoverable supply of oil.

But we have 620 years of known supply, at our present rate, of minable coal. We could double the conventional use of coal and convert enough to make 4 million barrels a day of synthetic fuel, and still have enough for 218 years—legally and technologically minable coal reserves.

Here is what the committee bill builds on. It tries to create a mechanism by which we can attract the private sector into making the kinds of investment that otherwise of course they are not going to make in synthetic plants.

There is not anything new in the technology, of course. It has been known for years. The Germans ran their war machine on synthetic gasoline made from coal, and a formidable thing it was. As early as 1952, the Paley Commission warned us we were going to run out of oil and we should begin to build commercial synthetic oil from coal. The South Africans now have such a plant. It is highly successful.

The point of it is that world oil prices today are about $20 a barrel. They have gone up 35 percent since the first of this year. We think we probably can produce synthetic fuel—I do not know that this is true, but the Department of Energy people think it is—for somewhere in the range of $28 a barrel. That is more than we are paying right now for foreign oil, but the rate at which that oil price is rising, I believe, indicates that within 4 or 5 years when the first commercial plants come on the line, we will be making our own synthetic fuel cheaper than we could be buying oil from the Arabs and other foreign suppliers.

It seems to me that President Valery Giscard d'Estaing was exactly right when just a few days ago he was quoted by James Reston in an interview as saying:

> I am convinced on the day the United States will really start to move in the production of synthetic fuels, there will be a major change in the world situation.

The American public realizes this and fully supports it.

I was talking with Lou Harris just a few days ago. He revealed to me a hitherto-unpublished sampling throughout the country. The public, was asked, Should we spend $10 billion for synthetic fuel? And that I think is far more than will ever be spent under this legislation. I think we will not lose anything because I believe we will discover, as we did discover in the synthetic rubber industry, when we committed ourselves to do it, that it was a depressant on natural rubber prices. We built it and made it cheaper than the raw rubber was costing us. I think this program may not cost us anything. But the public was asked, "Should we spend $10 million for the synthetic fuels industry in this country?" As I recall the answer, it was, "yes," 76 percent; "no," 18 percent.

I suggest, my colleagues, that the public is ahead of us. They want bold action. They do not want timid action. They want us to make a major commitment that this Nation is going to be energy sufficient again. This is the best opportunity we have had to make that commitment.

I earnestly ask your support for this amendment, which would commit us to at least 2 million barrels a day of American production in an American industry 10 years from now.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(At the request of Mr. BROWN of Ohio and by unanimous consent Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my colleague from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, as the majority leader knows, I am very sympathetic with his concern. The gentleman had a map there of the United States that showed the potential areas of coal development which I was impressed with. I am under the impression that in coal lands out West we have the great potential for development, and we also have potential for the gasification of coal in the East and Midwest, coal that is otherwise environmentally constrained by the Clean Air Act and so forth, and perhaps we can turn that into liquid fuel or gaseous fuel.

□ 1700

Then I noticed there are other deposits in the West. I am advised by an April 1979, Office of Technology Assessment publication that some 28 percent of the identified petroleum and 31 percent of the identified natural gas in the country and 72 percent of the oil shale land is under Federal land control. I wonder if those parts out West are in that? I would assume they are; is that correct?

Mr. WRIGHT. I would say to the gentleman I am sorry, I do not know the answer to that. I would assume that a substantial percentage of the Western lands on which coal is commercially minable may be in the public domain, but I have no specific information to that effect.

Mr. McKAY. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course I yield to my distinguished friend.

Mr. McKAY. In answer to the gentleman's question, if you go into Utah and Nevada in Utah 70 percent of that State, and Colorado is in a similar position, 70 percent of the State of Utah is Federal land, BLM, Forest Service, parks, whatever. The same thing is true in all of the Rocky Mountain States, if you take the Rocky Mountain Chain from Montana through to Arizona and New Mexico. It is very heavily federally owned land; any where from 35 to 85 percent in Nevada is Federal land.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. BROWN of Ohio. I appreciate the gentleman from Texas' (Mr. WRIGHT) graciousness. What the gentleman from Utah is telling us is much of this is under Federal land control. The question of whether or not it can be mined or drilled is really a question of whether or not the land management acts and the regulations will permit us to mine it or to drill it, never mind whether the money is available or not to do it; is that right?

Mr. McKAY. If the gentleman will yield further?

Mr. WRIGHT. Of course I yield to my friend.

Mr. McKAY. That will be part, yes; that will be part of it. As I understand, the gentleman from Arizona has some things that he will be dealing with here that may help us in that regard as we go along.

Mr. BROWN of Ohio. It may come as no surprise that the gentleman from Ohio also has a similar amendment.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Kentucky.

Mr. PERKINS. I wish to thank the majority leader for yielding. I wish to inform the gentleman from Ohio (Mr. BROWN) since 1975 the coal production in the West, in the same States, has increased 300 percent, from 75 million to 200 million tons this year.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes; of course I yield to the gentleman.

Mr. KELLY. I thank the gentleman for yielding.

The gentleman, in support of his amendment, said this is the time for bold action and the gentleman's amendment quadruples the production goal of the bill. I ask the gentleman then will he be in support of two amendments that I have? One would increase the guarantee levels. The other would increase the loan levels, the latter from $48 million to $125 million and the former from $38 million to $100 million, because if we are going to have war, you do not fight war on $38 million.

Mr. WRIGHT. If the gentleman will allow, I certainly agree with him that you do not fight a war on $38 million. I do not believe the bill restricts or limits loan guarantees or loans to $38 million. I could be mistaken. I will be happy to look at the amendments, and to the extent that they would make the bill more workable, of course, I would be in favor of them. I do not believe it is true that the committee bill limits these projects to $38 million.

Mr. KELLY. If the gentleman will yield further, I assure the gentleman as far as individual loans are concerned they are limited to the $48 million that I had reference to and the guarantees are limited to $38 million. Certainly these are multibillion dollar projects.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. VOLKMER and by unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Missouri.

Mr. VOLKMER. I wish to say that I, too, among others, support this legislation. But one thing that you said at the very last in your initial presentation I think is very important, because most people today want this synthetic fuel now. They want this kind of fuel right now, tomorrow, 6 months from now. I think it is very important that you said 10 years from now is what we are driving at because a lot of these things are not going to be able to be used, the Fisher-Tropps process that the Germans use and a $1 billion plant and have anything come out, and that is old technology even today. We are not going to have ready our new technology, the SRC process or the H-coal process. Those have not been refined yet.

Mr. WRIGHT. If the gentleman will let me reclaim just a moment, I would like to say it is true that neither this bill nor any bill is going to solve the problems overnight. This bill is not going to stop the gasoline lines tomorrow, nor will any bill. But this will give the American people the heart and the hope to recognize this Nation is moving ahead and we have sunlight at the end of the tunnel.

We are going to solve our problems; we are not going to consign Americans to that kind of inconvenience and declining standard of living forever and a day. We are going to declare our energy independence. It may be 5 years before the first commercial synthetic production starts really coming on line. Perhaps it will be 10 years before we can make 2 million barrels a day. This is a minimum goal that my amendment would establish. We shall not solve this problem overnight. I think it would have been infinitely better had the House shown wisdom 4 years ago and begun this program instead of rejecting it by one vote in the last week of the session. We would have been 4 years down the line toward the realization of the goals we have established. Let us not wait any longer.

Mr. VOLKMER. I agree with the gentleman on that.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

This amendment fits properly within the Defense Production Act because the committee did have a secret, classified session in which the Defense Department witnesses testified that the need of the Defense Department and defense-related industries directly involved, not including the energy required to get the workers to the shipyards and the steel mills, would be in excess of the amount considered in the amendment by the gentleman from Texas. I think that the gentleman from Texas has made a very compelling argument and I would support the amendment.

AMENDMENTS OFFERED BY MR. MICHEL AS A SUBSTITUTE FOR THE AMENDMENTS OFFERED BY MR. WRIGHT

Mr. MICHEL. Mr. Chairman, I offer amendments as a substitute for the amendments.

The Clerk read as follows:

Amendments offered by Mr. MICHEL as a substitute for the amendments offered by Mr. WRIGHT of Texas: On page 5, line 2, strike out the period after "section" and insert in lieu thereof "and at least 2,000,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than ten years after the effective date of this section."

On page 5, line 24, strike out "goal" and insert in lieu thereof "goals".

On page 8, line 16, strike out "goal" and insert in lieu thereof "goals".

On page 10, line 23, strike "appropriated $2,000,000,000" and insert in lieu thereof the following: "appropriated $3,000,000,000 from any fund hereafter established by Congress after the date of enactment of this section".

Mr. MICHEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes in support of his amendments offered as a substitute for the amendments offered by the gentleman from Texas (Mr. WRIGHT).

Mr. MICHEL. Mr. Chairman, I made mention during the course of general debate on this measure that I would be offering a substitute to the majority leader's amendment and the amendment which I have offered is prompted by the fact that the majority leader testified before the Rules Committee last week stating that he was directed by the Democratic Steering and Policy Committee to offer such an amendment. I can see why they would want him to do so. We should have been taking an initial step toward increased development of synthetic fuels a long time ago.

So, what is the real distinction between what the majority leader's amendment does and my amendment? The difference is a real one.

The majority leader's amendment would have us take the $3 billion to pay for the program either from "general funds of the Treasury or from any fund hereafter established." What does he intend? My reading of the amendment tells me that the American people will be asked to pay the additional $3 billion if this Congress fails to set up an energy trust fund from the moneys collected from the windfall profits tax.

If we are going to tax the oil companies, the additional revenues from those taxes must be used, in my judgment, in the production of new energy.

☐ 1710

We ought not to leave the administration the option of robbing that trust fund for whatever whim stirs them at any given moment. We should not abandon our commitment to long-range fiscal responsibility. We can do more to meet our energy needs and have our economy stabilized, if we adhere to the principle involved in establishing the energy trust fund in the first place, if one is to be established—and I am assuming, looking ahead another 48 hours, that we probably are going to take that route. Production of more fuel is what we need, and that supposedly is the purpose of this bill. That must and should be the purpose of the anticipated trust fund as well.

It has been reported in the press that the Speaker wants to use such a trust fund, if established, not solely for the production of energy, but more as a general fund to solve all of our social ills—aid to the poor, rehabilitation, and the like. This is exactly what that trust fund ought not be used for. The fund supposedly is being used to help solve our energy problem, and we ought to stick to that. I do not believe that this House would want to tax the oil companies and then turn around and hit the taxpayers up for more money for a synthetic fuels program. The two have to operate in concert with one another.

I believe that this House should go on record as to what is to be done with any taxes collected from the oil companies by way of windfall profits. We should tell the American people that we will use these taxes to produce more energy.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I appreciate the gentleman yielding to me. I think he may have a point. I am not sure this is the juncture at which we want to address that particular issue he is raising. We are going to have the Ways and Means bill before us in a matter of several days. We really have not entered into any kind of discussion with respect to the proceeds from the tax on oil, as has been proposed and worked on by the Committee on Ways and Means.

So, I just think that what the gentleman is suggesting, if I understand his amendment correctly, the cost of the measure before us, the synthetic fuel proposal, should be funded entirely from the trust fund, is one that is premature. It is not as if we are not going to have an opportunity to decide that bill. This is not the arena; this is not the time, it seems to me, to decide that.

Mr. MICHEL. I think it is very appropriate to raise this issue at this time. We are going to be talking about it in another 48 hours. I do not think we can divorce the windfall profits tax discussion from the purposes of this bill. I would not have introduced the substitute had the majority leader not introduced his amendment in the first place.

I thought the bill the committee was proposing first was reasonable and rational, but when we begin to quadrupling the productions levels all of a sudden, then it raises in my mind the question of how quickly we are seeking to plunge into this thing without knowing where these enormous amounts of revenues are going to come from. The majority leader talks about 10 years down the road, and if a trust fund is set up, there are going to be enough revenues generated to more than cover what we are talking about in this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. MICHEL was allowed to proceed for 4 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield the gentleman the additional time.

Mr. ROUSSELOT. So, what the gentleman is doing is assuring that the funds for these synthetic fuel projects would come out of the potential tax revenues and would not come out of the general tax fund?

Mr. MICHEL. That is my intent and purpose, yes.

Mr. ROUSSELOT. Well, I think the gentleman is to be commended for offering this funding procedure, because I think that this would be an additional guarantee that the funding is not going to be exempted from the general Treasury, and at least the revenues for it would come direct from fuel production taxes. I am not going to support the so-called windfall profits tax, as the gentleman knows. I did not vote for it in the Committee on Ways and Means, but at least we would be assured that the money would be plowed back into new fuel sources. These tax revenues would be plowed back in what the committee feels is an essential area of production.

Mr. MICHEL. That is exactly my intent and purpose.

Mr. ROUSSELOT. And it would not come out of general revenues. I think that is a more appropriate approach to the funding of the synthetic fuel program.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I could not agree more with what my leader wants to do, which is to take the money for this bill out of "windfall profits" tax if there ever is a windfall profits tax. What, however, would happen when the gentleman's amendment is passed and there is no windfall profits tax? I have got to tell the gentleman that although I have been around here for 10 years, never in my life would I give that tax one possible chance in the other body, and I am not so sure that it is even going to fly in this one. So, what then are we doing? Is there any way the gentleman could amend his amendment to say that if there is a windfall profits tax the money could come from that fund?

Mr. MICHEL. That could be done, yes. I wanted to at least raise the issue. We must coordinate our energy programs.

Mr. McKINNEY. Would the gentleman go along with this plan:

Would the gentleman go to the Rules Committee and ask that an amendment of his be given priority, so that we state in the windfall profits tax debate that that money first go to this particular purpose?

Mr. MICHEL. In the discussions heretofore that have taken place with respect to the kind of rule that would be granted on the windfall profits tax bill, I think that might be an impracticable kind of request that would not be honored by the majority members serving on that committee. If my intelligence is correct, the die is being cast for several amendments, but not for my type of approach.

Mr. McKINNEY. I find myself in a terrible predicament.

Mr. MICHEL. I want to make clear that had we not had this amendment offered by the majority leader, I would not have thought in terms of this substitute. I was willing to go along with what the committee had in mind, by whatever financing mechanism they felt was appropriate.

Mr. McKINNEY. I would suggest again to my leader that I would not have gone along with this original amendment either until we did a very strange thing in our committee. We had testimony after the bill had been reported out by the full committee by a vote of 39 to 1. We had further testimony from the Defense Department in secret session which made me feel that I should support Mr. Wright's amendment. I am so supporting it, but I like the thrust of the minority whip's amendment. I like what it is saying and I think that should happen, but if we did pass his amendment and the other body, as I presume, will not pass the windfall profits tax—at least I do not expect to be alive to see it—then we will have no windfall profits tax bill.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. McKINNEY and by unanimous consent, Mr. MICHEL was allowed to proceed for 3 additional minutes.)

Mr. MICHEL. We cannot predict with any degree of certainty that the other body will follow suit and do what we will probably do in the House.

Mr. McKINNEY. Is it not true, though, that the gentleman can ascertain with more certainty what the other body will do on energy taxes than on almost anything else that they do?

Mr. MICHEL. Yes.

Mr. McKINNEY. That is why I would be constrained to oppose this, unless the gentleman could change his amendment. I am sorry, but I personally could not go along with it.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I want to commend the gentleman for the amendment. I think it has pointed out an important thing. Right now, we are heading down a road with the Wright amendment which leads us to a totally different concept than that in the Moorhead of Pennsylvania bill. It is Federal purchase and creation of a product which will then be resold to the public and is using the taxpayers' dollars in enormous sums to accomplish that, unless there is a dramatic change in present price differentials. It seems to me that we are being panicked and going down a path very prematurely. The gentleman brought that out by pointing out that we do not know yet what is going to happen with the windfall profits tax. It seems to me that to vote for the Wright amendment is premature. There are other options that ought to be examined, one of which the gentleman has brought up. I commend him for his amendment.

Mr. MICHEL. I thank the gentleman. The gentleman also has an amendment that has a little different twist, and frankly has a great deal of merit because it would give to the private sector a different option, without a Federal subsidy, or very little. I would have to commend him for at least proposing in another alternative way how we can get synthetic fuels.

☐ 1720

Mr. JEFFORDS. I thank the gentleman. That is true, and there are other options. We are talking about 10 years down the way here. We have got weeks and months to come up with something, and yet we rush down one path with a tremendous sum of money that is going to place a multibillion-dollar burden on the taxpayers if this Wright amendment is adopted.

Mr. MICHEL. I thank the gentleman.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I ask unanimous consent that all debate on the Wright Amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BADHAM. Reserving the right to object, we have had two Members, I believe, who have had time and all the rest have been yielded to. Many Members have been waiting patiently for their time, and I think 5 minutes is an unusual limit on time.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I see only about five or six Members standing. I ask unanimous consent that all debate on the Wright amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. JEFFORDS. Reserving the right to object, the gentleman knows I have a substitute which I think ought to be considered, and I hope there will be the understanding that that gives me about 2 minutes to talk about a relatively important substitute, and I just cannot agree to 15 minutes unless I am sure I am going to have 5 minutes myself in order to be able to explain the substitute.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I ask unanimous consent that all debate on the Wright amendment and all amendments thereto close 10 minutes after the gentleman has had an opportunity to offer his substitute amendment.

The CHAIRMAN. The Chair would advise the gentleman that in the event the amendment offered as a substitute by the gentleman from Illinois (Mr. MICHEL) were adopted, no other substitute would be in order and the request would be unworkable.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I ask unanimous consent that all debate on the Michel substitute amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 30 seconds each.

The Chair recognizes the gentleman from New York (Mr. OTTINGER).

(By unanimous consent, Mr. DINGELL yielded his time to Mr. OTTINGER.)

Mr. OTTINGER. Mr. Chairman, I rise in support of the Wright amendment and in opposition to the Michel substitute. I support the Wright amendment, because I believe, as he has stated and demonstrated here with charts, that we have a critical need for liquid fuels—a very critical need. I also got the defense briefing that was referred to by the gentleman from Connecticut (Mr. MCKINNEY). I have suffered with the energy situation, and I know we have that critical need. My whole effort in this process is to make sure that we get the production—the more production we can get, the better—and to see that we will have reasonable safeguards for the taxpayer in the process of getting it. Therefore, I think that the Wright amendment is a good one. The Michel substitute amendment, however, would exhaust the trust fund and not leave any funds at all for critical needs of people who are going to have to pay much higher oil and fuel bills this winter and who cannot afford to do it. That seems to me insidious.

Also, as the gentleman from Connecticut has pointed out, if there is no trust fund, there will be no synthetic fuels program. For these reasons the Michel amendment should be rejected.

The CHAIRMAN. The time of the gentleman from New York (Mr. OTTINGER) has expired.

The Chair recognizes the gentleman from California (Mr. BADHAM).

(By unanimous consent, Mr. JEFFORDS and Mr. ROUSSELOT yielded their time to Mr. BADHAM.)

Mr. BADHAM. Mr. Chairman, I think that the gentleman from Texas (Mr. WRIGHT) is on the right track in saying that we need more energy, be it from synthetic fuels or any other kind of fuels that we have that we control in this country. Reprocessing is sitting on about the equivalent of 240 billion barrels of fuel. If we had the nuclear powerplants that would have been on line by 1978 had the permit process not bogged down, we would have saved another additional equivalent billion barrels of oil per year.

In California alone if we have proper decontrol, and allowance for tertiary recovery of known reserves, we have the equivalent of 13 years of imported oil for the whole United States. The answer is to have decontrol and to not tax those people disproportionately to others in the United States of America that can give the only avenue for competition to OPEC oil. We can allow the development of sufficient domestic resources prior to the advent of synthetic fuels which we eventually will have in order to keep the United States in fuel rather than depending on other people.

The CHAIRMAN. The time of the gentleman from California (Mr. BADHAM) has expired.

The Chair recognizes the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I rise in opposition to the Michel substitute amendment. I think that this does put the cart before the horse. It makes the development of synthetic fuel contingent upon an unknown commodity—what the amount of a trust fund might be, whether it might be a derivative of a windfall profits tax, whatever that is. I think what we need here is clarity in terms of the truth and development. This synthetic development is a priority that should go forward not based on the probability of an unknown tax revenue as to how much it might be and what the needs of this particular program in the end might be. I think this is the sort of thing that has caused the backlog by this Congress and synfuel ought to go forward on its own merits. The trust fund, if it is created, may have different priorities from those proposed by the amendment. I urge my colleagues to defeat the Michel substitute amendment.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. VENTO) has expired.

The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, just in summary, as I said, I would not have introduced the amendment had it not been for the majority leader's intending to quadruple what the need was originally going to be here. That causes me to have a real reservation about how fast we are moving and by what means we are going to eventually have to finance this multibillion-dollar operation. It would be much better now, even though 48 hours ahead of time, to get some kind of sentiment for how Members of Congress would like to have that trust fund, if there is to be one established, used to produce more energy. And if the Senate decides not to take that route, they can always modify this legislation in the conference on the disagreeing votes between the two Houses.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MICHEL) has expired.

The Chair recognizes the gentleman from Texas (Mr. Wright).

(By unanimous consent, Mr. Moorhead of Pennsylvania yielded his time to Mr. Wright.)

Mr. WRIGHT. I thank the Chairman.

I appreciate what the distinguished minority whip, the gentleman from Illinois (Mr. Michel), seeks to do. I just think it is untimely. We do not have any windfall profits tax as of now. We do not have any trust fund created as of now. When the proper time comes, I would be happy to join the gentleman in trying to see that this kind of activity is financed out of that trust fund, but I just think that time is not here.

I would appreciate a no vote on the amendment of the gentleman from Illinois (Mr. Michel) and an aye vote on the amendment itself, which allows that eventuality to occur if in the wisdom of the Congress it should be done when we create and have before us a trust fund.

☐ 1730

Mr. MICHEL. Mr. Chairman, would the majority leader yield for a brief question?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. MICHEL. Did I understand the gentleman to say when the appropriate time arrives and a windfall profits tax is enacted with a trust fund established, the gentleman then would give support to the kind of thing we are talking about here?

Mr. WRIGHT. I think this is one of the things that should be financed out of the trust fund, but not the only thing.

Mr. MICHEL. I thank the gentleman for his response.

The CHAIRMAN. All time has expired.

The question is on the amendments offered by the gentleman from Illinois (Mr. Michel) as a substitute for the amendments offered by the gentleman from Texas (Mr. Wright).

The question was taken; and on a division (demanded by Mr. Michel), there were—ayes 33, noes 55.

So the amendments offered as a substitute for the amendments were rejected.

AMENDMENTS OFFERED BY MR. JEFFORDS AS A SUBSTITUTE FOR THE AMENDMENTS OFFERED BY MR. WRIGHT

Mr. JEFFORDS. Mr. Chairman, I offer amendments as a substitute for the amendments.

The Clerk read as follows:

Amendments offered by Mr. Jeffords as a substitute for the amendments offered by Mr. Wright: Page 5, line 8, add new subsections "b" through "(f)".

(b) Of the total quantity of gasoline and diesel fuel sold in commerce during any of the following years by any refiner (including sales to the Federal Government), replacement fuel shall constitute the minimum percentage determined in accordance with the following table:

In the calendar year:	The minimum percentage of that volume which replacement fuel constitutes, shall be—
1982, 1983, 1984, 1985, and 1986	Determined by the Secretary under subsection (b) of this section.
1987, 1988, and 1989	10 percent.
1990 and each year thereafter	The percentage determined feasible under section 5(a)(4).

(c) Not later than July 1, 1981, the Secretary shall prescribe, by rule, the minimum percentage replacement fuel, by volume, required to be contained in the total quantity of gasoline and diesel fuel sold each year in commerce in the United States in calendar years 1982 through 1986 by any refiner for use as a motor fuel. Such percentage shall apply to each refiner, and shall be set for each such calendar year at a level which the Secretary determines—

(1) is technically and economically feasible, and

(2) will result in steady progress toward meeting the requirements under this section for calendar year 1987.

(d) Each refiner shall report annually to the Secretary the percentage replacement fuel by volume contained on the average in the total quantity of gasoline and diesel fuel for use as a motor fuel that refiner sold during the preceding calendar year.

(e) The requirements under subsection (a) on any refiner may be satisfied directly with replacement fuel and gasoline and diesel fuel refined and blended by the refiner or indirectly pursuant to any contract or other arrangement with replacement fuel and gasoline and diesel fuel refined or blended by others.

(f) The Secretary may, on the application of any person, make adjustments to reduce the minimum percentage requirement as it applies to that person, but only if and to the extent that such adjustments are consistent with the purposes of this Act.

Page 5, line 8, strike out "(b)" and insert in lieu thereof "g". Renumber the following subsections accordingly.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I reserve a point of order on the amendments offered by the gentleman from Vermont (Mr. Jeffords).

The CHAIRMAN. The gentleman from Pennsylvania reserves a point of order.

Mr. JEFFORDS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

Mr. Chairman, I support the Moorhead bill. I believe that the concept therein is a good one. To the extent that the Federal Government has needs and demands for oil, it ought to act to develop the synthetic fuels industry to provide those needs.

However, Mr. Chairman, the Wright amendment goes way beyond that. It says that not only will we create a market to purchase fuel for Federal use, to fulfill the immediate needs of the Federal Government. The Wright amendment will go beyond that; we will quadruple that amount. The Federal Government would purchase fuel, most likely from an oil company, and then resell it to the oil company to sell it to the public at taxpayers' expense.

That may be the best concept—I doubt it—but there are other ones that should be considered. There are at least a few that I know of.

The gentleman from Kentucky (Mr. Perkins), the chairman of the Committee on Education and Labor, has another concept. I have a concept. We have already talked about one for purposes of the windfall profits tax.

Before we go down this road which leads us in the direction of a total Federal commitment to purchase all of the synfuels and then to resell them at whatever price it requires to be resold to the market, I think we should examine other alternatives. It could save consumers and taxpayers billions.

I would invite your attention to one which I have proposed and which 103 other Members of this body have cosponsored. It takes a different approach. What this concept does, instead of saying the Federal Government ought to purchase and resell, it says we ought to put the bead on the oil companies, the refiners. We ought to say that, "By 1987, 10 percent of what you sell must come from something other than oil that comes out of the ground. You can mix it yourself or do it by contract to have someone else do it." It could be alcohol from garbage; it could be alcohol from corn; it could be synthetic oil from coal; it could be produced from shale; it could come from tar sands. This says, "Let us put the free enterprise system to work, let us find the best, the cheapest way to supply what we need to do to get our country on the road to energy independence."

This would provide somewhere around 1 million barrels a day of replacement fuels. It would do it not at the taxpayers' cost, not by Federal purchase, but by allowing the free enterprise system to develop the best way to find the answer. It requires the oil refiners to buy the cheapest answer to meet the law so that on an average 10 percent of their product is from a replacement fuel. If they do not they are fined. I would like to point out that this idea is new and gaining support; as I have mentioned, the concept already has 103 cosponsors. Time magazine referred to it as the idea of the week, 2 weeks ago, in its June 18 issue.

Quoting from Time it says:

> It would get the alternative energy industry off the ground, unendangered by politics or paperwork. Also it would cost the taxpayers nothing.

This is an idea which should be considered but if we go forward in this path we may preclude consideration of this, or other alternatives.

Also, I would like to point out that such a concept, by putting the bead on the oil companies and mandating a market, is similar to what we did to the car companies by mandating they have miles-per-gallon requirements. The concept is as flexible as is possible. It would also complement the original concepts of this bill. It will also complement other concepts which may be helpful, whether it be tax credits, or windfall taxes, or practically anything else.

This is an easy way, a simple way. The experts who testified before our subcommittee on this issue said it was the best idea they had seen, the best way to get America moving on energy independence and with less complications than this bill would incorporate if you go through with the Wright amendment.

Mr. KELLY. Mr. Chairman, would the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

The 500,000 barrels a day figure was established as a result of comparing it to the defense needs and this is the Defense Production Act. So I think the gentleman in the well is quite correct. This is a major departure and a very limiting departure, because we are stuck with what is in this bill. The bill was hastily prepared but I think is basically a good concept. The broad production of synthetic fuels in the United States should not be limited to this one concept. There is too much danger the Government may wind up producing it and especially as the amount of production provided for in the bill increases. I think the gentleman's argument is well taken.

Mr. JEFFORDS. I thank the gentleman, Mr. Chairman, and I certainly agree with what the gentleman has said.

In summary, I think the question comes down to whether you want to take the Wright approach, which is the wrong approach, and that is to say that the Federal Government ought to be the one that buys it all, most likely from an oil company, and sells it back to you probably through an oil company, at whatever cost the Federal Government got stuck for, or on the other hand you ought to support my concept which puts the bead on the oil companies and says, "You are the ones who ought to go out and develop the market, so that the necessary capital formation will be created. Let the free enterprise system, the American way, find the easiest, the simplest, the least costly way of doing it whether it be alcohol in Nebraska or whether it be synthetic oil from coal in Pennsvlvania. Let all options compete to find the cheapest way. Let the American consumer get off with the lowest price and allow the American taxpayer off altogether."

I urge you to put the pressure on the oil companies, not the taxpayers.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Pennsylvania insist upon his point of order?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I do.

The CHAIRMAN. The gentleman will state it.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, as much as I support the concept of the substitute of the gentleman from Vermont—I believe I am a cosponsor of his bill—I do not believe it is a proper part of this legislation in that it is not germane.

First, it is not germane to the Wright amendment which is a production amendment and a defense production amendment.

This amendment is a regulatory amendment dealing with "replacement fuels sold in commerce." It is not a production bill.

The same language is contained further down. It regulates the amount of synthetic fuel and diesel fuel sold each year in commerce in the United States and the guts of the bill are regulatory, rather than production aimed. Therefore, this amendment is not germane to the Wright amendment or to the bill.

The CHAIRMAN. Does the gentleman from Vermont wish to be heard on the point of order?

Mr. JEFFORDS. Mr. Chairman, it seems to me that once the Wright amendment has been agreed to as being part of the bill, then a substitute which goes well beyond the original concept of the bill is also germane and in order.

I would point out that the Wright amendment, as I have said before, takes us totally out of just the needs for the Federal Government and goes out into the area of sales in commerce. I think because the Wright amendment is being considered as germane, the substitute should also.

The CHAIRMAN. The Chair is prepared to rule.

The amendment offered by the gentleman from Texas goes to goals for defense production of synthetic fuels and to the funds to achieve those goals. The amendment offered by the gentleman from Vermont, for reasons stated by the gentleman from Pennsylvania, is not solely related to defense production but rather goes to all diesel fuel and gasoline sold in commerce whether defense related or not and does not speak solely to the production of synthetic fuels for defense purposes. It is therefore beyond the scope of the Wright amendment and is not germane, and the Chair is also constrained to point out the subject matter of the amendment offered by the gentleman from Vermont does not lie within the jurisdiction of the Committee on Banking, Finance and Urban Affairs.

For the foregoing reasons the Chair sustains the point of order.

□ 1740

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas (Mr. WRIGHT).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. MOORHEAD of Pennsylvania: Page 4, line 14, strike out "1995" and insert in lieu thereof "2015".

Page 5, line 19, insert "regarding the procurement of goods or services by the Federal Government, except as provided in section 717(a) of this Act," after "existing law".

Page 7, line 7, insert "(A)" after "(4)".

Page 7, after line 12, insert the following:

"(B) Contracts for the purchase or commitment to purchase synthetic fuels or synthetic chemical feedstocks may be entered into only for synthetic fuels or synthetic chemical feedstocks which are produced in facilities which are located in the United States.

"(C) For purposes of this paragraph, the term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States."

Page 10, line 6, strike out the quotation marks and the period at the end thereof.

Page 10, after line 6, insert the following:

"(j) Nothing in this section shall be construed to authorize the President to institute, without the approval of the Congress, a program for the rationing of gasoline among classes of end-users.".

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, this amendment does several things. The first one is to strike out the year 1995 as the final time for payments under the program and inserts in lieu thereof the year 2015.

This extends the period of purchases that could be made and is made necessary by the adoption of the Wright amendment.

Concern has been expressed that the language in the bill without regard to existing law could cover a multitude of existing laws, which was not intended by the committee and I do not really think it would be so construed; but at the suggestion of the gentleman from Michigan and the gentleman from New York, this amendment limits the exemption to procurement laws and provides also that no moneys can be paid except out of moneys appropriated by prior appropriation laws.

The amendment also provides, again which I really did not think was necessary, but to make it absolutely clear, that the contracts for purchase may be entered into only for synthetic fuels or feedstocks which are produced in facilities which are located in the United States. This was suggested to me, among others, by the gentlewoman from Ohio (Ms. OAKAR), and I think it is an amendment that can easily be agreed to.

Finally, earlier in the debate reference was made to the fact that somehow this bill could be construed to permit gasoline rationing. I did not think it could be so construed, but the gentleman from Michigan and the gentleman from New York were concerned about this.

Now, I personally am in favor of rationing. I think it is the way we should go, but I do not think it should be in this particular legislation. So, to eliminate any shadow of a doubt, I included this in the amendment. I believe these amendments are more technical than substantive, so I would hope they would be adopted.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, is it my understanding quite clearly then that there is no attempt in this legislation to repeal or otherwise waive laws with respect to labor law protections or small business set-asides or environmental laws or any other laws?

Mr. MOORHEAD of Pennsylvania. That is certainly my understanding of the intention of the committee and it is certainly my intention. The gentleman is correct.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman. I think the amendments are very constructive.

Mr. DINGELL. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. MOORHEAD of Pennsylvania. I would be glad to yield to my friend, the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the gentleman puts the amendment relating to rationing at page 10. Now, this only deals with the title, as I read the language of the amendment that the gentleman has suggested, it says:

> Nothing in this section shall be construed to authorize the President to institute, without the approval of the Congress, a program for the rationing of gasoline among classes of end-users.

Now, that applies only to title III of the act. It does not apply to the balance of the Defense Production Act, particularly title I.

Now, that being so, the language of the amendment deals only with the fact that the President cannot institute rationing under title II, not under title I of the Defense Production Act to which this is an amendment.

Now, rationing comes up in title I of the act. Section 3 relates to loan guarantees and purchase price.

The only way that the amendment of the gentleman can be made to be effective is to say nothing in the "act," not nothing in the "section," will be construed, and so forth.

Now, if the gentleman really wants us to have an amendment which does not permit rationing without prior action by the Congress, the gentleman has got to amend the amendment in the fashion that I have indicated.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, would the gentleman yield?

Mr. DINGELL. Well, the gentleman has the floor.

Mr. MOORHEAD of Pennsylvania. Well, then, I would ask unanimous consent that the amendment I have offered be changed to in place of the word "section", the word "act", "Nothing in this act."

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

> Page 10, after line 6, insert the following:
> "(j) Nothing in this Act shall be construed to authorize the President to institute, without the approval of the Congress, a program for the rationing of gasoline among classes of end-users.".

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I want to take this opportunity to say that I have enjoyed working with the gentleman from Michigan.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MOORHEAD) has expired.

(By unanimous consent, Mr. MOORHEAD of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I think this colloquy shows that the gentleman and I can work together to improve this legislation.

I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. DINGELL, and by unanimous consent, Mr. MOORHEAD of Pennsylvania was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, I express high regard also for the gentleman from Pennsylvania and tell the gentleman how delighted I am to work with him. I am particularly pleased that he has adopted several of the amendments that I and my colleagues have offered. In view of that splendid comity, perhaps if the gentleman would yield further, the gentleman would tell me what are the contracting statutes to which we refer at page 5 in the amendment at lines 17 through 21; actually, 17 through 19.

Does it include the Antideficiency Act? We have a whole abundance of statutes relating to GAO audits, relating to overspending of appropriations, small business set-asides, advertising, and so forth.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if I can reclaim my time to say that this bill does not change the GAO audits.

Now, we do have a problem, that this purchase arrangement which in previous years I believe the gentleman supported the concept of it, is a little bit difficult to work into normal procurement procedures, because we are asking for bids in dollars for a barrel of oil substitutes. It is not quite the same as buying automobiles or paperclips, so that I think to make this thing work we cannot be restrained by all of the restrictions that are in existing procurement legislation.

Mr. DINGELL. Well, let us deal with some. There is the Antideficiency Act.

Mr. MOORHEAD of Pennsylvania. The what?

Mr. DINGELL. The Antideficiency Act, that says you cannot spend more money than has been appropriated. That is essentially a contracting act. Does this authorize violation of the Antideficiency Act?

Mr. MOORHEAD of Pennsylvania. No. It provides, if I can find that amendment again.

Mr. DINGELL. The gentleman has reserved the authority to subject the President to disregard the act.

Mr. MOORHEAD of Pennsylvania. Except as provided in section 717(a), which requires prior appropriations.

☐ 1750

Mr. DINGELL. But it says, "Without regard to limitations in existing law."

Mr. MOORHEAD of Pennsylvania. Except as provided in section 1717(a) which requires prior appropriations.

Mr. DINGELL. Well, we have matters of small business set-asides. Is that one of those statutes that does not limit the action of the President?

Mr. MOORHEAD of Pennsylvania. What we do in this bill is to try to promote production, and one of the ways is through direct loans and loan guarantees in which small business would be the beneficiary.

Mr. DINGELL. Is the answer, then, yes, that it does set aside those two statutes, including the Antideficiency Act?

Mr. MOORHEAD of Pennsylvania. The answer is no in one case, and the answer to the other sections in the other case is that it does.

Mr. DINGELL. The answer is yes. What other statutes relating to this are there?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MOORHEAD) has again expired.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to state that I concur with the remarks of the chairman of the subcommittee and say that I accept these amendments. I think they are essentially perfecting in nature, and I think they should be in the bill.

I want to congratulate my friend, the gentlewoman from Ohio (Ms. OAKAR), a member of the committee, for putting in her amendment. I would say, though, that there has been a lot of discussion about gas rationing, and I am not going to let this go by any longer.

If everybody in this House is so afraid that this bill is going to give the President the right to ration gas, which it is not and which we have now just taken care of, let us get this issue on the floor again and let us have a vote.

It is wonderful to pull this ogre out of the sky and talk about gas rationing. My people want gas rationing. Anything would be better than the confusion, the doubt, the stupidity, and whatever else they have got now.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I will as soon as I finish this point.

Mr. Chairman, if it is in the gentleman's committee, I would recommend that he bring it forth the day after tomorrow. My people want to know whether they have 10 gallons, 15 gallons, or 20 gallons a week. They do not want to sit in constant terror of the fact that they are not going to be able to do anything, that they are not going to be able to get to work.

If we give the American people a chance to plan, they will plan. If we tell my wife or any other housewife for that matter that they have so much gas, they will set their lives around it. But if we tell them we do not know whether they will have enough gas to do anything, we do not know whether their husband will have enough gas to get to work, or whether they can take a weekend, they are helpless and they do not know how to plan.

We have a Secretary of the Department of Energy who says one day, "The gas lines will stop," and then the next day he says, "The gas lines will still be with us." We have seen that the gas lines have ceased in California.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I will yield to the gentleman in just a moment.

I just say that we should bring that rationing vote on the floor, and I will vote for it any time. But do not try to say that we have a rationing plan here and that there is anything about rationing in this bill, because there is not. This is the Defense Production Act, and God knows, just under that term the President should have almost any right, as he did in World War II, to get this country to react.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding.

I handled the President's rationing proposal a few weeks ago, as the gentleman remembers very well. The gentleman voted for that proposal. But I am sure that he recalls there were only seven votes on his side of the aisle in favor of rationing.

Mr. McKINNEY. I was one of the "ugly seven."

Mr. DINGELL. Mr. Chairman, I have no objection to dealing with the rationing matter again. I will tell the gentleman there will be a proposal on the floor dealing with rationing as soon as I can craft it and report it out of committee.

Mr. CORRADA. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I would be delighted to yield to the gentleman from Puerto Rico.

Mr. CORRADA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to state that I want to commend the gentleman from Pennsylvania (Mr. Moorhead), the gentlewoman from Ohio (Ms. Oakar), and the gentleman on the minority side for agreeing to include Puerto Rico and other U.S. possessions in this bill.

We contribute in Puerto Rico 300 million barrels of oil which contribute substantially to the figure of 802 million barrels imported today in our Nation. The inclusion of Puerto Rico and other U.S. territories and possessions in the bill is something that ought to be commended and supported by all the Members.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I just want to commend the gentleman on what I thought was a very reasonable statement on the needs this institution has and the other body for developing a mechanism for managing this shortage. I think the kind of fortitude the gentleman exhibits ought to be reflected, hopefully soon, by a majority of the House.

Mr. McKINNEY. Mr. Chairman, I appreciate the gentleman's statement.

I simply say again, Mr. Chairman, as a Member of this body, supposedly one of the greatest deliberative bodies in the world, one that deliberates and writes laws for one of the greatest nations in the world, that we should not stand here and watch a Nation disintegrate into chaos, with confusion and no control over its economy, no control over its energy, no control over its defense, and no control over its foreign policy. We obfuscate the issues and look for all these other reasons, and we find everything wrong.

But I will say to my colleagues I think we should take a step forward and consider the bill of the gentleman from Vermont (Mr. Jeffords) or the bill of the gentleman from Michigan (Mr. Dingell), or let us get a rationing bill. Let us do something.

Mr. Chairman, I very seldom talk with that much anger, but that is the anger I feel.

Mr. Chairman, I yield back to the balance of my time.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendments.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I ask unanimous consent that all debate on these amendments and all amendments thereto close after the gentlewoman from Ohio (Ms. Oakar) has completed her presentation.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentlewoman from Ohio (Ms. Oakar).

Ms. OAKAR. Mr. Chairman, as our distinguished Speaker said in his letter to us today, this bill "is one of the most important initiatives of this Congress." I wholeheartedly agree. The current oil crisis, as it exists today, threatens and plays havoc with our national security. I am confident that our Nation will find the resources, technology, and capital to overcome our dependence on foreign oil. The legislation before us provides that impetus. The bill identifies national energy resources as one of the critical and strategic materials which are vital to our national defense; it recognizes that our present heavy reliance on imported petroleum from foreign governments places our national security in a very precarious situation and; implements programs for the development of synthetic fuels as a substitute for our current heavy reliance on foreign import of this critical and strategic material—oil.

Mr. Chairman, during our hearings, several witnesses attested to the fact that our current reliance on imported petroleum threatened our national security. Underscoring this deep concern were the views of the Department of Treasury in a memorandum dated March 14, 1979 to President Carter from Secretary Blumenthal. The memorandum was accompanied by a detailed 21-page report concluding that the threat to national security and the economic strength of the nation from the growing dependence on foreign oil was more serious than ever.

Mr. Chairman, simply, my amendment is desiged to help alleviate that heavy burden to our national security interests by requiring that contracts for the purchase or the commitment to purchase synthetic fuels or chemical feedstocks be entered into only with those companies whose facilities are located in the United States, its territories or possessions.

One of the reasons the term "United States" is all inclusive is obvious. We should not preclude or prohibit the development of synthetic fuels anywhere in the United States, its territories, or possessions where there exists the possibility that a synthetic fuels industry can be developed. I might add, Mr. Speaker, that although I have emphasized the national security aspect of this legislation—it should not go unnoticed that the development of this synthetic fuels industry will create many jobs in the continental United States and in those territories and possessions which so badly need to improve their economies.

Mr. Chairman, never again should the national security interests of our country be placed in a situation where the control of our national security interests are placed with a foreign government or governments whether they be friendly or unfriendly.

It is for these reasons that I urge the adoption of my amendment, which will insure that contracts for the purchase or commitment to purchase synthetic fuels or synthetic chemical feedstocks be produced in facilities located in the United States, its territories or possessions.

This amendment is important then for our national security interests and highlights our concern for the increase in jobs for the American working person.

Mr. VENTO. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I want to commend the chairman of the subcommittee for his amendments.

I am concerned about some of the dialog that occurred between the gentleman from Pennsylvania (Mr. Moorhead), the chairman of the subcommittee, and the gentleman from Michigan (Mr. Dingell) with regard to the act.

When the gentleman accepted the amendment which modified this act, he was talking specifically about H.R. 3930; the gentleman is not talking about title I or the priorities of procurement for the Defense Production Act?

Mr. MOORHEAD of Pennsylvania. No, I was talking about this act. I did, in exchange or in colloquy with the gentleman from Texas (Mr. Brooks), say that I expected, to the maximum extent practicable, that the requirements of Government procurement in the law for small business set-asides, minority business set-asides, labor surplus areas, and situations like that would be considered.

Mr. VENTO. Mr. Chairman, I thank the gentleman.

Ms. OAKAR. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendments offered by the gentleman from Pennsylvania (Mr. Moorhead).

The amendments were agreed to.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the hour is getting late, and therefore, I would like to ask unanimous consent on the closing of debate on section 3.

Mr. BROWN of Ohio. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The Chair will state that the gentleman from Pennsylvania (Mr. Moorhead) has not yet propounded his unanimous consent request.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I am just trying to see how many Members are standing.

Mr. Chairman, I ask unanimous consent that all debate on section 3 close at 6:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. KELLY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, may I ask, would the gentleman from Florida (Mr. Kelly) accept the hour of 6:40?

Mr. KELLY. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. Moorhead) has the floor.

Mr. KELLY. Mr. Chairman, if the gentleman will yield, I will respond to the gentleman and say that I had some amendments to section 3, and after they are disposed of, I would certainly consider that.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the gentleman from Florida realizes that as a member of the committee he is entitled to first recognition by the Chair, if the Chair follows the usual procedure, as the Chair has been doing.

Mr. Chairman, I will repeat my request. I do not like to move it.

Mr. Chairman, I ask unanimous consent that all debate on section 3 close at 6:40.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BROWN of Ohio. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The gentleman from Pennsylvania (Mr. Moorhead) has the floor.

□ 1800

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move that all debate on section 3 and all amendments thereto cease at 6:40 p.m.

The question was taken; and on a division (demanded by Mr. Rousselot) there were—ayes 43, noes 33.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and three Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. Bauman) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 183, answered "present" 1, not voting 41, as follows:

[Roll No. 280]

AYES—209

Addabbo
Akaka
Albosta
Alexander
Andrews, N.C.
Annunzio
Applegate
Ashley
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Byron
Carter
Chappell
Clay
Coelho
Collins, Ill.
Corman
Cotter
Daniel, Dan
Danielson
Derrick
Dicks
Dixon
Drinan
Duncan, Oreg.
Duncan, Tenn.
Erlenborn
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Ginn
Goodling
Gore
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hance
Hanley
Harris
Hawkins
Hefner
Hightower
Holland
Hollenbeck
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCormack
McDade
McKay
McKinney
Marks
Matsui
Mattox
Mavroules
Mica
Mikva
Mineta
Minish
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Obey
Paul
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quillen
Rahall
Ratchford
Reuss
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Sebelius
Seiberling
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
St Germain
Stack
Staggers
Steed
Stenholm
Stewart
Stokes
Stratton
Stump
Swift
Synar
Traxler
Udall
Van Deerlin
Vanik
Vento
Watkins
Waxman
Weaver
Whitley
Whitten
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—183

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Aspin
Atkinson
Badham
Bauman
Bedell
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Cavanaugh
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dodd
Donnelly
Dornan
Dougherty
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Fish
Fowler
Frenzel
Gilman
Gingrich
Glickman
Goldwater
Gonzalez
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harkin
Heckler
Hillis
Hinson
Holt
Horton
Hyde
Ichord
Jacobs
Jeffords
Johnson, Colo.
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McCloskey
McDonald
McEwen
McHugh
Madigan
Maguire
Markey
Marlenee
Martin
Mathis
Michel
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moffett
Moore
Myers, Ind.
Neal
Ottinger
Panetta
Pashayan
Pease
Petri
Pritchard
Quayle
Railsback
Regula
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Scheuer
Schroeder
Schulze
Sensenbrenner
Shannon
Sharp
Shumway
Shuster
Smith, Nebr.
Snowe
Solomon
Spence
Stangeland
Stanton
Stark
Stockman
Studds
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Weiss
White
Whitehurst
Whittaker
Williams, Mont.
Williams, Ohio
Winn
Wylie
Yatron
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—41

Anderson, Ill.
Bolling
Bonker
Breaux
Carr
Chisholm
Conable
Conyers
Davis, S.C.
Diggs
Dingell
Downey
Eckhardt
English
Evans, Ga.
Flood
Ford, Tenn.
Forsythe
Giaimo
Gray
Harsha
Heftel
Holtzman
Hopkins
Jeffries
Jenrette
Marriott
Mazzoli
Mikulski
Moorhead, Calif.
Oberstar
Patten
Patterson
Rangel
Rodino
Runnels
Santini
Spellman
Thompson
Ullman
Wilson, C. H.

□ 1810

Mr. HYDE changed his vote from "aye" to "no."

So the motion was agreed to.

The result of the vote was announced as above recorded.

LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Chairman, I take this time to announce the program for tonight and the remainder of the week.

It is my understanding from the members of the committee that when this bill came out of committee, 39 to 1, that it would be through the House in a couple of hours.

It is necessary that we complete this bill. We will go until completion of this bill tonight.

The program for the remainder of the week will be:

Tomorrow, we will bring up HUD and complete HUD appropriations.

Then we will take up labor/HEW appropriations and finish Labor/HEW appropriations. It appears as though we will have a late evening.

We must complete before the week is out the Crude Oil Excess Profits Tax Act of 1979, additional authorizations for food stamps, and the sanctions on Zimbabwe Rhodesia.

I would hope that the Members would bear with us during these times.

We are going home for a district work week at 3 o'clock on Friday. We cannot leave until those five items are out of the way.

□ 1820

The CHAIRMAN. The Chair will attempt to explain the situation.

The Committee has just voted to end all debate on section 3 and all amendments thereto at 6:40. The Chair in a moment is going to ask those Members wishing to speak between now and then to stand. The Chair will advise Members that he will attempt, once that list is determined, to recognize first those Members on the list with amendments which are not protected by having been printed in the RECORD.

The Chair would ask those Members wishing to be recognized in the remaining 20 minutes to stand.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Ohio will state his parliamentary inquiry.

Mr. BROWN of Ohio. Mr. Chairman, did I understand the Chair correctly that Members who are protected by having their amendments printed in the RECORD will not be recognized until the time has run so that those Members will only have 5 minutes to present their amendments, but that other Members will be recognized first for the amendments which are not printed in the RECORD?

The CHAIRMAN. Those Members who are recognized prior to the expiration of time have approximately 20 seconds to present their amendments. Those Members whose amendments are printed in the RECORD will have a guaranteed 5 minutes after time has expired.

Mr. BROWN of Ohio. Further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. In what way does that protect Members by having their amendments then printed in the RECORD? It would seem to me they are penalized by having their time limited to 5 minutes and the other time goes ahead and runs in terms of general debate.

The CHAIRMAN. The Chair will advise the gentleman that Members do not need and are not required to seek their protection for debate on the amendment under the rules, but if they do not they will be recognized for at most 20 seconds instead of 5 minutes.

Mr. BROWN of Ohio. Under this piece of legislation, a major piece of legislation, amendments will be considered in 20 seconds, is that right?

The CHAIRMAN. The Committee has so voted.

The Chair will now recognize those Members who wish to offer amendments which have not been printed in the RECORD.

The Chair will advise Members he will recognize listed Members in opposition to the amendments also for 20 seconds.

PARLIAMENTARY INQUIRY

Mr. KELLY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KELLY. Mr. Chairman, is it not regular order that the Members of the Committee with amendments be given preference and recognition?

The CHAIRMAN. The Chair would advise the gentleman once the limitation of time has been agreed to and time divided, that priority of recognition is within the complete discretion of the Chair.

AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 5, line 13, by striking the words "or resale; and" substitute therefor the words "or resale for use conducive to defense needs or for use in the United States, its possessions or territories, or by domestic users; and".

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, this bill as written will allow resale of synthetics to anywhere and to anyone. My amendment merely restricts such resale to domestic users, to defense needs, to people in the United States, territories, and possessions. That is all it does. I think this is what the committee intended.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Yes, I will yield to the gentleman.

Mr. MOORHEAD of Pennsylvania. I think the amendment is a good one, and this side of the aisle has no objection to it.

The CHAIRMAN. Does any Member wish to speak in opposition to the amendment?

The question is on the amendment offered by the gentleman from Texas (Mr. WHITE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: On page 9, after line 15, insert the following:

(3) Any corporation organized pursuant to the provisions of this subsection shall be subject to the provisions of the Government Corporation Control Act (31 U.S.C. 841–870) and shall for the purposes of such Act be deemed to be wholly-owned government corporations as defined in section 101 of such Act (31 U.S.C. 846).

The CHAIRMAN (during the reading). The Chair would advise Members that some decisions of consequence have to be made under very difficult circumstances and I would urge them to let the amendments be heard.

The Clerk concluded the reading of the amendment.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Chairman, I will not take all of my time.

Mr. Chairman, this legislation authorizes the President to organize wholly owned Government corporations which will have substantial authority to purchase and lease land, buildings, plants, and equipment. There are no guidelines contained in the bill as to how the corporations are to function. Many years ago, the Congress enacted the Government Corporation Control Act which establishes certain minimum requirements for wholly owned Government corporations. Those provide for such things as financial control, budgeting, reports to Congress, auditing by the General Accounting Office, and other routine management requirements. That act applies to such wholly owned Government corporations as the Commodity Credit Corporation, the Defense Plant Corporation, the Rubber Development Corporation, the Government National Mortgage Association, the Export-Import Bank of the United States, the Petroleum Reserves Corporation, the Tennessee Valley Authority, and a number of others.

My amendment would simply provide that any corporation organized under the provisions of this synthetic fuels bill would be subject to the provisions of the Government Corporation Control Act. The grant of authority to the President in this legislation is extremely broad, and I believe that Congress should at least require the applicability of these minimum financial controls.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, we accept the amendment of the gentleman from Texas.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BROOKS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KELLY

Mr. KELLY. Mr. Chairman I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kelly: Page 3, line 7, after "thereof" strike "$38,000,000" and insert in lieu thereof—"$100,000,000".

Page 4, line 5, strike "$48,000,000" and insert in lieu thereof "$125,000,000".

Mr. KELLY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be limited to that which has been read and that the two portions of the amendment be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. OTTINGER. Mr. Chairman, reserving the right to object, can the gentleman give me an idea what he seeks to do?

The CHAIRMAN. The gentleman from Florida will restate his unanimous consent request.

Mr. KELLY. The unanimous-consent request is that the amendment be limited to the portion that has been read and that since there are two parts to it, they be considered en bloc.

Mr. OTTINGER. What is the effect of it? I just do not understand.

Mr. KELLY. The effect of the amendment is to increase the guaranty authority and the loan authority.

Mr. OTTINGER. Mr. Chairman, I think that is a very bad idea, and I object.

The CHAIRMAN. Objection is heard.

The Clerk will continue to read the amendment.

The Clerk continued to read the amendment as follows:

Page 4, line 25, strike "500,000" and insert in lieu thereof "400,000".

Page 5, line 2, after "section." insert the following: "Thereafter production of synthetic fuels and synthetic chemical feedstocks shall proceed according to the following schedule: at least 800,000 barrels per day crude oil equivalent not later than ten years after the effective date of this section, at least 1,200,000 barrels per day not later than fifteen years after the effective date of this section, at least 1,600,000 barrels per day not later than twenty years after the effective date of this section, and at least 2,000,000 barrels per day not later than twenty-five years after the effective date of this section. Said production goals shall be subject to review by Congress every two years."

Page 5, line 24, strike out "goal" and insert in lieu thereof "goals".

Page 8, line 16, strike out "goal" and insert in lieu thereof "goals".

□ 1830

Mr. KELLY (during the reading). Mr. Chairman, the Clerk has misread the amendment.

The CHAIRMAN. The Clerk is reading the amendment submitted to him. Does the gentleman have a different amendment?

Mr. KELLY. No, the Clerk read 50,000 and 40,000. It is 500,000 and 400,000.

The CHAIRMAN. The Clerk read 500,000 and 400,000, as the amendment reads.

The Clerk will reread the amendment.

The Clerk reread the amendment.

POINT OF ORDER

Mr. GORE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GORE. If I am not mistaken, Mr. Chairman, the Wright amendment, which has already been acted upon, amended page 4, line 25, and changed the 500,000 figure already. The gentleman seeks to return to that line and change the figure once again, which has already been changed.

I would think that a point of order would lie against the amendment.

The CHAIRMAN. Does the gentleman from Florida wish to be heard?

PARLIAMENTARY INQUIRY

Mr. KELLY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KELLY. Mr. Chairman, is it not within my authority to limit my amendment to the first four lines of the amendment as it is printed?

The CHAIRMAN. The gentleman may offer a new amendment if he wishes.

Mr. KELLY. I do offer a new amendment, Mr. Chairman, which is limited to the first four lines.

The CHAIRMAN. Does the gentleman concede the point of order on the original amendment?

Mr. KELLY. Yes, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and therefore sustained.

AMENDMENT OFFERED BY MR. KELLY

The CHAIRMAN. Does the gentleman have a new amendment?

Mr. KELLY. The amendment, Mr. Chairman, is the first four lines of the amendment as it is printed and at the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLY: Page 3, line 7, after "thereof" strike "$38,000,000" and insert in lieu thereof "$100,000,000".

Page 4, line 5, strike "$48,000,000" and insert in lieu thereof "$125,000,000".

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. KELLY).

(By unanimous consent, Mr. THOMAS yielded his time to Mr. KELLY.)

Mr. KELLY. Mr. Chairman, I think that the Congress has got to understand that the only reason the private sector has not already been producing synthetic fuels is because it is not economical at this time. Petroleum is cheaper. If we are going to encourage them to produce synthetic fuels, then we are going to have to provide the only thing we can provide, and that is money, and clear away as much impediment as we can.

This amendment will make more money available, and if we want to produce energy, then money is going to be the thing we can supply; limit regulation and supply money. If we are not serious about that, then the President under the authority of this act has the authority to form a Federal Corporation, put the Government in the business of producing energy. This Mr. Chairman is close to socialism and a procedure in which the public has no confidence.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GORE. Mr. Chairman, I rise in opposition to the amendment.

I think clearly, under these circumstances, the Committee of the Whole should not make a decision of this magnitude without more opportunity to judge its implications. Basically, what the gentleman from Florida is trying to do is to triple the loan limit level to $125 million. The committee, in its wisdom, considered this limit and decided the limit in the bill is high enough.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. KELLY).

The amendment was rejected.

The CHAIRMAN. Are there other Members on the floor who have amendments which are not printed in the RECORD?

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment.

Mr. KOSTMAYER. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Arizona (Mr. UDALL).

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk read as follows:

Amendment offered by Mr. UDALL: Page 8, after line 13 add the following new subsection and renumber the subsequent sections accordingly:

(g) (1) The Secretary of Energy is hereby authorized to designate a proposed synthetic fuel or feedstock facility as a priority synthetic project pursuant to the procedures and criteria provided in this section.

(2) For the purposes of this section the term—

(A) Synthetic fuel or feedstock facility means any physical structure, including any equipment, building, mine processing facility or other facility or installation used in the development or production of synthetic fuels or synthetic chemical feedstocks that are subject to loan guarantees contract for purchase or commitment to purchase authorized by this Act or produced by a corporation created pursuant to this Act;

(B) "Secretary" means the Secretary of Energy;

(C) "Deputy Secretary" means the Deputy Secretary of the Department of Energy.

(h) (1) Any person planning or proposing a synthetic fuel or feedstock facility may apply to the Secretary of Energy for an order designating such facility as a priority synthetic project.

(2) The Secretary shall publish notice of the filing of the designation request, together with a description thereof in the Federal Register; and interested persons shall be afforded thirty days thereafter within which to submit written comments for the Secretary's consideration.

(3) The Deputy Secretary shall transmit copies of the application for designation as a priority synthetic project, as well as any other information the Deputy Secretary deems relevant, to the appropriate agencies so that those agencies may begin preparation of the requirements specified in subsection (L) in the event that the applicant eventually receives designation as a priority synthetic project.

(i) Not later than forty-five days after receipt of an application authorized under the previous section, the Secretary shall determine whether the proposed synthetic fuel or feedstock facility is of sufficient national interest to be designated a priority synthetic project. Upon reaching a determination the Secretary shall publish his decision in the Federal Register and shall notify the applicant and the agencies identified in subsection (h) (3). In making such a determination the Secretary shall consider—

(1) the extent to which the facility would reduce the Nation's dependence upon imported oil;

(2) the magnitude of any adverse environmental impacts associated with the facility and the existence of alternatives that would have fewer adverse impacts;

(3) the extent to which the proposed facility would make use of renewable energy resources;

(4) the extent to which the proposed facility would promote energy conservation;

(5) the extent to which the proposed facility would contribute to the development of new production or conservation technologies and techniques;

(6) the time that would normally be required to obtain all necessary Federal approvals and the adverse impacts that would result from delay in completion of the proposed facility;

(7) the extent to which the applicant is prepared to complete or has already completed the significant actions which the applicant in consultation with the Deputy Secretary anticipate will be identified under subsection (L) as required from the applicant; and

(8) the public comments received concerning such facility.

(j) A determination by the Secretary under subsection (i) of this section is not a major Federal action within the meaning of section 102(2) of the National Environmental Policy Act of 1969.

(k) The Secretary shall encourage prospective applicants under subsection (h) to file applications for any necessary Government actions or approvals with the appropriate agencies as soon as possible in order that any eventual action or decision may be expedited. The Secretary shall consider any failure to file such applications in a timely fashion in making his determination on an application under subsection (1).

(1) Not later than thirty days after notice appears in the Federal Register of an order designating a proposed synthetic fuel or feedstock facility as a priority synthetic project, any Federal agency with authority to grant or deny any approval or to perform any action necessary to the completion of such project or any part thereof, shall transmit to the Secretary of Energy and to the priority energy project—

(1) a compilation of all significant actions required by such agency before a final decision or any necessary approval(s) can be rendered;

(2) a compilation of all significant actions and information required of the applicant before a final decision by such agency can be made;

(3) a tentative schedule for completing actions and obtaining the information listed in subsections (1) and (2) of this subsection;

(4) all necessary application forms that must be completed by the priority energy project before such approval can be granted; and

(5) the amounts of funds and personnel available to such agency to conduct such actions and the impact of such schedule on other applications pending before such agency.

(m) (1) Not later than sixty days after notice appears in the Federal Register of an order designating a synthetic fuel or feedstock facility as a priority synthetic project, the Secretary, in consultation with the appropriate Federal, State, and local agencies shall publish in the Federal Register a Project Decision Schedule containing deadlines for all Federal actions relating to such project. The Project Decision Schedule shall clearly identify the order in which licenses, permits and other Government approvals must be obtained by the priority synthetic project before such project can be completed. The Project Decision Schedule may also recommend concurrent review of applications and joint hearings by agencies by Federal, State, and local governments.

(2) The deadlines in the Project Decision Schedule shall be consistent with the deadlines submitted to the Secretary under subsection (1) unless the Secretary determines that different deadlines are essential in order to expedite and coordinate Government review or in order to meet the requirements of subparagraph (4) of this section.

(3) All deadlines in the Project Decision Schedule shall be consistent with the statutory obligations of Federal agencies governed by such Schedule.

(4) Except as provided in subparagraph (3) above and in subsection (p) no deadline established under this section or extension granted under subparagraph (5) of this section may result in the total time for agency action exceeding nine months beginning from the date on which notice appears in the Federal Register of an order designating the proposed synthetic fuel or feedstock facility as a priority synthetic project.

(5) Notwithstanding any deadline or other provision of Federal law, the deadlines imposed by the Project Decision Schedule shall constitute the lawful decision making deadlines for reviewing applications filed by the priority synthetic project.

(6) Upon the petition of any agency with authority to approve or disapprove any application, or of any priority synthetic project, the Secretary may review any procedure, extend any deadline, or modify in any other way, the Project Decision Schedule at any time prior to within ninety (90) days after publication of the Project Decision Schedule: *Provided*, That no extension shall be granted unless the Secretary determines that such agency or priority synthetic project has exercised all due diligence in attempting to comply with the Schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

(n) If a deadline on the Project Decision Schedule for a final decision or action by a Federal agency has elapsed and such agency has not made the decision or performed the required action the President shall make the decision or perform the action within 60 days in lieu of the Federal agency. The President shall not make a decision pursuant to this section unless there has been notice and an opportunity for public comment on such decision. The decision of the President pursuant to this section shall be final.

(o) (1) In the event that a Federal agency or a priority synthetic project desires an extension of any deadline then the Federal agency may request an extension from the President of not longer than 120 days.

(2) In making his decision under this section, the President is to consider the purposes of this title, the national need for speed in completion of the priority synthetic project, and such other factors as the President considers relevant. The President shall not grant an extension unless he determines that the agency or the project requesting the extension has exercised all due diligence in attempting to comply with the schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

(3) The President shall make and shall publish his decision in the Federal Register within 30 days from the receipt of the request for an extension. The decision of the President shall be final.

(4) No more than one extension may be granted by the President under this section.

(p) (1) If the Secretary determines that all Federal agency actions and approvals necessary to the completion of a priority synthetic project have been granted, the Secretary shall certify the same to the project. Such certification shall indicate the expiration date of any Federal approvals that have been granted to the project.

(2) A certificate issued by the Secretary under subparagraph (1) of this subsection shall constitute conclusive evidence in any judicial or executive proceeding that all necessary Federal permits have been granted for the duration specified on the certificate.

(q) (1) The Secretary shall notify the Governor of any State within which any portion of a priority synthetic project would be located and shall request the Governor to supply—

(A) a compilation of significant actions required by the State and local governments before the priority synthetic project can be completed;

(B) a compilation of significant actions required of the applicant before a final decision can be made;

(C) a schedule for completing the actions listed in subparagraph (A) of this subsection; and

(D) all necessary application forms which must be completed by the applicant before such approval can be granted.

(2) The Secretary may provide any assistance authorized by law to assist State and local authorities in complying with requests for cooperation from the Secretary.

(r) (1) The Secretary shall transmit to the priority synthetic project all information received from State and local governments pursuant to requests from the Secretary under section (q).

(2) The Secretary, after consultation with State and local authorities, shall propose a decision schedule to assist State and local authorities in coordinating their activities with actions by the Federal Government.

(3) The Secretary may participate or intervene in the proceeding of any State or local agency which permits such participation or intervention in order to request such agency to adopt procedures recommended by the Secretary.

(4) The Secretary shall keep apprised of the processing of applications for priority synthetic projects by State and local governments. If the Secretary determines that a priority synthetic project is being delayed or threatened with delay by the inability or unwillingness of any State or local government to implement a schedule for timely review and decision, the Secretary shall notify the Governor of such State and transmit to the Congress a statement describing the delay and recommending action to alleviate or prevent the delay.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued the reading of the amendment.

POINT OF ORDER

Mr. BROWN of Ohio (during the reading). Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Mr. Chairman, is this amendment to section 3 or section 4?

Mr. UDALL. This is an amendment to section 3, the Udall fast-track amendment, which cuts through the redtape.

Mr. BROWN of Ohio. The copy I have indicates that it is to section 4, Mr. Chairman. Is that correct?

Mr. UDALL. I had modified it to apply to section 3.

The CHAIRMAN. The Clerk will cease reading the amendment.

The Chair will advise the gentleman from Arizona that this amendment currently being read adds a new section 4, and is not covered by the limitation on time, and should not be offered at this time.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Mr. Chairman, if I understand correctly, the gentleman was recognized on the basis that the amendment had not been printed in the RECORD, and therefore it would not be appropriate under this limitation for it to be considered at all, is that not correct?

Mr. UDALL. I had intended—I had so instructed the Clerk to change this to an amendment to section 3, not section 4.

The CHAIRMAN. The amendment, the Chair states to the gentleman, would have to be submitted to the Clerk.

Mr. BROWN of Ohio. My point of order is sustained or——

The CHAIRMAN. Yes. The Chair will advise the gentleman from Arizona that he is within his rights to redraft the amendment as an amendment to section 3, but the Chair understood that is not the amendment currently being read.

Mr. UDALL. I so offer it as an amendment to section 3.

The CHAIRMAN. The Clerk will report the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I would like to proceed in my point of order. If the amendment is offered to section 4, it is not appropriate at this time.

The CHAIRMAN. The Clerk will report the amendment. Any points of order——

Mr. BROWN of Ohio. The Clerk, I understood, Mr. Chairman, had reported the amendment.

The CHAIRMAN. The Clerk has a new amendment in his hand, which he will report.

Mr. BROWN of Ohio. Was this the amendment offered under the time limitation, Mr. Chairman?

The CHAIRMAN. It is now being offered under that limitation.

Mr. BROWN of Ohio. Was the amendment printed in the RECORD, Mr. Chairman?

The CHAIRMAN. The amendment was not printed in the RECORD.

Mr. BROWN of Ohio. This amendment was not printed in the RECORD?

The CHAIRMAN. That is correct. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: Page 8, after line 13 add the following new subsection and renumber the subsequent sections accordingly:

(g)(1) The Secretary of Energy is hereby authorized to designate a proposed synthetic fuel or feedstock facility as a priority synthetic project pursuant to the procedures and criteria provided in this section.

(2) For the purposes of this section the term—

(A) "Synthetic fuel or feedstock facility" means any physical structure, including any equipment, building, mine processing facility or other facility or installation used in the development or production of synthetic fuels or synthetic chemical feedstocks that are subject to loan guarantees contract for purchase or commitment to purchase authorized by this Act or produced by a corporation created pursuant to this Act;

(B) "Secretary" means the Secretary of Energy;

(C) "Deputy Secretary" means the Deputy Secretary of the Department of Energy.

(h)(1) Any person planning or proposing a synthetic fuel or feedstock facility may apply to the Secretary of Energy for an order designating such facility as a priority synthetic project.

(2) The Secretary shall publish notice of the filing of the designation request, together with a description thereof in the Federal Register; and interested persons shall be afforded thirty days thereafter within which to submit written comments for the Secretary's consideration.

(3) The Deputy Secretary shall transmit copies of the application for designation as a priority synthetic project, as well as any other information the Deputy Secretary deems relevant, to the appropriate agencies so that those agencies may begin preparation of the requirements specified in subsection (l) in the event that the applicant eventually receives designation as a priority synthetic project.

(i) Not later than forty-five days after receipt of an application authorized under the previous section, the Secretary shall determine whether the proposed synthetic fuel or feedstock facility is of sufficient national interest to be designated a priority synthetic project. Upon reaching a determination the Secretary shall publish his decision in the Federal Register and shall notify the applicant and the agencies identified in subsection (h)(3). In making such a determination the Secretary shall consider—

(1) the extent to which the facility would reduce the Nation's dependence upon imported oil;

(2) the magnitude of any adverse environmental impacts associated with the facility and the existence of alternatives that would have fewer adverse impacts;

(3) the extent to which the proposed facility would make use of renewable energy resources;

(4) the extent to which the proposed facility would promote energy conservation;

(5) the extent to which the proposed facility would contribute to the development of new production or conservation technologies and techniques;

(6) the time that would normally be required to obtain all necessary Federal approvals and the adverse impacts that would result from delay in completion of the proposed facility;

(7) the extent to which the applicant is prepared to complete or has already completed the significant actions which the applicant in consultation with the Deputy Secretary anticipate will be identified under subsection (l) as required from the applicant; and

(8) the public comments received concerning such facility.

(j) A determination by the Secretary under subsection (i) of this section is not a major Federal action within the meaning of section 102(2) of the National Environmental Policy Act of 1969.

(k) The Secretary shall encourage prospective applicants under subsection (h) to file applications for any necessary Government actions or approvals with the appropriate agencies as soon as possible in order that any eventual action or decision may be expedited. The Secretary shall consider any failure to file such applications in a timely fashion in making his determination on an application under subsection (i).

(l) Not later than thirty days after notice appears in the Federal Register of an order designating a proposed synthetic fuel or feedstock facility as a priority synthetic project, any Federal agency with authority to grant or deny any approval or to perform any action necessary to the completion of such project or any part thereof, shall transmit to the Secretary of Energy and to the priority energy project—

(1) a compilation of all significant actions required by such agency before a final decision or any necessary approval(s) can be rendered;

(2) a compilation of all significant actions and information required of the applicant before a final decision by such agency can be made;

(3) a tentative schedule for completing actions and obtaining the information listed in subsections (1) and (2) of this subsection;

(4) all necessary application forms that must be completed by the priority energy project before such approval can be granted; and

(5) the amounts of funds and personnel available to such agency to conduct such actions and the impact of such schedule on other applications pending before such agency.

(m)(1) Not later than sixty days after notice appears in the Federal Register of an order designating a synthetic fuel or feedstock facility as a priority synthetic project, the Secretary, in consultation with the appropriate Federal, State and local agencies shall publish in the Federal Register a Project Decision Schedule containing deadlines for all Federal actions relating to such project. The Project Decision Schedule shall clearly identify the order in which licenses, permits and other Government approvals must be obtained by the priority synthetic project before such project can be completed. The Project Decision Schedule may also recommend concurrent review of applications and joint hearings by agencies by Federal, State and local governments.

(2) The deadlines in the Project Decision Schedule shall be consistent with the deadlines submitted to the Secretary under subsection (l) unless the Secretary determines that different deadlines are essential in order to expedite and coordinate Government review or in order to meet the requirements of subparagraph (4) of this section.

(3) All deadlines in the Project Decision Schedule shall be consistent with the statutory obligations of Federal agencies governed by such Schedule.

(4) Except as provided in subparagraph (3) above and in subsection (p) no deadline established under this section or extension granted under subparagraph (5) of the section may result in the total time for agency action exceeding nine months beginning from the date on which notice appears in the Federal Register of an order designating the proposed synthetic fuel or feedstock facility as a priority synthetic project.

(5) Notwithstanding any deadline or other provision of Federal law, the deadlines imposed by the Project Decision Schedule shall constitute the lawful decisionmaking deadlines for reviewing applications filed by the priority synthetic project.

(6) Upon the petition of any agency with authority to approve or disapprove any application, or of any priority synthetic project the Secretary may review any procedure, extend any deadline, or modify in any other way, the Project Decision Schedule at any time prior to within ninety (90) days after publication of the Project Decision Schedule: *Provided,* That no extension shall be granted unless the Secretary determines that such agency or priority synthetic project has exercised all due diligence in attempting to comply with the Schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

(n) If a deadline on the Project Decision Schedule for a final decision or action by a Federal agency has elapsed and such agency has not made the decision or performed the required action, the President shall make the decision or perform the action within 60 days in lieu of the Federal agency. The President shall not make a decision pursuant to this section unless there has been notice and an opportunity for public comment on such decision. The decision of the President pursuant to this section shall be final.

(o)(1) In the event that a Federal agency or a priority synthetic project desires an extension of any deadline then the Federal agency may request an extension from the President of not longer than 120 days.

(2) In making his decision under this section, the President is to consider the purposes of this title, the national need for speed in completion of the priority synthetic project, and such other factors as the President considers relevant. The President shall not grant an extension unless he determines that the agency or the project requesting the extension has exercised all due diligence in attempting to comply with the schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

(3) The President shall make and shall publish his decision in the Federal Register within 30 days from the receipt of the request for an extension. The decision of the President shall be final.

(4) No more than one extension may be granted by the President under this section.

(p)(1) If the Secretary determines that all Federal agency actions and approvals necessary to the completion of a priority synthetic project have been granted, the

Secretary shall certify the same to the project. Such certification shall indicate the expiration date of any Federal approvals that have been granted to the project.

(2) A certificate issued by the Secretary under subparagraph (1) of this subsection shall constitute conclusive evidence in any judicial or executive proceeding that all necessary Federal permits have been granted for the duration specified on the certificate.

(q) (1) The Secretary shall notify the Governor of any State within which any portion of a priority synthetic project would be located and shall request the Governor to supply—

(A) a compilation of significant actions required by the State and local governments before the priority synthetic project can be completed;

(B) a compilation of significant actions required of the applicant before a final decision can be made;

(C) a schedule for completing the actions listed in subparagraph (A) of this subsection; and

(D) all necessary application forms which must be completed by the applicant before such approval can be granted.

(2) The Secretary may provide any assistance authorized by law to assist State and local authorities in complying with requests for cooperation from the Secretary.

(r) (1) The Secretary shall transmit to the priority synthetic project all information received from State and local governments pursuant to requests from the Secretary under section (q).

(2) The Secretary, after consultation with State and local authorities, shall propose a decision schedule to assist State and local authorities in coordinating their activities with actions by the Federal government.

(3) The Secretary may participate or intervene in the proceeding of any State or local agency which permits such participation or intervention in order to request such agency to adopt procedures recommended by the Secretary.

(4) The Secretary shall keep apprised of the processing of applications for priority synthetic projects by State and local governments. If the Secretary determines that a priority synthetic project is being delayed or threatened with delay by the inability or unwillingness of any State or local government to implement a schedule for timely review and decision, the Secretary shall notify the Governor of such State and transmit to the Congress a statement describing the delay and recommending action to alleviate or prevent the delay.

□ 1840

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

POINT OF ORDER

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, I wish to make a point of order. Mr. Chairman, the amendment which I had offered and had printed in the RECORD would be an appropriate substitute amendment for the amendment offered by the gentleman from Arizona (Mr. UDALL). Under the time limitation, if I understand correctly, I have 5 minutes to offer that amendment.

The CHAIRMAN. That is correct if offered in the proper form.

Mr. BROWN of Ohio. But if this amendment is not amended by my amendment and succeeds, then I may be precluded from offering that amendment; is that correct?

The CHAIRMAN. It would be difficult for the Chair to rule on that without having seen the gentleman's amendment.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. The question I would put to the Chair as a parliamentary inquiry is: Does, then, my amendment become appropriate to this amendment and give me the right to 5 minutes to discuss my amendment?

The CHAIRMAN (Mr. STUDDS). If the gentleman were to offer his amendment as a substitute for this amendment in the form printed in the RECORD, he would, indeed, have the 5 minutes guaranteed to him under the rule.

Mr. BROWN of Ohio. Then, Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Arizona (Mr. UDALL).

The CHAIRMAN. The Chair will advise the gentleman that it is not yet in order.

Is there objection to the unanimous-consent request of the gentleman from Arizona (Mr. UDALL)?

Mr. BAUMAN. Mr. Chairman, I reserve the right to object.

Mr. McKINNEY. Mr. Chairman, I reserve the right to object.

Mr. Chairman, reserving the right to object, I would like to address a question to the gentleman from Arizona. As I understand it, this amendment was printed in the RECORD.

Mr. UDALL. If the gentleman will yield, no, it was not.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. BAUMAN. I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued reading the amendment.

Mr. McKINNEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. BROWN of Ohio. Reserving the right to object, Mr. Chairman, if I understand this amendment now and which one it is, although it is entitled "Section 4," the amendment is 11 pages long, which is longer than the whole bill, and we are reading it and going to vote on it in 20 minutes. I certainly object to having its reading terminated. I think we should all listen very carefully and know what is in it because there will not be any time for explanation of it. Therefore, I hope all of my colleagues will listen very carefully and get a good idea of what is in its so that they can vote on it.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. BROWN of Ohio. I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued reading the amendment.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make a point of order. The Clerk is not reading the amendment. He has skipped a number of pages, and regular order requires the reading of the amendment. I hope he will go back to page 6 where he started skipping and read it all.

The CHAIRMAN. The Clerk is reading the amendment before him verbatim.

Mr. BAUMAN. The gentleman from Maryland has listened very carefully, and that is not the case.

The CHAIRMAN. The Clerk will read.

The Clerk continued reading the amendment.

□ 1850

Mr. McKINNEY (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. CLAUSEN. Reserving the right to object, I yield to the gentleman from Ohio.

The CHAIRMAN. The gentleman from California reserves the right to object.

Mr. BROWN of Ohio. Mr. Chairman, I reserve the right to object in order to make an inquiry of the Chair.

The amendment of the gentleman from Arizona now pending and in the process of being read, I think the Chair advised me, was amendable by the gentleman from Ohio who has an amendment printed in the RECORD.

The CHAIRMAN. The Chair would advise the gentleman that any proper substitute for the amendment of the gentleman from Arizona would be in order.

Mr. BROWN of Ohio. And the order of recognition for that purpose, may I inquire of the Chair, does not relate to the establishment of the fact that there was an amendment that is appropriate?

The CHAIRMAN. The order of recognition, the Chair will say to the gentleman, depends on the discretion of the Chair, given which Members are seeking recognition at the time.

Mr. BROWN of Ohio. Well, Mr. Chairman, then I am constrained to continue to object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read:

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, I make a point of order that the amendment offered by my good friend from Arizona is not germane.

The CHAIRMAN. Does the gentleman wish to be heard further on the point of order?

Mr. DINGELL. I am prepared to be heard if that is the wish of the Chair.

The CHAIRMAN. The Chair will hear the gentleman.

The Chair will first advise Members that under the time limitation previously agreed to by the Committee, all time for debate on this and all amendments to section 3 has expired. The gentleman from Michigan is recognized on behalf of his point of order.

Mr. DINGELL. Mr. Chairman, it is well settled the amendment must be germane not only to the section but also to the bill.

Mr. Chairman, the bill relates to the Defense Production Act.

Mr. Chairman, under the amendment, a lengthy process is established whereunder the Secretary of Energy, who is not mentioned elsewhere in the bill, is authorized to designate synthetic fuel or feedstocks facilities as priority synthetic projects, pursuant to lengthy criteria which are set forth at the first and second pages and following.

The Secretary then receives certain directions as to his behavior.

Going on through the amendment, Mr. Chairman, there is a lengthy series of findings which must be made by the Secretary and that is followed by a duty upon the Secretary to publish this in the Federal Register.

Then the Secretary is directed to consult with appropriate Federal, State and local agencies and to publish a project decision schedule, something which does not appear elsewhere in the statute, something which does not appear elsewhere in the bill, and I again call to the attention of the Chair that the amendment to the bill before the body must be germane not only to that bill but also to the basic statute which is amended by the bill before us.

The project decision schedule has to identify licenses, permits and other governmental approvals which must be obtained. It must also recommend concurrent review of applications in joint hearings by agencies in Federal, State, and local governments, something which is not found elsewhere either in the bill before us or in the Defense Production Act.

A series of deadlines are then set up at page 6–A which have to be consistent with deadlines submitted to the Secretary under section M, unless the Secretary determines that different deadlines are necessary.

Mr. Chairman, then on page 7, there is a time limit which is imposed of 9 months at subparagraph (4) and at subparagraph (5) there are amendments directly or indirectly to provisions to other provisions of Federal law relating to deadlines in the following words:

> Notwithstanding any deadline or other provision the Federal law the deadlines imposed by the project decision schedule shall constitute the lawful decisionmaking deadlines for reviewing applications.

Then, there is provision for a petition by agencies with authority to approve or disapprove the application for additional time.

At page 9, the decision shall be published by the President on his judgment on this matter in 30 days and there is provision relating to extension and then there is at page 10 a certificate that is issued by the Secretary under the paragraph which will constitute conclusive evidence in any judicial or executive proceeding that all necessary Federal permits—this is essentially an amendment to State and Federal law and if it were to arise before this body through the appropriate committee channels it would probably come out of the Committee on the Judiciary.

In addition, the Secretary eschews the duty at (k) on page 10 or I guess it is (r), to notify the Government within any State affected, and require the Governor to present to the Secretary a compilation of significant actions required by State and local government.

This again is a duty which is imposed upon the Governor. All necessary application forms again must be submitted by the Governor.

The Secretary then incurs duty to provide assistance authorized by law to assist State and local authority.

Coming on down we find that the Secretary incurs a decision to consult with State and local authorities and to propose a decision to assist State and local authorities in coordinating their activities with actions of the Federal Government.

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So, Mr. Chairman, there is a whole range of broad new responsibilities imposed on the Secretary of Energy not found elsewhere, either in the Defense Production Act or in the bill before us, which are quite complex, very obvious, and which involve a lengthy amount of work and which involve amendment either directly or indirectly of a large number of Federal, State, and local statutes dealing with the project and permitting the project.

There is also an extensive procedural responsibility on both the Secretary and one which is imposed on the Governor of the State in which the action would occur.

For that reason, Mr. Chairman, a Member of this body could not very well anticipate as would be required by the rules of germaneness that an amendment of this sweep and breadth could be visited upon us.

For that reason, I insist on my point of order and make a point of order that the amendment is not germane.

Mr. BAUMAN. Mr. Chairman, a further point or order.

The CHAIRMAN. The gentleman from Maryland will state his further point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the amendment for the following reasons: The bill before us, H.R. 3930, amends the Defense Production Act of 1950 and it does so by extending the authority of the act and also providing for the purchase of synthetic fuels and synthetic chemical feed stock and for other purposes. An examination of the other purposes reveals nothing akin to the amendment before us. The amendment before us in effect seeks to apply the National Environmental and Policy Act of 1969, specifically on page 5 in subparagraph (d) to the facilities that would contract with the Government.

It appears to me that by attempting to do this, this is beyond the scope of the jurisdiction of this committee. It is within the scope of other committees' jurisdictions and certainly beyond the scope of the bill, which simply deals with contracts and purchases and not the environmental qualities or activities of the people who seek to contract with the Government.

Therefore, the amendment is not germane and beyond the scope of the bill.

The CHAIRMAN. Does the gentleman from Arizona (Mr. UDALL) wish to be heard on the point of order?

Mr. UDALL. Yes, Mr. Chairman.

The pending bill creates authority to finance directly and indirectly synthetic fuel and chemical feed stocks, feedstock projects.

The thing that is killing this country and ripping up our efforts to get going with energy is that we get stalled and delayed in red tape; the Sohio pipeline, 5 years, we cannot get a decision yes or no.

What my amendment does is not to change any of the existing laws. It does not change any environmental protection laws or anything else, but it says we are going to have decisions. Within nine months after this is put on the fast track, we are going to get a yes or no decision on it.

Mr. BAUMAN. Mr. Chairman, may we have regular order? The gentleman is supposed to address the points of order.

Mr. UDALL. No, Mr. Chairman. This amendment simply supplements the existing statutory procedures to achieve expedited approval or disapproval of various authorities necessary for the completion of synfuel projects created under the authority of the legislation; so the subject matter of the amendment is germane to the subject of the pending legislation. The point of order ought to be rejected, Mr. Chairman.

The CHAIRMAN. The Chair is prepared to rule.

The bill before the committee bestows authority for loan guarantees to finance synthetic fuel or feedstock facility construction. The amendment of the gentleman from Arizona establishes a complex mechanism for expediting procedures for projects financed by loan guarantees under the bill.

The Chair is unable in response to the gentleman from Maryland to find any respect in which the amendment of the gentleman from Arizona would amend the National Environmental Protection Act, but merely provides that determinations made as to priority of synthetic projects eligible for expeditious review shall not be considered major Federal actions under that law.

In the opinion of the Chair, the totality of the Udall amendment constitutes essentially an expediting of procedures under authorities provided for in the bill and is, therefore, germane.

The Chair overrules the point of order.

AMENDMENT OFFERED BY MR. BROWN OF OHIO AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. UDALL

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mr. BROWN of Ohio as a substitute for the amendment offered by Mr. UDALL: Page 8, after line 13, insert the following new subsection:
>
> "(g) (1) Each Federal officer and agency having authority to issue any permit for, or to otherwise approve or authorize, the construction or operation of any facility which is to produce any synthetic fuel or synthetic chemical feedstock for which the President

has contracted (or entered into a commitment to contract) under this section shall, to the maximum extent practicable—

"(A) expedite all actions necessary for the issuance of such permit, approval, or authorization, and

"(B) take final action thereon not later than 12 months after the date application for such permit, approval, or authorization is made.

After taking final action on any such permit, approval, or authorization, such officer or agency shall publish notification thereof in the Federal Register.

"(2)(A) Within 6 months after the date of the enactment of this section, and from time-to-time thereafter, the President shall—

"(i) identify those provisions of Federal law or regulations (including any law or regulation affecting the environment or land leasing policy) which the President determines should be waived in whole or in part to facilitate the construction and operation of any facility which is to produce any synthetic fuel or synthetic chemical feedstock for which the President has contracted (or entered into a commitment to contract) under this section; and

"(ii) submit any such proposed waiver to both Houses of the Congress.

"(B) The provisions of law so identified shall be waived with respect to the construction and operation of such facility to the extent provided for in such proposed waiver if 60 days of continuous session of Congress have expired after the date such notice was transmitted and neither House of the Congress has adopted during that period of continuous session a resolution stating in substance that such House disapproves of that waiver. The term 'continuous session of Congress' shall have the same meaning as given it in section 301 of this Act.".

Redesignate the following provisions accordingly.

The CHAIRMAN. The Chair will inquire of the gentleman from Ohio if his amendment was printed in the RECORD.

Mr. BROWN of Ohio. Yes, it was, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. WEAVER. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Oregon reserves a point of order.

Mr. BROWN of Ohio. Mr. Chairman, I would suggest that the gentleman's motion comes too late. I have been recognized for the debate and I have 5 minutes.

The CHAIRMAN. The gentleman from Oregon sought recognition before the gentleman had been recognized for debate and his reservation will be protected.

The gentleman from Oregon reserves a point of order.

The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. BROWN of Ohio. Mr. Chairman, there are a number of barriers that this legislation hopes to address. There are three major barriers that have prevented synthetic fuels development over the last few years. First, capital formation has been difficult.

Second, in the past as the result of price controls, the cost of producing the synthetic fuels was likely to be higher than prevailing market prices.

H.R. 3930 as presently drafted does address these first two but not the third. The third barrier is the institutional and regulatory process of environmental procedures and on Federal land use and leasing regulations that have caused great uncertainty and higher costs due to delay of synthetic fuel production.

Under current law the potential development of many synthetic fuels is unnecessarily prohibited and delayed.

When the majority leader, the gentleman from Texas (Mr. WRIGHT) presented his map, it was noted on that map that many of the resources for synthetic fuels the gentleman hoped to see developed under this bill are now within lands that are owned and controlled by the Federal Government and constrained in their development. We have some statistics that come to us from the Office of Technology Assessment, April 1979, that indicate that about 72 percent of the oil shale of this country is now under Federal control; that a great deal of that land is not developable, because of Federal land use regulation. Thirty-one percent of the identified natural gas and 28 percent of the identified petroleum in this country is under federally controlled lands. If we are to develop a healthy synthetic fuels industry capable of supporting itself, the Federal Government's obligation must also include national consideration of other barriers completely within its domain, the institutional barriers. Only if the institutional barriers are removed can the development of synthetic fuels advance with any chance of growing into a higher percentage of our energy supplies.

Therefore, I urge your support of this amendment which provides an expedited means for the regulatory process to address the consideration of the environmental matters involved.

Then it provides one other thing, that is, that the President be given the right to waive laws, subject to congressional review, of similar nature to the procurement law, that is, the environmental and the land use laws. If we do not like the President's determinations in the Congress, then we get a one-House veto of his effort to waive those laws.

Now, what that means is that when a project is identified for development and the President lets a contract on that project he can say, "But the trouble is that resource or plant is going to be in an area where we have some environmental or land use laws or other laws that prohibit the development; never mind the fact that we are going to give them the money." The President can then waive those obstructive laws and regulations, subject to congressional veto, and let the project proceeds in the national interest.

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He will be telling us that he wants this one time for this one project to waive that law. If we do not like that waiver, we get the chance to come back and say, "No, Mr. President, Congress does not want you to waive that law."

The other part of the amendment provides for the expedited consideration by regulator agencies of the kind of delaying legal challenges that have been made so frequently under the environmental and the land use laws.

The amendment is adapted from what we did in the Commerce Committee to try to expedite the Sohio pipeline project from Long Beach, Calif., to Midland, Tex., and what Congress enacted into law in the Public Utilities Regulatory Policies Act, a part of the National Energy Act enacted into law last year. The language tracks exactly that legislation, and is an appropriate method to address the need that we have to develop synthetic fuels. It is appropriate law for us to pass at this time in this legislation.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, we had the Sohio problem and the Northern Tier pipeline problem, and this very recent amendment offered by the gentleman should be passed. It has a congressional veto, so there is a total safety valve within the system.

I was one of the original cofounders of the environmental study group in this Congress, and I will state that we are not stepping on the environment in this amendment. We are making sure the Defense Production Act will work and work expeditiously.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman from Connecticut (Mr. McKINNEY), because he is an authoritative spokesman for environmental issues.

I have no desire to argue the environmental questions with this amendment. The fact of the matter is, we will argue the environmental questions if the President tries to waive anything. But our objective is to assure that, if it is important that we pass this bill, if we put taxpayer money up and guarantee loans to plants and guarantee the price of what has been developed in synthetic fuels as a result of this bill, we have the opportunity to see that it is not stopped by legal tactics of delay under some other piece of legislation that may just kill the whole project.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, in listening to the reading of the amendment, it strikes me that this amendment essentially has been modeled after the legislation we advanced through both the Committee on Interior and Insular Affairs and the Committee on Interstate and Foreign Commerce on which the gentleman serves. So I am going to support this.

So, Mr. Chairman, I support the amendment offered by the gentleman from Ohio (Mr. BROWN) and commend him for his initiative in this matter. It is my understanding that this amendment is very similar to the provisions of a bill expediting construction of the so-called Sohio pipeline project passed earlier this year by the House Interior Committee which Mr. UDALL and I cosponsored. I believe that project gave us a valuable lesson in how excessive institutional and legal barriers can thwart action which is crucial to our meeting the goal of energy independence.

Mr. Chairman, I am informed that potentially this may be ruled as nongermane. I also understand that the gentleman from Ohio will offer another amendment to accomplish a similar result. I support that amendment also as crucial to the development of a healthy synthetic fuels industry, which will become an integral part of a national energy supply, distribution, and conservation effort aimed at reducing our dependence on unreliable and costly sources of foreign oil.

The amendment directs each Federal officer and agency having authority to issue permits, approve or authorize projects for the construction of facilities to produce synthetic fuel or synthetic chemical feedstock for which the President has contracted shall expedite all actions necessary for the issuance of permits, approval or authorization and take action not later than 12 months after the date of application.

This is designed to avoid the unnecessary redtape and bureaucratic delay that has plagued our progress in energy matters in the past.

Recently I spoke to some concerned friends and constituents in Santa Rosa, Calif., about the energy problems and their impact on the economy.

I said then and I say now, "It's time to bite the bullet." The stakes of uncertainty are far too high. With this legislation, which represents a congressional initiative, we, in the Congress are determined to move and expedite the development of a partnership between Government and the private energy sector directed toward applying our scientific technology and engineering expertise to bring energy self-sufficiency for the United States closer to reality.

Also, the Press Democrat in Santa Rosa editorialized with a strong support of our efforts to create an energy partnership between Government and the private energy sector to get on with the job in support of what we are doing today.

As the President of France has said, "On the day the United States will really start to move in the production of synthetic fuels, there will be a major change in the world situation."

The OPEC countries once again are going to use its tremendous leverage over international oil supplies to jack up the price of petroleum, adding economic misery worldwide and setting the stage for a combination inflation-recession that could plunge the industrial nations of the Western World into chaos.

Yes, the time is now. This is the time to bite the bullet and move forward on synthetic fuels.

Mr. CLAUSEN. Mr. Chairman, the rapid progress of this legislation, the Synthetic Fuels Act, through the House of Representatives is an indication of the potential of this alternative energy source.

This bill technically requires the Department of Defense to purchase synthetic fuels for its energy requirements, but will have the effect of providing additional incentives for expansion of the domestic synthetic fuels industry.

The fact that this measure guarantees a market for synthetic fuel supplies and additionally provides assistance to private sector firms undertaking to produce synthetic fuel will permit an American industry, that is now in its infancy, to mature and help meet some of the energy shortfall we now face.

Most of the technology for the development of synthetic fuels has been discovered and is now available. The gap between oil and synthetic prices continues to close and this bill will help make this alternative energy supply more economically feasible.

Recently the Napa Register in my congressional district editorialized in favor of attacking the synthetic fuels issue. I think excerpts of that editorial would be of use to my colleagues in considering the bill before us today:

> What we need now is synthetic fuel or a new source of oil. We know that the possibilities are there, ranging from alcohol derived from grain, to various synthetics derived from coal, to the extraction of oil from shale deposits. None of them needs a Los Alamos laboratory to solve any technological problems. They need a commitment to production.
>
> An oil company executive mentioned recently that the price of gasoline will have to reach $1.50 a gallon before it is economical for a company to invest in one of these new fuel sources. The question remains whether it is prudent to wait until the OPEC hook has twisted that deep—or deeper if our demand for imported oil does not slacken.
>
> Our wartime synthetic rubber plants were financed by the government and operated on a management-fee basis by rubber and petrochemical companies. The companies bought most of the plants from the government after the war. We do not suggest that the government start building synthetic fuel plants today. It shouldn't have to.
>
> We can suggest that the longstanding partnership of government and industry in energy research be expanded into the area of joint financing of the production of one or more alternative fuels. The role of the government subsidy would be to lower the price-threshold that must be crossed before those fuels become competitive with oil and gas. The plan could call for the recovery of the government investment over the long term.
>
> This would entail a change of course for Mr. Carter, and no little political risk. He has been following the easy, popular route of attacking the oil companies for their high profits. He would now have to invite their cooperation in a direct partnership with government in a dramatic form of "plowback" of some of those profits.
>
> In World War II the government provided only the trigger and coordination for the quick production of synthetic rubber. The management and technical expertise came from private industry, Mr. Carter's woebegone efforts to respond to the energy crisis may finally get somewhere when he sees the parallel today.
>
> The administration is looking for a way to avert the crippling economic emergency that our heavy dependence on imported oil could create. A dramatic commitment to production of synthetic fuel might be the answer, and like it or not, the people now in the business of producing and distributing fuel—mainly the oil companies—are in the best position to bring it off.

Yes, Mr. Chairman, we, in the Congress are acting boldly today as our response to the energy crisis and all the uncertainties it entails.

We are determined to move forward, because we have lost 2 years, because of the administration's intransigence and ambivalence. We are forcing a new partnership between Government and the private sector, but also between the Executive and the Congress. * * * The American people and the free world will be the beneficiaries of our action. I am proud to be a part of this move.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Oregon (Mr. WEAVER) insist on his point of order?

Mr. WEAVER. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. WEAVER. Mr. Chairman, the amendment says the President shall identify provisions of Federal law or regulations. They are unidentified law or regulations, other than to say they deal with the environment and land use policy.

If these provisions of law so identified are submitted to the Congress, they will be waived. In other words, it affects law outside the bill we have before us. It amends unidentified law.

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) wish to be heard on the point of order?

Mr. BROWN of Ohio. I do, Mr. Chairman.

I first rise, Mr. Chairman, to make a point of order against the point of order of the gentleman from Oregon (Mr. WEAVER), and I would cite to the Chair Deschler's Procedure, page 532, paragraph 35.13, which says:

> A point of order against the germaneness of an amendment must be made or reserved immediately after the amendment is read and comes too late after the proponent of the amendment has been recognized and permitted to revise and extend his remarks.

The CHAIRMAN. The gentleman will suspend.

Mr. BROWN of Ohio. Mr. Chairman, I would submit to the Chair that the gentleman——

The CHAIRMAN. The gentleman will suspend.

The Chair has already ruled on that point of order, and had determined that the gentleman from Oregon was on his feet seeking to reserve the point of order in a timely manner, before the unanimous consent request was granted, and the gentleman is recognized to be heard on the point of order of the gentleman from Oregon.

Mr. BROWN of Ohio. Mr. Chairman, am I incorrect that I was recognized and given permission to revise and extend my remarks before the Chair gave recognition to the gentleman from Oregon?

The CHAIRMAN. The Chair ruled at that time that the gentleman from Oregon was on his feet and had properly reserved the point of order.

Mr. BROWN of Ohio. Mr. Chairman, I made no point of order at that time.

The CHAIRMAN. The gentleman was recognized to be heard on the point of order made by the gentleman from Oregon.

Mr. BROWN of Ohio. Of course, Mr. Chairman, we honor the decision of the Chair.

Mr. Chairman, I rise in opposition to the point of order raised against my amendment.

My amendment is clearly germane not only to the bill before us but also to the Defense Production Act which the bill amends. On page 5 of this very bill, lines 17 through 21, language similar to that contained in my amendment can be found, and I quote:

> (c) Purchases, commitments to purchase, and resales under subsection (b) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods as the President deems necessary . . .

And then it goes on, and the quotation is ended.

That relates to what I offer in my amendment with reference to the President and his opportunity to waive existing law.

Similar language to that in my amendment providing for waiver of existing laws can be found in title 3 of the Defense Production Act which section 3 of H.R. 3930 would amend.

Mr. Chairman, the Defense Production Act is a very broad bill inasmuch as it deals with our national defense. Title 50, United States Code, section 2091, says, and I quote:

> Without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts.

My amendment is a broad waiver provision, but it is no broader than those waiver provisions found in the Defense Production Act and in section 3 of H.R. 3930, which again is designed to amend the Defense Production Act.

Therefore, Mr. Chairman, I would argue to the Chair that my amendment is germane.

The CHAIRMAN. Does the gentleman from Oregon (Mr. WEAVER) desire to be heard further on the point of order?

Mr. WEAVER. Mr. Chairman, I just want to say that the debate pointed out that those waivers were to procurement law and not to other laws. This was established in debate earlier in this bill.

Mr. BROWN of Ohio. Mr. Chairman, if I may be heard further, I would submit to the Chair in response to that comment that the waivers in the Defense Production Act are waivers of a general nature and are not limited to the procurement law in and of itself. They are waivers of a general nature.

The reason for the necessity of my amendment is to be sure that in this piece of legislation, which follows by a considerable time the original Defense Production Act and which then would require us to reenact that waiver because there has been intervening legislation not addressed by the Defense Production Act, it would be necessary to have that language or that legislation covered by a subsequent waiver. That is the reason for this amendment at this time.

Mr. Chairman, otherwise, the President in the Defense Production Act would have the right to waive anything that preceded the Defense Production Act, and there would be a legal question whether or not he would have a right to waive things subsequent to the Defense Production Act.

Therefore, my amendment is appropriate to embrace that period since the Defense Production Act was passed and up to the present date in order to make clear what the purpose of the Defense Production Act is.

The CHAIRMAN (Mr. STUDDS). The Chair is prepared to rule.

The waivers of existing law found both in the amendment offered by the gentleman from Arizona (Mr. UDALL) and in the bill and statute itself are, in the judgment of the Chair, waivers with respect to a very narrow class of existing law. The statute itself makes reference to provisions of law relating to the "making, performance, amendment, or modification of contracts," a specific reference to a narrow phase of law.

The Chair would cite Deschler's Procedure, chapter 28, section 33:

> To a bill temporarily amending for one year an existing law establishing price supports for several agricultural commodities, an amendment waiving the provisions of another law relating to price supports for another agricultural commodity was construed to directly change a law not amended by the pending bill and thus to include a commodity outside the class of those covered by the bill and was ruled not germane.

The amendment offered by the gentleman from Arizona (Mr. UDALL) does not purport to waive all inconsistent Federal statutes. The substitute offered by the gentleman from Ohio (Mr. BROWN) would permit waiver of all provisions of law within the jurisdiction of other committees and is, in the opinion of the Chair, therefore, in effect a temporary prospective repeal of any other law which otherwise would interfere with the construction of any facility financed by this bill, and the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. BROWN OF OHIO AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. UDALL

The CHAIRMAN. For what purpose does the gentleman from Ohio (Mr. BROWN) seek recognition?

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment which has been printed in the RECORD.

The CHAIRMAN. The Chair would inquire, is it an amendment to the amendment?

Mr. BROWN of Ohio. It is an amendment to the amendment, Mr. Chairman.

The CHAIRMAN. To the amendment offered by the gentleman from Arizona (Mr. UDALL)?

Mr. BROWN of Ohio. It is, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk began the reading of the amendment.

Mr. BROWN of Ohio (during the reading). Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The Clerk will report the amendment.

The Chair will inquire of the gentleman from Ohio (Mr. BROWN), is this an amendment or a substitute amendment?

Mr. BROWN of Ohio. It is a substitute amendment, Mr. Chairman.

Mr. DINGELL. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I would ask whether or not I have been recognized on my amendment.

The CHAIRMAN. No, the gentleman has not yet been recognized.

Mr. BROWN of Ohio. I will wait for the Chairman to make that recognition.

The CHAIRMAN. The Chair is awaiting the reporting of the amendment by the Clerk.

☐ 1920

The Clerk read as follows:

> Amendment offered by Mr BROWN of Ohio to the amendment offered by Mr. UDALL: Page 8, after line 13, insert the following new subsection:
>
> "(g) Each Federal officer and agency having authority to issue any permit for, or to otherwise approve or authorize, the construction or operation of any facility which is to produce any synthetic fuel or synthetic chemical feedstock for which the President has contracted (or entered into a commitment to contract) under this section shall, to the maximum extent practicable—
>
> "(1) expedite all actions necessary for the issuance of such permit, approval, or authorization, and
>
> "(2) take steps designed to result in final action thereon not later than 12 months after the date application for such permit, approval, or authorization is made.
>
> After taking any such action, such officer or agency shall publish notification thereof in the Federal Register.
>
> Redesignate the following provisions accordingly.

The CHAIRMAN. The Chair will inquire of the gentleman from Ohio (Mr. BROWN) whether his amendment has been printed in the RECORD in this form?

Mr. BROWN of Ohio. Mr. Chairman, the amendment was printed in the RECORD in a fuller form. But in view of the fact that the Chair made a point of order against a portion of the amendment, this part of the amendment will now be, I think, germane.

The CHAIRMAN. The Chair would advise the gentleman from Ohio that, under the rule, the gentleman is indeed entitled to offer the amendment, but the gentleman is not entitled to 5 minutes, since his amendment is not in the RECORD precisely in the form offered.

Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. BROWN of Ohio. Mr. Chairman, I would like to proceed for 20 seconds.

The CHAIRMAN. No. The gentleman's time has expired.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Mr. Chairman, will there then be a vote on this amendment, without an explanation by anyone of what the amendment contains, or is it possible to have the amendment read again, since it is quite brief, so that the Members may understand what is in the amendment?

The CHAIRMAN. The Chair would advise the gentleman that any time for debate or explanation would have to be obtained by unanimous consent.

Mr. BROWN of Ohio. Mr. Chairman, I would be happy to ask for unanimous consent.

The CHAIRMAN. What is the gentleman asking unanimous consent for?

Mr. BROWN of Ohio. Mr. Chairman, has objection been heard to my unanimous-consent request?

The CHAIRMAN. What is the gentleman's unanimous-consent request?

Mr. BROWN of Ohio. To have 1 minute to explain the amendment.

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) asks unanimous consent that he be permitted 1 minute to explain the amendment.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for 1 minute.

Mr. BROWN of Ohio. I thank the Chair.

Mr. Chairman, I thank the cordiality of my colleagues at this late hour. It has taken an hour for me to try to get my amendment offered. I would say to the Members that the amendment merely is now an effort to get a very brief, fast track for the consideration of any environmental challenges or any land use challenges that people want to make to inhibit, delay, or obstruct these synthetic fuels projects which we are so interested in advancing. It is not complicated. It did not take 11 pages; it did not take about 15 minutes to read. Mine is a very simple amendment. It can be found on page 16485, June 25, 1979, of the RECORD. It is the first part of my previous, longer amendment. I would say to the Members that it has no tricks in it. It is very direct and not the complicated amendment offered by the gentleman from Arizona, of which I do not think anybody knows the contents.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, does the gentleman's amendment waive any existing laws?

Mr. BROWN of Ohio. It waives no existing laws. That was ruled not germane by the Chair after awhile.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. DINGELL. No, Mr. Chairman.

I just want to say that I recognize this because I had drafted the same amendment myself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN) to the amendment offered by the gentleman from Arizona (Mr. UDALL).

The question was taken; and on a division, demanded by Mr. UDALL, there were—ayes 46, noes 36.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there other amendments to section 3?

AMENDMENT OFFERED BY MR. M'KAY

Mr. McKAY. Mr. Chairman, I rise to offer an amendment to the Moorhead bill to specifically include tar sands in the definition of synthetic fuels. While the definition might generically include tar sands, the incredible reserves of oil which are locked in tar sand deposits make the issue one significant enough for specificity.

Tar sands has a long and interesting history, which I will not detail here. The existence of oil sands was known to the early explorers of the West and to the Indians who mixed bitumen from outcroppings with resin from fir trees to gum their canoes. The first modern attempts at exploitation were made on the premise that the oil was coming from deep pools beneath the surface. For over 50 years we have extracted crude oil from tar sands, but many billions of barrels remain untouched.

Several of the major oil-producing countries, notably Canada, the United States, and Venezuela, contain large deposits of heavy petroleum—technically called bitumen, popularly called tar sands—that will not flow into a wellbore without stimulation.

Venezuela is reported to have 700 billion barrels of tar sands in place. Canada has estimated its total resource at 900 billion barrels. Other countries with appreciable quantities of heavy oil include Iran and the Soviet Union. The U.S. reserve has been estimated at approximately 800 billion barrels.

While my State of Utah has an estimated minimum 30 billion barrels of tar sands, at least 22 other States have significant deposits. The two major approaches used for recovering these heavy petroleum deposits are: mining and in situ thermal techniques.

Because of low oil content and high overburden-to-pay ratios, less than 1 percent of the domestic potential is amenable to mining. Other constraints on mining include: water requirements, land deformation, and extraction facilities.

Technically, about one-half of the domestic resource appears feasible for in situ thermal recovery. Much work remains to be done to maximize crude oil yield by in situ techniques, but progress is being made every day.

At present there is insufficient data for expectations of technical success for estimated pace of commercial exploitation. That is precisely why the Moorhead bill is so necessary. But because we are dealing with a resource which potentially holds more oil than all of the Middle East combined, I feel it is imperative that we specifically recognize and identify tar sands as a synthetic fuel to be benefited by the provisions of the Moorhead bill.

Thank you, Mr. Chairman. I yield the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, the difficulty that we all have in this very important legislation which is being enacted here tonight is that, because of time limitation, we just do not know what the contents of the amendments are. Absent any intelligent knowledge of what we are voting on, we will have to hear the amendments read.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McKAY: Page 10, line 4 add the words "tar sands" after the word "shale."

The CHAIRMAN. The Chair will inquire of the gentleman from Utah (Mr. McKAY) whether his amendment has been printed in the RECORD?

Mr. McKAY. It has not been, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. McKAY).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to section 3?

AMENDMENT OFFERED BY MR. WIRTH

Mr. WIRTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIRTH: Page 10, line 6, insert after the first period the following new sentence: "Such terms also include methane produced from such sources as coal seams, geopressurized brine, tight sands and Devonian shale.".

The CHAIRMAN. Does the gentleman's amendment appear in the RECORD?

Mr. WIRTH. Mr. Chairman, this has been accepted by both sides, but it has not been printed in the RECORD.

Mr. Chairman, this amendment will help this country realize the potential of unconvential gas.

NEP II,—on page IV–29—cites the following figures as the resource base for unconventional gas:

	Trillion cubic feet
Tight sands formations	50–420
Devonian shale	25–400
Coal bed methane	50–700
Geopressurized methane	5, 000–63, 000

One trillion cubic feet of gas is equivalent to 500,000 barrels per day of oil for a year.

Under a business as usual scenario, none of these are expected to yield much production because of the high production costs. This is because the extraction techniques essentially put them in the categories of synfuels.

The first three require massive hydraulic fracturing of the rock or coal to extract the methane, the latter requires extracting it from pressurized salt water at over 250° F. Nevertheless, recent studies for DOE indicate that at prices above normal natural gas prices, but below the cost of many synfuels, very large volumes of these gases could be produced quickly. By allowing them to compete, we can help provide America with more energy for less money.

A recent (1978) four volume study of unconventional gas done by Lewin and Associates for DOE gave the following estimates for production (given in oil equivalents):

Price per barrel	Barrels per day	
	1985	1990
At $12	700, 000	1, 150, 000
At $21 plus continued U.S. R. & D.	2, 000, 000	4, 150, 000

By stimulating the development of this gas, we can displace an additional 3 million barrels per day of oil use, but it will not occur unless we guarantee producers a price above current oil and gas prices. Since DOE estimates most synthetic oil plants at $30 to $40 per barrel. This gas may be our best bargain, and should be allowed to compete for the Federal purchase program.

Currently, considerable quantities of crude oil and natural gas are used interchangeably, primarily for industrial heat and generation of power. One means for reducing the use of imported oil for this purpose is to substitute unconventional natural gas. Such a step could provide an important interim step in reducing the pressure on world oil supplies and domestic imports until synthetic liquids begin to be produced in major quantities.

The four sources of unconventional gas—tight sands, Devonian shales, methane from coal seams and geopressured aquifiers—could provide from 1 Tcf to 5 Tcf—equivalent to 500,000 to 2,500,000 barrels per day—per year in the 1985 to 1990 period, depending on the allowed price and level of gas recovery technology.

Currently, while Devonian shale, methane from coal seams and geopressured aquifiers are deregulated, the largest potential source—tight gas—is not. Releasing tight gas from regulations and elevating all four unconventional gas sources to synthetic fuel status would accelerate the development of these resources and provide a secure, low cost, near-term alternative to a portion of imported oil.

The domestic unconventional gas resources, while large, are expensive to produce; but they are much less capital intensive and may have slightly lower unit costs per BTU than synthetic alternatives.

An accelerated posture towards synthetics should include due consideration of unconventional gas since:

Efficiently working energy markets are dependent on an orderly sequence progressing from lower to higher cost options.

In general, unconventional gas appears to be a scientifically and economically more rapid supply option than synthetics from coal or shale; under advanced gas recovery technology, it can make a major contribution between 1985 and 1990.

Focused and accelerated initiatives toward unconventional gas have the potential of providing considerable additional gas by 1990 over the amounts that may otherwise be achieved. The estimated impact in 1990, depending on policy choices is as follows:

> Base case—phased deregulation, 1 to 2 Tcf/yr. (0.5 to 1 million barrels per day).
>
> Consideration of unconventional gas as synthetic fuel (est. price at $3.60/Mcf), 2 to 3 Tcf/yr. (1 to 1.5 million barrels per day).
>
> Incorporation of advanced recovery technology and synthetic fuel price, 3.5 to 5 Tcf/yr. (1.75 to 2.5 million barrels per day).

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, the bill deals with production of synthetic fuels. The amendment offered by my good friend, the gentleman from Colorado, deals with production from conventional sources of hydrocarbons from within the Earth. Given that circumstance, regretfully, I observe that the amendment does not conform with the requirements of the rules relating to germaneness.

The bill also deals with creating synthetic feedstocks. The particular section, section 3, with which we deal at this time, deals with synthetic feedstocks.

The proposal that the gentleman from Colorado (Mr. Wirth) has before us deals with a broad series of productions from conventional or semiconventional sources of hydrocarbon from within the Earth and, as such, it is therefore not germane.

The CHAIRMAN. Does the gentleman from Colorado (Mr. Wirth) wish to be heard on the point of order?

Mr. WIRTH. Yes, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, at the bottom of page 9, line 24 in the bill is the definition of what is intended by the committee to be covered by the legislation in H.R. 3930. That definition in the amendment which I have offered is broadened to include coverage by the provisions of this act for hard-to-obtain natural gas.

The purpose of the legislation, as I understand the gentleman from Pennsylvania and the committee, is to increase production of energy and the area of hard-to-get natural gas. That which is described in the amendment which I offered clearly is a matter of the kind of stimulus that the gentleman from Pennsylvania and members of the committee have defined in the bill, and in broadening the definition offered by the committee, this is consistent with the purposes of H.R. 3930.

☐ 1930

The CHAIRMAN. The Chair is prepared to rule.

The section of the bill which defines synthetic fuels, page 9, line 24 reads as follows.

> The term synthetic fuels—". . . means fuels and chemical feedstocks produced by the conversion of renewable and nonrenewable resources, including, but not limited to, . . ." a consecutive category of resources.

In the opinion of the Chair, the definition is sufficiently broad as to allow the amendment offered by the gentleman from Colorado.

The Chair overrules the point of order.

The question is on the amendment offered by the gentleman from Colorado (Mr. Wirth).

The question was taken; and on a division (demanded by Mr. Wirth) there were—ayes 28, noes 30.

So the amendment was not agreed to.

The CHAIRMAN. Are there additional amendments to section 3?

AMENDMENT OFFERED BY MR. GORE

Mr. GORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Gore: Page 10, line 6, strike out the quotation marks and the period which follow and insert in lieu thereof the following new sentence: "Such term includes fuels and chemical feedstocks produced from tar sands and heavy oils if the hydrocarbon content thereof has a gravity of 15 degrees or less (API). For purposes of applying the preceding sentence, the President may substitute a higher gravity rating (API) for 15 degrees in any case in which he determines that the application of the higher gravity rating would further the purposes of this section.".

Mr. GORE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record, and that I be able to explain it.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

(The Clerk concluded reading the amendment.)

Mr. GORE. Mr. Chairman, I introduce this amendment on behalf of the gentleman from Michigan (Mr. Stockman) and myself. We have worked it out previously with the chairman of the committee, the gentleman from Pennsylvania (Mr. Moorhead), and with the distinguished chairman of the Subcommittee on Energy and Power, the gentleman from Michigan (Mr. Dingell).

Mr. Chairman, tar sands and heavy crudes have been the neglected stepchildren of the synthetic fuels euphoria. These oils have been at the top of the oil industry's waiting list for development for years—always at the edge of economic viability, but always passed over in the end in favor of extensive exploration for the rare large strike. Ironically, being "almost economic" has caused the heavy crudes to be passed over while funds were made available for the more exotic forms of crushing shale and coal to squeeze out oil or painstakingly fermenting plants for a trickle of alcohols. The deposits are massive: California alone has an estimated 61 billion barrels of heavy oils in reserves which are virtually untapped; Texas has 33.7 billion barrels, and 27 to 30 billion barrels are locked in Utah's tar sands. But oil companies candidly admit that they will not begin production of these massive deposits until oil reaches $30 a barrel.

The mandate of House Resolution 3930 is to increase domestic production of fuel oils. But while recognizing that such a declaration of independence will cost money, the bill neglects to include the domestic resources which are likely to give us the greatest return on the smallest investment.

I propose an amendment which will reap these harvests, but will limit Government price incentives to oils which are not recoverable in their natural state through a well by conventional oil production techniques. At present technology levels, these oils must be mined—either on the surface or by using in situ mining techniques. The processes are uncomplicated, compared to the chemical conversion of coal or shale to oil, but expensive compared to conventional oil production. If the Government does not provide the kind of incentives envisioned by 3930, these vast reserves will remain untapped.

Beyond the U.S. borders, but within the Western Hemisphere, the figures on these heavy and superheavy crudes are staggering. Canada has 600 billion barrels of oil in tar sands—twice the proven oil reserves of the Middle East—and Venezuela has quantities estimated between 500 billion barrels and 3 trillion barrels. Taken together, these sources could fuel the free world for a century. The Canadian Government has taken the lead by becoming a one-third owner of the mammoth Syncrude tar sands plant in Alberta, which is expected to supply one-third of Canada's energy needs by 1985.

It is time we recognize this great wealth of our Nation and fellow nations of the Western Hemisphere. It is essential that we begin to mine our domestic resources of tar sands and heavy crudes, to share our technology with Central and South America for mining super heavy crudes, and to learn from the experiences of neighboring Canada. It is time to make unconventional oils a member of the family of synthetic fuels which will strengthen our Nation in the years to come.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. Gore).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ottinger: Page 2, line 19, after "(a)" insert "(1)".

Page 2, after line 25, insert the following new paragraph:

(2) Section 301(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the Department of Energy and the Tennessee Valley Authority may use for the purposes of this section only funds specifically appropriated or allocated to each such agency for such purposes pursuant to this Act.".

Page 3, line 7, insert "(A)" before "$38,000,000".

Page 3, line 15, strike out the period and insert in lieu thereof the following: ", and (B) $250,000,000, except with the approval of Congress. Any notice under this paragraph relating to obligations of the Department of Energy or the Tennessee Valley Administration shall also be transmitted to the appropriate authorizing committees of the Senate and the House of Representatives.".

Page 3, line 20, after "period." insert the following new sentence: "Such resolution shall be subject to the procedures specified in subsection (f) of section 551 of the Energy Policy and Conservation Act, except that any reference in that subsection to any resolution or resolution with respect to an energy action shall be considered to refer to a resolution pursuant to this section.".

Mr. OTTINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MOORHEAD of Pennsylvania. Reserving the right to object, Mr. Chairman, does the gentleman have a copy of the amendment?

Mr. OTTINGER. We gave both the majority and the minority copies of the amendment.

Mr. MOORHEAD of Pennsylvania. Further reserving the right to object, Mr. Chairman, I have not seen the amendment. I do not know whether it should be read or not.

Mr. ROUSSELOT. I reserve the right to object, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. Moorhead) has the right to object.

Mr. ROUSSELOT. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard. The Clerk will read.

(The Clerk concluded reading the amendment.)

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The Chair will inquire of the gentleman from New York (Mr. Ottinger) whether this amendment appeared in the Record.

Mr. OTTINGER. It did, Mr. Chairman.

The CHAIRMAN. The gentleman from New York (Mr. Ottinger) is recognized for 5 minutes.

Mr. OTTINGER. Mr. Chairman, I ask unanimous consent that the last paragraph be stricken.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OTTINGER. Mr. Chairman, this is a last attempt to try and get some reasonable financial control over the financing device that is most risky with respect to financing synthetic fuels, and that is loan guarantees. It restores the requirement of existing law that any loan guarantee over $250 million requires the approval of Congress.

Mr. Chairman, the amendment also makes it clear that in the case of the Department of Energy and TVA, funds otherwise appropriated for these agencies for the purposes such as solar energy, conservation, enforcement, and nuclear research and development would not be available for such guarantees under this legislation. By adding DOE and TVA to the section, section 301(d) applies, which would let DOE use such appropriation for such guarantees. I am sure that the Banking Committee did not intend this effect. That committee does not want to raid these funds to achieve a synfuels program.

Mr. Chairman, certainly, loan guarantees which are completely off budget, that exceed a quarter of a billion dollars ought to have some scrutiny. There is just no telling what kind of arrangements the Department of Energy may enter into piling one kind of subsidy on top of the other.

This provides reasonable protection, I urge its adoption.

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. Moorhead) insist on his point of order?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. Does the gentleman from Pennsylvania wish to be heard in opposition to the amendment?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

This is another amendment intended to make it more difficult to achieve our goal of getting production. It says under the loan guarantee program that our one-House veto is not sufficient. If we have a loan guarantee program, we have to pass a bill through both Houses of Congress.

☐ 1940

I think the actions we have taken all day indicate how difficult it is to get one bill through one House of Congress. If we want to have energy production and defense production, we should defeat this amendment. I hope that the House will support the committee which I believe reported a reasonably balanced bill with clear protection by a one-House veto if it exceeds $38 million.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I would like to yield to the ranking member of the subcommittee.

Mr. McKINNEY. I do not think that the Chairman should have withdrawn his point of order, quite frankly. I am not an attorney, but it seems to me rather clear that there is a change in the whole meaning of the bill here if we require a specific set-aside for the Defense Production Act activities of those agencies. I think the congressional veto that we have passed covers the act and I would urge rejection of the amendment. It is just going to be too hard, as the gentleman says, to get this through twice when it really only has to go through once. That is what we are doing.

Mr. MOORHEAD of Pennsylvania. If I may reclaim my time, we examined this proposition and decided that the way to protect congressional interests and congressional oversight is by the one-House-veto route, and I believe that is adequate.

This amendment is obstructive and it should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Ottinger).

The amendment was rejected.

AMENDMENT OFFERED BY MR. M'KAY

● Mr. McKAY. Mr. Chairman, I rise to offer an amendment to H.R. 3930. Before doing so I would like to commend the diligent work and foresight of my colleague, Mr. Moorhead. Our country faces a severe energy crisis and the dedicated work by Mr. Moorhead and his committee may well provide the means to get us through this crisis.

The amendment I offer today does nothing more than recognize the necessity of addressing this country's long-term energy needs. A careful reading of the present bill states on page 4 lines 23 and 24 that the President "shall attempt to achieve a national production goal."

I feel it is absolutely necessary that we make the efforts of the President, the Department of Energy, the Department of the Interior, and the Secretary of Defense absolutely mandatory as opposed to permissive. My amendment attempts to require the President to achieve a national production goal in synthetic fuels by removing the discretionary or permissive aspects of the language of the bill. It does nothing more than to recognize that we must require the administration to move forward on this problem in times of apparent plenty as well as in time of short supplies and long gas lines.

Mr. Chairman, the people of this country have an interesting inclination to become very concerned about where their next tank full of gas will come from when the gas gauge registers one-fourth or below. But we collectively ignore energy shortages when our gas tanks are registered at "full." It is this attitude which we must overcome by requiring the best efforts of our Government in synthetic fuels production even when this hopefully short-term gas deficit has eased.

While it may be argued that the current language of the bill is sufficient to achieve this continual production effort, our own experience teaches us that unless we are compelled to move forward, it is too easy to slack off when the problem recedes into the background. My language would not permit this President or any successive President to come before the Congress after having failed to achieve the goals established by this bill and shrug his shoulders by saying: "We did not make the goal, but the law only required me to try. And I tried." I urge the adoption of this amendment and yield the balance of my time.●

The Clerk read as follows:

Amendment offered by Mr. McKay: Page 4, lines 23 and 24, after "shall" strike "attempt to".

Page 5, line 9, after "(c) and (d)" strike "may-" and insert "shall".

Mr. McKAY (during the reading). Mr. Chairman, I ask that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

Mr. BAUMAN. Reserving the right to object, Mr. Chairman——

The CHAIRMAN. The gentleman from Maryland reserves the right to object.

Mr. BAUMAN. Mr. Chairman, I yield to the gentleman to give us an explanation of this lengthy amendment that I think ought to be read.

Mr. McKAY. Mr. Chairman, in answer to the gentleman, this is a very simple amendment arising from the experience we had in the Interior Appropriations Subcommittee last year where we provided $20 million for the Department of Energy to proceed to build a commercial-sized oil shale plant and they refused to even proceed to get the contract ready. I think it is important that we change this bill. So that will say, Mr. President, instead of "you may" contract for purchase, "you may" encourage the development of synthetic fuel, that it will say "you shall" purchase, "you shall" proceed to develop and "you shall" contract for synthetic fuels.

That is all the amendment does.

The CHAIRMAN. Is there objection to the unanimous consent request of the gentleman from Utah?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. Was the gentleman's amendment printed in the Record?

Mr. McKAY. No, it was not, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. McKay).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dingell: Page 5, line 2, strike out "The President" and all that follows down through line 7.

The CHAIRMAN. The Chair will inquire if the amendment was printed in the Record?

Mr. DINGELL. Mr. Chairman, the amendment was printed in the Record.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes in support of his amendment.

Mr. DINGELL. Mr. Chairman, the language stricken is as follows, and I hope my colleagues will listen because it is most curious language:

The President is authorized and directed to require fuel and chemical feedstock suppliers to provide synthetic fuels and synthetic chemical feedstocks in any case in which the President deems it practicable and necessary to meet the national defense needs of the United States.

Supplier is a word of art. It can be a corner gasoline station; it can be a jobber or a wholesaler; it can be a refiner. It can be a producer at the wellhead. It can be any person who is engaged in the petroleum business. Indeed, it could be suppliers of coal and other similar energy sources.

The question is I am sure the committee has offered this amendment in good faith, but this bill would extend purchase authority and a requirement that the President could compel somebody to deliver that which he may very well not have, or which he would have to go onto the open market to procure to in turn deliver to the President. The supplier, remember, is a gasoline retailer, oil jobber, refiner, pipeliner, or producer. No one knows exactly what the sweep of the language of the committee bill is or whether these people would then have synfuels.

The other day I asked the Department of Energy, Department of Commerce, and Department of Defense and they were unable to explain what this authority was, how it would be used, why it was needed or how it would be carried out or, indeed, how the burdens of the section complained of would be applied to a supplier who might have no access to the commodity in question.

More importantly, this raises some liabilities for the United States under the Tucker Act. If the President were to go out to somebody and say, "Procure synfuels," the individual would then be responsible to go out, to procure synfuels. But under the Tucker Act the President would assume on behalf of the United States liability that would be enormous, that I cannot even tell the Members what it would be. The reason would be that first of all it would create not only a quasi-contractual authority on the part of the United States to pay the individual the costs of the synfuels, but to pay all of the costs that were associated with the procurement, including flying around the world to hunt up sources of synfuels because the sources of synfuels under this language are not limited to the United States alone. In consequence, the Tucker Act liability of the United States under the language complained of could be enormous. I am sure almost any supplier would be quite delighted to assume this particular responsibility because with it could go the broadest assumption of responsibility to the United States to pay all costs associated therewith.

Perhaps the gentleman who is the chairman of the subcommittee can tell me whether he intended to absorb Tucker Act liability or whether, in fact, or who, in fact, he intended to be compelled to respond as a supplier to the President's order? Can the gentleman give me some response on that point?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. MOORHEAD of Pennsylvania. Yes; the fuel suppliers contemplated in this language are those firms that actually sell fuels to the Government.

Mr. DINGELL. It does not say so here, though.

Mr. MOORHEAD of Pennsylvania. Allow me to make it clear in the colloquy that this is what is intended.

Mr. DINGELL. But the gentleman has conferred power in the President to go to any supplier. He can go to Jones' Gulf on South Capitol and tell them to deliver x amount of synfuel and assume a Tucker Act responsibility to Joe for delivery of massive amounts of money for whatever he does to get it. The word "supplier" is not defined, nor what synfuels are being delivered, the circumstances under which they are to be delivered, or, indeed, the liability of the United States.

I think the easiest way to handle this matter is simply to strike the language complained of and let the President function under the other sections of the Defense Procurement Act which afford the President the right to go out and to procure supplies and to make certain directions with regard to delivery of supply and to rely on the regular contract authority of the United States, which the President has in abundance, and for that reason I would think this inoffensive amendment striking very broad and dangerous language should be adopted by the Committee.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, there have been some criticisms of this legislation, that it was giving too much to the big corporations, oil companies, and others. I do not think it does.

But, to balance this, this section the gentleman seeks to strike is one of the sticks; you might call the other carrots. And what does it do? It just requires the suppliers under these conditions when the President determines it practicable, and second, when it is necessary to meet national defense needs.

☐ 1950

Now, this is a way of pushing the oil companies, who maybe figure they can get a bigger profit from natural petroleum, into the synthetic business. We also then give them the reward of floor prices and things like that. So, deletion of this language would remove a stick which, granted, I do not think the President will use very much, but if he decides it is practical and if he decides it is necessary to meet the national defense needs, he should be given that power.

Mr. Chairman, I urge defeat of the amendment.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the distinguished ranking minority member.

Mr. McKINNEY. Mr. Chairman, the chairman is absolutely right. This amendment, in all its seeming innocence, guts the bill. We have heard questions all afternoon of what we are giving to industry, underwriting this or doing that. This language of the bill gives the President some power.

I would remind my good friend from Michigan that this is the Defense Production Act. This talks about times of war, times of national emergency. The President should have power during the crises of that type. We are going to give the President the right to draft men and send them off to get killed. We certainly should give the President the right to get the gas to protect them there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. DINGELL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 281]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mica
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 2000

The CHAIRMAN. Three hundred eighty-five Members have answered to their names; a quorum is present, and the Committee will resume its business.

☐ 2010

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Michigan (Mr. DINGELL) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 94, noes 291, answered "present" 1, not voting 48, as follows:

[Roll No. 282]

AYES—94

Abdnor
Albosta
Archer
Badham
Bauman
Beard, Tenn.
Bonior
Brodhead
Brown, Calif.
Brown, Ohio
Broyhill
Butler
Carney
Cheney
Cleveland
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Deckard
Dellums
Derwinski
Devine
Dingell
Eckhardt
Edwards, Okla.
Findley
Ford, Mich.
Goldwater
Gonzalez
Gradison
Gramm
Grassley
Hammer-schmidt
Hansen
Horton
Jacobs
Jeffords
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Latta
Livingston
Lott
Lowry
Lungren
McDonald
Maguire
Markey
Marlenee
Martin
Michel
Mikva
Moffett
Moore
Moorhead, Calif.
Myers, Ind.
Nedzi
Nolan
Ottinger
Paul
Petri
Pritchard
Quayle
Regula
Rose
Roth
Rousselot
Rudd
Sabo
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Staggers
Stangeland
Swift
Symms
Taylor
Thomas
Traxler
Treen
Vento
Weaver
Weiss
Whittaker
Williams, Mont.
Wolpe
Wyatt
Young, Alaska

NOES—291

Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
de la Garza
Derrick
Dickinson
Dicks
Dixon
Dodd

Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gray
Green
Grisham
Guarini
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, Md.
Lujan
Luken
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Marks
Matsui
Mattox
Mavroules
Mica
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quillen
Rahall
Railsback
Ratchford
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sawyer
Schulze
Shannon
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Stanton
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Synar
Tauke
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—48

Akaka
Anderson, Ill.
Andrews, N.C.
Beilenson
Bolling
Bonker
Carr
Clay
Conable
Conyers
Davis, S.C.
Diggs
Downey
Edwards, Calif.
English
Flood
Forsythe
Giaimo
Gudger
Guyer
Holtzman
Hopkins
Jeffries
Jenrette
Jones, Okla.
Long, La.
Lundine
McClory
Marriott
Mathis
Mazzoli
Mikulski
Montgomery
Murphy, N.Y.
Oberstar
Patterson
Rangel
Richmond
Roberts
Santini
Satterfield
Shuster
Simon
Spellman
Stark
Stockman
Thompson
Ullman

Mr. WOLPE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to section 3?

AMENDMENT OFFERED BY MR. WIRTH

Mr. WIRTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIRTH: Page 8, after line 2, insert the following new paragraph:

"(6) In considering any proposed contract under this section, The President shall take into account the socioeconomic impacts on communities which would be affected by any new or expanded facilities required for the production of the fuel or feedstocks under that contract."

☐ 2020

The CHAIRMAN. The Chair will inquire of the gentleman from Colorado as to whether the gentleman's amendment was printed in the RECORD?

Mr. WIRTH. Mr. Chairman, it was accepted by both sides, but not printed in the RECORD.

Mr. Chairman, the following statement, made by Gov. Richard D. Lamm of Colorado before the House Public Works Committee last March, clearly outlines the need for attention to the socioeconomic impacts of various energy programs made in H.R. 3930.

NATURE OF THE PROBLEM

While there are regional differences in the nature of the adverse impacts faced by communities undergoing rapid energy development, the basic patterns are the same. The speed of growth and the uncertainty accompanying that growth make it very difficult for communities to effectively anticipate the adverse impacts. As a result, public facilities and services fall far short of the need generated by the sudden influx of new residents. Where they exist, water and sewer systems are overtaxed; schools are overcrowded; health care facilities cannot meet the demand; and roads and transportation facilities are unable to handle the new levels of use.

In addition, commercial facilities and professional services are usually lacking—the uncertainty of energy development discourages economic diversification. Housing shortages frequently occur, driving the price of the existing housing stock to very high levels. Trailer camps spring up; available land is rapidly exhausted. Beyond these facility and service shortages, rapid energy development brings with it social disruption. Quiet rural communities are transformed into brawling boomtowns, complete with increases in child abuse, divorce, alcoholism, prostitution, and crime. In short, the social fabric of the community is severely torn.

Perhaps some case examples will bring this picture into clearer focus:

In Craig, Colo., population increased approximately 50 percent between the end of 1973 and the end of 1976, due to coal development and powerplant construction. In this period, crimes against persons increased by 900 percent, alcoholism cases increased by 623 percent, family disturbances by 352 percent, child abuse/neglect cases by 130 percent, and child behavior problems (excluding schools) by 1,000 percent.

In Mingo County, W. Va., it has been almost impossible to acquire land to accommodate coal mining families whose homes were ruined in floods 2 full years ago, much less those coming into the area for new coal mining employment. The land not on steep slopes or on flood plains is largely held by landowners unwilling to sell their land for housing, preferring to hold it for speculation or resource development.

Although the State has ample funds available to acquire land for new housing, it has only been able to buy a small part of the land it needs because private mining and landholding companies are unwilling to sell—the State has no power of eminent domain permitting land assembly for such purposes. In addition, most existing communities lack water and sewer facilities thereby raising the cost of housing site development.

In Rock Springs, Wyo., a very large coal-fired powerplant was put under construction in 1972, with 1 month's prior notice to local government. Simultaneously, the existing trona (natural soda ash) mining industry was expanding both its mining and processing operations. With population growth rates of over 15–20 percent per year, Rock Springs and nearby Green River faced inadequate law enforcement services, overcrowded schools, inability to go beyond constitutional bonding limits to build schools at a rate fast enough to accommodate enrollment increases, and hesitance on the part of the voters to bond themselves to accommodate a boom of uncertain duration. In addition, the doctor-patient ratio went from 1/1,100 to 1/3,700 within 2 years, because of the difficulty of attracting additional health services professionals to this boom community. At the height of Rock Springs' growth, 30 percent of the population indicated that they were obtaining health services from Salt Lake City, 200 miles away.

MAGNITUDE OF NEED

Estimates as to the magnitude of the financial need facing communities suffering from energy development's adverse impacts range from as high as $80 billion, identified in a Department of Energy study, to the very conservative $3.5 billion estimate of the Office of Management and Budget. OMB's estimate, by the way, did not include the costs of housing and transportation needs, two of the most expensive problems facing impacted communities. The Committee on Natural Resources and Environmental Management's Coal Subcommittee, under the leadership of Gov. Jay Rockefeller, is currently surveying a number of major coal and uranium producing States to ascertain their best estimates as to their financial need. In addition, we are examining other recent studies of impact needs. While the NGA survey is not yet complete, preliminary indications are that the Nation's impact needs are staggering. A case in point is provided in a recent study by the Old West Regional Commission of the fiscal impacts of energy development in nine Wyoming counties. The estimated capital cost facing these nine counties through 1985 amounts to a staggering $337 million. This is more than three times the available borrowing capacity of these jurisdictions. And this figure is a very conservative estimate of the capital needs of this area. It assumes only the minimum acceptable level of public services, and does not include the cost of housing for incoming miners.

Nor does it include the needs of three additional counties not included in the study, preliminarily estimated at well over $100 million.

Over the same period, only about $125 million is expected to be available through the State's coal impact tax and the return of Federal mineral leasing royalties. Though this money comes from production in the nine-county area, it must also fund the needs felt in the three counties not included in the Wyoming study. These three additional counties produce virtually no coal, but are bedroom counties for the Dekcer Mine in Montana. They derive virtually no revenue from coal production, but are suffering severe impacts. On the balance, there is a net capital shortfall of well over $300 million in the 12-county area.

Clearly, it is neither equitable nor feasible to expect impacted communities to bear the entire burden of response to America's call for increased energy production.

I hope my colleagues in the House will support this amendment to H.R. 3930. It will help us to focus on the community problems faced by many areas in Appalachia and the Rocky Mountains, which will be adversely impacted by various energy programs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. Wirth).

The question was taken; and on a division (demanded by Mr. Rousselot) there were—ayes 92, nays 11.

So the amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 3?

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Volkmer: Page 8, line 14 through page 9, line 15, strike all of said lines.

Mr. VOLKMER. Mr. Chairman, the amendment was not printed in the Record.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. Volkmer).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 3? If not, the Clerk will read.

The Clerk read as follows:

GENERAL PROVISIONS

Sec. 4. (a) Section 702(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2152 (d)) is amended by striking out "atomic".

(b) The first sentence of section 703(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2152(a)) is amended by inserting "(except as provided in section 305)" after "other than corporate agencies".

(c) The first sentence of section 711(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2161(a)) is amended—

(1) by striking out "There" and inserting in lieu thereof "Except as provided in the following sentence, there"; and

(2) by inserting after the first sentence the following new sentence: "There are hereby authorized to be appropriated $2,000,000,000 to make payments in accordance with the contract provisions specified in section 305 (d)(3) and with the provisions of section 305(d)(5).".

(d) The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, I ask unanimous consent that section 4 be considered as read, printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Maryland reserves the right to object.

Mr. BAUMAN. Mr. Chairman, I reserve the right to object for the purpose of asking the gentleman from Pennsylvania what the gentleman's plans are for limiting time if this request is granted?

The last section was limited and that was 3 hours ago that the limit started and here we still are on that section.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I have no present intention to limit time on this debate. I do not know of any imported amendments to the section; but if the gentleman objects, it can be read very shortly.

Mr. BAUMAN. No, no. I just wondered how many amendments were pending to the section.

Could the Chair tell us how many amendments are at the desk?

The CHAIRMAN. The Chair will advise the gentleman that at the moment there are approximately four amendments at the desk.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. Moorhead)?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the two technical committee amendments to section 4.

The Clerk read as follows:

Committee amendments: Page 10, line 12, strike "2152(a)" and insert "2153(a)".

On page 15, strike "The first sentence of section" and insert "Section."

The committee amendments were agreed to.

AMENDMENTS OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I offer two technical amendments.

The Clerk read as follows:

Amendment offered by Mr. Moorhead of Pennsylvania: Page 10, line 23, insert "without fiscal year limitation" after "appropriated".

Page 10, line 23, insert ", which shall remain available until expended," after "$2,000,000,000".

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, first I would make a unanimous-consent request. This amendment was written before the Wright amendment was adopted, so the words should be, "after three billion dollars."

I ask unanimous consent that the amendment be changed accordingly.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

Page 10, line 23, insert ", which shall remain available until expended," after "$3,000,000,000".

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, this will be very quick. The purpose of the amendment is to make clear that even if the Defense Production Act were to be terminated, the funds would remain available to pay for contracts heretofore entered into.

I urge adoption of the amendment.

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. DINGELL. Mr. Chairman, have we dispensed with the reading of the amendment?

The CHAIRMAN. The amendment has been read, I would advise the gentleman.

The question is on the amendment, as modified, offered by the gentleman from Pennsylvania (Mr. Moorhead).

The amendment as modified, was agreed to.

AMENDMENT OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bedell: Page 11, after 6, insert the following:

(e) Section 701(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2151(d)) is amended by striking out "Defense Production Act Amendments of 1955" and inserting in lieu thereof "Defense Production Act Amendments of 1979".

Mr. BEDELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. DINGELL. Mr. Chairman, I reserve the right to object, and also I reserve a point of order.

The CHAIRMAN. The gentleman from Michigan reserves the right to object.

Mr. DINGELL. And also I reserve a point of order, Mr. Chairman.

The CHAIRMAN. And the gentleman also reserves a point of order.

Mr. DINGELL. Mr. Chairman, can the gentleman tell us what the amendment does?

Mr. ROUSSELOT. Mr. Chairman, I object. Then we can hear it.

The CHAIRMAN. Objection is heard. The gentleman from Michigan reserves a point of order.

The Clerk will read.

The Clerk concluded the reading of the amendment.

Mr. BEDELL. Mr. Chairman, the amendment I am proposing to H.R. 3930, the Defense Production Act Amendments of 1979, would reinstate the requirement for a report that was first called for in the 1955 amendments to the Defense Production Act that would identify the amount of small business participation under the act. H.R. 3930 would extend the very broad authority granted to the President under this statute to energy production, providing for guaranteed purchase arrangements with producers sufficient to meet a 500,000-barrel-per-day crude oil equivalent for domestically produced synthetic fuels by 1985. My amendment is important because it would provide the Congress with a very valuable oversight tool to assure full participation by the small business sector in the development of a synfuels industry, thus achieving optimum implementation of the act.

Mr. Chairman, while I believe that the committee should be commended for its imaginative, farsighted approach to the most urgent challenge facing the Nation today—the development of noninterruptible sources of energy—I am concerned that there is alarming potential for H.R. 3930 to lock this country into further dependence on a concentrated energy production system. Clearly, the national interest would not be served if this act were to favor huge, capital intensive, geographically concentrated energy production facilities at the expense of decentralized, geographically dispersed facilities.

Without an institutionalized mechanism in the legislation to provide the Congress with a tangible "handle" for effective oversight, I fear that its enactment could ultimately prove counterproductive. My amendment would provide such a "handle."

The original Defense Production Act of 1950, in its declaration of policy section, stipulated that "it is the policy of Congress to encourage the geographical dispersal of the industrial facilities of the United States in the interest of the national defense, and to discourage the concentration of such productive facilities within limited geographical areas which are vulnerable to attack by an enemy of the United States." I, for one, believe that this admonition is even more relevant today than it was in 1950. I also believe that the development of certain types of synthetic fuels, most particularly alcohol fuel produced from renewable resources, offers us an excellent opportunity to moderate the emphasis—almost obsession—we have placed on centralized, capital intensive energy production facilities.

In a recent analysis entitled "The Effects of Nuclear War," the Congressional Office of Technology Assessment portrayed a scenario in which the Soviet Union launched a "limited" attack on economic targets in this country. Specifically, this "attack" by only 10 SS–18's—a large Soviet ICBM—was assumed to have been directed at the petroleum refining system in this country, which is, of course, a highly concentrated network. In the OTA's hypothetical analysis, the 10 ICBM's carried sufficient warheads to destroy the 77 largest refineries in the United States; OTA estimated that 64 percent of total U.S. petroleum refining capacity would be destroyed by such an attack. Obviously, the implications of such a loss for both our strategic and economic capacity would be enormous.

This hypothetical, admittedly "worst-case" scenario, underlines the fact that, to as great an extent as possible, energy production needs to be decentralized in this country. Optimum participation of small business in the development of a domestic synthetic fuels industry would help to achieve this necessary dispersal and decentralization.

Mr. Chairman, over the past several months, I have been involved with legislation of my own which would catalyze the formation of a viable domestic alcohol fuels industry. In my talks with farmers, academicians, and private industry experts, I have become convinced that the agricultural sector especially could stand to benefit from the implementation of a national program encouraging the development of an alternative fuels program. Even now, there are farmers who are producing their own fuel from excess crops and other organic materials and then using that fuel to run their own machinery and even heat their own homes. It does not take a great deal of imagination to see the importance of such a transition to greater energy independence in the agricultural sector, since the U.S. food production miracle is the foundation of its strength, both military and economic. An interruption of the fuel supply to our agricultural producers, as evidenced by the recent diesel shortages this spring, could be catastrophic. Emphasis on decentralized energy production could help to minimize this possibility.

In summary, then, Mr. Chairman, I believe that the amendment I am offering here today is needed if the Congress is to have the oversight tools to enable it to properly shape the implementation of the important legislation before us. Maximum participation of small business in the national synthetic fuels production effort will mean more innovation, more productivity, as well as the needed decentralization of facility siting so critical to future generations of energy users in this country.

Mr. Chairman, I yield to the chairman of the committee.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the intent of the committee is as much as possible to have small business and medium-size business participate in the Defense Production Act.

The amendment is a good one and I urge its adoption.

The CHAIRMAN. Does the gentleman from Michigan insist on his point of order?

Mr. DINGELL. No, Mr. Chairman. I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Bedell).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment.

Mr. SYMMS. Mr. Chairman, I reserve a point of order against the amendment.

The Clerk read as follows:

Amendment offered by Mr. Udall: On page 11, after line 2, insert the following:

"(3) by inserting (1) before the first word of section (a) and by inserting the following after the last sentence.

"(2) No funds authorized in subparagraph (1) above to carry out the purposes of Sections 305(d)(3) and 305(d)(5) may be used to contract for the purchase or the commitment to purchase any amount of synthetic fuel or synthetic chemical feedstock with any major oil company. For the purposes of this section:

(A) The term 'major oil company' means any person, association, or corporation which, together with its affiliates, either produces or refines a daily world-wide volume of 1,600,000 barrels of crude oil, natural gas liquids equivalents, and natural gas equivalents. Natural gas liquids equivalents and natural gas equivalents shall be determined as provided in section 105(b) of the Energy Policy and Conservation Act.

(B) The term 'affiliate' means with respect to any person, association, or corporation, any other person, association, or corporation which controls, is controlled by, or is under common control with, such person, association, or corporation.

(C) The term 'control' includes having or acquiring effective power or influence to determine the policies, business practices or decision-making processes of another person, whether such power or influence is actual or legal, and whether such power or influence may be exercised directly or indirectly, through ownership or control of stock or other securities, through affiliates, through representation on a board of directors or similar body, through interlocking directorates, through election of one or more officers, or through any stockholder, agency, trust, joint venture, lease, or contractual agreement or arrangement, or otherwise. Control shall be presumed to exist whenever any person, association, or corporation owns 10 per centum or more of the outstanding voting securities of another corporation or association."

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent to dispense with the reading of the amendment, and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

Mr. SYMMS. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The Clerk will first report the amendment.

The Clerk concluded the reading of the amendment.

Mr. SYMMS. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. Does the gentleman from Idaho reserve or make a point of order?

Mr. SYMMS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Pennsylvania reserves a point of order.

Mr. SYMMS. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. The gentleman from Idaho will state the point of order.

Mr. SYMMS. Mr. Chairman, if the gentleman wants to go ahead I would be happy just to reserve a point of order.

I will reserve the point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Arizona (Mr. Udall) is recognized for 5 minutes in support of his amendment.

Mr. UDALL. Mr. Chairman, we have been hearing a lot about the oil companies. I suspect many in the Chamber have made some speeches about the oil companies and if you want to give them a good kick where it will do some good tonight, you can vote for this simple little amendment. It is not complicated.

It does one thing. It would prevent purchase contracts under this synthetic fuel bill from being available to the eight largest oil companies; no divestiture, none of the majors, the big eight, are required to do anything. It does not require divestiture.

□ 2030

I think this amendment is needed for three reasons.

First, these companies do not need Federal money to invest in synthetic fuel development.

Second, I believe we have an opportunity to develop a source of fuel separate from the resources of the oil industry. The major oil companies are now in coal. They have a big chunk of the Nation's coal tied up. They are in uranium in a big way, they are into geothermal, and they are into solar energy. What I would like to see is some competition for the fuel. This is a chance to promote some competition for the fuel, and I think it would be foolish to hand over all the incentives in this new technology to the giants of the oil industry.

Third, I believe that Americans sitting in their cars in gas lines tonight listening to news reports about oil tankers, about wells capped, and about oil being withheld, if they heard a news bulletin that the House passed a synthetic fuels bill that is going to provide more public money to these same giants, they are going to be very angry.

As the price of oil has been escalating, we have been told that the oil industry will take care of us if we will allow the price to go up a little more so the industry will have the necessary capital, and so on.

The cash flow of the eight largest oil companies before 1978, before decontrol, before the most recent jump in oil prices, was $18 billion. That was their cash flow. It is hard for me to imagine that these companies need any financial incentive to do anything.

I know that some of my colleagues are worried that if we do not allow the top eight to participate in this program, no one else has the ability to do it.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I will yield in just a moment.

Mr. Chairman, that is not true. Of the top seven companies now receiving money from DOE to develop synthetic fuel, only two of them are in the top eight.

The next question is, if we do not permit these oil companies to participate, no one else will participate in it. Looking at the top oil companies, if we look at the top 15 oil producers in the United States, 9 of them are in the Fortune 500, ranking with the largest companies in the United States.

Looking at the companies receiving contracts from DOE, we find that only 2 of the majors are in the top 17 contractors.

So, Mr. Chairman, if my amendment passes, there certainly will be willing and eager contractors, companies willing to participate in this new and important program.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. Yes; I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, does the gentleman plan to vote in favor of a windfall profits tax?

Mr. UDALL. The gentleman certainly does, and the tougher the better.

Mr. PASHAYAN. All right. Then I take it that some of the money for these contracts would be used from the windfall profits tax?

Mr. UDALL. Yes, depending on what we do with other legislation. We can have this energy trust fund, and some of the money from that energy trust fund might go to pay for that.

Mr. PASHAYAN. So the gentleman says in effect he is trying to take money in from the windfall profits tax and transfer it to the other companies by these contracts?

Mr. UDALL. The windfall profits tax will apply to all companies, not just the big eight but all companies.

Mr. PASHAYAN. But there will be some transfer of funds through that mechanism?

Mr. UDALL. The gentleman can be apposed on that ground if he wishes.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, I support the amendment offered by the gentleman from Arizona (Mr. UDALL).

I think equally important to the passage of the synthetic fuels bill which we are going to pass here this evening is the amendment offered by the gentleman from Arizona (Mr. UDALL), which will also go forth as a message to those people who have control and have limited the production of synthetics for alternative fuel purposes in this country for the last decade or so.

As I see it, we are given the opportunity here of striking two blows, one of alternative fuels and one to prevent those who have stifled that alternative energy in the past decade. That is what we have here. We have the opportunity to see that Mobil, Exxon, Gulf, Socal, Indiana, and Sohio are kept out. We are not going to allow them to participate because they already have the capital available to make these investments. The competition will be present again within the oil industry, and it will not stifle competition.

Mr. Chairman, I think the amendment offered by the gentleman from Arizona (Mr. UDALL) will further the cause of the synthetic fuels bill, and that is to provide competition for the oil-based economy.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Minnesota.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. UDALL) has expired.

Mr. VENTO. Mr. Chairman, I ask unanimous consent that the gentleman from Arizona (Mr. UDALL) be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman from Idaho (Mr. SYMMS) will state his point of order.

Mr. SYMMS. Mr. Chairman, according to rule XVI, clause 7—that is the germaneness rule of the House—one of the tests is the jurisdiction of the committee of jurisdiction. Certainly a bill of this nature which we are talking about, when we have sort of a divestiture of certain oil companies, legislation of this sort should come from the Committee on the Judiciary.

Second, the title of the bill is another test of jurisdiction. According to the title, this is a bill "to amend the Defense Production Act of 1950 to extend the authority granted by such act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes."

Certainly that does not come under germaneness test and the defense title of the bill. If there is any purpose to this bill, it is to provide for the production because of defense purposes, and this is an attempt to interfere and stop a substantial section of our country from participating in the program.

So, Mr. Chairman, I think certainly under rule XVI, clause 7, my argument stands up.

The CHAIRMAN. Does the gentleman from Arizona desire to be heard on the point of order?

Mr. UDALL. Just briefly, Mr. Chairman.

The amendment is carefully drafted as a limitation on authorization. It says, "No funds authorized * * * to carry out the purposes of sections" so-and-so "maybe used to contract for the purchase or the commitment to purchase any amount of synthetic fuel or synthetic chemical feedstock with any major oil company."

The amendment is clearly germane to the bill.

The CHAIRMAN. Does the gentleman from Minnesota (Mr. VENTO) desire to be heard on the point of order?

Mr. VENTO. I do, Mr. Chairman.

Mr. Chairman, I rise to suggest that the point of order is not well taken. The provisions of this act that provide for an opportunity for Government-based cooperation provides for the limitation on the size of the contract in terms of 100-thousand-a-day equivalent synthetic fuels. It has all sorts of parameters in the nature of purchases by contractors and the nature of the agreement. I think this is one further limitation that is in order in terms of this legislation.

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. MOORHEAD) desire to be heard on the point of order?

Mr. MOORHEAD of Pennsylvania. I do not, Mr. Chairman.

The CHAIRMAN (Mr. Studds). The Chair is prepared to rule.

The Chair cannot see any questions of germaneness raised by the amendment offered by the gentleman from Arizona (Mr. Udall). It appears to the Chair to be simply an additional restriction or condition on the contracting authority granted under this act and, therefore, to be germane.

The Chair overrules the point of order.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by my good friend, the gentleman from Arizona (Mr. Udall), even though I think that sometimes the oil companies should be given a kick, as the gentleman suggested. But the problem is that we are not really kicking the oil companies, what we are doing is kicking the United States of America because we may need one of those Big Eight oil companies to move this synthetic fuel production forward.

We should remember that in the contract, in the price support provisions of this bill, we provide specifically that no one company can contract for more than 100,000 barrels of oil. Therefore, even in the first 500,000-barrel goal there must be at least five participants, and that is the way to get competition.

We may have to have some of the big companies in those five. But we must remember what we are trying to do is to get synthetic fuel for this Nation. We are not trying to reward the oil companies; we are trying to protect the United States of America, the defense interests of the United States of America.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I am delighted to yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I want to thank the gentleman for yielding.

In my judgment, if the amendment offered by the gentleman from Arizona (Mr. Udall), is adopted, we would not have any bill here. The effect of it would be nil.

In 1953 the big oil companies were responsible for killing off the synthetic fuels program. But the options here and the incentives are so limited in my judgment that the big oil companies will be the ones that will get the contracts. That is my judgment about this bill, and if we want the bill at all, we had better vote against this amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield back the balance of my time.

Mr. McKINNEY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, there are so many protections in this bill that to bring up this issue of divestiture is unnecessary. I think my good friend, the gentleman from Arizona (Mr. Udall) knows that I have two bills in that affect retail divestiture and also alternative resources divestiture.

I think the chairman of the subcommittee is absolutely right when he says the only thing we are going to affect with this amendment is perhaps the ability of this country to get energy. The public and the taxpayer are protected by a sealed bid process. They are protected by a limitation on the size of the contracts.

In many cases, particularly in coal gasification, we are talking about plant installations that will range anywhere in cost, according to estimates from the Department of Defense and the Department of Energy, from $1.5 to $2.1 billion.

It is obvious that we may, by passing this type of amendment, be bringing about a total halt to the purpose of this bill.

Mr. Chairman, I would suggest to my colleagues that if we want to talk about the oil companies, if we want to go home and talk about the oil companies, all right, but I suggest we all keep quiet, because pretty soon people will be asking, "Where is the gas?" We had better go home and talk about getting more energy and not just talk about the oil companies.

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Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I would like to add to that. I have some figures here that were worked out by some of the staff last night of the potential number of oil companies affected by this amendment. The Members might be interested in this.

Sun Oil Co., Marathon, Phillips, Getty, Continental, Shell, Atlantic Richfield, Standard Oil of Indiana, Gulf, Mobil, Standard of California, Texaco, and Exxon. So you are removing those potentially from participating in this program.

I do not happen to think this is the right way to solve the problem to have the bill, in the first place, but if we are going to have the bill, what you are doing is removing those people who have the geology technology, and so forth.

Mr. McKINNEY. This argument does not belong in this bill, I think the gentleman is saying, and he is right.

Mr. SYMMS. If the merits of this bill are good, then this amendment is lousy.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, I will say to my colleague that if this amendment passes you have effectively stopped any development of oil shale under this bill. Of the companies involved in oil shale, all of them are located in my district. The companies that are involved in it right now are Standard of Indiana, Gulf, Exxon, Union, Shell, Superior, and Atlantic Richfield.

All of the companies which have contemplated developing oil shale have said they have not wanted loan guarantee programs, they did not want purchase guarantee programs or tax credits or rapid writeoffs or something that would try to help them justify making a billion-dollar expenditure to develop a 60,000-barrel-a-day plant.

If the Udall amendment passes, I do not know how it would affect coal, but it will very effectively affect development of oil shale. And if you think oil shale should be developed in this bill, then you would have to vote against the Udall amendment.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Maine.

Mr. EMERY. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the Udall amendment. I think the gentleman from Colorado has made an important point. That is, rather than penalizing the oil companies, which some Members in this Chamber and some people around the country see as villians in this play, what we really will be effectively doing is eliminating a vast amount of technology, such as coal gasification, oil shale, and some of these technologies which will be expensive. We may be eliminating the very people who have the knowledge and the equipment necessary to bring those resources into production at a reasonbly low price.

I do not think we ought to be limiting any alternative that we might possibly develop into an energy resource. If we start ruling out people with technology, we may in fact be cutting our own throats.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Mr. Chairman, I think the only thing we are limiting them from is getting money from our taxpayers to subsidize what they can do with their own money. We are not saying they cannot engage in synthetic fuel. What we are saying is that we are not going to let them have our taxpayers' dollars and subsidize the wealthiest corporations in the Nation to do what they can do on their own. That is all we are saying. We are not saying they cannot get in the synthetic fuel business.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for approximately 20 seconds each.

The Chair recognizes the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to this amendment.

The whole purpose of the bill is to provide energy for the American people. This would prevent this from happening or at least greatly curtail it.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. Fithian).

Mr. FITHIAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would just point out

to the member of the committee that, in checking DOE and USDE proposals for energy projects for synthetic fuels, there were enough proposals there to make 10 times the amount of fuel that we are talking about in this bill and do it for less than $100 million.

Mr. Chairman, I will be offering an amendment to the Department of Energy authorization bill. It is not appropriate here.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I rise in opposition to the amendment.

I hope the proponents will forgive me if I say it is absurd. This country is strangling for oil, and the proponents of the amendment are suggesting that perhaps those most able to provide synthetic fuel will not be able to do so under this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Chairman, the most absurd thing in the world I have heard is to take our taxpayers' dollars, the working men and women of this country, and give it to the big oil companies to do something they can do now. That is absurd. It is communism and socialism for the rich.

The CHAIRMAN. The Chair recognizes the gentleman from Maine (Mr. Emery).

Mr. EMERY. Mr. Chairman, the other absurdity is to continue to pay the high OPEC prices for oil when we have the capability of producing synthetic fuels in this country and relieving ourselves of foreign dependence.

Mr. Chairman, I urge the defeat of this amendment and support of the legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. Markey).

Mr. MARKEY. Mr. Chairman, in the 1979 fiscal year the DOE granted $429 million for the development of synthetic fuels to a number of companies in this country. Of the 17 companies, only 3 are among the 8 companies.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Pashayan).

Mr. PASHAYAN. Mr. Chairman, I have a question for my colleague, the gentleman from California (Mr. John L. Burton). Since the gentleman is opposed to the taxpayers' money going to corporations to contract, then is he going to vote against the windfall profits tax in order to have the companies keep the money to invest?

Mr. JOHN L. BURTON. If you want to nationalize your own companies, I will second your motion.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Russo).

Mr. RUSSO. Mr. Chairman, I yield to the gentleman from California (Mr. John L. Burton) for some more words of wisdom.

Mr. JOHN L. BURTON. My distinguished friend, the gentleman from Texas, whose name I will not mention, has called this bill corporate socialism, and that is what it is. All we are trying to do is to say: Do not let the richest get tax subsidies for doing what they can do now. They are the ones who are responsible for the gas shortage.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Horton).

Mr. HORTON. Mr. Chairman, I rise in opposition to the amendment and in favor of the bill.

Mr. Chairman, with the Arab oil embargo of 1973, Americans first realized the serious national consequences of our dependence on foreign energy. However, little progress has been made during the past 6 years to reduce this dependence. The long gas lines and shortages of both gasoline and heating oil are now anticipated for the coming winter months.

The Arab embargo aside, more than 2 years have passed since President Carter first announced his national energy plan and summoned the Nation to do battle in the "moral equivalent of war." The passage of the President's plan by the Congress and its acceptance by the American people, however, did not materialize as he had expected. I was opposed to the administration's plan, then, and I remain opposed to the reliance it placed on taxation, regulation and excessive Federal involvement in meeting the energy challenge. In my opinion, proposals developed by the administration have failed to tap the abilities of American citizens and industry to vigorously develop an energy policy which frees us from the hold of OPEC.

Reasonable conservation is a necessary ingredient in any energy policy. However, restricting justifiable energy consumption through the creation of a complex regulatory network serves no purpose except to restrict economic growth and lower the quality of life for Americans. This Nation possesses the ability to harness the energy of the sun, gasify coal, recover oil from shale, and develop a peaceful use for the awesome energy of the atom. For more than 7 years, I have attempted to win support for an energy policy which emphasizes the development of these and other alternatives to oil.

I am pleased that consensus is finally developing within the Congress over the importance of alternative energy sources to satisfying our short and long term.

By its adoption of H.R. 3930, as amended, the House has finally moved the Nation toward energy independence. Synthetic fuels, derived from such abundant domestic resources as coal, grain, and oil shale, offer the United States the means of breaking the grip of the OPEC cartel.

As amended on the floor, H.R. 3930 directs the President to attempt to achieve a national production goal of at least 2,000,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks within 5 years of the effective date of the bill. The effective date of the bill is October 1.

The synfuels bill will not by itself eliminate our dependence on foreign energy. However, I am confident that if this legislation is followed by similar proposals which create positive incentives for the development of alternatives to oil, such as solar, geothermal and coal, we will be well on our way to establishing a diverse and coordinated energy policy, one which meets the energy needs of our Nation for now and the future, and which frees us from the stranglehold of the OPEC nations.

Thus, Congress is on the verge of implementing an initiative which may help solve our most pressing problem—energy.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. Hubbard).

Mr. HUBBARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would add that this particular amendment would be harmful to the coal industry. As a cosponsor of the bill, I strongly oppose the amendment and I urge my colleagues to do likewise.

Mr. Chairman, this is one Congressman who is absolutely convinced that this Nation must move forward with a broad program to develop synthetic fuels. I believe the Defense Production Act amendments of 1979 is timely legislation that will insure that the energy requirements of our military can be met solely with the use of domestic resources, without reliance on unstable sources of foreign oil. This bill is necessary if the United States is to be in a position to resist potential energy blackmail by petroleum exporting nations. And this bill is essential if we are to expand energy production in the United States by developing our own resources, such as coal and alcohol fuels, and insure that never again will we have to wait in mile-long lines to get gasoline for our cars.

I am privileged to serve on Chairman William Moorhead's Subcommittee on Economic Stabilization, which developed this legislation, and to be one of the bill's cosponsors. When I have constituents call and write my office, demanding to know what Congress is doing about our current energy shortage, I have something positive to point to. And I have something to tell the more than 1,200 unemployed coal miners in western Kentucky who have been indefinitely laid off because of the soft market for high sulfur coal—coal which one day can be used to power our automobiles and factories.

Coal conversion is not a technology that will reduce gas station lines tomorrow or reduce our staggering oil imports in the immediate years ahead, but it is a long-range program designed to meet our long-range energy needs with domestic resources. Meeting these needs demands the type of national commitment that is embodied in the Defense Production Act amendments of 1979, and the time for Congress to act is now.

Creating a synthetic fuels industry will be costly, and a commitment by the Federal Government to provide financial incentives to develop this industry must be forthcoming from Congress. The OPEC nations are meeting this very day to plan their latest price hike, and we can be assured that there will be continued OPEC price hikes as long as we continue to import half of our petroleum needs.

Again, I would like to commend Chairman MOORHEAD and the members and staff of the Economic Stabilization Subcommittee of the Committee on Banking, Finance and Urban Affairs for their work in producing this bold and innovative approach to meeting this Nation's long-range energy needs.

I urge my colleagues to give their overwhelming support to this landmark legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Chairman, I rise in opposition to this amendment.

I would like to ask my colleagues where they think the capital for building these plants comes from?

The Moorhead-Ritter, et al., bill does not supply the capital for constructing the plants. It only supplies the purchase guarantee.

☐ 2050

Mr. VENTO. Mr. Chairman, I rise in support of the amendment.

They control a substantial amount of the uranium. They control the coal. They chose to invest money in the Middle East. They have chosen to invest in services and a whole host of other things nonenergy related. I think it is time we take the leverage of this bill and give it to those who will do the job, the small oil companies.

Mr. EDWARDS of Oklahoma. Mr. Chairman, this puts some Members antibusiness ideology ahead of the very real need to produce more energy in this country. I oppose the amendment.

(By unanimous consent, Mr. KOSTMAYER yielded his time to Mr. UDALL).

Mr. UDALL. Mr. Chairman, if there is one thing the American people agreed upon, it is that we are in trouble and we are in trouble because of the oil companies. Our whole energy future is in the hands of affluent oil companies who own the refineries, own the well, own the tankers, have little sweetheart arrangements between them, and all we are saying is we are going to develop a new competitive section of the energy business. We are going to develop medium-sized companies. Only the Fortune 500 will be eligible. We will have these companies competing in energy and taking over the synthetic fuels area. I think we are making a serious mistake if they do not say here tonight of this great new program that it is not going to be taxpayers' money going down the hole. They had $18 billion of retained earnings from last year.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the author of the amendment, I think, picked the wrong enemy. The enemy is clearly the OPEC countries which have declared economic war on us. We should not go into this with one arm tied behind our back. Let us let everybody compete and compete fairly and keep our eye on the main goal, which is the production of synthetic fuel for national defense purposes.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL).

The question was taken, and on a division (demanded by Mr. UDALL) there were—ayes 34, noes 112.

RECORDED VOTE

Mr. UDALL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 263, answered "present" 1, not voting 43, as follows:

[Roll No. 283]

AYES—127

Albosta
Ambro
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Benjamin
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Brademas
Brodhead
Broomfield
Brown, Calif.
Burton, John
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conte
Corman
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Dixon
Dodd
Donnelly
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Ind.
Fazio
Ferraro
Findley
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Frost
Garcia
Gephardt
Gilman
Glickman
Gonzalez
Gore
Gray
Guarini
Hanley
Harkin
Harris
Heckler
Heftel
Hollenbeck
Howard
Jacobs
Kastenmeier
Kildee
Kostmayer
Leach, Iowa
Leland
Lloyd
Long, Md.
Lowry
Luken
Maguire
Markey
Marks
Marlenee
Matsui
Mavroules
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mottl
Nolan
Oakar
Obey
Ottinger
Panetta
Paul
Pease
Petri
Pursell
Rodino
Roe
Rosenthal
Roybal
Sabo
Scheuer
Seiberling
Shannon
Sharp
Snowe
Stack
Staggers
Stangeland
Stokes
Studds
Swift
Traxler
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Weaver
Weiss
Williams, Mont.
Wolff
Wolpe
Yates
Young, Mo.

NOES—263

Abdnor
Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Badham
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Bouquard
Bowen
Breaux
Brinkley
Brooks
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Fish
Fisher
Flippo
Foley
Fountain
Fowler
Frenzel
Fuqua
Gaydos
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lundine
Lungren
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Martin
Mattox
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Pashayan
Patten
Pepper
Perkins
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Solomon
Spence
St Germain
Stanton
Steed
Stenholm
Stewart
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—43

Anderson, Ill.
Beilenson
Bolling
Carr
Conable
Conyers
Davis, S.C.
Diggs
Downey
English
Flood
Forsythe
Giaimo
Gudger
Guyer
Hawkins
Holtzman
Hopkins
Jeffries
Jenrette
Jones, Okla.
Long, La.
McClory
Marriott
Mathis
Mazzoli
Mikulski
Moffett
Murphy, N.Y.
Oberstar
Patterson
Peyser
Rangel
Richmond
Roberts
Satterfield
Shuster
Simon
Spellman
Stark
Stockman
Thompson
Ullman

☐ 2100

The Clerk announced the following pairs:

On this vote:

Mr. Moffett for, with Mr. Flood against.

Mr. Conyers for, with Mr. Long of Louisiana against.

Mr. Thompson for, with Mr. Conable against.

Mr. Rangel for, with Mr. Guyer against.

Mr. Richmond for, with Mr. McClory against.

Mr. FORD of Michigan changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 2110

Mr. McKINNEY. Mr. Chairman, I ask unanimous consent that all debate on this bill and any amendments thereto end at 9:25 p.m.

The CHAIRMAN. Does the gentleman ask unanimous consent to consider the remainder of the bill read?

Mr. McKINNEY. Mr. Chairman, I also ask unanimous consent to dispense with the reading of section 5, and that all debate on this bill and any amendments thereto end at 9:30 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. GORE. Mr. Chairman, reserving the right to object, could the Chairman or the clerk advise us as to how many amendments are at the desk?

The CHAIRMAN. At the moment there are four amendments at the desk.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Connecticut.

Mr. McKINNEY. At the present moment, as I understand it, there are four amendments at the desk. It is my opinion, although the Chair has not ruled, that one is not germane. It is my opinion that we are going to accept at least one, and I think we can dispense with those.

It seems to me that the mood of the House is rather clear. I suggest that lengthening this process is only going to bring more trouble.

Mr. GORE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Section 5 reads as follows:

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall take effect on October 1, 1979.

The CHAIRMAN. The Chair would like to recognize those Members having amendments to offer.

AMENDMENT OFFERED BY MR. GORE

Mr. GORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GORE: Page 11, after line 6, insert the following:

(e) Title VII of the Defense Production Act of 1950 (50 U.S.C. App. 2151 et seq.) is amended by adding at the end thereof the following:

"SEC. 721 (a) Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit or delay or resort to any other source of supply, and (3) that all other means of obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall promptly determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this section but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall be paid promptly 75 per centum of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, without regard to whether the amount involved exceeds $10,000, in any district court of the United States, within three years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation.

(b) Whenever the President determines that any real property acquired under this section and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner. In the event the President and the original owner do not agree as to the fair value of the property, the fair value shall be determined by three appraisers one of whom shall be chosen by the President, one by the original owner, and the third by the first two appraisers; the expenses of such determination shall be paid in equal shares by the Government and the original owner.

(c) Whenever the need for the national defense of any personal property requisitioned under this section shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.".

Mr. GORE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. GORE).

Mr. YATES. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Tennessee (Mr. GORE).

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Tennessee (Mr. GORE).

Mr. GORE. Mr. Chairman, this amendment restores authority that was previously in this act to give the President the right to declare eminent domain. It is aimed at the Sohio pipeline, to let him enforce the need of the country to get oil moving from west to east. If the companies will not do it, let us take it over and put up for bids the right to run that pipeline.

Mr. Chairman, I ask my colleagues to support this amendment.

PREFERENTIAL MOTION OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DINGELL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes in support of his preferential motion.

Mr. DINGELL. Mr. Chairman, my colleagues should know what is involved in the amendment offered by my distinguished friend from Tennessee (Mr. GORE). Under the amendment that he offers, the language is as follows:

Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply.

What this authorizes is literally the condemnation of anything in the country in the name of national defense. I am not sure that this would extend to the pipeline because it relates only to the national defense, and I am not sure the President could make the finding. The hard fact of the matter is, though, that under this law anything could be taken.

It should be known where this came from. This is a section out of the old Defense Production Act, so that my colleagues know whence it comes, but it was so sweeping and it assumed such broad views that not too long back the Congress found it prudent to repeal this kind of sweeping condemnation. What is involved in the condemnation of the pipeline, I want to repeat to my colleagues, is that I am not satisfied that the pipeline could be condemned because I am not sure that the language of this, as drawn, relates to pipelines.

But, more importantly, it must be observed that it is tied to the national defense, and I am not satisfied that the taking of this pipeline would fall under the kind of findings that would have to be made here to satisfy the national defense requirements of this particular bill. But, it would authorize sweeping condemnation of goods and supplies, of equipment, of almost anything else with almost no let or hindrance, and almost absolute assumption of liability by the people of the United States. I do not know what would be precisely involved in the taking of that pipeline. It probably would be a couple billion dollars, and the interest and costs would commence almost immediately. Those Members who have practiced law and know anything about the law of condemnation know very well that when we condemn, it costs vastly more than a negotiated sale.

To give the Members an example, I sit on the Migratory Bird Commission, and we will never, in the approval or purchase of refuges, permit the use of condemnation except in the most extreme cases. The reason is because the cost is always at least once and a half, and usually about twice as high as if we go through the negotiated sale, in spite of the wasted time in the negotiated sale.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Tennessee, since I used his name.

Mr. GORE. I thank the gentleman very much. Section 702 of the Defense Production Act defines the term "national defense" as including programs for military and energy production, or construction, so it is clear that under the definition of national defense in the act, which this amendment amends, the pipeline of Sohio would be covered.

Mr. DINGELL. That is quite possible, but I would point to my good friend and remind him that not only can the Sohio pipeline be condemned in the name of national defense under this language, but under this enormously sweeping language anything else in this country can be condemned under the same process.

□ 2120

I would point out that that is an enormously perilous power and one which prudence found it fit to take back from the President.

Mr. RUNNELS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New Mexico.

Mr. RUNNELS. I thank my friend, the gentleman from Michigan.

The gentleman from Tennessee (Mr. GORE) has referred to the Sohio pipeline. I think if he will check the pipeline, he will find it is El Paso Natural Gas, and not 1 inch belongs to Sohio.

Mr. DINGELL. May I say further that under this, barges, railroads, factories, refineries, oil wells, pipelines, and God knows what else, would be subject to seizure and condemnation.

I urge my colleague to agree to my preferential motion.

Mr. GORE. Mr. Chairman, I seek recognition to speak against the preferential motion. Mr. Chairman, I will try not to take all of the time, but basically this problem is as follows. We have a surplus of oil on the west coast. We need to get it to the east coast. It costs $1.50 per barrel to put it in tankers and bring it all the way down to the Panama Canal. It costs $1.20 to ship it by the pipeline. The pipeline already exists. It is a natural gas pipeline that flows from east to west. The project has been sat on by El Paso, which owns it, and by Sohio, which has contractual rights to change the flow of the pipeline and put it into operation. This amendment restores the authority that was in the Defense Production Act that expired in 1953. This does not order the President to do it. It gives the President the authority to do it for the next 12 months if the Administration needs the leverage that this gives him in order to get Sohio and El Paso to move and begin flowing this oil from California to the east coast.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Washington.

Mr. DICKS. I just want to point out to my good friend from Tennessee (Mr. GORE) that there is a 230-mile gap in the pipeline.

Mr. GORE. That is correct.

Mr. DICKS. The second problem that exists is would this have the effect of overriding State laws or State signing positions?

Mr. GORE. It is the intent of the author of the amendment that it be used in circumstances where the relevant parties, including the State governments, have worked this out. That is true with what is known as the Sohio pipeline. The only entity standing in the way in that case is the pipeline company. It is intended to apply specifically to that case.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the distinguished majority leader.

Mr. WRIGHT. I thank the gentleman for yielding.

What the gentleman from Tennessee (Mr. GORE) says with respect to the pipeline is quite true. There is a need unquestionably to make available that pipeline. Whether it be by this means or by some other means to be presented in this Congress at a later time, I think it is incumbent upon us to do whatever becomes necessary to make available the capacity of that pipeline to bring some 400,000 barrels a day to the East from Alaska that otherwise cannot be recovered, and to help the American consumer by reducing, as the gentleman from Tennessee has pointed out, the per-barrel cost of transportation through the Panama Canal.

Mr. GORE. I thank the majority leader.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I do think the gentleman misspoke himself slightly. The Standard Oil Co. spent over $55 million over a 4-year period trying to get that pipeline licensed for the State of California. Someone with a funny last name out there, who is the Governor, managed to stand in the way of that project for a substantial period of time. That is why the pipeline is not economical.

Mr. GORE. Reclaiming my time, the spirit and intent of the language of the legislation is to get moving. When we get to the point where it is needed to produce synthetics, if the President can use this authority to get the project going, I think he ought to have the authority.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Ohio.

Mr. SEIBERLING. The House Interior Committee about 2 months ago reported out a bill to provide for the expedited work in getting this pipeline into operation, and I do not think that this is a very sound way to legislate that, at the 11th hour without having any hearings, without knowing what the implications are. And we have a bill. All the leadership has to do is to call it up and we can dispose of the pipeline question.

Mr. GORE. Reclaiming my time, one can do whatever he wants with the environmental permits, and it still will not get the pipeline into operation. If the company does not want to do it, let us do it ourselves.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. GORE) has expired.

The question is on the preferential motion offered by the gentleman from Michigan (Mr. DINGELL).

The preferential motion was rejected.

The CHAIRMAN. Are there Members who wish to speak on the amendment?

If not, the question is on the amendment offered by the gentleman from Tennessee (Mr. GORE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 11, after line 6, add a new section 5 and renumber the subsequent section, as follows:

REPORTS

SEC. 5. (a) The President will report to Congress immediately after all actions taken under this legislation on contracts, loan guarantees, loans, price supports and other subsidies where the combined commitment of the Government could exceed $500 million, including the terms and conditions of all such commitments.

(b) Beginning one year after the effective date of this act and annually thereafter, the President shall submit a report to Congress on all actions taken under this act.

Mr. OTTINGER. Mr. Chairman, whereas we could not get prior approval of these major contracts, this says at least when they get to the point where they can commit the Government to a half billion dollars, they have got to report to us immediately. That would at least exert some kind of restraint, because in these major contracts they will know there will be an immediate review afterward.

AMENDMENT OFFERED BY MR. M'KINNEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. OTTINGER

Mr. McKINNEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MCKINNEY as a substitute for the amendment offered by Mr. OTTINGER: Page 11, after line 6, add a new section 5 and renumber the subsequent section as follows:

SEC. 5. Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section.

Mr. McKINNEY. Briefly, Mr. Chairman, this is the form in which the chairman of the committee and I, the ranking member, have agreed we would accept this amendment. It calls for a report beginning 1 year after the effective date and every year thereafter from the President on actions taken under this section.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MCKINNEY) as a substitute for the amendment offered by the gentleman from New York (Mr. OTTINGER).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DANNEMEYER: Page 11, after line 6, insert the following new section:

REMOVAL OF CERTAIN CONTROLS IMPEDING PRODUCTION OF PETROLEUM AND NATURAL GAS

SEC. 5. Title VII of the Defense Production Act of 1950 is amended by adding at the end thereof the following new section:

"SEC. 721. Effective beginning 30 days after the date of the enactment of this section, allocation and maximum lawful price restrictions imposed on crude oil, natural gas, and refined petroleum products, by the provisions of this Act or any other law, and the authority to impose such restrictions under such provisions, is terminated.".

Page 11, line 8, strike out "SEC. 5" and insert "SEC. 6".

Page 11, line 9, strike out the period and insert: "; except the amendment made by section 5, which shall take effect on the date of the enactment of this Act.".

Mr. DANNEMEYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request by the gentleman from California?

Mr. DINGELL. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

□ 2130

Mr. DINGELL (during the reading). Mr. Chairman, I reserve a point of order on the amendment.

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Clerk has not completed the reading.

The Clerk concluded the reading of the amendment.

POINT OF ORDER

Mr. MOORHEAD of Pennsylvania. I make a point of order against the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MOORHEAD of Pennsylvania. The bill before us is a narrowly drawn bill dealing with the production of synthetic fuel. This amendment talks about lawful price restriction by the provision of this act or any other law. It far exceeds the scope of the legislation before the Committe and the amendment is not in order.

The CHAIRMAN. Does the gentleman from California desire to be heard?

Mr. DANNEMEYER. Yes, Mr. Chairman.

Title 3 of the bill before the House deals with the expansion of productive capacity and supply. The amendment which I have tendered will remove certain controls impeding production of petroleum and natural gas. I submit on that basis it is germane; it is appropriate for us to consider to remove what really is the cause of the shortage of oil in this country, namely, the law that this Congress has enacted. It is not the oil companies or the OPEC nations; it is this place right here.

If we want to have more oil, take the price off and that is the way to do it.

The CHAIRMAN. The Chair is prepared to rule.

The provisions of the act before the Committee relate solely to production of fuels for the national defense. The amendment offered by the gentleman from California effectively modifies the Petroleum Allocation Act and other laws not amended by the bill before us and the Chair sustains the point of order.

Are there further amendments to the bill?

The Chair will advise the Members of the Committee that all time under the unanimous-consent agreement has expired.

Are there further amendments to the bill?

If not, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. STUDDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 3930, to amend the Defense Production Act of 1950 to extend the authority granted by such act to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes, pursuant to House Resolution 324, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. (WRIGHT). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. PAUL. I am, Mr. Speaker.

The SPEAKER pro tempore. The question is on the motion to recommit.

The Clerk read as follows:

Mr. PAUL moves to recommit the bill, H.R. 3930, to the Committee on Banking, Finance and Urban Affairs.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MILLER of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 368, nays 25, answered "present" 1, not voting 40, as follows:

[Roll No. 284]

YEAS—368

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd

Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Filippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek

Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mattox
Mavroules
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Obey
Ottinger
Panetta
Pashayan
Pease
Pepper
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe

Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—25

Bauman
Burton, John
Burton, Phillip
Collins, Tex.
Crane, Daniel
Dannemeyer
Dellums
Eckhardt
Fowler
Goldwater
Gonzalez
Hansen
Jacobs
Jones, Okla.
Kemp
McDonald
Marlenee
Moore
Moorhead, Calif.
Paul
Rousselot
Symms
Synar
Weaver
Williams, Mont.

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—40

Anderson, Ill.
Beilenson
Bolling
Butler
Carr
Conyers
Diggs
Downey
English
Flood
Forsythe
Giaimo
Gudger
Guyer
Holtzman
Hopkins
Jeffries
Jenrette
Long, La.
McClory
Marriott
Mathis
Mazzoli
Mikulski
Mikva
Murphy, N.Y.
Oberstar
Patten
Patterson
Peyser
Rangel
Roberts
Satterfield
Simon
Spellman
Stark
Stockman
Thompson
Ullman
Wilson, Tex.

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The Clerk announced the following pairs:

Ms. Holtzman with Mr. Gudger.
Mr. Thompson with Mr. Satterfield.
Mr. Downey with Mr. Butler.
Mr. Rangel with Mr. Simon.
Mrs. Spellman with Mr. Marriott.
Mr. Flood with Mr. Guyer.
Mr. Giaimo with Mr. Forsythe.
Mr. Murphy of New York with Mr. Hopkins.
Mr. Mikva with Mr. Jeffries.
Mr. Patton with Mr. McClory.
Mr. Patterson with Mr. Conyers.
Mr. Ullman with Mr. Diggs.
Mr. Roberts with Mr. Carr.
Mr. Long of Louisiana with Mr. Peyser.
Mr. Mazzoli with Mr. Charles Wilson of Texas.
Mr. Mathis with Ms. Mikulski.
Mr. English with Mr. Stark.
Mr. Jenrette with Mr. Oberstar.

Mr. JONES of Oklahoma and Mr. SYNAR changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 932) to extend the Defense Production Act of 1950, as amended, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Extension Amendments of 1979".

SEC. 2. The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166a) is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

MOTION OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I offer a motion. The Clerk read as follows:

Mr. MOORHEAD of Pennsylvania moves to strike all after the enacting clause of the Senate bill, S. 932, and to insert in lieu thereof the provisions of H.R. 3930, as passed by the House, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Defense Production Act Amendments of 1979".

DECLARATION OF POLICY

SEC. 2. The second sentence of section 2 of the Defense Production Act of 1950 (50 U.S.C. App. 2062) is amended by striking out the period at the end thereof and inserting in lieu thereof "or to respond to actions occurring outside of the United States which could result in the termination or reduction of the availability of strategic and critical materials, including petroleum, and which would adversely affect the national defense preparedness of the United States. In order to insure the national defense preparedness which is essential to national security, it is also necessary and appropriate to achieve greater independence in domestic energy supplies.".

EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 3. (a) Section 301(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2091) is amended by striking out "The Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce," and inserting in lieu thereof "the Department of Defense, the Department of Energy, the Department of Commerce, the Tennessee Valley Authority,".

(b) Section 301(e)(1) of the Defense Production Act of 1950 (50 U.S.C. App. 2091(e)(1)) is amended—

(1) by striking out "Except with the approval of the Congress, the" and inserting in lieu thereof "The"; and

(2) by striking out "$20,000,000." and inserting in lieu thereof "$38,000,000, unless the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of such proposed obligation and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.".

(c) Section 302 of the Defense Production Act of 1950 (50 U.S.C. App. 2092) is amended—

(1) in the first sentence, by striking out ", and manufacture of newsprint" and inserting in lieu thereof ", manufacture of newsprint, and production of energy"; and

(2) in the second sentence, by striking out "$25,000,000" and inserting in lieu thereof "$48,000,000".

(d)(1) Section 303(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(a)) is amended by striking out "and mining of critical and strategic minerals and metals" and inserting in lieu thereof "mining, and production of critical and strategic minerals, metals, and materials".

(2) Section 303(b) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(b)) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 2015".

(3) Section 303(g) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(g)) is amended by striking out "and upon a certification" and all that follows through "other national emergency,".

(e) Title III of the Defense Production Act of 1950 (50 U.S.C. App. 2091–2094) is amended by adding at the end thereof the following new section:

"SEC. 305. (a) The President, utilizing the provisions of this Act and any other applicable provision of law, shall achieve a national production goal of at least 500,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than five years after the effective date of this section and at least 2,000,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than ten years after the effective date of this section. The President is authorized and directed to require fuel and chemical feedstock suppliers to provide synthetic fuels and synthetic chemical feedstocks in any case in which the President deems it practicable and necessary to meet the national defense needs of the United States.

"(b) To assist in carrying out the objectives of this section, the President, subject to subsections (c) and (d), shall—

"(1) contract for purchases of or commitments to purchase synthetic fuels and synthetic chemical feedstocks which may be used as fuels and feedstocks for Government use or resale for use conducive to defense needs or for use in the United States, its possessions or territories, or by domestic users; and

"(2) encourage the development and production of such synthetic fuels and synthetic chemical feedstocks for national defense preparedness.

"(c) Purchases, commitments to purchase, and resales under subsection (b) may be made without regard to the limitations of existing law, regarding the procurement of goods or services by the Federal Government, except as provided in section 717(a) of this Act, for such quantities, and on such terms and conditions, including advance payments, and for such periods as the President deems necessary, except that—

"(1) no contract for purchases or commitments to purchase may be entered into after September 30, 1995, or the achievement of the production goals authorized in subsection (a), whichever occurs first; and

"(2) purchases or commitments to purchase involving higher than established ceiling prices (or if there are no established ceiling prices, currently prevailing market prices as determined by the Secretary of Energy) or anticipated loss on resale shall not be made unless it is determined that supply of synthetic fuels and synthetic chemical feedstocks could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of supplies overseas for national defense purposes.

"(d)(1) Except as provided in paragraph (2), any purchase or commitment to purchase synthetic fuels and synthetic chemical feedstocks under subsection (b) shall be made by sealed competitive bidding.

"(2) In any case in which no such bids are submitted to the President or the President determines that no such bids have been submitted which are acceptable to the President, the President may negotiate contracts for such purchases and commitments to purchase.

"(3) Any contract for such purchases or commitments to purchase shall provide that the President retains the right to refuse delivery of the synthetic fuels and synthetic chemical feedstocks involved and to pay the person involved an amount equal to the amount by which the price for such synthetic fuels and synthetic chemical feedstocks as specified in the contract involved exceeds the market price, as determined by the Secretary of Energy, for such synthetic fuels and synthetic chemical feedstocks on the delivery date specified in such contract.

"(4)(A) With respect to any person, including any other person who is substantially controlled by such person (as determined by the Secretary of Energy), the President may not award contracts for the purchase or commitment to purchase more than 100,000 barrels per day equivalent of synthetic fuels and synthetic chemical feedstocks.

With respect to any person, including any other person who is substantially controlled by such person (as determined by the Secretary of Energy), the President may not award contracts for the purchase or commitment to purchase of more than 75,000 barrels per day equivalent of synthetic fuels and synthetic chemical feedstocks unless both Houses of Congress have been notified in writing of such proposed contracts or commitments and 30 days of continuous session of Congress have expired following the date on which such notice was transmitted to the Congress and neither House of Congress has adopted, within such 30-day period, a resolution disapproving such proposed contracts.

"(B) Contracts for the purchase or commitment to purchase synthetic fuels or synthetic chemical feedstocks may be entered into only for synthetic fuels or synthetic chemical feedstocks which are produced in facilities which are located in the United States.

"(C) For purposes of this paragraph, the term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States.

"(5) In any case in which the President, under the provisions of this section, accepts delivery of and does not resell any synthetic fuels or synthetic chemical feedstocks, such synthetic fuels or synthetic chemical feedstocks shall be used by the appropriate Federal agency. Such Federal agency shall pay the market price, as determined by the Secretary of Energy, for such synthetic fuels or synthetic chemical feedstocks from sums appropriated to such Federal agency for the purchase of fuels and feedstocks and the President shall pay, from sums appropriated for such purpose under the second sentence of section 711(a), an amount equal to the amount by which the contract price for such synthetic fuels and synthetic chemical feedstocks as specified in the contract involved exceeds such market price.

"(6) In considering any proposed contract under this section, the President shall take into account the socio-economic impacts on communities which would be affected by any new or expanded facilities required for the production of the fuel or feedstocks under that contract.

"(e) The procurement power granted to the President by this section shall include the power to transport and store and have processed and refined any products under this section.

"(f) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

"(g) Each Federal officer and agency having authority to issue any permit for, or to otherwise approve or authorize, the construction or operation of any facility which is to produce any synthetic fuel or synthetic chemical feedstock for which the President has contracted (or entered into a commitment to contract) under this section shall, to the maximum extent practicable—

"(1) expedite all actions necessary for the issuance of such permit, approval, or authorization, and

"(2) take steps designed to result in final action thereon not later than 12 months after the date application for such permit, approval, or authorization is made.

After taking any such action, such officer or agency shall publish notification thereof in the Federal Register.

"(h)(1) Subject to paragraph (2), the President is authorized to organize corporations for purposes of achieving the production goals authorized in subsection (a). Any such corporation shall have the power—

"(A) to produce and acquire synthetic fuels and synthetic chemical feedstocks; and

"(B) for purposes of producing synthetic fuels and synthetic chemical feedstocks—

"(i) to purchase and lease land;

"(ii) to purchase, lease, build, and expand plants;

"(iii) to lease such plants to any person; and

"(iv) to purchase and produce equipment, supplies, and machinery.

"(2) No such corporation may be organized unless both Houses of Congress have been notified in writing of the proposed organization of such corporation and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to both Houses of Congress and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such organization of such corporation. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.

"(3) Any corporation organized pursuant to the provisions of this subsection shall be subject to the provisions of the Government Corporation Control Act (31 U.S.C. 841–870) and shall for the purposes of such Act be deemed to be wholly owned government corporations as defined in section 101 of such Act (31 U.S.C. 846).

"(i) Notwithstanding any other provision of law, products acquired pursuant to the provisions of this section which, in the judgment of the President, are excess to the needs of programs under this section, shall be transferred to the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 *et seq.*) or to the Strategic Petroleum Reserve, when the President deems such action to be in the public interest.

"(j) For the purposes of this section, the terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean fuels and chemical feedstocks produced by the conversion of renewable and nonrenewable resources, including, but not limited to, products produced from coal gasification, coal liquefaction, shale, tar sands, lignite, peat, solid waste, and other mineral gasification, liquefaction or other conversion, and the conversion of any organic material into fuel.

"Such term includes fuels and chemical feedstocks produced from tar sands and heavy oils if the hydrocarbon content thereof has a gravity of 15 degrees or less (API). For purposes of applying the preceding sentence, the President may substitute a higher gravity rating (API) for 15 degrees in any case in which he determines that the application of the higher gravity rating would further the purposes of this section.

"(k) Nothing in this Act shall be construed to authorize the President to institute, without the approval of the Congress, a program for the rationing of gasoline among classes of end-users.".

GENERAL PROVISIONS

SEC. 4. (a) Section 702(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2152 (d)) is amended by striking out "atomic".

(b) The first sentence of section 703(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2153(a)) is amended by inserting "(except as provided in section 305)" after "other than corporate agencies".

(c) Section 711(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2161(a)) is amended—

(1) by striking out "There" and inserting in lieu thereof "Except as provided in the following sentence, there"; and

(2) by inserting after the first sentence the following new sentence: "There are hereby authorized to be appropriated without fiscal year limitation from general funds of the Treasury not otherwise appropriated or from any fund hereafter established by Congress after the date of enactment of this sentence not to exceed $3,000,000,000, which shall remain available until expended, to make payments in accordance with the contract provisions specified in section 305(d)(3) and with the provisions of section 305(d)(5).".

(d) The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

(e) Section 701(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2151(d)) is amended by striking out "Defense Production Act Amendments of 1955" and inserting in lieu thereof "Defense Production Act Amendments of 1979".

SEC. 5. Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section.

EFFECTIVE DATE

Sec. 6. The amendments made by this Act shall take effect on October 1, 1979.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Defense Production Act of 1950 to extend the authority granted by such Act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3930) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 932

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill, S. 932, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. Reuss, Moorhead of Pennsylviana, Ashley, Wright, Blanchard, Vento, Stanton, McKinney, and Kelly.

AUTHORIZING THE CLERK TO MAKE TECHNICAL AND CONFORMING CORRECTIONS IN THE ENGROSSMENT OF S. 932

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Clerk be given authority to make technical and conforming corrections in the engrossment of the House amendments to the Senate bill, S. 932, as passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 4389, LABOR/HEW APPROPRIATIONS, 1979

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 96–307) on the resolution (H. Res. 335) waiving certain points of order against the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3919, CRUDE OIL EXCESS PROFITS TAX ACT OF 1979

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 96–308) on the resolution (H. Res. 336) providing for the consideration of the bill (H.R. 3919) to impose a windfall profits tax on domestic crude oil, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7, MONETARY CONTROL ACT OF 1979

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 96–309) on the resolution (H. Res. 337) providing for the consideration of the bill (H.R. 7) to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions, which was referred to the House Calendar and ordered to be printed.

WHY NOT MOVE FOOD STAMP ADMINISTRATION TO BELTSVILLE?

(Mr. WAMPLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, I have just learned that plans are underway at the Department of Agriculture to move several farmer-oriented agencies from the main buildings that house traditional agricultural functions out of Washington to Maryland. The agencies I refer to fall under the recently created Science and Education Administration and were formerly called the Agricultural Research Service, the Cooperative State Research Service, and the Extension Service. What are we trying to do, destroy all the links we have between the farmer and his department? If we are getting overcrowded down at USDA, why not move the administration of the food stamp program to Beltsville—as its tie to agriculture went by the boards years ago?

My telegram to Secretary of Agriculture Bergland asking this action be stopped follows:

June 26, 1979.

Hon. Bob Bergland,
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

Dear Mr. Secretary: I have just learned that plans are underway in your department to move those headquarters functions formerly assigned to the Cooperative State Research Service and the Extension Service out of the main agricultural complex in Washington, D.C. to Maryland.

Inasmuch as these are long-established functions of the Department, tied and identified closely to the American farmer through the states and especially the College and University land-grant system, and interwoven with other agricultural functions of USDA, I question the rationale of these moves. Perhaps the complaints of the Organization of Professional Employees of the U.S. Department of Agriculture, a copy of which I am placing in the Congressional Record of June 26 in the "Extension of Remarks," are true that this and other actions are consolidations of "formerly independent agencies into superagencies," and to concentrate "decisionmaking, authority, and budget control in Washington at the expense of local concerns . . ." in the name of "efficiency." And that the effect of these actions is—"the State-Federal partnership of the U.S. Department of Agriculture is approaching a shambles in many of its traditional cooperative efforts."

I cannot believe the purpose of this move is caused by a need of space, since your department has reported to the Congress that you will experience a slight reduction in employees. However, if you do need to move some function out of the department because of space needs for personnel, I suggest you consider that agency which has the least connection to purely agricultural functions, which in that case would be the food stamp function.

Please halt these reported moves and address my concerns as soon as possible.

Sincerely,
William C. Wampler,
Ranking Minority Member,
House Committee on Agriculture.

SALT II AND THE MX DECISION

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, in addressing the subject of our Nation's military posture and the decision of whether or not to spend $30 billion on the controversial MX missile system, I think it would be wise to remember that the purpose of the SALT II agreement is ostensibly arms limitation. If we can agree that in this world where a nuclear holocaust could be only a few electronic circuits away, we should remember that what we need is to reduce this risk. By choosing the largest missile system allowable under the SALT II agreement (if, indeed, it is allowable) this country is neither looking toward true arms limitation or reduction of risk, but is merely another step closer to political, fiscal, environmental, and moral poverty. I would like to share with my colleagues the editorial thoughts which appeared in the June 12, 1979, edition of the Christian Science Monitor, on this subject:

SALT Points—3: The MX Decision

President Carter's MX decision pointedly illustrates how SALT II is a matter of political as well as military strategy. Both domestic and international politics are involved. The trick is to satisfy political needs while choosing among effective military options—not to let politics dictate less effective military choices that would otherwise be rejected. Mr. Carter has evidently sought a judicious balance, but serious questions remain about his choice of the largest MX mobile missile said to be permissible under SALT II.

On the one hand, some anti-SALT critics say that SALT would have to be amended even to ensure permission for the mobile system. First Soviet reaction seemed to countenance development of the missile but to challenge proposed methods of deployment as unacceptable under the treaty. Former chief arms negotiator Warnke has said that the US can test any type of mobile intercontinental ballistic missile launcher immediately and would be free to go ahead with it after the protocol period. Mr. Carter ought to clarify exactly what can and cannot be done.

On the other hand, there is a different objection from critics who feel SALT II does not go far enough in limiting weapons. Senator Hatfield is one of these, and he has just asserted that a Library of Congress study challenges Air Force figures on the cost of adapting a present Minuteman III missile for mobile use. The figures were some $12 billion too high. He concludes that the US could gain the protection it needs quicker and at lower cost by proceeding with this conversion rather than undertaking the $30 billion MX with its greater potentiality for escalating the arms race.

Right up until Mr. Carter's decision was made public there appeared disagreement within the military as to what form of MX or MX equivalent should be settled on. Whether he has made the militarily best choice remains in doubt.

However, there was little doubt that he had to address a widely perceived defense problem in some way. This is what many refer to as the increasing vulnerability of American land-based missiles to the Soviet Union's advances in arms. Critics may oppose Mr. Warnke when he says that "the vulnerability is largely theoretical." But the perspective of someone who has been so close to the whole SALT II situation is worth citing as he spells out what a Soviet adversary would have to do to achieve the kind of strike some believe possible by the mid-1980s: "You would have to be able to send over enough missiles so that you had enough warheads so that you had two for every Minuteman silo. You would have to time your attack with the exquisite precision that would enable you to reach that point at which the oncoming missiles were not destroyed by the explosion of their predecessors, the so-called fratricide problem. You would have to assume virtually flawless performance of a system that has never been tested in anger."

Despite such tempering words, the US faces the need to keep the Soviet Union from appearing to be overwhelming in its might. Détente depends not only on political will but on that rough equivalence in strategic arms sought by SALT II. Saving détente is a worthy reason for pressing for SALT and its Senate ratification.

Therefore Mr. Carter could not ignore the domestic political pressure for some form of MX. Senate majority leader Byrd reportedly said that Senate rejection would have been assured by a presidential decision not to go ahead.

The question persists: Was this the best system to approve? The American people and their representatives must give this much thought in the days ahead.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, on June 15, 1979, I was unavoidably absent for the vote on the amendment offered by the gentleman from California (Mr. Brown) to H.R. 4388, rollcall No. 248. Had I been present, I would have voted "no."

TRUCKERS' STRIKE DISRUPTING DELIVERY OF FOOD PRODUCTS

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, today marks the second day I have risen to highlight what I consider to be one of this Nation's most critical situations—the truckers' strike which is totally disrupting the normal flow of food from grower to consumer.

To underscore how disruptive this has become I would like to point out that yesterday, in central California, the cost of transporting cantaloups to the New York market was $4,500. Today, that cost is $5,000.

Consumers in New York will probably be paying about 80 cents a melon, and the transportation cost alone will account for 38 cents of the price.

In California, however, that melon is selling for 26 cents—the cost of picking, packing, and shipping to the local market.

Yesterday we had the first report of growers actually being forced to destroy their crops, because they could not ship their produce to Eastern markets, let alone to saturated California markets.

Today, I am sad to say, 25 truckloads of fresh tomatoes, valued at $217,000, will have to be turned into the soil. Fresh plums and cantaloupes will be next, while other fruit and vegetable crops remain under the same threat.

The American consumer has not yet been heard from, but if predictions of less beef, fewer fresh vegetables, and less fresh fruit come true, we will all be losers.

☐ 2200

THE BUBBLE CAN BURST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, it certainly is not my intention at this late hour to devote more than a few minutes to the subject matter that I dealt with last week and off and on since 1969.

I spoke last week a bit about the possibility of disaster, financial disaster, that is.

I pointed out, as I have over the past 10 years, that all of the factors are present again as they have not been since 1929 to satisfy what I call the "disaster equation."

I define this as something that shows that the financial institution structures are not equipped to cover unexpected losses by figuring two times the historical loss pattern multiplied by 20.

I pointed out that for all 14,412 insured banks in this country having assets of $1.339 trillion at the end of 1977, capital funds were 6 percent of assets. For the biggest 20 banks holding 40 percent of total banking assets, this aggregate figure was only 4.3 percent of assets. This does not figure the assets and liabilities of the holding companies owning the banks.

Mr. Speaker, I insert at this point in the Record three articles, one appearing some time ago in the AFL–CIO News, and two, respectively, in the Monday issue of the Wall Street Journal and today's issue of the Wall Street Journal:

Conspiracy Probed: Did American Bank Capers Help Undermine U.S. Dollar?

To uncover the truth about whether or not some U.S. banks have been in a conspiracy to undermine the value of the dollar, the Dept. of Justice is checking up on the charges of a one-time employee of America's—perhaps the world's—biggest single bank.

The name of the institution is not important, because it was but one of several; moreover, the charges have not been proven and it would be pointless to name the alleged villain. But the way in which the bank conspiracy is supposed to have operated is so intriguing that the sly scheme is a worthy story in and of itself.

The caper revolves around the specialized business of buying and selling money—a thought that, in itself, is mind-boggling to most of us. For the average citizen, money is something with which you buy things and not something that is itself bought and sold.

But for banks, especially those that operate on a world scale, the sale and purchase of money is a major business.

In the case under investigation, it is alleged that the American banks both sold and bought American dollars within the tight space of a few days and realized significant sums in the transactions that depended on the decline of the dollar. Here's the way the story goes:

The "conspirators" had to know when European banks holding American dollars would trade them in for marks, lire, and francs. Such sales would be a signal that the dollar was about to go down.

The American banks got this tip from their man in Zurich, where the Swiss banks—it appears—had the necessary advance info about when the dollars would be released. With this "dope" in hand, the American banks would borrow huge sums of American dollars from European banks on a very short-term basis.

Now the U.S. banks had foreign currency in hand which they held as they watched the dollar slide. The decline was helped along by the banks' advice to their clients to unload their dollars for foreign currency.

The very size of the transactions was enough to devalue the dollar. The charge is that U.S. banks were borrowing as much as $70 million a day to play this money game.

Once the dollar fell low enough on the world market, the U.S. banks bought them back with foreign currency. They were now able to repay their short-term loans with devalued dollars.

The profit was easy to calculate: it was the difference between the cost of borrowing the dollars and the gains made by borrowing strong dollars and paying back with weaker dollars.

The charm of this plot is that it reveals the power to profit of those who really know the money game—whether the value of the dollar goes up or the value of the dollar goes down. The tale also reveals a like power to push the dollar up or down. So, if you wonder why these masters of money are such consistent winners, just remember that they are not simply lucky at placing their bets, but also adept at fixing the dice.

Some Attribute Dollar's Weakness to Fear in Arab States of More Mideast Hostilities

(By Richard F. Janssen)

The U.S. dollar's renewed weakness could reflect something more ominous than purely economic factors: apprehension in oil-rich Arab states that there will be renewed hostilities in the Middle East.

According to what Continental currency sources concede is only a rumor, oil states are stepping up their efforts to diversify out of dollars and into other currencies, for fear that the U.S. would freeze Arab dollar holdings in the event of war against Israel and an accompanying oil embargo against the U.S.

Some Arab sources confirm there is, indeed, a move away from the dollar. Hussein Rimawi, head of the Jidda branch of the Saudi Arabian Monetary Agency, asserts that "other currencies besides the dollar, such as British sterling and the West German mark, are being chosen by both government and private sector."

[In U.S. dollars]

	New York, Fri.	Home Mkt., Fri.	New York, Thurs.
British pound ----	2.1390	2.1415	2.1470
Canadian dollar -----	0.8513	0.8523	0.8506
[In foreign units to U.S. dollar]			
French franc_	4.3040	4.2900	4.2975
Japanese yen_	216.10	217.83	217.70
Swiss franc__	1.6550	1.6540	1.6480
West German mark -----	1.8558	1.8555	1.8510

Based on average of late buying and selling rates.

Home markets: London, Toronto, Paris, Tokyo, Zurich and Frankfurt.

"ISN'T ANY PANIC"

Muhammad Omar al-Khatib, the Saudi agency's investment director, concurs there is some switching in the private sector. But he insists the Saudi government's policy remains the same. "There isn't any panic over the Middle East situation," he declares, though he allows "every investor wants to diversify his holdings for his own protection and we in Saudi Arabia aren't any different."

Outside the Arab World, one who sees Arab apprehension behind the dollar's fall is Rainer Gut, chief executive officer of Swiss Credit Bank of Zurich. It's "the most plausible" cause of the dollar's drop last week, he reasons. He observes that mid-June is a usual time for members of the Organization of Petroleum Exporting Countries to receive large amounts in dollars in payment for oil; if they promptly sold off a lot of those dollars for other currencies, that could account for much of the dollar's tumble.

He is "somewhat nervous about what's happening right now" in the Middle Fast, Mr. Gut said in an interview late last week in New York. The "way money has been moving in recent months" is characteristic of "buying of a lot of gold" in the Middle East and Far East, too.

OPENED UP A SORE

The revolution in Iran "opened up a sore that could spread rapidly" into other Moslem oil states, Mr. Gut worries, noting reports of deep concern in Saudi Arabia that the regime is vulnerable to civil as well as to outside military overthrow. If the Egypt-Israel treaty does lead to war with hotly opposed Arab states, the Saudi leaders "wouldn't have any choice" but to side with them, he says; otherwise, "their days would be numbered" by the pro-Palestinian forces.

The apprehension about Arab selling isn't universally shared, however. Prosaic statistical factors are far more widely cited among currency dealers as reasons for the dollar's decline. They cite a surge in the domestic money supply and a high rate of plant capacity use, both taken as signs that inflation will keep on eroding the dollar's value at a considerable clip. Moreover, some say, the interest rates available on short-term dollar securities have been dwindling, while British interest rates are being raised.

Countries wanting to diversify their currency reserves have had an opening to do so without undue cost due to the dollar's firmness since the Carter administration started more active support last Nov. 1. On Oct. 30, it had been off a record 8.5 percent from the level of February 1973, as compared with 15 currencies weighted for their significance to U.S. trade, As of last Monday. this Morgan Guaranty Trust Co. of New York measure showed the dollar off only 1.6 percent, but by Friday the decline was a deeper 2.5 percent.

DOLLAR SINKS DESPITE SUBSTANTIAL BUYING BY CENTRAL BANKS; GOLD POSTS RECORDS

The U.S. dollar took another pounding in heavy foreign-exchange trading despite massive support from central banks, while the price of gold rose to fresh highs.

Dealers universally cited apprehension about the Geneva meeting of oil-producing nations and the Tokyo economic summit.

Besides the worries about a sizable oil-price increase at the Geneva oil-cartel meeting, there were renewed reports of heavy selling of dollars by Arab states, perhaps in fear that renewed Arab-Israeli hostilities could prompt a U.S. freeze of Arab dollar holdings.

[In U.S. dollars]

	New York, Mon.	Home Mkt., Mon.	New York, Fri.
British pound ----	2.1565	2.1595	2.1390
Canadian dollar -----	0.8586	0.8581	0.8513
[In foreign units to U.S. dollar]			
French franc_	4.2583	4.2690	4.3040
Japanese yen_	213.23	215.30	216.10
Swiss franc__	1.6440	1.6428	1.6550
West German mark -----	1.8388	1.8383	1.8558

Based on average of late buying and selling rates.

Home markets: London, Toronto, Paris, Tokyo, Zurich and Frankfurt.

Furthermore, there were unconfirmed rumors in New York that the oil-producing nations might alter the procedure of pricing their oil in U.S. dollars and thus trigger a further flight of funds from the dollar.

According to one dealer, the Federal Reserve System may have sopped up between $300 million and $500 million of U.S. currency to brake the dollar's decline.

European central banks also pitched in to support the dollar.

Tokyo observers said Japan's central bank didn't intervene.

RELATIVE POSITION

As of noon yesterday in New York, the dollar stood 3.1 percent below its level following its last formal devaluation in February 1973, as measured against the currencies of 15 major U.S. trade partners adjusted for their significance to U.S. trade.

According to Morgan Guaranty Trust Co. of New York, which calculates the so-called devaluation measure, the dollar two weeks ago was down just 1 percent below the 1973 level. Before the U.S. dollar-support measures were announced last Nov. 1, the dollar was 8.5 percent under its February 1973 level.

In London, the British pound rose against the dollar, to $2.1595. It was sterling's highest London quote since July 30, 1975.

WEST GERMAN DATA

As the dollar ebbed against the German mark, Germany's central bank announced that growth of the country's broadly defined money supply fell to 6 percent in May from 9.3 percent in April on a projected annual basis. The bank said the figure is at the lower limit of the 6-percent-to-9-percent growth range it considers desirable for controlling inflation.

The price of gold, as it often does, moved up as the dollar slumped. At their morning session, the five major London bullion dealers raised their common quote $1.05 an ounce from Friday's record $283.45 an ounce, to a high of $284.50 an ounce. In the afternoon, they lowered the quote 65 cents, to $283.85, still a record for any afternoon posting.

THE 42D ANNUAL AMERICAN LEGION WOLVERINE BOYS STATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, I was unable to return from my district on Monday, June 18, because of a previous commitment with a group of 1,100 young men attending the 42d annual American Legion Wolverine Boys State.

These young men come from all over Michigan to participate in a weeklong program to stimulate their interest, understanding, and participation in government.

This meeting recharged my batteries and restored my faith, for no matter how difficult some of our problems may appear I can assure you that there is a large crop of future leaders who have the enthusism, the intelligence, and the will to solve them.

I would urge my colleagues to take this same opportunity by meeting with Boys State groups in their own home area. You will find their questions and discussion stimulating and informative.

Because I was compelled to miss votes on Monday, I would like to announce how I would have voted had I been present.

Rollcall No. 249. The House, by a vote of 336 to 0, adopted a resolution directing the President to request a special U.N. session to deal with the refugee crisis. I would have voted "yes."

Rollcall No. 250. The House, by a vote of 350 to 12, adopted an amendment to H.R. 4388, to permit new NRC personnel tions, to increase by $5 million funds for Nuclear Regulatory Commission for onsite inspector training program. I would have voted "yes."

Rollcall No. 251. The House, by a vote of 350 to 12, adopted an amendment to H.R. 4388, to permit new NRC personnel to perform all duties authorized by law. I would have voted "yes."

Rollcall No. 252. The House, by a vote of 147 to 235, voted to reject an amendment to H.R. 4388, that sought to prohibit expenditure of funds by NRC for issuing an operating license to a nuclear plant in a State which has not submitted an emergency evacuation plan to the Commission. I would have voted "no."

Rollcall No. 253. The House, by a vote of 359 to 29, passed H.R. 4388. I would have voted "yes."

Rollcall No. 254. The House, by a vote of 366 to 21, passed H.R. 4391, military construction appropriations. I would have voted "yes."

INDUSTRIAL COST RECOVERY MORATORIUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 5 minutes.

● Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to take this opportunity to express my approval that the 18-month moratorium on collection of industrial cost recovery charges by the Environmental Protection Agency (EPA) has been extended, by the House, for another 2 years beginning on June 30, 1979.

Experience has shown us that the implementation of the ICR program proved to be unworkable and actually hindered effective administration of the program at the local level. As a result, Congress previously imposed an 18-month moratorium and requested a study of ICR's impact. The report submitted to Congress by the Environmental Protection Agency in response to this requirement concluded that ICR was not accomplishing its purposes.

As we know, ICR by itself does not affect the quality of our water in any way. It has no effect on treatment capacity, treatment efficiency, or any other aspect of treatment. It simply affects repayment of the Federal grant.

From all information available to me it appears that ICR is self-defeating. As an example, for industrial users of publicly owned treatment works the cost is generally more than that for those industrial plants that treat their own wastewaters. These higher costs for POTW treatment could contribute to the relocation of some industries away from older cities, especially in the Northeast.

When everything has been considered, the ICR program clearly does not seem to be worth the cost so I believe the House has acted wisely today in extending the ICR moratorium for another 2 years.●

WHY CONGRESS SHOULD REJECT THE RAFSHOON TAX WHICH IN REALITY SHOULD BE RENAMED THE OPEC SUBSIDY AND BIG OIL PROTECTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

● Mr. KEMP. Mr. Speaker, a tax by any other name is still a tax. On Thursday, the House will consider for the third time a tax on domestic U.S. oil production which it has rejected twice before. The reason we are considering it again is that Gerald Rafshoon, President Carter's public relations adviser, has changed the name from the "crude oil equalization tax" to the "windfall profits tax."

The conventional wisdom says that merely changing the name makes it politically impossible for Congress to oppose this new tax, because Americans are not smart enough to know that the tax will reduce U.S. oil production and increase our dependence on imported oil. Conventional wisdom also says that opposition to the new tax is not possible in States like my own New York, which consumes more oil than it produces. New Yorkers are supposed to be too shortsighted to realize that they will pay it. The bill which has emerged from the Ways and Means Committee would immediately, directly, and dramatically raise the prices New Yorkers pay for gasoline and heating oil while producing no new oil.

Mr. Speaker, I believe this cynical reasoning holds nothing but contempt for the intelligence of Americans. People know better than their Government that when you tax something, you get less of that thing. A new tax on U.S. oil production will mean less U.S. oil produced. The cost will be paid by consumers, the only windfall profits will be reaped by OPEC and the Federal Government, and the tax will have zero effect on big oil companies.

Taxing American oil at the wellhead is exactly like slapping a tariff on ourselves. A tariff, as everyone knows, is a tax imposed on imported goods but not on the same goods which are produced in this country. A tariff is supposed to protect domestic producers from foreign competition.

The new wellhead tax is exactly the opposite—a tax levied only on U.S. oil, and not on imported oil. It will protect OPEC from American competition by discouraging U.S. oil exploration and production, increase our dependence on OPEC oil, bid up the world price of oil and hit our independent producers, all 12,000 of them, the hardest.

The bill which has emerged from the Ways and Means Committee is a tangle of definitions and special provisions, but the concept behind it is fairly simple.

The bill would establish two new sorts of sales taxes on oil, both collected at the wellhead and passed along to consumers—one tax on oil discovered before the bill was passed, and the other on oil discovered after the bill is passed.

The tax would be computed by continuing the existing two-tiered price controls on old oil and establishing a new base price for all future oil. The sales tax paid by consumers would equal 70 percent, in most cases, of the difference between this regulated base price and the actual market price. Producers, therefore, would receive the controlled base price plus 30 percent of any future increase in the market price.

Whenever the world price of oil increased faster than the permitted base price, the sales tax would increase, and widen the difference between the price consumers pay for oil and the price U.S. producers receive for oil. This difference would go to the U.S. Treasury.

It is easy to see who wins and who loses from this new tax. The winners will be OPEC oil producers, the U.S. Treasury, and the multinational oil companies, whose foreign holdings will become more valuable even if their U.S. interests drop in value.

The losers will be American consumers who must pay the new tax and a higher world price of oil; and the 10,000 small independent oil producers—wildcatters—who operate exclusively in the United States and do 90 percent of the exploration for new oil in this country.

The consumer of gasoline or heating oil in, say, New York City, will lose in three ways under this bill. First, there is the cost of the tax itself, which will amount to about one-quarter of the price of crude oil in 10 years, about one-third of the price within 20 years, and will continue to increase.

The reason for imposing this new tax on consumers is rather obscure. American consumers have already suffered what amounts to a massive tax increase in the form of higher world oil prices. What they need right now is significant tax rate reduction, not still further increases. Instead, while the oil producers will pay an extra $8 billion a year in individual and corporate income taxes on profits resulting from decontrol of oil prices, consumers will be forced to pay an additional $11 billion a year in sales taxes under the Ways and Means plan.

Second, by curtailing U.S. oil production, the new tax will force consumers to replace the lost oil on the world oil market, which must bid up the world price of oil.

This is extremely costly. Since the world price of oil right now is about $17 a barrel, American consumers can always benefit from added U.S. production of energy at or below the OPEC price. Increasing U.S. oil production weakens OPEC's ability to raise prices. But every barrel that Americans cannot buy in the United States must be imported.

The Ways and Means version of the wellhead tax, by the most conservative estimates, would reduce U.S. oil production by 1 million barrels a day within 5 years. Other estimates go as high as 2 million barrels a day. Judging by the effect of the recent 700,000- to 800,000-barrel-a-day Iranian oil shortage in this country, a 1-million-barrel-per-day increase in demand for oil on the world market would bid up the price of oil by at least $3.

The marginal cost to consumers of replacing 1 million barrels of $17 American oil with 1 million more barrels of $20 OPEC oil is not $20 a barrel, but $44 a barrel. This is because the difference between importing 8 million barrels a day at $17 ($136 million) and 9 million barrels a day at $20 ($180 million) is $44 million—or $44 per additional barrel.

Under Department of Energy regulations, the entire cost increase in crude oil would be passed on by refiners and retailers to consumers, in higher gasoline and heating oil prices.

Our hypothetical consumer in New York City will lose in a third way, too. Not only will this consumer pay a new sales tax, get less U.S. oil and pay more for imported oil, but the revenue from the sales tax is to be used to subsidize forms of energy which are even more expensive than either United States or OPEC oil.

According to the Ways and Means Committee report, the revenue would be used to establish a trust fund to "finance major spending programs to develop new sources of energy and to promote energy conservation." Specifically, the following projects have been mentioned: Gasified coal, which costs the equivalent of $30 a barrel of oil, liquified coal at $30 to $40 a barrel, solar energy at $50 a barrel, and Federal mass transit subsidies at $100 a barrel. If forced to compete in the market at their real cost, these forms of energy could not compare favorably with OPEC oil imports ($17 a barrel) and, therefore, our reliance on imports would increase still further. Otherwise, the only way for these projects to compete in the market is for taxpayers to subsidize the difference in cost.

Ironically, these alternative forms of energy will remain economically uncompetitive as long as the Federal Government controls the price of oil and natural gas at levels artificially below the world price.

The other big losers besides consumers will be the independent wildcatters. Ninety percent of all the exploratory oil and natural gas wells in this country are drilled by these 10,000 small businessmen. The independents make their living by putting together investment backing for exploratory drilling, discovering crude oil and selling it. The big oil companies, on the other hand, tend to buy crude after it is discovered, refine it, and sell the refined products. There is some overlapping, but the sales tax on future oil discoveries will hit the independents the hardest, while the tax on existing oil primarily affects the bigger companies.

Neither tax would lead to any more U.S. oil production. The tax on old oil would skim off capital which could otherwise be reinvested in exploration, while the tax on future discoveries would discourage the investment of available capital in oil exploration. But of the two, the tax on future discoveries, called the OPEC tax, is more destructive, since it will force independents out of the oil business. This tax ought to be called the OPEC subsidy. A sales tax of 50 to 70 percent at the wellhead which reduces the return on investment will simply make it impossible to attract investment for the risky business of drilling for oil in America.

Naturally, the tax will also lower the value of the land of farmers and other property owners in Louisiana or Texas or Oklahoma on whose land oil is found. Just about the only concession to the need for retaining some incentives that I can find in the Ways and Means report is that the bill "limits the windfall profit subject to tax to 100 percent of the net income from a property."

The whole rationale for the windfall profits tax as posed by the Carter administration was supposed to be to prevent big oil companies from profiting on their oil inventories when price controls on U.S. oil are removed. As we have seen, the major impact is on the small independents and on future oil production.

Yet big oil does not seem terribly worried about the windfall profits tax. The reason is that it will not make much difference one way or the other to the big companies.

First, since the tax is imposed at the wellhead, it is first paid by the independents. When the big companies buy the leases from the independents, they merely pass the tax along in the price they charge consumers. Second, only the large companies have the cash flow sufficient to take advantage of the minuscule incentives for increased production contained in the Ways and Means bill; the investment pattern of an independent driller is too erratic from year to year. For the same reason, a "plowback" provision would not benefit the independents, while the big companies would qualify easily.

When it is no longer profitable to drill for oil in the United States, the independents will sell out their holdings to the bigger companies and go into some other line of work. The multinationals will also diversify their U.S. oil holdings for the same reason, but will also merely shift more of their oil business abroad, where there is no tax. Their oil profits will be essentially unaffected: only the foreign/domestic mix will be changed.

Mr. Speaker, an overwhelming majority of the Congress knows that the so-called windfall profits tax would seriously damage the U.S. economy. Why does the bill tax U.S. oil and not imported oil? Why does the bill extend de facto price controls on oil producers while imposing a continually increasing tax on oil consumers? Why do we need this bill at all?

We desperately need to produce more oil in the United States to reduce our dependence on foreign imports and to hold down the world price of oil. The U.S. Geological Survey tells us that between 60 billion and 100 billion more barrels of oil remain to be found in this country, but that the oil will become more difficult to find and more expensive to extract.

This is not the time to put independent wildcatters out of business or to discourage oil exploration in the United States. The beginning of the third recession in 10 years is not the time to slap another $11 billion annual oil tax on the American people.

Mr. Speaker, I refuse to be "Rafshooned" into voting for an $11 billion sales tax simply because it has been given an Orwellian name. Politicans who believe Americans may be so easily fooled and manipulated are giving their rather telling opinions of the intelligence of the people who elected them.●

FEDERAL AGENCIES HAVE AUTHORITY TO END TRUCKERS' STRIKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, last Saturday I met with representatives of the trucking industry from northeast Iowa, the Second Congressional District. Their message was simple and clear: The diesel fuel supply and price problem threatens their livelihoods; the independent truckers' strike is an attempt to spur the necessary Federal action to resolve these fuel problems.

Having spent a considerable amount of time studying the diesel fuel problem, I am convinced that the following Federal actions are required:

First. The Department of Energy should encourage petroleum refiners to maximize their production of middle distillate fuels. Presently, refiners are holding their middle distillate yields to 22 percent of every barrel of crude oil refined. It is estimated that the yield could be increased to 24 to 25 percent without adversely affecting the petroleum refining process. A 2-percent swing in production would mean an additional 600,000 barrels of distillate supplies.

Yet the DOE's refining priorities remain unclear. Refiners get conflicting signals from the DOE. As a result, many refiners have not changed their product emphasis since the distillate shortfall became severe.

The DOE should also impose emergency allocation controls on middle distillate supplies during this shortfall period. Let us face it, nearly all diesel fuel and heating oil users are essential, and for a variety of reasons, Iowa is especially vulnerable to shortfalls. The commerce, industry, and warmth of America rely on this fuel. In order to guard against the inequitable distribution of diesel, the DOE should act to guarantee a reasonable share of these short supplies to all end users.

Second. The Department of Transportation should establish a minimum uniform truck weight and length standards on an emergency basis. Nationally, 25 million gallons of diesel fuel could be saved if uniform weight and length requirements were instituted. Iowa has acknowledged that 7.8 million gallons of diesel could be saved in that State alone by raising the weight to 80,000 pounds. Nationally, the onhighway diesel usage amounts to 21.5 percent of the total diesel fuel produced in this country. Iowa and nine other States with lower weight and length limits are costing truckers millions of gallons of additional fuel every year.

A Federal mandate for minimum standards is necessary. That way States possessing limits exceeding the Federal floor would not be forced to change their standards.

Third. The Interstate Commerce Commission's diesel fuel cost recovery program must be modified to take account of the increasing price of the fuel. The present formula allows owners and operators to pass through only a portion of the 35-percent increase in fuel costs since the first of this year. The fuel costs recovery formula assumes that only 17 percent of all trucking revenues are consumed by energy costs. The 17-percent figure is based on outdated fuel price figures. It should be updated to account for increased fuel prices.

Several of the truckers I met with this past weekend told me that fuel costs now consume 30 percent of their trucking revenues.

I believe the three Federal agencies can make these changes under authority already granted them by Congress. The Departments, however, have failed to take the necessary actions. Congress must spur them to action.

Therefore, today I have introduced a resolution calling for immediate action by the DOE, the DOT, and the ICC. These steps are necessary to resolve the truck strike which threatens the movement of goods throughout the Nation. The actions are also necessary to insure adequate distillate fuel supplies to industry, transportation, and homeowners in the coming months.

I hope my colleagues will join me in taking necessary steps to solve our middle distillate problems so that our transportation network can again serve the citizens of the United States as it has in the past.

Mr. Speaker, I ask unanimous consent that immediately following my remarks, the resolution I am introducing today appear in the Record.

H. Con. Res. 152

Whereas a 15 percent shortfall of middle distillate fuels has caused serious supply and price problems for all diesel fuel end-users, particularly independent truckers;

Whereas the number of insolvent independent truckers has nearly doubled due to the inability to obtain adequate diesel fuel supplies and to pay the approximately 35 percent increase in diesel fuel costs since January 1, 1979;

Whereas middle distillate production is being depressed by 600,000 barrels per day due to the reluctance of refiners to maximize distillate production;

Whereas the failure of 10 states to bring their trucks weight and length limits up to the Federal ceiling has cost independent truckers millions of gallons of diesel fuel;

Whereas the Interstate Commerce Commission's diesel fuel cost recovery formula allows owner-operators and carriers to pass through only a fraction of their increased fuel costs;

Whereas the production and the movement of goods throughout the nation require an immediate and effective Federal response to diesel fuel problems plaguing truckers and all diesel end-users: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Department of Energy should take such steps as are necessary to immediately maximize the production of middle distillate fuels in the nation. The Department should also act under the authority granted in the Emergency Petroleum Allocation Act of 1973 to impose reasonable allocation controls on middle distillate supplies. Such controls should be designed to provide a reasonable share of distillate supplies to all end-users.

Sec. 2. The Department of Transportation should establish, on an emergency basis, a uniform national minimum truck weight and length standard. These emergency minimum standards should remain in force only so long as supplies of middle distillate fuels remain inadequate.

Sec. 3. The Interstate Commerce Commission's diesel fuel cost recovery program should be modified to ensure that the owner-operator receives full compensation for rapidly increasing diesel fuel prices. This modification should include a review of the figure used by the Commission to estimate the percent of total trucking revenues used to purchase fuel.●

RESOLUTION CALLING FOR THE RESIGNATION OF DR. JAMES SCHLESINGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Courter) is recognized for 10 minutes.

Mr. COURTER. Mr. Speaker, today I am introducing a resolution calling for resignation of Dr. James Schlesinger as Secretary of the Department of Energy. Although Dr. Schlesinger is a fine man and a dedicated public official, it has become glaringly apparent that he is the wrong man for the job. Hired to resolve our national energy problems, Dr. Schlesinger and the Department of Energy have become part of our energy problems. Enjoying neither the confidence of Congress nor of the American people, his continuation as the Secretary of the Department of Energy can serve no useful purpose.

Over the last 18 months we have seen what can only be described as a complete lack of leadership in the Department of Energy. It would seem that with the resources at his command, 20,000 employees, and a budget of over $10 billion, Dr. Schlesinger could have developed an energy policy which would have prevented the current crisis. Instead, there has been a history of indecision, equivocation, and misallocation which has resulted in confusion, shortages, and gas lines. In the leadership vacuum created by Dr. Schlesinger the United States has increased its dependence on imported oil, experienced a phenomenal rise in oil prices, delayed the development of alternate sources of energy, and offended Mexico, a major source of oil and gas in the Western Hemisphere.

Dr. Schlesinger's tenure in office has cemented the American people's basic distrust in their Government. Statements and promises emitting from DOE and Dr. Schlesinger consistently have no basis in fact.

Admittedly, the Iranian situation was completely misread by all elements of this administration, but there is no excuse for DOE's inability to predict the impact the cutoff of Iranian oil would have on the U.S. fuel supplies. Many of us still do not understand how a 4-percent reduction in oil imports from Iran resulted in a 10- to 15-percent reduction in production by U.S. oil companies.

Even more perplexing is the absence of reason behind the rejection of the Mexican offer to sell natural gas to the United States. The Mexican Government was willing to sell its gas to the United States at $2.60 per 1,000 Cubic feet, approximately the OPEC price. Dr. Schlesinger and the administration stubbornly refused to buy at OPEC prices from Mexico. As a result, the $1.5 billion pipeline from Mexico to the United States remains incomplete and Mexico is burning off 500 million cubic feet of natural gas a day. Moreover, the United States continues to buy liquid gas from Indonesia at $3.14 per 1,000 cubic feet.

My confidence in Dr. Schlesinger's ability has been severely shaken by his admission that he was ignorant of the fact that although crudeoil imports are up from last year, our refineries are only operating at 84 percent of capacity, a 5-percent reduction over last year. It is incongruous that imports should be up and production down in the midst of an energy crisis of this magnitude. And it is incredible that the Secretary of Energy would be unware that this situation exists.

At the heart of the present crisis is the DOE's allocation policy. The contrived mechanism has disrupted the process of supply and demand resulting in a surplus of gasoline in some areas of the country and crippling deficiencies in other areas. Dr. Schlesinger's reluctance to take decisive action is symptomatic of the debilitating indecision in the upper echelons of the administration.

The demonstrated impotence of the Department of Energy and Dr. Schlesinger to respond to the demands of the people for the fuel to run our society is perhaps the greatest indictment of the man and his agency. He should make way for someone with the courage and the ability to get the job done, and with the credibility to win the confidence of the American people.

CRIME SUBCOMMITTEE RESCHEDULES HEARINGS ON AMENDMENTS TO THE SPEEDY TRIAL ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Conyers) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, has rescheduled earlier hearings that were scheduled for June 6 and 11, but which had to be postponed. These hearings have now been scheduled for June 28 and July 11, beginning each day at 9:30 a.m. in room 2237 Rayburn House Office Building.

The witnesses for June 28 include Chief Judge John Oliver, western district of Missouri; a panel consisting of Assistant Attorney General Phil Heymann, Criminal Division, Department of Justice, U.S. Attorney General Robert Fiske of New York, and Shira Neimann, deputy chief of the criminal section of the southern district of New York; and a panel of three speedy trial planning group reporters that will consist of Prof. Mike Martin, reporter for the southern district of New York, Prof. Richard Frase, reporter for the northern district of Illinois, and Mr. Robert Misner, reporter for the districts of Arizona, southern and central California.

Witnesses for the July 11 hearing include U.S. District Judge John Feikens of Detroit; U.S. District Judge Alexander Harvey of Maryland; and Mr. Allen R. Voss, Director of the General Accounting Office's General Government Division.

Individuals wishing to testify or submit statements for the record should address their requests to the Subcommittee on Crime, House Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515.

MONETARY CONTROL BILL VOTE WILL SIGNAL DETERMINATION TO COMBAT INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, the House will soon be voting on the monetary control bill of 1979 (H.R. 7), which was approved by the Rules Committee today. I urge my colleagues to give this legislation their most careful consideration.

The Federal Reserve's ability to manage the money supply efficiently and effectively is absolutely essential to the battle against inflation. The monetary control bill is designed to strengthen the Federal Reserve in its anti-inflation efforts by giving it the tools needed to do the job.

The Federal Reserve today is being steadily weakened in its anti-inflation role as banks pull out of the System in increasing numbers, creating instability in the reserve base which is the fulcrum for monetary control.

Why are banks withdrawing from the

System? Because the cost of maintaining sterile reserves at the Fed—the reserves that serve as a fulcrum for monetary policy—is a heavy cost to those banks that choose to remain part of the Federal Reserve System. In a period of high interest rates, when those sterile funds could be put to work by the banks in lucrative loans, the temptation to "opt out" of the System and let others carry the reserve burden is very great indeed.

In fact, given the choice, banks are pulling out. In 1978 alone, the Federal Reserve lost 99 banks—43 percent more than the year before. The amount of deposits in the Nation's banking system over which the Fed has control has shrunk from 86 percent after World War II to 70 percent today. The Federal Reserve has no assurance of what its reserve base will be from 1 year to the next. There is little doubt that many more banks are just postponing decisions to withdraw until they see what the Congress does with this legislation. Some estimates indicate that 300 member banks, including large correspondent banks, may shortly quit the Federal Reserve if the Congress fails to act.

At a time when all weapons must be brought to the front in the war against inflation, there should be no delay in adopting a more effective reserve structure. All other major industrialized nations already have mandatory systems of reserve requirements. It is time for the United States to do the same. Action on this bill will send a signal to other nations that the United States is firm in its resolve to do everything possible to bring inflation under control and strengthen and stabilize the dollar.

WHAT H.R. 7 DOES

The essential components of H.R. 7 are not terribly complicated:

First. Instead of requiring reserves only of Federal Reserve member banks, H.R. 7 imposes requirements on all financial institutions that offer transactions accounts—that is, checking accounts that form the basic money supply. It provides an exemption for the first $35 million of deposits.

It also removes the present reserve requirements of 1 to 6 percent on time and savings deposits at member banks. Only the large, short-term commercial time deposits would remain subject to reserve requirements, set at 3 percent with an exemption for the first $10 million of deposits.

The first and major effect of these changes is to reduce reserve requirements substantially for all banks that are now members of the Federal Reserve. Small and medium-sized member banks will be freed of reserve requirements.

At the same time, the bill subjects to reserve requirements some 162 large nonmembers, with the requirements phased in over 10 years. Of these, 105 are domestic-owned banks that have chosen to stay out of the Fed, or drop out of the Fed, and thus avoid reserve requirements, including a number of banks with more than $1 billion in deposits. Another 53 are owned by foreign interests. These foreign-owned account for 45 percent of the reserves that will be posted by the 162 nonmember banks. They include such large banks as Bank of Tokyo Trust, with $1.5 billion in deposits, Lloyds Bank California with $1.4 billion in deposits, and many others.

In sum, H.R. 7 will provide more equal treatment for financial institutions. It is not fair to let the entire burden of reserves needed for the Nation's monetary system fall only on banks which choose Federal Reserve membership. H.R. 7 treats all banks of comparable size alike whether members of the Fed or not. That is far more equitable than the present system.

It is important to note that while H.R. 7 imposes reserve requirements on large banks whether they are members of the Federal Reserve or not, it does not require any bank to be a member of the Fed. All banks completely retain their right to choose a National or State charter. The dual banking system is preserved.

Second. It sets a uniform reserve rate of 11 percent on transactions deposits over $35 million, replacing the current 7–22 percent range, and a uniform 3 percent on short-term commercial deposits, with an exemption for the first $10 million. All other time and savings deposits are freed of existing reserve requirements.

Third. All depository institutions with transactions accounts—not just Federal Reserve member banks—will be given access to the Fed's discount, or loan, window to tide them through periods of reserve shortages. This will enhance the safety and soundness of our banking system and enable the Fed to take necessary tough monetary policy actions without fear of hurting depository institutions with unexpected reserve shortages. All financial institutions will also gain access to Fed services such as check clearing once the Fed begins charging for such services.

Fourth. All financial institutions will be required to give the Fed regular reports on their assets and liabilities, providing the Fed with much more of the information on the state of the Nation's money supply needed as a basis for deciding how much the money supply should be tightened or relaxed.

HOW MONETARY POLICY WOULD BENEFIT

When H.R. 7 is in place, the Federal Reserve's ability to conduct monetary policy will be greatly improved. How does the bill do this?

First, it will assure a permanent, stable base of reserves, giving the Federal Reserve control over the two-thirds of transactions deposits (66 percent) needed for effective monetary control.

Second, H.R. 7 clarifies the Federal Reserve's authority to place reserve requirements on Eurodollars—those funds that go abroad partly to escape reserve requirements.

Third, H.R. 7 gives us more uniform reserve rates than we have now, replacing the hodge-podge of different reserve rates for different-size banks that are members of the Fed. More uniform rates will enable the Fed to predict more accurately the effect on the Nation's money supply of changes in bank reserves which the Federal Reserve makes through open market operations and loans.

Fourth, it will greatly improve the Fed's information on the state of the money supply by requiring all depository institutions to report their assets and liabilities on a regular basis. The paperwork involved will be negligible, the rewards in terms of needed information great.

EXEMPTING SMALL BANKS

There is no need, for monetary purposes, to make every small bank in the country come up with reserves, since the large banks covered by H.R. 7 account for the two-thirds of the Nation's deposits the Federal Reserve says is needed for good monetary control.

There is good reason to treat small banks more leniently on reserve requirements in the interests of equity. Large banks are able to reduce their effective reserve requirements by cash management techniques, reducing reserveable deposits by switching into overnight repurchase agreements, or creating loans from their offshore branches which are deducted from reserveable liabilities. Small banks cannot readily avail themselves of such techniques.

As with other industries, it has long been national policy to offer small companies benefits that enable them to remain viable in competition with large companies. The existing system of reserve requirements, in fact, favors small banks with lower reserve rates than large banks.

EFFECT ON THE DUAL BANKING SYSTEM

The argument is made in some quarters that a mandatory reserve system will jeopardize the dual banking system—the free choice of banks to hold a State or Federal charter. In the view of those who support H.R.7, including the Independent Bankers Association of America fear for the dual banking system is not warranted. Indeed, the dual banking system should be strengthened because much of the present financial incentive for banks to join or leave the Federal Reserve is removed.

Some argue that banks would be induced to leave the Fed because they would have access to the loan window and Federal Reserve services such as check clearing without being members. Conversely, some argue that banks will be induced to join the Fed because some States might have higher reserve requirements than the Fed's. This argument ignores the probability that States will adjust their reserve requirements to coordinate with those of the Fed, just as they have done in the past each time the Fed has changed its reserve requirements. The bill specifically gives the State legislatures time to act if they wish, by delaying the effective date of the legislation to July 1 of the first year after enactment.

COST ESTIMATES

Finally, H.R. 7 resolves the problem of required reserves at minimal cost. The cost, in terms of revenues lost to the Fed and hence to the Treasury, is estimated at only $9 million for fiscal 1980, increasing to $155 million annually when the plan is fully in effect. This is well within the $200 million cost limit which Treasury says is the maximum it can accept.

Also note that this does not even take account of the revenue losses that would occur anyway, through continued attrition of Federal Reserve membership, if no bill is enacted.

THE STANTON SUBSTITUTE

The House will be presented with an alternative to H.R. 7, the substitute sponsored by Congressman STANTON. The Banking Committee rejected the amendment. As Chairman G. William Miller of the Federal Reserve said recently:

> It is difficult to disagree in the abstract that freedom of choice is a desirable goal of government policy. However, the Federal Reserve believes that the potential benefits of universal reserves—in terms of equity, monetary control, efficiency of the payments process, and the safety and soundness of the banking system—and the corresponding opening of access to Federal Reserve services for all depository institutions, outweigh the loss of freedom of some commercial banks to choose whether or not they should be subject to Federal Reserve requirements.

The Stanton substitute continues the present voluntary system under which only Federal Reserve members are required to hold reserves. Reserve requirements are reduced in hopes of encouraging more banks to remain in the Fed. Then if it does not work, and the total deposits in the country covered by reserve requirements dwindle to 66 percent (the amount required by H.R. 7), H.R. 7 is triggered automatically into effect.

There are several fundamental problems with the Stanton proposal, which is opposed by the Federal Reserve Board:

First. It will not halt the attrition of banks from the Federal Reserve System. While it reduces the reserve burden for most member banks, it still leaves member banks with a sizeable cost factor that they can escape by withdrawing from the Fed, as they have been doing. The substitute proposal will only delay the day when H.R. 7 takes effect.

Second. It will create continuing uncertainty. No depository institution will know what its future reserve requirements will be. Withdrawal of a few very large banks, or continued withdrawal of smaller ones, and bang, the voluntary system is out, the mandatory system is in, and the reserve requirements are totally changed.

Third. It omits the rapidly growing category of transactions deposits at thrift institutions—deposits that are part and parcel of our basic money supply—from reserve requirements.

If these accounts at thrifts continue their rapid growth, coverage of total deposits in transactions accounts could be eroded well below the 66 percent of coverage desired by the Fed and provided by H.R. 7, before H.R. 7 is triggered in. This is because the trigger point is defined as occurring when total deposits at member banks fall below 66 percent of total deposits at only those depository institutions eligible to apply for FDIC insurance.

In the interests of both monetary policy and competitive equality among financial institutions, these transactions deposits should be treated the same whether they are in banks or thrift institutions.

Fourth. It continues the present system, with all its faults, for the indefinite future. Our central bank will be steadily weakened in its ability to control the money supply. The inequitable situation whereby only "good guy" banks voluntarily stay in the Fed and hold reserves will continue until "the day of the trigger." Foreign banks in the United States get a free ride, U.S. member banks will bear the burden. Nonmember banks will continue to be denied regular access to the Fed's loan window or services.

Our Nation is besieged with double-digit inflation. This inflation is a long-term problem that must be attacked with every weapon available. The Federal Reserve must be given the tools to carry out its part of the effort. H.R. 7 is strongly endorsed by the Federal Reserve, the administration, and major segments of the banking industry. Its approval by the House will be a sign that we are intent upon focusing our monetary guns on the anti-inflation target.●

INVESTIGATIVE REPORT OF ARKANSAS DIESEL FUEL SHORTAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, in mid-June I began to receive reports of diesel fuel shortages among farmers in northeast Arkansas. Inordinate shortages of fuel occurred at a time when spring planting was crucial. I began an investigation, Monday, June 11, 1979. As the reports of shortages mounted, my staff investigation revealed that the situation seemed to be centered in a 10-county area in the northeast part of the State—an area for which the normal supplier of diesel is a Little Rock-based fuel cooperative, Southern Farmers Association.

Members of my staff contacted the cooperative and were informed that the cooperative's prime suppliers, Farmland Industries of Coffeyville, Kans., and Sun Oil of Tulsa, Okla., have been unable to fulfill commitments under existing Department of Energy rules, including Special Rule No. 9, which gave farmers first priority for diesel. When the two prime suppliers were contacted, Sun Oil denied any obligation to supply the cooperative since it had not been a supplier during the base period, April 1979. Farmland Industries said they had received certification for only 300,000 gallons of fuel and had met or would meet their obligation for that amount. Southern Farmers Association assured members of my staff that they had complied with all certification requirements and could not understand why supplies had not been forthcoming. In view of these inconsistencies, and because spring harvest of wheat was less than half complete, with the deadline for planting of soybeans drawing near, I called Secretary of Energy James Schlesinger to request an investigation of the matter. His response after I described the situation was incredulous "that's impossible". This occurred at approximately 7 p.m., Tuesday, June 12, 1979.

Notwithstanding his skepticism, Secretary Schlesinger arranged for a departmental factfinding mission to conduct hearings in the area. On June 19 two members of the Dallas regional office with the Department of Energy, Mr. Bob Simpson and Ms. Ann Brooke, arrived in Little Rock to begin an assessment of the situation. During a meeting in Little Rock on that date, representatives of the Agricultural Stabilization and Conservation Service, Farmers Home Administration, the Arkansas Farm Bureau, and the Arkansas Energy Office, the Governor's Office, and the Arkansas Petroleum Council briefed the Department of Energy people on the extent of the shortages and the status of agriculture production in the affected area. The crop status on that date was as follows: First, nearly 35,000 acres of milo and 1.75 million acres of soybeans remained unplanted; second, Rice cultivation had proceeded to a point at which diesel-powered pumps needed to be operated 24 hours per day; and third, the winter wheat harvest was only about 40 percent complete.

The fuel status for the area was critical. There was an immediate need for 1.5 million gallons of diesel with a projected requirement for an additional 3.5 million gallons before the nominal end of the planting season—usually put at July 1. The petroleum industry representative indicated most of the major oil companies were in fact meeting their distributor's needs. The State energy office said that demand from the State set-aside was already excessive and supplies insufficient to meet the agricultural shortfall.

At the conclusion of the meeting in Little Rock, the Department of Energy factfinders traveled with my staff to Jonesboro, Ark., where, on the following day, they met with area farmers and fuel distributors. During a session that lasted more than 6 hours. Simpson and Brooke interviewed individuals and provided clarification as to the means of recourse available to solve their problems. In several instances, they took onsite action to bring relief to individuals when feasible and warranted.

Having concluded their investigation the Department of Energy representatives met with members of my staff to formulate recommendations for bringing about an immediate solution to the problem of the diesel shortages. This meeting resulted in the following telegram which I sent to Dr. Schlesinger.

Dr. JAMES R. SCHLESINGER,
The Secretary,
Department of Energy,
Washington, D.C.

DEAR DR. SCHLESINGER: With the cooperation and assistance of your Dallas Regional Office, I have just completed a two-day investigation of the critical diesel fuel shortage in the agricultural areas of Arkansas. Nearly 100 distributors, farmers and government officials participated in this review at meetings in Little Rock and Jonesboro.

You will recall that when I spoke with you on the evening of June 12 on this matter you said it was "impossible" that farmers in Arkansas should have insufficient fuel to complete their planting and harvesting (wheat and hay). I can assure you, Mr. Secretary, that such a situation does exist. Much of the problem revolves around the inability of Southern Farmers Association of North Little Rock to supply the needs of its 43 cooperatives.

With less than two weeks left for planting in our state I urgently request that you take the following actions to help avert an economic disaster for our farmers:

(a) Waive the 10-day waiting period for redirection of product and immediately direct at least 2,000,000 gallons of diesel fuel to Arkansas agricultural uses;

(b) Assign a task force to monitor compliance with this redirection on a daily basis;

(c) Authorize an audit of diesel fuel supplies provided to Arkansas during the past six months to determine whether Special Rule 9 has been complied with and to what extent price gouging has occurred by fuel brokers in the state;

(d) Extend Special Rule 9 until December 31, 1979 and consider strengthening the compliance provisions.

These actions, if taken promptly, should get the fuel-starved farmers and dealers of eastern Arkansas through the current planting season and provide a chance of economic viability for thousands whose livelihood depends upon Arkansas agriculture.

BILL ALEXANDER,
Member of Congress.

On Friday morning, June 22, I addressed a meeting of Arkansas county judges in West Memphis, Ark. While en route to Washington, I was informed of the President's decision to rescind Special Rule No. 9. That decision was apparently taken to satisfy striking truckers who had expressed opposition to the according of fuel priorities to farmers. While changing planes at Memphis, I called for an appointment with Secretary of Agriculture Bob Bergland and arranged to meet with him on my arrival in Washington. It was my intent to advise him of the severity of the situation in northeast Arkansas. I was hopeful that he could designate the situation an emergency under his current authority and seek immediate Department of Energy implementation of our agreed-upon solutions. Following our meeting, Secretary Bergland agreed with my proposed course of action and contacted the appropriate Department of Energy officials. Dr. Weldon Barton, Director of USDA's Office of Energy, was alerted to the case.

On Friday evening, June 22, Dr. Barton and Mr. Jeff Judge of the Economic Regulatory Administration of the Department of Energy advised that a new prime supplier for the cooperative (SFA) had been obtained and that deliveries of diesel fuel up to 4 million gallons were going forward. On Saturday morning, June 23, a follow-on check with key distributors in the northeast part of the State confirmed that information. The farmers were not out of the woods yet, but the situation was clearly easing. My staff continued to contact suppliers, distributors, and transport companies to offer assistance and to facilitate deliveries throughout the weekend. By Monday morning, June 25, it appeared that diesel supplies would be adequate to meet the needs of the farmers during this critical season.

The area affected by the shortages is a prime producer of rice and soybeans. In the 10 hardest hit counties, the usual soybean yield is about 55 million bushels. Had the planting been halted completely, the loss could have been as high as 17 million bushels. The net effect of a loss of that magnitude might have been a succession of farm bankruptcies, a general rise to consumers in the prices of soybeans and soybean products, economic dislocations marked by unemployment and diminished retail sales in the affected areas, nonavailability of produce for export sale at a time when exports assume surpassing importance for our national economy, and the general diminution of the State's agricultural capacity.

During the course of this area crisis, I uncovered numerous irregularities, miscalculations, and misunderstandings that contributed to the severity of the situation.

Many farmers and distributors—plus a surprising number of Government officials—were not fully conversant with the rules for certification that would have forestalled the shortages had they been met in the first place. There is a sore need for an aggressive public information program within the Department of Energy to heighten awareness of administrative requirements for fuel allocation. In determining how priority certification is accomplished, DOE must, in the future, be certain that those subject to certification have concise information on who is to certify where such certification forms are to be obtained and filed, and what kind of information and data is required.

There were numerous instances of outright profiteering on the part of certain individual jobbers and brokers. Diesel fuel was often selling at 20 to 25 cents above the usual per gallon market price in several locations. With a diesel shortage in a 10-county area, how can one account for the availability of supplies to profiteers?

There were reports of large amounts of diesel fuel stored in out-of-the-way places—abandoned service stations, water storage tanks, and so forth.

It was impossible, in some instances, to determine the owner of the storage supplies. Numerous distributors received calls from unidentified persons offering large quantities of diesel fuel at prices sometimes exceeding $1 per gallon.

There were breakdowns in the distribution system beyond those occasioned by the truckers strike. In one instance it was reported that a half million gallons of diesel were stuck in a pipeline, unable to move because there was no product behind it to push it through to terminals. Terminals were shut down for no apparent reason. Efforts to determine why loading operations had been discontinued were singularly unsuccessful.

Oil companies asked to provide allocations for which they were not formally obligated were, in most instances, completely unresponsive to the needs of the situation. Moreover, it was very difficult for Department of Energy officials to acquire information as to the extent of available fuel inventories held by the companies.

It could be said that the situation in northeast Arkansas was due to a unique combination of circumstances. But to so conclude would, in my view, be tantamount to sticking one's head in the sand. It has become popular for prevailing-winds politicians to content themselves with leveling verbal public broadsides at the Department of Energy when such crises arise. My experience during the past 2 weeks has convinced me that the Department of Energy is one of the more responsive players in the continuing energy crisis. The Congress might better direct its attention to the crafty maneuvering of profit-minded hustlers that operate within the fuel production and supply system. It is patently clear to me that there exists a genuine shortage of fuel but it is also clear that the principal motivation in situations such as we experience in Arkansas has been greed rather than the public interest.

I would like to express appreciation on behalf of the people of the First Congressional District to those officials of the Department of Energy and the Department of Agriculture who worked to bring about a solution to a potentially disastrous situation.

Special commendations for jobs well done are in order for Bob Bergland and Jim Schlesinger for taking a personal interest in a parochial energy problem in Arkansas. If Congress would take the time to be constructive, rather than to consume time with criticism, the energy problem would be well on its way to solution.

SOLAR BANK BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, on Wednesday of last week, the President announced a number of new solar energy initiatives designed to help the Nation derive as much as 20 percent of its energy needs from solar by the year 2000. The centerpiece of his proposals is a Solar Bank, to be established as a spearate Government corporation within the Department of Housing and Urban Development, for the purpose of providing interest subsidies on solar loans to owners of residences and small businesses.

Less than 3 hours before the President made this announcement, the Subcommittee on Domestic Monetary Policy favorably reported my bill, H.R. 605, the Solar Energy Development Bank Act. For all intents and purposes, the Solar Bank envisioned in H.R. 605 is identical to that proposed by the President, and that fact was acknowledged by the President when he announced his policies to the Congress. Thus, his proposal amounts to a strong endorsement of H.R. 605.

Mr. Speaker, I have been working for 3 years on H.R. 605 and its predecessor, which I introduced in the 95th Congress. It is a sound concept which would employ the very best in our free enterprise system to achieve a desirable energy goal. It would permit consumers to buy the solar equipment of their choice and to finance it with long-term, low-interest loans. The loans would be originated by private lending institutions, using their own money and assuming all the risks. It would address a multitude of national problems and concerns by creating jobs, profits, and investment opportunities; developing an important alternative source of energy that is plentiful, safe, efficient, and dependable; lessening our dependence on foreign oil suppliers; reducing our balance of trade deficit and strengthening the value of the dollar abroad; and doing all this with a minimum of Government interference and involvement.

In addition, Mr. Speaker, H.R. 605 requires a modest investment and has a built-in sunset provision. The bill has almost 100 cosponsors in the House and has been introduced in the Senate. It is a top priority of those who support and encourage the development of solar energy, and should, I believe, be a top priority of this House.

In light of these recent developments, I think it might be useful to insert in the CONGRESSIONAL RECORD a somewhat detailed description of H.R. 605, how it would work, and of the logic behind the concept. I believe the comments I made at the May 3, 1979, hearing on the Solar Bank will serve this purpose and I ask that they be inserted at this point in the CONGRESSIONAL RECORD.

The statement follows:

STATEMENT BY CONGRESSMAN STEPHEN L. NEAL

We are here today to discuss the merits of a concept that already has received a good deal of attention in this committee. The bill before us, H.R. 605, is identical to that which was reported out of the Subcommittee last July. In short, it would create a Solar Energy Development Bank to enable homeowners and businessmen to buy and install solar energy equipment in order to stimulate the commercialization of solar energy in this country. The Solar Bank has attracted broad support both within Congress and from private interest groups. During the three days of hearings last year, more than a dozen witnesses representing the solar industry, labor, consumers, the financial community and business interests testified in favor of this concept.

Recent events, particularly the Iranian revolution and the great oil price hikes of 1979—both domestic and foreign—are clear evidence that we need to develop alternative domestic energy sources, including solar, as rapidly as possible. I realize fully that solar energy is not the only answer and that we must continue to depend on a variety of traditional energy sources for some time to come. Yet, Mr. Chairman, I have seen many good, intelligent and deliberate people, including those in this room, who assign solar a major role in providing for our future energy needs. The much touted benefits of solar energy are numerous: it is clean, safe, virtually unlimited, labor intensive, and it can help reduce our dangerous dependence on foreign oil, thereby lessening our trade deficit and having a generally positive effect on our economy. And, equally important, it is available to us today.

What is so exciting about solar energy is that in many respects it is so simple, employing technology known to humankind for thousands of years. It sometimes amazes me how, in the past, we came to depend so heavily on finite fossil fuels and failed to take advantage of more natural methods of providing energy. I feel certain that, given the choice, we would have chosen solar energy as our predominant energy source. The reality, of course, is that the solar energy industry in this country is in its infancy. Some other countries are much farther advanced with respect to solar energy. It is my understanding, for example, that while a little over 50,000 U.S. homes are equipped with solar water heaters, over 250,000 Israeli homes possess these devices. The Japanese, who apparently have seen the handwriting on the wall, employ over 2.5 million solar appliances.

While solar energy may be in infinite supply, it is *not* free. If our country is to benefit significantly from this energy, it must have our strong support and commitment; and, I might add, the right kind of support. That's why we're here today.

One of the major attributes of solar energy is that it can be used directly by the homeowner and can help make him almost energy self-sufficient. But this same asset also presents a unique problem in trying to gain its widespread acceptance and use. That is, the homeowner must be able to bear the burden of a sizable front-end investment. The cost of solar systems can range from 800 dollars to 15 thousand dollars, depending on the system and how much energy one is trying to draw from the sun. Even with the current solar tax credit, the homeowner must still be able to hurdle the initial cost in order to take advantage of the credit. And it is still very difficult to obtain financing for solar projects through private lending institutions, even for the most creditworthy borrowers. Testimony before this subcommittee, and studies by a number of groups including the Office of Technology Assessment and the Joint Economic Committee, have verified this dilemma. The principal reason I introduced a bill to offer long-term, low-interest loans was to help overcome this problem with a common sense solution. Such a loan program would allow the homeowner to make a monthly cost comparison between solar and the energy it would displace. It also would enable the average consumer, faced with mounting utility bills but not able to make an outright purchase, to invest in solar energy. He would now have a choice.

Another major purpose of the program, of course, is to give the solar industry a boost. It would do so by giving the homeowner and businessman a subsidy in the form of a low interest rate. The low-interest rate is, in fact, an equalizer, allowing solar energy to compare favorably with traditional energy sources which have been heavily subsidized over the past few decades. Last year, I stated that the industries associated with oil, natural gas, nuclear, hydropower and coal have received over 100 billion dollars in Federal subsidies during this century.

A more recent report by DOE, reveals that the subsidy has been, in fact, much higher and may exceed $200 billion. Admittedly, solar energy has only recently been perceived by the government as a viable energy option and there has been some progress in the level of funding for solar research. Still, little has been done to stimulate the solar market. Unaided, solar energy is at a considerable economic disadvantage, due in part to historical government subsidization of its competitors.

At this point, I thought I might take a few moments to describe the Solar Bank, discussing in general terms how it would operate.

First of all, the Bank would be incorporated within the Department of Housing and Urban Development, carrying out its loan function through the Government National Mortgage Association, otherwise known as Ginnie Mae. It would have a seven member Bank Board consisting of the Secretaries of HUD, Treasury and DOE. Four members would be from the private sector. Loans would be obtained in much the same fashion as conventional home improvement loans, or as a subsidized portion of new home loans. The contractor or homeowner, for example, would apply for the loan at a participating lending institution. The primary precondition for granting the loan, aside from standard operating procedures of the particular lender, would be that the solar system to be purchased be certified by the Department of Energy and that it have a minimum consumer warranty. Upon granting the loan, the lender would be compensated by the Solar Bank for the difference between the subsidized interest rate and the market rate. Essentially, that would be the extent of the federal government's involvement. This is an important facet of the program, for it means that the Solar Bank has a built-in sunset provision, enabling the Bank to be terminated at any time without further governmental liability. The subsidized interest rate is fixed at 6 points below the FHA mortgage rate, or about 4 percent at this time. Pegging the interest rate was done at the suggestion of Treasury.

The program would be applicable to both retrofit and new construction. Loans would be limited to 10 thousand dollars for single family dwellings and 5 thousand dollars per unit for multifamily housing. A commercial loan would be limited to 200 thousand dollars. The projected funding level for the first year would be $100 million, or about two tenths of one percent of the funds we spend each year on imported oil.

I know there may be some concern about placing the Bank within HUD, but I believe the advantages outweigh the disadvantages. I think we have given the Bank enough visibility and independence to insulate it somewhat from the Department and, at the same time, we have avoided creating an expansive bureaucracy which inevitably results when a new agency is set up. Another reason for choosing HUD was because we saw that by using the resources of Ginnie Mae we could put an effective program into place in short time. Ginnie Mae has conducted similar subsidized loan programs and, most importantly, it has well established channels with private lending institutions, both banks and savings and loans. Obviously, it would be difficult and wasteful to start from scratch to develop these necessary contacts when they already exist. I want to stress that the Bank will not be submerged within Ginnie Mae, but in fact will operate on an equal basis, reporting only to the Secretary and the Bank board.

Our ultimate goal, of course, is to develop solar energy to the point where it benefits all energy consumers and not just the wealthy or adventurous. But our immediate objective is to produce a bill that will work, and work efficiently. Both HUD and the Library of Congress have stated that public access to solar loans is a key ingredient to the success of any solar loan program. What better way is there to reach most people than through the private lender? Banks and Savings and Loans reach into most every community in the country. And this kind of limited government involvement should make for a program in which both the private lender and the consumer would want to participate. It also is true that if the private lender stands to make a profit, he's naturally going to work hard to make the program a success.

Obviously, at this time of mounting inflation, budgetary restraint takes precedence over new programs. Yet, in last year's testimony by the Office of Technology Assessment, it was indicated that a Solar Bank could essentially pay for itself through the tax revenues generated by "directly stimulating the solar industry and indirectly stimulating a large array of associated industries which support solar manufacturing, installation, and other associated services." I might note that Dr. Henry Kelly, a physicist and project leader of OTA's voluminous report on solar technology, will be testifying later this morning.

Mr. Chairman, I am firmly convinced that solar can and should be an important source of energy for this country in the near future. Again, quoting from OTA testimony, solar energy can "realistically be expected to begin to make a contribution to U.S. demands for heating and possibly for electricity by the mid 1980s" but the "technology would fall far short of its potential unless the government undertook an aggressive program both in research and in stimulating the commercial market." In other words, we can't just sit back and expect a solar industry to magically appear. If we do, it won't be there when we most need it, and that time may be sooner than we think. We must give the same degree of support to solar that has been given to the other major energy sources.

Equally important—and what is at the heart of our proposal—is the form that support will take. I think there is clear evidence that one of the most effective ways to stimulate the widspread use of solar energy is by helping the energy consumer overcome the high front-end cost of solar equipment. The solar industry will respond, producing better and cheaper products, and mature to the point where federal subsidies no longer are necessary. Finally, Mr. Chairman, I believe the Solar Bank would provide this service in a fair, efficient and timely manner and I strongly urge this subcommittee to report this bill to the full Committee as soon as possible.

Mr. Chairman, we have some very knowledgeable people here today to testify on the present state of solar energy tecnhology and how we can get it into the marketplace. I don't want to delay their testimony any further.

Thank you.●

THE TERRITORIAL MAINTENANCE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MAGUIRE) is recognized for 5 minutes.

● Mr. MAGUIRE. Mr. Speaker, a number of Members have cosponsored and actively supported legislation to protect the trademark licensing agreements struck between bottlers and syrup manufacturers in the soft drink industry. This legislation, submitted by our colleague ROBERT MOLLOHAN and in the other body by Senator BIRCH BAYH contained a substantial defect which prevented me from supporting an otherwise worthy bill. Because I believe the territorial system which preserves small bottlers should be protected, I have chosen to submit my own bill which speaks directly to the problems experienced by the bottling industry.

The Bayh-Mollohan bills, in section 3 of identical pieces of legislation, grant overly broad immunities from prosecution for acts deemed legal under section 2. Moreover, section 3 immunizes the bottlers and syrup manufacturers from a panoply of antitrust determinations which go far beyond the simple marketing arrangements it makes so much sense to protect.

My legislation merely preserves the trademark licensing agreements themselves, without insulating wholly different monopolistic behavior, should it occur, from Government scrutiny. This bill represents a compromise between the bottlers endorsed Bayh/Mollohan bills, which grant broad antitrust immunity, and the position of the Federal Trade Commission, which seeks unnecessarily to restructure an industry to the detriment of the public, the bottlers and the manufacturers.

The text of the bill follows:

H. R. 4621

A bill to amend the Federal Trade Commission Act to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Trade Commission Act is amended by redesignating section 21 as section 22, and by inserting after section 20 the following new section:

"SEC. 21. (a) Nothing contained in this Act, or in any antitrust Act, shall make unlawful the inclusion and enforcement in any trademark licensing agreement of any provision which grants the licensee the sole and exclusive right to manufacture, distribute, and sell a trademarked soft drink product in a defined geographic area, or which limits the licensee, directly or indirectly, to the manufacture, distribution, and sale of such product only for ultimate resale to consumers located in a defined geographic area, to the extent that such product is in substantial and effective competition with other products of the same general class.

"(b) For purposes of this section, the term 'trademark licensing agreement' means any contract or other agreement under which the licensee engages in the manufacture (including manufacture by any sublicensee, agent, or subcontractor), distribution, or sale of any trade marked soft drink product.".●

IMMIGRATION SERVICE RECORDS PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, I want to call to the attention of my colleagues a series of important hearings on the Immigration and Naturalization Service being conducted by the House Government Information and Individual Rights Subcommittee.

On Monday, July 23, INS Commissioner Leonel Castillo will appear before the subcommittee at 10 a.m. in the Rayburn House Office Building. Commissioner Castillo has been asked to testify on three major records management issues: First, the results of the INS experimental minicomputer project at the Houston, Tex., district office, which is being pointed to as the basis for the Service's proposed installation of minicomputers in its 48 other offices; second, alternative approaches to automation plans for the agency's records systems and its overall records problems, as increased records personnel, forms redesign and workflow analysis; and third, INS' plans for reducing its backlog in records processing and adjudications, assuming current agency proposals do not affect processing time.

Additional hearings on INS recordkeeping delays and difficulties will be held September 17.

Much confusion has surrounded one of the Immigration Service's principal proposals for solving its paperwork worries, the so-called integrated case control system. In the hope of clarifying this, I am inserting a memorandum on the ICCS prepared by the staff of the Government Information and Individual Rights Subcommittee.

I am in favor of giving the INS all the money it needs to alleviate its tremendous paperwork backlogs. The records processing tie-ups at the agency are incredible. However, there has not been any thorough analysis of the integrated case control system, and as currently designed, there is no convincing evidence that it will reduce those records problems any better than alternative methods—and will likely be less effective than other approaches.

Anyone having first-hand knowledge of the Immigration Service's records systems is invited to contact the subcommittee at (202) 225–3741.

The memorandum on the ICCS minicomputer plan follows:

MEMORANDUM ON THE IMMIGRATION AND NATURALIZATION SERVICE'S PROPOSED INTEGRATED CASE CONTROL SYSTEM

(Prepared by the Staff of the House Subcommittee on Government Information and Individual Rights, June 15, 1979)

BACKGROUND

The Immigration and Naturalization Service has requested the procurement of data processing equipment to implement what it calls the Integrated Case Control System (ICCS), to provide minicomputers to each of its 35 district offices and 14 file control offices. The procurement is based on a model project still underway in INS's Houston, Texas district office. The purpose of the system is limited to indicating the status of pending and completed records and the physical location of files. It is not designed to store data on INS clients for subsequent retrieval in adjusting cases or enforcnig immigration laws.

Five million dollars was authorized by the House Judiciary Committee in H.R. 3303, the FY 1980 Department of Justice Authorization Act, for the installation in INS district offices of automated records processing equipment (the ICCS). In H.R. 4392, reported out June 7, 1979 by the House Appropriations Committee, $3 million is provided for this purpose. According to the report accompanying H.R. 4392: "The $3 million for installing automated systems will enable INS to automate 23 of its locations in fiscal year 1980. The balance of the field operations can be automated in fiscal year 1981."

The subcommittee staff is concerned that go-ahead may be given to this effort before the following facts are fully understood:

The ICCS will cost at least $25 million to fully implement. The cost may run higher. Immigration and Naturalization Service ADP officials are hesitant to estimate the total cost of the system, but Department of Justice management analysts estimate the cost will be $25 million spread over the 5-year expected life of the system. (The life cost of a system includes the acquisition of computer equipment, and such additional costs as personnel, training, site alteration and supplies. The Department of Justice FY 1980 budget amendment for automation of the 49 INS offices lists one-time and recurring costs of $14.4 million during the three year period, FY 1980–82.)

INS has not demonstrated that the proposed systems will alleviate current records backlogs or improve processing time. The

ICCS will identify the status of a pending case (e.g., "pending adjudication" or "pending clerical"), but will do nothing to speed the case's resolution. The minicomputers will not store information contained in petitions and documents, for ready retrieval.

The proposed systems have received high-level endorsement, but outside the normal chain of review. The subcommittee staff has been unable to verify that any internal evaluations have taken place showing positive results. In interviews, Justice Department management staff questioned the hasty procurement of automated systems for INS offices without first conducting adequate planning studies. OMB budget and management analysts also told subcommittee staff they were not satisfied with the INS proposal.

The problem, then, is that other, less costly records system improvements may not be considered.

OMB CIRCULAR A–109

INS has not adhered to the requirements of OMB Circular A–109 for the acquisition of major computer systems. INS has failed to conduct adequate pre-planning management studies and workflow analyses to identify its records problems; it has failed to conduct feasibility studies of optimum computer use or to explore alternative paperwork solutions, as increased records personnel and forms redesign; it has failed to obtain outside competitive evaluation of alternative system designs.

JUSTICE DEPARTMENT CONCERNS

Lack of planning: A March 22, 1979 letter from Assistant Attorney General for Administration Kevin Rooney to Commissioner Castillo questioned proceeding with the INS acquisition of data processing equipment without completing adequate planning studies. Rooney stated:

"Without adequate detailed planning and requirements analysis, a project of this magnitude can easily experience recurring cost overruns and delayed implementation. * * * We must discipline ourselves to follow basic planning and management principles to ensure success of this project."

Justice Internal Audit: A Justice Department internal audit team evaluated the Houston District Office project earlier this year. The auditor responsible for the report told the subcommittee staff on April 17, 1979, that in his opinion INS was proceeding prematurely with the expansion of the Houston system concept. Repeated attempts by the subcommittee staff to obtain the internal audit report have been unsuccessful.

Attorney General Task Force: Approval of the procurement within INS and the Justice Department sidesteps an announced internal task force investigation authorized by the Attorney General on February 14, 1979. The task force was directed by the Attorney General to review the INS management and data processing systems and to submit a report with recommendations by July 1, 1979.

ARTHUR ANDERSEN & CO. INQUIRY

The Attorney General informally requested the views of Arthur Andersen auditor Charles A. Bowsher in early 1979. In a letter reportedly dated April 9, 1979, Mr. Bowsher concluded that a review must first be undertaken of all INS automation projects to ensure that all systems are meeting mission and program needs, so that INS resources are applied to priority projects. (Mr. Bowsher's letter to the Attorney General is referred to in a draft memorandum dated April 17, 1979 from Assistant Attorney General for Administration, Kevin Rooney, to Attorney General Bell, titled, "Immigration and Naturalization Service (I&NS) Automation Efforts—Action Memorandum.")

SENATE JUDICIARY ACTION

The Senate Committee on the Judiciary did not specifically consider the ICCS, but turned down INS requests for additional fiscal year 1980 funding until greater assurances could be given that the funds would be effectively used. The Committee's report (No. 96–173) noted at page 34 a general failure of INS planning:

"The Committee has mandated the Attorney General to obtain, as soon as possible, a comprehensive, independent management analysis of INS. During the last two years, the Committee has noted with growing concern the many management problems afflicting INS operations and programs, and the inability of INS to develop internally recommendations for necessary management improvements . . . Future authorizations, both for this coming fiscal year, as well as for following years, will depend upon the Committee's assessment of the management study."

HOUSTON PROJECT UNPROVEN

A March 20, 1978 management plan prepared by D. A. Lewis Associates, Inc., entitled "Model Office Management Plan," states that a thorough evaluation of the INS model office is critical in order to determine the success of the project. INS has failed to conduct such an evaluation. Furthermore, it appears that an evaluation of the Houston model would fail to disclose benefits from the automated system set up there.

For example: a limited INS cost analysis notes that the personnel cost of processing a form used for changing the status of a nonimmigrant to that of a permanent resident, has been reduced from $18 to $6.25. However, the subcommittee staff was advised in a June 5, 1979 meeting with INS Director of ADP Systems, Bob Robinson, that this cost saving is wholly attributable to streamlining manual procedures, not to the addition of an automated system.

TRACKING OF RECORDS, NOT BACKLOG REDUCTION

INS has not demonstrated that the proposed systems could decrease backlogs or improve processing time. Despite the presence of a minicomputer, there is a 16-month delay in naturalization processing in the Houston district office. This delay is considerably longer than that found in the New York, Washington, and Los Angeles district offices visited by the subcommittee staff, despite the fact that these three offices were without any automated records systems. According to INS Associate Commissioner for Operations Support, Bob Kane, the proposed minicomputer systems are merely to be used to identify the status of a case and to locate the file, and will not provide automated storage for the information contained on INS applications and documents.

Prior to proceeding with automation, the subcommittee staff believes INS must first determine what steps are necessary to reduce processing times for petitions and related paperwork.

FORMS REDESIGN CRITICAL

One of the biggest problems is that INS officials have delayed any analysis of forms design, pending full implementation of the proposed automated system. A January 1979 study conducted by the University of California at Los Angeles Center for the Quality of Working Life, under contract with INS, identified countless problems with the Immigration Service's current use of some 1,500 different forms. The UCLA study team found that instructions printed on many of these forms were unclear or incorrect, and noted that the information on the forms was not arranged in a manner to permit basic computer data to be efficiently extracted.

REAL RECORDS PROBLEMS LEFT UNRESOLVED

An appraisal of INS records management prepared last year by the National Archives and Records Service concluded that INS has studied its paperwork problems "bits and pieces" at a time, but has delayed a thorough analysis. The Archives study outlined alternative improvements in manual system procedures, forms redesign, workload analyses, and mail management.

The subcommittee staff concurs that immediate savings could be realized by improvements in INS manual procedures. The staff has come to believe, however, that by focusing on the proposed automated system the needed review of INS's archaic manual procedures will be pushed aside.

During a four-day visit to the Houston office in late April 1979, the subcommittee staff found enormous backlogs in every area of records processing. A fundamental reason presented for installing the minicomputers has been to assist district office personnel in locating files. Nonetheless, the subcommittee staff randomly selected a sample from the Houston minicomputer system used to track alien files, and working with the district office personnel, could locate only 50 percent of the selected files. The Houston records supervisor showed the staff boxes of applications and requests for files two months old upon which no action had been taken. The supervisor said the system used to control requests for files from other INS offices was backlogged to December 1978.

IMPLICATIONS

Past experience has demonstrated a tar-baby effect, that INS will sink its hand further into something new and not be able to withdraw it.

For example, INS officials now admit that the Nonimmigrant Document Control System (NIDC) was hastily designed, without any basic planning. This automated system is used to process arrival and departure forms for aliens temporarily in this country—foreign students, tourists, and businessmen. The Attorney General recently determined that it will take about $600,000 by the end of September 1979 to eliminate the current six-month backlog in processing these forms, and an additional $1.25 million in fiscal 1980 to keep the system current. The subcommittee staff has determined that these labor costs, to manually sort the data and key it to machines, could have been radically reduced if INS had simply redesigned its form I–94 when the automated system was set up, to provide an identifying number on the form for each incoming alien visitor. As it now stands, such data as name, date of birth, date of entry and nationality, has to be key-punched twice in order to match up the arrival form with a departure form for any given individual. Yet no forms changes are contemplated by INS.●

SYNTHETIC FUELS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, I want to commend the gentleman from Pennsylvania (Mr. MOORHEAD) on his leadership in introducing the bill to direct the President to create a synthetic fuel industry in the United States and to add that I am pleased to be a cosponsor of this measure.

In addition, Mr. Speaker, I am pleased to support the amendment of the distinguished majority leader, the gentleman from Texas (Mr. Wright) to expand the production of coal under the legislation to at least 2 million barrels a day of oil equivalent by 1990.

At this point in the Record, I wish to insert an excellent editorial from the Elkhart, Ind., Truth of June 12, 1979 strongly endorsing this congressional initiative on energy production.

The editorial follows:

Encourage Synthetics

One of the consequences of paying more for oil, we've been told, is that at some point the going price will be high enough to make it pay to produce synthetic fuel or oil from unusual sources. Some of the possibilities are alcohol from grain or natural wastes, various synthetics derived from coal, and oil extracted from shale deposits.

Fuel from these sources would be made in the United States and give this country some leverage against the oil manipulations of the OPEC cartel. The question is, when can large-scale production of these fuels start?

An oil company executive said recently that the price of gasoline will have to reach $1.50 a gallon before it is economical for a company to invest in one of these new fuel sources. By then, the world price of oil would be disastrously high. Moreover, the Arab countries already are showing unmistakable signs of using their hold on supplies to gain political advantage. Still-higher world oil prices and greater dependence on imports threaten both our economic security and the independence of our foreign policy.

These threats represent an emergency that can be compared to the emergency of war. We can reach back to World War II for an example of how the United States once met such a challenge.

In 1941, the technical process for making synthetic rubber was well known, but there wasn't reason to produce it in large quantities until the war threatened our supplies of natural rubber from overseas. Then, in one of those heroic industrial efforts that war calls forth, it took exactly 287 days to design, build and begin operating the first plant. By the end of the war the United States had 51 plants capable of producing more synthetic rubber than the amount of natural rubber the country was using when the war started.

Could a similar effort today help us break the OPEC grip on our energy supply? The wartime synthetic rubber plants were financed by government and operated on a fee basis by rubber and petrochemical companies. After the war, the companies bought most of the plants. Today, a push for synthetic fuels could be undertaken with the government playing only a financial role.

The government itself is a huge customer for fuel. The Defense Department alone uses about 500,000 barrels a day. The Defense Department could be made a prime customer for synthetic fuel, with payment guaranteed by Congress. This would create the beginning of a market, to be expanded into other areas. Production companies would have incentive in assured sales to build facilities. The Defense Department, in turn, would be certain of a fuel alternative that could not be manipulated by foreign interests.

A national policy of encouraging production of synthetic fuel also could take the form of guaranteed loans for construction of production facilities. Financing could easily be found in the new revenue the government stands to earn from decontrol of oil prices. The government will gain $13.3 billion in new revenue from oil company profits in the next seven years under current corporate income tax rates. If the proposed windfall profits tax is imposed, the figure would rise to $29.7 billion.

The partnership of government and industry in energy research is already longstanding. Expanding into joint financing of the production of alternative fuels would lower the price-threshold that must be crossed before those fuels become competitive with oil and gas. The plan could call for recovery of the government investment over the long run.

The Carter administration has seen almost every one of its energy proposals so far defeated. Band-Aid measures trying to save a little energy here and there aren't convincing. A big-scale effort to produce synthetic fuels and lessen the power of our foreign suppliers would appeal to the country's desire to accomplish something. It would win support, because it is an answer to the country's crying need to produce more fuel.●

THE FORGOTTEN MINORITY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, I would like to share with my colleagues a most thoughtful commentary broadcast last April over WRTH radio in Wood River, Ill. Station Manager Joseph P. Costantino sets forth some of the problems of Americans who are over 50 years of age, a group he calls the "Forgotten Minority." Mr. Costentino has received many favorable comments on this editorial, and I commend it to my colleagues in the hope that they will take the time to think about it:

The Forgotten Minority

Someday, somewhere, someplace I hope someone will erect a monument to those Americans who are over 50 years of age.

Never has a group of our citizens had to make more adjustments, fight in more wars, re-build so much and yet find in their later years they are the forgotten, the neglected, the abused part of our population. In an age of a high degree of attention to minorities, the over 50 part of our population is the "Forgotten Minority."

Consider what these generations had to make in adjustments—they began life in a terrible depression. In their early years they knew hunger, unemployment—now they are caught in a raging inflation that rapidly erodes their savings or pensions. Many of the over 50's are hungry again, and as sad as it is, it's true, some are forced to eat canned dog food because that's all they can afford.

They grew up in the age of the Model "T" and Model "A" autos. Now we have airlines that fly at twice the speed of sound.

Their first paychecks didn't have a single deduction . . . there was no income tax, no Social Security, no state taxes. Today they find their paychecks shrunken by up to 30% by the various deductions made from their base pay.

Many volunteered to go into service on the day after Pearl Harbor. Millions gave up lives with their wives, children and friends to fight in Africa, Europe or the South Pacific. Too many of this generation didn't come back after World War II. Others came back crippled and maimed. Then 20 years later, too many saw their sons flee to Canada, or to underground hide-outs to avoid military service.

They tried-to give their children the things they didn't have—abundant food, college educations, clothing, automobiles, travel to the world's scenic wonders. They followed Doctor Spock's advice, suffered through the great errors of the "progressive education" concept and were heart-broken when their children turned on them, ridiculed their parents' morals and life concepts—and joined the flower children in the Haight-Ashbury; the rioters at Kent State and Berkeley; the communes in Taos; the Chicago 7 in Grant Park; and the drug culture in every major city.

And how does this strange, violent, young generation now treat the elderly? They rob them, mug them, assault and cheat them because the elderly can't fight back. They're not as strong as those that beat them. The over 50's believe in the "Golden Rule" and find that that is now considered an outmoded, backwards concept.

Some of their children ask them to accept their "open living" without benefit of marriage. The smoking of pot, the din and roar of rock music; the abuse and ridicule of "older people".

The over 50's find it hard to find a movie that isn't filled with violence, sex, horrors beyond description. Most music on radio is like the howl of a pack of hyenas; they find it increasingly difficult to tune in for good music.

TV panders to the lowest tastes in its history, like movies, shows filled with violence, and sex thinly disguised as "entertainment".

Someday, somewhere, someplace, somehow, someone is going to erect a monument to the "Forgotten Minority", those over 50 years of age. . . . and I want to be one of the first to pay homage to the most abused and neglected to today's Americans.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Spellman (at the request of Mr. Wright), for today, on account of official business.

Mr. Campbell (at the request of Mr. Rhodes), for Wednesday, June 27 on account of attending a funeral.

Mr. Marriott (at the request of Mr. Rhodes), after 5:30 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Clinger) and to revise and extend their remarks and include extraneous matter:)

Mr. Sawyer, for 5 minutes, today.

Mr. Hammerschmidt, for 5 minutes, today.

Mr. Kemp, for 30 minutes, today.
Mr. Tauke, for 5 minutes, today.
Mr. Dornan, for 5 minutes, today.
Mr. Courter, for 10 minutes, today.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Conyers, for 5 minutes, today.
Mr. Reuss, for 20 minutes, today.
Mr. Wolff, for 5 minutes, today.
Mr. Alexander, for 30 minutes, today.
Mr. Neal, for 5 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Maguire, for 5 minutes, today.
Mr. Preyer, for 5 minutes, today.
Mr. Brademas, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Minish, to revise and extend his remarks immediately following Mr. Moorhead of Pennsylvania.

Mr. Wirth, to extend his remarks prior to the vote on his two amendments to H.R. 3930 in the Committee of the Whole today.

(The following Members (at the request of Mr. Clinger) and to include extraneous matter:)

Mr. Collins of Texas in two instances.
Mr. Erlenborn.
Mr. Michel in two instances.
Mr. Findley in two instances.
Mr. Deckard.
Mr. Rinaldo.
Mr. Livingston.
Mr. Johnson of Colorado.
Mr. Symms.
Mr. Jeffords.
Mr. Carter in two instances.
Mr. Roth.
Mr. Hopkins.
Mr. Wampler.
Mr. Gilman.
Mr. Lagomarsino in two instances.
Mr. Paul.
Mr. Dornan.
Mr. Campbell.
Mr. Pashayan.
Mr. Brown of Ohio.
Mr. Derwinski.
Mr. Kemp in two instances.
Mr. Bethune.
Mr. Hollenbeck.
Mr. Ashbrook in three instances.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous material:)

Mr. Stokes in two instances.
Mr. Barnes.
Mr. Montgomery.
Mr. Rangel in six instances.
Ms. Ferraro in five instances.
Mr. Flippo.
Mr. Santini.
Mr. Benjamin.
Mr. Gore in two instances.
Mr. Weiss.
Mr. Bonker.
Mr. Young of Missouri.
Mr. Hawkins.
Mr. Drinan.
Mr. Mazzoli in two instances.
Mr. Guarini.
Mr. Charles H. Wilson of California.
Mr. Ertel.
Mr. Mattox.
Mr. Conyers.
Mr. Bailey.
Mr. Fazio.
Mr. Rosenthal
Mr. Gaydos in two instances.
Mr. Nelson.
Mr. Boner of Tennessee.
Mr. Hanley.
Mrs. Schroeder in two instances.
Mr. Stump.
Mr. Downey in two instances.
Mr. Gray.
Mr. Wolff.
Mr. Scheuer.
Mr. Howard.
Mr. Gephardt in two instances.
Mr. Simon.
Mr. McDonald.
Mr. Brinkley.
Mr. Waxman.
Mr. Harkin.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 984. An act to provide the Secretary of Agriculture with authority to reduce marketing penalties for peanuts.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 27, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1878. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Robert Krueger, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

1879. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Lyle F. Lane, Ambassador-designate to Uruguay, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

1880. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Herbert F. York, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

1881. A letter from the Comptroller General of the United States, transmitting a report on the seed money approach in Federal domestic assistance programs (GGD–78–78, June 2, 1979); to the Committee on Government Operations.

1882. A letter from the Secretary of the Army, transmitting the fourth annual report recommending the deauthorization of 60 water resources projects, pursuant to section 12 of the Water Resources Development Act of 1974, as amended (H. Doc. No. 96–157); to the Committee on Public Works and Transportation and ordered to be printed.

1883. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Courthouse, 312 North Spring Street, Los Angeles, Calif., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1884. A letter from the Secretary of State, transmitting a draft of proposed legislation to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes; jointly, to the Committees on Foreign Affairs, and Post Office and Civil Service.

1885. A letter from the Comptroller General of the United States, transmitting a report on Federal efforts to regulate the export of pesticides and to insure that imported foods do not contain residues of pesticides at harmful levels (CED–79–43, June 22, 1979); jointly, to the Committees on Government Operations and Agriculture.

1886. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the Department of Agriculture's statistics agency (CED–79–85, June 25, 1979); jointly, to the Committees on Government Operations, and Agriculture.

1887. A letter from the Comptroller General of the United States, transmitting a report on issues affecting the development and implementation of a sound Federal coal management program (EMD–79–47, June 25, 1979); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NATCHER: Committee on Appropriations. H.R. 3434. A bill to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes. (Rept. No. 96–136, pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 3000. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes. (Supplemental Rept. No. 96–196, pt. V). Ordered to be printed.

Mr. JOHNSON of California: Committee on Public Works and Transportation. Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 96–306). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 335. Resolution waiving certain points of order against H.R. 4389. A bill making appropriations for the Department of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96–307). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 336. Resolution providing for the consideration of H.R. 3919. A bill to impose a windfall profit tax on domestic crude oil (Rept. No. 96–308). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 337. Resolution providing for the consideration of H.R. 7. A bill to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions (Rept. No. 96–309). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES of Oklahoma:

H.R. 4610. A bill to amend the Congressional Budget Act of 1974 to limit the levels of total budget outlays contained in certain concurrent resolutions on the budget; to the Committee on Rules.

By Mr. DINGELL (for himself and Mr. Jacobs):

H.R. 4611. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain contributions of real property for conservation purposes; to the Committee on Ways and Means.

By Mr. DOWNEY (for himself, Mr. Brodhead, Mr. Corman, Mr. Fisher, Mr. Fowler, Mr. Frenzel, Mr. Ford, of Tennessee, Mr. Guarini, Mr. Heftel, Mr. Jacobs, Mr. Lederer, Mr. Mikva, Mr. Martin, Mr. Rangel, Mr. Shannon, Mr. Stark, and Mr. Vanik):

H.R. 4612. A bill to amend title XVI of the Social Security Act to maintain for an additional 3 years the current program of services for disabled children receiving SSI benefits; to the Committee on Ways and Means.

By Mr. GEPHARDT:

H.R. 4613. A bill to establish a pilot program to provide partial Federal funding for directors of research and planning of local educational agencies; to the Committee on Education and Labor.

H.R. 4614. A bill to create an International Council of Oil Importing Nations; to the Committee on Foreign Affairs.

By Mr. GORE (for himself and Mr. Ratchford):

H.R. 4615. A bill to provide for a Special Prosecutor for the investigation and prosecution of violations of any provision of the Emergency Petroleum Allocation Act of 1973 or any regulation promulgated under such act; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. HANLEY:

H.R. 4616. A bill to make certain technical and clerical amendments to title 5, United States Code; to the Committee on Post Office and Civil Service.

By Mr. HOLLENBECK:

H.R. 4617. A bill to terminate the Department of Energy; jointly, to the Comittees on Government Operations and Rules.

H.R. 4618. A bill to provide that the Congress and the Nation shall be alert to the consequences of energy use, including the production, distribution, consumption for the natural environment; to provide that the National Energy Policy Plan shall be coordinated with the technological, economic, and social progress of the Nation; and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. LOEFFLER:

H.R. 4619. A bill to designate the Federal Building located at 727 East Durango, San Antonio, Tex., as the "John H. Wood, Jr., Building"; to the Committee on Public Works and Transportation.

By Mr. NEAL:

H.R. 4620. A bill to provide for the reduction of inflation and the prevention of recession through regulation of the money supply; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MAGUIRE:

H.R. 4621. A bill to amend the Federal Trade Commission Act to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful: jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. NELSON:

H.R. 4622. A bill to set forth a national program for the full development of energy supply, and for other purposes; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, Interior and Insular Affairs, Interstate and Foreign Commerce, Public Works and Transportation, Science and Technology, and Ways and Means.

By Mr. PRICE (for himself, Mr. Bob Wilson, Mr. Zablocki, and Mr. Hamilton):

H.R. 4623. A bill to further the rationalization, standardization, interoperability, readiness, and effectiveness of the land, air, and naval forces of the North Atlantic Treaty Organization countries; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. ROYBAL (for himself and Mr. Waxman):

H.R. 4624. A bill to establish an Office of Federal Audio-Visual Policy within the Office of Management and Budget, and for other purposes; to the Committee on Government Operations.

By Mr. RUNNELS (by request):

H.R. 4625. A bill to amend the Navajo and Hopi Settlement Act of December 22, 1974 (88 Stat. 1712), 25 U.S.C. § 640d, et. seq.; to the Committee on Interior and Insular Affairs.

By Mr. SHANNON:

H.R. 4626. A bill to amend title XVIII of the Social Security Act to raise the medicare reimbursement limitation on outpatient physical therapy services to $500 per year, to remove the requirements that a physical therapist maintain a fully equipped office, and that the owner be present during treatment, and to provide an alternative to the salary equivalency standard for determining the reasonable cost of physical therapy services; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. WON PAT:

H.R. 4627. A bill to permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States before becoming citizens of the United States upon the establishment of the Commonwealth of the Northern Mariana Islands; to the Committee on Armed Services.

H.R. 4628. A bill to amend title 10, United States Code, to authorize the establishment of Senior Reserve Officers' Training Corps programs in Guam and the Virgin Islands; to the Committee on Armed Services.

By Mr. BENNETT:

H.J. Res. 366. Joint resolution providing for the commemoration of the 200th anniversary of the Constitution and of other events related to the establishment of the Federal Government during the period 1776 to 1800, for the establishment of the Citizen's Commission for the Commemoration of the Federal Government Bicentenary Era, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PREYER:

H.J. Res. 367. Joint resolution to authorize and request the President to proclaim the week of September 16 through 22, 1979, as "National Meals on Wheels Week"; to the Committee on Post Office and Civil Service.

By Mr. COURTER:

H. Con. Res. 146. Concurrent resolution expressing the sense of the Congress that James R. Schlesinger should resign as Secretary of Energy; jointly, to the Committees on Armed Services, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. DERWINSKI (for himself, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Ashbrook, Mr. Benjamin, Mr. Brodhead, Mr. Carter, Mr. Cleveland, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Dornan, Mr. Fary, Mr. Flood, Mr. Florio, Mr. Goldwater, Mr. Hanley, Mrs. Holt, Mr. Hughes, Mr. Hyde, Mr. Jacobs, Mr. Kemp, Mr. Kogovsek, Mr. Lagomarsino, Mr. Lent, Mr. Lloyd, Mr. McClory, Mr. McDonald, Mr. McHugh, Mr. Moakley, Mr. Montgomery, Mr. Murphy of Illinois, Mr. Nowak, Mr. O'Brien, Mr. Ottinger, Mr. Pease, Mr. Peyser, Mr. Robinson, Mr. Sensenbrenner, Mr. Stangeland, Mr. Stokes, Mr. Stratton, Mr. Vento, Mr. Waxman, Mr. Bob Wilson, Mr. Yatron, Mr. Young of Alaska, and Mr. Young of Florida):

H. Con. Res. 147. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States and with respect to Soviet claims of citizenship over certain U.S. citizens; to the Committee on Foreign Affairs.

By Mr. DORNAN (for himself and Mr. Leach of Iowa):

H. Con. Res. 148. Concurrent resolution supporting the International Association of Machinists and Aerospace Workers in legal action against the Organization of Petroleum Exporting Countries; to the Committee on the Judiciary.

By Mr. ERTEL (for himself, Mr. Mitchell of Maryland, Mr. Gore, Mr. Murphy of Pennsylvania, Mr. Frost, Mr. AuCoin, Mr. Neal, and Mr. Mottl):

H. Con. Res. 149. Concurrent resolution expressing the sense of the Congress that Richard M. Nixon should pay to the United States the sum of $66,614.03 for non-security-related improvements to his San Clemente estate and that the President and the Attorney General should attempt to recover such sum; to the Committee on Public Works and Transportation.

By Mr. FAZIO:

H. Con. Res. 150. Concurrent resolution regarding the restoration of Olympic records of the late James (Jim) Thorpe; to the Committee on Foreign Affairs.

By Mr. PASHAYAN (for himself and Mr. Thomas):

H. Con. Res. 151. Concurrent resolution to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Bryan Lewis Allen; to the Committee on Banking, Finance and Urban Affairs.

By Mr. TAUKE (for himself, Mr. Bedell, Mr. Grassley, and Mr. Harkin):

H. Con. Res. 152. Concurrent resolution to maximize the production of middle distillate fuels; jointly, to the Committee on Interstate and Foreign Commerce and Public Works and Transportation.

By Mr. CAMPBELL (for himself, Mr. Anthony, Mr. Barnard, Mr. Broyhill, Mr. Cheney, Mr. Fazio, Mr. Holland, Mr. Jenrette, Mr. Martin, Mr. Petri, Mr. Spence, Mr. Stangeland, Mr. Emery, and Mr. Derrick):

H. Res. 338. Resolution calling on the Governors of the 50 States to cooperate voluntarily in standardizing truck weight and length limits to 80,000 pounds and 60 feet respectively to encourage striking truckers to go back to work; to the Committee on Public Works and Transportation.

By Mr. VOLKMER:

H. Res. 339. Resolution to express the sense of the House that the President should exercise authority to provide for allocations of diesel fuel under section 12 of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LIVINGSTON:

H.R. 4629. A bill for the relief of Mrs. Joseph Tardiff, Julianne Tardiff, Tracy Tardiff, and Troy Tardiff; to the Committee on the Judiciary.

By Mr. MATSUI:

H.R. 4630. A bill for the relief of Moses Bank; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 96: Mr. Stanton, and Mr. Derwinski.

H.R. 214: Mr. Mathis.

H.R. 734: Mr. Barnard, Mr. Goldwater, and Mr. Fithian.

H.R. 735: Mr. Barnard.

H.R. 745: Mr. Stokes.

H.R. 1000: Mr. Patterson, Mr. Pashayan, Mr. Bafalis, Mr. Moorhead of California, Mr. Symms, Mr. Stump, Mr. Lloyd, Mr. Dannemeyer, Mr. Lagomarsino, Mr. Lott, Mr. Hyde, Mr. McDonald, Mr. Whitehurst, Mr. Forsythe, Mr. Cleveland, Mr. Burgener, Mr. Guyer, Mr. Collins of Texas, Mr. Hinson, Mr. Thomas, Mr. Robert W. Daniel, Jr., Mr. Charles H. Wilson of California, Mr. Corcoran, Mr. Grisham, Mr. Evans of Georgia, Mr. Kindness, Mr. Rousselot, and Mr. Hance.

H.R. 1015: Mrs. Bouquard, Mr. Phillip Burton, Mrs. Chisholm, Mr. Corman, Mr. Dellums, Mr. Duncan of Tennessee, Mr. Evans of the Virgin Islands, Mr. Flood, Mr. Gray, Mr. Jones, of North Carolina, Mr. Kogovsek, Mr. Lederer, Mr. Lee, Mr. McCormack, Ms. Mikulski, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mottl, Mr. Nolan, Ms. Oakar, Mr. Ottinger, Mr. Patten, Mr. Pepper, Mr. Rangel, Mr. Richmond, Mr. Scheuer, Mr. Simon, Mr. Stokes, Mr. Weiss, and Mr. Wolpe.

H.R. 1051: Mr. Loeffler, and Mr. Stenholm.

H.R. 1196: Mr. Stack.

H.R. 1197: Mr. Stack.

H.R. 1841: Mr. Lederer, Mr. Mineta, Mr. Charles H. Wilson of California, Mr. McDonald, Mr. Donnelly, Mr. Clay, Mr. Florio, Mr. Lott, Mr. Winn, Mr. Benjamin, Mr. Erdahl, Mr. Nolan, Mr. Stangeland, and Mr. Gingrich.

H.R. 2129: Mr. Matsui, Mr. Stark, and Mr. Stokes.

H.R. 2308: Mr. Moakley, Mr. Lujan, Mr. Traxler, Mr. Leach of Louisiana, and Mr. Wolpe.

H.R. 2341: Mr. Ford of Michigan.

H.R. 2414: Mr. Danielson, Mr. Montgomery, and Mr. Sensenbrenner.

H.R. 2538: Mr. Wyatt, and Mr. Lowry.

H.R. 2762: Mr. Markey.

H.R. 2994: Mr. Gray.

H.R. 2998: Mr. Hyde.

H.R. 3111: Mr. Coughlin.

H.R. 3169: Mr. Stark, and Mr. Goodling.

H.R. 3766: Mr. Cleveland.

H.R. 3769: Mr. Stark, and Mr. Patterson.

H.R. 3790: Mr. Guyer, Mr. Wolpe, and Mr. Patterson.

H.R. 3890: Mr. Badham and Mr. Cleveland.

H.R. 3908: Mr. Mitchell of Maryland, Mr. Rinaldo, Mr. Murphy of Pennsylvania, Mr. Boland, Mr. Addabbo, Mr. Sabo, Mr. Hughes, Mr. Patten, Mr. Dornan, Mr. Clinger, Mr. Jeffords, Mr. Moakley, Mr. Hollenbeck, Mr. McDade, Mr. Mitchell of New York, Mr. McKinney, Mr. Moffett, Mr. Donnelly, Mrs. Heckler, Mr. Mavroules, Mr. Markey, Mr. D'Amours, Mr. Drinan, and Mr. Emery.

H.R. 3992: Mr. Cavanaugh, Mr. Coughlin, Mr. Mineta, Mr. Mollohan, Mr. Roth, Mr. Simon, Mr. Stokes, and Mr. Tauke.

H.R. 4113: Mr. Baldus and Mr. Lewis.

H.R. 4310: Mr. Duncan of Tennessee, Mr. Ottinger, Mr. Addabbo, Mr. Zeferetti, Mr. Murphy of Pennsylvania, Mr. Corrada, Mr. Pepper, Mr. Lehman, Mr. Stokes, and Mr. Downey.

H.R. 4312: Mr. Boland, Mr. Whitehurst, Mr. Minish, Mr. Horton, Mr. Hughes, Mr. Bingham, Mr. Moakley, and Mr. Roe.

H.R. 4327: Mr. Brademas.

H.R. 4363: Mr. Young of Alaska, Mr. Collins of Texas, Mr. Marriott, Mr. McDonald, Mr. Atkinson, Mr. Jeffries, Mr. Ritter, Mr. Grisham, Mr. Albosta, Mr. Bethune, Mr. Thomas, and Mr. Charles Wilson of Texas.

H.R. 4380: Mr. Duncan of Tennessee, Mr. Horton, Mr. Lagomarsino, and Mr. Stangeland.

H.R. 4381: Mr. Duncan of Tennessee, Mr. Horton, Mr. Lagomarsino, and Mr. Stangeland.

H.R. 4400: Mr. Badham, Mr. Broomfield, Mr. Carney, Mr. Devine, Mr. Frenzel, Mr. Hinson, Mr. McEwen, Mrs. Snowe, Mr. Williams of Ohio, Mr. Burgener, Mr. Dannemeyer, Mr. de la Garza, Mr. Treen, and Mr. Grisham.

H.R. 4446: Mr. Martin, and Mr. Rousselot.

H.R. 4545: Mr. Bereuter, Mr. Chappell, Mr. Coelho, Mr. de la Garza, Mrs. Fenwick, Mr. Fisher, Mr. Flippo, Mr. Fuqua, Mr. Harkin, Mr. Marlenee, Mr. Sawyer, Mrs. Smith of Nebraska, Mrs. Snowe, Mr. Vander Jagt, Mr. Wolpe, Mr. Solomon, and Mr. Stangeland.

H.R. 4549: Mr. Wampler.

H.R. 4549: Mr. Winn.

H.R. 4550: Mr. Wampler and Mr. Winn.

H.R. 4568: Mr. Abdnor, Mr. Akaka, Mr. Albosta, Mr. Anderson of Illinois, Mr. Atkinson, Mr. AuCoin, Mr. Bethune, Mr. Burgener, Mr. Clinger, Mr. de la Garza, Mr. Fithian, Mr. Hamilton, Mr. Long of Maryland, Mr. McHugh, Mr. Rangel, Mr. Shelby, Mr. Simon, Mr. Skelton, Mr. Staggers, Mr. Stokes, and Mr. Whitten.

H.J. Res. 209: Mr. Albosta, Mr. Dixon, Mr. Simon, and Mr. Weaver.

H.J. Res. 362: Mr. Forsythe, Mr. Corrada, Mr. Scheuer, Mr. Fazio, Mr. Winn, Mr. Roe, Mr. Simon, Mr. Stokes, Mr. Downey, and Mr. Lederer.

H. Con. Res. 10: Mr. Royer.

H. Con. Res. 83: Mr. Cleveland and Mr. Lungren.

H. Con. Res. 128: Mrs. Chisholm, Mr. Thompson, Mr. Marlenee, Mr. Lederer, Mr. Mazzoli, Mr. Rahall, Mr. Pashayan, Mr. Hubbard, Mr. Hughes, Mr. Roe, Mr. Sensenbrenner, Mr. Corrada, Mr. Gradison, Mr. Carter, Mr. Long of Maryland, Mr. Hyde, Mr. Leach of Iowa, Mr. Solomon, Mr. Simon, Mr. Mitchell of New York, Mr. Ertel, Mr. Trible, Mr. Frenzel, and Mr. Stokes.

H. Res. 293: Mr. Coelho, Mr. McKinney, Mr. Bethune, Mr. Lewis, Mr. Mollohan, Mr. Skelton, Mr. Andrews of North Dakota, Mr. Mitchell of New York, Mr. Jeffords, Mr. Simon, Mr. Murphy of Pennsylvania, Mr. Tauke, Mr. Treen, and Mr. Ratchford.

PETITIONS, ETC.

Under clause 1 of rule XXII,

160. The SPEAKER presented a petition of the Wayne County Board of Commissioners, Detroit Mich., relative to tax incentives for car pools, which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3917

By Mr. McCLORY:

—Page 34, insert after line 11 the following:

(b) (1) Section 1513(b) (2) (A) is amended by inserting "(primarily with regard to health care equipment and to health services provided by health care institutions, health care facilities, and other providers of health care and other health resources)" after "healthful environment".

Page 34, line 12, strike out "(b)" and insert in lieu thereof "(2)" and strike out "(1)" and insert in lieu thereof "(A)".

Page 34, line 15, strike out "(2)" and insert in lieu thereof "(B)".

H.R. 3919

By Mr. SHANNON:

—Amend section 4988(b) of the Internal Revenue Code as proposed to be added by section 2 of the bill to read as follows:

"(b) Tier 1 Oil. For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1979 and each month thereafter by $1\frac{1}{4}$ percent (instead of the adjustment under the June 1979 energy regulations).

For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the $1\frac{1}{2}$ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter."

H.R. 3930

By Mr. SEIBERLING:

—On page 10, after line 6, insert the following:

(f) Title III of the Defense Production Act of 1950 (50 U.S.C. App. 2091–2094) is amended by adding at the end thereof the following new section:

"Sec. 306. Any invention made or conceived by or for any enterprise in the course of any project for the production of energy financed by a loan pursuant to Section 302 of this Act or whose development program, production or sales are the subject of any contract or commitment made or entered into pursuant to Sections 303 or 305 of this Act shall be subject to the provisions of Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93–577, 42 U.S.C. 5908).".

H.R. 4389

By Mr. BEREUTER:

—Page 41, section 201, and renumber the subsequent sections accordingly.

"None of the funds appropriated in this act may be used to implement the Uniform Reporting Systems for Health Services Facilities and organizations authorized by section 1121(a) of the Social Security Act.".

—Page 53, add a new section 410, following line 18:

"None of the funds appropriated in this act may be used to implement the Uniform Reporting Systems for Health Services Facilities and organizations authorized by section 1121(a) of the Social Security Act.".

By Mr. BIAGGI:

—Page 31, line 1, strike out "A and C" and insert in lieu thereof "A, C, and D".

Page 31, line 4, strike out "$124,628,000" and insert in lieu thereof "$129,628,000".

—Page 38, line 15, strike out "$2,515,436,000" and insert in lieu thereof "$2,540,436,000".

Page 38, line 21, insert "$25,000,000 shall be for the social service program authorized under part B of title III of the Older Americans Act of 1965;" after "Children and Youth;".

By Mrs. BYRON:

—Page 10, line 20, after the period, insert the following:

"None of the funds appropriated under this paragraph may be obligated or expended for any inspection by the Secretary of Labor under section 8(a) of the Occupational Safety and Health Act of 1970 of any factory, plant, establishment, construction site, or other area, workplace, or environment, where such area, workplace, or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the twelve months preceding such inspection. provided that this limitation does not prohibit the Secretary of Labor from conducting such investigation at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act.".

By Mr. EMERY:

—Page 46, after line 14, insert the following:

"None of the sums appropriated in this paragraph shall be used to provide Emergency Energy Conservation Services under section 222(a) (5) of part B of title II of the Economic Opportunity Act of 1964, unless such sum is expended pursuant to recommendations which have been made by the Community Services Administration, State economic opportunity offices, and the General Accounting Office.".

By Mr. McCLOSKEY:

—Page 45, line 19, strike out "term." and insert in lieu thereof "term or where the mother or father has, or is a carrier of, muscular dystrophy.".

—Page 45, line 19, strike out "term." and insert in lieu thereof "term or where the mother has multiple sclerosis.".

By Mr. PEPPER:

—Page 15, line 5, strike out "$931,158,000" and insert in lieu thereof "$981,458,000."

By Mr. PRITCHARD:

—Page 45, line 17, strike out all that follows "except" through line 19 and insert in lieu thereof the following: "in cases in which the life of a pregnant woman would be endangered if the fetus were carried to term or in cases in which such woman has or has had cancer.".

By Mr. SEIBERLING:

—On page 45, line 19, strike the period at the end of the sentence and insert in lieu thereof the following: "or where the mother has or has had epilepsy or any other type of seizure disorder.".

By Mr. SIMON:

—Page 28, line 3, strike out "$1,045,325,000" and insert in lieu thereof "$1,047,650,000".

Page 28, add at the end of line 6 the following: "$57,700,000 of the amount appropriated under this paragraph shall be used for purposes of development of special education personnel.".

—Page 38, line 15, strike out "$2,515,436,000" and insert in lieu thereof "$2,518,436,000".

Page 38, line 15, insert after "of which" the following: "$31,500,000 shall be for research programs in rehabilitation services; $30,000,000 shall be for training programs in rehabilitation services;".

By Mr. WEAVER:

—To amend title II, section 209, beginning on page 45, line 17, strike: "except where the life of the mother would be endangered if the fetus were carried to term.", and insert "except where the life of the mother would be endangered if the fetus were carried to term, or in cases of ectopic fetal gestation, or where the mother suffers from any one of the following medical disorders: erythoblastosis, chronic renal disease, rheumatic heart disease, or diabetes.".

H.R. 4394

By Mr. KEMP:

—On page 38, after line 19, insert the following new section:

SEC. 409. None of the funds appropriated or otherwise made available in this Act may be used to implement regulations contained in the Federal Register volume 44, number 74, April 16, 1979, 24 CFR Part 200, entitled "Increases in Thermal Requirements for HUD Minimum Property Standards."

H.R. 4440

By Mr. HOWARD:

—Page 10, strike out line 19.

Page 10, after the period on line 22, insert the following: "For necessary expenses in carrying out section 131 of title 23, United States Code, $9,000,000.".

—Page 12, line 8, strike out "$35,000,000" and insert in lieu thereof "$75,000,000".

—Page 13, after line 17, insert the following:

CARPOOLS AND VANPOOLS

For necessary expenses in carrying out section 126(d) of the Federal-Aid Highway Act of 1978 (Public Law 95–599), $1,000,000 to be derived from the Highway Trust Fund and for necessary expenses in carrying out section 126(e) of such Act, $3,000,000 to be derived from the Highway Trust Fund.

—Page 14, after line 11, insert the following:

NATIONAL MAXIMUM SPEED LIMIT

For necessary expenses in carrying out section 154 of title 23, United States Code (other than subsection (i)), $20,000,000 to be derived from the Highway Trust Fund. Funds appropriated pursuant to this paragraph shall not be subject to the obligational limitation set forth in section 304 of this Act.

—Page 14, after line 11, insert the following:

INNOVATIVE PROJECT GRANTS

For necessary expenses in carrying out the provisions of section 407 of title 23, United States Code, $2,000,000, to be derived from the Highway Trust Fund.

—Page 14, after line 11, insert the following:

HIGHWAY SAFETY EDUCATION AND INFORMATION

For necessary expenses in carrying out section 209 of the Highway Safety Act of 1978 (Public Law 95–599), $1,000,000, to be derived from the Highway Trust Fund, which shall remain available until extended.

—Page 19, line 8, strike out "$63,500,000" and insert in lieu thereof "$64,500,000".

—Page 19, line 11, after "training" insert the following: "pursuant to section 11(a) of the Urban Mass Transportation Act of 1964, $1,000,000 shall be available for establishing and operating transportation centers at nonprofit institutions of higher learning pursuant to section 11(b) of said Act,".

—Page 19, line 19, strike out "$1,280,000,000" and insert in lieu thereof "$1,310,000,000".

—Page 20, line 10, strike out "$650,000,000" and insert in lieu thereof "$670,000,000".

—Page 21, after line 18, insert the following:

TERMINAL DEVELOPMENT

For necessary expenses in carrying out section 21 of the Urban Mass Transportation Act of 1964, $15,000,000.

—Page 21, after line 18, insert the following:

INTERCITY BUS SERVICE

For necessary expenses in carrying out section 22 of the Urban Mass Transportation Act of 1964, $10,000,000.

—Page 28, line 15, strike out "$175,000,000" and insert in lieu thereof "$195,000,000".

—Page 28, line 19, strike out the colon and all that follows down through and including the period on line 22 and insert in lieu thereof a period.

EXTENSIONS OF REMARKS

EDUCATIONAL HELP FOR CHILDREN

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. GRASSLEY. Mr. Speaker, we in the House are aware of title I of the Elementary and Secondary Education Act of 1965, which provides financial help to students having difficulty in reading and math. The program's goal, designed to aid local school districts, is to produce a more positive student selfworth in turn aiding these students to do work successfully in the regular classroom.

On December 1, 1978, I had the opportunity to visit the title I program currently implemented in the Waterloo, Iowa, community schools. I met with each of the three integral parts of the program: the administrators, the Parent Advisory Council and a title I site itself at St. Mary's School involving both the students and teachers in the program. Many aspects of the program impressed me. I wish to share some of these educational pluses I found as a result of my visit.

Statistically, I was impressed that on a budget of $698,602, almost 1,100 students, in 14 public and 4 nonpublic schools with 33 title I teachers, were receiving skills instruction. Beyond the program itself, two-thirds of the title I teachers were illustrating their belief education is an ongoing process by taking short courses or university courses, plus all attending a one-half day inservice each month to help them to have up-to-date information and materials. Teachers used commercially prepared materials, but I found most importantly, supplemented such with teacher written math and reading materials, tests and puzzles to individualize instruction for each student. One teacher was even called upon to give a presentation to a regional title I meeting in Kansas City concerning summer parent advisory councils.

The Waterloo schools, like most title I schools, use diagnostic testing to pinpoint the child's deficiencies and followup with a skills remediation process to improve those skill deficiencies in reading and math. By using standardized testing in the fall and spring, growth in these areas can be measured. The school was aiming at a growth of 1.0 years after 8 months of instruction. Waterloo schools, however, can be proud of their efforts, for by the standardized testing the average Waterloo title I gains were 1.06 years in reading and 1.49 years in math.

Finally, the thing that impressed me the most about my visit to Waterloo's program was what the kids thought, the children being taught under title I. When asked if they thought these title I classes had helped them to be a better reader or helped them in math, 96–100 percent of the students said "Yes." Of the parents, 95 percent felt the same way.

Such support, results, and goal accomplishment that I witnessed from my visit will certainly be kept in mind down the road when title I comes up for extension in September of 1983.●

HON. CARL ALBERT REVIEWS "SPEAK, MR. SPEAKER"

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. HALL of Texas. Mr. Speaker, today I am proud to insert in the CON-

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

GRESSIONAL RECORD the review of "Speak, Mr. Speaker", by the Honorable Carl Albert, former Speaker of the U.S. House of Representatives. This book is a collection of writing, speeches, and interviews of Sam Rayburn, edited and arranged by Mr. H. G. Dulaney, Dr. Edward H. Phillips, and Mr. MacPhelan Reese, to approximate an autobiography of the late, great Speaker, Sam Rayburn. "Speak, Mr. Speaker" is available from the Sam Rayburn Library in Bonham, Tex., and is a nonprofit publication of the Sam Rayburn Foundation.

The review by Carl Albert follows:

REVIEW OF "SPEAK MR. SPEAKER"

Mr. H. G. Dulaney, Dr. Edward H. Phillips and Mr. MacPhelan Reese have written a magnificent treaties on the life and service of Speaker Sam Rayburn. So far as I know, this book, "Speak, Mr. Speaker" is unique in biographical literature. Having known and served closely with Mr. Rayburn in the House of Representatives for many years, I do not believe that any book could have told the Rayburn story so well. It is far superior to any biography or authobiography of any Speaker that I have ever read.

When I read the book, I had the feeling that it was a masterpiece of both biography and autobiography with the accent on autobiography. It is not just the story of the life of Speaker Rayburn. For the most part it is the Speaker's philosophy in his own words. The authors use their own language mainly to introduce various statements of Mr. Rayburn and to correlate them into a unified whole. Frankly, I was amazed when I read the book, and yet it dawned on me all at once that it could not have been written in any other manner. There simply can be no way to tell the Rayburn story except in his own words. Nobody could possibly understand the total Rayburn by writing his own impressions of his life and words. To attempt to do so would be like rewriting the autobigraphy of Benjamin Franklin.

The authors were able to accomplish their task by reading thousands of letters by Mr. Rayburn and hundreds of his speeches recorded in the Congressional Record. I congratulate them on the magnificent job they did. So far as I am concerned they told me about our greatest Speaker, that rare human task by reading thousands of letters by Mr. being that I knew so well and loved so much. No biography of Sam Rayburn will ever be written that will begin to tell the story as Mr. Dulaney, Dr. Phillips and Mr. Reese have told it in "Speak, Mr. Speaker."●

STUDY SHOWS OSHA REDUCES INJURY RATES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. GAYDOS. Mr. Speaker. in recent years, critics of the much maligned Occupational Safety and Health Administration have argued that the Agency has not provided much protection for the Nation's workforce. But there is now strong evidence that demonstrates OSHA inspections have had a significant impact in reducing workplace injuries, especially in small establishments. It is clear that with more enforcement personnel, OSHA could have a greater impact on injuries.

In a study published in the most recent edition of the Journal of Human Resources, Dr. Robert Smith of the Cornell University School of Industrial and Labor Relations concludes that OSHA inspections may reduce injury rates by as much as 16 percent among firms that have been inspected. Furthermore, the largest inspection-related reductions in injury rates occurred among high hazard and small businesses.

The study also indicates that the time lag between an inspection and a noticeable reduction in injury rates is only about 3 months. Thus, it is evident that OSHA has been pursuing an effective strategy by focusing on the most hazardous industries. The study also suggests that OSHA should be inspecting more small businesses rather than exempting them as some Members of Congress have recently proposed.

This study is particularly significant because it is one of the first studies to examine the effects of OSHA inspections independent of other factors. Other studies of OSHA have focused on aggregate data, but such studies are of limited value because the aggregate data include industry sectors not covered by OSHA, and most previous studies have made no attempt to control for growth in the economy an changes in the industrial mix. In addition, the Smith study notes that OSHA's resources are too limited to have a significant impact on the overall injury rate despite the impact of OSHA on firms inspected.

During the period of the study, the impact on the overall injury rate was probably only about 1 percent. It is difficult to measure accurately such small effects in aggregate data over a short period of time.

Clearly, the critics of OSHA have been misguided. The only reason that we have not seen more dramatic decreases in the Nation's overall injury rate is that there are so few resources available to the agency. OSHA's appropriations for fiscal year 1980, which will soon be considered by the House of Representatives, amount to only $2.50 per worker covered by the OSH Act. This is a shameful expression of our commitment to the health and well-being of 65 million working men and women. If we are truly committed to protecting our workers, who are the backbone of our economy and our most valuable resource, we should seek to significantly increase OSHA's budget in the coming years.●

TRIBUTE TO MARY CAROTENUTO

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. FLORIO. Mr. Speaker, I would like to give recognition to one of my constituents, Mary Carotenuto, 3159 Westfield Avenue, Camden, N.J.

Better known as Aunt Mary, she is a fine example of the unselfish volunteer convinced that serving mankind brings its own reward. Her work spans a 45-year period—a period in which she has brought laughter and joy to countless shut-ins. She has extended innumerable kindnesses to the needy, the handicapped, and retarded. Dressed in costumes which she makes herself, she has appeared as Betsy Ross, Mrs. Santa Claus, Mrs. Peter Rabbit, and other storybook characters to the delight of audiences of all ages.

Founder of the Rays of Sunshine Club, she has succeeded in imbuing other members of the organization with her enthusiasm and energy. Her deep commitment is evidenced by her determination to continue her work despite the scarcity of funds and, at times, poor health. One of the many activities for which the club is known is their involvement in National Shut-in Day. Along with publicizing the day in local newspapers, the club encourages the public to visit individuals confined to homes and hospitals.

Included among the organizations that have given recognition for her tireless efforts in helping the disabled and less fortunate are the American Legion, Camden County Office on Aging, American Red Cross, and the Salvation Army. To commemorate her 25th year of volunteering, the Chapel of Four Chaplains of Philadelphia, Pa., awarded her a certificate for her "service to all people regardless of race or faith."

It gives me pleasure to pay tribute to her for her outstanding contribution to her community and to realize that the spirit of volunteerism, as personified by Mary Carotenuto, is still alive and well in Camden County.●

PRESIDENT CARTER AND HIS COMPETITION

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. CARR. Mr. Speaker, it is a matter of great concern to me that many of those with whom I usually agree are shooting with U-shaped gun barrels as we approach the 1980 election. Opposition to Mr. Carter among the progressive wing of the Democratic Party ignores the many substantial achievements of the present administration; in effect, it constitutes a quest for perfection that can only have perfectly horrible consequences. I discussed this 2 days ago in a speech in Sturgis, Mich., which I now insert in the RECORD:

You honored me with your invitation to be your keynote speaker and with the kind attention you've given to the details of my visit.

I grew up myself in a small town, and I always have a sensation when I visit this area, that I'm "coming home." The lovely, tree-lined picturesque towns and the flourishing farmland of southern Michigan are spiritual "homes" to many more Americans than those who are actually fortunate enough to live there.

Visits like this for a politician like myself are the oasis of reality from the desert of Washington life—where reality is more often a mirage and someone is always kicking sand in your face.

Don't get me wrong—I like my work in Washington on behalf of the more than 500,000 people of my district and the people of the State of Michigan. I'm proud of the trusted position that I hold—even if my mother continues to ask: "What kind of work do you do?"

However, I did not come all the way from Washington to this beautiful civic center in Sturgis, Michigan to entertain you with the incongruities of the greatest deliberative body in the world, nor to make a foolish attempt to impress you with my knowledge of things with which you were more knowledgeable. I do wish to spend our time together talking about the Presidency of Jimmy Carter, and what we ought to do about it as our party faces the uncertainty of the coming presidential election year.

In the past two and one half years I have had abundant occasions to look critically down Pennsylvania Avenue toward the White House. What I saw was a time of promise marred by confusion, newness, occasional but severely damaging political ineptness, and a general lack of understanding about how government—Washington style—operates. There were mistakes—unpardonable faux pas such as canceling a water project in the Vice President's state and letting him learn about it in the newspaper, months of slighting congressional egoes, the display of more loyalty to Bert Lance than to the ideal of a government whose ethics must be beyond reproach. And more, much more.

I personally have been greatly disappointed that my President failed to keep his pledge to trim military spending by 5 billion dollars. In fact, he's presented us with a budget to increase the military share while at the same time holding the line on spending for human needs. He has also just decided to produce a first strike, destabilizing, 40 billion dollar weapons system called MX. This missile system will be transported back and forth on train tracks . . . and yet we still don't have a sensible system of mass transit. There are threats that in a time of fuel crisis, trains for people will be cut so that we can have trains for missiles!

As another example, after a strong beginning the Administration failed at good follow-through on a national energy policy, letting it get ripped to shreds in the Senate and contributing to the fix we are in today.

I'm not the only one who has reservations about some of the President's actions. Some of my closest friends in the Congress—Rick Nolan of Minnesota, Dick Ottinger of New York, Pete Stark of California—are part of a dump Carter/draft Kennedy effort. Members of the Michigan delegation to Congress—with whom I have a close relationship both professionally and socially—have quietly, if not openly, given comfort to that idea. They have gone about the country side and told everyone who would listen of their disappointments with Carter. I was asked to join this movement. Without a moment's hesitation, I declined. Let me tell you why.

Edward Kennedy is, beyond a doubt, one of the most distinguished persons in government today. To those who say he is coasting on the Kennedy name, I say the opposite is true: He works hard, he has an excellent staff, he knows his nuts and bolts, and his dedication on the issues is firm and unwavering. It would have been easy for him to go along, relying on his name and enjoying the prerogatives of his office. He didn't have to get out in front on every major issue of the day: health, arms control, racial equality, you name it. But he has done so, and he's done it with ability and dedication. He deserves exceptional respect.

But to now regard him as a non-controversial shoo-in for the Presidency, as many seem to do, is wrong. Dead wrong.

As a Senator, as a maybe-maybe not presidential candidate, Senator Kennedy gets great press. He can do no wrong. That's all very nice.

But just let him become a candidate for the Democratic nomination.

It would tear our party apart and the only winner would be the Republican candidate. And in the aftermath of such an intraparty battle the Republican presidential vultures would most probably leap to pick Senator Kennedy's bones dry with a hate campaign to destroy him by unfairly raising the many personal tragedies of the Kennedy famnly, and at very least deny him support in Southern states.

The memory of 1968 is fresh in my mind. The Republicans did not win the White House, the Demorcats lost it. When I think of what some well intentioned Democrats did to Hubert Humphrey, I fear that some are poised to do it again to President Carter.

Notwithstanding some obvious mistakes and blunders—to which none of us are immune, including Kennedy or ourselves, and, I'm sure, to which the President would admit, President Carter's presidency has been some great surprises and some incredible accomplishments.

Who could have predicted that a graduate of Annapolis and a protege of Admiral Rickover would have vetoed, for the first time in our entire history, a complete defense authorization bill? Carter did that because he wasn't willing to see our money wasted on a nuclear carrier we don't need.

Who could have foreseen the immense personal skill and diplomatic ability required to get Mideast peace treaty signed—a treaty that is our best chance ever to end centuries of hate.

Who would have expected a Georgia peanut farmer to become the best environmentalist President since Teddy Roosevelt?

I didn't expect these things of Carter, so despite some of my fundamental disagreements with him over military spending and energy policy, I respect him as a man—and a leader—capable of surprise and capable of producing results.

He has managed to walk the fine line necessary to keep a Democrat in the White House during a time when the main priorities for many voters are balancing the budget and cutting federal spending.

And, unless the predicted recession later this year is worse than expected, next January the President will propose to Congress a balanced budget. He will thus deprive the Republicans of the one string which they harp, the one political goal they offer the American people. That is no mean achievement for a man who has also supported:

Increases in the minimum wage.
Hospital cost containment.
National health insurance.
Progressive tax reform.
Strong environmental legislation.
Aid to the cities.
An extension of the deadline for the Equal Rights Amendment.
The Agency for Consumer Protection.
The Labor Law Reform Bill.
Repeal of the Hatch Act.
Major progressive welfare reform.

Carter has not accomplished all of these goals. He has, for example, run into stiff opposition from the Congress on tax and welfare reform, but he has demonstrated his commitment to them. We can be sure he will be back on Capitol Hill with every one of the programs he couldn't get through Congress in the past session.

Recall the really "bad old days" of the past two Republican administrations. Compare, for example, our present economic situation—for all its uncertainties—to that presented to the American people by Presidents Nixon and Ford, whose one-two punch resulted in negative growth for 3 of 8 years. President Nixon's carefully engineered recession threw millions of people out of work and pumped unemployment to an unbelievable annual rate of 8.5 percent in 1975—a Republican accomplishment President Carter has been undoing ever since he took office. 8 million jobs have been created since 1977. And in the last year, unemployment has been held under 6 percent. The growth rate has been 4.5 percent. There has been annual growth of 9 percent in investments in the last year. The rate during the Nixon-Ford years was 1 percent.

Inflation has proved an intractable problem for the President—as it has for Congress. But Carter has met the problem head-on and has taken almost every step possible short of wage and price controls. His real wage insurance proposal and his hospital cost-containment proposals were shot down by Congress. His wage-price guidelines have come in for their share of criticism, but they have also been taken seriously—which is more than can be said for Gerald Ford's silly campaign to hand out WIN buttons.

And we also must not forget that Jimmy Carter is managing an economy that scarcely resembles the national economy of 25 years ago. Presidents Eisenhower, Kennedy, and Johnson presided over an American economy that was clearly in the international driver's seat. The world economy was the American economy. Europe and Japan were recovering, with assistance from the United States, after the world war. The U.S. was producing nearly all of its energy needs and sending its goods to eager foreign buyers. Inflation and recession were localized, American problems, solved solely by American institutions.

But now we and Jimmy Carter are faced with an economy that is no longer as controllable, because it is now part of a truly international and interdependent world economy. Inflation is no longer vulnerable to the same weapons, because it is no longer an isolated phenomenon. OPEC energy pricing, competition from Japan and Western Europe, and negative trade balances that were unheard of 25 years ago—all these are factors beyond our sole control and beyond the single control of our President. It is irrational to react to these changes by merely pointing to the President and saying "he's not a leader."

The fact is, he is a leader—this becomes evident if we look over his foreign policy accomplishments.

Carter's accomplishments in foreign policy are remarkable, and though they have engendered howls of Republican protest, many of his triumphs represent the successful achievement of goals sought, but not attained, by his Republican predecessors: the Panama Canal, SALT II, the normalization of relations with China, and the successful negotiation of peace between Israel and Egypt.

Perhaps more important, President Carter has avoided the foreign policy disasters that plagued every one of his predecessors, Republicans and Democrats alike. Two years into their presidencies, Eisenhower had approved CIA-supported coups in Iran and Guatemala; Kennedy had suffered the Bay of Pigs Disaster, which invited the Berlin crisis and the Cuban missile showdown; Johnson had committed American lives in Vietnam; Nixon had widened that war to Cambodia and Laos; and Ford had lost 40 Marines invading the wrong island to rescue 38 American crewmen on the Mayaguez who had already been released. Under President Carter, we have undertaken no simplistic military "solutions" to complex foreign problems. We have successfully avoided the temptation to demonstrate our stupidity by throwing around our military weight. Courage and strength—as we all learned from our parents and try to teach our children—are different from bullying and shouting. There is more to courage than going into a rough situation with your guns blazing. You may recall John Connally said he would not journey to the Mideast in the quest for peace unless success were assured in advance. Jimmy Carter risked failure and the humiliation that failure would have meant—by going himself to Jerusalem and Cairo to do everything he could to insure a peace agreement. And he succeeded. The President has demonstrated a mature capacity for courage and strength, and he deserves our respect for it.

Yet Conally, who gave us the decade's most graphic demonstration of "no guts, no glory," is regarded by the media as a "strong" leader, while the conventional media wisdom regards Carter as a "weak" leader. You sure can fool some of the people all of the time.

Mr. Carter has achieved—by any measure—a substantial record of accomplishments—which I defy any Member of Congress to try to match. The trouble is that we expect the President to be perfect.

Citizens in monarchies build palaces to show the reverance they have for their hereditary leaders. They wrap those leaders in velvet and ermine and surround them with gold. The hope we have in our President does not show itself in tangible or material ways. We build dreams, not palaces, and we surround our President with all most cherished ideals. It's hard for a man to live up to the expectations engendered by regal trappings, but it's harder still to live up to dreams and visions of a perfect world. As Jim Wright, House Majority Leader, has said, "We expect our President to be more than human and condemn him when he is not. But we would despise him if he were."

Our Presidents have always been aware of the contradictions and impossibilities of their position. Thomas Jefferson called the presidency a "splendid misery." Teddy Roosevelt found it a "bully pulpit." Abraham Lincoln was most struck with its loneliness. Harry Truman, the person we honor here tonight, laid it right on the line when he said, "The buck stops here."

Recall what the media said when Truman inherited the Presidency. The pundits told the nation he was too small a man for the job, and Dewey would mop the floor with him. They were proven wrong on both counts, of course, but it's interesting to ask why Truman was so severely underrated at the time. He was underrated because he was compared, not merely with the reality of FDR, who in many respects was the greatest President in our national history, but with the glowing memory of FDR, which was even more formidable than reality.

Now many of us are comparing Carter with an even more formidable standard. We compare him not with JFK, nor even with the memory of JFK, but with perfection itself. We think about what our ideal President would do in any given circumstance, and when Carter falls short of our ideal, we condemn him for it.

My friends, let's get back to reality. We don't have a choice between Carter and perfection. We have a choice between Carter and John Connally.

We all have our dreams—what we don't have is the responsibility to make them real. Jimmy Carter does. Of course, he will disappoint us—every last one of us. It is not possible to be President—to be the repository of all our deepest ideals—and not fail. That is the reason that Presidents age so noticeably in office. Sure, they work hard, but hard work never killed anybody. What is deadly is the responsibility and the pressure we place on our Presidents to give us what we so unrealistically desire—to turn all our dreams into realities.

Jimmy Carter has not given us all we want. He hasn't, because he can't. No president can. He has, however, as much as any man can, measured up to the office. He has demonstrated himself to be a man of vision, courage, compassion, energy, and accomplishment. He is, however, only going to be as good a President as he is strong. He is only as strong as we make him by our support. It is our responsibility to dissent when necessary, but we must never forget that those are our dreams on the President's shoulders. When we disparage him, we disparage ourselves and our dreams. President Carter has proved himself to us. He has earned our support. He has mine. I call upon Senator Kennedy to give him his—immediately, unquivocally, publicly. The national interest—and the Democratic party interest—requires nothing less—from him and from all of us.●

STATEMENT OF INTRODUCTION—SPOUSAL IRA BILL OF 1979

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. GIBBONS. Mr. Speaker, I am pleased today to introduce a bill (H.R. 4547) which will provide long needed equality in the tax incentives we provide to encourage retirement savings—the Spousal IRA bill of 1979. In 1974, we first approved the IRA—Individual Retirement Account—concept for workers who are not covered under a pension plan. We allow these workers to contribute the lesser of $1,500 or 15 percent of compensation to an IRA account tax free—the amount contributed is deductible and the annual interest earnings are tax exempt.

But we made a grievous error when it came to defining eligible "workers" as only those who earn compensation, and we compounded the error when we made the contribution amount dependent upon the amount of compensation. Those factors excluded from IRA participation a significant segment of our workers—those who work in the home or as volunteers—and severely limited the amount of tax-favored savings for another large group—those who work only part time or for low wages.

Belatedly, we came to realize that these workers have an even greater need for their own retirement savings. We have not acted to meet this need however. We have but thrown a kernel of corn their way by enacting the Spousal IRA in 1976 which provided that the maximum contribution could be increased to $1,750 if this amount were equally divided between the worker and spouse. I submit that this provision of present law is an insult rather than an incentive. It takes a lot away from one spouse to give to the other and provides a measly $250 additional tax-favored savings for the couple.

The time has come and gone to correct this mistake of earlier days. We can no longer ignore the basic inequality inherent in a large number of Government programs where both the equal need and the equal contribution made by those who work at home, in volunteer posts, or in part time or lowly-paid jobs have been ignored. Slowly this inequality is being recognized and corrected. This bill will further that trend by addressing one of the most fundamental needs of any person—independent retirement savings.

H.R. 4547, the Spousal IRA bill of 1979, would allow all those who are not covered by a pension plan to establish an IRA in their own names and without regard to whether the other spouse is also eligible for an IRA. The contribution amount would be based on half of the earnings of the couple—fully recognizing the equal contribution made by the nonworking or lower paid spouse. To protect those who presently have IRA's and to take into account the increasing number of families where both have earnings, the bill would also allow either spouse to base their contributions solely on their own earnings if this method would allow a higher contribution.

It is becoming increasingly apparent that the retirement savings of one spouse are not sufficient to carry a retired couple through retirement years and those who become widowed or divorced in midlife often end up with no retirement savings or income at all. Many women in our society are further disadvantaged as they are more apt to leave and reenter the paid work force, disrupting coverage under pension plans. We must recognize these realities by providing adequate incentives for greater individual retirement savings. To ignore these realities now on the basis of excessive revenue loss will but insure higher costs later when the Government will be faced with the full costs of support for those having no independent means.

I believe the approach of this bill is an eminently fair and reasonable one. It is not as generous nor as costly as some that have been proposed but it will not come cheap either. I urge your support for this move to full equality in providing tax incentive for independent retirement savings for all.●

JOHN GREEN—TORRANCE LEADER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. ANDERSON of California. Mr. Speaker, the Torrance Chamber of Commerce will hold its anual officer installation dinner next week. This will be a special occasion since, in addition to welcoming the organization's new office holders, it will be a time to honor and thank John Green, the chamber's departing president. I want to join his associates and many friends in applauding him for the dedication he has displayed as chamber president and as a community leader.

John Green, joined the Pittsburgh Plate Glass Co., in 1936 the same year he received his A.B. degree in economics from Stanford University. He started as an automotive finishes salesman for PPG. He moved steadily upward to becoming a plant manager for the PPG Coating & Resins Plant in Torrance, the position he retired from in 1977. During his 40 years with PPG, he held a wide variety of supervisory assignments. As an example, he was general manager for the company's Pacific coast operations, being responsible for activities in seven Western States, including Alaska and Hawaii.

An eager readiness to contribute and a sincere commitment to community betterment have been the traits of his involvement in civil affairs. His work with the chamber has been most notable. The direction he gave as president made the 2 years of his tenure exciting and productive times. Membership doubled; innovative programs were introduced, and existing services were expanded and improved.

Through his efforts, the South Bay International Trade Association was formed to provide a forum for the exchange of ideas on how to deal with import-export trade problems. Community involvement was stepped up, making chamber members more familiar with the local government, and making city officials more aware of the business community's concerns. And, in due course, the Torrance Small Business Council was founded to meet the needs of the small business community.

John Green's involvement in civic affairs has extended way beyond the Torrance chamber's activities. He has been an active member of the United Way of Los Angeles County, serving on that organization's corporate and regional boards. He is also one of the most valued trustees of the Torrance Memorial Hospital. During his service as chairman of the hospital fund development committee, his personal efforts netted the hospital over $1 million.

Mr. Speaker, few citizens can claim to have done as much for their community as John has done for Torrance. In all his endeavors, including his career with PPG Industries and his involvement in civic affairs, he has proven himself to be an able and generous leader. For his good works, my wife, Lee, and I extend our thanks and congratulations. We also extend our sincere hopes for a happy and rewarding future to him, his wife, Mary, and their sons, Bill and Jim.●

A TRIBUTE TO MRS. EDNA NEBLETT LEDBETTER

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to call to the attention of my distinguished colleagues in the House of Representatives an outstanding lady of the Eighth Congressional district of Tennessee.

The lady I make reference to is Mrs. Edna Neblett Ledbetter. Mrs. Ledbetter has always been active in church and community activities. On June 12, 1979, she was named to the "Senior Adult Hall of Fame" at Central Church in Memphis, Tenn. She has taught a children's Sunday school class for 45 years, and has been a member of the order of the Eastern Star for 50 years.

In addition to her dedicated service to her church and community, Mrs. Ledbetter, who has been a widow since 1947, has raised and educated three fine children. Her son, Orelle, was executive director of the Memphis Housing Authority until his retirement 4 years ago, another son, Donald, is the president of the National Association of Postal Supervisors; and her daughter, Edna Gene, is the wife of a Cumberland Presbyterian minister in Tulsa, Okla. Mrs. Ledbetter proudly claims four grandchildren and nine great grandchildren.

Rarely do we find a woman so unselfish of her time and energies. She reminds me of the proverb which says a "virtuous woman is worth far more than rubies."

Indeed, Mrs. Edna Neblett Ledbetter is a fine American deserving of acknowledgement and praise. I am extremely pleased that she is a member of my constituency.●

BANKS BOLSTER JAMAICA'S MARXIST REGIME

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. McDONALD. Mr. Speaker, in recent meetings of the Organization of American States (OAS), the Government of Jamaica, assisted by the new Castroite revolutionary regime of Grenada, acted as the political stalking horse, the surrogate, if you will, for the Cuban Communist regime in battling against any OAS intervention in Nicaragua that would interfere with the military buildup of Cuban-backed revolutionary effort there.

Jamaican Prime Minister Michael Manley's intimacy with the Cubans, of course, is nothing new. During the period of the 1976 electoral campaign increasing numbers of Cuban "technicians" arrived to help Prime Minister Manley who declared a "state of emergency" that ran from June 1976 through the December election to May 1977. Another "technician" of sorts from the Cuban Communist camp brought in was CIA turncoat Philip Agee who cooked up material for Manley's propaganda machine.

Manley's Marxist rule in Jamaica has bankrupted the island's economy. In the normal course of events, one might expect that the Jamaican voters, should elections continue to be held, of course, would reject Manley and his People's National Party as the authors of their economic chaos. But who is coming to Manley's rescue to shore up his Marxist sand castle? The International Financial Institutions (IFI's) with the full endorsement of the U.S. Government and our U.N. Ambassador Andrew Young. At present, the Inter-American Development Bank (IADB), the World Bank and the International Monetary Fund (IMF) had agreed to give Jamaica credit totaling nearly $500 million.

For the details of the growing collaboration of the Government of Jamaica Prime Minister Manley with the Cubans, and the economic bailout of Jamaica's Marxist economy funded in part by the American taxpayers through U.S. contributions to there International Financial Institutions, I recommend the following editorial commentary by Barron's editor Robert M. Bleiberg.

The article follows:

SOW THE WIND

IN JAMAICA, THE UNITED STATES MAY REAP A WHIRLWIND

(By Robert M. Bleiberg)

The *Daily Gleaner*, published in Kingston, Jamaica, since 1834, may not rank among the world's greatest newspapers, but it's surely one of the gutsiest. Since 1972, when the People's National Party, headed by Democratic Socialist Michael Manley, took office, the publication has waged an increasingly difficult and lonely struggle to keep alive what's left on the island of freedom of the press. Since coming into power, the Manley government has taken over Jamaica's radio and television stations, in the process turning them into organs of propaganda. It encouraged and helped to finance (via the Jamaican Development Bank) the launching of a rival daily. Last fall, in a speech to the party faithful (punctiliously reported on the *Gleaner's* front page), the Prime Minister denounced his journalistic critic as a "call girl" and "harlot," and its publishers and editors as "pimps for imperialism." Government advertising has dried up, official readership has dwindled, and, from time to time, the socialist bureaucracy threatens to cut off the supply of scarce imported newsprint. Covering Washington for *Barron's*, we used to cry, is like covering Capetown for *Ebony*, but no longer. The *Gleaner* makes such small concerns seem downright un-Manley.

In the past week or so, the *Gleaner* has acquired an unusually sharp cutting edge. Under the banner headline "KGB, DGI agents all over Jamaica—Seaga," the courageous paper recently carried a front-page story featuring allegations by Edward Seaga, leader of the Opposition, that both Cuba and the Soviet Union have stepped up their infiltration of the island. Specifically, Seaga, who urged the Governor-General to launch an inquiry, charged that 5,000 Cubans are freely "operating in and out of Jamaica, and that enough stores were housed in a Cuban school project to feed a small army." He added that a number of Jamaican police had received special training in Havana, and that the Peoples National Party was recruiting a home guard with the clear-cut capability of political coercion, as well as the power of arrest.

Prime Minister Manley promptly shrugged off the charges as a "lot of yakkety-yak." There are only 449 Cubans on the island, chimed in the Minister for National Security, all of them busy at socially approved tasks in the countryside comparable to those of the U.S. Peace Corps. The Gleaner found the official rejoinders wanting. Echoing the call for a probe by the Governor-General, it went on to editoralize: "Unfortunately the Government has so far failed to reply responsibly to the grave charges." Its outspoken columnists went much further. According to one, the new Cuban ambassador, who is due to arrive in Kingston next month, currently heads the bureau which furnishes clandestine support to revolutionary groups throughout Latin America. Weighting the credibility of charges and denials, respectively, a second minced no words. "I have wracked my memory," wrote Wilmot Perkins with an acerbity worthy of H. L. Mencken, "but I cannot remember a single occasion on which it was demonstrated, or even plausibly made out, that Mr. Seaga had deliberately lied to the country. The same, alas, I cannot say for our Prime Minister. . . . The Manley Government lies habitually, excessively, and, as with all else that it does, incompetently."

Never do business, said J.P. Morgan, with a man you can't trust. With respect to Jamaica, the private sector, both at home and abroad, by and large has heeded this sage advice. Since the early 'Seventies, investment in productive enterprise has plummeted, while capital flight, spurred by punitive taxation, outbursts of lawlessness and political unrest, has accelerated. Trapped by previous commitments, the huge and largely U.S.-owned bauxite industry has sought to make what accommodation it could, up to and including the sale to the government of its landholdings and mineral rights; yet since the pressure started a half-decade or so ago, it has quietly curtailed expansion and shifted resources to more hospital climes. Small wonder that in a good year, inflation runs at an annual rate of 20 percent or more, that one quarter of the labor force is idle and that Kingston, when it's flush, boasts foreign exchange enough to keep the island above water for four-to-six weeks.

J. P. Morgan was always bigger on Wall Street than in Washington, where somebody once perched a midget on his knee. These days his wise strictures evidently count for little. For with the hearty encouragement of the U.S. government—Michael Manley, proclaimed our roving goodwill ambassador Andrew Young, is my kind of guy—one global lending institution after another has been lavishing resources on his regime. At latest reckoning, the Inter-American Development Bank, has advanced Jamaica $53 million, the World Bank, more than twice as much. Last week, the International Monetary Fund, so to speak, went for broke: despite Jamaica's shaky past and doubtful future, it agreed to lend the island $330 million, half again as much as Kingston already owes the IMF and a staggering sum for so small a place. The credit, explained a spokesman for the Fund, is designed to tide the country over its balance of payments difficulties. What it will do is help to finance the ruinous economic policies of an openly Socialist, quasi-totalitarian state, as well as foster the spread of anti-American bias throughout the Caribbean. Sow the wind, the Gleaner in effect has warned, reap the whirlwind.

These days, in any case, it's an ill wind from Jamaica. As our colleague, James Grant, reported in mid-January: "People died in Jamaica last week because the price of gasoline went up 12 cents a gallon. At last count, six were dead, including three policemen; the streets of Kingston were littered with barricades and stalled cars." Crowds poured through the streets crying: "The poor can't take no more," and they had a point. According to S. J. Rundt & Associates, consultants on international business, the rise in consumer prices last year more than tripled, to 35 percent. Unemployment is rampant, with some 24 percent of the labor force out of work. Owing to the perennial devaluation of the Jamaican dollar, and an "incomes policy" which clamps a lid of 15 percent on wage increases, those lucky enough to have a job have suffered a relentless decline in their standard of living. As of March 31, the country's international monetary assets totalled $77.6 million, enough to cover only three weeks of imports. Exporters to the island—at least prior to the IMF bail-out—rated its credit "poor," a distinction shared in this hemisphere only by near-bankrupt Peru.

For the rapid progress of poverty throughout Jamaica, the Manley government is largely to blame. Back in 1974, in utter disregard of its obligation to submit such disputes to international arbitration, Kingston unilaterally moved to raise its levy on production of bauxite. In consequence, so a leading financial daily reported last month: "Aluminum producers have been cutting back their bauxite mining and refining operations in Jamaica while stepping up these activities in other countries, such as Australia and Surinam." Other investors, both at home and abroad have been channeling resources elsewhere. As the Daily Gleaner recently observed: "The unpalatable fact is that since 1974 there has been a growing decline in the level of private foreign and domestic investment in Jamaica; according to official statistics, in 1977, the decline in net investment reached a disconcerting 83 percent. This staggering erosion in capital formation is a graphic indication of the reaction of major investors to politically generated uncertainties here. . . ."

As for the Manley government, its extreme leftist leanings are unmistakable. The Prime Minister's ruling People's National Party, though denying direct links with the island's Communists, on a number of issues lately has made common cause with them. Manley, Fidel Castro's personal friend, obsessively speaks in a kind of Marxist pidgin: "imperialism" recurs in his speech like a four-letter word in a sailor's. Furthermore, for a professed democrat, Manley has shown himself all too willing to suspend civil liberties. He did so from June 1976 to May 1977, invoking a "state of emergency" much like martial law, which, the Opposition has convincingly alleged, was concocted to rig the December elections. Despite official demurrers, that home guard looks increasingly ominous. And Jamaica, so the Opposition Party leader now charges, has become a privileged sanctuary for Cuban and Soviet Reds. Subversives, as the country seems destined to learn the hard way, can be as dangerous as the missiles over which the U.S. and U.S.S.R. once went eyeball-to-eyeball.

Today, however, it's Washington that's blinking. Ambassador Young has called Michael Manley "one of the most intelligent and independent leaders in the world." Last week, even as the IMF announced its outrageous transaction, Congressman Henry S. Reuss (D., Wis.), whose judgment on virtually every public issue (see last weeks' Barron's) seems fatally flawed, was bitterly complaining to the U.S. Secretary of the Treasury over a much smaller loan to Nicaragua, which, whatever its other shortcomings, happens to be an American ally and poses a threat to nobody but its own Communist-supported enemies. If this country's influence in the world is waning, one needn't look far for the cause.●

HOUSE BUDGET COMMITTEE EARLY WARNING REPORT, WEEK OF JUNE 25, 1979

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. NELSON. Mr. Speaker, in order to inform the House of the relationship of appropriations and other spending bills to amounts targeted in the first budget resolution for fiscal year 1980, the Budget Committee places in the Monday RECORD materials on the spending bills anticipated for floor action during the upcoming week. This week's package includes summaries of the HUD-independent agencies appropriations bill; transportation appropriations bill; Labor-HEW appropriations bill; Treasury-Postal Service appropriations bill; State-Justice appropriations bill; and three bills with revenue impact.

The material follows:

H.R. 4394—HUD-INDEPENDENT AGENCIES APPROPRIATIONS, FISCAL YEAR 1980 (H. REPT. 96-249)

Committee: Appropriations.

Subcommittee: HUD-Independent Agencies.

Chairman: Mr. Boland (Massachusetts).

Ranking Minority Member: Mr. Coughlin (Pennsylvania).

Scheduled: Tuesday, June 26, 1979.

I. DESCRIPTION OF BILL

This bill funds the Department of Housing and Urban Development, the Veterans Administration, the Office of State and Local Assistance in the Department of Treasury, and 19 other independent agencies. It provides $72,216 million in budget authority and $31,116 million in outlays.

II. COMPARISON WITH SPENDING TARGET

This bill, combined with spendouts from prior appropriations and amounts assigned to the subcommittee but not yet considered exceeds the Subcommittee targets by $556 million in budget authority and $790 million in outlays.

Explanation of Problem: This bill exceeds its target for two reasons. First, the bill provides $6,855 in budget authority and outlays, the full amount authorized, for the General Revenue Sharing program. The House assumptions behind the 1st Budget Resolution contain a reduction of $684 million, a legislative savings that will require action by the Government Operations Committee to be effected. Second, the bill redirects funds from long-lead-time programs such as EPA construction grants, towards items with faster spendouts. This results in higher FY 1980 outlays, and lower outlays in the outyears.

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	72, 216	31, 116
2. Prior action		17, 581
3. Action to date	72, 216	48, 698
4. Target	72, 175	48, 377
5. Over	41	320
6. Under		
7. Action to date	72, 216	48, 698
8. Amount assumed but not yet reported	+515	+469
9. Possible total	72, 731	49, 167
10. Target	72, 175	48, 377
11. Over	556	790
12. Under		

a. Explanation of Difference From Target.

The bill provides $684 million above the House assumptions for Revenue Sharing. The bill provides $469 million in budget authority below amounts assumed in the Resolution for Environmental Protection Agency programs, primarily EPA Construction grants ($400 million). The bill also provides amounts above those assumed in the Resolution for NASA programs ($122 million), and assisted housing programs ($193 million).

b. Amounts Assumed in Budget Resolution but not yet Considered.

Amounts assumed in the Budget Resolution but not yet considered total $517 million in budget authority and $471 million in outlays. These amounts are for the proposed targeted fiscal assistance program and for a number of Veterans Administration initiatives and savings for which legislation has not yet been enacted.

IV. BUDGETARY FLOOR AMENDMENTS

None known at this time.

V. COMPARISON WITH PRESIDENT

This bill provides budget authority of $72,216 million, $507 million below the total requested in the President's budget. Major reductions occur in funds available for the National Credit Union Administration central liquidity facility ($−200 million) and the EPA ($−468 million). Significant additions would be provided for housing programs ($+195 million) and Veterans programs ($+71 million).

H.R. 4440—TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1980 (H. REPT. 96-272)

Committee: Appropriations.

Subcommittee: Transportation.

Chairman: Mr. Duncan (Oregon).

Ranking Minority Member: Mr. Conte (Massachusetts).

Scheduled: Thursday, June 28, 1979.

I. DESCRIPTION OF BILL

This bill funds the Department of Transportation and related agencies. It provides $9,523 million in budget authority (of which $425 million is advance appropriations for urban mass transit in 1981 and $9,098 million for fiscal year 1980) and $5,846 million in outlays.

II. COMPARISON WITH 1ST BUDGET RESOLUTION SPENDING TARGET

This appropriations bill, combined with spendouts from prior appropriations and amounts assigned to the subcommittee but not yet considered, is below the subcommittee targets by $490 million in budget authority and $2 million in outlays.

Explanation of Problem: No major budget problem with the bill as reported.

Explanation of Potential Problem: The potential problem with this bill is that floor amendments are very likely, and if passed will cause the possible total to exceed the Transportation subcommittee outlay target (see III. Summary Table). Further, the Function 400 targets may be breached as well (see VI. Functional Projection).

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	9,098	5,846
2. Prior action		11,655
3. Action to date	9,098	17,501
4. Target	9,771	17,677
5. Over		
6. Under	673	176
7. Action to date	9,098	17,501
8. Amount assumed but not yet reported	183	174
9. Possible total	9,281	17,675
10. Target	9,771	17,677
11. Over		
12. Under	490	2

a. Explanation of Difference from Target (line 12 above).

The possible total is under the target by $490 million in budget authority. Of that, $98 million represents real program reductions. The remainder results from a financing approach which affects budget authority, but which is consistent with the program level and outlays assumed in the Resolution. It is explained as follows: The President's Budget and the Budget Resolution both assume a funding level of $700 million for the Interstate Transfer Grant program. That $700 million consists of $320 million in new budget authority and $380 million in unobligated balances of contract authority. However, the Transportation bill proposes the direct appropriation of the requested $700 million, offset by the rescission of *all* carryover balances of contract authority (totaling $713 million). By rescinding $713 million of unobligated balances of contract authority, the reported bill permits funding of a $700 million interstate program with a net reduction of $13 million in budget authority and makes unnecessary utilization of $380 million provided in the budget resolution.

b. Amounts Assumed in Budget Resolution but not yet Considered (Line 8 above).

The bill provides for the Panama Canal Commission on a six-month basis and is $157 million in budget authority and $149 million in outlays below the amounts assumed in the Resolution for full-year operation of the Commission. The bill does not reflect $25 million in budget authority and outlays for proposed legislation involving establishment of an oil pollution liability and compensation fund.

IV. BUDGETARY FLOOR AMENDMENTS

Specific amendments have not been announced as yet. Amendments were offered in Subcommittee regarding mass transit and highways. Floor amendments are anticipated on Amtrak, highways, and mass transit (including additional operating aid and bus subsidy programs).

V. COMPARISON WITH PRESIDENT

This bill provides budget authority of $9,098 million, $170 million below the total requested in the President's budget. It provides $280 million more in budget authority for the Panama Canal, $347 million less for mass transportation, $150 million less for rail rehabilitation initiatives and miscellaneous increases of $47 million. The prior and new outlays associated with the bill total $17,501 million, $337 million above the President's budget. Additional outlays of $249 million are projected for the Panama Canal, $80 million for urban mass transportation programs, and $8 million miscellaneous.

VI. FUNCTIONAL PROJECTION

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill (function 400)	9,084	5,832
2. Prior action	9,196	11,068
3. Other reported bills	877	1,123
4. Amounts assumed but not yet considered:		
Unfunded portion of Panama Canal Commission	157	149
Rescission of highway trust fund budget authority	−250	
5. Possible total	19,064	18,172
6. Function 400 target	19,450	18,200
7. Over		
8. Under	386	28

Prior action (line 2 above) includes permanents (mostly highway trust fund amounts), outlays from prior-year appropriations, and receipts attributable to the Panama Canal bill.

Other reported bills (line 3 above) include the HUD and State-Justice Appropriations bills, and the Air Noise bill.

Amounts assumed but not yet considered (line 4 above) include $157 million in budget authority and $149 million in outlays for the unfunded portion of the Panama Canal Commission, and also a reduction of $250 million through the rescission of Highway Trust Fund budget authority. If this rescission, included in the budget resolution assumptions, is not effected, then the amount remaining in this function is significantly decreased.

H.R. 4389, LABOR-HEW APPROPRIATIONS BILL, FISCAL YEAR 1980 (H. REPT. 96-244)

Committee: Appropriations.

Subcommittee: Labor-HEW.

Chairman: Mr. Natcher (Kentucky).

Ranking Minority Member: Mr. Michel (Illinois).

Scheduled: Wednesday, June 27, 1979.

I. DESCRIPTION OF BILL

The bill funds the Departments of Labor and Health, Education, and Welfare and 13 other independent agencies. It provides $73,395 million in budget authority and $54,802 million in outlays for Fiscal Year 1980. The bill also provides $172 million in budget authority and outlays as an advance appropriation for Fiscal Year 1982 for the Corporation for Public Broadcasting.

II. COMPARISON WITH 1ST BUDGET RESOLUTION SPENDING TARGET

The Labor-HEW Appropriations bill, combined with budget authority from advance appropriations available in Fiscal Year 1980 and spendouts from prior appropriations as well as amounts assigned to the Subcommittee but not yet considered, is under the Subcommittee targets by $53 million in budget authority and $228 million in outlays.

Explanation of Potential Problem: The amounts assumed in the Resolution but not yet considered by the HEW-Labor Subcommittee include legislative savings totaling $629 million in budget authority and outlays. These entitlements have been funded in the bill at the full current-law level. The proposed savings include reductions of $293 million for AFDC and SSI payments and savings for Title XX state and local training grants (all within the jurisdiction of the Ways and Means Committee). They also include savings in the Medicaid program related to Hospital Cost Containment and other reforms (Ways and Means, Interstate and Foreign Commerce). They also include elimination of the indexing of vocational rehabilitation state grants (Education and Labor). None of these reforms has yet been reported out by the legislative committees. If they are not enacted, while the other not-considered items are eventually funded, then the targets could be substantially exceeded.

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	73,395	54,802
2. Prior action	152	23,560
3. Action to date	73,547	78,362
4. Target	75,644	80,037
5. Over		
6. Under	2,097	1,675
7. Action to date	73,547	78,362
8. Amount assumed but not yet reported	2,044	1,447
9. Possible total	75,591	79,809
10. Target	75,644	80,037
11. Over		
12. Under	53	228

a. Explanation of Difference from Target (line 12. above).

Function	Subcommittee target		Labor-HEW bill		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
500: Education, training, employment and social services	29,104	29,520	28,413	29,227	−691	−293
550: Health	28,485	28,610	27,420	28,158	−1,065	−452
600: Income security	17,960	21,819	17,631	20,892	−329	−927
Other functions	95	88	83	85	−12	−3
Subtotal	75,644	80,037	73,547	78,362	−2,097	−1,675
Less: Amounts in resolution not yet considered	2,044	1,447			+2,044	+1,447
Total	73,600	78,590	73,547	78,362	−53	−228

[1] Amount in bill plus actions to date.

b. Amounts assumed in Budget Resolution but not yet considered. (line 8. above).

The amounts assumed in the First Budget Resolution but not considered in the Committee bill consist of (a) existing programs not authorized under current law, (b) proposed legislation assumed in the Resolution, not yet enacted, and (c) estimated differences. These categories total $2.044 million in budget authority and $1,447 in outlays, as follows:

[In millions of dollars]

	Budget authority	Outlays
(a) Programs not authorized under current law:		
Discretionary health programs	743	273
Indochinese refugee assistance	149	149
ACTION, domestic programs	98	59
Subtotal	990	481
(b) Proposed legislation assumed in resolution, not yet enacted:		
Medicaid—grants to States (net)	74	74
Social services (title XX) and child welfare	534	509
AFDC, SSI, and trade adjustment (net)	42	42
Pay increase for Social Security Administration (trust fund limitation)		62
Subtotal	650	687
(c) Anticipated supplementals under existing law:		
Medicaid—Grants to States	178	178
AFDC—Grants to States	226	101
Subtotal	404	279
Total, assumed in resolution not considered	2,044	1,447

IV. BUDGETARY FLOOR AMENDMENTS

Mr. Early of Massachusetts indicated his intention to increase NIH research funding by $47 million.

Mr. Dodd of Connecticut may offer an amendment to increase education for the handicapped by $150 million. He may also offer an amendment adding $180 million for the emergency fuel assistance program.

An amendment may be offered to increase nutrition programs for the elderly by a minimum of $75 million.

V. COMPARISON WITH PRESIDENT

The Labor-HEW bill provides budget authority of $73,395 million, $204 million below the total requested in the President's budget for the programs considered in the bill. The net reduction results from a decrease in Department of Labor appropriations totaling $882 million (largely CETA) below the President's budget estimates offset by increases above the President's budget in HEW health, education, and social services programs.

H.R. 4393—TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 1980 (H. REP. 96-248)

Committee: Appropriations.

Subcommittee: Treasury, Postal Service, General Government.

Chairman: Mr. Steed (Oklahoma).

Ranking Minority Member: Mr. Miller (Ohio).

Scheduled: Friday, June 29, 1979.

I. DESCRIPTION OF BILL

The bill provides $8,819 million in budget authority and $8,424 million in outlays to fund the Treasury Department, the U.S. Postal Service, the Executive Office of the President and ten other independent agencies.

II. COMPARISON WITH 1ST BUDGET RESOLUTION SPENDING TARGET

This Appropriations bill combined with spendouts from prior appropriations is above the Subcommittee target by $124 million in budget authority and by $112 million in outlays.

Explanation of Problem: The bill is very close to the Budget Resolution assumptions. It is over its target only because the Appropriations Committee provided a target that is more than $100 million below the Resolution assumptions. The Appropriations Committee did not specify where the reductions should occur.

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	8,819	8,424
2. Prior action		326
3. Action to date	8,819	8,750
4. Target	9,151	9,079
5. Over		
6. Under	332	329
7. Action to date	8,819	8,750
8. Amount assumed but not yet reported	456	441
9. Possible total	9,275	9,191
10. Target	9,151	9,079
11. Over	124	112
12. Under		

a. Explanation of Difference From Target (line 11. above).

The bill totals are above the Subcommittee target by $124 million in budget authority and by $112 million in outlays. The bill is consistent with the Resolution but the Appropriations Committee set a target more than $100 million below those assumptions.

b. Amounts Assumed in Budget Resolution but not yet Considered (line 8. above).

The bill does not include $177 million in budget authority and $162 million in outlays assumed in the Budget Resolution to fund the Strategic Materials Stockpile. Legislation is pending which would significantly alter the current concept of stockpile operations; therefore the appropriation was deferred without prejudice. The bill also excludes $279 million in budget authority and outlays for payments to the Civil Service Retirement and Disability Fund. That amount is estimated by CBO to be required as a later supplemental, and was assumed in the Budget Resolution.

IV. BUDGETARY FLOOR AMENDMENTS

None known at this time.

V. COMPARISON WITH PRESIDENT

The bill provides budget authority of $8,819 million, $186 million below amounts requested in the President's budget. The major difference occurs in amounts provided for stockpile operations and other Federal property resources activities in GSA (−$179 million). Smaller reductions would occur for the Internal Revenue Service (−$7 million) and the Executive Office of the President (−$2 million).

H.R. 3919—CRUDE OIL WINDFALL PROFIT TAX OF 1979 (H. REPT.—N.A. ON JUNE 22, 1979)

Committee: Ways and Means.

Chairman: Mr. Ullman (Oregon).

Ranking Minority Member: Mr. Conable (N.Y.).

Scheduled: Thursday, June 28, 1979.

I. DESCRIPTION OF THE BILL

The Crude Oil Windfall Profits Tax Act of 1979 was originally proposed by the President to offset a portion of the increased profits which will fall to the oil industry simply as a result of the Administration's decision to decontrol the price of domestic oil. Decontrol would let oil prices rise in stages to prevailing world prices. A portion would be left with the industry hopefully to encourage further exploration and development; the portion flowing to the Federal government would be earmarked for an energy trust fund to be used to encourage development of alternative energy sources, alleviate the burden of the price increases on particularly hard-hit segments of society and conservation incentives to such sectors as mass transit.

The bill as reported by Ways and Means significantly increased the short-term revenues to be received by the Federal government over the Administration's proposal principally by substituting a 70 percent excise tax on already-discovered oil, for the President's proposed 50 percent rate; by retaining the tax permanently; and by taxing already-discovered Alaskan oil.

While the bill provides for the creation of an Energy Trust Fund for the revenues realized through the imposition of the new tax, it makes no determination as to the disposition of the funds. Thus a major concern of this committee has to be the ultimate fate of this fund, particularly since in addition to authorizing new spending programs funded by the permanent authority of the funds, Congress is likely to adopt new tax credits which will result in revenue losses. Should the total new spending and new revenue reductions exceed the amount to be raised by the new tax, the budgetary impact could be a cause of concern. As reported, the bill will raise a combined total of $28.1 billion through fiscal year 1984.

II. COMPARISON WITH FIRST BUDGET RESOLUTION REVENUE ASSUMPTIONS

This bill was not assumed in the First Budget Resolution for FY 1980.

III. EFFECT ON REVENUES

[In millions of dollars]

	Revenue Effect
1. Current law revenue estimate	$509,000
2. Amount passed by House this year	--------
3. Amount reported but not yet passed	−22
4. Amount in H.R. 3919	+1,900
5. Possible total	510,878
6. Target	509,000
7. Over	1,878
8. Under	--------

IV. BUDGETARY FLOOR AMENDMENTS

In addition to the usual minority motion to recommit with instructions to rewrite, the modified open rule being requested by Ways and Means will provide for one amendment reducing the tax bite on the grounds it will encourage more production and another amendment stiffening the tax to further reduce the profitability of decontrol for the oil industry.

V. COMPARISON WITH PRESIDENT

This proposal was not included in the President's Budget for FY 1980.

H.R. 7—MONETARY CONTROL ACT OF 1979 (H. REPT. 96-263)

Committee: Banking, Finance and Urban Affairs.

Chairman: Mr. Reuss (Wis.).

Ranking Minority Member: Mr. Stanton (Ohio).

Scheduled: Friday, June 29, 1979.

I. DESCRIPTION OF THE BILL

The purpose of the bill is to prevent continuing erosion of Federal Reserve membership. The bill levies reserve requirements against non-members as well as members of the Federal Reserve System. Fees are levied not only on banks but on savings and loan institutions and credit unions.

The reserve requirements are reduced and standardized on transaction accounts. This includes checking accounts with reserve requirements set at 11 percent. The bill also eliminates reserve requirements for many small banks by exempting the first $35 million of demand deposits and the first $10 million to time deposits. The bill also enables the Fed to charge banks for services such as check clearing.

II. COMPARISON WITH FIRST BUDGET RESOLUTION REVENUE ASSUMPTIONS

This bill was not assumed in the First Budget Resolution for FY 1980. It is expected to result in a revenue loss of hundreds of millions in the outyears.

III. EFFECT ON REVENUES

[In millions of dollars]

	Revenue effect
1. Current law revenue estimate	$509,000
2. Amount passed by the House this year	--------
3. Amount reported but not yet passed	+1,808
4. Amount in H.R. 7	−20
5. Possible total	510,878
6. Target	509,000
7. Over	1,878
8. Under	--------

IV. BUDGETARY FLOOR AMENDMENTS

None expected.

V. COMPARISON WITH PRESIDENT

This proposal was not in the President's budget for FY 1980.

State-Justice-Commerce Appropriations, Fiscal Year 1980 (H. Rept. 96–247)

Committee: Appropriations.

Subcommittee: State-Justice-Commerce.

Chairman: Mr. Slack (West Virginia).

Ranking Minority Member: Mr. O'Brien (Illinois).

Scheduled: Friday, June 29, 1979.

I. DESCRIPTION OF BILL

This bill funds the Departments of State, Justice, Commerce, and related independent agencies; it also funds the Judiciary. It provides $7,647 million in budget authority and $6,022 million in outlays.

II. COMPARISON WITH 1ST BUDGET RESOLUTION SPENDING TARGET

This appropriations bill, combined with spendouts from prior appropriations and amounts assigned to the Subcommittee and not yet considered, is below the subcommittee targets by $153 million in budget authority and $256 million in outlays.

Explanation of Problem: No major budget problem with the bill as reported.

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	7,647	6,022
2. Prior action		3,945
3. Action to date	7,647	9,967
4. Target	9,906	10,560
5. Over		
6. Under	2,259	593
7. Action to date	7,647	9,967
8. Amount assumed but not yet reported	2,106	337
9. Possible total	9,753	10,304
10. Target	9,906	10,560
11. Over		
12. Under	153	256

a. Explanation of Difference From Target (line 12. above).

The reported bill makes reductions in a large number of appropriation accounts, most relatively small in dollar amount. The estimate of outlays from prior-year appropriations has been revised, primarily reflecting slower spending in regular EDA programs than been assumed in the First Budget resolution.

b. Amounts Assumed in Budget Resolution but not yet Considered (line 8. above). Amounts assumed in the Budget Resolution but not yet considered total $2,106 million in budget authority and $337 million in outlays. These amounts include funds for a number of programs which are not yet authorized for FY 1980, including (1) Federal Trade Commission, $69 million; (2) EDA regular programs, $609 million; (3) National Development Bank replacement, $500 million; (4) Regional Action Planning Commissions, $74 million; and (5) Law Enforcement Assistance Administration, $440 million. SBA disaster-loan supplementals of $413 million are also assumed in the budget resolution.

IV. BUDGETARY FLOOR AMENDMENTS

No major amendment known at this time.

V. COMPARISON WITH PRESIDENT

This bill provides budget authority of $7,647 million, $321 million below the total requested in the President's budget for comparable items. Major reductions include contributions to international organizations ($41 million), NOAA operations, research and facilities ($30 million), and ship construction ($69 million).

H.R. 3575—Flexibility in Imposition of Marketing Penalties for Peanuts (H. Rept. 96–213)

Committee: Agriculture.

Subcommittee: Oilseeds and rice.

Chairman: Mr. Foley (Wash.).

Ranking Minority Member: Mr. Wampler (Va.).

Scheduled: Monday, June 25, 1979.

I. DESCRIPTION OF BILL

This bill authorizes the Secretary of Agriculture to reduce penalties assessed for violation in the marketing of peanuts, when such violations are determined to be unintentional or inadvertent through the 1981 marketing year.

II. COMPARISON WITH FIRST BUDGET RESOLUTION REVENUE ASSUMPTIONS

This bill was not assumed in the First Budget Resolution for FY 1980.

III. EFFECT ON REVENUES

[In millions of dollars]

	Revenue effect
1. Current law revenue estimate	$509,000
2. Amount passed by the House this year	--------
3. Amount reported but not yet passed	+1,880
4. Amount in H.R. 3575	−2
5. Possible total	510,878
6. Target	509,000
7. Over	1,878
8. Under	--------

●

FRANK J. MORIARITY

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Ms. FERRARO. Mr. Speaker, I would like to take this opportunity to honor an outstanding citizen of the Ninth Congressional District, Mr. Frank J. Moriarity. He is an active and effective community member who has given selflessly of himself as a friend, fellow worker, and neighbor. For 60 years Mr. Moriarity has lived in Woodside and his contributions to that community have earned him the title of "The Mayor of Woodside"—just one way in which his neighbors have come to express their appreciation and love for this fine citizen. The people of Woodside are fortunate to have Mr. Moriarity in their community. He is a credit to Woodside, and I might add, to this country.

It is with much pleasure that I include with this statement the New York State Senate Resolution (No. 136) properly commending Mr. Moriarity for his dedication and involvement. The resolution follows:

Senate Resolution No. 136

Whereas, Frank J. Moriarity of Woodside, Long Island, New York has been a vital force in his community for over sixty years as a sponsor and manager of athletic and recreational activities, a primary fund raiser for various charitable organizations and needy individuals and perhaps most notably as a civil leader; and

Whereas, This dynamic and patriotic gentleman, who celebrated his eighty-fifth birthday on December second, nineteen hundred seventy-seven, is an original member of the Queens Borough President's Community Planning Board No. 2; and

Whereas, This distinguished veteran has served the Blissville Post of the American Legion with untiring dedication, working as Chairman of the Americanization Committee and Graves Registration Committee and is a life Member of John V. Daniels Post 2813, Veterans of Foreign Wars; and

Whereas, Frank Moriarity's boundless energy and unlimited enthusiasm have seen him active and effective on local, county and state levels in the various veteran, civic, political and religious organizations with which he has been associated during his residency in Woodside/Sunnyside since 1921; and

Whereas, An electrician and longstanding active member of Electrical Worker's Local 3, I.B. of E.W., Frank Moriarity has not only literally helped in the physical construction of his city, but has worked in his spare time building its spirit and tending its development in numberless ways such as being a member of the Board of Governors of the Sunnyside Chamber of Commerce, of the one hundred eighth Police Precinct Community Council and of the Coordinating Council of the Queens Vocational High School, among many other varied and diverse organizations which he not only has supported, but also in which he has, in his uniquely effective way, actively participated; and

Whereas, In 1968, Frank J. Moriarity appeared before the United States Secretary of State in Washington, D.C. as a member of the "Free the U.S. Pueblo" Committee, which contributed importantly to the release of the entire crew of the *Pueblo;* now, therefore, be it

Resolved, That this Legislative Body commends Frank J. Moriarity and expresses its most heartfelt gratitude for his wide-ranging, dedicated and untiring service to his community in so many ways while giving unstintingly of his vision and his energy to his fellow citizens, their goals, aspirations and organizations; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to Frank J. Moriarity in Woodside, Queens County.●

EXPLOSIVES TAGGANTS LEAD TO HOMICIDE SUSPECT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. McCLORY. Mr. Speaker, far too little credit is given to the Bureau of Alcohol, Tobacco and Firearms (BATF) in its service directed against the interstate trafficking in explosives. The Bureau effectively supports the investigation and prosecution of violators who cause death and destruction throughout our land every year.

Recently the BATF, under its capable Director, G. R. "Bob" Dickerson, has been supporting legislation to authorize the insertion of taggants, or tiny color-coded, wafflelike, plastic particles in dynamite which can assist BATF agents in determining when and by whom the tagged explosive was manufactured.

The fluorescent bits of material, called microtaggants, for which BATF has asked authority to insert in explosive materials, including dynamite, can be detected by using a magnet or ultraviolet light. Thereafter, determining where an explosive was manufactured, the agents can trace the progress of such materials through a commercial chain, ending in its final utilization.

Mr. Speaker, recently taggants were added to explosives used as a part of a national pilot program established in 1977 and aimed at combating terrorist bombings. As a result of this program taggants placed in explosive materials led last week to the arrest of a suspect in the May 10 bombing death of Nathan A. Allen, Sr. of Baltimore.

Allen died of injuries when a dynamite blast demolished his pickup truck. The taggants contained in the explosive which killed Allen were traced by BATF to the suspect, James L. McFillin of Baltimore, who was arrested last week in Martinsburg, W. Va.

Mr. Speaker, this recent incident establishes without question the effectiveness of inserting taggants in explosive materials, thereby enabling law enforcement officials to apprehend and prosecute individuals suspected of crimes committed when explosives are employed.

Mr. Speaker, under pending legislation, BATF would be authorized to insert taggants in all explosives manufactured in the United States. As the arrest of James L. McFillin demonstrates, this practice could provide immeasurable assistance to the law enforcement community and could lead to the apprehension and prosecution of some of the most vicious criminals in our land, who resort to the manufacture and use of deadly explosives which maim and kill many others just as Nathan A. Allen, Sr., was killed. I am confident that if such legislative authority is provided for the insertion of taggants in explosive materials, the number of felonious and terrorist bombings can be reduced substantially.

Mr. Speaker, I commend the Director of the Bureau of Alcohol, Tobacco and Firearms, G. R. "Bob" Dickerson, and I urge upon my colleagues their active support of H.R. 2441, which will permit the continued and more widespread utilization of taggants in explosive materials which, in turn, can lead to a reduction of terrorist crimes in America and the more certain apprehension and prosecution of those who perpetrate such hideous crimes.●

DR. WALTER B. WAETJEN'S VIEWS ON THE EDUCATIONAL SYSTEM OF THIS COUNTRY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. STOKES. Mr. Speaker, I would like to introduce for the RECORD an article by Walter B. Waetjen, president of Cleveland State University. This article, which recently appeared in the Cleveland Plain Dealer, focuses on the educational system of this country and certain problems which beset it. Dr. Waetjen, who is a professional in the field of educational and child psychology, has been working in higher education, both as a professor and as an administrator, for over 30 years. As such, he has a particularly relevant and unique background which qualifies him to speak out on education and to propose solutions designed to improve the system's ability to address and meet the needs of students in our society.

The article follows:

Education is big business in the United States. Usually things to which people commit a lot of dollars get a lot of public attention. There are two exceptions: government and education.

We pour billions of dollars into government at local, state and federal levels, but the small turnout for elections suggests that we're not really all that interested in government.

The same may be said for education. If this seems to be the usual gripe from one who has a vested interest, it is not, because education is an investment in human capital. Our investment is secured by our active involvement in matters of education, by our insistence on quality, and by our commitment of funds.

Just about every person and organization has been negligent with respect to what has gone on in education for the last 20 years. That includes all levels of education from kindergarten through the graduate school.

Rather than ferreting out culprits, it's time we addressed ourselves to solution of the problem. What is to follow, then, is a call to action, a description of the actions that must be taken in the next five years.

First, we must emphasize once again the extreme importance of learning the basic academic skills that have to do with reading with comprehension, writing with unity and coherence, and being able to use numbers.

Those are the skills that undergird all other learning, and each in its own right is a "language." These skills ultimately make it possible for citizens to enjoy a better quality of life because they can use the languages of letters and numbers to communicate intelligently and effectively.

Second, we must rid ourselves of the belief that elementary and secondary education can be separated from education in community colleges, technical colleges and universities. They are all parts of a system.

For much too long, we have tinkered with one part of the system without realizing its impact on the other parts. Examples abound, but two will suffice: the discontinuance of collegiate foreign language requirements and its impact on the high schools, and the discontinuity between high school mathematics requirements and those of the colleges.

This piecemeal approach is carried to its extreme when legislators declare their intention to increase significantly the funding of elementary and secondary schools while giving universities and community colleges only nominal budget increases.

The reason we do not become more concerned is that the piecemeal approach and its ultimate deterioration of our educational system occur so slowly—and usually under the banner of economy.

Third, there will have to be increased emphasis on science education, scientific research and technology.

How can this be, when in the not-too-distant past we placed a man on the moon? The answer is that we have done little to enrich our science education programs in the last decade. That in contrast to the 1960's when curricula in math, physics, biology and chemistry were revamped extensively.

Bodies of scientific knowledge are constantly changing, because of research findings, and curricula need to be revised periodically.

All right, you say, let's get to it. We've done the research, now let's follow through. Sadly, we have not had all that much research, because it costs money and the research dollars are in ever-declining supply from the federal government. Inflation has eroded purchasing power to the point where current expenditures of the National Science Foundation for science education represent a 79 percent reduction in purchasing power from 1968.

Without a strong national commitment to science and technology, it is clear that scientific research in universities will lag and that science programs in elementary and secondary schools with not flourish.

It could well be that the entire scientific posture of this country is back where it was in the early 1950's. But there is a very real need to maintain leadership in science and technology since our domestic economy is built on it.

Fourth, the matter of energy will have to be addressed at all levels of our educational system. The frontier attitude that energy sources are unlimited must be dispelled. Solutions to the problem are long-range and deserve consideration in curricula of elementary, secondary and post-secondary schools.

Even young children can learn to understand, for example, that excessive importing of foreign oil drains our national economy and hurts every family by causing unemployment and feeding inflationary pressures.

The research capabilities of universities can be brought to bear on this problem, too. Research is needed on additional energy sources such as geothermal steam, burning of waste, nuclear reaction, shale, coal, solar rays and wind.

Fifth is the problem of our cities. People have to be educated about the forces that give rise to cities, their changing nature, the role and functions of city governments, the diversity of life-styles in urban centers and the problems confronting cities.

Almost every national problem has its emphasis in and focus on urban centers: housing, education, transportation, changing population trends, air and water pollution, declining tax base and crime.

Merely living in a city does not give a citizen the insights necessary to help preserve it. Such insights will have to be developed in classrooms. In addition, we desperately need research and demonstration projects to help solve urban problems.

An anomaly of our state government is that funds are not specifically earmarked in the budget for solution of urban problems. In contrast, money for agricultural research is identified.

The budget of the state of Ohio provides $30 million for agricultural research—and it is needed. No dollars are budgeted for urban research, even though many Ohio cities are in serious trouble.

Urban universities could help, since they have a wealth of faculty talent. Can our state and nation afford not to do something about our cities?

People usually regard war as a significant and colorful enterprise. We deny that it is, but we symbolize the glamour and importance war holds for us. In somber, morning-after moods, we periodically swear off war. When war comes we put our lives, our fortunes and sacred honor into the fray. In dice-player's idiom, we shoot the works.

People's attitude toward education has been the reverse of their attitude toward war. We proclaim that education is the ultimate of all human tasks, that its impacts on the happiness and prosperity of a society are monumental and that its values transcend all others.

Then we proceed cautiously to confine education to a little book learning and dole it out in bargain lots to groups privileged in certain economic and social ways.

We serve education timidly. We do not shoot the works as we do in war. We shoot four bits and then gripe that our winnings are small.

We really don't have to shoot the works on education, but we should do better than four bits. Better, that is, if we want to achieve the agenda for education described above.●

SAVING MONEY IN SCOTTSDALE, ARIZ.

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. RHODES. Mr. Speaker, a recent newspaper article featured the pragmatic cost-savings approach of the city of Scottsdale, Ariz., in my congressional district. The city has found that it does not need massive Government to provide services, and that contracting them out is cost effective.

When we see the huge problems, the vast cost overruns, and the poor service that have become endemic in our major metropolitan areas, it is encouraging that cities are now investigating privatization of city services, with resulting improvements in efficiency and savings to the taxpayers who support city functions.

I urge my colleagues to read this article, written by Frank Aleskire, city manager of Scottsdale, which appeared in the Christian Science Monitor of June 20, 1979.

Text of the article is as follows:

When a lime-green fire truck pulls up to a house in Scottsdale, Arizona, you know this is a city with a difference. The fact that Scottsdale taxpayers spend one-half to one-third the national average for fire protection is reason enough to wonder how they do it.

Since incorporation in 1951 Scottsdale has contracted with a private company to manage and operate the fire department. In years past the Scottsdale plan has been treated as a novelty by other cities and as a potential disaster by the fire fighters' union. But today, beleaguered city officials across the land are taking a second look at any measure which promises to cut the cost of government.

Maybe the most positive thing that can be said about Proposition 13—California's voter-mandated tax-cutting measure—is that it has definitely triggered a change in public opinion. And because of that mayors and managers from New York to California are taking renewed interest in tax reduction, productivity improvement, and shrink management.

Scottsdale has a reputation as an innovative city. Besides a private fire department the city has pioneered "Godzilla," the mechanized one-man refuse truck. The city has also developed, with the Corps of Engineers, a nonstructural approach to flood control—Indian Bend Wash, a seven-mile greenbelt. These well-publicized innovations are only possible because the city council over the years has promoted a "risk taking philosophy." Councilmen have actively supported efforts to find better ways to do things. One example of a difference in approach is that Scottsdale believes in contracting for services instead of always "doing it yourself."

The city has 450 contracts with other agencies and with private firms and individuals to provide services to citizens. These services cover everything the city does from security guards at the airport to TV cameras in the sewers. The city contracts for grounds maintenance, custodial services, computerized library catalogs, auditing, consignment purchasing, pothole patching, radio maintenance, and many other programs.

Contracting for services certainly is not a new idea. Back in 1954 the Lakewood plan was born in Los Angeles County. Cities learned to contract with the county for services and found that the cost of government could be reduced by eliminating duplication and overhead.

Out of that experience grew the realization that cities could contract with each other and with school districts and with private companies. Whatever works best for the citizen—the taxpayer—is the way it ought to be.

Scottsdale has a close working relationship with its local school district. Three years ago the city and the school district entered into an agreement to time-share a Honeywell 6023 computer. The taxpayers saved over $100,000 a year in computer costs. The city and schools also share parks, community buildings, swimming pools, and ballfields on a formal contractual basis thereby saving thousands of dollars yearly. Currently the city is negotiating to lease two schools which are scheduled to be closed because of declining enrollment. This will postpone a multimillion-dollar city building program and provide lease income for the schools.

If contracting or "privatization" is such a good idea, how come more cities don't try it? The fact is more cities are trying it—especially in California where the tax reduction movement is placing increasing pressure on city hall to spend less. Last month Long Beach State University had an all-day seminar for city managers to exchange ideas on how to contract for services. The standing-room-only turnout shows how California managers are thinking.

Successful contracting depends upon two essential ingredients. First, the elected officials (city council) must really want to explore alternative ways of doing the job. They must require staff people to provide information on which to base decisions, and they must be willing to provide the leadership in the community to try something new. Sometimes they have to take some "flak" from vested interests.

The second essential ingredient for successful contracting is good management. Many people think that when you contract a service you transfer the responsibility to someone else. Not so. In many respects it is more difficult to manage contracts than it is to direct your own people. Good contract management requires: (1) a clear statement of what is to be done; (2) regular monitoring of performance, and (3) evaluation of results.

By and large government managers haven't been trained in contract administration. Government administrators are heavy on "body counting"—personnel management and supervision—but they are weak on results-oriented management. This points to a need for more training in MBO (management by objectives) and better measurement techniques for improving efficiency and effectiveness at city hall.

"Privatization" or contracting for city services is an idea whose time has come. Local government is in the best position of any level of government to get "more bang for the buck" for the overburdened taxpayer, and thereby help to improve the overall productivity of this country.●

PRISONERS NEED CETA, TOO

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. CONYERS. Mr. Speaker, on Wednesday, June 27, when the House begins its consideration of H.R. 4389, the Departments of Labor/HEW appropriations bill, an amendment may be offered to reverse the earlier action taken by the Appropriations Committee to bar incarcerated offenders from receiving 1980 Comprehensive Employment and Training Act (CETA) funds.

The Appropriations Committee took its action after learning that 27 prisoners at the Washington, D.C., Lorton Reformatory had been paid Federal job-training funds, and that some of these prisoners were not eligible for release until after the year 2000. The Department of Labor has initiated an investigation into these alleged abuses at the Lorton Reformatory, and it is my understanding their final investigation will be concluded in a few days.

In my judgment, the action of the Appropriations Committee is overbroad. It would punish all prisoners who are working in CETA programs rather than focusing on the few governments (prime sponsors) which may be misapplying CETA funds. The Secretary of Labor has the authority to require the repayment of misspent funds, and the Department of Labor is proposing strengthened regulations which would further restrict payments to prisoners, thus obviating the need for further legislation in this area. Moreover, no evidence has been shown to indicate a national problem. It is premature to enact broad Federal legislation to remedy a single incident of abuse in the District of Columbia without knowing the precise extent and nature of the problem.

It is estimated that approximately 150,000 prisoners will be barred from participating in CETA programs as a result of the Appropriations Committee action, and it should be noted that of a national civilian labor force of 100 million persons, fully 25 million meet DOL's definition of offender. Job training and employment upon release is the single most effective way of reducing recidivism. Depriving prisoners of an opportunity to rehabilitate themselves by obtaining useful skills and job opportunities will only compound the problems of the revolving door of the Criminal Justice System.

Offenders are not a priority to the majority of employers. These persons are in special need of employment and training programs, and I would urge my colleagues to support this action to delete the committee provision.

Comment from DOL Secretary Ray Marshall has been received on the "prisoner restriction," and the Department of Labor is opposed to the committee action. At this point, I have inserted the full text of the Secretary's letter to me for review and consideration by my colleagues.

The letter follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 22, 1979.

Hon. JOHN CONYERS, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CONYERS: This letter is in response to your request for the views of the Department of Labor on an amendment to the Labor Department's Appropriation bill that would prohibit the use of funds for paying "prisoners for work performed during their incarceration." The Department is opposed to the amendment.

Prisoners nearing release from prison participate in programs run by prime sponsors throughout the Comprehensive Employment and Training Act (CETA). They also participate in programs funded pursuant to the statutory requirement for offenders programs under title III of CETA.

The amendment would appear to eliminate work experience and public service employment programs for all prisoners, although training programs would seem not to be affected because there is no "pay for work" in such a case. Less clear, however, is what is meant by "incarceration." A broad reading of the term would mean that prisoners eligible for parole, those eligible for work-release programs, and those in halfway houses and like situations could not participate in public service employment or work experience programs.

We are opposed to limiting the participation of prisoners near release. The transition into society after release from prison is difficult. We believe job experience can substantially ease this transition. Clearly, concern with the high unemployment among those released from prison was one of the reasons Congress adopted the title III offenders program.

We understand that the amendment is a result of reports of prisoners who are not near release from prison participating in CETA job programs at high wages. If this is the situation that the amendment was intended to eliminate, the amendment is both unnecessary and overbroad.

The new CETA law and regulations emphasize that the purpose of CETA jobs programs is to transition persons into regular employment and to enhance self-sufficiency. We do not believe that prisoners who are not near release are intended to be served. In order to make clear that this type of prisoner is not eligible for CETA programs, the Department will issue proposed regulations allowing the inclusion in CETA programs only of prisoners who are within 18 months of potential release. We also would point out that most of the prisoners in CETA programs are receiving only the minimum wage since the new CETA law provides strict wage limitations.

We feel any question about prisoner eligibility for CETA programs will be clarified by the proposed regulatory change. Therefore, we believe no legislative change is necessary to limit prisoner eligibility. We urge that the amendment be deleted from the Appropriations bill.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

RAY MARSHALL,
Secretary of Labor.●

WEAPON SYSTEMS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. ASPIN. Mr. Speaker, the Pentagon has approved production of a $3.7 billion weapon system, even though top Army officials say that other weapons can do the same job at significantly lower cost.

I am talking about the Roland missile, manufactured by Hughes Aircraft and Boeing. It was designed as a surface-to-air missile for defending air bases and other critical assets in the rear areas of Western Europe in the event of a NATO/Warsaw Pact war.

All analyses indicate that Roland is far from the best system available. The Army leadership, in fact, was told by its air defense experts that no compelling justification has been found for fielding Roland or for continuing its development.

This conclusion was reached by studies completed last February and April by the Army's Training and Doctrine Command, the Defense Audit Service, and was confirmed by an independent evaluation group at Department of Army Headquarters.

All these studies show that improved versions of the Hawk and Chaparral missiles—which are already fielded—would provide equal or better defense, and at significantly lower cost.

The program cost for Roland is estimated by the Defense Audit Service to be $3.7 billion. By contrast, the Improved Hawk will cost somewhat less than $2.3 billion. The Improved Chaparral with a forward-looking infrared (FLIR) device and a post seeker will cost about $1.2 billion.

Dr. William Perry, Under Secretary of Defense for Research and Engineering, has testified in support of Roland, but has also stated that he would not favor buying the missile if it were $1 billion more expensive than any of its alternatives. Before the Senate Armed Services Committee last May 10, Dr. Perry said:

> "I would not be willing to pay the $1 billion differential . . .
>
> I would not be testifying this way if I thought that there was a $1 billion difference in the cost of the system.

Mr. Speaker, Roland exceeds Improved Hawk by $1.4 billion and Improved Chaparral by about $2.5 billion. Putting these figures alongside Dr. Perry's testimony, I can only conclude that Roland should not be purchased, that the funding for this system should stop at once.

Still, the Pentagon approved a production go-ahead on May 31.

Roland appears to be a totally unnecessary weapon that has stayed alive only due to corporate collusion and misleading claims about NATO politics.

It is the final dubious item in the notorious legacy of Malcolm Currie. Many of you will remember that Dr. Currie was Director of Defense Research and Engineering during the Nixon-Ford years. A vice president for R. & D. at Hughes Aircraft before coming to the Pentagon, he returned to the post of vice president for policy at Hughes after leaving "public service." During his tenure at the Pentagon, he was accused of numerous conflict-of-interest activities, most notably on the Rockwell-Hughes Condor missile, a totally worthless system that was written about in numerous publications and finally, sensibly, killed by Congress in the fall of 1976.

Roland may turn out be a bigger scandal than Condor. It seems that Dr. Currie was chiefly responsible for getting Roland underway, as well, and in a very deceptive fashion. According to a study by the Defense Audit Service, the first Defense System Acquisition Review Council (DSARC) considering Roland, held in 1974, failed to provide the decisionmakers with relevant information. Specifically, the DSARC did not receive adequate assurance that alternative approaches to satisfying the mission needs were evaluated; that optimum balance in cost, performance, and schedule was achieved; that technical and product risks were identified and practicable solutions were prepared. In fact, none of these things had been assured. The Defense Audit Service goes on to say:

> "In our opinion, these and other shortcomings in the DSARC process were traceable to a joint decision made by the Director, Defense Research and Engineering—"

That is, by Dr. Malcolm Currie:

> "and Department of Army officials to restrict access to . . . selection information to a very select few people."

It seems that Dr. Currie and some Army officials laid it out like this: Either buy Roland or forget about the short-range air defense (SHORAD) mission altogether. No alternatives to Roland were offered, the pros and cons of various systems were not discussed. It was a sneaky and dishonest business all around.

Since this time, Roland has been justified as part of the "NATO Standardization" policy. Roland was originally a German-French missile that the United States agreed to purchase as part of a growing "two-way street" policy in NATO weapons procurement.

Roland's defenders say that if we do not buy Roland, the Europeans might not buy Patriot, an American missile needed for NATO flank defense.

There are two problems with this argument. First, the Europeans have not yet agreed to buy Patriot, and they may not look at it as part of a Roland trade-off.

Second, and I think this is fundamental, the whole purpose of standardization is to strengthen the common NATO defense. Yet the U.S. Army will be weakened if it procures the costly Roland, because it will have to divert scarce funds from other programs that are more effective.

I am all in favor of sensible standardization and interoperability of weapons systems. But this sort of pursuit of standardization for its own sake will result in our spending more money for less capability in NATO.

Tests on Roland, furthermore, indicate that it does not even work very well. Its range falls short of specifications, its electrical system and environmental control unit break down frequently, it is vulnerable to numerous countermeasures, and it may not be effective against certain kinds of targets.

The cost overruns on this missile have been staggering. From fiscal year 1977 to the present, its program cost estimate has skyrocketed from $942 million to $3.7 billion—a 300-percent increase in 3 years. Congress has been so disturbed by these overruns that in fiscal year 1978, we imposed a $265 million ceiling on Roland's development costs.

The project managers for Roland may have found a tricky way around this ceiling, however. One line item in the procurement account for Roland, "Engineering Services," has climbed from $70.8 million to $307.9 million since 1975. Nobody I have consulted can tell me just what "Engineering Services" means, or why something this obscure should cost $307.9 million. It may very well be that these are really development costs, and that they have been put in the accounting books as part of "procurement" as a way of evading the congressionally imposed ceiling. This is perhaps a matter for investigation by the GAO.

I might note that the House Armed Services Committee voted against Roland last May. The committee deleted the administration's full request of $296.9 million for procurement and $11.3 million for R. & D. from the fiscal year 1980 budget. This vote to kill Roland was an overwhelming 31 to 12. The reason, as stated in the committee's report:

> . . . for every mission where Roland could be considered a candidate system, alternative systems are available that provide comparable defense capability at significantly less cost.

The Senate Armed Services Committee originally voted against Roland, as well. But the record clearly shows that a special meeting was called the next day—after a busy night on the telephone for Hughes and Boeing lobbyists—and the vote was reversed.

It is all up to the conference now, but the problem is that the three delegates from the House Procurement Subcommittee all voted in favor of Roland, and may push their own sentiments, despite the overwhelming mandate of the full committee.

It is apparent that Roland is almost a classic case of a weapon that should have been killed from the very beginning. For the U.S. Army's and the taxpayer's sake, I hope it is killed now.●

"DOC" GODDARD, ENVIRONMENTALIST

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. MURTHA. Mr. Speaker, recently, a testimonial dinner was held for a man who has been a true giant in his field, a legend in his own time, a man who will always be remembered for his dedication to government and public service. I speak of former Pennsylvania Secretary of Environmental Resources, Maurice K. Goddard.

When I served in the State legislature for 5 years I had a chance to work personally with Dr. Goddard. In the years before and after my own service in Harrisburg, I had a chance to watch in Pennsylvania the development of a truly remarkable record. Dr. Goddard served Pennsylvanians for 25 years, under five different Governors, and compiled a record second to none in the conservation field.

Please let me list some of the accomplishments of that quarter century of service:

Under his leadership in Pennsylvania 45 parks totaling 129,588 acres in 35 counties were added to the State Park System. Dr. Goddard wanted a park within 25 miles of every resident of the Commonwealth, and citizens for centuries to come will benefit from his effort.

As a result of his commitment, Pennsylvania was the first State to have a forest management plan for each of its forests, and was also the first State in the East to use aircraft for forest fire control.

Dr. Goddard has been a great advocate of the water basin commission approach to area water problems, and because of his leadership the quantity and quality of water available throughout the Northeast was greatly enhanced.

A point often overlooked is that for 25 years Dr. Goddard attracted top-quality personnel to State government. He had an extremely effective enforcement staff, he took the department of forests and waters out of politics and placed its employees under civil service, and, in this time of corruption, it should be noted that in 25 years of government service not one accusation of unethical behavior or illegal activity ever touched Dr. Goddard.

He presided over the implementation of Pennsylvania's pioneer strip mining law.

He gained national recognition for his work in pollution control and abatement, particularly with acid mine drainage. He was appointed by the President to serve on the Water Pollution Control Advisory Board and the National Advisory Environmental Health Committee.

I also want to add that it is significant that at a recent testimonial dinner for Dr. Goddard there were representatives of labor management, mining, steel, industrial leaders, environmental organizations, hunters, fishermen, academicians, and Federal and State Government officials. I point that out to show that Dr. Goddard always worked for the programs and policies that were positive for all of the Commonwealth. He worked to be fair, and to do what was best for all the citizens of Pennsylvania.

As he made his decisions and worked for solutions, not everyone always agreed with the final decision, but no one could help but admire his accessibility, candor, fairness, courage, and integrity.

I am glad to note that in his retirement from State government, Dr. Goddard will continue to serve on the Susquehanna River Basin Commission, and other groups where he can continue to contribute to the environmental progress of the Nation.

In the past when people have talked about the great environmental leaders associated with Pennsylvania, the name that always came to mind was Gifford Pinchot. I have no doubt that he is now joined by a second name, and I add my congratulations to the outstanding record of Maurice "Doc" Goddard.●

LITHUANIAN 39TH ANNIVERSARY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. MAVROULES. Mr. Speaker, June 15 marked the 39th anniversary of the Soviet Union's invasion of Lithuania. Since that day so long ago, the freedom-loving Lithuanian people have remained virtual slaves in their own country. Many, in fact, have been forced to leave their homes, exiled to Siberia, or condemned to death in barbarous slave labor camps.

Actually, the events since 1940 mark only the most recent chapter in the long history of Russian occupation of Lithuania. Prior to 1918, the Baltic nation had for centuries been a province of Csarist Russia. After less than a quarter century of independence, Lithuania was again occupied, through the infamous pact between Hitler and Stalin, which divided Poland and the Baltic States, sounding the death knell for freedom throughout the region.

The Russians assumed that, in time, the Lithuanians would lose all sense of themselves as a people, that the younger generations, raised under communism, would become model Soviet citizens, meekly following their master's orders. In fact, the Lithuanian people have never given up their strong desire for freedom. Even now, the resistance movement lives, despite the systematic torture and imprisonment of its leaders, and many of their followers.

Two of these leaders, living examples of Lithuanian resistance, are Viktoras Petkus and Balys Gajauskas. These two brave men are currently serving lengthy sentences in Soviet concentration camps. Their "crimes" are that they wish to live as free men, and not grovel as slaves. Activists for the most basic human rights, they represented a serious threat to the Russian totalitarian state, and have, as a result, been sentenced to 10 years apiece in prison, followed by 5 years of exile from Lithuania.

Viktoras Petkus and Balys Gajauskas

are far from criminals. They are, in truth, worthy heroes for freedom-loving people everywhere. I call upon the Soviet Union to fulfill the terms of the Helsinki accords, and permit them to emigrate to the West, where they may live a life free of tyranny and oppression.●

ELDERLY HOMEOWNERS' RELIEF ACT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. DONNELLY. Mr. Speaker, it gives me great pleasure to introduce the Elderly Homeowners' Relief Act. This legislation authorizes the Federal Home Loan Bank Board to permit federally chartered savings and loan associations to offer a unique and innovative financial instrument to our Nation's elderly, the reverse annuity mortgage (RAM).

I am sure my colleagues in the House of Representatives are all familiar with elderly couples or individuals in their districts who, after working hard all their lives to own their own homes free and clear, now are faced with the gloomy and heart-wrenching prospect of selling their residence due to their inability to meet skyrocketing property taxes and housing maintenance costs. Even more common are the elderly who must put their every extra penny of income into meeting the costs of home maintenance, and thus deny themselves the pleasures of retirement years they have anticipated for so long.

The startling fact, Mr. Speaker, is that elderly Americans have some $90 billion in assets frozen in the equity they have built up in their homes. For many, there is no way of utilizing these assets except by selling the home, a step few are emotionally prepared to take and one that does not, in these inflationary times, insure a secure future.

The bill I am introducing today, Mr. Speaker, encourages the accessability of a much-needed alternative for the elderly, the reverse annuity mortgage. A reverse annuity mortgage is an agreement between a lending institution and a borrower which provides for the liquefication of the assets frozen in the home into a lump sum or a monthly stream of payments to the homeowner. The RAM may be structured in numerous ways to provide for repayment of the loan, following death of the borrower or spouse, from the estate. The amount of the loan would be equal to a percentage of the total value of the home at a margin which allows for a controlling interest in the equity of the home by the borrower, and which allows for the home's bequest at death. The security of the loan would be based on the value of the property, rather than is customary on the income of the homeowner.

Mr. Speaker, in conclusion, I believe we in Congress have sought to relieve the housing plight of many elderly Americans, after the fact, after they are forced to sell their home. While I commend and join my colleagues in efforts to improve and make available low-income rental housing to older Americans, I also urge my colleagues to join with me in addressing themselves to the "Catch-22" situation faced by the 75 percent of the elderly who continue to reside in their own homes—that is, the only way they can afford to live their remaining years in their home, is to sell it. With the steadily increasing aging of the population, the time for reverse annuity mortgages is long overdue.●

SALT II

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. LEHMAN. Mr. Speaker, the signing of the SALT II treaty last week was an important achievement in the long and torturous arms control negotiating process.

It provides us with greater hope for the future, and sends a message to all the world that we have resolved to prevent the horrors of nuclear war.

Although the treaty permits both sides to possess huge arsenals of destruction, we cannot forget that SALT is a continuing process. It is a process that must continue if future generations are to have a chance of survival.

A recent editorial in the Miami Herald discussed what SALT II means in the context of long-range arms control goals. I believe my colleagues will find the following editorial of interest:

SALT IS GRANDFATHER'S GIFT OF HOPE TO NEW GENERATIONS

It is somehow fitting that two grandfathers—James Earl Carter, 55, and Leonid Ilyich Brezhnev, 72—wrote the 16 signatures that commit the United States and the Soviet Union to a series of ceilings on nuclear weapons. These agreements, the latest stage in the Strategic Arms Limitation Talks, may let the world relax a bit, but it will take a great deal more work, more tough negotiating, before the grandchildren of Mr. Carter and Mr. Brezhnev can enjoy true arms control.

That's a cold-blooded thought to inject into these days of hugs, and kisses, and champagne toasts, and good feeling, but it must be remembered: This SALT agreement is only one more step on a long highway. Both Washington and Moscow deserve the world's praise for conducting this long process of negotiations, bu the struggle is not over yet.

There is a parallel between SALT and the worldwide naval conference held in Washington in 1921. At that meeting, the major naval powers agreed to what now are considered oversimplified limits on battleships. Those very decisions forced the development of aircraft carriers—even deadlier weapons.

The SALT negotiators have, until now, focused on the weapon that provides the greatest chance for destroying the world: the long-range, high-accuracy, land-based missile. The treaty, if ratified, will control numbers, size, weight, fuel loadings, and numbers of warheads of intercontinental ballistic missiles.

But in their efforts to control missiles, the U.S. negotiators have indirectly encouraged the Soviet Union to build missile-firing submarines because they believed that the U.S. Navy's sub-detection and killing capabilities were superior. The Soviet diplomats, in the same way, nudged the Pentagon toward air-launched cruise missiles because the Kremlin has confidence in Soviet air defenses.

SALT is less arms control and more efforts to channel competition. With one avenue limited, scientists push their efforts into new directions; the Soviets now have faster submarines that fire MIRVed missiles; the United States has a cruise-missile guidance system that can read an electronic map. Both sides are pursuing research that could lead to a war in outer space.

Seen in these terms, SALT is just a different type of treadmill. But it has its advantages. Spending money on new designs of limited weapons is infinitely better than spending money on unlimited numbers of weapons. And both sides make some progress each time they decide on new limits.

SALT III is the next phase, and the problems here will be even greater. There may be some way to achieve substantial reductions in the numbers of heavy missiles; there must be controls on weapons of shorter range that now can be used in Europe; and both sides may be able to find ways to prevent some technologies, such as lasers, from becoming agents of war instead of peace.

The ceremony in the grand ballroom of the Hofburg Palace was another plateau. Opponents of SALT in the United States are threatening to change the treaty during Senate debate. No one knows who will succeed the ailing Mr. Brezhnev.

But Americans and Russians must commit themselves to reducing the chances of nuclear war even though both sides will compete in other areas. If they do, the chances will increase that the grandchildren of Mr. Carter and Mr. Brezhnev—and the future peoples of the world—will have a better chance for peace.●

ELKHART TRUTH URGES PASSAGE OF SYNTHETIC FUELS BILL

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. BRADEMAS. Mr. Speaker, this week the House of Representatives will consider legislation to substantially increase the production of synthetic fuels in the United States.

I insert at this point in the RECORD an excellent editorial from the Elkhart (Ind.) Truth, of June 12, 1979, strongly endorsing this congressional initiative.

The editorial follows:

ENCOURAGE SYNTHETICS

One of the consequences of paying more for oil, we've been told, is that at some point the going price will be high enough to make it pay to produce synthetic fuel or oil from unusual sources. Some of the possibilities are alcohol from grain or natural wastes, various synthetics derived from coal, and oil extracted from shale deposits.

Fuel from these sources would be made in the United States and give this country some leverage against the oil manipulations of the OPEC cartel. The question is, when can large-scale production of these fuels start?

An oil company executive said recently that the price of gasoline will have to reach $1.50 a gallon before it is economical for a company to invest in one of these new fuel sources. By then, the world price of oil would be disastrously high. Moreover, the Arab countries already are showing unmistakable signs of using their hold on supplies to gain political advantage. Still-higher world oil prices and greater dependence on imports threaten both our economic security and the independence of our foreign policy.

These threats represent an emergency that can be compared to the emergency of war. We can reach back to World War II for an example of how the United States once met such a challenge.

In 1941, the technical process for making synthetic rubber was well known, but there wasn't reason to produce it in large quantities until the war threatened our supplies of natural rubber from overseas. Then, in one of those heroic industrial efforts that war calls forth, it took exactly 287 days to design, build and begin operating the first plant. By the end of the war the United States had 51 plants capable of producing more synthetic rubber than the amount of natural rubber the country was using when the war started.

Could a similar effort today help us break the OPEC grip on our energy supply? The wartime synthetic rubber plants were financed by government and operated on a fee basis by rubber and petrochemical companies. After the war, the companies bought most of the plants. Today, a push for synthetic fuels could be undertaken with the government playing only a financial role.

The government itself is a huge customer for fuel. The Defense Department alone uses about 500,000 barrels a day. The Defense Department could be made a prime customer for synthetic fuel, with payment guaranteed by Congress. This would create the beginning of a market, to be expanded into other areas. Production companies would have incentive in assured sales to build facilities. The Defense Department, in turn, would be certain of a fuel alternative that could not be manipulated by foreign interests.

A national policy of encouraging production of synthetic fuel also could take the form of guaranteed loans for construction of production facilities. Financing could easily be found in the new revenue the government stands to earn from decontrol of oil prices. The government will gain $13.3 billion in new revenue from oil company profits in the next seven years under current corporate income tax rates. If the proposed windfall profits tax is imposed, the figure would rise to $29.7 billion.

The partnership of government and industry in energy research is already longstanding. Expanding into joint financing of the production of alternative fuels would lower the price-threshold that must be crossed before those fuels become competitive with oil and gas. The plan could call for recovery of the government investment over the long run.

The Carter administration has seen almost every one of its energy proposals so far defeated. Band-Aid measures trying to save a little energy here and there aren't convincing. A big-scale effort to produce synthetic fuels and lessen the power of our foreign suppliers would appeal to the country's desire to accomplish something. It would win support, because it is an answer to the country's crying need to produce more fuel.●

CONTAINER DEPOSITS ARE NO PANACEA

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. MOLLOHAN. Mr. Speaker, for several years now I have followed with keen interest the public debate on whether or not mandatory deposits should be placed on beverage containers. Various benefits have been cited as resulting from such action. Litter will disappear. Energy will be saved. Jobs will be created. Consumer costs will be lower. Scarce resources will be preserved. Proponents would have the unsuspecting belief that heaven would be the end result of imposing mandatory deposits. But we all know that there are two sides to every story, and it is no different on this issue. There is indeed another side to the mandatory deposit question, one 'that calls into serious question—and in some instances, downright refutes—claims made for this concept. It is the other side of this issue that I would like to outline for the consideration of my colleagues.

LITTER REDUCTION

Listening to the rhetoric about the positive benefits of mandatory deposits on litter control, one would think that beverage containers are the prime cause of our litter problem. That is simply not the case, nor will mandatory deposits result in an appreciable decrease in the overall amount of litter in our society. Consider the following:

First, beverage litter makes up only about 20 percent of rural highway litter and 5 percent of city street litter, by item count. So even if all beverage cans, bottles, caps, and pull tabs were eliminated, 80 percent of the litter would still be there.

Second, over 93 percent of canned beverages are consumed indoors, on private property, or at sporting arenas, so they are not even candidates to become litter.

Third, in Oregon, the first State to adopt mandatory deposit legislation, overall litter was reduced by 10.6 percent at the end of 1 year. That is not significant, of course. But wait: At the end of 5 years, litter reduction was only 3 percent. The Oregon experience proves that mandatory deposits aren't going to provide dramatic reductions in litter because bottles and cans simply do not make up that much of the litter problem. Paper and paper products, which our friends at the prodeposit Washington Post are loathe to admit, make up more than 60 percent of the litter problem. Beverage deposit legislation is not going to do a darned thing to solve that overwhelming part of the problem.

Fourth, before the Michigan deposit law went into effect, the Institute for Applied Research conducted a litter survey there, at the request of the State legislature. The institute reported that beverage bottles and cans constituted only 12.2 percent of the visual roadside litter. The institute calculated that even if litter from bevearge containers was completely eradicated in Michigan, highway litter removal costs would be reduced only 7.9 percent, from the $69.20 per mile to $64.58 per mile. So much for the trumpet call that mandatory deposit legislation will result in significantly lower litter collection costs.

Quite simply, to worship mandatory deposit legislation as a miracle solution to the litter problem is to worship a false god.

ENERGY SAVINGS

Mandatory deposit proponents contend that by moving to a system of refillable containers we will save energy. But consider this:

First, a nationwide system of all-refillable containers would consume 11 trillion more BTU's of petroleum every year than an all-can system. That is 2 million actual barrels of oil.

Second, conversion to an all-refillable system could use up an additional 8.5 million actual barrels of petroleum in conversion alone.

One environmental specialist has reviewed all the data on energy consumption comparisons between returnables and no-deposit containers. His conclusion: "It is time to stop the simplistic claim that 'return to returnables' will save vast amounts of our national energy. It won't."

THE JOB IMPACT

Those who support mandatory deposit legislation contend it will create more jobs. They are right. But what kind of jobs? Ah, that is the catch. We would be trading high-paying, skilled jobs for low-paying unskilled jobs. We would be asking steelworkers and glass industry workers to give up good paying jobs to stack bottles in grocery stores and wash bottles in breweries and soft drink bottling plants. Consider the following:

First, the Department of Commerce has concluded that mandatory deposit legislation would cost tens of thousands of jobs in the can and glass industries (not to mention in the basic steel industry). The average lost wage would be $17,000 per year plus benefits.

Second, the Department of Commerce calculates that tens of thousands of replacement jobs would be created all right, but not necessarily in the same geographic areas and certainly not at the same wages. Most of the jobs would be bottle handlers and sorters and would pay $2.65 to $3.50 per hour. A great many of them would be part-time jobs.

Third, even the Environmental Protection Agency, long a prime backer of mandatory deposit legislation, admits that the loss of skilled jobs "would be an important social cost of deposit legislation." In Michigan, 250 persons have already lost jobs and the deposit law there is only 6 months old.

We talk constantly and with good reason about the import pressures on Amercain jobs. We have a trigger price mechanism to protect our steel industry from unfair foreign competition. And, in the same breath, some would impose internally an arbitrary domestic policy like mandatory deposits that would do every bit as much damage to the American steelworker as unfair competition from foreign steel. Now that does not make too much sense to the man or woman in the steel plant who would bear this "social cost" about which EPA benignly talks.

SAVINGS TO CONSUMERS

Several years ago, proponents of mandatory deposit legislation touted it as a savings to consumers. They said beverages would cost less and that Americans were paying more for the convenience (which they clearly prefer) of buying beverages in no-deposit containers. We have not heard much about that lately, and for a good reason. Experience in States that have enacted mandatory deposit legislation has shot that theory to smithereens. Consider the following:

First, whenever bottle bills have gone into effect, prices of affected beverages generally have gone up.

Second, in Maine, where a mandatory deposit law went into effect in 1978, the price of a six-pack of beer increased from $1.80 to $2.20 plus a 30-cent deposit—a 22-percent increase not counting the deposit.

Third, in Oregon, prices of most soft drinks have climbed 12 percent to 17 percent, compared with a 1-percent increase nationally over the same time period.

Fourth, in Michigan, where a deposit law went into effect in December, beer and soft drink prices have shot up 10 percent to 25 percent.

Fifth, deposit legislation affects the price not only of "national brands" but also raises the price and lowers the availability of "private brands," according to recent surveys. In nine "non-deposit" States, 71 percent of the stores surveyed offered "private brands" of soft drinks at an average price of $1.12 a six-pack. In four "deposit" States, however, only 54 percent of the stores surveyed offered "private brands" and at a much higher cost—$1.41 a six-pack—nearly 30 cents higher.

The idea that mandatory deposit legislation is going to save the consumer money is bunk.

CONSUMER ATTITUDES

Proponents contend that consumers share their enthusiasm for mandatory deposit legislation. The facts tell a different story, as the following underscores:

First, four mandatory deposit proposals were on the 1978 election ballot in the States of Alaska and Nebraska and in the communitiies of Howard County, Md., and Stevens Point, Alaska. All were soundly rejected.

Second, in Fairfax County, Va., which has a soft drink container ordinance, 45 percent of the residents still buy sodas only in no-deposit containers even though they have to drive out of the county to find them. That is called "voting with your feet" and demonstrates a strong preference for no-deposit beverages in a county generally recognized as being among the most sophisticated in the country.

Third, the Department of Defense tried mandatory deposits on 10 military installations to determine whether or not to implement mandatory deposits throughout the military. The yearlong experiment was a bust. Sales dropped. Costs were high. DOD wisely recommended against implementing the policy throughout the military.

Most decisions we make in this country are based on the "bottom line." How do surpluses and the minuses stack up? What are the benefits to the costs? If we ask those questions about manadatory deposit legislation—if we look at the bottom line—it is clear to me that mandatory deposit legislation cannot be justified. The bottom line is "red" and the costs far outweigh any benefits. Mandatory deposit legislation simply is not a viable proposal.

Proponents, well aware that Congress justifiably has been unreceptive to this concept, are now pushing for adoption of mandatory deposit legislation in the States and at the local level. However, I am confident that when State and local leaders across the country evaluate both sides of the issue they will find, as many of us in the Congress have, that mandatory deposit legislation is no panacea.●

H.R. 3930

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 25, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, throughout the debate leading up to today's consideration of H.R. 3930, there has been claim and counterclaim regarding whether or not the administration supports H.R. 3930. So that my colleagues may know that President Carter has personally announced his support of my bill, H.R. 3930, and that the administration believes it would be a useful vehicle to encourage commercial development of synthetic fuels, and an important element of an overall synthetic fuels program, I ask that the testimony of Deputy Secretary John F. O'Leary, of the Department of Energy and speaking for the administration before the Subcommittee on Energy and Power on June 22, be made a part of the RECORD.

Mr. O'Leary's statement follows:

STATEMENT OF JOHN F. O'LEARY

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you this morning to discuss HR 3930 and HR 4474, both directed toward the commercial development of synthetic fuels. It is a most important subject. Encouraging the development and production of synthetic fuels now may well prove to be vital to the Nation's energy security in the 1980's and beyond.

Without hydrocarbon fuels, many aspects of today's lifestyle would become uneconomical or cease to exist. The need for liquid fuels is particularly clear in transportation. Liquids, gases and clean fuels also play key roles as feedstocks for the Nation's petrochemical industry, as fuel for generating electricity, and as sources of energy throughout the economy. Our Nation's defense is also tied to an assured supply of aviation and transportation fuels.

Recent events underscore the absolute necessity for this Nation to move quickly to establish a substantial synthetic fuel capacity, one based on our abundant supplies of coal, oil shale, agricultural and forest products, heavy oils, and carbonaceous wastes. This necessity is widely perceived within the Administration, by leaders in both parties in both Houses of Congress, by our allies and trading partners abroad, and by the American people. The American people and the Administration share the view that bold and sustained actions are needed to develop alternate energy sources now.

The Administration's strategy for encouraging the development of synthetic fuels incorporates the following mutually supportive elements:

Ensuring that the market place reflects the replacement cost of fuels, so that market decisions can be made based on appropriate opportunity costs and values;

Providing regulatory and financial incentives that will encourage investors to take actions that are in the national interest, by helping to make investments in existing synthetic fuels technologies competitive;

Conducting research, development and demonstration to:

Reduce critical uncertainties about the cost and environmental performance of technologies already in development, to accelerate and improve the private sector's ability to put into use the most promising newer technologies;

Significantly improve the cost and environmental performance of synthetic fuels production by developing advanced technologies notably better than those now available;

Develop technologies that can use important resources that we cannot now tap effectively or economically.

Several technologies are now ready to be put into commercial use on a relatively wide scale. These include the production of medium-Btu gas from coal, the conversion of medium-Btu synthesis gas into methanol and into Fischer-Tropsch liquids (as in the SASOL plants in South Africa), oil shale, production of ethanol from biomass, and the conversion of heavy oils and tar sands into clean and useful products. We would expect to see these technologies dominate synthetic fuels developments in the 1980's. Not far behind these are newer technologies that the Department of Energy has under active development: the production of high-Btu gas from coal; solvent refined coal; catalytic liquefaction of coal (such as the H-Coal process); medium-Btu gas and methanol from biomass; and modified in-situ retorting of oil shale. We would expect to see initial commercial facilities using these technologies developed in the late 1980's, and significant production from them in the 1990's.

It is important to note here the time lags inherent in beginning anything new, such as the commercial development of synthetic fuels. If a corporation were to decide this very day to construct a major synthetic fuels plant, it could begin immediately applying for the dozens of needed Federal, State, and local permits and approvals. Experience with other, similar facilities indicates that under current laws and practices, with much good fortune, a firm might be able to start construction in about 4 years—say, mid-1983. Construction would take perhaps three and a half years, if the firm were confident enough of proceeding that it had ordered long lead-time items early on. The first barrels of synthetic fuels from this plant could begin flowing by early 1987. The much smaller facilities (20 to 50 million gallons per year, or 1,000 to 3,000 barrels per day) that would be built for biomass ethanol could be built more rapidly, but even these would take several years from decision to operation.

The buildup thus may be slower than many would desire, and achieving even 500,000 barrels per day will not, by itself, assure national security. But it is essential to realize that no one technology or set of technologies can be the solution to our Nation's energy needs; we must gain contributions from them all. And it is critical to begin, and begin now. Each year we delay extends by a year or more the date at which synthetic fuels do contribute substantially to national security.

Perhaps foremost among the reasons for moving ahead with synthetic fuels now is security, or reliability of supply. Domestic oil and gas production have not kept pace with the increase in domestic demand. Indeed, even with the conservation induced by rising energy prices and ECPA. EPCA, the National Energy Act, and other laws, the increase in wood use and in nuclear energy production, and the increased emphasis on coal, the United States depends much more on imported oil today than it did in 1973. We will continue to need major contributions from conservation and from all domestic energy sources—including solar energy and synthetic fuels. Continuing to rely as heavily as we do on imports, and failing to achieve rapid commercial development of synthetic fuels could be seriously destabilizing economically and politically if oil supplies were not available on acceptable terms.

If imports were to be interrupted during a period of military activity, the consequences for the civilian economy of both doing without imports and having to meet major sustained defense needs solely from domestic oil supplies are not pleasant to contemplate. A far, far smaller shortage today has already created substantial discomfort.

Another reason is economic. Although synthetic fuels cost more to produce than the current price of imported oil, several appear as if they may be more economic than imported oil in the late 1980's and the 1990's, when significant synthetic fuels production could be achieved. By encouraging commerical development now—using tools such as those provided in the bills under discussion—the worst the Nation can do is to make the investments somewhat earlier than simple economics might have indicated.

Before the end of this century, given recent trends in international events, synthetic liquid and gas supplies will be required. The choice is between incurring the extra costs of possibly being too early with synthetic fuel plants, or risking the potential economic, political, and strategic consequences of being too late. On behalf of the Administration, Mr. Chairman, I think the Nation must be and is willing to pay the premium to have this insurance.

Perhaps it would be helpful to put the costs of this insurance premium into perspective. Some have noted that building 500,000 barrels per day of synthetic fuels capacity might run $10 to $15 billion, even perhaps as much as $18 to $20 billion, depending on the technologies developed. But it is not really so much per gallon of fuel ultimately produced.

The investment for each barrel per day is roughly $20,000 to $30,000 by our estimates. Let us here accept for illustration $30,000 (which yields a $15 billion total for 500,000 barrels per day). Over a typical plant life of 30 years, each barrel per day of capacity produces roughly 10,000 barrels of fuel, yielding a simple average investment cost per total barrels produced of roughly $3.00 per barrel, or less than $0.10 per gallon.

This average is comparable to the investment for many oil wells, though the wells of course produce more rapidly. Now note that $30,000 for each barrel per day of production is almost exactly $2.00 for each gallon per year. Even taking into account the time value of money with an annual capital recovery factor of 0.15, typical of many commercial projects, this investment amounts to a capital cost of only $0.30 per gallon.

Since most synthetic fuels plants are highly capital-intensive, with capital charges amounting typically to one-half to two-thirds the total cost of the product, I think most people would find this cost tolerable. Moreover, in this era of inflation, synthetic fuels plants built in the early 1980's will be among the cheapest sources of supply in the 1990's, because so much of the product cost is fixed cost. Put in these terms, I think most Americans would find the insurance not only affordable but attractive.

Uncertainty about future oil prices, and the very large capital investments that must be risked for large-scale coal or shale-based synthetic fuels plants, currently deter private investors from proceeding on their own. To encourage them to begin investing soon, to move ahead rapidly in the national interest, the Federal Government may need to be able to provide incentives that effectively reduce investors' uncertainty about future fuels markets and assist those who may need other assistance to maintain competition.

HR 3930, which amends the Defense Production Act, appears to us to provide quite useful mechanisms to achieve both these objectives. It contains authority for Federal purchase and price guarantees, with provisions that appear likely to make them effective. It also contains authorities for a range of other mechanisms—including loans and loan guarantees—that, while limited, could prove useful and important in assisting innovative smaller firms, individually or in consortia, to enter the synthetic fuels business.

The President has personally announced his support for HR 3930, with a few changes. The Administration believes that it would be a useful vehicle to encourage commercial development of synthetic fuels, and an important element of an overall synthetic fuels program.

Thank you, Mr. Chairman. That concludes my formal presentation. I would be pleased to try to answer any questions that you may have.●

GASOLINE PRICES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. COLLINS of Texas. Mr. Speaker, the era of cheap energy is over. If we did not realize this during the OPEC price hike in 1973 we must surely know it now. The days when Americans could go to the local gasoline station and fill up their tanks with 30 cents per gallon gasoline are no more. But is this an unexpected development? Not at all. Almost every other industrialized nation has been paying much higher prices for their gas.

In Europe prices range from a low of $1.49 a gallon in the United Kingdom to $2.22 a gallon in Italy. In France the government recently announced that the price for a gallon of premium gasoline will be raised to $3. Japan now pays $2.49 a gallon. All these prices do not even account for the proposed OPEC price increase to $20 a barrel nor do they reflect the fact that United States per capita consumption of gas is the highest in the world. What we must do is cut gasoline consumption.

If we were to remove price controls and let the price of a gallon of gas rise to $1.25 a gallon we would still be able to buy gas at bargain prices when compared to world prices ranging up to $2.50 per gallon. A combination of OPEC price hikes and Government mismanagement of the energy situation makes a continuation of low gasoline prices an impossibility.●

JAMES PERDIGAO OF NEW ORLEANS

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. LIVINGSTON. Mr. Speaker, we often hear of young people in trouble, but we seldom hear of those who are a credit to their parents and their communities. I am proud to say that there are thousands of young citizens in Louisiana who are concerned about their country, who want to work for its good, and who are willing to take a stand for what is right.

One of those young people is James Perdigao of New Orleans. James will be a senior this year at Isidore Newman High School in that city. Not long ago, James won an essay contest sponsored by the National Society of Colonial Dames of America. His essay, entitled "Our Founding Fathers Can Teach Us Today," is an excellent expression of concern for the direction this country is taking. I want to compliment him and to insert it in the RECORD, so that others can share the thoughts of this fine young man:

OUR FOUNDING FATHERS CAN TEACH US TODAY

(By James G. Perdigao)

Why is the United States losing its international status? Why do its citizens expect more from and give less to the government? The answers to these questions lie in our concept of government in our lives. The leaders of the Constitutional period were faced with the problem of creating a strong central government as well as providing a suitable climate for freedom, wherein the individual could care for his material needs. Lawmakers today face the same challenge.

The Founding Fathers feared uncontrollable power because of the previous British colonialism. They therefore wanted a strong central government with checks upon its power. This concept stressed a central authority with sufficient power to regulate the economy in the best interests of everybody.

Today the tax system and the government attitude toward business discourages investment. The profit motive—the essence of capitalism—is less important to the working man. We are losing the climate instituted by our Founding Fathers wherein a free man can provide for his material needs by his labor. Lawmakers today must reform the tax system to regain the profit motive, before the independent spirit is destroyed.

The power to tax is the power to destroy. The Founding Fathers' fear of the abuse of power was seen in their creation of checks and balances within the central government. They wanted to prevent one branch of government from becoming too powerful at the expense of another. In the past two hundred years this balance of power has shifted several times. Today the federal judiciary has become a dominant force in American society. More recently, after Watergate, Presidential authority has also declined. The challenge of lawmakers today is to restore the balance of power in an effort to ensure our respect internationally, and our peace and prosperity at home.

Government should provide a climate for prosperity. We should not depend upon the government for prosperity itself. The only wealth of government is that of the people. If the government continues to try to redistribute wealth, then we will see the end of incentive and the end of private property. The only wealth will then belong to the state.

Lawmakers today must devise imaginative and resourceful solutions to restore the sanctity of private property. In this way we will ensure our economic prosperity at home and our dominance abroad.

Like the Founding Fathers we must elect to office Americans who are above special interests and possess national views to unify and strengthen our government. Our Founding Fathers strongly believed in the uniquely American traits of individualism, ingenuity, and self-reliance. They sought to create a nation of self-sufficient citizens. Today, the number of Americans on welfare is rising rapidly. The reason for this situation is obvious—a lack of incentive. Who wants to work when he can get an equal amount from welfare? Too many Americans feel that the role of government is to provide for their material needs. With more people on welfare and a consequently smaller tax base, the United States is economicaly and, thus, politically weaker. Lawmakers must create incentive for a citizen to become self-sufficient.

In order to effect these challenges, we must return to the most important lesson of the Founding Fathers—the spirit of compromise. The ability to compromise has always been a major component of our Anglo-Saxon political heritage. The Civil War was the result of a failure to compromise. Presently with the rise of special interest groups, the ability to make concessions is noticeably weakened. This tends to fragment society and government.

Regaining the sense of national purpose possessed by our Founding Fathers—the freedom to pursue—will not be easy. We must eliminate paternalistic materialism and improve business and political morality. We must awaken ourselves and meet these challenges to ensure our international supremacy. We must return to our ideals to find our purpose.●

HIS EMINENCE, ARCHBISHOP IAKOVOS

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. SANTINI. Mr. Speaker, I would like to join my colleagues in welcoming his Eminence, Archbishop Iakovos, to the House of Representatives. Our Chamber is honored by the presence of the leader of the Greek Orthodox Church in North and South America.

It gives me great pleasure to congratulate His Eminence on 20 years of service as spiritual leader to over 3 million members of the Greek Orthodox Church in the Americas.

His years of service have marked him as a man in the forefront of the battle for universal human and civil rights. From Selma, Ala., to Cyprus, Archbishop Iakovos has fought for equal justice under law. He has become an international inspiration in his quest for world peace.

The spiritual guidance and strength shown by the archbishop have been an inspiration to all faiths, and have marked His Eminence as a leader in the worldwide ecumenical movement.

I wish the archbishop many more years of service and leadership, and pray that his message will inspire us in the Congress to rededicate our efforts in the cause of human rights for all people of the world.●

TO HONOR JOHN FURGESS, TENNESSEE STATE COMMANDER, VETERANS OF FOREIGN WARS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BONER of Tennessee. Mr. Speaker, it gives me great pleasure to rise today to honor Mr. John Furgess, the outgoing State commander of the Tennessee Chapter of the Veterans of Foreign Wars. If I may, Mr. Speaker, I would like to take this time to tell you and my colleagues about some of Mr. Furgess' achievements.

Since his return from Vietnam in 1970, where he received the Bronze Star, John Furgess has been very active in the VFW. Beginning at the district level, John worked his way up through the offices of deputy surgeon, judge advocate, junior vice commander, and senior vice commander in his home post, Post 1970, on Charlotte Pike. He then rose through the ranks of the State organization, holding the posts of deputy surgeon, junior vice commander, and senior vice commander, before being named as the State commander for the State of Tennessee VFW, a post he will relinquish this week.

Since his return in 1979, John has earned his living in the insurance industry. For 8 years, he was underwriter and assistant manager with Mutual Life of New York; in 1978, he moved to Independent Life with whom he is currently an underwriter. He is a member of the Nashville Association of Life Underwriters, and the National Association of Life Underwriters.

John was born in nearby Langley, Va., and after moving to Tennessee, he attended Saint Anne's Catholic School, Father Ryan High School, and achieved a BS in general business from Middle Tennessee State University in 1965. After graduating, he went as a lieutenant to Vietnam, where he served in Americal. On March 13, 1971, he married Alma Elmore, and the Furgesses now live in Nashville, with their three beautiful little daughters, Amy, Mary Catherine, and Melissa.

John has been a tremendous leader in his community during the past 9 years, serving among other things as president of the Bellevue Exchange Club, president of the Davidson County MTSU Alumni Association, cochairman of the Tennessee Monuments Commission, member of the Knights of Columbus, member of American Legion Post 5 in Nashville, and a member of Saint Henry's Church in Nashville. Currently John holds the rank of major in the Tennessee National Guard.

Mr. Speaker, looking back through John Furgess' tremendously impressive record as an American and as a leader in his community, I would like you and my colleagues in the House of Representatives to join me in congratulating John on his achievements as the outgoing State commander for the Tennessee State VFW, and in wishing John good luck in his candidacy for membership on the National VFW Council, and his candidacy for Young Veteran of the Year. I know you will agree with me that John Furgess is a true leader and a distinguished American.●

THE 50TH ANNIVERSARY OF THE DISCOVERY OF PENICILLIN

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HANLEY. Mr. Speaker, the past 50 years have seen advances in medical science almost impossible to have imagined at the beginning of this century. Diagnosis, treatment, and even our very attitude toward the ill have undergone a tremendous transformation. Health is being restored and lives are being saved in cases which even 10 years ago would have been questionable at best.

Many factors have made this possible, but probably the strongest has been the commitment to basic applied research under rigorous scientific standards. Most of us would agree that this logical step-by-step approach is the major reason for such medical progress.

It is, therefore, most ironic that the discovery of the 20th century's most widely known "Miracle Drug" was essentially accidental. I refer, of course, to the discovery of penicillin.

We realize, too, that the accidental nature of this discovery was made possible by the circumstances of ongoing laboratory research.

The June 1929, issue of the British Journal of Experimental Pathology contained a paper by a relatively obscure bacteriologist telling the worldwide medical community how a culture plate, accidentally contaminated some 9 months earlier, had produced a bacteria-destroying substance he called "Penicillin."

The bacteriologist was Alexander Fleming—later Sir Alexander Fleming—a 47-year-old Scotsman.

Fleming knew, of course, that his accidental discovery was potentially important. He probably did not realize, however, that it would revolutionize the practice of medicine over the years.

In its earliest days of development, penicillin was unstable and difficult to concentrate—early solutions were often only 10 percent pure. By 1941, however, the new "miracle" drug was sufficiently available to substantially prolong the life of an Oxford policeman.

The steps between basic discovery and mass availability of any life-sustaining drug is understandably involved and delicate. It is to this problem that Bristol Laboratories, of Syracuse, N.Y., directed its technology in the early 1940's. And their success, as well as the success of penicillin's myriad applications around the world, is being recognized formally today when Bristol-Syracuse observes the 50th anniversary of Dr. Fleming's discovery of penicillin.

It is significant that this observance is to be held in Syracuse, since it is here that 44 percent of America's bulk supply of penicillin is produced.

Begun in central New York in 1887, the company known as Clinton Pharmaceuticals was formed by William M. Bristol, Sr., and John Myers. Expanding gradually to other locations, the company purchased in the early 1940's the Cheplin Biological Laboratories in Syracuse, changed its name to Bristol Laboratories and began to search for ways to produce large quantities of penicillin in collaboration with British scientists who had continued with Fleming's original work, in a concerted effort to provide a powerful defense against infection during World War II.

By 1945, Bristol became one of the earliest major producers of penicillin in the country.

Producing almost half the penicillin supply in the United States, Bristol-Syracuse is justifiably proud of its manufacturing practices, aware at all times that its products are used to save lives.

So, Mr. Speaker, I want to call your attention and the attention of my colleagues, many of whom have benefited directly or whose families have benefited from the remarkable bacteria-fighting efficiency of this antibiotic, to this observance, today, in Syracuse.

Actually, I think there will be two "miracles" commemorated this day. One is Dr. Fleming's basic dedication and research which led to the discovery of penicillin. The other is the recognition that only high standards of pharmaceutical practice, exemplified by Bristol of Syracuse, have made the isolation and production of large quantities of penicillin practical. This availability to the average person is the second miracle. And, in this, Bristol-Syracuse has had a major role.●

PERSONAL EXPLANATION

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, I was absent from the floor of the House of Representatives due to prior business. Had I been present, I would have voted in the following fashion:

Rollcall No. 183, passage of H.R. 3464, "yes";

Rollcall No. 184, amendment to H.R. 4289, "yes";

Rollcall No. 185, motion to resolve into the Committee of the Whole for the consideration of H.R. 3875, "yes";

Rollcall No. 186, amendment to H.R. 3875, "no";

Rollcall No. 187, motion to resolve into the Committee of the Whole for further consideration of H.R. 3875, "yes";

Rollcall No. 188, amendment to H.R. 3875, "yes";

Rollcall No. 189, amendment to H.R. 3875, "yes";

Rollcall No. 191, passage of H.R. 3875, "yes";

Rollcall No. 193, agreeing to House Resolution 272, "yes";

Rollcall No. 194, agreeing to House Resolution 284, "yes";

Rollcall No. 195, amendment to H.R. 2641, "no";

Rollcall No. 196, passage of H.R. 2641, "yes";

Rollcall No. 197, passage of H.R. 2374, "yes";

Rollcall No. 198, passage of H.R. 3347, "yes";

Rollcall No. 199, approval of Journal of Friday, June 8, 1979, "yes";

Rollcall No. 200, motion to resolve into the Committee of the Whole for consideration of H.R. 2444, "yes";

Rollcall No. 201, amendment to H.R. 2444, "no";

Rollcall No. 202, amendment to H.R. 2444, "no";

Rollcall No. 203, amendment to H.R. 2444, "yes";

Rollcall No. 204, amendment to H.R. 2444, "no";

Rollcall No. 205, amendment to H.R. 2444, "yes";

Rollcall No. 207, approval of Journal of Monday, June 11, 1979, "yes";

Rollcall No. 208, agreeing to House Resolution 198, "yes";

Rollcall No. 209, motion to resolve into the Committee of the Whole for further consideration of H.R. 2444, "yes"; and

Rollcall No. 210, amendment to H.R. 2444, "yes".●

NO FEDERAL FUNDS FOR IN VITRO FERTILIZATION

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. ROTH. Mr. Speaker, in its recommendations to the Secretary of the Department of Health, Education, and Welfare earlier this year, the HEW Ethics Advisory Board noted that Federal support of human in vitro—that is, outside the body as in a test tube—fertilization research would be ethically acceptable, but did not go so far as to recommend that such research should be supported with public funds. This, the Board members noted, was another ethical issue involving the allocation of limited resources, and as such was beyond the scope of their task in this area.

I have studied the issues raised by scientists, ethicists, moral theologians, legal experts, and others with regard to in vitro fertilization, and cannot find a consensus of opinion on what the policy should be in this area. My own feeling is that we should not support research or application of research in this area with Federal funds.

In my view there is reason for concern from a moral and ethical aspect about the use of public funds for Federal support of research on human in vitro fertilization. First, to obtain a successfully fertilized human egg in the test tube fertilization procedures, I understand that a number of eggs, extracted from a human female ovary, must be exposed to viable sperm, in vitro. This raises the possibility, indeed the likelihood, that more than one human conceptus will result. I find the subsequent discarding of these extra early human embryos morally objectionable, and consider this procedure to be tantamount to early abortion of an unwanted fetus. Second, I feel the experimental technique itself—even if only one egg is fertilized—involves unknown risks in terms of possible genetic damage to the embryo. This seems to pose an unacceptable level of health risk to the child and a potential effect on the welfare of his or her parents.

Finally, even if all the risks could be eliminated, and parents could be assured that no extra embryos would be discarded, I feel that public policy would dictate against Federal support of human in vitro fertilization procedures because of the issue of just allocation of limited medical resources. Other health programs in this country are lacking for funds. Diverting Federal funds to the area of human in vitro fertilization would be inconsistent with the priorities and needs of the larger numbers of persons who might better be served under other programs.

Research into the causes and treatment of infertility problems must certainly not be overlooked. However, I do not believe the use of Federal funds to support human in vitro fertilization research is justified for the reasons outlined above.●

TENOR OF SALT DEBATE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mrs. SCHROEDER. Mr. Speaker, the following article by Art Buchwald sheds a revealing light on the tenor of the upcoming SALT debate. I find Mr. Buchwald's approach to the issues involved in SALT totally refreshing. He places the

SALT debate in a context that I feel we should all take note of before we get sucked into counting warheads and assessing hard-target kill capabilities, while forgetting the basic issues of survival in the nuclear age.

The article follows:

THE PLOWSHARE CAPER

(By Art Buchwald)

WASHINGTON.—The first SALT treaty talks were held in about 750 B.C. As reported by the Prophet Isaiah, they took place between King Hezekiah of Judea and King Sennacherib of Assyria. The original draft of the agreement read, "All swords will be beaten into plowshares, and all spears into pruning hooks; nation will not lift up sword against nation and neither side will learn war any more."

When the wording of the treaty reached Hezekiah, there was an immediate outcry from his hawk advisors.

"We can't give up our swords. How do we know the Assyrians will not turn their plowshares back into weapons as soon as the treaty is signed?" said one general.

"The throw weight of the Assyrian spears is far superior to ours," another one cried. "This is a trick of the Assyrians so they can launch a first-strike capability against us."

A third advisor to the king said, "I cannot support a SALT B.C. treaty of this kind. If we turn all our swords into plowshares, the Assyrians will have twice as many land-based plowshares as we have. Each plowshare could be mounted with 10 pruning hooks, and be turned into offensive weapons which would bury every man, woman and child in Judea."

King Hezekiah was impressed with the arguments. He knew there wasn't a chance in Gomorrah of getting the treaty approved by his people, unless there were guarantees that their sword and spear arsenals would remain intact.

He sent word to Sennacherib in Damascus that he wanted a limitation on the number of offensive swords each side could have, and he demanded the dismantling of defensive shields that the Assyrians had developed to deflect Judean steel.

Sennacherib, who had stockpiled thousands of swords and shields and had developed a new SS-18 spear which could be launched from a ditch, met with his advisors and worked out a strategy.

"We will tell Hezekiah," he said, "that as part of detente each side will be able to double the number of swords and spears in their arsenals, and both parties will be permitted to develop one more weapon of its own choosing. Even with this we will still have superiority over them."

"What about the plowshares?"

"We will insist at this time that plowshares not be included in the arms limitation agreement. As you know, our new Backfire plowshare will be ready in six months. It will be an answer to their Minuteman pruning hook."

Hezekiah received the Assyrian proposals which he knew would be rejected by the hardliners in his court. "What about verification?" one of them said. "How do we know the Assyrians will not put six blades on one sword?" another asked. "What would prevent them from turning their pruning hooks back into Mirved lances?"

Hezekiah knew he'd have to promise his army something in exchange for a SALT B.C. treaty. "If you support me on this," he told them, "I will authorize the building of an MX system costing 30 billion sheep. This will enable us to hide our mobile spear throwers underground so the Assyrians will never know where they are. It will be the ultimate deterrent to prevent a suprise attack."

The Judean generals reluctantly agreed and King Hezekiah and King Sennacherib met to sign the SALT B.C. protocols.

It was the first SALT treaty negotiated by civilized people in history, and it has been the model for arms limitation agreements ever since.●

LIFTING OF SANCTIONS AGAINST ZIMBABWE-RHODESIA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. RANGEL. Mr. Speaker, while we will be debating the issue of whether to lift sanctions or not against the Zimbabwe-Rhodesia Government today, I must voice my personal objection to lifting sanctions at this time against the Zimbabwe-Rhodesian Government.

Many recent reports have said that representatives of the black community are not concerned with this issue. This statement is absolutely inaccurate. The fact that the United States might prematurely lift sanctions, is of deep concern to the black community and the slightest possibility of lifting sanctions by this Congress and this administration would be viewed as an unjust act against those individuals in South Africa who have continuously struggled for their civil rights as we in this country have struggled for ours.

Is the lifting of sanctions in Zimbabwe-Rhodesia so monumental to our economy that we would deprive the citizens of that country of their basic rights by voting to lift sanctions that we would vote, in essence, for the minuscule amount of chrome that this country had imported from Rhodesia before repeal of the Byrd amendment? Certainly, that cannot be so.

Have we yet so quickly forgotten the personal liberties that this country fought for in order to develop a democracy that we would recognize a government that has not yet had an opportunity to demonstrate that they will be operating under a similar democratic process that would insure the personal freedoms and protections of all its citizens?

To say that we are not concerned is to say that we do not recognize the struggle for human dignity. There is in fact a kinship that exists between the black Americans and Africa as it exists between the American Jews and Israel. The South African situation is the same to black Americans as it is for those American Jews who are concerned about their brothers in Israel.

We would like to see that this Congress does in fact recognize the sensitivity of this issue to United States-African foreign policy and to recognize the fact that the black community is concerned with how we vote on this issue. We would like to see if the Muzorewa government can stand on its own and that it does demonstrate that it is a government "of the people, by the people and for the people." To lift sanctions now would be to remove what little incentive for compromise that still exist in that country to resolve its own internal problems.

In the meantime, we in Congress, should allow the President of this country, our leader to at least have an opportunity to examine the situation within a reasonable time in order to make a determination as he sees fit for the benefit of all parties concerned.●

RECOVER SAN CLEMENTE EXPENDITURES

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. ERTEL. Mr. Speaker, I am today introducing a resolution expressing the sense of the Congress urging Richard M. Nixon to reimburse the U.S. Government for all improvements made to his San Clemente estate which were unrelated to the performance of his Presidential duties. Mr. Nixon is selling the property and unless something is done, he will be unjustly enriched at Government expense.

Mr. Speaker, the then-President's men seemed to think the GSA had an obligation to enhance the value of the San Clemente property. Haldeman, Erlichman, Kalmbach, and others ordered the Government to pay for boundary surveys, enlarged den windows, a point gazebo, a beach cabana, and other extragovernmental improvements. Fortunately for us taxpayers, the Joint Committee on Internal Revenue Taxation looked into the matter. In the course of its examination the committee found that the Federal Government had made $66,614.03 in improvements to the Nixon property at San Clemente which were unrelated to any governmental purpose. In determining the value of the improvements, the committee took great pains to separate legitimate security expenditures from improvements which served no primary protective purpose. For example, in the case of the restored gazebo, even though the committee determined that its restoration was not required nor intended as a security measure, it was found that a Secret Service person did from time to time occupy the gazebo. Part of the value of the gazebo was therefore attributed to the Federal Government rather than to Mr. Nixon.

The value of the improvements paid for by the Federal Government, but unrelated to any Government purpose will be reflected in the purchase price for the property. Accordingly, Mr. Nixon will derive a benefit for unwarranted improvements authorized on his behalf by his aides. My resolution expresses the sense of the Congress that Mr. Nixon ought to recognize his responsibility in this matter and reimburse the Federal Government for the original value of the improvements.

Although I am hopeful Mr. Nixon will see fit to pay for the cost of these improvements, his record in similar matters leaves open the possibility that he may not. Therefore, my resolution also urges the President and the Attorney General to attempt to recover the sum of $66,614.03 for the improvements.

When the improvements to his San Clemente estate were first criticized in 1973, aides to Mr. Nixon indicated he intended to bequeath the property to the United States for public use. Federal officials may have relied upon this unfulfilled promise in failing to seek recovery for the unwarranted improvements. If so, this would seem to constitute a promissory estoppel which entitles the Government to the present value of the property. This and other remedies ought to be investigated by the Attorney General in attempting to recover from Mr. Nixon.

Some will surely argue that Mr. Nixon suffered enough—that we ought to let him live in peace. However, I think it is the American taxpayer who has suffered in this instance and we ought to recover every last cent.●

TECHNICAL CHANGES TO TITLE 5, UNITED STATES CODE

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HANLEY. Mr. Speaker, I have today introduced legislation to make certain necessary technical, conforming, and clarifying changes in title 5, United States Code. Title 5, which relates to Government organization and employees, is primarily within the jurisdiction of the Committee on Post Office and Civil Service.

These amendments make no significant changes in the law. They merely correct outdated references (such as to the "Commissioner" of the District of Columbia or to the "Director of the Bureau of the Budget"), correct statutory citations, update effective date provisions, and correct typographical errors. Also included are some stylistic changes recommended by the Office of Law Revision Counsel.

It is important that we act quickly since one change relates to the Senior Executive Service which was authorized by the Civil Service Reform Act, and which will come into existence on July 13, 1979. Both the House and Senate bills amended section 2108(3) of title 5, United States Code, to exclude members of the Senior Executive Service from the definition of "preference eligible." Due to a typographical error in the enrolled bill, however, section 2108(5) (not section 2108(3)) was amended, and this has resulted in confusion. This bill will eliminate that confusion and insure that the intent of both Houses is achieved by correcting the typographical error.

Mr. Speaker, I have cleared these amendments with the ranking minority on the committee, and with the Office of Personnel Management which administers these laws. I have also been advised that the Senate will act quickly on the legislation.

Since the Senior Executive Service will become effective very shortly, it is my intention, at an appropriate time, to ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the bill and ask for its immediate consideration. I hope that in this fashion we can expedite consideration of these technical amendments.

Should Members have any questions, I hope they will contact the committee staff.●

TRIBUTE TO THOMAS P. DALFONSO

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BAILEY. Mr. Speaker, on July 14, 1979, the Southwestern Pennsylvania Area Development Corp. of Monessen will hold its second annual recognition dinner. This year the guest of honor will be Mr. Thomas P. Dalfonso. I am very pleased to join with them in praising this fine man who has served Monessen with great distinction for many years.

Tom entered the U.S. Army after graduating from Monessen High School in 1943, returning home in November 1945, after having been a prisoner of war in Germany for 10 months. He attended the University of Pittsburgh for 2 years after which he was employed in the private sector.

In addition to an outstanding employment record, Tom Dalfonso has compiled a very impressive record of public service. He was first elected to the city council in Monessen in 1967 and was reelected in 1971. During both terms on the council he served as director of accounts and finances. When Mayor Hugo J. Parente died in October 1971, Tom Dalfonso was appointed to serve the unexpired term and he was elected to the full 4-year term in November 1973.

Tom was an energetic and effective mayor, very aggressive in seeking out Federal and State grant assistance for the community. Among his other accomplishments, he used such grants to arrange for the establishment of a civic center, the reconstruction of the Third Street Viaduct without cost to the city, the construction of two additional stories on the health center, and numerous other projects of great benefit to Monessen.

Tom also served on the board of the Monessen Redevelopment Authority and twice served as president of the Monessen Council of Governments. In addition to serving on the Governor's Justice Commission Regional Council, he also served on the Southwest Regional Planning Commission.

It is fitting and proper that Tom Dalfonso be recognized for his dedicated service to the community of Monessen. He has earned the esteem and respect of all of us. I join with the Southwestern Pennsylvania Area Development Corp. of Monessen in saluting a distinguished citizen, community leader, and outstanding American—Thomas P. Dalfonso.●

LET US GET THE TRUCKS ROLLING

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. CAMPBELL. Mr. Speaker, today I am introducing a resolution calling on the Governors of the several States to cooperate voluntarily in standardizing truck weight and length limits.

Over the weekend, I met extensively with South Carolina independent truckers and peach growers. I was most impressed by the cooperative attitude of both groups, and their sympathy with each other's problems. On Monday, Gov. Richard Riley and I again met with the independent truckers in a bipartisan effort to get the trucks moving and the produce to the market.

I am convinced that the truckers are reasonable people who are not interested in depriving the American people of food or in ruining the farmers who cannot move their goods. The truckers I met with are not those who are perpetrating violence on the Nation's highways, but they do have legitimate and serious problems which must be recognized and resolved.

In South Carolina, our good faith efforts paid off. Last night, the truckers in South Carolina's Piedmont agreed to roll, but they are looking to Government at all levels to provide long-term relief for their problems. The truckers tell me they were persuaded to go back to work by the concern expressed by the Governor and by our willingness to sit down and talk with them, and by several tangible actions we took. Governor Riley used emergency powers to allow longer length trucks in the State, and I promised to introduce legislation urging other States to take similar action.

Mr. Speaker, the truck strike and the very real problems of the independent truckers transcend partisan politics. Each of us has a responsibility to his or her constituency to get the trucks moving and get food to the marketplace. To do that nationwide, as we have in South Carolina, we must show the truckers that their problems are being given official attention. My resolution, cosponsored by Representatives Beryl Anthony, Jr., Doug Barnard, James T. Broyhill, Richard Cheney, Vic Fazio, Ken Holland, John Jenrette, James G. Martin, Thomas Petri, Floyd Spence, and Arlan Stangeland, is one way to do that.

The text of my resolution follows:

RESOLUTION

Whereas the strike by independent truckers is costing the nation hundreds of millions of dollars every week, and

Whereas perishable produce is being lost every day the strike continues, and

Whereas the situation of many farmers is becoming desperate, and

Whereas food shortages in the marketplace will occur with more and more frequency if the strike goes on, and

Whereas independent truckers have legitimate problems which discourage them from driving, and

Whereas one of those problems is a lack of national uniformity among the States as to weight and length limits, and

Whereas the White House has asked the Governors to cooperate in standardizing weight and length limits, and

Whereas the Governors of South Carolina, Missouri and Iowa have already joined in this good faith effort,

Now, therefore, be it resolved, that the House of Representatives calls on the Governors of the 50 States to cooperate voluntarily in standardizing truck weight and length limits to 80,000 pounds and 60 feet respectively to encourage striking truckers to go back to work.●

ALFRED E. ECKES, JR., CONFERENCE STAFF DIRECTOR

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. DEVINE. Mr. Speaker, as the new chairman of the Republican conference, I am pleased to announce the appointment of Alfred E. Eckes, Jr., as staff director.

Mr. Eckes was associated with me in my district office as a research assistant from 1974 to 1977. He has a particularly impressive academic background, recognized author, and political expert.

As staff director, Al Eckes will be of great assistance to the Republican Party, lending his expertise to all members of the conference. His résumé follows:

SHORT VITA

Alfred E. Eckes, Jr., 831 S. Fifth St., Columbus, Ohio 43209. Telephone: (Home) 614–443–5397.

Born: July 11, 1942 in N. Conway, N.H.

Education:

Washington and Lee University, Lexington, Va., B.A., American History, 1964. Special emphasis in economics. Honors include Phi Beta Kappa, magna cum laude, and honors with exceptional distinction in history.

Christ's College, Cambridge University, United Kingdom. International Economics, 1964–1965. Fulbright fellowship.

Fletcher School of Law and Diplomacy, Tufts University, Medford, Mass., M.A., International Relations, 1966. Woodrow Wilson Fellowship.

University of Texas at Austin. Ph.D., History, 1969. Doctoral dissertation: "Bretton Woods—America's New Deal for an Open World." National Defense Education Fellowship in history, 1967–1969.

Indiana University, Bloomington, Indiana. International business, summer 1970.

Employment:

1977 to July 1979, Editor of the Editorial Page, *Columbus Dispatch*, 34 S. Third St., Columbus, Ohio 43216 (circulation—daily about 200,000; Sunday about 350,000).

1978 to present, Adjunct Associate Professor, Department of History, Ohio State University.

1975 to 1978, Associate Professor with tenure, Department of History, Ohio State University, Columbus 43210.

1969 to 1975, Assistant Professor, Department of History, OSU.

1974 to 1977, Research Assistant (part time), U.S. Rep. Samuel L. Devine, R–12th, Ohio.

1971 to 1974, contributing columnist for *Columbus Dispatch*.

1966 to 1969, Foreign Service Reserve Officer, Department of State.

Books:

Co-author with Eugene Roseboom, A History of Presidential Elections: From George Washington to Jimmy Carter. 4th ed., New York: MacMillan, September 1979.

The United States and the Global Struggle for Minerals. Austin: University of Texas Press, 1979.

A Search for Solvency: Bretton Woods and the International Monetary System, 1941–1971. Austin: University of Texas Press, 1975.

Articles and Essays:

American Conservatism from Hoover to Nixon. St. Louis: Forum, 1973.

"American History Textbooks and the New Issues of Trade, Payments and Raw Materials," History Teacher XI (February 1978), 237–246.

"Open-Door Expansionism Reconsidered: The World War II Experience," The Journal of American History LIX (March 1973), 909–924.

Book reviews have apepared in the American Historical Review Business History Review and Indiana Magazine of History.

Approximately 750 articles, editorial, commentaries and reviews (some signed, others unsigned) have appeared in the Columbus Dispatch since 1971.

History Professional Activity:

Life member, Organization of American Historians (1977).

Life member, Society for Historians of American Foreign Relations (1978).

Ohio Academy of History.

Other Memberships:

Lambda Chi Alpha fraternity, Torch Club, National Conference of Editorial Writers.●

BLUE CROSS/BLUE SHIELD: OPEN ENROLLMENT CAMPAIGN IN NEW YORK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. RANGEL. Mr. Speaker, I would liek to announce that in New York, medical and hospital insurance will be available to anyone, regardless of their age or health. A 1-month, open enrollment drive, by Blue Cross and Blue Shield, will enlist members for health coverage that provides hospital and medical care to any resident within the plan's operating area.

During this open enrollment campaign, which will end July 16, phvsical examinations will be waived, and no medical histories will be taken for all new applicants for health care coverage. The program is open to all residents of the 17 downstate counties served by the plan who do not have Blue Cross and Blue Shield coverage, or who wish to upgrade their present coverage.

Mr. Edwin Werner, president of the plan, is quoted as saying:

> Comprehensive health insurance is practically a necessity today because of the cost of quality medical care. Unfortunately, the people who need this coverage most are often excluded because of their medical histories. I think we have a responsibility to provide them both with health benefits and the peace of mind that comes from knowing they have Blue Cross and Blue Shield protection.

Mr. Speaker, I would like to congratulate Mr. Werner and his entire organization for this momentous decision toward broad-based health insurance to tens of thousands of New Yorkers. This is a substantial step toward the goal of adequate health care protection for all citizens. It seems to me, Mr. Speaker, that in New York we are well on our way to successful national health insurance. I would like to share with my colleagues this very pertinent information as we begin the debate here in Congress on the various national health proposals.●

MERIDIAN EMPLOYMENT OFFICE PROVIDES OUTSTANDING SERVICE FOR VETERANS

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. MONTGOMERY. Mr. Speaker, I am pleased to inform my colleagues that the Meridian office of the Mississippi State Employment Service has once again won the VFW National Award for Service to Veterans. They previously won the highly coveted recognition in 1977, along with the International Award from the International Association of Personnel in Employment Security.

I am very proud of the dedication and hard work exhibited by the 51 employees in the Meridian employment office. They are all outstanding individuals and I salute them for their contributions to our veterans and all persons who are seeking gainful employment. I would like to share with my colleagues the letter I received from Jim Dawson, the driving force behind the award winning staff at the Meridian office of the Mississippi State Employment Service:

MISSISSIPPI STATE
EMPLOYMENT SERVICE,
Meridian, Miss., May 25, 1979.

Hon. G. V. MONTGOMERY,
U.S. House of Representatives,
Washington, D.C.

DEAR SONNY: I just have to brag again on my staff.

They have again won the VFW National Award for Services to Veterans.

As you may recall, this office won this national award the first time in 1977, along with the International Award from the International Association of Personnel in Employment Security. The office also won a National Special Merit Award in 1972 from the VFW.

Will journey to the coast on June 23rd to accept the award at the VFW State Convention from a National VFW Representative.

My staff are really remarkable in that this office has been top dawg for the past several years in services to Veterans in Mississippi in these parts, as well as twice winning the national award during the same period.

Off hand I say it's a record that no one will ever match, and it's all due to a dedicated staff.

We have always felt that we should practice what we preach in regard to Veterans preference.

So, as we progressed along, we also gave preference in regard to filling our own vacancies.

At present the total staff numbers 51.

Of this number, fourteen (14) are Veterans, of which three (3) are minority and six (6) are disabled Veterans.

We have just received an evaluation from the State level—results were excellent.

Sometime when you have the time, I would like very much for you to visit our office and meet our fine staff.

Take care of yourself.

Kindest personal regards.

Sincerely,

JAMES T. DAWSON,
Center Manager.●

PROFESSIONAL EMPLOYEES AT USDA CONCERNED ABOUT THE FUTURE OF THE EXTENSION SERVICE

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. WAMPLER. Mr. Speaker, on Monday, June 18, I placed an excerpt of a speech by Dr. Daniel C. Phannsteil, director of the Texas Agricultural Extension Service, in the CONGRESSIONAL RECORD, page 15344. Dr. Phannsteil in his speech expressed concern for recent developments in the Extension Service at the national level, indicating that certain actions have been taken by the Department of Agriculture and at higher levels of Government to render ineffective the traditional State/Federal partnership that has existed between the USDA and this Nation's land-grant universities for many years.

Mr. Speaker, I received another letter today indicating that others are reporting all is not going well with the Extension Service. This letter from Dr. W. R. Van Dresser, dean of the Cooperative Extension Service at Virginia Polytechnic Institute and State University at Blacksburg, Va., encloses a letter from Mr. Richard G. Ford, president of the Organization of Professional Employees of the U.S. Department of Agriculture, dated June 1, 1979, which according to Dr. Van Dresser, points up how serious he (Mr. Ford) considers the problem of the status of the State-Federal partnership of the U.S. Department of Agriculture and the land-grant system.

The letter from the president of the Organization of Professional Employees of the U.S. Department of Agriculture follows:

WASHINGTON, D.C.
June 1, 1979.

Dr. R. W. VAN DRESSER,
Director of Extension Service, Virginia Polytechnic Institute and State University, Blacksburg, Va.

DEAR DIRECTOR VAN DRESSER: The State-Federal partnership of the U.S. Department of Agriculture is approaching a shambles in many of its traditional cooperative efforts. The Cooperative State Research Service, Extension Service, and Agricultural Research Service no longer enjoy the stature and prestige of autonomous agencies in cooperative Department and intra-departmental Committee activities. Each is no longer able to make decisions in its own right to carry out programs beneficial to its clientele.

The consolidation of formerly independent agencies into "superagencies" has concentrated decisionmaking, authority, and budget control in Washington at the expense of local concerns. The thrust for further concentration of decisionmaking and budget control continues in the name of "efficiency," including the consolidation of Federal departments.

Our experience causes us to believe that "efficiency" is a camouflage. There appears to be little concern for the effectiveness of USDA programs in serving people's needs and in helping them solve their problems. The Administration has recommended sharp reductions in the budget and personnel for research and Extension. How long will Secretary Bergland's fertilizer or feed dealer stay honest without the unbiased presence of the university and Extension? In the same vein, the national perspective which the Federal Extension staff now provides to state staffs would dry up and there would be no one at the national level seriously and singlemindedly concerned about assisting the Land-Grant system to improve the well-being of the American farmer.

We are also quite concerned about what the impact will be on the Land-Grant system generally, and the CES in particular, now that SEA plans to move Extension Service (ES) and Cooperative Research (CR) program staff to Beltsville or vicinity. We believe this would be disastrous for much of ES's working relationships with State CES. Most of ES's liaison is with USDA agencies other than Agricultural Research (AR) and with other Federal departments and commissions. For example, the production and marketing staff of ES in 1976 was heavily involved in cooperative programs with 22 USDA agencies and 45 agencies and commissions outside USDA in 11 Federal departments. ES has formal agreements with no less than 7 other Federal departments. These departments and agencies are located in the downtown Washington area. The loss of effectiveness in attempting to shuttle between these agencies and Beltsville would have a serious impact on ES's ability to serve State CES, plus serving CES staff when they are in Washington on business with USDA and other Federal agencies. Some OPEDA members believe that a study should be *initiated by State Directors* or some other appropriate group to determine how the SEA reorganization is affecting ES/CES relations and where ES should be located to be most effective in serving the Land-Grant system. OPEDA members would be most willing to provide specifics.

There seems to be a determined effort to eliminate the identity of Extension. As you know, in the past, Extension has been the hallmark of objectivity—the one place in which people of all faiths and political persuasions could obtain impartial information on the latest research, government programs, and other information essential to the solution of people's problems. This, we believe, must be maintained. We have serious questions whether this objectivity is a major SEA concern or whether it will be maintained because many major decisions are being made for other reasons but which adversely affect Extension. But more important, many of these decisionmakers are foreigners to Extension, who do not understand or who do not appreciate the basic principles of Extension education. In addition, the Department's deemphasis on research and Extension appears to be somewhat inconsistent with the national need to increase productivity and to fight inflation.

We in OPEDA are certain that 1979 and 1980 will be critical years for Land-Grant agriculture in general and for workers in agriculture in particular. The time has come, in our opinion, when we must take decisive political action. By "we," I mean individuals as private citizens and we as duly appointed or elected officials of organizations and institutions. Events of the past two years should be sufficient evidence that we no longer can sit back and "hope for the best" to happen. There are too many people in high authority, good intentioned or otherwise, who through ignorance, incompetence or design would destroy Federal-State relationships.

For some examples of threats against agriculture and its sister agencies, I am enclosing the April 1979 issue of OPEDA's newsletter.

We are in full agreement with Congresswoman Spellman to "write your Congressman." In addition to contacting individual Members of Congress, we counsel our members that written and personal contact with appropriate committee members at the time they are considering specific proposals is especially effective, for example, House and Senate Appropriation Committees, Ways and Means Committees, and certain subcommittees. Members of those Committees have expressed interest in the *impact of reorganization* and agencies' ability to serve their clientele.

To encourage our members to do their citizen's duty, we have provided them with a few pointers on effective congressional writing. In addition, Walter John, our Executive Director, is a registered lobbyist and is in frequent contact with the Congress, and the major Senate and House Committees where he presents our views and gives formal testimony at hearings. On May 9, Walt gave testimony opposing the proposed transfer of the Forest Service from Agriculture. We are happy that the President has dropped that reorganization plan.

During the past two years, many state and county personnel have joined OPEDA. Perhaps you have seen our earlier letters and materials. If you would like additional materials or further information about OPEDA, please call or write. Again, feel free to call upon me at any time; we have many testimonials.

Sincerely,

RICHARD G. FORD,
President.●

THE OIL SHORTAGE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. ROSENTHAL. Mr. Speaker, the Department of Energy and the multinational companies continually blame our present fuel shortages, high prices, dislocations on the Iranian stoppage and shortfall in production. The Nation has been told: "Our crude oil inventories are low and crude oil imports are below last year. Refinery capacity utilization is down 6 to 7 percent because there is not enough crude stock available."

At the June 11 hearing of the Commerce, Consumer and, Monetary Affairs Subcommittee of the Committee on Government Operations, which I chair, Mr. Dougherty of the Federal Trade Commission testified that current gasoline shortages could not be explained by crude shortages.

Independently the staff and members of the subcommittee had also reached this conclusion.

According to U.S. Census data which is provided and verified by U.S. Customs Service:

First. U.S. imports of crude oil for the first 4 months of 1979 have exceeded last year's import levels for the same time period by 10 percent;

Second. Crude oil imports have averaged 7 million barrels per day for the first 4 months of this year; and

Third. Only in the month of February 1979 did a slight drop—3 percent—occur over February 1978 which could be attributed to Iran and despite this the first 4 months of 1979 showed an overall 10 percent increase over the comparable 1978 period.

Accordingly, we conclude there has been no Iranian shortfall or dislocation here despite statements to the contrary.

The following are the Census figures:

U.S. GENERAL IMPORTS OF CRUDE PETROLEUM INTO THE U.S. CUSTOMS AREA, UNADJUSTFD, BY MONTH (JANUARY 1976–APRIL 1979)[1]

	Net quantity in thousands of barrels				1979 (MMBPD)[2]		Net quantity in thousands of barrels				1979 (MMBPD)[2]
	1976	1977	1978	1979			1976	1977	1978	1979	
January	167, 858	207, 738	192, 772	226, 177	7.5	July	190, 181	229, 532	195, 244		
February	127, 070	204, 579	198, 230	191, 449	6.4	August	198, 417	208, 239	219, 826		
March	154, 692	264, 202	181, 172	200, 989	6.7	September	183, 018	209, 539	211, 793		
April	170, 905	194, 915	189, 079	216, 707	7.2	October	171, 608	210, 575	203, 394		
May	127, 751	160, 217	179, 073			November	188, 087	215, 654	209, 578		
June	173, 795	255, 951	197, 421			December	197, 042	171, 366	214, 769		

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[1] Source: Report FT 900, Bureau of the Census.

[2] MMBPD—millions of barrels per day.

For the first 3 months, in contrast to the Census figures, American Petroleum Institute reported crude oil imports down by almost a million barrels per day—6 to 7 million barrels per week—thus representing this year's imports as being less than last year's for the same time frame.

The Census figures are obtained by U.S. Customs Inspectors and public gagers by gaging and verifying the tanker carried imports. American Petroleum Institute (API) receives its figures from its members—the oil companies. The Department of Energy receives its data from Customs which is not the gauged reading but the amount cited in the ship's manifest. The API data is not verified. According to a recent General Accounting Office report the Department of Energy data is not verified.

The significance of measurement versus nonmeasurement and verification versus nonverification may be shown by the following excerpts from a June 14, 1979, Los Angeles Times story by William C. Rempel:

> In fact, a Los Angeles Times inquiry shows that Customs Service import figures conflict sharply with industry or Department of Energy import records. According to Customs, greater amounts of oil are being imported than have been reported elsewhere.
>
> A spot check of tankers discharging foreign crude oil at southern California ports showed that Customs' figures frequently are at odds with the import figures of the oil companies and shippers.
>
> For example, when the Gyoko Maru discharged crude to the Chevron refinery in El Segundo last month, a licensed public gauger hired by the shipper said that 624,148 barrels were unloaded.
>
> Chevron, by contrast, said it received only 601,840 barrels, according to Customs documents.
>
> But Customs inspectors, measuring the oil both in the tanker and in the refinery tank, said Chevron received 646,143 barrels—or 44,303 barrels more than Chevron claimed. . . .
>
> An inspection of Customs records of ship arrivals at California ports disclosed that between January and March of this year, 37.9 million barrels of foreign crude oil were shipped into the state.
>
> The US Department of Energy reported only 32.4 million barrels, however—a difference of 5.5 million barrels, or about 230 million gallons less than Customs showed entering the state.
>
> "Believe me, we don't have any oil going astray," a spokesman for the department said. He said the statistical discrepancy was due to the late filing of oil import forms by importers.
>
> What Customs records show is that in February, for example, 15.3 million barrels of foreign crude was brought into California. The Department of Energy recorded only 11.9 million, however, or 3.4 million barrels below the Customs figures.

How have these crude oil imports affected our crude oil inventory stocks?

According to API and DOE figures—unverified—of our crude oil inventory stocks have risen sharply since the first of the year. Today crude oil inventory stocks exceed 333 million barrels. Thus, existing stocks now equal the lower inventory level of the "glut" period of 1977–78 or about 40 million barrels over traditional inventory levels. If we were to include the strategic petroleum reserve inventory—which is not included, our overall present inventory is by far the highest level it has ever reached. Even without the strategic petroleum reserve inventory we are within 12 million barrels of our all-time high. In fact, our present crude oil inventory stocks are greater than they were a year ago.

Yes, we also verified that refinery capacity utilization is down 6 to 7 percent from the traditional operating levels since the first of the year but it is obvious that it was not due to the lack of available crude oil stocks.

Yes, there is adequate crude oil stock and refinery capacity to refine this Nation's needs—an additional minimum of 1 million barrels of distillate a day.

DOE figures disclose U.S. demand is only up marginally and that world oil production is up over over 4.5 percent despite Iran. Further, the OPEC countries accuse the multinational oil companies and consuming nations of stockpiling crude oil and some of the multinational companies of being involved in price manipulation. The continued OPEC statements indicate where there is smoke, there is a fire and in this instance there appears to be substantive credibility to their accusations.●

YOUTH UNEMPLOYMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. WEISS. Mr. Speaker, I recently introduced two pieces of legislation which would effectively eliminate one of the most disturbing and ominous social concerns facing our Nation—an enormously high rate of youth unemployment.

The first of these bills (H.R. 4534) would create an effective program of full employment, vocational training, and job placement for all young Americans in need of work.

Although both the Carter administration and the Congress have made important and commendable commitments to job initiatives for young persons, the extent of the problem is such that further and more comprehensive efforts are urgently required. Indeed, only a very small proportion of all jobless youngsters are currently being assisted by any Federal work or training project. The persistence of unemployment rates for all youngsters in the 17-percent range and for black youth at a level twice as high should be sufficient proof that we must do more and that we must do it quickly.

H.R. 4534, the Youth Employment Act, seeks to insure, through a variety of mechanisms, full utilization of all public and private employment and training programs.

The bill will move the Nation toward full employment for all persons in the 16 to 24 age bracket by creating within the Department of Labor a National Youth Full Employment Board. This body will work with the Secretary of Labor and prime sponsor planning councils to achieve a significant reduction in the employment differential among various population groups and to place large numbers of currently jobless young people in productive work positions.

The legislation stipulates that within 1 year of its enactment the overall joblessness rate for all American youngsters must not exceed 10 percent. Likewise, the bill requires a further reduction to an unemployment rate of 3 percent within 2 years of its passage and to genuine full employment by the third year. Jobs must, at the end of this period, be supplied within a reasonable period to all young people who are able and willing to work, the legislation states.

These objectives will be accomplished through the provision of financial assistance to the States, localities, private and nonprofit organizations, and the Youth Job Guarantee Office which is also established under the legislation. The funds will be used for job training and job placement in public service and private employment projects.

The Youth Job Guarantee Office, to be situated within the Department of Labor and in every participating locality, will direct the placement and eligible individuals in job slots. Any youngster facing "special handicaps"—for example, discrimination based on race, sex, physical handicap, or other factor—shall be given special consideration for placement in training or work.

A carefully delineated process for actual placement is also proposed under the legislation. Eligible individuals will be referred first to private and public employment placement units, then to jobs in public service or private employment projects, and finally, if a job is unavailable in either of these sectors, to a position that will be created under the legislation.

I believe, Mr. Speaker, that this legislation will move our Nation toward the eradication of unemployment among young people. The bill devises an effective and cost-efficient strategy for securing our economic future. There are few goals of greater importance to our Nation, and I hope that this Congress will begin to lead the country toward that reality.

The second piece of legislation (H.R. 4536) would expand the targeted tax credit for job hiring. As currently constituted, the tax credit provides $3,000 in first-year savings to employers who hire an individual who fits into one of seven categories. My legislation expands one of these categories to include economically disadvantaged young persons, age 16 to 18, who are attending school. According to the most recently available Department of Labor statistics, some 1.7 million youngsters may potentially qualify for tax-credited hiring.

The legislation also amends the Comprehensive Employment and Training Act to allow certification and referral of youngsters to jobs under this program. The bill would encourage hundreds of thousands of young people to remain in school by enabling them simultaneously to complete their educations and to enhance family income.

Taken together, H.R. 4534 and H.R. 4536 will successfully address the awesome and debilitating problem of youth unemployment. I strongly urge all my colleagues to join me in sponsoring this legislation and in working toward a full employment future for our Nation.

The following is a section-by-section analysis of the bill, H.R. 4534, the Youth Employment Act:

The first section is a statement of the purpose of the act: to establish a program of full employment, vocational training and employment placement for all young Americans willing and able to work. The second section states that although the rate of youth unemployment is excessively high, the efforts in this area have been insufficient. Members of a newly established National Youth Full Employment Board in the Department of Labor will work with the Secretary of Labor and prime sponsor planning councils towards two major objectives. These objectives are to reduce the differentials in employment rates among various population segments, and the rate of unemployment for all youths. Within one year of enactment, the unemployment rate must be at 10%, at 3% within two years, and within three years, jobs must be supplied for all youths who want to work within a reasonable period.

These objectives will be accomplished by the provision of financial assistance to states, localities, private and non-private organizations, and the youth job guarantee office, which is established in the following section. The funds will be used for training, and placement in public service and private employment projects. The youth job guarantee office established in the Department of Labor, and every locality under section four, will ensure that eligible individuals will be placed in a job. Section five provides that any person who may face "special obstacles", for example discrimination based on sex or race, physical handicap and so on, will be given special consideration. This section establishes certain financial and auditing procedures. Under this section, eligible individuals will be referred first to private and public employment placement facilities, then to jobs on public service and private employment projects, and finally, if no job is found then placement will be made under this act.

Section 6 is a Davis-Bacon provision. Section 7 provides that none can be excluded because of discrimination; section 8 is the enforcement clause. Section 9 is an authorization of such sums as needed for fiscal years, '81, '82, and '83. Section 10 states that the CETA prime sponsor planning council shall place projects for assistance which provide public service and private employment. Section 11 defines the terms used in this Act.●

MEMORIAL DAY SPEECH

HON. H. JOEL DECKARD

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. DECKARD. Mr. Speaker, I would like to bring to the attention of my colleagues some recent comments made by Mr. Gary May of Newburg, Ind., in his Memorial Day speech to the Vanderburgh County Council of Veterans Organizations. I was fortunate enough to be present at this occasion and, like all others there, was deeply moved by Mr. May's extremely poignant and eloquent description of the unique social, psychological, and physical problems faced by Vietnam veterans, with which he is personally familiar. In April of 1968, while serving in Vietnam, Mr. May stepped on an antipersonnel land mine, resulting in wounds requiring a bilateral amputation of his legs above the knees.

Following Vietnam, he earned degrees in both sociology and psychology at the University of Evansville, and continued advanced study at the University of Tennessee, receiving his master of science degree in 1974. Mr. May has had 5 years experience with the Veterans' Administration working in both medical and psychological readjustment programs. Currently, he is a social worker at the VA outpatient clinic in Evansville.

His words below are not only expressive of what it is to be a Vietnam veteran, but, perhaps more importantly, what our responsibility is to those veterans. Last month's observance of Vietnam Veteran's Week recognized the struggle that many veterans endure, yet it is only through our daily attention to their special type of heroism that will provide a solution and remedy to this problem.

I offer his words for your thoughts and actions:

MEMORIAL DAY SPEECH

(By Gary May)

Memorial Day. The day this nation sets aside to pay tribute to its warriors who answered her call to arms but did not return alive. It's a sad day for many. Losses are painfully remembered. Questions about the worthiness of the "cause" which necessitated such sacrifices demand suitable answers. Most will conclude that the end did justify the means.

The situation is very different for those of us who participated in America's most recent war, however. In a very real way we have not yet returned from our war. We have been forgotten. Our sacrifices have not yet been adequately acknowledged. We were lost in the debate over the "worthiness" of our cause. We have not been separated from the war itself. We did not cause the war in Vietnam any more than those who did not speak out against our involvement there from the outset. We did not perpetuate the war in Vietnam. We served admirably and honorably under atrocious conditions. Virtually no one suported us. Even our "leaders" couldn't agree on whether or not we should be there. We didn't go with any assurance that what we were doing was right or necessary.

The situation was no different when we returned home. There were no marching bands to welcome us; only lively debate and demonstrations against the war. Many of us agreed with the dissidents, but we were not welcomed in their ranks either.

We were and are still largely, alone.

In spite of the lack of appropriate acknowledgement, in spite of the negative stereotypic portrayal in the media, in spite of being looked upon as drug crazed psychopathic baby killers and "losers", in spite of all the numerous formidable barriers to our safe return home; the fact is, that most of us have done a very good job readjusting to civilian life. We should all be very proud of this fact.

Progress has been made. We hold responsible positions in government and the private sector. The administrator of the VA is a Vietnam veteran as are some other agency heads, congressmen and senators. Recent movies and books have portrayed the war and its veterans more appropriately.

We should not be lulled into complacency by our accomplishments, however. Much work remains to be done. Unemployment, especially among Blacks and other minority groups is disgracefully high. There is no adequate psychosocial counselling program in the VA for our brothers who are having adjustment problems. The suicide rate and incidence of alcohol related problems is higher than for the non veteran population. We do not have adequate information or investigation about the long range effects of Agent Orange. Insensitivity and hostility toward us continues. We are seen as "alien" by many. We are tired of getting nothing but words from officialdom.

We need adequate jobs and counselling services and educational benefits. We want to be accepted and appreciated for what and who we are. We want to be listened to.

As we memorialize our fallen brothers on this day, let's resolve that they shall not have died in vain. Let's insure that their death and our suffering have some meaning.

Tomorrow begins a very special week for the Vietnam veteran, Vietnam Veterans Week. This period was designated by Congress and the President for the nation to acknowledge and thank the Vietnam veteran for his sacrifices. It's time to put differences aside.

Those of us who have served in this nation's wars know firsthand the horrors of war. We have seen the death, killing, and destruction. We have felt the pain, both physical and emotional. We can see beyond the romanticized notions of war. Our experiences with death have given us new reverence for life. We should be among the primary peacemakers and peacekeepers.

It is my sincere hope that one of the lasting legacies from the Vietnam War will be our ability to avoid such a fiasco in the future. We can no longer blindly subscribe to the "My country, right or wrong" philosophy. We need to look critically and question any strategies that would put us into similar situations in the future. Nothing should be above reproach.

For the Vietnam veteran we need to separate the war from the warrior. We knew who to call upon in time of war; it's time we learn who to thank during this time of peace.

This can be the beginning of an open, honest, constructive dialogue between and among Vietnam veterans. We have not yet taken the opportunity to talk about our involvement. We can't let this opportunity pass. No good will come from keeping all our feelings bottled up inside. It's been several years since the steamy jungles and rice paddies for many of us. There is no time like the present to try to make some sense of what we went through. Let's salvage some meaning from the death and suffering we endured.●

WISE WORDS ON RHODESIA

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. ERLENBORN. Mr. Speaker, that respected journal, the Christian Science Monitor, recently ran an article by Joseph C. Harsch regarding the need for clear and sober reflection with regard to the lifting of sanctions against Rhodesia.

Inasmuch as the House will be voting on this important matter in the near future, I insert the article in the RECORD for the benefit of my colleagues:

[From the Christian Science Monitor, June 19, 1979]

HOW TO BUNGLE FOREIGN POLICY

(By Joseph C. Harsch)

Offhand I find it difficult to think of a problem in American foreign policy which has been bungled as badly as the US relationship toward the newly emergent black-led government of Zimbabwe Rhodesia.

The right place for applying American influence to the issue is in the capital of that country, Salisbury. There is where the black majority has been given the appearance of power and where practice will determine whether that appearance is real or false.

At the present moment the critics of the new government assert that the new Prime Minister, Bishop Abel Muzorewa, "is just black frosting on a white cake."

Is he just "black frosting"? Or is his assumption of the office of Prime Minister the beginning of an orderly transition from minority white to majority black rule which could become a showcase example of the best way of doing such things?

I do not know the answer to that question. Nor do you. Nor, indeed, does the average member of the United States Senate, 52 of whom insisted by their vote on June 12 that they did.

To have 52 members of the US Senate vote against Rhodesia is about as unhelpful to effective diplomacy as anything could be. It is bound to encourage the most recalcitrant of the whites in Salisbury to think they can use Bishop Muzorewa as their stooge or "Uncle Tom." And the more of that there is, the less chance the Bishop has of succeeding in a peaceful and gradual transition.

But the folly of the Senate 52 was largely the result of a bungled approach by the White House.

If the Carter administration had from the start made the elements of its Rhodesian problem clear to the Senate, and done its utmost all along to keep the Senate informed, there need not have been the situation we now have where the issue is not how to resolve the Rhodesian problem, but the respective authorities of the Senate and the President.

The essential first fact about Rhodesia is that absolute white rule for the benefit of the white minority is finished. It is no longer tolerable in today's world.

But a second essential fact, and just as important as the first, is that the blacks as well as the whites in Rhodesia will benefit and be better off if that transition is peaceful and gradual and proceeds in a manner which will encourage a substantial number of the whites now in the country to stay on in that country to play an important, constructive, and profitable part in its further development.

We have seen a tragic example in Angola and Mozambique of what happens when the whites leave a former colonial country en masse in sudden panic. The result has been chaos, and misery for the blacks left behind. No one benefits.

Rhodesia is a going economic concern. No one should want that economy wrecked. No one would truly benefit from the wrecking of it. It will be wrecked if either one of two things happens. A panic mass flight of the whites would wreck it. A fraudulent handover of power to the blacks would wreck it. Bishop Muzorewa cannot survive if it is obvious after a sufficient interval that he is only a stooge of the whites and that real power is still in their hands. But the Rhodesian economy and the Muzorewa government can survive to the advantage of all if progress toward black rule is visible and convincing.

The place in which to make the transition visible and convincing, as well as peaceful and gradual, is in Salisbury itself. It cannot be done in the Senate or in a row between Senate and White House over whether the Senate is encroaching on the prerogatives of the President.

The constructive approach would have been for the President and Senate to have taken up jointly in Washington the position that they both welcomed the outcome of the Rhodesian election and the transfer of official power to Bishop Muzorewa and the installation of a government which appeared to mean a handover of power to the black majority. To which they would have added jointly that they would be watching developments after the official handover for evidence of a bona fide transition. They would hope the time would come when both could extend full American recognition to the new government.

That would give American diplomats leverage with the white leaders in Salisbury, and with the governments of the black countries of northern Africa whose continuing goodwill is important to the United States. Legally and technically, the government in Zimbabwe Rhodesia is still without legitimate credentials. Sovereignty technically still resides in London, and will reside there unless or until London recognizes the new government. The United States has only a marginal interest in events in Rhodesia itself. It should coordinate its policies with London and with the capitals of the black African states and work with them for a safe and sane and peaceful transition which all of them could endorse.

No such safe, sane, and gradual but convincing transition is helped by a row between Senate and President in Washington or by 52 senators trying to take matters into their uninformed hands.●

SALT II: A PRUDENT STEP IN THE RIGHT DIRECTION

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, it is a pleasure today, to pass along an article from the Washington Post, June 21, 1979, which, in my estimation, renders an unusually perceptive view of the SALT II Treaty ratification.

We have seen in the past months much literature on SALT II dealing with the need for strategic arms balance and verification. Author William G. Hyland, former deputy assistant for national security to President Ford and currently at Georgetown University, differs from other writers in his approach, in that he emphasizes the need for careful consideration of each amendment offered by the Senate. He petitions the Senate to give serious thought to what the possible consequences of these amendments may mean to the political future of our country.

At this time I wish to insert in the RECORD, "SALT or Limbo" by William G. Hyland. I urge my colleagues to read this most objective essay on SALT II.

SALT OR LIMBO

(By William G. Hyland)

It may be disappointing but should not be surprising that SALT II contains only a modicum of arms control despite seven years of negotiations. It would be astounding if two such hostile rivals were to agree to sweeping limitations on their primary means of military security. The purpose of armament arrangements between two highly competitive great powers is quite different. It is basically a political agreement; to provide a margin of reassurance and thus add an element of stability to the general relationship.

The new SALT agreements set only some rough outer limits. U.S. forces will grow to 11,000–12,000 warheads and bombs and similar Soviet forces will double, from 5,000 to 10,000. Nevertheless, these limits compare not with ideal limits in theoretical treaties, but with the probabilities of no agreement.

Consider, for example, the problem of the potential ability of the Soviet Union to wipe out most of our ICBMs. The United States has two choices. We can develop a new ICBM in some "mobile" basing of about 8,000 alternate launch points for about 200 real missiles. The SALT limits on Soviet missiles and warheads make it exceedingly difficult if not impossible for the Soviet Union to launch an attack on this scale. (Indeed, proponents of the MX mobility should desperately want limits on Soviet Forces.) The second choice is to set aside SALT and to race by producing more "aim points" than the Soviets can produce missile warheads. The United States could probably win, but it is not self-evident why challenging the U.S.S.R. to build the maximum number of warheads is preferable to limiting them.

There are, of course, several possible improvements in the agreements that would yield American advantages. Some of them have already been tried and have failed in negotiation. Nevertheless, the Soviets probably could swallow some amendments but not the most significant ones. It is almost certain that the Soviets would not agree to scrap the temporary ban on land- and sea-based cruise missiles contained in the treaty protocol (which expires at the end of 1981). It is also unlikely that they would agree to count their Backfire bombers in the aggregate ceilings of 2,400 and 2,250. (If by some chance they did count some or all of them, it would certainly mean that Moscow intended to upgrade the aircraft significantly and probably arm it with long-range cruise missiles—not an attractive outcome for the United States.)

Probably, the Soviets would agree that the United States could have the right to build 300 very heavy ICBMs as the Soviets themselves have done. But deploying the new MX missile accomplishes about the same result within the treaty as written. The Soviets would probably accept some hortatory language about verification. Clarifying the status of "mobile" ICBMs seems to have been accomplished in the Vienna discussions and would not have to be a treaty amendment in any case. Insisting that the treaty protocol expires at the end of 1981 as written is redundant but harmless.

Senators, however, need to weigh some fundamental questions in considering the merits of each individual reservation or amendment. What is the international impact of a test of strength with the president, or the cost of humiliating him by imposing a series of major amendments? What is the risk in testing the limits of Soviet tolerance? And, above all, do the changes have real strategic significance? No amendments being discussed will solve the problem of the vulnerability of our ICBMs, or redress the imbalance in Europe, or check Soviet-Cuban intervention in Africa. Nor will these issues be solved by outright rejection. One theory is that only by defeating SALT can we administer the necessary shock to the American people and warn the Kremlin. But then what happens? Would our allies support us? Would the Senate proceed to vote the necessary defense funds in the new post-SALT environment? Would the president acquiesce in his defeat? What would Moscow do?

It seems likely that we would find ourselves in a political and strategic limbo. The Kremlin might well continue talking, but its basic strategy would be to begin preparing for sharper competition and contention with the United States. They prbably would not launch a new "arms race" but would wait for the presidential elections—much like the period after the collapse of the summit in May 1960. We could thus find ourselves in the unenviable position of abiding by the essence of SALT, without any of the binding provisions on verification, while circling in a political holding pattern until November 1980.

This doleful state of affairs would coincide with a period of increasing international turmoil. The Soviet leadership is in transition. Sino-Soviet relations are in flux. Europe is groping for a larger identity. The international economic structure is being radically altered. There is a tendency toward regional instability if not chaos. Is it in the interest of the United States to challenge the Soviet Union in these circumstances and, if so, to what end? To get a new treaty or to force a Soviet defeat?

Confrontation with Moscow may come in any case; SALT unfortunately does not guarantee better Soviet behavior. But defeating SALT certainly is a leap into the unknown. We need to rise above the technicalities of arms control, verification, amendments and reservations and answer some basic political questions. Ironically, it was one of SALT's main critics, Sen. Henry Jackson (D-Wash.), who put the issue quite correctly in a recent speech, when he asked whether it was possible to achieve an accommodation with a totalitarian superpower through negotiated agreement. The SALT proponents cannot dodge this question by stressing the virtues of a given article in the treaty, or its verifiability, nor can the opponents take refuge in contrived amendments that defer the basic decision. In the end the Senate will be voting to send a signal to Moscow about the direction we wish our relations to follow.

It would seem that the prudent course is 1) to approve SALT with a minimum of change, 2) to use the post-Vienna period to continue the political dialogue that was started there, especially concerning the consequences of Soviet interventionism in critical regions, and 3) to look to our own defenses rather than build up illusory hopes about SALT III (which incidentally deserves much more sober consideration before rushing into negotiations). Soviet conduct at the summit suggests that a wide area of differences with the United States will persist and may even grow. But, at the same time, the signing of the SALT treaty suggests that both sides would prefer these differences remain within some bounds. Can we really expect much more?●

WHY THE PUSH ON DAVIS-BACON

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BONKER. Mr. Speaker, there is a lot of talk lately about the need to repeal the Davis-Bacon Act. Much of the discussion is based on inaccurate and confusing information. I would submit for the RECORD this article from the Washington State Teamster, which I believe is a good statement about why Davis-Bacon was enacted, what it has done in the past 48 years, and why the push for its repeal is misguided:

[From the Teamster, June 15, 1979]

WHY THE PUSH ON DAVIS-BACON

A federal law considered so non-controversial that it barely merited congressional debate before its routine approval in 1931 suddenly has become a hot issue.

After 48 years, the business community and its generally Republican, generally conservative friends in Congress have determined that the legislation—the Davis-Bacon Act—has a lot to do with what ails the nation.

The Davis-Bacon Act, oddly enough, was sponsored by two Republicans—Senator James J. Davis of Pennsylvania and Rep. Robert Low Bacon of New York.

The bill originated with Bacon. After winning approval for construction of a new veterans hospital in his district, he was dismayed to find that, instead of his constituents getting the construction award, it went to an Alabama contractor who had undercut the local bidders.

The Alabamian brought thousands of non-union workers with him from the South. The workers, Bacon told a congressional committee, "were herded onto the job, they were housed in shacks, they were paid a very low wage . . ."

President Hoover wanted to solve the problem by an administrative order requiring bidders on federal construction projects to maintain local wage scales, but the U.S. Comptroller General ruled that legislation was required. So Bacon introduced his bill, with Davis—a former Secretary of Labor—cosponsoring it in the Senate. The House passed the measure under suspension of the rules, a procedure ordinarily used to speed action on non-controversial bills, and Hoover quickly signed it into law.

The law required contractors on federal projects to pay locally "prevailing" wages—the same wages paid to private sector workers on similar projects in the same area. It later was expanded to cover private construction funded in full or in part by federal dollars, such as medical facilities, schools or housing for the poor.

The law apparently worked well over the years—well enough that 40 states adopted "little Davis-Bacon" laws that protected their local contractors and workers by putting similar conditions on state-funded construction projects.

Now, 48 years after the law took effect, it has come under attack by forces generally seen as pro-big business and anti-labor. These forces are, for the most part, the same individuals and business, conservative and right-wing groups which waged successful battles against situs picketing legislation in 1977 and the Labor Law Reform Act in 1978. Both of those issues were very high on organized labor's legislative agenda.

The opposition's charge against Davis-Bacon is that it's inflationary, artificially pumping up building and construction trade wages. According to a much-disputed report by the General Accounting Office, Davis-Bacon adds $500 million in unnecessary costs to the nation's annual construction tab.

Not so, says Labor Secretary Ray Marshall, who testified on the legislation's behalf before a number of congressional committees. If he were still teaching, declared the former economics professor on one occasion, he would "flunk" the authors of the report for shoddy work. For example, said Marshall, the report detailed what it considered improper wage rates in 12 construction projects out of a possible 17,000, then applied the findings to a total of 120,000 projects.

More important than the question of wage levels, Marshall said, are the questions of quality construction, productivity and stability in the industry—all of which, he warned, would be seriously threatened by repeal or serious weakening of the Act.

Organized labor charges that the anti-inflation argument is no more than, as one Labor publication put it, "a cover story for what is purely a vendetta against construction unions and their members." The Labor Department and the unions both point out that, by definition, paying a worker the same wages paid to comparable workers cannot be inflationary.

And they document that labor costs in construction are the smallest cost element in new building: in 1949, labor and materials accounted for 69 percent of building a new house; in 1978, those costs were down to 47 percent, of which building materials accounted for 30 percent and labor only 17 percent.

Meanwhile, over the same period, the cost of land increased from 11 percent to 25 percent; finance costs rose from 5 percent to 11 percent, and builders' overhead and profits rose from 15 percent to 17 percent.

A labor spokesman testified on Capitol Hill: "Emasculation or repeal" of Davis-Bacon "is the first step toward dismantling 50 years of carefully-designed social legislation." If Davis-Bacon is threatened, labor asks, what would prevent the Fair Labor Standards Act—the federal minimum wage and overtime law—from being next?

Undeterred by these arguments—or, some might say, perhaps spurred gleefully on—the opponents of Davis-Bacon have launched their attack. So far, at least, they've met with little success.

Several bills calling for outright repeal of the law have been introduced in Congress. But the major confrontations thus far have come on the state level, where some 30 state legislatures have been urged to repeal their "little" Davis-Bacons, and in congressional committees, where efforts are being made to knock prevailing wage provisions out of dozens of authorization bills.

The state efforts are barely under way, and the score as of late May was 2 to 1. In Utah and Arizona, gubernatorial vetoes of state legislative actions prevented repeal, while the failure of Florida's governor to act following his state legislature's repeal vote eliminated the law.

Supporters of the law on the federal level, at least so far, haven't lost a fight yet. Opponents on several congressional committees have attempted to drop Davis-Bacon provision from defense, housing and other appropriations bills. They've lost on each try, although usually by the slimmest of margins.

The efforts in committee are expected to continue—opponents have more than 50 appropriations bills they can attack. And Davis-Bacon supporters still expect an overall repeal vote to be attempted, perhaps in June. The local fights will continue as well: in four states, as of June 1, repeal votes had been approved by one chamber or another of state legislatures.

Labor sees a lot riding on the outcome of the Davis-Bacon fight. While situs picketing and labor law reform both were lost, working people still emerged no worse off than before the fights began. But the loss of Davis-Bacon would mean a giant step backwards.●

INTRODUCTION OF LEGISLATION TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO ALLOW A DEDUCTION FOR CERTAIN CONTRIBUTIONS OF REAL PROPERTY FOR CONSERVATION PURPOSES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. DINGELL. Mr. Speaker, I am introducing legislation today that could dramatically expedite the future acquisition of natural resource areas by private conservation organizations and the Federal Government.

Current law does not allow tax deductions to corporate or individual owners of property to donate interest in the surface of land areas to be used for conservation or other charitable purposes while simultaneously retaining mineral interests in the property. The landowner must donate the mineral interest in the land as well as a surface interest in order to qualify for a tax deduction under the Internal Revenue Code.

This has resulted in the reluctance of many landowners to enter into land transactions with conservation organizations or the Federal Government at a time when conservation organizations and Government agencies are trying to preserve America's remaining pockets of natural land.

Section I of this legislation would remove this existing impediment and allow for a more expeditious land acquisition program. The legislation would allow property owners to make land donations while still reserving mineral rights, and to receive a deduction under the IRS Code for the value of that portion of the land donated. For example, if the total value of a parcel of property is appraised at $1,000,000 and the mineral interests, such as oil or gas, are worth $300,000, the landowner would be able to donate all surface interests, valued at $700,000, and retain the mineral interests—and access to them—and obtain an IRS deduction for the $700,000 donation.

A reasonable question which might arise with such an arrangement is: How can one assure the protection of the integrity of the natural resource donated? The legislation stipulates that the holder of the mineral interests cannot extract the minerals by any surface mining method. The minerals, however, could be extracted by drilling or underground mining methods. Generally, these types of extractions can be compatible with the long-term ecological value of the land surface. Furthermore, it will be up to the recipient of the donation to specify in the deed of transfer which specific restrictions on mineral extraction are further required to protect the long-term natural values of any land parcel. This situation is hardly new since most land now acquired by purchase by charitable organizations for conservation purposes often has the mineral rights outstanding in third parties. The conservation group must negotiate every land purchase so as to assure that the natural values of the land are protected.

In the case where property is acquired by the U.S. Fish and Wildlife Service, of the Department of Interior, the strict compatibility tests of the National Wildlife Refuge Administration Act would govern any mineral activity on the acquired land. This statute requires that any extraction of minerals must, by secretarial determination, be compatible with the major purposes of the wildlife refuge.

Section II of the legislation would withdraw the 1981 expiration date of a 1976 change in the IRS Code that clarified that the donation of conservation easements qualified for an IRS deduction. Under this existing provision, any type of easement in any State, irrespective of State easement laws, would qualify for a Federal tax deduction. The 1976 change allowed conservation organizations to acquire conservation easements where they were not able to before.

The easement deduction provides incentives for conservation of valuable natural areas and wildlife habitat. In cases where private owners do not wish to sell their land, easements are often donated. Where easements are purchased, they are often purchased at substantially less cost than fee acquisition.

I urge my colleagues to view this legislation as a vehicle to create an incentive to bring about the further protection of possibly thousands of acres of natural resources. It will remove a longstanding impediment to donations of property in need of management and protection. It will allow potential donors to contribute property for conservation purposes without having to be deprived of interests rightfully theirs.

This legislation is a constructive step forward in the conservation of our natural resources—a step that needs to be taken today.●

SPECIAL TRIBUTE TO JOHN R. HUTCHERSON

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HAWKINS. Mr. Speaker, I am very pleased to take this opportunity to share with my colleagues the achievements of a unique and special man. Mr. John R. Hutcherson, of Los Angeles, Calif., is an outstanding human being who has dedicated his life to helping, serving, and caring for others. On June 29, 1979, many of Mr. Hutcherson's acquaintances, colleagues, and friends will be honoring him on the occasion of his retirement from the Los Angeles County Department of Social Services, and at this time, I would like to join with them in their salute to this fine citizen.

Mr. Hutcherson has worked selflessly as treasurer and past president of the Los Angeles County Public Social Services Board of Directors, which administrates the vital programs that are so necessary to the well-being of so many of our citizens who need some form of public assistance. For many people, a full-time job such as this would prevent one from participating in other activities, but not John R. Hutcherson.

Mr. Hutcherson was the initiator and prime mover in the building and establishment of the Good Shepherd Manor senior citizens residence sponsored by Christ The Good Shepherd Episcopal Church. He serves as treasurer and member of the board of directors of the residence.

In addition to his work on behalf of senior citizens, Mr. Hutcherson has been exceptionally active in church related activities for many years. He is a past member of the Diocesan Council of the Los Angeles Diocese of the Episcopal Church; past president of Deanery 6 of the Los Angeles Diocese of the Episcopal Church; business manager of Christ The Good Shepherd Episcopal Church; treasurer of the men's club of the church; and a member of the vestry and a past senior and junior warden.

Mr. Hutcherson has also been involved in fraternal organizations. He is a member of Phi Beta Sigma Chapter, Phi Beta Sigma Fraternity; is western regional representative of the fraternity; and also serves on the Inter-Fraternity Council-Los Angeles, which sponsors an annual basketball series to raise funds for scholarships.

John R. Hutcherson served in the Quartermaster Corps of our military services, and was commissioned a first lieutenant, Quartermaster Corps, in 1943, and received reserved commissioned officer grade of major, Army of the United States, in 1960.

Thousands and thousands of people have benefited from the good works of John R. Hutcherson, and now it is our turn to let him know how appreciative we are of his dedicated years of service. I am very happy to join with others from the community in wishing him well in the years ahead.●

ROBERT A. TAFT, MR. AMERICA AND MR. REPUBLICAN

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. PAUL. Mr. Speaker, Senator Robert A. Taft, "Mr. Republican," was firmly convinced that our free society at home required an anti-Communist but noninterventionist foreign policy abroad.

Recently, Michael McMenamin wrote an article on this subject for Reason magazine. I would like to draw excerpts from it to my colleagues' attention:

ROBERT A. TAFT

Robert A. Taft was not, as his wife was wont to remind voters, a common man. Nor was he a common politician. It is worth remembering, as we look back on such postwar American statesmen as Truman, Marshall, Acheson, Dulles, Byrnes, and Vandenberg and lament the absence in the White House, State Department, and Senate of equivalent figures today, that Taft was described by the otherwise partisan liberal journalist Richard Rovere as the "ablest figure in American politics," whose integrity, intelligence, and independence made him seem, "alongside the papier mâché statesmen of the period, almost a figure of granite."

From the late 1930s to his death in 1953, Taft offered a principled and largely consistent counterpoint to the expansionist New Deal foreign policies of Roosevelt and Truman. He advocated neutrality and nonintervention in the European war prior to Pearl Harbor. Less than a week before Pearl Harbor, despite his acknowledged preference for a British victory and abhorrence of National Socialist Germany, he attacked the most conservative members of the Republican Party for advocating American intervention against Germany. After World War II he strongly opposed the formation of NATO and the permanent stationing of American troops in Europe yet supported creation of the United Nations. He characterized as a "brazen disregard of law" Truman's sending American troops into combat in Korea without the consent of Congress.

MR. AMERICAN

Why study Taft and his foreign policy today? For one thing, Taft's national career spanned the critical period from the late '30s to the early '50s, during which the national consensus on foreign policy underwent a radical transformation from isolationism to internationalism. His foreign policy likewise had to be adapted to the transition from a nonnuclear to a nuclear world. Further, that evolution occurred in the crucible of national politics, with Taft as Senate majority leader and presidential candidate.

Finally, as one of his strongest critics, John Armstrong, conceded, in the realm of foreign policy Taft "was more than Mr. Republican. He was Mr. American. It was he, perhaps better than anyone else, who voiced the doubts and prejudices, the hopes and fears, the frustrations, the hesitations, and the dissatisfactions that the American people felt as they slowly and ponderously went about the business of adjusting to their changed role in the world." Taft's foreign policy positions "caused thoughtful Americans to rethink their position, if only to refute him, and he repeatedly reminded the country there *are* limitations on what we as a nation can and should do in the field of foreign affairs."

Throughout his career Taft was pejoratively characterized as an "isolationist" by those who supported and fostered the internationalist foreign policy symbolized by Henry Luce's "American Century" series of editorials. He was portrayed in the press as a provincial, conservative, midwestern politician.

A politician he was, and not particularly ashamed of it. A provincial he was not. Robert Taft was the son of a president, and as a young boy he traveled widely through Europe and the Orient. He experienced American imperialism first-hand, living in the Philippines for three years when his father was appointed one of the American commissioners shortly after the Spanish-American War. Taft went to prep school in Connecticut; college, at Yale and Harvard Law. During World War I, after being rejected by the Army on two occasions for poor eyesight, he went to work in Washington for Herbert Hoover, then head of Wilson's Food Administration. After the war he joined Hoover in Europe as legal advisor to the American Relief Administration. While there, the young Taft observed the ravages of war, the duplicities and intrigue of Versailles, and Allies' postwar blockade of food to starving German civilians.

Returning to Ohio after the war, Taft entered state politics. As the son of a former president and chief justice, he achieved almost instant national prominence upon his election to the U.S. Senate in 1938, and he wasted no time in capitalizing on it. On his second day in the the Senate he attacked FDR's foreign policy as likely to lead to war and called for strict neutrality and nonintervention in European affairs.

FOREIGN POLICY RHETORIC

Jimmy Carter talked a lot in the 1976 presidential campaign about having a foreign policy as good as the American people, implicitly suggesting that the policy we had—which bears the rough outline of the one installed by FDR back in 1938—was not so good. After two and a half years in office, however, it is difficult to see where Jimmy Carter has genuinely reexamined any of the basic foreign policy outlines of the last 40 years. . . .

Carter's only genuine departure from the past—an ill-defined commitment to human rights as a cornerstone of foreign policy—has turned out to be merely rhetorical, calling to mind H. L. Mencken's devastating essay "The Archangel Woodrow." As with Carter, Woodrow Wilson was similarly inclined toward "gaudy processions of mere counter-words." "The important thing," wrote Mencken, "is not that a popular orator should have uttered such vaporous and preposterous phrases but that they should have been gravely received."

More than halfway through his term, Carter's foreign policy is still widely perceived as erratic, inconsistent, at times amateurish, and, above all, lacking any unifying theme or principles. While many commentators have offered their opinions on the causes, maybe the answer is simply that a foreign policy ought to be based on something more than piety and ambition.

REAL LIBERTY

Robert Taft's ideas on foreign policy were based on liberty.

No one can think intelligently on the many complicated problems of American foreign policy unless he decides first what he considers the real purpose and object of that policy. . . . Fundamentally, I believe the ultimate purpose of our foreign policy must be to protect the liberty of the people of the United States . . . so that they may achieve that intellectual and material improvement which is their genius and in which they can set an example for all peoples. By that example we can do an even greater service to mankind than we can by billions of material assistance—and more than we can ever do by war.

Liberty was a comfortable word for Taft. He used it often. More importantly—and this distinguished him from most of his contemporaries as well as virtually all of today's politicians—he didn't use the word lightly. He knew, in the best classical liberal tradition, precisely what liberty is.

And when I say liberty I do not simply mean what is referred to as "free enterprise." I mean liberty of the individual to think his own thoughts and live his own life as he desires to think and to live; the liberty of the family to decide how they wish to live, . . . and how they wish to spend their time; liberty of a man to develop his ideas and get other people to teach those ideas, if he can convince them that they have some value to the world; liberty of every local community to decide how its children shall be educated, how its local services shall be run, and who its local leaders shall be; and liberty of a man to run his own business as he thinks it ought to be run, as long as he does not interfere with the right of other people to do the same thing.

We cannot overestimate the value of this liberty of ideas and liberty of action. It is not that you or I or some industrial genius is free; it is that millions of people are free to work out their own ideas and the country is free to choose between them and adopt those which offer the most progress. . . .

It has been a long time since Americans have heard a nationally known politician from a major party speak of economic liberties and civil liberties in the same breath with genuine understanding. Yet it was Taft's firmly held belief in both civil and economic liberty that formed the core and served as the anchor for his foreign policy views—as is clear if we look at what he said about such issues as war, imperialism, and conscription. And it is from this perspective that one must view Taft on foreign policy in order to obtain a clear idea of what he was trying to accomplish.

NO BLOODLUST

During his lifetime, Taft was not without his critics. Immediately prior to formal American entry into World War II, Arthur M. Schlesinger, Jr., bitterly attacked the noninterventionist position of Taft and many other Republicans, accusing them of harassing, sabotaging, and obstructing FDR in his attempts to destroy Nazism and pointing to the business community as the Republican element most responsible. Taft's response to Schlesinger is worth repeating.

The most conservative members of the party—the Wall Street bankers, the society group, nine-tenths of the plutocratic newspapers, and most of the party's financial contributors—are the ones who favor intervention in Europe. Mr. Schlesinger's statement that the business community in general had tended to favor appeasing Hitler is simply untrue. I have received thousands of letters on both sides of the question, and I should say without question that it is the average man and woman . . . who are opposed to war. The war party is made up of the business community of the city, the newspaper and magazine writers, the radio and movie commentators, the Communists, and the university intelligentsia.

The *Nation* argued that Taft was "following a line almost indistinguishable from that of the Communists" and compared Taft to the far-left congressman Vito Marcantonio, who had also publicly worried that the power of Congress to declare war had been usurped by Truman's sending troops to Korea. The *New Republican* criticized Taft in similar terms....

Taft's positions on foreign policy had gradually evolved into a rather elaborate whole. Individual liberty for Taft was not necessarily an active end of foreign policy; our foreign policy was not to promote the growth of liberty in this country. It was enough for Taft that domestic liberty in a passive sense be preserved and that foreign policy be conducted so as not to threaten American liberty. This meant the avoidance of a serious risk of war—chiefly because of the *internal* threat to our political and economic liberty from the total mobilization of the nation caused by modern war, rather than because of any *external* threat to our country from an aggressor. (Taft believed that no nation ever posed any serious threat to our territorial integrity that could not be successfully handled by adequate air and naval forces.)

AID WITH CAUTION

Taft, however, was neither a pacifist (although his wife came close to being one, threatening at one time in 1938 to get herself arrested if the government tried to take us into war) nor a hard-core isolationist. He never believed in "peace at any price" and consistently favored aiding friendly countries under certain conditions. These conditions were stringent, however, and were never quite flexible enough to suit his interventionist critics:

Prior congressional approval of assistance. Taft believed that presidents, acting alone, are far more likely than Congress to take the nation into war. Taft wanted no president to have sole power to decide war or peace.

No preexisting obligations by treaty or otherwise to furnish assistance. Taft called this the "policy of the free hand": without advance commitments to intervene militarily outside our own territory, we would be left free to decide each such issue solely on whether it was of "sufficiently vital interest to the liberty of this country."

Assistance only within our capability. Taft always recognized that the United States can't police the world, that the national-security state created by Truman had a price tag.

> The people of the United States constitute only 6 percent of the population of the globe. Our raw materials are certainly not more than a third of the world's resources. Our huge production is still less than one-third of the world's production. Our people cannot, and do not desire to, boss the internal affairs of other countries. They cannot send armies to block a Communist advance in every far corner of the world. Consequently, we must consider the cost of the policies we adopt, both in men and money, and we are forced to be selective in determining the relative value and cost of each project.

Assistance only upon request. Taft was always sensitive (and therefore opposed) to telling other nations what is good for them and aiding them whether or not they want help.

> Fundamentally, I doubt if the standard of living of any people can be successfully raised to any appreciable degree except by their own efforts. We can advise; we can assist, if the initiative and the desire and the energy to improve themselves is present. But our assistance cannot be a principal motive for foreign policy or a justification for going to war.

ON THE SOVIET SPECTER

Taft's views on relations with the Soviet Union have particular relevance for us today. In the years immediately after World War II, his influence in the Republican Party had never been higher. During that same time, as shown by Daniel Yergin's perceptive book, *Shattered Peace: The Origins of the Cold War and the National Security State*, the Cold War started in earnest. We still live in that bipolar world, and Taft's postwar application of his foreign policy principles to our relations with the USSR demonstrate that anticommunism need not result in confrontation or an interventionist foreign policy. . . .

Despite the liberals' McCarthy-like attacks on him, Robert Taft was an anticommunist without peer.

> Let me say that no one is more determined to resist Communist aggression in the world than I am. I think the Russians present a menace to the liberty of the entire world and to our way of life, a menace greater than we have faced in our history.

In his own book on foreign policy, Taft indicated an acute appreciation of the USSR's security needs.

> If [the Russians] do not have the intention of starting a third world war, I believe there is only one incitement on our part which might lead them to change their minds and begin such a war. That would be the creation of a condition in which Russia feared the actual invasion of Russia or invasion of some satellite country sufficiently close as to threaten the future invasion of Russia.

He firmly believed that the Soviet Union was more of an ideological than a military threat.

> The threat of communism against liberty is not by any means a purely military threat—in fact, if we had only to face the military strength of Soviet Russia I think there would not be any such concern as we see today.
>
> Communism is strong because it has developed a fanatical support and missionary ardor, which have spread throughout the world and appealed everywhere to some of those who are dissatisfied with their present condition. It is a threat because it has developed methods of infiltration and propaganda well-fitted to this missionary ardor and has succeeded in building up, even in the most free countries, at least a strong minority of people who form, in effect, a fifth column behind our lines.

And Taft argued that the Soviet Union ought to be met in this arena and not on the battlefield.

> A war against communism in the world must finally be won in the minds of men. . . . Far from establishing liberty throughout the world, war has actually encouraged and built up the development of dictatorships and has only restored liberty in limited areas at the cost of untold hardship, of human suffering, of death and destruction beyond the conception of our fathers. We may be able to achieve real peace in the world without passing through the fire of a third world war if we have wise leadership. Communism can be defeated by an affirmative philosophy of individual liberty, and by an even more sincere belief in liberty than the communists have in communism.

BEYOND IMPERIALISM

Taft's reactions to the Greek crisis in 1947, the formation of NATO in 1949, and Truman's decision to send more American troops to Europe in 1951 are instructive examples of a noninterventionist, albeit anticommunist, foreign policy.

Churchill and Stalin had agreed that Greece would be in the British sphere of influence after the war. When the British announced in February 1947 that they were abandoning the defense of Greece, then in the throes of a civil war . . . Truman leaped at the chance to pick up the fallen British imperial standard.

> I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

He proposed massive military and economic aid to Greece and Turkey. Taft disagreed. He had questions for Truman:

> Could Greece, even with American aid, defend itself against a Russian invasion?
>
> How was American "national security" involved?
>
> What evidence was there that a Communist victory in the Greek civil war would lead to Communist takeovers elsewhere in the Middle East?
>
> Would the United States permit free elections in Greece?
>
> Would the United States leave if a freely elected Greek government so requested?

The questions were never answered. . . .

TACTICAL ERROR

Taft, however, went along with Truman on aid to Greece and Turkey precisely to strengthen Truman's hand in *negotiations* with the USSR But he rejected any wider implications of the Truman Doctrine.

> I intend to vote for the Greek and Turkish loans for the reason that the President's announcements have committed the United States to this policy in the eyes of the world, and to repudiate it now would destroy his prestige in the negotiations with the Russian Government, on the success of which ultimate peace depends.
>
> I do not regard this as a commitment to any similar policy in any other section of the world.

The Truman administration, on the other hand, clearly did regard aid to Greece as a commitment to similar policies all over the world, * * * and intended the Truman Doctrine to shape all of postwar foreign policy.

In retrospect, Taft did make a grievous tactical error in not resisting Greek aid and the Truman Doctrine. For Truman *did* regard it as a commitment to the rest of the world. Taft essentially let the Truman Doctrine go unchallenged, and by not resisting aid to Greece, he lost forever *his* free hand in shaping the course of postwar foreign policy.

NO TO NATO

Taft never had another real chance to oppose the increasingly belligerent "world policeman" foreign policy of the Truman administration. When NATO was formed in 1949, he opposed it vigorously.

> It is * * * clear that the pact is a military alliance, a treaty by which one nation undertakes to arm half the world against the other half, and in which all the pact members agree to go to war if one is attacked.
>
> No matter how defensive an alliance may be, if it carries the obligation to arm, it means the building up of competitive offensive armament. This treaty, therefore, means inevitably an armament race, and armament races in the past have led to war.
>
> I am quite willing to consider the providing of assistance to particular countries, at particular times, if such aid seems at that time a real deterrent to war * * *. But that is a very different thing from * * * arming half the world against the other half.

When the final Senate vote on NATO was taken, Taft was joined by only 12 other senators in voting no. The Truman Cold War policy of global "containment" of communism had taken hold of Congress and public opinion. Taft simply had waited too long to make his stand.

Although the Truman administration had been ambiguous during the NATO debate about any treaty *obligation* to provide arms to Western Europe, two days after the treaty passed, a $1.45 billion military assistance program was introduced by the administration and subsequently passed by a 55-to-24 margin. Two years later, in 1951, Truman proclaimed his unilateral right and intention to permanently station American troops in Europe as part of NATO.

Yet again, Taft strongly opposed Truman's policy, touching off what was referred to at the time as a "great debate" on foreign policy. Taft, as usual, marshaled cogent arguments against a permanent American troop presence in Europe: it would strain the American economy; Europeans would be encouraged to depend upon Americans rather than themselves for their defense; the USSR would be unnecessarily provoked; and Truman had no constitutional right to send American troops abroad in peacetime without prior congressional approval.

But Taft couldn't win . . . In the end, Taft was reduced to supporting a weak Senate resolution (arguably not binding, anyway) requiring Truman to come to Congress for approval prior to sending more than four American divisions (150,000 men) to Europe.

Although ultimately unsuccessful in changing the course of our postwar foreign policy, Taft demonstrated that an anticommunist need not necessarily be a cold warrior and that a foreign policy concerned with preserving internal civil and economic liberties will naturally be more limited in scope and goals than one whose grandiose purpose is to advance human rights throughout the world. It is a lesson from which we can profit today.●

AN EXTRAORDINARY INTERVIEW

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. MICHEL. Mr. Speaker, the New York Times carried an extraordinary interview today with Commissioner of Education, Ernest Boyer. In this interview, Mr. Boyer admitted that the proposed Department of Education would have no substantive value, only a "symbolic" significance. He also admitted that most high-level officials in the Government education bureaucracy cannot write clear English. All in all this interview should settle the debate over whether we should have a Department of Education. The answer—from the evidence presented by Carter administration's highest ranking education officer—is clearly "No."

At this time I wish to insert in the RECORD "Boyer Reviews Term in Office," by Edward B. Fiske, the New York Times, Tuesday, June 26, 1979.

BOYER REVIEWS TERM IN OFFICE

(By Edward B. Fiske)

On Saturday, Ernest L. Boyer will step down as the United States Commissioner of Education. Since April 1, 1977, Mr. Boyer, the former Chancellor of the State University of New York, has been the principal educational spokesman for the Carter Administration and the chief administrator of the Office of Education's $12 billion budget, which covers areas ranging from compensatory reading programs to Indian education.

In a recent interview, he was asked about his thoughts on Federal educational issues and what it was like to spend more than two years in a high Government post. Following are excerpts from that interview:

Q. Is there any such thing as a Carter education policy?

A. Definitely. The gains for education at the Federal level under the Carter Administration have been greater than at any time in the nation's history. The budget has increased from $7 billion to $12 billion, and that is a quantum leap. There's also been a clarification of the Federal role in education, with aid at the elementary and secondary level now focused much more sharply on language and mathematics at the early grades.

Q. You set up a school within the department and taught some courses yourself. What did you teach?

A. Writing. I am frequently asked to sign letters drafted by others, and even the urgency of time does not permit me to put my signature to some of the stuff that comes along. The language is cluttered and ambiguous. It takes several paragraphs to say what one sentence would cover. Even then you aren't always clear what was being said.

Q. Maybe that's intentional.

A. Exactly. Part of it is self-protection. Very often, there is no clear level of accountability, and as a document goes from lower to higher levels everyone tends to want to add some protection, and no one edits what the previous person did. But while being ambiguous might have left us off the point temporarily, it only adds to the lack of confidence and the attitude of cynicism toward government. I don't think we can afford to have this confidence continue to go down.

It can also lead to silly little mistakes. I got one letter that I was written in behalf of the Secretary [Joseph A. Califano Jr., Secretary of Health, Education and Welfare] that began, "I am pleased to respond in behalf of Secretary California." Fifteen people had signed off on it, so it must have been right. It was as if the whole system had a kind of joke that it wanted to move ahead.

Q. Are there other reasons for the obscurantism?

A. The threat of lawsuits is a very big thing around here. We operate in what might be called a climate of anticipatory litigation. You don't write a letter with the simple goal of giving an answer or explaining a problem. It's not that simple. You think up all the possible challenges, and you cover all the bases. So what should have been a simple little statement ends up as a legal brief.

Q. You've also been the first Commissioner of Education ito send collection agencies out after loan defaulters.

A. That's what it took. We had a runaway default rate in the Guaranteed Student Loan program that was administratively a scandal. Since April 1978 the number of students in default has dropped from 400,000 to about 300,000. We're now saving millions of dollars a month, and in 18 to 24 months the default rate will be close to zero.

Q. Is there anything you haven't been able to do?

A. One thing I didn't get done was name the building. I've been working in "FOB6"—Federal Office Building 6. It's degrading. It has all of the signals of a nameless, faceless bureaucracy.

Q. The legislation to create a separate department of education seems to be running into unexpected trouble. How much difference would a department make?

A. The difference would be primarily symbolic. I think it would be an important statement about the significance of education in our society if the Cabinet had a secretary of education. But I do not believe that it would alter significantly the shape or size of the Federal budget in education or the influence of the Federal office on the schools either pro or con. The only way a budget grows is for Congress to appropriate more money. And I'm not sure it would lead to great efficiency.

Q. Someone suggested calling it the department of public education and youth.

A. That was a public relations coup for the opposition. In fact, it's the one time I can think of when an acronym was worth the effort.

Q. What will you miss about the job?

A. I'll miss the excitement of being with Congress and helping shape policy. I'll miss the great—the almost breathless—pace of this city. I'll miss the tremendous sweep of encounters. The great excitement of this job is that one hour you're meeting with a group concerned about the handicapped and the next with those involved in Indian education and then people concerned about libraries in the schools. These are all caring and concerned people, and the end result after two and a half years is a tremendous cafeteria of very exciting offerings.

Q. Anything you won't miss?

A. I won't miss the distortion of priorities. One of the big failings of this city is that it gives priority to too many things. The signal around here is "by C.O.B." Everything has to be in "by close of business," whether it's important or unimportant. They don't say 5 o'clock, which would give you the suggestion of when business ends. They just say "C.O.B."

One of my first weeks here, I was going to a meeting at double time, and someone stopped me and said that he had just gotten a message that by C.O.B. I was to have a memo on how I was going to stay in touch with "the people of America." I said, "You can tell them that I'm on my way to a meeting, and there are some 'people of America' there." Why that had to be "C.O.B." never occurred to anyone.

It's exciting to work here, but it's not something one should do forever. The worst thing you can do is make a career of trying to manage government of this sort. I think you should be here for a period of time and try to keep your perspective and then move on.●

SALT II THE EUROSTRATEGIC IMBALANCE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to place in the RECORD excerpts from a study by Air Vice Marshal Stewart W. B. Menaul of the British Royal Air Force on the dangers to European security incorporated in the proposed SALT II Treaty. While reading Air Marshal Stewart's comments I recalled the euphoric media statements attributed to NATO leaders about the great contributions SALT could make to world peace. Would the U.S. SALT sellers stretch the truth by providing their own facts?

The excerpts follow:

THE DANGERS TO EUROPEAN SECURITY IN SALT II

West Europeans are becoming profoundly concerned that the American-Soviet Strategic Arms Limitations Talks (SALT II) may result in a treaty which adversely affects the security of the European half of NATO. Weapons systems excluded from the talks because they are not considered strategic weapons to the superpowers are completely strategic as far as Europe is concerned. Air Vice Marshal S. W. B. Menaul, a former Chief of Staff of Bomber Command and member of the Governing Council of this Institute has written a very authoritative study[1] explaining this Eurostrategic weakness.

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[1] SALT II The Eurostrategic Imbalance. By Stewart Menaul. Institute for the Study of Conflict, 12/12A Golden Sq., London W1R 3AF. £2 or $4.50.

UNPRECEDENTED SOVIET BUILD-UP

The author notes that in the previous SALT treaty the Americans were hopelessly outwitted. He writes:

"The net result of SALT I and the Vladivostok accords was an unprecedented build-up in Soviet strategic nuclear capability, while the entire United States ICBM and SLBM forces remained frozen at the 1968 level."

The European anxiety is simply that in order to achieve the political benefits of a successful SALT treaty, unilateral concessions may be made by the Americans which will put the survival of Europe in freedom at risk.

The Air Vice Marshal points out that:

"Constant reference by the Carter Administration to the degree of unanimity reached between the superpowers on the many issues confronting them in the SALT II discussions and the deliberate propaganda campaign conducted within the United States for the past six months, indicates an attempt by the Administration to persuade the Senate and American people (and the United States' allies) to accept what is patently an unpalatable package. Yet the claim that any agreement, whatever its defects, must be in the interests of detente and a lessening of tension is not sustainable."

Of the SALT II conditions the author notes:

"There are to be limits on development and testing of new ICBMs and SLBMs, and a protocol agreement would ban ground- and submarine-launched cruise missiles with a range greater than 600 km (320 st miles). Thus, cruise missiles deployed by NATO in Europe would be precluded from reaching Soviet territory. Moreover, non-circumvention provisions might inhibit the transfer of crucial advanced military technology to America's allies."

COHESION OF ALLIANCE AT RISK

When considering the existing conditions of SALT II, the author reminds us that:

"It is not possible to detect how many MIRV warheads are installed in a particular missile, nor could it be guaranteed that the Backfire bomber would not be used against targets in the United States. The range of cruise missiles cannot be ascertained with certainty and the Soviet SS-20 missile which is currently targeted on Europe, could be converted to intercontinental range by the addition of a third stage to the booster. Backfire bombers not deployed by the Soviet Long-Range Air Force against the United States will be deployed against targets in Europe, further strengthening the missile and manned bomber strategic nuclear forces targeted on European hard and soft targets.

"Whatever agreements finally emerge from SALT II, with its associated protocols, it is important that the terms of the treaty should be carefully scrutinised by Europeans, who must insist that any future strategic arms limitation talks should involve greater European participation. Weapons systems which have not so far been included in SALT negotiations are presenting ever greater threats to European security and thus to the cohesion of the alliance. So far, SALT discussions have included only weapons systems that can reach the United States (or the Soviet Union)—a situation that Dean Rusk described as 'a dam across half a river' . . . .

"Having gained a measure of superiority over the United States in strategic nuclear capability, it was inevitable that the USSR should attempt to achieve a similar advantage in what has become known as Eurostrategic nuclear capability (as distinct from theatre nuclear forces), in which nuclear delivery systems based in the Soviet Union pose a strategic nuclear threat to European hard and soft targets. This is precisely what Moscow has now achieved, while NATO watches with growing apprehension, but little sign that positive action will be taken to redress the imbalance; indeed, the ban on cruise missiles with a range exceeding 600 km and the inhibition on the transfer of cruise missile technology apparently agreed in SALT II places further obstacles in the way of doing so. Nor has any pressure been exerted on the Soviet Union in any discussions, official or unofficial, to reduce the strategic nuclear threat to Europe, which has steadily increased over the years.

"Meantime, attempts to achieve a balance in theatre conventional forces have been deadlockd in the ongoing Mutual Balanced Force Reduction (MBFR) negotiations in Vienna. Now that the United States and China have resumed diplomatic relations, the prospects for persuading the Soviet Union to reduce its nuclear and conventional threats to Europe are unlikely to be enhanced.

POLITICAL COERCION

"One of the most important aspects of the development of new strategic nuclear weapons targeted on Europe is the virtual obliteration of any dividing line between strategic and theatre (or tactical) nuclear forces so far as Europe is concerned, if indeed such a distinction ever existed. A disturbing character of some Soviet medium-range strategic weapons systems is that they could be used to deliver nuclear, conventional, chemical or biological warheads, thereby enhancing not only Soviet capability to wage war, but also their capacity to indulge in political coercion or blackmail . . .

"The situation has changed dramatically since the SALT I agreement of 1972. Not only has the United States fallen behind the Soviet Union in strategic nuclear capability, but even with a crash programme it is doubtful whether it could catch up within a decade. Meanwhile, the threat to the Minuteman silo-based force is as great as ever. The United States second strike capability has lost much of its credibility, while in Europe the strategic and theatre (or tactical) nuclear balance, which could influence the outcome of a confrontation, has shifted demonstrably in favour of the Soviet Union and its Warsaw Pact allies.

"In January 1978 the Soviets had about 700 I/MRBMs, 430 medium bombers and at least 20 submarine-launched ballistic missiles, all targeted on high priority European targets. The introduction by the USSR of the SS-20 mobile MIRVed ballistic missile and Backfire bomber has greatly increased their Eurostrategic capability since the SS-20 carries three MIRV warheads. It has been estimated that by 1985 there will be about 275 SS-20 missiles and 250 Backfire bombers deployed against European targets in addition to the 700 I/MRBMs, 430 medium bombers, 20 submarine-launched missiles and other nuclear capable systems. This represents a massive nuclear capability in Eurostrategic delivery systems in addition to the theatre nuclear superiority already enjoyed by the Soviet Union and the Warsaw Pact—a threat to which NATO has not so far responded.

"At their October 1978 meeting the NATO Nuclear Planning Group noted the increasing nuclear capability of the Soviet Union, especially in the European theatre and endorsed proposals for strengthening and modernising the alliance's theatre nuclear forces. But nearly all NATO's theatre nuclear weapons systems are short-range, except for the United States F-111 aircraft and the nuclear ballistic-firing submarines allotted to SACEUR.

IMBALANCE AGAINST NATO GROWS

"There are no other delivery systems in NATO with performances comparable to the TU-16, TU-22 Soviet medium-range bombers, the SS-20 missiles, or the I/MRBMs. NATO could produce about 150 British and French IRBMs and SLBMs, 200 nuclear capable aircraft (including carrier-borne aircraft) and a few United States Polaris/Poseidon submarines assigned to SACEUR. Of these, the French force is under national control and not available to SACEUR.

"None of these systems comes within the scope of current or projected SALT negotiations between the superpowers, and NATO has made no effort to adjust the imbalance in Eurostrategic nuclear delivery systems that exists today and will continue to grow during the next decade unless limitations are agreed with the Soviet Union. . . .

"Senator Henry Jackson warned the North Atlantic Assembly, meeting in Lisbon in November 1978, that the emergence of the SALT II treaty would severely limit NATO options to cope with the huge Soviet military buildup. 'Arms control agreements that permit the Soviet Union to continue their military buildup while constraining the United States and its allies from taking compensatory action', the Senator said, 'will only deepen the instability and insecurity that these negotiations are intended to moderate. But bearing in mind that nearly all the nuclear capability available for Western deterrence and defence is provided by the United States, what compensatory action could Europe take to reduce the present asymmetry?"

After considering the future development of the British, and larger French, strategic nuclear forces which are completely separated and relatively small, the author stresses that:

"The imbalance in Eurostrategic nuclear capability between NATO and the Warsaw Pact (or more precisely the Soviet Union) has increased and will continue to increase as the Soviets deploy more SS-20 missiles and Backfire bombers. United States nuclear capability in Europe has been virtually frozen, while France and Britain make only a modest contribution to the overall forces available. Europeans may complain that the United States has been over-generous in concessions made to the Soviet Union, but much of the responsibility for this unsatisfactory state of affairs rests firmly with the Europeans themselves. They have taken no action to condemn, much less offset, the Soviet buildup. . . .

MISSILE FLIGHT TIME IS 5 MINUTES

"The continued build-up in Soviet Eurostrategic nuclear capability, coupled with their greatly superior theatre nuclear, conventional and chemical forces in the European theatre, has created a situation long dreamed of by the Warsaw Pact, in which they can seriously contemplate the prospect of subjugating Western Europe with theatre nuclear, conventional and chemical weapons (or conventional and chemical weapons alone) without the risk of escalation to a strategic nuclear exchange between the Soviet Union and the United States or even a Eurostrategic exchange between Europe and the Soviet Union.

"Even now every European city, airfield, port, assembly area, military headquarters, communications centre, rail and road transport system is targeted by Soviet nuclear missiles or manned aircraft. Missile time of flight is about five minutes from Soviet bases.

"The Soviet leaders do not regard existing NATO Eurostrategic nuclear forces as a serious threat to important targets in the Soviet Union. If a SALT II treaty is permited to imposes limitations on the range of cruise missiles and on the transfer of technology to America's allies, the United States and European members of NATO will find it much more difficult to redress the present imbalance in Eurostrategic nuclear systems.

THE NEED FOR THE NEUTRON BOMB

"It is sometimes forgotten that the theatre (or tactical) nuclear balance in Europe is a separate issue from the Eurostrategic nuclear forces. The overall balance in theatre (or tactical) nuclear capability between NATO and the Warsaw Pact is roughly equal in warheads in their respective nuclear stockpiles, but in delivery systems the Warsaw Pact has a considerable advantage, and the balance is shifting perceptibly in their favour year by year. To redress this trend, the NATO theatre nuclear stockpile must be modernised and reorganized to include enhanced radiation warheads (the so-called 'neutron bomb') for delivery by missiles and manned aircraft. The Pershing II mobile ballistic missile, with improved range and terminally guided warhead, and cruise missiles capable of operating against a wide variety of targets, on and beyond the battlefield, should be introduced into NATO forces as a matter of urgency.

"The correction of the imbalance in Eurostrategic nuclear forces will be more difficult and time consuming and will involve the deployment of nuclear delivery systems capable of attacking Soviet hard targets and a wide variety of hard and soft targets throughout the whole Warsaw Pact area.

"There should be no question of the United States maintaining its offer to remove nuclear warheads from Europe in exchange for a reduction in Soviet conventional forces deployed in satellite countries, as happened in December 1975 in a desperate effort by the United States to achieve some progress in the permanently stalled MBFR negotiations in Vienna. NATO Eurostrategic nuclear capability is required to offset Soviet nuclear systems targeted on Europe, not those targeted on the United States.

"The development of a mobile, intermediate-range ballistic missile now under consideration by the United States and its NATO allies, based on a project known as 'Longbow', should be approved as a matter of urgency and not subjected to the delays and procrastinations that have characterised the development of the enhanced radiation warhead and the cruise missile. In addition, the possibility of extending the range of the Pershing II ballistic missile from the present 460 miles to 1,000 miles should be given serious consideration. A force of 250 long-range Pershing II missiles and 250 new IRBMs in addition to cruise missiles would do much to correct the dangerous imbalance in Eurostrategic nuclear delivery systems that exists today. It would also go some way towards restoring NATO capability to what it was in the early 1960s, before the United States removed the Thor and Jupiter IRBMs from Britain, Italy and Turkey. . . .

EUROPEAN STRATEGIC NUCLEAR FORCE BUILD-UP NEEDED

"Cruise missiles may be launched from ground bases, surface ships, submarines or manned aircraft; they may be short, medium or long-range and armed with conventional or nuclear warheads. They could be deployed in strategic nuclear theatre nuclear, Eurostrategic nuclear or conventional roles. Range limitations imposed on cruise missiles to comply with the requirements of SALT II should not be accepted by Europeans, since such limitations would prevent NATO members, other than the United States, from developing the new and potentially highly effective weapons systems for deployment in roles other than close support for short-range interdiction, i.e. to pose a threat to such military targets in the Soviet Union as headquarters, communications, airfields and concentration areas. . . .

"Restrictions on submarine launched cruise missiles (SLCM) could prevent Britain from developing SLCMs as replacement systems for the Polaris A3 missiles if it otherwise wished to do so. France, on the other hand, would not be affected, since it appears to favour development of a mobile missiles system as part of the strategic nuclear forces during the next decade. Cruise missiles deployed in Europe in addition to existing systems and the introduction of long-range Pershing IIs and new IRBMs could, within an acceptable time scale, redress the balance in Eurostrategic nuclear delivery systems. They could also strengthen NATO's nuclear and conventional defensive posture, thereby enhancing the deterrent triad.

"European nations have the technology to produce cruise missiles from their own resources, and studies are already being undertaken in Britain and France, but development would be speeded up with American assistance, which would in any case be required, at least in the initial stages, in preparing stored data for the terrain contour matching guidance system (TERCOM). Thus, any limitations on the transfer of the relevant technology imposed by a SALT II agreement would place these European powers at a serious disadvantage.

The author concludes:

"The NATO alliance must now accept the reality of the world situation and give urgent and serious consideration to building up its Eurostrategic nuclear forces. Europeans must also demand a more effective voice in any future nuclear arms control negotiations between the United States and the Soviet Union, the results of which could have a profound effect on the cohesion of the NATO alliance and on the future security of Western Europe."●

WORK TO PREVENT THE RUDENESS EPIDEMIC FROM SWEEPING CAPITOL HILL

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BENJAMIN. Mr. Speaker, the June 25 issue of U.S. News & World Report contained an interesting article entitled "Rudeness: An Epidemic in the Land."

I concur with the findings as well as some of the rationale explaining the phenomenon. On the other hand, I certainly hope that my colleagues will share their personal vaccine, or in some cases, antidote to avoid the contagion from sweeping Capitol Hill.

Fortunately, Members of the House long ago recognized that they were fourth in the pecking order behind staff, press and the public. As a consequence, their civility has generally not been the subject of debate. However, any appetite for power which voids the senses and allows the staff and, in instances, employees, interns, and pages to become heady to the extent that cordiality, politeness, and good sense are neglected, is attributable to the Members and certainly reflects adversely on the institution of the Congress.

In other words, each and every one of us have a responsibility to assure the public, without whose support this institution would not exist, that any epidemic of rudeness, no matter how prevalent elsewhere, will not sweep Capitol Hill.

With the influx of young people in our temporary and summer ranks, it becomes more important than ever to emphasize and reemphasize that sharing some function of the Government does not make one so powerful that the Golden Rule can be ignored. In fact, the principle of our Government is that the power is in the people and that our only manifestation is to represent them.

I hope that all of my colleagues will admonish their staffs, and the other legislative branch employees over whom they have jurisdiction, that there is no substitute for courtesy and that we are expected to be gentlemen and ladies in our contact with the public and each other. This, of course, means deed as well as word. This also means some consideration in the sharing of our limited facilities with the taxpayers who have come to see their Government in action and to share it with their families. I am personally convinced that a little thoughtfulness will go a long way and I urge the best behavior in every legislative employee whether the highest paid official or the newest intern. It is not a question of cleaning up our act—it is the point of being impeccable in our observance and response to those who constitute America—the visiting taxpayer.

Mr. Speaker, the articles I spoke of follow. My hope is that we will all work to abate the epidemic of rudeness and that the effect here will be one of total innoculation—by my fellow Members and their staffs.

The articles follow:

RUDENESS: AN EPIDEMIC IN THE LAND

IN STORES, IN OFFICES, EVEN IN THE WHITE HOUSE, ORDINARY COURTESY SEEMS TO BE GOING OUT OF STYLE. FOR A LOOK AT WHAT'S GOING ON AND WHY—

In Atlanta, an angry woman shopper hurls a box of shoes at a clerk and stalks out of the store.

In New York, two elderly women are spun out of a revolving door and thrown across the lobby of an apartment building by young people who whirl the door around too rapidly.

In Los Angeles, a woman waits in line at the Department of Motor Vehicles for 45 minutes, only to have a clerk slam the window in her face.

At the White House, consumer representatives complain so harshly to President Carter about fuel prices that the President's consumer adviser, Esther Peterson, feels compelled to apologize to Carter in writing for their conduct.

Are Americans behaving more rudely toward each other these days?

Many insist that discourtesy is on the increase, and they blame it on all sort of causes—pressures of an uncertain economy, overcrowding, lack of training in home and schools, a growth of self-centeredness. In fact, many Americans feel that rudeness has reached epidemic proportions.

SELFISHNESS ON RISE

There has been "a definite decline in courtesy over the last five to 10 years," asserts Jim Ponder, an official at a Los Angeles hospital that runs a tension-control program. "People are more blunt, more forceful and more self-centered. They're asking, 'What can I get?' instead of asking, 'What can I give?' "

Reports of rude behavior are legion. David Riesman, a Harvard University sociologist, recalls admonishing some college students who were heckling a stewardess on a flight from New York to Boston. The students cursed him and told him to mind his own business.

Says Riesman: "We live in a society in

which letting it all hang out and being candid are viewed as virtues, and this leads to rudeness."

A Los Angeles man tells of smoking a cigar while standing in an outdoor cafeteria line and being hit over the head by an angry woman yelling: "Cigars stink!" The man turned and said: "I beg your pardon?" She screamed back: "Go stand somewhere else." The man moved to the back of the line.

In Detroit, the organizer of a meeting for 17 clergymen reports that only five showed up. None of the others even bothered to telephone. She says: "Nobody feels they have to tell somebody they won't be there. Ten years ago that never would have happened."

Discourtesy, experts contend, is similar to a contagious disease: People who have been treated impolitely are in turn rude to others, and the crude behavior is quickly transmitted throughout society.

WELL-MANNERED YOUNG?

Some observers report that rudeness is a particular problem among the young, and they blame parents and teachers for not handling children properly.

But Christopher Lasch, professor of history at the University of Rochester and author of *The Culture of Narcissism*, argues that young people are more polite today than during the 1960s, "when it was almost a demonstration of one's political rectitude to be rude."

A New York salesclerk insists that older people are more rude than the young. Says she: "Kids, by and large, are pretty well-mannered. It's the older people who are evil-tempered."

Most experts agree that the pressures of modern living play a major role in rudeness.

Impoliteness is said to be particularly common in places that are experiencing rapid change—where the social structure is unstable and people often feel alienated and alone.

The Mental Health Authority of Houston and Harris County reports that the Texas city's rapid growth is contributing to social disintegration. Nancye Goodwin, a staff member of the authority, notes: "It has gotten to be such a hassle to make make a living and to get from Point A to Point B."

GASOLINE FRENZY

The behavior of Californians facing the gasoline shortage is cited as a classic example of what can happen when rapid social change and the pressures of modern living converge.

Cases of assault have been widely publicized, but everyday rudeness is more common.

Customers at a service station in Manhattan Beach, Calif., waited through the predawn hours for the station to open. At precisely 6:30 a.m., the owner was ready for business, but the line of cars couldn't move. Reason: The driver of the first vehicle in line had parked her automobile the night before, locked it and left. She arrived 30 minutes after opening time, oblivious to the angry crowd around her.

At another service station, a driver who had waited in line for 2 hours was unable to contain his frustration as he approached the gas pumps. He let loose a barrage of obscenities. "Get out of here!" retorted the station manager, "This mess isn't my fault." The angry motorist left—without his gasoline.

Many people find the highways a handy outlet for anger and frustration. Stories of rude behavior—and worse—on the road are commonplace.

A Virginia state trooper was bitten by a cab driver while the officer was writing a ticket. The officer describes the cabbie as "just an average guy driving a cab at night, going to school during the day, wife and kids at home. It just happened to be the wrong morning, the wrong time."

Toll-booth attendants on Maryland's Chesapeake Bay Bridge report that some drivers spit on change, try to sideswipe collectors, shoot them with squirt guns filled with ink or ammonia and hand them rolled dollar bills containing feces.

Joggers report their share of unpleasant encounters with drivers. James Fixx, author of *The Complete Book of Running*, says he often has to dodge beer cans thrown at him when he runs.

Perhaps the most frequent complaints of rudeness come from customers who encounter grumpy store clerks and hostile government employes.

William Blackburn, personnel ombudsman for the Michigan Department of Civil Service, replies that heavy workloads and the public's "bitter attitude" toward public employes can make government workers seem uncaring when they are not.

REGIONAL RUDENESS

Harvard sociologist Riesman speculates that people on the East and West Coasts and in some parts of the sun belt are more boorish than those in the Midwest and South. People behave better, he contends, where there are closer ties to traditional religion.

Similar views come from J. Ray Hays, a psychologist at the Texas Research Institute of Mental Sciences. Says Hays: "In a small town, you know the druggist or Miss Ethel who lives down the street, and you make an effort to be courteous. Where there is anonymity, it is easier to be nasty."

Some sociologists say that the women's-liberation movement has contributed to impoliteness by discouraging men from opening doors for women and from performing other acts of courtesy.

Will rudeness grow even worse? Barring some unexpected change in the social climate, most analysts anticipate little improvement in public behavior.

While they don't pretend to like it, many Americans are adjusting to the dwindling of what used to be considered common courtesy. Says a woman in Houston: "It's gotten to the point that if people weren't rude, I wouldn't know what to think."

[Interview With Jonathan Freedman, Professor of Psychology at Columbia University]

WHY ALL THE DISCOURTESY? "PEOPLE ARE ANGRY"

ECONOMIC PRESSURES, POLITICAL FRUSTRATIONS, SPREAD OF A "ME FIRST" ATTITUDE. AN EXPERT CITES CAUSES OF RUDENESS AND OFFERS SOME SOLUTIONS.

Q. Professor Freedman, why does uncivil behavior appear to be increasing these days?

A. We don't really know, but I would speculate that one reason is that people are feeling angry and they are taking it out on whomever happens to be close at hand.

People seem to be very unhappy with the direction in which the country is going. They work hard, but don't feel they are getting ahead. They think that the bureaucracy isn't treating them well. They feel there is no one who is really looking after their well-being. They no longer feel that the government is their government. Life seems out of their control. This builds frustration—and when people are frustrated, that tends to lead to anger and aggression.

Q. Do you think that all this is a result of the "me society"?

A. Possibly. The message of many of the new "therapies" is: "Look out for yourself. Get as much as you can." They don't specifically say, "Kill the other person," but that could be taken as the implicit message.

The upshot may be less concern for how your actions affect others. If you are in a hurry, you rush. So what if you knock somebody over? If you don't want to bother carrying paper to a wastebasket, you drop it on the street. Someone else will pick it up—and if they don't, you don't care. This attitude isn't universal, but it's widespread.

Q. In what situations are you most likely to encounter rude behavior?

A. I can't say when it is most likely, but it seems to me that many people are driving incredibly rudely, for one thing. It's almost a battleground on the highways. I did one study that shows 25 to 30 percent of drivers go through red lights at some street intersections in New York—often with a policeman looking on and ignoring it.

Q. Do economic worries cause some people to be less considerate of others?

A. That's quite possible. Most Americans are no longer growing in affluence. Although we're not really doing poorly, our expectations are so high that when there is a slowdown, when life is not as terrific as we expect it to be, we get frustrated.

There's another factor at work. Many people have so much in the way of material goods, and they expect these goods to make them happy. But as research has shown, money is not an important factor in happiness, so they find they are not happy.

They wind up saying: "I've worked hard. I'm rich, relative to most people. I have two cars and three television sets and a hot tub in the back yard. But life isn't any better than it used to be. It's all worthless."

There's almost a desperation in a lot of people.

Q. How can we improve the way people behave toward each other?

A. That's not easy and I don't have an answer. But a more personalized government at all levels, for one thing, might make people think of themselves more as part of society. If government, especially local government, did its best to be civil, that would help set an example.

In New York City, for example, they recently passed a law requiring people to clean up after their dogs. It was astounding. People did it. I never thought they would, but in fact the streets are a hundred times cleaner. For once the government said: "Listen, this is a problem. We've got to do something about it." And people did it.

Q. What do you see as the long-range consequences for society of increasing rudeness?

A. My hunch is that as you get more people violating minor laws, such as littering, that leads to more-serious crimes.

The fabric of society begins breaking down in minor ways and then starts breaking down in more-major ways. That's what is of deepest concern.●

HUMAN RIGHTS IN PANAMA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BARNES. Mr. Speaker, the House has now done its duty in the approval of legislation which will implement the provisions of the new Panama Canal Treaties. I supported this legislation, just as I supported the efforts of four Presidents to negotiate the new treaties, which now stand as a new foundation for a relationship of mutual respect and dignity between the United States and Panama—indeed, between the United States and all developing nations.

We would be remiss, however, if we did not imply an expectation as a fundamental tenet of that new relationship of respect—an expectation that the people of Panama are entitled to the same kind of respect and dignity from their own government as that government has asked from the United States.

As Members of this House are too well aware, respect for the civil and political rights of the Panamanian people has not been the most exemplary characteristic of the current Panamanian Government. This fact was documented by a report by the Inter-American Commission on Human Rights of the Organization of American States, which was published last year after an extensive investigation by that Commission. For the information of the House, I will submit for the RECORD a summary of the Commission's report, as prepared by the Panamanian Committee for Human Rights.

On October 1, when the new Panama Canal Treaties take effect, the United States will enter an era of which we can truly be proud, an era in which we have recognized and accepted that greatness can be better represented by wisdom and respect for the rights of others than by force of arms or blind retention of a posture no longer acceptable in an interdependent world. I hope that Panama, too, will enter a new era at that time—an era in which, respected as a sovereign nation, its government learns to respect the sovereignty of its people, and takes its rightful place as a free society in the world community.

The summary of the Human Rights Commission's report follows:

SUMMARY OF THE COMMISSION REPORT

CHAPTER 1. THE LEGAL FRAMEWORK

Panama is a signatory to over 20 international instruments relating to human rights. Panama's 1972 Constitution provides human rights protection, but the concentration of powers in the Executive permits suspension of guaranteed human rights.

CHAPTER 2. THE RIGHT TO LIFE, LIBERTY AND PERSONAL SECURITY

The Report details:

Cases of death or mysterious disappearance such as that of Father Hector Gallego (P. 19-21), a Catholic priest who "had organized peasant cooperatives that affected economic interests of the Torrijos family". He was arrested by the National Guard and never seen again. "As a consequence (of his death) there were created difficult problems between the Church and the Government." In this and the many cases of death attributed to the National Guard the Commission concludes "The Government of Panama did not carry out an impartial and exhaustive investigation."

"Forced and unremunerated labor of unsentenced detainees."

Torture by the National Guard by such tactics as:

Electric shocks to vital parts of the body, ears, genital organs and the anus (as in the case of Leopoldo Aragon, P. 30);

Holding prisoners incommunicado for an indeterminate length of time;

Physical beatings of male or female prisoners, most often with a hose;

Fondling of private parts of female prisoners and threats of rape;

Subjecting prisoners to long interrogation periods while depriving them of rest, sleep, food or water;

"The Commission concludes that the above charges are substantiated."

CHAPTER 3. THE RIGHT OF PROTECTION FROM ARBITRARY ARREST—HABEAS CORPUS

Writs of habeas corpus are denied or avoided by keeping prisoners incommunicado. Unless someone outside knows of his predicament, a writ is an inaccesible remedy (as in the case of Eusebio Marchosky, P. 32).

The Commission concludes "Arbitrary arrests have occurred * * * the protection of habeas corpus has been ineffective."

CHAPTER 4. RIGHT TO DUE PROCESS AND A FAIR TRIAL

The Constitution guarantees trial according to law, except that public officials may fine or arrest anyone who insults them or who is in contempt of their authority.

"The lack of due process and a fair trial is very serious because the police night judges play a very important role in the criminal justice system of Panama." 46% of the 547 sentenced prisoners on the penal Island of Coiba had been sentenced by police night judges. Summary justice is illustrated by the fact that 98.5% of those had been arrested and sentenced the same night ("10% sentenced apparently for nothing more than 'suspicion' "). Of the total sentenced in 1977, almost 50% were sentenced in November when the Coiba penal colony requires harvest labor. "None of the 251 appeals made were effective."

American citizens are arbitrarily arrested, jailed without trial, held incommunicado, habeas corpus denied, jurisdiction shifted, judicial orders illegally countermanded by the Chief of the Secret Police. The Report cites, as an example, the case of an American, Cassandra Lee Gosler, (P. 60–66), who was imprisoned for more than 6 months without trial, accused of international drug traffic. She was never tried but eventually freed. The Commission concludes "the case of Cassandra Lee Gosler corroborates allegations that:

1. The legal process is not respected;

2. The judiciary and the public prosecutors do not have complete independence of action; and

3. In some cases, the national guard disregards the legal process and attempts to impose its will upon the courts and prosecutors.

CHAPTER 5. RIGHT TO FREEDOM OF INVESTIGATION, OPINION, EXPRESSION AND DISSEMINATION

Freedom of expression is still "given with an eye dropper". The restrictive self-censorship Decree 343 was canceled, in a cosmetic gesture, but it was soon replaced by Law No. 8, which among other improprieties, requires licensing of all newsmen.

The Report cites crackdowns on independent media and commentary; i.e., the stoning of radio station "Impacto"; the arrest and exile of its owner; shutdown of the station and arrest of employees. Earlier dictatorship threats to Radio Impacto had been triggered by its "coverage of student strikes against communist influence".

Press is controlled by the dictatorship either by its ownership by members of the government or by business associates of the dictator. This results in "a uniform expression of the government's position", "absence of other points of view and a tendency to manipulate the news", and "intimidating and denigrating persons considered as opponents of the government". The Commission concludes that the right of investigation, opinion, expression and dissemination would be sufficiently protected only "if interpreted by an independent judiciary."

CHAPTER 6. RIGHT OF ASSEMBLY AND ASSOCIATION

"In today's Panama, labor groups are semiofficially forced to become part of the Federacion Sindical, a communist controlled labor federation created by the government to control organized labor. Independent labor groups fail to get favorable action on union matters at the Labor Ministry. New unions are not given the legal recognition or denial required by law. Professions (those) requiring license (to work) can only get renewals through government recognized unions."

"Some political parties continue to exist and to hold meetings, but without their legal character they are subject to suppression at any time, and they cannot participate in elections as parties."

The Commission concludes "that the Government of Panama has employed formal and informal means that make the parties feel insecure and inhibit the right of association."

CHAPTER 7. RIGHT TO RESIDENCE AND MOVEMENT

Although the Panama Constitution specifically prohibits exile of Panamanian citizens, hundreds were exiled by threats or force.

Some exiles were allowed to return, but there was no general permission until April 14, 1978. Since then, the fact that many exiles fear to return or only make occasional visits to their homeland suggests their apprehension is based on the trumped up criminal charges still pending against them, and that there is no safety for dissidents under the continuing structure.

The Commission "has taken notice of the return to Panama of some of the exiles."

CHAPTER 8. THE RIGHT TO VOTE AND PARTICIPATE IN GOVERNMENT

Gerrymandering (P. 108) results in the regime's self-perpetuation. Only 8% of the electorate—in sparsely, easily controlled rural districts—elect sufficient representatives so that by themselves they elect the President of the country.

Under the dictatorship, the legislature (Assembly) has lost or had drastically limited its check on the Executive, power of approval, investigatory or censure powers, appointive or judicial powers and power to enact legislation.

The Commission concludes "the average citizen may have an opportunity to participate in government through appointment, but his participation through suffrage counts for very little."

THE REPORT MAKES STRONG RECOMMENDATIONS TO THE GOVERNMENT AND THE PANAMANIAN PEOPLE

1. "insure effective independence of the judiciary and instruct officials to comply expeditiously with judicial order."

2. Protect persons in custody from "physical abuse", with particular efforts "to prevent sexual abuse of women".

3. "Apply strictly . . . the norms prohibiting forced labor . . ."

4. "Provide persons accused of criminal offenses with adequate means to prepare and conduct their defense" and "elimination of the night court procedures which permit jailing without . . . opportunity to prepare their defense".

5. Implementation of international and Constitutional provisions and thus prevent exiling and expatriation of Panamanians.

6. "to take steps which would allow judicial review of cases involving persons convicted by administrative action under Decree Law 342."

7. "Guarantee "rights" to organize and assemble for peaceful political purposes and dissemination of views . . ."

8. "apply generally recognized norms for classification and separation of persons in custody."

9. "relieve existing congestion in detention centers and prisons and to assure availability of adequate medical facilities . . . particularly on Coiba Island."●

JOHN ANDERSON ON ENERGY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. FINDLEY. Mr. Speaker, with increasingly long gaslines and continuing shortages predicted throughout the coming winter, the energy policies of this administration must be questioned. Major oil producers are reaping record profits while production is down, and this has caused one of the Presidential candidates to speak out. I call attention to the testimony of my colleague from Illinois, JOHN ANDERSON, before the Senate Subcommittee on Anti-Trust, Monopoly, and Business Righters, June 19, 1979, calling for vigorous enforcement of anti-trust laws as a means of instilling competition in the oil industry. I recommend to my colleagues his cogent and perceptive analysis of the economic centralization in the oil industry which now threatens to go far beyond the energy sector:

TESTIMONY OF CONGRESSMAN JOHN ANDERSON

Because of the enormous surge of cash into the treasuries of the major oil companies during a severe energy crisis, we find ourselves faced with a freakish situation in which consumers and small firms are threatened with economic disaster, while the oil companies are busy accumulating more cash than they can handle within their own industry.

It appears that a number of these companies are not willing to plow this additional capital back into the areas where it is needed the most: in the exploration and development of additional oil reserves, or even coal reserves and uranium reserves; in the upgrading of refinery capability and capacity; and in the technological effort to develop alternative energy resources.

Something tells me this shouldn't be the case when gas lines are getting longer by the day . . . and when talk is beginning already about potential shortages next winter of home heating oil.

Imagine: with all the cash holdings oil companies are sitting on top of, and the energy predicament we are in, here they are spending their time looking for investments in other, unrelated industries.

Recent examples of such distractions include the Mobil acquisition of MARCOR (the holding company for Montgomery Ward and Container Corporation), the Atlantic-Richfield acquisition of Anaconda Company, and the bid by Exxon to acquire Reliance Electric Company. The Mobil and Atlantic-Richfield acquisitions were allowed to go through without opposition from the government. The Exxon-proposed billion dollar purchase of Reliance is still under review at the Federal Trade Commission.

In response to yet another threat to disgorge these huge oil profits—this time by acquiring a circus, of all things—the President finally requested the Justice Department to "study" the situation. The conclusions of such a study have not yet been made available, and there is some question as to whether they will ever be made available. It seems to me that affirmative anti-trust action could prove a bit more productive than the mere instruction to engage a problem in further "study."

Not having the investigative power of enforcement agencies, I do not know whether these mergers violate existing law. But I do know that we have had little assurance one way or another from this Administration. The legislation before us would endeavor to make it clear that such mergers are an appropriate matter of public concern, and it would lay down explicit ground rules to be observed.

Mr. Chairman, the decision on the part of oil companies to use available cash holdings in an aggressive acquisition program poses a serious threat to free enterprise and equality of opportunity in America. It is reminiscent of the phenomenon of the 1960's when so many conglomerates developed and tended to engage in mergers which seriously increased concentration in the American economy. In a sense, the activity of the conglomerates may actually have been less objectionable. Their earnings were not derived from windfalls at the expense of the public, and the amount of cash they had to work with was considerably smaller.

The potential for excessive concentration is obvious from a little history. In 1911, the Department of Justice succeeded in the breakup of the huge Standard Oil Companies. The case is still hailed as a landmark of anti-trust prosecution, but without vigorous anti-trust enforcement under the Clayton Act, we may slip back into a situation much worse than that the country faced in 1911.

The original Standard Oil companies (Exxon, Mobil, Standard Oil of California, Standard Oil of Indiana, and Standard Oil of Ohio) for the year 1978 reported aggregate income of $6,521,136,000. This represents more than 10 percent of all the net income of the Fortune 500 largest industrial companies in 1978. And net income for the first quarter of 1979 increased even more drastically for the old Standard Oil Companies. According to U.S. News & World Report, Standard of Ohio increased its earnings 302 percent over 1978.

It would be the height of irony to allow these massive infusions of cash, permitted by government policy, to be used by oil companies in a buying spree of American corporations.

For some reason, the Administration has lacked the ability, or lacked the will, to deal with this looming crisis of the American free enterprise system.

Mr. Chairman, for me this is the central point: That at the very time outright economic war is being waged upon us by the unholy OPEC alliance, we are not doing everything in our power to get new energy supplies on stream. To my mind, one obvious way is to encourage competition in the energy industry, so that firms will have a real incentive to explore for the great new supplies of energy we will require if ever we are to loosen our fragile and mortally dangerous dependence on imported oil.

Oil companies should not be permitted to divert themselves from the critical task of creating new energy supplies. There is no need for them to go off gobbling up smaller firms that are already doing as good a job, if not a better one, than they would under new, conglomerate management.

The present energy crisis has had a silver lining for the oil companies of America. They should share their bountiful blessings. Rather than frittering away precious resources by buying up Boardwalk and Park Place and Baltic Avenue, they should be enlisting themselves in the front-line of America's new energy war.

For their great financial strength and their great creative abilitites will need to be enlisted in the cause—if we really are to fight the heroic battle necessary to get America back on its feet, and no longer prostrate at the feet of others.●

A SHORT COURSE ON INFLATION: PART I

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. MICHEL. Mr. Speaker, the Wall Street Journal, with its customary excellence, has recently published two long articles on the inflation we are now enduring. The first of these articles makes it abundantly clear that the fault for inflation can be found in numerous Goverment policies and in the unwillingness of too many people to face the fact that many things that are desirable are not always immediately affordable. In our private lives this leads to a philosophy of "buy now, pay later"; in Government it means "legislate now, pay through deficits." In either case, the result is eventual economic disorder, lack of savings, huge debts and a radically different sense of ethical attitudes toward working, productivity and debt.

At this point I wish to insert in the RECORD the first part of this two-part series, "Price of Progress? U.S. Inflation Blamed on Attempts To Avoid Slumps, Aid the Needy," by Richard J. Levine. Wall Street Journal, Tuesday, June 19, 1979.

The article follows:

[First of a Series]

PRICE OF PROGRESS?—U.S. INFLATION BLAMED ON ATTEMPTS TO AVOID SLUMPS, AID THE NEEDY

(By Richard J. Levine)

For more than a decade, inflation has gripped the U.S. economy.

The current inflation, the most durable in U.S. history, has survived mandatory wage-price controls, voluntary guidelines, constant presidential crusades and two recessions. Since 1966, consumer prices have risen an average of 6 percent annually, and so far this year they are increasing at a 13.2 percent pace. By contrast, consumer prices rose an average of 1.7 percent a year from 1948 through 1965.

"Rapid inflation has become a chronic disease for the first time," concludes Arthur Okun, a Brookings Institution economist. It is a disease that is angering consumers, frightening businessmen and endangering the nation's social fabric. Declares Columbia University sociologist Amitai Etzioni: "Inflation is threatening the psychological safety of people. They can't retire or save to put their kids through school. All bets are off."

What are the origins of the current inflation? What explains its persistence? Today as yesterday, experts are divided on these questions. Among commonly cited causes of inflation are large, continuous federal deficits; expansionary monetary policy; the increasing vulnerability of the U.S. economy to events abroad such as oil-price rises and food shortages; the momentum of the wage-price spiral as inflationary expectations deepen; rising payroll taxes and spreading government regulations on job safety and the environment.

All these developments have played a part. Yet an extensive search for answers from private economists, businessmen and government officials leads to a more-fundamental explanation that is gaining acceptance among experts of all political persuasions. It is that the U.S. inflation is the inevitable result of the kind of economy and society that we have been shaping for decades, a society in which both individuals and businesses are protected against the worst economic hazards of earlier eras and consumption is favored over savings and investment.

"Inflation is a product of—and can only be cured by—the people," says A. Robert Abboud, the thoughtful chairman of the First National Bank of Chicago. "It's a function of their expectations and ethics."

LIBERALS IN AGREEMENT

Sitting in his book-lined office at the Massachusetts Institute of Technology in Cambridge, Robert Solow, one of the nation's leading liberal economists, spells out a similar thesis. "The single most important reason for inflation is that we are a society that has tried to prevent deep recessions, to provide income security for people and to help those who suffer," he says. "We no longer let big businesses go bankrupt or people go unemployed for a long time." Mr. Solow's MIT colleague, Nobel Prize-winner Paul Samuelson, sees inflation as the price paid for "our becoming a more-humane society."

Many economists to the right of Messrs. Samuelson and Solow tend to agree. Milton Hudson, a senior economist with Morgan Guaranty Trust Co. and a former Federal Reserve Board official, believes that inflation results from "the almost universal commitment to the objective of 'full employment' . . . and the welfare-state idea which holds that government ought to have a continuing active concern with the poor, the sick, the aged and the chronically unemployed."

Unfortunately, it is "the common practice of politicians and voters to pursue the booty of government without showing concern about how to pay for it," contends Edgar Fiedler, vice president for economic research at the Conference Board, a business research organization. As a result, he adds, social and economic goals "get translated into inflation mostly through large budget deficits and excessive monetary creation."

JOHNSON BLAMED

Today, there is widespread agreement that the current inflation traces its origins back to President Johnson's failure to press for an across-the-board tax increase in January 1966 to help finance the rapidly escalating war in Vietnam. Aware of the war's unpopularity and fearful of congressional cutbacks in his cherished "Great Society" programs, Mr. Johnson insisted on a "guns and butter" strategy that led to inflationary deficits.

The federal deficit in the fiscal year ended June 30, 1965, was a slim $1.6 billion. But without a tax increase, it swelled to $3.8 billion in fiscal 1966, to $8.7 billion in fiscal 1967 and to $25.2 billion the following year. "The failure to enact the tax increase was a colossal error," Otto Eckstein, a member of the President's Council of Economic Advisers during the mid-1960s, has admitted.

Although the national economy was running close to full blast, the Johnson administration's highly expansionary tax and spending policy was supported by a monetary policy that turned stimulative in 1967. The Federal Reserve, which despite its quasi-independence often feels compelled to go along with the basic thrust of fiscal policy, permitted the nation's money supply to rise 7.2 percent in 1967 and 6.1 percent in 1968.

In mid-1968, with enactment of a temporary 10 percent surtax, fiscal policy finally shifted to restraint. But the damage had been done. After consumer prices had edged up moderately by 1.9 percent in calendar 1965, 3.4 percent in 1966 and 3 percent in 1967, the increase accelerated to 4.7 percent in 1968. Richard Nixon entered the White House in January 1969 determined to wage a gradual but persistent war against inflation.

Despite restrictive economic policies that helped set off a mild recession late in the year, inflation stepped up to 6.1 percent in 1969. The recession moderated the price rise a bit in 1970, but by August 1971, with inflation still around 5 percent, President Nixon announced a 90-day wage-price freeze and, subsequently, mandatory controls. Inflation subsided, with consumer prices rising 3.4 percent in both 1971 and 1972.

With the controls in place, economic policy turned highly expansionary in the 1972 election year; it aimed at a reduction in unemployment from a level of around 6 percent. The Federal Reserve, much to the administration's pleasure, increased the money supply at an annual rate of more than 8 percent in the second half of the year.

SOME BIG SHOCKS

The Nixon administration started dismantling its wage-price controls in 1973, just as forces were gathering abroad that would soon subject the economy to extraordinary shocks and inject a new term—"double-digit inflation"—into the public lexicon.

One painful shock was supplied by the Organization of Petroleum Exporting Countries, which embargoed crude oil that fall and increased prices sharply; by January 1974, the benchmark price of crude was four times higher than that six months earlier. Another shock resulted from American farmers' inability to produce enough grain and beef to meet demand at home and abroad; the problem was aggravated by the huge 1972 wheat deal between the U.S. and Soviet Union. Finally, the simultaneous expansions of economies throughout the industrial world ballooned prices of basic industrial commodities.

The results of all this were soon evident to the American consumer: Prices shot up 8.8 percent in 1973 and 12.2 percent in 1974. The recession that began in late 1973 and lasted until early 1975 did help cool inflation; prices climbed only 7 percent in 1975 and 4.8 percent in 1976. But economists still were dismayed: The deepest recession since the Depression of the 1930s, with unemployment approaching 9 percent, hadn't returned inflation to the level of the 1950s and the early 1960s. Moreover, by 1977 the wage-price spiral was accelerating again.

HUGE DEFICITS

A key reason for the lack of progress against inflation lay, of course, in the huge federal deficits and frequently expansionary monetary policy all through the Seventies. During the Nixon era, the government ran back-to-back deficits of $23 billion in fiscal 1971 and 1972. Congress and the Ford administration, determined to prevent the 1973–75 recession from worsening and throwing even more people out of work, produced a $45.2 billion deficit in fiscal 1975 and a record $66.4 billion of red ink in 1976.

More concerned about reducing unemployment than fighting inflation when he entered the White House, President Carter presided over a $45 billion deficit in fiscal 1977 and a $48.8 billion deficit the following year. And despite all its tough anti-inflation talk, the Federal Reserve let the money supply expand 7.8 percent in 1977 and another 6.7 percent in 1978; only last fall did money-supply growth start slowing significantly.

But clearly new economic forces also have been fueling inflation in recent years.

What has happened, many economists believe, is that years of rapid price increases have produced a deep-rooted "inflationary momentum" reflecting the way workers, businessmen and consumers perceive the future and affecting the way they behave; that guarantees more inflation. University of Minnesota economist Thomas Sargent says people are simply "responding to their expectations about the future"—a future that they automatically assume include continued inflation.

HOW IT SPREADS

"Expectations of inflation and workers' desire to maintain their real wages lead to indexing of wage rates to price increases," President Carter's economic advisers explain. "A wage increase won in one sector of the economy can generate demands for equivalent increases elsewhere." As for prices, the economic advisers say, the "widespread belief that inflation will continue also leads businesses to accede to cost increases in the expectation of being able to pass the costs forward into higher prices."

Undergirding this approach, some analysts argue, is the assumption of business and labor that the government will quickly take expansionary action to keep recessions short and shallow. As Mr. Okun, chief economist for Lyndon Johnson, sees it:

"Most of our economy is dominated by cost-oriented prices and equity-oriented wages. Most prices are set by sellers whose principal focus is on maintaining customers and market share over the long run. The pricing policies designed to treat customers reasonably and maintain their loyalty in good times and bad times rely on some standard measure of costs. Prices are set to exceed costs by a percentage markup that displays only minor variation over the business cycle.

"Similarly, the key to wage decisions in both union and nonunion areas is the common long-run interest of skilled workers and employers in maintaining their job relationships. Employers make investments in a trained, reliable and loyal work force as well as in plant and equipment. They know that, if they curbed wages stringently in a slump, they would pay heavily for that strategy with swollen quit rates by their workers during the next period of prosperity."

BUYING IN ADVANCE

Among consumers, inflationary expectations have created a "buy-in-advance" psychology that lengthened the economic expansion since 1975. Until the past two years, the characteristic response of American consumers to rising prices was to "try to hedge against the resultant uncertainty by increasing savings and retrenching on spending," says F. Thomas Juster, director of the University of Michigan's Institute for Social Research. Since mid-1977, however, he has found that "a much higher proportion of consumers than usual have reported that 'this is a good time to buy (houses, car and major durables) because prices are rising.'"

Edwin Yeo, a Chicago banker who has served as Under Secretary of the Treasury, has watched this development with fascination and alarm. "If as a manager of a household you perceive a period of inflation as being limited, you save for this hurricane which has a beginning and an end," he says. "But if you perceive the weather system to be changing permanently, you start to advance large fixed purchases, and you come to think of buying now as saving." He calls this a dangerous "set of calculations that prompts spending, discourages savings" and fuels inflation.

Amid the general inflationary atmosphere, the government has contributed to inflation directly through increases in payroll taxes, special-interest legislation and regulatory actions. A. Gary Shilling, a New York economic consultant, estimates that farm price supports, beef and steel import restrictions, a higher minimum wage and increased Social Security taxes will account for almost three percentage points of this year's anticipated 9-percent inflation rate.

COSTS OF REGULATION

The costs imposed by government regulation have been increasing rapidly since the early 1970s, when Congress responded to demands for cleaner air and water and safer work places with new laws. Richard Zeckhauser, a Harvard political economist specializing in regulatory issues, maintains that this legislation "tended to come on the books at exactly the wrong time"—amid the inflationary shocks of 1973–74.

Washington University's Center for the Study of American Business contends that the costs imposed by federal regulations on the nation's production of goods and services are exceeding $100 billion a year. "Like a sales tax, the cost of complying with regulation is initially covered by business," says Murray Weidenbaum, the center director. "But ultimately the burden is borne by the consumer in the form of higher prices."

In the past decade, White House economist Charles Schultze says, "social regulation has became a major factor in our economy. It affects the quality of our lives, the productivity of our factories, the pace of inflation and the fortunes of major industries."

Increased federal regulation is one reason for an alarming slowdown in the growth of U.S. productivity, or output per hour of work—a slowdown that itself is inflationary. Last year, productivity in private employment rose only 0.3 percent, and from 1973 through 1977, the average annual increase was just 1 percent. In the 1965–73 period, in contrast, productivity grew an average of 2.3 percent a year, and in the 1955–65 span the average gain was better yet at 3.1 percent.

Research by John Kendrick, a productivity expert at George Washington University, shows that capital expenditures for compliance with environmental and safety regulations reduced productivity growth by 0.3 percentage points annually from 1973 to 1977. Moreover, the Council of Economic Advisers says, "The implementation of new regulatory statutes is often associated with considerable litigation and uncertainty, which tends to reduce innovation and investment"—major ingredients in maintaining high productivity.

Rudiger Dornbusch, an MIT economist, puts it more bluntly: "You're not going to put up a big new plant tomorrow if the government might tell you to close it because it's in the wrong place."

DANGERS AHEAD

Noting that wage increases unsupported by productivity gains are "translated into higher prices which leave the wage-earner back where he started," New York Stock Exchange Chairman William Batten declares, "If we fail to improve productivity, our economy may be further bedeviled by inflation, sluggish or nonexistent real growth and a loss of competitiveness in international markets."

Both Treasury Secretary Michael Blumenthal and Federal Reserve Board Chairman G. William Miller worry that U.S. inability to compete effectively abroad would seriously undermine the strength of the dollar. The omens are hardly encouraging. Productivity growth in the U.S. has been lagging far behind that of this country's major trading partners. And from 1966 to 1976, nonresidential fixed investment averaged 13.5 percent of national output in the U.S., well below the 17.4 percent in West Germany and the 26.4 percent in Japan.

The Carter administration maintains that capital investment must rise about 10 percent annually in real, or inflation-adjusted, terms, far faster than recently. "Unless we begin catching up" in the investment race, Mr. Blumenthal has warned, "we will pay a serious price at home and abroad in the 1980s." ●

THE RHODESIAN ELECTIONS AND THE SANCTIONS ISSUES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit to the RECORD part of a study done by Samuel T. Francis, a policy analyst with the Heritage Foundation in Washington, D.C. I know there has been a great deal of controversy surrounding the elections and the Constitution, and the administration claims that these two areas are the stumbling blocks preventing them from totally lifting the sanctions against Zimbabwe-Rhodesia. I wish to insert two sections from Mr. Francis' study which provide a thorough review of the Constitution and the election process. I think it is important for us to understand these issues and to lift the sanctions against Zimbabwe-Rhodesia as soon as possible so that this newly elected government will be able to survive.

[From the Rhodesian Elections and the Sanctions issue]

THE RHODESIAN CONSTITUTION

(By Samuel T. Francis)

On March 3, 1978, Prime Minister Ian Smith of Rhodesia signed in Salisbury an "Internal Settlement" with the three principal black leaders of the country—Bishop Abel Muzorewa, Senator Chief Jeremiah Chirau, and the Reverend Ndabaningi Sithole.[1] The Internal Settlement obliged its signatories to co-operate peacefully in a transitional government, to draft a new constitution based on majority rule, to guarantee certain principles and procedures in the constitution, and to hold elections for the final transition to a government based on majority rule. A proposed draft of the constitution was published on January 2, 1979. On January 30, a referendum was held among the whites, "coloureds" (i.e., those of mixed white-black descent), and Asians on whether to accept the draft constitution. This referendum, in which about 75 percent of the eligible voters participated, resulted in acceptance of the constitution by over 85 precent of the votes.

The Constitution, the referendum, and the elections of a new government have all been topics of controversy. Critics of the Internal Settlement say that the Constitution provides merely a facade of democracy while in reality ensuring that the white minority continues to control the government through the "entrenched clauses" of the Constitution.

The Rhodesian government disputes these criticism and points to the undoubted fact that for the first time in Rhodesian history, blacks have elected the majority of the members of the government and will sit and work with white colleagues in the highest councils of state. A detailed examination of the most controversial portions of the new Constitution will be useful in understanding these objections, the position of the Rhostitution.

The Constitution approved on the January 30 consists of a description of the electoral arrangements and legislative structure of the government, a justifiable bill of rights strongly modeled on those of the U.S. Constitution and of Great Britain, and the structure of the executive, judicial, and administrative branches of the government. Like the American and British Constitutions, Rhodesia's Constitution is heavily based on the principle of checks and balances, contains a declaration of fundamental rights limiting state power, and generally seeks to limit and regularize the power of the state over the lives of its individual citizens. However, it is the sections of the Constitution that deals with the electoral and legislative arrangements that have excited controversy, and the following discussion will be largely limited to these portions.

1. The Electorate: All citizens, male and female, over the age of eighteen are eligible to vote for members of the legislature. This differs from the previous Constitution, which limited the franchise to about 3 percent of the population based on property and education qualifications (not, as was sometimes thought, on a racial basis). In the new Constitution, there will be two rolls of voters. The Common Roll will consist of black and white voters, and the White Roll will consist of whites only. Whites may vote twice, on the Common and the White Rolls, and blacks may vote once, on the Common Roll.

Discussion: The major criticism of the franchise provision is that it permits whites to vote twice. The principal defense of these provisions is that some guarantee for the white minority is necessary to assure protection for the whites. The white population of Rhodesia in 1976 was estimated at 277,000 but at the present time it is numbered at no more than 250,000 due to emigration caused by the war. Since the whites constitute at most only about 4 percent of the total population, there is a need to protect them against the majority and also a need to discourage them from leaving the country and plunging it into economic chaos.

Other African states, such as Tanzania, Kenya, and Zambia all had similar safeguards in the form of separate voting rolls in their constitutions, so that there is precedent in African politics for these provisions. These other states are now one-party states in which the white population has been excluded from power completely or largely driven out by an oppressive majority. The safeguards proved incapable of maintaining political pluralism within these states. However, perhaps the most telling argument in favor of the separate and weighted voting rolls is that they make very little practical difference. Despite the fact that whites are able to vote twice, their second vote on the Common Roll cannot conceivably affect the outcome of an election because black voters outnumber white voters by over 19 to 1 (the black population over 18 numbers about 2,760,000; the white population over 18 numbers only about 140,000 at the most). The justification for the double vote for whites is that it lends a certain degree of psychological security to the white voters, not that it will have any real effects on the elections of the black members of the Legislature.

2. The Legislature: The Legislature (or Parliament) will be bicameral—a Senate (upper house) of 30 members and a House of Assembly (lower house) of 100 members. The Senate will consist of 20 blacks and 10 whites, and the Assembly will consist of 72 blacks and 28 whites. In the old Legislature, there were 50 whites and only 16 blacks. The Assembly and the Senate will have authority to amend the Constitution (except the "entrenched clauses") by a two-thirds vote of approval by each chamber. The Senate is forbidden to amend money bills (similar restrictions pertain to the Senate in the U.S. Constitution and the House of Lords in Great Britain), but may recommend amendments. The life of the Legislature will ordinarily be five years; the members of both will elect a President for a term of six years, and the President will appoint a Prime Minister able to command a majority in the Assembly.

3. Election of the Legislature: (a) House of Assembly: The 72 black members will be elected by the Common Roll and 20 white members will be elected by the White Roll. The 8 remaining white members will be elected by the 72 black and 20 white members from a list of 16 candidates nominated by the 20 white members. (b) Senate: The 10 white senators will be elected by the 28 white members of the Assembly, and 10 of the 20 black senators will be elected by the 72 black members of the Assembly. The remaining 10 black senators will be elected by the Council of Chiefs and will be equally distributed among the Matabele and Mash-

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[1] For an anlysis of the internal settlement and its development, see Samuel T. Francis, "Rhodesia in Transition," Heritage Foundation Backgrounder No. 62.

ona peoples, with five senators for each tribe.

Discussion: The principal objection to the Legislature and its election—especially the House of Assembly—is that 28 percent of the lower house will be white, although only 4 percent of the population is white. Again, the reason for this fixed percentage is the protection of the white minority. The critics of the Rhodesian Constitution claim that the new government cannot be called democratic because of the disproportionate number of white seats and that the whites are guaranteed not only protection but also continued dominance in the government.

This view simply cannot be sustained. In the first place, there will be 72 black members of the Assembly. On all questions of legislation except amendment of the Constitution, a simple majority rule of 51 percent will be the procedure, and the 72 black members (or the 51 members of the UANC) can easily determine the future legislative course of the Rhodesian government. For the passage of amendments, a two-thirds vote of each chamber is required. Again, the 72 black members can pass such amendments. Only in the case of the entrenched clauses (see below) would the 72 black members be unable to amend the Constitution. The black members of the Legislature will certainly be able to elect the President of the country, who will appoint a black Prime Minister. Fourteen of the 20 cabinet members will also be black, and 10 of them will be from the UANC. In the case of such paramount legislative matters as the declaration of war, the raising of revenue, the passage of domestic legislation, and all other matters the black majority will have the initiative and the control of Rhodesia's future.

In the second place, in the Anglo-American Plan, which is still the only alternative to the Internal Settlement that has been proposed and endorsed by the U.S. and U.K. Governments, there were 20 seats out of 100 in the Legislature that were reserved for the special purpose of giving "adequate representation to minority communities." Although there was no specific racial clause in establishing these seats, the clear purpose was to restrict them to the whites by one way or another. These reserve seats, for "Specially Elected Members," were to be elected by the popularly elected members of the legislature, who were to be elected by adult suffrage. The arrangements in the present Constitution of Rhodesia appear to be based on the provisions of the Anglo-American Plan. Originally, when the Internal Settlement was being negotiated between white and black Rhodesians, the whites demanded 36 seats as specially reserved and the blacks insisted on no more than 20, as in the Anglo-American Plan. As a compromise, both sides finally agreed to reserve 28 seats—8 less than what the whites wanted and 8 more than what the blacks wanted. Bishop Muzorewa and the other black members of the interim government have repeatedly defended the concept of reserved seats for whites as the best way to insure that the vitally important white minority remains in Rhodesia and as a morally proper means of ensuring that the white minority is protected under black majority rule.

4. The Entrenched clauses and their amendment: The "Entrenched Clauses" of the Constitution are those sections that deal with the structure of the government, the financial, administrative, and military provisions, and the amendment process itself. They are entrenched because they are purposefully made difficult to amend in the first ten years of the new government. The amendment of the Constitution in other respects requires a two-thirds vote of each of the legislative chambers. The amendment of the entrenched clauses requires a two-thirds vote in the Senate but 78 votes in the Assembly, as opposed to 67 for other clauses. Thus, even if all the black members of the Assembly voted as a bloc, they could not pass an amendment to the entrenched clauses by themselves. They would have to have the support of at least six of the 28 white members. After ten years or two parliaments, whichever is longer, the entrenched clauses will be reviewed by a special commission and their abolition will be considered.

Discussion: The purpose of the entrenched clauses is to protect the white minority from the "tyranny of the majority" that was of such great concern also to the Founding Fathers of the United States. Like the U.S. Constitution, the new Rhodesian Constitution is not a purely democratic document. It establishes "checks and balances," separation of powers, staggered and indirect elections, a bicameral legislature, a bill of rights, and other institutional mechanisms to protect individual liberties. Unlike the U.S. Constitution, and despite the entrenched clauses, the Rhodesian Constitution is in fact very simple to amend. In the U.S. Constitution, an amendment—any amendment—must be passed by a two-thirds vote of each house and ratified by three-fourths of the state legislatures. In practice this means that an amendment must be passed by 67 U.S. Senators and 290 Members of Congress as well as 38 of the 50 state legislatures (comprising about 7,500 individual legislators). Moreover, 34 Senators from 17 states representing only 6.7 percent of the population can thwart a very popular amendment. By contrast, the entrenched clauses of the Rhodesian Constitution require only 78 members of the Assembly and 20 Senators. Since there are no state legislatures in Rhodesia, the whole amendment process is much simpler and far more democratic than that of the U.S. Constitution. Furthermore, in the Anglo-American Plan, there were also entrenched clauses which were specially exempted from amendment for eight years (as opposed to ten years in the present Constitution).

It is by no means impossible that the entrenched clauses will be amended before the minimum ten years are concluded. When Bishop Muzorewa was in the U.S. in 1978, he and other black leaders specifically stated that they expected some white legislators to vote with them in the Assembly. In order to amend the entrenched clauses before the ten year period is concluded, at least six white votes in the Assembly would be required. The 20 white members who are directly elected will be unlikely to support such an amendment, but there is the possibility that at least some of the 8 white members who are elected by majority vote of the 92 black and white members may vote for it. Since these 8 members are dependent for their election on the 72 black members, the latter could easily assure their support to those of the 16 candidates who agree to support amendments of the entrenched clauses, and thus assure the election of white members sympathetic to them. It should be remembered also that many white members are not experienced in dealing with political oppositions, designing political tactics, or making political deals, while the black politicians have sometimes had wide experience in their own political organizations with such problems and have often become more politically sophisticated than the whites through their experiences in exile, education abroad, and familiarity with other political systems. Despite the safeguards for the white minority, then, it should not be discounted that the black members and politicians will be able to dominate Rhodesian politics completely well before the ten year transition period is concluded.

Yet, even granting that the entrenched clauses will remain in effect for ten years (or even longer), how does this affect the prospects for majority rule in Rhodesia? In answering this question, it must be considered that the entrenched clauses prevent only a few measures from being enacted by the legislature. These measures are (1) the redistribution of power within the Rhodesian government and society and (2) the violation of the Bill of Rights. Since the Bill of Rights is almost exactly the same as that of the United States and British Constitutions, it is difficult to think of occasions in which any majority would have legitimate reasons for tampering with it. In regard to the distribution of power, it must be recalled that a major purpose of any written constitution is to prevent the arbitrary and irregular abuse of power, and this is a central aspect of the Anglo-American constitutional tradition. To prevent the abuse of power, it is always necessary to prevent sudden redistributions of power that would lead those losing power to resort to desperate measures or would entice those standing to gain to resort to abusive measures. The avoidance of such extreme situations was a central concept in the formation of the Rhodesian Constitution (which, like the U.S. and British Constitutions, originated in civil war and under revolutionary circumstances), and one of its key features is the degree to which it seeks to limit power and stabilize power relationships within Rhodesian society.

In short, the Rhodesian Constitution seeks to distribute power in government and society in a balanced way in order to prevent any one sector (race, class, or region) from obtaining a monopoly of power with which it could dominate and exploit the remainder of society. This is true in regard not only to whites vs. blacks, but also to Mashona vs. Matabele, rich vs. poor, north vs. south, etc. The same idea of a balance of power was paramount in the British and American experience as well, and is manifested in Rhodesia through the different circumstances and historical background that have made Rhodesia what it is today and affects what it hopes to become tomorrow. The entrenched clauses of the Rhodesian Constitution therefore do not prevent majority rule but do seek to prevent abuses of rule by a majority. In this they are consistent with the Anglo-American constitutional traditions and with the ideas of the Anglo-American plan endorsed by the U.S. and British governments.

5. Safeguards for Government Personnel: A final and extremely controversial aspect of the new Constitution is that through the entrenched clauses it assures the continuity of the government personnel in the civil service, judiciary, and military forces. It is argued by critics of the Constitution that these provisions cleverly allow continued white domination of the government and that blacks will have no important role in exercising governmental power. However, the provisions of the Constitution in question do not specifically bar black participation in these sections of the government. They merely assure the independence of these sections and their freedom from political manipulation. In effect, of course, this means that the civil service, army, and judiciary will be composed of whites for some time to come, but also that blacks will gradually be entering these government positions. These provisions of the Constitution are in accord with established liberal principles that defend an independent civil service and judiciary and a non-politicized military. It is in fact difficult to see what other provisions could have been made, unless there was to be a kind of "purge" of these positions of the experienced whites who have held them until the present time or unless a kind of "affirmative action" program with quotas for black appointments was instituted. Both

such alternatives were clearly unacceptable to either the white or black members of the Internal Settlement, nor would such alternatives work very well in the circumstances of Rhodesia.

Ambassador Young frequently compares the situation in southern Africa to the situation in southern U.S. during the 1960s; in fact, Rhodesian whites appear to have accommodated themselves to social change on an extremely sensitive and controversial issue far more rapidly and easily than most Americans did during the 1960s. The progress that Rhodesia has already made from a white supremacist society to one in which the principles of racial equality prevail is perhaps the most rapid transition of this kind in the modern world. All indications are that the change will accelerate in the future as whites increasingly see black members of the security forces fighting for their country and black political leaders taking charge of the Rhodesian government. Already there is far more basis for interracial harmony in Rhodesia than exists in the United States. Blacks make up over 80 percent of the personnel of the security forces and comprise 72 percent of the legislative assembly and 66 percent of the Senate, as opposed to 15.6 percent of the U.S. armed forces in 1977, 16 of 435 members (3.7 percent) of the House of Representatives, and no members of the U.S. Senate. Unlike the U.S. Constitution, the Rhodesian Bill of Rights specifically forbids discrimination on the basis of race. Laws that discriminated against blacks were repealed in the fall of 1978. In short, Rhodesia has made far more progress towards a nondiscriminatory society, given its point of departure, than the United States has.

THE RHODESIAN ELECTIONS

The Rhodesian Constitution authorizes certain special procedures to be adopted for the first election that will install the new government. The purpose of these special procedures was to ease and protect the transition and the voters during a period of civil war and rampant terrorism. The special procedures were (1) election of the 72 black members by a party list rather than by the regular constituency system; (2) nomination of the 16 white candidates for membership in the Assembly by the old House of Assembly rather than by the 20 white members of the as yet unelected new Assembly; and (3) the agreement by all participating parties to form a government of national unity for the first five years of the new government—the leader of the party that won the most seats in the legislature will become Prime Minister and will form his government on a proportional basis from other parties represented in the legislature. This decision was made on December 3, 1978.

These special provisions were relatively non-controversial, but more often criticised were the adoption of the Constitution itself and the supposed exclusion of the parties of the Patriotic Front from the election. The Constitution was adopted on January 30 by a vote among the white, coloured, and Asian voters. The purpose of this means of adoption was that Mr. Smith's government felt that it lacked a mandate for the transition from its own supporters and felt the need to establish such an endorsement from the white and non-black minority before proceeding. The black citizens of Rhodesia were not to vote in the referendum because it was assumed that they overwhelmingly approved majority rule; the test of the black acceptance of the particular Constitution adopted was to be confirmed by the turn-out in the ensuing elections. Since the voting was by secret ballot and since the spoiled ballots were only 4.5 percent of the total vote, the black voters had an opportunity to register their dissent from the new Constitution but did not apparently feel that it violated majority rule.

As for the exclusion of the Patriotic Front from the elections, the Front was repeatedly invited to participate in the elections by the government. Prior to August 1978, the political organizations of both wings of the Front operated freely inside Rhodesia. When the Front began to denounce the elections and to promise to disrupt them and "punish" citizens who voted and "execute" the black leaders of the government, martial law was imposed and the leaders of the Front inside Rhodesia were arrested. However, as late as February 5, 1979, the Executive Council of Rhodesia again invited the Patriotic Front to participate. On that date the government released a press statement that said:

"The Executive Council once more extends an invitation to the leaders of the Patriotic Front to return and take part in the election and thus join with us all to ensure a peaceful transition to majority rule."

Thus, despite such terrorist atrocities as the shooting down of a civilian airliner with a Soviet missile launcher in September 1978, by Nkomo's forces in ZAPU, and the murder of ten of its eighteen civilian survivors afterwards, the government persisted in its invitation to the Front to participate in the elections, and on March 6, 1979 again stressed that the only bar to participation by the Patriotic Front in the elections would be their own refusal to take part. The Executive Council also gave assurances that martial law bans on ZAPU and ZANU would be lifted if the Front would indicate its willingness to participate peacefully in the election and that nomination day would be postponed if the Front indicated that it would like to participate so that it could nominate candidates.

It should also be noted that the internment of sympathizers with foreign enemy governments and disloyal persons is by no means unknown in the United States and Britain. During World War II the British government incarcerated Sir Oswald Mosley, the British Fascist leader, and at the present time has imposed martial law in Northern Ireland. The United States during its Civil War also interned Confederate sympathizers without benefit of *habeas corpus*, took similar security measures during both World War I and II, and even during demonstrations against the Viet Nam war which could potentially have led to civil unrest.●

JIM THORPE

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. FAZIO. Mr. Speaker, one of the greatest athletes and greatest examples of moral courage this land has ever produced was Jim Thorpe. And yet, Mr. Speaker, Jim Thorpe has been done disservice by the Nation which should be so proud of his memory, and I request today that my colleagues help redress that wrong.

I suspect there are few in this House who are not aware of the international acclaim Jim Thorpe won at the 1912 Olympics, when he set records and won gold medals in both the pentathlon and decathlon. His subsequent career won him designation as the greatest athlete and greatest football player of the first half of the Twentieth Century by a jury no less knowledgeable than the sports editors of the Associated Press. His career was an inspiration to all American youth, and particularly to the Native Americans from whose numbers he came. By sheer talent and determination he overcame social, economic, and physical challenges that few of us ever encounter.

Yet in 1913 Jim Thorpe was stripped of his Olympic medals because of inaccurate allegations that he was not deserving of amateur status. In 1975, the Amateur Athletic Union reviewed the facts and confirmed once and for all that Jim Thorpe was indeed an amateur. There remains no reason why his Olympic achievements should not be restored to the official books.

This concurrent resolution would request that the International Olympic Committee do restore Jim Thorpe to the official position he deserves. It also asks that the committee present duplicate gold medals to the heirs of Jim Thorpe.

It is appropriate that Congress take this action now because the United States will host the Olympics again in 1980. It is also appropriate because Jim Thorpe was a great runner, and because at this moment there is underway a 500-mile marathon race from DQ University, a Native American college in my district, to Los Angeles. The runners in this marathon are Native Americans from across the country. As they do every year, they are running to bring attention to the condition of Native Americans in the United States. It is perhaps symptomatic of that condition that Jim Thorpe's medals were taken away. We should welcome the opportunity to return them and to thereby refresh our awareness of the obstacles he overcame to greatness.●

NUCLEAR VERSUS COAL ECONOMICS—SETTING THE RECORD STRAIGHT

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. FLIPPO. Mr. Speaker, on June 6 the Washington Post reported that a confidential internal study by the Exxon Corp., raises serious questions about the economics of nuclear energy. The Post suggested that Exxon's study showed that the favorable economics previously attributed to nuclear power may be a myth. This "fact" was duly reported in the CONGRESSIONAL RECORD.

We now are advised by the Exxon Corp., in a recent letter to Esquire magazine, on whose article the Post story was based, that Exxon's conclusions are quite the opposite. In their letter, Exxon states that their study showed nuclear costs to be somewhat lower than those for coal, and that recent analysis indicates "a significantly greater cost advantage for nuclear energy" than did the earlier study.

There can be little doubt that the Nation must rely on both nuclear energy and coal to meet its future energy demands. It is also true that factors other than cost must be considered when utilities choose which energy source to rely on for additional electrical generating capacity. What is clearest of all, however, is that these decisions must be made based on fact, rather than emotion, and it is on this basis that I recommend the Exxon letter to my colleagues' attention. The letter follows:

EXXON CORP.,
New York, N.Y., June 11, 1979.

The EDITOR,
Esquire,
New York, N.Y.

DEAR SIR: I am writing about a recent ESQUIRE article by Mr. Dan Dorfman which discussed the future of Exxon Corporation and the efficiency of nuclear energy. Referring to one of a number of nuclear studies which have been made within the Corporation, it stated that analyses done at Exxon had raised serious questions concerning the economics of nuclear energy. There was, indeed, a staff study within Exxon which presented data very close to that reported in the Dorfman article. It should be pointed out that the electricity costs cited in the article did include capital recovery items in both the coal and nuclear cases. Since the higher investment cost for nuclear was accounted for in the electricity cost, the statement that the difference in electricity cost was hardly worth the construction outlay is incorrect. This 1977 study concluded that although nuclear costs were somewhat lower than coal costs, the differences were small enough so that either could be the most economical fuel in specific situations. Additional analyses have subsequently been done using more current data. Our most recent study indicates a significantly greater cost advantage for nuclear energy than did the 1977 study.

Naturally, we will continue our studies of nuclear economics since we are in the energy business. If circumstances change, our views might change. But we want the record accurately to reflect our current corporate view which is that nuclear power is an economical source of energy, and that its increased use will play an important role in helping the nation meet the energy challenge it faces.

Sincerely yours,

GEORGE T. PIERCY.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. MAZZOLI. Mr. Speaker, I was absent from the House of Representatives on Friday, June 22, 1979. Had I been present, I would have voted: "Aye" on rollcall No. 274 calling for the House to resolve itself into the Committee of the Whole to consider H.R. 4394, making appropriations for the Department of Housing and Urban Development and independent agencies; "aye" on rollcall No. 275 on an amendment to increase research and development appropriations for Environmental Protection Agency (EPA) by $10 million; "aye" on rollcall No. 276 on an amendment to add $10 million in appropriations for research and development and $10 million for emergency abatement, control, and compliance for EPA.●

VINCENT J. RUGGIERO WINS OPERATION DRIVER EXCELLENCE AWARD

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. GUARINI. Mr. Speaker, today I would like to ask my distinguished colleagues to join with me in congratulating Vincent James Ruggiero, a 17-year-old student from Jersey City, N.J., who has won the top prize in Operation Driver Excellence.

Operation Driver Excellence is a national competition sponsored by the Dodge Division of the Chrysler Corp. and AMVETS, the American veterans of World War II, Korea, and Vietnam. It is endorsed by the National Association of Secondary School Principals, and is aimed at promoting traffic safety and driver education, especially among the young people of our Nation.

In the national competition finals recently held at Hershey, Pa., Vincent proved his driving ability, knowledge of theory and traffic laws, his ability to handle an automobile in emergency situations, and respect for the vehicle.

In recognition of his driving excellence, Vincent was awarded a Dodge Aspen of his choice by the Dodge Corp., a trophy, and a watch. The AMVETS presented him with a $2,000 scholarship and a $100 savings bond. Vincent has received citations from Jersey City Mayor Thomas F. X. Smith, Police Director Michael Borseso of Jersey City, and Sheriff John Gillen of Hudson County.

I would also like to commend Vincent's driving teacher, Mrs. Florence M. Lipari, who conducts driver education programs for various private schools in Hudson County. Mrs. Lipari is a registered nurse who became interested in driver education and traffic safety as a result of seeing many patients who had been involved in automobile accidents. She is the first and only woman to judge the teenage safe driving competitions in Hudson County, N.J., and has consistently provided winning students in driving competitions.

Vincent Ruggiero will represent the Nation's youth in many driver education functions throughout the United States for the next year. He will hold his title until the 14th national competition in Operation Driver Excellence which will be held in St. Louis, Mo., in May 1980.

Vincent, who recently graduated from St. Aloysius High School, will enter St. Peter's College in Jersey City in September. He plans to major in business administration.

I am proud to have this opportunity to salute Vincent Ruggiero who has demonstrated the skill and sense of responsibility which all of our Nation's drivers should possess through his outstanding performance in Operation Driver Excellence.●

GLASSPORT LEGION MARKS 50TH ANNIVERSARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. GAYDOS. Mr. Speaker, the national American Legion is known throughout the world for its work in behalf of those who have served our country in time of war. But, Americans realize that individual Legion posts are far more than just an organization for veterans of military service. We know these posts frequently are the focal point for many community activities and the spearhead for numerous projects of community improvement.

Such a group is Post 443 of Glassport, a community in the Mon-Yough Valley of southwest Pennsylvania, which on June 23 formally observed the 50th anniversary of its founding. The principal speakers at this event, commemorating a half-century of community involvement, were two prominent residents of the area: Mr. Leonard C. Staisey, the former chairman of the Allegheny County Board of Commissioners, and Mr. Robb Austin, representative from Pennsylvania's 39th Legislative District.

Post 443 was officially organized in April 1929, with 50 charter members and held its first meetings in the council chambers of the local municipal building. Its first commander was Andrew Edding and other officers included Arthur Mayou, Michael Cobak, Herman Freyer, Paul Fabry, John Thomas, and Craig Mawhinney.

Shortly after its organization, Glassport demonstrated its support for the fledgling Legion post. The borough council donated a plot of ground for a post home on a 99-year lease and later the school board offered it an abandoned schoolhouse that was moved to the site and became the center for the activities of its membership.

Nearly 20 years later, with the idea of one day building a new home, the post purchased a piece of property across the street from its original location. In 1955, under the leadership of Commander Norman Papernick, that thought crystalized and 2 years later became a reality. The opening of Post 443's new home was highlighted by the installation of a beautiful bronze plaque, donated by Copperweld Steel Co. as a memorial to those who died in the service of our country.

Since its beginning, Post 443 has reflected the spirit of Glassport and its people. Members of the post have sponsored numerous civic programs, including Memorial Day services, children's parties, scout troops, athletic events, spelling bees, and art contests. The veterans dedicated themselves to bettering the lives of comrades confined in hospitals, alleviating the problems of the elderly and the handicapped and molding the character and leadership qualities of the borough's youth.

A list of individuals who have contributed to Post 443's achievements over the past 50 years would be far too lengthy to insert into the Record but I feel it fitting and proper to recognize the present-day officers who have successfully met the challenge of responsibility set by their predecessors:

Commander Raymond Krills, Senior Vice Commander Robert A. Pavol, Junior Vice Commander Clarence Kibe, Adjutant George Pattakos, Finance Officer Leo McConeghy, Chaplain Pauline Rocco, Judge Advocate Michael Kurka, Service Officer Edward Goyke, Historian Raymond Krills and Sergeants-at-arms Clarence Kibe and Charles Puka.

Mr. Speaker, on behalf of the Congress of the United States I extend official congratulations to the officers and members of Post 443, American Legion, on the occasion of the organization's 50th anniversary and wish them continued success in years to come.●

IRONY IN ATLANTA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. McDONALD. Mr. Speaker, the visit of Mr. Nkomo to Atlanta still continues to reverberate across the land. In this connection, see my remarks on page 12995 of the Congressional Record of May 30, 1979. The Richmond Times-Dispatch in an editorial on June 22, 1979, discusses this same incident pointing out again the type of terrorist Mr. Nkomo is and what a hypocrite he is. The item follows:

[From the Richmond Times-Dispatch, June 22, 1979]

IRONY IN ATLANTA

Jeshua Nkomo, one of the terrorists leading the fight against Zimbabwe Rhodesia, got a hero's welcome in Atlanta the other day, not the bum's rush he deserves.

Mayor Maynard Jackson proclaimed "Zimbabwe Day" in Nkomo's honor, and presented the Soviet-backed guerrilla leader a check for $4,000, which sum presumably will be used to add to the body counts in Nkomo's grisly terrorist operations. Part of the money was raised by a raffle, in which the winner received an expense-paid plane trip to Africa.

Nkomo also delivered the commencement address in the Martin Luther King Jr. Memorial Chapel of Morehouse College. He asserted that violence is the only solution to Zimbabwe Rhodesia's problems. He received a standing ovation.

The raffle of a plane ticket was ironic because Nkomo's troops have declared open season on civilian airliners. In September 1978, one of their Soviet ground-to-air missiles felled an Air Rhodesia plane killing 38. The heroic Nkomo terrorists then moved in and butchered 10 survivors. Another 50 persons were killed in the crash of a civilian airliner brought down a few months later by one of Nkomo's rockets.

As Rep. John Ashbrook, R-Ohio, has suggested, let us hope that Mayor Jackson obtained a commitment from Nkomo not to blast the lucky raffle winner out of the sky.

There was even more irony in persons who honor the memory of Atlanta's famous apostle of nonviolent protest, the Rev. Martin Luther King, Jr., enthusiastically applauding one who murders both black and white civilians in Zimbabwe Rhodesia as his form of political expression.

Atlanta's black community is, of course, not alone in its lionizing of a racist murderer who would turn Zimbabwe Rhodesia into a Marxist dictatorship. The Georgian in the White House has slanted the nation's foreign policy to favor the Nkomo types as against the biracial peacemakers inside that beleaguered southern African nation.

And that's not just ironic; it's tragic.●

HOPKINS PRESS CONFERENCE

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HOPKINS. Mr. Speaker, more than 20,000 burley tobacco growers in central Kentucky are greatly concerned about a decision now pending in the office of our former colleague, Agriculture Secretary Bob Bergland. On Monday, June 25th, I held a news conference in Lexington to outline my position on the matter at issue. With your permission, I would like to share the text of that announcement with my colleagues.

The announcement follows:

Ladies and gentlemen—I called this news conference to brief you on a matter of great importance to the burley tobacco industry and, therefore, of great importance to this community and to the entire state.

The issue is whether the government should permit the marketing of tobacco in the loose leaf bales in addition to the traditional hand tied form.

As most of you know, during the past year the U.S. Department of Agriculture conducted an experimental program under which burley growers were allowed to bring up to 5 percent of their quota to market in loose leaf bales.

Within the next few weeks the Secretary of Agriculture must decide:

1. Whether or not to continue the loose leaf experiment as is,
2. Enlarge the program
3. Eliminate loose leaf all together.

As a candidate for Congress, I expressed my support for the loose leaf experiment because I felt it was a concept of tobacco marketing which was due a fair trial.

Now, as a member of Congress who not only serves on the House Agriculture Committee, but also on its Tobacco Subcommittee, I have been in a unique position to study and evaluate the loose leaf program.

I have had the opportunity to talk with many, many people in all aspects of the tobacco industry: growers, big and small; warehousemen; and representatives of the major tobacco companies.

I have met on several occasions with Secretary of Agriculture Bob Bergland and other leading department officials to discuss this important issue. The latest meeting with Secretary Bergland was early last week. I shared with the secretary the results of a survey I recently conducted of the tobacco industry on their attitudes toward loose leaf marketing.

I think the results are interesting and revealing and I want to share them with you.

Perhaps most interesting was the fact that over ninety percent of the growers who have tried loose leaf marketing like it. One of the chief reasons given for preferring loose leaf was it saved the producer time and money. This was confirmed by a United States Department of Agriculture study which showed that even though the baled tobacco averaged one cent per pound less than hand tied when sold, the loose leaf method saved an average of seven cents per pound in production costs.

But the results of last years experiment, though they sound impressive, are inconclusive.

Because, as of this date, only a relatively small percentage of growers have actually tried marketing their tobacco in loose leaf bale form.

The logical question is why?—Why didn't more growers participate in the loose leaf experiment?

I think the answer is three fold.

1. There is a natural, human reluctance to try anything which is new and unproven.
2. Last fall farmers were uncertain how much the price of baled tobacco would be discounted at the warehouse.
3. The five percent ceiling on the amount of tobacco which could be marketed in bales was too low to give farmers incentive to bale at all.

But, none of these reasons is insurmountable or justify not continuing to try loose leaf marketing.

There are many, quite frankly, who want to see loose leaf done away with all together. They argue it will be detrimental to the burley tobacco program.

If I were convinced that was true, I wouldn't be here this morning.

I personally believe a tobacco farmer should be able to market his product in whatever method he chooses. I say, let the market place determine which is the best marketing method for all involved. That's the free enterprise system—the American way.

But, I also am totally committed to protecting the burley tobacco price support program and, therefore, I am inclined to move cautiously until more complete facts are in as to whether or not loose leaf would be harmful to our burley tobacco program.

I don't think it will be—and from the evidence we've seen so far—it hasn't been. But, I for one, want to be absolutely sure there will be no adverse effects to our tobacco program before I would recommend unlimited baling.

I told the secretary the jury is still out on loose-leaf marketing. I told him we haven't heard enough evidence yet. And I told him—in my opinion—it would be foolhardy to close this case until we have heard all the evidence. It's just too soon to decide this, one way or the other. That's why I recommended against a referendum. It just wouldn't be fair until more people had tried baling.

Let me emphasize under the program I suggested, no producer will be forced to bale even one leaf of his crop unless he wants to—no buyer would be forced to buy one bale if he didn't want to. But, by the same token, we are taking positive steps toward removing government barriers which prohibit this type of freedom of choice.

I believe the course of action I have just outlined is a fair and reasonable one. It strikes a balance between the desirability of moving toward giving the producer more freedom of choice in his marketing method while maintaining certain safeguards to protect the tobacco program which is so very important to the economic health of this area.

I was most encouraged by the reception Secretary Bergland gave to these suggestions and am optimistic about their chances of being adopted.●

NEEDY CHILDREN BENEFITS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mrs. SCHROEDER. Mr. Speaker, once again the Supreme Court has handed down a just decision which I would like to call to the attention of my colleagues. Yesterday the High Court ruled 9–0 that it is unconstitutional to make social security benefits available to needy children of unemployed fathers, but not to children of unemployed mothers.

In light of the fact that more women are becoming heads-of-households, I think this is a responsible decision. As Justice Blackmun said, "Congress, with an image of the 'traditional family' in mind, simply assumed that the father would be the family breadwinner, and that the mother's employment role, if any, would be secondary." This assumption can no longer be made, and I think we should go all-out to see that Congress passes legislation to comply with yesterday's ruling.●

TURKEY HEDGES BETS ON UNITED STATES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the Oxnard Press-Courier recently printed the following editorial, "Turkey Hedges Bets on United States."

The editorial, which appeared June 5, 1979, comments on the decline in United States-Turkish alliance. The latest evidence of the split is Turkey's request of the Soviets to allow U.S. planes to use Turkish airspace. In the absence of stronger U.S. support for Turkey, we should not be surprised at these latest events.

The editorial follows:

TURKEY HEDGES BETS ON UNITED STATES

Developments in Turkey clearly reflect the relative decline of the United States' power in the world and the continuing havoc wrought in U.S.-Turkish relations by the ill-advised arms embargo imposed against Ankara by Congress in 1975.

Turkey, once an unshakable ally, now feels obliged to seek approval from the Soviet Union before permitting U.S. reconnaissance planes to use Turkish airspace in electronic monitoring of Moscow's compliance with the prospective SALT II treaty.

The Soviets, evidently oblivious to both the spirit of detente and of arms-control agreements, have suggested their answer may be "Nyet."

There was a time when Turkey felt sufficiently shielded by the United States against the expansionist designs of the Soviet Union to reject any accommodation with the Russians. Thus bolstered, Turkey served its own interests as well as those of the United States by standing firm on NATO's southern flank.

That was before events in South Vietnam, Cambodia, Laos, Taiwan, South Korea, Iran and elsewhere called into question the strength of U.S. guarantee. Congress, spurred by the so-called Greek lobby, effected a quantum jump in Turkey's nervousness with the infamous arms embargo enacted after the Turkish intervention in Cyprus.

Now, Turkey hedges its bets. That the Turks do so even after President Carter succeeded in persuading Congress to lift the embargo and provide new economic and military assistance only underscores the extent of the original damage.

As for the Soviets, their characteristic truculence threatens to undermine chances for Senate ratification of the SALT II treaty. But, then, Moscow may be less interested in ratification now that President Carter has pledged to observe the treaty even if the Senate rejects it.

Meanwhile, Turkey may be forgiven its doubts about U.S. will and wisdom.●

IT IS CRIMINAL WHAT WE HAVE TO PAY FOR OIL THESE DAYS (AND WHY THE CRIMINALS ARE NOT BEING PROSECUTED)

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. CONYERS. Mr. Speaker, since the Arab oil embargo in 1973, prices of petroleum products have skyrocketed. The consumers cost for gasoline and heating oil have tripled in this time, and comparable increases have been added to the price of goods and services which utilize petroleum products in their production.

The initial reaction was to blame the Organization of Petroleum Exporting Countries (OPEC) exclusively for the runaway price increases which we have had to pay. However, as the full picture emerges, we see that a disturbing share of the blame for the oil and gas price increases is of domestic origin.

While decisions made abroad may have set the stage for the inflationary spiral in oil prices, firms and individuals at home have seized the opportunity to reap enormous windfall profits, often through the use of criminal practices.

Two House subcommittees recently joined forces in looking at fraudulent practices in the oil industry and at the enforcement efforts by the Federal Government to prosecute such conduct. The Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, which has congressional oversight responsibility for the Department of Energy, and the Subcommittee on Crime of the Committee on the Judiciary, which oversees the activities of the Department of Justice, undertook a joint investigation because of the joint responsibility that the two Departments, Energy and Justice, have in seeing that fraudulent pricing practices are detected and prosecuted.

What we found was bumbling, indifference, ineptitude, and incompetence to a degree that would be laughable, were it not so serious, and the consequences for our Nation not so devastating. It is no laughing matter, however. While we have no reliable figures on just how much of the astronomical increases in petroleum products the last half-dozen years is attributable to criminal fraud, we are convinced that it is substantial. One Federal prosecutor who has handled these cases thinks that fraud may account for as much as two-thirds of the 90-plus cents per gallon being charged in some parts of the country for gasoline.

This astonishing figure was challenged by other participants at the hearing, and the witness who offered it stressed that this was only a possibility and that no reliable data is available on the subject; nonetheless, testimony and documentary evidence presented to the subcommittees reveal that illegal price manipulation is taking place on a massive scale in numerous phases of the process of moving crude oil from the well-head to the refined product as it reaches the ultimate consumer.

The hearings focused on just two of the many illegal practices which have sprung up to exploit the opportunities for fraudulent price escalation in the current oil "crisis." These are "old oil/new oil flips" and "daisy chains."

Under regulations in effect since 1973, the price which may be charged for oil from domestic wells already in production at the time of the embargo is controlled at the level being charged at that time—a little over $5 a barrel. Foreign oil and newly discovered domestic oil are not subject to these controls, and such oil may be sold for more than twice the price of "old" oil.

This dual pricing structure has created the opportunity for enormous profits by those willing to engage in the illegal practice of buying old oil at the controlled price and selling it at the new oil prices. Needless to say, many have been willing. Crude oil reseller operations have increased more than tenfold during this period. The joint hearings established that there seems to be no legitimate business purpose for this increase in oil reseller firms which is explained only by opportunity for these huge and quick profits.

A related practice is that of "daisy chaining," under which petroleum products—usually refined products rather than crude oil—are passed through several paper sales, each time increasing the price of the product, with no actual physical movement of the product. Testimony before the subcommittees indicated that this practice alone accounts for a tripling of the cost of products such as home heating oil.

Utility companies have passed these costs on to consumers through "fuel adjustment costs," another new phenomenon of this era. Witnesses at the hearings testified that hundreds of these daisy chain operations have been discovered in all parts of the country. The subcommittees were presented with documentary evidence of several such operations. Oil industry defenders argue that while the sale of a given supply of fuel as much as 20 or 30 times from the time it comes out of the refinery until it reaches the consumer is extraordinary, these are extraordinary times, and such a phenomenon is explained by unusual and complicated market conditions, not fraudulent price manipulation.

Documents provided to us suggest otherwise, and point to simple conspiracy, not complicated market conditions, as the motivating force behind daisy chain operations. A typical letter of agreement memorializing a daisy chain operation, one of many such agreements made available to the subcommittee, reads simply as follows, with only the company names deleted:

(Company "A" letterhead)

November 7, 1974.

To: Co. "B"
Co. "C"
Co. "D"
Co. "E"

Gentlemen: The following book transfer has been agreed to among all companies concerned and will be effective in October business:

Product: No. 2 Fuel Oil.
Volume: 25,000 barrels.
Transfer Sequence: Co. A to Co. B to Co. C to Co. D to Co. E to Co. A.
Location: Tyler, Texas.

Thank you for your cooperation.

Co. A.
(Signed)

Obviously, these are men of money and affairs, not given to excessive or flowery language. This tersely worded letter does, however, establish: First, that everybody in the chain knows of the entire scheme, including knowledge; second, that the oil ends up back where it started, or, to be more precise; third, that the oil never physically moves, since these are "book" transfers only; and, fourth, that not only are these paper transactions only, but paper transactions that will apparently be retroactively entered in the books of the companies, since this November 7 letter reflects agreement as to transactions which "will be effective in October business."

Other documents made available to the subcommittees show price increases as the oil moves from one member of the chain to the next, which increases are, of course, the purpose of daisy chaining.

If pricing manipulation such as this is widespread, and if it is illegal, why is it not being detected and prosecuted? A report furnished by the Department of Justice indicates that only three cases have resulted in criminal convictions for fraudulent activities such as these. The following factors are contributing to this pathetic record:

THE NATURE OF THE OIL INDUSTRY

Persons in all phases of the industry see themselves as part of a free-wheeling, fast dealing, hard driving industry in which "anything goes" is not only the prevailing ethic, but is seen as a necessary ingredient of success. "Government interference" is greeted with almost universal hostility, and "interference" is broadly interpreted to include not only the imposition of pricing and marketing controls, but the application of traditional criminal laws relating to bribery, false statements, and fraud.

As a result, there is little self-enforcement, either by way of direct internal corporate management controls, or indirectly through employees reporting of illegal practices to appropriate authorities (so-called "whistle-blowers").

TEMPORARY NATURE OF PRICE CONTROLS BEING VIOLATED

Price control laws and regulations, which form the basis of some (but by no means all) of the criminal violations involved, have, from their inception, been seen as temporary in nature. This seems to provide still additional disincentive for the industry to take the controls seriously—a temporary criminal law does not seem to make any sense. Furthermore, the temporary nature of the controls is a substantial contributing factor, I am convinced, to the demonstrated reluctance of the Federal Energy Office, the Department of Energy, and the Department of Justice to mount effective enforcement efforts.

A few young lawyers and investigators have responded with zeal and enthusiasm to the professional and public interest challenges inherent in the enforcement programs to combat these fraudulent practices. They are, however, few and far between, and more importantly, it is high ranking political appointees and senior career bureaucrats, not young lawyers, who must provide the push necessary to build up the large, sustained staffs necessary to effectively pursue violations of the magnitude which are occurring.

Empire builders choose their terrain carefully, however, and temporary crash programs which might be wiped out in a few months are not big drawing cards. Relatedly, many senior officials, particularly in the regulatory agencies, are "revolving door" officials who came from industry and will return to it later—providing they do not while passing through Government, bite the hand that will have to feed them when they return to the private sector.

REFUSAL OF DEPARTMENT OF JUSTICE TO SEE THESE CASES AS ANYTHING OTHER THAN ROUTINE

The Department of Justice has a practice of reacting to charges of criminal misconduct which are brought to it, rather than going out and looking for it. This is particularly true in regard to criminal misconduct within activities under the jurisdiction of Federal regulatory agencies, such as the Department of Energy. Justice Department witnesses appearing at our hearings stubbornly insisted that Justice has no obligation to intervene in these oil fraud practices except when Justice has received a formal referral of a criminal allegation which DOE has investigated and found to have prosecutive merit.

Information coming to Justice in any other manner is, apparently, not cognizable. For example, in December of 1974, Federal Energy Agency Administrator John Sawhill issued a press release which indicated that FEA had reason to believe that illegal pricing practices were widespread throughout the oil industry. A front page story in the Washington Post—a newspaper that is required reading for government officials in Washington—following Sawhill's release quoted him saying that "Investigators have found cases of power companies paying as much as 89 cents a gallon for distillate oil that left the refinery costing 20 to 30 cents," and that "there was also evidence that some brokers altered invoices, changing price-controlled old oil which sells for $5.25 per barrel to "new" oil which sells for some $10 or $11 per barrel."

Despite the fact that these allegations came from the chief energy enforcement official of the United States, Department of Justice witnesses told our hearings that such allegations were "not specific enough" for them to act on at this time. If the practices mentioned were not specific enough to move Justice to action, certainly Sawhill's explanation why he was taking the extraordinary step of releasing information about an ongoing investigation should have caught Justice's attention:

> Our preliminary investigations indicate that the practices under scrutiny are such as should be immediately exposed.

However, even this apparently was not sufficiently provocative to merit so much as a telephone call to Sawhill asking "John, what's this all about? Is it anything we need to get on top of?" Note that the lead item mentioned in the Sawhill story was the ballooning of fuel costs to utilities through use of daisy chains. Three years later the first such case involving overcharges to utility companies was finally referred to the Justice Department in the proper manner.

An ironic footnote to the story is that, even after such a long delay, it appears unlikely the case would have been referred for prosecution had not a customer of the power company being overcharged taken another newspaper article concerning the fraud to a local prosecutor, who was instrumental in getting Federal authorities to finally move in the case.

"DAISY-CHAINING" WITHIN THE ENFORCEMENT AGENCIES THEMSELVES

Not to be outdone by the oil industry, the Departments of Energy and Justice, under the leadership of Justice, have their own version of daisy-chaining. In this case, it is the movement of information regarding alleged criminal conduct unnecessarily from one office or agency to another, consuming weeks, months, or even years at every stop along the journey. Let us take an example. Suppose a DOE official in Houston discovers that a crude oil reseller in Houston is "flipping" old oil to new and selling it at illegal prices. Chances are this case, if it is to be prosecuted, will be prosecuted by the U.S. attorney in Houston.

Is the DOE official therefore under instructions to take this information to the U.S. attorney so that the two agencies can work together to see if they have a case? No, his instructions are diametrically the opposite of this logical approach—he is forbidden to have any contact with the U.S. attorney's office at this time. Pursuant to agreements between the two agencies, DOE field personnel must fully develop criminal referrals with no help from local DOJ lawyers and investigators, ship the case to DOE headquarters in Washington, where it is reviewed and, if found appropriate, sent to "Main Justice" (Department of Justice headquarters in Washington) which in turn reviews it and, if it finds that prosecution is warranted, sends it back to Houston, to the U.S. attorney, for further action.

This process is followed at the insistence of the Department of Justice, which told us that "this is the way to expedite cases." I have to agree with my colleague and cochairman of the hearings, Congressman John Dingell, who responded to this testimony, "Only a government bureaucrat could conceive of this as expediting."

"FLIPPING" OF CRIMINAL ALLEGATIONS FROM ONE TYPE OF CASE TO ANOTHER

At the risk of stretching an analogy, I offer the observation that there also seems to be, between DOE and the Justice Department, some "flipping" of case classification reminiscent of the flipping of old oil to new. By way of background, we need to keep in mind that Justice's insistence that DOE fully develop criminal referrals before Justice will enter the case is based upon the argument that the criminal offenses are, by and large, violations of complicated economic regulations of DOE, and only DOE has the expertise to detect and document these violations.

This position has some surface plausibility, but the plausibility disappears once we go beneath the surface and look at the actual cases themselves. Of the 45 cases that have been referred to the Department of Justice by the Department of Energy under these arrangements, only two have been for violation of DOE regulations—all the others involve allegations of violations of the Criminal Code of the United States for offenses such as bribery, wire and mail fraud, perjury, and other "traditonal" offenses.

Thus, DOE is told to develop the cases on their own because the cases are "economic" and "regulatory" in nature, but they are also told that Justice will ordinarily only pursue felony violations of the Criminal Code.

Justice's reasons for not wanting to pursue regulation cases, which reasons include weaknesses in the regulations, limited sanctions available compared to the magnitude of the violations, and the difficulty of getting convictions for violations of "mere" regulations, may be valid. The point is that the justification for making DOE take the lead is gone once we recognize what kinds of cases Justice is interested in.

DOE is not equipped and staffed to do these kinds of criminal investigations. More importantly, their regulatory scheme, largely built around single company audits, is not designed to detect the kinds of criminal practices Justice is inclined to prosecute: Bribery, racketeering, and wire fraud rarely shows up in an audit of a company's books.

In the case of daisy chains, a single company audit reveals only the transactions involving that company, and does not trace the product all the way through the chain. In such cases, it is possible to have a criminal conspiracy to inflate prices with a series of transactions each of which, standing alone, would be legal.

Though there is a certain therapeutic value in formulating a statement of the horrible state of affairs a matter is in, this is at best only the first step in remedying the situation, or, even less, it merely establishes that the first step has to be taken. It is obvious that in this matter of detecting and prosecuting fraud within the oil industry, the first priority should be the establishment of national leadership.

The fact of the matter is that the magnitude of fraud is so great that no one is willing to even accept responsibility for measuring it, yet alone for combating it. The Justice Department says "not us," claiming that the problem has political, economic, and international implacations far beyond the authority of its prosecutors. Department of Energy accepts regulatory responsibility, but claims—and demonstrates—that it is woefully unequipped to effectively develop complicated criminal cases.

The obvious response to such bureaucratic buck-passing and ineptitude is leadership from above—from the President himself, assisted by the Office of Management and Budget and the Domestic Council.

The first product of this Presidential leadership should be a determination of the scope of these illegal practices, and a measure of just how much they are costing the American consumers. Evidence that is being assembled by various congressional committees suggest that the fraud is massive, affecting all parts of the country and all types of petroleum products.

Admittedly, however, the evidence gathered so far is fragmentary, and a much more complete and systematic examination needs to be made. Denials of complicity from individual firms in the industry have begun to trickle into the congressional committees looking at the problem. Detecting and measuring the fraud is not made easier, however, by the fact, even in the case of firms not engaging in such practices, there is little incentive to expose those who are, since the pricing structure dictated by governmental regulation provides liberally for "pass through" of increasing costs at various phases of the production and marketing process.

There may be some truth to the suggestion by one witness at our hearings that the industry welcomes practices such as these to inflate the price of petroleum products while we are still under price controls, in that the politically unpopular increases to be made after decontrol will not have to be so great. We should consider also the contribution that these price escalating practices make to efforts to discredit and terminate controls, hardly a development that the industry wants to head off.

Once we have an accurate measure of the extent and cost of these practices, adequate resources must be brought to bear against them. The President must lead with something in the nature of his "moral equivalent of war," and must disabuse enforcement agencies, particularly the Departments of Energy and Justice, of their parochialism and complacency. If the laws are weak and full of loopholes, Congress should be informed and asked to fill the loopholes. If personnel and other resources beyond what is currently available are needed, and I am convinced they are, Congress should likewise be called upon to appropriate the money needed.

Rather than asking for increases in enforcement personnel, however, DOE is substantially cutting its enforcement staff in anticipation of decontrol. The Department of Justice, despite numerous highly publicized declarations by the Attorney General and his top aides of a new "pro-active," aggressive enforcement posture regarding white-collar crimes such as these, is maintaining a "business as usual" posture of concerning itself with only those oil industry criminal matters which make it over from DOE despite all the obstacles placed in their way by the lack of cooperation between the two agencies.

Finally, let us not be confused by the deregulation argument, which suggests that with the lifting of controls, all these practices will be legal. Decontrol will not legalize bribery, perjury, racketeering, and filing false official documents. Even where changes are made in the market structure which remove the basis of and incentive for past criminal price manipulation, no justification is provided for excusing past criminality. After all, if a bank which has been robbed later goes out of business, we do not turn the robber loose on grounds that he will never rob that bank again.●

THE HYDE AMENDMENT AGAIN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. STOKES. Mr. Speaker, once again, the House Appropriations Committee has approved language in the fiscal year 1980 Labor-HEW Appropriations bill restricting Federal funding for abortion except where the life of the mother would be endangered if the fetus were carried to term.

It is my view that this language is totally inadequate and exceedingly restrictive—even more so than the "compromise" language of last year. These restrictions impose a discriminatory barrier against women simply because they are poor. These economically disadvantaged women should enjoy the opportunity to make such a fundamental decision about whether or not to bear a child, just as more affluent women enjoy this opportunity.

While I believe that there should not be restrictions at all on Federal funding for abortions, the present language in the HEW bill should at least be broadened to allow exceptions for serious genetic disorders or deformity of the fetus.

Mr. Speaker, I intend to offer two amendments relating to abortion funding when the Labor-HEW Appropriations bill is considered on Wednesday. The first amendment would provide for funding for abortion where the mother has sickle cell anemia or where the fetus is determined to have sickle cell anemia. The second amendment would provide for funding for abortion where the mother has diabetes mellitus.

I urge my colleagues to support these amendments which recognize two serious medical conditions and their potential consequences that confront many women.●

TERENCE CARDINAL COOKE URGES "LET IN MORE ASIAN REFUGEES"

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. DRINAN. Mr. Speaker, the plight of the Indochinese refugees has reached the disaster point. The human exodus streaming out of Indochina, and the squalor into which they are forced to flee is a tragedy which demands our active attention.

The U.S. efforts, and the efforts of all developed nations to resettle the Indochinese refugees have been grossly insufficient. Between January and May 1979, the monthly number of Indochinese refugees reaching the filth-ridden camps in Malaysia, Indonesia, and elsewhere has quadrupled to 65,300. Roughly 300,000 refugees are presently huddled in camps, slums, beaches, or in border jungles. They lack adequate food, shelter, sanitation facilities, and most importantly—a country in which to resettle. In one small camp in Malaysia, 45,000 people are stranded in the chaos of beaches covered with garbage, with virtually no health or sanitation facilities. The number of refugees entering these "countries of first asylum" is Southeast Asia has been increasing at such a rapid rate that Thailand and Malaysia have adopted brutal expulsion policies. Together with the other member countries of the United Nations, we must consider concrete ways to alleviate this burden quickly.

A broad comprehensive refugee program should be an integral part of our human rights policy and must give credence to our tradition of welcoming people of other lands into the United States. In the past, such groups have made invaluable contributions to our society.

I bring to the attention of my colleagues an excellent column which appeared on the ed page of the New York Times on June 23, 1979, written by Terence Cardinal Cooke. In the past, Cardinal Cooke has made significant contributions to pressing urban problems in the New York area. His efforts to help Spanish-speaking populations by adapting local parishes to meet community needs is a reminder to us of our concern for the poor and oppressed. Cardinal Cooke's words are timely and well taken.

The article follows:

[From the New York Times, June 23, 1979]

LET IN MORE ASIAN REFUGEES

(By Terence Cardinal Cooke)

People who need the help of the United States do not always suit our national or personal convenience. We would like distressed people to fit into established programs of aid. They rarely do. We would also like to *settle* some problems. We rarely do.

The frightful crisis on the Cambodian-Thailand border is a terrible example of what man can do to man. More than 300,000 refugees (a figure that could easily rise) are in Thailand. Of those, more than 100,000 are penned in a tight area just inside the Thai border. Many of them have fled the powerful Vietnamese military forces inside Cambodia. Most of them are women and children. They are desperate for food, clothing and shelter.

As I write this, the Thais, who have been generous and helpful to refugees in the past, are now driving Cambodians back to their own country where an "uncertain future awaits them." The sound of gunfire across the border strongly supports the concern that a tragic massacre is taking place.

A series of most unhappy turns seems to be isolating refugees in Southeast Asia from help.

The Thai Government, driven by fear of both the Cambodians and Vietnamese, is alarmed by so many volatile refugees occupying Thailand's border areas; at the same time the Vietnamese have announced an ethnic war on people of Chinese origin, sharply evoking Germany in 1933; and France, usually so hospitable to Eastern refugees, will soon reduce the number of refugees it will receive. As the Vietnamese Government is about to expel 1.3 million ethnic Chinese from its shores, we also have word that Malaysia and Indonesia are sealing their coastlines against boat people. The prospect of wholesale death is on the horizon. Death by drowning, starvation or bullets is imminent for as many as two million people.

The very finest tradition of American concern for human beings is being challenged. Understandably, the President and the Congress are weary and see no end to requests for help. But this Southeast Asian misery is neither hopeless nor endless, if we act now.

If our Government moves swiftly to reassure and help the Thais with their refugee problem, with food and medicine, and above all by enlarging the number of refugees we will take, the fearful slaughter of Cambodians may be stopped. World pressure should also be exerted on the Vietnamese to stop the expulsion of a whole ethnic group from its longtime home in Vietnam. New Yorkers can do something. They can speak to the White House and the Congress. They can urge the international community to support these poor people. They can write to the President and they can strongly encourage all others to take positive action to save the lives of hundreds of thousands of our brothers and sisters in God's one human family.

American aid to the Cambodians will create a special American witness. Unlike people who were once our allies and who share our cultural or religious heritage, the Cambodian refugees, pitiable in their human distress, have no political or cultural or social claims on Americans. They were, some of them, part of an army that in 1975 led a mass death march in Cambodia which may rank as one of the great horrors in history. Many are Communists and bitter verbal despisers of the United States. They are promising us no special gratitude or future friendship. What a splendid opportunity for America to reaffirm its authentic concern for suffering men, women and children and to stand firm for the human rights of all people.

What's in it for us? Nothing and everything.●

AFDC IS NOT SOCIAL SECURITY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. PICKLE. Mr. Speaker, an article about a Supreme Court decision on the front page of this morning's Washington Post contains an error. The article begins with a statement that Congress had "made social security benefits available to needy children of unemployed fathers, but denied the same benefits to children whose mothers are jobless."

A further reading of the article reveals that the benefits in question are AFDC benefits.

I would like to state for the RECORD that AFDC benefits are not social security benefits. AFDC is not part of the social security program and AFDC benefits are not paid for out of social security payroll taxes. AFDC is a general welfare program paid for entirely out of general revenues. The AFDC program and other welfare programs sometimes become mistakenly associated with the social security program simply because they are part of the Social Security Act.

This is a mistake often made—so often that many people think general welfare payments do come out of social security taxes. This is an unfortunate misconception as it causes some people to lessen their support for the social security program.●

AMENDMENT TO TRANSPORTATION APPROPRIATIONS ACT

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HOWARD. Mr. Speaker, when the House takes up the Transportation Appropriations Act (H.R. 4440) on Thursday, June 28, I intend to offer a proposal to provide modest increases primarily emphasizing energy conservation, public transportation, and highway safety. With critical gas shortages across the country, this proposal could not be more timely.

I earnestly invite your support for these provisions, which would result in a level consistent with the administration's budget request and well below budget authority contained in the first concurrent budget resolution.

The appropriation bill provides, in part, funding for several programs authorized by the Surface Transportation Assistance Act of 1978. That legislation was enacted after intense debate over its funding levels, resulting in substantial reductions both on the floor and in conference.

In effect, these programs have already been subjected to the full force of the budget-cutting process. Yet the bill as enacted provided for substantial increases in certain programs and a select number of new initiatives in response to emerging needs.

The administration has sought severely reduced funding for the existing programs and has requested zero funding for the new initiatives, in effect seeking through the appropriations process to prevent initiation of programs which it could not keep out of authorizing legislation.

Zero funding or reduced appropriations were thus recommended for such energy conservation provisions as carpool and vanpool promotion, capital and operating assistance for public transportation, and measures to stimulate use of intercity buses fulfilling a legitimate public transportation role.

Also affected are the safer off-system

roads program, speed limit enforcement (with its energy and life-saving potential), and assistance for safety promotion and grants to foster innovation at the local level. This is despite the fact that safety programs are financed from the Highway Trust Fund, financed by user fees rather than treasury revenues.

Unfortunately, the appropriations bill largely reflects the administration's position in this respect, and provides a level of $9.1 billion, which is $152 million below the administration's total request and $674 million below the first concurrent resolution.

My proposals, in total, would increase the level in the bill by $152 million, with the increase distributed evenly between highways and public transportation.

Since the 1978 act was enacted to provide these public transportation and other programs affected by the appropriations bill, the gas lines have stretched out again, confirming the wisdom of the Congress in authorizing the programs.

Now is not the time to backtrack on fiscal restraint; but needs of our safety programs and those with a direct impact on energy conservation demand that we at least meet our responsibilities within reasonable budgetary constraints. My proposal does just that, and I urge your support.

HIGHWAY-RELATED APPROPRIATIONS

[In millions]

Safer Off-System Roads	$40
Carpools and vanpools	4
55 mph enforcement *	20
Beautification	9
Innovative grants (highway safety)	2
Hwy. Safety Educ. & Information	1
Total Highway-related	76

PUBLIC TRANSPORTATION-RELATED APPROPRIATIONS

[In millions]

Section 3	$30
Section 5 (3rd Tier)	20
Intercity Bus Terminals	15
Intercity Bus Subsidies	10
Transportation Centers	1
Total Public Transportation-related	76
Total Howard amendment	152

*In addition, the Howard amendment would strike unauthorized mandatory earmarking of $40 million Sec. 402 safety funds for 55 mph enforcement and raise the Sec. 402 obligation ceiling from $175 million to $195 million to permit States to supplement $20 million in authorized direct appropriations for 55 mph enforcement (as proposed in the amendment) at State option.●

AN ANSWER TO THE ENERGY CRISIS—"SUN" POWER

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. MATTOX. Mr. Speaker, oil and gas companies have certainly come in for their share of criticism during our current energy shortage. But perhaps exceptions in this blanket of condemnation can be found for companies such as Sun Gas Co., of Dallas, Tex.

Faced with high energy costs themselves, Sun has taken the lead in voluntary conservation measures, setting an example for us all. Under the enlightened and innovative direction of President Robert B. Anderson, Sun has instituted such energy-saving devices as vanpooling for employees, special engines on company vehicles, and higher thermostat settings for their offices this summer.

This last move has spawned what is perhaps their most interesting, and humane, measure—relaxation of the dress code. In consideration of employee comfort, suits and ties are no longer necessary. Balancing professionalism with comfort, Sun workers have found a happy medium for the summer. And with lowered temperatures coming this winter, I suspect sweaters will be "de rigueur."

The Congress would do well to "follow the Sun" in raising its building temperatures this summer. And to draw attention to our conservation, as well as to provide a more comfortable debating atmosphere, I suggest that our stringent dress code be relaxed. It would be a relatively simple task, embodied as it is in the traditions, and not the rules, of the House. And I believe it would not detract from the professionalism of this body; I suspect the sight of Members in rolled up sleeves and opened collars would contribute to our reputation as "hard working."

After all, clothes are one of the seven deadly sins, and "fine clothes are good only as they supply the want of other means of procuring respect," as Samuel Johnson has noted. Freed from the stricture of a tight tie, our thoughts will be more clear than ever, and we can get on with the work of solving this Nation's energy problem. A "no tie" summer can be a symbolic—and practical—way to demonstrate our concern over this issue.

[From the Dallas Morning News, May 20, 1979]

SUN GAS TRIES ENERGY-SAVING FOR EMPLOYEES

(By Joe Simnacher)

The management of the Sun Gas Co. in Dallas has taken steps to help keep its employees from getting hot under the collar with the firm's latest energy conservation measures.

The Dallas-based natural gas company is accelerating the energy-saving steps that it and its parent company, Sun Co., initiated during the Arab oil embargo of 1973 and 1974, Robert B. Anderson, president of Sun Gas, said in a recent interview.

The new round of energy-saving measures is designed to put an emphasis on Sun employees by raising their awareness of the energy situation. Anderson said.

During the past five years, Sun had undertaken a number of other energy-saving steps aimed at its plant and transportation operations.

The existing energy saving measures include special engines, radial tires, aerodynamic cabs and radial tires for Sun's fleet of vehicles. Some of the company's trucks have been fitted with recording meters to monitor the drivers compliance with the 55 mph speed limit.

Anderson said Sun's fleet of 10 ships now operate with their engines at lower speeds and now use 20 percent less fuel.

One of the new energy-saving steps the firm has taken is obvious when entering Anderson's office on the 10th floor of Three North Park East. The day of the interview the temperature in Anderson's office was a bit warm, and the company's top executive was wearing a blue, short-sleeved shirt with an open collar. And his office is going to get even warmer.

"What we are really doing is elevating the level of activity we started in '73–'74," Anderson said. The latest energy conservation steps include raising the temperature in Sun's offices to 78 degrees in the summer and lowering it to 68 degrees in the winter; establishing a van pooling system and encouraging car pooling.

Anderson said the temperature in the offices will be raised to 78 degrees on Monday from the present 74 degrees.

The Sun office temperatures will be raised to 80 degrees, should President Carter's request for mandatory room temperature settings in non-residential buildings be passed, Anderson said.

To help its employees cope with the warmer office temperatures, Sun has relaxed its dress code, as evidenced by Anderson's open collar.

As part of the dress code change, Sanger Harris held a dress code clinic for Sun's women employees attended by 160 of Sun's 174 women in Sun's Dallas office. Anderson said the clinic offered tips on dressing for the heat, but with a professional look.

Anderson pointed out that the warmer office temperatures and relaxed dress code do present a few new problems for Sun employees. "We're victims of traditions," Anderson said, pointing to the coat and tie in his closet. Anderson keeps the tie for meetings with other companies that still observe older dress codes and cooler office temperatures.

Many of the more casually dressed employees will also be driving to work in one of four vans which Sun Gas purchased for use in rider pools. Anderson said that a group of nine employees interested in participating in a van pool will be issued a van. One pool member drives and maintains the van. He also has the van for his personal use.

Anderson said each pool will break even if it has nine members—each paying from $26 to $30 per month.

It makes money with more than nine members.

A van pool is allowed to carry up to a total of 12 passengers, with the driver keeping the profit of carrying more than nine passengers. This gives the driver financial incentive to fill up his van and make the system work.

To help employees who work hours that are not predictable enough for van pooling. Sun is lining up informal car pools. Anderson said that when an employee knows he will be able to ride with his car-pool, he will call his pool's driver and say, "Hey, pick me up on Tuesday."

As a result of the pooling program, employees are beginning to schedule company meetings earlier in the day, so that the poolers will be more likely to leave their offices on time.

Anderson is not sure whcther or not his fellow employees will carry their new energy conservation measures home with them. He said that it's possible that the conservation efforts will cause a backlash, with employees turning their thermostats down at home to get "comfortable" when they are not at work.

Sun is issuing booklets to its employees with the hope that they will conserve energy. The booklets give tips on the energy-saving advantages of storm windows, easing back temperature settings on air conditioners, heaters and water heaters.

And Anderson is not just telling others what to do. He said he has been personally conserving energy for years. Since 1973, he has purchased only automobiles with standard transmissions and cars that get at least 20 miles per gallon of gasoline. He also sets his home water heater to a lower setting when there is not as great a demand for hot water. He resets the setting when the demand for hot water increases, such as when he has guests.

Anderson said that the U.S. energy supply problem was made up of "many, many small parts." For example he points out that the motorists in California have panicked, making their situation worse than it really needed to be.

If the drivers of the 140 million vehicles in the United States—including all trucks, cars and buses—were to "top off" (fill to the brim) their tanks at the same time, the gasoline delivery system would lose 17 million barrels of gasoline, he said. This would create quite a problem, because the United States uses 21 million barrels per day.

In other words, it would make the nation short of gasoline by nearly one full day's supply. In a panic, "people gradually move to the pumps and soak up one day's (extra) supply of gasoline, placing an unreasonable load on the system," he said.

And, as a sidelight on the current energy situation, Sun is issuing a booklet to its employees, which explains the current energy situation in "simple layman's language," Anderson said. The booklets are being distributed so that the employees can defend themselves "at little league baseball games and cocktail parties, so they won't feel bad about working for an energy company."●

A COUNCIL OF OIL IMPORTING NATIONS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. GEPHARDT. Mr. Speaker, I applaud the effort of the administration, the Congress and the American people to meet the energy crisis by adopting an energy program. As one who supports gas rationing, decontrol of domestically-produced crude oil, and the windfall profits tax, however, I am becoming increasingly pessimistic that this program will solve the crisis because it is lacking one key element, namely a strategy for dealing with OPEC.

On May 10, Secretary of the Department of Energy, James R. Schlesinger, appeared before the House Committee on Ways and Means. I asked Secretary Schlesinger whether the administration has any plans on how to attack the OPEC problem, such as import licensing, developing Mexican oil, making long-term contracts with Venezuela, or are we just at the mercy of OPEC now and forever. He replied that our position at the moment is of course quite vulnerable and that until we are able to control our demand for oil, our bargaining position will not improve. There is no prospect of immediate relief.

I am continuing my efforts to work in a constructive manner to alleviate the demand for oil. People wating in line for gas, however, are not unlike Members of Congress who are being asked now to make sacrifices that in the near future may prove to be irrelevant in the face of OPEC price increases.

If there is no prospect for immediate relief, that debilitates against each individual's decision to take immediate steps to conserve energy. If there is no hope of moderating OPEC price behavior in the long run, that debilitates against each Member's hope that his or her vote will ultimately help solve the crisis itself.

Next week, the OPEC members will meet again and they will probably decide to raise prices again. Soon, the House of Representatives will meet to decide on windfall profits taxes. How the United States and other members of the "consumer cartel" react to the former event will figure heavily on how our colleagues react in the latter regard. Efforts in the meantime to develop a policy to deal with OPEC is the missing ingredient for success.

My own view is that if OPEC continues to act in an unreasonable manner with respect to consumer prices, a consumer cartel is the only feasible alternative. I recognize that forming a consumer cartel would be very dificult and that an economic confrontation with OPEC would be a risky and economically dangerous game, but it may be a risk that would avert an eventual economic collapse.

For these reasons, I am today introducing legislation which expresses the intent of Congress that the President initiate negotiations with other oil importing countries to establish a Council of Oil Importing Nations (COIN) to negotiate with the Organization of Petroleum Exporting Countries (OPEC) reasonable base prices for oil and the elimination of unreasonable or unjustified surcharges.

The bill also provides that COIN use economic and political sanctions, when appropriate, to encourage compliance with its negotiated price level. OPEC needs our technology and food, and collectively the industrial nations can bargain with them.

In conclusion, I believe this legislation is absolutely necessary if we are to avoid the economic devastation that will come with an unrestrained OPEC oil price spiral. We are not proposing to approach OPEC as antagonists—but as equals in bargaining. This bill takes a first step in that direction.●

NATIONAL ENERGY PRIORITIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues, the following June 17 editorial by William Randolph Hearst, Jr., regarding our national energy priorities.

The editorial follows:

SET OF PRIORITIES NEEDED FOR ENERGY

(By William Randolph Hearst, Jr.)

NEW YORK.—As you read this I am recovering from eye surgery. Before being hospitalized, I arranged with John DeYonge, chief of the editorial page of our Seattle Post-Intelligencer, to write a special article on the availability of all of our energy sources. Mr. DeYonge, a Stanford fellow who majored in energy matters, was formerly environmental editor of the Post-Intelligencer. His article follows:

In a famous decision that has set American oil law off from that of other countries ever since, a 19th century frontier judge defined oil "as a crittur that belongs to him that gits it furst."

For the last hundred years we Americans have been catching and utilizing that crittur for history's greatest energy binge. We've found and used more oil than all the rest of the world put together. That's one reason why we're so rich. And that's a main reason why we're so upset now. Our national experience refuses to believe that like any crittur, oil can be killed off, used up.

But at home that's true. Our landmass has more holes drilled into it per square inch than the arm of a heroin addict. We've found tremendous amounts of oil and used most of it. Each day now our production decreases just a little. But until this decade, our use has been jumping up higher and higher each day. And our population growing.

Last winter we used more oil than ever before—20 million barrels a day. But we're producing fewer than 9 million barrels a day now and importing the rest, with all of the economic and political difficulties that is bringing us.

Can we expect to find vast new fields of oil within our own borders? The answer is no. All the easy, cheap oil has been found, experts say. We may find significant amounts of expensive oil in the Alaskan arctic or under the sea out on the continental shelf. But the odds against finding enough new oil to relieve us of our dependency on imported oil are worse than those against finding a gas station selling 50-cent gasoline.

What about Mexico and China? Mexico has already served notice that it has learned from the lessons of Iran and Saudi Arabia. It intends to limit export sales, charge the world price and sell first-come, first-served. Mexico could help ease our supply problem, but not our hemorrhage of dollars over our borders.

China may have large amounts of oil, maybe not. If it does it will use its supply for its own population of nearly a billion.

Our best, cheapest source of oil for essential uses is conservation. It's as popular in this country as a smashed toe. Everyone wants it to apply to the other fellow first. Politically, conservation is not selling with Congress, which cannot muster the will to give the president even so much as a standby rationing program in case of disaster.

As for alternative energy sources, geothermal, wind and hydroelectric power for differing reasons cannot add significant new supplies of energy. But here are some that can:

Natural Gas—There is much natural gas to found in this country but that will require federal government to deregulate the wellhead price. Natural gas supplies a big part of our energy now and could replace a lot more oil.

Coal—We have vast supplies and the technology for increasing our use of it is tested and in hand. But coal requires extensive environmental and health safeguards. And our biggest deposits are in water-poor western areas. The lack of water limits its use on site to generate electricity or to be made into synthetic gasoline or natural gas. Worse, we've let our coal transportation system run down. If we pay the price to use it correctly, coal is an obvious answer to immediate energy needs.

Nuclear fission power—Tarnished by Three Mile Island's accident in its present practical form. Its safety problems are real. Its economic problems are real. And so is the political opposition to it. But it provides energy at tolerable costs.

Fusion power—Nuclear power from jamming atoms together, rather than splitting them. Still in the experimental stages in the U.S., U.S.S.R. and Japan. It may be the "technical fix" 20 years from now. Another distant but promising prospect is MHD, in which electrons are stripped from a fuel plasma by strong magnets.

Solar power—Today's popular alternative, and a real one. It becomes more and more practical as oil and other energy prices go up. Its use will increase in proportion to government will to provide money and incentives to research, develop and install it. Simple installations are now in use. Sophisticated solar power technology may free us from energy worries.

Biomass—Using vegetable or animal matter to provide energy. Even the president plans to install a new wood stove. But in more sophisticated forms, biomass offers tremendous potential. Gasohol, after all, is a mixture of gasoline and more expensive ethyl alcohol (the same stuff as in booze). Wood alcohol also can be used to extend gasoline supply. Wood products also can be used to fire power plants. Another biomass possibility is algae grown in ponds to produce protein for food or converted to hydrogen or methane gas for burning. Biomass is nothing more than another way to capture solar power for energy and demands far more attention than it has gotten.

Hydrogen—The gas, the element. It can be made in endless amounts from water. It burns cleanly without much pollution. It is safe, easily transported and can be used directly to power automobiles. Again, a source crying for development once the price is right.

Oil Shale—Oil locked up in western shale deposits. Its development depends on much higher oil prices generally. It poses a major problem for the environment and it requires immense amounts of water in an area where there is little, and all of that with claims upon it.

Considering these and other energy sources being investigated, our country and our world are not short of potential and actual energy supplies.

Our problem is that we are addicted to what has been a cheap, plentiful, easily used form of energy: oil—which is running out of supply. Because of the systems built upon oil, moving away from oil to other energy sources poses immense economic and political problems.

Our country's problem is not in energy crisis, but a political crisis. How do we manage our energy supplies and uses?

As the journalist W. W. Howe pointed out years ago, "A good scare is worth more . . . than good advice." The country has an overload of advice. Apparently it has not yet had, despite the gasoline problem, a good scare.

I don't know about you, but Mr. De Yonge scared me. America needs a set of firm priorities, which are not now in existence, in dealing with our energy shortage. We should be concentrating on new energy sources that can be brought into production quickly, and leaving to the laboratories and drawing boards those esoteric ones that require more time.

It strikes me that it is the Department of Energy that is insufficiently scared.●

SIMON AMENDMENT TO APPROPRIATIONS BILL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. SIMON. Mr. Speaker, on Wednesday, we will be considering the 1980 Labor-HEW Appropriations bill. I will offer two amendments to restore to the current level of funding cuts made in research and training efforts to serve the needs of disabled people.

First, my amendments, will return $2.325 million to the program of training for teachers working with handicapped students, bringing the funding back to the 1979 level of $57.7 million.

Clearly, Mr. Speaker, a fundamental step in the successful implementation of programs to educate handicapped children is the provision of an adequate supply of teachers. Yet, the cut in training for special education teachers proposed by the 1980 appropriations bill comes at a time when the supply falls far short of the demand. States projected a need last year of 85,000 new special education teachers while colleges and universities are only able to produce about 20,000 new teachers a year in special education. A restoration in the cut for training funds would help fill the positions needed to provide all handicapped children with full educational opportunities.

Second, my amendments will bring funding for research back to the 1979 level of $31.5 million, adding one and a half million to the appropriations proposed for 1980.

The Rehabilitation Act Amendments of 1978 established a National Institute of Handicapped Research with new authority in the areas of research related to technological developments to assist disabled people, special problems in rehabilitation of handicapped children and disabled elderly people, and the development of new employment training and placement techniques for the severely disabled.

Mr. Speaker, these important new research activities and the viability of the new National Institute of Handicapped Research responsible for leadership in the field of research for the handicapped depend on adequate support. To sustain a cut in research funds would work against the best efforts of this endeavor.

Third, the amendments I will offer restore the $1.5 million cut in the appropriations bill for training rehabilitation professionals, to maintain the current funding level of $30 million.

The vocational rehabilitation program is serving increased numbers of severely disabled people. The specialized rehabilitation professions should continue to be upgraded in order to serve better these severely handicapped clients. A cutback in training programs could mean a decrease in rehabilitation services for those disabled people waiting to return to employment but who lack the skills to secure a job.

Finally, Mr. Speaker, the amendments I will offer are modest, adding slightly over $5 million to the 1980 appropriations bill. However, these funds, spread across three programs, will reaffirm our support for the improvement of services to our Nation's disabled citizens.●

NEW SPIRIT OF ST. LOUIS LABOR MANAGEMENT COMMITTEE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. GEPHARDT. Mr. Speaker, with the creation of the New Spirit of St. Louis Labor Management Committee, St. Louis has become the largest metropolitan center in the United States to create an area-wide labor-management committee. The new group joins major AFL–CIO unions, the Teamsters and the United Auto Workers with the chief executives of many of St. Louis' largest employers. The group has set out to prevent the further erosion of the St. Louis area's manufacturing base and to improve labor-management relations through regular, and mutually beneficial discusions. The organization is modeled on PRIDE (productivity and responsibility to increase development and employment) which was established in 1972 by the construction industry to improve productivity in St. Louis' construction industry. The highly successful organization has been responsible for keeping many of the major redevelopment efforts in downtown St. Louis on time or ahead of schedule.

Recognizing the success of PRIDE and the need to improve relations between business and labor, many of St. Louis' most influential citizens have joined to form the new Spirit organization.

In seeking to improve the labor-management climate in St. Louis, union and business leaders have agreed to several concepts including:

The concept of a fair day's work for a fair day's wage;

The maintenance of acceptable working conditions and the establishment of realistic productivity standards;

Open communication with each other and with all employees;

Compliance with collective-bargaining agreements and avoidance of unauthorized strikes and production slowdowns; and

The contractual rights of labor and business.

I applaud these goals and look forward to the fulfillment of the promise that the formation of Spirit holds out for the future of St. Louis. I am particularly pleased that the organization has sought to address one of the Nation's most important and least understood economic problems of the past decade, the declining rate of productivity growth. Productivity improvement is needed to sustain and raise our standard of living, lessen inflationary pressure, and maintain our long-run competitive position in the international economy.

The average annual rate of productivity growth during the last 10 years has been only half of that of the preceding 20 years. The present rate of productivity increase in the United States is considerably less than that of other industrialized nations, such as Japan and West Germany.

Productivity or the efficiency with which we use labor, capital, and other resources to produce goods and services, is of great importance in achieving the objectives our society demands. These objectives include a higher standard of living, better quality products and services, a clean environment, and better working conditions.

Increasing our productivity aids the economy in three separate ways:

First, increasing productivity enables a worker to earn higher real wages without giving up leisure time in order to support a higher standard of living. The high standard of living we enjoy today is due to sustained productivity growth over the past century,

Second, productivity improvement is useful in lessening inflationary purchases by offsetting the effects of rising wage rates on unit labor costs and thereby producing upward pressures on prices, and

Third, productivity improvement is important in maintaining the long run competitive position of the United States in the international economy. A lag in the growth rate of U.S. manufacturing productivity over the past decade is one of the factors that has weakened the ability of some American industries to compete with foreign producers both home and abroad.

As measured by output per staff hour, U.S. productivity increased at an average annual rate of 1.6 percent from 1967 to 1977 in the private business economy. This rate of increase is only half that of the 3.2 percent experienced between 1947 and 1967. For the manufacturing sector, the annual rate of productivity growth between 1967 and 1977 has been only 2.1 percent, compared to about 2.7 percent between 1947 and 1967. Many experts on productivity agree that the depressed rates of the past few years will probably continue indefinitely without some positive measures to turn the trend around. Thus, efforts such as the formation of labor-management groups in our major cities such as PRIDE and Spirit are only the beginning of our efforts to reverse these alarming trends.

Some are quick to point out that while the United States productivity growth was the lowest of 12 major industrial nations in the period of 1967 through 1976, the United States has had a much higher, sustained, rate of productivity over the last century and the other industrialized nations of the world are merely catching up. But the reasons for this decline are very real to the United States and deserve the kind of study and attention that Spirit in St. Louis pledges to devote to the problem. The reasons for our decline include:

Shifts in the industrial composition of the economy, changes in labor force composition, apparent slowdown in the rate of improvement in the capital labor ratio, slowdown in research and development expenditures, diversion of capital investment to satisfy the requirements of environmental health and safety regulations, stagnation of some industries, and changes in workers attitude toward his work.

The President's Council of Economic Advisers considers the slowdown in productivity one of the most significant economic problems facing the United States today. A higher rate of productivity growth in the decade ahead will provide opportunities for expanding the productive capacity at a time when private and public demands on the Nation's resources are expanding at a rapid rate. A reversal of the recent trends in U.S. productivity is essential to achieving a more stable, less inflationary economy in which the real incomes of all groups in the economy rise without one group taking from another. In a rapidly developing economy, steady increases in productivity will provide a more sound and sure basis for international competition.●

COORDINATING OUR DEALINGS WITH OPEC

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. WOLFF. Mr. Speaker, I would like to call to the attention of my colleagues an article which appeared in Sunday's edition of the New York Times. The article, entitled "Leading Japanese Politician Suggests Oil Users' Cartel," discussed the idea of developing a "common front" for negotiating with the OPEC nations. Kiichi Miyazawa, an unofficial adviser to Prime Minister Ohira concluded that the major importing nations "have nothing to lose" by establishing a common position for dealing with OPEC.

Recently, I met with Mr. Miyazawa during his stay in Washington and we had a frank discussion of our mutual concerns. At that time, I recommended a consortium to deal with the OPEC nations. I am grateful that Mr. Miyazawa has suggested the same action.

It is important that a coordinated effort on the part of the oil importing nations begin at once for dealing with OPEC. For this reason, I have just recently introduced H.R. 4574 which would express the intent of Congress that the President should establish a Council of Oil Importing Nations (COIN), consisting of the oil importing nations, would be charged with the responsibility of negotiating with OPEC, a reasonable base price for oil.

The entire article follows:

LEADING JAPANESE POLITICIAN SUGGESTS OIL USERS' CARTEL

(By Henry Scott Stokes)

TOKYO,, June 23—In a sharp response to the recent surge in international oil prices, a leading Japanese politician has called on Western industrial nations and Japan to form an oil "consumers' cartel" to bring pressure on the oil cartel, the Organization of Petroleum Exporting Countries.

"Our immediate task is to break that cartel," said Kiichi Miyazawa, an unofficial adviser to Prime Minister Masayoshi Ohira who served three times as Economic Planning Minister and also as Foreign Minister.

"We should not overlook the fact that we face a suppliers' cartel," he said in an interview here. "The only effective way to deal with it is to form a consumers' cartel—there is no other way."

REMARKS ARE A DEPARTURE

Mr. Miyazawa's views differ from official Japanese policy, which has been to conciliate the oil cartel since the 1973 oil crisis. Japan imports more than 99 percent of its oil, most of it from OPEC members, and oil accounts for more than 70 percent of Japan's energy.

But Mr. Miyazawa commands attention here because he is a possible successor to Mr. Ohira as Prime Minister and has acted over the years as Japan's spokesman to the West. He is the only senior Japanese politician, who speaks English, as he did in the interview.

Mr. Miyazawa is the first Japanese leader to speak out against OPEC in many years. His remarks suggest that opinion in Japan is hardening against the oil producers, although the risks of alienating them by extreme confrontations are still generally considered to be not worth taking, however high oil prices go.

At a meeting starting Tuesday in Geneva, the OPEC members are expected to raise the official price of crude oil sharply from the current level of $14.55 a barrel, after another increase approved earlier this year.

"This may be the most serious crisis since the end of the Second World War for industrial democracies," said Mr. Miyazawa.

COMMON FRONT IS URGED

Referring to the summit meeting of seven industrial nations to be held in Tokyo on Thursday and Friday, Mr. Miyazawa said, "The seven have to agree on a common front. We have nothing to lose by taking a tough position."

He contended that the situation in the Middle East has completely changed since 1973 when Secretary of State Henry A. Kissinger tried and failed to persuade other major oil-consuming nations to take a common hard line against the producers.

One of the changed factors, he indicated, was President Anwar el-Sadat's treaty with Israel. "I really don't believe that without Sadat the Arabs can start another war against Israel," he said. "The key is Saudi Arabia, which we now know is moderate on oil matters, though we did not know this in 1973."

"I would like the United States to repair relations with Saudi Arabia in a very discreet and careful manner," he said, "so that Saudi Arabia can be sure, despite events in Iran and the American failure to help the Shah, that the Americans will help the Saudis if the Russians try to fish in troubled waters there."

Asked how the West and Japan could "break the oil suppliers' cartel," Mr. Miyazawa said that the oil consumers must convince moderate members of OPEC, notably Saudi Arabia, that continued price increases were self-defeating and would undermine growth in the developed world.

"If one of the major members of OPEC agreed to this line of thinking," he said, "that would weaken the cartel."

"Yamani is right," he said, referring to Sheik Ahmed Zaki Yamani, the Saudi Petroleum and Mineral Resources Minister. "The West should economize on oil."●

THE ATTITUDE OF YOUNG PEOPLE

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BRINKLEY. Mr. Speaker, the British historian, Arnold Toynbee, made a study of the rise and fall of many of the world's great civilizations. He concluded that none of them were ever on an even keel, that they were either on the rise or on a decline. And he also discovered a formula by which one could measure what a nation would be in the future. He said,

> Look at your young people. Measure their hopes, dreams and aspirations, and in twenty years that's exactly what the country will be.

Therefore, Mr. Speaker, I am especially thankful for young people like Janie Cartwright of Columbus, Ga. I wish to share with my colleagues her essay, "America—My Heritage And What It Means To Me." This kind of good attitude bodes well for the Republic.

The essay follows:

AMERICA—MY HERITAGE AND WHAT IT MEANS TO ME

(By Janie Cartwright)

Three hundred years ago, our country was a wilderness. Two hundred years ago we were a handful of colonial villages. A little over a hundred years ago, we were torn apart by a civil war. Yet, today we produce over half the total wealth of the universe—a wealth which we share with friends, former enemies, and dubious neutrals in the most extraordinary display of generosity in the history of mankind.

Two hundred years ago, our forefathers, armed with guns, axes, plows, and Bibles, began to transform a wilderness into one of the world's greatest nations. Though America, in 1781, was only a fledgling, and though I was as yet unborn, America showed her concern for me by creating laws which would guarantee and protect the personal, political, and religious freedoms which I and every other American today can call our heritage.

In 1787 the founding fathers wrote the Constitution, thereby shaping the political destiny of this homeland graced by God. This unique plan of government began with the words, "We the People." establishing a shield of democracy under which Americans have, for two hundred years, governed themselves as a free people. I am proud that my forebears had the wisdom to write this remarkable plan of government. I am thankful for the system of checks and balances established therein which has helped to preserve a democratic government for me. I am confident that I am well protected by this supreme law of the land.

The Bill of Rights clarified my rights in 1791 by stating the specific freedoms which I, today, am entitled to as an American—freedoms which I may abandon, but freedoms which I will never lose. My personal happiness is dependent upon my heritage of freedom. In return I intend to make some contribution, however small, to preserve the democratic structure which will allow ambition and creativity to flourish.

Our democratic system is designed to care for and protect the most humble and ordinary American. I, a common citizen, am privileged to enjoy the personal liberties of the human mind and spirit and reasonable freedom and opportunity to express them. Freedom of thought and action has led each succeeding generation to accept the challenges in the growth and progress of our country. Even after the bitterness of the war years, our forefathers sought to bring us peace and tranquility. To implement this, the brilliant, patriotic leaders needed the support and cooperation of the ordinary American. Yes, from the Pilgrim's landing at Plymouth Rock, to the triumph of the American Revolution, to man's first steps on the moon—the history of the United States is a stirring saga of courage and a quest for freedom.

Just as important as my political freedoms are my religious freedoms. Today, we are truly a nation under God. Our money carries the motto "In God We Trust." Sessions of Congress and the Supreme Court open with a prayer. Every President takes his oath of office on a Bible. Witnesses swear on a Bible in court proceedings. Indeed, just as America has had a unique background of searching for freedom, we have had a unique background of faith. Let us continue this unshakable belief in God and Country. The course of history will be determined by the faith that men are guided by.

Our American heritage has endowed us with both political freedoms and religious convictions. We must put this freedom and conviction to work with the zeal, the fire, and the enthusiasm that has become the wonder and envy of the rest of the world. My solemn obligations are to help guard our heritage of freedom and to uphold the prestige and preeminence that our nation has achieved.

A necessary consequence of the personal, political, and religious freedoms bequeathed to me is an unparalleled challenge. I have the opportunity to prove that the "American Dream" is not a myth. I have the opportunity to become not what I must be, but what I can be.

I am proud my heritage offers me the opportunity to obtain a good eduction. One of the guiding principles of our forefathers was to ensure everyone the opportunity of an education. Today, this country, one of the few nations of the world, has a free educational system. Our schools have become career-oriented, and programs have been initiated which teach a wide variety of vocational skills which prepare students for entry into the national work force. Many comprehensive high schools provide programs which incorporate both the academic and vocational programs so that graduates are prepared for college or work force entry. I believe education is the key to man's success for tomorrow. Our governmental system must be intellectually capable of sustaining itself, and it is up to us, together with other nations seeking prosperity and happiness for their own people, to summon up our knowledge and skills to solve the problems that threaten us all. We cannot let the assumption stand that nations can live to themselves, for in everything that is of utmost importance, the world is interdependent.

We cannot have a great country without turning some thoughts to ecology and environmentalism. We must think of conservation for future generations. Above all we must be parsimonious with our resources. We must face the fact that our resources, as well as those of other nations and continents are finite; we are running out of gas and oil; we are even running out of breathable air. We must try to reverse what now seems the inexorable exhaustion of natural resources, and we must do so in cooperation with all other major powers.

The American people are humanitarians. They will make the ultimate sacrifice to protect and uphold the principles by which we live, and we must strive to foster these rights throughout the world. President Carter's policy has repeatedly emphasized the fact that his administration will not look the other way when basic human rights are violated here or abroad. We value our personal human rights, guaranteed by our forefathers, who met and successfully mastered the challenges of the past. We must secure for future generations these precious liberties as those before us have endowed us with a proud heritage. We must be diligent lest a plague of apathy destroy us. Indicative of this humanitarian concern is the Statue of Liberty, standing at our nation's gateway, which beckons to the world—

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door."

Whatever talent or ability I have, I shall use it to an optimum degree in the service of my fellow human beings and in the service of God. At the periphery of my vision my responsibilities and dedication lay claim to issues for people caring, hoping, and working for a better tomorrow—not for just one race but for the entire world.

My legacy of rights, liberties, and opportunities has made me a more independent and self-reliant person. I shall consider it an honor and a responsibility to help preserve these rights for future generations. I can compare my freedom to a levee that holds back the waves of oppression. It must be kept in repair or small holes will let the floods in to wash away the entire structure. I shall cooperate in every way possible to help maintain a sound public opinion and high idealism, which will make possible the increase of righteousness, justice, patriotism, and good-will. "America, I love you, You are truly the land of freedom and opportunity."●

MCPL PAPER: THE RHODESIAN CONSTITUTION

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. GRAY. Mr. Speaker, as cochairman of the task force on Rhodesian sanctions of Members of Congress for Peace through Law (MCPL), I wish to offer for the RECORD the MCPL analysis of the Rhodesian Constitution. This brief but cogent paper points out that even where there is no specific mention of race, the constitution's provisions are stacked against the black African, and instead perpetuate the power of the white European in Zimbabwe-Rhodesia. Perhaps most disillusioning, the paper points that there is little chance to improve the constitution because the procedure for amendment, like the substance itself, is stacked in favor of the status quo.

This paper is especially useful in light of the fact that the House will be debating the compromise bill on Rhodesian sanctions within the next 2 days. To those who claim that we should lift sanctions because the April elections were "free and fair," I suggest: Look a little deeper; see who holds the power; see just how far the constitution does not go. For, as in our own country, it is the constitution which is the cornerstone of the system of government. If the constitution is severely flawed, as is the Rhodesian one, we should not be leading the international community into premature recognition of a white-dominated, entrenched system of government in a black land.

I commend to my colleagues this paper, prior to the House debate on H.R. 4439:

THE RHODESIAN CONSTITUTION

The following is a preliminary analysis of the Constitution of Rhodesia Zimbabwe approved on January 30, 1979, by the white voters of Rhodesia, as a framework for a transition to majority rule in that country. The paper addresses the Constitution in three parts: A) the composition of the three branches of government; B) the rights of the citizens; and C) procedures for amendment of the Constitution.

A. COMPOSITION OF THE GOVERNMENT

(1) The Legislative Branch: Chapter III, Part III of the Rhodesian Constitution sets forth the composition of the Legislative branch. Article 22 states:

"There shall be 100 members of the House of Assembly, of whom:

(a) 72 shall be Black members . . . ;

(b) 20 shall be White members, elected on a preferential voting system;

(c) 8 shall be White members (elected through other procedures) . . ."

and

"The Senate will consist of 30 Senators, of whom:

(a) ten will be Blacks elected by the 72 Black members of the House of Assembly; and

(b) ten will be Whites elected by the 28 White members of the House of Assembly; and

(c) ten will be African Chiefs elected by the Council of Chiefs . . . ."

Impact: Clearly, there is distinct racial discrimination in the language of the Constitution. This distinction is made all the more apparent when the proporton of seats reserved for whites (28 percent in the House of Assembly and 30 percent in the Senate) are guaranteed to a group which constitutes roughly 3 percent of the population. Moreover, since other Constitutional provisions require "the affirmative votes of . . . not less than 78 members of the House of Assembly" (Chapter XI, Arts. 157 and 160) (actions affecting the electoral laws, education programs, medical services, national parks, housing standards, etc.), it becomes clear that any legislative actions in these areas are subject to the approval of at least 6 of the 28 whites in the House.

(2) The Executive Branch: While the language of the Constitution regarding the Executive branch is not as overtly racial as is that regarding the Legislative Branch, Chapter IV of the Constitution mandates that the President, "acting on the advice of the Prime Minister, will be required to appoint Ministers from each political party which is represented in the House of Assembly by five or more members in the proportion of seats held by each such party."

Impact: The Executive includes the President, appointed by the Parliament, and the ministers, appointed by the President. Whites are effectively guaranteed more than one-quarter of all ministerial positions because of the proportional requirement based on political party. Therefore the whites, with their protected 28 seats and probable high degree of party unity, may well exercise a predominant role in the Executive Council, given the likelihood of a number of black parties, each of which will have ministerial representation.

(3) The Judicial Branch:

(a) Qualifications of Judges: No racial terms are used to specify qualifications of judges. However, Chapter V of the Rhodesian Constitution specifies: "A person will not be qualified for appointment as a judge unless he is or has been a judge in a country in which the common law is Roman-Dutch and English is an official language, or he has been qualified to practice as an advocate for not less than ten years in Rhodesia or in a country in which the common law is Roman-Dutch and English is an officail language."

Impact: Clearly, few if any Africans will be able to qualify as judges under these provisions, since the only qualifying countries under the language of the Constitution are those few such as South Africa, which has a Roman-Dutch system of law.

(b) Removal of judges: The Constitution provides for removal of judges on the basis of "inability to discharge the functions of his office" or "misbehaviour" if an independent tribunal has recommended that he be removed on one of these grounds. The make-up of the tribunal is to consist of not less than three members selected by the president from the following:

"(a) retired judges of the High Court;

"(b) judges or retired judges of a superior court . . . in which the common law is Roman-Dutch and English is an official language;

"(c) an advocate of not less than 10 years' standing;

"(d) an attorney of not less than 10 years' standing from a panel nominated by the association representing attorneys."

Impact: Clearly, the impact on the removal of judges is the same as on their appointment. Black Africans are effectively denied a voice in the judicial branch of their government.

(4) The Police Force: Again, race is not specified in the language of the Constitution. However, the effects of the qualifications are similar to those in the judicial branch. Chapter VI of the Rhodesian Constitution specifies: "The Police Force is established for preserving internal security and maintaining law and order and will be under the command of the Commissioner of Police who will be appointed by the President on the recommendation of the Judicial Service Commission. A person may not be appointed as Commissioner of Police unless he has held the rank of Assistant Commissioner in the Police Force or any more senior rank for periods which in aggregate amount to at least five years."

Impact: Since the appointments are made on the recommendation of the white-controlled judicial service commission, and since the qualifications for service currently exclude all blacks from consideration, the police force will remain under white control.

(5) The Military: "The composition of "the Defense Forces," which consist of the Army, the Air Force and any other branch established by law, follows that of the Police Force.

Impact: Since the President will appoint all military commanders on the recommendations of a board consisting of the retiring commander (white), one of the other commanders (white), and a third member, the defense forces will remain under white control. The Rhodesian Army only commissioned its first black officers (13 in all) in 1977. Black commanders are apparently not on the Constitution's horizon. Nor, under the power of a white-controlled military, is political insurrection or rebellion.

B. Rights of Citizens:

(1) Voting Rights and Procedure: The Constitution establishes two voting rolls, one a "White Voters Roll" and the other a "Common Voters Roll." The "White Voters Roll" is defined in Chapter III as "persons who are Europeans as defined in the present (Ian Smith) Constitution.

Impact: Since the "Common Voters Roll" includes all citizens over 18 years of age, the practical effect is that white voters are allowed to vote twice—once for whites and once for blacks—when blacks may vote only once, for their black candidates.

(2) Apportionment: Chapter III specifies that in the first general election, the 72 Black members of the House of Assembly will be elected "by voters on the Common Voters Roll . . . on a party list system and not on a constituency basis." The Constitution then specifies eight provinces to which it apportions blocks of seats.

Impact: Since the eight provinces are mostly dominated by heavy concentrations of a particular ethnic group, the allocation of seats in the Constitution appears to have been designed to encourage divisions among Africans in the face of white unity. Furthermore, the allocation of Senate seats, which reserves one-third for whites, one-third for blacks, and one-third for the chiefs, gives whites even more disproportionate representation (30 percent) than in the House of Assembly. It also gives significant influence to what is regarded as the most conservative element among the African people—the chiefs—who in most instances are government appointees.

(3) Declaration of Rights: Chapter VIII of the Rhodesian Constitution provides 16 Articles in which specific rights are enumerated and described in some detail: Among other provisions, it prohibits "any written law" containing "any provision that is discriminatory" and any execution of the laws "in a discriminatory manner." The term "discriminatory" is defined to include distinctions on the basis of "race, tribe, place of origin, political opinions, color, or creed."

However, after making these statements, the Constitution goes on to exempt certain areas from the prohibition against discrimination. Areas in which discrimination is permissible include adoption, marriage, divorce, "entry into employment . . . ," "the appropriation of public revenues or public funds," and "the exercise of any discretion relating to . . . criminal proceedings in any court."

Impact: This list of potential exemptions to the Constitutional guarantees of equal protection seem to authorize continued discrimination based on race, tribe, etc., especially in the adjudication of private or family law.

(4) Provisions relating to Property: Chapter VIII (which includes the Declaration of rights) also includes language protecting any individual from deprivation of property. It states:

"No person's property may be compulsorily acquired unless the High Court or another court established for the purpose is satisfied that the acquisition is necessary in the interests of defence, public safety, public order, . . . (etc.) In the case of the settlement of land for agricultural purposes, the land may only be acquired if it has not been substantially put to use for agricultural purposes for a continuous period of at least five years. . . . Where property is compulsorily acquired, the owner will be entitled to receive adequate compensation promptly and, if he is a citizen or permanently resident in the country, he will be entitled to remit the compensation outside the country. . . ."

Impact: Even if the land has been abandoned for several years, it may not be acquired for settlement purposes. Whites presently control 50% of the land—and virtually all of the prime agricultural land—but only the high court (which will be white controlled) can authorize that that property be acquired for the public interest—and then only with compensation, which can be taken out of the country. This provision significantly reduces the possibility of any land reform.

(In contrast to this provision, the Tribal Trust bill, which facilitates the acquisition of black land, makes it legal to "move tribespeople away from an area to make way for a scheme of national importance.")

(5) Pension Rights: Pension rights and financial savings of past and present officials are protected for a period of ten years.

C. Procedure for amendment:

The final provisions of the Rhodesian Constitution necessary to address are those which relate to its duration, its flexibility, and its characterization as "a step" toward majority rule.

(1) Procedure for Constitutional Amendment: Provisions of the Constitution relating to the Executive, the Legislature, the Judiciary, the Police and Defence Commission, the Declaration of Rights, etc., will be "specially entrenched." Chapter XI of the Constitution states that these provisions "will not be capable of amendment unless the amending Bill receives the affirmative votes of at least 78 members of the House of Assembly. The amendment of any other provision of the Constitution will require the affirmative votes of two-thirds of the total membership of the House of Assembly."

Impact: Since a minimum of 78 votes is required to pass any Constitutional change for the next ten years, 6 white votes in the House of Assembly are required. This means that the whites retain an effective veto over the crucial questions of the composition of the government and the rights of its citizens.

(2) Ten-Year Review: The Constitution provides that the reserved seats and racial distinctions in voting procedure will remain

in effect for ten years, at which point they will be subject to review by a Commission. The Commission will be composed of the Chief Justice, 2 persons selected by the 28 white members of the House of Assembly, and 2 persons selected by the President.

Impact: Since the composition of the Commission seems to mandate a majority of white members (the Chief Justice, due to the qualifications, will be white, as will the members appointed by the white parliamentarians), the review procedure appears to be written so as to preserve indefinitely the voting power and veto power of the white minority.●

INVESTIGATE OIL PRICE FRAUD

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. GORE. Mr. Speaker, some unscrupulous people within the oil industry have illegally bilked consumers out of at least $2 billion since 1973 and yet the Federal Government has stood by, helplessly allowing the frauds to continue, and in fact encouraging them by their inaction. Today I am introducing legislation along with Representative BILL RATCHFORD which establishes a Special Prosecutor to investigate oil pricing regulation frauds in an effort to put a stop to what is possibly the largest criminal conspiracy in U.S. history, in terms of dollars involved.

The 1973 Arab oil embargo and the resulting enormous price increases led to a number of well-recognized schemes to cheat on oil prices and to violate criminal laws prohibiting unjust enrichment and fraud. At its height the frauds accounted for $2 million a day in overcharges. While DOE has spent millions of dollars to ferret out fraud and abuse in the oil industry, these efforts have led to only two successful criminal prosecutions.

Enterprising white-collar criminals have used two schemes to defraud the public. The first involves daisy chains where oil products are fraudulently routed through numerous dummy corporations for the express purpose of illegally inflating the price in violation of price control laws. The Energy and Power Subcommittee has been doggedly pursuing these schemes since 1976 in an effort to prod DOE and Justice into action.

The second scheme involves reseller fraud, which was the subject of a recent joint hearing by the Energy and Power Subcommittee chaired by Representative JOHN DINGELL, and the Subcommittee on Crime chaired by Representative JOHN CONYERS. In this scheme, resellers falsely certify old oil, priced at close to $5 a barrel, as new oil, priced at $12 a barrel. After pricing regulations went into effect in 1973, the number of resellers ballooned from less than a dozen to over 450. Most of these companies started with little more than a telephone, but overnight their officers became DOE millionaires.

DOE first recognized the reseller scheme in 1975 and identified criminal activity, yet it took until the spring of 1978 to make the first referral to the Justice Department, and until the spring of 1979 to obtain the first indictment of a crude oil reseller.

DOE was also aware that it was not just fly-by-night resellers that were involved but also major oil companies. Yet DOE still failed to investigate despite specific evidence of abuse. Many cases that were investigated were shuffled back and forth between the regional and national offices awaiting referral to the Justice Department. One case has yo-yoed between Dallas and Washington for 4 years and is just now in the process of being referred to the Justice Department. DOE field investigators were further frustrated by a DOE directive barring interviews with companies involved in reseller frauds. While it is difficult to differentiate bureaucratic bungling and deliberate coverups, there is sufficient evidence to suggest that top DOE officials failed to deal forcefully with documented reseller fraud.

DOE is not alone in pursuing reseller investigations; the Justice Department has also been unwilling to devote sufficient resources to the task. In one instance where a major oil company had admitted guilt of reseller frauds, the case sat on the desk of a key Justice Department official for 9 months before it was sent to the U.S. attorney's office in Houston. Indeed most of the cases now before the Houston grand jury were not referred by DOE via main Justice, but through anonymous tips and information from friends of regional Justice attorneys. The U.S. attorney in Florida learned of the major Florida Power daisy chain case from a Jack Anderson column.

Clearly this pattern of neglect and indifference cannot be tolerated. The statute of limitations is running on many of these schemes which will leave consumers without a means to recover money which was defrauded from them. In fact, there is much evidence to suggest that the reseller frauds are continuing today, yet the track record of DOE and Justice suggests that most of these cases will not be pursued.

In testimony at the recent hearing, GAO was sharply critical of the DOE/DOJ performances. GAO argued that DOE waits too long in referring cases to Justice, and that DOE concentrates its efforts in the wrong areas. The Government watchdog agency also said that DOE has been able to complete audits of only 9 percent of the crude reseller's over the last 5 years. DOE and Justice have no written memorandum of understanding which has led to confused and contradictory policies. DOE told GAO that it was going to increase its reseller audits, yet at the same time it has cut its audit staff from 650 to 250.

Mr. Speaker, I believe that, if a special prosecutor is not appointed, the job of investigating and prosecuting these frauds will not be completed. The American people will have every right to be cynical if white-collar criminals are not prosecuted for this $2 billion conspiracy.

The legislation I am introducing will establish an independent prosecutor with full judicial investigatory powers. The prosecutors will have joint jurisdiction to investigate any violations of provisions of the Emergency Petroleum Allocation Act. This will enable DOE and Justice to continue current cases but allow the special prosecutor to have free rein on new investigations. The office of the prosecutor would terminate in 5 years unless Congress extended the term to complete pending investigations.

We should not resort to the appointment of a special prosecutor as a cure-all for Federal investigations except in extraordinary circumstances. I believe that $2 billion of fraud is in that select category. A special prosecutor is the only way we can put an end to the largest conspiracy in U.S. history.●

SSI DISABLED CHILDREN'S PROGRAM

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. DOWNEY. Mr. Speaker, today I am introducing legislation which will amend title XVI of the Social Security Act to maintain for an additional 3 years, the SSI disabled childrens' program.

The SSI disabled children's program was established in 1976 through Public Law 94–566 to correct the original SSI law in order that children on SSI would receive the same case management and services provided to SSI adults. Despite the common knowledge that the earlier the intervention the greater the possibility of reversing disability, funding was available only to disabled adults prior to the enactment of this law.

The SI–DCP program has done much more than just eliminate an inequity in our law, it has worked to save lives and contain health care costs. I have received letters from 17 State agencies describing their programs for SSI disabled children. A letter from the State of Connecticut summarizes the importance of this program:

> The Connecticut DCP has been able . . . to provide required services which were not available to the child through any other resource; to locate existing resources for care, of which a child's family may have been unaware; to coordinate planning and service provision and in general, to insure compliance with the SSI–DCP mandate that the medical, social, developmental and rehabilitative requirements of handicapped children, who are receiving SSI benefits, be addressed in a prompt, comprehensive and competent fashion.

A further example of the benefits of the SSI–DCP program was brought to my attention by the State of New Jersey. In this case, a child had been born with his heart outside of his body. Medicaid was paying for the child's hospital care at a cost of about $140,000 per year. Meanwhile, the child was not doing very well because of repeated viral infections that the child's doctor thought might be related to the number of visitors in his hospital room. It became evident that this child might not be healthy enough to have the operation necessary for his recovery. However, the SSI–DCP program enabled the child to return home, because the program permitted funding for private nursing, the rental of a ventilator and family counseling. This cost will be about $30,000 annually, or a reduction of $110,000 per year from the medicaid allowable expenses. Additionally, and beyond dollars, the child has progressed significantly enough that an operation can be scheduled in the near future.

By 1980, a total of 209,500 children are expected to be eligible for this program. This is a dramatic increase from the original estimate by the Social Security Administration of 83,500 children in 1977.

Under the current law, $30 million is allocated to States. The funds are distributed to each State based on the number of children under age 7. The money is used for counseling services, establishing individual service plans for prompt referral to medical, educational, and social services; monitoring those plans and providing any other services that would enable children under age 7 to become self-sufficient in the future. The bill I am introducing would simply continue this program intact.

The Federal and the State governments have begun the commitment to provide care for these disabled children in order that they can have normal lives. The States have agreed to this program on the assumption that this program would be adequately funded. Time is running out to enact legislation to continue this needed program. Therefore, I hope that the Ways and Means Committee will immediately consider this legislation.

I would like to thank all of my colleagues who join me in sponsoring this legislation and I would especially like to note the contributions of Congressmen ABNER MIKVA and JIM CORMAN, who played such instrumental roles in initiating this program during the 94th Congress. I am pleased to note that Senator ROBERT DOLE, who has also been involved from the beginning with this program, has introduced the bill in the Senate.

The needs of SSI disabled children were not being met until the enactment of this law. Thus, it is vital that we move quickly to continue to provide these children with the individualized care they receive through the SSI disabled children's program.●

RESPONSIBILITY OF YOUTH

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. DOWNEY. Mr. Speaker, in accordance with the recognition of 1979 as the International Year of the Child, I would like to share with the House the text, to be included in the RECORD, of one of the best and most pertinent speeches I have heard by a young person on the subject of the responsibility of youth to the community and the importance to the community of our next generation of adults.

The speech follows:

VIEWS OF THERESA SPANN

Good afternoon, ladies and gentlemen, the people of Wyandanch and our visitors. My name is Theresa Spann, I am the president of the Youth Council at the Wyandanch Community Development Corporation and also a senior at the Wyandanch Memorial High School.

I am here today to speak for the youth of our community and the youth everywhere. The United Nations has declared this year, 1979, "the year of the child." So I thought this would be an appropriate subject to speak about the child, or rather the children of Wyandanch.

It is often said that the youth are the future of the nation. Nowhere is this more true than right here in Wyandanch. Over half the population of Wyandanch is under 20 years old, meaning a greater role for the youth in the development of our hometown. Moreover, we have historically been the cutting edge of the movement for social change.

Black youths have paid a heavy price for being in the vanguard of struggle. Thousands of black youths have been lynched, murdered, maimed and jailed. Yet young people have still rebelled and struggled against racism or oppression and exploitation.

Today in 1979, and with the 1980's fast approaching, clearly a massive and systematic assault has been launched against black youth with the aim of weakening our fighting spirit and locking us into the basement of society. If this is allowed to continue unopposed, all hope of a brighter future for our community will be smashed under the grinding weight of the "Master Plan".

The defense of the youth must become a top priority in Wyandanch if we are to insure our survival and future growth for our children and their children.

The following areas must be dealt with by you our elders and ourselves for united we stand, divided we fall, sounds familiar.

In education: We must develop a stronger school system, that prepares the youth for tomorrow's competitive world. This can only be accomplished by all parents involvement in the school system.

In employment there is a desperate need to develop businesses and jobs that will service to the skills and knowledge of our youth. So that the teenagers of our community can stop depending on their hussels to get them over. Like selling drugs and gambling. You the elders must give us good role models to follow. For instance, Ms. Mildred Simpson the Vice President of the School Board; Ms. Mary Bizzle the School Community Rel. Person, and Ms. Irma St. Martin who is a candidate for the School Board of elections. And by the way, for all of you who didn't know or either forgot, the school board elections will be held on Wednesday, June 13th, at the Straight Path School.

The ladies of the community should be recognized everyday and especially today, Wyandanch Recognition Day. They have set some strong role models for the youth and the elders of the community. We should all look up to them for they are a great asset to the Wyandanch Community.

In other words, stop working for someone else and start working for yourself.

Politics, we must register to vote, choose the best candidate that has Wyandanch's improvement in mind and run our own for public office, so that we can determine our own future.

Our youth have willingly sacrificed their strength and their lives for the good of Wyandanch, it is now a must that Wyandanch rally to the defense of the young and to help us prepare adequately for the 1980's and beyond.●

RESOLUTION CALLING FOR THE RESIGNATION OF DR. JAMES SCHLESINGER

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. COURTER. Mr. Speaker, today I am introducing a resolution calling for the resignation of Dr. James Schlesinger as Secretary of the Department of Energy. Although Dr. Schlesinger is a fine man and a dedicated public official, it has become glaringly apparent that he is the wrong man for the job. Hired to resolve our national energy problems, Dr. Schlesinger and the Department of Energy have become part of our energy problems. Enjoying neither the confidence of Congress nor of the American people, his continuation as the Secretary of the Department of Energy can serve no useful purpose.

Over the last 18 months we have seen what can only be described as a complete lack of leadership in the Department of Energy. It would seem that with the resources at his command, 20,000 employees, and a budget of over $10 billion, Dr. Schlesinger could have developed an energy policy which would have prevented the current crisis. Instead, there has been a history of indecision, equivocation, and misallocation which has resulted in confusion, shortages, and gas lines. In the leadership vacuum created by Dr. Schlesinger the United States has increased its dependence on imported oil, experienced a phenomenal rise in oil prices, delayed the development of alternate sources of energy, and offended Mexico, a major source of oil and gas in the Western Hemisphere.

Dr. Schlesinger's tenure in office has cemented the American people's basic distrust in their Government. Statements and promises emitting from DOE and Dr. Schlesinger consistently have no basis in fact.

Admittedly, the Iranian situation was completely misread by all elements of this administration, but there is no excuse for DOE's inability to predict the impact the cutoff of Iranian oil would have on the U.S. fuel supplies. Many of us still do not understand how a 4-percent reduction in oil imports from Iran resulted in a 10- to 15-percent reduction in production by U.S. oil companies.

Even more perplexing is the absence of reason behind the rejection of the Mexican offer to sell natural gas to the United States. The Mexican Government was willing to sell its gas to the United States at $2.60 per 1,000 cubic feet, approximately the OPEC price. Dr. Schlesinger and the administration stubbornly refused to buy at OPEC prices from Mexico. As a result, the $1.5 billion pipeline from Mexico to the United States remains incomplete and Mexico is burning off 500 million cubic feet of natural gas a day. Moreover, the United States continues to buy liquid gas from Indonesia at $3.14 per 1,000 cubic feet.

My confidence in Dr. Schlesinger's ability has been severely shaken by his admission that he was ignorant of the fact that although crude oil imports are up from last year, our refineries are only operating at 84 percent of capacity, a 5-percent reduction over last year. It is incongruous that imports should be up and production down in the midst of an energy crisis of this magnitude. And it is incredible that the Secretary of Energy would be unaware that this situation exists.

At the heart of the present crisis is the DOE's allocation policy. The contrived mechanism has disrupted the process of supply and demand resulting in a surplus of gasoline in some areas of the country and crippling deficiencies in other areas. Dr. Schlesinger's reluctance to take decisive action is symptomatic of the debilitating indecisions in the upper echelons of the administration.

The demonstrated impotence of the Department of Energy and Dr. Schlesinger to respond to the demands of the people for the fuel to run our society is perhaps the greatest indictment of the man and his Agency. He should make way for someone with the courage and the ability to get the job done, and with the credibility to win the confidence of the American people.●

I AM A VIETNAM VETERAN

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. STUMP. Mr. Speaker, the Sun City Post No. 101 of the American Legion recently held a meeting in which they paid special tribute to Vietnam veterans. Mr. John LaDue, a member of the Sun City Post No. 101, and himself a Vietnam veteran, read the following poem he wrote for the occasion. I commend the poem to my colleagues:

I AM A VIETNAM VETERAN

I am a Viet Nam Veteran.
I was born of war—the World II type; Nurtured on the rationed milk of national sacrifice and pride, in the 1940's.
I remember watching my father rise to dress for camp where he would learn to defend us from the Nazi foe . . . and I watched my mother cry.
I still hear the shouts through youthful ears—of Days called VE and VJ, and I remember tears of another kind—those of joy—rise from Mother's eyes.
I schooled in Mid-America, with plains of corn standing tall like legions of warriors.
I watched and cried with my grade school friends, as General Mac faded away in the televised halls of Congress—returning from our National War of Transition . . . Korea.
I heard no shouts of any kind as this 50's chessboard exercise of back-and-forth, faded to a fizzled end.
I entered manhood and also Army as was my patriotic duty, when the 60's first emerged.
I learned the arts of enemy destruction while newspapers began to talk of war in distant Asian lands.
I answered the call when Uncle Sam said to go across the distant waves to steaming jungles and rice paddies, which echoed the sound of bullet and bomb.
I sloshed the mud, and fought mosquitos, and watched in driving rain both day and night for those who came, in silence and in shout—and saw them fall as did those beside me, never to rise again.
I took R & R—both in country and out—climbing mountains of joy that made me forget a while the smell of burning faces and the cracking sounds of death.
I read the Stars and Stripes about battles in Nam and out, and wondered with puzzled head at pictures of long haired brothers burning the flag I carried, while hoisting the one of those I fought.
I left the land of South Viet Nam as my year of war was ended—still feeling pride at what I'd done, but looking with a question at the growing eye of televised carnage, which seemed to put a different slant on the places I had been these past twelve months . . . and I wondered.
I returned to Southeast Asia in the 70's, a volunteer this time: to advise our allies of war and peace as the fighting in Viet Nam jungles began to wind down, while that in American cities continued to grow.
I taught my Vietnamese counterparts the ways of self-sufficiency and struggling alone, while showing civilians how to grow more productive crops and rebuild the blackened thatch-roofed dwellings destroyed by the fires of many guns.
I lived among the people and learned their words and ways;
I handed out C-ration chocolate bars to tattered children, just as my comrades in wars before had done.
I found a bright-eyed maiden who spoke a different tongue—and brought her with me as I departed, when "Peace With Honor" descended upon the country of her birth . . . and my mother cried, then tears dried . . . but so did no one else.
I look back as the dawn of a fifth decade approaches at the years quickly past since my time in war did end:
I see babies born of white skin but laughing, slanted eyes matching those unclaimed which still, hopefully, are alive, in the streets of Vietnam cities.
I see refugees by the thousands flowing to our shores in a never-ending stream which bonds us eternally to a war that cries, "Forget!! . . . me not."
I see band empty streets, and cheers of silence, and parades that never were, to those who fought with faith in a faithless war for a thankless, puzzled, media-burgeoned country.
I see Veterans knock at closed doors and wander, wondering where are the rewards of past returning comrades—who won—or tied——but didn't win only to have someone else lose for them, on battlefields and at "peace" tables . . . and mothers cry . . . and wives cry . . . and children cry . . . in hunger.
I am a Viet Nam Veteran.
I,
Me,
He,
She,
You,
They,
Us.
We all, are Viet Nam Veterans.
Forget . . . we . . . not.

JOHN LADUE.●

AMERICA MUST OPEN ITS DOORS TO THE REFUGEES OF INDOCHINA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. WAXMAN. Mr. Speaker, the terrible tragedy of Indochina continues. A generation of war has wrought a generation of refugees, an endless river of humanity, diverted from one country to another—a river which today empties into an ocean of death.

In the past few weeks, the Government of Vietnam, in a display of racism not seen since the war against the Jews, has systematically expelled Vietnamese of Chinese origin from the country. Prior to expulsion, the Government first strips these Vietnamese of their riches; each person pays a bounty of at least $4,000 to leave. The payment allows them to become boat people. They are then cast off by soldiers and police from the shore, with the certain knowledge that at least half of them will die. In this manner, Vietnam is guilty of the murder of no less than 100,000 people in the past 3 months.

The forced exodus from Vietnam has its counterpart along the Thai-Cambodia border. The Khmer nation is completely prostrated. Perhaps a million—no one will ever know for sure—were decimated under the unspeakable regime of Pol Pot. Millions more face starvation and illness in a country which has simply ceased to function. The only hope for those strong enough to resist has been escape—brutal journeys over hundreds of miles of jungle and mountains into Thailand. Over the past 4 years, 300,000 were able to reach the border; untold hundreds of thousands have died en route.

The Asian countries which have received these refugees from Vietnam and Cambodia—Thailand, Malaysia, and the colony of Hong Kong—are at the breaking point in their ability and willingness to accept them on any basis whatsoever. Recently, 325,000 were in refugee camps in these countries. More than 3,000 per day are pouring into Hong Kong. But in the past several days, Thailand and Malaysia have forced over 100,000 back—into Cambodia, where they are rotting in the jungle, and into the ocean. In the absence of any relief, most of them will die, for no reason.

The scope of the tragedy is overwhelming, almost beyond comprehension. But our difficulty in grasping the enormity of this holocaust—and it is no less than this generation's holocaust—must not prevent us from acting to save these people.

In a world which 40 years ago permitted itself to witness, in silence, in utter paralysis, the systematic murder of 10 million under the Nazis, there is no excuse for refusing to act to save the next innocent victims of crimes against humanity. Incumbent on the survivors of a holocaust is a sacred responsibility to never let it happen again.

And it is in our power to prevent it from happening again.

The United States has been more generous and compassionate than any other nation in absorbing refugees from Indochina—over 200,000 of the million which have been uprooted. The rest of the world—including France, Australia, Canada, Great Britain, and Germany—have permanently resettled but 100,000 others. That all can do more—much more—in the face of desperate need is all too evident.

It has been argued that the United States has a special obligation to be of assistance by virtue of our past involvement in Indochina. I would argue that no matter what the circumstances that has produced this exodus, none can turn their backs on these refugees. Unprecedented efforts are required.

It is not enough—it is pathetically insufficient—to merely condemn Vietnam, for its crimes, or Cambodia, for its anarchy, or Thailand and Malaysia, for their cruel expulsion of thousands. Words in these circumstances are useless. They will save no lives.

The only worthy response is to open our borders and to admit into our country as many as are necessary. We must bring as much pressure as possible to bear on our allies to do the same. And we must act together to save these refugees.

The United States currently authorizes the entry of 7,000 Indochinese refugees per month, or 84,000 per year. But because of funding obstacles, far fewer than 5,000 per month have recently entered the country. Moreover, our immigration laws, with their preference for those who were formerly associated with us, or have other ties to American citizens, limit our ability to accept refugees on an unrestricted basis.

This is simply not adequate.

At the least, our quota must be doubled. Congress must commit the necessary funds for processing and resettling this higher number of refugees. The President must obtain similar commitments from other Western nations. None can plead ignorance of this tragedy. The moment to act is now.

In a brilliant and compelling essay in the Los Angeles Times, Dennis Prager of the Brandeis-Bardin Institute has written of the moral imperative of saving these refugees. I urge my colleagues to read these words and to search their hearts, to join in refusing to be indifferent to this horrible tragedy, and in committing this Congress to legislation which would open America's doors to this multitude.

Also attached for my colleagues is Henry Kamm's grim account of the Cambodians who have been forced to return to their country.

The articles follow:

[From the Los Angeles Times, June 21, 1979]

Will We Ignore This Holocaust, Too?

REFUGEES' PLIGHT OFFERS CHANCE TO ATONE FOR 40-YEAR-OLD CRIME AGAINST HUMANITY

(By Dennis Prager)

Certain events in history present humanity with a clear moral choice. The Nazi Holocaust was one of them; how nations and individuals responded—or failed to respond—to the cries of European Jewry was a measure of morality.

We are now witnessing another such event: the shipment of Vietnamese boat people and Cambodian refugees back to their deathlands. History will surely judge our generation by its response to the suffering in Southeast Asia. The issue is not political; it is a matter of good and evil in the starkest sense. Just as innocent Jews were tortured and killed when handed back to the Nazis, innocent Vietnamese and Cambodians are being tortured and killed when returned to the Communists. It is as simple as that.

I have never been able to understand, since first learning about it as a child, the apathetic response of governments and individuals to the mass murder of Europe's Jews. The past week has given me the terrifyingly simple answer: With few exceptions, people and nations do not relate to—and ultimately do not care about—the suffering of others. Only when tragedy has the potential to strike us directly do most of us react.

During the past week, front-page stories have reported Thailand's and Malaysia's deportation of nearly 100,000 Cambodian and Vietnamese men, women and children from their sanctuaries in Thailand and Malaysia. Yet we have been preoccupied with DC–10s, gasoline prices and nuclear power—issues which affect us directly.

The affluent world can still redeem part of its soul. We can save virtually every refugee from the Asian Communist deathland. Wealthy nations could pay for their food and transportation; and all of us could offer to adopt an individual or family. The moral imperative is clear and overwhelming.

American Jews especially must press for immediate aid to these refugees and must volunteer en masse to take them into their homes and communities, or else the Jewish community stands to lose a significant measure of moral authority when it condemns non-Jews for neglecting the plight of Jews before and during the Holocaust and when it asks non-Jews to aid Soviet Jewry. After all, Soviet Jews are as foreign to non-Jewish Americans as the Indochinese are to Jews.

The American Jewish Committee has been active on behalf of the Asian refugees, and Israel's record has been good compared with that of other nations, but these efforts are a mere drop in the bucket. The onus is on the American Jewish community, not on impoverished Israel or a handful of Jewish leaders.

The specter of the Asian deathlands presents President Carter, Congress and the American people with a moral challenge and a great opportunity. By opening America's doors to the Asian refugees, we pay a certain economic price—but we may reap infinitely more in return.

All Americans, and particularly the young, would begin to regain the pride that we had prior to the Vietnam war. The saving of Vietnamese and Cambodian lives can help reverse some of the terrible consequences of that war: the greatly reduced American moral authority in foreign affairs and the amoral cynicism common among young Americans. This is our chance to tap the potential of our nation as it's not been done since President Kennedy's call for the Peace Corps.

But the greatest challenge posed by the Indochinese refugees is to the moral integrity of the Left. Suffice it to say that failure by leftists to condemn the Vietnamese and Cambodian Communists not only renders their opposition to the Vietnam war morally suspect but also places them in the same moral category as Josef Stalin's supporters in the West. The refusal of Jane Fonda, Tom Hayden and others to condemn the brutality of Vietnamese Communists or work for the Indochinese refugees means simply that they condone the present mass murder in Southeast Asia. As Harvard historian Adam Ulam noted, regarding leftists who condemned Francisco Franco's atrocities during the Spanish Civil War but who kept silent about similar atrocities by Communists, those who care only about the sufferings of children under rightists do not care about the sufferings of children.

Another group that faces a moral litmus test is the Arab world. For 31 years the Arab nations have focused world attention on the plight of the Palestinian refugees who resettled, on the average, less than 50 miles in friendly Arab lands. Now that many Arab nations are among the wealthiest states on earth, they are in a position to offer help to Asian refugees who have fled great distances to hostile lands.

Concerning the United Nations there is little to say, for it has lost its moral credibility to such an extent that it is rarely even mentioned when the rescue of these people is discussed.

Often individuals and nations are tragically powerless to effect change. In this case that is completely untrue. The United States alone, or in concert with other nations, could begin airlifting the Southeast Asian refugees tomorrow. But the President and Congress fear that a wave of protest could swell up if tens of thousands of refugees are allowed into the United States during this period of economic uncertainty.

Members of Congress have privately stated that communications from enough Americans would change the present policy of restricted Asian immigration. All we have to do is write or call our representatives and the White House, and if possible volunteer our homes for a short period of time. Unlike many Europeans during the Holocaust we do not have to defy a gestapo to lend a helping hand.

I grew up thinking that the world was indifferent to the murder of Jewish children. If we continue to do nothing to stop the Indochinese mass murder, it will be a macabre consolation to know that ethnicity is irrelevant.

[From the New York Times, June 25, 1979]

Refugee Tells of Comrade's Plight

(By Henry Kamm)

BANGKOK, THAILAND.—Thousands of Cambodians forced back into their country by Thailand this month are huddled starving in a forest at the foot of cliffs that marks the border, waiting to be rescued, according to a refugee who made his way back into this country.

Many have died already, a frail and trembling former civil servant said today in halting French. They are staying where they are because they hope that the world will come to their aid, feed them and find a way to bring them back out.

Even if they wanted to move, the frequent sound of exploding land mines restrains them, the returned refugee said. So does the knowledge that ahead of them lies only deep forest, with few trails, hardly passable in this season of heavy monsoon rains. The smell of death hovers in the forest that hides them, the Cambodian said, because the ground is rocky and the dead lie unburied.

FORAGE FOR FOOD AMONG TREES

The refugees are dying of hunger and illness, and from land mines that explode when they forage among the trees for fruit, leaves or roots, or go to a pond for water. When they try to cross back into Thailand, they are deterred by rifle fire.

"Does the United States know this, does the United Nations know this?" the refugee asked. He said that some of the refugees had brought transistor radios with them from Thailand, and people were listening to know whether their fate had been noted. When he left a week ago they had had no sign that this was the case.

A number of embassies here, as well as international relief agencies, are studying ways in which food can be sent to the refugees despite the absence of contact with the Vietnamese-dominated Cambodian authorities.

Phnom Penh radio said Friday that 10,000 of the 45,000 Cambodians forcibly repatriated by Thailand where still in the border region, suggesting that the others had been brought under the control of the Cambodian authorities. This cannot be verified. Although the area is nominally under the control of the Vietnamese-backed regime, no one exercises effective control.

The refugee said it was impossible to tell how many thousands were in the border area. He said the dense forest prevented taking even an approximate count. But he said people were huddled on the ground everywhere within view, and that smoke from the fires they made covered a large area.

The Cambodian described the situation of his compatriots as desperate and hopeless unless help arrived quickly.

'WE FEEL ONLY DESPAIR'

"If you reach the American Embassy," he said people had told him before he set out on his journey, "tell them we are very sad. They have entrusted their hope for their lives into my hands. We have suffered so much in Cambodia. We fled to seek help from the Americans.

"Now we feel only despair. Either we will die where we are or you must help us."

He said the refugees were seeking shelter from the heavy rains under large boulders that are scattered through the forest. Most are coughing, many have high fevers, diarrhea or malaria; the elderly lie listlessly on boulders; children whimper and women cry.

Few of the refugees have any of the rice left that they brought with them from Thailand, either from rations issued by the camps from which they were expelled or donated by ethnic-Chinese communities in the villages their bus convoys passed on the way back to Cambodia. Most of the refugees are ethnic Chinese.

TRADING FOOD FOR MEDICINE

Some of those who still have food are trading parts of it for medicines that others obtained in Thailand from the International Committee of the Red Cross. Most live entirely on roots, leaves and fruits that are normally considered inedible, which they boil over fires that are difficult to light in this season. All are hungry unless they are too sick, the returned refugee said.

The Cambodian said he did not see any food being handed out by Thai troops as they forced the refugees across the border along a deserted region of north-central Cambodia.

Thai military authorities asserted that the refugees were being expelled into a region in which pro-Vietnamese troops would receive them and where they would be able to obtain food. They said also that all refugees received a five-day food supply before they were forced across.

The refugee reported that Thai troops fired at them as they were being driven across, an assertion also made by the Phnom Penh radio. He said that as he scrambled down the narrow path through the mountain pass across the border, he saw the bodies of two children and two adults, all of whom had been shot.

He said shots were occasionally heard from the Thai side of the border, presumably when refugees tried to make their way back.

Diplomatic sources here regard the refugee's account as in keeping with what scarce information has become available to them through intelligence channels. They said various means of bringing relief were being considered, but because of the dangers presented by land mines, supplying the Cambodians overland was problematical. Air drops are under consideration, but would require assurances that military forces inside Cambodia would not open fire on the planes.

"If there is no intervention from foreign nations or the United Nations," the Cambodian said, "these people will all die."●

EPILEPTIC WOMEN SHOULD BE ALLOWED ABORTIONS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. SEIBERLING. Mr. Speaker, when the Labor-HEW appropriations bill, H.R. 4389, is considered by the House, I intend to offer an amendment to section 209 dealing with Federal funding for abortions. As reported by the Appropriations Committee this section contains the language of the so-called Hyde amendment which restricts Federal funding to only those abortions where "the life of the mother would be endangered if the fetus were carried to term."

While I would prefer no restrictions at all, I firmly believe that the House must, at the very least, take action to create provisions for specific instances in which Federal funding must be allowed. One such special circumstance exists in the case of a pregnant woman suffering from epilepsy, or seizure disorders, and my amendment would simply extend to them Federal funding for abortion.

Because the epileptic population is widely scattered and because epilepsy may be completely or partially controlled by anticonvulsant drugs in up to 80 percent of the cases, it may surprise you to learn that there are over 2 million epileptics in the United States. These anticonvulsant drugs help to prevent violent seizures in the pregnant woman, who, for a number of metabolic factors, becomes much more susceptible to increased, more dramatic, and often uncontrollable seizures during the gestation period. Such drugs, however, have been proven to lead to coagulation defects, or bleeding disorders, in up to 50 percent of the newborn. In addition, studies have confirmed that where mothers receive regular anticonvulsant drugs, there is an increased tendency for malformation syndromes such as heart defects, harelips, and cleft palates, which often occur in association with mental deficiencies and growth retardation. These serious malformations may occur in 6 to 10 percent of the offspring of mothers receiving such drugs, while minor problems such as low nasal bridge and mild defects in terminal development may appear in up to 30 percent of these newborn. Palate and heart defects must occur before 8 weeks gestation, while the majority of other problems occur later, up to 12 to 14 weeks gestation.

If, however, a pregnant woman were to discontinue the use of anticonvulsant drugs during her pregnancy, the tendency toward increased seizure susceptibility, already raised 45 percent by the pregnancy itself, would be even further increased. The majority of these seizures occur during the first trimester of pregnancy and poses a serious health threat not only to the fetus, but to the pregnant woman also. About 20 percent more children have neurological abnormalities at 1 year of age if their mothers suffered seizures during pregnancy as compared to those who did not.

The dilemma for the pregnant epileptic woman becomes obvious: Should she continue the use of anticonvulsant drugs which leave her only about a 70 percent chance of bearing a completely normal child, or endure her pregnancy without these drugs, under increased threat of violent seizures which would harm not only her child, but herself? In either case, the offspring of epileptic parents have two to four times the general population frequency of malformations and neurological defects.

It hardly seems fair, therefore, that we should force these women to bring into the world defective human beings, not because they are legally forbidden to procure an abortion, but merely because their indigency prohibits them from obtaining an otherwise perfectly legal abortion. Such discrimination against epileptic women on the basis of their poverty should not be tolerated, and I sincerely hope that all Members of the House will thoughtfully consider and approve my amendment, which would provide Federal funding for abortions to indigent epileptic mothers.●

PALESTINIAN ASPIRATIONS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. FINDLEY. Mr. Speaker, during the coming stages of the peace negotiations, more than ever, it will be critically important for the United States to understand the Palestinian people and their aspirations. Too often in the past, I fear that we have not done so.

There is an emerging literature on the Palestinians which should be useful to all of us in our attempt to educate ourselves on this vital issue. I have just come across a book review in the Economist of one new book on the Palestinians which may intrigue some of my colleagues. Although I have not yet read the book and cannot provide my views on its content, the Economist review has inspired me to read it. I hope it will have the same effect on others.

The review follows:

PALESTINIANS: FROM PEASANTS TO REVOLUTIONARIES

(By Rosemary Sayigh)

The one element almost always missing from the growing number of books on the Palestinians is the voice of ordinary Palestinians. True, the voice of "ordinary" people is missing from most books. But the issue at the heart of the Arab-Israeli dispute is the uprooting and dispersal in 1948–49 of more than half the Arab population of Palestine; the fact that most of these displaced people were subsequently concentrated into refugee camps where, after 30 years and three further wars, many of them still remain means that the middle-class Palestinians who articulate the injustice and the camp Palestinians who suffer it are living in wholly different worlds. Rosemary Sayigh, the wife of a distinguished Palestianian economist, has done valuable service by taking herself and a tape recorder into refugee camps in Lebanon, winning the confidence of the inhabitants by sharing their lives and then patiently recording what they have to say.

Their voices break through the tired controversies with the freshness of a people whose lives have been suspended since the day they fled their homes. Mrs. Sayigh argues that the displaced Palestinians endured 20 years of humiliation at the hands of their reluctant hosts until the birth of their own resistance movement gave them back their sense of identity and purpose. She records interviews with men who recall the intense feelings of joy and liberation that surged through the camps in Lebanon in the late 1960s when the PLO took over the running of the camps from the Lebanese authorities: "Those were beautiful days in the camps, like wedding days." The later horrors that hit the camps during Lebanon's civil war are outside Mrs. Sayigh's brief. What she does drive home most forcefully with her mixture of narrative and direct quotation is the Palestinians' "pariahdom" of being handless and stateless, their slow realisation that they could not count on the other Arabs to win their land back for them, and the subsequent transformation of many of them into revolutionaries wielding guns. If she admires her camp people too uncritically, their stoicism and dignity make this easy to understand.●

MODERATES BACK SANDINISTA PLAN

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HARKIN. Mr. Speaker, yesterday, the Washington Star ran an article by Bernard Diederich entitled "Moderates Back Sandinista Plan for Government." In this article, Mr. Diederich reports that the Broad Opposition Front, the largest coalition of business interests in Nicaragua, has endorsed the provisional government and has said that it feels satisfied with its degree of representation in the provisional junta. This news presents still further confirmation of the unity of the Nicaraguan people in their struggle against the bloodthirsty regime of General Somoza.

Nicaragua is a very small country. Thus, the members of the Broad Opposition Front are quite familiar with the members of the provisional government and would know, much better than we would, if there was reason to be wary of it. The fact that the Broad Opposition Front, whose members would have the most to lose by a Communist takeover, would endorse the new plan, should assuage fears in this country that the junta is dominated by Communists.

We should be gladdened by this latest news from Nicaragua. The chances that General Somoza will be replaced by a truly democratic and representative government can only be enhanced by this most recent show of unity.

The United States, however, must resist the impulse to intervene in Nicaragua. If we truly believe in the ideals of our own Government, we must realize that is not for us to decide the structure of another nation's government. Only the Nicaraguan people have the right to determine their form of government. The OAS resolution passed this weekend confirms this belief with its call for the scrupulous adherence to the principle of nonintervention.

Should the United States feel impelled to meddle once again in Nicaragua, the result will certainly be self-defeating. Given our four-decade alliance with the oppressive Somoza family, our participation in the efforts to forge a transitional government would only serve to discredit that same government. Thus, instead of insuring a government of moderates, we would end up dividing the Nicaraguans and giving the more radical groups a potential opening. The process of developing a unified democracy in Nicaragua will be a slow one. However, if we attempt to artificially speed it up, we will only end up killing democracy once again, as we did four decades ago.

The text of the article in the Washington Star follows:

MODERATES BACK SANDINISTA PLAN FOR GOVERNMENT

(By Bernard Diederich)

MANAGUA, NICARAGUA.—The right-of-center Broad Opposition Front today gave its backing to the provisional government named by the Sandinista guerrillas fighting to oust President Anastasio Somoza.

The seven-group Front coalition said the junta was the only viable alternative to the embattled Somoza government. Spokesmen said they feel they are represented in the guerrilla-backed, five-member Provisional Government of Reconstruction by two of its members, and they hope to make sure all segments of society are represented.

Somoza, 53, rejected an Organization of American States' call for his resignation, saying he would "continue the fight" against guerrilla forces who launched their latest offensive May 28.

A broader U.S. proposal before the OAS that urged an inter-American peacekeeping force failed to win support, and an OAS majority Saturday night voted in Washington for a nonintervention resolution sponsored by Andean Pact nations that calls for Somoza's immediate resignation.

The guerrillas' control, meanwhile, has broadened with the evacuation of the National Guard garrison at Masaya, located 20 miles south of Managua.

(The rebels also drove the guard out of Diriamba, 28 miles south of Managua, the Associated Press reported. They have controlled all of Leon, the nation's second largest city, for more than a week, and reportedly have the guard bottled up in their garrisons in several other cities, including Esteli, Chinandega, and Matagalpa.)

After four hours closeted with his Cabinet Saturday night, Somoza made a rare call to his military commanders over his National Guard's radio system.

Those listening heard him tell his commanders that "instead of promoting a real peace, the OAS is encouraging that we continue the fight. I want to tell you since I last talked to you in the reunion of commanders, it was understood that we could come to this."

He added: "I'm willing to continue to fight to defeat the enemy."

Somoza called the OAS resolution "fragment intervention into the internal affairs of Nicaragua," adding: "This means that we will have to fight only with the resources that our own country can give us, that is our resources—the men that this country can provide."

Somoza, a West Point graduate who has spent most of his adult life as commander of the National Guard, ended with: "OK, boys, the National Guard must maintain itself united and cohesive to maintain order and the constitution of the republic.

"It doesn't matter to me what some countries say who don't know the reality. We know the reality and we must go forward, Roger and out."

Then yesterday afternoon Somoza read a statement on national television that was much more moderate in tone than his talk with his military commanders, which had been intended to be confidential.

He declared himself "open to dialogue," expressing willingness to "receive the initiative of member governments of the OAS which have a real interest in the resolving of the Nicaraguan crisis through democratic, just and permanent formulas."

He did not condemn the defeated U.S. resolution, which he had criticized the day before. He simply called the new resolution a byproduct of countries with "strong Communist influence."

The radio called on the population to join the army, stating, "The country needs you, we must join to defend it. Report to the National Guard commander. Have faith in Christ." Then the announcer struck at communism, charging that the Communists convert the youth with an orgy of blood, sex and drugs.

Since the first large uprising last September, the National Guard has been recruiting new members and expanding its ranks throughout the country, even enlisting women. Some recruits say they are as young as 13.

But many Nicaraguans feel that recruitment that has been voluntary up until now may soon become compulsory. From an initial force of 8,000 men the National Guard has grown to more than 12,000.

Guardsmen are spread thinly around the country, fighting a smaller but now seasoned guerrilla force that can count on popular support of the population in most areas.

(Lanica, the national airline, resumed flights out of Managua with its only passenger plane, a Boeing 727 returned by the Costa Rican government after its crew sought asylum there Friday, the Associated Press reported. Managua Airport was a scene of pandemonium, with crowds of people waving U.S. currency, trying to bribe their way aboard, AP said.)●

FTC PUBLIC PARTICIPATION PROGRAM

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. SCHEUER. Mr. Speaker, I rise today to call to the attention of my colleagues an excellent article by Michael Pertschuk, Chairman of the Federal Trade Commission, which appears in today's Washington Post.

The article discusses the public participation program mandated by Congress in the 1975 Magnuson-Moss Act. Regrettably, the program has come under attack of late as critics of the Commission attempt to weaken the agency. The fact is that public participation works: $750,000 is a small price to pay to involve in the rulemaking process the small business and consumer groups otherwise unable to afford a costly appearance before the Commission. As Chairman Pertschuk has ably articulated, the public participation program has substantially improved the already high caliber of work at the FTC.

The article follows:

LISTENING TO THE LITTLE GUY

(By Michael Pertschuk)

Every few months or so a diverse group of very determined advocates sits down around a conference table with the five members of the Federal Trade Commission and proceeds, one at a time, to denounce the commission's staff.

Most of these advocates, representing business, denounce the staff for proposing needless, ill-designed, excessive or punitive regulations. Others, meanwhile, decry what they see as milquetoast halfway measures, excessive deference to the free market and unseemly responsiveness to business concerns.

In what must be a Guinness world record for self-inflicted bureaucratic pain, the commission not only welcomes these torrents of criticism, but reimburses the out-of-pocket expenses of those who could not otherwise afford to document, assemble and present their complaints.

Now, the Chamber of Commerce, the toy manufacturers and some congressmen have generously offered to relieve us of the necessity of having to listen to consumer and small business advocates by urging termination of the public participation program that reimburses them.

This would leave the opportunity of criticizing our staff's proposals to those business interests that can afford to do so (helped, of course, by their right to deduct the cost of whatever they spend from their taxable income). In the tradition of bureaucracy, we should be grateful for any reduction in the level of criticism directed at the commission. We're not.

The Federal Trade Commission's public participation program was created by Congress in the Magnuson-Moss Act of 1975.

For years it has been a cliche that regulatory agencies are captives of the industries they regulate. Whether that is true or not, the fact is that regulators have heard almost solely from those well-financed business interests that have a clear economic stake in the outcome and the economics resources to make their positions known. To redress the imbalance, Congress in the Magnuson-Moss Act, set up a modest program ($750,000 for this year) to reimburse those advocates representing a significant interest—consumer or small business—that would not otherwise be heard in the regulatory process.

Those who attack the public participation program and the Federal Trade Commission's implementation of it claim that it is wasteful and unfair. As they see the rule-making process, the commission staff proposes a rule and then the commission itself rubberstamps the proposal and goes through the motions of a rule-making hearing, paying consumer groups and friendly small businesses to bless the proposed rule. This assessment would certainly provide grounds for concern—if it were not untrue.

The Federal Trade Commission has completed or neared completion of four rules under Magnuson-Moss since I joined it: 1) eyeglasses—freeing up price advertising; 2) vocational schools—providing pro-rata refunds for students; 3) insulation marketing—requiring that claims for home insulation be clear and substantiated; and 4) funeral homes—requiring that price information be given and prohibiting certain abuses.

In each of these proceedings, the commission listened to the participants. In each of them, the final rule has been (or will be) honed down substantially from the initial proposal, reflecting our effort to cut back on what we consider needlessly burdensome regulation, while preserving what we believe to be the core remedy for the demonstrated consumer abuse. While we did listen to the evidence and arguments presented by industry participants, who on the average outnumbered consumer participants by 3 to 1, the safeguard in each rule-making against our overreacting to industry arguments was the presence of consumer and small business advocates able to point to the record and express to the commission their view of the risks of weakening the rule to a point where its effectiveness would be destroyed.

As an individual commissioner I know that I have benefited enormously from this clash of advocacy. I know that in each of the rule-making proceedings I have found arguments by both industry and consumer witnesses persuasive on certain points. I also know that at the end of the process, most of those who participated industry and consumer alike while rarely uncritical of the final result, expressed satisfaction that the commission had been fair and open in listening to the arguments before making its judgments.

It would be ironic if Congress were to cancel this program in the face of its success.●

THE PANAMA CANAL—STILL AN ACTIVE ISSUE

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HANSEN. Mr. Speaker, the people of this Nation are deeply disappointed that the U.S. House of Representatives failed to stop the pay away of the Panama Canal.

The absurdity of the Panama Canal treaties is only exceeded by the danger they pose to the security of the United States and the Western Hemisphere.

The House on June 21 passed implementation legislation (H.R. 111) by the close vote of 224–202 and failed by only a small margin of 216–210 to pass my "honesty amendment" which would have Panama pay the multibillion dollar transfer charges out of its "windfall profits" from tolls instead of the burden being on U.S. taxpayers and consumers.

However, the Senate has yet to act and we will have one more turn at bat when a House-Senate version comes back to the House for final consideration. We can yet carry the day if we remain vigilant since,

First, the Senate with the President's urging will no doubt pass legislation to make implementation much more costly and liberal than the House version which could fatally erode the small margin of support for the treaties in the House where Committee Chairman JOHN MURPHY could only gain majority support by pledging to reject any such compromises, and

Second, the continuing exposure of Panama's illegal gun trafficking in the United States and open affiliation with Cuba in support of Marxist revolutionary and terrorist activities in Nicaragua, El Salvador, Guatemala, and other Central American countries could force the Congress to finally concede that Panama is not only unwilling and unable to provide for the "neutrality" of the canal, but it is openly provoking conditions of military retaliation against the canal in violation of terms of the new treaties and therefore decide these treaties should be scrapped.

In the meantime, the legislation which passed the House was a tough bill which included most of the key provisions of my original bill H.R. 1958, such as: An annual audit by the General Accounting Office; annual review and action by Congress; U.S. military control for the life of the treaties; block voting by the U.S. delegation on the joint commission to assure our continued control; payment of the $10-million bonus provision, if available, to relieve U.S. expenses instead of providing more windfall profits to Panama; and preservation of article IV of the Constitution requiring an act of Congress to transfer property.

Nevertheless, it is important to note that H.R. 111 was a property transfer and appropriations authorization bill which means that a vote for it was a vote to give away the Panama Canal and pay billions for the privilege—all for no real reason except to buy the goodwill of a violent and unstable left-leaning, anti-American dictatorship with the worst record of human rights in the Western Hemisphere.

Official committee hearings on Panama's revolutionary gunrunning in violation of U.S. laws were recently held at my request with startling revelations which prompted the first secret session of the House of Representatives in 149 years and further developments are scheduled to follow. Panama has recently become brazenly defiant of the United States and international law now that they view the canal pacts as irreversible. Unless we can alter our Nation's foolish course in the next few weeks, we will begin a partnership which is to provide the Government of Panama, at the expense of U.S. citizens, nearly $100 million per year to pay off scandalous loans with the international banks and expand its Cuba-style Marxist revolutionary activities throughout Latin America—$100 million per year which will provide little benefit for the people of Pamana who for weeks have been violently rioting against Torrijos, who is pumping his money into making war against his neighbors instead of providing for food and fuel needs at home.

Mr. Speaker, our efforts in this House developed remarkable strength in a few short months to crush an unrealistic administration treaty implementation bill, H.R. 1716, which would have provided the State Department a virtual 20-year blank check with little supervision by Congress, a limited military role, and questionable U.S. control. And with the circumstances now emerging, we may yet win further battles to protect our Nation's economic and military security by being alert to the opportunities ahead.

Dick Motta, a sage constituent from my congressional district, who coaches the Washington Bullets basketball team said during dark days before he won the national basketball championship a year ago, "The opera isn't over until the fat lady sings." Despite the long odds, this also holds true in the continuing Panama Canal battle. We have scored a lot of points and the final buzzer has yet to ring. We will keep up the fight.

Mr. Speaker, I enclose for the RECORD the following analysis of the House debate on the Panama Canal Treaty implementing legislation from the June 23, 1979, Congressional Quarterly.

The article follows:

PANAMA CANAL BILL SURVIVES HOUSE TEST

Apparently persuaded that last year's Panama Canal treaties can't be wished away, the House June 21 handed President Carter a major victory by approving legislation to implement the treaties.

With a handful of votes to spare, the House turned back repeated attempts by conservative opponents of the treaties to tack on amendments the administration said would violate U.S. commitments.

The victory for Carter followed weeks of intense lobbying during which it often seemed the House might reject the bill outright or attach amendments Carter could not accept.

The bill (H.R. 111) now goes to the Senate, where the administration is expected to have an easier time in shaping a bill to its liking. But key House members warned that the House will not accept major changes when the bill goes to a conference committee.

Carter said he would ask the Senate to make "improvements" in the bill, but said he appreciated "the courage of all those [House] members who recognized the national interest by voting for this legislation."

On the key vote, the House June 20 sidetracked an amendment by George Hansen, R-Idaho, that would have forced Panama to pay all U.S. costs in implementing the treaties. The vote was 220–200.

Administration officials had said that amendment would violate the treaties, giving Panama the legal right to take over the canal Oct. 1, when the existing agreement expires. The bill survived six other test votes, including a 210–213 defeat of a portion of the Hansen amendment.

The bill was passed on a 224–202 vote that was virtually identical to the vote on the Hansen amendment The bill won support from 189 Democrats and 35 Republicans; 80 Democrats and 122 Republicans voted against H.R. 111.

The two-day debate (June 20 and 21) was highlighted by the first secret, or closed, session of the House since 1830.

FEW CHANGES MADE

As passed, the bill differed little from the version reported by the Merchant Marine and Fisheries Committee in April. HR 111 was shepherded through the House by committee chairman and sponsor, John M. Murphy, D–N.Y., and David R. Bowen, D–Miss.

The legislation sets up a Panama Canal Commission to run the canal through 1999, sets pay and other standards for commission employees, provides for about $75 million in annual payments to Panama from canal revenues, requires congressional approval of all canal spending, authorizes the transfer of U.S. property in the Canal Zone to Panama, and establishes the procedures for setting canal tolls.

President Carter had wanted considerably more flexibility than the House bill allowed. Administration officials warned in April that portions of the Murphy bill might violate the treaties. But when it became obvious that Carter's bill (H.R. 1716) could not pass the House, the administration reluctantly backed the Murphy bill and launched a campaign to head off further restrictions.

Carter also gave up his demand that Congress enact the legislation by May 31. He had said that early approval was necessary to gear up for the Oct. 1 effective date of the canal treaties. But the administration and House leaders postponed floor action several times in attempts to round up enough votes. There is only a faint chance that Congress will clear the legislation before its August recess.

Supporters credited passage to three factors: The administration successfully argued that Panama could legally take over the canal in October if the United States violated the treaties; the bill had strong support from the maritime industry; and Murphy carefully crafted a bill and a key floor amendment that met most objections of many of the treaty opponents.

In lobbying for the bill, the administration even enlisted the services of actor John Wayne. On June 7, four days before he died, Wayne sent House Speaker Thomas P. O'Neill Jr. a mailgram supporting the bill. Wayne was a long-time friend of Panama strongman Omar Torrijos.

HANSEN AMENDMENT

During six months of haggling over the bill, opponents focused their efforts on passing the Hansen amendment.

Hansen built support for his amendment largely on charges that President Carter and his aides lied to the American public in 1977 and 1978 when they said the treaty would not result in additional costs to U.S. taxpayers.

In January administration officials admitted the treaty would cost the United States approximately $350 million. That estimate was later upped to $871 million. Hansen claimed the treaty would cost $4 billion, but he never mentioned that at least $2 billion of that amount would come from canal revenues, not from the U.S. Treasury.

Bowen, a key supporter of the bill, said the total direct cost of the treaties to the United States through 1999 would be $830 million. Most of that amount—$757 million—was for moving U.S. military bases in the Canal Zone and paying for hospitals, schools and other services for canal employees and their dependents.

Another $2.8 billion in annual payments to Panama required by the treaties would come from canal revenues, not from the United States. The net book value of the canal and related property turned over to Panama was another $650,000, Bowen said.

Hansen's amendment would have prohibited "any cost to the U.S. taxpayers" of implementing the canal treaties. The amendment, in effect, would have required Panama to buy the canal from the United States.

In presenting what he called the "honesty" amendment, Hansen said it was "meant to do no more than keep the promises that were made by the president of the United States, by senators and others who were proponents of the treaties, that the taxpayers would be immune from any costs in these treaties."

Murphy offered a substitute which, on its face, sounded like the Hansen amendment, but which merely repeated the existing provisions of H.R. 111. The only new provisions in his amendment prohibited the transfer of canal property to Panama unless Panama paid for all water, electricity and other services it bought from the canal commission.

Murphy argued that his amendment, unlike Hansen's, did not violate the treaties. The amendment sends "a very clear message" that "our people will not pay to give away the canal," he said.

The administration backed the Murphy language as the only way to head off the Hansen amendment. Murphy's substitute was adopted 220–200, the key test of House support on the bill. That vote effectively broke the back of the anti-treaty forces, and all but assured passage of the bill in a form acceptable to Carter.

Treaty opponents insisted the vote was not a clear test of the merits of the Hansen amendment. So the following day, after amendments were completed, Robert E. Bauman, R–Md., moved to recommit the bill to the Merchant Marine Committee with instructions that the Hansen amendment be included. That motion failed 210–216.

MONTGOMERY AMENDMENT

The closest vote on the bill, 210–213, came June 21 on what administration supporters called a "son of Hansen" amendment sponsored by G. V. (Sonny) Montgomery, D–Miss.

Montgomery's amendment would have required Panama to pay the $75 million cost of relocating U.S. installations in the Canal Zone. He said "the United States should not have to pay for moving these military facilities."

But Murphy said that amendment, like the Hansen amendment, would "clearly violate" the treaties.

House leaders had to make last minute appeals for votes to defeat the amendment.

OTHER ANTI-TREATY MOVES

The House rejected four other attempts to add language that the administration said would violate the treaty:

By Ken Kramer, R–Colo., to, in effect, prohibit Panama from appointing its members to the Canal Commission until its government had been installed by "free national elections in which all population groups and political parties have been allowed to participate." The amendment was an attempt to embarrass President Carter, who has not criticized the autocratic government of Panama, but had demanded free elections in Rhodesia. Recorded vote, 142–274.

By Ed Bethune, R–Ark., to strike the enacting clause, thereby killing the bill, before it was opened to amendments. Recorded vote, 97–315.

By Philip M. Crane, R–Ill., to retain U.S. control of all property in the Panama Canal Zone until after Dec. 30, 1999, when further congressional approval would be required. Recorded vote, 177–248.

By Bill Goodling, R–Pa., to require Panama to pay the United States the fair market value of any property given to Panama, which was constructed after April 18, 1978. That is the date when the Senate approved ratification of the main canal treaty. Voice vote.

GUN-RUNNING AMENDMENT

With no debate, the House adopted by voice vote an amendment that attempted to force Panama to stop its support for the rebels in Nicaragua. The amendment could prove troublesome to the Carter administration if it is not removed in the House-Senate conference committee.

Sponsored by Charles (Chip) Pashayan, Jr., R–Calif., the amendment prohibited annual payments to Panama if the president or Congress determined that Panama was "interfering in the internal affairs of any other state, either directly or indirectly."

The amendment was accepted by Murphy without comment. Murphy is a close friend of Nicaraguan dictator Anastasio Samoza, who has charged that Panama is supporting the Sandinistra rebels seeking to oust him from office.

CITROCOSE AMENDMENT

The House rejected, 194–227, what opponents described as a "private relief" amendment on behalf of America's reputed richest man, shipping magnate Daniel K. Ludwig.

Sponsored by Mario Biaggi, D–N.Y., and Ronald M. Mottl, D–Ohio, the amendment would have stopped the annual payments to Panama from canal revenues unless Panama settled all outstanding expropriation claims by American businesses.

Biaggi said the amendment would benefit all 107 American businesses in Panama that were "potential targets" of takeovers. Biaggi accused the State Department of "foot-dragging" on expropriation cases.

But opponents including Murphy, said the amendment was aimed solely at forcing Panama to settle a claim by Citrocose Corp., owned by Ludwig. That company ran a fruit plantation in Panama until 1974, when it was shut down by Ludwig. Panama then took over the plantation. Negotiations on the case have continued ever since.

Ludwig hired the Washington law firm of Ragan and Mason to lobby for the amendment. One of the firm's lobbyists is former Rep. James V. Stanton, D–Ohio (1971–77).

EMPLOYEE BENEFITS

An attempt by the Post Office and Civil Service Committee to pare back especially lucrative benefits for Panama Canal employees was rejected by the House.

H.R. 111 as reported by the Merchant Marine Committee accepted most administration recommendations for increased benefits for canal employees. Those benefits were: early retirement at age 48 after 18 years' service; higher annuities for employees who continued to work on the canal after Oct. 1; special "bumping" privileges for employees who lost their jobs; and special cost-of-living pay.

But the Post Office and Civil Service Committee had voted to reduce those benefits to the same level enjoyed by other federal employees. During the committee's deliberations Chairman James M. Hanley, D–N.Y., had added his panel's version to the Murphy bill.

In both the Murphy and Hanley bills, all special benefits were to be paid from canal tolls, not from U.S. taxes.

On the floor, Murphy offered a substitute to the Hanley version that contained the benefits Hanley sought to reduce. Referring to warnings that canal employees might strike if their benefits are cut. Murphy said the Hanley amendment "will affect the cooperation of an element vital to the continued smooth functioning of the canal."

The Murphy substitute was adopted on a 277-142 vote.

OTHER AMENDMENTS

Other amendments adopted by the House were:

By David C. Treen, R-La., to allow the Canal Commission to establish a 15-cent-per-ton surcharge on canal tolls to pay the estimated $61 million annual capital costs of the canal, including the $20 million annual payment of interest to the United States. Vessels bound for, or coming from, the United States would not have to pay the surcharge. Voice vote.

By Bauman, to permit the United States to assume military authority over the canal if Panama was at war with another nation. Voice vote.

By Bauman, essentially adopting an administration proposal for special immigration status to Canal employees. The amendment covered some 7,500 employees, many of them West Indians. The Judiciary Committee sought to delete the provision, arguing that the administration already could admit those employees to the United States. Voice Vote.

CLOSED HOUSE SESSION

The secret, or closed, session held June 20 during consideration of the Panama Canal legislation was the first in the House in 149 years. After the House agreed to a motion by Robert E. Bauman, R-Md., to close the session, police cleared the public galleries and the press gallery. Guards were posted around the House chamber to prevent eavesdropping.

On May 27, 1830, the House convened in closed session to hear a confidential message from President Andrew Jackson during debate on a bill dealing with trade with Great Britain. The bill eventually became law.

The Senate has gone into closed session more frequently, usually for discussion of secret national security information. From the end of World War II through the 95th Congress, the Senate held 20 secret sessions.

The most recent closed Senate session also dealt with Panama. On Feb. 21 and 22, 1978, during debate on the Panama Canal treaties, the Senate met in private to hear charges by treaty opponents that high Panamanian officials were involved in illicit narcotics trafficking.

Other recent secret Senate sessions were held on July 1, 1977, to consider information dealing with the neutron bomb; on December 17 and 18, 1975, to consider U.S. activities in Angola; on Nov. 20, 1975, to consider releasing a study on the Central Intelligence Agency and alleged political assassinations; and on June 10, 1974, and June 5, 1975, to consider the development of new strategic missiles.

During the secret session June 20, according to members present, Rep. Bauman presented a statement from General Dennis P. McAuliffe, commander of U.S. armed forces in Panama, on alleged Panamanian involvement in the Nicaraguan civil war. Bauman and other treaty opponents had charged that Panama was supplying guns, men and money to guerrillas seeking to overthrow the regime of Nicaraguan dictator Anastasio Somoza. A House panel had held hearings on the issue June 6-7.

Although McAuliffe's evidence was classified, several members said they heard little or nothing in the session that was not public knowledge. And those members said much of the one and a half-hour session was taken up with a vigorous debate on the legislation, led by Majority Leader Jim Wright, D-Texas.

House Speaker O'Neill referred the transcript of the session to the Merchant Marine and Select Intelligence committees for a decision on what sections should be published in the Congressional Record.●

DEMOCRACY FOR PANAMA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. DORNAN. Mr. Speaker, the dictatorial regime in Panama has made promises to the United States that it will bring democracy to the people of Panama. General Torrijos promoted so-called "reforms" which ostensibly will make the authoritarian Government of Panama responsive to the true voice of the people. The fact remains, however, that no real change has been instituted since the autocratic military regime of General Torrijos. Further, the Panamanian economy is burdened with crippling Government debts. Meaningful political and economic reforms have yet to materialize. Panama's Agrarian Labor Party calls on the Government to honor its promises of bringing honest and democratic government to Panama.

Mr. Speaker, for the benefit of my colleagues, I now insert in the RECORD an English translation of the manifesto of the Panamanian Agrarian Labor Party:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

MANIFESTO OF THE AGRARIAN LABOR PARTY (P.L.A.) ON THE PROBLEM OF THE IMPLEMENTATION OF THE TORRIJOS-CARTER TREATIES

In our message on the occasion of the 1st of May, Labor Day, we took the opportunity to inform the community of the authorization received from the Elections Court to proceed with the formation of the Party pursuant to the new elections law. As of that date, we assumed the commitment to participate actively and speak out on the main problems that affect the present and future of our populace; and we seek to do so as long as we are permitted to publicize our manifesto in the press, on radio and television. Now, on the occasion of the serious problem that is facing our country with regard to the implementation of the Torrijos-Carter treaties, in view of the debates that are being held in the House of Representatives of the United States Congress which make clear the possibility that the laws required for the implementation may not be approved by said House; the Agrarian Labor Party believes it necessary and timely to state its position in the face of such a situation. The Torrijos-Carter treaties were approved by the United States Senate with a series of amendments, through great difficulty, thanks to the leadership demonstrated by the leaders of said House, of both the Democratic majority and the Republican minority.

If we jog our memory, we will be able to recall that the Senators opposing the Treaty based their arguments on the fact that the people of the United States were handing the Canal over to a country governed and dominated by a leftist military dictatorship.

With the visits to Panama by the Senate leaders, and the backing of the Presidents of the neighboring nations, the understanding which General Omar Torrijos H. assumed of democratizing Panama and restoring the guarantees that would create a climate of tranquility and peace around the Canal, was evident, so that the Treaty would be approved by the Senate.

For this a period of almost two years was agreed on before it went into effect, that is, a period within which the changes must be brought about in Panama towards restoring democracy. Within that period, General Torrijos succeeded in passing constitutional reforms and the law of political parties, seeking to fulfill his part of the agreement through this, at the same time that he was publicly stating that in the future the power of the military boot would not prevail, but rather the popular vote, honestly counted at the polls.

However, the Panamanian people and the political, economical and social organizations, of which they are a collective part, were able to manifest their dissatisfaction over the pretended democratization of the nation inasmuch as the reforms and laws adopted do not constitute the necessary guarantee for putting a real democracy into effect.

One simple example makes it plain that democracy cannot exist in Panama when the Executive Power controls and approves the whole nation's budget, and the representatives of the Legislative body (the people's power) and the Judiciary body (Justice) depend financially on the Executive.

If Panama aspires to putting the Torrijos-Carter Treaties into effect, this government will have to keep its acquired promise of creating in Panama the indispensable democratic conditions for the Panamanian family to get together and to be able to work towards peacefully assuming the responsibilities that derive from the treaties; and at the same time to develop the spirit of mutual assistance and sacrifice which the restructuring and reconstruction of a country immersed in the deepest public indebtedness that a country without major natural resources has ever borne necessarily implies.

Just as recent reports indicate, 55 percent of the whole Government's revenue is used for payments on the public debt; and in 1983, when the periods of grace granted for the payment of the capital expire, that percentage will increase to 71 percent, if the nation's economy increases its rate of growth.

In order for the Panamanian people to be able to be in a position to pay off the debt they have, they will have to submit to great sacrifices; and these cannot be carried out by a disunited people who distrust some handpicked leaders who have not been of their free choice.

These sacrifices cannot be asked of a people who do not have democratic guarantees that justify and warrant those sacrifices.

Only a people satisfied with their laws and who freely choose their leaders will be willing to pay any price and sacrifice that might be necessary in order to defend their ideals and their political and economic independence.

In order for the Panamanian people to undertake their Crusade of Grandeur in face of the adversity of their destiny and the Treaties, they first demand that this government make the real and true changes that are necessary for putting a real democracy into effect, thus making good General Torrijos' words that here in Panama only the power of the popular vote will prevail.

Once the establishment of democracy is achieved in Panama, the leaders of the United States Senate and the Carter Administration will have the tools they counted on in order to exercise all their political leadership and to succeed in passing the laws for implementation just as they passed the Treaties.

A united people of good faith, who live satisfied in a real democracy, would face up to a common cause such as that of the implementation of the Treaties, as the best tool of world pressure which there would not be any force capable of repressing.●

GASOLINE SHORTAGE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. RINALDO. Mr. Speaker, the gasoline shortage has reached emergency proportions in my district and State. It is seriously affecting the ability of my constituents to travel to their jobs and carry out normal activities, and they are rightfully demanding to know what Federal energy officials are doing to alleviate the shortage.

The fact is, not nearly enough is being done. While Secretary of Energy Schlesinger is in Japan, my constituents are enduring an energy crisis worse than the Arab oil embargo of 1973 and 1974. Long lines at gasoline stations, closed stations and limits on purchases of gasoline have caused near panic. People are unable to get to work. Stores are losing business. Unless the President takes immediate action to help New Jersey and other urbanized States, there will be a crisis of unprecedented proportions in our region.

I have acted to deal with this shortage by demanding the Department of Energy immediately approve a pending energy application that will release over 3 million barrels of oil, thus diverting them for refining into gasoline. That application was approved yesterday at my urging. Additionally, earlier this week I requested an emergency meeting with Deputy Energy Secretary John O'Leary, who is the No. 2 man in the Department. At my personal request, Mr. O'Leary will meet 2 days from now with the New Jersey congressional delegation; at that meeting, I intend to present a comprehensive program to assist New Jersey. In my judgment, the Department of Energy must immediately:

Revises Federal allocation guidelines that are shortchanging New Jersey in its gasoline supplies;

Supplement New Jersey's gasoline allocation with an emergency allocation from States where supplies are plentiful;

Obtain commitments from U.S. refiners that they will increase refining capacity and expand oil production; and

Increase the State set-aside for New Jersey.

There must be a substantial and immediate commitment from the Department of Energy to aid New Jersey so that it does not bear the brunt of this gasoline shortage.

Immediate adoption of my proposals will help to alleviate the shortage that is currently crippling my district and State. It will free up greater supplies of gasoline and crude oil and prevent economic dislocation and disruption. But that only deals with the immediate problem. We must also have a long-range plan, because there is a growing cynicism that this is only the beginning; that we have no national energy program to prevent future drastic shortages; and that we will continue on an aimless course in dealing with the worldwide energy crisis.

We need an all-out, crash program for the development of alternate, renewable sources of fuel that will free us once and for all from foreign-based sources. That is the most vital component of a long-range energy program. At the same time, we must increase the emphasis on conservation and, as a final part, make maximum use of domestic supplies such as coal and fossil-based fuels beneath the Outer Continental Shelf.

I have presented such a program to the President and have been urging the White House for 2 years to present such a comprehensive plan to Congress. I would like to outline for my colleagues what I feel are the most important components of a national energy program.

OIL AND GASOLINE

To insure a longer-term supply of crude oil, I have urged the President to take the following actions:

Join with Mexico and Canada in establishing a North American hemisphere market in energy;

Reduce bureaucratic delays in the construction of oil pipelines from Canada and California to carry Alaskan oil to the Midwest and Texas;

Expedite drilling for oil and gas in the Baltimore Canyon off the Atlantic seaboard.

I have cosponsored legislation in the House of Representatives to establish a Federal program to promote the development of synthetic fuels by private industry. I have also cosponsored bills to prohibit the export of Alaskan oil and to create an Energy Corporation of the Northeast, to focus on the serious energy problems of that area.

I also feel that the United States should use its trading leverage against the oil-producing nations in order to keep imported oil prices down. I support the establishment of an organization of wheat-exporting countries—including the United States, Canada, Argentina, and Australia—to increase the price of wheat exports to offset price increases in imported oil.

CONSERVATION

It is vital that the American people increase their efforts to conserve our scarce oil resources. I am opposed, however, to unworkable conservation plans which would cause undue hardship to the public. I voted against President Carter's proposed standby gasoline rationing plan because it was essentially unworkable and would have unfairly impinged on employees who must drive to work, as well as on businesses which need gasoline to provide essential services. The plan would have been a bureaucratic nightmare to implement and would have cost $2 billion to operate in the first year alone.

I favor less onerous and more effective methods to conserve crude oil. I voted to support the President's plan to require resetting of thermostats in nonresidential buildings to 65° in winter and 80° in summer. I also favor the enforcement of the 55-miles-per-hour speed limit and the voluntary reduction of travel by 10 miles per week.

I feel that the individual States, rather than the Federal Government, are better equipped to formulate and implement conservation plans which will meet the differing needs of the States. New Jersey has imposed an odd-even plan for gasoline purchases as well as a minimum purchase requirement.

I also support improved mass transit programs for areas such as northern New Jersey, and I have voted for increased Federal funding for development of mass transit.

NATURAL GAS

Although the United States currently has a good supply of natural gas, action should be taken to insure that long-term supplies are available. I have urged President Carter to support an energy development bond issue of $15 billion to provide low-interest loans to build a natural gas pipeline from Alaska to the continental United States. I have also urged negotiations with Mexico to assure U.S. supplies of Mexican natural gas in the future.

ALTERNATE SOURCES OF ENERGY

The long-range future of stable and affordable energy supplies in the United States depends on increased development of alternate energy sources to replace depleting oil supplies. The Congress and the administration have delayed for too long in recognizing the need for a massive Federal effort to develop alternate sources of energy. Now is the time to undertake this important investment in our Nation's future.

Solar energy offers great potential for heating homes and office buildings. I supported legislation enacted into law last year to provide an income tax credit for the installation of solar space and hot water heating equipment, and I have voted for increased Federal funding of solar energy research.

I am the cosponsor of a bill to establish a Solar Energy Development Bank to provide long-term, low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings. And I favor programs to encourage the increased use of solar power in the Sunbelt States, in order to make increased natural gas and oil supplies available in the Northern States.

Gasohol is another source of fuel which will decrease the need for oil. It is already in wide use in the Midwestern States, and I have cosponsored legislation to increase gasohol production so that it can be used throughout the Nation. I have also cosponsored bills to promote the use of gasohol by consumers, by requiring retailers to sell gasohol instead of unleaded gasoline, as gasohol supplies become available, and to provide tax incentives for building gasohol production facilities.

I favor the increased utilization of our Nation's plentiful coal reserves, and I supported legislation enacted into law last year to require new industrial and utility plants to use coal, and to require existing utility plants using oil or gas to convert to coal.

NUCLEAR POWER

Nuclear power is an important component of our Nation's energy program, but it is vital that improved safety measures be implemented for nuclear powerplants.

Mr. Speaker, this Nation will not be able to deal effectively with our energy problem until we have in place the type of comprehensive energy plan that I have outlined. My constituents, and people across the country, are demanding as much, and they certainly deserve no less.

I intend to continue fighting to see that this Nation adopts such a plan so that the drastic gasoline shortages we have witnessed in recent days will be avoided in the future.●

FREE THE INDEPENDENT TRUCKERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. KEMP. Mr. Speaker, I find it inconceivable that tens of millions of dollars in food is rotting in the fields of this country every day because the administration refuses to put in practice what it claims is its aim for the trucking industry.

The independent truckers' shutdown is now 2 weeks old, yet the administration continues to avoid dealing with the issues and solving the problems it claims it is interested in.

Listening to the administration, one almost gets the feeling that the shutdown has already gone away.

Yet meatpacking plants in the Midwest have been closed for days due to unavailability of trucks. Several days ago in California, a network television affiliate, ABC, reported that virtually no food was leaving the State for the east coast.

Watermelons, peaches, potatoes, lettuce and many other table items hauled by independent truckers are literally rotting in the field.

Food processing plants are shutting down all over the country.

The Hershey Chocolate Co. laid off 950 workers, one-third of its work force, and even a small manufacturer of tabasco sauce told President Carter last Friday that it is faced with its first shutdown in 110 years of manufacturing. Companies such as Hormel, Armour and many other meat processing plants have shut down. Farmers are plowing under crops in California because they cannot get trucks to move it.

And the South Carolina Department of Agriculture sent telegrams to the President appealing for a solution.

But rather than negotiating with the organization that sanctioned the shutdowns, the White House has given absolutely no affirmative answers. Instead, it prefers to deal with the problem by issuing press releases containing promises which the truckers have continued to say will not solve their problems.

On Thursday, June 21, the White House announced it was introducing legislation which would allegedly modernize trucking. But such a long and complicated piece of legislation will take years to sift through the congressional legislative process. In addition, provisions in the bill discussed publicly will hardly do the job legislatively.

One allegedly helpful provision—which reads well in the press release—allegedly "eliminates all backhaul restrictions immediately." Yet members of the Independent Truckers Association argue that this claim is grossly misleading. They explain that the way the proposed legislation actually works is as follows: If a truckline, for example, has the ICC authority to haul film from the Eastman Kodak plant in Rochester, N.Y. to Chicago, that truckline could "backhaul" film from Chicago to Rochester. However, in the real world, shippers of manufactured goods do not receive those same goods. Thus, the "backhaul" provision is misleading.

On top of this, what little help is contained in the legislation for the Nation's independent truckers could not really benefit most of them for at least 2 years—if then.

In short, the administration's legislation falls far short of the President's 2-year-old promise to help the independent truckers of this Nation.

The Interstate Commerce Commission has the power, administratively, to carry out the public promise of the President in a crucial area of equality. And even the proposed 90-day temporary emergency authority for independent truckers would not satisfy all their demands.

The President promised the Nation on March 16, 1977, that he believed in, and would support, legislation that would modernize trucking with the intention of helping the independent trucker.

On June 21, after more than a 2-year delay, the President introduced his idea of legislation meant to help truckers, but which appears to be another stall. If the President really believed his proposed legislation would help the small truckers, why does the White House refuse, to this very day, to pressure the ICC into mandating the legislation for even a temporary period? The ICC has the power to do this, yet the White House has not pressured the agency into helping the independent truckers.

The Independent Truckers Association, for instance, has flatly rejected the inflationary surcharge procedure which the truckers say is designed to help the large, monopolistic carriers. Thus, the ICC and the White House are stonewalling the real needs and demands of the independent truckers. What better proof of this is there than the fact that the surcharge was rejected by 99.99 percent of the truckers?

The surcharge is a complicated formula based on a sliding scale which has to be adjusted weekly, and monitored—therefore controlled—by the ICC. It amounts to a 4- to 5-cent-per-mile reimbursement to only about half the independent truckers engaged in interstate commerce. And the food haulers are not helped at all.

The root of the problem lies in the fact that the independent trucker, in order to exist, must pay a brokerage fee of from 25 to 50 percent of his gross revenue to companies that control virtually every pound of "regulated" freight. This system does not exist in any other business, and it has not only driven the independent trucker to the edge of bankruptcy, but now results in massive trucker shortages especially in the food-hauling areas. Yet, the entire program to eliminate the need for this shutdown was explained, in detail, to top ICC and White House and Department of Energy officials—long before the shutdown started. They ignored the pleas and the programs. Incedibly, they still are, even though the shutdown is more than 2 weeks old.

We need immediate steps to free the thousands of small businesses of America, otherwise known as the independent truckers.

We need it for them and even more for the millions of American consumers who depend on them.●

NEW YORK STATE ASSEMBLY RESPONDS TO THE PROBLEM OF ULSTER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BIAGGI. Mr. Speaker, I am most pleased to bring to the attention of my colleagues two resolutions recently passed by the assembly of my native State of New York regarding the problem of Northern Ireland.

The first resolution was sponsored by Assemblymen Lehner, Abramson, Butler, Gulotta, Hannon, Healy, Larkin, Madison, Parola, Robles, and Seminario and Assemblywomen Lipschutz, Rettaliata, and F. M. Sullivan. It calls upon the new Prime Minister of Britain, Margaret Thatcher, to address the problem by convening a meeting of the leaders involved. The second resolution was introduced by the following Assembly members: Messrs. S. P. Walsh, Velella, Abramson, Behan, Butler, Conners, D'Andrea, Dearie, Ferris, Finneran, Gulotta, Hannon, Ms. Jacobs, Keane, Larkin, Mrs. Lipschutz, MacNeil, Madison, McGrath, Murphy, Orazio, Parola, Robles, Seminario, Smoler, and Spano. It calls upon our Government to act upon the human rights problem in Northern Ireland. As chairman of the 131-member Ad Hoc Congressional Committee for Irish Affairs I wholeheartedly welcome these initiatives on the part of the New York State Assembly and commend that distinguished body for their compassion and commitment with regards to the Irish question.

The plight of the Irish people has received increased attention, both national and international, largely because of the work of the ad hoc committee and other legislative bodies in this country. I have introduced House Concurrent Resolution 122 on May 17 calling upon the new Government in Great Britain to take a stand in promoting self-determination for the people of Ireland and assist in ending the daily violations of human and civil rights that occur there. The resolution already has 65 cosponsors and I am confident that this number will grow as States put further pressure on their elected officials to join in this effort.

At this point I would like to insert the texts of the aforementioned resolutions:

LEGISLATIVE RESOLUTION, ASSEMBLY NO. 624

Whereas, It is the avowed foreign policy of the United States of America to encourage worldwide respect for the human rights of all citizens of the world; and

Whereas, The inhumane treatement and abuses presently being inflicted upon those residents of Ulster, known as Northern Ireland are of great distress to the people of the State of New York; and

Whereas, Under the guise of emergency powers, British officials try political foes in special non-jury courts and impose excessive and often torturous punishment upon those wrongfully denied their basic rights; and

Whereas, The inhumane treatment and reported systematic torture by the British Government in Northern Ireland and in 1976, the European Commission of Human Rights found the British Government guilty of torture in Northern Ireland; and

Whereas, In 1978, the European Court of Human Rights found the British Government guilty of "inhumane and degrading treatment" in Northern Ireland and Amnesty International again reported on-going and systematic torture by the British Government in Northern Ireland; and

Whereas, British law in Northern Ireland is in direct contravention of fifteen Articles of the Universal Declaration of Human Rights and also, violates the most fundamental principles of the Common Law such as

1. Imprisonment without charge or trial.
2. Non-jury trials.
3. Denial of habeas corpus.
4. Coerced confessions are admissible evidence.
5. The burden of proof is on the accused. One is guilty until proven innocent in the Special British Courts in Northern Ireland; and

Whereas, The Archbishop Tomas O'Fiaich, Primate of All Ireland has stated "How can one explain the jump in prison population of Northern Ireland from five hundred to three thousand unless a new type of prisoner has emerged? The problem of these prisoners is one of the great obstacles to peace in our communtiy * * * it is only sewing the seeds of future conflict"; and

Whereas, The Reverends Denis Paul, Raymond Murray and Brian Brady, Political Prison Chaplains in Northern Ireland have stated, "In the last seven years five thousand men and women have been imprisoned in the North of Ireland. All of them come from the poor areas of Northern Ireland. They are the Irish poor and they have suffered gross violations of human rights. Many of them are the third and fourth generation of unemployment—unemployment contrived by sectarian British Governments and bigoted Northern Ireland Governments. In these areas, unemployment is twenty-five to thirty percent"; and

Whereas, It is the intent of this Legislative Body to officially condemn this inhumane treatment and publicly deplore this abridgement of liberty; now, therefore, be it

Resolved, That this Legislative Body does hereby memorialize the Congress of the United States to take any and all action it deems necessary or appropriate to secure the freedom of Northern Ireland and end the oppressive treatment of Irish political prisoners in Northern Ireland; and be it further

Resolved, That copies of this resolution, suitably engrossed, be transmitted to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, the Chairman of the Senate Foreign Relations Committee, the Chairman of the House Committee on International Relations, and to members of the United States Senate and the House of Representatives from the State of New York.

LEGISLATIVE RESOLUTION, ASSEMBLY NO. 583

Whereas, On May fourth, nineteen hundred seventy-nine, Queen Elizabeth II of England accepted the resignation of the outgoing Prime Minister, James Callaghan and a few moments later Margaret Thatcher, Tory leader of the House of Commons, agreed to the Queen's request that a new government be formed with Mrs. Thatcher as its Prime Minister; and

Whereas, Prime Minister Thatcher directly went to 10 Downing Street to assume the tasks of governing and before entering her official residence paused at the doorstep, prior to entering, and reflected aloud, paraphrasing the words of Saint Francis of Assisi; "Where there is discord may we bring harmony. Where there is error may we bring truth. Where there is doubt may we bring faith. Where there is despair may we bring hope" causing the hearts and minds of many to leap with joy among them, of course, all Irishmen the world over; and

Whereas, It is undeniable that the violence in Northern Ireland is an abomination that should no longer be tolerated and its persistence and pervasiveness is due in no small measure to the fact that the British Government has failed to uphold and put into action its recent pledge to the European Court of Human Rights at Strasbourg that certain practices by its security forces, amounting to brutality and even torture, would be discontinued and no longer tolerated in Northern Ireland; and

Whereas. It is the sense of this Legislative Body that it ought to pause and make note of its sentiments not as a political statement to its Irish-American Constituency but to make those sentiments known to all people of this great Empire State, regardless of ethnic or religious persuasion, who abhor violence and the denial to others of the right to Life, Liberty and the Pursuit of Happiness as proclaimed in this Nation's cherished document, the Declaration of Independence; and

Whereas, The Governor of this State, the Honorable Hugh L. Carey, joined in a strongly-worded Saint Patrick's Day statement of other state and national leaders that the United States would continue to "stand ready" to provide all appropriate assistance to achieve the important goal "of linking Northern Ireland with the Republic of Ireland" and proclaiming further that "A whole Ireland, with institutions that link the Protestant and Catholic communities and that protect the rights of each community, can bring greater benefits to both parts of the divided island"; now therefore, be it

Resolved, That this Legislative Body pauses in its deliberations and respectfully exhorts the Honorable Margaret Thatcher, Prime Minister of Great Britain to address immediately at the threshold of her tenure the Irish Question and urges her to discard the shroud of despair and put on the mantle of hope and in the exercise of her high office to convene a meeting of the leaders of Northern Ireland, Protestant and Catholic, beseeching them to rid themselves of doubt by approaching the matter with faith that a solution to their problems is an achievable goal; and be it further

Resolved, That copies of this resolution, suitably engrossed, be transmitted to The Honorable Margaret Thatcher, Prime Minister of Great Britian at 10 Downing Street, London, England, to the Honorable Hugh L. Carey, Governor and a copy to each Member of the Congress of the United States from the State of New York.●

DEFENSE PRODUCTION ACT AMENDMENTS

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BETHUNE. Mr. Speaker, the Congress has before it today a very important bill to create a synthetic fuels industry to meet our defense needs. We have bungled this Nation's energy needs for many years now and somehow we have managed to get by. The Congress must act now on H.R. 3930 because we are running out of time and are jeopardizing our Nation's security.

It has been estimated that the United States now has about 2 months' worth of oil to keep our Navy going. Our vulnerability to increased dependence on imported petroleum supplies is evergrowing. This bill would lessen the OPEC nations' grip by providing seed money to the private industry to develop a domestic synfuels program. It will at the very least offer America a short-term solution while other energy sources are developed.

The bill's synfuel goal is 2 million barrels per day. It would enable a joint Government-private effort to cultivate the use of coal, shale, biomass, or any other feedstocks and conversion processes for synthetic fuel. Our coal supply is plentiful and the possibilities for millions of barrels per day of synfuels are immense.

Synthetic fuels are not new. Synthetic coal and other compounds were discovered in 1923. As a matter of fact, when fuel supplies were blocked during World War II, the German's built six synfuel plants to keep their tanks and planes in operation. In 1948, a firm in Texas built a synfuel plant which eventually closed because it could not compete with petroleum production.

The risks involved with starting up a synfuels plant are great, and it would be even more difficult for private industry to survive today than it was in the 1940's. Not only has our economy changed immensely, but Government controls and regulations have mushroomed. Unfortunately, I do not believe the private market can overcome the stranglehold of Government regulations unless the Congress gives it this chance to succeed. H.R. 3930 would authorize sufficient funds to allow the President to issue contracts for the purchase of synthetic fuel. The money could be used to pay the difference between the contract price and the market price of the fuel. This is a small price tag for the assurance that our multibillion-dollar Defense Department can operate. It is a small price to assure additional fuel for domestic industry. Our manpower and defense equipment is worthless if it cannot be mobilized for action and our private sector is hamstrung without sufficient energy.

All this bill does is give private industry the incentive it needs to get into the synfuels business. Let us give our free enterprise system a chance to work.

Mr. Speaker, it is rather ironic that while we are debating this bill today, the OPEC nations are meeting to set higher oil prices. Future OPEC meetings may decide our Nation's fate unless we act now. As a cosponsor of this bill, I urge my colleagues to support this insurance policy for our Nation's future security.

It is a clear signal to the OPEC countries that America has had enough. We have begun to fight for our energy independence—at last.●

HOW TO RESPOND TO RECESSION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. BROWN of Ohio. Mr. Speaker, yesterday, Senator LLOYD BENTSEN, chairman of the Joint Economic Committee, and I held a press conference on the state of the U.S. economy. This press conference was prompted by the bad economic turn of events the last 2 months that convince Chairman BENTSEN and me that we are heading for a recession and thus an end to this long, but labored, recovery from the recession of 1974–75. We are less sanguine about shortrun outlook for the economy than is the administration.

Some of the press coverage of the conference emphasized the discussion of a $20 billion tax cut which occurred during the question and answer session. Unfortunately this somewhat overshadowed the main point of the press conference.

The point we wish to make is that any tax cuts should be of the proper structure and shape to stimulate economic growth. We need cuts in marginal personal tax rates to increase after-tax incentives to additional work effort. We need tax credits to increase the after tax return to additional saving, which will finance investment and increase productivity. We need faster tax write-offs of depreciation, to raise the rate of return on investments which will improve the Nation's productivity and help break the cycle of stagflation followed by recession, followed by stagflation that has plagued us for 15 years.

Inflation is increasing tax revenue so rapidly that there is ample room for the tax reductions and restructuring we desperately need to turn the economy around. A $20 to $25 billion tax cut is needed.

This year, inflation will push individual taxpayers into higher tax brackets that will take $13 billion away from them—without any increase whatsoever in statutory rates. In addition, the 1977 amendments to the Social Security Act will draw $6 billion from wage earners this year.

As for business, inflation is increasing taxation due to underdepreciation and phantom inventory profits at the rate of $25 billion per year. We ought to work off a portion of that—at least $5 billion per year.

We must take a long-run view of the economy in formulating answers to our economic problems. The consensus Joint Economic report, issued last March, does just that.

I would like to insert in the RECORD Chairman BENTSEN's statement and my statement presented at the press conference yesterday.

STATEMENT BY CLARENCE J. BROWN

I welcome Mr. Bentsen's remarks.

His aid in pushing for the recognition and adoption of the supply side of the economic equation is extremely helpful to the nation.

The major economic indicators point to an imminent recession. This ends one of the longest recoveries since World War II. And, yet, the recovery has been something less than a satisfying experience because, during the best of it, our unemployment rate never got much below 6 percent—and our inflation rate is spiking at double digit levels.

Most economists are predicting that we are heading into a slack period which may reduce inflation, but where unemployment will spike at much higher levels—and even inflation rates won't drop back to previous lows.

The result is that America is being tortured by an Iron Maiden Economy. We are in a torture chamber where every turn of the economic cycle stabs us with spiking inflation or spiking unemployment—and neither problem ever gets cured. Twisting away from one only makes the pain of the other worse. After a dozen years of similar cycles, what used to be considered extraordinarily high rates of inflation now appear to be the best or lowest we can hope for; and the lowest rates of unemployment in the present recovery are as high as the unemployment rates we thought undesirable a couple of recessions back.

Some of the other spikes in this Iron Maiden Economic Era we are in include:

The value of the dollar against gold and many other currencies:

U.S. productivity lagging behind almost all industrial societies in the world;

Record balance-of-payments deficits;

Mountains of additional government regulations;

And mounting consumer and taxpayer anger.

Confusion and lack of confidence in the American economy are growing as workers, employers, producers, and consumers believe that our national economic policies make very little sense.

This confusion and lack of confidence are not unfounded. The economy, for 15 years, has followed a boom and bust scenario. At the end of every recovery, we are left with higher trend rates of inflation, then higher unemployment, and greatly lower projected economic growth.

The table below shows what I mean. The table cites the peaks and troughs of prices and unemployment 1967 to the present. Note the continually rising price and unemployment minima. Each trough is higher than the last. The current unemployment rate looks like a bottom. We have been stuck there since last fall.

On the other hand, each unemployment peak is higher than the last one. And we haven't seen the last of the current price rise. It will very likely exceed the 1975 peak before it is through.

PEAKS AND TROUGHS IN PRICES AND UNEMPLOYMENT, 1967–79

GNP deflator

(Percentage changes from previous year, by quarter)

Troughs:
II. Quarter 1967, 2.5 percent.
I. Quarter 1973, 3.7 percent.
IV. Quarter 1976, 4.7 percent.
Peaks:
I. Quarter 1970, 5.7 percent.
I. Quarter 1975, 12.1 percent.
Current, 8.7 percent.[1]

Unemployment rates

(Quarterly averages)

Troughs:
I. Quarter 1969, 3.3 percent.
III. Quarter 1973, 4.8 percent.
IV. Quarter 1973, 4.8 percent.
Current, 5.7–5.8 percent.[2]
Peaks:
I. Quarter 1971, 6.0 percent.
II. Quarter 1975, 8.8 percent.

How do we end this Iron Maiden economic pattern of stagflation followed by recession followed by inflation?

The path-breaking Joint Economic Committee Annual Report points the way for the Congress and the President. As we face another economic sag again, it is imperative that:

This time, we avoid the mistakes we have made each time we have fought a slowdown in the past.

This time, we devise a program to revive growth in the short run that does not cripple growth in the long run.

This time, we avoid the demagoguery that has caused Americans to fight each other over dwindling incomes and scarce goods.

This time, we unite behind a strategy for economic growth.

This time, we get the country moving again for good on a path that can give us growth and jobs without inflation.

Each time we have fought recessions in the past, we have done it in the same way, by hyping up "demand." We have printed money; so we could spend more money; we have found ourselves at the end of recession with a larger burden of Federal debt, and a higher number of Federal spending programs.

Each time, the tax, inflation, unemployment, and debt financing burdens on the productive sectors of the economy have been ratcheted upwards; incentives to work, save, and invest have been ratcheted downward, thus creating higher levels of unemployment.

As we have hyped demand, we have strangled supply. The result has been progressively weaker recoveries, each with a higher basic inflation rate, a higher basic unemployment rate, and a lower potential growth rate—Iron Maiden spikes that have increased our pain with every twist and turn. And what is worse, Administrations of both parties have accepted as inevitable the pain that comes from the continued stabbing. We must have a true bipartisan effort so we can do better this time. We must do better this time to avoid higher basic rates of unemployment, high "normal" inflation, deeper recessions, and less successful recoveries.

The JEC Report pleads with the Congress and the President to break out of past shortsighted, self-defeating policies. The shortrun recession problem, the long-run inflation and growth problem, and even our chronic international payments problems are all part of the same problem. They can be fought with a consistent set of policies.

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[1] Probably rising in II Quarter 1979 to 9 or 10.

[2] Stuck for the last 9 months in the same range, and about to turn up.

These policies—moderation in fiscal and monetary policy to fight inflation and uncertainty; reduction of tax barriers to saving and investment to improve competitiveness and increase productivity, growth, and employment; better targeted private-sector programs to fight structural unemployment; and a concerted effort to reduce red tape and regulation to promote efficiency and speed economic development—will restore the U.S. economy to long-term health at home and a stronger position abroad.

STATEMENT BY SENATOR LLOYD BENTSEN

We're heading into a period of stagflation in this country that will cost hundreds of thousands of Americans their jobs, while doing very little to bring down the cost of living.

Some economists—and these aren't the most pessimistic ones—are forecasting that two million more people will lose their jobs, bringing total unemployment up to eight million; while the rate of inflation will go no lower than 8.5 percent. There obviously is going to be a very substantial increase in unemployment.

Administration spokesmen are shy about using the word "recession," I'm not. We're heading into a recession, hopefully a modest one. Let's look at the evidence to date:

Clearly, gasoline shortages will add substantially to the severity of the recession. We've already seen a 30 percent drop in car sales during the first ten days of June and we know from bitter experience that when the auto industry slumps so do steel and plastics and rubber and many other manufacturing components.

The leading economic indicator dropped by a record 3.3 percent in April. Retail sales were down in both April and May—the first two-month decline since December 77-January 78. The University of Michigan's widely used Index of Consumer Attitudes for May of this year was almost 15 points below the survey for May 1978. After several years of dramatic April employment gains, employment is now 500,000 jobs below the March peak.

In spite of this inflation remains far too high, running at the double-digit annual rate of 13.9 percent for the three months ending in April. The CPI stood 10.4 percent higher in April 1979 than in April of 1978.

Hopefully, with the economy turning down we'll see a reduction in the cost of living rate during coming months but it will continue to be far too high and over the long haul I expect the downturn to have little effect. The built-in inflationary pressures—such as lagging productivity—remain, and as soon as the economy picks up so will the cost of living.

I am firmly convinced that if the American economy is ever to get out of its boom and bust pattern, we must face the facts now. We must embark on a new set of economic policies designed to achieve our long-term economic goals.

It's becoming increasingly evident that we are going to have to have a tax cut next year, with individual tax reductions to give relief to Americans hard-hit by inflation and with other cuts to boost the supply side and help end this continuing cycle of inflation and recession.

The need for cutting taxes in 1980 has been downplayed up to this point, by people both in and outside of government. But the evidence grows daily that we'll need one and we'll need to take some other steps as well.

It is essential that (1) we begin planning early to avoid the mistakes we have made in fighting slowdowns in the past, and (2) we need to devise a program to revive growth in the short run that does not cripple growth in the long run.

In March of this year, the Joint Economic Committee submitted a unified Annual Report to the Congress for the first time in 20 years. It stressed the theme that economic policy must focus on the supply side of the economy—on the capacity of the economy over the long term to increase the standard of living for the average American, to create a job for every American who wants to work and to hold down the cost of living by increasing the goods on the shelves of the Nation's businesses.

These policies: Moderation in fiscal and monetary policy to fight inflation; encouragement of saving and investment to promote employment and productivity; targeted private sector programs to reduce structural unemployment; and reduced red tape and regulation to promote efficiency and to increase the rate of technological innovation; are designed to expand the capacity of our economy to produce more goods and services more cheaply over the long run to effectively combat the major economic ill of our time—stagflation.

The JEC's Midyear Hearings begin this week. Those and subsequent hearings which we will be holding this year will focus on the need to formulate specific policies designed to stimulate a period of long-term sustainable growth.●

PANAMA CANAL TREATIES—BIG TROUBLE FOR UNCLE SAM

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HANSEN. Mr. Speaker, the House on June 21 passed implementation legislation (H.R. 111) by the close vote of 224 to 202 and failed by only a small margin of 216 to 210 to pass my "honesty amendment" which would have Panama pay the multimillion dollar transfer charges out of its "windfall profits" from tolls instead of the burden being on U.S. taxpayers and consumers.

However, the Senate has yet to act and we will have one more turn at bat when a House-Senate version comes back to the House for final consideration. We can yet carry the day if we remain vigilant since, first, the Senate with the President's urging will no doubt try to make implementation even more costly and liberal than the House version which could erode the small margin of support for the treaties in the House, and second, the continuing exposure of Panama's illegal gun trafficking in the United States and open affiliation with Cuba in support of Marxist revolutionary and terrorist activities in Nicaragua, El Salvador, Guatemala, and other Central American countries could force the Congress to finally concede that Panama is not only unwilling and unable to provide for the "neutrality" of the canal, it is openly provoking conditions of military retaliation against it in violation of terms of the new treaties and therefore decide they should be scrapped.

Prior to the House vote much information became available regarding enormous costs for treaty implementation and Panama's involvement in illegal gun running and fomenting revolution among its Latin American neighbors which is well defined in the following article from the June 23, 1979 issue of Human Events:

HANSEN LEADS OPPOSITION: CANAL TREATIES FACE TOUGH HOUSE TEST

You may have thought the Panama Canal debates were over when the Senate yielded our strategic waterway to Gen. Omar Torrijos over a year ago. But the controversy rages on. And the House this week is likely to face its first major vote on legislation implementing those unpopular pacts. The Administration is so concerned that Rep. George Hansen's (R.-Idaho) "Honesty Amendment"—rather than the committee bill (which the President will try to alter in the Senate, but feels he can live with now)—will be approved that it has twice persuaded the Democratic leadership to delay the vote.

The Administration, in the words of the Washington Post, has "pulled out all the stops" to prevent the Hansen amendment from being passed, with President Carter personally making several calls to wavering lawmakers. The White House, the State Department, the Joint Chiefs, former Ambassador W. Averell Harriman, George Meany, Gerald Ford, and Henry Kissinger have been unleased against Hansen. So has conservative columnist William F. Buckley, and, according to news reports, John Wayne was coaxed into lobbying against the Hansen amendment from his death bed.

Nevertheless, the Hansen amendment—which requires Panama to agree to pay all of the transfer costs before the treaties go into effect—may still carry the day.

Under the amendment, Panama must pay for such things as the physical moving of U.S. military facilities, the costs resulting from early retirement of U.S. personnel, the upkeep for U.S. housing and schools now paid for out of the tolls but which the Administration wants the American taxpayer to pick up directly, etc.

Since Panama accepted the treaties on the grounds it wouldn't have to pay for these costs, the Administration insists Hansen is being unfair and irresponsible, that his changes amount to killing the treaties, and thus sullying American honor.

While Hansen is getting grief from the Administration and its allies, the Hansen amendment was actually prompted by President Carter's irresponsible handling of the treaties and the astonishing deceptions employed in selling them. Indeed, the Idaho lawmaker would almost certainly not be putting up such stiff resistance to implementation if the President had played fair with both the Congress and the American people from the outset.

First off, the Administration contended the House had no say over whether the U.S. Canal and the Canal Zone could be transferred to Panama, yet the Constitution is precisely clear on this. Article IV, Section 3, Clause 2 states: "The Congress shall have power to dispose of and make all needed rules and regulations respecting the territory or other property belonging to the United States." The Congress, of course, means the Senate and the House. But the President has steadfastly insisted that the Senate vote on the treaties legally disposed of U.S. property, and that the House would be "irresponsible" in trying to exercise its constitutional rights on this issue. According to the White House, about the only thing the House is permitted to do is to lay down a few rules governing how the treaties are to be implemented.

What Hansen is also protesting is the Administration's con job in selling the treaties, because it repeatedly pledged that these pacts would not cost the U.S. taxpayer a single cent. Just how enormous the deception was brought out vividly in the minority views of the Committee on Merchant Marine and Fisheries which reported out the implementing legislation. Deputy Secretary of State Warren Christopher testified to the U.S. Senate Foreign Relations panel that the "treaties will not require *any* appropriations from the American taxpayer." (Emphasis added.)

Secretary of State Cyrus Vance said in the same hearings: "The treaties require no new appropriations, nor will they add to the burden of the American taxpayer."

President Carter said: "We wanted a treaty that did not put a financial burden on the American taxpayer, and we got it."

But when the House began the markup on the impending legislation, the Administration began to confess that the treaties would, indeed, cost the taxpayer a little something.

First it said that "certain expenses" would cost $350,000,000, and then, on March 29, just four days before the House Merchant Marine Committee began markup, the department admitted its original estimate was off about $500,000,000. House foes of the pact, however, say the real cost over a 20-year period will be $4 billion, and that doesn't include the huge increase in the tolls and the value of the real property and assets we are transferring to Panama.

The General Accounting Office has estimated that moving fixed installations from the present Panama Canal Zone to a greatly reduced area on October 1 will cost about $400 million. Certain revenue producing facilities, such as restaurants, ship repair and retail stores, will be given to Panama at no charge, thus costing the American taxpayer $2 billion over the life of the new treaties.

Tolls produced by the Panama Canal Company now pay for U.S. schools, commissaries, hospitals and the like. But these operations are to be transferred to the U.S. Defense Department, thus costing the American taxpayer another $2 billion or so in annual Defense appropriations.

So angry were Representatives William Carney (R.-N.Y.) and Don Young (R.-Alaska), both members of the Merchant Marine panel, they accused the Administraton of engaging in "lies" about the costs.

Representatives Gene Snyder (R.-Ky.), Robert Bauman (R.-Md.) and Walter Jones (D-N.C.) were more charitable: "The picture which these statistics paint," they wrote, "show that there has been a deliberate effort to deceive the American people regarding the cost of these treaties."

In other words, Hansen is saying the President has no right to trifle so lightly with members of Congress. Since Congress was sold on the pact on the grounds it wouldn't cost a dime, well, says Hansen, his amendment forces the Administration to keep its word.

"Without the Hansen Amendment to H.R. 111," he says, "American citizens will be saddled with taxes and lost revenue of over $4 billion for transferring the Panama Canal. The Honesty Amendment keeps the promise of the President . . . so that there will be no cost to U.S. taxpayers."

But Hansen is worried about something else as well. Under the terms of the treaties, the government of Panama, beginning October 1, will receive payments from the tolls amounting to anywhere from $75 million to $90 million annually, over thirty times what it presently receives from the tolls. And this money will almost certainly enable Panama to increase its revolutionary activities in Central and South America.

That Panama is fomenting leftist revolutions in these areas, including the funneling of aid to the pro-Castra Sandinista guerrillas now trying to impose a Marxist-Leninist regime in Nicaragua, is beyond dispute, and, in fact, has been even trumpeted indiscreetly by Panamanian officials. Consider the evidence:

Before the Panama Canal subcommittee, Lt. Gen. Gordon Sumner, former chairman of the Inter-American Defense Board, who until last year held a senior post concerned with Latin American affairs in the Pentagon, testified that Gen. Torrijos personally informed him of his efforts to aid the Sandinistas and export revolution elsewhere.

"My personal knowledge of Panama's involvement," said Sumner, "came from a two-hour conversation with Gen. Omar Torrijos in November 1977. He told me then of his intention to support rebellion and insurrection in his neighbor republics."

During his meeting with Torrijos, said Sumner, he brought up charges by President Somoza of Nicaragua that Panama was funneling aid to the Sandinistas, "expecting a full-blown denial. Much to my surprise and chagrin, Gen. Torrijos defended the Sandinistas and his support of their efforts. Further, he stated that he would continue and increase his support."

In addition, said Sumner, Torrijos "strongly defended the opposition that was developing in El Salvador and stated that he, too, would support the insurgents in their efforts to unseat his classmate, Gen. Romero." The entire session was so disturbing that Sumner said he "reduced the salient points to a memorandum which I forwarded to the late Gen. George Brown, chairman of the Joint Chiefs of Staff."

Appearing before the subcommittee on June 7, Col. James C. Thomas, recently retired from six years duty in the office of Secretary of Defense, with primary responsibility for Latin American affairs, told the lawmakers Panamanian support for terrorists in Nicaragua was an "entirely proper" question to probe, that "it raises some serious questions regarding U.S. security interests at our very doorstep, and that the countries known to be supporting the insurgency should be held accountable. . . . The Administration has long had extensive information indicating Cuban, Panamanian, Costa Rican and, at time, Venezuelan, support for the Sandinistas."

In a "Dear Colleague" letter sent to House members on June 11, Representatives Carroll Hubbard (D.-Ky.), chairman of the Panama Canal subcommittee, and Bob Bauman (R.-Md.), the ranking Republican on the panel, said that when asked to confirm the complicity of Panamanian and Cuban gun-running noted by Sumner and Thomas, Lt. Gen. Dennis P. McAuliffe, presently head of the U.S. Southern Command, "affirmed the existence of such reports and indicated that although they are classified, "I have seen intelligence reports . . . pertaining to members of the government. . . ."

Before the Organization of American States last week, the Nicaraguans presented an arsenal of captured weapons, which they said had been smuggled to leftist guerrillas through Panama. "Far from being offended by the allegations," noted an Associated Press dispatch, "Panamanian Ambassador Juan Antonio Tack said Sevilla Sacasa's evidence of Panamanian complicity 'has brought great pride to the Panamanian people.' "

On November 28, 1978, the Associated Press reported that "generally reliable intelligence sources show Panama as a possible conduit for Cuban-financed aid and weapons in the struggle to overthrow the anti-Communist government in Nicaragua."

On May 15, the U.S. District Court for the Southern District of Florida indicted five individuals for illicit gun running, including Jose A. Pujol, Miami cargo manager for Air Panama.

An affidavit given by Special Agent Donald Kimbler of the Federal Bureau of Alcohol, Tobacco and Firearms strongly indicates that Panamanian intelligence officials directed Pujol and the then Panamanian consul in Miami, Edgardo Lopez, to smuggle arms to the Sandinistas.

According to the affidavit, Pujol, in ordering $2 million in weapons from the Garcia National Gun Shop in Miami, said he was doing this on behalf of the Panamanian consul and even contended that the weapons were destined for Nicaraguan guerrillas. Federal agent Kimbler said that "Lopez stated to me that he had been involved in at least seven firearms transactions . . . which involved the purchase of over two hundred firearms to be exported from the United States. Lopez said he had received his instructions from an official of the Panamanian G-2, an intelligence agency of the Republic of Panama."

Before the Panama Canal subcommittee on June 6, Max Kelly, secretary to the President of Nicaragua, pointed out that Nicaraguan customs officials on March 13 and 16 intercepted two vans on the Costa Rica-Nicaraguan border, which among other items, contained a number of M–1 carbines that had been shipped from the Garcia National Gun Shop in Miami.

Both Hubbard and Bauman have said the evidence presented at the hearings was "both shocking and compelling," and believe that Panama is violating the OAS charter and "the letter" of the neutrality treaty.

The Sandinistas, moreover, are not a group fighting for Nicaraguan independence and an end to the supposed tyranny of President Somoza. On the contrary, they are a militant Marxist group that has been nurtured in Cuba.

In a piece for the Washington Post last year, journalist Tad Szulc, after interviewing the Sandinista leaders, wrote: "If they come to power, they said, they would establish a revolutionary state . . . that would expropriate all Somoza property, nationalize natural resources and implant social justice along with the establishment of a 'popular and Democratic army.'

"The guerrillas left no doubt about their admiration for the Cuban revolution, whose influence is powerful within the movement. . . ."

When President Somoza last year released 59 prisoners at the behest of the Sandinistas, 22 of them went directly to Cuba from Panama.

Even the U.S. State Department admits that the Sandinistas' most critical support has come from Cuba. In a letter dated April 19, 1977, Michel M. Bova, director, Central American Affairs for the department, sent a memorandum on the Sandinistas (the FSLN) to then Rep. Ed Koch (D.-N.Y.), now Gotham's mayor. The guerrilla movement, said Bova, "was founded in Havana in September 1962 by a group of leftist extremists who had been active for some years in revolutionary causes in Nicaragua. Carlos Fonseca Amador, perhaps their most significant leader, was a proponent of Marxist-Leninist theory."

External support has come from Nicaraguans living abroad, the memo continued, "but probably the most important source of external support has been Cuba."

And now Panama has joined with Cuba. Hence the reason those Panama Canal treaties are still in serious trouble. For a lot of lawmakers just can't see their way clear toward turning over our canal to a nation that now appears to be working in tandem with Fidel Castro to topple pro-American nations in this hemisphere.●

A VOTE AGAINST GOVERNMENT SUBSIDIES FOR SYNTHETIC FUELS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. KEMP. Mr. Speaker, I voted no

today because I really believe the choice of whether to go forward with Federal subsidies for synthetic fuel development is really an economic and not a technical one. Coal liquefaction, for example, is not some sort of modern alchemy that can be penetrated by only the most divinely inspired of wizards, backed by a Manhattan-type project. It is a relatively straightforward industrial process that is comparable in complexity to the most modern petroleum refineries. There are certain engineering challenges that have to be overcome. But those challenges are, by all available evidence, no greater than the challenges U.S. industry has been overcoming for decades.

The real risk in synthetic fuel projects is that they will be economic failures. And on that question—the economics of synthetic fuels—the private capital market has made a clear choice:

There is very strong evidence to support the argument that synthetic fuels will not be competitively priced if their commercial development is started today. In fact, the very companies that have received, or are about to receive, Department of Energy contracts on synthetic fuel projects have quite evidently and explicitly made a judgment that synthetic fuel technology is not commercially feasible at the present time. Gulf Oil Co., for example, has published and distributed an economic analysis of a proposed synthetic fuel demonstration facility that shows it cannot produce fuels at the same or lower price than available substitutes.

Mr. Speaker, when the company that knows the most about a process, that has invested a considerable sum of its own money over the past 10 years, and that has access to extremely good data about the potential markets for synthetic fuel products, comes right out and says it is unwilling to invest in the projects as a commercial venture, have we not good reason to pause when the Department of Energy officials urge us to press $500 million into an oil company's palm as a subsidized inducement to build a synthetic fuels plant?

Gulf, to continue the example, is not some fledgling small business applying for a SBA loan to get an innovative retail store off the ground. We are talking about a company that regularly invests more than $2 billion per year in capital projects in the United States alone, a company that has earned more than $5 billion in net profits since the 1973 embargo. They have the resources to fund any kind of synthetic fuel project they want. And if they are unwilling to do so, we should at least consider the possibility that they have some pretty good economic reasons.

Why then does the Department of Energy continue to push for tax-funded subsidies of synthetic fuel development? I believe the answer lies in the disparity between DOE's judgment about what the price of competing fuels will be over the next 10 to 15 years and the implicit judgment of the private capital market as evidenced by its refusal to fund synthetic fuel projects. The answer is really a simple one:

The Department of Energy has been much slower than the private sector in processing information about changes in the world petroleum supply and demand situation since the 1973 Arab embargo. The world has not stood still in the face of the very large real price increase for oil that took place in 1974. A massive search has been going on all across the world for potential new sources of both conventional and unconventional energy supplies.

There have been net additions to worldwide prices reserves of oil each year for the past 3 years, so that the world actually has larger reserves of oil now than it did just after the embargo. Investments have been attracted to new development areas, some of which show signs of extreme promise. The best example is Mexico, which went from less than 5 billion barrels of proved and probably reserves to 40 billion barrels in just a few years. Other developments of similar magnitude have taken place elsewhere. In Canada, for example, Dome Petroleum Co., Ltd. has been engaged in an extensive exploratory drilling program in the Beaufort Sea region of Arctic Canada. The company now believes that the potential new oil resources in the area may be comparable to another Mexico or even Saudi Arabia.

As for developments of unconventional oil, the prospects of massive new resources are still larger. Imperial Oil Co., Ltd., a Canadian subsidiary of Exxon, has filed plans for a commercial heavy oil extraction plant that will cost $5 billion and produce up to 250,000 barrels per day of refinable liquid fuel feedstock. Canada could be producing over 1 million barrels per day of synthetic crude by the late 1980's if all current projects are completed on schedule. Experts in the field have claimed that there may be as much as 3 trillion barrels of heavy oil available at prices approximating the current price for crude oil. Much of this heavy oil is located in the Western Hemisphere, in the United States, Canada, and Venezuela.

Tar sands and heavy crude potentially made the Western Hemisphere 3 to 4 times as oil rich as the whole Middle East.

The Office of Technology Assessment estimates that application of enhanced oil recovery technology to older conventional oil producing regions could yield as much as 1 million barrels per day of additional production by the late 1980's at prices equal to current world oil prices. To put the question in perspective, this increment of EOR production would be equal to 8-to-10 full-scale coal liquefaction plants—and produce fuel for perhaps as little as half the cost.

The signs of response to higher world oil prices are all around us, particularly in those parts of the world where artificial price and allocation controls, have not acted to suppress the normal market forces. I believe the cumulative evidence of production of the past 5 years has made it hard for private investors to make a decision in favor of going to synthetic fuel technologies. Investors look at what has happened in the world—in Mexico, the Beaufort Sea, Indonesian, the South China Sea, heavy oil, oil shale, and widespread development of new conservation technologies—and come to the conclusion that it is going to be a long time before today's proposed highly capital intensive synthetic fuel technologies become commercially viable.

Mr. Speaker, as a proponent of an incentive-oriented approach to energy production, I find it disturbing that in the face of such undeniable facts, the Department of Energy of this administration is still determined to subsidize private corporations and create Government corporations to achieve synthetic fuel development—rather than concentrate on bringing about incentives for the production of the most economically efficient form of energy, as determined by the free capital market. It is the American taxpayer who really assumes the risks of both the lending institutions and the energy corporations that are subsidized. This is really a form of collectivism, not democratic capitalism, where the American taxpayer is carrying the burden for big Government and subsidized big oil, while the small independent energy producer is once again left out in the cold.●

THIRD ANNUAL QUESTIONNAIRE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. HOLLENBECK. Mr. Speaker, recently I was proud to receive an overwhelming response to my third annual questionnaire. The questions were hard—the kind we have to answer almost daily on the floor—and the responses sincere and enlightening. I have attempted to compare this year's answers and opinions with some of those submitted over the past 2 years. There are some significant shifts in important areas.

A grave problem facing the Nation is the finite nature of the world's oil and gas supplies and the growing demand for power and energy throughout the world. They simply will run out in the not too distant future. Many alternate sources are suggested or available, some apparently safe environmentally and others posing potentially grave hazards. Nearly 75 percent expressed a first choice among those alternates with 34 percent favoring solar, 18 percent coal, 13 percent nuclear, 6 percent geothermal, and 2 percent wind. Those replying ranked their preferences on a scale of 1 to 6. I applied a factor of 1 for the most preferred source through 6 for the least preferred, thus establishing a total factor, the lowest number being the most desirable. The overall preference rating was:

Solar	140
Coal	179
Nuclear	196
Geothermal	204
Wind	221

Support of nuclear energy appears to have diminished over the past year. Fifty-nine percent agree with those who maintain that development of same should be curtailed until perfectly safe methods of production and waste disposal are developed, while 36 percent disagree. Sixty-five percent agree that States should have the right to veto the construction of a Federal nuclear waste storage facility in that State while 30 percent disagree.

The nuclear question was posed shortly after the Three Mile Island incident, I should note.

In contrast, in 1978 I asked if my constituents felt that "more nuclear power plants should be built right now." The result:

Strongly agree—48 percent.
Mildly agree—20 percent.
Mildly disagree—8 percent.
Strongly disagree—15 percent.

In 1977, a similar question found that 52 percent favored increased nuclear development and 6 percent said "no."

Finally, this year I posed the question: "Do you agree with those who maintain that the United States should place a greater priority on the development of energy and power sources and less emphasis on preserving the environment?" The result:

Strongly agree—35 percent.
Mildly agree—20 percent.
Mildly disagree—18 percent.
Strongly disagree—24 percent.

In 1977 I asked a similar question with regard to conversion to increased coal usage:

Strongly agree—29 percent.
Mildly agree—30 percent.
Mildly disagree—14 percent.
Strongly disagree—20 percent.

Rising costs, prices, and Government expenditures are with us daily and are eating at the basic fiber of American life and spirit.

The Federal budget poses one constant source of debate and dilemma. I suggested a target date of fiscal 1983—adopted in 1982—for balancing the budget and 79 percent approved of that target, 14 percent disagreed, and 7 percent did not answer.

When asked to suggest which budget categories should be cut, many people selected more than one. The following is a list in descending order of categories suggested for cuts with the percentage of respondents favoring a cut therein:

Foreign aid	63
National defense	33
Income security	27
Highway and mass transit	25
Education	25
Veteran's benefits	21
Natural resources	20
Health	15
Energy	11

In 1977 the first choice for cutbacks was income security followed closely by unemployment insurance and national defense.

I then posed the question of which level of Government should assume the responsibility of funding programs cutback on the Federal level if those programs are to exist; 21 percent chose State government and 52 percent chose local government.

Various other attacks on inflation have been suggested and I advanced a few of them for comment. Mandatory price controls brought a favorable response from 61 percent, while only 21 percent were opposed. Wage controls were favored by a 49 to 28 percent margin, while only 19 percent favored the voluntary system and 12 percent leaned toward no controls at all.

In 1978 a similar question found 29 percent in favor of both wage and price controls and 52 percent opposed. Forty-eight percent favored price controls on key commodities and 39 percent were opposed.

Several alteratives were presented concerning health costs and care. They are general and were posed before the most recent Carter health plan was announced.

A "Kennedy-type plan" was approved of by 37 percent to 33 percent, with 30 percent abstaining.

A "Carter-type plan" was approved by 34 percent to 29 percent with 37 percent not certain.

This area of concern showed the greatest uncertainty of any polled, as it did over the last 2 years.

In a series of questions concerning cancer, the environment and searches for a cancer cure—55 percent favored greater industrial and environmental controls and improvements, 20 percent said "no" and 25 percent did not respond.

Fifty-seven percent support increased research for a disease—viral or bacterial—cause of cancer while 17 percent said "no", with the remaining 26 percent being undecided.

Significantly, only 11 percent favor maintaining the current levels of expenditures and research.

Soon to be before the Congress are various approaches to the system of furnishing manpower for our Armed Forces.

When faced with the question of approving or disapproving various alternatives concerning selective service and Government service the responses were varied and most showed a good deal of indecision:

(a) Completely restoring the old lottery system:

Yes, 21 percent.
No, 37 percent.
No answer, 42 percent.

(b) Funding registration of youths at age 18:

Yes, 33 percent.
No, 24 percent.
No answer, 43 percent.

(c) Universal training—mandatory service for all citizens at some age in some aspect of government service:

Yes, 47 percent.
No, 23 percent.
No answer, 30 percent.

(d) The current "Volunteer" system or a variation thereof:

Yes, 37 percent.
No, 24 percent.
No answer, 39 percent.

Recently there have been moves in several States to hold a constitutional convention to discuss proposed changes in the Federal Constitution. Some proponents of such a convention desire to limit the purpose to one or more specific subjects.

In addition, various public interest groups are advocating single amendments to the U.S. Constitution.

I posed the question of whether a convention should be held and also sought opinions as to which proposed amendments are acceptable or preferable:

(a) Approval of a Constitutional Convention:

Yes, 38 percent.
No, 50 percent.
No answer, 12 percent.
(b) Equal Rights Amendment:
Yes, 53 percent.
No, 33 percent.
No answer, 14 percent.
(c) Right to Life Amendment:
Yes, 25 percent.
No, 59 percent.
No answer, 15 percent.
(d) Balanced Federal Budget (no target date):

Yes, 61 percent.
No, 26 percent.
No answer, 14 percent.

(e) Outlawing forced busing for educational integration:

Yes, 68 percent.
No, 25 percent.
No answer, 8 percent.

In 1977, 73 percent favored a balanced budget while in 1978, 60 percent favored same even if lower benefits or higher taxes resulted.

The questionnaire contained several questions concerning abortion and as to whether it should be:

(a) Never permissible or legal:
Yes, 10 percent.
No, 65 percent.
No answer, 25 percent.
(b) Permitted upon demand:
Yes, 57 percent.
No, 28 percent.
No answer, 15 percent.
(c) Permitted when life/health of mother or fetus in danger:
Yes, 79 percent.
No, 4 percent.
No answer, 17 percent.
(d) Permitted in cases of rape or incest:
Yes, 78 percent.
No, 7 percent.
No answer, 16 percent.

President Carter and the Senate have been involved in several areas of foreign policy during the past 2½ years, some extremely controversial.

I posed several foreign policy questions, as follow verbatim, asking whether my constituents approved of the actions or possible actions:

(a) The Panama Canal Treaties, which turn over the Canal Zone to the Panamanian government over a period of time:

Yes, 51 percent.
No, 41 percent.
No answer, 8 percent.

(b) The normalization of relations with Mainland China and the cancellation of our treaty with the Taiwan government:

Yes, 57 percent.
No, 33 percent.
No answer, 10 percent.

(c) Normalization of relations with Castro's Cuba:

Yes, 50 percent.
No, 42 percent.
No answer, 8 percent.

(d) A less firm attitude with the Mexican Government regarding the movement of drugs and illegal aliens into this country because of our desire for oil and natural gas:

Yes, 22 percent.
No, 70 percent.
No answer, 8 percent.

(e) Agreement with the Soviet Union on the limitation of weapons: (This was asked before the signing of SALT II)

Yes, 71 percent.
No, 22 percent.
No answer, 8 percent.

(f) The Peace Treaty between Israel and Egypt:

Yes, 83 percent.
No, 11 percent.
No answer, 6 percent.

I thank all those who took time to let me know their thoughts and for playing a role in their Government.●

SENATE—*Wednesday, June 27, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God before whom the generations rise and pass away, we thank Thee for making the diverse peoples of this land "one nation under God." As with rituals of memory and patriotic ceremonies we recall the valiant fighters and the wise political philosophers providentially present at the birth of this Nation, so we ask that we may be born again to their vision of human dignity, decency, industry, reliability, and national purpose. Show us once more that freedom is never free, but must be won and preserved in every generation. May the spiritual impulses of the Founding Fathers arise anew in us that we may be a servant people to all mankind.

Be with all who are Members of this body or serve it in any way. May goodness and mercy attend us that we may abide in Thee forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 27, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no requests for time. I will reserve my time or yield some of it to the minority leader, if he desires.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the majority leader.

I have no need for additional time.

THE SALT II TREATY

Mr. BAKER. Mr. President, today I called a press conference to announce that I shall oppose the SALT Treaty. I did so with regret, for I had hoped that a treaty I felt was inadequate could be improved and strengthened and be made acceptable.

I have expressed my willingness to work toward that end if I received some assurance that those efforts would be favorably received. I talked at great length with President Carter and the administration has not expressed a willingness to consider amendments.

In a statement by Foreign Minister Gromyko on Monday, the Soviet Government is saying that the U.S. Senate and the American people are faced with a "take it or leave it" treaty and threatening dire consequences if the treaty is amended or rejected.

I am disappointed by the administration's apparent position, and I am not impressed by the Soviet position. Therefore, I wish to announce today that until the administration demonstrates a willingness to accept reasonable amendments—and until the Soviet Government demonstrates a willingness to consider them—I plan no further efforts to try to improve this treaty, and I plan to vote against it.

If I perceive a different point of view, a different attitude later, then I am willing—and in fact I would be anxious—to resume those efforts. But it seems counterproductive to proceed further at this time.

In the best light, this treaty is not favorable to the United States, and at the least, it is inequitable in that it provides a substantial strategic superiority to the Soviet Union.

The treaty is vague where clarity is required. It rests on faith where hard evidence is essential.

And most important of all may be the signal it sends, not only to the Soviet Union but the rest of the world, that the United States is willing to accept this status quo: a questionable American strategic adequacy born of a decade of vast Soviet military growth coupled with a gradual diminution of American strength.

I believe in the strategic arms limitation continuum. I voted for SALT I, in the belief it was a first step toward bringing equality to the strategic forces of the two countries.

I supported the agreements arrived at in Vladivostok. While they were not perfect, they were, I thought, another step in the right direction.

I would like to support SALT II—and III, and IV, and V, until we have reduced substantially the threat of nuclear war.

The question should not be whether we support a SALT Treaty, but whether we support this SALT Treaty. I do not and I cannot, without amendments. If the administration does not signal a willingness to consider amendments, and if the Soviet Government does not stop threatening the Senate, then I shall work diligently and, I trust, effectively to defeat this treaty.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

There are three categories of problems that I have with the treaty.

First, I think there are significant ambiguities that must be resolved by amendment or by reservations—and acceded to by the Soviet Government, particularly with respect to our right to develop and deploy new weapons systems—according to our interpretation of the treaty, and not according to the Russian interpretation.

I was disturbed, for example, by press reports indicating that the Soviet Union disputes the propriety of the mobile basing mode of the MX missile. That would be a poor way to begin this treaty experience, with substantial disagreement between the United States and Russia on whether we have the right to do what the President has announced we intend to do.

Second, monitoring and verification: I believe the treaty fails to provide for adequate monitoring and verification of Russian adherence to the terms of the treaty. The net effect of the treaty language enables the Soviets to say:

> We'll let you know whatever we want you to know about our missile tests.

I am not prepared to accept that, and I fully expect that an amendment to correct that deficiency will be offered as well.

The third category is the most important: The nature of equality of weapons systems between the two countries. The goal of arms control is to equalize and reduce the destructive capacity of each nation. I believe this treaty has lost sight of that requirement, for it provides a vast inequality.

For example, the 308 heavy missiles allowed to the Soviet Union under this treaty have firepower equal to all of our strategic ballistic missile systems put together.

For another example, I simply cannot understand why the Soviet advanced Backfire bomber should be excluded from the treaty—and our B-1 bomber should be included. I feel certain that an amendment to restore a degree of equality in advanced aircraft will be offered in the Senate.

These are examples—and not a list—of treaty defects. By far, the greatest deficiency in the treaty is the difference in the firepower of the United States and the Soviet Union.

Were it not for the Soviet "heavy missiles," the SS-18's, I doubt that we would have to commit $30 or $40 billion to a mobile deployment of our new MX missile. Were it not for the threat of those huge weapons, I think most other matters would fall into place.

If the Soviet Government was willing to eliminate its 308 heavy missiles, I would be predisposed to consider a most generous reconciliation of the remaining points.

But with those huge missiles in their inventory and with none in ours, there is such a vast difference in the destructive capability of our two strategic systems, and there is such grave danger to the United States that I feel the treaty is fatally flawed.

These reasons suggest my concerns and disappointments with this treaty.

I would like to conclude by reiterating my opening statement. I was prepared—I am still prepared—to try to negotiate amendments and changes in the treaty, to improve it and to pass it.

But I am not willing to do that while the administration assumes an adamant position in opposition to meaningful amendments, nor under Soviet threats of "grave consequences" if the Senate and the American people do not knuckle under.

I respect the Soviet Union, I hear and understand Foreign Secretary Gromyko's words, and my reply is that the Senate will work its will and the American Republic will survive and prosper without that advice from the Russians.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no requests for time. If the majority leader has no need for my time, I am prepared to yield it back.

Mr. ROBERT C. BYRD. I thank the minority leader.

I yield back my time.

Mr. BAKER. I yield back my time.

RECOGNITION OF SENATOR JEPSEN

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Iowa (Mr. JEPSEN) is recognized for not to exceed 15 minutes.

The Senator from Iowa.

Mr. JEPSEN. I thank the Chair.

S. 1418—THE EARNINGS LIMITATION FOR SOCIAL SECURITY RECIPIENTS SHOULD BE ABOLISHED

Mr. JEPSEN. Mr. President, today I am introducing legislation which will abolish the outside earnings limitation for social security recipients. This aspect of the social security law is extremely unfair and responsible for keeping many thousands of older Americans, who would like to do so, from being able to work. This not only hurts them but deprives our Nation of an extremely important resource which we can ill-afford to waste.

Mr. President, a recent study by the National Committee on Careers for Older Americans estimates that at least 4 million persons over the age of 65 would like to work but do not. An important reason for this, I believe, is because our social security laws are written so that many people are discouraged from working. This is because for every $2 which a social security recipient earns above $4,500 per year $1 of benefits are deducted, until age 72. The effect of this earnings limitation is the same as if a 50-percent marginal tax rate were imposed on the earnings of those on social security.

It is a fact of life that when you impose a tax on something you get less of it. Thus the earnings limitation and 50 percent penalty imposed for exceeding it have the same effect. The result is that many older Americans who would like to work are discouraged from doing so.

The magnitude of these de facto marginal tax rates on social security recipients can be extremely high. According to calculations made by my staff they may go as high as 79.1 percent, counting only social security and Federal income taxes in addition to the reduction in benefits for exceeding the earnings limitation.

Mr. President, I ask unanimous consent that a table showing gross monthly earnings for a social security recipient, net spendable income and the de facto marginal tax rate be printed at this point. These figures assume 1978 social security and Federal income tax law, an average social security benefit of $243 per month for a single person, and that the employers' share of social security taxes is borne by the worker.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EFFECTS OF THE EARNINGS LIMITATION, SOCIAL SECURITY, AND FEDERAL INCOME TAXES ON SPENDABLE INCOME FOR SOCIAL SECURITY RECIPIENTS

Monthly gross wages	Net spendable income	Increase in spendable income	De facto marginal tax rate (percent)
0	$243.00		
$100	332.90	$89.90	10.10
$200	422.80	89.90	10.10
$300	508.20	85.40	14.60
$400	548.94	40.74	59.26
$500	572.17	23.23	76.77
$600	594.65	22.48	77.52
$700	615.55	20.90	79.10
$800	634.87	19.32	41.77
$1,000	760.17	67.07	32.93

Mr. JEPSEN. These are conservative figures. If they also included State and local income taxes, unemployment insurance taxes, miscellaneous sales and property taxes per capita, the figures would be higher, of course. Nevertheless, the magnitude of the disincentive we have imposed upon our senior citizens is quite apparent. Consequently, it is no wonder that so many older Americans would like to work but do not.

When the social security earnings limitation was instituted, back in the 1930's, it is clear that the Congress intended to keep older Americans out of the work force. It was believed that if older Americans could be discouraged from working that this would open up needed jobs for younger workers. The assumption behind this reasoning is that there is only a fixed amount of work to be done in the economy and no more. Economists call this the "lump-of-labor fallacy." In fact, the amount of work to be done is not fixed or limited. Therefore, by taking people out of the labor market or by uniformly reducing hours of work, it does not necessarily create openings.

In the midst of the Great Depression it may have been difficult to see the fallacy of the lump-of-labor view, but today there is no excuse. Yet because our social security laws incorporate the lump-of-labor fallacy we are unnecessarily denying our country the services of many highly skilled and experienced workers. As Economists Arthur Laffer and David Ranson recently wrote:

> Throughout history, mankind has revered the repository of wisdom, experience and skills possessed by the aged. In the United States today, this tradition has been undermined on a national scale. Built into

> the social security system is a major deterrent to employment of the aged: the retirement test. . . . Most people remain able to work at the age of 65 and beyond. A number of these would like to augment their retirement incomes. Output, income growth, and the general level of economic well-being are all reduced by the fact that this desire to work is substantially frustrated.
>
> We can ill afford such a dissipation of a unique national resource. While our wealth may be great, gratuitous waste is intolerable. We think it is pernicious to effectively deny society access to the skills and abilities of its aged members. Moreover, it is transparently unjust to require the elderly to work under confiscatory taxes. Ironically, the provisions that reduce social security benefits of the 65 to 72 age group as their earnings rise is an onerous taxation of the very group the system's mission is to help. The retirement test is uneconomical and immoral.

The principal argument against lifting the earnings limitation, of course, is that it will cost the Government money. Estimates are that increased benefits which will be paid to people presently earning more than the earnings limitation will cost anywhere from $1 to $3 billion. While this is true it ignores the economic benefits to our economy which will come from the skills of older Americans presently discouraged from working, and it ignores the tax revenues which will be generated by those people who work that would not otherwise. The estimated offsetting revenues obviously vary widely, but they range between $1.3 billion and $454 million, or between 17 percent to more than 100 percent of increased expenditures. In other words, it could very well be that the Government will take in more revenue than it loses. I ask unanimous consent that a table showing various revenue estimates made by Senator BARRY GOLDWATER and economist Marshall Colberg be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED INCREASE IN TAX REVENUE FROM ELIMINATION OF EARNINGS LIMITATION

[In millions of dollars]

	Payroll tax	Income tax	Total
GOLDWATER ESTIMATES[1]			
High estimate:			
Men	$812.7	$192.0	$1,004.7
Women	279.5	29.7	309.2
Total	1,092.2	221.7	1,313.9
Low estimate:			
Men	632.8	144.0	776.8
Women	209.6	22.0	231.6
Total	842.4	166.0	1,008.4
COLBERG ESTIMATE[2]			
Men	141.7	138.6	280.3
Women	97.7	75.7	173.4
Total	239.4	214.3	453.7

[1] Source: Statement by Senator Barry Goldwater, Congressional Record, Nov. 4, 1977, p. 3'109.

[2] Source: Marshall Colberg, "The Social Security Retirement Test: Right or Wrong" (American Enterprise Institute, 1978), pp. 54-56.

Mr. JEPSEN. Mr. President, a more subtle reason why many oppose lifting the earnings limitation is a desire to turn the social security system away from being an annuity program into an income redistribution vehicle. If it is in fact an actual annuity program, based on the contributions of the retiree and his employer, then it is grossly unfair to deny benefits based on some arbitrary criteria of need. On the other hand, if social security is simply a vehicle for income redistribution then it makes sense to only distribute benefits on the basis of need, and an earnings limitation is appropriate.

It is true that over the years the annuity principle in social security has been weakened; that is to say, it is not strictly based on employer/employee contributions as a private annuity would be. Nevertheless, in the minds of most Americans social security is an insurance program, not a welfare program. And this is the crux of the argument in favor of eliminating the earnings limitation. Those who argue against lifting the limitation are implicitly endorsing the view that social security is a welfare program, not an annuity.

This contradiction between the view of social security as an annuity and as a vehicle for income redistribution, was clearly evident even when the program was being founded. Economist, later Senator, Paul H. Douglas, an important figure in the establishment of social security, for example, wrote in 1936 of the earnings limitation:

> This requirement that the aged must leave regular jobs in order to obtain their annuities was undoubtedly dictated by two sets of considerations. The first was that those who had regular jobs would not be in need of annuities, while the second was a desire to clear the labor market of the older empolyees in order to make a place for the unemployed young workers.
>
> This provision, however, is in part a confusion of the idea of relief with that of insurance. The workers will have made direct contributions for half of their annuities and indirectly will have paid for most of the employers' contributions as well. When the system is thoroughly established, they will therefore have earned their annuities. To require them to give up gainful employment is, in reality, attaching a condition upon insurance which they have themselves bought.
>
> This provision will also be difficult to enforce. For, strictly interpreted, it would prevent an aged person from keeping a small shop or operating a farm. All sorts of difficulties will arise in the attempt to ferret out such facts and to keep those over the age of sixty-five from having some gainful job.

Douglas is correct when he says that it is hard to administer the earnings test. This is just another argument in favor of repeal; for it means that considerable savings could be made in social security administration cost without cutting anyone's benefits.

This brings me to a strange contradiction in the application of the earnings test: It prohibits only the earning of income from actual labor, not income earned from capital or other so-called unearned sources. This is grossly unfair to those whose income comes from labor, or whose investments have been made in what economists call human capital, such as education. This is clearly inconsistent with the view that social security ought only be given to those who actually need it. Yet the following categories of income are excluded from the definition of earned income, meaning you can make as much money from them as you want and not lose benefits:

Pensions and retirement pay;

Payments in kind for domestic service, agricultural labor, or for work not done in the course of the employer's trade or business;

Rentals from real estate where the beneficiary did not "materially" participate in work connected with the income;

Interest or dividends on bonds or stock;

Capital gains;

Tips under $20 per month or not in cash;

Reimbursement of travel expenses; and

Royalties if the patent was obtained before the age of 65 and no substantial improvements were made after that age.

The reason why such a blatantly discriminatory system exists is obvious for two reasons: First is a lack of understanding about what income is. In my opinion there is no such thing as unearned income. All income is earned, because in order for capital to be created there must be foregone consumption. Thus income derived from capital only differs from income derived from work in the sense that it is future rather than present income. Second, if they ever tried to include so-called unearned income in the definition of the earnings test it would probably lead to a revolt which would destroy the earnings test.

There are also other, more practical problems with the earnings limitation. For one thing, it applies across the board and cannot accommodate those with special circumstances or differences in the cost of living. Consider this latter point: Since it obviously costs more to live in some parts of the country than in others, this means that the real value of one's income varies from State to State. Thus if one applies a State-by-State index to the earnings maximum in 1978, $4,000, one finds that in real terms, adjusted for the cost of living, this $4,000 was worth $5,263 in Florida and only $3,226 in New York—a difference of more than $2,000 in real terms.

I ask unanimous consent to have printed in the RECORD at this point a table listing each State, the price index for that State, and the equivalent real value of the $4,000 earnings limitation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Region/division/State	Price index [1]	Real value of social security earnings maximum ($4,000)
Northeast	1.12	$3,571
New England	1.03	3,883
Maine	.84	4,762
New Hampshire	.79	5,063
Vermont	.84	4,762
Massachusetts	1.05	3,809
Rhode Island	1.05	3,809
Connecticut	1.13	3,540
Middle Atlantic	1.15	3,478
New York	[2] 1.24	[3] 3,226
New Jersey	1.13	3,540
Pennsylvania	1.03	3,883
South	.88	4,545
South Atlantic	.89	4.494
Delaware	.92	4,348
Maryland	1.01	3,960
Virginia	.98	4,082
West Virginia	.98	4,082
North Carolina	.87	4,598
South Carolina	.89	4,494
Georgia	.83	4,819
Florida	[3] .76	[2] 5,263
East South Central	.88	4,545
Kentucky	.98	4,082
Tennessee	.84	4,762
Alabama	.86	4,651
Mississippi	.83	4,819
West South Central	.88	4,545
Arkansas	.83	4,815
Louisiana	.93	4,309
Oklahoma	.89	4,494
Texas	.87	4,598
North Central	1.03	3,883
East North Central	1.05	3,809
Ohio	1.06	3,773
Indiana	1.00	4,000
Illinois	1.07	3,738
Michigan	1.06	3,773
Wisconsin	1.04	3,846
West North Central	.98	4,082
Minnesota	.98	4,082
Iowa	.97	4,124
Montana	.94	4,255
North Dakota	.95	4,210
South Dakota	1.00	4,000
Nebraska	1.00	4,000
Kansas	1.07	3,738
West	1.00	4,000
Mountain	.88	3,545
Montana	.94	4,255
Idaho	.82	4,878
Wyoming	.97	4,124
Colorado	.88	3,545
New Mexico	.85	4,706
Arizona	.89	4,494
Utah	.87	4,598
Nevada	.88	3,545
Pacific	1.03	3,883
Washington	1.05	3,809
Oregon	.92	4,348
California	1.04	3,846
Alaska	1.20	3,333
Hawaii	1.13	3,540
United States	1.00	4,000

[1] Source: Victor Fuchs, Robert Michael, and Sharon Scott, "A State Price Index" (National Bureau of Economic Research, working paper No. 320, February 1979).

[2] Highest.

[3] Lowest.

Mr. JEPSEN. Of course, Mr. President, changes in the cost of living not only affect people from region to region, but through time as well. Thus, the real value of the earnings limitation declines steadily as inflation increases. Although Congress has periodically revised upward the limitation, there have still been long periods of time in which there was a real decline in its value.

I ask unanimous consent to have printed in the RECORD at this point a table which shows the annual earnings limitation in effect from 1955 to the present, including all changes made by Congress, and its equivalent real value measured in 1967 dollars. It shows that despite a significant increase in the earnings limitation, from $1,200 in 1955 to $4,500 today, there has been only a small increase in the real value of the earnings limitation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANNUAL OUTSIDE EARNINGS LIMITATION FOR SOCIAL SECURITY, 1955–82

[In current dollars and real dollars]

Year	Annual income limit [1]	Consumer Price Index	Income limit in 1967 dollars
1955	$1,200	80.2	$1,496
1956	1,200	81.4	1,474
1957	1,200	84.3	1,423
1958	1,200	86.6	1,386
1959	1,200	87.3	1,374
1960	1,200	88.7	1,353
1961	1,200	89.6	1,339
1962	1,200	90.6	1,324
1963	1,200	91.7	1,309
1964	1,200	92.9	1,292
1965	1,200	94.5	1,270
1966	1,500	97.2	1,543
1967	1,500	100.0	1,500
1968	1,680	104.2	1,612
1969	1,680	109.8	1,530
1970	1,680	116.3	1,444
1971	1,680	121.3	1,385
1972	1,680	125.3	1,341
1973	2,100	133.1	1,578
1974	2,400	147.7	1,625
1975	2,520	161.2	1,563
1976	2,760	170.5	1,619
1977	3,000	181.5	1,653
1978	4,000	195.4	2,047
1979	4,500	[2] 211.0	2,133
1980	5,000	[2] 227.9	2,194
1981	5,500	[2] 246.1	2,235
1982	6,000	[2] 265.8	2,257

[1] Source: Marshall Colberg, "The Social Security Retirement Test: Right or Wrong?" (American Enterprise Institute, 1978) pp. 6–7.

[2] Assuming 8-percent inflation.

Mr. JEPSEN. Mr. President, I will conclude my statement today by repeating the major points: First, it is immoral and unfair to deny social security benefits to those with more than a specified level of earned income, while excluding unearned income from the limit. Those who have earned their social security benefits ought to be entitled to them regardless of what other income they have. Second, we are imposing an enormous economic cost on our economy by denying ourselves the services of many older Americans. There is strong reason to believe that many of them would work if it did not mean a reduction in benefits. For example, a study done in 1968 showed a 14-percent increase in labor force participation rates between men 70 to 71 and those between 72 and 73; 72 being the age at which the limitation no longer applies. Thus it is quite possible that increased tax revenues would more than make up for increased expenditures and our economy would be better off in the bargain.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(f)(8)(A) of the Social Security Act is amended by striking out "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are" and inserting in lieu thereof "the new exempt amount which is".

(b)(1) Section 203(f)(8)(B) of such Act is amended by striking out "Except as otherwise provided in subparagraph (D), the exempt amount which is applicable to individuals described in such subparagraph and the exempt amount which is applicable to other individuals, for each month of a particular taxable year, shall each be" and inserting in lieu thereof "The exempt amount for each month of a particular taxable year shall be".

(2) Section 203(f)(8)(B)(1) of such Act is amended by striking out "the corresponding exempt amount" and inserting in lieu thereof "the exempt amount".

(3) The last sentence of section 203(f)(8)(B) of such Act is amended by striking out "an exempt amount" and inserting in lieu thereof "the exempt amount".

(c) Section 203(f)(8) of such Act is further amended by striking out subparagraph (D) thereof.

(d) Subsections (f)(1), (f)(3), (f)(4)(B), and (h)(1)(A) of section 203 of such Act are each amended by striking out "the applicable exempt amount" and inserting in lieu thereof "the exempt amount".

(e)(1) Subsections (c)(1), (d)(1), (f)(1)(B), and (j) of section 203 of such Act are each amended by striking out "seventy" and inserting in lieu thereof "sixty-five".

(2) The last sentence of section 203(c) of such Act is amended by striking out "nor shall any deduction" and all that follows and inserting in lieu thereof "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, widower, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.".

(3) Clause (D) of section 203(f)(1) of such Act is amended to read as follows: "(D) for which such individual is entitled to widow's or widower's insurance benefit if she or he became so entitled prior to attaining age 60, or".

(4) Subsection (f)(3) of section 203 of such Act is amended by striking out "age 70" and inserting in lieu thereof "age 65".

(5) Subsection (h)(1)(A) of section 203 of such Act is amended by striking out "age 70" and inserting in lieu thereof "age 65".

(6) The heading of subsection (j) of section 203 of such Act is amended by striking out "Seventy" and inserting in lieu thereof "Sixty-five".

SEC. 2. The amendments made by this Act shall apply only with respect to taxable years ending after December 31, 1979.

PROF. THOMAS SCHELLING OF HARVARD EXPLAINS THE ENERGY SHORTAGE

Mr. JEPSEN. Mr. President, in testimony before the Joint Economic Committee this morning Prof. Thomas Schelling, of Harvard, author of the recent study "Thinking Through the Energy Problem," had many important things to say about the longrun energy situation which are most important. He points out that the energy problem is one of cost, not absolute shortages. The real danger being that we may not allow the price of energy to reflect its increasing cost, thereby encouraging consumption and discouraging production.

Mr. President, Professor Schelling's statement is one of the most enlightening I have seen, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THOMAS C. SCHELLING

Mr. Chairman, members of the Committee: I am Thomas C. Shelling, Professor of Political Economy at the John F. Kennedy School of Government, Harvard University. I am a member of the study group on Energy: The Next Twenty Years, Organized by Resources for the Future, whose report on energy policy is nearing completion. Before that I was a member of the study group on Nuclear Energy Policy, organized by the Mitre Corporation, which published Nuclear Power: Issues and Choices, in early 1977. Before that I was project director and author of the policy statement of the Committee on Economic Development on Nuclear Energy and National Security. And I am the author of a sixty-two page booklet, Thinking Through the Energy Problem, published in March of this year by the Committee for Economic Development.

My statement today is based mainly on that most recent publication. It was difficult enough to cover the subject in sixty-two pages. This morning I must be even more brief. If the Committee will accept that longer published statement I shall be happy to submit it for the record to supplement the very brief outline to which I must restrict myself here.

I'd like to begin, Mr. Chairman, with the questions, is there really an energy shortage? Are we running out of fossil fuel? How much fuel is there out there, and when will we run out?

The answer, Mr. Chairman, sounds like good news. But it is not. The answer is that there is more fuel than we shall ever burn. We'll never run out. Especially in the United States, the quantities of fossil fuel are huge. The bad news is that the cheapest fuels, the easiest fuels to extract and transport and refine and clean up after, are getting scarce. Successive tens of billions of tons of coal will be more expensive because of quality, depth and thickness, location, and, especially, the environmental effects of mining, transporting, and burning it. Oil can be had even from abandoned deposits at higher extraction costs. Deeper wells can be drilled; oil can be obtained from the ocean bed; it can be brought expensively by pipeline across the entire state of Alaska. Eventually shale and tar sands can yield immense quantities of liquid fuel but at costs that have not been, and still are not, competitive with the common fuels. Liquid fuels can eventually be obtained in large quantity from coal, but only at prices that, except possibly in the last few weeks, have never been paid for crude oil.

The problem is often described as the overtaking of supply by demand and the development of a gap. But the image of the "gap" neglects the fundamental economics of energy: the amounts of fuel that can be economically exploited depend on the prices that people will pay for them. More and more expensive sources of supply will have to be used. Rising demand will provide the market for them, but only at the higher prices that will cover their costs.

The energy problem is not to keep the price of fuel from rising. If fuel prices do not rise enough to cover the increasing costs of producing the fuels, the fuels will just not be available to buy. The problem is to meet the rising economic cost of fuel with policies that minimize the burdens, that allocate them equitably, that avoid disruptions in the economy, and that keep the costs from rising more than necessary.

Once the problem is formulated as a matter of cost, not of absolute gaps and shortfalls, we can try to measure the size of the problem. My estimate is that the fuel portion of our GNP, roughly 5 or 6 percent of our GNP, may double in cost over the next couple of decades, so that while the GNP is doubling we shall lose about 5 or 6 percent of it in the higher cost of producing fuel and the higher cost of producing exports to pay for imported fuel. At some date around the end of the century when our GNP might otherwise have been double what it is today, it will be only 9 percent greater; to put it differently, it may take a couple of years longer for the GNP to double than it would if unlimited fuel were available at today's costs. In both its magnitude and its incidence on the rich and the poor, the result would be about as though a 5–6 percent sales tax were gradually but permanently imposed between now and the end of the century.

There is a complex of world energy problems, disruptive and frightening problems, that transcend the economics of cost increases. Many of those national security problems relate to the fact that half the world's petroleum reserves are located in countries that contain 1 percent of the world's population, countries with no modern tradition of government, located in an unstable part of the world. Twenty million barrels of oil per day go through the narrow Straits of Hormuz. Furthermore, most of our allies and many important underdeveloped countries are far more dependent on overseas supplies of fuel than we are. There is plenty of reason to think of the world energy problem as a crisis. But the U.S. energy problem, although vulnerable to shortrun import disruptions, is merely a serious problem, not the most serious domestic problem but one of them.

The danger is that we may attempt to insulate ourselves from the rising cost of energy by trying to hold prices down. We may deceive ourselves into believing that the costs do not have to be paid because we do not pay them openly and directly. But if they are not paid, the energy will not be there when we need it. If the costs do not have to be paid by users, consumers need not care and cannot know what it is worth to save energy. If we attempt to hold prices down while genuine costs are rising, there is a danger that our energy policy will aggravate the problem it attempts to solve. We shall simply waste energy resources in subsidized consumption, deny ourselves the enlarged supplies that could be available at higher prices, and delay the technological development needed to cope with rising costs.

I believe we may be witnessing dramatic evidence right now that we have been doing exactly that. Newspapers report that the spot price of crude oil—the price paid for crude oil not sold under long-term contracts—reached thirty dollars per barrel. Iranian production may still be down by a couple of million barrels per day below what it probably would have been if the Iranian revolution had not occurred. Saudi Arabian production may be up from what it would have been, but not by a full two million barrels per day. It is hard to guess how much of a ratchet effect this will have on the permanent OPEC price, and it is hard to estimate how much difference it might have made if U.S. oil imports could have been reduced by even one million barrels per day over the past few years, but it seems likely that we shall pay a permanent penalty—a sizable penalty in the OPEC oil price—for having kept the price of oil in the United States artificially low during the past several years, stimulating consumption rather than conservation. I am afraid we could not have asked for a more dramatic demonstration, or a more discouraging one, that when we postpone the price increases by subsidizing the refineries at the expense of the crude oil producers, the price increases, when they ultimately come, come with a vengeance.

It is barely six months since people were appalled at the thought of a 14.5 percent oil price increase over a fifteen month period; we do not need any more evidence that a "cheap fuel" policy does not make fuel cheap. Let me explain what I mean by a "cheap fuel" policy. We have been regulating the price of domestic fuel oil. There are two sides to the regulation. One is that the producers of crude oil receive substantially less for the oil they produce than what oil is worth on world markets. The second is that refineries have been paying, and mostly passing on to their customers, prices substantially below the cost of imported oil and below the cost of new domestic oil. There has been an averaging process that allows refineries and their customers to pay a price between the controlled domestic prices and the world price level. The effect is the same as if domestic producers were taxed, and the proceeds were used to subsidize imports. The system not only saves the American consumer from paying the full "replacement costs" of the oil he obtains from old domestic wells; the system makes him spend it on high-cost imported oil that look cheaper than it is. We have been using the proceeds of domestic price control to subsidize imports from OPEC. It is hard to imagine a more wonderfully effective way to inflate the prices we pay. Today's controls on domestic prices are the fulcrum on which we lever upwards the price of OPEC oil tomorrow.

It is worse than that. By stimulating the use of liquid fuels, and hence stimulating imports, we not only bid up the price we pay for the petroleum that OPEC sells, we make ourselves even more vulnerable to shortrun disruption by increasing the fraction of our liquid fuel that we depend on from interruptible overseas sources. And we aggravate our balance of payment problem, the declining value of the dollar, and the resulting inflationary potential, not to mention the lost confidence of other countries in the ability of the United States to maintain the dollar as a world standard currency.

Deregulation of crude oil prices in the United States will immediately increase the price of crude oil and increase the price of refinery products, and the prices we pay for gasoline, heating fuels, and anything else dependent on the industrial use of petroleum. That rise in the price of the things we buy that are made from crude oil is deplorable, but it is the purpose of deregulation. The object is to affect the tilt of the trajectory of energy prices. Raising the prices we pay for energy will begin to inhibit our demand; higher prices will promise to cover the costs of enlarged future supplies; and new technologies that conserve fuel, not economical at today's energy prices, will be introduced to save fuel because they save money. The trade-off is between today's prices and future prices: getting all of us to behave in accordance with the true cost of fuel today may lower the prices we pay the day after tomorrow.

I have been reading estimates from many different sources about the amounts of liquid fuel that may be conserved or produced by 1985 with the elimination of crude oil price regulation. The amounts look rather modest, about a million barrels a day roughly of reduced consumption and enhanced supply.

That makes it look as though we don't get much resolution of the problem, while we get some enhanced burden on the particular people who consume more fuel than the average. And in particular, the poor are thought of as being especially hard-hit by rising prices of heating oil and gasoline. May I suggest, Mr. Chairman, that 1985 is the very near future, and if we focus on that date we'll always be blinded to the long-term problem and tempted to go on subsidizing the importation of OPEC oil. Energy saving and energy producing are long-lead time activities.

Home heating depends on the technology of housing construction, furnaces, insulation, storm doors and windows, the improvements that will result from responses to higher fuel prices cumulate over the years, and 1985 is barely the day after tomorrow. Even the gasoline mileage of automobiles and light trucks and vans involve time periods of a decade or more; with today's known technology we can improve mileage by 1985, but with cars and trucks and vans lasting ten years or so, it will be the 1990's before we have flushed out yesterday's models, and new technologies will take a few years to develop and another decade to work into the fleet. On the supply side, bringing in oil from shale or liquid fuel from coal, or even conventional oil from depth and distances (like the north slope of Alaska) where costs are high, involves typically a decade or more planning and financing and physical activity. 1985 is barely tomorrow. We are already in the 1990's, where results are concerned,, in the crucial decisions made today and tomorrow in response fuel prices.

I would like to state emphatically that I believe consumers are done a disservice by offering the option of deceptively cheap petroleum products, when their response to those cheap products will simply make them more expensive in the future. I believe the poor people in this country will suffer even more from high energy prices ten years from now if we do not soon stop stimulating and subsidizing fuel consumption through a price-control system that is popular only because its long-term effects are not visible. We can postpone the problem, we cannot keep it buried forever.

But a legitimate question does arise, can we save ourselves from paying to those lucky people who owned oil wells half a dozen years ago the world price of a product that they are able to sell because of decisions they took when the price of oil was a small fraction of what it is today? Can we, in other words, continue to control the price of "old oil"? And should we plan to capture the excess profits of new oil that is brought in in the future?

Mr. Chairman, if we could separate the present from the future and simply deny the people who had profitable oil wells some years ago, the appreciation of their properties that go along with the rise in the price of petroleum, I'd go along with the idea that we should do so. Discriminating in favor of "new oil" and against "old oil" would appear to capture the "undeserved gains" of people who luckily invested in oil wells before 1973 without inhibiting new exploration and development. But old oil was once new oil. Today's new oil may be declared old tomorrow, and tomorrow's new oil declared old the day after. The same logic by which this year's "windfall gains" can be taxed away while letting consumer prices go to a market level may be just as appealing when oil and gas prices have increased another 20 percent or 50 percent.

The market cannot be divided convincingly between "present" and "future." It's time dimension is continuous. The prices to which today's behavior is a response—the prices that provide the incentives for current decisions on future supply and new investment—are the expected prices for five, ten, or even twenty years from now. Even consumer decisions on heating systems, insulation, or gasoline mileage depend on the prices anticipated for five years from now. Development now of new fuel sources that may begin to come on the market tens years from now will be a response to the prices expected in the second decade hence. It is predicted prices, not current prices, that determine investment decisions.

And here we come to a fundamental asymmetry in the way profits and losses are treated. Whether we are thinking of potential price regulations or potential excess profits or windfall profits taxes, there is a tendency for the federal government to depress the incentives for exploration and the development of new supplies of energy, whether conventional petroleum or synthetic liquid fuels from shale or coal, or whatever it may be.

It is a rather captivating idea that we should tax away the "excess profits" of those who strike it lucky in their petroleum development, or their development of synthetic liquid fuels, and that we allow "normal" profits but no more. There are few lines of business in which people strike it rich more dramatically than in prospecting for oil. Reasonable profits may appear to be a necessary incentive to exploration and development, but "unreasonable profits" can clearly be captured for the benefit of us consumers.

But prospecting for oil, like prospecting for any natural resource, is usually a gamble. If you are lucky you strike it very rich, and if you're not lucky you lose a lot of money. The prospects for losing a lot of money are balanced by the possibilities of striking it rich. If the government skims away the occasionally lucky strike, it may seem to be taking only the "excessive profits" of the exceedingly fortunate, but it can't help but effect the average prospective return.

Any windfall profits tax, or excess profits tax, that applies to future discoveries and development of fuel, is very much like the IRS treatment of casino gains and losses. The government proposes to capture only the "excessive profits" of the lucky strikes that leads to profits in excess of cost. If you gamble in the casino, or on the horses, and win handsomely, the IRS will share your winnings with you, and indeed the bigger you win, the higher the share the IRS takes. If you lose, you lose alone; the IRS neither commiserates nor shares in your loss. The scheme is asymmetrical; it exist largely because people believe that this is a way to discourage gambling.

This is a sureway to discourage risky enterprises. It is built into our income tax policy because it does.

To apply it to natural resource development is therefore misguided. We want people to invest risk capital in the search for new petroleum, and in the development of new technologies for liquid fuel. If we promise them that we'll share their happy investments, taking a cut for the Treasury as windfall profits, but if they lose they lose alone, we are simply applying to liquid fuels development the philosophy that has historically been found attractive and effective in discouraging risky enterprise.

I wish it were possible to tax away today's and yesterday's windfall profits without causing any anticipation that we may do the same thing next year, and the year after, and ten years from now. But you cannot forever treat bygones as bygones without people anticipating that you'll do it again. That is why I would propose that the price of crude oil be deregulated and that any windfall profits taxes be emphatically and definitely applied to sources of crude oil currently regulated and not to new sources.

I believe I disagree with the President on this. As I understand his proposals, both his crude oil pricing proposals of the National Energy Plan of 1977 and his more recent proposals for deregulation and windfall taxes, he would subject to special taxation new sources of crude oil brought in from now on as well as applying the tax to price increases in the future beyond those required to bring domestic prices up to the world price level. I believe it is crucially important to establish a cutoff. I go along with the idea that "old oil" can be subject to a kind of confiscatory taxation. I don't like the principle, but the consequences make it attractive. But people have memories, and this is something you cannot do repeatedly. If people think that new oil will be declared oil after it is discovered, you cannot effectively distinguish old from new. It makes sense to deregulate future oil completely, and not attempt to drag out price controls into the future. It will always be tempting to capture the "windfall" when the OPEC price goes up; but as soon as that becomes anticipated, the effect will do more harm than good. When "old oil" is not any longer oil identified by a fixed historical date, but is any oil that has already been developed, it will no longer be possible to surprise people who invested in hopes of profit and discover that their profits would be taken away.

I therefore support, Mr. Chairman, prompt deregulation, with any windfall profits or excess profits tax being applied only to some clearly defined category of "old oil" so that consumers as well as producers will let themselves be guided by the real economic cost of liquid fuels. Crude oil price regulation does not reduce the cost of fuel, it only disguises it so that we make bad decisions that aggravate our problems. It will not help the poor of ten years from now to entice us today to overconsume and to underproduce and to subsidize imports of oil from a part of the world where tankers go through a narrow passage that could be blockaded with primitive technology.

One final point. I think it important to consider how to use any proceeds of a "windfall" tax. I do not see any reason to let mass transit or home solar heating or anything else have a special claim on a large amount of money that is collected primarily to keep what consumers spend from going to the oil producers.

The money indirectly comes from consumers in a manner that raises the cost of living index. I would like to see it go back to consumers in a manner that reduces the official consumer price index.

Thank you, Mr. Chairman.

THE ECONOMIST ANALYZES AMERICA'S ENERGY SINS

Mr. JEPSEN. Mr. President, The Economist is one of the world's most respected news magazines. Recently, it examined the reasons for our current energy shortage. The Economist puts the blame for our troubles precisely where they belong: On the Federal Government.

In particular, The Economist points to three American energy sins:

First. Decontrolling old oil gradually rather than all at once;

Second. Imposing a windfall profits tax on American oil companies;

Third. Perpetuating the vast bureaucracy at the Department of Energy and its vast body of regulations.

I believe that The Economist is exactly correct. We have been doing exactly the opposite of what we ought to be doing on the energy front. All of my colleagues ought to make a special point of reading this important article from The Economist.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

OIL SLICK

How the Americans (and most other rich countries' governments) could end the oil shortage without so desperately trying:

The most recent Gallup poll showed that three quarters of Americans still believed that the energy crisis has somehow been created by their government or the big oil companies or both. In this, three quarters of Americans are broadly right.

The world is now entering the most miserable phase of oil trade cycle, which has been turned from hiccough to convulsive fit by the wrong internal economic and antitrust treatment by most rich countries' populist politicians (with America's acting worst).

The right way to beat price rises by the Opec cartel, in 1973–74 or 1979, would have been for all customer countries to let them at once be reflected in market-set retail prices (with each government raising its petrol tax at least *ad valorem*—Sir Geoffrey Howe next week, please note), while keeping a competitive system in being that would trigger instant price cuts when these policies led to useful oil glut. The right antitrust policy is to rejoice when the big oil companies make the hugest possible windfall gains by bringing cheaper-cost oil to the highest-priced markets, but to send oil executives to prison if they agree in cahoots with each other or with a Shah or Sheikh Yamani that they will buy oil only or mainly at some "posted" or "consortium" cartel price. The companies need to be kept striving every hour to buy oil at the cheapest available spot price from any supplier.

America's politicians since 1973 have grasped the wrong end of each of these sticks with precision. President Nixon's 1971 price controls (on crude oil, petrol at retail and other petroleum products) were continued in tighter real squeeze after the Arabs quadrupled foreign oil prices in 1973, so that America effectively discouraged supply, encouraged demand, and was bound eventually to create shortage. As the excessive 1973 OPEC price rises (which some said would cause lasting shortage) naturally instead sent oil temporarily into glut, the early consequences of America's internal price controls were just to keep America buying too much Arab oil, thus turning what could have been a cartel-busting glut into something less nice. Now that the collapse in Iran has removed about 1½m barrels from the 51m barrels a day that the free world at previous prices would like to have bought, these American and European price controls are turning this tiny temporary shortage into something much horrider.

THREE AMERICAN SINS

America's three main mischosen policies are now being batted between its president and congress and hidden presidential candidates, with each apparently intent on making the other's last bad ideas worse. Copied in some degree by most other bureaucratic governments, they are:

(1) Decontrol of American internal oil prices over 28 months. Of course, prices ought to be decontrolled immediately. Gradual decontrol persuades everybody that prices will be dearer tomorrow, so each trader (from big oil company through small service station to individual motorist) makes the shortage worse by topping up his stocks. Retailers sell less but at fixed margins, so they stop their sales at periods most convenient to them to go home (i.e., at weekends and in the evenings when motorists want sales most); it is unbelievable that motorists round the world would not prefer rationing by price (higher prices at weekends or when the queues lengthen) to the present mess.

(2) It is proposed that American oil companies should be mulcted by discriminate windfall profit taxes if they make high profits by getting oil from the cheapest suppliers to the most expensive markets, so a whole generation of American oilmen is being taught to stop being cost-effective businessmen (at which they were once good) and to become diplomats (at which they are internationally disastrous).

Internationally, the right policy during the glut should have been to push as much oil as possible into the spot market (driving the price down) and out of the cartel's posted prices; instead the antitrust authorities allowed the big oil companies to butter to every shah and sheikh in (to quote the Shah's Mr. Amouzegar) helping to "regulate oil markets for us" because each company was wheedling for itself long-term contracts (which wouldn't be kept) on supposedly preferential terms. During the shortage, the spot price has gone above the contract price, so Opec countries are (being cleverer than Americans) diverting contractual supplies to it. The Carter administration tried to meet this first by telling American companies to stay out of the spot market (thus—ho, ho—at first diverting more of the sudden shortage to the United States than to anybody else), then by pushing American firms too much into the spot market by imposing anti-socially high stock-building requirements (since rescinded) but this week also by arranging cross-subsidies for the least efficient American heating-oil refiners if they buy there. Since subsidies to purchasers in a free market contribute wholly to driving prices up, European officials have called this "unbelievable", while American officials have replied that the Europeans are "hysterical, unhelpful and hypocritical" (language used by rattled bureaucrats whose mutually contradictory muddles are in a twist).

The new American subsidy is an extension of America's old "oil entitlements" (or lame duck aviary) plan, which averages out crude oil costs to all refiners (ie, the big efficient refineries pay higher prices for crude); the scheme has encouraged American refiners to bid up the price of light low-sulphur crude—and is another example of how the greatest free-enterprise country has crippled cost-effective competition in its most important industry, with consequent disasters that are cascading round the world.

(3) Bureaucrats. Mr. James Schlesinger's 20,000 employees now spend a budget of $10.8 billion a year (itself equivalent to 9 cents on a gallon of petrol), mostly on ordering people to do things which their own controls make uneconomic (and which the Americans' equally cost-unconscious environmental controls sometimes make illegal). Where regulations have been effective (eg, America's fuel economy regulations have brought changes in capital equipment and passenger cars), there has not been the expected drop in fuel consumption because fuel prices have not risen enough to encourage efficient use of the new capital stock.

ACROSS THE WORLD

Because a shortage is thus being made shorter, Opec countries may increase their previously disappearing surplus by up to $20 billion in the year ahead, with the deficits of poor countries taking the main strain. Some South Americans and Asians will starve in consequence; less seriously, some big international banks, which have lent recklessly to poor countries, may go bust. Richer countries will find that the higher oil prices damage their balances of payments, price inflation and demand deflation all at the same time; they may respond by protectionism, tougher budgets and even more price controls (which will each make one of the other two misfortunes worse). The intensifying of the oil trade cycle has miserable political results. Governments which prided themselves on defending "human rights" are kowtowing to Iranian mullahs who are flogging women with a hundred lashes for exercising normal sexual freedom.

If America were to scrap its price control immediately, says Nobel prizewinner Milton Friedman in the latest issue of Newsweek, the oil shortage would disappear tomorrow ("and I mean tomorrow") and the queues "would melt faster than the snows of winter". Every educated person knows he is right (at least about America; the wider Opec monopoly over the west will take longer to lick, but American decontrol is the essential first step even for that). Congressmen and bureaucrats say their postbags show that most voters prefer not to be ruled by the price system but instead by congressmen and bureaucrats, which means they prefer the present mess. Millions across the world would be saved from misery if everybody would now write to every congressman to say that this isn't so. The right slogan is "lift all oil price controls today, and enforce normal antitrust laws tomorrow".

HOW TO CREATE AN ENERGY SHORTAGE

Mr. JEPSEN. Mr. President, today I would like to give you a brief lesson on how to create an energy shortage. Any resemblance between my scenerio and actual U.S. Government policy is, of course, coincidental.

The first thing that needs to be done is to put price controls on oil and natural gas, the two major sources of energy in the United States. Care should also be taken to make sure that the price is set significantly below the price which would occur on a free market.

This action simultaneously does two important things which will insure that a shortage results: It reduces the potential return on investing in the exploration, development and production of oil and gas while at the same time encouraging consumers to use more oil and gas than they otherwise would have if the price had been set by the market instead of the Government.

Next, it would be a good idea to encourage other nations which produce significant amounts of oil for export to band together into a cartel. This cartel could then quadruple the price of oil within a very short time. Needless to say, under the guise of protecting consumers the price of domestically produced oil will be prohibited from rising.

With the domestic price of oil held down and the world market price rising this obviously will create huge profits for refiners with access to domestically produced oil. In order to prevent this from happening new regulations must be promulgated which would set a standard price for all oil, both domestic and imported. It would work like this: The Government would figure out the average price for all domestic oil and the average price for imported oil and create an average price for all oil. Next it would require that this price be paid by refiners for all oil used regardless of where it came from. The extra money paid to producers of lower priced domestic oil would then be paid to users of higher-priced imported oil.

Of course, the effect of all this is to subsidize the importation of foreign oil. This is a good idea because it makes our country more dependent upon the previously mentioned cartel. Thus, whenever one of the members of this cartel has internal problems which affect its ability to export this will immediately create a serious shortage of oil in the United States.

In order to prevent other kinds of energy from becoming a substitute for oil a number of other actions must still be taken to insure that the energy shortage gets worse.

Toward this end, for example, the Government could make it virtually impossible to develop nuclear power. A licensing process required for building nuclear powerplants should be instituted which takes at least 3 or 4 years and millions of dollars to complete. This will effectively eliminate the large-scale use of nuclear power, but just to make sure that it never gets off the ground several other things can be done:

A radical fringe element of activists should be encouraged, dedicated to no economic growth, with unwavering hostility to nuclear power. These activists can be brought out in large numbers to demonstrate and picket against nuclear power and file endless lawsuits against the building of nuclear powerplants. These radicals can also be utilized for opposition of other kinds of power as well, such as the building of hydroelectric power facilities. In order to give them support in their fight, laws should be passed to protect endangered species of plants and animals regardless of the cost. Thus, even if the multi-million-dollar dam were about to be completed and a weed called, let us say, the furbish louswart were found to be endangered by the dam, the project could be permanently halted. A few taxpayers may complain, but they can be ignored.

As time goes by members of this radical activist element can be brought into the Government itself to administer the agencies which oversee the energy industry. A particularly clever thing to do would be to take a lawyer responsible for filing numerous environmental suits against the Federal Government and put him in charge of defending the Government against such suits. Or, one could take a man who had been in charge of writing a report for a major foundation which argued that our Nation's energy was virtually exhausted and who advocates strict rationing and other conservation measures and put him in charge of the Nation's largest public utility, a system of dams and powerplants in the Tennessee Valley.

When, by chance, new discoveries of oil and gas are made, in spite of the disincentives, efforts should be made to prohibit the development of such energy if possible or to at least increase its cost enormously. This could be done by declaring the area which must be preserved in its pristine state and made off limits to any development for all time. And of course, the desires of the people who actually live in this area will be totally disregarded.

If it turns out that a certain amount of development cannot be prohibited, it should be made as difficult as possible to transport any oil and gas produced to market. This can be done by delaying the building of a pipeline as long as possible, then requiring that the pipeline be built in the most difficult way as possible so as not to disturb the environment. A law should be passed which prohibits the export of this oil to any other country. This way if the refineries nearest to where the oil is cannot utilize all the oil produced, it can either be put into storage or shipped several thousands of miles away at great cost.

By this time the Nation should already be in the midst of a serious energy shortage. But there are still many other things that can be done to make it permanent and to make it worse.

To prevent coal from being used to generate electricity, it should be required that utilities must install scrubbers on their smokestacks. These scrubbers will be enormously expensive and will add at least 25 percent to the cost of building a coal-fired generating plant. And the regulations must be totally inflexible, so that plants using low sulfur coal will incur the same costs as plants using high sulfur coal. Clean air laws can also be utilized to block the building of new coal powerplants and Federal regulations used to destroy the Nation's railroad network so that the coal cannot even be transported.

If anyone in the Government ever speaks out and says that there is plenty of energy to be had at the market price, they must be silenced. If, by accident, an official study should get out, for example, showing that the Nation would be awash in natural gas at a price only a bit higher than the regulated price, new studies must quickly be commissioned to refute such findings. In no case must any evidence be allowed to escape showing that there is any relationship between price and supply.

Eventually, pressure may be brought to bear on the Government to correct this mess. The Nation may even elect a President who has promised to decontrol the price of natural gas and to work for energy independence. At this point it may be necessary to invent an energy program ostensibly designed to straighten out the Government's energy policy.

The easiest way to make things worse while appearing to make them better would be to centralize all energy policies in a huge new Department of Energy. A good person to place in charge of this Department would be someone with no experience in the field who had been fired by the previous administration for incompetence. He should also have an abrasive personality, an arrogant manner, and a terrible relationship with Congress.

This Department should develop rules and controls for every barrel of oil and gasoline that moves through the Nation's 200 refineries to 12,000 wholesalers and 200,000 retail outlets, for ultimate use by 120 million thirsty vehicles. It will require 3,000 pages of regulations and interpretive opinions that rigidly bind the exact price and volume of each transaction through the marketing chain, and ultimately determine the precise street-corner destination of each of the 300 million gallons that move through the system daily.

Under no circumstances should this Department of Energy be engaged in the actual production of energy. Nevertheless, it should be given a budget equivalent to at least the combined gross profits of the 27 largest energy companies, an amount equal to 4 dollars on every barrel of oil consumed in the United States. The employees of this Department can then be put to work enforcing and promulgating the vast array of energy regulations previously put into effect.

Finally, when the forces of deregulation and commonsense become too strong new taxes should be levied on companies which produce oil. This way, the implicit tax caused by price controls is merely replaced by an explicit tax, designed so as to significantly reduce the future return on investment in oil exploration and development.

Of course, there are any number of other things which could be done to create an energy shortage, but by now I am sure that everyone recognizes that everything I have just discussed has actually happened. In other words, virtually every single thing the U.S. Government has ever done in the energy field has had the effect of discouraging domestic energy production and encouraging imports and shortages.

In closing, I will just note that many other nations in the world are even more dependent on imported energy than the United States. Yet they have not suffered from high inflation and shortages. The reason? They do not have Jimmy Carter and Jim Schlesinger.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have cleared this request with the majority leader and he is agreeable.

I ask unanimous consent that I may recover my time remaining under the standing order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am

happy to yield 5 minutes to the distinguished Senator from North Carolina.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank the distinguished minority leader, my friend from Tennessee. I shall be brief.

WANT TO BUY SOME EXPENSIVE FIRE HYDRANTS?—YOU JUST DID

Mr. HELMS. Mr. President, any Member of the Senate who has ever been in business and has faced the responsibility of meeting a payroll is bound to understand that what the Federal Government needs most is a really efficient and responsible system of cost control.

I dare say that there is not one department, agency, commission, or any other entity of the Federal Government that is managing its fiscal affairs consistent with sound business practices—and I include the Congress of the United States in that. The absence of the profit motive and the easy availability of millions and billions of the taxpayers' dollars are a costly combination in terms of the reckless manner in which Federal funds are spent.

Let me offer just one example, which some Senators may regard as trivial. Trivial it may be, in the context of an annual Federal budget that exceeds a half-trillion dollars, but it illustrates the point.

Early this year, thousands of farmers came to Washington to protest their economic plight. When they finally departed, estimates by Federal officials indicated that the farmers had damaged the Mall in front of the Capitol to the tune of as much as $3 million. This $3 million figure was publicized, printed, broadcast, and I am sure that the majority of the American people were persuaded that $3 million worth of damage in fact had been done.

One day I decided to take a short stroll to the scene of this alleged damage. I went down there, and I was persuaded that these estimates were surely inflated beyond any reasonable stretch of the imagination. Oh, there had been damage, to be sure. Three fire hydrants had been broken off. The lawn showed deep tractor tracks, and the need for landscaping and reseeding was obvious. There was other damage. But not $3 million worth.

I asked for some specific reports on what it actually cost to make the repairs—the three fire hydrants, for example.

Guess what, Mr. President. The U.S. Treasury was billed for nearly $10,000 to replace those three hydrants—nearly $3,000 apiece.

This interested me, because some years ago, I served on the city council of Raleigh, N.C. I was chairman of the law and finance committee. In that capacity, I had some oversight as to the cost of city government.

I checked with the city of Raleigh as to what it would cost to replace a fire hydrant, including inflation, and so forth.

The city of Raleigh disclosed that the outside cost today for replacing a hydrant is $1,500, and you have to wrap in a lot of other costs to reach that $1,500. But the Federal Government's cost for replacing three fire hydrants was $9,896.46, and there were some other items:

Thirty-nine benches were replaced at a cost of $8,963, $200.90 apiece, for just plain benches; 72 trash receptacles were replaced at a cost of $5,614; 1 light pole was replaced, and that cost the taxpayers $2,566.92.

Would you believe that the Federal Government claimed that it cost another $2,398.08 just to replace the globes and light bulbs on that one light pole?

Trivial, Mr. President? Maybe so.

But you check the cost of operating the Federal Government on little items like this and compare the cost with what the private citizen does, the same thing for local governments or State government, and you see the problem here in Washington, D.C., because even at such remarkable prices the damage caused by the protesting farmers now totals $220,900, according to the reports I have just received from the Comptroller General of the United States, and that is with all of these ballooned inflated prices, and bear in mind, Mr. President, at the outset I pointed out that so much publicity was given to $3 million worth of damage having been done by the farmers who came to Washington. I do not condone any damage by farmers or anyone else when they come to this city. I certainly do not excuse the farmers who actually caused the damage. I say this: I believe that the vast majority, maybe 99 percent or more of the farmers of America, are embarrassed that the farmers who came to Washington did any damage at all.

But for it to have been publicized that there was $3 million damage when actually it was $220,900 damage is just not fair.

I suppose all of us should be grateful to Providence that the District of Columbia and the Federal Government were not called upon to replace even more hydrants and light poles at the prices charged. At the prices charged by both, there is no telling how high the total cost would have gone.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. BAKER. Mr. President, I yield 1 additional minute to the Senator from North Carolina.

Mr. HELMS. I thank the Senator.

The bottom line, Mr. President, is there is a vast amount of difference between the highly publicized original $3 million estimate and the subsequently unpublicized actual total of $220,900, and the difference, it seems to this Senator, is a bum rap for the farmers, whatever their negligence and their carelessness may have been.

I thank the Senator from Tennessee for yielding to me.

Mr. BAKER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Tennessee has 3½ minutes remaining.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I am about to yield some of that time to the distinguished Senator from Virginia. It is my understanding the majority leader wishes to be here to take up certain matters on the Executive Calendar, and it may be that the majority leader, who is in the Chamber, may wish to try to recover some of his time so in addition to the time that may be yielded to the Senator from Virginia we will have some time to do the Executive Calendar as well.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. President, I ask unanimous consent that I may retrieve the time that I yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, does the majority leader mind, then, if I fulfill my commitment to the Senator from Virginia to yield some time to him?

Mr. ROBERT C. BYRD. Not at all.

Mr. BAKER. Mr. President, I yield the remaining time then to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from Tennessee and I thank the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me briefly? I have an order for 15 minutes. I will yield as much of that time to the Senator as he requires.

Mr. HARRY F. BYRD, JR. I thank the Senator, but I think this will be adequate.

Mr. ROBERT C. BYRD. I thank the Senator.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider the nominations on the Executive Calendar, beginning on page 3, going through page 4, through page 5, through page 6, through page 7, through page 8, through Calendar Order No. 212 on page 9, omitting Calendar Order No. 213, proceeding with Calendar Order No. 214, and going through page 10 and through page 11.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, my reservation is for the purpose of advising the distinguished majority leader that the items he referred to are cleared on our calendar and we have no objection to proceeding to their consideration and their confirmation.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

U.S. ADVISORY COMMISSION ON INTERNATIONAL COMMUNICATION, CULTURAL, AND EDUCATIONAL AFFAIRS

The legislative clerk read the nominations of Leonard L. Silverstein, of Maryland; John Hope Franklin, of Illinois; Neil C. Sherburne, of Minnesota; Lewis Manilow, of Illinois; Mae Sue Talley, of Arizona; Olin C. Robison, of Vermont; and Jean McKee, of New York, to be members of the U.S. Advisory Commission on International Communication, Cultural, and Educational Affairs.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

NUCLEAR REGULATORY COMMISSION

The legislative clerk read the nomination of Victor Gilinsky, of Maryland, to be a member of the Nuclear Regulatory Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Daniel Marcus, of Maryland, to be General Counsel of the Department of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of Walter J. McDonald, of the District of Columbia, to be an Assistant Secretary of the Treasury.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Richard I. Beattie, of the District of Columbia, to be General Counsel of the Department of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

FEDERAL HOME LOAN BANK BOARD

The legislative clerk read the nomination of Andrew A. DiPrete, of Rhode Island, to be a member of the Federal Home Loan Bank Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The legislative clerk read the nominations of Maj. Gen. Charles Robert Myer and Maj. Gen. Vern Erick Weber, to be lieutenant generals.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

The legislative clerk read the nomination of Chaplain (brigadier general) Kermit Douglas Johnson, to be Chief of Chaplains, U.S. Army, as major general in the Regular Army of the United States and as major general in the Army of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Chaplain (colonel) Patrick John Hessian, to be Deputy Chief of Chaplains, U.S. Army, and as brigadier general in the Army of the United States.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Lt. Gen. Edward Leon Rowny, to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. NAVY

The legislative clerk read the nominations of Vice Adm. James B. Stockdale, Vice Adm. Vincent A. Lascara, Rear Adm. William J. Cowhill, Rear Adm. John D. Johnson, Jr., Vice Adm. William L. Read, and Rear Adm. Ernest R. Seymour to be vice admirals.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

The legislative clerk read the nominations of Karl J. Christoph, Jr., Thomas M. Hopkins, James H. Webber, James W. Lisanby, William G. Sizemore, Grover M. Yowell, Warren C. Hamm, Jr., Edwin Barrineau, Robert W. Carius, Jack F. O'Hara, James A. Winnefeld, Crawford A. Easterling, Paul A. Lautermilch, Jr., Thomas M. Ward, Jr., Thomas R. Kinnebrew, Daniel G. McCormick III, Henry J. Davis, Jr., Frederick G. Fellowes, Jr., Alexander M. Sinclair, Milton P. Alexich, Huntington Hardisty, Curtis B. Shellman, Jr., Floyd H. Miller, Jr., David S. Cruden, Albert J. Baciocco, Jr., Clyde R. Bell, Arthur S. Moreau, Jr., Bernard M. Kauderer, Charles O. Prindle, Frederick C. Johnson, Lowell F. Eggert, Conrad J. Rorie, Samuel W. Hubbard, Jr., William J. Ryan, Andrew A. Giordano, Joseph L. Flores, and Ross H. Trower to be rear admirals.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

FEDERAL LABOR RELATIONS AUTHORITY

The legislative clerk read the nominations of Henry Bowen Frazier III, of Virginia, and Ronald W. Haughton, of Michigan, to be members of the Federal Labor Relations Authority.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Thomas F. McBride, of the District of Columbia, to the Inspector General, Department of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The legislative clerk read the nomination of Charles L. Dempsey, of Virginia, to be Inspector General, Department of Housing and Urban Development.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Mary P. Bass, of New York, to be Inspector General, Department of Commerce.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

SMALL BUSINESS ADMINISTRATION

The legislative clerk read the nomination of Paul Robert Boucher, of Virginia, to be Inspector General, Small Business Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DISTRICT OF COLUMBIA COURT OF APPEALS

The legislative clerk read the nomination of William Cornet Pryor, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

The legislative clerk read the nominations of Shellie Fountain Bowers, of the District of Columbia; Harriett Rosen Taylor, of the District of Columbia; and Truman Aldrich Morrison III, of the District of Columbia, to be associate judges of the Superior Court of the District of Columbia.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Luther H. Hodges, Jr., of North Carolina, to be Under Secretary of Commerce.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Robert P. Smith, of Virginia, to be the Ambassador Extraordinary and

Plenipotentiary of the United States of America to Liberia.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Frank V. Ortiz, Jr., of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guatemala.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of James Keough Bishop, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Anne Clark Martindell, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Western Samoa.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Allie C. Felder, Jr., of the District of Columbia, to be a member of the Board of Directors of the Overseas Private Investment Corporation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

MERIT SYSTEMS PROTECTION BOARD

The legislative clerk read the nomination of Ruth T. Prokop, of the District of Columbia, to be Chairman of the Merit Systems Protection Board and a member of the Merit Systems Protection Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATION PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Army, Navy, and Diplomatic and Foreign Service placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the vote by which the nominations were confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I now yield such time as I have remaining also to the Senator from Virginia.

The ACTING PRESIDENT pro tempore. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. I thank the Senator from West Virginia.

SALT II

Mr. HARRY F. BYRD, JR. Mr. President, I am most interested in the headline in Tuesday's Washington Post, "Gromyko Warns Senate Against Revising SALT II."

Mr. President, I know the Senate is glad to get the view of the distinguished Foreign Minister of the Soviet Union. Previously the Senate had been warned by the President of the Soviet Union, Mr. Brezhnev, that it must accept the treaty precisely as agreed to by the President of the Soviet Union and the President of the United States.

President Carter also had warned the Senate. Thus the Senate has received plenty of warning that the only thing that it can do according to these three world leaders is to rubber-stamp what President Brezhnev and President Carter worked out between them.

Under the Constitution of the United States, it is the responsibility of the Senate of the United States to advise and consent to any treaty.

I, as one Senator, am always happy to have the views of the distinguished leaders of our Nation, as well as the leaders of other nations. I do not even take exception at being warned, being warned that I must do as they say. But whether I will do as they say is another matter.

When it comes to doing as they say, I must be frank to say to the people of the State that I represent and to the U.S. Senate, that I shall use my own judgment as to whether the SALT II Treaty should be revised or ratified. I have made no decision.

The Foreign Minister, Mr. Gromyko, is helping me to make a decision. President Brezhnev is helping me to make a decision, and if the President of the United States continues to issue warnings to the Senate, he, too, is helping me to make a decision.

Yes, an interesting headline, "Gromyko Warns the Senate Against Revising SALT II."

This Senator expects to vote to revise SALT II.

RECOGNITION OF SENATOR ROBERT C. BYRD

Mr. ROBERT C. BYRD. Mr. President, I have an order, I believe, for recognition at this time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia is recognized for not to exceed 15 minutes.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a brief period for the transaction of routine morning business for not to exceed 15 minutes of my order, and that Senators may be allowed to speak for up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Arkansas.

PRIVILEGE OF THE FLOOR—S. RES. 28

Mr. PRYOR. Mr. President, I ask unanimous consent that Richard Woods of Senator STEWART's staff be able to be on the floor during the consideration of Senate Resolution 28.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, Senate Joint Resolution 28, which the clerk will state by title.

The legislative clerk read as follows:

> Senate Joint Resolution 28 proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

The Senate resumed consideration of the joint resolution.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senate will state it.

Mr. HARRY F. BYRD, JR. What is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. The pending business before the Senate is the unfinished business, Senate Joint Resolution 28.

Mr. HARRY F. BYRD, JR. Is not the pending business the amendment offered by the Senator from Virginia?

The ACTING PRESIDENT pro tempore. The amendment offered by the Senator from Virginia is the pending question.

Mr. HARRY F. BYRD, JR. I thank the Chair. That was the point I wanted to establish, that the pending question is amendment No. 280 offered by the Senator from Virginia.

The ACTING PRESIDENT pro tempore. The Senator is correct.

AMENDMENT NO. 280

Mr. HARRY F. BYRD, JR. That amendment is a constitutional amendment which would require a balanced budget and would put a ceiling on Federal spending.

I offered that amendment to Senate Joint Resolution 28 because it undoubtedly is the only way that the Senate will get an opportunity to vote as to whether to submit to the States a constitutional amendment requiring a balanced budget.

There has been no indication through the years that the Judiciary Committee would report any balanced budget amendments languishing in that committee for a long period of time.

This constitutional amendment offered by the Senator from Indiana, Senate Joint Resolution 28, is a vehicle by which the people of the United States can have the opportunity, if the Senate so votes, to support in the various State legislatures an amendment to the Constitution requiring a balanced budget.

It is the deficit financing of the Federal Government, continued over a long period of time, that, in the judgment of the Senator from Virginia, is the major cause of the inflation which the American people are undergoing today.

There is considerable evidence, I think, that the American people want an opportunity to mandate a balanced budget for the Federal Government. Thirty States have called upon Congress, have petitioned Congress, to call a constitutional convention for that purpose.

Personally, I am not to inclined to that route. I much prefer the regular way of amending the Constitution, namelv, by Congress submitting an amendment to the States for the consideration of the various legislatures; the legislatures make the determination.

If the Senate were willing to act favorably on the amendment offered by the Senator from Virginia, the issue would be put before the people via the various legislative bodies.

Mr. PRYOR. Mr. President, I wonder if the Senator from Virginia would mind yielding at this point?

Mr. HARRY F. BYRD, JR. I would be delighted to yield to the Senator from Arkansas.

Mr. PRYOR. I would first like to applaud the Senator from Virginia for bringing once again to the attention of the U.S. Congress and the American people the need for a balanced budget for this country. I only say to the Senator from Virginia, with the deepest respect, and I think the Senator knows the respect I have for him, that while the philosophy of this amendment is definitely in order, it is my belief that this amendment is offered at the wrong time and in the wrong place.

As the Senator knows, I have joined with the Senator from Virginia and a group of other Senators to determine how to best approach a constitutional amendment relative to seeking a balanced budget for our Federal system.

I want the Senator to know that I support such an amendment. I support the philosophy of this country living basically within its means unless there is a national emergency or conditions in America which would necessitate deficit spending. Such a situation would be triggered by a two-thirds or a three-fifths vote in each House of Congress.

The Senator also knows that for 17 of the past 18 years we have been engaged in deficit spending. We are today reaping, I think, the fruits of our actions, and today we are seeing the proverbial chickens coming home to roost.

But I would just like to once again say to the Senator that even though I strongly support what he is trying to do with regard to seeking a balanced budget, I also strongly support S.J. Res. 28.

I do not think the two proposals should be sent jointly to the respective State legislatures. I think one might damage the other. We should allow the direct election of the President proposal to go to the State legislatures unencumbered. We could then continue hearings on a balance-the-budget amendment, debate the issue in the Senate, and then hopefully, if it be the will of the Senate and the Congress of the United States, submit that question to the various State legislatures. I would propose that this is the better approach, and I would hope that the Senator would agree with this conclusion.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I thank the able Senator from Arkansas for his observations. But the fact of the matter is that this is the only way to get this issue before the Senate.

There is no chance—not the slightest chance, in my view—of the Judiciary Committee reporting a balanced budget amendment. This is the only chance the Senate will have to vote on such an issue.

If there were any indications that it could be handled on another piece of legislation, or that the committee would report such an amendment to the Senate, that would be a different matter; but in my view, and I have no evidence to the contrary, it is almost a certainty that the Judiciary Committee will not report to the Senate a balanced budget amendment.

Mr. PRYOR. If the Senator will yield further——

Mr. HARRY F. BYRD, JR. Yes.

Mr. PRYOR. It is my understanding that the chairman of the Subcommittee on the Constitution of the Committee on the Judiciary has held 2 days of hearings and has promised to hold additional hearings on the various constitutional amendments that those of us who are interested in this question might propose. I would hope that those assurances should suffice to convince the distinguished Senator from Virginia that further consideration is forthcoming.

Mr. HARRY F. BYRD, JR. I thank the Senator from Arkansas. Holding hearings and reporting legislation, of course, as we both know, are two different matters. For example, I agreed yesterday, as chairman of the Subcommittee on Taxation, to hold a hearing on a matter, which I shall do. But I am also going to hold a series of hearings on this particular matter, spread over a long period of time. It may never get to the Senate. I think that is exactly what will be happening in regard to the balance-the-budget amendments now before the Judiciary Committee.

Mr. PRYOR. Mr. President, I yield the remainder of my time to the distinguished Senator from Vermont.

Mr. LEAHY. I thank the Senator from Arkansas.

Mr. President, am I correct that we are not operating under controlled time?

The ACTING PRESIDENT pro tempore. The Senator is correct; there is no control of time.

Mr. LEAHY. I thank my colleague from Arkansas for yielding. I would just like to associate mvself with much of what he has had to say.

I would hope that our distinguished colleague from Virginia would withhold on this amendment, and have it come before us in a proper form. I certainly would be opposed to any effort that might be undertaken to stop such a constitutional amendment from coming to the floor for full debate and a vote. Reserving how I would vote on it in its final form, I would vote for any move on the floor to allow such a constitutional amendment, by itself, to come to the floor, because I think it has enough importance to justify debate and a vote.

But I would hate to see it tied to this amendment, because I know that the weight of the correspondence and communications I have received, for example, from the legislators in the State of Vermont, is in favor of direct election of the President and the abolition of the electoral college, but yet those same legislators have told me that they are very concerned about a constitutional amendment on balancing the budget, because they are afraid that rural States may suddenly find themselves without any kind of recourse in time of severe economic crisis or other concerns.

They may or may not be right on that, I do not know. That is a matter that ought to be a subject of debate. But I can certainly see, in looking at that, that if the abolition of the electoral college and direct election amendment were presented to the Vermont legislature at the same time that they were presented with an amendment to it which would alter the Constitution by requiring a balanced budget, you would not have a clear vote on either issue; there would be a constant tugging and lying back and forth between many who favor balancing the budget and may not favor abolition of the electoral college, or vice versa.

I happen to be in favor of doing both, and I have voted a number of times on this floor for amendments that mandated a balanced budget within a relatively short period of time. I could not agree more with the Senator from Arkansas that through all the good times in this country, in times of economic growth, we would have needed a balanced budget.

Of course, in the Vietnam war we tried to do it with mirrors, and the American people were never given the full weight of what that war was costing. We ran to huge deficits as a result. The war in Vietnam consumed at the very least $150 billion from this country, and even that was only a very tiny price compared with 55,000 American lives and perhaps a million other lives lost during the conflict.

That was done and financed primarily through deficit financing. It would have been far more honest, during that time, if an extra tax had been imposed, saying it was specifically for the Vietnam war; and if it had been proposed to show how much was coming out of people's paychecks, I suspect there would have been those in the Government at that time who would have strongly opposed that, even though it would have been fiscally responsible—would have opposed it because if the American people had known how much that war was costing them, it would not have lasted nearly as long as it did.

Be that as it may, we are not debating Vietnam war today, except to say that a lot of the deficits that we have can be directly attributed to that sorry period in our history.

Anyway, Mr. President, as a strong supporter—and as a member of the Appropriations Committee—of a number of significant efforts to balance the budget, I would hate to see it as part of this constitutional amendment. I would be against seeing it as part of this because no State legislature is then going to be faced with a clean question on either one. I think if this country wants to consider a constitutional amendment to abolish the electoral college or to balance the budget, both are of such significance that each one ought to be faced directly.

Let me speak for a moment on the question of the abolition of the electoral college.

The method of electing the President and Vice President was of major concern to the Constitutional Convention in 1787. It has remained a continuing issue in American politics ever since then. Hundreds of bills have been introduced in both Houses of Congress since 1787 to alter the Presidential election process. The major, although not the only, initiatives for reform since 1960 have come from those who seek to replace the present system with direct popular election of the President and the Vice President. I have noticed recently that much of the current criticism leveled at the direct election system of voting for the President and Vice President has been that smaller States would lose power in determining who would be elected President.

As a Senator from a small State—in fact, in population, Mr. President, the third smallest State in the country after Wyoming and Alaska—and as a cosponsor of the original Senate Joint Resolution 1, and now Senate Joint Resolution 28, I would like to respond to the critics who say that the direct election of the President would work against small States.

Due to our very diverse geography and settlement pattern, the population of the United States is not equally distributed among our 50 States, nor will it ever be. While the present system allots two votes per State regardless of population, the emphasis is still on the States with large electoral counts.

Due to the unit rule, the winner of the popular vote in a State is awarded all of the electoral votes. This immediately puts the emphasis on the States with the largest population. Thus, a voter in a State with a larger electoral count would have more influence on the final outcome, proportionately, than a voter in a sparsely populated State.

Throughout the election campaign candidates concentrate on the States with larger electoral votes and, on election night, news commentators focus on the larger vote States, even keeping separate tallies of those States with the greatest numbers needed to swing the election to one candidate or another. The emphasis is already on larger populated areas. The direct election method would not create this situation.

It is pre-existing. Anvbody who has ever watched TV on election night knows that. You are going to see Illinois on that board as a result of what is happening in Illinois a lot more often that you will see Vermont, New Hampshire, Maine, Delaware, Hawaii, Wyoming, Montana, or any one of a number of other small States. The alternative is a proportional system offered by several other Senators. The problems that present themselves under the present system are still not solved by the proportional amendment. For one, under this system it would be possible for a candidate to finish second and still be elected President.

Mr. President, I hear this from people in my State all the time, and I hear it, of course, more as we approach any Presidential election. They simply say, "How could it possibly be that someone could actually lose the election for President and still get elected?"

Well, those of us who have to run for office probably like having in the back of our mind that at some time it might be possible to come in second in a race and still win. But I think we have to admit quite candidly that is not the way elections should be run and that is not the way we want to see them run. Quite frankly, the vast majority of people in this country, from any State, large or small, do not want to see it run that way.

Mr. PRYOR. Will the Senator yield?

Mr. LEAHY. I will.

Mr. PRYOR. The Senator made an interesting observation about election night and the perceptions of the American people.

There is another observation on which I think the Senator from Vermont would agree with me. I think when most Americans turn on the television or start listening to the radio, the first thing that hits them is "My goodness, we still have this old thing called the electoral college." Then they start thinking, "How many votes do we have in Vermont? I never can remember." People in Arkansas say, "I am not sure how many votes we have in Arkansas. How many are we going to cast?"

The first thing that hits them, if they voted for the man who might have lost by just a few votes in one of our States, is that their votes do not get counted, because of the unit rule situation. This is one of the gross disparities and one of the things that I think is inherently wrong with the electoral college system, per se.

But the second thing that I believe they think about in this area is, "Why has someone not done something about this system? Why do we not get to vote for President just as we vote for a U.S. Senator, Governor, Congressman, or mayor?"

It is extremely hard to give a reason or to give an answer, especially for those of us who are engaged in public life.

I made an observation yesterday, and I think it is an interesting observation—that if today in the U.S. Senate we were engaged in a debate regarding changing our system from a direct election of the President to an electoral college system which would allow someone else to cast our votes for us for President—I daresay that proposal would not get one vote or one sponsor.

Mr. LEAHY. If my friend from Arkansas will yield at that point, if we did such a thing, if anybody was foolish enough to vote for it, I would hate to see what they would have to face in the next election. There is no question that the overwhelming sentiment—and I think the proper sentiment at a time of instantaneous communication around the country, with the ability to count all the votes in the country virtually all the votes in the country in a 24-hour period—is to let us cast our vote directly for the President of the United States, and let us know if a State is a predominantly Republican State, the Democrats go to the polls casting votes for the President knowing they will be counted, or if the State is predominantly Democratic, Republicans will go to the polls knowing their votes will be counted.

I think among other things the direct election of a President would encourage far greater participation in Presidential election years. As the Senator knows, this country in recent date has had a rather sorry record of participation in Presidential elections. I think a lot of it is keyed to people who say, "Well, I am in a predominantly Republican area" or Democratic area "and who is going to vote differently? My vote will not count anyway, so why bother?" In other words, they will not only not vote for President but they also do not vote for the city council member, the mayor, the Governor, the Congressman, the Senator, the county commissioner, and whatever.

The whole system is affected by the result.

Mr. PRYOR. I think the Senator is also aware of the figures relative to the waning interest in participating in elections. I think the figures of the 1960 Presidential election indicate that about 62 percent of the eligible voters went out to vote. In each Presidential election year since then, this percentage has steadily decreased. If I remember correctly, the figure was around 54 percent in 1976. The figures are even lower in non-Presidential election years. In 1978, for example, only 35 percent of the eligible voters bothered to vote. I think that this waning participation in the process is very well summarized in a book that has just come on the market, and I certainly recommend it to all of my colleague. It is entitled "The Empty Polling Booth." It suggests that if current trends continue, one elecion day, about 30 years from now, we will have an election and nobody will vote. That is going to be a sad day.

I think one of the things we can do to increase voter participation is to do away with the present system of electing the President which is inequitable, unfair, and was put into our Constitution approxmately 200 years ago. At that time we may have needed this system. Since that time, we have matured as a nation to the extent that no longer is that system appropriate.

Mr. LEAHY. I agree, and I think that the greatest danger that our democracy has—and we have to keep in mind that the United States is the oldest democracy presently existing in the world. The only danger that our democracy has is the danger that it no longer remains a representational, pluralistic form of government. To the extent that people stop voting, of course, it loses its representational form, it loses its pluralism that is so necessary for this country. The reason people will not vote is a feeling that, "My vote does not make a difference; there is no influence I can have by voting." Of course, the electoral college is one thing that emphasizes that you really do not have that influence in voting.

People will vote if they think their vote will make a difference, if they think what they do in the voting booth will affect them, affect their society. Then they will vote. But we put an artificial roadblock in their wav with the electoral college. I hope we will remove that.

Mr. PRYOR. A lot of people during this particular debate have seemed to express the feeling that the electoral college is sacred, as though it was written by Moses and almost inspired by God. I do not want to get into that particular argument at this point.

Mr. LEAHY. We shall probably have an amendment on that before we do that, anyway.

Mr. PRYOR. I do want to state to the Senator that, as he knows, and as most of our colleagues are aware, the delegates to the Constitutional Convention in 1787 were very unsure about this matter of how to elect the President. In fact, they were very unsure about the President and what sort of office he should hold. Should it be similar to a king or monarch, should it be like a prime minister, or how should the Presidency be formed and shaped? I think that the delegates certainly labored over this for several days.

On numerous occasions, they changed their minds and reversed their positions.

A lot of people think the electoral college was put into the Constitution and made a part of our system, because the Founding Fathers did not want the people to vote. But, actually, that was not the issue in the last days of the Convention. The fact of the matter is that the authors of our Constitution were deeply concerned about the practicality of a popular vote in an undeveloped, rural Nation. There were delegates, though, at the Convention in Philadelphia, who strongly favored a direct election despite these difficulties. James Madison, of the State of Virginia, was one of those delegates, and Gouverneur Morris, of Pennsylvania, was another.

There are many valid arguments for changing our system and going to a direct election of the President. This change is long, long overdue, and I am hopeful that our colleagues in the Senate and the House and our respective State legislatures will hear what I believe to be a strong mandate of the people to make this a great change.

As I alluded to earlier, some opponents of direct election say that because the electoral college was made a part of our Constitution in 1787, it should remain as our system today. I can think of no greater authority on our constitutional form of government than Thomas Jefferson to address this issue. I quote Mr. Jefferson on this point.

He asked the question:

> Can one generation bind another, and all others, in succession forever? I think not. The Creator has made earth for the living, not the dead. Rights and powers can only belong to persons, not to things, not to mere matter, unendowed with will. The dead are not even things . . . A generation may bind itself as long as its majority continues in life; when that has disappeared, another majority is in place, holds all the rights and powers their predecessors once held, and may change their laws and institutions to suit themselves. Nothing then is unchangeable but the inherent and unalienable rights of man.

Mr. LEAHY. Mr. President, I agree very much, and I think the arguments are very solid on this. I think it is good that we shall have a debate, and I think the leadership should be commended for scheduling the beginning of this debate just before the Fourth of July recess. Most of us are going to be back in our home States during that time and will have a number of chances of meeting with people from our States. I know I am going up this afternoon to Vermont and I shall be there until a week from Monday. I am going to be in just about every county in the State and most towns, meeting with as many Vermonters as I can. I know that the timing of this is good, because it will be covered by the news media in Vermont, that we have begun discussions of it. I expect to be hearing from a lot of people in my State and I suspect that others will from the other 49 States. I hope that they listen, because I really think that the message that will come back around the country will be that we do want a change, that this is a time for change, and this is the change that should be made.

Mr. PRYOR. Mr. President, I would also like to make a part of the RECORD, a portion of an American Bar Association Journal article which was written in 1968. It relates to the conditions of this country in 1787, when the Founding Fathers, in the drafting of our Constitution, actually met in Philadelphia. This article was written by Mr. John D. Feerick, and it is entitled "The Electoral College, Why Was It Created?"

Mr. Feerick states:

> When the founding fathers met in Philadelphia in 1787, the United States extended from the Atlantic to the Mississippi and from the Great Lakes almost to the Gulf of Mexico, embracing approximately 800,000 square miles . . . the country's population was close to 4 million . . . approximately 97 percent of the people lived in rural areas—on farms and plantations and in log cabins and shacks . . . only 5 cities had a population over 10,000 . . .
>
> In the America of 1787 the forest was the dominant land feature and agriculture was the principal means of livelihood. Industry existed on a small-scale handicraft basis. There was an absence of power-driven machinery, books were scarce, schools and libraries were few, and poverty and illiteracy were common. Horseback, wagon, stagecoach, boat and foot were the main modes of transportation. But "roads were bad, bridges few, ferries leaky, rivers whimsical, stagecoaches cranky, and inns ill-kept." To go by stagecoach from Boston to New York was a journey of from three to six days; from New York to Philadelphia, two or more days. In the South transportation was even poorer since roads and stagecoaches were almost nonexistent. The mail and word-of-mouth were the principal channels of communication. Newspapers were usually distributed on a weekly basis, had limited circulations and contained mostly local news.

Mr. President, I say to the distinguished Members of the Senate, that perhaps the electoral college was appropriate to the needs of our country 200 years ago, but now it is time to change that particular system.

Mr. LEAHY. I thank my friend from Arkansas.

Mr. President, earlier, I was talking about the proportional system.

The proportional system does not fairly represent the choice of voters across America as individual State totals are devised to equal the population of all 50 States.

In doing so, a resident of Vermont would individually carry more weight than a resident of New York or California. This would represent a disproportionate picture of the citizens' true choices.

I want to be fair from the other end in discussing this. Voters are asking to have their individual votes count, but they do not want them to count any more than anywhere else, however, but at least as much.

And the proportional method would still remove determination of the final outcome one step from the voter.

Under the direct election system, individual votes would not be disenfranchised as all votes would count toward the total figures. Under the present system, a town in Illinois or Texas with the same population as Burlington, Vt., would carry more weight as candidates sought to win all the support in that State and a bigger prize, a larger electoral vote count.

Under the direct election system, a community in Vermont would carry the same weight as a town of the same population in Nebraska, California, or Hawaii. Since each vote in every State nationwide would count toward the total, I believe that even more emphasis would be placed on individual States as candidates and partisans would strive to win support of voters in every State.

We are predominately a nation of rural States with large urban nad suburban centers. Yet evidence shows that under the electoral system rural States are at a disadvantage because candidates shun these areas in favor of the high populated areas or rural areas in large electoral vote States.

Some critics of direct election feel that since travel to all States is prohibitive that media coverage would increase in importance. The media already has an influence on the outcome of Presidential elections, particularly in the primary stage.

It is a known fact that during a Presidential election, media coverage is concentrated on the States with the six largest electoral votes. Thus, Columbus, Ohio, is saturated with media coverage and candidate visits while Denver, Colo., a city of similar population, is given considerably less attention. Under the direct election system, however, Denver, Colo.'s, voting power will be equally important as that of Columbus, Ohio's.

It is true that under direct election candidates will still be interested in large metropolitan areas. But at the same time, with voter strength equally important in all States and regions, candidates may begin to focus on rural as well as urban problems and concerns. Media coverage and candidate visits will thus be planned to give States and regions within States a more equal consideration.

Another factor which works against small States under the electoral college system is that small States tend to be more "one-party" States than large ones. The effect of the unit rule of the electoral college in one-party States is to discourage voter turnout and two-party competition. Since the margin of victory is inconsequential, and because losing candidates votes cannot be pooled across State lines, citizens who might have voted for the losing candidate in their State have little incentive to vote. Presidential candidates can afford to write off one-party States. Under direct election, both Nebraska Democrats and Rhode Island Republicans would see their votes count.

This country is a Union of States which, in turn, are made up of American citizens no one of whom, individually, is more equal than another. Direct election is perfectly consistent with the principles of federalism as set forth in the Constitution. It protects and enhances the integrity of each State by allowing votes from every citizen in every State to count directly toward the final total of each candidate.

What is more important is that if the direct election system of voting for the President is adopted, for the first time in our Nation's history, each of our citizens' votes will count directly and equally toward the candidate of their choice. And in a nation that prides itself on the freedom of choice for its citizens, direct election of the President and Vice President becomes one of our finest expressions of that freedom.

Mr. President, as I said earlier, this is a matter that is not just a question of big States versus little States, urban areas versus rural areas. It is a fact that the people of this country want a direct election of their President.

It is not one part of the country over another part of the country.

But my view, of course, is shaped as a native of Vermont, a resident of that State, one who has spent most of his life in the New England area.

Mr. President, I yield now to my distinguished colleague from Alabama. I would much rather yield to him and let him discuss it, certainly, from his perspective.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

(The remarks of Mr. STEWART in connection with utility rate increases are printed elsewhere in today's RECORD.)

Mr. HARRY F. BYRD, JR. Mr. President, in regard to the pending question; namely, the amendment offered by the Senator from Virginia for balanced budgets and a limitation upon the outlays of the Government, I ask unanimous consent that the amendment be published at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Beginning with the word "That" in line 1, page 2, strike out all to and including the colon in line 6, page 2, and insert in lieu thereof the following: "That the following articles are hereby proposed as amendments to the Constitution of the United States, any one of which shall be valid to all intents and purposes as part of the Constitution only if ratified separately by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:".

On page 4, after line 9, insert the following:

"ARTICLE —

"SECTION 1. Beginning with the first fiscal year after the ratification of this article, the Congress shall assure that the total outlays of the Government during any fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States, shall not exceed the total receipts, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States.

"SEC. 2. Beginning with the first fiscal year after the ratification of this article, the Congress shall assure that the total outlays of the Government during any fiscal year shall not exceed 20 per centum of the gross national product during the calendar year immediately preceding the beginning of such fiscal year.

"SEC. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that either section 1 or section 2 of this article may be set aside for the fiscal year designated in such concurrent resolution. Both section 1 and section 2 may be set aside for the specified fiscal year: *Provided*, That a separate concurrent resolution setting aside each section is agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.".

Amend the title so as to read: "Joint resolution proposing amendments to the Constitution to provide for the direct popular election of the President and Vice President of the United States and to provide for balanced budgets and a limitation upon the outlays of the Government.".

Mr. HARRY F. BYRD, JR. One will note in reading the amendment that if this amendment which I have offered is adopted and added to Senate Joint Resolution 28, the amendments, namely, Senate Joint Resolution 28 and the amendment offered by the Senator from Virginia on balanced budgets could be considered separately by the various legislatures. Moreover, the amendment offered by the Senator from Virginia would become a part of the Constitution only if ratified separately.

Thus in the deliberations and actions of the State legislatures, neither amendment would either hamper or enhance the other. Each would stand on its own merits.

One final word, and that is this: While I believe my amendment to be a sound one, the Senator from Virginia has no pride of authorship in regard to this legislation. If another Member of the Senate has an amendment along the same line, requiring a balanced budget or putting a limitation on spending, and the Senate finds it superior to this one, the Senator from Virginia is willing to take this one down and have such an amendment substituted for his.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I rise at this time in support of Senate Joint Resolution 28, the proposed constitutional amendment to abolish the electoral college and establish direct popular election of the President and Vice President of the United States.

Rather than make a general statement on the merits of the proposal, and upon which I would be glad to have a dialog or colloquy with anyone on generalities. I prefer to talk a little bit about some of the particularities of this problem and of this subject.

Mr. President, defenders of the electoral college do not lack for variety or originality in the arguments they muster against the direct election amendment. I have heard many of them, and many of them are very elcquently put forth on this floor by distinguished Members of the Senate.

Many of their objections, in my opinion, fall into the category of what I consider red herrings. One such charge is that direct election will engender electoral fraud.

I just do not believe the facts are there. Let me go into it just a little bit at this time.

The man commonly associated with this argument is journalist and author Theodore White. He repeated his contention that the electoral college minimizes the incidence and effect of fraud in Presidential elections in a hearing before the Subcommittee on the Constitution earlier this year which I chaired. The distinguished chairman, the Senator from Indiana, was absent 1 day, as I understand, although he was there for all the hearings. Under the present system, he argued, States act as self-sealing containers. Any dishonest voting or vote tabulating that may occur is limited to a small number of States possessing both a large electoral vote and a close popular vote; Illinois in 1960 would be a good example. Had direct election been in effect in the close contests of 1960 and 1968, he claimed, fraud might well have run rampant even in such "honest" States as Minnesota, California, Oregon, and Connecticut. "Under direct election," White warned, "a premium would be placed on stealing every vote in every precinct in every State." In short, White's compartmentalization theory states that, first, fraud is restricted to a few States; second, the electoral votes of these States would not alter the outcome of an election; and therefore, third, the electoral college acts as a disincentive to electoral fraud.

I pointed out to White following his testimony on April 9, and I remain firmly convinced, that his theory is in error, suffering as it does from a major flaw in its second premise: That being that a few fraudulent votes in a few States could not affect the outcome of an election under the electoral college. Due to the effect of the unit rule which delivers a State's electoral votes in bloc, quite the contrary is true, in my judgment.

As our former colleague, Marlow Cook of Kentucky, observed of the 1960 election, a change of 25,000 popular votes in California would have altered 40 electoral votes. California's 40 electoral votes account for 7 percent of the total pool of electoral votes, but 25,000 popular votes made up a mere four-ten thousandths of 1 percent of 65 million popular votes. The same could be said of the 1976 election, wherein 290,000 fraudulent votes in New York would have altered 41 electoral votes, thus, swinging the election to Gerald Ford. New York's 41 electoral votes equal roughly 8 percent of the national electoral tally of 538—290,000 popular votes, on the other hand, make up only three-one thousandths of 1 percent of the nearly 82 million popular votes cast. There are many other examples which one could cite.

The principle is clear. Fraud is encouraged or discouraged by the impact it is likely to have on an election. And because the change of a few votes in each "insulated State" are capable of shifting large blocs of electoral votes, while the same number of votes would be of miniscule importance in a nationwide pool of millions of votes, the impact of fraud—and I want to emphasize this—the impact of fraud is magnified under the electoral college system. Compartmentalizing electoral votes by State breeds the very effect it is alleged to discourage.

I find equally untenable White's assertion that direct election would somehow corrupt previously honest States, thus resulting in nationwide fraud. It was well known, before election day, that the Presidential contest in 1960 would be a close one in both popular and electoral votes. Why, then, does White assume such States as Minnesota, California, and Oregon were honest in a close election under the electoral college but would surely have been corrupted in a direct election? In 1960, Minnesota's 11 electoral votes were carried by a 22,000 vote plurality; California's 32 electoral votes were won with a plurality of less than 36,000 votes; and Oregon's 6 electoral votes were delivered with a plurality of less than 41,000 votes. In all three States the vote was close enough to make fraud a tempting proposition to fraudulent men, had there been any.

I will conclude, Mr. President, by pointing out that under direct election every vote counts. Neither party, therefore, could afford to be uninformed about the improprieties of the other party. Precisely because every vote would count, there would be great incentive for the parties to better police polling places and for improved counting methods and procedural safeguards to be developed. Senate Joint Resolution 28 far from exacerbating the problem of voter fraud, may well provide the impetus to eliminate it entirely. I strongly urge my colleagues to support the resolution.

Furthermore, Mr. President, coming from a small State as I do, the State of Arizona, there is always the argument that small States need the electoral college for their protection.

I firmly believe that our federal system is important and must be maintained. But I also think that there is no better place of security and safeness for our democracy and our Republic than to have the direct election of the President and Vice President of the United States. The popular vote is in essence what does count. But as we know, historically, due to the electoral college and the mathematical games, that could not always be the case, and in a couple of instances has not been the case.

Why should this country at any time shy away from the direct election of the President and Vice President? The people speak in our Nation, and like it or not sometimes, we who are the spokesmen of those people are elected on a direct basis, by popular vote. And notwithstanding the criticisms that have come forth over many generations about public officials at the Federal Government and other government levels in this country, and even on this floor, there is no stronger nation than ours, and there should be no fear at all in people's minds of having the highest office elected directly by the people.

Mr. STEWART. Mr. President, will the Senator yield for a question at this time?

Mr. DECONCINI. I am glad to yield.

Mr. STEWART. The Senator having come here from a State that is included by some, at least, as among the small States populationwise, the concern has been alleged by my constituents in connection with direct election that it would reduce the relative influence of the small States. I was interested in why, even though the Senator represents a State that is small in population, he favors direct election of the President. What is the Senator's answer to the allegation that the electoral college system favors the small States, in other words, it gives them a little bit more say-so in the electoral process?

Mr. DECONCINI. Well, contrary to the assumptions in the question the Senator asks, I do not believe it favors small States. The State of Arizona rarely, during a political campaign, has ever seen major candidates come to the State. That is not true of Vice Presidential candidates, and there have been some exceptions, but those visits have been the result of commitments made long before the nominations have been concluded.

I believe that direct popular elections in the State of Arizona, with some 500,000 or 600,000 votes popularly for 1980, or even more than that, would bring the attention of the major candidates to the State. We may have as many as a million voters by the 1980 election, and this, I think, would be far more enticement for major candidates to come to Arizona than to come there with the hope of getting five electoral votes.

Also, the point has been made, I say to the Senator from Alabama, that this way, with direct election, every vote is going to count toward the candidate who takes the time to seek that vote, rather than being bogged down with the minority.

Historically our State goes Republican. I cannot remember the last time that the electoral votes of my State did not go for the Republican nominee for President. That certainly is a discouragement from the standpoint of the Democratic nominee to come to the State of Arizona, when historically they see that the electoral votes all go the other way because the majority of the popular vote goes that way.

If he thought he could get some popular votes in Arizona, and it would really count toward the election, that would enhance the prestige of my party in my State immensely. As far as fraud being brought out, as Theodore White has mentioned, I think it would scrutinized even more closely at the party level in the State I belong to, that so rarely goes for the national nominee.

Mr. STEWART. I thank the Senator from Arizona.

Mr. DECONCINI. I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HART). Is there objection to the unanimous-consent request?

Mr. BAYH. Reserving the right to object——

The PRESIDING OFFICER. The Senator cannot reserve the right to object on a point of order. Is there an objection to the suspension of the quorum call?

Is there objection? Without objection, it is so ordered. The Senator from Utah.

FRAUD AND UNCERTAINTY UNDER DIRECT ELECTION

Mr. HATCH. Mr. President, the incentive for fraud is always great in close elections. While some proponents of direct election would argue that their proposal would reduce the premium for fraud created by the present electoral system, a careful analysis of the impact of direct election reveals rather that it would magnify the possibility, the incentive, and the impact of fraud.

In evaluating the potential for fraud in the present system, we must remember that close popular elections are converted by the present system into electoral majorities. Close popular contests are not always close electoral contests. The electoral-vote percentages that the candidates obtain are never the same as their popular-vote percentages. This discrepancy ordinarily works to give the winner a higher electoral-vote percentage than his popular-vote percentage. For example, in 1960, John Kennedy defeated Richard Nixon by a popular margin of 112,827 votes or 50.1 percent, but with 56 percent of the electoral votes. It would have required a shift of votes in five separate States to elect Nixon (Illinois, Missouri, New Mexico, Hawaii, and Nevada). Under the electoral count system, each State is a separate unit, and any fraudulent activity, any election irregularity, affects only the votes of that particular State. Because of this factor, Professor Ernest Brown of Harvard Law School states that "the existing system isolates and insulates charges of voting irregularities.

Author Theodore White concludes:

> One of the strengths of the present system is that it seals the fraudulent, both Democrats and Republicans, into State-by-State containers, where the old local adversaries have learned to deal with each other and balance the other out. Fraudulent vote counting in an individual Texas or Illinois County cannot now affect the national outcome of a presidential race, because each State votes as a unit. But under direct election, given one giant pool of votes cascading into the network counters over an 8 hour period; given a titghtening race as happened in 1960 and 1968—and I am sure even the most decent politicians will be tempted to conjure up votes in the late closing states to balance margins in the early closing states.

The losing candidate will not contest the election tallies in individual States unless it is possible to reverse the results in enough individual States to give him the election. Thus, in most elections, the irregularities are not significant because the final outcome would not be changed anyway.

Under the present electoral system, virtually all of the closely contested elections would have required a shift of several States in order to make any difference in the final outcome of the election. In 7 of the 15 close elections between 1848 and 1968, a reversal in 5 to 8 States would have been necessary to give the victory to the loser, and in 11 of these close elections a reversal would have been necessary in at least 3 States.

The unit rule isolates and insulates charges of election irregularity to one State. A losing candidate is not going to bother to contest fraud in one given State unless it makes a difference in the final outcome.

An important goal of any electoral system must be to create certainty, to reduce calls for recounts and for contests in the courts. Thus, an important issue is whether the direct-election plan would increase the incentive for fraud and introduce a greater uncertainty into the election process. As indicated before, the potential for fraud arises whenever an election is very close. The present systems, transform the popular vote results to widen the margin of victory in the electoral count. However, under the direct election plan, this would no longer be the case. There would be a far greater incentive for fraud for without the present system's unique ability to put the election out of reach of the loser, there would only be the need to alter 100,000 or 200,000 out of 70 million votes in order to alter the entire outcome of the election, instead of having to win majorities in several additional States.

Under direct election, there would be a far greater incentive for a defeated candidate to demand a recount, for relatively few votes could change the outcome. Close elections create contests. In the last 100 years, the Nation has had nine colse popular races but only three close electoral races. In the closest contest in U.S. history, in 1880, when Garfield defeated Hancock by 9,457 popular votes, or by 0.1 percent, Garfield won 57.9 percent of the electoral votes for a 15.8 percent electoral-vote margin over Hancock.

However, had this election taken place under direct election, the incentive to demand a recount and delay the new Presidency would have been tremendous, because the need to win several extra States would have been eliminated. Only the need to identify an additional 9,459 votes would have existed under direct election.

Yet, had the election taken place under Senate Joint Resolution 28, the incentive to demand a recount and delay the final Presidential determination would have been tremendous because all they would have needed was to switch over or somehow identify, by hook or crook, an additional 9,459 votes. That would have been sufficient to make the difference.

Further, direct election would increase the incentive for challenging election results. Rather than confining the challenge to a few strategic States, the search for votes and for irregularities would be nationwide and extend to all voting precincts. A margin of a few hundred thousand votes out of 70,000,000 would make the result far less acceptable and tolerable to the loser than a margin of 10 or 12 percent of the electoral votes. Instead of limiting contests to closely divided States, as the electoral vote system does, the direct election plan would create the incentive to challenge results in every State of the Union. Under direct election, 25,000 fraudulent votes in Rhode Island or in Mississippi, which one candidate may have carried by a 60- or 70-percent margin, would nevertheless be challenged. Under the electoral vote system, a candidate need not bother to challenge such a result because, even if he picked up the extra 25,000 votes, it still would not give him enough popular votes in the State to gain any electoral votes.

The defeated candidate would call for recounts in isolated States where there was good cause to believe that there were irregularities that worked to his detriment. Of course, if the losing candidate calls for recounts in such isolated States, then the winning candidate surely would also call for recounts in other States where he believed he could pick up an advantage. The result of the recounts would be to delay a new Presidency and undercut the legitimacy of the office.

Under the electoral vote system, the results are more difficult to challenge because only in selected States where contests are close would a recount shift electoral votes. This protection is simply not true where under direct election. All the votes challenged are likely to be helpful.

The acceptability of election results to a defeated candidate is the linchpin of electoral certainty. When a loser concedes, the continuation of the Government is assured. But if the losing candidate questions the result, and battles on through the use of recounts, litigation, and other means, then the extreme danger of doubt, delay, and even the crippling of the Government may occur.

Past examples on the State and Federal level of recounts indicate how lengthy delays may be if recounts are demanded or litigated. A contested election in Missouri takes almost 4 weeks to verify and audit election returns. The 1960 contest in Hawaii took up to inauguration time the next year to resolve.

The problem is much more serious in a large State. As Prof. Judith Best, of the State University of New York (Cortlandt) has stated:

> In a State the size of Illinois, it may be impossible to reach a final determination in the requisite time, and even if all contests could be resolved prior to the inauguration, having the Presidential election suspended in limbo for a lengthy interval could create a serious crisis in the country, reduce the time available for an orderly transition of power, and result in a disputed Presidential term. Once the public loses faith in the accuracy of the count, it may be difficult to restore the public confidence.

Under direct election, the major candidates would not be the only ones to call for recounts and contests over the accuracy of the returns. The 40 percent rule of the direct election plan would probably encourage recounts by all candidates to determine whether any candidate had actually won 40 percent of the vote. Professor Best states that:

> In this type of contest, every vote, including those for minor candidates and write-in-votes, would be significant, because each would be a part of the total of which one candidate would have to win 40 percent. In this type of contest every ballot box and every voting machine would have to be examined. A direct election, then might result in two contests: A contest to determine if anyone had won 40 percent of the vote and, if so, who: And, in the event that no one had, a contested runoff. Not only would the runner-up be likely to call for a recount to determine if, in fact, anyone had attained 40 percent, but minor candidates might well do so because it is under a runoff that minor candidates have some leverage.

Another flaw in the plan for direct election that enhances the suspicion of unfairness is the potential diversity in requirements for registration and qualifications for voting. Senate Joint Resolution 28 gives the power to Congress to regulate the elections. On the one hand, if there are a number of different rules for ballots and other procedures in each State, there will be ripe opportunities for challenges to vote counting and runoffs because the voting was not carried out in uniform fashion. Under the electoral system, diversity of procedures does no damage because the number of electoral votes are fixed for each State. Therefore, different voting procedures in different States do not alter the percentage of total electoral votes in a Presidential election relative to other States. However, under direct election, if a State institutes different voting requirements or ballot rules that increase the percentage of voter turnout relative to other States, then such State has increased its power relative to the other States. In a close election, the outcome could be affected by varied eligibility requirements or by local vote-counting practices. Because of this problem, it is virtually certain that Congress, sooner or later, will step in and order uniform national procedures for Presidential elections.

The erosion of State power that would occur under direct election and national control is frankly acknowledged by one supporter of direct election. Congressman Celler has remarked that under uniform national voting standards "* * * great powers are being taken away from the States." This problem is equally as serious as the excessive recounts, runoffs, and delays caused by the proposal for direct election which undercut the legitimacy of the Presidency. Direct election should be clearly seen as slicing away a large portion of power that States currently exercise. Many State legislatures are properly jealous of their powers as the onslaught on Federal intervention continues to erode State prerogatives. As Richard Claude has observed in the Harvard Journal on legislation:

> Nationalized politics rubs against the traditional legal grain because conducting elections and defining the scope of the franchise have generally been decentralized functions of State activity.

The push for national control would extend to voter qualification and registration, access to the ballot, and counting procedures to be established for a direct popular election. The necessity for fixing rules prior to election is a lesson that should be apparent from the election of 1876.

Federal guidelines are one thing; Federal surveillance is another. Richard Claude concludes:

> There appear few barriers left standing to impede Congress from doing what it thinks appropriate to enforce equal protection guarantees applicable to the conduct of any election.

The issue then becomes whether Federal surveillance and administration occur under direct election as well as Federal rules and guidelines. The answer is, very likely, yes. Many believe that Federal administration of Presidential elections would be inevitable under direct election, despite the strong tradition of decentralized administration of elections. For example, Prof. Robert Dixon observes that local corruption in vote-counting stands in the way of a happy conversion to a direct, all-national election. Local corruption has some effects on the present system but, as Dixon stresses:

> Under direct popular voting the impact would be immediate, direct and national.

Federal surveillance and administration of elections would be necessary to guarantee honest balloting and accurate vote counts. William T. Gossett, of the American Bar Association, agreed that nationally supervised elections may well become imperative and necessary.

Aside from the preemption of State power to conduct elections, Federal administration of Presidential elections produces other deep problems. One great problem that haunts opponents of direct election is the possibility of manipulation and the opportunity for abuse inherent in a centralized administration. L. Kinvin Wroth contends that the most important problems stemming from direct election are not those of voter qualification but instead "those concerning the manner in which the popular vote is given, counted, canvassed, and communicated to the Congress."

Because the national administration and surveillance of the election process under a centralized system might be unacceptable because of the vast potential for manipulation, it is quite possible that under a direct election where all the votes are pooled, close elections might lead to contests and recounts—perhaps even to competition in corruption, with vote stealers matching their skills, as they did in the contest of 1876. It is far safer to retain the present system of States having separate election machinery so that, if fraud does occur, it is statewide rather than nationwide.

In short, there are advantages to the electoral system which are often overlooked. The electoral college and the unit rule possess the valuable asset of magnifying the margin of victory, therefore making electoral decisions clearer, much more difficult to challenge, and therefore much more acceptable to the losing candidate. The electoral college effectively limits the number of votes likely to be contested, while compartmentalizing and separating the votes of honest and dishonest States.

The U.S. Presidential electoral system legitimizes the Presidency. But uncertainty undermines legitimacy, and there is good reason to believe that direct election would produce great uncertainty in any close contest. Direct election enhances the possibility and impact of fraud, as well as creating far greater incentive for runoffs and recounts that delay and undercut the legitimacy of the Presidency.

THE CONTINGENCY ELECTION—THE RUNOFF PROVISION IN SENATE JOINT RESOLUTION 28

The protests and concerns raised against the present contingency election procedure under article XII of the Constitution are undermined by the fact that for 150 years Presidential contests have been resolved in the general elections. Since its universal adoption, the unit rule system has made electoral vote majorities the overwhelming rule. In short, contingency elections have been totally unnecessary.

The most praiseworthy aspect about the current electoral system is that it has never failed. In 1824, there was a contingency election, but this was before the widespread adoption of the unit rule by the States. By 1832, all but one had adopted the rule. This was also the first year that parties began to employ the national convention system for nominating Presidents. The unit rule and the national convention system interact and reinforce each other to produce a single election. As pointed out earlier, the present system inflates the plurality winner's percentage of the electoral vote and largely precludes the possibility of a contingency election.

As Professor Best has explained:

> Through the convention system the parties have established firm control over potential candidates and have been able to maintain that control because the unit system converts statewide pluralities into total statewide victories and as a rule converts popular pluralities into electoral majorities. Since the general election is going to be the only election, a man who goes against his party convention's choice will split the party and destroy its chance of victory. He will, in the process, earn the enmity of powerful party figures who, if they can, will punish him in the future. On the other hand, if he goes along with his party's choice he will, no doubt, share in the spoils of victory. The unit rule thus hands the parties both the carrot and the stick with which to control intractable faction leaders. The election of 1912, when the Republicans split, is a classic example of what happens when a party cannot control access to candidacy. A divided party cannot control access to candidacy. A divided party created a landslide for its opposition. Wilson won only 42 percent of the popular vote, but this gave him 82 percent of the electoral vote—a distortion of 40 percent.

So as long as the unit rule exists, the possibility of a contingency election in the House is exceedingly remote. Critics suggest that the danger of deadlock is especially acute when the popular contest is close or when a strong third-party movement develops. The possibility of deadlock under the electoral college is vastly overrated. As I earlier noted, for example, in the election of 1880, when only 0.1 percent of the popular vote separated the two major candidates, Garfield won with an electoral majority of 57.9 percent. History suggests that third party movements have come nowhere close to producing deadlocks, because the unit rules delivers all the electoral votes of a State to the plurality winner of the State. During all the Presidential elections in U.S. history, since full adoption of the unit rule, the winning candidate has never failed to obtain at least 55 percent of the electoral vote.

An excellent example of how the electoral system and unit rule make it extremely difficult for a third party candidate to deadlock an election is the Wallace campaign of 1968. In 1968, Wallace won 4,100,000 votes outside the South, but did not win a single electoral vote outside the South because he failed to win a plurality of popular votes outside of any Southern State. His popular percentage of 13.5 was translated into 8 percent electoral vote. However, under a system of direct election, Mr. Wallace would have retained his 13.5 percentage and been much closer to causing a deadlock or runoff election. It is simply easier for a candidate to win a significant percentage of the popular vote than candidacies, splinter parties and factions electoral votes.

Direct election would allow multiple candidacies, splinter parties and factions to proliferate. The unit rule, which has been so effective in maintaining conventions' control over candidates, would be abolished, and candidates who lost in the convention could take their case to the people freed of the obligation of winning statewide pluralities. It would not even be necessary for a candidate to conduct a nationwide campaign: He could concentrate his appeals in regions such as the populous eastern megalopolis.

In addition, there are many other reasons why more candidates would enter the campaign. Beyond the possibility of winning, other factions may wish to show their party that it has to pay them attention or they will run their own candidate. Others may wish simply to give exposure to particular ideas. Yet, the result of so many candidates would likely be to prevent any candidate from reaching the threshold of 40 percent under the direct election proposal.

The proponents of Senate Joint Resolution 28 have established a 40-percent threshold rule to try and prevent multiple candidacies: it will produce precisely the opposite. Many candidates will be encouraged to enter because even if they obtain a fraction of the vote, it will be counted toward denying major candidates from obtaining 40 percent. This gives minor candidates the opportunity to broker their special interests in return for their support of a candidate trying to reach 40 percent, as well as during the post-general election prerunoff period.

The result of multiple candidacies is the grave situation of frequent runoffs. Proponents of direct election argue that multiple candidacies, factions, and minor candidates will not be able to prevent major candidates from reaching 40 percent of the popular vote because in the past winning candidates have reached 40 percent of the vote in all but a single election. This is only an argument supporting the effectiveness of the electoral system in producing Presidents with wide popular vote support; when the rules of the election game have been changed, the experience of the electoral system will be irrelevant. All the rules for campaign strategy and candidate and issue selection will be changed under direct election. In fact, one noted political scientist has pointed out that under direct election, Abraham Lincoln who received only 39.7 percent of the vote in 1860, would have been forced to run again. Given the runoff provisions under direct election, this political scientist has indicated that Abraham Lincoln would have lost.

A runoff clearly is disadvantageous. There is tremendous expense to candidates, parties, and the population. Not only would substantial amounts of additional funds be spent, but people tire of elections. A study, conducted by the late Prof. V. O. Key, showed that in 31 of 38 cases, of southern gubernatorial runoffs there has been a decline in the turnout of voters between the primary and the runoff. The same would be true of Presidential runoffs.

A runoff extends the electorate's uncertainty, which uncertainty creates political intrigue and magnifies the likelihood of violence. In addition, the runoff extends candidate uncertainty and sharply shortens the time available for the orderly transition of power. The President-elect needs sufficient time to make his appointments, to pick his Cabinet, and to be briefed on all aspects of the national situation.

Another problem which arises from direct election's 40-percent threshold is that a national recount to determine whether any candidate received 40 percent of the vote could be necessary. As mentioned before, charges of fraud or simple errors in tabulation might cause challenges throughout the Nation. During this period, all the results would be in doubt. The leading candidate would not know if he was the President-elect or merely the front runner in the beginning contest. It would force the vote leader and the runner-up to keep trying to hold together their support, while searching for soft spots in their opponents' support. The top candidates would have to prepare for the possibility of a new election.

Again, it must be stressed that the electoral vote system magnifies the popular winner's margin of victory over the runner-up. It also tends to give the runner-up the monopoly of opposition. The adoption of the unit rule has made the electoral system one of single member districts with statewide pluralities. These two factors interrelate and reinforce each other. Since the adoption of the unit rule in 1832, we have had no contingency runoff elections, nor are we likely to have one. The fact that this avenue, this second chance, is closed means that many potential third party or splinter candidates have little to gain and a great deal to lose by refusing to accept their party's nomination as a definitive point of no return.

But even under the admittably severe disadvantages of the unit rule, we have had several factional candidates who refused to accept their party's nomination procedures as final. If they have done so under the present system, which makes a second election so unlikely, what would they do under the direct election 40-percent runoff rule? A telling criticism of direct election proponents comes from Max S. Power who states "direct election provides no workable means for electing a President from among more than two candidates." He accuses direct election proponents of "assuming two-party competition without asking how their proposals are related to it," thus ignoring "the logical problems of multicandidate contests."

Dissatisfied party factions look for loopholes in any nomination process, and the proposed reform, with its 40-percent runoff rule, would give them a second chance. The present system's solution to incipient multifactionalism and to third parties, whether national or sectional, is the unit rule. This converted Wallace's 13.5 percent of the popular vote into 8 percent of the electoral vote. The critics' assertion that the present system favors sectional third parties is true only in a limited sense. It does give a sectional third party electoral votes under the winner-take-all rule. But—and this is the point the critics appear to forget—a truly sectional party cannot win under the electoral system.

It must be noted that a truly sectional President could arise under direct election; this could occur if a candidate won large majorities in the Eastern States, while losing virtually all other votes in the Nation. It should also be remembered that the worst disaster ever suffered by the United States was the Civil War. A system of direct election that would lend a hand to tendencies of sectionalism should be highly discouraged.

The proponents of direct election try to argue that it would be very difficult for a splinter party to poll the 20 percent or more of the vote necessary to produce a runoff. The argument is not convincing. Even under the unit rule, splinter candidates have done well in the popular vote. For example, Millard Fillmore received 21 percent of the popular vote; in 1860, the third and fourth ranking candidates' combined total was 30.8 percent. In 1912, William Howard Taft, the third runner-up in the popular contest, received 23 percent; in 1924, Robert La Follette attained 16.6 percent. These candidates all ran well, despite the fact that the major parties could use the "wasted-vote" argument against them. They would do far better still, under direct election.

With splinter candidates amassing significant totals of the popular vote, despite the unit rule, it is certain they would do much better when the unit rule was abolished. A good example is 1968. George Wallace alone obtained nearly 14 percent of the popular vote, and if direct election had been in effect, Eugene McCarthy might not have resisted the pressures to run, which would have probably forced a runoff in 1968 under the 40-percent rule. Indeed, the entrance of a third party candidate would provide the incentive for many other candidates to enter. The more candidates, the greater their cumulative power to force a runoff. Furthermore, in 1968, Nelson Rockefeller may have followed hard on McCarthy's heels and decided to run. Ronald Reagan also could have decided to run instead of being left at the starting gate. This would certainly have prevented any candidate from gaining 40 percent of the popular vote, and a runoff would clearly have been necessary.

Under the electoral vote system, there are significant safeguards against the dangers of multiple candidacies. Multiple candidates alone cannot force a runoff. In the 33 elections since 1840, we have had 31 when more than 2 candidates won popular votes, yet in only 9 of these elections did a third candidate win electoral votes. In no case, did these candidates force a contingency runoff election, despite the fact that in 26 of these elections there were 5 or more candidates. Millard Fillmore may have won 21 percent of the popular vote, but he won only 2 percent of the electoral vote. William H. Taft won 23 percent of the popular vote, but he won only 1.5 percent of the electoral vote. If only popular votes were counted, a third party candidate could far more easily force a runoff then when the popular votes are converted into electoral votes.

In the 1968 campaign, both Nixon and Humphrey used the classic wasted-vote argument to turn voters away from Wallace. But the possibility of a runoff would change the voter's reply. A voter who felt strongly might accept the risk of casting a wasted "vote" in order to cast a protest vote, particularly if he believed he would have a fair chance to vote again. In such circumstances, people would also be inclined to vote for more extreme candidates than they ordinarily might.

With a weakening of the two-party system through the creation of multicandidate elections, many candidates could be willing to take more extreme positions than the party as a whole which must be concerned about future electoral contests. As V. O. Key has pointed out:

> Individualistic or disorganized politics places a high premium on demagogic qualities of personality that attract voter attention; party machinery, in the advancement of leaders, is apt to reject those with rough edges and angular qualities out of preference for more conformist personalities.

Thus, one of the most frightening prospects is that the runoff could lead to a succession of extreme candidates. Key's extensive study of Southern State politics led him to suggest that:

> It may well be that multi-factional States are multi-factional because of the existence of the runoff.

He concludes that runoffs "give some support to the hypothesis that the runoff encourages a multiplicity of factions."

Instead of preventing multifactionalism and securing party convention control over access to candidacy, the 40-percent runoff rule of Senate Joint Resolution 28 would do the opposite. With the creation of multicandidate races, the general election would be transformed into a national primary. Although the convention system may not be perfect, it has many advantages over a national primary. When the selection process is controlled by professional party leaders whose object is power, as it is under the electoral system, the candidates are more likely to be men with broad appeal. The convention system promotes party unity, compromise, and conciliation. It tempers and welds together the harsh elements within the party. Under a national primary system that would occur under direct election, there is the likely risk of fostering longlasting divisions within a party. In a national primary, there would be no assurance that the most generally preferred candidate would be chosen. Critics of the electoral system fail to realize that a national primary with "equally weighted" votes is less likely to produce the moderate candidates favored by the majority than the national conventions dominated by party professionals which occur under the electoral system. The advantages of the national party conventions are too great to be abandoned in the search for "equally weighted" votes.

Lastly, it must be understood that a change in the nomination process by direct election has a direct bearing on federalism. Under the electoral system, the States are the decisive units, for a candidate must win pluralities in States to win the election. Because a candidate must carry States, he will often commit himself to issues crucial to the States. Under a direct-election system, State boundaries would lose their significance and State and local issues would be neglected by the candidates.

According to David Derge, direct election would not only have a nationalizing effect on the issues of the Presidential campaign, but, in addition, this nationalizing effect would extend to all elections tied to the Presidential race.

> The nationalization of the Presidential issues is an obvious result, particularly as candidates look beyond the "big" 12 states for their votes and grope to connect with existing or latent groups whose membership spills over state lines. It seems likely that anyone running for office would be pulled into this vortex of national issues and could hardly avoid taking his stand on the ones which prove effective for the presidential nominees. Since these issues would probably be both transcendant and dramatic, legitimate state and local issues might fare even more poorly than they sometimes do now.

The strength of the State parties will be terribly weakened under direct election if the States are no longer the decisive political units. The Presidential candidate, instead of having his constituencies imposed upon him in State-sized packages, would be much freer to select his own constituencies, to organize units from groups that spill over State lines.

Herbert Wechsler emphasized in his book "Principles, Politics and Fundamental Law," that under the electoral system:

> The States are the strategic yardsticks for the measurement of interest and opinion, the special centers of political activity, the separate geographical determinations of national as well as local politics.

It is apparent that State boundaries will not be as important under direct election because candidates are not forced to win electoral votes State by State. The extreme likelihood of the imposition of national control over election rules, and national surveillance over the elections would even further weaken the power of States to carry out the powers they currently enjoy freely under the electoral system. At a time when there is increasing disenchantment with nationalization of State powers, direct election should be rejected.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, at this time I defer to the distinguished Senator from South Carolina, to open a colloquy.

Mr. THURMOND. Mr. President, at this time, I will engage in a brief colloquy with the able Senator from Virginia.

Several witnesses in opposition to Senate Joint Resolution 28 cited an interesting concept as one of their reasons. This concept was the thought of State citizenship. Theodore White remarked that—

> Our system of electing Presidents enhances the sense of the importance of being a Texan or South Carolinian or New Yorker * * * it gives them a sense of being in a community * * * This lovely sense of identity which holds this Union together can be erased by this direct election proposal.

When citizens of a State go to the polls to vote they feel that they are a part of the State's decision in who to support for President. In the past election for example, South Carolinians chose Jimmy Carter, Virginians chose Gerald Ford.

I ask my colleague from Virginia if he does not feel that this is an important facet of our electoral system.

Mr. WARNER. I certainly do. Senate Joint Resolution 28 completely removes the States or the people of States as factors in the Presidential election process. I think Mr. White also testified that with a direct election system the television networks will be reporting the outcome of major media areas and not the elections that were conducted in the States.

Mr. THURMOND. Will not the able Senator agree that direct election presently exists but it is at the State level. At this level, the reflection of the interests of the people of each State compatible with our federal system of government are more accurately reflected.

Mr. WARNER. Yes, absolutely. Proponents of this proposal seem to forget the concept of concurrent majorities which was so brilliantly developed by John C. Calhoun. In electing the President, the people of each State make their choice.

I thank the Senator very much for the opportunity to join with him, because I very strongly oppose this measure for direct election for President of the United States.

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Virginia who comes from a State that has produced more Presidents than any other State in the Nation and whose philosophies are in line with these great men of the State of Virginia for the position he has taken here on this resolution at this time.

Mr. WARNER. I thank the Senator.

The PRESIDING OFFICER (Mr. MORGAN). The Senator from Utah (Mr. HATCH).

Mr. HATCH. Mr. President, I wonder if I could ask the distinguished Senator from Arkansas or his colleague from Indiana just a few questions about direct election of the President if the time is propitious?

Mr. PRYOR. The problem is I have the time, but I do not know that I have the knowledge to answer all of the questions of the distinguished Senator from Utah. He has been engaged in this matter for some time. He has done a lot of research, for which I compliment him.

I do strongly disagree with his conclusion, I might add.

Mr. HATCH. I thank the Senator. I have attempted to listen closely to testimony delivered before the Constitution Subcommittee this year and during the last Congress.

Mr. PRYOR. I know that to be true.

Mr. HATCH. I have total confidence in the integrity, intelligence, ability, and friendship of my dear friend from Arkansas and in his sincerity in supporting Senate Joint Resolution 28. I feel that he is wrong in supporting Senate Joint Resolution 28, and I do have a number of questions. I will wait until the distinguished Senator from Indiana comes back to ask them. I am sure we will have various colloquies between us throughout this debate.

Let me just say this however. Direct election in my opinion, is one of the most critical constitutional amendments ever proposed. It would radically transform our system of Government, and erode some of the most enduring of our constitutional principles.

I certainly agree that the distinguished Senator from Indiana has spent a great deal of time on this through the years, much more than myself, and is extremely conversant with all aspects of direct election.

So I will reserve my questions until the distinguished Indiana Senator is present.

I appreciate our friendship and I appreciate all we did and will do together in the future.

Mr. PRYOR. Mr. President, will the Senator yield until the Senator from Indiana returns to the Chamber?

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, may I inquire of the managers of the measure representing the leadership whether there is any objection to my getting a waiver of the Pastore rule for the purpose of putting in a bill, as there are only 10 minutes left?

Mr. President, I ask unanimous consent that I may proceed to introduce a bill at this time and make a statement thereon notwithstanding the Pastore rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. JAVITS in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Mr. Carl Sabath have the privilege of the floor for the remainder of this day.

The PRESIDING OFFICER. Without objection, it is so ordered.

(During the remarks which follow, Mr. BENTSEN assumed the chair as Presiding Officer.)

Mr. MOYNIHAN. Mr. President, I rise to speak briefly and for the first time in what I believe will be an extended debate on the matter before us, Senate Joint Resolution 28. I wish to do so in an effort to introduce this subject in the context, as I see it, of the historical experience of the American Constitution and the American political system.

I suppose the first thing to say, Mr. President, is that there is no one fact more singular about our Constitution than its durability. As a written Constitution, it is the oldest in the world save only for the medieval Constitution of Iceland, which still persists in that small nation. No other large industrial, and certainly no continental, nation has anything like our experience of a sustained and stable government under a constitution basically unchanged from its original construction.

We, I think, do not understand how singular this history is; and if I may make a personal comment, I recall that one afternoon in the General Assembly Hall of the United Nations, in the course of a long debate on a not altogether absorbing subject, I found myself looking at the two large scoreboards, as one might say, located in the front of the Assembly Hall, on which the member nations are listed and where there votes are recorded.

I found myself asking how many of the 143—now 154—nation members of the U.N. had existed in 1914 and had not had their governments changed by force since 1914. It was not a great exercise to determine that in that great universe of nations, exactly seven met both those criteria, that they both existed in 1914 and had not had their form of government changed since.

There are some who might ascribe our good fortune to the insularity of the Nation in its early years and the size and strength of the Nation in its later years. But I would say that in no small measure it has been the result of the genius of the American Constitution and the way it has served this political community for almost two centuries.

I would not disguise, at the outset, my sense of the measure before the Senate today, dealing with the abolition of the electoral college, to state that in the guise of perfecting an alleged weakness in the Constitution, it in fact proposes the most radical transformation in our political system that has ever been considered—a transformation so radical and so ominous, in my view, as to require of this body the most solemn, prolonged, and prayerful consideration, and in particular a consideration that will reach back to our beginning, to learn how we built and how it came about that we built better than we knew.

Mr. President, at the base of Capitol Hill, just a few feet outside this Chamber to the west, looking west past Schrader's great equestrian statue of Grant, past the Washington Monument, and on to French's seated Lincoln, is a bronze statue of John Marshall, also seated. It cannot be altogether by chance that these four men, defining the unity and the tension of the active and the contemplative in American public life, should be the only persons so honored on the central axis of the Mall. Nor is it chance at all that a marble tableau on the northeast face of the plinth of the Marshall statue depicts, in the allusive but plain language of the time, the scene Minerva Dictating the Constitution to Young America.

This statue, erected in 1884, suggests that a century into our constitutional experience we had a live and vibrant sense that our Constitution was constructed by persons who had studied history and had come to what they viewed as a new and better understanding of what they thought might well be judged the principles of history.

I begin at the beginning with the Declaration of Independence and the "self-evident truths," as they were termed, by which the new Nation sought to justify its revolution and its new form of government.

As the late Martin Diamond has reminded us, the political credo of the Founding Fathers, encapsulated in the words of Jefferson, was based upon the scientific and philosophic advances of the 17th and 18th centuries. The respect for human rights which constituted liberty as they understood it was not an idiosyncratic value of a remote group of Anglo-Saxons with no claim on any other political culture. It was not a tribal aspect of our inheritance. Rather, it was seen as the primary political good, of whose goodness any intelligent man would convince himself if he knew enough science. In Diamond's words, "They regarded liberty as a modern idea, as the extraordinary achievement of 17th and 18th century political thought."

With that achievement in mind, George Washington, for example, said that Americans lived "in an epoch when the rights of mankind are better understood and more clearly defined than at any former period."

This understanding and clarity were all part of the new "science of politics" to which Hamilton referred in the Ninth Federalist Paper. I would cite that passage of Hamilton and his sense of how relevant it was.

He noted that previous republics had had such stormy histories that republicanism had admittedly fallen somewhat into disrepute. This tendency, however, could be overcome, thanks to progress in political science.

And Hamilton went on to say:

> The science of politics, however, like most other sciences, has received great improvement. The efficacy of various principles is

now well understood, which were either not known at all or imperfectly known to the ancients.

Hamilton went on to cite as examples of "new discoveries" the various constitutional institutions with which we are now familiar: Separation of powers, the system of checks and balances, representation of the people in the legislature, the independent judiciary, and so on.

I will take the liberty to stress once again the idea the Founding Fathers had learned from history—they had studied its principles—that liberty was not just a quality characteristic of the ancient peoples from which the American peoples sprang, but was a principle of government of which any person who would learn enough natural science would persuade himself.

They recognized that republics in the past had been turbulent. They had all studied with great attention the history of Greece and then of Rome, and there were democracies in both places—or republics if they were not democracies—which at certain times witnessed the appeal of one man or of one issue, which would come along and sweep away the judgment of the people and play on the passions of the moment. And in the aftermath, what would they find but a ruined and defunct republic and a tyranny in its place?

So they developed these new discoveries, as they saw them—the separation of powers, the independent judiciary, the representation directly and indirectly of people and States in the Congress, a principle that involved not just one majority, but in the most important sense two majorities.

All through our system we find majorities at work, but they have to be at work simultaneously. John C. Calhoun referred to them as concurrent majorities, and while he often spoke only of the State and the Federal governments, he perceived a self-evident property of our constitutional arrangements to be found everywhere. The concurrent majority is required between the House of Representatives, based upon the direct election of the people, and a majority in the U.S. Senate, Members of which at that time were indirectly elected through the State legislatures and to this day represents the States and the people of the several States, regardless of their actual numbers. It is a majority of the States which counts in this body, not the majority of the population, per se.

Concurrent majorities are also required between sufficient majorities in both Houses of this Congress and the Presidency to enact a law, and the President himself comes to office by having achieved a majority of the electoral votes cast. The power subsequently evolved, but clearly anticipated by the framers—and I think this is settled—that the Supreme Court could review the acts of the Congress and the President in their concurrent majority, and the majority of the court could judge upon constitutionality.

This is a pervasive and understood principle of the Constitution thought to be—and who would argue that history has not supported that expectation—learned from history. And of all these majorities, none was more subtle or more central to their thinking than the majorities required to elect a President.

Again there would be two majorities, not in any rigid, absolute sense but in the sense that a clear preponderance of choice would emerge.

The President would be elected by a majority of the popular vote and by a majority of the States. That has been our principle ever since. It is the principle enshrined in the electoral college, and it has been the basic institution which has given structure to American politics, the politics of the Presidency.

At an early time in our history the electoral college changed its nature from a deliberative body which followed its own will to a body which simply reflected the majority of the electors as they voted in their several States.

While we are a people very much given to the principle of written constitutional arrangements, I believe we have shown a capacity in our Government to adopt through practice matters which attain to the condition of principle, as, for example, when early in the Republic it became understood that a President would only serve two terms. George Washington established that. And it was a century and a half before it was written into the Constitution. It had the effect of a constitutional principle for all but the experience of one President in a wartime situation, and that was very special indeed. That experience led to its being written down as an amendment to the Constitution itself. When, in fact, an informal constitutional principle was violated it became a formal constitutional provision.

That tradition served us well for a very long period. It served us with respect to the single great problem which republics have always dealt with, which is how to persuade persons in power to leave power. It is a problem which, for example, the republics founded in Latin America in the early 19th century have never successfully coped with, or have rarely done. This led, in the Mexican Republic, for example, to an eventual recognition that no one ever left power of his own accord, resulting in a constitutional provision for only one term and one term only.

Our election of 1800, the most remarkable and most enduring of all political events in our history: the party out of power won an election and the party in power voluntarily left office. It was John Adams who was defeated when the votes finally came in from the South, and he went back to Quincy, Mass., thinking himself a failure, having turned over the Treasury, the Great Seal, and the Army of the United States to Thomas Jefferson. Far from being a failure, he began democracy in the modern world.

He proved that it could work. It does not work everywhere. We are reduced, to this day, to some 35 democratic societies in the world, about the same number there were in 1914, but the oldest constitutional democracy is ours. And it lives under the Constitution established at the outset, a Constitution established with great sensitivity for the need to see that power was never installed, save when it was consented to by more than one majority. That was the principle of the electoral college.

There is another aspect of our Constitution, one, I think, perhaps not always recognized aspect that assumes conflict in political body. This is not ordinary; this is unusual.

There is no prior existence anywhere, even in the ancient constitutions of the Greeks, which recognized that conflict was normal to a political system and needed to be organized and channeled. A much more common asumption was that of monarchy, in which the king is assumed to represent the interests of all and what the kind does, is by definition, harmonious with the interests of all; or the curious doctrine of the Soviets, which we acquire from Marx that such were the basic harmonies of society that, after a period of communism, the state would wither away, it being coercive by its nature and there never being any need to be coercive or to coerce in a society where the natural harmonies had been allowed to evolve.

James Madison knew better. He knew conflict was normal or perpetual. He also believed it could be controlled. And, of course, again, an extraconstitutional institution emerged, one which, interestingly, the founders had feared, but to which they very clearly lent their formidable energies and enterprise. The political party emerged. And from the beginning of the Republic, or to be more precise, from 1796, the third election, political parties developed for the purpose of organizing conflict and limiting conflict.

Only once have we seen them disappear in that brief period, in the 1820's, in the election of 1824, with the first appearance of the so-called faithless elector, when Mr. Plummer of New Hampshire decided that only George Washington should be entitled to the honor of having been unanimously elected by the electoral college and so cast his vote for John Quincy Adams. Even there, we see the electoral college being used as an institution to define majorities, and the parties that emerged had as their single most characteristic quality—again different from anything else in the experience of republics—that they were not ideological, that they were not sectarian nor confessional, and never, in the two great parties, extreme.

It is a source of needless frustration in the youth of as many generations as this Republic can measure that our parties have not been extreme. And if we look to the question, why have they not been, the answer is that the electoral college makes it impossible for them to be if they are to continue effectively to be parties. Indeed, when some have ceased so to do, they have ceased to exist.

The electoral college requires the assembly of consent—again, concurrent majority—in one part of the country and another part of the country, and yet another part, all defined in terms of the several States. It has as its extraordinary ability the formation of consensus as between widely differing regions, political purposes and styles, and political agendas. It has as its purpose and function the narrowing of differences, a narrowing which is repeatedly to be encountered in the narrow range of votes as between the parties in Presidential elections. There are only landslides as we call them.

These landslides are really nothing of the sort. They rarely attain to 60 percent of the vote. When, in fact, one party momentarily belongs to an extreme faction and almost instantly is hugely rebuffed, it has been the experience of two centuries that just as instantly, they resort to a traditional practice of obtaining consensus, retaining a structure of concurrent majorities around the Nation that make it possible to win a majority of the votes and electoral college, and, thereafter, to govern with the legitimacy that has come of attaining to such diverse majorities.

Mr. President, I recapitulate, to state my judgment—and it can only be mine—that the proposal before us, in the guise of perfecting an alleged weakness in the Constitution, proposes the most radical transformation in our constitutional system that has ever been considered.

I remarked that the Founders devised our system with the idea of a network of concurrent majorities which would be required to exercise power. The fundamental thrust of this measure, however unintended—nonetheless it seems to me ineluctably clear—would be to abolish that principle of concurrent majority.

If there is once introduced into the Constitution the idea that a President may routinely be elected by 40 percent of the vote, you have the most ironic of all outcomes, that in the name of majoritarianism we have abolished even that single majority which the Founders so feared.

Mr. President, politics is an argument about the future, and no one knows that future. However, as Hamilton and his colleagues argued, the study of history can give you some sense of probabilities. If we would study the modern history of Europe as they studied the ancient history of Greece, what would we repeatedly encounter but a democratic-republican society succumbing to a plebiscitory majority and to one man and to the end of the republic?

It happened in France; it happened in Italy; it happened in Germany. Almost the only places it has not happened in Europe, on one occasion or another—I dare to suggest that it is an interesting point—are the constitutional monarchies.

Indeed, there was a moment, not recently, when the only democracies left in Europe were constitutional monarchies—partly because, having a chief of state, they never had to elect one with real power, and they could govern from their legislatures, where members were elected in individual constituencies, as is the case in Britain today. They never succumbed to the ever-present threat of an overwhelming issue, an overpowering person, and the end of liberty. That is precisely what we invite if we adopt this radical measure.

Consider the situation: We shall have introduced the runoff, the very symbol of splintered European political systems, where no majority ever can be accumulated by the political process of one party presenting itself to the country and asking for a majority.

Why? Because it maintains its internal cohesion by the narrowness of its agenda, which is always and repeatedly reflected in the narrowness of its votes.

I see that the Senator from Indiana has risen. Does he wish to speak?

Mr. BAYH. I hesitate to interrupt, and I want to hear the rest of the Senator's remarks; then, by his leave, I would have some observations about them. However, he is such an accurate and precise colleague that I am sure he would want the RECORD to show, with respect to the kind of runoff provision that exists in Europe, that each of those systems is the result of a majority requirement.

Mr. MOYNIHAN. That is right.

Mr. BAYH. That is not the case in the amendment before the Senate.

Mr. MOYNIHAN. The Senator is correct in that. I was about to develop the idea, if I may.

Mr. BAYH. I just wanted to point out that if one is talking about splinter parties being the result of runoff, one cannot ignore the fact that the 40 percent provision, which was recommended by the American Bar Association, was chosen specifically to negate the possibility of having minority parties or to minimize the possibility of having minority parties.

Mr. MOYNIHAN. Mr. President, if the Senator will yield, I appreciate his great courtesy and learning in this matter. My point is simply this, that there are two ways to maintain a political party. Roughly speaking, there are two models.

On the one hand, one can assemble a narrow agenda of issues and find a constituency that cares strongly about those issues and will vote for one's party regardless, as long as it maintains that issue, that purity of doctrine, but that constituency will begin to dissolve when that purity begins to be diluted. That is the fate of democracies where it is not necessary to win a majority of the vote the first time out, and where it becomes possible to take the chance on winning a majority in the runoff.

The nature of the American political party which, as I said, has been the despair of every generation of college youth since John Quincy Adams, is that it seeks a majority to begin with. It is broad. It tends to dual conflict, to buy very little that is inspiring to youth and much that is consoling to the aged, to wit, a not always pristine consensus.

What will we see if this resolution should come into law? To repeat, Mr. President, we do not know what we will see, but we know what others have encountered. We will see a situtaion in which at the very least we will have four parties because both of the major parties incorporates within themselves two parties. I can attest to this with some feelings, being a member of that Democratic party within the Democratic Party which is temporarily out of office, and I know that there are Republican colleagues in the Chamber who have also been in that situation. I say, of my good friend whom I admire so much, the Senator from Indiana, that in the main, his Democratic Party is in office at this point. And so it goes.

One of the great facts of the electoral college is that after the party convention takes place the party that loses stays in the party, so to speak. Otherwise, there would be no prospect, even for the minimal rewards that go to the losing faction. Why not go off and run on your own?

Conceivably, at least four people will run. It will become normal. It would not be abnormal for 14. And you get a kind of randomness in outcome that is characteristic of a purposeless system and anyone feeling strongly, as people will, and legitimately, about issues, will say:

> What if I run and get 19 percent of the vote, and the next highest person gets 24 or 39, and together we go into the runoff, and who knows but that I will emerge?

It will be a normal and legitimate calculation, and it will be a calculation that will have as its most distinguishing characteristic that no one would any longer think of those units of government, the States, which more and more, as we progress into the 20th century, become indispensable to the management of a governmental system which is increasingly loaded with tasks.

Theodore H. White, in a graphic description of events on election night as he would foresee them, suggests all the drama would leave as the early returns when Massachusetts, South Carolina, and Florida came in and then the great progression across the continent to California, Alaska, and Hawaii. To the contrary, as the undifferentiated votes mounted up, the pressures would be on the Mountain States and then the coastal States and the island State, to get out votes, to change outcomes. There would be genuine pressures to fraud and abuse. It would be an election no one understood until the next day or the day after, with recounts that go on forever, and in any event, no conclusion, and a runoff to come. The drama, the dignity, the decisiveness and finality of the American political system is drained away in an endless sequence of contests, disputed outcomes, and more contests to resolve the outcomes already disputed.

That is how legitimacy is lost. That is how a nation trivalizes those solemn events that make for the singlemost important ingredient of a civil society, which is trust.

There was once, Mr. President, an acquaintance of mine who served as a diplomatic officer in Southeast Asia during the period of American aid who had a poignant conversation with a friend he had made in that country. The friend was a native to that country. He was leaving, the friend said to him:

> You know, you come here and you give us this technical assistance and that material assistance but we know that you never give us the one secret you have and we do not and makes all the difference, which is that you trust one another.

And that is what we have to show for two centuries of a Constitution that has made trust possible, partly because it has made conflict visible and manageable.

Mr. President, the present craze for amending the Constitution to cure every imperfection from the common cold to the cold war is not new. But I can suggest that it should be looked at with great care.

There is an experience in my own State. I think how frequently each of us in this Chamber thinks of his own State because that is what he represents and he is unique in that representation. No other State is alike and no two Senators from one State come from quite the same constituency.

In 1858, on March 3, the New York Times reported from Albany that 86 State Senators had presented a petition so brief and so explicit to the times that they gave it lines in the Times, and I read the petition. It said:

> The undersigned citizens of the State respectfully represent that owing to the great falling off of the Canal revenue as well as the increasing drafts upon the State Treasury and the large expenses of carrying on the several departments of the State Government thereby swelling up the taxes, therefore, with the view of relieving the people from the large amount now unnecessarily expended to sustain the executive and legislative departments and to secure the honest and better administration thereof, your petitioners respectfully ask that your honorable body pass an act calling a convention so to alter the Constitution as to abolish both the executive and legislative departments as they now exist and to vest the powers and duties thereof in the President, Vice President, and directors of the New York Central Railroad Company.

The Times reported that this was intended as a joke. But in no time at all it passed the Senate. It thereupon passed the assembly, and the following autumn failed of adoption on the ballot by 6,360 votes.

I mean no immediate parallel, Mr. President, but we have before us an amendment designed to abolish the Democratic and Republican Parties and vest their present powers in the President, Vice President, and the directors of the National Broadcasting Corp.

The reign of television would be Orwellian and the Republic would decline. Have we not had enough of this? Do we not realize that we are on the edge of being required by the States to call a constitutional convention, for the purpose of putting algebra into the Constitution? But once the constitutional convention convenes they need no more stop than when they gathered in Philadelphia for the same purpose in 1787.

Mr. President, there is a solemn obligation of persons who have been blessed, as we have been blessed, by a stable political system to look to that stability as the most precious inheritance anyone can have. Look about the world and think of the experience of mankind in this generation. Ask what society has lived from 1813 without foreign invasion. Ask what society has never known a break in its congressional or presidential or judicial successions. Ask what society so accepts the principles of the Constitution as to enable the Supreme Court, appointed for life, to strike down laws of this very legislature, and to do so with heightened respect when it fulfills its constitutional mandate.

Ask what the legitimacy of justice is once we tinker with the balancing phenomenon of the electoral college.

We have a republic. It has endured. We trifle with its arrangement at a risk not only to the future of that republic but, most assuredly, to the reputation of this generation of political men and women.

It is one thing to be, as often we must feel we are, outthought and outperformed by our predecessors, but are we so to undervalue our own worth as to fall into an almost destructive and adversarial relation to their work?

I would hope not, Mr. President. I respect altogether the purposes that prompt this amendment. I suggest they may easily be remedied by an arrangement which abolishes the individual office of the elector. Indeed 19 States already require that electors vote as their majority dictates. But the remedies are simple, and surely the experience of a people long accustomed to the successful government in a given arrangement ought not to tamper with that arrangement owing to hypertechnical problems, emergencies that do not arise, have never in our time arisen.

Mr. President, there was a time when it was in the 19th century that on patriotic occasions, and almost any occasion that gave the opportunity, Americans would rise and offer the toast to the President and the Constitution of the United States, so intermittently did they associate those institutions.

I hope the day does not come when tearing the Constitution asunder we effectively diminish the role of the President of the United States to a man or woman so narrow in his or her base that the opportunity to continue in office, the desire to do so, because of the intensity of factions there that brought the person there in the first place, the narrowness of base that threatens that incumbency, proceed to animate in the Presidency the most unpresidential and antirepublician of temptations.

We have prospered and endured. Let us hope that we shall continue to do so. There is work aplenty before this Congress. Let us get on with that work and leave the Constitution be. If the time comes when the true experience of an emergency arising because of the extraconstitutional practices that obtain as to the condition of principle, as was the case when the two-term practice was broken and Congress and the State legislatures therein did react, and react effectively, that time can come. But let us wait until its necessity is plain.

I thank the Chair.

Mr. THURMOND. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield to the distinguished Senator from South Carolina.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from South Carolina.

Mr. THURMOND. I want to commend the distinguished Senator from New York for the magnificent remarks he made here today. He has proved by these remarks that he is truly a scholar of the Constitution and that he is well informed about this document and he knows whereof he speaks. I just want to take this opportunity to compliment him at this time.

Mr. MOYNIHAN. I thank the Senator from South Carolina.

Mr. BAYH. Mr. President, our distinguished colleague, my good friend and co-Intelligence Committee member, my colleague from New York, is one of the most eloquent and knowledgeable spokesmen in this body. As a scholar and as a student of history he has a great capacity to know it and to articulate it.

I must confess that as I listened to him I was one who, normally able to find considerable comfort in his logic, was unable to do so as he described the electoral college system and the direct popular vote system.

I feel our distinguished colleague from New York gave us an excellent description of the way the electoral college worked until 1800. It was an excellent historical dissertation of many of the reasons behind its initial establishment, but I think we certainly view what has transpired since 1800 from an entirely different perspective.

Now, I would be one who would stand up and say, "Hail, Hosanna," in support of the Senator from New York in his description of the uniqueness of the charteristics of the United States and its ability to survive as a free society like very few, if any, others on the face of the Earth.

It would seem to me that one of the reasons other free societies and other governments have not existed is that they have not contained within their structure, either their totalitarian structure or their so-called democratic structure, the remarkable ability to change to meet new circumstances which indeed exists in the United States of America.

As our Founding Fathers met in Philadelphia, they discussed the vehicle to be chosen for electing the President, and there was strong feeling that the direct popular vote should be chosen then. One of the major caveats that prevented the direct popular vote from being chosen then was the concern expressed by Madison and others about the existence of slavery.

They were not able to come to grips with the problem of how we should count, if indeed we should count, those human beings who were really property instead of human beings in the minds of certain members of the Constitutional Convention who were present in Philadelphia. I will not read it, but to anyone who wants to note or read Madison tonight before he or she goes to sleep on this very subject, I suggest you look at page 8 of the report of the Judiciary Committee on the measure which is now before us.

The very existence of slavery made it impossible for us to have a direct popular vote at that time. If we are to say—and I do not pretend for a moment that our colleague from New York would suggest that this is the case—but if we are to say that the electoral college is as basic and as absolute in the strength of our political process as the Senator from New York has intimated, then it would seem to me we would also have to be equally determined to accept the wisdom of our Founding Fathers in certain other areas. The very existence of slavery, as I say, kept us from having a direct popular vote for the President and Vice President. We had to fight a bloody Civil War and have two amendments to the Constitution to do away with the institution of slavery, which our Founding Fathers were wrong to ever allow to exist.

The Founding Fathers, who set up the electoral college system, also allowed property to be a condition if you were going to vote. And that qualification persisted for a very long time. In fact, the Senator from Indiana was here, and I remember our friend and former colleague, the late Spessard Holland of Florida was one of the movers, when we finally passed the joint resolution proposing the 24th amendment, which said you cannot have a poll tax or require the payment of any other tax or the ownership of property, as a precondition to the right to vote.

Our Founding Fathers did not allow women to vote. The women could do the dirty work, but our Founding Fathers did not permit them to vote. Our Founding Fathers were wrong on that, and we had to pass the 19th amendment to give them that privilege.

We had to pass the 17th amendment because our Founding Fathers said that Senators should be elected by the State legislatures instead of by the people of the States. We have made significant changes to the Constitution, and in each of these instances it was an effort to try to expand the franchise, to permit greater opportunity and to make a more equal voice available to each and all of our citizens.

Let us assume for the moment that the logic of the Senator from New York is true—which, with all respect to him, and he knows how much I care for him as a friend and how I usually concur with his thoughts, I deny—but let us assume that he is correct in his suggestion that the Founding Fathers were right when they established an electoral college system, and that that is what we ought to have today; then we had better look at what kind of an electoral college system we have. Our Founding Fathers envisioned an electoral college system which would be composed, as he pointed out, of independent electors. They were supposed to be the brightest people in town, the most learned people in their respective States, and then they were supposed to exercise their free, unfettered, independent judgment. They were not supposed to be bound by what the people of the States thought.

Now, I ask my colleagues, is that what we really want today? Is that the kind of electoral college we want? Of course it is not. In fact, one of the things our colleague from New York suggests would be an improvement is if we could find a way to take away the independence of the electors. But if we take away the independence of the electors, then we take away one of the things our Founding Fathers insisted upon, because that was in the Constitution originally. The Senator from New York has pointed out quite accurately that there are some 19 States or so that have put prohibitions on this independence, but I would hate to have to bet the family farm on the constitutionality of that prohibition. I think that is very much up in the air.

I think we could make a good case that the Founding Fathers intended those electors to be free and independent in their action, and that we are just lucky that we do not have to face more often the kind of aberration our friend out in Washington—I do not recall his name—exhibited when he thought he knew better than the people and said, "They wanted me to vote for Ford, but I am going to vote for Reagan."

I remind the Senate again, if there had been a change of just 11,000 votes in this last election, in 1976, in the 2 States of Delaware and Ohio, the vote in the electoral college would have been a tie, almost: 269 for Carter, 268 for Ford, and 1 for Reagan, and the election would have gone to the House of Representatives, where each State would have had the same voice in electing a President of the United States.

I do not think that is what our Founding Fathers would want us to have today, if they were alive; and I would doubt that reverence for the basic wisdom of the Founding Fathers in having produced the electoral college as reason enough to support it today. If you accept that premise, then I think you have to be consistent and say that we have to have exactly the same kind of body today as the Founding Fathers envisioned.

I do not think any Senator would agree that we would not want to take away the independence of those electors, and that we want them to perform a representative function instead of an independent function.

I would also point out that our Founding Fathers were not certain exactly what kind of animal they were creating when they created the office of President. The Senator from New York will recognize the fact that we did not then have any formal political parties; they developed after the fact. In fact, to show the untrustworthiness of that decision that was made in Philadelphia about how our President should be chosen, I think we should remind ourselves that that part of our Constitution was one of the first to be amended. The Jefferson-Burr confrontation showed us we had to change the way we elected our President. So, as far as that part of the Constitution being sacrosanct is concerned, it was changed by the early 1800's.

James Madison was one of the strong contenders that the President should represent the people; that the President should represent not the States, but the people.

Yet there are those who feel that the States need to have the kind of involvement that exists in the electoral college system.

My friend from New York in his eloquent way described direct popular vote in a way that makes it appear to be ominous—what did he say?—one of the most radical acts in history, one of the most radical transformations. He is eloquent and he is descriptive, and I appreciate the compliment if he infers that what I am doing is important enough to be ominous and radical. But I must say that I think that is either a criticism or an observation or a compliment that is not really deserved by the proponents of the direct popular vote.

The fact of the matter is in the United States of America the direct popular vote is the way we do things. That is not radical. Every Member of this body got here by a direct popular vote of the citizens of our States. Regarding my colleague from Arkansas, I was remembering the various offices he has held in the Statehouse, both in the legislature and in the Governor's office, and in the House of Representatives. All of them were by direct popular vote. In fact, the unique radical elections are the elections of President and Vice President. Everything else is direct popular vote.

My distinguished friend and colleague from New York suggested that the thing he liked about the electoral college system was when we elected a President through the electoral college we were providing for an election by two majorities, a majority of the States and a majority of the people.

What concerns the Senator from Indiana is the fact that the electoral college can operate where you do not have a majority of the people or a majority of the States. The system can be gerry-rigged in such a way that all you have to do is carry 11 large States and the Senator's State would be one of those, New York. That is not a majority of the States. That is only 11 States. You could be soundly defeated by millions of votes in the other 39 States so you would not get either a majority of the electoral college or a majority of the States. I do not see how we can really suggest that the contrary is true.

There will be a number of articles written, which tend to describe the severity of passage of the amendment in the same terms as those described in the latter part of the very eloquent remarks by my friend from New York, where he suggests that we are proposing an amendment to the Constitution to meet emergencies that never have existed nor are they likely to exist.

Well, I suppose when you have an election as you did back in 1824, where Andy Jackson got more votes than anybody else running and he did not end up President of the United States, for the big States righters Andy Jackson also got a plurality of the States. He got a plurality of the States and a plurality of the vote and ended up an also ran. It was sent into the House of Representatives where each State got the same vote, the small State and the large State, one vote per State.

The Harrison-Cleveland situation was a clear example of a President being elected who had more votes than the man he was running against. In the Tilden-Hayes situation you could argue fraud. I would hate to bet the farm on that, the winner got the fewer votes and the most electoral votes because of the gerry-rigged commission they put together.

But what happened at the turn of the century does not bother me nearly as much as what happened in the last election. I mentioned the unique result if there had been a change in the vote in Ohio and Delaware. I call my colleagues' attention to the fact that had there been a change in Hawaii and Ohio of slightly more than 10,000 votes, you would have had President Carter down there in Plains running his peanut farm, with almost 2 million more Americans than his opponent thinking he should have been President, and yet President Ford would have had an electoral college majority. So that concerns me.

I do not suggest it is the end of the world. I think President Ford probably would have done a pretty fair job. I know he would have found it more difficult to govern. I think that is why Jerry Ford supports the direct popular vote plan.

I understand that after the Kennedy election, when John Kennedy was in there, he was very nervous about the narrow margin of victory. It does not provide an environment for strong leadership when you have a President sitting in the White House who has fewer Americans supporting him than the fellow he was running against in the last election.

If one looks back just a short period, in 1968, we had another near miss where, if there had been a change of just a few votes, neither Humphrey nor Nixon would have had a majority of the electoral college and a fellow by the name of George Wallace, with 46 independent electors, would have been totally free to auction off the Presidency to the highest bidder, completely being within his rights under the Constitution. Or the election would have gone to the House of Representatives where, again, Rhode Island's vote would have counted just as much as the vote of the great State of New York, my distinguished colleague's State.

Mr. President, I know the hour is late and I do not want to impose unnecessarily on my colleagues, but I think it is important for us to lay out here, point by point, what the reality of the operative features of the electoral college actually is. There is so much discussion about the impact of the direct popular vote that cannot be supported by any reasonable interpretation of what actually has happened, so I ask my colleagues' indulgence so that I might continue.

Our distinguished colleague from New York suggested that the electoral college is the vehicle which is the foundation, the major prerequisite, for the establishment of political parties. He said, as I recall, and I paraphrase, that the electoral college makes it impossible for parties to be ideological, too philosophical, that the parties, indeed, are vehicles of compromise.

I did not, for a moment, want to suggest that it is not important to have compromise within the party structure, and that the party system is not important in our democratic process, but I do not concur that it is the electoral college that causes parties to be broad-based and not ideologically based in this country. The fact of the matter is that the major reason we do not have ideologically based parties in the United States, the major reason American political parties are broad-based, is that when you get too ideological, when you get narrow-based, one thing happens in the next election; that is, you lose. We have had splinters within the various parties of our country, and whenever that has happened, the party that had the split is the party that loses, and the party that remains broad is the party that wins. In the next election, the other party gets its head together and says, "Well, we cannot tolerate that," and in the nominating process—I frankly feel the convention process is indispensable to this kind of compromise. I support a direct popular vote in part because you can have the kind of compromise you have to have to make up the different elements of a broad-based party.

But the present party structure is broad-based so that the party in question has the best chance of winning. It is just that simple. If one is going to suggest that the electoral college is responsible for the strength of our party system, it seems to me we had better take a pretty good look at the party system. We read—and I think most of us who are involved in the political process say that this assessment is factual, that the parties are in the greatest degree of disfavor than at any time in modern history. Not many people want to be identified with the political parties of America today.

I wonder why that is? The good old electoral college is still there. If we have the electoral college, then we ought to have a strong two-party system. The fact of the matter is that the real strength of the party system is at the local level or at the State level, not at the national level. The national party gets its act together every 4 years and gerry-rigs whatever structure gives it the best chance of winning for its team, then wraps up and goes home. Particularly if it is on the outs, it cannot afford a full-blown operation very often. The party that is in power really operates the political operation out of the White House.

The real basic strength of our two-party system is not in Presidential politics or the electoral college system; it is based in State and local parties. That is where you really have strength, political activity—county chairmen, vice chairmen, precinct men and women. That is the nuts and bolts of the political party structure. Yet I suggest to those who feel there is a relationship between strong party activity and the electoral college, we do not have any county sheriffs elected by the electoral college. We do not have any State representatives elected by the electoral college. We do not have any mayors elected by an electoral college. They are all elected by a direct popular vote, and the counties and the cities and the sheriffs' offices are in a lot better shape than they are at the national level.

I suggest, with all due respect to the analogy of my good friend from New York, that it is awfully difficult for me to see how the strength of the party system today has anything to do with the electoral college if, indeed, it does. That is one of the best reasons I can think of for getting rid of the electoral college, because the parties have been getting weaker as they operate under the electoral college.

My friend and colleague from New York raised some concern about the 40-percent provision. He said all of this effort in pursuit of majoritarianism ignores the fact that there is a 40-percent provision in which we can have a President elected by less than a majority. Let me say that I think that 40-percent provision is a pretty important provision. It is directly related to another concern raised by our colleague from New York; namely, the splintering of political parties.

The Senator from New York suggested that if we have a direct popular vote, as they have in Europe, we are going to have all those splinter parties like the ones they have in Europe. I say, amen, that is exactly right. If we have a direct popular vote like the one they have in Europe, where you have to get 50.01 percent, where you have to get a majority, then a small minority party, a splinter party, has a chance of affecting the outcome. So you increase the possibility of not having a final result the first time; you increase the possibility of proliferation, so all the splinter parties can then get together and gang up on the winner in the runoff.

I was not in favor of the direct popular vote until we came up with that 40-percent provision. In order to have a runoff under the provision that is presently before us, you have to get at least 20 percent of the vote, which is a pretty good sized set of splinter parties. Then the other two, the two major parties, have to be exactly divided.

The reason we chose the 40-percent figure is that only one time in history has a President been elected with less than 40 percent. That was in 1860, when Abraham Lincoln was elected. He had 39.7 percent of the vote; he was not on the ballot in 10 States. I suggest that if he had been, we could say that historically, throughout our country's history, there has never really been an example of a President that got less than 40 percent.

What about the devious nature, the devious quality of nonmajoritarianism of this 40-percent provision, as suggested by our colleague from New York? I did not hear anybody contest the validity of President Nixon's election in 1968, when he got 43 percent of the vote. I voted against him, wished he had lost, and I assume the Senator from New York was in the same boat. But none of us said he was not President of the United States because he did not get a majority. He was President because he got a majority of the electoral college, and he just barely got more popular votes than Hubert Humphrey.

As I said earlier, if there had been a change of less than, I think, 170,000 votes in three States, neither Nixon nor Humphrey would have been the winner in the electoral college and everything would have been up for grabs, with George Wallace making the final decision.

Nobody contested the fact that, back in 1912, a pretty good President by the name of Woodrow Wilson was elected

President with 41 percent of the popular vote. Still, he was President.

What I am getting at, Mr. President, is we have accepted a lot of Presidents who were not majority winners. But what concerns the Senator from Indiana and most of us who are pursuing with all our vigor the direct popular vote is that at least we ought to feel the person who wins gets more votes than somebody else who is running.

We have a lot of county races where we have three or four different candidates, with no runoff provision, and we end up with somebody elected who is not a majority winner, but the winner, at least, gets the most votes. If the President of the United States can get elected without having the most votes, it is that error we are very concerned about.

Under an electoral college system, I would be quick to point out, as I did to my distinguished friend from New York before he left, if we are concerned about having to have a majority, it is very possible to be elected President of the United States under the electoral college system with much less than 40 percent of the popular vote.

A candidate that carries the large States by small margins and then gets his head caved in in the other parts of the country is going to lose by large popular vote margins, but he can be elected under the electoral college system.

We ran a statistical study on that. As I recall, by following a large State philosophy and carrying those 11 large States by small margins and being beaten in the other States, we could be elected President with maybe 25 or 26 percent of the popular vote, which is quite a few less than 40 percent, I suggest to those who are concerned. If the election goes into the House of Representatives where Alaska and Hawaii and Rhode Island have the same impact on electing a President as California, New York, and Pennsyvania, there is no question that the choice will be made by the States that have fewer people than constitute a majority, probably a lot less than 40 percent.

I would like to just point out in response, once again, to the concern that the runoff in the 40 percent provision would spawn a number of splinter parties, that that has not historically been the tradition of the American political party structure.

We have had a significant political party split. The best one I can think of was, I think, in 1912 when we had Teddy Roosevelt and the Bull Moosers who split the Republican Party right down the middle. In fact, we had Wilson come in first, Teddy Roosevelt and the Bull Moosers come in second, and the Republicans come in third. We had a fellow named Eugene Debs on the Socialist ticket get almost 1 million votes, which was a lot of votes back in 1912, and still we did not have Wilson fall below the 40 percent mark.

I would like to suggest, if we really are concerned about splinter parties—which I am—we can hardly recommend the electoral college as saving us from splinter parties. The closest we have come to a major political disaster, in my judgment, in my memory, and admittedly my memory is not as long as others in this body, but the closest we came to disaster was 1968, where, operating under the electoral college, that political masterpiece that is supposed to protect us from splinter parties, there developed a splinter party called the American Independent Party. A fellow named George Wallace was able to get 46 electoral votes and the other two candidates, Nixon and Humphrey, were so nearly divided that if there had been a slight change of votes we would have had just Wallace sitting in the catbird seat bargaining off his electors to the highest bidder.

That is the kind of splintering that concerns me about the electoral college.

Mr. President, one additional reference to the splinter party argument was made by the distinguished Senator from New York, who suggested that the electoral college would prohibit parties being splintered. I have mentioned the Wallace example, with which we are all familiar.

Very little has been said about the party splintering that existed in the last election. I am not talking about 1800 or 1900. I am talking about 1976 where a candidate who got less than 1 percent of the popular vote almost determined who the President of the United States was.

Our former distinguished colleague, a good friend of mine, Gene McCarthy, for reasons that were apparently sufficient to him decided that it would not be in the best interest to the country for Jimmy Carter to be elected President of the United States. As we all remember Senator McCarthy had run as President earlier at the height of the Vietnam war, had aspired to be President himself, and had sought and did receive delegates to the Democratic Convention in Chicago in 1968. So he had aspired vigorously to be President himself. However, this was not Senator McCarthy's mission in 1976. And my remarks I hope will not be interpreted by either my former colleague nor by others who are listening as being critical because he was operating in 1976 completely within the confines of the Constitution and within the rights of any American citizen. He felt duty-bound to keep Jimmy Carter from being President of the United States. So he declared himself a candidate, and most political analysts that I have discussed this with point out that because of Senator McCarthy's presence on the ballot there were four States where sufficient numbers of liberal Democrats left the Carter camp, left the Democratic column, and voted for Gene McCarthy, so that the effect was to throw those four States to Gerald Ford, Republican.

Those same analysts suggest that if Senator McCarthy had been successful in getting his name on the ballot in New York, with the large percentage of liberal vote that exists in New York, he most certainly would have been able to take away sufficient votes from Carter in the Empire State so that Gerald Ford would have carried New York, and captured the Presidency.

President Ford would have still had 1.7 million votes fewer than Jimmy Carter.

Again McCarthy would have still had approximately 1 percent of the popular vote but that 1 percent splinter party would have had the effect of determining who the President of the United States was.

All of that, of course, is not a nightmare. It is not a figment of anyone's imagination. That indeed did happen in the last Presidential election in these United States of America, operating under the same protection of the electoral college system.

Mr. President, I shall touch on one other point, and that was the concern raised by our colleague from New York that because of the runoff provision there would be no conclusion and no one would know who was elected or when.

I have tried earlier to point out that there is little likelihood of the 40 percent provision being exercised. There is little likelihood of a Presidential candidate getting fewer than 40 percent of the vote.

But only in the Lincoln experience that I discussed earlier has that happened in the entire history of our country, and even then with Lincoln not on the ballot in 10 States he still got 39.76 percent of the vote.

But let us assume that the existence of the runoff and the possibility of a recount in close elections would be a reality. Does that really change the situation from what it is today? I suggest for any student of history you do not have to go back very far to understand that runoff contests which challenge the results through the court are present under the electoral college system.

I call my colleagues' attention again not to some medieval Presidential election that took place in the early days of our history. I ask them to look back in 1976. I ask them to read the newspapers in Ohio, the Plain Dealer, or indeed the Washington Post or other newspapers of national circulation, and to remind themselves that it was almost on the eve of the inaugural that the Republicans were still challenging the results. It was well past the election where the Republicans were trying to contest the validity of the Democratic electors that were chosen when President Carter carried Ohio. I am not suggesting there is something sinister about that. I am just saying that happened.

I call the attention of my colleagues to the Kennedy election where there was a recount. "Oh, I did not know that." If you did not know that you better read your history because there was a recount in the State of Hawaii, and Hawaii had first gone for Nixon. And in the recount John Kennedy won the election and thus the Hawaiian electors went from the Nixon camp to the Kennedy camp. Then the people in Illinois decided it did not make sense for them to ask for a recount. All this was transpiring well up into December. In fact, you can read the newspapers. Clear up until December the Republicans in Illinois were seriously considering going for a recount in Illinois, alleging all sorts of corruption in Cook County. I do not know why they decided not to have that recount, whether it was because of the change that occurred as a result of the recount in Hawaii or whether it was on more sober judgment after assessing the number of corrupt votes that might be found in Cook County and comparing those with the number of corrupt votes that might have been found on the other side in downstate Illinois.

They may have come to the conclusion that it would all have been for naught. I do not know. But I do know that under the electoral college system we have had people contesting elections, having runoffs, and trying to change the results clear up to December. So do not suggest to me that the electoral college is the epitome, a perfection as far as avoiding the kinds of things that occur when you have close elections, runoffs, recounts, and this kind of thing.

I suggest to you that if we ever get to the place where we have to have a recount, those recounts will take place in the specified States all at the same time and it will not take any longer to recount 20 States or 50 States than it now takes to recount one State. That has, in fact, happened under the electoral college system.

In closing, Mr. President, let me just observe that there are a lot of things happening in this country that concern many of us in this body. I have heard some of my very dear friends in the opposition eloquently express their concern over the fact that the Presidential race is becoming an impersonalized television extravaganza. Television is taking over the process. Television is running the political parties. Television is determining the election.

Well, certainly, television is playing a predominant, if not a dominant, role in politics today.

I have heard people express their concern about the move to have a constitutional convention fearing, as I do, that a constitutional convention might destroy the whole fabric of the Constitution; instead of ending up with one amendment to balance the budget you might end up with an entirely new Constitution.

I have heard people express concern about the fact that voter turnout is going down. I am concerned about that also.

I have heard people express concern about the lack of party loyalty and the weakening of the two-party system, and I too am concerned.

I have heard people express their concern about the disenchantment that exists generally in the country today, and I am concerned about that.

Those of us who support direct popular election do not ignore the reality of what is happening today. We would like to find a way to turn it around. But all these unfortunate occurrences taking place today can hardly be attributed to the direct popular vote for President. All of these things, emphasis on television, constitutional convention drive, voter apathy, erosion of the parties, disenchantment of the populace generally, all of this is happening, I suggest, under the electoral college system.

Our friend from New York suggested that we are trying to protect the Constitution from every imperfection from the consumer code to the cold war. We are not really trying to do that. In fact, I am amazed at the degree of anxiety that has been expressed by those who normally are rather mild-mannered individuals.

Direct election of the President will not solve all of our problems. It is not a panacea. It is no magic wand for what ails this country. But neither is it ominous or radical.

What we are trying to do is to see that in these troubled times the man elected President of the United States is the one who is the choice of more voters than any other candidate. In other words, we want the man who is President to have won in the popular vote. We want to guarantee that everybody's vote counts the same, and that it is counted for the candidate for whom it is cast.

The nuances of the unit rule are such that in the last election all of the Democratic voters in Indiana had their votes counted for Gerald Ford in the electoral college. Right across the State line, in Ohio, all of the Republican voters who voted for Gerald Ford had their votes counted in the electoral college for Jimmy Carter.

Let us see once and for all that everybody's vote counts the same. Let us put aside this discussion of small State benefit and large State benefit. Let us permit each citizen to vote, have that vote counted for the candidate for whom it was cast and, lastly, let us see that the voters of this country have the right at long last to vote directly for their President. Why should they continue to suffer the indignity of having some intervening elector who feels he knows more than the majority of the people of his State decide to vote independently—independently, let me add, as our Founding Fathers originally intended electors to vote.

These three criteria: that the winner is the candidate who gets the most votes, that everybody's vote counts the same, and that the citizens of this Nation vote directly for the candidate—these same three criteria that apply in all other elections in our country today—are what ought to apply in the election of the President. So instead of promoting some radical creation, we are suggesting that the time has come to let the election of the Presidency conform to the same rules that govern all other elections in our democratic society, in these United States of America.

As I said earlier, this move will not solve all of the Nation's ills. The direct election of the President will in my judgment be a step toward restoring the credibility and viability of the political processes of the United States.

Mr. THURMOND. Mr. President, the distinguished Senator from Indiana commented on the elections of 1824, 1876, 1888 as examples where a President has been elected without receiving a plurality of the popular vote. He is correct that the vote totals reflect this vote count, however, as the Senator is aware, unusual circumstances prevailed in each election. For example, in the election of 1824, Adams won the electoral votes of the most populous State, New York, but this victory was not reflected in the popular totals because New York selected their electors by the State legislature.

In the committee report on Senate Joint Resolution 28 an analysis was made of these three elections. I ask unanimous consent that this analysis be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

BRIEF ANALYSIS OF THE PRESIDENTIAL ELECTIONS OF 1824, 1876, AND 1888

One of the most frequently cited arguments in support of S.J. Res. 28 is the danger of a runner-up President. Proponents of direct election cite three instances where the electoral college has permitted a President to be elected even though he was second in the polling of popular votes. Indeed, in 1824, John Quincy Adams polled 38,149 fewer popular votes than Andrew Jackson but became President; in 1876, Samuel J. Tilden lost the election although he received 254,235 more popular votes than Rutherford B. Hayes; and, in 1888 the incumbent Grover Cleveland was defeated by Benjamin Harrison although Cleveland was a 95,096 winner at the ballot box.

A close analysis of these elections illustrates that in each instance significant and clearly unusual events transpired to effect the final popular vote total. While it cannot be asserted that it is impossible for a candidate in any instance to win the popular vote and lose the Presidency, the elections of 1824, 1876 and 1888 are not good examples of that possibility.

1824 ELECTION

In 1824, our country was approaching its first half century of independence. Many of the concepts in the still new Constitution were being developed. That year saw the first strong contest for the Presidency since 1800, with four candidates, all within the same party, vying for the honor. It must be remembered that our national convention system had not yet evolved and so the candidates all placed their names on the ballot for election day.

When the popular vote was tabulated it revealed that Andrew Jackson had outpolled his nearest contender, John Quincy Adams, by 38,194 votes. However, Jackson's 99 electoral votes were 32 short of a majority and therefore the election was decided by the House of Representatives. In the House, the third place finisher, Henry Clay, threw his support behind Adams and he emerged victorious.

Several things must be considered in this election. As mentioned earlier all candidates were members of the same party, the Democratic-Republicans. This election was a good example of the need for a national convention system. In addition, 6 states were operating on a district system of electoral vote allocation. Most importantly, however, is the fact that 6 states also were still choosing their electors through the state legislature. Therefore, although Adams carried the overwhelming electoral vote in New York and Vermont, he had no popular votes to show for it. Consequently, in the election of 1824, it is highly speculative as to who the actual popular vote winner would have been had there been a system of popular selection of presidential electors as exists today:

1876 ELECTION

In 1876, Republicans were facing a strong challenge from the Democrats to regain the White House. Samuel J. Tilden of New York was given a good chance of being the first Democratic President since before the Civil War. Republican Rutherford B. Hayes promised to end reconstruction in the South if elected, in hope of holding some of the white Southern vote.

After the election, nearly every newspaper announced that Tilden had won a majority of the popular and electoral votes. Republicans, however, conceding the popular vote loss, declared Hayes to be the electoral winner by one vote. This position was based on double returns from three Southern States, South Carolina, Louisiana and Florida, and Oregon. An electoral commission was established by Congress to certify the returns of these States. The Commission, composed of eight Republicans and seven Democrats, certified the electoral returns for Hayes, as Tilden went down to a one vote electoral loss, 185 to 184.

While the partisan politics of the electoral commission set off the unusual happenings of this election, there is still another factor that had a significant impact on the outcome. There was widespread fraud practiced, by both sides in garnering popular vote in this election. There were riots, assassinations, murder, and midnight raids in the South to keep Repubicans from the polls. Prof. Judith Best, in a study of this election, stated:

"In our centennial year, the electoral process was so debased and dishonored by fraud and intimidation that only an eccentric majoritarian would single out the technical runner-up Presidency of Hayes as a matter for criticism and concerns."

It would be inaccurate to cite the election of 1876 as an example of the people's choice being denied the presidency.

1888 ELECTION

Many opponents of the electoral college agree that the elections of 1824 and 1876 are not good illustrations of a runner-up presidency. However, the election of 1888 is cited as a clear case in which the popular vote winner was denied the White House by the operation of the electoral machinery.

In that year, Grover Cleveland was completing his first term, after succeeding, where Tilden had failed, in regaining the White House for the Democrats after a long absence. Benjamin Harrison was offering a strong challenge from the Republicans aided by a series of ill-advised actions by Cleveland. When the votes were tabulated, Cleveland had seven-tenths of 1 percent more popular votes than Harrison, yet Harrison was the winner by polling 233 electoral votes to Cleveland's 168. Thus, occurred what has been termed the "misfire" of the electoral college.

Political analysts have commented that Cleveland's electoral loss occurred mainly because he became a sectionalist candidate. He openly angered the industrial North by pushing tariff revision in 1887 without regard for the political consequences. Prof. Judith Best, commenting on this election, stated:

"The republic's only undisputed runner-up President, Benjamin Harrison, won because his opponent, Grover Cleveland, ran a sectional campaign. The electoral count system discriminates against candidates who rely too heavily on a sectional base. Consequently, it is the electoral count system that provides the presidential parties with the incentive "to widen and flatten out" their vote."

In addition to the proposition that Cleveland lost because of his sectional emphasis, there are the results of a recent study from the Library of Congress examining the declining role of Blacks in the electoral process of the South immediately after Reconstruction. In reviewing the voting in 11 Southern states, the report cites the anomalous facts of the rise of Black population, with the corresponding drastic reduction in votes of Black majority counties from 1870 through 1890. Explanations for this are cited as fraud and intimidation by a resurgent white population seeking to solidify the political control recently regained after Reconstruction. On June 27, 1890, Representative Robert P. Kennedy of Ohio stated:

"The bald pretense that Grover Cleveland was elected President of the United States by a majority of the people of the United States is subject to the further statement that at this same election a large number of the qualified voters who would have registered their votes against him were not permitted to do so, and hence, by reason of intimidation and outrage, one who would of necessity have been defeated in a fair contest is decleared to have been the choice of a majority."

The Library of Congress study concludes:

The evidence seems overwhelming that not only was the electoral college "misfire" of 1888 created by intimidation and fraud against black/Republican voters in the South but that the majority of the Nation recognized that this was the case. Thus, to contemporary America, the election of 1888 demonstrated the need to retain the electoral college rather than illustrating how it could be used to thwart the will of the people. . . .

A summary of the estimate of the shortfalls in the Republican vote in the eleven Southern States suggests a minimum of over 300,000, three times the number to offset Cleveland's reported plurality.

CONCLUSION

As stated above, it is theoretically possible for a candidate in an election with no unusual happenings to win the popular vote but lose the electoral college. However, the elections of 1824, 1876, and 1888 illustrate that this has occurred only under unique conditions not likely to occur under our present system. In the Adams-Jackson contest, the actual popular support of either candidate cannot be tabulated due to the method of selecting electors in a number of states. In the Hayes-Tilden contest, both partisan politics and fraud have obscured our view of the true winner. The election of Harrison over Cleveland may actually have represented the popular will despite the officially reported totals. It is difficult, if not inaccurate, therefore, to conclude that any of these elections constituted a "misfire" of the Presidential electoral process.

Mr. THURMOND. Mr. President, several proponents of direct election have pointed out that James Madison was a supporter of their position. It is true that Madison did say some favorable things about direct election in 1787 at the Constitutional Convention. However, my colleagues may be interested to know Madison's thoughts after he observed the Nation mature and operate with an electoral system. We all know that he was twice elected President without a system of direct election.

The assistant editor of the papers of James Madison, Donald O. Dewey, wrote an article for the Western Political Quarterly in 1962 entitled, "Madison's Views on Electoral Reform." In his article, Mr. Dewey notes that in the 1820's Madison did have concern for our electoral system. That concern was not, as proponents of Senate Joint Resolution 28 may think, with the electoral college but with the winner-take-all rule. In several letters he expressed his support for a district system and indicated that this was the intent of the constitutional framers.

The district system, of course, is a system where the candidate who carries the State gets two electoral votes and one electoral vote for each congressional district he carries. That system was advocated here for many years by the late and distinguished Senator from South Dakota, Mr. Mundt, and it has great merit. If the electoral system is going to be changed, I would rather see that system adopted, or what is known as the proportional system adopted. Of the two, probably the proportional system might reflect more the views of the Nation.

In his letters of that period, he cited several dangers to a system of direct election. As some of the media experts have testified, Madison feared that direct election would increase the likelihood of a President being chosen by emotional response to the candidate. Madison also felt that direct election would result in increased apathy by the voters. His theory was simple, and I think accurate, a voter can feel his vote has more significance when considered within the compounds of his State or congressional district than when compared to the vote totals of the Nation.

When we think of Madison on this issue, therefore, let us also consider his thoughts after he had observed the system in operation. By the 1820's the major party system was taking shape and the political concepts of our country were becoming clear.

To enable my colleagues to read this article on Madison by Mr. Dewey, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Madison's Views on Electoral Reform

(By Donald O. Dewey)

Complaints about the way the President of the United States is elected are an old story in American history. As early as 1823—before the disputed election of 1824–25, in which John Quincy Adams won the majority of votes in the House of Representatives even though Andrew Jackson won the majority in the nation—there were cries for change. And one of the advocates of change was the Father of the Constitution himself, James Madison. He admitted that the impatience for adjournment and the resulting haste inevitable in any convention had resulted in an imperfect electoral system,[1] and he suggested an amendment to improve it. Yet it was typical of Madison that he was far less extreme than most other critics of the electoral system. In fact, he spent as much effort in defending the electoral system provided in the Constitution as in seeking improvements upon it.

While Madison admitted that the electoral system might well be improved, he still thought that it deserved credit rather than condemnation for the men which it had placed at the nation's head. He felt little alarm for the future when he considered the seven men whom he had seen elected President. They were all men of a national character and background. Only rarely, he thought, could a presidential election elevate a man who would discredit the office. And even that rare misfit would surely be turned out at the next election. He was certain that the elective system already at hand would be a sufficient safeguard against incompetence or visiousness in the White House.[2]

It was the departure from the electoral system provided in the Constitution which Madison criticized primarily. Therefore, his basic "reform" was a return to the consti-

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tutional system of elections which had been supplanted by the operations of political parties. For one thing, he urged that the presidential elector should become what he was originally intended to be—a prominent statesman chosen by the people to decide for them who should be President. When an amendment was proposed which would have replaced the electors by a direct election, Madison declared that "there are advantages in the intervention of Electors, and inconveniences in a direct vote by the people" which the advocates of change were forgetting.

The arguments which he cited in favor of the electoral system, however, are the very arguments which today are often cited against it. He contended that the candidates for electors would be personally known in the electoral districts, so the people would be better able to judge their merits than those of presidential candidates and thus they would turn out in greater numbers at elections. Today's critic of the electoral system would say, on the other hand, that the people are better able to judge the national figures whose opinions on major issues are a matter of public record than the unknowns who run as electors or as delegates to nominating conventions. Another advantage cited by Madison for the old system was that in some cases the electors might be intentionally left to exercise their own judgment, enabling them to use their superior knowledge in choosing a President. One of the principal arguments used today *against* the system is the danger that an elector might do just that.[3] A third advantage of the electoral system was that it would allow the elector to vote for his constituents' second choice if he saw that the chances of their first choice were hopeless. Yet this would have opened the electoral college to the same opportunities for horse-trading, smoke-filled rooms, and dishonesty as are complained about in the modern nominating convention.

He also feared that if the people were entrusted with the power of choosing their Chief Executive, their response would be based too much upon emotion. Unusual circumstances in an election might make them over-excited and unreasoning in their choice. But usually they would become pessimistic and feel that their individual votes would not make any difference in an election depending upon millions of votes. Public apathy would enable active partisans to push to the top of the list candidates for whom the great majority felt no liking. If none of the candidates got a majority, the House of Representatives might then have to choose among three candidates, any one of whom the general public might disapprove.[4]

Another return to the electoral system as originally intended which Madison advocated was the re-establishment of the district system of voting. The Constitution provided one elector for each member of Congress, and Madison assured his correspondents that it was the intention of those who framed and ratified the Constitution that the electors would be chosen within their respective districts, rather than in statewide elections. Even in Madison's time the bloc system, under which the candidate receiving a bare majority of votes in a statewide election would get all of that state's electoral votes, was well established. Madison thoroughly disapproved of bloc votes by the states and declared that most states voted that way only because there seemed to be no other way to prevent the states which first adopted that method from wielding an inordinate influence upon the elections. He did not add that his own Virginia was one of the states which instituted the change-over, establishing the bloc method of voting in 1800 to deprive John Adams of the electoral votes of the state's five Federalist districts. The Federalists retaliated by adopting the same voting method in their strongholds.[5] By 1823, Madison heartily approved of an amendment designed to require district elections. A return to the district system would re-enfranchise districts which were invariably in the minority and whose votes were thus counted against the candidate of their choice. It would provide the added benefit of weakening sectionalism. So long as the states' electorial votes were cast as a bloc, a section might have the appearance of a monolithic unity. But if the vote were cast by districts, areas of discontent would be more obvious and the force of the geographic parties, whose influence Madison feared, would be weakened.[6]

Madison also disapproved of a plurality election, which was advocated by some of the opponents of the Constitution's electoral system. He did not want elections to be determined by the House of Representatives, as will be shown later, but he preferred even that to a system in which the candidate receiving the most votes—though not a majority—would automatically become President. He feared that if the President could be chosen by a mere plurality it would permit the election of vastly inferior candidates. Thirty per cent of the voters—presumably the irresponsible third—might favor one candidate who would not even be considered by the rest of the voters; but the other voters might divide their ballots among several other candidates, all of them superior to the first but none receiving as many votes. Rather than let such a candidate become President automatically, Madison preferred the constitutional system by which the House of Representatives would choose among the candidates receiving the most votes.[7] The chance of becoming President by a plurality would increase the hopes of men who had no business having presidential aspirations and would stimulate political intrigues.[8] A plurality of votes might actually express the will of the public in certain cases, he admitted, but it could not be depended upon to do so generally. And when the votes were divided among a considerable number of candidates, as would certainly be the case if the majority election were replaced by a plurality election, it would be impossible to make any inference as to the public's wishes.[9]

Still another change which Madison opposed was one to prevent the President from succeeding himself. In 1830, just as in 1787, Madison denied that the re-eligibility of the President made him a threat to the independence of the legislature.[10] This completed Madison's case for the electoral system as provided in the Constitution—and quite a complete one it was. He argued for the retention of a college of electors and thus against the direct election of the President. He advocated the re-establishment of district, as opposed to statewide, elections of presidential electors. He insisted that the President continue to be elected by a clear majority, not just a plurality, and that he remain eligible for re-election.

Madison's general approval of the electoral system established in 1787 did not imply complete satisfaction with all of its provisions, however. He had no thought, for instance, of undoing the reform effected by the Twelfth Amendment. A return to the prior system in which the electors voted for two candidates on the same ballot—the candidate with the greatest total becoming President and the one who was second becoming Vice President—was actually suggested by some reformers but Madison demurred. He had advocated this two-vote system in the Constitutional Convention,[11] but the unforeseen development of political parties ruined the system.

A party vote permitted the harrowing experience of 1800–1801, when Thomas Jefferson and Aaron Burr tied in the electoral vote and the Federalists in the House of Representatives held the determining vote as to which of the two Republicans would be elevated to the presidency. Every Republican elector voted for Jefferson, presumably for President, and for Burr, presumably for Vice President; but when the votes were counted and the two were tied, Burr had as firm a constitutional claim to the top office as Jefferson. This event killed any enthusiasm which Madison might still have retained for the two-vote electoral system. The Twelfth Amendment, providing for separate votes for the two offices, was passed in 1804 to prevent the recurrence of such a situation in the future. Madison's letters and papers give no clue to his opinion of the Twelfth Amendment when it was enacted and ratified, but it is plain that, by 1823, he strongly favored it. He protested that the services to be performed by the President and Vice President were entirely different, except in the rare contingency of the President's death. Therefore, he insisted upon a distinction between the votes for these offices. Besides, there existed under the former system the threat of "occasional transpositions" in which a man considered by a majority of voters as a suitable Vice President might gain the presidency by drawing as many votes as the man whom the public obviously preferred as President.[12]

In 1823, Madison suggested an amendment which he hoped would preserve the advantages of the electoral system provided in the Constitution while rooting out some of its flaws. It again granted two votes to each elector. Each elector was to vote for his first and second choices for President as well as his first two choices for Vice President. If any candidate received a majority of presidential votes on the list of first choices, he would automatically become President. If not, and if there were a majority of votes for any single candidate on the list of second choices, then that candidate would become President. If neither list had a majority candidate, then the two lists would be combined and Congress would choose between the two candidates with the greatest combined total. The same procedure would be used in selecting the Vice President from the two separate lists of candidates for that office.

In the letter first announcing this scheme, Madison was undecided whether it would be best to let Congress choose between two or among three leading candidates when the electoral college failed to give one candidate a majority. He suggested that if Congress were given a choice among the three leading candidates, there was "a better chance of merit" than if the vote were confined to two. The third candidate might sometimes be the voters real preference, once all but the leading candidates were eliminated. The disadvantage of widening the field to three was that it would make it more difficult to obtain a prompt and quiet decision. If the field were confined to two candidates, one or the other would almost certainly have a majority support. He stated no conclusion as to which of these arguments weighed the most with him, but his proposal later in that same letter that Congress should choose between the two leading candidates indicates that in this case the certainty of a peaceful election outweighed the possibility of obtaining a man of somewhat superior merit in the office.[13]

This plan would have lessened the necessity of Congress' interference in the presidential election by doubling the chance that the electors themselves would reach a final decision. It would also have disposed of the most obnoxious feature of that interference—the provision that each state would have a single vote when the House of Representatives chose the President from among the candidates polling the most electoral

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votes. Giving each state, whatever its size and population, a single vote in so important a matter was, to Madison, too "great a departure from the Republican principle of numerical equality" to be defended. Therefore an amendment of the Constitution should be undertaken by "all its considerate and best friends," to rid the Constitution of this obnoxious feature.[14] Madison's plan provided for a joint ballot of all members of the Senate and House of Representatives to choose between the two leading candidates whenever the electoral college should fail to give a majority in its balloting for President or Vice President. By granting a vote to each member of the House of Representatives he was making the body which would make this great decision more reflective of the nation as a whole, for the representatives were chosen by population; by including the senators he was making a slight concession to the small states, for this assured them that they would still retain a somewhat larger vote than their population justified.

Despite this more democratic way for Congress to finish the task which the electoral college had begun, Madison hoped that his complex system of double votes and separate lists of candidates would make the electoral college competent to render a final decision in most presidential elections. This wish was characteristic of him, for even during the Constitutional Convention he urged that all possible means be sought to prevent elections from being settled in Congress.[15] He feared, however, that the electors would fail to elect a President in about 95 per cent of the presidential elections and that the House of Representatives would have the final decision. The unanimity of sentiment for George Washington as President and the rapid development of political parties sent this prediction awry.

Another advantage of Madison's plan to give the electors a double vote was the likelihood that it would kill any plan to call for a second vote by the electoral college when its first vote was indecisive. Such a plan was proposed in Congress in 1823 and Madison protested that it would provide too much opportunity for graft. He feared that if the election were drawn out long enough to provide a second electoral vote, there would be too much chance for "extraneous management & intrigue." Besides, a second election would be much more trouble and expense than Madison's own scheme of providing the second vote at the same time as the first. Furthermore, a second vote by the electors might only confuse and upset them and still result in an impasse which would have to be solved by Congress.[16]

FOOTNOTES

[1] Madison to George Hay, August 23, 1823, Library of Congress: Papers of James Madison.

[2] Madison to James Hillhouse, May 17, 1830, *ibid.*

[3] The sincerity of Madison's advocacy of the independent elector could, perhaps, be tested if only he had left a written comment upon William Plumer's rebel vote in 1820, which prevented Madison's friend Monroe from gaining a unanimous vote. If Madison wrote anything on this incident, he apparently purged it from his files before he died.

[4] Madison to Robert Taylor, January 30, 1826, *ibid.* Madison did not extend his pessimism about direct elections into a cyclical theory, but he might logically have done so. If he was correct about the sort of President who would emerge from an apathetic election, we could justly anticipate that the next election would be a "crusade" in which the public would be greatly concerned about removing the incumbent. The public excitement would probably die down by the following election, and a cycle of alternating apathetic and emotional elections would be established.

[5] Samuel Eliot Morison, *The Life and Letters of Harrison Gray Otis, Federalist,* 1765–1848 (Boston: Houghton-Mifflin, 1913), I, 186–87.

[6] Madison to George Hay, August 23, 1823, Library of Congress: Papers of James Madison.

[7] The Constitution provided that the choice would be confined to the five leading candidates, but the Twelfth Amendment confined the choice to the top three.

[8] Madison to George Hay, August 23, 1823, Library of Congress: Papers of James Madison. Here would have been the place for Madison to speak out for the two-story system, if he strongly favored it or if he had given the matter much thought. A change to plurality elections would inspire hope in minor parties which had no chance of ever becoming majority parties but which might gain a plurality if factions of the major parties should break their allegiances in hopes of gaining greater authority. He never spoke for or against the two-party system, but his concern over the threat of sectional parties and his resulting advocacy of great national parties embracing all sections and all states probably would have caused him to advocate the two-party system if he had felt that it needed his aid. Madison often regretted the need for any parties at all, but since they did seem necessary he doubtless would have preferred two large parties to a multitude of minor ones.

[9] Madison to Henry Lee, January 14, 1825, Library of Congress: Papers of James Madison.

[10] Madison to Robert Lee, February 22, 1830, Rosenbach Foundation, Philadelphia; Max Farrand (ed.), *The Records of the Federal Convention* (New Haven: Yale University Press, 1911), I, 97.

[11] Farrand, *op. cit.,* II, 114.

[12] Madison to George Hay, August 23, 1823, Library of Congress: Papers of James Madison.

[13] *Ibid.*

[14] *Ibid.*

[15] Farrand, *op. cit.,* II, 513.

[16] Madison to George McDuffie, January 3, 1824, Library of Congress: Papers of James Madison. Besides McDuffie, Madison sent his amendment proposal to George Hay (August 23, 1823), Thomas Jefferson (January 14, 1824), and Robert Taylor (January 30, 1826). These letters, or retained copies of them, are all in the same repository.

Mr. THURMOND. Mr. President, one of the foremost authorities on the electoral college and the efforts to alter or abolish it, was the late Martin Diamond. In fact, one of his final acts before his death was presenting testimony in opposition to direct election.

In his testimony, Mr. Diamond clearly illustrated his mastery of this subject. His answers to qustions from the chairman of the Subcommittee on the Constitution on July 22, 1977, makes a strong and persuasive case in opposition to direct election.

I am sure my colleagues, especially those who are still undecided on this issue, will find Mr. Diamond's remarks informative. In order to make this testimony available to all Members of the Senate, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY IN SUPPORT OF THE ELECTORAL COLLEGE

(By Martin Diamond)

Senator BAYH. Our next witness is Professor Martin Diamond of the Georgetown University. It is good to have you with us, sir.

Mr. DIAMOND. Thank you. I have written a recently published booklet on the issue we are discussing this morning. It is entitled *The Electoral College and the American Idea of Democracy.* I submit that as my prepared written statement to the committee and hope that it will be incorporated into the record.

Senator BAYH. It is so ordered.

Mr. DIAMOND. If I may, I will make a very brief summarizing oral statement to put forward the lead ideas which the committee may wish to have.

Senator BAYH. Professor, I went through your book with great style until I got to the last sentence. Then I had to find out what paradigm meant.

Mr. DIAMOND. And how did you make out? [Laughter.]

Senator BAYH. I had no reason to dispute Webster's definition.

Mr. DIAMOND. Did you find it a useful word in the context? I'm just trying to see if I got a passing grade.

Senator BAYH. It accurately describes your interpretation of the purpose of the Electoral College.

Mr. DIAMOND. I thank you for the passing grade.

Senator BAYH. I am used to being the gradee instead of the grader.

Mr. DIAMOND. I have been sitting in the on-deck circle as the battle with your previous witness was going on, watching you work the corners, and I discovered that I am going to be the gradee this morning myself.

Senator BAYH. I think the country will probably grade us both.

Mr. DIAMOND. It seems to me that it is something of a puzzle that the Electoral College comes under so severe an attack. It has produced for us nearly two hundred years of tranquil democratic elections. It has produced for us, in comparison with every other democratic political system, two hundred years of effective political campaigning, of unambiguous outcomes—in comparison with those of any other system with which I am familiar—of legitimate, tranquilly accepted outcomes.

Moreover, it has been a dynamically adaptive system during the course of that nearly two centuries of its use. It has adapted to the constant changes and developments as America emerged into modernity. Having worked so well for so long, I find it puzzling that it should be the object of so strenuous an attack.

I have tried to understand what is the center and the gravamen and the weight of the attack. It seems to me that it comes down to two related things. I would like to deal wtih only those two in this oral presentation to the committee.

I suspect that part of what people have against the Electoral College—not Senator Bayh, perhaps, or other members of the Senate, but others around the country, others in the academic profession—is the fact that it is so old. They suspect the old. It must be archaic. It must be outmoded. How can anything devised so long ago, for a simpler age, still be good in this unprecedentedly modern time? I find that prejudice against the Electoral College characteristic of at least the academic hostility to the Electoral College—if not the political outcome.

Senator BAYH. Excuse me. You have read a lot more academic treatises on this subject than I have, I suppose. Could you cite one or two where that is the basic thrust of the argument?

Mr. DIAMOND. I don't know that I could do that at this instant, but I would be happy to supply that information to you, Senator. I believe you will find some indication of it in James Burn's *Deadlock of Democracy*, perhaps.

Let me give you the analysis of it: the Electoral College was devised by an elitist, undemocratic time by elitist, undemocratic thinkers for the purposes of a simpler, agrarian, premodern age; and it is now outmoded.

Senator BAYH. Are you disputing the frame of reference of Professor Burns—the times in which the Electoral College was proposed?

Mr. DIAMOND. Yes, I am. I make my dispute very clear, and I think I can do so very briefly.

Senator BAYH. I just have not heard anybody before this committee say the reason they want to get rid of it is that it has been around for two hundred years. Period.

Mr. DIAMOND. Let me remind you of Herblock's cartoons on the subject.

Senator BAYH. What state does he represent? [Laughter.]

Mr. DIAMOND. He, like myself, represents his effort to think about the subject. I didn't know that representing a constituency was relevant to the discussion of the merits. It is relevant to deciding. You, sir, will decide. I will not. But I did not know that representing a constituency was relevant to the discussion.

Senator BAYH. It certainly isn't and, hopefully, never will be. The only reason I raised the point is that I have been studying this problem for about ten years, and never have I had one witness—nor have I read any treatise—that recommends getting rid of the Electoral College because it is old. I would like to have any data you have of a treatise that says the old, per se, is bad. If that is the case, I'm going to worry about the number of years I have left. I don't know how many there are, but I'm getting older instead of younger, and so, per se, I am getting worse. That may be the case, but I—Excuse me for interrupting.

Mr. DIAMOND. I do not propose to find support for that statement, because I did not make it. I did not state that anyone said the old, per se, is bad. What I said was: In the academic literature in the subject, there seems to be a prejudice against the Electoral College because of the progressivist assumption that anything so old cannot any longer be adequate. That I can support. I can show it to you in literally dozens of textbooks on American government.

I repeat my use of Herblock as an example of that assumption. Herblock is a cartoonist who has illustrated the obsolete antiquated character of the Electoral College. It appears, in his cartoons, as an old fuddy-duddy character in colonial knee britches and powdered wig, with an ear trumpet, saying: "Don't expect me to get this right, bub." The image of antiquated, obsolete, and outmoded is crucial to the prejudice of people against the Electoral College.

Senator BAYH. You're playing with words. If you want to say old, that's one thing. If you want to say archaic or outdated, that's an entirely different word.

Mr. DIAMOND. May I supply you with a source that you are thoroughly familiar with—the American Bar Association Report of 1969.

Senator BAYH. It uses the word archaic and not old.

Mr. DIAMOND. Yes. And it says outmoded. Its argument is exactly as I gave it to you, Senator. Devised for an earlier time. No longer adequate.

Senator BAYH. I don't think we should beat this to death, and maybe we already have. That is different from saying that its being old is prejudicial against it. I have not heard any scholar say because it is old it is bad. They say times have changed and are different now. You may argue that that is not the case, and I might hear that argument. But excuse me for interrupting in the first place.

Mr. DIAMOND. I believe there has been a tendency on the part of the scholars, and perhaps even of politicians, to regard the Electoral College as the product of an old and archaic and outmoded and bygone era. (I will try, by encompassing all the terms, to get us over our difficulty.)

That prejudice has worked to the disadvantage of the Electoral College. I believe that, far from being an old and outmoded instrument, it is, on the contrary, the very model (I hesitate to use the word *paradigm*) of a first-rate constitutional mechanism—namely, one which is old and to which the people are habituated. That habituation is a major source of legitimacy and an invaluable ingredient to free government. It is a model constitutional provision which is old and dynamically adaptive, which in every election has proven itself demographically responsive to changing conditions.

As you know better than I, every presidential election is a new ball game. The Electoral College has adapted itself and historically evolved in response to the growth and the changing political, social, and economic characteristics of the country. That much can be said on the problem of its archaism.

Let me proceed to the second point I wish to make. It is the most important objection made to the Electoral College, and it must be dealt with firmly: It is the idea that the Electoral College holds an undemocratic potential; that it is possible a candidate would be elected under the Electoral College system because he has more electoral votes, but fewer popular votes, than one of his opponents has. This is what Senator Kefauver called the "loaded pistol to our heads"—the possibility that a candidate will win the presidency because of having won the Electoral College but not the popular vote. That is the objection that must be dealt with if the Electoral College is properly to be defendable.

Let me point out that the discrepancy between winning the popular vote and winning seats, or winning elections exists in every districted system of election. Let me start further afield. This discrepancy exists in the United Kingdom, which many American scholars and politicians admire for its parliamentary system. Under the British districted system, the Prime Minister is chosen and the Government is formed by the party that has won the majority of seats. In the history of the British parliamentary system, a party with a minority of the popular vote has frequently formed the Government. It is the inevitable consequence of there being a discrepancy between winning seats in a districted system or electoral votes in an electoral system, and winning raw popular votes. It happened as recently as 1974, when the present Labour government won only a minority of the popular vote but won a majority of the seats.

To avoid the discrepancy between popular votes and electoral votes, or seat votes, or district votes, every vestige of districting, or any other electoral device, must be eliminated. That is the cost of the system now being proposed in place of the Electoral College.

I believe that the preservation of the districted basis of election—wards in cities, counties in states, and states in the American federal system—is invaluable to a free democracy such as ours. It permits responsiveness to minorities, for just one example. By and large, it is preserved in most of the Western democratic countries.

Now let me switch to a second aspect of this problem of the discrepancy between the popular vote and the electoral vote. The amendment you propose, sir, is called direct election of the President. Perhaps you will permit me to say that this is a misnomer. If I am right in my criticism, it is—with the best intentions and with the best of rhetorical effect—a misnomer.

The President is *now* elected directly, in my judgment There is *now* in the election of the President, under the Electoral College system, one person/one vote—in every state. The candidate with the most votes wins—in every state. The present system is *federally* democratic.

The only effect of the proposed amendment will be to increase not the *democracy* of the election, or the *directness* of the election, but the pure *nationalness* of the election. The sole practical effect of the amendment will be to diminish the *federalness* of the election, to eliminate the states from their share in the political process. We now have, in Indiana and Illinois and every state of the Union, one person/one vote and winner take all: the pure direct democratic principle of winning prevails in each state. The election of the American President cannot be made more directly democratic. It is being proposed to be made more directly national.

When the issue is put in terms of national versus federal elections, I believe the Electoral College may be defended with a comfortable conscience—not only a good, but also a comfortable, conscience. It is a means of preserving federal democracy, or a federal element, in the electoral process.

After a thoroughgoing dispute, and a process of give-and-take and compromise at the federal convention, the makers of the Constitution agreed to include the states in the process of selecting the President of the United States. In my judgment, that has proven invaluable in this centralizing age. When all forces tend to homogenization and centralization, we have a saving remnant of decentralization in the federal aspect of the election of the American President.

Regarding that federal aspect, let me end with this comment. I have heard proponents of the so-called direct election of the President make the point that the President, of all officials, should be chosen in a straight, national vote by all the people. He is, after all, our chief national executive officer.

I would answer in the language of the Constitution and of The Federalist. He is not simply our chief national executive officer. The President of the United States is also our chief federal officer. That is what has been forgotten by some of the proponents of the so-called direct election of the President.

The President is a federal and national officer. As with the Senate of the United States, there are both federal and national characteristics in the mode of his selection. As with the House of Representatives, there are both federal and national characteristics in the mode of his choice and operation. The Constitution created a compound state and national system. It built a role for the states into the choice of national lawmakers and of the national executive.

The sole constitutional effect of the proposed amendment is to defederalize and nationalize the election of the President. I regard that, in an age when our decentralized federal system has proved so manifestly of value to us, as a dangerous change and an unwarranted one.

That, when added to my written submission to the committee, suffices for an opening statement, sir.

Senator BAYH. I appreciate your taking the time to be with us. I found your book an interesting study, which makes different assessment and reaches different conclusions from my own. By no means does that lessen the importance of it or make it less deserving of consideration.

Let's see where you are philosophically on this matter. Much of your booklet suggests that liberals are bad and conservatives are good, insofar as the electoral reform movement is a liberal movement—whatever liberal is in this day and age. Do you think we would be better off with a parliamentary system in this country, as far as districting is concerned, than we are with federalism?

Mr. DIAMOND. No, I do not.

Senator BAYH. How far would you go in praising the contribution of the states as districts in the context of the Electoral College? Are you concerned at all about the contingency plan for the lack of a majority in the Electoral College, where each state delegation acting as one district has the same weight as any other in the final outcome?

Mr. DIAMOND. I believe it is unwarranted, when the vote is thrown to the House of Representatives, that each delegation would vote as a single unit, as a state unit. I regret that compromise that was made in 1787. I would prefer that the House and Senate, as a whole, were the contingency body.

However, there is one thing to be said for the present plan. It's so horrible, no one ever goes to it. It's my judgment that the contingency provision of the Bayh Amendment—in which there would be a runoff election if no candidate received 40 percent of the popular vote—would be used in every presidential election. The contingency, I believe, would become the real election. The second election would become the real election.

The prospect of going to the House of Representatives under the present Electoral College is such a horror that we have not done it since 1828. In my judgment, we are not likely to do it again for many a good year to come.

Senator BAYH. We have come very close to it.

Mr. DIAMOND. I don't think so. Scholars have shown that the mathematical chamber of horrors trotted out after many elections—that a change of several hundred votes in Delaware, or six thousand votes in Hawaii, or twenty or thirty in Oregon, would have done such and such—is only that, a mathematical chamber of horrors.

Senator BAYH. Do you deny the facts?

Mr. DIAMOND. No, but what I insist on——

Senator BAYH. Others have made this assertion just as you, but I have not seen any evidence at all. Everybody is entitled to his own philosophy. We are trying to suggest that if you have empirical evidence to the contrary, let's have it.

Mr. DIAMOND. Let me offer some empirical evidence. Had there been a change of twenty votes here and thirty votes there, there would also have been changes of twenty elsewhere and thirty elsewhere. That is to say, focusing on each election and picking up two or three states and juggling the figures to show how it might have gone otherwise is to abstract a single set of data from a complicated interrelated whole.

If those votes had changed in Hawaii and Delaware, some would also have been switched in Ohio and Indiana. And even suppositiously, it cannot be said that the contingency came close to occurring. In 150 years, we have not approached the contingency. That is a powerful empirical record.

Empiricism—150 years of experience—is on the side of the proponents of the Electoral College. Supposition, guesswork, and unevidentiary speculation is the stock in trade of the proponents of the change.

Senator BAYH. You say we shouldn't have any change then.

Mr. DIAMOND. No; I don't see how you drew that inference. Because I am against the change in one place, where the dangers are wholly suppositious and the good wholly positive, I do not see how you can infer I would be against changing anything. I am for all kinds of changes. If the Senator will give me the opportunity, I have my chance to unburden myself before the American people.

Senator BAYH. They will be glad to hear what you have to say. I wish we had more time to do that.

Mr. DIAMOND. I am for lots of changes.

Senator BAYH. In reading your booklet, I probably got a pretty good idea of what some of those changes are. I don't want to argue this point with you. I don't see how you can dispute the fact. You talk about changes here and changes there. If there had been a composite change of less than 11,000 votes, we would have had different results in the last presidential election. If there had been a composite change of around 70,000 votes in 1968, we would have had an entirely different result. That's factual.

Mr. DIAMOND. I don't dispute that. If I may quote my grandfather: "If grandmother had wheels, she'd be a trolley car." [Laughter.]

That is to say, that supposition has not, for 150 years, had the least shred of reality to it. I heard you question the previous witness about unwarranted suppositions. I think 150 years is pretty strong grounds for saying that the constant speculation—"Dear me, it could have gone otherwise, and we could have had this horror"—is pure speculation about what might have been and what has never occurred.

Senator BAYH: I think you would probably have a lot of fun with Russian roulette. If you spun the chamber five times, and the gun had not gone off, you'd keep spinning.

Mr. DIAMOND: I like the Russian roulette example. May I deal with it for a moment?

In Russian roulette, if you fail, you are killed, dead. In this, however, if the system fails, all we have is the election of 1888, in which nobody was hurt. There has been a great deal of speculation about the loaded pistol. I would like to offer some evidence. We lost the game of Russian roulette in 1888. The loaded pistol went off in 1888, and nothing happened. Grover Cleveland and the Democrats won the popular vote and lost the election, and the country didn't turn a hair. They just elected him the next time, and we had good, solid, stable, tranquil, and legitimate government.

If we had a President who had a few votes less than the other candidate, why would that be like having played Russian roulette? Why would that be like a loaded pistol to our heads? What would happen if that someone would squeak through by a fluke. The American people would grin and bear it and throw him out the next time, if they did not like what he did. Flukes happen. In my judgment, that is as close to Russian roulette as a pimple is to cancer.

Senator BAYH: We are all entitled to our own assessment. Some people think the person elected President of the United States ought to be the choice of most of the people. Obviously, you don't think that will necessarily be a problem. And I don't think I am going to change your mind; and at the rate we're going, I don't think you're going to change mine.

Mr. DIAMOND: May I say——

Senator BAYH: Let me go on to another element, so that we can get on with some of the other witnesses. In the document printed by the American Enterprise Institute, is that your position or theirs?

Mr. DIAMOND. That's my position. I don't know much about theirs, but I know what mine is. The American Enterprise Institute itself takes no position on public policy issues.

Senator BAYH. Another distinguished senior consultant of the American Enterprise Institute, a fellow named Gerald Ford, who has had perhaps a little more experience in this process than either you or I, comes down on the opposite side of this issue from yours. He thinks we ought to have direct election of the President. That's what makes the country what it is, I guess, and we ought to have different opinions.

Let me ask you this, just to touch on one point. I just can't let the assessment you made go unchallenged. It is not just liberal thinkers who want to do all the things you say. I feel that our colleague Senator Garn would probably have a differing view of how you characterize him. He is an enthusiastic supporter of this change. I don't think Senators Bellmon and Bartlett are in a minority either. Senator Baker wouldn't like to be categorized as a liberal—whatever that means. And so it goes, down the list.

The remarkable thing about the support for this amendment is that we have had Republicans and Democrats, small states and big states, represented in it. People seem to rise above their normal philosophic predilections because they think there is something rather basic here.

You raised a point that some of them have taken issues with. You place an emphasis on federalism, and you consider it important that the Electoral College supports federalism. You might be interested to read Senator Dole's testimony. I'm sure he would not be at all comfortable being categorized as part of the liberal movement.

Mr. DIAMOND. I don't remember when I did that, Senator. In my written pamphlet, I think I suggested something that you may be recalling, but I simply did not in my oral statement. What I said in the written document, and not all in the oral statement, is that the initial attacks on the Electoral College came from liberal and progressive thought. That's not bad. Lots of good things came from that. I simply identified its source—and, I think, with historical accuracy.

Now, Senator Dirksen—Senator Baker's father-in-law—and others changed their minds. Some conservatives joined some liberals in the attack on the Electoral College. But I don't remember stigmatizing this or categorizing this.

Senator BAYH. I think you have reached one who hasn't lived with every word that appears in your booklet, as I'm sure you have. But one gets the very strong inference that you feel this amendment is some sort of a liberal effort, and I just want to point out that it is not. To suggest that the original impetus comes from liberals denies the fact that the first effort to change the Electoral College and have a direct popular vote for the presidency goes back to 1816. I can't tell you what the philosophy of that fellow was. I don't know if they had liberals and conservatives then. I know we had Whigs and Tories and Federalists and all sorts of others.

Something that transcends normal philosophies is involved here. In regard to the antifederalism change, Senator Dole felt that, as far as his experience in the political process was concerned, direct election would provide a "common-sense federalism." Federalism is supposed to let each state have equal attention in the process. His experience was—but I won't repeat it. He said it so graphically, from his personal experience. He and Senator Humphrey testified together on the impact of the present system. The compartmentalism works with the unit rule interpretation so that some parts are totally lost in this so-called federal system.

Mr. DIAMOND. I find it difficult to go against so formidable a duo of practical wisdom as that of Senators Dole and Humphrey. I most certainly have to agree with some of the facts. In any election, some states are scanted. They change from election to election, because this is a dynamic, flexible Electoral College. And in every election, some voting groups are scanted because this is a dynamic, adaptable, and flexible system.

There is no fixed category of the neglected and ignored. They change.

I understand from academic discovery—and in a moment I may suggest some practical experience with the matter—that politicians go where the votes are. Now where are the votes? The question is not just where are the numbers of people, but where are the undecideds? Where are the voters who can be brought out by effort? Where are the changeable of mind? This changes from day to day during the campaign and from election to election.

The Electoral College does not, in a fixed way, favor one state over another. It changes dynamically. If Kansas and Minnesota did poorly last time, wait, and they will do well again. They have been decisive in the past and they will be decisive in the future. The marvelous thing about the Electoral College is its demographic responsiveness. It shifts and changes with the times and with the tides of public opinion.

May I, Senator, at my own instigation, mention something from practical experience? You asked the previous witness if he had ever spoken to minority parties about the Electoral College. May I say I have some practical experience in that respect.

I had the honor to be a colleague of Norman Thomas for many years, and I was a member of the National Executive Committee of the Socialist Party. I remember those days with fondness. I believe I learned something from them, and I think some of the things I did, along with my associates, was of value to the United States.

One thing we all had in common was an absolute detestation of the Electoral College. It was one of the chief barriers to the success of minority parties. You will find that in Norman Thomas's marvelous book, A Socialist's Faith. They were the words of a wise and reflective Socialist in his later years, as he looked back on his long experience.

We knew that we did not have a snowball's chance in the nether regions to get on the ballot and to win any states. Whereas, under the system you propose, we would have made hay while the sun shined during the late autumn.

We always started out with 5 or 6 or 7 percent who said they were for Norman Thomas. According to Thomas, that figure would be down to 2 percent about the third week in October. On the first day of November, it would be down to about 1 percent, and on the first Tuesday after the first Monday in November, it would be down to about 150,000 votes. Period. The reason was that there was no chance of victory in any state.

The 40 percent provision in your amendment, with the contingency run-off election, was precisely what we prayed for. Unfortunately, the manna came from heaven too late for my use in the Socialist days.

Senator BAYH: It's interesting for me to see how you make a parallel between going from 5 percent to 1 percent and going from 5 percent to 20 percent, which would have to be done, if everything else was mathematically equal.

Mr. DIAMOND: I can handle that one, sir, I believe. You see, the Socialists could go to 5 percent, but there is no reason, as I understand your proposed system, why 20 percent has to be garnered by one party.

I believe that the 20 percent would be garnered by fifteen or twenty parties. I can name four or five of them: Wallacites, Henry and George; McCarthyites, Eugene and Joseph; Socialists; Trotskyites; Communists; Black militants; yellow militants; green militants; purple militants——

Senator BAYH: Tell me this. Suppose we had had that in the 1976 election. Give me the worst horror story you can think of. Let's go through that kind of an election. What do you suppose the results would have been? Put Norman Thomas out there in full force. Where would he have finished?

Mr. DIAMOND: In this last one had there been the system you propose as a substitute for the Electoral College?

Senator BAYH: Yes.

Mr. DIAMOND: I certainly can't give firm numbers, but I would say George Wallace, Eugene McCarthy, Norman Thomas, and the vegetarians, prohibitionists, and a dozen others—whose names we don't know because they have not yet been conjured into being by the prospect of garnering a share of the vote and a hunk of federal financing—would have no difficulty in accumulating 20 or 30 percent of the total vote in the first election.

Senator BAYH: I'm not prepared to accept that, but neither am I prepared to say, for the sake of argument, that it could not possibly happen. My personal experience is that sitting out in the wings doesn't do any good. You have to get where the action is, and that means you have to win.

Which of these eighteen splinter parties would have received more votes than Gerald Ford or Jimmy Carter? That is the key question.

Mr. DIAMOND: Yes and no, sir. The key question is: How many elections do we have? How fragmented is our party system?

Mr. MORGAN. Mr. President, I realize the hour is late, but I understand the Senate will not be in tomorrow and I would like to make my position a matter of record before we recess for the holiday.

Mr. President, I rise in opposition to Senate Joint Resolution 28, a proposed constitutional amendment to abolish our electoral vote system of choosing the President and to replace it with a direct popular election.

Mr. President, let me start out by saying that I do not believe that the existing electoral vote system is perfect. The absence of any established procedures in the event that a candidate should die before the electoral votes are counted, is disturbing. I also believe that steps should be taken to eliminate the problem of the faithless elector, but this would not necessarily require a constitutional amendment. And, we might want to consider changes in the way the House chooses Presidents in the event of an electoral college deadlock.

Mr. President, the electoral vote system is not perfect, but it has served us well. Weighed against the proposed direct popular election, with all its defects and with all its unknowns, the electoral vote system seems clearly superior. The existing electoral vote system is to be preferred because it forces would-be Presidents to focus on winning States, thus helping to support our federal system of government, and because it discriminates against extremists, as the Senator from New York so ably pointed out earlier this afternoon, and it discriminates against sectional candidacies, and the development of divisive third parties. Most important, it is one of the backbones of our federal system. But, before I address these serious substantive considerations in detail, I would like to briefly pass over some red herrings that have been raised in the course of this debate.

Possibly the biggest nonissue is the concern that the existing electoral vote system is an antiquated accident of history, that the electoral system is a compromise which only came about because the many competing groups at the Constitutional Convention in 1787 could not agree on a more sensible plan. In support of this view, it is also argued that the electoral college never worked as its sponsors intended.

First, I might point out that one of the strengths of the Constitution, and I think we all agree on this, is its flexibility and its demonstrated ability to adapt to a changing world. The electoral college has shown such an adaptability to changes in our society. It has, as one constitutional scholar has pointed out, survived the development of Presidential elections into dramatic national contests, the rise of political parties, the development of the unit rule for disbursing each State's vote, and the development of mass communications and other revolutionary technological advances, and has evolved through all this with tranquillity and with virtually no popular challenge to its legitimacy.

The electoral college cannot be indicted for being old, for our basic system of government is equally old. And, it cannot be indicted for not working as its creators intended—that is irrelevant. What is important, and what needs to be examined is how it actually does work and whether the radical alternative proposed here is an improvement.

A second nonissue relates to the charge that the system is undemocratic. The electoral college is completely within the context of our system of government. We do not have a simple democracy, a system the Founding Fathers rejected as being dangerous and unstable. Rather, we have a Federal Republic with additional controls designed to protect individual and minority rights and to prevent hasty or ill-considered actions. Thus, we have a Bill of Rights which is, to all intents, tamperproof. We have a Supreme Court which has an absolute right to review and, if it so chooses, to nullify any legislation passed by the Congress on the grounds that it is unconstitutional. For that matter, those Judges, who control one entire branch of our Government, are appointed, not elected; and I know of no proposal before the Congress that would change this. The Senate provides equal representation to each State; and, as a result, less than 5 percent of the population elects 28 percent of this body, treaties require the approval of two-thirds of the Senate alone. And to change the Constitution, which created all these features, requires the approval of two-thirds of each House of Congress as well as three-quarters of the State legislatures.

Set alongside these features of our Government, our method of choosing the President seems quite democratic to me. Elections are democratically contested in each State, the winner of each State's elections gets its electoral votes, and the candidate receiving a majority of all electoral votes becomes the President. This system is a blend of democratic and federal features; and it is the addition of the federal features, not undemocratic features, which distinguishes it from direct popular elections.

Another nonissue is the belief that the country narrowly avoids disaster every 4 years when a shift of a few thousands votes in a few States would lead to the election of a President who failed to win a plurality of the popular vote. All these analyses are based on the mathematical shifting of votes, and implicitly assume that electoral results are random. In practice, the actions taken by the candidates that would lead to the shift of the right few thousand votes in one State could easily lead to voting shifts in other States that insure that the popular vote winner is the electoral vote winner.

Whether this country would survive the election of a President that had not won the popular vote is a question that must be considered. But, there is no sound evidence showing that we have had a series of narrow misses during the course of this century.

That those people in a State who vote for a loser are disenfranchised because the State's electoral votes are cast for another candidate is a statement that is hardly worthy of comment. Every election produces winners and losers. In this case, the contest is a statewide contest over a given slate of electors, and, there will be winners and losers. To disenfranchise means to deprive someone of a right or a privilege. The right is to take part in a free election, the right is not to be the victor.

The final nonissue relates to the problem of the faithless elector casting a vote for other than the popular-vote victor in his State. Although the faithless elector has never been a factor in an election, it is a potential problem. But it is a problem that is already being dealt with, as nearly 20 States have passed laws mandating how their electors should vote. Additional States are passing such laws each year. Further, the faithless elector problem could be easily undone through a constitutional amendment, and proposals have been made to that effect. But the purpose of the pending resolution is to establish a whole new system for choosing the President, not to solve what is, at worst, a simple technical problem.

Now, I would like to get to some of the real issues surrounding this proposed constitutional amendment. To start with, it is important to realize that one cannot change one major part of our system of government without considering the entire system. In 1956, John Kennedy, who, as Senator from Massachusetts, was one of the leading opponents of tampering with the electoral college, made a good point when he said that we are talking about "a whole solar system of governmental power. If it is proposed to change the balance of power of one of the elements of the solar system, it is necessary to consider the others."

The electoral vote system is an integral part of our form of government. Before abandoning it, we should have some idea of how the alternative will impact on the powers of the States, how it will affect the relationship between the Congress and the President, the relationship between the national and State political parties, the two-party system, and so forth.

The major difference between direct elections and the electoral college is that one is a competition for votes and the other is a competition for States. In my view, forcing would-be Presidents to compete for States is to be preferred.

Mr. President, we have an incredibly diverse population. People in different States, in different regions, have different needs and concerns. Forcing a presidential candidate to compete for States forces him to address these special needs and concerns. To win an election in North Carolina a candidate would have to show some concern for the small farmer. To win in New York, he would have to demonstrate concern about the special problems facing New York City. Out West, the people are worried about their water, and in New England the people are worried about being able to afford gas and oil. A man who wishes to be President of the United States would be forced to address these issues prior to his election; and, under the electoral vote system, he has to do so.

Under the direct election system, he might not have to do so. He might address only those problems and concerns of the most populous areas of our country, leaving the small farmer or the New England homeowner without any discussion of their concerns.

During debate on this subject in 1956, Senator John Kennedy, soon to become President, was asked if he favored direct elections. He said, "It seems to me it would be a breach of the agreement made with the States when they came into the Union."

A little later in the debate, he stated:

> If we are going to change that system, it seems to me it would strike a blow at States' rights in major proportions. It would probably end States' rights and make this country one great unit.

But John Kennedy's most eloquent statement came even later, when talking about the issue of voters being disenfranchised:

> Proponents reply that they mean to abolish State lines for purposes of Presidential elections, so that each pocket of minority votes within each State can be counted. . . . This is a revolutionary change in our federal system, and violates the basic premise that each State acts as a unit in its relations with the central Government. That is the way the Constitution was ratified; that is the way constitutional amendments are approved—not by pooling the negative votes cast in the legislatures of each State. That is the way the Senate is constituted—even when the party with the fewer Senators elected received in all senatorial elections combined, the most votes cast. And that is the way our Presidents have been, and should continue to be, elected.

Mr. President, this federal system we have, which President Kennedy so eloquently defended, is highly complex and not lightly tampered with. Should we have direct elections, the President's majority will be an amorphous, difficult-to-identify segment of the electorate, rather than easily identifiable groups within certain States. The proposed change would certainly increase the independence of the President from the States and the people. Do we really want this? What will the impact be on the relationship between the President and the Congress? Has the imperial Presidency, to use Arthur Schlesinger's phrase, really served us well?

How will direct elections impact on the relationship between State political parties and the national committees for each party. At present, the Democratic National Committee is really a coalition of 50 State Democratic committees. Direct elections could easily change the balance of power here. Is this to be desired?

Mr. President, these are just some of the questions that have not been answered to my satisfaction. Proponents of direct elections simply write these issues off as unimportant or assert that there will be no significant changes. This resolution tampers with a central aspect of our federal system, and I am afraid it would have a major and dangerous impact on our very form of government. Too often, people forget that we do not have a simple form of government. Our Founding Fathers considered simple democracy, as in Great Britain or Italy, dangerous, and for good reason. They built a lot of controls into the system, one of which was the electoral college. The electoral college may not have worked as they intended, but it has worked very well; and it has produced the results that were intended. We have had moderate, pragmatic Presidents with broadly based support for virtually all of the last 190 years. Again let me quote John Kennedy:

> Whatever our political disagreements with them, the Presidents chosen under the present method since the turn of the century have been, on the whole, men of high caliber, responsive to the wishes of the people, and capable of exercising great leadership, particularly in times of crisis, and particularly in comparison with other free countries. No proponent of this resolution has suggested what better-qualified candidates would have been nominated . . . had this resolution been in effect—and to claim such an effect for the future is highly speculative, to say the least, and hardly grounds for dangerously tampering with the present system.

Mr. President, there has been much discussion about whether the electoral college benefits small States or large States. I would suggest that the electoral college benefits all the States. Our form of government is unique in the world for the way it has blended the often-competing values of liberty and equality. There is no country in the world today that can claim to have a Government as stable and as legitimate, in the eyes of the people, as ours is. We tamper with this at our own peril, and I urge my colleagues to vote against the pending proposal.

In conclusion, I would like to read the opening statement given by Senator John Kennedy when the Senate debated this issue back in 1956. I might mention that this great American, this great Senator, this great President, felt so strongly about this issue that he was in attendance during almost the entire debate on this issue, which lasted for about 1 week.

> Mr. President, Senate Joint Resolution 31, concerning which there has been little, if any, public interest or knowledge, constitutes one of the most far-reaching—and I believe mistaken—schemes ever proposed to alter the American constitutional system. No one

knows with any certainty what will happen if our electoral system is totally revamped as proposed by Senate Joint Resolution 31 and the various amendments which will be offered to it. Today, we have a clearly Federal system of electing our President, under which the States act as units. Today, we have the two-party system, under which third parties and splinter parties are effectively discouraged from playing more than a negligible role. Today, we have a system which—in all but one instance throughout our history—has given us Presidents elected by a plurality of the popular vote. I refer to one instance, because the frequently mentioned situation in 1824, involving Andrew Jackson and John Quincy Adams, in which six States did not have popular votes, can be ignored; and the other frequently mentioned case, that of the Hayes-Tilden contest, involved outright corruption, and the decision of the electoral commission was responsible for the election of Hayes; so in the 175 years of our constitutional system, there is really only one valid example in which the present system produced the election of a candidate who did not receive the largest number of votes. And today we have an electoral vote system which gives both large States and small States certain advantages and disadvantages that offset each other.

Now it is proposed that we change all this. What the effects of these various changes will be on the federal system, the two-party system, and the large-State-small-State checks and balances system, no one knows. Nevertheless, it is proposed to exchange this system—under which we have, on the whole, obtained able Presidents capable of meeting the increased demands upon our executive—for an unknown, untried, but obviously precarious system which was abandoned in this country long ago, which previous Congresses have rejected, and which has been thoroughly discredited in Europe. No State legislature, political party, or major group of citizens has requested this change. Any State legislature which felt such a change to be more democratic or more logical has been free to adopt it for the past century. No statute or constitutional provision prevented the States from doing so. But, with the single exception of Michigan, which quickly abandoned the system proposed by Senate Joint Resolution 31 after a single trial more than half a century ago, not a single State has done so.

Why should we in Congress be in such a hurry to adopt a drastic constitutional amendment which most of the voters do not know we are considering, and which they certainly have not demanded? These are crucial times—and whatever defects may be claimed in the present federalist two-party system, we at least have knowledge of and experience with its operation.

We have no knowledge as to whether these proposed revisions would provide adequate machinery to serve a country in the midst of recurring foreign policy crises—or whether they would lead to a breakdown in this machinery, such as those we have witnessed in France and elsewhere, paralyzing the country before it could return to the old system. The world situation does not permit us to take the risk of experimenting with the constitutional system that is fundamental to our strength and leadership, particularly without full knowledge of the effects of such changes.

No urgent necessity for immediate change has been proven. No minority Presidents have been elected in the 20th century; no elections have been thrown into the House of Representatives; no breakdown in the electoral system, or even widespread lack of confidence in it, can be shown. The evils of the present system alleged by the proponents of Senate Joint Resolution 31 are decisive; the benefits they claim for the future are at best speculative, and at worst statements exactly contrary to the results more likely to take place. There is obviously little to gain, but much to lose, by tampering with the Constitution at this time.

It seems to me that Falkland's definition of conservatism is quite appropriate—"When it is not necessary to change, it is necessary not to change".

The substantive arguments advanced by the proponents will be discussed subsequently—but it is revealing to note the political appeal made to various groups. Northern Democrats have been told that the Daniel amendment will assure their party of permanent control of the White House. Southern Democrats were told that the amendment would give them overwhelming control of their party. Liberals were told that the amendment would give them recognition by treating third-party movements more equitably. Conservatives were told that the influence of minority pressure groups in the northern cities would be eliminated. And Republicans have been told that from the votes that will somehow appear in the South, under the Daniel amendment, or from Gerrymandering of electoral districts by Republican-dominated State legislatures, under the Mundt amendment, their party will permanently possess the White House. It is difficult to believe that two-thirds of the members of the Senate will accept such contradictory predictions.

I think that most eloquent statement delivered by Senator John Kennedy, who led the opposition to this proposal and other changes to the electoral college in 1956, adequately sums up my opposition to the amendment.

Mr. THURMOND. Will the distinguished Senator yield?

Mr. MORGAN. I am happy to yield.

Mr. THURMOND. Mr. President, I commend the able Senator from North Carolina for the splendid statement he has just given to this subject, the direct election of the President. The able Senator from North Carolina was Attorney General of that State for many years and he is a student of the Constitution, as revealed by the magnificent statement that he has given here, on the floor of the Senate, today. I hope all the Senators will take the time to read his statement. I am sure they will find it helpful and interesting.

Mr. MORGAN. I thank my colleague from South Carolina.

Mr. President, I yield to the able Senator from Arkansas.

Mr. PRYOR. I thank the Senator for yielding.

Mr. President, I might say to my friend, the distinguished Senator from North Carolina, that the debate to which the Senator makes reference—and I stand to be corrected—was not a debate in the U.S. Senate on the specific issue of the direct election of the President. It was, rather, if my information is correct, a debate which related specifically to what was then referred to as the Mundt-Daniel proposal. That was a proposal by Senators Mundt and Daniel, as I understand it, that represented a compromise proposition permitting each State to select either a district plan or proportional plan in electing the President.

I will quote, in order that we might place in the RECORD a statement by Mr. Theodore Sorensen which appears in the report of the Committee on the Judiciary of the U.S. Senate:

> Opponents of the direct election of Presidents often cite the words of Senator John F. Kennedy in opposition to this proposal in 1956. Inasmuch as I had some connection with those statements, I should point out that Senator Kennedy, as a Senator from a populous State, was defending the big-State preference inherent in the present system; that he felt obligated to oppose all changes in order to maximize the opposition he was leading to the proportional and district division schemes which had a real prospect of passage that year whereas direct elections had none anyway; that he spoke of maintaining the balance of an entire "solar system" of advantages and disadvantages in our political system, in which the urban advantage in the electoral college was needed to offset the rural advantage in the House of Representatives, the latter not then having been emasculated by the Supreme Court's one-man, one-vote decision; and finally, that he spoke before the 1960 and 1968 elections provided us with not only examples of faithless and unpledged electors but electoral vote results so close as to bring us to the brink of constitutional crisis.

As I understand the debate in 1956, it related to a district or proportional compromise plan, rather than the direct popular election of the President.

Mr. MORGAN. Will the Senator yield?

Mr. PRYOR. I am glad to yield to the Senator.

Mr. MORGAN. I say to the Senator that I suspect he has not read that debate. I read the statement that the Senator alluded to and I am surprised that this committee would quote a statement from Sorensen, who seemed to impugn the motives of Senator Kennedy, saying that he was doing so because he was obligated, inasmuch as he came from a populous State.

I do not believe that, and I do not believe that the Senator believes it. If the Senator will read that debate, he will understand that he did speak to direct elections. Senator John Kennedy opposed all tampering with the Electoral College. I do not think the elections of 1960 or 1968 offered anything that would have changed his words.

Arthur Schlesinger, the noted historian, who opposes direct elections, has used exactly the same quotes I have used. I suggest to the committee that they go back and read the debate and then come back and tell me that they do not believe he spoke to direct elections.

Will the Senator tell me that he read the 1956 debates?

Mr. PRYOR. I have not read the debates.

Mr. BAYH. The Senator from Indiana has read the debates.

Mr. MORGAN. I suspect the Senator from Indiana has, and I suspect the Senator from Indiana has drawn his own conclusions. But is it not true, from the statement the Senator from Arkansas read, that Mr. Sorensen sort of implies that Senator Kennedy defended the present system because he came from a populous State and felt compelled to do so?

Mr. BAYH. The Senator from North Carolina can read Mr. Sorensen's words just as well as the Senator from Arkansas. I suspect Mr. Sorensen was closer to Senator Kennedy than any of the rest of us. I do not presume to speak for the Senator from North Carolina. I knew the man and was proud of knowing him, but

I suspect that Ted Sorensen is in a far better position to interpret John Kennedy's words than any of us here.

Mr. MORGAN. I knew the man well enough that I do not believe that he would come on the floor of the Senate and support our present system purely for selfish reasons, to protect the interests of a populous State.

Mr. BAYH. I suggest to my friend from North Carolina that if protecting the interests of your State is a selfish motivation, then he should have something to say to the people in the Senate who are against this proposal for that very reason. They perceive that they have an advantage, either from a small State or a large State standpoint, and they do not want to give it up.

Mr. MORGAN. That may be the Senator's motive, but my motive is defending the Federal system, which has caused this great country of ours to survive longer than any other democracy in the history of the world. It is because of the concurring majorities, that must be built to succeed politically, which were encompassed in this Constitution.

If we go to direct elections, North Carolina would fare well. But I am trying to defend what I believe is fundamental and help maintain the balance of power in this country as our Founding Fathers left it.

Mr. PRYOR. Mr. President, I would certainly hope that the Senator will realize that I am in no way questioning his motivation on this issue. I wanted to place the statement by Mr. Sorensen in the RECORD at a point relevant to the discussion of this issue by the distinguished Senator from North Carolina.

I would only further ask my friend from North Carolina about his statement that States should elect a President—is that the Senator's viewpoint?

Mr. MORGAN. The people of the various States acting in concurrent majorities. I think the Senator probably understood that to be true.

Mr. PRYOR. I appreciate the Senator clarifying that.

Mr. MORGAN. The semantics may not be as scholarly and precise as they should have been.

Mr. PRYOR. During the course of this day, there have been arguments relative to this specific point. Some of the opponents of the direct election have indicated their belief that States should elect Presidents and the overall general populace play a secondary role.

I subscribe to an entirely different viewpoint.

Mr. MORGAN. I think that might have been the words used, but I think the Senator knows my colleagues well enough to know that no Member of this Senate would propose to take away from the populace the right of electing a President.

I suspect when we nitpick those words, we understand that is about what we are doing—nitpicking.

Mr. PRYOR. I was hoping that was not the meaning of some of the arguments advanced earlier in the day and that the Senator from North Carolina did not hold that view.

Mr. MORGAN. I know my colleagues that well. I think most people understood the intent of the words.

I simply add one other statement, that Arthur Schlesinger was about as close to John F. Kennedy as was Ted Sorenson, and he had this to say when he wrote on the electoral college. He said:

> If we are not to upset the subtle balance of the unwritten Constitution, let us be equitable across the board—and end the procedure that gives Alaska and California an equal number of Senators. As Senator John F. Kennedy said in opposing the Lodge-Gossett amendment 20 years ago, "We are talking about . . . a whole solar system of governmental powers. If it is proposed to change the balance of power of one of the elements of the solar system, it is necessary to consider the others."

I was quoting from the Wall Street Journal of April 4, 1977. I ask unanimous consent that this article, "The Electoral College Conundrum," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The Electoral College Conundrum

(By Arthur Schlesinger, Jr.)

President Carter's advocacy of a constitutional amendment "to provide for direct popular election of the President" will give

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The Electoral College has long been a vermiform appendix in the body politic. It distorts the popular vote. It is impossible to explain to foreigners. Even Americans don't understand it.

The President offered only one reason for its abolition, but this was a powerful one. The proposed amendment, he said, "will ensure that the candidate chosen by the voters actually becomes President. Under the Electoral College, it is always possible that the winner of the popular vote will not be elected". This happened, he said, in 1824, 1876 and 1888. A small shift of votes in two states, he added, might have elected the popular-vote loser in 1976.

This is really part of a more fundamental argument. We have accepted the one-man, one-vote principle in legislative elections. Does not equity require that this same principle extend to presidential elections? Under the Electoral College system with the winner-take-all rule, each state casts a unit vote for the winner even if the win is by a single vote. This, it may be said, does more than disenfranchise those who voted for the loser.

It is, as Senator Thomas Hart Benton put it in 1824, "not a case of votes lost, but of votes taken away, added to those of the majority, and given to a person to whom the minority is opposed." In a fair system surely every person's vote should have equal weight, and every vote should count.

The direct popular election of Presidents, it is further contended, would revitalize the political parties. It would give Republicans an incentive to get out the vote in Georgia and Democrats an incentive to get out the vote in Vermont. It would shake up one-party states, reinvigorate party competition, reduce the power of sectionalism in politics and combat voter apathy.

Then there is the problem of the "faithless elector"—the fellow who is sent to the Electoral College to cast his vote for one person and then casts it for another. This has happened a few times, could happen again and might change the result of a close election. Senator Robert Dole was quoted recently as saying "just after the election, we were shopping, not shopping but looking around for electors to see if we could negotiate with two or three."

NAILING A MYTH

(In this connection one might as well nail the myth, much cherished by non-historians, that the Founding Fathers intended the electors to be free agents. The preponderance of evidence, as Lucius Wilmearding Jr., pointed out 20 years ago, is that the Founding Fathers expected the Electoral College to execute the popular

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1.) Abolishing the Electoral College would obviously solve the problem of the faithless elector.

All this sounds plausible enough. But there are arguments on the other side. The problem of the faithless elector could be simply solved by abolishing the Electoral College while retaining the electoral vote and the unit rule. This was the amendment recommended by Nicholas Katzenbach when he was President Johnson's Attorney General and formally offered by Senator Sam Ervin in 1970.

As for the revitalization of political parties, opponents argue that direct presidential elections, on the contrary, would speed up the fragmentation of the party system. The Electoral College discourages ideological third parties; for, unless splinter movements have a solid geographical base, they cannot expect to win electoral votes. The direct election would undoubtedly bring out independent candidacies and single-issue parties.

Anti-abortion parties, Black Power parties, anti-busing parties, anti-gun-control parties, pro-homosexual-rights parties—for that matter, Communists or Fascist parties—have a dim future in the Electoral College. In direct elections they could drain away enough votes, cumulative from state to state, to prevent the formation of a national majority—and to give themselves strong bargaining positions in case of a run-off.

Opponents argue further that the direct election is most unlikely ever to produce a

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prospect implicitly conceded by the run-off provision in the current version of Senator Bayh's direct-election amendment. If no candidate gets more than 40% of the vote, the Bayh amendment would have the two top candidates fight it out in a second round.

The prospect would seem either a succession of Presidents desired by not much more than 40% of the voters or else a succession of double national elections—in which case the final prize might often go to the person who came in second the first time. Would either provide the mandate to sustain any effective presidency?

In addition, direct elections raise a nasty recount problem. Suppose the leading candidate receives 39.8% of the popular vote, as Lincoln did in 1860; or suppose the contest is as close as Kennedy v. Nixon in 1960, where 118,000 votes (out of 68.5 million cast) separated the contenders. Under the Electoral College, recounts are confined to one or two hotly-contested states. The direct election would require a nation-wide recount, with protests and counter-protests, while the world waited for weeks or months to find out who won.

As for President Carter's three second-choice Presidents, two of his cases—in 1824 and 1876—had little to do with the Electoral College. Eighteen-twenty-four is no test of the present system since that system did not exist in 1824, when there were no parties, no popular vote in six states and no unit electoral vote in six others. In any event, it was the House of Representatives, not the Electoral College, that put in Adams over Jackson. In 1876 Tilden had a majority in the Electoral College; it was a rigged electoral commission that put in Hayes.

In short, there has been only one occasion in American history where the Electoral College denied the popular-vote winner the presidency. This was in the dead heat election of 1888, when neither candidate received a majority and the gap between them was only 91,000 votes.

One instance in nearly 200 years hardly seems enough to justify a drastic alteration of the system—especially if the proposed alteration might very well, as already noted, produce second-choice Presidents itself. If it really seems vital to guard against this danger, it may be easily done within the Electoral College system by assigning the winner of the national popular vote a bonus electoral vote from each state.

This does not, however, meet the equity point. The Electoral College was originally intended to give disproportionate protection to small states through the provision that the number of each state's electors equal the number in the congressional delegation, thereby awarding every state, regardless of size, an extra two electors. Since Alaska has just as many Senators as California, though California has 60 times its population, this confers a slight small-state benefit in the Electoral College.

As it has worked out, however, the Electoral College probably gives special weight to large swing states and therefore to minorities that may hold the balance of power in such states. If California's 45 votes or New York's 41 votes are at stake under a winner-take-all system, candidates will spend more time in California and New York than they do in Alaska. They will be forced to acquaint themselves with urban problems and to pay attention to local minorities.

If one looks at the Electoral College alone, this weighting in favor of large states does seem inequitable. If one looks at the complex balance of the whole constitutional system, one wonders. Perhaps overrepresentation of large states in the presidential process is a necessary offset to their underrepresentation in the Senate. It may be why presidential government has been historically more responsive than Congress to the needs of a heterogeneous society. Should an abstract standard of equity require the abolition of large-state advantages in presidential elections, then surely it requires the abolition of the small-state advantage in the composition of the Senate, where one million people live in Alaska, Wyoming and Vermont have as many Senators as 50 million in California, New York and Pennsylvania.

EQUITY CALLED FOR

If we are not to upset the subtle balance of the unwritten Constitution, let us be equitable across the board—and end the procedure that gives Alaska and California an equal number of Senators. As Senator John F. Kennedy said in opposing the Lodge-Gossett amendment 20 years ago, "We are talking about . . . a whole solar system of governmental powers. If it is proposed to change the balance of power of one of the elements of the solar system, it is necessary to consider the others."

In short, the question of the direct popular election of the President is a good deal more difficult than it seems at first glance. This is no doubt why the question cuts so erratically across liberal-conservative lines. Thus, one finds lined up for direct popular election not only liberal Senators like Bayh, Hubert Humphrey, Jacob Javits and Edward Kennedy, liberal columnists like Clayton Fritchey and Tom Wicker, The Washington Post, the AFL–CIO and the League of Women Voters, but also conservative Senators like Robert Dole and Howard Baker, conservative columnists like Kevin Phillips and conservative organizations like the American Bar Association and the Chamber of Commerce.

The alliance on the other side is equally bizarre: Richard Goodwin, the late Alexander M. Bickel, the late Senator Robert Kennedy, Max Lerner, Clarence Mitchell of the NAACP, Theodore H. White, Irvin Kristol, The New York Times, The Wall Street Journal and states-rights Senators like Barry Goldwater, James B. Allen and Strom Thurmond.

What this all suggests is the need for the most deliberate consideration before we rush into changing the Constitution. We should be well aware by now of the unanticipated effects of constitutional amendments. No one who supported the 25th Amendment in 1967 supposed that it would give us within a few years a President and Vice President of the United States who had not been elected by the people.

The shift from our present system of presidential choice—especially if it were improved by the safeguards proposed in the Katzenbach-Ervin amendment—to a system of direct popular elections is very likely to have a whole series of unforeseen consequences—Presidents for whom only 40% of the electorate voted: the Balkanization of parties; the reduction in the influence of non-fanatical minorities, those not inclined to organize parties of their own; the further attenuation of our already feeble sense of local identity; the derangement of the constitutional balance. Is there any clear and present danger that justifies a plunge into such risky waters? Where is the emergency? What is the hurry?

As Lord Salisbury said long ago, "A violent isolated artificial improvement in the institutions of a community, undertaken without regard to the condition of the other portions of the machinery in concert with which it is to work, is a danger so great that no improvement at all is almost to be preferred."

Mr. MORGAN. I yield the floor.

Mr. BAYH. Mr. President, I would like to make an observation or two relative to the colloquy that the Senator from Indiana walked into between the Senator from North Carolina and the Senator from Arkansas.

I have had the opportunity to read that debate and to discuss then Senator Kennedy's participation in that 1956 debate.

As was pointed out in the quotation that the Senator from North Carolina read by Arthur Schlesinger, the issue at that time was Lodge-Gossett.

As I recall the comments of Mr. Sorenson, it was then Senator Kennedy's opposition to Mundt-Daniel, a district-proproportional compromise plan which he thought would be much less desirous than the electoral college system, which caused him to be such an avid supporter of the electoral college system.

I think I am accurate when I say that Sorenson was an aide, a legislative assistant, to Senator Kennedy, at the time when Senator Kennedy was participating in this debate.

I do know, further, that Senator Kennedy's support of the electoral college system and his comparative opposition to the direct election of the President was predicated, as one who has read the debates of that moment can conclude, on Senator Kennedy's deep concern that there was not equal franchise available to all citizens in all parts of the country; and that he was very concerned that large numbers of black voters could not even get in the courthouse. This would lead one, I think, to conclude that our present colleague Senator KENNEDY thinks very much as his brother would be thinking if he were with us today, following the very successful results of the 1965 Voting Rights Act.

Now we have millions of people who are on the voting register who would not have been permitted to vote in a direct popular vote system in 1956, who were denied the right to vote in 1956.

I also point out that much of Madison's concern was predicated on the issue of slavery, and slavery existed at that time in Philadelphia and also at the time of his Presidency, and that was the reason Madison really was not for the direct popular vote.

I also point out that the Senator from South Carolina is accurate when he talks about the unusual circumstances that existed in 1824; that indeed New York was not counted in the Adams column and neither was Vermont, because the State legislatures in those States had elected the Presidential electors. But if one is to look at the total picture, one would also have to understand that the State of the Senator from South Carolina was not counted either, and neither was Louisiana. In both those States, legislators elected Jackson electors—the man who got the greatest popular vote but lost out because he did not get enough electors. The third party candidate was Crawford. The State legislatures in Delaware and Georgia elected Crawford electors in those States and the popular vote was not counted there either. In all, six States did not have popular election of Presidential electors in 1824 and they split 2 for each of three candidates. It is fair to say that of all the votes which were counted in a popular vote fashion, Jackson got the most, Adams was second, and Crawford came in fourth.

When the House of Representatives got through deciding on a one-State, one-vote basis, the popular vote winner, Jackson, was the loser, Adams won. And, interestingly enough, Adams won only 7 of the 24 States and they were all in the Northeast. He won no State south of New York.

CLOTURE MOTION

Mr. BAYH. Mr. President, in an effort to try to let our colleagues know what to expect on this issue when we get back from recess and in an effort to try to get the vote up or down on whether we want to change the way we elect our President or not and not become involved in any of the other proposed constitutional amendments that are afield in the Senate, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S.J. Res. 28, proposing an amendment to the Constitution to provide for the direct popular election of the

President and Vice President of the United States.

Gary Hart, Alan Cranston, Donald Stewart, Birch Bayh, George McGovern, Claiborne Pell, Jennings Randolph, William Proxmire, Lloyd Bentsen, John H. Chafee, Patrick J. Leahy, Dennis DeConcini, David Pryor, Henry M. Jackson, Edward M. Kennedy, Howard H. Baker, Jr., John Glenn, Robert C. Byrd.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, it is rather interesting that a cloture motion has been filed since there has been no effort here to carry on any extended debate. Of course, I cannot say what will be done by the Members of the Senate when they come back after the July 4 recess. But so far as we are concerned we offered to vote today on this question, but the other side was not ready. They wanted to put it off until after the Fourth of July recess.

So I thought that should be noted for the record.

Mr. BAYH. Mr. President, I simply point out we are debating here rather seriously and I really think we had gotten into some really interesting differences of opinion on a rather important constitutional amendment.

I point out to the Senate the issue before us right now, if we are called upon to vote, is Senator BYRD's balancing-the-budget amendment, not the direct popular vote amendment which we have been debating all day.

I must say I do not believe that my good friend and colleague from South Carolina has been arbitrary. He has not tried to prolong the debate unnecessarily.

But we hope to be able to clear the decks so we can have an up-and-down vote on the matter of how we elect our President, and it appears that this is perhaps the only way we can do this.

There are a number of other constitutional amendments our colleagues have proposed, of which I think all of us are aware. It seems to me that each one of these should stand on their own legs and let us let this one be voted up or down and then we will proceed on from there.

I yield the floor.

Mr. BAKER. Mr. President, I rise today to reaffirm my tremendous support for Senate Joint Resolution 28 which calls for the direct election of the President. I believe this is one of the most important issues this body will consider in this or any other year. This issue goes to the core of this Nation's election laws which are rooted in the belief all elections should be based upon the principle of "one man-one vote." The question that we must answer in this debate is whether or not our Nation after more than 200 years of self-government is prepared to take the final step toward insuring that principle. That can be accomplished by passage of this resolution.

Direct popular election of our President and Vice President is the only system under which we can be certain that no man will be elected President receiving fewer votes than his opponent and under which each citizen's vote will be counted equally with that of all other citizens. Election results will not be distorted by faithless electors, out-of-date census figures, or a one-State, one-vote rule in the House of Representatives. Further, every citizen will have reason to vote for President, even if his State or congressional district is dominated by the opposing political party, and Presidential tickets and campaigns will be designed to appeal to all voters in all States. It is only by popular election that all of these beneficial results can be achieved.

Perhaps the most important objection voiced by the opponents of popular election is that it will be disruptive of our federal system and disadvantageous to small, less populated States.

Those stating this contention do so because the electoral college assigns to each State as many electoral votes as the State has Congressmen and Senators, and each State has, of course, two Senators, regardless of its population, and at least one Congressman, even if the entire State is far less populated than a single congressional district in a large State.

While opponents of popular vote contend that the apportionment of electoral votes is an integral part of the great compromise adopted by our Founding Fathers as a protective device for smaller States, a reading of the debates and reports of the Constitutional Convention reveals this to be historically inaccurate. The great compromise was adopted to settle the question of representation in Congress and was then later applied, almost as an afterthought, to the electoral college. Small States were offered protection in the choice of the President, not by the apportionment of electors, but by the provision that each State's voice would be equal in the House of Representatives in the event that no Presidential candidate received an electoral majority. The Founding Fathers expected that the electoral college would serve as a nominating board and that the House would make the final determination from among the top five candidates. Of course, the system does not work as intended, and most would agree that this particular provision is now a dangerous impediment to the will of the people.

The claim that the present electoral college system favors small States does not stand analysis. In my view, this argument is a classic demonstration of the use of figures to distort reality. The fallacy results because of the unit rule under which the popular vote winner in each State is awarded all the electoral votes of that State. With the operation of the unit rule the apportionment of electors in favor of small States is only apparent, not real. The people of the 15 States with the least favorable population to electoral vote ratio inhabit States with 312 electoral votes, and, in fact, the 12 largest States could elect a President with the 281 electoral votes they control. The candidate who carries these large States by even a handful of votes obtains a far greater number of electoral votes than he can obtain by carrying several smaller States by larger popular majorities. As a result of the winner-take-all system, national candidates concentrate their efforts in those larger States in which party competition is vigorous and which are generally carried by one political party or the other by a relatively small percentage of the popular vote.

Obviously, those who contend that the small States have an advantage under the present electoral college system are in contradiction with others who contend that, in fact, the larger and more urban States have such an advantage. Both contentions cannot be right, and, as I have said, I believe it is the small State advantage claim that is factually inaccurate. But I also firmly believe that those who urge retention of the electoral system because of the large State advantage base their argument on the wrong premise; that is, that the Presidency should be urban oriented to offset the alleged rural orientation of the Congress.

The President is the officer of all the people and, along with the Vice President, is the only elected official who speaks for all the people. For this reason I believe that in voting for the President's one man's vote should count equally with that of all other men. I do not believe that the election of the President should be weighted toward big States or small States, toward urban interests or rural interests, toward Republicans or Democrats. I believe that the vote should be given to all the people—equally and directly.

Closely connected to the claims that popular election will destroy our Federal system and be disadvantageous to either small or large States is the contention that direct election will produce an incentive for widespread voting fraud. In actuality it is the present system that should encourage more voting irregularity. Under the present winner-take-all electoral system a few fraudulent votes can determine the result of the State's entire electoral vote while under the direct system illegal votes would affect only the number of votes involved, thus greatly reducing the likelihood of any effect on the election outcome. Obviously, the possibility of voting irregularities can occur under any system, but I believe fraud is best prevented by a system that is direct, easily understood, and applied to all other elections.

There is yet one other argument by opponents of popular vote that cannot be overlooked. This contention is that direct election, if adopted, would be disruptive of our two-party system in that it would cause the creation of several ideologically oriented parties which might undermine the moderate political tone that has generally prevailed in our country. The underlying basis of this contention is that ideologically oriented splinter parties are presently discouraged because they rarely, if ever, can win a plurality of the popular vote in any State and thus capture the electoral votes of that State.

I have always believed in the tenets of our two-party system and am of the view that our unique two-party arrangement is largely responsible for the success of our form of government. I do not, however, believe that a direct vote of the people for their President would in any way endanger the present workings of our system.

There are many institutional factors which discourage third parties. Electoral laws, campaign practices, social patterns, the high cost of political campaigning, statutory obstacles to getting on the ballot, and the legal status of the two major parties as supervisors of elections in many States all contribute to the difficulty which minor parties have in attaining any degree of national influence or support.

I believe that, if anything, direct election will strengthen the working of the two-party system in Presidential elections. Since every man's vote will count, regardless of how badly it may be outnumbered at the State or district level, direct vote will encourage two-party competition in every section of the country. Vigorous, active campaigning in those States and areas where elections are closely contested will be as important as ever, but it will be equally important for candidates for the Presidency to seek votes in States where a given candidate has little hope of winning a popular plurality.

Mr. President, there was a time when the concept of the electoral college served a desirable and necessary function. Today the machinery of the electoral college remains; its reason for being has passed. The machinery itself must be eliminated. The system is more than a harmless anachronism; it represents a dangerous impediment to the voice of the people, an unnecessary barrier interposed between the voting citizen and the highest office in the land.

The vast foreign and domestic responsibilities of our President indicate clearly that no man should be called to assume the office without a universally understood mandate to govern and to lead our Nation. Every other official in the country from justice of the peace to mayor to Senator is elected by direct popular vote of the people. So should it be with the President of the United States.

EXTENSION OF CONDITIONAL DESIGNATIONS OF STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for not to exceed 2 minutes to the consideration of Calendar Order No. 243.

Mr. BAKER. Mr. President, reserving the right to object, I shall not object. That item is cleared on our calendar. We have no objection to proceeding as requested.

The PRESIDING OFFICER. The clerk will state it.

The assistant legislative clerk read as follows:

> A bill (H.R. 4556) to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies.

The Senate proceeded to consider the bill.

UP AMENDMENT NO. 311

(Purpose: To extend period of conditional designation for state health planning and development agencies)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask that it be stated.

The assistant legislative clerk read as follows:

> The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 311.
>
> Strike all after the enacting clause and insert the following: The first sentence of section 1521(b)(2)(B) of the Public Health Service Act is amended to read as follows:
>
> "The period of an agreement described in subparagraph (A) shall not extend beyond July 31, 1979 or thirty-six months after such agreement has been entered into, whichever comes later.".

Mr. KENNEDY. Mr. President, although I understand the rationale behind the House passage of H.R. 4556, I believe that this is purely a stopgap measure, and sincerely hope that the House will move swiftly on passage of H.R. 3917, "The Health Planning and Research Development Amendments of 1979."

Mr. President, on July 27, 1978, the Senate passed S. 2410, "The Health Planning Amendments of 1978." Unfortunately, a companion bill did not pass the House. On March 5, 1979, I introduced, along with Senator SCHWEIKER, the ranking minority member of the Labor and Human Resources Committee, S. 544, "The Health Planning Amendments of 1979." This legislation passed the Senate unanimously on May 1. Unfortunately, the companion legislation contained in H.R. 3917 which would authorize this important program has not yet passed the House of Representatives; however, I would hope that immediately upon passage of H.R. 3917 the conferees could be named, a conference could be held and completed expeditiously, and the legislation signed into law prior to July 31, 1979. The appropriations process is moving swiftly in both the House and the Senate, and it is important that the health planning amendments be enacted quickly in order that an appropriation for 1980 can be forthcoming. Certainly, we do not want to give any uncertain signals about the congressional commitment to the health planning program.

Mr. President, with this history in mind, I am offering with Senator SCHWEIKER an amendment to modify H.R. 4556. This amendment would allow conditional designation of the State health planning and development agencies to extend for 36 months after an agreement was entered into with the Secretary of HEW, or July 31, 1979, whichever comes later. This is a narrower extension than that presently contained in H.R. 4556. This modified version will allow the four States (Arizona, Connecticut, Idaho, Indiana) which entered into their conditional designation agreement prior to June 30, 1976, to continue to receive funding through July 31, 1979. I anticipate that by that time, the health planning amendments will have been enacted into law.

Mr. President, as I have indicated before, the health planning program is one of the most impressive cost containment programs in the health field, and I hope that my colleagues in the House of Representatives will move swiftly to reauthorize the program. Last year, a survey of 139 health system agencies indicated that they reviewed more than $7 billion in proposed capital investments. Of that $7 billion, one-quarter was deemed unnecessary and was not allowed to go forward. In other words, more than $1.8 billion of unneeded capital investment expenditures was prevented. Pitting the cost of these HSA's and the relevant State agencies against these results, we find that for each dollar spent on health planning, $8 in proposed capital investment were denied—an impressive rate of return indeed. If we further consider the operational costs that will now not be incurred in conjunction with the $1.8 billion of unneeded capital projects, the savings are magnified many times again.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. KENNEDY. I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADJOURNMENT OF THE HOUSE AND RECESS OF THE SENATE UNTIL MONDAY, JULY 9, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 153.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 153, which will be stated.

The assistant legislative clerk read as follows:

> H. CON. RES. 153
>
> *Resolved by the House of Representatives (the Senate concurring)*, That when the House adjourns on Friday, June 29, 1979, it stand adjourned until 12 o'clock meridian on Monday, July 9, 1979, and that when the Senate recesses on Wednesday, June 27, 1979, it stand in recess until 12 o'clock meridian on Monday, July 9, 1979.

Mr. ROBERT C. BYRD. Mr. President, it was my intention to have the Senate come in tomorrow in the event the supplemental appropriations conference report could be made available to the Senate and disposed of tomorrow. That is not a possibility, I am advised.

So the Senate will go out at the close of business today. There are no other measures cleared for action. The Senate could continue to debate the direct elections constitutional amendment. But unless Senators want to come in tomorrow, I suggest that the resolution be adopted as agreed to.

But I want to simply say to my colleagues that if there were other business that could be disposed of tomorrow, the Senate would be in through tomorrow, as was originally indicated in the notice the leadership disseminated earlier this year.

The business that can be disposed of has been disposed of. The supplemental appropriation bill conference report cannot be brought before the Senate tomorrow because of reasons beyond the control of the distinguished chairman of the Appropriations Committee (Mr. MAGNUSON). Therefore, unless Senators simply want to come tomorrow to debate the pending constitutional amendment, the Senate will go out today at the close of business.

Mr. BAKER. Will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield first to the minority leader and then to my friend from Virginia.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, I rise only to tell the majority leader that I agree with his plans and intentions.

I know of no meaningful business that can be transacted on tomorrow. From this side, we are perfectly happy to accept this concurrent resolution with the House of Representatives and to go out until July 9 at the close of business today.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 153) was agreed to.

LEGISLATIVE SCHEDULE FOR MONDAY, JULY 9, 1979

Mr. ROBERT C. BYRD. Mr. President, upon our return on July 9, the Senate Committee on Foreign Relations will begin its hearings on the SALT Treaty.

On that same date, at 2 p.m., the Senate will vote on six treaties that are on the Executive Calendar now. They have been cleared. They have progressed through the various stages of deliberations up to and including the presentation of the resolution of ratification.

There will be one rollcall vote at 2 p.m. on that date, but it will count for six, because it will deal with all six of the treaties that are on the Executive Calendar as of today.

The debate will continue on the pending business before the Senate and any other business that may have been cleared for action by that date.

So there will be rollcall votes on that day—at least six, may I say to the Senate.

Now I will yield to my friend from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I continue to yield with the indulgence of the distinguished Senator from New York (Mr. MOYNIHAN) who has the floor.

Mr. HARRY F. BYRD, JR. I shall be very brief and I do not seek a response from the majority leader.

I merely want to say for the record that the pending question is on the amendment offered by the Senator from Virginia.

The Senator from Virginia is willing to enter into a time limitation agreement, 2 hours equally divided, 10 hours equally divided, or any part, or any number of hours in between.

I do not seek any response from the majority leader, but only wished to say that for the record.

Mr. ROBERT C. BYRD. I thank my friend, the distinguished Senator from Virginia.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 95-521, appoints Michael Davidson as Senate Legal Counsel, effective July 11, 1979.

APPOINTMENT OF SENATE LEGAL COUNSEL

Mr. ROBERT C. BYRD. Mr. President, on behalf of myself and the distinguished minority leader (Mr. BAKER), I send a simple resolution to the desk and ask that it be stated by the clerk. I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

> *Resolved*, That the appointment of Michael Davidson to be Senate Legal Counsel, made by the President pro tempore of the Senate this day, shall become effective on July 11, 1979, and the term of service of the appointee shall expire at the end of the 97th Congress.

Mr. BAKER. Will the Senator yield to me?

Mr. ROBERT C. BYRD. I am glad to yield to the Senator.

Mr. BAKER. Mr. President, I thank the majority leader.

As we know, this is the implementation of an action previously taken by the Senate to create two new positions, that is, the position of the Senate counsel and deputy counsel.

The resolution before this body at this time is in pursuance of that act and will verify and validate the appointment of Mr. Davidson as Senate counsel.

I congratulate him on that appointment. I join with the majority leader in the resolution.

I would say that it is my understanding that it will be our responsibility on this side of the aisle to recommend to the Chair the appointment of the deputy counsel. I will apprise the majority leader later of our recommendation in that respect. I am not in a position to do that today.

Mr. ROBERT C. BYRD. I thank the minority leader.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 192) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Rowland G. Freeman III, of California, to be Administrator of General Services.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

GENERAL SERVICES ADMINISTRATION

The legislative clerk read the nomination of Rowland G. Freeman III, of California, to be Administrator of General Services.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following proceedings occurred during Mr. BAYH'S remarks on Senate Joint Resolution 28, and are printed at this point by unanimous consent.)

NOMINATION OF MR. THOMAS WATSON, JR., AS AMBASSADOR TO THE SOVIET UNION

Mr. CHAFEE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter that appeared in today's Washington Star, written by the senior Senator from Illinois (Mr. PERCY), dealing with the nomination of Mr. Thomas Watson, Jr., as Ambassador to the Soviet Union.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Tough-Minded, Hard-Hitting

(By Charles H. Percy)

> President Carter's nomination of Tom Watson Jr. to be United States ambassador to the Soviet Union represents an excellent appointment. The president's own advisory committee on ambassadorial appointments had recommended Mr. Watson for this post, and the appointment is enthusiastically endorsed by Averell Harriman, who is a member of that committee and a former distinguished ambassador to the U.S.S.R.
>
> I have personally known Tom Watson for 30 years and I hold him in the highest respect. I have no doubt that his nomination will be overwhelmingly confirmed by the Senate, which will be unmoved by the efforts of some career diplomats to undercut noncareer appointments to ambassadorial posts. One recalls that Averell Harriman and David Bruce, neither of whom was a career diplomt, served as ambassadors in major posts with the greatest distinction.
>
> Tom Watson's career as a tough-minded, hard-hitting business executive is well known. He had the vision, foresight and courage to steer IBM out of the mechanical age into the electronic age to achieve a position of leadership in its field unparalleled in the world. The leaders of the Soviet Union respect this kind of achievement.
>
> During the critical period ahead in U.S.-Soviet relations, we must insure that our ambassador to Moscow enjoys the confidence and trust of the president of the United States and the secretaries of State and Defense. Secretaries Vance and Brown have known Tom Watson intimately for many years and he has their utmost confidence.
>
> To any country, it is important to know that the American ambassador has direct access to the president. During the most intensive part of the SALT II negotiations, Tom Watson has served as chairman of the General Advisory Committee of the Arms Control and Disarmament Agency—by presidential appointment—and in this position he has worked closely with President Carter and earned his confidence.
>
> He brings to this role a deep, current understanding and appreciation of the complexities of our relationship with the Soviet Union and has gained a thorough working knowledge of the highly complex issues involved in the SALT II treaty. He actively participated in Geneva, Washington and Moscow on SALT-related work, and as ambassador to Moscow he will be in the unique position to apply this experience to the ongoing SALT process.
>
> Mr. Watson enjoys the full confidence of those who know him best, including many of my colleagues in the Senate and members of the Business Council and the Business Roundtable, recognized leaders of the American business community. The United States will be well served by having a man of Tom Watson's caliber pursuing our national interests in Moscow.

Mr. CHAFEE. Mr. President, I would like to quote a phrase or two from this letter. It starts off as follows:

> President Carter's nomination of Tom Watson Jr. to be United States ambassador to the Soviet Union represents an excellent appointment. The president's own advisory committee on ambassadorial appointments had recommended Mr. Watson for this post, and the appointment is enthusiastically endorsed by Averell Harriman, who is a member of that committee and a former distinguished ambassador to the U.S.S.R.

Mr. President, I enthusiastically support the nomination of Mr. Watson to the post of Ambassador to the Soviet Union.

It was my privilege to have known Mr. Watson for some years, not as intimately as the Senator from Illinois, but, nonetheless, I have had the pleasure of knowing him.

He attended a university in our State—Brown University. He has been very thoughtful, generous, and contributing in every respect. By that I mean in every degree, every energy, as well as resources, as a member of the Board of Trustees of Brown University.

Mr. Thomas Watson would come to the post of Ambassador to the Soviet Union with vast experience not only in the business world but also with international experience, through his connections as a businessman and as a private citizen.

Some suggest that this post should go only to those from within the Foreign Service Corps; that somehow there is a mystique associated with the experience in the Foreign Service Corps; that without that background and experience, one perhaps cannot be as good an ambassador as if one had that experience.

Mr. President, perhaps to some degree that might be true, but our history has shown very notable exceptions. People with backgrounds in various fields have gone into the Foreign Service and ambassadorial posts and have done not only adequate, but superior and, indeed, superb work as well.

I think of Mr. Averell Harriman, who was our Ambassador to the U.S.S.R.; Mr. David Bruce, who probably is the only man who held the three most prestigious posts—that is, he was Ambassador to West Germany, to the Court of St. James, and to France; Ellsworth Bunker, who came from business to an ambassadorial post and then served in the Foreign Service and various ambassadorial posts for 25 or 30 years.

A recent very good illustration is Anne Armstrong, who had not had experience in the diplomatic world but was a very fine Ambassador to the Court of St. James.

I think the President has chosen very wisely in the selection of Mr. Thomas Watson, Jr., for the post of Ambassador to the U.S.S.R. I support his selection enthusiastically and commend it to my colleagues who serve on the Foreign Relations Committee—and to my colleagues in the Senate as a whole.

I thank the Senator from Indiana for permitting me to interrupt his remarks. I suggest that my comments appear wherever he suggests in the Record.

Mr. BAYH. At some convenient place.

Mr. CHAFEE. I do not want to interrupt the rhythmic flow of the superb remarks we have heard from the Senator from Indiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I thank the Senator from Rhode Island for his thoughtful description of this little dialog. I suppose it is a monolog now. I think this rhythmic flow is about to run out of gas.

Yesterday, I listened to the rhythmic flow of my distinguished friend and colleague from Rhode Island, as he eloquently expressed his support for the direct popular vote. He comes from a State which is large in heart and large in contribution to the country, but rather small in size and population. I think it is interesting to observe that, with his diverse experience as Secretary of the Navy and Governor of his State, and his perception in the way the political processes of this country operate, he nevertheless champions a direct popular vote.

Mr. CHAFEE. I also regret that I spoke to about as equally a full house as the Senator from Indiana is addressing this afternoon. But we all hope that in 96 offices, the squawk box is on and that each Senator is hanging breathlessly on the remarks coming from this floor. [Laughter.]

Mr. BAYH. I am sure they are hanging breathlessly, in the hope that perhaps some of us are hanging in a different way—at least, that we would be quiet, so that they could go about their business.

Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the Senator from Indiana.

I congratulate the Senator from Indiana on his crusade for his amendment, which I cosponsor and which I think would be a great reform and is certainly in the right direction.

PRESIDENT HARRY TRUMAN AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, June 16 marked the 30th anniversary of President Truman's submission of the Genocide Convention to the U.S. Senate. President Truman was proud of the genocide treaty and proud that our country played such a vital role in drafting it. In his letter to the Senate, Mr. Truman called the convention "an effective international legal instrument, outlawing the world-shocking crime of genocide." He further called on this body to advise and consent to ratification. Thus, he wrote, the Senate "will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice."

To this date, Mr. President, the Senate has not responded to President Truman's call. Nor has the Senate responded to the calls for ratification that have come from every President following him.

Today, as we consider that 30 years have passed since President Truman asked the Senate to ratify the Genocide Convention, we would do well to recall the treaty's beginnings. In the spring of 1948, under the direction of a U.S. representative, the United Nations Ad Hoc Committee on Genocide prepared a draft treaty. In December of the same year, the United States signed the final document. Ernest A. Gross, signing on behalf of our country, said:

> The government of the United States considers this an event of great importance in the development of international law and of cooperation among states for the purpose of eliminating practices offensive to all civilized mankind.

After the United States signed the treaty, President Truman presented it to this body. And that is where it has remained for 30 years. Four times during the last three decades, the Senate Foreign Relations Committee has favorably reported the convention to the Senate floor. But not once, Mr. President, has the full Senate voted on the treaty's merits.

No list of excuses can erase the fact that the Senate has failed to take a stand. Nothing, Mr. President, can erase that distressing fact.

Now, in honor of President Truman, I urge my colleagues to promptly ratify the Genocide Convention. We are already 30 years too late.

Mr. President, I ask unanimous consent that President Truman's June 16, 1948, letter to the Senate—31 years ago—on the Genocide Convention be reprinted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
June 16, 1949.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the convention on the prevention and punishment of the crime of genocide, adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948, and signed on behalf of the United States on December 11, 1948.

The character of the convention is explained in the enclosed report of the Acting Secretary of State. I endorse the recommendations of the Acting Secretary of State in his report and urge that the Senate advise and consent to my ratification of this convention.

In my letter of February 5, 1947, transmitting to the Congress my first annual report on the activities of the United Nations and the participation of the United States therein, I pointed out that one of the important achievements of the General Assembly's first session was the agreement of the members of the United Nations that genocide constitutes a crime under international law. I also emphasized that America has long been a symbol of freedom and democratic progress to peoples less favored than we have been and that we must maintain their belief in us by our policies and our acts.

By the leading part the United States has taken in the United Nations in producing an effective international legal instrument outlawing the world-shocking crime of genocide, we have established before the world our firm and clear policy toward that crime. By giving its advice and consent to my ratification of this convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.

HARRY S. TRUMAN.

(Enclosures: (1) Report of the Acting Secretary of State, (2) certified copy of convention on the prevention and punishment of genocide.)

Mr. BAYH. Mr. President, I thank the Senator from Wisconsin for his throughtful remarks. In keeping with his populist record he has been one of our strongest supporters in this direct popular vote move. It is a matter of great concern to large numbers of people. It is consistent with the rest of his record, and it has been helpful to us to have his support.

THE ADVERSE EFFECT OF FEDERAL REGULATIONS ON DOMESTIC ENERGY PRODUCTION

Mr. HUMPHREY. Mr. President, the energy crisis is no longer a distant prediction. We are embroiled in it.

It is no longer sufficient to debate the energy issue. We are beyond that point. Action is now required to set a definite course of policy direction for our Nation to follow to become more self-sufficient in energy production, with less reliance on foreign sources.

Almost everyone would nod in agreement to that assertion.

Historical fact reveals, however, that this Nation, guided by the White House and Congress, has embarked on an energy approach in which incentives to greater domestic energy production have been canceled out by disincentives.

These disincentives in turn have been translated into Federal regulations, which not only have limited much-needed domestic production, but have also adversely affected U.S. foreign policy and cut short our economic recovery.

Mr. President, I am referring to many of our Federal rules and regulations, particularly those promulgated recently by the Environmental Protection Agency (EPA). These regulations comprise the new source performance standards for industrial and utility boiler users.

They set a certain level of sulfur content in the oil and coal that industry and utilities in our country can burn.

These Federal regulations have only established requirements that higher level sulfur will not be used.

The effect of these regulations has been to force industries and utilities in the United States to look abroad, particularly to the Middle East, for increased supplies of low-sulfur fuel.

As a result, the United States has had to import almost half of all the fuel it now consumes. Because U.S. oil has a higher sulfur content, additional U.S. sources of crude oil are going largely undeveloped.

Incentives to develop new domestic fuel sources are few. As incentives have been taken away from industry, domestic oil production has also declined.

In addition, incentives are not available for companies to switch to using coal or installing the equipment to clean the higher-level of sulfur fuel.

In effect, industries have found it cheaper to use foreign oil imports to stay in conformity with Federal regulations.

When you step back and look at the impact of these and other Federal regulations in existence today, Mr. President, we see a Federal energy policy beset by inherent contradictions.

For example, as we seek relative energy independence, these Federal rules and regulations force us to look abroad for more expensive, low-sulfur oil.

In turn, that requirement has affected U.S. foreign policy by forcing our Nation to have a greater dependence on oil from the Organizaiton of Petroleum Exporting Countries, or OPEC.

The higher prices for the oil we import have begun to cripple this Nation economically and are working a severe hardship on our poor and elderly.

OPEC does not care. Through price-fixing schemes, the member countries of OPEC have virtually blackmailed our Nation, holding us hostage to their foreign policy whims.

To illustrate this point, Nigeria and Libya, two OPEC countries which sell substantial amounts of oil to the United States, recently made veiled threats in reference to certain aspects of our Middle East and African policies.

Nigeria told this country, for example, that it would make "an appropriate reponse" should we recognize the government of Zimbabwe-Rhodesia. What that response would be was not made clear although the press inferred that the Nigerians intended to cut its petroleum exports to the United States. The Libyans were more direct. Libya told the United States to reverse its decision to sell it some jumbo jets or face oil cutoffs.

In my judgment, Mr. President, such threats constitute pure and simple blackmail, which this country can no longer condone under any circumstances.

It is obvious to me that this country must rescind those Federal rules and regulations which represent disincentives to domestic energy production and make this country more dependent on questionable foreign sources of oil.

While the idea behind these regulations is to get utilities and industry eventually to switch from oil to coal, recent events have shown the effect of these regulations to be negative. Because we are forced to import more low-sulfur fuel, the higher costs for this fuel have resulted in fewer financial resources available to help develop domestic sources of oil which admittedly contain higher levels of sulfur.

For that reason, Mr. President, this Government needs to make available greater incentives for industry and utilities to obtain the rather expensive equipment needed to clean the higher sulfur fuel. We must relax the stick and display the carrot of incentive that will make industry want to use coal rather than oil, or to be able to clean the higher sulfur levels of oil.

I believe these steps will reap tremendous dividends in the near future. What we have facing us today is only the beginning of long gasoline lines, short tempers, and strikes by truckers.

We are now beginning to realize the direct economic impact of business slowdowns and closings resulting from a lack of fuel. Unless we act now, the economic squeeze in New Hampshire and elsewhere will only result in more shutdowns. Produce will not be able to reach our supermarkets, because the trucks which deliver it will not have the fuel. Gasoline stations will close down in record numbers. Tourism and the recreational industry as we know it in New Hampshire will sustain a painful decline.

What I have described, Mr. President, will be the alternative to the continuing lack of action that this Nation and its citizens have experienced from Congress and the White House the past few years.

I submit that economic hardship induced by energy shortage will not have to occur, if we take the necessary action now to rid ourelves of these Federal regulations that limit domestic energy production and which adversely impact on our foreign policy and economic welfare.

This Nation is brimming with fossil fuels. There is no need for shortages or hardship.

I yield the floor.

UTILITY RATE INCREASES

Mr. STEWART. Mr. President, on Monday I joined the Senator from Delaware (Mr. Biden) in proposing legislation (S. 1401) that I believe is important to us all in these days of skyrocketing utility costs. The measure I am speaking of would allow the Federal Energy Regulatory Commission to limit the portion of a utility's rate increase request that could be collected while the Government was reviewing that request.

The origins of the energy crisis are no mystery. To some of us, the greedy, oil-rich countries of the Middle East may be the prime contributors; to others, the large-sized oil companies, and to others still, simple Government policy. However, there is one thing of which we in this body can be very certain: It is the people we represent who are suffering from the problem, regardless of its roots.

I have spent the better part of my legislative career, particularly the last 4 years, attempting to see that users of electrical power receive fair and equal treatment from the utilities that serve them. Unfortunately, such has not always been the case, for utility rates particularly in my State, like gasoline prices and inflation—keep climbing.

The utilities fight has largely been taken up at the public service commission level in the individual States. However, there are instances at the national level when the Federal Government can have a significant impact on the utility rates, and it is at those instances that the proposal I joined Senator Biden in offering is directed.

On occasion, the FERC is called upon to review rate increase requests at the State level. This is necessitated when a public utility sells power interstate, or to a municipality or an electric co-op that then sells that power to its own customers. In such instances, the FERC must determine whether anv rate increase requested by the participating utility is justified.

Now under existing law, the utility in question can be delayed from levying that rate increase for 5 months. However, when the last day of that fifth month passes, the power company can pass 100 percent of the proposed rate boost on to its customers—without the request having ever been validated by the FERC.

Frankly, I am afraid that by allowing that rate increase to become effective, the Federal Government is fostering a misconception. For it is perpetuating the presumption that the rate boost is, in fact, justified even though the proper regulatory agency has not determined its validity. Nothing could be further from the truth. In fact, in 1978 alone utility companies had to refund more than $6 million in unjustified rate increases, which brings me to another point.

Let me remind my colleagues that it takes, on the average, 3½ years for the FERC to take final action on a pending rate increase request. As I said earlier, during that period of time, the power company has the right to implement its entire rate increase request, regardless of the fact that the Federal Government might strike down a portion—or even all—of it.

So what happens if some or all of the request is rejected? Well, the utility is required to refund whatever portion of the rate increase was invalidated. But think for a moment of what happens to a community over a 3½-year period of time. How many people who bankrolled an unjustified rate increase have moved to other cities or States? How many people who are due refunds from the utilities will never get them simply because they have relocated?

And what about this question: How many municipalities that chose to fight the power company in court over a proposed rate boost have been caught in a kind of "double jeopardy"; forced not only to absorb the rate increase while the court battle ensued, but also forced to pay the legal costs incurred while fighting the power company's battery of utilities lawyers?

How many power companies have intentionally dragged out the process of having their rate request reviewed, knowing full well that the longer the process, the more money coming into their coffers?

The bill I join Senator Biden in offering addresses these matters, Mr. President. It is basically very simple. Rather than allowing utility companies to charge their customers the entire requested rate increase while the Government is examining the request's validity, FERC would be called upon to establish a formula whereby only a certain percentage of the request would be allowed during that interim period. It would be left to FERC to determine what that exact percentage should be.

One of the truly appealing features of this measure is the flexibility it offers. For the percentage of increase that could be collected could be adjusted for each individual utility. Those having a good record of requesting just, reasonable rate increases—increases, I might add, that have generally been granted—could be allowed a higher percentage of their requested increase than those firms whose records are somewhat suspect.

In addition, I suggest to my colleagues that such a measure would lead to utility companies making more reasonable, equitable rate increase requests at the outset of the process.

Reform legislation of this sort is long overdue. We here in Washington can speak forcefully about the energy crisis, and the economic impact it is having. That is all well and good. The rhetoric is all well and good but in my home State, people are going hungry in order to pay their monthly power bills. People who are older and on fixed incomes many times have to choose between paying that bill or providing themselves with the necessary health care or food that they need in order just to stay alive.

As I have said, I have spent the greater part of the past 5 years engaged in a fight against unreasonable utility rates at the State level. Through the experience afforded me by years of research, hearings, and court rulings, I know that with the proper examination and the necessary governmental support some rate increase requests are found to be unjustified.

Conversely, I am equally certain that such examination and support can only lend to the arguments of those firms whose requests are justified.

But Mr. President, in the cases where rate increase requests are voided—either in part or totally—the consumers in this country cannot be victimized by Federal policy. The proposal I am asking my colleagues to support here today is aimed at preventing this.

We want to insure that the rules guiding the Federal Government's role in rate matters are in the interests of the folks we represent. And we want to make sure that the weapons we give the Government to fight those battles are as effective as we can possibly make them.

Many times, Government is correctly identified as part of the national problem. However, in agreeing to this measure, we in the Senate can take a very important step toward making Government part of a solution.

HONORING ALAN EMORY

Mr. MOYNIHAN. Mr. President, for 32 years, Alan Emory of the Watertown Daily Times has reported to us, and to his admirers in the rest of New York, on what is often dismissed as mere news. It has, in fact, been part of the history of the last generation, the accumulated reporting of events large and small, which will constitute, in part, a not insignificant portion of the record of this era. Mr. Emory has been the Washington correspondent of the Times since 1951 and, today what is information in the hands of some, is in fact transposed into wisdom whenever it falls into his possession. He is quite properly, and not merely by longevity, the dean of New York State correspondents in our Capital.

And now, on June 27, Mr. Emory will become a member of the Hall of Fame of Sigma Delta Chi, the national fraternity of professional journalism. It is an illustrious group that he joins. He honors it as much as it honors him. For Alan Emory brings skill and dignity to his profession. Indeed, he embodies them.

I am happy to congratulate him on his election, and to join his peers in their unqualified judgment of a great journalist.

I ask unanimous consent that an article and an editorial about Mr. Emory be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Honoring Alan Emory

This newspaper is delighted that one of its own has been chosen to the Sigma Delta Chi Washington Hall of Fame. It is an honor well-deserved and recognition of his talents as a journalist, of his work as a distinguished correspondent in our nation's capital, and of his exceptional qualities as a human being.

A veteran of 32 years with The Times, Mr. Emory began demonstrating his immense capacities as a newsman upon joining this publication directly after completing studies at Columbia's School of Journalism. Within four years he had moved from correspondent in the Massena bureau to The Times copy desk as state editor and then to Albany as our legislative correspondent before moving on to his Washington assignment.

Few on any newspaper can equal his grasp of politics as practiced in the capital. He has been active in the society which will induct him on June 27 and in the National Press Club. He will join a most select group, evidence in itself of how greatly he merits this honor. We congratulate him. In so doing we also extend those same congratulations to his wife, Nancy, who has been such a great and vital part of his life.

Reporter Honored by Society

Washington.—The only national professional society encompassing all branches of journalism has elected Times Washington Correspondent Alan S. Emory to its Washington Hall of Fame.

The Washington Professional Chapter of the Society of Professional Journalists, Sigma Delta Chi, will induct Mr. Emory and five other veteran newsmen, one posthumously, into the Hall of Fame at a reception at the National Press Club, Wednesday, June 27.

Others to be honored at the ceremony include Clark R. Mollenhoff, Pulitzer Prize-winning former correspondent for the Des Moines Register and Tribune; John L. Steele, senior correspondent for Time Magazine; Charles Seib, press ombudsman for the Washington Post; Dick West, Capitol Hill humor columnist for United Press International, and the late Richard Harkness of the National Broadcasting Co.

The group will join such journalistic luminaries in the Washington Hall of Fame as James Reston of the New York Times, Eric Sevareid of CBS, Howard K. Smith of ABC, Richard L. Strout of the Christian Science Monitor, Roscoe Drummond of the Los Angeles Times Syndicate, Robert J. Donovan of the Los Angeles Times, Martin Agronsky of Public Broadcasting Service, Grant Dillman, Washington Bureau Chief of UPI; Helen Thomas, UPI White House correspondent; Marquis W. Childs of the St. Louis Dispatch, the late Peter Lisagor of the Chicago Daily News and the late Edward T. Folliard of the Washington Post.

Mr. Emory has been Washington correspondent of the Watertown Daily Times since September, 1951, and a member of The Times staff since June, 1947.

He is a former member of the Standing Committee of Correspondents of the Congressional Press Galleries and a co-winner of the Thomas L. Stokes Prize with Editor-Publisher John B. Johnson and Frank P. Augustine of The Times.

He served as president of the Washington SDX chapter from 1974 to 1975 and has been a member of its board of directors since then.

He was vice chairman of the national society's Freedom of Information Committee and is currently treasurer of the Washington Sigma Delta Chi Foundation.

Members of the Hall of Fame are chosen by the Washington Professional Chapter from nominees submitted by members after a screening by a special panel of existing Hall of Famers.

The society's national president-elect, Jean Otto of the Milwaukee Journal, its executive officer, Russell Hurst, and Times Managing Editor and Mrs. John B. Johnson, Jr., are scheduled to attend the June 27 function.

CORPORATE PROFITABILITY A KEY TO U.S. ECONOMIC HEALTH

Mr. PERCY. Mr. President, there has been widespread speculation in recent days about the possibility of a merger between Chrysler Corp. and Volkswagenwerk AG. The story first surfaced in a recent edition of Automotive News and, despite firm and consistent denials by both Chrysler and VW, the rumors persist.

Even though these reports of an acquisition of Chrysler by VW may be erroneous, investors across the land have reacted to them. Chrysler stock shot up from New York Stock Exchange trading of $7¾ on June 20 to $10⅜ on June 22, after the acquisition reports became known. Last Friday, Chrysler easily took first place as the most actively traded stock and more than 1.2 million shares changed hands on that day alone. Brokers reported that no one would sell their Chrysler stock. The reported VW offer of $15 a share was just too good to discount.

There are, of course, a number of reasons why so many investors took an interest in the story.

As a former member of the business community let me try to look into this phenomena for my colleagues and see what lessons we can draw from it.

For one, VW and Chrysler have cooperated in a number of ways in the past. VW's new U.S. automotive assembly plant in Pennsylvania was purchased from Chrysler and Chrysler has for several years purchased its Omni and Horizon engines from VW. The two firms also recently formed a partnership in Brazil.

But there is another, more deep-seated reason for the fanfare over this acquisition report: profitability. VW is in a stronger financial position than Chrysler and had net income in 1978 of $286.8 million. Chrysler, on the other hand, was in the red last year to the tune of $204.6 million. In the first quarter of 1979, Chrysler recorded a loss of $53.8 million, so its 1979 performance may match or exceed 1978's. What is more, its market share of U.S. car sales has dropped from over 16 percent in 1970 to just over 10 percent today.

A June 11 Newsweek story on Chrysler pointed out that—

> Its biggest problem is lack of capital. Even though Chrysler has an $800 million line of credit to tap, it will need much more between now and 1985, when its cars must achieve a fleet-weighted average of 27.5 miles per gallon, up from 20 mpg this year.

What VW could bring to Chrysler, in short, is capital. It has the assets that could modernize Chrysler's facilities and update its fleet to meet the demands for 1980's fuel economy. All the automakers will have to invest large sums in the next decade to meet the fuel economy and antipollution requirements mandated by law and regulation. Other industries must meet equally stringent requirements in the next 10 years. Some of the changes will be necessary to meet Federal laws and others will need to be made just to keep American industry competitive with foreign industry.

The capital needs of American industry are immense and we will need to generate that capital in the future if we are to maintain and advance our global competitive position. Relative to real GNP, investment in the United States averaged 10.4 percent between 1965 and 1974. In recent years it has dropped below 10 percent, posing serious questions about our ability to meet economic challenges that will confront us in the 1980's. Estimates have been made of as high as $4 trillion regarding the investment needs of American industry in the next decade. Exact forecasts cannot be made, of course, but the need is definitely present.

The Joint Economic Committee recognized the importance of our lagging capital formation effort in its March report—the first EJC report unanimously endorsed by all committee members—when it recommended:

> We agree with the Council of Economic Advisers that further steps to strengthen investment are needed. We favor policies that will raise real business fixed investment to 12 percent of real GNP.

Corporate profitability is one of the best measures of how well American industry is prepared to meet future investment needs. We should be encouraged when U.S. firms are profitable for it means that they will have resources at their command to buy new machinery and train workers in coming years. As was so apparent with the rush to hold on to Chrysler stock last week, the possibility of an infusion of capital from VW painted a more promising future for Chrysler. Investors felt that capital was just what the third largest U.S. automaker needed and they showed their support by buying Chrysler stock.

Acquisition by a foreign firm is not, however, the only—nor necessarily the best—way to accrue capital for investment and modernization. Chrysler has denied the reports of the merger but if the company is to meet its investment needs for the next decade, it will have to find that capital in some way.

Mr. President, it is because of the crucial importance of profits to our economic well-being that I was surprised, yes, even shocked, at the negative reaction that occurred earlier this year when fourth quarter 1978 profit figures were released. A number of groups and individuals jumped on the figures as inflationary and some even suggested that there should be a lid on profits. News reports pointed out that the profits between fourth and first quarters 1978 climbed 27 percent and suggested that these were excessive.

I recall asking employees at Bell & Howell on one occasion, "How would you feel working for a company that was not profitable? Would you feel that condition contributes to job security? To chances for promotion?" I spent most of my business career trying to make my company more profitable and found it easier to attract the necessary capital to acquire plant and equipment, increase wages without increasing costs, thus increasing productivity and actually reducing unit cost of production, increasing sales, employment, profitability and continuing the cycle of thus attracting more investors and more low-cost capital.

We should take a closer look at those 1978 figures now because they were not excessive in my judgment and should, in fact, be encouraged and applauded.

First, changes in corporate profitability from one quarter to another are not terribly good measures. It so happened that the first quarter 1978 profits were unusually low because of extremely adverse weather conditions and depressed markets in some industries. Comparing the fourth quarter with this unrepresentative period would, of course, produce a spectacular number. But it has little meaning.

Second, we should be looking at the amount that U.S. firms have available for investment. Here is a breakdown of total 1978 profit figures:

[In billions]

Total gross corporate earnings	$202
Earnings after taxes	118
Earnings after inflation is factored in and depreciation is raised to true replacement cost	75.7
Dividends paid out	49.3
Amount available for reinvestment	26.7

Third, it should be apparent to us that we will not be able to maintain our present standard of living unless investment—and consequently productivity—is increased. In the 1960's we enjoyed productivity growth rates of as much as 3 percent a year. More recently, productivity growth has grown at 1.5 to 2 percent a year; last year, however, it barely grew at all—by a mere 0.4 percent. I concur with the JEC's recommendation that the administration and Congress—

> Develop specific proposals to stimulate productivity growth. In our view an underlying rate of productivity of 1.5 percent per year does not constitute the "adequate productivity growth" called for by the Humphrey-Hawkins Act.

Mr. President, I would like to include with my remarks at this point a table of our economic goals for the next 4 years. This forecast is an offshoot of the Humphrey-Hawkins Full Employment and Balanced Growth Act—which I supported after substantially strengthening it through amendments—and puts forth in clear terms just what package—and I emphasize that word "package"—of performance standards we must meet if we are to come anywhere close to reducing unemployment to 4 percent and inflation to 3 percent.

ECONOMIC GOALS, 1979–83

Item	1979	1980	1981	1982	1983
	Level, 4th quarter [1]				
Employment (millions)	97.5	99.5	102.6	105.5	108.3
Unemployment (percent)	2.	6.2	5.4	4.6	4.0
	Percent change, 4th quarter to 4th quarter				
Consumer prices	7.5	6.4	5.2	4.1	3.0
Real GNP	2.2	3.2	4.6	4.6	4.2
Real disposable income	2.8	2.3	4.4	4.4	4.0
Productivity [2]	.4	1.1	1.8	2.0	2.0

[1] Seasonally adjusted.
[2] Based on total real GNP per hour worked.

Source: Council of Economic Advisers.

As you will note from the table, our goal on productivity is 2 percent by 1981 and 1982. With our recent past experience, we will be lucky to reach that point. Rather than decrying unrealistic profits, we should be working at ways to increase our productivity so we can reach our economic goals of reducing both inflation and unemployment.

RUTH WATT: ONE OF THE SENATE'S MOST LOYAL EMPLOYEES RETIRES

Mr. PERCY. Mr. President, after more than 32 years' service on the Senate Permanent Subcommittee on Investigations, Ruth Watt retired at the end of last month as chief clerk. Throughout her career, Mrs. Watt's exemplary professionalism has been noted by all with whom she works.

Her service to the subcommittee has spanned years of turbulence, from the dramatic hearings while the late Senator Joseph McCarthy was chairman, through the tense organized crime and labor racketeering hearings when Senator McClellan was chairman, through to the more recent hearings on such matters as arson-for-profit, Teamsters Union pension fund, and irregularities at the Bureau of Engraving and Printing, when Senators JACKSON and NUNN have served as chairman.

Although these hearings engendered much tension, Mrs. Watt continually maintained her considerable composure, no doubt the result of a calm professionalism attributable perhaps to her Maine upbringing. The fact that she hails from "Down East" no doubt helped her to deal with the numerous crises that arose; through practical, commonsense action, she weathered all storms.

As the most senior member of the staff, Mrs. Watt was also the most knowledgeable about the inner workings of the subcommittee. During executive and public sessions, there was never a time that things did not run smoothly. To a large extent this was because of her careful preparation beforehand. There were times, during subcommittee meetings, where Mrs. Watt was asked to recall for the members previous precedent on a procedure; her memory was pactically photographic and her good judgment impeccable.

Ruth Watt is a warm and understanding human being, loved by her coworkers. She has never hesitated to go out of her way to assist me and the minority staff of the subcommittee. We at the subcommittee shall really miss Ruth Watt as she retires after more than 32 years. I believe, because of her devotion to her work here, she will miss us as well. Her humanity and professional performance should serve as a model to us all.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the full text of a resolution unanimously approved by the members of the subcommittee as a means of denoting our warm feelings toward, and enduring admiration for, Ruth Watt for her years of service to the U.S. Senate and to her country.

There being on objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas Ruth Young Watt honorably, loyally and faithfully served from 1947 through 1979 as Chief Clerk of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs of the United States Senate; and

Whereas, in that capacity, she untiringly and effectively served the Subcommittee in an outstanding manner, demonstrating the highest qualities of responsible staff leadership, creative initiative, and exemplary dedication; and

Whereas she has made numerous and extraordinary contributions to the Permanent Subcommittee on Investigations, through the tenure of its six Chairmen: Senators Homer Ferguson of Michigan (1948), Clyde R. Hoey of North Carolina (1949–1952), Joseph R. McCarthy of Wisconsin (1953–1954), John L. McClellan of Arkansas (1955–1972), Henry M. Jackson of Washington (1973–1978) and Sam Nunn of Georgia (January 25, 1979 to present; and

Whereas, as stated by the late Senator John McClellan on the occasion of her twenty-fifth anniversary with the Subcommittee, she has rendered a unique service to the Subcommittee as the manager of its financial records, the manager of the hearing room, the custodian of documents, the shepherd of witnesses, and generally the person who efficiently and swiftly handled the important details that combine to make successful and productive investigative hearings; and

Whereas, after a career during which she has been instrumental in the presentation of in excess of 140 hearings, Ruth Young Watt chose to retire in May 1979;

Now, therefore, be it resolved, That the Permanent Subcommittee on Investigations and the Members thereof express and record their deep appreciation and esteem for her many exceptional contributions and for her dedication, loyalty and service to this Subcommittee, to the Committee on Governmental Affairs, to the Senate of the United States, and to the American people.

PHILIP R. MANUEL: ONE OF THE SENATE'S FINEST INVESTIGATORS

Mr. PERCY. Mr. President, the Permanent Subcommittee on Investigations is losing one of its ablest investigators. After more than 10 years on our staff, after a distinguished career in law enforcement and military intelligence, Philip R. Manuel is stepping down for an excellent opportunity in the private sector. As the ranking minority member, I want to express to Phil my appreciation, and that of the entire minority staff, for a job well done.

In every investigation that Phil Manuel has worked on, many of which have been of a complex and sensitive nature, he has always comported himself in a wholly professional manner. He is extremely intelligent, diligent, and thorough. Whenever asked to follow up a piece of information, he would relentlessly pursue it. The members of the subcommittee could be confident that no stone had been left unturned.

The mandate of PSI is vitually a recipe for potential controversy. It includes organized crime's activity, labor-management racketeering, and fraud and waste in Government agencies. It has always been most reassuring to know that Phil Manuel was the investigator who had been assigned to investigate.

Phil has greatly contributed to many of the subcommittee's successes over the years. Most recently, he headed the subcommittee's investigation into charges of mismanagement and conflict of interest at the Bureau of Engraving and Printing, in the Treasury Department.

As a direct result of that inquiry, significant improvements have been made in the procurement and auditing procedures at BEP, and a Federal grand jury is taking testimony on the serious allegations of conflict of interest.

Over the years, he has played a large part in numerous investigations, including computer fraud, oversight of the Drug Enforcement Administration, and organized crime's involvement in stolen and counterfeit securities. In each instance, Phil's work resulted in a change for the better.

Upon its creation in 1973, DEA was beset by problems of morale, allegations of corruption, and questionable priorities. By exposing those problems and forcing responsible officials to address them, the subcommittee helped to forge an effective Federal force in the war on drug abuse.

The securities market, which in the late 1960's and early 1970's was wide open to the rapacious hands of organized crime, has been made more secure as a result of the securities hearings of PSI, which Phil Manuel supervised. Legislation sponsored by then Chairman HENRY JACKSON, which was passed in the 94th Congress, and my own Securities Protection Act, S. 1380, which broadens Federal criminal jurisdiction in this area, both stem from these hearings. Phil's advice and assistance on these measures has been invaluable.

With respect to computer fraud, under the auspices of the Governmental Affairs Committee, Phil coauthored a yearlong staff study, entitled "Computer Security in Federal Programs." Out of that effort came the Federal Computer Systems Protection Act of 1979, S. 240, which is the first piece of legislation specifically designed to prohibit calculated misuse of the computer. I have been privileged to join with Senator RIBICOFF in introducing that measure. Largely due to the tireless efforts of Phil Manuel, we are confident that it will become law during this Congress.

From a personal standpoint, Phil Manuel has been a pleasure to work with, but that pleasure was not shared by those who became the focus of these investigations. Numerous wrongdoers have gone to jail or stepped down from their positions of authority because of his expert investigation. More importantly, because of his efforts, numerous Federal agencies have tightened up their procedures against fraud, waste, and abuse, thus saving the taxpayers untold millions of dollars.

Whether it has been organized crime, or Government oversight, Phil Manuel has consistently done an outstanding job. He will be greatly missed by our distinguished chairman, SAM NUNN, myself, and all the other members of the Permanent Subcommittee on Investigations and Governmental Affairs Committee. He most certainly takes with him our highest respect and utmost gratitude.

RICHARD OGILVIE ADDRESSES NATIONAL SYMPOSIUM ON EMERGENCY MEDICAL SERVICES

Mr. PERCY. Mr. President, earlier this year the National Symposium on Emergency Medical Services (EMS) was held here in Washington to discuss the Federal Government's proposed phaseout of EMS funding and the impact it would have on our country's health emergency preparedness. Trauma is the leading killer of children and adolescents and the third leading killer of all Americans so this question is a vital one. Under the administration's plan EMS funding would have ended by 1982.

Former Governor of Illinois Richard B. Ogilvie, who is now chairman of the board of the American Trauma Society, delivered an important message at the symposium that I believe merits the attention of my colleagues. He makes a strong case for the cost-effectiveness of regionalized emergency planning and paraprofessional training for emergency personnel. Providing comprehensive emergency medical services through a regional approach was one of the basic thrusts of the Emergency Medical Services Systems Amendments of 1979 which the Senate recently passed.

Under Governor Ogilvie's leadership, Illinois developed one of the finest emergency medical programs in the country. This program has resulted in a substantial reduction in mortality rates as well as shorter hospital stays because of the rapid patient transporation system available.

As we continue to review our health care delivery system, we should carefully consider former Governor Ogilvie's comments. I ask unanimous consent that his address be printed in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATE PROGRESS AND CONTINUING NEEDS IN EMS

I'm pleased to be with you here today. As you know, I have a long-standing interest in emergency care. That interest was first sparked when I became a trauma victim in World War II.

Later when I became Cook County Board Chairman, which included responsibility for Cook County Hospital, I met two young residents by the names of Bruce Flashner and Dave Boyd. After I was elected Governor, I brought them into the Health Department and we put together the Illinois Trauma System.

My interest in the problem continues and today I speak to you as Chairman of the American Trauma Society, a national voluntary health organization dedicated to promoting systems of improved pre-hospital and in-hospital care.

I want to share with you some of the thoughts I have about the progress we've made as well as continuing needs with respect to the role of the state government in EMS.

An EMS System requires purposeful planning. While it is understood that many components must be considered in the development of an EMS system, it must be emphasized that only a team effort in planning, execution and operation of the system can result in significant impact on death and disability in America.

National initiative was first taken in the Highway Safety Act of 1966 which deals primarily with the highway accident victim. EMS demonstration projects were funded in 1972, of which Illinois was one. Experience with the demonstration projects showed us a need for coordination and leadership with respect to several issues, which I will outline later. National consensus defined 15 structural components of an EMS system, which were incorporated into the EMS Act of 1973 and its Amendments of 1976.

As you know, the EMS Act does not provide subsidy for operations, nor does it pay for services. It provides developmental grants and technical assistance. Because of enlightened administration, the federal EMS program is not just another bureaucracy, but a program that *works* for our total national community of 225 million people at risk, and for the more than 70 million who will use the system this year.

Effective state administration can and should be the coordinating focal point and expediter for all aspects of regional EMS systems. This role is necessary because one of the cornerstones of the program is regionalization. Regionalization is hampered by the absence in most instances of an identifiable or effective regional health authority. The State government, then is the logical and legal unit to provide this activity.

Its specific role emanates from its ability to coordinate State agencies and resources, provide policy leadership, develop and fund health initiatives, programs from the State legislature, wisely utilize police and regulatory powers to promulgate standards and finally, focus the resources of its many diverse agencies which should be involved in EMS systems, providing example and leadership to the voluntary sector.

There are those who would argue that there is no role for the State government in EMS; that EMS is a local or at the least an areawide or regional concern. Such thinking, unfortunately ignores the reality that State government is the responsible socio-economic-political unit of our country with enormous health responsibilities.

On the other hand, those State officials who seize upon the EMS initative as another program to be controlled, regulated and funded solely through the State government are ignoring the vitally needed local determination and local operation for a successful EMS system. The truth lies, as is so often the case, in an effective, realistic compromise between these two extremes.

Furthermore, if no meaningful roles or challenges are required of State health departments, then they will neither develop the expertise nor the resources to meet the expectations of health planners and the public need.

It should be evident also that State governments cannot effectively nor efficiently operate EMS systems at the regional or local level. Regional and local health issues, specific needs, and a design and implementation for local environment require that in each medical care area there be a reliance upon a regional operational agency for the function of the system.

The clinical system must be recognized as a system which extends beyond the local care pattern of one hospital, its ambulance and professional staff.

This is especially evident in large metropolitan areas where a populous city and its numerous surrounding suburban governmental units face challenging problems in order to coordinate overlapping or duplicate EMS subsystem components such as dispatch control, 911 identification, clinical facilities, etc., and minimize jurisdictional friction. In rural communities other regional issues resulting from distances between facilities, excessive time requirements and less than optimal professional staff coverage mandate "local" determination in the medical service area.

For these reasons, we must avoid an approach which would lead to the development within a State government of a massive bureaucracy for EMS with the usual unproductive and expensive administrative layers at local, regional and state levels. This approach has not worked in the past for health programs and, considering the complex nature of EMS, it does not deserve even cursory evaluation.

The one factor that will tip the balance of commitment to EMS at the state level is the personal involvement of the Governor of the State and the Office of the Governor. No other individual can have the profound effects on EMS as can the Governor of the State. Only the Governor can provide the required leadership to coordinate the many diverse State agencies, essential ancillary programs, funding and resource allocation, control of duplication and counter-productive, self-interest activities.

But even more important, it is the Governor who can provide the essential ingredient of commitment to EMS systems. It is the Governor who can focus the attention of the public on the EMS problem and call forth the resources and commitment from the voluntary health sector so essential for EMS systems. On the other hand, a reluctant, disinterested Governor and staff can effectively forestall and inhibit any EMS initiative.

The absence of an effective focus of leadership will continue the status quo by allowing further interagency rivalry, personal quibbling, endless committee meetings, incorrect allocation and use of resources, disinterest and, in general, an inability to develop an effective system. The usual result of this situation is interminable committee meetings, ineffective planning councils, lack of meaningful legislative initiatives and uncoordinated, unrestricted ambulance and radio purchases. These activities, in fact, become programmatic objectives and ends in themselves.

As Governor of Illinois, I launched a program with a Special Health Message in April of 1971. In that message, I recommended the development of some 40 specialized care centers for the trauma victim. We found medical leadership in two young surgeons, Drs. David Boyd and Bruce Flashner. We got the attention of all surgical providers and support from the hospital association. When we received our HEW demonstration grant in 1972, I took a stand for a "total EMS system" for citizens of Illinois.

With leadership from the Governor, the following potential resources can and should be utilized in system development.

A strong lead agency with Medical direction, and a small but effective staff. The operational role should rest in the health department, not in the Highway Department, not in a specially created "project" office. The office should have the core staff of medical and allied health professionals available for assistance at the regional level. Among the more important program areas are: regional patient distribution plans for clinical entities and necessary regulations for categorization of hospital facilities and emergency rooms; clinical advisory panels; ambulance ordinances; educational and training programs; public information programs; EMT and paramedic certification; medical components of traffic safety programs; evaluation and research; coordination of voluntary blood and organ transplant programs.

In addition, the high-risk infant component of EMS should be coordinated through the Health Department's Maternal and Child Health Program.

The State Mental Health agency can assist through drug and alcohol abuse programs, psychiatric emergency programs, special funds for community mental health activities and suicide prevention services.

Transportation departments usually provide assistance through the State traffic safety council and funds available under the National Highway Safety Program. Helicopters used for highway sightings and transportation uses can be placed on an on-call status for use in EMS systems. This approach is useful in making the helicopter component self-supporting. Other elements are special highway signs, emergency vehicles, ambulance funds and other components of the highway safety program.

The State law enforcement agency is involved because the initial person at the emergency site is most often a law enforcement officer. The attitude of the State law enforcement agency pervades local law enforcement personnel and county officials because in many programs they look for direction from the State agency. Training and education, providing initial care at the emergency site, communication network coordination, traffic safety programs and effective categorization with proper patient distribution are difficult, if not impossible, without major coordination with, and support of, the State's law enforcement agency.

The State welfare agency can play an indirect, but significant role. Where there is a high percentage of the population obtaining support from medical assistance programs, hospitals and ambulance organizations find themselves dependent on these assistance programs. It is essential that institutions not be penalized for the care of patients and participation in emergency service systems. Hospitals which experience 120-day receivables rejection of resource plans by review boards, rejected bills and lack of assistance in determining eligibility are apt to be inattentive or downright hostile to EMS system demands for improved services and reluctant to make a commitment to care for all patients without regard to source of payment. Highest level cooperation is necessary to avoid such problems.

Cooperation with and involvement of the state level agency responsible for drugs is necessary for successful implementation of a poison information network.

Disaster-civil preparedness agencies can provide community contacts, and assistance with communications as well as disaster planning.

The State Education Department should be involved to coordinate policies of health and first aid training in public schools. That Department may also have jurisdiction over Community Colleges, which can provide assistance in paraprofessional training as well.

And finally, if the intent of the federal legislature is to be realized, that of local participatory funding, then the State legislature must be involved. In addition, the State legislature must act on any new initiatives such as licensing and regulatory modifications, increased levels of funding, categorization of hospitals and patient distribution programs. This action—designed to promote regionalization and systemization—must be accomplished in the face of traditional self interest by individuals, institutions or commercial services.

As I mentioned earlier, federal legislation was conceptualized from "real world" experience of 5 demonstration projects as well as several nonfederally funded projects around the country. Many of these pioneer projects emphasized individual EMS system components, demonstrated worthiness, and have themselves lately been modified and improved to broaden their scope. Early reports of EMS system success reflect these emphases, but give us some indications of progress.

An evaluation of highway death in a 15-county region in central Illinois has shown significant success. Before regionalization, a general disarray of patient transportation after critical injury was noted. Following designation of regional trauma centers, the number of critically injured patients directed to the centers increased 60 percent. It was found that vehicular fatalities are surviving longer. While the highway accident rate continues to increase in this region, it reports nearly a 50 percent decrease in the vehicular death rate over the first five years.

As perinatal care has become regionalized in Illinois, the regional perinatal centers report a steady decrease in deaths of what are considered to be "high risk" infants.

The Midwest Regional Spinal Cord Injury Care System reports that, with earlier admission of patients to their system, long term functional independence of the patients has increased, and the average duration of first hospitalization following injury was reduced 20 days for system versus nonsystem patients. This represents a potential national cost saving of $37-million annually.

The Emergency Medical Services program is significant in that it constitutes the first total population services system. It is available to all citizens around the clock, whether at home or away. It is totally responsive and totally competent for all types of conditions and it provides access for all needy individuals.

The Emergency Medical Services program is especially significant in light of the fact that the general health care delivery system in the United States today is ineffective. Many individuals living in rural as well as metropolitan areas are underserved. The quality of health care delivery across the country is not uniform. Existing health care programs, congressional initiatives and funding resources are largely ineffective and almost completely uncoordinated. Congressional categorical efforts are not effective at the state and local levels because of a lack of technical proficiency in most communities.

The Emergency Medical Services program provides a real and effective model for planning and implementing a national health care delivery system. Emergency Medical Services is a system—a system that works.

But building the system is the tough part. Communities can't do it without regional cooperation and technical assistance. And regions can't do it without help from the states. And the states cannot provide the help without the technical assistance available nationally.

Our progress has been demonstrated in the parts of this country where states and regions have made the commitment to progress. Unfortunately, initial financial and technical assistance are still needed in many areas.

In closing, I want you to know that I view the Illinois Trauma System as one of the three most important things I accomplished as governor. Now, as Chairman of the American Trauma Society, I see the need for national application of our experience so far. I ask that the federal government continue its commitment of support to this extremely important program, and I ask that all other states enlist in providing leadership, support and assistance in development of a total national Emergency Medical Services system.

TROOP WITHDRAWALS FROM SOUTH KOREA

Mr. PERCY. Mr. President, President Carter arrives in South Korea this Friday, June 29. He will be meeting with President Park and intends to take a trip to the demilitarized zone. I hope that this intensive review of the military situation in Korea will convince President Carter that the United States should not proceed with its troop withdrawal program.

The administration has delayed the withdrawal until analysis of new intelligence on North Korean military strength can be completed and the President can consider all options. New intelligence tells us that the North Korean army is now the fifth largest in the world. Our estimates of North Korean manpower have been revised upward by more than 20 percent. The manpower balance between North and South Korea has in fact shifted in favor of the North. In 1970, the South had about 50 percent more military personnel than the North. Our new estimates indicate that the North has surpassed the South in personnel strength over the past decade. Moreover, new analyses of equipment and training indicate that the North Korean Army is placing particular emphasis on offensive capabilities.

Mr. President, now is the time for President Carter to state that continued U.S. troop withdrawal will be conditioned upon reciprocity by North Korea. Reciprocity could include a reduction of North Korean troop levels positioned near the DMZ and real progress in talks between North and South Korea.

I am convinced that a unilateral withdrawal by the United States with no reciprocity from North Korea is contrary to the U.S. interest in peace and stability on the Korean peninsula. The withdrawal weakens the deterrent to possible North Korean aggression and increases the risk of war. The troop withdrawal plan saves no money, so we are getting less deterrence for the same cost. It may actually increase U.S. costs, according to the Congressional Budget Office. Many dissidents and human rights leaders in South Korea oppose the troop withdrawal because they fear that a heightened sense of external threat might cause the Government to restrict even further the freedoms that do exist in South Korea.

Last year the Senate approved my amendment by a vote of 81 to 7 expressing the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress. The House approved the amendment and it was signed into law. Since that time, several individual Senators and Representatives have traveled to Korea and have returned with increased concerns about the situation. I have been in touch with President Carter, Secretary Vance, and Secretary Brown directly on this issue.

The North Korean military buildup, concern about the security of South Korea, and the long-term interest of the United States in maintaining a strong deterrent to the North's ambitions and in keeping the peace on the Korean peninsula have all led me to the conclusion that resumption of troop withdrawals would be patently unwise at this time. I hope that President Carter's new look at the situation will lead him to the same conclusion.

I would like to call the attention of my colleagues to an excellent editorial on this subject published by the Chicago Tribune on June 15, 1979, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STAYING PUT IN SOUTH KOREA

It's time for President Carter to announce he has changed his mind about withdrawing U.S. ground combat troops from South Korea. He has all but canceled the withdrawal already, delaying further steps in the plan indefinitely. Whatever domestic political support there was for the removal of U.S. infantrymen has eroded, worn away by public discussion of the issue in this country and opposition to it among Asian allies. Even Rep. Les Aspin [D., Wis.], once a proponent of the President's dormant plan and hardly a hawk on defense issues, has turned against it.

Rep. Aspin, in a report reassessing the military situation in Korea, draws attention to recent intelligence estimates of North Korean strength that show a military buildup and also indicate that earlier estimates understated the threat. He also acknowledges what was clear from the outset, that the withdrawal would not save taxpayers money, it would cost between $1.5 and $2.4 billion.

Defenders of the President's plan argue that with U.S. ground troops astride the invasion routes south of the Demilitarized Zone, the U.S. would have no choice but to be drawn into any conflict that should erupt. This argument amounts to an admission that President Carter's promise to defend South Korea in case of attack is worth nothing.

Moreover, it is the inevitability of U.S. involvement that serves in South Korea—as it does in Europe—as a powerful deterrent to attack. The destabilizing effect of withdrawal reaches much farther than the two Koreas. It showed up in the nervous response of the U.S.'s other Asian allies upon the announcement of President Carter's plan. Even China, which itself could be drawn into a conflict between the Koreas or into a contest with the Soviet Union to see who would encourage North Korean bellicosity most, registered its private disapproval of President Carter's proposal.

While the indefinite suspension of the troop withdrawal has eased Asia's case of nerves a bit, some uncertainty still lingers. A prompt announcement from President Carter, perhaps during his Asia trip this month, that the plan has been scrapped would eliminate the remaining fears created by the President's ill-considered promise.

DEPARTURE OF INDIA'S AMBASSADOR

Mr. PERCY. Mr. President, next week His Excellency Nani A. Palkhivala, India's Ambassador to the United States, will complete his tour of duty in the United States. An outstanding lawyer and in fact an expert on constitutional law, Ambassador Palkhivala has used his considerable talents to represent his country and its policies effectively in this country.

Not only has he made his mark in Washington, where he is one of the most respected members of the diplomatic community, but he has traveled extensively throughout the Nation to explain his Government's views. He was the first Ambassador from India to visit Alaska.

Those of us who have known him will miss Ambassador Palkhivala. We have appreciated his straightforward presentation of his Government's positions on major issues, his sophisticated understanding of American attitudes, and his efforts to maintain good Indian-American relations. We wish him well.

SWEDISH RESPONSE TO INDOCHINESE REFUGEE PROBLEM

Mr. PERCY. Mr. President, in response to the urgent need for assistance to the thousands of Indochinese boat people, the Government of Sweden has taken a very positive step which I would like to bring to the attention of my colleagues. It will be recalled that earlier this year Sweden decided to accept 250 of the refugees and specified that it would give preference to those who, on account of disability and other reasons, have found it difficult to obtain haven elsewhere.

Now, last week in fact, Sweden has decided to accept 1,250 more refugees from Indochina and to donate $3.4 million to the Office of the United Nations High Commissioner of Refugees to assist Indochinese refugees.

In addition, the Swedish private agency, the Save the Children Association, has donated $900,000 to the refugee programs.

I believe that this is a very forthcoming response from Sweden to worldwide concern for the Indochinese refugees, and I am hopeful that all other nations will increase their contributions to a solution of this severe humanitarian problem.

I ask unanimous consent that a letter dated June 25, 1979, from Mats Berquist, counselor (political affairs), of the Swedish Embassy, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 25, 1979.

Mr. SCOTT COHEN,
Office of Senator Charles Percy, U.S. Senate, Washington, D.C.

DEAR MR. COHEN: Pursuant to the conversation earlier today between Senator Percy and my Ambassador, I wish to return to the facts about Sweden receiving a number of Indochinese refugees. The Swedish Government decided earlier this year to accept 250 refugees, particularly those who, on account of disability and other reasons have found it difficult to obtain a haven elsewhere. Last week, the Swedish Government decided to accept a further 1.250 refugees from the region and likewise decided to give 15 million Swedish kroner (equal 3.4 million dollars) to the U.N. High Commissioner for Refugees, to be used for refugees from Indo-China.

In addition, the Swedish private "Save the Children Association" has donated four million kronor (0.9 million dollars) to the programmes involved.

Yours sincerely,
MATS BERGQUIST,
Counsellor (Political Affairs).

REPEAL OF THE DAVIS-BACON ACT

Mr. THURMOND. Mr. President, I have long been a strong advocate of repeal of the Davis-Bacon Act, the Federal law which requires that locally prevailing wage rates, as determined by the Labor Department, be paid on federally funded construction projects. I am heartened that those of us who wish to remove this unwise, inflationary, special interest law from the statute books are gaining momentum and support in our fight. Three weeks ago, on June 6, the Senate Armed Services Committee took the courageous action of adopting an amendment by my good friend and distinguished colleague, Senator Tower, the ranking minority member of the committee, to exempt military construction projects from the requirements of Davis-Bacon. I am hopeful that we can retain this provision on the Senate floor, enact it into law, and use it as the first step toward a complete repeal of this act.

Mr. President, I have just referred to Davis-Bacon as being an unwise law. In my opinion, it is unwise because it no longer serves the purpose for which it was enacted in the depths of the Depression. Indeed, it serves no legitimate public purpose at all, and yet Congress has refused to act responsibly and repeal it.

I have called Davis-Bacon inflationary. Numerous studies have substantiated this. Recently the General Accounting Office estimated that the law costs the taxpayers over $750 million annually. Additionally, because Davis-Bacon functions as a superminimum wage, and thereby forces contractors bidding on private-sector projects to boost wages in order to compete for skilled craftsmen who would otherwise prefer Federal projects, it adds another $1.8 billion to private-sector construction costs. Of course, as inflation worsens and construction union wage rates rise, the cost impact on taxpayers and owners of private-sector projects is compounded.

Mr. President, I have termed the Davis-Bacon Act a special interest law, and I characterize it as such because it largely subsidizes the interests of organized labor in the construction industry. Indeed, it is only because of the powerful lobbying efforts of the union bosses that this law is still on the books today.

My office recently received a "Backgrounder" report from the Heritage Foundation on the Davis-Bacon Act. This report was authored by Eugene J. McAllister, a Walker fellow in economics. I found Mr. McAllister's analysis very thorough and enlightening. He points out, among other things, that Davis-Bacon pushes up housing costs for low-income and elderly persons; it discourages the hiring of less skilled youth and, in particular, minorities, among whom the unemployment rate is the highest; it discourages minority contractors, many of whom have nonunion workforces, from bidding on Federal construction projects; and, in general, the law, as implemented by the U.S. Labor Department, subsidizes construction unions at the expense of the taxpayers.

Mr. President, I ask unanimous consent that Mr. Walker's report be printed in the Record at the conclusion of my remarks. I also ask unanimous consent that a letter I recently received from one of my constituents, Mr. W. D. Sineath, together with an editorial from the State newspaper in Columbia, S.C., be printed in the Record following Mr. Walker's paper.

The PRESIDING OFFICER (Mr. Heflin). Without objection, it is so ordered. (See exhibit 1.)

Mr. THURMOND. Mr. President, Mr. Sineath points out still another way in which the Davis-Bacon Act inflates costs through its special restrictions on overtime work and pay. These restrictions effectively prevent a contractor from making energy-efficient, cost-effective, reasonable decisions by requiring that overtime rates be paid on any day in which employees work over 8 hours, while the Fair Labor Standards Act simply mandates overtime for work in excess of 40 hours per week. Because of this requirement, contractors on Federal projects must unduly delay completion of jobs and spend additional time and fuel in traveling to and from work.

Mr. President, the gist of the matter is that the Davis-Bacon Act is ridiculous and ought to be repealed. I have unsuccessfully sponsored legislation in past Congresses to repeal this law. Senator Hatch has introduced such a bill, S. 29, in this Congress, and I am today asking that he add me as a cosponsor. I hope Congress and the President have the courage to stand up to the labor bosses and enact this legislation without delay.

Exhibit 1

Davis-Bacon: A Costly Contradiction

(By Eugene J. McAllister)

INTRODUCTION

An obscure labor law, the Davis-Bacon Act, is costing the federal government at least three-quarters of a billion dollars a year in wasteful construction costs. It is also restricting minority entry into the construction crafts and shrinking the value of Section 8 housing subsidies for the poor and elderly.

Passed in the early years of the Depression, Davis-Bacon was intended to protect local contractors and labor from the cutthroat competition of intinerant contractors and their poorly paid employees. The Act mandates that for every federal construction project in excess of $2,000 the Secretary of Labor will establish as the minimum wage the wage prevailing for a "corresponding class of laborer in the city, town, village, or civil subdivision in which the work is to be performed."

The General Accounting Office (GAO) has culminated two decades of oversight with a 1979 report urging Congress to repeal the Act. It charges that the Department of Labor has failed consistently to correct determine the appropriate prevailing wage. Confirming several academic studies, the GAO found that the Department of Labor often incorrectly established collective bargaining rates as the prevailing wage. Labor's predilection for union rates explains the vigor with which organized labor has defended Davis-Bacon.

This year, congressional opponents have introduced a number of bills aimed at repealing Davis-Bacon. Representatives John Erlenborn (R-Ill.) and Tom Hagedorn (R-Minn.) are leading the House efforts. In the Senate, Orrin G. Hatch (R-Utah) and John Tower (R-Texas) are the most persistent opponents of Davis-Bacon.

The House, on June 6, rejected a floor amendment offered by Congressman George Hansen (R-Idaho) which proposed to strike the Davis-Bacon provisions from federally financed Indian housing and neighborhood self-help programs. Despite this setback, there have been some recent decisions which opponents of Davis-Bacon find encouraging. The Senate Armed Services Committee voted 11–5 on June 6 to eliminate Davis-Bacon provisions from military construction. A recent ruling by the United States Court of Appeals for the Fourth Circuit, *Commonwealth of Virginia* vs. *Ray Marshall*, permits judicial appeals based on a denial of due process or non-compliance with statutes or regulations. The Secretary of Labor is still not subject to judicial review on the basis of fact or substance. Ben Blackburn, president of Southeastern Legal Foundation, which assisted Virginia in the case, was enthusiastic about the outcome. "The Labor Department has now been told that it is not above the law. The result should save American taxpayers many millions each year."

THE ACT

Since 1931 Congress has extended the prevailing wage provision to include not only federal construction but numerous federally-assisted projects. Additional amendments introduced fringe benefits into the prevailing wage calculation and explicitly placed responsibility for prevailing wage determination with the Secretary of Labor.

Determination of the appropriate prevailing wage has been delegated to the Wage and Hour Division of the Department of Labor's Employment Standards Administration. The minimum wages are established primarily on a project basis, although the Wage and Hour Division also maintains a geographical listing. In 1977, for instance, there were a total of 17,931 wage determinations, 15,674 of which were on a project basis.

Interested parties may petition the Wage Appeals Board to overturn the disputed rate. The burden, however, is on the contractor to protest. To support a petition, the protesting contractor must often generate his own survey, a substantial expense with little prospect of reward.

ADMINISTRATION

"After nearly 50 years, the Department of Labor has not developed an effective program to issue and maintain current and accurate wage determinations; it may be impractical to ever do so."[1] The GAO supports this claim with a compedium of Labor's flaws.

The first charge is that Labor simply assumes that union rates prevail. In an analysis of 73 wage determinations, the GAO found that about one-half were based not on Department of Labor surveys, but rather on union-negotiated rates. (Table 1)

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[1] U.S. Comptroller General, "The Davis-Bacon Act Should Be Repealed" (HRD 79-18) (Washington, D.C.: General Accounting Office, April 27, 1979).

TABLE 1.—WAGE DETERMINATION SUPPORTED AND NOT SUPPORTED BY SURVEYS CONDUCTED BY LABOR

Region	Project determination			Area determination		Totals	
	Total	No survey	Survey	No Survey	Survey	No survey	Survey
New York	15	5	5	4	1	9	6
Atlanta	15	3	7		5	3	12
Chicago	13	7	3	2	1	9	4
Dallas	15	6	4	3	2	9	6
San Francisco	15	1	9	4	1	5	10
Total	73	22	28	13	10	35	38

Source: General Accounting Office.

The GAO also analyzed 530 area determinations and found that 302 (57 percent) were based on collective bargaining agreements, not surveys. Since nearly 75 percent of Davis-Bacon projects use area determinations, the GAO findings reveal an expensive flaw in Labor's procedures.

The Davis-Bacon Act is not administerable because so much of the necessary information is compiled on a strictly voluntary basis and from a multitude of sources. The GAO found that Labor not only lacked a consistent methodology but also capriciously deleted and added wage data. Furthermore, Labor biases its determination by including previous Davis-Bacon projects in the calculations. The Department of Labor compounds these difficulties through a biased interpretation of "prevailing" wage, arbitrary job classifications, and the importation of urban wage rates into rural areas.

THIRTY PERCENT RULE

To determine the prevailing wage, Labor will first ascertain whether a majority of workers receive the exact wage rate. If not, Labor will estabilsh as prevailing any wage paid to 30 percent of the appropriate workers. Should no single rate exist for at least 30 percent, Labor will set as prevailing the average rate.

The use of the 30 percent rule seriously distorts the prevailing wage. The requirement that both the majority and 30 percent rule be based on the same wage, to the penny, distinctly favors unions, since typically all union members receive the same rate. Nonunion wages often vary according to experience and productivity.

As an illustration of the effect of the 30 percent rule, GAO cited a painting contract in Carson City County, Nevada. Labor established $12.40 per hour as the minimum wage. Although as table 2 shows, 30 percent were paid that rate, all of the remaining painters were paid less. The average rate, which Labor also uses in its calculations, was $9.52 per hour, 23 percent less.

TABLE 2.—*Carson City County Survey*

Number of painters employed:	*Hourly wage rate paid*
2	$6.25
2	8.74
1	9.00
3	12.40

It is possible that the 30 percent rule might also produce an inappropriately low wage. This occurrence however is mitigated by two considerations. The first is that union wages, to which the 30 percent rule is most likely to apply, nearly always exceed nonunion wages. Secondly, the GAO has observed that the market will ignore inordinately low minimum wages and instead provide bids based on the actual prevailing wage.

IMPORTATION OF WAGES

Davis-Bacon specifies that the appropriate geographic application be the "city, town, village, or other civil subdivision of the state in which the work is to be performed." The Department of Labor however has consistently violated the intent of the law and imported prevailing wages from non-adjacent counties. The imported rates, in nearly all cases, originated in urban unionized areas and were applied to less populated areas with a smaller percentage of union labor. In the most extensive analysis of Davis-Bacon to date, D. N. Gujarati of the University of Chicago found that "25–38 per cent of building construction and about 46–73 per cent of highway and heavy construction determinations that were based on union rates used rates from non-contiguous counties and or statewide union wage rates." [2] Gujarati also found that the average distance traveled by rates from non-contiguous counties was 75 miles—hardly a reasonable commute.

Imported wages not only drive up construction costs but also take work away from local contractors and labor. The latter is precisely the opposite of the intent of Davis-Bacon. Local contractors are reluctant to bid on projects with unrealistically high Davis-Bacon rates primarily because of the accompanying morale problems. Employees on such jobs receive greater wages than their equals who were not so fortunate as to be assigned to the federal project. Also the return to previous wages may result in a decline of worker productivity and possibly agitation for union wages. The intinerant wage of the 1970s has replaced the intinerant laborer of the 1930s.

PROJECT CLASSIFICATION

Prevailing wages must also be determined on the basis of both project and work. The Department of Labor has created four major classifications: residential, highway, heavy and building. These categories are both large enough to include highly dissimilar projects and yet sufficiently vague to permit an overlap. As an example of the former, GAO cited a Cumberland County, North Carolina, contract to overhaul an air conditioning unit. Classified as "building," the survey included such dissimilar projects as the installation of a sprinkler system in a men's shop and the construction of a synthetic fibers plant. The wages on the various projects surveyed possessed a similar degree of diversity.

The classification of Interstate 66 in Fairfax County, Virginia, as "heavy" construction illustrates the flexibility between the major construction categories. The majority of the work will be done under "highway" rates. However, since it is possible that the Washington Metrorail system might be extended down the median, Labor ruled that part of the work must carry "heavy" rates despite the nearly identical nature of work. This decision resulted in a doubling of many pay rates. Unskilled labor, for instance, will earn rates of $4.50 on "highway" and $9.68 on "heavy."

In summary, Labor's administration of Davis-Bacon has, over the past twenty years, been marked by inconsistencies in both methodology and results. Prevailing wage determinations have been, in a significant number of cases, unrealistically high. This is attributable to both the built in and discretionary biases in favor of union-negotiated wages.

The extent of Labor's reliance on union rates was revealed in the GAO's survey of 30 locations and 277 worker classifications (Table 3). Labor had assigned union rates to 66 percent of the worker classifications. The GAO found that only 42 percent warranted such wages.

THE EFFECTS

According to the GAO the Department of Labor's inappropriately high wage determinations cost the federal government over one-half billion dollars in excessive labor costs during 1977. The GAO also calculated that the Act imposed compliance and administrative costs of $189.1 million on contractors and another $12.4 million on federal agencies, including the Department of Labor. Armand J. Thieblot, Jr., testified before the Senate Committee on Banking, Housing, and Urban Affairs that the cost is at least one billion dollars, an estimate which he terms conservative.

These estimates are based on incorrectly determined Davis-Bacon rates. There are additional, indirect costs which occur even when Davis-Bacon is properly administered. At the very least, Davis-Bacon sets the average wage as the minimum. In addition, because of the minimum wage requirement, government demand is unresponsive to wage costs. This unresponsiveness, in combination with Labor's tendency to set union rates as prevailing and the relatively fixed supply of union labor, strengthens organized labor's bargaining position.[3] High union rates, and a general rise in construction costs, result.

TABLE 3.—COMPARISON OF UNION-NEGOTIATED AND NONUNION RATES ISSUED BY LABOR AND GAO SURVEY

[In percent]

Region	Total wage rates compared	Labor rates issued		GAO survey rates	
		Union negotiated	Nonunion	Union negotiated	Nonunion
New York	12	97	3	59	41
Atlanta	27	21	79	4	96
Chicago	17	76	24	39	61
Dallas	16	79	21	33	67
San Francisco	28	82	18	77	23
Total	100	66	34	42	58

The United States Chamber of Commerce has estimated the indirect cost of Davis-Bacon to be $1.8 billion a year and the total cost to be $2.8 billion. The Chamber has also calculated that repeal of Davis-Bacon would lower the price level by 0.1 to 0.3 percent, reduce the cost of a new home by $741, and create anywhere from 23,000 to 150,000 new jobs (Table 4).

MINORITIES

Davis-Bacon is above all a union protection measure. Since organized labor's major bargaining tool is control of the labor supply, any enhancement of that power will hurt the efforts of minorities to enter the construction crafts. Davis-Bacon discriminates against minorities primarily through three channels: 1) the concept of a minimum wage, 2) high apprentice rates and 3) discouragement of minority contractors.

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[2] D. N. Gujarati, "The Economics of the Davis-Bacon Act," *Journal of Business*, Vol. 40, No. 3 (July 1967), p. 307.

[3] John P. Gould, "Davis Bacon Act, the Economics of Prevailed Wage Laws" (Washington, D.C.: American Enterprise Institute, 1971), p. 21–22.

DAVIS-BACON REPEAL: WHAT DOES IT MEAN TO A TYPICAL AMERICAN

[Level changes in percent of constant 1979 dollars]

	Lower inflation							More spendable income		Lower Federal taxes	
	Lower prices		More purchasing power			More employment					
	Low estimate (percent)	High estimate (percent)	Low estimate (per household)	High estimate (per household)	Lower cost of new homes	Low estimate (jobs)	High estimate (jobs)	Low estimate (per household)	High estimate (per household)	Low estimate (per household)	High estimate (per household)
United States	−0.1	−0.3	$31	$92	−741	23,000	150,000	$10	$50	−$15	−$80
Alaska	−.2	−.5	82	247	−970	42	275	16	82	−25	−131
California	−.1	−.3	37	111	−887	2,390	15,585	11	55	−16	−88
District of Columbia	−.1	−.4	53	157	−691	178	1,160	13	65	−20	−104
Illinois	−.1	−.4	42	127	−863	1,116	7,275	12	59	−18	−94
New York	−.1	−.3	38	113	−628	1,677	10,939	11	55	−17	−89
Pennsylvania	−.1	−.3	30	89	−683	1,164	7,589	10	49	−15	−79
Texas	−.1	−.3	29	88	−753	1,464	9,550	10	49	−15	−78

Source: U.S. Chamber of Commerce, Forecast and Survey Center.

The minimum wage creates a strong disincentive against the substitution of unskilled labor for more expensive and nonessential skills and machinery. If there was no minimum rate, contractors would, at some wage, be willing to give up the expertise and expense of the skilled craftsman in favor of the inexpensive unskilled laborer. The task performed must, of course, be a routine and repetitive one. Davis-Bacon, in its role as a minimum wage, discourages the substitution of unskilled labor, and thus suppresses the employment of the unskilled and structurally unemployed.

Davis-Bacon also discourages the use of minorities on federal construction projects. Apprentice rates are often set so high as to favor use of the more skilled journeyman over the apprentice. In addition, open shop categories such as helpers and trainees are often unrecognized. These are the major means of minority entry into the construction industry. Finally, the Department of Labor often mandates job practices and ratios contained in collective bargaining agreements regardless of whether the contractor was a party to the agreement.

The Department of Labor disposition toward union rates discourages minority contractors, a vast majority of whom are open shop, from bidding on federal projects. This not only hurts minority employment, but also contradicts federal procurement policies aimed at encouraging minority enterprises.

HOUSING

The application of Davis-Bacon to federally-assisted housing is antithetical to the goal of providing sufficient and inexpensive housing for the poor and elderly. With a given amount of resources available for housing, Davis-Bacon will direct a greater amount of funds into wages and thus reduce the amount available for structures. Section 8 rent subsidies serve as an excellent example. Since the federal government will pay any rental costs in excess of 25 percent of the eligible rentor's income, it would be in the government's interest to pursue low rents. The lower the rent subsidies are, the greater the number of people who receive them will be. Unfortunately, Davis-Bacon often drives up the construction cost of federal projects and thereby reduces the value of the Section 8 dollar.

An example is a project of 44 units for the elderly at Keyser, West Virginia. The original bid, without Davis-Bacon, was $740,000 or $16,800 per apartment. When Davis-Bacon was applied the bid jumped to $1.2 million or $27,000 per apartment.

Another example is a nine story, 193 unit apartment complex for the elderly in Grand Rapids, Michigan. It has been estimated that Davis-Bacon caused an additional cost of $51,220 or 11 percent of the entire contract.

NECESSITY OF DAVIS-BACON

Defenders of Davis-Bacon assert that the Act is as necessary now as it was during the Depression. Without it, they charge, construction workers would bear the burden of the frenzied competition for federal contracts.

Nearly 80 percent of all 1977 construction was undertaken within the private sector. If the thesis that competition results in low wages is correct, then construction wages on the private projects must be inordinately low. This, however, is not the case. Construction workers receive nearly double the wages paid to their counterparts in retail trade. Furthermore, Davis-Bacon, if correctly applied, ties wages on federal contracts to the private market. Should the wages collapse in the private sector, the federal sector would follow.

Proponents of Davis-Bacon also cite an MIT study which finds that Davis-Bacon rates have a positive effect on productivity. Contractors place their best workers on federal projects as a reward. (It should be noted that implicit within this defense is the acknowledgment that Davis-Bacon rates do exceed the prevailing rate.)

To attempt to justify Davis-Bacon on these grounds is erroneous. The productivity of the bidding contractors is a matter of procurement policy. To maximize productivity, without regard to cost, does not always yield the most efficient result. The intent, past and present, of Davis-Bacon has never been to offer an incentive for greater productivity.

CONCLUSION

The purpose of Davis-Bacon was to protect local contractors and labor. The market has proven more effective in fulfilling the goals of Davis-Bacon than has the elaborate and expensive structure constructed by the Department of Labor. Local interests are best served when prevailing wage determinations are set so low as to be disregarded. Contractors will include within their bids the actual prevailing wage. In these situations the contracts usually go to local construction.

The heart of the Davis-Bacon question is whether Congress places a greater value on the benefits received by organized labor than on the public's desire for more efficient use of the tax dollars, minority efforts to gain employment, and the elderly's need for decent and inexpensive housing. The Davis-Bacon Act makes the two incompatible.

GO PLUMBING CO., INC.,
West Columbia, S.C., June 21, 1979.

STROM THURMOND,
U.S. Senator,
Russell Building,
Washington, D.C.

DEAR SENATOR THURMOND: Help us save on energy!

I am enclosing an article that appeared in *The State* Newspaper, May 1st, 1979 edition regarding the Davis-Bacon Act and Section Eight Federal money.

This article is well written and true in all respect, however, with the shortage of gasoline in this Country this article falls short of reporting on a very important matter.

At the present time, we as a subcontractor are working on nine different apartment projects that are covered by this act and Section Eight Money. We would like to work these jobs on a four day—ten hour per day basis. We cannot do this however, as this act goes beyond the Federal Labor Laws and requires overtime to be paid daily for time worked over eight hours.

I believe the 1.8 Billion Dollars referred to in this article would be a very minute part when compared to the savings of gasoline if we in construction were allowed to travel to and from work only four times a week instead of five.

Respectfully,

W. D. SINEATH,
President.

[From the Columbia (S.C.) State, May 1, 1979]

FEDERAL CONSTRUCTION LAW SHOULD BE KILLED

A 48-year-old Depression-era law, the Davis-Bacon Act, has outlived its usefulness, is costing the American taxpayers a bundle, and ought to be repealed.

That is expected to be the conclusion of a General Accounting Office (GAO) report which is scheduled to be released soon. A draft has been circulating around Washington since December. The GAO, an investigative arm of Congress, has been withholding formal release to give the U.S. Labor Department and other parties time to comment.

As the Depression began to take hold in the early 1930s, the federal government launched a massive public building program to stimulate the economy. With all of this work being made available, many congressment from highly unionized areas feared that outside contractors would bring in nonunion workers from the South, pay them low wages, and underbid local contractors. This happened in the district of Republican Rep. Robert L. Bacon of New York. An Alabama contractor was low bidder on a veteran's hospital and brought up hundreds of workers from the South.

Representative Bacon, joined by Pennsylvania Sen. James J. Davis, pushed through a bill in 1931 which provided that locally "prevailing" wages, as determined by the Labor Department, must be paid on federal projects. The law was later expanded to cover other projects funded in whole or in part with federal dollars, such as subsidized housing.

The GAO now estimates that $40 billion worth of construction—about 25 percent of the U.S. total—is covered by the act.

Unfortunately, in all these years, the Labor Department has never developed an effective way to determine locally prevailing wages and often relies on higher union scales. One example cited to show how this runs up costs involves a public housing project in Vermont. Area roofers were getting $4 an hour for non-government work. The Labor Department set the prevailing rate at $9.25 an hour because that was the going rate in highly unionized Albany, N.Y.—125 miles away.

The extra cost to the government is estimated by the GAO at $500 million annually. But that represents only part of the inflationary impact of the bill. Contractors spend another $200 million a year complying with the act, and the Labor Department requires $15 million to administer it. In addition, builders, needing skilled craftsmen, often have to pay Davis-Bacon rates on private jobs to remain competitive. The private sector's enlarged bill is figured at $1.8 billion. That, of course, runs up the cost of private housing and other private construction.

The U.S. Chamber of Commerce figures that in federal taxes alone the act costs each S.C. household $38.50 and increases the cost of each new home between $600 and $700.

During this period of deep concern over inflation when Congress is trying to balance the budget, it seems obvious the Davis-Bacon act should be repealed. But that won't be easy. Labor Secretary F. Ray Marshall is defending his turf. Organized labor, which has been losing ground anyway in the construction trades, is digging in to defend the act. Key congressional chairmen want it retained.

But if the GAO resists the pressure and sticks to the findings of its report, the argument in favor of repeal or serious modification of this law is overwhelmingly persuasive.

DEDICATION CEREMONY, WILLIAM JENNINGS BRYAN DORN VETERANS' ADMINISTRATION MEDICAL CENTER, COLUMBIA, S.C.

Mr. THURMOND. Mr. President, on June 14, more than 1,000 persons assembled under the oak trees at the new 400-bed VA replacement hospital in Columbia, S.C., to attend the dedication ceremony renaming this facility as the William Jennings Bryan Dorn Veterans' Administration Medical Center. Regretfully, because of rollcall votes in the Senate on that date and also because of a Senate-House conference committee held in the Capitol on vital defense matters, of which Congressman SPENCE and I were both members, it was necessary that I remain at my post of duty in Washington.

Mr. President, ultimate realization of the new $32 million replacement hospital was long in coming to South Carolina. On behalf of all South Carolinians, I want to express my sincere appreciation to Administrator of Veterans' Affairs Max Cleland for his steadfast and determined ecorts in living up to the commitment to build the new VA Medical Center made to me by the Nixon administration. This commitment to me was confirmed by the Ford administration under which hospital construction was begun. I am extremely pleased that the hospital project was continued and completed by the Carter administration. As a result, South Carolina has a VA hospital facility second to none in the Nation.

In the Senate on August 11, 1978, I was pleased to introduce an amendment to H.R. 11579, renaming the Columbia VA hospital for former Congressman Dorn. My amendment was accepted in the Senate on the same day and House acceptance of the Dorn hospital amendment occurred soon thereafter. H.R. 11579, as amended, was signed into law by President Carter on August 8, 1978, as Public Law 95–353.

The dedication ceremony was a lively and festive occasion. Special music and entertainment for the event were furnished by the U.S. Army Band from Fort Jackson and by the Sonoco Singers from Hartsville, S.C. Heading the distinguished list of speakers at the dedication ceremony were Administrator of Veterans' Affairs Max Cleland; Governor of the Palmetto State, the Honorable Richard Riley; Congressman BUTLER DERRICK of the Third Congressional District; Lt. Gov. Nancy Stevenson; and mayor pro tempore of Columbia Bill Outz. Also present at the ceremony were Maj. Gen. John B. Blount, Commanding General of Fort Jackson; former Army Chief of Staff retired Gen. William C. Westmoreland; and former Deputy Administrator of the Veterans' Administration and native South Carolinian Odell Vaughn, along with numerous other distinguished State officeholders and department leaders of the major veterans organizations. Ms. Joan Kershner, director of the Medical Center, introduced the Master of Ceremonies for the occasion, current Deputy Administrator of Veterans' Affairs Rufus Wilson.

Mr. President, the many plaudits uttered at the dedication ceremony regarding Mr. Dorn's long career of public service brought to mind his many distinguished contributions in the field of veterans affairs. Without the resourcefulness and industry that characterized Mr. Dorn's efforts in developing and improving the VA hospital system, health care for veterans would not be what it is today. As Congressman of South Carolina's 3d Congressional District, Bryan Dorn served 23 years on the House Veteran's Affairs Committee, serving as chairman of that important committee during his last 2 years. Because of Mr. Dorn's service of inestimable value to the veterans of South Carolina and the Nation as a whole, it is exceedingly appropriate that the new VA replacement hospital at Columbia, S.C., be named the William Jennings Bryan Dorn Veterans' Administration Medical Center.

Mr. President, if Bryan Dorn lives to be 100, he will not have had a greater day than June 14, 1979. The people of South Carolina and the Congress paid him a great tribute on that occasion. The new VA replacement hospital in Columbia will serve as a fitting reminder of the contributions of Bryan Dorn to the veterans of his State and the Nation.

I wish to express my appreciation to Frank Galardi, prominent civic leader of my hometown of Aiken, who was present at the dedication ceremony and kindly provided me with some of the information contained in these remarks.

SENATOR CHURCH SPEAKS OUT FOR THE SMALL BUSINESS TIMBER SET-ASIDE PROGRAM

Mr. BAUCUS. Mr. President, earlier this year the Senate Small Business Committee conducted hearings on the SBA's timber set-aside program. The first witness at that hearing was Senator CHURCH, who was one of the original sponsors of the legislation which established the timber set-aside program. Because of the historical perspective of his statement, as well as his arguments in support of this valuable program, I commend it to my colleagues for review.

Mr. President, I ask unanimous consent that Senator CHURCH's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR FRANK CHURCH

Mr. Chairman, Senator Packwood, thank you for this opportunity to appear before your Ccmmittee to present my thoughts about the operation of the Small Business Timber Set-Aside Program.

Shortly after I came to the Senate, on July 1, 1958, I had the privilege of sponsoring, along with the late Senator Wayne Morse of Oregon, some simple amendments to the Small Business Act of 1958, which led to the eventual establishment of the Small Business Timber Set-Aside Program. After nearly a quarter century of service in this body, I view the enactment of our amendments and the act itself as a good piece of work, which has withstood the tests of time.

That's why I'm especially pleased to testify today.

Mr. Chairman, the SBA's timber set-aside program works! As I'm sure you will hear today, this program is helping to assure that small sawmills in the West purchase their fair share of government timber. That's what Senator Morse and I intended with our amendments in 1958.

We also wanted to assure free and full competition in the marketing of lumber and plywood products. The set-aside program, since it was updated by the Small Business Administration in 1971, has been successful in meeting that goal as well. Unlike other commodities, such as oil, supply and demand still regulate the price of wood products. There's competition in the forest products industry today because it is not controlled by a handful of multi-national corporations. There are big companies and small companies. There are companies that own a lot of timberland and others that own no timber, or very little. There are integrated operations with dozens of mills, plywood plants, and distribution yards, and there are small specialty firms that mill only one type of log. In short, many different kinds of companies make up the wood products "industry." To my way of thinking, that's the way free enterprise should be strutcured. Diversity encourages competition, and competition encourages innovation, efficiency, and ultimately a better product for the best price.

Senator Morse sought that kind of competition in 1958 when we debated the Small Business Act. He had the foresight to know that something had to be done to protect the small operators who depend primarily on federal timber from the larger companies with access to other sources of supply and many times more assets. When he offered his amendment, Senator Morse said:

"The Government timber sales program should be geared to better serve the free enterprise system by aiding small business in obtaining a fair share of the tremendous amount of timber sold by the government annually. . . .

". . . The subject of help to small business in procuring government timber has been before at least two committees of the Senate for many months . . .

"The way to assist in resolving this small business procurement matter is to amend this Act, which is designed specifically to assist small business." 104 Cong. Rec. 12805 (1958).

Mr. Chairman, periodically, the Timber Set-Aside Program comes under fire from big business. I remember a hearing such as this one which was held by the Subcommittee on Small Business of the Senate Banking Committee some five years ago. I testified at that hearing, as did representatives of all segments of the timber industry. The big companies said then that the Set-Aside Program costs the American taxpayer a lot of money. They said that they were being unfairly penalized because of the fact that they happened to be large and rich. For relief, they asked that the scope of the Set-Aside Program be reduced. They wanted the program to apply to only the "truly" small mills in "true" need of assistance.

Well, Congress didn't change the Timber Set-Aside Program then, and the Small Business Administration has reexamined the Program on several subsequent occasions and determined that it is working as it was designed to work.

In the five years which have elapsed since the Banking Committee hearing, much has changed. The country, which was then in the midst of the worst economic slowdown since the Great Depression, has had five years of steady expansion. United States demand for lumber and plywood now far outstrips domestic supplies, with the shortfall being made up from Canadian imports. Timber sold by the U.S. Forest Service has become more valuable each day, and with increased demand for new housing and other products, competition for federal timber sales has grown intense.

During this five-year period, profits in all segments of the forest products industry have soared, and remain at record levels today.

So why are we here at another hearing?

Well, even though much has changed for the better in the past five years, much remains the same.

The large corporations still resent the relative stability in federal timber supplies which the Timber Set-Aside Program affords small operators. They still seek a reduction in the scope of the program.

If the application of the Set-Aside Program were to be limited—either by Congress or by the SBA—by reducing the size standard from the present 500 employee ceiling, or by allowing a big corporation to buy up the small business "share" of timber of any small mill it acquired, then the giant corporations would grow larger. If the Set-Aside Program is gutted in such a way, then the sawmills in Elk City, Idaho, or Darby, Montana, or Eugene, Oregon, will no longer be run by local citizens attuned to local needs. They will be run instead by gray-suited corporate executives from Stamford, Connecticut, or New York City.

History supports my contention. Between 1950 and 1958, the majority of federal timber was purchased by small business concerns. When the Small Business Act was passed in 1958, some 75 percent of the federal timber purchased in the western U.S. was bought by small companies. However, during the period from 1958 to 1970, when the Set-Aside Program was administered on the basis of "prior establishment of an urgent need for sawlogs," a major drive was mounted by the giants of the industry to buy out the independents. In that 12-year period, the twelve largest forest products companies acquired through merger or purchase, over 320 smaller firms valued at more than $3.5 billion. During those twelve years, the purchase of federal timber by small business dropped 41 percent.

Clearly, the Act wasn't working as Congress intended, and the Small Business Administration changed the program in 1972 from the prior base of "impending bankruptcy" to a program based on providing small business with their "historic share" of federal timber sales. This change slowed, though it did not stop, the drive towards concentrated ownership, and it has allowed small business to survive and compete.

I think the time is right to further refine the program to make it more effective.

I would like to see small logging operations and sawmills of 50 employees or less further encouraged, in order to help them enter the marketplace. For instance, I am watching with interest the SBA's Special Salvage Timber Sales Program, which gives to firms of 25 employees or less a preferential treatment in bidding on Forest Service salvage sales. This program is being tried on an experimental basis in selected national forests to test its effectiveness. If it works, and I hope it does, I will support its expansion to the entire National Forest System. I encourage this committee to assist the Small Business Administration in developing other programs of similar intent.

Mr. Chairman, let me close as I started by saying again that the present Timber Set-Aside Program works like its authors intended. Let's keep it intact.

NORTH AMERICAN INTERDEPENDENCE

Mr. BAUCUS. Mr. President, on June 6 I held hearings in the Finance Committee on "North American Economic Interdependence, The Next Decade." I was very pleased with the results, and wish to thank Senator RIBICOFF, the chairman of the Foreign Trade Subcommittee, and the other members of the committee who participated, Senator DOMENICI for taking the time to appear and to make a thoughtful statement, Congressman STANGELAND for appearing as a witness, and all the others who took of their time and energy to provide us with much worthwhile testimony.

On the basis of this first hearing, I see several trends which I want to refine in subsequent hearings. I hope that at least some of these hearings can take place along our northern and southern borders, so that we may have as participants individuals who deal with cross-border problems on a local and much more intensive basis.

One thing which needs substantially greater review by the Congress is the quid pro quo which our neighbors will seek from us in trade negotiations. For example, both of our biggest neighbors, Mexico and Canada, have indicated an interest in strengthening their research and development capabilities. I believe we must take a hard look at the attitudes of industry and Government in this critical field, and must try to determine how much we are willing to accommodate our neighbors. We must assure ourselves that benefits accrue to all the nations of North America and are not quickly dissipated around the world. Such information should strengthen the hand of future negotiators in dealing with other countries of North America.

Second, I believe that the U.S. Government is not well organized to handle the challenge of North American interdependence. I have asked the GAO to study this matter further, and to report back to me with its findings. Even if substantive bureaus handle substantive issues regardless of geography, I do not think that sufficient. There must be closer coordination, and there must be a voice which speaks in government councils for the northern portion of the Western Hemisphere.

Indeed, given the enormous importance of our trade with our neighbors, I would hope that any proposal for a department of international trade would have as one of its principal components a division to handle North American trade.

Third, it is not surprising that the private sector is ahead of the public sector in considering North American interdependence. I believe the private sector should be encouraged along this line. Building on Senator DOMENICI's proposal for a North American Planning Commission, we should start by developing a private sector institute or other similar organization to devote itself to investigate possible ways to increase North American trading patterns. I think we could draw private business, foundations, and academic institutions into a common effort to show the way. Our neighboring countries obviously would have to participate equally with representatives from their private sector.

Fourth, the question of subsidies is clearly very important. While that is true in all our international trade relations, we have a particular problem in the continent since we may find local entity pitted against local entity. A State may compete with a province for investment. Some orderliness must eventually emerge to assure ourselves and our neighbors that consistent policies are being followed on this matter. I believe we should start by looking more closely at State/Province/Mexican State relationships.

There are other points which will have to be considered as well, and still more views will surely emerge as I proceed with my hearings. I am interested by reports that Canada may be reviewing some of its past policies on trade, and look forward to further conversations with Canadians on this subject. I believe that the United States must begin to look for ways to strengthen itself on the world scene, and I think our neighbors must have a similar motivation. It is my contention that by approaching the subject carefully and thoughtfully, we should be able to work with our neighbors to assure the development of sound economic units where sovereignty is fully protected. Fair and mutually beneficial systems must be devised, or inevitably we shall all continue to drift against world economic realities.

DURKIN URGES PRESIDENT TO TAKE IMMEDIATE AND DECISIVE ACTION TO RELIEVE FUEL SUPPLY SHORTAGES

Mr. DURKIN. Mr. President, the energy policies of this administration have put the people of New Hampshire and the American public in an intolerable situation.

As the lines for gasoline grow longer and the threat of home heating oil shortages looms larger, the administration persists in its timidity to deal forcefully with the energy crisis.

Time and time again I have written the President, impressing upon him the urgent need to take decisive action to relieve the growing fuel supply shortages and urging him to use immediately the powers vested solely in him to avert the disaster toward which we are headed.

Each day, increasing numbers of New Hampshire citizens join the frantic search for open gasoline stations. Each day, vital sectors of my State's economy, like the tourist and recreation industries, suffer greater losses in trade and income. Each day, more New Hampshire families and small businesses face the growing prospect of severe home heating oil shortages this winter.

Without immediate and drastic action on the part of the President to assure adequate fuel supplies, the situation will soon become irretrievable. The consequence to New Hampshire, as well as many other States, will be severe hardship and economic dislocation.

If the President wants to convince the American public that the fuel shortage is real and that drastic action must be taken, then he must be willing to use forceful measures, that only he can mandate, to combat the energy crisis.

I have asked the President to immediately take all the steps within his power to insure the people of New Hampshire adequate supplies of home heating oil and gasoline.

I ask unanimous consent to have the letters I have written to the President printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., June 19, 1970.

The President,
The White House,
Washington, D.C.

Dear Mr. President: On May 30, 1979, I wrote to you of my growing concern that the promise you made to the people of New Hampshire—that there would be an adequate supply of home heating oil at a reasonable price next winter—will not be fulfilled.

I am dismayed that I have not received a response from you on this matter of such vital concern and serious consequence to the people of New Hampshire. I am further dismayed that in the intervening weeks the Department of Energy has not taken the necessary formal steps to assure that your goal of 240 million barrels of home heating oil by October 1 is met. My concern that the people of New Hampshire will suffer severe hardship brought on by critical shortages of home heating oil next winter has been buttressed by the most recent figures on home heating oil stocks for June.

In my previous correspondence, I emphasized that to meet your stated goal of 240 million barrels of home heating oil in stock by October 1, 1979, it would require at least 1 million barrels of home heating oil put into reserve each day over the next four months. This set-aside is not being met, and with each passing day, my confidence erodes still further in the Department of Energy's ability to see that your promise of adequate supplies of home heating oil for the coming winter is kept.

According to Department of Energy figures, stocks of home heating oil were only 128.2 million barrels on June 8, an incredible 13.8 percent below the level at the same time last year. I need not remind you that even at last year's level many parts of the country ran out of home heating oil.

As I stated in my letter to you of May 30, both DOE Deputy Secretary John O'Leary and representatives of the major oil companies testified at the Senate Energy and Natural Resources Committee Hearing on May 20 that formal orders had not gone out to the oil companies to build up heating oil stocks. To the best of my knowledge, formal orders from the Department of Energy requiring oil companies to build up their stocks of home heating oil still have not been put forth.

If more time is wasted and decisive action is not taken by you immediately under the powers vested solely in you by law, the 240 million barrel stockpile of home heating oil by October 1, the bare minimum necessary for a normally cold winter, cannot be met. I cannot stress strongly enough that the result will be severe hardship and economic dislocation to the people I represent.

Therefore, I am compelled to urge you again to give your immediate attention to this important matter, and to take all the steps within your power to assure the people of New Hampshire and New England that your promise of an adequate supply of home heating oil at a reasonable price is fulfilled.

Respectfully,

John A. Durkin.

U.S. Senate,
Washington, D.C., June 26, 1979.

Hon. Jimmy Carter,
The President,
The White House,
Washington, D.C.

Dear Mr. President: I am writing to inform you of the impending economic disaster faced by New Hampshire's tourist, recreation and sport industries because of severe gasoline shortages and to urge you to take immediate decisive action to insure my state of adequate gasoline supplies.

As you are aware, the summer tourist season is an extremely short one in New Hampshire where winter months are long, often lasting through eight months of the year. Many small businesses and individuals involved in our tourist, sport and recreation industries depend heavily on the income derived from the summer season to support themselves through the long, cold winter months. This year, because of severe gasoline shortages and the consequent fall-off in tourist and recreation trade, the economic welfare of literally hundreds of New Hampshire citizens and small businesses is at stake.

I cannot impress upon you enough how substantial this fall-off is. Returning to New Hampshire each week-end, I have become increasingly alarmed at the growing number of vacancy signs at motels normally filled during this season, and deserted sports and recreation facilities ordinarily brimming with activity. Without immediate and affirmative action on your part to relieve the gasoline shortage in New Hampshire, this vital sector of my state's economy will undergo severe and crippling disruption.

In light of the nationwide gasoline shortage and its already adverse impact on the welfare of New Hampshire citizens and small businesses. I am further dismayed to learn that your Administration is considering the export of valuable, domestic oil to Japan when the ban on exporting Alaskan oil expires at the end of this month. For the Department of Energy to even contemplate exporting Alaskan oil when the people in New Hampshire and across this nation are sitting in gasoline lines, facing severe home heating oil shortages this winter is an outrage and an insult. During this time of scarcity, every available barrel of domestic oil should and must be preserved for American consumption.

As you know, Congress has provided the Executive Branch, under the Emergency Petroleum Allocation Act of 1973, with authority for mandatory allocation measures in times of severe shortages. According to press reports, Secretary Schlesinger has refused to use this power because of possible reprisals by the major oil companies. This official refusal to take forceful action to alleviate the gasoline shortage has served to only further aggravate the supply shortages and further erode the American public's confiidence in your Administration's ability to manage our energy crisis.

The longer your Administration waits to take decisive action, the greater the hardship and economic disruption will be to the people I represent. As I have told you, many sectors of New Hampshire's economy, especially the tourist and recreation industries, are already suffering critical losses in trade and revenue.

I respectfully urge you to immediately take all steps within your power to assure that New Hampshire will have adequate gasoline supplies and to protect the economic viability of our important tourist and recreation industries.

Sincerely,

John A. Durkin.

PROVIDING FOR FRIDAY, JUNE 29, AS A DAY OF RECOGNITION FOR THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

Mr. BAYH. Mr. President, I send to the desk a resolution which has been cleared on both sides and points out that during the week of June 25 to June 29 the National Association for the Advancement of Colored People is holding its annual convention in Louisville, Ky. It is the oldest and most active civil rights organization dedicated to improving the social, economic, and political conditions of all Americans.

It seemed to me to be fitting that we pay special tribute and recognition to this outstanding organization.

I ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, the distinguished Senator from Indiana (Mr. Bayh) has discussed this resolution with me and has previously cleared it with me for the Record. and I want to say there is no objection.

Mr. BAYH. I want to thank the leaders on both sides of the aisle for their cooperation in this matter.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 193) by Mr. Bayh (for himself, Mr. Glenn, Mr. Kennedy, Mr. Tsongas, Mr. Baker, Mr. Percy, and Mr. Stone) to provide Friday, June 29, as day of recognition for National Association for the Advancement of Colored People.

The Senate proceeded to consider the resolution.

Mr. BAYH. Mr. President, during the week of June 25 to June 29, the National Association for the Advancement of Colored People (NAACP) is holding its annual convention in Louisville, Ky. As you well know the NAACP is the oldest and most active civil rights organization dedicated to improving the social, economic and political conditions of all minorities in America. Because of the great work of this organization, today I am introducing this resolution to designate Friday, June 29 as a day of recognition for the NAACP.

Founded in 1909 as an off-spring of the Niagara Movement, the NAACP has been in the forefront of the struggle for equality of opportunity for all Americans. Since its inception the NAACP has fought to break the restrictions of second class citizenship, imposed on millions of Americans, through the utilization of the legal system. Under the leadership of James Weldon Johnson, Walter White, Roy Wilkins, and now Benjamin Hooks, the NAACP has achieved worldwide recognition as one of the most effective civil rights organizations in America.

It was in 1916 that James Weldon Johnson became the NAACP's national organizer. He proved to be an extremely capable spokesman for this new program of racial equality, and demonstrated a keen talent for administering the program. As a result, the organization expanded to more than 300 chapters, operating in virtually every area of the country, including all parts of the South.

Under the able leadership of Mr. Walter White, the NAACP began its unrelenting battle against school segregation. The first victory in this struggle came in 1950 in the famous Sweatt against Painter case. This particular case supplied the judicial preliminaries to the landmark ruling in the 1954 Brown against Board of Education school desegregation case. It was in the Brown case "that the Supreme Court unanimously concurred that in the field of public education the doctrine of separate but equal has no place. Separate educational facilities are inherently unequal." The NAACP legal counsel as well as its leadership was directly responsible for this historically important decision.

Under the effective leadership of Mr. Roy Wilkins, the NAACP continued to pursue a course of eradicating segregation through the utilization of the courts. During the Wilkins' years one of the most important leaders within the NAACP was Mr. Clarence Mitchell, a man often referred to as the 101st Senator. For it was Mr. Mitchell who actively lobbied Congress for passage of the 1964 Civil Rights Act, the 1965 Voting Rights Act, and the 1968 Fair Housing Legislation. As a result of this great American's patient demeanor in dealing with Members of Congress not friendly toward civil rights legislation, he was able to persuade many that passage of such bills was in the best interest of America.

The mantle of leadership has now been passed to a most able and talented American, Benjamin Hooks. I know, as does the entire country, that the NAACP shall continue to prosper, and will, for years to come, be acknowledged as one of the greatest civil rights organizations in the history of our country. For that reason it is only fitting and proper that we bestow this honor on a great organization that has meant so much to so many over the past seven decades.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 193), together with its preamble, is as follows:

Whereas the National Association for the Advancement of Colored People is the oldest civil rights organization in the United States, predominantly concerned with the advancement of people of all races;

Whereas the National Association for the Advancement of Colored People has always stood for the principles upon which this great Nation was founded, such as liberty, equality and the pursuit of happiness for all Americans;

Whereas the National Association for the Advancement of Colored People has always pursued its goal of attaining the above principles for all Americans through its utilization of the legal system; and

Whereas the National Association for the Advancement of Colored People has been instrumental in the enactment of major legislation for the advancement of civil rights for all Americans: Now, therefore, be it

Resolved, That the Senate shall note Friday, June 29, 1979 as a day of recognition for the National Association for the Advancement of Colored People.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:48 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 984. An act to provide the Secretary of Agriculture with authority to reduce marketing penalties for peanuts.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

The message also announced that the House disagrees to the amendments of the Senate to H.R. 4289, an act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WHITTEN, Mr. BOLAND, Mr. NATCHER, Mr. STEED, Mr. SLACK, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LONG of Maryland, Mr. YATES, Mr. BEVILL, Mr. DUNCAN of Oregon, Mr. CHARLES WILSON of Texas, Mr. BENJAMIN, Mr. CONTE, Mr. MICHEL, Mr. MCDADE, Mr. ANDREWS of North Dakota, Mr. EDWARDS of Alabama, and Mr. MCEWEN were appointed managers of the conference on the part of the House.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 153. A concurrent resolution providing for an adjournment of the House from June 29 to July 9, 1979, and a recess of the Senate from June 27 to July 9, 1979.

At 5:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the bill (S. 237) to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes, with an amendment; that the House insists upon its amendment and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. KASTENMEIER, Mr. DANIELSON, Mr. MAZZOLI, Mr. GUDGER, Mr. MATSUI, Mr. MIKVA, Mr. RAILSBACK, Mr. MOORHEAD of California, and Mr. SAWYER were appointed managers of the conference on the part of the House.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 27, 1979, he presented to the President of the United States the following enrolled bill:

S. 984. An act to provide the Secretary of Agriculture with authority to reduce marketing penalties for peanuts.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1663. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Agriculture's Statistics Agency—Computation of Average Market Price of Rice Questioned—Independent Evaluation and Unimpeded GAO Access to Records Needed"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1664. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the use of certain funds appropriated under the Department of Defense Appropriation Act, 1979 and the Military Construction Appropriations Act, 1979; to the Committee on Appropriations.

EC-1665. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Multinational F-16 Aircraft Program: Its Progress and Concerns; to the Committee on Armed Services.

EC-1666. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles to cost in excess of $25 million; to the Committee on Armed Services.

EC-1667. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the eighth annual report of the Securities Investor Protection Corporation for calendar year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-1668. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the Maritime Administration for fiscal year 1978; to the Committee on Commerce, Science, and Transportation.

EC-1669. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Issues Facing the Future of Federal Coal Leasing"; to the Committee on Energy and Natural Resources.

EC-1670. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports on (1) petroleum market shares: report on sales of refined petroleum products; and (2) petroleum market shares: report on sales of retail gasoline; to the Committee on Energy and Natural Resources.

EC-1671. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to amend Sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (P.L. 95-87), and to provide a seven-month extension for the submission and approval of State programs or the implementation of a Federal program; to the Committee on Energy and Natural Resources.

EC-1672. A communication from the Secretary of the Interior, transmitting, pursuant to law, a copy of the document "Report to the Congress, Teton Dam Claims Program, Public Law 94-400" for the period ending December 31, 1978; to the Committee on Energy and Natural Resources.

EC-1673. A communication from the Secretary of the Interior, transmitting, Pursuant to law, the determination of the Department of the Interior in the application of Chevron U.S.A. for repayment of excess royalties for certain federal oil leases; to the Committee on Energy and Natural Resources.

EC-1674. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for alterations at the U.S. Courthouse, 312 Spring Street, Los Angeles, California; to the Committee on Environment and Public Works.

EC-1675. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the statistical appendix to the Annual Report of the Secretary of the Treasury on the State of the Finances, Fiscal Year 1979; to the Committee on Finance.

EC-1676. A communication from the Chairman of the Agricultural Technical Advisory Committee for Trade Negotiations on Poultry and Eggs, Poultry and Egg Institute of America, transmitting, pursuant to law, the report of the Committee on trade agreements negotiated under the Trade Act of 1974; to the Committee on Finance.

EC-1677. A communication from the Chairman of the Agricultural Technical Advisory Committee for Trade Negotiations on Livestock and Livestock Products, transmitting, pursuant to law, the report of the Committee on the Multilateral Trade Negotiations agreements initiated in Geneva on April 12, 1979; to the Committee on Finance.

EC-1678. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the follow-up report on the recommendations of the Presidential Advisory Committee on the Report of the Board of Visitors to the United States Naval Academy, September 9-10, 1977; to the Committee on Governmental Affairs.

EC-1679. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the follow-up report on the recommendations of the Presidential Advisory Committee on the Report of the Board of Visitors to the United States Military Academy, November 29, 1977; to the Committee on Governmental Affairs.

EC-1680. A communication from the Assistant Secretary of Transportation for Administration, transmitting, pursuant to law, a report on a new system of records for the Research and Special Programs Administration, under the Privacy Act; to the Committee on Governmental Affairs.

EC-1681. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Seed Money: More Careful Selection and Application Needed"; to the Committee on Governmental Affairs.

EC-1682. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of the reports of the General Accounting Office for the month of May 1979; to the Committee on Governmental Affairs.

EC-1683. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a report summarizing and analyzing the reports submitted by executive agencies showing the amount of personal property furnished to non-Federal recipients; to the Committee on Governmental Affairs.

EC-1684. A communication from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, a report on the proposed use of judgement funds awarded to the Prairie Band of the Potawatomi Indians by the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC-1685. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report concerning pre-processing petitions submitted in behalf of foreign born orphans; to the Committee on the Judiciary.

EC-1686. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, pursuant to law, a copy of the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C. on March 7-9, 1979; to the Committee on the Judiciary.

EC-1687. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Better Regulation of Pesticide Exports and Pesticide Residues in Imported Food Is Essential"; to the Committee on Labor and Human Resources.

EC-1688. A communication from the General Counsel of the United States General Accounting Office, transmitting, pursuant to law, a report on the status of budget authority that was proposed, but rejected, for deferral for all of fiscal year 1979; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations and the Committee on the Budget.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-323. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Governmental Affairs:

"House Joint Resolution No. 44

"Whereas, The federal government of the United States, by action of both the Legislative branch and the Executive branch, requires the states to implement new programs and provide increased levels of service under existing programs; and

"Whereas, In order to implement new programs and provide increased levels of service as required by the federal government, the states must incur significant costs which must be paid for out of state revenues, existing or to be raised by the imposition of additional taxes; and

"Whereas, There exists, throughout the United States, a growing resentment of the heavy burden of taxation and an active rejection of existing and proposed levels and methods of revenue raising; and

"Whereas, The public outcry against taxation makes it increasingly difficult for the states to raise the revenues necessary to finance the programs and services which the states are required to provide by the federal government; and

"Whereas, It is a matter of simple equity that a level of government which establishes programs of services in the public interest should provide the means for financing those programs and services; now, therefore, be it

"Resolved, by the House of Representatives of the Eighty-first General Assembly of the State of Illinois, the Senate concurring herein, That the Legislature of the State of Illinois respectfully memorializes the President and the Congress of the United States to undertake such actions as may be necessary to ensure that the federal government reimburse each state for all costs incurred with respect to implementing new programs or providing increased levels of service under existing programs pursuant to any law enacted by the United States Congress after January 1, 1980, or any executive order or regulation issued by the President of the United States after January 1, 1980; and, be it further

"Resolved, That the Chief Clerk of the House transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from Illinois in the Congress of the United States."

POM-324. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION No. 32

"Whereas, Israel and Egypt have ended 30 years of hostility, signed a peace treaty, and embarked upon a new and peaceful relationship; and

"Whereas, Both nations have taken exceptional risks and burdens upon themselves in order to implement the peace agreement; and

"Whereas, The Israeli-Egyptian Treaty serves the American national interest by promoting peace and stability in the Middle East; and

"Whereas, United States economic assistance for Egypt will serve to improve the standard of living of her people and thereby help to stabilize the region; and

"Whereas, The peoples of both nations have borne the cost of defense and now carry a heavy burden to assure the peace; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress to provide economic assistance to both Israel and Egypt in the understanding that such aid will represent a prudent and essential investment in the cause of peace; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-325. A resolution adopted by the Legislature of the State of Michigan; to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to order of January 30, 1975:

"HOUSE RESOLUTION No. 158

"Whereas, Funds used to support such programs as the Cooperative Extension Service and Agricultural Experiment Stations are of vital importance in promoting and implementing new techniques in agriculture. Indeed, the advanced agricultural progress and production in the United States has been an integral part of this country's success and strength; and

"Whereas, These funds are utilized to train agricultural specialists who work towards creating more efficient methods of production. Concepts such as soil and energy conservation and new techniques for increasing yields are developed and then passed on to the farmer through the Cooperative Extension Service. Research funds are needed to relieve agriculture's heavy dependence on petroleum products and have already provided substantial returns on all investments made; and

"Whereas, In recent years, the cost burden for maintaining the Cooperative Extension Service and Agricultural Experiment Stations has become more and more the responsibility of local governments while the federal government's support has diminished. In addition, the President of the United States has recommended even more cuts in agricultural funds for Fiscal Year 1980, which will ultimately affect both farmer and consumer; and

"Whereas, The proposed cuts will severely jeopardize the continuation of these most worthy programs which have been so successful in promoting a more efficient agriculture through State and federal cooperation.

It is clearly not in the best interests of the State of Michigan or the nation to further the deterioration of these valuable public services; now, therefore, be it

"Resolved by the House of Representatives, That the United States Congress be memorialized to reject President Carter's proposed budget cuts for teaching, research, and education programs in agriculture, and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the Michigan Congressional Delegation."

POM-326. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Labor and Human Resources:

"RESOLUTION NO. 117

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the declared policy of the Economic Opportunity Act of 1964 is to eliminate the paradox of poverty in the midst of plenty by opening to everyone the opportunity for education and training, the opportunity to work and the opportunity to live in decency and dignity; and

"Whereas, the Federation of Guamanian Associations in California along with the Hawaiian and Samoan communities have formed an association entitled the Native American Pacific Islanders for the specific purpose of addressing the needs and problems of Guamanians, Hawaiians and Samoans residing in the continental United States; and

"Whereas, the Native American Pacific Islander Association has found that the Economic Opportunity Act of 1964 has no provision for rendering financial assistance to public and nonprofit private agencies dealing exclusively with the Guamanian, Hawaiian and Samoan communities in the continental United States in carrying out projects pertaining to the purposes of the Economic Opportunity Act; and

"Whereas, other Pacific communities in the United States mainland such as Chinese, Japanese, Filipinos and Koreans are entitled to federal assistance in assisting the membership of their respective communities become assimilated into the economic mainstream of the United States; and

"Whereas, Native American Pacific Islander estimates that the total Guamanian population in California alone totals 50,000 and that there are approximately 189,000 Samoans and 250,000 Hawaiians residing in California as well; and

"Whereas, Native American Pacific Islander desires and deems it a necessity that its membership be given equal parity with other Asian communities residing in the continental United States under the provisions of the Economic Opportunity Act of 1964 so that its respective communities can also obtain federal financial assistance to facilitate a viable integration of Guamanians, Hawaiians and Samoans into the economic mainstream of America; and

"Whereas, the Fifteenth Guam Legislature supports the Native American Pacific Islander's quest to have the coverage of the Economic Opportunity Act be specifically extended to the Guamanian, Hawaiian and Samoan communities residing in the continental United States; and

"Whereas, the Fifteenth Guam Legislature commends the Native American Pacific Islanders Association for its laudable efforts to secure full economic opportunities for the Association's people; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature recognizes the necessity and benefit which will accrue to the membership communities represented in the Native American Pacific Islander Association if the provisions of the Economic Opportunity Act of 1964 are specifically extended to them; and be it further

"Resolved, that the Fifteenth Guam Legislature calls upon the Congress of the United States of America to enact into law the necessary legislation to extend the coverage of the Economic Opportunity Act specifically to the membership communities of the Native American Pacific Islander Association; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, House of Representatives; to the Vice-President of the United States; to the President Pro Tempore of the Senate; to the President of the United States; to Representative Phillip Burton; to Representative Norman Y. Mineta; to Representative A. B. Won Pat; to Chairman, U.S. Civil Rights Commission; to the President, Federation of Guamanian Associations of America; to the President, Native American Pacific Islanders; and to the Governor of Guam."

POM-327. A resolution adopted by the New York Conference of Mayors and Municipal Employees, Albany, New York, relating to the continuance of sewage treatment plant construction grants; to the Committee on Environment and Public Works.

POM-328. A resolution adopted by the City Council of the City of Camarillo, California, regarding construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

POM-329. A resolution adopted by the Board of Directors of the Camarillo Sanitary District, Camarillo, California, regarding construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

POM-330. A petition from a private citizen, relating to abrogation of trade practice of compulsory delivered pricing (involving seller-shipper use of regulated-transportation services); to the Committee on Commerce, Science, and Transporation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, without amendment:

S. Res. 169. A resolution relating to the report by the Secretary of Health, Education, and Welfare with respect to home health and other income services (Rept. No. 96-233).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to the authority of the order of June 26, 1979, the following executive reports of committees were submitted during the recess, on June 26:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Rowland G. Freeman III, to be Administrator of General Services (Ex. Rept. No. 96-10).

Ruth T. Prokop, of the District of Columbia, to be a Member of the Merit Systems Protection Board; and

Ruth T. Prokop, of the District of Columbia, to be Chairman of the Merit Systems Protection Board, to which office she was appointed during the last recess of the Senate (Ex. Rept. No. 96-11).

(The above nominations from the Committee on Governmental Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

JOINT REFERRAL—S. 932

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the House amendments to S. 932 are received by the Senate, that they be jointly referred to the Committee on Energy and Natural Resources and the Committee on Banking, Housing, and Urban Affairs.

Mr. BAKER. Mr. President, reserving the right to object, do I understand that the majority leader asked that the bill——

Mr. ROBERT C. BYRD. That when the House amendments to S. 932 are received.

Mr. BAKER. That the amendments be referred?

Mr. JACKSON. That is right.

Mr. BAKER. Jointly?

Mr. JACKSON. That is correct.

Mr. BAKER. Mr. President, I understand that is cleared on our side.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR JOINT REFERRAL—S. 1377

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Washington (Mr. JACKSON), I ask unanimous consent that S. 1377, the Synthetic Fuels and Alternate Fuels Production Authority Act, be referred jointly to the Committee on Energy and Natural Resources, the Committee on Banking, and the Committee on Governmental Affairs, with the Committee on Governmental Affairs limiting its consideration to titles II, V, VI, VIII, and IX.

This has been approved by Senators JACKSON, RIBICOFF, and PROXMIRE.

Mr. BAKER. Mr. President, reserving the right to object, it is cleared on our side. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter with respect to this same request addressed to Mr. JACKSON and signed by Messrs. RIBICOFF, GLENN, and PERCY.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 27, 1979.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: We very much appreciate your assistance in working out unanimous consent for referral on S. 1377, the Synthetic Fuels Production Authority legislation, recognizing that the predominance of the matter is within the Energy and Natural Resources Committee's jurisdiction.

It is understood that there is no intention that this action constitutes a precedent for referral of other legislation dealing with the expedited energy project concept.

With all best wishes.

Sincerely,

Abe Ribicoff,
John Glenn,
Charles H. Percy.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEPSEN:

S. 1418. A bill to amend title II of the Social Security Act to provide that deductions from benefits on account of excess earnings shall not be applicable in the case of social security beneficiaries who have attained age 65; to the Committee on Finance.

By Mr. RIBICOFF (by request):

S. 1419. A bill to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the United States Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATFIELD (for himself, Mr. Jackson, Mr. Church, Mr. McClure, Mr. Melcher, Mr. Domenici, Mr. Wallop, and Mr. Cranston):

S. 1420. A bill to authorize the Secretary of the Interior to construct, operate and maintain hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1421. A bill to authorize the Secretary of the Interior to engage in feasibility studies of various potential hydroelectric power projects; to the Committee on Energy and Natural Resources.

By Mr. LEAHY (for himself and Mr. Stafford):

S. 1422. A bill to provide for the protection of distributors and retailers of refined petroleum products from the unilateral business actions taken without prior notice; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 1423. A bill to amend Public Law 94-484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates; to the Committee on Labor and Human Resources.

By Mr. JAVITS (for himself, Mr. Kennedy, and Mr. Bradley):

S. 1424. A bill to amend the Foreign Assistance Act and the Public Health Service Act to provide for the advancement of international cooperation and assistance in health, and for other purposes; to the Committee on Foreign Relations, the Committee on Labor and Human Resources, and the Committee on Governmental Affairs, jointly, by unanimous consent, and that when the bill is ordered reported by any committee, the remaining two committees shall have 60 days within which to act.

By Mr. RANDOLPH:

S. 1425. A bill to amend title 39 of the United States Code to reduce postal rates for small newspapers and magazines, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DOLE:

S. 1426. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to enlisted members of the Armed Forces not entitled to severance pay on their involuntary release from the Armed Forces, and for other purposes; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. Hayakawa, and Mr. Goldwater):

S. 1427. A bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 1428. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who art participants in employer pension plans a deduction for their contributions to such plans or for their contributions to individual retirement savings plans; to the Committee on Finance.

By Mr. PELL:

S. 1429. A bill to extend the Museum Services Act for two years, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DOLE:

S. 1430. A bill to extend and improve title V of the Social Security Act; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. Hart, and Mr. Warner):

S. 1431. A bill to authorize the Secretary of the Interior to establish a war memorial in honor of the men and women who dedicated their strength and efforts to the service of their country during the Vietnam conflict; to the Committee on Energy and Natural Resources.

By Mr. STENNIS (for himself, Mr. Cochran, Mr. Young, Mr. Tower, and Mr. Bellmon):

S. 1432. A bill to establish interest rates on Small Business Administration disaster loans for disasters occurring between October 1, 1978, and October 1, 1982; to the Select Committee on Small Business.

By Mr. PACKWOOD:

S. 1433. A bill to amend the Federal Aviation Act of 1958 to require the Secretary of Transportation to designate experts in the field of aeronautics and aviation safety to participate in the aircraft type certification process, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BIDEN:

S. 1434. A bill to amend the Congressional Budget Act of 1974 to terminate certain existing entitlement authority and prohibit new entitlement authority, to terminate certain existing permanent budget authority and prohibit new permanent budget authority, to provide that new budget authority can be available for outlays only for a single fiscal year, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977, and that if one committee orders the bill reported, the other committee has 30 days in which to act.

By Mr. NELSON (for himself, Mr. Bentsen, Mr. Packwood, and Mr. Chafee):

S. 1435. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Finance.

By Mr. PELL:

S. 1436. A bill to amend title 44, United States Code, to provide for improved administration of public printing services and distribution of public documents; to the Committee on Rules and Administration.

By Mr. CULVER:

S. 1437. A bill for the relief of Carmichael C. Peters; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 1438. A bill to authorize the Secretary of Agriculture to lease real property, including office space, storage space and other building space, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CULVER (for himself and Mr. Stewart):

S. 1439. A bill to prohibit States from enforcing certain vehicle weight and length limitations on the National System of Interstate and Defense Highways during the current period of fuel shortages; to the Committee on Environment and Public Works.

By Mr. MELCHER (for himself, Mr. McGovern, Mr. Pressler, Mr. Burdick, Mr. Morgan, and Mr. Exon):

S. 1440. A bill to enable the Secretary of Energy to utilize revenues from power marketing, to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DURKIN:

S. 1441. A bill to prohibit export of Alaska oil; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATFIELD:

S. 1442. A bill to authorize the documentation of the vessel, Sara, as a vessel of the United States with coastwise privileges; to the Committee on Commerce, Science, and Transportation.

By Mr. DURKIN:

S. 1443. A bill to provide for State veto of nuclear waste storage; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself, Mr. Long, Mr. Kennedy, Mr. Dole, Mr. Bentsen, and Mr. Bradley):

S. 1444. A bill to amend the Internal Revenue Code of 1954 and title 28 of the United States Code to provide for the award of reasonable court costs, including attorney's fees, to prevailing parties in civil tax actions, and for other purposes; to the Committee on Finance, and if and when reported, to the Committee on the Judiciary to consider title II for not to exceed 45 days.

By Mr. DURKIN:

S. 1445. A bill to amend the Act of August 9, 1950, as amended (16 U.S.C. 777c), relating to Federal aid in connection with fish restoration; to the Committee on Environment and Public Works.

S. 1446. A bill to reserve funds for medium, small, and non-hub airports; to the Committee on Commerce, Science, and Transportation.

S. 1447. A bill to require the President to impose mandatory price and allocation controls on middle distillate fuels, to provide that removal of such controls be subject to congressional review, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEPSEN:

S. 1418. A bill to amend title II of the Social Security Act to provide that deductions from benefits on account of excess earnings shall not be applicable in the case of social security beneficiaries who have attained age 65; to the Committee on Finance.

(The remarks of Mr. Jepsen when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. RIBICOFF (by request):

S. 1419. A bill to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes; to the Committee on Governmental Affairs.

● Mr. RIBICOFF. Mr. President, at the request of the administration, I am introducing a bill to transfer and abolish several small agencies and commissions. The bill will transfer the Foreign Claims Settlement Commission to the Department of Justice and it will abolish three obsolete agencies. These agencies are: The Annual Assay Commission; U.S. Marine Corps Memorial Commission; and the Low Emission Vehicle Certification Board.

I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection the text of the bill and a section-by-section analysis was ordered to be printed in the RECORD, as follows:

S. 1419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the purposes of this Act are as follows:

SEC. 101. The Foreign Claims Settlement Commission of the United States, established under Reorganization Plan No. 1 of 1954, is hereby transferred to the Department of Justice as a separate agency within that Department.

SEC. 102. All functions, powers and duties of the Foreign Claims Settlement Commission established by Reorganization Plan No. 1 of 1954 are hereby transferred with the Commission, together with personnel, assets, liabilities, unexpended balances of appropriations, authorizations, allocations and other funds held, used, available or to be made available in connection with the statutory functions of the Commission. The Commission shall continue to perform its functions as provided by the War Claims Act of 1948, as amended, the International Claims Settlement Act of 1949, as amended, and Reorganization Plan No. 1 of 1954.

SEC. 103. (a) The Commission shall be composed of a Chairman and two members. The Chairman shall be appointed by the President by and with the advice and consent of the Senate, to serve on a full-time basis for a term of three years, and compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) The other Members of the Commission shall be appointed by the President by and with the advice and consent of the Senate and serve on a part-time basis, and be compensated on a per diem basis at a rate of compensation equivalent to the daily rate of level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day that such member is employed in the actual performance of official business of the Commission as may be directed by the Chairman. Each member shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 for persons in Government service employed intermittently.

(c) The terms of Office of the Chairman and members of the Commission shall be for three years, except the Chairman and members first appointed after the enactment of this subsection shall be appointed to terms ending respectively September 30, 1982, September 30, 1981, and September 30, 1980. The incumbent of any such office may continue to serve until a successor takes office.

(d) Notwithstanding the provisions of subsections (a), (b) and (c) of this section, members of the Foreign Claims Settlement Commission who are serving on the effective date of this Act, shall continue to serve in their same capacities until the expiration of the terms to which they were appointed.

SEC. 104. The Commission is authorized, in accordance with civil service laws and in accordance with title 5 of the United States Code, to appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. The Commission is authorized to employ experts and consultants in accordance with section 3109 of title 5 of the United States Code, without compensation or at rates of compensation not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5 of the United States Code. Notwithstanding any other provision of law, the Commission is further authorized to employ nationals of other countries who may possess special knowledge, languages, or other expertise necessary to assist the Commission. The Commission is authorized to pay expenses of packing, shipping, and storing personal effects of personnel of the Commission assigned abroad, and to pay allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946, as amended. The Commission is authorized, with the consent of the head of any other department or agency of the Federal Government, to utilize the facilities and services of such department or agency in carrying out the functions of the Commission. Officers and employees of any department and agency of the Federal Government may, with the consent of the head of such department or agency, be assigned to assist the Commission in carrying out its functions. The Commission shall reimburse such department and agency for the pay of such officers or employees.

SEC. 105. All functions, powers and duties not directly related to adjudicating claims are hereby vested in the Chairman, including the functions set forth in section 3 of Reorganization Plan No. 1 of 1954 and the authority to issue rules and regulations.

SEC. 106. The Attorney General shall provide necessary administrative support and services to the Commission. The Chairman shall prepare the budget requests, authorization documents, and legislative proposals for the Commission within the procedures established by the Department of Justice, and the Attorney General shall submit these items to the Director of the Office of Management and Budget as proposed by the Chairman.

SEC. 107. Nothing in this Act shall be construed to diminish the independence of the Commission in making its determinations on claims in programs that it is authorized to administer pursuant to the powers and responsibilities conferred upon the Commission by the War Claims Act of 1948, as amended, the International Claims Settlement Act of 1949, as amended, and Reorganization Plan No. 1 of 1954. The decisions of the Commission with respect to claims shall be final and conclusive on all questions of law and fact, and shall not be subject to review by the Attorney General or any other official of the United States or by any court by mandamus or otherwise.

SEC. 108. Subsection 2(d) of the War Claims Act of 1948, as amended by section 104 of the Act of October 22, 1962 (76 Stat. 1107), is hereby repealed.

TITLE II—ANNUAL ASSAY COMMISSION

The Annual Assay Commission, and the positions of Assay Commissioners established by Section 3547 of the Revised Statutes of the United States (31 U.S.C. 363), as amended, are hereby abolished. The functions of that Commission and of the Assay Commissioners are hereby transferred to the Secretary of the Treasury.

TITLE III—UNITED STATES MARINE CORPS MEMORIAL COMMISSION

The United States Marine Corps Memorial Commission, established by Act of August 4, 1947, 61 Stat 724, is hereby abolished.

TITLE IV—THE LOW EMISSION VEHICLE CERTIFICATION BOARD

The Low Emission Vehicle Certification Board established by Act of December 31, 1970, 84 Stat 1700, 42 U.S.C. 1857–6e, is hereby abolished.

TITLE V—DETERMINATION ORDER

The Director of the Office of Management and Budget is authorized and directed to make such determinations as may be necessary with regard to the transfer of functions, powers and duties pursuant to this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, property, records and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to or to be made available in connection with the functions transferred by this Act, as the Director may deem necessary to accomplish the purposes of this Act. The Director is further authorized and directed to provide for terminating the affairs of each agency, board or commission abolished by this Act.

TITLE VI

This Act shall take effect on October 1, 1979.

SECTION-BY-SECTION ANALYSIS

TITLE I—FOREIGN CLAIMS SETTLEMENT COMMISSION

Section 101. The Foreign Claims Settlement Commission is transferred to the Department of Justice as a separate agency within that Department.

Section 102. All functions, powers and duties of the Foreign Claims Settlement Commission are transferred with the Commission.

Section 103. The Commission continues to be composed of three Commissioners appointed for three-year terms and compensated at a rate provided for level V. The President appoints Commissioners with the advice and consent of the Senate. This Section changes:

Presidential designation of a Chairman to appointment of a Chairman to a three-year term with the advice and consent of the Senate.

Appointment of two full-time Commissioners to a part-time basis and provides for their compensation on a per diem basis at a daily rate equivalent to that provided for level V appointments.

The Chairman and members appointed after the enactment of this subsection would be appointed to terms ending respectively September 30, 1982, September 30, 1981, and September 30, 1980.

Commission members who are presently serving shall continue to serve in the same capacity until the expiration of the terms to which they were appointed.

Section 104. The Commission is presently authorized in appropriation language and by other laws to:

Appoint and fix the compensation of officers and employees;

Employ experts and consultants;

Employ foreign nationals who may possess special knowledge, languages, or offer other expertise;

Pay expenses of packing, shipping, and storing personal effects of commission personnel assigned abroad;

Pay allowances and benefits authorized by Title IX of the Foreign Service Act of 1946;

Utilize facilities and services of other departments and agencies;

With the consent of the head of a Department or agency, the Commision may utilize personnel of other Departments or agencies on a reimbursable basis.

Section 105. All functions, powers, and duties not directly related to adjudicating claims are vested in the Chairman.

Section 106. Requires the Attorney General to provide administrative and support services to the Commission.

The Chairman will prepare budget requests, authorization documents, and legislative proposals within Departmental procedures for submission to OMB by the Attorney General.

Section 107. The ability of the Commission to make independent determinations on claims is preserved;

Decisions of the Commission with respect to claims continues to be final and conclusive on all questions of law and fact and are not subject to review by the Attorney General or court.

Section 108. Subsection 2(d) of the War Claims Act which provided that the Commission shall wind up its affairs within three years of the expiration of claims, and Section 104 of the Act of October 22, 1962, which staggered the terms of members are repealed.

TITLE II—ANNUAL ASSAY COMMISSION

The Annual Assay Commission and the positions of Assay Commissioners are abolished. The functions of Assay Commissioners are transferred to the Secretary of the Treasury.

TITLE III—UNITED STATES MARINE CORPS MEMORIAL COMMISSION

The United States Marine Corps Memorial Commission, established by P.L. 80–327, is abolished.

TITLE IV—THE LOW EMISSION VEHICLE CERTIFICATION BOARD

The Low Emission Vehicle Certification Board, established by 42 U.S.C. 1857f-6e is abolished.

TITLE V—DETERMINATION ORDER

The Director of the Office of Management and Budget is authorized and directed to make determination orders, incidental dispositions, and to terminate the affairs of agencies abolished.

TITLE VI

The effective date October 1, 1979.●

By Mr. HATFIELD (for himself, Mr. Jackson, Mr. Church, Mr. McClure, Mr. Melcher, Mr. Domenici, Mr. Wallop, and Mr. Cranston):

S. 1420. A bill to authorize the Secretary of the Interior to construct, operate and maintain hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1421. A bill to authorize the Secretary of the Interior to engage in feasibility studies of various potential hydroelectric power projects; to the Committee on Energy and Natural Resources.

WESTERN HYDROELECTRIC POWER EXPANSION ACT OF 1979

● Mr. HATFIELD. Mr. President, I am joined today in introducing two bills to advance the production of hydroelectric power in the West by the distinguished Senators from Washington (Mr. Jackson), Idaho (Mr. Church) and (Mr. McClure), Montana (Mr. Melcher), Wyoming (Mr. Wallop), New Mexico (Mr. Domenici), and California (Mr. Cranston).

The rapid increases in the cost of energy derived from oil is forcing this Nation to continue searching for alternative energy resources and to expand the capabilities of our conventional and existing energy resources. I think it is essential that we develop the alternatives despite the many years it will take to develop the more complicated of the technologies involved. In the meantime, however, there are numerous opportunities in the Western United States to develop additional hydroelectric power in the very near term at existing Bureau of Reclamation projects. This additional power would help relieve the energy supply problem facing the Nation today.

The report on the western energy expansion study by the Bureau of Reclamation identified a significant number of potential sites and commented as to their suitability based on available information. One of the bills I am introducing today would authorize the Secretary of the Interior to undertake the construction of a select number of the projects identified specifically, those for which detailed feasibility reports have been prepared, and for which the economic analyses show good rates of return on the Federal investment. No new storage or reregulating structures would be required in order to produce electricity at these projects.

Briefly, the bill authorizes the construction of additional hydroelectric facilities at twelve reclamation projects and the replacement of an existing turbine generator with a larger unit at a 13th site. The 13 projects would represent a new rated capacity of approximately 536 megawatts. The measure authorizes $530,255,000.00 for construction costs, or about $990 per kilowatt of installed capacity, which is very competitive at current energy prices. The taxpayers' investment in these projects would be prepaid, with interest, by the ratepayers of the area served by the power.

The other bill I am introducing today would authorize and direct the Secretary of the Interior to conduct feasibility studies of eleven potential hydroelectric power projects, also at existing reclamation sites. All of these projects were considered and favorably recommended by the Bureau of Reclamation's western energy expansion study.

Mr. President, I would like to indicate my appreciation for the work of Mr. Sam Guy, of the Bureau of Reclamation's Denver Engineering Center, who assisted the committee during preparation of this legislation while he was detailed to the Bureau's Washington offices. His knowledge of the program, his conscientiousness and his excellent work made the development of this legislation a pleasure. I and my colleagues who will cosponsor or support these bills owe him our thanks.

Mr. President, I ask unanimous consent that a brief description of each of the projects to be authorized for construction be included in the Record at this point, together with the text of the bills.

There being no objection, the bills and material were ordered to be printed in the Record, as follows:

S. 1420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting pursuant to the Federal Reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto) is authorized to construct, operate, and maintain hydro-electric powerplants at existing reclamation project facilities at locations and in the approximate capacities set forth in section 3 of this Act. In carrying out the purposes of this Act, the Secretary of the Interior is authorized to modify the capacity of the powerplant as determined to be necessary and desirable during postauthorization study and design, and after consultation with the Secretary of Energy.

Sec. 2. The Secretary of Energy is authorized to construct, operate, and maintain transmission facilities as required physically to connect the hydroelectric powerplants authorized by section 3 of this Act to existing power systems as he determines necessary to accomplish distribution and marketing of power generated pursuant to this Act.

Sec. 3(a). Friant powerplant unit, Central Valley project, California, consisting of:

(1) a turbine generator unit of two thousand seven hundred kilowatts on the river outlet from Friant Dam;

(2) a turbine generator unit of five thousand kilowatts, on the outlet to the Madera Canal at Friant Dam; and

(3) a turbine generator unit of fifteen thousand kilowatts, on the outlet of the Friant-Kern Canal at Friant Dam.

(b) Whiskeytown powerplant unit, Central Valley project, California, consisting of a turbine generator unit of three thousand kilowatts, one the outlet works of Whiskeytown Dam.

(c) Canyon Ferry powerplant enlargement, Pick-Sloan Missouri Basin program, Montana, consisting of a turbine generator unit of ninety thousand kilowatts, on the outlet works of Canyon Ferry Dam.

(d) Yellowtail Afterbay powerplant unit, Pick-Sloan Missouri Basin program, Montana, consisting of a turbine generator unit of ten thousand kilowatts, on the outlet works of Yellowtail Afterbay Dam.

(e) Colorado-Big Thompsan powerplant unit, Colorado, consisting of two pump-turbine units of fifty-four thousand kilowatts each, located in Chimney Hollow and related facilities to connect Pinewood Lake and Carter Lake.

(f) Hoover Dam outlet works powerplant, Arizona and Nevada, consisting of a turbine generator unit of two hundred thousand kilowatts, on the river outlet at Hoover Dam.

(g) Buffalo Bill Dam powerplant replacement, shoshone, Wyoming, consisting of a turbine generator unit of twenty thousand kilowatts, in replacement of an existing unit of five thousand kilowatts at Buffalo Bill Dam.

(h) Red Bluff powerplant unit, Central Valley project, California, consisting of three turbine generator units of five thousand kilowatts each, at Red Bluff Diversion Dam.

(i) Stoney George powerplant unit, Orland Project, California, consisting of a turbine generator of three thousand kilowatts, on the outlet works of Stony Gorge Dam.

(j) Monticello powerplant unit, Solano project, California, consisting of a turbine generator unit of sixteen thousand kilowatts, on the outlet works of Monticello Dam.

(k) Boca powerplant unit, Truckee storage project, California-Nevada, consisting of a turbine generator unit of two thousand kilowatts, on the outlet works of Boca Dam.

(l) Prosser powerplant unit, Washoe project, California-Nevada, consisting of a turbine generator unit of one thousand kilowatts, on the outlet works of Prosser Dam.

(m) Blue Mesa powerplant, Colorado River Storage Project, Colorado, consisting of a turbine generator unit of fifty thousand kilowatts, on the outlet works of Blue Mesa Dam.

SEC. 4. (a) Hydroelectric power generated by facilities constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing through existing Federal hydroelectric power marketing systems in accordance with existing law and policy consistent with the provisions of this Act.

(b) The plants authorized by section 3 of this Act shall be financially integrated with and the power marketed under rate schedules in effect for the several systems as follows:

(1) Friant, Red Bluff, Whiskeytown, Stony Gorge, Monticello Powerplant units shall be marketed through the Central Valley project power system;

(2) Canyon Ferry powerplant enlargement, Yellowtail Afterbay powerplant unit, Buffalo Bill Dam powerplant replacement and Colorado-Big Thompson powerplant shall be marketed through the Western Division, Pick-Sloan program power system;

(3) Hoover Dam outlet works powerplant shall be marketed through the Boulder Canyon project power system;

(4) Boca powerplant and Prosser powerplant shall be marketed under arrangements to be made by the Secretary of Energy in accordance with authority set forth in § 4(a) of this Act; and

(5) Blue Mesa powerplant shall be marketed through the Colorado River Storage Project power system.

SEC. 5. Powerplants authorized by this Act shall be designed, constructed, and operated in such a manner as to be compatible with valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 6. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the facilities authorized by this Act shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the works authorized by each subsection of section 3 is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 7. There is hereby authorized to be appropriated to the Secretary of the Interior for construction of the work authorized by this Act the amounts set forth below on the basis of January 1979 price levels plus or minus such amounts as may be justified by reason of ordinary fluctuations of construction cost indexes applicable to the type of construction involved herein:

(1) Friant powerplant unit, $21,323,000.

(2) Whiskeytown powerplant unit, $2,843,000.

(3) Canyon Ferry powerplant enlargement, $104,411,000.

(4) Yellowtail Afterbay powerplant, $21,860,000.

(5) Colorado-Big Thompson powerplants unit, $163.856,000.

(6) Buffalo Bill Dam powerplant replacement, $21,342,000.

(7) Hoover Dam outlet works powerplant, $134,938.000.

(8) Red Bluff powerplant unit, $22,020,000.

(9) Stony Gorge powerplant unit, $2,160,000.

(10) Monticello powerplant unit, $9,396,000.

(11) Boca powerplant unit, $1,740,000.

(12) Prosser powerplant unit, $860,000.

(13) Blue Mesa Powerplant, $23,506,000.

There are also authorized to be appropriated such sums as may be required by the Secretary of Energy to accomplish the purposes of Section 2 of this Act.

S. 1421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Department of the Interior is authorized and directed to conduct feasibility studies of the following potential hydroelectric power projects:

(1) Black Canyon Dam Powerplant, Boise Project, Idaho.

(2) Cle Elum Dam and Tieton Dam Powerplants, Yakima Project, Washington.

(3) Hungry Horse Powerplant Enlargement and Reregulating Reservoir, Hungry Horse Project, Montana.

(4) Headgate Rock Powerplant, Arizona.

(5) Owyhee Dam Powerplant, Owyhee Project, Oregon.

(6) Potholes Canal Chute-Station 3480+45 powerplant, Columbia Basin Project, Washington.

(7) Wickiup Dam Powerplant, Deschutes Project, Oregon.

(8) Tiber Dam Powerplant, Montana.

(9) New Siphon Drop Powerplant, California.

(10) Green Mountain Afterbay, Colorado.

(11) Alcova Pumped-Storage Plant, Wyoming.

PROJECT AUTHORIZATIONS, OMNIBUS HYDROELECTRIC ACT OF 1977

Friant powerplant unit, Central Valley Project, California—The project would involve the installation of three powerplants with a total installed capacity of 22.7 megawatts. Installations would include the construction of a 2.7 megawatt powerplant on the San Joaquin River at the outlet to the River from Friant Dam, a 5 megawatt powerplant on the outlet from Friant Dam to the Madera Canal, and a 15 megawatt powerplant on the outlet from Friant Dam to the Friant-Kern Canal. One switchyard and six miles of transmission lines would be required. Authorized cost: $21,323,000.

Whiskeytown powerplant unit, Central Valley Project, California—The project would involve the installation of a 4 megawatt powerplant located at the outlet works of the Whiskeytown Dam on Clear Creek and the construction of a switchyard and five miles of transmission lines. Authorized cost: $2,843,000.

Canyon Ferry powerplant enlargement, Pick-Sloan Missouri Basin Program, Montana—The project would involve the installation of a 90 megawatt turbine generator at the outlet works of Canyon Ferry Dam. An enlarged switchyard and 85 miles of transmission lines would be required. Authorized cost: $104,411,000.

Yellowtail afterbay powerplant unit, Pick-Sloan Missouri Basin Program, Montana—The project would involve the installation of a 10 megawatt bulb turbine and powerplant in the existing Yellowtail Afterbay Dam about 2¼ miles below Yellowtail Dam. One mile of transmission line would be required to tie into the existing switchyard. Authorized cost: $21,860,000.

Colorado-Big Thompson powerplants unit, Colorado-Big Thompson Project, Colorado—the project would involve the installation of two 54 megawatt pump-turbine units located in Chimney Hollow and would utilize the existing Carter Lake and Pinewood Lake reclamation reservoirs. The pumped storage installation would require 16.000 feet of water supply facilities and 12 miles of transmission lines. Authorized cost: $163.856.000

Hoover Dam outlet works powerplant, Boulder Canyon Project Arizona-Nevada—The Project would involve the installation of a 200 megawatt turbine generator at the outlet works of Hoover Dam on the Colorado River. Authorized cost: $134,938,000.

Buffalo Bill Dam powerplant replacement, Shoshone Project, Wyoming—The Project would involve the replacement of an existing 5 megawatt turbine generator with a unit rated at 20 megawatts. Authorized cost: $21,342,000.

Red Bluff powerplant, Central Valley Project, California—The project would involve the installation of three 5 megawatt turbine generator units at Red Bluff Diversion Dam. Authorized cost: $22,020,000.

Stony Gorge powerplant, Orland Project, California—The project would involve the installation of one 3 megawatt turbine generator on the outlet works of Stony Gorge Dam. Authorized cost: $2,160,000.

Monticello powerplant, Solano Project, California—The project would involve installation of one 16 megawatt turbine generator on the outlet works of Monticello Dam. Authorized cost: $9,396,000.

Boca powerplant, Truckee storage project, California-Nevada—The project would involve one 2 megawatt turbine generator on the outlet works of Boca Dam. Authorized cost: $1,740,000.

Prosser powerplant, Washoe project, California—The project would involve one 1 megawatt turbine generator on the outlet works of Prosser Dam. Authorized cost: $860,000.

Blue Mesa powerplant, Colorado River Storage Project, Colorado—The project would involve a 50 megawatt turbine generator unit on the outlet works of Blue Mesa Dam. Authorized cost: $23,506,000.●

● **Mr. JACKSON.** Mr. President, I am pleased to join with the senior Senator from Oregon in introducing two measures which directly address the electric energy supply situation in the western United States.

As my colleagues are aware, in the 95th Congress, the late Senator Metcalf, then senior Senator from the State of Montana, introduced legislation to authorize the Secretary of the Interior to construct hydroelectric generating facilities at existing Bureau of Reclamation water resource projects in the Western States. In introducing his bill, Senator Metcalf pointed out that in our Nation's need to develop new sources of energy, "we must not overlook the more traditional resources, one of which has served the needs of man for thousands of years."

Of course, he was speaking of our waterpower resources and the words he spoke are even more valid today.

Mr. President, the two bills which I have joined in sponsoring can have a strong impact on the near term energy needs in the West. The first measure, would authorize the Secretary of the Interior to construct hydroelectric facilities at existing reclamation projects, the second measure would authorize feasibility investigations of the potential for additional hydroelectric generating capacity at other existing Bureau of Reclamation facilities. The information which the senior Senator from Oregon has supplied for the RECORD briefly describes those projects which would be authorized for construction and the text of the feasibility authorization bill specifies those projects which would be studied.

While I have not made up my mind as to the desirability of the specific projects which would be authorized, the bill provides a departure point for consideration of these proposals by the Congress.

Mr. President, right now, with today's technology, hydroelectric power is our only renewable energy resource that can have an appreciable impact on near term energy supplies. Hydroelectric power generation is a clean, renewable resource that already benefits millions of our citizens nationwide. This legislation will augment and continue this contribution.●

Mr. LEAHY (for himself and Mr. Stafford):

S. 1422. A bill to provide for the protection of distributors and retailers of refined petroleum products from the unilateral business actions taken without prior notice; to the Committee on Energy and Natural Resources.

PETROLEUM PRODUCTS MARKETING PRACTICES ACT OF 1979

Mr. LEAHY. Mr. President, I speak today with a very troubled mind and a worrisome sense of foreboding. My subject—or more directly, the crisis—is not a new one. It is home heating oil.

But this particular situation is a recent wrinkle in the mushrooming energy shortage. As the crisis grows more intense, it touches more facets of society, more layers of the economy. It manifests itself in different ways.

In this particular manifestation, major oil companies are withdrawing their distributorships from certain regions of the country, sometimes entire States, sometimes certain counties. These companies are shutting off their supply summarily, without adequate notice and without consideration to local supply and consumption dislocations.

The legislation Senator Stafford and I are proposing today would require major oil companies to give notice to their dealers and to the Governor of the State when they plan to pull out. It also requires the company to explain in some detail why the supply will cease.

Our reasons for introducing this legislation stem from an acute problem in our State and from a more general notion of the oil supply system. Two elements of the energy shortage strike me as controlling factors—availability and profitability. First of all, is the oil available? Second, is it profitable to sell the product?

Granted, we are subject to both variables. Each operates on our economy. Each factor has contributed to our current and omnipresent shortage. And granted the two elements are intertwined in determining how much oil is pumped at the well head, shipped at the port, hauled down the road, refined and sold to the consumer. I have no illusions that Mideast oil sheiks are going to produce more oil and drop their prices out of the goodness of their hearts. And I am not naive enough to think that our domestic oil companies will diminish their profits out of a sense of social responsibility.

But, Mr. President, there comes a time when the distinction between availability and profitability become stark. That is the point where the product—in this case home heating oil—is available, but it is not reaching the consumer because the profits derived from the sale are not high enough. This is happening right now in Vermont. I will not stand for it, nor will Senator Stafford. When a vital, absolute necessity such as home heating oil is withheld from the people who need it the most because the sale will not bring in sufficiently high profit, when home heating oil production drops because it brings relatively low returns, then it is time to step in and legislate some social responsibility.

When a product, in this case oil, becomes so intertwined in our society, new dimensions are added. When our transportation, industrial production, agricultural stability all depend on oil—more is involved. When our society has accepted or been forced to include petroleum products or components in every product from potato chip bags to ball point pens—more is involved.

The oil companies do have a social responsibility. It is a responsibility which extends beyond mere free enterprise motives. It is a responsibility of accountability, forthright honesty and equitable distribution of hardships. This responsibility, in this specific issue of availability of home heating oil means, at a minimum, and I stress the word minimum, that the people who have been told they can depend on specific companies for an adequate supply of home heating oil, must be told when and why that agreement is being broken by the companies. The companies cannot be allowed to hide behind their telephones and New York offices. They must come forward and justify their actions. The people have a right to know. Having ingrained themselves so completely and efficiently into the day-to-day routine of our American society, they cannot be permitted to operate as if there were no relationships with petroleum consumers nor any serious social, political, and economic consequences of the corporate decisions.

Mr. President, 5 years ago in Vermont's most populous county, surrounding its largest city, Burlington, there were a number of major oil companies supplying home heating oil. They competed for dealers. Their prices were also competitive. There was enough oil.

As we approach the winter of 1979, the game is entirely different. There is a worldwide oil shortage to start. But to compound this shortage, a number of major oil companies have pulled out of the Burlington area. In the past 2 years, Texaco, Gulf, and Shell have ceased supplying home heating fuel. Worried calls last month from Vermont energy officials told of one last company supplying a county of 100,000. And that company was threatening to pull out or drastically cut its allocation.

I cannot stress emphatically enough the danger inherent in this scenario. Remember which part of the country I am speaking of. This is Burlington, a town of 40,000 on the shores of Lake Champlain, where the winter sets in around November, where the temperatures drop to 40 below zero for weeks, where the wind blows off the lake all winter from the Adirondacks. And it's New England, the region of our country most dependent on home heating oil produced and refined outside its boundaries.

So when a home heating oil supplier pulls up stakes and takes his liquid gold elsewhere, that is trouble.

It is all right if a motorcycle dealer closes his doors because sales are so poor during the winter. It is a serious problem if low profits force a ski resort to shut down. We Vermonters can make do if a major department store pulls out of the State. We cannot make it without oil. I repeat, we cannot survive the winter.

The frustrating gasoline lines are a serious problem. Quite frankly, it pales my mind next to the consequences of inadequate home heating oil reaching New England and other cold climates next winter. The lines produce anger. The cold can mean, in a very literal sense, death.

I have heard DOE officials speak of their assurances that the cold climates will not be without home heating oil next winter. I have heard them say that those of us raising these questions and concerns are doomsayers who fail to appreciate their problems or commitments.

Quite frankly, I do not put much credence into their promises and commitments. If they bear any semblance to past commitments, they, along with 15 cents, will get you a cup of coffee—maybe.

The people in New England do not trust DOE and their promises, and neither do I.

In this regard, Mr. President, I ask unanimous consent to have printed in the Record a letter that Senator Stafford and I sent to the Secretary of Energy on June 15, asking the Department of Energy to answer in writing what kind of supply New England would have.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., June 15, 1979.

Hon. James R. Schlesinger,
Secretary of Energy,
Department of Energy,
Washington, D.C.

Dear Mr. Secretary: On June 11 we wrote to you about a specific home heating oil supply problem that involved one distributor in central Vermont. The underlining problem of supply commitments addressed in that letter has developed into a near crisis in Vermont with very serious implications for all Vermonters and the entire New England region. The critical impact of this problem demands swift and strong action by your department.

We are concerned about two crucial aspects of the home heating oil supply system in New England and especially Vermont.

First, we have noted your department's stated goal to have 240 million barrels of middle distillate oil in storage by October 1, 1979 for use over this coming winter. However, the more immediate crisis is whether these supplies will be shipped to retailers so that they in turn will be able to build their storage for the winter. We are concerned about this because supply contracts are not being renewed by major suppliers and because of the barge strike on the Hudson River, which is stopping oil shipping up through Lake Champlain. To remedy this potential crisis your department must begin immediately to monitor all the refineries to make sure that the approximate one million barrels of middle distillate is being refined and placed in storage daily. You also must require the supply contracts for middle distillates be renewed up and down the supply chain.

You should personally make clear to the heads of the major oil companies that your department is willing to use its mandatory authority, on a company by company basis if necessary, to insure contract renewal and storage up to 240 million barrels by October 1.

Second, there is a severe credit crisis developing in Vermont. Our dealers who deliver home heating oil to Vermont homes have told us that their suppliers are demanding cash on delivery for fuel oil they are able to obtain. The major suppliers of Vermont dealers are terminating the credit practices that have been developed over the past decade. Since the small dealers do not have large cash reserves they have no choice but to restrict credit to individual Vermonters. We are faced with a disastrous situation where low and middle income Vermonters, especially those who are not eligible for the emergency fuel assistance, will not be able to afford to pay cash on delivery for home heating oil.

We strongly recommend two courses of action. With regard to the supply of middle distillate, we urge you to obtain written assurances and schedules from the major oil companies to insure that 240 million barrels of fuel oil is in storage by October 1 and that supply contracts will be renewed by June 30 to provide a secure supply of home heating oil for Vermonters. If the major oil companies fail to comply to the request for written commitments on supplies and contract renewal, we, in the very strongest terms, urge you to promulgate regulations under Section 4 of the Emergency Petroleum Allocation Act (PL 93–159) to ensure that adequate supplies of home heating oil are available to Vermonters.

With regard to the credit problem, we request that the Department of Energy conduct an investigation of the credit practices of the major oil companies and any changes in practices which are causing the crisis in Vermont. The report on the investigation should trace the credit practices from the level of major supplier to refiner to distributer and down to the retail dealer. This problem demands immediate attention, as we mentioned earlier, because there are right now people in Vermont who cannot afford to pay cash for their home heating oil.

We request your immediate attention and response to our concerns for the health of Vermonters during this coming winter. We request that your response provide detailed storage schedules for the refiners and detailed delivery and gallonage schedules of home heating oil for Vermont.

Sincerely yours,
ROBERT T. STAFFORD,
U.S. Senator.
PATRICK J. LEAHY,
U.S. Senator.

Mr. LEAHY. Mr. President, the interesting thing about the letter is that even though there have been all kinds of oral assurances given to people in our part of the country, neither my distinguished colleague, Mr. STAFFORD, nor I have received a response to that letter. Neither of us has been able to get in writing what kind of assurances there are that we will have a supply, what kind of supply it will be, when it will arrive, and how much it will amount to.

Mr. President, the profit margins in every segment of our economy are being squeezed by inflation. Companies are looking for ways to cut expenses and maximize their profits, and this is the natural function of a free enterprise system. I imagine if I were an oil company executive, and I saw that profits were much smaller from selling oil after the long haul to New England as opposed to high prices culled from urban areas closer to refineries, I would try to cut away the less profitable routes.

I might sit in a boardroom in New York and decide to pull my distributorship from Vermont, Maine, and New Hampshire, for instance. I might place three calls and terminate three contracts and 2 weeks later the fuel oil supply system in those three States would face severe dislocations. But my profits would remain high and my stockholders would be content.

And, Mr. President, people in Vermont might suffer as a result of those three calls.

Well, Mr. President, I do not like this imaginary drama I just cooked up. I do not like it at all. I think those folks in New England deserve some protection from the situation developing right now, as I speak, in Vermont and the rest of New England. They deserve notice when a major supplier of home heating oil wants to leave the State. In addition to a healthy notice of at least 180 days during which the supply system can realine to absorb the change, they deserve sound economic reasons for the withdrawal of such a necessary fuel. They deserve accountability from the oil companies.

I introduced a bill last Congress that protected gasoline dealers from arbitrary changes in supply from major oil companies. The bill passed Congress and was signed into law last June. The bill I am proposing today will serve the same purpose with regard to home heating oil.

My bill will require a refiner or distributor of refined petroleum products, particularly heating oil, when he decides to cancel his previous supply contracts or commitments or when he decides to pull out of an area totally, that he notify his distributors or retailers well in advance of his action. He must also notify the Governor of the State of the pending action.

The notification is not only good business courtesy but the required 6 months lead time will also allow affected distributors or retailers adequate time to locate another supplier.

The decision to cancel the marketing relationship as well as to totally withdraw from the particular area must be based on more than just profitability criteria. That decision must be grounded on a wide range of business circumstances, and not on whether it is more lucrative to refine and distribute gasoline or diesel fuel over heating oil.

If a refiner or distributor fails to give the 6 months notice, the affected retailer may seek a judicial remedy. That remedy may be injunctive or equitable relief. It may also be in the form of monetary damages.

Whatever relief the court decides is equitable, whatever sanctions are placed on the offending party, this bill puts refiners and distributors on notice that they can no longer take the unilateral business actions that we are witnessing today. They can no longer, with that one phone call, decide to close down a heating oil retail outlet or decide that selling heating oil in central Vermont is less profitable than refining and selling other fuels in more temperate climates.

Administrative assurances of supplies are meaningless without the business enterprises to deliver those supplies. This bill recognizes the just prerogatives of business but it also recognizes the legitimate public interest.

This legislation is necessary. It is necessary in Vermont, New England, and throughout the country. It does not remove any corporate powers from the oil companies. It does, however, recognize that if the companies continue to refuse on a voluntary basis to acknowledge and meet their social responsibility to the people of this country, some of us in Congress are prepared to force them to do so.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1422

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "The Petroluem Products Marketing Practices Act of 1979".

DECLARATION OF POLICY

SEC. 2. Competition, nondiscriminatory practices, and equal access to supplies for all retailers and distributors are essential to the fair and efficient functioning of a free market economy. Middle distillates (including Number 2, home heating oil) and other refined petroleum products should be products distributed, and marketed in the manner most beneficial to the consumer. It is the policy of the Congress to assist consumers and marketers of refined petroleum products to achieve these goals.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "petroleum products marketing relationship" means any contractual or supply arrangement or commitment—

(ii) between a refiner and a retailer,

(iii) between a distributor and another distributor,

(iv) between a distributor and a retailer, under which a refiner or distributor (as the case may be) supplies a retailer with refined petroleum products, or by which a refiner supplies a distributor with refined petroleum products, if a petroleum products marketing relationship, as defined in this paragraph, was in effect between such retailer and such distributor (or such refiner), or between such distributor and such refiner in the corresponding month of the preceding year;

(2) "branded independent marketer" means a person who is engaged in the marketing or distributing of refined petroleum products, as that term is defined in section 1 of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 752);

(3) "nonbranded independent marketer" means a person who is engaged in the marketing or distributing of refined petroleum products, as that term is defined in section 2 of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 752);

(4) "distributor" or "distributorship means a person who is engaged in commerce in any State in the marketing of petroleum products to wholesale or retail outlets (whether or not that person owns, leases or in any way controls such outlets) under a petroleum products marketing relationship for the sale, consignment, or distribution of refined petroleum products to his own accounts or to accounts of his suppliers;

(5) "refiner" means any person who is engaged in the refining of crude oil to produce refined petroleum products and includes any affiliate of such person;

(6) "retailer" or "retail establishment" means a person who or a place at which one purchases the refined petroleum products for sale to the general public for ultimate consumption;

(7) "refined petroleum product" means gasoline, kerosene, distillates (including No. 2 heating fuel oil), refined lubricating oils, or diesel fuel;

(8) "supply" means the amount of refined petroleum product as distributed, consigned or sold by the refiner, distributor, or retailer (as the case may be) in the corresponding month of the preceding year;

(9) "relevant geographic market area" includes a State, a State's non-metropolitan areas, or a standard metropolitan statistical area as periodically established by the Office of Management and Budget;

(10) "termination" includes cancellation;

(11) "fail to renew" or "nonrenewal" means, with respect to any marketing relationship, a failure to reinstate, continue, renegotiate or extend the marketing relationship;

(12) "commerce" means any trade, traffic, transportation, or exchange (A) between any State and any place outside of such State, or (B) which affects any trade, traffic, transportation, or exchange described in subparagraph (A) of this paragraph;

(13) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and any other commonwealth, territory, or possession of the United States.

MARKETING RELATIONSHIP: TERMINATION AND NONRENEWAL

SEC. 4. (a) Except as provided in subsection (b) no refiner or distributor (as the case may be) engaged in the sale, consignment or distribution of refined petroleum products in commerce may—

(1) terminate any marketing relationship (entered into or renewed on or after the date of enactment of this Act) prior to the conclusion of the term, or the expiration date, stated in the marketing relationship; or

(2) fail to renew any marketing relationship (without regard to the date on which the relevant marketing relationship was entered into or renewed); or

(3) withdraw from or otherwise reduce the allocated supply of refined petroleum products in the relevant geographic market area.

(b) Any refiner or distributor (as the case may be) may terminate any marketing relationship (entered into on or after the date of enactment of this Act) or may fail to renew any marketing relationship, if—

(A) the notification requirements of section 5 are met; and

(B) such termination, failure to renew, withdrawal or other reduction in allocated supply is based upon good cause.

NOTIFICATION OF TERMINATION OR NONRENEWAL

SEC. 5. (a) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a petroleum products marketing relationship, or establish nonuniform allocations within the state or otherwise reduce the deliverable supply of the marketing relationship below the established allocation fractions unless—

(1) He provides notification of such termination, nonrenewal, nonuniform allocations or withdrawal to the respective parties and in the manner described in sections (b) and (c).

(b)(1) In the case of nonrenewal or termination of the marketing agreement, or establishment of nonuniform allocations, the retailer or distributor (as the case may be) shall—

(A) Furnish notification to the distributor or retailer (as the case may be) not less than 180 days prior to the date on which such termination or nonrenewal or nonuniform allocation takes effect; and

(B) Promptly provide a copy of such notification, together with a plan describing the schedule and conditions under which the marketing agreement will be nonrenewed or terminated, to the Governor of each state which contains a portion of the relevant geographic marketing area;

(2) In the case of a withdrawal from the relevant geographic marketing area or further reduction in the established allocation fraction within a state, the refiner or distributor (as the case may be) shall—

(A) Furnish notification to the distributor or retailer (as the case may be) not less than 18 months prior to the data on which the withdrawal or reduction takes effect; and

(B) Promptly provide a copy of such notification, together with a plan describing the schedule and conditions under which the refiner or distributor (as the case may be) will withdraw from the relevant geographic marketing area or otherwise reduce the allocation of refined petroleum product supply within the marketing area or to a particular distributor or retailer (as the case may be), to the Governor of each state which contains a portion of the relevant geographic marketing area.

(C) Notification under this section—

(1) Shall be in writing;

(2) Shall be posted by certified mail or personally delivered to the distributor or retailer (as the case may be); and

(3) Shall contain—

(A) A statement of intent to terminate or not renew the marketing agreement, or to withdraw from or otherwise reduce the allocated supply in the marketing area, together with the reasons therefor;

(B) The date on which such termination or nonrenewal, or withdrawal or reduction in allocated supply takes effect;

(D) Not later than 30 days after the date of enactment of this Act, the Secretary of Energy shall prepare and publish in the Federal Register a simple and concise summary of the provisions of this title, including a statement of the respective responsibilities of, and the remedies and relief available to, any refiner, distributor, or retailer under this Act.

ENFORCEMENT AND CIVIL REMEDY

SEC. 6. (a) If a refiner or distributor (as the case may be) engages in conduct prohibited by Section 4 of this Act, the retailer or distributor (as the case may be) may maintain a civil action against such refiner or distributor.

(b) A civil action under this section may be brought, without regard to the amount in controversy, in the district court of the United States for any judicial district in which the person against whom such action is maintained resides, is found, or is doing business. No such action shall be maintained unelss it is commenced within three years of the commencement of conduct prohibited by Section 4 of this Act.

(c) the court shall grant such relief as is necessary or appropriate to remedy the effect of conduct that it finds to exist if such conduct is prohibited under Section 4 of this Act. Such relief may include, but is not limited to, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, and actual and exemplary damages in an amount equal to three times the actual damages suffered as a result of such action. The court may also enjoin the refiner or distributor (as the case may be) from marketing the equivalent amount of refined petroleum product in controversy with that relevant geographic marketing area or other marketing area. The court may, unless such action is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid by the defendant.

RELATIONSHIP TO OTHER LAWS

SEC. 7. (a) Nothing in this Act shall be deemed to convey to any individual, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions under the antitrust laws.

(b) As used in this section, the term "antitrust law" means—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(c) No provisions of this Act shall be construed as limiting or in any way affecting any remedy or penalty that may result from any legal action or proceeding arising from any acts or practices that occurred—

(1) prior to the date of enactment of this Act;

(2) outside the scope and purpose, or not in compliance with, the terms of this Act; or

(3) subsequent to the repeal of this Act.

SEPARABILITY

SEC. 8. If any provision of this Act or the application of such a provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such a provision to any other person or circumstance, shall not be affected thereby.

By Mr. HATCH:

S. 1423. A bill to amend Public Law 94-484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates; to the Committee on Labor and Human Resources.

Mr. HATCH. Mr. President, I am introducing today a bill to correct an inequity imposed on some 2,500 to 3,000 foreign-trained physicians practicing in this country by the enactment of Public Law 94-484. Very simply, the legislation would, for those foreign medical graduates who successfully completed their licensing examinations prior to the effective date of the Health Professions Educational Assistance Act of 1976, eliminate the requirement that they be board-certified specialists in order to maintain a favorable immigration status.

As Senators familiar with medical practice standards know, specialty board certification is a strictly voluntary achievement for all U.S.-trained physicians. It would therefore seem unfair and discriminatory to make it mandatory for otherwise qualified and duly-licensed foreign-trained Medical Doctors. That was the unintended and retroactive effect, however, of the health manpower legislation passed in 1976.

We responded in part to this situation in 1977 with Public Law 95-83, which provided that a foreign medical graduate already in the United States would be deemed to have met the examination requirements of the previous law if he or she were licensed by and practicing medicine in a State and were certified by a medical specialty board. While such a change did help some physicians, it still left the board-certification barrier for others who in many cases did not even have the minimum-required practice time to make them eligible.

Now these doctors are facing the undesirable prospect of deportation from the United States—and very soon—unless we indicate by our consideration of remedial legislation that we are willing to take another look at their problem. Since final resolution of the matter will not likely come until we deal with general revisions in health manpower next year, I wanted to at least get the issue before the Labor and Human Resources Committee—on which I serve—to protect those physicians who are performing such a valuable service for our citizens all across this great land.

I do not think any of us here, Mr. President, would want to accept the consequences of the loss of that contribution which this group of foreign-trained medical doctors is making to our health delivery system. It is neither necessary nor appropriate, either, that we allow it to happen, since the original purpose of the restrictions was only to affect the future flow of foreign medical graduates into the United States—not to prejudice those who were already in this country and licensed to practice.

This bill, then, responds to the concerns expressed by both the physicians themselves and their patients who will suffer if the Immigration and Naturalization Service is forced to comply with the letter of the law regarding visa maintenance. Other administrative efforts are under way to help ease the situation—and legislation similar to this bill has been introduced in the House of Representatives as H.R. 3327, but I think it is also the obligation of the Senate to give its attention to such an important matter.

Mr. President, I welcome the opportunity to assist in doing that through the introduction of this bill—and invite my colleagues, all of whom have constituents who would be directly or indirectly affected, to share in the discussion to follow. If there is no objection, I ask unanimous consent that the text of the proposed amendments to Public Law 94–484 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1423

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND DECLARATION OF PURPOSE

Section 1. The Congress finds that—

(1) graduates of foreign medical schools who are licensed by a State to practice medicine contribute to health care delivery and help alleviate health manpower shortages;

(2) recent amendments to laws relating to the immigration of foreign medical graduates, recognizing the increased capacity of American medical schools, effected a change in the priority status of foreign medical graduates seeking entry to the United States, but have had the unanticipated effect of prejudicing the position of many foreign medical graduates residing in the United States and licensed to practice medicine by a State;

(3) the requirement of that recent amendment (Public Law 95–83) that foreign medical graduates in the United States and licensed to practice medicine by a State as of January 9, 1977, be certified by a medical speciality board as condition of maintaining their immigration status works a hardship on many of them through no fault of their own;

(4) board certification is a voluntary standard and its use as a mandatory immigration requirement by the Federal Government is inappropriate; and

(5) medical licensure by a State is a sufficient qualification to permit foreign medical graduates in this country and licensed by a State to maintain their status in the United States.

Therefore, it is the purpose of this Act to eliminate this unfair burden on foreign medical graduates in the United States who were licensed to practice medicine in a State as of May 1, 1977.

Sec. 2. Section 602 of the Health Professions Educational Assistance Act, Public Law 94–484 (8 U.S.C. 1182 note), as added by Public Law 95–83, is amended by—

(a) deleting in paragraph (1) of subsection (a) the words "January 9, 1977" and inserting in lieu thereof the words "May 1, 1977", and

(b) deleting paragraph (2) of subsection (a), and

(c) inserting the word "and" at the end of paragraph (1), and

(d) renumbering paragraph (3) as (2).

By Mr. JAVITS (for himself, Mr. Kennedy, and Mr. Bradley):

S. 1424. A bill to amend the Foreign Assistance Act and the Public Health Service Act to provide for the advancement of international cooperation and assistance in health, and for other purposes; to the Committee on Foreign Relations, the Committee on Labor and Human Resources, and the Committee on Governmental Affairs, jointly, by unanimous consent, and that when the bill is ordered reported by any committee, the remaining two committees shall have 60 days within which to act.

INTERNATIONAL HEALTH ACT OF 1979

Mr. JAVITS. Mr. President, I introduce today, on behalf of myself, Senator Kennedy and Senator Bradley, a bill entitled the "International Health Act of 1979."

Mr. President, this measure will strengthen the U.S. contribution to improving health care in developing countries and will emphasize international health as a priority in our development assistance efforts. I believe that on a cost-benefit ratio basis, no aid dollar can be better spent than in improving the health and, therefore, the motivation of the people in developing countries. Also, this bill will increase the return on our current expenditures on international health by insuring that the estimated $528 million a year now spent by a number of different agencies is effectively managed.

Besides improving the coordination and leadership of our current international health programs, this legislation will direct additional resources to the key areas of manpower development, research, and private voluntary organization involvement. By mobilizing the interest, expertise, and resources of our country, I believe the proposed legislation can substantially aid the developing countries to build their own capacity to control disease, train paramedics, plan health systems and to address the serious health problems that now impede their economic growth and stability.

Of all the legislation considered by this body, this is among the few measures that will have a direct life and death impact on people in developing countries.

My own interest and commitment in this area is rooted in my many years of involvement in both health issues and international matters as a member of both the Health Subcommittee of the Labor and Human Resources Committee and the Foreign Relations Committee. I introduced similar international health legislation in 1971 and 1978.

I believed then as I continue to believe now, that as a country preeminent in medical knowledge and skills, in the words of the distinguished Dr. Kevin Cahill, "medicine is our untapped resource." It can be called neither political nor military. It has the inherent capacity to rise above ideological, political, or economic differences. This aid is necessarily offered by a new kind of diplomat, the health professional, who is much more readily accepted by developing countries than the traditional "striped pants" diplomat. The value of "medical diplomacy," although difficult to quantify, is immense.

A concept which I proposed in 1971 is my original legislation on this issue—the concept of U.S. global interdependence—including the increased trade links between the developing and developed countries—has become a statemen of conventional wisdom. The acceptance of this international reality has led to the expected establishment in the near future of an International Development and Cooperation Agency and Institute for Technological Cooperation. Both of these new entities will be created to make the larger, existing Government units more responsive to developing country issues, which are increasingly viewed as being directly related to our own well-being. I am attempting to accomplish a similar purpose with this legislation: To make certain that the issue of health in developing countries—which has such potential for mutual diplomatic and economic benefits—does not get smothered or fall between the bureaucratic cracks due to lack of leadership or poor Government organization.

I believe that we can move beyond the rhetoric of the North-South dialog, and make a tangible commitment to improving world health by building on the international prestige of agencies like U.S. Center for Disease Control and the National Institutes of Health.

I would like to stress the economic benefits accruing from a well-managed U.S. international health effort. In 1978, the United States exported $2.8 billion in medical equipment and pharmaceutical products, and this total has been rapidly increasingly each year. Yet even drugs and medical equipment are a small part of improving developing country health conditions; most important is the emphasis on basic sanitation, nutrition, and education. However, accompanying improved health conditions, higher living standards, and overall economic development, will be increased demand for U.S. products. This expansion of U.S. markets in developing countries is necessary for continued U.S. economic prosperity. Thus, the United States has a tremendous amount to gain by supporting developing country health efforts.

The United States has a long tradition of commitment in the international health area. We can be justly proud of our past role of leadership and accomplishments. The concept of international public health was fostered in part by U.S. efforts to form the Pan American Sanitary Bureau, a landmark endeavor now succeeded by the U.N.'s Pan American Health Organization (PAHO), which established U.S. international quarantine inspection programs and international epidemic surveillance in this hemisphere in 1902, and which I am privileged to have assisted even before my public career began.

The role of the U.N. World Health Organization has evolved from this long-lasting U.S. commitment to working with our southern hemispheric neighbors. More recently, we can all be extremely proud of U.S. leadership and the actual provision of technical assistance in helping WHO remove from the face of the Earth the dreaded disease, smallpox. The successful eradication of smallpox established the basis for bold new initiatives in global epidemic surveillance and control programs, marking the beginning of a new era in international health care.

Furthermore, the United States is justifiably proud of its vast and preeminent global stature in the field of medical scientific research and technology. The National Institutes of Health and the many private medical research organizations have long enjoyed status as the foundation for many of the medical-scientific breakthroughs benefitting mankind. It is precisely this historic leadership role which we must continue to build upon.

It must also be noted that contagious diseases do not honor national boundaries. My bill will facilitate the coordination of resources within the U.S. Government—the Center for Disease Control, AID, State—and internationally—the World Health Organization—so that a system of global epidemic surveillance could be established.

Improved health delivery and disease control systems will also aid Americans in living and traveling abroad.

The bill is a reflection of the increasing domestic interest in international health on the part of the medical profession, academia, the commercial sector, and the executive branch. This interest has led to several recent reports which unanimously conclude that the United States should be concentrating and improving its present efforts in international health.

The White House recently published an extensive report, including analysis and program recommendations, entitled "New Directions in International Health Cooperation." The National Institute of Medicine published its report "Improving Health Care in Developing Countries" in April 1978. The international health legislation proposed in my bill is based largely upon the indepth analysis and documentation of current programs provided by these studies.

The growing domestic interest is joined by an increasing awareness on the part of developing countries of the importance of health in the development process, as demonstrated by the Alma Alta conference on international health held in the U.S.S.R. in September of 1978, sponsored by WHO and UNICEF. This bill is based upon the philosophy endorsed by the developing countries at Alma Alta—that health cannot be separated from adequate nutrition, family planning, improved sanitary conditions, and community-based public health systems that draw upon existing traditions and local beliefs.

The International Health Act of 1979 deals only with improving the U.S. response to developing country health problems. The United States has also considerable exchanges on health care with developed countries through bilateral agreements, professional exchange, conferences, et cetera. I have chosen not to address this large section of U.S. international health activities which is now handled mostly by State and HEW; not, however, because it lacks importance. On the contrary, the United States reaps significant medical and diplomatic benefits from this valuable intercourse. Rather, it is clearly evident that developed country problems are wholly of another dimension and that the disease, malnutrition, deformity, pain, and ungodly suffering that is the norm in developing countries, is of a high human priority.

MANAGEMENT AND COORDINATION

No less than 28 different Departments and agencies spent $528 million in 1976 on international health, even excluding the substantial expenditures of the Defense Department in overseas hospital installations and research in tropical diseases in developing countries, as documented by the recent White House report. Despite the magnitude of the total U.S. international health budget, responsibilities in this area are not clearly defined, governmentwide priorities, and coordinated planning is lacking, and perhaps most problematic, clear leadership responsibility does not lie with any one agency.

I believe that the Congress—through this legislation—can have a considerable impact on improving the response of the executive agencies in the international health area. I do not believe that additional expenditures can be justified for international health activities without first establishing a more effective arrangement for strong leadership, management, and coordination of all U.S. Government international health activities.

Currently, international health is a gray area that falls mainly between State, AID, and HEW. Each agency involved has a specific mandate and expertise to lend to the issue. If we look at the functions of the involved agencies, the problems I have mentioned and the need for better management become apparent.

HEW and AID are vested with the bulk of international health responsibility. AID has the largest budget for this area, but in recent years has allowed the number of various health specialists to decline. AID has overall development expertise and views health in the context of other important development concerns, but has no clear policy with regard to health programs. HEW has substantial expertise in the health sciences and longstanding ties with domestic academic health institutions, but lacks an overseas presence or an international mission.

The State Department has formal authority for all U.S. overseas activities and a field structure, but lacks trained personnel, in part due to inadequate career incentives for scientific and technical experts.

The Treasury Department has substantial multilateral responsibilities impacting on health and development, but similarly lacks sufficient expertise or interest in such matters.

The Peace Corps has some technical expertise through its volunteers and has worked with AID in selective joint programing in a number of countries.

Other agencies, such as NASA, DOD, Commerce, VA, and EPA contribute in one way or another, but also pursue their own mandates with no relationship to an overall plan to efficiently achieve U.S. objectives.

Significantly, there is no simple set of priorities which all agencies can relate to nor is there any required periodic evaluation and governmentwide report of what the agencies are doing, why and on what basis. Nor is there a single spokesman for this area to which the Congress could look for reporting on the progress of our efforts in the developing world.

Over the past year, there has been a move toward interagency coordination; however laudable these efforts, they have not been visibly effective in determining and reporting to Congress on the amount of money spent, whether it has been effective, and what the priorities are. Without such a mandate, Congress will not be able to examine adequately the effectiveness of the money it has appropriated or participate in setting priorities.

THE BILL

The first section of the bill is designed to improve the management of our current international health expenditures. It will establish an interagency coordinating committee of the agencies most involved in international health activities—AID, HEW, State, DOD, et cetera. This interagency group will be established as a subcommittee of the existing Development Coordinating Subcommittee. The chairman will be appointed by the President.

This subcommittee would coordinate international health programs in relationship to an overall U.S. international health policy. The subcommittee would provide strong and visible leadership in determining governmentwide international health policy and for initiatives that involve several agencies resources. It would support and initiate multidonor projects with other governments and multilateral organizations and in this way encourage the positive trend toward multilateral development cooperation.

Private sector membership on the subcommittee is provided in order to further facilitate the utilization of the best talent in the field, whether in Government or out.

The subcommittee will also prepare an annual report to the President and Congress which describes and evaluates the nature, objectives, and expenditures relating to the international health activities of all U.S. agencies.

The subcommittee mandated by law will also elevate international health in importance. The highest ranking international health official in the two main agencies—AID and HEW—are buried below layers of bureaucracy. In AID, the senior health official with expertise in the area is five levels below the Administrator. In HEW, the office of the Deputy Assistant Secretary for International Health is one of the lowest priorities in the Department. The bill proposes to remedy this by statutorily establishing the Office of International Health in HEW. I will add an amendment to elevate health leadership within the IDCA at a later time.

MANPOWER DEVELOPMENT

Trained health manpower is the most basic requirement, if not the most critical factor, for international health activities. Today, the lack of adequate health manpower is a major obstacle to the provision of health services in the developing world. There is a severe lack of skilled developing country personnel trained in the many aspects of developing country health needs, such as public health system planning, health administration and education, and epidemiological surveillance and research.

The United States has world-renowned capabilities in each of these areas. Because of limitations in statutory authority, funding, and available positions, the CDC must now turn down requests to help neighbors in Central America to control epidemics. The National Institute of Health has the most prestigious basic biomedical facilities in the world; yet, this knowledge is too rarely shared with developing countries or sufficiently focused on the tropical diseases that continue to plague much of the world's population.

While the United States has a tremendous pool of health expertise that is relevant to developing country health needs, there are very few U.S. health professionals with experience and specific expertise in developing country health problems. This makes it extremely difficult for AID or other involved agencies to recruit professionals to carry out its programs in this relatively new field.

The bill would provide several channels whereby the manpower expertise can be developed to remedy these problems. The bill would establish an International Health Service (IHS) which would be a small-scale program to place midcareer U.S. health professionals in short-term service abroad. Instead of delivering health care services, the Service's mission would be to build public health, primary health care, and research capacities in the developing countries through the training of official personnel and the establishment of demonstration programs. IHS professionals, including health administrators, planners, and trainers, would be placed through the International Health Coordinating Subcommittee in response to requests from developing countries.

The impact of this prestigious group of senior professionals on building indigenous public health capacity is sure to be great. I envision the Service as attracting the highest quality professionals, who themselves would benefit from a short-term involvement abroad. Only through the kind of personal ties that would inevitably develop between the IHS members and developing country individuals and institutions, can we hope to accomplish any real change in the health standards of the world's people.

An IHS limited to 50 professionals would maximize the U.S. impact in an economical manner. By training trainees and researchers, and providing assistance on a policy planning and administrative level, the IHS could have impact far beyond its modest size. Service members would be recruited by HEW and placed in the field through the International Health Subcommittee.

The second component of the bill consists of graduate student career awards designed to encourage careers in a broad range of international health activities. This would provide a channel for the interest among the young people in this country to obtain skills in developing country health problems. Awards would be given priority in areas such as health sciences administration, health education, prevention, and research into solutions to the rural health problems of diseases and delivery service.

The bill would also support a handful of university or college based international public health centers in this country. The centers would provide the ongoing intellectual backbone to efforts in this area by studying problems and training the new international health professionals. The number of institutions supported would be limited to avoid an unproductive dispersion of limited funds. Each core university would form sister relationships with academic centers or other training programs in the developing world. Such linkages, again, would build LDC capacity to handle their own problems by providing access to U.S. resources.

I believe strongly that this manpower development emphasis can only work if the United States and the developing countries build a collaborative relationship. We and our global neighbors have outgrown the "aid" concept, and we must, therefore, engage in the give-and-take of peers. The United States has considerable resources and technology, but we must be humble and admit that many developing country problems may be new to us; that our technology and knowledge is not always directly appropriate.

HUBERT HUMPHREY FUND FOR INTERNATIONAL HEALTH

Government alone cannot succeed in strengthening the U.S. international health effort. I believe we must draw heavily upon the resources and expertise of the many private voluntary organizations (PVO's). Substantially more U.S. development assistance is contributed through PVO's and other private institutions than through official U.S. Government channels. In addition, private voluntary organizations, since they do not officially represent the U.S. Government, can operate in situations where a formal U.S. program would encounter difficulties. The smaller scale of much of the private voluntary organization development work and their high level of commitment also make the PVO's a valuable component of our international health effort.

The bill would build on this record through the establishment of a Hubert Humphrey fund for international development which would support private nonprofit organization activities in international health projects in developing countries. The fund could be administered by an independent 15-member Board of Directors, with seven public and eight private members. The Board would develop a specific strategy for the administration of the fund and set goals on how the fund would help to expand low-cost basic health services to the poor in developing countries. Private philanthropic contributions to the fund would be encouraged.

I believe that such an endowed fund could make a unique and lasting contribution to innovative, cost efficient health programs. The fund would permit relatively long-term nonpolitical strategies for improving the health of the world's poor, without the encumbrances of redtape and short-term support associated with the existing AID program of grants to registered PVO's. In addition, the fund would not be limited to U.S.-aided countries in considering which programs to support. Finally, the public-private partnership structure of the fund would offer a new opportunity to enhance the contributions of each sector in a cooperative manner. In my judgment, the Hubert Humphrey fund would be likely to become this country's most cost-effective program in international health.

Mr. President, the measure which I am introducing today goes to a very critical problem, because the life expectancy in the developing countries is about two-thirds of our own, 50 years as against over 70 years in the developed countries.

Second, the infant mortality rate in most of the developing countries is 6 to 10 and more times what it is with us, to wit, our mortality is about 16 out of every 1,000 live births. The infant mortality in the developing countries ranges from 78 to 154 per 1,000 of live births.

Mr. President, this indicates the resource, useful years, lost through ill health in the developing countries, and that also fails to take account of the under par performance of the individual who is not well and is not sufficiently fed. He simply does not feel like working, especially when one considers that most of the developing countries are in what is called the south or the tropical climates.

So, Mr. President, finally I might add that the amount of money involved in this is very small. It comes under three headings: the first heading, an elite group of 50 top people whose job will be to install, if invited, effective public health systems in many of these developing countries, and we are going to do that under the aegis of an international health service which will be organized for that purpose in the Department of HEW.

The second element in this effort is going to be a closer coordination in terms of an intragovernmental coordinating committee to tie together better all of the agencies which are engaged in international health in the United States.

Lastly, I am suggesting in this bill that we establish in memory of our beloved friend and former Senator Hubert Humphrey the Hubert Humphrey fund for international health, to pursue what I know would have been an absolutely priceless object of his attention, to wit, to finance or help finance those private voluntary organizations from the United States which serve so magnificently in doing their part in the maintenance of public health in the developing countries. The good ship *Hope*, many of the church agencies and comparable organizations could be enormously forwarded by some assistance of this kind.

Mr. President, this relates to a bilateral effort by the United States. I believe it could turn out to be, especially considering its cost, one of the most constructive things this country can do. It has been on the drawing boards for almost 10 years, since 1970 on, and just very recently there were two major reports, one from the White House in the spring of 1978, and one from the National Institute of Medicine of the National Academy of Sciences in April of 1978, bearing out this concept. Many of the recommendations come from these two reports. Indeed, our whole bill comes out of these two reports.

I hope very much, Mr. President, that we may, as we like to do around here, by the use of brains and professional skill, do more for our foreign aid program than dollars alone would do, through the use of the health approach which is wrapped up in this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1424

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "International Health Act of 1979."

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress declares that—

(1) disease and disability are the common enemies of all mankind;

(2) the survival of mankind in a complex world depends upon a sharing of knowledge with regard to health problems without regard to national boundaries and political subdivisions; and

(3) in the closely-linked and interdependent world of today, the health and well-being of the American people is inseparable from that of other peoples.

(b) The Congress finds that—

(1) in order to assure the good health of all people, increased emphasis on the provision of basic environmental health, nutrition, population, and health services, health manpower development, institutional support, medical research and surveillance, especially with regard to the tropical diseases, and experimentation into the organization and delivery of health care, is required;

(2) in order to assure sufficient manpower resources for future United States international health activities, increased Federal support of manpower programs is required;

(3) in order to best utilize limited resources for international health activities, the United States needs to inceasingly utilize multilateral mechanisms for assistance to developing countries, and also needs to implement international health programs in the context of overall country development planning formulated in cooperation with the country hosting such programs.

(4) so that current and future international health programs may be more effectively administered, reorganization of international health responsibilities within government is required; and

(5) for the purpose of furthering private, small-scale and cost-efficient health projects in developing countries, and to better relate the international health programs of the United States Government with those of private voluntary organizations, an independent nongovernmental entity is needed.

(c) It is the purpose of this Act to establish mechanisms to manage and support international health activities.

TITLE I—INTERNATIONAL HEALTH SUBCOMMITTEE OF THE DEVELOPMENT COORDINATION COMMITTEE

AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF 1961

SEC. 101. The Foreign Assistance Act of 1961, as amended, is amended by renumbering section "640C" as "640D", and by inserting the following new section 640C:

"SEC. 640C. INTERNATIONAL HEALTH SUBCOMMITTEE OF THE DEVELOPMENT COORDINATION COMMITTEE

"ESTABLISHMENT

"(a) There is hereby established a subcommittee of the Development Coordination Committee to be known as the International Health Subcommittee (herein referred to as the "Subcommittee").

"MEMBERSHIP

"(b) The Subcommittee shall be composed of members appointed by the President. The President shall appoint—

"(1) as members, the heads of the Department of State, the Department of Health, Education, and Welfare, the Treasury Department, the Commerce Department, the Defense Department, the Department of Agriculture, the Peace Corps, the Office of Management and Budget, the International Development Cooperation Agency, the Agency for International Development, and representatives from other Federal Departments or agencies, interested in international health activities; and

(2) four individual members who are—

"(A) especially qualified to serve on the Subcommittee by virtue of their training, experience, or background in international health, and

"(B) not full-time employees of the Federal government.

"CHAIRMAN"

"(c) The President shall appoint the Chairman from among the members of the Subcommittee.

"Definition"

"(d) For the purposes of this title the term 'international health activity' means any collaborative activity in the field of health conducted in two or more countries or any activity carried out in the United States or by the Federal Government for the express purpose of addressing world health problems, including those problems articulated by the World Health Organization and other generally recognized international health agencies, through disease control (including projects for safe water supplies, sanitary waste disposal, preventive medicine, biomedical research, and environmental control), projects and programs to promote general health (including nutrition, population, and health education), health services delivery and management, health research, manpower development, and the strengthening of institutions, both domestic and foreign, which contribute to the enhancement of the health status of all people, especially those in the developing countries. For purposes of this title, the term 'international health activity' shall not include any regulatory activities of the Federal Government.

"PURPOSES AND FUNCTIONS

"(e)(1)(A) The Subcommittee shall develop a comprehensive Federal International Health Plan (herein referred to as "the Plan") for the management of all Federal international health activities.

"(B) In developing the Plan, the Subcommittee shall—

"(1) identify those Federal policies which are being carried out through international health activities and develop a consistent and coordinated Federal international health policy consistent with Federal international development policy;

"(2) develop a comprehensive inventory of all Federal international health activities, including those health, sanitation, nutrition and population programs affecting other countries, and identify their purposes and how such activities relate to the Plan;

"(3) identify, by department and agency, all proposed international health activities, including research priorities;

"(4) develop mechanisms for assuring a comprehensive and coordinated approach, by country or region, for addressing international health care needs, including safe water supplies, sanitary waste disposal, improved nutrition, and the financing of such programs;

"(5) develop procedures for assuring the involvement of other countries, financial institutions, and private international organizations in international health activities; and

(6) identify all aspects of the Federal budget which involve international health activities and prepare an evaluation of such budget.

"(2) The initial Plan shall include the information and analysis specified in subparagraph (B) of paragraph (1) and shall cover a period of five years from the date of enactment of this title. The Plan shall include those responsibilities of each department and agency for such period under the Plan, including, for each fiscal year within such period, a program and budget analysis.

"(3) The Chairman of the Subcommittee shall simultaneously submit to the President and the appropriate Committees of the Senate and the House of Representatives—

"(A) the Plan, not later than one year after the date of enactment of this title; and

"(B) an annual report, not later than February 1 of each year, on Federal international health activities.

"ADMINISTRATIVE PROVISIONS

"(e)(1) The Subcommittee shall establish a centralized information system on all international health activities which shall be developed from information which each dependent or agency has acquired.

"(2) The Subcommittee may secure directly from any department and or agency information necessary to enable it to carry out its purposes and functions.

"(3) (A) Members of the Subcommittee who are full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and any other necessary expenses incurred in the performance of activities of the Subcommittee.

"(B) All other members of the Subcommittee shall receive compensation at a rate to be established by the Subcommittee, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for level IV of the Executive Schedule (5 U.S. Code 5315) while engaged in the performance of the activities of the Subcommittee, and may be reimbursed for travel, subsistence and other necessary expenses incurred in the performance of such activities of the Subcommittee, and may be reimbursed for travel, subsistence and other necessary expenses incurred in the performance of such activities.

"(4) (A) The Subcommittee may appoint and compensate, at a rate not to exceed the annual rate of basic pay in effect for Level IV of the Executive Schedule, an executive director, without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service, and the provisions of Chapter 51 and Subchapter III of Chapter 53 of such Title, relating to classification and General Schedule pay rates, who shall administer full-time the daily activities of the Subcommittee.

"(B) Other employees shall be selected and appointed by the executive director and shall be vested with such powers and duties as the executive director may determine.

"(C) The Subcommittee may appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service, and the provisions of Chapter 51 and Subchapter III of Chapter 53 of such Title, relating to classification and General Schedule pay rates.

"(D) The subcommittee may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the subcomittee, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for level IV of the Executive Schedule. While away from home or regular place of business in the performance of services for the subcommittee, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of Title 5, United States Code, for persons in the Government service employed intermittently.

"(E) The subcommittee may utilize, with their consent, the services, personnel, and facilities of other departments and agencies without reimbursement. The head of any department or agency may, at the request of the subcommittee, detail, assign, or otherwise make available any officer or employee of such department or agency to serve with, or as a member of the staff of the subcommittee.

"AUTHORIZATION

"(f) There are hereby authorized to be appropriated for purposes of this Act $2,000,000 for the fiscal year ending September 30, 1981, $2,000,000 for the fiscal year ending September 30, 1982, $2,000,000 for the fiscal year ending September 30, 1983, and $2,000,000 for the fiscal year ending September 30, 1984."

TITLE II—OFFICE OF INTERNATIONAL HEALTH

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

Sec. 201. The Public Health Service Act, as amended, is amended by adding at the end thereof the following new title:

"TITLE XVIII—INTERNATIONAL HEALTH

"DEFINITIONS

"Sec. 1801. For the purposes of this title the term—

"(a) 'international health activity' means any collaborative activity in the field of health conducted in two or more countries or any activity carried out in the United States or by the Federal Government for the express purpose of addressing world health problems, including those problems articulated by the World Health Organization and other generally recognized international health agencies, through disease control (including projects for safe water supplies, sanitary waste disposal, preventive medicine, biomedical research, and environmental control), projects and programs to promote general health (including nutrition, population and health education), health services delivery and management, health research, manpower development, and the strengthening of institutions, both domestic and foreign, which contribute to the enhancement of the health status of all people, especially those in the developing countries. For purposes of this title, the term 'international health activity' shall not include any regulatory activities of the Department;

"(b) 'Office' means the Office of International Health, established under section 1802.

"OFFICE OF INTERNATIONAL HEALTH

"Sec. 1802. (a) There is established within the Department an Office of International Health. The Office shall be headed by a Deputy Assistant Secretary for International Health, appointed by the Secretary.

"(b) The Office shall—

"(1) review and make recommendations on all expenditures of the Department relating directly or indirectly to international health;

"(2) establish policy planning mechanisms and monitor program development activities for all Department programs relating to international health;

"(3) be responsible for relations with health agencies in other countries with regard to international health activities involving the Department;

"(4) be responsible for coordination of the international health activities of the Department with overall US international health policy, with the programs of other departments and agencies, and with the activities of the International Health Subcommittee of the Development Coordination Committee;

"(5) provide staff support upon request to the International Health Subcommittee of the Development Coordination Committee.

"(6) establish and maintain information systems adequate to monitor all international health activities within the Department; and

"(7) perform any other activities the Secretary may deem appropriate.

"(c) The Office shall be responsible for the identification and coordination of all international health activities within the Department.

"(d) In carrying out his responsibilities under this title, the Secretary is authorized to—

"(1) use, with the consent of any Federal agency, the services, facilities, and personnel of such agency, with or without reimbursement, and with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement; and

"(2) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that contracts for such employment may be renewed annually; compensate individuals so employed at rates not in excess of the rate specified at the time of service for Level IV of the Executive Schedule (5 U.S.C. 5315) including traveltime, and allow them while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed.

"Sec. 1803. The Secretary shall establish within the Public Health Service the following programs:

"(a) A program of graduate career awards to be known as International Health Fellowships for study in international health which shall be made to individuals. International Health Fellowships shall be for the support of international health studies (as defined by the Secretary) following other training as a health professional. Priority in the receipt of Fellowships shall be given to graduate students in the areas of study determined by the Secretary to be most in need of additional manpower resources and to returning International Health Service personnel. International health studies shall include studies relating to the organization, management, and delivery of health services as well as to public health, clinical, and research studies.

"(b) A program to be known as the International Health Service, which shall be directed toward the enhancement of public health, clinical, and research capability of foreign governments and institutions engaged in health services training, through the use of an identified group of mid-career health professionals who shall commit to a term of service of no less than two years in foreign nations which request such services from the United States Government and and which have been identified by the International Health Subcommittee of the Development Coordination Committee as being in need of such services. Placement of International Health Service personnel shall be subject to the approval of the International Health Subcommittee of the Development Coordination Committee. The Secretary shall establish a pre-assignment training program for International Health Service personnel which shall prepare such personnel for their specific overseas assignments. The Secretary may assign present Federal employees to the International Health Service for a limited term for the purpose of assuring a sufficient number of personnel in relation to need by specialty and training. The Secretary may assign present Federal employees or employ new personnel in the International Health Service notwithstanding any provision of law relating to limitations on the total number of Federal employees, or on the total number of positions which may be placed in any grade of the General Schedule, the Executive Schedule, or in the Senior Executive Service.

"(c) A program to establish and provide support for international health centers and international health programs in academic institutions in the United States. Health centers and programs shall train students and conduct research in international health activities in an associated academic institution and shall target their program efforts in one or more selected areas agreeable to the International Health Subcommittee of the Development Coordination Committee. In awarding such support, the Secretary shall give priority to centers and programs organized into cooperative consortia, or which have established a cooperative relationship with a health science institution or public health program located in a developing country.

"(d) (1) There are authorized to be appropriated for the purposes of subsection (a),

$3,500,000 for the fiscal year ending September 30, 1981, $4,000,000 for the fiscal year ending September 30, 1982, $4,500,000 for the fiscal year ending September 30, 1983, $5,000,000 for the fiscal year ending September 30, 1984.

(2) There are authorized to be appropriated for the purposes of subsection (b), $6,000,000 for the fiscal year ending September 30, 1981, $8,000,000 for the fiscal year ending September 30, 1982, $11,000,000 for the fiscal year ending September 30, 1983, and $15,000,000 for the fiscal year ending September 30, 1984.

(3) There are authorized to be appropriated for the purposes of subsection (c), $6,000,000 for the fiscal year ending September 30, 1981, $6,500,000 for the fiscal year ending September 30, 1982, $7,000,000 for the fiscal year ending September 30, 1983, and $8,000,000 for the fiscal year ending September 30, 1984.

TITLE III—THE HUBERT H. HUMPHREY FUND

CONGRESSIONAL DECLARATION OF POLICY

SEC. 301. The Congress finds and declares that—

(a) private voluntary organizations have made substantial contributions to international health;

(b) more assistance has been contributed to other nations for international health activities through private voluntary organizations and other private institutions than through Federal departments and agencies;

(c) private voluntary organizations are an integral part of current international health efforts and should become an even more valuable component of our nation's international health activities; and

(d) in order to encourage and support the involvement of private organizations in assisting in meeting our nation's international health goal, a private corporation should be established to assist these organizations in their international health activities.

SEC. 302. For the purpoes of this title the term—

"(a) 'international health activity' means any collaborative activity in the field of health conducted in two or more countries or any activity carried out in the United States for the express purpose of addressing world health problems, including those problems articulated by the World Health Organization and other generally recognized international health agencies, through disease control (including projects for safe water supplies, sanitary waste disposal, preventive medicine, biomedical research, and environmental control), projects and programs to promote general health (including nutrition, population and health education), health services delivery and management, health research, manpower development, and the strengthening of institutions, both domestic and foreign, which contribute to the enhancement of the health status of people in the developing countries.

ESTABLISHMENT OF CORPORATION

SEC. 303. There is authorized to be established a nonprofit corporation to be known as the "Hubert H. Humphrey Fund for International Health" (herein referred to as the "Fund") which shall not be an agency or establishment of the United States Government. The Fund shall be subject to the provisions of this title, and to the extent consistent with this title, to the District of Columbia Nonprofit Corporation Act.

BOARD OF DIRECTORS

SEC. 304. (a) The Fund shall have a Board of Directors (herein referred to as the "Board") consisting of fifteen members appointed by the President. The President shall appoint—

(1) seven members of the Board from individuals—

(A) who are officials of the United States Government; and

(B) who are especially qualified to serve as members by virtue of their training, experience, background, or position in the Federal Government involving international health.

(2) eight members of the Board from individuals—

(A) who are not full-time employees of the United States Government; and

(B) who are especially qualified to serve as members by virtue of their training, experience, and background in international health.

(b) The members of the initial Board shall serve as incorporators and shall take whatever actions are appropriate and necessary to establish the Fund under the District of Columbia Nonprofit Corporation Act.

(c) The term of office of each member of the Board shall be four years; except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; (2) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their respective appointments, four at the end of one year, six at the end of two years, and five at the end of four years; and (3) a member whose term has expired may serve until his successor has been appointed. No member shall be eligible to serve in excess of two consecutive terms of four years each.

(d) Any vacancy in the Board shall not affect its power, but shall be filled in the manner in which the original appointments were made.

(e) The President shall designate one of the members first appointed to the Board under subsection (a)(2) as Chairman; thereafter the members of the Board shall annually elect one of their number appointed under subsection (a)(2) as Chairman. The members of the Board shall also elect one or more of them as a Vice Chairman or Vice Chairmen.

(f)(1) The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States.

(2)(A) Members of the Board who are full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and any other necessary expenses incurred in the performance of activities of the Board.

(B) All other members of the Board shall receive compensation at a rate to be established by the Board but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for Level IV of the Executive Schedule (5 U.S.C. 5315) while engaged in the performance of activities of the Fund, and may be paid per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time, while away from home or usual place of business in the performance of activities of the Fund.

OFFICERS AND EMPLOYEES

SEC. 305. (a) The Fund shall have a President, and such other officers as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board. All officers shall serve at the pleasure of the Board.

(b) No political qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Fund.

NONPROFIT AND NONPOLITICAL NATURE OF THE FUND

SEC. 306. (a) The Fund shall have no power to issue any shares of stock or to declare or pay any dividends.

(b) No part of the income or assets of the Fund shall inure to the benefit of any member, officer, employee, or any other individual except as salary or reasonable compensation for services and expenses.

(c) The Fund may not contribute to or otherwise support any political party or candidate for elective office.

PURPOSE AND GOALS

SEC. 307. (a) In carrying out the purpose and goals of the Fund, the Board, officers and employees of the Fund shall be guided by the—

(1) policies of the International Health Subcommittee established in section 640(C) of the Foreign Assistance Act of 1961, as amended; and

(2) policies set forth in sections 101, 102, and 104 of the Foreign Assistance Act of 1961, as amended.

(b) To facilitate the improvement in the health status of the people in developing countries, the Fund shall carry out the following:

(1) The Fund shall establish communications with, provide a forum for the involvement of, and seek the advice and support of, private organizations, agencies and groups involved in international health activities. The Fund shall review and analyze the need, and the public and private resources available, both within the United States and throughout the world for international health activities and determine which methods, programs, and activities offer the best opportunities for improving the health status of the people in the developing countries. Specifically, the Fund shall—

(A) provide a forum for a structured international exchange between government and private voluntary organizations on international health issues, problems and financing opportunities;

(B) support the development of new international health activities in which both public and private organizations and agencies can participate;

(C) develop policy recommendations which are supportive of long-range approaches to improving the health status of the people in developing countries and which emphasize the coordinated and comprehensive approaches to addressing international health problems, including safe water supplies, sanitary waste disposal, and

(2) The Fund shall provide financial support to specific international health programs and projects sponsored by AID—qualified private voluntary organizations.

(3) The Fund shall assist the incorporation of improved and appropriate technology into international health activities by supporting systems of technical assistance and training.

ADVISORY PANEL

SEC. 308. The Board may appoint an advisory panel comprised of individuals with appropriate competencies and abilities. The principal function of the advisory panel shall be to provide advice for members of the Board.

ANNUAL REPORTS

SEC. 309. At the conclusion of fifteen months after the date of appointment of all members of the Board, and annually thereafter, the Board shall simultaneously submit a report to the President and the appropriate committees of the Senate and the House of Representatives on the Fund's progress, operations, activities, financial condition, and accomplishments and may include such recommendations as the Board deems appropriate.

SEC. 310. There are authorized to be appropriated to the Fund to carry out the provisions of this title, $10,000,000 for the fiscal year ending September 30, 1981, $10,000,000 for the fiscal year ending September 30, 1982, $10,000,000 for the fiscal year ending September 30, 1983, and $10,000,000 for the fiscal year ending September 30, 1984. Funds appropriated under this section are authorized to remain available until expended.

RECORDS AND AUDIT

SEC. 311 (a) The accounts of the Fund shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Fund are normally kept.

(b) The report of each such independent audit shall be included in the annual report required by section 308. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Fund's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Fund's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

Mr. JAVITS. Mr. President, I ask unanimous consent that the reference of this bill may be to three committees: The Committee on Foreign Relations, the Committee on Labor and Human Resources, and the Committee on Governmental Affairs, and that when the bill is reported by any committee the remaining two committees shall have 60 days within which to act.

Mr. President, in this connection may I state this has been cleared on both sides of the aisle, as far as I know, on the minority and majority side. If there is any problem I will withhold that request.

Mr. PRYOR. Reserving the right to object——

Mr. JAVITS. They have cleared it. Would you like to wait on that? I can go ahead with something else.

Mr. PRYOR. If the Senator could proceed with another matter I would like to reserve my objection.

Mr. JAVITS. I can go along with this, and I will withdraw my request temporarily.

Mr. JAVITS subsequently said:

Now, Mr. President, I understand that both sides have cleared the unanimous-consent request, and I ask unanimous consent that the bill be referred jointly to the Committee on Foreign Relations, the Committee on Labor and Human Resources, and the Committee on Governmental Affairs, and that when the bill is ordered reported by any one of these committees the remaining two shall have 60 days within which to act.

Mr. PRYOR. May I say to the distinguished Senator from New York that a moment ago I stated that I might have an objection. I remove that objection. The majority leader has, of course, cleared this, and I agree with the distinguished Senator from New York.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. I thank the Chair.

By Mr. RANDOLPH:

S. 1425. A bill to amend title 39 of the United States Code to reduce postal rates for small newspapers and magazines, and for other purposes; to the Committee on Governmental Affairs.

● Mr. RANDOLPH. Mr. President, the U.S. Postal Service has as many customers as we in this Chamber have constituents. In introducing the Small Publishers Act today to amend the Postal Reorganization Act of 1970, I am taking an action which potentially could benefit every American.

Beyond that benefit, however, is the certainty that this legislation will help preserve the very ideal which our Founding Fathers and mothers sought to promote in the first amendment to our Constitution. When that amendment was under consideration there were indeed only "small publishers"—the pamphleteers and editors of small newspapers and journals who helped our democracy to begin to feel the lifeblood of free debate.

Today, those publications continue to exist. They are the small weekly and daily community newspapers in the State of West Virginia and in all of our 50 States. They are the small regional and national magazines and journals with special messages for an eager, but limited readership.

They have in common many characteristics. First, they have fiercely loyal readers. Second, they face escalating costs of publishing.

Their readership consists for the most part of people who pay a regular subscription price—increasing rapidly every year. They do so because they wish to receive the news of their communities and the ideas and news of others who live at distances from them.

Cost of publishing newspapers and magazines in the United States have risen rapidly in recent years. Fueled by wage increases and dramatic jumps in the cost of newsprint and magazine paper, the additional 400 percent increase in the cost of mailing has resulted in the need to pass greater charges on to subscribers and advertisers.

There has been much talk lately about "alternate delivery" of magazines and other publications. It is true that some large circulation magazines have found it possible to deliver a small number of copies to subscribers living in densely populated areas.

For the rural weekly or daily newspaper, for the rural subscriber to a larger daily newspaper, or for the small circulation regional or national magazine or journal, "alternative delivery" is not a viable option.

Last year, the Postal Service sought—and the Postal Rate Commission approved—new postal rates which provide discounts based on the degree to which mailers presort their publications. The idea is a good one. I support it.

The difficulty with the program is that the small publishers cannot satisfy the high entry requirements that the Commission and the USPS adopted—precisely because they are "small." An effort to reward mailers for additional mail preparation has led inadvertently to a further increase in mailing costs for the small publications which can least afford to absorb the additional cost.

My bill would remedy that situation by giving to small publishers the same discount that large publishers now earn for presorting their mail.

This approach is fair to the Postal Service and to other mailers. Even the smallest of publishers is now required, and under my bill could continue to be required, to presort its mailings to the maximum extent feasible. The only difference under my legislation is that these publishers will receive the rate benefits of this presorting which current overly strict regulations prevent them from receiving.

Publications in the U.S. mails are not so many ounces of mails and buckets being sent from foundry to retailer. They are the medium for the exchange of ideas, opinion, and information so vital to the functioning of our democratic system. Their continued value to the Nation is inestimable.

Scarcely a month will pass, however, before another event occurs of more immediate concern. On July 6, postal charges for all publications will increase by 16 to 25 percent.

I have previously urged my colleagues to act on S. 1096, a bill introduced earlier this year by Senator Stevens of Alaska, which would soften the impact of these increases and bring them into line with the President's wage-price guidelines. I hope this measure receives speedy consideration within the Government Affairs Committee.

The time has never been more right for us to recognize the value of small publications in our society. This proposal is in itself a small but significant opportunity for the Congress to reaffirm this fundamental public policy.●

By Mr. DOLE:

S. 1426. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to enlisted members of the Armed Forces not entitled to severance pay on their involuntary release from the Armed Forces, and for other purposes; to the Committee on Finance.

● Mr. DOLE. Mr. President, today I am pleased to introduce legislation that will help to correct a longstanding inequity with respect to severance pay for our enlisted military personnel.

SEVERANCE PAY

Mr. President, for many years the Department of Defense has had the authority to award severance payments to its employees. The authority covers approximately 1 million civilians, including thousands of foreign nationals, and more than 200,000 commissioned officers of the U.S. armed services.

This payment also covers Reserve members of the military departments, officer and enlisted, with a readjustment pay plan. If, for example, a Reserve member is not permitted to remain on Active Duty following a predesignated 5-year tour in uniform, the U.S. Government will pay that member a sum of money to assist in readjustment to civilian life. The sum could amount to as much as $15,000 per payment.

ENLISTED PERSONNEL EXCLUDED

This authority, however, does not blanket the regular military enlisted corps which is larger than the combined civilian workforce, domestic and foreign, and the commissioned officers corps of the armed services. Mr. President, the Senator from Kansas, as others have done in the past, questions why the Department of Defense allows this blatant inequity to continue. In these days of fair mindedness, legal and human rights, and basic common decency, we not only find the Department of Defense continuing to treat enlisted personnel as second-class citizens, but denying certain ones the right to return to civilian life with some remuneration to readjust to that environment with dignity and pride.

DEPARTMENT OF DEFENSE

Mr. President, with respect to this issue, Department of Defense officials have argued that severance pay for enlisted personnel would cost money; that military personnel have not been pressuring for corrective action, and that Congress has not seen the need for action on this issue. It seems to me that DOD has promoted these arguments to satisfy the pursuit of a new military retirement system. DOD has publicly stated that the severance pay program should be deliberated at the time Congress considers the proposed new military retirement system. However, DOD also insists the Defense Officers Personnel Management Act (DOPMA) be treated as a separate piece of legislation.

DOPMA

DOPMA—Defense Officers Personnel Management Act—is a proposal to control the armed services commissioned officers corps through systematic and qualitative management programs that provide severance payments for those officers who do not make it to the retirement stage. Mr. President, the Senator from Kansas does not understand why the enlisted severance pay issue is any less important than that for commissioned officers, as DOPMA would appear to suggest.

SUPPORT FOR EM SEVERANCE PAY

Mr. President, the General Accounting Office has issued a report entitled "The Federal Government Severance Pay Programs Need Reform." In this report, the GAO states there is no legislative history justifying the nonpayment of severance pay to military enlisted personnel and thus recommends a change in the law to provide such payment. In addition, many top military officials, study groups, and commissions recommend severance pay for enlisted personnel.

In 1971, it was the interagency committee followed thereafter by the DOD retirement study group. In 1976, the Defense Manpower Commission recommended EM severance pay, and 2 years later the idea was supported by the President's Commission on Military Compensation.

Military leaders such as Gen. Bernard W. Rogers, ex-Army chief of staff and soon-to-be our NATO chief along with former Air Force Secretary, John Stetson, have called for severance pay for enlisted personnel. Yet, Mr. President, there seems to be a lot of foot-dragging in correcting this unfairness. The Senator from Kansas believes this is shabby treatment of those who have given so much for so little. I believe Congress should act now and not wait for the Department of Defense to correct its treatment of military enlisted personnel.

DOLE EM SEVERANCE PAY BILL

Mr. President, the bill I have introduced today will help to relieve readjustments to civilian life until Congress acts on DOD's proposal on this matter—and it is my understanding this may not be for several years.

This measure will authorize enlisted members, honorably discharged after being involuntarily released from or denied reenlistment in the Armed Forces, to exclude from their reportable gross income a constructive amount that they would have received if entitled to severance pay.

Military and veterans' organizations endorsing this measure are the Noncommissioned Officers Association of the U.S.A. (NCOA), the Marine Corps League, and the National Association for Uniformed Services (NAUS).

Mr. President, I urge my colleagues to join me in supporting this important legislation which attempts to correct a longstanding inequity in military severance pay.●

By Mr. SCHMITT (for himself, Mr. HAYAKAWA, and Mr. GOLDWATER):

S. 1427. A bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico; to the Committee on the Judiciary.

UNITED STATES-MEXICO GOOD NEIGHBOR ACT OF 1979

Mr. SCHMITT. Mr. President, on behalf of myself and Senators HAYAKAWA and GOLDWATER, I am today introducing the United States-Mexico Good Neighbor Act of 1979. The purpose of this legislation is to establish the legal framework by which Mexican nationals could enter the United States for temporary employment without adverse impact on U.S. workers.

No social problems facing North America is of more long-term significance to so many people than the problems of undocumented workers from Mexico.

It is a problem for the United States because there is a growing shortage of workers in jobs only the very poor from Mexico will take.

It is a problem for Mexico because any major restriction on Mexican workers would aggravate the extreme unemployment that country faces.

It is a problem for our Government because it is impossible to police the border between Mexico and the United States at reasonable cost. The harder we try, the richer the inhuman smugglers get without any significant reduction on the numbers of illegal aliens entering our country.

It is a problem for willing U.S. workers because undocumented workers at times displace these workers by working at much lower pay scales.

It is a problem for people; those in Mexico upon whom economic crisis has descended, those in this country whose businesses need workers, and those Mexicans who live in fear of being uprooted from the life they have made among us.

The President's proposed solution to these problems met with almost unanimous condemnation. Increased border enforcement, employer's sanctions, and some vague amnesty were neither workable in fact nor humanistic in spirit.

However, during the discussions of these proposals it began to become apparent what was needed. New research, both in the United States and Mexico, disclose the scope and nature of the problem far better than ever before. It also became apparent what Mexico feels should be the essential elements of a solution to a problem which involves so many of her citizens.

First of all, modern research now indicates that most undocumented workers from Mexico come here because of a temporary and personal economic crisis in their family. They make only a few such trips in a lifetime and stay for only about 6 months. Those who stay longer appear to do so because of the difficulty of moving back and forth across the border or because they have established roots in the United States.

It also is clear, that the employment of Mexican workers is beneficial to the U.S. economy and the Mexican economy. For us, it fills jobs that would go unfilled and contributes to the productivity and tax base of the Nation at very little cost.

For Mexico, it is a direct people-to-people form of foreign aid and a means of training large numbers of future workers for their growing economy.

Putting all the available facts and commonsense together, the essential elements of a solution to the problem of illegal aliens, or undocumented workers, is as follows:

Make the workers legal for the 6 months they need to be here and are, in fact, needed.

Base the number of temporary worker visas on the number of unfilled jobs in agricultural, service, and other appropriate industries.

Allow U.S. workers to protect their jobs at specific business locations if qualified and willing U.S. workers are available.

Provide permanent residency in the United States for those Mexican nationals who can prove long-established roots here, lawful marriage, or lawful child or parent dependency.

All these elements, except for the last, are included in the bill I am introducing.

The question of allowing permanent residency under certain conditions is more difficult than other issues. However, I expect to introduce legislation covering this point in a few weeks.

Under the provisions of the principal bill, the Attorney General, in consultation with the Secretary of State, will set up a program of temporary worker visas. Acting in consultation with the Secretaries of Agriculture, Labor, Commerce, and State, the Attorney General would establish annual and monthly quotas for temporary worker visas based on need over and above available domestic labor.

These visas would be issued in Mexico on a first-come first-served basis. The Mexican citizen holding such a visa would then be eligible to spend 180 days within the United States seeking or working at a job.

The legislation does not place any geographical restraint on where the visa holder may seek employment. Similarly, there is no prohibition on the type of work in which he or she may engage. There is, however, a provision designed to help protect the U.S. workers at any given business location from unreasonable labor competition from such a visa holder. The Secretary of Labor could make a finding that at a specific business or agricultural site, there are available qualified and willing domestic workers. If so, the Mexican national could be restricted from working at that site.

Should a visa holder fail to return to Mexico after the expiration date of the visa or enter the United States illegally, there would be stiff prohibitions on their eligibility for future visas. Also, the Attorney General is required to make semiannual reports to the Congress on the effectiveness of the program.

It is a widely known fact, supported by all recent studies on illegal immigration, that immigrants are coming to the United States for economic reasons. The gap between the standards of living of the developing countries and the United States creates a situation that attracts people from impoverished nations to seek a better standard of living in the United States.

The issue, has, however, been acute since 1968, when for the first time, emigration from countries of the Western hemisphere into the United States was restricted. The impact of this decision was felt immediately.

By way of illustration, in fiscal year 1967, 161,608 illegal aliens were apprehended by the Immigration and Naturalization Service. By fiscal year 1976, that figure of deportable aliens had risen to 875,915. Of that figure, 88 percent were as a result of illegal entry and 89 percent, 781,474, were Mexican nationals, many of whom were repeated visitors.

As to total number of undocumented workers within the United States, one of the most widely accepted estimates—provided to the Immigration and Naturalization Service by Lesko & Associates—is 8.2 million illegals, 1975, of whom 5.2 million are from Mexico. Another recent estimate by the Bureau of Census sets this total figure at about 4 million. The vast majority of the Mexican migrants are young and from rural areas in Mexico. Many recent studies corroborate the fact that at least 70 percent of the Mexican nationals come to the United States for short periods of time and then return to Mexico without any intention of permanently residing in the United States.

These are very proud, hard-working people with close ties to their homeland who come to the United States to increase their earnings so that they may see their families through economic hardship.

We have a very unique situation with Mexico. In no other part of the world does a developing country, with severe economic problems, border such a technologically advanced country. This is the key factor involved in the large influx of illegal Mexican migration.

Historically, of course, Mexico has always provided the United States with large numbers of needed workers. In turn, the United States has trained and paid these workers to the benefit of Mexico and its economy. This should not be surprising especially when one recalls the history of the United States. In the West, especially in the Southwest, the Spanish presence and influence was very great. For example, the capital of my State of New Mexico, Santa Fe, was established in 1610, and remained in Spanish and later Mexican control until 1846 when General Kearny raised the U.S. flag.

Now, by simply legislating against the entrance into our country of Mexican nationals, as some propose, the United States would ignore, in a single act, both history and reality. There always has and there always will be a large number of Mexican workers in our country. Any effort on our part to seal off our long 900 mile common border is doomed to continued failure, and only benefits the worst kind of smugglers, those who traffic in human beings.

Furthermore, even if we were successful in sealing the United States-Mexican border, the effect upon Mexico would be catastrophic.

Presently, about one half of the population in Mexico is under the age of 15. The present workforce is estimated to be about 18 million. The unemployment rate is anywhere from 20 to 30 percent. By 1990, the workforce will be 26 million, by the year 2000, 35 million.

Clearly, the only long-term solution is the rapid economic development of Mexico; however, in the short-term we can stabilize the situation with a legal worker program. We must act for both the short- and long-term. These people are not only our neighbors and in need, they are human beings.

We must also recognize the fact that the jobs these people take are jobs which are rejected by our citizens. Unlike the Mexican people, we have a social net to catch us before we hit the economic rock bottom. The emotional charge that undocumented workers take jobs away from the U.S. workers is unproven. In fact, recent studies indicate the contrary to be true. How many U.S. workers want to pick onions in 100 degree heat, or pick apples or work in low-paying service jobs? Unfortunately, the answer is very few. In fact, the existence of the low-paid undocumented worker is a base upon which jobs and products are made available to our economy.

I do not think that once the facts are known, our people would begrudge a Mexican neighbor the opportunity to honorably come to our country for a short time in order to earn a wage with which to feed his family, knowing that no willing U.S. citizen has lost a job as a result.

As a factfinding device to determine how New Mexicans feel about the possibility of providing a legal means by which Mexican immigrants may come to work temporarily in certain areas where there is a shortage of U.S. workers, I distributed a questionnaire to a cross-section of my constituents regarding a modified foreign worker program.

The majority of respondents stressed the fact that foreign workers are essential to many businesses and industries in the Southwest because there are not enough domestic workers who are willing to take the low-skill jobs that are required regardless of pay or other incentives offered. In addition, they stated that since many of the low-skill jobs are temporary in nature, U.S. citizens find it more profitable and secure to collect unemployment or public assistance.

Now, Mr. President, the legislation which I have introduced will do more than ease a difficult economic, social and political situation in Mexico. It will also go a long way toward resolving two domestic problems that we in this country face.

First, there are a large number of illegal aliens in our country, who because of their status must live a shadowy existence. The price these people pay to seek employment in our country is enormous. First, they are exploited by the professional smugglers. The fees charged by these smugglers have ranged from $150 to $400 per worker, and abuses of these people are numerous.

Once the alien is here, the situation does not improve that greatly. At times, they are the victims of an employer or conartist who is aware of their status and their resultant inability to demand social justice in treatment. They must consistently look over their shoulder for fear that the Immigration and Naturalization Service is about to apprehend them. They dare not apply for social service, even when they are needed.

Now it may well be that this bill does not provide all the answers to this difficult question of the illegal alien. It is, however, a start supported by most workers in this field and by Mexican officials. It is Senator HAYAKAWA's and my deep hope that the Senate Judiciary Committee will hold hearings on this legislation within the near future. The pros and cons of such a temporary worker program can be discussed and if necessary, changes and additions made to the bill.

In the meantime, I invite all Senators to cosponsor the bill as an expression of their concern for our relationship with Mexico and for basic social justice for those Mexicans presently illegally living within our country.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States-Mexico Good Neighbor Act of 1979".

FINDINGS

SEC. 2. The Congress finds that—

(a) strong economic and political cooperation between the United States and Mexico will benefit not only the people of these countries, but will also help to eliminate western hemispheric tensions;

(b) the root cause of illegal migration from Mexico into the United States is the lack of reasonable alternatives for economic well-being in Mexico relative to those in the United States;

(c) the mutual benefit of past economic cooperation through legal work programs and investment opportunities is well documented;

(d) in order to eliminate the present large and uncontrolled influx of undocumented workers a system of temporary legal admissions should be established;

(e) the vast majority of jobs that will be taken by Mexicans are in the agricultural and service industries where jobs are not now greatly in demand by American workers;

(f) many of the short-term economic needs of Mexicans and the short-term labor needs of American agricultural and service industries can be met by a temporary worker visa program for Mexicans seeking temporary employment in the United States;

(g) the value to Mexico of temporary employment of Mexican workers in the United States is in the direct flow of dollars into its economy and in the increase in skills within its labor force;

(h) a program of temporary worker visas would encourage the existing temporary nature of most Mexican migration into the United States;

(i) attempts to seal our vast border with Mexico to the flow of migrants are doomed to failure and only increase the exploitation of such workers by smugglers and unscrupulous employers;

(j) employer sanctions against the hiring of illegal Mexican migrants could result in discrimination against Hispanic Americans and/or in an unprecedented national identification system; and

(k) it is necessary to establish a legal framework for Mexican labor in the United States in order to harmonize the use of such workers, to prevent abuse of them by smugglers and unscrupulous employers, to better protect American workers from unfair competition, to reduce the flow of illegal migrants, and to permit a better understanding of the scope of the opportunities and problems related to Mexican workers in the United States and Mexico.

ESTABLISHMENT OF VISA PROGRAM

SEC. 3. Section 214 of the Immigration and Nationality Act is amended by adding the following new subsections at the end thereof;

"(e) (1) The Attorney General, in consultation with the Secretary of State, shall by regulation establish a program for the admission as nonimmigrants into the United States under section 101(a) (15) (M) of Mexican nationals who desire to temporarily perform services or labor in the United States. The regulations shall establish methods for establishing monthly and annual numerical quotas for the issuance of temporary worker visas in accordance with subsection (g). Visas shall be made available on the basis of such quotas to qualified applicants in the chronological order for which they are applied. Such visas shall permit each alien to temporarily perform services or labor within the United States for a period not to exceed 180 days during any calendar year, such period not necessarily a 180 day consecutive period. Such aliens shall not be required to obtain a petition of any prospective employer within the United States in order to obtain such a visa. Such visas shall not limit the geographical area within which the alien may be employed nor set any limitations on the type of employment for which the alien may be employed, except as provided in subsection (f).

"(2) Any alien who obtains a visa under the program established under paragraph (1) who (A) violates the restrictions with respect to the amount of time for which the alien is allowed to remain in the United States, or (B) violates any restriction required under subsection (f), shall be ineligible to obtain another visa under such program for a period of 5 years. Any alien who, after the inception of this program, enters the United States unlawfully shall be prohibited from obtaining a visa under such program for a period of 10 years.

"(f) The Attorney General, upon request from the Secretary of Labor, shall place specific restrictions on employment of aliens holding temporary work visas under this program at a specific business or agricultural site if employees or employers demonstrate that such aliens will displace available, qualified, and willing domestic workers. The Secretary of Labor shall establish the criteria under which such restrictions may be requested.

"(g) When appropriate, the Attorney General shall seek the assistance of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor in establishing the regulations under subsection (e), and in computing the annual and monthly numerical quotas for temporary worker visas, based upon the number of seasonal or cyclical workers sought by employers in the United States. In computing such quotas, the Attorney General shall also consider historical needs, availability of domestic labor, and the projected needs of prospective employers.".

UNITED STATES CONSULATES IN MEXICO

SEC. 4. (a) The Secretary of State is authorized to take such steps as are necessary in order to establish and expand the United States Consulates in Mexico in order to implement the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(b) The Secretary of State shall coordinate with appropriate officials of Mexico in order to insure maximum awareness in Mexico of the nature and restrictions of the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(c) The Secretary of Labor shall undertake to insure, to the extent practicable, that the nature and restrictions of the programs established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act are known to aliens of Mexican citizenship residing in the United States.

NONIMMIGRANT CATEGORY

SEC. 5. Section 101(a) (15) of the Immigration and Nationality Act is amended by adding at the end therof the following:

"(M) a Mexican national who has no intention of abandoning his or her residence in Mexico who is coming to the United States for a period of not to exceed 6 months during any calendar year, for an indefinite number of such periods, to temporarily perform services or labor.".

EFFECT OF DEPORTATION

SEC. 6. Section 212(a) is amended—

(1) by inserting before the semicolon at the end of paragraph (16) a comma and the following: "except that the Attorney General shall not consent to the reapplying for admission of an alien described in section 101 (a) (15) (M)"; and

(2) by inserting before the semicolon at the end of paragraph (17) a comma and the following: "except that the Attorney General shall not consent to the applying or reapplying for admission of an alien described in section 101(a) (15) (M)".

PROHIBITION ON ADJUSTMENT OF STATUS UNDER TEMPORARY WORKER VISA PROGRAM

SEC. 6. Section 245(c) of the Immigration and Nationality Act is amended—

(1) by striking out "or"; and

(2) by inserting immediately after "section 212(d) (4) (C)" a semicolon and the following: "or (4) any alien described in section 101(a) (15) (M)".

REPORT TO CONGRESS

SEC. 8. The Attorney General shall report semiannually to the Congress on the temporary worker visa program established in section 214(e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act, and shall include in that report a summary of the number of visas issued under the program, the effectiveness of the program, enforcement problems related to the program, and any recommendations for legislative change in the program.

BILATERAL ADVISORY COMMISSION

SEC. 9. It is the sense of the Congress that the President should negotiate with the appropriate officials of the government of Mexico to establish an Advisory Commission on the Mexico-United States Temporary Worker Visa Program to consult with and advise the Attorney General in establishing the regulations, and in computing the monthly and annual numerical quotas, for the temporary worker visa program established under section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

AUTHORIZATIONS

SEC. 10. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

Mr. HAYAKAWA. Mr. President, Senator SCHMITT and I are introducing legislation today which will relieve the problem of illegal aliens entering our country from Mexico. Our program will replace the current large flow of undocumented workers into our country with a system of temporary legal admissions. It is entitled the Mexican-American Good Neighbor Act of 1979, and will provide a means for the United States and Mexico to work together to meet our country's need for labor, and the need of many Mexican citizens to find jobs.

Large numbers of Mexicans cross our borders illegally every dav in search of work. These people are willing to face the risks of illegal immigration in order to get jobs which will pay up to 13 times as much as can be earned in their country. In the United States they are able to learn skills and technology which can be used to help advance Mexico's economy. At the same time, they are earning money to support their families, which are often left behind in Mexico.

The American labor market needs this supply of foreign workers who are willing to accept jobs demanding hard physical labor and offering low pay. The United States, like most advanced industrial nations, has difficulty in finding people willing to take phvsically demanding jobs with low social status, little job security, and almost no room for advancement. At an earlier time in our history, each new immigrant group arriving in the United States filled these jobs. They eventually moved on to better positions, leaving less desirable jobs for the next group of immigrants. But the once enormous flow of immigrants is now no longer sufficient to maintain this pattern, and undocumented workers have taken the place of the immigrants.

This new group of workers from Mexico does not want to stay in our country permanently. The members of this group have a short term need to supplement their incomes, and, as long as jobs are available to them, they will continue to find a way into the United States to fill those jobs. It has proven futile to attempt to stem the flow of illegal workers with expanded border patrols, physical barriers, and deportations. Moreover, it appears that the enforcement of such restrictive measures frequently results in violations of basic human rights. The situation can only be dealt with by the establishment of legal channels for the temporary migration of Mexican workers in a way which will prove beneficial to both Mexico and the United States.

For too many years we have treated our neighbor to the south with neglect. The problem of undocumented workers stems from deeply seated economic problems within Mexico and profoundly affects many aspects of American life. It must be tackled jointly by both countries.

I have had several meetings with Mexico's Ambassador to the United States, Hugo Margain, and have written to President Carter about the suggestions that the Ambassador and I discussed. A major point in our discussions was the establishment of a binational advisory commission to provide assistance in the development and implementation of a program to allow legal entry for laborers. The legislation I am introducing today incorporates my suggestion for a binational commission. I believe that Mexico's assistance is vital to the success of any solution that will benefit both countries.

The Mexican-American Good Neighbor Act amends the Immigration and Nationality Act with the establishment of a temporary worker's visa program between the United States and Mexico. It instructs the Attorney General to develop regulations for the issuance of visas to admit laborers into the United States for a period not to exceed 6 months in a given year. Research has confirmed the fact that the great majority of Mexican migrant workers seek only temporary work in our country. They do not want to settle here permanently, but desire to return to their homes and families they have reluctantly left behind.

This legislation incudes a provision to allow the Attorney General, upon the request of the Secretary of Labor, to place restrictions on the employment of temporary alien workers at a specific business location if it can be demonstrated that such temporary workers will displace willing and qualified domestic workers. This provision protects the opportunities for domestic labor and prevents the employment of aliens at the expense of American workers.

Ambassador Margain and I discussed another suggestion which I believe should be used in conjunction with this legislation. The Mexican-American Good Neighbor Act could be strengthened by the addition of a monetary deposit program administered by the Mexican Government. Under such a program, workers' visas would be issued in conjunction with a good will deposit made by each visa holder. The deposits would be held in escrow by the Mexican Government and returned with interest when the workers returned home. A program of this nature would provide a strong financial incentive for the Mexican worker to return to his country, and would assist the Mexican Government in keeping a competent work force at home. It is to the advantage of both Mexico and the United States that the workers return with their wages and acquired skills and technology. I will bring up the possibility of such a program when hearings are held on this legislation, and, upon passage, I will actively advise the Secretary of State to help develop such a program.

What can be accomplished by the legislation we are introducing? First of all, it will change the "illegal alien" into a "legal worker." That means that Mexican men and women with the proper visa can demand the minimum wage, and complain when required to work under harsh and improper conditions. It also means that American citizens will not be cut off from jobs by employers who would rather hire cheap, illegal workers. For farmers and businessman who are truly unable to find the workers they need, it means a supply of legal labor without the fear of raids by immigration authorities. Most importantly, this bill will encourage the President to continue discussions with Mexico so that our countries may seek to resolve our problems jointly.

By Mr. CRANSTON:

S. 1428. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who are participants in employer pension plans a deduction for their contributions to such plans or for their contributions to individual retirement savings plans; to the Committee on Finance.

IRA-EMPLOYER PLAN COORDINATION ACT OF 1979

● Mr. CRANSTON. Mr. President, I am introducing today companion legislation to H.R. 628, the IRA-Employer Plan Coordination Act of 1979, which was introduced on January 15 this year by my colleague from California, Representative JIM CORMAN, with approximately 50 cosponsors.

As the short title of the bill suggests, this legislation is intended to provide individual retirement account (IRA) tax deduction benefits to employees who do not have vested rights in any pension plan provided for them by their employer.

Those familiar with pension legislation and tax deductions associated with retirement plans are aware of these two significant problems in the retirement field:

First, the problem of the mobile employee who changes jobs frequently, and therefore, never vests under a qualified pension plan and yet never qualifies for an individual retirement account (IRA). The employee under these circumstances, of course, does not qualify for an IRA because the employee is an "active participant" in a pension plan and is disqualified from contributing to an IRA.

As the law would have it, the employee under these circumstances gets no retirement benefit at all.

A surprisingly large number of employees fall into this category.

The job tenure of American workers averaged 3.6 years in 1979—4.5 years for men and 2 years for women.

Engineering and scientific employees are particularly hard hit. Most of them work for companies with plans vesting after 10 years. But this class of worker typically is employed on a project basis—when the project is completed, the job is terminated. As a consequence, many engineers and scientific personnel have worked steadily but never have earned vested pension rights.

The IRA Employer Plan Coordination Act is designed specifically with this group of employees in mind.

Second, the bill meets the needs of an employee who manages to vest in a plan but vests in a benefit considerably less valuable than the IRA could have been.

Under the bill, an "active participant" in a qualified plan can make IRA contributions up to the regular IRA limit so long as the employee is not 100 percent vested.

When the employee becomes vested in a benefit, he or she would choose the greater amount—the IRA or the plan. If the IRA exceeds the plan, he would disgorge from the IRA an amount equal to the plan and pay taxes on it at ordinary rates. If the plan exceeds the IRA the employee would terminate the IRA and again pay taxes on the amounts disgorged at ordinary rates.

If the current value of a year's accrual under the plan is less than the IRA limit, then the employee may continue, after 100 percent vesting, to contribute the difference to an IRA on a tax-deferred basis.

The disgorgement feature of the bill is a relatively modest way of accounting for the fact the individual taxpayer has had the benefit of a tax-free investment for up to 10 years.

I am informed that the revenue loss associated with the bill is estimated at $500 million annually.

This is a small cost to pay for closing a major gap in our retirement income system as supported through tax deductions and deferrals.

I ask the support of my colleagues for this very modest proposal. A broader approach may have much to commend it, but this bill, I am convinced, can be enacted and should be enacted. Every month of delay means that thousands of employees are being denied a fair opportunity to provide for their retirement.

I strongly support efforts to promote savings and capital formation. I will have proposals to offer at a later date in these areas. IRA-Employer Plan Coordination Act of 1979 is consistent with encouragement of savings and capital formation. It is only one step, but it is a step which does right by employees who now cannot participate in tax-encouraged retirement income plans.●

By Mr. PELL:

S. 1429. A bill to extend the Museum Services Act for 2 years, and for other purposes; to the Committee on Labor and Human Resources.

MUSEUM SERVICES AMENDMENTS OF 1979

● Mr. PELL. Mr. President, today I am introducing the Museum Services Amendments of 1979. This bill would extend the Museum Services Act for 2 years and, at the same time, would insure that the Institute of Museum Services, and no other agency, would be responsible for establishing a proper system of grant application review.

Last week I introduced legislation extending the National Foundation on the Arts and Humanities Act of 1965 for 5 years. Included in this legislation was 5-year extension of the Institute of Museum Services. However, since that time, there has been some discussion over the proper location of the Institute. Several alternative locations have been suggested.

Since at this time there is no consensus as to the proper location of the Institute, I am suggesting with the legislation I introduced today that the Institute, in its present location in the Department of Health, Education, and Welfare, be extended for only 2 years. This will give the Institute, which has only been in existence since 1976, further time to strengthen its programs of museum support.

During this 2-year period, our Subcommittee on Education, Arts, and Humanities plans to conduct extensive oversight into all Federal museum programs, to determine whether there is any overlap in these programs and to explore options for the best Federal role in aiding our Nation's museums. As part of this oversight process, I intend to continue discussions with all of the Federal officials involved in museum programs and to solicit their views on the proper location and role for the Institute. My own view continues to be that the Smithsonian Institution, which already has the responsibility for carrying out the provisions of the National Museum Act of 1966, and the Institute of Museum Services should join together with the result that the Smithsonian Institution would become the Nation's museums' museum, helping museums across our Nation with conservation, exhibitions, museumology and fundraising techniques.●

By Mr. DOLE:

S. 1430. A bill to extend and improve title V of the Social Security Act; to the Committee on Finance.

MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES ACT

● Mr. DOLE. Mr. President, in anticipation of further discussion by the Finance Health Subcommittee on Maternal and Child Health Care Services, the Senator from Kansas upon the request of the American Medical Association, and the American Academy of Pediatrics, is today introducing a bill to revise, extend and improve maternal and child health and crippled children's services under title V of the Social Security Act. As ranking minority member of the Finance Health Subcommittee, I have had a good deal of interest in this area and feel that, at the very least, the 43-year-old program is deserving of our consideration as a basis for any new attention which might be given to this category of beneficiaries.

I think most Senators are aware of the administration's objectives with respect to children, mothers, and prospective mothers in their proposed Child Health Assessment Act—introduced by my colleague from Connecticut, Senator RIBICOFF. My purpose in submitting this legislation to amend title V is not necessarily to suggest that we need an alternative to chap—or even that legislation at this time is desirable or affordable—but rather to point out that we have an established framework for assisting these special groups, and that maybe we should take a look at it.

This bill would provide the means for just such a review, Mr. President. It is the product of a very careful, objective, indepth, 3-year evaluation of the problems of our Nation's youth by the American Academy of Pediatrics—and will, I hope, stimulate an appropriate response among all Senators who are concerned about our efforts to make health services available to those mothers, infants, and youth for whom both prevention and care may be a particular burden.

Mr. President, I ask unanimous consent that there be printed in the RECORD a brief summary of this proposal highlighting its goal, funding, State accountability requirements, national oversight role, organizational perspective and effectiveness assurance mechanisms, together with the text of the bill.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1430

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as "The 1979 Amendments to the Maternal and Child Health and Crippled Children's Services Act."

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2(a). The Congress finds that—

(1) Each year many children suffer from the effects of preventable illnesses and birth defects as a result of limited availability of maternal and child health care;

(2) The health program for mothers and infants in title V of the Social Security Act are the base and establish the standards for most of the public health programs for mothers, infants, children and adolescents in the Nation; the program for crippled children in title V of the Social Security Act is the major health system for providing special services unique to children with crippling diseases; and the programs for providing comprehensive services for high-risk pregnant women and children living in underserved areas has had an important part in improving the health of those served. Consequently, programs must be revised and expanded to assure all pregnant women, infants, children and adolescents the promise of a healthy future.

(3) Steps should be taken to insure the national priority that all pregnant women and children have access to adequate health services, since—

(a) births to women under sixteen years increased 80 percent between 1960 and 1975;

(b) low birthweight infants are born to women under fifteen twice as often as those over twenty;

(c) twenty-eight percent of pregnant women begin prenatal care after the first trimester or have no care at all;

(d) low birthweight babies are more common among those who receive no care; and

(e) approximately three hundred thousand severely retarded people require total care at the average cost of $18,000 per year per person.

(4) The program authorized by this title should be extended and strengthened through improved organizational steps and through special grants to achieve such desirable objectives as providing health services for adolescents, special services for the unwed pregnant teenage, for neonates born at high risk, and for the coordination of health and education programs.

(5) In the provision of services for mothers, infants, children, and adolescents, maximum use should be made of the existing system of health care delivery and the participation of private providers, and new community arrangements should be created as needed to provide services for problems.

(6) Special grants should be made available on national, regional, county and local bases.

(b) The purpose of this Act is to make health services available to special groups (to pregnant women, to mothers and their infants, to crippled children who have need for special services, for underserved children and youth, for mothers and children who have disabling diseases and disorders) who are at greater health risk and social dependence, and for whom the cost of preventive care may be a particular burden. Furthermore, health services, including preventive services, shall be made available directly or through arrangements with physicians, or other health providers and medical entities, to mothers and children who, for economic reasons, have difficulty in obtaining the services they need, and special grants for projects for delivery of care to other identified groups of mothers and children shall be made available.

SEC. 3. Title V of the Social Security Act as amended is hereby further amended to read as follows:

TABLE OF CONTENTS

"Sec. 501. Authorization of appropriations.
"Sec. 502. Allotments to States.
"Sec. 503. Approval of State plans.
"Sec. 504. Payments.
"Sec. 505. Operation of State plans.
"Sec. 506. Special grants for projects of regional or national significance.
"Sec. 507. Special grants for county and local projects.
"Sec. 508. Training of personnel.
"Sec. 509. Research projects.
"Sec. 510. Administration.
"Sec. 511. Definition.
"Sec. 512. Observance of religious beliefs.
"Sec. 513. National Office of Material and Child Health.
"Sec. 514. National Advisory Committee on Maternal and Child Health
"Sec. 515. Study on maternal and child health delivery.

AUTHORIZATION OF APPROPRIATIONS

SEC. 501. (a) For the purpose of enabling each State to extend and improve—

"(1) services for reducing infant mortality and otherwise promoting the health of mothers, infants, children and adolescents;

"(2) services to prevent disease and disability that cripple children and to locate, diagnose, treat, and provide followup services for children who have crippling conditions or who suffer conditions which may lead to crippling;

"(3) services for locating and identifying mothers, infants, children, adolescents, and crippled children under State plans;

there are provided special grants to States and subdivision of States for new activities to address the provision of medical services for health problems; grants for training of personnel; and grants for research projects related to the delivery of health services for mothers, infants, children, and adolescents.

(b) There are authorized to be appropriated for the purposes of this Act.

(1) For the fiscal year ending September 30, 1980, and for each fiscal year thereafter, $218,750,000 for maternal and child health services, and $93,750,000 for crippled children's services for which provision is made for allotments under Section 502.

(2) For the fiscal year ending September 30, 1980, and each fiscal year thereafter, $78,125,000 for grants for projects of special regional or national significance for which provision is made in section 506;

(3) For the fiscal year ending September 30, 1980 and for each year thereafter, $62,500,000, subject to the provision of section 503(a)(10), for grants for projects of special county or local significance for which provision is made in section 507;

(4) For the fiscal year ending September 30, 1980, and each fiscal year thereafter, $31,250,000 for training of personnel under the provisions of section 508;

(5) For the fiscal year ending September 30, 1980, and each fiscal year thereafter, $15,625,000 for research projects under the provisions in section 509.

(c) Notwithstanding the preceding provisions of this section, of the amount appropriated for any fiscal year pursuant to this section, not less than 6 percent of the amount appropriated shall be available for family planning services under projects under sections 506, 507 and 509;

ALLOTMENTS TO STATES

SEC. 502. (a) From the amounts determined to be available to States pursuant to section 501(b) (after application of sections 501(d)) allotments under this section shall be made on the following basis:

(1) For maternal and child health services:

(A) One-half of such amount shall be allotted by allotting to each State $70,000 plus such part of the remainder of such one-half as the Secretary finds that the number of live births in such State bore to the total number of live births in the United States in the latest calendar year for which there are statistics.

(B) The remaining one-half of such amount shall (in addition to the allotments under paragraph (A)) be allotted to the States from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of live births in such State.

(2) For crippled children's services:

(A) One-half of such amount shall be allotted by allotting to each state $70,000 and allotting the remainder of such one-half according to the need of each State as determined by the Secretary after taking into consideration the number of crippled children in each State.

(B) The remaining one-half of such amount shall (in addition to the allotments under paragraph (A) be allotted to the States from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of crippled children in each State in need of crippled children's services and the cost of furnishing such services to them.

(b) Within the limits of the amounts appropriated in this Act for any fiscal year, there shall be allocated to each State a sum not less than the sum allocated to the State for the fiscal year ending September 30, 1979.

(c) Funds allotted to States which remain unused at the close of a fiscal year shall be available to the Secretary for reallocation to States in the following year for the purposes of this section on the basis of demonstrated need to carry out the State plan.

(d) Payments to States from amounts appropriated pursuant to section 501(b)(1), and allotted pursuant to this section shall be subject to matching by States pursuant to section 504.

(e) The Secretary shall conduct a study of the allocation formula established by the section. Within two years, the Secretary shall submit a report to the appropriate houses of Congress concerning the most appropriate allocation of funds to the states along with such recommendation for changes in the formula in order to insure the most equitable distribution of funds to the states.

APPROVAL OF STATE PLANS

Sec. 503 (a) In order to be entitled to payments for allotments to a State under Section 502 for maternal and child health services and for crippled children's services, a State must have a State plan which—

(1) provides for financial participation by the State;

(2) provides for the administration of the plan by the State health agency; except that in the case of those States which on July 1, 1967, provided for administration (or supervision thereof) of the State plan approved under section 510 (as in effect on such date) by a State agency other than the State health agency, the plan of such State may be approved under this section if it would meet the requirements of this subsection except for provisions of administration (or supervision thereof) by such other agency for the portion of the plan relating to services for crippled children and, in each such case, the portion of such plan which each such agency supervises, shall be regarded as a separate plan for purposes of this title;

(3) provides (A) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan and (B) provide for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of persons of low income, as community service aids, in the administration of the plan and for the use of non-paid or partially paid volunteers in providing services and in assisting any advisory committee established by the State agency;

(4)(A) provides for the establishment of a State Advisory Council to be appointed by the Governor of the State to advise the State agency administering the plan that is approved pursuant to subsection (b) of this section in matters of policy, consolidation of health care programs in the State, identification of mothers and children in need of care, and bringing care to them, and

(B) provides that the composition of the State Advisory Council shall consist of 9 members at least four of whom are practicing doctors of medicine, one of whom is a doctor of osteopathy, one of whom is a doctor of dentistry, all duly licensed by the State and recommended by appropriate professional organizations, and the remainder of whom are members of the general public qualified by education, experience or knowledge to serve on the Council.

(5) provides that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

(6) provides for cooperation with medical, health, nursing, educational, and welfare groups and organizations and, with respect to the portion of the plan relating to services for crippled children, with any agency in such State charged with administering State laws providing for special education and vocational rehabilitation of physically handicapped children;

(7) provides for payment of the reasonable cost of inpatient hospital services provided under the plan, as determined in accordance with methods and standards which shall be developed by the State and included in the plan, except that the reasonable cost of any such services as determined under such methods and standards shall not exceed the amount which would be determined under section 1861(v) as the reasonable cost for such services for purposes of title XVIII;

(8) provides, with respect to the portion of the plan relating to services for crippled children, for early identification of children in need of health care and services, and for health care and treatment needed to correct or ameliorate defects or chronic conditions discovered thereby through provision of such periodic screening or diagnostic services, and such treatment, care and other measures to correct or ameliorate defects or chronic conditions as may be provided in regulations of the Secretary;

(9) provides that when services are available in the community, the State health agency shall reimburse an individual practitioner or other private health entity to render the medical services;

(10) provides, with respect to the amounts appropriated for grants for projects of special county or local significance pursuant to paragraph (3) of section 501(b), that priority shall be given in the award of grants to cities and counties, and other subdivisions of the State for projects to be conducted in such subdivisions;

(11) provides for carrying out the purposes specified in Section 501;

(12) provides for the development of demonstration services in needy areas and among groups in special need;

(13) provides acceptance of family planning services provided under the plan shall be voluntary on the part of the individual to whom such services are offered and shall not be prerequisite to eligibility for or the receipt of any service under the plan;

(14) provides—

(A) that the State health agency, or other appropriate State medical agency shall be responsible for establishing a plan, consistent with regulations prescribed by the Secretary, for the review by the appropriate PSRO for the appropriateness and quality of care and services furnished to recipients of services under the plan and, where applicable, for providing guidance with respect thereto to the other State agency referred to in paragraph (2), and

(B) that the State and local agency utilized by the Secretary for the purpose specified in the first sentence of Section 1864(a), or, if such agency is not the State agency which is responsible for licensing health institutions, the State agency responsible for such licensing, will perform the function of determining whether institutions and agencies meet the requirements for participation in the program under the plan under this title;

"(15) provides for the development of a unified State plan for mothers, infants, children, and adolescents by the maternal and child health and crippled children program; the plan will: Describe the health care needs of mothers and children in all parts of the State and the resources available to meet such needs; describe the unmet health needs of the mothers and children in all parts of the State; describe the objectives and priorities as determined by the State agency responsible for administering the maternal and child health program and the crippled children program; describe the method used by the State maternal and child health program and the crippled children program to select their objectives and to determine their priorities; include common goals and objectives for the two programs including evidence of appropriate sharing of personnel in the provision of the same or similar services and of joint planning concerning selected programs of common concern to both programs;

"(16) provides that the State maternal and child health plan will include the basic programs and services as determined by the State advisory council taking into consideration the guidelines developed by the National Office; basic programs and services will include, but not be limited to, the basic health services for mothers, infants, children, and adolescents, family planning, and school and health programs; in addition, the maternal and child health plan will include a series of special programs and projects that are conducted to meet the needs of the State and to respond to the priorities in the State plan; the maternal and child health plan may include such special programs for mothers, infants, children, and youth as may be developed and may include sudden infant death syndrome programs, dental programs, expanded perinatal projects, genetic screening and counseling programs, programs for unwed adolescent mothers, or other programs;

"(17)" provides that the State crippled children program will include the basic programs and services as determined by the State advisory council taking into consideration the guidelines developed by the National Office; basic programs and services will include, but not be limited to, programs to provide special services for handicapped children; in addition, the crippled children plan will include a series of special programs and projects that are conducted to meet the needs of the State and respond to the priorities in the State plan; the crippled children and youth as may be developed and may include centers to provide multidisciplinary evaluation of children with severe developmental disabilities, special programs for hemophilia, and other programs;

"(18) provides that special projects for maternal and infant care health of school and preschool children, newborn intensive care, and dental care of children being conducted within the State with funds, from this title during the fiscal year ending September 30, 1978, shall, consistent with the needs of the State, be maintained within the State plan; and

"(19) provides that the State agency will submit to the Director of the Office of Maternal and Child Care on or before April 1 of each year, a report of the fiscal year ending September 30 immediately preceding the report date that—

"(A) identifies the health care needs of mothers, infants, children, and adolescents in all parts of the State, and the resources available to meet such needs.

"(B) identifies the unmet health care need of the mothers, infants, children, and adolescents in all parts of the State which will be addressed, respectively, by State plan and by other auspices, public and private.

"(C) delineate problems in providing maternal and child health care and priorities that will be assigned by the State agency in resolving those problems.

"(D) describes activities to be taken under the State plan for providing maternal and child health care and crippled children care pursuant to this title for the first fiscal year beginning after the due date of the report and

"(E) identifies the outcomes as a result of providing the services authorized by this title.

(b) The Secretary shall approve any plan which meets the requirements of subsection (a).

PAYMENTS

Sec. 504(a) From the sums appropriated therefor and the allotments available under section 502, the Secretary shall pay to each State which has a plan approved under this title for each quarter beginning with the quarter commencing with October 1, 1979, an amount equal to 75% of the total amount expended for programs pursuant to the State plan, which amount shall be used exclusively for carrying out such plan with respect to maternal and child health services and services for crippled children.

(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for each quarter, such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source from which the difference is expected to be derived, and (B) such other information as the Secretary may find necessary;

(2) The Secretary shall then pay to the State, in such installments as he may determine, the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

(3) Upon the making of an estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

(c) Payments of grants awarded under sections 506, 507, and 508, and of grants, contracts, or other arrangements under section 509, may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of the section involved.

(d) The total amount determined for payment under subsection (a) of this section for any fiscal year ending after September 30, 1979, shall be reduced by the amount by which the sum expended (as determined by the Secretary) from non-Federal sources for maternal and child health services and services for crippled children for such year is less than the sum expended from such sources for such services for the fiscal year ending September 30, 1979. In the case of any such reduction, the Secretary shall determine the portion thereof which shall be applied, and the manner of applying such reduction to the amounts otherwise payable from allotments under section 502.

(e) Notwithstanding the preceding provisions of this section, no payment shall be made to any State thereunder from the allotments under section 502 for any period unless the State makes a satisfactory showing that it is making available to mothers, infants, children, and adolescent and crippled children in all parts of the State health care services for which provision is made in this Act.

(f) Notwithstanding the preceding provisions of this section, no payments shall be made to any State thereunder—

(1) with respect to any amount paid for items or services furnished by a practitioner under the plan to the extent that such amount exceeds, or is less than, the charge which is the usual, customary or reasonable charge by such practitioner for such items or services;

(2) with respect to any amount expended for inpatient hospital services furnished under the plan to the extent that such amount exceeds the hospital's customary charges with respect to such services or (if such services are furnished under the plan by a public institution free of charge or at nominal charges to the public) exceeds an amount determined on the basis of these items (specified in regulations prescribed by the Secretary) included in the determination of such payment which the Secretary finds will provide for fair compensation to such institution for such services; or

(3) with respect to any amount expended for services furnished under the plan by a hospital unless such hospital has in effect a utilization review plan which meets the requirement imposed by section 1861(k) for purposes of title XVIII; and if such a hospital has in effect such a utilization review plan for purposes of title XVIII, such plan shall serve as the plan required by this subsection (with the same standards and procedures and with the same review committee or group) as a condition for payment under this title; the Secretary is authorized to waive the requirements of this paragraph in any state if the State agency demonstrates to his satisfaction that it has in operation utilization review procedures which are superior in their effectivness to the procedures required under section 1861(k), or

(4) with respect to any amount expended for indirect costs or administrative expenses which exceeds 25 percent of the total of Federal funds and any matching funds for the conduct of activities under the State plan.

OPERATION OF STATE PLANS

Sec. 505. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering and supervising the administration of the State plan approved under this title finds—

(1) that the plan has been so changed that it no longer complies with the provisions of section 503; or

(2) that in the administration of the plan there is a failure to comply substantially with any such provision; the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply. Until he is so satisfied he shall make no further payments to such States (or shall limit payments to categories under or parts of the State plan not affected by such failure).

SPECIAL PROJECT GRANTS FOR PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE

Sec. 506. (a) In order to provide special incentives in developing new initiatives to address problems of regional or national significance, to encourage the development of new techniques in resolving the problem of providing health and medical services in underserved areas, to stimulate new programs and activities which address current health problems and which focus upon long-standing problems which have not yet been satisfactorily resolved, the Secretary is authorized to make from sums available under paragraph (2) of section 501(b), grants to the State agencies (administering or supervising the administration of a State plan approved under section 503) and to public or any nonprofit private agency, institution, or organization to pay the cost (exclusive of general agency overhead for projects of special programs of regional or national significance which may contribute to the advancement of maternal and child health. Programs supported under this section may include (but are not limited to) those which provide or cover the cost of the provision of services or otherwise address the organization or delivery of services—

(1) necessary to the prospective mother and the developing fetus;

(2) necessary to the infant during the first year of life;

(3) necessary to the child during the years of growth and development;

(4) necessary for the adolescent; and

(5) necessary to otherwise promote the health and well-being of women, infants, children, and adolescents, including health education.

(b) Priority of grants will be given to those which will provide health care services to persons who will not receive care otherwise because of being from a low-income family or for other reasons beyond their control. Acceptance of family planning services provided under this title shall be voluntary on the part of the individual to whom such services are offered and shall not be a prerequisite to the eligibility for, or the receipt of, any service under such project.

(c) No project shall be eligible for a grant under this section unless it provides for payment of—

(1) the reasonable cost of inpatient hospital services provided under the project;

(2) the usual, customary, and reasonable charges of a practitioner with respect to services provided under the project; or

(3) if such services are furnished under the project by a public institution free of charge or at nominal charges to the public, an amount determined on the basis of these items specified in regulations (prescribed by the Secretary) included in the determination of such reasonable cost, which the Secretary funds will provide fair compensation to each institution for such services.

(d) No single grant under this section shall exceed $2,000,000 in any fiscal year.

SPECIAL GRANTS FOR UNDERSERVED COUNTIES AND LOCAL AREAS

SEC. 507. (a) In order to foster the development of strong programs at the local level which address the health care needs of women, infants, children, and youth, particularly in areas with concentration of low-income families, the Secretary is authorized to make, from the sums available under paragraph (3) of section 501(b), with the consent of the State health agency, grants to local municipal and county health agencies and any other political subdivision of the State administering programs consistent with the State plan approved under section 503, or to any public or nonprofit private agency, institution, or organization, not to exceed 75 percent of the cost of programs which provide, arrange for the provision of, or reimburse for services which contribute to the advancement of maternal and child health (exclusive of general agency overhead)—

(1) which help to reduce the incidence of mental retardation and other handicapping conditions caused by complications associated with child bearing and to help reduce infant and maternal mortality;

(2) which help to promote the health of preschool and school age children including (but not limited to) preventive services, immunizations, periodic health assessments, health education, as well as other physician services and hospitalization, or

(3) which foster comprehensive health care for youth and otherwise provide for care, treatment and counseling for conditions associated with pregnancy, venereal disease, alcoholism, drug addiction and mental health.

(b) No project shall be eligible for a grant under this section unless it provides—

(1) for the coordination of health care and services provided under it with, and utilization (to the extent feasible) of, other State or local health, welfare, and education programs for women, infants, children and adolescents, and

(2) for payment of

(A) the reasonable cost of inpatient hospital services provided under the project,

(B) the usual, customary and reasonable charges of a practitioner with respect to services provided under the project, or

(C) if such services are furnished under the project by a public institution free of charge or at nominal charges to the public, an amount determined on the basis of those items (specified in regulations prescribed by the Secretary) included in the determination of such reasonable cost which the Secretary finds will provide fair compensation to such institution for such services.

(3) that any treatment, correction or defects, or aftercare provided under the project is available only to women, infants, children and adolescents who would not otherwise receive such care because they are from low-income families or for other reasons beyond their control; and no such project shall be considered to be of a comprehensive nature for purposes of this section unless it includes (subject to the limitation in the preceding provisions of this sentence) at least such screening, diagnosis, preventive services, treatment, correction of defects, and aftercare, both medical and dental, as may be provided for in regulations of the Secretary.

(c) No single grant under this section shall exceed $1,000,000 in any fiscal year.

TRAINING OF PERSONNEL

SEC. 508. From the sums available under paragraph (4) of section 501(b), the Secretary is authorized to make grants to public or nonprofit private organizations or institutions of higher learning for training personnel for health care and related services for mothers and children. In making such grants the Secretary shall give special attention to programs providing training at the undergraduate level.

RESEARCH PROJECTS

SEC. 509. From the sums available under paragraph (5) of section 501(b), the Secretary is authorized to make grants to, or jointly finance cooperative arrangements with, public or other nonprofit institutions of higher learning and public or nonprofit private agencies or organizations engaged in research or in such programs, for research projects relating to maternal and child health services or crippled children's services which show promise of substantial contribution to the advancement thereof. Special emphasis shall be accorded to projects which will help in studying the need for, and the feasibility, cost, and effectiveness of, comprehensive health care programs. Grants under this section may also include funds for the training of health personnel for work in such projects.

ADMINISTRATION

SEC. 510 (a). The Secretary of Health, Education, and Welfare shall make such studies and investigations as will promote the efficient administration of this title.

(b) Such portion of the appropriations for grants under section 501 as the Secretary may determine, but not exceeding one-half of 1 percent thereof, shall be available for evaluation by the Secretary (directly or by grants or contracts) of the programs for which such appropriations are made and, in the case of allotments from any such appropriation, the amount available for allotments shall be reduced accordingly.

(c) Any agency, institution, or organization shall, if and to the extent prescribed by the Secretary, as a condition to receipt of grants under this title, cooperate with the State agency administering or supervising the administration of the State plan approved under title XIX in the provision of care and services, available under a plan or project under this title, for children eligible therefor under such plan approved under title XIX.

DEFINITION

SEC. 511. For the purposes of this title, a crippled child is an individual under the age of 21 who has an organic disease, defect, or condition which may hinder the achievement of normal growth and development.

OBSERVANCE OF RELIGIOUS BELIEFS

SEC. 512. Nothing in this title shall be construed to require any State which has any plan or program approved under, or receiving financial support under, this title to compel any person to undergo any medical screening, examination, diagnosis, or treatment or to accept any other health care or services provided under such plan or program for any purpose (other than for the purpose of discovering and preventing the spread of infection or contagious disease or for the purpose of protecting environmental health), if such person objects (or, in the case such person is a child, his parent or guardian objects) thereto on religious grounds.

NATIONAL OFFICE OF MATERNAL AND CHILD HEALTH

SEC. 513. (a) There is hereby established in the Department of Health, Education, and Welfare an identifiable unit known as the National Office of Maternal and Child Health Services to carry out the following duties:

(1) To monitor the operation of title V in the respective states to establish the effectiveness of State programs in providing maternal and child health care services under that title;

(2) To seek to improve maternal and child health care services through coordination of activities of the federal health agencies in the operation of this title for maternal and child health and crippled children's services;

(3) to develop, with the advice and assistance of the National Advisory Committee on Maternal and Child Health guidelines for use by States in the development of State plans pursuant to section 503;

(4) to develop, with the advice and assistance of the National Advisory Committee on Maternal and Child Health, an organized system of data collection and retrieval as a central source of information related to the health of mothers and children and to the health services available to them under this title for implementation of National and State levels coordinated to serve national, State and local areas;

(5) to provide technical assistance to the State in carrying out its plan (that is, through consultation, conferences, demonstration, and evaluation); and

(6) To develop a long-range program for carrying out the purpose of title V for implementation by the States on a voluntary basis, including in such program provision for comprehensive maternal and child health care services for all children and a designation of priorities for program development.

(b)(1) There shall be at the head of the Office a Director of Maternal and Child Health Services a Director who shall be appointed by the Secretary. The director may employ and prescribe the functions of such staff as are necessary to perform the functions vested in him.

(2) In carrying out any of his functions under this title, the Director is authorized to make grants to any public or non-profit agency, organization, or institution, and to enter into contracts with any agency, organization, or institution, or with any individual.

(c) There is authorized for the purpose of carrying out the provisions of this section such sums as are necessary for the fiscal year beginning October 1, 1979, and each succeeding fiscal year.

ADVISORY COMMITTEE ON MATERNAL AND CHILD HEALTH

SEC. 514(a) The Secretary shall establish within the Office of Secretary an Advisory Committee on Maternal and Child Health (hereinafter in this section referred to as the "Advisory Committee").

The Advisory Committee shall be appointed upon the expiration of the term and charge of the Select Panel for the Promotion of Child Health (hereinafter in this section referred to as the "Select Panel") established by Section 211, Public Law 95–626.

The Advisory Committee, after reviewing the findings, the goals and national plan developed by the Select Panel, shall function as a continuing review body, focusing on programs funded under this title. The Advisory Committee shall consider both the health care needs of expectant mothers as they relate to fetal development and the future of their children, and the individual health care needs of the children beginning at birth and continuing through adolescence.

The Advisory Committee's review shall result in a continuous evaluation of the efficacy and efficiency of maternal and child health programs with regular periodic reports and recommendations concerning the program to the Secretary. Such reports shall be compiled and submitted to the Office of the Secretary annually by the end of each fiscal year.

The Advisory Committee shall be composed of the Assistant Secretary for Health and the Assistant Secretary for Planning and Evaluation, who shall serve as ex officio members, and of fifteen other members who shall be appointed by the Secretary not later than sixty days after the date of expiration of the Select Panel. The appointed members of the Advisory Committee shall be selected from persons who are specifically qualified to serve on such Committee by virtue of their education, training, or experience, and shall include at least eight persons who are practicing doctors of medicine, one practicing doctor of osteopathy, and one practicing doctor of dentistry, each of whom shall be recommended by appropriate national professional organizations and licensed in a State as a practicing doctor of medicine, osteopathy, or dentistry. The remaining members shall be representatives from the scientific, allied health, mental health, preventive health, public health, and educational professions, as well as consumers and representatives from state and local health agencies. No appointed member of the Select Panel shall serve on the Advisory Committee during the first two years of the Advisory Committee's existence.

The Committee shall select, at the first meeting of the Advisory Committee, one member to serve as chairperson and another to serve as vice chairperson of the Advisory Committee.

(b) Each appointed member of the Committee shall be appointed for a term of four years, except that—

(1) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

(2) Of the members first appointed, four shall be appointed for a term of four years, four shall be appointed for a term of three years, four shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve for the expiration of their term or until their successors have taken office.

(c) Appointed members of the Committee shall receive for each day they are engaged in the performance of the functions of the Committee compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the general schedule, including travel time; and all members while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence in the same manner as such expenses are authorized by sections 5703 of title V, United States Code, for persons in the government employed intermittently.

(d) The Advisory Committee shall—

(1) Advise and assist the Secretary in the preparation of regulations for, and on policy matters arising with respect to, the administration of this title;

(2) Consider all State plans developed for approval by the Secretary pursuant to Section 503, and make recommendations to the Secretary with respect to such approval.

(3) review the long-range program;

(4) advise and assist the National Office of Maternal and Child Health in developing guidelines under section 513(a)(3) and data systems under section 513 (a)(4); and

(5) perform such other duties as are appropriate in advising and assisting States and the National Office of Maternal and Child Health.

(e) The Advisory Committee shall meet as frequently as the Chairman deems necessary but not less than two times annually. Upon request of four or more members, it shall be the duty of the Chairman to call a meeting of the National Council.

STUDY ON MATERNAL AND CHILD HEALTH DELIVERY

SEC. 515 (a) The Secretary shall conduct a study of the Federal health programs for mothers, infants and children, and adolescents. This study will—

(1) include the collection of information about cost, efficiency, and the effectiveness of the State maternal child health and the State crippled children programs—as well as the cost effectiveness and efficiency of all other Federal programs concerned with the health of mothers and children;

(2) be charged to make suggestions on how the Federal health programs for mothers, infants, children, and adolescents can be coordinated if not consolidated;

(3) evaluate the extent to which, and reasons that, title V has been unable to provide to eligible persons care for which they are eligible under that title;

(4) make recommendations for improving the delivery of health care services made available under title V to eligible beneficiaries including any recommendations for bringing such care to individuals in shortage areas.

(b) In carrying out these studies the Secretary shall invite the participation of other Federal departments and agencies having related responsibilities and interests, State governments, medical associations, and insurance carriers.

(c) The Secretary shall make a report on this Study and forward the report with such recommendations as he deems appropriate to the Congress and the President on or before April 1, 1981.

AMENDMENTS TO TITLE V OF THE SOCIAL SECURITY ACT, MATERNAL AND CHILD HEALTH CARE

Title V is presently a program to promote the health of mothers, and children and to prevent and to treat disease and disability that lead to crippling of children. The Title V program operates in large part under a federal grant program for basic services. Under the Title V program, the State assumes a wide latitude in determining how it will implement its program, and in setting program policy.

Since its inception in 1935, Title V has played an important role in providing health care and improving the health of the population it has served. In the attainment of its objectives, however, it has operated with limited funding and outside the framework of a specific organizational structure. The number of individuals and conditions eligible for coverage under Title V has, however, continued to increase.

If the program is to continue to provide services in a meaningful manner it is necessary to revamp certain portions of the Act while retaining the useful, successful, and familiar basic structure of the program.

The proposed amendments would address three basic areas: funding, organization, and intended beneficiaries.

The first significant modification would be the inclusion of program emphasis to include "women, infants, children, and adolescents." This modification makes clear that the program is intended to cover conditions of all mothers and their children.

While the present program does not now prohibit such care (and in fact in many instances state programs provide care to all eligible individuals) the expanded inclusion will remove any doubt as to the appropriateness of such coverage.

A second significant modification pertains to federal funding.

Under the present law funding goes to each state on a formula basis, after a basic grant in with the states providing matching funds on a 50% to 50% basis.

One change would provide added funding. The matching funds, however, would be on a 75% Federal, 25% State basis.

In addition to grants to States for conducting statewide activities, funds would also be allocated for direct Federal grants (a) for special projects of regional or national significance and (b) for special projects of a local nature.

For each of the service programs (maternal and child health, crippled children, region special programs, and (local special programs) separate appropriation authorizations are provided, thus preventing a commingling of authorized appropriations. Special appropriation authorization would also be given to programs for training and for research.

In order to assure broadest distribution for special project funds intended as "seed" money, special project grants would have annual dollar limitations on each project.

The third significant modification pertains to organization of the Title V program.

A National Office of Maternal and Child Health would be established in HEW, and would monitor Title V operations in the respective States in order to determine the effectiveness of State programs.

The Office would develop guidelines to assist in the development of State plans, develop an organized system of data collection and retrieval to serve national, State, and local areas, provide technical assistance to States, and develop a long-range Title V program.

Annual State reports to the National Office would be required to identify health needs and available resources in the State, unmet needs to be addressed, and outcomes resulting from the provision of services under the program.

A National Advisory Committee of 15 members, including eight practicing professionals to be appointed by the Secretary, would advise and assist the National Office in program administration, policy and regulations, and would make recommendations for implementation of long-range Title V program. This committee would go into operation upon completion of the activities of the Select Panel for the Promotion of Child Health established by P.L. 96–626.

On the state level each state would continue to operate its Title V program.

However, under revised conditions for plan approval, the state Governor would appoint a 9–member State Advisory Council on Maternal and Child Health, a majority of which would be licensed practicing health professionals, to advise the state agency administering the plan in matters of policy, coordination, and identification of persons in need of care and basic care and services to be provided, taking into consideration guidelines developed by the National Office of Maternal and Child Health.

The State plan would utilize the services of individual practitioners (reimbursed at usual and customary levels) or other private health entities in the provision of services under Title V when such services are available in the community.

Each year the state agency administering the plan would submit a report to the National Office of Maternal and Child Care identifying outcomes to the services provided, and identifying health care needs in all parts of the state and unmet needs to be addressed. The state agency would also delineate problems and its approach in resolving such problems.

A special study on Maternal and Child Health delivery would be undertaken by the Secretary, directly or by contract, for the purposes of evaluating the effectiveness of the program, assessing the interrelationship between Title V and other titles of the Social Security Act, assessing the extent to which there are deficiencies in providing care to eligible persons, and recommending improvements in the delivery of care to shortage areas.

A report would be prepared by the Secretary and submitted by him with such recommendations as he deems appropriate to the Congress and the President, on or before April 1, 1981. ●

By Mr. DOMENICI (for himself, Mr. HART, and Mr. WARNER):

S. 1431. A bill to authorize the Secretary of the Interior to establish a war memorial in honor of the men and women who dedicated their strength and efforts to the service of their country during the Vietnam conflict; to the Committee on Energy and Natural Resources.

● Mr. DOMENICI. Mr. President, in January of 1975, and again in March, 1977, I introduced legislation to provide for a study of the suitability and feasibility of designating the Vietnam Veterans Chapel, Eagle Nest, N. Mex., as a national memorial to the Vietnam veteran. On both instances the bill failed to be reported out of committee. This failure was largely due to a report from the Advisory Board on National Parks, Historic Sites, Buildings and Monuments, to the Secretary of the Interior, which recommended that enactment of the bill(s) not be supported. The recommendation was based on the belief that the chapel lacks national significance and the inappropriateness of National Park Service Administration of such memorials. However, I believe that this particular memorial and the area around it merits consideration for inclusion in the National Park System. For this reason I am submitting today along with Senators HART and WARNER, a bill to authorize the Secretary of Interior to acquire by donation the property comprising the Vietnam Veterans Chapel in New Mexico and to establish such property as a National Memorial to Vietnam Veterans.

Implicit in the introduction of this bill is the belief that the creation of a national Vietnam war memorial would acknowledge the sacrifices made by those who gave their lives and who served in Vietnam and would serve as a significant symbol of our Vietnam involvement. For a long time after the war we tried to forget about it but I think the tide is turning now. America is now facing the bitter realities of the war and I believe we are now ready to pay a final tribute to those men who sacrificed so dearly in this tragic war.

Construction of the memorial was begun in August 1968 by Dr. and Mrs. Victor Westphall, following the death of their eldest son, 1st Lt. Victor David Westphall III, in the Southeast Asia conflict. Since that time, other interested individuals have contributed financial assistance for construction of the chapel. Located high in the Sangre de Cristo Mountains near Angel Fire and Eagle Nest, N. Mex., the vast wing-shaped structure rises to a height of nearly 50 feet and is dedicated to all who served, but especially to those who gave their lives in the war. Dr. Westphall has now spent over a decade and tens of thousands of dollars to construct this graceful memorial. Inside there is a pictorial display of American servicemen who were killed in the war. Parents have driven across the country to deliver a photograph of their sons who died in Vietnam for display in the chapel. The cost to the taxpayer is minimal in comparison with the benefit to be realized by enactment of this legislation. Dr. Westphall would donate the chapel which is presently valued at $100,000; the only cost to the citizen would be for the administration and upkeep of the memorial.

Mr. President, I have received many letters from Vietnam veterans and others who have visited this chapel and the overwhelming desire of those writing is to see this established as part of the National Park System because of its national significance. That desire has been further exemplified in the recent creation of Vietnam War Veterans Memorial Fund. The fund, a nonprofit organization, was incorporated in the District of Columbia for the purpose of providing a project that will serve as a focal point for further reconciliation and reunification of the country still needed after the divisive Vietnam conflict and for a societal acknowledgement of the sacrifices made by Vietnam vets. In addition to their goal of raising moneys to donate to the Vietnam Chapel in New Mexico the organization hopes to raise enough funds to build a Vietnam Veteran Memorial in Washington, D.C.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized, within the 12-month period following the date of the enactment of this Act, to acquire, by donation, the property comprising the Vietnam Veterans Chapel located near Eagle Nest, New Mexico, and to establish such property so acquired as a war memorial to the brave men and women of the United States who dedicated their strength and efforts and in many cases, their lives, to the service of their country during the Vietnam conflict.

SEC. 2. The war memorial established by the Secretary pursuant to this Act shall be administered by the Secretary as a unit of the National Park System in accordance with the provisions of the Act of August 25, 1916, as amended and supplemented (16 U.S.C. 1 et seq.).

SEC. 3. (a) The Secretary shall, within the 180-day period following the date of the enactment of this Act, submit to the Congress a report with respect to the progress made with respect to the acquisition of the property referred to in the first section of this Act.

(b) The Secretary shall, within the 24-month period following the date of the enactment of this Act, submit to the Congress a general management plan for the war memorial established pursuant to this Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. ●

By Mr. STENNIS (for himself, Mr. COCHRAN, Mr. YOUNG, Mr. TOWER, and Mr. BELLMON):

S. 1432. A bill to establish interest rates on Small Business Administration disaster loans for disasters occurring between October 1, 1978, and October 1, 1982; to the Select Committee on Small Business.

DISASTER LOAN INTEREST RATES

Mr. STENNIS. Mr. President, in content, this bill is the same as the amendment which was debated here and voted on yesterday afternoon in connection with the then pending supplemental appropriations bill.

The amendment was adopted by a vote of about 80 to 11, I believe, which shows the sentiment of the Senate. However, we were unable to get to a conference today or tomorrow, and it will not go to conference until July 9. That will require more time, and all the time day is following day, week is following week, making more acute the disaster that these thousands and thousands of people have already sustained, while we have no really effective disaster law with a reasonable rate of interest.

The money is going to be in that bill, whether the amendment survives or not. I do not want to lose any time in the interim with respect to having a bill considered. So if it is necessary to pass additional legislation on this rather narrow subject, we will have it ready, and perhaps we can get some kind of preferential treatment in the matter.

In this bill, I have tracked word for word the identical language in the amendment that was adopted yesterday afternoon and which the Senate approved overwhelmingly. I have cause to believe that it will be adopted by the conference, but it may not be, because some question may be raised as it relates to extra points outside the real content of the bill.

So I urge, if it is possible, that the staff of the Small Business Committee, which has done an excellent job on this subject—in conjunction with the membership, of course—give this matter attention during the interim.

Let me explain to the Senate that this bill is identical to the modified Stennis amendment to the H.R. 4289, supplemental appropriations bill for fiscal year 1979, which was so overwhelmingly adopted yesterday. On homeowners disaster loans it would reduce the interest rate from the current 7⅜ to 3 percent, retroactive to October 1, 1978. All other provisions of the bill are, including those relating to business loans and farm loans, exactly the same, word for word, as the modified Stennis amendment to H.R. 4289 for which 83 Members of the Senate voted yesterday.

I might say also that the provisions of the bill I am introducing are substantially similar to the bill which passed the House of Representatives and to those provisions of the bill which have been agreed upon by the conference committee.

The bill in conference which is S. 918, is the Small Business authorization bill and contains a number of other titles and subjects in addition to the matter of the interest rate on disaster loans. The bill that I am introducing will give us a clear shot at the question of interest rates on disaster loans without the involvement of other matters. In other words this bill divorces the subject of disaster loans from the matters which are now causing difficulty and delay.

In addition, Mr. President, I introduce this separate bill because the very real crisis and emergency which exists in Mississippi and other States dictate that this matter be pursued as vigorously as possible and that every possible avenue of getting relief be explored. It is apparent that the supplementary appropriations bill will not go to conference until after the recess and agreement on the original Small Business Amendments Act, S. 918, does not appear to be possible at this time. In the meantime, my constituents and the constituents of many other Senators are suffering grievously because of anxiety, frustration, and financial hardship.

It has been almost 11 weeks since the horror and devastation of the Easter flood in Mississippi, Mr. President, and the matter of the interest rate on SBA disaster loans has not been resolved. The delay is increasing and prolonging the anxiety and suffering of the unfortunate people of Mississippi and the other States, recently effected, and the compassionate and humane thing for the Congress to do is to take every possible action to give them relief and assistance just as quickly as possible. That is one reason why I am introducing this bill.

In summary, Mr. President, the need for the relief which this bill would give is great and it is urgent. The Senate, the House, and the conference committee agree that the relief is badly needed and should be given. The administration has interposed no objection to the provisions of the bill which I am introducing. Nevertheless, the solution is still delayed and the end is not in sight. I hope that this bill will help to break the logjam.

I urge the distinguished and able members of the Small Business Committee and its very capable staff to give this matter the highest priority so that a bill can be reported favorably just as soon as we return.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) The first undesignated paragraph of section 7(b) of the Small Business Act is amended by inserting after "under subsection (b)" the following "except as provided in subsection (c),";

(b) Section 7(c) of the Small Business Act is amended by adding the following new paragraphs:

"(3) With respect to a disaster occurring on or after October 1, 1978, and prior to October 1, 1982, on the Administration's share of loans made pursuant to paragraph (1) of subsection (b)—

"(A) if the loan proceeds are to repair or replace a primary residence and/or repair or replace damaged or destroyed personal property, the interest rate shall be 3 per cent on the first $55,000 of such loan;

"(B) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is unable to obtain sufficient credit elsewhere, the interest rate shall be as determined by the Administration, but not in excess of 5 per cent per annum; and

"(C) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is able to obtain sufficient credit elsewhere, the interest rate shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one-eighth of 1 per cent, and an additional amount as determined by the Administration but not to exceed 1 percent: *Provided,* That three years after such loan is fully disbursed and every two years thereafter for the term of the loan, if the Administration determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Administration, apply for and accept such loan in sufficient amount to repay the Administration: *Provided further,* That no loan under subsection (b)(1) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation".

(c) Section 18 of the Small Business Act is amended by—

(1) inserting after "Sec. 18." "(a)";

(2) striking the comma after the phrase "agricultural related industries" and inserting the following: ": *Provided,* That prior to October 1, 1982 an agricultural enterprise shall not be eligible for loan assistance under paragraph (1) of section 7(b) to repair or replace property other than residences and/or personal property unless it is declined for, or would be declined for emergency loan assistance from the Farmers Home Administration under subchapter III of the Consolidated Farm and Rural Development Act;" and

(3) inserting a new subsection as follows:

"(b) As used in this Act—

"(1) 'agricultural enterprises' means those businesses engaged in the production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries; and

"(2) 'credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

(d) The amendments made by this section to section 7(c)(3)(C) and 18 of the Small Business Act shall not apply to any disaster which commenced on or before the effective date of this Act.

(e) Section 321 of the Consolidated Farm and Rural Development Act is amended by striking out in the first sentence all that follows after "with the assistance of such loan" through the end of the sentence and inserting in lieu thereof a period.

(f) Section 324(a) of the Consolidated Farm and Rural Development Act is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following: "Loans made or insured under this subtitle shall be at rates of interest as follows:

"(1) with respect to loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, (A) if the applicant is unable to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, the interest rate shall be a rate prescribed by the Secretary not in excess of 5 per centum per annum, and (b) if the applicant is able to obtain sufficient credit elsewhere, the interest rate shall be the rate prescribed by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum: *Provided,* That the total amount outstanding and committed to the borrower under this paragraph (1) shall not exceed $500,000 for each disaster; and

"(2) with respect to loans or portions of loans exceeding the amount of actual loss caused by the disaster, the interest rate shall be that prevailing in the private market for similar loans, as determined by the Secretary."; and

(2) inserting in the second sentence after "Provided, That" the following: "for loans approved under subsection (a)(1)(B), three years after such loan is made or insured and every two years thereafter for the terms of the loan, if the Secretary determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary: *Provided further,* That,".

By Mr. PACKWOOD:

S. 1433. A bill to amend the Federal Aviation Act of 1958 to require the Secretary of Transportation to designate experts in the field of aeronautics and aviation safety to participate in the aircraft type certification process, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. PACKWOOD. Mr. President, today I am introducing a bill which would open up the type certification process presently only involving the Federal Aviation Administration and the aircraft manufacturer. The purpose of the type certification meets defined and strict airworthiness standards.

This bill would permit the Secretary of Transportation to assign as advisory members to the Type Certification Board only those persons possessing special skill and background in the fields of aeronautics and aviation safety.

My purpose in introducing this legislation is to put it on the table for discussion. I recognize the objections which have been raised by those in the aviation community who question whether or not it will increase safety, whether it will prolong unnecessarily the certification process, whether it will involve added expense to the manufacturer, and whether it will voilate proprietary rights. All of these questions need to be examined and it is my hope that this legislation will initiate such careful scrutiny.

In an effort to mitigate some of the objections which have been raised, the hearing process provided in the legislation has been limited to a total of 45 days—15 days at each of the three stages of certification, initial, preflight, and final. Further, smaller aircraft are exempt from coverage by the legislation.

Last, it is my intent that only those persons possessing special skills in aviation safety and aeronautics be appointed as members of the Board. Therefore, I have attempted to define closely those who may petition the secretary for membership.

On July 11 and 12, the Senate Commerce Committee will be holding hearings on the certification of the DC–10 aircraft. At that time, our committee will question carefully the entire certification process.

The bill I am introducing today permits additional input in the certification process by parties other than the Federal Aviation Administration and, hopefully, contributes meaningfully to the procedure. Certainly the concept merits careful consideration.●

By Mr. BIDEN:

S. 1434. A bill to amend the Congressional Budget Act of 1974 to terminate certain existing entitlement authority and prohibit new entitlement authority, to terminate certain existing permanent budget authority and prohibit new permanent budget authority, to provide that new budget authority can be available for outlays only for a single fiscal year, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977, and that if one committee orders the bill reported, the other committee has 30 days in which to act.

CONGRESSIONAL BUDGET ACT AMENDMENTS OF 1979

● Mr. BIDEN. Mr. President, there is much talk today, in the Senate and around the country, about reducing Federal spending and balancing the Federal budget. Unfortunately, much of it is only talk. There is too little tough thinking about just exactly how we are going to cut spending. You cannot pass a law saying, "There shall be no more crime," and expect crime to disappear. Similarly, you cannot simply pass a law saying, "Balance the budget," and expect the budget will automatically balance. Whether or not you have such a law someone still has to make the hard choices about where we cut Federal spending—cut Federal programs—without damaging the common defense and general welfare of our Nation.

While some now preach a balanced budget, others have been working toward it for many years. The first fruit of their labors was passage of the Congressional Budget Act of 1974, which established the new Congressional budget process. In the Senate, at least, the new process has just resulted in advance budgets for fiscal years 1981 and 1982 that are in balance.

In 1975 I introduced spending control legislation to require that Federal spending programs terminate automatically on a periodic schedule. They would only be continued after a review demonstrated their effectiveness and a need for the programs to be continued. And even then, affirmative action of Congress would be needed to continue them. This sunset legislation, as it has come to be known, passed the Senate in 1978, but was not acted on by the House of Representatives. Those of us who support such legislation have introduced it again this year and hope that it will become law. Such automatic termination and review will be an important tool in cutting out useless programs and thus restraining overall Federal spending.

CONTROLLING THE UNCONTROLLABLES

Mr. President, the bill I am introducing today, the Congressional Budget Act Amendments of 1979, attempts to go one step beyond Sunset. In its efforts to reduce spending, the Congress is always haunted by what is called the relatively uncontrollable spending in the Federal budget. These are a variety of programs that under existing laws spend money automatically, without any annual review or action by Congress. They do not depend on the annual review of the budget and appropriation process for their funds and thus these opportunities for control are lost.

There has been a recent example of what this lack of control allows. When Congress adjourned in October 1978, it appeared that spending for the current fiscal year was within the budget that Congress had adopted. Yet, while Congress was in adjournment, the levels of spending rose automatically under laws that Congress had previously passed, so that when we returned to Washington we found that spending was estimated to exceed the levels we set. We have had to increase the budget by more than $6 billion primarily because of those uncontrollable programs whose spending patterns seem to live a life of their own.

This legislation seeks to bring this so-called uncontrollable spending under control. "Controlling the uncontrollables" would require that virtually all future actions that commit the Federal Government to spending must be approved in an appropriation bill. My bill would eliminate permanent appropriations that authorize spending forever with no further action by Congress. It would require that spending for each year be approved in an appropriation bill for that year—thus wiping out billions of dollars of authority to spend that carry over from year to year, bloating the Federal budget. It would not allow any money to be committed until it had been appropriated.

Under this bill, congressional spending procedures would look something like this:

First, under Sunset, every program would have to be authorized by law. This is where Congress would take the relatively long look ahead and see the direction in which new programs are leading the country.

Then each year there would be the congressional budget setting forth the major spending priorities, not just for the coming year but for 5 years. And it would no longer be inhibited by tagging certain expenditures as "uncontrollable."

Finally, the Appropriations Committees would go over the budget line by line. But now it would be the whole budget, all the new spending for the next year. And they could cut almost anything. Obviously, we would normally want to honor previous commitments and on-going activities, but we would now have the option of bringing them to a halt. Like Sunset and other proposals, this is no panacea. It alone will not balance the budget. But combined with Sunset and regulatory reform, it will accomplish much more toward reducing Federal spending and holding down inflation than any simplistic "mandate" to balance the budget.

THE PROBLEM

Just a few statistics, Mr. President, can demonstrate the fiscal problem that uncontrollable spending presents. Although the problem is not new, it is certainly growing larger. At the beginning of this decade, the uncontrollable spending in the 1970 budget was estimated at 64 percent of the total. In dollars, this uncontrollable spending represented about $125 billion. The 1980 budget, which will start the next decade, will contain over $400 billion in uncontrollables, about 75 percent of the total budget.

Another thing that illustrates the fiscal importance of the uncontrollable elements in Federal budgeting is the degree of the differences that occur between initial estimates of outlays and the actual outlays. In this decade there have been two fiscal years, 1973 and 1974, when actual outlays were so close to initial estimates that they could be considered the same. In other years, however, final spending has exceeded original estimates by figures ranging from $1.3 billion, to $11 billion, to as much as $20 billion. Many factors influenced these dismal results, of course: poor estimating, changed economic conditions, policy differences, and so forth. But it is clear that the automatic operation of uncontrollable spending was a major factor.

One conclusion that could be drawn from some of these figures is that it is Congress that tends to be profligate and wasteful, a conclusion we know is held by many. It is interesting, therefore, to compare Presidential requests with final appropriations for only those items included in an appropriations bill. In the 16 budgets submitted by the last 4 administrations, items subject to appropriation were reduced by Congress by more than $85 billion. In fact, the last time Congress appropriated more than the budget requests was 1942. This analysis makes it clear that one reason total spending tends to exceed original estimates is the operation of uncontrollable items in the budget, which can and do increase without action by Congress. Spending subject to appropriations and budget review tends to be decreased.

It is often noted that a large portion of the uncontrollable spending lies in the area of transfer payments such as social security and Federal retirement programs. They are certainly a large portion of the total. On the other hand, as much as 15 to 20 percent of budget outlays in any given year are uncontrollable because they were authorized by Congress in years gone by, and the outlay of dollars is only now actually occurring. Congress lost control of this spending, which does not come before it for review in the year it occurs. In the present budget, this uncontrollable spending may be as much as $80 billion—large enough an amount to have a serious impact on inflation. While many of these past decisions cannot and should not be canceled, at the very least Congress should be reviewing them in the light of current inflationary pressures.

THE BACK DOOR OPENS

Concern about the adequate use of appropriations acts for budget control has an ancient history, Mr. President. The effectiveness of Congress in dealing with the concern, however, has been less than perfect. Until the mid-1860's, there was a single committee in each House which considered both taxing and spending issues—Ways and Means in the House of Representatives and Finance in the Senate. Because of the growing workload of these committees, the responsibility for spending legislation was transferred to newly created Appropriations Committees in the 1860's. By 1885 the exclusive jurisdiction of these committees overspending was already eroding. By the beginning of this century, appropriating functions had been transferred in many instances to authorizing committees and there was no longer overall consideration of Federal spending. The back door to the Treasury was beginning to open. Since that time, the use of the appropriations process has continued to be eroded, most frequently by backdoor or mandatory spending programs initiated by other committees.

As a part of the major congressional reorganization in 1946, the Legislative Reorganization Act of 1946 directed the Appropriations Committees:

> To make a study of existing permanent appropriations with a view to limiting the number of permanent appropriations and to recommend to their respective Houses what permanent appropriations, if any, should be discontinued.

In 1966, in its final report, the Joint Committee on the Organization of the Congress stated:

> We strongly believe that an annual appropriations review is the best means of insuring that Federal spending received adequate congressional attention.

In response to this, the 1970 Legislative Reorganization Act urged all committees to "endeavor to assure" that "* * * to the extent consistent with the nature, requirements, and objectives of those programs and activities, appropriations * * * will be made annually."

Clearly these exhortations to practice responsible fiscal behavior did not work. In 1973 the Joint Study Committee on Budget Control said in its interim report:

> As has been suggested, the splintering off of spending authority from the Appropriations Committee has been a substantial factor in Congress loss of overall budgetary control. For example, of the spending estimate in the budget for fiscal year 1974, only 44 percent is associated with the items to be considered in the appropriation bills.

The Congressional Budget Act of 1974 brought into the appropriations process two forms of future backdoor spending—contract authority and borrowing authority. However, entitlements, loan insurance and guarantees, and permanent appropriations, as well as previously authorized backdoor spending, still create huge gaps in budget and appropriation control over the size of any given fiscal year's budget.

CLOSING THE BACKDOOR

What can be done, Mr. President, to bring uncontrollable spending back under control? What would the bill I am introducing today do about the problem? The main thrust of the bill is to prevent the adoption by Congress of further forms of uncontrollable spending, by requiring that virtually all new spending authority be available only to the extent that funds are appropriated in annual appropriation acts. This extends to virtually all Federal spending the concept now applied by section 401 of the Budget Act to contract authority and borrowing authority.

With regard to existing uncontrollables, their uncontrollable nature would be terminated by this bill and they would become subject to annual appropriation, with certain exceptions for social security programs.

In addition, all unspent appropriations could not carry forward indefinitely, but would require annual reappropriation.

In summary, then, this legislation would bring most of the existing uncontrollables back under the annual budget and appropriation process. Perhaps more important, it would establish mechanics for bringing future spending programs under that process.

It may be helpful to examine several of the forms of uncontrollable spending, their effect on our fiscal processes, and the impact of the Congressional Budget Act Amendments of 1979 upon them.

PERMANENT APPROPRIATIONS

A major cause of uncontrollability is the use of permanent appropriations which provide budget authority automatically each year through previously adopted legislation and, therefore, do not require annual action by Congress to trigger outlays. In 1977 there were more than 140 permanent appropriations accounting for about 40 percent of the new budget authority for that year. In the 10 budgets from 1968 through 1977, permanent budget authority has tripled from more than $60 billion to more than $200 billion. In that same period total expenditures doubled, testimony to the substantial budget impact of such permanent appropriations.

This bill affects permanent appropriations in two ways. First, it generally prevents their use in the future and repeals most existing ones. Thus, the general rule is that annual appropriation shall be substituted for permanent appropriation.

However, it is necessary to recognize that a major proportion of permanent appropriations are in retirement or medical insurance programs in which there is a certain vesting of rights, equitably if not legally, by virtue of contributions or conditions of employment. The largest of these are social security retirement and disability programs and medicare.

For these programs the bill would not make current trust funds subject to annual appropriation. To do so would create too much uncertainty and anxiety among recipients.

BACKDOOR SPENDING

So called backdoor spending was one of the original sources of major uncontrollable expenditures in our budget system. Backdoor spending is legislation that provides spending authority without going through the appropriation process or at least without substantive control through the appropriations process. Four common forms of backdoor spending are contract authority, borrowing authority, guaranteed loans, and entitlement programs. The Congressional Budget Act of 1974 placed significant restrictions on some of these backdoor spending programs. This bill attempts to tighten those controls further.

CONTRACT AUTHORITY

Contract authority is the authority to obligate the United States to make an outlay without a prior appropriation of budget authority. In effect, the obligation to pay comes first and the appropriation to liquidate comes later.

Some contract authority is "front door—that is, it must be approved in an appropriations act before the obligation is created. The Budget Act greatly expanded the "front door" category. However, certain exceptions still leave a large amount of "back door" contract authority. A 1978 compilation shows that while $27.6 billion in contract authority was subject to appropriations action, another $14.9 billion remains back door, outside appropriations review. This proposed legislation does away with the special exceptions for trust funds and for other contract authority that remained after passage of the 1974 Budget Act. It also makes the use of previously enacted contract authority subject to annual appropriation.

BORROWING AUTHORITY

The modern-day proliferation of borrowing authority probably began with the Reconstruction Finance Corporation in 1932. During the ensuing period from 1932 to 1975, Congress authorized agencies to borrow more than $160 billion from the Treasury—but only $20 billion of that amount was reviewed through the appropriations process.

To carry out certain programs, Congress sometimes authorizes agencies to borrow to support Federal programs—most often business-type programs. The assumption usually is that the borrowing will be repaid from the receipts of the agency involved. But all too often this has not been the case.

As of September 30, 1976, there was about $79 billion of outstanding debt of this kind, with a minimum of another $90 billion in unused authority to borrow. However, because much borrowing is authorized in unlimited amounts, the amount of agency debt that could be issued without any further reference to Congress or its budget and appropriations process is probably in the hundreds of billions.

Clearly, Mr. President, the size of the liabilities is immense. Trying to control it is a difficult job, because of the size of the debt and the way in which it is used. It is, of course, almost impossible to predict the timing or size of defaults. Because so much borrowing authority is in off-budget agencies, the control process becomes even more difficult. While a review of borrowing authority by the Budget and Appropriations Committees could be useful, it still could not anticipate the level of default that might have to be dealth with.

In 1974, the Congressional Budget Act required all new borrowing authority to be appropriated as a first step toward closing this large back door. However, the large outstanding balances and the fact that borrowing authority is recycled from repayments means that there is still a great deal of uncontrolled borrowing authority outstanding. This legislation would require annual appropriation of existing balances of borrowing authority that are to be used each year. This at least will begin to make Congress focus on the size of these borrowing operations and the programs they finance. However, settlement of the off-budget issue is another essential for mastering this major source of uncontrollable Government activity.

GUARANTEED LOANS

The most recent implement in the tool kit of uncontrollable spending is the insured or guaranteed loan. While these programs are not new in fact, they have flourished under FHA and VA programs—their complexion has changed in ways that create bigger budgetary problems. The FHA and VA housing mortgage insurance were essentially self-supporting programs. More recent loan guarantee programs for such things as energy development and railroad credit are not only inherently more risky than earlier guarantees, but are also bigger—so that one loss can have a significant budgetary effect.

Loan guarantees carry a commitment by the United States to pay a part or all of the interest and principal of a loan made to an individual, corporation, or another government. The extent of the liability varies, but their common attribute is that a commitment to pay because of a default can strike without warning. It may be a large commitment with important fiscal consequences for the Federal Government. There are now more than 60 loan guarantee programs, as compared to 35 in 1970. Guaranteed loans outstanding in 1979 totaled $214 billion and the gross value of new loans guaranteed was $52 billion. The areas of guarantees range across the spectrum of direct spending programs, including such areas as housing, foreign assistance, agriculture, maritime interests, student loans, railroads, and small business, to name a few.

When first authorized these loan guarantees often appear benign, having no real budget impact. As they grow more common and more diverse, and as the default rate inevitably climbs, the cost to the taxpayer will be more significant and more apparent. An indirect cost to the taxpayers is that their guarantee is resulting in interest savings for the borrower estimated to amount to as much as $2 billion a year. This is a direct interest subsidy to the borrower provided by the taxpayer who stands behind the debt. Further, by increasing demands on the credit markets they may drive up interest rates generally, including rates paid to finance Federal debts.

Mr. President, this bill would seek to impose some discipline on loan guarantees by providing that they can be issued only to the extent authorized in appropriation acts. This requirement provides for reviews by both the Budget Committees and the Appropriations Committees. However, because of the indeterminate nature of the total real commitment at the time loan guarantees are approved, this is only a partial answer. The full answer lies outside the scope of this bill in some mechanisms for assessing risk and perhaps ultimately in more careful budgeting or in restricting the use of this device.

ENTITLEMENTS

The concept of entitlements is that, through the operation of a law, an individual, corporation or Government becomes legally entitled to a sum of money. That person is legally entitled to press the claim and the Federal Government legally obligated to pay it. Thus entitlements create uncontrollable spending, particularly where the total claims depend on the state of the economy, the number of eligible persons applying for a benefit, or some other occurrence beyond the control of the Federal Government.

There is overlap of entitlements with other forms of uncontrollable spending. Many entitlements are funded under permanent appropriations, for example. However, there is one group of entitlements for which funds must be included in appropriations bills. This is of relatively little value for budget control purposes, however, because there is a legal claim to the money and it must be appropriated. In 1980, the Congressional Budget Office estimates that entitlements for which appropriations are required will need new budget authority of nearly $74 billion and will outlay about $70 billion. Obviously, this is a major category of spending.

The Congressional Budget Act provides that legislation creating an entitlement before the beginning of the next fiscal year is subject to a point of order. Further, if entitlement legislation would require budget authority exceeding that in a budget resolution in the first year of the legislation's effectiveness, then the legislation must be referred to the Appropriations Committees for recommendation. While this provision offers control over budget-busting entitlements in the first year, it provides no long-range protection against the uncontrolled growth of such entitlements.

This bill makes both new and existing entitlements subject to the appropriation of funds, thus effectively ending their entitlement status. Modification of existing law will undobutedly be needed to determine how appropriated funds will be used if they are not sufficient to meet the full demand. However, there are precedents for this. One is the lid that was placed on the social services program when it threatened to climb out of control several years ago. Another is the more recent "capping" of the food stamp program.

This legislation makes an exception for existing entitlements under the social security and medicare programs. These existing entitlements would not be subject to prior appropriation. However, all future new benefits would be available only to the extent provided in annual appropriations. With basic benefit levels already on the books, and with recipients on notice that any new benefits will be subject to annual review, no unreasonable hardship will be worked. In addition, such a provision could help to restrain a burst of benefits that exceed trust fund revenues, resulting in further exorbitant payroll tax increases such as those enacted in 1977. While this exception limits the immediate benefits in terms of uncontrollability of entitlements, the long-term controllability of the budget should be considerably enhanced.

PRIOR YEAR BALANCES

One issue that has plagued the budget process has been the size of prior year balances. The assumption of their use to fund the coming fiscal year's programs has become a means of appearing to lessen spending. The existence of these huge balances is a strong element affecting the controllability of spending. It is often most difficult to determine when these balances will actually be used. The most recent experience was that outlays fell below expectations, at a time when the economy was weak. Certainly it would now be damaging in this time of inflation if an unexpected burst of spending occurred as a result of faster than assumed use of existing authority to spend. In 1980, about $80 billion in spending is expected to result from budget authority approved in prior years, but still unused. While much of this prior year authority is for commitments that we would want to honor, it should be scrutinized each year. Further, there should be an opportunity to weigh the economic impact of various levels of outlays from previously authorized spending. This legislation would require that all appropriations be for 1 year only and that all unused balances be reappropriated before use.

CONCLUSION

The problem of Federal budget control is summed up well in a paragraph from a study prepared for the House Budget Committee by Allen Schick of the Library of Congress. Entitled, "Congressional Control of Expenditures," it comments on the loss of congressional control (page 61):

> Over the years, Congress has lost bits and pieces of budgetary control through an assortment of legislative and executive actions. An expedient in one case establishes a precedent for another. Whatever the special circumstances which justified the first use of a new practice, it is hard to resist later extensions to other situations. If already existing experiences cannot be extended to new circumstances, legislative or executive minds will fertilely devise new ones. Under the stress of spending pressures, isolated fissures in the wall of budget control merge into massive gaps, undermining the ability of Congress to govern the purse.

The issues surrounding budget control of Federal spending are complex, as is the law governing it. Budget control is an important issue, particularly in these days of high deficits and high inflation. However, in enacting legislation Congress is almost always seeking other goals in addition to cost controls. Clearly, the Federal Government must meet its contractural obligations and pay the interest on its debt. It does not want retired persons to go through long periods of uncertainty as to whether pensions they had been promised will be forthcoming. It does not want to create massive uncertainty regarding Federal action among the business and financial communities. It wants local governments to be able to budget with some certainty as to Federal action affecting them. It wants to respond quickly to emergencies. But the Federal Government does not want these things to the point where it loses all control over its own financial destiny.

Congress has allowed the pendulum to swing too far toward certainty of Federal action, away from fiscal control and responsibility. It is time for a reasonable reversal. The Congressional Budget Act of 1974 was a major swing in the right direction. So will sunset legislation be, when it passes. I believe that enactment of the bill I offer today will strengthen the operation of both of these pieces of legislation. I believe this bill, Mr. President, represents the next logical step toward more responsible Federal budgetary control.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Budget Act Amendments of 1979".

SEC. 2. (a) Title IV of the Congressional Budget Act of 1974 (2 U.S.C. 1351–1353) is amended by striking out section 401 and inserting in lieu thereof the following new sections:

"NEW SPENDING AUTHORITY

"SEC. 401. (a) New Spending Authority Subject to Appropriations Acts.—It shall not be in order to either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new spending authority unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(b) Definitions.—For purposes of this section—

"(1) The term 'new spending authority' means spending authority not provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1979, including any increase in or addition to spending authority provided by law on such date.

"(2) The term 'spending authority' means authority (whether temporary or permanent)—

"(A) to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts;

"(B) to incur indebtedness (other than indebtedness incurred under the Second Liberty Bond Act) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts;

"(C) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law;

"(D) to insure or guarantee on behalf of the United States the repayment of indebtedness incurred by another person or government, the budget authority for which is not provided in advance by appropriation Acts; and

"(E) to obligate the United States by any other means to make outlays, the budget authority for which is not provided in advance by appropriation Acts.

"NEW PERMANENT BUDGET AUTHORITY

"SEC. 401A. (a) Prohibition of New Permanent Budget Authority.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new permanent budget authority.

"(b) Definitions.—For purposes of this section—

"(1) The term 'new permanent budget authority' means permanent budget authority not provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1979, including any increase in or addition to permanent budget authority provided by law on such date.

"(2) The term 'permanent budget authority' means budget authority provided for an indefinite period of time or an unspecified number of fiscal years which does not require recurring action by the Congress.

"NEW BUDGET AUTHORITY TO BE PROVIDED FOR SINGLE FISCAL YEAR

"SEC. 401B. It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or the Senate to consider any bill, resolution, or amendment which provides new budget authority which is to be available for outlays therefrom during any fiscal year or other period after the close of the fiscal year for which such new budget authority is provided.".

(b) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking out the item relating to section 401 and inserting in lieu thereof the following:

"Sec. 401. New spending authority.
"Sec. 401A. New permanent budget authority.
"Sec. 401B. New budget authority to be provided for single fiscal year.".

(c) Section 303(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1324(a)) is amended—

(1) by inserting "or" at the end of paragraph (2);

(2) by striking out "or" at the end of paragraph (3); and

(3) by striking out paragraph (4).

(d) Section 309 of such Act (31 U.S.C. 1330) is amended to read as follows:

"COMPLETION OF ACTION ON BILLS PROVIDING NEW BUDGET AUTHORITY

"SEC. 309. Except as otherwise provided pursuant to this title, not later than the seventh day after Labor Day of each year, the Congress shall complete action on all bills and resolutions providing new budget authority for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions, and other than the reconciliation bill for such year, if required to be reported under section 310(c). The preceding sentence shall not apply to any bill or resolution if legislation authorizing the enactment of new budget authority to be provided in such bill or resolution has not been timely enacted.".

(e) Section 310 (a)(1) of such Act (31 U.S.C. 1331(a)(1)) is amended—

(1) by inserting "and" at the end of subparagraph (A);

(2) by striking out "and" at the end of subparagraph (B); and

(3) by striking out subparagraph (C).

(f) Section 311 (a) of such Act (31 U.S.C. 1332(a)) is amended by striking out ", providing new spending authority described in subsection 401(c)(2)(C) to become effective during such fiscal year.".

(g) Section 402 of such Act (31 U.S.C. 1330) is amended—

(1) by inserting "or provides new spending authority to become effective during a fiscal year" after "for a fiscal year" in subsection (a); and

(2) by striking out subsections (e) and (f).

(h) This section shall take effect on the first day of the Ninety-seventh Congress.

SEC. 3. (a) Title VI of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"TERMINATION OF CERTAIN SPENDING AUTHORITY AND PERMANENT BUDGET AUTHORITY; SINGLE-YEAR NEW BUDGET AUTHORITY

SEC. 608. (a) Effective with respect to the fiscal year beginning on October 1, 1981, and succeeding fiscal years—

"(1) all spending authority (as defined in section 401(b)(2) of the Congressional Budget Act of 1974) which is provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1979 shall be effective only to the extent that new budget authority therefor is provided in appropriation Acts;

"(2) all provisions of law providing permanent budget authority (as defined in section 401A(b)(2) of the Congressional Budget Act of 1974) shall cease to be effective for the purpose of providing such budget authority; and

"(3) new budget authority which is provided for any fiscal year shall not be available for outlays therefrom after the close of such fiscal year.

"(b) Exceptions.—

"(1) Paragraph (1) of subsection (a) shall not apply to spending authority described in section 401(b)(2)(C) provided by the Social Security Act on the effective date of section 2 of the Congressional Budget Act Amendments of 1979.

"(2) Paragraph (2) of subsection (a) shall not apply to permanent budget authority (as in effect on the effective date of section 2 of the Congressional Budget Act Amendments of 1979) for—

"(A) payments to or from a trust fund established by the Social Security Act, but only to the extent provided by such Act on such effective date;

"(B) payments of interest on obligations constituting a part of the public debt of the United States; or

"(C) payments of refunds of internal revenue collections, but not including payments to any person in excess of his tax liability under the internal revenue laws.".

(b) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting the following after the item relating to section 607:

"Sec. 608. Termination of certain spending authority and permanent budget authority; single-year new budget authority.".

SEC. 4. (a)(1) Clause 1(b)(4) of rule X of the Rules of the House of Representatives is amended to read as follows:

"(4) The extent or amount of spending authority (as described in the Congressional Budget Act of 1974) that is to be effective for a fiscal year.".

(2) Clause 4(a) of such rule is amended by striking out subparagraph (2).

(b) Paragraph 1(b) of rule XXV of the Standing Rules of the Senate is amended by striking out subparagraphs 3 and 4 and inserting in lieu thereof the following:

"3. The extent or amount of spending authority described in section 401(b) of the Congressional Budget Act of 1974 that is to be effective for a fiscal year.".

SEC. 5. Sections 2 and 4 of this Act (and the amendments made by such sections) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.●

By Mr. NELSON (for himself, Mr. BENTSEN, Mr. PACKWOOD, and Mr. CHAFEE):

S. 1435. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Finance.

CAPITAL COST RECOVERY ACT OF 1979

Mr. NELSON. Mr. President, today our Nation's businesses—both small and large—are faced with a major capital formation problem.

Studies by the Treasury Department indicate that the amount of capital needed to support a production worker in manufacturing doubled between 1963 and 1973. It took over $40,000 in capital for each manufacturing job in 1973.

During the next decade, U.S. businesses will require some $5 trillion in new capital for new plant construction, new jobs and increased productivity. Where are they going to get the money?

In recent years businesses have had great difficulty raising equity capital at reasonable costs. Interests rates on borrowed funds are becoming more and more prohibitive.

Inflation, which has become the Nation's No. 1 economic issue, is compounding the problem. The Consumer Price Index (CPI) has now more than doubled in the last 11 years.

As measured by the GNP implicit price deflator, inflation increased 8.1 percent in 1978. Escalating prices were spurred by slow productivity growth and a sharp increase in unit labor costs. Productivity increased 0.6 percent in 1978. Such growth was insufficient to offset an 8.8-percent increase in unit labor costs.

Double-digit inflation means that by the time businesses are able to recover their capital investment in equipment and machinery, the price of new machines will double or triple.

Moreover, U.S. business is taking a beating in the international marketplace.

According to the 1979 Report of the Joint Economic Committee and statistics compiled by the Labor Department, the United States ranks seventh in productivity, capital investment, and economic growth after Japan, West Germany, Italy, France, Canada, and the United Kingdom. The committee's report suggests that our low rate of capital investment and productivity is due in part to deficiencies in our capital recovery system, and it recommends that major improvements need to be made.

Our present depreciation system is unfair and unrealistic, particularly for small and new companies. With spiraling inflation, businesses are being squeezed two ways. First, the money they are getting back in deductions is worth less each year. And second, by the time a business has recovered the cost of its investment, the replacement equipment it must buy invariably costs far more. The result of this squeeze is that capital which should be recovered, renewed, and expanded is instead being swallowed up. And, of course, the complexity of the system places the greatest burden on the newest and smallest enterprises.

These businesses must contend with the tax code's complicated asset depreciation range (ADR) system, hundreds of pages of regulations to determine the useful life of each machine, and countless court cases and depreciation audits with the Internal Revenue Service. The complexity of the depreciation system is the main reason why small businesses use a straight-line, 10-year depreciation method for their assets, even if they are entitled to more rapid recovery methods.

The ability to recover capital over a realistic period has a direct bearing on the ability of the Nation's businesses to furnish goods and services to their communities, to provide new jobs, and to keep prices down through vigorous competition.

Yet, the period of capital recovery in the United States, which averages over 7 years, is one of the longest among all Western industrial nations.

For example, Great Britain allows businesses to recover 100 percent of their investments in machinery and equipment in 1 year, while Canada allows a full-cost recovery over 2 years.

Canada went to the 2-year capital recovery systems 6 years ago. As chairman of the Small Business Committee, I directed the committee staff to examine the impact of the new Canadian system. The results of the study will be available shortly.

Moreover, in 1975, the Small Business Committee began extensive hearings on capital formation and capital recovery.

As a result of those hearings, I introduced legislation during the 95th Congress which would have permitted business to writeoff up to $100,000 of machinery and equipment purchased each year, using a 3-year, straight-line depreciation method.

However, due to budgetary considerations, the $100,000 limitation was scaled down to cover only the first $25,000 of equipment purchased each year. The Senate passed this proposal as an amendment to the Revenue Act of 1978 by a vote of 62 to 25.

The House-Senate conference committee dropped the amendment from the final bill. Therefore, I have reintroduced it. This measure is currently pending in the Congress as S. 110.

I believe S. 110 is a step in the right direction which deserves serious consideration. It will help to increase our productivity and offset wage increases, thereby restraining price increases. In testimony before the Senate Finance Committee on the Revenue Act of 1978, Federal Reserve Chairman G. William Miller offered the following analysis on the need to increase our productivity:

> Inflation is our most important economic concern today. . . .
>
> The only way I know that we are going to break the cycle of wages chasing prices and prices chasing wages is to begin to realize productivity gains so that prices do not have to go up in order to maintain profitability.
>
> Capital accumulation is a critical ingredient in the long-range growth of labor productivity and the rising of living standards. . . . Throughout the 1970's, the ratio of capital stock to labor has fallen ever shorter of its earlier growth trend line, and this, undoubtedly, has been a significant factor in the slower growth of productivity that we have experienced over this period.

He concluded by giving accelerated depreciation the highest priority for any tax change.

After extensive discussions with various business associations including the Business Roundtable, the National Association of Manufacturers, the U.S. Chamber of Commerce, and the National Federation of Independent Business, I am convinced that our present antiquated depreciation system must be completely overhauled.

Therefore, Mr. President, I am introducing today the Capital Cost Recovery Act of 1979. Senators BENTSEN and PACKWOOD have joined as sponsors. This proposal will infuse billions of dollars into the economy by allowing all businesses to depreciate most of their investments in machinery, equipment and buildings twice as fast as under current law.

The proposal would allow businesses to write off their investments in cars and light trucks over 3 years; equipment and machinery over 5 years, and commercial buildings over ten years.

In addition to providing faster recovery of capital, this proposal offers the added advantage of eliminating 99 percent of the depreciation regulations from the Tax Code, which will substantially reduce tax-return paperwork.

This simplification means that in the future, the average small businessman will only need to refer to one or two pages of regulations for a full explanation of the law. This will eliminate 99 percent of all court cases and depreciation audits with the Internal Revenue Service for businessmen. These businesses will be able to claim all the depreciation benefits to which they are entitled in a simple fashion.

However, I have one major reservation concerning this proposal. And that involves the 10-year writeoff for commercial buildings. I shall reserve final judgment on this provision until additional statistics are available.

The purpose of introducing this measure today is to place the concept before the Congress. We urgently need an in depth re-evaluation of our whole capital recovery system. Hearings must be held on this proposal as well as other depreciation reform bills that have been introduced earlier this year in order to examine the views of business groups, and economists and to get the revenue costs in precise terms.

Mr. President, I ask unanimous consent that an executive summary of the bill, a more detailed general summary, and the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Capital Cost Recovery Act of 1979".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; amendment of 1954 Code.
Sec. 2. Capital cost recovery allowance.
Sec. 3. Changes in investment tax credit.
Sec. 4. Amendments related to depreciation.
Sec. 5. Disposition of recovery property subject to recapture under section 1245.
Sec. 6. Minimum tax amendment.
Sec. 7. Technical amenments.
Sec. 8. Effective date.

(c) AMENDMENTS OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. CAPITAL COST RECOVERY ALLOWANCE.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC. 168. CAPITAL COST RECOVERY DEDUCTION.

"(a) ALLOWANCE OF DEDUCTION.—In the case of recovery property, there shall be allowed the recovery deduction provided by this section.

"(b) AMOUNT OF DEDUCTION.—

"(1) IN GENERAL.—The recovery deduction for the taxable year shall be the aggregate amount determined by applying to the capital cost of recovery property the applicable percentage determine in accordance with the following table:

"CAPITAL COST RECOVERY TABLE

	The applicable percentage for the class of property is:		
"If the recovery year is—	Class 1	Class 2	Class 3
1	10	20	33
2	18	32	45
3	16	24	22
4	14	16	
5	12	8	
6	10		
7	8		
8	6		
9	4		
10	2		

"(2) Transitional applicable percentages.—

"(A) For transitional applicable percentages for additions to capital account of class 1 property before 1984, see subsection (h) (2).

"(B) For transitional applicable percentages for additions to capital account of certain class 2 property before 1984, see subsection (h) (3).

"(c) Recovery Property.—For purposes of this title—

"(1) Recovery property defined.—Except as otherwise provided in subsection (g), the term 'recovery property' means tangible property (other than land)—

"(A) used in a trade or business, or

"(B) held for the production of income.

"(2) Classes of recovery property.—

"(A) Classification table.—The classification of recovery property shall be determined in accordance with the following table:

CLASSIFICATION OF RECOVERY PROPERTY

Class 1	Class 2	Class 3
Buildings and structural components of buildings.	Recovery property not taken into account under class 1 or class 3.	Automobiles, taxis, and light-duty trucks.

"(B) $100,000 LIMIT FOR CLASS 3.—In the case of any taxpayer for any taxable year, the capital cost (for which such year is recovery year 1) taken into account under class 3 shall not exceed $100,000.

"(C) Special rules for applying the $100,000 limit.—

"For special rules relating to the $100,000 limit, see subsection (i) (2).

"(d) CAPITAL COST.—

"(1) IN GENERAL.—For purposes of this section, the term 'capital cost' means, with respect to any property, the net addition to capital account for the taxable year (determined without regard to the section 1016(a) (2) adjustment for such year).

"(2) SPECIAL RULES FOR PROPERTY NOT YET PLACED IN SERVICE.—In the case of property which has not been placed in service before the close of the taxable year—

"(A) PAYMENT RULE.—Except as provided in subparagraph (B), the addition to capital account shall be treated as made when payment of an amount is made.

"(B) SELF-CONSTRUCTED PROPERTY.—If the property is constructed (in whole or in part) by the taxpayer, capital cost shall be determined under paragraph (1) without regard to subparagraph (A) of this paragraph.

"(3) AMOUNTS MUST BE FOR PERIOD AFTER 1979.—For purposes of this section, capital cost does not include any amount paid or properly charged to capital account for any period before January 1, 1980.

"(4) SPECIAL RULES.—

"(A) PUBLIC UTILITY PROPERTY ELECTION.—For election to determine capital cost of public utility property by treating advance payments as made when property is placed in service, see subsection (i) (3).

"(B) TRANSITIONAL RULE FOR FISCAL YEAR TAXPAYERS.—For special transitional rule for determining capital cost of fiscal year taxpayers, see subsection (i) (5).

"(e) TAXPAYER MAY DEDUCT LESS THAN FULL ALLOWANCE.—

"(1) IN GENERAL.—For any taxable year the taxpayer may deduct all or any portion of the amount allowable under subsection (a). The deduction for any taxable year may be increased or decreased at any time before the expiration of the period prescribed for making a claim for refund of the tax imposed by this chapter for such taxable year.

"(2) CARRYOVER OF UNUSED DEDUCTIONS.—Any amount allowable for the taxable year by subsection (a) but not deducted for such taxable year shall be carried forward and may be claimed as a deduction for any succeeding taxable year. Any deduction so claimed shall be treated as an addition to the capital cost recovery deduction allowable under subsection (a) for such succeeding taxable year.

"(3) ALLOCATION OF DEDUCTIONS.—If by reason of paragraph (1) the taxpayer deducts less than the amount allowable for any taxable year, the amount deducted shall be apportioned among the taxpayer's recovery property in the same proportion as the amount allowable in respect of the recovery property bears to the total amount allowable in respect of the recovery property. A similar rule shall be applied in the case of the allowance of a deduction in a succeeding taxable year under paragraph (2).

"(4) ADJUSTMENTS TO BASIS.—For purposes of section 1016(a) (2), in the case of recovery property the amount allowable under this subtitle for exhaustion, wear and tear, and obsolescence shall be the amount allowable by subsection (a) of this section.

"(f) RECOGNITION OF GAIN OR LOSS AND ADJUSTMENT TO CAPITAL COSTS ON RETIREMENT OR OTHER DISPOSITION.—

"(1) GENERAL RULE.—Gain or loss shall be recognized on the disposition of recovery property, unless nonrecognition is specifically required or permitted by another provision of this chapter.

"(2) MASS ASSET ACCOUNTS.—In lieu of recognizing gain or loss, a taxpayer who maintains mass asset accounts of recovery property may, under regulations prescribed by the Secretary, elect to include in income all proceeds realized on the disposition of such property.

"(3) ADJUSTMENT TO CAPITAL COST.—For purposes of this section, if gain or loss is recognized on the disposition of recovery property, the capital cost of such property shall cease to be capital cost as of the beginning of the taxable year in which such disposition occurs.

"(4) DISPOSITION INCLUDES RETIREMENT.—For purposes of this subsection, the term 'disposition' includes retirement.

"(g) PROPERTY EXCLUDED FROM APPLICATION OF SECTION.—

"(1) CERTAIN PROPERTY EXCLUDED.—The term 'recovery property' does not include—

"(A) property placed in service by the taxpayer before January 1, 1980,

"(B) residential rental property (within the meaning of section 167(j) and

"(C) property with respect to which the taxpayer—

"(i) is entitled to elect amortization (in lieu of depreciation), and

"(ii) elects such amortization.

"(2) CERTAIN METHODS OF DEPRECIATION.—The term 'recovery property' does not include property if—

"(A) the taxpayer elects to exclude such property from the application of this section, and

"(B) for the first taxable year for which a deduction would be allowable under this section with respect to such property—

"(i) the property is properly depreciated under the unit-of-production method, the retirement-replacement method, or any other method of depreciation not expressed in a term of years, or

"(ii) the property is a leasehold improvement which is properly depreciated over the term of the leasehold.

"(3) SPECIAL RULE FOR CERTAIN PUBLIC UTILITY PROPERTY.—"(A) IN GENERAL.—In the case of public utility property (within the meaning of section 167(l)(3)(A)), such property shall be treated as recovery property only if the taxpayer uses a normalization method of accounting.

"(B) USE OF NORMALIZATION METHOD DEFINED.—For purposes of subparagraph (A), a taxpayer uses a normalization method of accounting with respect to any public utility property if both the taxpayer's rates and its operating results on its regulated books of account reflect a tax expense determined by—

"(i) a method of depreciation on the property which is the same as, and

"(ii) a depreciation period for the property which is no shorter than,

the method and period used to determine its depreciation expense on the property for purposes of establishing its cost of service for ratemaking purposes.

"(C) SECRETARY TO PRESCRIBE REGULATIONS.—The Secretary shall provide such regulations as may be necessary or appropriate to prevent the reflection (directly or indirectly) in rates or operating results of an amount of tax expense which is inconsistent with either the depreciation method described in subparagraph (B)(i) or the depreciation period described in subparagraph (B)(ii).

"(4) CERTAIN SALES, LEASES, AND OTHER TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1980.—The term 'recovery property' does not include property acquired directly or indirectly from a peson who used such property before January 1, 1980, if—

"(A) within 1 year after the property is so acquired, the property is leased back to such person, or

"(B) the person so acquiring the property bears a relationship specified in section 267(b) to the person using such property before January 1, 1980.

"(h) TRANSITIONAL APPLICABLE PERCENTAGES FOR CLASS 1 PROPERTY AND CLASS 2 PROPERTY.—

"(1) IN GENERAL.—The Secretary shall prescribe tables setting forth transitional applicable percentages—

"(A) for additions to capital account of class 1 property before January 1, 1984, and

"(B) for additions to capital account of class 2 property before January 1, 1984.

If for any taxable year for any property there is a transitional applicable percentage, such transitional percentage shall be substituted for the applicable percentage set forth in subsection (b).

"(2) TRANSITIONAL APPLICABLE PERCENTAGES FOR CLASS 1 PROPERTY.—The transitional applicable percentages for class 1 property shall be determined in accordance with the following assigned recovery periods:

"TRANSITIONAL RECOVERY PERIODS FOR CLASS 1 PROPERTY

"For additions to capital account in—	The transitional applicable percentage shall be based on a capital cost recovery period of the following number of years:
1980	18
1981	16
1982	14
1983	12

"(3) TRANSITIONAL APPLICABLE PERCENTAGES FOR CERTAIN CLASS 2 PROPERTY.—The transitional applicable percentages for class 2 property shall be determined in accordance with the following assigned recovery periods:

"TRANSITIONAL RECOVERY PERIODS FOR CERTAIN CLASS 2 PROPERTY

"For additions to capital account in—	The transitional applicable percentage shall be based on a capital cost recovery period of the following number of years:
1980	ADR lower limit.
1981	ADR lower limit minus 1 year.
1982	ADR lower limit minus 2 years.
1983	ADR lower limit minus 3 years.

The capital cost recovery period determined under this paragraph shall in no case be less than 5 years.

"(4) ADR LOWER LIMIT DEFINED.—For purposes of paragraph (3), the ADR lower limit for any class of property is the lower limit of the asset depreciation range in effect on June 27, 1979, for such class of property under section 167(m). For purposes of the preceding sentence, lower limits in excess of 9 years shall be treated as equal to 9 years, and any lower limit which is not a whole number of years shall be rounded down to the next lower whole number of years.

"(5) TABLES TO BE SIMILAR TO SUBSECTION (b) TABLE.—The tables prescribed under paragraph (1) for any class of property for any assigned recovery period shall be based on principles similar to those used in the construction of the table under subsection (b) for that class of property.

"(i) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) RECOVERY YEAR 1, ETC.—The term 'recovery year 1' means, with respect to any capital cost, the first taxable year for which a deduction with respect to such cost is allowable under subsection (a). The immediately following taxable year shall be recovery year 2, and the taxable years which follow shall be numbered accordingly.

"(2) SPECIAL RULES FOR APPLYING THE $100,000 LIMIT FOR CLASS 3 PROPERTY.—

"(A) IN GENERAL.—If for any taxable year the capital cost (for which such year is recovery year 1) of automobiles, taxis, and light-duty trucks exceeds $100,000, the taxpayer shall select the items to be treated as class 3 property, but only to the extent of an aggregate capital cost of $100,000. Such a selection, once made, may be changed only in the manner, and to the extent, provided by such regulations.

"(B) MARRIED INDIVIDUALS.—In the case of a husband or wife who files a separate return, the limitation under subparagraph (A) and under subsection (c)(2)(B) shall be $50,000 in lieu of $100,000. This subparagraph shall not apply if the spouse of the taxpayer has no property which may be taken into account as class 3 property (for which this is recovery year 1) for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

"(C) CONTROLLED GROUPS.—In the case of a controlled group, the $100,000 amount specified under subparagraph (A) and under subsection (c)(2)(B) shall be reduced for each component member of the group by apportioning $100,000 among the component members of such group in accordance with their respective amounts of capital cost of automobiles, taxis, and light-duty trucks.

"(D) PARTNERSHIPS.—In the case of a partnership, the limitation contained in subparagraph (A) and in subsection (c)(2)(B) shall apply with respect to the partnership and with respect to each partner.

"(E) CONTROLLED GROUP.—For purposes of this paragraph, the term 'controlled group' has the meaning assigned to such term by section 1563(a), except that the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(3) PUBLIC UTILITY MAY ELECT NOT TO TAKE INTO ACCOUNT ADVANCE PAYMENTS.—

"(A) IN GENERAL.—In the case of public utility property (within the meaning of section 167(l)(3)), the taxpayer may elect to treat all additions to capital account for the period before property is placed in service as made during the taxable year in which the property is placed in service.

"(B) EFFECT OF ELECTION.—An election under subparagraph (A) shall apply to all public utility property of the taxpayer for the taxable year for which the election is made and all subsequent taxable years unless the Secretary consents to a revocation of such election.

"(4) MAKING OF ELECTIONS.—Any election (or selection) under this section shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(5) TRANSITIONAL RULE FOR DETERMINING CAPITAL COST OF FISCAL YEAR TAXPAYERS.—If—

"(A) the taxpayer's taxable year is a period other than the calendar year, and

"(B) a transitional applicable percentage applies to additions to capital account in any portion of the taxable year.

then the capital cost for such taxable year shall be separately computed for each portion of a calendar year included within the taxable year.

"(j) CROSS REFERENCE.—

"For special rule with respect to certain gain derived from disposition of property the adjusted basis of which is determined with regard to this section, see section 1245."

CHANGES IN INVESTMENT TAX CREDIT

SEC. 3. (a) APPLICABLE PERCENTAGE.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) APPLICABLE PERCENTAGE FOR RECOVERY PROPERTY.—Notwithstanding paragraph (2), the applicable percentage for purposes of paragraph (1) shall be—

"(A) in the case of class 1 or class 2 recovery property (within the meaning of section 168), 100 percent, or

"(B) in the case of class 3 recovery property (within the meaning of section 168), 60 percent."

(b) CREDIT FOR EXPENDITURES BEFORE PROPERTY IS PLACED IN SERVICE.—Subsection (d) of section 46 is amended to read as follows:

"(d) QUALIFIED PROGRESS EXPENDITURES.—

"(1) IN GENERAL.—The amount of the qualified investment of any taxpayer for the taxable year (determined under subsection (c) without regard to this subsection) shall be increased by the aggregate of the applicable percentage of each qualified capital cost of the taxpayer for the taxable year.

"(2) QUALIFIED CAPITAL COST.—For purposes of paragraph (2), the term 'qualified capital cost' means the capital cost described in section 168(d)(1) for the taxable year with respect to any property which has not been placed in service before the close of such taxable year if such property, when placed in service, can reasonably be expected to be recovery property which is section 38 property.

"(3) Applicable percentage.—For purposes of paragraph (1), the term 'applicable percentage' has the meaning given to such term by subsection (c)(7).

"(4) No qualified progress expenditures for property for year of recapture.—In the case of any property, no qualified progress expenditures shall be taken into account under this subsection for the first taxable year for which recapture is required under section 47(a)(3) with respect to such property, or for any taxable year thereafter."

(c) Amendment of Recapture Rules.—

(1) In general.—Subsection (a) of section 47 (relating to certain dispositions, etc., of section 38 property) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) Special rules for recovery property.—

"(A) General rule.—If during any taxable year section 38 recovery property is disposed of, or otherwise ceases to be section 38 property with respect to the taxpayer, before the close of the recapture period, then the tax under this chapter for such taxable year shall be increased by the recapture percentage of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero the qualified investment taken into account with respect to such property.

"(B) Recapture percentage.—For purposes of subparagraph (A), the recapture percentage shall be determined in accordance with the following table:

[In percent]

"If the taxable year in which the recovery property ceases to be section 38 property is:	The recovery percentage for each class of property is:	
	Class 1 and Class 2	Class 3
The taxable year in which placed in service	100	100
The first taxable year after the year in which placed in service	80	66
The second taxable year after the year in which placed in service	60	33
The third taxable year after the year in which placed in service	40	0
The fourth taxable year after the year in which placed in service	20	0

"(C) Definitions and special rules.—

"(i) Section 38 recovery property.—For purposes of this paragraph, the term 'section 38 recovery property' means any section 38 property which is recovery property (within the meaning of section 168).

"(ii) Recapture period.—For purposes of this paragraph, the term 'recapture period' means, with respect to any property, the period consisting of the taxable year in which such property is placed in service and the 4 succeeding taxable years (the 2 succeeding taxable years in the case of class 3 property).

"(iii) Classification of property.—For purposes of this paragraph, property shall be classified as provided in section 168.

"(iv) Paragraph (1) not to apply.—Paragraph (1) shall not apply with respect to any recovery property."

(2) Technical amendments.—

(A) Subparagraph (D) of section 47(a)(3) is amended—

(i) by striking out "paragraph (1), paragraph (1)" and inserting in lieu thereof "paragraph (1) or (5), as the case may be, such paragraph", and

(ii) by striking out "paragraph (1)" in the subparagraph heading and inserting in lieu thereof "paragraph (1) or (5)".

(B) Paragraph (6) of section 47(a) (as redesignated by paragraph (1)) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (B) of section 47(a)(7) (as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)".

(d) Amendment of Section 48.—The last sentence of section 48(a)(1) (defining section 38 property) is amended by striking out "includes only property" and inserting in lieu thereof "includes only recovery property and any other property".

AMENDMENTS RELATED TO DEPRECIATION

Sec. 4. (a) Recovery Deduction Treated as Depreciation.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the recovery deduction allowable under section 168 shall be deemed to constitute the reasonable allowance under section 168 shall be deemed to constitute the reasonable allowance provided by this section, and such property shall be considered for purposes of this title as property of a character subject to the allowance provided under this section."

(b) No Additional First-Year Depreciation for Recovery Property.—Paragraph (1) of section 179(d) (defining section 179 property) is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(D) which is not recovery property (within the meaning of section 168)."

(c) Termination of Class Life System.—Subsection (m) of section 167 (relating to class lives) is amended by adding at the end thereof the following new paragraph:

"(4) Termination.—This subsection shall not apply with respect to property placed in service after December 31, 1979."

DISPOSITION OF RECOVERY PROPERTY SUBJECT TO RECAPTURE UNDER SECTION 1245

Sec. 5. Paragraph (3) of section 1245(a) (defining section 1245 property) is amended by striking out "or" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(E) recovery property (within the meaning of section 168)."

MINIMUM TAX AMENDMENT

Sec. 6. Subsection (a) of section 57 (defining items of tax preference) is amended by inserting after paragraph (11) the following new paragraph:

"(12) Capital cost recovery deduction.—

"(A) In general.—With respect to each property which is class 1 or class 2 recovery property (as determined under section 168) and which is subject to a lease, the amount (if any) by which the recovery deduction allowed for the taxable year is greater than the straight-line capital cost recovery amount determined in accordance with subparagraph (B).

"(B) Straight-line capital cost recovery amount.—For purposes of this paragraph, the straight-line capital cost recovery amount shall be the amount of the depreciation deduction which would have been allowed for the taxable year had the taxpayer depreciated the property, beginning with the middle of the taxable year in which placed in service, under the straight-line method for each year of its useful life assuming—

"(i) a useful life of 10 years in the case of class 1 recovery property, and

"(ii) a useful life of 5 years in the case of class 2 recovery property.

"(C) Limitations.—

"(i) Corporations.—This paragraph shall not apply to any taxpayer which is a corporation (other than an electing small business corporation as defined in section 1371(b)) and a personal holding company (as defined in section 542).

"(ii) Property manufactured or produced by taxpayer.—This paragraph shall not apply with respect to any property which is manufactured or produced by the taxpayer.

"(D) Paragraphs (2) and (3) do not apply to recovery property.—Paragraphs (2) and (3) shall not apply to recovery property (within the meaning of section 168)."

TECHNICAL AMENDMENTS

Sec. 7. (a) Earnings and Profits.—

(1) Subsection (k) of section 312 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Exception for recovery deduction.—If for any taxable year a recovery deduction is allowable under section 168 with respect to any recovery property, then the adjustment to earnings and profits for depreciation of such property for such year shall be the amount so allowable (but not in excess of the straight-line capital cost recovery amount determined under section 57(a)(12)(B))."

(2) The paragraph heading of paragraph (2) of section 312(k) is amended to read as follows:

"(2) Exception for certain methods of depreciation.—".

(b) Amendment of Section 381.—Subsection (c) of section 381 is amended by adding at the end thereof the following new paragraph:

"(27) Unused deductions under section 168.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 168, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 168 in respect of the distributor or transferor corporation."

(c) Amendment of Section 383.—Section 383 (relating to special limitations on certain carryovers) is amended by striking out "and to any net capital loss" and inserting in lieu thereof "to any unused deductions under section 168(e), and to any net capital loss".

EFFECTIVE DATE

Sec. 8. The amendments made by this Act shall apply to taxable years ending after December 31, 1979.

Capital Cost Recovery Act of 1979

EXECUTIVE SUMMARY

The Capital Cost Recovery Act of 1979 provides for a more rapid recovery of capital investment in productive assets. It will streamline and simplify the depreciation of plant and capital equipment.

The streamlining is achieved by separating an asset's depreciation lifetime from its useful lifetime. Current tax law measures the capital recovery period by the asset's useful lifetime. The simplification is achieved by replacing the current complex array of depreciation lifetime schedules with a standardized set of depreciation lifetimes for most capital assets.

The Capital Cost Recovery Act establishes three classes of depreciable property.

Class I—Ten-year depreciation for buildings and their structural components (excluding residential rental property).

Class II—Five-year depreciation for equipment and other tangible personal property (except for Class III).

Class III—Three-year depreciation for automobiles and light trucks (up to $100,000 per year).

All Class I and Class II property will be eligible for the full 10 percent investment tax credit, as long as the property is of the character eligible for the credit. Class III property will be eligible for a 6-percent investment tax credit. This modification is an improvement over the current application of the investment tax credit which varies with the lifetime of the asset.

Property will be eligible for depreciation and the investment tax credit when the taxpayer actually pays for the asset, or when the property is placed in service, whichever is the earlier.

The proposal contains safeguards to prevent abuse and retain the freedom of choice for taxpayers. When a depreciated asset is sold the previously depreciated amounts will be recaptured as ordinary income. Also, early disposal of an asset will trigger a partial recapture of the investment tax credit. Taxpayers will have the option to claim less than the full depreciation allowance permitted under the proposal and to carry forward the unused allowance to any future year.

The proposal contains a transition rule designed to phase in the new depreciation system in an orderly manner for existing capital investment

GENERAL SUMMARY

The proposed Capital Cost Recovery Act of 1979 ("CCRA") provides for more rapid recovery of capital investment made after December 31, 1979, in productive assets. It divorces the capital recovery period from the concept of the useful life of assets. The deduction allowable under the Act is known as the Capital Cost Recovery Allowance. The amount of the allowance varies according to class of investment.

CLASSES OF CAPITAL INVESTMENT

The proposed Act would establish three classes of capital investment, each having a different capital cost recovery period, as follows:

Class I—ten years—generally applicable to all investment in buildings and structural components of buildings.

Class II—five years—generally applicable to investment in tangible property other than that included in Class I or Class III.

Class III—three years—applicable to investment in automobiles and light duty trucks, to the extent of first $100,000 of investment in each year. This is intended to comprehend ADR classes 00.22 and 00.241.

Capital investment is classified as among these three classes, and the aggregate investment in each class is thereafter recovered over the appropriate period. The system is not applicable to investment in (1) intangible assets, (2) residential rental property, and (3) land.

INVESTMENT TAX CREDIT

The CCRA system does not change the rules governing the character of property eligible for investment tax credit. It does, however, change the rules (1) which make useful life determinative of eligibility for investment tax credit, and (2) which relate to recapture of investment tax credit.

Under the CCRA system, a full ten percent investment tax credit is allowed on investment in Class II (five years) property which is otherwise Section 38 property. A full ten percent investment tax credit is allowed on investment in Class I (ten years) property only to the extent that such property qualified as Section 38 property under prior law. A six percent investment tax credit is allowed on investment in Class III (three years) property otherwise qualifying as Section 38 property. As discussed in greater detail below, there is proportionate recapture to the extent that property is not held for the applicable recovery period.

CAPITAL COST RECOVERY ALLOWANCE

The capital cost recovery allowance is computed under accelerated method principles. Once the CCRA system becomes fully effective, the allowance will be determined by the following percentages.

Capital Cost Recovery Table

[In percent]

Ownership year	Class of investment I	II	III
1	10	20	33
2	18	32	45
3	16	24	22
4	14	16	
5	12	8	
6	10		
7	8		
8	6		
9	4		
10	2		
	100	100	100

The percentages shown are taken against the original amount of investment. The recovery percentage for the first year reflects a half-year averaging convention; however, full recovery is concluded in ten, five, and three taxable years, respectively. In order to reduce the initial revenue impacts of the CCRA system, a "phase-in" mechanism is provided.

BASIC FEATURES

1. Scope of application:

The proposed capital cost recovery system is not generally elective with respect to investment eligible for CCRA treatment. It applies to all investment (other than investment in intangibles, residential rental property, and land) made on or after the effective date and supplants both ADR and facts-and-circumstances depreciation. However, the CCRA system does not apply to investment depreciated under methods which do not utilize a recovery period expressed in terms of years, e.g., assets which are depreciated under the unit-of-production method, the retirement-replacement-betterment method, etc. Investment in public utility property is eligible for capital cost recovery allowance only if a normalization method of accounting is used by the taxpayer—otherwise, such property remains subject to depreciation under present law. To the extent that the law provides special amortization for certain forms of investment and to the extent that the taxpayer elects such amortization, that investment would not be included in the CCRA system.

2. Election to deduct less than the full CCRA allowance:

A taxpayer may choose to deduct all or any portion of the capital cost recovery allowance in any year. Any unused portion of the allowance may be carried forward and deducted in any future year as a capital cost recovery carryover. The determination whether to deduct less than all the allowance is to be made at the entity level. Thus, the amount to be deducted would be determined by "pass through" entities rather than by their shareholders, partners or beneficiaries. In order to avoid "trafficking" in such carryovers, the rules of sections 269 and 382 are applicable to them.

3. Recapture on disposition or other retirement:

Upon disposition or other retirement of an asset, gain or loss is recognized (i.e., the "normal/abnormal" retirement distinction is abolished) and, to the extent the taxpayer realizes gain, that amount of gain which represents prior capital cost recovery allowances is taxed as ordinary income. Unlike prior law there is no preferential recapture rule for buildings and their structural components. The same recapture rule applies to all classes of investment.

In determining basis, the taxpayer is deemed to have deducted the full amount of capital cost recovery allowable with respect to the asset disposed of, even though the taxpayer may have deducted less than the full allowance. To the extent that this rule increases recapture income, the taxpayer may avoid disadvantage by claiming the capital cost recovery carryover available to him by reason of his earlier failure to claim the full deduction.

These rules require that the taxpayer, on disposition or other retirement of an asset, be able to identify the year that the investment in the asset was originally made, i.e., the investment would have to be "catalogued" by year made. Taxpayers who deal in mass assets may find it burdensome to catalogue assets. These taxpayers may instead make no adjustment to their capital cost recovery records to reflect disposition or other retirements and may instead treat all proceeds realized from noncatalogued property as ordinary income.

4. Salvage value eliminated:

Salvage value is ignored in all computations, and salvage is accounted for only when realized.

5. Used property eligible:

The distinction between investment in new and used property is eliminated for purposes of the capital cost recovery allowance, though it is retained as under present law (i.e., with a $100,000 "cap") for purposes of the investment tax credit. In order to discourage artificial sales of used property in Class I (ten years) solely to make the investment by the purchaser eligible for CCRA, the proposal treats all recapture as Section 1245 rather than Section 1250 recapture.

6. Placed-in-service rule modified:

An investment qualifies for both capital cost recovery allowance and investment tax credit at the earlier of (1) the date on which the taxpayer actually makes payment to acquire property, or (2) the date on which the property is placed in service. Thus, with respect to purchased property with long lead-times, the allowance and credit will no longer be deferred until the property is placed in service, but rather will be allowable in the taxable year in which funds are expended to acquire the property. With respect to self-constructed property, the allowance and credit will be allowable in the taxable year in which funds are properly chargeable to the taxpayer's capital accounts. Consistent with the normalization rules, public utility taxpayers are given a one-time election to continue under the present place-in-service rules or to adopt the more liberal rule under the CCRA system.

7. Half-year convention:

Investment made at any time during the year is treated as having been made as of the middle of the year. The Capital Cost Recovery Table shown above (page 2) reflects this convention in the recovery percentage for the first taxable year.

8. Investment tax credit qualification:

A full ten percent investment tax credit is allowed for all investment in Class I (ten years) and for investment in Class II (five years) to the extent that such investment qualifies as investment in Section 38 property. A six percent credit is allowed for all investment in Class III (three years) to the extent that such investment constitutes investment in Section 38 property. The amount of credit thus no longer depends upon the estimated of useful life of the property or upon the predicted length of time that it will be used. However, to the extent that property is not in fact held for at least one year after it is placed in service, the entire credit is recaptured. For Class I and II investment, the percentage of credit to be recaptured is 80 percent, 60 percent, 40 percent, or 20 percent if the underlying asset is not held for at least two, three, four, or five years, respectively, from the date actually placed in service. For Class III investment, the recapture percentages are 67 percent and 33 percent for a failure to hold for two or three years, respectively.

9. Conforming changes:

Numerous conforming changes are required to align the capital cost recovery system with other Code provisions. The need for this is minimized, however, by providing that the capital cost recovery allowance is, with respect to section 168 property, the reasonable allowance permitted under section 167. Thus, the capital cost recovery allowance is effectuated through section 167, and the significance of the latter section is retained for purposes of internal references within the Code. Notwithstanding this, other conforming amendments are required.

10. Amortized property; first year allowance; leasehold improvements:

Investment in property which is eligible for amortization under special amortization provisions (e.g., section 169 relating to pollution control facilities) is not eligible for capital cost recovery to the extent that the taxpayer elects to claim the benefits of special amortization. Thus, the taxpayer retains elective rights. Section 179, which entitles a taxpayer to a "first-year bonus" depreciation has been identified for repeal because it does not continue to offer any significant advantage after enactment of CCRA. Investment in leasehold improvements is eligible for capital cost recovery unless the taxpayer elects to amortize such investment over the term of the applicable lease.

11. Earnings and profits adjustment:

Earnings and profits are adjusted annually by that portion of a corporate taxpayer's capital cost recovery allowance which represents an allowance computed on straight-line principles but using the applicable capital cost recovery periods. Thus, the "accelerated method portion" of the allowance would not reduce earnings and profits.

12. Treatment as a tax preference item:

For non-corporate lessors, the "accelerated method portion" of the capital cost recovery allowance attributable to Class II and III property (i.e., the amount by which that allowance exceeds an allowance computed on straight-line principles but using the applicable capital cost recovery periods) is treated as a tax preference item.

13. Advantages to small business:

The proposed CCRA system benefits small business in two major respects. The first advantage is the drastic simplification inherent in the new system, making it readily available to small business. By contrast, very few small business enterprises are able to take advantage of the complex ADR system. The second advantage is the short recovery permitted under Class II (five years) and Class III (three years), coupled with accelerated methods and availability of investment tax credit.

Mr. CHAFEE. If the Senator will yield, I wonder if the Senator from Wisconsin would add me as a cosponsor on that legislation.

Mr. NELSON. I ask unanimous consent that the Senator be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACCELERATED DEPRECIATION FOR SMALL AND LARGE BUSINESSES—A METHOD TO HELP BOOST PRODUCTIVITY, REDUCE INFLATION AND INCREASE THE U.S. COMPETITIVE POSITION IN WORLD TRADE

Mr. BENTSEN. Mr. President, today I am introducing a bill to combat inflation by boosting productivity through faster tax deductions for depreciation.

Two of my colleagues on the Senate Finance Committee, Senators Nelson and Packwood, join me in proposing this landmark legislation. Congressmen Jones and Conable of the House Ways and Means Committee are introducing an identical measure today.

This legislation is a major bipartisan effort by members of the two tax-writing committees of Congress to enact an innovative change in our tax laws that will address the very serious problem of built-in, continuing inflation. At the same time it will help create jobs and reduce our staggering trade deficit.

Ever since World War II, the major concern of our economic policy has been to maintain an adequate level of demand in the system. The Joint Economic Committee's 1979 annual report, which for the first time in 20 years was endorsed by all committee members, points out that the time has come for a fundamental reorientation in our economic strategy. The JEC report suggests that the supply side of the economy should be our major area of concern and points out that policies which expand our capacity to produce goods and services more efficiently are the most effective way to deal with our current economic problems.

The idea is to fight inflation by putting more goods on the shelf instead of trying to discourage people from buying those goods. This is a basic change in our approach to economic policy and a sorely needed change as well.

You fight inflation best by producing more goods and services cheaper not by lengthening unemployment and bread lines.

The proposal for a planned recession to slow inflation is a short term fix and is dangerous as well. Stagflation pits everyone against everyone else. It means a shrinking economic pie—a recessionary, declining pool of goods and services. Everyone tries to get a bigger piece or keep their old slice by demanding higher prices and wages. And that just means more inflation because everyone cannot maintain their accustomed living standard. In a recession, there is less to go around.

We cannot afford to fight inflation by pulling up the drawbridge with a recession and dooming tens of millions of Americans to the risks of unemployment, of inflation, of shrinking paychecks because of the effects of inflation.

There is a solution to inflation that our allies in Japan and Germany have used with great skill over the past 25 years. Like us, they face inflation. Yet they found a way to fight it without creating recessions. They did it through productivity growth, through substantial and continuing increases in output per manhour. Our own productivity rate in the meantime has declined from 3 percent a year in the 1950's and early 1960's to only 0.8 percent last year.

In 1950 it took seven Japanese to produce what one American produced. By 1977 it took less than two Japanese to match one American. In 1950 it took three German workers to match the production of one American worker. Now, it is down to 1.3 Germans. Our working men and women still outproduce foreign workers but the gap is closing so quickly that if present trends continue, German and French workers will be outproducing us within 6 years. Japanese and Canadian workers will follow soon thereafter.

One of the primary reasons for our lagging productivity rate is a lack of investment capital for new plants and equipment.

We have the lowest investment rate of any industrialized nation in the world.

Faster depreciation is a very efficient method to encourage investment to increase the supply side of the economy and boost productivity.

Our proposal represents a fundamental reorientation of this Nation's tax policy. It is a major innovation to meet a pressing problem.

Our enormous trade deficit and lagging productivity are two of the most important underlying causes of inflation in this country today. I recognize that there are no simple answers to such complex problems, but we must develop a comprehensive program and an innovative tax changes such as the depreciation bill we are introducing today is a good place to start.

As far back as 1975 the Financial Markets Subcommittee of the Senate Finance Committee, which I chaired, and the Senate Small Business Committee, chaired by Senator Nelson have held extensive joint hearings on the problems of capital formation.

Our joint efforts helped secure enactment last year of the capital gains reduction and the increase in the corporate surtax exemption for small business.

Throughout our joint hearings, small businessmen urged Congress to enact a simplified depreciation ssytem.

For example, on June 19, 1975 the chairman of the Council of Smaller Enterprises of Cleveland, Ohio said:

> We are recommending that traditional useful life concepts of depreciation be abandoned in favor of a less complex capital cost recovery (CCR) program. CCR will provide the small businesses the flexibility to internally generate capital by employing a liberal, noncumbersome rapid depreciation write-off which will maximize depreciation charges during periods when funds are needed for expansion.

During those same hearings in June of 1975 the accounting firm of Price Waterhouse & Co. said that adoption of a simplified depreciation system would moderate the adverse effects of inflation on the real value of cost recovery allowances and on the capacity of small businesses to finance additions to their production facilities. These accountants emphasized that these reforms would generally simplify the law and reduce the burdens and expense of compliance by small business taxpayers.

Similar comments were expressed by various witnesses just last week during Senate Finance Committee hearings on various legislative proposals dealing with export and depreciation tax policy.

Mr. President, I would like to briefly summarize the provisions of our bill which will provide faster and simpler depreciation tax deductions for business.

Ten-year depreciation would be provided for investments in nonresidential structures. This compares with depreciation of some 20 years under present law.

Five-year depreciation with a full 10-percent investment tax credit would be provided for investments in new equipment and machinery. This compares to depreciation of about 10 years under existing law.

The first $100,000 of annual investments in certain automobiles and light duty trucks would be depreciated over 3 years and allowed a 6-percent investment tax credit.

Under current law, the key factors that determine the amount and the timing of depreciation deductions with respect to any depreciable assets are:

First. The cost of the asset,

Second. The salvage value of the asset,

Third. The useful life assigned to the asset, and

Fourth. The method of depreciation (such as the straight line method, double declining balance method or sum of the years digit method.)

For example, assume a machine is purchased for $10,000 and has a useful life of 10 years. If there is no salvage value and the straight line depreciation method is used, an annual depreciation deduction of $10,000 is allowed for 10 years—$10,000 divided by 10 equals $1,000.

In comparison, under our bill this same equipment would be deducted over a 5-year period with a $2,000 deduction in the year of investment, a $3,200 deduction the following year, $2,400 in the third year, $1,600 in the fourth year, and $800 in the final year.

Our bill provides the following accelerated depreciation schedule—class I refers to nonresidential structures, class II refers to equipment, and class III refers to light duty trucks and autos:

Capital Cost Recovery Table

[In percent]

Ownership year	Class of investment		
	I	II	III
1	10	20	33
2	18	32	45
3	16	24	22
4	14	16	
5	12	8	
6	10		
7	8		
8	6		
9	4		
10	2		
	100	100	100

Our bill has some of the following provisions:

Generally, the capital cost recovery system is mandatory.

Unused depreciation deductions may be carried forward to future years.

If assets are sold before being fully depreciated, some of the earlier depreciation deductions may be recaptured as ordinary income.

In addition, the early disposition of an asset would result in recapture of portions of the investment tax credit.

Salvage value is ignored to simplify computations.

Certain distinctions between new and used property are eliminated for depreciation purposes.

Depreciation deductions and the investment tax credit would be allowed in the taxable year in which funds are expended to acquire the property.

The so-called "half year convention" is adopted. Investments made at any time during the year are deemed to have been made at the middle of the year.

The special first year depreciation allowance, section 179 of the Tax Code, is repealed.

For noncorporate lessors, a portion of these deductions will be treated as a tax preference item and thus will be subject to the minimum tax.

Over 100-guideline classes under the asset depreciation range (ADR) will be repealed.

Our bill has several important objectives:

First, larger depreciation tax deductions will help fight inflation by encouraging firms to invest in new plants and equipment that will boost productivity and help avoid inflationary capacity shortages.

Second, one of the best things that can be done to reverse the staggering trade deficit is to encourage the modernization of American business so that U.S. firms can compete more effectively in world markets. The staggering trade deficit which reached $34 billion last year contributed to domestic inflation.

Third, our bill will help simplify the computation of depreciation deductions for taxpayers throughout the Nation. One of the major goals of the Senate Finance Committee during the 96th Congress is to simplify our tax laws.

Fourth, simpler and faster depreciation will be particularly helpful to small businesses which traditionally bear a disproportionate share of the burden during periods of serious inflation.

Mr. President, let me explain these objectives in some detail.

IMPORTANCE OF FASTER DEPRECIATION TO HELP BOOST PRODUCTIVITY

Faster depreciation tax deductions will help fight inflation by encouraging firms to invest in new equipment to boost productivity and to avoid inflationary capacity shortages.

The President's inflation adviser, Mr. Alfred E. Kahn, said that he would surely like to see more liberal depreciation as a way to encourage investment and give a boost to the sagging rate of productivity improvement.

Federal Reserve Chairman G. William Miller told the Senate Finance Committee that faster depreciation is the most effective method to increase investment in the modernization of our manufacturing capacity.

According to the Congressional Budget Office, economists generally believe that accelerated depreciation has a larger impact on investment in productive capacity than corporate income tax rate reductions.

Productivity growth is an important factor in promoting economic growth and curbing inflation. Productivity gains help offset wage increases and thereby help restrain higher prices. This can be particularly important in stopping price-wage spirals.

Productivity is defined as average output per manhour. Low productivity usually indicates that businesses are not investing in newer, more efficient equipment and machinery. When increases in productivity fail to keep pace with increases in wages, businesses have to charge higher prices for their products and inflation results.

Gains in productivity helped contain labor costs before 1967. However, productivity gains have slackened since that year and since labor costs have continued to increase the result has been inflation.

Barry Bosworth, Director of the President's Council on Wage and Price Stability, has stated:

> We're turning into the British situation of the early 1970's when they had almost no productivity growth.

The 10–5–3 depreciation proposal would provide the kind of incentive needed to substantially increase investment in the modernization of plants and equipment to help fight inflation.

The importance of this legislation is highlighted by the fact that the United States ranks last in a list of seven major industrial nations with respect to productivity growth. We are even behind Great Britain.

Productivity growth, 1960–1973

(Average annual rate)

	Gross domestic product per employed person	Manufacturing output per manhour
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD Nations	5.2	6.1

Source: Department of the Treasury.

CONTRIBUTION OF FASTER DEPRECIATION IN REVERSING THE U.S. TRADE DEFICIT

During hearings of the Senate Finance Committee last week numerous witnesses emphasized that greater investment tax incentives, such as accelerated depreciation, are the key to long-term improvement in U.S. exports.

The seriousness of our trade deficit which reached about $34 billion last year cannot be overestimated.

Our enormous trade deficit contributes to inflation, destroys the value of our currency and creates doubt about our free market system. Fundamental improvement in our trade position is critical to a healthy American economy.

The following statistics dramatize the seriousness of the problem. Prior to 1976, the largest U.S. trade deficit for a full year was the $6.4 billion deficit in 1972. In comparison, the trade deficits in 1976, 1977, and 1978 were $9 billion, $31 billion and some $34 billion, respectively. The U.S. share of total manufactured exports of 15 industrial countries fell from almost 30 percent in the late 1950's to 19.2 percent in 1972. It rose to 21.1 percent in 1975 but has declined steadily since then, falling to 18.9 percent by the first quarter of 1978, the lowest since mid-1972.

Over the past 20 years, our exports have grown at only half the rate of other industrial nations.

The United States, once the world leader in international trade, is now in danger of falling to third place in exports of manufactured goods. West Germany took the lead in that field in 1970 and now Japan is almost even with the United States.

According to Commerce Department officials our current deficit of about $34 billion could reach the staggering level of $40 billion a decade from now. This would indeed be alarming.

The United States must formulate a comprehensive export promotion policy. Accelerated depreciation can be an important component of that program.

Over the past several months the Finance Committee has helped draft the implementing legislation for the multilateral trade negotiations (MTN). Since the entire purpose of MTN is to facilitate international trade and reduce inequities in the trading system, it follows that our own Tax Code should be consistent with this objective and with our international obligations. We can be sure that our competitors in the international marketplace will not overlook any opportunity to give their exports a competitive edge.

Business Week magazine recently stated:

> The U.S. must look out for its exporters and push their interests in every way it can. If this country does not claim its fair share of expanding world markets, it can be sure that aggressive exporters from Europe and Japan will.

That same point was emphasized by the President's Special Trade Representative, Ambassador Robert Strauss, when he recently stated:

> The MTN is only a first, immediate, necessary step that will enable us to solve the problems over the next five or ten years. We've now got to develop an export thrust.

MTN, which is an historic development in international trade cannot be a success for the United States unless Congress develops a positive export policy. We must recognize the problems encountered by American business in the increasingly carniverous world of international trade.

We must also recognize that better export performance creates jobs. According to the Congressional Budget Office, a $5 billion increase in exports creates 250,000 to 300,000 jobs.

POOR U.S. CAPITAL INVESTMENT RECORD

During the 1960's the United States had the worst record of capital investment among the major industrialized nations of the free world. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output between 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations and Great Britain ranks second to last. Our investment was 7.2 percentage points below the average commitment of the entire group.

Investment as percent of real national output 1960–1973

	Total fixed	Non-residential fixed
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OECD Countries	24.7	19.4

During the decade of the 1960's the United States ranked 17th in a list of 20 industrial nations belonging to the Organization for Economic Cooperation and Development (OECD) as to the average annual growth rate of real output. As the following OECD statistics illustrate, our growth rate was only about one-third the rate in Japan.

Average annual rate of change in real growth for member nations of OECD, 1960–70

	Percent
Japan	11.1
Greece	7.6
Portugal	6.3
Yugoslavia	6.7
France	5.8
Italy	5.6
Canada	5.2
Finland	5.2
Australia	5.1
Netherlands	5.1
Norway	5.0
Belgium	4.9
Denmark	4.9
West Germany	4.8
Austria	4.8
Iceland	4.3
Ireland	4.0
United States	4.0
Luxembourg	3.3
United Kingdom	2.8

Source: Organization for Economic Cooperation and Development.

Mr. President, in conclusion enactment of the bill that I am introducing today with Senators NELSON and PACKWOOD would be a constructive part in our efforts to reduce inflation and reverse the trade deficit.

At this point in the RECORD I ask unanimous consent to have printed in the RECORD a factsheet describing the bill.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FACT SHEET PREPARED BY SENATOR LLOYD BENTSEN

CAPITAL COST RECOVERY ACT OF 1979

This legislation provides faster depreciation tax deductions for all businesses. The bill would help combat inflation by encouraging the investment in plants and equipment needed to boost productivity. It would also substantially simplify the methods of computing depreciation deductions under the Internal Revenue Code which is particularly important to small business. For many small firms, the complexity of existing accelerated depreciation methods has discouraged their use and resulted in higher tax burdens than required under present law.

The Capital Cost Recovery Act represents a major bipartisan effort by Members of the Senate Finance Committee to expand the supply of the economy to increase our capacity to produce goods and services more efficiently. This represents a fundamental reorientation of this nation's tax policy.

Under our tax laws, when a business buys machinery, equipment, a building, or investment property, the firm generally cannot deduct the entire cost in the year of purchase. Rather, a business generally can only deduct a portion of the cost annually over the useful life of the asset. This allowance, commonly referred to as the depreciation deduction, represents wear and tear of the asset.

Our bill would provide substantially faster depreciation deductions to increase cash flow for expansion and modernization. Accelerated depreciation has the effect of reducing the cost of employing capital goods. The following simple depreciation schedule would be enacted.

Class I. Investment in non-residential structures would be depreciated over a ten year period. (In comparison, structures generally are depreciated over a period of some twenty years under present law.)

Class II. Investment in equipment and machinery would be depreciated over five years and these investments would be entitled to the full 10 percent investment tax credit. (In comparison, generally such investments are depreciated over a ten year period under existing law.)

Class III. The first $100,000 of annual investments in certain automobiles and light duty trucks used for business purposes would be depreciated over a three year period and be entitled to a 6 percent investment tax credit.

Thus, our bill provides a simple "10–5–3" depreciation schedule.

The Capital Cost Recovery Act would provide significant simplification of the tax law. For example, the bill eliminates over 100 guideline classes under ADR, allows taxpayers to ignore salvage value for computation purposes and repeals the first-year depreciation computations under Section 179 of the tax code.

Prompt enactment of this legislation is needed for several reasons:

First, faster depreciation tax deductions will help fight inflation by encouraging firms to modernize and expand to boost productivity and help avoid inflationary capacity shortages.

Second, one of the best things that can be done to reverse the staggering trade deficit is to encourage the modernization of American business so that U.S. firms can compete more effectively in world markets. Our trade imbalance, which reached $34 billion last year, contributes to domestic inflation.

Third, our bill will help simplify the computation of depreciation deductions for taxpayers throughout the Nation. One of the major goals of the Senate Finance Committee during the 96th Congress is to simplify our tax laws.

Fourth, simpler and faster depreciation will be particularly helpful to small business which traditionally bears a disproportionate share of the burden during periods of high inflation.

● Mr. PACKWOOD. Mr. President, today Senators NELSON, BENTSEN, and I are introducing the Capital Recovery Act of 1979. Companion legislation (H.R. 4646) is being introduced today in the House of Representatives by Representatives BARBER CONABLE and JAMES JONES.

This legislation liberalizes and simplifies depreciation allowances in the tax law. The purpose of the legislation is to help rebuild and modernize our Nation's productive base.

CRISIS IN PRODUCTIVITY, TRADE AND JOBS

The recent performance of our economy has been unbelievably poor. One sign of this is that our industrial production has increased more slowly than our principal trading partners. For example, from 1967 to 1978, our industrial production increased by 44.9 percent. This is poor compared to the increase of 101 percent enjoyed by Japan, 61 percent by Canada, 56 percent by West Germany, and 55 percent by France.

Our record on productivity increases has been even worse. From 1950 to 1967, the average annual nonfarm productivity increase was 2.4 percent. This declined to 1.1 percent in 1967–72, and further declined to 0.6 percent in 1972–78.

Worse yet, on May 29, 1979, the Bureau of Labor Statistics announced that productivity declined by 4.6 percent for the first quarter of 1979.

Productivity decline is not a worldwide phenomenon. In fact, our trading competitors are achieving substantial productivity increases. These trends show no signs of stopping. This is shown by the following table:

AVERAGE ANNUAL CHANGE IN PRODUCTIVITY RELATIVE TO GROSS DOMESTIC PRODUCT

	Relative productivity 1977	Average annual percent change in productivity			
		1950–67	1967–72	1972–77	1950–77
Japan	62.2	7.4	9.2	3.5	7.0
West Germany	79.1	5.0	4.8	3.5	4.7
Italy	54.3	5.3	5.0	1.0	4.4
France	84.7	4.7	4.5	3.1	4.3
Canada	91.6	2.5	2.8	.8	2.3
United Kingdom	55.1	2.2	3.0	1.2	2.2
United States	100.0	2.4	1.1	.6	1.8

Source: Department of Labor, Bureau of Labor Statistics; U.S. Chamber of Commerce.

The U.S. worker is still the most productive in the world. However, our lead decreases each year, and we will be surpassed by France, Germany, Canada, and Japan in the 1980's if present trends continue.

The balance-of-trade is another sign of our economic problems. We had trade deficits in 6 of the 8 years from 1971 to 1978. The deficits equaled about $27 billion in both 1977 and 1978.

We often blame this on the fact that we import about one-half of our oil. However, we also have had a deficit in manufactured goods of $5.8 billion in 1978.

During that same year, Japan and West Germany—with virtually no domestic oil—achieved export surpluses and manufactured goods of more than $70 billion and $50 billion respectively.

Inadequate investment rates play an important part in the loss of our former economic strength. Only 13.5 percent of our gross domestic product went to nonresidential investment from 1966 to 1976. This was only one-half the 26.4 percent rate in Japan, and substantially below West Germany's 17.4 percent, Canada's 17.2 percent, France's 16.7 percent—based on 1970 to 1975, and the United Kingdom's 14.9 percent.

We believed such differences were explainable through the 1950's because other industrialized countries needed to replace productivity lost during World War II. However, as stated in the 1979 report of the President's Council of Economic Advisors "(m)ore than 30 years after the war, this explanation can no longer be valid."

Investment is required to provide tools and machinery for workers to be productive. Failure to improve productive capacity on a par with other industrialized countries eventually means loss of incomes and jobs to them.

This damage is already being inflicted on the U.S. worker. Our Nation's unemployment has been persistently higher for the last decade than for our major trading partners.

Further, U.S. wages are no longer the highest in the world. This means we cannot blame "cheap foreign labor" for our trade losses. In 1977, U.S. wages ranked 6th among 10 major Western industrialized countries. This is a decline from 1970 when we ranked first. This trend is shown by the following table:

COMPARATIVE WAGE RATES

	1970	1975	1977
United States	$4.19	$6.33	$7.33
Canada	3.46	6.18	7.53
Japan	.99	3.05	3.63
Belgium	2.08	6.62	8.08
France	1.74	4.52	4.95
Germany	2.33	6.32	7.44
Italy	1.77	4.64	4.93
Netherlands	2.14	6.48	7.59
Sweden	2.95	7.19	8.97
United Kingdom	1.48	3.25	3.21
U.S. rank	1	4	6

Source: Bureau of Labor Statistics.

If these trends continue, without reversal of the productivity trend, then the gains the vast majority of our citizens have enjoyed during their lifetimes in terms of a higher standard of living and increased leisure time will stop.

THE NEED TO BUILD OUR PRODUCTIVE CAPACITY

At this point, our economy is neither inflation proof nor recession proof. In fact, we currently appear to be sliding into the intolerable situation of both high inflation and recession. The sponsors of this legislation believe that an increase in investment can help stop this trend.

This view is shared by the President's Council of Economic Advisors, as indicated in their 1979 annual report:

> A strong rise in business fixed investment will be required to achieve sustained economic growth and declining unemployment. Substantial growth in the capital stock will also be needed to expand our capacity to produce. Only by devoting a significant share of current production to replace, modernize, and expand the capital stock can we hope to maintain adequate growth in productivity.

There is an emerging consensus that depreciation liberalization is the most effective way to encourage this increased investment.

This view is shared by the Honorable G. William Miller, Chairman of the Board of Governors of the Federal Reserve System. In testimony before the Joint Economic Committee on December 15, 1978, he stated:

> "Representative HAMILTON. What is your recommendation for steps that we can take in Government to increase productivity?
>
> Mr. MILLER. The most important thing that needs to be done as soon as it can be done in my opinion is to substantially liberalize the depreciation allowance for new investments.
>
> From the point of view of the Government, higher depreciation allowances do not reduce taxes, they only defer them, so it is more effective from the Government's point of view. Investment tax credits are forever forgiveness, while a depreciation allowance means you take it this year instead of next; next year you have to pay taxes on higher income because you don't have the deduction.
>
> So, from both points of view I think you get more bang for your buck.
>
> If we can move towards, progressively towards a 5-year writeoff for production equipment and machinery and 10-year writeoff for production structures, the sooner we can go that way, then I think that we would really create conditions which I think are essential, step our business fixed investment up to the 8-to-10 percent range; we have been into something like 12 percent for a long period of time. It's in that way that we can become more competitive, that we can reduce our unit costs, cost per unit of production, that we can become more energy efficient in production, and that we can reestablish our technology, and, probably, instead of research and development, which usually goes along with fixed investment."

This view is shared by the bipartisan Congressional Joint Economic Committee. In its 1979 annual report, the Joint Economic Committee stated:

> We believe that per dollar of revenue loss, liberalization of depreciation allowances would be the most effective stimulant.

CAPITAL RECOVERY ACT OF 1979

The Nelson-Bentsen-Packwood Capital Recovery Act of 1979 provides for depreciation liberalization and simplification needed to effectively achieve productivity increases. The bill drops both the troublesome facts and circumstances useful life concept in current depreciation rules as well as the multitude of ADR class lifetimes, and substitutes three classes of depreciable property. The three classes are:

Class I: Ten years—depreciable nonresidential buildings and their structural components.

Class II: Five years—tangible personal property (other than class III).

Class III: Three years—cars and light trucks, up to $100,000 per year.

This system does not apply to land, intangible assets, or residential rental property.

The investment tax credit would be 10 percent for property in class II—equipment—and 6 percent for property in class III—cars and light duty trucks, assuming that the property is otherwise eligible for the investment tax credit. This increased investment tax credit offsets the fact that some ADR class lives are less than that provided under the capital recovery system. This change is an improvement over current investment tax credit rules which require the credit to vary with the useful life of the asset.

Under the bill, investment tax credit recapture applies proportionately if an asset is held less than the 5- or 3-year period. If an asset in either class II or III is held less than 1 year, the full investment tax credit is recaptured. If an asset in class II is held between 1 and 2 years, 80 percent of the investment tax credit is recaptured. The recapture percentage is reduced by 20 percent for each year the asset is held. Therefore, if a class II asset is held 5 years, the investment tax credit is not subject to recapture. Proportionate recapture also applies to class III assets.

The Capital Recovery Act also drops the optional depreciation methods—straight line some of the year's digits, declining balance—and substitutes a prescribed deduction schedule for each year in each class. These schedules reflect a half-year averaging convention in the deduction permitted for the first year. Use of the schedule for determining deductions, and automatic use of the half-year convention concept substantially simplifies computation of depreciation.

Their schedules provide the following annual deductions:

[In percent]

Ownership year	Class I	Class II	Class III
1	33	20	10
2	45	32	18
3	22	24	16
4		16	14
5		8	12
6			10
7			8
8			6
9			4
10			2

These schedules are mandatory. However, they do not apply for several categories of assets. First, they do not apply to assets with a recovery period not expressed in years, such as assets depreciated under the unit of production method or the retirement-replacement-betterment method. Second, the schedules do not apply to assets elected to be amortized under existing special amortization sections. Third, investment in public utility property is eligible only if a normalization method of accounting is used by the taxpayer. In these situations current depreciation rules apply.

A taxpayer may elect to deduct all or any part of the capital cost recovery allowance permitted for the year. Any unused portion may be carried forward and deducted in any future year. However, to avoid trafficking in a cumulated capital cost recovery allowance, sections 269 and 382 would be made applicable.

Salvage value—a frequently disputed matter—is ignored in all computations in the capital cost recovery system. Salvage value is accounted for only when realized.

There is no new/used property distinction for the capital cost recovery system. However, the $100,000 limit for used property in the investment tax credit is maintained.

The placed in service rule does not apply to the capital cost recovery system. In other words, an investment qualifies as soon as the taxpayer pays—including accrual—for the property, or when the property is placed in service, whichever is earlier.

Additional first year depreciation under section 179 is repealed. It is subsumed by the simplified capital cost recovery system.

Investment in leased property is eligible for the capital cost recovery system unless the taxpayer elects to amortize the investment over the term of the lease.

Tax preference treatment applies to noncorporate lessors. That is, the amount by which the capital cost recovery allowance for classes II and III exceeds the deduction allowed under straight line depreciation would be a tax preference item.

Transitional rules are provided to yield an orderly increase in the demand for capital goods, and a gradual revenue impact. Generally speaking, the transition period for class I assets is 10 years; for class II assets 5 years; and for class III assets there is no transitional period.

THESE PROVISIONS WILL BE SUBJECT TO DEBATE AND AMENDMENT AS THEY PROCEED THROUGH THE CONGRESS

Other Senators have helped focus public attention on the need to liberalize and simplify depreciation. Senator BENTSEN and NELSON's amendments to the Revenue Act of 1978 to this effect are well known.

In addition, Senators DANFORTH, HEINZ, and CHAFEE deserve credit for depreciation reform legislation they have sponsored. Senator DANFORTH also deserves special mention for his work to encourage increased research and development. I also appreciate the willingness of Senator BYRD of Virginia to hold hearings last week in the Subcommittee on Taxation of the Senate Finance Committee (of which I am the ranking Republican) on these measures.

I look forward to working with these Senators, and others, and our counterparts in the House of Representatives, in the work on this important legislation.●

By Mr. PELL:

S. 1436. A bill to amend title 44, United States Code, to provide for improved administration of public printing services and distribution of public documents; to the Committee on Rules and Administration.

PUBLIC PRINTING REORGANIZATION ACT OF 1979

● Mr. PELL. Mr. President, for the past 18 months I have served as a member of the Joint Committee on Printing, in the last Congress as chairman and in this Congress as vice chairman.

During those months I have been impressed by the enormity of the task of providing printing services to the Federal Government and of distributing to the public the documents produced at taxpayers' expense. This entire enterprise costs the taxpayers of this country $1 billion a year.

I have also been impressed by the ability and dedication of those public servants who oversee this undertaking, both at the Government Printing Office and on the staff of the Joint Committee. I would particularly cite John J. Boyle, the Public Printer who brings to his post not only talent and wisdom but many years of experience at GPO, and Denver Dickerson, the skilled and dedicated staff director of the Joint Committee.

Despite the efforts of these men and countless others to manage this enterprise in an efficient and cost-effective manner, I have become convinced that it is desirable to make changes in the statute—title 44, United States Code—which governs the administration of GPO and Government printing generally.

For this reason I initiated last year a broad-based and thorough review of the present title 44, seeking comment and recommendations about potential changes from every segment of the public and private sectors affected by the present law. The responses were numerous and helpful.

Later in the year I formed an "ad hoc advisory committee to the Joint Committee on Printing on revising title 44," a committee which was broadly representative and which worked diligently for 13 weeks to study the present statute and make recommendations for changes. The committee has recently issued an excellent 150-page final report.

Working from the recommendations of these many groups and the ad hoc advisory committee, staff has drafted legislation to amend title 44, which I am introducing today. Identical legislation was introduced last week in the House of Representatives by Congressman FRANK THOMPSON, the distinguished chairman of the Committee on House Administration and of the Joint Committee on Printing, Congressman AUGUSTUS HAWKINS, the able chairman of the Subcommittee on Printing, and other Members of the House.

In introducing this draft legislation today I would stress that I consider it only a starting point for the joint hearings which still will be conducted on this subject by the Committee on House Administration and the Senate Committee on Rules and Administration, commencing on July 10. I do not suggest that this draft is unflawed nor do I endorse fully every provision or direction of the legislation. In those hearings I look forward to a very thorough airing of views about this proposal and other proposals for revising title 44.

In the end, Mr. President, my goal will be to develop legislation which most closely meets the goal of providing needed services to the Government and the public in the most efficient and cost-effective manner possible with a particular eye to the most frugal treatment of precious tax dollars.●

By Mr. MELCHER:

S. 1438. A bill to authorize the Secretary of Agriculture to lease real property, including office space, storage space and other building space, and for other purposes; to the Committee on Governmental Affairs.

● Mr. MELCHER. Mr. President, I introduce and send to the desk a bill relating to the lease of real property, including office space, storage space and other building space, and for other purposes, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Secretary of Agriculture is authorized to lease real property including office space, storage space and such other building space as he determines to be necessary to carry out the programs of the Department of Agriculture: *Provided,* That space requirements in Washington, D.C. and space requirements of more than 5,000 square feet in Standard Metropolitan Statistical Areas, as defined by the Office of Management and Budget, should be obtained through the General Services Administration. Lease agreements entered into under the authority of this Act may be made binding on the Government for periods of up to 5 years and shall be subject to such terms and conditions as the Secretary deems to be in the public interest.●

By Mr. CULVER (for himself and Mr. STEWART):

S. 1439. A bill to prohibit States from enforcing certain vehicle weight and length limitations on the national system of interstate and defense highways during the current period of fuel shortages; to the Committee on Environment and Public Works.

UNIFORM WEIGHT AND LENGTH LIMITS FOR TRUCKS

● Mr. CULVER. Mr. President, I am today introducing legislation to establish on an emergency basis uniform weight and length limits for trucks using the national system of interstate and defense highways. This legislation is designed to help conserve currently limited supplies of diesel fuel.

Under current law, trucks using interstate and defense highways must conform to limits set by the States for length and weight. Such limits are discretionary up to a federally determined maximum of 80,000 pounds and 60 feet. Most States have limits at or near these levels.

Ten States have set lower limits, however, and truckers often are forced to make costly detours when they reach their borders. The rising costs and declining availability of diesel fuel have already placed many independent truckers in a precarious economic position. The lack of uniform Federal regulations, by requiring unnecessarily longer routes, strains both limited diesel supplies and the ability of truckers to stay in business.

The legislation I am introducing would, for the period of the current energy emergency, raise the weight and length limits in all States to a national standard of 80,000 pounds and 60 feet. In so doing, it would contribute to the conservation of diesel fuel. According to the Department of Transportation, Iowa alone would consume 7.8 million fewer gallons each year under such an approach.

Under this bill, the higher limits would remain in effect until the Secretary of Energy certifies that supplies of middle distillate fuel are sufficient to meet such basic national requirements as home heating, agriculture, transportation, and industry. Legislation with a similar purpose is pending in the House of Representatives.

While the current shortage is a strong argument for taking action on an immediate temporary basis, it is quite possible that the uniform standards on a permanent basis are in the national interest. The Department of Transportation is currently studying this matter, as mandated by the 1978 Surface Transportation Act. I am writing Secretary Brock Adams to urge that this study be accelerated with a report to Congress by the end of this year.

Mr. President, raising the length and weight limits for trucks to a national standard is a partial answer to both the diesel fuel shortage and to the problems threatening numerous independent truckers. I hope that this body will give it prompt and serious attention.●

● Mr. STEWART. Mr. President, tonight I join with my distinguished colleague from Iowa (Mr. CULVER) in proposing legislation I believe strikes a blow against one of the most crippling contemporary problems facing this country. What we are seeking to do, basically, is inject some reason into the way we move our commercial goods from State to State. It is a proposal that will not only address the immediate needs of the trucker and the consumer, but also seeks to save energy.

This measure, very simply, would require all States to raise to 80,000 pounds the maximum allowable weight that can be carried on the Federal Interstate System, and to extend to 60 feet the maximum allowable length of those carriers. I want to state very clearly to my colleagues, however, that any States whose standards exceed those detailed in this legislation would be allowed to maintain their own limits.

There is no doubt in my mind that this action is in the overwhelming interest of America. Since 1973, 40 States have lifted their standards to meet the 80,000-pound per 60-foot level. However, too often those States whose levels are lower have unintentionally frustrated the economic well-being of interstate carriers.

For example, if a carrier loaded 80,000 pounds—the maximum limit—at the State from which he began his haul, he would not be able to pass through a single State whose limits were lower than 80,000 pounds. This has any number of implications. Truckers may be forced to carry less than their full capacity, thus losing money. Or they may be forced to go hundreds of miles out of their way in order to pass through States that do have the 80,000 pound limit, thus wasting valuable fuel.

But by having States raise their limits to the figures suggested in this bill, we can avoid these pitfalls. We can save economic burden on the trucker and the consumer, as well as fuel, which appears to be in short supply and high in price these days.

Mr. President, in that I realize there may be legitimate arguments on the other side of this critical issue, I concur with my colleague from Iowa that the proposed limits be temporary. Then, after a period of time that is sufficient for congressional hearings and a full and open national debate, we can discuss the utility of making these limits permanent. I am confident that once this period of discussion—which I am sure will be lengthy enough to give all arguments equal time and consideration—has concluded, my colleagues will agree with me that these limits should be permanent.

As I said, Mr. President, we in the Senate possess a rare opportunity to strike out at one of our most crippling problems. I do hope that we will not allow that opportunity to pass unrecognized.●

By Mr. MELCHER (for himself, Mr. MCGOVERN, Mr. PRESSLER, Mr. BURDICK, Mr. MORGAN, and Mr. EXON):

S. 1440. A bill to enable the Secretary of Energy to utilize revenues from power marketing, to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL POWER MARKETING REVOLVING FUND ACT OF 1979

● Mr. MELCHER. Mr. President, on March 22, at the request of the Secretary of Energy, a bill, S. 734, was introduced to establish revolving funds for the Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and the Western Area Power Administration which would enable the financing from power revenues of activities incident to the marketing of federally produced hydroelectric power by each of these power marketing administrations.

The Department of Energy has stated that S. 734 was quite similar to legislation now on the books (Public Law 93-454, October 18, 1974, 16 U.S.C. 838-838k) providing authority for the Bonneville Power Administration, the other Department of Energy power marketing administration, to operate on a revolving fund basis.

Since its introduction, S. 734 has been carefully reviewed by organizations representing the cooperatives and public agency purchasers of federally generated electricity marketed by the power marketing administrations. They have found that included in S. 734 are a number of restrictions and limitations in the areas of leasing of transmission lines, purchase of power, interest rates on moneys advanced by the U.S. Treasury, investment of surplus funds, and use of funds for construction which are absent from the BPA revolving fund law.

The restrictions and limitations to which I refer would mandate a marked departure from the congressionally established principles and policies under which power from Federal hydroelectric projects has been marketed. These restrictions and limitations would erode, and in some respects abruptly destroy, the very foundation of the highly successful program of marketing power from the Government's hydroelectric projects to REA coops and public bodies for the benefit of rural and domestic consumers at the lowest possible rates consistent with sound business principles.

It is the conclusion of these organizations that they must oppose enactment of S. 734 unless the crippling riders which have been added to it are eliminated.

The Senate Committee on Energy and Natural Resources will soon hold hearings on revolving fund legislation. In order that the committee may have before it as a part of its consideration a revolving fund measure which, like the existing Bonneville legislation, provides the authorization for the more efficient and businesslike operations which can come from sound revolving fund legislation, without the crippling limitations and restrictions which threaten the fundamental underpinnings of the Federal power marketing program, I send to the desk for introduction and appropriate reference a bill stripped of the objectionable riders which have been sprinkled through S. 734.

I ask unanimous consent that the bill be printed in the RECORD along with a set of proposed amendments to S. 734 prepared by Mid-West Electric Consumers Association and an explanation of those proposed amendments. The Mid-West Electric Consumers Association amendments are reflected in the bill Senators McGOVERN, PRESSLER, BURDICK, MORGAN, EXON, and I are introducing today.

For the information of the Senate, Mid-West Electric Consumers Association is the regional service and policy organization of rural electric cooperatives and publicly owned electric systems located in the States of Wyoming, Montana, Colorado, Kansas, Nebraska, North Dakota, South Dakota, Minnesota, and Iowa. Three hundred systems serving 3,000,000 consumers are represented by Mid-West.

I believe that the Mid-West position represents generally the views of the organizations representing most of the purchasers of power from the other power marketing administrations that are covered by the revolving fund legislation.

I also ask unanimous consent that there be printed in the RECORD a resolution on the revolving fund legislation that was adopted by the American Public Power Association at its annual convention in Seattle, Wash., which has just concluded. That resolution, while endorsing the revolving fund concept, opposes enactment of S. 734 unless amended to remove the crippling limitations and provisions which DOE has included. The bill I am introducing today perfects the legislation by removing the objectionable features of S. 734.

While the new bill incorporates the changes sought in S. 734, I have asked that the specific changes which have been made, as reflected in amendments, be printed along with Mid-West Electric Consumer Association's explanation of each of them.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Power Marketing Revolving Fund Act of 1979".

SEC. 2. (a) Congress finds that it is desirable and appropriate that the respective revenues, borrowings from Treasury, or appropriations to the Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration be used for operation, maintenance, construction, and other program purposes for each such power administration.

(b) Other than as specifically provided herein, the present authority and duties of the Secretary of Energy relating to the Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration shall not be affected by this Act. The authority and duties of each Administrator referred to herein are subject to the supervision and direction of the Secretary.

SEC. 3. As used in this Act—

(a) "Secretary" means the Secretary of Energy.

(b) "Alaska" means the Federal Alaska Power Administration.

(c) "Southeastern" means Southeastern Power Administration.

(d) "Southwestern" means Southwestern Power Administration.

(e) "Western" means Western Area Power Administration.

(f) "Power administration" means the Alaska, Southeastern, Southwestern, or Western.

(g) "Electric power" means electric capacity or electric energy, or both.

(h) "Construct" or "construction" means the construction, improvement, betterment, additions to, and replacements of transmission facilities, including participating jointly with others in such activities.

(i) "Major transmission facilities" means new transmission facilities:

(1) to be used to provide services which were not previously provided by the power administration including facilities which are to be used for interconnecting electrical systems which have not been previously connected by federally owned facilities, or

(2) for which the total estimated construction or acquisition cost represents an increase of more than 8 per centum of the total fixed assets of the power administration:

Provided, however, That facilities which are not major transmission facilities under (1) above shall include but not be limited to (A) a transmission line used in whole or in part to serve a customer which, at the time of commencement of construction of the new transmission line, had theretofore been served by the power administration over Federal facilities; or (B) a transmission facility which uses as a major portion of its route a pre-existing and utilized right-of-way or which is adjacent to a pre-existing Federal transmission line used by the power administration for transmission of power; or (C) the rental or lease of existing transmission facilities.

SEC. 4. Each Administrator of a power administration shall construct, rent, lease, or otherwise acquire transmission facilities he determines are appropriate to—

(a) integrate and transmit the electric power from existing or additional Federal or non-Federal generating units;

(b) provide service to customers;

(c) provide interregional transmission facilities; or

(d) maintain electrical stability and electrical reliability:

Provided, however, That an Administrator shall not construct, rent, or lease any major transmission facilities unless the expenditure of the funds for the initiation of such construction, lease, or rental is specifically approved by Act of Congress:

Provided further, That as used in this Act, transmission facilities shall include federally owned hydroelectric generating facilities operated by Alaska: *Provided further,* That nothing in this Act shall authorize the crossing or other use of Federal lands under the jurisdiction of another agency except with the consent of such agency in accordance with the applicable laws and procedures of such agency or the construction of any facilities on such lands without the consent of the agency having jurisdiction of such lands, pursuant to laws applicable to those lands.

SEC. 5. Subject only to the provisions of this Act, each Administrator is authorized to become a member of and to pay such dues and membership fees in such electric cooperatives and in such professional, utility, industry, and other societies, associations, and institutes, together with expenses related to such memberships, as such Administrator determines to be necessary or appropriate to carry out the purposes of this Act.

SEC. 6. (a) There is established as of April 1, 1980, in the Treasury of the United States a separate fund for each of the herein named power administrations. These funds will be called "Alaska Power Administration Fund", "Southeastern Power Administration Fund", "Southwestern Power Administration Fund", and "Western Area Power Administration Fund" (hereinafter referred to collectively as the "Funds" and individually as the "Fund"): *Provided,* That repayment policy and procedure, except as otherwise specifically required by law, shall be governed by the provisions of Part 730, Chapter 4 of the Department of the Interior Manual as adopted by the Department of Energy on September 28, 1977, Serial No. 12 IMD No. 1701, Part IV, Paragraph F. Each Fund shall consist of (1) all receipts, collections, and recoveries of that power administration in cash from all sources related to power marketing activities, including funds received in trust, (2) all moneys loaned to the Secretary pursuant to section 8 hereof respecting such power administration, (3) any appropriations made by the Congress for the Fund, and (4) the unexpended balances of funds appropriated or otherwise made available for the use of Alaska, Southeastern, Southwestern, or Western, which balances are hereby authorized to be transferred to the appropriate Fund. All funds transferred hereunder shall be available for expenditure by the Administrator, as authorized in this Act or any other Act relating to Alaska, Southeastern, Southwestern, or Western, subject to such limitations as may be prescribed by any applicable appropriation Act effective during such period as may elapse between their transfer and the approval by the Congress of the first subsequent annual budget.

(b) The appropriate Administrator may make expenditures from each Fund, notwithstanding any existing statute requiring the deposit of such revenues or receipts in other funds, which shall have been included in the annual budget submitted to Congress, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriation Acts, for any purpose necessary or appropriate to carry out the duties imposed upon such Administrator pursuant to law relating to the program of that power administration, including but not limited to—

(1) making such payments to the Bureau of Reclamation for the credit of the Reclamation Fund, other funds or accounts, as are required by or pursuant to law to be made into such funds or accounts in connection with reclamation projects;

(2) operation, maintenance, repair, and relocation, to the extent such relocation is not provided for under paragraph (10) below, of transmission facilities;

(3) conducting electrical research, development, investigations, experimentation, tests, and other such studies;

(4) marketing of electric power;

(5) transmission over facilities of others and rental or lease of facilities;

(6) purchase of electric power (including the entitlement of electric plant capability) (A) to meet temporary deficiencies in electric power which the power administration is obligated by contract to supply, (B) which has been heretofore undertaken with funds appropriated for such purchase, or (C) if to be paid for with funds provided by other entities for such purpose under a trust or agency arrangement.

(7) defraying emergency expenses or insuring continuous operation;

(8)(A) acquiring such goods, lands, or interests in real or personal property, and (B) paying dues and membership fees in electrical cooperatives and in such professional, utility, industry, and other societies, associations, and institutes, together with expenses related to such memberships, including but not limited to the acquisitions and payments set forth in the general provisions of the annual appropriations Act for the Department of Energy, as the appropriate Administrator determines to be necessary or appropriate in carrying out the purposes of this Act;

(9) developing and implementing programs and methods by which the customers and ultimate customers of the power administrations may conserve and efficiently use power;

(10) construction, acquisition, and disposal of transmission facilities: *Provided, however*, That such construction or acquisition by Western may be financed with revenues from reclamation projects only to the extent that such construction or acquisition benefits the individual projects for which the Bureau of Reclamation was formerly the power marketing agency;

(11) paying the principal, interest, premiums, discounts, and expenses, if any, in connection with the repayment of funds borrowed pursuant to section 8 of this Act, including provision for and maintenance or reserve and other funds established in connection therewith; and

(12) making payments to the credit of miscellaneous receipts of the Treasury for all unpaid costs required by or pursuant to law to be charged to and returned to the general fund of the Treasury in connection with the projects from which the power administration markets the power.

(c) Expenditures for the purposes provided in section 6(b)(10) may be made from the remainder of gross receipts of that power administration from all sources (excluding borrowings pursuant to section 8) after first deducting funds held in trust and the costs listed in section 6(b)(1) through (b)(9), (b)(11), and (b)(12).

(d) Moneys heretofore or hereafter appropriated shall be used only for the purposes for which appropriated, and moneys received by an Administrator in trust shall be used only for carrying out such trust. The provisions of the Government Corporation Control Act shall be applicable to each Administrator in the same manner as they are applied to the wholly owned Government corporations named in section 101 of such Act, but nothing in the proviso of section 105 of such Act shall be construed as affecting the powers and authorities granted to each Administrator elsewhere in this Act.

(e)(1) The Secretary shall keep the official record of each power administration's operations, expenditures, receipts, repayments of debts to the Secretary of the Treasury and payments to funds, including reclamation project funds, and shall obtain annually an independent commercial-type audit of such accounts, in accordance with generally accepted auditing standards.

(2) Notwithstanding the provisions of sections 105 and 106 of the Government Corporation Control Act, the financial transactions of each of the power administrations shall be audited by the Comptroller General at such times and to such extent as the Comptroller General deems necessary, and reports of the results of each audit shall be made to the Congress within six and one-half months following the end of the fiscal year covered by the audit.

(f)(1) The Administrator of Western shall maintain separate accounting for the individual projects of Western for which the Bureau of Reclamation was formerly the power marketing agency (Pick-Sloan Missouri Basin program, Central Valley project, Colorado River storage project (and participating projects), Provo River project, Collbran project, Rio Grande project, Boulder Canyon project, Fryingpan-Arkansas project, Parker-Davis project, Falcon and Amistad projects, and the Central Arizona project): *Provided*, That the Secretary shall make payments to the Bureau of Reclamation for the Colorado River Dam Fund, the Upper Colorado River Basin Fund, the Lower Colorado River Basin Development Fund, and the Reclamation Fund on a timely basis for repayment of reimbursable project expenses and other obligations required by statute to be made from power revenues: *Provided further*, That nothing in this Act shall affect the third sentence of section 302(a)(3) of P.L. 95–91 and the provisions of such third sentence shall apply to all Federal projects from which power is marketed by an Administrator of a Power Administration."

(2) Amounts to be retained in the Western Fund for expenses covered in section 6(b)(3), (b)(8)(B), and (b)(9) from revenues collected from power marketing activities from reclamation projects shall not in any one year exceed 1 per centum, unless otherwise jointly determined by the Administrator of Western and the Secretary of the Interior, of the total obligation contained in that fiscal year budget as submitted to the Congress for Western.

(3) Determination of amounts to be retained in the Western Fund for Western's operations and the amounts to be transferred to the Bureau of Reclamation under section 6(b)(1) shall be developed jointly by Western and the Bureau of Reclamation at the beginning of each fiscal year from the fiscal year in progress and shall include corrections to transactions of the previous fiscal year based on final data. Reserves and other receipts remaining in the Western Fund attributable to a reclamation project shall be credited to such project and the project obligation as provided in reclamation law.

SEC. 7. For cash management purposes, each Administrator may request the investment of such moneys as he deems advisable by the Secretary of the Treasury in nonmarketable obligations of the United States with maturities not to exceed one year, at rates determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the maturities of such nonmarketable obligations.

SEC. 8. (a) Each Administrator is authorized to borrow to such extent or in such amounts as are contained in appropriation Acts from the Secretary of the Treasury from time to time in the name and for and on behalf of a power administration to assist in financing the construction or acquisition of transmission facilities to be used by such power administration. The repayment of such loans shall be upon such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account the manner prevailing in the open market in which utility indebtedness is repaid, the distinction between short-term borrowing during the period of construction and longer term borrowing to refund short-term obligations during the postconstruction period, and the useful life of the facilities for which funds are to be borrowed. Such loans shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the then current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount sufficient in the judgment of the Secretary of the Treasury to provide for an interest rate comparable to rates prevailing in the market for similar bonds. For the purpose of providing the funds to be loaned pursuant to this section, the Secretary of the Treasury is authorized to use the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereinafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include the loans to each Administrator under this Act. The loaned funds shall be made available to the appropriate Administrator of the terms and conditions of the loan prescribed by the Secretary of the Treasury. The amount of any such loans outstanding at any one time shall not exceed $3,000,000 for Alaska, $100,000 for Southeastern, $20,000,000 for Southwestern, and $300,000,000 for Western.

(b) The principal and interest on such obligations shall be payable solely from the Administrator's net proceeds as hereinafter defined of the power administration for which the loan was obtained. For the purposes of this section "net proceeds" shall mean the remainder of the gross receipts of that power administration from all sources after first deducting funds held in trust and the costs listed in section 6(b)(1) through 6(b)(9), and shall include reserve or other funds created from such receipts.

SEC. 9. At least 60 days prior to the time a request for approval or authority for the construction of a major transmission facility is sent to the Congress, the appropriate Administrator shall give notice of such request to the affected State or States and to entities with which such Administrator has power related contracts.

SEC. 10. Each Administrator may employ laborers, mechanics, and workmen in connection with construction work or the operation and maintenance of electrical facilities, subject to the civil service laws, and fix their compensation in a manner consistent with both the public interest and the wage rates locally prevailing in the industry with respect to such employees, but otherwise without regard to the civil service laws, regulations, or rules relating to the payment of wages to such employees.

EXPLANATION OF PROPOSED AMENDMENTS TO S. 734, (THE FEDERAL POWER MARKETING REVOLVING FUND ACT OF 1979)

S. 734 was introduced in the Senate on March 22, 1979, at the request of the Department of Energy. In his letter requesting the introduction of the legislation (which appears in the Congressional Record for March 22, 1979, at pages 5967–5968), Secretary of Energy Schlesinger stated that its purpose is to shift the financing of the power marketing program from Western Area Power Administration (WAPA), Southwestern Power Administration (SWPA), Southeastern Power Administration (SEPA) and the Alaska Power Administration (APA) from annual appropriations to a revolving fund to be fed by revenues generated by the marketing of power and by Treasury borrowings.

Secretary Schlesinger explained that the revolving fund legislation would place the activities of the power marketing administrations, which are very comparable to those of a business that markets a product, on a more businesslike basis and would offer improved flexibility in the obtaining of financing.

The revolving fund concept to achieve the purposes stated by Secretary Schlesinger is meritorious. I support the pay-as-you-go concept which, as Secretary Schlesinger himself notes, is already the law and which requires that revenues from the sale and transmission of electric power be adequate to cover annual operating costs and to repay with interest (that is, to amortize) the federal investment in generation and transmission facilities.

It is also necessary to emphasize that a large share of the federal investment in irrigation facilities of federal projects be repaid as required by law to the federal treasury from federal power marketing revenues. Representing as it does public and consumer owned utilities from areas in which irrigated agriculture is a basic pillar of the economy, Mid-West is acutely appreciative and is proud of the role that the marketing of federally produced power has played not only in providing electricity upon which irrigation projects and the irrigation farmer depends, but also in providing power revenues to keep the federal irrigation projects solvent.

The revolving fund concept is not new to federal power marketing. WAPA in particular has had long experience with it on a major project. Over 20 years ago, in authorizing the Colorado River Storage Project by the Act of April 11, 1956 (P.L. 485, 84th Cong.), a major multi-purpose federal project encompassing the entire upper Colorado River basin and which includes the giant hydroelectric power facilities at Glen Canyon and Flaming Gorge Dams, Congress established a revolving fund known as the Upper Colorado River Basin Fund. It there provided that all revenues from the operation of the units of the Colorado River Storgae Project were to be deposited into that fund and, without further appropriation, the fund was to be used to defray the costs of operation, maintenance and replacements, and to make repayments to the Treasury of construction costs allocated to power, with interest, and of those irrigation costs which are not charged to the water users served by the elements of the Project. The Colorado River Storage Project pioneered the revolving fund concept embraced in S. 734. As established by Congress in 1956, only the element of Treasury borrowings for construction included in S. 734, was absent.

More recently, in 1974 (P.L. 93–454), Congress established a revolving fund for the Bonneville Power Administration (BPA) which markets and transmits the power from the many federal hydroelectric projects in the Pacific Northwest. The BPA Revolving Fund Act has operated exceptionally well. It includes not only the elements that are present in the Upper Colorado River Basin Fund, but as well the authorization of Treasury borrowing to finance construction. Secretary Schlesinger describes the legislation which Senator Jackson has introduced as S. 734 as "quite similar" to the BPA revolving fund.

Regrettably, the revolving fund legislation now requested by Secretary Schlesinger contains significant departures from the BPA revolving fund model and indeed from the Upper Colorado River Basin Fund. These departures, largely but not entirely in the form of "provisos" which are scattered through the legislation at crucial points, introduce limitations and rigidities which will not only cripple the operations of the power administrations to which they would apply, but which can also serve as a take-off point for a dismantling by administrative fiat, of Congressionally established or approved power marketing and repayment policies which have been forged over decades and which undergird the federal power marketing programs.

It has come to be generally established policy, in some cases specified by Congress and in others developed by long established practice, that 50 years is a reasonable period in which to pay off federal hydroelectric project investment.

It has come to be generally established practice, as laid down by the Congress in such acts as the Bonneville Act, the Fort Peck Act, and the Flood Control Act of 1944, that in order to assure that the government's hydroelectric projects are operated for the benefit of domestic and rural consumers, preference should be given on the sale of power to public bodies and cooperatives and that power shall be marketed in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles.

Most federal hydroelectric projects are elements of multi-purpose water developments in which storage reservoirs must be operated to serve other uses than power alone and from which a significant portion of the power must be devoted to carrying out other purposes in addition to the sale of power. Not only the water demands of other uses, but the erratic nature of the flows of the rivers upon which the federal projects are located render it impossible to generate sufficient energy on a continuing basis to meet the load factors of the customers of the federal power system. Consequently, it is long established and Congressionally approved federal policy that energy be purchased to fill in the valleys of federal hydroelectric generation consistent with project generating capacity.

On the one hand, the Department of Energy defends these principles and practices and asserts that they are reasonable and proper. See, for example, Assistant Secretary McIsaac's recent response of April 9, 1979, (copy attached) to questions put to him by Representative Carr of Michigan. On the other hand, we find in the revolving fund legislation as drafted by the Department of Energy, provisions which threaten emasculation of the established repayment policies and reasonable power purchase programs and which would saddle the federal power marketing administrations with unnecessary and improper expenses.

The Bonneville Power Administration could not effectively function under the constraints which the Department of Energy's proposed legislation would impose. Neither can WAPA and neither can the other major federal power systems.

Much as we would like to support the revolving fund concept, it cannot support S. 734 unless the crippling provisions with which that legislation has been burdened are eliminated. While we would prefer that the other power administrations, like BPA, have the benefit of the businesslike operation which properly drawn revolving fund legislation would make possible, the rigidities of the present system are minor compared with the harm that would result from the excess baggage carried by the Department of Energy's draft in its present form.

The purpose of the amendments which we propose is to remove this excess baggage, so that the revolving funds can fulfill their intended purpose of placing the power marketing administrations, as BPA has already been placed, on a more businesslike basis. Many of the changes which have been sprinkled through S. 734 would be contrary to sound business practices.

A detailed explanation of our proposed amendments follows. Each explanation is numbered to correspond to the text of the numbered amendment to which it applies.

SPECIFIC AMENDMENTS

1. The proviso prohibits the use of revenues for financing construction unless payments due the Treasury are "current." The word "current" is ambiguous. It may imply a rigid schedule of fixed annual amounts of repayment. If that is what is meant, it would mark a drastic change in the long standing Congressionally approved repayment policy. That policy is embodied in the present Department of Energy Manual and reaffirmed in Assistant Secretary McIsaac's responses to Representative Carr. The policy is that repayment is to be accomplished over a period of 50 years with periodic review of rates to allow for adjustments in the rates to accomplish this end. Coupled with this principle is another principle and that is that revenues are first applied to operation, maintenance and replacement costs and to payment of interest due. This policy has worked well and there is no evidence to justify a departure. There are sound reasons not to impose a rigid schedule of fixed annual amortization payments. The vagaries of the weather cycle or a natural calamity might in any given year preclude use of revenues, even for the making of replacements required on an emergency basis, if the meeting of a fixed annual repayment obligation is a first charge on revenue.

The proviso is unnecessary for a second reason. Other than the relatively minor replacements (all replacements are classified as "construction" under the Energy Department's proposed legislation), current revenues are not an important factor in the financing of construction. The reason is that like any other prudent operator, the federal power marketing administrations follow the practice of applying their revenues (after operation and maintenance and interest costs are met) to the repayment of interest bearing debt. It is not good sense to divert revenues from repayment of debt in order to finance substantial construction because to do so simply increases the debt (through compounding of interest thereon) with the result that costs are unnecessarily increased. On the other hand, to establish rates at a level which could finance substantial construction in addition to meeting operation, maintenance and replacement costs, current interest charges and reasonable repayments of interest bearing construction costs, would result in current rate payers financing construction rather than treating construction costs as an investment, which is normal utility practice.

It follows therefore, that the proviso is totally unnecessary and simply amounts to the beating of a dead horse for no real reason. It is, however, symbolisms like those reflected in the proviso which cause Mid-West to express concern about whether the underlying motivation is to set the stage for fundamental departures from present sound policies without the approval of Congress. Our concerns are heightened by the broad hint in the third paragraph of Secretary Schlesinger's transmittal letter of February 27 that the Department of Energy, notwithstanding its professed support for long standing repayment policies, does have in mind far reaching and fundamental changes.

Finally, it is noted that the proviso is not found in the BPA Revolving Fund legislation now on the books.

2. These amendments would conform the statement of the relationship of the power administrations to the Secretary of Energy to that which prevails under the BPA Revolving Fund legislation. See P.L. 93-454, §2(b) (16 U.S.C. §838[b]).

3. Eight percent appears to be more realistic in terms of the escalating price levels of recent years.

4. The proviso which would be stricken is one of the most objectionable departures from long standing policy. The Congress has repeatedly expressed the policy that in the marketing of power, the federal power systems utilize available non-federally owned excess transmission capacity for the wheeling of power. To restrict the right to utilize transmission facilities of others to not more than 5 years at a time inevitably increases the cost of wheeling, since the owner of the facilities is denied the assurances of payment that are inherent in longer term contracts. The proviso will both encourage the construction of unnecessary federal facilities and at the same time will increase the cost of using non-federal facilities. SEPA has no federally owned transmission facilities. It is entirely dependent upon the transmission facilities of others. The requirement that transmission be arranged on a short term basis can only be described, and particularly in the case of SEPA, as wasteful. Here again, there is no counterpart of this limitation in the BPA Revolving Fund Act.

5. The proviso introduces an unnecessary element of uncertainty in the exact date upon which each fund is to be established. Secretary Schlesinger's transmittal letter of February 27 states that individual revolving funds are not to be implemented until "the successful completion of current rate increase efforts. Significant rate increases are necessary for Western and Southwestern to assure self sufficient revolving funds." Those "rate increase efforts" have been underway for some time, some are now in effect and all will be in effect by April 1, 1980. We propose, therefore, that April 1, 1980, should be fixed as the date for establishment of each revolving fund.

6. In his responses to Representative Carr's questions, Assistant Secretary McIsaac stated that the Department of Energy did not support, in revolving fund legislation or otherwise, a reduction in the repayment period from 50 years to 30 years. Specifically, Secretary McIsaac said "The repayment period should be approximately the component useful life of the facility, but not more than 50 years. For facilities with component service lives of more than 50 years, such as hydroelectric projects, we feel that Congress has firmly indicated its preference for limiting the repayment period to 50 years. In principle, we think that the Government should not attempt to amortize its capital investments in public projects over artificially short periods."

In sum, Mr. McIsaac reaffirmed the support of the Department of Energy for continuation of the long standing Congressionally approved repayment policy, which Mr. McIsaac noted elsewhere in his letter to Congressman Carr, has been specifically written into the law for a number of federal projects. Furthermore, the Department of Energy has nearly completed, and by April 1, 1980 will have fully completed, its current key rate increase efforts which are resulting in significant rate increases for WAPA and SWPA, to insure self sufficient revolving funds. In his transmittal letter of February 27, 1979, Secretary Schlesinger stated that it was anticipated that "power marketing revenue will be sufficient to meet all required repayment to Treasury as prescribed by Congressionally established repayment policies and thereby satisfy requirements of the various Reclamation funds and accounts" (emphasis supplied). Yet, in the same letter, Secretary Schlesinger apparently reverses the field by saying that "existing repayment policies and procedures need to be revised" and he referred to a review to be completed within 18 months of enactment of the revolving fund legislation, apparently designed not to assure consistency with present policies, but to change them.

If there are to be substantial changes in the federal power repayment and rate policies, they should come from Congress where the pros and cons can be examined in the light of full debate rather than be ordained by administrative fiat. It is the purpose of this amendment to assure that Congress will have that opportunity. The Manual provisions referred to faithfully reflect the long standing, Congressionally recognized federal repayment policies. It is the counterpart of the provision which the Congress wrote into section 302(a)(3) of P.L. 95-91, the Department of Energy Organization Act, which prohibits any reallocation of the joint costs of multi-purpose facilities theretofore allocated without the specific approval of Congress.

7. The proviso which would be stricken would constitute another fundamental departure from sound and long standing policies. It would render nugatory to a considerable degree the authorization to purchase power.

As pointed out in the "Introduction" portion above, a number of federal power systems are dependent for their effectiveness upon continuing power purchases. Among these are the Columbia River Power system, the Central Valley system, and the Southwestern Power Administration.

Had the limitation of power purchases to short term contracts been in effect at the time, the Columbia River Treaty with Canada could not have been implemented. Under that Treaty, Canada was to construct three large storage reservoirs on the Columbia River System in Canada to provide substantial downstream power benefits in the United States. These benefits enabled the installation in the United States of substantial additional hydroelectric generating capacity on the Columbia River System. Canada is entitled, under the Treaty, to one-half the increase in power generation.

Among the many power developments which were made possible by the Columbia River Treaty is the third power plant at Grand Coulee Dam. Non-federal utilities in the Pacific Northwest of the United States, both publicly and privately owned, undertook to purchase for fifty years for a single lump sum advance payment to Canada, Canada's share of the increased power generation at the United States projects resulting from the Canadian storage. The Pacific Northwest utilities were able to make this purchase only because they, in turn, entered into a fifty year contract with the BPA under which they exchanged their entitlement to receive Canada's share of the increased power generation in the United States with guaranteed power from the federal Columbia River Power system. In essence, the BPA entered into a fifty year power purchase. The proviso which the Mid-West amendment would strike would have precluded that arrangement.

Similarly, the Central Valley Project in California, for which WAPA is the power marketing administration, lacks sufficient energy to support its dependable capacity. To make the project's output firm requires either long term contracts with non-federal utilities with steam electric generating capacity they are willing to commit, or the construction of federally owned steam generating plants. Without the support provided by the long term contract that has been entered into, the firm load carrying capability of the Central Valley Project would be drastically reduced, with the result that large quantities of what is now firm power would have to be sold at giveaway prices to customers who could supply their own steam support, or, conversely, to obtain energy through short term purchases, the United States would have to pay an inordinately high price.

This agreement is fundamental to the power marketing program for the Pick-Sloan Missouri River Basin project. Yet, had the proviso which would be stricken by this amendment and by Mid-West's amendment No. 4 been in effect at the time, the contract could not have been made.

Secretary McIsaac's response to Congressman Carr's questions includes a detailed schedule of power purchases by each of the power marketing administrations that would be covered by the revolving fund legislation. He points out, among other things, that for SWPA, heavy energy purchases are expected to continue. The same is true for a number of WAPA systems. A requirement that only short term power purchase agreements are permissible will not reduce the dependency of the federal power systems on power purchases. It will simply either vastly increase the cost of purchased power, or will destroy the usefulness of some of the systems, since it is unlikely that power suppliers will be willing to guarantee the continued availability of steam purchased power under short term contracts.

Authority for the Bonneville Power Administration to make long term power contracts for the acquisition of power resources is a central feature of S. 885, the pending Pacific Northwest Electric Power Planning and Conservation Act. The authority that would be conferred goes far beyond simply long-term power purchase contracts and includes authority to fund or to guarantee financing for construction of generating facilities, the output of which would go to BPA. The Administration enthusiastically supports this authority. Assistant Secretary McIsaac testified on May 23, 1979, that with this authority "plants will be constructed of efficient size and at the proper time to reduce the prospects of either under or over building." It is impossible to reconcile the Administration's support not only for continuing, but broadening, BPA's long-term power purchase contracting authority with its attempt to terminate long-term power purchase authority for the other power marketing administrations.

Mid-West supports the principle of power resource acquisition authority. As a matter of fact, it believes it would be desirable to confer similar authority on WAPA. But, at the very least, the proviso that would effectively repeal even the existing authority should be stricken.

8. The true test of whether facilities should be constructed is whether they benefit the projects concerned. The proviso in which the phrase which Mid-West would change is found apparently reflects concern on the part of the Bureau of Reclamation that reclamation project revenues would be diverted to the construction of substantial transmission facilities rather than going back into the reclamation fund. This is another example of the fundamental misconception concerning the limited role, as a practical matter, of power revenues as a source of construction funds. See the explanation of amendment 1 above.

9. The proviso which would be added reaffirms the principle written into Section 302(a)(3) of the Department of Energy Organization Act that no changes in the allocation of costs of multi-purpose facilities shall be made without the approval of the Congress. See the explanation for Amendent No. 6.

10. This amendment corrects a drafting error.

11. The sentence which would be stricken is an example of Alice-in-Wonderland logic. It would deprive the power marketing systems of the opportunity to earn the market rate of interest on surplus funds. It has no counterpart in the BPA Revolving Fund Act.

12. The amendment would make it clear that the interest rate will not fluctuate but will be fixed as of the time the money is borrowed from the Treasury.

13. The amendment would conform the provision to section 13(a) of the BPA Revolving Fund Act (16 U.S.C. § 838k[a]).

14. The sentence stricken by this amendment is another example of Alice-in-Wonderland logic. If a power development is not meeting its repayment obligations, the remedy is to make an appropriate rate increase. Since power repayment studies must be prepared annually and necessary rate adjustments must be effected at the most practicable time (730 DM 4.7), no purpose is served by compounding a project's financial difficulty by adding an interest penalty. Here again, no comparable provision is found in the BPA Revolving Fund Act.

15. The amendment adds a clarifying phrase to avoid the sentence being construed to include portions of loans already repaid within the limitation. The amendment would conform the provision to the comparable provision in the BPA Revolving Fund Act (16 U.S.C. § 838k[a]).

16. The amendment would add a provision similar to a provision in the BPA Revolving Fund Act, P.L. 92–454 § 5(b) (16 U.S.C. § 838c[b]). It is intended to assure an opportunity for timely public comment upon proposals to construct major transmission facilities.

17. This amendment would assure that the power marketing administrations retain authority that each had before their transfer to the Department of Energy.

In sum, it appears that a number of the more glaring departures from existing policy that the Department of Energy proposes reflect an apparent dissatisfaction by the Department of Energy with the existing BPA revolving fund act. If this be so, the Department of Energy should be required to specify where and in what particulars the BPA act is defective. Failing such demonstration, there is no reason why the objectionable limitations and prohibitions should be imposed upon the other power marketing administrations.

Proposed Amendments to S. 734 (The Federal Power Marketing Revolving Fund Act of 1979)

Act of 1979

1. Page 2, lines 5–8, strike the proviso.

2. Page 2, lines 14–16, strike the sentence following the word "Act." in line 14 and in lieu thereof insert:

"The authority and duties of each Administrator referred to herein are subject to the supervision and direction of the Secretary."

Make the following related changes:

(a) Page 4, line 8, strike "The Secretary" and insert "Each Administrator of a Power administration".

(b) Page 4, line 18, strike "the Secretary" and insert "an Administrator".

(c) Page 5, lines 9 and 10, strike "the Secretary" and insert "each Administrator".

(d) Page 5, line 14, strike "the Secretary" and insert "such Administrator".

(e) Page 6, line 13, strike "the Secretary" and insert "the Administrator thereof".

(f) Page 6, line 19, strike "Secretary" and insert "appropriate Administrator".

(g) Page 7, line 2, strike "the Secretary" and insert "such Administrator".

(h) Page 8, line 14, strike "Secretary" and insert "appropriate Administrator".

(i) Page 9, line 24, strike "the Secretary" and insert "an Administrator".

(j) Page 10, lines 1 and 2, strike "the Secretary" and insert "each Administrator".

(k) Page 10, line 6, strike "the Secretary" and insert "each Administrator".

(l) Page 10, line 7, strike "Secretary" and insert "appropriate Administrator".

(m) Page 10, line 22, strike "Secretary" and insert "Administrator of Western".

(n) Page 11, line 17, strike the first "Secretary" in line 17 and insert "Administrator of Western".

(o) Page 12, line 6, strike "the Secretary" and insert "each Administrator".

(p) Page 12, line 22, strike "The Secretary" and insert "Each Administrator".

(q) Page 13, lines 24–25, strike "the Secretary" and insert "such Administrator".

(r) Page 14, line 7, strike "the Secretary" and insert "each Administrator".

(s) Page 14, line 8, strike "Secretary" and insert "appropriate Administrator".

(t) Page 14, line 9, strike "the Secretary" and insert "such Administrator".

(u) Page 14, line 16, strike "Secretary's" and insert "Administrator's".

3. Page 3, line 19, strike "5" and insert "8".

4. Page 4, line 24—Page 5, line 1, strike all following the colon in line 24, page 4 through the colon in line 1, page 5.

5. Page 5, line 16, strike all after "(a)" and insert in lieu thereof: "There is established as of April 1, 1980,".

6. Page 5, line 23—Page 6, line 2, strike the proviso beginning in line 23, page 5, ending with the word "statute" in line 2, page 6, and in lieu thereof insert the following:

"*Provided,* That repayment policy and procedure, except as otherwise specifically required by law, shall be governed by the provisions of Part 730, Chapter 4 of the Department of the Interior Manual as adopted by the Department of Energy on September 28, 1977, Serial No. 12 IMD No. 1701, Part IV, Paragraph F."

7. Page 7, line 25—Page 8, line 3, change the colon following the word "arrangement" in line 25, page 7, to a period, and strike everything following.

8. Page 8, line 25—Page 9, line 1, strike "is in accord with law covering" and insert "benefits".

9. Page 11, line 11, change the period to a colon and add the following:

"*Provided further*, That nothing in this Act shall affect the third sentence of section 302(a)(3) of Public Law 95–91 and the provisions of such third sentence shall apply to all Federal projects from which power is marketed by an Administrator of a Power Administration.".

10. Page 11, line 13, strike "(b)(8)(A), (b)(8)(b)" and insert "(b)(8)(B)".

11. Page 12, lines 14–21, strike the sentence beginning in line 14.

12. Page 13, line 12, insert "then" before the word "current".

13. Page 13, lines 17–18, strike "triple-A rated nongovernment bonds" and insert "similar bonds".

14. Page 13, lines 18–25, strike the sentence which begins in line 18 and ends in line 25.

15. Page 14, line 11, after the word "loans" insert "outstanding at any one time".

16. Page 14, following line 23, add a new section 9 reading as follows:

"SEC. 9. At least 60 days prior to the time a request for approval or authority for the construction of a major transmission facility is sent to the Congress, the appropriate Administrator shall give notice of such request to the affected State or States and to entities with which such Administrator has power related contracts."

17. Page 14, following the new Section 9, add a new section 10 reading as follows:

"SEC. 10. Each Administrator may employ laborers, mechanics, and workmen in connection with construction work or the operation and maintenance of electrical facilities, subject to the civil service laws, and fix their compensation in a manner consistent with both the public interest and the wage rates locally prevailing in the industry with respect to such employees, but otherwise without regard to the civil services laws, regulations, or rules relating to the payment of wages to such employees."

Resolution Adopted on June 19, 1979 by the American Public Power Association at Its Annual Convention in Seattle, Wash.

REVOLVING FUND FINANCING

Whereas, the Federal Power Marketing Revolving Fund Act of 1979, S. 734 and H.R. 3506, provides for the Western Area, Southeastern, Southwestern, and Alaska Power Administrations to operate on a revolving fund basis whereby their receipts for sales of power may be utilized for authorized expenditures, and

Whereas, this legislation would permit these federal power marketing agencies to avoid time consuming annual authorization and appropriation procedures and permit them to operate in a more efficient and business-like manner, and

Whereas, the act under which the Bonneville Power Administration (BPA) has for some years operated very successfully provides a tested model for revolving fund legislation, and

Whereas, S. 734 and H.R. 3506 contain a number of restrictions and limitations in the areas of leasing of transmission lines, purchasing of power, interest rates on money borrowed from the U.S. Treasury, investment of surplus funds and use of funds for construction which are absent from the BPA revolving fund legislation, and

Whereas, these restriction and limitations are inconsistent with the Congressionally established principle that power from hydroelectric projects should be marketed to rural and domestic customers at the lowest possible rates consistent with sound business principles;

Now, therefore, be it resolved: that the American Public Power Association supports legislation authorizing the Western Area, Southeastern, Southwestern, and Alaska Power Administrations to operate on a revolving fund basis comparable to the authority provided by Congress to the Bonneville Power Administration, and opposes the enactment of S. 734 and H.R. 3506 unless amended to remove the provisions which restrict and overturn long established Congressional directives in the operation of federal power marketing agencies.●

By Mr. DURKIN:

S. 1441. A bill to prohibit export of Alaska oil; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. DURKIN. Mr. President, I am introducing legislation today to continue the ban on the export of Alaskan oil. An extension and strengthening of export limitations on this extremely valuable commodity—Alaskan oil—is clearly in the national interest. At a time when the American people are suffering from oil shortages and fuel cutbacks, it would be the height of folly to export Alaskan oil. One of the two existing prohibitions on export of Alaskan oil will soon expire, which is why this legislation deserves urgent attention.

Unless the Congress extends and strengthens the restrictions of Alaskan exports, there is a high likelihood that the President will seek to export Alaska's oil to Japan. Allowing such exports at this time would not be in the national interest, and would be particularly harmful to New Hampshire and New England.

Alaskan oil must be saved for Americans. We could be receiving much more Alaskan oil if we had a pipeline from the Pacific Northwest to the East. Ever since the oil started to flow through the trans-Alaskan pipeline system, there has been a need to transport this oil to the Central and Eastern United States. Ever since the oil started to flow from Alaska the oil companies, and particularly Standard Oil of Ohio, the major owner of North Slope reserves, has sought to export the oil from Alaska to Japan to increase their earnings on this oil. For the President to indicate his willingness to allow the export of Alaskan oil undermines and postpones our efforts to construct pipelines to bring this oil from the Pacific basin to the parts of the United States that suffer from high dependence on imported oil, especially New England.

The United States permitted the Alaska oil pipeline to be built, it was built to the wrong place. The oil companies who regularly put their own interests above those of the Nation, stood to make billions by exporting the oil to Japan, where they could sell it for world price and where they could avoid transporting the oil to those regions of this Nation where it is really needed. To allow the oil companies to blackmail the U.S. Government into permitting the export of this vital national resource shows just how our Nation's energy policy has become captive of those who seek to profit from the crisis, rather than solve it.

There is one major flaw in all the arguments put forth in favor of exporting Alaska's oil to Japan.

It will make the gasoline lines longer and aggravate the potential home heating oil shortages in New Hampshire and New England while fueling the fires of inflation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Export Administration Act of 1969, as amended by section 110 of the Export Administration Act Amendments of 1977 (50 USC App. sec. 2403(1)) is further amended to read as follows:

"Notwithstanding any other provision of this Act, and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920, no domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to the Trans-Alaska Pipeline Authorization Act may be exported from the United States, its territories and possessions."●

By Mr. HATFIELD:

S. 1442. A bill to authorize the documentation of the vessel, *Sara*, as a vessel of the United States with coastwise privileges; to the Committee on Commerce, Science, and Transportation.

● Mr. HATFIELD. Mr. President, today I introduce a bill to exempt the sailing vessel, *Sara*, from the Jones Act, which requires that craft involved in U.S. coastal trade be constructed in the United States. This act is necessary so that the *Sara* can carry charter passengers out of the Port of Newport, Oreg., and can call on other Pacific U.S. ports.

The *Sara* came to this country from Denmark where she had been a trading vessel from her 1900 beginning until 1968. In 1969 she sailed across the Atlantic, a 3-month trip, and after undergoing restoration in San Diego, made the trip to Newport in 1972 at which time I christened her a Maritime Museum ship.

She has now been designated an historic site by the State of Oregon and hosts thousands of visitors, including many school groups who receive a guided tour covering our maritime history, navigation, vessel construction, rules of the road at sea, and some of the *Sara*'s experiences.

Five hundred and forty of these old wooden schooners of pre-1900 vintage were built on the west coast. To our knowledge only the *Wawona*, being rebuilt in Seattle, and one other in the Maritime Museum in San Francisco, survive. The *Sara* is a rare old antique now and we would like for the world to see her in operation. The *Balclutha* of the San Francisco Maritime Museum and the *Star of India* of the San Diego Maritime Museum are iron ships and permanently docked.

The *Sara* is now a part of a nonprofit corporation, The Newport Maritime Historical Association, Inc. Money made from chartering would remain in the nonprofit corporation to provide for costly maintenance and hauling requirements. Hundreds of hours of donated labor have been expended each year and will continue to be scheduled to prepare for her upkeep and to provide many interested sailors with the privilege of working aboard.

The association has continued to receive many requests to sail abroad her from visitors from all over the world. She would be used purely for the purpose of showing people of today how these old ships operated and to get the smell, the feel, and the sight of what the history books can only tell of that period in our development past which has been so important to the growth of this Nation. She is not in competition with any other maritime interest. She is unique, the only part of our maritime past that we are aware of that is available for the purpose of actually sailing. The days of wooden ships and iron men are almost gone forever. There is this little bit left.●

By Mr. DURKIN:

S. 1443. A bill to provide for State veto of nuclear waste storage; to the Committee on Energy and Natural Resources.

● Mr. DURKIN. Mr. President, I am introducing a bill today which gives States absolute veto power over the siting of nuclear waste. This problem is simply too important and too close to the lives of our citizens to be left in the hands of the Federal bureaucracy. My bill, which amends the Energy Reorganization Act of 1974, will take the matter away from the Federal Government and give it to the State government where it belongs.

Today, the Federal Government exercises almost complete control in the selection of a site for radioactive waste disposal. Too little consideration is given to the wishes of States in the selection of a location. The time is at hand for a proposal which allows extensive input and ultimate veto, if need be, by States in the selection of waste sites.

The important task of establishing the Nation's waste management policy was assumed by the Federal Government in the Energy Research and Development Administration Act of 1974.

The ERDA Act recognized the need for public participation in the site selection process, and included consultations with State and local officials as well as other Federal agencies and public hearings in its selection procedure. Yet ultimate authority in the selection of a site for waste disposal was completely in the hand of the Federal Government. State concern over nuclear waste storage has led numerous States to pass legislation establishing some form of State involvement in the waste siting process. These laws are of questionable constitutionality, and present a bewildering patchwork of requirements that are not consistent with the national nature of this problem. States for all practical purposes are involved in the waste site selection process. It is time that we recognize this involvement and establish a workable system of concurrence.

In 1978, a task force headed by the Department of Energy advocated a policy of concurrence between the Federal Government and affected States in which the State would be permitted to participate in each step of the decision process. Institutionalizing the concepts of concurrence and consultation will give States real power in determining the sites for radioactive waste. Such a policy is adopted in the legislation I am proposing today.

The legislation will provide for the establishment of a Radioactive Waste Management Commission to be created by the Secretary of the Department of Energy in States considered for storage or disposal of radioactive waste. The Commission would consist of representatives from Federal, State, and public organizations. Its function would be to examine proposed actions related to radioactive waste disposal sites with the intent of achieving substantial concurrence. Public meetings would be held with time available for reports by non-Commission members. A report by the Commission stating the degree of concurrence would be reported to the Congress and to the State legislatures of the affected States. States would then be given some control over waste management projects. Waste management cannot be left totally in the hands of the Federal Government, but should operate as a process in which both the State and Federal Government provide input toward attaining a final decision.

Yet concurrence may not always result. Should nonconcurrence be issued by Commission representatives of an affected State or by its legislature, no further action by Federal agencies concerning the disposal of radioactive waste would be permitted unless and until the objections had been settled. This safeguard assures that a site satisfactory to all parties will be reached.

I am convinced that a State veto will improve the site selection process. Federal agencies desiring to establish a waste depository will be certain to seek only the safest sites possible when they know that their decision will be subject to approval by the State in question. History shows that State involvement improves the waste selection process. The old Atomic Energy Commission would have pushed ahead with its plan to put wastes in underground salt mines near Lyons, Kans., had not the State of Kansas found serious flaws in the AEC's plan.

This country has reached an impasse over nuclear wastes. Because so many States have prohibited waste storage within their borders, we have a de facto State veto. The States are involved in this process and it is time we recognize and legitimize this involvement.

Passage of my legislation will end this bottleneck and restore the States to their proper partnership role in the resolution of this vexing problem which plagues our Nation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1443

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Energy Reorganization Act of 1974 is amended by adding the following new sections:

107A. Definitions.

A. "Radioactive wastes" for the purpose of Sections 107A through 107D shall mean high-level defense waste, spent fuel assemblies, transuranic materials, and other mid- and high-level radioactive materials.

B. "State" for the purpose of Sections 107A through 107D shall mean any of the several States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

C. "Affected state" for the purpose of Sections 107A through 107D shall mean:

(1) any State where activities described in Section 107B may be conducted, and (2) any State which could be affected in the future by such activities performed in a State described in (1), due to such factors as the proximity of the States or the possibility of the transport of radioactive materials by intentional shipment or through the air, through underground or above ground water supplies, or by other means.

107B. State Participation in Proposed Federal Activities Regarding Nuclear Waste.

A. The Secretary of the Department of Energy (hereinafter in Sections 107A through 107D referred to as the "Secretary") shall notify (and publish such notice in the Federal Register) the Governor, the presiding officers of the State legislature, and the Tribal Council of any affected Indian tribes in any affected State, of his intent to conduct activities in a State for the purpose of investigating the potential suitability of any part of the State or Indian reservation for possible storage or disposal of radioactive wastes, or for the evaluation of sites or facilities (existing or not existing) for their suitability for radioactive waste storage or disposal, or his intent to investigate the possibility of constructing, contracting to construct, lease, purchase, or otherwise acquire the use of land, facilities or services for the storage or disposal of radioactive waste. Sections 107A through 107D shall not apply to the storage of radioactive wastes at spent fuel storage basins at commercial nuclear power plants.

B. The Secretary shall, after making the notification required in Subsection A, take a leading role in the creation of a Radioactive Waste Management Commission (hereinafter in Sections 107B through 107D referred to as the "Commission") for the purposes of informing representatives of affected States of proposed federal activities and of achieving substantial concurrence between the affected States, the affected Indian tribes, and the Department of Energy, for each proposed action described in Section 107B.

C. The Commission shall consist of:

(1) the Governor of each affected State, or his designated representative;

(2) a representative from the Department of Energy designated by the Secretary;

(3) a representative from the Nuclear Regulatory Commission designated by the Chairman;

(4) a representative from the United States Geological Survey designated by the Chief;

(5) a representative from the Council on Environmental Quality designated by the Chairman;

(6) a representative of each affected Indian tribe;

(7) two representatives of the State legislature or each affected State, to be designated by the leaders of each House;

(8) not to exceed three representatives of local governments whose jurisdictions include areas where the federal government is proposing to undertake activities described in Section 107B, to be selected by the Governor in consultation with the leaders of the State legislature;

(9) at least three representatives of public interest organizations in each affected State which have demonstrated an interest in the subject of nuclear waste storage and disposal and whose members are not affiliated in any way with individuals or companies involved in fossil fuel or uranium mining, oil and gas development, the generation of electricity by means other than conversion or solar radiation or wind power, or which would be candidates for government contracts related to nuclear waste storage or disposal activities other than merely advising or commenting on nuclear waste issues, and;

(10) such other individuals to be selected at the discretion of the Governor of an affected State or the Secretary.

A State Governor or his representative shall serve as Chairman of the Commission. In the event that more than one State is represented on the Commission, the Chairman shall be the State Governor, or his representative, of the State which may be the site of federal activities described in Section 107B.

D.(1) The Commission shall meet to examine any proposed actions described in Section 107B, with the objectives of achieving substantial concurrence on each and any socioeconomic, institutional, technical, environmental, health, and safety issue associated with such actions.

(2) In conducting such an examination, the Commission shall hold meetings which are open to the public. Such meetings are to be conducted in the capitol cities of the affected States.

(3) Public notice of the meetings shall be made in all newspapers in the affected States having a general circulation of at least 10,000 and in all newspapers whose area of general circulation includes any area within 50 miles of an area which could be affected by activities to be addressed by the Commission. Such notices shall be designed and located so as to be noticed by a majority of the newspapers' readers.

(4) Public notice of the meetings shall also be provided by all television and radio stations whose broadcast signals extend to within 50 miles of areas which could be affected by activities to be addressed by the Commission. Such notices shall be aired in a manner designed to alert a majority of the adult listening or viewing public.

(5) The public notices required in paragraphs (3) and (4) shall contain, but shall not necessarily be limited to, the following:

(a) the date, time and location of the meeting;

(b) the subject matter of the meeting;

(c) a discussion of the nuclear waste issue; and

(d) the names, mailing addresses, and telephone numbers of persons, including persons located within the affected States, who can be contacted for further information.

(6) The issuance of public notices required by paragraphs (3) and (4) shall be in time periods including, but not limited to:

(a) the period beginning sixty days prior to the meeting and ending 45 days prior to the meeting; and

(b) the period beginning fourteen days prior to the meeting and ending seven days prior to the meeting.

(7) All written materials produced in connection with the operations of the Commission, including written transcripts of all Commission meetings, shall be made available for public inspection in the affected States and in Washington, D.C. Such materials shall be available for copying at a charge not to exceed the cost of duplication.

(8) A reasonable amount of time shall be provided at each Commission meeting for oral presentations by persons who are not Commission members. Any person may submit written materials to the Commission or to any member thereof.

(9) Commission members representing Federal Government bodies shall comply with requests by Commission members not representing Federal bodies for information related to the activities described in section 107B which are under discussion by the Commission. Commission members not representing Federal bodies, and such members' representatives or agents, shall be permitted to examine under oath any Commission member representing a Federal body, as well as other persons associated with the Federal bodies represented on the Commission. For the purpose of this subsection, persons associated with a Federal body shall include any person who has participated in an investigation, study, or similar activity conducted pursuant to a contract with such Federal body. All such examinations shall be related to the types of activities described in Section 107B and under discussion by the Commission.

E.(1) The participation expenses of Commission members not representing Federal agencies, and of their representatives or agents, shall be reimbursed fully by the Secretary. Such expenses shall include, but shall not necessarily be limited to, expenses reasonably incurred in:

(1) travel;

(2) attendance at Commission meetings;

(3) the printing or reproduction of documents; and

(4) the retainment of the services or persons knowledgable in fields including, but not necessarily limited to, geology, physics, chemistry, biology, health sciences, economics engineering sociology, or law, where the retainment of such services is necessary to ensure the effective participation of the Commission members on behalf of their respective constituencies.

(2) The Chairman of the Commission may select a Commission staff of not more than three full time positions. The selection of staff shall be made after consultation with the Commission members who do not represent federal bodies.

(3) The Secretary shall provide the staff salaries and other expenditures necessary for the Commission's operations.

F. The Commission shall file reports with the Congress and the State legislatures of the affected States. Such reports shall include, but shall not necessarily be limited to:

(1) the purpose of the Commission;

(2) the actions and potential actions by the Department of Energy which are under discussion;

(3) the Commission members;

(4) the meetings and other actions taken by the Commission and its members for the purpose of discussing such actions by the Department of Energy and for achieving substantial concurrence among the Commission members regarding such actions;

(5) the extent to which such concurrence has or has not been achieved, and;

(6) the potential for such concurrence in the future.

Such reports shall be issued:

(1) following each Commission meeting or series of meetings;

(2) upon the issuance of a report under Section 107C(A);

(3) upon the achievement of substantial concurrence among the members, and;

(4) not less than every six months for as long as the Commission shall exist.

All such reports shall be prepared by the Commission staff in consultation with all interested Commission members. Any Commission member may attach his own comments to the report prepared by the Commission staff, and such comments are to become part of the official Commission report. Any Commission report indicating nonconcurrence by the Commission representatives of an affected State or Indian tribe shall include a copy of appropriate notices of nonconcurrence filed with the Commission under Section 107C.

107C. State Nonconcurrence in a Federal Action.

A. In the event that the Commission representatives of an affected State or Indian tribe determine that concurrence cannot be achieved with regard to any proposed action described in Section 107B, the Governor, in consultation with the other Commission members from the affected State, or the representative of the Indian tribe, shall file with the Commission a report stating his objections and identify acceptable alternatives, if any.

B. The State legislature of any affected State may by joint or concurrent resolution or by law, or in those States with a unicameral legislature by single resolution, or by other powers subject to each State's constitution concur or issue nonconcurrence with any action described in Section 107B.

C. A State will be deemed to be in nonconcurrence with an action described in 107B if a statewide public referendum is conducted concerning such actions and the majority vote in the referendum expresses opposition to or nonconcurrence with such actions. Persons who sponsor a referendum campaign for nonconcurrence shall be reimbursed by the Secretary for all expenses they reasonably incur in such a campaign.

D. Actions taken pursuant to Subsections A, B, and C shall be considered acts of nonconcurrence by a State or Indian tribe for purposes of this Section.

E. No Federal agency or its representative shall proceed with any investigation into the possibility of constructing, contracting to construct, lease, purchase, or otherwise acquire the use of land, facilities or services for the storage or disposal of radioactive wastes unless the affected States or Indian tribes have determined that their objections to such actions have been satisfactorily resolved.

F. In the event of nonconcurrence by the Governor of an affected State, his objections shall be deemed resolved only after written notification to the Commission, to be made after consultation with the other State representatives on the Commission. In the event of nonconcurrence by a State legislature or by public referendum, the State's objections shall be deemed resolved only after concurrence by both Houses of the State legislature. In the event of nonconcurrence by the Commission member representing an affected Indian tribe, the tribe's objections shall be deemed resolved only after the representative gives written notification to the Commission.●

By Mr. BAUCUS (for himself, Mr. Long, Mr. Kennedy, Mr. Dole, Mr. Bentsen, and Mr. Bradley):

S. 1444. A bill to amend the Internal Revenue Code of 1954 and title 28 of the United States Code to provide for the award of reasonable court costs, including attorneys' fees, to prevailing parties in civil tax actions, and for other purposes; to the Committee on Finance, and if and when reported, to the Committee on the Judiciary to consider title II for not to exceed 45 days.

TAXPAYER PROTECTION AND REIMBURSEMENT ACT

Mr. BAUCUS. Mr. President, I am today introducing legislation which will reduce the inherent disadvantages now faced by taxpayers entangled in civil tax actions instituted by or against the Internal Revenue Service. My bill, the "Taxpayer Protection and Reimbursement Act," will allow Federal courts and the Tax Court to reimburse taxpayers who prevail against the IRS, in virtually all types of tax cases where the position of the IRS was unreasonable, for reasonable court costs, and attorneys' fees.

The successful functioning of our tax system depends upon voluntary compliance—that ability and willingness of taxpayers to accurately assess themselves and pay their taxes. In order to insure that this willingness to cooperate does not falter, taxpayers must have confidence that they are being treated fairly by IRS in its administration and enforcement of the tax laws. For the most part, IRS does perform its statutory duties of administering and enforcing tax laws reasonably and equitably.

To a large extent taxpayers are afforded ample occasions through IRS administrative appeals process to contest or voluntarily to settle their tax liability. Furthermore, even if a taxpayer must seek judicial resolution of a controversy that cannot be settled administratively, the Tax Court does provide a simplified procedure for small tax cases—those cases involving $5,000 or less for any one taxable year. However, even this small tax case procedure does not mean that taxpayers can always grapple with complicated tax laws in the Tax Court without the assistance or advice of an attorney or other authorized representative.

While recognizing that IRS generally exercises its authority justly and with restraint, the fact remains that in an organization as large and complex as IRS, which must administer a myriad of complicated tax laws, errors are bound to occur. There are instances where IRS has acted arbitrarily, where certain taxpayers may feel subjected to IRS harassment or abuse. Taxpayers are quite vulnerable to the power of IRS. The fact that taxpayers can go into court to get a judicial resolution of a dispute with IRS is small comfort to those taxpayers who must bear the expense of court costs and substantial attorney's fees. And consider how much worse this predicament is for taxpayers who, even though they are actually in full compliance with the law, are forced into court by an IRS position which is unreasonable in light of either its interpretation of a tax law or its application of that law to the particular taxpayer. Such taxpayers, who have to endure the turmoils of litigation through no fault of their own, must still pay the legal expenses incurred in the course of the court action. Often the litigation expenses can be almost as much—and may very well exceed—the actual amount of money that was in controversy. It takes little imagination to see how easily legal expenses for a $500 refund action in a Federal district court could quickly approach and then exceed $500. It is this reality which causes some taxpayers with meritorious claims not to seek judicial relief. In such circumstances, the expense of litigation often makes a court victory meaningless for taxpayers.

In a 1974 Law Review article on awards of attorneys' fees generally, this dilemma, which seems particularly harsh when encountered by taxpayers, was explained in this way:

> Current practice tends to alter prosecution of even clearly meritorious claims by litigants who could at best recover less than the often high expenses of counsel. . . . And what is true for plaintiffs also holds true for defendants: the cost of defending against an unjust small claim may easily exceed simply paying what is demanded. The result is distasteful, for it ranks legal rights by dollar value. . . . (*Court Awarded Attorneys' Fees and Equal Access to the Courts*, 122 University of Pennsylvania Law Review, 636, 650)

Our tax laws are complex, oftentimes vague and open to numerous interpretations. The courts perform a particularly invaluable service in tax cases by providing an impartial, final decision on the correct interpretation of the tax laws and how such laws should be applied to a particular taxpayer. In most court actions IRS must be there in order to carry out its statutory mandate to enforce tax laws, and it generally does so in a rational and responsible manner. I certainly do not intend to penalize IRS or impair the performance of its duties when it is acting reasonably and fairly—when IRS is in fact serving the public interest by seeking judicial resolutions of complex tax issues, thereby providing greater certainty in the laws upon which taxpayers may rely. However, when it is clear that IRS (or the Justice Department when it conducts the litigation) is maintaining an unreasonable position which results in real harm to a taxpayer, the availability of a judicial resolution of the problem for such a taxpayer must never be an empty promise, especially one caused by the burden of high litigation costs. As Donald C. Lubick, Treasury Assistant Secretary for Tax Policy, said during Senate testimony over a year ago:

> The voluntary assessment plan system must be viewed as fair and evenhanded. Taxpayers without significant resources must not feel incapable of obtaining a redress of their grievances against the Internal Revenue Service where the Service has acted unreasonably. (March 13, 1978 statement before the Senate Judiciary Subcommittee on Improvements in Judiciary Machinery).

It is to alleviate the financial burdens for taxpayers who win in court against an unreasonable IRS position and to protect taxpayers at the outset from unreasonable IRS actions that I offer this legislation.

Current law does little to remedy the problems I have just described. Under the "American Rule," ordinarily prevailing parties are not, absent express congressional intent, entitled to collect reasonable court costs, including attorney's fees, from the Government when it is the losing party. Congress has enacted numerous exceptions to this general rule. Yet the particular problem faced by taxpayer litigants was not specifically addressed until the Civil Rights Attorneys' Fees Awards Act of 1976 (Public Law 94–559). This act permits an award for attorney's fees, as part of court costs, to the prevailing party, other than the United States, in any civil action or proceeding brought by or on behalf of the United States to enforce, or charging a violation of, the Internal Revenue Code. However, as a result of substantial judicial interpretation of this provision, this statute has had minimal impact on most civil tax litigation for two basic reasons:

First of all, courts have been in virtual agreement that reimbursement for attorneys' fees may only be made where the taxpayer is the defendant. This interpretation results in the statute applying to very few tax cases, because in most civil tax actions the taxpayer is the party who brings a claim against the Government. (In general, civil tax cases are heard in the Tax Court where the taxpayer is the petitioner in a deficiency proceeding or in the Federal district court where the taxpayer is the plaintiff suing for a refund).

Second, courts have held that even if the taxpayer is the defendant in a civil tax litigation and prevails against the Government, that taxpayer nevertheless may recover attorney's fees from the Government only if the Government acted in bad faith, for purposes of harassment or vexatiously or frivolously. Few taxpayers are able to meet such a highly restrictive burden of proof, even though they prevail in the litigation.

Mr. President, my bill would put an end to the unintended and undesired restrictions now placed upon reimbursement of litigation expenses to taxpayers who prevail in most Federal civil tax actions against an unreasonable Government position. This Taxpayer Protection and Reimbursement Act bill has the following basic elements:

First. Federal courts and the Tax Court are given the discretion to reimburse prevailing parties, other than the United States, for reasonable court costs, including attorneys' fees, incurred in civil tax actions or proceedings in which the United States is a party.

Second. Reimbursement can be granted in an civil action or proceeding in which the United States is a party, which is brought for the determination, collection, or refund of any tax, interest or penalty, brought by or against the United States under the Internal Revenue Code, except those relating to certain declaratory judgments.

Third. Reimbursement of court costs, including attorney's fees, is available to plaintiffs/petitioners and defendants who prevail against the United States.

Thus, under my bill, reimbursements would be available in most types of Federal civil tax cases in which the United States is the losing party, such as refund actions, deficiency proceedings, collection and enforcement suits, summons proceedings, and wrongful levy actions. Moreover, permitting prevailing plaintiffs and defendants alike to receive such awards encourages meritorious suits to vindicate private harm and foster the public interest, and discourages the Government from instituting reasonable suits.

Fourth. Such reimbursement for reasonable court costs, including attorney's fees, may not exceed $20,000 for any one civil action or proceeding.

Such a ceiling is likely to provide sufficient relief for taxpayers in the ordinary types of civil tax cases, yet not encourage an excessive amount of additional litigation which could overwhelm already burdened courts.

Fifth. In order to be eligible for reimbursement of these litigation expenses, the prevailing party must satisfy two requirements, as determined by taking into account the court record as well as any other relevant evidence: The party must be sustained, either by judicial determination or agreement of the parties, as to all, or all but an insignificant portion, of the amount in controversy or of the issues in controversy, in instances where no actual sum is involved; and, the party must establish that the position of the Government in the civil action or proceeding was unreasonable.

This "prevailing party" standard is both reasonable and equitable since, in determining whether its two requirements are met, the court must focus not merely on the formal record before it, but also on the totality of the relevant circumstances surrounding the case. Such circumstances would include the necessity for bringing the action, whether the party succeeds as to the central matter in dispute, and the conduct of the Government with regard to the particular taxpayer. For example, a court should consider whether even though IRS' desire to litigate a tax issue may very well be for the public benefit and its legal position may be reasonable, the position of IRS has nonetheless become unreasonable due to its application of that law to a particular taxpayer which wrongfully and unnecessarily forces that taxpayer into court. Furthermore, the rule that a party can be sustained either by judicial determination or settlement of the parties encourage the parties to settle thereby lessening court congestion, yet prevents the Government from escaping liability for litigation expenses merely by conceding the case before final judgment.

Sixth. For purposes of this reimbursement provision, the term "attorney's fees" include fees for the services of any person, not an attorney, who is authorized to practice before the Tax Court, with respect to such actions or proceedings.

Thus, litigation fees of tax court authorized representatives of the prevailing party, as well as the fees of attorneys, are covered under my bill.

Seventh. Any order granting or denying the reimbursement, in whole or in part, shall be incorporated as part of the court's decision or judgment in the case and subject to appeal in the same way as the decision or judgment.

Eighth. Payment of the reimbursements shall be made by the agency who conducts the civil action or proceeding out of its own general funds.

This requirement most certainly would provide an impetus for such governmental agency (IRS, in particular, and also the Justice Department) to exercise more caution and reason in all its dealings with taxpayers.

Ninth. The provisions of the bill will apply to civil tax actions or proceedings instituted after December 31, 1978, and before January 1, 1983.

This sunset provision compels the Congress and IRS to evaluate the success of this type of reimbursement and determine whether such law has had its intended effect.

In conclusion, this legislation provides much needed improvements to the present law granting awards of reasonable court costs, including attorney's fees, in Federal civil tax cases. It provides needed protection and assistance to those parties who become embroiled in court disputes with IRS through no fault of their own, but does not penalize IRS for fair, responsible, and reasonable performance of its duties. Our tax system must be fair and reasonable—and must be perceived as such by all taxpayers. Taxpayers must not feel at a complete disadvantage in the event of a dispute with the IRS. Taxpayers must not feel that a judicial resolution of a dispute with IRS in their favor is a hollow victory, because of the high litigation expenses which they nevertheless must bear—a burden which becomes especially outrageous to bear, as victors, when the IRS position was in fact unreasonable. The Taxpayer Protection and Reimbursement Act will help restore taxpayers' confidence in the fairness of tax administration by placing them on a more equal footing with IRS. I urge speedy consideration by the Senate of this essential legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Taxpayer Protection and Reimbursement Act".

TITLE I—AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 101. (a) Subchapter B of chapter 76 of the Internal Revenue Code of 1954 is amended by redesignating section 7430 as section 7431 and by inserting after section 7429 the following new section:

"SEC. 7430. AWARD OF COURT COSTS, INCLUDING ATTORNEY'S FEES.

"(a) In General.—In the case of any civil action or proceeding in a court of the United States, including the Tax Court, which is brought by or against the United States for the determination, collection, or refund of any tax, interest, or penalty under this title, the prevailing party (other than the United States or any creditor of the taxpayer involved) may be awarded a judgment for reasonable court costs, including attorney's fees, incurred in such action or proceeding but only to the extent such costs are allocable to the United States and not any other party to such action or proceeding.

"(b) Limitation on Costs.—In no event shall an award for reasonable court costs, including attorney's fees, exceed $20,000 for any one civil action or proceeding.

"(c) Definitions.—For purposes of this section—

"(1) Attorney's fees.—The term 'attorney's fees' includes, with respect to any proceeding in the Tax Court, fees for the services of an individual, not an attorney, who is authorized to practice before that court.

"(2) Prevailing party.—A party (other than the United States or any creditor of the taxpayer involved) shall be deemed to have prevailed in any such civil action or proceeding, only if such party, as determined by taking into account the entire record of the case as well as any other relevant evidence—

"(A) (i) is sustained (whether by judicial determination or agreement of the parties) as to all, or all but an insignificant portion, of the amount in controversy, or

"(ii) if no amount is in controversy, is sustained (whether by judicial determination or agreement of the parties) as to all, or all but an insignificant portion, of the issue or issues presented, and

"(B) establishes that the position of the United States in the civil action or proceeding was unreasonable.

"(d) Exclusion of Certain Civil Actions or Proceedings.—No award for reasonable court costs, including attorney's fees, may be awarded under subsection (a) with respect to any civil action or proceeding brought under—

"(1) section 7428 (relating to declaratory judgments with respect to status and classification of organizations under section 501(c)(3), etc.), unless such action or proceeding involves the revocation of the tax-exempt status of an organization described in section 501(c)(3).

"(2) section 7476 (relating to declaratory judgments with respect to qualification of certain retirement plans),

"(3) section 7477 (relating to declaratory judgments with respect to qualification of erty from the United States), or

"(4) section 7478 (relating to declaratory judgments with respect to status of certain governmental obligations).

"(e) Multiple Actions.—For purposes of this section, in the case of—

"(1) multiple actions which could have been joined or consolidated, or

"(2) a case or cases involving a return or returns of the same taxpayer (including joint returns of married individuals) which could have been joined in a single proceeding in the same court,

such actions or cases shall be treated as one civil action or proceeding regardless of whether such joinder or consolidation actually occurs, unless the court in which such action or proceeding is brought determines, in its discretion, that it would be inappropriate to treat such actions or cases as joined or consolidated for purposes of this section.

"(f) Right of Appeal.—An order granting or denying such award, in whole or in part, shall be incorporated as a part of the decision or judgment in the case and shall be subject to appeal in the same manner and to the same extent as the decision or judgment.

"(g) Source of Payment.—Payment of such award shall be made out of the general appropriations of the agency conducting the civil action or proceeding.".

(b) The table of sections for such subchapter is amended by striking out the item relating to section 7430 and inserting the following new items:

"Sec. 7430. Award of costs, including attorney's fees.

"Sec. 7431. Cross references.".

SEC. 102. Section 722 of the Revised Statutes (42 U.S.C. 1988) is amended by striking out immediately after "public Law 92-318" the clause "or in any civil action or proceeding, by or on behalf of the United States of America, to enforce, or charging a violation of, the United States Internal Revenue Code,".

SEC. 103. The amendments made by this title shall apply to civil actions or proceedings filed after December 31, 1978, and before January 1, 1983.

TITLE II—AMENDMENTS TO TITLE 28

SEC. 201. Section 2412 of title 28, United States Code, is amended—

(1) by inserting "or subsection (b)" after "statute", and

(2) by adding at the end thereof the following:

"(b)(1) In the case of any civil action or proceeding in a court of the United States which is brought by or against the United States for the determination, collection, or refund of any tax, interest, or penalty under the Internal Revenue Code of 1954, the prevailing party (other than the United States or a creditor of the taxpayer involved) may be awarded a judgment for reasonable court costs, including attorney's fees, incurred in such action or proceeding but only to the extent such costs are allocable to the United States and not any other party to such action or proceeding.

"(2) In no event shall an award for reasonable court costs, including attorney's fees, exceed $20,000 for any one civil action or proceeding.

"(3) For purposes of this subsection, a party (other than the United States or a creditor of the taxpayer involved) shall be deemed to have prevailed in any such civil action or proceeding, only if such party, as determined by taking into account the entire record of the case as well as any other relevant evidence—

"(A) (i) is sustained (whether by judicial determination or agreement of the parties) as to all, or all but an insignificant portion, of the amount in controversy, or

"(ii) if no amount is in controversy, is sustained (whether by judicial determination or agreement of the parties) as to all, or all but an insignificant portion, of the issue or issues presented, and

"(B) establishes that the position of the United States in the civil action or proceeding was unreasonable.

"(4) No award for reasonable court costs, including attorney's fees, may be awarded under paragraph (1) with respect to any civil action or proceeding brought under—

"(A) section 7428 of the Internal Revenue Code of 1954 (relating to declaratory judgments with respect to status and classification of organizations under section 501(c)(3), etc.), unless such action or proceeding involves the revocation of the tax-exempt status of an organization described in section 501(c)(3) of such Code,

"(B) section 7476 of such Code (relating to declaratory judgments with respect to qualification of certain retirement plans),

"(C) section 7477 of such Code (relating to declaratory judgments with respect to transfers of property from the United States), or

"(D) section 7478 of such Code (relating to declaratory judgments with respect to status of certain governmental obligations).

"(5) For purposes of this subsection, in the case of—

"(A) multiple actions which could have been joined or consolidated, or

"(B) a case or cases involving a return or returns of the same taxpayer (including joint returns of married individuals) which could have been joined in a single proceeding in the same court,

such actions or cases shall be treated as one civil action or proceeding regardless of whether such joinder or consolidation actually occurs, unless the court in which such action or proceeding is brought determines, in its discretion, that it would be inappropriate to treat such actions or cases as joined or consolidated for purposes of this section.

"(6) An order granting or denying such award, in whole or in part, shall be incorporated as a part of the decision or judgment in the case and shall be subject to appeal in the same manner and to the same extent as the decision or judgment.

"(7) Payment of such award shall be made out of the general appropriations of the agency conducting the civil action or proceeding.".

SEC. 202. Section 722 of the Revised Statutes (42 U.S.C. 1988) is amended by striking out immediately after "Public Law 92-318" the clause "or in any civil action or proceeding, by or on behalf of the United States of America, to enforce, or charging a violation of, the United States Internal Revenue Code,".

SEC. 203. The amendments made by this title shall apply to civil actions or proceedings filed after December 31, 1978, and before January 1, 1983.

Mr. BAUCUS. Mr. President, with the consent of the leadership, and the chairmen and ranking minority members of the two committees, I ask unanimous consent that the bill I am introducing today (the "Taxpayer Protection and Reimbursement Act," which provides for the award of reasonable court costs, including attorneys' fees, to prevailing parties—other than the United States—in most civil tax actions in which the United States is a party) be referred to the Finance Committee and, if and when reported, then referred to the Judiciary Committee for consideration of title II, for a period not to exceed 45 days.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—my reservation is for the purpose of affirming what the distinguished Senator has said. It is cleared on this side, and we join him in that request.

Mr. BAUCUS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. DURKIN:

S. 1445. A bill to amend the act of August 9, 1950, as amended (16 U.S.C. 777c), relating to Federal aid in connection with fish restoration; to the Committee on Environment and Public Works.

● Mr. DURKIN. Mr. President, the bill that I introduce today will divert critically needed funds for the improvement of inland sport fishing to smaller rural States like New Hampshire.

My bill, the Small States' Sport Fishing Act of 1979, will provide money to keep sport fishing a healthy and viable recreational activity.

Almost 30 years ago the Dingell-Johnson fund was established in an effort to help the sport fishing programs of the individual States. The fund gets its money from an excise tax on fishing rods, reels, creels, and lures, and the money collected from this tax is distributed to the States on the basis of a formula that takes the State's total area and the number of licensed fishermen into account. Under the terms of the fund, a State cannot receive more than 5 percent nor less than 1 percent of the year's collection.

I need remind no one in this Chamber that fishing is one of America's oldest and best loved sports, enjoyed by a wide spectrum of people throughout the Nation. More than 63 million Americans participate in this sport, more than play tennis or golf, according to a recent survey. As an ardent fisherman myself, I know firsthand of the great value of this sport. It is a relaxing, healthy pastime, and a splendid form of family recreation. Most importantly, it fosters a concern and appreciation for the scenic beauty of this country. Whether I am fishing for trout in Pittsburgh, in northern New Hampshire, or bass in southern New Hampshire, I realize how lucky we all are to have this pristine landscape around us.

The Dingell-Johnson fund has done much to keep the inland sport fishery an integral recreation activity in the United States. It has helped States to restore depleted stocks of fish, perform vital research projects, and run hatcheries, to mention just a few of the fund's uses.

In my home State of New Hampshire, where fishing is immensely popular, the State fish and game department is limited to 1 percent of the fund annually because of New Hampshire's size and population. The 1978 payment came to $271,000, a figure which is not adequate to fund the projects which need to be done in my home State. In my bill I propose to raise the minimum funding to 1.25 percent of the fund, and this would make New Hampshire eligible for an additional $68,000 in Dingell-Johnson funds. This money will allow my home State to keep abreast of the many vital sport fishery projects it is now carrying on.

I ask unanimous consent that the bill be printed in the RECORD.

S. 1445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act of August 9, 1950, as amended (16 U.S.C. 777c), is amended by deleting "no State shall receive less than 1 per centum" and inserting in lieu thereof "no State shall receive less than 1.25 per centum".●

By Mr. DURKIN:

S. 1446. A bill to reserve funds for medium, small, and nonhub airports; to the Committee on Commerce, Science, and Transportation.

● Mr. DURKIN. Mr. President, today, I am introducing legislation that will amend the airport development aid program to assure America's smaller airports a greater proportion of the funding they require for airport development and safety features, commensurate with their greater needs and numbers.

I commend the sponsors of the Aviation Safety and Noise Abatement Act of 1979, which passed the Senate earlier this year, for their foresight at the time of consideration of S. 413, to increase the funding levels for the airport development aid program (ADAP) and for the restoration of discretionary moneys within the context of that bill. Current law does not go far enough, however, to insure that the funding will go where the demand and the need is greatest—to our Nation's smaller airports.

We have all had the pleasure of flying into the more remote and smaller scaled airports which service the suburban and rural sections of the United States. Such an experience in itself should attest to the need for increased funds for the development of safety features and other facilities at our Nation's smaller air carrier and general aviation airports.

The disparity between the haves and the have-nots, with respect to ADAP safety and facility improvements has become all the more exaggerated following the implementation of airline deregulation. Deregulation of the airline industry has made a restructuring of ADAP funding all the more imperative. In order to meet the challenges of an increasingly competitive marketplace, small airports must be able to maintain their attractiveness to both passengers and air carriers alike.

In view the limited number of viable transportation alternatives open to small communities across the country, few of them can afford further curtailment of their airline service—their vitality cannot be jeopardized due to antiquated facilities.

A mandate for the restructuring of ADAP funding, in line with the present set of circumstances, and priorities impacting the Nation's system of airports, has been clearly articulated. A recent GAO report confirmed that only 47 percent of the airports included in the national system were the recipients of ADAP funding. The GAO report's recommendations called for the establishment of priorities in the distribution of ADAP funds so as to assure cost effective use. Testimony before the Senate Commerce Committee has attested to the need that ADAP discretionary funds be "earmarked" for smaller airports.

My amendment specifically addresses itself to this end, establishing that 90 percent of the discretionary funds available under ADAP will be reserved for the purposes of assisting medium, small, and nonhub aircarrier airports, in accordance with the Federal Aviation Administration's air traffic hub classifications. Ninety-six percent of the Nation's airports stand to benefit from this legislation, positively impacting at least 29 States which have only medium, small, and nonhub airports within their jurisdiction, including my own State of New Hampshire.

Under the current structure of ADAP funding, two-thirds of the moneys for aircarrier airports are apportioned on the basis of enplanements, assuring the large air traffic hubs the bulk of entitlement funds. This, in turn, leaves the greatest number of airports in competition for the remaining one-third portion of discretionary funds for airport development and safety features.

In the words of a Senate Commerce Committee witness:

> The ADAP formula as currently written means the rich get richer and the poor stay that way, in terms of Federal airport assistance.

Large, already heavily endowed airports, continue to get the lion's share of the airport aid.

It ought not to come as a surprise to anyone that the smaller airports, located in New Hampshire, New England, and throughout the country, already hard pressed for adequate transportation facilities, are shortchanged in the race for ADAP discretionary funds. The evidence speaks for itself. Relative to their numbers, large airports receive a disproportionate share of the discretionary funds, accounting for only 4 percent of the total airports, yet close to 18 percent of the discretionary moneys appropriated.

The reason for this imbalance is that the formula bias skews the pattern of distribution for ADAP discretionary funds in favor of large air traffic hubs, because of a requirement that the Federal Aviation Administration (FAA) funds requests for prior year unused enplanement funds. In order to cover this contingency in fiscal year 1978, the FAA was forced to set aside $85.5 million of the total $140 million in discretionary moneys allocated for such purposes. There is something fundamentally wrong with a system which fosters a policy of using discretionary funds to augment enplanement entitlements, so as to encourage large airports to use those funds in a given year. Mr. Chairman, we should not have to spend money to encourage airports to use up their appropriated moneys. Such a policy is an offense to the American taxpayer.

The time to focus our attention and energies on this vital and fiscally neglected area of air transportation and safety is now. I urge my colleagues to join me in supporting this legislation and America's smaller airports.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of subsection (b) (2) of section 14 of the Airport and Airway Development Act of 1970 is amended to read as follows: "Notwithstanding any other provision of this Act, of the funds authorized to be obligated under paragraphs (3) (B) and (4) (C) of section 15, not less than 90 percent of such funds shall be obligated for assistance to medium, small, and non-hub aircarrier airports. In the event of extraordinary circumstances which require unanticipated expenditures for large aircarrier airports the Secretary may use not more than 10 percent of the funds reserved under the preceding sentence to meet such unanticipated expenditures." ●

By Mr. DURKIN:

S. 1447. A bill to require the President to impose mandatory price and allocation controls on middle distillate fuels, to provide that removal of such controls be subject to congressional review, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. DURKIN. Mr. President, I am today introducing legislation to reimpose allocation and price controls on middle distillates—on home heating oil and diesel fuel that are so vital to the well-being of the people of New Hampshire, New England, and the Nation.

I am convinced that unless controls are reimposed on home heating oil, people in New Hampshire and the Northern Tier will freeze this winter. In New Hampshire, 80 percent of the homes are heated with home heating oil. Last winter supplies of this vital commodity ran so low that only unseasonably warm weather in March prevented widespread suffering. Today, stocks of home heating oil are millions of barrels below the minimum safe level. Unless we move now to aggressively build up heating oil stocks for next winter, there will be shortages. The President promised the people of New Hampshire in April that 240 million barrels of home heating oil would be in stock by October 1. Unless immediate mandatory allocation is imposed, I am convinced that this target will not be met.

Despite urgent appeals, the Carter administration has refused to use the allocation powers present in existing law to avoid disaster next winter. Secretary Schlesinger, in a rare moment of candor, admitted that the administration feared oil companies reprisal if controls were reimposed.

I think it is time for the Carter administration to start putting the interests of the American people over the interests of the international oil companies.

Over a year ago, the Carter administration unwisely removed controls and allocation from middle distillates. At the time I vigorously opposed this move and I warned that the international oil market was too unstable to work without the stabilizing influence of controls. My predictions have been borne out by subsequent events.

Unless controls are reimposed, the price of available heating oil will be far higher than the average family can afford, to say nothing of elderly people on fixed incomes. At the end of last winter heating oil cost 60 cents in my region of the country. In just a few months that price has gone to 78 cents, and is rising daily. Without the reimposition of controls, the people of New Hampshire and New England will be robbed of billions of dollars by the rapacious major oil companies during the coming winter.

When the Carter administration removed middle distillate controls, the Department of Energy assured us that the price would go up only 3–5 cents. In fact, these estimates have proven wildly inaccurate and have been surpassed many times over. The massive price increases have no justification and only serve to fill the already bloated coffers of the oil companies.

The President has relied too long on the good will and voluntary efforts of the oil companies. It is time for immediate and decisive action, action which this administration does not seem capable of taking.

It is up to the Congress to act to avert disaster next winter.

I urge my colleagues to support this legislation to prevent widespread disaster and suffering next winter.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Middle Distillate Fuel Control Act of 1979".

FINDINGS AND PURPOSES

Sec. 2(a) The Congress finds that—

(1) middle distillate fuels (Number 2 heating oil and Number 2–D diesel fuel) are in short supply, and shortages of such fuels are currently and will in the future cause adverse impacts on the domestic economy; and

(2) competition and market forces are inadequate to protect consumers from both shortages and inequitable prices for middle distillate fuels.

(b) It is the purpose of this Act—

(1) to require the President to impose, consistent with applicable provisions of the Emergency Petroleum Allccation Act of 1973 (Public Law 93–159), mandatory allocation and price controls on middle distillate fuels (Number 2 heating oil and Number 2–D diesel fuel); and

(2) to provide that such fuels may thereafter be exempted from such controls only after an opportunity for Congressional review with right of either House to disapprove.

PRICE AND ALLOCATION CONTROLS

Sec. 3. (a) Notwithstanding any other provision of law, the President shall not later than fifteen days after enactment of this section promulgate a regulation under authority available to him under the Emergency Petroleum Allocation Act of 1973 (Public Law 93–159) providing for the mandatory allocation of middle distillate fuels (Number 2 heating oil and Number 2–D diesel fuel) in amounts specified in (or determined in a manner prescribed by) and at prices specified in (cr determined in a manner prescribed by) such regulation. Such regulation shall apply to all middle distillate fuels produced in or imported into the United States.

(b) The regulation under subsection (a) shall take effect not later than fifteen days after its promulgation and, except as provided in subsection (c), may thereafter be amended by the President as provided for in the Emergency Petroleum Allocation Act of 1973.

(c) Any amendment to the regulation under subsection (a) of this Act which, with respect to a class of persons or class of transactions (including transactions with respect to any market level) exempts middle distillate fuels from the provisions of such regulation may take effect only as prescribed in subsections (c), (d) and (e) of section 12 of the Emergency Petroleum Allocation Act of 1973.●

ADDITIONAL COSPONSORS

S. 29

At the request of Mr. Thurmond, he was added as a cosponsor of S. 29, a bill to repeal the Davis-Bacon Act, and for other purposes.

S. 395

At the request of Mr. Chiles, the Senator from Montana, Mr. Melcher, was added as a cosponsor of S. 395, the Medicare Supplemental Health Insurance Information Disclosure and Protection Act of 1979.

S. 555

At the request of Mr. Morgan, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 555, a bill to encourage the preservation of independent local newspapers.

S. 625

At the request of Mr. Wallop, the Senator from Delaware (Mr. Roth), the Senator from Minnesota (Mr. Boschwitz), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations.

At the request of Mr. Thurmond, he was added as a cosponsor of S. 625, supra.

S. 643

At the request of Mr. Kennedy, the Senator from Minnesota (Mr. Boschwitz) was added as a cosponsor of S. 643, a bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

S. 739

At the request of Mr. Laxalt, the Senator from Arizona (Mr. DeConcini) and the Senator from New Hampshire (Mr. Humphrey) were added as cosponsors of S. 739, a bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and the courts of appeals.

S. 892

At the request of Mr. Leahy, the Senator from Indiana (Mr. Lugar) was added as a cosponsor of S. 892, a bill for the extension of authorization for appropriations for the rural development extension, rural development research, small farm research, and small farm extension programs, and for other purposes.

S. 969

At the request of Mr. Thurmond, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 969, a bill to authorize the construction and maintenance of the General Drazha Mihailovich Monument in Washington, D.C.

S. 1070

At the request of Mr. Percy, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) was added as a cosponsor of S. 1070, a bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residency to have a sponsor who will contract to support him for 3 years, or to have other means of support.

S. 1107

At the request of Mr. Stevenson, the Senator from South Carolina (Mr. Hollings) and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 1107, the Youth Opportunity Wage Act of 1979.

S. 1136

At the request of Mr. Culver, the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 1136, the Integrated Environmental Act of 1979.

S. 1213

At the request of Mr. Hart, the Senator from South Carolina (Mr. Hollings) and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 1213, to amend the Federal Aviation Act to provide a criminal penalty for placing, or attempting to place a loaded firearm aboard an aircraft.

S. 1269

At the request of Mr. Schweiker, the Senator from Montana (Mr. Baucus), the Senator from Pennsylvania (Mr. Heinz), the Senator from Indiana (Mr. Lugar), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 1269, a bill to amend the Urban Mass Transportation Assistance Act of 1964 with respect to reduced fare ridership for elderly or handicapped persons.

S. 1308

At the request of Mr. Jackson, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of S. 1308, a bill to set forth a national program for the full development of energy supply, and for other purposes.

S. 1327

At the request of Mr. Hart, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 1327, to amend the Fair Labor Standards Act to exempt full-time students serving as resident assistants and counselors in private nonprofit institutions of higher education from that act.

S. 1346

At the request of Mr. Stone, the Senator from Ohio (Mr. Metzenbaum) and the Senator from Nebraska (Mr. Zorinsky), were added as cosponsors of S. 1346, a bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households that contain a member who is 60 years of age for over or who receives benefits under title XVI of the Social Security Act and to allow a deduction for certain medical expenses in the computation of the income for these families.

S. 1382

At the request of Mr. Dole, the Senator from California (Mr. Hayakawa) was added as a cosponsor of S. 1382, a bill to improve operations of AFDC programs to give States fiscal incentive to reduce error and waste.

S. 1394

At the request of Mr. Humphrey, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 1394, a bill to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax.

SENATE RESOLUTION 184

At the request of Mr. Helms, the Senator from Alaska (Mr. Gravel), the Senator from Delaware (Mr. Biden), the Senator from Maine (Mr. Cohen), the Senator from South Carolina (Mr. Thurmond), the Senator from New York (Mr. Moynihan), and the Senator from Wisconsin (Mr. Proxmire) were added as cosponsors of Senate Resolution 184, expressing a sense of the Senate with the matter of Josef Mengale.

SENATE RESOLUTION 191

At the request of Mr. Bradley, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of Senate Resolution 191, calling upon the President to convene a domestic Energy Summit Conference for the purpose of giving the American people an authoritative explanation of the present energy supply shortage, and for other purposes.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. Dole, the Senator from Maryland (Mr. Mathias) and the Senator from Vermont (Mr. Stafford) were added as cosponsors of Senate Concurrent Resolution 27, calling for the development of a common economic bond of energy cooperation between the United States, Canada, and Mexico.

AMENDMENT NO. 212

At the request of Mr. Schmitt, the Senator from North Dakota (Mr. Young), the Senator from New Hampshire (Mr. Humphrey), the Senator from Arizona (Mr. Goldwater), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Mississippi (Mr. Cochran), and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of Amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission Authorizations Act.

SENATE RESOLUTION 194—SUBMISSION OF A RESOLUTION RELATING TO WHEAT FOR OIL

Mr. DURKIN submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. Res. 194

Whereas, the United States is the largest grain-producing nation in the world; and

Whereas, it is in the national interest of the United States to assure that exports of surplus American grain are made in a manner that will protect the interests of both American farmers and consumers; and

Whereas, the Soviet Union is potentially a regular, large quantity customer for American grain exports; and

Whereas, the Soviet Union is now one of the largest oil-producing nations in the world; and

Whereas, the OPEC nations are a regular large quantity consumer for American grain exports; and

Whereas, the OPEC nations supply a large percentage of American imported oil; and

Whereas, it would be mutually advantageous for a trade of commodities vital to the interests of each country; Now therefore, be it

Resolved, That it is the sense of the Senate that the President should undertake to ensure that American grain is not sold abroad without the full use of the sale of grain used as a bargaining tool to provide adequate, and equitably priced, supplies of foreign oil.

Sec. 2. It is further the sense of the Senate that the United States negotiators shall negotiate the purchase price for oil at a level which reflects the high value the United States attaches to its grain resources.

Sec. 3. The Secretary of the Senate is directed to furnish a copy of this Resolution to the President of the United States.

Mr. DURKIN. Mr. President, the resolution I am submitting is of the utmost importance to every American.

We are all aware of the energy crunch in which the United States has been caught. The prices we are forced to pay for imported oil increase with each passing day, while the threat of an insufficient supply of oil is constantly hanging above our heads. With the objective of improving both these situations, my resolution calls on the President to barter U.S. grain for foreign oil.

The United States is the largest wheat producing nation in the world, producing about 15 percent of the world's wheat supply. More importantly, almost two-thirds of the U.S. domestic wheat production is exported. This means that the United States dominates the international wheat market, supplying almost one-half of the wheat traded internationally. In recent years the oil producing nations of the world have illustrated the high premium they place on their oil. It is time that a barter system of wheat for oil be instituted which reflects both the high value we place on our grain and the dependence of other nations upon grain from the United States.

The United States must learn from its mistakes and not repeat errors from the past. Poor weather conditions in 1972 forced the Soviet Union to import 1.2 billion bushels of grain, two-thirds of which came from the United States. Wheat producers in this country bid against one another to supply the needed wheat—the end result was bargain prices for the Soviets and higher wheat prices and inflation for the American consumers. We must not allow the fiasco of 1973–74 to be repeated.

Yet the danger is present again in 1979. There are unmistakable signs of major food shortages in the Soviet Union and major grain purchases in the United States. Soviet wheat production for 1979 is estimated at 2.9 billion bushels, a decline of 1.5 billion bushels from last year's total.

Already this year, the Soviet Union has purchased 2.9 million tons or 106.4 million bushels of wheat from the United States. I ask unanimous consent that two articles from the New York Times dealing with Soviet wheat shortages, be printed in the Record at the end of my statement. Twenty bulk carriers have been chartered in the international freight market by the Soviet Union to haul grain. The Soviet Union is the second largest U.S. customer for wheat. The ideal time is at hand for a bartering of food for fuel. The United States can supply the U.S.S.R. with the grain they need and receive in return what they export and what we need, petroleum and petroleum products.

An exchange of bushels of grain for barrels of oil would benefit American farmers, consumers, and all Americans. Additionally, it would halt the process in which devalued American grain is purchased with devalued dollars.

A policy of bartering wheat for oil with Russia or other oil producing nations would have beneficial results in terms of American relations with OPEC. Once OPEC perceives its possible revenue loss due to other countries bartering oil for wheat, their unity might weaken. This resolution could ultimately lead to decreased OPEC oil prices, and a possible breakup of OPEC.

Yet this resolution will allow a policy of bartering oil for wheat between our country and the individual OPEC nations as well. The United States supplies almost half the wheat consumed in OPEC nations, as 15 percent of our wheat exports go to OPEC countries. The value of wheat exported by the United States to the 13 OPEC nations was $650 million in 1978. If the United States were to barter the same amount of wheat as it exported to OPEC last year on a bushel for a barrel basis, the United States could receive 186 million barrels, or approximately 10 percent of the amount of oil we imported from OPEC last year.

The United States currently provides more than three-fourths of the wheat imported by Ecuador, Iran, Nigeria, and Venezuela and over one-half the wheat imported by Algeria and Saudi Arabia. United States wheat exports to Iran, Iraq, Saudi Arabia, Kuwait, United Arab Emirates, Nigeria, Gabon, and Ecuador have more than doubled over the last 5 years. OPEC wheat imports are expected to continue to increase over the next 10 years, because of rising petroleum revenues, imported diets, lower domestic wheat production, and increased bread consumption. These countries are highly dependent upon the United States for their wheat supplies. It is high time that a bartering arrangement of wheat for oil be instituted which reflects not only the high value of fuel to the United States, but the high value of wheat to the oil producing nations of the world.

I know that the citizens of New Hampshire and New England are especially troubled by the rising cost of imported oil and the fears of oil shortages. We can sit by idly, giving empty promises, and hoping that somehow things will work themselves out. Or we can move now and actively fight for lower prices and an ample oil supply for all Americans.

I urge the support of my colleagues for this resolution as a step toward addressing the U.S. energy problems.

There being no objection, the material was ordered to be printed in the Record, as follows:

WHEAT AT $4: SQUEEZING FOOD COSTS

Wellington, Kan.—Thomas Ostrander seemed to struggle to restrain a smile as he stood beside his pickup truck and watched three big combines chewing broad swaths through a yellow field of wheat. His truck radio squawked—one of his harvester drivers calling for more fuel. Mr. Ostrander leaped into his truck, which carries a tank of diesel, and raced across the stubble toward the combine.

Mr. Ostrander, who grows wheat on 2,200 acres here in southern Kansas, had good reason both to smile and move fast. Like most growers throughout the Wheat Belt, he is witnessing a rare interval in agriculture that is a boon to farmers and a blow to consumers. A bumper harvest has begun just at a moment when prices are rising—in this instance because world demand, stimulated by a dismal harvest in the Soviet Union, is expected to exceed global production.

I've been telling people we'd see $4 wheat, and everybody laughed," Mr. Ostrander said last week. They're not laughing anymore."

At his local grain elevator, wheat was bringing about $3.85 a bushel, more than $1 above last year's price, and on the Chicago Board of trade, contracts on wheat for July delivery have jumped as high as $4.68. But Mr. Ostrander was not planning to sell, at least not yet. He would wait, he said, for a further rise.

He has been getting about 40 bushels an acre compared with 30 bushels last year and an average of about 35. And if both the yields and the prices hold up, he acknowledged, the crop would pay off rather well on the $250,000 it cost him to grow and harvest it. At $4, his harvest would be worth $352,000, meaning a profit of $102,000.

Such prospects for wheat farmers, however, are considerably less than good tidings for consumers, coming as they do when soaring beef prices have already raised producer incomes but cut sharply into family food budgets and at a time when rising transportation costs, resulting from fuel-price increases, have already thrown into question earlier Agriculture Department predictions that food prices would soon begin to level off.

Wheat prices affect food costs in ways that are not always clearly visible. At a glance, the direct impact of an increase seems almost negligible, for the flour available in each bushel of grain can produce 69 one-pound loaves of bread and comparable quantities of cakes and pastries.

For a loaf of bread that translates into a cost rise of less than 2 cents, an amount of seeming little significance in family budgets that have been buffeted by rising costs of meat, which takes the biggest toll.

Yet wheat prices affect far more than the price of bread. They exert a magnet-like force on other grains, such as corn, which is the principal livestock-feed grain, and on soybeans, which provide a protein supplement for meat animals as well as oils for human consumption.

One reason for this is that part of the wheat crop is normally used as livestock feed. The cheaper the wheat, the more of it is fed to animals; the more expensive it is, the less of it is fed. Before the recent run-up—wheat prices soared 10 percent in the week ended June 16—farmers had been expected to use about 175 million bushels of the grain for animal feed. But now, said an Agriculture Department statistician, "I don't think you'll see many farmers feeding $4 wheat to livestock."

Instead, farmers buy more corn and other grains to feed livestock, forcing up prices of those grains as well, so the price of livestock rises. "Cheap corn means cheap hogs," farmers say, and the reverse is also true.

The effect on supermarket prices is of minor concern to wheat farmers, many of whom have survived recent years of marginal and sacrificial prices only by borrowing against their land. They'll be using a lot of the profits they expect this year to get themselves out of hock.

Under normal conditions, farmers couldn't count on the kind of profits that Mr. Ostrander anticipates. Domestic demand for wheat is stable at about two billion bushels a year, and bountiful yields, if widespread, usually drive prices down, often to levels that would more than offset harvest increases.

A few weeks ago, the total wheat yield expected this year seemed threatened by harsh weather effects on spring wheat, a crop that is usually planted in May for late summer and early fall harvest. But recent rains have relieved the effects somewhat, and in any event, the yield of winter wheat, which is planted in the fall for reaping in the spring and summer, is by far the more important of the two. It accounts for nearly three-quarters of the harvest in a normal year. The Agriculture Department now projects a winter-wheat harvest of more than 1.4 billion bushels, an increase of about 10 percent over earlier projections.

But there is another force that can affect prices more than domestic demand or the size of the crop, and that's the foreign factor. Americans consume only a third of domestic production, so the key to wheat prices is the strength of foreign demand for the other two-thirds.

This year the foreign demand seems stronger than usual. Crop projections for regions that have been among the best customers for American grain, such as Western Europe, have been only fair, so demand there appeared good. Eastern Europe has had problems because of a high degree of winterkill, and Japan was expected to go on as usual buying large amounts of American wheat. China, the latest large customer for Americans, seemed to be having a fairly good year, but its rulers have begun pushing animal production, with resulting increases in grain demand.

On the basis of such circumstances, the Agriculture Department predicted a range for global production of 395 million to 429 million metric tons, compared with a higher range of 411 million to 431 million tons projected for world consumption.

But that was before it was forced to readjust earlier estimates of Soviet yields. Reports began to filter to United States traders and grain dealers of heavy winterkill in major Soviet winter-wheat areas, and hot and dry conditions in May, which is a crucial month for maturing wheat. Significant damage was believed to have occurred in three days—May 30 and 31 and June 1—when a hot, dry wind called the sukhovey swept the hard-hit areas of the eastern Ukraine and the lower Volga, where 20 to 30 percent of the Soviet Union's winter wheat is normally grown.

In the so-called "new lands" areas of Siberia, where much of the Soviet spring wheat is grown, late rains delayed plantings, but that was believed to be more favorable than otherwise for the crop because it promised a good moisture base for an area where rainfall is always uncertain.

As always since 1972—the year Soviet buying sent American prices soaring—even rumors on Soviet production could cause gyrations in United States markets. For the Soviet Union, which is subject to wide variations in climatic conditions, is vulnerable to wide swings in crop yields and, therefore, can cause major changes in world outlook for supply and demand. With reports of Soviet crop troubles filtering in, prices were rising.

Then, on June 8, the Agriculture Department confirmed the market rumors. It lowered its estimate of Soviet grain production by 35 million metric tons, to a range of 170 million to 210 million tons, compared with last year's record of 237 million tons and a goal of 226 million that had been announced for 1979.

"The estimate on the Soviet crop was very friendly to the market," said Terry N. Barr, economist and acting deputy director of the World Agricultural Outlook Board at the Agriculture Department. It was an understatement. In the next week, on the Chicago Board of Trade, the price of wheat for July delivery surged 40 cents a bushel.

Since 1972, Soviet crop conditions have often made consumers as nervous as grain traders. Before that time the Soviet Union merely tightened its belt after a crop failure. But Soviet leaders had made a commitment to improve the nation's diet with increased meat production, and that required large amounts of grain. As a result, after their shortfall of 1972, they moved massively into the world market as purchasers.

Then, the Russians proved to be canny traders, more cunning even than most of the grain dealers who were selling to them and who depend on their skills for their profits. Before most Americans knew what had happened, a Soviet delegation had purchased, in secret forays into the United States market, about 11 million tons of wheat—about a quarter of this country's crop—at what proved to be bargain prices. And in the year that followed, food prices soared.

But much has happened since then, both in this country and in the Soviet Union. Crop conditions there are monitored more closely and accurately through satellite pictures, meteorological studies and limited visits by American crop-reporting teams.

And in this country the grain dealers are required to report large sales that give the Agriculture Department a running count of the outflow of grain, while regulations have been issued that give the department the authority to step in and impose controls when scarcity seems threatened. Perhaps as important is a grain agreement signed in 1976 that requires the Soviet Union to seek authorization before buying more than eight million tons in any one year.

With good crops in the United States, permission has been easy to get. This marketing year, ending Sept. 30, the Russians are expected to import 15 million tons of American grain. Next year, with their projected winter-wheat shortfall, Mr. Barr said, their needs could double.

That factor has also spurred some buying by others, who want to make sure of adequate supplies before there can be any possible squeeze, and that too has reportedly strengthened markets.

For any major buying, Mr. Barr noted, the Russians and others must now turn to the United States. Canada, the next largest supplier, has been beset by transportation difficulties in meeting current commitments, and the Canadians are also having crop problems of their own. After late plantings in Manitoba, Alberta and Saskatchewan, the prospects of a good harvest before frost will remain uncertain until next fall.

Soviet Buying Lifts Grain Price

(By H. J. Maidenberg)

One of the most fearsome words for Russian farmers is sukhovey, their term for the hot, dry winds that wither crops and turn the earth to dust. A sukhovey has been sweeping the Soviet Union's grain belt in recent weeks, and it is expected to force that country into making major grain purchases that could drive up the price of food around the globe.

As it is, a 60-pound bushel of wheat that sold for $3.20 just two months ago in Chicago is now selling for delivery next month at $4.68, the highest price since mid-1975. And the demand for wheat has fueled similar price rises in other basic foodstuffs.

Grain traders are again talking of the summer of 1972, when a particularly severe sukhovey that season caused the Soviet Union to import a record 1.2 billion bushels of grain, two-thirds of which came from this country. Smaller, but substantial, imports by China and the Indian subcontinent, whose crops also suffered that season, helped erase the world's grain reserves almost overnight.

Today, despite record or near-record worldwide wheat harvests every year since 1975, and huge American supplies, there is the prospect of yet another supply squeeze.

The reasons were explained in a series of interviews with grain specialists during an industry conference in Kansas City, Mo., last week.

"We, and I mean all the people on this planet, have been extremely lucky in recent years," said Roderick Turnbull, a wheat expert at the Kansas City Board of Trade, "because the recent record global harvests have just barely covered soaring world demand for grain-based food."

"The demand-supply picture is frightening," he continued, noting that the world's population is growing by 75 to 80 million a year, which would result in a 50 percent increase in just 20 years to six billion people, and that the living standards are rising even in the poorest countries.

"On the supply side, the fact remains that there are only four countries responsible for 90 percent of the wheat exports today—this country, Canada, Australia and Argentina," Mr. Turnbull added.

A top officer of a major grain export house observed that the United States again supplied half the exported wheat in the recent crop year ended May 31, some 1.2 billion bushels. "Forget about Canada," he said, "its 530 million bushels of available wheat have already been booked. So has Australia's exportable surplus of 242 million, and Argentina's 125 million bushels."

Thanks to the bumper wheat crops in recent years, the United States found itself with stocks of 922 million bushels at the start of this month. But the total was down 22 percent from a year earlier and it was the first decline for June 1 stocks in five years. The first of June is when the annual winter wheat harvest goes into full swing.

Currently, the winter wheat crop, which accounts for 75 percent of the total bread grain supply in this country, is projected at 1.4 billion bushels. And Americans are again expected to consume about 850 million bushels of wheat in foodstuffs or as seed.

WHEAT HELD IN CROP-LOAN PROGRAM

Since 1975, the American wheat inventory situation has changed dramatically, however. Roughly half the 922 million bushels on hand at the start of this month were pawned under the crop-loan program with the Government for periods of up to three years. Farmers are less than eager to redeem their crops now, despite prompting from Washington, because of the prospects for yet higher prices.

Another official of a major grain exporting house said that the Soviet Union was a prime example of the demand situation. In 1972, its total grain production was 6.17 billion bushels. In 1975, that fell to 5.14 billion bushels. Last year it was a record 8.7 billion, but this year Washington thinks it may drop to as low as 6.24 billion.

And even with a record crop last year the Soviet Union still had to book imports of 184 million bushels of wheat and 367 bushels of feed grains through this month, the export official said. "Now they may substantially raise their purchasing. So will such customers as Japan as they move away from rice toward wheat bread. We Americans don't realize it, but bread is still a luxury in many parts of the world," he said.

RUSHING FOR DWINDLING SUPPLIES

And all wheat importers, whether recent or long time, are rushing to book dwindling supplies today because they fear prices will rise further. A food company executive declared: "Everybody is naked today. The foreigners had grown used to relatively stable prices and had been buying hand-to-mouth since 1975. So have almost all American millers, bakers and just about everyone who uses wheat."

Morton I. Sosland, publisher and editor of Milling & Baking News, the industry's leading publication and the host of the Kansas City meeting of food company executives, offered this view of the grain situation:

"Simply put, if the Soviet shortfall is as serious as everyone thinks, and they want to maintain human and animal wheat rations this year, they will have to import just about what America exported to all foreign buyers in the crop year just ended.

"Breaking down Soviet grain production figures, we find the latest wheat estimate for 1979 at 2.9 billion bushels, compared with the 4.4 billion produced last year. We don't have that much wheat to sell, nor do all four major exporters put together."

CHINESE GRAIN BUYING

Another unknown element is China, he continued, explaining that domestic grain buyers get nervous at the mention of that country. Peking imported 330 million bushels of wheat during the last crop year, and if it has normal harvests in 1979, he said, the Chinese would need to increase their buying by 110 to 184 million bushels just to keep pace with their population growth.

Last October, the Government granted long-term credit facilities to Peking to buy large quantities of United States farm produce in order to mollify American farmers then complaining about low prices, as well as to smooth the process of normalizing relations between the two nations.

AMENDMENTS SUBMITTED FOR PRINTING

MRS. ELSIE B. BLACKBURN—S. 1329

AMENDMENT NO. 298

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. MORGAN submitted an amendment intended to be proposed by him to S. 1329, a bill for the relief of Mrs. Elsie B. Blackburn.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, as previously announced, the Committee on Energy and Natural Resources will hold public hearings on title II of S. 1308, the Energy Supply Act, on July 9 and July 13, 1979. Title II is a proposed Priority Energy Projects Act to expedite Government action on nationally significant energy facilities and projects.

I wish to announce that at that time testimony will also be received on title VI of S. 1377, the Synthetic Fuels Production Act, introduced by Senator DOMENICI and other Senators on June 19, 1979. Title VI proposes a Priority Energy Project Act similar to that proposed in title II of S. 1308.

Questions concerning these hearings should be referred to James Z. Pugash or Owen Malone of the committee staff at 224-0611 and 224-7141.●

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, on July 10, 1979, the Senate Select Committee on Small Business will hold hearings on the subject of the control and preservation of farmland. The hearings will explore means to preserve the diminishing acreage of farmland in this country, and the increasing ownership of this land by nonfarm investors. The heariings will begin at 10 a.m. in room 224 of the Russell Senate Office Building. Inquiries concerning the hearing should be made to the committee at 224-5175.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. PERCY. Mr. President, I would like to announce that the Governmental Affairs Committee plans to hold a field hearing on S. 742, the Nuclear Waste Management Reorganization Act of 1979. The hearing will begin at 9:30 a.m. on Thursday, July 5, 1979, and will be held in room 349 of the Kluczynski Federal Building, 230 South Dearborn Street, Chicago, Ill.

For further information, contact Mark Recktenwald at 224-1555.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, on July 17, 1979, the Select Committee on Small Business will hold a hearing to review the nature and scope of the recently promulgated FTC "franchise disclosure" rule and its impact on small business. The hearing will begin at 9:30 a.m. in room 424, Russell Senate Office Building.

COMMITTEE ON THE BUDGET

● Mr. MUSKIE. Mr. President, I wish to announce that the Budget Committee will hold hearings on the second concurrent resolution on the budget for fiscal years 1980-82 on July 10, 12, 13, and 26, 1979, in room 6202 of the Dirksen Senate Office Building. All hearings are tentatively scheduled to begin at 8 a.m.

The purpose of these hearings is to permit the Senate Budget Committee to review economic and legislative developments since the adoption of the first budget resolution. This review will permit the committee to assess the need for any modifications or revisions in the budget totals recommended in May. The committee will then formulate the second budget resolution which will set the binding ceilings for congressional spending and a floor for revenue legislation for fiscal year 1980 which begins on October 1, 1979.

On Tuesday, July 10, the committee will hear from three distinguished economists: Mr. Walter Hoadley, executive vice president, Bank of America; Dr. Dale Jorgenson, Harvard University; and Dr. Lawrence Chimerine, Chase Econometrics.

On Thursday, July 12, the committee will hear from Dr. Alice Rivlin, Director, Congressional Budget Office.

On Friday, July 13, the committee will hear from Dr. Charles Schultze, Chairman of the Council of Economic Advisers; Jim McIntyre, Director of the Office of Management and Budget; and W. Michael Blumenthal, Secretary, Department of the Treasury.

On Thursday, July 26, the committee will hear from G. William Miller, Chairman, Federal Reserve Board.

The committee has also scheduled a set of hearings in the fall to examine legislative approaches to a balanced budget on October 2, 3, and 4, 1979. Witnesses for these hearings will be announced at a later date.

For further information, contact John McEvoy, staff director of the Senate Budget Committee, at 224-0535.●

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

● Mr. DURKIN. Mr. President, I wish to announce that the Subcommittee on Energy Conservation and Supply of the Committee on Energy and Natural Resources will hold a field hearing on Saturday, July 14, at 9 a.m. to 12 noon, 1 p.m. to 5 p.m., in the Federal City Office Building, Concord, N. H.

The hearing will be held on S. 950, a bill relating to Information Dissemination and Solar Energy Development Corporation titles.

Questions concerning this hearing should be directed to Mr. Pete Smith of the subcommittee staff at 224-7166.●

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION, AND FORESTRY

● Mr. MELCHER. Mr. President, I wish to announce that at 8 a.m., Tuesday, July 10, 1979, in room 324, Russell Senate Office Building, the Subcommittee on Environment, Soil Conservation, and Forestry will hold a hearing on S. 795, the Farmland Protection Act by Mr. MAGNUSON and others.

Witnesses will be from the U.S. Department of Agriculture, those invited from the public, and any Members of the Congress who may wish to testify.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to announce that the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs will be holding 3 days of hearings on the continued investigation into fraud and mismanagement in the General Services Administration. These hearings will be held on July 18, 19, and 20, 1979, from 9 a.m. to 1 p.m. daily, in room 1318, Dirksen Senate Office Building.

Anyone having questions concerning these hearings should contact Mr. Ronald A. Chiodo at the subcommittee office, room 44, 128 C Street NE., telephone 224-0211.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a hearing on the Federal economic regulation of the trucking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today beginning at 2:45 p.m. to hold a hearing on nominations to the Interstate Commerce Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on July 9, to consider the SALT Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WHY I AM PROUD TO BE AN AMERICAN

● Mr. HUMPHREY. Mr. President, I invite the attention of my colleagues to a winning essay written by Felicia Brown, who is a student in the sixth grade, at Kimball School, Concord, N.H.

Felicia's essay entitled "Why I Am Proud To Be an American," is very inspirational. The historic events which she mentions are familiar to all of us, and we should be grateful and remembering to those who suffered and worked so hard to make our country what it is today.

I urge my colleagues to read Felicia's essay, which I submit for printing in the RECORD.

Her essay follows:

WHY I AM PROUD TO BE AN AMERICAN

America, the very name rings a liberty bell in my mind, reminding me of memorable events in history.

It rings for events of discovery, such as Christopher Columbus stumbling upon our beautiful country, Benjamin Franklin discovering electricity, or the famous Wright Brothers inventing the first successful airplane.

It rings for hardships, as the Pilgrims willingly endured cold, starvation, and sickness when they came to America to lead new lives, and for George Washington and his armies suffering at Valley Forge.

It rings for the struggles of democracy, from the Revolutionary War, when Americans gained freedom from England, down to the World Wars, when people ruled by other countries wanted their freedom.

There were brave events, for instance, the battles of Independence, Washington's armies were out numbered and not as well trained, yet the armies fought bravely anyway and brought us victory. Another example is Paul Revere, who rode on horseback through Boston to warn the people of the coming of the British troops.

It rings for Brotherly Love. Clara Barton nursed hurt and sick soldiers during the war, as well as founding the Red Cross. Molly Pitcher carried water to the exhausted soldiers during battle, and Harriet Tubman led slaves to freedom through an underground railroad.

It rings for freedom. For example, the signing of the Declaration of Independence, the announcement of freedom from England. Abraham Lincoln freeing the slaves.

It rings for proud events. At the Boston Tea Party, Americans dressed as Mohawk Indians and threw England's taxed tea into the harbor. The Constitution, the written laws and rights of our country, was proudly signed.

Will the great bell be silenced because of problems of today such as inflation, energy, or pollution? No, because Americans are fighting these problems as determinedly and bravely as they fought the problems of the past.

It's easy to see why I am proud to be an American.●

CARDINAL COOKE'S PLEA FOR REFUGEES

● Mr. KENNEDY. Mr. President, as we all know, the international community confronts today a massive human crisis of people in Southeast Asia—of an endless flow of refugees from Indochina—that threatens to bring even greater human tragedy unless something is done urgently to cope.

Fortunately, the recent flow of refugees over these past few weeks has finally stimulated international action and concern, to help alleviate the suffering and misery among the refugees, and to provide some additional resettlement opportunities. Obviously much more remains to be done.

In an eloquent article in The New York Times, Terence Cardinal Cooke, Archbishop of New York, has made a compelling plea for what more we, as a Nation, can do to help. He has called upon America to take swift and positive action to save the lives of refugees, now being turned out to sea, and to stand firm for the human rights of all people.

He reminds us that the most fundamental human rights issue before the world today is the protection of refugees.

I would like to share Cardinal Cooke's plea with the Senate, and ask that it be printed in the RECORD.

The article follows:

[From the New York Times, June 23, 1979]

LET IN MORE ASIAN REFUGEES

(By Terence Cardinal Cooke)

People who need the help of the United States do not always suit our national or personal convenience. We would like distressed people to fit into established programs of aid. They rarely do. We would also like to settle some problems. We rarely do.

The frightful crisis on the Cambodian-Thailand border is a terrible example of what man can do to man. More than 300,000 refugees (a figure that could easily rise) are in Thailand. Of those, more than 100,000 are penned in a tight area just inside the Thai border. Many of them have fled the powerful Vietnamese military forces inside Cambodia. Most of them are women and children. They are desperate for food, clothing and shelter. As I write this, the Thais, who have been generous and helpful to refugees in the past, are now driving Cambodians back to their own country where an "uncertain future awaits them." The sound of gunfire across the border strongly supports the concern that a tragic massacre is taking place.

A series of most unhappy turns seems to be isolating refugees in Southeast Asia from help.

The Thai Government, driven by fear of both the Cambodians and Vietnamese, is alarmed by so many volatile refugees occupying Thailand's border areas; at the same time the Vietnamese have announced an ethnic war on people of Chinese origin, sharply evoking Germany in 1933; and France, usually so hospitable to Eastern refugees, will soon reduce the number of refugees it will receive. As the Vietnamese Government is about to expel 1.3 million ethnic Chinese from its shores, we also have word that Malaysia and Indonesia are sealing their coastlines against boat people. The prospect of wholesale death is on the horizon. Death by drowning, starvation or bullets is imminent for as many as two million people.

The very finest tradition of American concern for human beings is being challenged. Understandably, the President and the Congress are weary and see no end to requests for help. But this Southeast Asian misery is neither hopeless nor endless, if we act now.

If our Government moves swiftly to reassure and help the Thais with their refugee problem, with food and medicine, and above all by enlarging the number of refugees we will take, the fearful slaughter of Cambodians may be stopped. World pressure should also be exerted on the Vietnamese to stop the expulsion of a whole ethnic group from its longtime home in Vietnam. New Yorkers can do something. They can speak to the White House and the Congress. They can urge the international community to support these poor people. They can write to the President and they can strongly encourage all others to take positive action to save the lives of hundreds of thousands of our brothers and sisters in God's one human family.

American aid to the Cambodians will create a special American witness. Unlike people who were once our allies and who share our cultural or religious heritage, the Cambodian refugees, pitiable in their human distress, have no political or cultural or social claims on Americans. They were, some of them, part of an army that in 1975 led a mass death march in Cambodia which may rank as one of the great horrors in history. Many are Communists and bitter verbal despisers of the United States. They are promising us no special gratitude or future friendship. What a splendid opportunity for America to reaffirm its authentic concern for suffering men, women and children and to stand firm for the human rights of all people.

What's in it for us? Nothing and everything.●

BIRD THOU NEVER WERT?

● Mr. MATHIAS. Mr. President, from its earliest days as a British colony up to this very day, Marylanders have taken special pride and pleasure in the beautiful bird, first discovered in our State, that derives its name from Maryland's Lord Proprietor, Cecil Calvert, the second Lord Baltimore, whose livery it wears. I speak of course, of the Baltimore oriole (*Icterus galbula*) which, with its brilliant orange and glossy jet black plumage, ranks among the most colorful birds of North America and whose vocal virtuosity makes it peerless among songbirds.

The early settlers in Maryland admired this richly plumed denizen of their new homeland so extravagantly they deemed it worthy to bear the august name of Baltimore. The peculiar propriety of this eponymic decision is explained by John Speed on the back of his 1676 map of Maryland and Virginia where he records:

> That which is black and yellow is called the Baltimore-bird from the colours of his Lordship's Coat of Arms which are Or and Sable.

Marylanders' abiding concern for the welfare of the beautiful bird that embellishes our lives was again demonstrated on March 30, 1882, when, long before the rest of the Nation gave a thought to protecting its wildlife, the Maryland General Assembly amended the Wild Fowl and Game Title of the State's Code of Public General Laws to bring the Baltimore oriole within the ambit of its protection. Chapter 154, acts of 1882, section 16, specifies that:

> No person in the State of Maryland shall shoot or in any manner catch, kill or have in possession any bird of the species known as

> the "Baltimore Oriole Icterus," or molest or destroy the eggs or nests of the said birds in the said State.

The statute goes on to prescribe hefty fines and/or jail sentences for anyone found guilty of molesting or diminishing the Baltimore oriole in any way.

In the fullness of time, another Maryland General Assembly conferred the ultimate accolade on the beauteous Baltimore oriole. In 1947, the general assembly designated the Baltimore oriole as the official Maryland bird.

So the record on the Baltimore Oriole in Maryland is quite clear. We have long loved and honored this unusual native of Maryland and we have sought to protect it from the onslaughts of its enemies.

But, alas, truth to tell, the Baltimore oriole is its own worst enemy. Its curious breeding propensities have placed it in mortal danger and indeed the peril may already be beyond Maryland's power to control.

It seems that when the well and finely-bred Baltimore oriole strays beyond its native eastern heath of Maryland to mingle with its western cousin, the Bullock's oriole, it loses all sense of decorum. It adopts the free and easy ways of the West and mingles with no thought of tomorrow. In a word, the Eastern Baltimore oriole and the Western Bullock's oriole interbreed.

What manner of voyeur, you may well ask, discovered a member of the First Family of Maryland birddom in flagrante delicto with one of the Western Bullock's? When and under what circumstances did the fatal mating occur?

As nearly as I can determine, this sex scandal was first hinted at in the Auk, the bulletin of the American Ornithologists' Union in 1938 (Volume 55). This being a scholarly publication, the treatment was properly low-key but, to the cognoscenti, the implications were clear. To those in the know, the article's title alone sent the flag up. It alerted the reader to "Oddly Plumaged Orioles from Western Oklahoma."

The article itself, describing various sightings in the spring of 1936 by various sighters of various orioles that appeared to be neither top drawer Baltimore oriole nor pure Bullok's, contained other veiled hints. For example, the author inquires disingenuously: "What are we to call these oddly colored, off-sized orioles? Obviously, we have no right to affirm that they are hybrids so long as we have no definite knowledge of their parentage."

Here the author makes an important admission. "Collecting two mated pairs . . . might have furnished proof of interbreeding had the male or female bird of either pair been indubitable *galbula* or *bullockii*," says he. "But," he admits, "They were not."

What we have here then are hints and innuendo, rumor and pregnant suggestion. Circumstantial evidence at best, as the author knows only too well. But he also thinks he is on to something and he would not give up.

"Songs given by Bullock's orioles and Baltimore orioles were 'hybrid songs,'" he insists. To bolster his suspicions about the orioles, he adduces totally extraneous evidence that would be unacceptable in any court of law, to wit:

> In parts of the very region in which these strange orioles were collected, the eastern Indigo Bunting, *Passerina cyanea* (Linnaeus), and western Lazuli Bunting, *Passerina amoena* (Say), were *actually found interbreeding*. (emphasis added)

The inference is clear: What's good for the Bunting is good for the oriole. But no Marylander would accept that premise. The Baltimore oriole, to us, is a thing apart, a species apart, and it always will be no matter what the scandalmongers say.

Unfortunately, Maryland's attitude has not prevailed in this matter. After the first unsavory speculation surfaced in the Auk, little more was heard of the parlous hybrids, at least in Baltimore. Then, in April 1973, the Auk let out another squawk. In one fell paragraph, it made the Baltimore orioles a nonspecies; you might almost say a nonbird.

The American Ornithologists' Union at least had the grace to bury the offending item on page 417, but to those of us who care, the fatal sentence blazed forth from its obscurity:

> *Icterus bullockii* is considered conspecific with *Icterus galbula*. . . . The English name for the enlarged *Icterus galbula* becomes Northern Oriole; "Baltimore Oriole" and Bullock's Oriole remain available for the *galbula* and *bullockii* subspecies groups, respectively.

The Baltimore oriole, for its peccadillos, had been consigned to subspecies oblivion.

Since then, regrettably, the auk's discordant squawk has echoed far and wide in ornithological circles. The first revision of Roger Tory Peterson's incomparable "A Field Guide to Birds" in 30 years will be out next year without the "Baltimore oriole," as we have known it for so long. According to the New York Times Magazine—April 15, 1979:

> The lovely black and orange bird will still be there, but under a new name "Northern oriole," because taxonomists have decreed that the familiar Baltimore and the Bullock's oriole out west are one and the same species. "Baltimore" lingers only in a parenthesis.

A member of the American Ornithologist's Union assures me that they have not declared the Baltimore oriole a "nonbird." He seeks to smooth my ruffled feathers by pointing out that they have simply reclassified it as a subspecies because where it mingles it interbreds producing a hybridized oriole. But, realistically, how far from a nonbird can you be when you are reduced to a parenthesis in Peterson's?

A call to the Smithsonian Institution birdwatchers confirmed my worst fears about the extent of the oriole scandal. When I asked them where they came down on the Baltimore oriole question, a distant cultivated voice informed me: "We follow the AOU checklist in arranging our collection." Thus is the offending oriole drummed out of civilized society once again.

At the Smithsonian, at least, I had expected more sympathy for the Baltimore oriole's plight. Indeed, I would have expected them to raise a hue and cry in its defense. Where, after all, would the Smithsonian be today were it not for the unconventional mingling and interbreeding that produced James Smithson, its English benefactor? For James Smithson was, on his own sworn oath, "son to Hugh, first Duke of Northumberland and Elizabeth, heiress of the Hungerfords of Studley and, niece to Charles the proud Duke of Somerset * * *" But Hugh, the first Duke of Northumberland, and Elizabeth of the Hungerfords were never married. James Smithson was a bastard.

What scant evidence we have about James Smithson's attitudes and state of mind suggests that he suffered bitterly from the circumstances of his birth and that he was deeply disappointed his natural father never acknowledged him. Scholars suggest that his resentment led Smithson to leave his fortune (after the death of a nephew) "to the United States of America, to found at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge . . ."

We can really only surmise at Smithson's motivation. But we do know that he prophesied:

> My name shall live in the memory of man when the titles of the Northumberlands and Percys are extinct and forgotten.

Under these circumstances, it is unthinkable that anyone connected with the Institution that bears Smithson's name should contribute in any way to the effort to deny the Baltimore oriole its rightful name and place in society simply because it interbreeds and produces hybrids.

By curious coincidence, today is the 150th anniversary of James Smithson's death. Thanks to a personal odyssey by Alexander Graham Bell to rescue Smithson's remains from an endangered cemetery in Genoa, Italy; James Smithson's bones now rest in a handsome tomb just to the left as you enter the Smithsonian Castle. Perhaps "rest" is not quite the right word for surely there will be just a little uneasy stirring in that grave until the Smithsonian ornithologists take up the cudgels for a beautiful bird being denied its rightful name.

Perhaps none of this sad story should surprise us. We are after all the only nation in the world which has landed its national bird on the endangered species list. To a nation capable of that enormity, defrocking a mere State bird is no trick at all. But Marylanders do not despair.

We still may hope that there will come a day when the eagle will lie down with the auk and the Baltimore oriole will be left to its own devices.

Maybe what this all really proves is that we should have taken Benjamin Franklin's advice in the first place and made our national bird the turkey.

THE CLEVELAND CALL-POST

● Mr. GLENN. Mr. President, I would like to call attention to an excellent article appearing in the June 1979 issue of Black Enterprise Magazine entitled "The Call-Post: Small and Strong, Cleveland's Other Voice."

As Ohioans know, the Call-Post is the predominant newspaper of the black community in Ohio. Its publisher, W. O. Walker is a nationally acclaimed journalist and businessman who owns the plant that prints his papers. The Call-Post is an extremely informative, independent voice in Ohio that we value tremendously.

I ask that the following black enterprise magazine article be printed for the RECORD.

[From the Black Enterprise, June 1979]

THE CALL-POST: SMALL AND STRONG CLEVELAND'S OTHER VOICE

Most of the nation's estimated 212 black-owned newspapers are weeklies that circulate to a very limited audience—they are small businesses. Even the largest, New York's Amsterdam News has a circulation of only an estimated 80,000, a small figure compared to the millions of readers of the giant metropolitan dailies.

Most of the more successful black newspapers are in the circulation range of 10,000 to 20,000 copies. Two of William O. Walker's three Ohio papers are in this range. Their sizes, however, do not reflect their power, or their importance to the black community.

As businesses, newspapers are far from lucrative investments, but they provide vital services for other businesses and agencies operating within the black community, and as institutions they rank second only to black churches in their espousal of black causes—from the abolition of slavery in the 19th century to the crusades for economic justice during the present period of white backlash and high unemployment.

One advantage that Walker has is that, unlike most black newspaper publishers, he owns the plant which prints his papers. In addition to his own three papers, he prints 15 others, ranging from four Hungarian community newspapers to the student newspaper for Cuyahoga Community College in Cleveland.

But black newspapers in and of themselves are presently doing better than they have ever done. "It used to be that all we could get was used car ads, now new car dealers advertise with us. We now get downtown department store ads, and ads from food chains," Walker said recently in an interview with BLACK ENTERPRISE.

Circulation of Call & Post newspapers is about 20,000 in Cleveland, 10,000 in Columbus, and 2,000 in Cincinati. Different editions are published for each of the cities.

At 20,000 copies, the Cleveland Call & Post is certainly read by no more than a small percentage of Greater Cleveland's 2 million people, and probably not even one tenth of the blacks in the metropolitan area, but often its stories add additional information to what the white-owned dailies inadvertently or intentionally leave out.

Its editorial opinions make the rounds of the community. It was the only paper to support Carl Stokes' first successful bid to become mayor of Cleveland. In his autobiography, Promises of Power, Stokes wrote that the Call & Post "was the voice of the black community's hopes, aspirations and, necessarily, its only source of adequate response to the white media."

"I always pick up the Call & Post," said Deborah Tolbert, a black Cleveland resident, who is an administrative assistant for the Cleveland Trust Bank, "because it has some things in it that are important to me as a black person; some things that aren't covered in the Plain Dealer [The Cleveland white-owned daily]. I read both papers, each for a different reason." The Plain Dealer tells what is happening in the city, state, and world. The Call & Post tells what is happening in the community, and how things that happen citywide, statewide, and worldwide affect her and other black people. It is small and important. It makes a difference.●

SALT AS IS OR NOTHING—SOVIETS

● Mr. HUMPHREY. Mr. President, in the past few days the news media has carried numerous comments by Soviet officials to the effect that Senate attempts to amend a change in the SALT II Treaty could lead to "grave and even dangerous consequences." This warning made by Leonid Brezhnev during the Vienna Summit was flanked this week by Soviet Ambassador Gromyko's assertion that if the Senate failed to ratify the treaty "the situation will be very complex, very bad."

I submit, Mr. President, that comments along this line represent Soviet attempts to interfere with normal legal process set forth by the U.S. Constitution. That document assigns the Senate right and legal duty to offer its "advise and consent" to treaties negotiated by the executive branch. My distinguished colleagues—whatever your position on SALT II, you must resent this outrageous Soviet interference into the constitutional process of the United States. Equally disturbing are the thinly veiled threats which underlie the Soviet comments and which are designed to "bully" the Senate into simply accepting the treaty as negotiated. Mr. President, the first duty of any Senator is to evaluate the SALT Treaty in terms of its contribution to national security not whether or not the Soviets would be upset if we do not ratify it. We in the Senate who are less than overjoyed by the treaty as it now stands have been branded "war mongers" by the President and his SALT salesmen. Yet, the Kremlin is being allowed to threaten the Senate with dire consequences unless it "tows the line" on SALT II. This is enough, Mr. President, to raise serious doubts about becoming locked into an arms control process from which we cannot escape without the other party threatening Armageddon. This is one step short of adopting a negotiating stance that would simply permit the Soviets to dictate the terms of the treaty.

Mr. President, I ask that the following article which appeared on the front page of the Boston Globe be printed in the RECORD for it details the Soviets' foreboding stance on Senate ratification of SALT II.

[From the Boston Globe, June 26, 1979]

SALT AS IS OR NOTHING—SOVIETS

(By Kevin Klose)

MOSCOW.—Soviet Foreign Minister Andrei Gromyko yesterday rejected as "impossible" any Soviet move to renegotiate the SALT II treaty if it is rejected or altered by the US Senate.

"I tell you frankly, it is impossible to resume negotiations," Gromyko declared at a news conference on last week's Vienna summit at which President Jimmy Carter and Soviet President Leonid I. Brezhnev signed the treaty. "It will be the end of negotiations . . . the end.

"No matter what amendments would be made, it would be impossible on the basis of these amendments to open negotiations . . . a fantastic situation," Gromyko asserted vigorously in English in response to a question from an American correspondent.

Gromyko's reply echoes and strengthens the June 17 warning Brezhnev made during a summit dinner toast to Carter that any attempt to revise the treaty could lead to "grave and even dangerous consequences" for bilateral relations and the whole world. Brezhnev implied the Soviets would reject any reopening of the talks to handle posible revisions by the Senate; Gromyko yesterday explicitly ruled it out.

If the treaty is not ratified by the Senate, Gromyko said, "the situation will be very complex, very bad. There would not be that curbing of the arms race provided for in the treaty—the curbing and limitation. And those bridges which lead from the treaty signed in Vienna to a possible SALT III would be destroyed. Those politicians who have not yet decided their stand, and those who have decided but in the wrong direction, should think about that, too, Justice and objectivity should rule."

Ostensibly, a report to the Russian people about the summit, much of the 69-year-old politburo member's news conference clearly was aimed at the lawmaking chamber 5000 miles away in Washington where the treaty is under sharp attack and the Administration apparently is well short of the 67 votes needed for ratification.

In the most authoritative Kremlin assesment to date of the four-day summit, Gromyko underscored Moscow's view that the treaty is now inviolate and supremely important to Soviet-American relations in the coming decade.

"I can be frank about it," said the solemn-faced diplomat who has been foreign minister for 22 years. "This meeting was filled with great political content, of exceptional importance, maybe even more than any other international meeting of its sort."

He argued that the nearly seven years of negotiations "was a long-enough period to weigh . . . several times . . . even comparatively small conclusions relating to strategic weapons, in order to avoid miscalculation. The result is a treaty acceptable to both sides."

He stressed that the Soviet Union wants further bilateral strategic arms control efforts, which hinge on approval of the SALT II treaty. "A crucial time is beginning now in the US, when after the treaty is signed, certain quarters are still weighing up which position to take. I would like to express the hope that this will be a correct and objective position . . .

"The treaty lays the foundation for further advance, for the preparation of a new agreement on further strategic arms limitations. And in this lies its tremendous value . . . A joint statement has been published devoted to future negotiations on the possible conclusion of a new SALT treaty. Thus, the present treaty throws bridges over to the next treaty . . .

"In the final analysis, we must strive for the first curtailment to be followed by another, and the other to be followed by a third curtailment, and so on. This is the beginning of a process which for its gravity can hardly be compared to any other process."●

SEVEN OHIO FIRMS ON LIST OF NATION'S TOP 100 BLACK BUSINESSES

● Mr. GLENN. Mr. President, Black Enterprise magazine has just published its seventh annual list of the Nation's top 100 black-owned and/or controlled businesses in 1978. For the first time, gross income of the "Top 100" exceeded $1 billion. These 100 companies employed a total of 13,945 people, the majority of them black. I think that it is also very encouraging that this year's list is more diversified than those of previous years. Significant diversification combined with increasingly higher income will serve as a true leading indicator of genuine entry into the economic mainstream.

These minority entrepreneurs deserve our highest compliments and congratulations for their achievements. As significant as their accomplishments are, they must not be allowed to obscure the fact that there is still a very long way to go in the United States in terms of overall racial and economic progress. Black annual median income continues to slip compared to whites. The increase in the number of blacks living at or below poverty levels drags on, and, to an extent, neutralizes the progress made by other segments of the black populace. The Federal minority business assistance apparatus has been in disarray for some time and needs to be strengthened and coordinated. The Federal regulatory process often operates to deny opportunity to minority businesses. So, much remains to be done.

However, this is a time of congratulations. I would like to particularly honor the seven Ohio businesses on the top 100, the two Ohio black banks on the list of 49 black banks and the two Ohio black savings and loan associations on the list of the top 40 S and L's.

I request that the following three lists be printed in the RECORD.

The lists follow:

BLACK ENTERPRISE, JUNE 1979—THE TOP 100

[This is the seventh annual list of the Top 100 black-owned and/or controlled businesses in the United States. As in previous years, banks, savings and loan associations, and life insurance companies are listed separately. Only firms in continuous operation since Jan. 1, 1978 are listed. The criterion for inclusion in the BE 100 list is each company's gross sales in 1978. It does not consider the cost of sales. All figures given are in millions of dollars]

This year	Last year	Company and location	Chief executive	Year started	Employees	Type of business	1978 sales [1]
1	1	Motown Industries, Los Angeles, Calif	Berry Gordy	1959	300	Entertainment	58.000
2	2	Johnson Publishing Co., Inc., Chicago, Ill	John H. Johnson	1942	462	Publishing	55.616
3	3	Fedco Foods Corp., Bronx, N.Y	Samuel Berger	1969	550	Supermarkets	48.000
4	4	Johnson Products Co., Inc., Chicago, Ill	George E. Johnson	1954	532	Manufacturers of hair care products and cosmetics	41.109
5	5	H. J. Russell Construction Co., Inc., Atlanta, Ga	Herman J. Russell	1958	150	Construction and development	32.000
6	5	Afro International Corp., New York, N.Y	Richard L. Trotman	1962	11	Exports	26.000
7	68	Smith Pipe & Supply, Inc., Houston, Tex	George V. Smith	1976	93	Oilfield pipe and supply	24.000
8	10	Terry Brantley Greenbriar Lincoln-Mercury Sales, Inc., Atlanta, Ga	Booker Terry Brantley	1975	75	Auto sales and service	20.000
9	8	Drummond Distributing Co., Inc., Compton, Calif	Lancelot E. Drummond	1969	67	Liquor wholesaling	16.500
10	14	Al Johnson Cadillac, Inc., Chicago, Ill	Albert W. Johnson Sr	1971	96	Auto sales and service	15.800
11	7	Wallace & Wallace Chemical & Oil Corp., St. Albans, N.Y	Charles Wallace	1972	44	Fuel oil import and distribution	15.734
12	19	Commonwealth Holding Co., Inc., New York, N.Y	James H. Dowdy	1967	578	Manufacturing, retail/wholesale, real estate, general contracting.	15.534
13	9	Dick Gidron Cadillac, Inc., Bronx, N.Y	Richard D. Gidron	1972	75	Auto sales and service	15.500
14	21	Chioke International Corp., New York, N.Y	Christopher E. Chioke	1970	10	Marketing crude oil, cargo ships, oil tankers, defense equipment.	15.000
15	11	Wallace & Wallace Fuel Oil Co., Inc., St. Albans, N.Y	Charles Wallace	1968	35	Retail fuel oil sales	14.737
16	13	Mel Farr Ford, Inc., Oak Park, Mich	Mel Farr	1975	75	Auto sales and service	14.583
17	37	Micon Construction & Development Corp., Lynbrook, N.Y	Charles Peay	1972	25	General construction	13.902
18	17	Superior Ford, Inc., Minneapolis, Minn	Raymond A. Sykes	1975	75	Auto sales and service	12.653
19	52	Thacker Construction Co., Atlanta, Ga	Floyd O. Thacker	1970	134	Heavy construction, airport and highway	12.600
20	12	Porterfield Wilson Pontiac, Inc., Detroit, Mich	Porterfield Wilson	1970	75	Auto sales and service	12.387
21	21	Cocoline Chocolate Co., Brooklyn, N.Y	Leonard S. Halbert	1974	85	Manufacturer of chocolate and chocolate products	12.000
22	16	Seidel Chevrolet, Inc., Landover, Md	John C. Seidel	1974	58	Auto sales and service	11.935
23	20	Hopkins Chevrolet, Inc., Atlanta, Ga	William L. Hopkins, Jr	1975	90	do	11.521
24	15	Patmon Oldsmobile, Inc., Grosse Point Park, Mich	Willie J. Patmon	1976	56	do	11.500
25		Vanguard Oil & Service Co., Inc., Brooklyn, N.Y	Kenneth Butler	1970	40	Retail fuel oil distribution	11.407
26	18	S.T.R. Corp., Cleveland, Ohio	Steve Rogers	1965	112	Supermarkets	11.022
27	25	Al Jones Oil Corp., Jamaica, N.Y	Alfred A. Jones	1970	48	Wholesale/retail fuel oils	10.867
28	31	Essence Communications, Inc., New York, N.Y	Edward Lewis	1969	60	Publishing	10.500
29	30	Raleigh Guice Oldsmobile-Cadillac, Inc., Fairfield, Ohio	Raleigh T. Guice, Sr	1975	45	Auto sales and service	9.800
30	42	Longwood Lincoln-Mercury, Inc., Longwood, Fla	Elmer N. Lincoln	1975	50	do	9.700
31	47	Tyne's Chevrolet-Cadillac, Inc., Delaware, Ohio	Richard H. Tynes	1976	43	do	9.657
32	26	Century Chevrolet, Inc., Upper Darby, Pa	Robert L. Myers, Jr	1971	50	do	9.500
32	35	R. L. Dukes Oldsmobile, Inc., Chicago, Ill	Rufus L. Dukes	1971	45	do	9.500
34	29	Conyers Ford, Inc., Detroit, Mich	Nathan G. Conyers	1970	58	do	9.134
35	44	Pro-Line Corp., Carson, Calif	Comer J. Cottrell	1970	153	Cosmetics manufacturing	9.100
35	56	L. H. Smith Oil Corp., Indianapolis, Ind	Lannie H. Smith, Jr	1962	42	Wholesale/retail fuels and lubricants	9.100
37	21	Capitol City Liquor Co., Inc., Washington, D.C	Chester C. Carter	1970	59	Wine and liquor wholesale and import	9.000
37		McLaughlin Oldsmobile, Inc., Capitol Heights, Md	Joseph C. McLaughlin	1977	42	Auto sales and service	9.000
39	28	Ebony Oil Corp., Jamaica, N.Y	Lawrence J. Cormier	1955	47	Retail fuels and heating equipment	8.900
40	27	Skyland Pontiac, Inc., Inglewood, Calif	Cecil B. Willis	1975	36	Auto sales and service	8.850
41	62	Willie Davis Distributing Co., Los Angeles, Calif	Willie D. Davis	1970	57	Beer distribution	8.700
42	43	Sam Johnson's Metro Lincoln-Mercury, Inc., East St. Louis, Ill	Sam Johnson	1974	33	Auto sales and service	8.496
43	52	William Huff Ford, Inc., Manchester, Ga	William Huff III	1975	24	do	8.100
43	34	Jones & Artis Construction Co., Inc., Washington, D.C	Carl D. Jones	1972	250	Concrete construction, paving	8.100
45	33	Inner City Foods, Inc., Chicago, Ill	Garland C. Guice	1976	725	Fast food restaurants	8.032
46	21	Gourmet Services, Inc., Atlanta, Ga	Nathaniel R. Goldston III	1975	1,000	Contract food services	8.000
46		PF Industries, Inc., Bristol, R.I	Walter Collymore	1977	400	Manufacturer of rubber products	8.000
48	54	Inner City Broadcasting Corp., New York, N.Y	Pierre M. Sutton	1971	60	Broadcasting	7.742
49	39	Thomas Distributors, Inc., Chicago, Ill	Norman M. Thomas	1975	40	Beer distribution	7.600
50		Starnes Chevrolet, Inc., Lima Ohio	Elbert B. Starnes	1977	51	Auto sales and service	7.587
51	45	Bob Smith Chevrolet, Inc., Louisville, Ky	Robert W. Smith	1972	52	do	7.536
52	48	Jim Bradley Pontiac-GMC, Inc., Ann Arbor, Mich	James H. Bradley, Jr	1973	43	do	7.505
53	39	Sengstacke Enterprises, Inc., Chicago, Ill	John H. Sengstacke	1936	450	Publishing	7.500
54	90	True Transport, Inc., Newark, N.J	Leamon McCoy	1969	235	Trucking, truckstop	7.427
55	57	Delta Enterprises, Inc., Greenville, Miss	Charles D. Bannerman	1969	400	Diversified manufacturing	7.200
56	38	Parker House Sausage Co., Chicago, Ill	Daryl F. Grisham	1921	84	Sausage manufacturing	7.200
57	39	Bill Nelson Chevrolet, Inc., Richmond, Calif	William W. Nelson	1969	45	Auto sales and service	7.000
58	51	Urban Enterprises Corp., Chicago, Ill	Leon Jackson	1974	185	Manufacture of looseleaf binders, office specialities	6.950
59		Walton Buick-Opel, Inc., Medford, Mass	Roland J. Walton	1977	40	Auto sales and service	6.900
60	66	Gordon Buick, Inc., Philadelphia, Pa	Darrell R. Gordon	1972	28	do	6.830
61	46	Housing Innovations, Inc., Boston, Mass	Denis A. Blackett	1966	60	Construction, development and property management	6.699
62		Civic Ford, Inc., Canton, Ohio	Calvin L. Vinson	1977	41	Auto sales and service	6.626
63	78	American Development Corp., Charleston, S.C	W. Melvin Brown Jr	1972	130	Diversified manufacturing	6.500
63	50	Golden Bird, Inc., Culver City, Calif	Willie J. Stennis	1955	280	Fast food restaurants	6.500
63	83	Bob Harrison Ford-Mercury, Inc., Fayetteville, Tenn	Robert C. Harrison	1975	30	Auto sales and service	6.500
66		Yucca Valley Ford, Inc., Yucca Valley, Calif	William E. Shack Jr	1977	47	do	6.228
67	76	Foster Chemicals, Inc., Detroit, Mich	George H. Hill	1971	50	Manufacturing industrial chemicals	6.200
67	62	Statum Chevrolet, Inc., Salem, Va	Hayward S. Statum	1974	48	Auto sales and service	6.200
69	67	Bob Ross Buick, Inc., Richmond, Ind	Robert P. Ross	1974	52	do	6.153

This year	Last year	Company and location	Chief executive	Year started	Employees	Type of business	1978 sales[1]
70	49	Progress Investment Associates, Inc., Philadelphia, Pa	Frederick E. Miller	1968	190	Electronics manufacturing	5.051
71		Broadcast Enterprises Network, Inc., Philadelphia, Pa	Ragan A. Henry	1974	115	Radio station ownership and management	6.000
72		Kearney Oldsmobile-Cadillac-GMC, Inc., Williamsburg, Va	James A. Kearney	1977	32	Auto sales and service	5.861
73	62	D.P.S. Protective Systems, Inc., New York, N.Y	Dale R. Michael	1974	1,100	Security service	5.800
74	65	Pittsburg Ford, Inc., Pittsburg, Calif	LaRoy S. Doss	1974	33	Auto sales and service	5.758
75	92	Horace Noble Lincoln-Mercury, Inc., Chicago, Ill	Horace Noble	1970	47	do	5.700
76		Petty Management Co., Chicago, Ill	Herman Petty	1972	332	Fast food restaurants	5.553
77		Bob Higgins Lincoln-Mercury, Inc., Texas City, Tex	Robert L. Higgins	1977	19	Auto sales and service	5.550
78	77	Mercer Cadillac, Inc., Alton, Ill	Calvin Mercer	1973	22	do	5.514
79	97	Tombs & Sons, Inc., Bonner Springs, Kansas	Leroy C. Tombs	1971	600	Food, janitorial, and security services	5.500
80	88	Trans-Bay Engineers & Builders, Inc., Oakland, Calif	Ray Dones	1966	35	General contracting and engineering	5.402
81	32	T.W.O./Hillman's Corp., Chicago, Ill	Lawrence W. Carroll	1970	60	Supermarkets	5.383
82	89	Earl G. Graves, Ltd., New York, N.Y	Earl G. Graves	1970	70	Communications	5.290
83	98	Wayne Russell Ford, Inc., Angleton, Tex	A. Wayne Russell	1975	21	Auto sales and service	5.255
84	78	The Keys Group, Detroit, Mich	Brady Keys Jr	1968	500	Fast food restaurants	5.200
85	100	H. F. Henderson Industries, West Caldwell, N. J	Henry F. Henderson Jr	1954	51	Manufacture of controls, weight scales	5.124
86	73	All-Stainless, Inc., Hingham, Mass	Eugene V. Roundtree	1952	56	Stainless steel industrial distribution	5.035
87	85	Beauchamp Distributing Co., Los Angeles, Calif	Patrick L. Beauchamp	1971	26	Beer distribution	5.025
88	68	B&T Metals Co., Columbus, Ohio	Lawrence J. Tolbert	1930	200	Metal fabrication	5.000
89	70	White Buick, Inc., Manchester, N. H	Luther J. White	1974	25	Auto sales and service	4.975
90		Ascension Chemical of America Corp., Tonawanda, N.Y	Jesse Jackson	1972	30	Manufacture of aluminum chloride	4.872
91		Berg Chemical Co., Inc., Bronx, N.Y	James Richards	1971	56	Distributor of industrial chemicals	4.674
92	94	The Afro-American Co., Baltimore, Md	John H. Murphy III	1892	180	Newspaper publishing	4.600
92	87	C. H. James & Co., Charleston, W. Va	Charles H. James II	1883	31	Wholesale food products	4.600
94	61	Bob Neal Pontiac-Toyota, Inc., Chicago, Ill	Robert P. Neal	1966	30	Auto sales and service	4.549
95	78	D & H Tire Service Co., Kansas City, Kans	Luther D. White	1965	65	Tire sales and service	4.500
95		Kennedy Lincoln-Mercury, Inc., Columbus, Ind	Franklin D. R. Kennedy	1977	20	Auto sales and service	4.500
97		H. A. DeCosta Co., Charleston, S. C	Herbert A. DeCosta Jr	1919	53	General contracting	4.396
98	96	Royal Ridge Management Co., Inc., Cleveland, Ohio	Narlie Roberts	1970	200	Fast food restaurants	4.384
99		M & M Products Co., Inc., Forest Park, Ga	Cornell McBride	1973	65	Manufacture and distribution of hair care products	4.240
100	74	Syphax Enterprises, Washington, D.C	William T. Syphax	1969	60	Construction and property management	4.200

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[1] As of Dec. 31, 1978, in million dollars to nearest thousand.

BANKS

Bank and location	Chief executive	Year started	Employees	Assets[1]	Deposits[1]	Loans
1. Independence Bank of Chicago, Chicago Ill	Alvin J. Boutte	1964	95	75.997	59.815	26.833
2. Seaway National Bank of Chicago, Chicago, Ill	Richard K. Pearson	1965	120	74.881	62.295	36.781
3. Industrial Bank of Washington, Washington, D.C	B. Doyle Mitchell	1934	78	61.851	49.328	24.562
4. United National Bank of Washington, Washington, D.C	Samuel L. Foggle	1964	70	59.205	31.000	20.000
5. Freedom National Bank of New York, New York, N.Y	Sharnia Buford	1964	67	55.528	39.119	16.091
6. First Independence National Bank of Detroit, Detroit, Mich	William R. Bailey	1970	62	51.822	49.363	22.619
7. Citizens Trust Bank, Atlanta, Ga	I. Owen Funderburg	1921	65	50.243	41.621	15.079
8. Mechanics & Farmers Bank, Durham, N.C	J. J. Sansom Jr	1908	79	46.676	42.198	19.839
9. First Bank National Association, Cleveland, Ohio	John H. Bustamante	1974	60	40.807	32.328	20.556
10. Highland Community Bank, Chicago, Ill	George R. Brokemond	1970	49	32.393	27.650	20.140
11. Consolidated Bank & Trust Co., Richmond, Va	Vernard W. Henley	1903	56	32.181	27.636	17.805
12. The Douglas State Bank, Kansas City, Kans	Gerald W. Hall	1947	34	31.329	25.000	19.780
13. Liberty Bank & Trust Co., New Orleans, La	Alden J. McDonald, Jr	1972	53	31.257	27.466	17.563
14. First Enterprise Bank, Oakland Calif	Lloyd A. Edwards	1972	52	30.445	28.921	12.252
15. South Side Bank, Chicago, Ill	Thomas P. Lewis	1973	43	29.880	28.431	11.571
16. Tri-State Bank of Memphis, Memphis, Tenn	Jesse H. Turner, Sr	1946	59	28.254	25.672	10.044
17. Bank of Finance, Los Angeles, Calif	Vernal Claiborne	1964	58	26.683	24.932	17.576
18. Midwest National Bank, Indianapolis, Ind	John P. Kelly, Jr	1972	32	26.449	24.798	13.448
19. City National Bank of New Jersey, Newark, N.J	Charles L. Wingham	1973	30	24.996	20.866	5.549
20. Gateway National Bank of Chicago, Chicago, Ill	George Kobler	1957	23	21.602	10.224	2.151
21. Gateway National Bank, St. Louis, Mo	David B. Harper	1965	33	20.322	15.322	6.017
22. Riverside National Bank, Houston, Tex	Carl M. Carroll, Jr	1963	29	19.300	16.391	7.811
23. First Plymouth National Bank, Minneapolis, Minn	John M. Warder	1969	32	16.952	15.174	9.492
24. Liberty Bank of Seattle, Seattle, Wash	James C. Purnell	1968	17	16.828	15.690	5.611
25. Unity Bank & Trust Co., Roxbury, Mass	Theodore S. Wilkins	1968	31	16.695	14.602	7.380
26. Citizens Savings Bank & Trust Co. Nashville, Tenn	Richard A. Lewis	1904	22	16.578	15.344	8.235
27. Carver State Bank of Savannah, Savannah, Ga	Robert E. James	1927	23	14.093	12.661	8.566
28. American State Bank, Portland, Oreg	Venerable F. Booker	1969	14	12.512	11.497	3.690
29. Atlantic National Bank, Norfolk, Va	Charles M. Reynolds, Jr	1971	25	11.655	9.112	6.161
30. First State Bank, Danville, Va	L. Wilson York	1919	14	11.395	9.897	4.957
31. American State Bank, Tulsa Okla	Leroy Thomas, Sr	1970	19	11.286	10.199	3.445
32. Greensboro National Bank, Greensboro, N.C	Robert S. Chiles, Sr	1971	16	10.855	9.464	4.005
33. North Milwaukee State Bank, Milwaukee, Wis	Gerard S. Hankins	1971	14	9.847	9.055	2.511
34. Guaranty Bank & Trust Co., Chicago, Ill	Harold Algar	1972	21	9.809	8.571	4.583
35. Community Bank of Lawndale, Chicago, Ill	Cecil C. Butler	1977	14	9.766	7.893	4.403
36. Medical Center State Bank, Oklahoma City, Okla	Wilbert Johnson	1973	23	9.524	8.604	4.672
37. New World National Bank, Pittsburgh, Pa	James E. Saunders	1975	16	9.179	6.576	2.505
38. Continental National Bank of Kentucky, Louisville, Ky	V. Joseph Shipman	1976	15	9.085	7.868	4.094
39. Unity State Bank, Dayton, Ohio	Ralph C. Jones	1970	16	8.087	7.508	3.031
40. Commonwealth National Bank, Mobile, Ala	C. Vernon Blackwell	1976	17	7.621	6.241	3.108
41. Peoples National Bank of Springfield, Springfield, Ill	Richard H. Rush	1970	12	7.515	6.734	4.421
42. Victory Savings Bank, Columbia, S. C	Henry C. Monteith	1921	7	6.834	5.032	1.160
43. First Prudential Bank, West Palm Beach, Fla	Ray Bone	1974	18	6.610	5.648	2.993
44. King State Bank, Houston, Tex	Tom Morrison	1975	18	6.335	5.674	2.786
45. Century National Bank, Jacksonville, Fla	Melvyn L. White	1976	16	6.313	5.766	3.108
46. Pacific Coast Bank, San Diego, Calif	David N. Geiger	1973	15	5.750	5.380	4.110
47. The Community Bank of Nebraska, Omaha, Nebr	Leon E. Evans, Jr	1973	10	5.735	5.214	2.674
48. United National Bank, Fayetteville, N.C	L. Bradford Morton, Jr	1976	14	3.961	3.414	2.013
49. Prince George's State Bank, Glenarden, Md	Joseph Gyau	1978	8	2.397	1.721	.451

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[1] In million dollars, to nearest thousand. Ranked by total assets as of Dec. 31, 1978.

SAVINGS AND LOANS

Association and Location	Managing officer	Year started	Employees	Assets [1]	Savings capital [1]	Loans [1]
1. Family Savings & Loan Association, Los Angeles, Calif	Robert E. Bowdoin	1948	83	80.055	53.600	61.707
2. Carver Federal Savings & Loan Association, New York, N.Y	Richard T. Greene	1948	53	78.196	69.190	65.964
3. Illinois/Service Federal Savings & Loan Association of Chicago, Chicago, Ill.	Louise Q. Lawson	1934	38	72.849	68.043	65.024
4. Broadway Federal Savings & Loan Association, Los Angeles, Calif	Elbert T. Hudson	1946	45	55.316	52.002	48.040
5. Independence Federal Savings & Loan Association, Washington, D.C	William B. Fitzgerald	1968	30	50.070	40.737	41.645
6. Founders Savings & Loan Association, Los Angeles, Calif	Peter W. Dauterive	1974	45	36.336	28.197	25.693
7. Citizens Federal Savings & Loan Associaton, Birmingham Ala	H. J. Willis	1957	16	25.086	23.093	19.063
8. Home Federal Savings & Loan Association, Detroit, Mich	Wilburn R. Phillips	1947	18	24.051	21.489	21.439
9. Advance Federal Savings & Loan Association, Baltimore, Md	W. O. Bryson	1957	21	23.441	18.323	20.078
10. Mutual Federal Savings & Loan Association of Atlanta, Atlanta, Ga	Fletcher Coombs	1925	14	23.105	21.171	18.967
11. United Federal Savings & Loan Association, New Orleans, La	Samuel O'Neal	1964	11	23.001	19.700	20.283
12. Community Federal Savings & Loan Association, Washington, D.C	Orlando W. Darden	1974	15	21.616	18.744	19.568
13. First Federal Savings & Loan Association of Scotlandville, Baton Rouge, La	L. L. Eames	1956	8	18.680	15.537	13.983
14. Allied Federal Savings & Loan Association, Jamaica, N.Y	Howard R. Dabney	1958	17	18.525	15.696	16.158
15. Mutual Savings & Loan Association, Durham N. C	F. V. Allison Jr	1921	9	16.140	13.808	14.045
16. Enterprise Savings & Loan Association, Long Beach, Calif	Cornell R. Kirkland, Sr	1963	14	14.200	12.800	11.900
17. Berean Savings & Loan Associaton, Philadelphia, Pa	I. Maximillian Martin	1888	12	12.044	9.925	9.817
18. American Federal Savings & Loan of Greensboro, Greensboro, N. C	Albert S. Webb	1959	7	11.679	10.191	10.241
19. New Age Federal Savings & Loan Association, St. Louis, Mo	A. C. Phillips	1915	7	11.638	10.625	7.958
20. Quincy Savings & Loan Co., Cleveland, Ohio	Ray C. Bobo	1953	8	11.508	8.361	9.399
21. Peoples Savings & Loan Association, Hampton, Va	John E. Coles	1889	11	11.202	9.627	9.631
22. Tuskegee Federal Savings & Loan Association, Tuskegee Institute Ala	Richard R. Harvey	1894	4	10.892	10.080	9.474
23. Berkley Citizens Mutual Savings & Loan Association, Norfolk, Va	Elbert Stewart	1913	10	9.754	8.562	8.101
24. Standard Savings Association, Houston, Tex	Mack H. Hannah, Jr	1959	11	9.714	8.732	7.482
25. Major Federal Savings & Loan Association, Cincinnati, Ohio	Pauline Strayhorne	1921	10	9.685	8.365	7.698
26. Connecticut Savings & Loan Association, Hartford, Conn	John A. Hogan	1968	8	9.153	8.339	7.621
27. Community Federal Savings & Loan Association of Nashville, Nashville, Tenn.	Alfred C. Galloway	1962	4	8.486	7.067	6.167
28. Washington Shores Federal Savings & Loan Association, Orlando, Fla	Charles J. Hawkins	1963	7	7.513	5.936	6.632
29. State Mutual Federal Savings & Loan, Jackson, Miss	James E. Davis	1955	5	7.432	6.247	6.060
30. Union Mutual Savings & Loan, Richmond, Va	Garfield F. Childs	1961	8	7.379	5.798	6.414
31. Columbia Savings & Loan Association, Milwaukee, Wis	Thalia B. Winfield	1924	7	7.145	5.999	6.326
32. Dwelling House Savings & Loan Association, Pittsburgh, Pa	Robert R. Lavelle	1890	5	6.797	5.590	6.118
33. Community Federal Savings & Loan Association of Tampa, Tampa, Fla	James T. Hargrett, Jr	1967	7	6.292	5.096	5.655
34. Gulf Federal Savings & Loan Association of Mobile, Mobile, Ala	H. Leroy Davis	1964	5	5.591	5.140	4.531
35. Magnolia Federal Savings & Loan Association, Knoxville, Tex	John W. Harshaw	1973	4	3,706	2,737	3.020
36. Community Savings & Loan Association, Newport News, Va	George N. Miller, Jr	1957	5	2.981	2.807	2.549
37. Ideal Savings & Loan Association, Baltimore, Md	E. Gaines Lansey	1962	4	2.922	2.455	2.735
38. Imperial Savings & Loan Association, Martinsville, Va	W. B. Muse Jr	1929	4	2.766	2.567	2.331
39. Morgan Park Savings & Loan Association, Chicago, Ill	Adele White	1921	4	2.208	1.892	1.820
40. United Savings & Loan Association of Gary, Gary, Ind	J. Cameron Wade	1975	1	.467	.324	0.000

[1] In million dollars, to nearest thousand. Ranked by total assets as of Dec. 31, 1978.

THE RETIREMENT OF KAY FOLGER

● Mr. COCHRAN. Mr. President, the State Department stands to suffer a severe blow this week. Not from foreign sabotage or from intervention by hostile forces in a foreign country, but from the retirement of Kay Folger from Congressional Relations.

In fact, Mr. President, we all will feel the effect of Kay's departure. I know that I certainly shall. During my three terms in the House and during the 6 months that I have been in the Senate, Kay has been an invaluable ally and source of assistance. More importantly, she has been a good friend, to me and to many others in the Congress, and it will be very difficult to replace her.

Kay has been with the State Department as a Legislative Management Officer in Congressional Relations since October 1961. Her value and ability are reflected by the fact that for 14 years—up until about 16 months ago—she handled Congressional Relations for the Middle East. Surely there has been no more demanding an assignment than that.

I will miss Kay, and I am sure that I speak for many of my colleagues when I say that I wish her well and hope to see her often in the future.●

SENATOR GLENN'S AIDE NAMED TO BOARD OF TRUSTEES OF WILLIAMS COLLEGE IN MASSACHUSETTS

● Mr. KENNEDY. Mr. President, I would like to congratulate Reginald E. Gilliam, Jr., legislative counsel to my distinguished colleague from Ohio, Senator GLENN, on his recent appointment to a 3-year term on the board of trustees of Williams College in Williamstown, Mass.

Mr. Gilliam was a very distinguished political science and law professor and administrator at Williams prior to joining Senator GLENN in 1975. He is the author of a widely acclaimed text on black political development and is a graduate of Harvard Law School. In his 4 years with Senator GLENN, Mr. Gilliam has performed the vital staff duties attendant to Senator GLENN's outstanding legislative activities in civil rights, school desegregation, EEOC reorganization, Arson-for-Profit, transportation regulatory policy, and minority business development.

Williams College, under the fine leadership of President John W. Chandler has made an excellent addition to its board and continues its great tradition of attracting and utilizing some of the best minds in the Nation as students, faculty, administrators and trustees.●

COMPENSATION CLAIMS FROM NUCLEAR TESTING IN THE FIFTIES

● Mr. HUMPHREY. Mr. President, today I want to commend Senator ALAN CRANSTON, the distinguished chairman of the Senate Veterans' Affairs Committee, for holding a hearing last Wednesday on the problem of compensation claims arising out of the nuclear weapons testing during the fifties. Some soldiers were exposed to unsafe levels of radiation and fallout during these weapons tests.

Senator CRANSTON has taken positive steps in investigating this serious problem. Even before the hearing on Wednesday, June 20, he has spurred action by several Government agencies to assist veterans in the claims process.

These positive steps include his urging the Department of Defense and the Department of Energy to review the classified documents that relate to personnel participation and radiation measurement of those personnel at the nuclear tests. This documentation will assist veterans in their claims to receive disability compensation.

Senator CRANSTON has also recommended to the DOD and DOE that they reconstruct radiation exposure records where documentation is sparse for individuals exposed during these tests. This is a necessary step.

These measures will go a long way in assisting veterans in their claims.●

NATIONAL JOGGING DAY

● Mr. MORGAN. Mr. President, I am pleased to rise in support of two resolutions that will be offered by the distinguished Senator from South Carolina (Mr. THURMOND) and will be considered by the Senate Committee on the Judiciary at its next business meeting.

The resolutions that will be offered are in commemoration of National Jogging Day which will be held on October 13 of this year.

Jogging is becoming an important part

of the lifestyle of over 25 million Americans in all 50 States of our Nation. I sincerely believe that the current interest in jogging and running does not come as a fad, but as a serious expression of many individuals in physical fitness. My evidence for this comes from the fact that many Americans, myself included, continue to jog for many years, not for just a short duration.

In fact, Mr. President, I have been fortunate to have jogged in many famous locations, including around Buckingham Palace, the walls of the Kremlin, and around the walls of the Emperor's palace in Toyko. I would like to note that even our President was not able to achieve this latter feat on his current trip to Tokyo for the economic summit. Though I am told that he wanted to.

Mr. President, I have been jogging for over 10 years. My personal interest in this sport is shared by many of my fellow North Carolinians. Currently, many road races in my home State are attracting several thousand participants. Major races include the Charlotte Marathon, the Raleigh Road Race, and many others. Many key public officials in North Carolina participate in jogging, including our Governor, Jim Hunt.

On National Jogging Day last year, races were held in many parts of North Carolina and the Nation. Here in Washington, a half marathon—13.1 miles—attracted over 2,000 participants. I suspect that a similar event this year will attract even more runners.

Mr. President, I find it highly appropriate that the Congress recognize the importance of jogging in American life by passage of these resolutions. I certainly am pleased to offer my full support and I hope that both Houses of Congress will expeditiously act to give this day the important recognition it deserves.●

DEATH OF FERENC NAGY

● Mr. LUGAR. Mr. President, the recent death of Ferenc Nagy, the last free Prime Minister of Hungary, prompted many public expressions of praise for his dedicated service to his homeland and to the world. Many more Americans remembered quietly and gratefully the lessons learned from this great man who spent the last 32 years of his life in exile in this country, writing and teaching from the depth of his wisdom and experience.

One especially poignant tribute was delivered at Ferenc Nagy's funeral by Dr. Janos Horvath, a distinguished professor of economics at Butler University in Indianapolis, who served in the Hungarian Parliament while Nagy was Prime Minister from 1945–47. I want to share Dr. Horvath's beautiful eulogy with my colleagues, and I ask that it be printed in the Record.

The eulogy follows:

Eulogy to Ferenc Nagy

(By Dr. Janos Horvath)

Ferenc Nagy's farewell to life is a milestone, not the journey's end for a remarkable human being. From Bisse in Transdanubian Hungary to Herndon in Virginia, he traveled far and long, himself touching the zenith and touching the careers of many at the zenith all over the globe.

Throughout half a century his impact on human events has been recorded in archives, reported by journalists, assessed by policy makers, and analyzed by historians. Henceforth history claims him. But no! The domain of history shall have to share Ferenc Nagy with posterity, with ever-present future.

In Hungary, he will continue to shed light on the journey of national existence whenever new crossroads of soulsearch impend. In the United States of America, vintages of future leaders will be more knowledgeable, more principled, and more compassionate because of learning from the statesman-teacher Dr. Nagy.

I am one of the thousands of American university professors who had the privilege of introducing Ferenc Nagy to students, to hundreds of thousands. On the forum of festive mass convocations, or delivering formal lectures in classrooms, or around fraternity-sorority fireplaces, he communicated with audiences and individuals masterfully. A charismatic speaker at mass meetings, yet he was perhaps more engaging in conducting measured and cool analysis amidst the brightest students and faculty in a seminar room.

His stay on university campuses, sometimes stretching over a whole term of Visiting Professorships, amounted to unparalleled experience in the life of many. Barred from serving his people within Hungary, he undertook to serve them by serving the people of America and the whole world by planting himself into the minds and hearts of all mankind. He knew, and I know, as well as everyone knows around this coffin that the seeds that this good farmer planted are to sprout to bring forth new life in his image.

Ferenc Bátyám, foldim, testvérem, tanítóm, apám, vezérem, sorstársam, barátom a sírig és azon túl—Isten Veled, Isten Velünk.●

RETIREMENT OF KAY FOLGER

● Mr. STEVENSON. Mr. President, I cannot let the occasion of Kay Folger's retirement from the Congressional Liaison Office of the State Department go by without a personal word of admiration and appreciation for all she has done since she came to Washington almost three decades ago.

In her first Washington incarnation, she was for 7 years the invaluable head of the Speakers' Bureau at the Democratic National Committee. She knew her United States, her candidates, and her speakers so well that she never once sent the wrong speaker into the wrong district. Her assistance to my father in his Presidential campaigns was enormous. I could wish that his efforts—and hers—had been crowned with greater success.

Since 1961 she has been a completely apolitical State Department official concerned with all the Members of the Congress. Her wise counsel, complete integrity, high standards, and long experience have been available—and invaluable—to us all. I doubt there is anyone on either side of the aisle who would disagree with this.

We all owe her a debt of gratitude for what she is and what she has done for us. She has handled routine "chores" as well as difficult and delicate special assignments, and she has handled them all in a completely nonpartisan way with tact and great skill. We shall miss her, and her advice and counsel; we wish her well as she returns to her beloved North Carolina.●

"ONE SMALL STEP": A DECADE LATER

● Mr. DOLE. Mr. President, in less than a month this Nation will celebrate the 10th anniversary of man's first step upon the Moon.

In 1969, when Neil Armstrong became the first man to set foot on that barren place, he spoke for the entire world in calling it "One small step for man, one giant leap for mankind."

Then and since, the United States has played the leading role in the development of space and space technology. Unfortunately, many have forgotten this role. Even worse, many fail to see the need to take further steps in the wake of those taken by Neil Armstrong 10 summers ago.

BENEFITS OF SPACE

In the 18 years since Americans began traveling in space, this country has benefited from thousands of technological innovations. Today, we educate the world with our communication satellites, prospect for oil with our land resource satellites, keep the frozen tundra underlying the massive Alaska pipeline stable with heat pipes developed from space age technology. Over 30,000 damaged hearts each year are being diagnosed by computers. Better lubricants, more powerful solar cells, more efficiently designed railroad cars—all of these advancements owe their existence to the U.S. space program.

U.S. "FIRSTS"

Besides putting the first man on the Moon, the United States has launched the first orbiting solar observatory. We were the first to gather data from Venus. We were the first to have lunar solar closeup transmissions, pictures of Mars, Venus, and Jupiter, and color pictures of the Earth's surface.

We sent the first radiotelescope to the far side of the Moon and made the first accurate measure of the planet on which we all live. The "firsts" Mr. President, are too numerous to mention.

Those firsts have provided us with enhanced weather prediction, navigation capability, defense missile detection, and nuclear explosion detection. They have allowed us to more accurately analyze and pinpoint needed Earth resources.

And, limitless as the benefits from the NASA program are, their economic roots go just as deep. For instance, the NASA program boosts our economy by employing over 150,000 workers in the program. Unfortunately, a decrease in funds allocated for the NASA program have reduced this job capability to a quarter of what it was in 1966. In 1966, the U.S. expenditures for the NASA program reached a peak of $7.7 billion. Since then, it has been cut to $6.5 billion, comprising only about one-third of 1 percent of our gross national product.

NASA MUST CONTINUE

Mr. President, earlier this year I joined with Senator SCHMITT, a former astronaut, in introducing a bill to continue the space exploration and technological advancements of the United States.

I believe, Mr. President, that aerospace research and development is the best opportunity of innovation that this Nation has to help us combat problems of disease, famine, and drought. Our military and energy problems can also feel beneficial effects from a vigorous space technology.

America should turn her motivations toward such technologies and direct its resources to a revitalization of our space exploration and development.

FUTURE OF THE SPACE PROGRAM

Shortly after Apollo 11 made history in that momentus summer of 1969, it was Frank Borman who said:

> Why do this? Why spend all this money on space exploration when our cities are decaying, when people are hungry and we have all these miseries here on Earth? In my 7 years with NASA, the Apollo has come from a nothing concept to the most miraculous machine that has ever been built. The genius that produced it is essentially America. The technology and that capability is transferable into every phase of life.

The words still ring true. The challenges are still immense. The potential is still great. I only hope our national will is still predominant, our courage and our optimism still indomitable.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF A GIFT OF TRAVEL FROM A FOREIGN EDUCATIONAL ORGANIZATION

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics has received a request for a determination under rule 43 for the following to participate in a program sponsored by a foreign education organization, Soochow University, Taipei, Taiwan, from June 29 to July 7, 1979: Elvira J. Orly of Senator HAYAKAWA's staff, Ronald L. Tammen of Senator PROXMIRE's staff, Mike Packard of Senator DOLE's staff, Edward C. Furtek, Jr., of Senator GLENN's staff, Mark Edelman of Senator DANFORTH's staff and Dave Holliday of Senator BOREN's staff. It has been determined that travel by the above named, at the expense of the university, is in the interest of the Senate and the United States.

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NO-WIN SITUATION

● Mr. HUMPHREY. Mr. President, it would seem axiomatic that when the Federal Government mandates programs for the respective States which require the States to expend funds for the operation or maintenance of such programs, the Federal Government should, at least, reimburse the States for those programs.

It is a question of simple equity, providing the Federal Government has not made direct grants to help finance the programs.

The genius of our traditional Federal-State relationship, established by our Constitution, has been so eroded over the past decades that the States have become veritable subdivisions of the Federal Government.

Largely against their will, the States are continually forced to embark on bureaucratic programs which compel an increase in their State expenditures without a commensurate increase in their Federal grants. And in many cases the States are inhibited in the amount of taxes that they can levy.

It is a no-win situation.

The legislature of the State of New Hampshire, with admirable clarity, has pinpointed a problem which faces all the 50 States.

It has enacted a resolution which appeals to the Congress, as well as the executive branch to recognize the continued inequity of these programs, and I herewith submit it for printing in the Record.

The resolution follows:

A Resolution

Whereas, the federal government of the United States, by actions of both the legislative branch and the executive branch, requires the states to implement new programs and provide increased levels of service under existing programs; and

Whereas, in order to implement new programs and provide increased levels of service as required by the federal government, the states must incur significant costs which must be paid for out of state revenues, existing or to be raised by the imposition of additional taxes; and

Whereas, there exists, throughout the United States, a growing resentment of the heavy burden of taxation and an active rejection of existing and proposed levels and methods of revenue raising; and

Whereas, the public outcry against taxation makes it increasingly difficult for the states to raise the revenues necessary to finance the programs and services which the states are required to provide by the federal government; and

Whereas, it is a matter of simple equity that a level of government which establishes programs or services in the public interest should provide the means for financing those programs and services; now, therefore, be it

Resolved by the senate, the house of representatives concurring,

That the legislature of the state of New Hampshire respectfully memorializes the President and the Congress of the United States to undertake such actions as may be necessary to ensure that the federal government reimburses each state for all costs incurred with respect to implementing new programs or providing increased levels of service under existing programs pursuant to any law enacted by the United States congress after January 1, 1980, or any executive order or regulation issued by the President of the United States after January 1, 1980; and be it further

Resolved, that the clerk of the senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each senator and representative from New Hampshire in the Congress of the United States.●

AMTRAK AUTHORIZATION BILL

● Mr. STONE. Mr. President, I have joined with 18 other Senators in cosponsoring Senator Frank Church's amendment No. 238 to S. 712, the Amtrak authorization bill. I urge other Senators who have doubts about the wisdom of the service curtailments proposed for Amtrak by the Department of Transportation to join in our effort to put a stop to this plan which, unless blocked, will go into effect on October 1st.

The present fuel shortage has not had many bright spots, but its timing may prevent the Government from making a serious mistake in ordering cut-backs on train service which are not justified in terms of current ridership or loss per passenger mile statistics and which may be folly in light of future limitations on fuel availability.

We know from the 1973–74 oil embargo that people will ride trains to save fuel or to save themselves aggravation in obtaining fuel. The Department of Transportation recognized that too in its Preliminary Report of May 1978, on the Amtrak route restructuring when it stated:

> The passenger train, if it is operated well and if it carries a reasonable number of passengers, is energy efficient. The 1973–74 fuel crisis demonstrated that the American people will ride trains when automobile fuel is in short supply.
>
> We probably will reach a time when supplies will be permanently limited. In the meantime, we must work at improving the Amtrak system and its operations so that the American people will, when the time comes, have available an energy efficient alternative.

The statement also reveals that the DOT, contrary to its more recent pronouncements, does not really believe trains are energy wasters.

Since the January 31 report was issued, the DOT has taken every opportunity to label Amtrak as energy inefficient. Obviously if you base your figures on a train that has 20-year-old equipment, creeps along at average of 40 miles per hour, is routed to avoid some major population centers and because of these factors has low ridership, you would come to the conclusion that automobiles are more fuel efficient than trains. However, I do not think this is a fair evaluation. The potential for fuel savings if train ridership were encouraged by modern, fast equipment with available appropriate urban scheduling is substantial.

Ridership figures on Amtrak have jumped dramatically during the first half of this fiscal year. Comparing the period October 1977 to March 1978 with October 1978 to March 1979, riders on the New York to Florida trains increased by nearly 63,000—a 20.5 percent increase. Riders on the Floridian during the same period increased by 8,500—a 14.2 percent increase.

To counteract the publicity about sold out conditions on Amtrak, the DOT recently requested Amtrak to focus on one week in May. DOT probably wishes it had not ordered the analysis in light of what those figures show. Amtrak did a route-by-route analysis of most routes slated for discontinuance. Nearly every train showed increases over that same week last year in number of riders and average trip length. The Floridian experienced a 12.5 percent increase in ridership. The average length of the trips passengers have been taking on the Chicago to Florida train is up 27.5 percent. This is especially remarkable for this train which has some of the oldest equipment, slowest average speed and one of the poorer ontime records in the system. The Silver Meteor—New York to Florida—experienced an 11.2 percent increase in ridership during the third week in May; average trip length remained about the same. The Champion—New York to Florida—had a 16.4 percent increase in ridership during the test period; average trip length increased by 15 percent. The passenger mile per train mile (PM/TM), figures—a measure used by DOT to measure train utilization—have increased for May for all three Florida trains: 43.3 percent for the

Floridian, 11 percent for the Silver Meteor, 34 percent for the Champion. Two of the trains, the Meteor and Floridian surpassed the PM/TM projections that DOT had made for them for fiscal year 1980. In fact, of the 12 trains examined, during May all but two surpassed the DOT predictions as to their performance during the next fiscal year. All but two of the trains experienced ridership gains and of those two, one has had service disruptions because of track work which probably explains the decrease.

System-wide figures for May show a 127.8 percent increase in the number of reservations, and the number of people denied space due to sold-out conditions jumped an amazing 1,011.5 percent over May of 1978. Nearly 7 million calls were placed to Amtrak reservations offices during May of 1979, a 301.8 percent increase over the preceding May. System-wide ridership is up nearly 20 percent and total sales are up from $26.7 million to $36.1 million—+27.7 percent.

If we are serious about tackling our energy problems, we must be prepared to make long-term plans. Amtrak, as presently constituted, is ill-equipped to meet the transportation needs of our Nation, but if properly rehabilitated with an adequate amount of modern equipment, it could be an energy saver. Even in its present condition with old equipment, slow speeds and poor ontime performance, people will ride trains. The DOT report seems designed to discourage riders on many routes. Rather than building on the energy savings potential of the train, DOT harps on the present situation. It is this type of thinking that has made it difficult for the Nation to formulate either a national transportation policy or a long-range national energy policy. Committing large sums of money is particularly difficult these days but unless we are willing to make investments now in our future, we will pay an even bigger price tomorrow.

Mr. President, I hope my colleagues will not let this DOT proposal go into effect. Already DOT is pulling back from its original plan and backing additional funds for Amtrak in fiscal year 1980. No one can predict what the next few months will hold for the availability of fuel or the demand for Amtrak, nor can anyone translate these uncertain times into predictions for the coming years. Given all the uncertainties I believe it is wiser not to make any drastic changes in the Amtrak system, but rather to continue to provide Amtrak with all the tools we can to help it fulfill its promise while we formulate a more comprehensive solution to our energy and transportation needs.●

INSURING EQUAL REPRESENTATION

● **Mr. DURENBERGER.** Mr. President, I would encourage my colleagues to read an editorial from a Minnesota newspaper, the Princeton Union-Eagle, written by the Honorable Elmer Andersen, former Governor of Minnesota. The Governor reminds us that the issue of redrawing the boundaries of State and congressional electoral districts will soon be on the agendas of State legislatures.

Within a few months, the 1980 census will begin and the population figures that will serve as a basis for congressional reapportionment will be gathered by the Census Bureau.

It is essential that everyone be counted and that the congressional districts drawn on the basis of that count be as fair as possible. "Fairness" means that the electoral districts must be drawn so that each voter's ballot will count equally.

Under our present system of redistricting, fairness is not assured. Congressional district lines, in too many States, are drawn to protect incumbent Congressmen and their political parties. They are drawn to dilute the voting strength of minorities and to underrepresent legitimate geographic and socioeconomic interests. Gerrymandering lessens the competition between political parties; it diminishes the incentive for parties to offer their best candidates; it prevents fair representation of diverse interests. It robs individual citizens of their right to representation.

The Committee on Government Affairs recently held hearings on S. 596, the Antigerrymandering Act. I am a cosponsor of that bill, because it would establish national standards for drawing the boundaries of congressional districts and it would require an independent citizen commission to develop the reapportionment plan.

A plan similar to that of S. 596 was recommended in Minnesota in 1972 by the Minnesota Constitutional Study Commission. Former Governor Andersen served as chairman of that commission. This year, the Minnesota legislature came close to enacting the commission's recommendations, but differences between the house and senate versions could not be reconciled before the session ended. Governor Quie has set enactment of a redistricting bill as a top legislative priority for the next session. If the Minnesota legislature enacts such a law, it would join a handful of States that are striving to insure that the basic tenet of democracy—the right to equal representation—will be protected.

The editorial follows:

"Only Once Every 10 Years"

It is the essence of representative government that the representatives be honestly and equitably chosen. One important part of that process in Minnesota is the reapportioning of legislative districts after each 10-year census. Next year is census year so in 1981 it will be incumbent upon our legislature to recast our legislative districts to reflect shifts in population.

In the legislative session just ended bills were considered to place the reapportioning job in a commission created for the purpose. Different proposals received favorable consideration but no consensus was achieved and no bill passed. A constitutional study commission which included several legislative leaders was unanimous in recommending that such a commission be created.

Our last reapportioning was done by computer under court jurisdiction as a result of problems over acts passed by the legislature. The result was equity in population but insensitivity to keeping legislative districts as nearly as possible coincident with other units of government. Some districts were established with parts of several counties, as our Senate district, instead of trying to follow county and municipal boundaries.

Some concern has been expressed at putting political party officials on the commission. It should be recognized that this political arrangement and people with experience in elections are well equipped to know some of the practical problems and how to cope with them.

There is a move in Congress to pass a federal law relating to reapportioning of Congressional districts which is done every 10 years only if there has been sufficient change in population to increase or decrease a state's representation in the House of Representatives. It is not expected that the 1980 census will change the number Minnesota is entitled to have.

In seven months the legislature will be back in session. It should be an important priority to enact a law providing for a commission to reapportion legislative districts.●

AMERICA'S ENERGY FUTURE: A TIME FOR DECISION

● **Mr. STEVENSON.** Mr. President, under the pressure of increasing gasoline lines, the truckers' and taxicab strikes, and scattered shortages of various petroleum products, our energy "policy" has been one of reflexive action, dealing in a patchwork fashion with immediate crises. Indeed, this has been the history of Federal energy policy at least since the Arab oil embargo.

Harvey Kapnick, chairman of Arthur Anderson & Co., offered some perspective on this issue in a speech given June 11 at the Finance and Accounting Conference of the American Petroleum Institute. While I do not endorse all of the views expressed, it is a thoughtful, reasoned and comprehensive discussion of the issues, and I commend it to my colleagues.

Mr. President, I ask that Mr. Kapnick's speech be printed in the Record.

The speech follows:

America's Energy Future: A Time for Decision

Energy problems in the United States have been, and will continue to be, critical unless we as a nation develop a coordinated national energy policy. Since 1973 three American presidents have stressed our need for a coordinated national energy policy and. longer term, for energy independence. Still we have no energy policy worthy of the name.

As our problems continue to intensify, the political rhetoric accelerates. We are told that the American oil industry has schemed to stage "the biggest ripoff in history" and that the industry has excessive profits. We are told how best to allocate current short supplies by government decree.

Meanwhile, the public protests the high price of gasoline, which to many typifies the entire energy issue. None of this helps solve the problem of making more energy available or of developing the needed national energy policy. In fact, not only have we failed over the last six years to develop a coordinated national energy policy that would lead us toward a solution to our immediate and long-term problems, but in many ways we have lost ground. Since 1973 we have increased our dependence on foreign oil by nearly 50 percent, and we have brought the construction of urgently needed nuclear power facilities to a virtual standstill.

Politicians and the media have led Americans to believe that oil and energy are virtually synonymous. This is wrong on two counts. First, we should have been accentuating the positive—that ours is a strong nation with vast energy resources, fully capable of solving its energy problems. Second, we should have been centering the public dialog not only on oil but on energy in the broadest sense—coal, natural gas, nuclear energy, hydrogen, oil shale, solar power and other energy sources.

However, during the last 20 years we have had no energy policy of any depth or substance. Worse, those most closely involved in energy matters have stood silently by while various self-interest groups espousing narrow, and often reactionary, views have gained the overwhelming attention of the public.

This lack of a well-defined energy policy has contributed in large measure to our growing dependence on foreign oil. In 1955, Americans consumed somewhat less than 9 million barrels of oil per day, and domestic production supplied 86% of that need. By 1978, however, consumption had grown to nearly 19 million barrels daily, and domestic production was able to meet only about half of the demand. Thus, about 80% of our increased consumption during that 23-year period came from imported oil. Such statistics alone should have alarmed our national leaders and led them to adopt a coordinated energy policy, but they wasted that time pretending—and leading the American public to believe—that no crisis existed.

Today nothing is more critical to our society than the availability of an adequate energy supply—but that does not necessarily mean adequate oil. Even though oil and natural gas account for the major portion of the world's energy consumption, there are other options, as we all know. However, to move from imported oil as our major source of energy to alternate sources requires a highly coordinated national program backed by the understanding and support of the American public. Since such a program must make difficult tradeoffs that involve energy, the economy and the environment, we must make every effort to gain the support and understanding of various self-interest groups such as the environmentalists and nuclear critics.

Before suggesting a possible direction for a national energy program, let me touch on what I consider to be the basic cause of our current problems. It seems clear that our problem began with government regulation, has been compounded by government regulation and exists today chiefly because of government regulation. The bottom line for our energy problems is that regulation of the energy industry has prevented our free market economy from functioning as it should have over the past 25 years and has thus restricted the development of economical alternate energy sources.

Our firm recently conducted a study on the cost of government regulation in cooperation with The Business Roundtable. In terms of excessive government regulation, we were able to quantify the impact on our society of the direct incremental costs of certain government regulations. Several leading companies in the energy industry participated in this study based on a well-reasoned methodology to pinpoint direct incremental costs of complying with regulations. This study has received increasing support from both critics of government regulation and senior government regulators. In terms of the energy industry, however, the more significant costs to our society are the secondary costs which accrue because regulations impede the normal functioning of the free market system.

Let me cite an example of this. Americans have enjoyed artificially low energy prices because of government regulation for so long that any type of increase is painful. With the average price of gasoline creeping toward $1 a gallon, the public is responding angrily, but American gasoline is still underpriced when compared to pump prices of $2.50 to $3.00 a gallon in certain other countries. In fact, in most countries energy prices represent a larger portion of spendable income than they do in the United States.

Our maintenance of artificially low oil prices through regulatory intervention has been a major contributor to our present dependence on foreign oil. As long as domestic oil prices were held down, sound economics did not justify the development of alternate domestic energy sources. On the other hand, if we had allowed oil and gas to find their replacement cost price levels, it seems reasonable to presume that we would now have more efficient automobiles, the technology to reduce our consumption of other types of petroleum products and more adequate supplies from alternate sources.

Also, we almost certainly would have progressed much further in developing our coal and nuclear-generating capacity. But because of government intervention, it now takes as long as 10 years to build a coal-fired electric generating facility in this country and up to 14 years to build a nuclear facility. European nuclear plants, however, can be built to meet exacting safety standards in half that time. Such delays, which are painfully disruptive to the national economy, are by no means limited to nuclear plants. Despite the urgent need to expand the nation's power capacity, virtually every proposal for a new energy facility draws fire from environmentalists and others who seek to kill or, at the very least, stall construction of such new facilities.

Instead of continual delay, what is needed is a comprehensive national energy program that allows the free market system to operate efficiently, that provides an effective, quick process for decision-making and that creates incentives for the development of alternate energy sources to correct the abuses and remedy the neglect of the past.

But we Americans tend to blame others for our economic and energy problems—the European bankers who control the flow of some of the world's hardest currencies, the Arab leaders who control the flow of Middle Eastern oil, and the American oil companies that have run short of oil. The bankers aren't the villains—the strength of the mark and the Swiss franc can be attributed more to the mismanagement of our economy and energy problems than to the inherent power of the German and Swiss currencies. OPEC is not the villain—the OPEC nations have given us six years to develop alternate energy sources—six years and we have squandered in aimless and disjointed pursuit of energy independence.

Nor are the oil companies the villains. U.S. oil companies operate within our private enterprise society and must allocate their economic resources to discharge their responsibilities to literally thousands of individual shareholders. They must also live within the parameters of government regulation. So, if oppressive regulation penalizes the companies for making the investments they should make, then they must look to other types of investments to protect their shareholders.

Certainly, no one would contend that government should dictate the use of shareholder funds. If that happened, such funds would soon evaporate, leaving government as the only source of additional financial support. This would, in effect, illegally nationalize such industries and confiscate private individuals' assets. Many countries that have legally nationalized their industries have learned the hard way that government cannot operate such companies as efficiently as private entrepreneurs can in a free market society.

Political rhetoric and government regulators would lead the public to believe that the oil industry makes excessive profits. According to the Chase Manhattan Bank analysis, 27 oil companies earned $15 billion in 1978. That compares with an $11 billion budget of the Department of Energy. While oil industry profits were increasing by 29% between 1973 and 1978, U.S. industry profits in total were increasing by 76%. In the same period, return on equity for the oil industry declined from 14.7% to 13.2%, while the all-industry average return on equity was rising from 12.8% in 1973 to 15.1% in 1973. Thus, the oil industry cannot legitimately be accused of making excessive profits. Further, if we were to adjust for inflation, we would find that reported oil company profits are significantly overstated.

It would appear that certain political leaders are now going beyond the bounds of propriety in accusing the oil companies of profiteering. To public accountants and financial executives, this is perhaps the most disturbing aspect of the current debate on energy policy. Without question, the limitations of our approaches to financial reporting have contributed to the public's misunderstanding of the industry. Because of the importance of financial reporting in shaping the public's perception of the industry and, therefore, the political framework within which energy policy is to be designed, all of us must direct renewed and enlightened efforts to improved financial reporting for the petroleum industry. Nevertheless, the improper use of financial data to prove a biased point of view does not contribute to solving our immediate problem.

Finger-pointing and blame-placing at this stage are clearly counterproductive. A prerequisite for an effective national energy program is to recognize that we are all to blame to one degree or another—the government for failing to recognize the long-term nature of the supply problem and launching a program of positive action; the oil industry (although I recognize that there have been certain notable exceptions) for taking a defensive posture and not making a real issue of government intervention and political tunnel-vision; the public for ignoring the problem; and our politicians for not developing a dialog with their constituencies on the real issues involved. In many ways, we have all taken the easy way out!

So much for the nature of the problem and how we worked ourselves into the present predicament. What of the future? Is the situation likely to change? The answer is "no" if we continue our present course—but the answer could be "yes" if we replace our sense of public outrage at rising oil and gas prices with a sense of public commitment to take positive action to solve the energy problem.

The critical issue is that we rely excessively on imported oil as our primary energy source. This is a matter of serious concern, since our present sources of supply of imported oil are by no means secure. The Iranian revolution underscored that fact, triggering the current emergency. But the situation in Iran may be only a portent of things to come in the volatile and militarily vulnerable Middle East and Africa. Any near-term political crisis in the Middle East could create even more dramatic problems. This situation is not within our power to control, and thus we must face reality that we are at the mercy of those countries which supply us our required oil needs.

In any economic confrontation, our growing dependence on foreign oil can have an impact on our nation equal in importance to the defense-related concerns of SALT II. Just as we seek to remain independent of foreign military domination, so must we seek to remain independent of any foreign economic domination caused by our dependence on imported oil. To achieve such a goal requires that our nation act now to adopt a coordinated national economic policy and, because of the pervasive impact energy has on our economy, a comprehensive national energy policy.

In developing a national energy policy, we need to recognize that our big failure to date has been in our process of decision-making, not necessarily our dedication to the need for action. And yet we can't continue to paper over the potential economic problems that can be caused by our failure to have a national energy policy or stop the bleeding with band-aids. A massive national effort is required. At stake is our economic ability to survive as a nation, and it's time the public and the politicians recognized a sense of urgency regarding the future availability of energy.

It is obvious that our political process has failed to develop an effective, consensus-based response to the nation's increasingly critical energy problem. Therefore, perhaps now is the time to consider a new approach.

If we take a detached, unemotional view of the situation, it becomes apparent that our problem of future energy availability is a traditional business problem—one of threatened bankruptcy. In the case of potential "energy bankruptcy," as in the case of a business facing potential financial bankruptcy, we must begin by taking action to avoid such a catastrophe in the short term while we devise a long-term solution.

Businesses generally do not go broke because they lack assets but because they have inadequate cash flow. A number of now-defunct companies have gone bankrupt while rich in assets but lacking the necessary cash flow to survive. Thus handicapped, they could not convert assets into cash quickly enough to avoid economic disaster. Given the unstable nature of foreign oil supplies, it is not beyond the realm of possibility that the flow of our major energy source—imported oil—could become suddenly and catastrophically inadequate, thereby courting the equivalent of "energy bankruptcy."

Actually, our nation is rich in economic resources and energy assets but, because of events outside our control, we are experiencing a squeeze on the natural flow of imported oil to meet our energy requirements. We have proven oil and natural gas reserves of some 35 billion barrels in addition to vast reserves of coal, which is by far the world's most common fossil fuel. In addition, the oil-producing potential of western U.S. oil shale is 10 times greater than the proven reserves beneath the sands of Saudi Arabia. But, having the assets is one thing; converting them quickly into usable form, as many bankrupt businesses have learned to their sorrow, is quite another.

If we are to approach the threat of "energy bankruptcy" as a traditional business problem, we should develop a three-phase program for solving the problem. In phase one we should begin by marshaling available resources to meet immediate needs to contain the problem at the present level. Phase two should be to develop an intermediate-term solution, using present and quick conversion-type energy assets, to relieve the current supply pressures. Phase three should be expansion of domestic energy sources and development of the long-term solutions necessary to preclude future problems for the 21st century.

Phase one calls for a comprehensive, coordinated, incentive-based conservation program. One way to encourage conservation is by allowing the price of gasoline and heating oil—our immediate problem—to seek its replacement cost level. To achieve this would require accelerating the decontrol of domestic oil and gas prices. Imbalances caused in other areas of our society would have to be dealt with separately.

American industry, including utilities, consumes oil at a rate of about 5 million barrels a day and natural gas at a daily rate of about 6 million barrels of oil equivalent. Since industry and utilities can switch to other fuels more readily than can homes or vehicles, it would seem appropriate to provide massive incentives to encourage industry to convert to another form of energy as quickly as possible. This is doable, since already significant efforts have produced meaningful savings in industry as the costs of energy have escalated. This process should be accelerated.

Conservation alone is not enough. At best, it is the stopgap until we can implement longer-range approaches to balance and consolidate our energy supplies. We cannot conserve our way to a balanced energy program, so we need a simultaneous effort to expand domestic energy production over an intermediate period such as the next three to five years.

In terms of phase two of the program, the experts tell us we can realistically rely on only five primary energy sources over the balance of this century—oil, gas, coal, hydropower and nuclear energy. The domestic oil industry also has much room for further exploration. Here again price decontrol becomes a factor, since current restrictions and talk of windfall profits taxes will limit the funds available for such purposes.

If the decontrol program is to provide for a high rate of tax on excess oil and gas proceeds, that tax rate should be limited to proceeds not reinvested in exploration, development, research for new energy supplies or construction of much-needed facilities. Such a plowback provision would encourage petroleum companies to invest their excess proceeds in needed long-range projects. Only this kind of balanced approach will truly serve the nation's best interests. We should stop talking about a windfall tax, as such, since it misleads the public and detracts from solving the real problems. The real windfall, if there is any, from decontrol of oil prices accrues to government, since government would receive about 60 percent of all additional revenues through sources such as taxes, royalties and lease payments.

Several major companies already have indicated their intention to invest whatever proceeds they get from decontrol in further exploration, research and construction of refinery, pipeline or other energy facilities. This is consistent with past practices where, as a Chase Manhattan Bank analysis shows, 27 oil companies spent $126 billion on the exploration and development of domestic oil and gas in the years 1973 through 1977—$59 billion more than their total net income during that period.

Coal is the logical candidate to meet immediate needs. Although coal accounts for 90 percent of the nation's conventional energy reserves, it supplies less than 20 percent of our energy needs. That clearly is an imbalance, caused to a considerable degree by environmental restrictions. Greater use of readily available coal could help relieve the demand for imported oil.

Coal gasification and liquefaction are other possibilities for the future. Coal gas certainly is nothing new, it was used extensively as a fuel source for 150 years until electricity and natural gas replaced it. Both Germany and South Africa have been active in converting coal to oil and gas, and the technology presently exists for large-scale production. The only question has been economics. But how much economic risk should our nation take where the tradeoff is economics vs. adequate supply? Tax incentives and other approaches already suggested can minimize the economic considerations in developing a viable program for these potential sources, but to date private sector efforts, such as the North Dakota project, have been stymied by government regulators.

As another step in mobilizing our efforts for an intermediate program, the nation simply cannot afford to turn its back on nuclear power. That remains our best option in terms of fuel availability and cost. Something on the order of 50 nuclear generating plants have been canceled over the last several months because of regulatory and legal delays, thus severely crippling efforts to meet expanding energy requirements. Given the known energy needs of the future, we must turn again to nuclear power if we are to avoid brownouts, establish a better national energy balance and reduce our reliance on foreign oil.

The U.S. Atomic Industrial Forum reports that the nation's nuclear power plants generated 276 billion kilowatt-hours of electricity in 1978. This translates to a saving of nearly 470 million barrels of oil to produce equivalent energy by conventional means. Thus, if nuclear capacity were doubled, our reliance on imported oil could drop by 15 percent.

I understand, and share, the legitimate concerns of those who worry about the safety of nuclear power plants. Surely we can do even more in terms of nuclear research and upgrading of safety standards to minimize the possibility of accidents, but such steps should not be used as excuses to further stretch out the schedule between design and startup of needed generating facilities. The Three Mile Island incident should reinforce our confidence that very critical conditions can be controlled, much more so than even air transportation with its recent accident.

A key consideration for any national energy program is that there must be some pragmatic compromises with national environmental goals. We must find ways to achieve short-term energy self-sufficiency without sacrificing the long-term interest in clear skies, clean streams and unspoiled wilderness.

The national energy program, further, must stimulate action in the 1980s to meet the energy needs of the 21st century. This would be phase three. The alternatives for major additions to the nation's energy supply must resolve the critical issues with regard to the fast-breeder reactor, nuclear fusion, solar power, hydrogen, tar sands and geothermal energy. Such alternatives should be fully explored, but it would be premature at this point to suggest that any of these can provide economical relief to our immediate energy demand.

Oil shale conversion also draws on known technology, but again, the stumbling block has been economics and environmental concerns. If the price of crude continues to rise, however, more attention may soon be focused on shale, which some experts estimate will become economically feasible when the price of conventional oil rises to $18–$26 a barrel. Spot prices already exceed that level. Also scientists seem to agree that solar power should be commercially useful and ready to contribute significantly to the nation's energy pool in the 21st century. Much developmental work already is occurring in this area and, as a matter of public policy, should be accelerated at an early point.

Another alternate energy source that cries for further development is the fast-breeder reactor, which is designed to produce more nuclear fuel than it consumes. After endless months of delay, the General Accounting Office recently recommended completing the Clinch River Breeder Project in Tennessee. After anlayzing all the issues with great care, the GAO concluded that the "weight of evidence" favors continuing congressional funding of this high-potential project. Hydrogen could also be an excellent source for the 21st century.

Rather than look at our problems negatively, we should look positively at the fact that we have great energy assets. In fact, we undoubtedly have more potential energy assets than any other nation. Thus our challenge is to convert them to usable resources.

Serious though our energy problem is, it need not be a cause for embarrassment or long-term concern for Americans if we act promptly to develop a coordinated national energy policy. I spend a great deal of time abroad each year in my capacity as chief executive of our firm. This exposure to foreign views of the United States has convinced me that many of our international economic and political problems would ease significantly if we could come forward promptly with a meaningful national energy program.

Ours is a great nation that has shown repeatedly that it can rise to a challenge. In our lifetime, the United States has mobilized its industrial resources to serve as the "arsenal of democracy" for Europe in time of war . . . it has mobilized its manpower to win the major war of this generation . . . it has mobilized its scientific resources to tame the atom . . . and it has mobilized its financial and technological resources to put men on the moon. Now we must mobilize our best efforts to solve the energy problem.

I have already indicated my belief that the process by which we develop a national energy policy is the critical issue. The energy industry cannot act alone, the President's program has been unacceptable, Congress has refused to act, and we do not have time to wait for another national election for the people to speak as they have in Proposition 13 on tax issues and large government spending. Thus, we must face the fact that the present approach for resolving a national issue has not provided an answer. The reason for such impasse is less important than recognizing the fact that such impasse exists.

Therefore, we must mobilize the nation to deal with the energy crisis just as we have done in past national emergencies. We face not simply the "moral equivalent of war," as President Carter said more than two years ago, but now the reality that potential economic warfare could occur centering around energy. Our response should be appropriately bold and urgent, as in the Manhattan Project during World War II and in the moon landings during the 1960s. Then we mobilized our full economic, scientific and technical resources to ensure that we met our national goals. The great defect of democracy, as we all know, is delay and endless compromise that elevate parochial special interests above the urgent national interest. Sometimes even Congress recognizes this defect and arranges to avoid it by changing the normal legislative process.

For example, several years ago Congress recognized that it would have difficulty in resolving the many complex and conflicting issues involved in international trade, so it enacted the Trade Act of 1974 authorizing the President to negotiate a draft trade agreement and to present it for informal consideration during a limited period of review. Congress also agreed in advance to vote the entire package up or down without any amendments.

I believe a similar process is needed to break the energy policy impasse. Therefore, I propose that Congress enact the National Energy Mobilization Act of 1979 authorizing the President to draft a comprehensive national energy program and to present it for informal review during a 90-day period, and commit itself in advance to vote on the entire program without amendment at that time. If Congress failed to act within 60 days, the program would automatically take effect.

Of course, not everyone will accept such a bold approach, and surely not everyone will applaud a really tough, truly effective, comprehensive national energy program, but the issue is not popularity. The issue ultimately is our national security and survival of the free nations we lead. The penalty for further drift and delay is potential "energy bankruptcy." Reaching agreement on the process by which our energy problems can be resolved and then working within that process to develop a national energy program represent our best hope for quickly regaining control over our national destiny and that of the free world.●

SALT II

● Mr. GARN. Mr. President, I would like to draw the attention of my colleagues to a very succinct and cogent statement by Mr. Paul Nitze concerning the faults of SALT II. Mr. Nitze, a former Deputy Secretary of Defense and a member of the U.S. SALT negotiating team until 1974, is one of the most knowledgeable and articulate spokesmen on SALT II and the United States-Soviet military balance.

Above all, Mr. Nitze points out that SALT II is not arms control:

> SALT II limits the wrong things. The limits are imprecisely defined. They are too high, so high as to have nothing to do with effective arms control. The reductions called for are in the number of deployed launchers, not in missiles or warheads or in their effectiveness.

Under the terms of the SALT II Treaty the Soviets can triple their strategic forces—deploying 15,000 strategic nuclear warheads without any violation of the terms of the treaty. This treaty will legitimize the Soviets' monopoly in heavy missiles and their overwhelming advantage in missile throw weight and megatonnage. Ratification of SALT II in its present form may actually undermine any hope of achieving equitable and verifiable arms control.

In sum, Mr. Nitze highlights four critical shortcomings of SALT II:

> It does not provide equality in nuclear weapons capability.
>
> It will permit the Soviet Union to achieve dangerous superiority over the United States in nuclear combat and destructive power.
>
> That superiority will give the Soviet Union the power of political coercion over the United States and its allies.
>
> The agreement will not reduce the risks of war. On the contrary, it can increase the risks of war if it reinforces the judgment that we are militarily stronger than the U.S.S.R. when we are not.

Mr. President, this article by Mr. Nitze is a valuable contribution to the SALT II debate, and I ask that it be printed in the RECORD.

The article follows:

THE TREATY WILL GIVE THE SOVIET UNION CLEAR SUPERIORITY

(By Paul H. Nitze)

As one of the American negotiators of the first strategic arms limitation agreement, I'm opposed to the SALT II agreement for the following reasons:

It does not provide equality in nuclear weapons capability.

It will permit the Soviet Union to achieve dangerous superiority over the United States in nuclear combat and destructive power.

That superiority will give the Soviet Union the power of political coercion over the United States and its allies.

The agreement will not reduce the risks of war. On the contrary, it can increase the risks of war if it reinforces the judgment that we are militarily stronger than the U.S.S.R. when we are not.

SALT II limits the wrong things. The limits are imprecisely defined. They are too high, so high as to have nothing to do with effective arms control. The reductions called for are in the number of deployed launchers, not in missiles or warheads or in their effectiveness.

While SALT II provides equality in the permitted number of launchers for strategic nuclear missiles, it will allow the Soviet Union to have more than 300 very large intercontinental missiles (ICBMs), our side none.

It will be impossible for the United States to have more than 550 MIRV'd (multiple warhead) ICBM launchers when the treaty lapses in 1985, probably fewer. The Soviets almost certainly will have deployed, probably by 1982, the 850 permitted.

We will have no more than three warheads on each of our MIRV'd ICBMs. The Soviet Union is permitted and is expected to have deployed up to 10 warheads during the period of the treaty.

Soviet Backfire bombers and comparable U.S. bombers will be exempt from the limit on strategic launchers. The U.S.S.R. will have 300 to 400 backfire bombers by 1985; our side will have no similar planes. Our FB–111s are less proficient and much less numerous.

Most worrisome is the problem of "crisis stability." Over the past 15 years it would not have profited either side to attack first. It would have required the use of more ICBMs by the attacking side than the attack could have destroyed. By the early 1980s that situation will have changed. The Soviet Union will be in a position to destroy 90 percent of our ICBMs with a fifth to a third of its ICBMs.

Even if one assumes the survival of most of our bombers and submarines, the residue at our command after a Soviet initial attack would be strategically outmatched.

Reductions in SALT II are misleading. Although the number of Soviet launchers will decline from around 2,500 to 2,250, the more significant indices of nuclear power will rise dramatically, particularly on the Soviet side.

From 1978 to the end of 1985, the number of Soviet warheads will have increased threefold; ours by half. The area destructive capabilities of Soviet weapons will have increased by a half; ours by a quarter. The capability of their weapons to knock out hardened targets, such as missile silos, will have increased tenfold; if our cruise missiles fulfill present expectations, ours will have increased fourfold.

By 1985, under the limits of SALT II and taking into account current programs, it will be impossible for the United States to avoid a situation in which our prompt counterforce capability against hardened military targets will be less than an eighth that of the Soviet Union.

The Soviet ruling group does not want a nuclear war. They believe the best way to avoid a nuclear war and still achieve their objectives is to have overwhelming superiority. As Clausewitz put it, the aggressor never wants war; he would prefer to enter your country unopposed.

In actual war, the advantage tends to go to the side in a better position to raise the stakes by expanding the scope, duration or intensity of warfare. By the same token, in a grave crisis short of war, the side better able to cope with the hypothetical consequences of raising the stakes has the advantage. The other side is under greater pressure to scramble for a peaceful way out.

In such events as the Korean war, the Berlin blockade and the Cuban missile crisis, the United States had the ultimate edge because of its strategic nuclear level.

Under SALT II the Soviet Union will be able to pick up the edge we have let slip away.

In view of all this, what should be done? First, the treaty and its accompanying agreements should be subjected to careful and objective analysis and debate before both houses of Congress. Consideration also should be given to the prospects for negotiating a SALT III more favorable than SALT II on the basis of an adverse evolution of the power balance.

Second, I would hope both the Senate and the House would insist upon modification of the agreements necessary to assure their equitableness, their verifiability, and the freedom of the United States to do what is necessary to assure the survivability and endurance of the ICBM portion of our deterrent forces.

Third, I would hope the executive branch would develop and implement plans to strengthen our strategic forces sufficiently to reverse current trends and assure the maintenance of fully adequate deterrent forces.

Fourth, I would hope the Soviet Union, persuaded that the United States was determined under all circumstances to maintain an equal and adequate deterrent, would eventually come to agree to terms that we would be happy to live with.●

HUMAN RIGHTS AND WORLD HUNGER

● Mr. STONE. Mr. President, I wish to bring to the attention of this body a recent article by my colleague, Senator GEORGE McGOVERN, entitled "Human Rights and World Hunger." The article appears in the spring 1979 issue of National Forum.

This article by Senator McGOVERN is a thoughtful statement regarding the unfinished task of combating world hunger. He indicates the belief that there can be no more basic aspiration than freedom from hunger.

Senator McGOVERN points out that, while there have been increases in food production since the 1974 World Food Conference, the world's undernourished people have increased from about 400 million to around 455 million. In addition, the recommendation of the World Food Conference that nations establish a system of international food reserves has not been implemented.

The Senator concludes by listing suggestions which should be useful to the Presidential Commission on World Hunger and policymakers interested in developing a comprehensive program to deal with world hunger.

Mr. President, I commend Senator McGOVERN on this forthright statement, and I ask that the following article be printed in the RECORD.

The article follows:

HUMAN RIGHTS AND WORLD HUNGER

(By GEORGE McGOVERN)

More than ever, social justice within the world community must be the defining endeavor of our democracy. Any national security framework that does not include such a commitment is flawed, as is any human rights strategy that does not recognize that human rights flow from economic freedoms. I believe the American people still prefer a government that offers a steady vision of a society committed to a fuller justice for the world's people. Certainly, policies that help perpetuate misery among the world's poor, that do not recognize that economic strength flows from the bottom up, not the top down, are policies which will lead us to an unnecessarily empty destiny. That is why I am hopeful we are on the edge of an intense period of reevaluation and reassessment of our commitment and our strategy to end world hunger.

There can be no more basic aspiration of our common humanity, regardless of where people live or what sociopolitical structure they live within, than freedom from hunger. No one, least of all the bulk of the world's poor, can believe that the political, social and economic dysfunctions which led to conditions of starvation for hundreds of millions, are the instruments of legitimate economic purpose. They know and we know it has more to do with the fruits of political influence. At what cost will our security come in the face of that truth, in a world filled with lethal weapons? No, the failure of millions to have the basic human requirement of an adequate diet cannot be justified, either by the values of democracy or by our desire for a more secure future. President Kennedy often said if we cannot help the many who are poor, we will not be able to save the few who are rich. Nothing would more strengthen the social foundations of democracy than a better-fed world, where the casualties and castoffs of the global development process were brought in, instead of shut out.

Since the last major rupture in the world food supply system, between 1973 and 1974, all the governments of the world, as well as the major multilateral agencies, have strained to analyze the nature and scope of the world food problem.

The World Food Conference and its offspring, the World Food Council, produced valuable recommendations. Unfortunately, they mostly remain recommendations. Since harvests have improved somewhat and since other worldwide economic problems have surfaced, the level of intense activity around this issue has noticeably diminished. This is especially disturbing in light of the actual world food situation. To illustrate this point, one needs go no further than last summer's World Food Council Report, wherein alarm was expressed over the following developments:

1. Many recent gains have resulted from more favorable weather patterns rather than from revamped policies of governments, and these gains "could have been expected to materialize in the normal course of events." Most such gains were not experienced by the Food Priority (or poorest) Countries, wherein per capita food production has actually declined in the '70s.

2. The world's undernourished people increased in number from about 400 million at the beginning of this decade to about 455 million at mid-decade. Almost all of the new hunger localized in the Food Priority Countries, where the "level of human nutrition . . . has deteriorated." The general picture is "pessimistic," with the most vulnerable groups continuing to be preschool and school-age children and younger women.

3. Up to one-third of the world's children die from malnutrition and disease before age five; 25 to 50 percent of those who survive experience severe or moderate protein-energy malnutrition. Each year there are at least 100,000 new cases of blindness in children caused by Vitamin A deficiency. About 200 million persons suffer from endemic goitre related to iodine deficiency, millions from nutritional anemia related to iron deficiency.

4. Resources available for development have not grown significantly—either external aid from donors or internal resources from developing countries themselves. After gains in real terms of 59 percent in 1974 and 14 percent in 1975, official commitments of external assistance to agriculture (broadly defined) showed a net loss of 15 percent in 1976.

5. An international network of national food reserves has yet to be established, although negotiations are continuing to replace the expiring International Wheat Agreement with new arrangements. The world's annual food aid target of 10 million tons for 1977–78 represents the largest amount made available since 1972–73.

6. Changes in international trade arrangements which would provide economic stimulus and stability to developing countries have not been negotiated. Rising protectionism is felt to be handicapping the food production, development, and trade efforts of such countries. Export earnings in 1977 of the non-OPEC developing countries increased by about 20 percent over 1976, the cost of their imports by about 13 percent. Their 1977 trade deficit of $20 billion was down from $27 billion the previous year.

In the face of such disquieting overall data, one has to feel overwhelmed. Too often in the dim terror of the food and population race, Congress and the Executive Branch have acted before knowing either what it is they want to do or what it is they can do.

It is a cliché around Washington (and increasingly a concern elsewhere) that the United States lacks any coherent international food and development strategy. It is well known that there are twenty-six separate Executive Branch agencies with involvement in the food field and that interagency mechanisms have not been successful in adjudicating or harmonizing differences. The result is that what AID seeks to do to increase food production in developing countries is sometimes undercut by USDA's shipments of large amounts of food aid to such nations and by U.S. trade policies managed from elsewhere in the bureaucracy. On the multilateral side, there are confusions related to the fact that the State Department has left responsibility for relationships to some international organizations (e.g., the U.N. Development Program), Treasury to others (e.g., the international financial institutions), and Agriculture to others (e.g., the U.N. Food and Agriculture Organization). Not only is there no clear-cut and orderly decision-making process; the developing nations have no agency within the mix specifically charged with and able to advocate their needs.

Recognizing the critical primary need to create one source for policy formation—one group initially, if not finally, responsible for recommending the policy direction and institutional framework for developing comprehensive, incremental, intelligent, anti-hunger strategies—Congress has just established a Presidential Commission on World Hunger. The establishment of a Commission is something Congress sometimes does too well, but in this case I feel the Congress acted quite wisely. There is nothing to be lost by this effort and much to gain.

Most of us who helped push this Commission through Congress had our own ideas as to what the Commission could and should do. For example, although some might want this Commission to review the nature and extent of world hunger, identify its root causes, discuss current policies and strategies, and make recommendations for change, I believe nearly enough "fact finding" has already been done. It would be a better approach to begin at the next step, using the best of the recent findings as a starting point.

The Commission's goal should be first to establish a policy framework for our food, aid and development programs that has as its underlying premise eventual self-sufficiency (where possible) and economic justice within the developing countries with an ongoing commitment to aid, trade, nutrition, and production transfers that are specifically targeted permanently to reach and aid the bulk of the world's poor.

To meet that end, certain governing principles or guideposts should also be established. An incomplete list would include the following: (a) that food is the most basic of human rights, and that there should be as a fundamental component of U.S. foreign policies a commitment to eliminate hunger; (b) that U.S. hunger policies should have as their purpose increasing the economic and social well-being of the bulk of the low-income people in each country; (c) that all U.S. food policy be put in a context of overall economic and social development; (d) that each region and country has individual needs based on unique historical, geographical, and cultural differences that must be taken into consideration in devising anti-hunger strategies. Articulating the overriding goals and objectives of the American anti-hunger effort is one of the few things this kind of Commission is in a unique position to do that could be of lasting importance. While many ideas can and should be drawn from later discussion and testimony, it would be a mistake to begin without a clear idea of what members of Congress hope the Commission's report, and therefore U.S. policy, should contain as its guiding principles.

In addition, there is another topic that should initially be given special attention, although it is nonsubstantive in a sense. That is the government organization necessary to best come to grips with the hunger and development issues, both in the Executive Branch and Congress. One of the reasons this Commission is required is that there exists nowhere the President can go for objective, dispassionate advice on development—no one responsible for tying it into an overall human rights strategy. It is difficult enough, and slow enough, to map out this territory when someone is charged with the responsibility. Surely, no one will do it without a specific mandate. I think a very strong case can be made for placing permanent responsibility with a new Undersecretary for Food and Development in the Department of Agriculture.

My reasons are those I have stated before from my seat on the Senate Agriculture Committee: (1) If we are concerned about policy direction, we should utilize a line agency like the Department of Agriculture; (2) also, such an office should not be in the White House. To establish still another functional office there would run counter to the effort to reduce the size of the White House staff, although someone fairly high in that staff should be charged with monitoring this matter; (3) responsibility should not be given to the Secretary of State, because his priorities are too political—nor a fortiori to the Administrator of AID, who is a subordinate of the Secretary of State and presides over a temporary agency that is constantly in financial difficulty with the Congress; (4) it should not be given to an "Interagency Coordinator," because programming agencies always resist being coordinated; and, (5) placing the responsibility in the hands of the Secretary of Agriculture would underscore the essential linkage of the world food problem with domestic agricultural policy, as well as emphasize our recognition of the fundamental connection between our extraordinary agricultural expertise and the future of the world's capacity to feed itself. One might also consider changing USDA's name to Department of Food and Agriculture.

Congress also desperately needs a focal point for international hunger and development issues.

The 1969 White House Conference on Domestic Hunger issues sterling recommendations, but much of the impetus for follow-up over the next ten years came from the Senate Select Committee on Nutrition, which I chaired. I am certain the domestic anti-hunger programs would have moved more slowly if advocates had to rely solely on the Agriculture Committee to push the issue. To a great extent, the formation of this kind of crosscutting, broadly mandated committee is the only way to pull together a complex and diverse issue like hunger, and keep it in the public, and therefore, Congressional eye.

This is why it is crucial for one of the Presidential Commission's Subcommittees to give careful thought to the kinds of Congressional and Executive Branch institutions necessary to give this problem high level, permanent visibility and power. Without someone high up in the White House charged with getting food aid coordinated, little will get done. The last period of activism in world hunger, under John F. Kennedy, was marked by his decision to place in the Executive Branch the Office of Food for Peace, with a Director reporting directly to him. I expect the same kind of forthright and imaginative structure to be recommended by this Commission. Essentially, by creating such a focal point, we can help give political leverage to an otherwise disadvantaged group, one that would not need these special institutional handholds if they had the power and wealth of others. To leave them hanging, after making specific recommendations that could help change things, would only be another form of official duplicity and neglect.

This, then, is what the Commission and this Administration can and should do: state clearly the underlying framework, the goals, objectives, and principles of an anti-hunger effort that knows what it wants to do; and create a permanent high-level position within the government responsible for directing the effort.

It is also essential for this Commission to include very specific policy and legislative recommendations in addition to guidelines and principles. Broadly stated principles do us no good without legislative recommendations. I would like to see this Commission submit legislation along with expenditure recommendations and spend a good part of their final months reviewing them with Congress and the public.

Drafting a complete list of these provisions obviously cannot and should not be done at this stage in the policy review process, or in an article of this nature. However, in my experience as the first Director of Food for Peace, and as a ranking member of both the Senate Agriculture Committee and Foreign Relations Committee, I have an idea of the kinds of innovative policy recommendations which Congress may look upon favorably. I believe some of these would include:

A. a recognition that programs targeted to the poorest of the poor, as well as small farmers, have the greatest long-term potential for real change;

B. a greater orientation towards development as the ultimate goal of food aid programs, as opposed to simple surplus removal;

C. a greater percentage of U. S. funds going to non-politicized, multilateral, grass-roots-oriented efforts like the World Food Program;

D. an increased awareness of nutrition and preventive health concerns influencing production policy, as much as pure production increases;

E. broadening the low-income consumer's profile, so the bulk of production and research monies go to meet their needs, not the consumption needs of the middle class;

F. concentrating production strategies on those areas of the world where the greatest percentage of production increase could take place, such as tropical areas;

G. developing alternative strategies such as transfer payments where production increases, marketing improvements, and improved storage capacities are frustrated by local conditions;

H. provision for built-in program assessments and evaluations, based on criteria developed from our stated goals;

I. more emphasis on helping those countries that have long-term strategies for land reform, increased production, etc., and spending less on those that do not. This should include providing a broad range of incentives to countries which prove they are serious; and

J. a long-term game plan stating where it is we would like to be five years from now, ten years from now, etc., in terms of dollars spent, people reached, programs at work, etc.

I applaud the President for having the vision and good sense to establish this Commission. After a few premature, if not false, starts, perhaps we are ready to really help break the back of the chronic poverty that so darkens our tomorrows. It would not be an untypical political irony for the idealism of the 1960s to be fulfilled by the pragmatism of the struggling 1980s.

With just such a sense of history, I recently re-read President Johnson's 1966 message to Congress. With some allowance for the different perspective he (and we) had of the world in those days, the rhetoric is surprisingly contemporary:

> When men and their families are hungry, poorly clad and ill-housed, the world is restless—and civilization exists at best in troubled peace. Hunger poisons the mind. It saps the body. It destroys hope. It is the natural enemy of every man on earth. *I propose that the United States lead the world in a war on hunger*. There can only be victors in this war ... The program I am submitting to Congress today, together with the proposals set forth in my message on foreign assistance, look to a world in which no man, woman, or child need suffer want of food or clothing ... Beyond simple hunger, there lies the problem of malnutrition. We know that nutritional deficiencies are a major contributing cause to a death rate among infants and young children that is *30 times higher in developing countries* than in advanced areas ... Millions have died. Millions have been handicapped for life—physically or mentally. Malnutrition saps a child's ability to learn. It weakens a nation's ability to progress ... (LBJ's emphasis).

World hunger is exactly the kind of issue still amenable to real Presidential leadership. I can think of no greater legacy for this Administration than to have finally added substance to the flowing rhetoric of the last decade, and to have lifted us beyond words to the most basic human right—freedom from starvation.●

VOLUNTARISM AND THE PUBLIC GOOD

● Mr. DURENBERGER. Mr. President, I would like to bring to the attention of my colleagues an article from the May/June issue of the Saturday Evening Post entitled "Voluntarism and the Public Good." It was written by Landrum R. Bolling, chief executive and chairman of the Council on Foundations. In this article, Mr. Bolling reminds us of the significance of volunteerism to the development of this country. As he so correctly states:

> (T)here is one outstanding theme for our national experience, past and present, that defines us as a people: The United States, more than any other country, is the land of private, voluntary initiatives for the public good.

At a time when the citizens throughout the country are calling for limits on Government expenditures; are expressing frustrations with the size, slowness, and insensitivity of bureaucracy at all levels of government; and are questioning the soundness of many Government regulations, we should look increasingly for ways to foster volunteer initiatives. We should encourage private acts of giving to achieve the public good.

Through the work of the Commission on Volunteerism which I recently proposed, we can begin a discussion of the important contributions individuals, organizations, corporations, and other institutions can voluntarily make to achieve social goals.

I submit the following article for printing in the RECORD.

The article follows:

VOLUNTARISM AND THE PUBLIC GOOD

(By Landrum R. Bolling)

Question. What do the following people have in common: Benjamin Franklin, Dr. Martin Luther King, Jr., Jane Addams, Andrew Carnegie, Margaret Sanger, Ralph Nader, Rosie Greer, Oral Roberts, Jerry Lewis, and Father Theodore Hesburgh?

Answer: All have worked to serve the public welfare through private, voluntary, nonprofit nongovernmental organizations.

Question: What do the following institutions and organizations have in common: Harvard, School of the Ozarks, the Gray Panthers, WGBH-TV, the Audubon Society, B'nai B'rith, Sacred Heart Hospital, the Indianapolis Art Museum, the Fellowship of Christian Athletes, Planned Parenthood, Meals on Wheels, Las Casas de las Madres, the Girl Scouts of America, and the Urban League?

Answer: Each is classified by the Internal Revenue Service as a not-for-profit, tax-exempt "public charity" and depends upon private gifts to perform its services.

Question: Of the various major humanitarian and reform movements listed below, which ones were initiated by private, voluntary organizations and supported by individual gifts and foundation grants: Abolition of Slavery, Women's Rights, Prison Reform, Conservation of Natural Resources, Population Planning, Civil Rights for Blacks and Other Minorities, Care for the Poor, the Consumer Movement, the Fight Against World Hunger?

Answer: All of them.

There are many ways to explain how Americans, through our history, have been able to achieve what we have achieved and to describe what our life is like today. Yet there is one outstanding theme for our national experience, past and present, that defines us as a people: The United States, more than any other country, is the land of private, voluntary initiatives for the public good.

That fact does not justify smugness, a sense of superiority, or national self-righteousness, but it is part of our reality. When we feel overwhelmed by our past collective failures, or by the complexity of our current problems, we should reflect on the vast contributed services of many individual men and women and the host of voluntary organizations that, again and again from our earliest days, have made a crucial difference in our common life. They have played vital roles in overcoming great and little evils, in taking care of major and minor needs, and in serving the general good. Yet, for some strange reason, they are generally unsung heroes. We commonly downplay or ignore the significance of private voluntarism, and we tend to exaggerate what governments have done or can do to solve human problems and to initiate constructive change.

Government agencies, obviously, have enormous power and influence and serve incalculable human needs. Their proliferation and growth over the past 50 years has, of course, been related to the failure or inability of private group and individual efforts to cope with many social problems. The record shows, however, that it has been enterprising private citizens and the voluntary efforts and organizations they inspired that have set in motion most of the significant social changes in our history. Civil servants carry out the policies that are laid down for them by Congress and the state legislatures and city councils. Presidents, governors, and mayors have important roles in proposing and carrying out governmental policies. Those policies are often the result of education and pressure. Private citizens, through all kinds of groups large and small, provide the education and the pressure. That was true of William Lloyd Garrison, who in 1833 established the American Anti-Slavery Society, and of the many other individuals and organizations that kept up the agitation until eventually a president was elected who was willing to issue an Emancipation Proclamation. It was also true of Susan B. Anthony, who in 1869 helped to found the National Woman Suffrage Association, and of that movement that finally won for women the right to vote.

In more recent years, Dr. Martin Luther King, Jr., his Southern Christian Leadership Conference, and other civil rights groups kept hammering away at the consciences of politicians and of the general public until they forced local, state, and federal governments to adopt and enforce laws that have produced a real revolution in the political, economic, and social treatment of blacks and other minorities. It was private, voluntary initiative that got that enormous task done.

The Sierra Club, the Audubon Society, and the National Wildlife Federation are but a few of the national and local organizations that have aroused the nation and set in motion a vast tidal wave of laws and regulations to clean up and protect the environment. Howard Jarvis and his private-citizen colleagues produced, in 1978, a monumental turn-around on taxes in California through the Proposition 13 movement, setting off in turn a nationwide rash of referenda, legislative enactments, and political programs to pare the costs of government and reduce taxes.

The point of all this is not to suggest that politicians are lacking in imagination or sensitivity or courage; some are and some aren't. The real point is that in a democratic society political leadership tends to be expressed in terms of the ability to sense the moods and desires of the people and to find workable ways to carry out their wishes. The best of political leaders will of course help to shape the public will in constructive ways. Yet all of them are bound to be responsive to the urgent appeals of concerned, informed, and determined citizens who are willing to get out and work hard to put across the ideas they believe to be for the common good. Throughout our national history we have gone through one important change after another in which private-citizen groups took the lead and the politicians followed.

When Count Alexis de Tocqueville toured various parts of America, including many frontier settlements, in the 1830s he was struck by what he regarded as an unusual feature of American life. In *Democracy in America* he wrote:

"Americans of all ages, all stations in life, and all types of disposition are forever forming associations. There are not only commercial and industrial associations in which all take part, but others of a thousand different types—religious, moral, serious, futile, very general and very limited, immensely large and very minute. Americans combine to give fetes, found seminaries, build churches, distribute books, and send missionaries to the antipodes. Hospitals, prisons, and schools take shape that way. Finally, if they want to proclaim a truth or propagate some feeling by the encouragement of a great example, they form an association. In every case, at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association."

Private groups have not established any prisons lately, but they remain deeply involved in schools, colleges, and hospitals. At present, we have in the United States about 4,600 privately supported secondary schools, 1,500 independent and church-related colleges and universities, 3,500 privately run hospitals. Private donors contribute over $4 billion each year to the support of activities in the health field. Of that amount, more than three-fourths comes from individual givers, while foundations contribute between $400 million and $500 million. These sums may seem relatively small compared with the federal government's annual health commitment of more than $50 billion and the total outlay for health services of $160 billion mostly covered by charges to patients. Yet, the private gift dollars are still very important for the nation's physical well-being. They help to provide health care for the poor, including those who have no medical insurance or are ineligible for Medicaid and Medicare assistance. Private funds still cover a substantial portion of the costs of biomedical research. They are important to the schools that train our doctors, dentists, nurses, and paramedics. They are vital in providing "venture capital" for experimental approaches to broadening and improving the quality of primary health care.

Education, like medical services, has for most of our history been the responsibility of private institutions. The earliest schools and colleges were created and operated by church bodies, and they were scattered across the land with great enthusiasm, high idealism, and excessive optimism. Hundreds did not survive. Many became the nucleus around which was built in time a state teachers college or a state university. Despite the great growth of state educational institutions in the last 40 years, independent colleges and universities still outnumber the four-year, degree-granting state institutions, and still enroll about one-quarter of all undergraduate students, totaling close to two million students.

The Founding Fathers took it for granted that private bodies, chiefly churches, would carry the basic responsibility for schooling the nation's young. Although the United States eventually led the way in the development of public education, it was a long time in coming and its growth was initially slow. Throughout our history there has been a great blending of private moneys and tax funds in support of education. For the first hundred years of our existence as a nation most Americans simply would not have understood today's depth of feeling over such presently controversial topics as prayer in the schools or tax support for church-related educational institutions. Until well after the Civil War, state or local tax funds were often, as a matter of course, used to provide at least partial support for parochial schools. Only with the rise of anti-Catholic campaigns by the Know-Nothings and other groups which promoted ethnic and religious tensions did state governments (including New York—despite its substantial Catholic population) adopt a clear-cut policy denying tax support for church-related schools. That policy, in turn, has been substantially modified in recent years with the adoption, in New York and in a number of other states, of programs of annual scholarship assistance and other types of grants for accredited independent and church-related colleges. Most states now make available out of state funds aid for qualified and needy residents who wish to attend independent and church-related institutions within their home state.

This blurring of the lines between "private" and "public" in the field of education has taken many forms over the years. When a village on the shore of Lake Erie (early Cleveland) decided about 1820 to build a one-room school, there was no board of education, no school budget, and only very limited tax funds. The people of the community did what local citizens did in early settlements all across the land. They pitched in on a volunteer basis; cut the timber, hauled and shaped the stones, and erected the building virtually without monetary cost. The total cash outlay was $26 for glass, nails, and hinges. In the construction of such schools nobody gave a thought as to whether this was a public or a private project. It was often both. When people wanted a school, they either built one under the sponsorship of a church, or, as a community they made it a project of neighbors and of the local unit of government. They drew upon whatever resources of manpower and money they could tap to get the job done.

To this day, virtually every PTA in the land has its fund-raising projects to supplement the school board's tax dollars and add facilities and services to the public schools. Practically every state university now has its semi-independent university foundation that seeks gifts and grants to augment the tax moneys voted by the state legislature.

Meanwhile, the Harvards and the Princetons, the Oberlins and the Pomonas, though independent of government control, work away diligently and successfully to secure public funds for their students, their research, and various phases of their educational programs. Presbyterian Princeton, incidentally, almost 200 years ago, received what we might regard today as a rather unusual form of government support. On at least one occasion, the legislators of New Jersey authorized a lottery, the net proceeds of which would go for the benefit of Princeton. (Benjamin Franklin's print shop got the order to print the tickets.)

The point of all this is not to suggest that there is not significant difference between a public and a private institution, nor to intimate that all worthy causes should draw tax support. But there is a lesson here worth pondering. It is that in almost every phase of life in America there is an intermingling of volunteer services and the work of government-paid employees, of private gifts with tax dollars; that many governmental operations would not function very well without significant input from the private sector; that many "public" services are in fact provided by private organizations; that what have been traditionally called private organizations are sometimes intimately involved with and even financially dependent upon government agencies and government moneys; and that the role of volunteers is a huge and important one throughout our society. It is all very untidy. This kind of situation helps to amaze and bewilder foreign observers who try to understand the American way of life. It is, also, to tell the truth, a bit confusing to some Americans, particularly those caught up in some kind of statist vision of the day when governmental entities will take over the functions of most of these private institutions and when, with enough staff and tax money, all human problems will be solved. For all their historic roots and their continuing vast strength, private, nongovernmental initiatives are not universally admired and trusted.

There are sincere Americans who honestly believe that government agencies can do most things better, despite a lot of contrary evidence. There are those who point to occasional examples of bad management of private organizations or misapplication of funds, and of course there are rotten apples in these particular barrels, as well as in most others. Then, too, from time to time, it becomes evident that some people simply look upon many philanthropic activities as the games that rich people play, and feel all concentrations of private wealth, even those dedicated to the general good, should be broken up and taken over by government. There are those who believe that any social need that individuals can't provide for themselves should be provided through government channels.

The anti-philanthropy attitudes have by now largely triumphed in many parts of the world, including some of the democratic countries of Western Europe. The *New York Times* made a survey of the subject in 1978 and reported that in countries like Sweden and France there is a widely held view that it is somehow indecent, if not immoral and illegal, for a wealthy person to contribute some major facility or service to his home community. It is argued that if any social service, facility, or cultural program is needed, it should be provided by the state through tax moneys. Even the king of Sweden was publicly rebuked for his audacity in offering to provide from his own pocket funds to help carry out some worthy civic project. We have not come to that state of mind yet in the United States. However, it is clear that many people who proclaim their support of free enterprise and of a pluralistic society do not really understand how a pluralistic society works and how important are the varied private initiatives for the public good.

We need to be making a fresh and searching examination of the whole broad role of voluntarism in American life, of the relationships between those initiatives and governmental activities, of the most appropriate policies to foster the right balance of private and public institutions, and of how best to serve the public good. For too long we have taken volunteer activities and organizations for granted.

All too often, particularly over the last 50 years, governmental bodies have gone charging ahead in one field after another with scant regard for how those actions may affect the public services already being provided by private institutions long at work in those areas. Public/private cooperation is frequently only a half-hearted afterthought. Those who make and administer the tax laws at times pay almost no attention to the impact their policies and actions may have on the flow of private gifts to finance public services and on the willingness of individuals to volunteer their time and money to meet public needs.

The right of taxpayers to take charitable deductions for their gifts to educational, religious, scientific, and social welfare agencies has long been embedded in the federal tax code. Thanks to that kind of incentive, billions of dollars have been contributed over the years to educational, welfare, and arts programs and to private institutions that might otherwise have had to draw support from tax funds. Yet year after year the whole concept of the charitable deduction is subjected to attack. There is the argument of the superpopulist who regards any incentive for charitable giving as a nefarious tax "loophole" for the rich. There are the wishful theorists who argue that if all tax deductions and credits could be eliminated—the political possibility for which, they admit, is rather remote—the tax rates would be reduced and everybody would then give even more to charity. And then there are the experts of the Treasury, whose primary job, of course, is to maximize collections, reduce cheating, simplify the forms and the procedures, and who want to get virtually everybody to use the so-called short form when they file the annual tax return. That would clearly make Treasury's job easier, and it would make things simpler for the taxpayer. Since 1970, year by year, Treasury regulations have been modified and the "standard deduction" has been progressively increased, so that the number of people who itemize their deductions has been reduced from roughly 50 percent of the taxpayers to around 15 percent. A major result, according to some economists and the officials of the national United Way, has been a drastic falling off in private contributions, particularly from taxpayers in the $15.000 to $25.000 annual income brackets.

To deal with that problem, bipartisan interest in both the House and the Senate, led by Congressmen Barber Conable (R.-N.Y.) and Joseph Fisher (D.-Va.) and Senators Daniel Patrick Moynihan (D.-N.Y.) and Robert Packwood (R.-Ore.), is building toward the enactment of a simple but important change in the tax code that will give specific incentive for charitable giving for all taxpayers, regardless of their bracket and whether they use the "short form" or not. It would simply allow every taxpayer to take a deduction for itemized charitable gifts. This would provide firm and continuing incentives for all taxpayers to give to charity, not just the very affluent who customarily use the long form and itemize everything. In the long run, the survival of various philanthropic endeavors, the continuation and strengthening of the whole system of private initiatives for the public good depends upon maintaining a broadly based participation in charitable giving.

As Congressman Conable has said, "We very much need to have a nationwide dialogue on this issue of the survival of private and volunteer efforts to deal with our social needs and problems. We either believe in maintaining a vigorous voluntarism or we are willing for the government to take on more and more, at greater and greater costs. Everybody talks a great line about the values and virtues of the voluntary Third Sector. We need to find out if we mean it."

That seems like a fair challenge. We do need to talk through these issues as a people. We need to have our leaders in the Congress, in the Executive Branch, and in the so-called Private Sector put their minds on these questions. Out of a searching national examination we ought to try to arrive at some conscious consensus about the most suitable policies concerning private initiatives for the public good. And if we are serious about them, then we need to devise the most suitable policies to improve and strengthen the workings of our privately financed volunteer endeavors.

Let me suggest a few interrelated propositions that bear upon that discussion:

In education, health care, social welfare activities, and the arts we do not and should not have to make either/or choices between government-run and privately administered programs and institutions, between tax support and private gifts. They can operate side by side. The competition, fairly carried on, can stimulate better performance by both, and that will benefit everybody. The government does not have to take over all privately run public services, and we would be a poorer country if it did.

The United States has incomparably the best higher education system in the world for meeting the diverse needs of a highly heterogeneous population. The dual private/public nature of that system unquestionably has been responsible for much of the rich diversity of our educational programs and has contributed to improvement of teaching and learning through a variety of experimentation.

Likewise, in the health and social welfare fields there is much to be gained by having alternative ways of dealing with many of our needs and problems instead of being locked into some unitary system, whether run by the state or, for instance by the churches. Untidy as it may be, there are also advantages in having tax moneys for a given social purpose applied in a variety of ways including contract or grant arrangements with private agencies.

America is a pluralistic society; ours is a confusing age of complex problems. We must resist all pressures to deal with them by a single simplistic formula. Keeping open our options through private, volunteer initiatives is a significant way of protecting our freedom.

Volunteer, nongovernmental options make it possible to provide human services on a human scale and in keeping with human values. One of the most serious problems of modern, urbanized, industrialized mass-production society, regardless of system or ideology, is the problem of the vast cumbersome expensive, often unresponsive, and, at times, ineffective or tyrannical bureaucracies. When things (even well-intentioned programs to help people) get too big, it is often difficult to make them work well and with proper regard for the values by which most human beings want to live. Small is not necessarily beautiful or most efficient. Yet big is often not better, but worse; not the least costly, but the most expensive.

Government by its very nature is driven to operate on the basis of bigness and uniformity, through large staffs and by means of sweepingly broad rules and regulations. Life in the real world however, is a story of individual cases and endless exceptions. Small-scale, locally managed, private endeavors often offer the best ways of dealing with real human beings and their individual problems.

Private management of many of our social programs and cultural institutions often (I believe—usually) saves money. In particular cases this judgment will be argued; some private organizations are incompetently and inefficiently managed. Some incur excessive fund-raising costs. (Nothing, of course, can compete with the federal income tax as a "cost effective" way of getting money out of people.) But the point about private agencies' lower costs has widespread validity. And for good reason. They don't have such high overhead costs, have thinner staffs who generally work for less money. Moreover, private organizations are able to tap the nation's huge pool of unpaid volunteers much more easily and as a matter of course than can most government projects. For many kinds of social services—care of the aged, the handicapped, and little children—large numbers of volunteers are needed. We are not rich enough, and will never be rich enough, to hire enough government employees, operating under civil service rules, to perform all the human care services we need. In fact, you simply can't hire on any dependable basis the kind of loving tender care that many volunteers will provide free.

Private agencies can experiment and make mistakes more cheaply and learn lessons more promptly than can government agencies in the same field. In the natural sciences the experiments that fail are often just as important as the experiments that succeed. In the social realm, we have a different attitude. Where government programs are concerned it is almost impossible to get anyone involved to admit that a failure has occurred or to abandon a project once undertaken, whatever the evidence of its lack of success.

Private initiatives are particularly useful in trying out new ideas, some of which will surely fail. The risks, monetarily and politically, can be limited. Even where a program may have to be run and financed by government eventually, there may be great advantage in using a private, limited-commitment experiment as the guinea pig.

For private, volunteer endeavors to maintain their credibility they must have private financial backing in adequate amounts; they must genuinely draw upon volunteers. Private organizations and institutions should not allow themselves to be coopted by government, to become primarily dependent on government money, to be dominated by the government rule book. Part of their importance lies in their independence of government, in their ability to differ from the policies and methods of government; at times, on their ability to criticize government. To maintain that independence they have to have privately contributed resources; preferably, most, if not all, of their funds should come from individuals, churches, corporations, and foundations. Government policies have and will continue to have a lot to do with whether such private funding is possible.

Will private moneys continue to be available to sustain private, voluntary work for the general good? The answer is, almost certainly, Yes. But there is a big *if*. If the public can be kept aware of the importance of these nonprofit, nongovernmental agencies, and if the government will continue tax policies that encourage charitable giving.

Year by year over the past decade, Americans have given enormous sums of money to support private public service and charitable activities, but not nearly as much as was needed and could have been wisely spent. We did not keep up with inflation and the growing needs in human services. Relative to need and rising costs, private charity is in a pinch; and that pinch could get worse, particularly for private colleges and private hospitals. Yet the money is out there.

Last year Americans made private charitable gifts of more than $35 billion. Most of that came from individuals. Almost half of the total went to religious institutions and their programs. Foundations gave a bit more than $2.1 billion, less than 10 percent of the total. Corporations, if you count contributions in kind and the released services of salaried company employees who were given time off from their regular duties to help nonprofit organizations, gave even more. Foundations are compelled by law to give away all of their investment earnings each year or a fixed 5 percent of their capital assets, whichever is larger. Profit-making corporations are permitted to give away up to 5 percent of their pretax profits and take the appropriate tax deduction. They are not required to give away anything, and about 80 percent of them make no claim to give anything. On the other hand, a small band of concerned corporations are giving away the full allowable 5 percents of profits.

Nobody, of course, knows what the potential for giving by the American people and their business concerns may be. It is huge. But our giving will grow to meet the needs only as we understand that those needs represent opportunities for all of us to invest our money and ourselves in the strengthening of our whole society and the preservation of our freedom.●

DEATH OF LESSING J. ROSENWALD

● Mr. PELL. Mr. President, one of this Nation's outstanding benefactors to two great institutions of culture—the Library of Congress and the National Gallery of Art—died on Sunday, June 24. Lessing J. Rosenwald, preeminent among contemporary book and print collectors, died at his home in Jenkintown, Pa. He was 88.

Mr. Rosenwald's collections—numbering more than 2,500 books and over 25,000 prints and drawings—were amassed over a half century. In 1943 he made his original gift to the Library of Congress of approximately 500 choice books and manuscripts. His collection of fine prints is among the treasures of the National Gallery of Art. He continued to make gifts to the Library of Congress, most recently a gift of 191 rare books presented in 1978. Mr. Rosenwald's relationship to the Library of Congress was not limited to the role of donor. He was a frequent visitor to the Library, served as an honorary consultant in rare books in the 1960s, and cooperated in the Library's publication both of works of his own and of facsimile editions of items from his collection.

Born in Chicago in 1891, Mr. Rosenwald was educated in the schools of that city and at Cornell University. Associated with Sears, Roebuck & Co., which his father helped to found, from 1911 until 1939, he was chairman of its board of directors from 1932 until his retirement seven years later. A collector who had to share this interest with his business, his retirement enabled him to devote much of his time to assemble a collection of rare books ranging from medieval and Renaissance manuscripts to the finest examples of contemporary printing.

The central focus of the Rosenwald collection of books was always the history of illustrations. Within this grand design, Mr. Rosenwald developed such specialties as books printed by the earliest presses, science, calligraphy, botany, and chess.

The Rosenwald collection includes a remarkable gathering of books, manuscripts, engravings, drawings, and other productions of the English poet William Blake, and a virtually complete set of the "Voyages" published by Theodor De Bry and his sons, which set forth to Europeans the panorama of explorations of the Americas, East Indies, and Africa in the 16th and early 17th centuries. Outstanding individual volumes include the Giant Bible of Mainz, a finely executed manuscript produced in that German city at the same time that Gutenberg was preparing the first printed Bible, and the only known copy of the "Doctrina Christiana," the first book printed in the Philippines in Manila in 1593. One of Mr. Rosenwald's few bulk purchases, acquired in 1956, was the library assembled by the Dukes of Arenberg, an extraordinary assemblage of 160 titles of central importance in the study of the development of the Flemish book, in particular the illustrated book, from 1470 to the end of the 16th century.

In 1967, Mr. Rosenwald received the Donald F. Hyde award from my alma mater, Princeton University, in recognition of his "distinction in book collecting and service to the community of scholars."

Librarian of Congress Daniel J. Boorstin in learning of Mr. Rosenwald's death said:

> Lessing Rosenwald was a noble man who delighted in the delights of others. Born to a high station, he chose to use his great talents for the nation and the world of books. He neither wanted nor expected the recognition he deserved. But he lives on in example. Our nation needed Lessing Rosenwald. The Library of Congress and the library world will never forget him.

Mr. Rosenwald's survivors include his wife, the former Edith Goodkind, five children, a brother, a sister, and a number of grandchildren and great-grandchildren. A memorial service will be held at a date to be announced.

As chairman of the Joint Committee on the Library, I join the Librarian in expressing this Nation's gratitude to Mr. Rosenwald. Mrs. Pell and I extend our sympathy to Mrs. Rosenwald and the family.●

S. 1386—WELFARE REFORM LEGISLATION

● Mr. HAYAKAWA. Mr. President, today I would like to speak briefly in support of the Family Welfare Improvement Act introduced by my colleagues Senator DOLE and Senator LONG. The present welfare system has evolved into an open-ended program subject to widespread fraud and abuse. This program provides little or no incentive to the States to help reduce costs because increases in State spending are automatically matched by the Federal Government. There must be an alternative to this massive Federal expenditure which is strapping our country and I feel this act will go a long way toward solving many of the problems presently facing the welfare program.

When Congress initiated the aid to families with dependent children program which is the major component of welfare, the general sentiment was to provide a federally set, guaranteed minimum level of income for those families most in need. Under this program, those families whose head of household cannot find suitable work, would be guaranteed a monthly income. We are all very much aware, I think, of the increased abuse by people who choose not to work instead of seeking employment to provide for their own living.

Unfortunately, this situation perpetuates itself and encourages further abuse because States are not held accountable for any increases in expenditures beyond the authorized spending limits. This, to me, is totally outrageous. I am sure many States would welcome the opportunity to help control the spiraling costs of our welfare system. In fact, several States have already instituted programs which have met with good results, and I am happy to say California is one of them. If those States who do not choose to undertake such measures, however, are continually rewarded by the Federal Government, the present fraud and waste will only continue.

The Family Welfare Reform Act, I feel, will effectively reduce Federal spending in our welfare program. By providing a block grant system of fiscal relief to the States, each State has a fixed amount of funds to use as they see fit. If they realize that this is all they will receive, regardless of whether the funds run out or not, it will certainly encourage the States to work toward a more efficient program. In addition, any savings which the States produce could be put back in the system to increase benefits or further reduce costs. This approach gives the States, not the Federal Government, more discretion in operating the welfare program, an approach I have consistently argued would improve programs since I came to Washington.

I think the time has come for the Congress to take the initiative and look hard and long at programs which only encourage unchecked spending and fraud. By placing a cap on spending the States will have the incentive to weed out those persons who constantly drain this program illegally. No one can certainly argue against such a goal.●

IS IT NOT TIME TO REQUIRE ANGEL OF DEATH TO FACE ACCUSERS?

● Mr. HELMS. Mr. President, last week I introduced Senate Resolution 184, a sense of the Senate resolution calling upon the U.S. Government to promote the apprehension and extradition of one of the most infamous Nazi war criminals still being sought—Dr. Josef Mengele, known to the inmates of the Auschwitz concentration camp as the angel of death.

When Simon Wiesenthal, the courageous man who has brought more than 1,100 Nazi war criminals to trial, is asked to explain his motives for doing this work, he tells of a conversation he had with a former concentration camp inmate who is now a prosperous jewelry manufacturer.

The businessman said to him, "Simon, if you had gone back to building houses, today you'd be a millionaire. Why didn't you?"

"You're a religious man," replied Wiesenthal, "you believe in God and life after death. I also believe. When we come to the other world and meet the millions of Jews who died in the camps and they ask us, 'What have you done?' there will be many answers."

"You will say, 'I became a jeweler.' Another will say, 'I smuggled American cigarettes.' Still another will say, 'I built houses.'

"But I will say, 'I did not forget you.' "

Mr. President, this is the purpose of Senate Resolution 184: to express the fact that the American people have not forgotten; that the U.S. Senate has not forgotten and our Government will act to promote justice in the case of Josef Mengele.

Mr. President, I have requested that the Senator from Alaska (Mr. GRAVEL), the Senator from Delaware (Mr. BIDEN), the Senator from Maine (Mr. COHEN), the Senator from New York (Mr. MOYNIHAN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Wisconsin (Mr. PROXMIRE) be added as cosponsors of Senate Resolution 184.●

ALCOHOL: THE OCTANE BOOSTER

● Mr. BAYH. Mr. President, for some time now a number of us have been trying to increase public recognition of the important benefits to be derived from blending alcohol with gasoline. We are finally succeeding in getting more widespread recognition of the fact that gasoline-alcohol blends can reduce our consumption of petroleum products, and thereby help us to make a start in reducing our dangerous dependence on unstable foreign oil sources. Another valuable benefit of adding alcohol to gasoline is that it increases the octane ratings of motor fuels.

An article by John Holusha which appeared in the New York Times on June 21 describes the positive results that one blending agent, methyl tertiary butyl ether (MTBE) has had on octane levels. The importance of developing new additives of this nature is especially clear, Mr. President, when we recall that the primary antiknock additive now in use, MMT, is scheduled to be banned by the Environmental Protection Agency on October 1. In addition, use of new chemical additives as octane boosters can save scarce petroleum, because in their absence, further refining is necessary to raise unleaded octane levels to a satisfactory degree. This can result in the loss of up to 30 percent of the original volume.

For the benefit of my colleagues who may not have had the opportunity to see this very encouraging article, I request that it be printed in the RECORD.

The article follows:

TECHNOLOGY: GIVING GASOLINE A CHEMICAL LIFT

Unable to meet the demand for unleaded gasoline, petroleum refiners are turning to other chemicals to extend available supplies and squeeze more usable fuel out of a barrel of oil. The chemicals, compounds of carbon, hydrogen and oxygen, contain no metal and avoid the environmental problems associated with tetraethyl lead and MMT (methylcyclopentadienyl manganese tricarbonyl).

Currently much of the interest in these blending agents centers on methyl tertiary butyl ether, MTBE, which was approved for use in motor fuels in concentrations of up to 7 percent by the Environmental Protection Agency last February. The Phillips Petroleum Company has an MTBE plant in production now and other companies, including the Atlantic Richfield Company, are planning to begin production within a year.

Since MTBE is derived from crude oil fractions unsuitable by themselves for use in gasoline, simply adding it to the mixture called gasoline adds to gasoline supplies. But MTBE has another useful property; it enhances the octane rating of gasoline.

Octane rating is a measure of the antiknock properties of a motor fuel. A power-wasting knock occurs when the gasoline-air mixture in a motor's combustion chamber explodes before the spark plug fires. A fuel with proper antiknock qualities does not ignite until the plug sparks and then burns in a smooth surge radiating away from the plug.

As gasolines were being developed in the 1920's, a standard was established to measure antiknock performance. The popular choices were two naturally occurring substances, isooctane and heptane. A 100 percent concentration of isooctane was assigned a 100 rating, a 50-50 isooctane-heptane mix was rated 50 and 100 percent heptane was rated zero. Gasoline blends were then rated on the octane scale.

According to Dayton Lawson, a refinery director for Phillips Petroleum, simple distillation of crude oil will yield gasolines with octane ratings of 50 to 70. These would not be of much use in modern engines, which require octane in the mid to upper 90's. The E.P.A. minimum is 91.

There are two basic ways to increase octane rating: refine the gasoline further or add something. Additional refining usually involves passing the gasoline over a catalyst at high heat, a process called reforming. This will push the octane up to the needed level, but in the process a lot of liquid hydrocarbons are turned into gas, with the result that as much as 30 percent of the original volume is lost.

A gram or so of tetraethyl lead per gallon plus some reforming will also raise octane to automotive specifications and that was the answer from the late 1920's to early 1970's. But lead poisons the catalytic converters on modern cars, so a substitute had to be found. Unleaded gasoline now accounts for about 40 percent of all that is sold, and the proportion is expected to rise to 75 percent by 1985. MMT also retards knocking but it too has pollution problems and will be finally banned by the E.P.A. next Oct. 1, according to the agency's enforcement department. The agency temporarily lifted the ban in February to help increase unleaded gasoline supplies through the summer driving season.

The ban on metallic additives leaves the field open to blending agents that add volume as well as increase octane rating. At present some refiners are adding aromatic compounds such as toluene and xylene, much to the unhappiness of the petrochemical industry, which uses the same substances as the basic building blocks of plastics.

MTBE, in the Phillips process, is produced by stripping isobutylene out of the butadiene feedstock that goes into the company's synthetic rubber operations. The isobutylene is reacted with methyl alcohol to yield MTBE, which has an octane rating of about 120.

According to Dr. Owen Thomas of the Arco Petroleum Products Company, a rule of thumb is that each barrel of MTBE added to a gasoline run adds 2.2 barrels of gasoline. One barrel is from the volume of MTBE itself and the other 1.2 barrels come from MTBE's octane-improving properties, which allow an easing of the severity of the reforming process.

Arco's plant, which will go into production early next year, will produce 200,000 metric tons of MTBE a year, or 4,500 barrels a day, which Mr. Thomas concedes in "not a lot of volume." Phillips has not released the capacity of its plant, the only one now in operation, but company officials say it is less than half the size of Arco's. Other companies, however, also planning to produce MTBE.

MTBE is not the answer to the gasoline shortage, according to Mr. Thomas, although it may ease the imbalance between leaded and unleaded supplies. Since both isobutylene and methyl alcohol are petroleum derived, there is no addition to basic crude oil supplies.

But Mr. Thomas notes that technology exists to convert coal to methyl alcohol, which would augment crude oil supplies. The barrier to conversion now, he says, is economics.

According to Mr. Thomas, oxygen-containing hydrocarbons will play an increasingly large role in extending gasoline supplies in the future. Included among them will be alcohols, of which ethyl alcohol, or ethanol, is the best known. Ethanol is the active ingredient in alcoholic drinks and is the substance added to gasoline to produce gasohol.

But low-molecular-weight alcohols in general have high octane ratings, according to Mr. Thomas. Arco, in fact, has been adding up to 7 percent of an alcohol, tertiary butyl alcohol, to its gasolines in the Eastern part of the United States since 1969. ●

DEFENSE MOBILITY FUELS

● **Mr. DOMENICI.** Mr. President, as the industrial world holds its breath and waits for the OPEC cartel to set the world "posted" price of oil this week, the precarious position in which the United States and its allies find themselves is underscored. Here is the bulk of the productive power of the world, fidgeting anxiously while a small group of men rig the price of the world's most sought-after source of energy. One can hardly ignore the parallel to that famous tale, "The Mouse That Roared." Indeed, nations that most Americans did not even know existed 20 years ago, have reached the verge of economic ascendancy.

And, America and her people sit helplessly by, waiting for the OPEC verdict.

How high will the oil go this time? How many jobs will that cost the Americans? How insecure will that make our Nation? What increase in inflation will we have to bear? What compromises in our foreign policy will the cartel attempt to extract? Those are the kinds of questions we must consider.

One more central question remains for us to answer for ourselves and for our fellow Americans: When is the Congress going to act, in a positive, productive way, to break the cartel stranglehold on our land? When will we stand up and say, "No more; America is going to control her own destiny once again"? That is what the American people want from us: positive action, not excuses.

In the 2 weeks since I introduced S. 1377, "The Synthetic Fuels Production Act of 1979," I have heard from a variety of sources. Most of the people I have talked to have been enthusiastic about the notion of creating an independent authority with broad powers to cut through Government redtape, to give financial assistance to get private enterprise involved in a full-scale drive toward commercial production of synthetic fuels, and to assert America's independence in energy. I have heard other voices, too, though. I have heard those who say, "It can't be done. The costs are too high." I have heard those who say, "It can't be done. The environment may suffer and we can't take the chance." I have heard those who say, "We need more work on technology." For every idea, the timid can conjure up a thousand objections.

I suspect that when oil exploration in this land began in earnest in the 1920's, every entrepreneur and driller was asked a thousand times, "Who'll use the oil when you get it?" Instead of commissioning a study, or running theoretical computer studies of possible cost-benefit rations, the drillers went out and found the oil. That is the kind of approach we need now. That is why I believe the overall approach of S. 1377 is the best single, comprehensive plan yet offered to the Senate.

Overlooked in the fret over long gasoline station lines and the tragic slowdown by truckers in delivering goods to Americans, remains the increasingly critical question of our national security. Petroleum accounts for 70 percent of the energy requirements of the Department of Defense. Serious doubts have been raised within the Department of Defense about its capability in the late 1980's and early 1990's to provide secure and sufficient energy sources for its activities. In this regard, I draw my colleagues' attention to the recent testimony before the House Subcommittee on Energy Development and Applications of Dr. Ruth M. Davis, Deputy Under Secretary of Defense for Research and Advanced Technology. Dr. Davis makes some salient points about the relationship of the Nation's security to dependable supplies of petroleum products and I quote part of her testimony:

> The DOD is in fact the single largest energy user in the United States and accounts for 81 percent of the total energy usage by the Federal Government. Looking to the foreseeable future, we see little or no relief in this pattern of heavy DOD dependence upon liquid hydrocarbon fuels. Indeed, our current projections indicate little if any change in our future requirements for these fuels. . . . As evidenced by the fact that crude oil imports now comprise nearly 50 percent of the U.S. petroleum demand, our most serious near-term energy problem is our growing reliance upon foreign oil to compensate for the inability of domestic energy production to keep pace with domestic energy demand. Considering the practical reality of DOD's continued dependence upon liquid hydrocarbon fuels, this pattern of ever increasing dependence upon foreign oil poses a most serious threat to our ability to guarantee adequate energy supplies to meet essential military requirements, particularly for mobility fuels.

Let us hear that again. Dr. Davis says that

> Ever increasing dependence upon foreign oil poses a most serious threat to our ability to meet essential military requirements.

What more ominous warning do we need?

If the Nation were without resources to combat this problem we would have a tragic situation. But, the Nation has the resources to fight against a weakened military posture because of lack of fuel. That makes the situation simply silly. Here America sits on more than 1 trillion barrels of potential oil from shale; on billions upon billion of barrels of potential oil and oil equivalent from coal and tar sands; on huge geothermal and methanol resources; and we allow ourselves to become so dependent upon foreign crude oil that our very national security is threatened.

My bill would establish definite production goals for synthetic fuels by 1990. We would be able to reduce imports by 50 percent, if our goals were met. Why was that time frame chosen? Among other reasons, we chose it because it is feasible with an all-out Federal commitment. For another reason, our military dependence upon energy sources from abroad will become most dangerous then. To quote from Dr. Davis' testimony once again:

> Based on a comprehensive review of previously published government and industry energy supply and demand forecast, and based on existing intelligence reports, significant shortages of petroleum fuels for U.S. needs will probably occur in the late 1980 or early 1990 time frame. This shortage could occur in the early to mid 1980 time frame if the OPEC were to limit petroleum production, some evidence of which is now occurring in the case of Saudi Arabia.

The task force on which Dr. Davis was chairman reported to the Department of Defense in October of 1978. Among the recommendations of that task force were these:

That a comprehensive defense mobility fuels action plan be developed, the essential ingredients of which should place strong emphasis in the following areas:

Cooperative efforts between the Federal Government and industry to assist in meeting DOD's mobility fuel requirements through the commercial development of a domestic synthetic fuels industry;

The formulation of technical and operational plans required for DOD to accommodate a transition from the use of conventional to synthetic fuels in the post 1985 time frame;

An accelerated DOD engine/fuel technology program to establish acceptable synthetic fuels specifications and to develop engine systems capable of burning a broad range of synthetic and conventional fuels; and

The development of the industrial base required to enable DOD to implement the capability to use synthetic fuels."

And, to conclude part of Dr. Davis' testimony, she notes, "With regard to the conversion of synthetic crudes into refined petroleum products, it is generally recognized throughout the refining industry that, economics aside, there are no major technological problems associated with the conversion of syncrudes into a slate of suitable end fuel products."

So there we have it in a nutshell, a message that we should be telling every one of our neighbors in this land: we have a serious energy problem; that problem is so severe that it could begin to threaten our very national security; we have the resources and the technology to solve the problem; if we can just get Government both to act and to get out of the way, we can solve the energy crisis.

That syllogism is behind the concept of S. 1377, which owes much to the work of former Vice President Nelson Rockefeller and to other work done by many of my colleagues in recent years. The basic concepts are simply these: First, cut through the redtape and regulatory nightmare surrounding construction of synthetic fuels plants and, second, make the Government help with the financing so our engineering genius can get to work without delay.

I close today, Mr. President, by noting one particular irony in this situation filled with ironies: The huge coal gasification plants now working in South Africa and scheduled to be built soon are engineered by Americans. We have the best engineering, they say. It is tragic that we are not using our talent the way other nations are using our talent?

Mr. President, I ask that the statement of Deputy Under Secretary of Defense Davis be printed in the RECORD.

The statement follows:

STATEMENT ON DEFENSE MOBILITY FUELS

(By Dr. Ruth M. Davis)

Mr. Chairman and Members of the Committee: It is my privilege to have this opportunity to discuss the crucial nature of the defense energy problem, particularly as it relates to the development of assured supplies of mobility fuels. I am accompanied by Lieutenant Commander Larry Lukens, who is assisting me on Energy Technology.

I. THE ENERGY PROBLEM FROM A DEFENSE PERSPECTIVE

A. Reliances on mobility fuels:

Our national security objectives can be achieved only if we are thoroughly prepared to meet essential military energy requirements. The continuation of our ability to deter armed conflict, to produce modern weapon systems, to maintain the readiness of our military forces, and to support worldwide commitments on the seas, in the air, and on the ground depends on energy, particularly liquid hydrocarbon fuels.

Accordingly, guaranteed access to assured supplies of energy, particularly mobility fuels, must be considered an essential ingredient in ensuring our national defense. This is true whether we are at peace, in a time of crisis, or at war. Our capability for meeting this goal is becoming increasingly difficult as our conventional petroleum energy resources become more scarce and other petroleum sources upon which we now rely become less subject to our control.

I would emphasize that our military capabilities in any given part of the world are strongly dependent on the mobility of our weapons and support system. As a result, we are becoming increasingly concerned about our heavy reliance upon liquid hydrocarbon fuels now and in the foreseeable future. In fiscal year 1978, the DOD energy usage totaled 247 million barrels of oil equivalent or about 2 percent of the Nation's total energy usage. Defense related industries used an additional 2–3 percent of the national total. These percentage usage totals represent recent peacetime consumption patterns. We estimate that DOD's energy usage would increase about threefold in a typical wartime scenario. In terms of energy sources, nearly 70 percent of DOD's total energy requirement products. This compares to approximately 46 percent for the United States as a whole.

Approximately 90 percent of DOD's total petroleum consumption, or 413,000 barrels per day, is for mobility fuels for use in aircraft, shipboard and land-based mobile systems. Unlike the civilian sector, in which approximately 70 percent of the petroleum consumption is in gasoline and heating oil products, DOD is considerably more dependent upon the middle distillate fuels: nearly 80 percent of these middle distillate liquid petroleum supplies are consumed by aircraft and shipboard systems. While DOD's pro rata share of the Nation's total energy usage is comparatively small, the DOD is in fact the single largest energy user in the United States and accounts for 81 percent of the total energy usage by the Federal Government.

Looking to the foreseeable future, we see little or no relief in this pattern of heavy DOD dependence upon liquid hydrocarbon fuels. Indeed, our current projections indicate little if any change in our future requirements for these fuels. As is the case in the civilian transportation industry, the DOD continues to design and build weapon systems under the implicit assumption that they can be fueled with petroleum-like products. Accordingly, the majority of our planned weapons system vehicles as well as the majority of those currently in operation, which together constitute the mainstay of our military capability until the turn of the century or later, are dependent upon liquid hydrocarbon fuels. My point is simply this: unless our present designs, as well as many of our currently operating weapons systems, are modified extensively, liquid hydrocarbons will continue to be the primary mobility fuel for the DOD well into the 21st century.

As evidenced by the fact that crude oil imports now comprise nearly 50 percent of the U.S. petroleum demand, our most serious near term energy problem is our growing reliance upon foreign oil to compensate for the inability of domestic energy production to keep pace with domestic energy demand. Considering the practical reality of DOD's continued dependence upon liquid hydrocarbon fuels, this pattern of ever increasing dependence upon foreign oil poses a most serious threat to our ability to guarantee adequate energy supplies to meet essential military requirements, particularly for mobility fuels.

B. DOD's vulnerability to energy supply interruptions:

In defense terms, our ability to provide assured supplies of energy necessarily requires a supply system that is, to the maximum extent possible, invulnerable to interruption in both war and peacetime. The 1973–74 oil embargo provided the first dramatic, albeit brief, example of our vulnerability to foreign petroleum supplies. More recent events, particularly the political crisis in Iran, should once again serve as a constant reminder of the explicit military vulnerability we evince with each additional barrel of foreign oil imported to the U.S. These events provide renewed awareness of our increasing susceptability to the potential for political, economic, or military pressure—pressure applied by those who either have the ability to control directly or who can indirectly influence the flow of oil to the U.S. and to its allies.

Given the continuing risk of politically motivated energy supply interruptions, the potential also exists for considerably more serious interruptions of oil supplies in time of war. During periods of open confrontation, hostile forces could well succeed in restricting our access to essential oil supplies to an extent far more severe, in both quantity and duration, than that posed by political embargoes. Whether through attempts to deny access to Persian Gulf oil and oil loading ports, or through attempts to interdict tanker movements on the high seas, any one or combination of these actions could seriously affect the ability of the U.S. and its allies to adequately protect their individual or collective national security interest.

The political and economic risks of foreign oil supply interruptions are very serious and very real to our national security—no less so are the military risks.

In wartime, the essential nature of assured supplies of mobility fuels is obvious. I assume, however, that in wartime military fuel requirements would have top priority and could be satisfied by a combination of domestic production, conservation, reallocation, and use of strategic reserves.

At the same time, given the current level of U.S. crude oil imports, satisfying our military fuel requirements in wartime could inevitably create supply shortfalls within the other energy consuming sectors of the economy, particularly considering that during wartime the risk of import interruptions heightens.

I would point out though that assured supplies of military mobility fuels during peacetime should not be considered any less crucial to our military security. The military balance between the United States and its adversaries depends critically on the readiness of our Armed Forces as well as our real or perceived ability to employ these forces when it is in our vital interest to do so. The maintenance of acceptable levels of force readiness combined with our ability to employ these forces is, in turn, inextricably related to energy. The continued dependence of our forces on liquid hydrocarbon fuels, when combined with the Nation's growing dependence on vulnerable sources of foreign oil supplies, now approaching 50 percent of total U.S. requirements, gives cause for grave concern about our ability to adequately provide for our national security.

We must find energy alternatives—alternatives that are domestically controllable, technically feasible, and economically, environmentally, and socially acceptable—alternatives that are insensitive to foreign supply interruptions— alternatives that are insensitive to capricious economic and geopolitical actions.

C. Increasing energy costs:

In addition to our concerns about guaranteed access to assured energy supplies, the budgetary impact of increased energy costs has already caused DOD to incur a lower margin of readiness than we might otherwise prefer. The total DOD costs for energy in fiscal year 1978 exceeded $4 billion—more than double our energy costs in fiscal year 1973. This increase in our energy budget has been accompanied by a 30 percent reduction in DOD energy usage over the same time frame. As evidenced by more recent escalations in the price of foreign oil, we do not anticipate any significant relief from this pattern of increasing energy costs. For this reason alone, it is essential for all elements of the DOD to use energy in the most efficient manner possible.

The combination of these factors—the increasing vulnerability of energy supplies and the budgetary impact of increasing energy costs—stresses the need for a continuing military requirement to develop an efficient military energy system that is, to the maximum extent possible, invulnerable to foreign energy supply interruptions.

II. RECENT DOD ACTIONS RELEVANT TO MOBILITY FUELS

In response to this current and most critical energy issue, the Department of Defense has undertaken a series of actions which are intended to provide the basic framework upon which it can formulate a comprehensive, fully coordinated defense mobility fuels strategy. These actions were initiated in December 1977, when, at the direction of the Deputy Secretary of Defense, a Task Force was established, chaired by myself, to address and to make recommendations on the alternatives available to DOD to meet its future mobility fuel requirements. The Task Force issued its final report in October 1978 having reached the following major conclusions:

Based on a comprehensive review of previously published government and industry energy supply and demand forecast, and based on existing intelligence reports, significant shortages of petroleum fuels for U.S. needs will probably occur in the late 1980 or early 1990 time frame. This shortage could occur in the early to mid-1980 time frame if the OPEC were to limit petroleum production, some evidence of which is now occurring in the case of Saudi Arabia;

U.S. dependency on foreign petroleum is not likely to decrease in the near term (before 1990);

DOD will continue to depend on liquid hydrocarbon fuels for its mobility energy requirements well into the 21st century;

Fulfillment of DOD's peacetime energy needs through a system of emergency allocation priorities and/or use of the Defense Production Act is expected to be unacceptable, particularly if doing so impacts other segments of the National economy; and

DOD must plan on an orderly transition from natural to synthetic fuels in the 1985–2010 time frame in order to ensure that its mobility fuel needs can be satisfied through greater reliance on domestically controlled sources.

Based on the above stated conclusions, the Task Force forwarded to the Deputy Secretary of Defense the following recommendations:

That a comprehensive Defense Mobility Fuels Action Plan be developed, the essential ingredients of which should place strong emphasis in the following areas:

Co-operative efforts between the Federal Government and industry to assist in meeting DOD's mobility fuel requirements through the commercial development of a domestic synthetic fuels industry;

The formulation of technical and operational plans required for DOD to accommodate a transition from the use of conventional to synthetic fuels in the post 1985 time frame;

An accelerated DOD engine/fuel technology program to establish acceptable synthetic fuels specifications and to develop engine systems capable of burning a broad range of synthetic and conventional fuels; and

The development of the industrial base required to enable DOD to implement the capability to use synthetic fuels.

That a series of management and organizational actions be taken to ensure complete vertical and horizontal coordination within DOD and with other agencies of the Federal Government.

These Task Force recommendations were subsequently approved by the Deputy Secretary of Defense in November 1978, at which time directives were issued to various organizational elements within DOD to undertake those actions necessary to fully develop the plan. In this regard, the Chairman, Joint Chiefs of Staff was assigned the responsibility to provide an annual update of current and projected mobility fuel requirements for the DOD. The first such annual update, recently issued by the JCS, projected a slight decrease (approximatley 0.7 percent) in DOD mobility fuel requirements over the fiscal year 1979–1989 time frame. This projected decrease is due, in large part, to Service efforts to improve the efficiency of energy use through changes in the land vehicle inventory, increased use of flight simulators, implementation of improved cleaning techniques and antifouling paints for ship's hulls, and through management actions specifically directed towards energy conservation.

Citing recent fluctuations within the world petroleum market precipitated by the temporary shutdown of Iranian crude oil production and citing the subsequent impact of these fluxuations on the ability of DOD to provide full coverage for its mobility fuel requirements, the JCS stressed that, in peacetime, the DOD is as vulnerable to scarcities of petroleum as are other sectors of the National economy. In addition, the JCS emphasized that penetration of war reserve fuel inventories, as was done during the 1973–1974 oil embargo, continues to be a possibility for the foreseeable future if our current difficulty in obtaining adequate fuel supplies continues. Accordingly, the JCS concluded that, under present circumstances, the DOD is not assured of being able to secure adequate petroleum supplies for peacetime operations and to simultaneously sustain its war reserve inventories.

This peacetime situation is of particular concern, considering that, short of requesting use of the Defense Production Act, no mechanisms are currently available by which DOD could be assured of priority rights to available fuel supplies.

This most recent JCS reinforcement of the earlier Task Force findings provides additional emphasis on the need to pursue a strong energy conservation ethic and to develop the aforementioned Defense Mobility Fuels Action Plan.

With regard to energy conservation, I mentioned earlier that DOD has realized a 30 percent reduction in energy usage over the 1973–1978 time frame. While these savings are certainly noteworthy it must be emphasized that they were accomplished primarily through a combination of force level reductions and reduced operating tempos. Any further energy savings through reductions of this nature will have a serious impact upon our ability to maintain acceptable levels of force readiness. It is essential therefore, that further energy savings must come from improvements in the efficiency of energy use.

Accordingly, the future DOD thrusts as they relate to energy conservation will seek to accelerate the application and, when necessary, the development of specific technologies that will effect efficiency improvements in our present and future military systems.

With regard to the Defense Mobility Fuels Action Plan, the initial emphasis is two fold. First, efforts are being directed toward encouraging the development of a commercial synthetic fuels industry capable of producing refined products that meet transportation fuel requirements, including the mobility fuel specifications established by DOD. Secondly, we are accelerating the DOD engine/fuel technology program to establish acceptable synthetic fuel specifications and to develop engine systems capable of burning a broad range of synthetic and conventional fuels.

These combined actions—improved flexibility in our use of conventional fuels in the short term and the transition from the use of conventional to synthetic fuels in the longer term—are critical to our ability to provide guaranteed access to assured supplies of defense mobility fuels.

In undertaking this important effort, we fully recognize that the successful transition from conventional to synthetic fuels, or combinations thereof, will require two distinct but closely related actions. First, we must fully establish the capability to use synthetic fuels in mobile military systems, and to do so without sacrificing mission requirements. The DOD must assume primary responsibility for developing this capability—a capability which will make us a ready, willing, and able customer for synthetic mobility fuels at the time they become available in commercial quantities.

The second action is intended to lead to the availability of commercial quantities of domestically produced synthetic fuels. We fully recognize DOE's responsibility here: at the same time, we believe that DOD, serving as a major and, if necessary, a guaranteed customer for synthetic fuel products, can provide an important impetus for achieving this goal.

The implementation of the Defense Mobility Fuels Action Plan is dependent on the successful and timely development of both the production and utilization components of an overall synthetic fuel technology. Within the U.S., no such technology has been demonstrated on a scale commensurate with commercialization requirements. The continuing absence of a commercial capability to produce synthetic mobility fuels will negate any success achieved by DOD in developing the capability to use synthetic mobility fuels, and vice versa. For this reason, comprehensive and well coordinated plans must be developed and implemented jointly by Government and industry: we are attempting to encourage this now.

III. SYNTHETIC FUEL ALTERNATIVES OPEN TO DOD

I have intentionally avoided to this point discussing the generic energy resource from which these much needed synthetic mobility fuels would be derived. I wanted to focus instead on DOD's ongoing efforts to identify potential alternative sources of mobility fuels. These efforts place a much higher priority on the need to develop a domestic synfuels industry than on the development of any specific energy resource, be it coal, oil shale, or biomass, for example.

In this regard, I would stress that we would be ill-advised to foreclose on any of our energy options without careful study and an objective assessment of relative merits. At the same time, I would hasten to add that in our pursuit of careful studies and objective assessments we must not, by virtue of our failure to take decisive actions, foreclose on our ability to protect our national security.

An assessment of the Nation's recoverable fossil energy resources reveals the U.S. deposits to be rather sizeable in comparison to the world totals, with the U.S. deposits of coal and oil shale each containing more recoverable hydrocarbons than the current world's total proven petroleum reserves.

One properly developed, our domestic fossil energy resources would well sustain the petroleum requirements of the U.S. for a considerable period of time—certainly long enough to allow for the orderly development and shift to renewable energy sources.

With regard to the resource base question, the various technical, economic, environmental, and institutional constraints, combined with historical R&D experience with various synthetic fuels, makes it clear that for the near term, say for the next half century or so, the alternatives for liquid hydrocarbon transportation fuels will, for the most part, find their genesis in various fossil and biomass energy forms. The problem, of course, is that to make this a practical reality, the lower energy availability forms, such as coal, oil shale, tar sands, and biomass, must be converted into the higher energy availability forms required of present day systems, particularly as required by transportation systems. For the production of transportation fuels, each of these energy sources pose certain advantages and disadvantages.

With regard to coal, the physical and chemical characteristics or coal liquids together with the costly hydrotreating required to bring coal liquids into the middle distillate fuels range will most likely direct liquid products derived from coal towards the gasoline, boiler heating oil, and petrochemical feedstock markets. These uses for coal liquids, when combined with coal gasification and the increased use of coal for direct conversion into electric power, certainly offer one of the greatest potentials for relieving the Nation's increasing dependence upon foreign oil. Further consideration of coal derived middle distillate transportation fuels, however, must necessarily await further advances in coal processing technologies leading to improved commercial economics. Considering the importance of our domestic coal resources, however, we will develop the capability to use coal-derived mobility fuels at the appropriate time.

From a technical viewpoint, tar sands represent a potentially viable source of middle distillate range tarnsportation fuels. However, the relatively small extent of the U.S. tar sand deposits and the lack of any significant national effort to develop these deposits precludes serious consideration of this alternative, at least for the immediate future.

The vast majority of our mobile military systems are limited in range by the volume, vice weight, of their fuel storage capacity. In this regard, the volumetric energy density of the alcohol fuels is significantly lower than that of the fossil derived liquid hydrocarbon fuels. The use of alcohol fuels in these military systems, therefore, would result in either a reduction in range or an increase in size, either of which would result in range or an increase in size, either of which would result in a degradation of strategic and tactical capability. Moreover, unlike the relative ease with which alcohol fuels can be used as gasoline blends, we find this is not the case for the jet and diesel fuels of primary interest to DOD. Accordingly, the combination of these factors, together with the added problems associated with handling and safety, precludes serious consideration of the use of alcohol fuels except for non-mission essential applications; e.g., noncombat vehicles.

Of the various energy alternatives to petroleum, oil shale must be considered the most attractive near term source of transportation fuels, particularly the middle distillate fuels. Within the United States several oil shale extraction technologies have been developed and tested in equipment ranging from one-tenth to one-fourth commercial scale. Compared to other alternate sources of liquid hydrocarbon fuels, oil shale appears to be more technically advanced and more economically viable; however, it has not yet shown itself sufficiently viable to muster the required private investment for the commercialization of an oil shale industry.

With regard to the conversion of synthetic crudes into refined petroleum products, it is generally recognized throughout the refining industry that, economics aside, there are no major technological problems associated with the conversion of syncrudes into a slate of suitable end fuel products. There are, nonetheless, certain characteristics of syncrudes, such as the high nitrogen levels typical of shale oils, which will require refining techniques not normally required for conventional crude feedstocks. As such, there is a need to improve the economics of refining syncrudes in order to bring the cost of synfuels into a more competitive status with the price of conventional fuels. To achieve this competitive economic status for a synthetic fuels industry will obviously require some effort directed toward the optimization of refining methods specifically tailored to syncrude processing requirements. In this regard, it has been clearly demonstrated throughout the history of the refining industry that improvements in the economics of refining are strongly influenced by the physical and chemical properties of the crude feedstocks and by the market within which the end slate of products are to be distributed. Accordingly, any effort directed towards the development of optimized refining techniques must clearly identify at the outset the nature of the refinery feedstocks and the requirements of the market place which is being targeted for product distribution.

Similarly, the end-use acceptability of synthetic fuels is important to commercial development. While the use of synthetic fuels is not considered a major technical barrier to commercial development, demonstrating the suitability of synthetic fuels in various end-use systems is, nonetheless, of importance in establishing the overall economics and market potential of this growth industry. With respect to the DOD interest, however, it is essential that the suitability of synthetic fuels for military use be fully assessed before the Armed Forces will be prepared to acquire and use these fuels at the time they become available in commercial quantities.

We recognize that an orderly transition from the use of conventional to synthetic mobility fuels in military systems will take a number of years. We believe, however, that it must be done, and soon. In this regard, aside from the Defense Production Act and the recently proposed amendment to this Act which would provide much needed incentives for the commercial development of synthetic fuels (H.R. 602), there are currently no other Federal non-DOD plans and programs which will provide for assured supplies of defense mobility fuels. Accordingly, we welcome the opportunity to work with this Committee to seek ways to correct this deficiency and to encourage a more rapid development of a domestic synthetic fuels industry.

Concurrent with this development, we will make every attempt, as an essential ingredient to our overall defense posture, to maintain a credible level of peacetime force readiness, fully capable of responding when the need arises to do so.

IV. CONCLUDING COMMENTS

The seemingly inevitable disruption of energy sources not under U.S. control poses a most serious threat to our ability to maintain the operational readiness of our Armed Forces at a level sufficient to ensure the national security. It is imperative therefore that the ultimate objective of DOD's efforts in synthetic fuels be directed towards minimizing the potential loss of military effectiveness resulting from this threat. We feel this objective can best be met by placing the DOD in the position of an informed customer for the fuels produced by the emerging domestically controllable synthetic fuels industry, and to encourage, in any way possible, attempts to accelerate the development of this most critically needed industry.

If we do our job right, we will contribute towards ensuring that our energy supply lines remain full, providing energy to support our military forces—energy that is in the right form, in the right place, and in sufficient quantities to maintain our national security.●

SALT II AND OUR NATIONAL SECURITY: A GENERAL'S VIEW

● Mr. CRANSTON. Mr. President, yesterday Senator GARN announced his opposition to SALT II. Today, Senator BAKER announced his opposition to SALT II. Each of these distinguished Senators purported to base his opposition on the ground that SALT II is "not favorable" to the United States or gives the Russians a "strategic superiority."

I have considered carefully the positions of these Senators and I was struck by the fact that neither of my colleagues in his published statement considered the consequences to our national security if SALT II is not ratified—each concentrated on why SALT II is not good enough. On that point, I agree: SALT II is not good enough; it must be followed by other SALT treaties before we have harnessed the danger of nuclear suicide.

SALT II is a modest, but indispensable step, in the SALT process. I support the SALT Treaty and shall work for treaty ratification—with whatever reservations, understandings or even possibly amendments may be necessary.

But just as I question opponents of SALT II who do not consider the consequences to our national security if SALT II is rejected, so I believe proponents of SALT II must consider the consequences to our national security both with SALT II and without SALT II.

Gen. George M. Seignious has devoted 37 years of service as a U.S. Army officer—service that was devoted first and foremost to the security of our Nation. Now he is continuing his service to our Nation as Director of the U.S. Arms Control and Disarmament Agency.

General Seignious accompanied President Carter to the Vienna summit where SALT II was signed—a SALT treaty which the General vigorously supports. Just before his departure for Vienna, General Seignious made a comprehensive position statement on "SALT II and Our Nation's Security." He stated his basis for evaluating the SALT II Treaty as follows:

> I could not, and I will not, advocate to the President, to the Senate—or to you—any form of unilateral disarmament.
>
> I could not, and I will not, advocate an agreement based on trust. The very survival of our nation is at stake—and trust is not a basis for survival.
>
> And I won't be a party to any action that makes the United States second best. In strategic arms we must be ahead of or at least equal to the Soviet Union, never number two.

> To command my support, an arms control agreement must stand on its own merits. It must enhance, in real and specific ways, the national security of the United States. It must place limits on the forces of our adversary; it must preserve our option to deploy the forces we need to maintain the strategic balance; and it must be adequately verifiable.

General Seignious has concluded that SALT II agreement signed in Vienna "passses those tests" and he presents in specific detail the reasons why he has concluded that those tests—the same substantive tests advanced by Senators BAKER and GARN—are passed. I believe the opponents of SALT II have a responsibility when opposing the treaty on grounds of "national security" to match this specificity and factual detail of General Seignious in finding SALT II in furtherance of our national security—a responsibility I suggest that the opponents have not yet met, and cannot meet.

In addition to finding SALT II consistent with our national security, General Seignious also considers the effect on our national security if the treaty is not ratified. He concludes that without SALT II our national security will be impaired by the ensuing arms race:

> SALT will not stop our ability to compete around the world with the Soviets. In fact, SALT will enhance it. For example, would we be better able to meet the Soviets challenge to NATO, or in Africa and Asia, without SALT II—while spending even larger sums on nuclear, rather than conventional, forces?
>
> A nuclear arms race, with the gloves off, would not just mean billions more for defense. It would focus our attention and our resources on strategic military rivalry and competition. Our response to other pressing problems—such as energy and economic problems of friends and allies—could not help but suffer, for strategic security would be our first concern.
>
> A stable world is an arena best turned to our advantage. An unrestrained and tension-filled nuclear arms race is not the recipe for a stable economy and it is not the recipe for a stable world.

Not only is SALT II imperative for our national security vis-a-vis the Russians, but General Seignious correctly notes what the opponents of SALT II do not even consider—the SALT process is essential to prevent the spread of nuclear weapons:

> No threat to our common security better illustrates this point than the danger posed by the possible spread of nuclear weapons. We and the Soviet Union, together with other nations, are working on this danger. As a former strategist for the Joint Chiefs of Staff, I can think of no more of a nightmare for our security than a world of 10 or 15 or 25 nuclear powers. Circumstance could drag us unwilling into conflagration. Furthermore, as these weapons spread into more hands, we might not even know from where the blow had come.
>
> We must all realize that more than 100 nations have foresworn nuclear weapons for themselves by adhering to the Nuclear Non-Proliferation Treaty. The United States and the Soviet Union, as nuclear powers, pledged their own restraint. The non-nuclear nations—some of whom could develop nuclear weapons if they choose—are watching closely the two superpowers, to see whether we are indeed credible in our commitment to reduce the level of nuclear weaponry.

Mr. President, the statement of General Seignious is an important and comprehensive presentation of SALT II and our national security. I urge each of my colleagues, particularly those who are opposed to SALT II or have yet to make up their minds, to consider this authoritative, dedicated and patriotic American's stand for the treaty—and the consequences to our national security with and without the treaty.

I submit the full text of the address "Salt II and Our Nation's Security" by George M. Seignious II, Director, U.S. Arms Control and Disarmament Agency, delivered on June 12, 1979, before the Conference on U.S. Security and the Soviet Challenge, Richmond, Va., and ask that it be printed in the RECORD.

The text of the address follows:

SALT II AND OUR NATION'S SECURITY

(By George M. Seignious II)

Good afternoon, Ladies and Gentlemen.

Thirty-seven years ago, in the midst of a world war, I became a United States army officer. Over three decades in the service of my country have taught me that we first must see to the security of our nation, that preparedness and vigilance must be our guides—if we are to remain free.

I could not, and I will not, advocate to the President, to the Senate—or to you—any form of unilateral disarmament.

I could not, and I will not, advocate an agreement based on trust. The very survival of our nation is at stake—and trust is not a basis for survival.

And I won't be a party to any action that makes the United States second best. In strategic arms we must be ahead of or at least equal to the Soviet Union, never number two.

To command my support, an arms control agreement must stand on its own merits. It must enhance, in real and specific ways, the national security of the United States. It must place limits on the forces of our adversary; it must preserve our option to deploy the forces we need to maintain the strategic balance; and it must be adequately verifiable.

The new SALT II agreement passes those tests.

The most difficult task that faces a strategist is to find some way to limit the forces of your opponent. No matter how many weapons of your own you build, you cannot stop your opponent from building right long with you. And with nuclear weapons—against which there is no real defense—the result of such a race is not more security for one, but greater insecurity for all.

SALT is the only way I know to force the Soviets to dismantle ICBM missile launchers and nuclear submarines. SALT is the only way I know to limit the number of Soviet nuclear warheads targeted at our nation.

I challenge any opponent of this treaty—military or civilian—from the left or the right—to show me another way.

So one of the primary military objectives in SALT is to limit the strategic forces of the Soviet Union. SALT II does just that in ways that are important to our security:

One, SALT II will place a ceiling of 2,250 on the number of Soviet missile launchers and heavy bombers. We estimate that the Soviets, without this ceiling, could have 3,000 in 1985—just by continuing the momentum of their current programs. And there is reason to believe that they would continue.

Two, SALT II will force the Soviets to reduce their current total of central strategic systems by about 250—systems such as nuclear-powered submarines with missiles built in the early 1970's and aircraft carrying their largest multi-megaton bombs. No existing operational U.S. forces will have to be reduced.

Three, SALT II will limit to 1,200 the number of launchers of MIRVed strategic ballistic missiles the Soviets are allowed to deploy. We estimate that they could have as many as 500 more than this in 1985 without this limit.

Four, SALT II will limit to 820 the number of Soviet launchers of MIRVed intercontinental ballistic missiles. We estimate that without this limit they could have more than 1100 by 1985, and these are their most threatening weapons.

Five, SALT II will ban any increase in the number of warheads the Soviets can place on existing ICBMs, and it will limit to 10 the number they can place on the one permitted new type of ICBM. It's no coincidence that this is the same number we plan for our new MX missile. This warhead limit is one of the major features of SALT—it restricts significantly the use the Soviets can make of their larger ICBM throw-weight. I should note that it neutralizes one of the major advantages of a giant missile if this missile is only allowed the same number of warheads as a smaller one. For example, the Soviet SS–18 heavy ICBM could pack 30 warheads rather than the 10 SALT will permit. With over 300 SS–18's by the 1980's, that means 6,000 fewer warheads on just one type of Soviet missile.

Six, SALT II will ban the production, testing, and deployment of the Soviet SS–16 ICBM—the only mobile ICBM yet tested by either nation. This ban will even extend to production of missile components unique to the SS–16.

You can see what these limits mean for us—many hundreds fewer Soviet missiles and many thousands fewer Soviet hydrogen warheads aimed at us. Is there one opponent of SALT who will stand up and say he is against that?

There are other ways by which SALT will limit the forces of the Soviet Union:

The Soviets will be banned from flight-testing and deploying new types of ICBMs, with an exception for only one new type of light ICBM.

Constraints written into this provision will limit Soviet ICBM improvements in such characteristics as throw-weight, launch-weight, length, diameter, and fuel type.

The agreement will ban ICBM rapid-reload systems and storage of excess ICBMs near launch sites. This will prevent the Soviets from gaining any meaningful strategic advantage from extra missiles.

You may have noticed that I keep repeating a word—ICBM. We have focused SALT on ICBMs—much as the Soviets would have preferred a different emphasis, because land-based intercontinental ballistic missiles are the backbone of their strategic nuclear forces. Fully 70 percent of Soviet strategic power is carried aboard their ICBMs. We, by contrast, divide our strategic forces into three relatively equal and capable components.

This brings me to the second vitally important criterion for SALT. We must be able to maintain the strategic balance under SALT.

The first priority of our strategic nuclear forces is to ensure that no nation will ever be tempted to use nuclear weapons against us or our Allies. These forces must be able to withstand a Soviet first strike and retaliate to inflict unacceptable devastation—in the manner and method of our own choosing. Basically, these forces exist to deter war. The Strategic Air Command motto, "Peace Is Our Profession," is not some hollow, public relations slogan.

We have these forces today. We can target every Soviet city, every industry, every missile silo, every submarine base, every airbase, every rail line.

No matter what Soviet force is hurled at us, the United States can retaliate in an appropriate fashion.

Any person who questions that retaliation is engaging in sophistry of the first order. I am appalled at those who go around this country—even abroad—and contemplate a scenario of American surrender. They say that an American President, staring at a so-called limited Soviet strike on our land-based missiles, faced with the deaths of up to 20 million citizens and the carpeting of a good part of our country with radioactive fallout—they say that he would fail to respond!

I find such a surrender scenario incredible, and I find it irresponsible—for it sends just the wrong message to the Soviets. We have not built and maintained our strategic forces—at the cost of billions—in order to weaken their deterrent impact by telling the Russians and the world that we would back down—when, in fact, we would not.

We have built our strategic forces so that we may never have to strike first. As our forces are modernized, this principle will continue to be our guide.

We have built a balanced triad of land-based intercontinental ballistic missiles, submarine-launched ballistic missiles, and heavy bombers. Each carries its own devastating retaliatory power; each guarantees our overall deterrent against failure of any one part; each complicates the problem for an opponent. For example, if the Soviets attack our ICBMs first, many of our bombers will have enough warning to escape. If the Soviets use close-in submarines to fire missiles at our bomber bases, then our ICBMs are forewarned. And behind these forces are our submarine-launched ballistic missiles carrying over 5,000 deliverable warheads, about 3,000 of which are at sea on invulnerable submarines at any one time.

There is no doubt that the Soviet strategic force is formidable. There is no doubt that it is the only military arsenal in the world that is our rival. But there is also no doubt that the Soviet Union does not have strategic superiority today, and they will not have it in the future, if we continue to modernize our strategic forces.

Right now I want to lay to rest two myths about SALT. The first is that we are standing still on defense; the second is that SALT will tie our hands.

Both of these propositions are false.

Our strategic military capabilities are increasing, and SALT will allow us to proceed with all of the force options we have decided are necessary for our security:

We have improved the accuracy and explosive yield of our existing Minuteman III land-based missiles. SALT II will not prevent similar improvements in the future.

We are about to fit some of our existing Poseidon nuclear submarines with the longer-range Trident I missile which means that these submarines can patrol and hide in vastly increased ocean areas, and still hit their Soviet targets. They will be even more difficult to detect. This program will be completed in 1982. SALT II does not hinder this in any way.

We have just launched the first of our Trident nuclear missile submarines, each of which can hit about 200 Soviet targets. By the end of SALT II, we plan to have seven of these submarines. SALT II does not hinder this in any way.

We are developing and testing air-launched cruise missiles for placement aboard approximately 150 of our heavy bombers. We plan to start installing these air-launched cruise missiles in 1981. By late 1985, we expect to have nearly 1500 cruise missiles deployed. These cruise missiles are highly accurate and can be launched outside of Soviet air defenses. One could be fired from a B-52 over the Atlantic and land within a few yards of a command post near Leningrad carrying a nuclear punch over 10 times that which destroyed Hiroshima. This technology is revolutionary, and we have it. SALT II does not hinder this at all.

We are developing and testing long-range ground- and sea-launched cruise missiles. Deployment is prohibited by SALT II until after 1981, but these missiles would not be ready for deployment before this date anyway. When these are ready for deployment, it will be our decision to make whether deployment or negotiated restrictions, which also limit the Soviet Union, are in our best national security interests. SALT II does not ban the transfer of cruise missile and other sophisticated technology to our NATO Allies nor will it hinder cooperation with our Allies to modernize nuclear and conventional forces in Europe.

And SALT II does not prevent us from developing a solution to the problem of the increasing vulnerability of land-based missiles. This vulnerability is not the result of SALT. It is due to the increasing capabilities, accuracy combined with greater explosive power, of the missiles of both nations.

The search for a solution to the growing vulnerability of our land-based missiles has been a concern of arms control as well as defense. And it will continue to be. On the one hand, we cannot allow a significant part of our strategic force to be placed at risk to a Soviet preemptive strike, however unlikely in concept or execution. There must never be the slightest doubt in Soviet minds that our ICBMs are capable of doing their job. On the other hand, whatever solution we choose to make our land-based missiles less vulnerable in the future must be adequately verifiable.

Some will ask: "Why should we design a system that is mobile?" The reason is clear. As our missiles grow in accuracy and explosive power, the Soviet land-based missile force will become vulnerable. The incentive could be theirs to strike first in a crisis or period of tension to prevent us from destroying their missiles. To lessen this instability, we must design systems that provide no incentive to strike first in a crisis. Mobile, so they cannot be targeted. But, verifiable, so they can be counted.

Whatever solution we choose to ensure that our land-based missiles remain relatively invulnerable must be adequately verifiable for the Soviets. And whatever solution we choose must be designed so that we could verify it if the Soviets choose to copy it for their own forces. A system that does not meet these tests could come back to haunt us in years to come.

And whatever solution we choose must provide the Soviets an incentive for adequately verifiable, mutual reductions through negotiations—negotiations in which we too will have to forego something, negotiations aimed at limiting the first-strike threat which has spawned our own response.

We have considered a number of basing schemes for our new ICBM, the mobile MX.

It is a demonstration of the importance of arms control to national security that, with SALT II, the mobile missile land-based alternatives that we have considered are unquestionably more feasible and more economical. Without the SALT limits on numbers of Soviet warheads, the Soviets could add more warheads over time which would necessitate a significantly larger number of shelters for our missiles, thus threatening the economic feasibility of such systems.

I would be less than candid if I told you that we won't have to increase our spending for strategic programs, with or without SALT. The scope and pace of Soviet strategic programs leave us little choice. But there is no doubt that the cost without SALT could be many tens of billions more than it will be with SALT.

With SALT II, we can plan our forces knowing that the Soviets in 1985 will have no more than a certain number of strategic missile launchers, no more than a certain number of deliverable strategic warheads. There will be specific limits on the numbers, types, and capabilities of Soviet strategic weapons. This will help us to spend our money where it is needed and when it is needed.

We will still have to plan against the maximum Soviet capabilities possible under SALT II. Entrusted with the defense of our nation, we would not be doing our job if we did otherwise. But this is a far cry from the threat and the uncertainty that would confront our military planners if there is no SALT II.

I said when I began that I could not advocate an agreement based on trust.

If SALT depended on trust, I'd reject it, no matter how advantageous its provisions. SALT and trust do not belong in the same sentence. To put it bluntly, we are dealing with our principal adversary.

We monitor Soviet compliance in SALT with our own independent intelligence capabilities. These capabilities are truly astounding—especially to a soldier who began his career in World War II when we often had no idea what was happening a thousand yards behind enemy lines, let alone a thousand miles:

We survey the Soviet Union regularly, thoroughly, and accurately;

We watch them build missile silos and we will oversee the dismantling of these silos if that is what SALT requires;

When the Soviets launched their latest Delta-class strategic missile submarine, it was no surprise to us; we had been following the progress of its construction since it began;

We observe new missiles as they are flight-tested, and they are tested extensively;

We know whether a missile is tested with one warhead or more than one.

As in any intelligence effort, we can monitor some activities with greater precision than others. But I know of no way that the Soviets could cheat so as to pose a military risk or in any way affect the strategic balance without being caught by our intelligence in time to permit us to respond promptly and effectively. And we will have that capability from the outset of the Treaty. When I make those statements before the Senate of the United States, I intend to be able to defend them.

People often ask: "What do we do if we discover a Soviet violation or even if we suspect one?" As a result of the first SALT agreement in 1972, we established at Geneva a U.S./Soviet Standing Consultative Commission where any compliance questions, any suspected activities, by the Soviets or by us, can be challenged at once. We have not been hesitant to challenge. The fact is, there is not one outstanding challenge that we have made against the Soviet Union that has not been resolved to our satisfaction. If a violation persisted without correction or if a violation threatened our security, then we could abrogate the agreement and build the forces necessary to meet the threat. This would be a serious development, and the Soviets know it.

The relevant question in verification is whether or not compliance with the limits can be determined to the extent necessary to safeguard our security—that is, whether or not we could identify evasion attempts well before they reach a scale which puts us at a military disadvantage. This is what is meant by *adequate* verification.

Some have said that President Carter changed the ground rules on verification, that the word "adequate" was inserted as some sort of gimmick to cover provisions that could not be fully verified. The record proves the opposite:

In 1969, President Nixon approved instructions that said: "Any agreed measures must be subject to adequate verification";

In 1973, in Washington, President Nixon and Soviet leader Brezhnev signed a "Basic Principles of Negotiations" for SALT which again required "adequate" verification;

In 1974, "adequate" verification remained the standard under President Ford when our SALT Delegation received its instructions;

And in 1977, Congress established by Law the standard of "adequate" verification.

Now if President Carter uses the word "adequate," I call that following the rules, not changing them.

The verification provisions of SALT II do more than serve our basic need to be certain that the Soviets are living up to their obligations under the agreement. These provisions, and indeed the entire process of strategic arms negotiations, actually enhance the knowledge we have about Soviet strategic forces:

Under SALT II, the Soviets will not be allowed to interfere with the intelligence systems we use to verify SALT. For example, they will not be allowed to blind our satellites.

Under SALT II, deliberate concealment, including encryption of telemetry, which impedes verification of compliance is banned. Without this ban, the Soviets could use any and all means of concealment. Our intelligence task would be greater; our information would be less; and we would have to plan our own forces against a far less certain and more dangerous Soviet threat.

For the first time in the history of strategic arms negotiations, the Soviets will provide figures on their own offensive forces as part of an agreed data base, figures which we will be able to verify independently: this is a break in a centuries-old tradition of Russian secrecy. This provides a clear, agreed baseline on which to judge treaty compliance and from which future negotiated reductions can be made.

Furthermore, in SALT II there will be rigorous counting rules to solve such problems as determining which missile launchers have missiles that carry multiple independently targetable warheads—or MIRV's—and which do not. The practical result of these rules means that, for example, fully tested single-warhead versions of MIRVed Soviet missiles must be considered as MIRVed under SALT, even though we know, and the Soviets know we know, that these missiles carry only one warhead.

In SALT, we have used verification to good advantage—for our own security, for strategic stability, and to turn uncertainty into confidence.

Vigilance in defense and in negotiations; will to meet any challenge; and confidence in ourselves and our friends—these are qualities of a nation always free.

The Soviets challenge us today not only in the strategic arena; they challenge us on many other fronts as well. And so they should be met—on many fronts. To use SALT to meet every aspect of that challenge is not only inappropriate; it means that we lack the imagination and the will to use the many other, more effective resources at our disposal.

SALT will not stop our ability to compete around the world with the Soviets. In fact, SALT will enhance it. For example, would we be better able to meet the Soviet challenge to NATO, or in Africa and Asia, without SALT II—while spending even larger sums on nuclear, rather than conventional, forces?

A nuclear arms race, with the gloves off, would not just mean billions more for defense. It would focus our attention and our resources on strategic military rivalry and competition. Our response to other pressing problems—such as energy and economic problems of friends and allies—could not help but suffer, for strategic security would be our first concern.

A stable world is an arena best turned to our advantage. An unrestrained and tension-filled nuclear arms race is not the recipe for a stable economy and it is not the recipe for a stable world.

There are too many other problems that threaten the health of our nation and too many other problems that provide opportunities for the Soviets to exploit about the globe. We should not forget that many in this world are more concerned with fear of hunger and disease than fear of Communism. These are the types of problems that I want to see our nation address—not a new arms race we don't want, we don't need, from which there is no advantage, yet from which we shall not shrink if necessity leaves us no choice. If we can make headway against these problems, then we will have triggered an earthquake shock against the Soviet system.

Confidence is essential to our strength. Its opposite is fear, fear unworthy of a proud and independent nation. Free of fear, secure in our strength, we should not hesitate to cooperate with the Soviet Union. In our overall relations, as in negotiations, one nation's gain need not be the other's loss.

No threat to our common security better illustrates this point than the danger posed by the possible spread of nuclear weapons. We and the Soviet Union, together with other nations, are working on this danger. As a former strategist for the Joint Chiefs of Staff, I can think of no more of a nightmare for our security than a world of 10 or 15 or 25 nuclear powers. Circumstance could drag us unwilling into conflagration. Furthermore, as these weapons spread into more hands, we might not even know from where the blow had come.

We must all realize that more than 100 nations have foresworn nuclear weapons for themselves by adhering to the Nuclear Non-Proliferation Treaty. The United States and the Soviet Union, as nuclear powers, pledged their own restraint. The non-nuclear nations—some of whom could develop nuclear weapons if they choose—are watching closely the two superpowers, to see whether we are indeed credible in our commitment to reduce the level of nuclear weaponry.

Ladies and Gentlemen, we should not forget why we have built our strategic forces. And we should not forget why we are negotiating with the Soviet Union. A common necessity binds us, the Soviet Union, and every nation—the necessity to prevent a nuclear war.

Even after a Soviet first strike, we could retaliate with such force that the living would envy the dead, and a nation—once a superpower—would lapse into some sort of 20th century feudal age.

Take no comfort from such a scenario. The grim reality of the nuclear age is such that the same holocaust would be our fate. No one can truly imagine the consequences of nuclear war. And no nation could be certain of immunity once the apocalypse was underway. I believe we are in a period of history when it may be our last real chance to get a handle on nuclear weapons that threaten the survival of our nation and the world.

Peace and security are the vision for America that we all share. World War II taught us that our defenses must be strong and vigilance our guide. Hiroshima taught us that nuclear war must never be allowed to happen. Our history—in war and peace—has us that our purpose must be clear. These are precepts for a strong and peaceful and confident nation.●

ANTIPEACETIME REGISTRATION

● Mr. DURENBERGER. Mr. President, I join with my colleagues as a cosponsor of S. 1354. I believe that this bill provides the most effective and appropriate response to the problem of our inadequate emergency military manpower mobilization capabilities.

All of us in the U.S. Senate share a concern for the current inadequacy of the U.S. Armed Forces manpower mobilization capabilities under emergency conditions. As the Soviet Union continues to increase its conventional warfare capabilities as well as its strategic weapons, it becomes more urgent that the United States begin to take essential, corrective actions to strengthen our defense capabilities and to reverse the conventional imbalance which exists. In particular, we must improve our capacity to mobilize the necessary manpower in case of a crisis situation.

Numerous authoritative studies agree that should a war break out in Europe in the near future, we are not capable of meeting the mobilization timetable considered essential by our own Defense Department. The Department of Defense has determined that under emergency conditions, the active duty Armed Forces would have to be reinforced by up to 650,000 draftees within 180 days. The first inductions would have to occur within 30 days of the order for mobilization, and the first 100,000 draftees in uniform within 60 days.

In a study released in November 1978, the Congressional Budget Office found that even the most optimistic estimates fell far short of the Department of Defense timetable. Under the existing situation, the first induction would take 65 instead of 30 days; the 100,000 level would not be reached for 90, instead of 60, days; and full mobilization of 650,000 inductees would take over 2 months longer than Department of Defense requires. And this is the "optimistic" assessment. The CBO pessimistic calculations are 95, 120 and 280 days, respectively.

Such a state of affairs does little for the security and confidence of our NATO allies, let alone our own country. It is essential that Congress act to improve our emergency mobilization capabilities. Yet we must be both realistic about our defense needs and avoid overreacting to perceived or potential threats. This bill, S. 1354, meets these dual criteria.

This bill would require the President to submit to Congress within 120 days of enactment a comprehensive study of the military manpower needs of the Armed Forces. A major focus of this study will be an assessment of the capabilities of the Selective Service System, to meet the emergency requirements established by the Defense Department. Both Secretary of Defense Harold Brown and Selective Service Director Robert Shuck have stated that we can meet our emergency mobilization requirements without instituting a peacetime registration system if the Selective Service received its requested level of funding. In a letter dated June 8 to my colleague from the State of Maine, which has already been submitted to the Record, Secretary Brown stated that improvements in the computer resources, staffing, and planning capabilities of the Selective Service System will put us in a position to meet the Department of Defense timetable.

While I still have some doubts about whether such a policy will in fact prove sufficient, I believe that improving the Selective Service in its standby status is the best alternative. Cost estimates for this approach are $10 million less than for a registration system in its first year. Once classification begins, in 1981, according to the proposal before us today, budgetary outlays would have to be increased even more significantly.

I also oppose face-to-face registration at this time, because of the divisiveness which such a system would cause. I especially worry about problems of equity and enforcement associated with classification systems. As long as other viable alternatives exist, we should avoid confrontations and divisive policies.

By improving the capabilities of Selective Service in its standby status, we can resolve the problem of emergency mobilization while maintaining our flexibility for the future. If the Senate is not satisfied with this policy, there is ample opportunity to reexamine the options. I believe that a phased, logical, step-by-step approach makes infinitely more sense than rushing headlong into the more dramatic and disruptive step of draft registration. Therefore, Mr. President, I call upon my colleagues to join me in supporting S. 1354.●

INCREASED COAL USAGE IS COMPATIBLE WITH ENVIRONMENTAL PROGRAMS: DEPUTY ADMINISTRATOR BARBARA BLUM DESCRIBES EPA SUPPORT OF NATIONAL COAL OBJECTIVES

● **Mr. RANDOLPH.** Mr. President, I am convinced that there must be a national commitment to an energy and fuel policy geared to vastly increased coal production and utilization if we are to overcome the critical problems we face in those areas.

I am equally sure that, if Congress and the administration work together toward that objective, it can be achieved.

Significant progress is, I think, being made toward that goal.

Among those positive signs is the clear indication that the Environmental Protection Agency recognizes the necessity for an expanded coal role and is working to achieve it within the framework of existing clean air laws and regulations.

Deputy Administrator Barbara Blum spelled out that aim in plain and unequivocal terms here a few days ago in a major policy address to the Conservation Foundation.

Her remarks reflected a comprehensive grasp of the problem and a clear perception of its potential solution.

Because they so directly address one of our most pressing national issues, I ask that the text of her speech be printed in the RECORD.

The text of her remarks follow:

CLOSING REMARKS OF THE HONORABLE BARBARA BLUM

There is not much unsaid or unwritten about the impact of government regulation on industrial siting. The fact is the problems are complex and contentious and the range of viewpoints, broad. Fortunately, the Foundation's preliminary study brings us one step closer to making sense out of the maze.

For two years, Doug Costle and I have aimed at making EPA part of the solution. We have insisted upon this—even in the face of compelling evidence, including the Foundation study, which indicates pollution control is not the chief culprit.

Earlier today, Paul DeFalco, EPA Regional Administrator in San Francisco, described many of our efforts—the major overhaul we're proposing for the permits process, our system of economic incentives to encourage pollution control and our 40-point program of regulatory reform.

We're serious about these efforts, and we want them to work.

In fact, today my intention was to bring the theme, as it applies to industrial siting, into sharper focus.

However, current events overwhelmed the text of my remarks.

A June 4 memorandum from Energy Secretary Jim Schlesinger to President Carter found its way into the public eye, and as Deputy Administrator of the Agency whose policy is challenged, I must respond.

I do so with some reluctance.

About the last thing that's needed to solve the energy crisis is another skirmish outside the main arena. However, for me to stay silent poses a greater risk.

The subject of the memo to President Carter is coal. "Without greatly expanded use of coal, Mr. Schlesinger warns, "the country may not make it." He cites four major obstacles includiing the Clean Air Act. The President should act, Mr. Schlesinger said, first by considering relaxation of air quality standards.

Indeed, much of the hope for this country's immediate energy future is pinned on coal. And President Carter has acted. By decontrolling the price of oil and gas, he removed the single biggest barrier to coal advancement. The President's decision not only makes direct firing of coal more attractive, but provides a tremendous boost to use of coal-derived synthetic fuels.

In advocating the use of more coal, we need not—indeed, cannot—advocate diminishing national policy. And that policy, set by the President and Congress, is to burn not only more coal but burn it more cleanly.

In my judgment, this is a wise course for public policy, placing priority both on our nation's energy well-being and public health. These goals are compatible. They are realistic. They reflect public concern. And what's more, they exist for good reason. To retreat from the commitment would be dead wrong—dead wrong for government, for industry and, most of all, for the American people.

Years ago, Congress passed the Clean Air Act. Why? It was not because our Senators and Representatives are environmental extremists or anti-industrialists. Rather, after years of study and public hearings, Congress determined that dirty air threatens the health of the American people and that something must be done.

The legislation which resulted—embodying the concept of a strong Federal-State partnership—is sound.

In 1977, again after careful deliberation, Congress made mid-course corrections, corrections which strike a balance between environmental needs, energy and the economy.

Still, in introducting the new amendments, former Congressman Paul Rogers put it this way:

"Events of the past 6 years have confirmed the importance of reducing air pollution where it exists and preventing it where it does not . . . We must continue to move forward. . . ."

Who is Paul Rogers? At the time, he was not Chairman of a Congressional committee on energy. His primary interest was not preservation of our natural resources. His concern was public health.

And that basic concern for human health dominates our insistence on burning America's vast coal deposits as cleanly as possible.

The Clean Air Act, in part, calls for keeping clean areas clean. In tune with this, EPA so far has approved permits for 74 new coal-fired power plants. When they come on line in the early 1980's, use of coal will increase by nearly 25 percent. Permits for only two plants have been denied.

On EPA's recently-announced standard for new coal-fired power plants, let me say this. Coal will be burned in large quantities—in some 350 new plants by 1995—in a way that does not harm public health or the environment. The new plants covered by this standard will be seven times cleaner than existing coal plants. Our joint analysis with the Department of Energy indicates that the effect of the standard on total coal production is negligible. Production still is expected to nearly triple by 1995. High sulfur coal can be burned, and production of locally available coal is assured.

Then there's the story of conversions—those plants wanting to switch to coal. Of the 67 cases referred to EPA for environmental review, 46 have been completed and returned to the Department of Energy. Others will be soon. The fact is that EPA is not holding up plant conversions.

There's more.

A month ago, EPA announced another major move which will allow the first major power plant in New England to convert from foreign oil to domestic coal. It is the largest in the nation to do so. The plant, located in Somerset, Mass., expects to cut New England's dependence on imported oil by as much as 17 percent.

EPA is concerned about the price tag on pollution control, too. We want environmental protection, but we want it at the lowest possible cost. And we're putting our money where our mouth is, by helping to develop new cheaper technology and by looking at ways to make existing methods more cost-effective. A major factor, for example, in our decision on new power plants was to accept the promise of dry scrubbing, a new technology, because it would allow maximum use of low-sulfur coal at a reasonable cost.

We're concerned about unnecessary delay companies may encounter in obtaining pollution control permits. Only last week, we proposed to speed up and simplify the process—not only under the Clean Air Act, but three other laws as well. Already, EPA has named a single point of contact in each of our 10 regional offices to coordinate the work. This—coupled with strict new deadlines that have been set—should reduce delay and uncertainty.

Finally, we're working closely with other agencies. At President Carter's request on April 5, EPA joined the Department of Interior and the Department of Energy in exploring ways the nation can produce and use more clean coal. We are working diligently to give the President what he asked for. We believe joint efforts like this are important to sound public policymaking, and we stand ready to do more—on coal or any other issue.

EPA's actions are part of the picture. Their significance becomes clear when you look at the whole canvas.

Coal is on the upswing, according to most sources including the Department of Energy.

In fact, the Department projects that Secretary Schlesinger's target of 2.1 billion tons of coal annually by the year 2000 is likely to be met.

Moreover, demand for coal by utilities—some 72 percent of the total coal market—has been strong since 1974. Total use of coal between 1972 and 1977 rose 3.6 percent a year, despite the worst recession since the 1930's and dramatic progress by industry to conserve all forms of energy.

It is true that in 1978 the pattern of growth was disrupted by the coal strike. But overall, the trend is up, and the outlook is even more encouraging. For one thing, there are new incentives. For another, there is the very significant price advantage coal has over oil, a gap expected to widen even more in the coming decade.

Is it coal and only coal which will meet our country's energy needs for the rest of the century?

Again, some perspective is needed.

Coal is important, very important.

But the crunch we're in today involves a shortage of liquid fuels—gasoline for cars; diesel for tractors, trucks, and other vehicles; fuel oil for heating homes and offices and for manufacturing, and heavy residual oil for generating electricity.

Coal will not fill this gap easily and sometimes not at all. Cars can't run on coal, at least yet. And millions of Americans are not about to return to burning coal in their homes and offices.

Take transportation. About half of the nation's entire supply of oil is poured into gasoline tanks. Obviously, it is imperative for American drivers to conserve and for efforts to be made so that gasoline is allocated more equitably. But just as obviously, domestic oil production must be stepped up, something the Carter Administration is earnestly trying to do.

How about heating oil? Here, we face another serious shortage, and here again, coal may not promise much relief.

Conservation measures could—if, for example, more and more buildings were better insulated and obsolete oil burners were replaced. And while it is possible for more homes and offices to be heated by electricity generated by coal-fired power plants, many people see natural gas as a cheaper and cleaner alternative.

Quite frankly, the U.S. has lots of natural gas—and even more will come on line as the effect of the President's decontrol policy spreads. Granted, time is needed to fully develop this energy reserve. But the American Gas Association says that now, even as we meet, natural gas could supplant 500,000 additional barrels of oil a day—oil, in other words, which could be used to shorten the lines around gasoline stations or to defray other critical energy needs.

There are other alternatives, sometimes given short shrift.

The Western Hemisphere has a huge untapped reservoir of heavy oils. With current trends in world prices, recovery of the material; I am told, may make more and more economic sense. Nuclear power, as Secretary Schlesinger points out, may become less viable. But geothermal and other sources of energy such as solar, literally and figuratively, are on the horizon. The technology is at hand. The costs are coming down. And I have no doubt—given serious backing by the public and private sectors—that solar alone can meet fully 20 percent of our national energy needs by the year 2000, the goal set by President Carter only yesterday.

My bottom line is this: today the nation faces a fuel shortage, and coal, singlehandedly, cannot fill the gap. More coal, however, is critical to meet national needs, and at EPA, we are working—with more than a little success—to see that it happens in a way that is consistent with public health needs.

You have been patient this afternoon, listening to more about my views on energy and the environment than you probably wanted to know.

But make no mistake: More is at stake than a debate.

What Jim Schlesinger, what Barbara Blum, what all of us are working toward is a situation where energy, the environment and the economy are not locked in mortal combat.

Environmental contamination at Love Canal in upstate New York reminds us that the costs of cleanup after the fact dwarf those associated with preventing the problem.

The long shadows cast by the towers at Three Mile Island, however, really bring the message home.

As a nation, we must ask—and answer—questions about the human side of technology, of our nation's growth and development. Unless we proceed intelligently—insisting that material well-being is in tune with public health and safety, progress can become a noose around our throats.

No one can look into the future, anticipating with certainty the consequences of what we do or don't do today. But let Love Canal and Three Mile Island remind us that action based on limited goals or short-range gain is intolerable.

Human factors—and the costs they imply—must be a matter of priority at every stage of all decisionmaking, public and private.

Then add an extra measure of precaution. After all, it's not only the present we're concerned with. It's what could be.●

THE ANGOLAN WONDERLAND

● Mr. HUMPHREY. Mr. President. A sign of our decline from world leadership is the bewilderment of groups who turn to us as their natural allies only to receive a cold shoulder from our Government. Profound disappointment is evident in a recent article by Ernesto Mulato, a member of the Bureau of UNITA, the Angolan liberation group with the highest citizen support.

In "Angola—A Call for Courage," published in the May AFL–CIO Free Trade Union News, he describes the absurdity of our Angolan policy:

> We hear the black Soviet foreign legion, the Katangese, called "progressives". We hear the West itself refer to the illegitimate government in Luanda as "pragmatic, moderate, and nationalist." We hear the largest foreign expeditionary force in the history of Africa called a stabilizing factor in a day when your government heralds human rights. We hear the West say that the occupation forces are in Angola to prevent invasions from the outside, that the puppet government in Luanda would rather be aligned with the West but must use these foreign forces to insure Angola's independence. We hear that it is in American interests to fund the Soviet-Cuban Vietnam by encouraging investment in Angola at a time when the issue of who will govern our country is still undecided, when 75 percent of our population refuses to live under Luanda's rule, when UNITA controls over 50 percent of the country, and when the civil war is more widespread than at any time in the past three years. To us, it sounds like the Queen in "Alice in Wonderland" saying, "Prizes for everyone. Everyone is a winner."

Mr. Mulato asks if we have forgotten our revolutionary roots. Whether we have or not, it appears certain that we have put our one-time goal of encouraging democracy around the world very far behind us. The concept of rapproachment with Communist governments has been translated into a policy of doing nothing to offend them, even at the expense of withholding support from groups seeking to bring freedom to their country much as we did 200 years ago.

The Angolan situation is a classic model of this policy. The MPLA government was imposed on the people in 1975 at the point of Russian guns, and 4 years later only well-armed Cuban soldiers keep Agostinho Neto in power. Even this force, however, has not prevented UNITA from gaining control of over 50 percent of the country and the support of a majority of the population. Yet the State Department goes out of its way to avoid offending the intensely unpopular Marxist rulers, and the Cabinda oil royalties paid by Gulf Oil provides Angola with 75 percent of its income.

Mr. Mulato stresses that Angolans do not ask Americans to fight for their nation's independence. They seek only our moral and diplomatic support. "If America reasserts its leadership position in the world, we can accelerate the defeat of the Soviets and the Cubans," Mr. Mulato adds. "But if we don't, then the struggle will be more protracted and our society and culture will be further shattered, our prospects of building a humane, democratic society dimmer."

It is time that America reevaluated its support-by-default of the Agostinho Neto government. If we continue with this and other foreign policy mistakes we should not be surprised to see Mr. Mulato joined by many other leaders who will have become convinced that America has lost all interest in freedom around the world.

I submit the article from the AFL–CIO Free Trade News for printing in the Record.

The article is as follows:

Angola—A Call for Courage

(By Ernesto Mulato)

We realize that the events the past few weeks in Iran, Afghanistan, and Southeast Asia have occupied the American public's attention more than the situation in my part of the world. However, we in UNITA feel that we must share our unique perspective with you because we have been in the past three years on the frontlines in a brutal war against Soviet expansion. Our country, Angola, has become a vast cemetery and concentration camp. Our dreams of free elections and independence have became nightmares of foreign occupations. Our country has become an armed camp, a huge base twice the size of Texas, where the Soviets and Cubans arm and train others for takeovers in neighboring countries. From our position in Angola, we survey the lands of our brothers—the neighboring countries of Zaire, Zambia, and Namibia and know—quite clearly—their fate if the Soviets and Cubans aren't resisted. It is a cruel fate. A fate that runs counter to everything an African nationalist feels and believes. It runs counter to everything we cherish—self-determination, independence.

We hear the black Soviet foreign legion, the Katangese, called "progressives". We hear the West itself refer to the illegitimate government in Luanda as "pragmatic, moderate, and nationalist." We hear the largest foreign expeditionary force in the history of Africa called a stabilizing factor in a day when your government heralds human rights. We hear the West say that the occupation forces are in Angola to prevent invasions from the outside, that the puppet government in Luanda would rather be aligned with the West but must use these foreign forces to insure Angola's independence. We hear that it is in American interests to fund the Soviet-Cuban Vietnam by encouraging investment in Angola at a time when the issue of who will govern our country is still undecided, when 75 percent of our population refuses to live under Luanda's rule, when UNITA controls over 50 percent of the country, and when the civil war is more wide-spread than at any time in the past three years. To us, it sounds like the Queen in "Alice In Wonderland" saying, "Prizes for everyone. Everyone is a winner."

But our former allies forget that the real losers in this game are those who share with the West a belief in the will of the people, a belief in their right to a democratic government. Your ambassador to the United Nations has said that those who prefer to negotiate have no moral right to criticize those who engage in armed struggle. I will tell you, my friends, UNITA has always preferred to negotiate. Our history has shown it. On five separate occasions we sponsored all Angolan parties to hammer out a compromise to prevent the tragedy of the civil war. We have always urged reconciliation and a partnership between all Angolans in nation-building. But we are quite used to armed struggle also. In the words of your own Declaration of Independence when a government can not defend its citizens, can not create the conditions of stability, and can not create material and spiritual well-being for the people, then the citizens have an obligation to overthrow that government. We are used to fighting for a freedom. We fought since 1966 against Portuguese colonialism. We have fought since 1975 against Soviet and Cuban imperialism. And we claim the moral right to resist, to resist totally those who want to enforce their will on our people by a brutal war machine run and funded by foreigners.

For the past three years, the Warsaw Pact nations have occupied our country and propped up in power an illegitimate government in Luanda. In those three years, more Angolans have died than in all the years of the liberation wars against the Portuguese. Thousands have been jailed. Thousands have been forcibly removed from their land and compelled to work under slave conditions in strange territories. Thousands more have been rounded up in trucks and shipped to Cuba to undergo indoctrination and cut sugar cane in the name of solidarity. Yet with Angola now occupied by 26,500 Cuban soldiers, 8,000 Cuban civilian technicians, thousands of East Germans, Russians, and other East Europeans, UNITA governs a territory containing over three million people, over 50 percent of the Angolan population. In addition, 600,000 Angolans now live in Zaire. In fact, 17 percent of the population of Kinshasa is Angolan. Another 20,000 are refugees in Zambia and some 500,000 white Angolans now live in Portugal where they place a tremendous burden on the economy and create political tensions. Together, this means that 75 percent of the population isn't cooperating with the MPLA rule. The remaining population are political prisoners living everyday under constant intimidation, threats, and physical abuse. That, my friends, is the price we are paying to remain Angolans. Not African Cubans or black Russians. But Angolans.

You in the West seem puzzled by this new imperialism. We have read and heard new theories about the common ties that bind Africans to Cubans and vice versa. Mr. Castro is said to be the new messiah of Africa, selflessly working alongside the common people helping them become free. But, I will tell you that it is sheer nonsense to believe that the Cubans are in Angola out of love for my countrymen. You are asked to believe that the Cuban soldier is nothing more than a Peace Corps worker. But behind the smokescreen of their talk about solidarity, liberation, progressiveness, and democracy, they are nothing more than agents of death and chaos. I suppose the Cuban pilots were so excited by the revolutionary romance of Angola that they pleaded with the Soviets to guard Cuban airspace until they came back from helping our brothers and sisters become free. While the western media acts like sponges absorbing every word uttered by Mr. Castro, long columns of coffins wait for burial outside Luanda's cemeteries. In Cuba, honor guards watch as empty caskets are placed in the ground. The families are told that their son died by accident in Angola. Yes, by accident. We are the accident, the Angolan people.

Then, more Cubans must be rounded up for service. Many in the West have come to believe that the young soldiers serve in Angola out of ideological concern. That they volunteer. I will tell you. If you are unemployed, or a peasant living in the poorest section of Cuba, you'd volunteer for a chance to own your own house and estate in Angola. It's an ingenious solution to domestic unrest and problems of the economy. Ship the problem to Angola.

It should be very clear to the American public by now that the Soviet-Cuban presence in Angola is not just an internal African problem. It is of vast international proportions. I think the American public understands this but I am not so sure about certain analysts and experts who make a habit of building castles in the air. Without a Cuban-Soviet victory in Angola during the days of conventional fighting, would they have dared to invade the Horn? No, absolutely not. For those who believe that the Russian presence in Angola and Ethiopia isn't of strategic importance to the West—look at a map. Both countries lies on or near vital oil shipping routes. Angola—oil rich herself with vast reserves of strategic minerals—is the gateway to Zaire and Zambia, other countries with minerals vital to Western economies and defense systems. South of us lies Namibia and South Africa where the same observation applies.

The Soviets moved like cats against us. Their desire to recolonize Africa is based on a global strategy. This strategy is aimed at intensifying the rivalry of the West over sources of raw materials in increasingly diminishing markets. After the fall of Indochina, the Soviets foresaw a transfer of European investment to Africa. They noted fifteen years of trade deficits between Europe and Africa. And they projected greater deficits in the 70s and 80s as world demand for strategic metals and petroleum products increased. The April 1974 coup in Portugal afforded the Soviets the opportunity they had waited for to implement their policy for southern Africa. One aspect of this was to force you into a reactive stance in an area of the world where the United States tried to walk a tightrope between the heavily American-financed economies of white-ruled southern Africa and black Africa. Since the end of conventional fighting they have done just that—driving you to the wall in Zaire, Namibia, and Zimbabwe, and challenging your investment policies in South Africa. They want to strike at the soft economic underbelly of Europe and force western Europe into accommodation with them, thus depriving the United States of any means to counter their influence elsewhere in the world.

Our country in 1973 and 1974 had the best transport system, the best harbor facilities, and one of the healthiest economies in southern Africa. The Benguela Railway was vital to Zaire and Zambia. Iron ore, gold, diamonds, manganese, uranium, and oil were found in great quantities. Even with these discoveries, 75 percent of Angola's territory until this day has never been systematically mapped for other mineral deposits. We were one of the few countries in Africa to export food. We were one of the largest coffee producers in the world. And, above all, we were in a strategic position along the shipping routes of the South Atlantic. In 1975, my country was a nice plum for the new adventurers.

The Soviets wanted to do two things after the coup. First they wanted to put the Portuguese Communist Party, the most Stalinist and Moscow-oriented in Europe, in power in Lisbon. For a time, it looked like they would be successsful by the way they immediately seized control of Portugal's unions, media, and armed forces. Second, they wanted to gun the PCP's long time brother-in-arms, the MPLA, into power in Luanda. But the Alvor Agreement between the three Angolan parties and the Portuguese government rigorously stipulated the mechanics of a free election in Angola and the establishment of democratic institutions of government.

The people looked forward with eager anticipation to the elections. Independent observers found that we had 65–75 percent support while the FNLA and the MPLA split the rest. But the Soviets and the MPLA did not look forward to the elections and conspired with radical elements in the Portuguese armed forces to unilaterally cancel the provisions of the Alvor Agreement. But, at this time, the MPLA was the weakest party, not the strongest as some of your analysts claimed. Close to three-quarters of its army had deserted because of the power play of Neto and his clique to become more aligned with Moscow. Outside troops were needed to put Neto in power and deprive Dr. Savimbi of the presidency. Cuba was the logical choice.

Some people in the United States believe that the Cubans came into the fight because of the South African invasion. Much of the testimony before committees on the Hill states this as historical fact. But I ask those people where are the South African troops in Angola now. If the Cubans are supposed to guard against South Africa invading, how come they did nothing when South Africa attacked the SWAPO bases in Cassinga last May? Why is it that the Cubans have been forced to escalate their troop strength?

I will tell you, my friends, the Soviet arms were being delivered to every Angolan port, to every Angolan city long before other powers became involved. UNITA supporters in the dock workers' union went on strike during the transitional government because they refused to unload the ships backed up in our harbors containing in their holds the most devastating armaments known. But they were unloaded and distributed to the MPLA and the Portuguese anyway. And the Cubans appeared in southern areas in March of 1975, nearly seven months before the South African invasion. Many of the American and Canadian missionaries we later evacuated can tell you how they saw them in remote towns and villages. You could see them as plain as day walking down the streets and eating our food. But, now your experts propagate the Cuban version of events, a new wave of revisionist history is underway which puts freedom, independence, justice, self-determination on the side of those very people who pervert those concepts and ideals.

SPECTRE OF VIETNAM

Somehow our resistance against the Soviets and Cubans has fallen on deaf ears. Everywhere you look you see a Vietnam. You are haunted by that spectre, that ghost of the past. Some say it is better now that the Soviets are involved in their own Vietnam. It is true. UNITA is costing the Soviets $2½ million a day. We have killed nearly 8,000 Cuban soldiers. History is on our side. The Portuguese with three times as many troops could not control Angola. There is no reason to believe that the Cubans can. But the more the war is protracted, the more our people are morally and physically mutilated. And the West, by sitting on its hands, encourages the next moves by the Soviets to control the region.

What is Angola like now? It is an armed camp. The so-called pragmatic regime of Mr. Neto has enacted repressive policies which demonstrate his total contempt for his countrymen. He has created concentration camps at Sao Nicolau outside Mossamedes and near

Saurimo in the Lunda district. There are prisons in Luanda, Huambo, Luso, and Sa da Bandiera, which contain thousands of political, not common, prisoners. These prisoners included the nationalist elements of the MPLA, former party officials and army officers, Jehovah Witnesses, followers of Simon Toco, the religious leader, FNLA and UNITA sympathizers, and Catholic and Protestant clergy.

Recently, when UNITA took over a government prison in Serpa Pinto, it released 800 prisoners who had been living in subhuman conditions and had been subjected to torture. Now, thousands of our young people in central and northern Angola are rounded up in trucks and taken to Luanda where they are shipped to the Oriente Province of Cuba. There they are forced to cut sugar cane and become indoctrinated thousands of miles from their family, friends, and villages. What other people call solidarity, we call slavery.

The MPLA has a twenty-year friendship treaty with the Soviet Union and an unprecedented party-to-party arrangement. That is why they call themselves the Worker's Party, which is a little ridiculous because 90 percent of our people are farmers. But, anyway, they have adopted in the name of the Angolan worker a draconian work code. If you are late for work, you work the next three days without pay. If you are slow on the job, you go to jail. No matter under what conditions you work, no matter what meager wages you receive, if you disagree with the factory management over the unsafe working conditions and low wages, you will be given a two-year vacation in prison. This is not exactly what you might call winning the people's hearts and minds. Plagued by food shortages and massive unemployment the workers are turning a deaf ear to the MPLA's strident appeals in the name of the proletariat. Slowdowns and wildcat strikes at the main ports of Lobito and Luanda as well as a rash of industrial sabotage indicate what the workers think about their workers' party. An example of this refusal to work under the Soviets and Cubans is the flight of nearly 16,000 workers from the diamond mines in the Luanda Province. That figure represents 80 percent of the work force in that area. As a result, diamond production, once 10 percent of our exports, has dropped to a miniscule level.

The ever-vigilant Mr. Neto has decided that religion is a nuisance. Every church, mission school, and hospital in central Angola has been destroyed or closed. These institutions provided vital health and educational services to over 400,000 people. The government has made no attempts to provide these services themselves. All those connected with churches have lost everything they ever owned. All Protestant and Catholic property has been confiscated by the government and all clergy either banished or imprisoned. Today, all the clergy in the central areas of Angola live in UNITA camps to avoid persecution. There they continue the vital educational and medical functions they performed before the Soviet occupation.

The Baptist churches in northern Angola have been razed. It is estimated that 200,000 of the Baptists have fled into Zaire. Mr. Young might be interested in the destruction of one mission. It is the Hualondo mission in southern Angola, which was founded by black Americans over 50 years ago. It was the mission Mr. Young was to be assigned to before he became a politician. It lies in ruins.

The government hasn't and cannot get the economy going. It will never possess the ability to do so. Before the civil war, Angola had a healthy growth rate of 11–14 percent. And now we hear western economists projecting the same this year for Angola. How is this possible when one-half million Portuguese technicians, merchants, and ranchers are gone? How is this possible when the elaborate network of roads built before the civil war to link our domestic markets is totally unusable because of our military activities. The once prosperous coffee fazendas in the north have been burned by their owners in protest against the Soviet-Cuban occupation. Angola must import 80 percent of its food. The mines are shut down. Almost all the government's revenue from the Gulf Oil royalties, which account for 90 percent of Angola's monies, must go to food.

The reason for this is simple. We control 85 percent of Angola's arable land. The breadbasket of Angola, the Central Highlands, has always produced all of Angola's meat and wheat supplies. It also has always been a UNITA stronghold. As a result, there is no food in the cities, no meat, no milk, no wheat, and no fish. But UNITA still has its farms and cattle producing areas. The government controlled areas do not.

The deceptions by Luanda to lure you into a business relationship with Angola raise the question, "How much say does Luanda have in the affairs anyway?" First, besides the UNITA territory, Luanda does not have effective control over Cuanza North, the strategic entrance to Luanda, Malange, and most of all the regime doesn't even control Luanda itself. According to the Portuguese weekly, "The Nation," there is increased UNITA activity in the capital. Every morning when people wake up, they find the walls painted with UNITA flags. Cubans, FAPLA and MPLA officials cannot go to the musseques, our shanty towns, where most of the population live because they will be killed. The reason for this resentment is obvious.

The Cubans are hated not only because they are aggressors, colonialists, but also they have become a great burden. All the homes and plantations of the Portuguese have gone to the Cubans and their families. This is particularly true of the former *colonatos* around Cela and Caconda. But the Angolans have no houses. There is little food. What food there is goes first to the Cubans. The country's revenue goes first to paying the Cuban civilians. The Angolans come second. On top of this, the hardships imposed by the Cuban presence have created an astronomical rate of inflation which makes it virtually impossible for Angolans to buy goods and food on the rare occasions they are available.

Secondly, the Luanda regime is almost powerless to control the Katangese and the Soviets' use of Angola as a base of subversion in neighboring countries. This is important to say because the West has often declared that by dealing with Luanda peaceful solution can be found for the region.

The Soviets have continued their massive arm shipments into Angola. Today, we have an even heavier involvement of Russians in the country than in the beginning of the civil war. They have personally taken over the management of the Angolan ports of Barra do Cuanza, south of Luanda, and Porto Alexandre, south of Mocamedes, to expedite the unloading of ever increasing quantities of sophisticated weaponry. High-ranking Soviet army officials are taking a more direct hand in training other liberation groups at various camps around my country. In addition to plotting the MPLA strategy, the Soviets are now directly participating in the entire logistical operations in combat zones.

Near Mocamedes, the Soviets have constructed one of the largest military airfields on the continent. By the size of the installation, it is obvious that it was constructed for the rapid mobilization and airlifting of troops to other countries. Neto attended the ribbon-cutting ceremonies and named the airport after our famous national hero, the [Soviet] astronaut Yuri Gargarin. To the Angolan people, this is the same insulting gesture as naming our towns after Salazar.

Also near Mocamedes, the Soviets have in the past two years planned to erect a vast radar complex to monitor Namibia, South Africa, and the South Atlantic shipping lanes. So far, our military operations have made this venture impossible for them.

From our own experience fighting the Soviet-Cuban occupation, UNITA has concluded that if the Cubans are not thrown out of Angola, then within two or three years the situation in central and southern Africa will have dramatically changed in favor of the Soviet Union. If the Soviets are allowed to expand their sphere of influence unchecked, then the West will have lost any effective voice in the region.

Today, UNITA can say that it is more powerful politically and militarily than at any time in its history. We have moved in the past two years from fighting a guerrilla war to a semi-regular type of fighting. We have more trained soldiers under arms than ever before and are politically active in every region of the country, among every class and ethnic group. While it is easy for anyone to say that history is on their side, we know we have the arms, the soldiers, the people, and land to back it up.

At first, we concentrated on cutting transportation and communication lines between Cuban garrisons, ambushing military convoys, sabotaging the railway, and encircling the cities. Now, we have moved to taking small and medium-sized towns and holding them. In many regions of the country we have forced the Cubans into a wholesale withdrawal. Now we can infiltrate the cities at will. The people have supported us on this. The Cuban force now is demoralized and weakened. They have receded to garrisons which protect foreign economic interests, knowing they cannot subjugate the population. But this is a small consolation when Angola has become a large Gulag.

If America re-asserts its leadership position in the world, we can accelerate the defeat of the Soviets and the Cubans. But if you don't then the struggle will be more protracted and our society and culture will be further shattered, our prospects of building a humane, democratic society dimmer.

By asking you to re-assert your leadership in the world, we don't mean this as a veiled invitation for you to send troops, advisors, or arms to Angola. We don't want and we don't need that type of aid. We want you to remember your own beginnings. Maybe you have grown cynical about your own revolution but we are encouraged by it. What rings in our minds happened to you two hundred years ago. We ask you to exert diplomatic means to facilitate a solution to our country's problem of occupation. You can look back at the history of UNITA and the leadership of Dr. Savimbi and you will find that we have consistently, even in the most dire circumstances, even under the greatest provocation by our brothers and sisters in the other parties, advocated national unity, reconciliation, peace, and free elections. We have never claimed the exclusive right to govern Angola and we don't today when we have the upper hand, when we are the most popular party, when we are the most persistent defenders of Angolan freedom and nationalism.

If elections were held today, tomorrow, or even three years from now, we would win with a devastating majority. But we look around and see the legacy of the civil wars in Zaire, the Sudan, and Nigeria and see that it would not benefit us or Angola to outlaw, suppress, or exclude the other two parties who shared in our liberation struggle from sharing power. Angola would remain unstable. The only way to stabilize the entire region is to sponsor a government of national unity in Angola. That is *realpolitik*. Not until that day comes will the problems of Namibia be solved, the threats to Zaire cease, and the solution to Zimbabwe be found. The

West has been eager to offer initiatives on Zimbabwe and Namibia but not on Angola, which set the precendent for the other two lands. We in UNITA have always believed that the burning issues in southern Africa can only be solved by African dialogue, by free elections without foreign intervention. This would foster our dreams of a free, independent region devoted to cooperation in development and nation building.

Yet the U.S.'s attitude to the realities of the present Soviet-Cuban occupation we experience everyday of our lives is baffling to us. The pattern of Soviet expansionism in Africa is clear, it is undeniable. It is irrefutable. Its effects are obvious to anyone with even the slightest knowledge of our situation. How can we accept your envoys who come to Angola and justify the Cubans as a stabilizing influence and then defend human rights not only in your country but in the world? You can call for human rights in Russia, Cuba, and Europe but you accept the Cubans in Angola killing our people. There is no possibility of talking about human rights in a country where a minority group was put into power by a great expeditionary force. There are no human rights in a country where everyone is a political prisoner. We will never accept a peace that means total capitulation to the new colonialists. We will never accept a peace that means living lives in fear and intimidation. We will never accept a peace that means our Angolan identity is completely destroyed for some alien ideology. Never.

At one time, we were allies against the biggest war machine Africa had ever seen. We understood that you were paralyzed by Watergate and the investigations of the CIA when you cut off any support to us. We understood it. We went our own way because we have always believed in self-sufficiency. Yet, then you had moral courage to press for Cuban withdrawal and a peaceful solution to our civil war. Today, we ask you to look squarely at the pattern of Soviet expansionism and respond to it. We urge you to withhold your recognition of Angola and, instead, press for an end to our civil war, an end to the Cuban occupation. As for us, our resistance is absolute. We know that history will not be reversed again. With the support of the Angolan people, UNITA will triumph, no matter what the difficulties.●

THE GROMYKO STATEMENT ON SALT II: A TEST

● Mr. HELMS. Mr. President, there has been a great deal of reaction in the Senate to the remarks of Soviet Foreign Minister Andrei Gromyko in Moscow insisting that the Soviet Union would not accept any amendments to SALT II, and would not reopen negotiations if the treaty, is it stands, is rejected.

Some have said that Mr. Gromyko's remarks were a miscalculation, that they were counterproductive.

It is the opinion of the Senator from North Carolina that Mr. Gromyko's remarks were not a miscalculation. I think that he knew very well what he was doing, and that he did it with specific intent. What he was doing was a test—a test that might very well be crucial for our decisions on SALT II.

The test is this: Does the United States have the will to act? Do we have the will to examine our interests without emotion and to act with calm assessment? If we do not have this will, if we allow ourselves to be stampeded by bullying threats, then we will have failed the fundamental test of SALT II. For the fact of the matter is that the situation is very grave indeed.

It is noteworthy, if somewhat sobering, that virtually on the eve of the signing of SALT II—on June 15, to be exact—Army Chief of Staff Gen. Bernard W. Rogers, the next Supreme Commander of NATO, warned that "we will lose our essential equivalence in the next few years. I think we should be prepared to be tested." The general pointed out that "there will be a time frame" in which we will have lost—the level of strategic ability to insure essential equivalence."

Perhaps this is why Mr. Gromyko is so anxious to test American reactions, and the reactions of the Senate in particular. If we allow the Soviets to dictate our strategies now, the time is coming very soon when we will be unable to resist at all.

Our $30 billion MX system—200 mobile missiles—as General Rogers pointed out, will not really be in production until 1986, and fully deployed only by 1989. Thus from the period extending from the early 1980's to 1986, the Soviet Union would be in a position to destroy most of our Minuteman rockets in their fixed launchers. SALT II will change nothing of this.

Can we be sure that the Soviets will idly watch us build our mobile missiles? And in what ways could they test us in the meantime? Should not Mr. Gromyko try to bluster us into inaction? If we flunk the SALT II test, we will also flunk the MX test.

Defense Secretary Harold Brown is of the opinion that U.S. land missiles would be vulnerable to a Soviet first strike by the early 1980's, and other experts agree that the United States will be strategically weaker than the Soviet Union for a number of years. We are not the only ones to notice that the Soviets have been catching up with us; the Soviets also are aware of what is happening, and this contributes not a little to the deterioration of the international situation. It also tempts the Soviets to allow Gromyko so much latitude.

The Soviet Union stresses more and more in its press that the United States is declining in military as well as political status, making a conscious effort to magnify this impression for propaganda purposes. Correspondents and observers speak of the "radical change in the correlation of world forces, the strengthening and development of socialism," of changes in the Third World which "sharply narrowed the opportunities of imperialism and faced it with the necessity of giving up the dogmas of the cold war" according to A. Bovin Izvestiya political observer, and a Deputy of the Supreme Soviet, writing on June 20. "As far as superiority is concerned" he writes, echoing numberless other writers and speakers, "the fact is that for a long time superiority was in their—U.S.A.—favor; this time is now past and will never return."

But regardless of how the Soviet press and officials boast and bluster about their achievements and the decadence of the West in general and the United States in particular, it is a fact that they are very much aware of the need to observe some prudence, and to be careful in the steps they take toward their ultimate goal—the destruction of the free world system. General Rogers is right in his belief that tests will be made. Perhaps they have already started.

The adamant, openly arrogant attitude of Soviet Foreign Minister Andrei Gromyko when discussing possible amendments to SALT II is one such test, an early one, indicative of what can be expected in the future.

A. Bovin also remarked on the difficulties facing the ratification of SALT II, although he felt that it would eventually be ratified, if even by one vote, as was the case with the Panama Canal.

Every effort seems to be made by Soviet spokesmen to push the ratification through, the contrary being portrayed as a forerunner of dire calamities. A. Bovin, already quoted, mentioned in a TV interview in Hamburg, June 17, that nonratification of SALT II would cause "a deterioration of Soviet-U.S. relations" which he said "would affect primarily Europe, and would entail a considerable setback for détente. We could be losing 10 to 15 years in such a case, going back to cold war days."

This of course would mean in effect that the Soviet military machine would be set back to a position comparable to the one held during the Cuban crisis when, according to General W. Rogers, it was the unquestioned military superiority of the United States that forced the Soviets to remove their missiles from Cuba.

It is therefore in the light of global Soviet preoccupations that one can best evaluate the present attitude of Gromyko as he refuses to even consider amendments to SALT II.

Gromyko argues that the Vienna talks were "replete with great political content" and of exceptional importance, maybe even to a greater extent than any other international meeting of such a kind."

In this initial type of test, recourse is had to the not-so-subtle bluff and also to evident arm-twisting. One cannot help feeling that the attitude of Gromyko toward the freely elected Senators of the most powerful state in existence would perhaps have been more expected, if no less reprehensible, if he had been addressing instead some recalcitrant officials of a satellite government. Hopefully he may have overreached himself.

Perhaps those Senators who are raising tough questions about the ratification of SALT II may be somewhat consoled by the fact that these efforts are more effective than perhaps they realize.

Why else would they cause so much anxiety among Soviet observers and diplomats? Let us look at what some of them have been saying. A very few examples among many may give an idea of the situation.

"A great thing, comrades, a great thing has been achieved in Vienna" declared Bovin in Izvestiya on June 18, 1979. "But", he continued, "the situation remains complicated, there is a group of Senators who actively oppose SALT II. The Senate discussion will be extremely stormy, it is difficult to say how matters will end on Capitol Hill."

A few days earlier, on June 13, G. Arbatov, Director of the Institute for the United States and Canada of the U.S.S.R. Academy of Science also remarked on the "violence: with which the treaty would be attacked" and the "uncompromising character of the opponents of détente."

But while we are sitting back, in this Soviet scenario, and letting the Soviets overtake us, we must assume that the Soviets will continue to watch what we do. Indeed, ratification of the treaty would merely provide the Soviet Union with additional overt means to keep track of our defense effort—not to speak of covert methods, which obviously are not included in SALT II.

The former Soviet Defense Minister, A. A. Grechko, described this process carefully in his 1974 book, "Armed Forces of the Soviet Union." As he put it:

> It is also necessary to follow attentively the situation of military affairs abroad, to analyze in depth changes occurring in the armies of capitalist countries—in their organization, armament, politico-moral conditions, military doctrine, strategy, tactics, and in other matters connected with preparation for war and military preparedness of imperialist armies (p. 331).

Lt. Gen. I. Zav'yalov, another leading Soviet military expert, points out that increasing mechanization and automation have transformed modern warfare into a "titanic contest in the fields of economics and scientific discoveries." All this to assure, in the words of Marshal Grechko in his book, "Total and Complete Defeat of the Enemy," page 318.

But let us now return to the "political content" of SALT II. Indeed this political content is not negligible. It is in fact extremely important and it is therefore not surprising that A. Gromyko should have been so anxious to have the treaty ratified.

Now granted that SALT II has definite political significance, nevertheless its nature seems to be mainly a military one; its articles deal chiefly with military hardware and the limitation of such hardware. Why then the stress on its purely political importance?

For years, the Soviets have stressed that "the main objective of Soviet foreign policy is to secure peaceful conditions for the building of communism in the U.S.S.R. and for the development of a world Socialist system," "Communist of the Armed Forces," September 1972. But in the words of Lenin, "the nature of the political objective has a decisive influence on the manner in which a war is fought" and "warfare is more violent the more it is political."

The words of Mr. Gromyko on June 25 then take on a very special, if perhaps somewhat ominous meaning.

Moreover, and in this he echoes virtually every commentator or correspondent in and out of the Soviet Union who had to deal with SALT II. The treaty does not put an end to the arms race; it merely "brakes" it, says Gromyko. It is "needed equally by the United States and the U.S.S.R."

In other words, what is expected of the United States if it does not wish to be labeled a "warmonger" is to apply brakes to its own defense effort which is already lagging behind that of the Soviet Union. We are supposed to allow the Soviet Union to overtake us—with results that are predictable considering the tenets of Communist ideology.

His anxiety was justified, if only for the sake of the last document appended to the treaty proper, the least noticed one, the joint Carter-Brezhnev communique.

This joint communique consists of four sections and covers virtually every topic and area in which the United States and the Soviet Union have admittedly clear divergences of interests. It could be truly termed a kind of treaty within a treaty, a rider to SALT II. Its analysis requires a separate treatment in view of the vast range of topics covered. The communique's stipulations are such that one cannot help fearing that a few hasty decisions, some misinterpretations of its many obscurities and generalities that would open the door to endless Soviet mischief. It could precisely bring about a situation with a "political content" which would cause the United States to appear helpless and isolated, a prime target for ultimate nuclear blackmail from outside and revolution from within. In such a situation, the number, range, type of ICBM's, our own or those of the Soviets, might be largely immaterial.

Indeed, Foreign Minister Gromyko is probably quite familiar with the classic military teaching according to which the best commander is the one who achieves victory without having to fight.

It is therefore not really surprising that Gromyko should have tried to force the hand of the U.S. Senate. The stakes were worth the try.●

GALLAUDET COLLEGE CONFERENCE BEGINS MAJOR PLANNING EFFORT FOR 1981 UNITED NATIONS INTERNATIONAL YEAR OF DISABLED PERSONS

● Mr. RANDOLPH. Mr. President, I call the attention of my colleagues in both the Senate and the House of Representatives, and people generally, to an important observance—perhaps I should say celebration—that will take place in 1981. It is the United Nations International Year of Disabled Persons.

Planning for this observance is going forward. A United Nations General Assembly resolution has declared these objectives:

Help disabled persons in their physical and psychological adjustment to society;

Promote all national and international efforts to provide disabled persons with proper assistance, training, care and guidance, to make available opportunities for suitable work and to insure their full integration in society;

Encourage study and research projects designed to facilitate the practical participation of disabled persons in daily life, for example, by improving their access to public buildings and transportation systems;

Educate and inform the public of the rights of disabled persons to participate in and contribute to various aspects of economic, social, and political life; and

Promote effective measures for the prevention of disability and for the rehabilitation of disabled persons.

I am gratified by preparations being made in the United States for the observance.

For the first time, private industry is a leader in planning and organizing U.S. participation. Behind the leadership of Alan A. Rubin, president, Partners of the Americas, and Alan A. Reich, chairman, the People-to-People Committee for the Handicapped, 15 private organizations are sponsoring a planning conference this Thursday and Friday, June 28 and 29, at Gallaudet College for the Deaf.

The sponsoring groups are: American Coalition of Citizens with Disabilities; American Foundation for the Blind; Foundation for Research in Neural Recovery; Gallaudet College for the Deaf; Goodwill Industries of America; National Association of the Deaf; National Easter Seal Society; National Mental Health Association; National Rehabilitation Association; Paralyzed Veterans of America; Partners of the Americas; People-to-People Committee for the Handicapped; President's Committee on Employment of the Handicapped; Rehabilitation International U.S.A.; and World Rehabilitation Fund.

Representatives of approximately 150 organizations from all sectors of American life are expected to attend the Gallaudet College conference. They will include representatives of many voluntary associations, business and labor organizations, and religious groups and agencies of Federal and State governments.

Mr. President, this initiative by the private sector is encouraging. I am delighted by the work being done by handicapped and nonhandicapped organizations to develop a broad-based action program for the Year of Disabled Persons. I am hopeful—and I trust—that President Carter and representatives of his administration will cooperate fully with the private sector in this undertaking.

The theme for the year, as stated by the U.N. General Assembly, is "Full Participation." That is the guideline the U.S. planners are following.

The June 28 and 29 meeting at Gallaudet will discuss ideas to implement this theme so that the citizens of every city and town in America will have a chance to participate in some meaningful way in the International Year of Disabled Persons.

There are an estimated 400 million physically and mentally handicapped persons in the world, and about 25 million in the United States. While the United States concern for the handicapped is recognized throughout the world, much remains to be done. The program developed by the United States will benefit the handicapped in many areas including employment, and education opportunities; architectural and transportation barriers; technological improvements; biomedical research, and public attitudes and understanding.

The Year of Disabled Persons will call for commitment, compassion and creativity of all Americans. I feel our colleagues of both parties and in both Houses of Congress will give their support.●

SOUTHEAST ASIA REFUGEE TRAGEDY

● Mr. PELL. Mr. President, I wish to call to the attention of my colleagues a statement issued last week on the Southeast Asia refugee situation by Elie Wiesel, Chairman of the President's Commission on the Holocaust. In his statement, Mr. Wiesel makes a powerful case for helping the "boat people" and urges the United States to play a leadership role to help insure that the world will learn from the history of the holocaust not to stand idly by while others suffer and die.

As a member of the President's Commission on the Holocaust, I wish to associate myself with Mr. Wiesel's remarks and specifically to urge President Carter to take the necessary steps to admit more Southeast Asian refugees into the United States and to call an international conference to urge other nations to follow our lead in meeting the great humanitarian challenge posed by the refugees in Southeast Asia.

Mr. Wiesel's reference to the lesson of the holocaust is well taken, as I recall well the tragic situation that occurred in the late 1930's, when no country, including our own, would bend its immigration laws to take in the European Jews. My cousin Robert T. Pell was a career diplomat at the time and tried valiantly, but in vain in the end, to find sanctuaries for Europe's Jews. The unwillingness of nations to provide asylum to the Jews only served to encourage the Nazis to pursue their "final solution" to the Jewish "problem," secure in the knowledge that the rest of the world really did not care.

The stories coming out of Southeast Asia today of boats being pushed out to sea laden with unwanted refugees reminds me very much of the tragic episode that occurred in May of 1939, when the Hamburg-American Line's luxurious St. Louis sailed from Germany with 936 passengers, 930 of whom were Jewish refugees, bound for Cuba. Cuba, however, invalidated their landing permits and refused to allow all but 29 passengers to go ashore when the St. Louis docked in Havana. The St. Louis with its remaining 907 passengers was forced to depart and attempted to go to the United States; but permission to dock was refused, and the Coast Guard was ordered to ensure that no refugees jumped ship and went ashore. Unable to land anywhere, the St. Louis returned to Europe and docked in Antwerp, Belgium. Of the 907 passengers who disembarked, only 287 who obtained onward asylum in Britain plus a handful of others escaped the Nazi gas chambers.

While gas chambers do not await the refugees in Southeast Asia, drowning at sea and death by disease do. In the end, the lives of the Southeast Asian "boat people" are just as much at stake as were those on board the St. Louis 40 years ago. Let us not forget the lesson of the holocaust and once again stand idly by while desperate refugees seek in vain a safe haven.

Mr. President, I ask that the full text of Mr. Wiesel's statement on Southeast Asian refguees be printed in the RECORD.

The text follows:

PRESIDENT'S COMMISSION ON THE HOLOCAUST

We who live with the memory of the Holocaust, we who judge all things by its shadow and in its light are particularly distressed by the specter of silence and apathy which greets the fate of the "boat people." We are outraged by the sight of people set adrift with no country willing to welcome them ashore. We are horrified at the imposition of quotas which exclude women and children in the full knowledge that such a policy of exclusion can be a sentence of death. We know that such failure to act will take its moral toll on those who stand on the sidelines as well as a physical toll on the victims.

Therefore, as Chairman of the President's Commission on the Holocaust, and on behalf of the Commission, I implore all countries to open their borders and to extend rights of refuge and asylum to the boat people. We call upon the nations of the world to coordinate their activities and to extend themselves with humanitarian generosity so that we may not once again be divided into a world of perpetrators, victims, and bystanders.

We know that the President of the United States, in the spirit of this Administration's commitment to human rights and human dignity, will do all within his power to alleviate this situation and assume a leadership role in resolving this problem. We hope that this Nation will grasp this clear opportunity to learn from the history of the Holocaust not to err again.

Now is the time for this country and for the world to take decisive action to save the boat people. Now, before it is too late.

ELIE WIESEL.●

ENERGY-SAVING IN AGRICULTURE

● Mr. CULVER. Mr. President, last week Dr. Walt Lovely of the Agriculture and Home Economics Experiment Station at Iowa State University in Ames testified, at my invitation, before a hearing of the Northeast-Midwest coalition on energy policy. As an outstanding agricultural engineer, Dr. Lovely has earned the respect both of his professional colleagues and of farmers in the field for his work in such areas as pest control and farm equipment. Dr. Lovely talked about "conservation tillage" techniques—ways of working the land which both help to prevent soil erosion and consume less fuel than more traditional methods. Research shows that as much as 45 to 50 percent of the fuel generally used in tillage operations could be saved if conservation tillage methods were used. Conserving energy in agriculture is of obvious benefit to farmers in protecting them from the squeeze of higher energy costs. Just as important, however, consumers who purchase the products of an energy-efficient agricultural system are spared the full impact which high energy prices would otherwise have on them at the supermarket.

Conservation tillage, however, is only one of a variety of energy-saving and energy-stretching practices being developed by Iowa State University. Other project, ranging from sophisticated computer studies of the effects of alternative energy policies on agriculture to the derivation of new sources of energy from farm wastes to the application of solar power to agricultural needs are actively being pursued. Dr. Lovely was kind enough to leave with me a July 1979 publication, "Energy for Our Farms and Homes," which discusses much of this important and wide-ranging work. I want to share this excellent summary of the research and development being done at Iowa State as a contribution toward solving our energy problems. I ask that this report be printed in the RECORD.

The report follows:

ENERGY FOR OUR FARMS AND HOMES

For several decades we have been using our nonrenewable fossil fuels—mostly petroleum, petroleum products, and natural gas—at rapidly increasing rates both in our homes and for agricultural production. Most of this increase is the result of the substitution of machinery and technology for human or animal labor.

In the past, costs of energy for farm production have been fairly inexpensive relative to the rising costs of other inputs such as land and capital. Since the early 1970s, however, the costs and amounts of energy inputs needed in agriculture have increased rapidly.

Until recently, we have had little reason to be concerned about energy use in our homes. But as utility costs rise, efficient energy consumption in the home is receiving increased attention.

Several studies at the Iowa Agriculture and Home Economics Experiment Station address this growing concern about energy consumption in our farms and homes. These projects include an analysis of the impacts on agriculture of a changing energy situation; studies of solar and wind energy uses; experiments with on-farm ethanol and methane production, corncob-fueled producer gas generators, and a biomass system for corn drying; and analysis of effects of appliance uses on energy demands in the home.

IMPACTS OF A CHANGING ENERGY SITUATION

Although energy used in agricultural production is only about 3 percent of the total national energy demand, impacts of various energy policies could greatly affect the farmer. An increase in natural gas prices, for example, results in increases in costs of commercial fertilizers, irrigation, and crop drying. These kinds of changes not only have an impact on the commercial farm; they affect the farm community as well.

Iowa State University's Center for Agricultural and Rural Development (CARD), a unit of the Iowa Experiment Station, has evaluated changes that might occur in United States agriculture under long-term energy shortages, changes in natural gas supplies, and energy price increases.

Scientists used computer models to determine impacts by 1985 of several alternative energy policies. The year 1985 was chosen because researchers felt it allowed a time span long enough for farmers to respond to a changing energy situation. Many different alternative energy policy strategies were examined. These included doubled 1975 energy prices, tripled 1975 energy prices, natural gas deregulation, natural gas curtailment, and energy rationing under both high and moderate export levels.

REGIONAL IMPACTS OF AN ENERGY CRISIS

The CARD study showed that either increased energy prices or an energy shortage would have different impacts on different regions of the country because energy prices play a major role in determining fertilizer, irrigation and transportation costs.

In farming regions dependent on irrigation, a conversion from irrigated to partially irrigated or dryland farming could occur in an energy crisis. But this conversion would cause more land to be converted to agriculture because more land would be required to produce commodity supplies.

An energy crisis also would affect regional incomes in the U.S. differently. For example, a reduction in irrigated acres or less nitrogen fertilizer application would cause reduced production resulting in higher farm prices. Western, irrigated regions would be relatively worse off and eastern and midwestern regions would be relatively better off in terms of farm income.

NATURAL GAS DEREGULATION OR CURTAILMENT

The CARD analysis showed that natural gas deregulation by 1985 would increase agriculture energy costs by 23 percent primarily because of a 125.9 percent incerase in natural gas costs. Deregulation would reduce natural gas consumption in agriculture by 3.4 percent, and it would cause a 5.3 percent increase in commodity prices for consumers.

Curtailment in 1985 would lead to a 13-percent decrease in natural gas usage in agriculture and a 13.8 percent increase in electrical power requirements, resulting in an increased burden on electrical generating facilities. The CARD study showed when natural gas is curtailed, little impact on commodity prices occurs, but there would be large regional impacts in areas heavily dependent on natural gas.

ENERGY RATIONING

The CARD study showed that commodity prices would increase about twice as much with energy rationing as they would with a high energy price policy. Also, increases in cropland and water needed for domestic and foreign commodity demands would further reduce the capacity of U.S. agriculture to meet future food demands. In addition, energy rationing reduces the capability of agriculture to substitute other resources for energy.

ONGOING ENERGY RESEARCH AT CARD

CARD is now engaged in a project to determine the economic feasibility of using crop residues for energy production. Researchers have developed a computer model for Iowa, and they plan to develop a national one. Other areas of energy research at CARD deal with harvesting and transportation of crop residues, agronomic impacts of crop residues removal, and sulfur reduction.

COLLECTING SOLAR AND WIND ENERGY

Free energy continually streams from the sun in the forms of solar heat and wind, which is derived from solar energy. Trapping that free energy for use on farms and in homes in Iowa can be expensive, however, and Station and USDA scientists are experimenting to find cost-effective ways to put solar and wind energy to use.

SOLAR GRAIN DRYING

In corn production, energy used for drying the harvested crop often exceeds total energy used for seedbed preparation, planting, cultivating, and harvesting. Since 1974, Iowa Experiment Station researchers have been studying ways to use solar energy to replace some of the expensive and limited fossil fuels normally used in grain drying.

One project tested a 250-square-foot, wood and polyethylene, suspended plate solar collector for low-temperature grain drying. The three-year study showed that it is possible to use solar energy to replace some electrical resistance heat, and the grain quality remains excellent.

The value of the electrical energy replaced by solar energy in that test, however, did not equal the cost of materials used in the collector. The collector was a previously untested, homemade design using relatively inexpensive materials.

Station researchers also have completed a two-year study to determine energy savings using a solar collector on a grain drying bin equipped with digital controls to automatically turn off the electric heater and fan whenever possible without risking grain spoilage. The experiment confirmed the feasibility of controlling such a system with digital electronics, and the system used about 30 percent less electrical energy than a totally electric system.

In another test, the scientists tried a solar and heat pump system to dry grain one year and to heat a small building the next year. Warm air from the solar collector heated evaporator air before it passed through the heat pump evaporator, and condenser air from the heat pump dried the grain and heated the building. This system decreased the amount of electrical energy needed, but the decrease could not offset the costs of the collector and the heat pump.

Experiments are continuing on a system in which solar energy is used during summer to overdry corn which is later used as a desiccant when blended with wet corn. The blending of the desiccant and wet corn brings the moisture level to about 20 percent, and the 20 percent corn is then dried to 15 percent using low-temperature solar drying.

The researchers see great promise in the desiccant approach to solar grain drying in Iowa, and further experiments are checking the quality of the grain processed this way. The scientists will dry a bin full of 14 percent moisture corn to 8 percent or below using solar energy. At harvest time, part of the desiccant corn will be mixed with wet corn to provide a 20 percent moisture mixture to be low-temperature dried. Another portion of the desiccant corn will be blended with wet corn to a 15 percent moisture level and stored, and the rest will be blended with wet corn to 15.5 percent moisture and marketed.

In an experiment funded by the U.S. Department of Energy, Station researchers are drying grain with surplus solar heat from a DOE demonstration solar collector on the gymnasium of Scattergood School in West Branch, Iowa. During the grain drying season, surplus heat from the 2,500-square-foot collector is ducted to a 24-foot, stir-drying bin to dry 5,000 bushels of corn at relatively high temperatures. Although the cost of the collector probably makes such a system impractical for farm use, the experiment shows that it is possible to stir-dry grain on a farm-size scale with excess heat from a large solar collector.

In another approach to solar grain drying, Station researchers are beginning tests which will use biomass energy production in combination with solar collection. They hope to be able to stir-dry wet corn to 20 percent moisture using a biomass furnace fueled with cornstalks and then complete the drying to 15 percent moisture using a low-temperature solar drying system.

The design and efficiency of the solar collector is of prime importance in a solar energy system. Station and USDA scientists for several years have been testing efficiencies of different designs of homemade solar collectors. Costs to build the collectors have ranged from one to five dollars per square foot of collector surface. The greatest efficiency has been obtained with collectors having a double cover plate, a deep-vee corrugated black absorber, insulation, and reflectors to focus sunlight into the absorber.

SOLAR HEAT FOR LIVESTOCK

Use of solar energy to heat ventilation air in livestock confinement buildings has received more attention of both livestock producers and researchers in recent years. Supplemental heat usually is supplied from a nonrenewable fuel source such as gas or oil. Solar heating of ventilation air could reduce the amount of fuel used and therefore production costs.

Iowa Station researchers have constructed a swine nursery confinement building near Ames with an integral solar collector wall. The 30-foot long by 8-foot high south outside wall is constructed of concrete block painted black to absorb the sun's energy more efficiently. Fiberglass greenhouse panels are mounted on firring strips, leaving 2¼ inches of air space between the concrete block and the fiberglass.

In this system, air comes in through an inlet in the roof overhang and it is warmed as it flows down the wall between the concrete block and the fiberglass. The warmed air enters the concrete block wall through passages at the bottom of the wall and flows up through the interior core spaces within the blocks. The ventilation air then flows into the building through a normal hinged baffle near the ceiling. In this design, the concrete block wall collector also has the advantage of heat storage inside the concrete blocks, and it supports the roof trusses.

For Iowa, a collector wall is more efficient than a roof collector because the south-facing vertical design uses natural sun angles better. The wall collects the most energy during winter when heat is required and less energy during summer when heat is not needed.

The additional cost of incorporating the collector in this 220-head swine nursery building was approximately $500. It is expected that the collector will pay for itself in three years in savings of liquified petroleum (LP) gas costs.

USING THE WIND

Research at the Iowa Experiment Station, in cooperation with USDA scientists in a U.S. DOE-funded project, has shown that a farmstead wind energy system with water storage in combination with a heat pump can significantly reduce the use of nonrenewable energy resources. By supplying a portion of the required energy, the system can reduce the peak loads on the electrical system and make substantial savings in power costs.

The combined system allows a heat pump to operate during off-peak electrical load periods and provides a viable method for heating a building using a heat pump. Wind energy is used during peak electrical load periods each day as a "load leveler."

In the system being tested and refined, a three-bladed propellor-type wind generator produces electricity that is transferred to a hot water energy storage system through immersion heaters. Heated or cooled water is circulated through a water-to-air heat exchanger in the plenum of a furnace.

Supplementary heating or cooling is obtained from an air-to-water heat pump that provides the necessary backup energy source.

Energy storage in the wind energy system allows heat pump operation primarily during off peak hours. Every storage is important in achieving economic feasibility in a wind energy system, and the water energy-storage system used in this project has been very effective because of its low cost and simplicity.

Of the windmill generators tested at the Iowa Station, the three-bladed propellor type has been most efficient and best able to withstand Iowa weather. The experiments in Iowa have shown that it is possible to get and use power from the wind, and Station scientists may soon be able to design and test a combination wind-and-solar-energy collection system for the Iowa farmstead.

PRODUCING ENERGY ON THE FARM

Farmers can produce their own energy resources—in the forms of corn crop residues, corn, and animal wastes—and Station scientists are finding ways to process and use these home-grown resources economically and efficiently.

BIOMASS FOR CORN DRYING

Station researchers have developed a cornstalk-fired furnace for intermediate temperature corn drying. Cornstalks are a premium fuel and burn easily. Research has shown that of the three tons/acre of cornstalks produced by the Iowa farmer, one ton should be left on the field to protect the soil from erosion, but the other two tons can be used in energy production systems and for feeding or bedding livestock.

The direct-fired furnace used in the tests is a homemade design made from a large round tank. Combustion products move through the grain without damaging it, although some dust and dirt may accumulate in the bottom of the bin. The system is used as a batch dryer, drying 500–600 bushels/batch. Modifications are being made on the furnace to provide better ways to control temperatures and ensure safety.

From their first tests using cornstalks as fuel for grain drying, the researchers have learned that there are some problems in both harvesting and burning the stalks. Equipment is available to harvest cornstalks, either into a stack wagon or into big round bales. But additional energy and time are required to make the extra trip through the field for the harvest. In addition, there is need for an efficient way to separate the stalks into smaller units to be fed into the furnace.

Because of these problems, the scientists want to compare cost effectiveness of use of corncobs or cornstalks in the biomass system. Corncobs provide more concentrated energy and can be fed into the furnace more easily, but there is presently no available method of harvesting the cobs. Once that problem is solved, the comparison can be made.

A biomass furnace using cornstalks or corncobs also could be used for heating livestock buildings, especially swine farrowing units. The furnace being tested now is too large for use to heat a farm home, but a smaller scale unit could be designed for that purpose.

CORNCOB GASIFIERS FOR TRACTORS

Gasification, the burning of combustible material with a limited oxygen supply, produces a combustible gas. After modification of the carburetor, an internal combustion engine will run on this gas.

Station scientists are designing a compact corncob gasifier for use on a farm tractor. A farmer using a gas producer on a farm tractor could provide from crop residues all the fuel needed to operate the tractor.

Gasifiers were commonly used in other parts of the world after World War II, but the fuel was coal or charcoal. Some research in Sweden used wood chip-fueled gasifiers, and private researchers in the United States have conducted some work with corncob gasifiers.

The purpose of the Iowa Station research is to develop a gasifier for farm tractors that Iowa farmers will adopt and use. Preliminary analyses show that corncob producer gas generators can compete well with diesel fuel generators to power tractors.

ON-FARM ETHANOL PRODUCTION

Increasing attention has been focused on rising petroleum prices recently, and ethanol distilled from corn grain is seen as a substitute for at least a portion of that petroleum. Farm-size distilleries could be integrated into a total farm energy system using other forms of energy such as biomass, gasification, solar, and wind.

On the farm, a crop residue-fueled furnace could be used to cook the ground corn mash and still the alcohol after fermentation. Distiller's grains left after the process could be fed wet to livestock.

Station researchers are testing a farm-size distillery that cooks 40 bushels of ground corn and yields 100 gallons of alcohol. The distillery, with a 1600-gallon fermentation tank, will first be fueled by a steam line on the ISU campus. It later will be moved to a research farm near Ames and fueled with crop residues in a biomass furnace.

If ethanol can be produced on the farm using crop residues—a fuel source that might not be used otherwise—it will be more economical to produce it and it could be used in larger proportions mixed with gasoline or as a total fuel in internal combustion engines after carburetor modification.

METHANE FROM ANIMAL WASTE

Controlled environment livestock production is becoming increasingly attractive to Iowa farmers, and they need efficient methods of handling and processing animal wastes produced in confinement operations. In part of one project. Station scientists are studying requirements of beef manure handling and treatment systems using an anaerobic fermentation process at the Beef Nutrition Farm near Ames.

Manure for the research is collected from 60 head of beef in a slatted-floor, open-front confinement building. Manure is flushed from the building automatically. After dilution, the manure slurry is pumped into an anaerobic digester. During the 10–15 days that the manure remains in the digester, it serves as food for microorganisms. Although the primary goal is the production of a flammable gas (about 60 percent methane and 40 percent carbon dioxide), digestion improves the flowability of manure. The digester effluent can be used to fertilize crops through an irrigation system, but it may also be possible to formulate a feed substitute using digester effluent and crop residues.

At present, the most practical use of the digester gas seems to be as fuel in an internal combustion engine which would drive a line-voltage generator. About 20 percent of the energy in the gas would be available as electricity, 60 percent as heat from the engine coolant, and 20 percent would be lost in the exhaust gases.

The researchers eventually will try continual recycling of the liquid waste from the storage tank back through the digester to attempt to increase the percentage of methane yield from the manure. Presently, there is about a 40 percent conversion rate.

The scientists also want to know how much total energy can be obtained from the system in relation to the energy input required for operation.

USING ENERGY AT HOME

Efficient home appliances, and efficient use of appliances, can make a critical difference in energy consumption in the home. One home economics research project at the Iowa Experiment Station has looked at consumer knowledge regarding efficient energy consumption in home appliance use. Another project is studying energy management in use of household appliances and quality of the residential interior environment.

BUYING AND USING APPLIANCES

In a study of 150 homeowners who had recently purchased a major home appliance. Station scientists found there was a sizeable lack of knowledge about efficient energy use of appliances the consumers bought.

Fifty homeowners bought air conditioners, 50 bought microwave ovens, and 50 bought refrigerators. In the majority of cases, the consumer's primary focus was on the convenience and luxury the appliance brought, and there was little knowledge of basic principles to make the appliance more energy efficient (i.e., leaving enough air space around the outside of the refrigerator, or regularly cleaning refrigerator condenser coils).

The consumer's main source of information about a new appliance, the study showed, is the appliance salesperson, although some people do read the manufacturer's literature available at the store. In addition, the study showed that consumers tend to consider price, warranty, and brand name more important than energy efficiency or possible savings from energy-efficient appliances.

Homemakers in this study said they were interested in having energy efficiency information on appliance labels, but they didn't want to pay a higher price for the appliance because of it. In general, however, the consumers did not readily understand energy efficiency ratings.

The study suggests a need for a program to educate not only consumers, but also the appliance salespeople upon whom the consumers depend for much of their energy information.

ENERGY AND THE HOME ENVIRONMENT

In a project just getting underway, Station researchers are studying effects of several household activities upon energy demand in the home and on the interior home environment. This research is being done in the Energy Research House near the ISU campus.

In the controlled, nearly enclosed environment of the Energy Research House, the researchers will perform specified tasks using appliances chosen for their energy efficiency features. The tasks include activities involved in meal preparation, doing laundry, and other related activities. The scientists will measure and record information relating appliance use to home temperature, humidity, odor, and noise levels, as well as total energy demand.

Data will be collected when these specified tasks are performed in the unoccupied house and also when families living in the home use the appliances in their day-to-day household chores. This study should allow researchers to assess the validity of recommended energy conservation practices for specific appliances used for specific activities.

AN ENERGY RESEARCH COMMITMENT

As this report shows, scientists at the Iowa Experiment Station are committed to finding the best and most economical ways to conserve energy in the home and to produce and convert energy resources on the farm.

In addition, Station projects besides those discussed here address other aspects of energy conservation and production. For example, more than 30 Experiment Station projects are concerned with making conservation tillage work for Iowa farmers. Conservation tillage refers to crop production systems which conserve energy, water, and soil. Another Station project has as a goal to determine the time and costs required to produce good-quality firewood from oak and hickory trees. Another forestry project is studying intensive culture of quick-growing trees for use as biomass fuel.

Increased energy shortages and soaring costs of available energy make the kinds of research being done at the Iowa Experiment Station a valuable investment in the energy future of our state and of our nation.●

HAPPY BIRTHDAY, DOROTHY

● Mr. **METZENBAUM**. Mr. President, 32 years ago, WEWS–TV became the pioneer television broadcasting station in my hometown of Cleveland, Ohio. To say that television was in its infancy at that time is to grossly understate.

I can remember the almost primitive television receivers we owned in 1947. The screens were so small that there was a huge market for magnifying glasses that clamped on the set. Other entrepreneurs flooded the market with similar devices that changed the black and white pictures into varying hues of blue, red, and green, trying to make you believe you were watching color television.

The programing was equally primitive, consisting to a great extent of cooking classes, disc jockeys pantomiming to the music of phonograph records, professional wrestling, and the nightly roller derbies.

As far as news coverage was concerned, 5 minutes of John Cameron Swayze each night was about all the networks seemed to be able to provide.

But WEWS wanted something different—something unique—something with a local flavor. Today, many television news directors are combing the colleges and small stations looking for photogenic women to anchor the news shows, but that was not the case in 1947. And so it was unheard of when the station hired, as its first newcaster, a mature woman who was embarking on a second career.

That woman was Dorothy Fuldheim and the decision to hire her has turned out to be one of the smartest ever made by a news executive.

In a business where security is not a strong suit, Dorothy Fuldheim stands out like a beacon light. Today, 32 years later, she is still there, on the job every day and still enjoying the highest possible ratings.

I have known Dorothy for all the years that she has been on television and consider her not only one of the most competent newspersons I have ever known, but also as one of the finest human beings it has ever been my pleasure to be able to call my friend.

Her specialty is the "one-on-one" interview, a technique which had an auspicious beginning in 1932 when she confronted Adolf Hitler in Munich's Hofbrauhaus and sent back a story predicting that Hitler would one day reduce Europe to ruin. Over the years, she has done personal television interviews with Presidents Harry Truman, John F. Kennedy, Richard Nixon, and Jimmy Carter.

Recently, Newsweek magazine, in its June 11, 1979 issue proclaimed her "The First Lady of TV News," a title that is not only apt, but well-deserved. I ask that the article be printed in its entirety at this point in the RECORD.

The article follows:

THE FIRST LADY OF TV NEWS

With the retirement of Eric Sevareid and the resignation of Howard K. Smith, Walter Cronkite would seem to have the longest-running act in television news. Midwesterners, however, know that's not the way it is. The nation's dean of broadcast journalism—and the personality with more on-camera hours that anyone else in the industry—is Dorothy Violet Fuldheim, a peppery 85-year-old dowager who, over the past three decades, has been churning out news commentary, interviews and reviews for Cleveland's WEWS-TV.

Recently, the red-haired octogenarian signed a new contract with WEWS that received almost as much attention in the Cleveland press as the gas drought. "I'll be 89 when this one runs out," chuckles Fuldheim. "But I will never retire. Life will have to retire me." The indefatigable Fuldheim still keeps up a schedule worthy of a Barbara Walters. During her workweek, she handles everything from two editorials a day to answering viewers' questions on a noon news show. She also finds time to deliver an average of four lectures each week and to perform such fund-raising chores as dancing with a local ballet company.

Fuldheim is anything but a shrinking Violet on sensitive issues. She stirred up wide protest by branding the killings of the Kent State students as murder. "I got a pile of letters saying they should have killed more of them," she reports. And when a local executive was slain during a bungled kidnapping, Fuldheim reversed her long-time stand against capital punishment and came out for the death penalty in some cases. Even so, a poll has named her as the public figure most trusted by Clevelanders, and gifts from admirers clog her office. Says Dennis Kucinich, the city's embattled young mayor: "No one commands the attention and affection that Dorothy gets. She's somebody even I go to for advice on occasion." Although Fuldheim opposed the attempt to recall Kucinich, she makes it clear that his tumultous administration leaves her somewhat underwhelmed. "I don't believe in Dennis's approach to a lot of matters," she confides with the air of a fondly critical grandmother.

EARLY DAYS

Originally trained for the stage, Fuldheim made her earliest public ripples as a Chicago lecturer for social reformer Jane Addams. In 1947, she was hired as the nation's first TV anchor woman after the head of WEWS spotted her sporting a parasol and large hat. "He said he thought I was innovative," she recalls, adding that her early days of breaching the TV-news sex barrier made her "very lonely. I always felt like an outsider."

Fuldheim has interviewed as many celebrities as anyone else in the business. During a trip to Germany in 1932, she cornered Adolf Hitler in Munich's Hofbräuhaus and sent back a story predicting that the young politician would one day reduce Europe to ruin. "The U.S. newspapers said I was a hysterical woman," she recalls. Truman, Nixon and Carter have gone one-on-one with her, as have Jimmy Hoffa, Helen Keller and, yes, Barbara Walters. "She's highly intelligent," says Fuldheim of the ABC news star. "But when she does interviews, she uses a rapier. I don't." Perhaps not, but Fuldheim can flash her steel if pressed too closely. When 1960s activist Jerry Rubin tried to show a nude photo during a TV session with Fuldheim, his hostess coolly ordered him out of the studio.

The twice-widowed star of WEWS has come to be regarded as an institution around Cleveland and, whether popping up at a ball game or a party, she invariably draws a crowd. "Dorothy is a fascinating conversationalist," notes a local lawyer. "Even at her age, she can dominate a room." Predictably, that kind of flattery does not send Fuldheim into ecstasy. "Listen," she retorts. "I still win awards, and not one of them says anything about how old I am."

Mr. METZENBAUM. Yesterday, Dorothy passed another milestone in her career. She observed her 86th birthday by appearing on the noon news show and taping some editorial comments. Just another day.

On the evening news show, she was presented a cake and then made some comments. Today, I am informed that the telephone lines at the station are jammed with callers asking for a transcript of her remarks. Following is what she said:

"The house I live in is 86 years old. It has lost some of its original color. Much of the red and pink is gone and the white is not as white as it used to be. It doesn't stand quite as straight. It seems to have sunk a little and sometimes it tilts slightly but it's heating apparatus, its disposal plant, its illuminating system, all are functioning remarkably well.

It has talked with many people all over the world from Chinese cooks to the priests of Bangkok. The house I live in traveled extensively and still does, though more infrequently. It has been fanned by the perfumed winds of Hawaii and made thirsty by the desert. It has tasted of the foods of all people from the Scandinavian to the Hindu food.

Its windows have looked upon God's earth from the villages in Spain to the glories of French art. It has looked out on the Swiss mountains and the Russian steppes. Through these windows my house gazed into the heavens and once watched the first human being step out into space and walk on the moon.

That house which I inhabit has heard music singing sonorous song of the great masters from Bach to Ravel. That house has talked to the great and the insignificant, to world famous individuals and to humble people.

My house has rumbled with delight and been shaken with laughter at the Bob Hopes and the Jack Bennys of the world and the gaiety of my friends over the years.

That house has looked upon Albert Einstein and felt the warmth of his handshake. My house that I inhabit has known the sweetness of tender love and been torn with stormy, glorious and ecstatic passion.

My house has been with friends and known quiet smiles and serenity. It has been torn with sobs for friends who left this strange and absorbing planet, even as you and I must some day, but whose memory is stored away in the computer which runs my house.

This house has known agony and has been repaired by specialists so that it's whole again, able to withstand any storms. Sometimes the house creaks as though old but always it has stood sturdy and staunch withstanding pain, storm, snow and rain.

It has stored away secrets revealed to it and treasured. The attic is full of memories, someday in a leisure hour to be taken out and remembered.

Its brain is its most important room, for here are to be found new ideas, concepts, contents of books, philosophies, poems, the treasures of the world in print and it has been awed by knowledge of the expanding universe. It is like an expanding library. Each new idea creates more room for other ideas. It's the one room in my house that attests to my relationship with divinity.

In another chamber known as the Heart Room are all the loves, compassion, the hurts, the triumphs, the exquisite passion for those I love. This is a sacred room for it has known happiness and sorrow. Its colors are radiant yellows and golds, somber grays and blues.

I look at the house and I see an aging house needing a coat of paint but covered with the bushes and trees of experience, willing to stand sturdy for more years.

Eighty-six years ago my parents gave me a deed to this house with the understanding that I use it and enrich it. I have done so and I think that on this day it deserves my thanks for giving my spirit a resting place where I could see and hear and feel and love and learn.

It's a house now crammed with many memories but still stands staunch and valiant waiting the years until it must finally be closed with a sign saying "Sold to God."

Mr. President, 40 years ago, Judy Garland made another Dorothy famous when she longed to be "Somewhere Over the Rainbow."

As you can see from the eloquent manner in which our Dorothy marked her 86th birthday, she has succeeded in the other Dorothy's wish of having the "dreams that she dared to dream really come true."

Happy Birthday, Dorothy.●

REGULATORY IMPACT STATEMENT

● Mr. RANDOLPH. Mr. President, last week the Senate considered and passed S. 436, a bill increasing the bonded debt ceiling of the Tennessee Valley Authority.

Rule 29.5 of the Rules of the Senate requires that reports accompanying legislation contain an evaluation of the regulatory impact of the legislation. Through an oversight such a statement was not included in the Report on S. 436.

Mr. President, I state for the Record that it is the judgment of the Committee on Environment and Public Works that enactment of S. 436 will not result in additional regulation.●

WHEN MEDICARE STOPS: GUIDELINES FOR BUYING SUPPLEMENTAL HEALTH INSURANCE

● Mr. CULVER. Mr. President, I would like to share with my colleagues in the Senate a recent informative Wall Street Journal article about the limits in medicare coverage of the elderly's medical costs, and guidelines for selecting a supplementary health insurance policy.

Many people under age 65 do not realize that medicare covers only a modest portion of the elderly's health care expenses—a fact that senior citizens have learned only too well. When first implemented in 1967, medicare paid some 46 percent of the medical bills of those aged 65 and older; but in recent years the portion of medical costs borne by medicare has dropped to 38 percent. Of the remaining medical bills, what supplementary health insurance policies do not cover, senior citizens must pay directly out of their pockets. This illustrates why 15 million of the 23 million Americans aged 65 and over feel the need to carry private health insurance to supplement medicare coverage—and why the nature and scope of these so-called medigap policies are so crucial.

This article contains a simple but instructive explanation of the limits of medicare coverage, in terms of hospitalization, physicians' fees, and medication. For instance, while medicare covers most hospitalization expenses up to a maximum stay, it only pays a standard fixed fee for doctors' charges, and it covers only a small fraction of prescription drugs. The article goes on to summarize the pitfalls awaiting those in the market for medigap insurance—an industry in which fraudulent sales of policies may amount to $1 billion a year.

The hazards elderly buyers of medigap insurance may encounter—sometimes through high-pressure, deceptive, and other unethical sales practices—include being sold: several overlapping policies—sometimes dozens—to the same person that duplicate medicare or other insurance protection already carried; policies that exclude coverage of preexisting health conditions for lengthy waiting periods, or other escape clauses; and insurance coverage so limited in scope as to be of very dubious value. Unfortunately, some of these "medigap" policies leave more gaps than they fill. This can result in the worst of all possible worlds: Senior citizens living on limited incomes find themselves spending precious dollars on costly monthly premiums, only to discover they have little financial protection when an illness or injury occurs.

In response to this serious problem, Senator Baucus and I introduced earlier this month the Senior Citizen Health Insurance Reform Act. The bill, S. 1295, would establish a Federal minimum standards certification for which insurance companies could voluntarily submit their policies—thus assuring senior citizens that policies bearing this certification emblem provide at least a reasonable degree of protection for the premiums. To prevent unethical sales practices, the bill would make it a felony to knowingly sell to a person eligible for Federal health insurance programs such as medicare, a health insurance policy which substantially duplicates protection already owned. It would also be a felony for any insurance salesman to pretend to be a representative of medicare as a tactic to get in the door or pressuring the elderly to purchase a policy. In addition, S. 1295 would prohibit the sale through the mail of insurance policies which have not been approved by the appropriate State insurance commissioner.

But the most effective method to protect against senior citizens being victimized by the sale of duplicative or misleading policies is better consumer information. If older Americans can understand some of the basic types of supplementary health insurance policies, be aware of the possibility of duplication in coverage, and be cautious of the fine print and escape clauses, then we will have made substantial progress in curtailing the fraudulent sale of medigap insurance.

This article makes a contribution toward that end not only by conveying the basic elements of medicare coverage and the pitfalls in buying medigap insurance, but also by concluding with a series of key questions which should be answered when comparing these supplementary policies. These questions can be a very helpful guide to senior citizens when selecting a medigap insurance policy.

Mr. President, I hope that my colleagues will benefit from this article from the June 18, 1979, Wall Street Journal and I ask that it be printed in the Record.

The article follows:

When Medicare Stops: Here Are Guidelines for Buying Supplementary Health Insurance

(By Tom Herman)

New York—For the elderly, the health insurance business sometimes seems like a cruel hoax.

Fear of soaring medical costs, uncertainty over Medicare protection and perplexity about the intricacies of insurance contracts have made some older people targets of aggressive insurance salesmen, some insurance authorities say. The House Select Committee on Aging figures that the elderly spend about $1 billion on worthless or unnecessary insurance. And, the experts say, even the most ethical of insurance men sometimes can't provide sound advice because of the proliferation of insurance policies, terms and conditions governing supplemental protection to Medicare.

Last Tuesday, President Carter announced a proposed new national health insurance plan to expand Medicare and Medicaid coverage and protect workers against medical costs of more than $2,500 a year. The plan faces a battle in Congress, and even if enacted, it wouldn't become fully effective before Oct. 1, 1982.

Meanwhile, from talks with consumer and insurance specialists, here's a summary of the major problems in health insurance and how to deal with them.

A few tips apply to health insurance buyers of all age groups. For example: Most policies don't cover the cost of routine physicals. But you can often get your insurer to pay a large portion of the bill by combining your physical with a visit for several ailments that are covered. Numerous insurance executives say—privately—that it is often too difficult to separate which tests are routine and which are related to illnesses or injuries, and so they aren't inclined to challenge examinations made as a result of a physical complaint.

GAPS IN MEDICARE

A major problem facing the elderly is how to supplement Medicare, the federal program designed to protect older and disabled people from big medical bills. As medical costs have soared, Medicare has grown more expensive and has paid out a diminishing proportion of average costs—for the elderly, only about 38 percent of average health-care costs in the past few years, down from about 50 percent in 1966, according to the House Select Committee.

Medicare is most helpful with hospital costs. But a study to be released soon by the New York State Consumer Protection Board and the State Office for the Aging noted there are "a lot of gaps" in its coverage of medical costs incurred outside a hospital. (The study, incidentally, will include detailed ratings of 47 health insurance plans sold to New Yorkers aged 65 or more. Copies can be obtained later this summer from the Consumer Protection Board at 99 Washington Ave., Albany, N.Y. 12210; correspondence should be marked, "Medigap.")

Why the gaps? Medicare comes in two parts. Part A covers hospitalization as well as certain post-hospital nursing-home and home health care expenses. It's free for most people over 65. Except for a $160 deductible, it pays for most hospital expenses up to 60 days. Part B, which is most often faulted, covers doctor bills, outpatient hospital services and some other medical expenses. Effective July 1, it will cost subscribers $8.70 a month, up from the current $8.20. There's a yearly deductible of $60. But the big catch, according to critics, is that Part B pays only 80 percent of "reasonable" charges for covered expenses. When "reasonable" charges, as calculated by the government, are much below actual charges imposed by doctors and others, a patient can wind up owing a lot of money. Many items, such as prescription drugs outside a hospital, aren't covered at all.

Still, most consumer researchers suggest buying Part B—and then supplementing it with private coverage. Without private coverage, you may have to pay more than half your doctor bills out of pocket and all, or nearly all, of your bills for drugs and nursing care, according to the New York State study. (You should always ask your doctor, before treatment, whether he will accept Medicare's "reasonable charge" as his fee.)

TIPS ON EXTRA COVERAGE

If your illness promises to be a long one, the Health Insurance Institute says, "you and your physician should discuss whether the latter part of your treatment can be managed in a skilled nursing facility instead of the hospital." This can create big savings, especially if you transfer to a nursing facility before you've spent 60 days in a hospital.

To buy private, supplementary health insurance, consider these suggestions:

Try to continue any coverage you had before turning 65, such as a group policy that covers you at work, or any individual policy you may have purchased. Any previously existing coverage, according to the New York State study, "is likely to be more comprehensive that you could get on your own, and since you're continuing a policy rather than starting a new one, you don't have to worry about any waiting periods" before coverage actually protects you.

Otherwise, you could buy a new major-medical policy as an individual. You could join a health-maintenance organization, a group to which you pay a fixed amount periodically and obtain medical services as needed. You could buy a "hospital indemnity" plan that pays a fixed amount for each day you spend in the hospital. You could buy a group insurance plan sponsored by some associations for retired and elderly people. You could buy a policy designed to cover the things that Medicare doesn't cover. If you're indigent, you may be eligible for state-administered Medicaid.

Beware, however, of buying coverage that duplicates Medicare or other insurance protection you have. The House committee found an 87-year-old woman in Wisconsin who had paid some $4,000 for 19 different policies written by nine companies, only to discover that the policies were "largely worthless because of duplication." (Policies often don't reimburse you for costs that are already reimbursible through other protection. But some policies do; indeed, it's possible to make a profit out of getting sick, though the premium cost would deter many people from doing so.)

PRE-EXISTING CONDITIONS

State insurance officials can help explain the coverage you have in specific policies. One St. Petersburg, Fla. couple in their 80s found the state helpful about buying several different Medicare supplemental policies for premiums totalling several thousands of dollars. A state specialist found that one policy, which the couple thought was a hospitalization policy, covered only physicians' fees, laboratory and hospital-outpatient charges; moreover, total coverage was limited to $500 a year for a yearly premium of $130.

A close reading of key definitions and terms in your policies is critical. Pay special attenton to references to "pre-existing conditions," a term that generally refers to any illness or symptoms you may have had before buying the policy. "Some policies don't cover such conditions at all," the New York State study says. Others specify a waiting period of up to two years before you can collect on claims arising from pre-existing conditions. Other policies have an automatic waiting period for collecting on claims for certain illnesses, pre-existing or not.

What constitutes a pre-existing condition also varies. Some policies consider that no pre-existing condition affected you unless you had been treated or hospitalized for it. "That gives you, as a consumer, some protection," the New York State study says. "Other policies consider a condition to be pre-existing if you had it when you bought the policy—whether you knew about it or not."

Can you renew your policy when it expires? This varies, too. Some policies permit the insurer to refuse to renew. Others are automatically renewable. Still others are renewable unless the company decides to terminate all policies like yours; such policies are called "class renewable."

KEY QUESTIONS

Many insurance regulators advise buying policies with broad coverage instead of those insuring against specific illnesses such as cancer. "These policies are often high-priced in relation to their value and often lead to disputes about claims," the New York State study says.

And, as is usually the case in insurance, you're advised to insure yourself against major expenses rather than spending premium dollars to protect yourself against minor costs that you can afford.

The Senior Information and Referral Center, a service agency in Chico, Calif., publishes a guide with a list of questions to ask when you compare different policies. (The guide is available for $1 from SIRC, P.O. Box 3583, Chico, Calif., 95927.) Here are the questions:

Does the policy pay the $160 deductible that you must fork over before Medicare begins paying for the first 60 days in a hospital?

Does it pay the $40 a day that Medicare doesn't cover if your hospital stay runs between 61 and 90 days?

Does it pay the $80 a day that Medicare doesn't cover if you stay in the hospital more than 90 days and must use some of your "lifetime reserve" days?

Does it provide any coverage on the rare occasion on which you may be in the hospital for 150 days, when Medicare payments stop?

Does it provide any coverage beyond the 190 days over your lifetime for which Medicare will reimburse in-patient costs in a psychiatric hospital?

Does it help pay the $20 a day that Medicare doesn't cover if you remain in a skilled nursing facility for more than 20 days?

Does it cover you if you have remained in a skilled nursing facility for 100 days, when Medicare coverage stops?

Does it cover the $60-a-year, deductible for which you're responsible under Medicare's Part B?

Does it pay the 20 percent of "reasonable charges" not covered by Medicare's Part B or any part of charges over the "reasonable" ones?

Does it help if you need more than the $250 yearly maximum allowed for out-patient psychiatric services under Part B?

And does it help pay costs that aren't covered by Medicare, such as the cost of private nursing, routine dental care, eye-glasses, hearing aids, dentures, long-term custodial care in a nursing home and medical care in a foreign country?●

OHIO FAMILY DISPLAYS PATRIOTISM OF THE HIGHEST ORDER

● Mr. METZENBAUM. Mr. President, with the recent passing of the Memorial Day holiday and the 4th of July coming up very soon, our thoughts turn to the brilliant history of our Nation. We remember the great achievements that have been made, and we remember the terrible costs of some of them.

One of the greatest services this Nation has ever performed for the welfare of mankind was the defeat of the Axis Powers of World War II. No greater villain, no greater enemy, no greater threat to the civilized world had ever been seen. No greater carnage, no greater sacrifice, no greater price was ever paid than that exacted to stop Hitler and his comrades.

I do not bring up these ugly memories for the purpose of recounting our Nation's involvement in that struggle, but I do want to make known the actions of the Holibonich family of my home State of Ohio. They, in my opinion, committed themselves to one of the greatest sacrifices, that of risking the lives of five of their children to fight tyranny.

Michael and Helen Holibonich emigrated to the United States from Czechoslovakia in 1909 and 1911, respectively. Here, they, like many young immigrants at the time, moved to Youngstown to work in the steel mills of the Mahoning Valley where they remained and raised their family.

In 1940, although the war was limited to Europe, the first member of the Holibonich family entered this country's military service. George Holibonich enlisted in the Marine Corps. After his enlistment, the others soon followed, Michael, Jr., joined the Army in February of 1941, and was followed by brothers Ben, who enlisted in the Marines in January of 1942; John, who joined the Army in August of the same year, and finally Frank, who became a member of the Navy in 1943. Mr. President, all five brothers were in combat at the same time.

I think it is important to note, Mr. President that these men not only served their Nation, but served them with honor. George was honored with a Presidential Unit Citation with ribbon bar and one bronze star, Navy Unit Commendation with ribbon bar, Good Conduct Medal with one bronze star, American Defense Service Medal with Base Clasp, American Campaign Medal, Asiatic-Pacific Campaign Medal with four bronze stars and a Victory Medal.

Michael, Jr., received the Asiatic-Pacific Theater Ribbon with two bronze stars, American Defense Service Ribbon, the Philippine Liberation Ribbon with one bronze star, the Good Conduct Medal, and a Purple Heart.

Ben was awarded a Presidential Unit Citation with ribbon bar, Good Conduct Medal, American Campaign Medal, Asiatic-Pacific Campaign Medal with two bronze stars and the Victory Medal.

John received the American Theater Ribbon, Asiatic-Pacific Theater Ribbon with five bronze stars, the Philippine Liberation Ribbon with one bronze star, the Good Conduct Medal, and the Victory Medal.

Frank was awarded the American Theatre Victory Medal, a Navy Unit Commendation, the Asiatic-Pacific Medal with four stars, and the Philippine Liberation Medal with two stars.

Mr. President, the State of Ohio and the Nation can look with pride to the Holibonich family. They have served their country with courage, with bravery, and with pride. I want to close by saying, Mr. President, it is a true honor to represent this fine family.●

GENERAL LUCIUS THEUS RETIRES

● Mr. HART. Mr. President, tomorrow Gen. Lucius Theus, commander of the Air Force Accounting and Finance Center in Denver, is retiring after providing 36 years of exemplary service to his country. He began his military career as a private in the Army Air Corps during

World War II and concluded it as commander of the Accounting and Finance Center. General Theus brought a special measure of honor, not only to the men and women who wear the uniform of our Armed Forces, but to everyone who takes pride in being an American.

Although General Theus' military decorations include the Distinguished Service Medal, the Legion of Merit, the Bronze Star Medal, the Air Force Commendation Medal with one oak leaf cluster, and the Air Force Outstanding Unit Award Ribbon, his most important accomplishment was to help improve race relations in our Armed Forces. As chairman of the Inter-Service Task Force on Education in Race Relations, General Theus was instrumental in establishing the Defense Race Relations Institute and special education programs designed to build better understanding between people of different racial and ethnic backgrounds.

General Theus, however, has not limited his service and dedication to the military community. He has served as a trustee and chairman of the Mile High United Way campaign in Denver and director of the Denver Area Council of Boy Scouts. General Theus has also been active in the Denver Rotary Club and metropolitan Denver Chamber of Commerce.

For his many contributions to his fellow Americans, General Theus has received recognition from both the military and civilian communities. He has been listed in Who's Who in America, Who's Who in Government, and Who's Who Among Black Americans. General Theus has been named by Ebony magazine as one of one thousand successful Black Americans and has been a recipient of the Denver Federal Executive Board's Distinguished Federal Service Award. Most recently, General Theus was named winner of the 1979 Denver Barney Ford Community Service Award for Professional Accomplishments.

In over three decades of military service, General Theus has provided an excellent role model for young men and women who wish to pursue their higher education while serving in our Armed Forces. General Theus is a graduate of the University of Maryland and the Harvard University advanced management program. He received a masters degree in business from George Washington University and later graduated with honors and distinction from the Industrial College of Armed Forces and the Air War College at Maxwell Air Force Base in Alabama. He was selected to receive the Harvard Graduate School of Business Administration Alumni Achievement Award for 1977.

Mr. President, the military strength and preparedness of our Nation will depend on the quality of recruits we are able to attract to our Armed Forces. The career of Maj. Gen. Lucius Theus embodies all the potential for personal growth and success which exists in the U.S. military service. I am pleased to bring his excellent record of achievement and dedication to the attention of my distinguished colleagues in the Senate.●

THE TRUTH ABOUT ENERGY SHORTAGES

● Mr. BAYH. Mr. President, all of us recognize that something is seriously wrong with the way the petroleum industry in this country is performing. The gas lines we are facing are only the most visible indicators that we have run amuck. Secretary Schlesinger's acknowledgment last week that he is unwilling to pressure the oil companies to produce the heating and automotive fuels that this Nation desperately needs is another. And an article appearing in the Philadelphia Inquirer on June 17 is perhaps the best analysis I have seen of the real reasons for our current petroleum product shortage.

This article paints a very disturbing picture, Mr. President. Not only does it describe a pattern of oil industry actions which have directly resulted in great inconvenience to our citizens, but it reveals the total inadequacy of the Department of Energy's response, to the point where it may fairly be said that the Government is merely acquiescing in the energy policy set by the major oil companies.

The article written by Donald L. Barlett and James B. Steele cogently points out that our current energy shortages can be attributed to the conscious efforts of the oil companies to reduce supplies of petroleum products, both by drawing down stocks on hand in 1978 to perilously low levels when crude oil was plentiful and relatively inexpensive, and by deliberately reducing oil imports. Despite evidence that a very serious situation was building, the Federal Government failed to respond, and when DOE did finally act, it did so in a manner which may have further aggravated the situation.

What can be more telling, Mr. President, than the comment of a DOE official that the dangerously low levels of gasoline and middle distillate stocks last December were a corporate problem, not a national problem? Every American who has been forced to wait to buy gas knows the impact that this "corporate" problem is having on our country. All this reemphasizes to me, Mr. President, that we are following an extremely dangerous course as long as we continue to allow the major oil companies, who already control every facet of oil production, transportation, refining, and marketing to make supply and pricing decisions which in essence become our national energy policy. I see little hope for a lasting solution to our energy problem as long as we let the giant multinational oil companies have this degree of control. Time and time again we have seen the evidence that the oil companies act in their own interest, not that of the American people. The Inquirer article further dramatizes this fact, and points out that the situation is compounded by a Federal Government which has provided little protection for the American people from the manipulative tactics of the multinational oil companies.

This unhealthy combination of factors makes it essential that the Congress shoulder its responsibility to protect the public interest. During the consideration of the supplemental appropriations bill, an amendment offered by the distinguished Senator from New York, Senator JAVITS, and myself, was adopted which will provide funds to enable the Department of Energy to hire outside auditors to get some hard data about our oil supply situation. This information is critical if the American people are to know, once and for all, exactly what is responsible for our current difficulties and how they can be avoided in the future. This is certainly a start. But I feel strongly, Mr. President, that until we require the divestiture of the major oil companies we will be unable to fully regain control over our national energy policy.

Mr. President, I submit this very important article to be reprinted in the RECORD for the information of my colleagues.

The article follows:

WHO DO YOU BLAME? TRY BIG OIL AND YOUR OWN GOVERNMENT, FOR STARTERS

(Donald L. Barlett and James B. Steele)

Decisions made by the federal government and actions initiated by the American oil industry last year guaranteed the shortage of gasoline and other petroleum products that currently afflicts the nation.

What's more, those same actions by both industry and government—aggravated by Congress' failure to develop a workable national energy policy after six years of debate—have virtually assured that the nation will suffer at least spot shortages of home heating oil next winter.

The severity of those shortages will depend upon whether the coming winter is colder than usual, and whether industry and government dramatically step up imports of heating oil in the coming months.

It is unclear whether the decisions by government and industry last year were made to deliberately create shortages or resulted from simple miscalculation, bungling and inept planning.

What is clear is that as recently as early last year, the oil industry was faced with the "problem" of a huge surplus of oil—a surplus that some oilmen feared might last for seven years. In its 1977 annual report, published early in 1978, Gulf Oil Corp. told its stockholders: "The world crude (oil) surplus is expected to continue possibly through 1985. The 1978 surplus . . . is estimated at up to 3.5-million barrels per day . . ."

What is also clear, an Inquirer investigation has established, is that:

Both the Department of Energy (DOE) and the oil industry knew last year—or certainly should have known—that they were embarked on a course that would reduce the supply of oil while demand was increasing and would thereby send prices soaring.

Contrary to the repeated assertions of energy czar James R. Schlesinger, and some oil company executives that the current fuel emergency was triggered by the shutdown of Iranian oilfields, events leading to the shortage were set in motion by the oil industry and the federal government long before the revolution in Iran.

While the Iranian shutdown did disrupt world supply patterns, it did not cause the long lines at gasoline stations, weekend closings or spiraling prices. It only exaggerated the situation.

Simply put, what happened was that an effort by the oil industry—with the DOE idly looking on—to tighten up the oil market went awry.

The none-too-surprising results were skyrocketing prices at the gas pump and at the wellhead in member-nations of the Organization of Petroleum Exporting Countries (OPEC).

The year 1978 began, as Gulf Oil Corp. told its stockholders, "with a world (crude) oil surplus." Indeed, during the first three months of 1978, the *Oil and Gas Journal*, the industry's authoritative trade publication, reported:

"The international oversupply forced some of OPEC's producers with premium, higher-priced crude to cut prices during the first quarter by between 1 to 30 cents a barrel . . . More cuts were made to apply to second-quarter sales." (A barrel contains 42 gallons).

Reviewing the global surplus of crude oil, the magazine noted that Nigeria was "one of the worst-hit countries with production of about 700,000 barrels daily without a market."

Venezuela had surplus production of 400,000 barrels daily, the magazine said; Iran, 500,000 barrels; Iraq, between 300,000 and 500,000 barrels, and Algeria and Libya, between 400,000 and 500,000 barrels.

In the United States, the market for all this excess petroleum was weak.

From January to April 1978, the average price of a gallon of gasoline nationwide rose half a penny. And from April 1977 to April 1978 the price increase had amounted to just one-tenth of a penny.

By the last week in May, the price of gasoline in some cities had actually fallen from the same week a year earlier.

In Philadelphia, regular gas was selling for 65.5 cents a gallon, down from 65.9. In Charlotte, N.C., it was 66.6 cents, down from 67 cents. And in Chicago, it was 65.5 cents, down from 66.5 cents.

In response to the soft market, the oil companies began drawing down their inventories of gasoline and crude oil—even though inventories early in 1978 were already below the levels of some earlier years.

At the same time, the companies cut back on imports of refined products—such as residual and distillate fuel oils that are used to heat homes, run diesel engines and generate electricity—and also slashed crude oil imports as well.

The decision a year ago to dramatically reduce crude oil imports, even though oil company inventories were already low, coincided with the international surplus that was forcing prices to inch down even in OPEC countries.

Measured in terms of days of supply, the oil companies at that time had enough gas to last the country only 29 days—the first time in this decade that gasoline inventories had been allowed to drop below a 30-day supply.

Inventories of distillate—heating oil and diesel fuel—totaled 233,084,000 barrels, the first time since October 1973 that the day's supply fell below 70 days.

It was the winter of '73–'74, of course, during the Arab oil embargo, that the United States was hardest hit by heating oil shortages.

Nonetheless, even with those numbers staring them in the face, government and industry late last year remained cheerfully optimistic about prospects of having adequate supplies in 1979 to meet the growing demand for oil products.

Even in December, when Shell Oil Co. announced that it intended to cut back on deliveries of gasoline, there was no undue alarm.

WHERE GAS PRICES WILL STOP, NO ONE KNOWS

"Gasoline supplies appear adequate despite persistent rumors there may be shortages soon," reported the *Wall Street Journal* on Dec. 4, 1978. As the *Journal* spelled out the view of one high-level official in the DOE on the Shell allocation plan:

"This is a corporate problem, not a national problem.

"It boils down to a few consumers who won't be able to buy their favorite brand."

One month later, in January 1979, Texaco joined Shell in announcing a cutback in gasoline deliveries to its dealers as supplies across the country continued to tighten.

Still, the DOE diverted 204,000 barrels of crude oil a day into the strategic petroleum reserve that month the third largest shipment in the 17-month history of the project.

At the same time, the energy department repeatedly predicted that the price of gasoline would go up just 12.8 cents a gallon from the end of 1978 to the end of 1980 if price controls were removed, and only 9 cents a gallon if controls remained in effect. (In fact, of course, prices have risen by 12 cents a gallon, and more in some locations, just in the past five months.)

In February and March, there were further curtailments of gasoline deliveries to retailers by other major oil companies, including Exxon, Standard Oil of California and Mobil.

By April and May the gasoline shortage was full-blown, as long lines at service stations became commonplace in California and stations across the country began closing on Sundays, limiting hours of operation on other days and limiting purchases.

There were shortages of diesel fuel, and business and industry were urged to reduce consumption of distillate fuel oil through conservation measures or by switching to natural gas.

All of this came about even though overall demand for petroleum products during the first four months of the year actually declined by 0.5 percent, from 19.470-million to 19.366-million barrels daily, according to American Petroleum Institute figures.

By May, the average price nationwide for a gallon of regular gasoline had shot up 16.4 percent; going from 68.7 cents in January to 80 cents the last week of May. It has risen more since.

The 11.3-cent price increase during the four-month period far exceeded DOE projections of a 9 cent increase over two years.

From the last week in May 1977 to the last week in May 1978, when oil companies were awash in crude oil and gasoline—"We're drowning in crude," one oil industry executive put it in the summer of 1977—the average price of a gallon of regular gasoline went up only 0.6 percent, from 63.5 to 63.9 cents.

But from the last week in May 1978 to the last week in May 1979, when oil companies had made a conscious effort to reduce supplies of petroleum products, the average price of a gallon of gasoline soared 25.2 percent, from 63.9 to 80 cents.

This week, regular gasoline was selling for 93.9 cents a gallon in California, thereby virtually assuring permanent $1-a-gallon gasoline before summer's end.

Throughout the weeks of steadily rising prices, both oil industry spokesmen and DOE officials attributed the move toward $1-a-gallon gasoline to the shutdown of Iranian oil fields.

But the industry's own statistics show the price increases were actually triggered by the decision to deplete the inventories during 1978—when crude oil was plentiful and comparatively cheap.

Martin Lobel, a Washington attorney and former congressional aide who has specialized in oil industry policy, summed it up this way:

"Had the companies not drawn down their inventories, we would have had sufficient oil. There would have been little impact on price. There would have been enough cushion to absorb the Iranian cutback with minimum disruption.

"The shortage in the United States only reinforced OPEC's intent to raise prices. They've all been to the Harvard Business School. They can read oil stock sheets as well as we can.

"When you see a customer running short, you raise the price and the customer has no choice but to pay it."

This reduction in crude imports meant that during 1978 American refineries received about the same volume of crude oil as they had the preceding year, even though demand—use of gasoline and other petroleum products by consumers—rose 1.7 percent, from 18.43-million barrels a day to 18.74-million barrels a day, in the same year.

So it was that the United States ended 1978 with drastically depleted inventories; reduced imports of refined products and crude oil; and refineries operating at 88.0 percent of capacity, down from 89.8 percent in 1977.

To make matters worse, the DOE in December diverted the largest volume of crude oil ever to something called the Strategic Petroleum Reserve—the Federal Government's stockpile of oil set aside for distribution only in the case of dire national emergency.

The oil market in the United States was no longer soft.

Here, step by step, is how it all came about, as reconstructed by the *Inquirer* from interviews and an examination of hundreds of industry and government documents:

During 1978, American oil companies imported crude oil at the rate of 6.048 million barrels a day. This was down 546,000 barrels from the 1977 crude oil import average of 6.594 million barrels daily.

While it is true that oil shipments from Iran dipped in December, for the full year imports of Iranian crude oil and refined products processed from Iranian crude were up by an average 9,800 barrels a day over 1977.

In stark contrast, petroleum imports from Saudi Arabia, the world's largest oil producer and the OPEC country regarded as the United States' strongest ally in the Middle East, were slashed by 244,400 barrels a day from the rate of imports in 1977.

Imports from Nigeria were also cut by 240,100 barrels a day. Imports from Venezuela were reduced 58,300 barrels daily. Even petroleum imports from Canada were down, falling 53,600 barrels from 516,900 barrels in 1977 to 463,300 barrels in 1978.

When added together, American oil companies actually sliced imports from Saudi Arabia, Nigeria, Venezuela and Canada a total of 596,400 barrels daily all throughout 1978, at the same time Iranian imports were up by 9,800 barrels.

Interestingly, U.S. imports of crude oil during the first four months of this year—when the shortages were already in place, prices were rising and the nation was ostensibly feeling the brunt of the Iranian shutdown—actually increased 8.7 percent over the same period in 1978, jumping 499,000 barrels from 5.716-million to 6.215-million barrels daily, according to American Petroleum Institute statistics.

In addition to their sharply curtailed purchases of crude oil abroad in 1978, American oil companies also reduced their imports of refined products, such as some heating oil and diesel fuel.

These imports were cut back 211,000 barrels daily, from 2.193-million barrels daily in 1977 to 1.982-million barrels last year.

The overall reduction in imports of refined products and crude oil—at the very time there was a global glut of oil—totaled 757,000 barrels a day.

That 757,000 barrels a day would have been more than enough to eliminate the current gasoline shortage and avoid the series of events that have sent the price of gasoline soaring as much as 25 cents a gallon in the past six months, to levels of more than $1 a gallon in some cities.

The deliberate slash in imports by oil companies—the slash that brought on the current shortage and high prices—is even more dramatic when measured in historical terms. In 1973, for example, American oil companies imported refined products at the rate of 2.767-million barrels a day—40 percent, or 785,000 barrels a day, more than they brought into the country last year.

Oil industry representatives have attributed the lower gasoline inventory late last year to a surge in demand during a warmer-than-usual fall that kept motorists on the highway.

As one industry spokesman put it: "Last fall has become known as the extended driving season."

While it is true that gasoline consumption was up 3.4 percent last year, compared to a 2.9 percent increase in 1977, it was still well below the 4.5 percent increase in demand posted in 1976, when there were no shortages.

What's more, while total demand for all petroleum products increased 5.6 percent during 1977, it rose just 1.7 percent last year.

Despite that modest increase in oil use, by October 1978 all industry indicators pointed to spot shortages of petroleum products in the weeks and months to come.

Because demand increases each year, inventories of petroleum products must grow also, just to stay even. But inventories of gasoline dropped all throughout last year. By October, inventories totaled 213,691,000 barrels—the smallest October volume since 1972.

Just as the major companies had simultaneously reduced imports all last year, they suddenly began increasing imports early this year. From January through April, imports of all oil were up 4.3 percent from the same period last year; imports of crude oil were up 8.7 percent. Imports of refined products—gasoline and fuel oil ready for consumption—however, were still down, lower by 7.1 percent than they were in the same period of 1978.

But the increase in imports of all petroleum products taken together was enough to alert OPEC. And prices at the wellhead started heading straight up.

This spring, as it became apparent that American oil companies had slashed their inventories to precariously low levels by importing less oil all last year and that they therefore would need to sharply increase their imports in months to come, the Arab countries began adding surcharges to the contract price of their oil—oil that was suddenly in great demand. (The official price for Arab light oil, the benchmark crude is $14.55 a barrel. Depending on quality, other countries price their oil proportionately higher.)

Kuwait imposed a $1.20 per barrel surcharge, retroactive on all oil sold during the first quarter of the year. Oman added $1.02 a barrel. Other countries followed swiftly.

Algeria and Nigeria raised prices $2.45 a barrel, to about $21. Libya added $3.01 a barrel, bringing its price to more than $21 a barrel.

In addition to raising their contract prices, some OPEC countries also began setting aside larger quantities of oil for sale in the spot market—that is, sales not previously contracted.

Because of intensive bidding by American oil companies, and by foreign companies more directly affected by the Iranian cutoff, the price on the spot market rose to nearly $40 a barrel.

The DOE, which had failed to take any action during 1978 when the oil industry was running down its inventories, responded by offering a $5 a barrel subsidy to American refineries that needed it to buy, and pay for, the high-priced oil on the spot market. This response did bring more oil into the country, but it also helped drive up the prices Arab countries were charging for spot oil and angered European countries that now have to pay the new, higher price.

That decision, which served only to push world prices higher, was typical of policies initiated by the energy department—policies that not only contributed to the shortage in the first place, but aggravated it once it became a reality.

For several years now, energy department regulations have prohibited oil companies from charging higher prices for unleaded gasoline produced by expensive new refineries. Not too surprisingly, the industry has therefore failed to invest in new refinery equipment at precisely the time that such equipment is needed to increase the output of unleaded gas.

At the same time, one set of federal environmental regulations has required that auto companies produce cars that run on unleaded gas, while another set of regulations has barred oil companies from using certain additives needed to produce unleaded gasoline in older refineries. Newer refineries with more sophisticated equipment can produce high-octane unleaded gas without such additives. But it is precisely these refineries that oil companies have been discouraged from building because of federal price controls on unleaded gas.

Further compounding the problem, when the lines began forming at gas stations early this spring, the energy department finally took note of the industry's low inventories of all petroleum products—and promptly inexplicably ordered refineries to step up production of distillate fuel oil at the expense of gasoline.

Then, as it has done so many times in the past, the DOE a few days later reversed this policy and directed refiners to increase gasoline production.

The conflicting demands of government regulations aside, American oil companies, during the five years after the oil embargo, not only deliberately failed to increase their inventory levels, but in fact decreased their supplies in storage, as measured by days of supply on hand.●

SENATOR KENNEDY ADDRESSES IOWA STATE BAR ASSOCIATION

● Mr. CULVER. Mr. President, I recently had the pleasure of accompanying the distinguished chairman of the Judiciary Committee, Senator Edward Kennedy, to my hometown of Cedar Rapids where he addressed the Iowa State Bar Association. The many Iowa attorneys who attended heard an incisive and eloquent analysis of a number of subjects important to this country. The challenges of the 1980's, the need to bring excessive regulation and paperwork under control in order to achieve a more just society and the role of free enterprise in a modern economy were among the topics illuminated by Senator Kennedy's thoughtful remarks. So that a wider audience might have the opportunity to know our colleague's thinking on those matters, I ask that the following excerpts from the speech be printed in the Record.

The excerpts follow:

Address of Senator Edward M. Kennedy

It is a pleasure for me to be back again in Iowa. Flying in here this evening reminds me again of the great beauty of this state and the rich land that has played such an important part in the growth and history of our nation. As our great New England poet, Robert Frost, once said of the rich Iowa soil, "It looks good enough to eat without putting it through vegetables."

I appreciate very much the invitation to address this annual meeting of the Iowa State Bar Association. You can be proud of your reputation as the voluntary bar association with the highest percentage of practicing attorneys in the United States. That reputation is a well-deserved tribute to the activities and leadership of the association, especially your services to members, your program of continuing legal education, and effective innovations like your client security fund . . .

We meet here this evening on the threshold of a new decade, the decade of the 1980's. As so often in the past, the beginning of a new decade should be a time for reflection by each of us, a time for hope and optimism in America, a time for renewed confidence in our basic strengths as a nation, a time for a fresh effort and commitment to deal more effectively with the challenges facing us at this difficult period in our history.

From the beginning of civilization, there have been temptations among some to acquiesce in events that seem beyond control, to drift with tides that seem too swift for our frail vessels.

The temptation to surrender to our present difficulties, to endure them rather than take arms against them, is understandable. But it is not acceptable. It is at odds with America's heritage and character. It is false to the pioneer spirit that built this country and made it great.

The creation of our Union, the great migration that settled Iowa and the West, the recovery from the Civil War, the emergence from the Depression, the victories in two World Wars, the rebuilding of Europe and Japan, the landing on the moon, the miracle of a system of agriculture that feeds the world—these and other milestones in the history of America were not the achievements of a timid people fearful for their future. They were triumphs of a unique constitutional system of self-government, a unique economic system of free enterprise and self-reliance, and a unique people who lifted America to our present pre-eminent position in the world.

I reject the defeatist view that we are already doing the best we can, that we have to learn to live with our problems, because they are more difficult than those we have faced before. Inflation and energy, health care and nuclear arms control, and our many other challenges are no more difficult than similar challenges we have overcome in the past. Our problems today call out for something more—a boldness of thought and action that matches the boldness of our history.

In meeting the challenges we have faced, the law and lawyers have always played a central role. The law has been the safety valve of our growing democracy, developing practical solutions for our problems, defining avenues of compromise, easing tensions that might otherwise have torn the delicate social fabric of our nation. More than a century ago, DeTocqueville noted that Americans were a litigious people, with an unusual inclination to resolve their economic, social and political grievances in the courts instead of in the streets.

The American revolution has been a continuing legal revolution, as the law and the Constitution adapt to the changing needs and conditions of modern life. There have been rewarding victories in the recent past. We have banished official discrimination based on race or sex, and opened up the ballot box to millions of new voters. We have enacted laws to preserve the environment, to guarantee health care for the elderly, to provide jobs for those who can work, and to care for those who cannot. We have sought to provide all our citizens with reasonable access to the necessities of life—to food and shelter and education and health care—and to protect them from crime, from dangerous drugs and work conditions, from unsafe automobiles and airplanes and nuclear power plants.

But all is not well in America's house of law. In many areas of national life, the strength and vitality of America are being hamstrung by excessive laws and regulations. Citizens are swamped by the complexity of the forms they are required to use. Businesses flounder in the cost and waste of paperwork. Agencies spew forth reams of regulations with virtually no conception of the costs imposed or the benefits likely to be obtained. Regulation for the sake of regulation has become an oppressive end of government, instead of a useful means to promote the public good.

Similar serious problems undermine the legal system. As new laws and regulations are born, grievances grow geometrically. The courts are choked with litigants. Parties abandon valid legal claims because vindication is not worth the delay and cost. Suits drag on for decades. Criminals on bail commit new crimes before they can be brought to trial. Other criminals go free under dubious plea bargains struck because dockets are too overcrowded and judges and prosecutors are too overworked to go to trial at all. The gasoline lines at filling stations across the country are models of efficiency compared to the lines at our courthouse doors.

History teaches us the perils of this course. The fall of the Ottoman Empire at the beginning of this century is widely attributed to the excesses of a top-heavy civil service and a system of administrative regulations imposed by a bureaucracy run wild.

America too is showing the early warning signals of this vice. As Professor Laurence Tribe writes in the July issue of the Atlantic, America has become a nation with too much law and too little justice. Our lives and our economy are increasingly caught up in an ever-constricting web of laws and regulations that threaten to bring our vaunted free enterprise system to its knees unless we act.

Our instinct, unfortunately, has sometimes been in the wrong direction. Last year, recognizing the burden of growing caseloads on the courts, Congress enacted legislation adding 152 new judges to the federal system, a nearly one-third increase in the number of federal judges. That action was essential, given the desperate situation of the dockets in the courts, and I commend your Senators and the Bar Association for working effectively together to fill the Iowa vacancies by merit selection. But the nation will be better off in the future if, instead of continuing to increase the number of federal judges, we begin to reduce the number of federal laws.

The traditional American reaction to a problem or abuse has been to say, "There ought to be a law." But now, as we survey the complex legal framework of the nation, we should also be prepared to say of many areas: "There ought not to be a law."

What we need now and in the years to come is a concerted and systematic effort to streamline our legal system, to strip away the waste and fat, to achieve the goal of meaningful delegalization of America.

That effort does not mean throwing out the baby with the bathwater. It does not mean the wholesale dismantling of measures painfully enacted over many decades to protect the public health and safety and preserve the beauty of our environment.

It does not mean arbitrarily locking the courthouse door to classes of litigants who have not yet won full access to the justice they deserve if their basic American right to life, liberty and the pursuit of happiness is to have meaning in modern life.

What it does is an attempt to end the suffocating burden of litigation, delay and red tape that unnecessarily clog the courts. It means an effort to develop alternative avenues of redress that do not require the cumbersome machinery of judicial resolution of disputes. It means a greater effort to bring order to the chaos of conflicting and overlapping bodies of law like the federal criminal code, so that those charged with crime can be brought to trial, and those convicted can be fairly sentenced.

States like Iowa are far ahead of the Federal Government in this respect. You can be proud of the new Iowa Criminal Code, which, with the aid of the State Bar Association, went into effect at the beginning of 1978.

You laugh when you hear that it is still a federal crime to interfere with a government carrier pigeon. But you begin to wonder how the federal criminal law can function at all, when you hear that it contains over fifty different guilty states of mind, over seventy conflicting sections on theft, and vast disparities in sentencing that allow one convicted bank robber to be placed on probation, while another is sentenced to twenty-five years in prison.

Above all, the delegalization of America means reducing the oppressive burden of laws and regulations that stifle vast areas of the economy where the free enterprise system ought to flourish. This nation cannot allow its economy to drift toward the future as though ten or fifteen percent inflation were the natural order of the American economic universe.

There is a better way. The key to lower prices is greater competition. We have begun to learn that economic regulation imposed by government is self-defeating. It works against the basic principle of competition and free enterprise. It works against businesses trying to compete effectively in the marketplace by offering lower prices and better services.

That was the major lesson of the struggle over the past five years for airline deregulation. The CAB, the federal agency in charge of regulation, was created in the 1930's to protect an infant industry. Gradually, its mission changed. It became the primary cause and chief defender of high air fares and lack of competition in the industry. In effect, the agency outlawed competition in prices. It outlawed competition through entry of new firms. Instead, it channeled the competitive energies of the industry into gourmet meals, theaters in the sky, and other high-priced frills.

When Congress removed that regulatory scheme last year, the change was rapid and dramatic. The first fresh breeze of competition in forty years began to blow throughout the industry. More people began to fly. More routes were scheduled. More jobs were created in the industry. Best of all, at a time when inflation was going through the roof in virtually every other sector of the economy, airline fares went down. And meanwhile, industry profits went up 54 percent and soared to their highest levels ever.

The exprience in Iowa is similar to that of other states. Jim Lightsey of the Iowa Department of Transportation tells me that inevitably, as deregulation began, there was consternation in the Chambers of Commerce in Ottumwa and Waterloo, because Ozark Airline used its new freedom to reduce or abandon service. But the gap was quickly filled by Mississippi Valley Airlines. Today, the local service is better than before, because you have a new airline committed to the community. You can fly nonstop from Waterloo to Kansas City, a service you never had before. The only losers are the travellers who like to fly in large but empty planes. Even Ozark has made amends—for the first time you can now fly direct from Cedar Rapids to Atlanta or Florida. The verdict is still out for Fort Dodge and Mason City; but if recent history is any indication, Meredith Wilson's Music Man would be bringing his seventy-six trombones to Mason City by plane today instead of by Wells Fargo wagon.

It was such a simple idea. For America, it was like reinventing the wheel. We rediscovered competition. The elaborate scheme of federal regulation turned out to be a house of cards. It wasn't working, and at last we were wise enough to tear it down. There have been few more satisfying achievements in Congress in recent years than the success of airline deregulation. It has been good for the industry, good for the consumer, and good for the economy.

If competition works for airlines, it can work for other industries too. And one of the most obvious new targets for deregulation is trucking. There is no justification for federal regulations that keep freight rates and trucker profits in the stratosphere, and that bar small businesses from providing needed services.

Fortunately for Iowa farmers, most agricultural goods are already exempt from regulation by the Interstate Commerce Commission. Yet farm communities have little difficulty getting services they need from truckers, and the rates that farmers pay are fair and reasonable. In spite of the opposition of the trucking industry, national farm organizations—including the American Farm Bureau and the Agricultural Transportation Alliance—are now working hard to enact legislation allowing more of the products bought and sold by farmers to be hauled by nonregulated truckers.

We can do much more than this. We should eliminate all unnecessary economic restrictions on truck transportation for all shippers and consumers. If trucking competition can work for farm products, it can work for manufactured goods as well. Freight in this country should be hauled by carriers ready and willing to compete for the public's dollar. It is time we put a stop to price fixing and monopoly profits in the trucking industry, by getting government regulators out of the driver's seat in our major trucking firms.

That same oppressive weight of regulation exists in other sectors of our economy. Emboldened by the success of recent efforts, we can cut back the burden of unnecessary and conflicting laws and regulations that frustrate both business and consumers in other areas. We can make our system of free enterprise work the way it should.

In every case, we should shift the burden of proof. We should start with a presumption that favors competition and an unregulated marketplace. Government intervention should be permitted only as a last resort, when market forces clearly fail to meet important needs such as protection of the public health and safety.

None of these efforts, however, will succeed unless we also succeed in mobilizing the spirit and will of the American people in favor of reform. Things are not the way they are by accident or chance. Every law that should be repealed, every regulation that should be modified, is on the books today because it benefits an entrenched and powerful interest group that will fight with tooth and claw to keep its special privilege.

We cannot let private interest prevail over the public good. The source of the strength we need to achieve these public goals is not difficult to find. A concerned citizenry, committed to the age-old virtues that built this country and made it great before, can keep us strong in the years to come. Faith and sacrifice, work and duty, truth and justice, respect for the rights of others, compassion for those less fortunate than ourselves—so long as we hold these values dear and strive to instill them in our children, the spirit of America can be rekindled anew in each day and generation.

Lawyers and bar associations have a central role to play in helping to meet this challenge. The commitment we share to law and justice is larger than any partisan or philosophical or regional issue that divides us.

A century ago, in concluding his address at the dedication of the battlefield at Gettysburg, Abraham Lincoln spoke of a new birth of freedom for the nation. There could be no finer epitaph for the decade of the 1980's than for historians to say of these years that America met its economic challenge, that we achieved a new birth of competition for the nation, and that we restored our free enterprise system to its rightful place in our free society.●

HOME HEATING OIL

● Mr. DURKIN. Mr. President, week by week and day by day the projections for energy next winter continue to deteriorate. We are now finding out that in all probability home heating oil supplies will be substantially below the President's target level of 240 million barrels by October. And the second ranking official in the Energy Department has raised the possibility of the home heating oil tanks going dry by midwinter. And if home heating oil is around next year it will be far more expensive than it has been. Everybody knows this.

In the face of this looming disaster, we find that the only program the Federal Government has to mitigate the impact of soaring energy costs on the poor and the elderly is being gutted.

I refer to the vitally important Emergency Energy Assistance program of the Community Services Administration, which gives grants of up to $250 to poor and elderly homeowners and renters who cannot cope with sky-high utility costs. This program was funded last winter at $200 million. Now, spurred on by the administration, the House has cut the program by 90 percent, to $20 million for fiscal 1980. At this level, the program will be virtually useless and the Federal Government will be left without any way to help these people.

The official justification for this cut by the administration is that we need to dismantle the program before it becomes permanent.

Mr. President, if the situation were not so serious it would be ludicrous. This is just one more example of why people's attitudes toward this administration have passed beyond confusion to contempt. Indeed, in looking at this administration's energy policies, contempt might not be a strong enough word to use.

To be blunt, I have warned the administration time and time again, that if the President enters the New Hampshire primary next winter, he will share the headlines with stories of people freezing in the dark. And everyone will know who to blame.

But the administration so far has refused to listen, and the time to change course is about up.

The Boston Globe last week included a thoughtful editorial about the importance of the CSA energy program. It summarizes the issue and the danger, clearly and concisely.

I ask that it be printed in the RECORD. The article follows:

[From the Boston Globe, June 22, 1979]

. . . AND FACING A FRIGID WINTER

Last winter, when fuel oil was selling for 55 cents a gallon, people died because they couldn't afford it. Now fuel oil is selling for 70 cents a gallon. Next fall the price will be 80 cents. And by the time we're into the winter it could well be 90 cents. More people will die. And how has Congress reacted so far to this impending crisis? By slashing from $200 million to $20 million the proposed appropriations for the one federal program that assists low-income families with their fuel bills.

The program is run by the Community Services Administration, the successor of the old Office of Economic Opportunity. It has not been an administrative paragon. First, by the CSA's own estimates at least $2 billion was necessary to meet fully the need even at last winter's fuel oil prices. Efforts to allocate the limited resources resulted in seemingly arbitrary or inappropriate criteria of eligibility. Complicated paperwork often resulted in aid not arriving until months after it was needed, months after oil dealers had long ceased making deliveries.

But the CSA program is the only one available, the only one with even limited experience in the area. For the Congress to reduce its resources by a factor of 10, when CSA argues that to do the job it needs a tenfold increase, is simply to close its eyes to the hardship that is almost inevitable next winter.

It is argued in some quarters that a permanent program of emergency fuel assistance is on the way, financed by a windfall profits tax imposed on oil companies. But the tax has not passed yet, and it will not pass until later this summer at the earliest. Then wholly separate legislation establishing the permanent fuel assistance program will have to be enacted. That could not come before the fall at the earliest. Then, of course, a new bureaucracy will have to be established to write the rules governing the program and to administer it. The whole apparatus simply will not be in place in time.

The House Appropriations Committee's proposals for $20 million for the fuel assistance program will soon reach the floor and the full Senate Appropriations Committee will soon consider a subcommittee recommendation for $20 million. Somewhere along the way the budget must be increased to absolutely no less than the previous $200 million figure.

The CSA program has its faults, but it exists. It has learned from its mistakes. Many of the errors of the past could have been avoided in the first place if the program had been adequately funded. To reduce the program radically now is to trifle with the lives of thousands of poor men, women and children for whom government fuel assistance will be essential next winter.●

SCHLESINGER FEARS OIL COMPANIES—AMERICANS FEAR SCHLESINGER

● Mr. METZENBAUM. Mr. President, I congratulate Secretary of Energy James Schlesinger for finally speaking the truth. He has admitted, after years of denying the fact, that our Nation's energy policy is not set in the offices of the Department of Energy, but in the board rooms of the oil companies. He has admitted that he is afraid to talk back to "big oil" for fear of their cutting off our oil supply. In essence, he admits that he is powerless to direct a national energy program.

The front page headline of the Washington Star newspaper on Thursday, June 21 told the entire story. It read, "Schlesinger Fears to Prod Oil Firms." The article, which was written by Robert Hornig, went on to quote Schlesinger as saying:

> I am reluctant to use allocation as an instrument of disciplining supply because of the consequence it may have on the . . . companies. They could defer importation and leave it (crude oil) on the high seas.

This admission, Mr. President, is reason enough for the President to fire his energy chief. What is Secretary Schlesinger worth to the President or the Nation if he is "reluctant" to deal effectively with the oil companies? I shall submit for the RECORD an excerpt from that article.

At the same news conference, Secretary Schlesinger is reported by United Press International as saying that the oil companies are not at fault even though they are "holding back on the high seas imports destined for the United States." The article also states that Schlesinger admitted that oil companies are not refining oil at the rate the Government expects, that levels of home heating oil stocks are low, and it is possible that gasoline storage tanks may be full in areas that have long gas lines. The article does not state what action the Government is taking to solve these problems. I believe, Mr. President, it is because the Secretary of Energy never stated what actions the DOE is taking. Is it possible that DOE is doing nothing? Once again, Mr. President, we just do not know. I shall submit for the RECORD the article, entitled "Don't Blame Oil Companies: Schlesinger" that appeared in the June 22 edition of the Cleveland Press.

An article that typifies the total ineffectiveness of the Department of Energy under Dr. Schlesinger appeared in the Cleveland Plain Dealer on June 24. The article was written by the Associated Press and it dealt with the fact that while Iran was cutting its exports of crude oil, domestic production was slowed as well. In addition, the AP reports that U.S. refineries were "squeezing less gasoline than usual from each barrel of oil." The article went on to say that these two actions cost America more gasoline than the Iranian cutback. Why did Dr. Schlesinger not order the companies to keep their production at normal levels, or even increase them? Obviously because he was afraid to. And this is the man who is to lead our "moral equivalent of war." I shall submit for the RECORD the article, entitled "U.S. Oil Wells Slowed as Iran Shut Off Flow."

Last week, I spoke about the effect the way in which our Government is handling our energy problems is having on the faith of the American people. Two syndicated columns have appeared since that time that address this serious matter. In the June 22 edition of the Washington Star, Mary McGrory wrote an eloquent column that, according to Schlesinger, the oil companies are innocent, like Doberman pinschers. She states that:

> You see, if Schlesinger laid down the law to the companies about allocations, they would turn on him.

She goes on to state that the Secretary of Energy is telling us what to think and what to do. This is supposed to help us believe our Government and the oil companies. I shall submit for the RECORD the article, "Schlesinger Says You Can Stop Cursing Big Oil—It's Innocent."

The second column, by Carl Rowan, appeared in the June 25 edition of the Washington Star. The column, entitled "Public Cynicism In the Gas Crunch" cites recent polls that show by a 3-to-1 margin, the people are not satisfied with

President Carter's and Secretary Schlesinger's policies. Two years ago, the same polls showed the public approved his policies by a 2-to-1 margin. Mr. Rowan states that the public simply does not perceive that Mr. Carter is in charge, and the Secretary of Energy has no facts about the oil and gasoline situation. I shall submit for the RECORD the article.

Mr. President, the public is reacting as well. My office recently received a letter from the rural northwestern part of Ohio. The letter states:

> We expect and demand the resignation of Energy Secretary, James Schlesinger. He has done nothing to stop the major oil companies' legalized robbery of the American Consumer, at the gasoline and diesel fuel pumps. Neither has the Attorney General's office. Why not? Senator, it is time to call a halt and to bring the petroleum price down at the pumps. We the undersigned expect you to get the support and backing of your colleagues in this urgent matter.

Mr. President, it would be one thing if this letter was signed by one person, but that is not the case. This letter carried the signatures of 552 citizens.

The American people have had enough. They are tired of a Secretary of Energy who is the servant of the oil companies, not the public. They are tired of getting information that is so conflicting, no one knows what the truth of the matter is. They are tired of incompetence. The Secretary of Energy must resign or be replaced immediately. We have already wasted far too much time and effort in trying to find out what the problems are and how to cope with them. We need direction, we need leadership, we need a coherent energy policy, we need a new Secretary of Energy.

Mr. President, I ask that the articles to which I made reference be printed in the RECORD.

The articles follow:

[From the Washington Star, June 21, 1979]

SCHLESINGER FEARS TO PROD OIL FIRMS

(By Robert Hornig, staff writer)

Energy Secretary James R. Schlesinger said today he is reluctant to require the nation's big multinational oil companies to increase refinery output because he fears the companies will withhold supplies from the United States.

Schlesinger's statement was a total reversal of his threat last week to use his allocation authority to force the companies to produce more gasoline.

Schlesinger spent the first half-hour of a press conference today defending oil companies, arguing that public suspicion was blanking out the fact that the nation faces an energy crisis.

Following the defense, Schlesinger again expressed disappointment that refineries are not turning out more gasoline.

When asked when he would force them to do so, he replied: "I am reluctant to use allocation as an instrument of disciplining supply because of the consequence it may have on the . . . companies. They could defer importation and leave it (crude oil) on the high seas."

Asked if the federal government was afraid to take steps because it is, in effect, being held hostage by big oil companies like Exxon, Texaco, Mobil, Gulf and Standard of California, Schlesinger indicated he did not think so.

He said forcing the firms to act would be viewed by companies "as a corporate risk."

Asked if his defense of company performance did not conflict with his fear that supplies may be withheld, Schlesinger warned: "It would be desirable for all of us to refrain from grasping at small pieces of information . . . that color the true perspective.

[From the Cleveland Press, June 22, 1979]

"DON'T BLAME OIL COMPANIES:" SCHLESINGER

WASHINGTON (UPI).—Don't blame the oil companies, Energy Secretary James R. Schlesinger says. Don't make them the scapegoats for the long lines at gas stations.

But at a news conference yesterday, Schlesinger acknowledged:

Multinational firms are holding back on the high seas imports destined for the United States.

Oil refineries are not producing at a rate the government expects.

Storage of home heating oil for the winter is low.

And it is possible for storage tanks to be full in areas that have long gas lines.

For more than an hour, Schlesinger sweated under hot television lights, trying to describe the current oil supply situation. Reporters shouted questions in disbelieving tones.

Schlesinger spent much of his time defending the integrity of major oil companies. He said they "cannot be held responsible for the basic shortage."

"It is not some contrivance by the oil industry," he said, calling such a public conception "misleading and an injustice to those companies."

He said that while he is disappointed with the oil companies' rate of fuel production, he is not in favor of allocating—that is, telling them how much and what to produce.

The government, according to an Energy Department spokesman, has the power to take supplies from an oil company if it feels the firm is not producing adequate amounts, and to ask a competitor to refine it instead.

But Schlesinger said the consequences of such an action could be bad for the nation.

"I am reluctant . . . to use allocation as an instrument of discipline simply because of the consequences that it may have on the motivations of the companies," he said.

"To the extent that they are internationals, they may have a simple solution—which is to defer the importation of oil and keep it on the high seas for a longer period of time, if we were to do so. We want that crude oil landed, and that would simply give us another problem that we would not want to grapple with."

Schlesinger indicated the government is about to end its special fuel program that gave farmers 100% of the diesel needed for spring planting.

But regarding supplies, Schlesinger said data shows the decline in crude oil imports has "bottomed out" and "with some lag, that the gasoline supply problem will have bottomed out, too."

"We are . . . if this trend continues, going to be in the range which would lead to an increase in refinery operations and lead to some alleviation of the present difficulties that we have faced with regard to gasoline lines," he said.

U.S. OIL WELLS SLOWED AS IRAN SHUT OFF FLOW

Crude oil production in the United States took an unnoticed and unexplained plunge last winter, just when revolution was cutting oil imports from Iran.

At the same time, U.S. refineries were squeezing less gasoline than usual from each barrel of oil.

These two developments, which together cost America more gasoline than the widely blamed Iranian cutback, were found in an Associated Press investigation.

The cutoff of Iranian oil meant a loss of at least 17.5 million barrels of gasoline that otherwise could have gone into motorists' tanks.

At the same time, the drop in U.S. crude oil production caused a loss of at least 11 million barrels of gasoline.

And 11.5 million barrels of gasoline simply never got produced because domestic refineries were squeezing less gasoline and more heating oil, jet fuel and petrochemicals out of each barrel of crude oil.

Those three factors add up to a loss of some 40 million barrels of gasoline that never reached service stations. That is a four- to five-day supply of gasoline for the entire United States, matching the Energy Department's estimate of the maximum shortage in April and May.

To make matters worse for the average driver, government regulations steered some of the remaining gasoline to state emergency stockpiles and priority users. This may have diverted roughly 46 million barrels of gasoline, raising the shortage to about 20 percent at service stations.

Interviews with dozens of oil company executives and industry analysts turned up a variety of explanations for the shortage. But some of those are contradictory and, taken all together, do not explain fully what happened.

Energy Department analyst Frank Verrastro told the AP that department experts only recently noticed the domestic crude oil drop, the deepest since 1971, but could not explain it.

"It has declined and then picked back up and it's strange," Verrastro said.

Oil company executives unanimously denied they had deliberately depressed domestic production. Indeed, many said they had not noticed the dip, although it showed up in data that some companies provided.

Groping for explanations, most of them guessed bad weather was to blame, some cited mechanical problems or questioned the statistics. Others rejected the weather theory or just shook their heads in puzzlement.

Analysts say the stage was set for the current shortage in 1977 when U.S. companies built stockpiles to record levels in anticipation of a world oil price increase. Then in the fall and winter of 1978, unexpected record gasoline demand drew these inventories down to near-minimum levels.

But just then, when gasoline stocks are normally rebuilt, both Iranian and U.S. crude oil production plunged and U.S. refineries began producing less gasoline per barrel of oil.

By March, the shrinking gasoline output reached distributors, who began limiting deliveries to service stations. In April, with even less gasoline to sell, stations began closing evenings and weekends. In May, panicked motorists began lining up for blocks outside stations.

Oil company executives say they first saw trouble coming last fall.

"The beginning of the Iranian problem was in September or October of 1978," said H. Laurence Fuller, president of Standard Oil Co. of Indiana (Amoco). "We had begun to recognize a problem at that time and would have begun to buy-crude if we could have gotten our hands on it."

Company officials agree the situation called for all-out domestic production, and yet that too began to drop.

Energy Department figures show that in 1978 U.S. crude oil production averaged 8.7 million barrels a day and peaked in October at 8.83 million barrels. But then it sank—down to 8.73 million barrels in November and to 8.29 million in February.

Industry analysts forecast a still-unconfirmed rebound to 8.69 million in March and 8.62 million in April.

The drop in production from December through April cost the nation 22.8 million barrels of oil, enough to produce 11 million barrels of gasoline at normal refining rates. There are 42 gallons in a barrel.

In interviews, oil executives conceded this drop was a departure from the normal decline in domestic crude oil production as old wells are exhausted faster than a new ones are developed.

"I hadn't noticed that. I hadn't seen that," said Kenneth W. Haley, an economist for Standard Oil Co. of California (Chevron).

Some oil executives first said figures compiled by the American Petroleum Institute did not show the dip. But the usually cited institute statistics for the period are forecasts based on production three or four months before, not actual production figures. And the executives conceded the final Energy Department figures were more reliable.

The dip also showed up in figures gathered independently by the AP from state agencies and production figures supplied by eight major oil companies.

Bad weather was the most common explanation from oil companies when asked why domestic production dropped at a time when maximum production would have been useful.

They said storms can hamper offshore production; extreme cold can cripple machinery and slow oil movement through pipelines; and heavy rain can bog down trucks hauling oil from some wells on dirt roads.

"We always see production down in winter, because a lot of oil moves by truck," said Ed Grigsby, administrative officer for Phillips Petroleum, whose February production was 6 percent below September's.

Some industry officials discounted weather entirely.

"I don't think you can blame this decline on the weather," said Melvin L. Mesnard, statistics director for the Independent Petroleum Association of America, which represents numerous oil producers.

Oil executives could cite few specific examples of weather hampering production.

Some oil company officials noted there was also a dip in crude oil production in the winter of 1977–78. But that dip was smaller although the 1977–1978 winter was also severe.

Industry's critics claim the gasoline situation was created to boost industry profits.

"The industry contrived the shortage in an attempt to force prices higher," concluded a study of the gasoline crisis by the California Public Policy Center, a Los Angeles nonprofit research group.

Whatever the cause, the crude oil shortages have forced refineries to run below normal levels. This year, refineries have been running at about 85 percent of capacity compared to a maximum practical figure of about 92 percent.

"We simply haven't had the crude oil," said Kenneth W. Powlesland, manager of supply, planning and coordination at Chevron.

More significantly, the proportion of gasoline produced from each barrel of oil has declined.

Since November, the gasoline yield has dropped from 50.6 percent of each barrel of oil to about 46 percent.

If refineries had maintained the 1977–78 average yield of 48.4 percent, 11.5 million more barrels of gasoline could have been produced from December through May, even allowing for normal seasonal fluctuations.

Many industry officials generally blame this on the partial replacement of Iranian "light" crude oil with Arabian "heavy," which yields a lower proportion of gasoline.

But they concede the lower gasoline production should result in higher fuel oil production, and it does not.

Mobil Oil Co. experts said refiners, trying to meet military needs, petrochemical contracts and next winter's heating needs, have maintained output of jet fuel, feedstocks and heating oil at the cost of gasoline.

In addition, Continental Oil Co. (Conoco) officials say roughly 10 percent more crude oil is consumed in the rising production of unleaded gasoline required by federal environmental standards.

Government regulations also dictate the distribution of gasoline that leaves refineries, assigning 5 percent to states for emergency use and making special allocations to priority users including farmers.

As a result, while total gasoline produced in April and May amounted to 95 percent of year-ago supplies, service stations actually got only about 80 to 85 percent.

Government officials acknowledge these federal allocation rules favor rural and western service stations over those in urban and eastern centers. Thus, the District and New York City were hit particularly hard by the supply squeeze.

And these allocations can trigger panic buying even before they take full effect.

"Once you announce that allocation, I'm afraid that increases demand right there," said Joe T. McMillan, general manager of supply for Exxon U.S.A.

The companies say they see no way they could have prevented the shortage. "The petroleum system never was designed to have a great deal of slack," said Samuel Schwartz, Conoco senior vice president. "It is a system without huge stocks or excess capacities to produce oil or refine oil. If the dislocation is very large as in the case of the Iranian disruptions, the system is overtaxed."

"It is extremely difficult to know when, if ever, we will have adequate availability of crude oil, which is the principal limiting factor in the system," Schwartz said.

[From the Washington Star, June 22, 1979]

SCHLESINGER SAYS YOU CAN STOP CURSING BIG OIL—IT'S INNOCENT

(By Mary McGrory)

Okay, you out there in the gas lines, here's the latest, direct from your friendly neighborhood Energy Secretary, James R. Schlesinger, holding a press conference to improve his image and straighten out misunderstandings.

He is telling you what to think and what to do.

Please listen carefully.

The most important thing is not to blame the oil companies.

If you got the impression from what he said last week that they are in some way responsible, you are wrong. The press misinterpreted him. He said he was going to call them on the carpet. When he did, apparently, he discovered that they are suffering as much as you are.

"We have urged the companies to take actions which some regard as unpalatable and inconvenient, but this is quite different from suggesting in any way that the companies can be held responsible for the primary shortage," he explained.

You got that?

Okay, second step: You will begin as of this moment believing that the oil shortage is real. It won't fill your tank, but it will help us to face our problems "as a unified country."

"It behooves all of us to grapple with the misunderstandings that exist in this area, to avoid exploitation of individual events that do not represent the total picture," he said.

That is to say, if you hired a highschool student at an exorbitant hourly rate to hold your place in the line, or rose this morning at 4:30 for the pump-crawl, and insist on cursing Big Oil, you are adding to a problem that will "inevitably get worse in the next decade."

Last week, it is true, he said he was "disappointed" in their performance.

But that doesn't mean you are free to berate them, when a little thought and one of Schlesinger's charts will prove beyond a shadow of a doubt that they have no responsibility for a problem that originates overseas.

They have experienced "discomfort" as a result of his suggestion that they refine more oil "in order to ameliorate our difficulties."

But, someone asked him, hadn't they goofed by cutting down on their inventories last year?

"It was a very clear mistake," the secretary conceded, but it was not their fault.

How could they know that the Shah of Iran was going to tumble—even the U.S. government and its intelligence arm hadn't anticipated that, he said with a little chuckle.

It was unwise of them, in retrospect. But nobody's perfect. They are businessmen, not prophets.

Now, assuming that you have gotten it through your heads that the multinational corporations are on your side, you may be ready for the secretary's big mid-conference U-turn.

Fasten your seat-belt. Here's what he said:

The oil companies are lovely, sensitive, concerned. But they do have what you, in your ignorance, might consider a mean streak. He knows better, because he understands the nature of the beast.

Perhaps you would do well to think of a Doberman pinscher, you know the kind that appears biddable and nice—but might take your arm off if you happened to pat him on the wrong spot behind his left ear.

You see, if Schlesinger laid down the law to the companies about allocations, they would turn on him.

Yes, he said blandly, if he were to use his authority to make them provide you with more gasoline, they would get even. They would simply refuse to land the oil they are bringing in their tankers from the Middle East.

They would, in short, kneecap the country.

How, asked one slack-jawed scribe, would a realization of this possibility add to public confidence either in the reality of the oil shortage, or the prescribed faith in Big Oil? Wasn't it slightly gangsterish? Isn't withholding vital supplies like holding a hostage?

How did he know they would do such a reprehensible thing, creating boat oil, like boat people? Had he suggested it to them, like the mother in the story who told her little boy not to stick beans up his nose?

The Energy secretary was perspiring heavily at this point and did not really answer any of these astonished questions.

The multinational corporation, by its lights, and apparently his, would simply be acting in a "prudent and defensible" way.

"Have they threatened you?" he was asked.

He smiled a pained smile.

"Companies do not make threats," he replied.

The important thing, he repeated, is "that the companies not be looked upon as potential scapegoats."

If you don't believe the Energy secretary, you will have to go to the end of the line.

You have a question? Why hasn't he been fired? Obviously, because he understands the situation. He has told you that the oil companies are running the world.

As he said, "It would be helpful if all Americans could understand the fundamental realities."

PUBLIC CYNICISM IN THE GAS CRUNCH

(By Carl T. Rowan)

I was on the streets at 5 a.m., driving to join agents of the Immigration and Naturalization Service and watch them arrest 24 "illegal aliens" from Mexico, Guatemala and El Salvador who were working on the construction of a huge new condominium.

In the eerie semi-darkness I saw those incredible lines of cars, already waiting at filling stations that would not begin to pump gasoline for two or three hours.

A thought occurred: If America's democracy rests on the consent of the governed, and constructive consent requires an informed citizenry, the United States is in pathetic straits—especially with regard to the energy crisis.

Frustrated, angry motorists aren't even sure what it is this government wants them to consent to, and they sure as the devil don't have enough information about the gasoline "shortage" to be called an informed citizenry.

President Carter can say rightfully that he inherited a dreadful energy crisis from past presidents who wouldn't or couldn't come to grips with the situation. He can say, correctly, that by the time he took power there was no way the U.S. could save the shah of Iran and maintain a major source of petroleum.

But Mr. Carter must know that he and his administration are heavily responsible for the fact that the American people are so misinformed, confused, deceived, abused about the energy situation that they no longer believe anything anyone says—especially anyone in government.

Secretary of Energy James Schlesinger and his deputy, John F. O'Leary, make statements so contradictory that they cause Energy Department personnel to throw up their hands in disgust.

Energy Department officials say they have a hard time getting information from the oil companies, which makes that information so precious that these officials feel obliged not to share it with the Congress or the people. This is political lunacy.

Sure, both the ABC News-Harris Survey and the CBS News-New York Times poll show that two Americans out of three blame the oil companies for this gasoline mess, but the oil companies are not the big losers—yet ABC-Harris finds 68 per cent of Americans still opposed to nationalization of the oil industry.

But President Carter is clearly a loser. The CBS-New York Times poll finds that whereas two years ago Americans approved his handling of the energy problem by a margin of 2-to-1, they now disapprove his handling of the problem by a margin of 3-to-1.

That is an incredible turnaround, and it has taken place without any turnaround in Mr. Carter's policies. The public simply has come to perceive that Mr. Carter is not in charge.

The public senses that the president watched in weak acquiescence while Schlesinger staged an arrogant fiasco with regard to Mexico's natural gas; Americans sense that Schlesinger is a pariah on Capitol Hill; they regard his press conferences as bad jokes, believing that he has no facts about the oil and gasoline situation, and therefore cannot dispense any.

President Carter must face the reality that if he hasn't the guts to fire Schlesinger or whomever else he must in order to make his Energy Department believable, then he is doomed politically. The American people will not follow a president whom they regard as "not in charge."

Mr. Carter surely lies awake nights asking himself: "How can it be that after all my speeches, and Schlesinger's statements, and after all those long lines at filling stations, two Americans out of three tell CBS-New York Times that they don't believe there is a real shortage?"

The answer is that if they cannot believe their president, or their energy secretary, Americans are inclined to believe the barbershop cynics who say, "As soon as they get the price high enough, there will be plenty of gasoline!"

This is not the political soil in which democracy can flourish.●

GEOTHERMAL ENERGY

Mr. DURKIN. Mr. President, I congratulate the distinguished Senator from Idaho, Mr. CHURCH, for his outstanding record in bringing before the Senate the importance of geothermal energy. I am pleased to cosponsor with him the omnibus geothermal energy commercialization bill of 1979, S. 1388.

This bill contains a very important provision establishing a forgivable loan program. This program attacks directly the high risk of exploring for and confirming geothermal reservoirs. It removes a major roadblock to the rapid commercialization of geothermal energy.

Mr. President, I have a special interest in a second provision which will help bring geothermal power to New England and other Eastern States. Underlying the eastern coastal plain is a vast field of granite which is continuously heated by radioactive trace elements. As a Senator from the Granite State, I am hopeful that the granite will provide some of the energy we so badly need.

It is possible that useful heat may be recovered from this hot rock directly by first fracturing the rock betwen adjacent deep wells. Then water is pumped down one well, through the fractures in the hot rock, and finally the heated water is pumped from the second well. This method will be used to heat part of Los Alamos Laboratory in the near future.

A less expensive possibility also exists. Tentative findings indicate that the granite rock masses are sufficiently hot to have already heated shallow water resources. The Department of Energy has already drilled one hole near Chrisfield, Md., on the Eastern Shore and the results appear very positive. Measurements indicate temperatures as high as 150° F. which, if sufficient water flow rates are also found, means that the people of Chrisfield can heat their houses using geothermal energy at the same cost as they now pay for home heating oil.

The need for this bill is strongly underscored by the fact that not one drilling rig exists in the East and the great expense of drilling the Maryland well resulted from the costs of transporting a drilling rig from Utah to Maryland. We also need to do drilling in New Hampshire in an environmentally safe way to see how much energy we can produce through geothermal sources.

According to current estimates, geothermal energy could be producing the equivalent of 5 million barrels of oil per day by the year 2000. The Nation can no longer afford to ignore any clean, safe, and near-term energy supply. I believe this bill provides the necessary incentives to make geothermal energy an important supply option, and I urge its passage.●

UTILITY RATE INCREASES

● Mr. STEWART. Mr. President, on Monday I joined the Senator from Delaware (Mr. BIDEN) in proposing legislation that I believe is important to us all in these days of skyrocketing utility costs. The measure I am speaking of would allow the Federal Energy Regulatory Commission to limit the portion of a utility's rate increase request that could be collected while the Government was reviewing that request.

The origins of the energy crisis are no mystery. To some of us, the greedy, oil-rich countries of the Middle East may be the prime contributors; to others, the large-sized oil companies, and to others still, simple Government policy. However, there is one thing of which we in this body can be very certain: It is the people we represent who are suffering from the problem, regardless of its roots.

I have spent the better part of my legislative career attempting to see that users of electrical power receive fair and equal treatment from the utilities that serve them. Unfortunately, such has not always been the case, for utility rates—like gasoline prices and inflation—keep climbing.

The utilities fight has largely been taken up at the public service commission level in the individual States. However, there are instances at the national level when the Federal Government can have a significant impact on the utility rates, and it is at those instances that the proposal I joined Senator BIDEN in offering is directed.

On occasion, the FERC is called upon to review rate increase requests at the State level. This is necessitated when a public utility sells power interstate, or to a municipality or an electric co-op that then sells to its own customers. In such instances, the FERC must determine whether any rate increase requested by the participating utility is justified.

Now under existing law, the utility in question can be delayed from levying that rate increase for 5 months. However, when the last day of that fifth month passes, the power company can pass 100 percent of the proposed rate boost on to its customers—without the request having ever been validated by the FERC.

Frankly, I am afraid that by allowing that rate increase to become effective, the Federal Government is fostering a misconception. For it is perpetuating the presumption that the rate boost is, in fact, justified even though the proper regulatory agency has not determined its validity. Nothing could be further from the truth. In fact, in 1978 alone utility companies had to refund more than $6 million in unjustified rate increases.

Which brings me to another point.

Let me remind my colleagues that it takes, on the average, 3½ years for the FERC to take final action on a pending rate increase request. As I said earlier, during that period of time, the power company has the right to implement its entire rate increase request, regardless of the fact that the Federal Government might strike down a portion—or even all of it.

So what happens if some or all of the request is rejected? Well, the utility is required to refund whatever portion of the rate increase was invalidated. But think for a moment of what happens to a community over a 3½-year period of time. How many folks who bankrolled an unjustified rate increase have moved to other cities or States? How many people who are due refunds from the utilities will never get them simply because they have relocated?

And what about this question: How many municipalities that chose to fight the power company in court over a proposed rate boost have been caught in a kind of double jeopardy? Forced not only to absorb the rate increase while the court battle ensued, but also forced to pay the legal costs incurred while fighting the power company's battery of utilities lawyers?

How many power companies have intentionally dragged out the process of having their rate request reviewed, knowing full well that the longer the process, the more money coming into their coffers?

The bill I join Senator BIDEN in offering addresses these matters, Mr. President. It is basically very simple. Rather than allowing utility companies to charge their customers the entire requested rate increase while the Government is examining the request's validity, FERC would be called upon to establish a formula whereby only a certain percentage of the request would be allowed during that interim period. It would be left to FERC to determine what that exact percentage should be.

One of the truly appealing features of this measure is the flexibility it offers. For the percentage of increase that could be collected could be adjusted for each individual utility. Those having a good record of requesting just, reasonable rate increases—increases, I might add, that have generally been granted—could be allowed a higher percentage of their requested increase than those firms whose records are somewhat suspect.

In addition, I suggest to my colleagues that such a measure would lead to utility companies making more reasonable, equitable rate increase requests at the outset of the process.

Reform legislation of this sort is long overdue. We here in Washington can speak forcefully about the energy crisis, and the economic impact it is having. That is all well and good. But in my home State, people are going hungry in order to pay their monthly power bills.

As I said, I have spent the greater part of the past 5 years engaged in a fight against unreasonable utility rates at the State level. Through the experience afforded me by years of research, hearings and court rulings, I know that with the proper examination and the necessary governmental support, some rate increase requests are found to be unjustified.

Conversely, I am equally certain that such examination and support can only lend to the arguments of those firms whose requests are justified.

But Mr. President, in the cases where rate increase requests are voided—either in part or totally—the consumers in this country cannot be victimized by Federal policy. The proposal I am asking my colleagues to support here today is aimed at preventing this.

We want to insure that the rules guiding the Federal Government's role in rate matters are in the interests of the folks we represent. And we want to make sure that the weapons we give the Government to fight those battles are as effective as we can possibly make them.

Many times, Government is correctly identified as part of the national problem. However, in agreeing to this measure, we in the Senate can take a very important step toward making Government part of a solution.●

INDIANA BENEFITS FROM THOUGHTFUL GROWTH OF WASTEPAPER RECYCLING

● Mr. BAYH. Mr. President, in Eaton, Ind., there are a series of facilities which portray how companies can do things today in America that are both environmentally and ecologically sound while boosting the economy.

Late in the 1960's, a then small company, Clevepak Corp., purchased a papermill which had been dormant for some 15 years. The plant had simply not been run in more than a decade and a half nor had it produced any paper during that period.

Clevepak, which is today one of the Nation's largest manufacturers of recycled paperboard, completely rebuilt this mill. Mid-year in 1969 the mill started producing paperboard. The raw material that Clevepak used to produce this paper was tons of wastepaper collected from several major cities in Indiana including Indianapolis, Shelbyville, Terre Haute, Richmond, and Muncie as well as the State's numerous industrial plants.

Since 1969 more than 228 jobs have been created because of this company's willingness to invest its time, effort, and dollars to the production of this very necessary product—recycled paperboard. Eaton is a small mill town whose fortunes have been directly dependent on the paper industry. Therefore, Clevepak's success in Eaton—besides the obvious environmental benefits—is all the more important.

Environmentally, their impact is great: If the wastepaper had not been taken out of the solid waste stream, approximately 300,000 tons of wastepaper would have gone into our already overfilled landfills or have been burned. Neither of these alternatives is environmentally desirable; and obviously neither reuses this important, and widely available, raw material—wastepaper. Importantly, Clevepak's mill was one of the first in the United States to go "closed cycle"—it discharges no wastewater into the neighboring Mississinewa River.

Although most of us do not realize it, the recycled paperboard that Clevepak produces is used to protect and package numerous products which surround us or we use everyday: Toothpaste, laundry detergent and cereal boxes, record album covers, wallboard, insulation board, solid fiber packing case partitions, and the numerous containers used to package literally millions of the consumer products in America. The list goes on but the point is simple: recycled paperboard today is a fact of life in packaging consumer products you use in almost every aspect and task of your daily life.

Each year, every American generates about 390 pounds of paper waste. Today, we recycle or reuse only 15 percent, or 60 pounds, of this wastepaper; and we must continue to develop new ways and products which reuse this increasingly important, abundant and valuable natural resource, wastepaper.●

AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT

● Mr. DURKIN. Mr. President, I am pleased to join Senator HATFIELD in cosponsoring S. 1328, a bill to amend the Federal Water Pollution Control Act to provide for an additional allotment of funds that will allow those States that have demonstrated the ability to move rapidly in implementing their sewer construction plans to receive the full level of funding as authorized.

This legislation creates a two-tiered system of funding whereby all States, slow and fast spending alike, would continue to share in the basic appropriations according to the existing statutory formula, while those States that have obligated 90 percent or more of their previous year's funds will be automatically entitled to an additional allotment. The supplemental allotment will bring qualified States' total Federal funding for sewer construction up to a level equivalent to what they would have received had the waste treatment facility program been funded at the $5 billion authorization level.

New Hampshire and seven other States have been moving rapidly ahead to implement sewer construction plans and to see that water pollution is controlled. Therefore, my State and others which have been working on this important goal should receive adequate funding to move ahead. This bill provides that funding, and removes the present inflexibility which limits the communities which are striving to achieve clean water.

The bill has three simple purposes: Allowing faster moving States to continue with unimpeded progress, accelerating the achievement of clean water goals and thereby minimizing the inflationary erosion of the construction dollar, and encouraging States to focus available funding on the highest priority sewage treatment projects.

Quite simply, this amendment assures that the additional funding for sewers will go where it is most needed, to those States able to obligate their allotments on a reasonably current basis. It does not rely upon a full appropriation of the $5 billion authorized for fiscal year 1980, but just that portion that could best be used by those States on or ahead of schedule with their sewer treatment facilities.

This bill counters the criticisms of those who have charged the program with providing excessive levels of funding beyond the capacity of the States to effectively use them and who want to cut funding. The problem with this meat-axe approach to sewers appropriations is that those States which are on target, such as my own, or ahead of schedule, with respect to sewer construction, are financially penalized in the funding process for the failure of others to keep pace.

The fact is that the funding for this program is not yet high enough, and that it is only the inflexibility in the present program formula which is creating the backlog of funds. Rather than cutting the funding for this program, we should pass S. 1328 which will guarantee that all the funds are properly and quickly spent on important sewer construction programs.

The Federal bureaucracy is often unresponsive to the true needs of our citizens. Despite that, many States and communities have moved ahead actively to achieve goals which we all share such as clean water in our country's rivers and streams. Failure to pass this legislation will hobble them in their efforts, and the entire country will suffer. That is why I intend to work actively for passage of this important bill which the communities of New Hampshire and across the country need and deserve.●

GLEANING: NEW HOPE FOR THE ELDERLY AND THE POOR

● Mr. HATFIELD. Mr. President, in these days of worsening inflation and skyrocketing food prices, the burden of survival has become more and more acute for our Nation's elderly and poor. Our Government food assistance programs have been attempting to meet the challenge, but it is becoming increasingly clear that the strain on Federal expenditures cannot continue indefinitely.

It is of this concern for the needs of the poor in these times of tight budget constraints that I introduced the national gleaning bill on June 21. Gleaning is an age-old concept which—strictly defined—is the process of gathering grain or produce following a commercial harvest. Such gathering is normally done by the poor themselves under the supervision of trained personnel, and involves little or no cost to those reaping the benefits of the harvest.

My bill, S. 1384, would encourage the expansion of gleaning throughout the United States by offering farmers who chose to participate, a 10-percent tax credit based on the greater of the wholesale market value or the most recent sale price for the crops contributed to qualified charitable organizations serving the poor. The revenue loss to the Federal Government would be insignificant.

Because of my deep personal interest in the gleaning concept as a complement to our present food assistance programs, I was pleased to see an article in this past Monday's New York Times written by Frank Prial entitled: "Gleaning From Farms to Feed the Elderly." It reports the significant impact some dedicated individuals have had in helping the needy in California.

Mr. Prial notes very significantly that last year in northern and central California some 2,000 senior gleaners harvested 700 tons of fruits and vegetables for themselves and a network of more than 25 charitable organizations. The article points out the direct relationship between food waste and the potential for feeding thousands of needy in California alone.

Mr. President, I submit for printing in the RECORD this very informative article for the purview of my colleagues.

The article follows:

[From the New York Times, June 25, 1979]

GLEANING FROM FARMS TO FEED THE ELDERLY

(By Frank J. Prial)

SACRAMENTO, CALIF.—Two or three times a week, before the sun breaks over the mountains in the east, a small caravan of trucks heads southwest out of town. The drivers and their helpers are retirees—insurance workers, teachers, farmers, professional men—and they are part of one of the more enterprising activities run for and by senior citizens in the country.

They call themselves, not without whimsy, Senior Gleaners and they are professional scroungers.

The trucks and their elderly crews are headed for the big produce market in south San Francisco. There, when the day's buying and selling is finished, hundreds of pounds of vegetables will be left over. The farmers have no use for this produce; neither do the distributors. So the Gleaners take it.

They load up their trucks and head back to Sacramento where they distribute the carrots and lettuce and onions to the elderly poor: pensioners whose monthly checks have been ravaged by inflation, the sick who cannot afford nutritious food, shut-ins unable to do their own marketing.

There are almost 2,000 Senior Gleaners in northern and central California and last year they scrounged some 700 tons of fruits and vegetables for themselves and for a network of more than 25 charitable organizations. Just last Thursday, a contingent of Gleaners was in Winters, Calif., working in George Hemenway's apricot orchard. Long before noon, they had brought in three truckloads of fruit—more than six tons—to be distributed later in the day. On Friday, another crew working near Stockton brought in 60 trays of avocados.

America is a land of paradox: bumper crops in one county and widespread malnutrition in the next. In California, which produces up to 40 percent of the nation's fresh produce, the problem is even more pronounced. Sacramento, at the head of the vast Central Valley, is perched on the edge of one of the most stupendous growing regions on earth. Even so, people here, particularly elderly people, go hungry.

STOCKBROKER IS THE FOUNDER

Homer Fahrner is a 78-year-old retired stockbroker. "I'd been involved in charity work all my life," he said, "but I had no plans to keep it up when I retired. But then I saw all the old people—my contemporaries—going hungry. Old ladies taking home parts of church suppers, to have something the next day—that kind of thing. I also read the stories about vegetables rotting in the ground.

"So I had a letter published in the local paper. 'I see hungry seniors and food going to waste,' it said. 'If I get 20 telephone calls, I'll call a meeting to see what can be done.' The phone nearly rang off the hook."

A couple of Sacramento churches offered facilities and several local businessmen made cash donations. And, most important, some farmers called to say they had surplus crops. The Senior Gleaners were in business.

One of their first bonanzas was a load of honeydew melons—60 acres of them. "The farmer was going to plow them under for fertilizer," Mr. Fahrner said. "We distributed them to people who hadn't had fresh fruit in years." That same farmer planted tomatoes in those fields the following year and alerted the Gleaners when they were ripe.

Mechanized farming and sophisticated packaging are the Gleaners' friends. One farmer left 75 tons of onions in his fields because his customer, a major hamburger chain, wants only onions that fit in its buns. The Gleaners got the leftover. Another farmer gave them 36 tons of pears that were too big for the cans they were destined to fill. Still another man offered five tons of potatoes, the healthy but mishapen ones that don't look too good in a bag. "Women who shop want uniform potatoes," Mr. Fahrner said with a chuckle, "but Mother Nature doesn't know that."

PROFITING FROM WASTE

"Wherever food changes hands," Mr. Fahrner said, "there is waste. The amount of food wasted in California every day must be worth millions and millions of dollars."

The Gleaners, do not limit themselves to produce. A local fish hatchery once offered them 1,200 pounds of fresh fish if they would pick it up within several hours. They did. A plant in Modesto offered them several tons of ice cream if they could find a place to store it. Eventually, a competitor of the donor of the ice cream gave the Gleaners free space in his freezers. Sometimes the Gleaners make a swap. One mission they supply with produce gives them fresh bread and pastry in exchange.

Because of the nationwide truck strike, these are busy days for the Gleaners, "The farmers would rather us get the stuff than see it rot on the trees," said Mr. Fahrner, who takes no joy in the plight of the men who have helped him over the years.

Of course, the Gleaners have some problems of their own. Gasoline is a big one, but lately the U-Haul agency that has been lending them trucks free of charge has provided some gasoline, too. All services are donated but items such as the telephone bill add up. There are problems with insurance. When the trucks and such are being driven by elderly men, it is hard to get coverage. "They say we have no track record," Mr. Fahrner said. He, for one, no longer drives a car.

"Then, too, we have our own physical limits," Mr. Fahrner said. "None of us are young any more and after three hours in the fields we are pooped."

On days when loads of produce are collected, and after the Gleaners have made their charity drop-offs, the men take it easy and the women take over, canning and freezing.

"We do get tired," Mr. Fahrner said, "but most of us have not felt so good for years." Describing himself as "the runt of my mother's litter," Mr. Fahrner said he had been sickly much of his life. "But," he said, "I've never enjoyed health as good as I do now and I'm working 12 hours a day, seven days a week. I don't have time to get sick."

While most Senior Gleaner activity is centered in Sacramento, other chapters have sprung up in farm areas all over central and northern California and inquiries come in regularly from other areas.

"I don't see how you can beat it," Homer Fahrner said reflectively; "fresh air, sunshine, exercise, and you're helping your fellow man." ●

SUNSET LEGISLATION

● Mr. DURKIN. Mr. President, one of the most important pieces of legislation that this Congress will consider is sunset legislation, S. 2, the bill that will end virtually every Federal Government program every 10 years unless reasons are found for specifically continuing the program. I am proud to be an original cosponsor of this bill, and will work diligently with my colleagues to see that it is enacted into law as soon as possible.

Only the passage of sunset will truly end the bureaucratic waste, duplication, and incompetence at the Federal level which has created the massive Federal debt and unnecessary and improper government interference in the lives of American citizens. There are plenty of hard-working Federal employees, including those in my own State of New Hampshire. But the Federal Government, in general, needs a massive cutback.

Since I came to the Senate, I have worked to cut the Federal octopus which wants to spread its tentacles everywhere. I voted against the creation of the Department of Energy, which has now become, as I predicted, a massive $14 billion-a-year white elephant, which worsens, rather than helps solve, our energy problems. And I am introducing a bill to sunset the Department of Energy 2 years from now, so that it can be done away with unless it straightens up and begins solving our energy difficulties. Frankly, I am not optimistic about that, especially as long as Mr. Schlesinger continues to head that Department.

Similarly, I voted for an amendment which became law last year which limits the total number of Federal employees to the level of January 1977. Clearly, even this number is too high, but unless we begin to put on some limits, the numbers will continue to climb.

Also, I am pleased to have voted last year for provisions which passed Congress both last year and this year which require a balanced Federal budget by October 1, 1980. The Federal deficit has been coming down since I came to the Congress, but the battle is not yet over.

I will continue to work to see that needless Federal spending is ended, and the balanced budget becomes a reality.

Cutting government waste also means cutting government taxes, a goal which must be at the top of our list. I was pleased that the Congress passed the tax cut last year, both for individuals and corporations. People deserve to have as much of their earned income in their own hands as possible, not in the hands of the bureaucrats. And unless businesses, especially small businesses, have a reduced tax burden, they cannot succeed, grow, and create jobs which are so vital to a strong economy.

It is also time for recognition that big government often truly victimizes innocent people, either deliberately or by the simple bureaucractic inertia of the system. The clearest example of this is the Internal Revenue Service which, in its zeal to protect the revenue, sometimes tramples on the rights of taxpayers. Therefore, I have introduced in the Senate the Taxpayers' Protection Act of 1979, to provide taxpayers the bill of rights they deserve. My bill would force the IRS to back up the advice it gives to taxpayers, and free our citizens from denial of basic rights.

Additionally, I have been working to get the Federal Government off the back of small businesses by voting for tax cuts, incentives for investment, and by supporting the regulatory reform bill of 1979 which is designed to eliminate unnecessary government regulation and to force coordination of government. Small businesses are the backbone of our economy, and unless they have the proper environment in which to operate, we will all suffer.

Still, the most important piece of legislation the Congress will consider this session to end unnecessary big government is sunset. Last year, with my support, sunset passed the Senate, but unfortunately, it did not pass the House of Representatives, and it must be reconsidered this year. Sunset strikes directly at wasteful, big government, for it carries the assumption that Federal programs must end unless there are specific, strong reasons for continuing them. Federal bureaucrats would no longer have the assumption that they are safe forever, whatever they do. Instead they would know that unless the programs they run are truly benefiting the American people, and that they are running with minimum costs. Their programs will end. That is why it is absolutely essential that sunset becomes law, and why I will be working toward that goal during this Congress.●

SENATOR GARN ADDRESSES SALT II

● Mr. DOLE. Mr. President, after 7 years the signing of the SALT II Treaty last week was an important achievement in the long and arduous arms control process.

We in the Senate will soon have the treaty before us, and now the time has come for this body and the American people to study and debate the implications it has on our national security interests. There are a number of questions and concerns that have been expressed by a cross section of view points and which must be answered.

Mr. President, before the Senate can fulfill its constitutional responsibility to provide our "advise and consent", all possible solutions to these existing questions and concerns must be addressed.

Our distinguished colleague from Utah, Senator GARN, a leading expert on defense and foreign policy matters, was the guest of the CBS broadcast Face the Nation, on Sunday June 24, 1979. Senator GARN was interviewed by George Herman and Jed Duvall of CBS News and Charles Mohr of the New York Times.

SALT II is a matter not only for U.S. Senators, but for all American citizens. In hopes that the national debate over SALT II will continue to provide both answers and questions; I submit the full text of Senator GARN's perceptive remarks and I ask that they be printed in the RECORD.

The material follows:

HERMAN: Senator Garn, you're one of the leaders of the opposition to the SALT II treaty. Let me ask you, first of all, whether you feel the treaty should be junked altogether, or is it your feeling that there is something of value in it that should be salvaged but amended?

Senator GARN: I think, absolutely, it is important that the United States and the Soviet Union agree to an arms limitation treaty. I favor that process, and I favor a treaty that would limit both sides severely. This treaty does not do that. As a matter of fact, it allows tremendous increases in the number of warheads on both sides. So I believe that this treaty has to be amended severely; and by that I mean really tough amendments that cut back on the number of Soviet and American missiles, other substantive amendments. And if that cannot be done, then I would favor that it be defeated outright, and we return to the bargaining table with the Soviet Union to work on a treaty that would be fair and equitable to both sides, that would limit the number of arms, and that would be verifiable.

ANNOUNCER: From CBS News, Washington, a spontaneous and unrehearsed news interview on Face the Nation, with Senator Jake Garn, Republican of Utah. Senator Garn will be questioned by CBS News Correspondent Jed Duvall; by Charles Mohr, Correspondent for The New York Times; and by CBS News Correspondent George Herman.

HERMAN: Senator Garn, you say that the SALT II treaty, in its present form, needs serious and, I presume, structural amendments—serious change. Let's start on the process and see if we can get some kind of a handle on what you think has to be done to it to make it, let's say, barely acceptable to you.

Senator GARN: First of all, the impression that is given all over this country is that this is arms control. Most people I talk to think that it places serious restraints on both the United States and the Soviets. As a matter of fact, they think that the ten percent reduction that is often referred to is in weapons, or in missiles, or in warheads. I think the American people need to understand that it limits none of those; it limits launchers. A launcher is a missile silo; it is a tube on a submarine; it is an airplane. There are absolutely no restrictions on the number of nuclear warheads. So they should understand that this treaty allows the increase by both sides of thousands and thousands of warheads. That increases the danger of war, not decreasing it. As a matter of fact, the Soviets could increase legally from 5,000 nuclear warheads to some 15,000—an increase of 300 percent.

So first of all, any amendments, I think, have to cut down some of those limits to show some reductions, or at least freezes, in the present levels; and it also has to look at the huge SS–18 missile which the Soviet Union is allowed under the terms of this treaty to have 308 of them, with ten separate warheads on each one of those missiles, while we are allowed to have none. So there will be amendments reducing the number of SS–18's. We also have to look at the Backfire bomber, which is another serious disparity. They are allowed to build the Backfire bomber. It is not counted under the numbers in SALT II. That issue must be addressed, and I'm sure there will be an amendment on that. And another very important issue is verification. Even if we had a very good treaty with the Soviet Union, one that I could approve of, it must be verifiable. We cannot trust the Soviet Union not to cheat. They've cheated on most every agreement they've signed with us since the end of World War II. So we must be able to tell what they are doing and whether or not they are abiding with the terms of the treaty. I am not satisfied that this treaty is adequately verifiable; therefore, I expect to see amendments on verification as well.

So there are four key areas that have to be addressed if this treaty has any chance of passing the Senate, because I do not believe that it has any chance of passing in its present negotiated form.

MOHR: Well, Senator, the amendments that you've just spoken of essentially amount to reductions in the number of weapons and weapons systems permitted the Soviet Union, which is something that the administration was unable to obtain after years of negotiation. The question is, what is a reasonable prospect that any of those kind of amendments would be accepted by the Soviet Union rather than rejected and thus kill the treaty?

Senator Garn: What you're referring to, as referred to by many, is killer amendments—that those we have spoken about, the Soviet Union would not accept; and I feel very strongly that if they would not, so be it—that to sign a bad treaty, a flawed treaty, that gives the Soviet Union nuclear superiority by the mid 1980's, that we're better off without a treaty, than that kind of a treaty that places the United States in great danger. But I'm not convinced that that would be the case. We are constantly told, over and over again, of the horrible consequences if we don't sign this treaty. The fear tactics of this administration—Mr. Brezhnev tried it on myself and other members of the Senate when we were in his office in January; he repeated it again this week.

There was also an editorial in Pravda. Now I don't think the United States Senate is going to respond to those kind of fear tactics. They're going to want to take a look at the treaty and decide for themselves on the substance and the facts, whether this is something that is in the interest of the United States or not. But I think the Soviet Union, if we did have substantive amendments, would make a great deal of fuss; they would undoubtedly condemn us roundly in their editorials, and I would not expect them to return to the bargaining table quickly. But I do think that they would eventually return to the bargaining table, and that we would be able, through negotiations, to achieve a much better treaty, that was fair and equitable on both sides, than we currently have before the United States Senate.

Duvall: As you know, the administration says that this treaty was negotiated to count warheads, because that's the only thing they say that you can count—I'm sorry—launchers. And that's what, as you pointed out at the beginning, the numbers are—just launchers, not the warheads and so on. If you were able to amend the treaty to say we must count the warheads, so we could get a warhead limit—and I think that's what you mean, right?—how would you count the warheads? How would you verify the sort of amendment that you propose?

Senator Garn: Well, let me back up just a little bit and again reemphasize why there is such a tremendous increase in warheads. We are only placing a reduction on the total number of launchers. The Soviets would be required to take out of service about 250 launchers—so the figure ten percent of the Soviet missile might is being reduced. But within the sublimits on multiple warhead missiles, commonly known as MIRV's, we are allowing huge increases, and let me give you just one example. On the MIRVed land-based—that's multiple warhead again—intercontinental ballistic missiles, the Soviet Union currently has about six hundred. We allow them, and us, to increase to 820; so that's a 220 increase in the number of launchers in that land-based category. The reason the big increases in warheads occurs because we are taking out of service primarily single warhead launchers and replacing them with multiple warhead, and therefore the tremendous number of weapons.

Let me make it more simple for you. Suppose you have a hundred rifles in your possession, and I say to you, I'm going to agree to a treaty with you that requires you to dispose of ten of those, or ten percent; we're only going to allow you to have ninety rifles at home. But the sublimits within that—we are going to allow you to change some of those launchers to submachine guns, that have much greater firepower. That's what this treaty does—it's a sham. So my point is, when I'm talking about limitations of warheads—would not be in the actual numbers of warheads, because you're right—that's very difficult to count. But it would certainly not allow those huge increases in launchers that can carry those multiple warheads. Therefore, you would not have the big increase—in warheads.

Duvall. If you're going to tell the negotiators, in effect, you didn't negotiate the right treaty, we're going to show you the right way to do it now, isn't it incumbent upon you to tell the negotiators how you're going to solve the problem they haven't been able to solve?—which is how you're going to count the warheads, how you're going to count the submachine guns, if you will?

Senator Garn. Well, again, my point is, you would count the launchers. But rather than having an increase to 820 multiple land-based launchers, we would not allow any increase. Why not stop at 600? We have 550; they have 600. Why not say enough is enough, and we will count what you presently have and the United States can increase by 50, to go up. We limit the launchers in those sub-categories, then you don't have to count the actual warheads, because that is one of the most difficult parts of verification—is counting the warheads. One of the reasons that I think the treaty is weak—because we can't tell whether there are ten warheads inside the SS–18, or 30 or 40, very easily.

Mohr. Senator, you quite accurately say that the treaty doesn't reduce the limits, but I think you'd run into argument from others that it doesn't set limits. It's a process in which, in the case of multiple warheads, the limit can go up, but there is an upper limit based on the number of these MIRV weapons. In your very first answer, you said the process was important. Do you think by amending the treaty in a way that would cause the Russians to refuse to ratify it, that you might kill the process which would ultimately, hopefully, lead to lower limits, and leave a treaty-free world in which it's not a question of unsatisfactory limits, but no limits?

Senator Garn. Again, I would repeat, that this treaty, in my opinion, is so flawed and so detrimental to the United States, that we would be better off if we did not have a treaty and the Soviets would not return to the bargaining table; because they are producing, economically and militarily, about as many weapons as they can. If they can increase legally 15,000 warheads within the framework of the treaty, how many more could they build, or would they want to build, without the treaty? So I don't see this great fear of rejection. I have much more fear of signing a very bad treaty that would place the United States in a very, very dangerous position.

Herman. If, as you say, Senator Garn, this—this treaty does nothing to slow Soviet weapons-building, what is there that is worthwhile salvaging in this treaty?

Senator Garn. One of the things that is mentioned a great deal is the fact that SALT II is a good base. You'll hear people say, well, no, it isn't a perfect treaty; you'll hear the administration mention, well, the critics are correct in some of these areas, but we must preserve it as a negotiating base for SALT III. I reject that argument as well, because—let me give you an example——

Herman. But it seems to me you're heading towards an answer that there's nothing really worth salvaging——

Senator Garn. Oh, yes. It is worth that we continue to talk, that we continue to try to work for a good treaty. But suppose that if we ratify SALT II, and it allows the Soviets to increase by 15,000, and they do so; and then we go into SALT III, and an American President, who would not be Jimmy Carter, even if he serves a second term, could come back to the United States triumphantly and say look what I have negotiated in SALT III, a 20 percent reduction on both sides; 20 percent of 15,000 is a reduction of 3,000 missile launchers, and that would leave them with twelve, which is still seven thousand more than they had in 1979—in June of 1979. So where do we actually get to any real arms reduction? In SALT XVII do we finally get back——

Herman. Are you talking launchers or warheads at this point?

Senator Garn. Talking launchers, because that's what SALT II counts. When do we actually get back to where we were in 1979—about SALT XVII or SALT XVIII? If you—this may be our last real chance for arms control and reduction—that we need to have a treaty that freezes. You know, this is what Jimmy Carter did in March of 1977. He made a very, very good proposal. He said, we will freeze all new missile development; we will place a moratorium on our current warheads on both sides, and I will insist that the Soviet Union not have more than 150 SS–18's, their huge missile that has a ten to one megatonnage ratio over our Minuteman III. And the Soviets laughed at him, they rejected him out of hand, and we really agreed to their limit of 308—no compromise at all. The Soviets, throughout this process, you will find that certain weapons systems they have been unwilling to compromise. I don't think we have been tough enough. I think President Carter should have hung on that 150, never expecting to get it, but some compromise in between, some give on the part of the Soviets, even if it were a token, a cosmetic reduction, down to 290 or 275—some indication that they were serious about arms control and they really were willing to reduce and have some give; so we go back to the bargaining table and we say we have some hard points, and try to get a reasonable agreement.

Duvall. Some of this argument sounds like the argument for the SALT II treaty. You know, this—this is maybe our last chance in 1979, says the administration to—to make an agreement now on 2250, otherwise both sides can go to 3,000 of these launchers.

Senator Garn. Well the 2250, I agree, that it is a reduction but it is the only reduction in this entire treaty. And that's where the sham of the proponents in their arguments, I think, are misleading the American people—not letting them know that in all other categories, it allows massive increases in the number of launchers and arms on both sides. And that's really where I differ with them. We need some reductions or some freezes in those areas or we're never going to get any real arms control.

Herman. I'm a little perturbed, or whatever you want to say, that we have talked about SALT so long and have not mentioned the MX, the proposed MX missile. So let me, I guess it's a brace of questions I have for you. First of all, does the building or non-building of the MX missile affect your vote and your feeling on SALT as the White House or some people have said it would affect conservative or hawkish senators?

Senator Garn. No, it does not affect my vote. I still feel very strongly the treaty should not be passed. But I think by proposing the MX at this time and proposing to spend thirty or forty billion dollars of the taxpayers' money, I think the president is admitting that many of my criticisms are correct, because there is only one reason that the MX is being built, and that is to offset the tremendous advantage of the SS–18 Soviet missile as negotiated in this treaty because we have zero and they have 308. Otherwise, there would be no point in building the MX. I would prefer not to build it. I would prefer to negotiate the Soviets out of some of their huge missiles.

Herman. Let me point out to you another point which was suggested by one of the White House aides, Joel McCleary who told a student audience, apparently under the impression that he was speaking off the record, but was not, that it was a political maneuver wasting billions of dollars to placate the conservatives in Congress, presumably including you.

Senator Garn. I don't think there's any doubt that the timing was very political, because for two and a half years, as a member of the Arms Control Subcommittee of Armed Services, I was one who placed language in the authorization bill suggesting that the administration make a decision on MX—either yes, no, or whatever we're going to do. Last September, because the report language was ignored, I had an amendment that required them to report by September 30 what their decision was. The House of Representatives put into it an escape clause that allowed them to—every 30 days send us a report after September 30 why they had not made a decision. So dutifully, they have sent us a report every 30 days, until interestingly enough, just prior to the Summit, suddenly the light dawned down at the White House and they made a decision on MX, but only a partial one—just the size of the missile, and they still have not made a decision on basing those. So I think a good part of the decision is political, but the other is the reality of the great disparity in the treaty must be recognized to get the votes of some who are concerned about our security.

Duvall. Are they going to get those votes? Are there some who are, as you are, critical of the treaty, but who will vote for it because of MX?

Senator Garn. I think they will get a few votes, but they're also going to have to be satisfied that our overall strategic deterrent and our conventional weapons systems are being brought up to speed. Because over the last 10 years, the Soviet Union has built at an unbelievable rate under the terms of SALT I, interestingly enough. Beginning of SALT I we had superiority, I don't think there's any doubt that SALT I allowed the Soviets to build rapidly and achieve parity. I think SALT II will allow them to have nuclear superiority. Senator Sam Nunn, a good friend of mine, is concerned about the overall balance. So, some of them are certainly not going to be bought off, just with an MX; there's a lot of other disparities in the military strength of the Soviet Union and in the United States that have to be addressed.

Mohr. Well, on the—on the question of buying off, Senator, I'd like to ask you a little bit about the parliamentary situation in the Senate. Do you assume that the really major votes and tests on this treaty are going to come when the motions are made to amend it, rather than the final vote on ratification and how are you, as a person who wants the treaty severely amended, in your own words, are going to deal with much milder amendments which have precedence on the Senate floor?

Senator Garn. Well, first of all, I do expect that the administration will, despite the fact they say now, no amendments at all, play the parliamentary game of coming up with what I would call cosmetic amendments, ones that would not upset the Soviets, particularly ones that would not dramatically change the treaty, but would give Senators the opportunity to say, yes, this was a bad treaty but I voted for an amendment that would improve it, and therefore, I can now vote for it.

Mohr. Well, what is an example of the most dangerous amendment of that kind, one that makes the treaty more attractive politically in the Senate, but in your view, doesn't really improve the treaty as a document?

Senator Garn: Well, actually we have to distinguish here between an amendment, most any amendment that changes the text of the treaty, I think would upset the Soviet Union and the President, but what you will see, primarily in the form of what is called a reservation, which is really a unilateral understanding—it is not binding on the Soviet Union at all. And one of those would be a reservation, as an example, on the Backfire bomber, that would not be part of the treaty, therefore would not be binding on the Soviet Union, but would sound good. Sort of like getting back to the Panama Canal treaty, the DeConcini amendment was rejected as an amendment, was accepted as a reservation, basically the same language. Why? Because it didn't mean anything. It was a unilateral understanding.

Herman: Senator, let me get back to something you said just a moment ago. You said, a good many disparities between the Soviet and American military strengths have to be assessed, and I gather, implicit in that is then presumably should be rectified. How big of a weapons program are we talking about? Ten, twenty, thirty, forty billion dollars? I notice that the Soviet Union is putting something between 11 and 13 per cent of its GNP into arms. How much of America's GNP and wealth do we have to divert into arms production to rectify this?

Senator Garn: We are only putting 4.8 per cent of our gross national product, the lowest level of military spending in terms of the gross national product in total budget since 1950, before the Korean War started. Soviet Union has spent 104 billion dollars in the last ten years on strategic systems, more than we have. I think we have got to go back to at least a five per cent real increase, real increase, in our military spending each year to begin to address the Soviet threat, and even then, they will have nuclear superiority in the mid-1980's. If we want to catch up, and feel relatively safe, it's going to take at least five per cent a year. We are——

Herman: Excuse me. That's five per cent plus inflation, or on the order of 14–15 per cent.

Senator Garn: Well, depending on what the inflation rate is, yes. Five per cent means actual, real dollars in purchasing power, so it would have to be five per cent whatever the inflation rate was, because if we don't do that, we are so far outmanned and they continue to build at an increasing rate.

Mohr: Senator, you—you made clear that your goal is substantial real amendment of the treaty. What are your chances of winning, really, on that issue?

Senator Garn: I think we have a very good possibility of passing some amendments on the SS–18, on the Backfire bomber, and on verification.

Herman: Just going back over a little bit, do you have some idea of a scenario of what would happen if the United States rejected this treaty, the Soviet Union rejected our rejection and we were left in a state of limbo with no SALT II, nothing that we could agree upon. What would happen in the arms race?

Senator Garn: Practically nothing. That is the fear argument that is used. The Soviets cannot economically build at a more rapid rate or have any real need to. If they can build 15,000 nuclear weapons, that is far more than they need to destroy this country. So I don't see any great or rapid change at all in the military development in either country as a result of SALT II rejection. That's why I see no danger in rejecting it, I only see hope that we might get back to the bargaining table within a year or so, and come up with a real substantive arms control agreement that promises some hope and peace and some reductions in the threat between our two countries in the future.

Herman: On that note, thank you very much, Senator Garn, for being our guest today on Face the Nation.

Announcer: Today on Face The Nation, Senator Jake Garn, Republican of Utah, was interviewed by CBS News correspondent Jed Duvall, by Charles Mohr, correspondent for The New York Times, and by CBS News correspondent George Herman. Next week, another prominent figure in the news will Face the Nation.●

EMERGENCY ENERGY ASSISTANCE PROGRAM

● Mr. DURKIN. Mr. President, I rise to inform my Senate colleagues and the administration that I intend to fight as vigorously as possible to see that the only Federal program that provides assistance to the elderly, disabled, and underprivileged with their extraordinarily high winter heating bills is fully funded for the next year. For reasons that totally escape me, the administration seems intent on destroying this program which is the only chance many people in New Hampshire and across the country have to pay their fuel bills and keep from freezing.

Mr. President, the evidence is mounting that we will be facing a severe home heating oil crisis next winter.

Although the administration has repeatedly promised that there will be ample stocks of home heating oil available at the beginning of the cold season, it is becoming all too clear that these promises are quite hollow.

Even if those who depend on home heating oil for warmth next winter will be able to get supplies, the price is certain to soar into the stratosphere.

Although the administration obstinately refuses to face reality, the fact remains that we are facing a major crisis in New Hampshire and throughout the Northeast next winter.

Even more astounding, the administration is proceeding to systematically demolish one Federal program that can help ease this impending crisis. I refer to the emergency energy assistance program of the Community Services Administration. This program provides emergency grants of up to $250 to poor and elderly people who are unable to keep up with the relentless spiral of energy costs. It was funded last year at $200 million.

Now, in the face of far higher and more urgent needs next year, the administration is determined to gut the program. As a result, there will be no effective way to help these people cope with high energy costs next year.

This deliberate administration decision is mystifying.

I hope the President is able to explain his rationale to old people and poor people who sit huddled and cold in front of their empty oil tanks and turned-off heaters next year. I cannot and will not.

It is up to the Senate to reverse this disastrous policy. The first step will be taken during the appropriations markup of the fiscal year 1980 appropriations bill for the Departments of Labor and Health, Education, and Welfare. I will offer an amendment to restore the fiscal 1979 funding level of $200 million for this program, the absolute minimum necessary, and I will carry this battle to the Senate floor if it is required.

Pious exhortations from Washington on the importance of conservation and belt tightening will be cold comfort in cold houses next winter.

It is only realistic, not alarmist, to sound a warning now. There are a number of people who will freeze in the dark because of this administration's energy policy in New England 6 months from now.

I urge my colleagues on the committee to join me and other Senators to express their support for the vitally necessary and urgent action of fully reversing the CSA program.●

SALT II ALTERNATIVE

● Mr. GARN. Mr. President, yesterday I released to the press an alternative SALT II package, consisting of a comprehensive statement on the framework for SALT, a summary of a proposed sense-of-the-Senate resolution to improve SALT II, and a section-by-section analysis of the key provisions of the proposed resolution.

Because of the importance of the proposed treaty, and the need to carefully consider all of its ramifications, I wish to submit this alternative SALT II package to my colleagues for their study and evaluation. Therefore, Mr. President, I ask that the entire package, along with a copy of the press release issued by my office, describing the package, be printed in the RECORD.

The material follows:

[Press Release]

PROPOSES ALTERNATIVE SALT II PACKAGE

WASHINGTON, D.C.—U.S. Senator Jake Garn today announced an "alternative SALT II package" consisting of a comprehensive renegotiation resolution and six "essential" amendments which provide guidelines for "improving a seriously flawed treaty."

The heart of the package is a "Sense of the Senate" resolution which outlines section-by-section alternatives to the SALT II treaty negotiated by the Carter Administration. Garn said the resolution has two principal objectives: (1) It provides the Senate with a model of "what a good treaty would look like" in assessing the merits of SALT II, and (2) It ultimately could be adopted by the Senate as a set of guidelines to be followed by the President in renewing discussions with the Soviets if the treaty is rejected.

In general terms, the resolution stresses the importance of reducing strategic forces in the U.S. and the Soviet Union and establishes essential criteria for a strategic arms agreement. These include equity and equality in overall capability, verifiability, the maintenance of crisis stability, arms reductions and agreement on "behavioral norms" for both countries.

"I recognize that the Senate is not likely to accept all of the provisions and philosophies contained in this resolution," Garn said. "However, this package will provide a solid basis for comparison and will underscore the very dangerous deficiencies in the SALT II agreement.

"It is not equitable. It allows the Soviet Union to have types and sizes of missiles that the United States is not allowed. It is not adequately verifiable. It does not effectively limit the spread of nuclear weapons," he said in a prepared statement.

The resolution also contains six amendments which Garn says are "essential" if the Senate chooses to modify and not reject the treaty. They would limit the number of heavy and medium intercontinental ballistic missiles possessed by both nations; count the Soviets' "Backfire" bomber as a strategic weapon: prohibit secret coding of missile test flight data; permit transfer of weapons technology and armaments to allies; allow deployment of ICBMs in a mobile or Multiple Protective Structures mode and extend range limitations for sea- and ground-launched cruise missiles if verification is not impeded.

In a special "Framework for SALT II" section of the package, Garn outlined his basic philosophy concerning strategic arms limitation.

"We must remember that the security of the United States is the only reason to participate in the SALT process in the first place. It is not to seek an agreement simply for the sake of having an agreement," he said.

A flawed SALT treaty, Garn asserted, will give the Soviet Union "low-cost, politically meaningful nuclear superiority" which would be "worse than no treaty at all. It would be the foundation for a continuing policy of global expansion by the Soviet Union, and allow it to divert military resources to the build-up of other forces while extending its nuclear umbrella over Western Europe, the Middle East, Africa and the Far East."

Despite claims by SALT proponents, including some Soviet leaders, Garn said the United States is not limited to accepting either a flawed treaty or the inevitability of an unrestrained arms race. He suggested a third option would be to "return to the bargaining table with a renewed commitment to insist on a fair and equitable treaty.

"Throughout the SALT negotiating process, the Soviet Union has taken firm, immovable positions on every issue critical to its national interests," he said, "The United States, in the spirit of accommodation and compromise, has accepted the Soviets' position on every major issue.

"Compromise is one thing," the senator noted, "but surrender is another. I believe we can reach compromises with the Soviet Union at the negotiating table, but we cannot do it without first drawing the line beyond which we are unwilling to move, beyond which we will not sacrifice our national interest. Such a demonstration of our steadfast commitment to our own interests is in itself an important deterrent to war."

Under terms of the Garn resolution, the U.S. would continue to restrain the build-up of its strategic nuclear offensive forces in line with the SALT I treaty and the Vladivostok Accord while SALT II is renegotiated, provided the Soviets show similar restraint.

Other specific provisions would reduce the ceilings on U.S. and Soviet nuclear launchers —missile silos, bombers, etc.—from the current 2,400 to 1,600 by late 1983, compared to 2250 under SALT II. The U.S. would be allowed to have "heavy ICBMs" but the limit would be reduced from 308 to 200 by 1985 under the Garn plan, while no such reductions are included in SALT II.

The Soviet Backfire bomber, which is not counted as a strategic nuclear delivery vehicle in SALT II, would be given a three-fourths value by Garn, recognizing some limits in its performance characteristics. As a trade-off, the U.S. FB111 bomber would be counted as one-half in assessing the U.S. strategic arsenal.

On the issue of verification, Garn reiterated that no telemetry encryption should be allowed. Activities which impede monitoring and verification should be specified, and regular on-site and "challenge" on-site inspections should be allowed.

Guidelines for negotiating SALT III are also included in the Garn resolution, and range from banning heavy ICBMs and warheads exceeding one megaton to delaying or preventing the vulnerability of submarine-launched missiles by creation of large "safe haven" areas.

SALT II: THE GARN ALTERNATIVE

THE FRAMEWORK FOR SALT II

Many have said that the debate on SALT II will be the most important foreign policy debate of this decade, and possibly beyond. Certainly it will be one of the most complex. It is vital that every Senator and every citizen understand fully the consequences of adopting this treaty on the United States' security and world leadership and the pursuit of peace.

Changes in the world balance of power since the beginning of the strategic arms limitations process in 1969 make this treaty, at this time, the most decisive single statement of the comparative position of the world's two superpowers. It will determine the make-up of the strategic military forces which each will have available to preserve its place in the world community and to use, in addition to its political and economic capabilities, to pursue national and international goals and objectives.

America's goals

It is necessary, therefore, to begin the debate on SALT II, both in the Senate and throughout the country, by posing the question of what are America's goals in a changing world. We cannot hope to fairly consider and decide the many questions raised by SALT II if we do not first know where we want the United States to be when we are through. We need to find answers for questions such as: What kind of a country is the United States of America? What are the values and ideals which motivate us as a nation? What is our responsibility to the free world? If it is to provide leadership and stability, are we prepared to look beyond our own needs and assume that role? If so, what form should that leadership take? If not, who will we expect to assume that responsibility?

Not only do we need to answer these questions and others about ourselves, but an accurate understanding of the world situation is essential. We cannot simply hope—or assume—that all nations of the world share our ideals and convictions. We must accept the fact that the world may not be as we would like it. Other nations have goals and ideals that conflict with our own, and whatever course of action we take as a nation must recognize those conflicts.

While this seems very basic and elementary, I am convinced that we have assumed too much about the world. We have been so preoccupied with our own problems and domestic concerns that we have not really kept an eye on the rest of the world. Our failure in Vietnam seems to have convinced many that the very existence of U.S. military power is dishonorable, much less its actual use in an area of conflict not within our own borders. Watergate seems to have fostered a sense of shame or lack of confidence in the virtues of the American political system. We have been afraid to unfurl the flag for fear someone will point out that it is a little frayed or soiled. It is disheartening to look back at the past several years and witness what can only be described as America's retreat from the world. Fortunately, as I travel around this great country of ours, I sense a change in that attitude. I hear Americans asking to be proud again and to be respected again for the good things we can offer and for the heritage and ideals we have as a nation. I firmly believe that the people of this country are ready to take a hard look at themselves as a society, and decide anew what to do about the role of world leadership that fell to the United States after the disorder and destruction of the Second World War. The timing is right for that kind of re-evaluation, and the debate of SALT II provides—I think it even requires—an opportunity to build a consensus in this country about what its role should be and how it should be carried out.

The U.S. role in the world

Like any country, the United States has at least four fundamental objectives: national survival, safety, well-being and ideological and spiritual enhancement. The efforts of nations are generally directed at meeting all four of these goals, but the changing world environment alters their order of importance from time to time.

Other nations have more ambitious goals—the expansion of their power and influence or the creation of an empire or sphere of influence. When faced with such an adversary, democratic societies are faced with some hard choices—choices which in recent years we have been increasingly reluctant to make.

The end of World War II left the United States in possession of overwhelming military and economic power. If we had so desired, we could have literally conquered the world. No one could have stopped us. But what did we do? We reduced our military power, demobilized our millions of troops, mothballed most of our ships and planes, and returned to a peacetime economy and began to provide vast sums to rebuild the shattered economies of friend and foe alike. Even with our reduced strength, we were still the most secure nation in the world; our national survival virtually was guaranteed. Quite naturally, we turned our attention to improving our well-being, and we demonstrated our ideological and spiritual values by helping to rebuild a war-torn world, and by coming to the aid of countries seeking freedom and independence, such as Korea. The United States became a beacon to the world, not only because of its military strength, but because of the inherent values of its society and the emphasis on them.

America was to be befriended and emulated. Such a place in the world, however, cannot be taken for granted, as America's people and its leadership seem to have done. It has to be earned daily to be continually justified.

I am one who believes the United States cannot escape the responsibility to lead the world in the search for freedom, self-determination, and lasting peace. There is no question that we have the resources. We must also have the will. As I have already said, I believe that the people of this country have that will, but in our democratic society, it needs to be expressed by the elected leadership. That is what I expect and hope that the Senate will do in this debate on SALT II. We must determine what the will of the people is, and then express it through our collective action as we consider the treaty. To the extent that we do this, the Senate will make a statement to the world about the course America will take. The world and its leaders are watching very carefully. They wait to see not only the outcome of this great debate, but what the nature of the debate itself will reveal about the forces at work in our society today. They certainly have every reason to be confused about the internal dynamics of our nation in view of the vagueness, indecisiveness and contradictions in U.S. foreign policy in recent years. What they see during this debate will determine their view of America's role in the world. Regardless of what we in the Senate, or the people of the United States, believe our role to be, what matters most is how it is perceived by others. If they perceive we are weak, then we will be weak. If they perceive we are strong, then we will be strong. If they perceive we are irrelevant, we will be increasingly irrelevant. Miscalculations in any direction could lead to war.

There are, then, two important reasons the debate on SALT II is so vital to America's future: First, the ultimate outcome will impact our ability to live and prosper in the world. And second, the way we reach that outcome will tell the world what we believe about ourselves, and what we are prepared to do to preserve and share the values and ideals we hold as a nation.

Against this backdrop, I believe the SALT debate must confirm that the United States is prepared to be the leader of the free world. We must demonstrate a firm resolve to develop and maintain the necessary economic, political and military strength to fulfill that role, and that we will not be afraid to use that strength to support our allies and friends in their efforts to choose their own course toward freedom.

We must allow that our society has problems, but not allow a preoccupation with them to deter us from our global responsibilities. Nor should we apologize for the strength that the United States has achieved through its free and pluralistic society.

We must make it clear that we recognize the condition of the world we all live in, that there are competing interests and ideologies which may be impossible to reconcile. The world must know that our experience with detente has convinced us that the Soviet Union is still our ideological enemy and potential military adversary.

In short, the SALT debate should affirm that we have placed the national security of the United States and its allies at the head of our fundamental national objectives. We know there is no such thing as absolute security in today's world. But we have a system of government and a society worth defending, and we can and will develop the means to deter an attack upon them. Not only will we develop and improve our own military capability, we will continue to rely on the strength of our alliances. Where we can identify areas of mutual self-interest with our adversaries, we will seek to establish agreements and understanding with them. Those agreements will be negotiated by the United States and her allies from a position of strength. They must not be based on weakness or fear of the consequences of failure to reach an agreement. Our obligation to ourselves and to the world is too great for that. If we find ourselves adopting this SALT II treaty, or any other agreement, on the basis of fear, then I am afraid that we are already dangerously close to having failed the test of world leadership.

New directions for U.S. national security strategy

What does all of this mean, more specifically, for United States national security strategy? And what, then, does that strategy mean for SALT II?

The national security strategy of the United States must first recognize the military strength of our major adversary, the Soviet Union. Since the time of the Cuban missile crisis, the Soviet Union has been engaged in the most massive arms build-up in the history of the world. It has gone, with the help of SALT I and U.S. unilateral restraint, from a position of inferiority with the United States to a position today where its military strength is more than equal to our own. The numerical strength of its conventional forces in the Warsaw Pact countries is vastly superior to that of the NATO alliance. The impressive technological improvements in Soviet strategic forces have been coupled with a counterforce targeting and damage-limiting doctrine which poses a real and direct threat to our own strategic forces. The near-term vulnerability of our ICBM force is acknowledged by virtually every responsible analyst. The Soviet Union has rejected the concept of Mutual Assured Destruction and its basic assumption that nuclear war is unthinkable. The Soviets believe it is possible to not only fight and survive a nuclear war, but to win it, and they have designed their military forces and civil defense program accordingly.

Our response to this growing Soviet strength must be based on these realities, not on the idealistic hopes of the SALT process which, so far, has provided little reason for confidence. With or without SALT, our national security policy must be modified along the following lines: We must change our strategic targeting—aiming most of our own weapons at Soviet military targets, instead of at cities; reduce the vulnerability of our ICBM force; develop the technology which will allow us to build defenses against in-coming missiles, both for our own civilian population and our weapons; modernize our bomber force; ensure the survival of effective command, control, communications and intelligence systems under attack; modernize our capacity to conduct limited theater nuclear operations; improve our conventional forces with modest increases in Army and Marine division strength; improve our ability to project our conventional forces by expanding our tactical air and military transport forces; expand military consultation with, and consider increasing military assistance to, our allies and pro-Western governments and parties; and, we should assist our allies and freedom-loving people in deterring Soviet proxies, such as Cuban forces in Africa, by providing them with funds, arms, training and intelligence. We must have a vigorous program and ready forces in all areas of our defense posture. The fabric of our military cloak must be a seamless web of capabilities. As Mr. Michael Howard, of Oxford University, said in a recent article in Foreign Affairs:

"The maintenance of adequate armed forces in peacetime, and the will to deploy and support them operationally in war, is in fact a symbol of that social unity and political resolve which is as essential an element in nuclear deterrence as any invulnerable second-strike capability,"

We can no longer afford to be passive in the world. Our allies and friends need to know that they can rely on the United States for assistance. The Soviet Union must know that we will not stand idly by while it attempts to create a new, world-wide Russian Empire. Winston Churchill said it very well on a visit to the U.S. in 1946:

"From what I have seen of our Russian friends and allies during the war, I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for weakness, especially military weakness. For that reason, the old doctrine of balance of power is unsound. We cannot afford, if we can help it, to work on narrow margins, offering temptations to a trial of strengths."

Mr. Churchill went on to say, in essence, that peace could be maintained in the world only if the democracies remained united and strong. The policies I have mentioned would make it possible for the United States and her allies to preserve and protect international peace through strength.

Essential conditions for SALT II

What can we say, then, about SALT II in the context of a new, more active, although not provocative, U.S. national security strategy? I believe such a strategy suggests five basic criteria for acceptance and ratification of a new SALT treaty:

First, the treaty must meet the criteria of equality, stability and verifiability, and it must arrest the growth of Soviet strategic forces.

Second, we and our allies must be prepared to modernize and improve theater nuclear forces or agree to equitable arms limitations in this area with the Soviet Union and her allies;

Third, we and our allies must be willing to modernize and expand our conventional forces so as to pose an effective conventional deterrent;

Fourth, we and our allies must be prepared to resist the destabilization of third world nations by Soviet power and proxy forces;

Fifth, we must rebuild our vital intelligence organizations and restore their effectiveness.

If these conditions cannot be met, then SALT II should not be ratified. Instead, we should then seek to restore and maintain strategic nuclear "parity-plus" with the Soviet Union and declare our intent to use whatever means to protect ourselves and our allies.

SALT and U.S. security

The SALT process can be of great value to the United States. It should be able to enhance our security in the following ways:

1. By establishing equal limits on the quantity of nuclear arms—not just the number of launchers—which may be held by the U.S. and the Soviet Union, and in so doing, end the expansion of Soviet strategic forces.

2. By reducing arms, it will lower the chances of accidental war.

3. By allowing us to build and develop weapons and forces which may be necessary to deter a potential attack or the use of nuclear coercion against us or our allies, it will support our alliance structure and discourage the proliferation of nuclear weapons;

4. By prohibiting or markedly slowing the deployment of weapons systems that would destabilize the strategic balance by giving one side a "first strike" or war-winning capability over the other, it will maintain crisis stability. At the same time, no SALT treaty should restrict our options to meet the threat more than it reduces the growth of that threat.

As difficult as these objectives may be to achieve, we must not weaken our commitment to them. We must remember that the security of the United States is the only reason to participate in the SALT process in the first place. It is not to seek an agreement simply for the sake of having an agreement.

A flawed SALT treaty which would give the Soviet Union low-cost, "politically meaningful" nuclear superiority would be worse than no treaty at all. It would be the foundation for a continuing policy of global expansion by the Soviet Union, and allow it to divert military resources to the build-up of other forces while extending its nuclear umbrella over Western Europe, the Middle East, Africa and the Far East.

The treaty that has been signed by the President is such a flawed treaty. It is not equitable. It allows the Soviet Union to have types and sizes of missiles that the United States is not allowed. It is not adequately verifiable, and it only masquerades as arms control. It does not effectively limit the spread of nuclear weapons.

To accept this treaty, as proposed, would be to turn away from our obligation as a world power to preserve international peace. A treaty which would effectively give the Soviet Union a war-winning nuclear capability by the mid-1980's is an ever greater threat to peace than an uncontrolled arms race. At least in a race, the outcome is in doubt. I believe that we do not have to choose between either nuclear inferiority or an expensive arms race. We have a third option.

That option is to return to the bargaining table with a renewed commitment to insist on a fair and equitable treaty. Throughout the SALT negotiating process, the Soviet Union has taken firm, immovable positions on every issue critical to its national interests. The United States, in the spirit of accommodation and "compromise," has accepted the Soviets' position on every major issue. Compromise is one thing, but surrender is another. I believe we can reach compromises with the Soviet Union at the negotiating table, but we cannot do it without first drawing the line beyond which we are unwilling to move; beyond which we will not sacrifice our own national interest. Such a demonstration of our steadfast commitment to our own interest is in itself an important deterrent to war.

SUMMARY OF SENSE OF THE SENATE RESOLUTION TO IMPROVE SALT II

The Resolution begins with a number of statements and findings regarding the status of the SALT negotiations and the strategic force structures of the United States and the Soviet Union. It stresses the importance of the reduction of strategic forces in both countries and establishes essential criteria for a strategic arms agreement, namely that it should provide for (1) equity and equality in overall capability, (2) verifiability, (3) the maintenance of crisis stability, (4) arms reductions, and (5) a political consensus on certain behavioral norms between parties to the agreement.

The first six sections of the resolution express the sense of the Senate regarding the direction that continued negotiations with the Soviet Union should take in reaching a new SALT II treaty. They also call for continued restraint in the build-up of strategic nuclear forces during the period of negotiation, and recommend that theater nuclear force reductions be addressed in SALT III. The general premise is stated that the goal of equity in any SALT agreement should encompass all of the various measures of strategic nuclear forces, and that the negotiations shall not constrain either nation from maintaining a second strike capability. Finally, the goal of assuring the security of the United States and the free world is stated as the fundamental objective for U.S. participation in the negotiating process.

Beginning with Section 7, the resolution expresses the sense of the Senate regarding: Numerical Limits, Qualitative Constraints, Protocol Issues, Verification, and Guidelines for Negotiation of SALT III. These provisions are outlined as follows:

SECTION 7—NUMERICAL LIMITS

1. There should be a limit of 2,400 on the number of strategic nuclear delivery vehicles reduced to 2,000 by 31 December 1981 and further reduced to 1600 by 31 December 1983.

2. There should be a limit of 1320 MIRVed strategic nuclear delivery vehicles (SNDV) reduced to 1220 by 31 December 1981 and 1120 by 31 December 1983.

3. There should be a limit of MIRVed ballistic missiles (ICBMs, SLBMs, ASBMs) of 1200, reduced to 1050 by 31 December 1981 and 900 by 31 December 1983.

4. There should be a limit of 820 MIRVed ICBMs, reduced to 720 by 31 December 1981 and to 620 by 31 December 1983.

5. There should be a limit of 308 "heavy" ICBMs and 300 "medium" ICBMs (for both sides) reduced to 250 "heavies" and 250 "mediums" for both by 31 December 1981 and 200 "heavies" and 200 "mediums" by 31 December 1983. "Heavy" missiles should count as two SNDVs.

6. Include each Soviet Backfire bomber as ¾ SNDV and each U.S. FB-111 bomber as ½ SNDV.

7. Define the limit of 40 cruise missiles as an "average" for counting one MIRVed SNDV.

8. Excess and retired missiles must be destroyed.

9. Each side is allowed only 10 percent more missiles/bombers (SNDVs) in pipeline/storage than are deployed for each permitted type missile/bomber.

10. Each side is allowed to construct a multiple protective shelter (MPS) basing mode for ICBMs if each mode is verifiable (to include on-site inspection).

SECTION 8—QUALITATIVE CONSTRAINTS

1. Throw weight limitations should be defined as a composite range payload measure; eg. 8,000 pounds to 5,000 nautical miles (not just 8,000 pounds, otherwise there is a loophole).

2. There should be throw weight limits (to 5,000 NM) of 3,000 pounds for "light" ICBMs, 8,000 pounds for "medium" ICBMs, and 17,000 pounds for "heavy" ICBMs. A throw weight limit of 4,500 pounds to 5,000 nautical miles for SLBMs should be established.

3. There must be effective range-payload limits on IRBMs. The upper limit should be 2,000 pounds to 3,100 NM (and lower limit of 500 pounds to 1,000 NM). Capabilities above this place a missile in the ICBM category.

4. There can only be two new-type SLBMs.

5. Future SLBMs could carry only 10 warheads (existing SLBMs could carry 14).

6. A different, very tight definition of a new-type missile must be formulated. As it is, the restrictions do not prohibit building a new-type missile "inside an old one" by using new components.

SECTION 9—PROTOCOL ISSUES

1. The protocol should limit GLCM and SLCM range to 2,500 KM (not 600 KM) and allow for their immediate deployment.

*2. There should be no prohibition on the deployment of ICBMs in a mobile or multiple protective structures mode provided that the number actually deployed can be adequately verified through cooperative means.

3. IRBMs with a rapid conversion capability to ICBM configuration (the SS-16) should be limited to 300 launchers and missiles. If any such IRBMs are discovered with the third additional stage deployed, then all will henceforth count as ICBMs.

*4. There should be no prohibition on the transfer of technology (cruise missiles, MIRV bus, propulsion, guidance, warheads) or hardware to allies. Transfers will be based on the legitimate defense needs of allies as defined by the general restraint or lack thereof regarding a military buildup by the other side.

5. No provision of the protocol can be extended or modified without Senate approval

SECTION 10—VERIFICATION

1. Each side would be allowed 3 intelligence collection sites on the territory of the other side to monitor missile testing.

*2. No telemetry encryption will be allowed.

3. Activities which impede verification should be specified.

4. Cooperative verification procedures should be defined; regular on-site inspection and a specific number of "challenge" on-site inspections should be allowed. This would include provisions allowing for inspection and counting of warheads in a "MIRV bus."

5. The data base exchange must provide for specific information to include detailed data on the dimensions, throw weight, launch weight, and number of warheads of all deployed and previously tested missiles.

SECTION 11—GUIDELINES FOR NEGOTIATION OF SALT III

1. Equal aggregate limits should be agreed to for SNOVs, throw weight, megatonnage, and warheads at reduced levels.

2. "Heavy" and "medium" ICBMs should be prohibited, and warheads above 1.5 megatons for single warheads and .5 megatons for MIRV warheads, should be banned.

3. Attempts should be made to prevent/delay the vulnerability of the SLBM force.

a. Attack submarines of both sides should be prohibited from entering large "safe haven" patrol areas near the coast or territory of the other side.

b. Ocean-based surveillance systems should be prohibited in these safe havens.

4. Gray area nuclear systems should be de-

fined, categorized, and limited so as to leave no "gap" between strategic and theater systems; new systems could not be deployed without falling into a controlled category.

5. Additional verification and confidence building measures should be formulated.

6. Both sides should consider some changes in the limits on strategic defensive forces. This would include allowing ABM complexes around more than one mobile or MPS ICBM site and creating some limits on defenses against air-breathing threats (bombers and cruise missiles).

SALT II: The Garn Alternative

SECTION-BY-SECTION ANALYSIS OF KEY PROVISIONS

Section 7. Numerical Limits:

Paragraph 1 would initially limit both sides to 2,400 strategic nuclear delivery vehicles (SNDVs). SNDVs include intercontinental ballistic missiles (ICBMs) launchers, submarine launched ballistic missiles (SLBMs) launchers, heavy bombers, and air-to-surface ballistic missiles (ASBMs). Each side would be required to reduce their total number of SNDVs to 2,000 by 31 December 1981 and to 1,600 by 31 December 1983. There would be "freedom to mix" various systems under the totals. Reductions of this degree would represent real progress in arms control while not endangering the security of either side.

Paragraph 2 places a sublimit of 1,320 on multiple independently-targetable reentry vehicles (MIRV) SNDVs. Reductions to 1,220 and 1,120 are required by the end of 1981 and 1983 respectively. Presently, ICBMs and SLBMs are MIRVed. Heavy bombers (or cruise missile carriers) with cruise missiles having a 600 kilometer range or greater will count as MIRVed SNDVs. ASBMs with MIRVs will count as MIRVed SNDVs, but the aircraft launch platform will not count as an SNDV. This will reduce by several thousand the vast buildup in warheads now projected for both sides.

Paragraph 3 limits MIRVed ballistic missiles to 1,200 with two reductions of 150, one at the end of 1981 and at the end of 1983. Heavy bombers with cruise missiles do not count in this sublimit. This provision tends to encourage a force posture that includes 120 heavy bombers with long range cruise missiles. Such a force component is useful in times of crisis in the sense that it can be alerted or sent to express grave concern, and it does not represent a rapidly deliverable First Strike potential.

Paragraph 4 limits MIRVed ICBS to 820 with reductions to 720 in 1981 and then 620 in 1983. The effect of this sublimit is to encourage force diversification, particularly as each side's ICBMs become vulnerable to an attack by the other side. Also, since ICBMs can have more throw weight than SLBMs, it slows the growth in total megatonnage and warheads on both sides.

Paragraph 5 allows both sides to have 308 "heavy" (up to 17,000 pounds throw weight) ICBMs and 300 "medium" (up to 8,000 pounds thow weight) ICBMs with reductions to 250 heavy ICBMs and 250 medium ICBMs by end 1981 and to 200 heavy ICBMs and 200 medium ICBMs by end 1983. The limits would provide for equality which does not exist under the current SALT II Treaty. Moreover, the provision to count heavy ICBMs as two SNDVs will provide an incentive to destroy the heavy missiles which can carry so much megatonnage and warheads.

Paragraph 6 provides for equity by counting the Backfire as ¾ SNDV and the FB-111 as ½ SDNV. A provision of this sort represents the real world facts about the capabilities and operational plans for these aircraft. Also, because these aircraft are included, total number of other allowed systems will be reduced.

Paragraph 7 means that for every 40 deployed ALCMs (air launched cruise missiles) each side must count one MIRVed SNDV. This limit is higher than the 28 limit in the SALT II Treaty. The 28 figure unfairly limits the U.S. capability to deploy in the near term ALCMs in wide-body jets, configured as cruise missile carriers (CMC). This compensates in some small way for the massive Soviet air defenses.

Paragraph 8 would require the destruction of excess and retired missiles. This would alleviate the concerns both sides might have about the other trying to stockpile missiles for movement to concealed soft launch sites or for use as silo refire missiles.

Paragraph 9 is directed at prohibiting the production of new missiles/bombers far above deployment limits. Together with Section 8, this provision should control the temptation to let production lines continue to run for the production of "launch training" missiles. A limitation of 10 percent above deployed levels should provide for plenty of test and training launch missiles or aircraft attrition replacements over the life of the Treaty.

Paragraph 10 would allow the construction of a multiple protective structure basing mode for ICBMs. This may be absolutely essential if we are to ensure the invulnerability for our ICBMs.

Section 8. Qualitative Limitations:

Paragraph 1 states that throw weight limitations should be defined as a composite range-payload measure. The throw weight limits in the SALT II accord are not specifically defined. The lack of any such definition allows the replacement of current missiles with improved versions with substantially higher range-payload capabilities. The lack of any linkage of payload to range facilitates cheating and makes the detection of cheating more difficult. It also creates an important potential breakout threat, because it is legitimate to build missiles that have much more potential capability than they are allowed to demonstrate under the agreement.

Paragraph 2 calls for specific throw weight limits (to 5,000 nmi) of 3,000 pounds for "light" ICBMs, 8,000 pounds for "medium" ICBMs and 17,000 pounds for "heavy" ICBMs. A throw weight limit of 4,500 pounds to 5,000 nautical miles for SLBMs should be established. This modification in the SALT II Treaty specifically defines throw weight for various types of missiles, eliminating the major degree of ambiguity in SALT II (the limiting of the throw weight of "light" missiles to that of the SS-19 and "heavy" missiles to that of the SS-18 without specifying what this is). This modification of the Treaty also makes it much more enforcible, and by establishing the new category of "medium" missile and limiting the number of such weapons allowed, reduces the potential threat level to both nations. The limit on SLBM range-payload capability has the same effect. Under the currenty Treaty, every Soviet ICBM and SLBM can be upgraded to the throw weight of the SS-19 allowing an enormous increase in the Soviet capabilities to damage the U.S. The proposed modifications significantly reduce the growth of that threat.

Paragraph 3 provides for effective range-payload limits on IRBMs. The upper limit should be 2,000 pounds to 3,100 nm (and lower limit of 500 pounds to 1,000 nm). Capabilities above this place the missile in the ICBM category. The lack of an effective range-payload definition for an IRBM is a major loophole in SALT II. The Soviets are currently deploying the SS-20 missile, a two stage derivative of the SS-16 ICBM, that is as large as the U.S. Minuteman III ICBM and can be upgraded to an ICBM in several ways. The current SALT Treaty does not preclude the Soviet deployment of even more threatening missiles as IRBMs in the future. The proposed IRBM definition very substantially reduces the potential IRBM upgrade threat to the U.S.

Paragraph 4 would limit each side to only two new types of SLBMs. This provision limits the unrestricted development of SLBM weapons allowed under the proposed SALT II Treaty. The proposed modification to the Treaty will reduce the growth of the Soviet threat to the U.S. and reduce the possibility of deploying SLBMs as clandestine land-based missiles.

Paragraph 5 limits future SLBMs to only 10 warheads (existing SLBMs could carry 14). There is no reason to establish a limit of 14 warheads on SLBMs as the SALT II Treaty currently does. This combined with the very high throw weight limits provided for under the Treaty allows an enormous expansion of Soviet capabilities against the United States. The proposed reduction in the number of warheads allowed combined with the proposed limits on SLBM throw weight will reduce the threat and probably prevent the development of U.S. and Soviet SLBMs capable of destroying large numbers of hard targets. A limit of 10 RVs on future SLBMs would also eliminate the risk that the Soviets could develop an SLBM with 14 warheads (more than is allowed by the Treaty for land-based ICBMs or air mobile ICBMs) and deploy it in a land or aircraft based mode.

Paragraph 6 redefines "new-type of ICBM." The definition must be formulated specifically with respect to qualitative improvements in the missile propulsion technology. As it is, the restrictions do not prohibit building a new-type of missile "inside an old one," using new components. The present Carter Treaty puts an almost insignificant limit on the introduction of new ICBMs. It is the technology of the missile, not small differences in the size, that primarily determines its effectiveness. Very substantial improvements can be made in Soviet ICBMs without changing their size a single inch. For example, an improved ICBM could have new engines, a higher energy fuel, a new structure, a new MIRV bus, and new warheads and still not be a "new" missile under SALT II. The proposed redefinition would put an end to this loophole. As the Treaty now stands, the "new" missiles provision would allow the U.S. to introduce one new missile and allow the Soviets to introduce five new-types. Moreover, the "new" missile provision in the Carter Treaty will allow the Soviets to introduce a fifth generation of missiles in the early 1980s and a sixth generation in the middle to late 1980s. It also facilitates cheating on the allowable throw weight by permitting major improvements in the propulsion system of "old" missiles.

Section 9. Protocol Issues:

Paragraph 1 would set range limits on ground launched cruise missiles (GLCMs) and sea launched cruise missiles (SLCMs) of 2500 kilometers instead of the 600 kilometers set as a limit by the SALT II Treaty. This change is necessary if U.S. cruise missiles are to overcome the disadvantages of Eurasian geography and be able to reach targets in the Soviet Union from Western Europe or contiguous seas. The Soviet Union's SLCMs could be used in a strategic role against the U.S. even though they only have a 600 kilometer range, because many of our major cities lie near the U.S. coastline. Immediate deployment should be allowed under the protocol, because the Soviets already have SLCM carrying on submarines which can approach our coasts so as to give these SLCMs strategic target attack capability.

Paragraph 2 is most important in that it eliminates the precedent that the protocol would create which prohibits mobile ICBMs. It also would allow the deployment of ICBMs in a multiple protective structures (MPS) mode. Verification would be a controlling factor, and each side could not refuse on-site inspection of any such system if that were the only means to ensure thorough verification.

Paragraph 3 is aimed at closing a loophole brought on by the dangerous behavior of the Soviet Union in which the Soviets have fielded a large mobile IRBM (SS–20) that can be rapidly converted to a mobile ICBM by the addition of a third boost state. The proposed counting rule of this provision, which would count all SS–20s as SS–16s if one SS–20 is discovered configured as an SS–16 or if one SS–20 unit is discovered with the third stage deployed with the unit, is an incentive not to cheat. The limit of 300 launchers is an incentive for both sides not to develop additional systems of this sort.

Paragraph 4 would delete the non-circumvention part of the protocol. The Soviet Union hopes to undermine the confidence of our allies and stunt the growth of their military capabilities by prohibiting the transfer of essential technology and hardware from the U.S. to our allies. On the one hand our lead in technology is "ballyhooed" as the offsetting strength to Soviet and Warsaw Pact quantity, and then our comparative advantage is traded away in the protocol.

Paragraph 5 clearly spells out the Senate's resolve that protocol provisions cannot be extended or modified except as part of the treaty process.

Section 10. Verification:

Paragraph 1 would allow 3 intelligence collection sites on the territory of the other side to monitor missile testing. The qualitative limits on missiles are the most important element and the least verifiable provisions of the SALT II Treaty. Cheating in the area of missile throw weight and number of warheads per missile can add thousands of additional warheads to the Soviet stockpile. Qualitative cheating also increases the incentive for quantitative cheating since the clandestinely deployed missiles would be more destructive. Since the loss of the Iranian collection sites, an enormous margin of uncertainty exists concerning the vital qualitative limits of SALT II. The capabilities of this type of collection site would do much to reduce this uncertainty.

Paragraph 2 states that telemetry is vital to the verification of the qualitative aspects of the agreement. Photography or other sources of intelligence are inadequate substitutes. The legitimization of encryption in SALT II allows the Soviets to hide essential design features of their missile systems. No one should seriously believe that the Soviets will abide by U.S. interpretations of what can and cannot be encrypted anymore than they abided by U.S. interpretations of SALT I. Any encryption of telemetry opens the possibility that false or misleading information is being broadcast and the real data is being sent out over encrypted channels.

Paragraph 3 would provide for a specific list of activities which impede verification. The lack of any enumeration of prohibited activities substantially reduces the effectiveness of the provision of SALT II banning deliberate concealment that impedes verification. The word "impede," is not often interpreted by the U.S. government to mean "prevent," thus legitimizing an enormous number of Soviet concealment activities that are "supposedly ineffective" in preventing verification. The Soviet Union appears to have a nationwide concealment and deception program underway at this time, and it is becoming increasingly effective. This provision of the agreement can only be enforced if there is a specific delineation of what can and cannot be done in the concealment area.

Paragraph 4 calls for cooperative verification procedures. It suggests that they include regular on-site inspection, and a specific number of "challenge" on-site inspections should be allowed. The procedures would include a provision allowing for inspection and counting of warheads on a "MIRV bus." The U.S. record in the enforcement of SALT I has been a consistent record of retreat, with lack of data on what the Soviets were doing often used to justify the non-enforcement of Treaty provisions. The increased importance of the qualitative limits of SALT II combined with the dubious nature of their verifiability—i.e., the number of warheads actually deployed on Soviet missiles—demands some provisions for on-site inspection. The Soviet SS–18 ICBM clearly has the potential for the deployment of 40 percent more warheads than is allowed under the Treaty (14 Vice 10 warheads)—some 1,200 additional weapons. Only the inspection of these MIRV buses will allow certainty in this area.

Paragraph 5 describes the specific information that should be included in the data base exchange. The data base exchange must provide for such specific information as detailed data on the dimensions, throw weight, launch weight, and number of warheads of all deployed and previously tested missiles. The data exchange provisions of SALT II are almost meaningless. They involve only the most basic type of information concerning the number of launchers operations and number of warheads tested. Information required for the enforcement of the qualitative provision of SALT II is not provided. The provision of this type of information would do much to improve the capability of U.S. intelligence collectors to monitor the terms of SALT II.

Section 11. Guidelines for negotiation of SALT III:

Paragraph 1 proposes that each side agree to equal aggregate limits on throw weight, megatonnage, and warheads, as well as SNDVs. The number of SNDVs would be reduced modestly, while the limits on throw weight, megatonnage, and warheads should represent substantial reductions from the deployed forces. Restrictions such as these would constrain the exploitation of loopholes, build confidence in the SALT relationship, and reduce the destructive power of both sides' forces.

Paragraph 2 would reduce in the medium term, a first strike capability against ICBMs, particularly the MX, by prohibiting "heavy" ICBMs (such as the SS–18) which can carry a large number of powerful (one megaton) and accurate warheads. Also, the limit on single warhead megatonnage of 1.5 megatons and on megatonnage MIRV warhead to .5 megatons would also contribute to the reduction of first strike capabilities.

Paragraph 3 attempts to preserve the survivability of the SLBM forces of both sides, this being singularly important as ICBMs are growing even more vulnerable to attack. This probably cannot be done forever, but providing large "safe haven" areas from which hostile attack submarines and ocean based surveillance systems are banned would be most efficacious in this regard.

Paragraph 4 is concerned with ensuring that gray area systems negotiations and SALT III negotiations are structured in such a way that neither side can develop and deploy systems that are not caught in the arms control "dragnet." Both sides would agree that nuclear delivery systems could not be deployed without falling into a controlled category.

Paragraph 5 recommends diligent efforts in the formulation of additional verification and confidence building measures. The use of technical and human means should be explored. "Challenge" on-site inspection seems to hold great promise. Perhaps, four man inspection teams (a team consisting of two U.S. and two U.S.S.R. colonels) could be formed and placed on call, one in each country. Upon receipt of a challenge inspection request, and each side would have 20 or so challenges available to it each year, the teams would have to be on-site within 12 hours. This should make cheating a high risk option.

Paragraph 6 asks that both sides consider some changes in the limits on strategic defensive forces. This would include allowing ABM compexes around more than one mobile or MPS ICBM site and creating some limits on defenses against air-breathing threats (bombers and cruise missiles).

SALT II

Provisions	Administration treaty limits	Garn alternative limits
A. Numerical limits:		
1. Total SNDV's:		
Present	2,400	2,400
By end 1981	2,250	2,000
By end 1983	2,250	1,600
2. MIRVed SNDV's:		
Present	1,320	1,320
By end 1981	1,320	1,220
By end 1983	1,320	1,120
3. MIRVed ballistic missiles:		
Present	1,200	1,200
By end 1981	1,200	1,050
By end 1983	1,200	900
4. MIRVed ICBM's:		
Present	820	820
By end 1981	820	720
By end 1983	820	620
*5(a) Heavy ICBM's:		
Present	308	308
By end 1981	308	250
By end 1983	308	200
(b) Medium ICBM's:		
Present	None	300
By end 1981	None	250
By end 1983	None	200
*6. Backfire/FB–111	(1)	(2)
7. Cruise missile average for counting one SNDV	28	40
8. Retired missile destruction	No	Yes
9. Missiles/bombers in storage limited to 10 percent of deployments	No	Yes
10. MPS basing mode allowed	No	Yes
C. Protocol issues:		
*1. GLCM/SLCM range limit of 600 km	Yes	[3] No
*2. ICBM deployment in mobile or MPS mode	No	Yes
*4. Prohibition on technology transfer to allies	Yes	No
D. Verification:		
*2. Encryption of telemetry	Yes	No

[1] Doesn't count.

[2] Backfire, ¾ SNDV; FB–111, ½ SNDV.

[3] 2,500 km.

Note: All 10 provisions of the numerical limitations section and the minimum essential amendments shown by an (*) from the other sections are shown on this table. ●

CORRECTION OF ERROR IN PUBLIC LAW 95–613

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 14.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 14) entitled "Joint resolution to correct an error made in the printing of Public Law 95–613", do pass with the following amendments:

Strike out all after the resolving clause, and insert: That (a) paragraph (3)(B) of subsection (b) of the first section of Public Law 95–613 (92 Stat. 3093) is amended by striking out "1979; $3,600,000 for the fiscal year ending September 30, 1980;" and inserting in lieu thereof "1979, $120,800,000 for the fiscal year ending September 30,".

(b) The amendment made by subsection (a) shall be effective as of November 8, 1978.

SEC. 2. (a) Section 3(c)(2)(B) of the Health Maintenance Organization Amendments of 1978 (Public Law 95–559) is amended by inserting "of this subsection" after "paragraph (3)".

(b) Section 11(a) of such Amendments is amended by striking out "section 1310 (b)" and inserting in lieu thereof "section 1301(b)".

(c) Section 14(b)(1) of such Amendments is amended by striking out "organizations" and inserting in lieu thereof "organization".

(d) Section 1305(b)(1) of the Public Health Service Act (42 U.S.C. 300e–4(b)(1)) (as amended by section 4(a)(1) of such Amendments) is amended by striking out "$4,000,000" each place it occurs and inserting in lieu thereof "$4,500,000".

(e) Section 1305A(c)(1) of the Public Health Service Act (42 U.S.C. 300e–4(c)(1)) (as added by section 5 of such Amendments) is amended by striking out "The" and inserting in lieu thereof "the".

(f) Section 1310(e)(1) of the Public Health Service Act (42 U.S.C. 300e–9(e)(1)) is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a), (b), or (c)".

SEC. 3. (a) Section 504(b)(3) of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (Public Law 95–602) is amended by striking out "to the" and inserting in lieu thereof "for the".

(b) Section 506(a)(3) of such Amendments is amended by striking out "that such State" and inserting in lieu thereof "that each State".

SEC. 4. Section 1802 of the Public Health Service Act (42 U.S.C. 300v–1) (added by section 301 of Public Law 95–622) is amended by striking out "(b) DEFINITIONS" and inserting in lieu thereof "(f) DEFINITIONS".

SEC. 5. (a) Section 3(b) of the Health Services Research, Health Statistics, and Health Care Technology Act of 1978 (Public Law 95–623) is amended by striking out "second time" and inserting in lieu thereof "third time".

(b) Section 3(d) of such Act is amended by striking out "Section 304(d)(3)" and inserting in lieu thereof "Section 304(b)(3)".

(c) Subsection (e) of section 304 of the Public Health Service Act(42 U.S.C. 242c(e)) (added by section 7 of the Health Services Research, Health Statistics, and Health Care Technology Act of 1978) is redesignated as subsection (d).

(d) Subsection (f)(2)(A) of section 309 of the Public Health Service Act (42 U.S.C. 242n) (added by section 6(c) of the Health Services Research, Health Statistics, and Health Care Technology Act of 1978) is amended by striking out "Chief Medical Officer" and inserting in lieu thereof "Chief Medical Director".

SEC. 6. (a) Paragraph (7)(L) of section 329(a) of the Public Health Service Act (42 U.S.C. 247d(a)(7)(L)) (as amended by section 103(a)(3) of the Health Services and Centers Amendments of 1978 (Public Law 95–626)) is amended by striking out "; and" and inserting in lieu thereof a period.

(b) Section 104(d)(5) of the Health Services and Centers Amendments of 1978 is amended by striking out "Paragraph (2) of subsection (e)" and inserting in lieu thereof "Paragraph (3) (as so redesignated) of subsection (e)".

(c) The last sentence of section 330(g)(2) of the Public Health Service Act (42 U.S.C. 254c(g)(2)) (as amended by section 104(f)(3) of such Amendments) is amended by striking out "this subsection" and inserting in lieu thereof "this paragraph".

(d) Paragraph (4) of section 330(g) of the Public Health Service Act (42 U.S.C. 254c (g)(4)) (as amended by section 104(f)(4) of such Amendments) is redesignated as paragraph (3).

(e) In paragraph (2)(C)(ii) of the amendment to section 314(d) of the Public Health Service Act made by section 201(b)(2) of such Amendments strike out "uniform national reporting system" and insert in lieu thereof "uniform national health program reporting system".

(f) In the last sentence of paragraph (4)(A) of the amendment to section 314(d) of the Public Health Service Act (42 U.S.C. 246(d)(4)(A)) made by section 201(b)(2) of such Amendments (1) strike out "Notwithstanding clauses (i) and (ii)" and insert in lieu thereof "Notwithstanding the preceding provisions of this subparagraph", (2) strike out "the amounts determined" and insert in lieu thereof "the amount determined", and (3) insert before the period a comma and the following: "except that if the amount appropriated for a fiscal year is equal to or less than the amount appropriated for the fiscal year ending September 30, 1979, the total amount of grants for a State health authority shall be an amount which bears the same ratio to the amount appropriated as the total amount of grants received by such authority from the appropriations for the fiscal year ending September 30, 1979, bears to the amount appropriated for that fiscal year".

(g) Section 202 of such Amendments is amended by striking out "Effective October 1, 1979" and inserting in lieu thereof "Effective October 1, 1978".

(h) Section 315(d) of the Public Health Service Act (42 U.S.C. 247(d)) (added by section 203 of such Amendments) is amended by striking out "subsection (l)" each place it occurs and inserting in lieu thereof "subsection (k)".

(i) Section 317(j) of the Public Health Service Act (42 U.S.C. 247b(j)) (as amended by section 202 of such Amendments) is amended (1) by striking out "or (3)" in paragraph (4) and inserting in lieu thereof "(3), or (4)", (2) by redesignating paragraph (4) as paragraph (5), and (3) by inserting after paragraph (3) the following new paragraph:

"(4) For the purpose of grants under subsection (a) for establishing and maintaining community and school-based fluoridation programs, there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for the fiscal year ending September 30, 1981."

(j) Section 204(c)(2) of such Amendments is amended by striking out "demonstration," and inserting in lieu thereof "demonstrations,".

(k) Section 1707(f) of the Public Health Service Act (42 U.S.C. 300u–6(f)) (added by section 501 of such Amendments) is amended by striking out "section 503(d) of this Act" and inserting in lieu thereof "section 1708(c)".

(l) Subsection (d) of section 1708 of the Public Health Service Act (42 U.S.C. 300u–8(d)) (added by section 501 of such Amendments) is redesignated as subsection (c).

SEC. 7. (a) Title II of the Public Health Service Act is amended by inserting above section 221 (42 U.S.C. 213a) the following title heading:

"RIGHTS, PRIVILEGES, ETC. OF OFFICERS AND SURVIVING BENEFICIARIES".

(b) Section 320(a) of the Public Health Service Act (42 U.S.C. 255(a)) (as amended by section 105 of Public Law 95–626) is amended by striking out "under section 332 or 361 of this Act" and inserting in lieu thereof "under subsection (b) or section 361".

(c) Section 330(d)(1)(B) of the Public Health Service Act (42 U.S.C. 254c(d)(1)(B)) is amended by striking out "subsection (e)(2)" and inserting in lieu thereof "subsection (e)(3)".

(d) Section 332(a)(2)(C) of the Public Health Service Act (42 U.S.C. 254e(a)(2)(C)) is amended by striking out "part D of title III" and inserting in lieu thereof "section 320".

(e) Subpart 3 of part F of title III of the Public Health Service Act is amended by inserting above section 360A (42 U.S.C. 263i) the following section heading:

"INSPECTION AND REPORT"

(f) Section 404(a)(7) of the Public Health Service Act (42 U.S.C. 285(a)(7)) is amended by inserting a comma after "general public".

(g) Sections 208(c), 337(b)(2), 436A(d), 440(d), and 1503(c)(3) of the Public Health Service Act (42 U.S.C. 210(c), 289c–3a(d), 289c–7(d), 300k–3(c)(3)) are each amended by striking out "section 5703(b)" and inserting in lieu thereof "section 5703".

(h) Subsection (a) and (b) of section 12 of the Emergency Medical Services Amendments of 1976 (Public Law 94–573) are each amended by striking out "Section 776" and inserting in lieu thereof "Section 789".

(i) Section 751(g)(3) of the Public Health Service Act (42 U.S.C. 294t(g)(3)) is amended by striking out "section 5303" and inserting in lieu thereof "section 5305".

(j) Section 839(a) of the Public Health Service Act (42 U.S.C. 297e(a)) is amended by striking out "September 30, 1977" and inserting in lieu thereof "December 31, 1980".

(k) Section 853(6) of the Public Health Service Act (42 U.S.C. 298b(6)) is amended by striking out "this clause (3)" and inserting in lieu thereof "this clause".

(l) Section 1203(c)(2) of the Public Health Service Act (42 U.S.C. 300d–2(c)(2)) is amended by striking out "the first at least" and inserting in lieu thereof "at least the first".

(m) Section 1513(e)(1)(A)(i) of the Public Health Service Act (42 U.S.C. 300l–2 (e)(1)(A)(i)) is amended by inserting "of 1972" after "Treatment Act".

(n) Section 1701(b) of the Public Health Service Act (42 U.S.C. 300u(b)) is amended by inserting "(other than grants and contracts under sections 1707, 1708, and 1709)" after "this title".

SEC. 8. (a)(1) Section 103 of the Community Mental Health Centers Extension Act of 1978 (Public Law 95–622) is amended by adding at the end the following new subsection:

"(c) The amendments made by this section shall take effect with respect to grants made under section 203 of the Community Mental Health Centers Act from appropriations made for fiscal years ending after September 30, 1977."

(2) Section 110(b) of Public Law 95-622 is amended (A) by inserting "(1)" after "(b)", and (B) by adding at the end the following:

"(2) The amendment made by paragraph (1) shall take effect with respect to grants made under section 203(e) of the Community Mental Health Centers Act from appropriations made for fiscal years ending after September 30, 1977."

(3) Section 111 of Public Law 95-622 is amended by striking out "section 110(c)" and inserting in lieu thereof "sections 103, 110(b)(1), and 110(c)".

(b) Section 206(c)(2)(B) of the Community Mental Health Centers Act (42 U.S.C 2689e(c)(2)(B)) is amended by inserting "and" at the end of clause (iii).

Amend the title so as to read: "Joint resolution to amend the Public Health Service Act and related health laws to correct printing and other technical errors.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate agree to the House amendments, en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

ORDER FOR CERTAIN ACTION TO BE TAKEN DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair if there is any need for receipt and referral of messages or for signing of bills and joint resolutions?

The PRESIDING OFFICER. The Chair believes it would be helpful.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until 12 noon on July 9, the Vice President of the United States, the President pro tempore of the Senate, the Vice President, and the Acting President pro tempore of the Senate, be authorized to sign all duly enrolled bills and joint resolutions, and that the Secretary of the Senate during that same period be authorized to receive messages from the other body or from the President of the United States, and that they be appropriately referred.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO MAKE TECHNICAL AND CLERICAL CORRECTIONS IN ENGROSSMENT OF ALL SENATE-PASSED MEASURES UNTIL SEPTEMBER 5, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that until September 5, 1979 the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossments of all Senate passed bills and resolutions, Senate amendments to House bills and resolutions, Senate amendments to House amendments to Senate bills and resolutions, and Senate amendments to House amendments to Senate amendments to House bills and resolutions.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I wish to advise the majority leader that this request has been considered on our side and certain changes made in it to conform to concerns expressed by some Members here, and we have no objection to the request and join the majority leader in it.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees be permitted to file reports on Friday, June 29, and Friday, July 6, until 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MAJORITY LEADER'S TRIP TO MOSCOW

Mr. MOYNIHAN. Mr. President, would our beloved majority leader accept from this junior Senator the very best wishes for the successful completion of what will be a fateful voyage to the Soviet Union?

He knows of our respect and our love for him; and with the confidence that he is our leader, we await his return and the information he brings us, conscious of the solemnity of his purpose.

I hope he will allow me to presume to tell him—if I may say this, having negotiated with the Soviets on occasion—that Mr. Gromyko's remarks yesterday were taken out of diplomatic procedure 1-A. They teach that in the Soviet diplomatic academies. It is the third lesson you get after how to say hello and how to make a toast. The minute the negotiation is completed, the minute you have made your proposals, you announce that they are nonnegotiable and that the peace of the world is imminently and irretrievably threatened by anyone who proposes to make the slightest deviation from those proposals. That is what they learn in 1-A.

In course 1-B, they teach you that sometimes when the other side is not frightened out of their wits by the prospect of Soviet umbrage, you may continue the negotiation.

The majority leader knows that. No one need instruct him in any form of negotiation.

Mr. ROBERT C. BYRD. Mr. President, Plato thanked the gods for having permitted him to live in the age of Socrates. I am thankful that I live at a time when I may serve with my friend from New York and learn from him. I only wish that I had the advantages of just a little bit of his long and very useful experience in this field. I would feel much better as I undertake my trip.

I know that he will not anticipate too much from my trip. I do not anticipate a great deal. I do not go to negotiate. I do not go to renegotiate. But I hope I can render a service.

I am very grateful for the good wishes which are so genuinely and sincerely expressed by my very dear friend from New York, the Senator to whom I address my remarks.

Mr. MOYNIHAN. The majority leader goes as a representative of the U.S. Senate, the most distinguished body a republic has ever created, and the longest in duration. He goes with our complete support. If it is necessary, he is authorized by this junior Member to remind the Soviet Government that it is a new government, only learning the ways of the world, and that it would be well to attend to the words of the leader of a body which prior to the French Revolution was engaged in the advice and consent to the President of the United States in foreign affairs.

Mr. ROBERT C. BYRD. Mr. President, I am grateful for the very thoughtful and timely comments of the distinguished Senator. I assure him that they are very helpful to me. Whether they will be helpful to someone else, I am not sure.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I thank the Senator from New York for his admonition to the Senator from West Virginia. I simply suggest that Mr. Gromyko might be told that the Senate of the United States is not inclined to deliberate on important matters with a gun at its head.

Mr. ROBERT C. BYRD. I say to the distinguished Senator that I said 2 days ago all I need to say with respect to Mr. Gromyko's remarks. They have been made public through the press.

I thank the Senator for his suggestion and his contribution.

Again, I thank the distinguished Senator from New York.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, it is the intention of the leadership, if at all possible, to call up at some point during the afternoon of July 9 Calendar Order No. 227, Senate Resolution 140, a resolution disapproving Reorganization Plan Numbered 2.

I have discussed this with the minority leader, and it has also been discussed with Senators BAYH, CHURCH, JAVITS, RIBICOFF, THURMOND, PERCY, and others, and they have been notified that there is a good likelihood that that resolution will be called up in the afternoon of that day. During the first part of the day, of course, the Foreign Relations Committee will be conducting hearings on the SALT II agreement, and the principals in connection with Senate Resolution 140, or some of the principals, will be in that committee hearing.

Consequently, it will be during the afternoon of the day, at such time as is not inconvenient to those Members who need to be in both places.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I thank the majority leader. As I understand the arrangement, then, we will vote on the six treaties at 2 o'clock and consider Calendar Order No. 227 at some time after that, at the convenience of the Foreign Relations Committee members who will otherwise be engaged in the hearings on SALT.

May I inquire of the majority leader if it is his intention, then, to return to the consideration of Senate Joint Resolution 28 during the day on Monday, July 9?

Mr. ROBERT C. BYRD. It might very well be that the Senate will do that. By way of answering the minority leader's question, may I inquire as to whether or not there are any orders for recognition of Senators on that date?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, JULY 9

Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on Monday, July 9, there be a period for the transaction of routine morning business of not to exceed 20 minutes, and that Senators may speak therein up to 5 minutes each.

No resolutions would come over under the rule in any event; I am correct, am I not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, at the conclusion of routine morning business, the Senate will automatically resume the consideration of the unfinished business; will it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, still responding to the inquiry of the distinguished minority leader, on Monday, July 9, the Senate will convene at 12 noon. After the prayer, the two leaders will be recognized under the standing order, after which there will be a brief period for the transaction of routine morning business of not to exceed 20 minutes, with Senators permitted to speak therein up to 5 minutes each, at the conclusion of which period the Senate will resume the consideration of Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

At 10 minutes before 2 o'clock p.m., the Senate will go into executive session and there will be 10 minutes of debate, to be equally divided between and controlled by Mr. JAVITS and Mr. CHURCH, with relation to the six items shown on the Treaty Calendar, Calendar Orders Nos. 1 through 6. They are as follows: the Estate And Gift Tax Treaty with the French Republic, the Protocol to the Income Tax Convention with the French Republic, the Third Protocol to the 1975 Tax Convention with the United Kingdom of Great Britain and Northern Ireland, as amended, the Estate and Gift Tax Treaty with the United Kingdom of Great Britain and Northern Ireland, the Tax Convention with the Republic of Korea, and the Tax Convention with the Hungarian People's Republic.

At the conclusion of 10 minutes of discussion, the Senate will, at 2 o'clock p.m., proceed to vote by rollcall. The yeas and nays have not been requested. I ask unanimous consent that it be in order at any time to order the yeas and nays, and that the yeas and nays may be ordered by one show of seconds on all six treaties, to be included in one vote. I make this request as in executive session.

The PRESIDING OFFICER. That order has already been entered.

Mr. ROBERT C. BYRD. I thought so.

The PRESIDING OFFICER. But the yeas and nays have not yet been ordered.

Mr. ROBERT C. BYRD. I see. The yeas and nays will occur by one rollcall vote; all six treaties will be voted on en bloc under the order previously entered, and I would remind Senators that the one vote will show in the RECORD as being in connection with each of the six treaties. It will constitute, really, a showing of six roll-call votes.

Then, upon the disposition of that rollcall vote, which will be a 15-minute rollcall vote, or at about 2:15 p.m., the Senate will return to legislative session and will resume its consideration of Senate Joint Resolution 28.

At some point during the afternoon, it is hoped that the principals who are involved in connection with Calendar Order 227, the resolution disapproving Reorganization Plan Numbered 2, may be available so that that measure can be taken up.

I do not know how long that will require, but I hope that the Senate will complete action on it during that afternoon, and if it is a reasonably early hour, the Senate can resume consideration of Senate Joint Resolution 28.

So there will be rollcall votes during the afternoon of that Monday, at least six, and if we are able to take up the disapproving resolution, there will be a vote on that, making it seven. And there could be other rollcall votes.

The cloture vote on Senate Joint Resolution 28 will occur on Tuesday, July 10.

May I take this occasion to say again that June will have come and gone, and the Senate will reconvene on July 9.

I made a statement earlier in the session to the effect that on Mondays, through June, the Senate would not be in session ordinarily later than 6 or 6:30 p.m., barring an emergency. I made a statement recently that that would be continued with respect to Mondays only, as much as possible, as much as we can possibly adhere to it, so that Senators will at least know that on Monday evenings the Senate is going to be going out around 6 or 6:30. But I should also say that the Senate will be in on Fridays and, in my judgment, on Saturdays, throughout the month of July. The Senate has been in session only on two Fridays this year, Friday, January 19, and Friday, February 9. I made a commitment to my colleagues on both sides of the aisle that there would be no Friday sessions through June. I have kept my promise and Members have kept theirs. Committees have worked diligently, and I think the Senate has done very well. I wish to thank the distinguished minority leader and the minority and my colleagues on the majority for the cooperation that has been shown and the work that has been accomplished.

But come July there will be a spate of appropriations bills. The Appropriations Subcommittees have completed their hearings on the appropriations bills. They are ready for markup. The House will be sending them over rather rapidly. Some have already been received and referred in the Senate. So July will be a month in which several appropriations bills will be eligible for action by the Senate and will be taken up. There are a good many authorization measures on the calendar which remain to be acted upon. There are a few authorization bills which still have not been reported from committees.

July should be a very busy month. I would hope that Senators would anticipate rollcalls daily Monday through Saturday. I am talking about the Saturdays of July 14, 21, and 28. The Senate will begin its August recess at the close of business on August 3 and it will be out for a month.

So, we have our work laid out for us. In addition to the measures I have mentioned there will be the trade bill; hopefully, an excess profits tax bill will be available for July, and if not July then September; the energy legislation which Mr. JACKSON has sponsored with several Senators on both sides of the aisle joining in the cosponsorship will be coming along, hopefully in July; hospital cost containment, whatever health insurance legislation there is may be coming along in July, and what we cannot complete in July will spill over until September.

The second concurrent budget resolution will be before us in the month of September, and any remaining appropriations bills, authorization measures, or measures such as I have already mentioned, will be called up in September.

The Foreign Relations Committee will begin its hearings on the SALT II Treaty on July 9 and will have the 4 weeks of July and 1 or 2 weeks in September, if it needs them. The Armed Services Committee will begin its hearings on the treaty on July 23. It will have 2 weeks in July and will have 1 week at least in September, a few more days. I have asked the chairmen and the ranking members of those committees to have the reports available on the SALT Treaty for Senators by September 25, which, allowing for the 3-day rule, would permit the treaty then to be eligible for callup by October 1.

So what I am doing now is attempting, as well as I can at this point, to lay out for the Members kind of an overview of the work which is ahead of us, and I do this to indicate that we have a very full platter, that Senators should count on Friday sessions and Saturday sessions, especially in July. Come September, I should think that there would be no doubt about Friday sessions and possibly some Saturday sessions. Once we get on the treaty I would imagine we will have Saturday sessions there.

That is about it.

Mr. BAKER. Will the Senator yield, Mr. President?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I am grateful to the majority leader for his advice on the agenda for the Senate for much of the balance of this year. I believe we are about to adjourn for the Fourth of July period. It is my understanding that the distinguished majority leader is about to embark on an important trip, an official visit to the Soviet Union. This could not come at a more propitious time than it does, on the eve of hearings before the Foreign Relations Committee on this treaty.

I would like to take this opportunity to express my gratitude and appreciation to the majority leader for agreeing to make this commitment of his time—free time is a precious commodity in our lives—to make this commitment of his free time to travel to the Soviet Union to speak with officials of that country, to put him and indeed the entire Senate in a better position to discharge our duty and responsibility in connection with our constitutional role to advise and consent the ratification of this treaty.

May I wish him well on that trip. I hope it will be a pleasant undertaking. I am sure it will be a difficult and arduous task. I send with him my good wishes.

Mr. ROBERT C. BYRD. Mr. President, the distinguished minority leader is very gracious and kind to express his good wishes. I do not want to anticipate a great deal, and I do not want my colleagues to anticipate a great deal. I am simply going to do the best I can. I am grateful for the good wishes of the distinguished minority leader. He can rest assured, and I know he does, that I will do whatever I can do, realizing that there is only so much that one can do.

I am indeed grateful and I thank the Senator for his comments.

Mr. President, I want to wish to my distinguished friend (Mr. BAKER) a very pleasant and useful holiday. To TED STEVENS, the minority whip, ALAN CRANSTON, the majority whip, and to the other Members on both sides of the aisle, I hope for them the best as we break for one of the Nation's historic holidays.

I hope that, as we enjoy this holiday with our constituents, or wherever we may be, we shall ponder the significance of the holiday and what it means to millions of Americans who have preceded us and who will come after us as well as those who have lived as contemporaries.

I also wish the same for the officers of the Senate, the pages and the people who sit, day after day, at the bar of the Senate, the Official Reporters of Debates and all who help us, may I say to the minority leader, to do our work.

I especially wish Bill Hildebrand and Howard Greene a good holiday because, to me, they have been very cooperative, very helpful, and always most courteous and considerate.

I want to wish this especially to the Chief Counsel and Staff Director of the Democratic Policy Committee, Mary Jane Checchi, and to her assistant, Abby Reed, and to Joe Stewart, my assistant on the floor, who is also Secretary for the Majority.

RECESS TO MONDAY, JULY 9, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 153, that the Senate stand in recess until the hour of 12 noon on Monday, July 9, 1979.

The motion was agreed to; and, at 6:52 p.m., the Senate recessed until Monday, July 9, 1979, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 27, 1979.

U.S. ADVISORY COMMISSION ON INTERNATIONAL COMMUNICATION, CULTURAL AND EDUCATIONAL AFFAIRS

The following-named persons to be members of the U.S. Advisory Commission on International Communication, Cultural and Educational Affairs for the terms indicated:

For a term of 1 year:
Leonard L. Silverstein, of Maryland.
For a term of 2 years:
John Hope Franklin, of Illinois.
Neil C. Sherburne, of Minnesota.
For a term of 3 years:
Lewis Manilow, of Illinois.
Mae Sue Talley, of Arizona.
For the term expiring April 6, 1982:
Olin C. Robison, of Vermont.

Jean McKee, of New York, to be a member of the U.S. Advisory Commission on International Communication, Cultural and Educational Affairs for a term of 3 years.

NUCLEAR REGULATORY COMMISSION

Victor Gilinsky, of Maryland, to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1984.

DEPARTMENT OF AGRICULTURE

Daniel Marcus, of Maryland, to be General Counsel of the Department of Agriculture.

DEPARTMENT OF THE TREASURY

Walter J. McDonald, of the District of Columbia, to be an Assistant Secretary of the Treasury.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Richard I. Beattie, of the District of Columbia, to be General Counsel of the Department of Health, Education, and Welfare.

FEDERAL HOME LOAN BANK BOARD

Andrew A. DiPrete, of Rhode Island, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1979.

Andrew A. DiPrete, of Rhode Island, to be a member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1983.

FEDERAL LABOR RELATIONS AUTHORITY

Henry Bowen Frazier III, of Virginia, to be a member of the Federal Labor Relations Authority for a term of 1 year.

Ronald W. Haughton, of Michigan, to be a member of the Federal Labor Relations Authority for a term of 5 years.

DEPARTMENT OF AGRICULTURE

Thomas F. McBride, of the District of Columbia, to be Inspector General, Department of Agriculture.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Charles L. Dempsey, of Virginia, to be Inspector General, Department of Housing and Urban Development.

DEPARTMENT OF COMMERCE

Mary P. Bass, of New York, to be Inspector General, Department of Commerce.

SMALL BUSINESS ADMINISTRATION

Paul Robert Boucher, of Virginia, to be Inspector General, Small Business Administration.

DEPARTMENT OF COMMERCE

Luther H. Hodges, Jr., of North Carolina, to be Under Secretary of Commerce.

DEPARTMENT OF STATE

Robert P. Smith, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Liberia.

Frank V. Ortiz, Jr., of New Mexico, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guatemala.

James Keough Bishop, of New York, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

Anne Clark Martindell, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Western Samoa.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Allie C. Felder, Jr., of the District of Columbia, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1981.

MERIT SYSTEMS PROTECTION BOARD

Ruth T. Prokop, of the District of Columbia, to be a member of the Merit Systems Protection Board for the term of 7 years expiring March 1, 1986.

Ruth T. Prokop, of the District of Columbia, to be chairman of the Merit Systems Protection Board.

GENERAL SERVICES ADMINISTRATION

Rowland G. Freeman III, of California, to be Administrator of General Services.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

District of Columbia Court of Appeals

William Cornet Pryor, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals for the term of 15 years.

Superior Court of the District of Columbia

Shellie Fountain Bowers, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

Harriett Rosen Taylor, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

Truman Aldrich Morrison III, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

In the Army

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles Robert Myer, [redacted], U.S. Army.

The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. La Vern Erick Weber, [redacted], Army of the United States (major general, Reserve of the Army for service in the Army National Guard of the United States).

Chaplain (brigadier general) Kermit Douglas Johnson, [redacted], Army of the United States (colonel, U.S. Army), for appointment as Chief of Chaplains, U.S. Army, as major general in the Regular Army of the United States and as major general in the Army of the United States, under the provisions of title 10, United States Code, sections 3036 and 3442.

Chaplain (colonel) Patrick John Hessian, [redacted] Army of the United States (major, U.S. Army), for appointment as Deputy Chief of Chaplains, U.S. Army, and as brigadier general in the Army of the United States, under the provisions of title 10, United States Code, sections 3036, 3040, 3442, and 3447.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lieutenant General Edward Leon Rowny, [redacted] (Age 62), Army of the United States (major general, U.S. Army).

In the Navy

Vice Adm. James B. Stockdale, U.S. Navy, (age 55) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Vincent A. Lascara, Supply Corps, U.S. Navy, (age 59) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. William J. Cowhill, U.S. Navy.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. John D. Johnson, Jr., U.S. Navy.

Vice Adm. William L. Read, U.S. Navy, (age 52) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Ernest R. Seymour, U.S. Navy.

The following temporary rear admirals of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5780, 5781 and 5791:

LINE

Karl J. Christoph, Jr.
Thomas M. Hopkins
James H. Webber
James W. Lisanby
William G. Sizemore
Grover M. Yowell
Warren C. Hamm, Jr.
Edwin Barrineau
Robert W. Carius
Jack F. O'Hara
James A. Winnefeld
Crawford A. Easterling
Paul A. Lautermilch, Jr.
Thomas M. Ward, Jr.
Thomas R. Kinnebrew
Daniel G. McCormick, III
Henry J. Davis, Jr.
Frederick G. Fellowes, Jr.
Alexander M. Sinclair
Milton P. Alexich
Huntington Hardisty
Curtis B. Shellman, Jr.
Floyd H. Miller, Jr.
David S. Cruden
Albert J. Baciocco, Jr.
Clyde R. Bell
Arthur S. Moreau, Jr.
Bernard M. Kauderer
Charles O. Prindle
Frederick C. Johnson
Lowell F. Eggert
Conrad J. Rorie
Samuel W. Hubbard, Jr.

SUPPLY CORPS

William J. Ryan
Andrew A. Giordano
Joseph L. Flores

CHAPLAIN CORPS

Ross H. Trower

In the Army

Army nominations beginning Wilford J. Hoff, Jr., to be permanent professor at the U.S. Military Academy, and ending Catherine M. Oakley, to be major, which nominations were received by the Senate and appeared in the Congressional Record on June 12, 1979.

In the Navy

Navy nominations beginning Timothy P. Rooney, to be ensign, and ending Marion G. Peterson, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on June 12, 1979.

Department of State

Foreign Service nominations beginning John Eric Lundin, to be a Foreign Service Information officer of class 5, and ending Emi Lynn Yamauchi, to be a Foreign Service Information officer of class 7, which nominations were received by the Senate on June 1, 1979, and appeared in the Congressional Record of June 4, 1979.

Diplomatic and Foreign Service nominations beginning Joan Melanie Plaisted, to be a Foreign Service officer of class 4, a Consular Officer and Secretary in the Diplomatic Service of the United States of America, and ending Francis R. Daulong, to be a Consular Officer of the United States of America, which nominations were received by the Senate and appeared in the Congressional Record on June 21, 1979.

HOUSE OF REPRESENTATIVES—*Wednesday, June 27, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, in whom we live and move and have our being, grant us the sensitivity to listen and hear Your word. Lord, You know how the demands that cry for attention and the necessary details of life leave too few moments for reflection on Your majesty and creation.

Remind us, Lord, that our growth as Your people needs to be nourished by Your spirit of forgiveness and reconciliation and cause us to be open to Your voice that we will better know Your will and so reach out in love to the people we serve. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4289. An act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4289) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes," disagreed to by the House; request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Magnuson, Mr. Stennis, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Inouye, Mr. Hollings, Mr. Bayh, Mr. Eagleton, Mr. Chiles, Mr. Johnston, Mr. Leahy, Mr. Sasser, Mr. Young, Mr. Hatfield, Mr. Stevens, Mr. Mathias, Mr. Schweiker, Mr. Bellmon, Mr. Weicker, and Mr. McClure to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1317. An act to extend the existing antitrust exemption for oil companies that participate in the Agreement on an International Energy Program.

POLITICIANS AND BUREAUCRATS WHO CREATED ENERGY SHORTAGE MAY END UP IN COURT

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I saw a sad photograph last night in the paper: A farm foreman pondering the loss of a million heads of California lettuce, as they were plowed under.

When Americans suffer natural disasters, they are compensated—unconstitutionally and immorally—with money extracted from their fellow citizens who bear no blame. But there is no help for people made poorer by the Federal energy mess, which has prevented the marketing of this produce, and caused immeasurable harm in other ways.

Now that Members of Congress can be sued for libel, I would also like to see suits filed, by those who suffer property loss, against the politicians and bureaucrats who have created our energy shortage, for they are the ones responsible for this preventable and unnatural disaster.

Nixon, who imposed the price controls on energy never lifted; Ford, who signed unconstitutional energy allocation bills; Carter, who established the Department of Energy; the Congressmen, who made all of this possible by passing bad laws; the DOE bureaucrats, who issue the regulations—all should be sued and held personally and financially responsible for the damage.

Instead of heads of lettuce, we should be plowing under all the unconstitutional Federal restrictions on a voluntary market in energy transactions.

Going to court just might get the trucks rolling again.

ADMINISTRATION ATTEMPTS END RUN ON BUILDING TEMPERATURE PLAN

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, it has come to my attention that the administration and the Department of Energy are attempting an "end run" by implementing and enforcing mandatory building temperature restrictions in early July.

The intent of the majority of the Members of Congress in passing the "standby authority" provisions of Standby Conservation Plan No. 2 was that the President must first find that a "severe supply interruption" exists, or that the action is necessary to meet our obligations under the International Energy Agreement. Neither such condition now exists.

The Department of Energy and the administration, in taking such precipitous actions to implement the standby authority without showing clear basis for such action is certainly in violation of the intent of Congress, and appears to be in direct violation of the terms of the legislation under the "severe supply interruption" or IEA commitment sections.

While I strongly believe that we are currently facing a serious energy crisis in this country, imposing such a mandatory program at this time, and doing so with clear disregard of congressional intent, will certainly incur the wrath of all Americans, work against the purposes of the program, and will, I believe, be a waste of the Department's energy.

ADJOURNMENT OF HOUSE FROM FRIDAY, JUNE 29, 1979, TO MONDAY, JULY 9, 1979; AND RECESS OF SENATE FROM WEDNESDAY, JUNE 27, 1979, TO MONDAY, JULY 9, 1979

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 153) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 153

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, June 29, 1979, it stand adjourned until 12 o'clock meridian on Monday, July 9, 1979, and that when the Senate recesses on Wednesday, June 27, 1979, it stand in recess until 12 o'clock meridian on Monday, July 9, 1979.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 4289, SUPPLEMENTAL APPROPRIATIONS, 1979

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4289) making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. Whitten, Boland, Natcher, Steed, Slack, Smith of Iowa, Addabbo, Long of Maryland, Yates, Bevill, Duncan of Oregon, Charles Wilson of Texas, Benjamin, Conte, Michel, McDade, Andrews of North Dakota, Edwards of Alabama, and McEwen.

RESIGNATION AS MEMBER OF COMMITTEE ON HOUSE ADMINISTRATION AND AS RANKING MINORITY MEMBER OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The SPEAKER laid before the House the following resignation as a member of the Committee on House Administration and as the ranking minority member of the Committee on Interstate and Foreign Commerce:

Washington, D.C.,
June 20, 1979.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives, Washington, D.C.

Dear Mr. Speaker: Having been elected Chairman of the Republican Conference, and pursuant to the rules of said Conference, I hereby resign, effective this date, as a Member of the Committee on House Administration and further as the Ranking Minority Member of the Committee on Interstate and Foreign Commerce, on which Committee I will continue to serve.

Sincerely,

Samuel L. Devine,
Representative to U.S. Congress.

The SPEAKER. Without objection, the resignations are accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON SCIENCE AND TECHNOLOGY

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 340) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 340

Resolved, That Bill Royer, of California, be and he is hereby elected a member of the Committee on Science and Technology.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS MEMBER OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 341) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 341

Resolved, That Tom Loeffler, of Texas, be and he is hereby elected a member of the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS MEMBER OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 342) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 342

Resolved, That SAMUEL L. DEVINE, of Ohio, be and is hereby elected a Member of the Committee on Interstate and Foreign Commerce, and to rank after JAMES T. BROYHILL, of North Carolina, thereon.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1010

HUD/INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. BOLAND).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SEBELIUS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 3, answered "present" 2, not voting 45, as follows:

[Roll No. 285]

YEAS—384

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dicks
Diggs
Dingell
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Pickle
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—3

Dickinson
Lloyd
McDonald

ANSWERED "PRESENT"—2

Moorhead, Calif.
Sharp

NOT VOTING—45

Anderson, Ill.
Boggs
Bolling
Byron
Campbell
Chisholm
Conyers
Crane, Philip
Davis, S.C.
Dellums
Dixon
Dodd
Downey
Duncan, Oreg.
Eckhardt
Flood
Forsythe
Giaimo
Goodling
Gray
Holtzman
Hutto
Jenrette
Leach, La.
McCloskey
McHugh
Marriott
Mathis
Mikva
Mitchell, Md.
Moffett
Murphy, N.Y.
Nichols
O'Brien
Obey
Patterson
Peyser
Preyer
Rodino
Rose
Santini
Snellman
Stack
Stockman
Thompson

☐ 1030

Mr. EMERY changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the futher consideration of the bill, H.R. 4394, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Friday, June 22, 1979, the remainder of the bill beginning on line 10, page 15, had been considered as having been read and open to amendment at any point, and all time for debate on the bill and all amendments thereto had expired.

Are there any further amendments?

AMENDMENT OFFERED BY MR. NELSON

Mr. NELSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSON: On page 24, line 23, strike "$6,854,924,000", and insert in lieu thereof "$6,169,924,000".

The CHAIRMAN. Did the gentleman from Florida (Mr. NELSON) have this amendment printed in the RECORD?

Mr. NELSON. I did, Mr. Chairman.

The CHAIRMAN. Then the gentleman qualifies. The Chair recognizes the gentleman from Florida (Mr. NELSON).

Mr. NELSON. Mr. Chairman, where we left off on Friday was this amendment. On a voice vote it was defeated, and several Members came to me and asked me to change it by 1 million and offer it again so that when the Members were here, they would have an opportunity to participate and vote in cutting the Federal revenue sharing to the States. This is a cut of $685 million.

All amendments to this HUD bill have been to add money. This is the first amendment to cut money. I refer the Members back to when we handled the budget resolution. The will of this House was expressed four times with four direct amendments trying to put back in the $2.3 billion that we had cut out of Federal revenue sharing to the States. Four times we beat back those attempts.

Today's amendment is only cutting out $685 million, not the $2.3 billion. Why? Because the budget conference committee, the conference report that we adopted, set as the target for Federal revenue sharing to the States at approximately $1.6 billion, but this appropriations bill has the entire amount of $2.3 billion in it. So we are trying to cut it back to what was established as a target in the budget resolution.

I want the Members to understand that it is our legislative intent that this does not affect the Federal revenue sharing to local governments, and if this amendment is successful as an amendment to an appropriations bill, even though it cannot change substantive law, the passage of this amendment will be a clear signal to the Committee on Government Operations to tell them of our intent to reduce this program. We would like all of the Members to join with us and to remember the will of this House.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. NELSON. Let me just briefly yield to my friend, the gentleman from California, and then I will summarize the argument.

Mr. PANETTA. I thank the gentleman for yielding.

I want to commend the gentleman for his amendment. The point is that contained in the budget resolution that was passed by Congress was $4.2 billion in legislative savings. An important part of those legislative savings is the reduction in revenue sharing in the amount of $684 million. It is very important that we stick to those savings if we are to hold to the deficit target of $23 billion.

What we do here today is we convey a message. We convey a message that one, we are going to look at legislative savings in this budget. It is important that we do so. Second, that we are going to stand by the budget resolution and the targets contained therein. And, third—and most importantly—that we are going to take a hard look at all of the programs to insure that they are effective and that they are responsive. This is one area where we think the Congress can take a hard look and eliminate abuse. This is one area where we can make legitimate reductions to keep a $23 billion deficit figure. The House should pass this kind of amendment.

Mr. NELSON. Let me summarize these arguments quickly. There are 88 million taxpayers and this amendment would cut Federal spending $7.75 for each taxpayer.

It does not make fiscal sense for the Federal Government to go out and borrow money, increase our Federal deficit, in order to send this money to the 50 States, 45 of which are fortunately enjoying surpluses. We need to recognize that the National Governors Association has a very conservative estimate that their 50 States will have over $4 billion surplus. I say the National Governors Association estimate is very conservative of their surplus because in my own State of Florida, as an example, the Governors Association estimated that Florida would have a $29 million surplus, when in fact, Florida has almost a half billion dollars recurring revenue surplus and another half billion dollars nonrecurring revenue surplus.

So we have an opportunity here for a spending cut. Clearly, that is what our people want. We have an opportunity to go to the target set by the budget resolution which this House adopted. We have an opportunity to uphold the will of the House which four times expressed its will when the budget resolution was on the floor.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

I think the gentleman has made an excellent statement. I would like to just add that it also does not make any sense when so many States are in surplus and we are in deficit, and yet many of these States are passing resolutions demanding a constitutional convention to amend the Constitution to provide that the Federal Government must balance its budget. If we are going to balance the budget, Federal "revenue sharing" for the States is certainly a logical place to start.

I want to hastily add that the Ohio Legislature has acted responsibly and declined to pass such a resolution. Nevertheless, a constitutional convention for such a purpose presents such a grave risk to the form of government created by the Founding Fathers of our country that we must use appropriate means to discourage additional States from passing such resolutions. This amendment seems like one effective way to "send them a message."

The CHAIRMAN. The time of the gentleman from Florida (Mr. NELSON) has expired.

Mr. TRAXLER. I ask unanimous consent that the gentleman be given 2 additional minutes.

The CHAIRMAN. The Chair will state that under the rules, 5 minutes is all the gentleman is entitled to.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment. We have been over this ground a number of times now, so I will make my remarks brief.

☐ 1040

The committee, as the gentleman has indicated, has included $6,854,924,000, the full amount requested for general revenue sharing for fiscal year 1980. We made that recommendation clearly realizing that the first concurrent resolution on the budget does not include the full $2,283,000,000 intended for State governments in 1980. The budget resolution developed in conference earmarks $1,600,000,000 for the State governments' share.

The revenue-sharing program, as all of us know, will expire next year and will require reauthorization at that time. We should consider any program reductions or revisions of the formula during the reauthorization process rather than now.

The Members should be aware that the amendment of the gentleman from Florida would also affect the local governments' share. He does not target the $685 million reduction totally to the States' share.

As a matter of fact, the States' share of his reduction would be $228 million and $457 million would be reduced from local communities. That is what the gentleman wants to protect, the local communities. That was the desire of the budget resolution. But the gentleman's amendment will not have that effect.

I would hope the Members of this Committee would keep in mind that the first budget resolution is only a target. We are not bound by it.

The right way to attack this program is when the reauthorization comes up next year. That is the only fair way to do it. Local communities and States have assumed the amounts they will receive under general revenue sharing in their budgets. A number of the States have already adjourned their legislatures. They would have to reconvene their legislatures to address the amount lost.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Pennsylvania, the ranking minority member on the subcommittee.

Mr. COUGHLIN. Mr. Chairman, the distinguished gentleman from Massachusetts, the chairman of the subcommittee, is exactly right. This is not the place to change a formula program. It should be changed in the authorization.

States have already budgeted these moneys for their own purposes. This is one of the few programs where funds go back to the States and the local communities without the Federal Government meddling in the programs.

We send money back to the States and local communities, some $85 billion in various categorical programs. This is a good program and one we should not alter in this fashion at this date and at this time.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Michigan, a member of the subcommittee.

Mr. TRAXLER. I thank the distinguished chairman.

I concur in the remarks of my colleague from Pennsylvania.

Do I understand if I vote for this amendment I am cutting the revenue sharing across the board and including the moneys to local government in the form that this amendment is offered?

Mr. BOLAND. The gentleman is correct. A vote for this amendment impacts upon the local communities to the extent of $457 million. Only $228 million would be reduced from the State's share.

I have a list that depicts how much each State would lose under the amendment. It involves substantial amounts for the more populous States. Those amounts would have to be made up some way. The only way to make them up, of course, is to impose additional taxes on the local communities.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield further?

Mr. BOLAND. I continue to yield to the gentleman from Michigan.

Mr. TRAXLER. I want to make this point perfectly clear then. In the form in which this amendment is offered regardless of what has been said, it cuts into all revenue sharing moneys including the moneys to local government, not just to the States?

Mr. BOLAND. That is exactly correct, Mr. Chairman. Funds are distributed under general revenue sharing pursuant to the formula contained in the authorizing legislation. The gentleman's amendment would not change the formula and therefore would impact the local governments share of the funds.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Minnesota, a member of the subcommittee.

Mr. SABO. Thank you, Mr. Chairman.

I rise to express my agreement with the gentleman's position and also to ask a question. Is it not true that the bill we have before us in total is less than the budget resolution indicates for all the programs we are considering?

Mr. BOLAND. The bill we have before us today is $211,734,000 less than the comparable amounts in the budget resolution.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. HORTON and by unanimous consent Mr. BOLAND was allowed to proceed for 2 additional minutes.)

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. HORTON. I would like to agree with the gentleman's remark in opposition to this amendment. As a member of the Committee on Government Operations, which is the committee of original jurisdiction on the authorizing legislation, I can assure the House that when this authorization came up approximately 3 years ago that it was very important at that point to indicate to the States and to the localities with regard to the formula and the amount of money that would be distributed that there be some continuity and some stability as far as those governments were concerned.

That is why this was an unusual piece of legislation that provided not only for the authorization but also provided for the entitlement and that entitlement provided funds for the 3¾ years and for us to adopt this amendment now would literally be pulling the rug out from under the States and localities that have come to expect the money that is to be distributed according to the formula that was adopted about 3 years ago by the Senate and the House and it was passed into law.

As the gentleman has so well pointed out, in the next year we will have up for reauthorization the question of revenue sharing, again, and that is the point at which it should be taken up and not here on this appropriations bill.

Mr. BOLAND. I appreciate the gentleman's remarks.

Mr. NELSON. Mr. Chairman, if the gentleman will yield further, I think we both well know that in order for the law to be changed, this is a matter that the substantive law would have to go through in the Committee on Government Operations. They would have to change the substantive law and they well would know the intent of this body giving them a signal that the cut would only be in the Federal revenue sharing to the 50 States and not to the local governments.

The CHAIRMAN. The time of the gentleman has again expired.

PARLIAMENTARY INQUIRY

Mr. WIRTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WIRTH. At the time there was a request for time of the gentleman from Florida, the Chair reported that we were under the 5-minute rule. I wondered how that jibed with the grant of additional time for the gentleman from Massachusetts.

The CHAIRMAN. By unanimous consent the House can extend time.

Mr. WIRTH. Had not the request been made for unanimous consent that the gentleman be allowed 2 additional minutes?

The CHAIRMAN. The Chair did not share in the unanimous-consent request at that time.

Mr. WIRTH. I thank the Chairman.

I wanted to rise in support of the amendment offered by the gentleman from Florida.

The CHAIRMAN. The gentleman can do that only by unanimous consent.

Mr. WIRTH. I thank the Chairman.

● Mr. GOLDWATER. Mr. Chairman, I rise in opposition to the amendment.

One of the best investments this Government will ever make is to put our tax dollars into basic research and development to build a better engine. We need better automobile engines. We need better train engines. We need better bus engines. And, as this bill provides, we need new and better plane engines.

Supersonic flight is just one more step up from subsonic flight. The next realm of flight is hypersonic flights. Science research and development in all fields is the quest for understanding the unknown and the solving of problems. If we shut the door and put our head in the sand, we will never overcome the problems that stand in the way of aeronautical progress—and the potential to enhance the lives of all our citizens.

These research and development dollars are not intended to build an airplane. Like all R. & D., it is intended to identify barriers standing in the way of supersonic flight so that industry, in partnership with the Government, can overcome those barriers. We need to answer the questions that caused us to cancel the plane back in 1971. It is an effort to find out what we do not know today, and it is a good investment for tomorrow.

I therefore suggest, Mr. Chairman, that we vote down this amendment so that future generations can enjoy the benefits that past generations have helped develop.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. NELSON).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. NELSON. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The Chair will announce this is a regular quorum call followed by a 5-minute vote.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 286]

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak

Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1100

The CHAIRMAN. Three hundred and ninety-six Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Florida (Mr. NELSON) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will advise Members that under the previous order, 5 minutes will be allowed to record the vote.

The vote was taken by electronic device, and there were—ayes 102, noes 302, not voting 30, as follows:

[Roll No. 287]

AYES—102

Archer
Ashbrook
Aspin
Badham
Bafalis
Baldus
Bauman
Bennett
Brademas
Brinkley
Burgener
Byron
Carr
Cavanaugh
Chappell
Collins, Tex.
Corman
Crane, Daniel
Crane, Philip
Daniel, R. W.
Danielson
Dannemeyer
Davis, S.C.
de la Garza
Deckard
Devine
Edwards, Calif.
Edwards, Okla.
English
Evans, Ind.
Fascell
Fazio
Fenwick
Findley
Fuqua
Gephardt
Gibbons
Gramm
Hall, Tex.
Hance
Hansen
Harris
Holt
Hughes
Ireland
Jacobs
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Kelly
Kramer
Leath, Tex.
Lehman
Loeffler
Long, Md.
Lujan
Luken
McDonald
Matsui
Mattox
Mica
Mineta
Mollohan
Montgomery
Neal
Nelson
Obey
Panetta
Paul
Pease
Pickle
Roberts
Rousselot
Rudd
Runnels
Satterfield
Schroeder
Seiberling
Sharp
Simon
Skelton
Spence
Stack
Steed
Stenholm
Stump
Symms
Synar
Udall
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Weaver
White
Whitley
Whittaker
Wilson, Tex.
Wirth
Wyatt

NOES—302

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Atkinson
AuCoin
Bailey
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Carter
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daschle
Davis, Mich.
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Gore
Gradison
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harkin
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Lott
Lowry
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Mavroules
Mazzoli
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Ottinger
Pashayan
Patten
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schulze
Sensenbrenner
Shannon
Shelby
Shumway
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
St Germain
Staggers
Stangeland
Stanton
Stark
Stewart
Stokes
Stratton
Studds
Swift
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Ullman
Vander Jagt
Walgren
Walker
Wampler
Weiss
Whitehurst
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—30

Alexander
Anderson, Ill.
Blanchard
Bolling
Campbell
Conyers
Diggs
Duncan, Oreg.
Flood
Forsythe
Giaimo
Glickman
Goodling
Gray
Holtzman
Kostmayer
Marriott
Mathis
Mikva
Moffett
Murphy, N.Y.
O'Brien
Patterson
Roe
Sebelius
Spellman
Stockman
Thompson
Waxman
Wilson, Bob

☐ 1110

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Gray against.

Mr. WATKINS changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEISS: Page 18, lines 3 and 4, strike out "$3,799,500,000, to remain available until September 30, 1981." and insert in lieu thereof the following: "$3,784,800,000, to remain available until September 30, 1981: *Provided*, That, no part of any funds appropriated pursuant to this Act may be used for any research or development activity relating to civilian Advanced Supersonic Transports, or for any other study, analysis, or planning relating to technology for such transports.".

The CHAIRMAN. The Chair will inquire of the gentleman if the amendment has been printed in the RECORD.

Mr. WEISS. It has been, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. WEISS. Mr. Chairman, the distinguished chairman of the Appropriations Subcommittee did such a magnificent job in arguing and debating the last amendment that I would almost be pleased to defer to him to argue my side of this amendment as well.

The amendment that I offer seeks to delete, to cut $14.7 million from the NASA appropriation for the research and development activity for an advanced civilian supersonic transport. It is an item of which most Members of this House and, certainly, most people across the country, are not even aware.

In 1971, after the expenditure of about $1 billion, the House of Representatives and the Senate, in their wisdom, decided to terminate the program and spent over $170 million in termination costs. Unhappily, without anybody really being aware of it, every year since then NASA has had appropriated money to it by the Congress totaling, up to this point, somewhere around $85 million; with this appropriation, the total will come to $100 million. So that here is a chance to save money on an item that has already been voted by this Congress as not being worth continuing. But beyond that, the $14.7 million is only the tip of the iceberg, because the next phase, immediately after that, is "validation" and that validation program would cost according to NASA itself, $561 million. Then the second phase after that is called "technological readiness," and that has been estimated and projected by NASA to cost, if completed by 1986, $1.7 billion, and if not completed until 1991, to cost $1.9 billion. So that by cutting this $14.7-million appropriation at this time will end up saving the country some $2.5 billion on a needless, worthless, and already rejected project.

If in fact we are concerned about saving the taxpayers money, here is the opportunity to save not just small amounts of money, but to save very large amounts of money over the course of the forthcoming decade.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, in this day of great and proper concern for energy, we ought to be concerned also by the fact that the supersonic transport is the most fuel inefficient form of transportation yet devised. That reason alone should be enough to convince us not to go ahead with that type of aircraft.

Mr. WEISS. The gentleman is quite right.

Interestingly, the British and the French, who have supersonic transports in operation, are suffering a great economic loss in doing so.

Mr. TRAXLER. Mr. Chairman, will my distinguished colleague yield?

Mr. WEISS. I wil be happy to yield to the gentleman from Michigan.

Mr. TRAXLER. I thank my distinguished colleague for his courtesy, and I would call my colleague's attention to the justification that comes with the budget request for this particular research. As the gentleman knows, one of the basic responsibilities of NASA is to do aeronautical research. In the budget justification, this project is referred to as supersonic aircraft research, which is a broad generic term, and it is not limited to civilian supersonic aircraft or transport research. It is very broad; it covers military as well as civilian application.

□ 1120

Mr. WEISS. I am sure that the gentleman will agree that the report and the appropriation determines that this is money to be used not just for military but also for advanced civilian supersonic transport.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from California.

Mr DANIELSON. In response to those who feel we have to develop the technology for supersonic aircraft, I would like to point out, to alleviate their concern, that all of the military aircraft today, the fighter types, are capable of supersonic speeds. We are not ignorant of how to build and fly supersonic aircraft.

We did build a few supersonic bombers which flew, so we are not without the technology.

The question is simply, do we need to spend that much money and commit that much fuel to enable people to cross the Atlantic Ocean about 2 hours faster than in our other jets in order to be tied up in a traffic jam that takes them 6 hours to unravel?

Mr. WEISS. I appreciate the gentleman's comments. I think he is absolutely right. At a time when we are cutting back nickels and dimes from the most essential needs of the people of this country, to commit ourselves cavalierly to the expenditure of this kind of money is almost totally incomprehensive. For those of us who are concerned about balancing budgets, this is, I think, the kind of cutback, the kind of elimination of wasteful funding which would make sense not just to this House, but to the American people as well.

I yield back the balance of my time, Mr. Chairman.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if there is one thing the gentleman from New York possesses, it is constancy. He has exhibited it again in this particular amendment. This, I think, is probably the fourth, or at least the third if not the fourth, time the gentleman has offered an amendment which would cut aeronautical research by the amount which is targeted to supersonic cruise technology.

There is $14,700,000 carried in this particular bill for supersonic cruise technology out of a total amount of $3,799,500,000. That particular amount, Mr. Chairman, continues a relatively constant budget level of the past 3 years to maintain the Nation's technological capacity for future supersonic cruise aircraft. In no way, no shape, or no manner is this money related to the direct development of an American supersonic transport. This very low level of funding will maintain the Nation's technological ability.

I think that is what we ought to do. That is what NASA's predecessor, the National Advisory Committee on Aeronautics, was engaged in, and that is what we are telling NASA to do.

In no way are we getting into the validation or development stage. The gentleman from New York indicated the validation stage may cost $500 million. We have not got to that point yet. When we get to that point, I am sure that the Congress will get a look at it if there is a request made for funding for that particular program.

So, Mr. Chairman, we have been over this before. We have plowed this furrow four or five times. I ask for the defeat of the amendment.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I would be delighted to yield to the ranking minority member on the subcommittee, the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, before the author of this amendment was a Member of this body, the House faced up to the question of the supersonic transport. I voted against development of that transport and that was one of the best votes I ever made. I did it on a cost-efficiency basis. However, not to continue the research and development to keep our technology current, I think would be a very serious mistake.

Our aviation industry is a keystone industry in this country. The technology we have in this field is very important to our economics, to the future of that industry; and to discontinue the research and development in that area at this time would be a serious mistake.

I hope this House will soundly defeat the amendment.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the distinguished chairman of the Science and Technology Committee, the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I want to commend the gentleman from Massachusetts, the chairman of this subcommittee, for his overall work on this bill and particularly for his opposition to this amendment.

When the NASA authorization bill was before the House, this issue was before us this year as it has been in the past. This House overwhelmingly voted to continue the basic research in supersonic technology. We are not committing to build the supersonic transport.

I, like the gentleman from Pennsylvania, voted against that several years ago when that issue was on this floor, because it was not an economically viable airplane; but today to summarily cut and eliminate the technology base we have in this, I think, is very, very unsound.

I urge the defeat of the amendment of my good friend, the gentleman from New York.

Mr. BOLAND. Does the gentleman from Florida want to pursue another issue?

Mr. FUQUA. If the chairman will indulge me, in the report, there is some language relating to Veterans' Administration outpatient clinics in Florida. In northwest Florida, we have a very urgent need, and because it does not mention it specifically in the report, I wanted to make clear that it did not preclude the consideration of a Veterans' Administration outpatient clinic in northwest Florida.

Mr. BOLAND. The gentleman from Florida is exactly correct. The fact it is not mentioned in the report does not preclude the consideration of an outpatient clinic for northwest Florida. As the gentleman knows, that particular language was carried in last year's Senate report. We agreed with the Senate report.

Mr. FUQUA. I thank the gentleman.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to commend the gentleman for resisting this effort to reduce funds for supersonic aircraft research by NASA. It seems to me that we are at a real crossroads in our Nation's history with regard to world leadership. If we surrender world leadership in the areas of space and of supersonic aircraft and of space travel and space vehicles, it seems to me that this would be another indication that we are losing out in another great role of leadership that our Nation must and can play. Supersonic flight is a feasible and practical mode of transportation and of travel. It would be retrogressive for us to reduce funds further than the committee has done.

I am hopeful that the House will reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Weiss).

RECORDED VOTE

Mr. WEISS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 113, noes 292, not voting 29, as follows:

[Roll No. 288]

AYES—113

Addabbo
Albosta
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bennett
Biaggi
Bingham
Bonior
Brademas
Burton, John
Burton, Phillip
Cavanaugh
Chisholm
Clay
Coelho
Collins, Tex.
Conable
Danielson
Daschle
de la Garza
Deckard
Dellums
Derrick
Donnelly
Downey
Drinan
Early
Edwards, Calif.
Edwards, Okla.
English
Evans, Ind.
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Ford, Mich.
Garcia
Gephardt
Grassley
Green
Hall, Ohio
Harris
Hawkins
Heftel
Ichord
Jacobs
Jeffords
Jones, Okla.
Kastenmeier
Kildee
Kostmayer
Long, Md.
McCloskey
McDonald
McHugh
Maguire
Markey
Marlenee
Mattox
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Mottl
Murphy, Pa.
Nolan
Nowak
Obey
Ottinger
Paul
Pease
Pursell
Rahall
Rangel
Reuss
Richmond
Rinaldo
Rodino
Rosenthal
Roybal
Russo
Schroeder
Seiberling
Shannon
Simon
Skelton
Solarz
St Germain
Stark
Stokes
Studds
Synar
Tauke
Udall
Van Deerlin
Volkmer
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolpe
Young, Mo.
Zeferetti

NOES—292

Abdnor
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Boggs
Boland
Boner
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Carney
Carr
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fenwick
Findley
Fish
Flippo
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Heckler
Hefner
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McKay
McKinney
Madigan
Marks
Martin
Matsui
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Oakar
Oberstar
Panetta
Pashayan
Patten
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stratton
Stump
Swift
Symms
Taylor
Thomas
Traxler
Treen
Trible
Ullman
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—29

Alexander
Anderson, Ill.
Blanchard
Bolling
Bonker
Campbell
Conyers
Diggs
Flood
Foley
Forsythe
Giaimo
Goodling
Gray
Hinson
Holtzman
Livingston
Marriott
Mathis
Mikva
Moffett
Murphy, N.Y.
Patterson
Ritter
Roe
Runnels
Spellman
Stockman
Thompson

☐ 1140

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Flood against.
Mr. Moffet for, with Mr. Runnels against.
Mr. Gray for, with Mr. Mikva against.

Mr. TAUKE and Mr. de la GARZA changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KEMP

Mr. KEMP. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kemp: On page 38, after line 19, insert the following new section:

Sec. 409. None of the funds appropriated or otherwise made available in this Act may be used to implement regulations contained in the Federal Register volume 44, number 74, April 16, 1979, 24 CFR Part 200, entitled "Increases in Thermal Requirements for HUD Minimum Property Standards."

Mr. KEMP (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair will inquire whether the gentleman has had his amendment printed in the Record.

Mr. KEMP. It was, Mr. Chairman.

The CHAIRMAN. The gentleman qualifies.

☐ 1150

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I would like to yield to my friend, the gentleman from Florida (Mr. Kelly), who is on the Committee on Banking, Finance and Urban Affairs, and who had a leadership role in making sure that regulations were suspended as they relate to masonry.

Mr. KELLY. I thank the gentleman for yielding. I want to associate myself with the gentleman in his effort and commend him for his leadership in bringing this to the attention of the Congress at this time and in this fashion.

I want to say this, that HUD is coming forth with these regulations, but so is the Farmers Home Administration and so is the Department of Energy, and the people out there who are trying to make America go, trying to provide the production, are wondering how many governments they have.

The CHAIRMAN. The time of the gentleman from New York (Mr. Kemp) has expired.

Mr. KELLY. I ask unanimous consent that the gentleman have 5 additional minutes.

The CHAIRMAN. The Chair will state to the Members that that can be done by unanimous consent, although the committee has imposed a limitation on debate. But it can be done if there is no objection.

Is there objection to the request of the gentleman from Florida?

There was no objection.

The Chair recognizes the gentleman from New York (Mr. Kemp).

Mr. KEMP. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding. So the impetus for the Banking Committee action, at least in part, was to try and cause HUD to delay long enough to cause all of these agencies to form a consensus and speak to the home building industry with one voice on the question of thermal insulation. I think another thing that makes the gentleman's amendment extremely important is the fact that we are now in a situation where HUD is establishing a confrontation with this Congress. The committee voted according to the law to invalidate the regulation with regard to masonry. This HUD disregarded. The House then passed that same invalidation by a voice vote. This they have ignored.

I had a conference with one of the Under Secretaries yesterday, and he clearly said that what they intend to do is push this right straight to the wall, so I think the Congress might just as well understand that we are facing a constitutional confrontation with the administration on the ability of this Congress to invalidate regulations.

The gentleman has engaged in a war, and I commend him for it.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I appreciate the remarks of my friend, the gentleman from Floriday (Mr. KELLY).

And I am glad to yield to my friend from Connecticut and another leader in this effort to reestablish the integrity of congressional oversight.

Mr. McKINNEY. I thank the gentleman for yielding, and deeply appreciate his interest in this problem.

There is far too much I want to say, but I will be brief. It was my amendment that passed the committee by 22 to 6. The chairman of this Committee of the Whole House on the State of the Union is a firm believer in congressional vetoes. That is exactly what I did. The chairman of the Committee moved that we report the whole bill out to the House of Representatives. We voted overwhelmingly to do so, and the gavel came down. That to me under parliamentary law means that a bill was reported to this House of Representatives.

The Secretary, of whom I am very fond and whom I have supported, I might add, more times than many of her Democratic colleagues has taken an arbitrary, capricious, overwhelmingly powerful stand, I believe, on the authority and instructions of the White House, to kill off any idea that this House had the right to veto regulations. That is the only reason that could have possibly given her the right to think that the bill had not been reported to the House of Representatives. Her excuse was: Well, you have not printed it yet, and reported "out" does not mean "to", a lawyer's dream.

If I were a Democratic chairman, one of the leaders of this House, and I had moved to report a bill to the full House of Representatives, and a member of the executive department told me that that movement and that vote meant I had not done anything until it appeared on a piece of paper—and I might add it was reported by the reporter there at the meeting—I think that I would be somewhat annoyed, to put it mildly.

On top of that, as the gentleman from Florida (Mr. KELLY) said, the Secretary says that she was instructed by the House's energy bill. She was instructed to get together with the other players in this ball game all those other agencies mentioned by my friend from New York (Mr. KEMP) and come up with one consensus, and she in her own letter admits that this was never done.

Last, but not least, I would suggest to the gentleman from New York—as he probably knows, I have had some experience in building—that the regulations are illogical, irrational, and stupid.

Mr. KEMP. And a strong note of protest to follow. I appreciate the gentleman's comments and agree. As he points out, the regulations are: First, counterproductive; they are going to raise the cost of housing; and second, they are going to cost jobs and disrupt the insulation industry; but, just as important, as the gentleman from Florida pointed out, we have HUD, the Department of Energy, the Farmers Home Administration, plus the Bureau of Standards all involved in regulations, which are causing a disruption in the home building industry as a whole. It seems to me that the only way that we can in the Congress speak with one voice is to take this action to deny HUD the funds.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has expired.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York. Mr. Chairman, I use the words, "I rise in opposition to the amendment," because that is the only way in which I can get time to respond to the amendment offered by the gentleman from New York. I think he states a very persuasive case.

My opposition to the amendment really, though, is predicated on the fact that almost all subcommittees of the Committee on Appropriations are impacted with requests by Members to limit expenditures for particular programs. We often run into problems with the authorization committees as a result of that. Of course, we have the power to do it, and it is done on occasion.

In this particular bill this year there were three requests made to me as chairman of the subcommittee for limitations on particular programs. I indicated to the Members who asked that I was, indeed, sympathetic with their desires, but I did not think that I could impact this bill with other limitations on programs that are already in place. I indicated to them that I would assist in whatever other way I could to resolve the problems that have developed. I would do that in this instance, too, if it is possible to do so.

I think, as the gentleman from Connecticut (Mr. McKINNEY) has so well stated, this amendment should have been offered when the housing authorization bill was on the floor a few weeks ago but I can understand the reason why it was not offered.

As the gentleman from New York (Mr. KEMP) has so well stated, these regulations were printed in the Federal Register on April 16, and they were effective on May 16 of this year. The 60-day comment period on the interim regulations expired on June 15. The comments that were received during that period are presently being evaluated, and only after the comments are evaluated and the affected parties are given an opportunity to present their case will the Department implement the final regulations.

I would hope that the Department would pay some attention to the remarks that were made on the floor today by the gentleman from New York (Mr. KEMP) and the gentleman from Connecticut (Mr. McKINNEY). He forcefully states the problem with storm windows and thermal insulation. If the Department persists in forcing this issue, as was so graphically explained by the gentleman from Florida (Mr. KELLY), then I would think that the gentleman from New York (Mr. KEMP) would get some assistance in being sure that they are not pushed to the wall on it. I think that there is another time and another place where we can be helpful to him, and I pledge to the gentleman from New York that help and that assistance. I would hope that by communication with the Secretary herself, or with those responsible for implementing this regulation in the Department, we can resolve the very serious difficulty that impacts on the gentleman's district in New York and on other districts throughout the United States.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I first yield to my friend, the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. I thank the gentleman for yielding. I want to commend the gentleman from New York (Mr. KEMP) for bringing this to the attention of the House, with the support of the gentleman from Connecticut (Mr. McKINNEY) and the gentleman from Florida (Mr. KELLY), because I think this is a serious problem. When the Secretary of Housing and Urban Development ignores the very clear intent of this House, it is a serious matter. As the chairman has said, I think this can be resolved in ways other than a limitation amendment, although I have no objection to limitation amendments. With the dialog we have had here today and with the instructions that were very clear to the Secretary of HUD she certainly should reconsider her position on this matter.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I am pleased to yield to the distinguished gentleman from New York (Mr. KEMP).

Mr. KEMP. I appreciate the gentleman's yielding. I serve on the Appropriations Committee both with the gentleman from Massachusetts and chairman of this subcommittee (Mr. BOLAND) as well as my friend, the gentleman from Pennsylvania (Mr. COUGHLIN), and appreciate their assurances of assistance in this matter. They are men of integrity and honor and I am deeply grateful for their words.

I also want to thank the chairman for working with me and suggesting that Mrs. Harris at HUD delay these regulations so that we can work out the differences and problems that now exist.

In view of the chairman's remarks today, I will abide by his decision and will work with him to resolve the problems with HUD. I will not offer my amendment to restrict use of appropriations funds for this purpose but will join the chairman in seeking to have the Department delay implementation with respect to all industries in addition to masonry until the problems have been resolved and questions answered.

□ 1200

On the basis of the chairman's assurances and his willingness to work with me as well as the ranking minority member, the gentleman from Pennsylvania (Mr. Coughlin), I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Miller of Ohio: On Page 38, after line 16, insert the following section:
>
> Sec. 409. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, that of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

The CHAIRMAN. The Chair will inquire of the gentleman from Ohio whether this amendment was printed in the Record under the rule.

Mr. MILLER of Ohio. It was, Mr. Chairman.

Mr. Chairman, this is a 2-percent reduction. This particular amendment would allow a maximum reduction of 5 percent in any one line item and a 2-percent reduction overall. Again, and this has been explained many times, the priority list can be made in the conference and the high priority line items need not be touched. They need not be reduced at all. The low-priority items can be reduced up to 5 percent.

In the bill is $72 billion. $51 billion is nonmandatory, and that part would be reduced. A 2-percent reduction on the $51 billion is approximately $1 billion.

The chairman of the committee, the gentleman from Massachusetts (Mr. Boland) and the ranking minority member from Pennsylvania (Mr. Coughlin), have worked hard on the bill. I am aware of their work. We have been in the full committee. However, I would say to the gentleman from Massachusetts and to the gentleman from Pennsylvania that we are here to help them, to help them because they have a particular problem, as I see it, in the bill as it relates to section 8 housing. The report states:

> When the Section 8 low-income housing assistance program was first proposed, the Committee raised a number of questions concerning its ultimate cost and workability. Those concerns were well founded. The following points illustrate the magnitude of subsidized housing costs in the United States today:
>
> An appropriation of $5,529,000,000 is required in fiscal year 1980 to liquidate obligations previously made on various subsidized housing programs. If not a single housing unit is supported beyond 1980, the appropriation requirement will continue to climb—reaching $9,494,000,000 by fiscal year 1990.
>
> Without a single additional housing unit added beyond 1980, the Federal government is committed to pay out approximately $231,000,000,000 for subsidized housing assistance over the next 40 years.

We are trying to help you.

As a matter of fact, an article in the Washington Star, June 23, states, "HUD moves to curb section 8 costs."

There is no limitation on the profits that a developer can make from section 8 projects. So the costs are high. We want to help you solve that problem by giving a mandate by the House that the bill should be reduced $1 billion. I would expect section 8 to be one of the low-priority items. It is not necessarily a good housing program, as I see it, and understand it.

I want to make one other point on what is being paid out by our taxpayers for rent subsidy.

In 1979, this year, in New York City it is possible for a family to have a Federal housing subsidy of $1,188 a month.

In San Francisco for the year 1980 it is possible for a family to have a payment from the Federal Treasury of $1,164 a month to house them.

The CHAIRMAN. The time of the gentleman has expired.

(On the request of Mr. Lagomarsino and by unanimous consent Mr. Miller of Ohio was allowed to proceed for 3 additional minutes.)

Mr. MILLER of Ohio. I would like to show a few of the payments that are being made right now. As a matter of fact, you will be able to follow, because on page 65 of the reports I have minority views showing what is being paid now. Each one of those items that are listed is the maximum amount that can be paid as a rent subsidy, but you must remember the local director can add 20 percent.

In Boston, $712.

In Washington, D.C., locally, $577 per month, per family.

In Chicago, $618 per month, per family.

In Los Angeles, $811.

In San Francisco, $873.

That takes the subsidy for one family in San Francisco up to $1,164 a month when you add the 20 percent that is allowed under the regulation.

This occurs with us borrowing money, and paying interest on our national debt to the tune of approximately $150 million a day. I feel we can stand at least one small reduction in this bill, the $1 billion and I request we vote for the amendment.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment offered by my friend, the gentleman from Ohio (Mr. Miller). I appreciate the gentleman's persistence in this area. He has done this now for a number of years on a number of bills.

I might say to Members of the Committee seated here that we have been successful in turning back amendments offered in the past on this bill because, I believe, of the confidence that the Members of the House of Representatives have in this particular subcommittee with reference to the recommended expenditures.

We are under the budget request as of this moment by nearly $760,000,000. That amounts to about 1 and one-half percent of the budget request for payments not required by law. What the gentleman's amendment does, as he has stated, would be to reduce the bill by an additional 2 percent or approximately $1,000,000,000.

As I have said, we have been over this ground before.

The gentleman has made his argument on it. We oppose the reductions. We think the reductions that will impact upon certain areas within this bill would cause some problems—in the Veterans' Administration, in the Department of Housing and Urban Development, in NASA and in other areas.

□ 1210

Let me cite a few specifics. By taking a 2-percent reduction across the board, we are cutting the assisted housing program by $534,000,000 and 6,000 subsidized units. If we reduce it by 5 percent, we would be reducing subsidized housing units by about 15,000.

We would be cutting housing for the elderly by $16,000,000. This bill provides $800,000,000 for housing for the elderly and the handicapped. That amount of money will produce about 19,500 units. This amendment would reduce the total number of the units for housing for the elderly and handicapped by about 400.

We would be cutting medical care for veterans by about $114,000,000. It would not touch compensation and pensions or readjustment benefits because they are entitlement programs.

The Environmental Protection Agency would be reduced by about $93,000,000.

I think the point I want to make is that we have already made these decisions. I think the decisions have been wise. I think they have been reasonable. I think they have been logical.

I would hope that the amendment of the gentleman from Ohio would not prevail.

Mr. Chairman, I yield to the distinguished ranking minority member of the subcommittee, the gentleman from Pennsylvania (Mr. Coughlin).

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman.

I also hope this amendment will be defeated. The subcommittee worked very hard on this bill. We made significant cuts in many programs. We refused to fund some programs at all.

When we look at the nonmandatory programs, as the chairman is pointing out, what would we be cutting?

We would be cutting back on veterans medical care. That is nonmandatory. We would be cutting that.

We would be cutting back on waste water treatment grants. Those are nonmandatory. We would be cutting back on those.

We would be cutting back on housing programs for the elderly. Those are nonmandatory. We could cut back on those.

These are the kinds of things you would be cutting with an across-the-board amendment.

The subcommittee has worked hard. It has made cuts. We have a good bill.

I hope the amendment will be defeated.

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Michigan (Mr. Traxler), a member of the subcommittee.

Mr. TRAXLER. Mr. Chairman, I thank the gentleman for yielding.

I, too, am in agreement with my colleagues on this subcommittee.

Let me tell the Members some other areas that this amendment impacts on; NASA, $100 million, if you take the 2 percent there.

I do not know what is your high priority or low priorities in this bill. When we go into conference, the gentleman would have us believe that somehow or other we are going to take it from low priority areas. Every Member has a different definition of his or her priorities. I know where my high priority areas are. They are everywhere in this bill.

There is $100 million out of NASA that will impact on the Shuttle. There is no way you can fund that Shuttle with this 2-percent reduction.

National Science Foundation, $20 million out of basic research.

The trouble with America today in one respect is that we are not doing enough basic research, governmental or private industry. We cannot afford this kind of cut in high technology research that is so vital to the future of industrial America.

The VA medicare care program, the chairman has touched on that. Look, the veterans organizations of this country accept the figure in this bill as the bare minimum. You cut $114 million out of this program for medical care for our veterans, let me tell you, there are 30 million of them, you are going to hear about it. Do not try to disguise it and say, well, we did not want it out of there. They were supposed to take it out of somewhere else. Where is the somewhere else? Stand up and tell me. It is not out of 2 percent across the board. If he takes it from housing then he is harming the elderly housing programs. Most Members want more section 8 elderly housing in their districts, not less.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. Traxler) has expired.

(At the request of Mr. Boland, and by unanimous consent, Mr. Traxler was allowed to proceed for 4 additional minutes.)

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the distinguished gentleman from Ohio (Mr. Stanton), the ranking Republican member of the Committee on Banking, Finance and Urban Affairs.

Mr. STANTON. Mr. Chairman, I appreciate my friend, the gentleman from Massachusetts, for yielding.

I think it is important for the Members to know that when this authorization bill originally came up in housing, there was one large program that had a 70-percent increase. It was the UDAG program. The Appropriations Committee came along and on a point of order this 70-percent increase was knocked out. I do not know in all the years I have been here when the Appropriations Committee has come through with a HUD bill that is tighter and stronger than this legislation before us.

I would say to the Members that when this bill was before the authorization committee, they had votes on the other side to increase some of these housing programs and the rest of it; but under the leadership of the gentleman from Ohio (Mr. Ashley) and myself, I gave our word that if they would not increase it, then we would fight for a tight budget and we would keep the line across the board. To my knowledge, this has been done.

I would sincerely hope that if any bill across the board to limit this legislation at any time is given, it would be strongly defeated, because in this particular case it is certainly not warranted.

I appreciate the gentleman yielding.

Mr. BOLAND. Mr. Chairman, I appreciate the remarks of the gentleman from Ohio (Mr. Stanton).

I know the gentleman from Ohio (Mr. Miller) has targeted in on the section 8 program. It is an expensive program. But it really is the only viable subsidized housing program that we have available. The legislative committee authorizes these housing programs every year or so. We have the responsibility of providing for those housing units.

Taking into consideration the feeling of the gentleman from Ohio and many others with respect to the cost of the section 8 program, and again I say it is costly, we changed the mix for new construction and substantial rehabilitation from the 66 percent that the Department wanted for new construction and substantial rehabilitation to 60 percent. They also wanted 34 percent for existing housing. We changed the mix for existing housing to 40 percent. Why? In part because existing housing is much less expensive—in some cases about one-half the cost. So we recognize the high cost of this program, and this bill addresses that problem by providing an additional 13,000 units for the same dollars.

This bill includes for housing payments, for all the subsidized programs that we have—the section 8 program, the 236 rental assistance program, the 235 homeownership program, the rent supplement program, the college housing program, and the low-income public housing program—this bill includes $5,529,000,000 for the subsidies of these programs. As the gentleman has correctly pointed out, if we did not build another unit, in 1990 we would be paying out $9,494,000,000. It is expensive, but the section 8 housing program is the major one we have.

If the gentleman's amendment carries, he indicates that perhaps it has a lower priority and that 5 percent might be applied to the section 8 program. It does not have a lower priority. This is the program that provides housing for low- and moderate-income families and the elderly. As the gentleman has pointed out, this is a costly program. All housing is costly today. But again, it is the program that helps low-income families and it should not be cut further.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. Traxler) has again expired.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The Chair will advise that it is not in order to do so. All time for debate has expired.

(By unanimous consent, Mr. Myers of Indiana was allowed to proceed for 3 additional minutes.)

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleagues for the courtesy.

The gentleman from Michigan (Mr. Traxler) asked a proper question, that the areas to be cut should be identified so Members will know what they are voting for or against. I think this is a very fair question.

I have asked for this time in order that the author of this particular amendment might have that opportunity to address specifically what the gentleman has in mind to be cut by his amendment.

Mr. Chairman, I yield to the gentleman from Ohio (Mr. Miller) for that purpose.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman from Indiana for yielding.

The gentleman from Michigan did want some information as to where we can cut. We always hear that the veterans will be cut.

Now, if we in the Appropriations Committee would feel that that is a low priority item and cut it, I would be ashamed of the Appropriations Committee. It is a high priority.

☐ 1210

We would not need to cut the veterans. Invariably there is always something that comes up.

I would tell the gentleman this when he asks where it would be cut: "Give me 5 minutes with your constituents back home, and I will convey the message to them concerning section 8 housing and that they, the taxpayers, are paying up to $1,188 a month per family for subsidized housing. They will be so mad they will want to scalp every Member of Congress." And I do not blame them.

Mr. YATES. Mr. Chairman, will the gentleman yield on that point?

Mr. MILLER of Ohio. I cannot yield. I do not have the time.

Mr. YATES. I know, Mr. Chairman. I am asking the gentleman from Indiana (Mr. Myers) to yield.

Mr. MILLER of Ohio. Mr. Chairman, if I may continue, I want to convey the message that under the guidelines of HUD for section 8 housing almost 40 percent of the American people could have subsidized housing, and if we convey that message to our constituents, they would feel that we should reduce the bill by $1 billion.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman from Ohio (Mr. Miller) is a good friend of mine, and he and I have discussed these amendments many times. He persists in offering these overall cuts and takes the floor to say that the Committee on Appropriations knows where to cut, ignoring the fact that the Appropriations Committee has already reviewed the budget and made cuts.

Would it not be better if the gentleman from Ohio were to offer amendments to each of the programs which he thinks ought to be cut? The Committee on Appropriations has already made its recommendations?

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Chairman, I tried that many times. I have a sign in my office that says, "There are 1,000 other programs you can cut. Don't cut this one."

In the conference we have been able to stack up the high priority items and reduce the low priority items.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, the fact is that the Committee on Appropriations did make a cut, and that is where it should be done.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. Myers) has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. Miller).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Ohio (Mr. Miller) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

● Mr. ERTEL. Mr. Chairman, increasingly we are hearing that the technologies needed to solve some of the most pressing problems facing this Nation are not available. We are told that, of course, we want to reduce our dependence on foreign countries for many of the materials needed to run our society, but the technologies do not exist at this time to make alternatives economically feasible. Of course, I am told, we need to find ways to cut down on the deaths, suffering and costs of natural catastrophies such as earthquakes and floods. Of course, we need to increase productivity and innovation in our private sector. Of course we want to improve the quality of life for our elderly and physically handicapped through improvements in sensory systems. We can go on and on with this type of list, but the answer is always the same: We do not have the necessary technologies at this time at a commercially feasible cost. Well, I would like to remind my colleagues that it is in the Applied Science and Research Applications Division of the National Science Foundation that we are working to get these technologies on line. As such, I think that it is extremely unwise to cut funds for this program as the Appropriations Committee has done in this bill.

Mr. Chairman, all we need to do is to look at some of the recent headlines to be able to see that we are facing a serious crisis. I would like to read to my colleagues just three of these headlines to refresh their memories: "Productivity Lag Menaces U.S. Standard of Living," "In Technology Race Others Are Catching Up With U.S.," "Innovation: Has America Lost its Edge?" I believe that we must use the scientific knowledge that we have gained through billions of dollars in research moneys, dust it off, and put it to immediate use to help solve some of these problems. This is exactly the business that the Applied Science and Research Applications Division of NSF is in. We need to support and encourage this work, not cut back funds.

Mr. Chairman, I am very much aware of the need to pursue a more fiscally responsible policy in this Nation and I have been active in this direction. I do not know how many times I have come into this Chamber and voted to cut funds for Federal programs. We must move toward a balanced budget and I understand that this requires all of us to make difficult decisions. I would submit, however, that cutting funds from programs which result in enormous social and economic benefits by increasing productivity, by reducing deaths from natural disasters, by making life easier for our elderly and physically handicapped, and untold other benefits, is not fiscal responsibility. Instead, it is shortsighted and ill-advised. The Science and Technology Committee earlier considered the NSF budget request for fiscal year 1980, and the committee spent an enormous amount of time carefully probing the activities and needs of each of the foundations' divisions. I would remind my colleagues that this body passed that authorization legislation earlier this year and that the bill contained $11.5 million more for applied science than the Appropriations Committee's bill; $11.5 million more for programs which will meet problems we are facing today. This is a 16-percent reduction for this division from the authorization legislation. The Appropriations Committee's bill represents a reduction in real dollars of nearly 13 percent from fiscal year 1979. Mr. Chairman, this is simply the wrong way to move in this crucial area. We are not just robbing Peter to pay Paul, we are killing Peter.

Mr. Chairman, as I look over the committee report for the HUD-Independent Agencies Appropriations Act, I note that no mention is made as to where moneys are to be reduced to accommodate this cut. Am I to assume that the committee cannot identify any programs which it feels do not merit the level of support requested by the foundation, but instead blindly made cuts? Unless a very persuasive case can be made, with information that I was not exposed to during the Science and Technology Committee's deliberations, I have no choice but to register my emphatic opposition to this cutting of funds to the Applied Science and Research Applications Directorate of the National Science Foundation.●

● Mr. DASCHLE. Mr. Speaker, I rise to ask the support of the distinguished chairman, Mr. Boland, and the ranking minority member, Mr. Coughlin, in insuring that within the Veterans' Administration's general operation funds veterans' services programs are accorded sufficient funds to fully and effectively carry out their responsibilities.

The veterans' services program operates through a wide network of veterans' service field locations whose personnel assist veterans and their dependents and survivors with veterans' benefits matters. This includes extensive outreach and counseling activities to assure that information and assistance are provided for the educationally disadvantaged, the disabled, and the Vietnam-era veteran.

The VA's counseling responsibilities, authorized under section 1663 of title 38, have been considerably expanded due to legislative changes the Veterans' Affairs Committee has recently made. In 1 year, the number of veterans requesting counseling has doubled. Currently, the VA's educational and vocational counseling program is understaffed and underfunded.

These counseling resources are imperative to insure that veterans use their benefits wisely and effectively. The VA's 270 counseling psychologists and 200 fee-basis counseling centers assist veterans in identifying suitable educational or employment objectives by helping the veteran to learn more about his or her vocational interests and abilities, the opportunities for potential employment, and the availability of training programs.

An effective counseling program can save the taxpayers hundreds of millions of dollars by reducing GI bill overpayments; reducing the number of veterans dropping out of school, and reducing the number of veterans who are unemployed because they cannot make more meaningful career decisions.

These counseling services can complement the VA's new psychological readjustment program by providing educational and occupational assistance to the majority of Vietnam veterans who do not require mental health services from the Department of Medicine and Surgery.

I submit for the RECORD a prepared description of the VA's counseling program and a statement describing the critical need for fee-basis counseling for Vietnam veterans:

DESCRIPTION OF VA'S COUNSELING PROGRAM

Amendments to 38 U.S.C. 1663 which mandate the provision of comprehensive counseling services to all eligible veterans requesting counseling and require the VA to conduct an effective outreach program to acquaint eligible veterans with the availability and advantages of such counseling assistance

2. BACKGROUND

Comprehensive educational and vocational counseling assistance has been available to eligible veterans under the GI Bill since its inception during World War II. Original provisions allowed the Administrator, at his discretion, to provide educational and vocational counseling to eligible veterans upon the request of the veteran. Later regulations required counseling in cases of unsatisfactory progress and prior to approval of some changes of program. Although voluntary counseling has been provided for under all GI Bill programs, the proportion of veterans utilizing this service during the Vietnam era program has been significantly lower than that during the earlier programs. As there is some indication that many veterans are not aware of VA's counseling services and that many of those veterans would avail themselves of this assistance if they were fully aware of the benefit, the current amendments are intended to increase the emphasis placed upon voluntary counseling and to assure that the availability and advantages of this VA service are effectively communicated to eligible veterans. An additional aspect of the current amendments is to specifically define the purpose of such counseling assistance, as assisting the veteran in selecting "(1) an educational or training objective and an educational institution or training establishment appropriate for the attainment of such objective, or (2) an employment objective that would be likely to provide such veteran with satisfactory employment opportunities in light of such veteran's personal circumstances." The intent of this provision is to ensure a broadened scope of counseling services which will be available to, and meet the needs of eligible veterans whose present goal is employment as well as those who desire to enter a program of education or training. Accordingly, outreach efforts directed to all eligible veterans are planned.

4. COUNSELING PROCESS

The comprehensive vocational and educational counseling process discussed in M22-1, part I, chapter 2, is for continued application in all requests from veterans for counseling under chapter 34. The expanded reference to counseling contained in the amendments to 38 U.S.C. 1663 warrant some discussion of implications for the overall counseling process. Renewed emphasis should be placed on assisting the veteran in identifying suitable educational or employment objectives by helping the veteran to learn more about his or her own vocational interests and abilities, the opportunities for potential employment, and the availability of training programs. The opportunity should be provided for the veteran requesting counseling to go over his or her background, ambitions and other personal matters, in consideration of the following:

(1) His or her aptitudes, interests and abilities; (2) the duties and employment outlook for various occupations and professions; (3) the veteran's chances of successfully completing various kinds of education and training; (4) information on where and how to enter on-the-job training, secondary school, trade school, college, and/or professional school; (5) information on the availability of various Federal Government programs of financial and employment assistance; (6) information on licensing requirements, labor unions, State and local laws, physical requirements, and other factors that may influence the veteran's choice of a training or employment objective. Some veterans may be unsure of their objective or feel a need to review current training program or future plans, while others may be experiencing problems or personal difficulties which may interfere with training. The counseling assistance provided should be that help needed to assist the veteran in reaching suitable training and/or employment goals. If it becomes apparent to the counseling psychologist that the assistance needed is one of psychotherapy, or could be delivered with greater benefit to the veteran by referral to other counseling resources, appropriate referral should be made to the Department of Medicine and Surgery Readjustment Counseling program.

Most Vietnam veterans are not mentally ill and thus would not require mental health sevices or psychotherapy from the VA. Rather they have low grade motivational problems that can be resolved by competent counseling psychological programs outside of the VA facilities. The VA currently contracts with 200 counseling psychology programs who saw 80,000 veterans on a fee basis in FY 1979, an 80 percent increase over FY 1978. Effective utilization of this fee basis counseling authority will substantially improve the VA Readjustment Counseling Program. It will reduce stigma, start up time, provide access to community resources, and utilize existing resources and insure effective interaction of the veterans with employment and educational opportunities necessary for readjustment.

First and foremost, it is imperative that veterans and dependents psychological treatment be directed toward interaction with and readjustment to the community, the family and society, and not restricted to interaction with other Vietnam veterans within the constraints of VA facilities. I believe that using outside support and supplementation of VA counseling resources as the Administrator determines necessary and appropriate, will produce the most effective program for Vietnam era veterans.

The VA department of Medicine and Surgery, has had no previous experience in providing readjustment counseling for Vietnam era veterans, and it is currently ill-prepared and unequipped to provide the unique new readjustment services needed. The VA's DMS 8,000 psychological/social work staff has previously dealt almost entirely with the treatment of clinically diagnosable mental illness in a hospital context. The readjustment counseling program requires the VA to assist veterans and dependents who are not mentally ill but have "low-grade motivational or behavioral impairments evolving out of extremely traumatic, complex and controversial events which interfere with his normal interpersonal relationships, job or educational performances and overall ability to cope reasonably and effectively with his or her daily life problems." The VA will have to retrain its staff, hire 346 new employees, acquire community facilities and establish linkages before it can implement the program without outside support and assistance. For this reason, a contracting out provision to existing counseling programs with personnel who have already developed expertise will be most beneficial. These facilities are already active around the country using non-medical, innovative approaches. My amendment will provide funding to allow these facilities to be used.

Secondly, readjustment counseling responds to a significant need of Vietnam era veterans. Until this year the VA has refused to respond to the critical service-related needs of veterans. I don't believe that this priority can be assured restricting it entirely within the VA's already limited resourcs. Fee for service counseling is totally compatible with the firmly established national policy of maintaining an independent system of veterans health care facilities for the quality treatment of service-related disabilities, while utilizing existing public and private resources for educational, vocational, and occupational readjustment assistance programs. The readjustment counseling program must resolve emotional or personal adjustment problems impeding a veterans use of the GI Bill and the before-mentioned assistance programs. This objective can only be achieved if the Administrator has the funds to utilize resources outside of direct VA facilities that have already been dealing with these problems and have developed expertise in this area.

I am confident that the VA under Max Cleland's leadership will utilize this limited funding increase wisely to establish and implement an effective, quality program, responsive to the needs of Vietnam veterans when he finds it necessary to augment VA counseling resources.

Third, permitting outside supplementation, support, and professional involvement should greatly enhance the VA's ability to produce more expert and sensitive services within the program, through acquired experience nad sharing of information than would occur if the program were restricted solely to VA facilities and personnel. I might add that the VA has already recognized the need to involve outside resources in its outreach efforts, which would include collaboration with community agencies and organizations such as the national service organizations and self-help groups.

Fourth, I recognize and appreciate the concern that without this additional funding there will be places where veterans needing readjustment counseling will be in competition for available resources due to the fact that there are serious staff and fiscal shortages in some VA facilities. This was a concern expressed by VA health care professionals who testified before the House Veterans Affairs Committee on VA health care personnel and budget shortages. Allowing the Administrator the discretionary option of using resources outside of VA facilities to support and supplement the readjustment counseling program would insure that this limited duration of new initiative would not result in a dispersion of the VA's primary responsibility for providing services to the disabled or result in a dilution of the VA's efforts to mount a new program or sustain its existing programs.

I believe that the appropriation in the House bill is equitable, precedented and well-advised. The House appropriation, though discretionary and limited would grant the administrator sufficient funds that would strengthen and protect the programs and services accorded to all veterans.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

□ 1230

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. Miller of Ohio moves to recommit the bill, H.R. 4394, to the Committee on Appropriations with instructions that the bill be reported back forthwith with the following amendment: On page 38, after line 16, insert the following section:
>
> Sec. 409. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Pursuant to the provisions of clause 5, rule XV, the Chair announces he will reduce to a minimum of 5 minutes the period of time in which a vote by electronic device will be taken on the question of passage or adoption.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 170, nays 243, not voting 21, as follows:

[Roll No. 289]

YEAS—170

Abdnor
Andrews, N.C.
Applegate
Archer
Ashbrook
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bethune
Broomfield
Broyhill
Butler
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fisher
Fithian
Fountain
Frenzel
Gibbons
Gingrich
Glickman
Goldwater
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Hefner
Hillis
Hinson
Holt
Hopkins
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDonald
Marlenee
Martin
Mattox
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Neal
Nichols
O'Brien
Panetta
Pashayan
Paul
Petri
Pickle
Preyer
Quayle
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Snyder
Solomon
Spence
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Weaver
Whitehurst
Whitley
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Alaska

NAYS—243

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Gonzalez
Gore
Green
Guarini
Hall, Ohio
Hanley
Harris
Hawkins
Heckler
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hutto
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Pepper
Perkins
Peyser
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Satterfield
Scheuer
Seiberling
Shannon
Shelby
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Watkins
Waxman
Weiss
White
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—21

Anderson, Ill.
Bolling
Brown, Ohio
Campbell
Conyers
Flood
Forsythe
Giaimo
Goodling
Gray
McCloskey
Marriott
Mathis
Mikva
Moffett
Murphy, N.Y.
Patterson
Railsback
Spellman
Stockman
Thompson

□ 1240

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Railsback against.

Mr. Marriott for, with Mr. Thompson against.

Mr. McCloskey for, with Mr. Murphy of New York against.

Until further notice:

Mr. Conyers with Mr. Moffett.

Mr. Flood with Mr. Anderson of Illinois.

Mr. Mikva with Mr. Campbell.

Mr. Mathis with Mr. Forsythe.

Mr. Giaimo with Mr. Gray.

Mrs. Spellman with Mr. Goodling.

Messrs. VOLKMER, DUNCAN of Tennessee, BAFALIS, and ABDNOR changed their vote from "nay" to "yea."

Messrs. LONG of Maryland, HOLLENBECK, and Mrs. SMITH of Nebraska changed their vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it,

Mr. MILLER of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 359, nays 53, not voting 22, as follows:

[Roll No. 290]

YEAS—359

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—53

Archer
Ashbrook
Bauman
Beard, Tenn.
Broyhill
Burton, John
Carney
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Dannemeyer
Deckard
Derwinski
Devine
Edwards, Okla.
Evans, Ga.
Frenzel
Gingrich
Glickman
Hansen
Hillis
Holt
Hughes
Jacobs
Jeffries
Jenkins
Kelly
Kindness
Kramer
Latta
Lott
McDonald
Martin
Mattox
Miller, Ohio
Moorhead, Calif.
Mottl
Panetta
Paul
Quayle
Robinson
Roth
Rousselot
Rudd
Russo
Schulze
Shuster
Solomon
Stump
Symms
Volkmer
Walker

NOT VOTING—22

Anderson, Ill.
Bolling
Brown, Ohio
Campbell
Dornan
Flood
Forsythe
Giaimo
Goodling
Ireland
Kogovsek
McCloskey
Marriott
Mathis
Mikva
Moffett
Murphy, N.Y.
Patterson
Railsback
Spellman
Stockman
Thompson

□ 1250

The Clerk announced the following pairs:

On this vote:

Mr. Dornon for, with Mr. Mariott against.

Until further notice:

Mr. Thompson with Mr. Railsback.

Mr. Murphy of New York with Mr. McCloskey.

Mr. Patterson with Mr. Campbell.

Mrs. Spellman with Mr. Brown of Ohio.

Mr. Moffett with Mr. Anderson of Illinois.

Mr. Mathis with Mr. Forsythe.

Mr. Ireland with Mr. Mikva.

Mr. Flood with Mr. Goodling.

Mr. Giaimo with Mr. Kogovsek.

Mr. FOLEY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is their objection to the request of the gentleman from Massachusetts?

There was no objection.

□ 1300

LABOR/HEW APPROPRIATIONS, 1980

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 335 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 335

Resolved, That during the consideration of the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes, all points of order against section 209 of said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived, and said section shall not be subject to amendment except pro forma amendments for the purpose of debating said section, one motion to strike out said section, and one amendment in the following form: "strike out section 209 on page 45, lines 16 through 19 and insert in lieu thereof the following:

" 'Sec. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

" 'Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.' ", all points of order said amendment are hereby waived, said amendment shall not be subject to amendment but may be debated by the offering of pro forma amendments, and no other amendments to said bill, including an amendment in the nature of a substitute, in the House or in the Committee of the Whole, to restrict the use of funds for abortions or abortion-related services shall be in order during the consideration of H.R. 4389.

The SPEAKER. The gentleman from South Carolina (Mr. Derrick) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Maryland (Mr. Bauman), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 335 waives certain points of order against section 209 of H.R. 4389, making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for fiscal year 1980 when the bill is considered by the House. As H.R. 4389 is a general appropriations bill and is privileged under rule XXIV of the rules of the House, the bill does not require a rule providing for its consideration on the floor of the House. Usually, however, the Appropriations Committee requests a rule for general appropriations bills to waive points of order against the legislation. In this case, H.R. 4389 comes to the floor without a rule waiving points of order except as pertains to section 209 concerning the use of funds for abortions.

The Rules Committee has, in my opinion, proposed a rule which will allow the House to more fully consider this very important and difficult matter. The objective of the rule is to allow the Members of the House the opportunity to debate and vote on both the language in the bill and on the compromise language which was enacted into law last October without starting again this year the lengthy disputes we have had over the past few years. The rule provides for the following:

First: It waives all points of order against section 209 for failure to comply with the provision of clause 2 of rule 21 which prohibits the inclusion of provisions in an appropriations bill unless an authorization has been enacted into law and also prohibits legislation in an appropriations bill.

Second: It states further that section 209 shall not be subject to amendment except for pro forma amendments for the purpose of debating the section.

Third: Further it provides for one motion to strike section 209 which allows medicaid-funded abortions only where the life of the mother would be endangered if the fetus were carried to term.

Fourth: Further, it permits one amendment to be offered to substitute the compromise language adopted by Congress last October for the language in the bill. All points of order against the perfecting amendment are waived and the amendment shall not be subject to amendment but may be debated by the offering of pro forma amendments.

Fifth: Further, no other amendments to H.R. 4389 to restrict the use of funds for abortions or abortion-related services shall be in order in either the House or in the Committee of the Whole.

The rule gives the Members the choice to either accept or reject section 209 or to continue the present law and substitute last year's language for the language in the bill. The rule does not permit amendments to be offered which would expand the categories of permitted abortions under existing law.

Mr. Speaker, I support the rule and urge my colleagues to adopt House Resolution 335 so that we can consider the new language in the bill and the present language without repeating the months of debate that occurred last year and without putting this House through the agony of debating this highly emotional and very controversial matter.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from South Carolina has adequately described the terms of the rule. It is an unusual rule in the sense that it has only once before been adopted by the House, so it is not unprecedented. On June 7, 1978, the same rule was adopted at the suggestion of the majority leader, the gentleman from Texas (Mr. WRIGHT). As the gentleman from South Carolina correctly stated, this is an effort to save time and at the same time to be fair to all parties in the House, those who support Federal funding of abortions and those who oppose it, as I do.

As indicated, I think both sides will have a chance, those who oppose the funding for abortions already obviously have the language of the Conte amendment in the bill. If this is to be liberalized, the rule makes in order the language of the present law, which is much more liberal in many respects.

Third: There is permitted a motion to strike the language in the bill, which will allow the opponents to have a chance to vote on the issue of whether there will be any restrictions of Federal funding at all. The Rules Committee reported this out by voice vote, and since it is just before recess it is quite obvious that this is a good means of being fair to all parties and at the same time saving time.

Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I rise in opposition to the rule. I think it is most unwise on an issue as controversial as the abortion issue has been in this country and here in this body that the Labor/HEW appropriations bill should have a rule which effectively cuts off any chance for a full and deliberate debate. If the House is going to vote to restrict the availability of abortions for poor women, then the House has a responsibility to address all aspects of this complex issue.

If the rule is adopted, Members of the House will be unable to consider language which would allow federally funded abortions for women who are the victims of cancer. Such an amendment was to have been offered today. For these women, continuation of a pregnancy results in dangerous delays in providing appropriate treatment of the cancer. The pregnancy can speed up the progress of the disease, and it is always possible that the fetus itself can contract the cancer. It seems clear to me that a women confronted with such a situation should be able to consider the option of abortion, so that her cancer can be effectively treated. Yet the rule being proposed for H.R. 4389 will not enable us to consider the situation of such women.

There are a number of other amendments that my colleagues had hoped to offer to the abortion provisions contained in this bill. These amendments would have addressed the terrible situation of women whose fetuses are afflicted with Tay Sach's disease—a disease which is always fatal, usually by the age of 5, or of fetuses which are the victims of other birth defects which cause serious mental and physical deformities. There are other amendments which were to have been offered, all of which deal with situations where the woman or the fetus would suffer serious health problems if the fetus were carried to term.

The House should consider these amendments. The House should not be allowed to skirt the serious and troubling issues which these amendments raise. We need to have a full and open debate on the abortion provisions of this appropriations bill. It is too important an issue not to be completely addressed. I urge my colleagues to defeat the rule under consideration.

Mr. DERRICK. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, I rise in opposition to the rule. I find it interesting that once again we are placed under a limitation which prevents the full discussion of the actions of the House of Representatives in its involvement in the lives of poor women in this country. Last year when this subject was before the House of Representatives, we quickly moved to limit time for discussion on this issue to 20 minutes, at which time numerous Members of the House rose so that the time would be divided up so that nobody got more than a minute and a half, and then most of those people who rose to their feet did not take their time and, therefore, precluded all discussion.

Now we find a rule that is offered in the name of—with the Fourth of July recess coming and with some problems concerning time—and somehow provides for fairness. That is not my definition of fairness, because this rule really precludes the offering of a wide range of amendments that truly deal with the situations which poor women in this country will find themselves in, which are different from the situations which women who have the financial means to deal with them find themselves in.

The options are not the same, and those options involve the question of the health and welfare of themselves, the health and welfare of the fetus, and the health and welfare of their families. But that will not be allowed to be considered here because we will only get an up or down amendment on last year's langauge.

The Members must understand that last year the House of Representatives was very generous—very generous. Let me tell the Members how generous they were. They said that if you were the victim of rape—which, as far as I know, is an involuntary act—if you were the victim of incest—which, as far as I know, is an involuntary act—if you promptly reported that to the authorities, totally disregarding the fact that the overwhelming number of rapes are never reported and the overwhelming number of cases of incest are never reported, somehow if this class of people promptly reported that, they could get consideration for funding for abortion if that was the ultimate decision. This year the House has not seen fit to do that.

The committee is presenting this language that has no mention of rape, no mention of incest.

Maybe they do not want to discuss the fact that 8-year-old girls, 13-year-old girls, and 14-year-old girls are the victims of rape, the victims of incest, and become pregnant as a result. But we probably should not deal with that here because it is not a very pretty subject just as abortion is not a very pretty subject.

I sat the other night and watched a long program on public TV where people on various sides of the abortion issue were saying that this is a political issue, that this is going to be an issue in every campaign. Then why is it not an issue on the floor of the House of Representatives? Why is debate stymied? Why is the range of possibilities cut off? Because the House is going home on the Fourth of July, as the gentleman from Maryland (Mr. BAUMAN) says? I do not think that is a proper reason when we are dealing with the lives of literally hundreds of thousands of people who have got to make a very tough personal decision. But we have sat in judgment. We have made decisions that we will limit our decision-making capability. The Federal Government will take control and limit those possibilities.

I find this to be a massive invasion of the Federal Government in the lives of the citizens of this country, and I would hope that we would vote down the rule and bring back an opportunity perhaps for a more humane discussion, a more rational discussion, on what clearly is a very important topic in this country.

Mr. BAUMAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the gentlemen from California, both Mr. EDWARDS and Mr. MILLER, seem to be under some misapprehension about what the rules of the House allow. If this pending rule had not been offered and if it is not adopted by the House, there will not be a wide range of amendments capable of being offered because they would constitute legislation on an appropriation bill. Each such amendment would be subject to a point of order, just as the section 209 language in the bill itself would be subject to a point of order. Unfortunately, since it is an appropriation bill, both sides would be prevented from discussing in detail the many proposals that I am sure both sides might wish to offer.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding. I appreciate the efforts of the gentleman to save me from myself, and I know he is an expert in parliamentary procedure. Clearly another rule could have been fashioned. Clearly we are constantly raising points of order in this place but not in this case apparently because this is different.

I think also the gentleman fully understands that it is the prerogative of the Chair to determine whether or not various members of the committee are violating the Rules of the House regarding legislation, and I just do not think that that kind of foresight is necessarily 20/20. I think that these issues ought to be raised and if the Chair rules the people out of order, the Chair rules people out of order and the issue will have to be raised in some other manner.

But I think that clearly the rule dramatically constricts the range of arguments that are pertinent to the matter before us as a result of the rule. So I think that the rule clearly narrowed—clearly narrowed—the debate on this issue.

Mr. BAUMAN. The gentleman says a rule could have been reported from the Committee on Rules that could have waived all points of order and allowed all amendments to be offered. Such a rule was offered in the committee by the gentleman from California (Mr. BEILENSON) and it was rejected with only one vote in favor, at least so I heard on a voice vote. So the option was offered and rejected.

Second: The gentleman again is simply not correct. Anything that constitutes legislation on an appropriation bill would be rejected by the Chair should a point of order be made. So what this rule before us does is actually to expand the possibilities of debate. It offers the present language of the law as a possible amendment. It allows a vote directly on the stricter language in the bill which can be stricken out by a majority of the House if they are opposed to it. Without this rule, neither of these options would have been available. The only thing that could have been done was a point of order against the language in the bill, and then the offering of the most restrictive antiabortion amendment which would not have allowed any Federal funding and we would have had to vote only on that proposition. So, at least the rule is much fairer to the House than no rule at all.

Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Speaker, abortion is an emotional issue, a woman's issue, a humanitarian issue, and an American issue. The proposed rule on H.R. 4389, which I strongly oppose, will enable Members of Congress to escape reality and avoid considering the serious, often brutal consequences of their actions. It is an irresponsible position.

For that reason, I wish to offer an amendment which would allow the use of funds provided in this appropriation to perform abortions where the woman carrying the fetus suffers from cancer. This Congress must not be afraid to face the consequences of its acts. They must not shrink from confronting the facts about different diseases and ravages of these diseases upon women and families. This information should not be prevented from coming to the floor, or swept under the rug by restrictive and inclusive language.

Let us consider a few specific aspects of the issue to illustrate my point:

First: Cancer in a pregnant woman can cause the death of the mother and the death or severe abnormality of the fetus.

Second: Every woman afflicted with cancer, who cannot afford to meet her own medical expenses, should be free to decide whether or not to proceed with a pregnancy.

Third: This is a fundamental issue of human rights and individual freedom. Do we want Government riding roughshod over the private affairs and decisions of free citizens?

Fourth: Tragedies abound where, for lack of Federal funds, an unhealthy pregnant woman was forced to carry full term with horrible, heart-rending consequences. Let the individual, the citizen, the American woman make such a difficult and personal decision—not the Government.

Fifth: Above all, I want these issues brought before the House in factual terms.

There are several reasons why a woman should be allowed to choose an abortion if she is suffering from cancer. For example, if a pregnant woman has breast cancer, the pregnancy may significantly shorten her life expectancy through the production of high levels of estrogen. Even if the woman has been successfully treated for the condition in the past, and is now pregnant, there is significant risk that the high estrogen levels could reactivate some residual malignancy.

In the event of invasive cervical cancer, the lesions must be treated at the earliest possible time following diagnosis. There is no time for delay of treatment regardless of the status of her pregnancy. If the disease is advanced, radiation therapy should be undertaken. Early in pregnancy abortion is necessary, according to medical experts, followed by external therapy. Such therapy, if abortion is not available, will result in the death of the fetus and spontaneous abortion.

Mr. Speaker, let us not be afraid to confront the issue of abortion and the true impact of this restrictive legislation upon the lives of suffering women. Let us not be afraid to cope with the real issues. Vote against the rule.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I disagree with the gentleman as far as the effect of the rule because, in my opinion, the effect of the rule is to permit the gentleman and all Members of this body to vote on the language that is presently in the law in the HEW appropriations for this fiscal year. Without this rule, that language would undoubtedly, in my opinion, based on the 1977 ruling by the Chair, be ruled as legislation in appropriations. Therefore, it would not have been in order, and I am sure at least one Member would have raised a point of order against that language and any other language, whether it is for cancer or anything else. So, as the gentleman from Maryland has said, without this rule the only thing that is in order is an absolute limitation that no funds can be used for abortion, period.

☐ 1320

Therefore, this rule expands what you can do, it does not take away.

Mr. PRITCHARD. The Committee on Rules should have opened it up so we could have fully debated this and offered all of these amendments.

Mr. VOLKMER. The legislative committee, the subcommittee, should bring language out, should bring a bill out. We should hash it over at that time and write that, whatever it is, into the law. Then the appropriation bill would not be subject to all this machination and we would all know where we stand.

Mr. PRITCHARD. Mr. Speaker, I hope we will defeat this rule.

Mr. DERRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, of course, we really should not be legislating on this subject, we should treat abortion as any other medical procedure and give at least as much consideration to the right to life and liberty of the mother as we do to an unborn fetus.

Be that as it may, this rule concedes that certain matters can be opened up that would not otherwise be permitted on an appropriation bill and I see no reason why we should not thereby extend it to every other similar amendment.

It may well be that the language in one of the permitted amendments which would permit abortion where severe and long-lasting health damage to the mother would result if pregnancy were carried to term, will cover the circumstance under which I was going to offer an amendment which is where the mother is epileptic. There is a very ironic situation.

Pregnancy aggravates epilepsy and similar disorders. If a person is pregnant they have to take more powerful drugs which control it, but the drugs themselves create a much greater possibility of defects in the fetus such as various malformation syndromes like heart defect, harelip, cleft palates, and the like.

Therefore, an epileptic woman who has become pregnant has a real dilemma: whether to take the drug which aggravates the possibility of a defective offspring or not to take the drug, in which case she undermines her own health.

It seems to me this bill is a particularly cruel imposition on poor women, who cannot afford otherwise to pay for an abortion themselves.

This simply dramatizes the error of this whole effort to restrict Federal funds for what is a normal medical procedure. I suggest that the way to correct it is to have no such prohibition in the bill. But failing that, we should at least have the opportunity to amend the bill so as to provide for abortions to be financed wherever they are medically advisable.

Mr. DERRICK. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I rise in opposition to the rule. I feel this rule does abort free speech. I think we got into this bind by allowing legislation on appropriation bills through very crafty drafting. Many wish we had not started down this crafty drafting road. Crafty drafting was allowed here because Members realized if there was a total ban on abortion it would be very difficult to sell. Therefore, if they craftily drafted an exclusion that would include rape, incest, and life of the mother, this would pass.

Mr. Speaker, I am very disappointed that this body will not talk openly about abortion. I think we all want to have a good housekeeping image of family life in America and I wish more than anyone that the good housekeeping image were the real image of life for everyone in America but it is not.

I went through case histories of many of the abortions that were covered by medicaid funding in my district and they were devastating. Eleven-year-olds, twelve-year-olds, all sorts of incredible circumstances and so forth. They were not from the good housekeeping image of the family we have.

I really feel this is a body that could use a little education and discussion of this issue, because most Members of this body do not feel very threatened by this issue. One can be much more cavalier about issues that do not impact upon them personally and say, "Let us not go through the agony of discussing this issue and dealing with it out in the open."

I think we owe an open discussion to the American public. I object to any rule that puts these kinds of very limited choices on us and I hope people will vote against the rule. We should deal with abortion strictly from an appropriations bill standpoint with absolutely no legislation at all about it at all. But to say the committee can legislate on the appropriation bill but the Congress as a whole cannot, is wrong.

Mr. Speaker, I yield back the balance of my time.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding. There seems to be a lot of shadow boxing going on around the Chamber. I think everybody knows the Committee on Rules is an instrument of the leadership and whenever the rules are used in such a way that they limit those of us on this side there are never any complaints over there. I can give you a long list where we have been proscribed from offering amendments we would like. I will say one thing, I have taken a consistent position over the years, I think rules should be opened up and I do not vote for closed rules.

And there is also a general misconception around here, you know, because a lot of Members think it is a bad place to legislate. We do not legislate on the floor, it has got to be done in the committee, it has got to be done somewhere else. We have all heard that argument.

I also might point out that many of us would like to see some constitutional amendments come out of the Committee on the Judiciary. The same rules bottle up those constitutional amendments. Nobody seems to care about that. We never heard a complaint on that. The same rules that are used to bottle up the amendments we would like to offer to the Constitution are all right but when the same rules are used on the floor and it cuts the other way, we hear complaints from my liberal friends.

I am at least going to try to be consistent. I do not vote for closed rules. I consistently vote for open rules but there are a lot of crocodile tears being shed around here, largely by those who use the rules to bottle up other legislation. Nobody minded the crafty drafting when a few years ago the Internal Security Committee was cut out by a sleight-of-hand rule. Whenever you want to use the rules to cut your way it is all right. But remember, the rules are a two-edged sword. We will help you out today, but help us out sometimes when we want to offer a few amendments, also.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MCCLOSKEY).

Mr. McCLOSKEY. Mr. Speaker, I rise to address a question to the gentleman from Maryland (Mr. BAUMAN).

Last year, as I recall, we had over 35 votes on the question of abortion and on the limits of abortion. Many of us I think are in sympathy with what the position of the leadership may be, that we would like to speed the legislative process.

Is it not true on this bill, however, that this is the only chance we will have this year to debate the abortion issue?

Mr. BAUMAN. That may be correct, but I think the gentleman is mistaken slightly. In the 1977–78 period we had 23 votes in both Houses on the issue and we never did enact an HEW appropriation bill. We had a continuing resolution, because of the inability of the two Houses to resolve their differences.

Mr. McCLOSKEY. I am in sympathy with expediting the legislative process but I would like to ask the gentleman, what provision can we make to debate the kind of amendments that six of my colleagues and I were prepared to offer today that in a specific case, such as muscular dystrophy where the effect on the mother of an enforced pregnancy is almost disastrous, what kind of opportunity would the Committee on Rules like to extend the House to debate this kind of an issue? What has the gentleman in mind?

Mr. BAUMAN. I cannot speak for the Committee on Rules but I can only tell the gentleman that nowhere in any Federal statutes do you find any authority for the Federal Government to perform or finance abortions. You find, in fact, limitations in what they can do concerning abortions and even information about abortions. So the only situation that I can suggest in which the House could legislate openly on this issue, as everyone professes they wish to do, would be to have the Appropriate Committee of the House report a legislative bill authorizing Federal funding of abortions or report a bill forbidding financing of abortions and allow that legislative vehicle to be subjected to amendments that could be offered.

□ 1330

Mr. McCLOSKEY. That is what happened in this case. Section 209, which is referred to in the rule, says that none of the funds provided for in this act shall be used to perform abortions except under certain circumstances.

Now, if this is the only opportunity we will have this year to amend that kind of restriction, should we not have an open rule on this subject to permit amendments?

Mr. BAUMAN. Well, I do not know how many times the gentleman from Maryland has to say it. The rules of the House are plain. If this rule were not before us, we would have no options to discuss anything except one amendment which would be totally restrictive and no abortions would be permitted under it. Frankly, I would prefer that. But that is the only kind of limitation on funding that is available to be offered to an appropriations bill, a strict limitation on the use of the money.

So this rule actually allows more chance, more choice, if I may use that phrase in this debate, than no rule at all.

Mr. McCLOSKEY. Well, I regret very much that we do not have freedom of choice under this particular rule to offer these amendments, because I think both the Nation and the House would benefit.

I would urge a vote against the previous question for that reason.

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I do not really believe I am hearing what I am hearing. The rules of the House do not permit legislating on an appropriation; so the litany of bills that we have heard discussed in the well here would not be in order. They would be subject to a point of order, so there would be no debate whatsoever.

Now, we are going to get a debate under this rule on a motion that permits an exception to the nonfunding of abortions for serious physical health conditions.

Now, is cancer one of those? Is epilepsy one of those? Is tuberculosis one of those? Certainly. That will be debated; so we will get our debate.

Now, if we really want to do the right thing, let us bring a bill from one of these committees that concerns abortion and let us have the amendatory process on the floor and let us do it once and for all; but you want it both ways. You want to keep all abortion legislation gathering cobwebs in committees and never get out on the floor. The only vehicle available is an appropriation bill.

Now, are these conditions serious physical health conditions or not? If they are not serious, we have no business bringing them to the floor and expecting them to pass. This rule is going to give full and complete debate on the only issues that are viable, again to coin a phrase, in this House. That is going to be no abortion limitation at all, which some may want, or second, the life of the mother exception only, or the present law with additional exceptions.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I would be delighted to yield to the gentleman from California.

Mr. McCLOSKEY. Are we not, as always, going to go into conference with the Senate, with the Senate taking a different position on the very substance of these amendments, which the Senate from time to time inserts into the language of the conference report and which has held up the bill in years past.

How are the conferees going to act if they have not been instructed by a vote of the House on these specific amendments? Would that not be helpful to the gentleman?

Mr. HYDE. Would what be helpful, a full debate on tuberculosis and cancer?

Mr. McCLOSKEY. In a conference with the Senate, would it not be helpful to the gentleman if we had specific votes on these specific amendments on this bill?

Mr. HYDE. You will have a specific vote on serious physical health conditions. You will not have a specific vote on a litany of medical conditions which may or may not be serious within the judgment of a doctor.

You will get more debate under this rule than if there were no rule.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I would be delighted to yield to the gentlewoman.

Mrs. SCHROEDER. Mr. Speaker, I think what some of us are concerned about is that it appears we are being told that the committee can legislate on an appropriation bill or the conferees can legislate on an appropriation bill, but Members who are not on the committee of conference only have two boxes to check when it comes to the appropriation bill. That is what I am upset about. We can have "a little" legislation on an appropriation bill. That is like saying one can be a little bit pregnant.

Mr. HYDE. Mr. Speaker, if I may respond to that, you see, the Senate operates under a different set of rules and when we get into a conference, our rules do not apply. That is why they legislate on conference reports.

Mrs. SCHROEDER. But we already have legislation in the bill that is being protected by the rule at the moment and a protected legislation amendment so we are protecting some legislative portions and not protecting other portions in the rule.

Mr. HYDE. If the gentlewoman will excuse me, if it is not protected by the rule, it will be subject to a motion to strike or an amendment to strike it. That is not protection.

Mrs. SCHROEDER. The rule waives that point of order against the amendment as legislation on an appropriation bill.

Mr. DERRICK. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. WEISS).

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I would be pleased to yield to my distinguished colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding. I want to associate myself with the remarks the gentleman is going to make.

First of all, let me say that I continue to be disturbed by the existence of restrictive language as it relates to federally funded abortions, in the Labor-HEW appropriations bill for the last few fiscal years. However, today, I would like to reiterate my opposition to the existing language and ask my colleagues to please consider the incorporation of several amendments which create provisions for specific instances in which Federal funding for abortions must be allowed.

At this time, I am particularly concerned that the Members of this body give careful consideration and a subsequent favorable vote to an amendment which would allow Federal funding for abortion where the mother has sickle cell anemia or where the fetus is determined to have this disorder.

Without elaborating on the serious social, emotional, life-threatening, and economic ramifications of this genetic disorder, let me just say that sickle cell anemia, in this country, occurs almost entirely among blacks. In fact, approximately 1 in 10 black Americans carry the gene that may cause the disorder in their offspring.

The treatment of sickle cell anemia patients remains a difficult clinical problem, since there is no known cure, and no truly effective management. Moreover, the life expectancy of a sickle cell anemia victim varies; some persons die in early childhood or adolescence, while others may live a normal lifespan.

I think that those of you present today are well aware of my disturbance about the insensitivity which currently prevails in the restrictive usage of Federal funds for abortions for economically disadvantaged women. I continue to be alarmed about this. However, I am hoping today that some special consideration can at least be given in those cases where abortion is, medically, a necessary procedure. The gentleman from Ohio (Mr. STOKES) is addressing such a case in his amendment and I urge my colleagues to give him your unwavering support.

In addition, Mr. Speaker, I rise in support of the amendment of the gentleman from California (Mr. DELLUMS) which would allow the usage of Federal funds for abortions in the cases of women with histories of tuberculosis.

As the Members of this body know, section 209 of the Labor-Health, Education, and Welfare Department's appropriations bill prohibits the use of Federal funds for purposes of abortion except in cases where the mother's life would be in danger. The amendment before us would allow tubercular mothers to escape more unnecessary hardship and sacrifice. It would permit a mother who has a history of tuberculosis to choose whether or not she will face the difficulties of giving birth to a child who may also suffer from this affliction.

Let me reiterate my support for this amendment, and encourage all the Members of this body to vote for its passage.

Mr. WEISS. Mr. Speaker, I rise in strong opposition to the rule recommended by the committee for H.R. 4389.

If we adopt this rule, in my opinion, we will effectively preclude any meaningful debate on the issue of medicaid funding for abortion. I am sure that my colleagues, regardless of their views on this question, want to engage in a full and open discussion of such a vital concern.

The rule also has the effect of once again consigning lower income women to a second-rate status. It would permit a few ironclad exceptions to the general prohibition against medicaid funding for abortion, but it will prevent even our consideration of extending these exceptions to include certain diseases that can result in severe disabilities and early death for a child.

I was, for example, planning to offer an amendment to the appropriation measure which would allow medicaid participants to receive therapeutic abortions if their fetuses are diagnosed as having Tay Sach's disease or other serious birth defects, specifically spina bifida or hydrocephalus.

A child born with Tay Sach's disease will almost certainly die between its third and fifth year. Spina bifida will result in lifelong paralysis and disfigurement, while hydrocephalus causes irreversible mental retardation and deformities.

Mr. Speaker, I had occasion some years ago when I was an assistant district attorney in New York County to deal with illegal abortion cases which were then being investigated by our office. I want to say to this body that abortion, to me, is the worst possible method of birth control. The fact is, however, that whether you allow it legally or not, under certain circumstances abortions will take place, even if they are illegal. The only difference is that when they are legal and when women are permitted to have them paid for regardless of income levels, they will have them under safe and sanitary conditions. If you force women to have them illegally because they cannot afford to pay for them in an established medical facility you force them to subject themselves to the back alleys, to the incompetents, to the butchers, to self-ministration. The fetus does not survive in either event, but you subject the mother, as well, to certain injury and frequently to death.

To those who are concerned about the right to life of the fetus I would plead a concern about the right to life of the mother. Under circumstances involving diseases such as the ones I have spoken about the abortions will take place in any event. They should not take place at a very grave risk to the life of the mother herself.

We ought to have the opportunity to discuss these issues fully. I hope we will be able to exchange our views on what is literally a life or death matter for poor women.

I strongly urge my colleagues to make such a discussion possible by voting against the rule.

Mr. DELLUMS. Mr. Speaker, will my distinguished colleague yield to me?

Mr. WEISS. I would be pleased to yield to the distinguished gentleman from California.

Mr. DELLUMS. Mr. Speaker, I thank my distinguished colleague for yielding to me. I rise to associate myself with the remarks of the gentleman.

It had been my intention had time been available to make essentially the same argument as the gentleman in the well has made and specifically focus in on the problems of tuberculosis.

Since I do not have that opportunity, when we debate this bill under the 5-minute rule, it would be my intention to further expand and expound upon the gentleman's comments, specifically with respect to tuberculosis as regards the issue of abortion.

Mr. Speaker, I thank my distinguished colleague.

Mr. DERRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Speaker, I rise to oppose the present rule.

The language in this bill is discriminatory, cruel, self-righteously judgmental, and very insensitive to poor women, their individual stations, and their families. If a woman is unwillingly pregnant, the situation is not corrected or improved by forcing her to bear a child. That child is not helped by that action, either.

How can there not be an exception for rape or incest? In testimony before our HEW subcommittee, we were told that one in four American women have been molested as children by family members or close family friends; one-third of runaway youth are victims of child sexual abuse; and 40 to 50 percent of drug-abusive women and 70 percent of young prostitutes were incestuously assaulted.

□ 1340

Under the language in this rule there would be no exceptions for women who suffer from mental illness; who are in and out of mental institutions for treatment. Should these women be compelled to continue pregnancies?

I do not understand how this Congress could deny funding for abortion where the woman or fetus has a serious genetic disease or deformity.

I had planned to offer two amendments which would allow Federal funding for abortions where the mother suffered from sickle cell anemia or diabetes, or where the fetus had been determined to have sickle cell anemia.

Let me just mention a few words about sickle cell anemia. This is a disease that affects primarily black Americans. About 50,000 persons have this disease and about 2 million persons carry the sickle cell trait.

The most outstanding symptom of sickle cell anemia is pain. This pain is generally most acute in the bones, large joints, the back, and in the abdomen. There is neither effective treatment nor cure for this disease.

That this Congress could deny a poor woman suffering from this disease the opportunity to have a medically necessary abortion is totally incomprehensible.

With respect to diabetes, this disease is a genetic disorder which causes serious complications for the diabetic woman who becomes pregnant. Close medical attention and medical management are required in order to insure a successful pregnancy.

There are a number of circumstances where abortion might be a medically desirable procedure for a diabetic woman who becomes pregnant. Poor women who most often face great difficulty obtaining comprehensive and continuing medical care face great hazards in pregnancy if they are diabetic. Yet these are the very women for whom this Congress would deny a necessary medical procedure.

Mr. Speaker, I urge the defeat of this rule.

Mr. DERRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, the bill we are about to consider would deny abortions to poor women whose fetuses are afflicted with debilitating diseases, or even the certainty of horrible birth defects. It would force women to carry to term fetuses which they knew to be terribly deformed.

In my own area, we are confronted with miscarriages almost certainly caused by herbicides sprayed on our national forests. These herbicides also cause deformities in the unborn. Women subject to deformed babies assumed to be caused by acts of our Government certainly should be entitled to have such a tragic situation aborted with Government aid. It would force these tragic births for the simple reason of denying medical help to women who cannot afford the price of a privately administered abortion.

Yet the Rules Committee would prevent us from making such an exemption. This is unconscionable.

I cannot vote for a rule which shows such light regard for the women which this bill would victimize.

Mr. DERRICK. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I understand the opposition being distressed with this rule.

I think what people are essentially saying is that this fight should not be here on this bill; it should be on the authorizing bill. If it is going to be on this bill and as long as we are going to discuss the problem, we ought to be able to discuss the entire problem, not just somebody's perception of what the best and easiest route out of the problem is for this year.

I myself, for instance, had an amendment which I wanted to offer on a condition called anencephaly, which I did not know very much about until a few months ago. It is a condition which is not covered, as I understand it, by the present law. It is a condition which does not relate to the health of the mother.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. OBEY. Not until I finish my statement.

Mr. Speaker, it is a condition in which the baby can be born with no skull and no brain, and it is very difficult to understand since that baby cannot function and cannot live, it is difficult to understand why under those circumstances a woman ought to be forced to continue to full term of a very traumatic pregnancy when that condition is known beforehand.

But I must say that I think the very litany of diseases mentioned today is the best argument I can think of for supporting this rule, because it is my fundamental belief that what the House has to do is to try to deal with this labor-HEW bill in a way which will give some decent amount of attention to all the problems which we find under all of the programs funded in this bill. There are over 120 programs funded in this bill.

In my judgment, if we adopt any language but the language in present law, we will go through the longest dog-and-pony show between the House and the Senate that we have ever seen. I think there is a real chance we will have no labor-HEW bill, and if that happens it will be funded out of a continuing resolution, which means that none of the limitations we have in the committee report which prescribe how agencies will function and none of those conditions will apply on a continuing resolution. At least the legal question is much broader in that case.

So I reluctantly support the rule because I understand that nobody is going to be satisfied with whatever we do here. With the listing of amendments which Members would like to offer, I think that all that has happened is that we have gotten some idea of just how complicated this situation really is medically and how complicated it is in human terms. It cannot be solved with a simple approach.

Therefore, Mr. Speaker, I would urge the House to do two things: To adopt the rule simply because this is an appropriation bill and we cannot get a perfect condition under which we can discuss the situation. I think we ought to adopt the rule, and then I think we ought to adopt the amendment which I will offer and which the rule makes in order, which is language identical to the Mahon-Wright amendment that was offered last year. I can find problems with that language; any intelligent human being on both sides of this issue can. But I think that is the best we can do to prevent a protracted argument on the issue.

So, Mr. Speaker, I urge the Members to support the rule and the amendment.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say in closing on this side that this is the exact rule that was considered on June 7, 1978, and passed unanimously by the House on a voice vote. It is simply, as the gentleman from Wisconsin (Mr. Obey), adequately describes, an effort to deal with this issue in a rational way that permits all arguments from each viewpoint to be presented. In the absence of the rule, that would not be permitted.

Mr. Speaker, I urge the Members to vote in favor of the rule.

Mr. DERRICK. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I believe this is a very fairly crafted rule, in that there is an opportunity for those who would prefer a stricter construction of the language provided in the rule to debate it. There is also an opportunity here for those who would prefer a little more liberal construction on the matter of abortion to debate the issue. I think, considering the fact that really one wonders whether an appropriation bill is an appropriate place to debate the issue to begin with, that this is a very fair and equal rule.

For this reason, Mr. Speaker, I urge support of the rule.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Illinois (Mr. Michel) and myself.

The SPEAKER pro tempore (Mr. Duncan of Oregon). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

□ 1350

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. Natcher).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Florida (Mr. Fuqua) as Chairman of the Committee of the Whole and requests the gentleman from California (Mr. Danielson) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4389, with Mr. Danielson, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Kentucky (Mr. Natcher) will be recognized for one hour, and the gentleman from Illinois (Mr. Michel) will be recognized for 1 hour.

The Chair recognizes the gentleman from Kentucky (Mr. Natcher).

Mr. NATCHER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at this time, we present the Departments of Labor and Health, Education, and Welfare and related agencies appropriation bill for fiscal year 1980.

This bill is $204,409,000 under the budget estimates for fiscal year 1980 and is $2,243,845,000 over the amounts appropriated in the 1979 fiscal year bill.

The sum of $73,567,466,000 is recommended for the Department of Labor and the Department of Health, Education, and Welfare and related agencies. In addition to this amount, we have the sum of $173,674,142,000 in trust fund money authorized for expenditure with the principal item being unemployment compensation, social security, and railroad retirement trust funds. The 1979 new budget authority for the trust funds is estimated to total $153,895,705,000. The estimate for the fiscal year of 1980 shows a net increase of $19,778,437,000. In the aggregate total budget authority for Labor-Health, Education, and Welfare programs considered in the bill that is now before the House would increase from $215,519,958,000 in 1979 to $237,186,955,000 in fiscal year 1980.

Mr. Chairman, as you know, this bill has been vetoed seven times since 1969 and there is no reason why it will be vetoed this year if we stay within the figures presented to the House of Representatives at this time. Operating under a continuing resolution is never satisfactory and if amendments are adopted making increases which are not necessary, we will be in a position of having to rework the bill if it is vetoed and this, of course, will not prove to be satisfactory to millions of people in this country who are concerned about the outcome of this particular appropriation bill.

I know that the Members of the House are very much concerned about a great many of the programs in this bill. In some instances, there were reductions in the budget requests for fiscal year 1980 and in others, the increases were not sufficient. In impact aid, for example, all of category B was deleted. For school libraries we added $12,400,000 over the budget in order to restore the program to the 1979 funding level. These are a few examples of some of the programs where the amounts were changed by the committee.

After many weeks of hearing the witnesses from the departments and agencies involved, along with several hundred outside witnesses, the bill was marked up and presented to the full Committee on Appropriations. Mr. Chairman, this is one of the most complicated appropriation bills that we have and we are fortunate to have an excellent staff that works with us on this bill. Hundreds of thousands of programs and items are involved and many hours are consumed before the bill can be presented to the House for its consideration.

We have made a number of major increases in this bill in programs which are of great concern to our people. A number of these programs are as follows:

	Amount in 1980 bill	Increases over budget
EMPLOYMENT		
Young Adult Conservation Corps	$233,713,000	+$67,244,000
Summer youth	608,567,000	+197,475,000
Older workers	258,550,000	+23,750,000
HEALTH		
Hypertension screening	17,261,000	+4,000,000
Maternal and child health research and training	31,843,000	+17,000,000
Family planning	165,000,000	+20,000,000

	Amount in 1980 bill	Increases over budget
Home health services	6, 000, 000	+5, 196, 000
VD control	34, 000, 000	+2, 000, 000
Occupational health training	13, 850, 000	+3, 000, 000
NIH (total)	(3, 381, 030, 000)	(+208, 600, 000)
Cancer	961, 158, 000	+24, 200, 000
Heart, lung and blood	527, 544, 000	+20, 200, 000
Dental	68, 318, 000	+2, 200, 000
Arthritis, metabolism and digestive diseases	341, 246, 000	+35, 500, 000
Neurological and communicative disorders and stroke	240, 622, 000	+28, 300, 000
Allergy and infectious diseases	215, 402, 000	+25, 200, 000
General medical sciences	312, 478, 000	+32, 100, 000
Child health	208, 981, 000	+4, 600, 000
Aging	68, 910, 000	+12, 400, 000
Eye	107, 528, 000	+3, 000, 000
Environmental health sciences	83, 912, 000	+4, 900, 000
Research resources	169, 199, 000	+15, 000, 000
National Library of Medicine	42, 431, 000	+1, 000, 000
Health professions (total)	(379, 776, 000)	(+129, 167, 000)
Capitation grants	88, 400, 000	+88, 400, 000
Student assistance	107, 000, 000	+27, 500, 000
Public health schools	5, 900, 000	+5, 900, 000
Area health education centers	21, 000, 000	+15, 175, 000
EDUCATION		
Impact aid	744 000, 000	+249, 000, 000
Handicapped	1, 045, 325, 000	+17, 500, 000
Vocational	779, 880, 000	+105, 427, 000
Adult	100, 000, 000	+9, 250, 000
Supplemental educational opportunity grants	370, 000, 000	+29, 900, 000
Direct student loans	300, 800, 000	+66, 000, 000
Special programs for the disadvantaged	147, 500, 000	+17, 500, 000
University community services	10, 000, 000	+10, 000, 000
Removal of architectural barriers	25, 000, 000	+25, 000, 000
Libraries	264, 475, 000	+30, 638, 000
Career education	20, 000, 000	+9, 865, 000
Gifted and talented	6, 280, 000	+2, 500, 000
OTHER PROGRAMS		
Headstart	735, 000, 000	+35, 000, 000
Rehabilitation services, research and training	924, 619, 000	+5, 500, 000
Community food and nutrition	18, 000, 000	+10, 000, 000
Summer youth recreation and transportation	10, 000, 000	+10, 000, 000
National youth sports	6, 000, 000	+6, 000, 000

One program, Mr. Chairman, which was completely omitted from the budget is the Ellender Fellowship Program involving only $1 million. We recommend that this million dollars be restored to continue this program. This will provide 2,500 fellowships to provide practical experience for secondary school students and teachers in understanding Federal Government activities.

In this bill, Mr. Chairman, we recommend $350 million for nutrition for the elderly. This is an increase of $72,454,000 over the amount requested for fiscal year 1980. For foster grandparents, senior citizens, and volunteers, we recommend $83,317,000 which is an increase of $11,317,000 over the amount requested for fiscal year 1980. For community food and nutrition, we recommend $18 million which is an increase of $10 million over the amount requested. In the summer youth recreation program, we recommend $10 million with no amount being requested in the budget for fiscal year 1980 for this program.

Under employment and training assistance in the Department of Labor, this bill includes recommendations for $6,335,254,000. This amount finances all activities under CETA with the exception of that portion of public service employment authorized by title VI. We do not approve of the carryover funds in the CETA program. The amounts we do recommend for CETA carry out every request made to the committee and provide for adequate funds for this program for fiscal year 1980.

For title II-A under CETA, which includes classroom and on-the-job training, work experience, vocational education and remedial education and job placement services, we recommend the amount requested of $2,054 million. This is an increase of $139,900,000 over the amount appropriated in 1979. The increase is solely to cover the cost of the increases in the minimum wage. The amount in the bill will provide for 423,700 service-years of training and work experience in 1980, the same as the current year.

This bill includes $1,485 million for public service employment under title II-D of CETA. This amount will support an average of 250,000 public service jobs during the fiscal year 1980 which is the same level proposed in the budget and this is an increase of 62,000 over the estimate for the current year. For national programs under title III of CETA, this bill recommends $546,011,000 which is an increase of $175,000 over the amount requested in the budget and an increase of $175,879,000 over the 1979 amount.

The bill before us includes $608,567,000 for summer youth employment which is an increase of $197,475,000 over the amount requested in the budget. This amount together with $181,333,000 estimated to be carried over into 1980 will provide 1,000,000 summer jobs in 1980. This is the same number of jobs that are expected to be funded in 1979. The budget as presented proposed to reduce the program to 750,000 jobs in 1980 primarily by eliminating 14-year-olds from the program. It is our contention, Mr. Chairman, that young people from 14 to 21 should continue to participate in this program.

Also, under the Department of Labor, we recommend $415,700,000 for the Job Corps which is an increase of $119,700,000 over the 1979 amount. We recommend and direct the Department to utilize up to $34,000,000 of the increase to raise the current Job Corps monthly allowances. Allowances have not been raised since the program began. We believe that increasing the allowances is of the highest priority and should be carried out. In this bill, we recommend $233,713,000 for the Young Adult Conservation Corps which is an increase of $67,244,000 over the budget. The budget proposed to reduce the slot level in this program by 50 percent to a level of 14,600. The amount recommended by the committee provides for a slot level of about 20,500 for 1980 which is an increase of 40 percent over the budget level. We recommend $533,255,000 for the youth employment and training program. This amount is $33,459,000 over the 1979 amount and will continue the program at its current level of about 119,500 slots in 1980 and will provide for increased minimum wage costs. We believe, Mr. Chairman, that the summer youth employment program and the Young Adult Conservation Corps demand a higher priority in an austere budget year and for this reason, we do not recommend more funds for the youth employment and training program.

We recommend $134,008,000 for the youth community conservation and improvement projects which is an increase of $26,908,000 over the 1979 amount. This amount that we recommend, Mr. Chairman, will continue the program at about the current level of 17,000 slots. We recommend $325,000,000 for private sector programs including $311,000,000 for the private sector initiative program under title VII and $14,000,000 to carry out the Department's responsibility under the targeted jobs tax credit program.

We recommend $1,815,000,000 for public service employment under title VI of CETA. This amount will finance an average enrollment of 250,000 during fiscal year 1980. In addition, to funds in this account there is $1,485,000,000 for public service employment under title II–D of CETA. The total amount in the bill for public service employment of $3,300,000,000, together with available carryover funds of $2,000,000,000 will finance an average of 500,000 jobs in 1980.

Mr. Chairman, in our report, on page 9, we request the Secretary of the Department of Labor to explore means of increasing the assignment of CETA public service jobholders to projects that produce a lasting benefit to the society at large by increasing our Nation's capital assets. As we point out in our report, this could include work on roads, bridges, parks, and trails.

We recommend in this bill the sum of $258,550,000 for community service employment for older Americans. This is an increase of $23,750,000 over the budget and $46,850,000 over the enacted 1979 amount. This program is authorized by title V of the Older Americans Act and applies to community service activities for unemployed, low-income persons, aged 55 and over. The amount in the bill will expand the program by 10 percent from the current level of 47,500 jobs to 52,250 jobs.

Mr. Chairman, we recommend the sum of $950,000,000, the amount of the budget request and the same as the 1979 appropriation for Federal unemployment benefits and allowances. This amount provides for the payment of unemployment compensation to former Federal employees, ex-postal service employees and for unemployment in a number of other categories. We recommend $1,796,600,000, the amount of the budget request for grants to States for unemployment insurance and employment services. In this bill, we have $300,000,000, the amount of the budget request for advances to the unemployment trust fund and for other funds. The bill includes $53,941,000, the amount of the budget request for Labor-Management Services Administration salaries and expenses. We incorporate in the bill the appropriation language requested for the Pension Benefits Guaranty Corporation. This corporation is a self-financing corporation and receives its income primarily from insurance premiums collected from covered pension plans, collections of employer liabilities imposed by the act and investment earnings.

For salaries and expenses for the Employment Standards Administration we recommend $163,923,000 and for special benefits we recommend $282,386,000.

We include authority in this bill to expend $466,667,000, the amount of the budget request from the Black Lung Disability Trust Fund. This is provided for under the Black Lung Benefits Revenue Act of 1977 with the basic financing for the fund coming from a coal excise tax of 50 cents per ton for underground mined coal and 25 cents per ton for surface mined coal, but not exceeding 2 percent of the coal's sale price.

Mr. Chairman, we recommend the sum of $181,520,000 for salaries and expenses for the Occupational Safety and Health Administration. We have restored language in the bill which was carried in last year's appropriation bill that was proposed for deletion in the budget. In the bill we include language that effectively exempts farms employing 10 or fewer people from the provisions of the act except those farms having a temporary labor camp. Next, the bill includes language that precludes the assessment of severe penalties for first-instance, nonserious violations of the act unless ten or more violations are cited during an inspection. Next in the bill we include language prohibiting the promulgation or enforcement of any regulation which restricts work activity in any area by reason of the potential for recreational hunting, fishing, or sports shooting in that area. In the bill, we also include language which was carried in last year's bill dealing with fines against small employers in cases where the employer has previously requested on-site consultation and is making a good faith effort to correct the violations.

We recommend $131,710,000 for salaries and expenses of the Mine Safety and Health Administration.

For the Bureau of Labor Statistics, we recommended $102,028,000, the amount of the budget request for salaries and expenses. For departmental management, we recommend $86,197,000 for salaries and expenses. For the special foreign currency program we have $70,000 in the bill which is the amount requested and this is the same amount carried in the 1979 bill.

Mr. Chairman, we next want to call your attention and the members of the committee, to the amounts contained in the bill for the Department of Health, Education, and Welfare.

For Health Services Administration, we recommend $1,318,343,000 for health services programs. Some parts of the overall program have not been authorized for fiscal year 1980; such as, emergency medical services program. The mission of the Health Services Administration is to provide health services for the underserved or disadvantaged, to build health services delivery capacity in medically underserved areas. Under the Health Services Administration, we have community health services consisting of community health centers, research and demonstration centers, family planning, migrant health and a number of other programs. Under this overall program, we also have Public Health Service hospitals and clinics. The bill contains $338,896,000 for urban and rural community health center grants. This is an increase of $80,000,000 over the amount available in fiscal year 1979. The bill includes $165,000,000 for title X, family planning projects. This in an increase of $20,000.000 over the budget and $30,000,000 over the amount available in 1979. We have, under Health Services Administration, the sum of $38,000,000 for the support of 112 migrant health centers serving more than one-half million migrant and seasonal farmworkers. For National Health Service Corps, we recommend $71,000,000 including $1,000,000 for private practice grants to ex-corps members.

Mr. Chairman, this bill includes $264,915,000 for preventive health services under the Center for Disease Control. The mission of this center is to assist State and local health authorities and other health-related organizations in preventing the spread of communicable diseases, protecting against other diseases or conditions amenable to reductions and to provide protection from certain environmental hazards.

We recommend the sum of $3,381,030,000 for the National Institutes of Health. This is an increase of $208,600,000 over the budget request and $202,214,000 over the 1979 appropriations. We have a great many achievements in our research program which has been conducted at the National Institutes of Health and perhaps the most important recently, in the long run, is the very rapid advances in understanding the basic biological mechanisms whose disturbance or malfunction manifest themselves as disease or disability. Research in cell biology, genetics and immunology have, within the past few years, reached a stage of development that foreshadows dramatic changes in man's ability to prevent or correct these disturbances and malfunctions.

For the National Cancer Institute, we have $961,158,000. This is an increase of $24,200,000 over the amount requested and $24,089,000 over the comparable 1979 appropriation. Of the increase over the budget request, $18,200,000 is for new grants and competing renewals for investigator-initiated research projects.

We recommend $527,544,000 for the National Heart, Lung and Blood Institute. This is an increase of $20,200,000 over the amount requested and $20,768,000 over the comparable 1979 appropriation.

Our bill includes $68,318,000, an increase of $2,200,000 over the amount requested and $3,105,000 over the comparable 1979 appropriation for the National Institute of Dental Research.

For the National Institute of Arthritis, Metabolism, and Digestive Diseases, the bill includes $341,246,000, an increase of $35,500,000 over the amount requested and $38,479,000 over the comparable 1979 appropriation. The increase over the budget request is for new grants and competing renewals for investigator-initiated research projects.

For the National Institute of Neurological and Communicative Diseases and Stroke, the bill includes $240,622,000, an increase of $28,300,000 over the amount requested and $28,257,000 over the comparable 1979 appropriation. The increase over the budget request is for new grants and competing renewals for investigator-initiated research projects including clinical research activities as recommended by the Huntington's disease, Epilepsy, and Multiple Sclerosis Commissions.

For the National Institute of Allergy and Infectious Diseases, the bill includes $215,402,000, an increase of $25,200,000 over the amount requested and $24,074,000 over the comparable 1979 appropriation. The increase over the budget request is for new grants and competing renewals for investigator-initiated research projects.

For the National Institute of General Medical Sciences, the bill includes $312,478,000, an increase of $32,100,000 over the amount requested and $34,850,000 over the comparable 1979 appropriation. The increase over the budget request is for new grants and competing renewals for investigator-initiated research projects.

For the National Institute of Child Health and Human Development, the bill includes $208,981,000, an increase of $4,600,000 over the amount requested and $18,851,000 over the 1979 appropriation to date. The increase over the budget request is for new grants and competing renewals for investigator-initiated research projects.

For the National Institute on Aging, the bill includes $68,910,000, an increase of $12,400,000 over the amount requested and $11,999,000 over the comparable 1979 appropriation. Of the increase over the budget request $5,400,000 is for new grants and competing renewals for investigator-initiated research projects.

For the National Eye Institute, the bill includes $107,528,000, an increase of $3,000,000 over the amount requested and $2,336,000 over the comparable 1979 appropriation. The increase over the budget request is for new grants and competing renewals for investigator-initiated research projects.

For the National Institute of Environmental Health Sciences, the bill includes $83,912,000, an increase of $4,900,000 over the amount requested and $5,652,000 over the comparable 1979 appropriation. Of the increase over the budget request $3,300,000 is for new grants and competing renewals for investigator-initiated research projects.

The bill includes $169,199,000, an increase of $15,000,000 over the amount requested and $15,035,000 over the comparable 1979 appropriation for Research Resources.

For the John E. Fogarty International Center For Advanced Study in the Health Sciences, the bill includes $8,989,000, the amount requested and the same as the 1979 appropriation. Of this amount, $1,700,000 is for the support of the Gorgas Memorial Institute.

For the National Library of Medicine, the bill includes $42,431,000, an increase of $1,000,000 over the budget request and over the comparable 1979 appropriation.

For the Office of the Director, the bill includes $21,062,000, the amount requested and an increase of $1,419,000 over the comparable 1979 appropriation.

The bill includes $3,250,000, the amount requested and a decrease of $27,700,000 from the 1979 appropriation for Buildings and Facilities.

Mr. Chairman, this bill includes $630,148,000 for programs in the Alcohol, Drug Abuse, and Mental Health Administration.

The committee recomends $85,119,000 for St. Elizabeths Hospital, the same amount as the budget and $9,295,000 over the comparable 1979 appropriation.

We recommend $393,017,000, an increase of $130,044,000 over the budget estimate for Health Resources Administration. Here, as you know, Mr. Chairman, we have health manpower programs, institutional assistance, public health, special educational assistance, disadvantaged assistance and program support and management.

For Medical Facilities Guarantee and Loan Fund, we recommend $45,000,000, the amount requested.

In this bill, we have $186,986,000 for salaries and expenses for the Assistant Secretary of Health. We include $55,000,000 for the health maintenance organizations. This bill includes $6,520,000 for scientific activities overseas, the amount requested in the budget.

We recommend the sum of $12,616,799,000 for the mandatory Federal share of State medicaid costs.

We recommend a reduction in the professional standards review, commonly known as PSRO's. We recommend a reduction of $15 million which is about 10 percent below the $152 million anticipated costs in the budget. Available for this program in fiscal year 1979 is $150 million. We recommend the termination of poor-performing PSRO's or consolidation with successful PSRO's.

As you know, Mr. Chairman, this bill contains billions of dollars for education. For elementary and secondary education, we recommend $3,944,382,000. For title I grants for disadvantaged children, the bill includes $3,478,382,000, the amount requested and $400 million over the enacted appropriation for 1979. As you will recall, in the supplemental appropriation bill, we included $200 million for concentration grants for 1979. Over 14,000 school districts, or 90 percent of the school districts in the United States, will receive title I funds in the school year 1980–81. The estimated number of children participating in title I programs will be about 6 million with an estimated average per pupil cost of from $435 to $460.

In this bill, we have $777 million, an increase of $249 million over the budget request for school assistance in federally affected areas. Category B was completely deleted in the budget and we recommend $277 million for category B. For emergency school aid, we recommend $340,650,000. For education for the handicapped, we recommend $1,045,325,000. For occupational, vocational, and adult education, we recommend $879,880,000 which is an increase of $114,677,000 over the budget and $105,427,000 over the amount appropriated for 1979. Enrollments in vocational education have increased by 300 percent in the last 10 years, with current enrollment totaling 17 million secondary, postsecondary, and adult students.

For student assistance, we recommend in this bill the sum of $3,782,935,000 which is an increase of $95,900,000 over the budget request. For basic educational opportunity grants, we recommend the sum of $2,444 million. For supplemental educational opportunity grants, we recommend $370 million. For direct loans, we recommend $286 million. For incentive grants for State scholarships, we recommend $76,750,000. For administration, we recommend $41,385,000.

Mr. Chairman, for higher and continuing education, we recommend $408,080,000 which is an increase of $61,700,000 over the budget request and $15,080,000 over the appropriation for 1979.

Library resources is one of the important parts of this bill. Here, Mr. Chairman, we recommend $264,475,000, which is an increase of $30,638,000 over the budget request.

In this bill, we have $124,628,000 for special projects and training and $1 million for educational activities overseas.

This bill includes $959,621,000, the amount requested for mandatory expenses relating to student loan defaults and interest payments on guaranteed student loans.

We recommend the sum of $98,285,000, the amount requested in the budget which is $1,671,000 over the 1979 appropriation for the National Institute of Education.

Our bill contains the sum of $676,933,000 for mandatory payments necessary to compensate the social security system for cash benefits paid out for which no payroll tax was paid. This is the amount requested in the budget.

Our bill provides for $1,005,202,000, the amount requested for special benefits for disabled coal miners.

For supplemental security income program, we recommend $6,323,436,000. This is an increase of $765,852,000 over the 1979 funding.

In this bill, Mr. Chairman, we have $23,500,000 for assistance to Cuban and Eastern European refugees in the United States.

Under special institutions, we have $4,349,000, the amount requested for the American Printing House for the Blind; $17,349,000, the amount requested for the National Technical Institute for the Deaf; $48,341,000, the amount requested for Gallaudet College; and $121,893,000, the amount requested for Howard University.

In this bill, we have $2,606,500,000 for grants to States for social and child welfare services. In addition, this bill contains $2,515,436,000 for human development services. For instance, in the aging programs, we recommend $626,220,000, which is an increase of $67,454,000 over the budget request.

For rehabilitation services and facilities, we recommend $924,619,000. The amount appropriated in 1979 was $867,200,000. For grants to States for developmental disabilities, we recommend $59,937,000. The total amount recommended for Human Development Services is $2,515,436,000, which is an increase of $106,538,000 over the budget request and $292,714,000 over the amount available for fiscal year 1979.

In addition, in this bill, we have $3,000,000 for the White House Conference on Children and Youth. This conference is expected to develop recommendations for future research and activities in the field of family services.

Mr. Chairman, we have $83,317,000 for the Older American Volunteer Programs of Action, which is an increase of $11,317,000 over the budget request considered and $21,317,000 over the amount made available by the continuing resolution for 1979. The remainder of the action budget request of $97,607,000 is not authorized and was not considered by the committee.

We recommend $46,932,000 for the foster grandparent program and $10,171,000 for the senior companion program. Here we have increases of $6,281,000 and $2,036,000 over the budget. In each of these two programs, we provide for an increase in the hourly stipend to $2. In addition, this bill includes $26,214,000 for the retired senior volunteer program, which is an increase of $3,000,000 over the budget.

For the community services program, we recommend $546,000,000 which is $1,000,000 over the budget request. For Community Action Agencies, we recommend $381,000,000. This is an increase of $12,000,000 over the current year.

In this bill, Mr. Chairman, we recommend $172,000,000, the amount of the budget request, for the Corporation for Public Broadcasting for 1982. This corporation is funded 2 years in advance. This amount is an increase of $10,000,000 over the amount recommended by the committee for fiscal year 1981 in the pending supplemental appropriations bill.

For the Federal Mediation and Conciliation Service, we recommend $23,075,000. This is the amount requested.

For the Federal Mine Safety and Health Service Commission, we recommend $4,770,000 which is the amount requested.

For National Commission on Libraries and Information Science, we recommend the amount requested of $668,000.

For the National Labor Relations Board, we recommend $108,050,000, the amount requested.

For the National Mediation Board, we recommend $4,393,000, the amount requested.

Mr. Chairman, this bill includes $7,550,000, the amount requested, for the Occupational Safety and Health Review Commission.

We recommend $313,000,000, the amount requested, for the Railroad Retirement Board. This is the fifth annual appropriation to cover the cost of phasing out the windfall portion of benefits received by persons covered by both the Railroad Retirement System and the social security system. Under the Railroad

Retirement Act of 1974, the windfall portion of these dual benefits is to be phased out over a 25-year period. These funds will be paid into the Railroad Retirement Trust Fund to cover the costs of compliance with the act. In this bill, we have $39,730,000, the amount requested, for salaries and expenses.

Mr. Chairman, we recommend $18,471,000 from the Soldiers' and Airmen's Home Permanent Fund. This is the amount requested in the budget and this is an increase of $1,532,000 over the appropriation for 1979.

Mr. Chairman, we recommend this bill to the committee.

☐ 1400

Mr. Chairman, we want to finish this bill today. This is one of the most important appropriations bill that will be presented to the Congress this year.

In 3 or 4 hours, Mr. Chairman, after we have run along a while, I am going to make a unanimous-consent request as far as the limiting of debate is concerned. We will make this request in a reasonable fashion and manner not to cut anyone off, but Mr. Chairman, we want to finish this bill by about 7 or 8 o'clock tonight. There is no reason why we should not finish it by this time.

Mr. Chairman, at the proper time, I will make that request.

There are a number of Members who want to have a colloquy concerning certain matters in the bill when we start to read the bill, striking the last word. We will enter into all these colloquy statements and matters with the Members.

Mr. Chairman, again, we recommend this bill to the committee.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would be remiss if, at the very outset, I did not pay special tribute and commendation to our new, distinguished subcommittee chairman, the genial gentleman from Kentucky (Mr. NATCHER).

While he has served on the subcommittee for so many years, this is the first bill that he brings formally to the floor now in the capacity as chairman of this subcommittee, having had years of experience chairing other subcommittees of our full Appropriations Committee.

I know all our Members would agree that he has been an eminently fair chairman. He has been a strong chairman, but never autocratic. He likes to refer to the subcommittee as "our subcommittee" and we of the minority have enjoyed working with him.

We are deeply appreciative of the chairman's consideration of our special requests and for his exemplary manner with which he chairs our committee.

Mr. Chairman, the total amount in the bill is $73,567,466,000, an increase of $3,243,845,000 over last year's line item appropriations.

When we add in the trust funds, such as unemployment, social security, and railroad retirement, total spending for the departments covered by this bill reaches $237 billion, a nearly $22 billion increase over the 1979 level.

The increase in the trust fund area amounts to 13 percent, which gives you an indication of the cost impact of inflation on Federal expenditures, and makes it all that much more urgent that we hold the line on the so-called discretionary areas of Federal spending.

The inflationary impact statement in the report states that the bill will have "little overall inflationary impact." I wish I could agree, but in fact the bill provides for a level of outlays that substantially exceeds the President's budget. That cannot help but contribute to the already high rate of inflation.

On the surface, it appears that this bill is $204 million below the budget. That is true, if you count $882 million in 1979 CETA funds which will be carried over into 1980. A carryover, however, shows up in budget authority only. It does not affect outlays, and outlays represent the actual yearly expenditure level. They are what the overall budget deficit is based on, and this bill increases outlays over the President's budget by $678 million.

What we have done, in other words, is use the carryover device to cover up a very significant increase in discretionary expenditures.

It seems like every year I end up talking about misleading comparisons in connection with this bill, and it would be nice if just once we could have a straightforward bill without resorting to these various methods of juggling funds in order to hide the true overall impact of our actions.

Another device used in this bill to produce a lower overall total involves the estimates used to fund the entitlement programs, such as medicaid, AFDC, and SSI.

The President's budget recommendations for these programs are based on estimates of expenditures for the year. The Congressional Budget Office then usually develops its own estimates.

This year, CBO says that the President's recommendations are understated by a total of $892 million for medicaid and AFDC, and overstated by $73 million for SSI. So, what have we done in this bill? We take the lower CBO estimate for SSI and the lower administration estimates for medicaid and AFDC. In other words, the best of all worlds.

We certainly leave ourselves open to accusation when we start picking and choosing among estimates in order to come up with the lowest possible figures. This may result in a lower overall total in the regular Labor-HEW bill, but it almost invariably results in a big supplemental appropriation later on, such as that included for medicaid in the supplemental we considered here earlier this month.

If the CBO estimate is the accurate one this year, we will end up with a nearly $900 million supplemental next spring.

RELATION TO BUDGET RESOLUTION

I should also point out that when we figure in the unauthorized items, the expected legislative changes of a more or less mandatory nature, and expected increases in entitlement programs, this bill provides a funding level that is $37 million over the first budget resolution.

I repeat, we are $37 million over the first budget resolution, and we could go higher if the CBO estimates for the entitlement programs previously cited prove to be accurate. So, this means that we have absolutely no room for any amendments providing increases over the amounts currently in the bill.

In fact, we really should be making reductions, both to give ourselves a little breathing room within the budget resolution and to bring outlays more in line with the President's budget recommendations. There is no way we are going to be able to balance the budget in 1981 if we end up with any higher level of outlays than provided for in this bill, because a good portion of the moneys in the bill will be expended in 1981 as well as in 1980, due mainly to the forward funding mechanism.

I will be offering some amendments later to give Members an opportunity to make some reductions.

WASTE, FRAUD, AND ABUSE

Let me take a moment at this point to discuss the issue of waste, fraud, and abuse, and the amendment I offered last year, which Congress enacted, cutting waste, fraud, and abuse in HEW by $1 billion.

As most of you know, HEW last week notified the States that their fourth quarter AFDC and medicaid benefits will be cut by $831 million, because of that amendment, if action is not taken on the supplemental appropriation bill to negate the requirements of the amendment. The Senate passed the bill yesterday, and no such provision was included.

This situation developed, because for 8½ months, Secretary Califano and his Department had been doing everything possible to avoid compliance with the Michel amendment. He took the position that the amendment simply represented a goal, rather than a required reduction; this despite clear language in the conference report and repeated efforts on my part to set him straight.

Finally, the chairman of our Labor-HEW Subcommittee and I requested a legal opinion from the Comptroller General. That opinion, issued on May 7, stated that the Secretary was wrong in his position, and that the amendment did in fact require a reduction in spending of $1 billion, to be achieved by reducing waste, fraud, and abuse.

The Secretary then requested an opinion from the Justice Department, presumedly in the expectation that such an opinion would sustain his position. But lo and behold, the Justice Department came out with an opinion on June 15 that said just the opposite—that we and the Comptroller General were right and that Califano was wrong.

Unfortunately, because no effort had been made to comply with the law, HEW found that only $169 million of the required $1 billion has been saved to date. So the Department began to scramble around, looking for an out.

What the Secretary decided upon was to place the entire burden for compliance with the law on the States. He knows full well that there is no way the States are going to be able to reduce a whole year's waste, fraud, and abuse in just the last 3 months, but what he expects is that the States will yell and scream at Congress and force Congress to repeal the Michel amendment. That would let HEW off the hook.

This is the type of gamesmanship that makes the public so suspicious of Government. Had HEW sought to comply with the law at the outset, it could have set forth a reasonable plan to produce the billion dollars in savings, and there would have been a whole year to accomplish that objective.

There is no question but that substantial amounts of waste are still taking place in the AFDC and medicaid programs administered by the States. That is still over 8 percent for AFDC no calculation for medicare and medicaid. The States for the most part have been procrastinating in cleaning up the programs. What we need are tough quality control regulations with strong penalties in order to force the States to do the job, but instead, during the time HEW was trying to avoid compliance with the Michel amendment, it was also substantially watering down its proposed quality control regulations, to the point that the final regulations are so weak and with virtually no penalties that they are almost totally meaningless.

It is unfair for HEW to require the States to do something at the last minute that it was unwilling to require them to do several months ago. Instead of reducing State payments, HEW should substantially toughen its quality control regulations, should undertake a crash program between now and the end of the fiscal year to achieve as much savings as possible, and then if additional funds are needed, should consider borrowing against fiscal year 1980 funds for AFDC and medicaid, as it has the power to do, to make up for any shortfall. The Department could then submit a supplemental budget request to Congress to replenish the 1980 account, but I would certainly hope and expect the Congress to require tough quality control regulations before we approve any extra funds.

The law specifically requires that people legitimately entitled to benefits not be denied those benefits. At the same time, however, we have an obligation to the public not to allow the continued loss of substantial amounts of tax dollars through waste, fraud, and abuse, and we certainly have a right to expect more than stonewalling in this regard from either the States or the Department of Health, Education, and Welfare.

CETA

Moving to some of the sepcific programs in the bill, we have included sufficient funds for CETA to provide an average level of 517,000 public service jobs, the same as the budget request. The funding level is $882 million below the budget however, that is due to the carryover of funds I referred to earlier.

The large carryover has resulted in essence, because enrollment levels in 1979 have been much lower than what the 1979 funding level provided for. In the continuing resolution last year, we included sufficient moneys to fund an average of 675,000 jobs for the year. By the end of January, the actual enrollment level was only 517,600. At the end of May, it had risen slightly, to 560,000, but still well below the average level funded.

Much of the responsibility for this sharp drop lies with the Labor Department. The Department has been administering this program in a chaotic, inconsistent, and confusing manner. Last September, departmental officials informally told prime sponsors to hold the line on CETA hiring. The result was a reduction in enrollment levels.

Not happy with that development, the Department for the past several months has reversed itself and has been putting pressure on the prime sponsors to build enrollment back up to a 625,000 level, despite the almost certain funding reduction to 470,000 jobs or below by September 30, 1980.

Fortunately, most of the prime sponsors have caught on to this yo-yo policy and are not buying it, but there is still simply no excuse for this kind of lousy administration. Another example is the apparent lack of a unified and consistent interpretation of departmental directives among the regional offices. Too often, directives to the prime sponsors are emitted verbally by departmental personnel, only to be denied or back-tracked on later. One regional office may be saying one thing, another may be saying something else, and the Department in Washington may be saying something entirely different. No wonder the prime sponsors have trouble administering CETA in an effective manner.

It is pretty difficult for us to address these administrative shortcomings in this bill, but we do seek to eliminate one abuse resulting from a loophole in the Department's regulations. That has to service job moneys to prisoners. This problem came to light last month through an article in the Washington Post which pointed out that 27 prisoners at Lorton were paid an average of $9,000 in wages last year under CETA, and that 174 prisoners this year are participating in the program.

We have language in the bill preventing this misuse of funds. I understand an amendment will be offered later by Mr. CAVANAUGH to clarify intent of the language as not applying to most prerelease and halfway house programs, and I will support the amendment. This abuse would never have arisen in the first place, though, had the regulations addressed the problem and established the proper guidelines. I might add, too, however, that the authorizing law itself was not very clear in this regard.

PRIVATE SECTOR INITIATIVE

We have included $325 million to continue and fully establish the private sector initiative program. This program represents the first real effort to do what should have been done a long time ago, and that is to involve private sector employers directly in the CETA program. The private sector program will involve these employers from the planning process through job training and ultimately to actual jobs themselves. It will thus offer a direct tie between training and employment, and represents a much sounder, longer lasting approach to our structural unemployment program than do the regular CETA programs.

YOUTH PROGRAMS

The bill contains $1.9 billion for the specific youth-oriented programs, over and above the regular CETA programs which also serve youth to a great extent. The $1.9 billion is equal to the budget request, but there is a shifting of funds within this overall category.

In particular, the budget request for the youth employment and training program is reduced by $264 million, while the Young Adult Conservation Corps and Summer Youth programs are increased by $67 million and $197 million, respectively.

There is apparently considerable support for the Young Adult Conservation Corps program, but the fact of the matter is that this program contains no eligibility requirement, which means it is not targeted on the poor. Only 40 percent of the participants in this program are economically disadvantaged, as compared with 80 percent or more for the other youth programs. Just 10 percent of the participants are black, compared to 34 percent or more for the other youth programs; 62 percent are high school graduates, compared to 15 percent or less for the other programs.

In addition, the yearly cost per recipient under this Conservation Corps program is $10,500, the highest of all the youth programs and over twice the cost of the youth employment and training program.

It might be nice to have an expensive conservation work program aimed at the middle class—if we had unlimited funds available. But it seems to me that with funds in short supply, we ought to be more sharply focusing the moneys on where the real needs are.

The increase of $197 million in the summer youth employment program would restore the program to the current 1 million job level. The increase may be justifiable if the program is administered properly, but as you know, a recent GAO report was quite critical of the management of the program, stating among other things that many of the youth were given nothing to do.

OLDER AMERICANS EMPLOYMENT

The bill provides a $24 million increase over the budget for community services employment for older Americans. This would result in a 10-percent expansion in the program, to a level of 52,250 jobs, despite the fact that the program has already more than doubled since 1977.

OSHA

In OSHA, we have retained last year's language providing various types of exemptions from the requirements of the OSHA law.

MINE SAFETY

We have also added language to the Mine Safety and Health Administration account which would prohibit the application of the training provisions of the Mine Safety Act to sand, gravel, or limestone mines, or shell dredging. This was done, because of the substantial burden such requirements would place on small employers, in areas where extensive and special training is not all that vital.

HEW

The bill contains $60.9 billion for the Department of Health, Education, and Welfare, an increase of $677 million over the budget and almost $4 billion over last year's line item appropriations.

HEALTH SERVICES

For community health centers, we have reduced the budget request by $33 million, but this still represents a substantial $80 million, or 35 percent increase over the 1979 level. Even this increase is excessive in my view, particularly since, unlike the community mental health centers, there is no requirement for a gradually increasing non-Federal commitment. None of these centers to date have become self-sufficient, and there is no expectation that any will become self-sufficient.

The bill contains $165 million for family planning, an increase of $20 million over the budget and $30 million over last year. The increase reflects a feeling that there is a need to step up our activity in this area.

NIH

For NIH, we provide an increase of $208.6 million over the budget, which brings the total for NIH up to nearly $3.4 billion. I think the increase was necessary, because the budget would have sharply reduced, below the 1979 level, the number of new grants that could have been funded.

The increase will allow us to try to stabilize the new and competing renewal grants at about 5,000, and thus avoid the great fluctuations that cause considerable uncertainty and disruption in the research community. Many scientists have told us that the one thing they would appreciate most of all is stabiltiy.

If we can stick to the 5,000 figure in future years, the actual cost increases will be less than this year.

I think it is important that we establish a sound basis on which to fund health research other than on which interest group lobbies the hardest, because I do not thing we can realistically or effectively pick and choose among diseases. They all need cures, those without organized lobbies as well as those with.

The amount in the bill will fund a total of about 16,450 research grants, at an average priority score level of about 212. This will result in about 30 percent of approved competing applications being funded.

ADAMHA

Under the Alcohol, Drug Abuse, and Mental Health Administration, a number of the programs are not authorized and thus are not included. These include all the alcoholism programs, the drug abuse community programs, and several mental health programs.

The budget requested sizeable increases for both mental health and drug abuse research. This was surprising, in view of the fact that no increases were requested for NIH research and the fact that a lower quality of research is being funded under these programs than in NIH. Consequently, we scaled back the increases by 50 percent.

HEALTH RESOURCES

The bill contains an $88 million increase over the budget for capitation grants to medical, dental, and veterinary schools, among others.

The administration wanted to end funding for this program, but we have opted for a more gradual reduction. The rescission bill earlier this year provided a 200-percent reduction, and this bill contains another 20 percent reduction, for a total of 40 percent. There appears to be general agreement that the supply of doctors, dentists, et cetera, has about reached demand, thus ending the need for capitation grants. However, ending them on a more gradual basis will allow the schools time to come up with other funding.

The administration wanted to end the health student loan program, but the bill goes in the other direction and expands it, providing an increase of $13 million over the budget. I think this action was a little excessive, particularly in view of all the other student assistance programs we have available.

The administration also wanted to sharply reduce the area health education program, but we restored the funds, because the program is aimed at the maldistribution problem.

EDUCATION

Moving to education, the bill includes a total of $3,478,382,000 for title I. This is equal to the budget request in total, but does involve some shifting of funds among individual accounts. Specifically, funds for the State agency programs serving migrant, handicapped, neglected, and delinquent children are increased by $54.9 million, and funding for concentration grants is reduced by a similar amount.

Most every year I am critical of title I, and while that may not be the most popular position, it is not without good reason. We have poured over $25 billion into title I over the past decade, and yet evaluations of the programs have shown little achievement. In those few instances where there is any positive showing, it comes only from the best-run title I projects, and not title I overall.

Title I was originally enacted to provide special assistance to the disadvantaged, but with almost 90 percent of all school districts receiving title I funds, the program has become little more than a general assistance program. This is even more evident by the fact that only 40 percent of the children receiving title I services come from low-income families, and by the fact that of the 11 million children eligible for title I, only 36 percent are from poor families.

Even the new concentration grant program covers 50 percent of all counties, so we are not going to achieve a very much sharper focus through the funding of that program.

The fact is that during the past decade where we have seen a substantial buildup of title I funding, we also have seen a corresponding decline in educational achievement.

□ 1420

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MICHEL. Mr. Chairman, I yield myself an additional 4 minutes.

According to Paul Copperman, president of the Institute of Reading Development in California, and author of the Literary Hoax:

> Only about one quarter of this coming June's high school graduates will have the average level of academic skill recorded in the early 1960's. The average high school student today takes 25 percent less English, 35 percent less world history, 35 percent less government and civics, 30 percent less geography, and 20 percent less science and math than students a generation ago * * *. He is assigned less than half the homework, and the textbooks he is given have been rewritten with a reading level two years lower than the grade he is in.

How can we say that during the past decade, spending all these billions of dollars, we are improving the level of education in this country? Nonsense. Those who want to rely solely on dollars rather than teaching ability and quality of education are missing the point. To continue to pour billions upon billions into discredited programs is not the answer. If we think so we are only kidding ourselves.

Local schools do not need more money, they need a change in attitude and stronger standards. Title I offers nothing in this regard. It contains no requirements that base funding on a showing of achievements. It simply piles in money, and adding more is no guarantee of any improvement.

The bill contains an increase of $221 million over the budget for impact aid. I will be offering an amendment making some adjustments in this account, and will have more to say at that time.

For vocational education, we have added $114 million over the budget. This increase includes a $100 million increase for basic State grants, a 20-percent increase over the last year and over the budget. This increase also exceeds the amount in the House budget resolution. I think we could have provided an increase without going this far, particularly in a tight budgetary year.

The bill fully funds the basic educational opportunity grant program at the maximum grant level of $1,800. We provide a $96 million combined increase for the supplemental opportunity grant and direct loan programs, in order to fund them at the minimum level contained in the authorizing law. Work-study is being funded at the current level of $550 million.

The bill contains $25 million in initial funding for construction grants to assist institutions of higher education in the removal of architectural barriers. I think this funding is premature and represents an effort to throw money at a problem before we firmly determine how to approach it.

SUMMARY

Many of these increases over the budget are justifiable, but we also should be making offsetting reductions in order to avoid the substantial increase in outlays that we ended up with. There is plenty of room for reduction in lower priority areas, and I will be offering several amendments along this line, which seek to bring this bill a little more in line with the budget.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I think the distinguished ranking minority Member has some excellent points with regard to the cost of education in this country. I would hope that perhaps we could establish in forthcoming subcommittee work some measurement evaluations as to whether those programs, including title I, are in fact working or not. I think we are spending billions there, some of it worthwhile and, some of it misdirected.

I would hope that the committee and the Congress would look at the accountability measurement programs we need, get into it and ask HEW to do some testing, as some States are already doing by grade level. I think we need to improve our measurement and evaluation systems.

Mr. MICHEL. The gentleman's point is well taken. I should take this moment to say publicly what a valuable member of this subcommittee he turned out to be. I join with our chairman in commending him for his yeoman service.

Mr. NATCHER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman and members of the Committee, there is some likelihood that efforts will be made to restrict funding for OSHA, or to limit OSHA's jurisdiction—which, of course, ought to be out of order. This exclusion would likely be achieved in one of several ways: first, limitation by number of employees (10, 19); second, limitation by type of employment (SIC codes); or third, limitation by injury rates (7/100).

OSHA'S RECORD

Major changes have occurred as a result of administrative and legislative changes within the past several years. Administratively, there has been a comprehensive effort to eliminate petty rules and to focus on a "worst-first" inspection priority list. In one case, 400 pages of standards have been reduced to just 30. Over 900 rules have been eliminated. For small businesses, there have been special changes, including the elimination of recordkeeping for businesses employing 10 or fewer. Paperwork and its costs have been cut by as much as 75 percent. Penalties are not assessed for less than serious violations when totaling less than $50. At the same time, the focus of inspections has shifted to the more hazardous areas, and the number of small businesses due to be inspected in 1979 is a reduction of 69 percent.

SMALL BUSINESS EXCLUSION

Despite popular opinion to the contrary, small businesses are not necessarily safe places to work. Nearly half of all workplace injuries occurred in small businesses. Some businesses—metal canning, transportation equipment, and motor vehicles and equipment—have larger injury/illness rates among small—less than 19—employers than for larger businesses. There are over 11 million workers at over 3 million job sites at which 10 or fewer workers are employed. Those 11 million workers constitute 79 percent of all OSHA covered workers in about 90 percent of all workplaces.

Between 1973 and 1977, fatalities in workplaces employing 19 or fewer workers increased by an astounding 88 percent.

By contrast, fatalities actually declined in those industries where OSHA inspections occurred. Dr. Robert Smith of Cornell University has estimated that OSHA is responsible for a 16-percent reduction of on-the-job injuries.

INJURY RATES AS BASIS FOR EXCLUSION

The growing concern about environmentally induced illnesses, especially cancers, with long latency periods ought to warn us against basing OSHA exclusions on today's injury rates. An exclusion on the basis of 2-digit SIC and 7 per 100 injury rate would leave unregulated about 22 million exposures to high risk, carcinogenic substances. Some occupationally induced cancers, such as those attributable to asbestos inhalation, can take as long as 30 years or more to become manifest. Yet if based on injury rates, asbestos workers in 1950 may have been excluded from OSHA; now we are told that 67,000 people will die annually from the effects of asbestos-related diseases.

If exclusions from OSHA were based upon injury/illness rates, the following cancer-prone workers ought well be excluded from coverage: coal miners; chemists; textile workers; metal miners; coke workers; lead, rubber, leather and pesticide workers; as well as those engaged in oil and gas extraction and petroleum and coal production. All of these industries have been identified as increasing a worker's likelihood of contracting cancer.

Focusing on industrywide injury rates also overlooks the possibility of unsafe conditions in a particular region or site. Nor does the injury rate take into account the likelihood of injury.

For example, the industrywide injury rate among grain elevator workers has not been very high. But, as we learned tragically in just a matter of days, injuries can and do occur with suddenness and in great numbers. Moreover, the fluctuating injury rate from year to year could wreak havoc with employers, leaving them unsure whether they were covered or not in a particular year.

Excluding from coverage workers in 3-digit SIC codes with injury rates under 7 per 100 would, for example, exclude 15.3 percent of currently covered workers, or nearly 10 million men and women in 3 million (72 percent) of the covered establishments.

Perhaps an injury rate of less than 7 per 100 seems minuscule to some. Let us translate it into human, rather than mathematical terms. Such an exclusion would exempt trucking (local and long distance) workers because their injury rate is just 6.8 per 100 among small (less than 10) employers. This would result in 135,000 workers losing coverage. It would also exempt 16,000 oil and gas workers, 92,000 masons and stoneworkers, 14,000 warehouse workers and tens of thousands more.

It would exclude automotive shop workers because their injury rate is only 5.4. But that translates into 10,469 injured, disabled, or killed workers. It excludes 13,546 injured in eating and drinking stores; 4,700 in lumber and building materials; 13,354 in gasoline dealers (an increasingly hazardous job); 9,152 truckers, and tens of thousands of other maimed, injured or disabled workers.

OSHA coverage extends beyond the inspection and penalty provisions which are usually attacked. Removal of OSHA coverage would deny small employers safety training and educational programs; free consultations on how to improve workplace safety; loans and other assistance to improve safety, including small business administration loans.

To assist small employers better, OSHA has increased matching funds for consultations from 50 percent to 90 percent from 1978 to 1979.

Loss of OSHA coverage also would deny employees—

The right to protection from discrimination for exercising rights under the OSHA Act;

The right to accompany inspectors on OSHA inspections;

The right to contest the length of time an employer takes to correct a violation;

The right to have OSHA investigate accidents and fatalities in the workplace;

The right to complain to OSHA about hazards in the workplace;

The right to request OSHA to issue a standard pertaining to a workplace hazard;

The right to training and education programs designed to broaden awareness of safety and health in the workplace;

The right to access to employers' logs of occupational injuries and illnesses; and

The right to safe and healthful working conditions.

It is important to note that many employees in small businesses are not members of unions, and therefore have no formal means of protesting unsafe or unhealthy working conditions. Removing their appeal to OSHA means that millions of workers are totally unprotected and without any voice to press for an improvement of hazardous working conditions.

At a time when the labor department reports that the number of job-related injuries and deaths will increase by 300,000 this year, and that fatalities will increase by 20 percent—or 5,000 workers killed—it would be unreasonable to reduce worker safety protections, especially in light of OSHA's continuing efforts to assist small businesses, reduce penalties for minor violations, and drastically cut down on regulations and paperwork.

Remember that the percentage of "serious, willful, and repeat violations," as a percent of all violations, is about the same (23–24 percent) for employers with less than 25, less than 10, and less than 5; in each category, the percent has doubled in the last year (1976–77/1977–78).

Mr. CONTE. Mr. Chairman, I yield myself as much time as I may require. OSHA Act;

Mr. Chairman, I rise to support the fiscal year 1980 Labor-HEW appropriations bill. It is a good bill and I hope that the bill will pass without substantial amendments.

Before discussing the bill, I would just like to thank all of the members of the subcommittee and compliment them for the excellent work that they have done in preparing a very difficult bill, especially my friend, my good friend, the gentleman from Kentucky (Mr. Natcher), the distinguished chairman for the first time of the Labor-HEW Subcommittee. This gentleman has made all of our work much easier through his exceptional dedication and hard work and abiding sense of fairness. I have never seen a fairer chairman in the 21 years that I have sreved on the Committee on Appropriations. He is a credit to the Congress, and he is a credit to the country.

I would like to compliment my good friend, the ranking minority member, the gentleman from Illinois (Mr. Michel), for all of his hard work. He plays the devil's advocate on our committee who takes a tough stand, the difficult stands. He is a man of a lot of courage and fortitude and a man of his conviction, and I am proud to serve with him.

Mr. Chairman, we worked very hard on this bill, and as you have already heard, for the first time in anyone's memory, the aggregate total for the Department of Labor and the Department of Health, Education, and Welfare that the subcommittee and full Appropriations Committee recommend is roughly $200 million less than the President requested when he presented his budget to Congress.

The subcommittee has, I believe, rectified most of the glaring errors, or I might even say, falsehoods in the President's proposed budget. The subcommittee, for example, has added $197.475 million to the summer youth employment program under CETA, which will provide, once again, one million summer jobs. This action restores the 250,000 jobs President Carter had wanted to cut.

The subcommittee added $208 million for the National Institutes of Health, which will insure that at least 30 percent of new competing research grants will be funded in the coming year. I might add that it is curious that Congress has had to put money in to make sure that biomedical research did not suffer a very severe cutback; Mr. Carter, after all, is always assuring the American people of his firm belief in and commitment to basic research.

The subcommittee also acted to restore large portions of President Carter's sweeping cuts in health manpower capitation and student loan programs. Let me say that I am very distressed over the contradictions between the administration's rhetoric criticizing present health manpower programs, and its irresponsible actions in cutting out present programs without proposing new health manpower legislation to replace the programs which the administration believes no longer meet our health resources needs. If the administration believes that current programs do not work, let them submit legislation authorizing new, more effective programs—but until that time, the President should not let the budget cutters at OMB simply zero out present programs while providing nothing to replace them.

In Education, the subcommittee acted to remove the President's proposed cap on title I, ESEA special grants for migrants, the handicapped, and neglected and delinquent children by adding $54,917,000 for these programs. The subcommittee then reduced funding for the concentration grant program by this same amount, which still leaves $345,789,000 for this new program. I am extremely pleased with this compromise, and feel it does a nice job of resolving a complex issue.

The subcommittee has also acted to restore $277 million of the $320 million President Carter cut out of impact aid funds for category "B" students. Bickering over impact aid funds is an annual game Congress must play with the executive branch. I feel that the compromise reached here over these funds is a reasonable one, and I urge Members to avoid making major cutbacks or add-ons to this budget.

In each of the areas I have mentioned, the subcommittee acted to repair the action of the President in cutting back or underfunding programs that Congress traditionally has considered to be important. I feel we have come out with a good bill, especially given the terrific fiscal restraints which we face this year.

Mr. Chairman, I know that all Members of the House are feeling pressure to reduce Federal spending. This bill does do that, and it does it in a reasoned rational way, after a careful, line item by line item analysis of the budget, many weeks of thorough hearings, and a 12-hour markup of the bill. I caution against amendments to cut this bill; in many areas it can justifiably be argued that this bill does not provide enough money for several programs, such as certain sections of the Rehabilitation Services Administration or some programs in the health services or health resources administrations.

I also have misgivings about adding too much to this bill. I do not say that the bill is perfect, or that there are not areas where I will support some add-ons. I caution, however, against making so many add-ons that this bill becomes a ripe target for a veto, allowing President Carter to accuse Congress of fiscal irresponsibility. In its present form, the subcommittee's bill sends a message to the President that Congress will not blindly accept the budgetary priorities he sets forth, but that it can match and even improve upon his commitment to reducing Federal spending in an intelligent, reasoned manner. If we add on an enormous sum of money here, we will lose our credibility before the President, and more importantly, before the American public.

Mr. Chairman, along with these major increases, I personally took a strong interest in other programs. I offered an amendment to increase funding for family planning, title X, to $165 million, $20 million more than the President requested. I am very concerned with the needs of this program, and with the problem this Nation faces. Last year, there were over 1 million adolescent pregnancies of which 600,000 were carried to term. The title X family planning program is our most effective program for dealing with this problem. For every dollar spent, it is estimated that there is at least $1.80 saved through pregnancies avoided.

I also strongly supported an amendment to increase funding for vocational education by $100 million, for a total of $574 million. I am myself a graduate of vocational education schools. I support this kind of education, because this is the real way to beat unemployment.

I also supported increases for the elderly nutrition program; in fiscal year 1979, an increase of $22.5 million, to $277 million; and an increase of $73 million, to $350 million for fiscal year 1980. This is a program that meets a real need, and one which deserves our strongest support.

I also offered an amendment to increase funding for start-up assistance for health professions schools. This will provide assistance for medical, dental, and veterinary schools which had counted on these funds in order to initiate their activities. I am particularly concerned with the need for high-quality veterinary schools to deal with the problem of what I consider to be the very real and severe shortages of good veterinarians in this country.

Finally, I also offered an amendment to restore funding for the national youth sports program, a wholesome, productive program that does a great service, and which meets a real and important need in our country.

I also offered amendments to increase funding for two small education programs, the inexpensive book distribution program and the arts education for the handicapped program. It is often these small programs in the Office of Education which are most effective in meeting special but important education needs of our people.

I also offered an amendment to increase funding for health professions students loans to $13 million, a program President Carter wanted to zero out. This is an excellent, low-interest loan program on which there has never been a default. I also supported an amendment offered by my good friend and colleague, Mr. Early, to increase funding for national health service scholarships. These two amendments will help provide funds for health professions students to begin and continue their education. I can only repeat that I deplore the apparent lack of a health manpower policy within the Carter administration, and I shall continue to support those programs which exist in order to make sure that we have an adequate supply of medical providers.

☐ 1440

Mr. NATCHER. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Wisconsin, a member of the subcommittee (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would like to take a few minutes to speak on the funding provided in this bill by the committee for the Cancer Institute because I think there is a great deal of unnecessary apprehension out in the country in some quarters about what we actually did to the National Cancer Institute budget.

Despite all the confusion the facts are simply these: We made additions to the Institute totaling over $41 million and we made cuts of $17 million. The $17 million in cuts came from two programs; one, construction at NCI for which the Institute contracted $16 million, and cancer control for which the Institute requested $69 million.

Now, consistent with the committee policy and the policy taken this spring by the full House on the child health building, we decided to hold down spending on construction in order to more fully fund research. Therefore, we cut the request for construction increases in half by $8 million.

In cancer control we had two problems which I personally raised before the subcommittee. First was that we were attempting to treat all institutes at NIH the same in terms of their ability to fund the highest quality grant applications. Yet the budget submitted for cancer control would have permitted the funding of grants at paylines that were going to be unfunded in cancer treatment or in the treatment of virtually all other diseases.

We did not think that was fair, we did not think that was scientifically wise so we reduced the budget for cancer control grants from $20 million requested to $16.3 million. That gave us some additional money to offset the sizable increase that we provided for grants for cancer treatment and for other areas of cancer research. It put cancer control on the same footing as everybody else within NCI and within NIH at a payline of around 212.

The other area where we had a problem with the requested cancer control budget was in some of the individual contract projects which that program has generated.

For instance, we have spent over $20 million over the years to provide pap smears for indigent and low-income women under the cancer control program.

Now I think that women ought to get pap smears and I think that virtually all physicians believe the same. However, the fact is that 78 percent of the women who received tests under this contract were eligible for medicaid. The average cost of providing pap smears under medicaid was $10 but the cancer control program charged the U.S. Government $15 apiece. That is simply not justifiable.

Then there is the $2.4 million we have spent over a 2-year period for another contract involving vinyl chloride workers. I think most of the Members of the House know about my deep concern on the issue of worker health. I have spent an awful lot of time on it and I have bugged a lot of my colleagues on the committee about it.

What happened to those vinyl chloride workers was a monumental tragedy. I would love to do something to help them.

You should look at what some of NCI's own appointed experts said about that $2.4 million contract. This is what the reviewers said:

> This is a dangerous program that should be terminated as soon as possible. . . . This is not the fault of the contractors but can be dropped directly into the lap of the funding organization.

Another contract on asbestos workers at Tyler, Tex., resulted in similar review. Despite that the cancer control program has insisted on a new contract in Tyler and is requesting money for that in this year's budget; $47 million has been used for screening women for breast cancer. It was done in such a way as to expose women at low risk to harmful radiation. Some observers actually believe that the control program effort may have caused more cancer than it prevented. I do not know. I am not a scientist but that is what some scientists believe; reputable scientists, good ones.

In addition, some very preliminary findings on a survey conducted for my office at NCI indicated that approximately 10 percent of the contracts signed by the cancer control program were recommended for termination before they were completed by the program's own outside reviewers. It is not just the opinion of this committee that a lot of these contracts are junk, it is the judgment of the control program's own appointed experts. Altogether we are spending about $33 million on these individual contract projects.

We thought we could cut the projects back by about $5.3 million simply by improving efficiency and improving their selection of projects.

There is one other area in which the cancer control program is involved which is the funding for community cancer centers. These centers are working at the local level to improve the quality of treatment provided to cancer victims. Unlike some other efforts within the cancer control program, they are helpful efforts which address real problems in the care and treatment of cancer victims. Their annual budget is $16 million. They can be distinguished from other programs in cancer control in a number of respects. One is that when abuse and mismanagement of cancer control contracting operations were discussed before our subcommittee they were not mentioned once. Yet, the Cancer Institute is now proposing, according to some reports, to take not only the entire cut in cancer control from these centers but also a portion of the proposed cuts in the Cancer Institute construction fund. That is absurd.

The Senate responded to it by stipulating in their report, community cancer centers not be cut, and I would agree with what the Senate language has provided in this instance. I would suspect the chairman and the committee members would also and I would encourage the House conferees to accept the Senate language when we go to conference to insure that no cut is made in community cancer centers.

I would like to say a further word on the Cancer Institute budget and the NIH budget generally. The budget which was submitted to the House contained no funds at all for testing additional chemicals suspected of causing cancer. There are roughly 10,000 chemicals in our everyday environment and well over 90 percent of them have never been systematically and scientifically tested in a way that documents clearly whether or not they cause cancer.

Five hundred to one thousand new chemicals go into major production each year. The Cancer Institute budget of $930 million included no funds to test an additional single chemical to determine if it is cancer causing.

Furthermore, 70 of the 195 chemicals now on test would, under that $930 million NCI budget request, have to be stopped. The 50,000 test animals would have to be sacrificed and no results would be obtained.

☐ 1450

That is the kind of priority we are getting in our zero based budget from NIH, from HEW and from good old OMB. That is just lousy judgment.

Under the budget recommendations as sent to us under some institutions, as few as 14 percent of the approved grants could have been funded under that budget.

At another institute, an almost completed $70 million building would stand virtually unusuable and idle because the budget contained no request for desks, for labs, for benches, for utilities, or for management or maintenance personnel. This situation has to change.

I think the committee has done a good job, a very fair job in weighing NIH priorities. I think this is the best bill on NIH to come out of this subcommittee since I have been a member.

We would all like to do more, particularly in attacking diseases which we have personally witnessed; but given the budget restraints which we faced as a committee, we were as fair as we could be under the circumstances. And all of the groups in this country who want to add dollars for programs, for this program or that, had better realize something. They had better recognize that if they want to do that, they had better pay some attention to the budget process. They cannot expect this committee after a very tight budget is adopted in function 500, they cannot expect this committee to then have to come to the floor and bust the budget because you know there will not be the support on this floor for that.

So my advice to you is that if you want to increase the funding in this bill, which is already at the budget ceiling level under the budget resolution, what you had better do is pay more attention to the budget resolution so that we have the room to do what all of us would like to do, but are precluded from doing under the circumstances. So under those circumstances we have added over $200 million and we have prevented a lot of disasters in the health area; but I believe we have a right to expect a far better and more realistic budget from the administration and OMB.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. NATCHER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I thank the chairman of the committee.

Mr. Chairman, I think we have a right to expect a far better, a far more realistic budget from the administration and OMB on these difficult items than we have received this year.

I also want to join in the comments of the gentleman from Illinois (Mr. MICHEL), the gentleman from Massachusetts (Mr. CONTE) and others on our subcommittee chairman. I believe the gentleman has a disciplined approach to this bill which is useful for both the House and the committee. I think the gentleman has produced a bill which is by far the fairest, by far the most defensible in scientific terms of any Labor-HEW bill since I have been a member of the subcommittee. I very much appreciate that fact.

Mr. MICHEL. Mr. Chairman, I yield such time as he may desire to the genial gentleman from Illinois (Mr. O'BRIEN), a member of the subcommittee.

Mr. O'BRIEN. Mr. Chairman, I thank my ranking minority member.

Mr. Chairman, my remarks will be brief. I would like to touch on four matters which I think are significant. One is the bottom line of this bill—the appropriation total. If you take our chairman's figures, it is $200 million less than last year. If you take the figures of the ranking minority member, we are $37 million over last year; but when you consider that we are dealing with a 73 to 74 billion dollar budget, even if we assume the figures of the gentleman from Illinois (Mr. MICHEL) are correct, and I believe they are, that is just about one two-thousandth over the President's budget and I do not think we can complain about that as being excessive.

Second, I would like to comment generally on the remarks made by the others ahead of me to the extent that this bill is a generous bill. It is indeed generous but it is not extravagant. We have tried to do the best we can for all the good causes that came before us, and at the same time we have tried to respect the intentions and the desire of the American public that we hold the line.

Third, I would like to commend to your attention among the 24 or 25 amendments coming up, those offered by Representatives, the gentlelady from Maryland (Mrs. BYRON), the gentleman from New York (Mr. BIAGGI), and the gentleman from Nebraska (Mr. BEREUTER). I think you will find they are interesting and merit serious consideration. One, the Byron amendment touches on a question of a single inspection in a year by a State authority substituting for that year the need for a Federal OSHA monitoring examination.

Another, the Biaggi amendment, will consider prohibiting the spending of Labor-HEW funds for illegal aliens; and a third, the Bereuter amendment, which deals with the "SHUR" system of hospital uniform reporting, the merits of which we believe are dubious.

Finally, and not the least of my remarks, I offer my compliments to our new chairman. The gentleman has done a superb job, as has the minority ranking member, hearing everyone who came before us, seeing to it that everyone got the time and the attention and the care that he or she needed.

I know personally that the chairman sat and listened to 300 individual public witnesses after the agency witnesses were finished.

The gentleman has excellent support and a remarkably competent staff headed by Henry Neil and they have been a great help to all of us; but I think the presence of the chairman himself literally dominated the hearings. The gentleman is thorough, he is fair, he is firm, and it is a great pleasure to serve on the distinguished committee he chairs.

Mr. NATCHER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. STOKES), a member of the subcommittee.

Mr. STOKES. Mr. Chairman, at the outset and prior to making my remarks, I want to join with my other colleagues who serve on this subcommittee and add my own personal commendation to the distinguished gentleman from Kentucky (Mr. NATCHER). I have had the honor and the distinction in Congress of serving on two subcommittees that the gentleman chairs. One was the District of Columbia subcommittee which the gentleman chaired for many years and now I serve on the Labor-HEW subcommittee under the gentleman's extraordinary leadership. The gentleman has always been fair and equitable and has permitted every member of this subcommittee every opportunity to serve his constituency in the way that he desires through the committee process. I think we are all. indeed, fortunate to serve with such a distinguished gentleman.

Mr. Chairman, there are several items in this bill that I would like to make reference to. I think this is an extraordinarily good bill. I support the bill in its entirety. I would like to make some reference to certain items in there that I think the House should be aware of.

In general, CETA was considered and dealt with fairly by the committee. The committee, I think, showed wise judgment in reprograming a large amount of excess funds that existed.

The committee did acknowledge that unemployment was still a major national problem and provided funds in this bill to address this problem.

Mr. Chairman, I have taken a strong interest in the youth unemployment problem, since it is particularly bad among black youth. They are almost three times more likely to be unemployed than their white counterparts nationally.

Thus, I am pleased that the committee was conscientious enough to recommend $608 million for summer youth jobs. This will provide for about 1 million jobs in fiscal year 1980. For those youth who cannot find summer jobs, the committee has restored funding for the national youth sports and the summer recreation programs and community services agency. The President had proposed to eliminate these programs.

In addition, funding has been provided for the employment of older Americans so that 52,500 jobs can be provided in fiscal year 1980. This is a 10-percent expansion over the current level.

In the area of health, the committee made significant decisions. Community health centers were funded at $339 million in this bill or $33 million below the President's request. There is language in the committee report to insure that the 180 projects which now have applications pending in HEW will receive priority consideration for funding.

Hypertension is a national problem affecting 60 million Americans. It is a major contributor to 68 percent of all heart attacks and 75 percent of all first strokes. This bill provides $17 million for hypertension project grants to the States to address this disease, which is a silent killer.

The committee in my opinion, Mr. Chairman, did a commendable job on the National Institutes of Health. The President had proposed very little or no growth of the most of the Institutes. This bill protects and continues the Nation's investment in research by providing $3.381 billion for NIH.

The 1980 appropriations recommended by the committee will fund about 5,000 new awards and competing renewal awards from the most promising grant applications.

I am particularly proud of NIH's increased emphasis on diabetes research for which the Congress has provided funding in past years and this year.

☐ 1500

This increased emphasis has been very fruitful. In just this year alone, four major breakthroughs in diabetes research have been accomplished. The latest breakthrough—the discovery that a virus can cause diabetes—embodies the potential to prevent this insidious disease.

With respect to health manpower programs, the committee recommended funding for several programs that the President had proposed to eliminate. These funds, for capitation grants, health professions loans, and exceptionally needed scholarships, are important sources of financial assistance to schools and students. The funds are especially helpful to those students who might not otherwise be able to afford the high cost of health professions education. Not many students can afford to pay tuition as high as $12,000 a year at some medical schools.

In addition, the bill provides for adequate funding for the National Health Services Corps scholarship program which provides students with financial aid as well as helps to address the needs of the many rural and inner city communities that lack practicing doctors and other health personnel.

The current epidemic of teenage pregnancies is addressed by the committee's recommendation for family planning services and for the adolescent pregnancy prevention program. The committee exerted a great deal of fiscal responsibility in reviewing funding for this latter program, but provided enough funds for the program's initiation in fiscal year 1980.

This bill does well by our young people with respect to their educational development.

The Education and Labor Committee of the House had devoted a great deal of time and effort holding extensive hearings on the title I component of the Elementary and Secondary Act of 1978. This is an excellent program, a program that has been extensively studied and deserves congressional support. Our committee recommended $1.078 billion for the title I-basic grants and $346 million for title I-concentration grants. These funds are sorely needed by school districts that have large concentrations of low-income children who need additional services. These funds are well invested.

An equally good investment is the committee's recommendation for Head Start; $735 million is provided for fiscal year 1980. Head Start is a program that currently serves only 20 percent of eligible preschoolers. This is a program that has been praised by the GAO and other independent evaluators.

Mr. Chairman, I could go on and on relating the specific provisions of this bill, but in general I would have to say that our subcommittee has done what, in my opinion, is an extraordinary job of bringing a good bill to the floor, and I urge all my colleagues to support this bill.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the newest member of the subcommittee, the gentleman from Michigan (Mr. PURSELL), who brings a new dimension to the committee, having served with such distinction in the State legislature in this very same field in which we are now engaged.

Mr. PURSELL. Mr. Chairman, I appreciate those fine remarks. I hope I am still in the party of Lincoln, and since our ranking minority member is from Illinois, I appreciate those comments.

I think this is a good appropriation bill we are discussing here, and I am going to be very brief.

I think in the next few months, maybe in the next year or two, perhaps in this session and the next session, we are going to be addressing ourselves to a major health issue called national health insurance. I would hope that someday the Congress could begin to develop a higher percentage of allocation within this bill for an issue that I think is as important as national health insurance, and that is preventive medicine and preventive health. I think if we would invest in Preventive Health Efforts with our young people in this generation and in future generations, or dollars would be better invested to protect the health of every American in our society.

With those comments, Mr. Chairman, I will simply say that I am very pleased and honored to serve on this committee. I respect our great chairman, who is a premier legislator in my opinion, the gentleman from Kentucky (Mr. NATCHER), along with our great ranking Republican Member, the gentleman from Illinois (Mr. MICHEL).

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, it is a real pleasure to speak to the Members on this day and on this bill.

In the years that I have been here, one of the things that has been easy to see is that this is probably the most difficult bill to deal with that we have coming before the Congress. The reason for this is that just about every subject addressed in the bill has great appeal to many, many Americans. There is no program in this bill that does not have tremendous support in terms of its principles and its objectives and for the good that it is intended to do.

Unfortunately, on the other hand, because of its salability and because of our deep interest, we so frequently measure this bill more than others by how much money we include in it.

I have as a lawyer noticed through the years that we have periodically—sometimes it looks like it happens almost weekly—brought up another authorization and another program to deal with another disease. We cannot condemn that approach, but I can say that through that method and through the way that we deal with those who come before us and want more money for this, that, and the other program, it leads us sometimes not to do what this committee has done so well through the years.

I take the floor at this time as chairman of the committee, and I am the chairman through the Members' support and I appreciate the support I have received. This is a position where I work with the Members and where I have a chance to operate with the subcommittee chairmen and the others who really have the opportunity to study all the matters involved, and conduct the hearings.

I come here, as others have done before me today, and recommend this bill to the Members because I do not know of any Member in the Congress who has done a better job of asking, "What are we getting for our money?" than the gentleman from Kentucky (Mr. NATCHER), along with the gentleman from Illinois (Mr. MICHEL), and other members of this subcommittee.

This bill covers just about everything we can think of and includes large sums of money to meet the health needs and the physical needs of the American people. The problem we have is how to be sure we get results for the money we spend.

I do not say this to shock anybody, but a study made by your committee shows that from the standpoint of dollars, 58 percent of the programs included in the Federal budget contain escalation provisions which add more inflation the more inflation goes up. I would also point out that about 57 percent of the budget is comprised of entitlement programs and when you consider obligation made in prior years, about 75 percent of the budget outlays—actual expenditures—are classified as uncontrollable under existing law. Also, the dollar has lost 50 percent of its purchasing power since 1967.

I say now, as great and as earnest as our desire may be—and it is strong—to find solutions to the problems addressed in this bill, we have got to ask ourselves the question: How do we get value received for the money we spend? It is not how much money we spend, but it is the results we get.

So having participated to some degree in the hearings, but primarily from having observed my colleagues on the subcommittee, I can say I do not believe we have ever had a time when any group has approached a subject as seriously as has been done this year on this bill.

We have a good bill. We have a bill that will meet the needs of the American people, and I hope the Members will accept it.

I will say that bringing out an appropriation bill is not an exact science. There is not a member of the committee who can tell us this dollar figure is right, that dollar figure is right, and another figure is right. But we must approach this bill from the standpoint of dollars.

After all the hearings and after all the judicial decisions that have been made, this is a sound bill. The subcommittee has done a fine job in listening to all of us and reaching a consensus as to the recommendations made.

Again, I want to compliment every member of this committee. I repeat that through the years no one has done a better job than the gentleman from Kentucky (Mr. NATCHER) in asking, "What are you going to do with your money? What have you got now? What do you get for the money expended? Do we get the most for the dollar?

Mr. Chairman, we have a good bill. Let us stick by it.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, I rise in opposition to the aspects of this legislation that infringe upon the right of women to choose whether to have an abortion. It not only discriminates against women whose financial condition forces them to bear unwanted children but also completely ignores women whose health problems may well knowingly cause the birth of severely deformed or retarded children.

Take for example women who suffer from epilepsy. A disorder of the nervous system cannot be cured, but it can be controlled. Epileptic women who become pregnant are subject to many complications, one of the most serious of which is an increased susceptibility to seizures, which become more frequent during pregnancy. Unfortunately, the anticonvulsant drugs that women must take to control these seizures can lead to birth defects in children. Furthermore, the children of epileptic parents have 2 to 4 times the general population frequency of malformation and neurological defects, including developmental palate and heart defects, growth retardation, and mental deficiency.

Epilepsy is only one of many health conditions which necessitate exceptions to such blanket "life endangering" language as exists in the language to prohibit the use of funds to pay for abortions. Women suffering from Tay Sachs and anencephaly—both of which are fatal, with the offspring surviving for at most a few years. These conditions are detectable through prenatal diagnosis, yet with the language that now exists, these women must carry to term children who will never see a schoolroom door. Whether to do so is an extremely difficult decision that only the individual involved can make. The State cannot and should not make that decision.

Mr. PURSELL. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I, too, want to join in a word of most sincere praise for the gentleman from Kentucky (Mr. NATCHER), the gentleman from Illinois (Mr. MICHEL), and every member of this subcommittee for the outstanding work they have done to bring us a bill of this magnitude.

When one considers there are $73 billion in directly appropriated funds and when one adds to that the trust funds, the grand total becomes some $237 billion, and it certainly should impress all of us that this is the biggest and, we hope, the best, but certainly the biggest money bill that this House considers during the year.

☐ 1510

What I want to talk about very briefly today is bilingual education, because it is a large part of this bill. This bill appropriates or proposes to appropriate $171,600,000 for fiscal year 1980 for bilingual education. That is $13 million more than in the current year. The current appropriation for bilingual education is $158,600,000. I am not prepared to say if that is too much, nor am I prepared to say that it is not enough. At this point I accept the subcommittee judgment. We need a very effecive bilingual education program in our public schools. But I wanted to share with my colleagues the grand jury report in San Diego County, issued in April of this year, in 1979, that points out that "bilingual education in our country is in serious trouble."

Let me just read to the Members a statement from the grand jury report:

> The Grand Jury believes that the backlash which is growing against bilingual education is so severe that compromise and moderation must prevail. Proponents have failed to convince the community at large that bilingual education is effective in developing English language competency efficiently and may actually be a push towards separatism and a dual society.

Those are very strong words.

Let me try to explain how we arrived at where we are. Bilingual education is mandatory by State and Federal law. It is mandatory by the court decision of 1974 in the RAU-Nichols decision. I remember years ago when I was a member of the State senate in California, I voted, along with my colleagues, to permit Spanish to be used in the schools for the first time in our State. We had an archaic law that did not permit the use of Spanish in the public schools, and indeed, commonsense would indicate that it would be very difficult to take a young Spanish-speaking child and teach him or her English without the use of Spanish. And so, of course, we voted to change the law and permit Spanish to be spoken. But now, years later, in the Southwestern corner of the United States, a great debate in our communiy is raging. Shall we make our children proficient in English, which I believe is the object of a good bilingual program, or shall we make them bicultural and truly bilingual, particularly bicultural? I submit to the members of the committee that the object of a good, sound bilingual program is to make our young people proficient in the native language of our country, which is English; otherwise, we may move toward separatism, a devisive sort of thing, making our young people proficient in neither language, and the program could be very devisive.

Let me just read some key points from the grand jury report:

> Bilingual education is in trouble. Strong, courageous leadership is needed to bring order back to the patchwork of bilingual education and view it in perspective with the education for all children. Reasonableness and moderation are sorely needed both in legislation at the State and national levels and in local district programs. With a sense of urgency, the Grand Jury draws these general conclusions and follows with recommendations.

Let me share only two or three of the pertinent ones with you:

> Special educational help is needed for students whose primary language is not English.
>
> Mastering English and learning to function in the American Way of Life are the obligation of every immigrant who chooses to live in this country.
>
> The responsibility of the public schools is to educate all children to be fully functional in English.
>
> It is not the responsibility of the public schools to preserve and teach the cultural heritage and customs of a single ethnic group but rather to teach all children about all racial and ethnic groups. This is perhaps best expressed by Noel Epstein who writes that cross-cultural activities should be based on the concept of teach "each about every" rather than "you about yours."

So I plead with my colleagues in this committee and in this House, let us have a strong and effective bilingual education program to teach youngsters to be competent in English. Let us not get off the track and attempt to create a bicultural kind of society which would lead us to divisiveness, to dualism, and to separatism.

I thank my colleague for yielding me time.

Mr. NATCHER. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, let me thank my distinguished colleague from Kentucky for yielding. I certainly feel that I would be derelict in duty if I did not rise to compliment him during the first year as chairman of the Labor-HEW Appropriation Subcommittee for an excellent job. I know it has been very difficult, very tedious. It took many, many hours, and he deserves the commendation of all of the Members in this Chamber. I likewise wish to compliment all of the members of the subcommittee, because I think their contributions have been tremendous and, by and large, they have produced a good bill.

Mr. Chairman, I cannot hide my disappointment that certain education and training programs do not fare better in the Labor-HEW appropriations bill before the House today.

I sympathize with the difficult task that the President and the Committee on Appropriations faced in controlling Federal spending. I know the committee labored to make this a fair and acceptable bill.

But I also deeply sympathize with the plight of local school districts as they try to battle inflation and still preserve the quality of their educational programs. In recent years the costs of elementary and secondary education have risen faster than the overall rate of inflation. In a single year, school energy costs have increased by 25 percent, school transportation by 9.1 percent, and school food by 8 percent.

By appropriating the same amount as last year for several of these programs, we are actually asking our school districts to take a cut in certain areas, when inflation is considered. Unfortunately, it is the poorer school districts, the ones who lack the local resources to compensate for these losses, who will suffer the most.

Nowhere is this more apparent than in the title I program for disadvantaged children. The Appropriations Committee bill will allow for the expected growth in the title I State agency programs. It will provide additional funding for the poorest districts under the new title I concentration program, although not as much as I might wish to see. But the bill contains not a penny more for the regular title I grants to local educational agencies.

As a result, the majority of the school districts in the country—those who will not receive any concentration money—will have to cut back on their title I programs. Because of a 10-percent inflation rate, fewer children will be helped, or fewer services provided. And the tremendous gains that have been made under this program during the past few years will most certainly be undermined.

This is also the case for the Federal library program. Although many of the poorest districts rely heavily upon the title IV-B program to provide necessary instructional and library resources, H.R. 4389 holds this program at a standstill.

I had also hoped to see much more money appropriated for the impact aid program. Not even the minimum funding level for this program, which was amended to give the Appropriations Committee more flexibility last year, is met by H.R. 4389. I can only assume that the quality of education in many districts around the country will suffer as a consequence. For as we know, it is becoming increasingly harder for school districts to levy more taxes for education to replace these funds.

With the appropriation proposed for vocational education, we should be able to hold the line against inflation. But I had hoped for an increase of greater magnitude for this program, which in my view is our Nation's most viable weapon against high unemployment.

As I see it, the committee bill provides the absolute minimum necessary to keep the Federal elementary and secondary education programs above water. While I applaud some of the increases in the committee bill, I am nevertheless afraid that we will have to pay dearly for this overall austerity in years to come. I can only cross my fingers that the education budget proposed in this bill will not mean far greater expenditures for remedial employment programs, welfare, and other social programs down the road.

With respect to postsecondary education, Mr. Chairman, I am especially pleased that the House Appropriations Committee has not accepted the budget recommendation of zero funding for the college library program. While the cost of books and journals has increased almost 200 percent over the last 10 years, the Federal appropriations for college library resources have declined some 60 percent. To terminate the program now would cause special hardship for the small colleges experiencing extreme financial difficulties.

The program provides basic grants of up to $5,000 for all eligible institutions of higher education. Last year an estimated 500,000 volumes were purchased with title II-A funds, which is nearly twice the number added to the collections of the Harvard University libraries. The collective loss of these volumes would not only weaken the individual collections of our junior and 4-year colleges, but would also weaken the growing system of resource sharing among the smaller institutions.

The amount in the bill, $9.9 million, will provide grants to college libraries of just under $4,000 each. This will help every library counteract spiraling price increases, but proportionately the program targets more aid to the smaller, needier colleges. For instance a small private college in my State recently reported that the II-A basic grant comprises half of the total library budget for library materials and binding. A 2-year college in Kentucky states that without the grant, basic library resources which are purchased on a continuing basis, would have to be eliminated.

This bill continues funding for college library resources at last year's level, and that is certainly the minimum we ought to do for our Nation's college libraries and the students they serve.

With respect to student aid, I want to compliment the committee on proposing funding which is sufficient to meet all of the requirements of the Middle Income Student Assistance Act. The basic educational opportunity grant program will be fully funded with maximum grants of $1,800 for the neediest students. Funding of the college work-study and the supplemental educational opportunity grant programs is at the threshold levels established in the Middle Income Act. Colleges and universities have indicated they need far more than this so we must maintain, at a minimum, the levels contained in the bill.

I have considerable concern over the proposed funding for the direct loan program. While the pending bill is $66 million over the President's budget for direct student loan capital contribution, the level is some $24 million less than the amount provided last year. As I understand it, the reduction is premised on the administration's assurances that improved collections will bring the total amount available for lending up to at least last year's level. This is something we intend to monitor very closely with a view to securing supplemental funding later on if the projections of the administration do not materialize.

Mr. Chairman, I would like to turn now to two matters which are of very serious concern—the proposed funding of the rehabilitation program and the funding of programs administered by the Community Services Administration.

With respect to the latter, I fully intend to support Mr. CORRADA's amendment to restore the funding of State offices of economic opportunity to last year's level. The proposed reduction from $12 to $7.5 million will seriously affect antipoverty programs at the local level. Here we seek to add only $4.5 million—a small additional investment which will be of substantial benefit to the operation of antipoverty programs particularly in rural areas.

Perhaps the matter of greatest concern to me is the proposed funding of the crisis program to help low-income families pay their energy bills. The pending bill reduces funding for a program more needed today than ever before. It proposes a cut of $180 million from last year's level and $20 million less than the President requested. Neither the $20 million proposed by the committee or the $40 million proposed by the administration is sufficient.

The administration has said it plans to transfer responsibility for emergency fuel assistance to the Department of Energy. That in and of itself is a serious mistake. It is important to note, also, that while the administration proposes to transfer responsibility for the program to the Department of Energy, it does not propose a transfer of funds. This misguided effort reduces the ability of the Federal agency with the most experience in working with those in poverty to assist those in need during harsh winter weather circumstances which cause extraordinary increases in energy costs.

We are talking here of the poor, the elderly, and others living on low fixed incomes for whom an ability to purchase needed fuel endangers health and even survival.

While providing no additional funds, it transfers new responsibilities to an agency with no specific past experience in working with the poor in a time when inflation as well as limited oil supply are forcing the price of home heating fuels upward at an alarming rate. This bill would cut assistance to those most in need by 90 percent below previous years. This is decidedly ill-advised.

Mr. Chairman, I fully intend to support as I hope my colleagues will, the Dodd-Nolan amendment to provide additional funds for the emergency fuel assistance program.

The pending bill will seriously hinder the rehabilitation program for physically and mentally handicapped individuals. There is probably no social program where we can document a better cost-benefit ratio. Indeed, every cost-benefit analysis of the rehabilitation program shows the benefits to be many times the cost. It just does not make sense to underfund this program when the costs of dependency of disabled people is in the billions and billions of dollars. For every dollar we spend on rehabilitation, we spend $190 on dependency. Mr. Chairman, I am going to support amendments which I understand will be offered to increase funding of the new independent living program and of other components in the overall rehabilitation effort.

The Appropriations Committee has followed the recommendation of the administration and held the funding of the basic rehabilitation program to last year's level of $808 million. The basic program in a State entitlement program whose 1980 entitlement level is $880 million. I simply do not understand the rationale of the Appropriations Committee in denying sufficient funds to fully meet State entitlements. It is my hope that a supplemental bill later on will be processed in order to fully fund the program. In my view, no one should interpret our actions here today with respect to this legislation as in any way adversely affecting State rights which currently exist under the entitlement provisions of the authorizing statute.

The bill provides $8.150 billion for programs operated under the Comprehensive Employment and Training Act. Taking into account carryover funds of $2 billion, this means that slightly over $10 billion will be available for the CETA program during fiscal 1980.

The committee held most programs constant, increased others such as the Job Corps, and made a sizable cutback in the title VI countercyclical public service employment program. While I strongly disagree with this cutback, I feel the committee did its best to be fair and equitable in providing funds for the

CETA program, especially in light of the strong budgetary pressures the committee had to deal with.

The bill provides $3.3 billion in new funds for PSE slots, $1.485 billion under title II–D, and $1.815 billion under title VI. When carryover funds of $2 billion are added to this amount, there will be a total of $5.3 billion available to fund an average of 500,000 PSE slots during fiscal 1980.

Also $2.054 billion is included to fund the programs operated under titles II–A, B, and C. These programs include classroom and on-the-job training, work experience, vocational education and counseling, remedial education and job placement services. The committee's figure holds these programs at their current levels, and includes an increase of $139.9 million to cover increases in the minimum wage.

National programs under title III are funded at a level of $564 million, an increase of $175 million over the fiscal year 1979 amount. This increase represents funds transferred from title II–D to operate welfare reform demonstration projects.

Included is $608 million for the summer youth program, enough to fund 1 million slots next summer; $415 million is provided for the Job Corps, enough to continue the expansion of this fine program, and to fund increases in the pay and allowances for Job Corps members; $233 million is provided for the Young Adult Conservation Corps, enough to fund a slot level of 20,500 for fiscal 1980. The other youth programs in title IV are funded at the level of $533 million, enough to continue the program at current levels and cover increases in the minimum wage. Finally, $325 million is provided for the new title VII private sector initiative program.

☐ 1520

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I may intend to offer an amendment to increase the funding for the youth incentive entitlement program by $9 million. I am hopeful, after discussion here with the chairman of the subcommittee, that that will not be necessary.

I suggested this amendment basically for two reasons. First, there is a disagreement within the managers of the program and the Department of Labor as to how much money is necessary to make sure that this program does not prematurely end.

Secondly, there is some troublesome language within the committee report which might be misinterpreted by the Office of Management and Budget which would inadvertently cause this program to prematurely end.

First, I would like to point out, as is noted by the committee, that this program is intended to end as a demonstration project at the end of the fiscal year 1980.

I would also like to point out most of our youth employment programs are intended to end at that time and that presently there is a review going on within the Subcommittee on Employment Opportunities of the Committee on Education and Labor, which is reviewing all of our youth programs. Recommendations are to come next year also from the administration and the Vice President Review Committee. We are attempting to determine as to what we should do about the serious problems of youth unemployment.

Now, I want to make sure that there is a clear understanding that our committee—and I speak for the gentleman from California (Mr. HAWKINS), also—believes that the youth incentive entitlement pilot program is one of the best programs that we have going. Any indication that it ought to be phased out, certainly from our point of view, is not accurate.

For instance, it has been one of the least costly of the programs per person. The YIEPP per-person cost is almost half of the Job Corps program and is half the cost of our YACC program.

Second, it is hitting the most serious target. I come from a rural area, but I recognize, after having toured the country and examined a number of these programs in our cities, that it is hitting the real problem of hard-core unemployment and high school dropouts among minority youths.

For instance, 100 percent of the young people being serviced here are economically disadvantaged. Two times as many young people served in this program are on the public assistance than in some of our other programs like the YETP or the YCCIP.

Eighty-four percent of the young people being served in this program are minorities, a much higher proportion than in other programs. What this program does is it takes dropouts from school, gets them back into school and gives them employment.

Now, the problem comes down to this. The question is whether or not it is intended to phase this program out such that in June of 1980 the program would phase out such that we would lose the expertise of the operators, and the youth would be dropped. Then if the program were again decided to be picked up in 1980, the kids would be back in the dropout situation, would be hard to find, and all would suffer.

The Manpower Demonstration Research Corporation, which runs the program, believes they need $9 million more in order to carry the program through to October of 1980.

However, after discussions with the Department of Labor, they feel that there would be enough money available, or they could reprogram enough money out of discretionary moneys or other programs in order to carry this progam through to October 1980.

So if I may engage the chairman of the subcommittee, I would like to make sure that this is clear.

It has taken us some time to determine whether this $9 million would be needed. The administration has indicated that there are sufficient funds to continue the program at current operational levels through fiscal year 1980.

Frankly, after our experience with the public service employment situation, I am not at all confident with the Department of Labor estimates. The program operators, Manpower Demonstration Research Corporation, has figures much closer to reality than the Department.

Rather than offer this amendment, what I would respectfully request from the chairman of the Appropriations Subcommittee is the assurance that the committee would find no problem in the Department's reprograming CETA funds to carry out the entitlement program through the fiscal year 1980 on a full operational basis and that the chairman recognizes our committee's intent that the program not be phased out, but continued at least until such time as we have had a chance to take a careful long hard look at its future.

Our concern is that if the program operators are under the impression that the program would be phased out, we will lose critical sources of expertise.

Would the chairman, the gentleman from Kentucky, support our view that the Appropriations Committee would have no difficulty in allowing the reprograming of CETA funds to continue the youth entitlement programs through the end of fiscal year 1980 and that the committee recognizes that our committee does not wish to see that program phased out?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, as I understand the gentleman's statement, the gentleman is very much concerned about the reprograming of CETA funds to continue the youth entitlement program through the end of fiscal year 1980 and that our subcommittee recognizes that the Education and Labor Committee, speaking of the committee of the gentleman in the well, does not wish to see the program phased out.

☐ 1530

Mr. Chairman, I would like to say to the distinguished gentleman from Vermont that his request seems to be a reasonable request. I want to assure the gentleman that when the time arrives that such a request is in order, every consideration will be given to the request by our subcommittee.

Mr. JEFFORDS. I thank the gentleman.

I have one additional matter that I would like to bring to the attention of the committee. This is a matter of interpretation which does not necessarily involve the Appropriations Committee, but it is a matter of specific concern to myself and to Mr. HAWKINS, chairman of the Subcommittee on Employment Opportunities of the Committee on Education and Labor.

There has been a disagreement on interpretation within the CETA bill which passed last year as to the interpretation of which handicapped can be allowed to participate with respect to various programs. The regulations which were forthcoming gave a different interpretation with respect to young people, young handicapped people and their ability to participate in title IV youth programs.

Mr. HAWKINS and myself wrote a letter to the Department of Labor and I will quote just the first sentence thereof:

> It is our understanding that your department has chosen to limit access to title IV Youth Employment and Training Programs to needy handicapped youth by a narrow interpretation of the application of the low income standard definition contained in that title.

In other words, they believe the provisions expanding handicapped participation in CETA applied only the nonyouth programs. That certainly was not the intent of our committee. We have checked with them. It was intended that broadened eligibility should apply also to handicapped youth. I would like to raise it with this Committee and if anyone here disagrees with the interpretation that Mr. HAWKINS and our committee has placed upon it, I would ask them to ask me to yield and express that. Otherwise I want to carry this forward to the Solicitor General. It is my understanding that he is wavering and may reverse his initial inclinations and come out supporting our interpretation. Any help we can give him through the expression of your understanding would be gratefully appreciated.

As I see there is no one asking me to yield, I presume you agree with my interpretation and I thank the committee very much.

Mr. NATCHER. Mr. Chairman, at this time I yield 3 minutes to the distinguished gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Chairman, I first would like to thank the chairman of the committee for his generosity in allowing me to speak at this time on an amendment that I will be offering. Although not a member of the committee, I would like to congratulate the chairman and the members for the product they have produced.

However, I will, at the appropriate time, have an amendment which I think is in order and I think one most members will agree is proper. The amendment is regarding the Occupational Safety and Health Administration, OSHA's jurisdiction or rather their activities which exceed jurisdiction they have. I specifically point out that this Congress spent 3 years studying the Outer Continental Shelf area of our coastlines whereby we are engaged in drilling for oil and gas. Under the 1978 OCS Lands Act, Congress specifically gave the Coast Guard and the Department of the Interior authority for inspection, investigation, and enforcement of health and safety standards on the Outer Continental Shelf. We made very clear in report language that OSHA was not to have any lead role or any actions with regard to enforcement of safety and health standards in the OCS unless the Department of the Interior and the Coast Guard brought them in and said we would like to bring you into the process.

Despite this very clear direction on behalf of this Congress and the President of the United States, OSHA has repeatedly attempted to conduct investigations of accidents at the very same time that the Coast Guard was trying to conduct their own investigation. They were trying to conduct independent investigations while the Coast Guard people were interviewing people and really causing more problems than they were helping to solve.

This action by OSHA has created at least four court cases whereby industry has had to bring OSHA to court in order to restrict their attempted activities over which they had no authority to act.

I might add that OSHA has lost all of the court cases and the courts have clearly indicated that in this particular area the Coast Guard and the Department of the Interior are the agencies that do have jurisdiction. Therefore, I will be offering an amendment this afternoon which would limit the activities on the Outer Continental Shelf to provisions of 4(b)(1) of OSHA's act that creates and authorizes OSHA's jurisdiction, which is provided for in section 21 of the Outer Continental Shelf Lands Act. This gives OSHA authority to issue health and safety standards on the Outer Continental Shelf only if the Coast Guard and the Department of the Interior do not actively pursue their legal responsibility under sections 21 and 22 of Public Law 95-372.

It is very clear that the Congress has said the Coast Guard and the Interior Department shall have jurisdiction in this area and my amendment merely says no funds that OSHA will be receiving under this appropriation shall be used in the Outer Continental Shelf unless it is under authority as provided in the Outer Continental Shelf Lands Act. It is a legitimate restriction on their activities which I think this Congress has clearly indicated is appropriate, after a great deal of consideration.

Mr. MICHEL. Mr. Chairman, I have no more requests for time on this side.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. I thank the gentleman for the 2 minutes and I will probably not take it. I would like to say that I support the existing language in the bill. I did not get a chance to get my 2 cents worth in on the debate on the rule, but the existing language on abortion I support. I think it is important that we keep the language simple. I wish we could have this language in the authorization bill.

As a member of the Health Subcommittee of the Commerce Committee I would work toward getting such in future legislation. I wish we could get a constitutional amendment to this effect, but it languishes in committee.

I would just like to say one more thing. This past week in Cincinnati, the pro and con forces on this issue did meet. There was confrontation and public debate and that is good for the American system. But I observed and was confirmed in my strong belief against abortion, that I think the weakest case, and for those who are on the other side, the weakest point in their case is demonstrated by the fact that in this confrontation it was the antiabortion forces versus the prochoice forces. And the fact that the proabortion people couch their position in euphemisms, glosses over the real position and I think is, in fact, Mr. Chairman, the weakest part of their argument.

Mr. Chairman, I rise in support of retaining the abortion language currently in the bill, and I urge my colleagues to reject any amendments which seek either to change it or eliminate it.

The committee language is a balanced approach which respects the right of both the unborn child and the mother to live. It provides that "none of the funds provided for in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term."

This language keeps the Federal Government out of the business of financing abortions. Polls have shown that over 55 percent of the American people do not support Federal funding for abortions. This House should not force these taxpayers, who are morally opposed to abortion, to foot the bill for them. It is ironic that during the last few Congresses we have had legislation introduced that would allow taxpayers who object on moral grounds to the slaughter of war to pay their dollars into a world peace tax fund, but yet many Members of this House would expect taxpayers who have moral objections to the slaughter of unborn children to pay for abortions. I ask you why is it legitimate to object to the use of tax dollars for wartime slaughter but not for the slaughter of children when it is a fact that there have been more lives lost due to abortions than in all the wars this country has ever fought?

The supporters of the substitute language to this bill want to force a return to the language of the fiscal year 1979 Labor-HEW appropriations bill which would allow for abortions not only when the mother's life is in danger but also for the victims of rape or incest. I oppose this substitute on the simple grounds that it is against the moral and ethical principles of this country to slaughter the innocent.

The proponents of this substitute argue that unless we pass it, the poor of this country will be unfairly discriminated against, because they cannot afford abortions on demand. I realize the problems that these women face, but is this truly a reason to kill the child who is simply an unfortunate victim of circumstance? What right do we have to deny this child a future? What right do we have to take the life of a person who has committed no wrong against society?

I do not believe that the discrimination argument holds up when we consider the humanity of the situation. I personally am against allowing any abortions, except when the mother's life is in danger, whether it is federally or privately funded and have sponsored an amendment to the U.S. Constitution to outlaw abortions. But are we to allow the slaughter of any person when we can prevent it? I say that we should not.

I again urge my colleagues to keep the committee language intact thereby stopping the Federal funding of abortion.

● Mr. DRINAN. Mr. Chairman, this measure contains $350 million in desperately needed funds for the nutrition program of the Older Americans Act and is a significant improvement over the administration budget request of $277 million. Just last year Congress expanded this highly successful and popular program and established a mandate for home delivered meals under title VII of the act.

In many communities the nutrition program has become the point of introduction for a range of social services which many older citizens would otherwise do without. Once contact is made with the nutrition program, the need for other assistance such as health care, transportation and homemaker services can be assessed. As a result thousands of older Americans are assisted in maintaining independent lives in their own homes. Equally important is the social contact and variety of recreational activities connected with the meal sites. The program serves to nurture both body and mind.

We are all aware of the budget problems which have beset this program. Although Congress reauthorized and expanded the nutrition program late last year, additional funds were not allocated to carry out the new initiatives. As a result, the program continued at its 1978 funding level and experienced an actual reduction in real dollars. Overall inflation had jumped 9.2 percent and food costs had soared 12.5 percent. The supplemental appropriation which we approved a short time ago will help in allowing the program to keep pace with inflation through fiscal 1979.

The budget problems of the nutrition program were exacerbated by the court-ordered release in late 1977 of funds impounded by the Nixon administration as far back as 1973. In my own State of Massachusetts, this meant an additional $1,500,000 for the nutrition program and allowed the program to expand as the need was rising. But this financial boost produced an artificial state of financial security—it was a one-time expenditure which when used would not be replaced. Most programs anticipated that through some source the same amount would be available and relied on this in their budgets. The choice was to hope for the best or to turn older citizens away from meal sites.

There are about 300 meal sites in Massachusetts. As of October 1978, 21,000 older citizens were being served daily meals at these sites. When additional funds were not forthcoming last October nutrition programs were forced to cut back on the number of meals served and the number of persons served. As of last month only 17,980 older citizens were receiving meals—a 20-percent reduction in a short period. At the same time the number of those needing the program, continued to rise with the statewide waiting list swelling from 4,000 to 6,000 in just a few months.

This appropriations bill will allow Massachusetts and other States to continue to meet the needs of its older citizens. It will allow programs to move forward in addressing the needs of homebound older citizens. A decrease in support for this program would only shift the cost elsewhere, to title XX or other already strained social service programs. More importantly, we as a nation, should be able to provide one hot meal a day and needed social services for the elders of this country. H.R. 4389 provides funds for all the programs of the Older Americans Act and deserves our support.●

● Mr. HARRIS. Mr. Chairman, I rise to speak in support of H.R. 4389, the fiscal year 1980 appropriations act for the Departments of Labor and Health, Education, and Welfare. Our committee has worked well to achieve fair funding levels and maintain existing programs within the constraints of a tight budget. My remarks today relate to sections dealing with three programs: CETA, OSHA, and the Federal impact aid program.

I commend the efforts of Chairman NATCHER and his subcommittee to maintain the impact aid program, and I urge that any attempts to reduce these funds be opposed. The main target of these attempts appears to be impact aid for "B" category children—children whose parents work but do not live on Federal property. On March 27, I wrote Chairman NATCHER urging restoration of the reductions for "B" children in the impact aid program as proposed in President Carter's budget—a reduction of $350 million for the Nation's school districts. Over 90 Members of the House representing a bipartisan coalition from 29 States joined me in signing that letter.

While the committee's recommendations fall short of the "B" category levels authorized by law, they do reflect the historic position of the House on impact aid—a commitment to maintain this vital education program. Any amendments that would further reduce program levels would jeopardize the education budgets of local governments. In this time of rising inflation, skyrocketing utility bills and food prices, and excessive health care costs, families certainly do not need the additional burden of higher property taxes which would result from cuts in impact aid.

Impact aid provides funds which can be used in the general operating budget to help cover rising heating bills and buy necessary instructional materials. Local school officials say their budgets are stretched to their limits; they are already cutting back on staff and supplies and curtailing programs as much as they can. Added to these burdens are slashes in State support for education even though these States and various court decisions have placed certain standards of quality on the local schools. Congress has continued to set high standards for our schools. For example, in the amendments to the Federal "special education" program, we mandated that all handicapped children from ages 3 to 21 should be provided a free, public, quality education. When Federal and State governments set these goals, they also have to remember at budget time to foot the bill. It is that simple. School districts cannot respond—cannot develop programs to meet these goals without money.

MERITS OF IMPACT AID PROGRAM

In recent years impact aid has been held up by many as an unwarranted "gravy train" dumping extraordinary amounts of money into "rich" school districts. It is time to put that line of thinking to rest.

The program is very carefully structured to compensate school districts for revenues lost because of the presence of tax-exempt Federal property. This was the intent of the program when it was created 29 years ago, and this is the intent today. I believe that intent is sound. The program was designed to fit into our total system of school financing. And because property taxes—the major source of school revenues—come from taxes on both property where students' parents live and property where they work, the impact aid formula reflects this fact in the way it reimburses school districts.

As you know, there is a calculation of the amount of local dollars a school system commits to educate each child, the "local contribution rate." The program says there are "A" children; their parents both live and work on Federal property. And there are "B" children; their parents live or work on Federal property. The law is very specific about how systems are to be compensated for those children. The point here is that the law is a precise, finely tuned instrument that recognizes the degree of impact and the degree of lost tax revenues because of the Federal presence. The merits of the impact aid law were received by the previous Congress, and that legislation was signed into law by President Carter.

Again, I commend the Labor-HEW Subcommittee and Chairman NATCHER for sensitivity to the need to fund this program adequately.

LABOR DEPARTMENT

As the House considers the Labor-HEW appropriations bill for fiscal year 1980, I want to take this opportunity to express my support for maintaining the Appropriations Committee's overall funding recommendations for Department of Labor programs. The general thrust of their recommendations is consistent with the Labor provisions of the President's budget.

I am certainly aware of past criticisms of the CETA program. I want to point out, however, that during the last 2 years, Congress and the administration have worked together to make important improvements which correct many of these problems. The new law puts strict limitations on the wages which can be paid to public service employees; no individual may hold a position longer than 18 months; strict eligibility requirements assure that jobs will go only to those most in need; and, most importantly, the

Labor Department now has the legal authority it needs to assure strong actions against any instances of fraud and abuse.

OSHA

Since the enactment of the Occupational Safety and Health Act of 1970, we have witnessed repeated efforts to weaken, or in certain cases even repeal, the act. It is ironic that some of the most concentrated attacks on OSHA have occurred at a time when the agency has eliminated major abuses and become an effective vehicle for protecting workers. OSHA has issued more comprehensive health standards in the last 2 years than in the previous 6. The agency has added long needed scientific and medical personnel and has redirected its enforcement policy from nonhazardous workplaces to those with serious threats to workers. Accordingly, OSHA has abolished 1,000 regulations which were unnecessarily burdensome to business. This is an important improvement, in my estimation, and the agency has gone a step further and eliminated all recordkeeping requirements for small business employers.

The record speaks for itself. From 1972 to 1977 the accident rate in American workshops has dropped a dramatic 14 percent. This result is reflected in virtually every State.

Now, while the Congress considers a major appropriation measure, is not the time to attempt substantive changes in the law. Our job is to fairly fund agency operations regarding occupational health and safety. H.R. 4389 accomplishes this within our budget targets. We must keep a strong program operating to prevent unwarranted tragedies from occurring such as the Kepone poisoning incident in Hopewell, Va.; the Willow Island, W. Va., scaffold collapse; and the series of grain elevator explosions and deaths last year. A strongly enforced, well-funded Occupational Safety and Health Act is essential to the health of millions of American workers, many of whom live in the Eighth District of Virginia.●

● Mr. FARY. Mr. Chairman, in the HEW appropriations bill which we are considering here today, there are two seemingly contradictory programs. One part of the measure provides funding for the National Institute of Health which will be spent on research into better ways to protect the lives of babies born prematurely. Another part of the appropriation will fund health care for low income people and could, if unamended, provide for the wholesale slaughter of millions of human beings as young as or only slightly younger than those babies covered in the NIH portion of the bill.

Mr. Chairman, how can we allow a biological accident to determine whether a human being is a life worth saving or a commodity to be refused and disposed of on the whim of one person? How major a difference can the passage of 1 or 2 months make in the nature of the being growing in his or her mother's womb? How can we allow the law to treat a human life as an order to be cancelled or a project to be scrapped? A human life is sacred.

Many times, on the floor of this House, I have heard my distinguished colleagues state that this or that park should be saved, or that a certain building should be saved. If this body saves anything, it should act to save these lives.

How we define life is at the center of this controversy. Life begins at conception. A preborn child is not part of the mother's body. He or she is a separate human being with an individual set of genes that make every child unique. How can that child be part of the mother's body to be cut out like a tumor when it has different eye color or hair color? How can a child of the opposite sex, a little boy, be part of a mother's body? Each of the billions of cells making up that preborn child carries the genetic code for brown hair or gray eyes even if the mother is blue-eyed and blonde. When a little girl looks just like her father or even her grandfather, can her mother claim that her daughter is only a part of her own body to be disposed of at will?

I maintain that this Nation cannot be taken seriously in its support for the human rights movement as long as we allow the murder of children. We must recognize the basic right of everyone, whether born or preborn, to a full, unique, individual life.●

● Mr. COTTER. Mr. Chairman, I rise in support of the amendment to be offered by the gentleman from Minnesota (Mr. Nolan) and the gentleman from Connecticut (Mr. Dodd). The amendment adds $180 million to the Community Services Administration for the purpose of establishing an emergency fuel assistance program. Members are well aware that this program has been justified in the past as a "temporary program." I know that many commitments were made based on the temporary nature of this program and many Members are very concerned that by funding this program for another year, a new welfare program will be put in place.

With the decision of the OPEC nations to raise the price of crude oil to $20 per barrel, it is painfully apparent that the Congress will have to act to provide relief for the poor and moderate-income Americans.

Tomorrow the House will get to vote on the windfall profits tax which will raise $28 billion over 5 years. Members should be aware, however, that this tax does not begin until January 1, 1980, and it is highly unlikely that there will be any revenue in the energy trust fund to address fuel problems in the winter of 1979.

If I had my way, I would wait for the establishment of a more permanent program because I am aware that the efforts of the CSA have come under attack in the administration of the program.

We, in Connecticut, are fortunate that our program seems to have worked very smoothly; but I understand that this was not the experience in other States.

Let me explain the Connecticut experience. In 1977 over 79,000 individuals were helped and over 3.7 million individuals nationwide. In 1978, with a tighter implementation program, 57,000 individuals were helped in Connecticut and 2.7 million nationwide.

There is no need to remind my colleagues that the price of fuel is going up. My own analysis is that home heating oil will exceed 90 cents per gallon by next year. The price for gas and electricity, while lagging behind home heating oil, has also increased dramatically. The New England regional energy project concluded that New England's 572,000 low-income households spent from 29 to 34 percent of their pretax income for energy purposes. This is based on last year's figures. The same group estimates that with the rise in energy prices, this figure will be in excess of 40 percent. Given a cold winter, even these figures will prove inadequate.

I want to inform the House that a permanent solution to this problem lies in the use of windfall profits tax revenues. I am confident that the Ways and Means Committee will address this issue in late July and a permanent program can be in place before the 1st session of the 96th Congress adjourns.

Therefore, Mr. Chairman, I urge my colleagues to approve this amendment.●

● Mr. DRINAN. Mr. Chairman, I rise in support of the amendment to be offered by my distinguished colleague from Massachusetts, Mr. Early, which I am proud to cosponsor. Mr. Early expressed the need to expand the budget of the National Institutes of Health by $47 million more than ably by asserting that "an investment in basic research returns far more in dollars than is expended. It has been estimated that each dollar invested in NIH research leads to approximately $20 in reduced health care costs and an increase in human productivity. Today's health depends on yesterday's research."

The modest but necessary increase that has been proposed will go far toward guaranteeing an adequate supply of trained research personnel in the next decade, toward continuity in ongoing research, and most importantly, toward relieving the suffering of millions of Americans afflicted with cancer, heart and lung disease, and other illnesses.

I am reminded by the Juvenile Diabetes Foundation that in this year alone, four breakthroughs have been made in treating diabetes, the third leading cause of death in the country, the leading cause of blindness, and a major cause of heart disease, kidney failure, and stroke. I wish to draw this body's attention to the fact that those four breakthroughs were made by NIH-supported researchers. Yet without the additional funding which this amendment provides, the number of approved grants in fiscal year 1980 could be less than in the current fiscal year. Any move for budget austerity resulting in decreased NIH research would indeed be shortsighted.

Mr. Chairman, I offer my support to this amendment, my commendation to my colleague for introducing it, and my wishes of continued success to the biomedical researchers throughout the country.●

● Mr. BARNES. Mr. Chairman, I strongly support the Dodd-Nolan amendment, and I commend the gentleman from Connecticut for offering it. The favorable weather of the last few days here in Washington may make the circumstances and need for this amendment seem somewhat remote, and perhaps more difficult for us to appreciate. But as we consider this issue, I urge my colleagues to recall the excruciatingly cold winters we have experienced in recent years, and to focus for a moment on what the trend toward colder winters has meant for our citizens living on low or fixed incomes.

If I could briefly quote from the April 1979 report of the General Accounting Office, entitled "Meeting Winter Heating Bills for Needy Families: How Should the Federal Program Work?":

> The Winter of 1976–77 was the coldest in 60 years, and national energy consumption was 32 percent higher than the previous winter. With increased consumption came higher prices; the estimated heating bill for the Nation increased 49 percent—to $8.4 billion—an average increase of $139 per house.
>
> These financial burdens fell heaviest on the poor and the elderly. Energy costs have risen more than four times faster than average welfare payments since 1973, and even before the winter of 1976 many poor and elderly persons were spending 60 to 80 percent of their income on shelter and heat. Many of these people were not able to pay their utility bills as the winter progressed. This resulted in arrearages, threats of discontinuation, and utility cutoffs in some areas of the country.

This GAO study took a thorough, comprehensive look at the special crisis intervention program that is administered by the Community Services Administration, noting some of the management problems the program has encountered and making recommendations as to how those difficulties might be resolved. What the GAO did not know when the report was written, Mr. Chairman, is that the trends noted in the report's introduction—colder winters and higher energy costs—would worsen beyond what most thought possible. The winter of 1977–78 was the coldest in our country's history, and the price of energy has escalated by quantum leaps, including a possible additional 38 percent increase in the price of OPEC-controlled oil in one fell swoop.

The existing level of funding for the special crisis intervention program—$200 million a year—helps a very small percentage of families who experience or are threatened with energy emergencies. The Department of Energy has estimated in an advisory report that the true need is closer to between $2 billion and $3 billion, and that estimate has been acknowledged by other sources. By contrast, the $20 million level of funding proposed by the committee would, it is very likely, result in cutoffs of gas and electricity in the homes of many of our poorest citizens this winter.

I acknowledge that the Community Services Administration has encountered difficulties in administering this program. Those problems have been recognized by CSA, and the General Accounting Office, and others have made recommendations which, if properly implemented, will insure that past problems will be avoided. In any event, there is simply no reason that the more than 1 million households who will face energy emergencies this winter should be severely penalized because of the administrative difficulties experienced by a Federal agency.

Perhaps, also, there are other approaches to the fuel emergency problem which, over the long run, may prove to be more effective, more comprehensive, or both. But in the limited time we have between now and next winter, I believe that the best approach is to fund this program at last year's levels—$200 million—if only as a short-term solution. If the Congress does not act favorably on the Dodd-Nolan amendment now, by our inaction the "energy crisis" may well become an "energy disaster" for our poorest citizens, who simply will not be able to afford their skyrocketing utility bills.●

Mr. KINDNESS. Mr. Chairman. I think we should all support Mr. BEREUTER's amendment to the Labor-HEW appropriation bill, H.R. 4389 today, when it is offered and hope that this will be the first step in deauthorizing a misguided effort by the Congress and the Department of Health, Education, and Welfare.

At a time when more and more of us are becoming convinced of the inflationary impact of Government overregulation, it is incumbent upon the Congress to stop the implementation of new and purely inflationary regulations.

It was in that spirit that I introduced legislation to repeal section 19 of the Medicare-Medicaid Amendments of 1977 which required HEW to devise a system for uniform hospital cost reporting. As many of us have learned from the hospital administrators in our districts, the Department has taken this authority and proposed a system which will cost hospitals a bundle to comply with and, in fact, is likely to necessitate the keeping of two sets of books—one for HEW and one to properly manage the hospital.

It would appear that HEW is not cognizant of the lessons which have been learned about the negative effects of Government overregulation of other industries. More to the point, I wonder how many of us would vote for section 19 of the 1977 Medicare-Medicaid Amendments if we had realized what the true impact on our hospitals would be.

In studying this issue, I found myself going back and forth between letters from the Department of Health, Education, and Welfare and letters from the American Hospital Association. Back and forth, like a tennis ball, went claims and counterclaims, charges and countercharges. Implementation cost estimates from HEW and the AHA have now escalated to $65 million and $180 million respectively.

So, I went back to the letters I had received from hospital administrators, the people who know firsthand how much it costs to run a hospital and who feel directly the weight of regulatory obligations placed upon them by the Congress, HEW, and State health agencies. I suggest that, rather than arguing over the speculative cost estimates propounded by HEW and the AHA, we listen to what hospital administrators are saying.

For example, the president of the Kettering Medical Center, in the suburbs of Dayton, Ohio said about the cost of implementation and maintenance of SHUR:

> $75,000 to change our computer system to appropriately capture the data; $15,000 to change the accounting system to manage the data; $20,000 to establish the various systems necessary to generate volume statistics required by SHUR.
>
> In addition to (these initial implementation) costs, we have also estimated that it will cost at least the following amounts to maintain the system: $20,000 additional accounting for the data including numerous reclassifications; and, $20,000 to $30,000 for additional effort required to generate all the statistics needed for SHUR.

Joseph Kiefer, Administrator of the McCullough-Hyde Memorial Hospital in Oxford, Ohio, an 80-bed, general, acute-care hospital, conservatively estimates the cost of implementing the SHUR system there to be $25,000 to $35,000. Accordingly, each patient admitted to the hospital would be charged an additional $1.50 to $2 per day. He further notes that this would be a continuing cost because of the need to hire an additional person with an accounting background to perform the reporting requirements.

Permit me to digress a moment at this point. HEW has taken great pains to argue that this is a uniform reporting system and not a uniform accounting system. Furthermore, the Department has argued that all that is required is a "report of accounts once every 12 months, which provides a general breakdown of expenses by category."

Now think about that for a moment and then try to figure out how a hospital will be able to provide an accurate report, even but one annual report, by the categories defined in the SHUR system, without adopting an accounting system with which to collect the data and report it in the required manner. If a hospital does not currently collect its cost data according to the categories established in the SHUR manual, a hospital will of necessity have to either change its accounting system entirely or keep two sets of books.

Some might say that these hospital administrators are like many of us—they simply do not like change. Nevertheless, we would do well to become aware of the specific changes contemplated by the SHUR proposal before deciding whether HEW or a hospital administrator knows the more cost effective way of running a hospital.

Most hospitals currently maintain their records on a "responsibility" or departmental basis. Essentially this means that budgets, expenditures, and ultimately cost controls follow a path of responsibility. For example, all direct expenses of a dietary department are recorded as dietary expenses so that the head of the department can be held responsible for all of the expenses of the department, including the utilization of personnel.

But, the HEW system mandates "functional" accounting. This means that all costs must be recorded according to the particular function. For example, the time spent by dietary department personnel in cleaning the floor in the kitchen would have to be charged to the housekeeping department.

I have been told of numerous examples of the utilization of personnel, assigned normally to one department, who perform other functions, either in response to emergencies or during otherwise idle time. Under SHUR, every such instance would have to be allocated to the proper functional category.

In response to the structure of the SHUR system, Gaston Herd, administrator of the Fort Hamilton-Hughes Memorial Hospital Center in Hamilton, Ohio, concluded, and I quote,

> It would indeed require hospitals to change their record keeping and accounting system in a major way; in addition, two sets of books would probably have to be maintained.

The accounting firm of Coopers and Lybrand suggested that another alternative for hospitals would be to modify the hospital's organization so that functional and responsibility reporting would be one and the same. But, the firm feels that functional reporting will not provide hospital management with the tools necessary to effectively control the management process in most hospitals today. I agree with that assessment, particularly as it relates to the most cost effective utilization of personnel in our hospitals.

Accordingly, I urge my colleagues to support Mr. BEREUTER's amendment and I hope that Chairmen WAXMAN and RANGEL will soon hold oversight hearings regarding the SHUR proposal. And I hope these oversight hearings will result in legislation to modify or repeal section 19 and help to keep down the costs of health care. Since those committees have been concerned with rising hospital costs, here is a golden opportunity to prevent additional hospital costs before they go into effect.

● Mr. MURPHY of New York. Mr. Chairman, I rise in support of the amendment to OSHA's appropriations offered by the gentleman from Louisiana, which seeks to limit OSHA's activities on the Outer Continental Shelf to comply with section 4(b) (1) of the Occupational Safety and Health Act, and sections 21 and 22 of the Outer Continental Shelf Lands Act Amendments of 1978, relating to OCS safety and enforcement. OSHA's duplicative OCS activities are in blatant violation of the law, are an unconscionable waste of the taxpayer's money and it diffuses OSHA's effectiveness in areas which are under their jurisdiction.

Section 4(b) (1) of the 1970 Occupational Safety and Health Act limits OSHA's authority, by stating that—

> Nothing in this act shall apply to working conditions of employees with respect to which other Federal agencies, and state agencies . . . exercise statutory authority to prescribe or enforce standards or regulations which effect Occupational Safety and Health.

This precludes OSHA from involving itself in OCS activities since the Coast Guard and the Department of the Interior are exercising their jurisdictional responsibilities in the area of OCS safety and enforcement.

On September 18 of last year the 1978 OCS Lands Act amendments were signed into law, spelling out the authority for inspection, investigation, and enforcement of health and safety standards on the Outer Continental Shelf in section 21 and section 22 of the act. The amendments gave Coast Guard and the Department of the Interior increased responsibility on the OCS and, in effect, limited the Department of Labor, through OSHA, to an advisory capacity when their consultation is sought by those agencies exercising OCS jurisdiction.

Among other things, section 21 mandates that the Department of the Interior and the Coast Guard, in consultation with the heads of other Federal departments and agencies, conduct a joint study of the adequacy of existing safety and health regulations, and technology relating to OCS activities. The conference report on the OCS Amendments of 1978 clearly states that OSHA's role is to be purely consultative.

At no time did the OCS amendments grant OSHA enforcement authority or investigative authority. In fact, section 22 contains no references to OSHA at all. It provides only that the Coast Guard, Department of the Army, and the Department of the Interior—

> shall enforce safety and environmental regulations promulgated pursuant to this act.

Furthermore, it is provided that the Coast Guard or Department of the Interior—

> shall make an investigation and public report on each major fire and each major oil spillage occurring as a result of operations conducted pursuant to this act, and may, in his discretion, make an investigation and report of lesser oil spillages.

Similar procedures are to be observed following any death or serious injury occurring as a result of operations conducted pursuant to this act.

It should be noted that section 22(e) states that the Secretary of the Interior, "or, in the case of occupational safety and health, the Secretary of the Department in which the Coast Guard is operating, may review any allegation from any person of the existence of a violation of a safety regulation issued under this Act." Obviously, if OSHA were to have any jurisdiction under the OCS amendments they would not have been specifically omitted from this section.

Yet despite the clarity of the OCS jurisdictional issue, OSHA has continually attempted to usurp the Coast Guard and the Department of Interior's legal authority in this area.

A case in point is OSHA's handling of the March 5, 1979, Placid Oil Co. gas blowout on their Charlie 17 platform. The Coast Guard and USGS began investigating the day of the accident. A week later the Coast Guard held hearings on the accident and requested OSHA's assistance in an informal capacity.

On March 14, OSHA, independent of their informal capacity assisting the Coast Guard with hearings, attempted to inspect the disaster site and requested that they be allowed to review the books of the Placid Oil Co. Placid Oil refused OSHA access to the premises, and OSHA sought and obtained a search warrant from a magistrate in the southern district of Louisiana who admitted having no knowledge of the OCS Lands Act amendments.

Placid refused to honor the warrant and moved to quash it. After a hearing date was set, OSHA requested an extension. OSHA later withdrew the search warrant but continued to contend that they possessed authority to investigate the accident.

OSHA has proceeded to issue administrative subpenas to 17 individuals, attempting to conduct their own investigation of the accident. None of the witnesses have appeared to date and OSHA has entered a show cause order in a different Federal court.

The ranking minority member of the OCS Committee, Mr. FORSYTHE, and I have written the Secretary of Labor two letters this year critical of OSHA's activities concerning the OCS and spelling out the lack of legal authority for this activity. In spite of these warnings, OSHA has continued these activities.

OSHA's action on this and other matters in recent years have pointed out the need for including this amendment in the OSHA appropriation—to reiterate the real jurisdictional authority under the OCS Lands Act amendments, and to prevent any more of the taxpayers money from being used for these duplicative and illegal activities. OSHA should cease these activities and direct their energies and resources to those areas which are within their jurisdiction.●

● Mr. FAZIO. Mr. Chairman, I have been visited by school district personnel from my own congressional district and from other California school districts in recent weeks who have brought to my attention and the attention of my colleagues the severe difficulties they will encounter with the lowered impact aid funding this year, and specifically the cuts in the civilian category B funding.

Earlier this year when the administration proposed that category B impact aid funding be eliminated altogether, I received letters of concern from school districts and individuals from throughout my district. When reading them, these losses truly take on living dimensions. For example, Sacramento City Unified School District states that—

> Excessive inflation plus a $7,000,000 reduction in income during 1978–79 resulting from passage of Proposition 13 has severely affected our financial resources. Our average income from PL 874 impact aid over the past 3 years is approximately $558,693 per year.

The letter goes on to explain that the loss could mean a loss of 27 teaching positions, including salary and fringe benefits, or 42 classified positions, including salary and fringe benefits, or sizable portions of mandated costs such as liability, fire and theft insurance costs.

Grant Joint Union High School District is especially illustrative of what such fund cuts can cost education. The district has informed me that an elimination of Public Law 874 funds in the amount of approximately $800,000 could require that 57 teachers be laid off. Translated another way, this loss of 57 teachers would be the equivalent of closing a school of 1,500 to 1,700 students with the attendant increase in class size.

Grant Joint Union is one of the lowest wealth districts in the State of California. Unemployment reaches 29 percent in some areas of the district. These cuts would, by diminishing the care the schools can give their pupils, worsen socioeconomic problems associated with low wealth areas such as this one and lessen the chance of these children to have improved lives as adults. The teachers released as a result of the cuts would add to the unemployment rolls.

Another point of consideration is the effect cuts would have on affirmative action programs and roll models for minority children. Military and other Federal employees are probably among the most integrated of work forces. The children who attend the schools around the military bases, for example, represent a wide cross-cultural mix, and it is important to have a cross-cultural teaching staff which can relate to these children. In California affirmative action programs instituted over the past decade have brought many minority teachers into the school districts. In California, as in many other States, however, the last hired are the first to be let go. The loss of teachers resulting from the loss of impact aid moneys may in essence nullify years of efforts by school districts to form strong, cross-cultural staffs.

Last year civilian category B was funded at 57 percent of entitlement. This year, the Appropriations Committee has proposed funding for this group at 25 percent of entitlement, or a reduction of approximately 57 percent from last year. As California has a large number of students in this category, it stands to lose, according to the HEW printout used by the Appropriations Committee, $8,747,283 in category B funds alone. The HEW printout indicates that within my congressional district in category B over a million dollars will be lost. I have learned that for some school districts the projected losses on the printout greatly underestimate actual losses.

Impact aid fund cuts would hit California schools especially hard. Impact aid fund cuts would have to be made up in other States by increases in the local property tax. However, with the passage of proposition 13 in California and its lid on tax increases, these losses could prove devastating to our California school systems. Now with the structure of State support for the schools in California in great flux, we cannot absorb still another reduction, let alone another lengthy period of uncertainty as to where our dollars will come from. Benicia Unified School District which lies in my district, has written to me that—

> California schools have been clobbered this year and next year looks to be even worse. We are faced with increased enrollment, rising cost of supplies, need for construction without any apparent way of finding such. . . .

Some argue that we do not need category B funds as the federally connected parents of the schoolchildren pay local property taxes to compensate for the loss of the taxes from the presence of the Federal property. However, exclusive of Federal programs, 70 percent of school funding in California comes from State sources and 30 percent from local property taxes. Of this 30 percent, two-thirds is supported by business and industry and only one-third by the local homeowner. The contribution of the homeowners do not come near to compensating for the loss of the commercial, agricultural, and industrial tax base devoted to large Federal installations.

I was disappointed to hear of the Appropriations reductions in impact aid funding, but in light of the Carter budget submission, I felt it a fair compromise. But I am dismayed when I hear that the Senate may suggest that category B funding be altogether eliminated. Pulling the rug out from under these thousands of districts in one year cannot be permitted. We are not talking about frills, but about cuts which hit at the heart of our educational programs—the laying-off of teachers, and cuts and eliminations in heating and utility services, instructional materials and equipment. I am submitting a resolution from the Grant Joint Union School Board which just arrived in my office this week which, while speaking of only one district, translates into human terms what this loss of funds means for public schools.

I urge the conferees on the Labor-HEW appropriations conference committee on H.R. 4389 to hold firm in support of the House figure on category B impact aid for civilian Federal employee children.●

● Mr. FRENZEL. Mr. Chairman, I am obliged to vote against this appropriation of $73 billion for Labor, and Health, Education, and Welfare. That enormous amount is just more than the people of my district want to spend.

According to the distinguished chairman of the Appropriations Subcommittee, the bill is slightly under the amount approved in our budget resolution. According to his distinguished minority counterpart, because of carryover funding in the Department of Labor, it is really slightly over the budget.

Along with nearly half of the Members of this body, I voted against the House budget resolution. I believe all spending functions can, and should, get along with less than the budget figure. As a rough standard, appropriations bills should be about 3 percent under the House budget for each function.

I will not vote against every appropriation bill, but I will oppose the large ones, like this bill, which do not reflect spending rates under the House budget figures. For instance, if the Labor, HEW appropriations bill were reduced only 3 percent, the taxpayers could save about $2.2 billion. Incidentally, the House rejected even a more modest proposal for an across-the-board cut on this bill.

I regret I cannot support this bill. Many of its functions are necessary. Many of its individual line items are funded at responsible levels. Some are underfunded. In total, however, it represents too much spending. It is an excellent example of the fact that the Congress has not sensed the will of the people, so I must oppose it.●

● Mr. GRASSLEY. Mr. Chairman, in testimony before the House Select Committee on Aging we hear much argument to the effect that Congress should do more for the elderly. From the viewpoint of various interest groups, it is true that Federal legislation and funding fail to address some of the problems that affect some of the elderly.

On the whole, however, Congress has shown itself to be highly alert to the needs of America's senior citizens and is thoughtfully generous in addressing those needs. H.R. 4389 testifies to the attention and the concern which the elderly enjoy in the particular array of agencies and programs which this bill encompasses.

For example, title I of the bill, which relates to Labor Department programs, provides funds to promote private sector job initiatives under CETA. This provision is related to a section of the Amended Older Americans Act of 1978 which insures that elderly workers will enjoy the benefits of this program.

Title I also contains a specific provision for older Americans' employment which will enable a 10-percent increase in the number of subsidized jobs for older workers.

Under the HEW title of the bill, $1,366,700,000 is added to the 1979 level of Federal grants to the States for medicaid. More than $1 billion has been added to the fiscal year 1979 level for SSI and other directly funded social security programs. In addition, the funding recommended for the Administration on Aging, which deals exclusively in programs for the elderly, is $626 million or $117 million above currently available funds.

The ACTION older American volunteer programs, which include the retired senior volunteer program, the foster grandparents program and the senior companions program, are increased under this bill by $213 million to approximately 150 percent of the fiscal year 1979 level.

The programs I have mentioned are those which provide direct and measurable assistance to older Americans. However, the elderly will also receive direct and highly beneficial rewards from very substantial increases in federally funded health care and health research.

As we look down the list of measures covered by this bill, we find that more line items are concerned with the elderly than with any other segment of our society. Yet it has been hardly more than 15 years ago that the only item in such a list which applied solely to the elderly was social security. We have come a long way in a short time. I think the Congress can be proud of itself in this area and I think that America's elderly should be proud of their Congress.●

Mr. NATCHER. Mr. Chairman, I have no further requests for time on this side.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EMPLOYMENT AND TRAINING ASSISTANCE

For expenses necessary to carry into effect the Comprehensive Employment and Training Act of 1973, as amended, and sections 326 and 328 of the Trade Expansion Act of 1962 (19 U.S.C. 1951 and 1961) and sections 236, 237, and 238 of the Trade Act of 1974 (19 U.S.C. 2101) and sections 210, 211, and 212 of Public Law 95–250, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property and training centers as authorized by the Comprehensive Employment and Training Act of 1973, as amended, $6,335,254,000 plus reimbursements, to remain available through September 30, 1981, and of which $1,910,000 shall be for the National Commission for Employment Policy: *Provided*, That not more than $667,263,000 shall be available for Title IV, Part A, of which $134,008,000 shall be available for Subpart 2 and $533,255,000 shall be available for Subpart 3.

AMENDMENTS OFFERED BY MR. EDWARDS OF OKLAHOMA

Mr. EDWARDS of Oklahoma. Mr. Chairman, I offer amendments, and I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is their objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. EDWARDS of Oklahoma: On page 2, line 23, strike "$6,335,254,000" and insert in lieu thereof "$6,435,254,000".

On page 3, line 1, immediately after "That" insert: "not less than $2,154,000,000 shall be available for parts A, B, and C of title II, and".

On pages 3, line 8, strike "$1,815,000,000" and insert in lieu thereof "$1,715,000,000".

Mr. EDWARDS of Oklahoma. Mr. Chairman, this amendment will help refocus our efforts to reduce unemployment to those programs that we know have been the most effective in that regard. This amendment would transfer $100 million from the public service employment program that is operated under title VI of CETA to the training programs that are operated under parts A, B, and C of title II.

□ 1540

It is a transfer of approximately 5 percent. Specifically, this amendment would reduce the title VI temporary employment assistance program from the level of $1,815 million to a level of $1,715 million at the same time that it increases funding for employment and training assistance from $6.3 to $6.4 billion. This additional $100 million is directed to go to parts A, B, and C of title II. increasing the amounts that are stipulated in the committee report from those sources from $2.05 to $2.15 billion.

Programs that have been operated under general training provisions of title II of CETA have been shown to be considerably more effective in meeting the Nation's unemployment problem than has been the title VI unemployment program. More women; more minorities; more of the less well educated and the more severely economically disadvantaged have participated, with far greater success, in title II training program than in public service employment.

During fiscal year 1978 title II enrolled over a million participants, a majority of whom were female; 80 percent of whom were economically disadvantaged; 40 percent of whom were minorities, and less than half of whom had graduated from high school. This compares to title VI, where only 30 percent were female, one-third minority, and 71 percent had a high school educational level.

Finally, Mr. Chairman, twice as many individuals in the title II training programs entered employment as those who had gone through public service jobs, and the cost of placing them in those jobs was less than half as much for those who received title II training. Despite the statistical evidence, this Congress has continued to ignore training and instead favored public service employment. Funds for training programs have remained stagnant since 1973, while funds for public service jobs have increased by twentyfold.

Programs under title II of CETA improve a person's chances of finding productive and meaningful employment in the private sector. I refer to the OIC program in my city of Oklahoma City, which has been very successful and has a program which has a large number of blacks and women in the program, and has done a good job of finding jobs afterwards for those people. My constituents, the minorities in my constituency, want real jobs.

This is not an amendment that guts the public service part of CETA, but it takes a small part out to say, "Let us put more concentration on creating training for jobs where people will have a future."

Mr. Chairman, this amendment would, in my opinion, assure a more effective CETA program, and I urge my colleagues to support it.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from Oklahoma (Mr. EDWARDS).

Mr. Chairman, as I understand the amendments presented by the gentleman from Oklahoma, he would transfer $100 million from title VI, and carry this amount over into title II, which is the training title of CETA.

Now, here is the objection to the transfer of this money out of title VI and carrying it over into title II: I hope we do not have a recession, Mr. Chairman. I hope we are not confronted with a recession this year or next year or at any time in the future, but if we cut out 10,000 public service jobs at a time when the economists are predicting that within the next few months we might have a recession, then I think it would be a serious mistake to agree to this amendment.

We have no objection to moving to more training, but not at the expense, Mr. Chairman, of public service jobs. That is the problem as far as the amendments are concerned. The transfer of the money would mean that public service jobs would be cut.

Mr. Chairman, these amendments should be defeated.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I certainly understand the rational of the gentleman's statement, and I have a very high regard for the gentleman from Kentucky, as he knows. I would merely point out that if, in fact, we are looking at the possibility of recession or hard times economically—and I think that is a very real possibility—that we ought to be concentrating on education, on providing people, especially the disadvantaged with opportunities to get into jobs that have a real future so that they can be secure against this kind of thing. The difficulty of economic hard times is not going to come in 1980 and then leave again. We will always face the prospect of hard times economically, and to be insured against that kind of buffeting the people need to have good, long-term, secure jobs. I think this would be the best way to accomplish that.

Mr. Chairman, I thank the gentleman for yielding.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Oklahoma (Mr. EDWARDS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device

□ 1600

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Oklahoma (Mr. EDWARDS) for a recorded vote.

A recorded vote was refused.

So the amendments were rejected.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask you to examine the statement on page 96 of the report which declares that your committee is "concerned with the adequacy of current efforts to insure that disability payments go only to those persons who clearly meet the requirements of the law." I could not agree more. The report also states that although the authorizing committee—and is the Ways and Means Committee—"has suggested that an increase in the percentage of cases reviewed prior to payment and an increase in the number of medical consultations required might be very cost beneficial." Yet, you have added "no funds or positions" for this purpose in the 1980 budget. Now, your report declares that the Department should "seriously consider the needs of this program as a part of its preparation of the 1981 budget." Mr. Chairman, in good conscience we cannot allow the delay to 1981. All the evidence that has been presented to our Subcommittee on Social Securty would indicate that the postponement of this additional funding until 1981 would be a serious and costly mistake.

The Ways and Means Committee is not a Johnny-come-lately in this area. In our budget transmittal of March 15, 1978, we stated:

> * * * The Committee wishes to be assured that the State agency quality assurance units are fully staffed and with adequate medical support, and that more effective supervisory review and other elements of quality assurance be in place in accordance with the Federal directives (FAL–107). Thus, the Committee urges that both the Appropriations and Budget Committees in examining the amount of administrative expenses for the Social Security program be sure that an adequate allowance is made for title II disability insurance quality assurance activities at both the Social Security and the State agency level.

Mr. Chairman, in the HEW appropriations hearings in 1978 you noted the Ways and Means Committee's concerns about the level of staffing in the disability quality assurance program both at the Federal and State levels. However, no additional positions or funds were provided for fiscal 1979 primarily because the Department of HEW maintained that they were not necessary. As a result, in fiscal 1979 quality assurance suffered at both the State and Federal levels and a shortage of money curtailed an increase in the desired rate for consultative exams. For instance, it had been the intention of the Social Security Administration as early as 1978 to monitor more cases in many low performing State agencies. Social security intended to do this in some 17 low performing States but as of today it has been accomplished in only 4 States. Mr. Chairman, as you are aware, this year we made a similar request in our budget submittal requesting action both for the supplemental appropriation and for the appropriation bill on the floor today for fiscal 1980.

Mr. NATCHER. What are you suggesting?

Mr. PICKLE. It is hoped that the Social Security Administration would allocate staff resources during fiscal 1980 so that Federal examiners would review about 15 percent of State agency disability awards. It has been estimated that a Federal review of this magnitude would result in savings of over $13 million in fiscal 1980 if a comprehensive review was instituted in some seven low performing States. Also, fiscal 1980 resources should be allocated so that the consultative exam rate nationally is not less than 35 percent. We would hope, however, that no resources would be diverted which would reduce the level of staffing at the branch or district office level.

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me at this point?

Mr. PICKLE. Yes; I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, the gentleman from Texas (Mr. PICKLE) has been kind enough to submit to our subcommittee a copy of the statement he is now making in the well and I would like to inquire of the gentleman as to what he suggests take place at this time. What does the gentleman suggest be done?

Mr. PICKLE. Let us hope the Social Security Administration would allocate staff resources during fiscal year 1980, not 1981, so that Federal examiners would review about 15 percent of the State agency disability awards.

It has been estimated that a Federal review of this magnitude would result in savings of over $13 million in fiscal year 1980 if this comprehensive review was instituted.

We were supposed to have reviewed some seven low-performing States in the disability area. They are now reviewing very few and there are over 17 that need reviewing and, Mr. Chairman, we need to either put specific funds in this bill for these reviews, or to ask you to reallocate funds from other sources within an agency if that can be done.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. Yes, I yield to the gentleman from Kentucky.

Mr. NATCHER. I would like to say to the distinguished gentleman from Texas (Mr. PICKLE) that, as one member of the subcommittee I personally would have no objection to this providing that the reallocation can be done without threatening essential staff assigned to the social security field offices.

I personally feel, as one member of the subcommittee, that the gentleman's request is a fair request and I would submit this to the subcommittee for the consideration of the subcommittee as far as a reprogramming request is concerned.

Mr. PICKLE. I thank the gentleman. The expenditure of $6 million in personnel for this very vital program could result in a saving of $13 million to $20 million the first year. It is vital that this amount be specifically designated.

I think the chairman of the subcommittee very much.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to engage in colloquy with the distinguished chairman of the subcommittee.

I am chairman of the Subcommittee on Retirement Income and Employment of the Select Committee on Aging and I am very pleased to see that H.R. 4389 increases appropriations for the older worker community service employment program authorized by title V of the Older Americans Act, and also maintains employment and training programs under CETA, which now include special programs for middle-aged and older workers.

These programs were authorized in part to make up for CETA's past neglect of older workers. Workers over 55 have been an average of 8½ percent of the unemployed population since 1975 and yet have received less than 4 percent of the funding under CETA services, as opposed to the other participants.

I am particularly interested in seeing that the new section 308 which was passed overwhelmingly by this House as an amendment to the CETA program has these projects implemented. They are important activities because prime sponsors are supposed to use the program developed and tested under section 308 as models for their older workers.

But, despite a clear mandate from the Congress, the Labor Department has dragged its feet in starting 308 projects. The Department has, in fact, told my subcommittee that it would only consider implementing new section 308 older worker projects if new title III money is made available. But there is no real increase in title III appropriations and there is no separate appropriation for section 308.

I am sure that the subcommittee and the distinguished chairman did not think it necessary to allocate sufficient funds for every mandated program under title III, but I am also sure that the subcommittee did not intend for the Department of Labor to ignore its responsibility toward older workers merely because there was no specific or added appropriation for section 308.

Based on the title III appropriation level in this bill, as much as $27.3 million could be spent on section 308 activities. Our subcommittee has recommended that at least $10 million be spent on this category. It is my understanding that the appropriations subcommittee does expect the Department of Labor to allocate a substantial portion of the $27.3 million ceiling to begin starting section 308 projects in fiscal year 1980. This, of course, is in addition to the $19 million the Department must spend to continue 4,200 full-time public service jobs for older Americans which were originally authorized under title X of the Economic Development Act.

I would like to ask of the distinguished chairman if that is not the intent of the subcommittee; that is to say, even though you did not specifically earmark money in this case, it would be your intention that the department would follow through on funding of this 308 program and that is your intention to monitor the activity on the part of older workers' participation in CETA?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be delighted to yield.

Mr. NATCHER. Mr. Chairman, I would like to say to the distinguished gentleman from California (Mr. JOHN L. BURTON), as I, understand now the question that he propounds states, and I just reiterate the gentleman's statement: "Am I correct in assuming that the subcommittee did not intend to limit services to older workers because a limit was placed on title III appropriations?"

I would say to the gentleman that he is correct.

The next portion of his statement, which he has been kind enough to submit to us, Mr. Chairman, propounds the following inquiry: "Does he agree that the Department of Labor should be allocating a substantial amount of title III funds for the section 308 programs, since over $27 million could be used for that purpose?"

Mr. Chairman, the gentleman is correct in both statements.

Mr. JOHN L. BURTON. Mr. Chairman, I wonder if the gentleman from Illinois with whom I discussed this subject earlier, is that consistent with his thinking?

Mr. MICHEL. Mr. Chairman, due to the gentleman's eloquent persuasion in those remarks he has just made, coupled with the private conversations we have had, I would surely have to embrace the chairman's response to the gentleman and give consideration to that at the appropriate time.

Mr. JOHN L. BURTON. I thank both gentlemen for making this clear to the Department of Labor.

AMENDMENT OFFERED BY MR. CLAY

Mr. CLAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLAY: Page 3, add at the end of line 4 the following: "At least $5,000,000 of the amount appropriated under this paragraph shall be available to carry out offender programs under title III of the Comprehensive Employment and Training Act.".

□ 1610

Mr. CLAY. Mr. Chairman, as our citizens linger in gas lines to pay a dollar or more per gallon for gasoline, too many grimly await ever rising heating oil bills, inflation, and now a widely predicted recession. Increased unemployment and higher crime will surely accompany. Offenders are one minority group especially likely to feel the brunt of our anger at energy prices, inflation, unemployment, and crime. Ex-offenders and those prisoners close to release are perceived, rightly or wrongly, as the bottom of the barrel.

Their unemployment rate tends to be three to four times that of comparable age and racial groups. The work they manage to obtain largely resides in the semi and unskilled sector. They are subject to discrimination because of a past record, and perhaps most debilitating of all, they carry with them years of failure—failure at school, failure with the family, failure to obtain or hold a job. Unless we do something, they will continue to view crime as one option on the way out. A small minority will view crime as something even more, becoming one-man crime waves.

Last year I added 13 amendments to the CETA Reauthorization Act of 1978 designed to resuscitate DOL's faltering job program for offenders. I found that despite CETA's promise to provide "additional manpower services" to offenders, virtually nothing was being done. Since fiscal year 1977, only $200,000 has been spent under title III of the CETA Act for direct service efforts to offenders. I concede that offenders are at the bottom of the list, I concede that they ought to be punished for their crimes. But we are fooling ourselves if we assume that this kind of treatment is going to reduce crime; 95 percent of offenders are ultimately released from prison. And is crime, unemployment, or underemployment what they must look forward to?

The Department of Labor had erroneously interpreted its responsibility on the national level as providing technical assistance to prime sponsors. In their view, all that was necessary was a beautiful statement and technical assistance manuals. Naturally, nothing much happened. To this day, only about 10 percent of the 460 prime sponsors have embarked on any kind of offender employment program whatsoever. Ex-offenders are unpopular; they require much higher training costs; and their status is compounded by the difficulty of dealing with parole and probation officials. So the legislation we enacted last year to help the disadvantaged offender gain some self-respect, gain a job, and move back into the community slowly twists in the wind.

The amendment I am introducing today, Mr. Chairman, simply says:

> It's not enough to authorize programs for offenders, you've got to fund them too.

I am not asking for more money. This amendment would earmark $5 million in fiscal year 1980 for offenders employment services under title III of CETA. That is less than one-tenth of 1 percent of the entire CETA appropriation; $5 million is to be earmarked, Mr. Chairman, because offenders who really need CETA's help will get virtually nothing if we do not earmark. That has been the history of DOL's offender program. Several months ago, in the midst of hearings on the fiscal year 1980 CETA appropriation, the Department of Labor notified the House Judiciary Committee of the following:

> We have not yet begun the planning process for ex-offenders for fiscal year 1980. However, as soon as the plans are approved, we will be happy to inform you.

Many of us are still waiting for those plans. I urge the adoption of this amendment.

Mr. MICHEL. Mr. Chairman, I am not sure whether I rise in opposition or in agreement with the amendment, but I do move to strike the last word so that I might respond in part.

If I understand the amendment of the gentleman correctly, what the gentleman proposes to do is earmark $5 million for the training of offenders under title III, which is the part of the act which goes to national contracts, as distinguished from titles II and VI, where I think we are already spending $200 million for the training and employment of offenders, which is a significant amount.

Now, I had a prohibition written into this bill that would foreclose those who are currently incarcerated from being given public service jobs prior to their being released from prison.

I understand the gentleman from Nebraska (Mr. CAVANAUGH) will have a perfecting amendment to the bill later on; but I should ask the author of the amendment, is it the gentleman's intention here that the gentleman's amendment apply only to title III of the Comprehensive Employment and Training Act?

Mr. CLAY. That is correct.

Mr. MICHEL. And that has to do with those national contracts that are let for the training of individuals. In this case you would earmark $5 million of the total strictly for previous offenders, not those who are currently incarcerated, but those who have been released from jail and are trying to get their way back into society.

Mr. CLAY. That is correct.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my friend, the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding.

I would join in support of the amendment of the gentleman from Missouri. I I find nothing inconsistent in the gentleman's amendment, with the goals of the amendment the gentleman from Illinois offered, in the Appropriations Committee, nor the amendment I will subsequently offer dealing with the problem of incarcerated criminal offenders. In fact, if anything, I could not be more enthusiastic about the amendment of the gentleman from Missouri, because I think the gentleman does correctly address a serious deficiency in the administration of the Department of Labor criminal offender job training program under CETA. They have been terribly neglectful of past offenders, those who really have the greatest potential both to be rehabilitated if they can find useful economic activity in the community, and on the other hand have the greatest potential to repeat their previous mistake if they are denied those economic skills and opportunity to utilize those skills; so the amendment of the gentleman I think is probably even conservative in terms of the need to be met, the serious inadequacies of the Department of Labor really squandering the $200 million that this Congress has previously given it to deal with offenders.

I would say that the operation of the criminal offender program by the Department of Labor has been a crime in itself. The amendment of the gentleman from Missouri goes a long way toward addressing the deficiencies of the Department of Labor program as they currently exist.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Mr. Chairman, I thank the gentleman for his contribution.

I will be happy to yield in a moment, but I only want to say I would be willing to accept the amendment of the gentleman from Missouri with the clear understanding that when we get to the other portion of the bill where the gentleman from Nebraska will offer a perfecting amendment, that that would be the extent to which I would go, for I personally feel the money is much better spent here for previous offenders who are outside jails in need of training, as distinguished from broadening or lengthening that period of training or job availability while they are still incarcerated.

I might say to the gentleman from Nebraska that not all that $200 million out there for previous offenders is badly spent. A great deal depends on the local sponsors of some of these programs. I happen to have one in my home community of Peoria called the Phoenix product program where the private entrepreneuers are taking these previous offenders and really gainfully employing them, subjecting them to the work ethic. They have a record of 65 percent employment availability after their training period. I think that is a pretty good record for some of the really toughest, incorrigible kind of kids, out of prison and for the first time getting to know what it is all about to go to work, punch in regularly, punch out regularly, get fined for every broom they break or piece of equipment they damage.

□ 1620

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MICHEL) has expired.

(By unanimous consent, Mr. MICHEL was allowed to proceed for 2 additional minutes.)

Mr. MICHEL. So, Mr. Chairman, I would say to the gentleman from Nebraska (Mr. CAVANAUGH) that there are some good programs as well as bad, and a lot depends on the character and quality of that local sponsor.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield further?

Mr. MICHEL. I am happy to yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I agree with the gentleman that many local programs and prime contractors have been able to effectively utilize these programs, but the fact is that the administration, in the review of the utilization of this $200 million by the Department of Labor, has been grossly negligent and seriously deficient, so that this Congress really has no way of knowing how much of the money has been usefully and effectively spent.

There is a program in my own community in Nebraska for previous offenders that is similar to that of the gentleman from Illinois (Mr. MICHEL); it is a tremendously successful program. But many millions of these dollars have been wasted because of the lack of supervision and the lack of direction which the gentleman from Missouri (Mr. CLAY) seeks to include through his amendment to this legislation.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MICHEL. Mr. Chairman, the point of the gentleman from Nebraska (Mr. CAVANAUGH) is well made.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my friend, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask, if the $200 million is badly spent, how differently spent will be the $5 million? Why do we think that is going to be better?

Mr. MICHEL. Mr. Chairman, I should probably leave the author of the amendment free to respond.

I might say to the gentlewoman that what the gentleman is proposing to do, of course, is to earmark in title III national grants, as distinguished from either title II or VI. But I would be happy to yield to the gentleman from Missouri if he desires.

Mrs. FENWICK. Mr. Chairman, I wonder if the gentleman will yield so that I may just continue further?

Mr. MICHEL. Yes, I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to draw this to the attention of the House: I am very happy to see some interest in offenders or ex-offenders on this floor.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MICHEL) has again expired.

(By unanimous consent, Mr. MICHEL was allowed to proceed for 1 additional minute.)

Mrs. FENWICK. Mr. Chairman, if I may continue, there are rules in the Small Business Administration that prohibit any loan or aid to an ex-offender who hopes to start a small business as long as he is on parole. Sometimes these paroles are very, very long, and when we have someone who has been on parole, as anyone knows who knows anything about prisons, after the first year, if they are not back in prison, they will probably never be.

I tried to get the Small Business Administration to change that regulation. It is not a matter of law. I wish very much that those members on the appropriate committees would begin to concern themselves with this. We had meetings, but I was unable to get any change in the regulation. I would like to recommend this subject to those who are concerned and who are on the appropriate committees.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. CLAY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 3, line 4, after the period, insert the following: "None of the funds appropriated under this paragraph may be paid to any recipient, as such term is defined in section 3(23) of the Comprehensive Employment and Training Act (29 U.S.C. 706(23)), who is named as a violator of law in a special report by the Comptroller General under section 312(c) of the Act commonly known as the Budget and Accounting Act, 1921 (31 U.S.C. 53(c)).".

Mr. ASHBROOK. Mr. Chairman, the amendment is absolutely essential if the Congress is to carry out its commitment to the American people to prevent waste and misuse of Federal funds particularly in the CETA programs. This amendment would prohibit any funds appropriated under this act from being paid to any recipient under CETA who is named as a violator of the law by the Comptroller General pursuant to section 312(c) of the Budget and Accounting Act of 1921. Let me say, that this imposed no additional duty on the Comptroller General, but would in effect for the first time assure that violators of statutes not be rewarded with a continued payment of tax dollars.

The GAO has been in the business over the past several years in finding troubles in the CETA program. I have here in my hands a small sample of the GAO reports that have been released on the CETA programs over the last 2 years. Just to name their titles indicates the seriousness of this problem. The July 1978 report reads: "Job Training Programs Need More Efficient Management." A second report reads: "Poor Administration of the 1977 Summer Programs for Economically Disadvantaged Youth in New York City." A report issued last month reads: "Federally Assisted Employment and Training: A Myriad of Programs Should be Simplified." But more to the point is an October 25, 1978 report, entitled: "More Effective Action is Needed on Auditors Findings: Millions Can Be Collected or Saved."

It is this last report and the failure of the Secretary to implement that report's recommendations that disturbs me most. In that report the GAO found that as of March 1977, the Department of Labor had 1,366 open and unresolved audit reports involving $165 million in questioned costs. As of December 31, 1978, rather than diminish, the number of open reports increased to 2,028, involving $219.8 million in questioned costs.

The failure of the Department to fulfill its audit and investigatory requirement is a scandal; despite the Secretary's protestations to the contrary, very little has occurred to improve this situation in the past several months. Just a few weeks ago, in the Labor-HEW Appropriations Subcommittee, Senator THOMAS EAGLETON blasted Secretary Marshall for the Department's failure to investigate fraud and abuse. He was particularly upset by the Department's fiscal 1980 budget which called for only 30 investigators in the Office of Investigations and Compliance to monitor nearly $10 billion in Federal programs. Thirty-nine agents to cover the activities of over 400 prime sponsors and millions of individual participants. This is absurd. No wonder the American people question the ability of Government to handle their tax dollars wisely. But this is nothing new to the Members of this body. For the past several years it has been an afternoon occurrence to read about fraud and abuse in our own backyard. Next to "Doonesbury," CETA has provided the Washington Star with its most lucrative source of linage. Not only have I read about the city council hiring staff with CETA funds, but even a callgirl ring was established under our very noses. Has any of this money been repaid?

Now, Secretary Marshall has said the Department has successfully "resolved" hundreds of millions of dollars, over half a billion, in fact, in unresolved audit costs. Now what does this mean? How much of this has been paid back? Just what does the Secretary mean by "resolved"?

Senator TOM EAGLETON reserved his harshest criticism for the national contract program which is in title III of CETA and I quote him: "Why is DOL frittering away $326 million in little bags of goodies all over the country?" Again, Secretary Marshall's response was somewhat anemic, but it is in title III of CETA that the Department's woeful act of investigation and audit is most glaring. I have here a list of those contracts that Senator EAGLETON called little bags of goodies and indeed they are. Let me cite a few, for example:

Alu Like, Inc.—$3½ million.
Three Affiliated Tribes—$1 million.
Lumbree Regional Development Association—$7.4 million.
Environmental Management Consultants—$5.6 million.
Flower of the Dragon, Inc.—$322,452.00.

Now this list contains a number of contracts that the GAO has specifically investigated, found wanting, but continue to be funded by the Department. The most blatant and most famous example is the recent GAO report concerning the award of funds to the National Farm Workers Service Center, Inc. For the past 2 years various Members of this House have unsuccessfully attempted to determine why this program is allowed to operate. For the past several months, I along with the honorable gentlemen from California. Mr. THOMAS and Mr. PASHAYAN, among others, have doggedly pursued the Department to provide us with information on this contract. But despite statutory powers granted under CETA compelling the Secretary to respond to requests for information the Secretary has not seen fit to provide me with a courtesy of a reply.

I am not the only Member of this House that has run into difficulty dealing with the Secretary of Labor. I ask Mr. THOMAS and Mr. PASHAYAN to describe to this House their problems regarding this contract. I ask the gentleman from Nebraska, the Honorable JOHN CAVANAUGH, if he has received adequate information on his concerns regarding the misuse of CETA funds in hiring prison inmates for PSE slots?

Let me ask the chairman of the committee, the Honorable CARL PERKINS, whether he feels that the Department was timely in supplying the committee with information on the $2 billion in public service employment? Let me ask the honorable gentlewoman from New York, Ms. HOLTZMAN, whether she had any difficulty in probing the problem of New York City programs? Perhaps the distinguished Member from New York, the Honorable JACK KEMP, can describe the difficulties involved in the misuse of CETA funds in Buffalo.

The failure of the Department to respond to the concerns of Congress is uniquely bipartisan. Mr. Chairman, my amendment would put an end to this intransigence and would offer all the Members of this body recourse. I urge the Members to support this amendment.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Yes, I will be glad to yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I am just wondering if the gentleman, in talking about fraud and abuse, is talking about the fraud and abuse as suggested by GAO, and I wonder whether they are just charges or whether they are convictions or whether, if they are charges, that eliminates the agency, the cap agency, from receiving any further funding.

Mr. ASHBROOK. Mr. Chairman, I would say in the case of the audits they specifically relate to prime sponsors and the recipients of CETA money. What my amendment would say is that if a GAO report that is officially published finds a recipient in violation of the law for the period of this appropriation, which is 1 year, they would be cut off from CETA funds.

Mr. PERKINS. Mr. Chairman, if the GAO finds that they have misappropriated, referring to some officers in charge of the local program, would the gentleman's amendment permit new officers to receive funding, or does it stop all the funding for that particular program?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(By unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, I would say in answer to my colleague and friend, the chairman of the Committee on Education and Labor, that the amendment refers only to the violator of a law in a special report by the Comptroller General. The reports run the gamut from questions of fraud to questions of the way the funds were authorized in the first place, and they also include direct violations of law.

My amendment only refers to reports that include a direct violation of law.

Mr. PERKINS. It does not make any exception, however, if new officers were elected, that they could receive funding?

Mr. ASHBROOK. Mr. Chairman, I would say in response to my friend, the gentleman from Kentucky (Mr. NATCHER), the chairman of the Committee on Education and Labor, that we all know the ruse that is often perpetrated by the people who are out for grantsmanship and who want to get Federal funds. I am not going to try to trace it that far, this is difficult enough, but at least my amendment would relate to situations where they name someone.

□ 1630

Mr. PERKINS. Is there some way the gentleman in his amendment could separate the wheat from the chaff and only affect those persons who are guilty, without charging any fraud that may have been perpetrated to the whole group that is affected? That is the fear that I have about the gentleman's amendment. The gentleman is going to do an awful lot of harm to an awful lot of innocent people.

Mr. ASHBROOK. I would say that, where the Comptroller General, the way they circumspectly conduct their audits, finds direct violations of law, I do not believe taxpayers' funds should go to that prime sponsor or to that recipient of CETA funds. I think the chairman is probably right, a few people might be innocent.

Mr. PERKINS. Could the gentleman modify his amendment to the extent that the funds could only be withheld until an election take place or new officers are appointed?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(On request of Mr. SYMMS and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 3 additional minutes.)

Mr. PERKINS. Would the gentleman modify his amendment to that extent?

Mr. ASHBROOK. I think my colleague's concern might be well placed. I myself want to see us at least begin to take some cognizance of reports that show violations of law. I do not want to hit with a club. We are not doing anything. So I suppose a light tap would at least be a start.

Mr. PERKINS. All of us know that we have had some fraud, but it has been our own people who have detected most of it in the Department of Labor. But be that as it may, there should be an exception here outside of those people who are guilty of fraud, so that we would not punish and be punitive to all of those affected and who are innocent. I am just asking the gentleman, could we let the record show that we intend that the money could flow to the same group of people except those who were guilty of the fraud after new officers are elected? I have not thought that through. I would defer to my colleague's better judgment in the case. No, I would not have any objection to that. I think we have to at least have a start to do something. I thought originally of an amendment that would literally force the Secretary of Labor to take cognizance of reports of the GAO. The GAO may make a report, and they may not do anything for a year or two. I am talking about withholding money where a violation of law is shown in the GAO report.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, the distinguished gentleman is very well aware of the kind of law we are talking about violating, but could the gentleman give us an example of what kind of violations they are and who is violating the law? Is it a city, municipality, or what is it?

Mr. ASHBROOK. The reports are numerous. The most glaring example is the one I pointed out 6 months ago, the National Farm Workers Service Center in California. It is my understanding no auditor can go near the place. They ride shotgun out there, and they are afraid to go near that one. That is a special case. But there are many that have outright violations of law which do not relate to the farmworkers. I am not just trying to get to the farmworkers, I might say to the gentleman, on this amendment.

Mr. PERKINS. If the gentleman will yield further, as I understand the gentleman from Ohio, he agrees we should not affect the innocent people involved, just those leaders at the top who have perpetrated the fraud. In the circumstances, the gentleman will agree that the money could be disbursed to the prime sponsor or to a cap agency if we have a committee set up, or any officer who is not a party to the fraud. The gentleman will agree to that?

Mr. ASHBROOK. I would agree to that, I will say to my colleague.

Mr. PERKINS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has again expired.

(On request of Mr. OBEY and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 3 additional minutes.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would certainly like to support the intent of the gentleman's amendment, but I have a number of questions about it because, frankly, I still cannot figure out exactly what it does.

Let me read section 23 to which the gentleman refers in his amendment: The term "recipient" means any person, organization, unit of Government, corporation, or other entity receiving financial assistance under this act, whether directly from the Secretary or through another recipient, by subgrant, contract, subcontract, agreement, or otherwise.

First of all, I would ask the gentleman: The gentleman's amendment specifies that you seal out funds to anyone who is named as a violator of law in a special report by the Controller General. It is not true that the Controller General is not the final determinant as to who is or who is not a violator of law. I mean he is not a court of law.

Mr. ASHBROOK. He is not a court of law. They are accountants, and they issue reports.

Mr. OBEY. So my point is, the GAO can issue a report, the Controller General can check something out, and in their judgment something might be a violation of law, but if the case is in fact tried, there is certainly the possibility that, if you have a court case on it, the accused party might wind up being innocent. Is that correct?

Mr. ASHBROOK. Yes, that would probably be correct, but it would also be accurate to say that maybe 3, 4, 5, 7 years would go by before that would be adjudicated, and the money would be spent in the meantime.

Mr. OBEY. Then what happens to all of the people who would be entitled to jobs in that area if the recipient of that contract were found innocent? I know the gentleman does not want to do that, but is it not possible that that could happen?

Mr. ASHBROOK. I will say to my colleague, the gentleman from Wisconsin, that if the violation were serious enough to merit a report—in the first place, there are not going to be that many specific violations. There are a lot of general violations noted here and there are a lot of complaints about looseness of administration of the program; but so far as specific violations of law, there are not too many. The GAO, like the Department of Labor, cannot investigate everything that is happening. We do not expect them to.

Mr. OBEY. Of course not. But while I certainly understand what the gentleman is trying to reach, I think it would be a very dangerous precedent for the Congress to begin punishing people based on accusations by any given bureaucrat that they violated the law, without benefit of a determination as to whether or not that fact was correct.

Mr. ASHBROOK. I would say in a court of law that would make sense, and it not only would make sense, but it is a constitutional practice. But when it comes to the payment of taxpayers funds, I think we have the right to withhold the taxpayers' funds until the question is removed.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(On request of Mr. OBEY and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Let me ask the gentleman another question. This refers not only to funds that are received directly, but funds that are received indirectly. What happens if the violation, as alleged by the Comptroller General, occurs at one level? What happens to the subcontractor?

Mr. ASHBROOK. We are only talking about the recipient who is violating the law, and the recipient who is violating the law is found in the report as violating the law.

Mr. OBEY. That is not what the gentleman's amendment says. The gentleman's amendment says that none of the funds may be paid to any recipient as such term is defined in section 3(23) of the Comprehensive Employment and Training Act, who is named as a violator of the law.

Mr. ASHBROOK. The recipient is named. Not everyone is a part of that chain.

Mr. OBEY. But I see nothing in the gentleman's amendment that makes clear that the party from whom funds would be withheld is in fact the party who is accused of violating the law. In light of the way section 23 of the law reads, it makes it clear that the recipient is so defined whether he receives funds directly or indirectly by subgrant, contract, subcontract, agreement or otherwise.

Mr. ASHBROOK. That is merely to trace the funds to that person. It does not have to be the prime sponsor. At least that is the way that this Member intended it to be. That is the way I asked it to be drafted, and it came back in that form. I take no particular pride of authorship, but I was told it had to be in that form to trace it to the person listed in the violation, not just the prime sponsor.

Mr. OBEY. I have observed this in my own district, not just in CETA, but in the case of an NIH grant, where the violation of law can be an argument between auditors as to what is a preferable auditing process.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has again expired.

(On request of Mr. OBEY and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 1 additional minute.)

□ 1640

Mr. OBEY. I do not think we want to get into a position where we are denying funds simply because one auditor is arguing with another auditor about what the best tracking system is, and that has often been the case, as the gentleman knows.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Illinois.

Mr. O'BRIEN. When the gentleman's amendment was first announced, I shared the view, I think, by the gentleman from Wisconsin that we are getting into a judicial procedure with violators of law.

As the debate continued, it seems to me the gentleman's use of the term "violator of law" as observed by this accounting office, that it does not conform to what our obvious regulations may be, the way the NCR would fine someone for not being specifically correct in a certain regulatory way, and we are not taking something away or we are not finding something. We are just not withholding them to qualify for these funds.

Mr. ASHBROOK. I think that is correct. Unless we operate on the assumption we have a legal right to the funds, then I think it makes sense to withhold the funds, at least until the cloud is removed.

We might say the same in legal process. When an indictment is brought against an individual, there are certain things that happen until the charges are proven.

Mr. O'BRIEN. This is a 1-year disqualification.

Mr. ASHBROOK. It is only the length of the appropriations, so it can only be for 1 year.

Mr. NATCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as you well know, and the members of the committee, when CETA was reauthorized last year, we had some difficulty with the bill for a number of days. The bill went back to the committee, and then when presented with the criminal provisions in the bill and also setting forth the 18-month provision, it was then passed.

Keeping in mind the importance of what had transpired as far as the reauthorization of the CETA program is concerned, our subcommittee in our report on page 7 points out, and I quote, Mr. Chairman:

> However, the committee directs the Department to utilize $18 million for contract audits of CETA programs instead of $10 million as proposed in the budget.

The budget presented to our committee and to the Congress provided for $10 million. We did not believe that was enough.

Now, Mr. Chairman, here is what concerns me about the amendment offered by my distinguished friend, the gentleman from Ohio.

Under section 53 of 31 United States Code, I read in part, Mr. Chairman, that provision concerning this particular amendment, and here is what causes me trouble. I quote:

> The Comptroller General shall specifically report to Congress every expenditure or contract made by any Department or establishment in any year in violation of law.

Now, Mr. Chairman, that is the section of the Code that the gentleman from

Ohio uses, which does not say that convictions, charges, or the situation shall be reported in detail.

When you say, "to be reported to the Congress" I then say, Mr. Chairman, that we do not know as to whether or not, and I quote the provision of the gentleman's amendment: "Who is named as a violator of law in a special report by the Comptroller General under section 312," the section that I have just read.

I think, Mr. Chairman, it would be a serious mistake to permit this amendment to be adopted. I think this amendment, Mr. Chairman, should be defeated.

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I must confess that I am rather reluctant to accept the gentleman's amendment without knowing more specifically how it would operate, for we do know that whether they are investigators of our own Appropriations Committee or investigators for the Comptroller General, that quite frequently in preparation of a report, the statement will be made that it "appears" this or that entity is in violation of the law.

Now, it is one thing to take carte blanche the finding of an investigator, and it is another thing to have the kind of case built where there is an ultimate indictment and a judicial proceeding.

As the gentleman well knows, the Secretary of HEW have our differences of opinion as to whether he was in violation of the law in not honoring my billion-dollar amendment that was a part of last year's bill. He said it did not have the force of law. The Chairman and I asked the Comptroller General for a finding of fact and my position was sustained. Mr. Califano then asked the Attorney General for his opinion and he also sustained our position.

I must confess that I am just as concerned about those public funds slipping through the cracks as my friend, Mr. Ashbrook. I would like to cite as a matter of fact the exchange I had with witnesses from the Secretary of Labor appearing on pages 96 and 97 of part I of the hearings. It reads as follows:

Mr. Michel. Thank you, Mr. Chairman.

AUDIT FINDINGS

Mr. Secretary, the General Accounting Office recently issued a report which found that $165 million is going unrecovered because the Labor Department is not following up on audit findings. Among other discoveries in the study is that it takes an average of 25 months in the Labor Department to resolve audit findings, which is the worst figure for all Departments covered, and that only 17 percent of the questioned costs are disallowed, which is about, as I recall, in the middle range for the Departments.

How do you respond to that?

Secretary Marshall. I will let Mr. Zuck respond to it.

Mr. Zuck. The question of unquestioned costs in CETA, and those numbers by and large are in CETA, relates to a whole series of issues not relating to issues of fraud or abuse but over questions of interpretation, of not only the statute but the regulations as well.

Now, I would acknowledge that the Department's experience has not been as good as it should have been in trying to resolve those issues with the prime sponsors in getting decisions made as to whether they, in fact, the auditors findings will be waived or whether, in fact, the auditors' findings will be taken.

Now, we are initiating some steps with the Employment and Training Administration to have them respond quicker to try to get those decisions made. But I think in just looking at the dollar figure of $165 million that that in and of itself is not an indication of abuse in the system. A lot of it goes to interpretation and, as Mr. Patten called gray areas, for which just some resolution or decision has to be made.

TURNAROUND TIME FOR AUDIT FINDINGS

Mr. Michel. Well, I have enough of these GAO reports and frankly those of our own investigative staff to know that there should always be an opportunity for those being investigated to respond.

I would not want to question the direction of those who do our investigating for us or in this case the GAO. I think they ought to be just as doggone hard-nosed as they possibly can be. I appreciate that on your side there may be another opinion, and that is why I wanted to give you the opportunity to respond. But I don't think we want to in any way let up on your coming down as hard as you can to get a more quick turnaround here on these audit findings and to straighten it out.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wisconsin.

Mr. OBEY. I will be happy to join the gentleman from Illinois or anybody else who is trying to find a way to require HEW to respond more quickly to these problems, but I would hate like the devil to see my local counties or my local school boards or my local hospitals subject to a precedent like this, which would lead Congress to suggest that we can yank somebody's string every time some bureaucrat downtown determines that in his judgment alone somebody has violated the law.

Mr. MICHEL. The gentleman makes a valuable contribution. That is my own reservation. As he well knows, we have both been trying to attempt to bring pressure to bear to clean up some of these programs. I do have that reservation, and I wish we had had a better opportunity to explore more thoroughly the effects of the amendment.

Mr. ERLENBORN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am surprised to hear it said in the debate here on the floor today that this amendment puts forth a novel concept. It is novel in some respects, but not novel in regard to the fact that we can stop the flow of Federal funds to one who has been determined to have violated the law. That is done all the time.

The Secretary of HEW, the Office of Education, cuts off funds to our schools if he determines in his opinion that they have violated title IX of the education amendments.

They cut off funds to our schools if the Secretary has determined that there has been a violation of the nondiscrimination laws. There is just nothing unique about that at all.

The difference in this amendment is that it is not the administrator of the law that we turn to for a determination of the violation of the law, but rather an independent party, the Comptroller General, somebody without any ax to grind.

Now, if we have the Comptroller General making a determination the law has been violated, I think it is altogether fitting and proper that we cut off the flow of funds to the person or the entity that has violated the law.

We know from the report of the Comptroller general what the situation is today. The law has been flagrantly violated not only in CETA, but in many other cases. By and large, the departments and agencies of this Government do not even try to recover the funds that have been illegally obtained.

These departments and agencies consider that it is their function to get rid of Federal money, to pump it out there, to drain the Treasury, not to recover money that has been obtained fraudulently or in violation of the law.

The Comptroller General has given us a whole long list of local government, private agencies, and corporations that have fraudulently or otherwise, in violation of the law, obtained Federal funds illegally. By and large, they are not even trying to collect those funds.

Now, the least we can do, I think, is to say we are not going to let them do it again in the future.

It has been pointed out by the gentleman from Ohio (Mr. Ashbrook) who is the sponsor of the amendment that this is on the appropriations bill. It is only for 1 year. Let us at least try it. Let us at least see what happens in that year, and if at the end of the year it looks like it has worked, then we can extend it.

If you think it has not worked, we can argue against another amendment that would have to be made. It is going to be automatically terminated at the end of 1 year. Why not try once, just for a change, something different, and that is to protect the Treasury, to turn the attention of the bureaucrats to try to protect the outflow of money and to even try to get back that which has been obtained illegally? I think that is altogether refreshing, a "new direction," to coin a phrase.

I yield back the balance of my time.

☐ 1650

Mr. MILLER of California. Mr. Chairman, I move to strike the last word and I rise to speak against the amendment.

I appreciate the remarks of the last speaker. I guess maybe my district and recipients in my district, be they public bodies or nonprofit agencies, must be treated differently than any other district in the country because there thousands and thousands of dollars have been recouped and required to be repaid on the charge that they were used in nonconformance with the law. Later those charges were found to be unfounded and moneys were then sent back to the agencies by efforts through long-time litigation, hours and hours spent by local government trying to justify what they had done in light of the charges made by the Federal Government, with moneys sent back to Washington time and again on one person's salary or on the purchase of this equipment, and time and again Labor has gone after those funds and required them to be sent back.

Here we have GAO now turned into a judicial body to make a final determination as to illegality on the withholding of funds. Apparently it could be a minor illegality, a part of a larger program and funds could be withheld across the board. I just do not think that is what we want to do because then we, in effect, are letting GAO make legal determinations. They charge that and that is proper. What I think the gentleman, the sponsor of the amendment is really after is having HEW immediately respond to these allegations and deal with them. But that takes legislation. If you are unhappy, it does not take this kind of prohibitive amendment. I think it is ill-conceived and I think the concern is legitimate and that the amendment ought to be in legislation to demand within 30 days HEW take action, but not to withhold funds as a blind trust in GAO's findings as to alleged illegality.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I am delighted to yield to the gentleman.

Mr. MITCHELL of Maryland. I appreciate the gentleman yielding. He is absolutely right, this House just voted in this last week or so to see that I was properly seated. It may well be that you voted for someone who violated the law.

I ran an antipoverty program and under the law it said *x* amount of dollars can go into personnel, *x* amount into equipment, *x* amount into something else. There were times when I felt, based on my best judgment, it was best to take money from the personnel fund and use if for supplies for the poor, and I was audited on that basis and I was able to make out a case. But GAO could say I violated the law.

In addition to that, we ran a summer youth program. There were 22 kids who were over the age. I could not tell each child's age. We checked as best we could, but there were 22 kids who go into that summer youth program. In our city audit they said. "PARREN, you violated the law." Now, I would have no patience with anyone who deliberately and meanly violated the law for their own selfish purposes, but the way some of these regulations and laws are written you almost inadvertently violate them. I would hope that the gentleman's amendment would be withdrawn, and if he does not withdraw I would hope it would be voted down.

We make a mistake by going after the crooks with a broad based weapon and in so doing we hit people who act out their best intentions without intending to violate the law, but intending to do the best thing for the people.

Mr. THOMAS. Mr. Chairman, I move to strike the last word.

I would like to thank the gentleman from Ohio for offering this amendment. I have been seeking some kind of a decision similar to this since I arrived in this House. We have been talking about generalities.

The distinguished chairman of the subcommittee has indicated he is concerned about the question of using this kind of amendment to deal with questions which are inadvertent mistakes. The gentleman from Maryland indicated that the law is so complicated that perhaps it is extremely difficult for people to carry out the law, even with their best intents.

I am in support of the amendment. To give you an idea of the gross kinds of things that are going on under this program, I will give you a couple of examples.

Here is a news release from the United States Department of Labor dated January 11. The news release says:

> Secretary of Labor Ray Marshall signed a $500,000 contract today with Cesar Chavez, president of the United Farmworkers of America, to provide English language training and other services to approximately 1,500 migrant and seasonal farmworkers.
>
> "This is the first contract the Labor Department has had with Mr. Chavez and his Farmworkers Service Center," Secretary Marshall said at signing ceremonies in his office today, "and I am particularly pleased with the type of program we are endorsing."

There is a picture of the signing. As a matter of fact, on January 11 there was no signing of the contract. The contract was not signed until June 25. In that period from January to June 25 a program for $500,000 and for 1,500 migrant farmworkers turned into a program of $683,000 for 75 farmworkers. Each CETA slot went from $7,500 to $21,000.

As was indicated by the sponsor of the amendment, it is impossible to audit that program at La Paz-Keene, Calif., today because there is a "no trespassing" sign out front, and if you enter into that property without permission, there are gentlemen who carry rifles. It is in my district and I am familiar with it.

In addition to this, there was no A-95 process followed. The English program is offered by the Kern County High School program. There is a community college in the district that offers English as a second language, and there is a program offered throughout all of the county but the farmworkers refuse to participate in the program, yet this grant was given even though within the county school system there was a program.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. Yes, I yield to the gentleman.

Mr. SYMMS. I thank the gentleman for yielding.

That is a very interesting point, but did I understand the gentleman correctly to say that we have a Government-funded CETA program that the public cannot go in and out of and there are armed guards to greet you at the door?

Mr. THOMAS. Not only that, the English program does not have a citizenship requirement, nor is there an equal opportunity act requirement. They actively screen the individuals who they take in the program.

Mr. SYMMS. If the gentleman will yield further, explain to me again about how this works. There is a guard waiting with a shotgun, or what is it like?

Mr. THOMAS. La Paz used to be a convalescent hospital in the mountain area of Tehachapie in Keene. It is a relatively secure arrangement, and has been made more secure since Mr. Cesar Chavez has acquired the property. There is one access in and one access out and it has a gate and it is guarded 24 hours a day. So if you are allowed in it is by permission of Mr. Chavez and the United Farmworkers.

My understanding is that we have not been able to audit the program properly, because access is not allowed for auditing purposes.

Mr. SYMMS. If the gentleman will yield further, they get $500,000 a year, is that correct?

Mr. THOMAS. This is a $683,000 program under CETA. However, they have received a series of grants totaling about $1.6 million from various programs. We are concerned only with the CETA program here.

Mr. SYMMS. I thank the gentleman for bringing that information to us.

Mr. THOMAS. In addition, we have had some concern about the type of program that is being carried on ostensibly under the English as a second language program. Within that almost 200-page grant that was for $683,000 only 3 of the 200 pages dealt with the English as a second-language program.

In January of this year they changed the name from the National Farmworkers Service Center that the author of the amendment indicated was the name to FIELD, an acronym which stands for Farmworkers Institute for Education and Leadership Development. I would suggest perhaps a better name would be an acronyn for the phrase Farmworkers Receiving Aid in Union Development, and my colleagues can figure that acronym out for themselves.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. Yes, I yield to the gentleman.

Mr. STOKES. I thank the gentleman for yielding. I am attempting to see how the gentleman's statement in the well conforms to the amendment offered by by the gentleman from Ohio. Could the gentleman in the well tell me whether or not the group you have made reference to has been named as a violator of law in a special report by the Comptroller General?

Mr. THOMAS. The General Accounting Office was asked to carry on a study of just exactly what has occurred and on additional problems within the grant as it has been given. The GAO report was highly critical of the activities of the Department of Labor. In an attempt to find relief for the problem that I feel is present in my area, I asked the Department of Labor to react to the GAO report.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. STOKES and by unanimous consent Mr. THOMAS was allowed to proceed for 1 additional minute.)

☐ 1700

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. If the gentleman will let me finish answering the question, the GAO report, which was highly critical of this particular grant, was responded to by the Secretary of Labor. His response was wholly inadequate in terms of the points raised in the report. My concern is, where can I go to handle such problems as this? I support this amendment and any amendents that may be attached so that we can solve these problems.

Mr. STOKES. If the gentleman would yield, would the gentleman tell us how the amendment of the gentleman from Ohio affects the situation he is describing?

Mr. THOMAS. I will yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I say to my colleague from Ohio that as of now the National Farm Workers Service Center would not come under my amendment.

Mr. STOKES. That is precisely why I posed the question to the gentleman, because obviously the statements made in the well do not address themselves in support of the amendment of the gentleman from Ohio. They do not even relate to it.

Mr. ASHBROOK. The GAO has simply said that the National Farm Workers Service Center is poorly managed. It has not made any claim of illegality. I want that to be known. I am not offering my amendment——

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. ASHBROOK and by unanimous consent, Mr. THOMAS was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Some might have thought that I was offering my amendment to follow up on my amendment of 6 months ago regarding the National Farm Workers Service Center. Until such time as the GAO would have an indepth audit and find some illegal activity, they would not come under my amendment. So, as I understand the situation as of now, the GAO has the same problem as I do.

Just to show what the problems are, Members of Congress, in section 127(1) of CETA, that section indicates that the chairman and ranking minority member of the House Education and Labor Committee should have, in the Department of Labor, a response within 4 days. I wrote the Secretary of Labor on March 8. I have written him four times since, and I cannot get a response pursuant to law. So, I suppose the GAO is having some of the same trouble.

Mr. THOMAS. Mr. Chairman, the reason for my interest in the amendment is that this would provide a chance for me to resolve this question, because I am frustrated in getting a response from the Department of Labor. If we had this amendment on the books I could ask them for a Government audit.

Mr. ASHBROOK. Mr. Chairman, he certainly is correct on this point. Despite GAO findings of mismanagement and other evidence of impropriety, despite the fact the Secretary of Labor signed a blank piece of paper in announcing the contract, despite the fact that as far as I know no Department of Labor official has set foot in La Paz since the contract began, this ripoff continues.

About 6 months ago, I stood here on the floor, holding in my hands two different contract applications from the farm workers. The first was the initial contract application and in it was contained perhaps the most ambiguous and flagrant attempt to use tax dollars to further the unionizing activities of the farmworkers. The contract called for telecommunication systems, instruction in labor organizing, collective bargaining, infield, outreach activities and it even went so far as to landscape union hall.

The second contract was washed. But even so, barely concealed the true nature of the plans of the United Farmworkers. Neither contract should have ever received a moment's notice in the halls of the Department of Labor. But they did. During the past year, repeated attempts to gain further information on this contract have been stonewalled by the DOL; which has resisted with every bureaucratic devise every effort to gain a full understanding of the Department's decisionmaking process.

Just to give a small example of the disrespect shown by the Department of the desires of the Members of Congress, I wrote on March 8, the Secretary requesting under section 127(1) of CETA, all information in the Department's files pertaining to the grants awarded to the National Farmworkers Service Center, Inc. The statute states that all information requested be supplied either to the chairman or ranking minority member of the House Education and Labor Committee within 4 days of receipt of the letter. On April 2, 4 weeks later, I received a letter from Secretary Marshall and a compilation of materials which the Secretary said:

> Were resulting from material(s) resulting from awards and argeements involving the National Farmworkers Service Center, Inc.

This thin compilation contained about a half dozen documents sufficient to fill one legal size file folder with room to spare. I have personal knowledge had the Secretary faithfully fulfilled my request, he would have needed a forklift to carry all the material that has been generated on this project.

I do not like being jacked around. On June 5, I sent a second letter to the Secretary requesting the same information I requested in my earlier letter; however, I made it sufficiently explicit that even the most creative of bureaucrats will not be able to avoid my request. I am submitting for the record my most recent communication. This letter was sent on June 6, and to date we have not even received a signed acknowledgment. However, we have traced it through the post office and we know that it was delivered on June 8 and that was 3 weeks ago.

Mr. Chairman, what bothers me about this particular grant is not so much the grant itself, but the irresponsible handling of the grant by the DOL and the Department's total disregard for the responsibilities to the legislative branch. If there is nothing to hide, the Secretary should willingly supply this information, but obviously this is not the case. I am concerned that this lack of responsibility affects not only this grant process, but a wide variety of similar awards made under title III of CETA.

This must stop. The American people's faith in Government and confidence in the integrity of public servants has eroded almost to the point of no return. The Members of this body should accept this amendment as an example of a Congress that will brook no dillydallying and incompetence by our Federal departments.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Wisconsin (Mr. OBEY) is recognized for 5 minutes.

Mr. OBEY. Mr. Chairman, I will not take the 5 minutes. I simply want to point out two specific problems. No. 1, the language of the gentleman's amendment does not limit the violation of law to the CETA law. The language says that we have to pull the string on any recipient who is named as a violator of the law in a special report by the Comptroller General under section 1312(c) of the Budget and Accounting Act. That can mean any program in America. It can mean that if the Comptroller General thinks that one's county is in violation of the law on another item, on another budget item, not on the CETA program, the string can be pulled without benefit of hearing. I do not think that is what we want to do, but I think that is what the amendment does.

Second, I want to point out that in my own district now I have got a Catholic high school which is the recipient of CETA funds. The ACLU says that is a violation of law to let that Catholic high school train people. I think the ACLU is wrong on that question. I would hate to see the dollars pulled from that high school simply because the Comptroller General, without benefit of trial, happened to agree with the judgment of the ACLU. I would like to have that case decided in court before those funds are pulled.

The third point I would make is simply that under this language any technical violation of any law, the smallest technicality in which a recipient is in violation, places all of their funds in jeopardy. As I said earlier, that means that if one has an argument between auditors about what the best system is, if one has one recipient in the program who happens to be the wrong age, if one has a program which inadvertently pays one worker $50 more than they are supposed to pay, they have problems. They can be in technical violation and cited by the Comptroller General and be out of business even though that is not what the Congress wants to do.

Mr. Chairman, I urge the Members not to do that.

Mr. NATCHER. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1710

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. ASHBROOK) for a recorded vote.

The vote was taken by electronic device, and there were—ayes 191, noes 222, not voting 21, as follows:

[Roll No. 291]

AYES—191

Abdnor
Andrews, N. Dak.
Archer
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Bouquard
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Carney
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Fish
Flippo
Fountain
Frenzel
Frost
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Levitas
Lent
Lewis
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKinney
Madigan
Marlenee
Martin
Mattox
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Nelson
Nichols
O'Brien
Panetta
Pashayan
Paul
Petri
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Solomon
Spence
Stangeland
Stanton
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Young, Fla.

NOES—222

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Brademas
Breaux
Brodhead
Brooks
Brown, Calif
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Danielson
Daschle
Davis, S.C.
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Garcia
Gaydos
Giaimo
Ginn
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Livingston
Lloyd
Long, La.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Snyder
Solarz
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Wirth
Wolpe
Wright
Yates
Yatron
Young, Alaska
Zablocki
Zeferetti

NOT VOTING—21

Ashbrook
Bolling
Campbell
Conyers
Flood
Forsythe
Gephardt
Goodling
Kostmayer
Marriott
Mathis
Murphy, N.Y.
Patterson
Roberts
Skelton
Spellman
Stockman
Thompson
Volkmer
Wilson, C. H.
Young, Mo.

☐ 1730

The Clerk announced the following pairs:

On this vote:

Mr. Ashbrook for, with Mr. Thompson against.

Mr. Campbell for, with Mr. Murphy of New York against.

Mr. Goodling for, with Mr. Patterson against.

Mr. Marriott for, with Mr. Charles H. Wilson of California against.

Messrs. D'AMOURS, PURSELL, and LIVINGSTON changed their vote from "aye" to "no."

Messrs. HANLEY, McDADE, and GUDGER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read, open to amendment at any point, and further, Mr. Chairman, that all debate on the bill and all amendments thereto end at 8 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Reserving the right to object, Mr. Chairman, it is my understanding that there are probably 40 or more amendments to this bill and perhaps half of them have been printed in the RECORD. Even if the gentleman's request were granted, this would mean we would be here probably until 9, 10, or 11 o'clock, if we took the amendments that are printed in the RECORD at the end of the time limitation.

Last night we had such a limitation and it was 3 hours after the limitation time before we finished with the section on which the limitation was proposed.

So as much as I would like to accommodate my good friend, the gentleman from Kentucky, and I do respect the gentleman, it seems to me we ought to be thinking about putting this bill over at some point later in the evening, rather than jam that many amendments on a bill of this magnitude and importance.

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me?

Mr. BAUMAN. Of course, I yield to the gentleman.

Mr. NATCHER. Mr. Chairman, I would like to say to my distinguished friend, the gentleman from Maryland, it has required 2½ hours for two amendments on the bill so far. We have reported from the Committee on Appropriations 11 of our 13 annual appropriations bills. We have passed four of the bills. We have the balance of these bills to go and as the gentleman well knows, we could stay here all night long. We could pass this bill over and work on it tomorrow. We could bring this bill back after the recess. And we would continue having amendments, some as the gentleman well knows, well thought out amendments, amendments that are sincere and offered in that manner; others that should not be offered.

I hope the gentleman does not object to this request.

☐ 1740

The Members of the House are tired. As far as going any later than 8 o'clock, what about 8:30? Would the gentleman from Maryland (Mr. BAUMAN) agree to 8:30?

Mr. BAUMAN. Further reserving the right to object, Mr. Chairman, I would have to say to my friend, the gentleman from Kentucky (Mr. NATCHER), that it is not his fault, he is not in charge of the scheduling. The fact of the matter is that I think the House legislated in a very poor fashion last evening on the synthetic fuels bill. That is just one Member's opinion, but a bill of that magnitude certainly should have been treated in better fashion and in ample time.

Tonight we are considering perhaps the largest domestic appropriation bill we will deal with. I understand we all want to adjourn, but there certainly are expendable items on the calendar. Many Members are concerned, they will want to vote and they will have amendments to offer. Earlier we had agreed that we did not want to shut off debate on the issue of abortion, for instance.

Mr. Chairman, I hate to be the "bad guy," but if the gentleman persists in his unanimous-consent request at this time I would have to object.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) object?

Mr. BAUMAN. I do, Mr. Chairman.

The CHAIRMAN. Objection is heard.

PARLIAMENTARY INQUIRIES

Mr. MICHEL. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it

Mr. MICHEL. Mr. Chairman, how far has the Clerk read?

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me?

Mr. MICHEL. Yes, I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would also like to propound a parliamentary inquiry.

As I understand it, under the rules of the House, it requires a unanimous-consent request to open the bill for amendment at any point; am I correct in that?

The CHAIRMAN. The gentleman is correct.

Mr. NATCHER. Mr. Chairman, it requires unanimous consent before the time of 8 or 8:30 could be fixed? A motion would not be in order at this time?

Is a motion in order at this time, Mr. Chairman?

The CHAIRMAN. The Chair will state that a motion would not be in order until the bill is read.

In answer to the inquiry of the gentleman from Illinois (Mr. MICHEL), the Clerk has read through line 4 on page 3.

The Clerk will read.

The Clerk read as follows:

TEMPORARY EMPLOYMENT ASSISTANCE

For public service employment, training, and related services, as authorized by Title VI of the Comprehensive Employment and Training Act, $1,815,000,000, to remain available until September 30, 1981.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 3, line 8, strike "$1,815,000,000" and insert "$1,544,000,000".

Mr. MICHEL. Mr. Chairman, this amendment would reduce the funding for the CETA title VI public service jobs program by $271 million. The net effect would be to reduce the number of jobs at the end of fiscal 1980 from 200,000 to 150,000.

If we couple this with the jobs under title II, this will still leave a total of 400,000 public service jobs in existence by the end of 1980.

Now, why do I offer the amendment? We have increased total outlays in this bill by about $700 million over the budget. We should thus be making some offsetting reductions to cover those increases.

The President's budget assumed an enrollment level of 358,000 at the beginning of 1980 and 200,000 at the end of 1980, for a decline during the year of 158,000 public service jobs. The actual enrollment level at the end of last March was just 336,000, and our bill assumes at that level in 1980 there will actually be only 300,000.

So the adoption of my amendment would mean a decline of 150,000 jobs from the beginning of the year to the end of the year, slightly less than the decline in the budget, and in fact it would be a slower rate of decline than is taking place in 1979 where the reduction from the beginning of the year to the end is 200,000 jobs.

Mr. Chairman, I want to remind my colleagues that this is one of the very few opportunities they are going to have to vote for any reduction in this bill. Most of the other amendments to be offered are to increase the bill.

Now, let us bear in mind that we have added $325 million in this bill to launch the private sector initiative program, the one that we put $75 million in initially in the supplemental to move from public service jobs to private enterprise-oriented jobs, where at the end of the training period those seeking new jobs will be employed indefinitely by private industry.

This would more than offset the reduction I am proposing, and it represents a much sounder, longer lasting approach to our structural unemployment problem than does title VI.

According to the Labor Department, the funds for the private sector initiative, which includes implementation of the targeted jobs tax credit, will result in 240,000 jobs for the disadvantaged. The Members can find that on page 146 of our hearings in response to a question which I raised.

Title VI jobs are essentially Government jobs or jobs with nonprofit organizations. In most cases they do not lead to permanent employment at the end, and the job holders are back out on the streets. Labor Department figures show that only 27 percent of title VI enrollees are placed in other jobs when they leave the program.

And where do they go after that? If they do not get a permanent job, they go back on unemployment compensation.

The private initiative program, giving the administration credit for asking to get it started through the supplemental bill, is a good alternative to public service jobs that offer no prospects of extended employment.

Title VI is a program where most of the substitutions take place and where a good share of the jobs are cranked into local budgets. The Brookings Institute estimate of the substitution rates ran between 18 and 49 percent, depending on definition.

Title VI allows the highest wages to be paid. It has the loosest income eligibility standards, and it has the lowest length of unemployment eligibility standard.

I happen to think this is a good amendment. I know there is a significant reduction in the amounts appropriated in this particular item; the reduction is $271 million. It is a significant amendment, and as I said, it can be more than made up for with the kind of money we are putting in the private initiative program in the private sector, a total of nearly $400 million.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MICHEL) has expired.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

I want to make some points, and first of all, I want to remind the Members where I come from on this issue. It was the gentleman from Vermont (Mr. JEFFORDS) and I who last year offered the comprehensive amendment to the CETA bill which tightened up substantially on CETA, that was accompanied by great sighs of anguish by many local prime sponsors in a lot of cities. But we thought it was necessary to tighten up this program, and we did.

I want to remind the Members that under those limitations we now have strict limitations on the wages which can be paid to public service job holders. No individual can hold the job longer than 18 months. It cannot become another long-term employment program.

Strict eligibility requirements are meant to assure that the jobs go only to those people who need them the most, and we have given the Department of Labor the legal authority they need to proceed against people who abuse the law.

What I want to point out also is that we have already adopted the President's recommendation to reduce title VI to 200,000 jobs by the end of fiscal 1980, which will be a 44-percent decrease, and compared to fiscal year 1978, by the end of the year for which this bill is meant we will have reduced the title VI CETA jobs from 600,000 jobs to 200,000 jobs.

□ 1750

That is a two-thirds reduction in funding for title VI. I think that is a drastic reduction. I want to point out that the committee cut $375 million from the President's request based on the assumption that there would be fewer jobs. We have also cut out $882 million in unexpended carryover funds. That means, overall, we will be $57 million below the President's budget. We are below the budget resolution in this amount. We are in conformance with the budget resolution.

I want to point out, also, we are going to need this program again. This program is supposed to cycle down when employment increases and joblessness declines. We will need it again when the economy goes the other way. If Congress every 6 months changes its mind on what we are going to do and how we are going to fund this program, our local prime sponsors are not going to want to do it, they are not going to have any confidence in their ability to plan, because we are always going to change our minds, requiring that they change their actions, and in the end this program will prove ineffective the next time we need it to fight a recession.

I remind you that the committee recommendations already provide for a two-thirds reduction since fiscal year 1978 from 600,000 jobs to 200,000 jobs. That is quite enough reduction.

Mr. NATCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hate to find myself in disagreement with our friend, the gentleman from Illinois (Mr. MICHEL). The gentleman from Illinois, Mr. Chairman, is one of the able Members of this House. He is one of the able members of the subcommittee. I dislike finding myself in disagreement with him. But, Mr. Chairman, this amendment should be defeated.

The President's budget and the committee bill already, Mr. Chairman, reduce title VI public service jobs substantially. Enrollment drops from 500,000 at the end of 1978 to 300,000 at the end of 1979 to 200,000 at the end of 1980.

In addition to that, Mr. Chairman, there are beginning to appear signs that we might—and I hope not—have a recession. If the recession is possible and we have a recession, then, Mr. Chairman, as many economists have pointed out—they are predicting a recession—it does not seem wise or prudent to me to reduce public service jobs any further at this time. All you have to do each day is to read the newspapers, listen to the media, and if there is a time when we should keep the CETA program strong it is at this point, Mr. Chairman.

I think that this amendment ought to be defeated.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by my colleague, the gentleman from Illinois (Mr. MICHEL).

Mr. Chairman, I rise in opposition to the amendment reluctantly because I find that, as much as I agree with the gentleman from Illinois, I would rather be up here voting for some kind of an accelerated public works program rather than putting money into this program. As I have said many times on this floor, at least under the accelerated public works program you have some lasting benefits and you create jobs at the same time. But we have to be realistic this is all we have before us.

I cannot go along with cutting funding for the title VI public service employment program at this time. All of this country's leading economic indicators point toward the possibility of a recession, and the CBO predicts a severe recession. If that happens, the Department of Labor will come to us to request more money for PSE jobs, and when every Member has large portions of their constituency unemployed, I doubt that many Members of the House will vote against increases at that time. It would be short-sighted for Congress to vote to cut back funds at this time when our country's economy is in such serious trouble.

I also feel that PSE jobs fill an important void in our country. There are still many people whom our economy leaves unemployed. The unemployment rate has dropped, but a 5.8 percent unemployment rate in a country of our size is still too high, 200,000 PSE jobs is a small number. Cutting this back will merely serve to take jobs away from people who want and need them.

Mr. Chairman, for these reasons, I urge the defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The question was taken; and on a divison (demanded by Mr. MICHEL), there were—ayes 35, noes 46.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $181,520,000: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for 10 or more violations: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreation hunting, shooting, or fishing: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended for the proposal or assessment of any civil penalties for the violation or alleged violation by an employer of 10 or fewer employees of any standard, rule, regulation, or order promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful or repeated violations and violations which pose imminent danger under section 13 of the Act) if, prior to the inspection which gives rise to the alleged violation, the employer cited has (1) voluntarily requested consultation under a program operated pursuant to section 7(c)(1) or section 18 of the Occupational Safety and Health Act of 1970 or from a private consultative source approved by the Administration and (2) had the consultant examine the condition cited and (3) made or is in the process of making a reasonable good faith effort to eliminate the hazard created by the condition cited as such, which was identified by the aforementioned consultant, unless changing circumstances or workplace conditions render inapplicable the advice obtained from such consultants.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: On page 9, line 4, strike the figure "$181,520,000" and insert in lieu thereof the figure "$171,224,000".

Mr. SYMMS. Mr. Chairman. I will be very brief. This amendment has been offered each and every year, and it is the same amendment that I have offered each year when this appropriation bill has come before this body. We have had some success, in sending a message down town, although the amendment has not carried, I might say to the committee, but we have had in the neighborhood of 180 Members of the House vote for it nearly every year. The historical background of this amendment is that we are trying to send a message downtown to the OSHA people, to tell them to quit harassing the American people and just worry about big safety things and not try to harass and nitpick with respect to safety.

Now, when Mrs. Bingham took over OSHA there was a great hue and cry that OSHA was now going to be less nitpicking and more on the very big safety issues. Interestingly enough, in my home town of Caldwell, Idaho, most recently there was a small cabinet shop, the De Mond Cabinet Shop, as a matter of fact, which has three people who work as a partnership in the shop, three brothers. They hire one employee. The employee happens to be the person who owns the building where the cabinet shop is located, and he happens to be the father of the three boys and was the original founder of the business. OSHA has insisted on coming in and inspecting their business. They all have all of their fingers and all of their toes, they have never had an accident, there is no one who works there except their family, and they are now in the midst of litigation and a lawsuit because OSHA inspectors have demanded to go in and inspect the premises.

□ 1800

My amendment simply would cut out $10 million from the Appropriations Committee's bill. I think that that $10 million could easily be absorbed in taking away some of the people who would go around and try to inspect small, privately operated, family-run businesses such as the DeMond Cabinet Shop.

I would urge the support of the amendment. It is not going to abolish OSHA or do away with OSHA or anything like that, simply to cut back $10 million, and send them a message down there to stop harassing the American people with this kind of harassment that makes people cynical toward Government, cynical toward the institutions that they would normally in the past have respected.

I think it would be a good thing for not only the taxpayers, but for the country as a whole, if we could reduce the impact of this type of harassing regulatory agency on the people.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. Yes; I yield to the gentleman from California.

Mr. ROUSSELOT. This level of funding is what, the same as last year?

Mr. SYMMS. The committee increased it by about $10 million. We are trying to go back to last year's level.

Mr. ROUSSELOT. The 1979 level?

Mr. SYMMS. Yes.

Mr. ROUSSELOT. So we are not starving the agency?

Mr. SYMMS. No. In fact, this is a much more modest cut.

I commend the committee for not increasing it as much as they have in the past.

Mr. ROUSSELOT. It is really not a cut. It is the same as 1979?

Mr. SYMMS. It is like the Rousselot balanced budget amendment. It does not cut anything.

Mr. ROUSSELOT. It just restrains the increase?

Mr. SYMMS. Restrains the increase.

Mr. ROUSSELOT. That sounds reasonable to me.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment as presented to the committee would make a reduction of a little over $10 million in OSHA. As far as trying to obtain some agreement or understanding as to just what the amendment is doing with the $10 million, Mr. Chairman, I think we ought to keep in mind that if this amendment is approved it would reduce the bill below the 1979 level, not bring it to the 1979 level. It would reduce it below the 1979 level, because, Mr. Chairman, in the supplemental appropriation bill that we now have pending before the Congress that we are going to conference on some time after the Fourth of July recess, we had to put in $1,810,000 for OSHA to cover the cost of last fall's pay raise. This amendment, if adopted, would bring the overall amount that the gentleman stipulates here below the 1979 level.

Mr. Chairman, this amendment ought to be defeated.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment. The committee's recommended fiscal year 1980 budget for OSHA of $181,520,000 represents essentially a "standstill" budget. It has been termed "austere" by many. No new positions are requested. Except for a proposed $3 million increase for "new directions" training grants, program activities will be held to 1979 funding levels. I doubt that the same can be said for most other agencies. Any budget cuts would result in a decrease in activities and services below fiscal year 1979 program levels.

A 2-percent cut would mean a $3.6 million decrease in activities and services.

A 5-percent cut would mean a $9 million decrease in activities and services.

A 6-percent cut would mean a $10.8 million decrease in activities and services.

A 10-percent cut would mean an $18 million decrease in activities and services.

The activities and services affected by such cuts would be:

State occupational safety and health program grants: Across-the-board cuts would bring about decreases in the size and effectiveness of State programs, increasing the likelihood of termination of State occupational and safety health plans, unless State legislatures are willing to underwrite more than 50 percent of program costs.

Onsite consultation services to small business employers: The $15 million requested in fiscal year 1980 to reimburse 32 States 90 percent of their costs for furnishing onsite consultation services, and to provide 100-percent funding for these services in 6 States which have elected not to participate under either the 90-to-10 program or 50-to-50 State grant program, is the same level of funding received in fiscal year 1979 despite a general increase in costs. An across-the-board cut would result in reduced incentives for State participation in the consultation program and reduced availability of consultation services to employers.

Education and training grants for workers and employers: The only OSHA program for which an increase in funding has been requested for fiscal year 1980 is the "new directions" program which provides grants to assist labor unions, employer associations, educational institutions, and other nonprofit organizations to develop their competence as centers for occupational safety and health education and related services for workers and employers. A cut would mean discontinuing support of many successful projects or, at the very least, severely restricting their scope.

Regulatory and economic analyses of new health and safety standards: As in previous years, $3.3 million has been earmarked in fiscal year 1980 for studies of the technical feasibility and the economic and environmental effects of proposed new OSHA standards, as required under the OSH Act and by Executive order. An across-the-board budget cut would reduce the agency's capability of conducting meaningful analyses. Without such analyses less satisfactory and less cost-effective standards could result.

Technical services and support: In fiscal year 1979, Congress approved $12.4 million for technical services and support, which includes funds for the purchase of industrial hygiene monitoring and sampling equipment and for laboratory services to analyze workplace hygiene samples. A reduction in these funds would restrict OSHA's ability to determine the degree of worker exposure to hazardous substances in the workplace.

Matching grants for State statistical programs: Under the proposed budget for fiscal year 1980, matching grants for State statistical programs will actually be decreased by 13 percent to $3 million, reflecting a reduction in the number of small businesses sampled for the annual nationwide survey of occupational injuries and illnesses. Such data is essential for the evaluation and planning that can assure effective State programs. OSHA's "worst-first" policy of directing agency resources to the most hazardous workplace conditions depends in large part on reliable statistical data at the State level.

Simplification of standards and elimination of unimportant standards: Last year OSHA succeeded in eliminating 928 standards which were not important to worker health and safety. OSHA is currently striving to revise standards in order to simplify their language and make them more performance-oriented with more options for compliance. A budget cut would seriously hamper this major commitment to regulatory reform.

Staffing: An across-the-board budget cut would necessitate freezing vacancies and reducing staff hired in 1979. These positions were intended to improve the professionalism and technical capabilities of OSHA's compliance staff. The loss of experienced technical and professional personnel under the arbitrary conditions of a reduction in force would clearly be counterproductive.

The OSH Act works—

Labor Department statistics show a 15-percent increase in the injury/illness rates from 1972–77. They also show that a correlation exists between lower incidence rates and higher number of inspections. The following are some examples by State:

	Year	
	1972 (6 Mo.)	1977 (FY)
California:		
Reported injuries/100	12.6	10.6
No. of inspections	873	21,856
New York:		
Reported injuries/100	7	6.1
No. of inspections	2,067	9,330

The need for OSHA's continuing efforts in upgrading the safety and health conditions for American workers should be apparent.

As recently as 1977, it was determined that 1 out of 11 working men and women in the country today can be expected to suffer an occupationally related injury or illness during the course of their working lives. The National Institute for Occupational Safety and Health has estimated that there are approximately 100,000 deaths each year from occupational disease.

In fiscal year 1978, OSHA conducted more than 1,500 inspections in direct response to reported industrial accidents—accidents which took the lives of more than 1,700 workers. During 1978, OSHA conducted more than 21,495 inspections pursuant to complaints made to OSHA concerning unsafe conditions.

This seems to indicate that efforts to improve workplace conditions need to be increased, not decreased. OSHA presently has positions for approximately 1,700 Federal inspectors and approximately 1,100 State inspectors to protect more than 63 million workers in more than 5 million workplaces. By way of comparison, there are approximately

1,000 Federal grain inspectors for 10,000 grain elevators, and 8,500 full-time and 1,000 part-time meat inspectors for 7,200 poultry and meat-packing plants. Note: The fiscal year 1978 budget provides for the following numbers of OSHA inspectors: Federal inspectors—960 safety; 750 health; 1,710 total.

State inspectors—849 safety; 280 health; 1,129 total.

If OSHA is to aid in protecting the health and safety of the American workers, the agency's funding level should not be held to the fiscal year 1979 level, and must not under any circumstances go below this level.

From the moment she assumed the Office of Assistant Secretary of Labor for Occupational Safety and Health, Dr. Eula Bingham has made a diligent effort to lead the Occupational Safety and Health Administration forward as an effective Federal agency. It was just a little more than 2 years ago that she announced OSHA's "common sense" approach to improving safety and health in America's workplaces. To lower OSHA's funding below last year's level could have the deleterious effect of delaying implementation of many aspects of OSHA's "common sense" approach.

To hold OSHA's funding at last year's level is damaging enough, but to go below this level would severely undercut the effectiveness of these and other "common sense" actions. Consequently, I strongly oppose this amendment and urge my colleagues to join me in its defeat.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I would point out two things: No. 1, there is not a single new OSHA inspector in the bill brought before us by the committee, not one. The major increase in this area, in this budget, is for two purposes: No. 1, to analyze the cost of reimbursing positions which were added last year; and, second, to accelerate the consultation program—without fine—that small businessmen want.

I think small businessmen are fed up with having OSHA walk in on them and be subject to fines when they are trying to find out how they can get into compliance and are looking for some honest, straight advice on how to do it. They want to be able to invite an OSHA official into their plant or office and show them what they need to do to get into compliance without having to face fines. That is what we try to do here.

That is why the committee added money to this amendment so that we would provide this item for small businessmen. They want it very badly. I think we would be silly not to recognize that OSHA needs this capability to provide people some advice without having to fine them, which is what the bill does.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding.

If this is all true about how wonderful OSHA is and everybody loves it, I wonder how the men at the Bunker Hill Smelter, which is in my district, which is not under MSHA but under OSHA, are objecting to OSHA and are trying to throw them out—not the management, but the working people, the union members. They are the ones who are raising the havoc about it.

I do not know how many lives would be saved with OSHA.

This is an austere budget, but 4 years ago, the gentleman from Pennsylvania and I were debating this same amendment. At that time we were talking about whether they should have $70 million or $105 million. Now we are up to whether they should have $171 million or $181 million. I suppose at this rate we will be up to a billion dollars soon.

Mr. GAYDOS. There are exceptions to every rule. I strongly suggest to the gentleman in looking at the budget, he has to admit that in the finding this is not a fat appropriation.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

I would like to address a question to my colleague, the gentleman from Idaho (Mr. SYMMS). I do not normally do this, but since our colleague from Kentucky has suggested that because of the amount added in the supplemental, that the gentleman from Idaho's amendment was slightly below the 1979 appropriation level. So the Symms amendment would carry the appropriation for OSHA to slightly below the 1979 level.

Is the gentleman willing to have $1,800,000 added to it?

Mr. SYMMS. I would have to say I was not aware of that.

Mr. ROUSSELOT. Then, Mr. Chairman, I ask unanimous consent that we add $1,800,000 to the amendment of the gentleman from Idaho.

Mr. OBEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ROUSSELOT. I appreciate my colleague from Wisconsin objecting, maybe then he can vote for the amendment because it is a restraining amendment on unnecessary increase, many of us feel.

I would like to call my colleague's attention to the fact that when this legislation was originally put in place, we were told that the new agency would encourage State governments to put in place OSHA organizations. Originally OSHA at the Federal level was only supposed to last about 5 years. So if we do not add this extra $10 million, it will not prevent State organizations, OSHA, or occupational safety regulatory bodies from doing their job. They can still go ahead and perform properly.

I think that this is a clear place in this budget where we can put a restraint on an increase that is, I believe, unwarranted.

Mr. SYMMS. If the gentleman will continue to yield, I appreciate the point he is making. I do not know how it is on the eastern seaboard, but I can guarantee the Members of this body that anywhere west of the Mississippi River, if you have to go home and explain why it is you refused to hold OSHA back to the level it was last year, it is a difficult thing to explain to the constituency we have when there is no one around who seems to be enthused about OSHA. I have not found anybody, the people who work on the jobs, the management, the union leaders in the district—nobody is strong for OSHA out in the West.

□ 1810

All we are getting is a lot of harassment and interference with the ongoing process of production. Job safety, after all, really comes from better tools and equipment and from better techniques, and that is the accumulation of capital. It really does not come from bureaucrats in Washington that absorb money away from the productive sector. Job safety in the country has come about due to the accumulation of capital so we have better, safer way to do things, more simple ways of doing things.

Mr. ROUSSELOT. Also, would not the gentleman agree that the State regulatory bodies in this field are beginning to perform, which was the original intention of this legislation, which is to encourage the State government regulatory bodies in this area? The argument that suddenly the restraint of this particular budget to roughly last year's level really is not going to deter from the ability of the State regulatory bodies in safety and health of employees from performing their tasks.

Mr. SYMMS. If the gentleman would yield further——

Mr. ROUSSELOT. Of course I yield.

Mr. SYMMS. I thank the gentleman. I say that the punitive nature of OSHA is the problem. One of the best Government safety programs that ever came out was when the U.S. Forest Service came out with the program with Smoky the Bear saying, "Only You Can Prevent Forest Fires," because it put the responsibility on the individual. They did not make a big thing of going out and arresting everybody who smoked a cigarette or tossed a match down, although they would be subject to arrest, but they put the responsibility on the individual. It is the individual that has to make the decisions, the individual management and workers themselves which make jobs safer. OSHA has gone out and harassed people by using the power of Government, if you will, to harass the public by its punitive nature, and that is the problem with OSHA, its perception since its very inception.

Mr. ROUSSELOT. I appreciate my colleague's additional contribution. I certainly know my good colleague from New Jersey has an important point to make.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I have one very small point. I thank my colleague for yielding, and I want to say that I do not think we can do without OSHA.

Mr. ROUSSELOT. This amendment does not abolish OSHA.

Mrs. FENWICK. No, but——

Mr. ROUSSELOT. I want to reclaim my time to correct some misimpressions.

I want to be sure that everybody understands that this amendment of my distinguished colleague from Idaho, I know my colleague from New Jersey knows this, does not eliminate OSHA, although that would be all right with me. I have a bill in to abolish OSHA.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. I want to make it clear to the House that the amendment of my colleague from Idaho (Mr. SYMMS) does not abolish OSHA, though that would be perfectly all right with me. It merely restrains the increase in the appropriation so that it will not exceed by very much last year's funding of $172 million.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield certainly to my colleague from Illinois who I know is an active member of the Appropriation Committee, and I am sure will have a major contribution.

Mr. O'BRIEN. My only comment to that is that with all due respect to OSHA, in my area the most effective implementer of OSHA's regulations are the workmen's compensation rates, and those rates make the plants safer by far than OSHA with all its inspectors ever could effect.

Mr. ROUSSELOT. I think that is a good point. In other words, the safety of the worker is not dependent alone on this agency. So by voting for the amendment of the gentleman from Idaho we are not restricting the safety and welfare of the general workers of the Nation. I think the point the gentleman makes is an excellent point. I urge my colleagues to support the Symms amendment.

Mr. OBEY. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I certainly will.

Mr. NATCHER. Mr Chairman, I ask unanimous consent that the balance of the bill be considered as read, open to amendment at any point, and that all debate on the bill and all amendments thereto close at 8:30 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, the gentleman from Kentucky has been very kind to discuss this matter with me and the other Members on my side that were concerned about the status of the legislation tonight. In his usual inimitable way he has had considerable influence over the gentleman from Maryland's thinking. In an effort to expedite the business of the House, with assurances from the gentleman and other gentlemen on the majority side, I will not object.

Mr. MILLER of Ohio. Mr. Chairman, reserving the right to object, it appears only two people are in the know on this, and it appears we should have a little additional information as to when we might adjourn or just exactly what we are doing.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I will yield to the gentleman.

Mr. BAUMAN. There has been held out the assurance that we can finish our business tomorrow night and have only a pro forma session on Friday.

Mr. MILLER of Ohio. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. MILLER of California. Mr. Chairman, reserving the right to object, if I can address a question to the Chair, if the unanimous-consent request is agreed to I would assume we would just go along here and as we run out of time all amendments that have been printed in the RECORD will be allocated time and we will be down to 10 or 15 seconds per amendment if printed in the RECORD, and if not printed in the RECORD you are out of luck?

The CHAIRMAN. If the unanimous-consent request is granted the Chair intends to follow the 5-minute rule for awhile.

Mr. MILLER of California. I am worried because my amendment is on page 46.

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, did my colleague from California have objection? Reserving the right to object, did the gentleman from California have something to say?

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. MILLER of California. Under the Miranda rules, of my own free will I respectfully withdraw my objection at this time.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any points of order against the remainder of the bill?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 34, noes 45.

☐ 1820

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 177, noes 240, not voting 17, as follows:

[Roll No. 292]

AYES—177

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Bevill
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Chappell
Cheney
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Flippo
Fountain
Fowler
Frenzel
Gingrich
Ginn
Goldwater
Gramm
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Huckaby
Hutto
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kazen
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
McEwen
Marlenee
Marriott
Martin
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Pashayan
Paul
Pickle
Preyer
Quayle
Quillen
Rhodes
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Wilson, Bob
Winn
Wyatt
Wylie
Young, Alaska
Young, Fla.

NOES—240

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chisholm
Clausen
Clay
Collins, Ill.
Conte
Conyers
Corman
Coughlin
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison
Grassley
Gray
Green
Guarini
Hall, Ohio
Hamilton
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hughes
Ireland
Jeffords
Jenrette
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lent
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.

Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Petri
Peyser
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
St Germain
Stack
Staggers
Stanton
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—17

Anderson, Ill.
Bolling
Emery
Flood
Forsythe
Goodling
Kelly
Kostmayer
Maguire
Mathis
Murphy, N.Y.
Fatterson
Spellman
Stark
Stewart
Stockman
Thompson

☐ 1830

The Clerk announced the following pairs:

On this vote:

Mr. Emery for, with Mr. Thompson against.

Mr. Kelly for, with Mr. Stewart against.

Mr. LEVITAS changed his vote from "no" to "aye."

Messrs. CONYERS, CAVANAUGH, WALGREN, and DERWINSKI changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOKES: Page 45, line 16, strike out line 16 through line 19.

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me at this point?

Mr. STOKES. I will be delighted to yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto cease at 7 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky (Mr. NATCHER).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was offered will be recognized for 1 minute each.

(By unanimous consent Mr. OBEY and Mr. WEISS yielded their time to Mr. STOKES.)

☐ 1840

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, I rise for the purpose of offering an amendment to strike section 209 of the bill.

I strongly believe that the only decent and proper action for this Congress to take is to strike this language. It is simply wrong for this Congress to make judgmental decisions that should be made by a woman and her doctor, not by the U.S. Congress.

The Supreme Court has stated that abortions are legal. The Supreme Court has stated that a woman has a constitutional right to make the choice of whether or not to have an abortion.

Mr. Chairman, I would like to bring to the attention of this House that for the first time, the antiabortion language that is currently law has been declared unconstitutional by the U.S. District Court for the Northern District of Illinois in Zbaraz against Quern, under this language, which permits funding if the mother's life is endangered, in the case of rape or incest, or if there would be severe and long-lasting physical damage to the mother, Illinois was permitted to deny funding for medically necessary abortions under its medicaid program. The district court ruled that this denial violates the due process clause of the fifth amendment to the Constitution. Further, the Court clearly stated that the question of a medically necessary abortion is a determination that should be made by a physician.

Let me remind this body, that the language in the bill before us is even more restrictive than the language that has now been ruled to be unconstitutional.

Mr. Chairman, the issues surrounding abortion are controversial and emotional. Everyone here would readily acknowledge this. But for you or me in the name of Congress to dictate to a woman who is poor that she can have no choice, no reproductive freedom, no opportunity to follow her own religious belief in this matter is the height of moral condescension. This Congress should be embarrassed and ashamed of this attitude and action toward women who are dependent upon State and Federal assistance for decent medical care.

There is a fundamental inequity here. This Congress is not only imposing its own judgment of the worthiness and acceptability of abortions in various circumstances; it is also imposing that judgment on only one class of citizens—those persons who happen to be poor. This type of class legislation is totally repugnant to me and should be to you.

Mr. Chairman, I am absolutely appalled that this body is unwilling to recognize the unfortunate and, indeed, tragic circumstances that confront rape and incest victims. Is this body going to heartlessly turn its back on these women and girls who may desire to have an abortion?

Mr. Chairman, earlier today we heard about some of the serious genetic disorders and serious medical conditions from which many women suffer. Yet this Congress is not even willing to permit an amendment to be heard which would allow funding for medically necessary abortions in these cases. This Congress is willing to force parents to knowingly bear children who face certain death and terrible suffering at a very young age as a result of a genetic disease.

My distinguished colleagues I urge you to go beyond your personal feelings and beliefs. I urge you to grant every woman the opportunity to make decisions about abortion in light of their own consciences and religious beliefs. The present language is unconstitutional and unconscionable, and I urge you to support my motion to strike this language from the bill.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding, and I associate myself with the remarks of my distinguished colleague.

Mr. Chairman, I do not think that this is the time to enter into a discussion of the constitutional status of abortion laws, nor of the principle of Federal funding for abortion—we go 'round and 'round on that every year, and every year we plow the same ground. It is the effect on people's lives that interests me here. The restrictive nature of the language in section 209 leaves the door open to heartbreak for countless numbers of women—women who know the children they carry will have a crippling disease, and who must by virtue of this live deprived and tragic existences. These women cannot even make the choice of whether or not to carry the fetus to term.

These women, living in circumstances desperate enough to have sought out Federal assistance, are condemned forever to suffer the emotional trauma of having brought a deformed and unwanted child into this world. What the child must go through I shudder to contemplate.

I am sure that many of my colleagues have known persons who were stricken with tuberculosis. I ask these colleagues to pause and consider how tragic this might have been had it been a pregnant woman who was stricken. It is easy to yield to the pressure of a frustrated minority moralism; it is much more difficult to examine an issue for what it really is, and what the effect is on the public.

Although significant progress has been made in its control, tuberculosis remains the leading cause of death worldwide. A high percentage of infants in contact with a parent with active TB will acquire the disease. In one hospital, a physician writing in Contemporary OB/GYN reports that he saw a woman who undoubtedly had been the case source of tuberculosis disease for her entire family. Two of her children had died in Mexico, unattended by medical personnel, of an illness characterized by fever, convulsions, and coma. Her other five children and husband had also contracted the disease.

In some areas of the United States—Los Angeles in my own State for one—as many as 1.4 percent of women in their reproductive years will get pulmonary tuberculosis. Using statistical averages, we come up with the figure of 5,000 cases of TB in Los Angeles County in women of child-bearing age. These statistics do not include children in private schools who, regardless of ethnic background, show a lower incidence of positive tuberculin tests. There are millions of tuberculin positive women of child-bearing age in the United States with a similar risk of developing TB. In some inner city schools with large numbers of immigrant families, the positive tuberculin rate is as high as 40 percent. This figure might be even higher, as only about half of all parents will give their consent to have their children tested. Thus, half the total school population remains untested.

We have here a problem of staggering dimension—we cannot tell with any certainty which of us will contract TB, and we will not allow poor women who learn too late that they have it to avoid becoming pregnant, the right to terminate that pregnancy. Yet these are the very women who most likely have the disease, and they are the ones being denied the operation. This is not only inhumane but illogical; therefore I urge my colleagues to support this amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from Tennessee (Mrs. BOUQUARD).

Mrs. BOUQUARD. Mr. Chairman, I rise in opposition to striking this language from the bill.

Mr. Chairman, since I have been elected to the House of Representatives, I have consistently opposed the use of Federal funds for abortion. It is difficult for me to even comprehend that this Government should seek to place itself in the position of encouraging the destruction of life through the availability of abortions. The foundation of this Nation was built on mutual respect for human life. We have traditionally deemed human life as sacred and worthy of both respect and protection.

Those who endorse the availability of abortion are guaranteed this option by the Supreme Court who overturned the laws restricting this procedure; but, the court's ruling also emphatically pointed out that the Government should remain neutral. Now, I ask, how can the Federal Government remain neutral if it approves Federal funds for abortion? Just as importantly, those citizens who are morally and ethically opposed to abortion have the right to insist that their tax dollars not be used in the furtherance of terminating the lives of unborn children. It is a violation of individual freedom to force the taxpayer, who opposes abortion, to finance something which he or she has a deep personal and moral aversion.

I have always been against abortion except where the life of the mother is endangered. I recognize the problem of an unwanted child, but I do not think that abortion is the answer. Our government should take the necessary steps toward improving family planning and counseling services; and, those who do not support this view, can contribute not just money but also time to private organizations which will assist those who cannot afford abortions. Those who oppose abortion will then not be forced to support it with their tax dollars.

We cannot allow our government to become involved in this inhumane treatment of human life. It is God's creation and it is imperative that we do not destroy it. We cannot think of abortion as an easy solution to a problem that warrants intensive study and immediate action. I urge my colleagues to support the language of this bill and seek another alternative to the unfortunate problem of an unwanted child.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman, I, too, rise in opposition to the amendment offered by the gentleman from Ohio. I very strongly urge the Members of this body to reject this amendment because under this amendment millions of dollars will be used in taxpayers' money to provide abortions of any kind upon request by anyone, at will, for all persons who come within the programs under the provisions of the bill.

Mr. Chairman, millions of dollars will be used for this purpose to deny life to many children.

The bill, itself, does not require abortions not to be performed, it only says the taxpayers' money will not be used.

If the abortion clinics and if the doctors who operate in those clinics wish to do so, under the Supreme Court decision they can still perform abortions for any and all persons. This language in the bill does not prevent that. If the abortionists feel that strong, then let them do it but not with taxpayers' money.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. DOUGHERTY).

Mr. DOUGHERTY. Mr. Chairman, I rise in opposition to this amendment and urge the members to reject it overwhelmingly. What this amendment would do is reinstitute abortion on demand and make the American taxpayers pay for it—I repeat—abortion on demand plus the taxpayers would have to pay for it.

Without cause, Mr. Chairman, 300,000 unborn children would be aborted—300,000 lives would be snuffed out—without any reason being given. And the American people would have to pay for them. The American taxpayer would have to spend at least $50 million to pay for these abortions without reason. Why, Mr. Chairman, should our citizens be forced to pay taxes to fund a procedure they find morally reprehensible.

How can we support an amendment which in my mind, would clearly be an insult to and a rejection of the concept that "government is instituted among men to protect man's inalienable right to life. * * *"

Clearly this amendment states that Government is not instituted to protect the inalienable right of an unborn child—to life—particularly if that child is poor. In preparing for this debate, I read materials from past debates on this issue—I found the proponents of abortion speaking of Government being neutral in funding birth and/or abortion.

I reject the concept of Government neutrality in these matters, Mr. Chairman, but if the proponents believe in Government neutrality then how can they support this prejudicial amendment which commits Government to a nonneutral position—how can they support a position biased in favor of the mother and against the child—since Government would be funding abortion on demand, abortion without cause, abortions that are not medically necessary, Government would be nonneutral; Government would prejudice the child for the convenience of the mother.

I believe that this amendment should be rejected, Mr. Chairman, because:

Abortion on demand is reprehensible to our citizens;

Our citizens should not have to pay $50 million to fund abortion on demand; and

Our Declaration of Independence should not be compromised by denying that Government has been instituted to protect man's inalienable right—to life.

Abortion on demand; without cause; that is not medically necessary—postures Government in a nonneutral position, prejudicial to the unborn child.

I ask for a "no" vote.

(By unanimous consent, Messrs. MICHEL, BAUMAN, and ROUSSELOT yielded their time to Mr. HYDE.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. HYDE).

☐ 1850

Mr. HYDE. Mr. Chairman, everyone has a right to their own opinions, but nobody has a right to be wrong on the facts. The most ignored fact in this whole debate is, what is an abortion? Who or what is aborted?

If it is not a human life, we have no fight, we have no argument. If it is a human life, then we do have a lot to argue about.

The biological fact is that human life begins at conception, not sooner and not later. Dr. Allen Guttmacher, the late president of Planned Parenthood, wrote in his book, "Planning Your Family":

> Fertilization, then, has taken place; a baby has been conceived.

You know, a little intellectual honesty in this argument would help. The New Republic said in an editorial on July 2, 1977:

> Metaphysical arguments about the beginning of life are fruitless; but there clearly is no logical or moral distinction between a fetus and a young baby. Free availability of abortion cannot be reasonably distinguished from euthanasia. Nevertheless we are for it.

Will you listen to an avowed atheiest doctor who ran the biggest abortion clinic in New York and who was a leader in the pro-abortion movement?

Dr. Bernard Nathenson has said:

> All that propaganda I've been spewing out about abortion not involving the taking of a human life is nonsense. I became convinced that as director I had presided over 60,000 deaths. To deny that life begins at conception is absurd. Denial of this reality is the crassest kind of moral evasiveness.

Was not the fascination of Louise

Brown that she had been conceived in a test tube?

So let us face the next question. Are some lives more important than others? Because when we opt for abortion—and remember, that abortion is something that always happens over someone's dead body—that is just what we are saying. Some lives we shall permit to live, and some we shall kill and throw away like a piece of used Kleenex.

Is it not grotesque that the law withdraws its protection from an unborn child and extends its protection to the snail darter, the whale, to the lousewort? We passed a resolution to declare a moratorium on killing whales; but a blade of grass has more protection than an unborn baby.

"Don't step on the grass."

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. HYDE. No; I have no time.

I have been told that we cannot be expected to take a stand on this issue, because there are sincere clergy on both sides of the issue.

I am reminded of the words of William Lloyd Garrison, the great abolitionist, who said:

> I spoke of justice for slaves, but every Sunday 2,000 sermons from 1,000 pulpits told the people that the Bible endorses slavery in First Timothy, "Slaves, obey your masters."

Abe Lincoln said:

> Whenever I hear anyone arguing for slavery, I feel a strong impulse to see it tried upon him personally.

The Religious Coalition for Abortion Rights has tried to make what was once a crime into a religious right. We seem to be reverting to the times when they had human sacrifices to appease an angry god.

I say to them, take up a collection at your next service and call it "Alms for abortion," and then use that money to pay for these hardship cases that they express concern about.

Is it not enough that we tolerate this slaughter of the innocents? We have to justify it in the name of humaneness, a sort of "humane holocaust."

Pro-choice? Say, that is some choice, to kill an unborn baby. Many babies die by chance. A baby should never die by choice.

Have you ever held a newborn baby in your arms? Is not the killing of that a tragedy?

Stalin said that a single death is a tragedy, but a million deaths are a statistic.

Well, a million abortions are a million human cataclysms, and we have a duty to stop it.

The law must protect the weak, the vulnerable, and the defenseless from the strong.

Let the Supreme Court trivialize life if they want to, but we do not have to.

The most profound tenet of morality is, "Do unto others as you would have them do unto you."

I hope that is not unconstitutional, and we can finally get the Federal Government out of the abortion business.

Mr. Chairman, I yield to my friend, the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I do thank my colleague for yielding, because I know how close this is to his heart. I wish we could somehow think of this more in the question of what is the role of government when we are facing an issue as important as this.

Mr. HYDE. To protect the weak from the strong, that is what the role of government is.

Mrs. FENWICK. To say it is not important is begging the question; it is.

Mr. HYDE. I say it is important.

Mrs. FENWICK. It seems to me that the role of the Government is when the Supreme Court of the United States has spoken on this issue.

Mr. HYDE. As they did in the Dred Scott case?

Mrs. FENWICK. And when, as we say, there are divided opinions on both sides that we have no right to interfere with other people's lives.

Now, look, I do feel that if we are arguing for an abortion——

Mr. HYDE. But we interfere with other people's lives when we pay to kill them.

Mrs. FENWICK. If we are arguing for a law to stop all abortion, but this is just the poor.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. HYDE) has expired.

The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

(By unanimous consent, Mr. ASHBROOK yielded his time to Mr. HYDE).

Mr. HYDE. Mr. Chairman, I yield to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, as always the gentleman is eloquent in defense of life.

In response to the question raised by the gentlewoman from New Jersey, what is at stake is the right to life of the unborn, the most defenseless in all of our society. If we do not have the humanity and the humaneness to protect that life, then we do not deserve to be representing the people that we do represent in this body.

Mr. HYDE. Mr. Chairman, I thank the gentleman.

I yield to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman for yielding to me. Certainly I agree with the gentleman's position in general.

What I really asked or meant to do was to yield my time to the gentleman at this time.

(By unanimous consent, Mr. CARTER yielded his time to Mr. HYDE.)

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. Yes, I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, I think one point should be made, and perhaps the gentleman has made it better than I. We are not disputing any individual rights here. The issue before us here is whether your tax dollars and mine must finance that. I draw the line there.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, one thing that has not been said in the excellent statement of the gentleman from Illinois is that the pending motion is to strike out all prohibitions on abortion that are in this bill. That would leave the Government totally without any restrictions on abortion financing; so I would urge strongly a vote against this motion to strike out the restrictions that are in this bill.

Mr. HYDE. I could not agree more.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding.

Let me just ask the gentleman if the gentleman does not agree, if we followed the rationale offered by the gentlewoman from New Jersey, after the Dred Scott decision we would have said that the Supreme Court has spoken, slavery is legal and we would not have tried to change the law.

Mr. HYDE. Even legal scholars who support abortion have criticized the Court's opinion of January 22, 1973. It wrote a set of hospital regulations and it was medically and scientifically uninformed.

Mrs. FENWICK. Mr. Chairman, could I speak?

Mr. HYDE. Of course, I yield to my friend, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I just want to say, we are never going to stop abortions and we know it. Please let me finish this point.

Mr. HYDE. We will never stop heroin, either.

Mrs. FENWICK. Listen, please let me finish.

We have in some hospitals in this world 75 percent of the people there are poor and dying from botched abortions. We are not going to stop it. We are just going to put the poor of this country in the back alleys and the motels where butchers are and self-induced abortions. We are not going to stop it.

Mr. HYDE. I respectfully disagree that there is a hospital with 75 percent of the people with botched abortions.

I know the gentlewoman cites Chile 40 years ago.

Mrs. FENWICK. No, this is in the report of the Select Committee on Population, Dr. Sy.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. HYDE) has again expired.

The Chair recognizes the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, we do not seem to be debating really the issue before us. I think that is probably appropriate, because those who are debating really want to stop abortion and they cannot, because it is the law of the land at this time. So what we are really debating here is are we going to stop abortion or attempt to for those that are the poorest in this country?

No one here is passing a law that is going to stop the people in your society from having abortions. It is just are you going to stop it for those poorest in this country?

Now, let us be honest about this. Making it illegal does not stop abortion. It is illegal in Mexico and yet they have three times the number of abortions that we have in the United States.

Now, what we are really talking about is the choice, and are you going to let the poor people in this country have the same choice that the people in your social set have?

I think we should strike the language.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. Stokes).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. STOKES. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Obey: Strike out section 209 on page 45, lines 16 through 19 and insert in lieu thereof the following:

"Sec. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

"Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy."

☐ 1900

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end at 7:20 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

(By unanimous consent, Messrs. Dellums, Stokes, Miller of California, Mitchell of Maryland, Ford of Michigan, Yates, and Dingell yielded their time to Mr. Obey.)

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Mr. Chairman, this amendment is very simple. It would simply substitute for the language in the bill the language in current law, in other words, the Wright-Mahon amendment of last year which this House finally adopted. That language has reduced federally funded abortions, under medicaid by 99 percent.

Mr. Chairman, I would urge the adoption of this amendment for two reasons: No. 1, on a substantive basis, I do not want the Feds paying for abortions, but there are some cases in which I believe it is reasonable for medical considerations to be weighed.

I will give the Members only two examples: for instance, in the case of a 13-year-old girl who may be the victim of incest or in the case of Lou Gehrig's disease known as ALS. It is not a pretty thing to watch; I have seen it in a very good friend of mine. It is accelerated by pregnancy, and it leaves the victim at the end of the disease unable to move any muscle except the eye muscle, unable to communicate, and unable to eat.

On sheer practicality—on sheer practicality, last year the House and the Senate went up and down the hill on this issue seven times, and unless we break that cycle now, the House will adopt its favorite language, the Senate will adopt its favorite language, and we will then go to conference and we will have a number of additional votes put to both Chambers. We will have additional motions to instruct conferees, we will be voting on this issue time and time again, and the House and the Senate will be shadowboxing ad nauseam with each other time and time again. And when it is all over and when we have raised people's expectations on both sides of the issue, all that will happen is that we will do the same thing we did last year; we will adopt last year's language.

Mr. Chairman, I urge the Members to simply adopt this language and bring this long agonizing process to a rapid end.

Even a lot of Members who are going to vote against this amendment have told me they know that in the end the House is going to adopt this language. Since we know that is going to happen, why do we not just do it now and simply move on? If we do not, we will have a great number of exceptions which Members will be asked to consider, and it will tie down this bill to such an extent that we will be lucky to get a labor-HEW bill at all.

And, Mr. Chairman, if we do not get a labor-HEW bill, we will not be fulfilling our responsibilities as responsible legislators in this country.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, all we are talking about really is whether or not we will refund to the States a few hundred thousand dollars per year. It will make no difference whatever in the number the States pay for but will reduce by a few the number for which they receive reimbursement. That is all we are talking about.

I thoroughly agree with the gentleman from Wisconsin (Mr. Obey). We are going to end up with language very nearly like the gentleman's amendment anyway, and instead of holding up funding for these important health, education, and elderly programs we can come to the same conclusion by adopting the gentleman's amendment.

Mr. OBEY. Mr. Chairman, this language has reduced Federal funding for abortions under medicaid by 99 percent. I think that is a significant reduction on abortion funding.

Mr. Chairman, I urge the Members, in the interest of sanity and good sense, to adopt the amendment, and I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. Livingston).

Mr. LIVINGSTON. Mr. Chairman, the point has been raised that a woman should be entitled to control the use of her own body, and utilize tax funds to cleanse herself of unwanted tax funds. Let me argue that had she controlled her own body, under most circumstances there would be no need to expend such funds.

Furthermore, abortion is the pure and simple taking of a life, and as such indestinguishable from euthanasia. Tax funds are no more morally spent on one than on the other. I rise in opposition to the amendment.

(By unanimous consent, Messrs. Rousselot, O'Brien, Conte, Moorhead of California, Ashbrook, Michel, Dougherty, Bethune, Beard of Tennessee, Tauke, Livingston, and Kildee yielded their time to Mr. Hyde.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Hyde).

☐ 1910

Mr. HYDE. Mr. Chairman, the statistics that have been cited to us by the distinguished gentleman from Wisconsin are admittedly unaudited. They do not include Florida, New York, California, the big consumers for abortions.

I wish they were true. I doubt that they are. There are two things wrong with this amendment. The serious physical health damage exception is simply trading the ultimate human value, an innocent human preborn life, for a lesser value, and hence wrong.

A kidney for a life is hardly a fair trade-off.

If the serious health condition endangers the mother's life, then it is a valid exception within the bill's language. But anything less than a life-endangering condition is a compromise of a human life. We are asked to compromise, but what we have to give up is a human life. How do you compromise a life, especially when it is not your life, it is someone else's life?

On the rape and incest situation, it is very important that we understand that the statistics show very few pregnancies occur. There are physiological reasons for that. The Alan Guttmacher Institute sent a letter around this month, which said that from February 14 through December 31, 1978, Federal funds subsidized only 61 abortions for victims of either rape or incest throughout the country. Well, then, we are talking about a minuscule amount of people. If that is true, let the Guttmacher Institute, let Planned Parenthood, let the Religious Coalition for Abortion Rights subsidize those 61 killings if they want to. But do not ask us.

Prompt treatment following rape is encouraged, and the medical procedures given are not an abortion. Prompt treatment, such as a D and C helps clean up venereal disease, it prevents a pregnancy, it gets evidence that a rape has occurred, it helps the law enforcement authorities to capture the rapist and it protects other women. We want prompt treatment following rape or incest, and that is not abortion. But when months go by and weeks go by and you come in and you are pregnant and seek an abortion, then you are sacrificing a human life for a lesser value. The Supreme Court has said you cannot execute a rapist. That is cruel and unusual punishment. Well, why execute the second victim, the unborn child? That is precisely what you are doing.

By the way, I commend your attention to Ethel Waters' biography, "His Eye Is on the Sparrow." She talks about the pregnancy resulting when her father raped her mother when her mother was 12, and she said, "Today they are naming a park after me in Pennsylvania." In rape and incest, the criminal act does not alter the value of the life that may result.

Dr. Nathenson, who ran the biggest abortion mill in New York, said this about the subject:

> If a part of the human community were not at stake, no woman should be required to undergo bearing a child under these circumstances. But the emotional disruption, painful as it is, is not the moral equivalent of life. Only life is.

Following rape, if a woman will go in promptly and take medical procedures, that is not an abortion. She is not pregnant. She gets her condition taken care of. Pregnancy is prevented and venereal disease is prevented. But once you have a pregnancy, then you are substituting a life for a much lesser value when you abort and that is why I oppose this amendment. But we are talking about a very, very small number of people.

Let us get the Federal Government out of the business of abortion. Let us let the States pay for them if they want to. We do not have to.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Chairman, it occurs to me that we should point out that we are not asking the question whether or not abortion should be permitted under the enumerated circumstances. The question we are being asked to vote on is whether or not we should provide Federal funds for and thereby endorse abortion under these circumstances. I think these are two entirely different questions. I do not think we should endorse abortions under the circumstances outlined in the amendment.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Texas.

Mr. PAUL. Mr. Chairman, I rise in opposition to this amendment with respect to exemptions to the Hyde amendment. This amendment, if successful, would hamper our efforts to protect human life.

There is very little I ask Government to do for us but its most important function is to protect human life. And it is human life that we are concerned with here.

As a physician—and an obstetrician and a gynecologist—I know that early treatment of rape and incest is adequate to prevent pregnancy. D and C's, and medications, all can achieve this at the time the initial exam and cultures are done. In fact, very few pregnancies occur as a result of rape or incest. In 18 years of medical practice, I never saw one.

I also never saw one where the possibility of serious health damage necessitated an abortion.

In fact, the language of the amendment is vague enough to allow anybody to do anything. The concept of serious health damage is a subjective, nonscientific one. And the demarcation between mental and physical health is often impossible to draw.

Nor is the requirement that two M.D.'s certify the abortion as necessary protection. In medicine, consultations are always done by friends and acquaintances.

This amendment could, in effect, lead to abortion on demand.

It is having an abortion, rather than not having it, that is the real health threat to pregnant women.

Extensive studies have documented the major medical risks, both immediate and long term, of having an abortion. They include: Death; hemorrhage; pulmonary, cardiac, and cerebral embolisms; shock; kidney pathology; perforation of the uterus; acute infections; blood poisoning; anemia; convulsions; coma; brain damage; and thrombophlebitis. And these occur in hospitals where qualified personnel have top facilities. The Supreme Court's infamous decision did not get rid of those who practice bad medicine; it simply licensed them to get rich legally from abortions. As the Chicago cases showed us, these individuals continue to do their work in dirty, poorly equipped abortion mills, with the necessary results of higher morbidity and mortality.

And many studies have documented just how psychologically damaging abortions can be. A recent study concluded: "Whatever may be the case at the conscious level, at a much deeper level, abortion is regarded by many women as infanticide."

Of course, the future ability of women to bear children, and to bear healthy children, is impaired by a history of abortion. American and foreign studies have shown the substantially increased risk, to women having legal abortions, of sterility; miscarriage; stillbirth; infant deaths; premature deliveries; and birth defects.

Not only is a health exception unnecessary, it is unwise as an encouragement to increased abortions, which threaten women's health.

Abortion has headed us down the slippery slope to the killing of those infants considered "unworthy" of life, because of some defect. Well-known professors of my specialty openly advocate it.

Intrauterine life must be as protected as newborn life; the only difference is size.

Mr. Chairman, I urge my colleagues, as a physician, to support the Hyde language. It is medically sound. This amendment is unnecessary and unwise. We must reject it.

(By unanimous consent, Messrs. WEISS, SOLARZ, BIAGGI, SMITH of Iowa, and Mrs. FENWICK yielded their time to Ms. FERRARO.)

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. FERRARO).

Mr. GREEN. Mr. Chairman, will the gentlewoman yield?

Ms. FERRARO. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, any issue that divides our country on religious lines is obviously difficult for this House. Yet we must face the issue of abortion.

I suggest that in a situation where religious groups differ, Government should be neutral. If Government runs programs of general medical assistance, then it should fund medical treatment that major religious groups consider morally and religiously right, even though other groups consider it wrong.

I acknowledge the problem that such an approach requires that those who consider abortion wrong have a small portion of their taxes devoted to payments for abortions. But that problem is not unique to the abortion issue. Each year, though there is a significant number of people in our country who are pacifists on religious grounds, we vote defense budgets that require that a far larger portion of their taxes be spent for what they find repugnant on religious grounds.

So, in the end, I find the freedom of choice issue overriding. The Obey amendment is far from ideal, but it is the nearest we can come to freedom of choice today. I urge its adoption.

Ms. FERRARO. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin.

Addressing the House today is probably the most difficult thing that I have done since January 15. Oh, it is not nervousness because of the audience. I have addressed the House before. Many of you have become my friends and are ready to understand if I am less than eloquent, or maybe even less than adequate in speaking before you.

No; rather it is the subject and what my speaking out my mean to me politically that makes it so difficult for me to rise and address the issue of federally financed abortions.

In Queens, there is a newly formed Ninth Congressional District Action Committee for Life gearing up for 1980. Last week, a Right to Life organization called my district office for an appointment. When I was unavailable, they left instructions on how I was to vote on this question. I have been getting antiabortion flyers sent to me anonymously. The intensity of the movement against my position on this issue is so great now, I hate to think what it will be like as the election approaches.

But, I will not be intimidated. I must do what I consider morally right. That is why I must speak against the restrictive language of section 209.

Let me first give you a little of my background. Before I decided to run for this job, I was a prosecutor in New York City. I headed a subdivision in the district attorney's office in Queens County, called the special victims bureau. Queens, by the way, is a county of 2 million people, and we process approximately 40,000 arrests annually. The bureau was called "Special Victims" because these were the people most traumatized by the crime. Those who needed special attention in getting through the criminal justice system. We handled all senior citizens who were victims of violent crime; all the sex crimes in the county; child abuse referrals from family court, and implemented the battered spouse legislation. I speak to you not as a woman, but as a lawyer who is considered an expert in the field of child abuse and sex crimes.

It is difficult for me to impress upon you just how traumatic rape can be. But, after talking to literally hundreds of victims, let me share with you some of my experiences.

Shall I start with the 6-year-old girl who was so savagely raped that she required 2 weeks in the hospital for vaginal repair? I did not see her until a month later and after gaining her confidence with lollipops and some motherly love, we were able to talk about the incident. I decided to put her before the grand jury a week later. Again, we talked in my office and she was fine. We met with the grand jury and went step by step through her testimony. She was doing great. And, then I asked her: "And tell us, what did he do when he took you into the bushes?" This baby looked at me a minute, and then as horror and panic tore her face, she started to scream: "I want my mommy."

Perhaps that incident is too dramatic. Shall I start with the 72 year old who was mugged and raped? For 4 months after the incident, she would not leave her home or see her friends because she was ashamed.

How about the girl who could not speak without shaking or could not look anywhere except the ceiling as she told me how, at knifepoint, she was dragged into the alley and sodomized and raped?

Should I start with the 19-year-old girl who submitted because a knife was held to her mother's neck?

Or the 14-year-old who left for parochial school one morning and was dragged up to the roof of her building at knifepoint?

Or maybe the 16-year-old-Indian-girl whose mother's religion would not permit her to use birth control methods, and yet she had been told that any future pregnancies would be life threatening. The father knew that he could not have intercourse with his wife. But, he had no problem. They all slept in the same room and after everyone was asleep, he would slide into his daughter's bed and have intercourse with her. This child refused to testify. I dropped the case. It would have destroyed her further.

I am sure that every Member of this House shares my compassion for the victims of rape and incest. Where we may disagree relates to whether or not we believe that the victim has a right to decide whether she wants to terminate a subsequent pregnancy. Those of you who do not share my belief that a victim has this right, view rape and incest as brutal crimes, but abortion as an even more brutal one. You sympathize with the rape victim, but see the subsequent abortion as murder.

If you want to talk about murder, we can.

Four years ago, I indicted a woman for criminally negligent homicide after she had delivered an 8-pound baby into a toilet. The cause of death was drowning. The woman pleaded guilty to the misdemeanor of endangering the welfare of a child. She got 3 years probation and speedy justice was done. None of us wanted to participate. While we had no doubts that her act was a killing, she was so highly traumatized that we did not want to punish her further.

Let us discuss the father whom I indicted for manslaughter. Within a year and a half, two of his infant children died—allegedly of infant death syndrome. Both children died while in his sole care and custody. An astute medical examiner showed that there were marks on the second victim's body—a little girl. Evidence was adduced indicating the father did not want children. Unfortunately, because death from infant death syndrome and death from suffocation are medically indistinguishable, the father walked. We can only pray that the mother has the good sense not to have another child.

Having a child is no easy thing. And, again, I speak from firsthand experience—having delivered three. Raising them when you want them is no picnic. Children who are unwanted frequently end up in the system as victims of child abuse. Or, they end up in the system as juvenile offenders. My point, quite simply, is: You can force a woman to have a child. But, you cannot force her to want it * * * or care for it * * * or keep it.

I have searched for an analogy to make you understand rape. I cannot find one. It is a brutal, vicious, and very personal crime It is a crime which victims want desperately to erase from their minds * * * to forget. The elimination of language allowing federally funded abortions for the victims of rape and incest is forcing those women to live with the results and the memory of the rape. Some will take it out on the child.

There are three reasons which may lead you to vote for this restrictive language. The first is religious: But, this country is based on a separation of church and state. As a Catholic, I accept the premise that a fertilized ovum is a baby. I have been blessed with the gift of faith; but others have not. I have no right to impose my beliefs on them. I firmly believe, given my current situation, that I could never have an abortion. I am not so sure, however, if I were the victim of rape and faced with a pregnancy question, whether or not I would be so self-righteous. I do know that if either of my daughters were raped I would give them the right to choose what they should do.

The second reason why you might vote against the Obey amendment and for the restrictive language is money. This is absurd and specious. The cost of putting an unwanted child through the system far outweighs the cost of funding these procedures. While there is some controversy over HEW's estimate that the current language has reduced federally funded abortions by 99 percent, the fact remains that the decrease in reimbursement for abortions has been significant. The final reason is political expediency. It is easy to placate a special interest group which is flexing its political muscle. It is the easy vote, I repeat, but not the courageous one.

I ask you to be personal about this vote, because no crime is as personal as rape. I ask you if your wife, or sister, or daughter were raped and became pregnant, would you not give her the right to make her own decision? Would you not want to help her straighten out her life and forget?

When you vote on the Obey amendment, I ask you to do so in terms of a statement to your wife, your daughter, or your sister. Because your vote is more than an abstract religious or ethical statement. It is a statement to those you love telling them how you would view them if they were to become victims of rape.

In the name of decency and honesty, I urge you to vote for the Obey amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman and members of the Committee, I would like to say that the amendment that is in the present law, even though it is not what we should have, has saved lives. Let us look at that. If you want to save lives, if you want the children to live—

they are living today, hundreds of 2-year-olds and hundreds of 1-year-olds—and we can see that this society can take care of them. That is what the language in the bill means. More people will live under the language in the bill than under this amendment. The future morality of this country will live. It is just a question of: Should these babies die or should they live? I say they should live.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. PURSELL).

Mr. PURSELL. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Wisconsin (Mr. OBEY). The language already in the bill allows a choice of saving the baby or the mother. Likewise, I believe that in such cases as the rape or incest of one's 10-year-old daughter, there ought to be a similar choice.

☐ 1920

Mr. OBERSTAR. Mr. Chairman, the issue is not whether one or another economic class of persons shall have their abortions funded by the Federal Government. The issue is whether the unborn have a right to life. The language of this amendment admittedly is a compromise in the grand legislative tradition. But there is a difference; human life is at stake here. I submit we cannot compromise with life itself. Either the product of conception is human life or it is not.

I am convinced that it is and so are millions of Americans who want us to protect life and end the dehumanizing practice of abortion.

Mr. NEAL. Mr. Chairman, many of us sitting here today have debated this question repeatedly since 1976. To say that Federal funding for abortions is one of the most difficult issues considered by this House seems almost trite; but the depth of feeling on both sides of the question attests to the seriousness of the issue.

We make the same arguments we have made each year. We hear the same questions. What strikes me most about this debate today is that after countless votes on the Hyde amendment, or its several variations, we have no definitive answers to the questions that have been raised.

However it may be camouflaged, this debate centers on the question of when human life begins; when the potential for human life actually becomes human life. That question is no more answered today than it was in 1973, when the Supreme Court said:

> We need not resolve the difficult question of when life begins. When those trained in the respective disciplines of medicine, philosophy, and theology are unable to arrive at any consensus, the judiciary, at this point in the development of man's knowledge, is not in a position to speculate as to the answer. (*Roe* v. *Wade*, 410 U.S. 113 at 159.)

It is not, of course, that there is no answer to the question. The problem arises because there are so many conflicting answers. There is no consensus in this Nation on the issue, which explains the difficulty we have had in Congress in dealing with the question.

As I have done in the past when confronted with this question, I sought from our religious organizations some direction on the abortion issue. It is highly significant that most of the denominations predominant in my own fifth congressional district have not attempted to resolve the question of abortion for their members. These organizations approach the question prayerfully, and cautiously tell us they cannot say when human life begins.

There are obvious exceptions, of course, most notably the Roman Catholic Church and the Church of Jesus Christ of Latter-Day Saints. That "ensoulment" occurs at the instant of conception is a religious tenent of some of these organizations. By and large, however, our religious leaders do not feel they can resolve this dilemma. I feel strongly that the U.S. Government should not be in the business of imposing moral decisions on individuals, particularly when their church leaders have not resolved the morality of the question.

Each year when we debate this issue I note with interest how many of my colleagues who usually join me in advocating less Government control over the individual are willing to make this crucial moral decision for poor women in our country. By denying medicaid funds for abortion, we are making a moral judgment on an issue which even our spiritual leaders have declined to decide.

Mr. Chairman, I would like to share with my colleagues some of the statements of the more prevalent religious denominations in North Carolina. The Southern Baptist Convention, in June of 1976, adopted the following resolution:

> Therefore be it *Resolved*, that the messengers to the Southern Baptist Convention meeting in Norfolk in June, 1976 reaffirm the biblical sacredness and dignity of all human life, including fetal life, and
>
> Be it further *Resolved*, that we call on Southern Baptists and all citizens of the nation to work to change those attitudes and conditions which encourage many people to turn to abortion as a means of birth control, and
>
> Be it further *Resolved*, that in the best interest of our society, we reject any indiscriminate attitude toward abortion, as contrary to the biblical view, and
>
> Be it further *Resolved*, that we also affirm our conviction about the limited role of government in dealing with matters relating to abortion, and support the right of expectant mothers to the full range of medical services and personal counseling for the preservation of life and health.

In a Consensus of Concern issued in February of 1974, the Pilot Mountain Baptist Association in my own fifth congressional district had these comments:

> Abortion in most cases is the choice of the lesser of two evils. Abortion generally testifies to the violence, the excessiveness and the growing permissiveness of our time and society. Although sometimes permissible, it should never be done frivolously or in haste and is always mournfully regrettable. . . .
>
> There must be a wholesome balancing of rights, wherein the mother, the father, the fetus and our society are given due and deliberate consideration (recognizing that under some circumstances abortion may be an agonizing necessity.)

The Eighth General Synod of the United Church of Christ first adopted, and the Eleventh General Synod reaffirmed in 1977, an excellent discussion of the difficulty of determining when human life exists:

> Although a form of life exists in the sperm and the unfertilized ovum, a new kind of life emerges at the moment of their union. Many regard conception (up to 72 hours after coitus), others implantation (7 days), as the beginning of an inviolable life. But while such life is human in origin and potentially human in character, the integration of bodily functions and the possibility of social interaction do not appear until later. Alternative candidates for the beginning of significantly human life are the final fixing of the genetic code (3 weeks), the first central nervous system activity (8 weeks), brain development and cardiac activity (12 weeks). Some time after the twelfth week "quickening" occurs; that is, the mother can feel the arm and leg movements of the fetus. "Viability" in the present stage of technology begins between the 20th and 28th week, and the fetus has a chance for survival outside the womb. At some point in the process from conception to birth there comes "a period when a life contains that which is essentially valued as significantly human and should be vested with a sanctity uncompromisable to the interest of lesser claims" (Robert M. Veatch in Social Action, March 1971).
>
> An ethical view does nt require an undifferentiated concern for life. It places peculiar value upon personal life and upon the quality of life, both actual and potential. In that light it is understandable that today an increasing number of persons find it difficult, if not impossible, to attribute anything more than the potentiality of human personhood to the embryo in its early stages. The implication is that factors other than its existence may appropriately be given equal or greater weight at this time—the welfare of the whole family, its economic condition, the age of the parents, their view of the optimum number of children consonant with their resources and the pressures of population, their vocational and social objectives, for example.
>
> On the other hand, many would agree that during the later months of a normal pregnancy life should not be interrupted except for the most serious reasons (such as the physical or mental health of the mother, abnormality or disease of the fetus, incest, or rape).
>
> This distinction is of the greatest importance. Individuals contemplating an abortion should make a responsible decision early, certainly within the first two or three months.

The Friends Committee on National Legislation concluded its statement on abortion with the following paragraphs:

> We do not advocate abortion. We recognize there are those who regard abortion as immoral while others do not. Since these disagreements exist in the country in general as well as within the Society of Friends, neither view should be imposed by law on those who hold the other.
>
> Recognizing that differences among Friends exist, nevertheless we find general unity in opposing the effort to amend the United States Constitution to say that abortion should be illegal.

The Church of the Brethren Annual Conference adopted this position statement in mid-1972:

> Brethren oppose abortion because it destroys fetal life. Let it be clear that the Brethren ideal upholds the sacredness of human life and that abortion should be accepted as an option *only* where all other possible alternatives will lead to greater destruction of human life and spirit.
>
> However, we confess that we are part of a society that contributes to abortion by denying parents the support and assistance they

need. We further confess our lack of compassion, our condemnation of those who differ with our view of morality, and our need to coerce and compel others to our way of thinking.

Thus, our position is not a condemnation of those persons who reject this position or of women who seek and undergo abortions. Rather, it is a call for Christlike compassion in seeking creative alternatives to abortion.

We support persons who, after prayer and counseling, believe abortion is the least destructive alternative available to them, that they may make their decision openly, honestly, without the suffering imposed by an uncompromising community.

We oppose any action, direct or indirect, by parents, physicians, the state, or anyone that would compel a woman to undergo an abortion against her will.

All who seek abortions should be granted sympathetic counsel about alternatives available as well as the health and safety of publicly available physicians and hospital care.

The Lutheran Church in America adopted this language in 1970:

In the consideration of induced abortion the key issue is the status of the unborn fetus. Since the fetus is the organic beginning of human life, the termination of its development is always a serious matter. Nevertheless, a qualitative distinction must be made between its claims and the rights of a responsible person made in God's image who is in living relationships with God and other human beings. This understanding of responsible personhood is congruent with the historical Lutheran teaching and practice whereby only living persons are baptized.

On the basis of the evangelical ethic, a woman or couple may decide responsibly to seek an abortion. Earnest consideration should be given to the life and total health of the mother, her responsibilities to others in her family, the stage of development of the fetus, the economic and psychological stability of the home, the laws of the land, and the consequences for society as a whole.

Persons considering abortion are encouraged to consult with their physicians and spiritual counselors. This church upholds its pastors and other responsible counselors, and persons who conscientiously make decisions about abortion.

In June of 1970, the One-hundred and Tenth General Assembly of the Presbyterian Church in the United States made this statement:

There is no consensus in the Christian community about when human life begins. Because of this uncertainty, and because the fetus, if left to termination of its normal gestation period would become a person capable of life on its own resources, the unborn fetus must be respected for its own worth regardless of the period of gestation. However, the needs of the mother may at times take precedence over the needs of an embryonic and unformed child, and the rights of the individual woman, her family, and society, as well as the rights of the fetus should be considered in each individual case.

V. Summary

(1) Induced abortion is the willful destruction of the fetus. Therefore, the decision to terminate a pregnancy should never be made lightly or in haste.

(2) The willful termination of pregnancy by medical means on the considered decision of a pregnant woman may on occasion be morally justifiable. Possible justifying circumstances would include medical indications of physical or mental deformity, conception as a result of rape or incest, conditions under which the physical or mental health of either mother or child would be gravely threatened, or the socio-economic condition of the family. The procedure should be performed only by licensed physicians under optimal conditions and with appropriate medical consultation and ministerial counseling, preferably by her own Minister.

(3) Laws concerning abortion should reflect principles set forth in this paper.

(4) Medical intervention should be made available to all who desire and qualify for it, not just to those who can afford preferential treatment.

(5) The church should develop a greater pastoral concern and sensitivity to the needs of persons involved in "problem pregnancies." Such persons should be aided in securing professional counseling about the various alternatives open to them in order that they act responsibly in the light of their moral commitments, their understanding of the meaning of life, and their capacities, as parents.

The General Convention of the Protestant Episcopal Church in the United States passed a resolution in 1976 which concluded with the following points:

That the position of this Church, stated at the 62nd General Convention of the Church in Seattle in 1967 which declared support for the "termination of pregnancy" particularly in those cases where "the physical or mental health of the mother is threatened seriously, or where there is substantial reason to believe that the child would be born badly deformed in mind or body, or where the pregnancy has resulted from rape or incest," is reaffirmed. Termination of pregnancy for these reasons is permissible.

That in those cases where it is firmly and deeply believed by the person or persons concerned that pregnancy should be terminated for causes other than the above, members of this Church are urged to seek the advice and counsel of a Priest of this Church, and, where appropriate, Penance.

That whenever members of this Church are consulted with regard to proposed termination of pregnancy, they are to explore with the person or persons seeking advice and counsel other preferable courses of action.

That the Episcopal Church express its unequivocal opposition to any legislation on the part of the national or state governments which would abridge or deny the right of individuals to reach informed decisions in this matter and to act upon them.

In 1976, the General Conference of the United Methodist Church adopted the following resolution on responsible parenthood:

We affirm the principle of responsible parenthood . . . the decision whether or not to give birth to children must include acceptance of the responsibility to provide for their mental, physical, and spiritual growth, as well as consideration of the possible effect on quality of life for family and society.

When, through contraceptive or human failure, an unacceptable pregnancy occurs, we believe that a profound regard for unborn human life must be weighed alongside an equally profound regard for fully developed personhood, particularly when the physical, mental, and emotional health of the pregnant woman and her family show reason to be seriously threatened by the new life just forming. We reject the simplistic answers to the problem of abortion, which on the one hand regard all abortions as murders, or on the other hand, regard abortions as medical procedures without moral significance.

When an unacceptable pregnancy occurs, a family, and most of all the pregnant woman is confronted with the need to make a difficult decision. We believe that continuance of a pregnancy which endangers the life or health of the mother, or poses other serious problems concerning the life, health, or mental capability of the child to be, is not a moral necessity. In such a case, we believe the path of mature Christian judgment may indicate the advisability of abortion. We support the legal right to abortion as established by the 1973 Supreme Court decisions. We encourage women in counsel with husbands, doctors, and pastors to make their own responsible decisions concerning the personal or moral questions surrounding the issue of abortion.

We therefore encourage our churches and common society to:

Safeguard the legal option of abortion under standards of sound medical practice, and make abortions available to women without regard to economic status.

And this statement of social principles:

The beginning of life and the ending of life are the God-given boundaries of human existence. While individuals have always had some degree of control over when they would die, they now have the awesome power to determine when and even whether new individuals will be born. Our belief in the sanctity of unborn human life makes us reluctant to approve abortion. But we are equally bound to respect the sacredness of the life and well-being of the mother, for whom devastating damage may result from an unacceptable pregnancy. In continuity with past Christian teaching, we recognize tragic conflicts of life with life that may justify abortion. We call all Christians to a searching and prayerful inquiry into the sorts of conditions that may warrant abortion. We support the legal option of abortion under proper medical procedures. Nevertheless, governmental laws and regulations do not necessarily provide all the guidance required by the informed Christian conscience. Therefore, a decision concerning abortion should be made after thorough and thoughtful consideration by the parties involved, with medical and pastoral counsel.

Mr. Chairman, these statements are the serious, prayerful attempts of several organized religions to give their followers guidance on the heart rending problem of an unwanted pregnancy. Some churches, like the Moravian Church, which has its Board of Homeland Missions located in Winston-Salem, take no official position at all. Most state explicitly that they do not condone abortions of convenience; yet, these religious groups do not try to bind their members to an arbitrary prohibition on abortion. They recognize the difficult moral judgment required of the woman or couple faced with a problem pregnancy, but they do not feel qualified to make that judgment for the woman. Mr. Chairman, are we any better qualified than our spiritual leaders to make such a moral judgment, simply because we have the awesome power of the purse?

The longer I represent the Fifth District of North Carolina, the more obvious it seems to me that we in the Congress simply cannot always know what is best for the individual at home. I prefer to let them make their own moral choices, and although I personally oppose abortion in all but exceptional cases, I would not impose upon the people of North Carolina my own judgment on issues of personal morality. It is worth noting that to permit abortion under medicaid does not require abortion of anyone who is morally or spiritually opposed to it.

The legal ramifications of the Hyde amendment also trouble me. The Supreme Court has ruled that a woman's right to privacy encompasses the right to terminate her pregnancy. That right exists now only for women who can pay for it. A legal right is not a plaything. It is no compromise on the legality of abortion to deny abortions to the poor while declaring them the right of those who can afford them.

I urge my colleagues to consider these issues when voting on this question.

Mr. RUSSO. Mr. Chairman, I speak not only for my many constituents who have written in support of the Hyde amendment, but also for those who are unable to speak for themselves. I refer to those whose lives we are charged with defending here today, those millions of unborn children whose fate is in our hands. We can save these lives today if my colleagues will join me in voting for passage of the Hyde amendment.

All of us present here were elected into office to represent the people. This legislation presents us with the opportunity to not only represent our immediate constituency but to advocate justice for the future generations whom this Congress shall protect with the history made here today.

The present is the only time to correct the future. If we deny our responsibilities now, we can never replace the lives that may be lost. Our past has shown us that many lives have been wasted due to miscalculations and ignorance. Let it not be said that the 96th Congress contributed to this margin of error.

The heart of the philosophy behind all our social programs funded by our Government and administered through the Department of HEW is the attainment of a better standard of living for all. If this philosophy is correct then how can we, as rational human beings, justify our right to choose life or death for another person, a person who is neither greater nor lesser than any one of us.

This generation has been labeled the "me" generation. One which succumbs to what is convenient and comfortable for "me" now, not for what is best for our country. Who are we to judge the potential contributions of another individual, to place a price tag on human life.

Today, in this Chamber, we are given the power to stop funding the injustices which are being committed upon the helpless unborn, a chance to preserve justice within our own lifetime. I can only hope that my colleagues will join me in support of the language already in the legislation and vote against the Obey amendment.

Mr. RUDD. Mr. Chairman, I rise in support of the Hyde amendment language contained within the Labor-HEW appropriations bill and against this motion to expand the exceptions.

It seems to me that the key question here is not one's support for or opposition to abortion. I happen to believe that abortion is wrong, and I strongly support efforts to restore the fundamental right to life through a constitutional amendment.

But that is not the issue we face. The question before us today, as on so many previous occasions, is that of the appropriate extent of Federal funding for abortions.

The House is asked to consider the question of whether, given the legality of abortion as determined by the Supreme Court, the taxpayers of this Nation should pay for abortions.

It is an important distinction which I fear is frequently overlooked by many opponents of the Hyde amendment.

The opponents of the Hyde amendment frequently use the cliche, "A woman has the right to control her own body," as a justification for abortion.

I agree.

Let a woman exercise control—before she gets pregnant.

But do not ask the taxpayers of this country to pay the price when there is a failure to exercise control by forcing taxpayers to subsidize the ending of lives of unborn children as a convenience to women.

Convenience is a personal choice, and should be a personal liability—not the liability of other citizens, that is, taxpayers.

For the issue of choice is much broader than that discussed by the proponents of abortion and abortion funding.

I am concerned about the choice of the American taxpayer to pay for or refrain from paying for abortions. Every indication available—be it public opinion polls, letters from constituents, personal contacts, and so forth—all demonstrate that regardless of their opinion on abortion per se, most citizens are opposed to financing abortions with their hard-earned tax dollars.

For when we speak of Federal funding for abortion, let it be clearly understood that we are talking about the coercive power of the State to force taxpayers to finance an activity which they find manifestly abhorrent—the taking of innocent human life.

Mr. Chairman, I believe that the opponents of the Hyde amendment have failed totally to present any compelling reasons why the police power of the Federal Government should be used to finance abortions on the wholesale level they advocate.

I urge the House to stand by the prudent language of the Hyde amendment which protects the American people.

● Mrs. COLLINS of Illinois. Mr. Chairman, I wish to go on record as supporting the efforts here to reinstate medicaid funding for medically necessary abortions. At this time, I would like to share information with my colleagues about rape.

According to the FBI, rape is probably the least reported crime; as many as 90 percent of all rapes go unreported. This may be the result of the fact that, according to the Justice Department, only one in four reported cases of rape ends in arrest, and only 1 in 60 ends in conviction of the rapist. No wonder women are reluctant to report rape. My colleagues should know that the odds are better than 1 in 15 that an American woman will be raped in her lifetime. And, in a May study of the rape situation in Houston, Tex., for example, statistics showed that, while black females comprised only 26 percent of the female population, they constituted almost half of the rape victim population. A Philadelphia assault victim study shows that the majority of rape victims live in low-income areas. Obviously, a great number of these people must rely on medicaid for their health needs. How decent or humane is a law which forces these women to bear a child which is a result of such a brutal attack? And, yet, that is exactly what the committee-reported bill does.

I understand that a female congressional staff person, who directs the Congressional Clearinghouse on Women's Rights and who has worked on Capitol Hill for 6 years, decided to go public with the story of her own rape, by testifying before the House Labor-HEW Subcommittee in April of this year. This congressional employee tried to bring this subject into its true perspective: rape can happen to any woman. Rape can happen to female employees of this male-dominated House of Representatives. If the Members know this, if the Members have compassion for their own employees and colleagues who are female, then perhaps the Members will extend such compassion to the poor.

I urge my colleagues to support medicaid for all medically necessary abortions.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 241, not voting 13, as follows:

[Roll No. 293]

AYES—180

Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Anthony
Ashley
AuCoin
Barnes
Beilenson
Bingham
Blanchard
Bonker
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burton, John
Burton, Phillip
Butler
Carr
Carter
Chappell
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Conable
Conyers
Corman
Coughlin
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd

Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
English
Evans, Del.
Stokes
Studds
Swift
Synar
Thomas
Udall
Ullman
Van Deerlin
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Garcia
Giaimo
Gilman
Ginn
Glickman
Gray
Green
Grisham
Guarini
Gudger
Hance
Harkin
Harris
Hawkins
Hefner

Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kogovsek
Kostmayer
Leach, Iowa
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Vanik
Walgren
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, C. H.
Lundine
McCloskey
McCormack
McKinney
Maguire
Marks
Martin
Matsui
Mattox
Mikulski
Mikva
Miller, Calif.
Mineta

Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Neal
Nolan
Obey
Ottinger
Panetta
Pashayan
Pease
Pepper
Peyser
Pickle
Preyer
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Richmond
Ritter
Roberts
Rose
Rosenthal
Roybal
Royer
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Slack
Smith, Iowa
Snowe
Solarz
Stack
Steed
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates

NOES—241

Abdnor
Albosta
Ambro
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bonior
Bouquard
Bowen
Breaux
Broomfield
Brown, Ohio
Burgener
Burlison
Byron
Campbell
Carney
Cavanaugh
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fish
Fithian
Florio
Fuqua
Gaydos
Gephardt
Gibbons
Gingrich
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Kazen
Kelly
Kemp
Kildee
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Markey
Marlenee
Marriott
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Patten
Paul
Perkins
Petri
Price
Quayle
Quillen
Rahall
Regula
Rhodes
Rinaldo
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spence
St Germain
Staggers
Stangeland
Stanton
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Traxler
Treen
Trible
Vander Jagt
Vento
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—13

Anderson, Ill.
Bolling
Diggs
Flood
Forsythe
Mathis
Murphy, N.Y.
Patterson
Spellman
Stark
Stewart
Stockman
Thompson

☐ 1930

Mr. ASHLEY changed his vote from "no" to "aye."

Mr. MARLENEE and Mr. WHITE changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. CAVANAUGH. Mr. Chairman, I thank the subcommittee chairman for making the special effort to secure the time to discuss an issue contained in H.R. 4389 of particular concern to me and the people of my district, and for his generosity in yielding. I wish to commend the subcommittee chairman (Mr. NATCHER) and the Appropriations Committee for their efforts to balance the needs for fiscal restraint in the Federal budget with the obligation of the Federal Government to provide adequate levels of impact school aid to those school districts which bear the burden of supporting Federal institutions.

The Congress does have a responsibility to financially assist local school districts by providing funds to offset the cost of providing education to children of Federal personnel, especially military dependents, through a program of impact aid in lieu of taxation of Federal facilities.

What particularly concerns me is a proportionate reduction in entitlements. The Committee has provided $777 million for carrying out title I of the act of September 30, 1950, as amended (20 U.S.C. chapter 13), which is an increase of $249 million over the budget request but a decrease of $39,100,000 below the 1979 appropriation. If funds are reduced proportionately across entitlements, this causes the burden for replacing lost funds to fall upon the districts which are the most dependent upon and deserving of the funds.

I am concerned that in the areas of heavily impacted districts, especially in areas serving military installations, the educational programs of military dependents may be seriously affected. The districts most adversely affected are those heavily impacted districts which are 50 percent impacted with pupils in either category (A) or category (B) or both. These highly impacted districts serve either Indian reservations or military installations. The Congress has recognized the special problems of heavily impacted districts by enacting section 3(d)2(B) of Public Law 81-874.

The criticism of the category (B) impact aid program is that the money goes to districts which do not need it. Only section 3(d)2(B) of Public Law 874 designates need for a prerequisite for funding. Section 3(d)2(B) is a budget-balancing provision which gives the Commissioner of Education the ability to provide sufficient funding to enable those districts which are at least 50 percent impacted with federally connected pupils to provide an educational program equivalent to those of comparable districts in their State.

Section 3(d)2(B) is designed to assist those districts which are heavily impacted, need the assistance the most and have no other source of funding available despite reasonable tax efforts. This is why I am particularly concerned about the present status of section 3(d) 2(B) of Public Law 81-874, (20 U.S.C. title 13, section 238) as amended. I would like to know the intent of the Committee with respect to this section.

Since this section has always been funded in the past, when it is applied to districts 50 percent impacted with category (A) pupils, it appears reasonable to assume that the intent of this Committee is to continue to fund section 3(d)2(B) now that it has been expanded by Public Law 95-561 to include those districts which are 50 percent impacted with category (A) and/or category (B) pupils.

Mr. Chairman, does the Committee intend that districts which qualify for 3(d)2(B) funding under Public Law 81-874, as amended, be paid through section 5(c)2 of title I of the act of September 30, 1950, as amended (20 U.S.C. title 13, section 240) where it becomes necessary to increase their rate of payment.

Mr. NATCHER. At this time I yield to the distinguished gentleman from Nebraska (Mr. CAVANAUGH), one of the able new Members of the Congress. It is a pleasure for me to yield to him.

☐ 1940

Mr. Chairman, I want to commend the gentleman from Nebraska upon his statement that he has just made. During the hearings on the bill, when we had the mater up on impact aid, the gentleman from Nebraska appeared before our committee and made an excellent statement in behalf of impact aid, and especially in behalf of restoring category B to the bill in a sufficient amount.

Now, Mr. Chairman, in answer to the colloquy of the gentleman from Nebraska, I would like to say that the budget-balancing section, 3(d) (2) (B) of the impact aid law is intended to give the Commissioner of Education sufficient flexibility to assist those districts which meet the threshold requirement of 50-percent impaction with categories A and B, and are unable to achieve a comparable educational program with other districts in that particular State without such additional financial assistance. The Committee bill does include amounts sufficient to fund 3(d(2)(B), the budget-balancing section. We fully realize the problem of school districts that are heavily impacted with military children.

I hope that this alleviates the concern of my colleague from Nebraska. Again, I want to commend him on his statement.

Mr. CAVANAUGH. I thank the chairman.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

SEC. 210. Funds advanced to the National Institutes of Health Management Fund from appropriations in this Act shall be available for the expenses of sharing medical care facilities and resources pursuant to section 328 of the Public Health Service Act.

The Clerk read as follows:

> Amendment offered by Mr. CONTE: On page 45, after line 24, insert the following new section:
>
> "SEC. 211. None of the funds appropriated or otherwise made available in this title shall be used to implement Section 15 of the Small Business Act, as amended, or Executive Order Numbered 12073, dated August 16, 1978."

Mr. CONTE. Mr. Chairman, this amendment is simple and it is sensible. The amendment would stop the Office of Management and Budget from using a provision in the Small Business Act to determine which universities can compete for highly technical health and education research and training contracts. It would remove the labor-surplus contract set-aside requirements in the Small Business Act from the field of health and education research. Congress never intended that those requirements be applied to such areas.

How did we get in this mess?

Section 15 of the Small Business Act was designed to set aside a portion of Federal procurement contracts for small businesses in areas of high unemployment. It was designed to produce jobs for small businesses. It was also written to insure a reasonable amount of competition for these contracts.

To facilitate the administration of section 15, the Secretary of Labor has designated certain areas of the country as "labor surplus areas." One county might be so designated, and the adjoining county might not. While I personally have reservations as to whether this system produces more jobs or just shifts them around, the fact remains that this provision is in the Small Business Act, and it was intended for small businesses.

In response to section 15, President Carter issued Executive Order No. 12073 on August 16, 1978, giving the Administrator of the General Services Administration overall administrative responsibility, and directing the heads of executive agencies to cooperate with the Administrator.

Shortly thereafter, target goals were established for fiscal 1979 contract set-asides in labor surplus areas for the 15 top civilian agencies. The Department of Health, Education, and Welfare was assigned a target goal of $100 million. HEW then determined that the Office of Education would be responsible for $26 million of this total.

These arbitrary decisions have led to a ridiculous situation in which six requests for proposals published by the Bureau of Education for the Handicapped in May of this year carry the requirement that any applicants must be located in a designated labor-surplus area. I quote from the Bureau's request:

> Bids or proposals received from concerns which do not agree to perform as labor surplus area concerns will be considered nonresponsive.

Let us look at what these six requests for proposals entail. One is to develop model educational services for autistic children and youth. One would provide innovative vocational models for deaf-blind youth. Another would develop deinstitutionalization models for severely handicapped children and youth, while similar efforts would study deinstitutionalization and intergration models for deaf-blind children and youth.

Do these sound like contracts that should be awarded on the basis of unemployment in the area in which the research institution is located?

Are the highly qualified researchers who would likely get these contracts among the hard-core unemployed? At any rate, these 6 projects are expected to generate no more than 15 to 20 jobs in total.

To its credit, the Bureau of Education for the handicapped appealed the assignment of labor-surplus area requirements to its operations, but that appeal was denied.

What is the practical effect of this policy? The effect is that the most qualified institutions in the field of handicapped research, training and treatment have been prohibited from even competing for these projects.

The top schools in this technical area are not located in labor-surplus areas. Thus, the excellent researchers they have assembled will have no chance to apply their knowledge to these key projects.

In addition, the elimination of the top competitors violates one of the provisions of section 15—that provision which directs that the labor-surplus set-aside not be attached to a procurement proposal unless there is an expectation of reasonable competition. In the case of these handicapped projects, four of the principle institutions in the Nation are excluded. These are the University of Kansas, the University of Washington, the University of Wisconsin, and San Francisco State University.

When you eliminate these institutions, you eliminate the reasonable competition mandated in section 15. Last year, only about 20 percent of the applications for contracts of this type came from labor surplus areas, and only 14 percent were acceptable.

In summary, Mr. Chairman, the use of labor-surplus requirements on health and education research projects hurts not only the children and others who will benefit from research well done, it hurts the American taxpayers who see more tax dollars wasted due to an arbitrary and stupid policy.

I am well aware as a long-time member of the Small Business Committee, and former ranking minority member of that committee, of the rationale which prompted this labor-surplus area requirement for small businesses. But the administration has taken a good thing and extended it to bureaucratic idiocy.

A vote for this amendment is a vote for commonsense. It is a responsible vote well in line with our oversight responsibilities concerning the administration of the laws we enact. It is a good vote.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I have rather mixed emotions about this, and I am very frank to admit that I do not know exactly what impact the amendment would have. I know what the amendment says; but, my concern is this: The administration has set forth goals for each department. They have one for HEW. If we say that part of the goal will not be reached from this area, that means that the balance of the department will have to absorb more of the goal. On the other hand, I have to agree that the application has reached ridiculous proportions, and I would not be averse, if that would be helpful, to taking this to conference and perhaps in the meantime we can do some more studying of the wording and impact of the amendment. I do not think there is any harm in going to conference with it.

Mr. CONTE. I appreciate that. It involves 15 to 20 jobs.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I am willing to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

The CHAIRMAN. The Chair would like to make an announcement. We have less than 45 minutes of the allocated time. The Chair would like for all those Members who have amendments which are not printed in the RECORD—not printed in the RECORD—to please rise and remain standing so that the Chair can get the names of the Members and try to recognize them for the offering of their amendments.

The Chair recognizes the gentleman from California (Mr. MILLER) for approximately 3 minutes.

PARLIAMENTARY INQUIRY

Mr. MICHEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHEL. Mr. Chairman, is it not normal practice to recognize members of the committee before we recognize other Members?

The CHAIRMAN. Not when a time limitation has been imposed. That rule does not apply, but the Chair will try to protect all the Members who do not have amendments printed in the RECORD.

PARLIAMENTARY INQUIRY

Mr. CONTE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONTE. If some member of the committee opposes one of these amendments, may that Member rise and speak against an amendment?

The CHAIRMAN. Certainly.

Mr. CONTE. I thank the Chair.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment refers is as follows:)

HUMAN DEVELOPMENT SERVICES

> For carrying out except as otherwise provided, sections 426, 1110, and 1115 of the Social Security Act, the Older Americans Act of 1965, as amended, the Child Abuse Prevention and Treatment Act, title II of Public

Law 95-266 (Adoption Opportunities), the Runaway Youth Act, the Community Services Act of 1974, as amended, sections 106, 107, and 306 of the Comprehensive Employment and Training Act of 1973, the Rehabilitation Act of 1973, as amended, the International Health Research Act of 1960, and the Developmental Disabilities Services and Facilities Construction Act, as amended, $2,515,436,000, of which $808,000,000 shall be for activities under section 100(b)(1) of the Rehabilitation Act of 1973; $9,484,000 shall be for activities under section 110(b)(3) and $10,000,000 shall be for activities under section 711 of such Act; $3,000,000 to remain available until expended shall be for a White House Conference for Children and Youth; and $46,880,000 shall be for grants under part C of the Developmental Disabilities Services and Facilities Construction Act, as amended; together with not to exceed $600,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California: Page 38, line 15, strike out "$2,515,436,000" and insert in lieu thereof "$2,519,436,000".

The CHAIRMAN. The Chair would like to state that based on those Members who have stood, we have approximately 2½ to 3 minutes each.

The Chair recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, this amendment is to provide for treatment that has been proven for those victims who have been sexually abused in an incestual situation. I think it is very important. It provides $4 million so that we can get on the road to treating the families.

Mr. Chairman, I would like to make part of the RECORD the facts surrounding the program in California known as Parents United.

FACTSHEET ON CHILD SEXUAL ABUSE

INCIDENCE OF CHILD SEXUAL ABUSE

In separate studies, Kinsey (1963), Pomeroy (1965) and Landis (1956) estimated that 29-35 percent of all women in the United States were sexually molested as children. These figures seem to be supported by informal surveys conducted by the Giarretto's. They asked four groups of professionals (totalling about 600 people) attending their workshops to indicate on questionnaires if they were molested as children; 20-25 percent of the women and 7-12 percent of the men reported in the affirmative.

EFFECTS OF UNTREATED INCEST

Persons molested as children include:

75 percent of adolescent prostitutes (District Attorney's Office, Minneapolis). Silverstein.

70 percent of adolescent drug abusers.

35 percent of adult prostitutes (James).

42 percent adult drug abusers (Densen Gerber).

50 percent of children in a reformatory—prior to commitment (James).

90 percent of physically abusive mothers (Parents Anonymous).

80 percent of women affected with sexual dysfunction (Baesden).

The majority of children involved in child pornography (Densen Gerber).

NOTES

Ongoing incest can be stopped. In 1971, the Child Sexual Abuse Treatment Program received 30 referrals; in 1979, the referral rate is at about 700. The referral rate of the CSATP in a population 1.3 million is several times that received by New York City authorities (only 80 cases were reported in New York City in 1977) who serve a population several times that of Santa Clara County. This finding holds true for Los Angeles, where only about 100 cases of incest were reported in 1977. These figures incontrovertibly demonstrate that the current sexual abuse of hundreds of thousands of children in the U.S. would be stopped and future trauma prevented if CSATP-type centers would be established throughout the nation. Families will report if they know they will be helped; they will not report if they expect senseless punishment. Because most cases go unreported and untreated, the economic cost to the nation is enormous; i.e., the costs of extended foster-home placements, of imprisonment, of medical treatment, of lost tax revenues, etc.

Results of CSATP treatment (determined by independent evaluation appointed by the California State Dept. of Health).

92 percent children returned to their homes.

80 percent of fathers reunited with their families.

95 percent of fathers returned to their jobs.

No fathers imprisoned (about 30 percent receive short county jail sentences but are on work furlough).

The recidivism rate is less than 1 percent.

The CSATP approach is not expensive. All the twenty-two similar programs established in the state, as a result of the training program authorized by the California legislature, are conducted by personnel in official county agencies, such as Child Protective Services. The CSATP does not interfere with the Criminal Justice System—rather it provides a resource to the Criminal Justice System that allows it to intervene creatively in the family systems instead of disruptively.

A FEW SHORT CASE HISTORIES

Donna was sexually abused by her father, a prominent lawyer, over the age period 9-12. At age 19, Donna announced her engagement to a young man. Her father attempted suicide by drug overdose. Donna broke off her engagement but two years later she informed her parents of an impending marriage with another man. Her father OD'd again. Three years later Donna once more announced wedding plans with still another man. This time her father shot himself through the chest in Donna's bed—narrowly missing his heart. Donna has had a long psychiatric history, was promiscuous from ages 16-19, religiously abstained from sexual activity thereafter even with her fiancees up to age 25, and was drug abusive for many years. She joined the CSATP at age 32, in 1977. Since that time she has normalized her relationship with her parents, has enrolled in graduate school for a counselor's license, is maintaining a successful marriage and working intensively with families currently under treatment for incest.

Debbie was molested by her step-father from age 6 through age 14 starting with full intercourse when she was ten. She was finally able to report the situation to her mother who accused her of lying as a cover-up to her sexual activities with high-school boys. Probably motivated by jealousy more than motherly concern, she insisted that Debbie be taken over by her natural father. A month later Debbie was raped by her natural father who continued forcing her into sexual acts until she ran away from home at age 16. She supported herself through prostitution and became involved with drugs. She was eighteen when she decided to come to the CSATP. Debbie has made much progress in the last two years largely through the aid of mother and father members of Parents United who allow Debbie to use them as substitute parents in role-playing sessions. Debbie has reconciled the relationship with her mother and step-father (who has now admitted to the acts) but not as yet with her biological father. She passed her GED tests, is working as a Secretary in a job she likes and is also aiding young victims of incest.

Bill, a thirty-eight year old man, was referred to the CSATP by the police for criminal sexual activities with his daughter. Bill had a drinking problem but was a dependable provider. Bill was deserted by his mother when he was three years old. He lived with a series of relatives, then foster parents and finally in an orphanage. During his late adolescent years, he resolved to find his mother and finally located her at age nineteen. There was a dramatic reunion which culminated that same evening in intercourse. He lived with his mother as her sexual partner for a month before he was able to break away. Six months later, he received from his mother a picture of a dead fetus with a note that read "this was your son." Bill, his wife and daughter have been in the CSATP for two years. The family has been reunited and both parents are actively involved in Parents United.

☐ 1950

I am asking for $4 million. I think in light of the vote on abortion that we have got to offer some services to those victims of incest, and I would hope that the House would have it in its heart to help these very young children who are victims in these families.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from New York who has been so helpful.

Mr. BIAGGI. I thank the gentleman for yielding. I am privileged to be a cosponsor of this amendment to the bill.

Mr. Chairman, I am proud to join my distinguished colleague, Mr. MILLER, in offering an amendment to add $4 million for treatment programs aimed at the victims of child sexual abuse and to provide training programs for the professionals who work with these victims.

It was nearly 10 years ago when I sponsored my first Child Abuse Prevention and Treatment Act legislation. The legislation finally became law in 1974 thanks to the help of my colleague Mr. BRADEMAS and the then Senator, now Vice President, WALTER MONDALE. The act was amended on several occasions since then, including in 1977.

At that time I sponsored an amendment which added the term "sexual exploitation" to the definition of child abuse. The intent was to permit those children victimized by various forms of sexual abuse to be provided with treatment funds under the act.

My amendment was prompted in response to the proliferation of the vile child pornography industry. At one hearing, which I chaired in New York City, it was disclosed that children as young as three years of age have been victimized by pornographers.

As a former member of the New York City Police Department for 23 years, I witnessed hundreds of appalling child abuse cases. As a member of the House Select Education Subcommittee, I have directly participated in extensive hearings on this national problem.

Thus, I have come to clearly recognize the need to provide effective treatment programs for the victims of child abuse, and specifically child sexual abuse. This need is best evidenced by some frightening facts.

Conservative estimates show that about 336,200 sexual offenses are committed against children each year. One out of every four females is likely to be sexually assaulted by the age of 19. Boys are the victims of sexual abuse almost as often as girls. Incest is a problem which is encountered by 1 out of every 12 individuals.

Being all too aware of these facts, I was pleased when the 95th Congress overwhelmingly approved an authorization level of $14 million, over 4 years, to support treatment services for sexually abused children and their families, and training for personnel in local public agencies which work with them.

However, despite the clarity of the problem, and the congressional mandate for prompt action, no funds have been provided for this much needed child sexual abuse treatment program.

This amendment, while only providing for a modest $4 million increase in the fiscal year 1980 Labor-HEW funding level, would substantially help to address the critical problem of child sexual abuse.

Mr. Chairman, we are in the International Year of the Child. This event is symbolized by our recognition that children are this Nation's and the world's most valuable resource. This year must have more than rhetorical proclamations associated with it. Let us commit ourselves to ridding the evils which so damage childrens' lives. Such an evil is that caused by sexual exploitation. This amendment is reasonable and it is compassionate. It merits your support here today.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. I thank the gentleman for yielding.

Mr. Chairman, I compliment the gentleman in the well for this amendment to favor the 336,000 children and their families who will be helped by this amendment. I appeal to all of the Members to vote for it.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

I think it is a shame that we have authorized this program and we have never funded it. If ever there was a worthy program, $4 million is a very modest amount for a very huge problem. I compliment the gentleman, and I hope this carries by acclamation.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, 2 years ago the Select Education Subcommittee, of which I was ranking member, held a series of hearings on the subject of sexual abuse of children. In fact, I heard some of the most striking testimony of my career during field hearings in Los Angeles. A police officer there showed the committee members around the sections of Los Angeles where traffic in the sexual abuse of children is a daily occurrence. Parents sell their children's services to pornographic filmmakers; pimps deal in child prostitutes, and so forth. Furthermore, the committee heard witnesses who described the tremendous magnitude of the incest problem just within the State of California.

On the positive side, the committee discovered that California and a number of other States have devised programs that have been extremely effective in helping both the victims and the perpetrators of sexual abuse of children with their problems. These State "hands-on" service programs are having a good deal of trouble, however, acquiring the necessary funds to reach out to all the people affected by sexual abuse of children.

As a result of these findings, the Education and Labor Committee, and then the full House, passed the Child Abuse Prevention and Treatment Act of 1978 to specifically authorize treatment services for sexually abused children and their families, and training for personnel in local public agencies which work with them.

The committee found that the activities of the National Center for Child Abuse and Neglect did not adequately support these necessary direct service efforts. The administration, however, continues to rely on the already overburdened appropriation for the National Center for Child Abuse and Neglect.

This amendment asks for only $4 million of the $14 million authorized in the 1978 Child Abuse Act. This is a very small price to pay for a contribution to the efforts underway on behalf of this large, but unidentified and neglected group of victims.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I rise in support of the amendment. During the last Congress, the gentleman from California and I participated in a series of hearings on the sexual exploitation of children. I think that I can safely say that we were all shocked by the sordid commercial sexual abuse of children. Just as shocking, however, was the evidence that was presented that the noncommercial sexual exploitation of children is even more prevalent than the commercial exploitation. The use of children in pornographic publications was truly just the tip of the iceberg.

As a society, we had chosen to turn our back on this problem. We found that facilities to treat the victims of sexual abuse were almost entirely lacking. In addition, we discovered that social service agencies were sorely lacking in their ability to identify such cases.

In an attempt to begin addressing the entire problem, the gentleman from California offered an amendment to the Child Abuse Prevention and Treatment Act in order to provide funding for treatment facilities. It was his hope that programs could be set up similar to a successful treatment program in Santa Clara County, Calif. He is to be commended for following through and working for adequate funding for this project.

Mr. Chairman, there are funds in this bill to achieve many worthwhile goals. The amendment before us, however, is one which may salvage the ravaged lives of innocent victims. Our children are truly our link to the future, and I can think of few more worthy activities than to remove the psychological scars and the feelings of guilt which are caused by sexual abuse so that these children may later add their contribution to the future.

During the last Congress, virtually every one of us received letters expressing outrage over the sexual exploitation of children in pornographic publications. In response to that sense of outrage, Public Law 95-225 was enacted. In addition, the House virtually unanimously adopted legislation containing the amendment of the gentleman from California, and it was enacted into law.

I feel that we would not be keeping faith with the American people if we only address a portion of the problem of the sexual abuse of children. I would hope that we would not again turn our backs on the very real problem that exists. It would also be grossly misleading to authorize a program to attack the problem and then refuse to adequately fund such a program. I strongly urge my colleagues to support the amendment of the gentleman from California.

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me?

Mr. MILLER of California. I yield to the distinguished Chairman, the gentleman from Kentucky.

Mr. NATCHER. I thank the gentleman for yielding.

As I understand the gentleman's amendment, it adds $4 million for the child sexual abuse training and treatment program. This, as the gentleman knows, and the other members of the committee, is a serious problem. Specific legislation was enacted in 1974, as the gentleman knows, to focus efforts on child abuse prevention and treatment.

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

Mr. NATCHER. Mr. Chairman, I move to strike the last word.

The committee bill includes $18,928,000 for child abuse prevention, including sexual abuse. In addition, there are other Federal programs which are available to assist the State and local child welfare agencies in dealing with child abuse. States may use part of their title XX social services grants for protective service units, in dealing with child abuse problems. Under a bill reported by the Committee on Ways and Means, as the gentleman in the well knows, the amount of social services grants would increase from $2.5 to $3.1 billion in 1980.

Mr. Chairman, I thought I ought to make that statement, and at this time I ask for a vote on the gentleman's amendment.

Mr. MILLER of California. If the gentleman would yield, I would appreciate his doing so.

Mr. NATCHER. I yield to the gentleman from California.

Mr. MILLER of California. Let me say

that the Congress last year in 1978 overwhelmingly authorized a specific program to provide for support treatment to victims of incest and their families. This Congress voted 375 to 12. We promised these children and their families we would take care of them, and now is the time to follow through on that commitment. I just implore the Members to vote for this. If anybody would take the time to read the statistics of what is happening in the American family and how they are being torn apart by this incredible action of one against another called incest, he would realize we must do this. This is our best chance to offer some hope to these children. I am sorry that we have only 2½ minutes to discuss a very serious problem. I beg the Members to vote for it.

Mr. NATCHER. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MILLER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CHAPPELL

Mr. CHAPPELL. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, $131,710,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work: *Provided*, That the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided further*, That the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations: *Provided further*, That any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of major disasters: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 with respect to shell dredging, or with respect to any sand, gravel, or limestone mine.

The Clerk read as follows:

Amendment offered by Mr. CHAPPELL: Page 11, line 16, after the word "gravel", insert the words "surface clay, colloidal phosphate".

Mr. CHAPPELL. Mr. Chairman, colloidal phosphate is nothing more than clay that was washed off the hard rock phosphate that was mined in a small area of central Florida, and nowhere else in the world.

In the early days of the industry, the washings were pumped out onto low areas, or in pits from which hard rock had been removed. Later, dikes were constructed and it was pumped inside the dikes. When the water evaporated the prosphate remained above the Earth's surface. The only exception is where it was pumped into abandoned pits. Today, this is being recovered by removing it from the pits and hauling it to high ground to dry as it did when it was pumped onto the surface.

The recovery operation is as simple as farming, and should be classified as land reclamation rather than as mining because the land is being restored to its original contour.

With an operation this simple and this free of hazards it is no wonder that in the 45 years colloidal phosphate has been collected, few serious job related accidents involving payment of workmen's compensation have occurred.

The Mine Safety and Health Administration regulations require a new employee be given 8 hours training before putting him to work, and another 16 hours of training under the close supervision of another miner within 60 days.

It is my opinion, Mr. Chairman, that Congress did not intend that colloidal phosphate production workers be included in the Mine Safety and Health Administration regulations.

This distinction, Mr. Chairman, is important because of the confusion cause to the colloidal phosphate producers over the requirements of Mine Safety and Health Administration. The Education and Labor Committee, recognizing these questions, is conducting an ongoing investigation into the appropriateness and the effectiveness of these regulations. This is not an effort to prevent necessary safety training for surface miners. It simply recognizes that the rules are currently being clarified by the Congress, and in the case of this kind of mining which does not pose the constant threat of some other type mines, we ought not to require cumbersome implementation of what may in fact be tentative rules.

Surface clay falls essentially into the same category.

I urge the adoption of the amendment.

Mr. CONTE. This is an amendment to an amendment that I had put into the bill, and I do not see any objection to that amendment.

● Mr. STENHOLM. Mr. Chairman, my amendment is directed to the appropriations for the Mine Safety and Health Administration.

Commencing on line 18 through line 21, the committee approved the proviso that none of the funds appropriated shall be obligated or expended in carrying out the mandatory health and safety training section of the Mine Safety and Health Act insofar as any sand and gravel mine or limestone quarries or shell dredging facilities are concerned.

My amendment would simply add any surface clay mine to the listing approved by the committee.

This amendment is consistent with the position described in the statement which accompanied by introduction of H.R. 3539 on April 9. Surface clay mining is a simplistic operation almost indistinguishable from roadgrading. It is conducted, for the most part, in small and shallow open pits. Records made available to me by the National Clay Pipe Institute demonstrated the safety record in this type of "mining." One company reported that there had not been a fatality or a lost time accident in over 30 years of operation. This is not atypical. Indeed, as far back as these records go, there has never been a single fatality reported by this industry's surface mines. These figures substantiate that there is simply no need for the 24-hour new miner, 8-hour refresher training programs required by the act and appropriate for underground and other hazardous mining. I urge the support of my colleagues for this amendment.

Mr. Chairman, thank you for this opportunity to speak in support of my amendment.●

Mr. OBEY. Mr. Chairman, I am going to urge that we oppose the amendment. Originally we had an amendment offered by the gentleman from Massachusetts (Mr. CONTE) which exempted sand and gravel pits. Next we had the limestone operators asking that they be exempted, and now we have got the old dominoes falling one by one, and more and more and more people want to be exempted from the act.

I am the author or one of the authors of the bill which transfers in the case of sand and gravel, for instance, the jurisdiction from the Mining Health and Safety Administration to OSHA because I think they do a much more rational job. But I do not believe that we should be in the business of exempting every group that comes in here asking for an amendment asking for special treatment. I think the language in the bill is bad enough, and I certainly think we ought to vote down the language of the gentleman.

I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. CHAPPELL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. EVANS OF THE VIRGIN ISLANDS

Mr. EVANS of the Virgin Islands. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

EDUCATION DIVISION

OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATION

For carrying out, to the extent not otherwise provided, title I, parts A and B ($3,477,132,000), title II, title IV, part C, title VII and title IX part E of the Elementary and Secondary Education Act; the Communications Act of 1934, as amended; the Alcohol and Drug Abuse Education Act; Part B of the Headstart-Follow Through Act; the General Education Provisions Act; and Public Law 92–506, $3,936,982,000: *Provided*, That of the amount appropriated above the following amounts shall become available for obligation on July 1 1980, and shall remain available until September 30, 1981: title I, parts A and B ($3,477,132,000 of which $345,789,000 shall be for the purpose of section 117), title IV, part C ($190,000,000) of the Elementary and Secondary Education Act and section 417(a)(2) of the General Education Provisions Act ($1,250,000). For carrying out title IV, part C of the Elementary and Secondary Education Act an additional $7,400,000 to become available for obligation on July 1, 1980 and to remain available until September 30, 1981: *Provided*, That none of such funds may be paid to any State for which the allocation for fiscal year 1981 exceeds the allocation for comparable purposes for fiscal year 1980.

The Clerk read as follows:

Amendment offered by Mr. EVANS of the Virgin Islands: On page 25, line 13, after the figure "$3,936,982,000" insert "of which $5,000,000 shall be for carrying out sections 1524 and 1525 of the Education Amendments of 1978".

Mr. EVANS of the Virgin Islands. Mr. Chairman, this amendment addresses itself to a situation in the Virgin Islands that needs attention. It will not necessitate any increase in the budget. It is one which has been cleared with the majority and minority.

The public education system in the Virgin Islands has undergone dramatic changes and has been put under tremendous stress during the past 10 years as a result of the passage of Public Law 91-225 by the Congress which permitted an almost uncontrollable influx of children of aliens into the Virgin Islands. In 1969, the public school enrollment was slightly over 9,000, by 1973, it had increased to about 26,000—an almost 200-percent increase. During those same years, school construction was accelerated with a doubling of the school capacity but still falling behind. Obviously the tremendous increase in school facilities plus the concomitant attempt to improve the quality of education by such factors as class size reduction and improvement in equipment caused a tremendous increase in the operating budget of the public education in terms of actual figures that increased from $9,748,665 in 1969 to $40,687,128 in 1979, and in terms of actual percentage of total Government outlay from 17.75 percent in 1969 to 27.12 percent in 1979.

Another spin-off problem related to the student population is the negative impact on the curricula. Many of the noncitizen children enter the public schools deficient in the language, arts, mathematics, vocational education, and other disciplines. The academic deficiency has caused the Department of Education to gear many of its programs to remediation. A substantial percentage of the school population is involved in remediation programs. This is evident at the elementary and secondary levels.

Although the Department of Education has attempted to reach a substantive number of children in need of remedial programs for certain academic deficiencies through such programs as ESEA, ESSA, SAFA and titles I and IV, they are in need of additional programs and services. New curricula need to be developed that would have some relevance to the Virgin Islands way of life, its culture, its heritage and its relationship to the United States.

The infusion of the Federal funds authorized in section 1524 of the Education Amendments of 1978 would assist the Virgin Islands in addressing the problem outlined.

The teacher training provision will greatly assist the Virgin Islands Department of Education and the College of the Virgin Islands in providing viable teacher education programs for Virgin Islanders.

Presently, the Department of Education relies heavily on the importation of instructional professionals from the U.S. mainland. Most of these professionals experience a "culture shock" that in most instances result in their leaving the education system after a brief tenure. This usually result in empty classrooms or unattended children for long periods of time. It also creates a teacher shortage problem for the public education system in the Virgin Islands.

The Department of Education is developing a new strategy to deal with the problem of staffing. It is envisioned that qualified young Virgin Islanders will be recruited from the public and private secondary schools in the Territory to become "teachers of the future." However, funding is limited to implement the plan. It is hoped that the funding authorized in Public Law 95-561 can be used to train local Virgin Islanders as teachers. This plan would be a cooperative effort of the Department of Education and the College of the Virgin Islands.

The requested funds will also be used to train U.S. mainland professionals in the public school system to cope with the cultural and social aspects of the community. This will eventually aid them in becoming better teachers in the public system thereby improving the teaching/learning process to the benefit of all the children of the Virgin Islands.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. EVANS of the Virgin Islands. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding. I just want to commend the gentleman for the offering of his amendment. I regret very much that during consideration of the subcommittee we did not have a budget request for the item to which he refers, and we did not have the facts and figures really together to make the kind of case in the full committee. But I alerted the full committee to the fact that when we brought this to the floor, we did expect that the gentleman from the Virgin Islands would offer the amendment. Frankly, we are prepared to accept it on this side. It is my understanding the distinguished chairman of our subcommittee also feels similarly, but I would be happy to yield to my friend, the gentleman from Kentucky (Mr. PERKINS), the chairman of the Committee on Education and Labor.

Mr. PERKINS. I have no objection myself, but the Virgin Islands were treated very generously in the committee on authorization, and as short as title I funds are throughout the Nation in the regular programs, and especially since they did not get one dime extra by this subcommittee, we are going to shortchange a lot of local school districts throughout the Nation. I have no objection personally to this double dip except to say it is not equitable in comparison to the line of funding presently in title I. This is a one-sided picture.

Mr. MICHEL. I would just say in answer to the distinguished chairman that $5 million out of $4 billion is not all that disproportionate for the Virgin Islands in view of the number of kids we forced on them from all around the globe who sought that point as a place of refuge.

Mr. PERKINS. I have no objection to it except I say to the gentleman from Illinois that it is inequitable in comparison with the amount of money that was appropriated. I have no objection, if the Members want them to come in here and have a double dip at this time. Fine.

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The CHAIRMAN. The question is on the amendment offered by the gentleman from the Virgin Islands (Mr. EVANS).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. BYRON

Mrs. BYRON. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $181,520,000: *Provided,* That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for 10 or more violations: *Provided further,* That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: *Provided further,* That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing: *Provided further,* That none of the funds appropriated under this paragraph shall be obligated or expended for the proposal or assessment of any civil penalties for the violation or alleged violation by an employer of 10 or fewer employees of any standard, rule, regulation, or order promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful or repeated violations and violations which pose imminent danger under section 13 of the Act) if, prior to the inspection which gives rise to the alleged violation, the employer cited has (1) voluntarily requested consultation under a program operated pursuant to section 7(c)(1) or section 18 of the Occupational Safety and Health Act of 1970 or from a private consultative source approved by the Administration and (2) had the consultant examine the condition cited and (3) made or is in the process of making a reasonable good faith effort to eliminate the hazard created by the condition cited as such, which was identified by the aforementioned consultant, unless changing circumstances or workplace conditions render inapplicable the advice obtained from such consultants.

The Clerk read as follows:

Amendment offered by Mrs. BYRON: Page 10, line 20, after the period, insert the following: "None of the funds appropriated under this paragraph may be obligated or expended for any state plan monitoring visit by the Secretary of Labor under section 18 of the Occupational Safety and Health Act of 1970, of any factory, plant, establishment, construction site, or other area, workplace or environment where such a workplace or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the 6 months preceding such inspection, provided that this limitation does not prohibit the Secretary of Labor from conducting such monitoring visit at the time and place of an inspection by an employer of a State acting pursuant to section 18 of such Act, or in order to investigate a complaint about state program administration, a discrimination complaint under section 11(c) of such Act, or as part of a special study monitoring program, or to investigate a fatality or catastrophe.".

Mr. FORD of Michigan. Mr. Chairman, I raise a point of order against the amendment.

Mr. CONTE. I reserve a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan makes a point of order against the amendment.

Mr. CONTE. I reserved a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts reserves a point of order.

Mr. FORD of Michigan. Mr. Chairman, I would be pleased to reserve also in deference to the gentlewoman so that she may speak.

The CHAIRMAN. The gentleman from Michigan reserved a point of order. The gentleman is protected.

Mrs. BYRON. Mr. Chairman, last fall most Members of the House were elected with the mandate to reduce wasteful Government spending and to eliminate bureaucratic procedures which overlap and duplicate one another. My amendment is one step in this important national effort.

At the present time, 22 States are administering the Occupational Safety and Health Act of 1970 under the terms of State plans that have been approved by the U.S. Department of Labor, under the provisions of section 18 of the Occupational Safety and Health Act. When Congress passed this act we did not want to preempt the efforts States are making in this area and the Federal Government shares the costs of State OSHA enforcement on a 50–50 basis with the States.

It has recently come to my attention, however, that problems exist with the way the Federal Government monitors the actions of the State OSHA agencies to insure that they are enforcing the OSHA regulations properly. The Federal Government has three methods for monitoring the States. One, is accompanying State OSHA inspectors on their inspections of worksites. The second is to review the case files and other data of the State OSHA agencies. The third is to conduct follow-up inspections of places after the State inspectors have finished.

It is this third method of spot check monitoring inspections that has caused problems and my amendment would prevent OSHA from conducting these inspections of places already inspected by the States. My amendment would not limit OSHA from continuing with the first two methods of reviewing State compliance with OSHA enforcement.

The practice of Federal OSHA Inspectors reinspecting places already inspected by the State is not only wasteful of Federal and State tax money, but it is a burden to many businesses. It appears that there is a considerable amount of rivalry between the Federal and State inspectors so that when Federal Inspectors are double checking the work of the State inspections they will go out of their way to try to find some condition that might be able to be interpreted as a violation that the State inspectors might have missed. This would not be so bad if it were simply a question of two government agencies disagreeing with one another, but many small businesses are caught in the middle of this interagency rivalry between the Federal and State OSHA inspectors. The public interest is not being served by this practice.

Let me give a case history of what happened to a constituent of mine, in order to illustrate this problem. Last December his business was inspected by the State occupational safety and health administration, which found no serious violations and no penalties were assessed. Three weeks later the Federal OSHA inspector came around to reinspect the work of the State inspector. The Federal inspector apparently spent all of 15 minutes in my constituent's plant. His entire outlook was to stay there just long enough to be able to nitpick and find something for which he could criticize the State inspector. As soon as he found what he thought was a violation that the State had missed, he left. I do not think that this kind of a reinspection is genuinely helpful to promoting the safety of the workers in that plant.

After the Federal Inspector criticized the State for its omission, the State had to come back and inspect my constituent's plant a third time in order to see if it wanted to dispute the findings of the Federal OSHA inspector or whether it would simply slap a violation on my constituent, rather than fighting the Federal OSHA people over this. I might add that the violations which the Federal inspector found in my constituent's plant had not previously been considered a violation when he had his earlier OSHA consultation inspection nor had it been considered a violation during 10 previous inspections by the State or 2 previous inspections by the Federal OSHA people. Furthermore, there has not been an accident on the machinery involved in the last 23 years.

I know of another case where a State inspector ordered a businesswoman to have machinery moved outdoors and the very next day a Federal inspector ordered her to move it back indoors.

This problem of reinspections is not limited to a few isolated instances. In Maryland, the Federal OSHA inspectors reinspect about 10 percent of the businesses inspected by the State. This is an enormous waste of resources and an example of misplaced priorities, in view of the large tasks facing OSHA. At the present rate of inspections, it will take OSHA 50 years before all worksites are inspected once. Does not it make more sense to have OSHA concentrate its inspections on high-hazard industries that have not yet been inspected once, rather than on reinspecting businesses that have already been inspected by the State?

Furthermore, I do not think that the Federal reinspections are necessary to maintaining the effectiveness of the State OSHA programs, since available evidence indicates that the States are doing a better job than the Federal Government in the occupational safety and health field. The 22 States with the State-administered OSHA programs have reduced occupational fatalities by 23 percent and have reduced the occupational injury/illness rate by 19.5 percent. In contrast, the federally administered OSHA States have cut the fatality rate by only 5.8 percent and the injury rate by 11.4 percent.

The State enforcement efforts appear to be much more extensive and vigorous than the Federal enforcement of OSHA. For example, while the 22 States with State OSHA enforcement have 39 percent of the country's population, they have conducted 69 percent of all OSHA inspections and have issued 71 percent of all OSHA violations. At the current rate of inspections, the States will have inspected all of the businesses within their jurisdiction in 14 years, while it will take the Federal Government 50 years to accomplish the same thing.

In summary, Mr. Chairman, my amendment would not hinder the important national effort to improve the safety of American workers. Instead, it will make OSHA more effective by directing its efforts toward workplaces that have yet to be inspected, rather than subjecting businesses to the burden of double and triple inspections. Furthermore, it is in the national interest to encourage States to participate in the program, since the Federal Government pays for only 50 percent of the costs. Already 8 States have decided to withdraw and we should not burden the remaining 22 States with wasteful reinspections.

Mr. Chairman, I urge adoption of this amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Michigan insist upon his point of order?

Mr. FORD of Michigan. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FORD of Michigan. I do this reluctantly out of deference to the gentlewoman who offers it. I know of her deep concern and sympathize with the points she makes.

I make the point of order that this amendment constitutes legislation in an appropriations bill in violation of rule XXI, clause 2, in that it imposes additional duties upon the executive to the extent that OSHA would be required to determine whether or not an employer had been inspected by a third inspector within the previous 6 months. The law does not now require OSHA to do this. This would clearly pose additional duties and goes beyond the simple limitation.

As a matter of fact, Mr. Chairman, if you look at the language of the authorization funded under this section of the appropriations bill the chairman will determine the extent to which the States participate as enforcers of the Federal OSHA regulations. This now would have a Federal official presumably trying to monitor the activities of State inspectors who are not, in fact, OSHA inspectors. This is a very unusual result because we do not now impose that duty in any way upon the OSHA inspectors.

I ask the Chair to sustain the point of order.

The CHAIRMAN. Does the gentlewoman wish to be heard upon the point of order?

Mrs. BYRON. Yes, I do, Mr. Chairman.

It is my understanding that the State has the opportunity when they are investigating, they are then monitored by the Federal. This would then notify the Federal of where a State inspection was taken care of; therefore, the Federal would be following along after the State inspection. It would, therefore, not be new legislation in an appropriations bill.

The CHAIRMAN. Does the gentleman from Massachusetts wish to be heard on the point of order?

Mr. CONTE. No, Mr. Chairman, the Gentleman from Michigan is the expert.

The CHAIRMAN. The Chair has read the statute entitled 29 and would like to propound an inquiry to the gentleman from Michigan, on part of his point of order.

The statute in subparagraph (f) states that the Secretary, meaning the Secretary of Labor—

> shall, on the basis of reports submitted by the State agency and its own inspections, make a continuing evaluation of the matter in which each State having a plan approved under this section is carrying out such plan.

Does that pertain to how frequently the plan must be reviewed?

Mr. FORD of Michigan. Mr. Chairman, the amendment attempts to utilize that language by talking about an attempt not to interfere with the power of the Secretary to conduct monitoring visits, but the fact is that the Secretary is required to determine, in order to determine whether or not they have jurisdiction to conduct a safety inspection, whether a State inspection had been conducted within the previous 6 months. The amendment does not even define what State inspection might be. It is not clear from reading the amendment without further explanation, whether that means an inspection is confined to OSHA or some overlapping State regulation.

The CHAIRMAN. Does the gentlewoman wish to be heard?

Mrs. BYRON. Yes.

It defines in my estimation an OSHA inspection. The Chair will have to make the ruling.

The CHAIRMAN. The Chair is prepared to rule.

It appears that the interpretation that is being given by the gentleman from Michigan in his point of order is a personal interpretation and does not appear to be in the statutes.

The amendment of the gentlewoman states "no funds appropriated under this paragraph," and it appears to be a limitation on the expenditures of funds under certain conditions suggesting evaluations already imposed in broad terms upon Federal officials by existing law, and, therefore, does not provide any additional responsibilities that are not presently contained in existing statutes.

The Chair therefore rules against the point of order.

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Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

Let me just say that I understand what the gentlewoman from Maryland is trying to do, but it presents some very devastating effects, which I do not think this Congress wants to agree with tonight. For instance, we had the Kepone problem in Virginia a while ago. What this amendment would say is that if the State of Virginia went in and looked at that Kepone problem and made an inspection at the Hopewell plant, that at any time within the specified period mentioned in the amendment of the gentlewoman, the Federal Government under its obligation to protect worker health could not go in and review that same plant.

I want to point out that most of the State plans, most of the State agencies, do not have industrial hygienists who are qualified to deal with health issues. They have people who are qualified to deal with safety issues, ladders, aisles, and all that stuff; but they have very few people who are specifically trained in health problems.

I do not think the House wants to say that if Virgina has looked at the Kepone problem in Hopewell that we do not want the "Feds" looking at it, even though they have a national responsibility to protect worker health.

I want to point out that in Minnesota in the city which borders my own district, Duluth, a common harbor, Duluth-Superior Harbor, the State of Minnesota relies on Federal inspectors to do health inspections. Minnesota does not have inspectors with the expertise in the health area needed to protect those grain elevator operators from pesticides which permeate that grain.

What you are doing here is putting people in the hands of inspectors that know least about these health problems. I do not think we want to do that. I urge rejection of the amendment.

Mrs. BYRON. Mr. Chairman, would the gentleman yield for one moment?

Mr. OBEY. Surely.

Mrs. BYRON. Mr. Chairman, the purpose of my amendment is not to avoid inspection. It is when you have duplication of a State inspection and just 2 weeks later you have a Federal inspector coming through with the same criteria and looking at the same areas. That is the area I am concerned about.

Mr. OBEY. I understand that is the intent, but that is not in fact what the amendment does. The amendment does not say that you can go in if you look at different things than you looked at before.

The practical effect is that you preclude the Federal Government which has a very different degree of expertise in the health area from meeting its responsibilities and protecting worker health in some very serious national situations.

I do not think that the House wants to do that. I urge rejection of the amendment.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. PURSELL. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin (Mr. OBEY) be allowed to proceed for 1 additional minute.

The CHAIRMAN. The Chair must state that we do have a time limitation and all time has expired on the issue.

Mr. PURSELL. Mr. Chairman, I would like to request time on my own, Mr. Chairman.

I will yield to our chairman first.

Mrs. SMITH of Nebraska. Mr. Chairman——

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. BYRON).

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. To this amendment?

Mr. MICHEL. No, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. BYRON).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 236, noes 176, not voting 22, as follows:

[Roll No. 294]

AYES—236

Abdnor
Alexander
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fazio
Findley
Fish
Fithian
Flippo
Foley
Fountain
Fowler
Fuqua
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Lungren
McClory
McCormack
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mica
Mikulski
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patten

Paul
Petri
Pickle
Preyer
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Udall
Ullman
Vander Jagt
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—176

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boland
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Collins, Ill.
Conable
Conte
Corman
Cotter
Danielson
Daschle
Davis, Mich.
Dellums
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fascell
Fenwick
Ferraro
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gonzalez
Gradison
Gray
Green
Guarini
Hall, Ohio
Harris
Hawkins
Heckler
Holland
Hollenbeck
Holtzman
Howard
Hubbard
Jeffords
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, Md.
Lowry
Luken
McCloskey
McDade
McHugh
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Pease
Pepper
Perkins
Peyser
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roybal
Sabo
Scheuer
Seiberling
Shannon
Simon
Skelton
Smith, Iowa
Solarz
St Germain
Staggers
Stanton
Stokes
Studds
Traxler
Van Deerlin
Vanik
Vento
Volkmer
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—22

Anderson, Ill.
Andrews, N.C.
Bolling
Chisholm
Clay
Conyers
Davis, S.C.
Diggs
Evans, Ga.
Flood
Forsythe
Lundine
McKinney
Mathis
Murphy, N.Y.
Patterson
Railsback
Spellman
Stark
Stewart
Thompson
Wilson, C. H.

□ 2030

Mr. HARKIN changed his vote from "no" to "aye."

Mr. DASCHLE and Mrs. HECKLER changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. EARLY

Mr. EARLY. Mr. Chairman, I offer amendments.

The CHAIRMAN. Are the amendments printed in the RECORD?

Mr. EARLY. Yes, Mr. Chairman.

(The portion of the bill to which the amendments relate is as follows:)

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out, to the extent not otherwise provided, Title IV of the Public Health Service Act with respect to cancer, $961,158,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For expenses, not otherwise provided for, necessary to carry out Titles IV and XI of the Public Health Service Act with respect to heart, lung, blood vessel, and blood diseases, $527,544,000.

NATIONAL INSTITUTE OF DENTAL RESEARCH

For expenses, not otherwise provided for, to carry out title IV of the Public Health Service Act with respect to dental diseases, $68,318,000.

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES

For expenses necessary to carry out title IV of the Public Health Service Act with respect to arthritis, rheumatism, metabolic diseases, and digestive diseases, $341,246,000.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

For expenses necessary to carry out, to the extent not otherwise provided, title IV of the Public Health Service Act with respect to neurological and communicative disorders and stroke, $240,622,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For expenses not otherwise provided for, to carry out title IV of the Public Health Service Act with respect to allergy and infectious diseases, $215,402,000.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For expenses not otherwise provided for, necessary to carry out title IV of the Public Health Service Act with respect to general medical sciences, $312,478,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

To carry out, except as otherwise provided, title IV and title X of the Public Health Service Act with respect to child health and human development, $208,981,000.

NATIONAL INSTITUTE ON AGING

To carry out, except as otherwise provided, title IV of the Public Health Service Act with respect to aging, $68,910,000.

NATIONAL EYE INSTITUTE

For expenses necessary to carry out title IV of the Public Health Service Act, with respect to eye diseases and visual disorders, $107,528,000.

The Clerk read as follows:

Amendments offered by Mr. EARLY: Page 15, line 5, strike out "$961,158,000" and insert in lieu thereof "$970,158,000".

Page 15, line 10, strike out "$527,544,000" and insert in lieu thereof "$533,544,000".

Page 15, line 20, strike out "$341,246,000" and insert in lieu thereof "$346,246,000".

Page 16, line 7, strike out "$215,402,000" and insert in lieu thereof "$220,402,000".

Page 16, line 11, strike out "$312,478,000" and insert in lieu thereof "$320,478,000".

Page 16, line 16, strike out "$208,981,000" and insert in lieu thereof "$213,981,000".

Page 16, line 24, strike out "$107,528,000" and insert in lieu thereof "$116,528,000".

PARLIAMENTARY INQUIRY

Mr. MICHEL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHEL. Mr. Chairman, what happened to those Members who were on their feet with amendments that were not printed in the RECORD when the Chair acknowledged those Members? Were they all shut out from being recognized?

The CHAIRMAN. The Chair will advise the gentleman that any Member can still offer an amendment.

Mr. MICHEL. But they cannot speak on the amendments; is that correct?

The CHAIRMAN. That is correct, with the exception of a unanimous-consent request.

The Clerk will resume reading the amendments.

The Clerk continued the reading of the amendments.

Mr. EARLY (during the reading). Mr. Chairman, I ask unanimous-consent that the amendments be considered as read, printed in the RECORD, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. EARLY. Mr. Chairman, this amendment adds $47 million to the NIH budget to with the increase being allocated among seven particular institutes. It adds $9 million to the National Cancer Institute; $6 million to the National Heart, Lung, and Blood Institute; $5 million, to the National Institute of Arthritis, Metabolism, and Digestive Diseases; $5 million, to the National Institute of Allergy and Infectious Diseases; $8 million, to the National Institute of General Medical Sciences; $5 million, to the National Institute of Child Health and Human Development; and $9 million, to the National Eye Institute.

This amendment will provide additional funds for new and competing renewal investigator-initiated research grants.

Mr. Chairman, with the committee mark there is actually a decrease in the amount of funds available for these investigator-initiated research grants. It is a decrease of $36,856,000 from last year's funding for these grants.

The percentage of approved grants funded last year was 42 percent. Fifty-eight percent of the grants that were approved were not funded. The committee mark will allow only 33 percent of these approved investigator-initiated research grants to be funded.

My amendment does not even get us to what we had last year. My amendment would merely allow NIH to fund 37 percent of the approved grants, which would still be less than the percent funded in 1979.

Mr. Chairman, in only one of the institutes to which I have added money, has the committee been generous, and that is in the National Institute for Arthritis, Metabolism, and Digestive Diseases in which it added more money than last year. In the National Cancer Institute for 1979, 826 approved grants were funded at a cost of $99 million. This year in the committee bill only 651 approved grants would be funded with the $77 million available.

My amendment would increase the number of approved grants that would be funded to 714, which would only be 34 percent of the approved grants in NCI.

In the Heart, Lung, and Blood Institute, 803 approved grants were funded in 1979. With my amendment, only 725 approved grants would be funded.

In the National Institute for Allergy and Infectious Diseases, 513, or 43 percent, of the approved grants were funded, and the committee recommendation would allow for only 469, or 38 percent. My amendment brings it to 42 percent.

In the National Eye Institute, in which significant discoveries have been made in the past few years, 411 approved grants were funded in 1979.

Under the committee bill, of the approved grants, only 172 would be funded—only 26 percent of all of the new and competing renewal grants that are approved.

The same situation also applies to the National Institute for General Medical Science and the National Institute for Child Health and Human Development.

These NIH grants are unique, Mr. Chairman. They are unique in that over 70 percent of the people who submit these grant applications are M.D.'s and Ph. D.'s. We should be considering funding a much higher percent.

Mr. Chairman, as time restricts, I can only tell the Members that I have written Dr. Fredrickson, who has said, in several comments in his replies, that all research funded by this amendment would be high quality research. It is suggested that it is in this area that we spend money to save money.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. EARLY. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I rise in support of the gentleman's amendment and in support of the funding of the approved but unfunded projects for NCI, and particularly interferon.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. EARLY. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have been in touch with the University of Connecticut Medical School about the importance of Federal funding for research. The most compelling argument for greater research support is this:

Public universities located within the States around the country get no money from the States for research. The States expect only that the medical researchers provide competent teaching services and train the future doctors enrolled in their schools.

Yet, a school like the University of Connecticut has some of the finest medical minds conducting research within its facilities. And the only reason it has been able to attract these highly trained medical people is the Federal NIH research funding which has been made available to it.

Schools like Harvard, Yale, Johns Hopkins, or Columbia will not suffer if Federal research moneys are cut off. They are heavily endowed with beneficent sponsors interested in medical research. But the public universities, many of them with extremely qualified physicians engaged in research, rely solely for their funds on the Federal support they receive.

At the University of Connecticut, our medical staff involved in research has been able to build a magnificent reputation. We have the world's leading expert in the effects of nickel, a heavy metal, on the brain and nervous system. We also have a researcher/physician who spent a good deal of time on the famous legionnaires disease, playing a major role in identifying the toxic agents which brought the disease on. The microorganisms are now known as *Legionella* and we will have the ability to identify them in future.

Also at the University of Connecticut, the NIH moneys used by the scientific/medical community have led to the discovery of a vaccine to counteract the effects of meningitus. As many of you know, meningitus is a cruel disorder which attacks 4,000 people per year, killing 1,000. Most of its victims are children. Dr. Irving Goldschneider, an immunologist at the University of Connecticut, discovered that separating out a carbohydrate compound from the bacteria causing meningitus and vaccinating patients with a small amount of this compound effectively prevents the onset of meningitus. All of this research was done under an NIH funded program.

Another physician and researcher, Dr. D. Kent Morest, has been working for 15 years under NIH grants to investigate hearing mechanisms in cats. Cats have a hearing system very much like the human one. His research into hearing and its abnormalities stands a good chance of being instrumental in repairing or inserting an instrument having the effect of repairing permanent damage to the inner ear. This kind of damage results in deafness, but because of Dr. Morest's work combined with that of other scientists, we may in the future give relief to many deaf or hard-of-hearing individuals.

Mr. Chairman, this is an amendment that is critical to our future. I commend the gentleman for offering it and urge its adoption.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. EARLY. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I commend the gentleman for having in his amendment $9 million for the Cancer Institute. But I have in my hand a letter from Dr. DeWitt Stetten, the Deputy Director of the National Cancer Institute, that the annual geographic response modifies program annual budget requirements $20,100,000. I was told at our hearing on cancer we had last week by the agency that was treating my beloved wife that even if we had known about interferon and they had recommended it there was not any available anywhere in the world.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts.

Mr. Chairman, the gentleman from Massachusetts is a member of the subcommittee. He is a good member of the subcommittee. All during the hearings on this bill he was in regular attendance. The gentleman from Massachusetts participated very actively in the markup of the bill. This is a right serious amendment now. The bill reported by the committee is $204 million under the budget. This bill has been vetoed seven times since 1969. There are increases here. This amendment adds $47 million. All we have to do is adopt this one, and one or two more, and we will be over the budget, and this bill will be vetoed again. It will be the eighth time.

Mr. Chairman, in the markup, we increased the National Institutes of Health $208 million over the budget request. We now have in this bill $3,381 million for the National Institutes of Health. The gentleman from Massachusetts wants to increase the appropriation for cancer by $9 million. We have $961 million in the bill for the National Cancer Institute. This is an increase of $24 million over the budget that we made in the subcommittee, that we recommend to the Members. Certainly research on cancer is important. That is the reason we increased it $24 million. That is the reason why it is $24 million over the 1979 level.

Let me say one more thing, and then I will yield to my friend, the gentleman from Wisconsin. As far as the National Institute of General Medical Science is concerned, the amendment the gentleman offers asks for $8 million additional. We have $312 million in the bill. That is $32 million over the budget.

Mr. Chairman, this amendment should be defeated.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the chairman is absolutely correct. Under the committee legislation, the total number of grants provided in this bill will be 16,450, compared to 15,200 last year. There is a real increase in the committee bill of the number of grants already funded.

In addition, even more important than the dollar amount is the philosophy behind the committee approach. We believe that what we should do is fund the best science at every institute on the basis of what scientific judgments are rather than funding science on the basis of what Mary Lasker or Jenifer Jones or dozens of other fine and informed citizens feel is the best priority. We do not feel we should allocate money on the basis of who has the most muscle; we feel we should allocate money on the basis of where the best science is. That is the most important thing we can do to attack all disease.

☐ 2040

That is what we have tried to do. We are $200 million above the budget. If these groups wanted to add more money to NIH, they should have been working on the budget resolution so we would not break through the budget ceiling if we pass this amendment.

We are already at the budget ceiling. In fact for discretionary health, we are above it. There are all kinds of items I would like to support in add-ons. But if we do that we are going to make this bill vulnerable to an amendment for an across-the-board cut on this bill if you push us through that budget ceiling.

I do not think that will do the health groups any good. It will not do the education groups any good. It will not do the labor groups any good. We will lose a lot more than this amendment adds.

I would urge the Members to vote down the amendment.

Mr. NATCHER. Mr. Chairman, one other item in the gentleman's amendment that I would like to call to the attention of the committee. The gentleman's amendment includes an increase for the Heart, Lung and Blood Institute of $6 million.

Mr. Chairman, we have $527 million in this bill for this Institute. This is an increase that we made and we recommend to this committee of $20 million over the budget—$20 million over the budget—and that is $20,768,000 over the amount contained in the bill for 1979.

Now certainly all these programs are important. We are for every one of them, Mr. Chairman. We are not against one of them on this subcommittee. But, Mr. Chairman, we increased the appropriations for HEW programs by $677 million, and we are still under the budget, considering the total amount for the two departments.

Mr. Chairman, if we want this bill vetoed, all we have to do is to adopt these amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts (Mr. EARLY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. EARLY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 228, not voting 28, as follows:

[Roll No. 295]

AYES—178

Abdnor
Addabbo
Akaka
Alexander
Ambro
Andrews, N. Dak.
Anthony
Applegate
Atkinson
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner

Bonior
Bouquard
Brademas
Brinkley
Buchanan
Burton, John
Burton, Phillip
Byron
Campbell
Carter
Chappell
Cheney
Cleveland
Coelho
Coleman
Collins, Ill.
Conte
Cotter
Coughlin
Dellums
Dodd
Donnelly
Dornan
Dougherty
Downey

Drinan
Early
Edgar
English
Ertel
Evans, Del.
Ferraro
Florio
Ford, Tenn.
Frost
Garcia
Gaydos
Giaimo
Gilman
Ginn
Goodling
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hammerschmidt

Hance
Hanley
Harkin
Hawkins
Heckler
Heftel
Hillis
Holland
Holtzman
Horton
Howard
Hughes
Hyde
Jenrette
Jones, Tenn.
Kildee
Kogovsek
Kramer
Lederer
Leland
Levitas
Lewis
Lujan
Luken
McDade
McHugh
Madigan
Maguire
Markey
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Minish

Mitchell, Md.
Moakley
Moffett
Mollohan
Mottl
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nolan
Nowak
Oakar
Oberstar
Ottinger
Pashayan
Patten
Pepper
Perkins
Petri
Peyser
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roth
Roybal
Runnels
Sawyer

Schroeder
Schulze
Sebelius
Shannon
Slack
Solarz
Spence
St Germain
Staggers
Stangeland
Stokes
Studds
Swift
Synar
Traxler
Vander Jagt
Vanik
Wampler
Watkins
Waxman
Weaver
Weiss
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wolpe
Wyatt
Wydler
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—228

Albosta
Anderson, Calif.
Annunzio
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bevill
Bonker
Bowen
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Carney
Carr
Cavanaugh
Chisholm
Clausen
Collins, Tex.
Conable
Corcoran
Corman
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Ind.
Fary
Fascell
Fazio
Fenwick

Findley
Fish
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Fuqua
Gephardt
Gibbons
Gingrich
Glickman
Goldwater
Gonzalez
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hansen
Harris
Harsha
Hefner
Hightower
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kemp
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lundine
Lungren
McClory
McCloskey

McCormack
McDonald
McEwen
McKay
Marks
Marlenee
Marriott
Martin
Mattox
Mazzoli
Michel
Mikva
Miller, Ohio
Mineta
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Obey
Panetta
Paul
Pease
Pickle
Preyer
Price
Pritchard
Pursell
Regula
Reuss
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Rousselot
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Stack
Stanton
Steed
Stenholm

Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Udall

Ullman
Van Deerlin
Vento
Volkmer
Walker
White
Whitehurst
Whitley
Whittaker
Whitten

Williams, Ohio
Wirth
Wright
Wylie
Yates
Young, Alaska

NOT VOTING—28

Anderson, Ill.
Andrews, N.C.
Bolling
Brodhead
Clay
Clinger
Conyers
Davis, S.C.
Diggs
Duncan, Oreg.

Evans, Ga.
Flood
Forsythe
Hollenbeck
Johnson, Colo.
Kindness
Long, La.
McKinney
Mathis
Murphy, N.Y.

Patterson
Scheuer
Spellman
Stark
Stewart
Thompson
Walgren
Wilson, C. H.

☐ 2050

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Stewart against.

Mr. Stark for, with Mr. Flood against.

Messrs. CONTE, CAMPBELL, BETHUNE, and JONES of Tennessee, and Mrs. BOUQUARD changed their vote from "no" to "aye."

Mr. VENTO changed his vote from "aye" to "no."

So the amendments were rejected.

The result of the vote was announced as above recorded.

☐ 2100

AMENDMENT OFFERED BY MRS. SMITH OF NEBRASKA

Mrs. SMITH of Nebraska. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Was the amendment printed in the RECORD?

Mrs. SMITH of Nebraska. It was, Mr. Chairman.

(The portion of the bill to which the amendment refers is as follows:)

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

For carrying out titles III and VII of the Public Health Service Act and section 1122 of the Social Security Act, $393,017,000 of which $4,300,000 shall remain available until expended for loan guarantees and interest subsidies under Part B of title VII: *Provided*, That section 788(b) (4) of the Public Health Service Act shall not apply to any grant made under section 788(b) of that Act from funds appropriated under this provision.

The Clerk read as follows:

Amendment offered by Mrs. SMITH of Nebraska: On page 19, line 9; strike "$393,017,000" and insert "$396,617,000".

On page 19, line 11, after "VII" insert ", and of which $1,800,000 shall be available under Section 720 for a regional veterinary teaching facility to serve the five states of Nebraska, Wyoming, Montana, South Dakota, and North Dakota.".

Mrs. SMITH of Nebraska (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Nebraska?

There was no objection.

Mrs. SMITH of Nebraska. Mr. Chairman, I have an amendment to the bill. My amendment would make available $1.8 million in first-year construction costs of a long-overdue, greatly needed college of veterinary medicine to serve the vast, flourishing meat-producing region served by the Old West Regional Commission covering the States of Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

None of these States have a degree-granting school or college of veterinary medicine even though the area produces 17 percent of the value of all U.S. beef, nearly 11 percent of the Nation's bacon, ham, and other pork, and 25 percent of its lamb and mutton.

The startling fact is that only about 4 percent of the Nation's practicing veterinarians in this country work in this region that needs them so keenly. What is more the number of applicants for enrollments far exceeds openings in the Nation's veterinary teaching institutions.

This means that for nearly 25 million head of cattle, hogs and sheep, this region had about 1,240 veterinarians in 1977 to serve farmers and ranchers who grossed nearly $5 billion from meat animals.

It means that would-be veterinary medical students from these five States must seek entrance in distant schools already swamped with applicants.

Nevertheless, through contractual agreements between States, an average of only 63 applicants a year from this region entered veterinary schools in other States. Of these, scarcely two dozen returned to practice in this region. It is estimated that these States need 94 new veterinarians a year to adequately serve the livestock industry. From all sources, the region is getting only about 60 a year. We are continually falling behind in trying to satisfy a growing demand for veterinary physicians.

Mr. Chairman, these physicians are needed to enhance the essential food supply of this Nation—they would not be used mainly as pet doctors—as is true in many more populous urban-dominated States that, indeed, already have fine veterinary teaching facilities.

In my own State of Nebraska, we were second in the Nation in 1978 in the numbers of feed cattle and calves marketed, second in the number of cattle on feed, and second in commercial cattle slaughter. Nebraska was third in the number of all cattle and calves on farms, third in the value of all cattle and calves, and third in commercial slaughter of all livestock.

Nebraska stands fifth in commercial hog slaughter and fifth in cash receipts from all livestock marketings. It is sixth in number of calves born and sixth in the number of all hogs and pigs. It ranks seventh in the number of sheep and lambs on feed.

Mr. Chairman, what this incredible industry does is convert inedible roughage of the Plains grasslands into food for millions of people at home and abroad.

This veterinary college is expected to cost about $40 million, with present plans calling for a Federal share of at least 50 percent and the States and private sector providing the rest.

All Members of the House from the five States to be served by this new veterinary teaching institution have signed a letter of support for this carefully planned facility. The letter is addressed to the distinguished gentleman from Mississippi, chairman of the House Committee on Appropriations.

Governors from all five States have also signed a letter supporting the project. I submit the text of these supporting letters for inclusion in the RECORD at this point:

Hon. JAMIE WHITTEN,
Chairman, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR JAMIE: To establish a long-overdue School of Veterinary Medicine to serve the people and the livestock industry of our five-state area, we the members of the House from Montana, Nebraska, North Dakota, South Dakota, and Wyoming ask your support and commitment to this vitally needed project.

The region has 4 percent of the nation's practicing veterinarians but produces 17 percent of U.S. cattle, 10.6 percent of its hogs, and 25 percent of its sheep. None of our states has a degree-granting, accredited veterinary medicine teaching institution.

All of us strongly support the establishment of such a school. Because of the region's vital role in producing food from otherwise inedible roughage through our livestock industry for all the people of the United States, we believe that a Federal commitment for this project is fully justified.

Total estimated cost of this proposed School of Veterinary Medicine would be about $40 million, with the hoped-for Federal share about $20 million. The rest would be provided by our states and by private-sector sources, primarily the livestock industry. The goal is for the first class to be enrolled by the fall of 1982.

If we may hope for your support for this project, we earnestly solicit your advice and suggestions for assisting us in establishing this much-needed institution. We would deeply appreciate your counsel with regard to a reasonable time-table to hope for funding the Federal share.

Our immediate goal would be to obtain some formal Federal indication, either through an appropriation for fiscal-year 1980 or other means, of commitment to eventual completion of this veterinary school.

Virginia Smith, James Abdnor, Mark Andrews, Douglas Bereuter, Thomas A. Daschle, Pat Williams, John Cavanaugh, Ron Marlenee, Richard Bruce Cheney.

OLD WEST REGIONAL COMMISSION,
April 2, 1979.

To members of the Old West Congressional Delegation:

The Old West Regional Commission has completed an extensive series of studies to determine the need and feasibility of a regionally-shared program of veterinary education and services. There have been studies and comparisons of alternative plans, and finally, a developmental phase to provide in-depth planning and details.

These studies have received input and review from representatives of each of the five states of the Region plus a number of outside consultants. Regional representation included persons from academic institutions, educational coordinating commissions, legislative bodies, governmental agencies and others. External consultants were utilized for matters relating to educational design, architectural details and accreditation procedures.

The numerous studies have consistently demonstrated that a shared program for veterinary education and services is needed in the Old West Region, that its establishment is feasible, and when compared with other alternatives such a program would serve to provide the best educational opportunities, improved services to the livestock industry and economic benefits to the citizens of the Region's states.

It is apparent that the Congress intends to encourage the development of regional colleges of veterinary medicine since two pieces of enabling legislation specifically authorize funding assistance to such regional programs. They are Public Law 94–484, Department of Health, Education and Welfare, and Public Law 95–113, Department of Agriculture.

Both of these laws require matching funds to be provided by the states. We regard this as appropriate when funds for actual construction are being sought. However, at our present stage of development it would be exceedingly difficult to assess each state for matching funds. Wyoming and North Dakota have passed bills supporting the concept. Nebraska is now considering such a bill. Each state legislature is included to hesitate until Nebraska has completed the action on its bill and until the prospects of Federal funding can be more clearly defined.

In the developmental timetable it is now necessary to prepare detailed architectural and engineering plans for the facilities. This cost is estimated to be $2.16 million.

We applaud the intent of the Congress to encourage regional schools but suspect that earlier attempts to develop regional programs may have failed because of the enormous complexity of providing the matching funds in the initial stages.

It is therefore requested that you consider assisting the Old West Commission if possible, by adding the required $2.16 million to the budget of the Department of Agriculture and/or DHEW, specifically earmarking those funds to be used for the regional veterinary school.

If this can be accomplished it will allow the participating states to approach their next legislatures in a more specific manner to seek the matching construction funds from the next Congress. It may develop that not all states will choose to participate actively in the educational components of the program, but it is our conviction that a new school within the Old West Region would be of great benefit to the research, extension, continuing education and other regional programs it would provide even though not all the states may elect to send students through the school.

If it should develop that the requested funding through the Federal Departments cannot be accomplished, we would then ask your help in pursuing those routes that would require matching state funds as the next best alternative.

We realize that this request may present some difficulties in the timing of appropriate procedures but your consideration of the matter would be greatly appreciated.

Edgar J. Herschler, Governor of Wyoming, State Cochairman; Thomas L. Judge, Governor of Montana; Charles Thone, Governor of Nebraska: Arthur A. Link, Governor of North Dakota, William J. Janklow, Governor of South Dakota.

Three of the five State legislatures—Nebraska, Wyoming, and North Dakota—have just adopted bills authorizing participation in establishing the college. The Montana Legislature need not act because its board of regents already has authority to share in the enterprise. While South Dakota has not yet approved enabling legislation, Gov. William J. Janklow, with his signature, has committed his State to cooperate in this college's development. Finally, this project enjoys widespread support among business, labor, and other groups.

While this is the first formal presentation to the House of this proposal, these studies have received input and review from representatives of each of the five States of the region plus a number of outside consultants.

Now, Mr. Chairman, I realize full well that sentiment is strong among my colleagues on the Appropriations Committee against adding any appropriations to this bill. And I know the distinguished members of this subcommittee have not had an opportunity to hold hearings on this proposition simply because it was not ready for presentation.

The reason it was not ready is that cost-sharing projects such as this one are enormously complicated, and this one was delayed by the necessarily difficult business of trying to get five State legislatures to act in concert. It is readied for consideration now, but we find the Congress in the midst of final consideration of many appropriations bills—bills on which my colleagues on the committee have spent thousands of hours to perfect.

Nevertheless, because of the need for this college of veterinary medicine, I would like to ask my good friend, the gentleman from Kentucky, chairman of this fine subcommittee, and the gentleman from Mississippi, chairman of the Appropriations Committee and chairman of the Agriculture Appropriations Subcommittee, whether they share my concern about the need for helping establish new veterinary teaching institutions for our growing livestock industry?

Mr. NATCHER. Mr. Chairman, will the gentlewoman from Nebraska yield to me?

Mrs. SMITH of Nebraska. I am delighted to yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, first I would like the Members of the Committee to know that it is a distinct honor and privilege for me to serve with the gentlewoman from Nebraska in the House of Representatives. She is one of the able members of our committee, and I want the Members to know this that all during the hearings on our bill, not only on this bill but on all the other appropriation bills, the gentlewoman takes care of her people. I want the Members to know that as one member of the committee I appreciate her contributions to our activities.

Mr. Chairman, we have in this bill $2.7 million for startup assistance for schools of veterinary medicine. There was no money in the budget for this purpose. We added $2.7 million. Our report states we took this action in recognition of the many requests for new schools for veterinary medicine which are being considered at this time throughout the United States.

The school proposed by Mrs. SMITH would be eligible to compete for the funds that are in the bill. We have $2.7 million.

We put those funds in the bill, and certainly the gentlewoman's proposal should be given every consideration. The next time our committee meets, the subcommittee meets, we will be delighted to hear from the gentlewoman and any others who would like to be heard on this matter. The reason why we put the $2.7 million in was because we felt that the gentlewoman and anyone else throughout the United States who wanted to compete for this money certainly should have that opportunity.

Mr. Chairman, I did want to make that statement.

Mrs. SMITH of Nebraska. I thank the gentleman very much.

Mr. WHITTEN. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I would like to say that the five-State area which the gentlewoman has the honor to speak for at this time, although she is from Nebraska, certainly is one of the major cattle-raising sections of this country. I will be glad to cooperate in every way that I can in making the case to show a need there in the hopes that we will be able to help her in her efforts to get relief for her people.

Mrs. SMITH of Nebraska. I thank the gentleman.

Mr. BEREUTER. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I rise in support of the gentlelady's amendment. The idea of a veterinary school within the five-State area of Nebraska, South Dakota, North Dakota, Montana, and Wyoming has been explored since 1973. The Old West Regional Commission, made up of those five States, has conducted studies and comparisons of alternate plans, to develop a course and make a veterinary school in the area a reality. The studies have included input from the five States plus representation from academic institutions, legislative bodies, and governmental agencies. Their conclusions have shown that a program shared by the five States to establish a veterinary school in the Old West Region would greatly benefit the livestock industry in the area. The five States have also responded by showing support through legislative proposals, and assurances from the Governors. The Old West Regional Commission has already devoted $500,000 to this very worthwhile effort. We have, for example, a commitment from the Nebraska stock growers for $3 million. This kind of support shows how badly the people of this region want a veterinary school, and I would just like to commend the gentlelady for her efforts.

Mr. ABDNOR. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, while the South Dakota Legislature has not yet acted to endorse the concept, I believe my constituents are generally supportive of establishment of a five-State regional veterinary school in our region.

Governor Janklow has voiced support for the school through the Old West Regional Commission, and the commission has cited numerous studies which have consistently demonstrated that a shared program for veterinary education and services is both needed and feasible. Furthermore, when compared with other alternatives, such a program would serve to provide the best educational opportunities, improved services to the livestock industry, and economic benefits to the region.

Congress has encouraged development of regional colleges of veterinary medicine through enactment of Public Law 94–484, administered by HEW, and Public Law 95–113, administered by USDA. These measures provide money to match State funds for this purpose.

I commend my friend and colleague, a member of the Appropriations Committee, Mrs. SMITH, for raising this issue on the floor in the context of the fiscal year 1980 appropriations for HEW. I understand it is the committee's intent that the Old West Region will be given equal consideration in the disbursement of the $2.7 million, which is in the bill for regional colleges of veterinary medicine; and I look forward to the committee's continued forbearance in addressing the needs of our region.

The CHAIRMAN. The time of the gentlewoman from Nebraska (Mrs. SMITH) has expired.

Mr. NATCHER. Mr. Chairman, I believe our side would be entitled to 5 minutes, am I correct?

The CHAIRMAN. The gentleman is correct.

Mr. NATCHER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentlewoman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to my colleague, the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I rise in support of this amendment to the Labor-HEW appropriations bill, H.R. 4389, to add funding in the amount of $3.6 million so that the States of Nebraska, South Dakota, North Dakota, Wyoming, and Montana can take the first steps toward the establishment of a much needed regional school of veterinary medicine. This facility is to be established at the University of Nebraska at Lincoln, and will, as proposed, provide this five-State area, a leading region of the Nation in livestock production, with approximately 100 new veterinarians per year. The ultimate cost of this facility will be $40 million, and current plans call for it to be constructed over a 3-year period.

I fully realize the difficulty in adding any amount to an appropriation bill on the floor, and I would have been pleased to appear before the distinguished Labor-HEW Subcommittee in support of this worthwhile project when the subcommittee was formulating the fiscal year 1980 Labor-HEW budget earlier this year. At it was, the Nebraska State Legislature just recently, on May 22 of this year, passed the State legislation authorizing the Board of Regents of the University of Nebraska at Lincoln to negotiate contractual arrangements with other prospective participants and to proceed with its plans. The bill was signed into law the following day by the Governor.

There is currently being conducted in Nebraska a massive private fund-raising drive to raise an initial $3 million to enable the project to qualify for these matching Federal funds. I cannot stress strongly enough the need for such a facility in our region. The Department of Agriculture traditionally utilizes two criteria to establish the need for veterinarians in a given area. The ratio of veterinarians to the human population is commonly used to assess the need for so-called "companion animal" or small-animal practices in urban areas, the ratio of veterinarians to the animal population is used to determine the need for livestock veterinarians in rural areas. Using this second standard, the number of veterinarians per head of livestock, the State of Nebraska, for example, ranks 49th of the 50 States. In 1977, the State ranked second in the Nation in total number of cattle and calves produced and sixth in number of hogs produced, and yet there are only 30 veterinarians engaged in livestock practice and 255 in "mixed" practices, that is, treating both livestock and small animals. The other States in the region are similarly short of an adequate supply of veterinarians.

To more dramatically illustrate the economic impact of this shortage of veterinarians in the region, I have compared the number of veterinarians per State to the total cash receipts from livestock and livestock products, and found that, using this ratio, the five States in the Old West region rank as follows: Montana, 34th; Wyoming, 40th; North Dakota, 48th; Nebraska, 49th; and South Dakota, 50th. I believe these figures are sufficient documentation of the shortage of livestock veterinarians needed to maintain this tremendous livestock-producing industry which has been the economic mainstay of the region for so long.

I am convinced that this acute shortage of veterinarians would best be rectified by the establishment of the Old West regional program for veterinary education. The total capacity of all the veterinary schools in the United States is 2,086 entrants per year. Last year, the total number of qualified applicants, those meeting entrance requirements, was 9,467. Nearly four of every five qualified applicants were not admitted due to lack of available openings in the academic year 1978–79. This is a situation which I believe should be addressed.

The Nebraska State Legislature has just recently authorized the Nebraska Board of Regents to enter into agreements with other States to provide a facility for veterinary training. As of this time, North Dakota has passed legislation (N.D.H.B. 1254) enabling them to proceed with negotiations with Nebraska, and the Wyoming Board of Regents has been granted statutory authority under W.S. 21–17–110, to enter into agreements with any State, subject to legislative approval, for this purpose. The Montana State constitution authorizes its board of regents to participate in this program, and the Governor of South Dakota has indicated that State's willingness to participate.

Mr. Chairman, if it is impossible to provide the level of funding requested in proposed amendment, I would ask for some Federal commitment, some indication of Federal support for this undertaking, so that the legislatures of our States can move forward in their efforts to make this proposal a reality.

Mrs. SMITH of Nebraska. Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Nebraska?

There was no objection.

AMENDMENT OFFERED BY MR. MOTTL

Mr. MOTTL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Was the amendment printed in the RECORD?

Mr. MOTTL. Yes, it was, Mr. Chairman.

(The portion of the bill to which the amendment refers is as follows:)

EDUCATION DIVISION

OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATION

For carrying out, to the extent not otherwise provided, title I, parts A and B ($3,477,132,000), title II, title IV, part C, title VII and title IX part E of the Elementary and Secondary Education Act; the Communications Act of 1934, as amended; the Alcohol and Drug Abuse Education Act; Part B of the Headstart-Follow Through Act; the General Education Provisions Act; and Public Law 92–506, $3,936,982,000: *Provided*, That of the amounts appropriated above the following amounts shall become available for obligation on July 1, 1980, and shall remain available until September 30, 1981: title I, parts A and B ($3,477,132,000 of which $345,789,000 shall be for the purpose of section 117), title IV, part C ($190,000,000) of the Elementary and Secondary Education Act and section 417(a)(2) of the General Education Provisions Act ($1,250,000). For carrying out title IV, part C of the Elementary and Secondary Education Act an additional $7,400,000 to become available for obligation on July 1, 1980 and to remain available until September 30, 1981: *Provided*, That none of such funds may be paid to any State for which the allocation for fiscal year 1981 exceeds the allocation for comparable purposes for fiscal year 1980.

The Clerk read as follows:

Amendment offered by Mr. MOTTL: On page 25, line 8 after "title VII" insert: "section 921 ($10,000,000) and section 922 ($10,000,000)".

On page 25, line 13, strike the figure "$3,936,982,000" and insert in lieu thereof "$3,956,982,000".

Mr. MOTTL. Mr. Chairman, the Mottl, Simon, Hyde, and Stack amendment is a direct effort to solve what is perhaps the greatest problem in education today: a decline in the overall achievement of our students in the basic skills; namely, the three R's which are so important to success in later life. This amendment would provide funding for States to develop their own minimum competency testing programs.

In my hand is a high school diploma, not unlike those which have been bestowed on millions of young Americans during these past few weeks.

Most of these young people have duly earned this diploma, which for decades has symbolized the attainment of a certain level of scholastic achievement. However, to my dismay, and to the dismay of many Americans, this diploma, I find, in many instances represents 12 years of attending classes. What has happened to this diploma is that it has, like the dollar itself, been heavily devalued on the international education exchange. I know of no other Western, industrialized, sophisticated nation which does not provide its students with some form of competency testing and remedial instruction.

We, however, are apparently content with our educational system which settles for something considerably less than the best in many instances.

The fact remains that a shocking percentage of our young people are graduating from high school without being able to read, write, or compute well enough to sustain themselves in employment in the outside world.

For example, the National Assessment for Educational Progress has found that 13 percent of our 17-year-olds are functionally illiterate.

Assessments of 17-year-olds have demonstrated that half of those tested could not identify the due date for paying a parking fine, and that only 1 percent could balance a checkbook, and most could not fill out an employment application.

In addition, scores on the scholastic aptitude tests and other standardized tests have been falling for more than a decade.

All these trends have led students, parents, employers, and the general public to question the value of a high school diploma and the quality of our educational system. These fears are heightened by reports such as that from a major university, where, it was revealed, 25 percent of the freshman must take remedial courses in basic subjects at the university to prepare them for college-level work.

Mr. Chairman, the issue of minimum competency testing and remedial courses has received a great deal of attention recently as a means to counteract these unfortunate trends in education.

Several States have already instituted minimum competency, or educational proficiency testing programs with remedial courses, whereby grade-to-grade promotion or high school graduation depends upon a student showing mastery of certain basic skills. While many more States have demonstrated interest in this approach, they often lack the necessary expertise and funds to carry it out.

Last year we all recognized minimum competency as a viable solution to this problem, by overwhelmingly adopting the Education Amendments of 1978. Section 921 of these amendments, which I introduced, authorizes grants to States to implement, develop, or refine their own programs of educational proficiency standards, including remedial courses for those who do not meet these standards.

Section 922 of these amendments would provide funds for technical assistance, research, and evaluation to help States and local educational agencies improve their programs of achievement testing and remedial courses.

Our amendment would add $10 million for section 921 and $10 million for section 922 to the Labor-HEW appropriations for fiscal year 1980.

In my view, this modest appropriation will go closer to the root of the problem of declining skills than any of the billions of dollars for education already in this bill. The $20 million appropriation will have an impact far beyond its limited size, because it would encourage additional activity by State and local governments in this area.

I would also like to point out that the authorizing legislation does not give the Federal Government the authority to impose tests, to require specific tests or test questions, or compel any education agency to apply for these funds.

I urge my colleagues to join with Congressman Simon, Congressman Hyde, and Congressman Stack and myself to support this amendment to show the Federal Government is seriously concerned about the quality of education our young people are receiving.

Let us make this high school diploma a meaningful document once again.

□ 2110

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

The amendment offered by the gentleman from Ohio, Mr. Chairman, proposes $20 million to start new programs for minimum standards of educational proficiency and testing. Basically, educational standards and testing are State and local responsibilities. As far as the testing and the other matters that the gentleman from Ohio (Mr. Mottl) wants to add to this bill for $20 million, we should leave for the States and the local school districts?

Mr. Chairman, in this bill we have $3,478,382,000 for title I of the Elementary and Secondary Education Act. Mr. Chairman, we put in a new program of $345 million for concentration grants. Mr. Chairman, the largest amount ever approved by the Congress of the United States is in this bill for education, and this amendment should be defeated.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend, the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. I want to thank the gentleman for yielding.

Mr. Chairman, I rise to oppose the amendment of the gentleman from Ohio (Mr. Mottl). I do not and cannot argue with the contention that the problem of a declining ability to read and write among American youth is a serious one, and that trying to resolve this issue is a very serious priority for our country. What I cannot agree with is that Federal funding of national standardized achievement tests will do a great deal to further this goal, or that $10 million in grants to implement educational proficiency standards will have a major impact on the problem our Nation faces.

As Mr. Mottl knows, the National Institute of Education is conducting a broad series of studies and evaluations on the most efficient, conclusive achievement test. The study includes what the test should consist of, how it should be applied, and the situations in which the test should be applied.

Why the Office of Education should become involved in an area where the National Institute for Education is already committing significant resources is unclear to me. What is clear is that if the Office of Education starts to promulgate a standard achievement test, we run the risk of having a national standardized test for all American students—something I feel few of us would want. Or, at least, even if we do want a national standardized test, I prefer that a regular authorization bill be introduced and that this issue be discussed in depth rather than having something as potentially important slip in "by the back door" through an appropriations bill.

In the area of grants to implement educational proficiency standards, I must confess that I am a bit cynical. What is all the money we appropriate for the Office of Education for, if not precisely to promote, in one way or another "educational proficiency standards." What good will this $10 million do if the billions we are aready providing are failing to hit this mark?

I commend the gentleman for his deep and true commitment to educational excellence for all Americans. I pride myself on being a supporter of education in this country and it is, therefore, with considerable reluctance that I urge the defeat of this amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend, the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I would also like to point out that at the present time there are no guidelines for the spending of this money. The administration has no real guidelines for the spending of this money. Some of the tests which have been developed to do what the gentleman is talking about are being challenged in court. I want to repeat that if we pass this amendment, we will exceed the budget resolution. We are within a hairs breadth of exceeding that resolution right now, and I would urge the Members to vote down the amendment.

Mr. NATCHER. Mr. Chairman, I urge that this amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Mottl).

The question was taken; and on a division (demanded by Mr. Mottl) there were—ayes 4, noes 54.

Mr. MOTTL. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

GENERAL PROVISIONS

Sec. 201. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

The Clerk read as follows:

Amendment offered by Mr. Michel: On page 41, immediately after line 1, insert the following new section, and redesignate the succeeding sections accordingly:

"Sec. 201. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education and Welfare is hereby reduced in the amount of $500,000,000. Provided, That this reduction shall be achieved by the reduction of fraud, abuse and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education and Welfare: Provided further, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act."

Mr. MICHEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(At the request of Mr. Conte, and by unanimous consent, Mr. Michel was allowed to proceed for 5 minutes.)

Mr. MICHEL. Mr. Chairman, I regret having to use this ploy to get time to explain my amendment. I actually had three others that I was prepared to offer, but because I was so magnanimous in giving away my time to so many others who wanted to offer amendments within the time limitation, I actually found myself foreclosed from sufficient time to offer my own amendments and decided to offer just one amendment here this evening.

I was not originally intending to offer an amendment reducing waste, fraud, and abuse in HEW this year, because, frankly, up to a week ago, it was questionable whether the amendment we adopted last year had any relevance.

However, in view of the legal opinions from both the Comptroller General and the Justice Department stating that the amendment did in fact require a billion-dollar reduction, and in view of HEW's repeated efforts to both avoid compliance and then to promote the nullification of the amendment through what I would consider some rather devious means, I changed my mind.

I think it is important that we continue to hold HEW's feet to the fire on the matter of waste, fraud, and abuse, and I think that this amendment, because we now have legal assurance that it is not an exercise in futility, is the most effective way of doing so.

We required last year that HEW make reductions of a billion dollars. Because HEW, to date, has made reductions of only $169 million, I do not think we should let them off the hook simply because we are reaching the end of the fiscal year.

The amendment I am offering here requires an overall reduction of $500 million below the line item appropriations in the same program areas covered by the amendment last year. It contains the exact same wording as that amendment. It would apply to waste, fraud, and abuse only, and requires that those legitimately entitled to benefits shall not have those benefits reduced or withheld.

I am proposing a figure of $500 million because HEW has made reductions of $169 million under the Michel amendment to date, and because the line item appropriations in 1980 for medicaid and SSI do include additional reductions of $259 million and $30 million, respectively, in waste, fraud, and abuse. Those amounts add up to $458 million, which is $542 million short of complying with our amendment of last year.

The Inspector General, unfortunately, did not put together a list of estimated losses in HEW programs this year, as he did last year, so I cannot tell you precisely what the total current losses are. However, we do know from our hearings that Federal dollar losses under the AFDC program exceed $500 million a year, and the Federal losses in medicaid range between $1 and $2 billion. So in just these two programs alone, the Federal losses are at least three times the reductions required by my amendment.

In fairness to HEW, some significant steps have been undertaken to reduce waste, fraud and abuse, and I would be remiss if I did not give credit where credit is due. The problem, however, is that these steps are not sufficient in view of the very serious losses that are still occurring.

As an example, one of the most effective, proven methods of reducing waste in the medicaid and AFDC programs is the imposition of quality control penalties on the States. HEW finally issued final regulations this spring imposing such penalties, after over 2 years of procrastination, but those penalties are so weak as to be almost meaningless.

HEW had issued proposed regulations last summer that were considerably stronger, but because of complaints from the States and a weak-kneed legal staff, those regulations were substantially watered down. The original regulations would have required a national AFDC error rate standard of 7.0 percent, above which penalties would be applied. The final regulations raised that to 8.7 percent. The result is that $110 million in greater waste will be allowed under the final regulations. Only 14 States currently have higher error rates than the final standard, and thus would be subject to penalties. The total amount of penalties expected to be imposed in 1980, mind you, is only $2.8 million. All this in a program where the total amount of waste, Federal and State, is still exceeding a billion dollars a year. The situation is similar regarding the medicaid program.

The fact is that we need tough penalties because many States simply do not move on their own unless a financial loss is threatened, and I would hope that if this amendment is adopted, HEW will toughen its regulations in this regard.

California has reduced its AFDC error rate to 4.3 percent. If a large State like that can get down to that level, it proves that it can be done, and the quality control regulations should be setting 4 percent as the required maximum error rate to be achieved by all the States.

It is ironic that while HEW has substantially weakened the "stick," it is also delaying implementation of a "carrot." Way back in 1977, in the Social Security Act, we included a financial incentive or bonus for States who reduce their error rates below 4 percent. It is now over 1½ years later, and HEW still does not have final regulations in place implementing this incentive.

It is thus essential that we keep the pressure on HEW, and I urge adoption of this amendment.

I am inserting in the RECORD at this point the GAO and Justice Department opinions on the applicability of the amendment adopted last year, in order that they be considered as part of the legislative history of the amendment I am offering today.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., May 7, 1979.

Hon. ROBERT H. MICHEL,
Ranking Minority Member, Subcommittee on Labor-HEW Appropriations, Committee on Appropriations, House of Representatives.

DEAR MR. MICHEL: This is in response to your request, signed also by Chairman Natcher of the Subcommittee on Labor-HEW Appropriations, for a legal opinion from our Office on the total amount of appropriated funds available to the Department of Health, Education, and Welfare (HEW) for obligation in the fiscal year 1979, under Public Law No. 95-480. Your specific question is whether the Secretary of HEW has available the total of the line items in the FY-1979 HEW Appropriation Act—approximately $54.1 billion—or that amount less $1 billion, representing a mandatory reduction in available appropriations. It is our opinion that the lesser sum is available to HEW for obligation during the 1979 fiscal year.

Section 201 of the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, Pub. L. No. 95-480, 92 Stat. 1567, 1584, reads as follows:

"Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $1,000,000,000: *Provided*, That this reduction shall be achieved by the reduction of fraud, abuse, and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act."

As indicated in your letter, the total of all line item amounts appropriated to HEW by Pub. L. 95-480 is $54,085,830,000. It is your position that, since section 201 reduces the total amount of budget authority provided HEW by $1 billion, HEW has available for expenditure from funds provided by this Act no more than $53,085,830,000.

The Secretary of HEW has taken the position that section 201 does not require a $1 billion "reduction" in total budget authority. Various arguments have been set forth by HEW at different times and in different contexts to support this proposition. For example, in a letter to your Subcommittee dated October 11, 1978, (prior to enactment of the legislation) the Secretary of HEW said the following:

"In short, we intend to meet the objective of the Michel Amendment not by reducing program appropriations but rather by the vigorous application of the measures I have identified which should result in savings of $1 billion. Indeed, we are legally prohibited from reducing the appropriations for the programs to which the Amendment applies (the programs cited in the Inspector General's Report)—Medicaid, Medicare, AFDC, Social Security, SSI, Social Services, Student Assistance and ESEA, Title I—since grantees or individual beneficiaries are entitled by statute to Federal funds under these programs. Failure to make such payments would give rise to enforceable claims against the Government." See 124 Cong. Rec. pages 36354, 36355 (October 12, 1978).

Subsequently, in two plans submitted to your Subcommittee, on November 20, 1978, and March 5, 1979, to show how HEW was going to comply with section 201, the Secretary of HEW suggested first that the $1 billion was only a "target" or "goal" and, second, that the bulk of the $1 billion had already been "saved" when HEW prepared its budget request for the 1979 fiscal year.

Finally, we have now been furnished with a copy of a memorandum from HEW's General Counsel to the Secretary which sets forth in greater detail the legal basis for HEW's position:

"The Michel amendment's first proviso explicitly limits the amendment's effect to sums appropriated by the Department's fiscal year 1979 Appropriation Act that the Department would otherwise expend because of fraud, abuse, and waste. The amendment's second proviso requires the Department to construe the amendment so as not to reduce the financial assistance to which grantees would be entitled under the Act had the amendment not been enacted. Taken together, the two provisos exempt from the amendment's first clause—which is cast as a $1 billion appropriations reduction—all of the amounts appropriated by the Act to carry out the provisions of the statutes that the Department administers.

"Inasmuch as the Secretary may knowingly expend appropriated funds only to carry out these provisions—in other words, the laws that the Department administers do not, generally speaking, permit expenditures or appropriate amounts for "fraud, abuse and waste"—the Michel amendment does not have the effect of curtailing the Act's appropriations. Rather, it is an instruction to the Secretary to eliminate one billion dollars from moneys that, because of fraud, abuse, and waste, would otherwise be expended contrary to law from funds appropriated for the cited programs.

"However, the Secretary was legally bound, prior to the Michel amendment, to prevent Department expenditures for unlawful purposes. Therefore, the Michel amendment merely restates a part of the Secretary's preexisting legal obligation."

Relying primarily on the views expressed by the General Counsel, HEW's position, in essence, appears to be that section 201 of the Act, considered in its entirety, is of no legal effect since the first and second provisos nullify whatever meaning the initial clause might otherwise have had. In other words, HEW interprets section 201 as directing it to do no more than achieve $1 billion in "savings" by eliminating that amount of fraud, abuse, and waste (some of which it maintains has already been achieved), without actually reducing the amount of money available to it for obligation and expenditure.

We disagree with this interpretation. First, HEW's view is contradicted by the statutory language which is that the total amount of budget authority provided to HEW under the Act "is hereby reduced" by $1 billion. Moreover, HEW's interpretation would violate the general rule of statutory construction that a "statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant * * *." See Sutherland, Statutory Construction § 46.06; and B–167694, May 22, 1978. Following this rule, we would not conclude that Congress added section 201, after considerable debate and discussion, with the intent that the two provisos would cancel the meaning of the clause so that the entire section would have no impact and would merely require the Secretary of HEW to do that which he was already obligated to do.

Our reading of section 201 suggests the following interpretation. The initial clause in the section by its terms reduces the total amount of budget authority provided HEW in the Act by $1 billion. The provisos contained in section 201, rather than nullifying the entire provision, limit the discretion of the Secretary of HEW as to the manner in which the $1 billion reduction is to be achieved.

The first proviso requires HEW to realize the $1 billion reduction by eliminating that amount of waste, fraud, and abuse as defined in the Inspector General's Report. (The specific programs identified in the Report are discussed below.) In a similar vein, the second proviso insures that none of the $1 billion reduction would be achieved by revising any statutory "entitlement" programs for which funds were appropriated in the Act. Contrary to HEW's interpretation, however, neither of the provisos is inconsistent with the initial clause reducing the amount of HEW's appropriation by $1 billion. In our view, section 201, considered in its entirety reflects the apparent view of Congress that, of the total appropriation to HEW of $54 billion, at least $1 billion would be misspent through waste, fraud, or abuse, and therefore that reducing waste, fraud, and abuse by that amount would not adversely affect any statutory entitlement programs or cause any recipient legally entitled to receive assistance from HEW to be denied such assistance. Moreover, consideration of the legislative history of this provision lends strong support to our interpretation.

You first introduced the language that was ultimately adopted in section 201 as an amendment to the HEW Appropriations Bill:

"Mr. Chairman, as most of you know, the Inspector General in the Department of Health, Education, and Welfare recently issued a report estimating that from $6.3 to $7.4 billion in HEW funds is being lost per year due to waste, fraud, and abuse.

"The amendment I am offering would reduce the HEW portion of the bill by $1 billion, solely for the purpose of eliminating some of this waste, fraud, and abuse.

"I emphasize the word 'solely', because the amendment specifically states that the reduction is to come only from reduced waste, fraud, and abuse, and that it is not to come out of regular program funds appropriated in this bill or any other bill.

"Furthermore, the amendment limits the reduction to those areas of waste, fraud, and abuse cited in the Inspector General's report. Let me enumerate those areas for you, along with the amount of losses found by the Inspector General:

[In billions]	
Medicaid	$2.3–2.6
Medicare	2.2
[In millions]	
AFDC	$669
Social security	160–867
SSI	334
Social services	88
Student assistance	356
ESEA title I	97
Indirect costs	102

"While the amendment limits the application of the reduction to these items as a group, it does not specify how the reduction is to be applied among the items. It allows the Secretary to determine how it is to be allocated, except, of course, that it must be limited to savings resulting from reduced waste, fraud, and abuse. In some areas, greater savings may be possible than in others, and it would thus be impractical to assign arbitrary dollar reductions to each area.

"I should also point out that the amendment only covers those losses coming from appropriated funds. It does not apply to social security and that portion of medicare funded out of trust funds. We are thus talking about $5.6 to $6.0 billion of applicable losses, and the $1 billion in the amendment therefore represents a reduction of less than 20 percent." 124 Cong. Rec. page 16784 (June 8, 1978).

The remarks of the sponsor of an amendment, are entitled to special significance in determining its intent. The above comments are illuminating in several respects. First, the basic intent to reduce the amount of appropriated funds made available to HEW by the sum of $1 billion, by achieving savings in the areas of waste, fraud and abuse, is clearly stated. Moreover, those programs, mentioned in the Inspector General's Report, in which the $1 billion in savings is to be realized are specifically identified. The intended purpose of the first proviso is indicated—to limit the Secretary's discretion in achieving the $1 billion reduction, by requiring him to effect those savings solely by reducing fraud, waste, and abuse in certain specified programs. At the same time, the Secretary is left some discretion in determining how to "allocate" the required reductions within the identified program areas. The intended meaning of the second proviso is also suggested—to protect "regular program funds" or entitlement programs from being subject to any reductions.

After the amendment was introduced, a lengthy debate followed. Statements were made during the course of this debate (as well as during subsequent debates on the proposed amendment), generally by opponents of the legislation, which suggest an interpretation contrary to our own. See, for example, comments by Representative Obey at 124 Cong. Rec. page 16787 (June 8, 1978). However, considered as a whole, the congressional debates overwhelmingly support our conclusion. For example, when you were asked whether the $1 billion reduction was just a "paper cut", you responded as follows:

"* * * It is a real reduction and represents a directive to HEW that such savings do in fact take place. We cannot just talk about them. We ought to insist on them. If this body does not have that leverage to really bear down on their bureaucracy, then we have lost all control, and I submit that this is the time for us to show that we mean business." 124 Cong. Rec. H5175 (daily ed. June 8, 1978).

Also, comments by Representative Flood, an opponent of the amendment, indicated awareness of HEW's contention that the bulk of the $1 billion reduction had already been taken into consideration in HEW's budget request. Nevertheless, it was recognized that the effect of this amendment would be to impose an additional $1 billion reduction. 124 Cong. Rec. H5173, 74 (daily ed. June 8, 1978).

Subsequently, during its consideration of the Appropriations Bill, the Senate increased the amount of the required reduction from $1 billion to $2 billion. See 124 Cong. Rec. pages 31373, 31374 (September 25, 1978). The Conference Committee accepted the lesser amount and added the following explanation:

"Reduces the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare by $1,000,000,000 as proposed by the House, instead of $2,000,000,000 as proposed by the Senate.

"The conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General in his report of March 31, 1978, as containing waste, fraud, and abuse. In other words, the Secretary of Health, Education, and Welfare shall not spent [sic] more than the total allocated individually for these programs in this Act minus $1,000,000,000. The Secretary shall submit to the Congress 30 days following enactment of this Act a plan showing the breakdown of this reduction among the individual programs, based on projected waste, fraud, and abuse savings in each program, and shall report to the Congress periodically on progress in achieving the goals identified in the plan." (Emphasis added.) H.R. Rep. No. 95–1746, 95th Cong., 2d Sess. 24 (1978).

In our view, it would be difficult to formulate a clearer expression of Congressional intent than that set forth in the Conference Report. This was apparently recognized by the Secretary of HEW, as he indicated in his letter, dated October 6, 1978, to your Subcommittee, concerning what was then the proposed language of the Conference Report. In that letter, after first quoting the language that was ultimately adopted by the Conference Committee, the Secretary said the following:

"This report language appears to be based on a misunderstanding of the Department's fraud, abuse and waste reduction plan. The draft report assumes that appropriations agreed to by the conferees would be cut by $1 billion by our waste reduction plan. This is not the case.

"To a large extent, HEW's 1979 budget request and the line items in the Act which the conferees have approved, already reflect the savings in our plan to reduce fraud, abuse, and waste by $1 billion in 1979. In addition, our waste reduction plan includes significant savings in Medicare, a program for which no appropriation action is required. Finally, our waste reduction plan includes actions that reduce funds for grantees who are misusing the money and shift it to grantees who will use it properly, actions which will not regret [sic] but ensure that whatever is appropriated is properly spent.

"The report language, as now drafted, would place an improper burden on the Department. In effect, it would require us to achieve savings already included in our budget request. Further, since the language specifies 'programs in this Act,' Section 201 would require us to achieve all the savings in appropriated line items, while the Inspector General's report and our waste reduction plan focus on both appropriated and trust fund financed programs."

The Secretary then went on to suggest that the second sentence of the proposed Conference explanation be deleted. This suggestion was not implemented, and the language was adopted. Even if the Secretary's suggestion had been followed, the legal effect of section 201 would not have been changed. However, from HEW's standpoint, its present position does not seem to be consistent with the statements made in the quoted letter as to the "burden" the proposed language would have on the Department.

In addition to the explanation contained in the Conference Report, the comments you made when the Conference Report was introduced in the House are of further value:

"Mr. Speaker, I find myself in the rather unusual position of having signed a Labor-

HEW conference report, and I did so because we are bringing a bill back well under the Carter budget and because we included in the report some strong language clarifying the intent of the $1 billion amendment relating to waste, fraud, and abuse.

"The conference went along with the $1 billion figure approved by the House for my amendment, rather than the Senate figure of $2 billion, because of a feeling that it is probably unrealistic to expect savings of as much as $2 billion in a single year's time.

"Most importantly, however, we included language in the conference report making clear that the $1 billion reduction is in fact a real cut which the Secretary of HEW must adhere to. Secretary Califano had been claiming that my amendment represented merely an 'exhortation' to reduce waste. fraud, and abuse, and that it did not legally require reductions in the programs cited by the Inspector General.

"The conference report seeks to correct that 'misunderstanding' on the Secretary's part by stating in unequivocal terms that he 'shall not spend more than the total allocated individually for these programs in this act minus $1,000,000,000.'" 124 CONGRESSIONAL RECORD, page 36369 (October 12, 1978).

Finally, further support for our position is provided by the table of the Conference agreement on the Appropriations Bill, as published in its entirety in the CONGRESSIONAL RECORD. The summary of HEW appropriations shows that the total amount of "Federal Funds" agreed to by the Conference Committee was $53,085,830,000. A footnote says that this reflects the $1 billion reduction as a result of section 201. 124 CONGRESSIONAL RECORD, page 36368 and, page 36110–36111 (October 12, 1978). Also see the Conference Report which sets the total amount of new budget authority recommended by the Conference Committee at $56,054,029,000 (which includes $2,968,199,000 appropriated for the Labor Department and other agencies included in the Bill). H.R. Rep. No. 95–1746, 95th Cong., 2d Sess. 26 (1978).

In accordance with the foregoing, we believe that section 201 does reduce the amount of appropriated funds available to HEW for the 1979 fiscal year by $1 billion. The Secretary of HEW must realize this reduction by reducing the amount of fraud, abuse, and waste in those programs specified in the Inspector General's Report (and identified herein) for which funds were appropriated by the 1979 Appropriations Act. Although the Secretary does have discretion in allocating the $1 billion reduction among the specified programs, he must, in fact reduce expenditures in those programs by $1 billion below the aggregate of all of the line item sums appropriated therefor.

HEW has suggested that it will not be able to achieve the required reduction solely through elimination of fraud, abuse, and waste. (See the Secretary's letters of October 6 and 11, 1978, quoted above.) We recognize that HEW may have some genuine difficulties in this regard. For example, the Inspector General's Report, identifying some $6–7 billion in fraud, abuse, and waste, includes both appropriated and trust fund-financed programs whereas section 201 requires all of the $1 billion reduction to be realized from budget authority provided in the 1979 Appropriations Act. Also, we understand that some of the estimates of fraud, abuse, and waste contained in the Inspector General's Report have since been revised downward.

In any event, since it is clear that the required reduction must be achieved by reducing fraud, abuse and waste in the specified programs, we would agree that if it is impossible, as a practical matter, to identify and eliminate $1 billion attributable to fraud, abuse, or waste, HEW would be unable to comply with the legislative mandate of the section. In that case, HEW would presumably be in violation of either the initial clause of section 201 or the provisos therein. Entering into or satisfying obligations in excess of the $53.1 billion total of budget authority provided in the Act would be a violation of the initial clause, while reducing obligations below the line item amounts appropriated for the specified programs for any reason other than the elimination of fraud, abuse, or waste would be a violation of the provisos.

In this connection, the Conference Report directs the Secretary to report his progress in achieving the $1 billion reduction to the Congress. Similarly, any lack of progress or inability in achieving the required reduction as specified should also be reported to Congress, so that any further congressional action deemed necessary can be taken.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., June 15, 1979.

MEMORANDUM FOR JOSEPH A. CALIFANO, JR.

Re the Michel Amendment to the Department of Health, Education and Welfare Appropriation Act of 1979.

This responds to your letter of May 1, 1979 to the Attorney General concerning the Michel Amendment, section 201 of the Departments of Labor and Health, Education and Welfare Appropriations Act of 1979, Pub. L. No. 95–480, 92 Stat. 1567, 1584 (1978). That section provides:

> Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education and Welfare is hereby reduced in the amount of $1,000,000,000: *Provided,* That this reduction shall be achieved by the reduction of fraud, abuse, and waste, as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education and Welfare: *Provided further,* That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

The central question is whether the Michel Amendment constitutes a flat reduction in the total appropriation for HEW for FY 1979 or whether the Amendment instead states a goal for the elimination of waste, fraud and abuse in programs administered by the Department without reducing appropriations made available for such programs elsewhere in the Act. Your General Counsel, in a memorandum submitted with your opinion request, has recommended the latter position, stating that the Michel Amendment "merely restates a part of the Secretary's preexisting legal obligation" to prevent HEW expenditures for unlawful purposes and that it "does not reduce appropriations for authorized program purposes." We also have before us the May 7, 1979 opinion of the Comptroller General, written at the request of Congressmen William H. Natcher and Robert H. Michel. The Comptroller General opined that the Michel Amendment works a $1 billion reduction in the amount of appropriated funds available to HEW for FY 1979. The Comptroller General recognized, however, that the Department might not be able to achieve the $1 billion reduction in expenditures through elimination of waste, fraud and abuse, thus placing the Secretary in a position of either spending more funds than were appropriated or cutting in programs for reasons other than waste reduction. In such a situation, the Comptroller General suggests that you report to Congress "so that any further congressional action deemed necessary can be taken."

After a careful review of the language of the statute and its legislative history, we conclude that the Michel Amendment reduced 1979 appropriations for the Department of Health, Education and Welfare by $1 billion. The Amendment, however, does not disturb existing entitlements and obligations.

THE BACKGROUND OF THE MICHEL AMENDMENT

As you are aware, the Michel Amendment was a response to a March 31, 1978 report of the Inspector General of HEW which concluded that the incidence of fraud, abuse and waste in selected HEW programs was, at a minimum, between $6.3 and $7.4 billion.[1] The Inspector General inventoried estimates of waste, fraud and abuse in six key HEW program areas: health care (Medicaid and Medicare), Aid to Families with Dependent Children (AFDC), income security and supplemental security income (SSI), social services provided under Title XX of the Social Security Act, student financial aid, and Title I of the Elementary and Secondary Education Act (ESEA).[2] The waste, fraud and abuse identified included a wide variety of mismanagement and misconduct, such as payments to ineligible persons and overpayments to *bona fide* recipients in AFDC, SSI and Medicaid; Medicaid mill fraud; and defaulted student loans. We understand that the HEW budget submitted to Congress took into account substantial anticipated savings in waste, fraud and abuse in these programs.

THE LANGUAGE OF THE AMENDMENT

The statutory language does not parse easily. The first clause purports to reduce total budgetary authority for HEW as provided in the Appropriations Act by $1 billion. That is, the amount available to HEW for obligation in fiscal year 1979 equals the sum of the line items in the Act minus $1 billion. This flat reduction, however, is modified by the first proviso which states that "this reduction shall be achieved by the reduction of fraud, abuse and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General." This proviso appears to identify the source from which reductions in expenditures are to come (the areas noted above). It does not, however, prescribe what is to occur in the event that the Secretary cannot identify and eliminate $1 billion in waste, fraud and abuse; instead, the amendment appears simply to assume that sufficient reductions can be achieved. Nor does the provision indicate what is to happen if the elimination of $1 billion or more of waste, fraud and abuse does not occasion a comparable reduction in expenditures.[3]

The second proviso ("this section shall not be construed to change any law authorizing appropriations or other budget authority in this act") is ambiguous. It appears to state that the reduction effected by the section shall not disturb any entitlements established or guaranteed by existing legislation. While it is not clear what the phrase "other budget authority" refers to, the most logical reading is that it should be coupled with the language "any law authorizing appropriations." This reading recognizes that in establishing programs, Congress may either authorize appropriations for an activity, or grant the relevant agency authority to commit funds (e.g., by way of contract). Thus, the proviso would mean that the Amendment's reduction would not affect other laws (for which appropriations have been made in the Act) which authorize HEW to make expenditures or obligate funds.[4]

The ambiguities evident in the Michel Amendment give rise to several possible interpretations. As noted above, your General

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Footnotes at end of article.

Counsel has suggested that the Amendment merely sets a goal for reduction of expenditures through elimination of waste, fraud and abuse. This interpretation relies most heavily on the second proviso's command that the Amendment not be read to change legislation authorizing appropriations or other budget authority. It is reasoned that since HEW was never authorized to obligate funds for waste, fraud and abuse, no real cut can occur in appropriations without taking away funds from legitimate programs in violation of the second proviso.

There are three defects in this interpretation. First, it effectively renders the Michel Amendment a nullity. As the General Counsel's opinion itself concedes, under its construction "the Michel Amendment merely restates a part of the Secretary's preexisting legal obligation." One source of that preexisting obligation is the Anti-Deficiency Act, 31 U.S.C. § 665. When the modern version of that Act was passed in 1951, the House Committee on Appropriations stated that "it is [the] responsibility [of every federal official] to so control and administer the activities under his jurisdiction to expend as little as possible out of funds appropriated." The Committee identified the purpose of the revision of the Act to be "to require careful apportionment of all types of funds expended by Federal agencies and efficient administration of the Government's business." H. Rep. 1796, 81st Cong., 2d Sess. 9 (1950). We are not inclined to adopt a construction of a statute which renders it redundant with existing law. Such a construction runs counter to the well-established "presumption against interpreting a statute in a way which renders it ineffective."[5]

Second, the interpretation misinterprets the second proviso, making a false leap from the existence of entitlements to the necessity for appropriations. The opinion appears to assert that the second proviso requires HEW to fund all entitlements up to the line item amounts in the appropriation act. As we read the second proviso, it provides that any reduction in appropriations shall not affect any entitlement or obligation established under other statutes. This is not necessarily a contradiction of the first clause which purports to reduce appropriations; legally enforceable entitlements and obligations may exist absent appropriations. *See United States* v. *Langston,* 118 U.S. 389 (1886); *New York Airways, Inc.* v. *United States,* 369 F.2d 743 (Ct. Cl 1966); *Lovett* v. *United States,* 66 F. Supp. 142, 143 (Ct. Cl.), *aff'd on other* grounds, 328 U.S. 303 (1946) ("In a long line of cases it has been held that lapse of appropriation, failure of appropriation, exhaustion of appropriation, do not of themselves preclude recovery for compensation otherwise due."); 41 Op. A.G. 424 (1959). Finally, the interpretation adopted by the General Counsel was presented to Congress and expressly rejected by the Conference Committee. H. Rep. No. 1746, 95th Cong., 2d Sess. 24 (1978). *See* 124 Cong. Rec. page 36369 (Oct. 12, 1978) (remarks of Rep. Michel noting Conference's rejection of HEW interpretation of his Amendment).

The Comptroller General's opinion reads the Amendment as having greater significance. It concludes that the language of the first clause works a flat reduction in HEW appropriations and that such a reduction must be achieved by eliminating waste, fraud and abuse. That is, HEW's authority to expend funds stops when the Department reaches the total of all the line items minus $1 billion. Furthermore, the opinion takes the position that the first and second provisos prohibit the Secretary from reducing funding of any *bona fide* programs. The difficulty with this construction is that it provides no answer in the event that the Secretary cannot reduce expenditures by $1 billion solely through elimination of waste, fraud and abuse. As the Comptroller General's opinion itself recognizes:

"In that case, HEW would presumably be in violation of either the initial clause of section 201 or the provisos therein. Entering into or satisfying obligations in excess of the $53.1 billion total of budget authority provided in the Act would be a violation of the initial clause, while reducing obligations below the line item amounts appropriated for the specified programs for any reason other than the elimination of fraud, abuse, or waste would be in violation of the provisos."

The Comptroller General offers no legal solution to the problem; he simply suggests that the Secretary go back to Congress to solve the dilemma.

We understand that you believe that it is highly unlikely—if not impossible—to absorb a $1 billion reduction in appropriations solely through the elimination of waste, fraud and abuse in the areas identified by the Inspector General. According to information supplied by your Department, this is so for several reasons: (1) some of the waste, fraud and abuse identified in FY 1979 relate to program dollars spent or obligated in earlier fiscal years; thus recovery of these funds do not necessarily reduce FY 1979 expenditures; (2) some savings in FY 1979 programs do not generate a comparable reduction in expenditures, see note 3 *supra*; (3) an unanticipated increase in the number of entitlees will increase expenditures in the designated programs; and (4) HEW's 1979 budget request already reflected at least half a billion dollars in savings through projected elimination of waste, fraud and abuse in FY 1979. If these facts are correct, to accept the Comptroller General's opinion would be to conclude that Congress intended to give instructions that could not possibly be achieved. This result is contrary to the basic tenet of statutory construction that the acts of Congress should not be construed to lead to absurd consequences. *See, e.g., United States* v. *American Trucking Ass'n,* 310 U.S. 534, 543 (1940); *United States* v. *Ryan,* 284 U.S. 167, 175 (1931) ("[A] literal application of a statute which would lead to absurd consequences is to be avoided whenever a reasonable application can be given which is consistent with the legislative purpose.") Accordingly, based on HEW's assurance that compliance with the Comptroller General's interpretation of the Michel Amendment is practically impossible, we are reluctant to endorse that interpretation.

In order to choose between these unsatisfactory constructions of the Michel Amendment—or to develop a reasonable alternative—it is necessary to examine the legislative intent as manifested in the legislative history. Our examination of the legislative history convinces us that Congress did indeed intend to reduce appropriations by $1 billion.

LEGISLATIVE HISTORY

Congressman Michel introduced the Amendment on the floor of the House on June 8, 1978. He explained that the Amendment's purpose was "solely" to eliminate waste, fraud and abuse and that the reduction in appropriation "is not to come out of regular program funds appropriated in this bill or any other bill," 124 Cong. Rec., page 16784 (June 8, 1978). He noted that the Amendment preserved the Secretary's freedom to apply the reduction as he chose among the areas identified in the Inspector General's report but stressed that the reduction "must be limited to savings resulting from reduced waste, fraud, and abuse." *Id.*

Representative Obey opposed the Amendment on the ground that it was a "phony cut," stating that "[t]he Comptroller says this amendment has no effect." He asserted that:

[n]o dollars are going to come out [of the bill] because I have looked all through this bill, but for the life of me, I do not find a line item labeled "fraud and abuse."

". . . [The Amendment] will not . . . cut a dime out of this bill. You will have simply cut an estimate. But program entitlements remain the same and so will Government expenditures.

"The estimates we have in this bill for these programs are estimates we get out of the Congressional Budget Office. . . . Cutting the estimate does not cut the entitlement. The money is still going to go out."

Id. at page 16787. Congressman Flood also also opposed the Amendment. He stated that it was "purely an arbitrary judgment" which ignored the Committee's careful consideration of necessary appropriations as well as the substantial savings already provided for in the appropriation bill. He noted that "[t]he bill includes funds that are based on current estimates of requirements. HEW is required to meet these costs. You can cut this bill now, but there will be a supplemental appropriation to restore the cuts." *Id.* at page 16786.

Prior to Senate consideration of the Amendment, as you will recall, you wrote a letter dated September 11, 1978, to Senator Muskie, Chairman of the Budget Committee, asserting that the Michel Amendment "is without legal effect because, both literally and in intent, it does not apply to amounts required by statute to be expended for proper program purposes. . . . In essence, we understand the amendment to be an exhortation to the Department to improve the effectiveness of its administration of the referenced programs. . . ."

In the Senate, Senator Byrd sponsored an amendment which raised the Michel Amendment reduction to $2 billion. 124 Cong. Rec., page 31373 (Sept. 25, 1978). Senator Magnuson, Chairman of the Appropriations Committee, asserted that "the amendment takes nothing, no money from the bill, but is a figure which establishes a goal which I think is well within reason," *id.* page 31374; he stated his willingness to accept it. The Amendment passed without further discussion.

In the Conference Committee the Senate conferees receded on the Byrd Amendment and accepted the $1 billion reduction of the Michel Amendment. The Conference Report explained the result and added strong language purporting to clarify Congress' intent as follows:

"Amendment No. 102: Reduces the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare by $1,000,000,000 as proposed by the House, instead of $2,000,000,000 as proposed by the Senate.

"The conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General in his report of March 31, 1978, as containing waste, fraud, and abuse. In other words, the Secretary of Health, Education, and Welfare shall not spend more than the total allocated individually for these programs in this Act minus $1,000,000,000. The Secretary shall submit to Congress 30 days following enactment of this Act a plan showing the breakdown of this reduction among the individual programs, based on projected waste, fraud, and abuse savings in each program, and shall report to the Congress periodically on progress in achieving the goals identified in the plan."

H. Rep. 1746, 95th Cong., 2d Sess. 24 (1978).

You received a draft of the Conference Report and wrote a letter to Chairman Flood dated October 6, 1978, commenting on the proposed language quoted above. You recommended that the Conference Report not include the sentence: "In other words, the Secretary . . . shall not spend more than the total allocated individually for [the programs identified by the Inspector General]

Footnotes at end of article.

minus $1,000,000,000." You asserted that the report's assumption that HEW's waste reduction program would cut appropriations by $1 billion was not correct for the following reasons:

"To a large extent, HEW's 1979 budget request and the line items in the Act which the conferees have approved, already reflect the savings in our plan to reduce fraud, abuse, and waste by $1 billion in 1979. In addition, our waste reduction plan includes significant savings in Medicare, a program for which no appropriation action is required. Finally, our waste reduction plan includes actions that reduce funds for grantees who are misusing the money and shift it to grantees who will use it properly, actions which will not reget but ensure that whatever is appropriated is properly spent."

The Conference, however, retained the draft language in its final report.

Representative Michel, during the House debate on the Conference Report, indicated that the language in the report was added in response to your characterization of the Amendment as mere "exhortation."

[W]e included language in the conference report making clear that the $1 billion reduction is in fact a real cut which the Secretary of HEW must adhere to. . . .

The conference report seeks to correct [the] "misunderstanding" on the Secretary's part by stating in unequivocal terms that he "shall not spend more than the total allocated individually for these programs in this Act minus $1,000,000,000." 124 Cong. Rec., page 36369 (Oct. 12, 1978).

Representative Early noted that he had refused to sign the Conference Report because of the Michel Amendment; he repeated Representative Obey's argument that the Amendment "amounts to an admission that the Labor/HEW Appropriations Committee has indeed appropriated $1 billion for waste, fraud, and abuse and now is attempting to rescind that appropriation." *Id.* at page 36371.

In the Senate, Senator **Bellmon** noted "two potential budgetary problems in [the] conference report," one of which was the Michel amendment:

". . . This bill, and the budget, assume an additional $1.0 billion in savings, to result from elimination of fraud and abuse in programs administered by the Departments of Labor and HEW.

"I, for one, Mr. President, hope we can achieve these savings. We certainly must keep pressure on the administration to make every effort to achieve these savings. Bear in mind though, we have assumed the lion's share of these savings in entitlement programs. If we fall short of our expectations, Mr. President, we may find ourselves facing possible later requirements for additional appropriations, which would have to be provided, in amounts sufficient to satisfy these entitlements." 124 Cong. Rec., page 36111 (Oct. 12, 1978).

Senator Magnuson, in a colloquy with Senator Eagleton, reiterated his view that, despite the language in the Conference Report, the Michel Amendment did not affect appropriations to be paid to *bona fide* entitlees:

Mr. **Eagleton**. Mr. President, I would like to address a question, if I could, to the distinguished chairman.

I wish to inquire as to the intent of the conferees with respect to section 201 of the bill. Section 201 explicitly states that the reduction is to be achieved solely by the reduction of fraud, abuse, and waste, and that the amendment may not be construed to change any authorizing statute. The joint explanatory statement of the committee of conference states that "the conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General . . . as containing waste, fraud, and abuse."

As I understand it, Mr. President, the conferees expect to see expenditures from the individual accounts reduced by $1 billion, but this is to be accomplished only by a reduction in the fraud, abuse, and waste, and in no way authorizes the Secretary of HEW to reduce amounts that he is legally obligated to pay to grantees and beneficiaries by statute. I would appreciate the chairman's clarification on this point.

Mr. **Magnuson**. The Senator from Missouri's interpretation is correct. The conferees have set a goal for HEW in this regard. The bill does not authorize the Secretary of HEW to reduce expenditures from those accounts below the amount of the appropriation. All amounts legally owing under the covered statutes must be paid to the limit of the full appropriation. This in no way should affect the legitimate payments, entitlements, and scores of things we have in HEW 124 Cong. Rec., page 36119 (Oct. 12, 1978).

Our review of this legislative history satisfies us that Congress did indeed intend the Michel Amendment to constitute a real cut in appropriations. The statements of its sponsor and the language of the Conference Report—written to counteract HEW's interpretation (which is the same interpretation again adopted in the General Counsel's opinion)—are clear in this regard. This view is further supported by the opponents of the Amendment, such as Congressman Flood and Senator Bellmon, who recognized that enactment of the Amendment might require supplemental appropriations if stautory entitlements could not be met with the reduced funding. We recognize the statements of Senator Magnuson agreed with the HEW position that the Michel Amendment would not affect payments to entitlees and grantees, but we do not find them persuasive.[6] They are contradicted by the wording of the Amendment as well as the Conference Report. Cases establish that the Conference Report should prevail as a measure of Congressional intent. *Zuber* v. *Allen*, 396 U.S. 168, 183–87 (1969); *United States* v. *International United Automobile, Aircraft & Agricultural Implement Workers*, 352 U.S. 567, 585 (1957).

Equally important, the legislative history makes clear that the mandated reduction in appropriations is not intended to eliminate *bona fide* entitlements and obligations established under other statutes. This follows from the congressional belief that the reduction in appropriations would not necessitate cuts in legitimate program funds because of the huge amount of waste that existed in the Department's programs. The critical question this interpretation raises is what happens in the event the Department is unable to apportion the $1 billion dollar reduction among the areas identified in the Inspector General's report without cutting into the legitimate program expenditures. According to the information supplied to us by your staff, this situation is not hypothetical; indeed, we have been told that it is virtually impossible for HEW to absorb a $1 billion reduction in appropriations without reducing exepnditures in *bona fide* programs. The opinions of your General Counsel and the Comptroller General contend that to meet the $1 billion reduction by cutting expenditures in legitimate programs would violate both provisos because the mandated reduction would not be accomplished solely through the elimination of waste, fraud and abuse. We recognize that there are statements in the legislative history which support this position. Representatives Michel himself stated in the course of the floor debates that "[o]ur amendment specifically prohibits reductions in regular programmed funds. If the Secretary did so or decided to make reductions in some of those programs, he would be violating the law." 124 Cong. Rec. p. 16785 (June 8, 1968). Similar statements were made by Senator Magnuson. *See id.* p. 36119 (Oct. 12, 1978). However, to accept these arguments is to read the Michel Amendment either as a contradiction (as in the case of the Comptroller General's opinion) or as a nullity (HEW's position).

We disagree with both these interpretations. We believe that it is necessary to read the first proviso as a statement of Congress goal and an indication of its motivation, not as a direction. To construe the Amendment in this fashion is to give the proper recognition to its genesis: Congress added the Michel Amendment based on the Inspector General's report that $6 to $7 billion in waste, fraud and abuse existed in HEW programs; it apparently believed that a $1 billion reduction in appropriations could be made without reducing funding for *bona fide* programs. By reducing and limiting appropriations, Congress sought to put the Secretary's "feet to the fire" to compel a reduction in waste, fraud and abuse. The Amendment embodies Congress deliberate choice of method to achieve its goal of eliminating unnecessary expenditures. And the statements of several legislators indicate that they were aware that the mandated reduction might necessitate supplemental appropriations to meet entitlements that would not be funded because of the Amendment's impact.

Nor do we believe that our construction sacrifices the important Congressional goal of ensuring that eligible persons receive the funds to which they are entitled under other statutes. Even if the reduction in appropriations should force cuts in legitimate programs, the beneficiaries are guaranteed their entitlements by the second proviso. Their legitimate claims may be satisfied through supplemental appropriations; or, HEW may avail itself of the provisions in the appropriations act which permit "borrowing" from the first quarter of the next fiscal year to meet entitlements in the final quarter of the present fiscal year. Finally, as the cases above demonstrate, the entitlees and guarantees may pursue their statutory rights in court. In short, the Amendment cuts appropriations; it does not cut entitlements. As stated by Representative Obey: "The money is still going to go out."

In conclusion, we believe that the Michel Amendment constituted a $1 billion reduction in appropriations which must be taken from areas identified in the Inspector General's report.

John M. Harmon,
Assistant Attorney General,
Office of Legal Counsel.

FOOTNOTES

[1] A subsequent report by the Inspector General has reduced this estimate to $5.5 to $6.5 billion. The report further notes that "[t]he amounts on which significant action can be taken under present authorities and resources are less than half of the total [approximately $2.7 billion]." Office of Inspector General, Department of Health, Education and Welfare, Annual Report, January 1, 1978—December 31, 1978 (issued March 31, 1979), App. A, p. 2.

[2] The Inspector General's report also identified two nonprogrammatic areas of waste: unduly high indirect cost rates (*i.e.*, negotiated rates of reimbursement to grantees for overhead costs incurred by grantees) and uncompleted audits.

[3] For example, under ESEA federally funded projects must supplement, not supplant, local educational activities. If it is determined that a locality has sought funds for a project that runs afoul of this requirement, the funds are not automatically returned to the federal government; they may simply be reallocated to a proper project.

[4] An alternative reading is possible, but less satisfactory. The phrase "other budget authority" could be coupled with the language "in this Act." The proviso would then

mean that the section's reduction shall not affect authorized programs nor shall it affect budget authority identified in the Act. The word "other" would therefore have to refer to budget authority in areas not identified by the Inspector General. This interpretation seems strained because it would mean that the proviso includes both an authorization and an appropriation element.

[5] *FTC* v. *Manager Retail Credit Co.*, 515 F.2d 988, 994 (D.C. Cir. 1975). *See Bird* v. *United States*, 187 U.S. 118, 124 (1902); *Jackson* v. *Kelly*, 557 F.2d 735, 740 (10th Cir. 1977) ("We should not and do not suppose that Congress intended to enact unnecessary statutes."); *Consumers Union of United States, Inc.* v. *Sawhill*, 512 F.2d 1112, 1118 (2d Cir. 1975) ("Congress will not be presumed to have done a useless, ineffective or absurd thing.")

[6] We are also aware that in the course of the floor debate, Representative Michel stated: "A dollar *goal* established by Congress will hold [the Secretary's] feet to the fire. . . ." 124 Cong. Rec. H5173 (daily ed., June 8, 1978) (emphasis supplied). However, viewing all of Michel's statements, we are convinced that he intended his Amendment to be a real cut in HEW appropriations. *See, e.g., id.* at 36369 (Oct. 12, 1978).

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The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 5 minutes in opposition to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa (Mr. SMITH)?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, a lot has been made of waste and fraud and abuse in HEW. Indeed, the Secretary of HEW, Mr. Califano, has said there have been several billion dollars in waste, fraud and approval of applicants who do not meet qualifications under programs that are administered through HEW. However, what has been overlooked is the fact that these programs are administered by State and local agencies.

AFDC was mentioned. That is a program where the Federal Government pays for it, but it is administered by the State and local governments. That is where the fraud and abuse has occurred. If Congress withdraws money at the Federal level, it would withdraw money from the States or require the States to pay back money to make up for this fraud and abuse which occurred under their administration. This amendment withdraws financial support with the mistaken assumption that there will be no mistakes made at local levels. That will only result in reducing needed funding for welfare programs.

Mr. Chairman, one cannot just talk about fraud and abuse in some Federal program and assume that can be taken care of just by cutting off the money to HEW. It goes right back down to your local level. HEW is trying to get State and local administrators to deny the ineligible applicants for these programs and to do those things that are required under the law.

Now, in addition to fraud and abuse and the ordinary meaning that those words carry, a large share of this is simply a matter of some applicant having been approved by local welfare administrators who should not have been approved for a grant. That is not exactly fraud, it was probably not intentional, there is no conspiracy involved and whenever the Federal Government determines they should not have approved them, they are requested to pay the money back. It does not just automatically come back necessarily within that fiscal year. There is an appeals process and it just is not all that easy.

I yield to the gentleman from Wisconsin.

Mr. OBEY. Let me say I agree with the gentleman. I want to point out that of the items specified in the amendment for reduction last year by the gentleman from Illinois, 87 percent of the dollars involved are not under the administration of the Federal Government at all. Medicaid, AFDC, social services, and ESCA title 1 are under State administration, not Federal, and there is very little that the Feds can do except try to squeeze States as hard as they can.

Let me also point out that the budget for this year is already based on assumptions of savings in this area of $5.8 billion. We are trying to add $500 million to that in this amendment and I do not believe it is doable for this reason: The Inspector General pointed out that fraud and abuse was the smallest portion of the amount that he was talking about. He was mostly concerned with waste which includes Congress not passing hospital cost containment legislation or Congress not passing medicare charges for the working elderly, programs like that. That is what gets thrown in and is then misdescribed as $7 billion and $8 billion in fraud and abuse. Most of it is directly attributable to inaction by the Congress on specific legislation. And I point out there is no line item in this bill for waste, fraud and abuse. Maybe next year we ought to put one in so we can play these same games again.

If you do this what will happen is exactly what happened in the amendment this year. You will wind up in the end with States having to absorb reductions in medicaid and AFDC. My own State is going to lose $18 million in Federal sharing money this year. You can go on down the line.

North Carolina is going to lose $10 million; Ohio will lose $54 million; Pennsylvania will lose $62 million; South Carolina $6.5; Texas $18.5 million. California will lose $80 million; Alaska $9.7; Alabama a $3.9 million loss; Connecticut a $12.4 million loss; Illinois will lose $76.7 million; Montana $1.7; Missouri $14.4; New Jersey $26.6 million.

I think I made my point. I urge we defeat the amendment.

Mr. SMITH of Iowa. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have a similar amendment which I will not offer. My amendment would simply implement the recommendations of the HEW Inspector General. In his most recent report issued on March 31, 1979, the HEW Inspector General states that the Secretary of HEW could and should stop $2.972 billion in waste, fraud, and abuse in the Department. This can be done under present authorities and resources.

This is not a "meat-ax" approach, like some other amendments are likened to. This amendment takes the report of the HEW Inspector General and goes, line by line, through his recommendations and through this bill. I have not included the $105 million in administrative cuts as the Appropriations Committee either saw fit to add new employees for better program oversight (which is a positive use of bureaucrats) or buried the costs so deep into the bill that it would take another budget cycle to dig them out (which I feel is contradictory to the goal of increased oversight). At this time, I would like to enter the Inspector General's recommendations into the RECORD.

Last Congress a lot of speeches were made on how great it was to have an Inspector General in HEW, and the Congress created this office in a number of other Cabinet departments. We are now into the "Oversight" Congress where additional inspections of agency activities and problems are to be made. We can keep this momentum going by proving to the taxpayers that there are rewards as a result of the renewed oversight spirit in Congress. In one vote we can implement the savings found by the HEW Inspector General and pass them on to our Nation's citizens in the form of a lower budget and a smaller deficit. This will be good news to all those who are strapped by inflation.

The new Inspector General's report is a fascinating document which I recommend to my colleagues for good background reading. The Inspector General should be complimented on his efforts to find and act on waste. In his report he lists the millions of dollars that was recovered by just prosecuting violators of HEW programs. In one case, a Regional Commissioner of Education for HEW was found guilty of over $10,000 in fraudulent travel vouchers. In another case a school administrator was found to have embezzled $53,000 in BEOG, SEOG, and NDSL funds. Finally, a hospital contractor was found guilty of overbilling medicare/medicaid facilities of $470,000. In all cases tax dollars were going to line the pockets of a corrupt few instead of to their intended recipients. I think my colleagues would all agree that this is a gross affront to taxpayers and that these violations hurt the people's confidence in their Government.

An even worse violation of the public trust is the widespread abuse of programs by HEW employees. In one survey of HEW employees in Washington, D.C., the employees were matched against the roll of the Department of Human Resources in Washington, D.C., to determine if any were receiving public assistance. A full 12 percent of those surveyed were found to be on public assistance illegally.

HEW also abuses the public trust by pure extravagance in spending. It was revealed recently that HEW spent over $100,000 on a birthday party of itself. This was six times higher than the $15,000 HEW admitted spending at the time of the affair. When taxpayers are just trying to make ends meet for their family food budget, the realization that the Government sees nothing wrong in using tax money for a penthouse "hoedown" is beyond belief.

One other major area of abuse is that of student loans. The Inspector General states that a conservative estimate puts the amount of money owed by students at $30 million. Unless we can force HEW to tighten its oversight over these existing programs we should not in good conscience advocate any additional ones, let alone any new agencies or departments to disperse these functions.

Recently another area of abuse came to light. An Ohio State University study concluded that a full 30 percent of drugs used in medicaid programs are inferior. A consumer group estimates that this means that as much as $300 million is being squandered by medicaid on drugs that are ineffective. Here HEW is not only wasting our tax dollars, but also putting people's lives in danger by giving them a false sense of security in using these drugs.

I would like to remind my colleagues that last year the HEW Inspector General reported that $5 to $7 billion was being wasted by the Department. At that time I offered an amendment to cut $3.5 billion from HEW. That amendment passed the House in the Committee of the Whole, but then, with actions similar to those we witnessed earlier this session, the leadership was able to reverse the vote before the full House. This amendment is a more modest cut that is based on firm figures and a full year of work by the Inspector General and his staff. I hope we do not see another flipflop game played out again.

Mr. Chairman, HEW can move to end over $2.9 billion in waste, fraud, and abuse with the authority and resources it already has at its disposal. The Inspector General of HEW states this clearly in his most recent report. We cannot delay in moving to implement these actions. The American taxpayers deserve every break we can give tnem. This is one of the easiest actions to take. Vote to cut the funds for the fraud and waste that can be cut immediately.

I support my colleague's amendment.

I include the following:

REVISED 1978 ESTIMATES OF LOSSES WHICH CAN BE ATTACKED UNDER PRESENT AUTHORITIES COMPARED WITH HEW SAVINGS GOALS FY 1980

Items	Inspector General's revised (1978) estimates (app. B-2)	Fiscal year 1980 savings goals (app. B-1)	Potential savings above fiscal year 1980
A. Health care financing:			
1. Medicaid payments to ineligibles; 3d party liability, erroneous payments	$694	$524	$170
2. Medicare/medicaid fraud and abuse, including unnecessary nursing home costs	620	103	517
3. Medicare cost report reviews	16	16	
4. Medicare—renal dialysis	40	40	
5. Medicare—reimbursement limitations (sec 223):			
(a) Routine hospital costs	50	50	
(b) Excessive home health provider and skilled nursing facilities costs	105	105	
(c) Purchased inhalation therapy	19	19	
6. Unnecessary hospital stays	124	103	21
7. Brand name versus generic drugs	11	11	
8. Uneconomical purchase of hearing aids and eyeglasses	3	3	
9. Medicaid quality control penalties	14	14	
10. Limitations on malpractice insurance premiums	310	310	
Total health care financing	2,006	1,298	708
B. Student financial assistance	$394	$394	
C. Income Maintenance:			
1. SSI—erroneous payments	170	135	$35
2 AFDC—erroneous payments	110	50	60
(a) Project match	12	12	
3. AFDC—financial management reviews	25	20	5
4. SSA/RSI student benefit recontact	50	25	25
5. SSI/disability ineligibles	3	2	1
Total income maintenance	370	244	126
D. ESEA title I	97	34	63
E. Administrative:			
1. Indirect cost negotiations	43	35	8
2. Unmet audit needs	30	30	
3. Interest on misspent grant funds	17		17
4. OI investigations, fines, recoveries	15	15	
Total administrative	105	80	25
Grand total	2,972	2,050	922

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The question was taken; and on a division (demanded by Mr. MICHEL), there were—ayes 39, noes 57.

RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 263, noes 152, not voting 19, as follows:

[Roll No. 296]

AYES—263

Abdnor
Albosta
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boland
Boner
Bonker
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Donnelly
Dornan
Drinan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flippo
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Paul
Petri
Preyer
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOES—152

Addabbo
Akaka
Alexander
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Bonior
Bouquard
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Danielson
Dellums
Derrick
Dicks
Dixon
Dodd
Dougherty
Downey
Early
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Garcia
Gaydos
Gilman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hawkins
Holland
Holtzman
Howard
Jeffords
Jenrette
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Lundine
McCormack
McHugh
McKinney
Matsui
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.

Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Price
Pritchard
Rangel
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
St Germain
Stack
Staggers
Steed
Stokes
Studds
Swift
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Yates
Zeferetti

NOT VOTING—19

Anderson, Ill.
Andrews, N.C.
Bolling
Conyers
Davis, S.C.
Diggs
Dingell
Duncan, Oreg.
Evans, Ga.
Flood
Forsythe
Mathis
Murphy, N.Y.
Patterson
Spellman
Stark
Stewart
Thompson
Walgren

□ 2140

Messrs. DUNCAN of Tennessee, LLOYD, SYNAR, MARKEY, YOUNG of Missouri, RAHALL, CHARLES H. WILSON of California, and HOLLENBECK changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BREAUX

Mr. BREAUX. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. BREAUX: Page 10, line 20, strike out the period and insert in lieu thereof a colon and the following: ": *Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for the inspection, investigation, or enforcement of any activity occurring on the Outer Continental Shelf which exceeds the authority granted to OSHA by any provision of the Outer Continental Shelf Lands Act, or the Outer Continental Shelf Lands Act Amendments of 1978.".

The CHAIRMAN. The Chair will inquire, was the amendment offered by the gentleman from Louisiana (Mr. BREAUX) printed in the RECORD?

Mr. BREAUX. Not in its present form, Mr. Chairman.

Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 1 minute in order to explain the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Chairman, very briefly, in the last Congress we adopted the Outer Continental Shelf Lands Act, and we made it very clear that inspection and investigation and enforcement activities in the Outer Continental Shelf will be carried out by the Coast Guard and the Department of the Interior.

This amendment prohibits any funds from being used to carry out these activities by OSHA and provides that they should be carried out by the Coast Guard. The only way OSHA would be able to continue to operate in these areas is if, indeed, the Coast Guard has not promulgated regulations to do so and if in fact the Coast Guard is not performing these duties. In that case OSHA would be permitted to operate in this area, but if not, the Coast Guard would carry out these duties.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I think the amendment clearly carries out the intention of Congress. I certainly have no objection to the amendment.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I am glad to yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in strong support of the amendment offered by my distinguished colleague, the gentleman from Louisiana (Mr. BREAUX).

Mr. Chairman, this amendment will prohibit OSHA from expending any funds on the Outer Continental Shelf. This would force OSHA to comply with the statutory language as well as the intent of the Outer Continental Shelf Lands Act of 1978 which expanded the responsibility and authority of the Coast Guard and the USGS for health and safety on the Outer Continental Shelf.

In the past, as you know, OSHA attempted to establish standards, inspect sites, and enforce rules on the Outer Continental Shelf even though the Outer Continental Shelf Lands Act of 1978 clearly specified that the Department of the Interior and the Coast Guard had authority to enforce, inspect, and hold hearings on safety and environmental regulations pursuant to the OCS Act. In effect, OSHA has no authority to repeat the efforts done by the Coast Guard and the USGS.

I commend the actions of the Coast Guard and the USGS for the thorough and timely investigations they have conducted on oil spills and accidents on OCS sites.

The amendment offered by Mr. BREAUX would eliminate the illegal and duplicative efforts of OSHA on the Outer Continental Shelf by prohibiting them from using funds for such activities. I urge my colleagues to support this measure for it is a step toward eliminating needless involvement by a Government agency. In this instance OSHA.

It is clear that the Coast Guard and USGS are carrying out their responsibilities on the Outer Continental Shelf, and I see no justification why OSHA needs to expend moneys in an area where they have no jurisdiction.

I urge you to support the Breaux amendment.

□ 2150

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, we are frequently called upon to restrict the regulations issued by an agency over matters within its jurisdiction. In this case, we are simply attempting to clarify the proposition that a matter lies entirely outside the jurisdiction of an agency.

The drilling on the Outer Continental Shelf is very definitely outside the jurisdiction of OSHA, yet it seeks to intrude into that business nonetheless. I support the amendment of the gentleman from Louisiana as being a clarification of existing law, and I urge adoption.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, we still understand that OSHA, under section 4(b)(1) of the OSH Act, still has responsibility for the hazardous working conditions for which the Coast Guard has not yet promulgated the enforcible standards.

Mr. BREAUX. I agree with the gentleman.

I also point out the clarifying language—I would like to make a point of this—is contained in the Outer Continental Shelf Lands Act report 95-974.

Mr. MILLER of California. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. BREAUX).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

For expenses of the Community Services Administration, $546,000,000, of which $40,500,000 for the purpose of carrying out Title VII, Part A, of the Economic Opportunity Act of 1964 shall be available until September 30, 1981.

The Clerk read as follows:

Amendment offered by Mr. DODD: Page 46, line 12, strike out "$546,000,000" and insert in lieu thereof "$726,000,000".

The CHAIRMAN. Was the gentleman's amendment printed in the RECORD?

Mr. DODD. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

Mr. DODD. Mr. Chairman, I offer this amendment on behalf of myself and the gentleman from Minnesota (Mr. NOLAN). I regret that, after weeks of work on this particular amendment, I am only going to have 5 minutes to explain it to my colleagues.

What this amendment does is to bring funding up to the level of the previous 2 years for a program to provide emergency fuel assistance for the elderly, poor, and handicapped of this country.

There is not one penny more than we have provided in previous years for this important level of human assistance.

Mr. Chairman, I would hope it would not be necessary to point out to my colleagues on the Committee this evening the drastic levels we have seen energy cost rising in the past 6 or 7 years in this country. In the area of home heating oil alone, we have seen prices go up 175 percent. I am told today that in Rotterdam home heating oil is being bought at over $1 a gallon. There is no doubt in anyone's mind what will be in store next winter. What I am proposing is a program for some protection for those people in this country who are least capable of taking care of themselves.

There are people in this land of ours who are going to be confronted next year with the choice of choosing between food and fuel, and that is the worst kind of choice we can place people in in this land. This is not a program for the Northeast, the States of Connecticut, New York, New Jersey. There are 50 States in this land of ours who benefit as a result of this program. In fact, the Northeast ranks fourth in the 10 regions in this land. There are three other regions of the country which receive more financial assistance under this program than the area of New England.

I do not care how you feel about decontrol. We are not debating that issue here today. I could not care less whether or not what you think OPEC is doing is right or wrong. The issue of refineries is really not important, whether or not they are refining enough. The issue is not whether or not we should be refining gasoline or home heating oil. The issue is whether or not we are going to provide the level of assistance that we need to provide come next January, February, and March for people who need it the most.

I have been told by some of my colleagues the windfall profits tax will take care of this program. I would point out to my colleagues that if we pass the windfall profits tax, that tax becomes effective on January 1, 1980, and the tax will not be collected until April 1980. So next winter is not going to be benefited by the windfall profits tax.

I am sure the chairman of the committee will remind the Members that this particular level of funding will bust the budget. I would point out that the first budget resolution was a target resolution. We did not know when we passed the budget resolution what was going to happen with energy in this country. But we have seen, over the last several weeks, from California to Maine, what has been going on.

I would point out further that under function 600 there is adequate funding for this kind of a program.

There are others who will point out that the Community Services Administration is not well run. I would point out that my colleague, the gentleman from Maine (Mr. Emery), will offer an amendment to this amendment which will require that, before any funds can be spent in this area, a GAO assessment of the Community Services Administration be made, to try to tighten up that program, to see to it that the people who deserve these funds will get them.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I rise in support of the amendment.

In my State, Rhode Island, almost all the homes are heated by oil. The combination of aging housing stocks, cold winters, and an elderly population living on fixed incomes makes Rhode Island especially susceptible to increases in the price of heating oil. We are being told that we can expect to pay 90 cents per gallon for heating oil this year in comparison to 45 cents per gallon last year. For elderly people on fixed incomes who have virtually no discretionary income, such an increase is intolerable.

In Rhode Island it is not uncommon for households to have heating oil budget plans, paying a monthly rate to spread their heating oil payments over an entire year, rather than bearing costs all in the winter months. Already I have received calls and letters from constituents whose monthly payments have nearly doubled, for example from $45 per month to $87 per month. This additional money is not coming from funds previously spent for luxuries, but from funds required for the necessities of life.

It has been indicated that the special crisis intervention program is to be used only for true emergency situations, not to meet the ongoing needs of the poor. I contend that this year even a fund of $200 million will be insufficient to meet the emergencies we can expect. To limit the fund to $20 million, actually cutting the program by 90 percent when heating oil costs have doubled, would be unconscionable. Therefore, I urge the favorable consideration of this amendment to increase the funding level to $200 million, so that this program which has provided assistance to households across the Nation can continue to function.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to thank the gentleman for offering this amendment. It has been extremely helpful legislation. It is helpful for the elderly and the handicapped. We are going to be confronted with another heating and oil crisis this year, and I urge my colleagues to support the amendment.

Mr. Chairman, I rise in strong support of the amendment to H.R. 4389, the Labor-HEW appropriations bill for fiscal year 1980 offered by the gentleman from Connecticut (Mr. Dodd), to provide additional funds ($180 million) for a crisis program to help low-income families pay their energy bills.

Mr. Chairman, with the coming of winter and ever-higher heating fuel prices, the need for the Crisis Intervention Program could not be more convincing. This program is designed to help those in our society who need help the most—the elderly, the handicapped, and those with low incomes who are faced with the suspension of their heating services.

Every year, Mr. Chairman, we read of elderly Americans who freeze to death in their own homes because they cannot pay their fuel bills. It is a shame that we would even consider withholding these funds—regardless of allegations which have been made—and which may very well be true—concerning the administration of this program. We must recognize that we are talking about matters of life and death. With heating oil prices reaching all-time record levels, there are sure to be individuals on whom this will simply be too great a burden and who will lose their homes, their entire savings, or even their lives. While waiting for this program's administration to be patched up, or for some other plan to save the elderly and handicapped from the absurd price levels of home heating oil, we cannot simply ignore their problems by refusing to fund the Crisis Intervention Program at a realistic level.

This program has functioned in an exemplary manner in my congressional district. Accordingly I urge the adoption of this amendment.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Connecticut.

Mr. RATCHFORD. I thank the gentleman for yielding.

Mr. Chairman, last winter, at the beginning of the winter, fuel was 46 cents a gallon. At the end of the winter, it was 70 cents a gallon. At the beginning of this winter it will be 90 cents a gallon. We need to help those who cannot help themselves. Here is a chance to help those who cannot help themselves.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Massachusetts.

Mr. SHANNON. I thank the gentleman for yielding.

Mr. Chairman, I would like to remind my colleagues what we are talking about here is literally a matter of life and death for old people in this country and those people who are living on fixed incomes. This amendment is crucial.

● Mr. BIAGGI. Mr. Chairman, I rise in support of the amendment of the gentleman from Connecticut (Mr. Dodd), to restore $180 million in funds for the Emergency Fund Assistance Act. Let us be realistic, the ominous predictions are already realized. The empty gas tanks this summer are likely to be replaced by the empty home heating oil tanks this winter. For those fortunate enough to get oil they may be unable to afford it. The specter of poor and elderly Americans freezing is one which we should and could avert partially by passing this amendment. This program is not without its flaws. Some have been identified in a recent GAO report. Yet these are resolvable through more rigorous oversight and some administrative improvement.

They are in and of themselves an insufficient basis to gut this program. The committee recommendation of $20 million is as good as gutting the program. There are too many Americans defenseless against high energy costs.

This program aids those most in need.

I urge support of the amendment and assure my colleagues that, if we fail to act today, it will be a long, cold, and possibly deadly winter for many poor and elderly Americans.●

● Mr. JEFFORDS. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from Connecticut.

If you will stop to consider the size of the mandate contained in Public Law 94-142, The Education for All Handicapped Children Act of 1975, you will realize that Mr. Dodd's amendment asks for very little. Public Law 94-142 guarantees that all handicapped individuals will receive a free, appropriate, individualized education. States must come up with a plan and with 88 percent of the funds necessary to comply with this Federal mandate.

As ranking minority member in the 95th Congress of the Select Education Subcommittee which created this legislation, my position has been that the Federal Government should pick up the whole tab for the "excess costs" involved in educating handicapped individuals. In other words, I believe that we should put our money where our mouth is.

Mr. Dodd's amendment represents a small step in that direction. He seeks to raise the percentage of Federal assistance to the States from its present level of 12 percent up to 14 percent. The law provided that the Federal contribution rise gradually to 30 percent by fiscal year 1980. The first budget resolution called for a 15 percent Federal contribution, just half of the authorized level.

If we do not agree to raise the Federal funding level to the very small percentage represented in the Dodd amendment, we will be sending an unfortunate message back to the States. In failing to live up to our fiscal commitments, we will have resolved ourselves to accepting spotty, inconsistent implementation.●

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Connecticut (Mr. Dodd).

Mr. Chairman, I would like to call to the attention of the Members that about 5 weeks ago we had the budget resolution, House Concurrent Resolution 107, on the floor of the House. At that time the distinguished gentleman from Connecticut (Mr. Dodd) offered this same amendment. On a rollcall vote at that time the amendment was defeated 179 to 222, on a rollcall vote on the budget resolution.

This amount is not provided for in the budget resolution for fiscal year 1980.

As the Members will recall, 2 years ago, following a bitter cold winter, we appropriated $200 million. The program was not operated properly. They did not spend all of the money. The second year the same amount was appropriated. It was not all spent. We had the program investigated by our investigative staff.

This has been passed on in the budget resolution. It exceeds the budget. This amendment should be defeated.

At this time, Mr. Chairman, I yield to the distinguished gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Mr. Chairman, I take this time simply to announce that I will be offering an amendment to the Dodd amendment because I favor the principle of the Dodd amendment. I was the original author in the House of this fuel assistance program 2 years ago, along with Senator Muskie in the Senate. I believe that with what is happening to fuel prices it is essential that we do something, but we do have a problem. GAO has objected that there has been virtually no plan to make sure that whatever money is spent is spent in a sensible manner. My amendment, as an amendment to the Dodd amendment, would simply substitute for the amendment $2 million expenditure for purposes of requiring the administrator to develop a plan for the expenditure of energy assistance funds by CSA with planning, to make certain that if we institute this program again it will not have the problems that were associated with it the last time. That is the only way, in my judgment, we can get enough votes to pass this amendment, and that is the only way that we can really get dollars made available to very poor people. And, believe me, coming from Wisconsin where the winters get mighty cold, I want to see money provided for that problem.

Mr. NATCHER. Mr. Chairman, the amendment to be offered by the gentleman from Wisconsin for $2 million for planning and the necessary procedures to carry out such a program would be acceptable.

Mr. Chairman, I yield to the gentleman from Illinois (Mr. Michel).

□ 2200

Mr. MICHEL. I appreciate the chairman yielding.

This program, since its inception, has been very poorly administered by the Community Services Administration. Our Appropriations investigative staff found that to be the case; GAO found that to be the case; and even proponents of the program admit that is the case. Mr. Dodd on the House floor in May, said: "There have been problems with this program, and I think all of us here recognize this."

There are numerous examples of mismanagement of the program and let me just list several:

First. Program monitoring has been virtually nonexistent, with CSA relying on telephone inquiries rather than field visits to carry out this function.

Second. Audits have been inadequate, slow, and there has been a lack of an effective followup.

Third. The $36 million in initial year funds were used for such things as advocacy, consumer information, education, and legal assistance, contrary to the congressional directive that any extra funds be used for weatherization.

Fourth. Rather than meeting emergencies, some funds were distributed in the form of future credits, to pay fuel bills the following year.

Fifth. CSA has made almost no effort to collect data needed to measure the effectiveness of the program and determine how and where to make improvements.

Sixth. As of May 31 of this year, CSA was still awarding funds to cover the winter of a year and a half ago. This was due in part to poor administration and in part to court decisions that were not appealed, but as a whole hardly reflects a program aimed at emergencies. A total of $57 million, which should have been returned to the Treasury, has in fact been disbursed since December 15 for that previous winter.

Seventh. Funds under the program were used to pay fuel bills for striking coal miners last year, most of whom were earning over $350 a week when they received the subsidy payment.

Eighth. Funds were awarded to Puerto Rico to cover emergencies resulting from strikes and flooding. How this relates to heating is anybody's guess.

It might be possible to excuse some mismanagement in the initial operation if the agency learned from its mistakes, and took steps to correct them, but that is for the most part not happening. The report of our appropriations investigative staff stated the following regarding the current year program:

> CSA has not learned from previous mistakes made during SCIP and EEAP. Fiscal year 1979 CIP is intended as a crisis intervention program, but will more than likely follow the route of EEAP and revert to an income transfer program. Although not intended as such, the guidelines are ambiguous enough and the program life long enough to allow it to become another giveaway.

There are several examples of the ambiguity of the current guidelines:

First. One of the eligibility criteria is supposedly designed to require that an "inability to pay for fuel be shown," but in practice all that is being required is that an applicant certify that he lacks funds to pay for fuel.

Second. Priority is to be given to people facing "life threatening situations," but "life threatening situation" is not defined.

Third. Another eligibility criteria is "significantly higher fuel cost or usage," but "significantly higher" is being defined as only 1 penny more than last year.

Fourth. Funds are made available to States if the Governor declares that a "winter-related emergency exists," but this is so loosely defined that only two States—Florida and Hawaii—as of April 18, had not received funds.

Fifth. CSA has made no effort to improve its monitoring of these criteria.

The appropriations investigative staff summed up its findings by stating:

> CSA is not an operating agency and lacks the staff and expertise needed to manage large, multimillion dollar, nationwide programs. CSA was responsible for establishing well defined program goals and developing program guidance for SCIP and EEAP. Equally important, CSA should have provided the leadership and direction necessary to achieve established goals, ensure proper stewardship of Federal monies, and provide adequate support to its local grantees. Instead, CSA developed general goals and provided minimal program guidance, while assuming a "hands-off" approach to managing both programs.

The basic problem has been that we have launched a new, massive nationwide program without any authorizing legislation. We have appropriated a total of $600 million to date, and the only guidance we have given the administering agency is some generalized report language, which shifts from year to year. The result has been disagreements between OMB and CSA over the design of the program, a successful lawsuit against the Government, four different programs in 3 years, and the administration of two separate programs simultaneously during the current fiscal year.

Is there any wonder why the program is badly managed. Even the best of agencies would have trouble running a program on this basis, and of course CSA is far from the best.

If there is a desire for a special program to assist the poor in paying fuel bills, then it ought to be developed properly, through legislation from the appropriate authorizing committee. We originally bypassed the authorizing process because there was supposedly a sudden emergency that required immediate action. However, that is no longer the case. It has been 2 years since that first appropriation, plenty of time for authorizing legislation to have been thoroughly considered and reported. But no action has been taken, which seems to speak for itself as far as the need for this program is concerned.

Rather than asking more funds for this ill-defined, poorly administered program, the sponsors of the amendment ought to be going the authorizing route. There is still time before next winter, and we can always provide funds in a supplemental if a good bill in enacted. But we are simply not carrying out our constitutional responsibilities to properly watch over public funds if we continue to pour money into this old mismanaged program.

There are also problems with this program from a conceptual standpoint, which should be thoroughly considered during the authorization process. For instance, what about the matter of dependency? Committee investigative staff found that the programs are creating "a sense of constituent dependency," basically because they have taken on an income maintenance character and are administered in a way that encourages nonpayment of fuel bills. At most all the sites visited, the investigators found that people were calling the local agencies asking when the third program would begin so that they could bring in their fuel bills.

What about those who pay their bills? Should they be ignored, as under the current program which stacks the deck in favor of those with unpaid bills?

What about energy conservation? Current eligibility standards do not encourage conservation, but in fact go in just the opposite direction by allowing participation on the basis of increased usage. Is this what we want?

Perhaps there are other approaches that would be more effective, such as tax credits. They ought to be considered, particularly since higher fuel costs are also impacting rather severely not only on the poor, but on the middle class as well.

This bill does contain $20 million for the program, and also contains $35 million in emergency assistance under the social security account. So there is a total of $55 million available for true emergencies, and I urge rejection of the amendment.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment to H.R. 4398, the Labor/HEW appropriations bill, offered by Representative Dodd and Representative Nolan to restore $180 million in funding to the crisis intervention program which provides emergency assistance to low-income persons who are unable to pay their fuel bills.

As reported by the Appropriations Committee, H.R. 4398 would provide only $20 million for the energy crisis intervention program currently being run by the Community Services Administration, a figure which constitutes a $20 million reduction in the President's budget request of $40 million, and a reduction of $180 million below the fiscal year 1979 appropriation for the program of $200 million. The Labor-HEW Appropriations Subcommittee has stated that it recommended such a large cut in the funding for this vital program to insure that it would constitute "a true crisis intervention program" and not just a "program to pay utility bills on a large scale." Mr. Chairman, I believe that we should consider the magnitude of the "true crisis" that many low-income families will be facing this winter before we move to eliminate any funds for this emergency energy program.

The crisis intervention program was instituted in 1977 to provide aid to low-income families, particularly the elderly, who were faced with the grim prospect of choosing between heating their homes or buying essential medical supplies or food. The poor and the elderly who are forced to live on fixed incomes suffer most due to rising energy prices; it has been estimated that these individuals must spend on an average of one-third of their income on energy costs, and up to one-half of their incomes if they live in the Northeast or the Midwest. These estimates do not take into account the enormity of the current fuel supply and pricing situation which will result in higher energy prices than ever before.

As you are no doubt aware, Mr. Chairman, this country is facing a potentially severe shortage of middle distillates in the coming months, a shortage that could make the current crisis pale in comparison. The competing demands for middle distillates—for home heating, truck, rail, and barge transportation, and agricultural production—make the formation of energy policy in this area particularly difficult. One thing is certain however. The goal of 240 million barrels of heating oil stocks by October 1 that has been set by energy experts as "safe" will very likely not be met unless certain actions are taken soon. It is frighteningly clear that it is likely that not only will the costs of home heating oil soar, but that people who need it to keep warm may not be able to get it. At the very least, the Congress owes it to them to do what it can to see that the price shocks are moderated as much as possible. The Dodd/Nolan amendment would help to meet that need.

The Dodd/Nolan amendment to provide an additional $180 million to the recommended funds for the crisis intervention program would guarantee that emergency assistance would be available through the existing agencies of the CSA to needy families during the cold winter months. The administration has recommended that $750 million be set aside for an energy assistance program through the windfall profits tax security fund for fiscal year 1979–81, but it appears that only $150 million will be alloted for specific "emergency assistance." The amendment proposed by Congressmen Dodd and Nolan would insure that funds will be accessible for emergency uses during the months of January and February when they are needed most, and that these funds will not be held up pending the passage of a supplemental appropriations bill. A delay in providing funding could have serious, if not tragic results, and we need to have the foresight now to provide the needed funds for the crisis intervention program to allow the program to function as it should.

Mr. Chairman, with the increasing rate of inflation, the growing number of senior citizens living on fixed incomes and the rapidly rising costs of fuel, I believe that failure to adopt the Dodd/Nolan amendment would be to literally leave millions of people this winter out in the cold. I urge my colleagues to consider the pressing need for an increase in crisis intervention funding, and vote for this amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I just want to point out, we just voted that we wanted to reduce those programs in which there is fraud and waste. This is one of them. It has been proven there is fraud and waste in this program. It would be totally inconsistent to vote "yes" on the last and "yes" on this also.

Mr. MOAKLEY. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Chairman, I rise in support of the amendment offered today by my colleagues Mr. Dodd and Mr. Nolan to H.R. 4389, the fiscal year 1980 Labor-HEW appropriations. Mr. Dodd's and Mr. Nolan's amendment would provide additional funding for the crisis intervention fuel program administered by the Community Services Administration to help low-income families and the elderly pay their ever-escalating fuel bills.

The crisis intervention program, while marked by some degree of administrational confusion in past years, has continued to effectively service those individuals it was originally intended to serve, individuals whose income has in no way kept pace with the cost of fuel and home heating oil.

I am firmly committed to the belief that the crisis intervention program deserves to be continued. As it stands now, the crisis intervention program is earmarked to receive only $20 million this year. I support the attempt of my colleagues from Connecticut and Minnesota to increase funding for the emergency program and to restore the funding of the program to last year's level, $200 million.

The crisis intervention program was instituted in fiscal year 1977 to provide funds for low-income families who were hard pressed to meet the high energy costs inflicted on them as the result of an unusually severe winter. Since that date, the need for this program has taken on an added dimension. With both DOE officials and oil industry experts predicting home heating oil costs of from 75 cents to $1 per gallon by the end of the heating season, it seems distressingly obvious to me that consumers will be facing difficult times ahead. Added to this already rather bleak picture is the unknown effect of anticipated OPEC price increases, the impact of decontrol on the consuming public, and the overall effect of a scarcity situation.

I have received literally hundreds of letters from constituents of mine in both the city of Boston as well as the suburbs who simply cannot meet the specter caused by the rising costs of home heating oil Massachusetts has been allocated approximately $19 million in crisis intervention moneys for the past 3 years and has successfully reached some 26,900 homes in this period of time. I cannot emphasize enough the desirability of continuing this program especially in anticipation of a year which presents an already critical energy situation.

While these rapidly rising increases in energy products have impacted us all they have been most felt by the low income and the aged in our society.

While the average per capita expenditure for energy products total some 9 percent of the low-income families' income, it is estimated that some low-income families pay up to 40 percent of their income for heating purposes. In fact, although the crisis intervention program has benefited some 1.6 million people throughout the Nation, it has touched only a small percentage of the approximately 15 million people that fall within CSA's poverty index.

I am convinced that the commitment this Nation has in insuring that its citizens are warm this winter far outweighs any arguments in support of budget cutting for the sake of budget cutting.

If this Nation cannot insure that the weakest elements among us, the poor, the ill, and the aged, are not protected from the ravages of a brutal northeastern winter, then I must inquire as to just what is the purpose of Government?

Mr. SYNAR. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Oklahoma.

Mr. SYNAR. Mr. Chairman, from firsthand experience, both as a Congressman and as a private citizen in Oklahoma, I can attest that the crisis intervention program administered by the Community Services Administration is one of the better Federal programs in operation in Oklahoma today. Seldom are we lucky enough to have a Federal program so clearly focused and so vitally important to American citizens facing life-and-death crises.

My office has received many favorable comments about this program from Oklahomans. Those who have benefited from this program—the poor, the elderly, and those on fixed incomes—have praised it. Those who administer this program—our Oklahoma State government, county officials, and community action programs throughout Oklahoma's Second Congressional District—have praised it. And the Federal officials who oversee this program in Oklahoma have praised it.

The primary complaint leveled against this program has had nothing to do with the effectiveness of the program itself. Rather, the primary complaint has simply been: We do not have enough money to help all the truly needy people who come knocking on our door.

For this reason, I would like to express my strong support for the amendment introduced by my good friend from Connecticut, Congressman Chris Dodd, which proposes to increase the fiscal year 1980 appropriation for the crisis intervention program. A program as effective as this deserves a firm commitment by the House of Representatives, and the American citizens in need being served by this program deserve a fair chance to receive temporary support until they have weathered their pending crises.

AMENDMENT OFFERED BY MR. EMERY TO THE AMENDMENT OFFERED BY MR. DODD

Mr. EMERY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Emery to the amendment offered by Mr. Dodd: At the end of the amendment offered by Mr. Dodd insert the following: Page 46, after line 14, insert the following: "None of the sums appropriated in this paragraph shall be used to provide Emergency Energy Conservation Services under section 222(a)(5) of part B of title II of the Economic Opportunity Act of 1964, unless such sum is expended pursuant to administrative procedures which have been recommended by the Community Services Administration, State economic opportunity offices, and the General Accounting Office.".

Mr. NATCHER. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman reserves a point of order. Is the gentleman's amendment in the Record?

Mr. EMERY. Yes, I have an amendment in the Record on page 16719.

The CHAIRMAN. Is this the amendment that is in the Record?

Mr. EMERY. I think the amendment in the Record is different, and I think one word has been changed. The gentleman reported an incorrect amendment. It was printed on page 16719 of the Record yesterday.

The CHAIRMAN. Would the gentleman offer the amendment that was in the Record?

Mr. EMERY. That is the amendment I offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amended offered by Mr. Emery to the amendment offered by Mr. Dodd: At the end of the amendment offered by Mr. Dodd insert the following:

Page 46, after line 14, insert the following: None of the sums appropriated in this paragraph shall be used to provide Emergency Energy Conservation Services under section 222(a)(5) of part B of title II of the Economic Opportunity Act of 1964, unless such sum is expended pursuant to recommendations which have been made by the Community Services Administration, State economic opportunity offices, and the General Accounting Office.

The CHAIRMAN. The gentleman from Kentucky (Mr. Natcher) has reserved a point of order on the amendment.

Mr. EMERY. Mr. Chairman, the force and effect of this amendment is very simple. As the gentleman from Illinois (Mr. Michel) mentioned, GAO studies of this program have been made, and they have been identified. There were some very legitimate complaints about the administration of the fuel assistance program.

Now, in studying the administration of the program, we have found that in certain cases summer fuel bills have been paid. We have found that at times we have not been able to identify exactly what the crisis situation was, in that some people were being reimbursed for costs that they could legitimately afford.

Now, I believe for the Northeast and other parts of the country that are very heavily dependent upon fuel oil which is going to be scarce and expensive all over the Nation, it is only fair and reasonable that the Congress assist people who have no way of assisting themselves.

I am going to vote for the Dodd amendment. I believe we have a responsibility to guarantee that this program and others which distribute Federal funds for assistance to people should be administered in a responsible manner, saving as much money as possible and guaranteeing at all costs against fraud and misuse, for, of course, every dollar which is misspent takes money away from people who are in legitimate need of these services.

So my amendment very simply requires that the results of the GAO study which identify certain areas of abuse be implemented before the funds be expended for that purpose.

I urge support of the amendment.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, I would support this amendment. As the gentleman from Illinois pointed out, I did say in May there were problems with this program. I also pointed out in the same sentence that the elderly, poor, and handicapped ought not to be held responsible for the complaints about the CSA. If we are going to have a point of order raised against this particular amendment which would cure that problem, then it seems to me what the real issue here is, is trying to keep additional funds away from those people who need it most next winter.

I would point out to my colleagues that a lot has transpired in this country in the past 4 or 5 weeks. When we passed the budget resolution back in May, we did not have gas lines. We did not have the information we do now about what is going on in terms of our refineries. We did not have OPEC 2 days ago raise prices above $20 for a barrel of crude oil.

A lot has happened since that budget resolution was passed. I hope my colleagues will be mindful of that as they consider this amendment and the full amendment.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I thank the gentleman, because I may not have a chance to speak in support of this amendment, and particularly the Obey amendment, and the Dodd amendment, but when we are talking about what happened to the President's budget procedures, accounting practices, and money not spent in past years, I think, as the gentleman from Connecticut has just alluded to, something has intervened and that is the enormous cost in potential shortage in oil.

I think that we must ask ourselves, who is going to pay next winter, as we talk about all these collateral issues. Who is going to pay next winter for the heating oil for the poor and the infirm in this country?

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I commend the gentleman from Connecticut (Mr. Dodd) and the gentleman from Maine (Mr. Emery). The question is how are they going to pay?

I sat in the legislative commission in Connecticut where we were told by the experts that 27 percent of the carrying costs would become the cost of energy. The experts, we did not believe them. We took it up. The cost is now 59 percent of the carrying cost. It is not a question of where it is coming from or where it is going to. Who is going to be able to pay for it? Energy in New England is going to take up the entire Social Security check of some people. That means everything. I think we ought to think about that.

Mr. EMERY. I think the gentleman's point is well taken.

In summary, I would simply say that the Dodd amendment provides some very badly needed fuel for parts of this country where the fuel oil bills are going to be extraordinary.

My amendment merely guarantees that the funds are going to be distributed in an orderly, cost-effective, honest, responsible manner; and I think my amendment is essential to make the Dodd amendment essential.

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Pennsylvania.

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The CHAIRMAN. The time of the gentleman from Maine has expired.

(At the request of Mr. Ritter and by unanimous consent Mr. Emery was allowed to proceed for 2 additional minutes.)

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I will yield to the gentleman from Pennsylvania.

Mr. RITTER. When we ask the question: Who is going to pay for these enormous and increasing heating oil bills, fuel oil bills, let us consider for one moment that New England is burning vast amounts of heating oil, heating oil which could be refined into automobile fuel which is so scarce today or it could be burned far more efficiently in peoples' homes. The burning of oil to produce electricity is a tragic waste of "black gold." The electric utility industry in New England is buying vast amounts of boiler fuel because it has not been able to proceed with an intelligent program of providing sufficient energy for itself. It will continue to use more and more imported OPEC oil and then call upon the taxpayers of this country to pay the welfare costs of the lost energy that New England, for all of these years, has decided not to go ahead and produce. The irony of individuals in this body suppressing energy production while increasing our welfare burden to pay for ever greater energy scarcity should be obvious for all to behold.

Mr. EMERY. I would point out to the gentleman from Pennsylvania that at least in my district there is a nuclear power plant which is on and off on occasion, but I agree, we have to pay our fair share of the energy costs in New England. That does not mean when we fail our constituents have to freeze to death in the meantime.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. EMERY. Yes, I yield to the gentleman from Connecticut.

Mr. DODD. In what time the gentleman has left I would point out to my colleagues that New England ranks fourth of the 10 regions in the country who have benefited under this program. It is not just a Northeast program. In fact, the Midwest and the Southwest have done very, very well by this program. One hundred and thirty-eight thousand households in the South of this country benefited from this program last year. It is not just a Northeast program.

POINT OF ORDER

Mr. NATCHER. Mr. Chairman, I insist on my point of order and I would like to be heard.

The CHAIRMAN. The gentleman will state his point of order.

Mr. NATCHER. Mr. Chairman, this amendment imposes additional duties and further it imposes new determinations. In addition to that, Mr. Chairman, the amendment changes existing law. Further it requires new procedures and determinations not under the existing and present law.

For that reason the point of order, Mr. Chairman, should be sustained.

The CHAIRMAN. Does the gentleman from Maine wish to be heard on the point of order?

Mr. EMERY. I do, Mr. Chairman.

This is clearly a limitation on the use of funds appropriated by the Dodd amendment. The intent of the legislation is very clear, and that is to comply with findings that have been made in the GAO study at the request of a congressional committee. I believe that the GAO study was asked for by the gentlewoman from Illinois (Mrs. Collins) from the Subcommittee on Manpower and Housing as an attempt to find ways to improve the distribution of these funds.

The study reports findings pursuant to a congressional committee request for information. I believe that is well within the scope of the limitation and is appropriate on this bill.

The CHAIRMAN. The Chair is prepared to rule on the point of order.

The amendment offered by the gentleman from Maine is a limitation on the sums appropriated in the first part of the amendment.

However, in the last part of the amendment it does set forth new duties upon the Community Services Administration, State economic opportunity offices as well as the General Accounting Office. Since these new determinations are imposed as exclusive conditions precedent to the expenditure of funds beyond what present law requires, it is legislation on an appropriation bill and the Chair is constrained to rule the amendment out of order and sustain the point of order of the gentleman from Kentucky.

AMENDMENT OFFERED BY MR. OBEY TO THE AMENDMENT OFFERED BY MR. DODD

Mr. OBEY. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. Has this amendment been printed in the Record?

Mr. OBEY. No, it has not, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. Obey to the amendment offered by Mr. Dodd: In the matter proposed to be inserted by the amendment offered by Mr. Dodd, strike out "$726,000,000" and insert in lieu thereof "$548,000,000".

Mr. OBEY. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 1 minute on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. EARLY. I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from Wisconsin (Mr. Obey) to the amendment offered by the gentleman from Connecticut (Mr. Dodd).

The question was taken; and on a division (demanded by Mr. Obey) there were—ayes 91, noes 68.

Mr. DODD. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. Dodd), as amended.

Mr. OBEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The Chair will restate the question. The question is on the amendment offered by the gentleman from Connecticut (Mr. Dodd), as amended.

RECORDED VOTE

Mr. DODD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 300, noes 112, not voting 22, as follows:

[Roll No. 297]

AYES—300

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Burgener
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Gonzalez
Goodling
Gore
Grassley
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lee
Leland
Lent
Lloyd
Long, Md.
Lott
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Roybal
Royer
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Trible
Udall
Van Deerlin
Vento
Volkmer
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOES—112

Abdnor
Alexander
Anthony
Archer
Ashbrook
Ashley
Badham
Bafalis
Bauman
Benjamin
Bevill
Boggs
Breaux
Broyhill
Buchanan
Burlison
Butler
Cavanaugh
Collins, Tex.
Corman
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Fascell
Fountain
Frenzel
Giaimo
Gibbons
Gingrich
Glickman
Goldwater
Gradison
Gramm
Grisham
Guyer
Hance
Hansen
Heftel
Ichord
Ireland
Jeffries
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kelly
Kostmayer
Kramer
Lagomarsino
Latta
Leath, Tex.
Lehman
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lujan
Lungren
McDonald
McKay
Marriott
Mattox
Miller, Ohio
Moore
Moorhead, Calif.
Murphy, Ill.
Murtha
Nelson
Nichols
Ottinger
Paul
Pritchard
Rhodes
Robinson
Rostenkowski
Roth
Rousselot
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Shelby
Shumway
Shuster
Skelton
Snyder
Steed
Stump
Symms
Taylor
Thomas
Treen
Ullman
Vander Jagt
Vanik
Walker
Whittaker
Wilson, C. H.
Winn
Yates
Young, Fla.

NOT VOTING—22

Anderson, Ill.
Andrews, N.C.
Bolling
Conyers
Davis, S.C.
Diggs
Duncan, Oreg.
Evans, Ga.
Flood
Forsythe
Hollenbeck
Kindness
Mathis
Murphy, N.Y.
Patterson
Spellman
Stark
Stewart
Stockman
Thompson
Walgren
Wilson, Bob

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Stewart against.

Mr. Stark for, with Mr. Flood against.

Mr. Hollenbeck for, with Mr. Kindness against.

Messrs. STANGELAND, CARNEY, and RITTER changed their vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. MURTHA: on page 11, lines 16 and 17, strike the words "shell dredging, or with respect to sand, gravel, or limestone."

The CHAIRMAN. Was the amendment printed in the RECORD?

Mr. MURTHA. Yes, Mr. Chairman.

Mr. Chairman, this provision for the exclusion of shell dredging, sand, and gravel and limestone mine operations from the training regulations issued pursuant to section 115 of the Federal Mine Safety and Health Amendments Act of 1977, is inappropriate for two basic reasons:

First. The appropriate legislative subcommittee, the Subcommittee on Health and Safety of the Committee on Education and Labor, has already conducted 4 days of oversight hearings on the Federal Mine Safety and Health Amendments Act of 1977, on March 20 and 21, and June 18 and 25, 1979. Five additional hearings have been scheduled for July and September, at which time the other mining associations and mine operators will present testimony.

Accordingly, to effectuate a repeal of certain portions of an act through the appropriations process, while the appropriate legislative committee is currently conducting oversight hearings and has clearly indicated its intention to give full consideration to the concerns expressed by the associations which purport to represent the sand and gravel and stone mining operations, would be a most mischievous legislative precedent.

Second. With respect to the changes of the language which my amendment seeks to strike, data for the years 1976, 1977, and 1978 clearly indicates that sand and gravel and stone mining operations are among the most hazardous in the mining industry. This is reflected by the fatality rate, which shows sand and gravel and stone mining operations to be more hazardous than all coal mining operations during this period.

For example, on August 11, 1978, three young temporary summer employees, ages 18, 18, and 23, were killed at a small sand and gravel mining operation in Oneida County, N.Y., when they were engulfed by the collapse of a 40-foot vertical sand and gravel bank. The victims had no previous mining experience and had not been provided safety training before they began work. They had been at the mine site just 2 hours before the accident. The site had not been inspected, as required by the Mine Safety and Health Amendments Act of 1977, because MSHA had not been notified that the pit was in operation, and consequently, was unaware of the existence of the operation.

From January 1 to June 13 of this year there have been a total of 46 fatalities in all metal and nonmetal mining operations. Of this total, 17 have occurred in the crushed stone industry and 9 in the sand and gravel industry. Therefore, these industries combined account for 26 out of the 46 total fatalities thus far this year—57 percent of all mining fatalities this year.

More recently, on June 22, 1979, a 27-year-old employee of a sand and gravel mining operation in Montgomery County, Ala., drowned when he fell out of a small boat while going out to a dredging operation. The employee had only 4 months experience and had failed to wear his lifejacket.

On June 22, 1979, a 19-year-old employee of a sand and gravel mining operation in Colorado County, Tex., was killed when he backed his truck over a barrier and fell 35 feet into water. He had only 2½ months previous experience and had been on the job for only 2 days.

By granting this exclusion we may well be placing the health and safety of countless workers in jeopardy. Are we willing to take this chance without more careful consideration of the serious ramifications of this action?

Accordingly, MSHA statistics demonstrate that it is the young, inexperienced miner who is most likely to be killed on the job. For example:

First. Of the 74 miners who were killed in the sand and gravel and stone industries during 1978, 17 had less than 6 months experience and 30 had less than 2 years experience.

Second. Of the fatalities, which have occurred so far this year in the sand and gravel and stone mining operations, the overwhelming majority have involved inexperienced miners. For example:

From January 1 to June 13, 17 fatalities have occurred in stone mining operations and 9 have occurred in sand and gravel operations. When broken down in terms of experience the following patterns emerge:

Stone mining operation

Experience and number of fatalities:
0–6 months and 6—1 year or less.
6 months to 1 year and 6—12 (71 percent).
2 years and 1.
Over 2 years and 4.
Total 17.

Sand and gravel operations

Experience and number of fatalities:
0–6 months and 5—1 year or less.
6 months to 1 year and 1—6 (67 percent).
2 years and 1.
Over 2 years and 2.
Total 9.

Accordingly, section 115 of the 1977 Federal Mine Safety and Health Amendments Act mandates miner training. Pursuant to the act, the Federal Mine Safety and Health Administration (MSHA), on October 13, 1978, promulgated regulations requiring all mine operators to submit a training plan to MSHA by March 12, 1979, and required all new, inexperienced surface miners to be provided 24 hours of training and new, inexperienced underground miners 40 hours of training. Additionally, experienced miners must be provided 8 hours of refresher training, which may be provided in half-hour increments.

Since that time, 8,493 training plans for sand and gravel and crushed stone have been submitted to the Mine Safety and Health Administration, of which 8,059 have been approved. None have been formally disapproved, as the administration is currently working with the operators to assist them in accomplishing compliance with the regulations.

Additionally, the Mine Safety and Health Administration, as of June 11, 1979, has certified 21,888 individuals employed by mine operators to provide the necessary safety and health training. Of these, 7,899 were "grandfathered in," another 6,059 have been approved based upon review of their qualifications, while 4,322 have been conditionally approved on their qualifications and representatives of the Mine Safety and Health Administration will monitor their activities and if satisfactory will fully certify these. This results in 3,608 individuals who have attended the formal training courses conducted by the Mine Safety and Health Administration.

The number of miners involved in this exclusion is substantial. It is as follows:

Limestone mining operations

	Employees
Underground mines	1,931
Surface mines	21,175
Milling operations	15,866
Total	38,972
Sand and gravel mining	
Operations (which includes Shell dredging operations)	39,581
Grand total	78,553

This bill deals with the expenditure of moneys. The language which this amendment seeks to strike deals with human lives. I urge the members of this committee to give full support to this amendment.

Mr. MARLENEE. Mr. Chairman, I rise in opposition to this amendment to delete the mine safety proviso which was accepted by the Appropriations Committee in H.R. 4389.

The House Appropriations Committee adopted a provision to prohibit the use of funds to carry out the training provisions provided in the Federal Mine Safety Act Amendments of 1977 with respect to the limestone, sand and gravel and shell dredging operations. And, we should support their wisdom in doing so.

If you want to go back to your constituents and say yes I support training gravel pit operators as miners then you should support this ridiculous amendment. If you want to go back to your constituents and say yes, redimix operators should be trained as miners then support this amendment. That goes against the wishes of the committee.

If you think that farmers who dig borrow pits along roads are miners and people who strip off 2 inches of peat moss are miners then support this amendment, which allows funds to be spent for the harrassment of thousands of small operators of sand and gravel operations. If you support this amendment then tell the rest of the folks in your district that you just spent their tax dollars to put regulations in place that will drastically raise the prices for products which are used in the construction of homes, roads, and other such things. Tell your constituents that your tax rates are going to go up to pay for increased costs of road maintenance, because county governments are also going to have to spend more money having their employees trained as miners.

These increases, directly related to the training requirements are the rule, not the exception. In Wyoming the stone and sand and gravel industries predict their estimated costs to implement the training regulations alone will be $220,486. Every gravel pit numbered and permitted. Ridiculous. And this does not even include the expected costs of lost production time due to MSHA's training requirements which will be $479,816. And, MSHA's actions will increase the cost of highway contracts 1 percent overall or about $310 million according to the associated general contractors.

Over 145 of you have joined with me as cosponsors of my bill, H.R. 1603, which would exempt these industries not only from MSHA's training regulations, but from their punitive civil penalties as well.

It has been strongly implied that those who support the exemptions granted by the House Appropriations Committee are, somehow, antisafety, and this is simply not true. What we are is sick and tired of regulations that just do not work and which are costly. If we pass my bill, H.R. 1603, the workers would be covered by OSHA which is the proper place for both the regulations and the training if training is needed.

I do not believe that by accepting the Appropriations Committee's actions we will be abandoning these employees as has been suggested. One only need look back to the declining injury rate before the advent of MSHA to see that the industry had made strides in reducing the hazards of their work areas. I urge you to defeat the amendment and uphold the Appropriations Committee's actions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURTHA).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBERSTAR. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. BEREUTER: Page 41, section 210, and renumber the subsequent sections accordingly. 'None of the funds appropriated in this act may be used to implement the Uniform Reporting Systems for Health Services Facilities and organizations authorized by Section 1121 (a) of the Social Security Act."

The CHAIRMAN. Was the amendment printed in the RECORD?

Mr. BEREUTER. Yes, Mr. Chairman.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Iowa.

● Mr. BEDELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Nebraska (Mr. BEREUTER) which would prevent any of the funds contained in the fiscal year 1980 Labor-HEW appropriations bill from being used to implement the system for hospital uniform reporting (SHUR) recently proposed by HEW.

Last year, the Congress enacted Public Law 95-142, the medicare-medicaid anti-fraud and abuse amendments, which included a requirement for uniform reporting systems for health services facilities and organizations. In passing this legislation, the Congress intended such reporting to be useful and cost effective.

In January 1979, HEW published its initial reporting regulations under section 19 of Public Law 95-142. It certainly appears that these proposals do not constitute a "useful and cost-effective" reporting system.

Many hospital administrators throughout the country have expressed concern about the possible imposition of unnecessary administrative burdens and costs on hospitals. I share these concerns, and believe that it is the responsibility of the Congress to clarify its original intent regarding the uniform reporting provision of Public Law 95-142 for HEW, and to insure that the SHUR guidelines are revised to conform to such intent.

Mr. Chairman, in my home State of Iowa, the current proposals would place a particularly heavy burden on small hospitals. This is not the first time HEW planners have failed to recognize the concerns of community hospitals in rural areas. In 1977, the agency proposed guidelines for national health planning which raised such concern among the public that their community hospitals would be closed that many Members were literally flooded with mail of protest. I personally met with Secretary Califano and the people in his office who drew up these guidelines and they admitted to me that they were not aware of the impact they would have upon hundreds of rural hospitals, which could have been closed if they were allowed to take effect.

As a result of the uproar, I introduced a House concurrent resolution which stated that—

> It is the sense of Congress that the national health planning guidelines should include sufficient flexibility to allow a health system agency to recognize special characteristics in rural areas and, on the basis of those special characteristics, to establish a health systems plan that varies from the national guidelines, in order to provide necessary health services to rural areas.

This resolution passed the House unanimously 357 to 0 and subsequently the guidelines were changed to reflect congressional concern.

I believe that we are faced with a similar situation today with the proposed SHUR requirements. It is regrettable that the Congress should have to intervene in this matter, as it did with the health planning guidelines. However, our reponsibility to insure the responsive implementation of the laws we pass makes such intervention necessary. At question here is not the thrust of public policy, but rather the unreasonable paperwork requirements being generated by busy bureaucrats at HEW.

Mr. Chairman, I believe that passage of the Bereuter amendment, in conjunction with the holding of congressional oversight hearings, will facilitate the orderly and reasonable implementation of Public Law 95-142, and I urge adoption of this amendment.●

Mr. BEREUTER. Mr. Chairman, the amendment I am offering would prevent the Department of Health, Education, and Welfare from using any of the funds appropriated in this bill to implement SHUR, the System for Hospital Uniform Reporting.

As I prepared this amendment, I was reminded that it may be premature—indeed unwise—to offer an amendment I could be assured would be opposed by of the Nebraska State Legislature's Committee, the chairmen of the two authorizing subcommittees and the administration. As a freshman member of this body, I admit that I weighed that advice most carefully before deciding to proceed. I know the committee has worked diligently on this bill. As a former member of the Nebraska State Legislature's Committee on Appropriations, I can appreciate the reluctance of the committee to accept a prohibition on funding such as that I now propose.

I am convinced that the most certain way to gain the attention of a government agency is to cut off its funds. Then it must listen and respond to our concerns—concerns that must be legitimately raised if we are to represent the interests of our constituents.

There are many issues on which the people of Nebraska may differ from their neighbors in the East, Deep South, or Far West. But, on one issue there is a national concensus—that is, the extent to which the American people are "fed-up" with government overregulation and its very costly and oppressive effect upon our economy and our society.

The issue which prompts my amendment is a classic example of government overregulation. If there ever was a proposal begging for a legislative veto, this is it. I refer to the System for Hospital Uniform Reporting (SHUR) that is to be implemented under regulations proposed by the Department of Health, Education, and Welfare. This reporting system is mandated by section 19 of Public Law 95-142, the medicare-medicaid antifraud and abuse amendments. I refer my colleagues to that section—it fills less than two pages of a 36-page law. HEW has proposed a 606-page manual which it maintains meets the requirements imposed by Congress by this section.

If we permit this proposal to be implemented as proposed, SHUR will be mentioned in the same breath as OSHA. I could not go back to my constituents and tell them I could have delayed the SHUR system until it is fundamentally changed, but that I failed to grasp this opportunity I am presenting you today.

I yield to no Member of this body in my desire to curb fraud and abuse in the medicare and medicaid programs. Had I been here in the last Congress, I would have supported the legislation which eventually became Public Law 95-142, and I would be among those calling for vigorous enforcement of its provisions. I would have been sympathetic to the effort to include development of a uniform reporting system. In fact, during my tenure in the Nebraska Legislature, I introduced legislation that would require hospitals to make public certain financial reports that would increase their accountability to those they serve.

I am not here to hinder the efforts of those who worked so hard to pass a law to minimize fraud and abuse in the medicare and medicaid programs. I am not here to advocate the repeal of a uniform reporting system. I am here to send HEW a message—the SHUR proposal is an unrealistic, negative system, one that will impose tremendous new costs on hospitals and consumers, and a system which was not intended by Congress. Frankly, the costs to the American consumer will be greater than will the fraudulent practices the amendment seeks to reduce.

The SHUR regulations were brought to my attention by constituents soon after my arrival in Washington. I was amazed by the complexity of the regulations and the paperwork burden which would face hospitals if the regulations were actually put into effect. I alerted all hospitals in my congressional district to the SHUR manual and asked that they supply me with data as to the potential costs that would result if they were forced to comply with its requirements. The results, even allowing for exaggeration, were staggering.

Of the 34 hospitals in my district likely to be affected by SHUR, 20 immediately responded to my request for information. They estimated an average cost of over $38,000 per institution to implement SHUR and an average cost of $54,000 a year to maintain the system. That's what my hospitals have told me, admitting some variations in the way an individual hospital calculated a particular figure.

I know that many Members have received similar or even worse reports from hospitals in their districts. That is what prompted my interest in SHUR and my belief that I as a Congressman could not, in good conscience, stand by and allow SHUR to be implemented.

Mr. Chairman, I have elaborated on the major points that deserve to be made in my written text which I request be printed in full in the RECORD. I will summarize them now for my colleagues and urge that they support my amendment to prevent any funds from being used to implement SHUR until HEW conducts comprehensive studies of the costs and benefits associated with implementation of the system and the yearly cost/benefits that will result from its maintenance and use from both the governmental and hospital industry's perspective.

First, the proposed SHUR system is costly, and will most assuredly result in higher hospital costs to be paid by consumers and higher administrative costs to be paid by the taxpayers. It is absolutely incongruous that Congress can on the one hand give serious consideration to a hospital cost containment proposal and on the other hand ignore a series of regulations that will contribute significantly to higher hospital costs.

Second, the proposed SHUR system provides no assurance that it can accomplish what Congress intended. A massive amount of data is to be collected with no idea of how it can be used to identify and eliminate fraud and abuse. The most logical and efficient way to identify fraud and abuse is not to collect massive amounts of data with the expectation that details of fraud will somehow appear. It is much more efficient and logical to begin by examining known incidents of fraud to determine what kinds of details are helpful in recognizing such activity. Then hospitals should be required to submit the data for which there is an obvious and proven need.

Third, the proposed SHUR system goes far beyond what Congress intended when it added section 19 to the law. It is altogether a different animal—a rhinoceros, not a workhorse. It is not a uniform reporting system. It is a national uniform accounting system, which imposes a set of complex, burdensome and inflationary regulations on the hospital industry and the American public.

If it is implemented in anything close to its present form, many hospitals will be forced to convert their internal accounting systems to comply with the detailed reporting requirements. Most will undoubtedly find it necessary to maintain dual accounting systems, to satisfy both HEW's demands and their own functional cost accounting needs. Congress clearly intended section 19 to be a requirement for uniform reporting—not uniform accounting.

Lastly, some have suggested that my action today is premature. I challenge that argument because for too long Congress has ignored its oversight responsibilities and allowed Government agencies to become the fourth branch of Government, a branch that is neither elected by, nor responsive to the citizens of this country.

Surely we have learned our lesson by now. Congress cannot wait for HEW to promulgate the final regulations and then hope that significant changes will be made. Instead of vague assurances that some of our concerns might be met, let us provide the specific direction so HEW will have no doubts—or choice—what is meant. This SHUR proposal is fundamentally wrong, and it is fundamentally different than what Congress directed. HEW must be sent back to the drawing boards. Let us obtain accurate cost/benefit information before the final regulations are promulgated, not incomplete and unrepresentative samplings which tell us all too little about the direct and indirect costs to the American public.

This fundamental restructuring of SHUR to meet the directives Congress gave HEW will take considerable time and effort. It is too bad HEW did not limit itself to the original mandate from Congress; now a fundamental restructuring of SHUR is required.

My amendment is designed to provide that time. I urge my colleagues to join me in this effort.

THE PROPOSED SHUR SYSTEM IS COSTLY AND INFLATIONARY

One of the more controversial aspects of SHUR regulations has been their potential cost—costs which will be borne by hospitals and their patients and the taxpayers in the form of administrative costs to HEW.

In its original statements, the Health Care Financing Administration (HCFA) spoke of a national cost of $65.6 million to adopt SHUR. HCFA's most recent assessment is that it may cost a single hospital as much as $9,600 to adopt the SHUR system. The American Hospital Association, on the other hand, has estimated total costs of implementing SHUR to be in excess of $180 million in the first year alone.

Because I wanted to know the impact on individual hospitals in my congressional district, I contacted each of them. The results of my survey are staggering.

The hospitals in my district estimate an average cost of over $38,000 per institution to implement SHUR, and an average cost of $54,000 a year to maintain the system. Excluding the larger hospitals in the city of Lincoln, Nebr., average cost of implementation comes to $27,590 and cost of maintaining the program, $24,333.

I might add, parenthetically, that the accuracy of my calculations has been reinforced by a letter from the Lutheran Homes and Hospitals Society of America. That organization, which provides centralized management services to primarily rural hospitals, estimates that the cost of implementation will be about $15,000 to $20,000 per hospital and maintaining SHUR will average about $25,000 to $30,000 for the small hospitals under 50 beds.

That is what my hospitals tell me. I know that many of my colleagues have heard similar reports. Because of my work on this issue, I would briefly add that the New York State Budget Office contacted my staff—a State that has already implemented a uniform reporting system. Yet, they advise us that the costs of conforming their reporting system to the SHUR system could be excessive—for example, $5 million for the State's mental hygiene facilities.

This is not a problem that is unique to Nebraska. It affects every State. In calling for oversight hearings in May, I was joined by over 50 of my colleagues from coast to coast and from both parties.

Some have said that the hospitals are exaggerating their cost figures. Many of us believe HEW is grossly underestimating the costs.

No one knows for certain. HCFA has cited only one study with which I am familiar—a survey of 50 hospitals, using the results from 44. My survey in the First Congressional District of Nebraska was almost as comprehensive—20 to 34 hospitals immediately reported back to me.

HCFA's study, the Morris-Davis study, has been subjected to much criticism as to its validity. The sample of hospitals was woefully inadequate and unrepresentative. For example, 32 percent of those surveyed were in states which require uniform reporting. Morris-Davis acknowledges that the cost of implementing SHUR could be five times as great for hospitals in States without uniform reporting. Congress must not allow this massive a system to be implemented without a much more thorough, comprehensive cost/benefit analysis.

Of course, it is most important to remember that increased costs to hospitals to implement SHUR will result in substantially higher hospital bills for consumers. These regulations cannot help but add to inflation at a time when the rate of inflation in the health care industry already has exceeded the rate of inflation in the economy as a whole.

It is this concern about spiraling health care costs that has prompted the push for hospital cost containment legislation. I do not see how, on the one hand, we can force hospitals to keep cost increases to a predetermined ceiling, and on the other hand, allow yet another very costly regulatory system to be imposed on hospitals. The relationship between the cost of complying with Government regulation and total costs cannot be ignored.

THE PROPOSED SHUR SYSTEM GOES BEYOND CONGRESSIONAL INTENT WITH NO ASSURANCE THAT IT WILL DO THE JOB

There is no doubt in my mind that the proposed SHUR system goes far beyond what Congress intended when it added section 19 to the Medicare/Medicaid Anti-Fraud legislation. This is not a uniform reporting system. It is a national uniform accounting system, imposing a set of complex, burdensome, and inflationary regulations on the hospital industry.

If SHUR is implemented in anything close to its present form, many hospitals will be forced to convert their internal accounting systems to comply with the detailed reporting requirements. Others will find it necessary to maintain dual accounting systems, to satisfy both HEW's demands and their own cost accounting needs.

Congress clearly intended section 19 to be a requirement for uniform reporting (as opposed to uniform accounting) as evidenced by these excerpts from the committees' reports:

REPORT OF THE COMMITTEE ON WAYS AND MEANS ON H.R. 3

Report 95-393—Part I

> Although proposals have been made to require uniform accounting as well as uniform reporting, the bill does not mandate a uniform accounting system. Your committee is not prepared to conclude that a uniform accounting system is necessary in order to generate the required comparable data. Your committee is inclined to believe at this time that the uniform reporting system, with specific documentation for the reported costs as part of the organization's accounting system, is sufficient. Recognizing that further study of this complex issue may be warranted, the Committee believes that it would be more appropriate to undertake such a study in the context of deliberations on proposed cost containment legislation, rather than the anti-fraud and abuse legislation.

Likewise, the Committee on Interstate and Foreign Commerce made clear its intention that uniform accounting was not to be implemented unless uniform reporting proved insufficient:

REPORT BY THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE (TO ACCOMPANY H.R. 3)

Report No. 95-393—Part II

> Although this bill does not require uniform accounting as well as uniform reporting, the committee is convinced that the Secretary of HEW should develop model uniform accounting systems and that he should have the authority to require the use of such parts of the accounting system as he finds necessary in the future if his evaluation of uniform reporting indicates that it has not been sufficient to assure reliable and comparable data. The Committee notes that such authority is necessary to implement an effective and equitable hospital cost contain-

ment system, since payments based on comparative performances of like hospitals requires a high degree of comparability of cost data.

It would seem fair to state that in mandating SHUR at this time, HEW clearly has gone beyond the intent of Congress.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield for a question?

Mr. BEREUTER. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I wonder if the gentleman has an estimate of what it will cost the hospitals to implement the program that he is discussing.

Mr. BEREUTER. It varies widely, I would respond to the gentleman, but in a survey in my own district it is estimated that it would cost $58,000 for hospitals to implement and $38,000 annually thereafter.

□ 1040

Mr. CHARLES H. WILSON of California.

It is my understanding, if the gentleman will further yield, that the national program will cost $100 million to have the hospitals complete the 500-page form and this kind of kills any effort to get any cost containment or anything of the sort for hospitals. It seems to me the gentleman has an excellent amendment.

Mr. BEREUTER. I thank the gentleman and I will relate that the Senate Finance Committee has asked for a GAO investigation on costs.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I appreciate the gentleman yielding. I have been in opposition to what HEW is attempting to do with these regulations for sometime. This system of reporting by the hospitals has been criticized, has been pointed out by the gentleman from California, by such respected organizations as the American Institute of Certified Public Accountants and they have estimated it is going to cost hospitals as much as $100,000 and as much as a total of $100 million. This is not a reporting system, this is a uniform accounting system that is being imposed by regulation by HEW and I would point out it is contrary to public law which this Congress has passed.

Mr. Chairman, I want to express my deep concern over the administrative and cost burden which will be imposed on hospitals by the proposed system for hospital uniform reporting (SHUR) which has been developed by the HEW in response to the uniform reporting requirements of section 19(a) of Public Law 95-142.

This proposed uniform reporting system has been sharply criticized by such respected organizations as the American Institute of Certified Public Accountants (AICPA), the international accounting firm of Ernst & Ernst, and the American Hospital Association (AHA). In their analysis of SHUR, these organizations note a number of serious deficiencies in the proposed system, among which are the following:

That the SHUR system departs from the legislative intent of section 19(a) of Public Law 95-142 in that it is not a uniform reporting system, as mandated under the statute, but is in actuality a uniform accounting system, that appears to be based on the version of such a system that has been under development by the Department of Health, Education, and Welfare under the authority of section 1533(d) of Public Law 93-641, the National Health Planning and Resources Development Act.

That the high cost of implementing and operating the system—perhaps as high as $100,000 for some institutions, according to the AHA—is inconsistent with the administration's initiatives toward reducing costs in the health sector, and would seriously hamper the voluntary cost reduction program which has been undertaken by the hospital industry and others.

That the additional administrative burden which the system would create for hospitals is inconsistent with the administration's and this Congress' current interest in consolidating and reducing Federal regulation of business and industry.

That the SHUR manual requires the reporting of an excessive amount of detail by hospitals, but does not provide an adequate description of the purposes for which this extensive data will be used. It appears that the system is aimed toward capturing all aspects of hospitals' financial and statistical data, rather than first determining the needs for and the uses to which the data will be put.

That, by using the SHUR reporting forms as substitutes for medicare cost reports, the proposed system could lead to a redetermination of medicare reimbursement that is neither authorized nor intended by section 19(a) of Public Law 95-142. The principal objective of uniform reporting is comparability of reported data, and attainment of this goal would prohibit hospital managers from using alternative accounting methods of assigning costs for purposes of medicare reimbursement, a practice now authorized under medicare regulations and generally accepted accounting principles. On the other hand, the principal objective of reimbursement is equity for both the purchaser and provider of care, and equity requires a recognition of the unique cost characteristics of hospitals. To combine these two very different objectives in the same reporting mechanism will hamper attainment of the goals of both reimbursement and uniform reporting.

I am concerned about the cost, rigidity, and administrative burden which the proposed SHUR system will impose on hospitals, and I am gravely concerned about the fact that the Department of HEW may have gone far beyond the purpose Congress had in mind when it required development of a uniform reporting system under Public Law 95-142.

Mr. Chairman, to summarize. I would like to outline these basic arguments against SHUR regulations implementation.

First. Under Public Law 95-142 section 19, Congress did not mandate or envision such a massive and costly reporting system for hospital compliance. HEW is unable to explain the use of the information required in over 500 pages of SHUR manual data and forms. The actual use for the data will be determined later.

Second. The proposed system for hospital uniform reporting (SHUR) has no provision for adequate testing before it is implemented. The data required to satisfy congressional mandate already exists and is on file at HEW's Health Care Financing Administration in the medicare cost reports.

Third. Implementation of these SHUR regs will cost at least $100 million. It is estimated that an individual hospital's cost to comply could be $100,000 or more per year. The proposed system will not detect fraud and abuse, will be more costly than is justified and is far more complex than Congress ever intended.

Fourth. OMB's Executive Order 12044 requires that all forms and plans for gathering information from persons or organizations by a Federal agency be approved by the Office of Management and Budget. This has not been done with the proposed SHUR regulations. In addition, confidential information gathered from hospitals will not be protected.

Fifth. These proposed regs are in direct violation of the Carter administration's effort to reduce inflation in the hospital sector. The President, in his State of the Union message, called upon Congress to reduce Federal regulation. How can HEW seek a hospital cost containment bill on one hand and ask hospitals to comply with excessively costly and complex regulations on the other?

I would urge a yes vote for the amendment offered by the gentleman from Nebraska (Mr. BEREUTER) and additional hearings by the Health Subcommittee so that these concerns can be detailed and documented more fully.

Mr. BEREUTER. Mr. Chairman, I would like to emphasize a point and then I will yield further.

This is a uniform accounting system, not a uniform reporting system, contrary to everything the subcommittee said in the amendment. You can hold hearings on it, you can tell HEW to go back to the drawing boards and reform it, but when you come down to it you still have a uniform accounting system. You can clip the ears, but you still have a rhinoceros when you are done.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield to me?

Mr. BEREUTER. I yield to the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding.

I support his amendment. I think it is a good one. It destroys 8 miles of bad road for my hospitals and I hope it succeeds.

Mr. GRAMM. Mr. Chairman, will the gentleman yield to me?

Mr. BEREUTER. I yield to the gentleman from Texas.

Mr. GRAMM. I would like to point out to the Members that Ernst and Ernst has done a comprehensive study of this proposal that concluded that it would cost the American consumer $100 million to implement.

The problem with the program is the

accounting system is not functional, the additional data that is required will not be useful for managerial purposes. I therefore compliment the gentleman on the amendment. I urge my colleagues to vote for it.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the amendment offered by my good friend and colleague, the gentleman from Nebraska. I would like to compliment him on his foresight in bringing this amendment to the floor today. My colleague has given this body an excellent opportunity to help halt the spread of Government overregulation.

The amendment is designed to prevent funds provided in the bill from being used to implement HEW's proposed system for hospital uniform reporting, the so-called SHUR system.

Congress had little idea when it overwhelmingly passed the Medicare and Medicaid Antifraud and Abuse Act of 1977 that it was opening the way for HEW to impose tremendous and unwarranted costs upon the hospital industry.

While the committee and conference reports show that Congress clearly intended that SHUR be used for reimbursement purposes, it did not intend to impose a burdensome or uniform accounting system on health care providers.

To date, HEW has developed a very complicated and complex uniform cost reporting system based on functional accounting. Most hospitals utilize responsibility accounting principles since functional accounting principles have no applicability to the operation of a hospital.

Consequently, if the uniform reporting regulations are implemented as they are now proposed, it would require maintaining two sets of accounting methods. In addition, it would significantly increase paperwork requirements within the hospital operation.

One hospital administrator in my district has told me that in order to implement SHUR a full-time cost accountant must be hired at a cost of $20,000 a year, plus $5,000 to $10,000 per year in additional computer time. This includes only the identified, direct costs of SHUR and does not include the hidden costs of maintaining detailed daily statistical records in each department.

In small hospitals, an employee has various job functions requiring detailed time records, so the appropriate cost center is charged with the salary expense. By adding additional breakdowns required by SHUR, the patient will bear the extra costs for time records each employee must maintain in greater detail and less patient care will be the result.

The unknown benefits to be gained do not justify increasing costs to smaller hospitals which are already under pressure because of inflation and other unnecessary Government regulation.

The most important thing to recognize is that SHUR will not improve the quality of patient care, but it most certainly will increase the cost of patient care.

It is ironic that the Federal Government would impose such a costly system on hospitals, while at the same time, increasing pressure is exerted to force hospitals to contain costs.

I urge the adoption of this amendment.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I rise in support of the amendment. This amendment would prevent funds provided in the bill from being used to implement HEW's proposed system for hospital uniform reporting, the so-called SHUR system. I am well aware that section 19 of Public Law 92–142, the medicare-medicaid antifraud and abuse amendment, requires the Secretary of HEW to establish by regulation a uniform system for reporting cost and volume data for the various functional activities in health services facilities which are subsidized under titles V, XVIII, and XIX. I believe, however, that the draft regulations which have been published illustrate that even though the intent of Congress in passing Public Law 92–142 was honorable, scrutinization by Congress of any uniform reporting system is imperative before implementation.

Many hospitals and medical associations which have contacted me adamantly oppose the proposed regulations. Some of the ubiquitous concerns related were that the impact will be enormous on small hospitals because many of them have neither the technical staff for program implementation nor the resources for the purchasing of requisite expertise. Consider for example the comment I received from Ronald Green, director of Fiscal Services for the Howard Community Hospital which is located in my district. Mr. Green stated:

> We estimate that to get the system in place would cost us between $25,000 and $30,000 and the annual maintenance of this system would entail an additional $15,000 to $20,000.

Mr. Chairman, the SHUR system will cause thousands of hospitals to delay needed improvements in their hospitals in order to comply with the requirements. Further, the cost of implementation will necessarily increase hospital costs at a time when all hospitals are solicited to keep cost increases at a minimum.

When the Ways and Means Committee held hearings on H.R. 2626, the President's cost containment proposal, one of the hospital administrators from my district testified that one of the major causes of rising hospital costs has been excessive Government regulation. The proposed SHUR system is a classic example of where Federal regulation will increase cost with dubious benefits at best.

HEW is given the authority to implement these regulations from the medicare/medicaid antifraud and abuse bill; however, the system does nothing to enhance detection of fraud and abuse. HEW wants payments to hospitals tied to the reporting system on a functional basis. This approach does not accomodate the differences between hospitals nor does it define accurately the cost of delivering care to medicare/medicaid patients. Efforts to improve reimbursement should be through the policy and regulation process, not as a by-product of a reporting system such as SHUR.

It is clear that many questions remain unanswered as to the impact of SHUR on the medical industry. The appropriate committees of the House should hold extensive hearings on this entire matter and attempt to develop a more reasonable and less objectionable reporting system. This amendment will maintain the status quo for a period of 1 year, ample time for the Congress to hold hearings and pass whatever amending legislation deemed necessary. I therefore urge support of the amendment.

Mr. ERDAHL. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Minnesota.

Mr. ERDAHL. Mr. Chairman, I rise in support of the amendment authored by my colleague from Nebraska (Mr. BEREUTER). I have received letters from hospitals in my district indicating there could be severe problems in complying with a proposed rule to implement the system for hospital uniform reporting (SHUR). The concerns are all in a similar vein. Hospitals would be spending large sums of money to implement a system they feel is unnecessary and goes beyond the intent of the Congress in enacting the medicare-medicaid antifraud and abuse legislation.

Let me quote from a letter from the administrator of Divine Redeemer Memorial Hospital in south St. Paul, a 124-bed nonprofit hospital serving the southern and eastern suburbs of the Twin Cities. The letter states in part:

> Since 1973 the hospital has been sharing data processing materials management, group purchasing of hospital supplies and financial and accounting services with a multi-hospital nonprofit organization. . . . It is of great concern to us that we strive to meet the evolving health care needs of the people and community we serve in a most cost-effective manner . . . We do not believe it is possible that a uniform reporting mechanism will make us comparable with institutions of similar size and similar financial condition. The management tools we presently use classify cost according to responsibility. A report that classifies costs by function would not provide the meaningful information to implement corrective policies that will assist us in controlling our costs . . . We therefore vigorously oppose full scale implementation of the SHUR Manual without implementation testing and a cost benefit analysis performed.

Another hospital estimates the implementation cost for computer program modifications and planning at $125,000 and annual operating cost at $70,000. These costs will be borne by the consumers of health care and by the taxpaying public. The passage of the amendment would serve to deter the final rulemaking on a proposal that seems to have nothing but potential adverse impact on our health care system and the people served by it. Again, I would urge support for the amendment.

Mr. PETRI. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Wisconsin.

● Mr. PETRI. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Nebraska (Mr. BEREUTER).

The SHUR is unnecessarily burdensome and perhaps ineffective. One hospital administrator in Manitowoc, Wis., in my district, found that compliance with SHUR will cost approximately 3.7 percent of his facility's total expenditures.

Another hospital in my district, in Sheboygan, Wis., agreed to serve as a test site hospital to study the impact of SHUR. Their conclusion was that a move to SHUR will not prevent medicare and medicaid abuses, but will only result in further increased hospital costs.

SHUR is clearly at cross purposes with the goal of holding down hospital costs to fight inflation. I fear it may represent the worst in Government regulation: Excessive intervention in the private sector with an inflation-inducing price tag.

I commend the gentleman for his amendment and urge its passage.●

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, these costs are reimbursable by medicare and medicaid.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. KOSTMAYER and by unanimous consent Mr. BEREUTER was allowed to proceed for 1 additional minute.)

Mr. KOSTMAYER. Will the gentleman yield further?

Mr. BEREUTER. I again yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. These costs will not be paid for by the consumer. This is an effort to bring some kind of uniformity to hospital costs in this country. It is beneficial to the consumers and drives a wedge in the doctor-dollar relationship in this country. I urge Members to reject the amendment of the gentleman from Nebraska and support this program.

Mr. ABDNOR. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, I would like to associate myself with the gentleman's remarks.

Mr. Chairman, I rise in support of the amendment.

Congress told HEW to get rid of the fraud and abuse which plague medicare and medicaid. In proposing SHUR, HEW has come up with a medicine which could cost more than the disease.

As one South Dakota hospital administrator wrote me, SHUR has been "designed to provide every bit of information that anyone could possibly find useful for any possible reason."

It is ridiculous to impose a costly system to collect vast masses of data of dubious value at the same time we are trying to solve the problem of rising health care costs.

Nobody knows for sure what SHUR will cost. One thing we do know for sure is that we will all be paying for it with higher hospital bills.

Mr. Chairman, I urge adoption of the amendment.

● Mr. SCHEUER. Mr. Chairman, I rise in support of the Bereuter amendment to prohibit the use of any funds contained in H.R. 4389, the Labor-HEW appropriations bill, for implementation of the proposed system for hospital uniform reporting (SHUR).

As one of the original sponsors of section 19 of Public Law 95-142, I strongly support the need for uniform reporting of cost data by hospitals; however, I am disturbed by the scope of the proposed regulations issued by HEW. The intent of Congress and my own intent was certainly not to encourage ponderous overregulation through the issuance of over 500 pages of manual provisions and forms.

The Congress needs to address the issue of overregulation in all facets of our economy and it is my intention as chairman of the Consumer Subcommittee of the House Commerce Committee to address the relative costs and benefits of regulations such as those proposed in SHUR. The cost of these regulations, if implemented, will be passed on by hospitals to their patients and to the taxpayers. We must question the need for such massive bureaucratic intervention in the accounting system of hospitals. We need uniform reports, but at minimum cost to do the job.

For these reasons I support the amendment to delay implementation of these rules, until Representative RANGEL's subcommittee has an opportunity to carry out its oversight hearings to ascertain whether the laudable purpose of achieving uniform cost reporting cannot be achieved through most cost effective, streamlined procedures. Let us send HEW a message to cut down to size their 300-page manual and 200 pages of proposed reporting forms.

The proposed regulation can be substantially streamlined, and there will be ample opportunity to provide adequate funding in a supplementary appropriation this fall, if HEW receives our signal and gives us a compact reasonable, substantially pared down final regulation in September.●

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment at this time.

I yield to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I appreciate my colleague's concern about the potential cost impact of the uniform hospital reporting system. As chairman of the Ways and Means Committee's Health Subcommittee, I can assure my colleagues that I am equally concerned to avoid the imposition of any unnecessary additional costs on hospitals. Those of us who have to deal with the critical problem of constantly rising hospital costs are acutely aware of the need for restraint in this area.

But I must point out to my colleague that our committee's intent in providing for a uniform reporting system—an objective I would remind Members that is shared in principle by the hospital community—was not to add irrelevant recordkeeping burdens or costs. Rather, it was to permit the collection of reliable comparative data so that we in Congress could develop equitable and cost effective reform of reimbursement methods for programs like medicare. While reform of these payment methods is long overdue, I can assure Members that effectively accomplishing such reform in the absence of reliable comparative cost data is not realistically possible.

I would certainly agree with the concerns expressed that every effort must be made to assure that the uniform reporting system is, in fact, useful, cost effective, and relevant to the purpose for which it was intended. The Health Subcommittee has always shared this view. In the initial stages of the planning of the SHUR regulations, the subcommittee directed HEW to consult with the hospital community on their preparation. At the urging of the subcommittee additional studies were undertaken by HEW to assess the potential costs of implementation. And the subcommittee directed HEW to submit to us, before any final regulations are issued, their analysis and proposed responses to the objections received to the initial regulations.

Undoubtedly, there are differences as to how best to implement such a system. We have always recognized that fact; as we have always understood that some modifications in hospitals' recordkeeping systems would be needed. But the real issue—indeed, the only legitimate issue—is whether the modifications necessitated by the proposed regulations might be more extensive than is warranted by the purpose to be served by the system. And it is that issue that the subcommittee plans to thoroughly explore before any final regulations are issued.

I want to inform Members today that the subcommittee will be scheduling an oversight hearing on the proposed uniform reporting system within the next month, at which time we intend to obtain comprehensive testimony from both HEW and representatives of the hospital community. As chairman of the Health Subcommittee, I have a commitment from HEW not to issue any further regulations relating to the reporting system until the subcommittee's oversight hearings are completed and we have had an opportunity to examine evidence relating to the potential effects of the system. I believe this is the only responsible way to proceed, if we are to create a reasonable and useful mechanism for collecting the data Congress will need to make sound public policy decisions in the health field.

I strongly urge the Members, therefore, to reject this proposed amendment.

Mr. NATCHER. Mr. Chairman, that portion of the letter that the gentleman from New York has just pointed out reads as follows:

> Based on the many comments we received from the public on the proposed SHUR system, we are making numerous changes to consolidate forms and minimize the burdens on hospitals. These changes when implemented in final regulations will susbtantially reduce the burden and implementation costs without sacrificing the basic purposes of the system.

This is from the Under Secretary of HEW, Hale Champion.

Mr. Chairman, I yield to the distinguished gentleman from California (Mr. WAXMAN), the chairman of the Committee on Health.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding.

I join with the chairman of the Health Subcommittee of the Committee on Ways and Means and the chairman of the Subcommittee on Appropriations that the gentleman is with on health, and as the chairman of the Committee on Interstate and Foreign Commerce on the subcommittee on Health, let me assure you that this is a premature motion.

The SHUR amendment was adopted to the antifraud and abuse statute that we adopted and it is to provide uniform accounting for hospitals.

The regulations are being proposed by HEW and I have committed myself, along with the gentleman from New York (Mr. RANGEL) as the Policy Committee to hold oversight hearings on those regulations.

Let us look into those regulations to see if they live up to the congressional mandate. Before we pass an amendment that would keep us from having those amendments go into effect, we need to have the information to compare hospitals, because we need to get control over the expenditures of hospitals. As we look at cost containment programs, we can do very little until we understand the kind of costs and expenditures that hospitals incur.

Mr. Chairman, I think it is premature to have this amendment adopted and I would hope you would join us in defeating it.

Mr. NATCHER. Mr. Chairman, I respectfully request that the amendment offered by the gentleman from Nebraska (Mr. BEREUTER) be defeated.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER).

The question was taken; and on a division (demanded by Mr. BEREUTER) there were—ayes 109, noes 68.

RECORDED VOTE

Mr. NATCHER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 306, noes 101, not voting 27, as follows:

[Roll No. 298]

AYES—306

Abdnor
Addabbo
Akaka
Albosta
Alexander
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fazio
Fenwick
Findley
Fish
Fithian
Flippo
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Panetta
Pashayan
Paul
Pease
Petri
Peyser
Pickle
Preyer
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Staggers
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Ullman
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—101

Ambro
Anderson, Calif.
Ashley
Aspin
Baldus
Beilenson
Bingham
Blanchard
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Corman
Danielson
Dellums
Dixon
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Ferraro
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Garcia
Giaimo
Gibbons
Gonzalez
Gray
Green
Guarini
Harris
Hawkins
Holtzman
Johnson, Calif.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lehman
Long, Md.
McHugh
Maguire
Markey
Mavroules
Mikulski
Mikva
Miller, Calif.
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Natcher
Nedzi
Nolan
Oberstar
Obey
Ottinger
Patten
Pepper
Perkins
Price
Rangel
Reuss
Richmond
Rodino
Rosenthal
Rostenkowski
Roybal
Santini
Seiberling
Shannon
Simon
Solarz
St Germain
Steed
Stokes
Studds
Traxler
Udall
Van Deerlin
Vanik
Vento
Waxman
Weiss
Wolff
Wolpe
Yates

NOT VOTING—27

Anderson, Ill.
Andrews, N.C.
Bafalis
Bolling
Bonior
Conyers
Davis, S.C.
Diggs
Dingell
Duncan, Oreg.
Evans, Ga.
Flood
Forsythe
Jenrette
Johnson, Colo.
Kemp
Mathis
Murphy, N.Y.
Patterson
Pritchard
Quayle
Spellman
Stark
Stewart
Thompson
Walgren
Weaver

□ 2300

Mr. BOLAND changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates reads as follows:)

GENERAL PROVISIONS

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

SEC. 102. None of the funds appropriated under this title shall be used to pay prisoners for work performed during their incarceration.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 1, after line 25, add the following new section:

SEC. 103. No part of the funds appropriated under this title may be used to carry out any activities for or on behalf of any individual who is an alien in the United States in violation of the Immigration and Nationality Act or any other law of the United States relating to the immigration, exclusion, deportation, or expulsion of aliens.

The CHAIRMAN. The Chair will inquire, has the gentleman's amendment been printed in the RECORD?

Mr. BIAGGI. Not in its present form, Mr. Chairman. I narrowed the amendment. Initially I included HEW, but I reduced it to its original state, the state in which it had been passed in the 94th and 95th Congresses.

Mr. Chairman, I spoke with the chairman of the subcommittee, and he indicated his desire to accept the amendment.

● Mr. BIAGGI. Mr. Chairman, I rise to offer this amendment to H.R. 4389 which prohibits the use of any funds under the Department of Labor fiscal year 1980 appropriations from being used for any activity for or on behalf of illegal aliens. This is identical to amendments I offered which both the 94th and 95th Congress adopted.

As in the previous Congresses, I feel compelled to offer this amendment in the absence of any other action taken to deal with this serious national problem.

I regret as do many others the total lack of action taken on any of the various undocumented aliens legislation introduced. We cannot continue to wait without taking some steps to curb abuses.

The sole emphasis of my amendment remains prohibiting funds used for public service employment by the Department of Labor from being used to hire illegal aliens. As the Library of Congress points out, "the illegal alien problem is generally agreed to be an economic one, both in its causes and effects. They come here primarily to obtain employment."

While the Supreme Court in 1976, in the case of De Canas against Bica ruled that State laws barring the employment of illegal aliens are constitutional—there remains no comparable Federal statute. Thus we have the problem of more than 1 million illegal aliens being employed. These jobs should not be subsidized by the American taxpayer. It is bad enough that American workers are being displaced.

The fact is that a number of State and local governments are struggling to cope with the increased cost of illegal aliens. They are forced to provide important health or social services with constant or reduced dollars for a population which is actually larger due to illegal migration. The city of Los Angeles several years ago filed suit seeking reimbursement for some $8 million, it estimates were spent providing emergency health care services for illegal aliens. Other areas estimate that illegals constitute a drain on housing and education funds.

It is estimated that my home city of New York is losing more than $23 million in Federal funds by population figures needed by Federal formulas not reflecting illegal aliens.

The Council of Northeastern Government estimates that at least 100 Federal programs use census statistics as at least one basis for funding allocation. It is imperative that we come to grips with this problem as we prepare for the 1980 census. However, in a more immediate sense—we must insure that no Federal funds will go to benefit illegal aliens.

Frankly, I would have hoped that sufficient progress would have been made toward the development of a realistic and humane policy to deal with the illegal aliens population. None has merged as of yet. Therefore I again offer this amendment as a means of insuring protection of the American tax dollar against benefiting those who do not even feel enough of this country to become citizens or permanent residents.

I urge support for this amendment and I couple that with a plea that Congress get moving on the enactment of legislation which can solve this problem which has festered far too long without a solution.●

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me momentarily?

The CHAIRMAN. The gentleman from New York (Mr. Biaggi) has no time.

Mr. NATCHER. Mr. Chairman, we have no objection to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Biaggi).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr .Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House today.)

The Clerk read as follows:

Amendment offered by Mr. Biaggi: Page 38, line 15, strike out "$2,515,436.000" and insert in lieu thereof "$2,540,436,000".

Page 38, line 21, insert "$25,000,000 shall be for the social service program authorized under part B of title III of the Older Americans Act of 1965;" after "Children and Youth;".

The CHAIRMAN. The Chair will inquire, has this amendment been printed in the Record?

Mr. BIAGGI. Yes, it has, Mr. Chairman.

The CHAIRMAN. The gentleman from New York (Mr. Biaggi) is recognized for 5 minutes in support of his amendment.

Mr. BIAGGI. Mr. Chairman, as an original cosponsor of the 1978 Older Americans Act amendments, I rise to offer this amendment which is absolutely vital to insuring that cutbacks in vital social services provided under the act are averted in the coming year.

My amendment increases title III–B of the act by $25 million, which is the social services portion. Let us review some figures. The bill proposes an appropriation level of $219 million for fiscal year 1980. This is identical—I repeat, identical to the 1979 figures when you include the $7.5 million provided under the terms of the supplemental appropriations bill passed by the House earlier this month. It is somewhat misleading to state that the 1980 figure is an increase over the 1979 figures, when the supplemental figures in the level remains exactly the same.

The funds provided under title III–B go for State administration costs, as well as for a host of social services. These include, but are not limited to:

Transportation—including that which gets seniors to nutrition sites; Outreach; counseling; health screening; recreation; and home care services.

In addition, the multipurpose senior center program, formerly a separate title V of the act has now been merged under the new title III umbrella.

The impact of inflation on these services alone, especially transportation factoring in the drastic rise in gasoline prices necessitates an increase in funds for title III. My amendment recognizes this.

However, this is not all that is needed. Under the terms of the 1978 amendments to the Older Americans Act, a number of new initiatives were mandated which come directly out of the funding for title III–B. These include:

A minimum of 1 percent for a nursing home ombudsman program to protect health and safety of patients.

A new formula for distribution of funds which increases the percentage going to rural areas.

The above new initiatives are supposed to be in place during fiscal year 1980. Another new initiative which although not applicable until fiscal year 1981 bears significantly on this amendment. I refer to the requirement that supportive services provided as part of the Older Americans Act nutrition program will have to be absorbed under the III–B program. Let me illustrate. On the average, 20 percent of all funds provided under the nutrition program go for supportive services. If this bill is adopted—based on the $350 million being asked for nutrition it would mean that $70 million would be purely for supportive services. This $70 million effective in 1981 will have to come out of the title III–B pot. In fiscal year 1980, the planning for this absorption will have to be undertaken. Is there anything wrong with applying some foresightedness to our decisions today? If you believe in foresight then my amendment should have your support. What is to make us think that the 97th Congress will be favorably disposed to provide a major increase for III–B? Why not begin the process now?

Mr. Chairman, in advance of my preparation of this amendment, I canvassed a number of State and area agencies on aging through the auspices of the National Association of Area Agencies on Aging and the National Association of State Units on Aging, Mrs. Lou Glasse.

Among the findings:

California will require $1.7 million to meet the mandate to designate area agencies statewide—requirement of new law.

Delaware will require an additional $67,000 to continue to provide transportation, outreach, escort, counseling and other supportive services at the same level.

Florida will be unable to meet new requirements of 1978 amendments without cutting existing services. Will have to cut senior center services as well.

Iowa, 20 county rural reports that it has already had to decrease inhome services by $57,493 due to increased operating costs and foresees a $73.251 reduction in funding for senior centers.

Kentucky, will require an additional $800,000 statewide to maintain current service levels and meet new requirements of 1978 amendments.

Maine, faces a 10 to 12 percent reduction in all services statewide.

Michigan, will require a 15 percent reduction in all non-nutrition services statewide as of October 1979 due to a $1.6 million shortfall in community services.

Maryland—the Baltimore area agency projects a 50-percent cut in transportation services and reports their in-home services program may be cancelled.

Missouri—an area agency reports it has already eliminated escort transportation for the frail elderly.

New Hampshire, will have to reduce transportation and home health services without allocation increases.

Washington—a rural area agency has already reduced transportation rides to health services and nutrition sites by 8,120.

My home State of New York has provided me with figures detailing the impact which this title III–B budget would have on their ability to provide services. For example, they estimate needing:

A $325,000 for the new rural formula;

A $1.2 million to implement the nursing home ombudsman program;

A $615,000 for legal services; and

A $1.7 million to cover inflation at 10 percent.

All told the State needs $22.7 million to continue to fund existing services and implement mandated new requirements of the 1978 act. In order for the State to receive this total, the overall appropriation level would have to be $269 million. It is only $249 million. Even with my amendment, it would fall short—but not as much.

I offer this amendment in the spirit of advocacy for seeing the Older Americans Act achieve its mandate. The Congress to its credit was able to avert major cutbacks in nutrition services for this fiscal year with the passage of the supplemental appropriations bill which contains an additional $22.5 million for nutrition including $15 million provided by the Conte-Biaggi amendment.

H.R. 4389 does provide sufficient funding for the nutrition program—in fact a full $73 million above the President's budget request. Keeping in mind that effective with the 1980 appropriation level—all the funds under the nutrition program will only go for meals. In addition any moneys received from voluntary contributions will go to expand meals. We have provided the nutrition program with the means of real growth. If the Older Americans Act is to achieve its goal of providing comprehensive and coordinated services for seniors then title III-B funding must be increased substantially. This is why I offer this amendment and urge its support. I have the support of all major senior citizen organizations and feel it is most vital to our commitment to older Americans.

Mr. Chairman, I would like to engage in some colloquy with the chairman of the subcommittee, and at the end of the colloquy I will ask unanimous consent to withdraw this amendment.

The amendment provides for an additional $25 million to deal with inflation and increased costs, but in light of the chairman's concern, I would like to ask the gentleman this: With relation to Senator Eagleton's amendment, it is my understanding the Senate will recommend a funding level of $265 million for III–B, based on the reapplication and redistribution of funds in other portions of the act.

I would be delighted to withdraw my amendment if the chairman of the subcommittee will indicate to me that he will support the language of the Senate.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, let me say to the distinguished gentleman from New York (Mr. Biaggi) that we will give every consideration to the move that the Senate has made. However, I have no authority to give the gentleman the answer he would like at this time. We will give it every consideration.

Mr. BIAGGI. Mr. Chairman, if the gentleman gives me every consideration, then I am comfortable about the outcome.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I wonder if the gentleman would yield to the gentleman from Ohio so that he can explain the amendment he is going to put in. I believe that would be helpful.

Mr. BIAGGI. Mr. Chairman, I do have another amendment to offer, and I yield back the balance of my time.

First, Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw the amendment I have just offered.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

☐ 2310

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

SPECIAL PROJECTS AND TRAINING

For carrying out the General Eduction Provisions Act, to the extent not otherwise provided, title III, part A, part B, part C, part E, ($3,135,000) part G ($1,000,000) and part L; title VIII, sections 809, 810, 812, and title IX, parts A and C of the Elementary and Secondary Education Act, as amended; title V, part A and section 532 of the Higher Education Act of 1965, and the Career Education Incentive Act (Public Law 95–207), $124,628,000.

The Clerk read as follows:

Amendment offered by Mr. Biaggi: Page 31, line 1, strike out "A and C" and insert in lieu thereof "A, C, and D".

Page 31, line 4, strike out "$124,628,000" and insert in lieu thereof "$129,628,000".

The CHAIRMAN. Has this amendment been printed in the Record?

Mr. BIAGGI. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from New York (Mr. Biaggi) is recognized for 5 minutes.

Mr. BIAGGI. Mr. Chairman, I rise to offer this amendment to H.R. 4389, the Labor-HEW appropriations bill for fiscal year 1980. My amendment provides $5 million for the implementation of the safe schools program as contained in title IX, part D, of Public Law 95–561.

I sponsored the amendment establishing the safe schools program. That amendment authorized $15 million for 15 local educational agencies to establish or maintain programs to reduce school crime. The administration and this committee have not recommended funding for this program. I offer a compromise figure of $5 million which will allow the program to begin. I emphasize that I only compromise on the money figure not on my commitment to reduce school crime in American.

I wish to point out that the Council of Great City Schools which is comprised of the public school systems of the following cities fully support this amendment:

Atlanta, Baltimore, Boston, Buffalo, Chicago, Cleveland, Dade County, Dallas, Denver, Detroit, Long Beach, Los Angeles, Memphis, Milwaukee.

Minneapolis, Nashville, New Orleans, New York, Norfolk, Oakland, Philadelphia, Pittsburgh, Portland, St. Louis, San Diego, San Francisco, Toledo, and Washington, D.C.

They point out "since 1958, crime and vandalism in the schools have been among the public's top 10 educational concerns according to annual Gallup polls."

The fact is the problems of school crime which prompted my amendment in 1978 have not dissipated in 1979. An article in the May 14, issue of U.S. News & World Report stated "A wave of violence in many of the Nation's schools is again playing havoc with American education."

Let me quote further from this same U.S. News article:

"Now, it is the communities noted for good schools and quality education that are being scandalized by physical assaults and threats against teachers and students.

Handguns, icepicks, explosives and other weapons are turning up increasingly at schools in wealthy suburbs of Los Angeles, Denver, Washington, D.C., and New York as well as in scores of smaller towns across the Nation—Humboldt, Iowa; Norfolk, Va.; Bellevue, Wash.; Kittanning, Pa.; New Britain, Conn.; and Evansville, Ind.—among them.

The National Institute of Education in a major 1977 study on school safety concluded among other things that 25 percent of all schools are subject to vandalism in any given month. Another 6,700 schools they describe as having "serious problems with crime."

The same NIE study revealed that 5,200 junior and high school teachers are physically attacked every month and 6,000 robbed by force. About 282,000 junior and high school students are assaulted and 112,000 are robbed at school each month. One other relevant statistic from the study—an estimated 4 percent of the Nation's students stay home out of fear with another 20 percent reported being afraid of crime while in school.

We are not talking about minor crimes. Consider in my home city of New York, some 11,462 criminal incidents were reported in the 1976–77 school year. Included were more than 2,000 assaults, 2,300 larcenies, and 858 bomb threats and arson-like attacks. Early in 1978, the first murder of a student was recorded in New York City.

The costs associated with school crime are staggering. New York City in 1977 spent in excess of $5 million on school security. In 1974–75 the city of Los Angeles spent more than $7 million at a time when the council already had a deficit of $40 million. In Chicago, more than $3 million in property losses were reported in schools.

My amendment would provide up to 15 local educational agencies with funds to either establish or maintain programs aimed at promoting school safety. Again referring to the proposed regulations of HEW, funds may be used for:

Strengthening leadership roles of school principals in developing fair and consistent procedures that lead to a school climate conducive for learning.

Provide students an opportunity to participate in school governance.

Involve students, parents, and the community in the solution of problems related to school crime.

Hire, train, and retrain staff to prevent and reduce the incidence of crimes in schools through an awareness and understanding of the problems and possible solutions to crime. Funds may also be used to make necessary minor alterations of school buildings to reduce their susceptibility to crime.

Funds would be awarded to the districts based on reported crime figures—the extent to which an ongoing school safety program is in effect and financial need of the district. It should be noted that the Council of Great City Schools estimates that its urban systems are spending over $60 million on programs to reduce school crime.

I consider this amendment the completion of a commitment which this Congress is long overdue in making—that of addressing in a substantive fashion the enormous national problem of school crime. The theory that crime and schools are mutually exclusive is not based on fact. In many areas of this Nation—schools have become extensions of the streets with respect to crime. Entire schools have been closed by acts of wanton vandalism including a suburban Virginia school burned just last year at a cost of over $4 million.

I am not advocating a doctrinaire approach to this issue. I do offer my observations as a 23-year veteran of the New York City Police Force that the wrongdoers must be treated accordingly. However, we must offer whatever deterrents we have whether it be an extra lock on a door—or an extra guidance counselor to keep a good student from becoming a criminal. My amendment seeks to involve the entire community in the solution of a problem which all are affected by.

I recognize that the increase in school based crime is symptomatic of a staggering increase in juvenile crime. Do we ignore this problem and go away—or do we try and deter? My amendment is a tool of deterrence. It recognizes and provides for the troubled student. However, I also recognized hardened criminals—they must be deterred.

Survival in schools once meant merely the passing of examinations. Today, it can mean escaping from criminals who roam hallways and playgrounds of schools with unrestricted ease terrorizing students and teachers alike.

To me the issue is reducible into a dollar and cents approach. We spend billions in Federal funds to educate our children. Can we not spend but $5 million to make some schools free from crime and vandalism? It is a basic question and the answer should be a yes vote for my amendment. It is responsible and modest, but entirely essential.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman on his amendment. This is a start toward trying to restore education to the schools. You cannot have education where you have crime. That is all too common, as the gentleman knows, in many of our schools. This pilot program will enable some of our schools to achieve safety, and it is a good beginning.

Mr. BIAGGI. The National Institute of Education supports the amendment. The Council of City Schools, which is comprised of 28 major cities in our country, supports the amendment. It is self-explanatory. I do not know if I should belabor the point, but we are talking about bombings, arsons, assaults on teachers, on pupils. One study showed that 1,500 junior high school teachers are physically attacked every month, 6,000 are robbed by force, 282,000 junior high school students are assaulted, and 112,000 are robbed each month. The point is, we are spending billions of dollars on an education system, and we are losing the fight, a fight that cannot possibly be won. There is not a solution available. The first step is the authorization. The committee failed to appropriate a single dollar. The administration has done likewise. If we fail to appropriate for this purpose, we will surrender the whole system. People are looking for answers.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment is defeated. If this $5 million is accepted it will start a new program, an open-ended program.

Let me just read a portion of the authorization: There is authorized to be appropriated $15 million for the fiscal year ending September 30, 1979, and such sums as may be necessary for each of the four succeeding fiscal years.

Why, Mr. Chairman, if you say "such sums as may be necessary," it could be a billion dollars.

Mr. Chairman, this amendment ought to be defeated.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Chairman, I am reminded that last year HEW completed a 3-year nationwide study of school crime on the Education Amendments of 1974. The study described the seriousness of the problems of local school districts, particularly in large urban areas. But this is a significant finding: The study showed that the difference between a safe school and a violent one was whether or not you had a strong school principal with a firm, fair and stern system of discipline. There is no way you are going to eliminate crime and violence in schools by throwing another $5 million of Federal money at it. If you cannot handle it locally, statewide, you are not going to be able to handle it by additional Federal money.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from New York.

Mr. BIAGGI. I cited the figures. Do not tell me that we have strong principal. Crime is running rampant. That is a fallacious conclusion. They have arrived at these conclusions before with equal fallacy and without checking. The business of police work is a little bit within my purview. There is not a single solution today available to deal with it. I do not say that I have the solution, but I say that we should at least start and try to find a solution.

Mr. MICHEL. If the gentleman will yield further, we have a National Institute of Education which we are appropriating $90 million to improve the quality of education in this country. It would seem to me that if we have a $90-million institute to make its recommendation, surely they would be the ones to make recommendations.

Mr. NATCHER. Mr. Chairman, I want to emphasize the wording of the authorization. It says "for the next four succeeding years such funds as may be necessary."

Mr. Chairman, the amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was rejected.

AMENDMENT OFFERED BY MR. BEARD OF TENNESSEE

Mr. BEARD of Tennessee. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House today.)

The Clerk read as follows:

Amendment offered by Mr. BEARD of Tennessee: Page 11 add at the end of line 17 the following: "None of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations by an operator of any coal or other mine of any standard, rule, or regulation promulgated under the Federal Mine Safety and Health Act of 1977 (other than willful or repeated violations under section 110 of such Act) resulting from any inspection or investigation under such Act, unless such operator is cited, on the basis of such an inspection or investigation, for 10 or more such first instance violations.".

Mr. BEARD of Tennessee (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. MILLER of California. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Has the amendment been printed in the RECORD?

Mr. BEARD of Tennessee. Yes, Mr. Chairman.

The CHAIRMAN. The Clerk will continue reading the amendment.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. The gentleman from Tennessee (Mr. BEARD) is recognized for 5 minutes.

Mr. BEARD of Tennessee. Mr. Chairman, this amendment provides mine operators with the same type of relief from civil penalties levied by Mine Safety and Health Administration inspectors as this appropriations bill provides to businesses subject to OSHA regulations. That is MSHA would be prohibited from issuing civil fines for up to 10 first-instance health or safety violations, unless the violation is willful or repeated.

As you will recall, the Mine Safety and Health Act of 1977 transferred enforcement functions of the Mining Enforcement and Safety Administration (MESA) from the Department of the Interior to the Department of Labor. Both MESA and the Occupational Safety and Health Administration (OSHA) had their mining responsibilities placed in the newly created Mine Safety and Health Administration. Unfortunately, many of the problems associated with enforcement of OSHA standards exist with regard to MSHA.

Under present MSHA regulations, an inflexible and arbitrary point system is used to determine the amount of fines levied for civil violations. This system has created frustration and confusion within the mining industry. An example of a typical enforcement action clearly makes the point: One company was cited for not having windshield wipers on two pieces of equipment and the total fine was $64. The next day, another inspection yielded 5 citations, and the maximum 15 penalty points for a past history were added. Ordinarily, the fine would have been $228, but due to the penalty points it was $708. This means the fine was tripled because of two windshield wipers. Clearly this type of a fine does not promote accident prevention, since it has little deterrent effect.

Finally, in contrast to the consultation procedures provided under OSHA, mine operators are offered no assistance by MSHA prior to being issued a notice of violation. In fact, a MSHA inspector can be fined if he offers advice concerning mine safety. An inspector may be guided past a suspected problem if he is viewed solely as a policeman.

Mr. Chairman, this amendment affords the House the opportunity to take one small, yet significant step toward correcting serious shortcomings in Mine Safety and Health law. Passage of this amendment will encourage cooperation between mine operators and Mine Safety and Health Administration inspectors in their mutual efforts to improve working conditions in the mining industry. Although present law does not allow MSHA to offer "consultations" on mining safety practices, exemption from civil penalties for a small number of first-instance violations would, in effect, allow a type of "consultation" to occur. This exemption is, I believe, in the best interest of miners and mine operators, alike.

My amendment does not add one single dollar.

Mr. Chairman, since some Members have been elected since passage of the Power Plant and Industrial Fuel Use Act, and may not be familiar with the particular section to which my amendment is addressed, I think it would be useful to begin my explanation of the need for this amendment by quoting that section, and then commenting on its legislative history:

SEC. 601. (1) PROTECTION FROM CERTAIN HAZARDOUS ACTIONS.

Federal agencies having responsibilities concerning the health and safety of any person working in any coal, uranium, metal, or non-metallic mine regulated by any Federal agency shall interpret and utilize their authorities fully and promptly, including the promulgation of standards and regulations, to protect existing and future housing, property, persons and public facilities located adjacent to or near active and abandoned coal, uranium, metal and non-metal mines from actions occurring at such activities that pose a hazard to such property or persons.

The legislative history on this section is composed of one short paragraph which simply restates the law. Neither the House nor the Senate ever held hearings on it. A similar provision which passed the Senate in 1977 attached as an amendment to a tariff bill, was designed to promote socio-economic impact statements concerning housing, in regions where coal or uranium are mined. However, during the last hours of the Senate-House conference on the Powerplant and Industrial Fuel Use Act, then-Senator Haskell introduced the language now contained in section 601(i).

MSHA was never consulted on the need for the broad authority granted under this provision and has, in fact, only recently discovered it. However, MSHA regulations are now being formulated on a number of issues, pursuant to this new authority.

Senator Haskell's concern was over the past practice of constructing homes over uranium tailings, in those areas adjacent to uranium mines. MSHA clearly has no need to regulate in this area, since the Uranium Radiation Control Act of 1978 was designed specifically for that purpose.

Similarly, there is no need for MSHA to begin to regulate explosives, since the Department of Transportation and the Bureau of Alcohol, Tobacco, and Firearms covers that field.

There is no need for MSHA to address the issue of waste-water impoundment in coal fields either. That issue is handled jointly by the Environmental Protection Agency and the Office of Surface Mining, under the Interior Department.

I mention these examples since they are areas in which MSHA is considering issuing proposed regulations.

The Congress has left few areas of commerce unaffected by health and safety regulations. Mines, and areas surrounding mines is not one of them. Congress has very effectively covered this issue by granting a whole host of agencies adequate jurisdiction. This is to say nothing of the substantial array of State agencies which share health and safety authority with the Federal Government.

Clearly then, exercise of authority by MSHA under section 601(I) will result only in duplicative, and perhaps contradictory regulations being issued. I urge the House to adopt this modest amendment. I would add only that its adoption will also have the beneficial affect of encouraging MSHA to devote all of its resources to insuring health and safety of miners, as is its primary function.

□ 2320

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, may I just commend the gentleman and agree with what he has said. I could cite some real horror stories that have happened in my district that would not have happened had they the same regulation that applied in OSHA. In other words, they ought to be the same, and they are not.

Mr. Chairman, I rise in support of the gentleman's amendment, an amendment to prohibit the Mine Safety and Health Administration from issuing civil fines for up to 10 first-instance health or safety violations unless the violation is willful or repeated. I would like to emphasize to my colleagues, that this amendment does nothing more than to insure that mine operators are treated the same as businesses which are subject to OSHA regulations. Without this amendment, MSHA will be allowed to continue its present practice of assessing penalties no matter how minor the violation and more importantly, without regard to the degree of operator negligence.

Let me briefly relate, if I may, a specific example from my district. On March 29, 1978, a MSHA inspector visited a sand and gravel operation located in my district and conducted a warrantless inspection. During this inspection it was discovered that a minor brake defect existed on one of the company's vehicles. The inspector clearly noted in his report that the defect "could not have been known or predicted or occurred due to circumstances beyond the operator's control." Despite the complete innocence of the operator, he was immediately assessed a fine of some $84 for this single defect.

Mr. Chairman, I submit that such harsh and irrational penalties do nothing to improve mine safety, but rather do severe damage to the spirit of cooperation which is essential if the goals of this program are to be achieved. I sincerely believe that my colleague's amendment is the least that we can do to modify the Mine Safety and Health Act to make it a more reasonable approach to a desirable end.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the distinction must be made between MSHA and OSHA. Everybody has to understand the distinction. They are two separate laws. If you do not understand that, confusion is going to exist.

Mr. Chairman, this amendment would prohibit the obligation or expenditure of funds for the assessment of civil penalties issued for first instance violations under the Mine Safety and Health Act of 1977. It is similar to language contained in the appropriations act with respect to Occupational Safety and Health Administration. However, there are several significant differences between the two provisions and between the two safety and health acts. In the Occupational Safety and Health Act there is a distinction between serious and nonserious violations and all serious violations are exempted from the expenditure prohibition. There is no such serious/nonserious classification under the Mine Safety and Health Act. This means that serious violations which result in death or disabling injury to a miner could be exempt from penalties under the proposed language.

Also, unlike the appropriations act language relating to OSHA this proposed provision would apply not only to inspections but also to investigations which are mandated under the Mine Safety and Health Act. Each metal/nonmetal fatality investigation completed in 1978 and 1979 indicate that fewer than 10 health and safety violations were cited as causing the accidents. A review of a sample of the investigations shows anywhere from one to eight violations being cited. Thus, if MSHA, in conducting an investigation of a fatality found that the death was caused by a single first instance violation by an operator, no penalty could be assessed for the violation which caused the miner's death. This is contrary to the whole concept of the civil penalty structure of the Mine Safety and Health Act. Congress found the assessment of penalties necessary to induce compliance with the Mine Safety and Health Act and its standards.

There is also a significant difference in the application of the proposed language to mine safety as constrasted with worksites subject to the jurisdiction of OSHA. The language is based on the OSHA situation where the inspections are performed for the most part, at protracted intervals. The Mine Safety and Health Act, however, requires all underground mines to be inspected at least four times each year and all surface mines and facilities at least twice each year. There are often many more inspections of particular gassey mines during the year. Depending upon how the phrase "first instance violations" is interpreted, significant differences in application could result. For example, if a first instance violation is one where a particular mine operator has not previously violated that particular standard, then the provision would have little application since, as a result of the significant number of inspections that have been made of mines pursuant to the statutory requirement, virtually all of the significant standards have been violated at one time or another by each operator. However, if it is determined that upon enactment of this language, each operator starts with a clean slate, operators would essentially be free to violate every standard once before any penalties could be assessed as long as less than 10 first instance violations were found during an inspection.

There would be a further difficulty in determining what a first instance violation is. The mine safety and health standards are often divided into several distinct subsections. One, several, or all of the subsections could be violated. In counting the number of violations, a question would be raised as to whether a violation of a subsection should be counted as a violation for purposes of the penalty exemption or whether all violations of the subsections should be grouped as one violation. When one considers the number of standards that may be violated, coupled with the number of mandatory inspections, the passage of this provision will result in an enormous bookkeeping burden for the operator as well as for MSHA. Moreover, it is likely that substantial litigation will be generated by this provision.

The proposed amendment contains another significant difference over the language now included in the OSHA appropriations. The OSHA language provides that the employer would be exempt from penalties only if less than 10 violations, regardless of whether the violations are serious, nonserious, or first instance, are noted on the basis of an inspection. The proposed MSHA language, however, is significantly different in this regard in that only first instance violations are counted in making the determination of whether there have been 10 or more violations. This means that there could be numerous willful and repeated violations noted on an inspection, indicating a poor safety and health program, but nevertheless, the operation could still be eligible for penalty exemptions if there were less than 10 first instance violations. It would appear counterproductive to exempt such an operation from any penalties at all.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I would simply concur with what the gentleman has to say.

I would remind my colleagues, we are talking about the profession in the United States that has more fatalities, more injuries than any other profession; and if this amendment is adopted, we are talking about reducing the kind of safety standards that we have. I do not think this House wants to move in that direction.

Mr. GAYDOS. It is fundamental that everybody understands that when we talk about mine safety, we are talking about vertical standards, meaning that they pertain to the mining industry. The distinction when we are talking about OSHA is that they are generally horizontal standards. They are very general, applying to many different types of operations. You are mixing apples and oranges, and the result is going to be counterproductive.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from California.

Mr. MILLER of California. Does this amendment cover sand and gravel and granite mining and other forms of mining than the traditional coal mining or deep mining?

Mr. GAYDOS. Yes, it does. That is where the highest fatalities are, in that area.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Would the gentleman agree that possibly the authorization committee does need to look at the MSHA bill as to breaking out serious and nonserious violations as is stated in OSHA, presently stated in OHSA, to where we do not have this adversary relationship so that they can work together on a consulting basis to where there is not a requirement to fine on windshield wipers, and work together? Would the gentleman say there is a need to improve that area?

Mr. GAYDOS. I would respond in this respect. Insofar as this act contains language of a like nature as offered in the gentleman's amendment, it would indicate to me there is some feeling along these lines.

The committee, and I speak with no authorization, but the committee, I believe, will look at this situation. I cannot promise any response, but we will look at it.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I would like to say I want to again say there are people behind these statistics. In 1979 already, a victim, 22 years old, was caught in a conveyer belt; a victim, 43 years old, in Simi Valley, Calif., was pulled into a conveyer; a victim, 51 years old, was pulled into a crusher.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania (Mr. GAYDOS) be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BARNARD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from Tennessee (Mr. BEARD).

The question was taken; and on a division (demanded by Mr. BEARD of Tennessee) there were—ayes 58, noes 86.

The amendment was rejected.

AMENDMENT OFFERED BY MR. BEARD OF TENNESSEE

Mr. BEARD of Tennessee. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House today.)

The Clerk read as follows:

Amendment offered by Mr. Beard of Tennessee:

Page 12, add after line 25 the following:

SEC. 103. No part of the funds appropriated under this title shall be used by the Mine Safety and Health Administration to carry out section 601(1) of the Powerplant and Industrial Fuel Use Act of 1978.

□ 2330

The CHAIRMAN. Is this amendment printed in the RECORD?

Mr. BEARD of Tennessee. Yes, it is, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman.

Mr. NATCHER. Mr. Chairman, we have no objection on this side to the gentleman's amendment.

Mr. BEARD of Tennessee. Could I hear a word of support from my colleagues over here, just to see what it feels like?

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, the gentleman knows he sold this gentleman from Illinois a long time ago on the merits of the amendment. We accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. BEARD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BEARD OF TENNESSEE

Mr. BEARD of Tennessee. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House today.)

The Clerk read as follows:

Amendment offered by Mr. Beard of Tennessee: Page 45, add after line 24 the following:

Sec. 211. No part of the funds appropriated under this title shall be used for the operation of the national vocational education data reporting and accounting system under section 161 of the Vocational Education Act of 1963 with respect to any institution of postsecondary education.

The CHAIRMAN. Is the gentleman's amendment printed in the Record?

Mr. BEARD of Tennessee. Mr. Chairman, it is printed in the Record.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. BEARD of Tennessee. Mr. Chairman, Congress passed a law to establish the vocational education data system in 1976. This information system is not yet operational but is scheduled for implementation on July 1. We have received a great deal of correspondence from the Junior College Association, all who oppose this vocational education data system.

The purpose of the program is to develop a computerized reporting and accounting system for national vocational education data. Guidelines and regulations for VEDS were developed by the National Center for Educational Statistics and the U.S. Office of Education, and apply to both secondary and postsecondary institutions. However, for postsecondary schools, the program poses serious problems, including the—

Current VEDS requirements are predicated on the secondary school model and are not applicable to higher education. Postsecondary schools have not been adequately involved in the development of the reporting system.

The VEDS forms are not finalized, yet data is required for all students registering after July 1, 1978. Many of these students are no longer enrolled, so the information is not available. Compilation of the required information would result in unreliable and inaccurate data. I have here the most recent copy of the proposed forms. You can see that they make a rather substantial packet.

Postsecondary institutions do not commonly have the resources necessary to diagnose all students who might fall into the eleven specified handicapped categories on the VEDS forms. The definitions and categories for the entire VEDS system are inconsistent with those used for the funding and administering of vocational programs.

The form and content of the data for VEDS would require substantial development of data processing systems in small schools, would be excessively expensive, and would necessitate all States adopting uniform accounting methods.

The VEDS package as it applies to postsecondary schools is impractical, and needlessly expensive. Funding this program for postsecondary educational institutions is wholly unwarranted. The amendment I offer regarding VEDS would strike funds for implementation for postsecondary schools, while allowing collection of data in secondary schools, for which the system was designed.

Mr. Chairman, I would say I have been in touch with all of the junior colleges throughout the country. They strongly support this amendment and I would urge its passage.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if this amendment were agreed to it would prohibit the use of funds for operating the vocational education data system for postsecondary institutions. The system was authorized by Congress in 1976 and if there are deficiencies in this system they can be corrected and not with an amendment cutting it all off. I think that would be a mistake.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply like to make some points which the gentleman from Kentucky (Mr. Perkins) would have made had he been here. He wanted to point out that if there was a 1-year delay in collecting the data on vocational schools and on vocational students in community colleges that the Congress would not have any decent data on the numbers of vocational students in the community colleges by the time they have to renew the act in 1981. We would not even have good ideas on the number of students in those schools.

Second, the amendment unfairly differentiates between community colleges and high schools. For instance, the requirement will still be there for other schools, but not for community colleges.

Third, as the gentleman from Kentucky points out, the Community College Association is the group which recommended that Congress adopt this data collection system in the first place in 1976. Now, they are trying to bug out of it and leave all of the other schools in the country with the requirements. I do not think that makes any sense whatsoever.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, as the chairman of the Higher Education Committee, we have now completed some 23 days of hearings on reauthorization of the Higher Education Act. We have devoted a good deal of time, I might say, to the special considerations of community colleges which have been a pet project of mine since I came to Congress.

I am a little shocked by this because in 1976 we put this requirement in the law at the request of the community colleges so that they could be assured that data was collected to guarantee they were getting their fair share of the funds we put out nationally for vocational education. There is still a concern on our part as to whether there is a fair distribution between high schools and junior colleges which, as the gentleman in the well must know, have more and more become important adjuncts to the high school system and extensions of the high school system in the vocational field.

We have for years tried to encourage the community and junior colleges to move into vocational education and have tried to expand the support for them. I would urge the gentleman, if he feels this is a real serious problem, that we will set aside the other hearings we have and give him time before our committee, and we will call in anybody from HEW he wants to participate in the hearings. We will act as an intermediary to negotiate whatever the problems are. But do not stop us now. We just put this in the law in 1976 and we are just starting to collect the data.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I just want to point out that this bill now has two or three pages of authorizations in the form of limitations on an appropriation bill. This is a classic example. Time after time tonight we have had other additional authorizing language put in on this appropriation bill.

Do my colleagues know who has been doing it? I notice the Committee on Appropriations has been resisting this. It is the members of the authorizing committees that come in here and want authorizing legislation put on appropriation bills. Here is a classic example at 20 minutes until 12 where we are deciding an important question that needs 2 or 3 days of hearings, as the gentleman from Michigan says.

We ought to defeat these amendments because we do not really know what we are doing.

Mr. NATCHER. Mr. Chairman, I respectfully request that this amendment be defeated.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. First of all, let me say that I wish I were not here at 10 minutes to 12. I think it is an outrageous time.

Let me also say I appreciate the courtesy shown to me by the chairman who has been most gracious. I will say all I ask is that the postsecondary schools be given an opportunity to work with these forms that were based on a secondary school system. They cannot live with these forms and I am just shocked that this was not done before now where they would have had the opportunity to make their input, because all of these forms are going to cost thousands of dollars and the data, from indications from them, is not going to be accurate.

Mr. NATCHER. I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. Beard).

The amendment was rejected.

□ 2340

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer two amendments which have been printed in the Record. I ask unanimous consent that the amendments be considered as read and printed in the Record, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. NATCHER. Mr. Chairman, before passing on that request, I would like to make a point of order against one of the amendments offered by the gentleman from Illinois.

The CHAIRMAN. The Chair will protect the gentleman.

In view of the parliamentary situation, the gentleman from Illinois might desire to withdraw his request to have the amendments considered en bloc since reservation of a point of order has been requested by the chairman of the subcommittee.

Mr. SIMON. I do, Mr. Chairman.

The CHAIRMAN. The Clerk will report the first amendment.

(The portion of the bill to which the amendment relates is as follows:)

EDUCATION FOR THE HANDICAPPED

For carrying out the Education of the Handicapped Act, $1,045,325,000: *Provided*, That of this amount $874,500,000 for part B and $20,000,000 for section 619 shall become available for obligation on July 1, 1980, and shall remain available until September 30, 1981.

The Clerk read as follows:

Amendment offered by Mr. Simon: Page 28, line 3, strike out "$1,045,325,000" and insert lieu thereof "$1,047,650,000".

Page 28, add at the end of line 6 the following: "$57,700,000 of the amount appropriated under this paragraph shall be used for purposes of development of special educational personnel.".

The CHAIRMAN. Does the gentleman from Kentucky (Mr. Natcher) desire to make a point of order against this amendment?

Mr. NATCHER. Not on this amendment, Mr. Chairman.

Mr. SIMON. Mr. Chairman, if I may have the attention of the chairman of the committee, if I may ask a question that is not related to this amendment, but for dialog that may clarify a question some of our colleagues may have had correspondence on in the area of vocational rehabilitation, the bill now has $808 million. There are those, including some in HEW, who feel that this entitlement may run as high as $880 million. I have had some conversations with the gentleman's staff, who have assured me that if in fact the States come up with the matching funds, that we can have a supplemental as we have had this time to fulfill the entitlement requirements. Is that correct?

Mr. NATCHER. The gentleman is correct.

Mr. SIMON. I thank the chairman for that.

Mr. Chairman, this particular amendment adds $2.3 million for training teachers for the handicapped. I would point out that what I am asking is not for an inflationary increase. I am asking that we simply come up to the total appropriation for fiscal 1979—not one penny more. So that, in fact, even if the Members accept this amendment, we have a loss due to inflation.

We now have a shortage of approximately 85,000 teachers for the handicapped, and to cut back on that appropriation I do not think makes sense. I would ask my colleagues to approve this very modest request for an additional $2.3 million just to keep us up to the 1979 appropriation.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in this bill, for the handicapped we have $1,045,325,000. We have added $17,500,000 over the budget. That makes the total that I just gave the Members of $1,045 million.

Mr. Chairman, in this bill we have $55 million for the training of teachers for the handicapped—$55 million. Mr. Chairman, this amendment ought to be defeated.

Mr. SIMON. Mr. Chairman, would the chairman yield?

Mr. NATCHER. I yield to my friend from Illinois.

Mr. SIMON. The gentleman mentioned that we have $55 million for the training of teachers of the handicapped. Would the distinguished chairman, for whom I have a very high regard, indicate whether that is below the figure for fiscal year 1979?

Mr. NATCHER. I say to the gentleman from Illinois, it is below the figure.

Mr. SIMON. It is below the figure by $2.3 million, the amount of my amendment?

Mr. NATCHER. That is correct, but the gentleman should keep in mind that the overall amount we have in here, the budget request, did not go up to the figure that the gentleman speaks of. The gentleman should keep in mind the $1,045 million that is in this bill.

Mr. Chairman, I respectfully ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Simon).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. Simon: Page 38, line 15, strike out "$2,515,436,000" and insert in lieu thereof "$2,518,436,000".

Page 38, line 15, insert after "of which" the following: "$31,500,000 shall be for research programs in rehabilitation services; $30,000,000 shall be for training programs in rehabilitation services;".

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, what is this?

Mr. SIMON. If the gentleman will yield, what this does—and I will be pleased to explain if there is no objection—it simply brings up the amount for research for vocational rehabilitation and the amount for training professionals up to the fiscal year 1979 level. It adds $1.5 million in each case, or a total of $3 million.

Mr. ROUSSELOT. That is all the amendment does?

Mr. SIMON. That is all the amendment does.

Mr. ROUSSELOT. How long is it? It is not five or six pages, is it?

Mr. SIMON. It is a short amendment, and if the gentleman from California wishes to have it read, I would be willing to have it read. I have no objection.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

POINT OF ORDER

Mr. NATCHER. Mr. Chairman, I make a point of order against the amendment and I would like to be heard.

The CHAIRMAN. The gentleman will state his point of order.

Mr. NATCHER. Mr. Chairman, the amendment offered by my distinguished friend from Illinois (Mr. Simon) changes the figure on page 38, line 15, in the sum of $2,515,436,000. This is the same figure that was changed under the amendment offered by the gentleman from California (Mr. Miller). The amended figure under the Miller of California amendment would be $2,519,436,000. This amendment is subject to a point of order. We respectfully request that it be ruled that way, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. SIMON. Mr. Chairman, the gentleman from Illinois very reluctantly agrees that the point of order made by the gentleman from Kentucky is well taken, and I will have to withdraw my amendment. I do so with great regret.

The CHAIRMAN. The gentleman concedes the point of order and the amendment is ruled out of order.

AMENDMENT OFFERED BY MR. CORRADA

Mr CORRADA. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment refers, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. Corrada: Page 19, line 9, increase the amount appropriated for carrying out titles III and VII of the Public Health Service Act and section 1122 of the Social Security Act by $320,000.

The CHAIRMAN. Was the gentleman's amendment printed in the Record?

Mr. CORRADA. Yes, Mr. Chairman, it was.

The CHAIRMAN. The gentleman from Puerto Rico (Mr. Corrada) is recognized for 5 minutes.

Mr. CORRADA. Mr. Chairman, I rise in support of my amendment to H.R. 4389, the Labor-HEW Appropriations for fiscal year 1980.

There is a critical need for establishing a school of optometry in the Caribbean, specifically in my district, Puerto Rico.

A study made by the Inter-American University of Puerto Rico in combination with the American Optometric Association and the Puerto Rican Association of

Optometrists has shown a need for establishing a School of Optometry in the island.

There are only 37 practicing optometrists in Puerto Rico serving approximately a population of 3 million inhabitants. This is the equivalent of less than 1.2 optometrists per 100,000 inhabitants. The current ratio in the mainland is 9.1 per 100,000 inhabitants. A ratio of 14.3 optometrists per 100,000 inhabitants is considered a satisfactory minimum by the optometric association in the United States.

There is a shortage of student places in the colleges of optometry in the United States. In addition to this fact, the percentage of hispanic origin applicants (Mexican-Americans, Puerto Ricans, Cubans, et cetera) accepted for admission was only about 14 percent of those who applied.

The school's curriculum would be geared toward a bilingual (English-Spanish) educational approach in order to serve the optometric needs in Puerto Rico and the Virgin Islands and densely populated hispanic communities in the United States such as Florida, Pennsylvania, New Jersey, New York, Connecticut, California, and others.

Since the budget proposed for 1980 did not include funds for startup assistance for new schools of the health professions, the committee added $2,700,000 in recognition of the many proposals for schools of veterinary medicine which are under consideration at the present time. My amendment would increase that amount by $320,000, which would take care of the pressing national needs for schools of optometry. I ask you to support it.

☐ 2350

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, we have held no hearings on this matter. It has not been considered by the committee. This request is very similar to the one Mrs. SMITH of Nebraska made. Mrs. SMITH made her request. She withdrew her amendment.

There is no money in this bill for new schools of optometry There were no hearings on it. Mr. Chairman, in all fairness to the members of the committee this amendment should be defeated.

Mr. CORRADA. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Puerto Rico.

Mr. CORRADA. I would like to make a distinction in the case of the amendment offered by the gentlewoman from Nebraska. She wanted to increase the provision so that there could be additional funds for schools of veterinary medicine, but what was done was that she was told, your school can compete for the $2.7 million that the committee has appropriated. But that is not the case with reference to the school of optometry in Puerto Rico. If my amendment is not agreed to, then Puerto Rico will not be able to compete at all with any other school of optometry, because there would be no provision for schools of optometry in this bill.

I would like to remind the distinguished chairman of the committee, the gentleman from Kentucky (Mr. NATCHER) that I did bring the matter to the consideration of the committee by sending letters to all of the members and the chairman. Unfortunately perhaps, it was overlooked during the consideration of the bill with so many important matters that had to be considered.

Mr. NATCHER. Mr. Chairman, this amendment should be defeated in all fairness to all of the members of the committee. What applies to one, Mr. Chairman, should apply to the others. This amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Puerto Rico (Mr. CORRADA).

The question was taken; and on a division (demanded by Mr. CORRADA) there were—ayes 51, noes 64.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CORRADA

Mr. CORRADA. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. CORRADA: Page 46, line 12, increase the amount for expenses for the Community Services Administration by $4,500,000.

The CHAIRMAN. Is the amendment printed in the Record?

Mr. CORRADA. Yes, Mr. Chairman, it is.

Mr. NATCHER. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CORRADA. Mr. Chairman, I am introducing an amendment to page 42, line 12 of H.R. 4389 as reported, to increase the amount for expenses of the Community Services Administration by $4.5 million, which is the amount needed to restore funding for CSA's State offices of Economic Opportunity, to the fiscal 1979 level of $12 million. As member of the Subcommittee on Human Resources, and deeply concerned with the need for efficient delivery of services to help our Nation's poor break the cycle of poverty, I cannot simply lay idle while we rubber stamp this OMB inspired reduction, one which was against CSA's wishes, and one which was proposed without a serious balancing of the dislocation it would cause. There was no consultation with States as to whether they could assume this reduction, or how it would affect services.

Last March CSA notified States that effective July 1, they would be required to match their reduced grants on a 50/50 basis, in anticipation of the reduction from $12 million to $7.5 million. Currently all other CSA programs operate on an 80/20 Federal/State basis. The swift and vigorous reaction to this announcement persuaded CSA that they should postpone this action until Congress spoke its mind. This is our opportunity to speak on behalf of those who are hurt by this reduction.

I am here before you, not as the representative of a State which is a primary beneficiary under this particular program. On the contrary, although we have a large poverty constituency, our allocation for the State Office of Economic Opportunity is one of the smallest in the Nation.

The National SEOO Association has determined that several SEOO's will be forced to close if we adopt a $7.5 million funding level, mine among these. Nationally, approximately 240 antipoverty personnel would be displaced, reducing the availability of program, management and technical assistance, and as a result 20 percent of the community action agencies (CAA's) would fold. Every State stands to lose a substantial amount if we accept a $7.5 million funding level. Alabama would lose $60,000, California $234,000, Georgia $112,000, Illinois $161,000, Kentucky $45,000, Minnesota $133,000, New Jersey $244,000, North Carolina $87,000, Tennessee $163,000, and Washington $146,000.

A CSA factsheet summarizing the law and regulations pertaining to SEOO's points out that the Economic Opportunity Act mandates that States should be directly involved in seeking solutions to poverty, SEOO's which are designated by the Governor, are funded by CSA to assist in the task.

They perform these functions for their respective States, advise and assist the Governor on CSA programs and other poverty activities, mobilize resources, advocate for the poor, give training and technical assistance to CSA grantees, advise CSA on the problems and causes of poverty, participate with CSA in monitoring and evaluation of antipoverty activities, and operate special limited-purpose programs (some 14 States serve as conduits for CSA energy funds) as well as R. & D. efforts. CSA funds SEOO's in every State, Puerto Rico, the Virgin Islands, and the trust territories.

Over the last few years there has been a substantial upgrading in the quality and type of services offered by SEOO's, which CSA is the first to acknowledge (same factsheet).

SEOO's essential role as part of CSA's activities was recognized in the Senate report (95–892) when we were reauthorizing the antipoverty law last year, pointing out that "the Community Services Administration seeks to work closely with State and local governments in improving the economic status of the poor and the delivery of services to the poor within various States and localities. One of CSA's principal administrative mechanisms for accomplishing this cooperation is the division of State and local governments . . . State Economic Opportunity Offices . . . are essential to the overall operation of the division of State and local governments."

You may ask what specific functions are carried out by State offices of economic opportunity. In my district, funding primarily facilitates the integration of Federal programs with State human services programs, especially those which spur economic development and self sufficiency. Technical assistance is provided as well as program design and development functions.

In California, the SEOO administers the weatherization assistance programs for 14,500 homes. They also administer a community economic development project coordinating State, CETA, EDA resources in economic planning, involving 6 CAA's with a 4,500 job potential.

Technical assistance in such areas as fiscal accountability, administration, personnel, et cetera impacts 40 CAA's and 500 people. They run a housing intern program, providing support staff for Farmers Home Administration. Twenty interns have generated $50 million in housing funds for low and middle income families in rural California. One dollar invested has yielded $164 in Farmers Home Administration resources.

Balance of State services are provided to 23 counties without CAA's. In Nevada, aside from State agency liaison and work with the State legislature, the Nevada SEOO provides and coordinates services to the 96,000 square miles not served by the two CAA's. They are the only agency which can respond immediately to the problems of the poor, particularly the elderly. They also assist both CAA's in developing economic assistance in rural areas.

In Louisiana, they help 40 CAA's monitoring and certifying them, as well as providing coordination with State agencies relating to problems of the poor. In New York, the Division of Economic Opportunity is the contracting agency for all DOE programs. It provides training and technical assistance to all community based organizations regarding fiscal affairs, management, program organization and operation, as well as program planning and proposal development.

They design and develop the training and job development program for the State. In New Jersey, the SEOO provides fiscal, programatic and technical assistance to all CAA's. Administers a youth employment program utilizing $2 million in State aid funds, and operates an alternative technology energy programs through State colleges and CAA's. Florida's office of community services set up through the legislature a $3 million State migrant housing program, administers a community services trust fund of $1 million in 67 counties, providing social services, administers the weatherization and crisis intervention program, deals with transportation services for the poor, and serves as a consolidated vehicle for services to the poor.

Indiana's office of Community Services Administration directs project SAFE (State Allowance for Energy), a $20 million state fuel assistance program paid for with State sales tax, which the agency helped to establish. They are instrumental in promoting and implementing an ongoing program for business to make grants to spur the economically disadvantaged. They carried out the first comprehensive study of conditions of poverty in Indiana, and work towards promoting the availability of low income housing. As other SEOO's, they also provide training and financial management for CAA's.

Finally, in Illinois, their SEOO serves 24 CAA's and 8 citizens based organizations which provide services to 3 million poor people. They administer State revenue funds to the CAA's, as well as provide administrative, personnel, legal, and technical assistance to all CAA's.

I am in full agreement that we should reduce expenditures where we can. Yet in this instance, that would prove defective reasoning in terms of the loss of safeguards for the Federal Government which will be achieved by undermining the SEOO's. Displacing individuals who are knowledgeable at the State level, performing a vital function, will substantially weaken the effectiveness of our national antipoverty effort. We are not talking about increasing last year's funds, but preventing an unconscionable decrease.

The law still mandates the same duties and responsibilities. The war on poverty is a national concern, which is still going on. States do have a function and responsibility in this effort. The majority of States have numerous programs, many quite innovative and effective in aiding individuals to overcome poverty by their bootstraps. The purpose of SEOO's is to assist the poor in their localities, where they are familiar with local conditions and can respond quickly.

We have a direct stake in the proper and maximum utilization of Federal antipoverty funds, which total over half a billion. SEOO's provide the necessary accountability and assistance toward this end.

Those States that are fortunate enough to have budget surpluses, will use these to offset property taxes and other high visibility purposes. The poor do not share the glamour of being at the top of the priority list. And those of us who do not enjoy such a surplus, are being penalized by a hasty, ill designed and onerous reduction in vitally needed funds. I urge you all to support this modest but crucial amendment.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. CORRADA. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's yielding. I want to associate myself with his remarks and urge support for his amendment.

□ 2400

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Kentucky insist on his point of order?

Mr. NATCHER. Mr. Chairman, I would like to insist on my point of order and point out to the Chairman and to the Members of the Committee that the figure of $546 million that appears on page 46 of the bill at line 12 was amended by the Dodd amendment. The amount was changed to $548 million and therefore, Mr. Chairman, the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Puerto Rico want to be heard on this point of order?

Mr. CORRADA. Mr. Chairman, the amendment provides an increase in the amount for expenses of the Community Services Administration by $4,500,000. In other words, whatever that amount may be appropriated as agreed under the terms of the original bill or as amended and, therefore, I urge that the point of order be denied.

The CHAIRMAN. The Chair is prepared to rule.

As pointed out by the chairman of the subcommittee, the gentleman from Kentucky (Mr. NATCHER), the amendment as amended by the amendment of the gentleman from Connecticut (Mr. DODD) earlier on page 46, line 12, did change and increase that figure.

The Chair is constrained to rule that the amendment of the gentleman from Puerto Rico is out of order.

Are there further amendments?

AMENDMENT OFFERED BY MR. CAVANAUGH

Mr. CAVANAUGH. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. CAVANAUGH: Page 12, line 24, strike out "prisoners" and all that follows through line 25 and insert in lieu thereof the following: "any prisoner for work performed prior to 180 days before the presumptive release date of such prisoner.".

Mr. CAVANAUGH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN. Is the gentleman's amendment printed in the RECORD?

Mr. CAVANAUGH. It is, Mr. Chairman.

Mr. Chairman, I rise today to offer an amendment to H.R. 4389. This amendment would amend title I, section 102 which currently states that none of the funds appropriated this title shall be used to pay prisoners for work performed during their incarceration. This language was offered by the distinguished gentleman from Illinois (Mr. MICHEL) in full committee and reflects the intent of similar language contained in the bill I introduced on May 21, H.R. 4142, which essentially would have removed prisoners from eligibility under the Comprehensive Employment and Training Act.

However, in retrospect, I feel that this particular language is too restrictive and although I am very deeply concerned that CETA funds be properly used, particularly in regard to incarcerated prisoners, I feel that without greater flexibility we may be doing a disservice to a large group of individuals who might benefit from the CETA program, in the future, or are now benefiting, although they may currently be involved in some way in the criminal justice system.

This amendment is intended to perfect the language of the gentleman from Illinois. The amendment provides that—

None of the Funds Appropriated under this title shall be used to pay any prisoner for work performed prior to 180 days before the presumptive release date of such prisoner.

The amendment is necessary if we are to continue to provide the opportunity for criminal offenders to receive job training opportunities prior to their release from the institution. The amendment would assure that no funds could be expended by CETA to pay salaries to long-term criminal offenders as had been occurring at the Lorton Reformatory in Washington, D.C., in 1978. I wish to thank the gentleman from Illinois (Mr. MICHEL) for his assistance in putting a stop to this wrongful and wasteful expenditure of Federal tax dollars while assuring that meaningful and legitimate criminal rehabilitation efforts can be continued under the CETA job training program. Hopefully, CETA funds expended in the future will be used to provide the incarcerated criminal offender with a bridge back into society by enrolling him in a job training program which he can continue upon his release from the institution. Surely it makes more sense to assure the criminal offender of employment upon his release than it does to pay him a salary while he is incarcerated. The adoption of this amendment will provide the standards necessary to accomplish this improvement of the CETA program.

Mr. NATCHER. Mr. Chairman, would the distinguished gentleman from Nebraska yield to me?

Mr. CAVANAUGH. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, as far as this side is concerned, we have no objection to the gentleman's amendment.

Mr. WEISS. Mr. Chairman, I would ask the gentleman to yield for purposes of clarifying the amendment.

Mr. CAVANAUGH. I yield to the gentleman from New York.

Mr. WEISS. Is it the intent of the amendment to exclude people on probation or parole and ex-offenders?

Mr. CAVANAUGH. No, it is not.

Mr. WEISS. To exclude. Yes it is; is it not?

Mr. CAVANAUGH. Individuals on parole or probation or ex-offenders would not be included within the prohibition of this amendment.

Mr. WEISS. Mr. Chairman, is it the gentleman's intention through his amendment to prohibit training programs in institutions?

Mr. CAVANAUGH. It is not. They would not be included in the encompassing of this amendment.

Mr. WEISS. Is it the intent of the gentleman's amendment to include halfway houses and like situations?

Mr. CAVANAUGH. No, halfway houses would be excluded.

Mr. WEISS. Finally, is the amendment directed to cover only public service employment salaries paid to prisoners for work performed in institutional settings when these prisoners are in access of 6 months of potential release?

Mr. CAVANAUGH. That is the intent of the amendment.

Mr. WEISS. I thank the gentleman for yielding.

Mr. MICHEL. Would the gentleman yield for a question?

Mr. CAVANAUGH. I yield to the gentleman from Illinois.

Mr. MICHEL. If the Members will simply bear with us, this is prompted by our wanting to make a little legislative history to make absolutely sure everybody knows what we are talking about here.

As I anticipate the amendment of the gentleman it would, in effect, allow any prisoner in any State in a criminal justice system who had 180 days or less remaining before his presumptive release date to be eligible for CETA services.

Is that a correct interpretation of the gentleman's amendment?

Mr. CAVANAUGH. That is a precise and correct interpretation of my amendment.

Mr. MICHEL. Secondly, it is also my understanding the amendment applies only to wages paid for work under CETA and that your amendment would still allow for training and counseling service even though they had more than 180 days remaining before their presumptive release date.

Mr. CAVANAUGH. That is also correct. Training and counseling services under CETA could be extended and offered to prisoners beyond the 180-day period.

Mr. MICHEL. Would all previously enacted provisions of CETA still apply in terms of length and duration of participation?

Mr. CAVANAUGH. They would. This disturbs no other provision.

Mr. MICHEL. Is it your intent the amendment cover all allowances and stipends which are paid under the CETA training program?

Mr. CAVANAUGH. Allowances and stipends would fall without the provisions of the restriction, of the 180-day restriction, as they accompany training and rehabilitation programs.

Mr. MICHEL. Would all payments under the so-called work experience programs be exempted regardless of whether they are classified as wages or as allowances?

Mr. CAVANAUGH. That is correct. Work experience programs would be similarly exempted.

Mr. MICHEL. I thank the gentleman for his response.

Mr. CAVANAUGH. I thank the gentleman for originally offering this amendment in committee and for his assistance in the clarification of the intent of the amendment here tonight.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HALL OF OHIO

Mr. HALL of Ohio. Mr. Chairman, I rise to offer an amendment to the Labor-HEW appropriation bill for 1980. This amendment will increase the amount appropriated for the community health centers program by $33 million—not, I realize, an insignificant amount of money. It is, however, but a partial restoration of a total $114 million, cut from the President's budget requests for the community health centers program. I believe that the committee-approved appropriation level is insufficient to fully fund this vitally important program.

My constituents, and those of my esteemed colleagues, demand, and rightly so, that this body exercise its historical and constitutional mandate to scrutinize each Federal expenditure, large and small. We must vote appropriations according to carefully determined priorities. Primary health care for all citizens should be one such priority. The budget should be adjusted accordingly.

Let us look, then, at this amendment in light of these considerations and examine just what it will do. In this country today, nearly 45 million people are medically underserved. They include the preborn and the aged and every age group between. They live in all areas of the country in some 7,200 medically underserved areas. Over half the Members of Congress represent districts with significant populations lacking access to outpatient medical treatment, preventive health care, or health education. These inadequacies result not only in poorer health for the medically needy residents of these underserved areas, they also cause an increased burden on hospital facilities which, in the absence of other available health care stations, must spread their limited resources thinly to cover the nonhospital related medical care their service areas require. The expenses involved in turn are passed on to their consumers. And, they result in a decrease in the productivity of the Nation. A sickly nation cannot meet the ever-increasing demands it faces in the contemporary world.

We cannot afford the kind of myopic thinking which results in funding cuts damaging to programs like the community health centers, to the detriment of the quality of life in America. If we do not pay now, we will end up paying a lot more later.

The one major existing remedy for the lack of health care in these medically underserved areas is the community health center program. Currently, some 591 community health centers are in operation, serving nearly 3.5 million patients each year; at full maturity they will service some 4½ million people annually. Yet this is but 10 percent of those who desperately need the services each center provides. Congressional refusal to fully fund this program will effectively prevent adequate health care reaching the remaining 40 million medically needy in this country.

There are currently 180 approved applications for community health center grants, also known as urban and rural health initiatives. The administration asked for a supplemental appropriation for fiscal year 1979 to fund some of these applications. I propose that this backlog be cleared in fiscal year 1980. Moreover, dozens of worthy applications are waiting in line behind these. We must not step backward when adequate health care is nearly within the reach of more and more citizens of this Nation. This amendment would allow the Bureau of Community Health Services to fund an additional 30 new rural health initiatives, 11 new urban health initiatives, and improve 31 rural health initiatives. Without these additional funds 710,000 citizens will be without primary health care.

The effect of increased funding can best be described in terms of the efficacy of the services provided at community health centers. During 1978, 80 percent of the women over 17 in the center service areas had a breast examination, 83 percent of service area women had a Pap smear in the last year; 89 percent of the children in the service areas have had some immunizations. Moreover, CHC service areas show drastic declines in morbidity and infant mortality rates and in hospitalization. The adoption of this amendment will surely continue, and enhance, these highly desirable trends.

Additional benefits will also accrue to

the community at large. Reductions in unnecessary hospitalization and emergency room visits for lack of other health care facilities will be reflected in slower rates of increase in hospital rates. Chronic illness will be reduced and, hence, the possibility of its spread throughout the entire community. Most importantly, the vitality and potential productivity of health service recipients will not be lost to society for lack of adequate and immediate access to high quality health care. In short, by adopting this amendment, and increasing the funding for this most necessary project, the House will be aiding more than those directly affected by CHC services. It will be aiding the Nation in maintaining its most vital resource—its people.

This is, I think, a most legitimate endeavor, and I urge the House to join with me in this matter.

(The portion of the bill to which the amendment relates is as follows:)

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

For carrying out titles III, V, VII, X, and XI of the Public Health Service Act, the Act of August 8, 1946 (5 U.S.C. 7901), section 1 of the Act of July 19, 1963 (42 U.S.C. 253a), section 108 of Public Law 93–353, section 427(a) of the Federal Coal Mine Health and Safety Act as amended, and titles V and XI of the Social Security Act, $1,318,343,000 of which $1,600,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with Hansen's disease and $3,000,000 to be available, until expended, shall be for the renovation of the National Hansen's Disease Center: *Provided*, That this appropriation shall be available for payment of the costs of medical care, related expenses, and burial expenses, hereafter incurred, by or on behalf of any person who has participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health, Education, and Welfare, and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That when the Health Services Administration operates an employee health program for any Federal department or agency, payment for the estimated cost shall be made by way of reimbursement or in advances to this appropriation: *Provided further*, That none of the funds appropriated under section 314(d) of the Public Health Service Act may be used for the payment of salaries or expenses for any State-level employee.

The Clerk read as follows:

Amendment offered by Mr. HALL of Ohio: Page 13, line 13, strike out "$1,318,343,000," and insert in lieu thereof the following: "$1,351,343,000, of which $371,936,000 shall be available only for community health centers, and".

The CHAIRMAN. Has the gentleman's amendment been printed in the RECORD?

Mr. HALL of Ohio. It has not been.

Mr. Chairman, I ask unanimous consent to address the Committee for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HALL of Ohio. This amendment would add $33 million to Community Health Service's health centers that actually were cut out of the supplemental 1979 bill.

This would fund 30 new rural health initiatives, 11 new urban health initiatives, and improve 31 rural health initiatives. Without these funds approximately 709,000 people in this country would not be served.

The amount of $114 million, Mr. Chairman, was cut out of the supplemental 1979 bill. It is very, very important, I think, to restore partial funding which would be in the amount of $33 million. If we do not there will be a minimum period of at least 22 months where no new health clinics or health centers in this country will be funded or under way. It is most important. This is a good program. It is inexpensive in cost per patient and I would hope the Members would support this amendment.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

Mr. NATCHER. Mr. Chairman, we have $339 million in the bill for community health centers. This is an increase of 31 percent over the current funding. The $80 million increase includes $16 million for cost-of-living increase for existing centers, $15 million for expanded services to adolescents, and $49 million for 180 new urban centers.

Mr. Chairman, this amendment should be defeated.

● Mr. OTTINGER. Mr. Chairman, I rise in support of the amendment offered by Representative TONY HALL to increase the appropriation for the community health center program by $33 million. This would bring the funding for fiscal 1980 up to the level recommended by the President in his 1980 budget. As a strong supporter of the community health center program, I support this increase although it is substantially below what is needed to meet the health care needs of medically underserved Americans.

The community health center program provides health care to medically underserved individuals in both urban and rural areas. Presently, funding is so limited that only 10 percent of the 49 million people living in areas which are deficient in health services are being served by this program. During the past 6 years, four neighborhood health centers have been established in Westchester County. These centers, located in Mount Vernon, Ossining, Peekskill and Greenburgh, are providing accessible and affordable, high quality health care to the residents of these communities. I have visited these centers often and I can testify personally regarding the desperate need for these centers. The Mount Vernon Health Center, founded in 1973, is serving 30,000 patients in facilities intended to serve no more than 2,000. I am pleased to report that a new permanent facility for the health center is now under construction.

Since the program began in 1965, community centers have demonstrated they can deliver comprehensive health care at a lower cost per patient than traditional providers. Numerous studies have shown that populations served by health centers experience lower rates of morbidity, infant mortality, and hospitalization than comparable areas. In addition, these centers can relieve the pressure on hospital emergency rooms to provide primary care which is driving up hospital costs in many rural and inner-city areas. They are demonstrably cost-savers to the Government and to society.

In spite of the clear need to expand these health care services and their proven cost effectiveness, funding for this program has been cut back severely by the Appropriations Committee. Last year authorizing legislation had not been enacted when we considered the fiscal year 1979 Labor/HEW appropriation bill. Therefore the program was funded at the previous year's level through a continuing resolution. A supplemental request of $81 million was submitted by the President but defeated by the committee. This resulted in a delay in implementing the initiatives included in the reauthorization bill and in funding the already approved applications for health centers. Now the committee has proposed an additional $33-million cut below the President's 1980 budget request. At a time when we are striving to hold down health care costs and to reduce unnecessary hospitalization, this kind of spending cutback does not make sense.

Restoring the $33-million cut by the Appropriations Committee will provide funds for 180 approved but unfunded health centers without forcing a reduction in the level of services in the 591 operating health centers around the country. In addition, it will reaffirm our support for this vital program which provides health care to medically underserved Americans in an efficient and effective way. I hope my colleagues will join me in supporting this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HALL).

The amendment was rejected.

☐ 2410

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

SEC. 409. None of the funds appropriated by this Act shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed consent of each participant or subject, or his parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 53, after line 18, insert the following section:

SEC. 410. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

The CHAIRMAN. Is the gentleman's amendment printed in the Record?

Mr. MILLER of Ohio. It is, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Chairman, knowing of the late hour, I am not going to take the 5 minutes. I am not going to ask for a recorded vote.

The amendment of 2 percent has been offered on each one of the appropriation bills. The amount in this bill is $73.5 billion.

The nonmandatory part of the bill where 2 percent would apply is $31.7 billion and the 2-percent reduction would amount to $634 million.

Mr. Chairman, I would request support for the amendment.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment, but I will only take 1 minute.

Mr. Chairman, we estimate that this amendment would require a reduction of $625 million. This gives the executive branch of the Government the right, Mr. Chairman, to take $48 million out of cancer research; $39 million out of impact aid; $39 million out of vocational education; $37 million out of Head Start; $34 million out of student aid; $20 million out of health professional schools; $52 million from the program for the aged.

Mr. Chairman, this is a good bill. We have worked hard on this bill. This amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Miller).

The question was taken; and on a division (demanded by Mr. Miller of Ohio) there were—ayes 52, noes 94.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment refers, see prior proceedings of the House of today.)

The Clerk read as follows:

Amendment offered by Mr. Dodd: Page 28, line 4, strike out "$874,500,000" and insert in lieu thereof "$1,006,000,000".

The CHAIRMAN. Is the gentleman's amendment printed in the Record?

Mr. DODD. Yes, it is, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. DODD. Mr. Chairman, as the Member who preceded me pointed out, the hour is late. I will try not to take all the 5 minutes.

Again, I regret that we are only going to have this limited amount of time to discuss what I consider to be a very important amendment.

In 1975 this Congress passed the old Handicapped Children's Act. That law became effective in 1977. It was designed to provide special educational assistance to the 8 million handicapped children of this country.

Since that time only 3.5 million children have been provided special educational assistance in this country.

It is the purpose of this amendment to increase the appropriation by $131 million to provide additional assistance to see that those children who are not getting the special education assistance, assistance that we guaranteed when we passed that act in 1975.

Mr. Chairman, we guaranteed we would provide equal educational opportunity and a free education to these children who are handicapped and who need special attention.

It will be argued by the opponents of this proposal that this is apt to bust the budget. I would like to point out to my colleagues that this amendment sets a ceiling of 14 percent, 1 percent less than we allocated in the first budget resolution. It does not go over the budget. It is within the budget guidelines.

This year we are providing only 12 percent, as is presently allocated in the budget. That is some 18 percent less than the formula required when we guaranteed a 30-percent increase in funding.

We began in 1977 with 5 percent and then we were to increase up to 40 percent by 1982. This year's formula requirement is for 30 percent.

The Appropriations Committee has set that level at 12 percent. I am asking for 14 percent, 1 percent less than the budget ceiling required.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. DODD. I would be glad to yield to my colleague and strong supporter of this amendment, the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Mr. Chairman, I would like to commend my colleague, the gentleman from Connecticut. The gentleman is absolutely right.

It is easy sometimes when we meet at noon to forget what this Government is really all about and it is even easier when we meet at midnight; but here we are talking about helping people who desperately need help. Every study, without exception, shows that when we invest money in helping handicapped young people, it pays off. We had testimony before our subcommittee that one big city school district has 40,000 young people waiting for diagnostic services right now.

I commend the gentleman. I think it is absolutely a move that we ought to make and I hope we do the right thing.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I wish to compliment my colleague, the gentleman from Connecticut, for the gentleman's initiative in this very important area.

Obviously, there is an extraordinary need around the country to provide decent educational services for handicapped children.

Let us give them a chance also to succeed in this society. I urge support for the amendment.

Mr. DODD. Mr. Chairman, I thank the gentlewoman for her comments.

I would point out that we mandated this program, requiring that it be done. I think we ought to back up our requirements with some money and provide the States and localities with some assistance.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I would be glad to yield to my colleague, the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I would just like to reemphasize what the gentleman just said. What first was a carrot has been turned into a stick by passage of 504, for which we have offered no funding whatsoever, in spite of representations that we would do that.

What this will do would provide a little bit more money toward a lot of commitments we have made which we have not fulfilled.

I think it is important and essential that we pass this amendment.

Mr. Chairman, I thank my colleague for yielding.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes, I yield to my colleague, the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I want to commend the gentleman for bringing this measure on the floor. It is sorely needed. It fulfills our responsibility to the school districts in a program that we mandated in trying to help our handicapped children.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Connecticut (Mr. Dodd) to the Labor-HEW appropriation bill for fiscal year 1980.

This amendment adds to the present budget for the Education For All Handicapped Children Act an additional $131.5 million. These additional funds are sorely needed, and represent the Federal Government's recognition of its responsibility toward school districts charged with the mandate of carrying out a free and appropriate public education for all handicapped children.

Our school districts are having an extremely difficult time in meeting the demands of the legislation which the Congress passed several years ago. While the intent of the Congress was admirable in providing the millions of handicapped children in America with a free public education, they were not realistic in appropriating too few dollars for the administration and execution of this worthy program.

In meeting with many of the school districts in my own area, I have learned that these school districts are more than willing to help the handicapped in whatever ways they are able, and are willing to provide equal opportunities and chances for the handicapped. But all too often they are faced with the question of which programs to cut in order to meet this mandate, and which other students to penalize so that the handicapped may be served. Certainly, the legislative intent of the bill's authors was not the penalization of the majority of students, nor did the Congress intend to force school districts to cut and cut in order to serve the formerly unserved populations. I am certain that the relationship envisioned by this legislation between the Federal Government and local school districts was a cooperative relationship, intended to benefit all.

Unfortunately, this is not the reality today. The Congress has not seen fit to provide enough funds for handicapped education, and both the school districts and the handicapped students are suffering.

This amendment is certainly not excessive, or is it frivolous. It is simply an effort to meet the Federal commitment made upon passage of Public Law 94-142. Presently, the Federal Government is only supplying $221 per child toward excess costs incurred through this legislation. Congressman Dodd's legislation goes a long way in providing some relief to the school districts whose per pupil expenditures for each handicapped child is double those of a regular student.

It is 2 years since the White House Conference on the Handicapped took place in Washington; since that time, not many strides forward have been made toward the acclimation of the handicapped into our society. Of late, the handicapped have faced cutbacks in necessary programs, and seem to be facing a wall of unresponsiveness. We cannot allow our handicapped children to go unserved, and cannot pretend that the money allocated to date is sufficient to meet the needs of our school districts.

Mr. Chairman, I strongly urge my colleagues to join with me in supporting this legislative amendment, to assist our handicapped children.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Connecticut (Mr. Dodd).

Mr. Chairman, this amendment is defective.

The bill reads on page 28:

EDUCATION FOR THE HANDICAPPED

For carrying out the Education of the Handicapped Act, $1,045,325,000: *Provided*, That of this amount $874,500,000 for part B and $20,000,000 for section 619 shall become available for obligation on July 1, 1980, and shall remain available until September 30, 1981.

If this amendment, Mr. Chairman, were adopted, if it was accepted and adopted, it would not add 1 penny to the handicapped program that the gentleman is seeking to add to.

□ 2420

Mr. Chairman, the gentleman's amendment is defective. The total amount in the bill for education of the handicapped is $1,045,325,000. The gentleman selected the wrong figure, Mr. Chairman. His amendment does not increase that total.

Mr. Chairman, the amendment should be defeated.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the distinguished gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I think we ought to point out that here is a program that is forward-funded, and under the 1979 appropriation a total of $804 million will be available for the upcoming school year, compared with $566 million during the current year.

Now, in per pupil terms the new amount represents an increase from $156 to $211 or nearly a 40 percent increase. The school districts have not yet experienced a substantial increase, and it is likely that once they do, a pressure for even further large increases next year will develop because of the tremendous increase we are giving them here within the space of only 1 year.

We ought to see how the school districts will handle the large increase that will take place in the coming year before adding substantial amounts.

The bill does contain a per pupil funding increase, even with that $211 figure, to $221, and let me point out further that the average per pupil Federal contribution has gone up from $72 in 1977 to $221 in 1980, a 200-percent increase.

Mr. Chairman, if we cannot be satisfied and tell our folks back home we would be doing something substantial by way of that kind of increase, then I just do not know what we are going to do.

Mr. NATCHER. Mr. Chairman, I ask that the amendment be defeated, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. Dodd).

The amendment was rejected.

The CHAIRMAN. Are there further amendments?

Mr. NATCHER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Fuqua, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Miller of Ohio moves to recommit the bill, H.R. 4389, to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MICHEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 327, nays 84, not voting 23, as follows:

[Roll No. 299]

YEAS—327

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ireland
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif

Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Treen
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—84

Archer
Ashbrook
AuCoin
Badham
Bauman
Beard, Tenn.
Brodhead
Broyhill
Burton, John
Campbell
Carney
Cheney
Coleman
Collins, Tex.
Conable
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Dornan
Edwards, Okla.
Emery
English
Erdahl
Evans, Ind.
Frenzel
Gephardt
Gingrich
Goldwater
Gradison
Grisham
Hagedorn
Hansen
Holt
Hughes
Ichord
Jeffries
Jenkins
Jones, Okla.
Kelly
Kindness
Kramer
Lagomarsino
Latta
Lee
Lewis
Loeffler
Lungren
McDonald
Marlenee
Marriott
Martin
Mattox
Miller, Ohio
Moorhead, Calif.
Mottl
Pashayan
Paul
Ritter
Robinson
Rousselot
Rudd
Satterfield
Schulze
Sensenbrenner
Shumway
Shuster
Solomon
Spence
Stangeland
Stockman
Stump
Symms
Taylor
Thomas
Walker
Weaver
Weiss

NOT VOTING—23

Anderson, Ill.
Andrews, N.C.
Bolling
Conyers
Davis, S.C.
Diggs
Duncan, Oreg.
Evans, Ga.
Fish
Flood
Forsythe
Jenrette
Mathis
Murphy, N.Y.
Patterson
Quayle
Spellman
Stewart
Thompson
Udall
Walgren
Waxman
Young, Alaska

□ 2440

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Anderson of Illinois.

Mr. Jenrette with Mr. Young of Alaska.

Mr. Stewart with Mr. Quayle.

Mrs. Spellman with Mr. Forsythe.

Mr. Patterson with Mr. Fish.

Mr. Thompson with Mr. Andrews of North Carolina.

Mr. Udall with Mr. Conyers.

Mr. Flood with Mr. Diggs.

Mr. Davis of South Carolina with Mr. Waxman.

Mr. Mathis with Mr. Evans of Georgia.

Mr. Duncan of Oregon with Mr. Walgren.

Mr. THOMAS changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4389, just passed, and to include extraneous matter, along with tables and charts.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 4389

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Clerk be authorized, in the engrossment of H.R. 4389, Labor/HEW appropriations, 1980, to make any necessary corrections concerning the wording and the punctuation in the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET TOMORROW DURING 5-MINUTE RULE

Mr. LEVITAS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation may be permitted to meet tomorrow during the consideration of amendments under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, can the gentleman tell us if he is going to be marking up a bill? We have some very important legislation tomorrow.

Mr. LEVITAS. The subcommittee will be considering prospectuses for construction of Federal facilities. I have discussed this matter with the ranking member, the gentleman from South Dakota (Mr. ABDNOR), and he agrees with this procedure tomorrow. It is a hearing which will be dealing with the marking up of a prospectus.

Mr. ROUSSELOT. The gentleman can assure us then that it is hearings only?

Mr. LEVITAS. We anticipate approving a prospectus on a Federal building tomorrow. It is a matter I have discussed at great length with the ranking minority member of the subcommittee, the gentleman from South Dakota (Mr. ABDNOR), and he is in accord with this request.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENDING EXISTING ANTITRUST EXEMPTION FOR OIL COMPANIES PARTICIPATING IN AGREEMENT ON INTERNATIONAL ENERGY PROGRAM

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1317) to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6272(j)) is amended by striking out "June 30, 1979" and inserting in lieu thereof "October 31, 1979".

The SPEAKER. The gentleman from Michigan (Mr. DINGELL) is recognized.

Mr. DINGELL. Mr. Speaker, this legislation, which passed the Senate on Tuesday, provides a short-term extension of the provisions of the Energy Policy and Conservation Act (EPCA) relating to the participation of oil companies in carrying out our commitments under the International Energy Agreement. Under the provisions of EPCA, oil companies are provided a limited immunity from antitrust laws for their participation in voluntary agreements to carry out the international energy program.

The immunity expires on Saturday, June 30, unless we extend it. The proposed extension would be for just 4 months until October 31, 1979. During that period of time, we will have a better opportunity to review the program and determine whether the provisions should be further extended and, if so, for how long. We will also consider the need for additional procedures and safeguards.

The reason for this short timetable for action is that the administration delayed in its decision to request this extension.

Many of us have certain questions about how the program is operating. I have introduced legislation to provide a longer extension and our subcommittee will begin hearings this afternoon on the workings of the program. But, if we fail to act today on this very short-term extension, the participation of the companies in this program would cease, and the International Energy Agency's activities will be severely hampered.

This is not the time to be taking that chance.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I have no objection to this bill.

As I understand, the minority leader has been advised of this effort to bring this bill up this evening. Because we have a problem with time, in view of the legislation terminating the first of July, we face the need to take this action by unanimous consent request. We were advised late in the subcommittee, and we, therefore, did not have the opportunity to go ahead and act through normal channels.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. GENE H. STERNBERG OF GRANITE CITY, ILL., RECEIVES RED CROSS CERTIFICATE OF MERIT

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PRICE. Mr. Speaker, it is my great pleasure to announce to the House that one of my constituents has been named to receive the Red Cross Certificate of Merit. As my colleagues are no doubt aware, the certificate of merit is the highest award given by the Red Cross to a person who has used his skills learned in Red Cross training programs to save or sustain human life.

On July 27, 1978, Mr. Gene H. Sternberg of Granite City, Ill., was driving his car on a highway when he witnessed another vehicle collide with a power pole. Mr. Sternberg stopped to aid the injured driver and administered mouth-to-mouth resuscitation in an attempt to restore the driver's breathing. Using the proper techniques, Mr. Sternberg was successful in his effort, and the driver was taken subsequently to a hospital. There is no question that the use of first aid by Mr. Sternberg saved the victim's life.

Mr. Sternberg's meritorious action has earned him the Red Cross' highest award, and he will be presented with the certificate signed by the chairman of the American Red Cross and the President of the United States. I am proud to bring this heroic action to the attention of my colleagues.

THE AMERICAN NATIONAL RED CROSS,
NATIONAL HEADQUARTERS,
Washington, D.C., May 30, 1979.

Hon. CHARLES M. PRICE,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. PRICE: Once again I write to call your attention to a noteworthy act of mercy undertaken by one of your constituents. In this instance Mr. Gene H. Sternberg, 2622 Cleveland Avenue, Granite City, Illinois, has been named to receive the Red Cross Certificate of Merit and accompanying pin. You will recall this is the highest award given by the American Red Cross to a person who saves or sustains a life by using skills and knowledge learned in a volunteer training program offered by the Red Cross in first aid, small craft, or water safety. The Certificate bears the original signatures of the President of the United States, Honorary Chairman, and Jerome H. Holland, Chairman of the American Red Cross. Presentation of the award will be arranged by the Tri-City Chapter of the American Red Cross, Granite City, Illinois.

On July 27, 1978, Mr. Sternberg, trained in Red Cross cardiopulmonary resuscitation (CPR), was driving his car on a highway when he saw another car crash into a power pole. Stopping to aid the driver, he saw that he was not breathing, so he began mouth-to-mouth resuscitation. Soon the victim resumed breathing and was taken to a hospital. Without doubt, the use of first aid by Mr. Sternberg saved the victim's life.

This meritorious action exemplifies the highest ideals of the concern of one human being for another who is in distress.

Sincerely,

GEORGE M. ELSEY.

GREATEST TRANSPORTATION SYSTEM IN WORLD IN DANGER

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUSTER. Mr. Speaker, yesterday, I presented to the Speaker of the House and to a representative of the President of the Senate, the final report of the National Transportation Policy Study Commission. The detailed study of more than 2 years contains findings and recommendations concerning the Nation's transportation posture into the year 2000. I am happy to report that the bipartisan Commission approved the report unanimously by a vote of 18 to 0. I also am happy to report that for once, a governmental study commission completed its task on time and within its budget.

But it is troubling to report that the study finds the greatest transportation system in the world in danger. The American people and their leaders in both the public and private sectors must squarely face the developing deficiencies in transportation and adopt new policies for the future. The Commission has crafted over 80 specific recommendations to improve America's transportation system.

I urge my colleagues on both sides of the aisle to examine this report and to carefully evaluate its findings and recommendations.

THE NATIONAL TRANSPORTATION POLICY STUDY COMMISSION

Chairman: Bud Shuster, United States Congressman, Pennsylvania.

Glenn M. Anderson, U.S. Congressman, Calif.

Benjamin F. Biaggini, Chairman and Chief Executive Officer, Southern Pacific Co.

Gilbert E. Carmichael, President, Carmichael Development Co.

William F. Cellini, Executive Vice-President, Illinois Asphalt Pavement Association, and Former Secretary, Illinois State Department of Transportation.

John H. Chafee, U.S. Senator, R. I.

James J. Florio, U.S. Congressman, N.J.

Mike Gravel, U.S. Senator, Alaska.

Richard L. Herman, President and Chairman of the Board, Herman Brothers, Inc.

James J. Howard, U.S. Congressman, N.J.

Russell B. Long, U.S. Senator, La.

James C. McConnon, Attorney and Member, Board of Southeastern Pennsylvania Transportation Authority.

James L. Oberstar, U.S. Congressman, Minn.

James D. Pitcock, Jr., President, Williams Bros.

Larry Pressler, U.S. Senator, S.D.,

Gene Snyder, U.S. Congressman, Ky.

John G. Tower, U.S. Senator, Tex.

William H. Tucker, Attorney and Former Chairman, Interstate Commerce Commission.

Harrison A. Williams, Jr., U.S. Senator, N.J.

NATIONAL TRANSPORTATION
POLICY STUDY COMMISSION,
Washington, D.C., June 25, 1979.

DEAR READER: This report sounds an alarm.

The world's best transportation system is in danger. It may not be able to meet the needs of a growing America.

The present levels of public and private investment will not preserve the existing system.

The demand for transportation will grow dramatically, outdistancing the rate of population growth by 9 times for freight and 4 times for people.

The capital investment required to meet the growing demand by the year 2000 exceeds $4 trillion, over $1 trillion from the public sector.

Government over-regulation is inhibiting the return on investment necessary to attract capital for future growth.

A maze of federal agencies, congressional committees and conflicting policies is driving up costs and retarding innovation.

Highway fatalities could increase 45 percent, exceeding 66,000 annually by the year 2000.

A lackluster energy policy, impeding production of oil, coal and other forms of energy, is endangering transportation's ability to keep up with demand.

The National Transportation Policy Study Commission in its final report to Congress and the President includes over 80 specific recommendations to improve America's transportation system. This summary describes 33 of those recommendations. It is significant that the final report was unanimously adopted by a vote of 18 to 0, although, obviously, not every Commissioner agrees with every recommendation.

The world's best transportation system need not decline. Implementation of the Commission's recommendations will contribute to the revitalization of transportation in America and help provide one of the critical prerequisites for economic growth and prosperity in the future.

America's transportation system must be designed to meet the requirements of the people, not to dictate what those requirements should be. The American people and their leaders in both public and private sectors must squarely face the developing deficiencies in transportation and adopt new policies for the future.

BUD SHUSTER, M.C.,
Chairman.

THE MAJOR FINDINGS OF THE NATIONAL TRANSPORTATION POLICY STUDY COMMISSION

ACTIVITY FORECASTS

1. Total national domestic person miles of travel are forecast to increase from 2.57 trillion in 1975 to 4.6 trillion in 2000, and may reach as high as 5.04 trillion. This represents increases of 81 percent and 96 percent respectively. At the lower figure, the urban local market leads the growth with a 95 percent increase while under the higher scenario the intercity market will lead the growth with a 119 percent increase.

2. Total national domestic freight ton miles are forecast to increase from 2.361 trillion in 1975 to 6.264 trillion in 2000, and may reach as high as 7.687 trillion. This represents increases of 165 and 226 percent respectively, with the urban market leading the growth in both cases with increases of 207 percent and 314 percent respectively. (See Table 1.)

CAPITAL NEEDS

3. Based on these activity forecasts the country will most likely need $4.2 trillion in capital investment in constant 1975 dollars

through the year 2000, and may need as much as $4.6 trillion. (See Table 2.)

4. Of the total capital needs, it is projected that various levels of government will be required to spend $1.242 trillion and may need to spend as much as $1.292 trillion.

5. For the year 2000 itself, total federal, state and local government transportation outlays are projected to be $105.4 billion in constant 1975 dollars, and may range as high as $109.7 billion as compared to $37.06 billion in 1975. (See Table 3.)

6. Of the total government transportation outlays in the year 2000, it is projected that general revenue requirements will be $70.8 billion and may be as high as $72.8 billion as compared to $17.5 billion in 1975. (See Table 4.)

ENERGY RELATED

7. The price of domestic crude oil at the wellhead, assuming price deregulation, is expected to increase 59 percent in constant dollar terms between 1975 and 2000. (From 1975 to 1979, the real price has increased an average of 3.2 percent per year.)

8. Domestic production will continue to decline until 1985 and then increase gradually. Despite price increases and increased conservation, demand will far exceed domestic supply, and, prior to 1990, demand will be met through increased imports.

9. By the year 2000, 40 percent of domestic crude will be from Alaska.

10. Coal will play an increasingly important role in meeting not only national energy needs, but also energy needs of the transport sector. By the final decade of this century, synthetic crude oil will represent 20 percent of the crude oil available to refineries from all sources. Of the synthetic crude about 78 percent will be from coal.

11. In the future coal will move twice its current average distance, and at three times the volume, for a six-fold increase in tonmiles. Thus, the BTU efficiency of coal as an energy resource will actually decline.

12. Sufficient petroleum based fuels can be made available for transportation only if all domestic energy resources are exploited (e.g. solar, nuclear, oil shale, tar sands, coal liquification and bio-mass) to meet total national energy needs.

SAFETY

13. Projections show that although the amount of vehicle miles traveled in the year 2000 will increase, improved safety features will result in a lower fatality rate. Because of increased travel, the total number of fatalities will most likely rise to 66,900 annually by the year 2000 but may range as high as 75,600.

MAJOR RECOMMENDATIONS OF THE NATIONAL TRANSPORTATION POLICY STUDY COMMISSION

GOVERNMENT ORGANIZATION

1. The Interstate Commerce Commission (ICC), the Federal Maritime Commission (FMC), and the Civil Aeronautics Board (CAB), should be abolished. A single Federal transportation commission should be created to perform the residual regulatory duties of these bodies.

2. The United States Department of Transportation (DOT) should be restructured so that it becomes the lead agency in all nonregulatory Federal actions directed primarily toward transport objectives. For example, transportation programs designed to foster regional economic development should be consolidated under DOT.

3. Congress should consider consolidating Committee transportation jurisdiction so that it is not spread over 30 Committees as is currently the case.

ECONOMIC REGULATION

4. Providers of passenger and freight services (carriers) should be allowed to raise and lower rates within a zone of reasonableness defined by Congress. The anti-trust laws should apply to these firms.

5. Only those carriers who can actually provide service to particular customers should be permitted to participate with other carriers in rate bureau activities designed to establish a published, yet collectively arrived at, rate.

6. Carrers should be allowed easier access to, and exit from, servicing particular markets.

7. Federal and state regulations should be applied equally to all carriers. For example, all modes in the freight market should be granted authority to enter into long term supply contracts.

NON-ECONOMIC REGULATION

8. The Federal government should study the benefits of a uniform Federal standard on the Interstate highway system, although states should maintain their individual authority to establish length and weight standards for trucks.

9. Management and labor cooperation and flexibility should be encouraged to facilitate productivity gains.

10. The Federal government should increase its efforts to promulgate equitable and cost effective safety standards. Penalties for not enforcing or complying with these standards must be increased and enforcement should be strict and vigorous.

OWNERSHIP AND OPERATION

11. Federal policies should encourage private ownership and operation of transportation by relying on the marketplace.

12. A federally assisted social service agency, such as Action, should consider the ability of local private sector carriers to provide needed transportation services before that agency directly provides the transportation itself.

13. Foreign investment in U.S. transportation facilities should not be unduly restricted.

14. Amtrak should be restructured to achieve more cost effective operations.

15. Federal laws and regulations impeding ownership of more than one mode of transportation should be eliminated.

16. Transportation firms should be allowed to merge subject to anti-trust law enforcement.

FINANCE, PRICING AND TAXATION

17. Transportation companies should be allowed to divest themselves of capital assets that are unprofitable if neither public nor private bodies provide subsidies.

18. Modal trust funds for highways, airports and inland waterways should be retained.

19. Users of transportation facilities should be assessed charges that reflect the costs occasioned by their use except where it is determined that federally assisted transportation facilities serve non-transportation social and economic objectives as in the case of mass transit.

20. Effective economic analysis should be required of all existing and proposed major Federal policies, programs and regulations.

21. Federal financial assistance to state and local governments for transportation programs should be more flexible giving the local officials more authority to transfer the funds from one program to another.

22. States should be actively encouraged to include bikeways and pedestrian walkways in the design of highway facilities receiving Federal assistance.

23. Subsidies to the U.S. Merchant Marine industry should be continued but only where the subsidies clearly benefit the national defense.

24. Federal involvement in regulation of the transportation industry should be minimized to allow cooperative free market forces to operate, thereby improving the economic health of the industry.

PLANNING AND INFORMATION

25. More federal support should be available for research and development efforts in transportation.

26. State and local governments should be able to use any Federal transportation assistance for transportation planning purposes.

27. Worldwide surplus ocean shipping freight capacity should be eliminated through international negotiations.

28. A national transportation data center should be created within DOT, subject to adequate privacy protection.

29. More consideration should be given local conditions when national guidelines are formulated.

ENERGY RELATED

30. Prices of domestic crude oil should be deregulated.

31. The Federal government should encourage the development and use of energy saving technologies such as improved engine design.

32. The Federal government should foster the development of alternate fuels such as oil shale and coal gasification.

33. The Federal government should continue to foster energy conservation efforts, such as the mandated fuel-efficiency standards.

A TRIBUTE TO GEN. LOUIS H. WILSON—AN OUTSTANDING MARINE CORPS COMMANDANT

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, at the end of this week, Gen. Louis H. Wilson, USMC, will complete his 4-year tenure as the 26th Commandant of the U.S. Marine Corps and bring to a close his 38-year career as a marine.

General Wilson is a marine's marine. President Truman presented him the Medal of Honor for heroism on Guam during World War II. It was his personal strength and unique leadership ability that prompted President Ford to name him Commandant in 1975, at a time when the Marine Corps was reassessing its military mission following Vietnam.

It is a tribute to the kind of soldier and leader developed by the Marine Corps that General Wilson has accomplished so much in the past 4 years.

Under his leadership, he has emphasized operational readiness, sound task organization—the tailoring of Marine air and ground units in size and striking power to respond swiftly to the mission at hand—and the unique Marine air-ground team concept of operation, in which ground capability and air support are totally integrated into a single combat element.

It is this air-ground team concept which has always been the hallmark of Marine Corps effectiveness. General Wilson has helped to fine tune this aspect of Marine training, for both Regular and Reserve air-ground units, by establishing a new combined arms combat training center at Twentynine Palms, Calif.

Commandant Wilson also commissioned a unique Marine aviation weapons and tactics squadron last year at Yuma, Ariz. This squadron now provides advanced aviation tactics and equipment instruction to Marine Corps air crews and aviation ground officers.

The practical value of these efforts to U.S. defense and to the defense of Europe has been ably demonstrated during extensive recent maneuvers with our NATO allies.

A three-phase test of the mobile assault capabilities of our Marine units in a realistic heavy armor combat situation was carried out, involving infantry, armor, artillery, air, and combat service support units.

The result of these NATO maneuvers was reported to me by NATO commanders during a recent official visit by our House Budget Committee task force on defense and international affairs. The test demonstrated that today's highly trained, tightly disciplined U.S. Marines operate very well in the NATO area against a well-trained, heavily armored tank force on the other side.

General Wilson has certainly contributed personally, with the able assistance of his Marine commanders, to the continued excellence of the Marine Corps' air-ground team concept of operation.

What this means, quite simply, is that you have the best trained, best motivated crack combat troops and support elements on the ground, supported with equal effectiveness and teamplay in the air by tactical fighter crews.

This is the essence of Marine Corps combat effectiveness in battle. It is not possible unless the Department of Defense and the Congress provide adequate resources, including the appropriate aircraft and base support facilities, to do the job.

General Wilson has spoken forcefully in his appearances before congressional committees about the Marine Corps' need for additional procurement of light attack aircraft so that improved combat capability will not suffer as the result of false economies in the defense budget.

One such false economy was the reduction of the A-6E force structure in excess of one full squadron's number of aircraft, for a total reduction of 13 aircraft.

Commandant Wilson put this reduction into perspective in his testimony this year before the House Budget Committee:

> That reduction is not only the loss of an entire squadron but it represents a 16.7 percent reduction in our all-weather attack capability. This loss is of deep concern to me, as the A-6E is the only aircraft that can provide close air support in periods of darkness and inclement weather to young Marines on the ground.

General Wilson has made a good case for congressional support of the AV-8B Harrier vertical short takeoff and landing (V/STOL) aircraft.

I have personally flown this plane. As General Wilson noted in his testimony before the Budget Committee:

> The AV-8 an operate anywhere, any time, in the most austere bases with high sortie rates. They respond immediately to the needs of the Marines anywhere in the world and I am fully confident that it is a great plane for the Marine Corps for the decades ahead.

Certainly, General Wilson has contributed greatly to the success of the AV-8 program. Under his leadership, the Marine Corps has three squadrons of AV-8A V/STOL aircraft, which have conducted operations all around the world, both ashore and afloat, from the deserts in California to the tropics in the Philippines, from the Arctic conditions of the North Atlantic to the rains of Korea.

Accordiing to the Commandant, these operations proved to the complete satisfaction of the Marine Corps the advantages of V/STOL aircraft in providing close air support for Marines on the ground. This is why General Wilson has pressed so hard for congressional support of its procurement.

My own experience with the AV-8 certainly confirms General Wilson's high confidence in this aircraft. It is a fine aircraft which can carry 16 500-pound bombs for a 158-mile radius. It can take off with one and a half times the payload of the A-4, on a mission of the same distance, using only one-fourth the runway. The AV-8 can take off from an angle up to a 15-degree level with a full load in 400 feet. This is why it has such tremendous advantage for close air support of Marines on the ground.

Under General Wilson's command, the Marine Corps has certainly continued to recruit and train high quality marines to serve in all capacities. This is a considerable achievement under the circumstances of a truly all-volunteer military force, where the annual turnover rate is practically one-fourth of the Marine Corps' total strength.

General Wilson has totally restructured and improved the Marine Corps' recruitment and training programs durhis tenure as Commandant. This has enabled the Marine Corps to recruit, train, house, and provide for close to 50,000 new marines each year, simply to maintain the Corps' authorized strength, as well as to increase the number and quality of its reserve forces.

Every indication shows that the quality and dedication of our Marine Corps enlisted personnel and officers is high as the result of the efforts of the past 4 years. Certainly, the results of the NATO maneuvers have demonstrated this fact, and have increased the confidence of our allies in the ability of the United States to provide the best possible combat support.

Mr. Speaker, as General Wilson's tenure as Commandant of the Marine Corps comes to a close, those of us in Congress certainly owe him a great sense of gratitude for the tremendous service that he has performed during these past 4 years, and throughout his 38 years as a U.S. Marine.

With him in this great challenge has been his good wife, Jane, who has served as the First Lady of the Corps and as a most gracious hostess at the Commandant's house here in Washington.

General Wilson now returns to private life and his home State of Mississippi. While he no doubt looks forward to his future years as a civilian, it is hoped that he will also consider the great public service that he might yet perform for his country. There are no doubt many options open to him, in and out of Government, and I personally wish him well in any future calling.

I also join the thousands of loyal Marines in welcoming the new Commandant, Gen. Robert H. Barrow, who like General Wilson has a distinguished and heroic background as a U.S. Marine.

As Assistant Commandant of the Marine Corps for the past year, General Barrow knows, as General Wilson recently testified before Congress, that the state of the Corps is good. The reins of stewardship are passing to good hands.

It is my deep personal hope, as this transfer of command takes place on June 30, that both the executive branch and Congress will remember the wise testimony of General Wilson during his last appearance as Commandant before the House Budget Committee. He stated:

> Our Nation's history—our very way of life as Americans—is inextricably tied to maritime freedom; and the Marine Corps remains a vital element of the naval forces necessary to maintain that freedom. Operating with the fleets, Marine forces—uniquely and totally integrated into a combined, powerful, effective air-ground team—form a Corps with a capability unmatched by any other naval force in the world.
>
> But we must always remember the elementary fact that our team is made up of individual Marines, the young Pfc's who must work on jet engines or carry rifles and be prepared to take the hill whenever the call should come. We must never forget that those Marines represent our real ability to respond.
>
> They remain the underlying strength of today's ready Corps, and nothing must be left undone in providing for them. Everything we do must be aimed in their direction, for they are truly what the Corps is all about.
>
> Perhaps more than ever before in my nearly 38 years of service, I am convinced that our Marines are, indeed, extremely proud to form the Nation's amphibious force-in-readiness. And I am equally convinced that they, according to the will of the American people and the determination of the Congress, will continue to form a spirited Corps, always ready and willing to be the first to fight.

Mr. Speaker, our Nation owes a tribute of gratitude to General Wilson for his service to our people and our Constitution. It is a privilege and an honor to join with others in Government, and his Marine Corps family, in offering that tribute and wishing him well.

SOMEWHERE OVER THE RAINBOW: A TRIBUTE TO JACK HALEY

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DORNAN) is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, once a year, usually around the festive holiday seasons of Easter and Christmas, a national television network presents a most unusual film classic, "The Wizard of Oz." Like another 1939 motion picture, "Gone With the Wind," the "Wizard of Oz" ranks high among film classics, because it beautifully withstands the test of time. I have met many people of all ages and from all walks of life who have seen this classic over and over again. There can be no greater tribute to the genius and imagination of the original author Frank Baum or to the talents of a Hollywood film community that is now almost a memory, than the enduring love affair with "The Wizard of Oz" by film goers the world over.

The "Wizard of Oz" propelled my uncle, Jack Haley, into perpetual stardom, a rare tribute. Like the haunting "Somewhere Over the Rainbow," the rest of the beautiful musical score and the entire magnificent and lovable cast, Jack Haley, the Tinman, was henceforth unforgettable. The film turned out to be one of those rare artistic achievements that both commands the attention of critics and also smashes box office records. In seeing the film over and over one is permitted, if only for a brief 2 hours, to relive happy memories, the beautiful memories of childhood, and indulge the imagination in a flight of pure creativity that has been a hallmark of modern fantasy.

The "Wizard of Oz", brought together good and bad witches, "munchkins," and a host of lovable characters Judy Garland as Dorothy, Ray Bolger as the "Scarecrow," Bert Lahr as the "Cowardly Lion," Frank Morgan as the "Wizard" Margaret Hamilton as the "Witch" and Jack Haley in a particularly touching role as the Tin Woodsman. It made them all national figures. Jack came from a rare school of theatrical funnymen, the song and dance men of vaudeville. He was a natural. With a quick wit, handsome Irish face, big blue eyes and a special Celtic charm, Jack Haley loved the part. But, as he said to a group of congressional staffers last October at a Washington, D.C. tavern, "the Dubliner"—"It was hard work." About the "Wizard" Jack told the enraptured group the difficulty of keeping a straight face among the "munchkins" and the hilarious antics of Lahr and Bolger. He spoke of the danger of fire and an exploding flying broom and the burns suffered by Margaret Hamilton. In real life, incidentally, she is a charming, delightful lady still writing to us here on Capitol Hill about saving the beautiful porpoises of the seas.

I think I know why Jack Haley loved the part. The "Wizard of Oz" was fantasy, but it was also a fable; and hence, it carried within it a moral lesson about real life—life this side of the rainbow. Aside from the dazzling costumes and beautiful sets, it was a tale intended not only to appeal to the imagination but also to teach virtue. It was a celebration of the simple things of life: the battle between good and evil, symbolized by the innocence of Dorothy and the deliberate evil of the "Wicked Witch"; the humility of true intelligence symbolized by the "Scarecrow" who, in the tight spots, always managed to come up with just the right idea; the nature of real courage, as symbolized in the behavior of the "Lion," who managed to conquer his own fears, to act rightly in spite of the possible consequences; and the love of the "Tin Man," unbounded as it was for his friends, proving that he, like his fellow travelers on the yellow brick road to Oz, possessed all along the virtues which they were desperately seeking. I was moved deeply when at the announcement of my uncle's death, the television networks focused on a final scene in that great film when Dorothy, about to be mystically transported back to Kansas, tearfully turns to the "Tin Man" and tells him that she will miss him most of all.

Jack Haley was an actor, but he loved poetry, philosophy and, of course, politics. As a Boston Irishman, he was, naturally, a born politician. Unlike the "Tin Man" he entertained no illusions about an Emerald City here on the Potomac. No political Wizard ever "faked out" Jack Haley. Certainly, one of the highlights of his trip to Washington, D.C. last fall was the opportunity to tell jokes, swap stories, and reminisce about old mutual associations and friends from his native Boston with another charming Irishman who, like Uncle Jack, had made it big, our own Speaker of the House of Representatives. They laughed heartily, and in that mutual laughter was the recognition that they had outwitted the misfortunes that plagued their ancestors on both sides of the Atlantic.

Jack Haley loved his profession, and his road to success was hardly a paved, yellow brick path. It was a rocky road but he loved the struggle. And he made it because, all along, like the "Tin Man" he immortalized on the silver screen, he possessed a great heart. Boy oh boy, did he ever help people along the way. The size of that heart was a measure of the strength of his faith. On that matter, the most important matter to him, he was unapologetic. It was simple for Uncle Jack, he was deeply in love with God. During his long and fruitful life, he was a devout Roman Catholic, and thus loyal to his Irish heritage. He loved his wonderful, wonderful wife of over 50 years with all the power of that great heart. He was unabashedly patriotic and wrote often of dangers to the Nation's moral and political life.

Death, for Jack Haley, as he often stated, would be a rebirth. Now, he is transported to his final destiny, a fulfillment as St. John tells us, beyond the bounds of human imagination, where all of his heart's desires are finally realized. My heart grieves over the sense of loss felt by my Aunt Flo, and his so very much loved son and daughter, Jack, Jr. and Gloria. I will miss my Unk a lot. He was a pal.

Jack was kind enough to write down his ideas on countless subjects that mattered most to him in life. Many of his poems were little treasures. One of these was a particularly humble and tender poem on the supreme importance of showing reverence to the Lord. With the Speaker's permission, I read it for the Record as an inspiration to God loving people of all faiths. It is simply entitled, "Visit Him."

Visit Him

(By Jack Haley)

When I was just a little kid,
I'd say 'bout three or four,
My mother would stop by the church
On her way back from the store.

She'd put me and her bundles up on the pew,
Then she'd kneel[1] at the feet of our Lord
And I'd go to work on a lolly-pop
That she got so I wouldn't be bored.

Well, the visits kept up and it didn't take long
Till the good seed of habit was sown,
By the time I reached the ripe age of eight,
I was making the visits alone.

I'd drop in after school, or when I'd finished at play,
Sometimes with my ball and glove,
My mother said it was the least I could do
In return for His wonderous love.

She said there were times during the day
When no one went in at all,
That people couldn't spend a minute or two
To pay this real friend a call.

They have time for others, who'll cast them aside
If occasion happens to pay,
But the one friend they've got, who'll stick by till the end
They won't give the time of day.

Once I was going to visit the church,
And as I walked up the avenue
I saw three kids coming toward me,
Three kids from my street whom I knew.

For a minute I really got chicken,
Shall I go in or keep walking along?
If I go in they'll give me a ribbing,
I asked the Good Lord make me strong.

As I walked up the steps they started to yell,
They hollored Sissy and that kind of stuff,
And one of the kids was a Catholic[2]
And I thought he had gone far enough.

So I walked right over and I belted him one,
And I never get into a fight,
But there must have been some kind of look in my eyes,
'Cause the three of them ran off in fright.

After that when I went into church,
No kid on the block made a crack,
Then one day I was paying a visit,
I saw the Catholic kid in the back.

I went over and sat down beside him,
We talked and he understood.
And he told me about his decision
To make visits whenever he could.

I'm not giving a sales talk to you folks
For there's nothing I've got to sell,
It's the reason I've been making the visits
Is the thing that I wanted to tell.

I go to church 'cause I love Him,
And I'm sure with this you'll agree
If I keep up my visits the rest of my life,
When I die, then He might visit me.

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 5 minutes.

● Mr. HAMMERSCHMIDT. Mr. Speaker, in the Food Stamp Act of 1977 an effort was made to improve the eligibility and purchasing requirements in the food stamp program. Although these changes allowed many elderly persons to to participate for the first time, there were some unintended consequences. In the attempt to simplify the program, a series of eight itemized deductions were reduced to three:

First, a monthly standard deduction which is presently $65 per household;

Second, 20 percent of all earned income; and

Third, shelter payments if the monthly amount exceeds 50 percent of the household's income after all other deductions have been subtracted, and cannot exceed $80.

The 1977 Food Stamp Act eliminated the previous deductions for medical costs in excess of $10 per month and shelter costs in excess of 30 percent of the household's income. It was the elimination of medical expenses and the recalculation of household expenses, two areas undergoing spiraling inflation, that caused the termination or reduction of benefits to many elderly, blind and disabled people.

I believe that H.R. 4303 will correct

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[1] The word "kneel" can be substituted with "sit" for those denominations that do not kneel.

[2] The word "Catholic" can be substituted with Methodist, Baptist, Jew or whatever denomination is required. (This makes the recitation nonsectarian.)

these problems by improving the method of determining financial eligibility for the food stamp program. The new bill will allow households with members who are 60 years of age or above or who are recipients of supplemental security income to deduct medical and dental expenses which exceed $35 per month and also to deduct all shelter costs in excess of 50 percent of the household's net income without regard to any ceiling. The Food Stamp Act was established in 1964 to safeguard the "health and well-being of the Nation's population." Eliminating the cash requirement was an important part of that safeguard, and I believe that we have taken another important step when we passed H.R. 4303. Mr. Speaker, I support this constructive action now agreed to by the House and the Senate.●

REPRESENTATIVE CAMPBELL ACTS TO GET TRUCKS ROLLING AGAIN

The SPEAKER. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL), is recognized for 10 minutes.

● Mr. BROYHILL. Mr. Speaker, the independent truckers in South Carolina's Piedmont are rolling, moving that State's $45 to $50 million peach crop to market. In good measure, the impasse was broken by our colleague, Congressman CARROLL A. CAMPBELL, JR., who had extensive meetings with the truckers and growers Sunday and was instrumental in arranging a session Monday with South Carolina's Governor and other State officials.

CARROLL worked tirelessly Sunday and Monday, talking with truckers, growers, officials at the White House, and the State House. Yesterday, he introduced a House resolution, which I am proud to cosponsor, calling on the Governors to cooperate voluntarily in standardizing truck weight and length limits, one of the truckers' main problems.

This is the kind of grassroots effort that can change the public's perception of Congress. I am delighted that the media in CARROLL's district recognized CARROLL's pivotal role, and am pleased to share with my colleagues two front page news stories from Monday.

[From the Greenville (S.C.) News, June 25, 1979]

AREA TRUCKERS TRADE VIEWS WITH GROWER

(By Sally Saunders)

SPARTANBURG.—About 45 independent truckers from the Greenville-Spartanburg area met with a representative of the area's peach growers and U.S. Congressman Carroll Campbell in a gripe-airing session Sunday evening.

And representatives of both truckers and peach growers plan to meet Monday with Gov. Dick Riley.

Although there were no concrete agreements made during the 1¼ hour meeting Sunday, spokesmen for the truckers said they "felt better" after having presented Campbell with a list of grievances drawn up by the independent businessmen earlier Sunday afternoon.

And the truckers' spokesman said they felt a "greater spirit of cooperation" with the area's peach growers.

The peach growers' liaison, attorney Tracy Gaines of Inman, told the truckers of a vote of 16 area growers taken Saturday, expressing sympathy with the plight of the independent drivers and a pledge to cooperate with them to settle the nationwide strike.

Gaines said he will carry that message to Gov. Riley Monday at a special meeting in Columbia set up between the truckers, Spartanburg and Edgefield County growers and the governor.

TURNED AWAY

Some 15 truckers from Charleston, turned away from Columbia Saturday while they were in convoy formation, also plan to meet Monday with Riley to air grievances.

Meanwhile, Riley Sunday urged Vice President Walter Mondale to encourage states to pass uniform weight and length regulations for all long-haul truckers and assure the safety of drivers who want to go back to work.

Riley talked by telephone to Mondale, who was at Camp David in the Maryland mountains, after discussing the effects of the independent truckers strike with key White House aide Stuart Eizenstat.

Mondale, who also discussed the truckers' situation with Sen. Ernest F. Hollings, D-S.C., is expected to make a statement on the matter Monday.

Growers representative Gaines said Sunday he hoped to bring back Riley, or his representative, to Spartanburg Monday afternoon to meet with the Upstate growers and truckers at a session scheduled for 3 p.m. at the Ramada Inn in Spartanburg.

INFORMAL MEDIATION

The informal mediation meeting with Campbell apparently was set up by Wilson, N.C., truck broker Billy Williamson, who met with the peach growers and Campbell at BBB packing shed, located near Inman, Sunday afternoon.

During that meeting, the growers expressed their rising concern about their perishable crops, now resting in coolers waiting to be hauled to market.

And the growers were concerned about reports of threats of violence against drivers and equipment, Campbell said.

Williamson, knowing the area's independent truckers were meeting at Truckstops of America Sunday afternoon to draw up a grievance list. suggested Campbell and Gaines meet with the group to discuss their problem.

At the 75-minute closed session in the truckstop restaurant, the truckers presented to Campbell a list of 10 grievances.

GRIEVANCES

These grievances included: stabilized fuel prices; uniform freight rates; set weight limits; a length limit of 60 feet; a 60 mph speed limit; reasonable loading and unloading time; reasonable delivery time according to law and speed limit; shippers to load and unload without charge to the truckers; partial deregulation of freight; and point of destination before loading.

The grievance list, posted on the truck stop bulletin boards, was signed by 27 truckers who attended the 4 p.m. organizational session.

The truckers also complained to the growers' representative about the practice of diverting crop loads to other destinations after the truckers have begun their hauling trips. Gaines said the growers would pledge better cooperation on this point in the future.

"The truckers have got some problems that possibly can be solved," Campbell said as he emerged from the meeting. "I told the truckers I would go to bat for them on uniform weight and length limits from state to state."

WEIGHT LIMITS

The Congressman pointed out the weight limits vary from state to state, and many times a trucker will begin his trip within the legal weight limit and be fined in another state for being over the limit.

"And they have a legitimate point that they are doing interstate driving," the Congressman said.

Campbell added that he would ask the White House to coordinate a cooperative effort among the states to have a uniform weight limit of 80,000 pounds and a uniform length of 60 feet.

Campbell admitted he "can't do anything about the fuel prices" but he said he supported national advertising of fuel rates.

"We need this so we'll know how to set our rates," said trucker spokesman David Eubanks of Landrum. "We can start a trip with diesel fuel at 85 cents a gallon and travel through states where it's priced over a dollar."

"We at least have to know where the gouging is going on so we can set our rates accordingly," said another trucker spokesman, Jack Kernes of Greenville.

"I wish we could have come out of that meeting and say we were all going back to work," Kernes added.

"But the whole thing has got to go nationwide," Eubanks said, referring particularly to the uniform weight and length limits and a nationwide ceiling price for diesel fuel.

"The independent truck driver doesn't know what the fuel rates will be from state to state. If we could have a ceiling price, this would help us set our rates," the Landrum driver added.

But Kernes and Eubanks agreed the lasting result of the meeting was the spirit of cooperation. "We just needed somebody to listen to us," Eubanks said. "This was the first time we had gotten a high elected official that can do something to listen to us," he said.

Attorney Gaines, who grows peaches, apples and plums, said about eight growers met with Campbell Sunday afternoon.

"We need the cooperation and we must have the trucks to haul our crops," Gaines said, adding that this week would be a crucial time for the area peach growers who are in the midst of their harvest.

While the growers did not agree to lobby with the state Legislature, they did agree to urge Riley to help the truckers so the two-week-old nationwide strike could be ended.

[Excerpt from the Spartanburg (S.C.) Herald, June 25, 1979]

LOCAL TRUCKERS, PEACH GROWERS CONCERNED ABOUT PROTEST

Local independent truckers and peach growers met Sunday with Fourth District Congressman Carroll Campbell, and truckers from Charleston who were turned away from Columbia Sunday will return today to discuss the situation with Gov. Richard Riley.

Campbell met in a closed meeting with representatives of the local independent truckers and peach growers at the Truck Stops of America on I–85 Sunday. He said after the 90-minute meeting that a "spirit of cooperation" had developed. It was learned that the local peach growers initiated the meeting with Campbell, who was in Spartanburg for a speech.

The meeting was closed to reporters, Campbell said, because the truckers requested it be closed. "I'll meet anywhere, anytime, in public or private to help resolve the problems," Campbell said.

Two local peach growers, Tracy Gaines and Ed Mitchell expressed their sympathy with the truckers and voiced their concern over the situation.

Gaines said the peach growers are attempting to help the truckers solve some of their problems. The strike by independent truckers could cause some loss of the current peach crop.

Mitchell said that some growers need peaches delivered during the coming week.

Campbell said some federal action to assist truckers should be forthcoming before Congress adjourns on Friday for a 10-day July 4th holiday. He voiced concern over the differences in weight and length limits from state to state. He said he will ask Secretary of Transportation Brock Adams to attempt to secure from all governors an agreement on a standard weight and length for trucks for a "trial period, say 30 or 60 days." He said he plans to talk with Adams today.

He also called for a uniform price range for diesel fuel to aid the truckers. "In some states, they'll find that fuel is 88 cents a gallon and then higher in other states. One driver told me that he paid as much as $1.16 a gallon at one place. . . . "

Mr. Speaker, the truckers in Congressman CAMPBELL's district "needed somebody to listen to us," according to the Greenville News story. CARROLL CAMPBELL is obviously that somebody, as the Spartanburg Herald quote, "I'll meet anywhere, anytime, in public or private to help resolve the problem," proves.●

WHAT CARTER SHOULD DO

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 10 minutes.

● Mr. ROUSSELOT. Mr. Speaker, for the first time in almost 100 years, the Government of Great Britain, under the leadership of Prime Minister Margaret Thatcher, has determined to enact significant tax-rate reductions on personal income. Margaret Thatcher has stated:

> . . . people are entitled to a bigger portion of the fruits of their own efforts. . . . If they don't get that, they won't work harder, we shall not get expansion. We shall not get a higher standard of living or the money for helping the disabled or improving the prospects for our children.

Emphasis has been placed, in Britain, on increasing production and supply by increasing individual incentives to produce. As our colleague, Representative JACK KEMP of New York, has stated:

> By simultaneously restricting money, reducing demand pressures generated by Federal spending, and encouraging production, the Conservative (British) government has chosen a path of strong economic growth with less inflation. Without a doubt, the British experience will have profound implications for politicians around the world.

Nobel Laureate Milton Friedman has authored numerous articles depicting the faults of a government which places emphasis on controls and regulations rather than on increasing individual incentives to produce. Government programs, ever since the "New Deal" of President Franklin D. Roosevelt, have cost the taxpayer many tens of billions of dollars without adequate return.

For example, 6 years of management of the oil industry by the Department of Energy have resulted in distortions both in production and distribution. In its first year of existence, the Department of Energy spent $5.2 billion and employed 18,078 people. The Office of Management and Budget estimates that the DOE will spend $10.1 billion and employ 19,109 people in fiscal year 1979. Now, what did we get? As the song goes, another year older and deeper in debt. The Department of Energy must be terminated.

In the June 18, 1979, issue of Newsweek, Milton Friedman discusses a speech that President Carter will never deliver. It is a speech which intelligently discusses the failings of our Government. It is a speech which would recommend, as a number of us in this body have advocated for many years, a major change in Government policy. It is a speech that "would not only be good for the country" but, as Margaret Thatcher would agree, would be good politically.

Mr. Speaker, let me review with my colleagues, Mr. Friedman's article entitled "What Carter Should Do."

WHAT CARTER SHOULD DO

(By Milton Friedman)

As I was daydreaming the other day, I fancied that I heard President Carter give the following talk:

"For many years, your government has been trying to fine-tune monetary and fiscal policy in order to avoid both unemployment and inflation. A growing number of people—inside government and outside—have concluded that such fine-tuning has not worked. It has not prevented repeated recessions. It has not prevented worse and worse inflation.

"Our government's failure in this important area inevitably raises questions about its performance in other respects.

"That troublesome question has prompted me to reappraise what government can and should do. I speak to you to report my conclusions and to recommend a major change in government policy."

The New Deal: "The role of the Federal government has been expanding ever since the Inauguration of President Franklin D. Roosevelt. What have been the results?

"One of the first New Deal objectives was to cure the problems of agriculture. The tractors that crowded the streets of Washington some months ago, as well as the explosive rise in food costs, are ample evidence that these problems remained. Government programs have not preserved the family farm. They certainly have not assured food to the public at reasonable cost. But they have cost the taxpayer many tens of billions of dollars.

"Another problem area attacked early in the New Deal was housing. Public housing was followed, after World War II, by urban renewal, and in 1965, by a new Cabinet department, the Department of Housing and Urban Development. Has adequate housing been assured for all, and especially for the poor? Has urban blight been eliminated? Hardly. The urban-renewal program, according to one expert, Martin Anderson, destroyed 'four homes, most of them occupied by blacks, for every home it built—most of them to be occupied by middle- and upper-income whites.' Public-housing projects built at great expense—for example, the Pruitt-Igoe houses in St. Louis—have literally been blown up because they had become a hotbed of crime and a breeding ground of poverty.

"Other costly social programs—welfare, job creation, health and so on in endless variety—were enacted for the noblest of motives. Yet, they have repeatedly failed to achieve their intended objectives.

"Regulation of industry has neither protected the consumer from high costs nor promoted healthy and innovative enterprise. Deregulation of airlines—the first real break in a 90-year trend—has been a boon to both airline companies and their passengers.

"What of energy—our nation's No. 2 problem after inflation? The United States, I discovered, never had a problem of energy shortages and crises, except during World War II, until government interfered on a large scale—first, in 1954, when ceiling prices on natural gas encouraged excessive use and discouraged production; then in 1971, when President Nixon imposed his ill-advised freeze on all prices and wages; then in 1973 and 1974, when price controls were removed from all products except petroleum products; then in 1975, when President Ford continued the Federal Energy Administration instead of letting it expire and signed a bill continuing controls on the prices of domestically produced crude oil.

"These government interventions in energy were consolidated during my Administration into a Department of Energy. We pay $16.50 a barrel under long-term contract for oil from OPEC and even more on the spot market but force domestic producers to sell oil for as little as $5.90 a barrel. In the process, we tax domestic production of oil in order to subsidize oil imported from abroad. The Department of Energy spends $3.50 of the taxpayers' money per barrel of domestically produced oil, without producing a single drop of oil. These counterproductive governmental policies have increased our use of foreign oil—even though we recognize the danger of depending on a thin line of oil tankers stretching halfway around the world.

"OPEC is a convenient excuse for the energy crisis. But OPEC itself was largely created by our own foreign and economic policies—and it could never have reached its present level of influence and power without the unintended and unwitting support of our mistaken domestic policy.

"We must learn from experience. We must not repeat past mistakes. Accordingly, I am today initiating a major change in government policy.

"On economic policy, I have requested the Council of Economic Advisers and the Office of Management and Budget to prepare a series of budgets for coming years that will cut government spending as a fraction of national income, eliminate deficits and reduce taxes. I shall recommend that Congress adopt such a budget policy. In addition, I am recommending to Congress, that it limit the discretion of the Federal Reserve System, and instruct it to reduce the rate of monetary growth over the next few years to a level that is commensurate with the real growth of the economy.

"On energy, I recommend that the Department of Energy be abolished. Effective the earliest possible date, I am removing all controls on the prices of crude oil, natural gas and other petroleum products, confident that the market will promptly bring the energy crisis to an end.

"These changes will start the process of replacing short-term improvisations by long-term planning and of reducing government intervention in your lives."

A radical program: "These recommendations represent a real change in direction. But I do not make them lightly. And I do not make them without sincere admiration and respect for the dedicated services of our public officials. The fault is not theirs; the fault is in the system, not in the people who have been administering it.

"These recommendations do not take us into uncharted seas. On the contrary, they return us to the basic principle that produced the miracle of America: reliance on individual initiative and voluntary cooperation. We must have compassion for the less fortunate among us. We must see to it that no resident of the United States is without assistance in time of real need. But that compassion must be joined with realism. It must be expressed in ways that take account of the experience of the past 50 years.

"If you, the citizens of the United States, will join with me in this task, we can, in Abraham Lincoln's words, 'have a new birth of freedom'."

This talk will never be given. Yet, is it only a daydream that the policy it outlines would not only be good for the country but might also prove a political triumph for President Carter? He might ask Margaret Thatcher.●

WE NEED AN IMMEDIATE REDUCTION IN TAX RATES TO AVOID A RECESSION

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

● Mr. KEMP. Mr. Speaker, fears that the country is sliding into recession appear to have been confirmed by an internal administration memorandum. According to reports in both the New York Times and the Washington Post, a Cabinet-level memo circulating within the Carter administration estimates that the economy has contracted at a rate of 2.4 percent in the last quarter.

The main causes of this recession-in-the-making are massive tax rate increases on personal income caused by inflation; overstatement of corporate tax liabilities because of inflation; huge statutory increases in the social security payroll tax which took effect in January; and hefty price increases in the world price of oil. All of these things slow down economic growth and reduce employment by reducing economic incentives. All of them require immediate correction by Federal tax and regulatory measures to increase incentives for employment, saving, and investment.

According to many estimates, if Federal policy remains unchanged, 2 million more workers will be out of jobs by next year. We know from the experience of the past two recessions that this will widen the budget deficit by a minimum of $40 to $50 billion due to revenue losses and mandatory spending increases.

I was heartened to read that the chairman and ranking minority member of the Joint Economic Committee, Senator LLOYD BENTSEN and Congressman BUD BROWN, have jointly called for an immediate tax cut of at least $20 billion in static terms, to avoid a recession or to lessen its impact if a recession has already begun.

Because of the efforts of such able members, the Joint Economic Committee enjoys a consensus of economic thought which is the most advanced of any bipartisan body in the Congress. The Joint Economic Report of 1979 outlined the committee's view that we can fight inflation and unemployment at the same time by encouraging the supply side of the economy, while restraining demand.

I continue to believe that across-the-board income tax rate reduction for all Americans is the first and most important, but not the only, step we must take to get this country moving again toward prosperity without inflation. As I and others argued during the recent debate on the budget, a cut in tax rates which avoids a recession can only reduce the budget deficit. But, as the Times quoted Congressman BROWN:

> I'll take any kind of tax cut I can get, and the average American feels the same way.

The articles follow:

$20 BILLION TAX CUT BELIEVED NEEDED TO BOOST THE ECONOMY

(By John M. Berry)

Warning that the nation is "heading into a recession," the chairman and the ranking Republican of the Joint Economic Committee joined forces yesterday to call for a minimum $20 billion tax cut in 1980 to give the economy a boost.

Sen. Lloyd Bentsen (D-Texas), the chairman, and Rep. Clarence Brown (R-Ohio) said that about half the cut should go to individuals to offset the effect of inflation pushing them into higher income tax brackets, and the other half to business to encourage added investment.

Meanwhile, a copy of a Senate Budget Committee memo obtained by the Washington Post indicated that a June 8 tentative forecast by the Congressional Budget Office predicted a recession beginning in the third quarter of this year, pushing unemployment to an average of 7.2 percent in 1980.

CBO has revised downward an earlier version of the forecast after a meeting June 4 with a group of outside consultants, some of whom were substantially more pessimistic about the economic outlook than CBO had been, the memo said.

Robert Reischauer, deputy director of CBO, declined comment on the memo and on the details of the tentative forecast. "We have done close to half a dozen different runs of the forecast," he explained, "and anything written on June 8 is completely out of date."

CBO's final version of its mid-year forecast was completed last Wednesday and has been sent informally to House and Senate budget committee staffs to allow them to begin work on re-estimating outlays and revenues. It will be released formally in two weeks.

On June 11, Alice Rivlin, director of CBO, complained that a Washington Post story the day before had erred, among other things, in saying that a version of the forecast had predicted a peak in unemployment of 7.5 percent next year. The final version of the forecast could include a number close to that level, one Capitol Hill economist speculated yesterday.

Bentsen, on the other hand, declared at yesterday's press conference, "Some economists—and these aren't the most pessimistic ones—are forecasting that two million more people will lose their jobs, bringing total unemployment up to eight million." That would mean an unemployment rate close to 8 percent, and perhaps more.

The chairman of the Senate and House tax writing committees, Sen. Russell Long (D-La.) and Rep. Al Ullman (D-Oreg.), have been saying that Congress will opt for balancing the budget in 1980 instead of cutting taxes.

Bentsen brushed that assessment aside, saying, "When you see a recession, you will see the mood change very quickly to a tax cut to get the economy moving again."

But both Bentsen and Brown stressed that they did not want a tax cut designed to spur consumer spending. Such cuts in the past have led to a "boom and bust" cycle that must be broken.

The two men said that tax cuts designed to encourage saving, such as through a tax credit on savings accounts, and faster write-offs of business investments, would ultimately improve the nation's productivity and help break that cycle.

U.S. DATA SHOW BUSINESS SLUMP FOR THE QUARTER

(By Edward Cowan)

WASHINGTON, June 25—The Commerce Department has circulated to a handful of Cabinet-rank officials a preliminary calculation that the nation's business activity declined in the last three months at an annual rate of 2.4 percent.

A drop of that magnitude, if confirmed by later figures, would be widely described as a "recession," although the usual definition of that term speaks of a significant slide that persists through two consecutive calendar quarters.

TAX-CUT DEBATE COULD INTENSIFY

The calculation made by the department was for the gross national product, or the sum of all business activity, including government spending. If a month from now the department's first public estimate for the second quarter is anything like the projected figure, it will contribute to an emerging debate within the Carter Administration and the Democratic Party about whether, when and how to cut taxes.

The preliminary estimate was circulated to the high officials last week and obtained by The New York Times today. Senior Administration economists privately acknowledge that the latest published monthly data on the economy—showing weakness in consumer spending, house building and capital-goods orders—raise the possibility that President Carter will have to reconsider his recent rejection of general tax relief to take effect in 1980.

But it is too early, and the data are too fragmentary, to talk about a major policy shift, one official said, and the Administration must continue "to indicate fighting inflation is our principal concern."

In public and in private, the Administration is blaming the rapid run-up of crude oil, fuel oil and gasoline prices for the surprisingly weak performance of the economy this spring. Further increases in these prices may result from the meeting in Geneva tomorrow and Wednesday of the Organization of Petroleum Exporting Countries.

Administration analysts contend that consumers have had less money to spend on goods and services after paying unexpectedly high gasoline prices. The shock of gasoline shortages, lines and price jumps is blamed for the abrupt slide in new-car sales that began in May and continued into the first 10 days of June.

RELIEF EXPECTED IN FOOD PRICES

The Consumer Price Index for May scheduled for release tomorrow, is expected to show another surge of energy prices and some further relief in the food sector.

On Capitol Hill, the Democratic and Republican leaders of the Joint Economic Committee, Senator Lloyd Bentsen of Texas, the chairman, and Representative Clarence J. Brown of Ohio, the ranking minority member, called for tax relief next year designed to encourage savings and investment.

Senator Bentsen recommended an overall cut of roughly $20 billion, with half of it going to business, instead of the traditional one-third. Mr. Brown took a similar tack, and he suggested that Congress approve tax relief for extra savings that individuals might stash away from a tax cut.

Mr. Brown, asked if he was abandoning the Republican plan for a bill that would mandate tax cuts of 10 percent a year for three years, replied, "I'll take any kind of tax cut I can get, and the average American feels the same way."

TAX-CUT WOULD RAISE DEFICIT

Pressed by reporters about whether they were, in effect, recommending a larger budget deficit, both members of Congress argued that their prescription would restore the long-term vitality of the economy. They did not deny that the immediate effect would be to swell the deficit.

Because the Joint Economic Committee has no authority to draft legislation, the Bentsen-Brown recommendation does not necessarily portend broad bipartisan support for any one bill. Indeed, Mr. Bentsen, a business-oriented conservative, has been frustrated by his Democratic Party colleagues for years in his quest for Congressional approval of faster investment-tax writeoffs for business.

"The mood is changing," he insisted today.

The possibility of an outright second-quarter decline in the gross national product will also make it more difficult for the Administration to win Congressional support of its proposals to trim revenue-sharing payments to the states.

BRISK INVENTORY RISE CITED

The Commerce Department reported that, after adjustment for inflation, sales to ultimate consumers—called "final sales" in the national income accounts—slid at an annual rate of 3.3 percent in the second quarter. The department projected a brisk second-quarter rise for business inventories, which offset some of the loss of final sales in the calculation of gross national product.

The inventory figure, however, was based entirely on April data. If, as appears likely, the April buildup was involuntary—the result of an unexpected loss of sales and factory shipments—then May and June inventory figures presumably would be much weaker, in turn making the overall decline in gross national product greater.

The department calculated that Federal spending for goods and services was reduced in the spring quarter, which is just what the Carter Administration had aimed for as part of its anti-inflation strategy. Military spending rose and nonmilitary outlays fell, a pattern for which Mr. Carter has been criticized by the liberal wing of his party.

State and local spending rose by about 3 percent, according to the Commerce Department.

INFLATION FOUND ACCELERATING

The department estimated that inflation for the entire economy accelerated to a 10.4 percent annual rate from 8.9 percent in the first quarter. That was the reading on the so-called G.N.P. Deflator.

The Consumer Price Index, a measure more familiar to the public, has been climbing recently at an annual rate of about 13 percent, but it excludes the business equipment and Government sectors, where inflation has been somewhat slower.

A second economywide measure, the fixed-weight price index for G.N.P., showed first and second quarter inflation rates of 9.7 and 9.8 percent.

After allowing for price inflation, the department's figures showed second-quarter declines for consumer spending for durable goods, nondurables and services. Foreign trade was another, but small, source of weakness.

The department estimated second-quarter G.N.P. at an annual rate of $2,309.7 billion, compared with $2,267.3 billion for the first quarter. But adjusted for inflation, there was a dip at an annual rate of 2.4 percent.●

ALL VOLUNTEER FORCE NOT LIVING UP TO EXPECTATIONS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON), is recognized for 5 minutes.

● **Mr. BOB WILSON.** Mr. Speaker, there has been a great deal of speculation among us, either publicly or privately, that the All-Volunteer Force is not living up to our expectations. We have provided large increases in pay. We have instituted automatic cost-of-living adjustments, enlistment and reenlistment bonuses, and a contributory educational assistance program (VEAP). But when all is said and done, the AVF does not seem to be reaching the goals we set.

Let us look at some of the reasons.

First, those automatic pay adjustments have not kept up with our rate of inflation. Since 1972, enlisted pay has fallen short of its civilian equivalency by some 16 percent.

Second, enlistment and reenlistment bonuses are generous, but far too few people are entitled to them. Therefore, it would seem that the new selective reenlistment bonus plan was designed simply to save the military services $45 million annually.

Third, the veterans educational assistance program (VEAP) is of little value to the military services. It is no incentive whatsoever. A recent U.S. Navy memo stated:

> The quality high school graduate who lacked sufficient funds for a college education lost in essence a $4,000-plus enlistment bonus with the demise of the old G. I. Bill.

It noted that the passage of the law terminating the wartime veterans' education benefits and the adoption of VEAP did nothing but work against the AVF.

Now, let us take a look at how the AVF is doing.

ARMY

Of a fiscal year 1978 goal of 109,300 nonprior service (NPS) males, the Army fell short by nearly 3,000 recruits. It accepted 13,025 mental category IV recruits and suffered a critical shortage of volunteers for combat arms skills.

NAVY

For fiscal year 1978, the sea service was unable to attract some 5,000 NPS youths. It was also 1,500 short of its goal of 8,400 prior service males. Preliminary recruiting results for February 1979 indicate that there will be no reversal of that trend, and the Navy will continue to be short of young, qualified petty officers.

AIR FORCE

For the first time since the advent of the AVF, the Air Force failed to meet its recruiting goal for the final quarter of fiscal year 1978, and is offering rapid promotions to pay grades E–2 and E–3 to help meet recruiting quotas. Reenlistment rates are also worrying the Air Force.

MARINE CORPS

Prior service goals for fiscal year 1978 fell short nearly 20 percent. The Marines also accepted 1,603 mental category IV recruits for fiscal year 1978.

Overall, the military services have recruited 400,000 NPS youths each year at a recruiting cost in excess of $500 million. As high as 42 percent of those volunteers were discharged or released before completing their first enlistment. The majority leave because they cannot meet existing performance standards or minimal behavior requirements.

The result is higher costs. Every time the military loses one first-term enlistee under these conditions, another must be recruited and trained.

The Navy, for example, says each recruit dropout represents a $7,000-plus loss. If the young sailor has gone through advanced schooling, the costs jump to $30,000 if he or she has been in for 3 years. If we project a loss of 168,000 personnel—that's 42 percent of 400,000—at $7,000 each, the costs are nearly $2 billion. At $20,000 each, the cost reaches a staggering $3.36 billion.

Most of the services are doing what they can under present authorizations to enlist and retain personnel, but it is not enough.

Mr. Speaker, to sustain the AVF, the military must recruit an average of 1,300 volunteers every working day. This year it will have a pool of but 2.2 million 18-year-old males to work with, with correspondingly lower numbers each succeeding year. By 1986, that pool will have shrunk to less than 1.8 million. The competition between civilian and military for those with high school diplomas is tough.

Education is an important enlistment incentive and past and present studies illustrate the need for a new GI bill. Just 2 years ago, a survey of 4,000 soldiers pointed out that educational benefits were listed as one of the four most effective enlistment tools. Today, the military services—at least the Army, Navy and Marine Corps—report that recruiters want education benefits on their list of recruiting inducements, and no small wonder. The old GI bill helped recruit 25 to 30 percent of the volunteers entering the Armed Forces. In December 1976, when that GI bill was scheduled to expire on the 31st of that month, a record 27,585 youths enlisted in the Army. The year before, the tally was only about half that number—14,173.

The old wartime GI bill should never have been allowed to expire and Congress was warned of the dire consequences by organizations such as the Non-Commissioned Officers Association of the USA (NCOA), which is primarily composed of active duty noncommissioned and petty officers of the Armed Forces. Unfortunately, their prediction came true.

As a result, I am today introducing legislation proposed by the NCOA for a new GI bill, the "special education assistance program." Its purpose is to provide an opportunity for individuals to earn educational benefits based on honorable service in the Armed Forces. It should encourage more qualified young men to voluntarily enlist and reenlist in the service.

Basically, the bill will provide education benefits at the same rate authorized veterans pursuing a program of education under chapter 34, title 38, U.S.C.

The bill does not require a monetary contribution from the participant. It requires something more valuable in today's AVF—time. Eligibility for education benefits under this proposal begins when the member has completed 2 years of honorable service. The maximum education benefit cannot be earned in less than 48 months or for others, 6 years.

Here is how the program works. After completing 2 years of service, a member in a critical skill or combat arms occupation becomes eligible for 18 months of educational assistance. His counterpart in a noncritical or noncombat arms occupation earns 12 months of education assistance. By remaining on active duty beyond the 2 years, both may continue to earn benefits. The member in a critical skill or combat arms occupation will earn the maximum 36 months of benefits in 4 years. For the noncritical/noncombat arms member, the 36 month maximum may be earned in 6 years.

In the case of an individual who chooses to serve the minimum 2-year active duty period or serves less than a full enlistment, the program will require that he be transferred to the reserve forces to help alleviate their manpower shortages.

Further, to reduce attrition figures, the bill will not, in most cases, allow the military member to collect his eligibility if he fails to complete the first 2 years of his enlistment or reenlistment. This is why some may call this an "earned" educational assistance program. It does just that—no service, no education benefits earned.

For the young person sincerely interested in attaining an educational goal, the bill offers a program of assistance for services rendered. It also provides for education loans and gives the eligible veteran 10 years from the date of last discharge from active duty to complete the education earned as a result of this proposal.

Frankly, I believe the program is a good one. It will produce a recruiting incentive aimed particularly at a desirable target group—high school graduates not in college, who continue to be a likely source of input into the service.

The program should prove to be a strong and effective inducement and could substantially reduce first-term attrition among volunteers.

Additionally, the U.S. Treasury should reap greater benefits in the future from the veterans who use the program. Testimony before the Senate Veterans' Affairs Committee in 1975 illustrated the fact that:

> Veterans using the GI bill return to the Federal Treasury more than the Nation invests in them to pay for 36 months of college.

Mr. Speaker, I urge my colleagues to join me in support of this bill.●

THE NSF VANITY PRESS

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, the House and Senate conferees have completed work on the authorizations for the National Science Foundation. Unfortunately, they agreed to restore most of the funds eliminated by this Chamber for behavioral and social science research. I remember when the authorization bill was before the House that some very eloquent defenses were made for higher social science funding. However, the Appropriations Committee has supplied us with a sense of perspective on the NSF funds that go a long way to refute much of the impassioned rhetoric of the pro-NSF voices in this House. On page 40 of the HUD and independent agencies bill report the committee states:

> The Foundation is not the only agency which provides substantial support for basic reesarch. The Department of Health, Education, and Welfare, the Department of Defense, the Department of Energy, the Department of Agriculture, the Department of Interior, and the National Aeronautics and Space Administration obligate large sums for basic research as well, with the result that in 1979 NSF will provide only about 18 percent of the total Federal support for basic research.

I think this sums up the situation very well. A cut in NSF funding does not translate into a hinderance of this Nation's efforts to maintain its superiority in the fields of research and technological innovation. In fact, there are already efforts to increase funds for these other research programs. Should we then build up NSF just so it can keep its share of the Federal trough? I think not. The NSF track record for funding dubious projects has been consistantly astounding. If we want to aid American technology we should release the private sector from many of the bonds that hinder innovation or at least better target the funds to those projects that directly address this Nation's pressing concerns of energy, defense, and agriculture.

The list of bizarre expenditures of tax dollars for NSF projects is seemingly endless, but I would like to address a new set of items that have come to my attention.

In conversations with my office the Director of NSF, Dr. Richard Atkinson, has defended his agency's funding by stating that many of what might be considered dubious or esoteric projects do add to the general body of information that can be used to assist more directed research. He went on to say that many of the projects would not even occur if left to the private sector alone because there is either little incentive or it would cost too much for an individual researcher or university to pursue. With the help of the Library of Congress I took a random selection of current NSF projects and tried to find out if some of these topics had been addressed before. It should come as no surprise to my colleagues that, no matter how obscure the topic, there was already a crowded field of books and articles sitting just across the street from this Chamber:

WOMEN SCIENTISTS

On March 27, 1979, the NSF signed away $30,759 to a researcher to write a book on women scientists in the United States from 1830 to 1980. This book, according to the NSF program award, "such a study not only contributes to the history of women scientists, but also to the history of science in general." This is all well and good, but, since 1970, 82 books and articles have been written on the same subject. While any new work may provide a different slant to reflect a different writer's viewpoint, I do not think that it is worth over $30,000 taxpayer dollars.

WIVES IN THE HOME AND AT WORK

A more ludicrous example of duplication comes in another study that was approved in March 1979. The Center for Research on Women is being funded to the tune of $47,766 to study "how employed wives' high role demands in the family and paid work combined may negatively affect the adjustment of employed wives and their husbands." The NSF states that this subject has been given "too little objective, basic social science research attention." Besides the obvious question of whether the Center for Research on Women would conduct an objective study, there is the fact that this is a very common research project. Far from having "too little" study there have been 90 major scholarly works done on this very subject in the last 3 years. Moreover, the House Select Committee on Aging, just this last December, published a 181-page annotated bibliography on women where employment was a major subtopic. It is unbelievable that, after this House had so clearly mandated austerity in March that the NSF would turn around and pursue such a duplicative project. We should not reward such folly by shoveling more tax dollars in their direction.

There are other examples that I will briefly identify. In April the NSF poured $25,280 for a book on the role of the media in congressional campaigns. Besides this being a major topic in every campaign seminar held by both major political parties, it is one of the basic consulting contracts given out in most statewide races, with dozens of media consultants competing for business. In addition, eight scholarly books have been placed on the book shelves of the Library of Congress since 1976 on this very subject, using similar studies and field work outlined in the project grant.

Another $75,762 will go for studying participation in block organizations, even though 132 articles and papers have already been done on the subject since 1975. NSF will also send off $29,772 to study conformity, motivation, and status in small groups inspite of the fact that this is one of the focal points of many basic texts and advanced works on management and that 38 books and articles have been completed on this subject in just the last 3 years.

Finally, there is a study of the behavior of the Dutch labor market. This $65,323 project is to study the labor market and the wage rates paid to Dutch workers in the 1580's. The NSF swears that we must all know about this important historical period in order to understand our present economic conditions. In even conceding NSF this point, on top of their contention that no one else would bother to write on this relevant topic, I still found five recent books that address the same subject area. This is six out of six randomly selected projects that are both dubious and duplicative.

We cannot sit here and allow more taxpayer money to go to such an obvious waste. Our Nation's citizens are sitting in lengthening gas lines and finding they have less and less money to spend, this is not the time to reward waste. The tax burden of this country is a gross affront to every American, expenditures like those I have outlined do nothing but make this affront worse. Only by calling a halt to such embarrassments can we stop a bad situation from getting out of hand.

MEETING THE CHALLENGE OF ECONOMIC DISLOCATION: SOUTH BEND, IND.

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, the

Economic Development Administration of the Department of Commerce is the chief Federal agency with responsibility for assisting areas experiencing severe economic distress.

Placing a strong emphasis on soundly coordinated, comprehensive economic development programs, EDA has worked closely with State and local governments and the private sector to create new, permanent jobs and to stimulate the private investment necessary for long-term economic growth.

Mr. Speaker, I am pleased to say that the Economic Development Administration has played a major role in revitalizing the economy of the South Bend, Ind., area—in the district I represent—following the shutdown of the Studebaker automobile plant in 1963.

EDA grants and loans have helped make possible the construction in South Bend of a downtown civic center, the development of a modern industrial park, and the purchase of a major manufacturing firm by its employees under an innovative employee stock ownership plan.

Mr. Speaker, earlier this year the Economic Development Administration published a study entitled, "Jobs Through Economic Development," a report on the activities of EDA in communities throughout the United States.

I call to the attention of my colleagues this extremely well written publication which describes 19 outstanding examples of what can be achieved in economic development through Federal, State, and local cooperation.●

A CLOSER LOOK AT "POCKETS OF POVERTY"

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 10 minutes.

● Mr. LUNDINE. Mr. Speaker, I rise to call my colleagues attention to an insightful and important report recently issued by the Department of Housing and Urban Development on a subject of recurring controversy in this Chamber. The issue is known as "pockets of poverty," and whether for reasons of alliteration or the tidy images which it evokes, that term has exerted a peculiar appeal for Members of Congress.

The issue of "pockets of poverty" arises in conjunction with the Urban Development Action Grants (UDAG's) administered by the Department of Housing and Urban Development. The UDAG program targets grants which leverage private investment to cities and counties that are economically distressed. The program was developed as a special component of the President's urban package to help fiscally strained local governments that simply do not have the means to help themselves.

The aim has never been to eliminate urban poverty or decay, for the program's funding was much too modest to encompass such goals. Rather, the idea was to provide—with considerable planning, foresight and selectivity—the kind of outside assistance which could help a declining city stem the tide and regain a competitive economic standing.

Obviously, with that goal in mind, this program must be highly targeted. The eligibility for the UDAG program is determined by a composite hardship index comprising six measures of need. Those indices range from lag in employment growth to age of housing stock.

Those who have challenged this procedure under the banner of "pockets of poverty" contend that such eligibility criteria unfairly exclude large areas of distress contained within healthier urban jurisdictions. As a past conferee on housing and community development legislation who has confronted this argument, I believe two points should be made in response. The first is that those of us who have opposed a "pockets of poverty" provision have not done so with any intent to withhold needed aid from distressed areas. Our opposition is founded in the belief that such a provision contravenes the purpose of the UDAG program.

The second point is that, in my opinion, much of the support for the "pockets of poverty" concept stems from a misunderstanding of the program. Recently, our colleague from North Carolina, who is a member of the authorizing committee, successfully added a "pockets of poverty" amendment to the housing and community development bill. This amendment was similar to that offered by Senator TOWER last year, which was resisted by the House conferees. In offering this amendment my colleague asserted that the congressional intent of the UDAG program was "to attack urban poverty and blight in areas of greatest need." I believe that statement is true only if we accept "areas of need" as meaning cities with severely limited resources. Unfortunately, many "pockets of poverty" fall within cities which do not meet that test—cities that have not done the most with what is at their own disposal.

These arguments have been waged on one side or the other for more than 2 years. But those of us who have upheld the present UDAG criteria have done so, in some measure, on faith—faith in what seemed the objective legitimacy of the eligibility criteria. It is precisely in this regard that the recent HUD report on "pockets of poverty" is so significant and useful.

The HUD report examines the effects of the UDAG eligibility rules, comparing those cities that qualify to those that are ineligible. The results are an impressive confirmation of the UDAG program's validity.

In one sampling, the HUD study compares several cities which lie on either side of the UDAG threshold and finds a significant and consistent distinction between those cities which barely qualify and those which just miss the mark. Among the former, for example, population growth amounted to 11 percent as compared to 19 percent in the latter group. Similarly, per capita income among the barely qualifying cities was $4,750 as compared to $5,050 among those just under the eligibility threshold. Of course, among the eligible and ineligible groups overall, the disparities are considerably greater. But, given the unavoidably rough nature of any index, I believe the distinctions along the borderline are particularly striking.

Turning to the crucial issue of fiscal strain, the HUD study makes some significant findings with respect to the resources of eligible and noneligible cities. The study points out that disparities in property values between distressed and nondistressed cities are even greater than the income gaps which are reflected in the UDAG eligibility test. In a sample of communities, the report notes that, "between 1971 and 1976, all of the UDAG-ineligible communities * * * had a change in the real market value above the median and none had an increase in their effective property tax rate. By contrast, one-third of the UDAG-eligible communities had an effective tax increase in the same period."

The question of resources ultimately begs the question of local effort, a point which goes to the heart of the "pockets of poverty" issue. On a variety of tests—mean taxes per $1,000 community income, per capita expenditures for both common and noncommon services—the contrast between efforts (and burdens) of eligible and noneligible communities is substantial. Mean taxes per $1,000 income, for example, were found to be almost twice as high in a group of the most distressed large cities when compared to a group of the least distressed. Expenditures for police, fire, and sanitation are about two-thirds greater among eligible as opposed to noneligible cities.

The profiles of individual cities' municipal outlays are also noteworthy as they raise serious questions about the advisability of expanding UDAG eligibility. The city of Houston, for example, has spent less than 4 percent of its capital improvement fund on a "pocket of poverty" which contains most of its low-income population and almost 25 percent of its total population. Tulsa has spent less than 4 percent on comparably distressed northern Tulsa.

What is the ultimate significance of these research findings? The HUD report concludes that the present inclination to add "pockets of poverty" to the UDAG eligibility should be accommodated with great caution. Given the unexpected action by both the House and Senate on this issue in the past month, the HUD recommendations are particularly important. The study suggests that several of the provisions which our colleague from Ohio (Mr. ASHLEY), succeeded in inserting in the House bill are crucial indeed and should be upheld during House-Senate conference

These provisions include: First, the 80 percent of median income and the national poverty level tests which specified portions of the population in a "pocket of poverty" must meet, second, the "comparable services" test requiring eligible cities to supply the same level of services to low-income residential areas as it does to wealthy neighborhoods, and third, the stipulation that a UDAG-assisted project in a "pocket of poverty" directly benefit the low- and moderate-income residents in the area.

Beyond this, however, the HUD report suggests imposing a "matching effort" requirement whereby nondistressed cities would have to commit themselves to financing a portion of a UDAG project within its "pocket of poverty." In view of all the statistics on relative financial resources of nondistressed cities reviewed above, I believe this is a reasonable suggestion. Although it is not included in the House version of the bill, I would hope both this Congress and the Department would consider this addition, if indeed we are determined to add a "pockets of poverty" provision to the UDAG program. In any event, I commend the valuable research results of this excellent HUD study to my colleagues' attention as we resolve this issue.●

COMMENTS ON FOREIGN POLICY

The SPEAKER. Under a previous order of the House, the gentleman from Texas, (Mr. WHITE) is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, as one who is not in the inner sanctum of foreign policy decisions but who has had good opportunity to review foreign policy and knows many of the intricacies of foreign diplomacy and threats to our own Nation, the foreign policy of this Nation in recent years is a bit baffling.

At a time when geopolitical maneuvering by less than friendly ideologies would consciously do harm to our Nation, our national policy appears on one hand to placate these unfriendly nations, and on the other to do public damage to our friends.

In this dangerous world, I have held the belief that one holds and helps one's friends and tries either to neutralize or win over one's enemies. Present official policy has seemingly reversed this principle. We help our would-be enemies and damage or destroy our friends. Now our friends are not sure we are reliable, and our enemies view us as a wilting, weak and vacillating people.

Very recent events have demonstrated these realities.

Mexico should be our unquestioned friend, but in the energy area our national leaders publicly affronted Mexico and thereby seriously impaired trade for needed oil and gas.

The Government of Iran was an anchor in our Mideast defenses and crucial to the economy and security of this Nation. Assisted by our vacillation and public pronouncements that government fell, seriously crippling our Nation internationally and economically.

Nicaragua has been one of our most steadfast friends. By public pronouncements on human rights and subsequent legislative acts, we pulled the rug out from under that government, and now our Secretary of State has called for that once friendly government to step down. By what right do we call upon another government to step down?

By other public pronouncements we have succeeded in souring relations with several South American friends including Brazil.

By legislative act and faintheartedness by the Executive Office, we have virtually destroyed our relationship with that once steadfast friend Turkey and lost key monitoring stations, while failing also to keep the strong friendship of Greece.

By making a simple, hasty statement without careful study, calling for withdrawal of troops from Korea, we unsettled the entire Far East including Japan, along with other allies in the Eastern Theatre, and placed Korea in serious jeopardy.

The official summary treatment of Taiwan is a classic example of the policy of abandonment of friends for anticipated national convenience.

By publicly meddling in domestic affairs and taking sides with what are really Marxist forces, we have terribly hurt our allies South Africa and Rhodesia and have heaped burning fuel on their troubled waters.

Our relations with these once friends and virtually nonexistent. And what have we secured in its place? The gratitude of their critics? Most of them are Marxist leaning, and we have gained virtually no visible advantage. We stand to lose our major source of critical chrome. The only other source is the Soviet Union. Does anyone really think the Soviet Union will furnish us these critical minerals in a crisis? If the Marxist forces take over Rhodesia, will they supply us?

Our policies have virtually alienated most of the Arab nations, and have strained our most important allegiance with Saudi Arabia.

Once strong friends almost everywhere in the world are now seeking some accommodation with the Soviet Union. All are beset with a threat of Marxism of varying degrees.

Thus in a few short years we have strained or lost our traditional alliances in the Far East, the Middle East, Africa, and South and Central America.

It is wonderful to view the world with rectitude and expect the world to conform to our self-image. But the trouble is that the forces not friendly to us are very pragmatic and are slowly eating us up. Theorists in our country are insisting that all friends should conduct their internal affairs as we do or better, while at the same time tolerating or demanding a foreign double standard for less friendly countries.

Our friends must have free and open elections or suffer our public criticism, while less friendly countries can maintain the most demonic or harsh dictatorship without criticism and with the panting embrace of our diplomacy.

It would seem that this is the formula of eventual isolation and the road to second-ratedness. I do not think the history books will give any special credit to this policy of rectitude.

Unfortunately, the real world is one of danger and competition, one that requires the most astute, realistic transactions.

We must survive, and this is done with respect and strength, often synonymous. It is winning new friends while holding and supporting old friends. It is the same basic principles and virtues we practice in our individual lives, magnified to international dimensions.

So what do we do with dictatorial or undemocratic friends?

First, we don't undermine them with public criticism.

Second, we respect their sovereignty.

Third, we treat them as friends, and exercise quiet diplomacy to lead them to more democratic practices. We send envoys who privately voice our concerns and privately try to persuade them to reforms that will strengthen their acceptance and our friendship.

Family quarrels in the community of nations should be settled in the family circle, not in public outrage. Of course this does not preclude diplomatic conveyances protesting acts against our people or Nation. But internal matters of sovereign nations are for personal or individual communication.

So it was in the golden age of our Nation, from the 1940's through most of the 1950's. A renaissance is possible with wiser procedures and policies.●

SYNTHETIC FUELS SHOULD BE PART OF OUR ENERGY PROGRAM

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER), is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, synthetic fuels should be a part of our energy program and I would vote for construction of plants for national defense needs. I particularly believe we should develop conversion of organic material into gasahol. I did not vote for the synfuels bill for the following reasons:

First. It is a massive almost unlimited subsidy program without any means to pay for it or to have costs reflected in the marketplace. The Congressional Budget Office stated its cost could be $22 billion.

To keep on using energy at the rate we do with ever-increasing costs will be the single most inflationary step we can take, particularly if we pay for it through deficit spending.

Second. The synfuel bill was not part of an energy program which included means to curtail demand. No new energy will be produced by this bill for many years. We must take steps today to break OPEC by reducing our use of energy. To say we have a shortage of energy in this Nation when we use one-third of the worlds energy resource, when we use 20 million barrels of oil a day (up from 12 million a day a few years ago) means we lack the discipline to live within our means.

The people clearly prefer rationing to higher costs and waiting in gas lines. This should be our first step.

Third. The synfuels bill is a massive subsidy to the giant oil companies, the very ones who have played a large part in our energy foul-up.

An energy program—one which I would actively support—must be a whole, containing all the elements needed to solve our energy predicament:

First. It must contain a program to

curtail use of energy so that we live within our means.

Second. It must contain development of the renewable energy sources we must rely on in the future and not subsidize the energy sources of the past which are running out.

Third. It must contain a plan for paying the costs which is not inflationary.

Fourth. It must not subsidize the giant energy companies.●

ANNUAL SEAL HARVEST ON PRIBILOF ISLANDS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

● Mr. WOLFF. Mr. Speaker, I would like to take a few moments to call your attention to events which are now unfolding in the most remote corner of our great Nation. Yesterday marked the beginning of the annual seal "harvest" on the Pribilof Islands off the coast of Alaska. At this moment, Aleutian Natives in the employ of the U.S. Government are driving groups of young seals inland to the slaughtering grounds where they will beat them with clubs and skin the pelts off of these magnificent animals—all for a relative few of the wealthy who can afford as much as $10,000 for a fur seal coat.

Mr. Speaker, this slaughter will continue, unabated, for the next month until almost 25,000 Pacific fur seals will have met doom with club and skinner's knife. Should this slaughter, I ask, be a proper function of the Department of Commerce and its National Oceanic and Atmospheric Administration for which it spends upward of $5 million of the taxpayer's money each year? Should the treaty by which this slaughter is authorized, I ask again, be part of the foreign policy of the United States? I believe that enough of the facts are in to answer these questions in the negative. I question the U.S. Government's role in the slaughter of these highly intelligent and beautiful animals and I plan to introduce legislation to change the U.S. policy. As chairman of the Subcommittee on Asian and Pacific Affairs, I also wish to announce my intention to hold hearings on this policy to bring the story of the Northern Pacific fur seals out of the mist-enshrouded Pribilof Island and into the full light of day.

While I am sure that many of my colleagues are aware of the cruel annual slaughter of the baby white harp seals in the far North of Canada, I wonder how many know the story of how we have killed countless thousands of Pacific fur seals on these two tiny islands in the Bering Sea.

The story of the fur seals of the Pribilof Islands began with the discovery of the islands by Russian explorers in 1783. In their primeval state, the islands were the breeding grounds for perhaps 5 million seals. But after the explorers came the exploiters and the islands became a primary source for a whole world's demand for the highly prized sealskins. For the next 123 years, the seal herds were systematically decimated for their rich pelts. Moreover, feeble attempts to control the killing of female seals or, after the islands became American territory, to limit the numbers harvested were frustrated by the spread of unrestricted pelagic sealing—or the taking of seals on the open seas. This practice was especially disastrous to the seal herds because not only were many more seals killed than collected but, many thousands of female seals, many nursing pups, were taken to the great detriment of the breeding population.

The continuing harvest of seals on land and sea almost destroyed the great seal herds. By 1909, only an estimated 200,000 animals remained of the herds which once were almost 5 million strong. The approaching extinction finally induced international cooperation between the United States, Russia, Japan, and Canada and resulted in the North Pacific Fur Seal Convention of 1911. By virtue of this treaty the four countries agreed to end pelagic sealing completely and to conduct only a controlled harvest on the Pribilofs and on the Russian-owned Commander Islands with the United States and Russia giving 15 percent each of their catch to both the Canadians and the Japanese.

The result of this policy should have been a steady increase in the seal population as the harvest was restricted to cover only the immature males who were not part of the breeding stock. But, while the seal population did register great gains, this was mainly during periods from 1911 to 1917 and during World War II when sealing was completely suspended. In recent years, contrary to expectations of a steady or slowly growing seal population, the number of seals has declined and, with it, the number of seals that have been estimated as safe to harvest has dropped from the allowed quota of 100,000 to less than 25,000 for this year. This does not lend support to the claim that the seal herds are in great shape and that our Government can continue to slaughter them at will.

Mr. Speaker, I must ask whether this policy toward seals which has been adopted by our Government is truly one of conservation. It is not, I would say, a policy of conservation which envisions preserving these animals in their natural state with as little interference as possible in their habitat. It is instead a conservation policy which is keyed to continued commercial exploitation of these animals. It is a policy of "conservation" which is directed to achieve a "maximum sustained yield"—to kill as many animals as is possible while leaving enough around to always have some seals to kill. This is a policy of "conservation" which is, I believe, repugnant to the vast majority of the American people who do not want their tax dollars to be used to kill seals.

Mr. Speaker, I must also ask my colleagues if they feel that this is the type of international cooperation in conservation which is conducive to efforts to preserve wildlife across the world from the continual encroachment by man. I must say that it is not. It is an anachronistic foreign policy that looks to an earlier age when the only international agreement to conserve a wildlife resource was an agreement that divided the spoils among the exploiters and was to insure that there would always be ready subjects for continued commercial harvest.

The Department of Commerce, which funds this slaughter with Federal moneys, would have us believe that we save the seals by killing them. My colleagues will recall the infamous line we were given during the Vietnam war of "saving the village by destroying it." Federal officials contend that the herd is at a health size of 1.5 million animals. However, I would point out that the number given includes seal pups—85 percent of which will not reach their third year. While the seals are not at the very brink of extinction, there is little reason to believe that they are safely out of danger. Rather, the herd continues to decline. Moreover, I would stress that in our Government's seal kill, which the Commerce Department describes as a model of conservation, it is not the old and the diseased seals that are killed, as nature provides for in its law of survival of the fittest, it is the healthiest seals which are killed, those whose pelts will make the most attractive seal coats.

Proponents of the continued commercial exploitation say we must continue participation in the convention to prevent a return to pelagic sealing or the harvesting of pups by the other countries involved. But I believe that this issue should be considered in isolation of our own kill and is properly the subject of continued diplomatic effort to institute a true policy of conservation of these beautiful creatures. Proponents of the harvest also state that the herds must be thinned out to prevent competition with commercial fisheries. However, even the Government research studies note that the relationship between fish and the seals is "uncertain" and they are hard put to explain how, when the herds grew in the absence of sealing during World War II, stocks of salmon and other fish soared as well.

We must not forget, Mr. Speaker, that the whole environment in which the seals exist has come under an increasingly heavy assault in recent years and continued slaughter of these animals must be viewed with alarm by those who hope to preserve these animals. Jacques Cousteau has noted that in the last 20 years, ocean life has decreased by 40 percent as a result of continued pollution and overfishing by man. The dangers faced by the seals belie the success of any conservation effort which has as its basis the continued commercial harvest of these animals. And what is more, even after years and years of research associated with seals, the U.S. Government still has many unanswered questions about the life, habits, and movements of these magnificent creatures. Where do they go in the winter? What are the other dangers they face from man or the environment? Will continuation of present practices one day result in their ultimate demise? These are the questions which must be addressed and which I hope to address through legislation and hearings before the Subcommittee on Asian and Pacific Affairs.

Finally, I note that one of the most vigorous arguments made in favor of continuing this policy has nothing to do with the seals themselves, but with the Aleut residents of the islands who supply the labor for the seal harvest. It is said that stopping the seal kill will deprive these people of their sole source of livelihood and a vital part of their native heritage. While I share a great appreciation for the concern of the Aleuts and other native Americans for their heritage and traditional way of life, I believe that this particular case must be placed in a larger perspective. The people in question, the 650 or so residents of St. Paul and St. George Islands, are descendents of the Aleuts brought to the islands in the 18th century by the Russians expressly for the purpose of killing the seals. Approximately 125 of the present residents engaged in the harvest today are employed for this task only 1 or 2 months of the year. For this, in addition to the approximately $5 million directly devoted to the harvest and other activities related to it, they receive other forms of Federal assistance—in health care, education, housing programs, food stamps, and other programs totaling almost $7 million more. Thus, almost $12 million per year is given up to maintain the population of these islands in their traditional activities. And this occurs in the furtherance of a policy which, as I have noted, runs counter to the values of the vast majority of our Nation's citizens.

Clearly, the answer is to work to develop other means of employment and this is already being investigated by the Aleut's native corporation. Ready alternatives might be in expansion of the tourist industry and in the development of a commercial fishery. I believe that it is important that the Federal Government provide the necessary assistance to do this and hope that the hearings and continued debate on this issue will show the commitment of the Congress to aid in this. But I must point out that sometimes, when we decide that a Federal policy or activity is wrong and should be ended, people sometimes suffer a loss as a result. This does not and should not lead us to continue a bad policy. The slaughter of seals on the Pribilof Islands is a bad policy. We very much need to change it.

Mr. Speaker, in closing I would ask whether any of my colleagues believe that the sea, its creatures, or the other wildlife and natural resources are ours to plunder and destroy? I say that they are not but that we are given stewardship over the Earth and its riches, to use them wisely and to protect this heritage for future generations. A vital part of this heritage lies amid the teeming herds of seals on the Pribilof Islands. We have almost lost this heritage before—we must insure that we save it now.●

FOREIGN AFFAIRS SUBCOMMITTEE PLANS CLAIMS, SEABED, FOREIGN INVESTMENT, AND NUCLEAR NONPROLIFERATION HEARINGS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, plans hearings during July and August on several matters which will be of interest to Members and readers of the Record.

On July 10, the subcommittee will hold a hearing on deep seabed mining legislation (H.R. 2759), particularly certain changes affecting U.S. foreign policy which have been suggested by the administration. This hearing will be conducted jointly with the Subcommittee on International Organizations chaired by our colleague from Washington (Mr. Bonker).

On July 11, the subcommittee will hold a hearing to review the status of our nonproliferation efforts looking toward the Second Nuclear Nonproliferation Treaty Review Conference scheduled for May 1980. Among other issues, this hearing will examine the relationship between the SALT II Treaty now under consideration by the Senate, and our nuclear nonproliferation policies. This hearing will be conducted jointly with the Subcommittee on International Security and Scientific Affairs chaired by Chairman Zablocki. In a subsequent hearing in July, the subcommittee will examine the public safety and environmental effects of U.S. export of nuclear plants and materials to certain foreign governments.

On July 17, the subcommittee will conduct an oversight hearing on the activities and programs of the Overseas Private Investment Corporation. In a subsequent hearing not yet precisely scheduled, the subcommittee will review possible U.S. participation in a political risk insurance program for investors in foreign mineral and energy projects proposed to be established and administered bv the Inter-American Development Bank.

On July 26, the subcommittee will begin hearings on H.R. 2200, a bill to authorize validation by the Foreign Claims Settlement Commission of U.S. private property claims against the Government of Vietnam.

During the first week in August, the subcommittee will conduct hearings reviewing certain problems and issues that have arisen in the implementation of the International Investment Survey Act. In a separate hearing that week, the subcommittee will review efforts being undertaken to achieve multilateral cooperation with U.S. policies prohibiting compliance with foreign boycotts against countries friendly to the United States.

To the extent that time permits, the subcommittee would welcome receiving the views of responsible public witnesses on any of these matters. Precise dates of the hearings are subject to change, and times and locations of meetings will be announced through the Record and the press prior to each hearing. Individuals or groups wishing to submit testimony or to obtain further details on any of these hearings should contact the subcommittee staff (7007 Annex 1, House of Representatives, Washington, D.C. 20515).●

TOKYO SUMMIT SHOULD DEAL WITH STRUCTURAL INFLATION

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, there follows an article in the San Diego Union of June 17, 1979, suggesting a broadening of the agenda at the Tokyo summit conference to include the problems of structural inflation.

Real Solutions Will Elude Statesmen at Tokyo Summit

(By Representative Henry Reuss)

On June 28, the great men—and one woman—of the Western world will meet in Tokyo to take in hand, for the fifth consecutive year, the economic problems that beset us. On the agenda are macroeconomic affairs, international monetary policy, trade, energy and the problems of the poor nations.

The summit will provide the usual opportunity for an exchange of views. No doubt there will be a new round of solemn agreements on macroeconomic "mid-course corrections." Perhaps there will be some tinkering with the international payments mechanism. Then the conference will end. And things will continue pretty much as before.

The difficulty with the summit process is that the range of short-run policy options, of steps that can be taken now and whose effects will be felt within two or three years, is very small. Only long-term structural reforms hold any prospect of bringing a return to the steady-growth, stable-price equilibrium that seemed so nearly within reach only 15 years ago. Yet these measures, precisely because their effects are so long in being felt, are least likely to be taken up by the insecure governments assembled at the summit.

It used to be thought that a combination of fiscal, monetary and incomes policy, the best that Keynes, Friedman and Galbraith could offer, would be able to hit all the major short-run macroeconomic goals at once: high employment, high output, stable prices and a stable foreign exchange rate.

In an ideal world this might be the case. But in the world we actually live in, carrying out such a strategy is blocked by obstacles like long lead times and imperfect information.

Fiscal policy, we have found, is too rigid to be used for fine tuning. Public expenditures often take nearly two years from the time they are appropriated until they take full effect. Tax changes take almost as long to enact, except in dire emergency, and the effect of a tax increase or reduction is slow, because such changes disappear at first into savings, and only slowly show up in consumption and investment.

Monetary policy, we have found, is too imprecise to be a fail-safe tool of short-run economic management. "Let the money supply grow at a constant annual rate," the monetarists have been telling us. Yet the monetarists have been unable to agree among themselves on what the money supply actually is, let alone on what its exact numerical rate of growth should be. Economist Kenneth Boulding stressed the need for a good definition of money with his couplet:

"For if we have not, then what have we got, but a Quantity Theory of no one knows what?"

The Federal Reserve Board's response has been to establish target growth ranges for a whole series of differently defined types of "money" from M1 to M2 to M3 to bank credit, with the consequence that in most years they hit one or more targets and miss one or more others, and it is impossible to say whether monetary policy as a whole is on the vaunted "stable growth path" or not, much less whether the actual path is the best route to stable prices and full employment.

Incomes policies, finally, seem to require a stronger sense of national purpose and willingness to sacrifice in the public interest than our current crop of middle-of-the-road governments have been able to inspire. Despite noble efforts in the United States, United Kingdom, and Germany, "voluntary" policies seem unable to stem the rising tide of wage demands and price increases when economic recovery gets under way.

Governments are then faced with an intolerable choice. They can either slam on the brakes and bring on a recession or worse, or they can impose draconian controls over prices, wages, capital movements and foreign trade, with all that implies in new bureaucracy, expanded government power and cost, and inequity, perceived or real. Naturally, they shrink from both options, and continue to limp along with a deteriorating economic climate, hoping to postpone a reckoning for as long as they can. It can't go on forever.

There thus appears to be little that the summit leaders can agree on next month that will get us back on a high-employment, low-inflation track next year. It's time to turn our attention to the underlying sources of the difficulty, so that we can lay the foundation for a return to prosperity over the next decade.

The obstacles to this return to the economic high road are, overwhelmingly, problems of structure, imbalances and institutionally-based inefficiencies in our use of resources that keep some groups of workers and businessmen in outmoded occupations or in unemployment, while denying to all the higher standard of living that all could otherwise enjoy.

To take just one example of structure, the United States (and Britain, too) has too few producers, relative to Germany and Japan, which have too many. The result is that when our recovery advances, we expand dramatically our imports of manufactured goods, until we have, as at present, a $14 billion annual trade deficit with Japan alone. Our balance of payments turns sour, our dollar collapses, our inflation rate rises, and the government intervenes by putting an end to economic growth.

In Japan, there is an offsetting trade surplus, the yen goes up, foreign goods appear cheap, and the Japanese government intervenes to protect Japanese producers by forcing down the value of the yen and impeding the entry of foreign products. We lose once on our own government's policy, and once on theirs.

Our government's repeated injunctions to the Germans and Japanese to lift import restrictions and stimulate their economies do some good, but not much. For, while our imports of their products—color televisions, cameras, snazzy autos—are highly income-elastic, and rise sharply in a boom, their imports of our goods consist mainly of food, aircraft, computers, and similar items whose consumption does not rise so rapidly with income. Increased German and Japanese demand stimulates their own economies, but not ours.

One solution might be for us to try to persuade foreign producers of automobiles, consumer electronics, appliances and similar hardware to locate their plants in the United States, as Volkswagen is doing with tremendous success in Pennsylvania. U.S. workers will get the jobs, U.S. consumers will get the products, the U.S. trade balance will improve, and foreign businesses will earn healthy profits in healthy American dollars.

Japan, Germany, and other relatively over-industrialized countries should, for their part, concentrate their attention on the development of their own infrastructure, particularly in their cities. Both countries need large quantities of new, high-quality housing. Both could use substantial investments in new mass transportation. Both have severe water and air pollution problems, desperately in need of massive correction.

All of these activities would divert resources away from manufacturing for export, raise domestic incomes, provide new domestic markets for existing manufacturers, and perhaps even awaken hitherto unsuspected desires for the products of the emerging nations of the Third World. The United States, Britain and Italy, in short, need to rebuild their physical capacity to produce; Germany and Japan need to take advantage of their long-accumulating capacity to consume.

As new factories for advanced goods are built in the United States, we will need to phase out and release labor from older, low-productivity industries that are no longer competitive with the manufactures of Latin America, Mediterranean Europe, and South Asia.

Why should American workers produce shoes when they could be producing semiconductors at twice the income, and buying shoes from abroad at half the price? The reason, of course, has always been that the displaced shoemakers and the newly-hired electronics technicians are not usually the same people, and the former rightly doubt that they will be compensated adequately for the losses they suffer on behalf of the latter. Why not, therefore, try a new approach: Tie the reduction in import barriers for low-technology goods to the availability of alternative jobs for the affected workers, and induce producers of high-technology goods to provide those jobs by locating in areas where there is either high unemployment or a large number of workers in internationally non-competitive industries?

With an integrated, structural approach to our long-term problems of international imbalance, low-productivity job mix, structural unemployment and trade-based inflation, we can begin to build for more prosperous 1990s.

But we should start today. The Western world's leaders assembled in Tokyo should recognize immediately the need for structural changes, and appoint a high-level commission to recommend ways for achieving them.●

FAIRNESS FOR CALIFORNIA FISHERMEN

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. PANETTA), is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I bring to your attention legislation of tremendous importance to the fishermen of California. It is an amendment to the Fishery Conservation and Management Act of 1976 to create a California Pacific Fishery Management Council to have jurisdiction over the State's vast fishery resources.

Since the enactment of the 1976 law which created the present Pacific Fishery Management Council, California fishermen have felt that their concerns are not being full represented. While the members of the Council have tried in good faith to be sensitive and responsive to the needs of California fishermen, the fact of the Council's overextended jurisdiction has prevented it from doing an adequate job. The basic purpose of these councils was to provide for the specific needs of fishermen in line with the particular problems they may face in their areas. California has a 1,000-mile coastline with unique fisheries and concerns. When these are combined with the problems of Oregon, and Washington, and Idaho, California fishermen get the short end of the stick.

My colleagues will note that yesterday the House passed under suspension of the rules a 3-year reauthorization of the Fishery Conservation and Management Act. This measure calls for the expansion of the voting membership on the Pacific Fishery Management Council from 13 to 15. In addition, the committee has specifically recommended that the two new voting members represent commercial fishing interests.

I commend my colleagues on the Merchant Marines and Fisheries Committee for offering this reform because it reflects the committee's recognition of the present Pacific Fishery Management Council's inability to do the job. I believe, however, that additional reform is needed to address the needs of California fishermen in particular. As the Commerce Department moves forward with the adoption of various fishery management plans, it is vital that we create a separate council with jurisdiction over the 1,000 miles of coastal fisheries off of California.

The California State Legislature recently passed a resolution urging Congress to create the very council I propose in my legislation. At present, the Pacific Fishery Management Council includes the Western States of Oregon, Washington, and Idaho, as well as California. Yet California has more fisheries in the fishery conservation zone than the other Pacific Council States combined. In fact, of the many species of fish for which management plans are being developed, only three of those found in California waters are common to the other States. Indeed, a number of the east coast management councils encompass areas a great deal smaller than California alone, much less the present Pacific Council.

In the interest of equitable representation, I urge my colleagues to support this measure. I understand that the Merchant Marine and Fisheries Committee at this very moment is holding oversight hearings on the Fishery Conservation and Management Act. Your support in bringing this matter before the committee will be greatly appreciated.

The following is the text of my proposal:

H.R. 4638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302(a) of the Fishery Conservation and Management Act of 1976 is amended—

(1) in the matter preceding paragraph (1), by striking out "eight" and inserting in lieu thereof "nine";

(2) in paragraph (6), by striking out "California,"; and

(3) by adding at the end the following new paragraph:

"(9) CALIFORNIA PACIFIC COUNCIL.—The California Pacific Fishery Management Council shall consist of the State of California and shall have authority over the fisheries in the Pacific Ocean seaward of such

State. The California Pacific Council shall have 9 voting members, including 7 appointed by the Secretary pursuant to subsection (b)(1)(C) (7 of whom shall be appointed from the State of California).".●

ENERGY REPORT NO. 1: IT'S TIME TO KICK THE OIL HABIT

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 20 minutes.

● Mr. ALEXANDER. Mr. Speaker, the passage of H.R. 3930, Synthetic Fuel Development/Defense Production Act Amendments, of which I was a cosponsor, serves notice that we are ready to accept the challenge of achieving energy self-sufficiency.

Since the discovery of oil, 120 years ago, we have developed into a nation of oil junkies. Maintaining our high standard of living depends upon oil to fuel our energy intensive economy. Energy is an essential ingredient to the American way of life. With about 6 percent of the world's population, the United States consumes more than 30 percent of the world's energy production. This has been described as oil gluttony. To satisfy the American energy appetite, we consume approximately 19 million barrels of oil a day. While about 11 million of those barrels come from U.S. producers, we must purchase 8 million barrels of oil a day from foreign oil sources.

The insatiable American oil appetite is destroying the U.S. economy. Less than 6 years have elapsed since the Arab oil boycott brought the American industrial giant to its knees. I remember well the circumstances. Workers could not get to their jobs because they waited in gas lines at service stations to buy fuel for their automobiles. Energy costs skyrocketed producing price increases up to 400 percent in less than 12 months. Production costs increased resulting in layoffs and unemployment. For the first time Americans recognized our dependence on oil as a source of energy.

Also, in 1973, we purchased about $9 billion in foreign oil. As the price of foreign oil increased from $4 per barrel in 1973 to $14 per barrel last year, the foreign trade figures plummeted into deficit. The purchase of about $41 billion in foreign oil during 1978 produced a trade deficit of $28.5 billion, the largest in the history of the republic.

This record trade deficit is evidence that we are importing more oil than we can afford to pay for by $28.5 billion. But, sooner or later everyone pays. We were treated like other debtors that owe more than they can repay when our creditors began to settle the American account for less than face value once it was determined that we were living beyond our means.

For example, the Japanese devalued the U.S. dollar when it was traded against the yen. The Germans devalued the U.S. dollar when it was traded against the deutschmark and so it went with other nations holding a surplus of U.S. dollars. I remember well a discussion concerning the dollar devaluation with some U.S. Air Force friends when I visited Germany last summer. The wife, who manages the shopping for the family of four, said that her husband's salary bought 25 percent less in Germany in 1978 than it did in 1977. This devaluation of the U.S. dollar finds its way home. William G. Miller, Chairman of the Federal Reserve Board, told me in a discussion concerning the dollar devaluation that it is estimated that for every 10 percent the dollar is devalued when traded against foreign currencies inflation in the United States increases by 2 percentage points. If the dollar was devalued by 25 percent in 1978 as a result of the excessive oil purchases, it can be argued that this contributes to approximately one-half of the 10 percent annual inflation that we are now experiencing in the United States. Many economists conservatively estimate that 40 to 50 percent of the inflation that we are experiencing in the United States is attributable to the trade deficit.

It is intolerable for Americans to continue to export our wealth to the oil producing nations which gradually lowers the American standard of living by inflation. The dollar will continue to buy less and less as we continue to depend upon foreign oil more and more. We are paying for this foreign oil that we cannot afford by devaluing the American dollar through inflation. The dollar buys less now than last year partly because of the imported oil that we cannot afford.

It is ironic that on the same day that we passed the synthetic fuel development bill, the oil producing exporting countries (OPEC) were meeting in Geneva to increase the price of oil. And, President Carter, along with leaders of other industrial nations, were meeting in Japan to discuss the severe economic ramifications of a continued dependence of industrial nations on foreign oil supplies.

How could any discerning American fail to conclude the United States is being held hostage to the economic policies of the foreign oil producing nations? So long as nearly 50 percent of our energy supplies originate from foreign sources, we remain dependent upon those nations from which the oil comes for supply. Unfortunately, not only are we being held hostage to the economic policies of these nations but in many instances the nations themselves are not dependable suppliers of energy.

We must rely mainly upon the Middle East countries for our foreign oil supplies and there is a fragility about those governments which could mean the sudden and permanent end of oil supplies from that part of the world. Iran, which just a year ago was one of our staunchest allies, is no longer a dependable supplier of oil. Saudi Arabia, long the most moderate of the Middle East nations, is angered by our role in the Israeli-Egyptian peace settlement and is joining other oil producing countries in a policy of punitive escalation of oil prices. Because of the fragility of the governments in the Middle East, they have become easy prey for Soviet adventures in subversion and expansion.

We now see the long arm of the Soviet Union reaching across Asia into the Persian Gulf with its hand poised to stop the movement of oil to the free world. More than 70 percent of OPEC oil exports are carried by tankers from the Persian Gulf through the narrow Strait of Hormuz. Iran remains a nation still in turmoil and it is a frightening prospect that passage through the Strait of Hormuz can easily be controlled from the Iranian seaport of Bandar' Abbas. If our foreign oil connection was to be broken, the impact upon us would be far more serious than long lines at filling stations or the rationing of gasoline.

Regardless of the reasons being given—be they greed, gluttony, gouging, or a combination of other factors—one thing is glaringly obvious. Because of our vulnerability, we no longer possess control over our destiny, either as individuals or as a nation. The synthetic fuel development bill is an important step in reassuming control of our destiny. This legislation will provide the means for realizing domestically derived fuels for our defense needs and, equally important, this legislation will lay the cornerstone for developing a U.S. synthetic fuels industry—with energy products from coal gasification, coal liquefaction, shale, tar sands, lignite, peat, solid waste, and the conversion of agricultural and other organic material.

Today, in a ceremony at the White House, the Vice President administered the oath of office to the public members of the National Alcohol Fuels Commission. It is my privilege to serve as one of the congressional Members of this Commission and I intend to press for a national energy strategy which will free us from the foreign oil bind.

However, we must recognize that our strategy for energy self-sufficiency must be based upon a multiple energy policy. The passage of the synthetic fuel development bill and the activities of the National Alcohol Fuels Commission are but part of the comprehensive solution which must be pursued.

We must also continue our efforts in the area of energy conservation and efficiency. We must continue to encourage expansion and development of our proven land and offshore reserves of domestic oil and enhance recovery techniques with better technology. Decontrol of domestic oil prices will provide the commercial incentives needed. We must continue to recognize the benefits available from nuclear power and, with revenues from a windfall oil profits tax, we must continue to develop other alternative energy sources such as ocean thermal energy, wind-driven power, hydrogen, and wave and tidal power.

It is time to kick the oil habit. It is time to put to work the great technological and productive capabilities of this country to assure our energy future.

We can afford to do no less.●

INTRODUCTION OF A BILL TO CREATE AN ENERGY COMPANY OF AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ATKINSON) is recognized for 5 minutes.

● Mr. ATKINSON. Mr. Speaker, today, I am introducing a bill to create an Energy Company of America (ECA). This bill is nearly identical to Senate bill 580, introduced by ADLAI STEVENSON, and this bill is introduced into the House with Senator STEVENSON'S support. I feel that recent events more than illustrate the need for this legislation. The Congress and the American people need a more effective system of obtaining information about the international oil business, and a more effective instrument to protect American interest in that business. The ECA is the answer to both these problems. The Congress would no longer have to depend on the industry itself for the proprietary information which is needed to regulate the industry. And, most importantly, the ECA would negotiate directly with oil-producing nations and insure a supply of oil in times of shortage.

All the major oil-consuming nations of the Western World either have similar national oil companies, or else participate in the international oil business on a corporate level. The list of these countries includes Canada, Great Britain, France, Italy, the Netherlands, and even the economic giants, Japan, and West Germany. Quite simply, the international oil companies are interested in profits, the oil-producing countries are interested in the highest return on the sale of their oil, and the various national oil companies protect the interests of their respective nations. There is no single entity, which participates in the international oil business, which has as its primary concern, the interest of the American consumer. The long gas lines that we see throughout the country are testimony to this unfortunate fact.

Certain events of the past few days have increased my concern for this type of legislation. We have all seen the gas lines. And even now, the OPEC nations are convening to consider the amount of their newest price increase. And on June 21, 1979, the Secretary of the Energy Department stated that he was reluctant to use his vast administrative powers to bring pressure upon the oil companies because they might retaliate by withholding oil. I think that we all agree; it is time for the Congress to take an active role to protect the interest of the American people in the competitive world of oil business.

I would like to stress the word "competitive." This is not nationalization, but the creation of a competitive company. In Canada, the competitive impact of their National Oil Co. in the field of exploration has been significant. When petro-Canada began exploration in the Arctic Islands area, the major companies had to compete by exploring in the same area. As a result, significant progress was made toward increasing Canada's domestic supply of oil and decreasing that country's dependence on foreign imports. I envision similar triumphs for the ECA. I have provided that ECA be given the power to develop alternative energy sources, so that it may be competitive with the big oil companies. For instance, if ECA developed a successful way of refining oil-shale, then the major companies would have to do the same. Essentially, the ECA, by being oriented to the needs of the American consumer, and by being a competitive entity, would spur a more consumer-oriented policy on the part of the major oil companies. The end result would be immensely favorable.

This bill represents a governmental policy which, if you look closely, is similar to the oil policies of many major capitalist countries. The idea is not new in this country either. When I questioned the Deputy Secretary of the Department of Energy, John O'Leary, in hearings before the Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, I questioned him about the possibility of a national company in the oil business. He said (and I quote) "I do not think it is a bad idea at all." He went on to speak on the problem of obtaining reliable information about the oil industry, and said, "If there is an area of contribution of a national oil company, it is in that field."

This bill provides for the involvement of ECA in the field of exploration through cooperative ventures with the major oil companies, independent oil producers, and developing nations. This will provide for increased participation by all companies in the field of exploration, a field that most have avoided because of the high risk and because of the oil companies close relationship with the OPEC nations. Such action would also diversify the sources of oil and let the United States become independent of the rigid cartel practices of the OPEC nations. The ECA would also be dedicated to areas of research and development which the oil companies have avoided because of expense and because of their contractual obligations in the Middle East.

The ECA will also stress development of domestic energy sources to decrease dependence on foreign oil. The bill provides for the development of the Nation's proven and undiscovered energy reserves on Federal land, on and off shore. Even though these reserves on Federal land belong to the American people, the Government leaves their development and discovery to the private companies. ECA would make use of the reserves to the benefit of the American people.

Perhaps the most significant power granted the Federal Government by the formation of the Energy Company of America is the power to purchase oil directly from the producing nations. This would alleviate the problem we currently face. It would also create stronger ties between this Government and the governments of the producers. Such strong ties would help to insure continued supply to this Nation.

Gentlemen, and ladies, the world's energy supply is dwindling. And energy is a problem of very critical importance. The major countries of the free world have seen fit to protect their national interests in regard to the international energy situation. It is high time that the United States joined the ball game, on a participatory level, before the game enters the late innings.

Keep in mind that this company is not intended to supplant the private sector, only to supplement it. The global experience has shown that this is exactly what the presence of a national oil company does to the private industry. I specifically refer to the Canadian success, in this instance. We are in the position of viewing a serious problem and also having excellent examples throughout the world of how to solve this problem. The course we should take is clear.

I respectfully urge your careful consideration of this bill and welcome your support.●

TRIBUTE TO ALLAN W. PURDY

The SPEAKER. Under a previous order of the House, the gentleman from Kentucky (Mr. PERKINS) is recognized for 5 minutes.

● Mr. PERKINS. Mr. Speaker, Allan W. Purdy of Columbia, Mo., will retire as the University of Missouri's systemwide director of scholarship and student financial aid services on July 1, 1979. In recognition of his long service to the students of this Nation, the National Association of Student Financial Aid Administrators will honor Allan at its national conference in Boston next week.

Allan was born on July 26, 1914, in Macon County, Mo., and he is the youngest of six children. He graduated from Macon High School in 1932. After running a filling station to save money for college, he entered the University of Missouri in 1934 in the college of agriculture. Allan graduated from the university with a B.S. in 1938 and a master's degree in horticulture in 1939. He worked on his Ph. D. at the Ohio State University and became an instructor in horticulture at Rutgers.

During World War II, Allan entered the U.S. Army, flying with the Army Service Corps, and after a transfer to the Navy, he was commissioned and served as captain of a PT boat.

Allan is active as a deacon of the First Baptist Church in Columbia where he and his wife, Vivian, live. The Purdys' four children include a lawyer, two teachers, and a second-year medical student.

Between 1946 and 1949, Allan served as the estate extension horticulturist for Missouri and as assistant to the dean of the College of Agriculture between 1949 and 1958. During these 9 years, he helped students find part-time jobs, locate scholarships, and secure loans.

Allan was appointed the first director of aids and awards in 1958, a position he held until 1971. In 1971, he was asked to serve as the University of Missouri's four-campus system director of scholarship and student financial aid services, a position he currently holds. Professionally, he helped to organize both the Midwest and National Association of Student Financial Aid Administrators. Allan served as the second president of the Midwest association and the first president of the national association. He served on many national, State legislative, and advisory committees, which included a Presidential appointment to the board of directors of the Student Loan Marketing Association.

Through the years, Allan has been most active in legislative matters, testifying on numerous occasions before the Committee on Education and Labor. Time and time again we relied on him for help and guidance in the drafting of such important legislation as the college work-study program, the guaranteed student loan program, and the three grant programs. I can think of no person outside Government who has contributed more to the development of effective and adequate Federal student assistance programs than Allan.

Allan Purdy's selfless dedication to the educational needs of our students is truly admirable. Without such untiring efforts, many thousands of students could not have attended a postsecondary institution.●

RULE FOR LABOR/HEW BILL

(Mr. FRENZEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FRENZEL. Mr. Speaker, I rise in opposition to the rule on the Labor/HEW appropriations bill, particularly that section which will allow only two amendments to be in order on the abortion section of the bill.

One amendment, the motion to strike, may not even be offered this year, because the mood of the Congress is not supportive of restoration of medicaid funds for abortions. The second amendment, which would bring us back to last year's compromise language, I understand would have been germane without specific reference in the rule. In effect then, the rule is unnecessarily restrictive, at least with respect to that section.

I felt that the amendments which would have made exceptions for those women with serious diseases or conditions were important ones which should have been allowed floor debate. The amendments would have softened the medicaid funds restriction just a little by allowing those women with serious diseases to have abortions.

Mr. Chairman, my first choice would be to strike the language completely. Realizing that this is not possible, I would like to see the language come close to what was accepted last year. That compromise language failed in the committee by one vote which shows that there is considerable interest in avoiding the lengthy battle of the last 2 years.

I urge my colleagues to defeat this rule and to support efforts to return to the compromise language in the 1978 bill.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. SPELLMAN (at the request of Mr. WRIGHT), for this week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CLINGER), to revise and extend their remarks, and to include extraneous matter to:)

Mr. HAMMERSCHMIDT, for 5 minutes, today.

Mr. COLLINS of Texas, for 20 minutes, today.

Mr. BROYHILL, for 10 minutes, today.
Mr. ROUSSELOT, for 10 minutes, today.
Mr. KEMP, for 15 minutes, today.
Mr. BOB WILSON, for 5 minutes, today.
Mr. ASHBROOK, for 10 minutes, today.
Mr. BETHUNE, for 15 minutes, on June 28.

(The following Members (at the request of Mr. DINGELL) to revise and extend their remarks and include extraneous material:)

Mr. BRADEMAS, for 5 minutes, today.
Mr. LUNDINE, for 10 minutes, today.
Mr. WHITE, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WOLFF, for 5 minutes, today.
Mr. BINGHAM, for 15 minutes, today.
Mr. REUSS, for 10 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. ALEXANDER, for 30 minutes, today.
Mr. ATKINSON, for 5 minutes, today.
Mr. PERKINS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GOLDWATER, to extend his remarks prior to the vote on Weiss amendment.

Mr. NEAL, prior to the vote on the Obey amendment on H.R. 4389 in the Committee of the Whole, today.

Mr. RUSSO, prior to the vote on the Obey amendment on H.R. 4389 in the Committee of the Whole, today.

Mr. RUDD, to revise and extend immediately prior to vote on OBEY amendment.

Mr. SCHEUER, immediately preceding the vote on the Bereuter amendment to H.R. 4389 in the Committee of the Whole, today.

Mr. STENHOLM, immediately following the remarks of Mr. CHAPPELL on H.R. 4389 in the Committee of the Whole, today.

Mr. MARLENEE, to revise and extend prior to Murtha amendment.

Mr. FRENZEL, to insert remarks during consideration of rule on Labor/HEW bill.

(The following Members (at the request of Mr. CLINGER), and to include extraneous matter:)

Mr. SHUSTER.
Mr. COLLINS of Texas in two instances.
Mr. SOLOMON in two instances.
Mr. CARTER.
Mr. MICHEL in two instances.
Mr. GREEN.
Mr. ASHBROOK in two instances.
Mr. HOPKINS.
Mr. ROUSSELOT in two instances.
Mr. MARKS.
Mr. KEMP in three instances.
Mr. PAUL in two instances.
Mr. MCDADE in five instances.
Mrs. SMITH of Nebraska.
Mr. CAMPBELL.
Mr. KINDNESS.
Mr. HORTON.
Mr. PURSELL.
Mr. LAGOMARSINO.
Mr. COUGHLIN.

(The following Members (at the request of Mr. DINGELL) and to include extraneous material:)

Mr. RODINO in two instances.
Mr. HAMILTON in two instances.
Mr. DRINAN.
Mr. WAXMAN.
Mr. WALGREN.
Mr. DODD.
Mr. PHILLIP BURTON.
Mr. STOKES.
Mr. DINGELL in two instances.
Mr. BARNES.
Mr. VANIK in two instances.
Mr. ROE in two instances.
Mr. MOAKLEY.
Mr. VENTO in two instances.
Mr. RUSSO in two instances.
Mr. NEAL.
Ms. HOLTZMAN.
Mr. FOLEY.
Mr. FORD of Michigan.
Mr. GUARINI.
Mr. RAHALL.
Mr. RICHMOND
Mr. WOLFF.
Mr. SWIFT.
Mr. CAVANAUGH.
Mr. SOLARZ.
Mr. GARCIA in two instances.
Mr. BONKER in two instances.
Mr. HARKIN in three instances.
Mr. DASCHLE in two instances.
Mr. ALEXANDER.

ADJOURNMENT

Mr. DINGELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 50 minutes a.m.), the House adjourned until today, Thursday, June 28, 1979, at 10 o'clock a.m.

MOTION TO DISCHARGE COMMITTEE

JUNE 27, 1979.

TO THE CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, RONALD M. MOTTL, move to discharge the Committee on the Judiciary from the consideration of the joint resolution (H.J. Res. 74), entitled "A joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student," which was referred to said committee January 15, 1979, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Ronald M. Mottl.
2. Samuel L. Devine.
3. Marjorie S. Holt.
4. John H. Rousselot.
5. David E. Satterfield.
6. Frank Annunzio.
7. Chuck Grassley.
8. James T. Broyhill.
9. Sam B. Hall.
10. Andy Ireland.

11. Earl D. Hutto.
12. Bill Chappell.
13. Joseph M. Gaydos.
14. Robert K. Dornan.
15. John M. Ashbrook.
16. L. A. (Skip) Bafalis.
17. Donald J. Mitchell.
18. Tom Loeffler.
19. C. W. Bill Young.
20. Carl D. Pursell.
21. Ron Paul.
22. Tennyson Guyer.
23. Delbert L. Latta.
24. John B. Breaux.
25. Norman D. Shumway.
26. Ken Holland.
27. Gene Taylor.
28. Larry McDonald.
29. Barry M. Goldwater, Jr.
30. Robert J. Lagomarsino.
31. Don Young.
32. Manuel Lujan, Jr.
33. Henry J. Hyde.
34. Robert H. Mollohan.
35. Lester L. Wolff.
36. Joe Moakley.
37. John G. Fary.
38. G. William Whitehurst.
39. Brian J. Donnelly.
40. Robert E. Badham.
41. Robert S. Walker.
42. Norman F. Lent.
43. Edward R. Madigan.
44. John M. Slack.
45. Jack Brinkley.
46. Trent Lott.
47. Eldon Rudd.
48. Tom Corcoran.
49. James M. Collins.
50. Edward P. Beard.
51. Charles E. Bennett.
52. Gene Snyder.
53. Clair W. Burgener.
54. John D. Dingell.
55. Austin J. Murphy.
56. Phil Gramm.
57. Steven D. Symms.
58. Dan Marriott.
59. Richard T. Schulze.
60. David R. Bowen.
61. Lyle Williams.
62. Robin L. Beard.
63. Chalmers P. Wylie.
64. Philip M. Crane.
65. Dan J. Quayle.
66. William H. Natcher.
67. G. V. (Sonny) Montgomery.
68. George Hansen.
69. Harold C. Hollenbeck.
70. James H. Quillen.
71. Keith G. Sebelius.
72. William S. Broomfield.
73. Tom Hagedorn.
74. Lamar Gudger.
75. Arlan Stangeland.
76. Robert A. Young.
77. Robert W. Daniel, Jr.
78. Don H. Clausen.
79. James J. Blanchard.
80. Dave Stockman.
81. Thomas A. Luken.
82. Leo C. Zeferetti.
83. William E. Dannemeyer.
84. Doug Barnard.
85. John W. Wydler.
86. Paul S. Trible, Jr.
87. William F. Goodling.
88. James G. Martin.
89. Edward J. Derwinski.
90. Douglas Applegate.
91. Dan Daniel.
92. Gary A. Lee.
93. Robert E. Bauman.
94. Bob Livingston.
95. Wayne Grisham.
96. Newt Gingrich.
97. Billy Lee Evans.
98. Bob Stump.
99. Carlos J. Moorhead.
100. Nick Joe Rahall II.
101. George M. O'Brien.
102. Jerry Huckaby.
103. Thomas N. Kindness.
104. Walter B. Jones.
105. Lucien N. Nedzi.
106. John J. Duncan.
107. William L. Dickinson.
108. Tom Steed.
109. Clarence E. Miller.
110. J. Kenneth Robinson.
111. Daniel B. Crane.
112. Ray Roberts.
113. William H. Harsha.
114. Ike Skelton.
115. Gladys Noon Spellman.
116. Marilyn Lloyd Bouquard.
117. Jack Hightower.
118. David W. Evans.
119. Ron Marlenee.
120. Richard C. White.
121. Thomas B. Evans, Jr.
122. John Paul Hammerschmidt.
123. Joseph M. McDade.
124. David C. Treen.
125. Floyd Spence.
126. Mary Rose Oakar.
127. Matthew J. Rinaldo.
128. Bo Ginn.
129. Don Bailey.
130. James Abdnor.
131. Gus Yatron.
132. Ronnie G. Flippo.
133. Larry Winn, Jr.
134. Jim Santini.
135. Richard Kelly.
136. Norman E. D'Amours.
137. John W. Jenrette, Jr.
138. Eugene V. Atkinson.
139. Marvin Leath.
140. Virginia Smith.
141. Willis D. Gradison.
142. Mario Biaggi.
143. W. Henson Moore.
144. Bud Shuster.
145. Bill Nichols.
146. Tom Bevill.
147. Ed Jones.
148. Wes Watkins.
149. Tim Lee Carter.
150. William C. Wampler.
151. Dan Mica.
152. Ed Jenkins.
153. Glenn English.
154. Joel Pritchard.
155. Guy Vander Jagt.
156. Edward J. Stack.
157. E. Thomas Coleman.
158. Clement J. Zablocki.
159. Floyd J. Fithian.
160. Harold Runnels.
161. Richard A. Gephardt.
162. Richard C. Shelby.
163. Glenn M. Anderson.
164. Les Aspin.
165. Robert C. McEwen.
166. William F. Clinger, Jr.
167. Charles F. Dougherty.
168. Dan Lungren.
169. Gerald B. H. Solomon.
170. Jim Jeffries.
171. William Carney.
172. Ken Kramer.
173. Harold S. Sawyer.
174. Jon Hinson.
175. Donald Joseph Albosta.
176. Richard H. Ichord.
177. F. James Sensenbrenner, Jr.
178. Beverly B. Byron.
179. Robert (Bob) Whittaker.
180. Robert W. Davis.
181. Ray Kogovsek.
182. Thomas E. Petri.
183. Charles W. Stenholm.
184. Kent Hance.
185. Toby Roth.
186. Don Ritter.
187. William M. Thomas.
188. James A. Courter.
189. Richard Bruce Cheney.
190. Carroll Hubbard, Jr.
191. Thomas J. Tauke.
192. Bill D. Burlison.
193. John J. Rhodes.
194. Arlen Erdahl.
195. Charles Pashayan, Jr.
196. James C. Cleveland.
197. David F. Emery.
198. Bill Royer.
199. Elwood Hillis.
200. Claude (Buddy) Leach.
201. Michael O. Myers.
202. Mickey Edwards.
203. Jerry Lewis.
204. J. William Stanton.
205. John Buchanan.
206. Mark Andrews.
207. Beryl Anthony, Jr.
208. Jack F. Kemp.
209. Jack Edwards.
210. Robert H. Michel.
211. Bill Archer.
212. Larry J. Hopkins.
213. Carroll A. Campbell, Jr.
214. H. Joel Deckard.
215. Lawrence Coughlin.
216. John P. Murtha.
217. M. Caldwell Butler.
218. Ed Bethune.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1888. A letter from the General Counsel, U.S. General Accounting Office, transmitting a report on the status of budget authority that was proposed, but rejected, for deferral for all of fiscal year 1979; to the Committee on Appropriations.

1889. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Israel (Transmittal No. 79-42), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1890. A letter from the Director of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to lease a naval vessel to the Government of Honduras, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

1891. A letter from the Director of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to sell a naval vessel to the Government of Mexico, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

1892. A letter from the Director of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to sell a naval vessel to the Government of Peru, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

1893. A letter from the Director of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to lease certain naval vessels to the Government of Turkey, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

1894. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Irving G. Cheslaw, Ambassador-designate to Trinidad and Tobago, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

1895. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 79-42), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1896. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 79-43), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1897. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the September 1977 report to the president of the Board of Visitors to the U.S. Naval Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1898. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the November 1977 report to the president of the U.S. Military Academy Board of Visitors, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1899. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during May 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

1900. A letter from the Secretary of the Interior, transmitting notice of the bidding systems to be used and the tracts to be offered in OCS Lease Sale No. 58, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 640); to the Committee on Interior and Insular Affairs.

1901. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), and to provide a 7-month extension for the submission and approval of State programs or the implementation of a Federal program; to the Committee on Interior and Insular Affairs.

1902. A letter from the Deputy Assistant Secretary of the Interior, transmitting a proposed plan for the use of a portion of the funds awarded to the Prairie Bank of Potawatomi Indians in dockets 15-K, 29-J and 217 and dockets 15-M, 29-K and 146 before the Indian Claims Commission, pursuant to sections 2(a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

1903. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C. on March 7-9, 1979, pursuant to 28 U.S.C. 331 (H. Doc. No. 96-158); to the Committee on the Judiciary and ordered to be printed.

1904. A letter from the Secretary of the Interior, transmitting a report on the Teton Dam claims program for the calendar year 1978, pursuant to section 8 of Public Law 94-400; to the Committee on the Judiciary.

1905. A letter from the Secretary of Commerce, transmitting the annual report of the Maritime Administration for fiscal year 1978; to the Committee on Merchant Marine and Fisheries.

1906. A letter from the Comptroller General of the United States, transmitting a report on the multinational F-16 aircraft program (PSAD-79-63, June 25, 1979); jointly, to the Committees on Government Operations, Armed Services, and Foreign Affairs.

1907. A letter from the Comptroller General of the United States, transmitting a report on hospital loan assistance programs (HRD-79-64, June 27, 1979); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 2610. To amend the Water Resources Planning Act (79 Stat. 244, as amended); with amendment (Rept. No. 96-144, pt. II). Ordered to be printed.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 2282. A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans; with amendment (Rept. No. 96-310). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. WHITEHURST, Mr. AKAKA, Mr. BINGHAM, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. COUGHLIN, Mr. DRINAN, Mr. EDWARDS of California, Mr. EMERY, Mr. FRENZEL, Mr. GIBBONS, Mr. HYDE, Mr. MIKVA, Mr. MOAKLEY, Mr. MOTTL, Mr. PATTERSON, Mr. RICHMOND, Mr. RODINO, Mr. ROE, and Mr. WEISS):

H.R. 4631. A bill to amend the Animal Welfare Act to prohibit certain transactions and activities involving sight hound dogs trained by the use of any animal as a live visual lure or involving animals used as live visual lures; to the Committee on Agriculture.

By Mr. BREAUX:

H.R. 4632. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

By Mr. PHILIP M. CRANE:

H.R. 4633. A bill directing the Secretary of State and the Secretary of the Interior to study the feasibility of settling Indochinese refugees in territories and possessions in the Pacific which the United States administers or over which the United States claims sovereignty; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 4634. A bill to amend the Internal Revenue Code of 1954 to provide an election for income from certain spacecraft to be treated as income from sources within the United States; to the Committee on Ways and Means.

By Mr. JONES of North Carolina:

H.R. 4635. A bill making an appropriation for the Department of Health, Education, and Welfare for the fiscal year ending September 30, 1980, for a grant to the Eastern Carolina Vocational Center; to the Committee on Appropriations.

By Mr. McDADE:

H.R. 4636. A bill to amend the Internal Revenue Code of 1954, to provide tax incentives for investment in labor surplus areas; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 4637. A bill to amend the Social Security Act to provide for a national catastrophic health insurance program, to amend the Internal Revenue Code of 1954 to provide for a tax on removal of natural resources from Federal lands to pay for such program, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. PANETTA:

H.R. 4638. A bill to amend section 302(a) of the Fishery Conservation and Management Act of 1976 to create a new California Pacific Council with authority over the fisheries in the Pacific Ocean seaward of the State of California; to the Committee on Merchant Marine and Fisheries.

By Mr. PAUL:

H.R. 4639. A bill to repeal all Federal regulations and taxes on the production of fuel; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce, and Interior and Insular Affairs.

By Mr. PICKLE (for himself and Mr. ARCHER):

H.R. 4640. A bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations; to the Committee on Ways and Means.

By Mr. RAILSBACK (for himself and Mr. BUTLER):

H.R. 4641. A bill to amend title 28 of the United States Code to provide for improvements in the administration of the courts of the United States by the establishment of a Commission on Judicial Disabilities and Tenure, and for other purposes; to the Committee on the Judiciary.

By Mr. RINALDO:

H.R. 4642. A bill to amend title 18 of the United States Code to provide for additional sentences for commission of a felony with the use of a firearm; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 4643. A bill to amend title 38, United States Code, to repeal the 10-year citizenship requirement for eligibility for veterans' health care benefits for lawful permanent residents of the United States who were members of the armed forces of Czechoslovakia or Poland during World War I or World War II and to extend such benefits to lawful permanent residents of the United States who were members of the armed forces of Russia, the Union of the Soviet Socialist Republics, Estonia, Latvia, or Lithuania during either such war; to the Committee on Veterans' Affairs.

By Mr. SOLOMON:

H.R. 4644. A bill to provide that rates of pay for Members of Congress shall not be subject to adjustment under the Federal Salary Act of 1967 or subject to any other automatic adjustment; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.R. 4645. A bill to change the name of Clayton Lake which is an element of the flood control project for the Clayton and Tuskahoma Reservoirs, Kiamichi River, Okla., to Sardis Lake; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma (for himself and Mr. Conable):

H.R. 4646. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 4647. A bill to amend title 10, United States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. WIRTH:

H.R. 4648. A bill to amend the Public Utility Regulatory Policies Act of 1978 to require the provision by gas and electric utilities of lifeline rates for essential needs of residential consumers and schools and hospitals and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ATKINSON:

H.R. 4649. A bill to establish an Energy Company of America, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, Science and Technology, and Ways and Means.

By Mr. PAUL:

H.J. Res. 368. Joint resolution proposing an amendment to the Constitution of the United States to provide for 4-year terms for Senators, to limit the number of terms any individual may serve as Senator or Representative, and to limit the length of each session of the Congress; to the Committee on the Judiciary.

By Mr. YATRON:

H.J. Res. 369. Joint resolution to designate August 4, 1979 as "National Health Day"; to the Committee on Post Office and Civil Service.

By Mr. EVANS of Indiana:

H. Con. Res. 154. Concurrent resolution expressing the sense of Congress that the Department of Energy must expedite its efforts to collect and verify energy information; to the Committee on Interstate and Foreign Commerce.

By Mr. DORNAN:

H. Con. Res. 155. Concurrent resolution expressing the sense of the Congress with respect to the matter of Josef Mengele; to the Committee on Foreign Affairs.

By Mr. PASHAYAN (for himself, Mr. Coelho, Mr. Johnson of California, Mr. Dixon, Mr. Lagomarsino, Mr. McCloskey, Mr. Matsui, Mr. Thomas, Mr. Shumway, Mr. Mitchell of Maryland, Mr. Danielson, Mr. Fazio, Mr. Lewis, Mr. Don H. Clausen, and Mr. Burgener):

H. Con. Res. 156. Concurrent resolution to provide sufficient diesel fuel for the transportation of fresh farm produce; jointly, to the Committees on Armed Services, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. SOLARZ (for himself, Mr. Waxman, Mr. Simon, and Mr. Moffett):

H. Con. Res. 157. Concurrent resolution expressing the sense of the Congress supporting and encouraging the President's efforts to encourage all nations to increase aid and resettlement assistance to Indochinese refugees, and requesting the Attorney General, in conjunction with these efforts, to substantially increase the number of Indochinese refugees paroled into the United States; jointly, to the Committees on Foreign Affairs, and the Judiciary.

By Mr. APPLEGATE:

H. Res. 343. Resolution to express the sense of the House of Representatives that the United States should pursue a policy of displacing a specified percentage of foreign oil with domestic coal, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 4650. A bill for the relief of Anne Merry; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.R. 4651. A bill for the relief of Michael Elliott Klassen; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mr. Dougherty, and Mr. Harris.

H.R. 190: Mr. Pepper.

H.R. 353: Mr. Mitchell of New York.

H.R. 1703: Mr. Collins of Texas, and Mr. Whitehurst.

H.R. 1745: Mr. Horton, Mr. Carr, Mr. Rousselot, Mr. Ottinger, Ms. Ferraro, Mr. Guarini, Mr. Shelby, Mr. Zeferetti, Mr. Solomon, Mr. Leach of Louisiana, Mr. Trible, Mr. Buchanan, Mr. Slack, and Mr. Coughlin.

H.R. 1916: Mr. Goodling, and Mr. Weaver.

H.R. 2156: Mr. Kildee.

H.R. 2291: Mr. Murphy of New York, Mr. Kildee, Mr. O'Brien, and Mr. Cheney.

H.R. 2507: Mr. Mikva.

H.R. 2557: Mr. Blanchard.

H.R. 2558: Mr. Blanchard.

H.R. 3192: Mr. Collins of Texas, Mr. Kindness, and Mr. Whitehurst.

H.R. 3251: Mr. Collins of Texas, and Mr. Grassley.

H.R. 3407: Mr. Barnes.

H.R. 3582: Mr. Bingham, Mr. Edwards of California, Mr. Maguire, Mr. Stark, and Mr. Stokes.

H.R. 3604: Mr. D'Amours, Mr. Yates, Mr. Mitchell of Maryland, Mr. Mikva, Mr. Vento, Mr. Bonior of Michigan, Mr. Wolff, Mr. Simon, Mr. Carr, Mr. Seiberling, Mr. Sabo, Mr. Dellums, Mr. Weiss, Mr. Richmond, Mr. Nolan, Mr. Stark, Mr. Gudger, Mr. Danielson, Mr. Moakley, Mr. Oberstar, Mr. Donnelly, Mr. Downey, Mr. Yatron, Mr. Roe, Mr. Gray, Mr. Murphy of Pennsylvania, Mr. Luken, Mr. Thompson, Mr. Fazio, Mr. Solarz, Mr. Howard, and Mr. Ratchford.

H.R. 3635: Mr. Chappell, Mr. Mathis, Mr. Nichols, Mr. Bonker, Mr. Pritchard, Mr. Lowry, Mr. Kindness, Mr. Scheuer, Mr. Mottl, Mr. Dicks, Mr. Ertel, Mr. Williams of Montana, Mr. Matsui, Mr. Fazio, Mr. Dixon, Mr. Leach of Iowa, Mr. Ratchford, Mr. Mavroules, Mr. Sabo, Mr. Daschle, Mr. Waxman, Mr. Guarini, Mr. McCormack, Mr. Zeferetti, Mr. Lungren, Mr. Coelho, Mr. Albosta, Mr. Hutto, Mr. Weaver, Mr. Wolpe, Mr. Leland, Mr. Atkinson, Mr. Boner of Tennessee, Mr. Moakley, Mr. Reuss, Mr. Perkins, Mr. Erdahl, Mr. Young of Florida, Mr. Myers of Pennsylvania, Mr. Whitehurst, Mr. Derwinski, Mr. Downey, Mr. Frost, Mr. Hinson, Mr. Ottinger, Mr. Spence, Mr. Robinson, Mr. Hollenbeck, Mr. Neal, Mr. Drinan, Mr. Richmond, Mr. Huckaby, Mr. Pepper, Mr. Stark, Mr. Breaux, Mr. Flood, Mr. Markey, Mr. Weiss, Mr. Hagedorn, Mr. Edgar, Mr. Glickman, Mr. Dougherty, Mr. Addabbo, Mr. Bevill, Mrs. Bouquard, Mr. Buchanan, Mr. Cleveland, Mr. Corrada, Mr. Dickinson, Mr. Edwards of California, Mr. Gray, Mr. Gilman, Mr. Ginn, Mr. Hall of Texas, Mr. Hawkins, Mr. Hughes, Mr. Jenrette, Mr. Lott, Mr. McDade, Mr. McEwen, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Price, Mr. Roe, Mr. Rose, Mr. Stack, Mr. Symms, Mr. Wampler, Mr. Won Pat, Mr. Yatron, Mr. Kogovsek, Mr. Stewart, Mr. Anthony, Mr. Barnes, Mr. Gramm, Mr. Shelby, Mr. Donnelly, Mr. Foley, Mrs. Byron, Ms. Ferraro, Mr. Bedell, Mr. Hall of Ohio, and Mr. Shannon.

H.R. 3685: Mr. Stokes, Mr. Whitehurst, Mr. Hutto, Mr. Gray, Mr. Carter, Mr. Wolpe, and Mr. Hinson.

H.R. 3901: Mr. Roth, Mr. Carter, and Mr. Hollenbeck.

H.R. 3905: Mr. Stokes, and Mr. Walgren.

H.R. 3906: Mr. Ottinger.

H.R. 3922: Mr. Roberts.

H.R. 3960: Mr. Nowak.

H.R. 3961: Mr. Nowak.

H.R. 4055: Mr. Whitehurst, Mr. Lagomarsino, Mr. Badham, Mr. Stangeland, Mr. Daniel B. Crane, and Mr. Rinaldo.

H.R. 4313: Mr. Bedell, Mr. Stokes, and Mr. Vento.

H.R. 4345: Mr. Hawkins, Mrs. Fenwick, Mr. Fisher, Mr. Courter, and Mr. Stokes.

H.R. 4398: Mr. Beard of Rhode Island, Mr. Bedell, Mrs. Chisholm, Mr. Clinger, Mr. Coughlin, Mr. Dixon, Mr. Flood, Mr. Gray, Mr. Hawkins, Mr. Heftel, Mr. Lagomarsino, Mr. Leland, Mr. Lungren, Mr. Mineta, Mr. Murphy of Pennsylvania, Mr. Sebelius, Mr. Stewart, and Mr. Stokes.

H.R. 4484: Mr. Atkinson, Mr. Murphy of Pennsylvania, Mr. Gaydos, Mr. Myers of Pennsylvania, Mr. Bennett, Mr. Stack, Mr. Wright, Mr. Fazio, Mr. Rahall, Mr. Mavroules, Mr. Nedzi, Mr. Slack, Mr. Hughes, Mr. Edgar, Mr. Moorhead of Pennsylvania, Mr. Walgren, Mr. Lowry, Mr. Montgomery, Mr. Brinkley, Mr. Biaggi, Mr. Zablocki, Mr. Dan Daniel, Mr. Murtha, Mr. Cavanaugh, Mr. Mollohan, Mr. Blanchard, Mr. Staggers, Mr. Stenholm, Mr. Price, Mr. Stratton, Mr. Hall of Texas, Mr. Leath of Texas, Mr. Hance, Mr. Pease, Mr. Danielson, Mr. Phillip Burton, Mr. Dougherty, Mr. Murphy of Illinois, Mr. Simon, Mr. Bonior of Michigan, Mr. Kogovsek, Mr. Coelho, Mr. Derwinski, and Mr. Marks.

H.R. 4512: Mr. Stokes, Mr. Daschle, Mr. Fazio, Mr. Downey, and Mr. Dougherty.

H.R. 4520: Mr. Stokes.

H.J. Res. 118: Mr. Akaka, Mr. Findley, Mr. Nichols, Mr. Scheuer, Mr. Patten, Mr. Frenzel, Mr. Burgener, Mr. Eevill, Mr. Kemp, Mr. Bedell, Mr. Hughes, Mr. Rahall, Mr. Forsythe, Mr. Goldwater, Mr. Rinaldo, Mr. Stokes, Mr. Foley, and Mr. Walker.

H.J. Res. 228: Mr. Steed, Mr. Guyer, Mr. Marriott, Mr. Kindness, Mr. Jeffords, Mr. Fazio, Mr. Mathis, Mr. Gramm, Mr. Vento, Mr. Jenrette, Mr. Long of Maryland, Mr. Derwinski, Mr. Stenholm, Mr. Leach of Louisiana, Mr. Kemp, Mr. Lagomarsino, Mr. McDonald, Mr. Neal, Mr. Panetta, Mr. Coelho, Mr. Derrick, Mr. Clinger, Mr. Flood, Mr. Grassley, Mr. Broyhill, Mr. Dornan, Mr. Sebelius, Mr. Ertel, Ms. Oakar, Mr. Corcoran, Mr. Hance, Mr. Dougherty, Mr. Russo, Mr. Buchanan, and Mr. Stokes.

H.J. Res. 321: Mr. Stokes.

H. Con. Res. 131: Mr. Ertel, Mr. Gudger, Mr. Neal, Mr. Courter, Mr. Stokes, Mr. Ambro, Mr. Corrada, Mr. Vento, Mr. Weiss, and Mr. Daschle.

H. Con. Res. 139: Mr. Stark, Mr. Frenzel, and Mr. Stokes.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

161. By the SPEAKER: Petition of the New England Synod, Lutheran Church in America, Durham, N.H., relative to arms control; to the Committee on Armed Services.

162. Also, petition of the New England Synod, Lutheran Church in America, Dur-

ham, N.H., relative to the SALT II agreement; to the Committee on Foreign Affairs.

163. Also, petition of the Eighth General Meeting of the Japan-Korean Parliamentarian's Union, Tokyo, Japan, relative to Northeast Asia; to the Committee on Foreign Affairs.

164. Also, petition of the Greater Hazleton Community-Area New Development Organization, Inc., Hazleton, Pa., relative to Hon. Daniel J. Flood; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2444

By Mr. QUAYLE:

—On page 82, strike out lines 1 through 9, inclusive, and insert in their place the following:

"(b) Except to the extent inconsistent with subsection (c)—

"(1) the Secretary, in promulgating rules and regulations as authorized by statute, shall prescribe such rules and regulations in accordance with chapter 5 of title 5, United States Code; and

"(2) section 431 of the General Education Provisions Act also shall apply to such rules and regulations to the extent applicable immediately prior to the effective date of this Act, and to rules and regulations promulgated with respect to programs transferred under sections 301(a) (1) and (2), 302, 303, 305, and 306 of this Act.

"(c) In promulgating such rules and regulations, except for rules and regulations to ensure compliance with civil rights laws within the jurisdiction of the Assistant Secretary for Civil Rights, the Secretary shall—

"(1) make all reasonable effort to alert the appropriate officials of the State Education Agencies as to the purpose and content of a proposed rule or regulation; and

"(2) withdraw such rule or regulation if a majority of State Education Agencies notify the Secretary in writing of their disapproval within thirty days of the publication of the proposed rule or regulation in the Federal Register."

H.R. 4389

By Mrs. BYRON:

—Page 10, line 20, after the period, insert the following: "None of the funds appropriated under this paragraph may be obligated or expended for any inspection by the Secretary of Labor under section 8(a) of the Occupational Safety and Health Act of 1970 of any factory, plant, establishment, construction site, or other area, workplace, or environment, where such area, workplace, or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the twelve months preceding such inspection, provided that this limitation does not prohibit the Secretary of Labor from conducting such inspection at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act.".

H.R. 4392

By Mr. COLLINS of Texas:

—Page 40, line 6; add the following new section:

"SEC. 605. No part of any appropriation contained in this Act shall be used by the Department of Justice to bring any sort of action to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped."

H.R. 4393

By Mr. DORNAN:

—Page 32, after line 2, add the following new section:

SEC. 509. None of the funds available under this Act may be used to carry out any revenue ruling of the Internal Revenue Service which rules that a taxpayer is not entitled to a charitable deduction for contributions which are used for educational purposes by a religious organization which is an exempt organization as described in section 170(c) (2) of the Internal Revenue Code of 1954.

—Page 32, after line 2, add the following new section:

SEC. 509. None of the funds available under this Act may be used to carry out proposed revenue procedure 4830-01-M of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-exempt Schools" (44 F.R. 9451 through 9455, February 13, 1979, F.R. Document 79-4801).

H.R. 4440

By Mr. QUAYLE:

—Page 16 line 20, after the period, insert the following: "None of the funds appropriated in this paragraph shall be used to reroute the Lake Shore Limited, the Broadway Limited, the San Francisco Zephyr, or the Southwest Limited.".

EXTENSIONS OF REMARKS

HOMER PRICE TELLS IT LIKE IT IS BECAUSE HE WORKS FOR A LIVING AND KNOWS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 26, 1979

● Mr. ASHBROOK. Mr. Speaker, from time to time, to keep the CONGRESSIONAL RECORD on the up and up, I take the time to insert into this daily tabloid of Washington jargon, semantics, and self-serving pronouncements, the letters or statements of real, live Americans out there who tell it like it is. This week, I want to include in the RECORD a letter from Homer Price, a constituent from Newark, Ohio, who operates one of the most successful truck stops in America. It is located at the junction of Interstate 70 and Ohio Route 37 and appropriately called Ohio 70-37 Truck Stop.

Homer Price is very successful at his chosen field. He works hard, has expanded his business and provided employment opportunities to many resourceful people in our area. He is a good citizen and participates in many civic and business pursuits.

Homer Price knows baloney when he sees it. He writes me on many occasions on matters of public policy and always has a clear insight into the perplexing problems of the day. While I congratulate him, it is comforting to note that there are hundreds, thousands—indeed, millions of citizens out there who work, save, invest, expand, develop, invent, and make America tick. They do it, not the bureaucrats and elected rulers here in Washington. We often forget that fact and we should listen to them more. They know, as I have said so many times, and they do not fool easy. They are arising in righteous wrath against the sins of the Washington liberals who think they know better than the Homer Prices, the Bill Hunters, the Tom Hugs, and those wonderful Americans out there who keep working, producing, and only hope that sooner or later, the Congress and this administration wake up to the facts of life. Facts of life as they relate to the working man and businessman, the farmer, and all productive Americans as distinguished from the parasites who eat from their substance.

Homer Price makes his living dealing in a very important commodity, petroleum products and service, and he knows what is going on. It would come as no surprise to me that he would take issue with some of the inane pronouncements from the Department of Energy and their lackeys here in Washington.

In this case, Mr. Price has responded in clear and concise terms to a Washington release of one of our Senators. It is deserving of your time and attention. We are often asked if a letter does any good. The answer is always the same. "Yes, if it is a letter which has substance and tells a message." Homer Price has written such a letter and I include it at this point in the RECORD:

OHIO 70-37 TRUCK STOP,
Hebron, Ohio, June 19, 1979.

Hon. HOWARD M. METZENBAUM,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR METZENBAUM: In a recent mailing you made to me you included a short article entitled, "Why We Are Losing the Energy War". Quoting from this article you said, "Along with millions of other Americans, I am extremely skeptical that there is a real shortage. I am convinced that it is a contrived shortage brought on by the greed of the oil companies for higher prices and higher and higher profits." End of quote! Senator Metzenbaum, we are each entitled to our own opinions but in this case, from my own research and experience I'll have to say, you are dead wrong for reasons I shall set forth below:

On the matter of profits: Many people assume that the recent increases in product cost translate into increased profits for the oil companies. This has not been true.

In my supplier's (Union Oil Co. of California) case, for example, they have been required to pay very high costs for crude and finished products since the beginning of the year. They have paid as much as $37 per barrel for delivered crude in order to keep their refineries running as full as possible. In addition, they have purchased over 60 million gallons of diesel and gasoline at world prices of $.91 per gallon for diesel and well over $1.00 per gallon for gasoline. This has necessitated an increase in price of approximately $.15 per gallon since the first of the year to recover increased cost. There was no increase in Union's profits.

The entire industry has been criticized be-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

cause of their first quarter profits. It is misleading to compare a good quarter of earnings with a poor one. Actually oil industry profits have been less than the average of total manufacturing companies during the last three years. The oil industry's return on stockholder equity for 1976, 1977 and 1978 was 14.0 percent, 13.3 percent and 13.9 percent respectively. Total manufacturing was 15.0 percent, 15.0 percent and 15.1 percent respectively. This information was obtained from Forbes and Fortune magazines.

The shortage is real. The factors involved are complex.

As a result of the political turmoil in Iran last fall and winter, that country's oil exports stopped. This was the pivotal event in the gasoline shortage and the round of higher prices we are experiencing. The cutoff of 10 percent of the free world's oil for about 70 days and the subsequent reduction of exports by Iran meant a world shortage of crude oil.

The impact was greatest on western Europe and Japan, which relied heavily on Iranian oil. As such, these nations had to turn to other sources for oil and began competing with the U.S. for other foreign supplies.

The world shortage of crude caused by Iran translated into reduced supplies of petroleum products in the U.S. But even though the shortage was publicized, Americans continued to demand more and consume more.

American refiners have been delivering more gasoline and other products than ever before, but it just isn't enough. Faced with reduced crude oil supplies, they have been meeting demand by drawing down their inventories of products. In Union Oil's case, they have been able to keep their refineries running at full capacity so far. But despite this high level, they have not been able to keep pace with the demands of customers, and they can't be sure they will be able to continue to obtain adequate supplies.

Along with the increased energy demand, which includes motor gasoline, two other factors have impacted on our energy supplies—unleaded gasoline and the lead phase-down program for leaded fuels.

Beginning in 1975, automobile manufacturers began equipping their cars with catalytic converters to meet exhaust emission standards. These cars required unleaded fuel. This meant that refiners could not use tetraethyl lead as an additive to boost the octane of gasoline to an acceptable level. This meant that they had to employ extensive refining processes, using more crude oil to create high octane blending stocks to produce the same volume of gasoline. In fact, a gallon of unleaded gasoline requires about seven percent more crude oil for its production than a gallon of leaded fuel.

More recently, environmental regulations have been calling for phasing out lead additives in motor fuels. By reducing allowable lead levels, refiners have to use even more high-octane blending stocks such as those used in unleaded fuels. The result, again, is that more crude oil is required to produce a gallon of lower-leaded fuel that meets engine requirements.

The overall impact of increased energy consumption and environmental regulation has been a jump in U.S. energy consumption from slightly over 16 million barrels a day in 1975 to nearly 19 million barrels a day last year.

This set the stage for the present situation. Iran was second only to Saudi Arabia as a supplier of free world oil, exporting about five million barrels a day. The United States was taking about 800,000 barrels a day of this production, equivalent to nearly five percent of our needs. During October and November, the Iranian oil fields operated sporadically and finally all exports ceased on December 26.

The world had lost 10 percent of its crude oil supply. Other nations, notably Saudi Arabia, temporarily increased production to make up part of the shortfall, but it was not enough. The world was still short about two million barrels a day.

The problems associated with increased demand in a period of short crude oil shortages has been compounded by the reaction of consumers. "Panic buying" is the only way to characterize the long lines we have seen at service stations in some sections of the country.

Union Oil Company is processing all the crude oil that they can handle, yet the consumer wants still more gasoline. Therefore, they have had to allocate supplies, following procedures established by the U.S. Department of Energy. Their goal in adopting an allocation plan is to minimize market disruptions, distribute available gasoline supplies in a fair and equitable manner and make every effort to serve their customers, likewise ourselves, with a minimum of inconvenience.

From strictly an economic standpoint I'd like to quote from recent articles written by well known economists such as Milton Friedman, Lance Morrow, and Armen A. Alchain:

"There is an energy crisis because government has decreed that there shall be one."

"Do you want a surplus? Have the government legislate a minimum price that is above the price that would otherwise prevail."

"Eliminate all controls on the prices of crude oil and other petroleum products. The gasoline lines would melt faster than the snows of winter."

"The problem is that too many Americans are accustomed to acting only in emergencies, and too few of them are persuaded that they actually face one at the moment. Presumably they will wake up to the certain knowledge of it before too long."

"Failure to perceive the difference between (a) increased scarcity caused by a reduced supply and (b) a shortage (excessive demand) caused by an insufficiently high price is the source of our current calamity. Most people, including President Carter, Energy Secretary James Schlesinger, and Sen. Henry Jackson (to name but three) do not recognize the differences. Since both are now happening, they confuse those two as if they were one and the same thing.

Because there is truly no cure for the reduced supply, they talk as if there must be no cure for "shortage." Not so. There is.

Summarizing—Let a free market prevail and it will be easy to end the current fuel shortage!

Please give some serious thought to what I have set forth before you in the above. After you have had a chance to thoroughly digest it I would appreciate receiving your comments.

C. Homer Price,
President, 70-37 Corporation.

P.S.—In case you want to read the articles from which I took the above quotes, copies are attached.

[From Newsweek magazine, June 4, 1979]

Blaming the Obstetrician

(By Milton Friedman)

The explanations of the energy crisis and gasoline shortage that gush forth from government officials, newspaper reporters and TV commentators are tantamount to blaming the obstetrician for the baby.

A rapacious oil industry did not produce the gasoline stortage. Wasteful consumers did not produce the gasoline shortage. Hard winter did not produce the gasoline shortage. Not even Arab sheiks produced the gasoline shortage.

After all, the oil industry has been around for a long time—and has always been rapacious. Consumers have not suddenly become wasteful. We have had hard winters before. Arab sheiks have desired wealth as far back as human memory runs.

WHY NOW?

The subtle and sophisticated people who fill the newspaper columns and the airwaves with such silly explanations of the gasoline shortage seem never to have asked themselves the obvious question: why is it that for a century and more before 1971, there were no energy crises, no gasoline shortages, no problems about fuel oil—except during World War II?

There is an energy crisis, there are gasoline lines, for one reason and one reason only. Because government has decreed that there shall be. Of course, government has not done so openly. The President never sent a message to Congress asking it to legislate an energy crisis and long gasoline lines. But he who says A must say B. The government, beginning with President Nixon on Aug. 15, 1971, imposed maximum prices on crude oil, gasoline at retail and other petroleum products. And, unfortunately, the quadrupling of crude-oil prices by the OPEC cartel in 1973 prevented those maximum prices from being abolished when all others were. Maximum legal prices for petroleum products—that is the key element common both to World War II and the period since 1971.

Economists may not know much. But we know one thing very well: how to produce surpluses and shortages.

Do you want a surplus? Have the government legislate a minimum price that is above the price that would otherwise prevail. That is what we have done at one time or another to produce surpluses of wheat, of sugar, of butter, of many other commodities, and, most tragically, of teen-age labor. The minimum wage is a legislated price above the price that would otherwise prevail for the labor of many teen-agers. Like every minimum price, it enhances the amount supplied and reduces the amount demanded, and so produces a surplus, in this case of unemployed teen-agers.

Do you want a shortage? Have the government legislate a maximum price that is below the price that would otherwise prevail. That is what New York City and, more recently, other cities have done for rental dwellings, and that is why they all suffer or will soon suffer from housing shortages. That is why there were so many shortages during World War II. That is why there is an energy crisis and a gasoline shortage.

There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now. Eliminate all controls on the prices of crude oil and other petroleum products. The gasoline lines would melt faster than the snows of winter.

Other misguided policies of government and the monopolistic behavior of the OPEC cartel might keep petroleum products expensive, but they would not produce the disorganization, chaos and confusion that we now confront.

GAS WOULD COST LESS

And, perhaps surprisingly, this solution would reduce the cost of gasoline to the consumer—the true cost. Prices at the pump might go up a few cents a gallon, but the cost of gasoline today includes the time and gasoline wasted standing in line, and hunting for a gas station with gas, plus the $10.8 billion annual budget of the Department of Energy, which amounts to around 9 cents per gallon of gasoline.

Why has this simple and foolproof solution not been adopted? So far as I can see, for two basic reasons—one, general, the other, specific. To the despair of every economist, it seems almost impossible for most people other than trained economists to comprehend how a price system works. Reporters and TV commentators seem especially resistant to the elementary principles they supposedly imbibed in freshman economics. Second, removing price controls would reveal that the emperor is naked—it would show how useless, indeed harmful, are the activities of James Schlesinger and his 20,000 employees. It might even occur to someone how much better off we were before we had a Department of Energy.

[From the Los Angeles Times, June 5, 1979]

Let Free Market Prevail: It's Easy To End Gas Shortage

(By Armen A. Alchian)

The current calamitous, unnecessary gasoline shortage is caused by the recent effectiveness of legal ceilings on the price of gasoline. And the shortage would be eliminated over night if those price controls were removed. Let me explain why that statement is not foolish.

Controls on retail prices of gasoline were imposed several years ago, but up until about a month ago the ceiling permissible price—about 90 cents a gallon—was far above the market-clearing price, about 70 cents.

In the past few months the Iranian cutback, with continued inflation of prices in general, and now the government mandated reduction in production of gasoline to stockpile more heating oil for the winter has reduced the supply of gasoline so much that the market clearing price has risen far above the currently permissible ceiling of about 90 cents. The current market-clearing price is probably about $1 to $1.25 a gallon.

But whether that guess is correct or not would quickly be verified by removal of the legal ceiling on gasoline prices. Then prices would rise enough to eliminate the shortage, and furthermore that would not raise everyone's cost of getting and using gasoline. If all that weren't true, all economists paid by your taxes at the state universities should be fired, since that is an important implication of what they are paid to teach.

To see why, the first thing is to realize that the amount of gasoline demanded, like any good, depends not only on its usefulness, and one's income, family size, type of job, age, etc., but also upon the market price. But only price can adjust quickly to avoid imbalances between amount available and amount demanded. If supply falls, whether of meat, shoes, or gasoline, remaining use values and hence its market price rises. How high? To whatever height will do what the old price did, and that is to make the amount people want to buy not exceed the amount available. Always there is some higher price that will do that, whether you like it or not. By rising that high, "shortages" are avoided, even if it doesn't reduce "scarcity." And it is the crucial, but ignored, distinction between "increased scarcity" and "shortage" that helps understanding of the present events.

Scarcity always exists for all goods: meat, shoes, clothing, cars, housing, pencils, and Rolls-Royces, yet for none of these is there a shortage. Anyone can buy whatever amounts of those goods his income and personal circumstances and market price induces him to try to buy. Scarcity of a good means it is not so plentiful as to make one more unit worthless. It isn't free. It is valuable.

Increased scarcity is a reduced supply relative to demand, so that each unit is more valuable. Even then, a shortage will not occur unless the price is not allowed to rise to match the new higher value of each remaining unit.

2. Any good whose price is restrained below a market clearing level will experience a "shortage." People want to buy more than is available. Queues, outages, and waiting lists develop as people find that at the price being asked, sellers don't have as much as buyers demand. That "excessive amount demanded" relative to supply is what we see as a "shortage."

But when not held down by law, the price will be bid up to whatever height will make the good so costly as to restrain people from trying to buy more than is available. Before deciding that is cruel, unfair, and undesirable, it must be admitted it would, in any event, eliminate the excessive demands—even though it may not necessarily increase the supply.

A higher price of gasoline will and does, in fact, make people consume less. Though most people do not talk that way, they act that way. They say, "I must have gasoline to drive to work." But when faced by higher prices and a higher cost of getting and using gasoline, those who drive to work do act differently, or at least some of them do—with sharing, less frequent shopping, smaller cars, slower speeds, less acceleration and more bus riding. They forsake less valuable uses so as to continue the more valuable uses, like driving to work.

No escape is possible from these facts and behavior. When prices are released, as they someday certainly will be, they will rise to where we will pay a money price exactly as high as the now higher valued use of a gallon of scarcer gasoline. And that will mean we will pay the cost by exchanging useful goods rather than by wasting time waiting in line at less convenient times—activities with no socially redeeming merit.

When exchanges via prices are used to get gasoline, the buyer is giving to the rest of society something useful in exchange for the gasoline that he, rather than the rest of society, gets to use.

Failure to perceive the difference between (a) increased scarcity caused by a reduced supply and (b) a shortage (excessive demand) caused by an insufficiently high price is the source of our current calamity. Most people, including President Carter, Energy Secretary James Schlesinger, and Senator Henry Jackson (to name but three) do not recognize the differences. Since both are now happening, they confuse those two as if they were one and the same thing.

Because there is truly no cure for the reduced supply, they talk as if there must be no cure for "shortage." Not so. There is.

They probably believe the "shortage" of gasoline in 1974 during the first Arab cutback, which reduced supply, ultimately disappeared as more gasoline was later produced. Not so. More gasoline was not produced. Increased scarcity remained. Instead, the shortage disappeared only because the ceiling prices were raised. The market price was permitted to rise high enough to restrain the amounts demanded by the public to the smaller supply. The shortage disappeared in 1975 only because prices were allowed to rise; the supply of gasoline did not increase.

It is important to see also that the cost of getting and using scarcer gasoline will increase with or without price controls, even if perfectly enforced. Why? When less is available, the pertinent issues are: Who is going to use less? For what uses? And who will make those decisions?

No matter why the amount of gasoline is reduced, the fact that less is available forces some answer to each of those questions. "What uses shall we foresake?" I assume we want to foresake only the less valuable uses, as we judge them, in order to continue with the more valuable. Those remaining higher valued continuing uses to which gasoline can be put are higher valued whether or not government limits the legal price. Do not confuse the legal price with the use value.

An obstinate belief of some people that the value of having gasoline can be kept low by limiting the price to be as low as when there was more gasoline is just plain wrong. The quicker that obstinate error is understood by politicians and the public, the better. Yet Carter and his politicians refuse either to understand or admit they understand that pervasive, inescapable, overwhelming fact of life. As a result we are suffering the consequences of these price controls. We are not allowed in a civilized fashion to offer money to sellers of gasoline. Instead we now compete like barbarians in wasteful forms—standing in lines, inconvenient service hours—a gigantic social waste in a futile, ignorant, deceptive effort to keep values and costs low.

Why not issue ration coupons? Someone must then decide who is going to get some more and who is going to have less, since gasoline is obviously more valuable in some uses than in others. So, certainly, coupons should and would be marketable, once issued to the initial recipient.

Users will have to pay a money price (below the market clearing price, else there would be no shortage), plus giving up the value of the coupon. Consumers will pay the full price for gasoline in the form of too low a money price to the gasoline supplier plus either some payment for purchase of extra coupons or some amount of wealth forsaken if people use their own coupons instead of selling them.●

A SHORT COURSE ON INFLATION: PART II

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. MICHEL. Mr. Speaker, inflation can be cured. But the cure demands the willingness to endure short-term agony for long-term relief. So, at any rate, is the argument of the second part of a Wall Street Journal series on inflation.

It would seem that nothing short of a total transformation in the way we see ourselves as a people can stop the inflationary spiral. Anything short of that will be useless. The answer to the inflation problem is not to be found in economic theories but in our willingness to confront the basic truth put succinctly by Milton Friedman: "There ain't no such thing as a free lunch."

At this time, I wish to insert in the Record, "High-Priced Cure: Fight To End Inflation, Experts Say, Will Take Years and Risk a Slump," by Richard J. Levine, the Wall Street Journal, Wednesday, June 20, 1979:

High-Priced Cure: Fight To Curb Inflation, Experts Say, Will Take Years and Risk a Slump

(By Richard J. Levine)

Curbing inflation will be a long, painful struggle.

That is the almost-universal judgment of the nation's academic economists and business forecasters as they ponder the worst, most-tenacious inflation in U.S. history. While they are divided on the exact causes of the trouble, private analysts agree with the Carter administration's basic conclusion that there isn't any quick, easy way out.

"I have no magic cure," says Martin Feldstein, president of the prestigious National Bureau of Economic Research and one of the most highly regarded younger economists in the country. "The notion that you could push some button and stop it—that's crazy," says Robert Solow of the Massachusetts Institute of Technology. "There is no simple solution."

On Wall Street, William Freund, chief economist of the New York Stock Exchange, predicts a "painful adjustment to a better world." A few miles uptown, in his mid-Manhattan office overlooking Park Avenue, Tilford Gaines of Manufacturers Hanover Trust Co. worries that "we may have to make a choice between a serious recession and far-worse inflation."

Indeed, after more than four years of expansion, most private economists believe that the economy soon will slip into recession and thus confront the administration with a difficult decision. On the eve of his reelection campaign, President Carter could choose to abandon the anti-inflation fight and return to expansionary policies that would guarantee more inflation. Or he could accept a recession and higher unemployment, in hopes of eventually wringing out inflationary pressures.

"The administration doesn't want to have inflation, and it doesn't want to have a recession," says MIT's Stanley Fischer, co-author of a best-selling college textbook on economic policy-making. "But it can't have it both ways. That's its dilemma." Mr. Feldstein adds: "If unemployment starts rising and the administration panics, we will go back into an expansionary phase with prices rising again. We will have accomplished nothing."

TWO HARSH REALITIES

The problems facing Washington policy makers today are rooted in two harsh realities: Inflation has become the dominant feature of the economic landscape—changing expectations and behavior patterns—and the weapons available for fighting inflation remain crude.

As most economists see it, there are three ways to fight inflation: tight government spending, tax and monetary policies aimed at reducing demand; direct government intervention to restrain wages and prices through voluntary guidelines, mandatory controls or tax incentives and penalties; and "structural" changes that, among other things, reduce the costs of government regulation on business and increase incentives for capital investment.

Although these weapons can be used separately or in combination, as the Carter administration is currently doing, most economists think that fiscal and monetary restraint are needed. Even a leading liberal economist like Arthur Okun, designer of a tax-based anti-inflation program, advocates "enough fiscal-monetary discipline to provide a safety margin against excess demand."

HIGH COST OF ACTION

The problem for economic policy makers is that the price of restraint adequate to reduce inflation can be high, largely because public expectations of continued inflation have become so deeply ingrained. Beryl Sprinkel, executive vice president and economist at Chicago's Harris Trust & Savings Bank, warns that to change expectations, "We're going to have to have restrained policies for several years with unemployment running in the 8 percent to 9 percent range." Such policies, he says, would reduce inflation to 6 percent or 7 percent annually from the 9 percent to 10 percent expected this year.

Manufacturers Hanover's Mr. Gaines, who supports the administration's wage-price guidelines because "on the margin they can be useful," predicts that the short, mild recession generally anticipated "won't have enough effect in the marketplace to bring inflation under control." Only "three or four years of mild recession" with the jobless rate as high as 7.5 percent or a "more-severe recession" with unemployment reaching 9 percent or 10 percent is likely to reduce inflation significantly, he says.

MIT's Mr. Solow maintains that any anti-inflation policy that avoids precipitating "serious recessions" must encompass very modest goals. He suggests trying to shave a half a percentage point a year off the inflation rate. "You'd be doing very well," he says, to go from 9 percent inflation to 5 percent inflation in eight years.

The critical, unanswerable question is whether the public and the politicians have the patience and the willpower for a long, painful anti-inflation battle entailing a recession and rising unemployment.

Opinion polls do show that the public regards inflation as the nation's most serious problem and favors substantial cuts in government spending in an effort to control it. As a result, analysts like John Casson of American Express Co. suspect that the next recession will generate "less pressure for the quick fix" and "Congress will tolerate a higher rate of unemployment than in the past" before moving toward expansionary policies.

But there is considerable doubt among economists and pollsters about the depth and durability of the public's inflation-fighting willpower. They note that unemployment hasn't yet begun to rise and, at 5.8 percent, isn't a significant problem for most adults. Moreover, it isn't at all clear that the public, despite its general unhappiness with government spending and big federal deficits, is ready to accept reductions in government services and programs.

For example, William Hamilton, a Washington-based pollster, says he finds people aren't "willing to give up anything" when asked specifically, "what programs would you cut?" Edgar Fiedler, an economist with the Conference Board, a business research organization, is highly skeptical of the anti-inflation zeal of the public and the politicians. "Under the pressure of recession," he predicts, "we will resort to old policies that have nurtured inflation for the last 15 years."

Barry Bosworth, the frustrated director of the government's Council on Wage and Price Stability, frequently notes that "inflation could be brought to a halt" if economic policies turned extremely restrictive. He estimates that for every percentage point shaved from the inflation rate through such policies, an additional one million people would have to be tossed out of work for two years. But, he adds, "We cannot run an economy day in and day out with 10 million and 12 million persons unemployed."

Because of the high social costs involved in fighting inflation with fiscal and monetary policies alone, some economists have been advocating a diversified attack, including direct restraints—voluntary or mandatory—on wages and prices. Mandatory controls are favored by such well known economists as John Kenneth Galbraith, lately of Harvard, and Robert Heilbroner, of the New School for Social Research in New York. Declares Mr. Heilbroner, "We know exactly how to control inflation—permanent wage and price controls."

Mr. Heilbroner concedes, however, that controls are "sheer hell' to administer and that "people would have to be very afraid of inflation" before the government turned to controls. Administration officials have repeatedly vowed that they won't resort to controls, which Congress would first have to authorize, because they distort the economy and are only a "short-term device."

The administration is, of course, employing voluntary wage-price guidelines backed by jawboning" pressure in an attempt to cool inflation. And last October, President Carter proposed using tax incentives, the newest anti-inflation weapon developed by academic economists, in the effort to break the wage-price spiral.

Mr. Carter's "real wage insurance" program would have given limited tax cuts to groups of workers whose pay rose 7 percent or less in 1979, if consumer prices climbed more than 7 percent. The most anyone could have received under the program would have been $600. But Congress, in effect, killed the proposal in April. It died for a number of reasons, including congressional concern that, with prices rising far faster than 7 percent, the insurance would have cost the government much more than the estimated $2.5 billion.

Despite this setback, the idea of a tax-based anti-inflation program still intrigues many economists. Brookings Institution's Mr. Okun recently told Congress: "I remain patient and persistent. I am more encouraged that the President saw fit to propose real wage insurance than I am disappointed by its rejection by the Congress."

In and out of government, there is also growing recognition of the need to overhaul the federal regulatory process. Declaring that "the overall regulatory system has become burdensome and unwieldy" and contributes to inflation, President Carter recently submitted legislation that would require federal agencies, when proposing new rules, to list possible alternatives and the costs and benefits of each. Every regulatory agency also would have to review its major rules and to streamline procedures for hearings on proposed regulations.

Officials are also considering development of a "regulatory budget" that would provide an estimate of the total costs imposed on the private economy by regulatory agencies each year—costs that some private economists contend are exceeding $100 billion. "The idea starts with the recognition that the regulatory agencies mandate substantial costs on the private sector but have no budget-like limitations on how much private-sector spending their regulations can require," explains White House economist Charles Schultze.

Change in the regulatory process is likely to come slowly and won't slash inflation rates quickly. Environmental groups, for instance, are battling efforts to cut the cost burden on business of clean-air and other environmental rules. And certain regulated industries, notably trucking, are resisting proposals to reduce government controls and open up competition—changes that would contribute to the anti-inflation fight. But the long-run payoff from closer scrutiny of federal regulation could be great. Regulatory costs currently are scheduled to climb sharply in coming years.

Increasing numbers of businessmen, economists and policy makers are convinced that the long struggle against inflation must also include steps to spur capital investment and growth in productivity, or output per hour of work, both of which have slowed significantly. "Business investment in this country is inhibited because we are among the most severe in the world when it comes to taxing capital gains and corporate income, to allowing for depreciation of assets and to extending tax credits for investments," says David Rockefeller, chairman of Chase Manhattan Bank.

Many executives and government officials favor allowing companies to depreciate factories and equipment more quickly for tax purposes as a means of increasing capital investment. A. Robert Abboud, chairman of the First National Bank of Chicago, has another suggestion to promote savings and encourage investment: remove ceilings on interest rates that financial institutions can pay savers and then tax only the income resulting from the "real" interest rate—that is, the portion of the rate that exceeds inflation.

Significantly, the stress on savings, investment and productivity is coming not only from businessmen and bankers but also from such former strongholds of liberal economics as the Joint Economic Committee of Congress. In its 1979 report, the first in 20 years endorsed by both the Republican minority and the Democratic majority, the panel called for policies "that will raise real business fixed investment to 12 percent of real gross national product," the total output of goods and services adjusted for inflation. Last year, such investment amounted to 10 percent of GNP.

Many of these ideas—wage-price guidelines, regulatory revision, increased productivity—have been incorporated in an innovative bill introduced by Rep. Stanley Lundine, a New York Democrat, and five House colleagues. "The Comprehensive Anti-Inflation Act of 1979," he says, "would require a coordinated federal anti-inflation strategy, encompassing changes in a wide range of economic and regulatory policies."

In the final analysis, the outcome of the battle against inflation will depend as much on politics as on economics. There aren't any shortcuts back to price stability. As Treasury Secretary Michael Blumenthal said recently: "The great question is whether we will have the courage, wisdom and discipline to maintain a true course involving short-term sacrifices for long-term gains."●

CONGRESSMAN YOUNG DENOUNCES HUD'S INFLATIONARY POLICIES

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, I would like to address a paradox that exists between the HUD independent agencies appropriation bill and HUD's actual policies. The HUD appropriation bill that is currently before us stresses the need for budget restraint. The Committee on Appropriations noted in their report on this bill that the Federal Government must strive to earn the greatest return on every subsidized housing dollar invested. One way of achieving this goal is by reducing the number of new housing units built throughout the country. Let me quote from the committee report:

> New housing units require annual payments that are almost twice as high as existing units. Clearly, where market conditions are favorable, a good case can be made, on the basis of cost effectiveness, to utilize existing units. This point is vital, and it is the principal rationale behind the committee's recommendations for fiscal year 1980.

I think that everyone will agree that one of the top priorities of the 96th Congress is to curb inflation by reducing Government spending. And HUD can do its part by reducing the number of new housing units built. Yet, judging from HUD's recent actions in my district, which is St. Louis County, Mo., this Department is far from budget conscious. I am referring to a problem that St. Louis County is having with HUD over the community development block grant program. For the past few months, HUD has been threatening to disapprove St. Louis County's application for $8,994,000 in community development funds unless the county increases its efforts to build subsidized housing for low- and moderate-income families. The main issue is whether the county should meet the housing needs of its low-income residents through new construction or rehabilitation. While St. Louis County officials believe that these needs can be best met by rehabilitating existing housing units, HUD officials are insisting that the county meet these housing needs by building new units. Given the housing conditions that exist in St. Louis County, rehabilitating existing housing units rather than building new units better serves the housing needs of the municipalities in the St. Louis area because it stabilizes these communities. In addition, rehabilitation is a more economical way of providing housing for low-income families. Yet, instead of commending St. Louis County for trying to meet its housing needs through such economical means, HUD is insisting that the county spend a great deal of money to build new housing units. This is a good example of HUD's inflationary policies.

The FHA mortgage insurance programs are another area where HUD needs to tighten its money belt. FHA mortgage insurance programs are designed to facilitate homeownership for those individuals who are likely to encounter difficulty in getting a loan from a commercial lending institution. A number of St. Louis municipal officials have noted that due to the liberal policies of the FHA programs, many families are assuming mortgage debts which they cannot repay, resulting in foreclosure. And it is alarming to realize that 1 year after a family has defaulted on an FHA loan, they are eligible to apply for another loan, after resulting in another foreclosure. By tightening the FHA mortgage insurance programs, HUD could save the Federal Government a great deal of money.

The above are just two areas where HUD can be faulted for wasteful Government spending. Unfortunately, the average American taxpayer must pay for these wasteful HUD policies. I think that HUD should be held accountable for its inflationary policies.●

DEFENSE PRODUCTION AMENDMENTS/SYNTHETIC FUELS, H.R. 3930 PERSONAL EXPLANATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. OBERSTAR. Mr. Speaker, on Tuesday evening, June 26, I was unavoidably absent and, therefore, unable to vote in favor of final passage of the defense production amendments/synthetic fuels bill. The measure, designed to increase domestic energy supplies by production of synthetic gas and oil fuels is critically needed; accordingly, I would have voted enthusiastically for rollcall vote No. 284.

Moreover, Mr. Speaker, I would likewise have voted in favor of two amendments, rollcall vote Nos. 282 and 283; the former striking the language authorizing the President to require suppliers to provide the Government with synthetic fuels to meet national defense needs, the latter prohibiting purchase contracts to be awarded to the top eight oil companies.

On rollcall vote No. 280, I would have voted to limit the time of debate for section 3 dealing with production capacity and supply.●

FRANK LOPEZ

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. WAXMAN. Mr. Speaker, the Los Angeles community was most fortunate to have had Frank Lopez as a concerned and dedicated citizen. The accomplishments of his lifetime will live on to make a better future for all of us. Frank was born in Mexico City on December 5, 1910. Soon, the Lopez family moved to Los Angeles after a brief sojourn in Cuba. Frank absorbed his principles at an early age from the example set by his mother, Loretta. While attending Long Beach Poly High School, and with his mother's strong support, Frank organized a Mexican students' club, which at that time was a high point in the annals of the school.

After graduation, Frank became a labor organizer, and served in many official capacities during his years in the field with the Ship Builders and Steel Workers Unions, as president, vice president, and business manager. He became involved in many types of community activities over the years, serving on the board of TELACU—the East Los Angeles Community Union—and as a member of the Mayor's Committee on Aging, and of the Hispanic Task Force for the National Endowment for the Arts. Frank was acutely conscious of the social and economic needs of Latino immigrants, and of the need, also, to provide a center which would help to preserve their cultural heritage. He was one of a small group of public-spirited citizens who founded the center, La Plaza de la Raza on July 14, 1970. They persuaded the Los Angeles City Council to sponsor La Plaza as a nonprofit organization, and started their activities in a decrepit boathouse in Lincoln Park.

Frank devoted all of his energy and time to La Plaza from the moment of its inception. He worked without salary for 10 months, paid for his own expenses and telephone calls, to give the center the best possible start. La Plaza de la Raza prospered and grew. It is now a community resource center, and Frank's dream was to see it grow into a university of the arts. Anne Lopez, working at Frank's side and sharing his activities, has been appointed to the board of La Plaza de la Raza to take Frank's vacated place. She hopes to help bring Frank's dreams to fruition.

Frank is survived by Anne, his wife; and by his sister, Mary C. Swift; his son, William, an engineer; and by his adopted daughter, Irith Shalmony. Frank Lopez' family and the countless friends and Los Angeles citizens for whom he worked will join hands at La Plaza de la Raza on July 14, not to mourn his passing but to celebrate his achievements. I ask the Members to join with me in honoring Frank Lopez, a man who spent his life showering gifts upon others.●

THE CASE FOR DECONTROL OF DOMESTIC OIL PRICES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 27, 1979, into the CONGRESSIONAL RECORD:

The decontrol of domestic oil prices is shaping up as one of the liveliest battles of the 96th Congress.

Domestic oil prices have been under federal controls since 1971, the year President Nixon imposed a general wage-price freeze on the economy. Although the freeze was eventually lifted, Congress twice extended controls to hold down oil price increases in the aftermath of the Arab embargo. The last extension, in 1975, mandated an end to controls by October, 1981 and gave the President the power to order decontrol after May, 1979. President Carter recently decided to exercise this authority.

The President's order will remove controls gradually over the next 26 months. The gradual approach is intended to soften the impact of higher oil prices on the economy. Also, Mr. Carter has proposed a tax on the windfall profits the oil companies will have because of decontrol. The President wants to use receipts from the tax for development of alternate energy sources and mass transit, and for assistance to low-income families who will be hit hardest by higher oil prices.

Mr. Carter has made a politically unpopular but very necessary move. Decontrol is unpopular because many people believe there is no oil shortage. They think it will accomplish little beyond raising the price of gasoline and enriching the oil companies. In my view, however, decontrol is a painful necessity. It is the first element of a policy which recognizes both that oil supplies are limited and that our increasing dependence on them is perilous. I support gradual decontrol with a tax on the windfall profits of the oil companies.

The main drawback of decontrol is a higher price for oil. Consumers will be faced with inconvenience and, in some cases, hardship. Although decontrol will probably add 4c-5c to the price of a gallon of gasoline by 1982, tax rebates to poorer consumers should take the worst of the sting from the increase. The effect of decontrol on inflation is uncertain. Some estimates put the inflation rate a percentage point higher due to decontrol, but there are mitigating factors. The price of only 30 percent of the oil we consume will be affected, and the controls themselves may have raised prices by stimulating demand and helping oil exporters in their efforts to fix prices. Also, decontrol will strengthen the dollar. Some inflationary pressures will be offset since as much as one percentage point of the inflation rate may come from the weak dollar.

Decontrol will have many positive benefits. According to the best estimates, domestic oil production will increase 1 percent-2 percent over the next two years, with consumption of oil falling 0.5 percent during the same period. After 1984, consumption could be nearly 2 percent below expected levels. The extra domestic production will reverse a disturbing decline of the past five years. Savings on imports will not be enormous—at least 300,000 fewer barrels of oil per day than we would have imported without decontrol—but neither will they be insignificant. Combined with the savings of other nations, they could create a bit of slack in a very tight oil market. Oil exporters would then have to forego their price hikes. Iran has shown us that the difference between surplus and shortage, between price stability and price increase, is only a percentage point or two.

Decontrol will bring other benefits as well. It will get rid of an outdated and unresponsive regulatory bureaucracy which has done as much to worsen the energy problem as it has to solve it. Controls have caused spot shortages of gasoline, distorted the mix of oil products on the market, and confused both the government and the oil companies with their incredible complexity. Decontrol will allow the market to determine a realistic price and allocate a scarce supply, tasks which the government has consistently failed to do well. Yet another benefit of decontrol is the incentive it will provide for a shift to alternate sources of energy. Most alternate sources are costly and will not be used as long as the price of oil is kept artifically low. Energy from oil shale, alcohol, coal derivatives, sunilght, and other sources is on the verge of economic self-support. Continuation of controls only ensures that this energy will not be widely available.

Decontrol makes sense on the international scene. Our reluctance to pay the true cost of oil makes it difficult for us to convince other nations that we are serious about conserving energy. It prompts oil exporters to charge everyone more for oil. It troubles our allies, who want to cooperate with us in cutting oil consumption world-wide. By requiring us to pay what other importing nations pay for oil, decontrol will solve a host of international problems. It is the responsible choice for one of the world's largest consumers of oil.

The matter of decontrol has sparked an intense debate in Congress. As legislators come forward to state their points of view, I am concerned that the real issue not be overlooked. Congress cannot dictate what oil shall cost. Oil exporters set the price, and all of Congress' good intentions will not sway them. If Congress tries to keep controls in place, the inevitable results will be recurring shortage and continued dependence.○

AZORES BASE AGREEMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. HAMILTON. Mr. Speaker, on June 18, 1979, the United States and Portugal signed the exchange of notes finalizing a 9-year agreement, retroactive to 1974, for continued U.S. use of the Azores base facilities.

The negotiations of this agreement, which extends to February 1983, took considerable time to conclude, but it is an important reaffirmation of our continuing close ties with a NATO ally. Subject to congressional approval, $140 million in economic and military assistance will be provided to Portugal pursuant to one of the notes exchanged.

Attached for the consideration of my colleagues is a letter from the Department of State describing the contents of the agreement:

DEPARTMENT OF STATE,
Washington, D.C. June 20, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Deputy Assistant Secretary Ahmad indicated in her February 22 testimony before the Subcommittee on Europe and the Middle East the Department's willingness to discuss with members of the House Foreign Affairs Committee the status of negotiations to renew U.S. rights at Lajes Air Base in the Azores. You and some of your colleagues and staff were briefed in March and the views expressed were taken fully into account as the negotiations proceeded toward conclusion. We are pleased to inform you that on June 18, Secretary Vance and Foreign Minister Freitas Cruz signed the exchange of notes finalizing the nine year agreement, retroactive to 1974, for continued United States use of the Azores base facilities.

On March 5, 1979, Ambassador Bloomfield presented a set of three draft notes to the Portuguese Foreign Minister. The notes formed the basis of the final agreement. One exchange of notes extends U.S. peacetime stationing and transit rights in the Azores under the 1951 agreement (with subsequent amendments) through February 4, 1983. A second set of notes indicates that, subject to Congressional authorization and appropriation, the United States is prepared to offer $60 million in military assistance over the fiscal years 1980 and 1981 and $80 million in security supporting assistance to be used in the Azores over fiscal years 1980, 1981, 1982, and 1983. The second note does not directly link the assistance with renewal of Lajes base rights. The third note takes the form of a letter from the Ambassador to the Portuguese Foreign Minister offering to review the labor relations aspects of the technical arrangements at the base.

In order to answer any further questions which the Committee may have about the renewal of the Lajes agreement, we would be pleased to meet with Committee members and staff.

Sincerely,
DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.●

REMARKS IN SUPPORT OF THE DERWINSKI MOTION TO INSTRUCT THE HOUSE CONFEREES TO STRIKE AN AMOUNT OF MONEY FOR DIRECT GRANTS IN MILITARY AID TO TURKEY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. FORD of Michigan. Mr. Speaker, I rise today to support Mr. DERWINSKI's motion to instruct the House conferees to strike $50 million of direct military grants to Turkey. There are two very important reasons I support this motion.

First, last year, the Congress lifted the sanctions against arms for Turkey when that government promised this Government it would do something positive about Cyprus. According to everything I have read and have been told there is no evidence that the conditions for human existence on the part of the island under Turkish control have been improved.

Second, someone, somewhere is trying to avoid the House. The request for the supplemental money came from the administration after the passage of H.R. 2575 back in May of this year. I do not like to see any subject or question deliberately maneuvered around the legislative process like this thing has been.

There has been talk that the House has very little inclination to vote more military grant money for Turkey. Well, that is correct. I feel that until the Turkish Government does something positive about Cyprus we should consider halting all military assistance to that government. I do not advocate halting the aid of the United States for human services to the people of Turkey, but something positive must happen on Cyprus and it must happen soon.

So, I suggest that we support Mr. Derwinski's motion. I suggest that the Turkish Government take notice of this action and do something positive and keep the promises made so long ago.

Thank you, Mr. Speaker.●

THE COMMUNIST VIETNAMESE: BARBARIANS, AS PREDICTED

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. MICHEL. Mr. Speaker, only 2 years ago prominent Americans, including at least one who still holds a high position in the Carter administration, journeyed to New York City to greet the representatives of Communist Vietnam. These Americans praised the Vietnamese and applauded them. One American, well-known for his fierce denunciations of the previous governments of South Vietnam, declared that he had waited for such a moment for 15 years.

Today, no responsible person can deny that the present government of Vietnam is, as many of us said it would be, among the most barbaric in history. What the Communists in Vietnam are doing to their own people in uprooting, robbing, and quite literally driving them out to sea to die from exposure of thirst or hunger is so inhuman that words cannot adequately describe the horror.

Those whose diligent and, admittedly, successful efforts to undermine South Vietnamese governments on the grounds of the supposed political and moral superiority of the Communists, must live with the fact that they have helped install a brutal bunch of thugs and murderers in Saigon. Some of those most prominent in the wrongly named "antiwar" movement (they were not against war in Vietnam—they were against war aimed at the Communists) have had the courage to admit they helped to put in power a regime that is without pity or mercy for those within its own borders with whom it disagrees politically. Others, including the Carter administration official, remain silent as the genocide continues.

At this point I wish to include in the Record two editorials that address the issue of the refugees of Communist Vietnamese barbarianism: "A job for the Summit" from the Wall Street Journal, June 20, 1979, and "The Mad Traffic in South East Asia," the New York Times, June 17, 1979.

The editorials follow:

A Job for the Summit

(By the Editors of The Asian Wall Street Journal)

Only days before the leaders of the seven most powerful industrial nations are to gather at the summit in Tokyo, the growing refugee crisis in Southeast Asia is taking a new and dangerous turn. It begins in Hanoi, where a moralistic government awash in pompous talk about concern for its masses, is making the extortion and expulsion of its own people the regime's most profitable economic activity. The crisis breaks as a tidal wave of human misery across the beaches of Vietnam's neighbors—Thailand, Malaysia, Indonesia, the Philippines and Hong Kong. It could end in continued desperation or even death for tens of thousands—unless the world wakes up to what is going on.

The loudest cry came last week from Malaysia. A senior official declared the nation would expel the 74,000 Vietnamese who have taken refuge on its soil. It would build boats to ship them away if necessary. "If they try sinking the boats, they won't be rescued," Deputy Prime Minister Mahathir Mohamad warned. "They will drown." Moreover, the official announced Malaysia intends to enact legislation enabling it to shoot on sight any further refugees trying to come ashore. Dr. Mahathir's outburst must mark one of the few times a government official has announced to the press the intention to commit mass murder. Fortunately, his remarks don't reflect government policy, a fact that other Malaysian officials promptly made clear privately and later made clear publicly in briefings in Kuala Lumpur.

But Dr. Mahathir's remarks do reflect a genuine anger and anguish, and they must be heard. While Malaysia doesn't intend to expel immediately all 74,000 refugees on its soil, it has already begun expelling thousands of refugees in unofficial encampments on its beaches. It probably won't shoot newcomers on sight. But it will seek to prevent them from landing. And its hardening attitude is being taken in concert with other members of the Association of Southeast Asian Nations, particularly Thailand and Indonesia, who are also toughening their stances toward the tens of thousands of refugees a month who are making the perilous journey out of Vietnam by boat. These refugees are now leaving Vietnam at the rate of 700,000 a year.

Vietnam's Southeast Asian neighbors aren't responsible for this shame. The blame rests squarely with the Communist rulers in Hanoi and their cynical backers in Moscow, who seem ready to support just about any Hanoi policy as long as by doing so they keep an ally on China's southern border.

By armed conquest the Hanoi regime has seized control of the former South Vietnam, and treats it like conquered territory. The National Liberation Front, once the darling of war opponents in the West, has been dismissed summarily, its usefulness gone. Effective power rests only with transplanted northerners. A tottering economy, already reeling from wars and floods, has been decimated by rigorous application of social theories which have so far failed the north—except as instruments of control and repression. Freedoms are gone and people displaced, driven into "new economic zones" which have transplanted poverty more than abolished it. Such things have removed the incentives many Vietnamese had for rebuilding their nation, so thousands are fleeing of their own accord.

In addition, the regime is expelling untold thousands more—a sizable portion of its 1.8 million residents of Chinese descent. Ancient racial hatreds were aggravated by the Sino-Vietnamese border war earlier this year, and now Hanoi wants the Chinese out. It sees them as a present or potential fifth column, so official policy is to squeeze them out of their possessions, then set them adrift toward unfriendly shores.

Vietnam knows many will drown before their crowded junks or illegally hired freighters can reach land. But traditional racism and xenophobia are now strengthened by greed. The Hong Kong government estimates official extortion could prove worth $3 billion to Vietnam at a time when it's suffering partly because it's at war in Cambodia, and partly because it enforces domestic policies which don't work and won't work. Hong Kong may exaggerate this figure in hopes others will help alleviate the problem. But the point is correct. Hanoi clearly is using the forced export of its own people to generate gold and cash it needs desperately, and to eliminate lifelong residents whose presence it finds inconvenient.

But while the blame for this problem rests squarely in Hanoi and Moscow, the responsibility for helping the refugees rests with the Free World. Yet the reception they receive is a scandal in the house of decent men. It has been more than six months now since the first signals surfaced that the trickle of early refugees from Vietnam was going to turn into a well-organized and massive exodus. These signals began in November 1978, with the voyages of the Hai Hong and the Southern Cross, the first two of the packed refugee freighters.

The record is one that ought to bring shame, particularly on the wealthy nations of the world. Japan, the richest nation in Asia and one that didn't fight in but profited handsomely from the Vietnam war, has admitted but a handful of refugees for permanent resettlement. It is talking of admitting another few hundred and is reportedly being pressed to take 10,000, but to date it refuses. Australia, an underpopulated nation, has done better, taking 20,000 refugees. France, Britain, West Germany talk of taking only a few thousand at a time. The U.S., the richest nation and one with a special responsibility toward Indochina, has made a home for more than 200,000 refugees, more than any other nation, and is currently taking in some 7,000 refugees a month.

But none of these efforts bears any relation to the scale of what will be needed. Today refugees are escaping or being driven from Vietnam at the rate of 60,000 a month, yet the Free World finds permanent homes for but 10,000 a month. Nations big and small are playing a sorry game of passing the buck. The United Nations is frantically administering camps and importuning its shareholders. But as in most cases, the UN is proving ineffective at getting things done. As of May 31, the U.S. estimates, some 318,000 refugees were sitting in UN-administered camps throughout Southeast Asia, hotels of humiliation, degradation and despair. This doesn't include thousands more driven into Thailand from Laos and Cambodia by Vietnam's armies and their local subordinates.

As they keep these refugees waiting, Free World leaders offer all sorts of excuses. They have economic problems at home. They are squabbling about jurisdiction. They are fretting about health hazards and worried about assimilation. Some argue that the refugees are those who lacked the backbone to defeat Communist aggression and so deserve the fate that befell them in Vietnam. Such excuses should be seen for what they are—handwriting, buckpassing and demagoguery. The refugees deserve no stigma. They have committed no crime. They are victims of totalitarianism. They are seeking freedom and a tolerable life.

And they must be helped quickly. Spurred by pressure from the governor of Hong Kong, which is putting up more than 54,000 Vietnamese refugees despite the fact that it's one of the most crowded cities on earth, Britain's Prime Minister Margaret Thatcher is calling for a major conference to begin real work on the refugee problem. Her initiative is right on target. And a good place to start is at the summit. The Free World's leaders will be gathering there next week. They have lots to talk about—mainly economic problems stemming from the oil crisis now sweeping the world. These are important topics. But the industrial nations also must consider more than domestic comfort if their political principles are to have any more significance than those of Hanoi.

An obvious opportunity is only two weeks away. From the Tokyo summit, the American Secretary of State, Cyrus Vance, will fly to Bali for a meeting with the foreign ministers of the Association of Southeast Asian Nations. If the rich are to keep their credibility, Mr. Vance must be empowered to speak for all seven and to promise new and substantial help. If such help isn't forthcoming, last week's cry from Mayalsia—a cry arising from anger felt by all Southeast Asian nations—could turn from a plea of desperation into real and bloody policy for which the rich nations too would have to share blame.

THE MAD TRAFFIC IN SOUTHEAST ASIA

"You have always been a loyal Communist," the Vietnamese police are said to have told a man in Hanoi, "but isn't your grandmother a Chinese?" When he admitted she was, they threw him out of the country. As it turned out, he was one of the lucky ones: he had the money to pay his passage, and the boat didn't sink.

According to an indiscreet official at Vietnam's foreign ministry, that Government has decided to rid itself of most—maybe all—of the one million ethnic Chinese in a population of 50 million. The Vietnamese contend that this minority has been uncooperative and unproductive. Like other peoples of Southeast Asia, the Vietnamese majority has long resented the urban and industrious Chinese in their midst, and Peking's invasion of Vietnam last February has probably hardened this resentment into distrust. At least the war provided the final pretext for pushing them out.

"Pushed" is hardly adequate to describe what Hanoi is doing. The Chinese of Vietnam are being systematically uprooted, robbed, even killed. Stage 1 in this cruel exorcism is to harass them by taking their jobs, closing their schools, imposing curfews on their neighborhoods. Stage 2 is an offer to resettle them in an unfamiliar countryside; those who refuse can go to one of the new detention camps or leave the country. In Stage 3 the state confiscates their money, including the generous aid sent by overseas relatives. In Stage 4 they are packed into unsafe boats and made to sign a statement of gratitude for the chance to visit relatives abroad and leave their property to the Government. Stage 5, it now appears, is the sinking of boats of refugees who have not been thus stripped and sworn.

The madness of this process exceeds even the concurrent tragedy of Cambodia. More than 100,000 refugees are trapped near the border between Cambodia and Thailand. They are fleeing Cambodia's war, disease and hunger, and its Vietnamese conquerors, but huge numbers are being pushed back out of Thailand at gunpoint. According to the poignant accounts of our colleague, Henry Kamm, many of these tormented people are also Chinese. And now Malaysia threatens expulsion of over 70,000 Vietnamese refugees and, in effect, death for any new refugees attempting to land.

The United States bears its share of the blame for the suffering in Southeast Asia. But no amount of American guilt should obscure the brutality now evident there. The Vietnamese have turned an ethnic minority into a commodity and are using the profits to pay for Soviet goods and arms. And they have perpetuated the misery in Cambodia with their usual cool efficiency. They tread close to genocide.

The United States has been admitting 7,000 refugees from Indochina each month but has little influence over the Hanoi Government. The Soviet Union does have such influence and deserves to be judged by how far it will carry its own hostility toward the Chinese. China itself seems in need of coaxing to admit more of the refugees. The United Nations and other international groups have to negotiate their way into these stricken areas to reassert an elementary humanity. The rest of the world has to help with money and hospitality for these tragically displaced people.

Outrage against such brutality is only half the duty of a civilized world.●

INDEPENDENT TRUCKERS UNITY COALITION

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. RUSSO. Mr. Speaker, many Americans still do not understand what is bothering the Nation's independent truckers nor do they understand what the truckers want done. Last night the Independent Truckers Unity Coalition which represents many of the trucking groups who appeared at our hearings last Congress issued a release listing their demands. Since many of the stories appearing in the media have been misleading and incomplete, I am putting the coalition's release in the RECORD so that it may have wide distribution:

THE INDEPENDENT TRUCKERS UNITY COALITION DEMANDS

1. There must be a rollback of fuel prices to the September 1978 level; or

a. There must be a 10-percent surcharge for the non-exempted independent truckers;

b. There must be the establishment of a system to regulate brokers affecting exempted independents. They must be licensed and bonded. They must have a suggested rate sheet, published by the Department of Agriculture, with direct input from the truckers;

c. There must be a 10-percent surcharge approved by all state utilities commissions for all intrastate haulers.

2. There must be a guaranteed 100-percent allocation of fuel for all independent truckers.

3. There must be uniform truck weights and lengths set at 80,000 pounds and 60 feet, with the maximum trailer length at 45 feet.

4. The Independent Truckers Unity Coalition is against total deregulation.

Any agreement to resolve this present shutdown must result from direct and formal negotiations between representatives of both the government and the independent truckers. We insist that any tentative agreement be in writing.

The Independent Truckers Unity Coalition must approve of any tentative agreement, then take it back to the memberships its participants represent around the country. The individual independent truckers will have the power of final ratification. After this, the results from the various areas will be sent by telegram to the Coalition which will tabulate the results.

The final ratification can only be completed after these steps have been taken.

The Independent Truckers Unity Coalition Steering Committee:

William J. Hill, Spokesman, Fraternal Association of Steel Haulers; John Mullen, Exempt and Independent Truckers; Jim Johnston, Owner-Operators Independent Drivers Association of America; William T. Hayes, National Council of Independent Truckers; Don Mulder, Independent Truckers of Nebraska, Inc.●

AN OPEN LETTER TO MANKIND

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. WALGREN. Mr. Speaker, in these days of computer-generated post cards and form letters, it is indeed rare that I receive a constituent letter of which I am proud. When we are all overwhelmed by threats of no gasoline and no food, the thoughts, frustrations, and fears of Mrs. Karen Larson, of Mount Lebanon, Pa., seem especially appropriate to share with my colleagues. I hope everyone is as moved as I was by her "Open Letter to All Mankind."

The letter follows:

AN OPEN LETTER TO ALL MANKIND

(By Karen Jean Larson)

This is a letter I began to a friend, but became a letter to all.

Just lit the second cigarette for the day, when I intended not to smoke at all. Not to smoke is a daily routine that I never succeed in going through with. But this world has me down today.

I am the ultimate pessimist married to a thinking optimist who grows dimmer with pessimism every day. I think pessimists like to have optimists for company like a person who doesn't believe in Christ will wear a cross on a chain in secret hope that Christ does exist. An optimist is your secret hope that you will be proved wrong. When an optimist begins to darken and worry, a pessimist feels nausea and fear.

I believe humanity is a basically moronic state of being with greed at the command. Supposedly we were all given brains at birth and all these separate brains were unique and different from one another. So one can assume everyone makes his or her own judgments from their unique brain. Not so! All I hear around me are mimics: "Well I think nuclear power is good, just got to iron out the bugs." "Coal miners risk their lives too, there's always a risk." "America has faced problems before, and she always succeeds." So short-sighted are these remarks and so dangerously blind, that I don't know either to laugh or cry! First of all, the problem is not so simple that it can be compared to the sad deaths of any field. People who do not even use electricity are affected. Secondly, America is a small place on the earth. All people are in jeopardy.

Already murder and taxes are back on page one of the papers. With Harrisburg on page six. I wonder how many other "Harrisburgs" have already happened on this planet that we are unaware of?

We feel we must do something. I will not die whimpering in a cuddle with my husband and two children, I'm not ready to die like that. But being "le grande pessimist" that I am, I doubt we will find our answer in protest marches. Maybe we will succeed only in leaving a mar or scratch on the glossy greasy surface of the monster-GREED. Perhaps. I feel like an old mama bear who went into hibernation in 1970 or so and is now being rudely awakened. It's hard to get the blood flowing fast once more. And besides, I'm still healing my mental and soulful scars I got from the days of Viet Nam, Indian rights, Black rights, and yes, I feel a terrible ghostly memory when I hear older people talk of the murders of World War II.

We fought so hard in the sixties. We were right and many solutions came even if they did come too late. Repairs could be made. But nobody said sorry. No matter, then we could take the batterings and abuse, perhaps because we had strength in numbers, a knowledge that we were right, and most importantly, goals and real solutions. A solution every person could see, no matter what side you were on.

Now we have kids to feed and teach and love. Rents and monies to pay just like our parents have. It seems to me that most parents are satisfied with the TV babysitter. It is hard to raise children but haven't parents always said this? We want them to respect and be aware of life, and yet so many parents have their first graders already engulfed in prejudice. Of course I am only speaking from an American outlook. We are a greedy selfish bunch. The sad part is that we do have the capability for greatness.

Now, I feel very weak, disillusioned, alienated, and alone with my good husband. We are lucky in that our love has grown over the past twelve years. There are also no solutions to be seen as clearly as the sixties. The problems today are oozing under me over me behind me like underground disposal sites, in steel barrels rusting, the secretions of a great and horrible monster.

It reminds me of the history I read about the Martinique volcano of 1902. Pelee. People of that island, scientist and priest alike chose to worry about elections and weddings rather than face the warnings of the impending catastrophe. Always it has been the nature of man to feel this neurotic sense of immortality.

Do we never learn? I suppose we will attack the problems using our methods of before—protests, letters, fighting eventually. But I know even if all peoples of earth united and began to use their "unique" brain cells to turn off safely all power plants, turned to solar power, got rid of personal greed and concentrated on saving what's left of our planet, it would be too late. If the great river Nile would once more flow all the way to the Mediterranean Sea, even then it would be too late. Because this is not some small island but the whole ball we live on, because the waste products of man do not so easily disappear. It will never go away.

So why am I bothering to even type out this crazy letter? Because this pessimism of mine must have a faulty wire somewhere. In this unique brain of mine is a tiny gem called survival instinct. I seem to feel the only solution left to us is heavenly intervention.

Money or should I say lack of profits makes solar energy unlikely. Since money is the great god of the powerful, giving them the illusion of being in control. Instead of rosary beads, they jingle coins. Instead of unrolling ancient scrolls and pondering the words, they unroll stock certificates and wads of green paper. And the ones who have none of this, pray for it. They like car chase movies, movies of the glories of pornography, war, murder. They want to know the best places to eat and be seen. The power they feel from name brand clothes!

Meanwhile, the Shroud of Turin is folded and silent behind a gilded door, giving evidence (as if we always need more evidence) to the fact that two thousand years have passed and we are still seeped in evil. Scientists from all over the globe came to Turin to prove or disprove the shroud's authenticity. Even when we have proof and second opinions we ignore it, deny it, dance a little wilder. Laugh louder. I know all peoples do not believe in God. It really doesn't matter in the end, about belief or disbelief. He is. I doubt we have been abandoned by Him because I do see the glow of love in many faces.

I predict we are about to see changes so awesome we cannot now even comprehend them. I pray He comes soon because we are now so helpless. Like infants who need an adult to feed and change us, we need Him. Lost. So sad. Poor earth. I love it so much. I love green grass and the rich musky smell of it. Birds that sing, clouds, thunderstorms. I love the salty oceans and finding shells. Exotic marshes with cat tails and muskrats. Frozen tundra and the colors of icebergs. Golden deserts, new buds in the spring, sounds of locusts in the summer, smells of crisp leaves in autumn and the soft sound of snowflakes falling on a clear night in winter. Poor planet Earth. We need help. We were too rough in our handling of you. We need God's power now. I think it will come soon. Until then I will do my best to be obedient and not let fear overwhelm me.●

INTERNATIONAL COUNCIL OF CHRISTIANS AND JEWS FORMULATES DECLARATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. DRINAN. Mr. Speaker, on June 10–June 15, 1979 a very important group from all over the world came together in New York City for the annual meeting of the International Council of Christians and Jews.

This body, which traces its first meeting back to Oxford University in 1946, issued a statement at the conclusion of its meeting which deserves the attention of every one of us.

I am happy to attach herewith that declaration of conscience.

A Declaration of Conscience of the International Council of Christians and Jews

We, the delegates to the annual meeting of the International Council of Christians and Jews, in session in New York City, June 10–15, 1979, hereby join together in this solemn declaration of conscience.

We speak together as Christians and Jews on the basis of our commitments to those principles and precepts which are inherent within both Judaism and Christianity and which compel us to involved concern for the welfare of all our brothers and sisters in the human family.

We have met together to study our religious responsibilities for human rights. We have looked backward in time to the tragedy of the Nazi Holocaust. We have looked inward to our own hearts and souls to ascertain our directions for today. We have looked outward to the world in which we live and have seen the outstretched arms of uncounted millions of our fellow human beings beckoning to us for our attention and our assistance.

We have become acutely aware in our investigations and our deliberations that the lessons of the Holocaust have not been learned. The genocide inflicted upon the Jews a generation ago is being repeated in other nations and inflicted on other peoples. Once again the religious communities of the world stand silent and unmoved. Indeed, the tyrants seem to have learned more from the Holocaust than have the people of conscience. Even as Hitler was encouraged by the world's lack of outrage and protest at the massacre of the Armenians, today's oppressors seem to have been emboldened by the world's silence to the reality of the Holocaust.

We decry the apparent fact that the evil spirit of Holocaust remains in our world. We decry the fact that the great silence continues. We confess our own participation in this conspiracy of apathy and pledge together that we shall lift our voices and commit our bodies and our resources to active resistance to every expression of human tyranny.

We call upon the religious leaders of the world, statesmen and political organizations, authors and artists, educators and representatives of the mass media to join with us in a united effort to develop and implement strategies of action to alleviate the bondage of those who suffer all forms of oppression.

We affirm the fundamental right of every person of every country, every color, every class, and every creed—

To freedom of conscience and the expression of the dictates of that conscience,

To freedom of religious belief and the right to practice that religion without interference from the State or from other religious bodies within the State,

To freedom from hunger, poverty, and deprivation of adequate housing and medical care,

To freedom of self-identity and cultural tolerance without pressure, either subtle or overt, to be assimilated into the majority culture of the State.

To freedom of migration from any nation which violates these rights and full participating citizenship in the nation to which they move.

On the basis of these beliefs and concerns, we urge—

The immediate release of all prisoners of conscience,

The alteration of immigration restrictions in the Western nations so that victims of oppression may find safe haven and a new beginning of life,

The development of positive educational programs in every nation to instruct the world's children in the lessons of the Holocaust and to instill within them the sensitivity to the conditions of others that will inspire them to actively resist all forms of tyranny and all violations of human rights.

We hear the cries of our brothers and sisters in distress, and commit ourselves to strive in every way to respond to the special needs of—

The refugees from political and religious oppression in Southeast Asia,

The black majorities and other ethnic minorities in Southern Africa who live under the heel of oppressive racist regimes,

The minorities in the Middle East and Iran whose existence becomes more tenuous every day under the yoke of cruel and fanatic rulers,

The impoverished of the nations of Latin America who plead for liberation from the terror of militaristic totalitarianism,

The masses of Eastern Europe and Asia who quest for freedom from the tyranny of political and cultural totalitarianism,

The minorities within our own nations to whom basic human rights are still denied by reasons of race, religion, class or culture.

Never Again will we abandon our brothers and sisters in their times of distress.

Never Again will we turn away from the anguished cries for recognition and release.

Never Again will we remain aloof and uninvolved when any member of the family of humanity reaches out to us for help.●

PERSONAL EXPLANATION

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. HOPKINS. Mr. Speaker, I would like to take this opportunity to explain my absence from the House Chamber yesterday evening. I was privileged to accompany Vice President WALTER MONDALE to Louisville for the annual convention of the National Association for the Advancement of Colored People—NAACP.

Unfortunately, Air Force Two departed from Andrews Air Force Base at approximately 6 p.m. making it impossible for me to be present for the final vote on H.R. 3930, the Defense Production Act Amendments of 1979.

Had I been present, I would have enthusiastically voted "aye" on this measure. In fact, I would observe at this time that I am an original cosponsor of the bill H.R. 4568, which is identical in every respect to the bill H.R. 3930, passed overwhelmingly by the House last evening.●

ADMINISTRATION ATTEMPTS END RUN ON BUILDING TEMPERATURE PLAN

HON. TOM LOEFFLER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. LOEFFLER. Mr. Speaker, earlier today, I spoke on the floor about the fact that the administration and the Department of Energy are attempting an end run by implementing and enforcing mandatory building temperature restrictions in early July.

While I strongly believe that we are currently facing a serious energy crisis in this country, imposing such a mandatory program at this time, and doing so with clear disregard of congressional intent, will certainly incur the wrath of all Americans, work against the purposes of the program, and will, I believe, be a waste of the Department's energy.

I would like to make a part of the RECORD a letter which I have sent to Secretary Schlesinger regarding this matter, along with a statement made by one of my constituents, Craig Johnson of San Antonio, Tex., which I feel would reflect the thoughts of a great number of Americans should this plan be implemented:

TOM LOEFFLER,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 22, 1979.

Hon. JAMES R. SCHLESINGER,
Secretary of Energy,
Washington, D.C.

DEAR MR. SECRETARY: It has come to my attention that the Administration and the Department of Energy are intent upon implementing and enforcing mandatory building temperature restrictions on or about the first of July. The implementation of these regulations, "approved" by Congress as Standby Conservation Plan No. 2 solely through swift parliamentary maneuvering in the House, will impact on virtually all Americans. I strongly feel that the American public will not take kindly to its provisions as they now stand.

Through the enactment of the Energy Policy and Conservation Act (EPCA), Congress recognized that this country faces the growing challenge of meeting our energy needs without depending on vulnerable foreign imports. Today, we have no guarantee that supplies of critical fuel will not be interrupted by one crisis or another occurring in an area of the world which has been in turmoil for half a century, and where more than 50% of the world's oil travels through a narrow strait which can be totally blocked off by the most primitive of techniques.

The plan, therefore, is laudable in its intent. However, in authorizing the development of standby conservation measures, Congress stipulated that the President must find that a "severe energy supply interruption" exists or that the plans are necessary to meet our obligations under the International Energy Agreement. While supplies of crude oil are presently "tight" to quote an ongoing DOE assessment of the situation, the current shortfall is nowhere near the 12 to 15 percent claimed as the "trigger level" by DOE during testimony before the Energy and Power Subcommittee. Further, President Carter has stated publicly that the United States has already met its obligations to reduce consumption by 5 percent, as agreed to by the member nations of the IEA. I, therefore, question the need to implement such a mandatory plan at all.

With regard to the specifics of the building temperature plan, it is patently unnecessary. According to the General Accounting Office, DOE intends to rely almost entirely on voluntary conservation, but the American taxpayers will still be billed $8.1 million in administrative costs. Further, DOE's presumptions of energy savings, up to 300,000 barrels per day of oil, assume 100 percent compliance. This assumption is wholly unrealistic itself, not including the fact that DOE would assign only "three to five agents" per state to enforce the plan, which would lead to inequitable and selective enforcement at best.

Another factor which DOE largely overlooked in its assessment of energy savings was that less than 20 percent of the electricity generated in the United States is currently oil-fired. Texas, for instance, has already greatly reduced its dependence on oil to produce electricity in the last year, doubling its output of power from coal and hydropower plants while reducing industrial oil use by more than 50 percent.[1]

Considering the current energy situation, I believe that we should ask for and expect both businesses and individuals to seek reductions in energy use. However, to think that you can take several million buildings and say that all temperatures must be at "x" degrees is ridiculous.

If DOE is earnestly seeking a plan which will effect employment to the minimum degree through a program which is easier and less costly to administer, I believe there are other, more practical steps which should be taken. First, it is imperative that this Administration must convince the American people that there is a true need to conserve energy—and, while I certainly believe that we are experiencing an energy "crisis", I know from the constituent mail I receive and through talks with others that there is broadbased disbelief in this concept which must be overcome. Secondly, once a need to conserve is realized by the public, I have faith in the patriotic instincts of Americans to do the things which must be done to solve the problem. A voluntary program administered by State and local governments, such as that now being implemented in Texas, will assure far greater compliance and achieve much greater savings than any Federal mandate.

Imposing a mandatory program at this time, and doing so in a manner which is at best taking advantage of a technical "loophole", will certainly incur the wrath of all Americans, work against the purposes of the program, and will, in essence, waste the Department's energy.

Thank you for the opportunity to express my views on this important issue.

With best regards.

Sincerely,

TOM LOEFFLER,
Member of Congress.

STATEMENT OF MR. CRAIG JOHNSON OF SAN ANTONIO DEPARTMENT OF ENERGY HEARING, DALLAS, TEXAS, JUNE 18, 1979

Thank you!!

My name is Craig Johnson and I have come from San Antonio to express my personal views concerning the "Emergency Building Temperature Restrictions" as proposed by the Department of Energy.

First a few facts:

The Government Accounting Office has gone on record as saying that this proposal is "a token effort at best," and has harshly criticized DOE's estimated savings, even at 100 percent compliance, as wholly unrealistic.

Further, Federal Judges Edwin Menchan of Albuquerque, N.M. and Joe Fisher of Beaumont, TX have already threatened to adjourn their respective courts for the summer if indeed such a proposal becomes fact. Judge Fisher went on to describe the proposed 80 degree summer minimum as, and I quote, "insufferable".

Lastly, the Minority View of the House Committee on Interstate and Foreign Commerce has described this plan as being, and I quote "unnecessary, unenforceable and therefore an untenable expense to taxpayers."

Ladies and gentlemen, I submit to you that your proposed energy conservation measures in this area are ill-conceived, poorly designed and basically without sound foundation as to any realistic savings goal.

In the discussion of the proposed regulations, as presented in the Federal Register of June 1, 1979, not once did DOE offer any concrete estimate of the savings to be realized. It did however state, and again I quote, "we believe that the regulations will be sufficient to reduce the national HVAC energy consumption by as much as 10 percent, although no such goal was established." Further, you go on to state that, "the objective is to minimize the HVAC energy consumption with the constraint of keeping the occupant in a workable environment."

In face of such total lack of documentation and projected savings goals, why would DOE even think that the American people would willingly participate in such a program? After watching the DOE:

1. Pump millions of gallons of reserve crude oil into salt domes with no means of recovery;
2. Cut off a vast source of crude oil in Mexico because of its inept management;
3. Create an artificial shortage at the fuel pumps by interfering in the normal distribution process; and
4. Reverse its position numerous times on numerous directives.

I cannot help but believe that you do not have any coherent energy plan whatsoever.

You are trying to manage a shortfall of supply, whether real or conceived, instead of developing a long-range plan of increased self-sufficiency and conservation.

You continue to propose stop-gap regulations that do not fit any understandable and comprehensive energy policy, although apparently you believe you do have one. Although Congress and the President must share the responsibility for this absence of a long-range policy on energy, you are the ones to whom I speak today, because you are the ones who propose, write and implement specific policy and it is you who will be responsible for the consequences of your directives.

A few more facts:

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[1] "Energy Data Reports" DOE/EIA—0034/11(78)

The DOE operating budget is already larger than the cost of all our oil imports from Saudi Arabia, larger than the combined profits of the seven largest oil companies, larger than the total annual revenues of all the oil produced in Texas and equal to the value of all natural gas produced in this country.

With such a budget and the supportive staff necessary, I find it fascinating that DOE cannot submit a more reasonable conservation plan to the American people.

What you are mandating to the American people is nine months of radically altered working environments. Unlike the short-term inconvenience facilitated by long gas lines, you are forcing an unreasonable change in living conditions on 230 million people without so much as one supportable reason. By way of a closing statement, I would like to quote from a letter I received from Texas Senator John Tower on June 12, 1979, in reply to my correspondence with him on the subject of energy:

It reads, and I quote:

"Energy policy must rely primarily on the pricing mechanism and the operation of the marketplace to provide for the most efficient allocation and economic use of energy resources. Free operation of the private enterprise system, through elimination of government-induced distortions in energy pricing, provides the most effective means to reduce the demand and increase the supply of energy," end quote.

What DOE proposes is not a workable environment and furthermore, to quote Judge Fisher once more, it is "insufferable".●

VIETNAM VETERANS ACT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. DASCHLE. Mr. Speaker, a recent hearing that I held in Sioux Falls, S.D., has underscored the need for improved benefits for Vietnam veterans. This hearing emphasized the problems Vietnam veterans are currently experiencing in the areas of housing, medical care, especially proper psychological care, education, and employment. H.R. 3102, the Vietnam Veterans Act of 1979, which I introduced on behalf of the Vietnam veterans in Congress addresses these problems.

Realizing the need to help veterans are over 75 Members of Congress who have already cosponsored this legislation. In light of the recent activities during Vietnam Veterans Week, and for the benefit of any additional Members of Congress that might be interested, I submit to be reprinted the following statement:

SECTION-BY-SECTION ANALYSIS VIET NAM VETERANS ACT, H.R. 3102

The Viet Nam Veterans Act, authored by the Viet Nam Veterans in Congress, amends Title 38 of the U.S.C. in order to correct longstanding inadequacies in Viet Nam veterans benefits. The bill reaches employment, health, education, and housing problems. It is divided into Titles, with one Title for each area. The final Title, V, commissions a study of veteran policy.

Practically every provision in this bill has its precedents in programs that have actually been part of the World War II GI Bill or that are currently underway or have been tested in states or local governments. None of them are revolutionary—they are merely evolutionary.

TITLE I—EMPLOYMENT

Viet Nam veteran employment initiatives have been predominantly limited to special consideration under public sector job programs. The two major exceptions have been marked by failure. The 1977 HIRE program developed a large number of job "pledges" but produced an inadequate record of actual hires. The VA's on-the-job training program has declined markedly with enrollees down 50% between 1974 and 1977. It is held back by a basic structural limitation that precludes direct monetary incentives to employers.

Title I provides an alternate private sector employment program targeted on the needs of veterans with serious employment problems through a creative use of GI Bill entitlement to provide direct employer reimbursement. A second VVIC proposal, the targeted tax credit for employers of Viet Nam vets was passed into law last year.

Section 101: Job Voucher Program. This section creates new use for existing GI Bill education entitlements. Under the provision's approach, a veteran may use up to one year of his GI Bill entitlement as a "voucher" which will provide employers direct monetary reimbursement. Eligibility would be confined to veterans meeting needs tests similar to those under CETA. The amount of the subsidy will equal the amount of the payment under full-time education enrollment: Section 1682(a)(1) of the GI Bill = $311 for a single veteran, $422 for a veteran with two dependents. Any use of the entitlement as a "voucher" will be subtracted from the veteran's total period of entitlement under the GI Bill, which presently runs to a maximum of 45 months. Employer eligibility for reimbursement is conditioned on provision of a training program and a provision requiring retention of the veteran six months beyond the expiration of job voucher benefits.

Precedents: A job voucher program was tested in Orange County California with a $5 million Labor Department grant from 1972–1974. That voucher program was also tested in pilot projects in Philadelphia and Los Angeles. A Harvard professor. Dr. Martin Feldstein, has written often on the job voucher concept and has received much publicity in Fortune, Time and other publications.

Interrelation: This program, in conjunction with the enacted tax credit, is designed to provide alternative employment incentive programs to meet the needs of different employers. Section 102(b)(3) of the act, accordingly, precludes attempts to "double claim" a veteran under both programs.

These alternatives seek to complement the existing OJT program by providing a more specialized design. As distinct from the existing OJT program, these alternatives target in on the hard to employ. The OJT program is not need based. To give employers serious incentives to hire veterans with employment problems, they provide flexible direct employer incentives which are not supplied under the existing OJT program.

Section 102: Outreach. An effective program requires outreach, including both advertising and community-based services. Section 102 mandates a VA program of outreach to inform both veterans and prospective employers of the provisions of the act and their advantages.

TITLE II—HEALTH CARE

Section 201: Readjustment Counseling. Viet Nam veterans have faced significant readjustment problems that have resulted in disproportionate suicide and divorce rates, among other problems. A large number of veterans have been affected: the multi-year Cleveland study suggests 25–33% of noncombat and 40–50% of combat veterans face serious readjustment problems. Unfortunately, the VA has felt that its ability to deal with these problems is limited both by their failure to appear until a significant time after military service, which leads to questions of VA responsibility, and by the fact they do not always constitute serious enough disorders to be defined as a disease.

This section grants the VA special and new authority to treat readjustment problems. (To receive counseling, a veteran must request it within one year of discharge or two years of enactment, whichever comes later.) To help ensure that these services will actually be used by Viet Nam veterans who might need them and who are, in many cases, suspicions of the VA, the section is designated to leave maximum room for the use of contract services. In addition, the contracting approach prevents the need for the VA to construct a huge counseling apparatus for a program which will only have to be phased out in a relatively limited time.

Precedents: Psychological readjustment legislation like that contained in Section 201 has passed the Senate in each of the last four Congresses, only to die in the House. Most recently, on March 9th, the Senate Veterans Affairs Committee reported S. 7, which provides for psychological readjustment and drug and alcohol abuse treatment within the VA. The obstacle once again appears to be the House. While much attention was provided to World War II veterans to take care of shell shock problems, no systematic program for dealing with Viet Nam veterans' psychological problems was ever set up.

Section 202: Alcohol and Drug Abuse Treatment. In June, 1977, in testimony before the Senate Veterans Affairs Committee Administrator Max Cleland emphasized the continued inadequacies in VA alcohol and drug abuse programs. The President's Commission on Mental Health estimates 1,400,000 Viet Nam veterans (16%) need treatment for alcoholism and 200,000 to 400,000 (5%) need treatment for drug abuse. The serious implications of substance abuse require that the VA develop a comprehensive drug abuse program. Section 202 grants authority to do that along with specific mandates on types of treatment.

To ensure an effective response to the problem, treatment is provided for veterans who served in Southeast Asia and received discharges under other than honorable conditions but who have not committed any of the more serious actions that bar veterans from benefits under Section 3103. Many veterans who developed drug problems during their service in Viet Nam received undesirable or bad conduct discharges because of those drug problems. To bar those veterans from treatment prevents them from breaking the circle of drug abuse, bad discharge and further drug abuse. In addition, special contract authority is allowed to place veterans in treatment programs with members of their family when necessary.

Special coordination provisions seek to develop employment prospects for individuals receiving treatment under the program and seek to ensure that all veterans are adequately informed of their rights under military law if they have been discharged under conditions other than honorable.

Precedents: Drug and alcohol abuse programs were in the Senate Health care bill, S. 7 and the Senate 1976 Omnibus Health Care Act. The alcohol, drug abuse, and mental health programs of HEW spend over $175 million a year.

Section 203: Choice of Health Care Facilities. For veterans who served in Southeast Asia, special options are provided for choice of facility for treatment under Sections 201 and 202. The veterans may be eligible to receive treatment from community mental health centers under the Community Mental Health Center Act, 42 USC 2689 et seq. but the prospect of reimbursement by the VA would provide added incentive to treat Viet Nam veterans. In addition, to ensure the availability of services and to underline the over-all intent of this title to maximize contracting, this section specifically provides for contracting for private services, whenever necessary, to ensure the availability of mental health care. Payment is limited to "reasonable" charges, but to ensure the barriers to use are not created by partial payment requirements, the VA is authorized to pay 100% of such "reasonable" charges. In addition, as a cost-saving measure, payment is excluded under this section where a veteran is enrolled in any other insurance plan providing for benefits similar to those under this section.

Precedents: Allowing Viet Nam theater veterans the option of seeking psychological counseling from the provider of their choice, allows veterans to do what Medicare and Medicaid patients can do and what users of the Defense Department's CHAMPUS program can do; select their own doctor. The VA itself already does extensive contracting.

Section 204: Ombudsmen for Patients. Despite the lapse of time since a 1970 Life Magazine article first exposed inadequate health care conditions in VA hospitals, care continues to be inadequate in many ways. According to a $6 million study by the National Academy of Sciences in 1977, both the quality of surgical care and the VA hospital environment were often deficient. To meet these needs in part, this section provides for each VA hospital to have a patient representative or ombudsman, hired by, and accountable to, the GAO, to assist veterans with complaints and to provide Congress with an oversight capacity in the hospital system.

TITLE III—EDUCATION

A serious impediment has existed to adequate use of the GI Bill by Viet Nam veterans: the GI Bill's statutory limitations allowing a veteran only ten years' use after discharge. For many veterans from the early period of the war, when benefits were inadequately low, the ten-year delimitation date has, in effect, excluded them from the GI Bill. Title III corrects this problem.

Section 301: Extension of the Delimitation Date. While some delimiting date may be necessary, the existing limitation works real inequities on veterans from the early period of the war when the GI Bill provided inadequate payments—only $100 per month—lower, without considering inflation, than Korean War payments. These veterans now find, when they try to take advantage of the post 1972–74 benefits program, that use is limited by the delimiting date. Eleven percent of all Viet Nam era veterans had only a year and a half after 1974 to get a college degree. This section extends the delimiting date for veterans who were discharged before December 31, 1969. Use of the new delimitation date for purposes of graduate training is excluded. The ten-year delimiting date continues to apply to veterans discharged after December 31, 1969. This partial and controlled extension not only limits costs, but it also focuses the delimitation date extension on those who need it, giving all veterans an equitable chance to use the benefit changes enacted in 1972–74.

Precedents: A delimitation date extension of a more limited nature passed the Senate in 1977. A major House effort was made in 1975 and 1976 to extend the delimiting date. An earlier effort in 1974 was successful in giving people 10 years instead of the eight contained in the GI Bill.

Section 302: Repeal of State Matching Requirement. Two years ago, the House limited a Senate-passed reform measure that offered Viet Nam era veterans a program of "tuition acceleration". Under a tuition acceleration program, a veteran who, upon completing school still has some unused entitlement, is allowed to use that entitlement to pay off any outstanding VA loans taken out to meet high tuition costs. Under the House modifications, however, the ability to do that was made contingent upon states providing a matching grant. In addition, the House required that the states set up a new fund specifically designed to meet that requirement. No state has yet passed matching legislation. Many states simply cannot afford to. The result is that the House provision has precluded tuition acceleration. Section 302 simply repeals the state matching requirement.

Precedents: Knocking out the state matching requirements restores the legislation to the condition in which it passed the Senate in 1977 unanimously.

TITLE IV—STATE HOME LOAN PROGRAM

The existing home loan program has been plagued by a number of problems. The first is that the VA ceiling on allowable interest rates, which is sometimes below the market rate, results in veterans being forced to compensate the seller for assessed points in one way or the other. This often means a higher selling price for veterans. In addition, the level of home loan guarantees, now $25,000, is not adequate to ensure a loan for an average priced home in today's market. While the original intent was that the guarantee should be for 60 percent of the loan to serve in place of the down payment, the average home now runs $52,000 to $58,000 and is rising daily. The result is that veterans who cannot personally supplement the VA loan are being forced to buy mobile homes and generally cannot compete in the first-home market.

Section 401: State Home Loan Program. This section attempts to encourage answers to the home loan problem. For example, in California, a special bond issue has been floated that meets both of these problems. First, it provides additional money to make available higher loans. Second, since the money comes from a special fund, it is lent at below market rates. Section 401 authorizes the VA to pay the administrative start-up costs for states to establish similar programs. The state programs need not reproduce the California approach. They need only provide direct loans at interest rates below the prevailing market rate.

TITLE V—COMMISSION

The problems of Viet Nam era veteran policy have been relatively unstudied. While the President has established an inter-agency review of Viet Nam veteran policy, that review has remained within the confines of existing programs and has not brought into renewed question the underlying needs and structure of all veterans benefits. Not since President Eisenhower appointed the Bradley Commission has such a study been undertaken. Title V commissions a study that renews the mandate of the Bradley Commission.

Mr. Speaker, the Vietnam Veterans Act is a measure of gratitude for the services of these men and a demonstration of our understanding of the responsibility we hold for their just compensation. It will affirm our commitment to these veterans who have suffered greatly as a result of the unique problems of the Vietnam conflict.●

DISTINGUISHED EMPLOYEE SERVICE AWARD FOR RETIREE

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. RUSSO. Mr. Speaker, today marks the end of an era for a lot of folks at the University of Chicago Hospital and Clinic. It is going to be a day filled with good wishes and, I am sure, some tears.

After 50 years, Miss Dorothy G. Wendt is retiring. It was June 1929 when she joined the university as an executive secretary at the hospital, and during the following half century this fine lady contributed immeasurably to the efficiency of the facility, and to the pleasure of those privileged to work with her.

She cares about her work; she also cares about the people. She has earned a special place in the hearts of those who know her, and for her diligence in her work she has been awarded the Distinguished Employee Service Award this year.

I know my colleagues join with me in extending best wishes to Miss Wendt on the occasion of her retirement.●

MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES AMENDMENTS OF 1979

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. CARTER. Mr. Speaker, I am pleased to offer for the consideration by this Congress a bill entitled "Maternal and Child Health and Crippled Children's Services Amendments of 1979", that bill is H.R. 4597, which I introduced yesterday.

This measure reflects the initiatives of the American Academy of Pediatrics, American College of Obstetricians and Gynecologists, and the American Medical Association. These three organizations have worked diligently in recent years to clarify and strengthen programs set up under title V of the Social Security Act regarding maternal and child health. This particular proposal is, in part, the result of their thoughtful work and, I trust, will contribute greatly to the current deliberations on how best to improve child health programs.

NATURE OF PROBLEM

The present mandate of title V of the Social Security Act is very broad. It calls for granting Federal funds to States for extending and improving services to reduce infant mortality, to promote the health of mothers and children, and to promote the availability of services for children with crippling conditions.

Title V never was intended, however to be the financial mechanism to support delivery of just health services. Rather, title V programs are intended to stimulate, organize, and integrate necessary services. Any actual provision of direct services to mothers and children should be limited to demonstrations and special projects.

Unfortunately, the evaluation of the current title V programs has become increasingly weighted toward the mere delivery of personal health services. Head counts have become the sole data sought from title V units and used to measure an individual program's overall effectiveness. The provisions of this bill would redirect the emphasis of title V programs toward providing leadership in the delivery of maternal and child health services.

PROVISIONS OF THE ACT

First, this act would clarify the scope of the types of programs intended by the phrase in title V "women, infants, children, and adolescents". This change is necessary to make clear that the programs are intended to cover conditions of all mothers and children, not just those in low income families.

Second, the authorization levels under title V would be increased. For the past 5 years, the total authorization level for these programs has been held constant at $400 million.

This act increases that total to $500 million, an amount that takes into account the serious effect inflation has had over this period and also recognizes the financial constraints under which government must operate.

Third, a national office of maternal and child health would be established in the Department of Health, Education, and Welfare. This office would monitor the operation of title V in the respective States and coordinate the activities in the various Federal agencies currently involved in maternal and child health care.

Fourth, a national advisory committee on maternal and child health would be established to function as a continuing review body. This committee would review the programs funded under title V on a continuing basis in order to assure that they comply with the intent of title V.

Fifth, the present conditions for State plan approval would be revised. State advisory councils also would be appointed to assist in the development of State plans.

CONCLUSION

Title V of the Social Security Act has represented an important legislative expression of this country's commitment over the past four decades to health care for our maternal and child populations. The problems of existing title V programs are not with their goals and objectives. Rather, since enactment of title V many shifts have occurred in Federal health care policy. Extensive changes also have occurred at the State level. I submit that this bill would do much to focus title V programs once more on helping demonstrate improved ways to deliver services to our expectant mothers and our youngsters.

At the same time, this bill would bring those programs in line with our current health policy in this country.

Mr. Speaker, as you will recall I also have introduced the "Child Health Assurance Act of 1979," H.R. 2159. That legislation would assure that poor children and low-income pregnant women receive the health services they need by reforming the programs now available through medicaid under title XIX of the Social Security Act.

The need for passage of the Child Health Assurance Act is clear and has been amply documented in hearings our Health and Environment Subcommittee has held this year and in the 95th Congress.

Not only is the need for the Child Health Assurance Act clear, this Congress and the previous one have spent many months carefully considering this legislation. A final version of the child health assurance bill should be reported soon. When it reaches the floor, I would urge the Members of this body to lend it their support. Once we have enacted the Child Health Assurance Act, then reform of title V programs, such as envisioned in this new bill I offer today, has the potential of enhancing the effectiveness of child and maternal health programs under both titles V and XIX.

While I believe that passage of the Child Health Assurance Act must come first, I believe it would be useful for the Members of this body to have this title V reform available for study, and I offer it at this time.●

MOTORING CONSUMERS' MAGAZINE CONDEMNS AIR BAG MANDATE FOR AUTOMOBILES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. DINGELL. Mr. Speaker, as I and several of our colleagues will be offering an amendment to the Department of Transportation Appropriations bill to halt the funding for the implementation and enforcement of the motor vehicle standard which mandates air bags in automobiles, I believe it imperative that the House Members have a complete discussion of the extensive problems associated with air bags and new information. The DOT bill is still scheduled for this week on the House floor prior to our adjournment for the 4th of July.

While the General Accounting Office audit, yet to be released, pinpoints many failures within the Department of Transportation and the National Highway Traffic Safety Administration regarding insufficient research and testing of air bags, and the National Transportation Safety Board's March 1979 analysis gives extremely low marks to DOT's performance on this standard, calling DOT's evaluation program of passive restraints "unorganized," the attached in-depth analysis by the prestigious motoring consumers' magazine, Road & Track, in its May 1979 issue, likewise condemns DOT's performance and issues extremely serious warnings as to the numerous shortcomings the magazine has determined are associated with the mandate and the controversial device itself, the passive occupant restraint system known as the air bag. The Road & Track article calls for the outright removal of the air bag standard. That article has been sent today to the office of each Member of the House. I am at this point inserting the press release issued by Road & Track, which briefly discusses the major points of the article which is most critical of air bags.

Due to the enormous controversies surrounding air bags, my amendment is needed to halt the funding for implementation and enforcement while providing for more research and testing. I commend the Road & Track article to the study of my colleagues in preparation for the vote expected Thursday, June 28, and also suggest your review again of the June 22 "Dear Colleague" issued by me and the cosponsors of the amendment which pinpoints the numerous criticisms of air bags by the General Accounting Office.

The following is a list of cosponsors of the Dingell amendment: JAMES T. BROYHILL, THOMAS L. ASHLEY, WILLIAM M. BRODHEAD, CARL D. PURSELL, JOHN B. ANDERSON, JAMES J. BLANCHARD, LUCIEN N. NEDZI, BOB TRAXLER, BOB CARR, PHIL GRAMM, CARLOS J. MOORHEAD, CLARENCE J. BROWN, WILLIAM D. FORD, JAMES M. COLLINS, DAVID SATTERFIELD, DAVE STOCKMAN, and SAMUEL L. DEVINE.

The Road & Track press release follows:

AUTO MAGAZINE FINDS AIRBAGS A POTENTIAL SAFETY DISASTER

NEWPORT BEACH, CALIF.—Automotive airbags, federally mandated as crash protection by 1984, are a "potential safety disaster" and a "ripoff," according to Road & Track magazine, authoritative auto monthly. The magazine commissioned an in-depth study of these passive restraint devices, and in its May issue, Road & Track says airbags are "too complex, too expensive, and, at their present stage of development, provide far too little protection to passengers in accidents."

In its report, the magazine identifies problems of crash effectiveness and cost ($400–600 per car) as well as mutagenic and carcinogenic hazards in disposal of airbag-equipped cars. It also indicates that use of existing hardware, familiar 3-point seat belts, already provides more protection.

The Road & Track report was prompted by federal regulations requiring a 1981–1983 phase-in of "passive" restraints, those needing no action on the part of front-seat occupants. Some automakers already offer passive belt systems, but these limit seating to two abreast. Thus, 3-across bench seating demands another form of passive restraint—an air cushion crash protector or "airbag," designed to inflate instantaneously in frontal impact.

Inflation depends on a pyrotechnic chemical, sodium azide, found to be both a known mutagen and suspected carcinogen. The Road & Track report states that airbag implementation would lead to a tenfold increase in production of this Class II poison. Yet no plans have been formulated for its disposal when cars are abandoned or scrapped.

Deployment of airbags is keyed to a crash sensor at the front of the car. Thus, passengers receive benefit solely in frontal collisions, roughly only half of all crashes. Airbags offer no protection in side or rear impacts, or even in secondary impacts following head-on collisions. The latter protection is lost because airbags must deflate immediately to avoid suffocation hazards. In fact, DOT itself is forced to contradict the device's passive nature by specifying use of a lap belt for meeting all crash performance criteria.

Existing hardware, in the form of 3-point seat belts fitted to all cars since 1968, has already exhibited a better safety record than relatively untested airbags. But according to Road & Track's report, DOT and its safety branch, the National Highway Traffic and Safety Administration, have exaggerated advantages of airbags through distortion of federally funded studies. Road & Track claims that DOT experts have had their findings suppressed when results are unfavorable to airbags.

The magazine recommends rescinding the airbag mandate as "premature and impractical." "If NHTSA and DOT Secretary Adams refuse to act," the report goes on. "congress must intervene to halt the program."●

CONGRESSMAN DRINAN SPEAKS AT THE "SHALOM JERUSALEM" CEREMONY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. BARNES. Mr. Speaker, our distinguished colleague, the gentleman from Massachusetts (Mr. Drinan) recently delivered a notable keynote address at the metropolitan Washington Jewish community's Walk Celebration at the Washington Monument marking 31 years of Israel's independence. Father Drinan's remarks should be of interest to many Members of the House, and I submit them for the Record:

Address of Congressman Robert F. Drinan at the Shalom Jerusalem Ceremony

Israel, Theodore White has written, is a nation suspended between a nightmare and a dream. Today we celebrate the dream—of Jerusalem, the city of peace, the capital of Israel.

In greater Jerusalem, an area of 42 square miles, there reside 230,000 Jews. Eighty-thousand Moslems and Christians make up the total population of 310,000.

Will some persons or some nations continue to insist on the division of a community with this breakdown of various groups? Perhaps, as Abba Eban has proposed in the June issue of MOMENT Magazine, "a Benelux relation between Israel, the West Bank and Jordan . . ." could be developed.

But today we do not look at the legal or political problem, but rather at the mystical and Biblical meaning of Jerusalem.

About 4,000 years ago, a man named Abraham heard a harsh and thunderous voice commanding him: "take now thy son, thine only son, Isaac, whom thou lovest, and get thee into the land of Moriah. Offer him there for a burnt offering upon one of the mountains which I will tell thee of . . ."

Abraham obeyed. He went on a three-day journey, built an altar, laid the wood and, having bound Isaac his son, took the knife to slay his only son.

Then Yahweh sent an angel to forestall the sacrifice and provide a ram as a substitute for Isaac.

Then the Lord said: "Because you have done this thing, and have not withheld thy son, thy only son, in blessing I will bless thee . . . I will multiply thy seed as the stars of heaven and as the sand which is on the seashore . . ."

Hundreds of years later, King David decreed that Mount Moriah, the place of Isaac's near-sacrifice should be the capital city of the Jewish people. David's son, King Solomon, built a temple here in Jerusalem in the year 950 B.C.

This traditionally is the same rock where Jacob rested his head to dream that a ladder was set up to heaven. This rock this mount became and is the center of the Jewish psyche.

Consequently, it is easy to understand why for thousands of years Jews have faced Jerusalem to say their prayers. Jerusalem is mentioned in the Hebrew Bible no less than 656 times. No less than 70 descriptive words are attached to Jerusalem as, for example, the City of Peace, the City of Justice and the City of Eternity.

Jerusalem was destroyed at least 17 times through history, but it has been reborn 18 times. Jews have never abandoned Israel; it is indeed impossible to picture a Jewish faith without Jerusalem.

A contemporary authority on Jerusalem has written that "the thought of Jerusalem in ruins shaped the totality of Jewish life".

Indeed the term "the Builder of Jerusalem" became in Jewish prayer one of the attributes of God Himself.

Today with Jerusalem back in Jewish hands, this city of God is a prayer fulfilled, a circle completed, a dream realized, a riddle solved and a prophecy come true.

Rabbi Abraham Heschel has written that the restoration of Jerusalem into Jewish hands gives new plausibility to faith in the redemption of man.

Jerusalem is absolutely unique; it is different from every other old city such as Cairo, Peking or Damascus. In the streets and alleys of Jerusalm, one walks in the footsteps of prophets and levites. And the return of all of Jerusalem to Israel as the result of the 1967 annexation is the end of a pilgrimage of two millennia.

The centrality of Jerusalem in the Jewish faith is seen in the fact that the place of every Ark in every Jewish synagogue, whether in the Holy Land or in the Diaspora, is positioned in the direction of Jerusalem. So likewise after every meal the grace refers to Jerusalem: "Please, O God, have mercy on us, upon Israel thy people and on Jerusalem, Thy city. Build Jerusalem the Holy City speedily in our days."

When the Jews were forced out of Jerusalem at the time of the first temple, they took a sacred oath as recorded in Psalm 137: "If I forget thee, Oh Jerusalem, let my right hand forget its cunning. Let my tongue cleave to the roof of my mouth. If I remember thee not . . ."

For many centuries twice a year at the close of the service of Yom Kippur and at the close of the Seder, Passover night, Jews exclaim, "Next year in Jerusalem".

The term Zion is used interchangeably with Jerusalem. Zion is the hill, the mound which traditionally has become synonymous with Jerusalem. Consequently, the Zionist aspiration is in essence a movement to return to, to regain and to reclaim Jerusalem.

To the Moslems also Jerusalem is unique second only in prestige to Mecca and Medina. For Christians too Jerusalem is the Holy City where Christ was crucified and buried and where He rose from the dead. It is for these reasons that Jerusalem is the center of the world for Christians. It is the place where God intervened in history and spoke to Abraham and to all of us. Jerusalem for Christians is the place where history began, the spiritual center of the cosmos.

We should rejoice that the dream of Zionism has found its culmination in our generation. For 31 years the Jews of the World have had control over Jerusalem and the Holy Land.

We should also rejoice that in the United States the Congress and the country have a unique commitment to the implementation of the Zionist dream. Since 1973 the Congress has appropriated more than $10 billion for Israel. Congress is in the process of appropriating an additional $4.5 billion so that Israel will be able to carry out the provisions of the treaty which it signed with Egypt.

Seven Presidents and 16 Congresses have renewed America's commitment to Israel. Listen to President Carter's commitment given in Jerusalem to the Knesset on March 11, 1979:

"Seven Presidents have believed and demonstrated that America's relationship with Israel is more than a special relationship. It has been and is a unique relationship. And it is a relationship which is indestructible because it is rooted in the consciousness and the morals and the religion and the beliefs of the American peoples themselves."

Abba Eban has stated that President Carter's commitment just quoted is the strongest and best commitment ever given by any American President to the safety and security of Israel.

But when we think of Zionism we tremble to remember that only a few years ago 72 nations of the general assembly of the United Nations, representing more than two-thirds of humanity, subscribed to a statement that "Zionism is a form of racism."

Today as we celebrate the glory and the significance of Israel we cannot forget the 70,000 Jews of Iran or the 118,000 Jews in South Africa or the 300,000 Jews in Argentina. They too turn each day to Jerusalem and pray that their oppression will terminate.

We think particularly of the 3 million Soviet Jews as we celebrate with Jerusalem. The words of Anatoly Shcharansky are enormously moving. After he was convicted and sentenced to 13 years in exile he enunciated these words:

"For more than 2000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, every year they have repeated, 'Next year in Jerusalem.' "

Although we celebrate the loyalty and generosity of the United States to Israel the least that we could ask is that the United States transfer its embassy from Tel Aviv to Jerusalem. There is no reason for additional delay now that the new Prime Minister of Canada has made a commitment to transfer the Canadian embassy to Jerusalem and thereby recognize the City of Peace as the capital of Israel.

The Jewish community of greater Washington has remembered Jerusalem every single day since that day in January 1970 when there was established a daily vigil in Washington across the street from the Russian Embassy. This daily vigil is now the longest continuous organized public protest in the entire history of Washington!

To celebrate the majesty of Jerusalem is to say once again that Judaism and Zionism are inseparable and that Zionism is the flowering of something inherent in Judaism.

To celebrate the meaning of Jerusalem is to recall the Holocaust and to wonder whether the Holocaust could have been prevented if the flowering of Zionism had come years before the Third Reich slaughtered 6 million Jews.

To remember the significance and symbolism of Jerusalem is to recall the magnificent words of Elie Wiesel who in the recent past at a Holocaust Remembrance in the Rotunda of the Capitol enunciated these sentiments:

"We have learned not to be neutral in times of crisis—for neutrality always helps the aggressor, never the victim. We have learned that silence is never the answer. We have learned that the opposite of love is not hate, but indifference.

Let us remember, let us remember the heroes of Warsaw, the martyrs of Treblinka, the children of Auschwitz; they fought alone, they suffered alone, but they did not die alone, for something in all of us died with them."●

SPOKANE MISSIONARY AIDS BOAT PEOPLE

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. FOLEY. Mr. Speaker, the following true story was recorded in the South China Sea by the Rev. John Newman,

and was transcribed by his Spokane colleague, Rev. Clay Cooper. It details his experiences while attempting to aid some of the many wandering "boat people" in the Far East. His comments clearly remind us of a pressing international responsibility which has been largely ignored. Until restrictive government policies throughout the world can be changed to accommodate these refugees, independent initiatives of this nature stand out as a model for every country. The article, reprinted from the Spokane Spokesman-Review, follows:

THE "BOAT PEOPLE" FIGHT TO SURVIVE

(By John Newman)

Aboard the SS *Akuna* our crew of 22 multinationals was searching the South China Sea for seafarers in distress.

It was the eve of Easter 7:40 p.m. April 14, 1979, and we were about 12 miles off the coast of the Malay Peninsula in international waters.

As we sailed out of Singapore, our desire had been that God would perform miracles and direct Vietnamese "boat people" across our sea lanes. This was to be our night!

Straight ahead we saw a faint, flickering light about five miles away. As the distance narrowed, our chief officer suggested it might be only a fishing boat. I believed it would prove to be a craft loaded with refugees, for it was coming right at us.

I was to be right.

I rushed to the top deck for a better view. Jimmy, a Montagnard tribal young man who worked with me for many years and whom I had brought out of South Vietnam when it fell in 1975, was ready with the bullhorn and was soon talking in Vietnamese with the huddled pack.

They came up on our starboard. We shouted to them to come around to the portside where we had a well deck on a lower level close to the sea surface. This they did, but with considerable difficulty.

What had been a gorgeous twilight seascape, a beautiful silver, magic wonderworld suddenly turned into something else. Winds had come up and clouds rolled in with huge thunderheads. Our ship was quite steady, but their bobbing, little boat was the most pathetic fishing boat I had ever seen. Aboard were 31 people.

About half of the Vietnamese escapees were young. There were a few babies. Jimmy told them we could not take them aboard, but would help them. We invited them to tie up so that we could talk with them, learn how they fared since leaving Vietnam, and determine their needs.

I was trying to document the happening, by audio and picture. With only a flashlight it was nearly an impossible job. Jimmy busied himself handing out food.

We got the big light over on the portside and we could see who they were. We estimated that their boat was about 20 feet long. The clearance from the rim of their boat to the surface of the sea was about 10 inches. One of their problems was the water spilling into the boat.

Here they were in this wide ocean having spent the last seven days and seven nights on the seas in flight from their now Communist homeland.

The week had taken its toll. They had been set upon by pirates who had robbed them of every valuable thing.

They told us their boat was leaking too badly to ever make it to land. We told them: "You are only 40 miles away; maybe you can make it. We will give you water, food, rice, fuel, and dishpans to keep the water scooped out." Their little hand pump was painfully slow.

A couple of the men were terribly sick. Some of the kids were seasick. Many were severly sunburned. They were out of water. The broiling sun was merciless.

We determined to keep them off the ship, for we would be in a predicament if we would take them aboard with no place to land them, and no country bordering on the South China Sea willing to give them even temporary asylum. We intended only to supply their needs.

We talked, and talked, and talked. We gave them food and jerry cans of water. We came to the conclusion that the condition of their boat called for something more.

After further consultation with the captain and the chief engineer, we lifted the babies and their mothers into the ship. I knelt in the gateway that opens up and reached down as far as I could to try to grasp them. Their little boat would rise with the ocean swells, only to drop again. We would wait until waves crested and then grab mothers and babies by their wrists to haul them in. Soon, all females and all male children were rescued.

A plea was soon heard for a man who was very sick.

"He cannot survive if left in the boat," the refugees said.

As they kept bailing, they kept pleading: "The sick man has to come aboard."

What were we to do? There was nothing else to do but take him aboard.

Those still aboard and suffering severe sunburn needed relief. I gave them my suntan lotion, and we fetched medicines from the ship's supply.

But there was another outcry, in the boat was another man too ill to stand. Again we conferred. This time we discussed the man and our own dilemma. Aboard our ship were two medical people, the wife of our Indonesian captain, a nurse, and the small Vietnamese woman medic we had only hours earlier lifted from the fish boat. So, we took the second ailing man aboard.

Those remaining on the little boat we directed toward "country No. 1," promising we would follow. But we soon found this plan impractical. Their boat was too slow; our ship too fast. We switched and they were to follow.

Unforeseen problems multiplied. We had been going for some time through the darkness and we could see by this flickering light behind that they weren't keeping pace. We stopped the ship, and still the boat didn't seem to come closer. We urged the captain to turn the ship around and go back.

We found the boat sinking. All hands could not bail it out fast enough because of the tremendous downpour of rain coupled with high winds and mounting waves. The little boat was like a chip of bark on the vast, raging South China Sea.

In the name of humanity we had to take them all abord. The boat was brought alongside the ship again and everyone was saved. There was one close call: one man fell into the sea. Jimmy's first plan was to tie a rope around his own chest and to dive into the water to rescue him. This was discouraged because of the turbulence, so Jimmy tossed a rope to him and hauled him in.

Rice had been cooked and we had bread for all. We had fished them out of the sea just in time. The heavens opened and floods of water came down nearly drowning us.

Glancing over the stern the next morning, I saw the trailing boat nearly under water. I asked that the ship be stopped, that the boat be brought in close, bailed out and prepared so that later we could put the refugees back into it. We believed we were close enough to land, so that they could make it ashore safely.

By the time I had gotten to the bridge to talk to the captain about the plan, the boat had submerged. It had gone almost straight down, connected to the ship only by the tether attached to its prow. When we tugged on it, the weight pulled the prow.

Now it was our responsibility to find some place to debark these escapees from Vietnam's oppressive and nearly foodless Communist regime.

We sailed northward up the coast to an island where literally tens of thousands of refugees were stranded. We met with government officials and explained our plight. We told them how we rescued our passengers and how we had no option but to take them aboard.

What now were we to do with them?

Inasmuch as some 900 refugees had been taken from the island that day, en route to the United States, surely our 31 would not make too great a burden. But the officers refused to allow them to land.

Back on the ship, I proposed that we go to the mainland of "country No. 1." Once there, intention was to get on the telephone immediately and call the U.S. government or contact the heads of this foreign government for help.

Meantime, officials had contacted the marine police, and while I was taking an afternoon rest their gunboat came alongside. The gunboat captain spoke good English. He, and another fellow, whom we had met on an earlier trip and was a San Diego trainee, were friendly. We departed without unfavorable incident still having with us our 31 refugees.

We continued on a northwesterly course and after two days and nights arrived in another country which, for good reason, we will designate merely as "country No. 2." Earlier we had been told if we really got stuck and could not put ashore the "boat people" anywhere else, we should proceed to this land.

Arriving at a place of anchorage we put an outboard motor on the dinghy and, after dark, lowered it into the water. Our Chinese electrician volunteered his services, the reason being that he would be able to communicate with the people ashore inasmuch as there were many Chinese in the country.

John Davis, an Aussie, took over the steering of the dinghy and we took along the first officer, an Indonesian, who would represent our captain. Tiring of the steering chore, Davis let our electrician take over. A fine electrician, he was a terrible helmsman. It was his first experience handling an outboard motor and instead of remaining in the navigable channel he steered straight into the net barrier across the river. It tore off our prow, broke the motor mount, but we finally made it to shore.

Nearly everyone we met was drunk. One of them we paid to watch our boat, which wasn't done. The soberest one among the older men engaged to drive a car. Instead of going straight to immigration, I wanted to get to a first-rate hotel where I could telephone our in-country contact.

No rooms were available. We tried a second-rate hotel. It had plenty rooms—without phones. With the drunks we went to the downtown post office building to phone.

The call was useless. Our contact had left the capital city. In the morning our call went through but with no helpful result.

There seemed but one way to find a haven for our "boat people." We would buy a small boat and return to our ship. Then we would go into international waters. We would replace their boat with the one we would buy for them. They could then get to land on their own. This way, there could be no international illegality chargeable to us.

While we were discussing this, police ordered us to return to our ship. We were permitted to shop for vegetables and bread; they did allow us to buy some water. The chief petty officer, tipsy, but friendly, took us back to the ship on his water boat.

The police were tougher than nails. They ordered me to stay aboard. I would not be allowed to leave the ship. I couldn't call anyone. It was miserable being cut off from the world. And there was that gunboat just about 1,000 meters from us, by night and by day, seeing to it that we didn't land any refugees.

We whiled away the time by listening to the refugees' stories of conditions in Vietnam. People work all day for two piasters. One cup of soup costs four piasters. Often where there is money, there are no foods to buy. The people are under strict government control. Its regimentation is ruthless and cruel which accounts, in part, for this monthly exit by the thousands from their country.

We tried to get a sick crewman to shore for hospital care, but the hostile navy boat disregarded our flag of distress. About 10:30 a.m. the water boat came back with a second load. After checking we found they had cheated us out of 35 tons. There was nothing we could do about it. We couldn't get off the ship because the gunboat was there. Our signals for medical aid were ignored. We blew sirens, sounded the horn and raised flags to no avail. It was hot and sticky and it was probably the lousiest day of my life!

Another gunboat came alongside and its captain said I had been ordered to leave within 24 hours.

We got together with three leading Vietnamese, the first officer and the chief engineer and decided to leave on a southeasterly course. The order was given and the anchor pulled in. The steam up, we were on our way.

I wondered where, and when, we would see hospitable landfall for our unwanted passengers.

(Another rescue at sea brought 68 more aboard, making the refugee total 99.)

"Where are you, world?" I asked. "Here we have 99 of your weary children, and your gates were closed!"

We were having troubles with the ship on April 21. We were driven by steam. Tubes in both boilers had to be replaced at sea. We had difficulty with the steam generator.

Our Indonesian captain proposed that we steer a course toward a certain island. He knew people who just might help us get the "boat people" ashore safely. In any case, we were all still alive and afloat and headed toward "country No. 2."

There were fears among our "boat people," fear of pirates, fear of being raped, fear of drowning, fear of food and water running out, and fear of overexposure to the sun.

We approached nearer to the territorial waters of "country No. 3."

At that moment we did not have the answers to the problems we confronted. What we did know is that some of the people we had rescued would certainly have perished in the waters of the South China Sea.

I thought that as quickly as possible I must return to Singapore and call Food For The Hungry, our sponsoring agency in America. We desperately needed our own Christian nurse from the United States, one who can speak Vietnamese.

At 9 a.m. April 22 after encountering two tremendous thunderstorms, Jimmy came running with the news that another boat was in sight. I ran to the first deck and then to the bridge. The captain and the first officer debated whether it was a Malaysian fish boat. Or, might it be another gunboat?

I urged them to turn the ship around, but neither was so inclined. I insisted, "Please turn around!"

Our disagreement almost created a donnybrook. When the helmsman started turning, the captain, whose right it is to command said, "Obey my order." But he calmed and ordered the ship's turnaround. At the same moment I yielded. There was the chance that it was merely a fish boat. But the captain's last order was sustained and our ship turned toward the boat on the horizon.

We began pursuing, gaining on it. Surprisingly it turned and steered straight for us. They raised a signal which, through the glasses, appeared as a rag or a piece of cardboard. They held it up until the gap between became short enough for us to clearly see, and sure enough it was a boat filled with Vietnamese "boat people."

Lowering their signal, they came closer until we could confer with them. Up went hands in jubilation. Another of God's miracles! The chances of two dots meeting on the South China Sea certainly were remote.

Upon sighting us, they were frightened and tried to speed away. When they came alongside, we could hardly believe our eyes. It was a beautiful boat 47 feet long. On its deck was a huge pile of brand new fish net, which I was to learn was worth about $3,000. Although they were not fishermen, they could pose as such in case they might be stopped at sea.

We learned the 37 in the boat had been towed out of "country No. 4" twice by the marine police. Now they were on their way north again and if no country would receive them they would go all the way back to Vietnam. They had tried to get into "country No. 1," but were rejected. The cruel reputation of their navy was not unjustified.

Taking valuables from the "boat people," they promised them food, water and provisions in exchange. Instead they towed them out into international waters 12 miles off shore. Some "boat people" were maltreated. A professor and a medical doctor were beaten with gun butts. Little wonder they were frightened when they first saw our ship. But when they came alongside and learned we had 99 other Vietnamese aboard, their fears turned into cheers.

We decided to take their women and children aboard in exchange for some of the single men on our ship. Their boat was a good one and they trailed us the rest of the day and all night.

Next morning we were again approaching territorial waters of "Country No. 1" when the air force of "country No. 2" made half a dozen low passes over our ship.

(It is a dreadful realization that human beings who profess humanitarianism to such things, or use planes to fire on "boat people" who then perish by drowning. One such incident, it was reported, claimed all 114 aboard.)

An expectant mother was delivered of her child in the process of coming aboard. I cannot forget the look of fear and anguish on her face as she held her newborn in her arms, the infant still tied to her.

She lay on the steel plating of our well deck holding a baby who was as white as a sheet. I thought it was suffocating from lack of air in its lungs.

Fortunately our own petite refugee doctor, and a male doctor who had just stepped off the newly arrived boat, were present. They severed and tied the cord and soon a healthy cry from the babe was heard to the delight of all.

Our large ship could not possibly come near land. We knew that any country where we might go would not allow us to disembark the people. So God sent His answer amid the seas, this 57-foot boat. The moment I saw it up close I knew it would carry the refugees—all 136 of them—safely to land when we were near enough.

We steamed south. I wrote in my diary, "We have a boat now . . . a Vietnamese boat. The Vietnamese will run it . . . only Vietnamese will go ashore." We haven't heard of "boat people" being towed away by officials in the "third country" lying before us.

The boat followed us all day on April 23. We decided that at 3 a.m. we would stop and transfer all the refugees from our ship to the boat and let it sail for shore. It was stormy, and we had no chart for these waters.

Finding there were too many rocks, we gave up the idea. It would be too dangerous even for the good-sized boat. So we went around the large island. The boat developed trouble. We stopped and took the refugees aboard again and towed their craft.

We pulled the boat in. Actually, some of their young men had tried to scuttle it, and it was leaking badly. We put in two submersible pumps to get the water out and sent a couple engineers and a mechanic aboard to repair it. They found nothing wrong with the engine, although the scared young men who had tried to scuttle it had reported it was beyond repair. They wanted to remain on our ship. I was a bit afraid a fight might develop. But we succeeded in putting the boat back in seaworthy shape, and the young men gave up their scheme.

At 5 p.m. we saw a large Indonesian freighter coming our way, and some feared we had had it. Was our last hope of any country receiving the refugees, by allowing them to land, vanishing? But nothing untoward developed.

As if sent by Providence there came in sight something in the shape of a thin, long dugout canoe such as we used to have on the rivers of Vietnam. There were two younger Chinese in it, both understanding the language of their adopted land and able to converse with our Indonesian captain. All hands, including our smoking refugees, were out of cigarettes, and the Chinese fishermen offered to oar two fellows to their village where they could get tobacco.

While ashore the two talked with the leaders of the Chinese fishing village and negotiated a plan for landing the refugees at a price—their boat!

After they return to the ship, it was agreed by all that the Chinese would take 20 persons to shore in the long dugouts, 10 in each. This eased the anxiety over putting all 136 on the one boat although I believe it would have held everyone easily.

It was decided to make the transfer at 1:15 a.m. and not wait until dawn. Everything was working smoothly even though it was black out there, and the refugees were frightened. The women and children went first, creating no problem at all. The men took their places, and I took pictures. The larger boat took off first followed by the two long, thin dugouts.

We bade each other goodbye. A lot of them cried.

We had been with some of these folk for 10 days and had become well acquainted. It was a common cause in the middle of the wild sea.

Together we had been rebuffed by countries 1 and 2. This way seemed their only hope as they paddled off in the dark, trailing the watery path made by the Chinese fishermen zig-zagging their way through well-known channels as they approached their village.

It was a thrilling victory after a series of extremely difficult rescue operations. At times we had felt like criminals. We had been under arrest. We had been harassed, not only by the navy and air forces of countries 1 and 2 but also a fourth country whose air force planes buzzed our ship.

The news of this got to Singapore, and when we landed there, our home port, people were tense. Two police boats "welcomed" us. Immigration officers came aboard in search of "boat people." There were none.

I got back to our hotel before dawn and called America, letting the world know we were back safely.

We need the prayers of people everywhere, for in about a week's time we will be going out again. We will need more provisions for the "boat people." Without doubt we will be stuck repeatedly with problems concerning their rescue.

We read in the Singapore press of the thousands who are fleeing Vietnam. They are going to Hong Kong. They are trying to get into the Philippines. They are knocking at the doors of Macao, Malaysia, Thailand and other countries. Hundreds of pirate boats are robbing and raping the "boat people." Seemingly nobody can do much about it. Corruption in some of the agencies "working" with the refugees is scandalous.

I can understand something of the problems some countries are experiencing because of the refugee influx. Nevertheless, I do not think that the world can sit by and do so little about the masses of people who can no longer live under the regimes in Cambodia, Laos and Vietnam and are fleeing their homelands.●

AMBASSADOR YOUNG'S STATEMENTS ON SPENKELINK EXECUTION AND KHOMEINI JUSTICE

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. SOLOMON. Mr. Speaker, there is, I suppose, a certain international rationale for retaining Mr. Andrew Young in his present position as our chief delegate to the United Nations. Indeed, as Mr. William Buckley has pointed out, if that deliberative body insists upon degenerating into a circus, we might as well be represented by a clown.

Nevertheless, it is becoming a rather tedious task to clean up, so to speak, after Ambassador Young's intemperate, ill-advised, and simply irrational comments pertaining to international and national affairs. Mr. Young's latest outburst, in which he equates the American judicial system, with its numerous safeguards for both the accused and society in general, to the vigilante justice currently practiced in Iran, is not only insulting to the intelligence of the American people, but even frightening, when one considers that an individual with such obviously limited powers of reasoning appears to be held in high esteem by the White House.

With this in mind, Mr. Speaker, I would like to submit for insertion into the CONGRESSIONAL RECORD an editorial from the Albany Times-Union of Albany, N.Y., entitled "Mr. Young's Latest Blooper." The editorial expresses what I believe is the opinion of the vast majority of American citizens. I suggest it is an opinion to which Mr. Young, his apologists (if any remain), and the White House had better take heed.

The editorial follows:

MR. YOUNG'S LATEST BLOOPER

> The difficulty of writing about Ambassador Andrew Young's "latest" blooper is that by the time it appears in print he may have committed an even later one. Certainly one of his most atrocious acts of irresponsibility was his equating the execution of John Spenkelink in Florida with the murders of Ayatollah Khomeini in Iran.
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> Back home in Atlanta, where a lot of Americans wish he would stay, our delegate to the United Nations told a press conference:
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> "I don't see any difference in the so-called due-process of Florida and the so-called due-process of Khomeini."
>
> Incredible! There's Khomeini trying his victims in secrecy at night or not at all, convicting them without benefit of defense attorneys or the right to appeal, and mowing them down in the morning with firing squads.
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> By contrast, the Spenkelink case was heard (a) four times in the Florida Supreme Court, (b) three times in the Court of Appeals, and (c) five times in the United States Supreme Court. An eighth-grade student of civics can see the difference, but for some sad reason not Ambassador Young.
>
> A blooper is described in our dictionary as "an embarrassing public blunder." Mr. Young apparently was not embarrassed, but officials of the law in Florida and Washington who gave John Spenkelink every legal break they could for six years were highly embarrassed, and grievously insulted.
>
> It is rumored Mr. Young may return to Georgia and run for the United States Senate. At least senators are elected and not appointed, so Georgia voters would have an opportunity to review the Young record for what it says about his understanding of and respect for the American system of justice.●

SELECTIVE SERVICE REGISTRATION: THE CASE HAS NOT BEEN MADE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. OBERSTAR. Mr. Speaker, sometime after the Fourth of July district work period, the House will consider legislation reestablishing compulsory selective service registration for 18-year-old men.

The requirement for military registration is contained, not in separate legislation, but in H.R. 4040, the defense authorization bill.

My general reaction to the proposal is: "Why are we considering it now?" and "Why are we considering it as part of the defense authorization bill?"

The resumption of selective service registration presents major public policy questions which will affect, in a very direct way, the lives of our Nation's young people and their families.

If we are going to consider selective service registration, we should give the issue extensive and separate consideration; it should not be included as an adjunct to a multibillion-dollar authorization bill. I do not think the issue has received sufficient consideration by the Congress, and I do not think it will get the kind of thorough, searching analysis that resumption of registration deserves in the few weeks before we take up the Defense Department authorization.

I sense that, by and large, our constituents are not yet even fully aware that the Congress is this close to a vote. I find that people feel the issue is quite remote—it has not penetrated the public consciousness yet; there is very little sense of immediacy about this issue, and certainly no feeling of urgency.

They may have read about proposals for resumption of registration, but for many of them it is inconceivable that Congress could already be considering the resumption of registration for military service.

Our constituents have yet to respond to this issue, because the Congress has not given it the full and public attention that so important an issue merits. We need to know the long-range implications of the resumption of registration. We have to take a careful look at the performance of the All Volunteer Force, and at possible improvements that could be made to it, because, while registration can be considered separately from the AVF, doubts about the AVF have spilled over to influence the issue of registration.

While a sort of vague impression of failure surrounds the AVF, there are some positive factors. The Department of Defense report on the AVF, "America's Volunteers," dated December 31, 1978, states:

> The AVF has provided the military services with a full-strength, active force of a quality equal to, or superior to, that projected in 1970 by the Gates Commission.

The report does point out that there are shortages in the Individual Ready Reserve and the Army Reserve and National Guard, although the other service Reserves are at congressionally authorized strengths. The DOD report, however, states that the draft is not now the answer for the IRR and the Army Reserve:

> Program changes being tested and implemented for the selected reserve and the IRR may eliminate deficiencies in these areas and should be given a chance to work. Moreover, a draft focused solely on the selected reserve draft would be a "home town draft" to fill deficiencies in local selected reserve units and would undermine community support for the reserves.

It was only a few years ago that the Nation was torn with divisiveness over registration and the draft. We should not forget that experience so quickly. On the contrary, mindful of the lessons we should have learned and of the dangers to democracy posed by a peacetime draft, we ought to redouble our efforts to improve the AVF before moving toward resumption of the draft.

The gentleman from Ohio (Mr. SEIBERLING) is one of the most effective spokesmen on this subject in the House. Joined by a number of our colleagues, he wrote earlier this year:

> Compulsory service in any form when the United States is at peace, and when no compelling national emergency exists, raises serious questions of propriety, and indeed legality, in the light of the constitutional prohibition against involuntary servitude. We believe that this drastic response to the problems of the All Volunteer Force (AVF) will not eliminate those problems. Instead, we feel that the armed forces should be encouraged to develop constructive responses toward solving the problems of the AVF, rather than calling for its elimination.

Those are prudent, constructive words, offering sound advice to the Members of this House, as well as to the armed services.

Our colleagues in this House are making an effort to improve the AVF.

In just the past 10 days, we received a

letter from the gentleman from Pennsylvania (Mr. Goodling) describing his proposal to increase incentives for enlistment in the Reserves and to increase the educational level of recruits.

The gentleman from California (Mr. Dornan) has proposed a tax incentive to encourage enlistment. In his letter to the Members of this House, he noted that the return to the AVF on June 30, 1973, "was, in actuality, a return to our time-honored political and military tradition."

He went on to write:

> Granted that there are problems with the AVF, that does not mean that we should precipitously move toward the drastic measure of scrapping it and reintroducing the mass registration, compulsory national service, or the draft.

It is in the best interest of the people we represent to see that the AVG works.

I would hate to see the resumption of registration as a way of easing the draft by some future Congress. Because compulsory service, in the absence of a national emergency, contradicts fundamental principles of our free society, advocates of the resumption of a draft must bear the burden of proof—they must make the case. I do not want to see that burden incrementally lessened by such steps as the resumption of registration.

Propoals for the resumption of registration and, to a much greater extent, the draft, would shift the defense costs from society as a whole to the young people of this Nation. Their forced labor is, as Ben Franklin noted 200 years ago, a tax on our young people. It would be a hidden tax, which would understate defense costs, but a tax nonetheless.

The legislation which this House will shortly consider applies only to men turning 18 after the next election. If we adopt the standby registration provisions of H.R. 4040 as reported, we are, in effect, imposing restrictions on boys now only 16 years old who will be unable to vote in the next election, unable now to have a say in their future. And there is the question of limiting the requirement to men only. Because the issue of registration has not been sufficiently studied as a separate legislative proposal, we do not have an adequate base on which to determine if selective service requirements should apply only to men.

Like my colleagues, I am appalled by the thought of young women being killed or maimed in combat, but the thought of young men being killed or maimed is really no less appalling.

When the House considers H.R. 4040, I urge my colleagues to vote to delete the resumption of selective service registration.●

CHILD CARE

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Ms. HOLTZMAN. Mr. Speaker, I wish to draw my colleague's attention to a recent New York Times article that describes a comprehensive study of child care in six countries, including the United States. The European countries surveyed provide far more comprehensive child care services and benefits to working mothers than does the United States, according to Professors Sheila B. Kamerman and Alfred J. Kahn of Columbia University's School of Social Work, the study's directors.

The text of the article follows:

[From the New York Times, June 9, 1979]

6–Nation Child-Care Study: U.S. Lags

(By Nan Robertson)

Despite a "social revolution in family life"—the large-scale entry into the labor force of married women with young children—the United States has done little or nothing to respond compared with other industrialized countries, Columbia University researchers have found.

The United States lags far behind such major European nations as France, Sweden, the two Germanys and Hungary, according to Shiela B. Kamerman and Alfred J. Kahn of Columbia School of Social Work, who directed a two-year, six-nation survey that has just been completed.

In an interview, Professor Kahn said: "The rhetoric in the U.S. proclaims the value and sanctity of children and family life; the reality is something else. We provide nothing like the child-care services or cash benefits to protect child and family life that these European countries do."

The authors of the study predict a policy debate in this country as the need for services and a policy response becomes acute. Dr. Kamerman said: "Women are in the labor force to stay. While choice exists for some—and needs to be preserved—more women are choosing to work. Given what is happening, we will need to find a way to permit working parents to have children, "and to rear them well."

TERMED "A GOOD INVESTMENT"

Dr. Kahn noted that "there is no evidence anywhere that very young children are harmed by diverse care arrangements—indeed, there is considerable evidence that well-organized programs enrich the experiences of young children."

The authors of the survey also found that "in a broader economic sense the programs are affordable; moreover, a good investment."

Professors Kamerman and Kahn have just reported their conclusions to a meeting in Washington attended by government, private and foundation officials brought together by the family agency of the Department of Health, Education and Welfare. Their research was sponsored by the German Marshall Fund of the United States, and teams of experts in each country compiled the evidence.

The Columbia University directors say that the United States is unusual in only one category of government help: the welfare program known as Aid to Families with Dependent Children, which supports mothers with no income who remain at home to care for children.

The six-country study showed that:

All but the United States offer family allowances to supplement parents' earnings when they have children.

All but the United States have maternity benefits and leaves of 14 weeks to nine months to allow mothers—and in Sweden, fathers—"opportunity to develop a strong relationship with infants before returning to work."

All but the United States have special housing allowances or priorities for families with children.

All countries ensure access to universal maternal and child health programs.

Hungary, in particular, offers a generous child-caring grant for mothers who withdraw from the labor force and stay home to care for a child until the age of 3.

East Germany offers no such grant, but stresses large-scale child-care center programs.

Insurance benefits to remain home from work to care for a sick child are common.

All the countries offer family allowances, which are monthly grants to supplement earned income so as to contribute to the extra costs of child rearing, "on the premise that society values children, and wages may not be adequate for family support."

The survey found, unexpectedly, that neither a child-care program nor a cash-benefit program alone is considered sufficient anywhere. "Countries," the report said, "are using a combination of both benefits and services to meet the needs of mothers from different educational, skill and income levels, and the needs of societies with different economies, different degrees of concern with national birth rates, and different historical and ideological traditions. The service-benefit packages vary in emphasis."

For example:

France has extensive cash benefits to help families, especially low-income families, but is also committed to offering sufficient nursery-school space, center care and family day care to meet demand—and demand is not limited to children of working mothers.

Sweden has a generous nine-month parental insurance benefit, but is committed to enough center care and family day care for children of working mothers. Thus far, Swedish center care offers high-quality but low-quantity coverage. The picture is affected by the fact that part-time rather than full-time work is done much more by Swedish women than women in any of the other countries studied.

East Germany has the most extensive, high-quality center care for infants and toddlers anywhere, but the country supports childbearing and rearing by working mothers through a variety of benefits—especially maternity grants and leaves, which facilitate work interruption for about a year, depending on the number of children one has. Where day care is not available, so that a mother cannot return to work, she has a right to a cash grant.

In this context West Germany has developed very differently from East Germany, despite their common origins. West Germany has many social benefits for families generally, but little concentrated on the under-3-year olds, and its child-care coverage is limited. Like the United States, it focuses on poor families, problem families and foreign families. However, more than 75 percent of children aged 3 to 5 are in kindergarten, and as of July 1, West Germany will be expanding its current three-and-a-half-month maternity leave to a six-month leave.

There will be a second reporting meeting, in Copenhagen, June 18 and 19. Professors Kamerman and Kahn said that the audience would include, as in Washington, policy makers, government officials, researchers, academics and other experts in the field of child policy.

The final report is due to be published late in 1979.●

RETIREMENT OF JACK ZAIMAN, POLITICAL COLUMNIST FOR THE HARTFORD COURANT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. DODD. Mr. Speaker, this week marks the end of an era in Connecticut's political history. After a 45-year career, the Hartford Courant's senior political correspondent, Jack Zaiman, has decided to retire.

When Jack first started to cover the political scene, in Connecticut, Franklin Roosevelt was just beginning his first term, John Garner was Vice President, Connecticut was represented in the Senate by Augustine Lonergan and Frederic Walcott and in the House by Charles Bakewell, Edward Goss, William Higgins, Herman Koppleman, Francis Maloney, and Schuyler Merritt, and our Governor was Wilbur Cross.

Jack has covered every politician and every political contest, large and small, in Connecticut, since 1934. He has been a firsthand observer of more history-making events and people in Connecticut for longer than any other person in my State.

I hope that Jack keeps himself busy in his retirement by putting down in writing some of his experiences, recollections, and observations over 45 fascinating years of Connecticut political history. It would be a work which would chronicle, from a uniquely personal point of view, an incredibly interesting and exciting era, and would serve historians for years to come.

At this time, Mr. Speaker, I would like to insert, into the Record, the last op-ed page column written by Jack Zaiman. In so doing, on behalf of the citizens of Connecticut, I wish to express the high esteem in which he is held and to extend best wishes for a healthy, happy, and long retirement. He will be missed, Mr. Speaker.

The article follows:

Wrapping It Up: Hail and Farewell

(By Jack Zaiman)

This is my last regular op-ed page column for the Courant. Sometime next month, more than 51 years after I took a step into the old Courant building on State Street as a kid of 13, I will take early retirement.

For me, it is a monumental decision. I'm known as a workaholic, one who doesn't even take full vacations. Suddenly to stop all this mental and physical agitation, which knows no hours, in this fascinating business, and to substitute nothing in its stead, is almost terrorizing.

But I have always felt that when the time came for me to call it quits. I would do it of my own free choice, not waiting to be carried out, overstaying my leave, becoming cranky, barking at my wife, kicking the cat, and getting a sour stomach.

Always, I have admired politicians and government leaders who were bold and daring, who took long chances to achieve what they wanted to achieve, who threw long forward passes, and who went down with all guns blazing, with their heads high, and didn't cry about it.

When the time came for me to quit, I said to myself years ago, I would quit while I was ahead.

So, I have assumed that I am ahead, and I am throwing the long forward pass. Not only am I retiring; I'm leaving the city where I was born and raised and where most of my life has been spent at The Courant. I've bought a house in Florida and there shortly I will go.

I have no idea what sort of life awaits me there without deadlines, without telephone calls from happy or irate politicians, without the agony of column-creation, without the presence of familiar things and sounds and friends and schedules.

Its a tremendous challenge. I have always felt that when the time came for me to shut off the valve, I would like to do it not here, but somewhere else. I would then not be tempted to re-open it easily.

After all, I'm an old geezer now. I turned 64 a couple of months ago, so quickly after I turned 63 and 62 and 61. It goes very fast now. So why not do it? Why not try something completely brand new, throw everything to the winds, and take off?

Luckily, my wife is of the same mind. We go together.

To tell you the truth, I never wanted to be a political writer when I was young. I just fell into it. I wanted to be a sports writer, like Bill Lee and Bert Keane and Ron Melcher and those I used to office boy for in that dingy little room on the fourth floor of The Courant's old State Street building.

But what was I to do in 1934 when I had a car, commuting to college at Storrs in the day hours and working at The Courant at night, when the late political editor of this newspaper, Robert D. Byrnes, asked me to chauffeur him around during the state campaign? I did it.

And that's how a 45-year career in political and government writing began. Political writing, I quickly found, was just like sports writing. Even better. You picked the rival teams, got them going at each other, and then there would be a winner and a loser. It was fascinating.

And so, over that 45-year period, I have reported on the political careers, from beginning to end, of everybody important in this state, some still alive and many of them dead.

Generations have come and gone, one after the other, in those 45 years.

The history of this state has dramatically changed in that period. We have made the historic turn from a conservative Republican state to a liberal Democratic state.

The General Assembly has been reapportioned; county government has been thrown out; the minor court system, the town and city judges, are gone; Democratic governors have replaced Republican governors.

During those 45 years, the cities have declined and fallen and soon they may rise again. The court system has been revolutionized. Enormous changes have occurred everywhere in the state, and I've had one helluva time writing about it.

A couple of secrets. I hate issues. I love the intrigue and strategy of politics, the game. The techniques of winning and the blowing of elections.

And, what am I, Republican or Democrat? I've been accused of being both. I'm neither. I have always been an unaffiliated voter.

To sum it up: I thank The Courant for letting me do it my own way for all these years, in my own style and fashion, without once breaking my word to a politician or letting the paper down. I've enjoyed every minute—well, nearly every minute—of those 45 years.●

MASSACHUSETTS SENATE PRESIDENT BULGER SPEAKS AT LAW DAY CEREMONIES

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. MOAKLEY. Mr. Speaker, recently I had the good fortune to encounter the address of the distinguished president of the Massachusetts State Senate, Senator William M. Bulger of south Boston, at the Law Day program of the Boston College Law School Alumni Association held on April 28.

Senator Bulger, who holds the seat of the Senate district I represented in the Statehouse, is a close friend and a highly effective and well regarded legislator. I think his remarks on judicial restraint deserve very careful thought and the widest possible attention so I am pleased to enter his statement in the Record at this point:

Judicial Restraint

(By William M. Bulger)

To be the first recipient of the Father William J. Kennealy Award touches me deeply. Father Kennealy as teacher of the law and as dean of our Law School made an indelible contribution to the growth, progress and prestige of Boston College Law School. Although he was a person capable of dreaming big dreams—it was he who was responsible for our move from the canyon of the city to Chestnut Hill—He was no ivory tower theorist. We recall his scholarship and grace and his outstanding service as a naval chaplain. His pioneering spirit in quest of social justice and civil rights qualified him in the parlance of the day as an "Activist." Because he was of such heroic mold, the award conferred in his honor, honors me greatly.. I am grateful to the Council and the Law School Alumni Association for it. I hope that from his heavenly bourne, Father Kennealy approves.

When I first learned of the award, I could not help but reflect, in a whimsical spirit, on the reaction of some of my professors and colleagues to it. The temptation was strong to treat it lightly and to share with you some of the more amusing aspects of my collegiate and Law School experiences. However, it seems to me to do so would be inappropriate. Although Father Kennealy had a quick wit and enjoyed a hearty laugh, nonetheless, as far as I am concerned there is a certain solemnity to the occasion which I respect as indeed I am sure that you do.

In this citadel of scholarship, surrounded by so many luminaries of the bench, bar and academia both the time and the place seem appropriate to ask a question which I find both disturbing and challenging.

That question is: Whatever became of the principle known as Judicial restraint?

There are many here better qualified perhaps than I to discuss this matter. But I listened to many of you for three years without interruption. And tonight you are all sitting down and I am up here armed with electronic amplification. Besides, it is, after all an opportunity that comes but once—so I hope you consider it no trespass if I speak in fond memory of this seemingly-disappearing doctrine.

When I was a student here, it was the prevailing view that the primary function of the Supreme Court of the United States was to decide cases and controversies and issues of constitutional dimensions and importance.

The court was reluctant to interfere in "political questions," so called having a respectful attitude towards public policy as formulated by the other co-equal branches of government.

If that doctrine is not totally extinct, it might fairly be described as the snaildarter of jurisprudence—a barely surviving specie kept alive, in the opinion of many, only at the price of progress.

Indeed, the notion is widespread today that the court is principally engaged in exercising an oversight over the other organs of government. Losers in the political process win victories by decree because procedural changes have opened the doors of the court—the relaxation of requirements for standing, the expansion of the declaratory judgment and the class action. The enlargement of hitherto non-justifiable political questions.

In the past twenty years interference by the court with policies of the other branches of government has become a commonplace, the hallmark of an activist court.

Some social scientists discern the true role of the court as the primary instrumentality for creative social change. If so, does that mean—to paraphrase George Orwell—that other branches of government are equal, but that courts are more equal than the others. What does such a role for the court do to the traditions of our government?

If the ultimate role of the court is viewed as the overseer of policy and political judgment, we should be mindful of the caveat of Judge Learned Hand who said that it would be irksome to be ruled by elite guardians. "If they were in charge," Judge Hand said. "I should miss the stimulus of living in a society where I as a citizen have, at least theoretically, some part in the direction of public affairs."

Let me make it clear I have no intention of pressing upon you my private views as to what I perceive to be the wisdom or error of any judgment reached by the court during this period of intense activity, I hope it is clear that the question I am raising is whether the court's continuous and extensive interference with the political process involving other branches of government is desirable, even if we assume, for the sake of the discussion, that all of its decisions were endowed with a special infallibility.

Consider, if you will, a mere sampling of those decisions—bearing in mind that the legislation struck down by the court in each instance represented a public consensus.

When the law-making majorities were especially concerned with rising crime rates, the court re-wrote the rules of criminal procedure so that, the rights of the criminally suspect or accused attained a superior priority to the rights of victims and society itself.

While the law-making majorities generally favored a death penalty, the court struck the statutes down like ten pins.

While the law-making majorities favored school prayers and bible reading, the court found both unconstitutional.

The law-making majorities strongly favored strict obscenity laws and declared abortion, at least in most circumstances, a major crime. The court, by the stroke of a pen, substituted the view of a majority of justices for the legislation of most of the States.

The court erased the settled law of almost two centuries to exalt the right of news media to publish false and defamatory allegations about public figures with impunity absent proof of actual malice.

And, in the midst of it all, the court informed the senators and representatives of some forty-eight states elected by their constituents that even the composition of their legislatures was unlawful under the new view of constitutional imperatives.

The danger of a serious confrontation among co-equal organs of government is cause not for alarm but serious concern.

What happens when the inferior courts, believing they are ordained to implement the spirit as well as the letter of activism, substitute themselves for the executive and the legislature? Instead of concerning themselves with cases and controversies they become mired in day-to-day political and administrative details as they seek to manage and control what Mr. Justice Cardozo once called the fugitive exigencies of the passing day, thus feeling the conflict among the branches of government.

We have seen an example in Massachusetts: In seeking to carry out a perceived judicial mandate the federal court has promulgated orders which have impacted unfairly on an innocent third party—parents and children who had played no part whatsoever in creating the conditions sought to be cured. An insulated court backed by social theorists and educational consultants did not realize —as a political agency would have—the turmoil which would impact a community where black and white children had been going to school together peaceable for many years. The result was that a closely-knit and intensely ethnic urban community with deep and long-established neighborhod roots saw its children shunted about to achive some theoretical statistical goal and at the price of immediate and considerable loss of academic excellence and personal safety. When the parents asked, "Why my child? Why not your child?" they were called racists and their reputations were savaged by the unaffected zealots whose children were in private schools and whose homes were in all-white suburbs.

When the chancellor's foot is so long that he trips over it, others may take the fall. That is what happened in this tragic case where none of the end purposes were ever accomplished, where the schools remain unbalanced and where the quality of education has declined.

What has happened to judicial restraint? At least 165 bills have been filed in our history aimed at curbing the power of the court. Few become law. Few are seriously supported. Many are merely placatory gestures toward aroused constituents. Some are a therapeutic letting-off-of-steam.

But as a legislator—and as one with liaison with other State and Federal legislators—I view the present situation as more serious. I submit that whatever the fate of the currently-considered Helms amendment, there is a real potential danger of confrontation traceable directly to lack of judicial restraint.

I, for one, do not want to see that happen. Each time there is a serious confrontation over major policy, valuable traditions of our Government are endangered. The court usually loses such struggles. Indeed, Professor Dahl's research shows that the court loses major policy battles with current law-making majorities about sixty-seven percent of the time. Remember that Lincoln advocated successfully for congressional action limiting the court's appellate power, a limitation that was upheld in ex parte McArdle. Recent history teaches us that when the court declared unconstitutional legislation designed to implement eight major policies of the Roosevelt administration, within a two-year period, thirty-three bills were filed to curb the power of the court—and seven of the eight rejected policies soon became law.

In summation, I suggest that lack of judicial restraint threatens adversely to alter the role of the court in our Government; that it undercuts the prestige and even the legitimacy of the courts decisions; that it tends to entangle courts in counter-productive details of management and administration which their essential insulation makes them particularly unqualified to handle; and, finally, that excessive interference with administrative and legislative acts will, if continued, lead the court into confrontation with other branches that have the power to affect the jurisdiction of the court.

Professor James Bradley Thayer, a great teacher and philosopher of the law, warned that judicial review should be sparingly used because it is attended at all times by a serious evil—namely that correction comes from outside, rather than from the people. Thayer warned—and I am quoting him—that "the tendency of a common and easy resort to this great function . . . Is to dwarf the political capacity of the people and to deaden its sense of moral responsibility."

And so I have asked: Whatever became of judicial restraint?

The answers surely should be pursued especially by lawyers sworn to the duty to uphold and foster the principles of constitutional government.

Law Day is a timely moment to present the question.●

CONGRESSIONAL SALUTE TO CLIFTON LODGE NO. 1569 BENEVOLENT AND PROTECTIVE ORDER OF ELKS UPON THE CELEBRATION OF ITS 70TH ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. ROE. Mr. Speaker, on Friday, July 27, the Clifton Lodge No. 1569, Benevolent and Protective Order of Elks, located in my congressional district, State of New Jersey will commemorate the 70th anniversary of the founding of this most prestigious Elks lodge. I know you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the Honorable Tom Henry, Exalted Ruler of BPOE No. 1569, and other officers and members of the Clifton Elks upon this most historic anniversary observance.

Mr. Speaker, may I also commend to you the esteemed officers and members of Clifton Elks BPOE No. 1569 who throughout these past seven decades have served their membership and the people of our community with their leadership endeavors—always giving willingly and unselfishly of their time in helping to bring happiness and contentment to others through their benevolence and understanding, promulgating a spirit of brotherhood and goodwill throughout our community, State, and Nation. The current roster of these exemplary community leaders and highly reputable citizens which comprise the executive committee of Clifton Elks 1569 is, as follows:

B.P.O. ELKS LODGE NO. 1569, CLIFTON, NEW JERSEY

The Honorable: Thomas Henry, Exalted Ruler; Richard Henry, Leading Knight; Dan Hamdon, Loyal Knight; William Krajewski, Lecturing Knight; Max Rees, Esquire; Charles Furst, Inner Guard; Emil Chaky, Secretary; Edward Koziol, Treasurer; Henry Frazine, Tiler.

Mr. Speaker, BPOE Clifton Lodge No. 1569 was instituted on July 27, 1929 and its early beginnings and organizational efforts were under the exalted rulership of the Honorable Walter Morejohn. Their initial meetings were held at rented quarters in the Brooks Building, corner of Main and Harding Avenue, Clifton, N.J. They later purchased an old farmhouse at the corner of Colfax and Clifton Avenue and upon its destruction by fire, constructed the present brick structure where they are currently headquartered.

Their charitable and benevolent activities span the needs and concerns of all of our people—young and adults alike—and we are especially proud of their generous contributions to God's special children who are physically handicapped and their national foundation benefits to local area students. The Clifton Elks BPOE No. 1569 is best identified with its devotion to Americanism and we are especially proud of their outstanding work with the Passaic County Elks Cerebral Palsy Center in Clifton. The center was established and commemorative dedication ceremonies were held on Sunday, April 15, 1951 and its good works have been instrumental in aiding and assisting countless numbers of God's special children. They truly have brought an added quality of life and way of life to the people of the city of Clifton.

Mr. Speaker, it is a privilege and pleasure for me to seek this national recognition of the BPOE Clifton Elks Lodge No. 1569 for their outstanding contribution to the American way of life and the American dream. They have labored in the vineyard with other community leaders and our veterans in many, many social, civic, and charitable endeavors. Their standards of excellence and exemplary service have truly enriched our community, State and Nation. We do indeed salute the officers and members of Clifton Lodge No. 1569 of the Benevolent and Protective Order of Elks upon the celebration of their 70th anniversary celebration.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computeriaztion of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 28, 979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 29

11:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Samuel B. Nemirow, of Virginia, to be Assistant Secretary of Commerce for Maritime Affairs.
235 Russell Building

JULY 6

10:00 a.m.
Joint Economic
To hold hearings on the employment-unemployment situation for June.
1202 Dirksen Building

JULY 9

8:00 a.m.
Energy and Natural Resources
To resume hearings on title 2, proposed Priority Energy Act, of S. 1308, to provide for the development of domestic energy supplies.
3110 Dirksen Building

9:30 a.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

10:00 a.m.
Foreign Relations
To hold hearings on the proposed SALT II Treaty.
318 Russell Building

Joint Economic
Priorities and Economy in Government Subcommittee
To resume closed hearings on the allocation of resources within the U.S.S.R. and China.
5302 Dirksen Building

2:00 p.m.
Finance
International Trade Subcommittee
To hold hearings on S. 227 and H.R. 1543, measures to strengthen the Nation's trade adjustment assistance programs for workers and firms and to remove inequities existing in the present program.
2221 Dirksen Building

Foreign Relations
To continue hearings on the proposed SALT II Treaty.
318 Russell Building

Select on Ethics
To receive testimony from Senator Talmadge in conjunction with the investigation of his alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

JULY 10

8:00 a.m.
Budget
To hold hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:00 a.m.
Commerce, Science, and Transporation
To hold hearings on the nomination of Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission, for the remainder of term expiring October 26, 1979 and to be a Commissioner to the Consumer Product Safety Commission for term to expire October 27, 1986.
235 Russell Building

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on title 9, proposing a mandatory fuel switching program, of S. 1308, to provide for the development of domestic energy supplies.
Room to be announced.

Judiciary
Business meeting, to consider pending legislation and nominations.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transporation
To hold hearings on the Federal Trade Commission's study of the life insurance industry's cost disclosure policy.
235 Russell Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold oversight hearings on the 5-year offshore oil and gas leasing program of the Outer Continental Shelf Lands Act Amendments of 1978.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Foreign Relations
To continue hearings on the proposed SALT II Treaty.
318 Russell Building

*Governmental Affairs
To resume hearings on S. 596, to reform the process by which congressional districts are created.
5302 Dirksen Building

Joint Economic
To resume hearings to review economic conditions and to discuss the future outlook for the economy emphasizing productivity.
6226 Dirksen Building

10:30 a.m.
Conferees
On H.R. 4289, making supplemental appropriations for fiscal year 1979 for all agencies and programs under the jurisdiction of the Appropriations Committee.
S-128, Capitol

JULY 11

8.00 a.m.
Budget
To continue hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:30 a.m.
Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
Business meeting, to mark up S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.
S-206, Capitol

Labor and Human Resources
To hold hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.
4232 Dirksen Building

*Veterans' Affairs
To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.
5302 Dirksen Building

10:00 a.m.
Commerce Science, and Transportation
Aviation Subcommittee
To hold hearings on the certification and inspection procedures of the DC-10 and other types of aircraft.
235 Russell Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings on Title 7, proposing oil and gas leasing programs, of S. 1308, to provide for the development of domestic energy supplies.
Room to be announced

Environment and Public Works
Water Resources Subcommittee

To continue hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.

4200 Dirksen Building

Foreign Relations

To continue hearings on the proposed SALT II Treaty.

318 Russell Building

Governmental Affairs

To hold hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

Joint Economic

To continue hearings to review economic conditions and to discuss the future outlook for the economy emphasizing productivity.

6226 Dirksen Building

JULY 12

8:00 a.m.

Budget

To continue hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.

6202 Dirksen Building

9:30 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee

To hold hearings on Title 9, proposing mandatory transfers of electric power to reduce oil consumption, of S. 1308, to provide for the development of domestic energy supplies.

1114 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee

To resume hearings on S. 334, to prohibit the acquisition and control of agricultural land by certain investors, corporations, and foreign governments or foreign corporations.

5110 Dirksen Building

Labor and Human Resources

To continue hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.

4332 Dirksen Building

Veterans' Affairs

To hold hearings on printed Amendment No. 223, to provide for a rate increase to reflect the actual increase in the Consumer Price Index for April, to S. 689, to provide for an increase in the rates of service-connected disability compensation for veterans and dependency and indemnity compensation for their surviving spouses and children.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To hold hearings on S. 339, to revise provisions relating to foreign trade treatment of nations allowing free emigration.

5302 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee

To continue hearings on the certification and inspection procedures of the DC-10 and other types of aircraft.

235 Russell Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee

To resume oversight hearings on the implementation of the Outer Continental Shelf leasing program.

3110 Dirksen Building

Environment and Public Works

To hold hearings on proposed legislation to provide additional office space for the Department of the Judiciary.

4200 Dirksen Building

Foreign Relations

To continue hearings on the proposed SALT II Treaty.

318 Russell Building

Governmental Affairs

To resume hearings on S. 2, to provide for a review of Government programs every ten years.

3302 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

JULY 13

8:00 a.m.

Energy and Natural Resources

To resume hearings on Title 2, proposed Priority Energy Act, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

9:30 a.m.

Judiciary

To hold hearings on pending nominations.

1318 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings to review the authority of the Department of Labor to issue regulations to prohibit Federal contracts from paying membership dues for employees in private clubs or organizations that practice discrimination. (Exec. Order 11246)

5302 Dirksen Building

JULY 16

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on foreign acquisition of U.S. banks.

5302 Dirksen Building

Energy and Natural Resources

To hold hearings on S. 730, to provide for the establishment of the Energy Corporation of the Northeast designed to bring together the States, Federal Government and private industry in a creative effort to deal with the energy problems of this area.

3110 Dirksen Building

2:00 pm

*Energy and Natural Resources
Energy Research and Development Subcommittee

To hold hearings on Title 3, to encourage the demonstration of near-term energy technologies, of S. 1308, to provide for the development of domestic energy supplies

3110 Dirksen Building

JULY 17

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to examine U.S. policies and initiatives of the U.S. Conference on Science and Technology for Development.

5110 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee

To hold hearings on S. 344, to assist States in their responsibility for highway beautification, and to review outdoor advertising regulation programs.

4200 Dirksen Building

Governmental Affairs

To resume hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

2:00 p.m.

*Energy and Natural Resources
Energy Research and Development Subcommittee

To continue hearings on title 3, to encourage the demonstration of near-term energy technologies, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 18

9:30 a.m.

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee

To resume hearings on S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold hearings on S. 535, to provide for an effective and safe transport of nuclear waste and radioactive nuclear reactor fuel.

5110 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resources Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

Environment and Public Works
Transportation Subcommittee

To continue hearings on S. 344, to assist States in their responsibility for highway beautification, and to review outdoor advertising regulation programs.

1114 Dirksen Building

10:30 a.m.

Governmental Affairs

To continue hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

2:00 p.m.

Energy and Natural Resources
Energy Research and Development Subcommittee

To hold hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 19

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To continue hearings on S. 535, to provide for an effective and safe transport of nuclear waste and radioactive nuclear reactor fuel.

5110 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee

To hold oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 1104, to provide for the establishment of the Channel Islands National Park.

3110 Dirksen Building

Environmental and Public Works
Environmental Pollution Subcommittee

To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

2:00 p.m.

Energy and Natural Resources
Energy Research and Development Subcommittee

To continue hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

5110 Dirksen Building

JULY 20

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To continue hearings on S. 535, to provide for an effective and safe transport of nuclear waste and radioactive nuclear reactor fuel.

5110 Dirksen Building

Finance
Tourism and Sugar Subcommittee

To hold hearings on S. 589, 749, and 940, bills to provide for the applicability of tax rules affecting foreign conventions.

2221 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on foreign acquisition of U.S. banks.

5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee

To continue hearings on Title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

Environment and Public Works

To hold hearings on proposals for the John F. Kennedy Center for the Performing Arts to issue free tickets and to provide payment on outstanding bonds.

4200 Dirksen Building

JULY 23

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on the conduct of monetary policy.

5302 Dirksen Building

JULY 24

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue oversight hearings on the conduct of monetary policy.

5302 Dirksen Building

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

Governmental Affairs

To hold oversight hearings on the activities of the Department of Energy.

3302 Dirksen Building

JULY 25

9:30 a.m.

Veterans' Affairs

To resume hearings on S. 870, to amend and extend education programs administered by the Veterans' Administration for veterans and dependents, and S. 881, to provide for the protection of certain officers and employees of the Veterans' Administration assigned to perform investigative or law enforcement functions.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and Section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.

5302 Dirksen Building

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

Governmental Affairs

To continue oversight hearings on the activities of the Department of Energy.

3302 Dirksen Building

JULY 26

8:00 a.m.

Budget

To resume hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.

6202 Dirksen Building

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and Section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.

5302 Dirksen Building

Joint Economic

To resume hearings on the Consumer Price Index figures, and on inflationary trends.

6226 Dirksen Building

JULY 27

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and Section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.

5302 Dirksen Building

JULY 30

9:15 a.m.

Governmental Affairs

To hold hearings on S. 930, to restrict free Federal employee parking.

3302 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

JULY 31

9:30 a.m.

Commerce , Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.

6226 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To resume hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To continue hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

SEPTEMBER 12

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

457 Russell Building

SEPTEMBER 25

11:00 a.m.

Veterans' Affairs

To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.

5110 Dirksen Building

CANCELLATIONS

JULY 24

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, June 28, 1979*

The House met at 10 a.m.

The Reverend Lowell Erdahl, Hope Lutheran Church, Roseville, Minn., offered the following prayer:

Unless the Lord builds the house, those who build it labor in vain. Unless the Lord watches over the city, the watchman stays awake in vain.—Psalms 127: 1.

Let us pray: O Lord our God, thank You for being the source, strength, and security of our lives. Thank You for all who have and who now live and labor for Your purposes.

Forgive us the vanity of our pride and pretense, save us from idolatrous trust of self and of nation.

Heal us of our arrogant contempt for those we call our enemies, free us from faceless fears that drive us to despair, and to deeds of desperation. Grant us vision of the world as You would have it be and give us the wisdom, compassion, and courage to help make it more nearly so.

In the name of our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. CON. RES. 153

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, June 29, 1979, it stand adjourned until 12 o'clock meridian on Monday, July 9, 1979, and that when the Senate recesses on Wednesday, June 27, 1979, it stand in recess until 12 o'clock meridian on Monday, July 9, 1979.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4556. An act to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution of the Senate of the following title:

S.J. Res. 14. Joint resolution to correct an error made in the printing of Public Law 95-613.

THE REVEREND LOWELL ERDAHL

(Mr. ERDAHL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERDAHL. Mr. Speaker, it is a real personal privilege for me today to welcome our guest chaplain, Rev. Lowell Erdahl of Roseville, Minn. Reverend Erdahl was born and grew up on a farm near Blue Earth, Minn., and graduated from St. Olaf College in Northfield, Minn., Luther Seminary in St. Paul, and Union Seminary in New York. He served a parish at Farmington, Minn., and then taught at Luther Seminary in St. Paul. Now he is the senior pastor of University Lutheran Church of Hope in Minneapolis.

Reverend and Mrs. Erdahl have three children, Becki, Paul, and Beth. Mrs. Erdahl and Beth and some of our family, their family and my family are with us today.

Reverend Erdahl is the author of five books dealing with man's relationship with his fellows and his relationship with his creator. He also happens to be my twin brother and I am very happy to welcome him to the U.S. House of Representatives this morning.

THE TIME IS NOW FOR EXPANDED COAL USE

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, President Carter now has before him a report on ways to increase coal production and use, which he requested Secretary of Energy James Schlesinger to submit in his April energy address. I would like to take this opportunity to express my strong support for Mr. Schlesinger's recommendations and urge the administration to take immediate steps to implement these suggestions.

I represent a coal-rich district in western Kentucky, and for too long, regions such as mine in this Nation have suffered from the depressed state of the coal industry. Nationally, more than 15,000 coal miners have been laid off as a result, with more than 1,200 of these miners laid off in my district alone. It is clearly time that we provide an answer to these constituents, who ask, "Why not coal?"

Secretary Schlesinger stated in his report:

> The United States will require much greater use of coal in order to grapple effectively with the energy problems of the 1980's and 1990's. Without expanded use of coal, this country just may not make it.

I strongly agree with this forecast, and I am sending letters to President Carter and Domestic Affairs and Policy Assistant Stuart E. Eizenstat urging swift action to expand our production and use of coal. As this Nation continues to experience shortages of domestic supplies of oil and gas, the time is now to make a renewed commitment to coal.

OCEAN THERMAL TECHNOLOGY

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, last week the Subcommittee on Oceanography held hearings on ocean thermal energy conversion, an exciting alternative solar option which has progressed considerably in the past few years.

OTEC promises not only to provide an alternative fuel source for the United States, but could lead to the revitalization of our shipbuilding industry and construction industry. The possibility of the United States developing OTEC technology and then exporting finished OTEC grazing vessels and stationary OTEC plants is tremendous.

Japan, with her limited natural energy sources, is busy developing the OTEC concept. I would urge my colleagues to support the development of OTEC in the United States so that we can become the leaders in this new technology.

Hawaii has committed government and industry funds to develop OTEC projects. The next step is the joint funding of a utility sized OTEC plant. Once the cost-effectiveness of a commercial OTEC plant is established, industry will be able to build and run OTEC on its own.

In this time of urgent need for the utilization of all of our available energy sources, I encourage my colleagues to learn more about OTEC and to support its development.

REV. LOWELL O. ERDAHL

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I am pleased to take note of the invocation that the Reverend Lowell O. Erdahl of Minnesota provided today.

Reverend Erdahl, his spouse and three children reside in the area I represent. He, indeed, has two Congressmen, counting his brother ARLEN, our colleague from Minnesota's First Congressional District. Although I have become acquainted only recently with him, his fine reputation as a community leader and religious spokesman testify to his involvement and commitment.

Reverend Erdahl is the senior pastor of one of the larger churches in the Twin Cities—University Lutheran Church of Hope. Most of his work is in the area of marriage counseling and he and his wife, Carol, have written a book about Christian marriage, "Be Good to Each Other."

Reverend Erdahl is a bright, young religious leader and is well known as an excellent speaker. He taught at Luther Theological Seminary in St. Paul for 5 years and has authored a book "Preaching for People."

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Pastor Erdahl was born in rural Minnesota and raised on a farm. He has spent the last 10 years working with the people in the Twin Cities. He holds a bachelor's degree from St. Olaf's College in Northfield, Minn.; a bachelor of divinity degree from Luther Seminary; and a master's from Union Theological Seminary in New York.

He has also written three other books, in addition to the one I mentioned, and is certainly considered a recognized theological authority.

In addition to his religious work, Reverend Erdahl finds time to be active in community activities, including groups like Citizens for Greater Roseville, and has been a leading spokesman on many national issues like disarmament. Among the people of Minnesota, he is known as the "peacemaker" and as someone who does not hesitate to say what needs to be said.

Lowell Erdahl, as some of you know, is the twin brother of my distinguished colleague from Minnesota, Congressman ARLEN ERDAHL.

I know that Congressman ERDAHL shares with me a special joy in having Reverend Erdahl present the invocation before this august body.

WHERE DOES THE BLAME REST?

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, as the gas lines develop in more places around the country, many of the American people are looking for some answers as to what is happening and where some of the blame rests. I would suggest that perhaps one of the things we might have to take a look at is an unholy alliance which seems to have developed between big government and big oil and which may be at fault in this energy crisis.

Big oil has lobbied big government for rules and regulations which favor allocation of fuel to company-owned gas-and-go kinds of stations, and excluded from that supply train the independent dealers. This has put most of the gas at a few stations, leading to long lines while closed doors are the order of the day at independent dealers where gas cannot be obtained.

Therefore today I am writing a letter to the Justice Department asking them to look into the possibility that a restraint of trade violation may have taken place.

REPUBLICAN OPPOSITION TO CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, the Republican Policy Committee, of which I am chairman, has gone on record unanimously against H.R. 3919, the so-called Crude Oil Windfall Profit Tax Act of 1979, as reported by the Ways and Means Committee. H.R. 3919 is not a windfall profits tax, it is a tax on the production of oil, regardless of profit. If there is any windfall—it is the Government that benefits. This is one more Carter inspired tax increase.

The cavalier White House attitude about this energy disaster was clearly evidenced the other day when Carter's mouthpiece, Jody Powell, told the press that the long gas lines we are suffering with in many sections could not happen in a better place than Washington, D.C.

I, along with millions of other Americans, who wait in long gasoline lines find this callous, flippant attitude, outrageous.

Let me conclude by observing that responsible, capable leadership from Jimmy Carter could not happen in a better place than Washington, D.C.

□ 1010

RESOLUTION INTRODUCED REQUIRING CONGRESSIONAL ACTION TO TERMINATE MUTUAL DEFENSE TREATIES

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I am certain many of my colleagues in the House still resent the President's decision to terminate our longstanding mutual defense treaty with Taiwan. By this action, I believe the executive branch far overstepped its authority. It terminated one of the laws of the land without the approval of the Congress, which is properly responsible for creation and termination of those laws.

Therefore, I am introducing a resolution stating that it is the sense of the House of Representatives that approval of the Congress is required to terminate any mutual defense treaty between the United States and another nation. Passage of this resolution would clarify beyond a shadow of a doubt how the termination of mutual defense treaties should be carried out in the future. Mr. Speaker, I invite my colleagues to cosponsor this legislation.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. I take this time, Mr. Speaker, simply to announce to the Members the program for today and the remainder of this week.

There are four things which we hope and intend to achieve. Having done those four things, we would be free to adjourn for the Fourth of July home district work period. Whether that occurs at 4 o'clock this afternoon, at 1 o'clock in the morning, or 3 o'clock tomorrow afternoon, we will be ready to leave when these four things are done.

First, of course, is the excess profits tax. Second is the food stamps bill. Third is the Zimbabwe-Rhodesia resolution reported unanimously from the Foreign Affairs Committee. The fourth is not even the enactment of a bill, but simply the passage of a rule to make in order the consideration of the bill on intelligence and intelligence-related activities.

If we can pass those three bills and adopt that one rule by a reasonable time this evening, we could adjourn this evening and have only a pro forma session tomorrow.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. WRIGHT. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. If I am not mistaken, the rule on the intelligence bill is already adopted.

The SPEAKER. The gentleman is correct.

Mr. ASHBROOK. Mr. Speaker, if the gentleman will yield, it was adopted June 18, according to the RECORD.

If my colleague will yield further, I appreciate that announcement. I think Members ought to be pleased that the leadership is making every effort to expedite the business, and I think it would be well if we all endeavored to cooperate.

Mr. CONABLE. Mr. Speaker, will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to ask the gentleman if he would further identify this excess profits tax bill.

Mr. WRIGHT. That is out of the Committee on Ways and Means, I say to the gentleman, the Committee on Ways and Means with which the gentleman has a passing familiarity.

You see, we have already disposed of one of the four items. We are down to three. So, if we continue to make that much progress we should do well.

STATE HEALTH PLANNING AGENCY EXTENSION AMENDMENTS

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4556) to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That the first sentence of section 1521(b)(2)(B) of the Public Health Service Act is amended to read as follows: "The period of an agreement described in subparagraph (A) shall not extend beyond July 31, 1979, or thirty-six months after such agreement has been entered into, whichever comes later.".

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. CARTER. Mr. Speaker, reserving the right to object, I would like to ask the distinguished gentleman from California the effect of the legislation which we have before us.

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, the House passed on Monday an extension of the conditional designation for the health planning agencies of approximately 16 States that would otherwise face expiration at the end of this month. The Senate has tacked on to our provision a limitation of this extension for 30 days. The ultimate resolution beyond 30 days will come when we adopt the revisions to the planning act itself. There are four to six States that would otherwise be caught in a squeeze at the end of this month.

Mr. CARTER. It gives them time to prepare themselves for designation, to prepare a plan, is that not correct?

Mr. WAXMAN. It allows them to continue designation status, which, under present law, they could not receive. It allows the House to take up the planning bill and resolve all the other outstanding disputes and reauthorize that program in July.

Mr. CARTER. It extends the legislation for 1 month?

Mr. WAXMAN. That is correct.

Mr. CARTER. This legislation affects the States of Connecticut, Indiana, Ohio, and Arizona, as I understand it.

Mr. WAXMAN. At least those States, and perhaps a few others.

Mr. CARTER. Mr. Speaker, I support the gentleman's proposal and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, could the gentleman just tell us whether there are any nongermane amendments adopted by the other body?

Mr. WAXMAN. There are no nongermane amendments added, only a limitation of 30 days on the extension.

Mr. BAUMAN. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

CRUDE OIL WINDFALL PROFITS TAX ACT OF 1979

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 336 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 336

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3919) to impose a windfall profits tax on domestic crude oil, all points of order against section 3 of the bill for failure to comply with the provisions of clause 5, rule XXI, are hereby waived, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendments to the bill shall be in order except the following amendments which shall be considered in the following order: (1) amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment, and the amendments recommended by the Committee on Ways and Means now printed in the bill shall be considered en bloc and shall be considered as having been read, shall be debatable for not to exceed thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole, and all points of order against the amendment recommended by the Committee on Ways and Means now printed on page 54, line 10 through page 55, line 2 of the bill for failure to comply with the provisions of clause 7, rule XVI, are hereby waived; (2) an amendment in the nature of a substitute printed in the Congressional Record of June 25, 1979 by Representative Moore of Louisiana, and if offered by Representative Moore or Representative Jones of Oklahoma, said amendment if offered shall be considered as having been read and shall not be subject to amendment but shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by Representative Moore and another Member designated by the chairman of the Committee on Ways and Means, said amendment shall be in order even if the amendments recommended by the Committee on Ways and Means have been adopted and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI, and clause 5, rule XXI, are hereby waived; and (3) an amendment printed in the Congressional Record of June 26, 1979 by, and if offered by Representative Shannon, said amendment if offered shall be considered as having been read and shall not be subject to amendment but shall be debatable for not to exceed thirty minutes to be equally divided and controlled by Representative Shannon and another Member to be designated by the chairman of the Committee on Ways and Means, and said amendment shall be in order even if any of the amendments heretofore designated are adopted. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1020

The SPEAKER. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) for the purpose of debate only, pending which I yield myself so much time as I may consume.

Mr. Speaker, House Resolution 336 vides for the consideration of H.R. 3919, the Crude Oil Windfall Profits Tax Act of 1979.

The committee bill imposes a 70-percent windfall profit tax on increases in domestic crude oil prices resulting from the deregulation of crude oil prices or from excessive increases in world oil prices. Revenues from the tax will be placed in an energy trust fund, for purposes to be specified by law at a later date. The revenue raised from the tax provided by the committee bill is estimated at $2.8 billion in calendar year 1980, $5.7 billion in 1981, and $7.1 billion in 1982.

The windfall profits tax is an excise, or severance tax, applying to crude oil produced in the United States according to its classification in one of three tiers. The profit subject to the 70-percent rate of tax is reduced by the severance tax imposed by States. The bill provides special treatment for certain categories of oil, including newly discovered oil, Alaskan oil, and oil properties using qualified tertiary recovery methods. Income from interests in oil production owned by State or local governments or by public educational institutions, is exempt if the income is dedicated to public education.

The windfall profits tax becomes effective January 1, 1980. By January 1, 1983, the President is required to submit to Congress a study of the effects of both oil price decontrol and the windfall profits tax.

Overall, the bill as amended by the Ways and Means Committee is tougher than the tax proposal recommended by President Carter, in conjunction with his efforts to phase out oil price controls beginning June 1. Yet by no means is there unanimous support for the bill reported by the committee.

The windfall profits tax is among the most controversial legislation the Congress will consider this year. In fact, there are those of us who believe the term "windfall" may be a misapplication here, and that our national policy should be better designed to increase incentives for the production of domestic energy resources.

The Ways and Means Committee recommended to the Committee on Rules that H.R. 3919 be considered under a closed rule. The committee directive to the chairman to seek a closed rule was only narrowly adopted—by a vote of 18 to 17. The Committee on rules determined that the House should have a broader choice than the requested closed rule, which would provide only an up or down vote on the committee amendments. Thus we have reported a rule which will make in order, in addition to the committee amendments, two other amendments. We have chosen these amendments very carefully, and we believe that we present in the form of House Resolution 336 a balance of alternatives in close relationship to the vehicle recommended by the Committee of Ways and Means.

This rule gives the House an opportunity to change the emphasis of the committee bill. The amendments will be fully described and their effect discussed in the course of debate on the bill. In a comparative sense, the first additional amendment made in order by the rule—an amendment known as the Jones-Moore substitute—is a compromise between the administration and the Ways and Means Committee bill. It imposes a tax rate of 60 percent, whereas the administration proposed a 50-percent tax and the committee reported a bill establishing a 70-percent tax. It would encourage increased production by 1985 estimated at 800,000 barrels per day and would result in $23.3 billion of estimated tax revenues by the end of 1984. The Jones-Moore substitute would phase out the tax, which is permanent in the committee bill, on newly discovered, upper tier, and incremental tertiary oil by the end of 1990.

The second additional amendment made in order by this rule is known as the Shannon amendment. It would increase the amount of lower tier oil which will be subject to the tax by reducing the decline curve from 1.5 percent to 1.25 percent per month. It would increase tax revenues from 1980 through 1984 an estimated $1.913 billion.

These two amendments are clearly different approaches to our national energy crisis. They deserve full consideration, however, as possible key components in our national energy policy. I am an advocate of enhanced production through incentives for new oil, hard-to-recover oil, and marginal properties—and I want an opportunity to vote for the Jones-Moore substitute. Those who believe that stiffer taxation than the President or the committee recommended want an opportunity to consider the Shannon approach. The rule before us therefore offers an equitable opportunity for each member to express his opinion on the floor.

House Resolution 336 is a modified closed rule providing 3 hours of general debate and making in order certain amendments which shall be offered in a specified order and which shall each be debatable for up to 30 minutes. None of the amendments made in order are amendable except as specifically provided by the rule.

First, committee amendments shall be offered. Amendments now printed in the bill shall be considered en bloc and shall not be subject to a demand for a division of the question either in the House or in the Committee of the Whole. The 30 minutes of debate provided for committee amendments shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

Second, the rule makes in order, notwithstanding the adoption of the committee amendments, an amendment in the nature of a substitute printed in the Congressional Record of June 25, 1979, by Representative Moore of Louisiana, if offered by Representative Moore or Representative Jones of Oklahoma. The 30 minutes of debate provided for the Jones-Moore substitute will be equally divided and controlled by Representative Moore and another member designated by the chairman of the Committee on Ways and Means.

Third, the rule makes in order, notwithstanding the adoption of other amendments, an amendment printed in the Congressional Record of June 26, 1979, by Representative Shannon, if offered by him. The 30 minutes of debate provided for this amendment will be equally divided and controlled by Representative Shannon and a member designated by the chairman of the Committee on Ways and Means.

The rule provides for waivers of points of order on two grounds. A waiver of clause 5, rule XXI, prohibiting appropriations in a legislative bill was granted against section 3 of the bill and the Jones-Moore substitute. This section establishes a trust fund, an action which has been construed to constitute an appropriation. The rule also provides a waiver of clause 7, rule XVI, against the provision of the committee amendment and the Jones-Moore substitute which authorize a study of the effects of the windfall profits tax and the effects of decontrol. Because the bill does not otherwise deal with decontrol, this provision for a study of the effects of decontrol could be construed as nongermane to the bill.

House Resolution 336 also provides for one motion to recommit, with or without instructions.

Mr. Speaker, this rule was fashioned with the request of the chairman of the Committee on Ways and Means in mind. When he appeared before the Committee on Rules to request a closed rule in accordance with the committee directive, he emphasized the importance of a balanced approach if the rule made amendments in order. This rule offers a fair and equitable opportunity for some basic choices concerning our Nation's energy policy.

I urge the adoption of House Resolution 336 providing for the consideration of H.R. 3919.

□ 1030

The SPEAKER. The gentleman from Ohio (Mr. Latta) is recognized for 30 minutes.

Mr. LATTA. Mr. Speaker, I agree with the statements just made by the gentleman from Louisiana and concur in them wholeheartedly.

I would like to address my remarks, however, to the bill itself.

I think every Member of Congress has hundreds of letters, hundreds of calls from people in our respective districts, people wanting gasoline. We have an energy problem right now and we have people in line for gasoline at this very moment.

I know of no one who has contacted our office wanting to pay more taxes. If you have been contacted by people in your districts wanting to pay more taxes, your people are somewhat different than mine.

Mr. Speaker, this is a tax bill not an energy bill. Let us get this straight. It is not going to produce one more barrel of oil. It is not going to produce a drop more oil. It is a tax bill pure and simple.

Let us examine what type of tax bill it is. The bill itself, the report, and the publicity which has come out on this bill call it a windfall profits tax. As a matter of fact, the majority leader this morning referred to it as an excess profits tax. Well, it is neither. This is a severance tax, an excise tax. And to whom do I refer as the authority for this? None other than the chairman of the Committee on Ways and Means. He so testified when he appeared before the Committee on Rules.

Mr. CONABLE. Mr. Speaker, will the gentleman yield to me just briefly?

Mr. LATTA. I yield to the gentleman from New York.

Mr. CONABLE. Another type of designation could be a Federal sales tax on oil.

Mr. LATTA. Mr. Speaker, I thank the gentleman.

Mr. Speaker, the thing that disturbs me and should disturb the Members of the House, is that this is being sold to the American people as a tax which is going to collect huge taxes from the big oil companies. We have all heard all about the tremendous profits they have allegedly reported. These profits have come primarily from the importation and sale of that high-cost Middle East oil. Well, now, this proposed tax will not attach to that foreign oil. This tax will be attached to domestically produced oil. I thought that more domestic oil production was what we wanted from the decontrol that the President authorized. We wanted to encourage those 10,000 independent oil producers in this country to explore for new oil—and we are talking about little people, not the Exxons, the Sohios, and so forth. We are talking about the little producers scattered throughout this country who invest not only their money but the money of businessmen in their community in oil exploration on a small scale. According to statistics about 8 out of 10 drillings they get a dry hole.

This bill really hits these people and hits them hard. Why? Because it is a wellhead tax which will attach if they get oil, whether they make any profits or not. This makes it not an excess profits tax or a windfall profits tax, it is a severance tax and it is a deterrent to the people we want to encourage to go out and search for oil in the United States.

Why oppose this tax? There are many reasons, but one of them that concerns me most is that we wanted to become self-sufficient in energy once again. We don't want to continue getting 51 percent of the oil consumed in this country, offshore. We must become self-sufficient in energy to remain independent.

Today we are faced with the erroneous publicity which has gone out across this country on the type to be levied in this bill. Members are afraid to vote against the tax because they would be accused of voting for big oil and for all of those profits the oil companies have been reaping. The tax will not attach to the profits these companies have been making from imported oil. Let us get this straight. Maybe we can get the media to put out the true story on this tax. It would be helpful if this was done.

Mr. Speaker, let me say it is a misnomer, a misnomer to call this tax a windfall profits tax and it is not going to produce one extra barrel of oil. As a matter of fact, it will produce less oil.

According to information given the Committee on Rules when a rule was requested, if we did absolutely nothing, decontrol would give us 1.5 million barrels of additional oil a day by 1985. In other words, we would gain 1.5 million barrels a day. Is that not what we want?

More oil, domestically produced? Now, what does the Committee on Ways and Means' bill do to the prospects of getting 1.5 million barrels a day by 1985? It reduces that by 1,150,000 barrels a day, that is all.

Let me also say that the substitute that is made in order will reduce that figure by 700 thousand barrels a day. So, we are going to get less oil, oil that the American people are needing as they line up at the pumps, with the passage of this legislation, than we would otherwise have had, had no legislation been passed today.

Let us not fool ourselves. Let us not fool the American people that they are going to get more oil by the passage of this bill. We are not going to do so.

Let me also say that in the Committee on Rules we attempted to get an amendment made in order to exempt these little oil producers, these 10,000 people who sink 90 percent of the exploratory wells in this country, from the provisions of the bill. The amendment which would have been offered would have exempted only those producing 1000 barrels a day or less. It lost, 7 to 7.

So you are not even going to be able to vote on that amendment today. How will you be able to encourage these little fellows to continue going out and getting money in every little oil-producing town for oil exploration?

With the prospect of getting 8 dry holes out of 10, with the prospect of paying either a 60-percent tax at the wellhead or a 70-percent tax, how many of these people are going to go out there and take these risks? I say not very many.

The other day maybe some of you saw an article which appeared in the Wall Street Journal. If you did not, I have a copy of it here. It is entitled, "Why Big Oil Is Caving In."

☐ 1040

Now, the big oil companies realize there is going to be some sort of a tax. Everybody realizes that, but if it hits the other fellow, the article implies they could probably be for it; so we have not heard too much from them lately. Let me just read a couple of paragraphs from this June 18 article:

> The reason the independents are horrified at the prospect of the tax is because it will fall on them. The reason Big Oil is silent is that it will barely feel the burden.
>
> But the bill also proposes to tax away 50 percent to 70 percent of newly discovered oil to the extent its price exceeds $16 or $17 a barrel. This figure would be adjusted upward each year for inflation, plus an extra 2 percent or so, but the effect is clear. This tax has nothing to do with 'windfall' profits; it's an excise tax that applies solely to domestic crude oil production at the wellhead. As a result, it reduces the reward for domestic discovery but not the profitability of the international energy bankers like Exxon.
>
> Independents must persuade individual investors to finance their wildcat wells.
>
> The majors will use their own capital for some exploration—

But get this—

> but primarily to purchase more foreign crude.

As I said earlier, this tax will not attach to foreign oil.

> The portion refined from domestic crudes will pay the tax, not the portion from foreign crudes.

When all is said and done, it will only mean that of each gallon of gas that an individual American buys, a smaller portion will come from domestic crude and a large portion will come from foreign crude.

I ask once again, is this really what we want? Is this what the American people want? Is this the type tax that they think they are going to get, a "windfall profits" tax, to attach to those huge earnings being reported by the big oil companies? I think not.

Now, I know a tax is going to pass here today, but hopefully, hopefully before it comes back to us from conference, something will be done to give the American people more domestically produced crude oil and will be taxing the excess profits of the big companies and will not be stifling the production of the small independent producers in the United States.

Mr. Speaker, I have a couple of requests for time .

I yield 2 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, I am going to urge a vote against this rule. As usual, the Committee on Ways and Means went down to the Committee on Rules and asked for a closed rule. The Committee on Rules relented slightly and made two amendments in order.

Incidentally, that closed rule was voted out of the Committee on Ways and Means by a very close 18 to 17 vote.

The vote in the Committee on Rules was similarly close. The reason, of course, is that many of us in this House still believe that each of us is still supposed to represent the people who sent us here.

Instead a closed rule, a gag rule, that prevents the Members of the House from exercising their own wills and representing their people is, I think, inimicable to the philosophy of representative government. It shows that the Committee on Rules and the Committee on Ways and Means have no confidence in the Members of the House to make their own decisions. It says that some of us are more equal than others.

We will attempt to give the Members of the House a chance to show whether they think their vote is important and whether they really came here to represent the people. They may show that they want to give away their vote to the Committee on Rules or to the Committee on Ways and Means. I hope not.

Mr. Speaker, I urge a vote against the rule.

The SPEAKER pro tempore. With the indulgence of the gentleman from Louisiana (Mr. Long) and the gentleman from Ohio (Mr. Latta), the Chair will recognize for a brief statement of interest to the House the gentleman from California (Mr. Pashayan) to speak out of order for 2 minutes.

(By unanimous consent, Mr. Pashayan was allowed to speak out of order.)

HEROIC FLIGHT OF BRYANT ALLEN

Mr. PASHAYAN. Mr. Speaker, I am proud and privileged to honor and welcome a great and inspiring young American whose heroic achievement has gained him the esteem and admiration of the entire world. I am speaking of Bryan Allen, a true pioneer in the history of aviation who has secured a spotlight in history by piloting the Gossamer Albatross in the first successful crossing of the English Channel by a man powered plane. His physically demanding ordeal can be seen as an equivalent of Lindbergh's flight across the Atlantic. Few aviators have endured the sheer physical and mental strain which Allen had to overcome in order to achieve his ultimate goal of setting a world record, one which he previously held.

Nearly halfway across the channel Bryan ran into a 4-knot headwind, extending the planned 1¾ hour flight to 2 hours and 49 minutes. The air turned so turbulent, that he was plunged to within 6 inches of the water and the gloomy prospect of complete failure. But the spirit of the 26-year-old Bryan never weakened. A rescue boat was already in position with a towline when Bryan found new favorable currents and second wind himself. Bryan Allen relentlessly pedaled the flying machine 22 miles from Dover to Cape Gris-Nez, where more than 300 welcomers popped champagne corks and cheered our exhausted hero. I am very proud to honor Bryan Allen on the occasion of his triumphant return to the United State.

Not since Bob Mathias, a former Member of this House, won the Olympic Decathalon has Tulare County been so proud of a native son.

Mr. Speaker, I would also like to say that Bryan is with us today and will be in the Rayburn Room for all Members and their guests who would like to meet him and to congratulate him and perhaps to even get his autograph.

Mr. Speaker, I thank the Chair for the time to make this special announcement.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. Moore).

Mr. MOORE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am not one who has ever favored closed rules or modified closed rules; but this is a rule that I am going to support.

I thank the Committee on Rules for making this rule in order and in particular I thank the gentleman from Louisiana (Mr. Long), a member of the Committee on Rules, for the work the gentleman did in making this rule possible.

Mr. Speaker, this is a very complex bill. It proposes a tax, which to my understanding, there has never been one like before in this country.

The rule makes in order at least a limited approach to possibly changing the bill that the Committee on Ways and Means has produced.

It makes in order an amendment that would make the tax even tougher.

It makes in order the Moore-Jones-Brown-Santini substitute, which is a real bipartisan compromise between the bill the President sent to the Congress and the bill produced by the Committee on Ways and Means.

By virtue of the fact that the Members of this House will now have a choice of a true compromise and the Ways and Means bill due to this rule, in my estimation makes this rule worthy of support.

Mr. LONG of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I urge that we think carefully before we support this rule or, indeed, if the rule stands, before we support the bill.

I urge that we think about what we are being asked to vote for, because we are not being told the truth. We are going to operate under a gag rule put to us by a scared leadership and a bankrupt committee who bring this rule because, as they said on the record in our committee, it would take too much time if we let you vote on the amendments;

□ 1050

They said most Members could not understand it, it is so complex.

It has also been suggested that we have got to have a windfall profits tax by the Fourth of July when we go back to Oregon, to Wisconsin, to Minnesota, and to Texas to campaign.

Let me tell the Members of the House, Mr. Speaker, that when we go back to campaign on the Fourth of July, we have only got a week and our constituents are not likely to find out what a fraud this bill is in a week. But when we go back in August and those gas lines are still there and they find out we sold out to the oil companies, led by the Democratic leadership of this House and the Committee on Ways and Means, we are going to have a whole month to explain what we voted for in this House today.

Let me tell the Members how we are selling out. This bill will raise nowhere near the revenue we are told, because the oil companies have never paid more than 20 percent taxes. The oil companies wrote this bill. The oil companies are giving it to us.

I want to tell the Members, if we think Senator KENNEDY is backing up too close to the White House, this bill is presented in the same posture. We are being denied a vote on the amendment to knock out the foreign tax credit because it would not be heard in our committee. That is a foreign tax credit that this House on this side of the aisle and our side of the aisle mandated. The budget passed by this Congress mandates that we knock it out.

We are supposed to get to the foreign tax credit in the second and third go-around. Let me tell the Members, if we get a bill to eliminate the foreign tax credit before we retire from this body, we will be lucky.

We asked the Rules Committee to make in order all amendments which had been voted on in the Committee on Ways and Means for which revenue estimates had been compiled. Many of them were close, winning or losing by a few votes.

But we are being told as Members of the House by the leadership, that cannot always spell "tertiary" and "tier" the same way twice, that we are not smart enough to understand it. I think we should rebel against that, and I hope we are smart enough to know when we are being sold a bill of goods. When we are trying to bail out a bankrupt White House and an Energy Secretary who is working for the oil companies and not for the consumers, I think we should defeat this rule so that as Members of the House of Representatives we can have an opportunity to decide how we are going to tax and how we are going to apply that tax.

Let me also point out to the Members that today we are going to vote for an energy trust fund. Under this rule we do not know where the money is going to go when it gets in the trust fund. If we create a trust fund as the bill suggests, and we do not have a chance to knock out the trust fund under this rule, there is no guarantee, absolutely none, that we will have any control over where that money goes. It is like voting for a declaration of war except that we do not put the name of the enemy in; we just leave that blank.

When we go home and tell the folks we are creating a trust fund, that may be what Members campaign on in New England and find out that trust fund will be used to build more highways in California or build more Metros or build more bay area rapid transits, I wonder what we will tell our constituents who are freezing for lack of fuel oil this winter. I want to hear the explanation of why Members voted for a trust fund in the blind. Talk about irresponsible legislation: To create a trust fund that may have a few billion dollars in it and not tell the folks where it is going to go is not the kind of vote this Member wants to cast.

Mr. Speaker, I urge the Members to send this rule back to the Committee on Rules. Let us bring democracy back instead of having big bosses and oil companies ram a deceitful bill down the throats of the American people who are already paying more for OPEC oil today than even this committee estimated in its estimates in this bill. More money is being spent for oil due to the OPEC action of yesterday under this rule, we have no way of tightening the bill. We have been told by our leadership and by the committee that we cannot bring tightening amendments to the floor, and yet that is what the President said he would accept.

Mr. Speaker, I ask the Members to please vote against the rule, because it is arbitrary, it is capricious, and it is demeaning to the responsible Members of the House.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I rise in opposition to the rule on this Tax Increase Act for 1979 for one very simple reason. If we want to cut out the gasoline lines in this country and to bring more petroleum products to the American people, there is one way to do it and that is to decontrol natural gas, and oil and gasoline prices immediately. That will eliminate the gas lines tomorrow.

When the Members hear that, they may say, "Now, wait a minute. Do you mean to tell me you are saying seriously that if we decontrol those prices, the gas lines will go away tomorrow?" My answer is, "No, I am not saying that."

Only a Nobel Prize winner in economics is saying that, Dr. Milton Friedman. He said:

> There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now or six years from now—and that is to eliminate all controls on the prices of crude oil and other petroleum products. The gasoline lines would melt faster than the snows of winter.

We do not have to accept what Dr. Friedman has said will follow, but I think it is tragic that those of us in the House will not even have an opportunity of offering an amendment to this Tax Increase Act of 1979 which would give each of us a chance to vote on whether or not this statement should be given a chance of life. The proposed rule prohibits such an amendment.

I admire so much the capacity of the leaders of the Democratic Party to come back to a fundamental maxim that drives their irrestible urge to control the political destiny of this country, and that is—tax, spend, and elect.

Two days ago we voted to spend an additional amount of money, estimated between $3 and $20 billion, for the purpose of developing a synthetic fuel industry. The very same government, whose policy of maintaining price controls has caused the shortage, now proposes to get us out of the crises by yet another program with open ended costs.

The Tax Increase Act of 1979, misrepresented as a "windfall profits tax," will collect about $25 billion over the next 5 years. The proposed tax is not a tax on profits. It is a severance tax or Federal sales tax. Partial decontrol of oil prices, done to encourage increased exploration and production, will not be permitted to achieve its purpose, because we will tax away the incentive which decontrol was designed to create.

Being a little more specific, partial decontrol would increase domestic production by 1½ million barrels a day. The proposed bill will reduce that contemplated increase to 350,000 barrels per day.

The responsible course for us to take is to decontrol oil, natural gas and gasoline prices at once. Also it is appropriate to enact an excess profits tax which will apply if the excess profits are not reinvested in the search for additional energy sources. But the tax I am talking about is a tax on profits, not a severance tax at the wellhead which is levied without regard to profits.

The third element of the leaders of Democratic strategy—elect—will be tested in the election in 1980 all across the country. This tax will not produce one drop of oil. Decontrol of prices would. This tax will discourage increased exploration and production. The American people will have to choose between a philosophy of increasing supply, which decontrol will bring, or continuing in office the leaders of the Democratic Party whose very policies have brought us this shortage and dependence on OPEC nation oil.

The SPEAKER pro tempore (Mr. Mazzoli). The time of the gentleman from California (Mr. Dannemeyer) has expired.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Lungren).

Mr. LUNGREN. Mr. Speaker, I would rise in support of the rule, only to the extent that the rule will allow us to ameliorate what is really a terrible bill. Today, we are going to vote on another so-called energy bill, but if recent history is any authority, the Congress will make another bad decision.

Looking at recent history, under the guidance of this Congress in terms of its energy policy, we have allowed ourselves to be put in a position of being held hostage to the Arab countries wtih respect to our diplomatic policy, our foreign policy, and even our military policy.

Let us look at this bill. To begin with, this is not a bill to end the energy crisis; it is a bill to deepen and prolong the crisis. It could not do more to harm our national interests if this bill were drafted this morning in Geneva by the OPEC oil ministers. It will discourage domestic oil output and encourage the importation of larger amounts of increasingly higher priced foreign oil.

This is not a tax on the oil companies. Let me repeat that. It is not a tax on the oil companies. It is a $28 billion tax on the American consumers that is merely levied on the oil companies for the convenience of the Government. It is ironic that the oil companies should bear so much criticism for higher gasoline and fuel oil prices when so much of the selling price already is a reflection of State and Federal taxes.

The typical oil company profit on a gallon of gasoline is somewhere between 1½ and 3 cents a gallon. State and Federal taxes on that same gallon of gasoline amount to several times as much. State and Federal taxes on gasoline amounted to $16.5 billion in 1977. That is twice the after-tax income of the entire American oil industry during that same year.

If consumers are being taken advantage of at the gasoline pump, as some suggest here, one wonders who the guilty party is. If Members of this House are so concerned about retail gasoline prices, I urge them and I urge this committee to come forward with legislation reducing the Government's cut at the gas pump.

Last, this is not truly a tax on "big oil." The Exxons, the Chevrons, and the Texacos of this world will not be greatly troubled by this new tax. In large measure, these large oil companies are merely oil bankers, matching oil sellers and oil consumers, much as bankers match savers and borrowers.

The people who are injured by this tax are consumers and the 10,000 small and independent oil producers who carry out 90 percent of the country's oil exploration. They will suffer, and we will join them as domestic production continues to decline.

In my district in California, my hometown, the city of Long Beach, happens to own oil in conjunction with the State of California. Some of the money we receive from that goes to our schools. Some of it goes to our educational system. Under the general tenets of this bill we would lose that. Only by virtue of a special exemption contained in this bill will education be protected. I support that—but it raises questions as to why the same reasoning does not apply to other uses of funds by public entities—and private entities involved in the production of energy.

Mr. Speaker, under this bill if we pass price controls and institute these taxes, we will be effectively denied the opportunity to produce oil in this country for the people of this country.

Because this rule does not allow a more complete amending process to deal with these problems, I urge a no vote on this rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Pashayan).

☐ 1100

Mr. PASHAYAN. Mr. Speaker, in the beginning I think it is fair to say that the price of oil has gone high in this country, has climbed, simply because we have been forced to get our supply of oil in the foreign marketplace. I think one of the causes—and I think it needs to be said—is that we have been unable to tap the reserves of oil in this country because some of the laws and regulations have prohibited and strangled our own producers from getting at the oil reserves that exist in this country.

The bill as it stands now does nothing to undo that situation. It in effect punishes domestic producers at the expense of rewarding foreign producers and thereby it permits the problem that we now face to be aggravated even further.

It does not make much sense, it seems to me, to posture ourselves continually in the position where we are forced to go to foreign suppliers when they know we must come to them, and thereby give them an enormous economic leverage, which, just yesterday in Geneva, they used once again against the interests of the American consumer. We should not be surprised that the OPEC nations are going to charge us as much as they possibly can, because they know that we must have their oil.

They can sit back in glee, I am sure, and look at the U.S. continual policy of not producing her own oil. All we are doing, Mr. Speaker, is putting American money in the pockets of the OPEC oil producers.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Conable).

Mr. CONABLE. Mr. Speaker, I agree in many ways with what has been said by Members who both oppose and support this rule. I think our basic problem is that, once again, we are considering pattern-setting legislation of great complexity under great pressure of time and find ourselves having to deal with it in a truncated way rather than having the House work its will at leisure and with the full understanding of the implications of what they are doing. This I believe is the basic problem of today's exercise and not the rule, which does offer alternatives for the Members to consider, depending upon the direction in which they wish to push our oil and tax policy in this country.

Mr. Speaker, I am going to support the rule. I understand the concerns of those who fear that the House will not have a full range of options before it.

Basically, what we are doing in this bill is offsetting through the tax system, to a very substantial degree, the possibility of increased supplies of domestic oil. We are creating a windfall of tax money for the Federal Treasury, helping to finance greater Government activities at the cost of those incentives which will bring more expensive oil out of the ground if we allow the effects of deregulation of fuller scope.

I regret that this is the thrust of the bill. I expect to discuss it in some detail when we go into the Committee. In the meantime, I feel that the struggle between the pragmatists and the purists on this rule has brought about probably the best opportunity available to us, given the time constraints under which we are working.

Mr. LATTA. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from Nevada (Mr. Santini).

Mr. SANTINI. Mr. Speaker, I rise in support of the rule, realizing that the masochists who occupy the position of the Rules Committee again did not have an easy job with this particular decision. There were those who suggested there should be no amendments or no substitutes should be in order. There were those who advocated that we should throw the legislative door wide open and subject this highly rational, nonemotional issue to the legislative assaults and perspectives of 435 Members of the House of Representatives. I feel, in balance, that the Rules Committee exercised good judgment and rational direction with the rule that they have offered our body. There are 3 hours of general debate. Now, certainly in 3 hours of general debate we can have a good deal of healthy, stimulating ranting, raving, denouncing, deprecating, and railing of all of the deficiencies of those despicable sources that take oil out of the ground. Perhaps that 3-hour kind of rule could set a precedent on which we might rely on a week-in-and-week-out basis to set aside time for attacks on the oil companies and maybe alternating that or following that with 3 hours of attacks on the Department of Energy. But I think in this situation, given the urgent concern and the need for this legislation, that this rule makes eminent good sense, and I support it.

● Mr. GONZALEZ. Mr. Speaker, this is a bad rule for a bad and deceptive bill.

This tax has been made to appear as a punitive tax on the big, bad major oil companies, but in fact it is a tax upon the producers of oil, which is a different breed of cat altogether. It is unlikely that the tax would cause the majors to reduce their efforts to find oil. On the other hand, it is likely that the tax would gravely injure the independents who do not have the guaranteed cash flow of big oil companies, but who must rely on risks taken by individual investors; that is, the doctor, the dentist, the mortician, the lawyer hoping to strike it rich.

By taking a good part of the gains made available by decontrol away from investors, the tax will severely limit the ability of independents to finance new ventures. But big oil companies do not have to attract venture capital. They will end up more dominant than ever.

So what looks like a tax penalizing big oil will end up only making them bigger.

Incredibly, the purpose of decontrol is to force conservation by raising prices. But the most ardent sponsors of the tax bill want to use the revenue to subsidize consumers. It would make more sense just to keep price control, if you end up with cheap oil prices in the end anyhow—which is what the Moffett's of this Congress really want.

Moreover, the tax will not apply to oil produced outside the country. We will end up with venture capital going elsewhere, and a bigger import bill than ever.

The tax is so complex that it will be a monster to enforce, complicating even further a tax code that already defies human comprehension.

I am mad at the oil companies too—but this bill "ain't" what it was labeled to be and, therefore, neither is the rule.●

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quourm is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 292, nays 118, not voting 24, as follows:

[Roll No. 300]

YEAS—292

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Burlison
Burton, Phillip
Butler
Byron
Carter
Cavanaugh
Chisholm
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Danielson
Daschle
Davis, Mich.
Dickinson
Diggs
Dingell
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gray
Grisham
Guarini
Gudger
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hillis
Hinson
Holland
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ireland
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kindness
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
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Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
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Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
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Neal
Nedzi
Nelson
Nichols
Nolan
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
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Rose
Rostenkowski
Roth
Roybal
Royer
Russo
Sabo
Santini
Scheuer
Sebelius
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
St Germain
Stack
Stangeland
Stanton
Staggers
Steed
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Wampler
Watkins
Waxman
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—118

Archer
Ashbrook
Bafalis
Bauman
Bethune
Bowen
Broomfield
Buchanan
Burgener
Burton, John
Campbell
Carney
Chappell
Cheney
Clausen
Clay
Cleveland
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Dellums
Derwinski
Devine
Dicks
Dixon
Early
Edgar
Erdahl
Frenzel
Goldwater
Gonzalez
Gradison
Gramm
Grassley
Green
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Hightower
Hollenbeck
Holt
Holtzman
Hopkins
Hughes
Ichord
Jacobs
Jeffords
Jeffries
Kazen
Kelly
Kemp
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
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Levitas
Lewis
Loeffler
Lujan
Lungren
McDonald
Marlenee
Marriott
Mattox
Miller, Calif.
Miller, Ohio
Murphy, Pa.
Myers, Ind.
Nowak
O'Brien
Pashayan
Paul
Petri
Quayle
Roberts
Robinson
Rousselot
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Solomon
Spence
Stark
Stenholm
Stump
Symms
Taylor
Thomas
Trible
Walker
Weaver
Weiss
White
Whittaker
Williams, Mont.
Wyatt
Wylie
Young, Fla.

NOT VOTING—24

Anderson, Ill.
Beilenson
Bolling
Bonior
Carr
Davis, S.C.
Derrick
Dodd
Flood
Forsythe
Hall, Ohio
Hawkins
Jenrette
Mathis
Oakar
Patterson
Ritter
Rosenthal
Seiberling
Spellman
Stewart
Thompson
Walgren
Young, Alaska

☐ 1120

The Clerk announced the following pairs:

On this vote:

Mr. Ritter for, with Mr. Young of Alaska against.

Until further notice:

Mr. Hawkins with Mr. Anderson of Illinois.

Mr. Derrick with Mr. Forsythe.

Mr. Dodd with Mr. Hall of Ohio.

Mr. Stewart with Mr. Flood.

Mrs. Spellman with Mr. Seiberling.

Mr. Thompson with Mr. Mathis.

Mr. Rosenthal with Mr. Bonior of Michigan.

Ms. Oakar with Mr. Davis of South Carolina.

Mr. Patterson with Mr. Jenrette.

Mr. WEISS and Mr. KOSTMAYER changed their vote from "yea" to "nay."

Mr. ENGLISH changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE HOUSE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3919, with Mr. BINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1½ hours, and the gentleman from New York (Mr. CONABLE) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, since 1972, the world price of crude oil has increased from just over $3 per barrel to over $20 per barrel. President Carter's decision to phase out oil price controls will allow domestic oil producers and royalty owners to receive these extraordinary prices, which are far above what they anticipated when they drilled their wells. After decontrol, producers will also benefit from any future price increases, whether caused by the OPEC cartel or simply by supply and demand.

For these reasons, President Carter asked Congress to enact a windfall profit tax to give the American people a fair share of the revenues from decontrol and future increases in world oil prices. He recommends that the revenues be put in a trust fund and used to solve the energy problem. This bill, H.R. 3919, represents the Ways and Means Committee's response to the President's recommendation.

The windfall profit tax is an excise, or severance, tax on domestic crude oil producers and royalty owners. The tax will not raise prices to consumers. Decontrol and OPEC will raise prices; the tax will simply capture for the Treasury a fair portion of the windfall profit.

The numbers involved in these windfalls are staggering. Even if we ignore the OPEC price increase announced yesterday, the windfall profits of domestic producers and royalty owners resulting from decontrol and from OPEC windfalls will be $17 billion in 1982 after all tax and royalty payments to Federal and State Governments. This would represent about a 100-percent increase in the after-tax profits of oil producers. Even with the committee's windfall profit tax, producers and royalty owners will receive an increase in after-tax income of $7 billion, about a 50-percent increase in profits.

The committee has tried to balance the need for revenue for the energy trust fund with the desirability of not discouraging production. The bill does this by imposing higher taxes on old oil and by easing the burden on newly discovered oil and oil produced with tertiary recovery techniques, the categories where production can be expected to increase in response to higher prices.

Let me describe the tax in more detail.

The windfall profit tax is imposed on domestic producers and royalty owners. Royalties received by State or local governments or by public educational institutions are exempt if the proceeds are used for public education. Also, oil produced north of the Arctic Circle in Alaska, other than from the North Slope reservoir now in production, is also exempt.

All nonexempt oil is taxed in one of three tiers. The basic tax structure is the same for each tier. Producers start with the actual selling price of the oil and subtract an adjusted base price to compute the windfall profit. They then subtract the additional severance taxes paid on the windfall profit and pay a windfall profit tax equal to 70 percent of the difference.

The three tiers of the tax differ only in the base price used to measure windfall profits. For tier 1, the base price is the lower tier ceiling price under price controls in May 1979, which averaged around $6 per barrel. For tier 2, the base price is the May 1979 upper tier ceiling price, which averaged about $13 per barrel. For tier 3, the base price is the price at which oil from the property would sell if the landed price of imported crude oil were $16. A schedule of tier 3 base prices is to be published by the Secretary of the Treasury for various classifications of oil. All base prices will be adjusted for inflation.

The oil included in tier one is oil which would have been controlled as old oil if pre-June 1979 price control regulations were continued but which receives a higher price under the decontrol program. This is oil discovered before 1973 when the price was $3 per barrel.

Specifically, the oil taxed in tier 1 is oil produced on a property below the amount represented by a decline curve. The producer will calculate his decline curve by taking his average daily production of old oil on the property for the 6 months ending in March 1979 and reducing this base by 1½ percent per month. This decline curve will reach zero by July 1984 at which time tier 1 will entirely phase out and all the oil in it will have moved to tier 2.

The use of a decline curve to phase out tier 1 means that increases in production which may result from new drilling, secondary recovery or other methods will be taxed in tier 2, not tier 1. Thus, even though the tier 1 tax raises a lot of revenue, it should not discourage producers from making investments which increase their production.

The oil in tier 2 of the tax includes oil which was controlled as upper tier or new oil under the pre-June 1979 price controls, as well as tier 1 oil released to tier 2 by virtue of the 1½ percent decline curve. Also this tier includes oil released from the lower tier of price controls to the upper tier to provide front-end financing for tertiary recovery projects.

The oil in tier 3 includes stripper oil (oil on properties where the average daily production is 10 barrels or less), incremental production from tertiary recovery, newly discovered oil and Alaskan oil.

In order to provide the appropriate production incentives, the bill provides special rules for newly discovered oil, incremental production resulting from tertiary recovery, and Alaskan oil.

Newly discovered oil is the category where production is most likely to respond to higher prices. The base price for newly discovered oil is $17, not $16, and the inflation adjustment equals the actual rate of inflation plus a 2-percent "kicker." Finally, the tax rate on the first $9 of windfall profit on newly discovered oil is 50 percent, not 70 percent, and this $9 is adjusted for inflation plus the 2-percent "kicker." Windfall profits taxed at a 50-percent rate, however, do not get the benefit of the severance tax deduction.

Another area where oil production can be expected to respond to higher prices is tertiary recovery. Incremental production resulting from tertiary recovery is taxed in tier 3 under the committee's bill. The bill greatly expands the amount of tertiary oil eligible for tier 3 compared to what the administration originally proposed. First, instead of requiring all tertiary projects to be approved in advance by the Department of Energy or the Treasury Department, the bill allows the producer to certify his own tertiary projects, subject to IRS audit. This will greatly reduce redtape. Second, to determine how much incremental production results from the tertiary project and therefore is eligible for tier 3, the committee bill uses a statutory 2½-percent decline curve rather than requiring a case-by-case determination of what each property would have produced in the absence of the tertiary project.

The administration had proposed to exempt all North Slope oil in Alaska. The committee bill, however, taxes the existing reservoir on the North Slope which was in production last year at a price of $5.22 per barrel. The tax on this oil will be 50 percent of price increases above $7.50 with some special adjustments to take account of Alaska's special circumstances. All other Alaskan reservoirs north of the Arctic Circle are exempt—both the other reservoirs in Prudhoe Bay which have been discovered but which have not yet been developed and all newly discovered Alaskan oil. This carefully structured Alaskan tax will not discourage production.

A major concern of the committee was making sure that the windfall profit tax did not cause producers to shut down high-cost properties, which has been a problem under price controls. The administration proposed giving special treatment to marginal properties, defined according to well depth and average daily production. This would have moved 25 percent of tier 1 oil into tier 2. The committee rejected this approach and instead put in a limit on the taxable windfall profit from any property equal to 100 percent of the net income from the property. This prevents the tax from ever exceeding more than 70 percent of a property's net income and will make sure that the tax does not cause the abandonment of high-cost properties.

There are several interactions between the windfall profit tax and the income tax. The windfall profit tax is deductible under the income tax. Also, percentage depletion is not allowed on the gross income considered to be a windfall profit.

The effective date of the tax is January 1, 1980. In addition, the bill requires an administration study of both decontrol and the windfall tax by 1983.

The revenues from the tax are put into an energy trust fund. This bill says nothing about the purposes for which money may be spent from the trust fund. That will be determined in future legislation.

Even if we do not take account of the OPEC price increase announced today, the committee's windfall profit tax will raise $2.8 billion in calendar year 1980, $5.7 billion in 1981, and $7.1 billion in 1982. Today's price increases by OPEC will increase these estimates by about $1 billion in 1980 and $4 billion in 1982. After that, the revenue declines. In the early years of the tax, the committee's bill raises more revenue than the administration's original proposal—$1.2 billion more in 1980, $1.8 billion more in 1981, and $2 billion more in 1982. However, by the late 1980's the committee's bill falls behind the administration's proposal because it imposes a lighter burden on newly discovered oil, which becomes an increasingly large share of the total production.

☐ 1130

Mr. Chairman, what happened yesterday has further underscored the necessity for a strong windfall tax, and I think has been a total justification for the committee action in moving toward a 70-percent tax. In our assumptions on revenue, we had assumed an $18 world price. The action taken yesterday by the OPEC nations is going to result in a world price starting next month, starting in July, of about $21.50 to $22. This dramatically increases the amount of revenue to be received by the oil companies from decontrol. It totally underscores the necessity for adopting the committee bill.

I think that as of the day before yesterday, one might have made some case for the Jones-Moore substitute proposal, but the action by the OPEC nations yesterday gave the oil companies everything that the Moore-Jones proposal would give them. So, I think as of today, after that action, I would strongly urge the Members to stay with the committee bill because it is the right bill, it is a fair bill.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I asked the distinguished chairman to yield for a question. Did I understand correctly, he said this was not a tax on windfall profits?

Mr. ULLMAN. This does go to the windfall profits that the oil companies will get from decontrol, but the mechanism of the tax is not an excess profits tax. The mechanism is an excise tax, a severance tax, the kind that the gentleman is familiar with.

Mr. GONZALEZ. That is the reason I was asking the question, because I thought I understood the gentleman to say that this was not a tax on the windfall profits; it was a severance tax, which obviously it is, but he said it was on domestic production. Does that mean that this bill exempts the foreign production from the tax?

Mr. ULLMAN. The foreign production is not involved in this bill at all. It only goes to domestic production. That is the only place where we have had any price control. The whole concept of decontrol is to get out from under price controls. That has been a domestic problem. The windfall profit only applies to those domestic profits the companies will get. The mechanism, though, is not in the income tax system; it is a per barrel severance tax.

☐ 1140

Mr. GONZALEZ. I hate to be hardheaded about it, but I do not understand. Either the tax is directed to the windfall profits or it is not, and I do not understand because the gentleman said it was not to begin with.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. I yield myself 5 additional minutes.

I do not know how I can better say it except to repeat what I have said, that it does go to the windfall profits issue. It does take from the oil companies part of those windfall profits, but it takes it in the form of a severance tax on oil on the differential between the old price and the new price.

Mr. BADHAM. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I would be happy to yield to the gentleman from California.

Mr. BADHAM. I thank the gentleman for yielding.

I would like to ask the distinguished chairman of the Committee on Ways and Means, in his colloquy with the distinguished gentleman from Texas (Mr. GONZALEZ) who asked, "If it is really not a windfall profit tax, what is it?" the distinguished chairman replied. "It is a severance tax or an excise tax." My inquiry of the gentleman is why on earth do you call this the Crude Oil Windfall Profit Tax Act of 1979 when, indeed, it is a severance tax on domestic oil production? And then the gentleman says we are being misunderstood or misled. If the gentleman will explain why the title of the bill is not really what the bill is, that might help some of the Members.

Mr. ULLMAN. We are dealing with the windfall profit that is accruing, but the mechanism we are using is an excise tax and not an income tax.

Mr. BADHAM. I thank the gentleman. I am sure that makes it all very clear to the American people.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from West Virginia.

Mr. SLACK. I thank the gentleman for yielding. My question, Mr. Chairman, does not relate to the tax but rather to the trust fund. On page 2 of the summary of the report accompanying this bill it says, and I quote:

> Revenues from the tax will be placed in an energy trust fund, which will finance spending on programs to solve the energy problem.

Then I move over to page 8, and it says that:

> Spending from the trust fund will require future legislation to specify the precise purposes of the trust fund and then the usual authorization and appropriations bills.

I have two questions I would like to propound to the Chairman. No. 1: Why are we not considering a trust fund today? And, second, how can I be assured that this trust fund will be used for the development of energy rather than social programs?

Mr. ULLMAN. Let me say to the gentleman that we would not have a bill today—we probably would not have a bill before the August recess—if we took all parts of the administration's energy program and lumped them together. The President's proposals are being handled in three separate packages. This is a crude oil tax. This is what has to go in place in order to assure the American people that that windfall does not accrue to the oil companies and that, indeed, we begin using it for energy production in a way that will develop new sources. The second part of the package is going to deal with foreign tax credits, a very difficult, complex area which is controversial. The caucus acted on it without really understanding the format. We have had special hearings. We will be marking that bill up very shortly. We will bring to the Congress a responsible bill on foreign tax credits.

Then the third phase involves three things. It involves the problem on how to give some relief to the poor. There are various ways of doing it. It is going to take some time to work it out. I favor doing it in the income tax system rather than a special rebate system out of the trust fund or doing it in the welfare system.

The second part of the third phase will include energy tax credits. There has been a great deal of interest in tax credits for wood-burning stoves and for oil shale and other energy-related areas. It is going to take a good bit of time to work that out.

The third part of the package is going to allocate the trust fund so that the committees of Congress can work within that allocation to develop programs that can involve new energy sources. It is our purpose, I want the gentleman to clearly understand—he is a member of the Committee on Appropriations—to have these funds come under the regular authorization and appropriation process in the Congress. I want to state that publicly and clearly, and I have said it time and again. That will be our purpose, but we will have to consider an allocation mechanism so that, indeed, the various committees can begin working.

Mr. SLACK. I thank the chairman very much.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding. As the chairman of the committee who wrote this bill, maybe the gentleman can clarify something that I have heard. I understand that this tax will not be paid or will not affect in any way the major oil companies, Exxon, Shell, Mobil, and so on. This is actually a tax at the wellhead per barred on the oil that is coming out of the ground. It does not have anything to do with the oil companies, the majors.

Mr. ULLMAN. The majors produce most of the oil. There has been some misconception about that. The majors produce about 80 to 85 percent of the oil, according to my recollection. The so-called independents discover a lot of oil. They are out there drilling for new wells, but of the actual oil that we get that comes through the wellhead, 80 to 85 percent of it is produced by the majors and 15 to 20 percent of it by the independents. Therefore, the majors are going to pay most of the tax.

Mr. MICA. I have been told that there are some 10,000 independent oil rigs and that the number of rigs goes down every year, and that in effect this would continue if this were put in place to cause this number to go down, and that flies in the face of the oil companies owning them. Do the oil companies own these 10,000 independents?

Mr. ULLMAN. Most of the oil-drilling rigs are being operated by these so-called independents, particularly those that are out trying to discover new wells. Therefore, we give a lot of special incentives to independents. They have a depletion alowance and the majors do not have a depletion allowance. Both majors and independents can write off their intangible drilling costs, and they can totally write off the cost of a well that does not produce. And so we have attempted in the law to deal with the independents and other oil drillers to give them special incentives. Eighty or eighty-five percent of that production comes through the wellheads of the major oil companies, so the tax is going to heavily impact them.

Mr. MICA. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

If I can refer the gentleman to his statement a few minutes ago regarding the foreign tax credit, I believe the gentleman said that the caucus had acted on that matter. I think the gentleman meant to say the House in the budget resolution had acted on that matter.

Mr. ULLMAN. I apologize, and I thank the gentleman, the chairman of the caucus, for correcting me. The gentleman is absolutely right.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

Will the gentleman just clarify one thing? Did the chairman of the committee say that the majority of the oil and gas produced in this country is produced by the majors, not by the independents? Is that what the gentleman said?

Mr. ULLMAN. The oil that is actually being produced—that which goes into the pipelines—is owned by the major oil companies in most part. The independents do a lot of the exploration and drilling. They find a lot of the new oil, and that is why we give them special incentives because they go out at tremendous risk of capital and do a lot of drilling in faraway places. But the major oil companies do control and own about—I think the number is 80 to 85 percent of all of the oil.

☐ 1150

Mr. EDWARDS of Oklahoma. You are saying the majors control and own it because they are the people who buy it from the independents who discover it, produce it, and so forth?

Mr. ULLMAN. That is the way it works. The independents discover it, the majors buy it.

Mr. EDWARDS of Oklahoma. I appreciate the clarification. I will tell the gentleman the majority of oil and gas the people in this Chamber depend upon comes from the independents and not the majors.

Mr. DUNCAN of Tennessee. Mr. Chairman, will the gentleman yield to me?

● Mr. ULLMAN. I yield to the gentleman from Tennessee.

Mr. DUNCAN of Tennessee. When you say 85 percent of the oil is produced by the majors are you referring to old oil and not all oil?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ULLMAN. Mr. Chairman, I yield myself an additional 5 minutes.

I will inform the gentleman the number may not be exactly 85 percent but it is in that vicinity and it includes all oil. It includes all oil.

Mr. DUNCAN of Tennessee. I have been given the wrong information. I thank the gentleman for yielding.

Mr. ROBERTS. Mr. Chairman, would the gentleman yield for a question?

Mr. ULLMAN. I yield to my friend from Texas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding. I am sure he did not mean one thing he said. He said the majors own 85 percent of the oil. The royalty owner and the land owner own 12½ percent so it would be impossible for them to own the balance.

Mr. ULLMAN. Other than the royalty owner's share.

Mr. ROBERTS. I was pleased, because I think this is the first time anyone has mentioned the fact that the landowner or the royalty owner owns one-eighth of the oil. The gentleman mentioned that this morning and I appreciate that very much.

Mr. ULLMAN. That is exactly right. Other than that owned by the landowner and the royalty owner the figures will stand.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield to me?

Mr. ULLMAN. Briefly.

Mr. LAGOMARSINO. A moment ago the chairman engaged in a colloquy with the gentleman from Oklahoma (Mr. EDWARDS) about the role of independent oil companies vis-a-vis the major oil companies.

To complete the record so that the House might be well aware of the role of the independent oil companies, I would like to point out that figures produced by the American Association of Petroleum Geologists show that of wildcat wells drilled—this is where people go out and take the risk to find new oil—89.2 percent were drilled by independents, only 10.8 by major companies.

With regard to new fields found, major companies found 25 percent—it is obvious that the larger figure there over the previous figure is undoubtedly due to the fact that the majors are able to explore some of the offshore areas and others where major capital investments are required. Even there independents found 75 percent of the new fields.

When you talk about oil and gas reserves discovered you find major oil companies discovered 42.6 percent and independents 53.8 percent.

Mr. ULLMAN. I thank the gentleman. I agree the independents make a great contribution in finding the new oil in the country.

The figures I have stated still stand.

Mr. Chairman, the committee's bill is a balanced package, carefully weighing the need for production incentives and the need for revenue to finance the major programs needed to develop alternative energy sources, such as those in the synfuels bill agreed to on Tuesday. I hope the House will neither strengthen nor weaken the committee's bill and upset this balance. I urge the House to enact this critical legislation.

Mr. CONABLE. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Louisiana (Mr. MOORE), a gentleman who has spent a great deal of time on the subject and who would like to open our debate for the minority.

Mr. MOORE. Mr. Chairman, from what I can tell this is a very unusual tax. Perhaps this is the first time we have ever passed a tax like this and certainly it is the first time in peacetime.

When the President sent this unusual tax bill to the House of Representatives, there was a balance in his proposed program, a balance between decontrol which raises the prices of oil, the idea being to flow through to the oil industry some additional revenues to increase our production of oil in this country, and a tax, a tax that would see to it that perhaps any excessive profits would go into a fund to help the people of this Nation. However, he had a balance. He had a balance between production incentives and tax revenues.

I submit that the bill presented to this House today by the Committee on Ways and Means destroys this balance. A substitute needs to be adopted on the House floor to restore the balance that the President intended.

The people in my district are no different from the people in any of your districts. We do not produce oil and gas in my district in any appreciable quantity. Our people want more energy. Perhaps they want a tax, thinking a tax is something that would be fair due to the new profits the oil industry will make, but even above that tax they want more energy. I think that is the key. A balance is needed between more energy and a tax which the people might think is necessary but fair.

☐ 1200

The object here today is not to defend the oil industry, and not to give them increased profits they do not deserve. The object is to strike that balance between what is needed to produce more energy in this Nation and what is needed to be fair. The object is more energy for our consumers and for our Nation's economy, not defending or protecting the oil industry. I submit that if the Ways and Means bill is passed in its present form, what we have done through deregulation of oil is raised the price of every product made from crude oil to the American consumer; but by virtue of this too heavy a tax, destroyed the incentive to produce any additional energy.

So basically all the people will have to show for this entire exercise will be a new tax, no additional energy. That is not what the people want.

In our committee hearings, we had testimony from the Secretary of Energy, the Secretary of the Treasury, and from the Chief of the President's Council of Economic Advisers, all of whom indicated that by virtue of the President's bill, there would be an increase in production of oil in this country on the low side or the conservative side of about 700,000 to 740,000 barrels a day. This is the prediction they make due to decontrol giving a price incentive to produce more energy.

History shows that this price response has been true in the past, and that their prediction is probably accurate for the future.

I have several charts which I hope will demonstrate these points. The first chart very clearly shows that as the price of oil began to go up in 1973 indicated by the blue line, the amount of exploration in this country went up even higher as indicated by the red line. The point is that as the price for oil went up, there was a direct response of people going out and looking for more oil in this country.

The next chart shows that as a result of this looking for additional energy, there was, in fact, additional production of energy. As you see from the green line, this is what production would have been if there had not been any price increase. The blue line shows what production would have been at the increased price in 1973, and the red line shows the actual production as a result of oil price increases since 1973.

What this chart shows is that today we are producing about 2½ million barrels of oil a day more than we would have produced if there would not have been the price increases since 1973. So increased price does lead to additional exploration and additional exploration to additional production. This has been the history since 1973. This supports the projection of the administration for the future.

The next chart indicates that the reaction of the independents and the majors has been roughly the same. As you can see by these two lines, the orange line being the independents, the green being the 29 largest oil companies, as the price of oil went up since 1973, their action in looking for more oil and gas went up and closely paralleled one another. The price response was equal, essentially, in both large and small producers.

The next chart answers a question that has been raised as to whether or not there would be any available oil drilling equipment to find additional oil should we get the price response that the administration says we will and the history of looking for oil says we have. This chart plainly shows that drilling equipment is available and will be available. It responds to demand, just as anything else does.

In 1972 and 1973 before the price of oil began to go up, you can see that the availability of oilfield equipment was basically static.

Then suddenly in 1973 and 1974, as the price of oil went up and as drilling went up, as I showed on a prior chart, this chart shows the amount of drilling equipment also went up dramatically.

As a matter of fact, the available drilling equipment went up 61 percent during that time period.

The price of oil went up 71 percent in that same time period. There is a direct correlation between the price of oil and the amount of drilling equipment that will be available to explore and produce the oil in answer to the price response.

The next chart shows that there is a direct response in employment and in growth of the GNP and the availability of energy. Some people have said, "Why go find any more oil? Why not just produce the same amount of oil as at present?"

This chart shows that there is a direct connection between employment, growth in our GNP and the availability of energy. If we have the energy to use, albeit we must also conserve, we will see a continued rise in employment and a continued rise in the growth of our Nation's economic sector.

The next chart shows that there has been a disproportionate increase in the cost of finding and producing oil as compared to the increase in the price of oil. The blue line shows that crude oil prices are up in the time period from 1956 to 1978 about 34 percent in terms of the increase in rise.

The chart shows that in the same time period the increase in the cost of drilling a well to look for that oil went up 89 percent.

The point I am making is that it costs more to produce oil today than it ever has and that cost is going up disproportionately to the price of the product. It is becoming more expensive to find what oil is left, but we still have to find it as a part of the solution to our energy problem.

The next chart shows that there is a disturbing trend taking place in the oil industry. This chart, prepared by the Chase Manhattan Bank studying the 27 largest oil companes, shows that the net income has gone up over the last few years, as shown by the green line; but that their capital expenditures looking for oil and gas in this country have gone up disproportionately; the point being that the spending to look for oil and gas is growing at an alarming rate over the amount of money the oil companies are making when they find it and sell it.

The next chart shows that this trend in relation to dividends, net income, capital expenditures, and long-term debt, has the same results. Since 1976 through 1978, the dividends paid the shareholders in these oil companies maintained a relatively stable rate. We see that income is going up. But we also see that capital expenditures are going up disproportionately to the amount of income being earned by the companies; and even more disturbing, we see that the long-term debt, the money that these companies are having to borrow to find this oil and gas, is going up at a more disproportionate rate still.

Secretary of the Treasury Blumenthal has stated in the past that this trend in American industry, this growing gap between net income and long-term debt is, in his exact words, "disquieting," meaning it is disturbing. This is not healthy. We do not want American industry to have to borrow more and more money and have the debt ratio worsen every year as compared to the amount of income they are bringing in. That is not a healthy trend.

The next chart shows that the oil industry over the next 4 years in order to produce the oil that we think decontrol will make possible will have to raise a great deal of money. At the present time the oil industry is spending about $30.5 billion a year and has on the average for the last 4 years. They are going to need, according to a study by the Bankers Trust Co., about $36.8 billion a year for the next 3 years to find the oil that we are looking for as a price response to decontrol.

In the past the oil industry has usually generated internally the funds it needed to find and produce oil and gas. This amounts to $25.8 billion that they are expected to generate internally over the next 3 to 4 years. These internal funds come from their profits, from their earnings, depreciation, depletion allowance, amortization, and all of the things that leave cash in the cash flow of the industry to finance exploration and production.

The point I am trying to establish is this: As you can see on the chart there is a big difference in the capital they are going to need, and the capital they are going to have—a $9 billion difference.

Now, the President's bill allowed the oil industry $2 billion a year on top of what they are already going to generate. This was the vast sum that the chairman of our committee spoke of a moment ago. It amounts to only $2 billion that the oil industry is going to be allowed to keep.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. MOORE) has expired.

Mr. CONABLE. Mr. Chairman, I yield 5 additional minutes to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, if we even gave the oil industry the entire windfall profit, as it has been called, there would still only be an additional $1.3 billion a year, all of which is far short of the funds they are going to need.

What this boils down to is that the oil industry over these next years is going to have to go into the capital market to borrow $9 billion a year to finance this exploration that we hope will take place. That is more than they have ever borrowed before. That is going to put increased pressure on the capital market.

As a result some small businessmen are going to get crowded out of the capital or loan market, because they cannot compete with these companies.

What it is also going to boil down to is the fact that there is going to be a higher interest rate due to increased pressure by this increased borrowing. This has been substantiated in information I have received by Dr. Richard Rahn, who is executive director of the American Council for Capital Formation.

Under the Ways and Means bill, this picture is much worse. By virtue of the fact that the Ways and Means bill raises more taxes than the President's bill, we are not now talking about $9 billion coming from the capital market, we are now talking about $15.7 billion out of the capital market, a tremendous increase,

$6.8 billion more than the President intended; so whatever distortion you are going to see is the availability of capital, whatever pressure for upward interest rates we are going to see by virtue of this increased borrowing is just that many times worse under the Ways and Means bill.

The next chart is in answer to questions we have heard as to what guarantee do we have that the oil industry will use these additional funds to produce additional oil and gas?

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We have limited figures, but this chart shows that the top 27 oil companies in a study done by the Chase Manhattan Bank over the last 10 years have spent 93.2 percent of all their capital expenditures in petroleum. That is 93.2 percent, far more than most industries spend in their principal income. Of the 6.8 percent that is not going into petroleum, some of that is going into other forms of energy such as coal liquification and gasification. Therefore, only a very small fraction of their spending has been nonenergy related.

The point I am making is that the history of the industry has been that it will use additional funds to look for more energy.

The next two charts I would like to show basically try to show the difference between the substitute that will be introduced by myself, the gentleman from Oklahoma (Mr. JONES), the gentleman from Nevada (Mr. SANTINI), and the gentleman from Ohio (Mr. BROWN) and the other proposals. This is known as the Moore-Jones-Brown-Santini substitute.

This substitute strikes a bipartisan balance, a bipartisan compromise, between the President's bill and what the Committee on Ways and Means has offered. It returns to the incentive of production.

As we can see, these are the differences in revenues: $29.1 billion by the Ways and Means bill, $23.2 by the Jones-Moore substitute; and $21.1 billion by the administration's bill. It raises $2.1 billion more than even the President intended, but about $6 billion less than the Ways and Means bill.

The next chart shows, most importantly, the item of production. As best we can determine, with no tax we would be getting about 1.5 million barrels a day more oil, with the Jones-Moore substitute 800,000 more barrels, and with the administration bill 700,000 to 740,000 additional barrels of oil.

But look at this. With the Ways and Means bill we would get only 350,000 barrels a day additional production.

That is where the balance has been destroyed in the President's proposition. This is what must be rectified. We have got to return to a higher production incentive plan, at the same time maintaining this tax goal or balance.

The chairman of the committee said that the OPEC increase yesterday negated the need for the Jones-Moore substitute. I submit quite the contrary. Oil companies generally buy their oil from the OPEC countries. They do not necessarily share in that price increase at all. They pay that cost. They pay that cost to the OPEC countries. The OPEC countries are the ones who get the gain out of a price increase.

But even if there was some increase for these companies, we are striving to stimulate additional production in this country, not additional dependence on OPEC oil. The addition of more production in this country is important, and that is what the poeple want. They may want a tax, but, more importantly, they want additional production.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the chairman of the committee.

Mr. ULLMAN. Mr. Chairman, I would not like the gentleman to leave the impression that the figures he is throwing out are sacrosanct and that everybody accepts them. I guess they are like a lot of estimates; they are numbers we pick out of a hat.

I do not know who picked these numbers out of a hat, but I know that DOE has totally different figures. DOE says that decontrol would produce a billion barrels, the committee bill would produce 950,000, and the administration proposal would produce 800,000.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. MOORE) has expired.

Mr. CONABLE. Mr. Chairman, I yield 1 additional minute to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Chairman, in answer to the question asked by the committee chairman, I would point out that these figures were taken as a composite of what we have received from many sources, including the figures we got from DOE, API, and IPAA. They are conservative figures, prepared by the minority staff of the Ways and Means and Interstate and Foreign Commerce Committees. They run all the way through, and they show very clearly the differences in production between the various bills. The proposal of the Committee on Ways and Means cannot possibly produce more oil than the Moore-Jones substitute, and even the President's bill leaves less new production.

Mr. ULLMAN. Mr. Chairman, I do not accept the gentleman's figures.

Mr. MOORE. I thank the chairman of the committee, and I would say I do not accept his figures. I believe that our figures are more accurate.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we know that many of the advocates of this bill said originally that increased revenue has nothing to do with increased production of oil. That is what was said, was it not?

Mr. MOORE. Mr. Chairman, I agree with the gentleman. We are trying to restore the balance that was originally intended.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, it seems to me that the gentleman has a great point for no tax at all. Why are we not now pushing, No. 1 for no tax rather than any of these alternatives?

Mr. MOORE. Mr. Chairman, the gentleman will have that opportunity on final passage.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. MOORE) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Chairman, I thank the chairman of the committee for yielding me this limited time.

I do not make many speeches in the House, so I wish all the Members would listen to this one. Most people pay large honorariums to hear them, and the Members are getting this one free.

I may be the only expert on this issue who has not had something to say about it. All through our committee deliberations I only listened and voted.

I think my good friend, the gentleman from Louisiana (Mr. MOORE) has a good point when he attacks the fact, the real fact, that this piece of legislation is not going to create any energy. I think we should have heard that for the last time today, because it is the truth. The Committee on Ways and Means was not designed to create any energy.

This tax is a response to the outcry of the past 2 or 3 years from the oil industry for decontrol. We acted. Then the President acted to allow the one thing we have been told would create energy—decontrol.

There was a huge hue and cry by the interests of my good friends from the Northeast and by so-called consumer representatives around here that the oil companies were going to get big windfall profits, and so the Committee on Ways and Means in its wisdom and through the procedures of this House was called upon to tax, to do something about what was about to be a huge consumer ripoff and to recapture some of that money for the Treasury of the United States.

That is why we are here. The question is not whether or not the gentleman from Louisiana (Mr. MOORE) is going to have a windfall profits tax. The Members know that as well as I. I think it is astounding that he is here today asking for only a 60-percent tax. The committee said it should be 70 percent, and some others said 85 percent. I think the other body will get it back more in the area the gentleman is talking about before we are through.

So the issue today is not creation of energy. We are responding to something we were told would create energy, and that is decontrol. I support decontrol. I also support the fact that the Treasury of this country and the people should be the beneficiaries of at least part of the vast unearned profit that is going to derive from that decontrol.

How much should it be? That has been the question asked by the committee that struggled with this. Seventy percent to me is about right. That leaves 30 percent of literally billions of dollars of unearned money around. That is a benefit of decontrol that is going to solve our energy problem, stimulate our exploration and get everybody to digging new holes in the ground and pouring oil into these empty tanks.

Funny things happen to us. I was in a gas line the other day for an hour-and-a-half trying to get to work. It took me an hour-and-a-half to get a tank of high-priced gasoline, and I was glad to get it, because I really do not like to ride the bus.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. HOLLAND) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Chairman, to continue, I got to my office 30 minutes late, and I kept two gentlemen waiting for an appointment. I apologized to them profusely. They were representatives of one of the major oil companies in America. So they learned a lesson about timing in their lobby. I think it is the wrong time for the oil industry to be asking for even more. The President has taken a step that was not popular, and we are taking a step as a committee that is not popular—the imposition of a tax.

I do not want to see this House today get caught in this particular instant in history. The stimulation process has taken place. We voted to decontrol. This tax is going to be imposed at some level. We should be thinking about the next step, and that is what the people of this country are looking for. The next step is: What do we use all this money for?

I am not wedded to any concept I have heard, but I think if we do not use the money derived from this tax wisely, it could be a serious matter. This is a profit to the Treasury, and it is a profit to the oil companies arising out of decontrol. It is a cost to the consumers of this country, and our next challenge is to use the money wisely.

Mr. Chairman, the next serious matter is what we do with the proceeds of this tax. I think we should use it to try to solve the problem of energy.

I urge the rejection of both amendments and the passage of the good, logical, balanced, and evenhanded bill from the Ways and Means Committee which we have before us today.

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Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, even after listening to my distinguished neighbor, the gentleman from South Carolina, I have to say to the Members that I still find the analysis of the gentleman from Louisiana most persuasive, and it is because of such a factual situation as he has set forth that I oppose in its present form H.R. 3919, the crude oil windfall profits excise severance tax with its undesignated redistribution equation—alias COWPESTURE.

Mr. Chairman, before we adopt this punitive, "whip the assets" of big oil, windfall profits tax, let us examine what a windfall is. I take my text from page 2619 of Webster's Third New International Dictionary over there at the Speaker's desk. The definition of a "windfall" you will find most enlightening, and I would ask my colleagues to listen to this.

The first definition of a "windfall": "Something that is blown down by the wind."

The second definition: "Fruit blown off a tree." Aha!

And the third more familiar definition: "An unexpected or sudden gain or advantage."

What is this we are about to tax? Is it an unexpected or sudden gain or advantage? If so, do we slap a confiscatory, punitive 70-percent tax on every such gain? Do we?

Is there a 70-percent tax on unexpected gifts or inheritance? No, of course not.

Is there a 70-percent tax on bingo or winning the Maryland State lottery? No, indeed.

Is there a 70-percent tax on hoola hoops, frisbees, network television, or other unexpected, suddenly profitable business enterprises? Surely not. No, it is not our American way to confiscate an unexpected or sudden gain or advantage. Yet, here we are considering just so severe a tax on oil windfall profits.

Is it because Webster's first two definitions apply? Are we proposing to tax the oil windfall, because it is "something that is blown down by the wind?" By the wind in this Chamber, perhaps? By the winds of change or impatience? Or is it the "fruit blown off a tree" that we here seek to capture for the benefit not of the oil production capacity in this country, but for the windfall benefit of Government?

Webster gives us reason, then, to reexamine our motives.

Let us look closer to why the oil earnings are seen so covetously by Government as a windfall. For years Government has limited the price of oil produced in this country, under the popular illusion that this would protect our consumers from paying higher prices. Well, in fact, consumers have not been protected, but have had to pay rapidly rising prices to foreign oil producers upon whom we have become increasingly dependent. This policy has failed its purpose and, like Government intrusions elsewhere, has produced a shortage of supply produced in this country.

Ironically, many of our people and our colleagues in this Chamber believe that the answer to this is to pile on more regulations, not less, until finally the "fruit is blown off the tree" and they have to nationalize oil. That is troubling.

President Carter, on the other hand, after an intervening period of opposition to deregulation, has now returned to his earlier position of favoring it, which, as you recall, was a politically successful advocacy at the time. So now he is moving to phase out the regulation so as to let us pay American producers at least as much as we pay foreign producers.

So where is the windfall? The windfall, my colleagues, is the sudden, unexpected turnabout of the President to allow American oil companies, large and small, to begin earning profits which they have been heretofore denied solely by the earlier action of their Government. What the Government taketh away the Government is about to giveth back, on paper, so that the Government can taketh it away yet again, even unto the tertiary recovery, as though it were a windfall—"fruit blown off a tree;" "something that is blown down by the wind"—so that our people will pay more for domestic oil, but they will not get more oil. They will only get more Government.

What we are considering, then, Mr. Chairman, in reality, is, by definition, an oil-profit tax windfall. It is our way of telling the American people they need to pay more for gasoline and heating oil, not because this Congress thinks they need more oil, but because the majority here thinks they need more Government.

Some windfall.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, the windfall of oil profits created by decontrol can easily be measured. As we see prices increase, an increase at the pump of 1 penny per gallon increases the revenues of oil companies by $1 billion, translated for the entire country.

Since the first of this year, the American people have been suffering an increase in price for gasoline at a rate of $25 billion on an annual basis. We have just received word now that the OPEC nations have decided to help us along with windfalls by their own windfall plan. Apparently the Saudi price will be in the neighborhood of $18 a barrel or $19.50 landed in America. The average for the imported oil in America will rise to $22 or $23 per barrel. It means that next week we get a 5-cent increase at the gas pump on the increased price. Of course, those people who handle oil probably have a lot of it in transit at the old price, but they are going to charge us the new price. And when decontrol is fully implemented, it will add another 5 cents. So you can see where we are going.

I have no figures how much the OPEC action is going to affect the windfall in America, because it does have an effect here. And on top of that, I have no figures which tell how much of a windfall there has been in heating oil, in oil for feedstocks, for many industrial uses and for agriculture, because all of that contributes to the windfall. You can take your choice of sources of information. You can take the American Petroleum Institute, paid for and supported by the oil industry; you can take the figures that are developed in the Department of Energy—and only a few people believe those figures; or you can take the figures that are developed by the consumers who are now in a position of facing these horendous increases in the price of gasoline and who are going to find their home heating costs doubled this winter.

When the Committee on Ways and Means considered this bill, I proposed a $3 per barrel tax on all decontrolled oil, along with the tax on OPEC price increases on the new oil domestically produced. I thought this approach was better. It was simple. It is easy to calculate. You can count the barrels of consumption and, almost more important, it would have eliminated hundreds of jobs in the Department of Energy among the calculators who have almost all but lost their credibility with the Congress and the country. The Committee on Ways and Means considered my plan for about an hour, and then considered to move forward on the present approach and considerably increase the windfall tax above the President's proposal, which was a powderpuff effort to tax the windfall profits.

The committee's proposal applies the windfall tax on profits after they flow through the accounting offices of the oil companies.

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Now, there are no other accounting systems in the world that have oil industry impediments so thoroughly built in to present a flowthrough of taxes to the Treasury. On every accounting step there are barnacles that are built in by things we have done in the Tax Code to protect the oil industry of America.

The oil industry of our country is the spoiled child of American enterprise. It has been protected. It has been shielded. It has been sheltered from tax action from the time I first entered this Congress 25 years ago. In all of this time I have endeavored to get oil to pay a fair share of its profits to the Treasury. This has not been a successful effort.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Vanik) has expired.

Mr. ULLMAN. I yield 2 additional minutes to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I support the committee's proposal out of expediency. It does not lay a heavy hand on windfall taxes. It is only a moderate, gentle touch on the horrendous windfall, but it appears to be the best we can do under the urgency of trying to close the gap on horrendous windfalls resulting from decontrol which created the windfall.

The windfall tax is no substitute for reinstituting controls and reversing the President's action in decontrolling oil. As a matter of fact, the President decontrolled oil at the very moment he should have been considering imposing controls in a wider manner in those areas where prices were running rampant and wages were running without control. Now, I think the OPEC price policies and the President's action in decontrol have driven and are driving America more certainly and more quickly to a total system of wage and price controls than any other phenomenon on the American scene. I think we are going to have to reckon with that problem.

The American people today are engaged in a kind of civil war with each other. We are all trying to protect ourselves from inflation substantially created by oil prices. The man who comes to my home and puts in two television tubes charges me $68 for his visit, and so on all through the spectrum of our society. We are at war with our neighbors in trying to protect ourselves from the ravages of inflation. We are going to have to do something about it.

Inflation is making every man his neighbor's enemy, as we struggle to survive.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Vanik) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, there will be some public weeping and wailing about how the windfall tax wounds and imperils the oil industry and prevents it from looking for more energy. Do not believe it. There is plenty stashed away. They have enough profits stashed away to search all over the moon for oil.

The windfall tax we impose in the Ullman bill takes effect January 1 of next year. It does absolutely nothing about windfall profits developed between June 1, the day of decontrol to January 1, 1980, the effective date. Over a billion dollars of taxes are lost by the Government by failing to put the tax into effect the day we decontrol oil on June 1.

Mr. Chairman, the Ullman tax is a moderate windfall tax, which should be unanimously adopted by the House. The oil industry ought to be delighted to take it and run.

Now, I think the amendment that is going to be offered by the gentleman from Massachusetts (Mr. Shannon) is a good amendment. It is going to increase the Government's revenues by a billion and a half in 5 years. It simply beefs up what we did in the committee, and it is a good amendment.

The Jones-Moore amendment should be defeated. It would turn the fine work of the Ways and Means Committee into a horrible fiasco, and I hope that this committee and this House will reject the Jones-Moore amendment and will accept the Shannon amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Chairman, we have heard at great length today that this is not a windfall profit tax. I guess we all agree on that. It is quite obviously a gas tax. It is a fuel oil tax. It is going to be paid by the consumers. It is a tax on consumers.

The windfall is to the Government. That is, 70 percent of the decontrolled price would be a direct windfall to the Federal Government. Now, that is nearly $30 billion of new taxes laid on the American consumer.

If you think your constituents do not understand this, you had better go home and start talking to them.

We are giving the American people in this windfall profit tax—the Members understand we are still using that term even though we all agree that it is not an adequate term—we are giving the American people, the worst of all possible worlds.

They are going to get the higher prices through decontrol. That process, initiated by the President, is already underway. They are also going to get almost no new supplies, because the Ways and Means Committee has thoughtfully figured out a way for the Government to snatch 70 percent of the revenues, so the incentives are removed from the decontrol plan.

We have let the President say to the oil producers, "Here are some new incentives," and now we are about to take the incentive away from them through this windfall profit tax.

We cannot do much about prices. They are already decontrolled. But through this bill, we are robbing the supply potential of, what, a half million barrels a day? The figures have been questioned. There are a lot of them around.

I do not trust the Department of Energy. Neither does the Congress. But that half a million barrels is a rough average of the various estimates that, because we have overtaxed the decontrolled prices, we are going to reduce the potential supply gains.

The Wavs and Means Committee, it seems to me, is simply trying to balance the budget over the broken bodies of the American taxpaver. Savs the committee, "Never mind how much oil it brings in, how much revenue does it bring in?" If Congress can get its hands deep enough in the pockets of taxpayers, it will not have to save any money by cutting spending.

It is esoecially tough. this new tax, on the middle-income folks, who are the ones who are heavy energy consumers, simply because they work and because they have families. Those facts makes them heavy taxpayers and the committee bill.

Mr. Chairman, I think the committee was very irresponsible in bringing out this bill. I believe that members of the committee simply wanted to show how tough they were on the big oil companies and wanted to tell their constituents, "Look, I am punishing these people. They are mean and nasty to you."

As a result, they took away the supply incentives.

I also think our committee was legislating with speculative intent, because thev feared the other bodv, and specificallv one of its prominent chairmen, would reduce this tax.

I think legislating in a speculative way is the height of irresponsibility. Relying on another group to make our actions responsible is a bad way to treat the people's business.

I think we need a windfall profit tax. I think it is the political price we have to pay for decontrol, but to enact a windfall profit tax that is counterproductive and which takes away the supply increase incentives is a terrible mistake. We ought to have a windfall profit tax such as the President has suggested, and there ought to be a large plowback provision so that we can direct the extra money our consumers have to pay into the development of new petroleum and new energy.

We can improve on the committee's terrible mistakes by passing the Moore-Jones amendment, but in my judgment, even that amendment is insufficient, and plays, I think, a horrid trick on our taxpayers.

Mr. Chairman, the taxpayers are going to very quickly find out what we have done for them. We defeated the gas tax a couple of years ago. I am afraid we are going to pass one today, but we can save a little of it by voting for the Moore-Jones amendment.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. LUKEN. I wonder if the gentleman would agree with me that the gentleman's argument leads to the conclusion that we are making the right argument; and the gentleman from Ohio (Mr. VANIK), did, too, on the wrong issue, and that actually the Mobile Oil Co. has come up with the right answer, and that is not to decontrol old oil and to avoid the excess profits.

As the gentleman says, we are getting the worst of all possible worlds by the combination. Would the gentleman agree with me?

Mr. FRENZEL. The gentleman is at least partly right. If price is most important, then we would have been better advised not to decontrol. That is the Mobile position. However, I believe supply availability is most important, so I think it is better to decontrol and give developers the incentive to find and deliver more energy.

☐ 1240

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONABLE. Mr. Chairman, I now yield 7 minutes to the distinguished gentleman from Illinois (Mr. PHILIP M. CRANE).

Mr. PHILIP M. CRANE. Mr. Chairman, in the course of any debate here on the floor it is against House rules for any Member to speak to visitors in the gallery. It is contrary to House rules, as well, to speak to those American people who have the opportunity now to watch the debate that transpires in this body by means of the electronic medium of television.

But in a very real sense, Mr. Chairman, this whole debate is oriented toward those individuals. They are taxpayers, they are consumers, they are the ones who are going to feel the impact of what we do here today.

There happens to be a major philosophical disagreement on the two sides of the aisle in this body over the question of how we address the problems of one, shortage of supply and two, escalating prices of home heating oil and gasoline.

I was asked by a reporter recently or when I was in the great State of Louisiana, the biggest gas-producing State in the Nation, the second largest oil-producing State in the Nation, but a State where they too had station closings and where consumers could not get sufficient gasoline, whether the No. 1 issue in America today is not the cost of gasoline. I said, "Hardly." The No. 1 issue today is availability of gasoline, just as it will be the question of availability of home heating oil this fall.

What we are doing here today represents something as counterproductive as we could conceive of. I am speaking to the problems of availability of supply and escalating prices, it is important for the American people to understand that we have had controls on domestic oil and gas production in this country, and during that period of control we have witnessed the most remarkable increase in prices in our entire national experience and now shortages, too.

We must also be aware of the fact that the legislation before us addresses neither of thse two problems. What was the news this morning? We find out that the price of oil is going up another $5 a barrel and it is going to add at least another nickel to the price of a gallon of gasoline. But the more important question is are they going to simultaneously increase supply? The answer to that question is no.

What it means is we are going to witness another increase in price while simultaneously suffering from continued shortages of supply.

We have done this to ourselves. I have never quite understood why it was fair to pay an Arab, or Venezuelan, or a Nigerian $15, $20, $30, $40, $50 a barrel for his oil and tell a Texan or an Oklahoman or a Louisianan he can only make $6. For goodness sake, what are we doing to ourselves in this country? If we are going to deal with the problem we have to recognize first that this is a national security problem. Forty-seven percent of our oil is imported from unreliable, unstable sources beyond a vast ocean we can no longer keep open, and so we should look at this problem within that context first. We should further recognize that we have an abundant potential supply here at home, but we are not going to see the realization of that supply until we recognize or we have got to be at least as fair in dealing with our fellow Americans as we are with foreign producers.

Second, we should recognize that big bad oil is actually the American people. Who is big bad oil? Who owns the oil companies? Everyone who has a pension in this country owns a piece of big bad oil. Anyone who has an insurance policy owns a piece of big bad oil.

So what this bill really boils down to is nothing in the way of holding down prices and remedying the shortages we are suffering from today. It is not doing anything to reduce our dependence on foreign oil. In fact, it is a guarantee that prices will go up at a faster rate because the oil companies do not pay taxes any more than any other business pays taxes. They gather taxes. They build the taxes into the cost of the item that they are selling in the marketplace, just like they build in the cost of labor, they build in the cost of their equipment and their plants. The American consumer is the one that has to pay for these costs in the form of higher prices.

We are not holding down prices by this action and we are not guaranteeing an increase in supply. What we are doing is punishing the American consumer and we are continuing to aggravate all of the problems we are suffering under. We must recognize further that what we are creating is an astronomical windfall tax gain to the Federal Government which operates under the assumption that everything that goes on in the marketplace is at the sufferance of the Government and for the benefit of the Government. All of those individuals who risk their investment capital, all of those individuals who are trying to earn a legitimate dollar within the free market are supposed to turn the lion's share of their earnings over to this establishment here in Washington, D.C. which shared none of the risks and invested none of the labor required to accumulate the earnings.

The important thing for American taxpayers to realize is that we are providing a windfall tax gain in the neighborhood of $30 billion, as my distinguished colleague from Minnesota already indicated. That is to go into a trust fund. I would say, Mr. Chairman, that the American people ought to have had a belly full of "trust me" trust fund legislation. Trust me? Trust me to do what with that money? Is it going to solve the problem of escalating social security taxes every time we have an election year? Why are we not told? Why is this monstrous new tax not being passed on to the consumer who is going to feel an increased bite when he pays his home heating oil tax or increased prices for gasoline at the pump?

Thomas Jefferson made the observation a long time ago, and it has as much relevance to this debate as it did when he made it, that if we had to depend upon the Government to tell us when to sow and when to reap, we would soon want bread. Well, I can guarantee my colleagues that if we have to depend upon the Government to free up our creative energies and resources in this country, if the Government will tell us where and when to search for energy, and what kinds of returns on investment will be encouraged and which discouraged, then we are going to soon want not just bread, we are going to want oil, we are going to want gasoline and all the other material blessing of this life.

Oil and gas should be deregulated at once. As the President has admitted, this will increase supply. But the last thing in the world Americans need at this time is increased taxes. For that reason, this legislation should be defeated.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico (Mr. RUNNELS).

Mr. RUNNELS. Thank you, Mr. Chairman. I will try in 5 minutes to get all of us to have 20/20 hindsight, and most important, 20/20 foresight. I would also urge that each one of us, if we have a hearing problem, put on our hearing aids and listen to what is being said here today.

Some have had charts, and I do not condemn these charts. Some have had prepared speeches and I do not condemn the prepared speeches. I have no charts, I have no prepared notes. I want to talk to you from my heart. I want to talk to you as an American who cares and is concerned.

Some of my colleagues are looking at me wondering, what is he trying to say? You are looking at one of your colleagues who the good Lord struck down with a heart attack in 1971, and stands in front of you today with a half a heart. If you do not believe it, ask the House phyisician. You are looking at a man who in March a year ago had lung cancer and had a cancer operation of the lung. You are looking at a man who in March of this year, just 90 days ago, had bone cancer, so you are listening to a man who had some odds and percentages that are not in his favor.

I am trying to say to you and to the American people wake up, we are kicking the wrong dog. We are putting this noose around our own American people. Who do you think is going to pick up this tab? Is it going to be me? Is it going to be Mr. Exxon, Mr. Texaco, Mr. Shell? There is no person by that name. They are American citizens that are stockholders in those companies.

□ 1250

That is who owns big oil in America, and I think we have even forgotten how we got to the point we are at today with shortages in America. Let us roll the clock back. Let us take a good look.

We did not even have production of oil in America until 1859, and it was discovered in Pennsylvania. We did not have natural gas as we know it until 1903. I have dug those dry holes; I have dug those producers, and I am prejudiced. But, the oil industry that people are standing in the well of this House, and the blowhards down on Pennsylvania Avenue are hitting at, are hitting at the wrong people. These people have helped build the greatest Nation in the world, with 6 percent of the total population consuming 30 percent of the total energy needs in this world. But, from 1859 up until 1973, you and I—the American people—have been ripped off by the independents and the major oil companies of this Nation. Before this Congress and the President of the United States decided that they needed to have controls, you were buying ethyl for 49.9. You were getting free dishes. You were getting your windshields cleaned. You were getting air put in your tires. They were sweeping out your floorboards for 49.9 per gallon, and they were ripping you off.

I hope to heck we can get ripped off again. That is what the American people want, is to be ripped off by this big oil. Let me say that it happened in a funny way. We had a big war, World War II. Many of the Members in this room served in World War II, and the Germans ran out of fuel. We had a man named Eisenhower who was a great general, and he became President of the United States. He called big oil together and he said, "You know and I know that there is oil in the Middle East. If you will go get it, I will see that you can bring it into this Nation of ours and refine it under a system," and that is where the foreign oil started pouring into this Nation. It was President Eisenhower, who recognized that it was a depletable mineral and it was not going to last forever.

But, what happened? They started bringing that oil in, and you and I got in on a good deal. You and I got ripped off because they were only paying those sheiks $1 per barrel, and when they got it over here you and I reaped the profits of cheap energy. That has been our problem, we have had too much cheap energy in this country, but I have to hurry because I only have a few minutes.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. JENKINS. Mr. Chairman, I yield 3 additional minutes to the gentleman from New Mexico (Mr. RUNNELS).

Mr. RUNNELS. When they gave the oil companies these concessions, the sheiks said to the oil companies, "You must take so many of our young people to America and educate them" and we brought them to America and we have educated them in every college and university in America—your district, my State, your State, and everywhere.

Those young people went back home and they told their uncles and their kinfolks, "Do you know what they are doing in America? They are paying themselves $3 a barrel for their oil, and they are only giving us $1 a barrel. They are ripping us off."

So, the sheiks called the oil companies back together and said, "Wait a minute, we want the same as you are paying yourself.

So, the oil companies said, "Fine, we will pay you the $3."

That is where the foreign tax investment credit was born. But you and I got the advantage of it, and we have enjoyed it. But, what has happened in America? The OPEC leaders are no longer ignorant. They are educated, and so are your constituents, and if you think that next year when you run for reelection that you are going to be paying less for all energy. And that you and your constituents will be paying less than you are today for gasoline you are wrong.

When you pass these "windfall" excise taxes, the consumers (your constituents) are the only ones who are going to pay for it.

I say to America, we have been in the grip of the OPEC nations too long. If you want to get even with somebody, do not get even with an American, do not get even with your neighbor; get even with the OPEC nations. Why do we not pass a bill that says, "We will not buy any more oil from you"? I will tell you why; you do not have guts enough to do it, because it would bring America to its knees in 90 days. We only have half enough in the United States. We are getting half of our total energy needs from the OPEC nations, and they are going to continue to raise the price to the American consumer as long as they know we do not have enough energy in America.

They are no fools, and do not think they are. If you think $20 per barrel of oil is high today, you wait until next year, until it is $25; $30 and then higher. They only have two items to sell. That is oil and sand, and we are not buying sand; we are buying oil for our people.

I urge the Members to get the cobwebs out of their heads, get their glasses on and look 20/20; put your hearing aids on and listen, and quit listening to somebody that got scared and panicked. I am talking about when they took the price controls of and decided on an excise tax called by some a windfall profit tax to appease some people.

They said, "Now that we have taken the price controls off, we are going to have to pass a windfall profits tax."

They panicked, and carried it too far. I object to this; the American people object to it, and it is wrong. Time will prove that this is a mistake.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Chairman, I very seldom ask for time or take the floor of the House, since I have become convinced that it is to a large degree rhetoric that convinces or persuades no one. This particular bill has upset me sufficiently that I could not suppress myself.

I think this amounts to a fraud on the American people, and that is pretty strong language. I have sat here and I have listened to the distinguished chairman (Mr. ULLMAN) tell us that this tax is not going to cost the consumer anything. It is not being passed on to the consumer. I heard him say also that the profits of the oil companies are not going to be impinged, or they are going to be increased. So, we have a tax fairy. I have heard of tax theories, but I have never heard of a tax that does not cost anybody anything.

It is because of a very sleight of hand combining of two steps going in opposite directions that they can make such a statement. I think they greatly underestimate the intelligence of the American people when they attempt to do this.

First, we had the President say that we are going to decontrol oil. Why are we going to decontrol oil? We are going to decontrol oil to get more oil, to provide incentives to get oil because the controls have been suppressing the production. That is why we are doing that.

Then he says, "On the other hand, what I have just done, decontrol oil, has greatly increased the profits of the oil companies," which is why we did it, to give them the incentive.

He says, "We cannot have that, so now the Government is going to tax that away from the oil companies."

So, what do you get? You get consumers who do not get the benefit of decontrol because they do not get more production, just bigger prices. Second, there is no incentive being provided because the Government is taking it away. It makes as much sense as if the President of the United States said, "I am going to, by Presidential fiat, double the price of oil."

Now, it is doubled. "Now, I am going to take 70 percent of that additional back and put it in the Federal Treasury." So, it has not cost anybody anything. With this hand I have doubled the price, so the consumers are now paying that doubled price. The oil companies then have the windfall, and if we take only 70 percent back, the companies are making 30 percent more than they were, so that this tax does not cost us anything, the consumers pay the same, the oil companies make more. It is therefore a free $30 billion—courtesy of the tax fairy.

He says to the oil companies, "You are making 30 percent more than before I did this." So, the tax fairy brought the 70 percent that now goes into a totally undesignated, uncommitted use. Nobody is assuring anybody that it is going to be used to produce more energy.

☐ 1300

It is going to be at the beck and call of the Government to decide what the Government is going to do with it, and it is imposing a horrendous tax directly on the American consumer. When you say it is not, again, you get back to, do you believe in a tax fairy. If we are going to tax the American consumer by substantially doubling the price of domestic oil that he is going to buy, let us tell him that. Let us tell him we are going to put this tax on and we are doing it to tax him, and we are going to use the proceeds for something else—what, we do not know. But to say that because we have increased the price by decontrolling and we have increased it to get you more energy, and now we take that away and put it in the Government's pocket, this bill is an absolute fraud.

Yesterday I was very encouraged by the action of this House. I strongly supported the amendment of the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT). We can become independent of these OPEC dictators but only if we do what we started out 2½ years ago to do, hearing the President say this is the moral equivalent of war. If we went about this thing the way we have, and there was war, Kansas City would have been in the hands of the enemy long ago. Even the 2 million barrels a day in 10 years that the Wright amendment brought us—and thank goodness it at least got us off the ground—is far too little and far too late. What we need is 10 million barrels a day in 5 years. Coal—we have enough to supplant by liquefaction all of our petroleum for 200-odd years of unrestricted, minable coal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONABLE. I yield 5 additional minutes to the gentleman from Michigan.

Mr. SAWYER. I thank the gentleman. It is going to take hundreds of billions of dollars in facilitation, that is true, and maybe the Government is going to have to guarantee the loans for that kind of money and maybe create an artificial economy for awhile. But what are we exporting yearly to the Arab nations? We are exporting this year $50 billion. We are not paying it to Americans for jobs for construction to build these facilities.

In 5 years at $50 billion a year that is a quarter of a trillion dollars—that is if the price had not just gone up yesterday. Now it is going to be $75 billion a year. Let us take that money and view this thing not as an economic problem but as an absolute national defense and security problem. We cannot have the nation of Nigeria telling us we cannot recognize Zimbabwe-Rhodesia, or they will cut off our oil—and they control 15 percent of it. We cannot have the Ayatollah Khomeini tell us we cannot give refuge or sanctuary to our friend or erstwhile friend, the Shah, or he will cut off our oil. Who are we? Are we the greatest nation on the face of the Earth, or do we knuckle under to the dictates of these oil barons? There is no question about it. I do not say we can be foolish. I say they have got us, but we can get out, and we cannot get out unless we get self-sufficient.

Conservation alone is not going to make us self-sufficient. We can reduce in part that oil which we are dependent upon to the Arabs. And they will just raise the price for the rest of the oil so we will just conserve for their benefit. Then when we have the fat off of the bone, we are even more dependent.

Let us get cracking. Instead of all of this foolishness over giving them decontrol for an incentive and then taking it back because we do not want that much incentive, why did the President not raise the price of oil 30 percent instead of 100 percent and taking it back? Why did he not just have the regulated price raise of 30 percent? Then at least it would have cost the consumer only 30 percent instead of 100 percent, because he is not going to get anything for it either way. To say we had to take it off totally and then take it back because now it has created too much of a profit is ridiculous. There was nothing to stop a 30-percent increase in the regulated price, and then, at least, you do not levy the 70-percent tax on the consumer.

I just object, and I think the American people object, when I sit here and listen to this sleight of hand—now you do it, now you do not; now you see it, now you do not. Do we think we are fooling anybody?

Let us get cracking on a 10-million-barrels-a-day project in 5 years, not 2 million in 10 years, and let us get off this track and stop taking advantage of the American people, because they are not that stupid.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I want to associate myself with the remarks of the distinguished gentleman in the well. Our goal, as the gentleman has stated, should be to become independent in energy, and there is nothing in this measure to encourage us to reach that goal.

I would state to the gentleman, the only thing that has made sense in the 7 or 8 years that we have been talking about this great problem that America has is the proposal back in the Ford administration which was to provide incentive plowbacks for the American oil industry to bring additional energy into being. Where is it? I would like to vote for such a proposal. Are we going to be able to obtain a vote on plowback in this measure?

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

The motion to recommit will involve a plowback, and I will assure the gentleman he will have an opportunity to vote for it.

Mr. SAWYER. I thank the gentleman from Missouri. I personally would have loved to have had the opportunity to have voted for a 10-million-barrel-a-day increase built out of our own coal and oil shale resources, gunk oil and tertiary recoveries. I would have loved to have voted for that with a time limitation of 5 years. I am not afraid of hundreds of billions of dollars. Look at what we are exporting today—probably $75 billion a year will be the current figure, and we are not buying American jobs and American security with it. We are sending it over to the Near East, to South America and Africa. I say let us get cracking on this thing and stop trying to fool the American people with this—now you see it, now you do not. You double the price to get more production, and then you take 70 percent back because it is too much profit. Who pays—the American consumer. Or do you really believe there is a tax fairy.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. SAWYER) has expired.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. COTTER).

Mr. COTTER. Mr. Chairman, the members of the Ways and Means Committee labored diligently over this legislation. It is vastly superior to the proposal sent to the Congress by President Carter.

Its best feature is that it taxes oil already being produced more highly than oil that has not yet been discovered; thus, it provides the incentive for increased exploration.

It is important to understand what this tax is, and is not. The windfall profits tax is framed on the premise that oil prices are being dictated, literally dictated, by the OPEC oil cartel. Therefore, the price we pay for gasoline or heating oil is not determined by Exxon, Gulf, or Texaco, but by Arab Emirates, the Saudis, and the Libyans. The recent decision to raise OPEC oil to $20 per barrel is the best example. Since the price for crude oil is artificially set, it follows that the profits made from decontrolled domestic crude oil would be unjustifiably high without some additional Federal tax. That is what the windfall profits tax is. It is an excise tax that removes the unjustified profit, "the windfall profit," from increased domestic prices. What this tax will do is provide additional revenues to the Federal Government to help low- and moderate-income Americans meet their fuel bills and increase the Federal search for alternative energy sources.

A windfall profits tax will not shorten gasoline lines or produce heating oil; but, if it is structured carefully, as this bill is, then it will not impede the search for new oil which will help alleviate our future shortages.

The most serious allegation about any windfall profits tax is that it will dampen the incentive to explore for new oil. As I mentioned earlier, the committee bill specifically encourages new exploration by providing a significantly lighter tax on truly new oil. The most persuasive evidence I have seen on the interaction of exploration and the windfall profits tax is the industry's own data. According to my information, under price controls domestic exploration is at an all-time high, almost 18 percent over the prior year (1978). The Chase Manhattan Bank's oil company survey also has some interesting figures on exploration. The Chase survey reports that over the last 5 years oil companies invested over $69 billion in the United States, but only half of this was spent on gas and oil exploration and much of this money was not from retained earnings but from debt financing.

I sincerely believe that the money left after both Federal and State taxes are paid will be more than enough to continue oil exploration at a very high level.

The windfall profits tax is indeed complex, but it is also fair. It raises over $28 billion over the next 5 years as compared to the President's bill which raises only $21 billion.

The tax on oil already being produced and new oil that must be discovered or recovered by esoteric techniques is very different.

This windfall profits tax is in effect an excise tax. It does not add to the price of oil. The domestic price increases are caused by decontrol. But it does recapture the unjustified oil company profits caused by the President's decision to move toward decontrol.

Let me briefly explain the tax. The bill's tax structure is based upon three types of oil—old oil (oil already discovered or being produced); upper tier oil (oil from additional production in existing wells); uncontrolled oil (Alaskan oil, stripper oil, and tertiary oil). Each type of oil is taxed for the most part at a 70-percent rate but the tax starts at different levels. The tax for old oil is the difference between $6 base price adjusted for inflation and the selling price. Upper tier oil is $13 and the selling price, and the calculation for tier three oil is different for each category of oil.

It is important to remember that there will be two taxes on the windfall—regular income taxes and the windfall profits tax. The bill raises over $28 billion in windfall taxes alone. Federal income taxes augment this figure by another additional $34.7 billion.

In 1982, for example, it is estimated that oil companies will receive $21 billion because of the decision to decontrol domestic oil. Of this $21 billion, the windfall profits tax will recoup $7.1 billion and the regular Federal income tax, $7.6 billion. The total Federal take then is $14.7 billion, and the oil producers income is further reduced by State and local taxes. Yet, even in this year, the oil companies will have an additional $4 billion to continue their efforts at exploration.

There is another great incentive for exploration under the bill. The tax on newly discovered oil begins at a $17 rate. Therefore, profits on the first $17 are exempt from any windfall profits tax. This figure is adjusted for inflation plus 2 percent on a quarterly basis—so that newly discovered oil is subject to a much lighter tax. In addition, the first $9 of windfall over the $17 adjusted for exploration, is taxed at a 50-percent rate as compared to the flat 70 percent.

It is my own view that old oil—oil already being produced—should be taxed more heavily than new oil. The cost of exploration and development of these properties has been written off many years ago. By allowing the world price for old oil, we are in effect allowing oil which was selling for $3 per barrel in 1972 to be sold for over $20 per barrel now.

In order to determine which oil is truly old oil, the Department of Energy has developed declined curves for each property. This property also gives the Government a view on how much old oil is being produced and how much additional oil is being produced by enhanced recovery techniques. The decline curve in the committee bill is assumed to be 1.5 percent. In my original 85-percent proposal, a 1-percent decline rate was assumed. The committee was informed that the historic decline rates fluctuate between 0.5 and 1.5 percent. Therefore, I believe that the amendment offered by my friend from Massachusetts (Mr. SHANNON), to impose a 1.25 percent decline rate, is fair and I will support it.

Finally, Mr. Chairman, it must be recognized that the production of United States oil is declining and will continue to decline with or without the windfall profits bill. This is the reason that the House just recently overwhelmingly passed legislation for synthetic fuel and why we should pass a strong windfall profits tax to help those most affected by higher fuel prices, and in order to ease our dependence on oil by creating alternative energy sources.

I urge my colleagues to support this legislation.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Tennessee (Mr. DUNCAN), a valued member of the committee.

Mr. DUNCAN of Tennessee. Mr. Chairman, I rise in opposition to H.R. 3919 as reported by the Ways and Means Committee. The President of the United States has always advocated high prices for motor fuel. I am not one of these advocates. As people across the country plead with this Congress to make action toward finding solutions to our energy problems, here we stand considering legislation that will do nothing to alleviate the problem at all. In fact, the bill we are considering will contribute to the problem, and will cause a continuation of the panic and fear that has beset the Nation as it sits in line waiting for gasoline, and suffers from the economic hardship resulting from the trucker's strike.

Much is made in the energy debate of providing incentives to conserve fuel. Increased conservation as a long term goal is necessary and commendable. But we are facing immediate shortfalls in supply that has recently decreased.

As we consider that we should note that this bill will serve to deprive us of 1 million barrels of domestically produced oil per day. Assuming that we attempt to make up for the shortfall through imports we can add nearly $7 billion per year, and perhaps more, to our import costs. Our goal should be weakening OPEC's control over our energy future, not increasing it.

Another goal should be increasing domestic oil production. This bill will not produce a single additional barrel of domestic oil. In fact, if one accepts the logical notion that increased incentives leads to improve production, then this bill is clearly deficient.

In virtually every category of oil the effect of the legislation is to stifle incentive. Even Alaskan oil is subject to burdensome taxation, and when you consider the additional costs of producing and transporting Alaskan oil, the outlook is very bleak indeed. For example, the windfall tax on Alaskan oil is for price increases in excess of $7.50 per barrel, while for similar categories of "lower 48" oil the tax is imposed only after prices rise past $13 per barrel. This action defies all logic after one reviews the facts relative to Alaskan production.

Marginal wells, which are also very expensive to operate, are treated in similar fashion by placing it in a lower tier where it is subject to a 70-percent tax in excess of a $6 wellhead price, rather than the $13 wellhead price.

Similar problems can be found with other provisions in the legislation as well. For instance, so-called old oil is not only taxed at the 70-percent rate, but the amount to be taxed as "old" or lower tier oil, increases with each month passing month and the phaseout was extended for more than 1 year until July 1984.

Ironically, the result of this charade is that any "windfall profit" that accrues will accrue to the Federal Government. One need only to refer to the testimony of the Treasury Department to realize that they are looking forward to receiving this "windfall" with great expectations. It was my impression that we were going to try to find solutions to our fuel supply problem; not seek to fatten the Treasury.

In conclusion, Mr. Chairman, I would urge my colleagues to look carefully at this legislation, keeping in mind the worried comments of their constituents who are asking for solutions. The choice is clear, and the time for courageous action is now. We must move now to adopt the substitute offered by the gentleman from Oklahoma, and the gentleman from Louisiana. We must accept that substitute or suffer the consequences of a poor choice.

☐ 1310

Mr. JENKINS. I yield 3 minutes to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Chairman, it is always a revealing and edifying experience to participate in general debate on any unemotional topic like this. Certainly there are different perspectives that are brought to bear on this issue. On the one hand, I suppose there are those "no tax" disciples who would be enthusiastic if we were to replace the Washington Monument with an oil derrick. On the other hand, you have the intense emotional advocates who feel that a 120-percent tax on profits is probably too generous and that we ought to make employment by a major oil company an automatic felony offense.

Into this kind of turbulent diversion of points of view initially came the administration, the President. In general he proposed a 50-percent tax. Next on line came the Committee on Ways and

Means and, as usual, with a very, very difficult responsibility. They responded by proposing a 70-percent tax. Into the middle, I would suggest, comes another point of view, Jones-Moore, which suggests, in general, a 60-percent tax.

Now, all of this nonsensical extreme denunciatory rhetoric about how Jones-Moore would cause chaos seems to me outrageous both in logic and in rhetorical content.

Ways and Means will produce something like $28 billion. Jones-Moore, our substitute, will produce something like $23 billion. The President's bill would have had $21 billion.

I would urge the members of this committee, this is not exclusively, as some of my good friends have urged, a revenue-producing consideration. I would urge those few of you who have not made a firm commitment on the issue to consider the production facet of this legislation.

Most of the additional oil to be produced in this country's future will be from new oil discoveries, tertiary recovery in existing fields and from the marginal wells. Now there is not, by definition, a windfall profit from tertiary marginal or newly discovered oil. That is not in the windfall category. It makes no sense to hold the price for this incremental production below the level of replacement supplies to the Nation which must otherwise be imported from an OPEC source.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JENKINS. I yield the gentleman an additional 2 minutes.

Mr. SANTINI. The vast majority of new prospects will be at greater depths, in deeper water in the OCS, in more complex geological structures and for smaller reservoirs. These physical factors rapidly increase the unit cost and I do not think anybody in the body would disagree with that.

Under the Jones-Moore substitute currently flowing oil including stripper and marginal production will continue to be taxed permanently. Only those existing fields where tertiary recovery is employed, subject by review by DOE and IRS, can be produced from the existing fields free of tax.

We are talking, my fellow members of the committee, about getting some element, some increment, some additional new oil and gas.

Jones-Moore I would think by anyone's logical assessment would produce, because it includes a larger profit incentive, to produce more oil and gas from the more difficult resource areas.

Jones-Moore is not perfect. Lord knows, you can say the same of the administration's or the Ways and Means proposal. But when you combine the elements of all the bill, for those of you who have not made a firm commitment one way or the other, when you examine the fact that in tertiary, in marginal, and in newly discovered oil Jones-Moore will bring home more oil to this Nation, I believe that should be the bottom line you are looking at.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I would be happy to yield to the gentleman.

Mr. MOORE. I want to thank the gentleman for consenting to join as a cosponsor of this substitute.

Let me point out to my colleagues this man brings 5 years experience of working on the Committee on Interstate and Foreign Commerce on energy matters, he comes from a State that is not an oil- and gas-producing State, and he brings to the House a bipartisan balance and a true sense of compromise.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, it seems to me what we have to do in this Hall here today is try to determine what is the purpose of this bill. Is the purpose of this bill new production? Is the purpose of this bill to try to assist us in meeting the requirements we have in terms of energy and, therefore, meeting the demands of the American people? Or is the purpose of this bill merely to establish a tax-gathering mechanism to somehow take care of whatever type of new Government programs we happen to prefer? I would suggest that, if you look at the bill itself, it does not help produce the amount of new oil that could be utilized in this country and that is so necessary in this country.

It seems to me rather ironic that just 2 days ago in this Chamber we were debating a new program toward the implementation and production of synthetic fuels. We had on this floor an amendment by the majority leader to basically quadruple the bill that had been presented to us and actually expose the American taxpayer to a potential of $60 billion in taxes over the next few years. Yet, at that time I did not hear anyone—particularly those people who now support this committee bill—talking about the enormous cost involved and how this would be a windfall profit to the Department of Energy and how this money would be taken from the American people.

Today, when we are talking about the question of production by those people and those instrumentalities that can produce oil, those instrumentalities that can produce energy and can produce energy in the short run, I hear the cries of, "Well, let us stand in the way; let us not let them do what they can do best."

We have talked about what is big oil and what is small oil. I would say to the chairman of the committee who suggested that the ratio of big companies to small companies in the production of oil to be on the order of 4 to 1 that in my State of California, 50 percent of all the oil and gas that is produced is produced by independent oil companies and over 80 percent of all the wells that are drilled are drilled by independent oil companies. These are the relatively small companies. And some of those happen to be small towns and cities. And even the State of California.

If you look at the general tenets of this bill, they would punish those instrumentalities which are public entities.

There is an exception which I support in this bill which says if the "oil company" is a public entity and uses its income from this new production for education, that is exempt. I support that. However, the question is if that is exempt why are not other uses by public entities also exempt? Do we have to suggest that somehow the money has to come to the Federal Government first before we send it back to the States and the localities that happen to be in the areas where oil is located? Is that it?

I do not think the foregoing is a proper analysis.

The next question is, if it is good for those purposes why is it not also good for those private entities that have proven their ability to produce energy in this country?

Two days ago in passing the synthetic fuel bill, we talked about how we have to help some of those private entities because of the tremendous investment necessary for this type of energy production.

□ 1320

Now, today we say if they try to get that income so that they can risk it in the future, somehow that is wrong and somehow the Government has to do it first.

I would ask anybody in this Chamber, who is happy with the way that the Department of Energy is even allocating the gasoline and other products from the resources that are now available to the private companies?

Who today who has had to deal with gas lines and then had to deal with the Energy Department can suggest with a straight face that somehow all we have to do is tax the energy companies and then bring this back to the Federal Government and have the grand Federal Government determine how we should produce energy and then, hopefully, have the grand Federal Government help us produce more energy? We know that those in the Federal Government do not do it. They have not done it. Just remember—we have only had a major shortage of essential energy resources in this country since the Government got into the control business.

Mr. Chairman, it takes an extraordinary torturing of the English language to represent this bill as a measure to protect American consumers. It is nothing of the sort. It is instead a well-disguised penalty tax on American consumers. It is a "shell game" designed to pick consumer's pockets. It does not tax oil companies. The Carter administration and the Ways and Means Committee has apparently accepted the "if you can't beat 'em—join 'em" theory of governance. If Congress and the White House cannot cope with the international OPEC cartel, this bill says, we are going to join it.

In the sage words of the Wall Street Journal:

> The men in Washington have made it clear that what comes first with them is not to solve the country's energy problems, but to profit by them. The tax is designed to make the U.S. Government a beneficiary of all future OPEC price increases.

It is oddly symbolic that we should be considering this legislation at the very moment that OPEC is meeting in Geneva and the remnants of the once powerful "Western Alliance" is meeting in Tokyo. The leaders of the United States, Canada, Britain, France, and Germany are meeting to determine ways to break OPEC's stranglehold on our economic life. The OPEC ministers are meeting to find better ways to strengthen the stranglehold.

Whose side are we on?

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, this bill comes to us today as the Crude Oil Windfall Profit Tax Act of 1979. In the words of the author, the chairman of the Committee on Ways and Means, the gentleman says it is not a windfall profits tax. It is an increased tax on domestic crude oil production.

We have had a lot of discussion this morning on what this bill is not.

I suggest perhaps we should call it the Crude Oil Recontrol Act of 1979, because it has nothing to do with decontrol. It has nothing to do with windfall and it certainly has nothing to do with profits.

It is a severance tax, purely and simply. I do not think anybody in this Chamber is going to disagree with the rather unstartling statement that we need more energy in the United States. We have a shortfall. We need more energy. We need it from all sources, including oil.

In addition we need more energy from nuclear fission, reprocessing, breeder reactors, solar, geothermal, oil shale, coal, liquefaction, gasification and fusion.

Now, currently how do we expect to get more energy from these sources? The Federal Government subsidizes, the Federal Government gives tax credits, the Federal Government encourages investment through all sorts of research grants and that sort of thing; but somehow we do not treat oil this way. If we were to truly decontrol oil in the United States of America, which we have not, because we are in phased decontrol, we could produce domestically approximately 1½ million more barrels of oil a day.

Now, anything that we add to the tax burden, an oil production would prevent more oil production or lessen the amount of additional oil we could produce domestically, whether it be the Jones-Moore substitute, the Ways and Means bill, or whatever, production will go down from what it could and probably should be.

Now, who does produce oil in this country? Certainly not hospitals, not farmers, not builders. The oil companies produce oil: the independents, the wildcatters, big oil and so forth, produce oil.

Do we tax foreign oil? No.

Do we tax domestic production? Yes. How? Twice; once by this bill, once by the normal taxation that we levy on all business. Does this help the situation? Certainly not.

Are the Arab oil interests, the OPEC interests, interested in the American economy? Well, you had better bet your bottom buck they are not. The oil companies, the 28 big oil companies in America or the 24,000 oil companies in America, even if they were only interested in profits they would still pay taxes. They would still employ Americans. They would still engage in reinvestment. They would still conduct research and they would still pay dividends but only if they make a profit. They have a far greater interest in our economy, I would contend, than the folks from OPEC.

We want more oil and we must have it. We will not get it by preventing production activity. We will not get it by forcing the shutting in of marginal wells. We will not get it by precluding tertiary recovery with unreal tax policies.

We do not levy special taxes on farmers and require them to produce more.

We do not levy special taxes on hospitals and then demand more beds.

We do not lay special extra taxes on builders and then demand more housing.

Then why on oil? Because of emotion and a total lack of an energy policy. This Congress is looking for someone to blame. We have someone to blame for the shortage we experience. As Pogo said, "We have met the enemy and he is us."

Let us not recontrol and stifle production. Let us wise up. Let us get to the point where we can allow production to proceed. Do not kid the American people with marginal tertiary, marginal crude, tier one, tier two, tier three, stripper crude, 70 percent, 60 percent, newly discovered incremental tertiary; let us tell it like it is. Let us have decontrol. That will add production. Let us use the sources of energy that we have.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. LEDERER).

Mr. LEDERER. Mr. Chairman, I would like to take this time to congratulate my colleagues on the Committee on Ways and Means for their tedious and hard work on this most complex tax legislation.

I would also congratulate the chairman, the gentleman from Oregon, for giving us the time to hear all philosophies and sides on this windfall profit tax legislation.

Mr. Chairman, I rise to speak in support of H.R. 3919. I think it important that this Nation realize that we are faced with an energy crisis. For too long we have ignored our energy problems. But the crisis is here, it is real and it will not go away. These are facts that the American people, and this Congress must deal with.

This crisis threatens to change our Nation's social patterns. We are witnessing the beginning of the end of a lifestyle that, for too long, has depended on unlimited and inexpensive oil. Consequently, the American people are concerned, frustrated, and angry. Unfortunately, this anger has sometimes turned into violence.

The challenge to the Congress is clear. We must provide leadership. We must be honest with the American people. We must communicate to them that correct and effective solutions to our problems will not be easy to come by. But one thing is clear: This energy crisis affects everyone. If we are to overcome our problems, then we must do it together. We must all make sacrifices.

As the elected representatives of the people, our task is to coordinate an effective energy policy. The bill before us today is an important first step in developing such a policy. The President's decision to decontrol oil prices will result in excessive additional profits for the oil companies. The reason for this excise tax is to recapture a portion of these profits which will be earned at the expense of the American people. With that in mind, I think that the tax package as drafted by the Ways and Means Committee is a fair one.

H.R. 3919 places a heavier tax on that oil which has already been discovered. These wells were drilled with no expectation of a windfall profit. Therefore, it would be unfair to allow an oil company to gain an excessive profit because of a decision by the President. Conversely, a lighter tax is placed on newly discovered oil, some Alaskan oil, and tertiary oil. This lower tax provides the oil companies with an adequate incentive to research, explore, develop and produce new sources of oil and other energy alternatives.

As I mentioned, oil produced from tertiary recovery projects will benefit from this lower windfall tax. These projects utilize chemicals and heat to scrub and then push the oil out of the reservoir. This is a very difficult process, but one that has great production potential. I see tertiary recovery as a boon to many oil fields that are no longer producing in great quantities.

In my own State of Pennsylvania, tertiary recovery promises renewed activity in our oil industry. Many of Pennsylvania's oil reservoirs have been tapped and depleted. Most oil fields in the State are pumping less than 10 barrels a day. However, I am convinced that with tertiary recovery projects, these Pennsylvania oil properties can again become active and vigorous contributors to the State's economy, and relieve the Nation's energy problem. This will mean more jobs and activity in these oil areas. I am confident that such a revitalization will benefit the entire State.

But, again, this bill is only the first step in developing our energy policy. The possibility of an energy trust fund will be the next step. In addition, alternative fuel programs must be developed and utilized. The process will be long and our Nation's readjustment will, at times, be difficult. But it is a task which we must face and solve. I am confident that both the Congress and the American people are equal to the job.

To begin this long road to an effective energy policy, I ask that my colleagues join me in supporting H.R. 3919, The windfall profits tax program.

☐ 1330

The CHAIRMAN. The Chair will state that the gentleman from Oregon (Mr. ULLMAN) has 33 minutes remaining, and the gentleman from New York (Mr. CONABLE) has 33 minutes remaining.

The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, on the floor before us we have the latest of the disaster legislation bills proposed by the Democrats. The Republicans were solidly against this bill while the Democrats favored it by a vote of 18 to 4 in the Committee.

What does this bill do? It taxes American companies 70 percent while taxing the OPEC countries 0 percent. Americans pay 70-percent tax and OPEC 0 percent. So OPEC discusses oil prices of $20 a barrel.

America's energy shortage rests entirely upon the Democratic party's policies on energy. President Carter has set these policies. The Democrats have controlled Congress by a 2 to 1 majority for the past 25 years. The Democrats muddled, confused, and lack of leadership has brought on the energy crisis we have today.

What does the constructive recommittal of the Republicans recommend? It recommends that American oil companies be allowed credit to reinvest all of their added income for more gas, more oil, more exploration, more development, and more refineries all within the United States. The Republicans' bill produces more oil and gas whereas the Democrats encourage the OPEC countries to send us more oil at rising prices which are now talking of $20 a barrel.

The Democrats' policy next year will mean $1.25 or $1.50 a gallon on gasoline next year. The Democratic Party's energy policy will mean over 12-percent inflation next year.

And all the Democrats are doing is to encourage more and more OPEC imports. Five years ago America was importing $3 billion in oil. Last year we imported $42 billion in oil and this year the country will import $60 billion in oil.

What will this lead to? This in turn has accentuated our inflation problem because the excessive demand for a balanced foreign trade along with deficit financing by the Democrats will cause this 12 percent inflation.

From $3 billion to $60 billion of imports in oil in 6 years is an absolute disaster for American energy and the American economy.

When America produces its own oil it means American jobs, American pipe, American machinery, and the dollars stay home. Remember OPEC oil means 60 billion American dollars going abroad.

This Congress has been controlled by the Democratic Party for 25 years. The Democratic Party has given our country this mumbo-jumbo energy plan that has brought America to her knees. President Carter does not deserve all the criticism. The Democratic Party in Congress has legislated all of these energy laws on the books.

Let us look at the new Energy Department created by the Democrats. Two years ago the new Energy Department was started on a $5 billion budget. Two years later the Democrats had raised this to $11 billion. Two years ago energy was a problem—today energy is a major crisis.

And how do the Democrat policymakers handle it? They allocate gasoline to whoever cries out the loudest.

I have talked to hundreds of people. Folks do not object when oil companies make 2 cents to 3 cents a gallon profit. Heaven only knows the Government never made a profit in its life.

Now the Democrat policy is to tax American oil companies by a 70-percent tax while anticipating $20 a barrel for the OPEC countries and charging 0 tax to OPEC.

What is the Democrats' energy policy? The Democrats do not understand it. You do not understand it. America is completely in the dark.

Many Democrats are against nuclear power. Many Democrats insist on EPA requirements that limit the use of coal.

So America must depend on oil and gas for energy. And for oil and gas the Democrats have given us a pricing system so complex that Einstein could not understand it.

Thirty-seven different ways of pricing natural gas. Nine different ways to price crude oil. They try to place the blame on Secretary Schlesinger for this maze of confusion. The energy policy of America—a dismal failure—rests entirely on this Democrat controlled Congress. For 25 years you have run Congress—you have lost touch with economic fundamentals.

For those open-minded, clear thinking Democrats, we ask you to stand up for America and turn down this partisan confiscatory tax bill.

It is a Democrat bill. It came to the floor by a vote of 20 to 14. All Republicans were against it. But of the Democrats, only four voted with equity.

What does it say? Seventy-percent tax on Americans and 0 tax on OPEC.

You have two key votes today. The most important is the recommit motion which is the sound, logical Republican alternative. The gentleman from New York (Mr. CONABLE) will submit it. This recommit motion provides encouragement to drill for more U.S. oil. It specifies a 75-percent tax credit. When Mr. CONABLE gives you an opportunity to recommit—vote to recommit. This is the answer. If Mr. CONABLE's motion fails, you must vote "no" on the bill. We ask you to place the interests of our country first.

The Democrat solution to energy is to tax and tax.

Remember the strong admonition of Chief Justice Marshall who in the early days of our Republic said, "The power to tax is the power to destroy." Today the Democrats have given Congress this plan to destroy the American oil companies. Seventy-percent tax on American oil. Zero percent tax on OPEC oil.

The key note is to vote to recommit as recommended by Mr. CONABLE, the gentleman from New York.

Let us not tax and tax and destroy America's own energy.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Chairman, I am happy to be following the distinguished gentleman from Texas (Mr. COLLINS) because I think he has brought many of the issues we are facing here clearly into focus.

There are some basic differences between this country and other countries. There are some basic differences in the way in which we do business. The basic difference that we should focus on today is the fact that in the United States of America we do not allow cartel prices, we do not allow cartel profits, and we do not allow groups of businesses to get together and set prices.

What the decontrol decision does is this: It says to American oil producers, "These are the prices you are going to be able to get. We are going to let the OPEC nations set the price." What the windfall profits tax does is it brings that decision back a little. It brings a little equity into that decontrol decision. It says to American enterprise, "This is not a free market price you are getting. This is a cartel price you are getting, and we are going to take back a little bit of that money and try to recirculate it and try to put it to some good uses to solve the energy problem in this country."

What does the decontrol system do? It transfers billions and billions of dollars from the pockets of consumers in this country to the oil companies.

Does that in and of itself mean the oil companies are all bad people and they are out to destroy the American consumer? Of course it does not. American oil producers are like all American businessmen; they are out to maximize their profit, and they can maximize that profit by getting those OPEC prices. Decontrol is going to allow them to do that.

So all we are asking here today in support of this bill is a little bit of equity, not to confiscate all of that windfall profit the oil companies are going to get, not to take all their profits, but to allow them healthy profits and create a tax with some incentives to go out and discover new oil.

We took the President's proposal to the Committee on Ways and Means; we took his proposal specifically on newly discovered oil, and we lightened that proposal.

I believe the Jones-Moore substitute as constructed restructures that incentive and creates some disincentive to production toward the next decade. I do not think we should allow that.

I want to make clear here today one point that might have been lost in this debate, and it might be lost as the debate goes on. We are not talking at all here today about restructuring the decontrol decision; we are not talking about changing the President's phase-in of decontrol. What we are talking about when we talk about a decline curve and when we talk about a lower tier and an upper tier is the tax and only the tax, and what we do today will not affect that decontrol decision at all.

As one final point, I would like to repeat something that was said earlier. We are going to hear a lot of figures today, and we heard the figures the gentleman from Louisiana (Mr. MOORE) discussed earlier today. They do not take into account that $3 to $4 increase in OPEC prices that was announced this morning. They do not take into account future OPEC price increases which we all anticipate, but we do have some hard figures from the Department of Energy about what the different proposals do.

what the administration's proposal would do to production and what the bill of the Committee on Ways and Means would do to production.

What do they tell us? The administration's proposal, with that tougher tax on newly discovered oil, would take the additional 1 million barrels of production which would result from decontrol by 1985 and cut that back to 800,000.

□ 1340

The committee bill, with the committee amendments, will take that and cut it back only 50,000 barrels a day to 950,000 barrels a day. I think the committee bill is a well-reasoned bill. I think the committee bill takes into account the arguments for production. I think the committee bill takes into account the needs of the oil interests and the needs of the consumer. I urge its passage.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, this particular bill will not result in 1 single additional gallon of gasoline for the American consumer, create 1 new barrel of heating oil, or shorten one single gas line. In short, this bill stands in direct opposition to the goal of energy self-sufficiency which so many in this body were espousing so eloquently just 2 days ago during the debate on the synthetic fuels bill.

Decontrol of domestic fuel prices was designed to induce conservation and at the same time stimulate production. This tax, however, negates this most important purpose of decontrol by dampening the incentives for increased production. What we will end up with instead is lower returns to the oil companies, higher prices to consumers, and the same vulnerability to extortion at the hands of the OPEC nations.

Explain this to the American people a few years down the road.

The chairman of the Committee on Ways and Means told us in his closing remarks that if you go home with a tax less than what is provided in this bill, we will all be in trouble. Well, when the hell are we going to quit playing politics with this issue? When are we going to start addressing ourselves to the real solutions, with concerns of solving the problem, instead of trying to get reelected? When I am home in my district, the people are concerned about getting new energy supplies. They ask me, "Congressman, what are you doing about shortening gas lines and getting us gas?"

My colleagues, I think if we pass this bill as it is here today, we can say nothing. And the silence will be deafening.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, the crude oil profits tax ought to be renamed the crude oil politics tax, because this bill will reduce our domestic oil production by at least 1 million barrels a day by 1985, which will more than wipe out the effect of the synthetic fuels bill that we passed just a few days ago.

Studies by the Chase Manhattan Bank show that in the 1975–78 period, the oil companies invested $1.87 for every $1 of net income. Thus, every dollar of tax revenues we collect from the oil companies represents nearly $2 that could have been used for investment in energy production.

I think the debates I have heard on this subject have reached the lowest point in public discussion of a major issue in all the time I have been in public life. We had a speaker here a few minutes ago who said we are not talking about producing energy. Someone who supports the bill said we are not talking about producing energy. The other day, when we were considering another measure, a gentleman stood on the floor and said, "Let's kick big oil, that is what we are here for." And I would say to all of those people who keep talking about their compassion for the poor, about their concern for the people that they always seem to end up putting their antibusiness ideologies ahead of the need to provide people with oil and gas, the need to provide energy for jobs and schools and heating oil for homes.

We have an opportunity, with a reasonable bill, to see that more money is put back into the ground to produce more oil and gas. Our problem is not price; our problem is lack of availability. And some people in this House, some people on the Democratic side of the aisle, are going to have to learn that lesson—because you are playing politics with an issue that could bring this country to its knees.

I do not hear anybody saying, "Let's tax the Arabs." All we hear is, "Let's tax the Americans so that we cannot produce more energy."

Mr. Chairman, if this bill has nothing to do with creating energy, as we were told a few minutes ago by one of the speakers on that side, then we are wasting the taxpayers' dollars by paying all of our salaries to stand here and waste time talking about something that is not going to solve the problem but only pay for more social programs. What we do not have is oil and natural gas and gasoline. It is ridiculous to talk about the benefits of decontrol if we take away the money that would be generated by decontrol and produce more energy.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I recall back in school that one of the adages we learned was the power to tax was the power to destroy, that the taxing power should be for raising revenue and not the regulation of business.

I have heard some speeches today by some very fine experts, such as my friend, the gentleman from New Mexico (Mr. RUNNELS), who has been in the business and who had a serious and important message. I do not pose as an expert, but I would like to recite some of the realities that I have learned from the eastern part of my own district, which is in the Permian Basin which accounts for something like 25 percent of the domestic production in this country. I have learned that 70 percent of the American production is by small independent companies, not the majors; that for these companies to put this capital in the ground, they must have incentive, otherwise they will put their money into safer investments. And why do they need an incentive? It is because each well that is drilled must go down to something like 5 miles, at a cost of up to $15 million, and only 1 out of every 10 wells, as I understand, will be a producing well. That means nine of those wells are dry. How can a small company put up something like $15 million and only have one out of 10 chances of having production unless that company has incentive and can garner enough profit in order to put money in the ground in the next well? The oil depletion allowance was removed by the Congress, and the rigs in my district are down. They are not producing. They are down. What was needed was decontrol, and then when this incentive was pronounced by the President, lo and behold, in the next breath, he and the Ways and Means Committee urges a windfall profits tax arbitrarily set, which will just take away the incentive, and the rigs will continue to be down and not producing. I feel that later down the line there will be people who will say that unless the oil companies can produce new oil, we should nationalize the industry, and that will cripple the industry so that they cannot produce. What we need to do is to release the independent oil companies, to let the private enterprise system work its will to produce. What we need is a plowback provision where the companies would plow the moneys back into the ground to produce for this country. That is the only way that we are going to be less dependent on the countries abroad. A plowback, yes, but not a windfall profits, because indeed we are really hurting ourselves and we are masochistic in producing this piece of legislation.

Mr. CONABLE. Mr. Chairman. I yield 3 minutes to the gentleman from Alaska (Mr. YOUNG).

□ 1350

Mr. YOUNG of Alaska. Mr. Chairman, I rise today in opposition to the windfall profits bill which has been considered by the House Ways and Means Committee.

Adoption of this measure would be disasterous for our Nation. Imposing such a tax is a prime example of why the United States is encountering such tremendous difficulties concerning energy at the present time. While fostering the idea that the energy industry will be allowed to work in the marketplace through decontrol, a windfall profits tax, takes away most of the benefits of decontrol, and in some cases taxes profits which do not increase as a result of decontrol.

Mr. Chairman and colleagues, this bill will not alleviate the energy problem. In fact it will serve only to exacerbate the situation. A windfall profits tax bill will not increase our energy reserves by a single Btu, and it will not decrease the time Americans must wait in gasoline lines across the country.

My friends, we need to produce more oil, not less, we must produce more oil not less, and we must reduce our dependence upon the OPEC cartel for these supplies. We now import approximately 50 percent of our supplies from foreign sources. This is absurd, especially considering the market control OPEC enjoys, the inflation that is so rampant in our Nation, and the unemployment facing many of our citizens.

My own State of Alaska has a tremendous potential for providing a significant portion of these much needed energy supplies such as coal, oil, natural gas, and timber. Closing off that option has only made the situation worse. In addition, I have observed the Ways and Means Committee over the past weeks as they have decided to tax Alaskan oil in Prudhoe Bay currently under production at a rate of 50 percent per barrel using $7.50 as a base price. Why should Congress penalize an area that produces 14 to 15 percent of our present domestic production? Why does Congress wish to create such a tremendous disincentive for industry to seek energy sources in Alaska? I do not know the answers. It is ridiculous to treat this oil in such a criminal fashion. Considering the high risks involved with exploring for a productive area: Considering the astronomical transportation costs of $7 to $9 per barrel compared to a mere 50 to 60 cents per barrel in the lower 48 States, and considering the huge initial investment costs, it is senseless to impose such a tax on such a productive area. Alaska North Slope crude will not realize a windfall profit. The State of Alaska will suffer in terms of potential revenue, the Nation will suffer in terms of energy and the windfall profits tax will not help to produce a single drop of additional oil for anyone.

As you know, a little over a month ago, this body considered the Alaska Lands bill. The attitude taken by Congress on this measure typifies why our Nation is in the present predicament. The blame for the condition or our energy supplies lies not with private industry, instead it lies with Government. It lies with legislators who do not have the courage and foresight to truly address the needs of their constituents. It lies with Members who do not really care about the survival of their grandchildren. Mr. Chairman and colleagues of this distinguished body, this is the type of critical problem that causes unrest and resentment.

I would like to take just a few moments to share with you a few of the reasons why our Nation has become an energy cripple:

National Environmental Policy Act;

Clean Air Act of 1970 and amendments;

Clean Water Act and amendments;

Coal Leasing Act amendments;

Surface Mining Control and Reclamation Act of 1977;

Endangered Species Act;

Safe Water Drinking Act of 1974;

Historic Preservation Act;

Solid Waste Disposal Act of 1971;

Federal Water Pollution Control Act Amendments of 1972;

Mine Safety and Health Act and amendments; and

Wilderness Provisions of the Federal Land Policy and Management Act and the Renewable Resource Planning Act and a multiplicity of rules and regulations governing numerous Federal agencies such as BLM, USGS, EPA, CEQ, MESA, OSHA, and the Corps of Engineers.

In addition, a number of special interest groups have served to only exacerbate the problem:

Sierra Club, Friends of the Earth, Wilderness Society, Friends for Animals, Audubon Society, and Defenders of Wildlife.

My colleagues, I appeal to you to reject this windfall profits tax. An additional profits tax on oil production will lead to less rather than to more energy. It will not reduce our imports: it will not increase incentives for conservation and energy efficiency: and it will not reduce our dependence on OPEC. An additional tax on energy profits seems a matter of political expediency rather than a fundamental approach to the energy challenge facing our Nation. A windfall profits tax does not address the problem. It is a short sighted and seriously harmful placebo for the American public placing the blame on private industry for a problem that Government created.

I urge you to reject the windfall profits tax.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding.

I certainly agree with the statements the gentleman made.

I think the American public is becoming aware now, as the gasoline lines get longer, that something really is wrong. We may have a true shortage. Just maybe we might. I think the American public is willing to pay higher prices if the money is used to find more oil.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I have looked for the last week at the amendments to this bill and to the bill itself, and obviously, as you know, coming from New York City and Westchester County, I have no oil interests, but I have an awful lot of people who have become, over these last 2 weeks, tremendously disturbed at what they have been seeing and experiencing.

I know right now that the fuel problems facing the public is going to be far worse when the winter months come around, and we do not have an adequate supply of home heating oil.

Now, I have opposed decontrol in the past, because I felt decontrol has not been tied into increased production of oil. However, decontrol at this moment is a fact of life.

I have also supported windfall profit taxes, and I have felt that they are absolutely necessary. But I am equally convinced at this time that the people who I represent and the people of this country are saying, "Let's see if we can have a reasonable tax on oil companies, on the excess profits, but let's give them an opportunity to produce more oil."

I have reached the decision, Mr. Chairman, and for me this is quite a turn around, that I will support the Moore-Jones amendment. I am supporting it on the basis at this time that it will give a stimulus to production, that it will turn out more oil that can be used by the American people and used as rapidly as possible.

I think that, the situation we are facing today, there is no longer a target such as big oil or a target of anything else. The target is how do we satisfy the needs, the basic needs of our people? How do we get more heating oil in our homes and more gas in our gas stations?

It is my opinion that this amendment will come closer to satisfying those needs than anything else we have to vote on today.

Just as an example of the temper of the American people—I said this to the Vice President of the United States yesterday when I met with him. I was going through LaGuardia Airport in New York on my way back to Washington, and for the first time through the Vietnam war and through many other crises that we have been through, I have people who happen to recognize me, and they start shouting at me, "What are you doing down there? What is happening? Why don't you get something done to produce more oil in the United States and less from OPEC.

As I got on the airplane, this was happening. On the airplane I had other passengers who I do not know, doing the same thing.

Mr. Chairman, we have to continue moving, and we have to act, and we should act in support of the Moore-Jones amendment.

I yield back the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I am really impressed by the remarks of the gentleman from New York.

Mr. Chairman, there are two basic approaches to the present oil shortages: one is to continue reallocating the shortage through excessive Government regulations and controls; the other is to stimulate domestic production with the goal of ending the shortage and further reducing our dependence on foreign imports.

My constituents, like those of all Members, want enough gasoline, enough diesel fuel, enough heating and industrial oil to meet their business and personal needs.

The term "windfall profits tax" is classic political demagoguery. The windfall profits tax discourages production and is counterproductive. The true motivation behind the windfall profits tax is to fatten the Federal Treasury to the detriment of the American taxpayer.

Therefore, I am supporting efforts to provide for a complete plowback of profits to stimulate domestic production and supply.

If we would look northward, we can learn from the policies of the Canadian Government, which took specific steps to encourage the Canadian petroleum industry to spend the money to find new oil and gas. This has resulted in the discovery and flow of new oil and gas. Through the vehicle of a substantial depletion allowance and other special incentives, an exportable surplus of natural gas has been brought about for the first time since 1970. The lesson here is clear: that punitive taxation decreases production, the costs are passed on to the consumer, and the shortage continues. Encouragement of production stimulates the volume needed to serve the public and will give us a weapon against foreign producers.

And then we have our own experience with natural gas. Two years ago, we had a severe national shortage. Then we lifted Government controls over most of natural gas production, and we now have all of this commodity that we need, and the price is controlled by the market, not by foreign producers.

On the subject of gasoline prices, we must note that gas prices paid by motorists, which have risen greatly this year, are subject to price controls set by the Federal Government. A major factor in the increase is higher costs of imported crude oil, on which Federal controls permit price increases only as much as is necessary to recover costs and allow a fixed margin by companies and dealers.

For the foreseeable future, our gas prices will continue to depend on world oil prices. Therefore, it is obvious that we must import less and produce more domestically. One ray of sunshine in the picture is that despite the current headaches, American motorists will still pay much less for gas than the citizens of England, Italy, and Spain, for example.

The only way to protect ourselves from exorbitant price increases and to end the shortage is to end America's dependence on foreign oil. That is why the emphasis must be placed on increased domestic production.

Last month, the House wisely turned down the President's gas-rationing proposal since rationing does nothing to increase fuel supplies.

Mr. Chairman, the energy situation is a classic case of Government mismanagement for which the consumer really pays. The role of Government should be limited to stimulating production, protecting the public against the development of a monopoly, and setting a national goal of energy self-sufficiency. American ingenuity will do the rest.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to a very valuable member of the Ways and Means Committee, the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Chairman, When President Carter announced his plans for decontrol of domestic oil prices, I thought for a fleeting moment we were finally getting serious about our energy shortage.

Here was the stimulus for domestic oil production we have badly needed. Decontrol would result in an estimated additional 1½ to 2 million barrels of crude oil production per day in 1985. That would be a potential 20-percent increase in domestic production. It would reduce our dependence on imports by an estimated 10 percent.

That is the kind of increased production that could put an end to the long gasoline lines, shortages of diesel fuel, and shortages of home heating oil. We had a chance to make a giant leap forward. Then came the President's tax proposal—his plan to enrich the U.S. Treasury's coffers by $21.6 billion.

Make no mistake about it. His was a tax bill, not an energy bill. It was designed purely to increase Federal revenues at the expense of needed energy production.

The bill that emerged from the Ways and Means Committee is even worse. It will potentially cost American consumers a million barrels a day in lost domestic production—just so the U.S. Treasury will be richer by $28.5 billion.

American consumers will be shortchanged a potential of 42 million gallons of petroleum products a day.

Let us put it in terms people waiting in long gasoline lines today can clearly understand. This bill will cost them 19 million gallons of gasoline a day.

How can this House of Representatives vote to do that at a time all our constituents are calling on us to provide relief?

The only relief this bill provides is to the oil sheiks of the OPEC nations who must be chortling with glee at their meeting in Geneva today. The irony is inescapable. They are meeting to raise their crude oil prices by over 35 percent—at the very moment the U.S. House of Representatives is voting to promise them that the American people will continue to be held hostage to their whims.

Every barrel of oil we import at ever higher OPEC prices is a slap in the face to American workers and consumers. Those are dollars that can never again be used to provide jobs here, or increased domestic energy production. They are lost to us.

So are the other dollars this bill takes away from energy production to place in the U.S. Treasury. This bill will not produce a single gallon of gasoline. It will not heat a single home. What reason is there to pass it?

In my opinion, there is none. On the contrary, hard economic evidence provides compelling reasons why we should defeat it.

The bill simply strikes out again at the one industry which offers the only real hope for solution, but which has continued to be burdened by price controls since controls on all other industries were lifted 6 years ago. It denies producers profits which they have already earned—but which price controls have kept them from having available to reinvest in domestic production.

I urge my colleagues to carefully consider what a vote for this bill means. It will not end your constituents' hardship. All it will do is increase the pain of coping with energy shortages—and make them last longer.

It is time for emotional attacks on the oil industry to cease so it can get on with the serious business of providing energy for our people.

☐ 1400

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Chairman, I simply wish to speak in favor of the Ways and Means Committee bill. It has the virtue of having already gone through the mill. It does reconcile conflicting views, different views on this very complicated matter.

On one side are those who would like to have no windfall tax at all in order to provide a maximum incentive to the private sector in the oil industry. That, it turns out, is unacceptable to just lots of people who want the reassurance that some of the windfall tax at least will be captured by Government and thereby made available for public purposes, including most notably investment in energy, both production and conservation.

On the other side are those who would like to recapture all of the windfall for purposes on grounds that the windfall was conferred by an act of Congress for the people and ought to be recaptured for their uses. So it goes.

The Ways and Means Committee bill has come out somewhere in the middle. There are five or six issues that have to be compromised: The rate of the tax, the rate at which certain kinds of wells are kicked up from tier one to tier two, and tier two to tier three, how to deal with the new oil and tertiary recovery, and perhaps some of the Alaskan oil. As I say, there are five or six critical turning points.

Just as in the committee, so on the floor undoubtedly there will be a great deal of discussion which has to be polarized now between the two principal amendments that the rules have made possible for us to consider. Considering both the incentive side of it and the windfall recapture side, I do not think we can make a hard and fast case for any particular position of compromise. It can vary this way and that a little bit with respect to the several points at issue.

I do believe that the committee has done its work well over a period of time and after extensive hearings and comes out to as good a position as we are likely to achieve here in a few hours of debate on the floor of the House.

Having thought about this and worked through and taken part in the amendment process in committee, I believe, based on the best judgment I can bring to bear on the question, that the committee bill is a solid piece of work and deserves to be passed by this House and sent on its way to the other body in the hope that we can emerge not too long from now with legislation which will give more incentive to production and conservation and at the same time reassurance to the public and to the consumers that a significant part of the windfall gains will be captured for public use, particularly for use in solving the energy problem itself.

Furthermore, the windfall tax is a necessary accompaniment to the domestic oil price decontrol process recently set in motion by the President under existing authority. Otherwise the large transfer of income from consumers to producers would be unacceptable to most Americans. The two go together—price decontrol and the windfall profits tax—and they should be joined soon by another measure specifying that these tax revenues be used primarily to increase oil and energy production. These are essential elements in the national energy policy so urgently needed.

Mr. CONABLE. Mr. Chairman, I yield to the gentleman from Wyoming (Mr. CHENEY), such time as he may consume.

Mr. CHENEY. I thank the gentleman and I rise in opposition to the Ways and Means Committee bill.

Mr. Chairman, I rise in opposition to H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1979.

All of us know the public distrusts the oil industry. All of us also know that the public distrusts the Government. I think the public is tired of being mislead. We ought not to tell our citizens we are protecting their interests when we are not. All of the consumer rhetoric in the world will not conceal the fact that this bill, which is not even honestly tilted, serves the interests of the Government, and of the OPEC cartel.

This legislation will harm American national security. There is today no more critical aspect of our foreign policy than insuring the security of our national energy supplies. The administration appeared belatedly to recognize this fact when it proposed the decontrol of domestic crude oil in order to stimulate domestic production. But H.R. 3919 will eliminate most of the production increase which would have flowed from decontrol of prices, and thus maintain our dependence on imported crude oil. In case it has not come to the attention of the supporters of this bill, I will note that our imported oil comes from some of the most politically unstable areas on the face of the Earth. Those who abhor American military involvement abroad would do well to consider whether this legislation increases or decreases the chances for such involvement.

This legislation will dampen the growth of our economy and injure competition. By shifting revenues away from the private sector to a Government trust fund, this bill promises to further involve a clearly incompetent Government bureaucracy in the field of energy production. By forcing small energy producers to bear the burden of the tax, this legislation will likely increase the market power and dominance of the major oil companies.

This legislation is unfair. It is unfair to the consumer, since the consumer ought to get additional supplies of energy in return for paying higher prices for energy. It is unfair to the investor who had the foresight to invest in energy production.

This legislation fails all the basic tests of good legislation. This bill promises a painless solution to a pressing problem. This bill is designed to buy off people who believe price controls should never have been taken off in the first place. The fact of the matter is that the intellectual justification for this bill is precisely the same as the intellectual justification for price controls.

The public should know that people who vote for this bill are voting for continued Government control of the energy industry, even though the history of Government control is the history of shortages.

Mr. Chairman, I urge my colleagues to vote down this legislation, which is so clearly detrimental to American foreign and domestic interests.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, our energy situation has reached crisis proportions. If the gasoline and diesel fuel oil shortages of the past few months have not made this fact apparent enough, we would do well to consider the actions OPEC has just taken in Geneva. Crude oil prices have been raised to as much as $23.50 per barrel—adding to increases which have totaled 57 percent since January 1.

Mr. Chairman, the United States currently imports about 50 percent of the oil consumed domestically. Because it is absolutely crucial that we reduce this figure, and that we ease our dependence on foreign sources of energy, I strongly supported President Carter when he announced a phased decontrol program for domestically produced oil. Not only will decontrol enhance domestic exploration and production, it will also, hopefully, bring about more conservation as domestic prices gradually rise to world levels.

However, in conjunction with this important step forward, the President has taken an equally significant step backwards in his call for a "windfall profits tax." And the bill before us, as reported by the Ways and Means Committee, actually compounds the President's error.

I am strongly opposed to a windfall profits tax of any shape, form, or fashion. Such a tax is utterly antagonistic to the goal of decontrol which is to increase domestic oil production, not to gain additional revenues for the U.S. Treasury. When one stops to consider that about 60 percent of any additional revenues accruing to the oil industry will be taxed away anyway under present law, it hardly makes sense to be advocating a 50-percent tax, as the President does, or a 70-percent tax, as the Ways and Means Committee does, on industry profits.

According to the American Petroleum Institute, H.R. 3919, the legislation before us today, will, by 1985, result in 67 percent less production than decontrol with no tax—67 percent. I am amazed that so many of my colleagues who support this bill and, in fact, may wish to see it strengthened, have apparently not gotten the message from their constituents—we need to produce more oil in this country.

I desire to make an additional point that may surprise a number of Members: Oil industry profits are not, and have not been, excessive. When compared with other sectors of our economy, the rate of return experienced by the oil companies has been, at best, no more than average. At the same time, oil industry costs have risen dramatically in recent years. To view this tax as a means of restraining the "unjustified" profitability of the oil industry, therefore, makes little economic sense. As I mentioned, the only thing we will be restraining is domestic oil production.

I oppose the windfall profits tax proposal before us today, just as I opposed the President's plan. I recognize, however, that the mood of the Congress seems to be that a tax of this nature will be imposed. If we must have a windfall profits tax, I feel the Moore-Jones substitute is a better proposal.

Finally, I would like to suggest that if we are determined to impose a windfall profits tax, we should couple it with a plowback provision. Clearly, a major rationale for the legislation before us is that the oil industry cannot be trusted to utilize profits for research, exploration, development, and production. If our objective is to have the Federal Government make these decisions—an objective with which I totally disagree, by the way—why not do it efficiently? A plowback provision, whereby no profits used to increase production would be taxed, would certainly "steer" the oil companies in the right direction.

As I indicated, Mr. Chairman, I am not convinced that the Federal Government has a better track record in making economic decisions than the private sector. Yet this is exactly upon what the windfall profits tax concept is based. I am afraid that, once again, we are taking the position that "the Government knows best," and that the Washington bureaucrats—and let there be no doubt that a large bureaucracy will have to be created to administer this program—that the Washington bureaucrats can better produce more oil than the oil industry itself. I am afraid that, in the long run, it would not be the bureaucrats, or even the oil companies, but the American consumer who will suffer.

I urge my colleagues to reject H.R. 3919 and the concept it embodies.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, most of my colleagues in the Ways and Means Committee spent several weeks listening to the various witnesses from both sides of this particular issue. I have no bone to pick with either side. I believe that each member of the Ways and Means Committee attempted in his own way to come up with the right answer for this country.

As is true in so many cases, we do not always agree upon the direction we ought to take.

□ 1410

But, as I sat there as a member from a State that does not produce oil, I sat as an objective member, I believe, seeking an answer that would best serve the needs of this Nation. As I thought back through the pages of history, I thought of other times when there was a great deal of frustration on other issues; when the people were angry and when they were frustrated, this became mirrored by their public officials. That is what we have seen today and what we shall see on this floor today, because we do reflect those feelings of our constituents.

I know that during such frustration the people sometimes, and our public officials many times, search for a scapegoat to hang their troubles on. This happened in Germany in World War II, when a scapegoat was looked for and a minority was found. It probably happened in my own part of the Nation when we did a great many things which were wrong, and we found a group of people to become the scapegoat for that particular situation to let out our frustrations, because there were no easy answers to the complex problems we faced.

Today, when we talk about oil producers—and I have no oil in my district, none whatsoever—I see the frustrations of each of us, and of all of our people saying, "Let's kick them while we have the opportunity," because we have complex energy problems for which there are no easy answers.

We can then go back to our districts and we say, "We really socked it to them." That may soothe our feelings and temporarily placate our people, but it doesn't produce more oil.

That is not what we are after today. What we are after is to try to build up energy self-sufficiency in this Nation, to be dependent only on our own resources. I do not say that any of the proposals will do that, but I do say that the Jones-Moore proposal will come closer than any other proposal before us today.

I do not believe that a tax levy of 28 or 29 or 30 billions of dollars, will necessarily do one single thing to make us self-dependent for energy. I plead with the Members to look at all of these things, to leave out the rhetoric, leave out all the oratory, and simply look at the facts in each of these three proposals we have before us—the committee proposal, the Jones proposal, and the motion to recommit.

Then, I urge the Members to support Jones-Moore, not for our own political survival, but for the future of this Nation. It will not solve every problem that we have, but it will be a step in the right direction. I urge support of the Jones substitute.

Mr. CONABLE. Mr. Chairman, I now yield 3 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman from New York for yielding.

Some of us have been interested in the energy crisis for quite some time. I hear today about how urgent we have to act to solve it. Yes, we have to act now in 1979 but back before the 1973 embargo some of us saw the crisis and urged comprehensive, speedy action to produce more energy in this country.

Beginning on April 19, 1972, in the first of a series of energy newsletters to my Ohio constituents I wrote:

> Our country is facing a monumental energy shortage, the effects of which will be felt not only throughout the business sector, but in every industry, household and institution in the nation.

In the second in the series I said:

> Although the United States has 6 percent of the world population, we consume one-third of its energy output. From 1970 to the year 2000, United States energy needs are expected to increase 300 percent of the known reserves. Our many key resources will be depleted within three decades if the present rate of consumption continues.

On May 3, 1972, I further stated:

> No country has ever attained a higher standard of living without immense supplies of reasonably-priced energy, and none ever will. This nation has been blessed with a history of abundant resources in energy, but years of complacency along with the absence of a coherent national policy has slowly but steadily eroded our energy stockpile.

I only recite my 1972 statements to show that it was self-evident then that a day of reckoning was fast approaching. Yet for 7 years this body has refused to do the one thing that would give us the gasoline and distillate we so desparately need now and that is to produce more domestic oil. From what I have heard here on the floor, the major reason for this confiscatory windfall profits tax is that so many in this House simply like to tax in order to spend money for all kinds of programs.

I submit that the committee bill merely gives the Congress a windfall profit it can spend. What the committee bill does then is penalize energy producers and reward spendthrift politicians.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I thank the gentleman from Oregon for giving me this time. I want to ask the gentleman to turn to the report, pages 24 and 25, with respect to tertiary recovery.

Mr. Chairman, as you know, when we adopted the Pickle or Mikva substitute amendment on tertiary recovery we were all trying to encourage tertiary recovery. In order to have a qualified tertiary recovery project certain specified requirements are spelled out in the committee report language on page 25 that I believe is contrary to the intent of the committee. No. 4 specifies "the project could not be expected to be economic without the preferential tax treatment." This poses the very problem we were trying to avoid—the problem of forecasting the tertiary response. We cannot forecast the amount of oil that is going to come out directly as a result of applying the process, yet that would be the only way that you could state for sure whether the process is going to be uneconomic without the tax incentive.

Mr. Chairman, did not the committee rather mean to define "uneconomic" as a declining field that would justify substantial investments to recover territory oil? I think it did.

Also, I am troubled by the report language "Tertiary production continues only so long as the DOE certifications is effective or the project continues to meet the tax's requirements." Does this mean that after a substantial sum was spent on tertiary recovery than the DOE could come later and say "this was not needed and therefore you owe us for back taxes?"

This is the same problem of uncertainty. We are not going to get people to make the substantial investments—millions of dollars—necessary if it can later be lost. While the language on the next page "that it be construed liberally" helps, I want this to be clear.

Everybody knows—Democrats, Republicans, liberals, conservatives, producers, consumers—we all know that there are 25 to 45 billion barrels of oil left in the ground. Everybody agrees that we ought to go after it, and everybody agrees that it is price-sensitive. The more price, the more companies are willing to risk those high amounts of money or borrow money for that. I am glad to point out that the committee report at the bottom of page 25 says:

> * * * the committee intends that the producer's certification that the project would be uneconomic without the preferential tax treatment be construed liberally in favor of qualifying tertiary projects.

That is what I want the committee and the House to understand. I recognize that when the substitute amendment was proposed that it is part of the statute, so I do not argue that point, but what we are trying to say is that we want these tertiary projects to be qualified and construed liberally so that this vast amount of money can be invested.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas (Mr. PICKLE).

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield.

Mr. ULLMAN. The gentleman knows that the language is in the bill that the project would be uneconomical without the benefits of the preferential treatment, and in the report we have stated that there should be a liberal interpretation in order to maximize the benefits for tertiary development. I do not know what further the gentleman wants.

□ 1420

Mr. PICKLE. If you go just by item (4) in the report, it says it would be uneconomical unless you had the Mikva substitute. Uneconomical compared to what? It ought to be determined that it is a field that ought to be classified as a tertiary project. Once that declaration or determination is made, then it ought to be liberally construed; otherwise, a company is not going to invest millions of dollars.

I just say again I think the committee was trying to say, yes, we need tertiary process more than any other one approach, and we ought to interpret it liberally. I hope this stays in the language, and it can be improved as we go along, as the Jones-Moore substitute does. But the biggest hope we have, Mr. Chairman, in all of this controversy is tertiary recovery.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the so-called windfall profit tax bill that is before us. I think that we have to find a way to cease the expenditure of $110 billion a year to the Middle East countries for oil. I think the first thing that probably needs to be done and said about this proposal that is before us is that it needs a new title, a truth-in-labeling title that will clearly identify it for what it is—a bill that once again can increase taxes on the American people, not the oil companies, but the people because the tax is passed on to the American people.

Mr. Chairman, there is a simple rule of economics which the Ways and Means Committee seeks to obscure in its bill. The committee and the President have said that their proposals will sock it to the oil companies.

This unreasonable rhetoric ignores the economic fact of life that businesses—including oil companies—do not pay taxes.

Only people pay taxes.

The Government may use the oil companies, and other businesses, as collection vehicles, but the American people themselves are the ultimate source of all taxes imposed by the Congress.

This tax will invariably be collected at the gas pump—from consumers—and from millions of Americans who own stock in oil companies and rely on dividends for a portion of their income.

To be sure, the Government's complicity in this tax is well-hidden. From a liberal perspective, this is a perfect scenario. The oil companies are made to appear the villains as they are forced to raise their prices to include the costs from the increased taxes imposed by the Federal Government. The Government appears to be acting responsibly by imposing a tax on the companies.

Meanwhile those who vote for these tax increases escape unscathed by criticism because they did not vote directly for additional taxes on the American people—only indirectly.

My distinguished colleague from California (Mr. ROUSSELOT) made an excellent analysis of this tax proposal in his additional views as a member of the House Ways and Means Committee. He accurately points out that the so-called windfall profits tax is actually just another way of taxing through what is really a sales tax on the people.

> By definition, a profits tax is a tax on money left after all business expenses have been paid. However, both the President's proposal and the Ways and Means proposal would tax revenues received before business expenses have been paid. This is comparable to asking taxpayers to pay taxes on gross income before deductions.

I think it is no small coincidence that the primary promoters of this new tax are generally the same elected representatives who have urged endless new Federal programs that they wish to implement.

This tax will be a windfall for them. The Treasury will fill with billions of tax dollars collected by the oil companies from the American people. Then, no doubt, there will be other grandiose programs which will require great sums of tax money.

Yet to the public, the relationship of the left and right hands will have been effectively blurred.

These big spenders are hopeful that the American people will not notice this ruse. I hope, Mr. Chairman, that the American people will not be deceived, but will take note that if the House passes the Ways and Means proposal, those who supported it will be responsible for the increased costs that will inevitably result to the American people.

Mr. CONABLE. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman from New York for yielding me this time on what I regard as a very, very important debate for all America today.

I rise in opposition to H.R. 3919, and I regret that I have to do that. But I cannot support a measure which would liberally tax away the benefits of decontrol and which would rob the American people of the incentives of new production. I do support decontrol of oil, but only if coupled with a plowback provision to put the profits gained by decontrol into accelerated exploration and development of domestic oil resources and into the development and production of alternative energy sources.

Mr. Chairman, this country faces a very dangerous energy shortage both for the short run and the long run. I think that is recognized by everyone and is a truism. These shortages aggravate a Federal budget sorely out of balance. They weaken the dollar further. They aggravate a frightening balance of payments deficit and a growing national security problem.

Mr. Chairman, reason dictates that we move to maximize domestic oil production and accelerate our efforts to establish and develop alternative energy sources so as to insure that America will be energy-independent. No one can argue that an abundant and a domestic source of energy is not the key to future American economic stability and national security.

Mr. Chairman, in my opinion H.R. 3919 does not promote the development of alternative energy sources. Quite the contrary, it is a disincentive bill, to my way of thinking.

I feel sincerely that a properly structured plowback provision would insure that additional revenues realized by oil companies from decontrol will be fully utilized for energy development. Such a plowback mechanism would be used to encourage expansion and innovation in the domestic oil industry as well as speed up the development of shale oil and synthetic fuels technology. Decontrol of oil prices we ned have, a realistic windfall profits tax we should have, but a plowback mechanism we must have.

Mr. Chairman, I cite the national gas decontrol experience to make my point. Since 1973 wellhead prices for natural gas have gone up, true, but we have a surplus, whereas in 1977 we in Ohio had to close our schools and factories because of a terrible gas shortage. Today we have a surplus, and I think it is as a result of that gas decontrol experience since 1973.

I feel we should defeat H.R. 3919 and come up with a true windfall profits decontrol plowback bill.

I thank the gentleman, Mr. CONABLE, very much for the time.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma (Mr. SYNAR).

● Mr. SYNAR. Mr. Chairman, I do not have to tell you or my colleagues in this Chamber that the people of this country are angry about the energy situation. They are justifiably upset with the bungling of the Federal bureaucracy. And they are just plain mad at the big oil companies who everyone wants to blame for higher prices and reduced supplies. This Congress must understand and share that anger. And, as the people's representatives, we must respond to that anger.

But, my friends, those who would oppose the Jones-Moore amendment are cutting off their nose to spite their face. In their anxiousness to punish the oil companies, they are, in fact, punishing their own constituents. And they are particularly punishing those constituents most affected by reduced energy supplies and higher prices—the elderly, the poor and the ordinary working man.

Above everything else, the American people demand and deserve one thing—an adequate, reasonably priced supply of energy. A tax that increases the price of energy without significantly encouraging the production of more oil helps no one. This country does not need more money pouring into the Federal Treasury, it needs more fuel for its cars and trucks and more heating oil for its homes.

Two nights ago this body enacted a hastily conceived synthetic fuel bill which could cost the American taxpayers $20 billion over the next 10 years. And the justification for ramming this bill through the Congress was that we must act immediately to deal with the energy shortage. By the most optimistic estimates, the synthetic fuel industry will produce 2 million barrels a day of oil equivalent by 1990. By passing the Jones-Moore amendment, this Congress can very nearly guarantee an additional 250,000 to 450,000 barrels a day by 1985 and the only loss will be approximately $6 billion in tax revenues.

My friends, if you are serious about providing more energy for America, you can help do just that today. If you are legitimately concerned for the senior citizen on a fixed income, for the working man who must drive miles to work, for the truckers and farmers that depend on diesel fuel for their livelihood, and for those who must face another bitter winter without heat for their home, you can demonstrate that concern today. If you have the courage to stand above the popular rhetoric of the day and do what is right—no matter what the political consequences—you can show that courage today. You can support the Jones-Moore amendment.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. HUCKABY).

Mr. HUCKABY. I thank the chairman for the time.

I would like to suggest to the Members of the House that within the next 2 to 3 years the price of gasoline in the United States is probably going to be $2, maybe $3 a gallon. It is that much in many parts of the world today.

What is deregulation going to do? It is going to add to the price of gasoline at the pump for the American citizen. What we are talking about here today is what are we going to do with that extra revenue that every American who buys gasoline is going to be spending? There are some who say it should just come to the Federal Government and we will decide what we are going to do with it later. I suggest to the Members that what we must do is insist that this money go out for the oil industry to explore and find more sources of oil so that, hopefully, by the end of the decade of the 1980's, with synthetic fuel and additional production here in the United States, America can once again be energy self-sufficient.

I certainly agree with the proposition that the major oil companies should not be in the business of buying up timber companies or buying department stores. Rather, I support very strongly the proposition that they should be mandated to take these excess profits and put them back into further exploration and development so that America can at least have a hope in the future of becoming self-sufficient for oil.

Mr. Chairman, I yield back the remainder of my time.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. I thank the gentleman very much.

I want to take just a few minutes to speak to any Members who may still not have quite made up their minds on how to vote on this so-called windfall profit tax bill. I want to speak to two issues. One, we have referred at times to this morning, the royalty owner. In my district I have over 28,000 royalty owners. The question that they are asking me and that I think they are asking all of us is why are we in the Congress seeking to impose a punitive excise tax on old oil but not old coal? What is the difference between old oil and old coal by definition?

I spent 9½ years of my life managing a rural electric cooperative. Fifty-five percent of our revenue came from pumping oil, and during those 9½ years I came to understand the problems not only of the oil industry but also of a rural electric cooperative whose rates were determined by our expenses and by our membership.

I think today I can assure any Members who are concerned about what we are about to do that if we should pass this excise tax, we will be guaranteeing very little production, if any, in the years ahead. If we defeat this tax, I can assure the Members and can prove to them in the record of the Stamford Electric Cooperative where in 1974 when the stripper oil was exempted from control what happened to our electric consumption. It went up 30 percent because we had people out drilling for more oil. That will happen again, and the decision that we are about to make today will be how much of this increased revenue are we going to allow those in the business to pump back into the ground to produce more energy?

I submit to the Members without any doubt that what amount we put back in the ground will produce more oil and gas and, yes, gasoline for our consumers in America in the very near future at a cost much lower than what we and our consumers are going to be paying if we pass this tax, which, in my opinion, will guarantee higher prices and longer lines at the pump and an awfully cold winter for a significant number of Americans.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. I appreciate the gentleman's yielding.

Mr. Chairman, I will just point out that America will never meet her energy needs until she emphasizes production, rather than consumption.

Mr. Chairman, although others have already made this point, I feel I must reiterate that the bill before us today establishes an excise tax on crude oil. This tax, which one newspaper termed the "Great Oil Robbery," will have a devastating impact on independent oil companies, the 10,000 independents in the United States who currently drill from 85 to 90 percent of the exploratory wells in this country.

These companies are dependent on private capital investments to finance their operations. They need the vital profit incentive to attract investors to finance exploration that yields new oil only 2 wells out of 10.

The administration is now offering them decontrol on the one hand, while delivering a tax with the other, to deprive them of a so-called windfall from excess profits. This is typical of the energy policies followed by this administration since 1977. Those policies have led to confusion in the domestic energy industry which only benefits the OPEC nations, who relish our growing dependence on their oil and our seeming impotence in the face of their price demands.

How can we expect independent oil entrepreneurs to move ahead with exploration that would lead to energy independence while guaranteeing them a 50 percent permanent tax on any new oil they discover?

Mr. Chairman, we must face facts. Latest figures from the Oil and Gas Journal reveal the active drilling operations declined 13.3 percent this month over the same period a year ago. Corresponding weeks in June 1978, showed 2,283 active rigs in the United States, as compared to a total this June of 1,980. Accumulative average 1979 figures reveal a drop of 7.3 percent in active drilling from 1978. In my own State of Louisiana, which is second in crude oil production and first in natural gas in the entire Nation, there are 306 drilling rigs operating now, compared to 333 on June 18 a year ago. This represents an 8 percent drop. Production is projected to drop still further.

A heavy tax on new discoveries will not change those figures, but will merely reinforce the downward trend of exploration.

Mr. Chairman, why is the administration, why is the Congress, why is this country, unwilling to pay American producers the cost of petroleum, when we seem perfectly willing to pay whatever Middle Eastern potentates demand. Why are we penalizing our own people, our own entrepreneurs, to continue a disastrous policy that has made us over 50 percent dependent on foreign oil?

I do not understand it, Mr. Chairman, and that is why I cannot support this tax. It works against what we are trying to do with decontrol. It works against exploration, development and production of energy within this country for this country. And it may soon mean that this consumption-oriented country of ours will have nothing to consume.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. KEMP).

□ 1430

Mr. KEMP. I appreciate my friend yielding.

I rise in strong opposition to the "windfall profits tax."

I want to underscore what my friend from Louisiana has said. He is from a State which produces a lot more oil than it consumes. I represent a State which consumes a lot more oil than it produces. But the issue before us does not pit consumer against producer.

In one sentence: this bill raises the price consumers must pay for oil and lowers the price producers receive for finding and selling oil. They both lose, because the difference is paid to OPEC and the U.S. Treasury. And among the producers, little oil gets squashed, while big oil remains essentially undisturbed.

What we are really considering is the Rafshoon tax. We defeated this same tax before—twice—when it was called the "crude oil equalization tax." We are only reconsidering it now because Gerald Rafshoon, President Carter's media mogul, advised the President that Congress would fall for it if the tax were renamed the "windfall profits tax."

He may be right. Who can favor "windfall profits"? Not me—at least, they do not sound like something I would favor, except nobody has explained what they look like. I am sure that if you asked the average American whether he favors "windfall profits," he would be against them.

But if you ask the average American what we should do about the fact that we produce too little oil in the United States, import too much oil from abroad, and pay too much for energy in general, I think I know what he or she would say: produce as much American energy as you can at or below the OPEC price, and do not unnecessarily subsidize imports.

So what does this bill propose? A new tax on American oil which can be produced at the same price as, or more cheaply than, OPEC oil. Cutting U.S. oil production by 1 million barrels a day over the next 5 years. Taxing only American oil, and not imported oil, which puts OPEC at a competitive advantage. This would slap a tariff on ourselves. And we are using the revenue from this tax to subsidize energy projects—like Gulf Oil's $500 million coal liquefaction plant—which are so uneconomical that they cannot even compete in price with OPEC oil. The average American would say we were crazy—and he would be right. Because when you tax something, you get less of it. When you tax oil production, you get less oil.

We are already headed into a recession caused by tax increases, and Americans have just suffered what amounts to another $20 billion excise tax, in the form of world oil price increases. What all Americans need is significant tax rate reduction, and instead Congress proposes another.

If you read the bill, this "windfall profits tax" does not even have anything to do with profits. It is a tax on sales, not profits. Like all sales taxes, it will be paid by consumers in the form of higher oil prices, to the tune of $10 billion to $11 billion a year.

But that is not the worst of it. The cost of replacing 1 million barrels a day of American oil with the same amount of foreign oil is not a wash. Going to the world market for more oil because of depressed U.S. production increases world demand relative to supply, and bids up the world price of oil.

Given the climate over in Geneva today, where the OPEC heads of state are meeting, a $3 a barrel increase in price, in the face of a 12 percent increase in U.S. demand for imported oil would be considered a fairly conservative response. And yet the cost per barrel of such an increase is huge. Replacing $17 American oil with $20 OPEC crude costs $44 a barrel. This is because bidding up the price of those additional 1 million barrels a day also raises the price of all the other 8 million barrels of petroleum products we import every day.

Under Department of Energy regulations, the entire cost increase would be passed on to consumers in the prices of gasoline and heating oil.

I have received some extremely shocking figures on what this tax is going to do to the average family of four in my State of New York. Now, New Yorkers realize they are going to be paying more for gasoline and heating oil in any event. Neither the United States nor the world is running out of oil, but it is getting more expensive to find and extract.

However, according to figures from the Ways and Means Committee, the Joint Committee on Taxation, and the Department of the Treasury, the price of gasoline and heating oil for New Yorkers will rise twice as fast with this new tax than without it.

The average New York family of four will pay $105.72 more next year if this tax is enacted, instead of $71.61. The tax increase will take $62.29, $8.88 will go to U.S. oil producers—and $34.56 will go to foreign oil producers to fill the gap in U.S. oil production created by the tax.

In the second year of this tax, 1981, the same family's energy bill will be $215.32 higher with the tax, instead of $146.20 without it. The new tax would take $128.20, $18 would pay U.S. oil producers, and $69.12 would pay foreign oil producers.

By 1984—an appropriate year for a tax with such an Orwellian name—this same New York family's yearly energy bill will have risen by $345.62. This is almost exactly twice the increase in gasoline and heating oil prices there would be if the consumers' money were spent on U.S. oil instead of the U.S. Treasury. The sales tax would amount to $152.08, U.S. oil producers would get $20.72, and $172.82, or fully half the price increase, would go to pay for foreign oil.

Now, I suppose there are some who would argue that doubling the energy price increase on New Yorkers is worth it, if only for the satisfaction, as our friend from Arizona (Mr. UDALL), suggested the other day, of kicking the big oil companies.

But the burden of this tax does not even fall on big oil. It falls on what you might call little oil. About 10,000–12,000 small businessmen—called independent wildcatters—do 90 percent of the drilling for new oil in this country. Their occupation is to find oil and then sell it. Big oil companies make their money mostly out of buying oil once discovered, refining it, and selling the refined products.

The biggest new burden created by this tax is not on existing oil—which is presumably what a "windfall profit" would require—but on future oil discoveries. Since old oil is already controlled in price, big oil will get a small but positive benefit if price controls are lifted and then most of the price increase is taxed away. In fact, only big oil has the cash flow necessary to take advantage of such minuscule incentives. For the same reason, only big oil could benefit from a plowback provision.

But as of this moment, there are no price controls on newly discovered oil, and this bill proposes to impose such controls de facto in the form of a permanent tax. More and more independents will be driven out of business and forced to sell out to big oil as drilling becomes relatively more profitable outside the United States than in it.

The tax might lessen the profits of big oil on the little exploratory drilling it does in this country, but will dramatically increase the value of big oil's foreign assets. Instead of producing oil here, multinational oil companies will produce it abroad. Big oil will merely have fewer profits from selling American oil to Americans, and higher profits from selling OPEC oil to Americans.

So you ask me why a representative from an oil-consuming State like New York is against a tax on U.S. oil production? Because this $11 billion sales tax would raise drastically the prices we New Yorkers pay for gasoline and heating oil, even while it squashes the little oil producers who find most of our new oil in the United States.

The only windfall profit I can see in this Mickey Mouse scheme will go to OPEC and the U.S. Treasury. Every time OPEC raises prices, the Treasury gets a tax increase.

Mr. Chairman, I voted against the rule on this bill for two reasons. First, because I object to the take-it-or-leave-it prohibition of new amendments on the floor. I intend to vote for the Jones-Moore amendment, not because I support any tax, but because it is the only opportunity I have of improving the bill. The Jones-Moore amendment would change this from a confiscatory to a punitive tax.

The other reason is that I am against this bill in any form. No new tax—no matter what they name it—will produce more energy or lower its price for Americans and New Yorkers.

Mr. CONABLE. Mr. Chairman, I now yield myself the remaining time.

The CHAIRMAN. The gentleman from New York is recognized for 3 minutes.

Mr. CONABLE. Mr. Chairman, I would like to briefly review what is going to happen from this time forward and urge close attention of the Members of the House to the real options facing them.

The first amendment that will be considered will be the committee amendments en bloc. The committee amendments are those individual amendments made, rollcall after rollcall, in the Committee on Ways and Means by virtue of which the President's proposal was converted into the bill of the Committee on Ways and Means.

For the most part the bill of the Committee on Ways and Means makes the President's proposal considerably more biting in the tax that is recovered.

There was one amendment, however, that provided for a quicker phaseout on new oil. In a general way, however, the President's proposal became the Ways and Means bill and a much tougher bill by means of the committee amendments. For that reason, we are going to debate the committee amendments en bloc and I expect to request a record vote on the committee amendments for such Members of the majority who wish to support the faltering leadership of their President.

Second, we will go to the Moore-Jones substitute. This is a truly bipartisan proposal, somewhat tougher than the President's proposal but considerably less tough than the proposal of the Committee on Ways and Means and the purpose of this bipartisan amendment is a pragmatic desire for improvement in what many of the Members consider a punitive bill as the Committee on Ways and Means reported it. There will be a vote on this, I can assure you, and doubtless many Members from both parties will want to vote for this in the hope that it will result in greater production of oil, the assumption being that the Ways and Means bill is, itself, only a tax bill and has very little to do with increased production.

Then the Shannon amendment will be offered. For each of these amendment opportunities on which the House will vote, 30 minutes of debate is divided among the proponents and the opponents. The Shannon amendment is a provision which lowers the decline rate by which old oil is phased out. The effect of that, of course, is to raise the tax on oil over a period of time. It has an economic impact, even though it deals in terms of decline rate.

The Shannon amendment is an opportunity to go beyond the Committee on Ways and Means bill for those who wish to be even tougher on the private sector that is engaged in oil production.

Then, Mr. Chairman, there will be a motion to recommit with instructions. The motion to recommit with instructions will be offered by the gentleman now speaking and will involve a plowback provision for those Members who would like the opportunity, in fact, to use a windfall profits tax as a lever to get increased production of oil. We will discuss that in detail at an appropriate time for a recommittal motion.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ULLMAN. Mr. Chairman, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT).

The CHAIRMAN. The gentleman from Missouri is recognized for 9 minutes.

Mr. ULLMAN. Will the gentleman from Missouri yield?

Mr. GEPHARDT. I do yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, may I say to the gentleman that there have been many arguments made today and as a result some confusion has arisen. The opponents would lead us to believe that somehow this tax is laid onto the American taxpayer, the average citizen. That is not true. This tax does not have anything to do with the price of oil; it is not imposed on the American citizen. Rather, the tax is imposed on the oil companies, the people who produce oil, and it picks up only a part of the windfall they receive from the artificial increase in price.

Secondly, though, they would also lead us to believe that the oil companies will have less capital for investment as a result of the combination of the decontrol and the windfall profits tax. Nothing could be further from the truth.

Let me read into the record what the actual figures are.

The current profits, now, without decontrol, are $15 billion. That is after-tax profits for oil producers.

With decontrol and no windfall profit tax, at a price of $18, those profits go up to $26 billion after taxes and now with the OPEC price of $22 those profits go to $32 billion; $32 billion compared to the existing $15 billion. They would say, "Give it all to the oil companies." The American people are not going to tolerate that. The tax is not taken out of the pockets of the American people, the tax is taken from these windfalls that the oil companies receive.

Let us see how that applies. The windfall profits tax on oil priced at an OPEC price level of $18 per barrel would take away from the increase in profits to the oil companies $7 billion out of the $26 billion and at a $22 price would take away $10 billion out of the $32 billion. At a price of $18, you would still have a net to the companies after windfall of $19 billion profit to the oil companies. But the real price is going to be $22, so that net profit is going to jump to $22 billion. That is an increase of $7 billion after this windfall profits tax, an increase in cash flow in profits to the oil companies after the windfall profits tax.

The arguments have been terribly misleading, but the real fact is that when you go the route of decontrol, it is absolutely mandatory that you satisfy all of the political and economic requirements; that we impose this windfall profits tax. The tax we have imposed is a very limited, a very real, and a very fair one.

Mr. MOORE. Mr. Chairman, would the gentleman yield?

Mr. GEPHARDT. I will yield.

Mr. MOORE. Mr. Chairman, I appreciate the gentleman's yielding.

I will say to the chairman of the Committee on Ways and Means, is it not also true that the Department of the Treasury testified that if there was no tax, there would be 40 cents on every new dollar by virtue of decontrol would stay with industry; by virtue of the President's tax 25 cents out of every dollar and as testified in our markup by the Department of Energy, as a result of the Ways and Means bill, only 12 cents out of every dollar would stay with the industry as a result of the Ways and Means bill?

Mr. ULLMAN. The argument does not go to the central point and what I have laid out in actual profits to the oil companies is the way it will exist. With decontrol and with windfall profits tax, we are going to have an increase in profits, in net profits, to the oil companies from the existing $15 billion up to $22 billion after all taxes including the windfall profits tax.

Mr. MOORE. The chairman does not dispute that only 12 cents out of every dollar in this bill will be left with the oil industry?

Mr. GEPHARDT. If I may reclaim my time, I would like to say, indeed, this debate has been very helpful today, in focusing on what is obviously a watershed decision for the House and for the Congress of the United States.

Some time ago, I think at the end of the last session, we passed an energy bill that had a tax in it called COET. That tax that was passed by this House and it took all of the revenue that would result from the decontrol of oil. And so today we are talking about a very different tax. It does not take all of the revenue for Government programs but only takes part of it.

□ 1440

It is obvious, as the chairman, the gentleman from Oregon (Mr. ULLMAN), has said, there is a great transfer of wealth as a result of decontrol from the people of the United States, the consumers of the United States, to the oil companies. The question that is presented and posited by this bill is very simply and clearly how we want to cut that pie. Do we want all of that money to go to the traditional supplier of energy in the United States, that is, companies that drill and produce oil, or do you want to divert and change the direction of some of that wealth to new directions in energy, like were started this week in the House of Representatives as we decided to spend a sizable amount of money producing oil from new sources, sources other than the traditional ones.

Let us look at some statistics, and if you will listen very closely I think you will see what I am trying to say.

In 1959 there were about 2,000 rigs operating in the United States drilling oil. In 1971, with no controls on the price of oil, there were 975 rigs operating in the United States producing oil.

In 1978, after 5 years of controls, there were 2,259 rigs operating in America.

From 1958 to 1968 we spent about $4 billion a year drilling for new oil.

In 1977, we spent $16 billion drilling for new oil.

In 1959, we found 51,000 new wells.

In 1971, we found 27,000 new wells.

In 1978, we found 48,000 new wells, about the same number we found in 1959.

The new wells we found in 1958 contained about 106,000 barrels of oil, but a new well found in 1977 had about 74,000 barrels of new oil in it.

The facts are very simple. It is harder to find oil. It is harder to discover the kinds of deposits of oil that we could find in 1959.

So the question for this House and the question for the United States today is, how much wealth do we want to contribute or use or focus on the drilling of new holes to find less oil?

I would submit that the American people want to pay prices for energy that are commensurate with its real value, but they want those funds used to provide energy.

I am here to say to you today that we are not going to find all of that needed energy in the traditional way, so it means to me that we have got to find a new way. We have got to find a new direction and that new direction is using part of this money through things like synfuel programs, solar programs, much of it through the private sector, but new areas of the private sector and not the traditional private sector.

Let me talk for just a minute about the Jones-Moore substitute. There is very little difference, you might say, between that substitute and the committee bill. Well, there is not a lot, but I think there is a significant point to be made.

Let us talk about production for a minute. DOE says that with decontrol we will pick up about a million barrels per day in new production.

With the Carter bill we would have dropped down to 800,000 barrels a day; but with the committee bill, we will get about 950,000 barrels per day by 1984 because of the new incentives we put in this bill to produce new oil.

Now, what does the Moore-Jones substitute do about new oil? It says that we are going to use the committee approach until 1990 and after that we exempt it from any tax whatsoever.

I submit that the Jones-Moore bill will produce less oil than the committee bill.

● Mr. DASCHLE. Mr. Chairman, I would like to offer a couple of brief observations on energy prices. Opponents of a windfall profits tax and those who support the least possible recovery of oil company windfall profits have made two contentions which are not supported by the facts. These contentions are oil companies have not profited from the increasing price of imported oil and oil companies are victims, not a cause, of inflation.

Due to the steady increase in the cost of energy, energy is now the Nation's leading cause of inflation. During the month of April alone, the cost of gasoline rose by nearly 5 cents per gallon. Who is responsible for this rapid increase in consumer costs?

According to the Council on Wage and Price Stability which has monitored energy costs, the price increases the American people are being forced to pay are far larger than can be explained by increases in the cost of crude oil. That I believe bears repeating. The price being extracted from the American people is far greater than can be explained by increases in the cost of crude oil.

During the first 4 months of this year, 55 percent of the increase in the cost of wholesale petroleum prices is the result of increased refiner margin. Less than half, or approximately 45 percent, of the increased cost in wholesale petroleum prices during the first 4 months of the year is due to higher crude and refined product costs.

Put another way, refiner margin during the January through April period increased by 30.7 percent. On an annualized basis, refiner margin is increasing at the rate of more than 91 percent a year.

We can not deny the price increase of imported crude and refiner product. By the same token, I cannot accept the contention oil companies are not profiting from the increasing cost of imports and are not a major cause of inflation and escalating consumer prices.●

● Mr. CORRADA. Mr. Chairman, I wish to add my voice to those of my colleagues in support of H.R. 3919, the windfall profits tax.

The diligence with which the Ways and Means Committee acted on this vital legislation is to be commended. The enactment of this bill is crucial if we are to make certain that the unexpected profits that the oil companies are beginning to receive as a result of the decontrol of domestic crude oil prices, will result not only in increased exploration but also in the implementation of programs that will benefit all our citizens.

Through the creation of an energy trust fund, we are insuring that the funds collected under this tax will be used in programs that will yield the maximum possible benefits.

Those that argue that this tax will hinder the increase in exploration for domestic oil, should note that the tax allows the oil companies to keep 30 percent of that increase in prices.

The American consumer is already being pressed on all sides—not only is the price of gasoline skyrocketing but, with the current shortage, they must endure long lines of waiting at the gas pumps and relief is nowhere in sight. The price increase being dictated with more frequency by the OPEC cartel seems to have no end. OPEC's insatiable thirst makes it more urgent that alternatives to our increasing dependency on foreign oil be found.

The energy trust fund will serve, in part, as a funding mechanism to explore various options. When we consider the legislation on the use of those funds, the debate will be intense and heated. The use of those added revenues will be welcomed boosters to our economy.

This first step in our Nation's transition from controlled prices to world prices is a welcome one and I urge all my colleagues to support H.R. 3919.●

● Mr. HARRIS. Mr. Chairman, it is crucial that we move quickly and decisively to enact a windfall profits tax with an even stronger bite than the President has proposed. The congressionally imposed ceilings on domestically produced crude oil were allowed to expire on June 1 and the oil companies are already beginning to realize higher profits at the expense of the American people.

I am for the free enterprise system and I am for reasonable business profits, but when we allow the big oil companies to completely corner the international energy supply market we better be sure a stiff windfall profits tax is in place. The major oil companies will be the only winners if we fail to pass this tax. Their 1979 profits—before decontrol—soared from 14 to 75 percent over their 1978 profits. But that will only be the beginning if Congress fails to move now to pass a strong tax. We must block the oil companies' greed for excessive profits and fight to put this increased profit into the immediate development of alternative sources of energy designed to limit OPEC influence on the U.S. economy.

HOW H.R. 3919 WILL WORK

This windfall profits tax represents an important step on the part of Congress to recoup a portion of the billions of dollars of unnecessary excess profits that may accrue to "big oil" as a result of decontrol of domestic oil prices. Revenues the Government will receive from this tax will be used to lessen the impact of decontrol on those who need help the most. They will be used to develop alternate energy sources, and to aid mass transit.

With decontrol, foreign oil price increases will be reflected in domestic prices; the OPEC meeting in Geneva this week makes prompt action imperative. Unless we act now to pass a strong windfall tax, oil company profits will reach new highs without corresponding increases in production—as the American people pay ever higher prices to wait in gaslines.

The Ways and Means Committee bill, which has the full support of the administration, places a 70-percent tax on the difference between the controlled price and the decontrolled price of oil. That difference is pure profit—cold cash that comes from decontrol—not exploration, not investment, not risk taking in the private enterprise system. Big Oil will receive $94 billion in risk-free cash; it must not be tax free as well. The windfall profits tax will assure the American people that Congress is willing to stand up on their behalf and say to the oil companies that enough is enough.

PREVENTING WINDFALLS

Let there be no misunderstanding about the ability of any tax scheme to fully recoup excess profits after the fact. Passing a windfall tax—even a strong tax—after allowing all lids to be removed from the price of oil is not enough. None of us should doubt the creative ability of the phalanx of corporate lawyers and accountants available to Exxon or Shell to obscure their actual profits resulting from the end of oil price controls on domestic crude. This bill does, however, represent the good-faith effort of Congress to minimize the abuse of the lifting of oil price controls.

STILL TO BE DONE

Congress must continue to take positive actions to increase the supply of energy in this country to keep the pace of economic growth and security strong, conserve and manage our natural resources wisely, and free this Nation from its vulnerability to sudden and arbitrary actions by foreign governments and multinational oil companies. We have opened Alaska and the Outer Continental Shelf to careful exploration and development, consistent with environmental restraint. We have established the beginning of a strategic petroleum reserve. We have placed controls on strip mining so coal can be developed and mined swiftly but with respect for future land use. We have increased research and development for new sources of energy, required better fuel economy for cars, appliances, and buildings, and passed (in the House) an important synthetic fuels bill. Remaining actions must be forthright steps to defeat OPEC—the institution of an oil import purchasing authority to require competition from those who wish to sell us oil, and international assistance to smaller, non-OPEC nations who wish to develop their resources.●

● Mr. MARRIOTT. Mr. Chairman, nothing could be more contrary to the principles of free enterprise and the profit motive than the ornerous windfall profits tax bill from the Ways and Means Committee.

President Carter's bill was bad enough, imposing a 50-percent tax on oil company profits, which was a first in history and has set a dangerous precedent for more Government interference in the free enterprise economy.

The Ways and Means Committee goes far to the extreme by increasing that tax to 70 percent. In addition to that, they tax Alaskan oil, make the tax on upper tier oil permanent rather than phasing it out by 1990, extend the phaseout of the lower-tier tax by 1 year, from May of 1983 to July of 1984, and they stiffen the tax on marginal wells.

The committee seems to be very concerned about oil companies' profits and the fact that somehow by making a profit they are ripping off the American people. It is amazing to me that we are not bothered at all by paying high OPEC cartel prices, which have now been increased by 24 percent, yet we complain about our own domestic companies making a profit.

There are apparently too many people in Congress who believe a capitalist is an elephant jumping up and down in a yard full of chickens screaming "every man for himself."

They see profits as a vice. But Churchill said:

> Making a profit is not a vice. The real vice is making a loss.

It is time we stopped worrying about profits. It is time we stopped intervening in the private sector, and it is time we started worrying about production and supply.

The windfall profits tax scheme—and that is what it is, a scheme—reverses the benefits of decontrol. Without a profits tax, the oil companies could increase production by 1.5 million barrels a day by 1985. Under President Carter's plan they could have increased production by 700,000 barrels a day. But under the Ways and Means bill they will only increase production by 350,000 barrels a day or less.

So in essence decontrolling to increase production has basically been gutted by a windfall profits tax. This tax will also hurt capital investment. Oil companies will need about $37 billion worth of capital between 1979 and 1982 to find and develop the oil that we need. They only have available around $26 billion. They are still short over $11 billion.

The windfall profits tax will do nothing to help that problem. The windfall profits tax will benefit only the OPEC cartel at the expense of the American consumers, increasing import costs by $1.75 billion and diverting about

$35 billion in investment to foreign countries.

The very idea of a windfall profits tax is a bad one, to say the least. With oil companies today plowing 93 percent of their profits into petroleum and related areas, it is a crime to divert that money to the spendthrifts of the Federal Government, who have a record of doing nothing.

What right does the Federal Government have to claim oil company profits? The only windfall profit is a windfall for the Federal Government.

Get the Federal Government out of the way, provide an incentive for the oil companies to make a profit and to use that profit in increasing production, stimulate production, develop the alternative sources of energy in coal and synfuels, and this country will reach its goal of energy independence by 1985.●

● Mr. MICHEL. Mr. Chairman, amidst the conflicting reports concerning the origins and extent of the current gas debacle—it has long since passed the crisis stage—a few facts seem irrefutable:

A majority of Americans believe the oil companies are responsible for the high prices and long lines at the pump.

The Government system of allocation of gasoline is rigid, unfair and a direct cause of local and regional gasoline shortages.

The administration has no consistent policy, no believable spokesman and no agreement among its numerous experts concerning the nature of and possible solutions to the high prices and long lines.

This is a dangerous, volatile situation. When you mix distrust and failure and incompetence you create a political and social atmosphere in which rational argument ceases to be heard. The air is filled with shouts and accusations and it is a great time for demagogs and snake-oil salesmen. It is also a time when the pointing finger of blame is seen more than the outstretched hand of cooperation. In short, it is a time for the very worst in our political and social system to flourish.

I am very much afraid that the President's windfall profits tax falls into the category of "very worst in our political system." Here we have an example of the Carter administration at its worst. Seeking to cash in politically on the public distrust of the oil companies, the President first fires off a barrage of rhetoric at those companies, and vows to make them pay dearly for windfall profits. What windfall profits? Why, the windfall profits the President is going to allow them to get by lifting price controls.

But wait a minute—if the President is against the big oil companies getting profits why is he seeking to lift controls? Well, it is because he believes that only by lifting controls can the companies get enough extra incentives to search for more new oil. But if he wants the companies to use the profits they will get through decontrol to research for new oil, why is he seeking to take most of those profits away from them? Why not simply allow them to keep all they make so long as they plowback the profits into oil exploration?

When we get to this point in the argument supporters of the windfall profits tax get red in the face, shout nasty things about big oil but never, never answer the question.

Since the Carter administration took office, we have been tip-toeing toward a national energy policy. We have been considering programs here and studying alternatives there. We have blamed just about everybody there is to blame for our energy woes, except ourselves. When it comes to energy we have gone every which way but forward.

Look at our record over the past 2½ years. We established a Department of Energy that does not run. We rejected a gas rationing plan that would not work. We approved a synfuel bill that is largely cosmetic. And now we are debating a windfall profits tax that by itself really solves nothing, other than to serve as a political defense for oil decontrol.

It is time we stopped tiptoeing through this crisis and began marching against it.

We should not and cannot let America's hope for a national offensive against the energy shortage fade into oblivion because none of us has the courage to take dramatic and decisive action. We cannot and should not allow ourselves to be stampeded into a second-rate existence by an inept bureaucracy, a conglomeration of oil companies and an organization of hostile petroleum producing nations in the Persian Gulf.

If we are going to turn billions in new tax revenues over to the administration, then we ought to insist that the administration get its act together and speak with one voice on energy, move in one direction and lead this Nation.

If we are going to eliminate the shortage of energy once and for all; if we are going to finally fight the moral equivalent of war, then we ought to freeze the level of imports from OPEC nations immediately and retaliate against the unconscionable increases in OPEC oil. We ought to fight them with every thing we have.

If we are going to achieve energy independence and free our people from the national addiction to imported oil then we ought to take sweeping action across the board to free up domestic energy production by cutting through the Government regulations, restrictions and policies which actually discourage the exploration and production of coal, natural gas and new oil.

What we ought to be doing we are not. What we are doing is the absolute minimum necessary to appease our constituents from one recess to another and from one election to another.

It does not take much courage to vote in favor of imposing taxes on the profits of the oil companies. It would take a great deal of courage to face the economic realities of this crisis and make the hard decisions that have to be made to get us out of it.●

● Mr. CONTE. Mr. Chairman, the majority of people in the country cry out for the passage of a strong windfall profits tax measure. H.R. 3919 is the vehicle necessary to eliminate the windfall profits that would accrue to the domestic oil companies as a result of continued and unwarranted increases in OPEC oil prices.

Today's television reports herald the news that OPEC nations meeting in Geneva are seriously considering a 25-percent price hike on their coveted crude oil exports, with a temporary ceiling price of $23.50 a barrel. This measure, as reported by the House Ways and Means Committee, is designed to tax away 70 percent of the additional windfall revenues that are a result of the domestic prices chasing the always spiralling OPEC prices. It will raise $2.8 billion in 1980, $5.7 billion in 1981, and $7.1 billion in 1982. This additional revenue will be needed to fund the Energy Security Fund, which encompasses the Nation's energy program, it's low income assistance programs, mass transportation projects and other necessary programs to assist this country in its quest of becoming energy independent.

This body cannot sit by idly and merely hope that the oil companies will be benevolent and realize the importance of a well-balanced approach to this crisis. Rather, we must inform them of their responsibility to the citizenry in the form of a strong windfall profits tax.

Mr. Chairman, it was in this same Chamber 20 years ago that I voiced my deepest concerns about the callous attitude of the oil companies. It was in March of that year that the President issued a ruling under section 2 of the Trade Agreements Extension Act of 1954 which authorized him to limit the importation of any product when he determines that it is being imported in such quantities as to threaten our national security.

It was quite obvious to this Member that there was no national security rationale for his ruling. Rather, it was designed to appease the profit-hungry oil companies which were concerned about the importation of cheaper crude oil from foreign countries. Their ulterior motive was hardly related to national security issues. But rather, it was to reduce foreign supply and increase the production of U.S. oil and accompanying profits.

Let me quote a line from my March 16, 1959, speech when I said:

> Oil is a wasting asset. We can deplete our reserves. If we ever had a national emergency of the most drastic possible nature—so that we were cut off from all foreign sources of oil, then we would want our own reserves as undepleted as possible.

The Members of Congress then failed to heed my words and look where this great and powerful Nation finds itself today—kow-towing to the shieks of the Middle East.

It is obvious that the oil companies must receive some necessary direction from this body to insure that the additional windfall profits that accrue are spent on energy-related programs and not for the purchase of department stores and circuses.●

● Mr. LUKEN. Mr. Chairman, today we are debating an excess profits tax bill that has been somewhat improved by the deliberations of the Ways and Means Committee. This tax will bring in approximately $7.3 billion in additional revenues above what the administration had originally proposed.

The sad fact of the matter is that we are debating a proposal of excess profits because we cannot debate the real issue of whether domestically produced crude oil should be decontrolled. We are debating this bill because we have not been able to develop legislation and bring it to the floor that would reduce the oil companies' ravenous appetites for acquiring new companies both in and out of the energy field. We are debating this bill because we still do not have an energy policy that is controlled by anyone other than the big oil companies and in some cases the OPEC cartel.

I support the concept of of a strong windfall profits tax and will support the substitute offered by our colleagues Mr. SHANNON and Mr. GEPHARDT. Without the financial benefits of oil decontrol, the eight major oil companies had a cash flow in 1978 of almost $19 billion. This would enable the major oil companies to purchase 100 percent of the shareholders equity in the entire American Steel Industry. The 16 major oil companies could buy controlling interest in 48 of the 100 largest corporations in the United States before running out of cash. This assumes that 50 percent is a controlling share. Think what it would be like to see companies such as, RCA, Boeing, Firestone, Sperry Rand and CBS as subsidiaries of the major oil companies. And I repeat, this is without the benefits of oil decontrol.

Furthermore, we should not delude ourselves into believing that the oil companies are going to re-invest these excess profits into domestic production. We know that domestic exploration is going full bore right now. We know that any newly discovered oil will essentially be de-controlled right now. We know that this does not require any "increased incentive" to drill. But what is most upsetting is that even if decontrol produced a sudden glut of oil, there would be precious few places for it to be stored. The Department of Energy admits that in the time of shortage that we now find ourselves in, we have below normal refining output, yet we also have increases in imported oil supplies. Somewhere, this oil is being stored and therefore, we would not be able to store any additional oil, even if there was reason to believe that it would be discovered.

This bill will have little or no impact on domestic oil development. Rather, it may have some impact in controlling the ever extending acquisitive habits of the oil companies.●

● Mr. DAN DANIEL. Mr. Chairman, I will support the Jones-Moore amendment when it is offered. It is in essence the lesser of evils.

We call ourselves acting today in the name of consumers and the specific consumer whose interests are at stake is the man or woman sitting in a gas line. When this consumer reaches the pumps, he or she will pay the same price for a gallon of gasoline with or without the windfall profits tax. It is important that this be kept in mind and that we in a very straight-forward manner so notify the public. But while the pump price will be the same, the additional estimated crude oil production will be about half under this substitute as it would be under decontrol without the tax and if the committee proposal stands, increased production will be about one quarter.

The bottom line then is the consumer will pay more than is paid today and will receive less in return.

This bill, Mr. Chairman, is misnamed. It should be called "a bill for the relief of Treasury Department deficit managers." We are creating a trust fund under any of the proposals of more than $20 billion over the next 5 years with absolutely no indication of what this money will be used for except that it will be invested in Government paper. This is a tax bill not a stimulative bill. Of course, I could be wrong about the size of the trust fund. Simple logic tells me that this extraction tax will have the effect of encouraging even greater purchase of OPEC-dominated crude oil. It will not harm the large oil companies, it will only harm the independent driller and the consumers.

Again, Mr. Chairman, I will support the amendment when its is offered and I will then vote against the bill in whatever form it takes. I believe we will serve the public interest by driving a stake through this particular monster's heart once and for all.●

● Mr. PURSELL. Mr. Chairman, the vote today on windfall profits was a very complicated and difficult decision, and all of us had to make this isolated decision in the context of the overall energy situation.

Our energy position is critical, and becoming more so. Our decisions on this issue are some of the most important ever faced in this country. The impact of these decisions will extend far beyond this place, this time, and this initial phase of a revolutionary shift in the world energy situation.

I think all our actions must be judged against a single standard: Are we contributing to a solution of the total problem, or contributing to the problem itself?

In my opinion, the best way to help solve the problem of energy dependence is to provide for decontrol, while at the same time passing a windfall profits tax.

The reason I believe a windfall profits tax is necessary is that much more is required, to free this Nation and the world from its current energy bondage, than simply finding more oil.

Yes, we must assure domestic oil producers sufficient incentives to develop new oil supplies, for we must rely on oil as an energy base for years to come. The combination of decontrol and a windfall profits tax will certainly encourage that necessary exploration for more oil.

But discovery of new oil can, at best, only delay the inevitable and buy us time.

In addition to new supplies of oil, we must get on with the basic issue of developing the wide range of new sources, which are our only hope of achieving freedom forever from the dictates of an insatiable and capricious oil cartel.

Putting all the money generated by decontrol back into oil production will not bring us to this goal. We need a windfall profits tax to assure that these funds will be allocated for maximum development of the broad new energy mix on which our future depends. To simply put the added revenues dictated by OPEC into more oil only defeats our long-term purpose and means we will continue playing their game, on their court, and into their hands.

I have to admit that I am disturbed by the fact that we have not dealt with how this revenue will be allocated.

I introduced legislation in the last Congress, and in the current session (H.R. 2288), to establish a national energy trust fund to assure proper use of moneys from taxes such as this for research and development on new energy sources and techniques.

I will continue to seek adoption of this legislation, or some other appropriate measure, to bring alternative energy sources to reality.

I hope my colleagues will put aside any differences generated by this debate to work together toward the goal we all share, an independent energy future for America and the world.●

● Mr. DANNEMEYER. Mr. Chairman, there is a great deal of confusion about this bill and for good reason. Not only is its premise misleading, but this oil "windfall profits tax" bill is a tax on everything but profits. Rather, it is a tax on the household budget, a tax on energy production, a tax on exploration of alternative energy sources and, perhaps most importantly, a ploy to help the Democrats balance the budget without cutting Federal spending.

First, the premise—that "windfall profits" do in fact exist. In looking over financial data for major corporations, it seems that the petroleum companies have been doing rather less well than many other large corporations in terms of profit related to assets, or profit as a percent of sales.

For instance, the petroleum refining companies averaged a return on investment of 13.4 percent in 1978. The average for the Fortune 500 companies was 14.3 percent. Interestingly enough, on top of the list was broadcasting and motion picture production with a return on investment of 21.6 percent. If H.R. 3919 passes, is 13.4 percent going to be the maximum a company, its workers, and shareholders can earn? Or, to put it another way, is this the first step toward dividend control?

In making these points, my purpose is not to defend the oil companies, per se. If it were, I would have voted for that synthetic fuels bill (H.R. 3930) which will give those same oil companies roughly $20 billion in guaranteed price support money at the taxpayers' expense. What I am concerned about is energy production, reducing our dependence on OPEC, and freeing American creativity to solve our energy problems. Slapping a heavy excise tax on almost every barrel of oil is hardly a way to encourage production.

What about the "windfall profits tax." The name, "windfall profits tax" suggests a tax surcharge on net profit, but this bill is anything but that. It is a tax on oil produced, regardless of profit. It is an excise tax, a sales tax, the most regressive tax imaginable in terms of encouraging productivity. Furthermore, whether they realize it or not, consumers will be impacted by this tax for the best of reasons—corporations do not pay tax, their customers do.

If anyone is going to receive a windfall from this excise tax, it is the energy security trust fund set up to receive these enormous tax moneys. This "windfall profits" tax is purely and simply a revenue bill for the Federal Government, bringing in a staggering $29.1 billion over 4 years to the Federal Treasury. Evidently those supporters of the bill must have been inspired by the $10 billion performance of the Department of Energy thus far and feel that the extra billions will come in handy. Profits left for additional production and exploration will be less than one-half of what the Federal Government takes in: Some $13 billion.

Supporters of the "windfall tax" say the tax would not hurt production, because there is not that much more production to be brought up from the ground. With this tax, we will certainly never find out if there were. Even so, supporters of the bill admit that "imposition of the windfall profits tax can be expected to cause a modest reduction in oil drilling and production."

Our energy policy seems to have been written by a Jekyll and Hyde personality. It began with President Carter who declared a "state of war" to meet the energy crisis in 1977. But by January of 1979, the President had only nine words for the energy crisis in his state of the Union address. Then, this spring, the President ordered a program of gradual oil price decontrol, which Congress accepted. Now, the President and many Members of Congress turn completely around and are asking us for a 70 percent tax on the capital they both said was needed for additional exploration and production in the decontrol program. But that is not all. It is, indeed, ironic that at the very same time this windfall profit tax bill comes along, the Congress passes one, and then is about to consider two more, multibillion dollar synthetic fuel bills that provide price supports to many of the very same firms this bill seeks to penalize.

So inconsistent, so contradictory, is Federal energy policy at this point that one wonders if the left hand of Government knows what the right hand is doing.

In summary then, this bill as reported by the House Committee on Ways and Means is not a "windfall profits tax," it is a tax on the production of oil, regardless of profit. It is nothing more than a sales tax on all crude oil production in the United States. The bill will deprive Americans of 1 million barrels of domestically produced crude oil a day, and increase our dependence on imported crude from OPEC.

Worse yet, the bill will not produce a single gallon of gasoline, refine an additional quart of oil, shorten a single gasoline line. To the extent that it deters us from pursuing the policy that will solve the problem—immediate decontrol of crude oil and gasoline products—it will simply cause trouble. The only winners will be the bureaucrats of the Department of Energy; everyone else will come out the losers.●

The CHAIRMAN. All time has expired.

Mr. CONABLE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1450

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments are in order except the following amendments which shall be considered in the following order: First, amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment, and the amendments recommended by the Committee on Ways and Means now printed in the bill shall be considered en bloc and shall be considered as having been read, shall be debatable for not to exceed 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and shall not be subject to a demand for a division of the question;

Second. An amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of June 25, 1979, by Representative MOORE of Louisiana, and if offered by Representative MOORE or Representative JONES of Oklahoma, said amendment if offered shall be considered as having been read and shall not be subject to amendment but shall be debatable for not to exceed 30 minutes, to be equally divided and controlled by Representative MOORE and another Member designated by the chairman of the Committee on Ways and Means; and

Third. An amendment printed in the CONGRESSIONAL RECORD of June 26, 1979, by Representative SHANNON, and said amendment, if offered by Representative SHANNON, shall be considered as having been read and shall not be subject to amendment but shall be debatable for not to exceed 30 minutes to be equally divided and controlled by Representative SHANNON and another Member to be designated by the chairman of the Committee on Ways and Means.

The bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Crude Oil Windfall Profit Tax Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. WINDFALL PROFIT TAX.

(a) IN GENERAL.—

(1) AMENDMENT OF SUBTITLE D.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.
"Sec. 4989. Windfall profit; removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Other definitions and special rules.
"Sec. 4992. Records and information; regulations.

"SEC. 4986. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) TAX PAID BY PRODUCER. The tax imposed by this section shall be paid by the producer of the crude oil.

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—The amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be 50 percent of the windfall profit on such barrel.

"(b) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"SEC. 4938. TAXABLE CRUDE OIL; THE 3 TIERS FOR TAX PURPOSES

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than qualified Alaskan oil (within the meaning of section 4991(b)(6)).

"(b) TIER 1 OIL.—For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1980 and each month thereafter by 2 percent (instead of 3 percent).

For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter.

"(c) TIER 2 OIL.—For purposes of this chapter, the term 'tier 2 oil' means upper tier oil other than—

"(1) oil described in subsection (b)(2), and

"(2) oil removed (or deemed removed) from the premises after December 31, 1990.

"(d) TIER 3 OIL.—For purposes of this chapter, the term 'tier 3 oil' means taxable crude oil other than tier 1 oil and tier 2 oil.

"(c) LOWER AND UPPER TIERS.—For purposes of this chapter—

"(1) Lower tier oil.—The term 'lower tier oil' means domestic crude oil which is or would be subject to the lower tier ceiling price rule of the June 1979 energy regulations.

"(2) Upper tier oil.—The term 'upper tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"Sec. 4989. Windfall Profit; Removal Price

"(a) General Rule.—For purposes of this chapter, the term 'windfall profit' means the excess of—

"(1) the removal price of the barrel of crude oil, over

"(2) the adjusted base price of such barrel.

"(b) Net Income Limitation on Windfall Profit.—

"(1) In general.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel.

"(2) Determination of net income.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) Taxable income from the property.—For purposes of paragraph (2), the taxable income from the property shall be determined under section 613(a), except that no deduction shall be allowed for—

"(A) depletion,

"(B) costs deductible under section 263(c) (other than those incurred in drilling a nonproductive well), and

"(C) the tax imposed by section 4986.

"(4) Special rule where there is production payment.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) Removal Price.—For purposes of this chapter—

"(1) In general.—Except as otherwise provided in this subsection the term 'removal price' means the amount for which the barrel is sold.

"(2) Sales between related persons.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"Sec. 4990. Adjusted Base Price.

"(a) Adjusted Base Price Defined.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) Inflation Adjustment.—

"(1) In general.—For purposes of subsection (a), the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978 (June 30, 1979, in the case of tier 3 oil).

"(2) First revision of price deflator used.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(3) Rounding.—The percentage determined under this subsection shall be rounded to the nearest 1/10 of 1 percent.

"(c) Base Price for Tier 1 Oil.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(d) Base Price for Tier 2 Oil.—For purposes of this chapter—

"(1) In general.—Except as provided in paragraph (2), the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(2) Monthly increments starting November 1, 1986. Beginning with November 1986, the base price for tier 2 oil of any grade and location shall include such monthly increments as may be provided pursuant to regulations prescribed by the Secretary (and modified by him from time to time) for the purpose of eliminating (as ratably as may be practicable) over the 50-month period ending December 31, 1990, the gap between the tier 2 base price for such oil and the tier 3 base price for such oil.

"(e) Base Price for Tier 3 Oil.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in December 1979 if the average landed price during such month for imported crude oil were $16 a barrel.

"Sec. 4991. Other Definitions and Special Rules.

"(a) Producer.—

"(1) In general.—For purposes of this chapter. the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(2) Exception in case of certain specified amount production payments.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(A) is not limited by time or to a specified number of units, but

"(B) will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the holder of the economic interest from which the production payment was created (rather than the holder of the production payment) shall be treated as the producer of such portion.

"(b) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' includes a natural gas liquid treated as crude oil under the June 1979 energy regulations.

"(2) Barrel.—The term 'barrel' means 42 United States gallons.

"(3) Domestic.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) United states.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) Possession of the united states.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) Qualified alaskan oil.—The term 'qualified Alaskan oil' means any crude oil produced from a well north of the Arctic Circle.

"(7) Taxable period.—The term 'taxable period' means each calendar quarter beginning after December 31, 1979.

"(8) Energy regulations.—

"(A) In general.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as amended.

"(B) March 1979 energy regulations.—The March 1979 energy regulations shall be the terms of energy regulations as such terms existed on March 1, 1979.

"(C) June 1979 energy regulations.—The June 1979 energy regulations—

"(i) shall be the terms of energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhancement recovery projects.

"(D) Continued application of regulations after decontrol.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) Purchaser Collects Tax.—If the removal price of any taxable crude oil is determined under section 4989(c)(1)—

"(1) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amount of such tax from amounts payable for such oil,

"(2) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(3) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

In determining the amount to be collected under paragraph (1), section 4989(b) shall not apply.

"Sec. 4992. Records and Information; Regulations.

"(a) Records and Information.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this chapter."

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"CHAPTER 45. Windfall profit tax on domestic crude oil."

(b) TECHNICAL AMENDMENTS.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(2) Subsection (a) of section 613 (relating to percentage depletion) is amended by inserting before the last sentence the following new sentence: "For purposes of this subsection and section 613A(d)(1), in the case of taxable crude oil (within the meaning of section 4988(a)), gross income from the property shall be reduced by the amount of the windfall profit (within the meaning of section 4989(a)) and taxable income shall be determined without regard to the tax imposed by section 4986."

(c) TIME FOR FILING RETURN OF WINDFALL PROFIT TAX; DEPOSITARY REQUIREMENTS.—

(1) TIME FOR FILING RETURN OF WINDFALL PROFIT TAX.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"SEC. 6076. TIME FOR FILING RETURN OF WINDFALL PROFIT TAX.

"(a) GENERAL RULE.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4991(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) CROSS REFERENCE.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax."

(2) DEPOSITARY REQUIREMENT.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) WINDFALL PROFIT TAX.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations."

(3) TECHNICAL AMENDMENT.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) CERTAIN INFORMATION REQUIRED TO BE FURNISHED.—

(1) GENERAL RULE.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC. 6050C. INFORMATION FURNISHED BY PURCHASER AND OPERATOR REGARDING WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL.

"(a) CERTAIN INFORMATION FURNISHED BY PURCHASER.—Under regulations prescribed by the Secretary, the purchaser of taxable crude oil (within the meaning of section 4988) shall furnish to the taxpayer liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable crude oil purchased from such taxpayer during such month,

"(2) the removal price of such oil,

"(3) the base price and the adjusted base price with respect to such oil,

"(4) the amount of such taxpayer's liability for tax under section 4986 with respect to such oil, and

"(5) such other information as may be required by regulations prescribed by the Secretary.

"(b) INFORMATION FURNISHED BY OPERATOR.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) TIME FOR FILING MONTHLY STATEMENT.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) CERTIFICATION FURNISHED BY OPERATOR.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4990) with respect to such crude oil. For purposes of section 6652(b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"c) CROSS REFERENCES.—

"(1) For additions to tax for failure to furnish information required under this section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profit tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"SEC. 6065C. Information furnished by purchaser and operator regarding windfall profit tax on domestic crude oil."

(e) CRIMINAL PENALTY FOR FAILURE TO FURNISH CERTAIN INFORMATION.—

(1) IN GENERAL. Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"SEC. 7241. WILLFUL FAILURE TO FURNISH CERTAIN INFORMATION REGARDING WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or items required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"SEC. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil."

(f) INFORMATION FURNISHED BY PARTNERSHIPS, TRUSTS, AND ESTATES.

(1) INFORMATION TO BE FURNISHED TO PARTNERS AND TO BENEFICIARIES OF ESTATES AND TRUSTS.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"SEC. 6050D. WINDFALL PROFIT INFORMATION TO BE FURNISHED TO PARTNERS AND TO BENEFICIARIES OF ESTATES AND TRUSTS.

"(a) REQUIREMENT.—Under regulations prescribed by the Secretary, each partnership, estate, and trust producing domestic crude oil for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary;

"(2) information received by the partnership, trust, or estate pursuant to section 6050C.

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) TIME FOR FURNISHING WRITTEN STATEMENT. Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) CLERICAL AMENDMENT. The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"SEC. 6050D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts."

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1980.

SEC. 3. ESTABLISHMENT OF ENERGY TRUST FUND.

(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Energy Trust Fund" (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

(1) IN GENERAL.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") to be equivalent to the amounts received in the Treasury under section 4986 of the Internal Revenue Code of 1954.

(2) METHOD OF TRANSFER.—The amount appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amount subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) MANAGEMENT OF TRUST FUND.—

(1) REPORT.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year ending on or after September 30, 1980, on the financial condition and the results of the opera-

tions of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the next 5 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(2) Investment.—

(A) In general.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) Sale of obligations.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) Interest on certain proceeds.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) Expenditures From Trust Fund.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures for such purposes as may hereafter be specified by law.

COMMITTEE AMENDMENTS

The CHAIRMAN. Pursuant to the rule, the amendments reported by the Committee on Ways and Means and printed in the bill shall be considered as read and en bloc.

The Clerk will designate the committee amendments.

The Clerk designated the committee amendments.

The committee amendments are as follows:

Committee amendment: Beginning on page 2, line 5, strike all of section 2 as follows:

Sec. 2. Windfall Profit Tax.

(a) In General.—

(1) Amendment of subtitle d.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tier for tax purposes.
"Sec. 4989. Windfall profit, removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Newly discovered oil; certain Alaskan oil; tertiary recovery projects.
"Sec. 4992. Other definitions and special rules.
"Sec. 4993. Records and information; regulations.

"Sec. 4986. Imposition of Tax.

"(a) Imposition of Tax.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) Tax Paid by Producer.—The tax imposed by this section shall be paid by the producer of the crude oil.

"Sec. 4987. Amount of Tax.

"(a) In General.—Except as provided in the provisions referred to in subsection (b), the amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be 70 percent of the windfall profit on such barrel.

"(b) Provisions Providing for 50 Percent Rate.—For provisions providing tax rate of 50 percent in the case of—

"(1) a certain portion of the windfall profit from newly discovered oil, see section 4991(a)(2), and

"(2) Sadlerochit oil, see section 4991(b)(1)(A).

"(c) Fractional Part of Barrel.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"Sec. 4988. Taxable Crude Oil; The 3 Tiers for Tax Purposes.

"(a) Taxable Crude Oil.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than qualified Alaskan oil (within the meaning of section 4992(b)(6)).

"(b) Tier 1 Oil.—For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1980 and each month thereafter by 1½ percent (instead of 3 percent).

For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter.

"(c) Tier 2 Oil.—For purposes of this chapter, the term 'tier 2 oil' means upper tier oil other than—

"(1) oil described in subsection (b)(2), and

"(2) Sadlerochit oil (within the meaning of section 4991(b)(3)).

"(d) Tier 3 Oil.—For purposes of this chapter, the term 'tier 3 oil' means taxable crude oil other than tier 1 oil and tier 2 oil.

"(e) Lower and Upper Tiers.—For purposes of this chapter—

"(1) Lower tier oil.—The term 'lower tier oil" means domestic crude oil which is or would be subject to the lower tier ceiling price rule of the June 1979 energy regulations.

"(2) Upper tier oil.—The term 'upper tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"(3) Marginal property provisions disregarded.—The determination of whether crude oil is or would be lower tier oil or upper tier oil shall be made without regard to the provisions of the June 1979 energy regulations which provide for a different base production control level for marginal properties.

"Sec. 4989. Windfall Profit; Removal Price.

"(a) General Rule.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(a) General Rule.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4992(d).

"(b) Net Income Limitation on Windfall Profit.—

"(1) In general.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel.

"(2) Determination of net income.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) Taxable income from the property.—For purposes of paragraph (2)—

"(A) In general.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) Certain deductions not allowed.—No deduction shall be allowed for—

"(i) depletion,

"(ii) section 263(c) costs, and

"(iii) the tax imposed by section 4986.

"(C) Taxable income reduced by cost depletion.—Taxable income shall be reduced by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all section 263(c) costs had been capitalized and taken into account in computing cost depletion, and

"(ii) cost depletion had been used with respect to such property for all periods.

"(D) Section 263(c) costs.—For purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this chapter (other than this paragraph). Such term shall not include costs incurred in drilling a nonproductive well.

"(4) Special rules for transfers of proven oil or gas properties.—

"(A) In general.—In the case of any proven oil or gas property transfer which, but for this subparagraph, would result in an increase in the amount determined under paragraph (3)(C) with respect to the transferee, paragraph (3)(C) shall be applied with respect to the transferee by taking into account only costs incurred during periods after such transfer.

"(B) Proven oil or gas property transfer.—For purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613(c)(9)(A)).

"(5) Special rule where there is production payment.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) Removal Price.—For purposes of this chapter—

"(1) In general.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) Sales between related persons.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"Sec. 4990. Adjusted Base Price.

"(a) Adjusted Base Price Defined.—For

purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—For purposes of subsection (a), the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978 (June 30, 1979, in the case of tier 3 oil).

"(2) FIRST REVISION OF PRICE DEFLATOR USED.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(c) BASE PRICE FOR TIER 1 OIL.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(d) BASE PRICE FOR TIER 2 OIL.—For purposes of this chapter, the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(e) BASE PRICE FOR TIER 3 OIL.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in December 1979 if the average landed price during such month for imported crude oil were $16 a barrel.

"SEC. 4991. NEWLY DISCOVERED OIL; CERTAIN ALASKAN OIL; TERTIARY RECOVERY PROJECTS.

"(a) NEWLY DISCOVERED OIL.—

"(1) BASE PRICE TO BE $17.—The base price for any newly discovered oil shall be determined by substituting '$17' for '$16' in section 4990(e).

"(2) RATE OF TAX ON FIRST $9 OF WINDFALL PROFIT SHALL BE 50 PERCENT INSTEAD OF 70 PERCENT.—For so much of the windfall profit on any barrel of newly discovered oil as does not exceed $9, the tax rate applicable under section 4987(a) shall be 50 percent instead of 70 percent.

"(3) ADDITIONAL ½ OF 1 PERCENT QUARTERLY ADJUSTMENT.—

"(A) IN GENERAL.—The adjusted base price for any barrel of newly discovered oil shall be determined by substituting for the implicit price deflator referred to in section 4990(b)(1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after September 1979 and before the calendar quarter in which the oil is removed (or deemed removed) from the premises.

"(B) INFLATION ADJUSTMENT AND ADDITIONAL ½ OF 1 PERCENT QUARTERLY ADJUSTMENT ALSO APPLY TO AMOUNT OF WINDFALL PROFIT SUBJECT TO THE 50 PERCENT TAX.—The $9 figure contained in paragraph (2) shall be adjusted in a manner similar to that provided under subsections (a) and (b) of section 4990 (as modified by subparagraph (A) of this paragraph).

"(4) SEVERANCE TAX ADJUSTMENT NOT TO APPLY TO PORTION SUBJECT TO 50-PERCENT RATE.—For purposes of determining the windfall profit on any barrel of newly discovered oil, section 4992(d)(1)(B) shall be applied by substituting for 'its adjusted base price' the following: 'its adjusted base price plus $9, adjusted as provided in section 4991 (a)(3)(B)'.

"(5) NEWLY DISCOVERED OIL DEFINED.—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter)—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(B) REOPENINGS.—The term 'newly discovered oil' does not include crude oil produced from a property from which there has been any production of crude oil after 1969 and before 1979. For purposes of this subparagraph, the term 'property' has the meaning given to such term by the June 1979 energy regulations.

"(C) BEHIND-THE-PIPE OIL.—The term 'newly discovered oil' does not include crude oil produced from a reservoir on a tract or parcel if—

"(i) the reservoir was penetrated after 1969 and before 1979 by a well (on such tract or parcel) from which crude oil was produced (whether or not such production was from such reservoir), and

"(ii) crude oil could have been produced from such reservoir through such well before 1979.

"(D) PRODUCTION MUST HAVE BEEN IN COMMERCIAL QUANTITIES.—For purposes of subparagraphs (B) and (C), only production in commercial quantities shall be taken into account.

"(b) ALASKAN OIL FROM SADLEROCHIT RESERVOIR.—For purposes of this chapter—

"(1) IN GENERAL.—In the case of Sadlerochit oil—

"(A) RATE OF TAX.—The rate of tax provided in section 4987(a) shall be 50 percent instead of 70 percent.

"(B) BASE PRICE.—The base price shall be $7.50.

"(C) ADJUSTED BASE PRICE INCREASED BY TAPS ADJUSTMENT.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(D) REMOVAL PRICE DETERMIND ON MONTHLY BASIS.—The removal price of such oil removed during any calendar month shall be the average of the producer's removal prices for such month.

"(E) SEVERANCE TAX ADJUSTMENT NOT TO APPLY.—The amount of the windfall profit shall be determined without regard to section 4989(a)(2).

"(2) TAPS ADJUSTMENT.—

"(A) IN GENERAL.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26 plus the product of $6.26 and the inflation adjustment, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) INFLATION ADJUSTMENT.—For purposes of subparagraph (A), the inflation adjustment shall be determined under section 4990 (b) as if paragraph (1)(B) thereof referred to the calendar quarter ending June 30, 1978.

"(C) TAPS TARIFF.—For purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(D) TAPS DEFINED.—For purposes of this paragraph, the term 'TAPS' means the Trans-Alaskan Pipeline System.

"(3) SADLEROCHIT OIL DEFINED.—The term 'Sadlerochit oil' means crude oil produced from the Sadlerochit reservoir in the Prudhoe Bay oil field.

"(c) INCREMENTAL TERTIARY OIL TREATED AS TIER 3 OIL.—For purposes of this chapter—

"(1) TREATMENT AS TIER 3 OIL.—Incremental tertiary oil shall be treated as tier 3 oil and not as tier 1 oil or tier 2 oil.

"(2) INCREMENTAL TERTIARY OIL DEFINED.—

"(A) IN GENERAL.—The term 'incremental tertiary oil' means the excess of—

"(i) the amount of crude oil which is removed during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over

"(ii) the base level for such property for such month.

"(B) BASE LEVEL.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed from such property during the 6-month period ending March 31, 1979, reduced by the sum of—

"(i) 1 percent of such amount for each month which begins after 1978 and before the project beginning date, and

"(ii) 2½ percent for each month (after the last month described in clause (i) or, if no such month, after 1978) which is before the month for which the base level is being determined.

"(C) MINIMUM AMOUNT IN CASE OF PROJECTS DEFINED BY DOE.—In the case of a project described in paragraph (4)(A), the amount of the incremental tertiary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(3) ALLOCATION RULES.—The determination of which barrels of crude oil removed during any month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between oil which (but for this subsection) would be tier 1 oil and oil which (but for this subsection) would be tier 2 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(4) QUALIFIED TERTIARY RECOVERY PROJECT.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such is in effect under the June 1979 energy regulations, or

"(B) any project for the tertiary recovery of crude oil which meets the requirements of paragraph (5).

"(5) REQUIREMENTS.—A project meets the requirements of this paragraph if—

"(A) the project involves the application (in accordance with sound engineering principles) of one or more tertiary recovery methods which can reasonably be expected to result in a significant increase in the amount of crude oil which will ultimately be recovered from the property,

"(B) the project would be uneconomic without the benefits of this subsection,

"(C) the project beginning date is after May 1979, and

"(D) the operator submits (at such times and in such manner as the Secretary may by regulations prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets the requirements of subparagraphs (A), (B), and (C) (and continues to meet the requirements of subparagraph (A)), and

"(ii) such other information as the Secretary may by regulations require.

"(6) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) TERTIARY RECOVERY METHOD.—The term 'tertiary recovery method' means—

"(i) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or "(ii) any other method to provide tertiary enhanced recovery which is approved by the Secretary.

"(B) Project beginning date.—The term 'project beginning date' means the date on which the application of the method or methods referred to in paragraph (5)(A) begin.

"(C) Project only affects portion of property.—If a qualified tertiary recovery project affects only a portion of a property, such portion shall be treated as a separate property.

"(D) Significant expansion treated as separate project.—A significant expansion of any project shall be treated as a separate project.

"(d) Front-end financing for tertiary recovery projects.—If under any energy regulations crude oil receives special price treatment for purposes of providing front-end financing for tertiary recovery projects, for purposes of this chapter, such crude oil shall be treated as tier 2 oil.

"Sec. 4992. Other Definitions and Special Rules.

(a) Producer.—

(1) In general.—For purposes of this chapter, the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(2) Exception in case of certain specified amount production payments.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(A) is not limited by time or to a specified number of units, but

"(B) will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the holder of the economic interest from which the production payment was created (rather than the holder of the production payment) shall be treated as the producer of such portion.

"(b) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) Barrel.—The term 'barrel' means 42 United States gallons.

"(3) Domestic.—The term 'domestic,' when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) United states.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) Possession of the united states.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) Qualified alaskan oil.—The term 'qualified Alaskan oil' means any crude oil produced from a well north of the Arctic Circle other than Sadlerochit oil.

"(7) Taxable period.—The term 'taxable period' means each calendar quarter beginning after December 31, 1979.

"(8) Energy regulations.—

"(A) In general.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as amended.

"(B) March 1979 energy regulations.—The March 1979 energy regulations shall be the terms of energy regulations as such terms existed on March 1, 1979.

"(C) June 1979 energy regulations.—The June 1979 energy regulations—

"(i) shall be the terms of energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) Continued application of regulations after decontrol.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) Purchaser Collects Tax.—If the removal price of any taxable crude oil is determined under section 4989(c)(1)—

"(1) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amount of such tax from amounts payable for such oil,

"(2) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(3) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

In determining the amount to be collected under paragraph (1), section 4989(b) shall not apply.

"(d) Severance Tax Adjustment.—For purposes of this chapter—

"(1) In General.—The severance tax adjustment with respect to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been extracted and sold at its adjusted base price.

"(2) Limitation on amount of severance tax.—The amount of severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979.

"(e) Special Rules for Post-1978 Transfers of Property.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer—

"(1) crude oil produced from any portion of such property shall not constitute stripper oil or newly discovered oil if such oil would not be so classified if the property had not been divided, and

"(2) the allocation of the base production control level among portions of the property shall be made under regulations prescribed by the Secretary.

"(f) Exemption for Certain Interests Held by State of Local Governments.—

"(1) In general.—If—

"(A) an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution which is an agency or instrumentality of any of the foregoing, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to public education,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest. For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to such interest.

"(2) Amounts placed in certain permanent funds treated as dedicated to public education.—The requirements of paragraph (1)(B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to public education.

"Sec. 4993. Records and Information Regulations.

"(a) Records and Information.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this chapter, including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or appropriate to carry out such purposes."

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 45. Windfall profit tax on domestic crude oil."

(b) Technical Amendments.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(2) Subsection (a) of section 613 (relating to percentage depletion) is amended by inserting before the last sentence the following new sentence: "For purposes of this subsection and section 613A(d)(1), in the case of taxable crude oil (within the meaning of section 4988(a)), gross income from the property shall be reduced by the amount of the windfall profit (within the meaning of section 4989(a) determined without regard to the severance tax adjustment) and taxable income shall be determined without regard to the tax imposed by section 4986."

(c) Time for Filing Return of Windfall Profit Tax; Depositary Requirements.—

(1) Time for filing return of windfall profit tax.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6076. Time for Filing Return of Windfall Profit Tax.

"(a) General Rule.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4992(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) Cross Reference.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax."

(2) Depositary Requirements.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Windfall Profit Tax.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations."

(3) Technical amendment.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. Information Furnished by Purchaser and Operator Regarding Windfall Profit Tax on Domestic Crude Oil.

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary, the purchaser of taxable crude oil (within the meaning of section 4988) shall furnish to the taxpayer liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable crude oil purchased from such taxpayer during such months,

"(2) the removal price of such oil,

"(3) the base price and the adjusted base price with respect to such oil,

"(4) the amount of such taxpayer's liability for tax under section 4986 with respect to such oil, and

"(5) such other information as may be required by regulations prescribed by the Secretary.

"(b) Information Furnished by Operator.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time for Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished by Operator.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4990) with respect to such crude oil. For purposes of section 6652 (b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) Technical and conforming amendments.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profit tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information furnished by purchaser and operator regarding windfall profit tax on domestic crude oil."

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7241. Willful Failure To Furnish Certain Information Regarding Windfall Profit Tax on Domestic Crude Oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil."

(f) Information Furnished by Partnerships, Trusts, and Estates.—

(1) Information to be furnished to partners and to beneficiaries of estates and trusts.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"Sec. 6050D. Windfall Profit Information To Be Furnished to Partners and to Beneficiaries of Estates and Trusts.

"(a) Requirement.—Under regulations prescribed by the Secretary, each partnership, estate, and trust producing domestic crude oil for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050C,

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) Time for Furnishing Written Statement.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) Clerical amendment.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts."

(g) Effective Date.—The amendments made by this section shall take effect on January 1, 1980.

Committee amendment: At the end of the bill, insert a new section 4 as follows:

Sec. 4. Study of Effects of Decontrol of Oil Prices and of Windfall Profit Tax.

(a) General Rule.—The President shall, not later than January 1, 1983, submit to the Congress a report on the effect of decontrol of oil prices and the windfall profit tax on—

(1) domestic oil production,
(2) foreign oil imports,
(3) profits of the oil industry,
(4) inflation,
(5) employment,
(6) economic growth,
(7) Federal revenues, and
(8) national security.

(b) Report To Include Recommendations.—The report required under subsection (a) shall include such legislative recommendations as the President determines to be advisable.

The CHAIRMAN. The gentleman from Oregon (Mr. Ullman) will be recognized for 15 minutes, and the gentleman from New York (Mr. Conable) will be recognized for 15 minutes.

The Chair recognizes the gentleman from Oregon (Mr. Ullman).

Mr. ULLMAN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the Committee on Ways and Means worked very hard, very long, very diligently, and very effectively in correcting the administration bill, modifying it, and doing innumerable things that make it work better. It would be a grave error to reject all of that committee effort and go back to the original administration bill.

One of the principal problems with the administration bill is the fact that it applies a tax across the board equally to old and new oil.

The committee felt very strongly—and I think the preponderance of opinion throughout the country supports that feeling—that we should give a special incentive to new oil, and that we should put a heavier tax on the old oil, that oil that has been there and in production for many years and that has a very low cost basis. We put a heavier tax there, but we ease off on the tax on new oil. We have done that in the committee amendments.

On top of that, if the President had known that OPEC would be increasing its prices to the extent that it has now, going to $21.50 and $22 a barrel, he would have, I am sure, taken that into account and applied a much heavier tax.

Mr. Chairman, I strongly urge the Members to vote for the committee amendments and reject the arguments of my colleagues on the other side.

□ 1500

Mr. CONABLE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the proposals that we are considering are serious and substantive proposals, and it is my intention to ask for rollcall vote on the committee amendments. Frequently these are pro forma and frequently they are without great interest on the part of the House because the manner in which a legislative committee has dealt with proposals coming from the executive branch is not of general interest to the Members at large. However, in this case it is interesting to review what transpired.

The President, on whose executive leadership we depend, to a substantial degree, in the legislative process, engaged in a good deal of rhetoric about the extent to which oil companies ripoff consumers in this country and created an expectancy about the bill, which when he presented it, found considerable disappointment among those liberals and Populists who were expecting a punitive bill, judging from the rhetoric. The effect was that almost from the outset the Committee on Ways and Means decided that the President's proposal must be changed in ways that would reflect the committee's view of where the politics lay. And so we had a total of 11 committee amendments, 8 of which were substantive, and 7 of the 8 made the bill considerably tougher. The eighth transferred some of the tax on new oil to old oil and thus encouraged additional exploration and development to the extent that anything in the committee bill can be said to have relieved the impact of this otherwise punitive tax.

What I am saying to my friends on the Republican side is that if you wish not to be partisan, to support your President, the way to do so is to vote against the committee amendments. What I am saying to my friends on the Democratic side is that if you believe in the leadership of the head of your party, you will vote against the committee amendments. It provides you with an opportunity to accept the judgment of those experts in the Department of Energy and the White House who designed this bill in the first place, with what they thought was an appropriate balance, regardless of the inflamatory rhetoric to the contrary at the outset.

I think it would be an appropriate thing for this House to return to the original proposal made by the President, since in my view, in almost every case, the committee has put a destructive hand on the opportunities that decontrol have presented.

As a matter of fact, this bill in many respects has an unreal quality to it. The same can be said about our committee's actions. It reminds me a little of Alice in Wonderland. More precisely, it reminds me of an exchange between Alice and the Queen in "Through the Looking Glass." After running for some time, Alice said:

> "Why, I do believe we've been under this tree the whole time! Everything's just as it was!"
>
> "Of course it is," said the Queen. "What would you have it?"
>
> "Well, in our country," said Alice, still panting a little, "you'd generally get to somewhere else—if you ran very fast for a long time as we've been doing."
>
> "A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"
>
> "I'd rather not try, please!" said Alice. "I'm quite content to stay here . . ."

That is what this bill will do to our domestic oil industry. They are asked to work twice as hard to stay in the same place. And as with Alice, under this bill they will make little if any progress.

Remember—it is President Carter's proposal you are altering with these amendments. If you support the President, vote against the committee amendments.

What do these amendments do? They add to our import dependence. They add to our balance-of-payments deficit. They will lengthen or perpetuate gasoline lines. They will lay the groundwork for home heating oil shortages next winter. And they will, of course, do all this against a background of high consumer prices.

Perhaps it is pointless at this late date to try and bring some rational economic discussion into this issue. We ought to try it in any event.

The production of oil is not a simple matter. Oil wells are not like garden hoses; they are not turned on and off at will and it does not—and I want to emphasize this point—and it does not cost the same amount to produce the first barrel of oil from a reservoir as it costs to produce the last. There are a variety of artificial stimulation techniques which are applied to enhance recovery from a reservoir. Some of these range from simply flooding the well or reservoir with water. This requires drilling an additional well to inject the water. Sometimes operators inject gas to increase pressures; some techniques fracture the rock and stone from basins in which the oil is trapped. Still others alter the viscosity of the oil by injecting various kinds of chemicals. There are also labor and capital costs associated with all of these techniques. And this is why, at least in part, the production of oil from existing fields is price sensitive. This is why as price goes up even already existing reservoirs can be made to produce more than they have in the past.

Then there is of course the obvious fact that as the reward for finding new oil increases investors are more willing to expend their dollars in this type of enterprise. This is plain economics.

After all, that is what I thought we wanted. More domestically produced oil. What these committee amendments do, however, is destroy those incentives and destroy the ability of the domestic industry to produce additional oil. If that is what the majority wants, well, so be it. Frankly, however, I would rather pay a Texan or an Oklahoman, or an Alaskan $20 for a barrel of oil and allow him to keep those dollars without any windfall profits tax than I would pay the same amount of money to a foreign producer. The sons and daughters of foreign producers do not serve in our Armed Forces; they do not pay U.S. taxes, they do not vote in our elections. They simply take our money. So I urge you to vote against the committee amendments.

Mr. Chairman, these committee amendments were adopted one by one in the committee, and I believe it is safe to say that, in many cases, members of the committee who voted for them said, "Yes, we understand this goes too far, but someone on the other side is going to work his magic and pull the wool over our eyes in a conference and bring us back to where we ought to be," which is about the President's bill, in other words, what was originally presented to the committee before these amendments were adopted.

I want to say that that is a pretty bad way in which to legislate, to assume that someone will bail you out.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

Mr. Chairman, I have heard those same comments, that we should vote for a bill that is too tough, one we know we cannot live with, because it is going to be scaled down in the Senate which will result in something like the Moore-Jones-Brown-Santini compromise.

I have just received a letter, dated today, from Senator RUSSELL B. LONG, chairman of the Finance Committee, U.S. Senate.

I want to read a portion of that letter, if I may:

> I have been informed that my name has been used in connection with the on-going House debate on the proposed windfall profits tax.
>
> Generally, this has been in the context of suggestions by some members that the House should pass a higher tax than it might otherwise do on the theory that Senators like me would surely reduce it when the Senate considers the bill.
>
> I wish to suggest very strongly that no House member should vote for a tax which is any higher than he wants to see become law. When the Senate votes on this measure, the mood at that time might cause the Senate to vote for an even higher tax than the one passed by the House.
>
> There is nothing in the history of the Senate to demonstrate that it is less subject to over-reacting to the frustration and emotion of the moment than is the House of Representatives.

So I submit that this proves that this is a very erroneous tactic and logic being shown by some Members in voting for an abnormally high tax and hoping the other body will carry the day. Do what is right now.

Mr. CONABLE. I thank the gentleman for the information he has made available for us today.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Texas.

□ 1510

Mr. ARCHER. Did the gentleman from New York not perceive, as I did during the deliberations in the committee, that this was exactly what the administration was attempting to do? Time after time, they refused to support their own bill, their own programs, and stood by and let the committee—with their tacit approval—add these committee amendments to the bill on the hope that it would be cleaned up or improved in the Senate.

Mr. CONABLE. I find it very difficult to know what the motivation of Treasury members was——

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

Mr. CONABLE. Mr. Chairman, I yield myself 2 additional minutes.

The CHAIRMAN. The gentleman is recognized for 2 minutes.

Mr. CONABLE. To continue, as this measure was considered in the Ways and Means Committee.

If the President was exerting vigorous leadership in behalf of his own proposal, it was nowhere apparent. Fortunately, an opportunity presented to offer his proposal to the committee.

If I may say so, a majority of the Republicans, virtually all of them, supported that proposal. I hope that will happen here today. I do not believe in mindless partisanship.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from South Carolina.

Mr. HOLLAND. Mr. Chairman, I just received a copy of a letter from the gentleman from Louisiana, Senator Long. I feel pretty comfortable with the gentleman from New York; if tradition applies, he will be on the conference ultimately, and we are certainly comfortable relying on his magic, to bring this bill back to where it should be.

Mr. CONABLE. Well, I thank the gentleman. One way to respond to my magic at this point would be to vote against the committee amendments. I think it would leave the issue considerably less in doubt, and I urge the Members of this body to vote down the committee amendment.

Mr. ULLMAN. Mr. Chairman, I yield myself one minute.

Mr. Chairman, It is rather heartwarming to hear my good friend from New York be such a staunch supporter of President Carter to go back to his original bill and buy all of the arguments and the logic.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield?

Mr. ULLMAN. I yield to the gentleman from New York.

Mr. CONABLE. I only wish I could say the same of the chairman.

Mr. ULLMAN. The President has supported the tightening of the bill, and he now supports the committee bill, I might say, particularly in view of the OPEC increases which have added a whole new dimension to this debate and this situation.

Mr. CONABLE. Mr. Chairman, I would ask my leader if the President indicated that he was being led by his party in the Congress or he was leading the Congress? It is really a very interesting exercise in leadership that we have gone through all the way along here. I like to think the Congress is capable of filling a vacuum rather than enhancing it.

Mr. ULLMAN. I say to the gentleman, it is constitutional democracy at its very best and highest levels of function.

Mr. Chairman, I now yield two minutes to the gentleman from Texas (Mr. Hightower).

Mr. HIGHTOWER. Mr. Chairman, I rise in opposition to the committee amendments.

The thing for us to remember here today as Members of Congress is that we did not get to this point overnight. It did not just happen when OPEC decided to increase the price of oil.

Actually the die was cast in the early 1950's when a conscious decision was made in this Congress to hold the price of domestic production down; and of course the big oil companies did not object, because they had the wherewithal to go to South America and go to Arabia and to bring it in to this country, and they did. They let us become dependent on what they thought would be their continuing supply.

Their wisdom was not any better then than it is now, they did not have a dependable supplier, and they were nationalized gradually in Arabia.

Now we have come to the point that was predictable even in the 1950's.

Our response in 1979 is to continue to hold down the domestic producer. We did not learn the obvious lesson.

I have no apology for the fact that I am from an oil producing State, from a State that produces a lot of oil and gas. I have heard many stand here and say they could look at their questions objectively because there is no production in their State. Those of us from the producing areas can also be objective; objective and knowledgeable. One of the arguments that I have heard again and again is that there will be no new oil production at home; that our domestic production is going to continue to decline.

Because I am from a producing State, I am personally acquainted with geologist who have said that there is no oil under certain tracts. In fact, the history of the production of oil and gas in this country has been that authoritative geologists have asserted that no oil would be found in certain locations only to have some dissenter coming along and with speculative money find oil. There is much more oil to be found. We must encourge exploration and drilling. We must not depend on the whims of OPEC for the security of this country. I urge the defeat of these amendments and the bill.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. Moore).

Mr. MOORE. I thank the gentleman for yielding.

It is the committee amendments that destroy the balance in the President's bill, between increased incentive to produce more oil domestically in this country and a fair tax to prevent excessive profits.

It was these amendments that destroyed that. Therefore, these amendments ought not be approved by this Committee of the Whole.

I would also point out that the production figures are clear. The production figures show that under the President's original bill we were to expect about 700,000 to 740,000 barrels more a day. Under a substitute that will now be necessary because of this loss of balance, we will produce 800,000 barrels a day; under the committee bill, only 350,000 barrels a day will be produced.

The Department of Energy may say to the contrary. The Department of Energy is the same group who fouled up the gasoline allocations around the country, saying they are fair and equal. The Department of Energy has a model they use which does not consider after-tax dollars, but only before-tax dollars.

When you reduce after-tax dollars from 25 cents down to 12 cents and the Department of Energy says there is a direct response between after-tax dollars and production, how can you then say that this Ways and Means Committee bill produces anywhere near what the President's bill would do or the substitute could do?

I urge these committee amendments be defeated. If the Members do that, then our substitute would really not be necessary. If the Members do not, then we have got to vote for the Moore-Jones-Brown-Santini substitute to restore the balance these amendments destroy.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Chairman, one of the amendments passed in the committee was one which attempted to give relief to the tertiary process of recovering oil. It was a good or helpful amendment. It did not go as far as I think it should, but I must say to the Members that it was helpful; and it is an improvement over the present situation.

I think the Members ought to keep this in mind that for every barrel of oil that has ever been produced in this country, normal recovery modes have left 2 barrels in the ground.

Now, that is 300 billion barrels of oil in this country that is going to be lost forever. If we could just get 10 percent of that tertiary recovery, we would double our present reserves.

The Department of Energy says that this is possible. The DOE testified before us that we may be able to recover 25 billion to 40 billion barrels of oil with tertiary recovery.

Now, that is 25 to 40 billion barrels of oil, not millions. They said that we would be able to get 2 million more barrels of oil out of the ground every day as a result of tertiary recovery by 1980. My colleagues, that is as much if not more than we would get through the entire synthetic bill that we passed 2 days ago.

I say to the Members, the best hope we have in this country is put greater emphasis on tertiary recovery.

The substitute bill that is going to be offered by the gentleman from Oklahoma (Mr. Jones) and the gentleman from Louisiana (Mr. Moore), does give some further relief. It says that tertiary crude would receive the same tax treatment as newly discovered crude, the tax base is $17 per barrel adjusted for GNP deflater, plus 2 percent gross. The rate of the tax would be 50 percent until the prices exceeded $26 per barrel adjusted.

Before that price, the regulation would be 60 percent. That is an added incentive.

I point out to the Members that we have got more oil in the ground than we have in reserves. We know where it is. We are told that it can be recovered. There is nothing in the petroleum field that is more price sensitive than the tertiary process.

No company is going to invest $5 million, $10 million, or $20 million if there is clear uncertainty about it, as it exists now. That is the way it is operated under the DOE today. There has only been three sizeable applications for further tertiary projects at DOE in the last year or so, simply because the company says, "We cannot invest $20 million and have to prove every morning and every night that so many barrels will be produced strictly to the incremental increase. It is simply too difficult to measure."

The bill that came out of the committee does have a rather sharply declining curve that all oil above that tertiary oil would not be subject to the tax. That is helpful, and I appreciate that.

☐ 1520

But I say to the Members we have not gone far enough.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas.

Mr. PICKLE. We have not gone far enough and for all our hopes and prayers we have about oil recovery in this Nation, the best help is in tertiary recovery. We know it is there and everybody, Mr. Chairman, on the Democratic or Republican side and those who are liberal and conservative agree that is true. Our own Government, the OTA and DOE have said this is one process that positively we ought to give the best price possible.

If that is so and if our own Government is saying it, why do we not put added emphasis on the tertiary process?

I have the feeling, Mr. Chairman, everybody wants to do it. I do not care whether we are liberal or conservative, we want to do it; but somehow or another we have a mental block, like the DOE has over there, that we just cannot let them have a little more profit until they can prove it has to come specifically from the tertiary process, that it is an absolutely incremental increase. That is so difficult to prove.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. Mr. Chairman, I rise in opposition to the committee amendments and I want to follow up on the very important point that the gentleman from Texas has just made.

I somehow get the idea, as I listen to Members talk, they believe tertiary recovery is some minor item, some exotic category that may or may not be important and we should not worry about it too much.

The point is in terms of the next two or three decades in this country enhanced recovery, tertiary recovery is the whole ball game in terms of our conventional production of petroleum liquids.

As the gentleman from Texas says, we have a huge resource base there of oil in place that has been discovered, delineated, we know it is there, and the amount we produce year after year over the next two decades is going to be totally and completely sensitive to the after-tax price that is offered to producers as they begin to move some of this very costly enhanced recovery technique into practice.

I do not base that on the word of the oil industry. There was a study done 2 years ago by the Office of Technology Assessment, here in the Congress, chaired by Senator KENNEDY, so we know it has to be objective. It was not biased toward the industry. And let me tell the Members what they said about the relationship between price and the amount you get, the price sensitivity.

They said that at a price—and this is in constant dollars—of $14 per barrel we will get 21 billion barrels of extra recovery, tertiary recovery above what we would otherwise get from conventional recovery.

If that price rises to $25 a barrel, we will get 42 billion barrels of extra recovery, double. And if some day at the turn of the century the price in real terms should be up to $35 a barrel, we will get 50 billion barrels of recovery.

The point is what does this committee amendment do? It simply says that from now until perpetuity we are going to tax away 70 percent of any additional revenue yield above $16 a barrel. We are going to hold the after tax price for oil produced from these costly methods, the only methods we have for the future, to $16 per barrel or a little more, even though we may be paying $25, $35, or $40 on the world market, and even though we are going to be paying $30 to $40 for synthetic liquids. It does not make sense. The bill is illogical.

I urge the amendment be rejected.

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say again if we reject the committee amendments, we are going back to an unperfected bill. We have gone over a lot of the important differences, but let me go to some that we have not talked about.

The gentleman from Texas talked about tertiary development. We have made very important, new concessions for incentives in tertiary development. If we go back to the original President's proposal, we will eliminate those new incentives.

We applied the tax to the presently producing reservoir in Alaska, and even the folks who now support the Moore-Jones amendment have that in their proposal. It is extremely desirable. And with the new price levels set by OPEC, it is even more defensible not to leave it out.

We have very important public land exemptions that cover situations in California, Louisiana, Texas, and other States.

We have for newly discovered oil greatly enhanced the incentives for newly discovered oil as against the original President's proposal. The tax that applies to new oil in the committee bill is less than that proposed by the President and that is where the incentive ought to be. We are rejecting that if we go back to the original bill.

The definition for tertiary oil has been much improved and liberalized in this bill.

On issue after issue after issue the people who come from producing States would be losing a tremendous amount of benefits if they go back to the committee bill.

I urge the committee on all counts to approve the committee amendments by this vote.

The CHAIRMAN. The question is on the committee amendments.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 230, noes 185, answered "present" 1, not voting 18, as follows:

[Roll No. 301]

AYES—230

Addabbo
Akaka
Albosta
Ambro
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Howard
Hughes
Hutto
Jacobs
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCormack
McDade
McHugh
McKay
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wirth
Wolff
Wolpe
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—185

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Boggs
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson

Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fenwick
Findley
Frenzel
Frost
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jeffries
Jenkins
Johnson, Colo.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Lungren
McClory
McCloskey
McDonald
McEwen
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Pashayan
Paul
Perkins
Petri
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wright
Wyatt
Wydler
Wylie
Young, Alaska

ANSWERED "PRESENT"—1

Clinger

NOT VOTING—18

Alexander
Anderson, Ill.
Bolling
Burton, John
Davis, S.C.
Derrick
Fish
Flood
Forsythe
Hawkins
Jenrette
Mathis
Patterson
Rangel
Spellman
Stewart
Thompson
Wilson, Tex.

☐ 1540

Mrs. BOUQUARD, and Messrs. GILMAN, EMERY, and LENT changed their vote from "no" to "aye."

Mr. PERKINS and Mr. EVANS of Georgia changed their vote from "aye" to "no."

So the committee amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. JONES) to offer the amendment in the nature of a substitute.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. JONES OF OKLAHOMA

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of June 25, 1979, by the gentleman from Louisiana (Mr. MOORE) shall be considered as read.

The Clerk will designate the amendment in the nature of a substitute.

The Clerk designated the amendment in the nature of a substitute.

The amendment in the nature of a substitute reads as follows:

Amendment in the nature of a substitute offered by Mr. JONES of Oklahoma: Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Crude Oil Windfall Profit Tax Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. WINDFALL PROFIT TAX.

(a) IN GENERAL.—

(1) AMENDMENT OF SUBTITLE D.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.
"Sec 4989. Windfall profit; removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Newly discovered oil; certain Alaskan oil; tertiary recovery projects.
'Sec. 4992. Other definitions and special rules.
"Sec. 4993. Records and information; regulations.

"SEC. 4986. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) TAX PAID BY PRODUCER.—The tax imposed by this section shall be paid by the producer of the crude oil.

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—Except as provided in the provisions referred to in subsection (b), the amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be 60 percent of the windfall profit on such barrel.

"(b) PROVISIONS PROVIDING FOR 50 PERCENT RATE.—For provisions providing tax rate of 50 percent in the case of—

"(1) a certain portion of the windfall profit from newly discovered oil, see section 4991 (a) (2), and

"(2) Sadlerochit oil, see section 4991(b) (1) (A).

"(c) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"SEC. 4988. TAXABLE CRUDE OIL; THE 3 TIERS FOR TAX PURPOSES.

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than—

"(1) qualified Alaskan oil (within the meaning of section 4992(b) (6)), and

"(2) newly discovered oil and incremental tertiary oil removed (or deemed removed) from the premises after December 31, 1990.

"(b) TIER 1 OIL.—For purposes of this chapter, the term "tier 1 oil" means domestic crude oil which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1980 and each month thereafter by 1½ percent (instead of 3 percent).

For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter.

"(c) TIER 2 OIL.—For purposes of this chapter, the term "tier 2 oil" means upper tier oil other than—

"(1) oil described in subsection (b) (2),

"(2) oil removed (or deemed removed) from the premises after December 31, 1990, and

"(3) Sadlerochit oil (within the meaning of section 4991(b) (3)).

"(d) TIER 3 OIL.—For purposes of this chapter, the term "tier 3 oil" means taxable crude oil other than tier 1 oil and tier 2 oil.

"(e) LOWER AND UPPER TIERS.—For purposes of this chapter—

"(1) LOWER TIER OIL.—The term 'lower tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"(2) UPPER TIER OIL.—The term 'upper tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"Sec. 4989. WINDFALL PROFIT; REMOVAL PRICE.

"(a) GENERAL RULE.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4992(d).

"(b) NET INCOME LIMITATION ON WINDFALL PROFIT.—

"(1) IN GENERAL.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel.

"(2) DETERMINATION OF NET INCOME.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) TAXABLE INCOME FROM THE PROPERTY.—For purposes of paragraph (2)—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) CERTAIN DEDUCTIONS NOT ALLOWED.—No deduction shall be allowed for—

"(i) depletion,

"(ii) section 263(c) costs, and

"(iii) the tax imposed by section 4986.

"(C) TAXABLE INCOME REDUCED BY COST DEPLETION.—Taxable income shall be reduced by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all section 263(c) costs had been capitalized and taken into account in computing cost depletion, and

"(ii) cost depletion had been used with respect to such property for all periods.

"(D) SECTION 263(c) COSTS.—Purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this chapter (other than this paragraph). Such terms shall not include costs incurred in drilling a nonproductive well.

"(4) SPECIAL RULES FOR TRANSFERS OF PROVEN OIL OR GAS PROPERTIES.—

"(A) IN GENERAL.—In the case of any proven oil or gas property transfer which, but for this subparagraph, would result in an increase in the amount determined under paragraph (3) (C) with respect to the transferee, paragraph (3) (C) shall be applied with respect to the transferee by taking into account only costs incurred during periods after such transfer.

"(B) PROVEN OIL OR GAS PROPERTY TRANSFER.—For purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613A(c)(9)(A)).

"(5) SPECIAL RULE WHERE THERE IS PRODUCTION PAYMENT.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) REMOVAL PRICE.—For purposes of this chapter—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) SALES BETWEEN RELATED PERSONS.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) OIL REMOVED FROM PREMISES BEFORE SALE.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) REFINING BEGUN ON PREMISES.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) MEANING OF TERMS.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"SEC. 4990. ADJUSTED BASE PRICE.

"(a) ADJUSTED BASE PRICE DEFINED.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—For purposes of subsection (a) the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978 (June 30, 1979, in the case of tier 3 oil).

"(2) FIRST REVISION OF PRICE DEFLATOR USED.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(c) BASE PRICE FOR TIER 1 OIL.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(d) BASE PRICE FOR TIER 2 OIL.—For purposes of this chapter

"(1) IN GENERAL.—Except as provided in paragraph (2), the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(2) MONTHLY INCREMENTS STARTING NOVEMBER 1, 1986.—Beginning with November 1986, the base price for tier 2 oil of any grade and location shall include such monthly increments as may be provided pursuant to regulations prescribed by the Secretary (and modified by him from time to time) for the purpose of eliminating (as ratably as may be practicable) over the 50 month period ending December 31, 1990, the gap between the tier 2 base price for such oil and the tier 3 base price for such oil.

"(e) BASE PRICE FOR TIER 3 OIL.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in December 1979 if the average landed price during such month for imported crude oil were $16 a barrel.

"SEC. 4991. NEWLY DISCOVERED OIL; TERTIARY RECOVERY PROJECTS; CERTAIN ALASKAN OIL

"(a) NEWLY DISCOVERED OIL AND TERTIARY RECOVERY.—

"(1) BASE PRICE TO BE $17.—The base price for any newly discovered oil and incremental tertiary oil shall be determined by substituting '$17' for '$16' in section 4990(e).

"(2) RATE OF TAX ON FIRST $9 OF WINDFALL PROFIT SHALL BE 50 PERCENT INSTEAD OF 60 PERCENT.—For so much of the windfall profit on any barrel of newly discovered oil and incremental tertiary oil as does not exceed $9, the tax rate applicable under section 4987(a) shall be 50 percent instead of 60 percent.

"(3) ADDITIONAL ½ OF 1 PERCENT QUARTERLY ADJUSTMENT.—

"(A) IN GENERAL.—The adjusted base price for any barrel of newly discovered oil and incremental tertiary oil shall be determined by substituting for the implicit price deflator referred to in section 4990(b)(1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after September 1979 and before the calendar quarter in which the oil is removed (or deemed removed) from the premises.

"(B) INFLATION ADJUSTMENT AND ADDITIONAL ½ OF 1 PERCENT QUARTERLY ADJUSTMENT ALSO APPLY TO AMOUNT OF WINDFALL PROFIT SUBJECT TO THE 50 PERCENT TAX.—The $9 figure contained in paragraph (2) shall be adjusted in a manner similar to that provided under subsections (a) and (b) of section 4990 (as modified by subparagraph (A) of this paragraph).

"(4) SEVERANCE TAX ADJUSTMENT NOT TO APPLY TO PORTION SUBJECT TO 50-PERCENT RATE.—For purposes of determining the windfall profit on any barrel of newly discovered oil and incremental tertiary oil section 4992(d)(1)(B) shall be applied by substituting for 'its adjusted base price plus $9, adjusted as provided in section 4991(a)(3)(B)'.

"(5) NEWLY DISCOVERED OIL DEFINED.—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter)—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(B) REOPENINGS.—The term 'newly discovered oil' does not include crude oil produced from a property which there has been any production of crude oil after 1969 and before 1979. For purposes of this subparagraph, the term 'property' has the meaning given to such term by the June 1979 energy regulations.

"(C) BEHIND-THE-PIPE OIL.—The term 'newly discovered oil' does not include crude oil produced from a reservoir on a tract or parcel if—

"(i) the reservoir was penetrated after 1969 and before 1979 by a well (on such tract or parcel) from which crude oil was produced (whether or not such production was from such reservoir), and

"(ii) crude oil could have been produced from such reservoir through such well before 1979.

"(D) PRODUCTION MUST HAVE BEEN IN COMMERCIAL QUANTITIES.—For purposes of subparagraphs (B) and (C), only production in commercial quantities shall be taken into account.

"(b) ALASKAN OIL FROM SADLEROCHIT RESERVOIR.—For purposes of this chapter—

"(1) IN GENERAL.—In the case of Sadlerochit oil—

"(A) RATE OF TAX.—The rate of tax provided in section 4987(a) shall be 50 percent instead of 60 percent.

"(B) BASE PRICE.—The base price shall be $7.50.

"(C) ADJUSTED BASE PRICE INCREASED BY TAPS ADJUSTMENT.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(D) REMOVAL PRICE DETERMINED ON MONTHLY BASIS.—The removal price of such oil removed during any calendar month shall be the average of the producer's removal prices for such month.

"(E) SEVERANCE TAX ADJUSTMENT NOT TO APPLY.—The amount of the windfall profit shall be determined without regard to section 4989(a)(2).

"(2) TAPS ADJUSTMENT.—

"(A) IN GENERAL.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26 plus the product of $6.26 and the inflation adjustment, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) INFLATION ADJUSTMENT.—For purposes of subparagraph (A), the inflation adjustment shall be determined under section 4990(b) as if paragraph (1)(B) thereof referred to the calendar quarter ending June 30, 1978.

"(C) TAPS TARIFF.—For purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(D) TAPS DEFINED.—For purposes of this paragraph, the term "TAPS" means the Trans-Alaskan Pipeline System.

"(3) SADLEROCHIT OIL DEFINED.—The term 'Sadlerochit oil' means crude oil produced from the Sadlerochit reservoir in the Prudhoe bay oil field.

"(c) INCREMENTAL TERTIARY OIL TREATED AS TIER 3 OIL.—For purposes of this chapter—

"(1) TREATMENT AS TIER 3 OIL.—Incremental tertiary oil which is taxable crude oil shall be treated as tier 3 and not as tier 1 or tier 2 oil.

"(2) INCREMENTAL TERTIARY OIL DEFINED.—

"(A) IN GENERAL.—The term 'incremental teritary oil' mens the excess of—

"(i) the amount of crude oil which is removed during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over

"(ii) the base level for such property for such month.

"(B) BASE LEVEL.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed from such property during the 6-

month period ending March 31, 1979, reduced by the sum of—

"(I) 1 percent of such amount for each month which begins after 1978 and before the project beginning date, and

"(ii) 2½ percent for each month (after the last month described in clause (i) or, if no such month, after 1978) which is before the month for which the base level is being determined.

"(C) MINIMUM AMOUNT IN CASE OF PROJECTS CERTIFIED BY DOE.—In the case of a project described in paragraph (4)(A), the amount of the incremental teritary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(3) ALLOCATION RULES.—The determination of which barrels of crude oil removed during any month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between oil which (but for this subsection) would be tier 1 oil and oil which (but for this subsection) would be tier 2 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(4) QUALIFIED TERTIARY RECOVERY PROJECT.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such is in effect under the June 1979 energy regulations, or

"(B) any project for the tertiary recovery of crude oil which meets the requirements of paragraph (5).

"(5) REQUIREMENTS.—A project meets the requirements of this paragraph if—

"(A) the project involves the application (in accordance with sound engineering principles) of one or more tertiary recovery methods which can reasonably be expected to result in a significant increase in the amount of crude oil which will ultimately be recovered from the property,

"(B) the project would be uneconomic without the benefits of this subsection.

"(C) the project beginning date is after May 1979, and

"(D) the operator submits (at such times and in such manner as the Secretary may by regulations prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets the requirements of subparagraphs (A), (B), and (C) (and continues to meet the requirements of subparagraph (A)), and

"(ii) such other information as the Secretary may by regulations require.

"(6) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) TERTIARY RECOVERY METHOD.—The term 'tertiary recovery method' means—

"(i) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or

"(ii) any other method to provide tertiary enhanced recovery which is approved by the Secretary

"(B) PROJECT BEGINNING DATE.—The term 'project beginning date' means the date on which the application of the method or methods referred to in paragraph (5)(A) begin.

"(C) PROJECT ONLY AFFECTS PORTION OF PROPERTY.—If a qualified tertiary recovery project affects only a portion of a property, such portion shall be treated as a separate property.

"(D) SIGNIFICANT EXPANSION TREATED AS SEPARATE PROJECT.—A significant expansion of any project shall be treated as a separate project.

"(d) FRONT-END FINANCING FOR TERTIARY RECOVERY PROJECTS.—If under any energy regulations crude oil receives special price treatment for purposes of providing front-end financing for tertiary recovery projects, for purposes of this chapter, such crude oil shall be treated as tier 2 oil.

"SEC. 4992. OTHER DEFINITIONS AND SPECIAL RULES.

"(a) PRODUCER.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(2) EXCEPTION IN CASE OF CERTAIN SPECIFIED AMOUNT PRODUCTION PAYMENTS.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(A) is not limited by time or to a specified number of units, but

"(B) will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the holder of the economic interest from which the production payment was created (rather than the holder of the production payment) shall be treated as the producer of such portion.

"(b) OTHER DEFINITIONS.—For purposes of this chapter—

"(1) CRUDE OIL.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) BARREL.—The term 'barrel' means 42 United States gallons.

"(3) DOMESTIC.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) UNITED STATES.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) POSSESSION OF THE UNITED STATES.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) QUALIFIED ALASKAN OIL.—The term 'qualified Alaskan oil' means any crude oil produced from a well north of the Arctic Circle other than Sadlerochit oil.

"(7) TAXABLE PERIOD.—The term 'taxable period' means each calendar quarter beginning after December 31, 1979.

"(8) ENERGY REGULATIONS.—

"(A) IN GENERAL.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as amended.

"(B) MARCH 1979 ENERGY REGULATIONS.—The March 1979 energy regulations shall be the terms of energy regulations as such terms existed on March 1, 1979.

"(C) JUNE 1979 ENERGY REGULATIONS.—The June 1979 energy regulations—

"(i) shall be the terms of energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) CONTINUED APPLICATION OF REGULATIONS AFTER DECONTROL.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) PURCHASER COLLECTS TAX.—If the removal of any taxable crude oil is determined under such 4989(c)(1)—

"(1) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amount of such tax from amounts payable for such oil,

"(2) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(3) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

In determining the amount to be collected under paragraph (1), section 4989(b) shall not apply.

"(6) SEVERANCE TAX ADJUSTMENT.—For purposes of this chapter—

"(1) IN GENERAL.—The severance tax adjustment with respect to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been extracted and sold at its adjusted base price.

"(2) LIMITATION ON AMOUNT OF SEVERANCE TAX.—The amount of severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979.

"(e) SPECIAL RULES FOR POST-1978 TRANSFERS OF PROPERTY.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer.

"(1) crude oil produced from any portion of such property shall not constitute stripper oil or newly discovered oil if such oil would not be so classified if the property had not been divided, and

"(2) the allocation of the base production control level among portions of the property shall be made under regulations prescribed by the Secretary.

"(f) EXEMPTION FOR CERTAIN INTERESTS HELD BY STATE OR LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—If—

"(A) an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution which is an agency or instrumentality of any of the foregoing, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to public education,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest. For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to such interest.

"(2) AMOUNTS PLACED IN CERTAIN PERMANENT FUNDS TREATED AS DEDICATED TO PUBLIC EDUCATION.—The requirements of paragraph (1)(B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to public education.

"SEC. 4993. RECORDS AND INFORMATION; REGULATIONS.

"(a) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purpose of this chapter, including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or appropriate to carry out such purposes."

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

(b) Technical Amendments.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(2) Subsection (a) of section 613 (relating to percentage depletion) is amended by inserting before the last sentence the following new sentence: "For purposes of this subsection and section 613A(d)(1), in the case of taxable crude oil (within the meaning of section 4988(a)), gross income from the property shall be reduced by the amount of the windfall profit (within the meaning of section 4989(a) determined without regard to the severance tax adjustment) and taxable income shall be determined without regard to the tax imposed by section 4986."

(c) Time for Filing Return of Windfall Profit Tax; Depositary Requirements.—

(1) Time for filing return of windfall profit tax.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6076. Time for Filing Return of Windfall Profit Tax.

"(a) General Rule.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4992(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) Cross Reference.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall
profit tax."

(2) Depositary requirements.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Windfall Profit Tax.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations."

(3) Technical amendment.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. Information Furnished by
Purchaser and Operator
Regarding Windfall Profit
Tax on Domestic Crude
Oil.

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary, the purchaser of taxable crude oil (within the meaning of section 4988) shall furnish to the taxpayer liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable crude oil purchased from such taxpayer during such month,

"(2) the removal price of such oil,

"(3) the base price and the adjusted base price with respect to such oil,

"(4) the amount of such taxpayer's liability for tax under section 4986 with respect to such oil, and

"(5) such other information as may be required by regulations prescribed by the Secretary.

"(b) Information Furnished by Operator.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time for Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished by Operator.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4990) with respect to such crude oil. For purposes of section 6652 (b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) Technical and conforming amendments.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profit tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information furnished by purchaser and operator regarding windfall profit tax on domestic crude oil."

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7241. Willful Failure To Furnish
Certain Information Regarding
Windfall Profit Tax on
Domestic Crude Oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil."

(f) Information Furnished by Partnerships, Trusts and Estates.—

(1) Information to be furnished to partners and to beneficiaries of estates and trusts.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"Sec. 6050D. Windfall Profit Information
To Be Furnished to Partners
and to Beneficiaries of
Estates and Trusts.

"(a) Requirement.—Under regulations prescribed by the Secretary, each partnership, estate, and trust producing domestic crude oil for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050C.

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) Time for Furnishing Written Statement.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) Clerical amendment.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts."

(g) Effective Date.—The amendments made by this section shall take effect on January 1, 1980.

Sec. 3. Establishment of Energy Trust Fund.

(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the "Energy Trust Fund" (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) Transfer to Trust Fund of Amounts Equivalent to Certain Taxes.—

(1) In general.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") to be equivalent to the amounts received in the Treasury under section 4986 of the Internal Revenue Code of 1954.

(2) Method of transfer.—The amounts appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amount subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) Management of Trust Fund.—

(1) Report.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year ending on

or after September 30, 1980, on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected conditions and operations during the next 5 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(2) Investment.—

(A) In general.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be required (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) Sale of obligations.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) Interest on certain proceeds.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and from a part of the Trust Fund.

(d) Expenditures From Trust Fund.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures for such purposes as may hereafter be specified by law.

Sec. 4. Study of Effects on Decontrol of Oil Prices and of Windfall Profit Tax.

(a) General Rule.—The President shall, not later than January 1, 1983, submit to the Congress a report on the effect of decontrol of oil prices and the windfall profit tax on—

(1) domestic oil production,
(2) foreign oil imports,
(3) profits of the oil industry,
(4) inflation,
(5) employment,
(6) economic growth,
(7) Federal revenues, and
(8) national security.

(b) Report To Include Recommendations.—The report required under subsection (a) shall include such legislative recommendations as the President determines to be advisable.

The CHAIRMAN. The gentleman from Oklahoma (Mr. Jones) will be recognized for 15 minutes, and the gentleman from Oregon (Mr. Ullman) will be recognized for 15 minutes.

The Chair recognizes the gentleman from Oklahoma, Mr. Jones.

Mr. JONES of Oklahoma. Mr. Chairman, let me put in perspective the three alternatives from which we have to choose on this so-called windfall profits tax. We have the President's program, the Committee on Ways and Means bill, as amended, and we have this substitute which is a bipartisan substitute offered by the gentleman from Louisiana (Mr. Moore), the gentleman from Nevada (Mr. Santini), the gentleman from Ohio (Mr. Brown), and myself. Mr. Chairman, I will not go into all of the mechanical differences of the three approaches, but let me just say as a general proposition that this substitute departs from the committee bill in three important ways. First of all, it gives better tax treatment to marginal oil. Second, it gives better tax treatment to tertiary oil; and, third, it gives better tax treatment to not yet discovered or newly discovered oil. All three of these categories of oil are our best chances for rapidly increasing our total domestic oil supply base, which theoretically is what we are trying to do with the general proposal of decontrol.

There are two important questions that our constituents are asking as a result of decontrol. First of all, where are the revenues going to go? How much is going to be retained by the Government for a public purpose? How much will be retained by the industry for further exploration, production, and development of our oil resources?

□ 1550

The second question is with decontrol; how much new domestic oil are we going to get? Now let me discuss the three legislative proposals, the President's approach, the substitute, the committee bill.

Let me speak first about revenues. You can get different computer results on gross numbers but they all give the same ratios. If you look at the next 5-year projection, the President's program would raise in Government revenues, $21.2 billion. The committee bill raises $28 billion. The Moore-Jones-Santini-Brown substitute raises $23.3 billion. So on the question of revenues, this substitute raises $2.1 billion more than the President's program

The real difference is in the amount of new production, domestic oil production that we can expect from these three approaches. Using the composite computer runs of four or five different models, DRI of Cambridge, IPAA, API, and the Department of Energy, the President's program will increase roughly 700,000 barrels a day, it is estimated.

The committee bill will increase only 350,000 new barrels of oil a day it is estimated.

This substitute will increase 800,000 new barrels of oil a day.

From the standpoint of what are we buying with decontrol in terms of new energy supplies, clearly every computer model indicates that this substitute will gain us more new domestic oil supplies than any of the approaches we are dealing with today. It also will raise more revenues than the President's program.

Now, the chairman of the committee earlier today disputed these figures and quoted some figures from the Department of Energy. Since the chairman has made those figures known in the debate, I called the Department of Energy and talked to the person who runs their computer runs. Depending on what you feed into it, you get a different result but one thing is constant in these computer runs. That is that this substitute will produce about twice as many barrels more than the committee bill. So if we are trying to justify decontrol to our constituents we can support the substitute and point out that we are raising more revenues than the President's program and we are substantially increasing the total supply of oil in this country. I think that is important.

There are two main arguments against the substitute and the only two I have heard which have any substance. One is from those who do not believe in decontrol at all and, of course they would want a higher tax than even the committee bill.

The second argument comes from those who say the House needs to send a bill to the Senate that is so bad that the House will have some leverage to use in conference to come out with a good bill which they suggest is about what this substitute is.

I submit to you that we should not legislate in the House in fear of the Senate. It seems to me whether we are talking about a defense bill, an appropriations bill, an education bill or whatever, we ought to pass what we think is the best public policy and make that the House position. I think we have enough ability to hold that position in conference.

I hope that this House will support the substitute. It is the right approach. It is good public policy, it will raise revenues and it will substantially increase our base of oil supplies.

The CHAIRMAN. The gentleman has consumed 7 minutes.

Mr. ULLMAN. Mr. Chairman, I yield myself 3 minutes.

Let me address myself to my many moderate friends in the House.

The gentleman from Oklahoma (Mr. Jones) is a very skillful and able legislator and he would lead you to believe that this is some kind of a very moderate change that we are putting in the law that somehow gives the oil companies just a little more incentive for production. Let me tell you what it really does.

Let us look at the effective tax rate, not the nominal rate. The nominal rate is 70 percent on the committee bill and 60 percent on the Jones bill. If you look at the effective rate; that is, how the rate is applied to the base, after you take into consideration all the nuances, you get an effective tax rate from the Jones-Moore bill of 42 percent.

In the committee bill you get an effective rate of 51 percent. That is a major change. In view of the bonanza that has been thrown to the domestic oil industry by the OPEC increases, it cannot be justified.

As I said before, as of 2 days ago before OPEC announced its major increases of at least $3 a barrel, you perhaps could make a case for the Jones-Moore amendment, but after those increases you cannot make a case. There is a $7 billion profit for the oil companies even after the committee windfall profits tax. You certainly cannot justify in any way reducing that amount by the Jones amendment.

This argument about twice as many barrels being produced raises a number of questions. We have worked with computers for a long time and we have seen the results of the several different computer analyses on the production incentives. We are not convinced on the reliability of any of them. You will remember when we were trying to pass a gasoline tax and we said, "Well, a 2-cent increase in the gasoline would save you a million barrels a day," or something like that. Well, how ridiculous that has been demonstrated by the fact that we have doubled the price of gasoline and we have had no savings.

If you look at the savings you are going to crank into this thing, the new discoveries, the new oil production they are trying to crank into computer is just like out of thin air. How does a computer know how much oil there is in the ground or how much will be discovered?

The basic consideration is this: We have an energy crisis. We have a major windfall profit to the oil companies as a result of decontrol and the OPEC increases. It is our responsibility to capture that in a meaningful way. Our bill does that.

The CHAIRMAN. The gentleman's time has expired.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana (Mr. Moore).

Mr. MOORE. Mr. Chairman, it is a pleasure for me to serve as a cosponsor of this substitute. This marks a real bipartisan compromise. The day you see me come to the well to support a $23 billion tax is an unusual day. The day you see the gentleman from New York (Mr. Peyser), who would like to see a heavier tax, come to the well as he did earlier and support this same compromise shows that you have people from different parties, from different political philosophies coming together on one compromise that makes sense.

This compromise is tougher than the President's bill, which many of you thought had to be. This compromise is better than the committee bill, which many of you think ought to be. It is tougher because it raises more money than the President's bill. It also produces more energy than the committee bill, as you can see.

The committee bill is down to 350,000 barrels of oil a day, additional production since this tax rate is so heavy. It leaves only 12 cents out of the dollar to the industry. The President's bill left 25 cents out the dollar and produced 700,000 barrels a day. Our substitute by restructuring where that tax is can be a heavier tax but produces 800,000 barrels of oil a day.

The question is not how much money we want to raise, the question is restoring the balance the administration intended. The balance between a need to have more energy and a balance between a fair tax rate to see to it there are no excess profits.

□ 1600

A moment ago the chairman of the committee indicated that there are going to be untold billions of dollars flowing to the oil industry. Those are totals and did not give us the net. It is only 12 cents out of the dollar. They are going to be going into the capital market this year under the Ways and Means Committee bill for $15 billion to borrow, an alltime high, meaning that a lot of our small businessmen are not going to be able to borrow money. They are going to pay a heck of a lot more in interest.

The point is, where is the tax? The reason why the substitute is superior to either the President's bill or the Ways and Means Committee bill is that we put the tax on the old oil that essentially will not produce any more and we take the tax off of the new oil and the tertiary recovery oil, which is where we expect to get the oil of the future. That is where we do not want the tax to be. That is where we want the price incentive to be. That is the way we put together a compromise tax substitute like this; raise more money in the President's bill, a tougher tax rate than in the President's bill, but do it in a more sensible manner to produce oil which this country needs.

Your constituents may want a tax. Your constituents may think that is necessary to be fair to protect them from profits that will be made by decontrol; but your constituents also want more energy.

What we are going to get out of the Ways and Means bill by virtue of this little piddling amount of additional oil, 350,000 barrels a day at best? What we are going to be getting is higher prices to the consumer by virtue of decontrol and no additional production of energy. I do not think that is what they want or they need.

The OPEC price increase has nothing to do with giving incentives here in the United States to produce more oil. The OPEC price increase goes basically to the OPEC nations. Most oil companies buy their oil from the OPEC nations. They do not make anything off that price increase. Some may make a little bit, but that is of no moment.

We are trying to give incentive to 10,000 small producers all across this country to go out in old oil wells in Pennsylvania, in Indiana, Illinois as well as the current producing States, and produce additional oil for this Nation. The OPEC price increase is a red herring that has been thrown in to confuse the issue. The issue is whether this is a meaningful, reasonable compromise, a reasonable tax that both the left and the right, Republicans and Democrats can support. I urge you to support this substitute and send a reasonable bill to the Senate that you are willing to live under, not a bill that you hope will come back scaled down, but a tax that you are willing to live under.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. Shannon).

I would ask the gentleman to yield to me.

Mr. SHANNON. I yield to the chairman.

Mr. ULLMAN. Mr. Chairman, they would try to convince us that somehow a little extra revenue to the oil companies is going to produce a bonanza of new oil.

Well, let me say this. We peaked out in domestic oil production in 1972. We have had more rigs out there every year, year after year, producing less and less oil. Even with the North Slope Alaska oil, we will never get back to the 1972 domestic production of oil in this country.

All the incentives and all the subsidies that you want to give to the oil companies, you will never get back to that level. That is not going to solve the energy problems of this country.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Chairman, I thank the gentleman for yielding.

The issue is not what we will have ultimately in total production, I would say to the distinguished chairman of our committee, but what we will have relative to what we would have otherwise.

I have heard no comment, and I would like to ask the gentleman in the well and the chairman of the committee, whether they contend that this committee bill would produce more oil by 1985 than the Jones-Moore substitute.

Mr. ULLMAN. Mr. Chairman, would the gentleman yield?

Mr. SHANNON. I yield to the chairman.

Mr. ULLMAN. Well, of course, that is the problem, sure. A dollar-for-dollar benefit maybe, but how can we afford that kind of tremendous subsidy bonanza to the oil companies for such a meager increase in production?

Mr. ARCHER. Well, if the gentleman would yield further, I would say that that was the same argument that was made for keeping controls on oil 6 years ago, which has enabled the OPEC nations to raise the price up and up because of a lack of marginal supply that could be generated by the additional oil that can be produced with greater incentives.

(Mr. SHANNON asked and was given permission to revise and extend his remarks.)

Mr. SHANNON. Mr. Chairman, if anybody in this House was contemplating yesterday voting for the Jones-Moore amendment on the theory that it is necessary to give the oil companies a lot more money in order to give them incentives to produce, yesterday's OPEC pricing decisions, the ones announced today, should have disabused them. OPEC has decided to raise those prices about $3 a barrel. In this country, every year we produce 3 billion barrels of oil, 3 billion barrels of oil produced in this country. This means that domestic oil producers at the end of decontrol will be receiving an additional $9 billion in revenues as a result of yesterday's pricing decisions alone. Even with our windfall profits tax, with the committee windfall profits tax, yesterday's OPEC decision will result in additional aftertax revenues of over $2 billion to the oil companies; $2 billion not even anticipated at the time that the Jones-Moore amendment was drawn up and offered; but there is a more important argument to be made against the Jones-Moore substitute, a compelling argument against the Jones-Moore substitute, and that is that the Jones-Moore substitute creates a monumental disincentive to production.

Now, why is this?

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. Shannon) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. SHANNON. Mr. Chairman, the Jones-Moore substitute ends the tax on newly discovered oil in 1990. That means that oil that goes into production after 1990 is not going to be subject to any windfall profits tax. Producers of oil are going to have a tremendous economic incentive to delay production until after 1990 to avoid that tax.

I think that the Jones-Moore approach will strike a death blow to the discovery, to the production of newly discovered oil throughout the 1980's.

Now, am I saying that the producers of oil in this country are all bad people who would willfully harm this country?

Absolutely not. They will merely do what is necessary to maximize their profits.

What Jones-Moore says to them is, if you want to make more money, wait until 1990 to produce new oil.

We cannot wait until 1990. Adoption of this substitute would be a monumental blunder on the part of the House and I urge its defeat.

Mr. JONES of Oklahoma. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. LONG).

● Mr. LONG of Louisiana. Mr. Chairman, I rise in support of the Jones-Moore substitute and in opposition to the Shannon amendment. My position in this matter is well known. I have fought long and hard for incentives which would increase domestic production of crude oil. It is only through greater energy production here at home that we can begin to make gains toward self-reliance in energy. Otherwise we are dependent upon every whim of the OPEC nations, who may choose to withhold production or to escalate prices beyond reason. At this very moment, the cartel is deadlocked and the result may send the price of OPEC oil into an upward spiral and completely out of control.

It is for this reason that I insisted that the House should have an opportunity to improve the bill reported by the Committee on Ways and Means. I am very pleased that my colleagues on the Rules Committee agreed with my belief that the House must have a choice among alternative approaches to our national energy policy and supported my proposal to create a rule making certain amendments in order.

There is no more critical national problem in America today than the availability of energy. It is essential that we encourage domestic production. A readily available supply can be stimulated from incremental tertiary and marginal properties. But if we adopt a shortsighted policy without incentives to produce hard-to-recover oil and make marginal properties economically feasible, this potential source of energy will be lost. It is the consumer who will suffer, both from the lack of supply and from the inflationary aspects of OPEC actions. Only increased domestic production can help to relieve America's energy misery.

The Jones-Moore proposal is a well designed plan to encourage the production of newly discovered, marginal, and incremental tertiary oil. It should succeed in increasing our domestic energy supplies. The Shannon amendment, to the contrary, will curtail domestic production of oil in these categories by reducing the decline curve and subjecting more lower tier oil to the windfall tax. This is an ill-advised policy because it would certainly result in drying up the production of old oil. I urge my colleagues to oppose the Shannon amendment and to support the Jones-Moore substitute.

The Jones-Moore proposal will provide more energy for the American people, and it sets forth a policy that will bring our Nation toward a long-term solution to the energy crisis that exists today.●

Mr. JONES of Oklahoma. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. BROWN), a cosponsor.

Mr. BROWN of Ohio. Mr. Chairman, I would remind this body that I come from a consuming district and a consuming State. My concern is that we do something to encourage the production of oil.

The fact of the matter is that the bill as proposed would produce only one-half of the oil that the President's legislation would produce.

The Jones-Moore proposal will produce more oil than the President's proposal and will tax more money away from the oil companies. It represents a reasonable balance between controlling windfalls and encouraging increased domestic production.

Now, the gentleman from Massachusetts (Mr. SHANNON) said that Jones-Moore would discourage production. We are using the same 2 percent kicker and GNP deflator in this legislation that this body passed in the natural gas bill devised by the administration to encourgae production of natural gas in the future. The Jones-Moore substitute follows that example.

It takes 2 to 5 years to bring in an oil well and during that period of time we will encourage the rigs to get out there and start producing that oil as a result of the Jones-Moore amendment. It ought to be supported by all of us.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Chairman, as I analyze the Moore-Jones proposal, the basis for it is just this, that the tax savings, the lower taxes would be used by the companies to produce more oil and those charts that we have purported to tell that, the charts prepared, I believe, by the American Petroleum Institute.

There are two facets of this I would like to bring out. One is that not all these extra profits under the Moore-Jones proposal would necessarily be used to invest in producing more oil. They do not have to use them that way and when they get these profits in their hands, they might decide that something else, not energy at all, would yield a better return. Even if they do invest it in oil, there is no guarantee that they will find oil.

□ 1610

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FISHER. Not until I finish.

Mr. Chairman, the second facet of this that I want to bring to the Members' attention is that under the committee proposal which would collect more money from the oil producers, much of that would be used through a trust fund to invest in oil and energy production.

These two facets are not taken into account in the figures, the charts, and the statistics that we were shown. They undercut and remove much of the merit of the Moore-Jones proposal. I urge my colleagues to vote against this amendment and to support the carefully worked out committee bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FISHER. If I have any time left, I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

The taxes going into the U.S. Treasury, under the committee bill, goes to the coffers of the Treasury and there is no guarantee it will go into production of new sources of oil; is that not correct?

Mr. FISHER. Mr. Chairman, if I may reclaim my time, there could be a guarantee if we specify in subsequent legislation the committee plans to offer that the trust fund would be used for that purpose, to develop more oil and energy. We have no guarantee that this would happen if we leave the profits with the companies.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I have been on the Committee on Ways and Means for 12 years, and when we come to oil taxes, we always do have a bipartisan alternative. It always means that we put the oil industry in a very preferred position, as compared to all other taxpayers. We really do that with the Jones amendment. The oil industry does not pay the same rates of taxes that truck drivers or even Congressmen do. They pay at a much lesser rate.

Oil men are fascinating if we believe their representatives. They wake up in the morning and they see the OPEC price is $18, and they say, "That is good. We will run out and we will put a lot of money into looking for oil." But during the day OPEC raises its price to $25, and then they say, "Oh, my goodness, we can't make any money at $18. We won't invest unless we get $25."

Now, that is not true. Under the committee bill we do not take all of that incremental increase that OPEC gives them. We only take 70 percent of it. It means that they make all of the profit that they would have made under controls plus a share of the OPEC increase. As the OPEC price goes up, they keep a piece of that, too.

They would tell us that "if we can keep pace with OPEC and OPEC goes up fast enough, we will find all the oil you want," but that just does not make any sense. If they are going to go out and look for oil when the price is $18 a barrel, just because OPEC increases the price to $25 does not mean they are going to have any less incentive.

The CHAIRMAN. The time of the gentleman from California (Mr. CORMAN) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, the argument on this amendment is very simple and straightforward. The question is whether or not the committee's bill offers enough incentive to deliver the production that we want and how much it costs to give the extra incentive that is called for in the Jones substitute.

The figures we were shown—and those figures came from the American Petroleum Institute—show that there would be 350,000 barrels per day delivered under the committee bill. Figures from the Department of Energy indicate that there would be 950,000 new barrels delivered because of the committee bill. It depends on whose figures we want to believe, but if we take the Department of Energy's figures and we take the difference between what Jones-Moore would deliver and what the committee bill would deliver, we come up with 50,000 new barrels of oil. If my math is correct, if we look at the difference in revenues between what we get under Jones-Moore and what we get under the committee bill, each one of those new barrels would cost $64 a barrel in revenue that we could use for new directions in an energy policy, for things like synfuels, like solar, and all the other things we want to do as we introduce new ideas into our energy policy.

Mr. Chairman, I have one last thought. I think our energy policy needs to have predictability and it needs to have certainty. The Jones-Moore substitute takes away the predictability of the energy policy that is in the committee bill. It phases out, for instance, the tier 2 tax in 1990. It offers an incentive for owners of old oil to wait until 1990 to bring that oil out.

There is no change in the tier 2 tax in the committee bill. It is the same for ever, and people will be able to predict what is going to happen.

Secondly, and most importantly, the Jones-Moore substitute takes the tax completely off newly discovered oil after 1990, and as the gentleman from Massachusetts (Mr. SHANNON) ably pointed out, if we pass Jones-Moore, we create incentives to hold old oil and wait to discover new oil.

Mr. Chairman, for predictability and certainty we should stick with the committee bill.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, I wish to address two points.

First of all, the figures that were attributed to the Department of Energy were talked about earlier in debate. I have called the Department of Energy on that, and those figures are not what they are now giving us, so I cannot subscribe to those figures.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

The Chair will state that the gentleman from Oregon (Mr. ULLMAN) has 1 minute remaining, and the gentleman from Oklahoma (Mr. JONES) has 3 minutes remaining.

Mr. ULLMAN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just reinforce what the gentleman from Missouri (Mr. GEPHARDT) has said. Let us not lose sight of what we are doing in this bill. We are taking the revenues from the windfall profits and putting them to work developing synthetics and developing coal gasification, liquefaction, oil shale and oil sands, wind, and solar. That is what the American people want.

If we give it to the oil companies, are we going to get those things? We do not know what we are going to get. And at what a cost?

Let us not gamble. Let us make sure these dollars go where we direct them. The appropriation and authorization system in the Congress is going to direct these funds to useful purposes. The most effective ways of developing alternative sources of energy—that is what we want.

Mr. Chairman, I strongly urge the Members to oppose the amendment and support the committee bill.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

Mr. JONES of Oklahoma. Mr. Chairman, I yield my remaining 3 minutes to the gentleman from Nevada (Mr. SANTINI), a cosponsor of the amendment.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I am fascinated by the extent to which this discussion seems to revolve around how much money goes to the Treasury out of these different schemes.

Every additional barrel of oil produced in this country means that we do not have to pay the full price for an imported barrel of oil to some power outside this country that is draining us.

Mr. Chairman, I think we must be concerned about fulfilling our destiny as a free people.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I rise in support of the Jones-Moore amendment.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I thank the gentleman for yielding.

If I might have the attention of the committee chairman, the gentleman should clarify his remarks, because there is absolutely nothing in any one of these bills that guarantees additional revenues are going into synthetic fuels or any other source of energy. There is absolutely nothing in the committee bill that dedicates those revenues to energy or anything else.

The fact is that later on we may make the decision that those very funds might go into food stamps, MX missiles, or some other project that we may want to spend money on—but not necessarily energy.

So, Mr. Chairman, I think we ought to be very careful in saying that we will put the energy tax money back into developing new sources of energy, because that decision has not been made yet.

Mr. SANTINI. Mr. Chairman, I must reclaim my time.

In whatever limited time is left, let me stress my main point. The basic concern that I think has been enunciated well and hurriedly by others—is that this is a question between two legislative propositions that are very close on most points. I know that most Members would concur in that.

But on the fundamental concept of revenues and production, this legislative proposition we have offered does the best job of trying to get more oil in this country as well as produce more revenues.

☐ 1620

Jones-Moore in tertiary, Jones-Moore in the marginal well category, Jones-Moore, I would submit to the Members, in the new oil category, will give you more oil, because it provides additional profit incentive. I think it is indisputable. We will get more oil. I think that is a perfect complement to the needs of the Nation at this critical time.

Why, then, were these bad provisions included in the Ways and Means bill? They were treated, as the Members know, as trading chips. They were added in anticipation of the fact that when our representatives from the House of Representatives met with the representatives of the Senate, the troll that live underneath the conference table would gobble them all up and, therefore, it was imperative that we include some bad provisions in this bill in order to create trading points when we reach a confrontation with the U.S. Senate. That does not strike me as a rational legislative product. Support Jones-Moore.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Oklahoma (Mr. JONES).

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 236, noes 183, answered "present" 1, not voting 14, as follows:

[Roll No. 302]

AYES—236

Abdnor
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bereuter
Bethune
Boggs
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.

Evans, Ga.
Fenwick
Findley
Fish
Flippo
Foley
Fountain
Frenzel
Frost
Fuqua
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer

Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Lungren
McClory
McCloskey
McDonald
McEwen
McKay
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nelson
O'Brien
Pashayan
Paul
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Ritter
Roberts

Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—183

Addabbo
Albosta
Ambro
Annunzio
Applegate
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Dannemeyer
Daschle
Dellums
Dicks
Diggs
Dingell

Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gonzalez
Gore
Gray
Guarini
Hall, Ohio
Hanley
Harris
Heckler
Holland
Hollenbeck
Holtzman
Howard
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek

Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCormack
McDade
McHugh
Maguire
Markey
Matsui
Mavroules
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper

Price
Pursell
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon

Sharp
Shelby
Skelton
Snowe
Solarz
St Germain
Stack
Staggers
Stark
Stokes
Studds
Swift
Traxler
Udall
Ullman
Van Deerlin

Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wilson, C. H.
Wolff
Wolpe
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Clinger

NOT VOTING—14

Anderson, Ill.
Bolling
Burton, John
Davis, S.C.
Derrick

Flood
Forsythe
Hawkins
Mathis
Patterson

Rangel
Spellman
Stewart
Thompson

☐ 1630

Mr. MURPHY of New York, Mr. ASHLEY, and Mrs. SCHROEDER changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SHANNON

The CHAIRMAN. The gentleman from Massachusetts (Mr. Shannon) is now entitled to be recognized to offer the third amendment which is printed in the Record.

I ask the gentleman from Oregon (Mr. Ullman) if he will control the time in opposition to the amendment.

Mr. ULLMAN. Mr. Chairman, the answer is negative. I am not in opposition.

The CHAIRMAN. Who does the gentleman from Oregon designate to control the time?

Mr. ULLMAN. The gentleman from Texas (Mr. Pickle) will control the time in opposition.

The CHAIRMAN. Pursuant to the rule, the amendment printed in the Congressional Record of June 26, 1979, by the gentleman from Massachusetts (Mr. Shannon) shall be considered as read.

The amendment reads as follows:

Amendment offered by Mr. Shannon: Amend section 4988(b) of the Internal Revenue Code as proposed to be added by section 2 of the bill to read as follows:

"(b) Tier 1 Oil. For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1979 and each month thereafter by 1¼ percent (instead of the adjustment under the June 1979 energy regulations).

"For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter."

The CHAIRMAN. The gentleman from Massachusetts (Mr. Shannon) will be recognized for 15 minutes, and the gentleman from Texas (Mr. Pickle) will be recognized for 15 minutes.

Mr. CONABLE. Mr. Chairman, may I ask what the intention of the majority is relative to any time for the minority on this bill?

The CHAIRMAN. The time in opposition to the amendment is under the control of the gentleman from Texas (Mr. Pickle), having been designated by the chairman of the committee.

At this point, the gentleman from Massachusetts (Mr. Shannon) has the time.

Mr. SHANNON. Mr. Chairman, this is a simple amendment.

☐ 1640

Mr. Chairman, the issue before us with this amendment is how quickly shall old oil, and I would like to emphasize we are talking only about old oil here, escape the tougher tier 1 tax. Under the committee bill as reported out of the committee, old oil would escape that tax at the rate of 1½ percent a month beginning in January of 1979 and ending in July of 1984. Then the tier 1 tax would go out of existence.

This proposal would merely change the rate of that decline. That is, the rate at which the old oil escapes the tougher tax from 1½ percent a month to 1¼ percent a month. Under this proposal the tier 1 tax would phase out in August of 1985.

I believe this proposal is preferable because the historic average decline rate has been estimated to be somewhere around 1 percent a month. In fact, there are oilfields in east Texas with a decline rate which has been one-half percent a year. Even with a 1¼ percent decline curve as this amendment proposes, the burden of the tougher tax will be lifted from old oil at a faster rate than the production of the properties is actually declining.

This amendment is a moderate amendment. It strikes a balance between the 1½ percent decline figure of the committee bill and the true natural decline of 1 percent.

DOE has stated this amendment will have a minimum, even unmeasurable adverse effect on production. It would, however, under the committee's tax rate, would have raised $1.9 billion in additional revenue in the next 5 years. This will be a little scaled down now that we have passed Jones-Moore.

It is important to remember in this amendment we are talking only about old oil. Old oil is oil discovered and in production before 1973. At that time oil was selling for $3.35 a barrel.

When the producers of this oil made their investments they did not do it in anticipation of today's OPEC prices. For them this is truly a windfall we are talking about. The main beneficiaries of reducing the amount of old oil subject to the tougher tier 1 tax will be the major oil companies.

DOE figures show the top 25 oil companies, the majors, those that reported first quarter profits, produce 85 percent of old oil in the United States, so this amendment primarily affects them. It affects the majors far more than the independents and it is the independents, not the majors, who do the vast majority of drilling for new oil in the United States. New drilling is where we are going to see the future supply response, not in old oil.

It is important to point out here we are not talking about the changing rate of decontrol of prices at all, only the tax on price increases.

I urge my colleagues to vote for this amendment because it is a fair and reasonable approach which is in keeping with the whole philosophy of the windfalls profit tax, balancing the need for increased production and our responsibility to see the producers do not reap tremendous unjustified windfall profits and lessens the burden from newly discovered oil and places it heavily on old oil already discovered.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes; I yield to the gentleman from Kansas.

Mr. GLICKMAN. I rise in support of the gentleman's amendment. I voted for the gentleman's substitute because it targeted the tax benefits to the discovery of new oil. I think this is a fair way to insure the windfalls do not occur and I commend the gentleman for offering it.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. I yield to the gentleman.

Mr. OTTINGER. I congratulate the gentleman for his amendment. In my opinion, we ought not even to be talking about a windfall profits tax because we should not be allowing any windfall. We should not have permitted deregulation to go into effect. If we do have a tax, the best way to tax would be the old co-ed tax where we taxed away 100 percent of the profit and gave it back to the American people, because the economic impact on our society of these oil price increases is going to be horrendous. We are just beginning to see those effects today.

The gentleman's amendment goes a long way in that direction and I congratulate him and I hope the House will support him.

Mr. Chairman, it is regrettable that the House of Representatives is today addressing the wrong subject, for the issue should be preventing windfall profits, not taxing them.

What we should be doing is acting to block the continuation of the administration's plan to decontrol crude oil prices and, indeed, acting to reimpose controls on home heating oil, the price of which will be out of sight for many working families this winter—if sufficient supplies are available at any price.

Yesterday, the OPEC oil ministers moved to escalate the price of their oil. Today, thanks to the administration's decontrol plan, OPEC's latest increase will automatically increase windfall profits to our domestic oil companies.

Will that price hike mean that we will discover more existing oil? Well, it might—we may now find that the oil companies will discover supplies of gasoline they previously "misplaced." But aside from such fraud, it is clear that allowing windfall profits on old oil will not add to supplies; it will simply grant a scandalous payoff to those who have contrived our current shortages.

The evidence that these shortages have been contrived is clear: Imports of crude oil are up 7 percent from a year ago while refinery utilization is down from nearly 90 to 84 percent. The result is not merely gas lines and diesel oil shortages, but also our shocking shortfall in building supplies of heating oil for next winter.

What all this means is that we have submitted to blackmail by the oil companies who want ever greater profits, regardless of the impact on the American economy and blackmail by the oil sheiks, and now, thanks to decontrol, control the price of our domestic supplies of crude oil as well as of their own supplies.

The administration has conceded as much in naming its bill an "excess profits tax."

Make no mistake about it—the decontrol of old oil will not add one drop of gasoline or heating oil to our Nation's supplies. Adding incentives for new production might bring on new supplies. Giving excess profits for old oil will not. It is merely submission to blackmail.

The Congressional Budget Office estimates that by 1985 decontrol will result in only 500,000 barrels per day of increased production, but adds that much of this would merely be "production that would have become available at a later date." For this 2½ percent increase over current production we are asked to pay at least $94 billion—according to the Treasury Department—and as the OPEC oil ministers raise their prices, the price tag of decontrol will be hiked billions and billions more. That is not just a bad bargain. It is insanity.

Now, I am going to vote for this excess profits tax as long as it is not weakened. And I am going to vote for the amendment to strengthen the tax. The Ways and Means Committee has expanded the figleaf of a tax that was originally proposed by the administration, and the committee is to be commended for improving on that sham. The Shannon-Gephardt amendment represents even more of an improvement.

I continue to favor the approach the House passed last Congress, the crude oil equalization tax, which imposed a 100-percent tax on windfall profits and gave a 100-percent rebate to the American consumer. That economic relief from the ravages of decontrol is desperately needed, and not just by the poor. Decontrol will take at least $16 billion per year out of consumer's pockets. We should recapture every cent of it and use it to cushion the economic impact on working men and women who are being wiped out by inflation.

I might add that the bill before us today does not address the disposition of this tax. We will have to resolve that issue later. The administration continues to push its energy security trust fund. Others prefer to give the money directly to the oil companies through a plowback, rather than the indirect handout to the oil companies that a trust fund would represent. I believe that the proceeds should go back to the people, who will have to pay higher prices, not only for energy, but for all goods and services.

Decontrol will raise the price of gasoline and heating oil directly and of every commodity indirectly. Taxing windfall profits and returning them through a trust fund to the oil companies in the form of loan guarantees and other subsidies will do nothing for the American consumer and taxpayer, except take more and more from them to give to Exxon, Mobil, and the rest.

Let us pass this windfall profits tax to try to correct some of the inequity that decontrol will cause. But let us not delude ourselves into thinking that this will do anything to abate the growing anger of the American people, for the damage of decontrol and the inflation that it will cause will only be corrected by the reimposition of controls.

After we pass this tax today, I urge my colleagues to return to the real issue: Blocking the decontrol of crude oil and reimposing controls on home heating oil. If you care about inflation, think about the impact decontrol will have and join those of us who have been fighting this battle to protect the American consumer.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes; I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Under the bill, if the gentleman's amendment is adopted, where does the extra money go?

Mr. SHANNON. The extra money goes where it goes under the windfall profits tax bill. It would go into the energy security trust fund.

Mr. CHARLES WILSON of Texas. We really have no assurance?

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes; I yield to the gentleman.

Mr. ROUSSELOT. I appreciate my colleague yielding. He complained previously that part of the problem with this legislation was that the OPEC nations have raised their price. What does the gentleman's provision do to decrease our dependence on OPEC oil?

Mr. SHANNON. That is not the aim of this amendment.

Mr. ROUSSELOT. If the gentleman will yield further, does the gentleman not want to decrease that dependence?

Mr. SHANNON. I want to, but we are going to do that in other legislation.

Mr. ROUSSELOT. In other legislation we are going to decrease our dependence on foreign oil?

Mr. SHANNON. This amendment merely seeks to place the burden of the tax more properly than it is placed now.

Mr. ROUSSELOT. What does the gentleman's amendment do to the OPEC nations that roughly supply 45 percent of the crude oil?

Mr. SHANNON. This amendment is to bring the decline rate for tax purposes more clearly in line with the historic decline rate on old oil in this country.

Mr. ROUSSELOT. The gentleman really has not addressed the issue. What does it do to stop importation of so much expensive OPEC oil?

Mr. SHANNON. That is not the purpose of the amendment.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes; I yield to the chairman of the committee.

Mr. ULLMAN. I had not intended to support this amendment or the gentleman's amendment, but now that the gentleman has placed it I strongly support the amendment. It fits into the basic philosophy of the gentleman's amendment, easing off on the new oil, but tightening up on the oil oil. This is just a simple mechanism for tightening up old oil and I strongly support it. I hope it carries by a wide margin.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes; I yield to the gentleman from Tennessee.

Mr. GORE. I thank the gentleman for yielding. I would like to respond to the question of my colleague from California. This clearly will serve to decrease our dependence on foreign sources of oil in two ways. First, because it will increase the incentive to explore for new domestic oil by raising the tax relatively on old domestic oil. Second, by increasing the revenues which the public will have to develop synthetic fuels, solar energy, other renewable forces of energy on which we will have to depend increasingly in the future.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. No. I reserve the balance of my time.

The CHAIRMAN. The gentleman has consumed 8 minutes.

The gentleman from Texas is recognized.

Mr. PICKLE. Mr. Chairman, during the consideration of the bill the Ways and Means Committee voted on this matter. The President had recommended a 2 percent decline rate. Mr. FISHER of Virginia thought that was not enough and he offered an amendment to reduce it to 1.5 percent. That passed the committee.

Whether you agree with that severe action or not, at least that was a very positive step in an attempt to show that there should be a motion to reduce the decline rate.

The gentleman from Massachusetts wants to reduce it even further to 1.25. It seems to me that under the amendment that some of the properties, the 1.25 percent decline rate will not be as rapid as the natural geological decline in producing capabilities for these properties. The tax would be a disincentive to production because increases in production would continue to be taxed in tier 1, not tier 2.

I think if we feel like something ought to be done, the committee has already taken severe steps in that direction as offered by the gentleman from Virginia (Mr. FISHER), so I would hope we would not go this additional step, because it would seem to me that is being rather punitive if not mean, although I do recognize that some of you would want to reduce the decline curve.

☐ 1650

Mr. Chairman, I would yield 2 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I thank the gentleman for yielding.

I hope, Mr. Chairman, that the committee will not feel that in passing the Moore-Jones amendment that we have struck a great blow for production. I could not believe my ears to hear everyone cheering at the imposition of a 60-percent tax, which is going to be primarily a resource for the Treasury and not something to help the American people shorten their gasoline lines.

Mr. Chairman, I would like to address the Shannon amendment briefly. In fact, I hope we will not give a message to OPEC by adopting the Shannon amendment that we are going back into the taxing business here instead of trying to increase our domestic production. OPEC can victimize us only because we have had a tendency to think of raising revenues rather than increasing production.

The Shannon amendment lowers the decline rate by which tier 1, or old oil, is phased out from 1.5 percent a month to 1.25 percent a month. The effect of this change can be described in economic terms, and the economic experts tell me it has the effect of increasing the tax rate on old oil from the 60 percent provided by the Moore-Jones amendment to about 78 percent on that old oil. This tax rate is shrouded under the guise of a change of the rate of decontrol.

I hope we will pierce this particular veil and call this amendment what it is, a confiscatory 78 percent tax on old oil.

Mr. PICKLE. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan (Mr. VANDER JAGT).

Mr. VANDER JAGT. Mr. Chairman, I rise in opposition to this amendment which makes a bad tax, that has been improved a little bit by the Moore-Jones amendment, an even worse tax. I am convinced that historians some centuries from now, musing on the glory that once was America, will become convinced and pinpoint Thursday afternoon, June 28, 1979, as the day that we decided to commit national suicide. At the very least, I am convinced that the befuddled historians will be desperately trying to figure out why—why in the world Uncle Sam, at the very moment he was threatened by OPEC, reached into the congressional holster and withdrew a six-gun and aimed it not at OPEC, but shot his own leg and limped off a cripple forever.

The one fact, of course, everybody agrees to in this whole complicated, contradictory mess is that we need more oil fast. We need more domestic oil so that we will be less dependent on foreign oil and OPEC, which is even now tightening the grip and the vise it has on us. This tax, even as amended, is going by 1985 to decrease our domestic oil production by 700,000 barrels of oil a day. That is a lot of oil. Our current shortage which is creating all the havoc is only 300,000 barrels a day, and the loss of 700,000 barrels a day is not my estimate; it is not the minority's estimate; it is not the American Petroleum Institute's estimate; it is the estimate of the administration that presented the tax in the first place. It is not objected to by the staff of the Ways and Means Committee which passed this tax bill.

Historians are going to have a devil of a time trying to figure out why in the world would this Congress, on this afternoon, vote to decrease oil production when what we obviously need is more oil production. But only we know why we are doing it. We know that the public is angry, they are frustrated and outraged with big oil, and they want blood. No self-respecting Congressman wants to give the public anything less than the public demands when the public is in such an angry mood. Nobody wants to go home on the Fourth of July and not be able to tell his constituents, "Boy, did we ever sock it to big oil with that vote."

That is the ultimate tragedy and the utter irony and the complete sham of this legislation that is before the House, because this bill scarcely lays a glove on big oil. Big oil does not derive its profits from the exploration and discovery of domestic oil. That is too risky for big oil. They leave that to the little independents who drilled 87 percent of the exploratory wells in America last year. Big oil derives its profits from refining and distributing and overseas operations in collaboration with OPEC.

Now, it is true that when we pass a tax, whatever form it takes, big oil always whimpers a little bit. It does not want to disabuse this Congress of the notion we have that we are doing something for America today by doing something bad for big oil. Yet, underneath the whimper there will be a chuckle all the way to the bank because, by our operation, we will be strengthening foreign operations because we will be weakening domestic operations.

You know, it seems to me that to cast a "no" vote on any tax at all is obviously a very unpopular political vote. Everybody regrets the fact that they might have to tell their constituents on the Fourth of July recess, "I voted for no new tax on oil," and yet, it is the right vote for America. I am persuaded that if we can weather the storm of the Fourth of July recess, a year from now a vote for no new tax may look like a pretty good vote after all, because what we are doing is not just imposing a tax on the independent; we are continuing him in a straitjacket of controls. We switched the tiers, the categories, the rules and regulations, from DOE over to IRS.

Why, in turning those 10,000 independent oilmen loose we could have the 100 billion barrels of oil DOE tells us is probably still there in the ground waiting to be had. We do not want to do that because somebody might make a profit. Never mind that three out of five of them will go belly up in pursuing that elusive profit. Never mind that for the last 5 years they have reinvested more than their total revenue from the wellhead in the exploration for new oil.

We do not want anybody to make a profit. Yet, I ask what is wrong with somebody making a profit if, in the process, they are meeting America's needs and producing us out of our crisis? It seems to me that what we need is the kind of men making those profits that built America, and we should not be turning our backs on them at this great hour.

I am convinced that a year from now, because what we are doing this afternoon is so fundamentally wrong and could be so disastrous, I would hate to be an incumbent and have the challenger go up to that long gas line and say, "Hey, do you know what your Congressman and Congress did to you June 28, 1979? They had a choice to either vote for more revenue for the Federal Treasury or more gas for you. And do you know what Congress did? It voted to stuff more dollars into the Federal Treasury."

I think it is possible that that motorist might say, "Do you mean to tell me that anybody did that to us?"

When he finds out what this Congress did, he might say, "Any Congress that is dumb enough to vote for less oil when what I need is more oil is a Congress that deserves to be changed."

Vote no on the tax. I think it will be politically right a year from now. Vote no on the new tax, and I know it will be right for America today. Vote no to more tax; vote yes for more oil that America so desperately needs.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Massachusetts.

Mr. SHANNON. Mr. Chairman, I would remind the gentleman that this amendment applies only to old oil, and over 85 percent of the old oil in this country is in the hands of big oil, the larger oil companies, so this is not an amendment addressed to independents at all. The amendment is addressed to the big oil companies in the United States.

Mr. VANDER JAGT. The gentleman does indeed point out that my remarks were really directed to any tax at all. What I object to is that the gentleman's amendment raises the tax, which is now 60 to 85 percent, which is a disincentive instead of an incentive.

□ 1700

Mr. LUNGREN. I am not sure what the figures are for the entire United States, but in California one-half to two-thirds of all the old oil is owned by the independents. In my particular district, the city of Long Beach has at least 300 oil wells closed down right now, not because they do not have oil there but because of the controls in this Congress, and this will just continue that.

Mr. SHANNON. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. One of the first things that a new Member of Congress learns is never to lecture the House or to tell it that we are disappointed in it, and I am not going to do that. If I turn my back on my good friends in the Republican Party, you will understand why, since only 15 of you voted for any of the committee amendments and only 10 of you voted against the Jones amendment. I doubt very seriously whether any of you are going to vote for any tax whatsoever.

My comments are addressed rather to the responsible Members of the majority party, 90 of them who voted for the Jones amendment. What I want to tell them is that if they believe that the incentive to produce is somehow enhanced by reducing the tax on as yet undiscovered oil, and I do not agree with that, I can understand your position. This deals, very simply, with all the oil in the ground that has been there for ages that the major oil companies—85 percent of which are owned by the major oil companies—made economic decisions to drill before 1973 when they were making a profit at $3 and $4 a barrel. They are going to do remarkably well when they can charge $13, $14, $15, and even higher prices in the future. What I would ask you to consider is that what the Shannon amendment does is it broadens the base on old oil. The disincentive to produce is minimal, but the tax on the amount that we can raise, hopefully, to look for alternative energy sources, to provide some mass transportation, to provide some rebates for the poor who are going to go cold this winter because they are not going to be able to afford the cost of decontrol—that is what the Shannon amendment does. It provides two more billion dollars to do that.

There will be those of you who are going to be concerned about production. This does not affect production. There are no figures that we were able to get from either the Joint Committee or the Department of Energy with respect to production. This is oil already found. I implore you, those of you who in the Democratic Caucus said that you were for decontrol but you wanted to see a tough windfall profits tax, here is your opportunity to do that. Here is your opportunity to rectify the harm of the Jones amendment by restoring a certain element of toughness into this tax. Please do not blow it. It is not going to reduce production; it is only going to return to the American taxpayer something that I think the major oil companies owe.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

Mr. SHANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, the amendment that is offered by the gentleman from Massachusetts (Mr. SHANNON) is absolutely logical and desirable, and to a certain extent it offsets and perhaps perfects the bill after the Jones amendment. The Shannon amendment, as he has stated, deals only with the question of old oil. When we first considered the question of the decline rate of production of old oil—and, incidentally, that is the oil that was originally produced with the expectation of a revenue of around $3.35 or $3.40 per barrel and that is oil with a decline rate of somewhere between $\frac{1}{2}$ percent and $1\frac{1}{2}$ percent—when we first considered this in the Committee on Interstate and Foreign Commerce, we were told by the Ford administration that we should treat it at a decline rate much higher than that, and actually I believed at the time that that decline rate might be valid. But when we looked into the facts, we found that many properties have not declined at all. This means that increasing price for this oil above the present price of $5.90 is a bonanza and affords a windfall to others permitted a higher rate for a portion of such oil. All the Shannon amendment does is treat the decline rate for the purpose of applying the tax at 1.25 percent per month. This is an extremely fair proposition. There is no area in which there is more of a windfall profit than the realizing of high rates on cheap oil.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

Mr. PICKLE. I yield 2 minutes to the gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. I thank the gentleman.

Mr. Chairman, I would like to begin by pointing out that our colleagues apparently have a complete misconception of what old oil is. They seem to have a conception of old oil as a defined quantity, but 70 percent of all the old oil that has ever been discovered in the history of the United States is still in the ground and is still recoverable. What makes up proven reserves and is recoverable is much like the tip of an iceberg, and how long that iceberg floats in the water depends on price and technology. If the price rises as technology improves, that iceberg floats higher and more oil is recoverable.

The question here is should we use a decline curve of $1\frac{1}{2}$ percent of $1\frac{1}{4}$ percent for old oil in computing the excise tax. That boils down to the question: Do we want to create incentives to rework marginal wells and produce more oil? It boils down to a question of whether slowing down the decline curve and seizing profits and spending them through Government programs is going to yield a higher return to the American consumer of energy than allowing a phaseout that provides incentive to rework old oil wells. Geological studies clearly indicate that our quickest response in terms of more gasoline at the pump is not new exploration; it is the reworking of old wells to expand the production of old oil. If we want to bring gas to the filling station quickly, the best thing we can do to recover old oil, not to go out and look for new oil. We need to do both. But in the short run, to have a response to those who are tired of waiting in the line to get gas, what we need to do is to rework these old wells in areas where we know the oil exists.

Mr. Chairman, I say vote down this amendment.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GRAMM) has expired.

Mr. SHANNON. Mr. Chairman, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, if the Members thought this amendment was reasonable or appropriate before the Jones-Moore amendment, they have got to think it is necessary now. We have already by Jones-Moore taken all the tertiary oil out of old oil. That is not old oil any more; that is new oil. We have taken all the marginal wells out. That is about a fourth of old oil. That is now new oil. That is all in the upper tier. There is about half the oil left that was in the old oil when we entered the room today, and that is owned, 85 percent, by the majors.

What we are saying is that we do not even want the historical decline curve, the real decline curve on those wells; we want a decline curve that is even higher than that, that is artificial to give an incentive to bring that oil out. I submit to the Members there is enough of an incentive to bring that oil out.

Who is for a high tax on old oil? The independents said they wanted 100 percent tax on old oil if you could take the tax off on new. You have done that. Mobil Oil Co., one of the majors, said put a 100-percent tax on old oil if we can take the tax off on new.

□ 1710

You can go ever further than that by passing this amendment because of the way we treat the decline curve. DOE says there is no new production. I am telling you, you are going to throw money down a rathole if you do not vote for this amendment. If we want a new direction in energy policy, we have to have some money to do it.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. I yield to the gentleman from Michigan.

Mr. BLANCHARD. The point is well taken. In all due respect to the Committee on Ways and Means, there are other committees in this Congress that have been dealing with energy policy and producing energy. As a matter of fact, this very week we passed a massive synthetic fuels bill and I do not think anybody who studied that bill would not concede that some of the money, probably a good sum of it, is going to be recycled to the oil producers.

When we start talking about effective rate of taxes here today, bear in mind you are talking about a ceiling. You are talking about a ceiling. Oil producers are going to receive profits and incentives from numerous other energy programs. These programs will raise the amount of profits the companies receive free of windfall profits taxes. I hope the House will bear this in mind and disabuse itself of the notion we are being too harsh on the oil companies.

The CHAIRMAN. The gentleman's time has expired.

Mr. PICKLE. I yield 1 minute to the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to speak against the amendment. I would like to point out to the House that a very large, very vigorous part of increased oil production today is not taking place in Texas but it is taking place in western Pennsylvania and upstate New York. This is what is known as old oil. Throughout my district, however, I would also like to say in the Conroe field, there is a great new industry that is developing because of rejuvenation of old fields that are no longer producing.

I would also like to say that the last speaker indicated there was no tax on new oil. Under this bill as it stands now it is still 50 percent until 1990. If you are interested in increasing the domestic production, the vote is no on this amendment.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Masachusetts (Mr. SHANNON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SHANNON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 172, noes 241, answered "present" 1, not voting 20, as follows:

[Roll No. 303]

AYES—172

Addabbo
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Garcia
Gephardt
Giaimo
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Howard
Hughes
Jeffords
Jenrette
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Lowry
Luken
McHugh
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Peyser
Price
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Shelby
Simon
Solarz
St Germain
Stack
Staggers
Stark
Stokes
Studds
Swift
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Weaver
Weiss
Williams, Mont.
Wolff
Wolpe
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOES—241

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Boggs
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fascell
Fenwick
Findley
Fish
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murtha
Myers, Ind.
Natcher
Nelson
O'Brien
Panetta
Pashayan
Paul
Pepper
Perkins
Petri
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Clinger

NOT VOTING—20

Anderson, Ill.
Bolling
Burton, John
Conyers
Davis, S.C.
Deckard
Derrick
Flood
Forsythe
Hawkins
Mathis
Patterson
Rangel
Spellman
Steed
Stewart
Thompson
Treen
Waxman
Wirth

□ 1720

The Clerk announced the following pairs:

On this vote:

Mr. John L. Burton for, with Mr. Derrick against.

Mr. Thompson for, with Mr. Anderson of Illinois against.

Mr. Stewart for, with Mr. Deckard against.

Mr. Rangel for, with Mr. Treen against.

Mr. MURPHY of New York and Mr. BURLISON changed their vote from "no" to "aye."

Mr. STRATTON changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil, pursuant to House Resolution 336, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

□ 1730

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CONABLE. I am, in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CONABLE moves to recommit the bill (H.R. 3919) to the Committee on Ways and Means with instructions to report back the same to the House forthwith with the following amendment:

After the last sentence of section 2, add the following:

"SEC. 4994. PLOWBACK ENERGY INVESTMENT CREDIT.

"(a) GENERAL RULE.—There shall be allowed to each person liable for the tax imposed by section 4986 for any taxable period, as a plowback credit against such tax, an amount equal to the excess of—

"(1) seventy-five percent of such person's energy investment for such taxable period, over

"(2) such person's credit threshold for such taxable period.

"(b) ENERGY INVESTMENT.—

"(1) IN GENERAL.—For purposes of this chapter, any person's energy investment for any period is the amount paid or incurred by such person during such period (with respect to areas within the United States or a possession of the United States) for—

"(A) drilling, completing, reworking, working over, or equipping productive or nonproductive oil or gas wells, injection wells, or service wells;

"(B) expenses or capital expenditures incurred for enhanced recovery of crude oil or natural gas;

"(C) geological or geophysical expenditures;

"(D) constructing, reconstructing, erecting or acquiring of depreciable property for the exploration, development or production of crude oil or natural gas or any pipeline for gathering crude oil or natural gas and transporting to the point at which the first purchase of such crude oil or natural gas occurs.

"(2) GEOLOGICAL AND GEOPHYSICAL COST DEFINED.—For purposes of paragraph (1)(D), the term 'geological and geophysical costs' means any expenditure for—

"(A) aerial photography,

"(B) geological mapping,

"(C) airborne magnetometer surveys,

"(D) gravity meter surveys,

"(E) seismograph surveys, or

"(F) similar geological and geophysical methods,

for the purposes of ascertaining the existence, location, extent, or quality of any deposit of oil or gas.

"(c) CREDIT THRESHOLD.—

"(1) IN GENERAL.—For purposes of this section, a person's credit threshold for any taxable period is the lesser of—

"(A) such person's average annual energy investment for the base period multiplied by the inflation adjustment for the base period, or

"(B) such person's gross oil and gas income for the taxable period multiplied by the energy investment percentage for the base period.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) INFLATION ADJUSTMENT.—The inflation adjustment for the base period is the percentage arrived at by dividing—

"(i) the CPI for the last calendar month in the base period, by

"(ii) the CPI for the last calendar month ending before the base period.

The percentage determined under the preceding sentence shall be rounded to the nearest one-tenth of 1 percent.

"(B) GROSS OIL AND GAS INCOME.—A person's gross oil and gas income for any period is the aggregate amount of gross income (within the meaning of section 613(a)) of such person for such period from all oil and gas properties.

"(C) INVESTMENT PERCENTAGE.—A person's investment percentage for the base period is the percentage arrived at by dividing—

"(i) such person's average annual energy investment for the base period, by

"(ii) such person's gross oil and gas income for the base period.

The percentage determined under the preceding sentence shall be rounded to the nearest one-tenth of 1 percent.

"(D) CPI.—The CPI for any month is the Consumer Price Index for All Urban Consumers published by the Department of Labor for such month.

"(E) BASE PERIOD.—The term 'base period' means the 36-month period prior to December 31, 1978.

"(d) LIMITATION BASED ON AMOUNT OF TAX; CARRYOVERS.—

"(1) LIMITATION.—The amount of the credit allowed by subsection (a) to any person for any taxable period shall not exceed the tax imposed by section 4986 for such period.

"(2) CARRYFORWARD OR CARRYBACK OF EXCESS CREDIT.—If the credit allowable under subsection (a) for any taxable period exceeds the limitation imposed by paragraph (1) for such taxable period, such excess shall be carried forward to any of the five succeeding taxable periods or carried back to any of the five preceding taxable periods and added to the credit allowable under subsection (a) for such succeeding or preceding taxable periods.

After the table of contents for Chapter 45—Windfall Profit Tax on Domestic Crude Oil, add the following:

"SEC. 4994. PLOWBACK ENERGY INVESTMENT CREDIT."

Mr. CONABLE (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. KOSTMAYER. Mr. Speaker, I object.

Mr. SPEAKER. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the motion to recommit.

Mr. HUGHES (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The gentleman from New York (Mr. CONABLE) is recognized for 5 minutes in support of his motion to recommit.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I rise in support of the motion to recommit and against H.R. 3919.

In November 1973, the Congress enacted the Emergency Petroleum Allocation Act in response to the OPEC oil cartel's embargo of oil products to the Western World. That act enabled the President of the United States to arbitrarily allocate the production of fuel supplies, and to control crude oil prices at the wellhead.

I voted against that original act and all prior and subsequent acts which expanded the authority of the President to control prices, allocate fuels, and ration gasoline at the service station. It was my belief then, as it is today, that Government efforts to control prices and allocate supplies lead to product shortages. Additionally, they lead to distortions in the normal flow of output and consumption which are inefficient and, therefore, from the standpoint of both the consumer and producer, ill advised.

As one who will vote against the new oil industry tax proposal, let me review with you the following: First, why I believe the windfall profits tax, as proposed, is a form of controls under another name and will therefore not generate the tax revenues anticipated; second, why controls do not work and cannot work in a society as complex as ours; third, why they ultimately lead to shortages such as the gasoline shortage we are now experiencing; fourth, why the windfall profits tax, as proposed, is a misnomer for a consumer tax, a tax which only consumers will pay, but also one which will have serious side effects on independent domestic oil producers; fifth, why, until last May, consumers had been paying the "world" price for gasoline despite price controls during the past 5 years; and sixth, why price controls have led to an increase in oil imports, and therefore, an increase in our vulnerability to the OPEC oil cartel.

WHY WE ARE IMPORTING MORE OIL

Since 1973, OPEC's prices for crude oil have skyrocketed in comparison to prices for domestically produced crude oil. Despite these higher prices we find ourselves importing almost twice as much crude today as in 1973, when OPEC first embargoed oil from the Western World. In 1973, we imported 26 percent of our domestic crude oil needs from OPEC and other foreign sources. Today, we are importing at least 43 percent. Why has not consumption of OPEC oil decreased as OPEC's prices have risen? Why has domestic crude oil production declined in the face of higher prices?

One often cited, but incorrect explanation for our increased reliance on OPEC is that the United States is running out of crude oil. Geologists across the country tell us that there are huge amounts of crude oil and other hydrocarbon fuels which have yet to be included as part of "proven" domestic reserves. Much of this fuel is going to be expensive to produce because it is either located deep beneath the ground, or it is in areas where traditional drilling procedures will not work. In contrast, oil from the Middle East is the least expensive to produce, but it is very expensive to buy because the nations of the OPEC cartel control so large a portion of the world's readily producible supplies that they can raise prices by reducing output in the face of rising world demand.

Of course, as the OPEC nations continue to raise prices, their role as price setters will diminish because it will become economically feasible for more nations to explore and eventually produce at higher prices. The market will become quite a bit more competitive when this occurs and the finance ministers of the OPEC nations realize this.

The OPEC finance ministers do not set oil prices capriciously. They realize that if they set prices too high the world economy is likely to dip into recession, although not as severe as the last one in 1974–75 when the fuel guzzling world was caught completely off guard by the doubling of oil prices caused by the embargo in late 1973. Conversely, if they set prices too low, they will needlessly give up revenues. These men are trying to find a price that will support their authority over the marketplace. To find that price they must carefully estimate the changing capability of the rest of the world to produce oil in response to the lure of higher prices and one of the key variables in their calculations is what the production response of the United States oil industry will be as the price of crude oil rises.

The United States contains more proven crude reserves than any other non-OPEC free world nation (source: International Petroleum Encyclopedia, vol. II, 1978). American producers are the unquestioned leaders in oil exploration and drilling technology. If and when they shift into high production gear, the amount of new oil produced will not be trivial and the OPEC nations know this. Why has not U.S. production been increasing to meet the challenge of OPEC when the production of other nations has? The answer can be summed up in two words: price controls.

Consider the following: In 1970 domestic crude oil production reached historically high levels of production. Since then it has dropped 10 percent—from 9.6 million barrels per day in 1970 to 8.7 million barrels per day in 1979.

SOURCES OF U.S. CRUDE OIL: BEFORE AND AFTER PRICE CONTROLS

[In millions of barrels per day]

Year	Average daily domestic production	Average daily imports	Imports as a percent of total crude oil needs
1965	7.8	1.2	13.7
1966	8.3	1.2	12.9
1967	8.8	1.1	11.4
1968	9.1	1.3	12.4
1969	9.2	1.4	13.2
1970	9.6	1.3	12.1
1971[1]	9.5	1.7	15.1
1972	9.4	2.2	19.0
1973[2]	9.2	3.2	26.0
1974	8.8	3.5	28.4
1975	8.4	4.1	32.9
1976	8.1	5.3	39.4
1977[3]	8.2	6.6	44.4
1978	8.7	6.0	41.1
1979[4]	8.7	6.5	42.7

[1] Wage and price controls imposed in August 1971.
[2] OPEC cartel embargoes crude oil, November 1973.
[3] Alaskan North Slope oil begins flowing to market, March 1977.
[4] Preliminary.

Source: Data from the U.S. Department of Energy.

Meanwhile, imports of petroleum products have skyrocketed since 1970. Prior to that year our reliance on foreign oil sources had been hovering at around 13 percent of our total crude oil needs mainly because of restrictive import quotas. In 1971, the first year economywide wage-price controls were put into effect, our imports of foreign crude surged ahead rapidly. (The quotas were also relaxed in that year.) Since then, imports have been growing substantially even though foreign crude has been priced higher than domestic crude.

The reasons behind the accelerating growth in oil imports are apparent. Since price controls were imposed in 1971, the Federal Government has discouraged domestic oil production by, in effect, telling oil producers to "milk their assets." Under the price guidelines, and later under specific rules engendered by the Emergency Petroleum Allocation Act of 1973 (EPAA), most domestically produced oil could be sold only at prices below the world market.

Soon after the EPAA was enacted, oil producers realized something that the Congress had overlooked. The total costs of bringing oil to the marketplace were rising faster than the overall rate of inflation while, for the most part, under controls, increases in the price of crude oil were not allowed to exceed the inflation rate. If these trends continued, oil producers realized that they would go out of business. Oil producers were faced with three choices. They could: First, stop pumping their reserves and wait until controls were lifted, or second, pump dry existing wells until profits turned negative (using the funds to get into another business where they could make more money), or third, do some combination of both while looking for oil in places not governed by price controls—places like Alaska.

Given the choices, it is not surprising that oil production in the lower 48 States has fallen off as the spread between the world market price and the federally controlled price has widened. Drilling and exploration efforts have instead shifted to Alaska because oil produced there can be sold at world market prices.

The shift in domestic production to Alaska has not been without its cost to the American consumer. Transporting Alaskan crude to markets is about 1.5 times costlier than the wellhead value of the crude before transportation costs. Transportation costs now eat up more than $9 per barrel, whereas the wellhead value of Alaskan crude is only about $5.50. This means that consumers are paying vast amounts of money to transport Alaskan oil to markets when this money could otherwise be used to develop increased production in the lower 48 States which are closer to consumer markets in the first place.

Money used in this manner, however, would inevitably cause crude oil prices in the lower 48 States to rise due to the shift in demand away from the transportation of crude oil and toward the production of crude oil. This natural result in the market would be called by some critics of decontrol a "windfall profit"—which it is not—while they would overlook the wastefulness of the Department of Energy's entitlements program which actually forces domestic oil companies to subsidize the importation of foreign oil.

DOE ENTITLEMENTS—SUBSIDIZING REFINERS TO IMPORT OIL

The genius behind this program is that since domestic crude oil is sold at controlled prices which are below market, refiners who are able to purchase this lower-priced crude can financially afford to help refiners who must import expensive foreign crude. To equalize the financial imbalance refiners of domestically produced oil are required to pay importing refiners roughly one-half of the difference between the price tag on foreign oil and the price tag on domestically produced oil. This money is paid to refiners of foreign oil for "entitlement" or "right to refine" tickets which are distributed by DOE. In this way, all refiners pay the same average price for crude oil.

Where does this money come from? Most refiners of domestically produced oil are also crude oil producers. The money originates from the same pocket. The DOE is penalizing domestic production—production so urgently needed by America's consumers.

Not surprisingly, domestic oil producers have been shifting resources away from the production of price controlled oil. The entitlements program guarantees that producers will look for oil which can be sold at the world price and requires no entitlement payments.

WHY DECONTROL IS INEVITABLE

The fallout in total domestic oil production combined with the shift in production to world priced oil is the principal reason that President Carter has recommended decontrol of oil prices. The average price that all refiners are paying for crude oil is rapidly approaching the world price. He and his advisers realize this. Without decontrol, domestic production will continue to decline. As this happens, the entitlements program will fall apart. With the entitlement system gone, all refiners will find themselves paying the world price for crude oil. Thus the United States will become even more dependent upon crude oil supplies from the OPEC oil cartel and other foreign nations.

PAYING THE WORLD PRICE FOR GASOLINE DESPITE 5 YEARS OF PRICE CONTROLS

There is an even more compelling reason for decontrolling the price of oil. Due to a quirk in the Department of Energy's formula which permits refiners to raise prices to cover rising crude oil and production costs, up until last May, consumers were already paying the "world" price for gasoline at service stations. How is this possible when everyone knows that gasoline in Europe costs far more than it does in the United States?

In actuality, the price paid for gasoline in Europe includes steep taxes. For example, in West Germany the retail price for gasoline is over $1.50. The tax on this sale price is over 80 cents. Since product distribution system and tax rates differ among countries, the prices we should be looking at in making comparisons across continents are pretax, preretail distribution, wholesale prices for refined gasoline, and not retail prices.

The wholesale spot price for a gallon of regular gasoline—the price for 1 gallon of gasoline sold on a daily basis—averaged over a year's time is virtually the same whether that gallon is sold in Rotterdam, or in New York Harbor. In turn, the prices in these two markets are nearly equivalent to the average annual United States' dealer tankwagon price—the wholesale price charged to deliver 1 gallon of gasoline from the refinery to the service station. This price is usually slightly higher than the other two wholesale spot prices because it includes an added delivery charge.

AVERAGE ANNUAL WHOLESALE PRICES FOR REGULAR GASOLINE ACROSS CONTINENTS

[In cents per gallon]

Year	New York Harbor spot price	Rotterdam, Holland spot price	Average U.S. dealer tank-wagon price (excluding tax)
1974	33.2	35.4	30.5
1975	33.4	32.6	35.8
1976	35.5	37.1	39.0
1977	38.4	36.4	42.5
1978	42.8	42.6	43.7

Source: Data from the Platts Oilgram Price Service.

The virtual equality of wholesale spot prices across continents strongly supports the "paying-the-world-price" position advanced by two economists, Charles Phelps at the Rand Corp., and Rodney Smith at the University of Chicago, who 2 years ago said that DOE's complicated formula, which enables refiners to raise prices to cover costs, has allowed them to sell their products at world prices.

In support of this position, Phelps and Smith cited the existence of the "banks" of unrecouped costs which are reported each month by the Department of Energy. These "banks" represent cost increases which refiners are permitted to pass through in the form of higher prices directly to their service station customers. Even higher prices have not been charged because of competition in the marketplace for the consumer's dollar.

In other words, until recently when the "banks" began to deplete, as refiners and service stations raised prices to meet increased demand, their very existence has meant that refiners have been charging as much as consumers have been willing to pay. All this changed when market conditions resulting from the reduction in Iranian oil production collided head-on with Federal price controls and allocation rules to create "The Great California Gasoline Shortage."

CALIFORNIA'S CRISIS: SPREADING ACROSS THE NATION

Contrary to a freely operating marketplace, the Federal Government's bureaucracy, DOE, has been strong-arming refiners to alter their mix of petroleum products produced—backed up by statutory power. It has been telling refiners how much gasoline, jet fuel, heating oil, and so on to refine. It has also been imposing its will on refiners by telling them how much crude oil to buy on world markets.

Because of the bureaucracy's meddling, changes in supply and demand were miscalculated by the oil industry and Californians found themselves with a shortage on their hands as early as last April. The shortage hit California first because the total demand for gasoline has been rising much faster there than the rest of the nation due to California's higher-than-average economic growth during the past year—800,000 more vehicles on the road. In contrast, the supply of gasoline available to California has not been keeping pace mainly because of the Iranian upheaval, inadequate production of domestic crude due to price controls, strict environmental standards, and especially DOE allocation rules which do not allow refiners to shift the flow of gasoline from areas of low demand to areas of high demand. These allocation rules guarantee localized shortages whenever supplies tighten while demand is fluctuating.

The growing imbalance between the forces of supply and demand finally erupted in a series of rapid price increases in California in the months of April and May. These price increases were followed by shortages and long lines at service stations everywhere when prices at gas pumps bumped against maximum Federal price ceilings. DOE's inflexible allocation rules lengthened the lines. When the marketplace stopped signalling to consumers how much to consume, Federal and State governments were forced to step in and adjust gasoline allocations while consumers were forced to wait in line. Meanwhile the oil industry was accused of profiteering from the shortages. Confusion then set in as investigative reporters found that prices for domestically produced crude oil hardly budged during the month of May.

After all, domestic prices for crude oil are governed by controls. If somebody was making out like a bandit during the gasoline shortage, it was not the major domestic oil producers. The big winner during the California crisis, a crisis which now afflicts the rest of the Nation, has clearly been OPEC. It is reaping the big bucks as spot market prices for crude oil have skyrocketed during the shortage. The big loser has clearly been the consumer. Because of domestic price controls, they are paying more for gasoline without prospect of relief from greater domestic production. Their plight will continue because the windfall profits tax which has been proposed by the Carter administration virtually guarantees increased reliance on OPEC for years to come.

THE WINDFALL PROFITS TAX: BURNING THE "OIL WITCH"

A windfall profits tax should not be imposed for the following reasons:

First, the oil industry has not been the beneficiary of windfall profits due to OPEC, nor will it be the beneficiary of windfall profits after decontrol; and

Two, the windfall profits tax, a misnomer for what is really a sales tax—just like the one we pay at the corner grocery store—will continue to discourage domestic oil production. The tax picks up where price controls leave off.

By definition, a profits tax is a tax on money left after all business expenses have been paid. However, both the President's proposal and the Ways and Means proposal would tax revenues received before business expenses have been paid. This is comparable to asking taxpayers to pay taxes on gross income before deductions. The President and the Ways and Means Committee are assuming that oil industry business expenses have not kept pace with OPEC's price increases. This is not true.

When the OPEC cartel began raising prices in 1973, the demand for drilling and oil producing equipment quickly escalated as nations around the world began exploring for crude oil to reduce their reliance on OPEC. Naturally, as demand increased, manufacturers of oilfield equipment began selling their products at higher prices to take advantage of conditions in the marketplace. The price of drilling and production equipment has been rising with increases in the price of crude oil in almost lockstep fashion. In other words, crude oil is worth more today because of OPEC's price increases, but it also costs more to produce because of the rise in equipment costs.

In addition, labor costs have also risen dramatically since OPEC first became a world price-setter. American laborers are receiving "battle pay" because of the adverse conditions that they must work under in Alaska. Production costs have also risen because oil production is "energy-intensive", and is therefore an "energy-expensive" business.

In sum, the justification for imposing a windfall profits tax rests heavily on the actual existence of abnormally high profits. The historical data and economic price theory suggests that increases in production costs have already wiped out any windfall profits that might have been caused by OPEC inspired price increases. In fact, in comparison to American industry as a whole, oil companies are near the bottom of the profitability ladder.

Nevertheless, the Congress seems determined to tax the sale of domestically produced oil as if real world dynamics in the marketplace do not exist. Since the tax will not be applied to the sale of imported oil, domestic oil producers will continue their flight from the lower 48 States. They will produce and market more oil from outside of the continental United States.

They will look elsewhere for crude oil because as OPEC continues to raise its prices domestic production costs will also continue to rise, but the total sales revenue received by domestic producers will be lessened by the amount of the sales tax. As long as the costs of transporting foreign oil to domestic markets is less than the sales tax, then everything else being equal, oil companies will earn more gross revenue and hence profits by producing oil on foreign soil.

In short, the President's sales tax proposal, that is, the windfall tax, will without a doubt result in the flight of American investment capital to foreign shores and the American economy will continue to rely heavily on foreign crude oil production.

LESSONS FOR THE FUTURE

The inadequate understanding of the way the price mechanism works will stand out as a lesson for future generations. Historians will note with sadness that it took several years before Members of Congress came to realize that decontrolling oil prices had absolutely no effect on reducing reliance on OPEC because removal of price controls was followed by congressional enactment of another tax on production incentives that fostered even greater reliance on the cartel.

It appears that Congress, in its zeal to raise revenues, is overlooking fundamental economic theory and documented history. It is trying to sneak a tax on the American people by burning the "oil witch."

The tax will be paid, if it is paid at all, at the service station by consumers—even though it is levied on oil producers. Producers will have no alternative but to pass the tax on to refiners in the form of higher prices and refiners in turn will be forced to raise prices charged to service stations. In sums, the tax will show up in higher prices at the gas pump—hidden from the consumer.

Ironically, the target of the tax, the major integrated oil companies, may avoid the penalties by sitting on their domestic oil reserves. They will find it less profitable to develop domestic supplies than to market imported oil—since this oil will not be covered by the tax. Therefore, tax revenues are likely to decrease—and not increase—as domestic oil production continues to falter under the heavy yoke of new taxes.

The real victims of the new tax, along with the consumers, will be the 10,000 or so independent oil producers who are not integrated through the refinery stage of production. These producers rely exclusively on domestically produced oil as their sole source of revenues. As costs rise—but gross revenues do not keep pace—they will be put out of business or at best be forced to sell out to some major oil producer who can better afford to wait in hopes that the tax will be repealed.

Such "fire sales" will lead to increased concentration in the oil industry. The major companies will get larger at the expense of the small independent producers. This prospect is not what the gas-starved American consumer has in mind when he writes to his Congressman and demands a solution to the oil crisis.

Mr. CONABLE. Mr. Speaker, this motion to recommit is a plowback proposal. I hope none of the Members will be under the illusion that we have not imposed a heavy tax on the oil that has been decontrolled by the President by our action here today.

As a matter of fact, between now and 1984, $23 billion will be added to the empty sack that will constitute phase 3 of this windfall profits tax bill. That $23 billion, I am sure, will help finance our Government, but it will not put additional gasoline in our constituents' gas tanks. It will not encourage the development of additional oil or natural gas.

For that reason, it seems to me the House might very well want to vote at this time to convert this tax so that it will be a lever to bring about the production of additional oil and gas. A plowback proposal will give us this opportunity.

My plowback proposal will allow a credit of up to 75 percent against the windfall profit tax for expenditures for oil and gas development and production.

The taxpayers would not begin to earn the credit until after expending more domestic oil and gas production than has been expended on the average over the prior 3 years or the taxpayer has spent a larger percentage of his revenues on these activities than in the past.

For every dollar of expenditures over historic levels, the taxpayers would get 75 cents of tax credit against windfall profits tax.

I will say to my friends that this is the way to get additional production. and that is what we are looking for, Mr. Speaker.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I congratulate the gentleman from New York (Mr. CONABLE) on his offering this motion to recommit.

The windfall profits tax will, of course, be paid by the American motorist, the user of petroleum, let there be no doubt about that. The major companies are not going to pay this tax; it is going to be passed on.

If there is to be a tax, then certainly it should go to create more gasoline supply for the poor motorist who is standing in a line right now.

Mr. Speaker, I am very pleased with this plowback provision. If it is successful, I know the bill will pass.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I commend the gentleman from New York (Mr. CONABLE) for adding this important provision. I hope my colleagues will support this motion to recommit.

Mr. Speaker, I rise in support of the gentleman's motion to recommit in order to add a plowback provision to this bill. I support the concept of an excess profits tax, although I have some reservations about the bill reported by the Committee on Ways and Means. This bill could and should be a lot better than it is.

But it should be obvious to anyone who has seen the rise in oil prices dictated by the Arab oil cartel that the cartel's profits are greedy and obscene. We should not allow such unreasonable profits to accrue to our domestic producers as well.

I came to Congress in the wake of the price gouging that followed the Arab oil embargo of 1973–74. At that time, I introduced a bill to soak up the excess profits that accrued to the oil industry. I have consistently continued my support of windfall profits taxes since that time.

This year, I again introduced a windfall profits tax bill—before the President's initiative, incidentally—in the form of a heavy surcharge on oil industry corporate profits. This approach would prevent tax avoidance by means such as shifting of profits to retailing, for instance, and away from exploration, during an era of oil shortages.

More importantly, my bill included a plowback provision to encourage domestic production and the development of new energy resources. In the long run, we must have both a strong production program and strong conservation initiatives. A plowback provision can and should be the backbone of our domestic production program.

It is necessary to provide for a plowback to give the oil corporations the necessary incentive to invest in exploration, development, and production in our own country. Right now, our tax system provides incentives to import oil—exactly what we ought not to be doing if we want to achieve some measure of energy independence.

I regret that the bill as reported by the Committee on Ways and Means does not contain a plowback provision and that under the rule for debate on this measure an amendment to provide for one cannot be considered.

Accordingly, I urge my colleagues to recommit this bill with instructions to add a plowback provision so that we will be able to vote to include such an important provision.

I urge all of my colleagues to reflect on the need to promote domestic production and the development of new energy sources while at the same time preventing producers from taking advantage of consumers. A plowback provision would help domestic oil production to rise approximately 1 million barrels of oil a day by 1985.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I rise in support of the plowback provision.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I rise in support of the motion to recommit.

Mr. Speaker, I support the motion of the gentleman from New York (Mr. CONABLE) to recommit this bill with instructions to report a windfall profits tax coupled with a plowback.

As many of my colleagues may recall, I offered a similar plowback provision on the House floor 4 years ago when we were debating the Energy Policy and Conservation Act. Unfortunately, my amendment did not pass. If it had, we might not be here today debating the issue of a windfall profits tax.

Mr. Speaker, being from a consuming State, I am primarily interested in increased energy production. Although the Jones-Moore substitute markedly improves the bad bill which was reported from the Ways and Means Committee, we can further improve this bill by adopting the plowback offered by Mr. CONABLE. A plowback would insure that the increased revenues which will result from the decontrol of crude oil prices would be put to good use—finding additional oil and gas for our consumers. Without this provision, the only sure winner from the windfall profits tax will be the Federal coffers. I urge my colleagues to support this motion to recommit the bill with instructions to include a plowback provision.

Mr. CONABLE. Mr. Speaker, I thank the gentleman from Ohio (Mr. BROWN).

Mr. Speaker, let me say to my friends that this will not change the tax rate we have enacted. It will provide a lever to force more production from these companies, and that is what I think the American people want. They do not want the financing of bigger government; they want more energy.

Mr. HAGEDORN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Speaker, I want to commend the gentleman from New York (Mr. CONABLE) for offering this recommittal motion.

We can get on the right track if we try to get more production in the future, less revenue for the Government and more energy for the American people.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I rise in support of the gentleman's motion to recommit.

Mr. Speaker, even after the passage of the Moore-Jones amendment, this windfall tax is still too strong. It takes $23 billion worth of incentives out of the decontrol program.

The bill still needs the plowback provision in the motion to recommit offered by the gentleman from New York (Mr. CONABLE). The plowback offers the only guarantee that the extra price paid by consumers under decontrol will be used to find more oil. I think the American people need that assurance.

There have been allegations today that we might provide too much incentive, or that there is not enough oil under U.S. soil to justify the amount of incentive. In my judgment, that is not so.

We need to develop all possible long- and short-range energy alternatives. We need to develop all our oil, our synthetic fuels, our nuclear resources, our coal, and our so-called exotic systems including solar energy. Incentives to develop oil need not interfere with a synfuel program, nor vice-versa.

If the Conable amendment passes, I would support this bill. If not, I believe it leaves insufficient production incentives, and I will vote against it. I still believe that a windfall-profits tax of some kind is a political necessity to accompany decontrol. Had the President's bill been adopted today, I also would have voted for it.

This bill has a long way to go, yet. There will be other opportunities to vote for or against other alternatives. I hope the Senate and the conference committee will do a better job than the House did, and will present us a bill with enough incentives in it to encourage greater supplies. It will, of course, also encourage me to vote for it.

The SPEAKER. The gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes in opposition to the motion to recommit.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume, and I rise in opposition to the motion to recommit.

Mr. Speaker, I would like to talk to my colleagues in the House and point out that we have had a good, responsible debate. The Committee has worked its will.

We have a bill that we can take home; it is something we can be proud of. It will do the job that we need to do to take care of the windfall situation with respect to decontrol.

Let me just relate very quickly to the gentleman's amendment on the plowback. It is extremely complicated. The gentleman would require 10,000 new producers to file complicated reports, and there would be hundreds of thousands of royalty landowners who would have to file reports. It is a complex set of rules to determine what investments qualify and which ones do not. It gives oil companies an advantage over all other investors.

Mr. Speaker, we have a good bill. For goodness' sake, let us not louse it up at this point. Let us vote against the motion to recommit, and let us vote to pass a very, very good piece of legislation.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to my friend, the gentleman from Georgia.

Mr. JENKINS. Mr. Speaker, I thank the chairman of the committee for yielding.

I agree with the committee chairman that we ought to vote against this motion to recommit and vote for the bill. We have looked at plowback, and as attractive as it sounds, we have never found a workable plowback provision.

Mr. Speaker, I urge my colleagues to vote against the motion to recommit.

Mr. SHANNON. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Massachusetts.

Mr. SHANNON. Mr. Speaker, my feelings on this issue are pretty well known to this House. I am not happy with the final result of this bill. It is not anywhere as strong as I wanted to see it.

But I feel strongly, in addressing my comments to Members on this side of the aisle, that we have to get together on this bill as it presently stands, for one reason: decontrol is a reality. There is nothing we are going to do that will undo that. As a simple matter of equity, we cannot allow this transfer of money from the pockets of consumers to the oil companies without some effort being made to bring some equity to our decision. The bill as it stands now is the best that we are going to have.

Mr. Speaker, I urge my colleagues to defeat this motion to recommit and support the bill on final passage.

□ 1740

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, the head of the Independent Petroleum Producers of America was before my subcommittee recently, and he said the plowback does not work. First, you do not know what the base is; and second, you do not know what to include. He said he did not favor it and he did not think it would work.

Mr. Speaker, I urge my colleagues to vote against the motion to recommit.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from New York.

Mr. STRATTON. I would ask this question of the gentleman from Oregon: Is it not true that since there is a limited amount of oil available in this country, we might actually have more money with this arrangement earmarked for increased production than we could actually use. And is it not also true that if the Conable recommittal motion goes through, we will then not have any specifically designated source of money to finance the manufacture of synthetic fuels that we voted for just a couple of days ago?

Mr. ULLMAN. The gentleman has stated a real problem.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I know the Members on our side, of course, are very disappointed in the fact that the Moore-Jones amendment passed, and that the amendment offered by the gentleman from Massachusetts (Mr. SHANNON) did not pass. I share that disappointment. I think this bill could be a lot better than it has turned out to be, But it is better than no bill at all. As the gentleman from Massachusetts (Mr. SHANNON) so aptly said, decontrol is a reality. Perhaps it can be turned around. Perhaps it will be. We do not know that. If we turn this bill down, we have no bill, and we can then say to the American people that we are turning every dollar they are putting into new oil and gasoline prices into the oil companies' pockets. We have no choice but to vote for the bill on final passage.

Mr. ULLMAN. Mr. Speaker, I want to express my appreciation to all of the Members on both sides for a very responsible debate. I urge every Member to vote against the recommittal motion and for final passage and go home with a very respectable, responsible bill.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CONABLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 186, nays 229, answered "present" 1, not voting 18, as follows:

[Roll No. 304]

YEAS—186

Abdnor
Andrews, N. Dak.
Anthony
Archer
Ashbrook
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Boggs
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Findley
Fish
Frenzel
Frost
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jeffries
Johnson, Colo.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Lungren
McClory
McCloskey
McDonald
McEwen
McKinney
Madigan
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Natcher
O'Brien
Pashayan
Paul
Petri
Pickle
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Sebelius
Sensenbrenner
Shumway
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

NAYS—229

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Howard
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCormack
McDade
McHugh
McKay
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pursell
Rahall
Railsback
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Snowe
Solarz
St Germain
Stack
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, C. H.
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Clinger

NOT VOTING—18

Anderson, Ill.
Bolling
Burton, John
Davis, S.C.
Derrick
Flood
Forsythe
Hawkins
Mathis
Patterson
Rangel
Schulze
Spellman
Steed
Stewart
Thompson
Treen
Wirth

☐ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Treen for, with Mr. Thompson against.

Mr. Schulze for, with Mr. John L. Burton against.

Until further notice:

Mr. Hawkins with Mr. Derrick.

Mr. Flood with Mr. Patterson.

Mr. Rangel with Mr. Mathis.

Mrs. Spellman with Mr. Steed.

Mr. Stewart with Mr. Wirth.

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill. The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include extraneous matter on the bill just passed, and that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT, FRIDAY, JULY 6, 1979, TO FILE REPORT ON H.R. 2538

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight, Friday, July 6, 1979, to file a report on H.R. 2538, Coast Guard high seas drug enforcement legislation.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING CHANGE OF DISTRICT DAY FROM JULY 9, 1979, TO JULY 16, 1979

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that District Day, originally designated for July 9, be moved to July 16, 1979.

The SPEAKER. The gentleman from California (Mr. DELLUMS) asks that District Day be postponed from July 9 to July 16, 1979.

It was the understanding of the Chair that was in agreement with the minority.

Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO HAVE UNTIL MIDNIGHT FRIDAY, JUNE 29, 1979, TO FILE CONFERENCE REPORT ON H.R. 2729, NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1980

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tomorrow, Friday, June 29, 1979, to file a conference report on the bill (H.R. 2729) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CHANGE OF CALENDAR OF MOTIONS FROM JULY 23, 1979, TO JULY 24, 1979

Mr. DAN DANIEL. Mr. Speaker, I ask unanimous consent that the Calendar of Motions to discharge committees in order on Monday, July 23, be transferred to Tuesday, July 24, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, it is very difficult to hear the requests being made.

The SPEAKER. The gentleman asked that the bill that was discharged be postponed from July 23, to July 24.

Mr. BAUMAN. One day?

The SPEAKER. By 1 day.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

☐ 1800

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO HAVE UNTIL MIDNIGHT, FRIDAY, JULY 6, 1979, TO FILE REPORT ON H.R. 4476, HIGHER EDUCATION TECHNICAL AMENDMENTS OF 1979

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight, Friday, July 6, 1979, to file a report on H.R. 4476, the Higher Education Technical Amendments of 1979.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, why do we have to do it this way?

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Yes, I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, this is a package of technical amendments as reported unanimously by the committee yesterday. The gentleman from Alabama (Mr. BUCHANAN) is familiar with it.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I yield to my colleague, the gentleman from Alabama.

Mr. BUCHANAN. The gentleman has correctly stated the facts of the case. These are technical and have support from this side. There is no objection.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION FOR LABOR-HEW SUBCOMMITTEE OF COMMITTEE ON APPROPRIATIONS TO INSERT TABLE REGARDING H.R. 4389, LABOR-HEW APPROPRIATIONS, 1980

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to insert in the RECORD a detailed table regarding H.R. 4389, the Labor-HEW appropriations bill for fiscal year 1980, as it passed the House earlier this morning, showing the amounts approved by the House for each of the programs funded in the bill, together with appropriate comparisons.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The table is as follows:

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389

	Fiscal year 1979 [1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
SUMMARY					
Title I—Department of Labor:					
Federal funds	$13, 095, 941, 000	$12, 240, 945, 000	$11, 358, 695, 000	−$1, 737, 246, 000	−$882, 250, 000
Trust funds	1, 729, 558, 000	1, 809, 905, 000	1, 809, 905, 000	+80, 347, 000	
Title II—Department of Health, Education, and Welfare:					
Federal funds	56, 952, 184, 000	60, 249, 953, 000	60, 931, 477, 000	+3, 979, 293, 000	+681, 524, 000
Trust funds	3, 049, 698, 000	3, 206, 063, 000	3, 204, 563, 000	+154, 865, 000	−150, 000, 000
Unauthorized, not considered: Federal funds	(1, 047, 499, 000	(792, 188, 000)	(792, 188, 000)	(−255, 311, 000)	
Sec. 201 fraud, abuse and waste reduction	−1, 000, 000, 000		−500, 000, 000	+500, 000, 000	−500, 000, 000
Title III—Related agencies:					
Federal funds	1, 275, 496, 000	1, 280, 977, 000	1, 283, 294, 000	+7, 798, 000	+2, 317, 000
Trust funds	34, 317, 000	39, 730, 000	39, 730, 000	+5, 413, 000	
Unauthorized, not considered: Federal funds	(81, 377, 000)	(97, 607, 000)	(97, 607, 000	(+16, 230, 000)	
Grand total, drect appropriations all titles:					
Federal iunds	71, 323, 621, 000	73, 771, 875, 000	73, 573, 466, 000	+2, 249, 845, 000	−198, 409, 000
Trust funds	(4, 813, 573, 000)	(5, 055, 698, 000)	(5, 054, 198, 000)	(+240, 625, 000)	(−1, 500, 000)
Grand total, including sec. 201 reductions:					
Federal funds	70, 323, 621, 000	73, 771, 875, 000	73, 073, 466, 000	+2, 749, 845, 000	−698, 409, 000
Trust funds	(4, 813, 573, 000)	(5, 055, 698, 000)	(5, 054, 198, 000)	(+240, 625, 000)	(−1, 500, 000)
Unauthorized, not considered: Federal Funds	(1, 128, 876, 000)	[2] (889, 795, 000)			
TITLE I, DEPARTMENT OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION					
Program administration:					
Planning, evaluation and research	5, 639, 000	4, 773, 000	4, 773, 000	−866, 000	
Trust funds		(325, 000)	(325, 000)	+325, 000)	
Comprehensive employment development	47, 556, 000	47, 157, 000	47, 157, 000	−399, 000	
Trust funds	(2, 333, 000)	(48, 000)	(48, 000)	(−2, 285, 000)	
Apprenticeship services	14, 067, 000	14, 208, 000	14, 208, 000	+141, 000	
U.S. employment service	803, 000	1, 396, 000	1, 396, 000	+593, 000	
Trust funds	(16, 623, 000)	(16, 003, 000)	(16, 003, 000)	(−620, 000)	
Unemployment insurance service	1, 620, 000	246, 000	246, 000	−1, 374, 000	
Trust funds	(10, 112, 000)	(11, 351, 000)	(11, 351, 000)	(+1, 239, 000)	
Investigation and compliance	871, 000	1, 630, 000	1, 630, 000	+759, 000	
Trust funds	(799, 000)	(263, 000)	(263, 000)	(−563, 000)	
Executive direction and management	18, 894, 000	16, 850, 000	16, 850, 000	−2, 044, 000	
Trust funds	(3, 954, 000)	(5, 091, 000)	(5, 091, 000	(+1, 137, 000)	
Subtotal, program administration	123, 271, 000	119, 341, 000	119, 341, 000	−3, 930, 000	
Federal funds	89, 450, 000	86, 260, 000	86, 260, 000	−3, 190, 000	
Trust funds	(33, 821, 000)	(33, 081, 000)	(33, 081, 000)	(−740, 000)	
Employment and training assistance:					
Comprehensive employment—and training programs:					
Employment and training services (title II-A, B, and C)	1, 914, 100, 000	2, 054, 000, 000	2, 054, 000, 000	+139, 900, 000	
Public service employment (title II-D)	2, 516, 930, 000	2, 166, 500, 000	1, 485, 000, 000	−1, 031, 930, 000	−681, 500, 000
Welfare reform projects (non-add)		(175, 000, 000)			(−175, 000, 000)
Subtotal, comprehensive employment and training programs	4, 431, 030, 000	4, 220, 500, 000	3, 539, 000, 000	−892, 030, 000	−681, 500, 000

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979[1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE I, DEPARTMENT OF LABOR—Continued					
EMPLOYMENT AND TRAINING ADMINISTRATION—Continued					
Youth programs:					
Special programs (title IV):					
Youth incentive entitlement pilot projects	$107, 100, 000			−$107, 100, 000	0
Youth employment and training programs	499, 796, 000	$797, 974, 000	$533, 255, 000	+33, 459, 000	−$264, 719, 00
Youth community conservation and improvement program	107, 100, 000	134, 008, 000	134, 008, 000	+26, 908, 000	
Subtotal, Youth Employment and Demonstration Projects Act	713, 996, 000	931, 982, 000	667, 263, 000	−46, 733, 000	−264, 719, 000
Young adult conservation corps (title VIII)	216, 900, 000	166, 469, 000	233, 713, 000	+16, 813, 000	+67, 244, 000
Summer youth employment program (title IV)	785, 200, 000	411, 092, 000	608, 567, 000	−176, 633, 000	+197, 475, 000
Reappropriation (Public Law 95-524)		122, 133, 000	122, 133, 000	+122, 133, 000	
Job Corps (title IV)	296, 000, 000	415, 700, 000	415, 700, 000	+119, 700, 000	
Subtotal, youth programs	2, 012, 096, 000	1, 925, 243, 000	1, 925, 243, 000	−86, 853, 000	
National programs (title III)	370, 132, 000	371, 011, 000	546, 011, 000	+175, 879, 000	+175, 000, 000
Welfare reform projects (nonadd)			(175, 000, 000)	(+175, 000, 000)	(+175, 000, 000)
Reappropriation (Public Law 95-355)	7, 164, 000			−7, 164, 000	
Private sector programs		325, 000, 000	325, 000, 000	+325, 000, 000	
Subtotal, employment and training assistance, new authority	6, 813, 258, 000	6, 841, 754, 000	6, 335, 254, 000	−478, 004, 000	−506, 500, 000
Reappropriation (Public Law 95-355)	7, 164, 000	122, 133, 000	122, 133, 000	+114, 969, 000	
Total, employment and training assistance	6, 820, 422, 000	6, 963, 887, 000	6, 457, 387, 000	−363, 035, 000	−506, 500, 000
Temporary employment assistance (title VI)	3, 474, 954, 000	2, 190, 500, 000	1, 815, 000, 000	−1, 659, 954, 000	−375, 500, 000
Community services employment for older Americans	211, 700, 000	234, 800, 000	258, 550, 000	+46, 850, 000	+23, 750, 000
Federal unemployment benefits and allowances:					
Payments to former Federal personnel	227, 000, 000	575, 000, 000	575, 000, 000	+117, 000, 000	
Trade adjustment assistance	265, 000, 000	300, 000, 000	300, 000, 000	+35, 000, 000	
Unemployment assistance and payments under other Federal unemployment programs	458, 000, 000	75, 000, 000	75, 000, 000	−152, 000, 000	
Subtotal, FUBA	950, 000, 000	950, 000, 000	950, 000, 000		
Grants to States for unemployment insurance and employment services:					
Unemployment insurance service	(813, 055, 000)	(832, 200, 000)	(832, 200, 000)	(+19, 145, 000)	
Employment services:					
Federal funds	21, 600, 000	22, 300, 000	22, 300, 000	+700, 000	
Trust funds	(646, 400, 000)	(666, 700, 000)	(666, 700, 000)	(+20, 300, 000)	
Subtotal, Employment services	668, 000, 000	689, 000, 000	689, 000, 000	+21, 000, 000	
Contingency fund	(234, 145, 000)	(275, 400, 000)	(275, 400, 000)	(+41, 255, 000)	
Subtotal, grants to States	1, 715, 200, 000	1, 796, 600, 000	1, 796, 600, 000	+81, 400, 000	
Federal funds	21, 600, 000	22, 300, 000	22, 300, 000	+700, 000	
Trust funds	(1, 693, 600, 000)	(1, 774, 300, 000)	(1, 774, 300, 000)	(+80, 700, 000)	
Advances to unemployment trust fund and other funds	200, 000, 000	300, 000, 000	300, 000, 000	+100, 000, 000	
Subtotal, Employment and Training Administration	13, 495, 547, 000	12, 555, 128, 000	11, 696, 878, 000	−1, 798, 669, 000	−858, 250, 000
Federal funds	11, 768, 126, 000	10, 747, 747, 000	9, 889, 497, 000	−1, 878, 629, 000	−858, 250, 000
Trust funds	(1, 727, 421, 000)	(1, 807, 381, 000)	(1, 807, 381. 000)	(+79, 960, 000)	
LABOR-MANAGEMENT SERVICES ADMINISTRATION					
Salaries and expenses:					
Labor-management relations policy and service	3, 710, 000	3, 770, 000	3, 770, 000	+60, 000	
Labor-management standards enforcement	15, 031, 000	15, 820, 000	15, 820, 000	+789, 000	
Veterans reemployment rights	2, 417, 000	2, 467, 000	2, 467, 000	+50, 000	
Employee benefits security	27, 069, 000	27, 910, 000	27, 910, 000	+841, 000	
Executive direction, management and support	4, 126, 000	3, 974, 000	3, 974, 000	−152, 000	
Subtotal, Labor-Management Services Administration	52, 353, 000	53, 941, 000	53, 941, 000	+1, 588, 000	
EMPLOYMENT STANDARDS ADMINISTRATION					
Salaries and expenses:					
Improving and protecting wages	62, 017, 000	62, 221, 000	62, 221, 000	+204, 000	
Elimination of discrimination in employment	42, 982, 000	50, 105, 000	50, 105, 000	+7, 123, 000	
Workers' compensation	28, 709, 000	35, 982, 000	35, 982, 000	+7, 273, 000	
Trust funds	(320, 000)	(341, 000)	(341, 000)	(+21, 000)	
Program development and administration	14, 744, 000	16, 615, 000	15, 615, 000	+871, 000	−1, 000, 000
Subtotal, salaries and expenses	148, 772, 000	165, 264, 000	164, 264, 000	+15, 492, 000	−1, 000, 000
Federal funds	148, 452, 000	164, 923, 000	163, 923, 000	+15, 471, 000	−1, 000, 000
Trust funds	(320, 000)	(341, 000)	(341, 000)	(+21, 000)	
Special benefits:					
Federal Employees Compensation Act benefits	228, 137, 000	304, 017, 000	279, 017, 000	+50, 880, 000	−25, 000, 000
Longshore and harbor workers' benefits	3, 063, 000	3, 369, 000	3, 369, 000	+306, 000	
Subtotal, special benefits	231, 200, 000	307, 386, 000	282, 386, 000	+51, 186, 000	−25, 000, 000
Black lung disability trust fund:					
Benefit payments	389, 400, 000	436, 171, 000	436, 171, 000	+46, 771, 000	
Employment Standards Administration, salaries and expenses	23, 799, 000	19, 529, 000	19, 529, 000	−4, 270, 000	
Departmental management, salaries and expenses	8, 310, 000	10, 967, 000	10, 967, 000	+2, 657, 000	
Subtotal, black lung disability trust fund	421, 509, 000	466, 667, 000	466, 667, 000	+45, 158, 000	
Treasury admnistrative costs (indefinite)		756, 000	756, 000	+756, 000	
Subtotal, Employment Standards Administration	801, 481, 000	940, 073, 000	914, 073, 000	+112, 592, 000	−26, 000, 000
Federal funds	801, 161, 000	939, 732, 000	913, 732, 000	+112, 571, 000	−26, 000, 000
Trust funds	(320, 000)	(341, 000)	(341, 000)	(+21, 000)	
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION					
Salaries and expenses:					
Safety and health standards	5, 933, 000	6, 118, 000	6, 118, 000	+118, 000	
Enforcement:					
Federal enforcement	69, 528, 000	73, 831, 000	73, 831, 000	+4, 303, 000	
State programs	42, 500, 000	42, 360, 000	42, 360, 000	−140, 000	
Technical support	12, 368, 000	13, 066, 000	13, C66, 000	+698, 000	
Compliance assistance	27, 068, 000	30, 061, 000	32, 061, 000	+4, 993, 000	+2, 000, 000
Safety and health statistics	6, 669, 000	6, 829, 000	6, 829, 000	+160, 000	
Executive direction and administration	7, 158, 000	7, 255, 000	7, 255, 000	+97, 000	
Subtotal, Occupational Safety and Health Administration	171, 224, 000	179, 520, 000	181, 520, 000	+10, 296, 000	+2, 000, 000

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979[1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE I, DEPARTMENT OF LABOR—Continued					
DEPARTMENTAL MANAGEMENT—Continued					
MINE SAFETY AND HEALTH ADMINISTRATION					
Salaries and expenses:					
Enforcement:					
(a) Coal	$53,502,000	$55,332,000	$55,332,000	+$1,830,000	
(b) Metal/nonmetal	26,569,000	28,970,000	28,970,000	+2,401,000	
(c) Standards development	3,189,000	3,189,000	3,189,000		
Assessments	6,030,000	6,524,000	6,524,000	+494,000	
Education and training	12,003,000	10,843,000	10,843,000	−1,160,000	
Technical support	16,829,000	17,409,000	17,409,000	+580,000	
Program administration	7,378,000	9,443,000	9,443,000	+2,065,000	
Subtotal, Mine Safety and Health Administration	125,500,000	131,710,000	131,710,000	+6,210,000	
BUREAU OF LABOR STATISTICS					
Salaries and expenses:					
Labor force statistics	38,144,000	40,088,000	40,088,000	+1,944,000	
Prices and cost of living	30,420,000	34,253,000	34,253,000	+3,833,000	
Wages and industrial relations	13,562,000	13,161,000	13,161,000	−401,000	
Productivity and technology	3,141,000	3,203,000	3,203,000	+62,000	
Economic growth	780,000	794,000	794,000	+14,000	
Executive direction and staff services	10,205,000	10,529,000	10,529,000	+324,000	
Subtotal, Bureau of Labor Statistics	96,252,000	102,028,000	102,028,000	+5,776,000	
DEPARTMENTAL MANAGEMENT					
Salaries and expenses:					
Executive direction	9,543,000	9,226,000	9,226,000	−317,000	
Legal services	28,139,000	29,096,000	29,096,000	+957,000	
Trust funds	(188,000)	(202,000)	(202,000)	(+14,000)	
International labor affairs	9,123,000	8,684,000	8,684,000	−439,000	
Administration and management	11,555,000	12,642,000	12,642,000	+1,087,000	
Adjudication	4,908,000	5,449,000	5,449,000	+541,000	
Promoting employment of the handicapped	1,616,000	1,597,000	1,597,000	−19,000	
Women's Bureau	2,525,000	2,832,000	2,832,000	+307,000	
Inspector General	12,637,000	15,452,000	15,452,000	+2,815,000	
Trust funds	(1,629,000)	(1,981,000)	(1,981,000)	(+352,000)	
Minimum Wage Study Commission	1,209,000	1,219,000	1,219,000	+10,000	
Subtotal, salaries and expenses	83,072,000	88,380,000	88,380,000	+5,308,000	
Federal funds	81,255,000	86,197,000	86,197,000	+4,942,000	
Trust funds	(1,817,000)	(2,183,000)	(2,183,000)	(+366,000)	
Special foreign currency program	70,000	70,000	70,000		
Subtotal, departmental management	83,142,000	88,450,000	88,450,000	+5,308,000	
Federal funds	81,325,000	86,267,000	86,267,000	+4,942,000	
Trust funds	(1,817,000	(2,183,000)	(2,183,000)	(+366,000)	
Total, Labor Department	14,825,499,000	14,050,850,000	13,168,600,000	−1,656,899,000	−$882,250,000
Federal funds	13,095,941,000	12,240,945,000	11,358,695,000	−1,737,246,000	−882,250,000
Trust funds	(1,729,558,000)	(1,809,905,000)	(1,809,905,000)	(+80,347,000)	
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
HEALTH SERVICES ADMINISTRATION					
Community health services:					
Community health centers	258,936,000	371,936,000	338,936,000	+80,000,000	−33,000,000
Research and demonstration centers (sec. 340)	10,564,000	9,064,000	9,064,000	−1,500,000	
Comprehensive health grants to States	90,000,000	52,000,000	52,000,000	−38,000,000	
Hypertension	11,000,000	13,261,000,	17,261,000	+6,261,000	+4,000,000
Maternal and child health:					
Grants to States	345,500,000	357,400,000	345,500,000		−11,900,000
Sudden infant death information dissemination	2,802,000	2,802,000	2,802,000		
Research and training	32,177,000	14,843,000	31,843,000	−334,000	+17,000,000
Subtotal, maternal and child health	380,479,000	375,045,000	380,145,000	−334,000	+5,100,000
Genetic information and counseling	10,567,000	10,567,000	10,567,000		
Family planning	135,000,000	145,000,000	165,000,000	+30,000,000	+20,000,000
Migrant health	34,500,000	41,400,000	38,000,000	+3,500,000	−3,400,000
National Health Service Corps	57,000,000	80,825,000	70,000,000	+13,000,000	−10,825,000
Private practice grants (NHSC)	1,000,000	1,000,000	1,000,000		
Home health services	6,000,000	804,000	6,000,000		+5,196,000
Black lung services	7,500,000	7,500,000	7,500,000		
Program support	30,046,000	34,704,000	34,704,000	+4,658,000	
Subtotal, community health services	1,032,592,000	1,143,106,000	1,130,177,000	+97,585,000	−12,929,000
Health care services and systems:					
Patient care and special health services:					
Hospitals and clinics	172,016,000	166,434,000	166,434,000	−5,582,000	
Federal employee health	686,000	728,000	728,000	+42,000	
Payment to Hawaii	1,600,000	1,600,000	1,600,000		
Subtotal	174,302,000	168,762,000	168,762,000	−5,540,000	
Emergency medical services, unauthorized	(42,625,000)	(39,625,000)	(***)	(***)	(***)
Program support	7,547,000	8,988,000	8,988,000	+1,441,000	
Subtotal, health care services and systems	181,849,000	177,750,000	177,750,000	−4,099,000	
Unauthorized, not considered	(42,625,000)	(39,625,000)	(***)	(***)	(***)
Buildings and facilities		3,000,000	3,000,000	+3,000,000	
Program management	7,026,000	7,416,000	7,416,000	+390,000	
Subtotal, Health Services Administration	1,221,467,000	1,331,272,000	1,318,343,000	+96,876,000	−12,929,000
Unauthorized, not considered	(42,625,000)	(39,625,000)	(***)	(***)	(***)

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979 [1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION AND WELFARE—Continued					
CENTER FOR DISEASE CONTROL					
Disease control:					
Formula grants		18, 000, 000			−$18, 000, 000
Project grants:					
Venereal disease	$32, 000, 000	$32, 000, 000	$34, 000, 000	+$2, 000, 000	+2, 000, 000
Immunization	23, 000, 000	18, 532, 000	18, 532, 000	−4, 468, 000	
Unauthorized, not considered for fiscal year 1980	(6, 400, 000)	(15, 000, 000)	(***)	(***)	(***)
Rat control	13, 000, 000	13, 000, 000	13, 000, 000		
Lead-based paint poisoning prevention	10, 250, 000	10, 250, 000	10, 250, 000		
Disease investigation and control	65, 800, 000	83, 351, 000	75, 131, 000	+9, 331, 000	−8, 220, 000
Laboratory improvement	18, 956, 000	18, 311, 000	18, 311, 000	−645, 000	
Health education	1, 060, 000	1, 000, 000	1, 000, 000	−60, 000	
Unauthorized, not considered	(9, 000, 000)	(11, 700, 000)	(***)	(***)	(***)
Occupational safety and health:					
Research:					
Grants	6, 070, 000	6, 480, 000	6, 480, 000	+410, 000	
Intramural program	41, 414, 000	55, 005, 000	55, 005, 000	+13, 591, 000	
Training	10, 799, 000	10, 850, 000	13, 850, 000	+3, 051, 000	+3, 000, 000
Program support	3, 681, 000	4, 217, 000	4, 217, 000	+536, 000	
Subtotal	61, 964, 000	76, 552, 000	79, 552, 000	+17, 588, 000	+3, 000, 000
Buildings and facilities	1, 912, 000	11, 436, 000	11, 436, 000	+9, 524, 000	
Program management	3, 427, 000	3, 703, 000	3, 703, 000	+276, 000	
Subtotal, preventive health	231, 369, 000	286, 135, 000	264, 915, 000	+33, 546, 000	−21, 220, 000
Unauthorized, not considered	(15, 400, 000)	(26, 700, 000)	(***)	(***)	(***)
NATIONAL INSTITUTES OF HEALTH					
National Cancer Institute	937, 069. 000	936, 958, 000	961, 158, 000	+24, 089, 000	+24, 200, 000
National Heart, Lung, and Blood Institute	506, 776, 000	507, 344, 000	527, 544, 000	+20, 768, 000	+20, 200, 000
National Institute of Dental Research	65, 213, 000	66, 118, 000	68, 318, 000	+3, 105, 000	+2, 200, 000
National Institute of Arthritis, Metabolism, and Digestive Diseases	302, 767, 000	305, 746, 000	341, 246, 000	+33, 479, 000	+35, 500, 000
National Institute of Neurological and Communicative Disorders and Stroke	212, 365, 000	212, 322, 000	240, 622, 000	+28, 257, 000	+28, 300, 000
National Institute of Allergy and Infectious Diseases	191, 328, 000	190, 202, 000	215, 402, 000	+24, 074, 000	+25, 200, 000
National Institute of General Medical Sciences	277, 628, 000	280, 378, 000	312, 478, 000	+34, 850, 000	+32, 100, 000
National Institute of Child Health and Human Development	190, 130, 000	204, 381, 000	208, 981, 000	+18, 851, 000	+4, 600, 000
National Institute on Aging	56, 911, 000	56, 510, 000	68, 910, 000	+11, 999, 000	+12, 400, 000
National Eye Institute	105, 192, 000	104, 528, 000	107, 528, 000	+2, 336, 000	+3, 000, 000
National Institute of Environmental Health Sciences	78, 260, 000	79, 012, 000	83, 912, 000	+5, 652, 000	+4, 900, 000
Research resources	154, 164, 000	154, 199, 000	169, 199, 000	+15, 035, 000	+15, 000, 000
John E. Fogarty International Center	8, 989, 000	8, 989, 000	8, 989, 000		
Subtotal, biomedical research	3, 086, 792, 000	3, 106, 687, 000	3, 314, 287, 000	+227, 495, 000	+207, 600, 000
National Library of Medicine	41, 431, 000	41, 431, 000	42, 431, 000	+1, 000, 000	+1, 000, 000
Office of the Director	19, 643, 000	21, 062, 000	21, 062, 000	+1, 419, 000	
Buildings and facilities	30, 950, 000	3, 250, 000	3, 250, 000	−27, 700, 000	
Subtotal, National Institutes of Health	3, 178, 816, 000	3, 172, 430, 000	3, 381, 030, 000	+202, 214, 000	+208, 600, 000
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION					
General mental health:					
Research	130, 807, 000	160, 168, 000	145, 250, 000	+14, 443, 000	−14, 918, 000
Training	90, 400, 000	89, 354, 000	90, 354, 000	−46, 000	+1, 000, 000
Community programs:					
Community support	7, 600, 000	7, 600, 000	7, 600, 000		
Mental health centers operations:					
New service grants	30, 489, 000	35, 000, 000	35, 000, 000	+4, 511, 000	
New initiatives, unauthorized		(49, 584, 000)	(***)	(***)	(***)
Continuation under new law	184, 396, 000	195, 031, 000	195, 031, 000	+10, 635, 000	
Continuations under old law	74, 293, 000	35, 837, 000	35, 837, 000	−38, 456, 000	
Consultation and education	12, 465, 000	3, 000, 000	3, 000, 000	−9, 465, 000	
Unauthorized, not considered		(8, 938, 000)	(***)	(***)	(***)
Financial distress, unauthorized	(12, 010, 000)	(12, 765, 000)	(***)	(***)	(***)
Subtotal, community programs	309, 243, 000	276, 468, 000	276, 468, 000	−32, 775, 000	
Unauthorized, not considered	(12, 010, 000)	(71, 287, 000)	(***)	(***)	(***)
Program support	31, 173, 000	35, 937, 000	35, 000, 000	+3, 827, 000	−937, 000
Subtotal, mental health	561, 623, 000	561, 927, 000	547, 072, 000	−14, 551, 000	−14, 855, 000
Drug abuse:					
Research	42, 930, 000	50, 304, 000	46, 000, 000	+3, 070, 000	−4, 304, 000
Training	10, 000, 000	8, 680, 000	8, 680, 000	−1, 320, 000	
Community programs:					
Project grants and contracts, unauthorized	(161, 000, 000)	(161, 000, 000)	(***)	(***)	(***)
Grants to States, unauthorized	(40, 000, 000)		(***)	(***)	(***)
Program support	18, 178, 000	18, 570, 000	18, 570, 000	+392, 000	
Subtotal, drug abuse	71, 108, 000	77, 554, 000	73, 250, 000	+2, 142, 000	−4, 304, 000
Unauthorized, not considered	(201, 000, 000)	(161, 000, 000)	(***)	(***)	(***)
Alcoholism, unauthorized:					
Research	(22, 197, 000)	(25, 078, 000)	(***)	(***)	(***)
Training	(7, 200, 000)	(5, 375, 000)	(***)	(***)	(***)
Community programs:					
Project grants and contracts	(78, 706, 000)	(93, 323, 000)	(***)	(***)	(***)
Grants to States	(56, 800, 000)		(***)	(***)	(***)
Program support	(10, 202, 000)	(10, 240, 000)	(***)	(***)	(***)
Subtotal, alcoholism, unauthorized	(175, 105, 000)	(134, 016, 000)	(***)	(***)	(***)
Program management	8, 112, 000	9, 826, 000	9, 826, 000	+1, 714, 000	
New formula grant, requires authorization		(99, 000, 000)	(***)	(***)	(***)
Subtotal, Alcohol, drug abuse, and mental health	640, 843, 000	649, 307, 000	630, 148, 000	−10, 695, 000	−19, 159, 000
Unauthorized, not considered	(388, 115, 000)	(366, 303, 000)	(***)	(***)	(***)
Saint Elizabeths Hospital	75, 824, 000	85, 119, 000	85, 119, 000	+9, 295, 000	
Subtotal, ADAMHA	716, 667, 000	734, 426, 000	715, 267, 000	−1, 400, 000	−19, 159, 000
Unauthorized, not considered	(388, 115, 000)	(366, 303, 000)	(***)	(***)	(***)
Proposed legislation (nonadd)		(99, 000, 000)	(***)	(***)	(***)

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979[1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to— Fiscal year 1979 appropriation	House bill compared to— President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
HEALTH RESOURCES ADMINISTRATION					
Health planning and resources development, unauthorized:					
Health planning:					
Local agencies	($107, 000, 000)	($115, 400, 000)	(***)	(***)	(***)
State agencies	(29, 500, 000)	(30, 000, 000)	(***)	(***)	(***)
Planning methods/centers	(6, 500, 000)		(***)	(***)	(**)
Conversion/closure grants		(30, 000, 000)	(***)	(***)	(***)
Reappropriation, project grant construction program	(39, 940, 000)		(***)	(***)	(***)
Program support	(11, 882, 000)	(13, 317, 000)	(***)	(***)	(***)
Subtotal, health planning, unauthorized	(194, 822, 000)	(188, 717, 000)	(***)	(***)	(***)
Health professions education:					
Health professions institutional assistance:					
Capitation grants	110, 500, 000		$88, 400, 000	−$22, 100, 000	+$88, 400, 000
(MOD)	(96, 100, 000		(76, 880, 000)	(−19, 220, 000)	(+76, 880, 000)
(VOPP)	(14, 400, 000)		(11, 520, 000)	(−2, 880, 000)	(+11, 520, 000)
Financial distress	5, 000, 000	5, 000, 000	5, 000, 000		
Startup assistance	5, 000, 000		2, 700, 000	−2, 300, 000	+2, 700, 000
Health teaching facilities: Interest subsidies	3, 000, 000	4, 300, 000	4, 300, 000	+1, 300, 000	
Subtotal, institutional	123, 500, 000	9, 300, 000	100, 400, 000	−23, 100, 000	+91, 100, 000
Health professions student assistance:					
National health service scholarships	75, 000, 000	79, 500, 000	85, 500, 000	+10, 500, 000	+6, 000, 000
Loans	10, 000, 000		13, 000, 000	+3, 000, 000	+13, 000, 000
Loan repayments	1, 500, 000		1, 500, 000		+1, 500, 000
Exceptional need scholarships	7, 000, 000		7, 000, 000		+7, 000, 000
Subtotal, student assistance	93, 500, 000	79, 500, 000	107, 000, 000	+13, 500, 000	+27, 500, 000
Dental health education	4, 000, 000	4, 000, 000	4, 000, 000		
Nursing institutional assistance, unauthorized:					
Capitation grants	(24, 000, 000)		(***)	(***)	(***)
Advanced nurse training	(12, 000, 000)		(***)	(***)	(***)
Nurse practitioner training	(13, 000, 000)	(13, 000, 000)	(***)	(***)	(***)
Special projects	(15, 000, 000)	(1, 743, 000)	(***)	(***)	(***)
Nursing student assistance, unauthorized:					
Loans	(13, 500, 000)		(***)	(***)	(***)
Scholarships	(9, 000, 000)		(***)	(***)	(***)
Traineeships	(13, 000, 000)		(***)	(***)	(***)
Loan repayment	(750, 000)		(***)	(***)	(***)
Fellowships	(1, 000, 000)		(***)	(***)	(***)
Nursing research grants	(5, 000, 000)		(***)	(***)	(***)
Subtotal, nursing programs, unauthorized	(106, 250, 000)	(14, 743, 000)	(***)	(***)	(***)
Public health:					
Capitation	5, 900, 000		5, 900, 000		+5, 900, 000
Special projects and health administration	5, 000, 000	5, 000, 000	5, 000, 000		
Public health traineeships	7, 000, 000	7, 000, 000	7, 000, 000		
Health administration graduate programs	3, 000, 000	3, 000, 000	3, 000, 000		
Health administration traineeships	2, 000, 000	2, 000, 000	2, 000, 000		
Subtotal, public health	22, 900, 000	17, 000, 000	22, 900, 000		+5, 900, 000
Allied health	13, 000, 000			−13, 000, 000	
Health professions special educational assistance:					
Family medical residencies and training	45, 000, 000	55, 500, 000	45, 000, 000		−10, 500, 000
Primary care residencies and training	17, 500, 000	31, 000, 000	17, 500, 000		−13, 500, 000
Interdisciplinary training	7, 141, 000		7, 000, 000	−141, 000	+7, 000, 000
Physicians/dental extenders	9, 100, 000	9, 100, 000	9, 100, 000		
Area health education centers	20, 000, 000	5, 825, 000	21, 000, 000	+1, 000, 000	+15, 175, 000
Foreign medical transfers	1, 000, 000			−1, 000, 000	
Emergency medical training, unauthorized	(3, 000, 000)		(***)	(***)	(***)
National Advisory Committee on Graduate Medical Education	1, 000, 000	1, 000, 000	1, 000, 000		
Supply and distribution reports	2, 700, 000	5, 400, 000	5, 400, 000	+2, 700, 000	
Subtotal, special programs	103, 441, 000	107, 825, 000	106, 000, 000	+2, 559, 000	−1, 825, 000
Disadvantaged assistance	19, 000, 000	19, 068, 000	19, 568, 000	+568, 000	+500, 000
Program support	19, 908, 000	13, 916, 000	19, 908, 000		+5, 992, 000
Subtotal, health manpower	399, 249, 000	250, 609, 000	379, 776, 000	−19, 473, 000	+129, 167, 000
Program management	13, 241, 000	12, 364, 000	13, 241, 000		+877, 000
Subtotal, health resources	412, 490, 000	262, 973, 000	393, 017, 000	−19, 473, 000	+130, 044, 000
Unauthorized, not considered	(304, 072, 000)	(203, 460, 000)	(***)	(***)	(***)
Payments of sales insufficiencies	2, 412, 000	2, 000, 000	2, 000, 000	−412, 000	
Medical facilities guarantee and loan fund	42, 000, 000	45, 000, 000	45, 000, 000	+3, 000, 000	
Subtotal, Health Resources Administration	456, 902, 000	309, 973, 000	440, 017, 000	−16, 885, 000	+130, 044, 000
Unauthorized, not considered	(304, 072, 000)	(203, 460, 000)	(***)	(***)	(***)
ASSISTANT SECRETARY FOR HEALTH					
Program operations:					
Health statistics:					
National health surveys and analysis	23, 432, 000	28, 598, 000	28, 598, 000	+5, 166, 000	
Cooperative health statistics	11, 956, 000	16, 578, 000	16, 578, 000	+4, 622, 000	
Program support	3, 246, 000	3, 409, 000	3, 409, 000	+163, 000	
Subtotal	38, 634, 000	48, 585, 000	48, 585, 000	+9, 951, 000	
Health services research:					
Research	26, 100, 000	21, 649, 000	23, 449, 000	−2, 651, 000	+1, 800, 000
Program support	7, 248, 000	7, 646, 000	7, 646, 000	+398, 000	
Subtotal	33, 348, 000	29, 295, 000	31, 095, 000	−2, 253, 000	+1, 800, 000
Health maintenance organizations:					
Grants and contracts	16, 717, 000	64, 846, 000	47, 239, 000	+30, 522, 000	−17, 607, 000
Program support	6, 090, 000	8, 761, 000	7, 761, 000	+1, 671, 000	−1, 000, 000
Subtotal	22, 807, 000	73, 607, 000	55, 000, 000	+32, 193, 000	−18, 607, 000

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979[1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
ASSISTANT SECRETARY FOR HEALTH—Continued					
Special health programs:					
Health information and promotion	$1, 415, 000	$1, 447, 000	$1, 447, 000	+$32, 000	
Unauthorized, not considered		(3, 600, 000)	(***)	(***)	(***)
Physical fitness and sports	1, 018, 000	882, 000	882, 000	−136, 000	
Health practices assessment	200, 000			−200, 000	
Special initiatives	200, 000			−200, 000	
Smoking and health		10, 000, 000	10, 000, 000	+10, 000, 000	
Unauthorized, not considered	(2, 500, 000)	(3, 500, 000)	(***)	(***)	(***)
International Health	642, 000	2, 900, 000	700, 000	+58, 000	−$2, 200, 000
Health Technology		5, 000, 000	2, 500, 000	+2, 500, 000	−2, 500, 000
Subtotal	3, 475, 000	20, 229, 000	15, 529, 000	+12, 054, 000	−4, 700, 000
Unauthorized, not considered	(2, 500, 000)	(7, 100, 000)	(***)	(***)	(***)
Subtotal, Public Health Service operations	98, 264, 000	171, 716, 000	150, 209, 000	+51, 945, 000	−21, 507, 000
Unauthorized, not considered	(2, 500, 000)	(7, 100, 000)	(***)	(***)	(***)
Adolescent Pregnancy Services		60, 000, 000	15, 000, 000	+15, 000, 000	−45, 000, 000
Public Health Service management:					
Regional management	5 , 313, 000	5, 180, 000	5, 180, 000	−133, 000	
Program direction and support services	15, 593, 000	16, 597, 000	16, 597, 000	+1, 004, 000	
Subtotal, Public Health Service management	20, 906, 000	21, 777, 000	21, 777, 000	+871, 000	
Subtotal, Assistant Secretary for Health	119, 170, 000	253, 493, 000	186, 986, 000	+67, 816, 000	−66, 507, 000
Unauthorized, not considered	(2, 500, 000)	(7, 100, 000)	(***)	(***)	(***)
Retirement pay and medical benefits for commissioned officers	65, 083, 000	76, 925, 000	76, 925, 000	+11, 842, 000	
Scientific activities overseas	11, 387, 000	6, 520, 000	6, 520, 000	−4, 867, 000	
Total, Public Health Service	6, 000, 861, 000	6, 171, 174, 000	6, 390, 003, 000	+389, 142, 000	+218, 829, 000
Unauthorized, not considered	(752, 712, 000)	(643, 188, 000)	(***)	(***)	(***)
HEALTH CARE FINANCING ADMINISTRATION					
Grants to States for medicaid:					
Medical vendor payments	10, 576, 000, 000	11, 792, 900, 000	11, 792, 900, 000	+1, 216, 900, 000	
State and local administration	674, 000, 000	823, 899, 000	823, 899, 000	+149, 899, 000	
Subtotal	11, 250, 000, 000	12, 616, 799, 000	12, 616, 799, 000	+1, 366, 799, 000	
Payments to health care trust funds:					
Military service credit (HI)	141, 000, 000	141, 000, 000	141, 000, 000		
Supplemental medical insurance	6, 853, 064, 000	7, 097, 000, 000	7, 097, 000, 000	+243, 936, 000	
Hospital insurance for uninsured	733, 849, 000	696, 906, 000	696, 906, 000	−36, 943, 000	
Professional standards review organizations (PSRO hospital activities for medicaid)	33, 000, 000	35, 000, 000	31, 500, 000	−1, 500, 000	−3, 500, 000
Subtotal	7, 760, 913, 000	7, 969, 906, 000	7, 966, 406, 000	+205, 493, 000	−3, 500, 000
Program management:					
Professional Standards Review Organization:					
Federal funds	29, 932, 000	30, 550, 000	29, 050, 000	−882, 000	−1, 500, 000
Trust funds	(34, 934, 000)	(31, 100, 000)	(29, 600, 000)	(−5, 334, 000)	(−1, 500, 000)
Subtotal	64, 866, 000	61, 650, 000	58, 650, 000	−6, 216, 000	−3, 000, 000
Program level including nonappropriated funds	(149, 866, 000)	(151, 930, 000)	(139, 902, 000)	(−9, 964, 000)	(−12, 028, 000)
Research, demonstration, and evaluation programs:					
Federal funds	17, 650, 000	34, 990, 000	25, 990, 000	+8, 340, 000	−9, 000, 000
Trust funds	(13, 750, 000)	(16, 292, 000)	(16, 292, 000)	(+2, 542, 000)	
Subtotal	31, 400, 000	51, 282, 000	42, 282, 000	+10, 882, 000	−9, 000, 000
Medicare contractors, trust funds	(638, 095, 000)	(661, 800, 000)	(661, 800, 000)	(+23, 705, 000)	
State certification, trust funds	(27, 645, 000)	(27, 645, 000)	(27, 645, 000)		
Administrative costs:					
Federal funds	58, 720, 000	66, 655, 000	66, 655, 000	+7, 935, 000	
Trust funds	(92, 135, 000)	(99, 982, 000)	(99, 982, 000)	(+7, 847, 000)	
Subtotal	150, 855, 000	166, 637, 000	166, 637, 000	+15, 782, 000	
Subtotal, program management:					
Federal funds	106, 302, 000	132, 195, 000	121, 695, 000	+15, 393, 000	−10, 500, 000
Trust funds	(806, 559, 000)	(836, 819, 000)	(835, 319, 000)	(+28, 760, 000)	(−1, 500, 000)
Subtotal, Health Care Financing Administration	19, 117, 215, 000	20, 718, 900, 000	20, 704, 900, 000	+1, 587, 685, 000	−14, 000, 000
EDUCATION DIVISION					
Office of Education					
ELEMENTARY AND SECONDARY EDUCATION					
Grants for disadvantaged children (title I):					
Regular grants:					
Grants to local educational agencies	2, 625, 593, 000	2, 625, 593, 000	2, 625, 593, 000		
State agency programs:					
Migrants	212, 583, 000	212, 583, 000	255, 000, 000	+42, 417, 000	+42, 417, 000
Handicapped	140, 000, 000	140, 000, 000	150, 000, 000	+10, 000, 000	+10, 000, 000
Neglected and delinquent	37, 500, 000	37, 500, 000	40, 000, 000	+2, 500, 000	+2, 500, 000
State administration	47, 000, 000	47, 000, 000	47, 000, 000		
Evaluation and studies	15, 706, 000	15, 706, 000	15, 000, 000	−706, 000	−706, 000
Subtotal, regular grants	3, 078, 382, 000	3, 078, 382, 000	3, 132, 593, 000	+54, 211, 000	+54, 211, 000
Concentration grants:					
Grants to local educational agencies		392, 118, 000	338, 900, 000	+338, 900, 000	−53, 218, 000
State administration		5, 882, 000	5, 189, 000	+5, 189, 000	−693, 000
Evaluation and studies		2, 000, 000	1, 700, 000	+1, 700, 000	−300, 000
Subtotal, concentration grants		400, 000, 000	345, 789, 000	+345, 789, 000	−54, 211, 000
Subtotal, title I	3, 078, 382, 000	3, 478, 382, 000	3, 478, 382, 000	+400, 000, 000	
Support and innovation grants:					
Improving local education practices		146, 400, 000			
Strengthening State education management		51, 000, 000			
Subtotal	197, 400, 000	197, 400, 000	197, 040, 000		

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979 [1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
ELEMENTARY AND SECONDARY EDUCATION—Continued					
Bilingual education:					
Regular grants to school districts	$102,350,000	$112,525,000	$112,525,000	+$10,175,000	
Training grants	29,625,000	30,325,000	30,325,000	+700,000	
Support services:					
Materials development	10,000,000	10,000,000	10,000,000		
Grants to State agencies	4,875,000	5,000,000	5,000,000	+125,000	
Advisory council	150,000	150,000	150,000		
Information clearinghouse	1,000,000	1,000,000	1,000,000		
Research and studies	2,000,000	6,000,000	4,000,000	+2,000,000	−$2,000,000
Bilingual desegregation grants	8,600,000	8,600,000	8,600,000		
Subtotal, bilingual education	158,600,000	173,600,000	171,600,000	+13,000,000	−2,000,000
Basic skills improvement	$27,750,000	$35,000,000	$30,000,000	+$2,250,000	−$5,000,000
Achievement testing assistance		2,000,000			−2,000,000
Follow through	59,000,000	59,000,000	59,000,000		
Alcohol and drug abuse education	2,000,000	3,000,000	3,000,000	+1,000,000	
Environmental education	3,500,000	3,500,000		−3,500,000	−3,500,000
Telecommunications demonstrations	1,000,000	1,000,000	1,000,000		
Ellender fellowships	1,000,000		1,000,000		+1,000,000
Ethnic heritage studies	2,000,000		3,000,000	+1,000,000	+3,000,000
Subtotal, elementary and secondary education	3,530,632,000	3,952,882,000	3,944,382,000	+413,750,000	−8,500,000
(Special payment to Virgin Islands—non-add)			(5,000,000)	(+5,000,000)	(+5,000,000)
SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS					
Maintenance and operations:					
Payments for A children	343,000,000	399,000,000	371,000,000	+28,000,000	−28,000,000
Payments for B children	320,000,000		277,000,000	−43,000,000	+277,000,000
Special provisions	14,000,000	14,000,000	14,000,000		
Payments to other Federal agencies	63,500,000	70,000,000	70,000,000	+6,500,000	
Hold harmless	33,600,000			−33,600,000	
Disaster assistance	12,000,000	12,000,000	12,000,000		
Subtotal	786,100,000	495,000,000	744,000,000	−42,100,000	+249,000,000
Construction	30,000,000	33,000,000	33,000,000	+3,000,000	
Subtotal, school assistance in federally affected areas	816,100,000	528,000,000	777,000,000	−39,100,000	+249,000,000
EMERGENCY SCHOOL AID					
Emergency School Aid Act:					
General grants to school districts	137,600,000	137,600,000	137,600,000		
Special programs and projects	69,250,000	95,769,000	93,491,000	+24,241,000	−2,278,000
Magnet schools	25,000,000	35,209,000	35,209,000	+10,209,000	
Grants to nonprofit organizations	17,200,000	15,000,000	15,000,000	−2,200,000	
Educational television and radio	6,450,000	9,858,000	6,450,000		−3,408,000
Evaluation	2,900,000	2,964,000	2,900,000		−64,000
Pilot programs	32,250,000			−32,250,000	
Subtotal, emergency school aid projects	290,650,000	296,400,000	290,650,000		−5,750,000
Civil rights training and advisory services	41,350,000	57,700,000	50,000,000	+8,650,000	−7,700,000
Subtotal, emergency school aid	332,000,000	354,100,000	340,650,000	+8,650,000	−13,450,000
EDUCATION FOR THE HANDICAPPED					
State assistance:					
State grant program	804,000,000	862,000,000	874,500,000	+70,500,000	+12,500,000
Preschool incentive grants	17,500,000	15,000,000	20,000,000	+2,500,000	+5,000,000
Deaf-blind centers	16,000,000	16,000,000	16,000,000		
Subtotal, State assistance	837,500,000	893,000,000	910,500,000	+73,000,000	+17,500,000
Special population programs:					
Severely handicapped projects	5,000,000	5,000,000	5,000,000		
Early childhood education	22,000,000	20,000,000	20,000,000	−2,000,000	
Subtotal, special population programs	27,000,000	25,000,000	25,000,000	−2,000,000	
Regional vocational, adult, and postsecondary programs	2,400,000	2,400,000	2,400,000		
Innovation and development	20,000,000	20,000,000	20,000,000		
Media and resource services:					
Media services and captioned films	19,000,000	19,000,000	19,000,000		
Regional resource centers	9,750,000	9,750,000	9,750,000		
Recruitment and information	1,000,000	1,000,000	1,000,000		
Subtotal, media and resource services	29,750,000	29,750,000	29,750,000		
Special education personnel development	57,687,000	55,375,000	55,375,000	−2,312,000	
Special studies	2,300,000	2,300,000	2,300,000		
Subtotal, education for the handicapped	976,637,000	1,027,825,000	1,045,325,000	+68,688,000	+17,500,000
OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION					
Vocational education:					
State grants and innovative programs:					
Basic grants	474,766,000	474,766,000	574,766,000	+100,000,000	+100,000,000
Program improvement and supportive services	112,317,000	112,317,000	112,317,000		
Programs of national significance	10,000,000	10,000,000	13,000,000	+3,000,000	+3,000,000
Special programs for the disadvantaged	20,000,000	20,000,000	20,000,000		
Consumer and homemaking education	43,497,000	43,497,000	43,497,000		
State advisory councils	6,073,000	6,073,000	6,500,000	+427,000	+427,000
Bilingual vocational training	2,800,000	2,800,000	4,800,000	+2,000,000	+2,000,000
State planning	5,000,000	5,000,000	5,000,000		
Subtotal, vocational education	674,453,000	674,453,000	779,880,000	+105,427,000	+105,427,000
Adult education	100,000,000	90,750,000	100,000,000		+9,250,000
Subtotal, occupational, vocational, and adult education	774,453,000	765,203,000	879,880,000	+105,427,000	+114,677,000

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979 [1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
STUDENT ASSISTANCE					
Basic educational opportunity grants:					
Grants, new authority	$2,600,000,000	$1,718,000,000	$1,718,000,000	−$882,000,000	
Grants by reappropriation		726,000,000	726,000,000	+726,000,000	
Subtotal, basic educational opportunity grants	2,600,000,000	2,444,000,000	2,444,000,000	−156,000,000	
Supplemental educational opportunity grants	340,100,000	340,100,000	370,000,000	+29,900,000	+$29,900,000
Work-study	550,000,000	550,000,000	550,000,000		
Direct loans:					
Federal capital contributions	310,500,000	220,000,000	286,000,000	−24,500,000	+66,000,000
Teacher cancellations	18,400,000	14,800,000	14,800,000	−3,600,000	
Subtotal	328,900,000	234,800,000	300,800,000	−28,100,000	+66,000,000
Incentive grants for State scholarships	76,750,000	76,750,000	76,750,000		
Administration	41,216,000	41,385,000	41,385,000	+169,000	
Subtotal, Student assistance, new authority	3,936,966,000	2,961,035,000	3,056,935,000	−880,031,000	+95,900,000
Reappropriation		726,000,000	726,000,000	+726,000,000	
Total, student assistance	3,936,966,000	3,687,035,000	3,782,935,000	−154,031,000	+95,900,000
Guaranteed student loan program:					
Interest subsidies	517,206,000	793,624,000	793,624,000	+276,418,000	
Student loan insurance fund	184,635,000	165,997,000	165,997,000	−18,638,000	
Authority to borrow (SLIF)	25,000,000			−25,000,000	
Subtotal, guaranteed student loan program	726,841,000	959,621,000	959,621,000	+232,780,000	
Health profession graduate student loan insurance fund authority to borrow	2,500,000			−2,500,000	
HIGHER AND CONTINUING EDUCATION					
Student services:					
Special programs for the disadvantaged	140,000,000	130,000,000	147,500,000	+7,500,000	+17,500,000
Veterans' cost of instruction	19,000,000	14,380,000	14,380,000	−4,620,000	
Educational information centers	3,000,000		3,000,000		+3,000,000
Subtotal	162,000,000	144,380,000	164,880,000	+2,880,000	+20,500,000
Program development:					
Strengthening developing institutions	120,000,000	120,000,000	120,000,000		
Cooperative education	15,000,000	15,000,000	15,000,000		
International education and foreign language studies	20,000,000	22,000,000	20,000,000		−2,000,000
University community services and continuing education	16,000,000		10,000,000	−6,000,000	+10,000,000
State postsecondary education commissions	3,500,000		3,000,000	−500,000	+3,000,000
Subtotal	174,500,000	157,000,000	168,000,000	−6,500,000	+11,000,000
Graduate support:					
Graduate/professional educational opportunities	8,000,000	15,000,000	7,700,000	−300,000	−7,300,000
Legal training for the disadvantaged	1,000,000	1,000,000	1,000,000		
Public service grants and fellowships	4,000,000		4,000,000		+4,000,000
Mining fellowships	4,500,000		4,500,000		+4,500,000
Law school clinical experience	2,000,000		4,000,000	+2,000,000	+4,000,000
Subtotal	19,500,000	16,000,000	21,200,000	+1,700,000	+5,200,000
Construction:					
Interest subsidy grants	29,000,000	29,000,000	29,000,000		
Continuing education centers	500,000			−500,000	
Architectural barriers removal			25,000,000	+25,000,000	+25,000,000
Subtotal	29,500,000	29,000,000	54,000,000	+24,500,000	+25,000,000
Special endowments (Morse/Dirksen/Humphrey)	7,500,000			−7,500,000	
Subtotal, higher and continuing education	393,000,000	346,380,000	408,080,000	+15,080,000	+61,700,000
Higher education facilities loan and insurance fund	2,204,000	2,189,000	2,189,000	−15,000	
LIBRARY RESOURCES					
Public libraries	67,500,000	60,237,000	67,500,000		+7,263,000
School libraries and instructional resources:					
School libraries	162,000,000	149,600,000	162,000,000		+12,400,000
Guidance, counseling and testing	18,000,000	18,000,000	18,000,000		
Subtotal	180,000,000	167,600,000	180,000,000		+12,400,000
College library resources	9,975,000		9,975,000		+9,975,000
Training and demonstration	3,000,000		1,000,000	−2,000,000	+1,000,000
Research libraries	6,000,000	6,000,000	6,000,000		
Subtotal, library resources	266,475,000	233,837,000	264,475,000	−2,000,000	+30,638,000
SPECIAL PROJECTS AND TRAINING					
Special projects:					
School health		2,000,000			−2,000,000
Youth employment		2,000,000			−2,000,000
Biomedical sciences		3,000,000	3,000,000	+3,000,000	
Arts in education	3,000,000	3,000,000	3,500,000	+500,000	+500,000
Metric education	1,840,000	1,840,000	1,840,000		
Consumers' education	3,601,000	3,135,000	3,135,000	−466,000	
Gifted and talented, demonstrations	3,780,000			−3,780,000	
National diffusion program	14,000,000	10,000,000	10,000,000	−4,000,000	
Educational TV programing	6,000,000	6,000,000	6,000,000		
PUSH for excellence		1,000,000	1,000,000	+1,000,000	
Career education		10,135,000			−10,135,000
Law related education			1,000,000	+1,000,000	+1,000,000
Subtotal	32,221,000	42,110,000	29,475,000	−2,746,000	−12,635,000
Women's educational equity	9,000,000	10,000,000	10,000,000	+1,000,000	
Community schools	3,190,000	3,138,000	3,138,000	−52,000	
Cities in schools	2,185,000	2,850,000	2,237,000	+52,000	−613,000
Career education incentives	20,000,000		20,000,000		+20,000,000
Gifted and talented, new authority		3,780,000	6,280,000	+6,280,000	+2,500,000

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979[1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
SPECIAL PROJECTS AND TRAINING—Continued					
Educational personnel training:					
Teacher Corps	$37, 500, 000	$37, 500, 000	$37, 500, 000		
Teacher centers	12, 625, 000	13, 000, 000	13, 000, 000	+$375, 000	
Subtotal	84, 500, 000	80, 403, 000	93, 155, 000	+8, 655, 000	+$12, 752, 000
Planning and evaluation	5, 250, 000	5, 250, 000	2, 998, 000	−2, 252, 000	−2, 252. 000
Subtotal, special projects and training	121, 971, 000	117, 628, 000	124, 628, 000	+2, 657, 000	+7, 000, 000
Educational activities overseas: Special foreign currency program		2, 000, 000	1, 000, 000	+1, 000, 000	−1, 000, 000
Salaries and expenses:					
Program administration	122, 331, 000	126, 099, 000	122, 331, 000		−3, 768, 000
Advisory committees	2, 321, 000	2, 254, 000	2, 254, 000	−67, 000	
Subtotal, salaries and expenses	124, 652, 000	128, 353, 000	124, 585, 000	−67, 000	−3, 768, 000
Subtotal, Office of Education	12, 004, 431, 000	12, 105, 053, 000	12, 654, 750, 000	+650, 319, 000	+549, 697, 000
NATIONAL INSTITUTE OF EDUCATION					
Research and development	83, 088, 000	84, 227, 000	84, 227, 000	+1, 139, 000	
Program administration	13, 526, 000	14, 058, 000	14, 058, 000	+532, 000	
Subtotal, National Institute of Education	96, 614, 000	98, 285, 000	98, 285, 000	+1, 671, 000	
ASSISTANT SECRETARY FOR EDUCATION					
Improvement of postsecondary education	13, 000, 000	14, 000, 000	13, 000, 000		−1, 000, 000
National Center for Educational Statistics	10, 561, 000	10, 893, 000	10, 893, 000	+332, 000	
Program direction	10, 608, 000	11, 037, 000	11, 037, 000	+429, 000	
Subtotal, Assistant Secretary for Education	34, 169, 000	35, 930, 000	34, 930, 000	+761, 000	−1, 000, 000
Total, Education Division	12, 135, 214, 000	12, 239, 268, 000	12, 787, 965, 000	+652, 751, 000	+548, 697, 000
SOCIAL SECURITY ADMINISTRATION					
Federal Funds					
Payments to the Social Security Trust Fund	760, 774, 000	676, 933, 000	676, 933, 000	−83, 841, 000	
Special benefits for disabled coal miners	1, 016, 608, 000	1, 005, 202, 000	1, 005, 202, 000	−11, 406, 000	
Supplemental security income program:					
Benefit payments	4, 782, 806, 000	5, 689, 639, 000	5, 616, 639, 000	+833, 833, 000	−73, 000, 000
Hold harmless	50, 000, 000	50, 000, 000	50, 000, 000		
Vocational rehabilitation services	86, 148, 000	56, 158, 000	56, 158, 000	−29, 990, 000	
Administration	597, 264, 000	586, 639, 000	586, 639, 000	−10, 625, 000	
Federal fiscal liability	41, 636, 000	14, 000, 000	14, 000, 000	−27, 636, 000	
Subtotal	5, 557, 854, 000	6, 396, 436, 000	6, 323, 436, 000	+765, 582, 000	−73, 000, 000
Assistance payments programs:					
Maintenance assistance:					
AFDC benefit payments	5, 900, 380, 000	6, 286, 000, 000	6, 286, 000, 000	+385, 620, 000	
Adult categories	13, 500, 000	4, 500, 000	4, 500, 000	−9, 000, 000	
Emergency assistance	41, 600, 000	44, 100, 000	44, 100, 000	+2, 500, 000	
State and local administration and training	679, 500, 000	721, 000, 000	721, 000, 000	+41, 500, 000	
Repatriation	1, 020, 000	1, 110, 000	1, 110, 000	+90, 000	
Subtotal, maintenance	6, 636, 000, 000	7, 056, 710, 000	7, 056, 710, 000	+420, 710, 000	
Child support enforcement:					
Collections	−266, 000, 000	−366, 000, 000	−366, 000, 000	−100, 000, 000	
State and local administration	260, 000, 000	333, 000, 000	333, 000, 000	+73, 000, 000	
Subtotal, child support	−6, 000, 000	−33, 000, 000	−33, 000, 000	−27, 000, 000	
Research and evaluation	3, 000, 000	3, 500, 000	3, 500, 000	+500, 000	
Administrative expenses	30, 000, 000	52, 000, 000	45, 000, 000	+15, 000, 000	−7, 000, 000
Subtotal, assistance payments	6, 663, 000, 000	7, 079, 210, 000	7, 072, 210, 000	+409, 210, 000	−7, 000, 000
Refugee assistance:					
Cuban refugee assistance	56, 581, 000	53, 308, 000	2, 000, 000	−54, 581, 000	−51, 308, 000
Indochinese assistance, unauthorized 1980	(96, 487, 000)	(149, 000, 000)	(***)	(***)	(***)
Soviet and other refugees	20, 000, 000	20, 000, 000	20, 000, 000		
Federal administration	2, 232, 000	2, 232, 000	1, 500, 000	−732, 000	−732, 000
Subtotal, refugee assistance	78, 813, 000	75, 540, 000	23, 500, 000	−55, 313, 000	−52, 040, 000
Limitation on salaries and expenses, trust funds	(2, 229, 744, 000)	(2, 354, 100, 000)	(2, 354, 100, 000)	(+124, 356, 000)	
Subtotal, Social Security Administration:					
Federal funds	14, 077, 049, 000	15, 233, 321, 000	15, 101, 281, 000	+1, 024, 232, 000	−132, 040, 000
Trust fund limitation	(2, 229, 744, 000)	(2, 354, 100, 000)	(2, 354, 100, 000)	(+124, 356, 000)	
SPECIAL INSTITUTIONS					
American Printing House for the Blind	3, 906, 000	4, 349, 000	4, 349, 000	+443, 000	
National Technical Institute for the Deaf: Academic program	16, 625, 000	17, 349, 000	17, 349, 000	+724, 000	
Gallaudet College:					
Academic program	20, 208, 000	22, 791, 000	22, 791, 000	+2, 583, 000	
Model Secondary School for the Deaf	9, 217, 000	9, 681, 000	9, 681, 000	+464, 000	
Kendall Demonstration Elementary School	4, 303, 000	5, 139, 000	5, 139, 000	+836, 000	
Construction	11, 105, 000	10, 730, 000	10, 730, 000	−375, 000	
Subtotal, Gallaudet College	44, 833, 000	48, 341, 000	48, 341, 000	+3, 508, 000	

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979[1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
SPECIAL INSTITUTIONS—Continued					
Howard University:					
Academic program	$81, 287, 000	$89, 787, 000	$89, 787, 000	+$8, 500, 000	
Howard University Hospital	22, 106, 000	22, 106, 000	22, 106, 000		
Construction	10, 000, 000	10, 000, 000	10, 000, 000		
Subtotal, Howard University	113, 393, 000	121, 893, 000	121, 893, 000	+8, 500, 000	
Subtotal, special institutions	178, 757, 000	191, 932, 000	191, 932, 000	+13, 175, 000	
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT					
GRANTS TO STATES FOR SOCIAL AND CHILD WELFARE SERVICES					
Grants to States for social services	2, 450, 000, 000	2, 475, 000, 000	2, 475, 000, 000	+25, 000, 000	
Child day care services (needs legislation)	(198, 300, 000)		(***)	(***)	(***)
States and local training	71, 552, 000	100, 825, 000	75, 000, 000	+3, 448, 000	−$25, 825, 000
Child welfare services	56, 500, 000	56, 500, 000	56, 500, 000		
Subtotal	2, 578, 052, 000	2, 632, 325, 000	2, 606, 500, 000	+28, 448, 000	−25, 825, 000
Proposed legislation (nonadd)		(433, 925, 000)	(433, 925, 000)	(+433, 925, 000)	
HUMAN DEVELOPMENT SERVICES					
Child development:					
Head Start	625, 000, 000	700, 000, 000	735, 000, 000	+110, 000, 000	+35, 000, 000
Research, demonstration, and evaluation	15, 700, 000	14, 700, 000	14, 700, 000	−1, 000, 000	
Child abuse	18, 928, 000	18, 928, 000	22, 928, 000	+4, 000, 000	+4, 000, 000
Runaway youth	11, 000, 000	11, 000, 000	11, 000, 000		
Child welfare training	8, 150, 000	5, 000, 000	7, 000, 000	−1, 150, 000	+2, 000, 000
Adoption opportunities	5, 000, 000	5, 000, 000	5, 000, 000		
Subtotal, child development	683, 778, 000	754, 628, 000	795, 628, 000	+111, 850, 000	+41, 000, 000
Aging programs:					
State agency activities	19, 000, 000	22, 500, 000	22, 500, 000	+3, 500, 000	
Area agency services and centers	193, 000, 000	196, 970, 000	196, 970, 000	+3, 970, 000	
Nutrition	250, 000, 000	277, 546, 000	350, 000, 000	+100, 000, 000	+72, 454, 000
Research, training, and special projects	40, 500, 000	55, 500, 000	50, 500, 000	+10, 000, 000	−5, 000, 000
Multidisciplinary centers on gerontology	3, 800, 000	3, 800, 000	+3, 800, 000		
Federal Council on Aging	450, 000	450, 000	450, 000		
National clearinghouse	2, 000, 000	2, 000, 000	2, 000, 000		
Subtotal, aging programs	508, 750, 000	558, 766, 000	626, 220, 000	+117, 470, 000	+67, 454, 000
Rehabilitation service and facilities:					
Basic State grants	760, 472, 000	817, 484, 000	817, 484, 000	+57, 012, 000	
Innovation and expansion	18, 000, 000	11, 775, 000	11, 775, 000	−6, 225, 000	
Service projects:					
Deaf-Blind Center	2, 500, 000	2, 500, 000	2, 500, 000		
Special projects	12, 328, 000	14, 860, 000	14, 860, 000	+2, 532, 000	
Training and facilities grants:					
Training services	3, 300, 000			−3, 300, 000	
Facility improvements	1, 600, 000			−1, 600, 000	
Evaluation	2, 500, 000	2, 000, 000	2, 000, 000	−500, 000	
Employment opportunities	4, 500, 000	5, 500, 000	5, 500, 000	+1, 000, 000	
Community assistance		2, 000, 000	2, 000, 000	+2, 000, 000	
Subtotal, service projects	26, 728, 000	26, 860, 000	26, 860, 000	+132, 000	
Independent living		10, 000, 000	10, 000, 000	+10, 000, 000	
Research	31, 500, 000	27, 500, 000	30, 000, 000	−1, 500, 000	+2, 500, 000
Training	30, 500, 000	25, 500, 000	28, 500, 000	−2, 000, 000	+3, 000, 000
Subtotal	867, 200, 000	919, 119, 000	924, 619, 000	+57, 419, 000	+5, 500, 000
Grants for the developmentally disabled:					
State grants	33, 058, 000	50, 681, 000	50, 681, 000	+17, 623, 000	
Special projects	19, 567, 000	4, 756, 000	4, 756, 000	−14, 811, 000	
University affiliated facilities	6, 500, 000	3, 000, 000	4, 500, 000	−2, 000, 000	+1, 500, 000
Subtotal	59, 125, 000	58, 437, 000	59, 937, 000	+812, 000	+1, 500, 000
Public service programs: Research and evaluation	2, 955, 000	5, 975, 000	5, 000, 000	+2, 045, 000	−975, 000
Programs for Native Americans	33, 000, 000	33, 800, 000	33, 800, 000	+800, 000	
White House Conferences (Aging, 1979 and families, 1980)		3, 000, 000	3, 000, 000	+3, 000, 000	
Salaries and expenses:					
Federal funds	67, 914, 000	75, 173, 000	71, 232, 000	+3, 318, 000	−3, 941, 000
Trust funds	(600, 000)	(600, 000)	(600, 000)		
Subtotal	68, 514, 000	75, 773, 000	71, 832, 000	+3, 318, 000	−3, 941, 000
Subtotal, human development services:					
Federal funds	2, 222, 722, 000	2, 408, 898, 000	2, 519, 436, 000	+296, 714, 000	+110, 538, 000
Trust funds	(600, 000)	(600, 000)	(600, 000)		
Work incentives:					
Grants to States	371, 724, 000	372, 023, 000	352, 023, 000	−19, 701, 000	−20, 000, 000
Program direction and evaluation	13, 276, 000	12, 977, 000	12, 977, 000	−299, 000	
Subtotal	385, 000, 000	385, 000, 000	365, 000, 000	−20, 000, 000	−20, 000, 000
Research and training activities overseas		4, 400, 000	2, 000, 000	+2, 000, 000	−2, 400, 000
Subtotal, human development:					
Federal funds	5, 185, 774, 000	5, 430, 623, 000	5, 492, 936, 000	+307, 162, 000	+62, 313, 000
Trust funds	(600, 000)	(600, 000)	(600, 000)		

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979 [1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
DEPARTMENTAL MANAGEMENT					
General Department Management:					
Federal funds	$128, 191, 000	$135, 060, 000	$133, 500, 000	$+5, 309, 000	−$1, 560, 000
Trust funds	(6, 890, 000)	(8, 000, 000)	(8, 000, 000)	(+1, 110, 000)	
Subtotal	135, 081, 000	143, 060, 000	141, 500, 000	+6, 419, 000	−1, 560, 000
Office of the Inspector General:					
Federal funds	36, 226, 000	39, 868, 000	39, 868, 000	+3, 642, 000	
Trust funds	(4, 705, 000)	(4, 194, 000)	(4, 194, 000)	(−511, 000)	
Subtotal	40, 931, 000	44, 062, 000	44, 062, 000	+3, 131, 000	
Office for Civil Rights:					
Federal funds	67, 897, 000	65, 092, 000	65, 092, 000	−2, 805, 000	
Trust funds	(1, 200, 000)	(2, 350, 000)	(2, 350, 000)	(+1, 150, 000)	
Subtotal	69, 097, 000	67, 442, 000	67, 442, 000	−1, 655, 000	
Policy research: Federal funds	25, 000, 000	24, 715, 000	24, 000, 000	−1, 000, 000	−715, 000
Total, departmental management:					
Federal funds	257, 314, 000	264, 735, 000	262, 460, 000	+5, 146, 000	−2, 275, 000
Trust funds	(12, 795, 000)	(14, 544, 000)	(14, 544, 000)	(+1, 749, 000)	
Total	270, 109, 000	279, 279, 000	277, 004, 000	+6, 895, 000	−2, 275, 000
Total, Health, Education, and Welfare:					
Direct appropriations:					
Federal funds	56, 952, 184, 000	60, 249, 953, 000	60, 931, 477, 000	+3, 979, 293, 000	+681, 524, 000
Trust funds	(3, 049, 698, 000)	(3, 206, 063, 000)	(3, 204, 563, 000)	(+154, 865, 000)	(−1, 500, 000)
Sec. 201. Fraud, abuse, and waste reduction	−1, 000, 000, 000		−500, 000, 000	+500, 000, 000	−500, 000, 000
Total including sec. 201 reductions:					
Federal funds	55, 952, 184, 000	60, 249, 953, 000	60, 431, 477, 000	+4, 479, 293, 000	+181, 524, 000
Trust funds	(3, 049, 698, 000)	(3, 206, 063, 000)	(3, 204, 563, 000)	(+154, 865, 000)	(−1, 500, 000)
Total, unauthorized, not considered: Federal funds	(1, 047, 499, 000)	(792, 188, 000)	(***)	(***)	(***)
TITLE III—RELATED AGENCIES					
ACTION (domestic programs):					
Volunteers in Service to America, unauthorized	(30, 804, 000)	(38, 565, 000)	(***)	(***)	(***)
Older Americans Volunteer programs:					
Foster Grandparents program	34, 900, 000	40, 651, 000	46, 932, 000	+12, 032, 000	+6, 281, 000
Senior Companion program	7, 000, 000	8, 135, 000	10, 171, 000	+3, 171, 000	+2, 036, 000
Retired Senior Volunteer program	20, 100, 000	23, 214, 000	26, 214, 000	+6, 114, 000	+3, 000, 000
Subtotal, Older Volunteers	62, 000, 000	72, 000, 000	83, 317, 000	+21, 317, 000	+11, 317, 000
Urban Volunteer Programs, unauthorized		(25, 457, 000)	(***)	(***)	(***)
Citizen Participation and Volunteer Demonstration programs, unauthorized	(2, 500, 000)	(3, 850, 000)	(***)	(***)	(***)
Program support, unauthorized	(23, 073, 000)	(29, 735, 000)	(***)	(***)	(***)
Subtotal, ACTION	62, 000, 000	72, 000, 000	83, 317, 000	+21, 317, 000	+11, 317, 000
Unauthorized, not considered	(56, 377, 000)	(97, 607, 000)	(***)	(***)	(***)
Community Services Administration:					
Community action operations:					
Community action agencies	369, 000, 000	381, 000, 000	381, 000, 000	+12, 000, 000	
Senior opportunities and service	10, 500, 000	10, 500, 000	10, 500, 000		
State economic opportunity offices	12, 000, 000	7, 500, 000	7, 500, 000	−4, 500, 000	
Community food and nutrition	30, 000, 000	8, 000, 000	18, 000, 000	−12, 000, 000	+10, 000, 000
Emergency energy conservation services	10, 000, 000			−10, 000, 000	
Energy crisis intervention	200, 000, 000	40, 000, 000	22, 000, 000	−178, 000, 000	−18, 000, 000
National youth sports program	6, 000, 000		6, 000, 000		+6, 000, 000
Summer youth recreation and transportation	17, 000, 000		10, 000, 000	−7, 000, 000	+10, 000, 000
Migrant program	1, 000, 000	1, 000, 000	1, 000, 000		
Training and technical assistance	1, 000, 000	2, 000, 000	2, 000, 000	+1, 000, 000	
Subtotal, community action	656, 500, 000	450, 000, 000	456, 000, 000	−200, 500, 000	+6, 000, 000
Demonstrations:					
Rural housing	6, 000, 000	6, 000, 000	6, 000, 000		
Other		9, 000, 000	5, 000, 000	+5, 000, 000	−4, 000, 000
Community economic development	46, 170, 000	44, 500, 000	44, 500, 000	−1, 670, 000	
Evaluation	1, 000, 000	2, 000, 000	1, 000, 000		−1, 000, 000
Program administration	33, 183, 000	33, 500, 000	33, 500, 000	+317, 000	
Subtotal, Community Services Administration	742, 853, 000	545, 000, 000	548, 000, 000	−194, 853, 000	+3, 000, 000
Community economic development credit unions		12, 000, 000			−12, 000, 000
Corporation for Public Broadcasting:					
Fiscal year 1979 ($120,200,000 advanced in fiscal year 1977)					
Fiscal year 1980 ($152,000,000 advanced in fiscal year 1978)					
Fiscal year 1981 (advance in fiscal year 1979)					
Fiscal year 1982 (current request)		172, 000, 000	172, 000, 000	+172, 000, 000	
Subtotal, Corporation for Public Broadcasting		172, 000, 000	172, 000, 000	+172, 000, 000	
Federal Mediation and Conciliation Service	22, 686, 000	23, 075, 000	23, 075, 000	+389, 000	
Federal Mine Safety and Health Review Commission	4, 776, 000	4, 770, 000	4, 770, 000	−6, 000	
National Commission on the International Year of the Child					
National Commission on Libraries and Information Science	648, 000	668, 000	668, 000	+20, 000	
National Commission on Social Security	500, 000			−500, 000	
National Labor Relations Board	100, 467, 000	108, 050, 000	108, 050, 000	+7, 583, 000	
National Mediation Board	3, 969, 000	4, 393, 000	4, 393, 000	+424, 000	
Occupational Safety and Health Review Commission	7, 658, 000	7, 550, 000	7, 550, 000	−108, 000	
Railroad Retirement Board:					
Payment to railroad trust funds	313, 000, 000	313, 000, 000	313, 000, 000		
Railroad transportation protective account	25, 000, 000		(***)	−25, 000, 000	(***)
Reappropriation			(***)	(***)	(***)
Subtotal, unauthorized, not considered	(25, 000, 000)		(***)	(***)	(***)
Limitation on salaries and expenses	(34, 317, 000)	(39, 730, 000)	(39, 730, 000)	(+5, 413, 000)	

See footnotes at end of table.

FISCAL YEAR 1980 LABOR, HEW AND RELATED AGENCIES APPROPRIATIONS: H.R. 4389—Continued

	Fiscal year 1979 [1] comparable appropriation	Fiscal year 1980 President's budget	Fiscal year 1980 House bill	House bill compared to—	
				Fiscal year 1979 appropriation	President's budget
TITLE III—RELATED AGENCIES—Continued					
Soldier's and Airmen's Home (trust fund appropriation): Operation and maintenance	$16, 939, 000	$18, 471, 000	$18, 471, 000	+$1, 532, 000	
Subtotal, related agencies	1, 309, 813, 000	1, 320, 707, 000	1, 323, 024, 000	+13, 211, 000	+$2, 317, 000
Federal funds	1, 275, 496, 000	1, 280, 977, 000	1, 283, 294, 000	+7, 798, 000	+2, 317, 000
Trust funds	(34, 317, 000)	(39, 730, 000)	(39, 730, 000)	(+5, 413, 000)	
Unauthorized, not considered	(81, 377, 000)	(97, 607, 000)	(***)	(***)	(***)
SUMMARY					
Title I—Department of Labor:					
Federal funds	13, 095, 941, 000	12, 240, 945, 000	11, 358, 695, 000	−1, 737, 246, 000	−882, 250, 000
Trust funds	1, 729, 558, 000	1, 809, S05, 000	1, 809, 905, 000	+80, 347, 000	
Title II—Department of Health, Education, and Welfare:					
Federal funds	56, 952, 184, 000	60, 249, 953, 000	60, 931, 477, 000	+3, 979, 293, 000	+681, 524, 000
Trust funds	3, 049, 698, 000	3, 206, 063, 000	3, 204, 563, 000	+154, 865, 000	−1, 500, 000
Unauthorized, not considered: Federal funds	(1, 047, 499, 000)	(792, 188, 000)	(792, 188, 000)	(−255, 311, 000)	
Sec. 201 fraud, abuse and waste reduction	−1, 000, 000, 000		−500, 000, 000	+500, 000, 000	−500, 000, 000
Title III—Related agencies:					
Federal funds	1, 275, 496, 000	1, 280, 977, 000	1, 283, 294, 000	+7, 798, 000	+2, 317, 000
Trust funds	34, 317, 000	39, 730, 000	39, 730, 000	+5, 413, 000	
Unauthorized, not considered: Federal funds	(81, 377, 000)	(97, 607, 000)	(97, 607, 000)	(+16, 230, 000)	
Grand total, direct appropriations all titles:					
Federal funds	71, 323, 621, 000	73, 771, 875, 000	73, 573, 466, 000	+2, 249, 845, 000	−198, 409, 000
Trust funds	(4, 813, 573, 000)	(5, 055, 698, 000)	(5, 054, 198, 000)	(+240, 625, 000)	(−1, 500, 000)
Grand total, including sec. 201 reductions:					
Federal funds	70, 323, 621, 000	73, 771, 875, 000	73, 073, 466, 000	+2, 749, 845, 000	−698, 409, 000
Trust funds	(4, 813, 573, 000)	(5, 055, 698, 000)	(5, 054, 198, 000)	(+240, 625, 000)	(−1, 500, 000)
Unauthorized, not considered: Federal Funds	(1, 128, 876, 000.	(889, 795, 000)			

[1] Includes amounts appropriated in the 1979 Labor/HEW bill, Public Law 95-480 and in the 1979 continuing resolution, Public Law 95-482; does not include supplemental appropriation currently pending before the Congress.

[2] An additional $533,900,000 in requests proposed for later transmittal in the President's budget under proposed legislation.

***Not considered due to lack of authorization.

PERSONAL EXPLANATION

Mrs. FENWICK. Mr. Speaker, yesterday on rollcall number 290 on final passage of H.R. 4394 I inadvertently voted "yes" instead of "no." I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

PERSONAL EXPLANATION

Mr. ASHBROOK. Mr. Speaker, yesterday on a recorded vote on my amendment to the Labor-HEW appropriation bill, for some reason or another I did not vote for it. Had I been present and thinking, Mr. Speaker, I would have voted in the affirmative. I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEGISLATIVE PROGRAM FOR REMAINDER OF WEEK

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, the program for this evening and the remainder of the week is the Zimbabwe-Rhodesia resolution. As soon as that resolution is disposed of, the business of the week will be completed and we may expect a pro forma session only tomorrow if this is done at a reasonable time this evening, as I expect it will be.

The SPEAKER. The gentleman is aware of the fact that the contested election of Mr. STEWART of Illinois will be coming up immediately following the Rhodesian bill and there may be one other unanimous-consent request on a technical amendment regarding a Senate bill. That would be the schedule, the completion of the Rhodesian bill and those two pieces of legislation. We will then be through for the evening and there will be a pro forma session in the morning.

SANCTIONS ON ZIMBABWE-RHODESIA

Mrs. CHISHOLM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 325 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 325

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4439) relating to sanctions against Zimbabwe-Rhodesia, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentlewoman from New York (Mrs. CHISHOLM) is recognized for 1 hour.

Mrs. CHISHOLM. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Maryland (Mr. BAUMAN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 325 provides for the consideration of H.R. 4439, a bill relating to sanction against Zimbabwe-Rhodesia.

This is an open rule granting 1 hour of general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. The bill is to be read for amendments under the 5-minute rule. One motion to recommit is in order upon completion of consideration of the bill.

Mr. Speaker, H.R. 4439 directs the President to terminate sanctions against Zimbabwe-Rhodesia by October 15, 1979, unless he determines it would not be in the national interest to do so and so reports to the Congress.

Let me underscore that this bill represents a compromise measure. Requirements for the lifting of economic sanctions against Rhodesia were laid down in the Case-Javits amendment, section 27 of the International Security Assistance Act of 1978. On June 7, the President announced that, despite the elections held in April 1979, Rhodesia had not satisfied the requirements of section 27 and that sanctions would be maintained. The United States is prepared to terminate sanctions based upon a determination that genuine majority rule has been established in Rhodesia/Zimbabwe, and plans are underway for an objective observer to visit the country in the coming months. Pending that determination, American interests in the international world community related to the concept of racial justice and equality dictate that the Congress support H.R. 4439.

☐ 1810

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, at best, I have mixed feelings over the legislation we have before us today.

Although the bill recognizes the progress made by the people of Zimbabwe-Rhodesia toward multiracial democracy, the legislation fails to lift the sanctions against the government of that southern African country, recognizing that there are complicating factors including the role of the British on this matter. As a result of a loophole in this legislation, the President can actually continue the sanctions indefinitely beyond October 15 unless he determines it is not in our national interest to do so—a standard so vague as to be no standard at all.

What this legislation will do, however, is afford the Congress the opportunity to do what the President has not—to offer encouragement to the people of Zimbabwe-Rhodesia—be they black or white—for taking significant steps toward multiracial democracy. The legislation we have before us declares not only that it is in the interest of the United States to encourage the development of a multiracial democracy in Zimbabwe-Rhodesia but that the elections held in April 1979, constituted a significant step toward multiracial democracy.

Surely, the people of Zimbabwe-Rhodesia should be commended for the way in which they have carried out the election—an election observed with intensity by the international community. Moreover, most international observers, including civil rights representatives from various human rights organizations, believe that there has never been so inclusive and free an election in that region of the world. In fact, an editorial in the April 23 edition of the Washington Post pointed out that "by any international standard of democratic practice you care to invoke, the Rhodesians did pretty well."

Now that the people of Zimbabwe-Rhodesia have acted, they have reacted with bitter disappointment to the administration's recent decision to maintain the sanctions, a decision that sets sharply higher standards of perfection for that government than is true for others. The administration has refused to lift the sanctions, stating that the elections were neither free nor fair. Robert Mugabe, one of the Marxist oriented patriotic front leaders supported by Cuba and the Soviet Union, has warmly welcomed the United States decision.

In the interest of the people of Zimbabwe-Rhodesia, in the interest of addressing the President's performance on this matter, in the interest of sustaining the evolving democratic process, in the interest of easing the many economic difficulties confronting a new black majority government in Africa, I believe that the Congress must now take the necessary legislative steps. In this regard, I will, at the appropriate time, offer an amendment to set the date for lifting sanctions at December 1, 1979, unless the President recommends to Congress and Congress passes specific legislation to continue sanctions. In this way we can better sustain the positive movement toward a fully democratic multiracial society.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I will be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding. I want to commend the gentleman for his statement. The gentleman from Michigan is the ranking minority member on the Foreign Affairs Committee; I know he has studied this and other issues very carefully.

The gentleman's judgment on this matter should be given very, very careful consideration. I would hope that when the time comes for the amendment which the gentleman described to be offered, the whole House will wholeheartedly support it to show that we do support our friends and that there is some reward in cooperating with the United States in these things we are striving for around the world.

Mr. BROOMFIELD. I thank the gentleman for his contribution.

Mrs. CHISHOLM. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Resolution 325, which provides for an open rule and 1 hour of debate on the bill, H.R. 4439. As the gentlelady from New York, Mrs. CHISHOLM, our distinguished colleague, so succinctly explained, H.R. 4439 relates to the question of sanctions on Zimbabwe-Rhodesia. The principal purpose of the bill is to direct the President to lift sanctions against Zimbabwe-Rhodesia on or before October 15, 1979, unless the President determines it is in the interest of the United States to maintain sanctions and so reports to the Congress.

Mr. Speaker, H.R. 4439 gives the House an opportunity to express its views and work its will on the matter of sanctions against Zimbabwe-Rhodesia. There is a new reality in Zimbabwe-Rhodesia and significant change has occurred there. The rule as recommended by the distinguished Committee on Rules will enable the House of Representatives to express its views on these important developments.

I wish at this time to also express my thanks to the committee and its chairman for moving expeditiously on this matter and enabling the Committee on Foreign Affairs to bring this important matter before the House in a timely manner.

Mr. Speaker, I urge the adoption of House Resolution 325.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, today provides an opportunity to this body to help determine policy on a very delicate, very controversial issue of foreign policy. In years past, it has often been stated that the role of the House of Representatives is very minor in the field of foreign policy. Surely, after this year, no one will ever contend that again.

It is entirely proper that this body be prominent in the formulation of foreign policy. It is highly to the credit of the leadership of the committee as well as the leadership of the House that this body, even though the hour is late and we are on the eve of recess, that this body nevertheless has an opportunity to deal with this very controversial, very complex issue of foreign policy. We have the opportunity to set very strict limits on the policy that will be followed in regard to sanctions against Zimbabwe-Rhodesia, or we can establish limitations that are flexible.

The House will have the opportunity to work its will, and I think that is in the greatest American tradition. I congratulate those who have made this possible.

☐ 1820

Mrs. CHISHOLM. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I thank my good friend, the distinguished gentlewoman from New York, for yielding me this time.

Mr. Speaker, I take this time to advise the House, as stated by the gentleman from Michigan (Mr. BROOMFIELD) we have combined our efforts in offering a compromise amendment to this body. It was my thinking that I was going to offer the amendment, but it makes no difference to me. The question is, What are the merits of the proposal which the gentleman from New York (Mr. SOLARZ) brings before this body? I would submit that the reasoning that is set forth in the committee report is absolutely inconsistent. First of all, the committee report states that the primary responsibility of Zimbabwe-Rhodesia belongs to Great Britain. Then the committee report concludes that Great Britain should take the lead. However, the committee has reported an amendment as a so-called compromise which substantially states as follows: The sanctions shall be terminated on October 15, but the President may continue the sanctions if he deems it to be in the national interest of the United States. That committee amendment, I would submit to the Members of the House, does place the United States of America in the lead and is not following Britain.

Under that committee amendment all the President has to do is to reaffirm what he reported on June 7, and the situation of the sanctions against Rhodesia will remain the same. It is my feeling, although I do not think the committee intentionally did this—I think it came about as a matter of compromise—but I feel very strongly that it would be pure sophistry to argue that we would be placing Great Britain in the lead. Great Britain's sanctions will expire on November 15. The committee amendment will put this body and the United States of requiring a decision by the President on the sanctions as of October 15. We will have preempted the British unless the President exercises his discretion. In fact, the only way the President could permit the British to take the lead, if Great Britain chooses not to act before October 15 is to renew the sanctions.

The SPEAKER pro tempore. The time of the gentleman from Missouri (Mr. Ichord) has expired.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Speaker, I would like to point out that there has been an innocent misunderstanding about the nature of this bill as it cleared the committee. There were reports indicating that the unanimous vote—of those present in the committee somehow indicated total acceptance. That vote related only—only—to passage of the measure in committee. That was understood by the gentleman from New York. That was understood by everyone in the committee. The intent was to bring this bill to the floor where then the House in this case, could work its will.

Also I wish to make it clear that many of us who supported the bill in the committee will be offering amendments to perfect it this afternoon. We served notice that we would also use the other available legislative vehicles to offer amendments either to concur with Senate positions and we would take advantage of any other normal legislative situation. So the widely heralded agreement related just to expediting passage in committee.

I wish to state, before we get into the heated debate, that one of the reasons why our Secretary of State, Mr. Vance, travels so widely is because when he is gone, he knows the foreign policy is in the good hands of the gentleman from New York (Mr. Solarz). Having paid that compliment to our good friend, the gentleman from New York (Mr. Solarz) I point out there will be other areas of disagreement during the debate. But please understand what we are trying to do is to give the Members a fair chance at this issue. We will have some perfecting and practical amendments. They will be bipartisan in nature.

Let me underscore one other point. One of the arguments we will hear is that somehow the amendments we will offer might involve a contradiction of the President's foreign policy. As a man who has often supported the President I would be the first to disassociate myself from any effort that I thought was deliberately harmful to our President. So if there is any false appeal to your political loyalty this afternoon, just remember that I would be one of the first to champion our President whenever he is correct.

So having helped to set the stage for the debate, I thank the gentleman from Maryland for granting me this time under the rule.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may require to the gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. I thank my colleague for yielding. On many occasions I have opposed this boycott. My record is well known, and it has been in the Congressional Record. I oppose this legislation.

Mr. Speaker, I am sure a number of my colleagues do not read the Sunday Telegraph of London, England. If they had, they would have found an interesting article on page one of a recent issue regarding new United Nations findings on Rhodesian trade sanctions. It seems that while the Carter administration has been busily trying to placate the Nigerians and the other African nations by following the United Nations Rhodesian sanctions to the letter, the Soviets, who enjoy the ongoing support of many African nations, is making a healthy profit off of Rhodesian chrome and tobacco.

In a report leaked from the United Nations Sanctions Committee the triangular trade between Rhodesia and the U.S.S.R. and the U.S.S.R. and the West was outlined. According to the article, the Soviets have been buying millions of dollars worth of chrome and tobacco from Rhodesia for at least 8 years. This has been hinted at for some time by myself and others in this Chamber. However, the new report from the U.N. is the first time such trade has been documented. The goods bought from Rhodesia travel to the U.S.S.R. and to Eastern Europe for internal use. Recent chemical tests conducted on behalf of the State Department by Colt Industries of Pittsburgh have shown that the Soviets are taking the Rhodesian chrome and reselling part of it to the United States. As a result, good old Uncle Sam is being ripped off by the Communists at a rate of $26 more per ton than the cost of the original Rhodesian ore.

Mr. Carter can certainly not be very happy about these reports. After all, how can he admit that a Communist dictatorship is making a profit off of his administration's refusal to recognize a pro-West democracy. It must upset him further to know that the Soviets have managed to get the best of everything in the deal. They get the best chrome in the world, they maintain good relationships with most African nations while violating the sanctions, and they can use the triangular trade profits to fund arms shipments to Nkomo and Mugabe. On the other hand the United States faces higher chrome prices and a cutoff of Nigerian oil all in the name of the sanctions and still few African nations stand behind us. This bizarre set of circumstances is just one more example of the unbelievable incompetence that is governing this Nation's foreign policy. It is definitely time for a change in both the State Department and the White House.

This is only one aspect of the Carter fiasco in dealing with Rhodesia and his anti-American Ambassador to the U.N., Andrew Young. I have spoken often on this subject as the Record will show. I object to this ruse and believe there should never have been sanctions in the first place. I never supported them and have endeavored to get them removed since first adopted.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Findley) who would like additional time.

Mr. FINDLEY. I thank the gentleman for yielding.

I attempted to follow the remarks of the gentleman from Missouri (Mr. Ichord) and I welcome this opportunity to get a clarification of his interpretation of the resolution that will soon be before us. I had a hand in working out the compromise legislation, and in my view it cannot be interpreted as putting the British out front or keeping them out front. This resolution says very clearly the President shall terminate sanctions, that is, by October 15, with the national interest loophole. But the heart of the resolution is the President shall terminate sanctions by October 15.

One of the reasons for the preamble language that leads to that statement of policy to terminate sanctions is the inaction of the British Government, and I just wonder if the gentleman from Missouri (Mr. Ichord) would agree with me that the language of this resolution cannot properly be interpreted as putting the British out front or keeping them out front.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman.

Mr. ICHORD. I thank the gentleman for yielding.

I would state to the gentleman from Illinois that most of the experts, so-called experts, on the Zimbabwe-Rhodesia situation and Great Britain's position on the sanctions—as the gentleman well knows, the sanctions expire under British law on November 15, which means that the British to reimpose the sanctions would have to pass a law to put the sanctions back on—most of those experts tell me that Britain will undoubtedly wait until November 15 because, as the gentleman well knows, the Prime Minister made a campaign on removing the sanctions. If the present British Government were going to remove the sanctions by law, I think they would have done it already. So I think the conclusion of the experts is valid. They will permit it to expire. The so-called compromise that was worked out, I would point out to the gentleman from Illinois, reads as follows:

> (2) terminate sanctions against Zimbabwe-Rhodesia by October 15, 1979, unless the President determines it would not be in our

national interest to do so and so reports to the Congress.

The sanctions do expire. The expiration of the sanctions is on October 15, 1979, but the loophole is that the President would only have to reaffirm what he stated on June 7 to reimpose the sanctions and, undoubtedly, he would have to do that if we were intending to let the British take the lead. The British would have to act before October 15 to take the lead.

☐ 1830

Mr. FINDLEY. In that circumstance it would be the President who would keep the British out front, not the Congress in its role as a party to the enactment of this resolution.

Mr. ICHORD. Yes, but once the President made that determination this body has lost all of its authority.

Mr. FINDLEY. Unless we see fit to intervene with a new law.

I thank the gentleman.

Mr. ICHORD. Yes, we would have to intervene by law.

The SPEAKER. The time of the gentleman has expired.

Mrs. CHISHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, may I ask, is this an open rule?

Mrs. CHISHOLM. Yes, Mr. Speaker, if the gentleman will yield, it is an open rule.

Mr. LEVITAS. Is the bill fully open to amendment?

Mrs. CHISHOLM. That is right.

Mr. LEVITAS. Is there any reason we are debating the merits of the bill while we are considering this open rule?

Mrs. CHISHOLM. No, it is not necessary to debate the merits of the bill and that is why we are going to move on and call on the last Member on this side of the aisle, the gentleman from New York (Mr. SOLARZ).

Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I will be very brief. I think the great advantage of this 1-hour open rule on the bill concerning Rhodesia is that it will enable the House to comprehensively work its will on a very complex and controversial issue.

In the absence of this legislation the House would have been obligated to vote on the question of Rhodesia in a constricted parliamentary fashion and by adopting this rule and taking up this legislation, one way or the other we are going to be able to come to grips with this issue.

At the same time it preserves the centrality of the Committee on Foreign Affairs in the process of formulating a congressional position on major foreign policy issues. I think all of us have an institutional interest in making sure that when these important issues come before us they come before us after first being considered by the committees of relevant jurisdiction.

Finally, let me say to my good friend from Illinois who had a few choice words to say about the nature of the compromise legislation which was reported out unanimously by the Committee on Foreign Affairs, there may have been, to be sure, a few members of the committee who voted for the bill when it was brought up 2 weeks ago solely because they were interested in facilitating the consideration of this legislation by the full House.

Of course, everyone should be aware of the fact that their votes were not needed to bring it out of committee because, clearly, the overwhelming majority of the members of the committee were in favor of it.

The truth of the matter is that this does represent a real compromise which involves much more than a simple understanding designed to expedite the consideration of this legislation. There were people who had deeply felt and widely divergent views on this issue who agreed to very significant concessions in the interest of bringing a bill to the floor which, in their judgment, represented an honorable accommodation of the conflicting points of view on this issue.

I mention this only because I want to plead with my colleagues in the committee when we get to the 5-minute stage for this bill, to reject any amendment which may be offered to it. This is a compromise which is a very fragile compromise which could very easily unravel. There were plenty of people who agreed to support this only after making the most serious concessions. If the bill is changed on the floor the concensus which emerged with respect to this legislation in our committee could very easily unravel and I think that would neither be in the interest of the Congress nor the country. This is not a perfect piece of legislation by any means, but it does represent an honest and sincere effort to try to achieve some kind of congressional censensus on this very important item.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield to me?

Mr. SOLARZ. I yield to the gentleman from Illinois.

Mr. FINDLEY. I would like to join with my friend from New York in expressing the hope that this body will see fit to reject any and all amendments to the resolution.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I am somewhat perplexed. My colleague started out saying this is almost a perfect piece of legislation with no amendments. If it is not perfect can we not have an amendment or two to it?

Mr. SOLARZ. I have no doubt the gentleman will be supporting amendments that are offered to the bill. I would hope that our colleagues in their wisdom see fit to reject them.

Mr. ASHBROOK. I thank my colleague.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is certainly nothing wrong with the rule. It has been properly characterized. It is an open rule and it will allow us to debate the issue.

The gentleman from New York, I am sure, is quite anxious to debate the issue in the form it is before us because essentially the legislation before us makes absolutely no change whatever in the Rhodesian sanctions policy of the Carter administration. This bill is, in fact, a confirmation of the totally wrong headed and sanctimonious position the President has taken on this particular issue. I think most of us know that the President has already announced his reasons for rejecting a lifting of sanctions just as the Congress had required he make that determination. When he did so he framed his remarks in terms of what was right, what was decent, what was fair, a matter of principle. There are those of us who feel that the opposite of all of those words might have described his decision.

I think it is unfortunate that we do have to at this, perhaps, last moment before the recess address this issue. But I think there is probably, for the proponents of the language in the bill some advantage to having this voted upon now. I am sure, after several trips to the White House and the lobbying that has gone on in an effort to try and get this bill through the House that it would be very advantageous for the President who has deigned to allow Bishop Muzorewa, the new head of the Government of Zimbabwe-Rhodesia to come here shortly to have this passed. The administration sees this bill as some way of negating the action of the other body which has already voted to end sanctions.

The House should be reminded that on two occasions the other body has voted to lift sanctions, once as an expression of the sense of Congress and, secondly, as an absolute lifting. We will have to deal with those issues despite whatever we may do with this legislation here, because we will have to vote on motions dealing with them.

I would hope that the amendment by the gentleman from Michigan (Mr. BROOMFIELD) will be adopted. Otherwise, the language in this legislation is absolutely a confirmation of present policy. I have heard some flowery phrases which do indeed move the gentleman from New York (Mr. SOLARZ) and a few others a little bit closer toward praise for the elections in April of 1979 in Rhodesia. I know this is a sea change in his view because when he came back, not having viewed the elections, since he left there before they occurred, he pronounced them in essence a fraud and totally unfair. Now he is sponsoring a resolution that says those elections constitute a significant step toward multiracial democracy.

I hope the House does indeed remove the powers of the President to impose these sanctions because by continuing them we are only harming the blacks and, indeed, the dwindling number of whites who remain in the country of Zimbabwe.

I would remind the House, in April, 64 percent of those eligible to vote came to the polls and registered their approval of the new government and elected Bishop Muzorewa as President.

He has since been inaugurated and a new parliament with a majority of blacks have taken their seats in Salisbury and is now in control of the Government.

You will hear protests in the course of this debate about the constitution which has been established in this new country in Africa; you will hear that the referendum on the constitution earlier was unfair because only whites were permitted to vote. That is an extraordinary charge since the whites voted by an overwhelming majority to cede their power to the blacks, an almost unheard of vote by any minority group in any country after long colonial rule. I think the elections constitute an affirmation of that constitution.

With regard to the provisions of the Rhodesian constitution there were similar constitutional provisions in a number of other African countries when the transition was made from colonial rule to majority rule, to protect the white population and this is something that Bishop Muzorewa and the officials of the government, the black officials, have approved, simply because it allows some assurance and allows the white infrastructure to remain in that country.

I would hope we would give our approval today to the first experiment of truly multiracial and majority rule government in Africa. There are not many majority ruled governments on the Continent of Africa or anywhere else in this world left. To deny approval to this government would be to say we deny approval of the principles upon which our own Government was founded.

Mrs. CHISHOLM. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1840

Mr. SOLARZ. Mr. Chairman, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4439) relating to sanctions against Zimbabwe-Rhodesia.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Solarz).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4439, with Mr. McHugh in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. Solarz) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. Goodling) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from New York (Mr. Solarz).

Mr. SOLARZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think it can honestly be said that this is a creative and constructive compromise concerning one of the most critical and controversial foreign policy issues confronting the Congress and the country this year.

The bill, H.R. 4439, describes the recent elections in Zimbabwe-Rhodesia as a significant step toward multiracial democracy in that country. It indicates that we have a foreign policy interest in furthering progress toward genuine majority rule in Zimbabwe-Rhodesia and in a peaceful resolution of the conflict in that country.

It takes note of the fact that the British, who under international law as the colonial power, have the primary responsibility for Zimbabwe-Rhodesia, have not yet recognized the legality of the new government.

Finally, it would require the President as a matter of law to lift sanctions on October 15, unless he determines it would would not be in the national interest to do so and so reports to the Congress.

Like most compromises, no one is completely happy with the legislative product that emerged from our committee. I played a central role in fashioning and formulating that compromise. I want to make it clear that I am not completely happy with it myself. There were some members of the committee who felt we should not lift sanctions until such time as there was an agreement between the Patriotic Front and the Salisbury government to end the war in Zimbabwe-Rhodesia. There were other members of the committee who felt that we should not lift sanctions until such time as the British themselves have recognized the legality of the new government and lifted sanctions first. There were still other members of the committee who felt that it would be a mistake for us to lift sanctions against Zimbabwe-Rhodesia until there were additional changes inside the country which demonstrated that the new government had the substance and not just the trappings of power. But one thing that virtually every member of the committee who voted in favor of this creative compromise, which had the support of 33 of the 33 members of the committee who were present at the time we voted on it, was that it would be a mistake for our country to be out front on this issue and to, in effect, lift sanctions before any other country in the world, except South Africa, had done so as well.

They felt that it would be a mistake for us to lift sanctions against Rhodesia before the OAU considered the question at the Summit Conference of the African Chiefs of State in July. They felt it would be a mistake for us to lift sanctions against Zimbabwe-Rhodesia before the Commonwealth Conference considers the question at its Lusaka meeting in August. They virtually all felt it would be a serious mistake for us to lift sanctions against Zimbabwe-Rhodesia before the British Government, which has the primary responsibility for Zimbabwe-Rhodesia, decides what to do sometime in the fall.

I might point out in this regard that even people like Bayard Rustin and Allard Lowenstein, who participated in the Freedom House Delegation to Zimbabwe-Rhodesia and who as part of that delegation reported relatively favorably on the elections that were conducted a short while ago, have both testified publicly before the Subcommittee on African Affairs and the Subcommittee on International Organizations that in their judgment, in spite of the way in which the elections were conducted, it would be a mistake for our country to be out front on this issue and to be the first one in the entire world to lift sanctions against Zimbabwe-Rhodesia at this time.

I would submit that our decision on this issue ought to be based not so much on the conduct and character of the elections, although that is certainly a relevant matter for us to take under consideration, but on the interests of the United States itself.

Our decision, it seems to me, should be based on whether or not lifting sanctions would advance our interests and our influence throughout Africa. It ought to be based on whether lifting sanctions advances the prospects for peace in Zimbabwe-Rhodesia or whether it sets them back. On the answers to questions such as these, rather than on an evaluation of the elections themselves, should our decision ultimately be made.

I would submit to the members of the committee that if we vote to lift sanctions now or to adopt an amendment which would lift sanctions by a definitive date without any possibility whatsoever of a Presidential waiver, that we would be making a very serious diplomatic and political mistake.

First, we would be the only country in the world other than South Africa currently supporting the new government in Zimbabwe-Rhodesia. As a result of that fact, we would alienate vitually every country in Africa, which rightly or wrongly believes that the new Government in Zimbabwe-Rhodesia is based much more on continued white domination than on real majority rule.

I recently sent out a letter in my capacity as chairman of the Subcommittee on Africa to the Chiefs of State of several of the most moderate pro-Western countries on the Continent in an effort to get their sense of what the consequences of lifting sanctions would be for our country. Almost without exception our closest friends in Africa responded by saying that in their judgment it would be a diplomatic disaster for the United States to lift sanctions against Zimbabwe-Rhodesia at this time.

President Tolbert of Liberia, for example, the Chief of State of the African country with which we have had the longest and most historic relationship, said that if we were to do so we would fatally compromise whatever possibilities remain for us to muster support throughout Africa for our peace initiatives in the Middle East.

If we were to lift sanctions at this time we would also create a golden opportunity for the Soviet Union which would then be in a position to portray itself as the champion of majority rule in Southern Africa, while simultaneously portraying us as the defenders of minority domination.

Finally, lifting sanctions at this time would preclude whatever slim possibilities remain for bringing about a negotiated end to the conflict.

Our major interest in Zimbabwe-Rhodesia is not so much in who wins the war, but in bringing the war to an end. So long as the war goes on, the killing continues. So far 20,000 Zimbabweans have lost their lives, 95-percent of whom are black. In American terms, that is the functional equivalent of more than 500,000 Americans, which is more than the total number of Americans who have lost their lives in each and every war we have fought in the 20th cenutry. So it seems to me that in purely humanitarian terms we have a real interest in bringing this war to an end.

But perhaps more importantly, in geopolitical terms, so long as the war continues there is a continuing possibility of a major Soviet or Cuban intervention in the conflict; and, the internationalization of the armed struggle, it seems to me, is something we very much want to avoid.

Once we lift sanctions, however, we will have forfeited our credentials as an honest broker with the Patriotic Front and the front line states and we will have lost whatever leverage we have with the government in Salisbury, thereby creating a situation where the slim possibilities for a negotiated agreement to end the war will have gone down the diplomatic drain.

On the other hand, by adopting the careful and creative compromise, unamended, which came out unanimously from our committee, by putting off the decision to lift sanctions until sometime in the fall, we would avoid the onus of having acted first.

Second, we would preserve the possibility of a negotiated agreement to end the war.

Third, we would put ourselves in a much better position, together with our British allies, to encourage the new government in Salisbury to make the kind of additional changes which will enable them to broaden the base of their support inside the country and to secure wider international recognition outside the country. Thereby, if we do decide to ultimately lift sanctions, it would legitimize such a decision on our part.

□ 1850

Mr. Chairman, it was not, may I say in conclusion, easy to put this kind of compromise together. Getting my good friend, the gentleman from Illinois (Mr. FINDLEY) and my very good friend, the gentleman from Michigan (Mr. DIGGS), to agree on a resolution concerning Rhodesia is something like getting Menachem Begin and Yasser Arafat to agree over the future of the West Bank and Gaza.

I want to plead with the Members not to undo this historic effort to achieve a constructive compromise in our committee. It is a fragile compromise. It can easily be undone, and if any amendments are adopted to it, such as those to be proposed by the gentleman from Michigan (Mr. BROOMFIELD) or the gentleman from Missouri (Mr. ICHORD), it would completely wreck the consensus which has formed around this legislation.

Finally, let me say this: The legislation which has been reported out of our committee neither precludes the President from lifting sanctions before October 15, if he decides to do so, because he already has the authority under existing law to lift sanctions tomorrow if he so chooses, nor does it prevent the Congress, if the President does not lift sanctions by October 15, from lifting them thereafter.

If ever there was a time for us to act prudently rather than precipitously, this is it. Our British friends were good enough to let us take the initiative in the Middle East, and I submit we ought to let them take the initiative in Southern Africa.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. Mr. Chairman, I think I went a little bit over my time, but I will yield if I have time remaining.

Mr. BAUMAN. Perhaps the gentleman from Pennsylvania (Mr. GOODLING) could bail the gentleman out if it comes to that.

The CHAIRMAN. The gentleman has yielded additional time.

Mr. BAUMAN. Mr. Chairman, I just have one question to ask.

The gentleman from New York (Mr. SOLARZ) and I have discussed this matter many times, and there is one thing I have never been able to finally get an answer to in our discussions.

What is it, what would it take, or what does the gentleman have in mind that the government of Abel Muzorewa or his successors elected under the new constitution must do to satisfy the gentleman so we can lift sanctions and so the country can go forward economically? What are the steps the gentleman would take?

The gentleman has never spelled them out. I think they have been made clear in my opinion, but what is it that the gentleman wants so we could lift sanctions?

Mr. SOLARZ. Mr. Chairman, I think that is an excellent question, and I appreciate the sincerity with which it was asked.

I can, of course, only speak for myself, but I can tell the gentleman the kind of things I would be looking for. First, I would be looking for the kind of actions by the new government which clearly demonstrated they have the substance and not just the shadow of power. I would be looking, for example, for changes in the constitution, which repealed or modified the more restrictive clauses in that document, which in effect give the whites a veto power over any meaningful constitutional change in the next decade and give the whites a virtual monopoly over all the senior positions in the army, the government, the judiciary, and the police.

I would be looking for the new government to take the kind of actions that demonstrated it was in a position to help the indigenous black people in the country by beginning the process of land reform and by beginning the process of dismantling the so-called and very hated protective villages.

I would be looking at the extent to which the new government was prepared, at least in principle, to accept the proposition that there ought to be an impartially and internationally supervised election as a way of bringing about an internationally acceptable transition to majority rule. I would be looking at what some of the other African countries do in terms of their willingness to recognize the new government.

I certainly would be looking very, very closely at what Great Britain would be doing, because I believe that is the country with primary jurisdiction in this matter, and to the extent that it is the colonial power involved, they have not yet seen fit to grant recognition and lift sanctions against Rhodesia.

Were we to act, or if we were to adopt either the Broomfield or the Ichord amendment, I think it would have most unfortunate consequences for our interests in Africa as a whole.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The gentleman from New York (Mr. SOLARZ) has consumed 14 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to my colleague, the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I rise in support of the bill, H.R. 4439.

I do not serve on the Committee on Foreign Affairs, and I do particularly thank my colleague who is in control of the time on this side for having yielded me this time. I have never served on the Committee on Foreign Affairs, and I do not claim any great expertise in foreign affairs.

However, I have taken an interest in Africa and in the events in Africa in recent years. I have attended several of the African-American Institute conferences established for the purpose of bringing together American parliamentarians with representatives of the various African governments. I have attended annually for the last 4 or 5 years the meetings of the Anglo-North American Conference of Legislators on Africa, including members of the Canadian and British parliaments and the American Congress. In the course of these years, because of that exposure, I have watched the events in Africa probably more than I would have otherwise.

Mr. Chairman, why would I support this legislation? First, let me say that my legislative background on the issue of sanctions is not all that uniform or clear. I have both voted for and against sanctions on various occasions when the issue was brought before the House. The decision that I made in those cases was based in each case upon the circumstances existing at the time, applying the one test: What is in the best interest of the United States?

There was a time when I felt that the supply of chrome ore from Rhodesia was jeopardized by the sanctions, and I voted against them. Later, when information from our industrial community indicated that the chrome supply was not as tight or as difficult and that new methods had been found to use less rich ore from other sources, I voted for the sanctions.

But let me say, whether I was either for or against the sanctions, I think the fact that we had elections in Rhodesia and that there is the beginning of a multiracial government there, is the result, at least partially, of the fact that those sanctions exist.

The other body has acted, and we do have a law now under which the President made a determination earlier this month (Case-Javits) and the law would require the lifting of sanctions if it was determined the elections in Rhodesia were free and fair. The President made a determination to continue the sanctions. I have heard many in this body say that he made the right decision for all the wrong reasons.

I think the decision was right not because the elections in Zimbabwe/Rhodesia were less than free and fair. I have been very impressed with them; I think they were free and fair. But the question that is on our minds is: What is in the best interest of the United States? And I think it is the one we all have to answer.

I think the Case-Javits test was the wrong test. The gentleman from Maryland made a statement during the debate on the rule that this legislation changes nothing. It does change something. I think, first of all, it puts us on record as saying that elections were held and that they were free and fair. At least that is my interpretation, and everyone may not agree. But at this time I believe that it is not in the best interests of the United States to lift the sanctions.

By passing this legislation we are in effect changing the test for the future. No longer will the President have to tell us that the elections were not free and fair because the constitution did not allow them to be free and fair, and I think the President, having said that, put us in the very difficult position of not being able to lift the sanctions until the constitution has been changed.

Mr. Chairman, I hope this bill will be adopted.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to my colleague, the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, I thank the gentleman for giving me this time.

Mr. Chairman, sanctions should be lifted against Zimbabwe/Rhodesia, and I rise in support of the legislation that is before us tonight.

In my opinion, the elections that were held in that country were free and fair, especially by Third World standards.

Furthermore, this is one of the few times when a minority has voluntarily and peacefully transferred power to the majority in any country.

Most of the support for sanctions in this country comes from those who have problems over the Zimbabwe/Rhodesian constitution and its method of adoption. Some complain that the constitution was ratified only by a referendum of the white voters of that country. Yet, few other African nations had a constitutional referendum upon achieving independence.

□ 1900

Furthermore, others complained that a certain percentage of the Zimbabwe-Rhodesia Parliament is allocated to the white minority. Yet other countries in Africa, for example, Zambia and Tanzania, in their original constitutions guaranteed white representation in the parliament and, in the case of Tanzania, Asian representation as well.

Finally, we should look at the development of our own Constitution. When the United States became independent from Britain and our Constitution was ratified, one had to be free, white and 21, and, in most cases, own property and pay a poll tax, in order to vote for national, State and local officials. Fortunately, those inequities have been corrected in time.

Continued sanctions place American foreign policy in an inconsistent position. Sanctions against Zimbabwe-Rhodesia would be continued even though the elections were free and fair, and yet we turn around and give foreign aid to Egypt when the elections that were held in that country did not allow people who were opposed to President Sadat's policy even to be candidates.

In my opinion, the United States and the world face three choices:

No. 1, to support the Patriotic Front which did not participate in the elections and which continues to wage war;

No. 2, to support the legitimately elected government of Bishop Abel Muzorewa, which has taken office in Salisbury; and,

No. 3, to revert to the racist regime of Ian Smith which had been in power since the declaration of independence.

I do not think there is free choice at all. The United States should lift the sanctions, to let the Muzorewa government work. It is a black government, it is a majority government, it is a popularly elected government.

If it fails, a real danger exists that power will revert to the white minority. That will escalate the war in southern Africa. The sooner the sanctions are lifted, in my opinion, the better off this country will be.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to my distinguished subcommittee chairman, the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I thank the gentleman. I can use that generous gift of time, which I do appreciate.

Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Illinois (Mrs. COLLINS), a member of the Subcommittee on Africa.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of this legislation (H.R. 4439), which is a compromise that has been drafted with the support of the Foreign Affairs Committee. During the June 12 hearing on the issue of whether or not to lift sanctions, questions arose as to—

First, whether the elections were free and fair; and

Second, whether the government of Rhodesia "demonstrated its willingness to negotiate in good faith at an all parties conference, held under international auspices, on all relevant issues." These are the two requirements of Case-Javits.

On the latter point, Secretary of State Vance, stated before the committee, that "while there has been progress in Zimbabwe-Rhodesia, it is not yet sufficient to satisfy the provisions" of Case-Javits.

On the first point of whether the elections were fair and free, he stated that they were conducted in a "reasonably free fashion under the circumstances." He went on to say, however, that other key issues, such as "the effective distribution of power and the freedom of political expression and choice" must be considered.

In analyzing this, one finds that such was not possible under the current constitutional arrangement. Why? Because it fails what I consider to be the first essential for majority rule: That of fair representation in the legislative branch and accountability over the executive and judicial functions as well.

Another problem with the constitution under which the elections were held is that, like the western Constitution of which the Rhodesian accord is an apparent gross caricature, the Constitution contains a so-called Declaration of Rights—which is in fact, a declaration of the preservation of white privilege.

Similarly, the judicial system—entirely dominated by the white minority and responsible for enforcing a ruthless set of discriminatory laws—would remain intact, as would the police forces, the civil service and the military leadership.

In short, the Constitution is designed to insure that little will change for the vast majority of Rhodesia's poor and that the privileged few will hold on to their advantages and power. Aside from the introduction of more black faces in the legislative assembly, life in Rhodesia would go on much the same as it has since the British colonialist Cecil Rhodes introduced the first white settlers to the privileged life of white supremacy at the end of the last century.

A genuinely free election, in my opinion, implies an electoral process based on a democratic constitution and conducted under conditions that insure genuine choice. No election setting aside 28 percent of the parliamentary seats for 4 percent of the population solely on the basis of race can ever be characterized as a free election.

Moreover, no elections can be free when the constitution under which they are held has been approved by 1 percent of the population, and in a referendum in which only white voters were allowed to participate.

Free elections require freedom for all political candiates and for all political parties to campaign. Yet the Patriotic Front is banned in Rhodesia and 2,000 of its leading members were confined to jail during the campaign.

Despite the obvious nature of this absence of free and fair elections, we are today faced with the grave question of whether the U.S. House of Representatives should proceed to terminate our current trade embargo on Rhodesia, with consequences far too awful to fully contemplate, not only for the people of Zimbabwe, but for the United States and its role in the world.

If we are to cast our votes in a responsible manner, we simply cannot accept assurances on the basis of the elections that notwithstanding the present constitution, nor the current military arrangements, for the continuation of internal oppression, that the present forces of power have had a sincere change of heart. It just is not apparent. What is apparent is the fact that whatever the April elections decided, they did not decide the transfer of power from the white minority to the black majority.

Thus, for black America, the underlying, fundamental question is still the abolition of the system of white minority domination which currently obtains in Rhodesia, and which South Africa has announced its intent to protect by military means if necessary. This is a fundamental question for us, not because the oppression of Africans in Southern Africa, and similarly of people anywhere, is fundamentally wrong. Moreover, as the United Nations determined, with the support of the United States, such oppression and denial of self-determination is a threat to international peace and security.

Last week, black leadership representing a broad spectrum of constituencies including the NAACP, PUSH, National Urban League, National Council of Negro Women, National Urban Coalition, Joint Center for Political Studies, Zeta Phi Beta and Trans-Africa met here in Washington to publicly state their firm support for the continuation of economic sanctions against Rhodesia.

This solid demonstration of support for the President's position grows out of a conscious plan to effect a communication network between blacks and Africans.

Black Americans are very much aware of the interdependence of domestic and foreign policy. Our African heritage is a reality and the determination of our African brothers to secure their freedom has been a constant source of inspiration to black Americans in the securing of those rights which have been elusive to us in our quest for economic and political parity.

Our pride in the knowledge of those natural resources which abound in Africa and which are essential to technological and industrial growth in the Western World undergird the black community in its understanding of the need to link the continent of Africa to the national interest of the United States.

Black Americans are fully aware that the imposition of U.N. sanctions in 1956 marked the first time in history that the question of the protection of human rights and self-determination had been joined to that of protecting international peace and security. Our awareness stemmed from the struggles in which many of us here participated, which still must continue, for civil rights—the struggle to convince the United States that its own well-being was intimately connected with the justice of its social, legal, and economic systems.

Further, we are painfully aware that some of those who oppose the full implementation of civil rights for blacks and other minorities in the United States, also favor the immediate lifting of sanctions on Rhodesia, and refuse to contemplate sanctions on South Africa at all.

In a material sense, lifting sanctions would breathe fresh life into the Smith regime through economic and military contacts with unscrupulous private and public interests who have a stake in its survival. Weapons would pour into Salisbury from arms merchants whose only concern is making a profit. Rhodesian exports produced on land and labor expropriated from the African people would once again find its way to Western markets, providing the Smith government with a regular source of income with which to build up its military arsenal.

From an international perspective, a unilateral U.S. decision to terminate sanctions would be a violation of United Nations Security Council Resolution 253, which forbids all U.N. members from importing any commodities and products originating in Rhodesia and would remove any possibility whatsoever of our playing a constructive role in negotiating a viable solution to that conflict. The United States would forfeit overnight, the political cooperation it has painstakingly cultivated with such progressive African countries as Nigeria, Tanzania, and hopefully in the near future, with Angola and Mozambique.

Blacks worldwide—not just in the United States and Africa—oppose the premature lifting of sanctions because to do so would: First, ally the United States directly with South Africa; second, result in an increased Soviet presence in the region; third, undermine our bilateral relations with Nigeria—our second largest source of imported oil; fourth, threaten trade patterns with black Africa, fifth, alienate valuable African allies in international organizations, especially on Middle East questions; sixth, undermine the authority of the U.N. Security Council which is key to U.S. interests in other areas, and seventh, give false hopes to a Rhodesian Government totalitarian toward blacks.

In conclusion, let me say that the stake in the international community, the United States, and I might add, the black community, in just and effective majority rule in Rhodesia is so enormous that sanctions should be lifted only on the basis of hard evidence that their original purposes have been met. Such hard evidence does not now exist. On the contrary, indications are that Smith and white Rhodesia have been successful up to this point in a strategy of co-option and outflanking the forces supporting sanctions without evidence of substantive change; this is nothing more than an international shell game.

Therefore, I urge my colleagues in this body to support the President of the United States in this matter.

I reiterate what Secretary Vance has said, to vote against this resolution as it is now written would:

First. Undercut (or at best prejudge) Britain's effort to seek further progress and settlement.

Second. Severely limit our ability to work for a negotiated solution to the military struggle.

Third. Undermine the significant progress that the United States had made in improving our relations throughout Africa.

Fourth. Give others "new opportunities to expand" their political influence and ideologies on that continent.

Fifth. Point out to the world that we have one "standard of racial justice" here at home, and "another abroad."

Surely, this is not the message that the United States wants to send to the world.

Mr. SOLARZ. Mr. Chairman, I yield 4 minutes to my good friend, the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, my interest in the Zimbabwe-Rhodesia situation goes back to 1975 when I first visited that beautiful land and observed how the issue of the matter of sanctions against Rhodesia was surrounded with hypocrisy from its very inception. And why do I say "hypocrisy from its very inception"? The situation, I would state to my colleagues, was much different than generally reported in the American press. I expected to see a nation where apartheid existed. That was the conclusion I had drawn from reading the American press generally. Instead, I saw a nation where the black person—and I am sure the gentleman from New York will agree—was receiving wages higher than any country in all of southern Africa. I visited the University of Salisbury, where I saw a student body 50 percent black and 50 percent white. I chatted with Professor Chavunduka, one of the officers of Bishop Muzorewa, and found that they had a mixed faculty at the University of Salisbury. I talked with Abel Muzorewa, who is now the Prime Minister, and who now heads, I would state to the gentleman from New York, the only true multiracial, multiparty, constitutionally democratic society in southern Africa, unless it be Botswana, and they do not have a multiparty system, I would state to the gentleman from New York, and the gentleman would have to admit that.

I had the opportunity of speaking to several black millionaires who were rapidly improving the position of the black man in Rhodesia.

□ 1710

I was led to believe by the State Department, I would state to my colleagues, that it is dangerous to go to Rhodesia, because there was a guerrilla war going on. I found out, I would state to my colleagues, that it was safer at 2 o'clock in the morning anywhere in Salisbury than it is one block from where I am standing right here at the present time.

The primary reason why I said at the outset that it has been marked by hypocrisy from the very inception was that practically every nation in the world was trading with what was then Rhodesia, except the United States of America, which was only trading with it in chrome. I would state to my friend, the gentleman from Texas, who is shaking his head, that I saw on the streets of Rhodesia new Fiats, 1975 Fiats. That was in 1975. I also saw Volkswagens, new Toyotas as well as Renaults.

The matter of sanctions against Rhodesia still reeks of hypocrisy. The committee amendment which the gentleman from New York will endeavor to have adopted will continue the status quo. Why, I would ask this body, have the same situation as prevails in Great Britain. British sanctions expire automatically November 15. Why should not U.S. sanctions expire December 1.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, the issue before us is quite precise. Should we or should we not at this point lift the sanctions on trade with Rhodesia which were imposed as a result of a U.N.-imposed sanction against that country.

There is another concern, which I believe should be our main concern, and that is not whether a government is black or white but whether it has a majority or minority government. It is useful in this connection to take a look at the "Table of Independent Nations: Comparative Measures of Freedom," prepared by Freedom House, the widely respected human rights organization, and published in its January–February 1979, issue of Freedom at Issue.

Freedom House does show the comparative freedom—political and civil rights—in the nations of that continent. Using its table, Rhodesia, even before its recent election—which Freedom House believed was "a useful and encouraging step toward the establishment of a free society"—looked better than all but one of its immediate neighbors, Zambia—with which it was on a par. The new Zimbabwe-Rhodesia, however, since the election held there, is now a black majority nation. There are, of course, only a few in Africa.

Extrapolating from the Freedom House table, there are but a handful of countries in Africa in the "majority government" category. This group, incidentally, includes South Africa and Zambia, the only so-called front line state to fall in this category. It now seems that Rhodesia has joined an exclusive club of majority governments in Africa.

The list of minority governments in Africa is a long one—using the standards of Freedom House—and includes these: Algeria, Angola, Benin, Burundi, Cameroon, Cape Verde Islands, Central African Empire, Chad, Congo, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Libya, Malawi, Maldives, Mali Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Seychelles, Sierra Leone, Somalia, Swaziland, Tanzania, Togo, Uganda, and Zaire. All the "front line states" except Zambia are minority countries, and Zambia recently outlawed the opposition.

By keeping the standards clear, we can contribute to clearer debate. When we talk about "black majority" governments, let us remember there are only a few—Botswana, Gambia, Upper Volta, and Zimbabwe-Rhodesia. When we talk of "white minority" governments, there is only one—South Africa. The vast majority of Africa is made up of minority governments. By this accurate and fair standard, progress in Zimbabwe-Rhodesia looks good. Lack of progress in its "front line" neighbors and the rest of Africa is more disheartening.

Despite the positive assessments by most of the international observers of the elections, the administration intractably continue to insist upon maintaining sanctions against Zimbabwe-Rhodesia. This lack of creative action is most regrettable because it is in the interest of the United States to encourage the continuing development of a multiracial democracy in Zimbabwe-Rhodesia based on majority rule and minority rights. In this regard, we are especially disturbed by indications that the administration's Rhodesian policy is being dictated by hypocritical African nations that publicly espouse economic sanctions while trading privately with both Rhodesia and South Africa.

What the Mozurewa government clearly needs from the United States right now is some explicit signal that it is on the right track, and this is the situation we face at present.

Inasmuch as virtually all American observers present in Zimbabwe-Rhodesia for that country's April elections agreed that, with some variation, those elections were both free and fair, Congressional forces opposed to the lifting of sanctions have adopted the following strategy: First, acknowledge the elections as a "step in the right direction" but no more than that; and second, argue that the United States should not take the lead on this issue, but rather should defer to Britain.

The Solarz resolution is the embodiment of this strategy, and as such constitutes a blow to the newly-elected Muzorewa government and an encouragement to the guerrilla forces which are continuing to wage war in that country. This resolution should be defeated and a substitute approved which would, like the language passed in the Senate, lift sanctions immediately.

May I move on to another point and raise this question.

If the Marxist terrorists were, either by force of arms or by entering into the government by negotiation, how would that benefit U.S. interests?

If the terrorists, supported with Soviet weapons and Russian and Cuban advisers, were to take over Zimbabwe Rhodesia, how would that enhance the position of the United States in southern Africa? On the other hand, would the chances for success of the multi-racial government in Zimbabwe Rhodesia be improved by recognition and economic support by foreign governments? Conversely, by withholding diplomatic recognition and trade, are other governments hindering the chance of success of the new democratically elected government? The United States has extended close to $40 billion of credit to the Soviet Union which persecutes Jews and Christians and Ukrainians and Latvians and Lithuanians and Kazaks and Poles and Armenians and others. Yet we boycott a nation struggling to achieve biracial constitutionalism. Zimbabwe Rhodesia has had a free election whereas the Soviets have never had one in 62 years. Is there a valid reason to continue U.S. sanctions?

Mr. Chairman, the key issues in this debate have been touched upon by Members, so I will address myself to them.

In my judgment, lifting sanctions is in the best interest of the United States. It is in our interest to demonstrate the practicality, commonsense, and honesty of our foreign policy if we lifted those sanctions. It would be helpful to this new government in Rhodesia that was elected, which is a black government, and is a majority government, and it would also demonstrate that we support the truly progressive forces in the continent of Africa.

Bishop Muzorewa, in my judgment, is a progressive force. His critics in Africa are those who would drag that entire continent back to dictatorial rule.

I would also like to point out to those who have doubts about the strength of this government, I would suggest to them that progress in Zimbabwe-Rhodesia is irreversible. Any concerns we have over the 10-year period in which there are certain political powers kept by the white minority, are not the key issue. That is a transition period not too dissimilar to that we went through in the early days of our Government; but the progress toward proper majority rule is irreversible.

The real issue that really bugs me, that really bothers me, is the double standard. That is what it is; a double standard.

If we could just overlook the history of Africa for the last 25 years and take a good clean look at the continent, as of now, we would find Rhodesia-Zimbabwe at the head of our list as an acceptable government and therefore a nation with which we would do business.

Do we compare that government, Bishop Muzorewa's government, favorably or unfavorably with the government in the Central African Empire or Equatorial Guinea or Ghana, where in the last week they have executed their key military leaders and two of their recent heads of state?

I have not noticed members being upset about the human rights, the civil rights, of the leaders in Ghana who have been wiped out by the new dictatorship.

What about Nigeria? I was in Nigeria in 1965 just a month before the first of a series of uprisings. We had dinner with the entire Cabinet. One month later, every member of the Nigerian Cabinet was murdered in cold blood. They have not been a democracy since then.

I dare you to lay out the record of Ethiopia and compare it to Bishop Muzorewa's government in Zimbabwe-Rhodesia, and you cannot help, if you are being honest, but admit that Bishop Muzorewa heads a more acceptable, more supportable government.

Take the reports of the Freedom House, and they tell us that the only governments in Africa that are truly black majority in the sense of being supported by a majority of the people with reasonably free standards, reasonably democratic standards, are Botswana, Gambia, Upper Volta, and Zimbabwe-Rhodesia.

The other governments are either run by one-party, one-tribe or one-man dictatorships. There is not too much difference between a one-man dictatorship or one-party dictatorship or a tribal dictatorship. That is especially so of Mozambique and Angola, two of the countries that recently received so-called "independence."

I defy anyone to tell me that the poor villager in the backwoods of Mozambique or Angola is better off than the villager in Zimbabwe-Rhodesia today. He has less security, less freedom, and less of a future in those countries than in Zimbabwe-Rhodesia.

In my judgment, if we want to do the right thing, we will support the amendment that will set a practical date for lifting of sanctions.

That would be good legislation. That would show foresight on the part of this body and it would also—and this is my final point—it would extricate the poor President from a difficult foreign policy position into which he has wandered. Even a man who is as brilliant and noble as Mr. Carter is can only juggle so many balls. He has to drop a few. One of those he has fumbled badly is the issue of Zimbabwe-Rhodesia.

My position is that we do not help the President by forcing him to maintain this unworkable policy. We help the President by showing him we want sanctions lifted.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

Mr. GOODLING. Mr. Chairman, I yield 3 additional minutes to the gentleman from Illinois.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California for any comments or questions.

Mr. McCLOSKEY. Mr. Chairman, I wanted to ask this question in view of the gentleman's statement that it is in the best interest of the United States to lift sanctions.

I assumed by this 33 to 0 vote of the committee in which the gentleman participated, that the gentleman agreed that it was wise to wait until the British act before we lift sanctions in view of the history of Rhodesia's rebellion from Great Britain. Is that the reason why the gentleman feels sanctions should not be lifted until October 15?

Mr. DERWINSKI. I have to answer your question in two parts: The 33 to 0 was a tactical vote to bring the bill to the floor. It did not reflect 33 to 0 affection for the bill.

Now, the November 15 date, which is probably the one that would be the most logical to use or any other date in that area, yes, that would put us in a position where the British sanctions would automatically be lifted first.

To me, the date is not as important as the principle.

Mr. McCLOSKEY. But there is a principle here, is there not, that in the Ichord amendment, his amendment, which would require the lifting of sanctions, would postpone it until December. I assume that there is agreement then on both sides that the sanctions should not be lifted until October 15 and possibly until December 1 because of the fact that the British sanctions will expire unless the British Government acts on November 1.

Am I correct in that?

Mr. DERWINSKI. The gentleman from Missouri (Mr. ICHORD) can answer for himself.

My thought would be that the date is not important, if we accept the principle now that on date certain sanctions would be lifted, that to me would be the key.

Mr. McCLOSKEY. If the gentleman will continue to yield, I might ask the gentleman from Missouri the reason he picked the December 1 date.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would state to the gentleman from California (Mr. McCLOSKEY) that I picked originally the date of November 15 to put us exactly in the position of Great Britain, because Great Britain's sanctions expire by law on November 15; but there are several people who believe that it should follow Great Britain.

I have agreed, as a matter of compromise, to the date of December 1.

Mr. McCLOSKEY. Then may I ask both gentlemen, if I may, since this came out of the committee with the first sentence being that, "The President shall continue United States effort to promote a speedy end to the Rhodesian conflict," I take it both gentlemen would agree that the President should, between now and October 15 or December 1, continue to exert leverage on both the Rhodesian Muzorewa government and on the popular front through whatever means we have available to seek that speedy resolution of the conflict which is the goal of the committee's resolution. Am I correct?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

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Mr. GOODLING. Mr. Chairman, I yield 1 minute to a member of the committee, the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I rise and urge support of the committee bill. There is nothing to gain and much to lose by precipitous action in lifting the sanctions ahead of the British, ahead of the world. There is nothing to lose and much to gain by the more prudent action recommended by the committee.

I want to talk about the national interests of the United States. I am not an expert on morality, but I do believe it makes sense to do what is in our national interest. Gulf Oil Co. imports 70 percent of its oil from Nigeria and Angola. Nigeria has been our most consistent friend in the importation of oil. One barrel out of every eight is from Nigeria. Our gas-hungry constituents are really going to love it if and when Nigeria and Angola cut off the oil, because of their violent, strong objections to what is proposed by some Members to do.

That is not morality, but it is the truth.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK), a member of the subcommittee.

Mrs. FENWICK. I thank my colleague. I think it would be a great mistake to move too rapidly in this area. We have heard the legal outline from our able colleague, the gentlewoman from Illinois (Mrs. COLLINS), and some very practical suggestions from our colleague from Alabama. But I wonder if it would not be helpful if we looked at how we got involved in sanctions in the first place. This was not a judgment on any particular government. This was an action under international law, a request on the part of Great Britain, the colonial power which imported an illegal act on the part of Mr. Ian Smith and those with him in Rhodesia. We acquiesced and voted with Great Britain in the United Nations Security Council to impose the sanctions.

In doing that we put ourselves clearly on the side of law and order in the international field. That is where we ought to stay. We ought to consider, of course, the suffering of the people of that country and we should consider their human rights, which all of us have worked for, I am sure, for many years.

But as has been said here by our able colleague, the gentleman from Illinois (Mr. ERLENBORN), and others, the interests of the United States should be the first concern of every Member of this House. What is going to be the effect on our country? We need not serve as moral judges here, nor conduct a painstaking nitpicking inspection of what this Government may or may not be doing. I think the Members of this House know I am not enraptured by the Popular Front. I have spoken about that before.

We cannot consider ourselves acting with prudence and full concern, primary concern for this country, if we move in some way that is less than prudent. I think the resolution expresses that prudence.

Mr. SOLARZ. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, you have heard a great deal this evening about the U.S. national interest. I think that is where the focus ought to be in this debate.

The question of free and fair elections, we can argue about that all night. There is no clear answer. The question of what will encourage further progress in Zimbabwe-Rhodesia, the carrot or the stick, there is no clear answer.

It seems to me since there is no clear answer we are free to focus, as Members of Congress sworn to uphold the interests of the United States, on what is in the best interest of this country. Clearly it seems to me that that lies on the side of waiting and not acting now, not making a judgment one way or another, but simply deferring action, especially deferring action until after the British have acted.

If we adopt any amendment now which would force the lifting of sanctions, even on December 1, that means, in essence, we have lifted sanctions. We need to give the President the flexibility to make a determination of whether or not to lift the sanctions, depending upon what is in the national interest of the United States.

I do not see what is so difficult about Members of Congress making a decision about what to do based on what is in the national interest of our own country.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I was very much taken with the words of Bayard Rustin when he appeared with our Ambassador to the United Nations in a television program on this issue, and he said it takes a special kind of arrogance for someone outside of Rhodesia to tell the people of Zimbabwe-Rhodesia how they should conduct an election and whom they should select as their Chief of State. Either this country believes in the ballot box or it does not.

We keep telling people the ballot box has magic, just go and vote, never mind the threats to your life by the guerrillas, go and vote and there is magic in that ballot box. Sixty-four percent of the people, an astounding number, came out and voted and we said no, we will not even send observers there to see if the election was fair.

We are listening to the opinions of such countries as Liberia, which has a constitution that says a white person may not own land, may not vote, may not be a citizen. But they will lecture us and they will lecture Zimbabwe-Rhodesia on what is a good constitution. That is not racist, that is Liberia and it has been that way for 100 years.

In Nigeria, the head of the state of Nigeria is a general who took power by a coup. There was no election there. So they will lecture us on fair and free elections in Zimbabwe-Rhodesia.

By the way, what demands did we make on Nkomo or Mugabe, you know, the people who are shooting down the aircraft and killing innocent people and missionaries? Did we make any demands on them? If we did, I do not know of it.

The truth is it is a black power struggle and we insist that the Marxists win. That is the way it is. That is the way it has to be.

I thought until this evening that this country was a leader, was a leader in world affairs. But I learned tonight we are to be a follower. My God, let us not get out in front, let us not have any principles, let us wait and see what Nigeria wants us to do, or Tanzania, or maybe what Britain, now that Mrs. Thatcher is in charge, but let us not get out in front, this great leader of the free world.

Give the President discretion? I do not think the President has a free hand and neither does anybody in this Chamber. He is the same man who welcomed the President of Rumania, President Ceausescu and said Tito was a great leader of freedom, returned the crown of St. Stephen to Hungary under the portrait of Nikolai Lenin, and the administration is the same one that is salivating at trade with Red China, salivating while Deng Xiaoping visited the Lincoln Memorial, but for Zimbabwe-Rhodesia only 64 percent came out to vote, so it is not enough.

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The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GOODLING. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Four percent of the American population have 28 percent representation in the U.S. Senate, so that is not a principle that is unheard of in this great mother of democracies. I think that I have got to agree with Mr. DERWINSKI that the only thing that is important is that we lift the sanctions on a time certain. Then we are saying, "Yes, you have had an election. Yes, we do not care to have the great free state of Nigeria, or anybody else determine our foreign policy."

If this is still the strongest and freest country in the world, we ought to lead, and not follow.

Mr. SOLARZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. BARNES).

Mr. BARNES. Mr. Chairman, I rise in strong support of this legislation. As a member of the Foreign Affairs Committee, I have participated in extensive deliberations with respect to the issue of American policy in Zimbabwe-Rhodesia. It is evident that the language before us tonight embodies a consensus judgment of the members of our committee as to appropriate American response to the developments in southern Africa. The unanimous vote of the Foreign Affairs Committee, reporting out this legislation, is indicative of the conclusion that has been reached by those in the House most familiar with United States-African policy.

I believe that it would be disastrous for the direct interests of the United States if we were to fail to enact this legislation promptly. I commend the effective leadership of the distinguished chairman of the Subcommittee on Africa (Mr. SOLARZ) and the chairman of the Committee on Foreign Affairs (Mr. ZABLOCKI). The people of the United States owe them a debt of gratitude for their willingness to provide leadership on this fundamentally significant question.

Mr. SOLARZ. Mr. Chairman, I yield 2 minutes to a very distinguished member of the Committee on Foreign Affairs as well as the Subcommittee on Africa, the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Chairman, I rise in support of H.R. 4439. The real issue tonight that we are attempting to address is whether or not we will be consistent with American traditions and whether we will, in the process, be consistent with American self-interest. We happen to be faced, I submit, with one of those instances in which our traditions are perfectly consistent with our national self-interest if we will only pursue that direction.

There is no issue that is more dominant and more meaningful in the African Continent than the continuing struggle against the remnants of colonialism and against minority rule. That is why, however, one may evaluate the recent Rhodesian elections—and there is a legitimate difference of opinion as to the significance and meaning of those elections—one must also examine the constitution that is presently in place in Rhodesia. That constitution, approved in an election in which only the 4-percent white minority was permitted to participate, insures continued minority control of all the key institutions of the country and gives to every white voter effectively eight times greater voting power than every black voter. That is why an analysis of these provisions of the constitution has led not a single African government—not a single African government—to accord recognition to the present regime.

There are those who say the recent elections should at least be acknowledged for the progress that they represent, and I submit that the resolution before us today does precisely that. It specifically acknowledges the elections as a significant step forward. But it also urges that we withhold the immediate lifting of sanctions in an effort to further that progress and, at the same time, to insure that America not stand alone in the entire world as the first nation to grant recognition to this regime. To lift sanctions at this point would be tantamount to American recognition of the new government.

Such an action would be seen throughout the world as a symbol of American support for the continuation of white minority rule in southern Africa. In the process, we would do grave damages to America's relationship with the entire African Continent.

In short, to lift sanctions against Zimbabwe-Rhodesia at this point would be directly contrary to America's national self-interest, and would represent a significant setback to the effort to establish genuine majority rule in Zimbabwe-Rhodesia.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I have approached this opportunity today with the hope that we could enact a resolution which would become the law of the land, and not simply state the policy of this body or, even more broadly, just the policy of the Congress. What is greatly needed is for the Government of the United States, including the Congress, to give a friendly pat on the back to the progressive elements in Rhodesia, to help that nation down the right path.

A reading of this resolution has to leave one with the conclusion that this is a positive encouragement to the forces in Zimbabwe-Rhodesia down the right path. There is not one word of criticism on what has transpired in Rhodesia. To the contrary, it declares that the elections in April were a significant step forward.

I am assured that if this resolution is approved by this body and the other body, it will be signed by the President and thus will become the policy of the United States, a progressive statement of encouragement to democratic forces in Rhodesia. If we encumber this with amendments and draw a veto, it will not have that salutary effect upon events in Rhodesia.

Mr. Chairman, I rise in support of H.R. 4439, a bill to terminate sanctions against Zimbabwe-Rhodesia. I urge my colleagues in the House to support H.R. 4439 as it is reported.

I hope that the Congress will thus enact a progressive statement of policy on Zimbabwe-Rhodesia:

One that recognizes the progress made in Zimbabwe-Rhodesia toward democratic, black majority rule;

One that sees the April 1979 elections as a good and positive step toward democratic, black majority rule; and

One that encourages an orderly, nonviolent resolution of the conflict that rages in Zimbabwe-Rhodesia.

H.R. 4439 is that progressive statement and one that merits our support. This bill is, I believe, consistent with my beliefs regarding the recent events in Zimbabwe-Rhodesia and U.S. policy toward that nation.

I believe that the recent elections in Zimbabwe-Rhodesia were free and fair. Indeed, I have heard that a joyful mood predominated at the polling places during the voting.

And I believe that the elections constituted a de facto referendum on the constitution. The election manifestoes of all the parties made it clear that a vote for them meant a vote for the constitution and the government framework it established.

Therefore, President Carter was both inaccurate and unwise when he characterized the April elections as being neither free nor fair.

I also believe that it is the moral responsibility of the United States to encourage within Zimbabwe-Rhodesia not only the development of black majority rule, but also of democratic rule. In the past, I feel that our efforts have not always focused on our responsibility in regards to democratic, black majority rule in Zimbabwe-Rhodesia.

This bill directs the President to lift sanctions against Zimbabwe-Rhodesia by October 15. It does not say that he must wait until October 15 to do so. In fact, I argue that he should do so sooner. It does give him the flexibility not to lift sanctions if he determines that it is not in the national interest to do so. I am a firm believer that we should never tie the President's hands so completely that we make U.S. foreign policy rigid and unresponsive to current realities. The national interest "loophole" permits the President to react to events and considerations that cannot be foreseen today. A strong congressional message during our deliberation will persuade the President, however, not to take that national interest determination lightly.

The October 15 date was selected for several reasons:

First. The Organization of African Unity meets in Monrovia, Liberia, in July. The situation in Zimbabwe-Rhodesia will be a subject for discussion in those meetings. The President will take the pulse of the African states and consider their conclusions before acting. Although we should not permit any state, including those in Africa, to blackmail the United States or to exercise a veto over our policies, we should fully consider their views and avoid precipitous action that might generate strong anti-Americanism on that continent.

Second. Great Britain has been charged with legal responsibility for Rhodesia by the United Nations. The United States and Great Britain have been partners in their efforts to seek an internationally acceptable solution to the Zimbabwe-Rhodesia conflict. Now, Great Britain meets with the Commonwealth states in Lusaka, Zambia, in August; Zimbabwe-Rhodesia will be an item of discussion in those meetings. Although I do not believe that the United States must follow the lead of Great Britain on this issue and await its final decision, I do feel that we should work as closely as possible with London to seek a resolution of the Zimbabwe-Rhodesian conflict. British sanctions expire on November 15, 1979, unless the Parliament takes positive action to renew them. It looks now as though the Conservative majority in Parliament will not, in fact, renew sanctions but that is not yet completely certain. But by October 15 we should have a good idea of where the British are headed and a U.S. decision can be made within that context.

Third. By setting a later date for lifting sanctions but a definite date we can both give hope to the forces that want democratic, black majority rule for Zimbabwe-Rhodesia and also encourage them to implement fully democratic, black majority rule.

Fourth. Frankly, a fourth consideration here is to put the House on record as favoring the lifting of sanctions in a bill that will not provoke the President to use his veto.

Therefore, I urge my colleagues to vote for H.R. 4439 without amendment.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I rise in support of the bill to remove the economic sanctions against Zimbabwe-Rhodesia. I support this bill, because it makes commonsense, and it is in the national interest of the United States to lift the sanctions now.

I have never supported the imposition of those sanctions in the first place, and the Case/Javits amendment to the International Security Assistance Act in 1978 provides that these sanctions are to be lifted if Rhodesia demonstrates its willingness to negotiate in good faith at an all-parties conference, and if a government has been installed, chosen by free elections in which all political and population groups have been allowed to participate. These conditions have been met, and I sincerely regret, and am at a loss to understand, President Carter's refusal to lift the sanctions.

While the elections last April did not meet the rigorous standards that one would apply to elections in Western democracies, it was remarkably free and fair, especially considering that a civil war was in progress and that most of the population had never before participated in an election.

Contrary to every prediction, the people of Zimbabwe did vote in an election that was freer than most held in the developing world—freer certainly than elections held anywhere else in Africa, with a few minor exceptions.

I, therefore, find it particularly ironic that no election in any country at any time within memory has been more widely scorned by international opinion. In scores of other countries, nondemocratic governments periodically stage elections whose predetermined results are never challenged or questioned, even by the world's democracies. In fact, just 2 weeks before the Zimbabwe-Rhodesia elections, the Iranian Government held a referendum in which the people were asked to approve the establishment of an "Islamic Republic" and though the vote took place during a period of growing repression of civil liberties, widespread separatist rebellion, and a reign of terror by semisecret courts dispensing "revolutionary justice," no government raised objections to the whole procedure or questioned the validity of its predictable outcome.

Now is the time to give the new Zimbabwe-Rhodesia government a chance.

The removal of sanctions, if achieved, would give the black government the economic wherewithal to prove to both its own people and to the world that it can and will produce meaningful political and economic benefits for the country.

Let us give them that chance.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, I rise in support of this resolution, and feel that it is badly needed.

Mr. Chairman, two major questions face us in determining our course of action pertaining to Rhodesia. The first is, does the Muzorewa government adequately represent the people, all the people of Zimbabwe-Rhodesia? Second, based on the response to the first question, what action should the United States take relevant to the sanctions now imposed?

In the CONGRESSIONAL RECORD of May 21, 1979, Extension of Remarks, I included information from one of the accredited journalists who had the opportunity to observe the recent election in Zimbabwe-Rhodesia, Mr. George Volger, the president of a radio station in Muscatine, Iowa. As an official member of the observer team during the election, he felt that there was a "consensus that a fair and free election had taken place in spite of obstacles." Mr. Volger found that "observers from France compared the elections to those in Europe and found them free and fair." He also noted that Australian member of Parliament, G. M. Bryant of the Labor Party, was quoted in saying:

> After conferring with other foreign observers . . . (I) . . . concluded the elections were fairly conducted and was impressed with the 64% turnout of eligible voters.

What about a concern expressed by opponents of sanctions-lifting that the constitution of Zimbabwe-Rhodesia gives extraordinary power to the 4-percent white minority? Let us not forget that though we in the House each represent roughly the same numbers of people, in our sister Chamber, 34 seats represent 6.7 percent of the population in the 17 least populous States. It bothers me that at times we can be so shortsighted, nitpicky, at the giant step toward self-government actually realized in the election in Zimbabwe-Rhodesia.

Mr. Volger also stated in his letter to me that observer Bayard Rustin, a U.S. civil rights leader and coworker with the late Martin Luther King, that—

> Relations between black and white in Rhodesia were more amicable than between blacks and whites in Chicago, Phildelphia or New York City.

I concluded from this, that the elections were as fair as possible, and that, yes, the Muzorewa government is representative of a majority of the people of Zimbabwe-Rhodesia. What should the United States do? If the sanctions are lifted, will U.S. relations with the rest of black Africa be endangered? I agree that this is a real and serious question and concern.

What about sanctions? According to reports that periodically cross my desk, the Soviet Union, through Swiss "front" companies, is purchasing chrome, tobacco, maize, and goods from the Salisbury government and then reselling the chrome at a handsome profit to the United States. In light of the question of lifting sanctions by October 15, 1979, November 15, 1979, or whenever the President thinks it is in the national interest, I wonder, are we already doing in fact what we were debating to do legislatively today?

What about African nations? The United States must be courageous and move forward. As the President found fit to do in the Middle East, initiative and efforts of the President of the United States were marshaled behind the negotiation of a separate peace with Israel and Egypt—a risk with the rest of the Middle East. The United States needs to exercise its independent foreign policy judgment, through a peaceful settlement, lift the sanctions even though it may run the risk of some short-term political costs. There is a strong likelihood that several African nations would follow in short order, especially a number of the French-speaking African states.

To be practical and realistic, the United States needs to provide the growing black middle class in Zimbabwe-Rhodesia and white Rhodesians with their skills and capital, the security and incentive to remain in Zimbabwe-Rhodesia. We need to reward this bold new direction of multiracial, democratic effort to show U.S. leadership in the changing world of Africa.

If Zimbabwe-Rhodesia is to expand, to make these new democratic efforts work, the Government must be given support, encouragement. I want the United States to give this support by lifting sanctions effective October 15, 1979.

Mr. GOODLING. Mr. Chairman, first of all I would like to answer a question that I believe my colleague, the gentleman from California (Mr. MCCLOSKEY), did not get an answer to. Secretary Vance, in testifying before us, said, "We do not have any leverage at all over the Patriotic Front."

Mr. Chairman, I rise in support of H.R. 4439.

This bill seeks to express our approval of the ongoing process toward multiracial democratic rule in Rhodesia.

Let me begin by dispensing with a misconception that prevails despite the President's June 7 statement against lifting sanctions. The April elections in Zimbabwe-Rhodesia are of absolutely no importance to this administration. Had they taken place under the watchful eye of a Socrates who pronounced them to be "perfectly democratic," the President would still maintain that they were not free or fair. The reason for this is that the elections took place under a constitution which the President considers to be tragically flawed. This is the primary emphasis of his June 7 statement, as it was of Secretary Vance's testimony before our committee.

One cannot help but find grave problems with this constitution, but it is a constitution, and it does begin a process of building a limited government.

Now this leads me to the root problem with this administration's policy in southern Africa. Why are the President and Secretary of State unwilling to admit that they know there are democrats in Rhodesia, and there are totalitarians? Why this moral numbness to the distinctions between Mugabe and Nkomo on the one hand and Muzorewa on the other? I think these men have made their positions clear on the most important issues. The New York Post quoted Mr. Nkomo on June 9, 1979, as saying:

> Relations between the freedom fighters and the Soviet Union are excellent. The Soviet Union and other Socialist countries enjoy total freedom—they are free from exploitation and all other forms of oppression . . . Our friendship with the Soviet Union are openly encouraging us to dedicate to fighting for our freedom. Our pains are their pains, our suffering their suffering.

Nkomo would bring to Rhodesia the total freedom of the Soviet Union.

Would the totalitarians Mugabe and Nkomo tolerate limited government? Would they tolerate minority rights, let alone free elections? If you think so, I have a bridge in Brooklyn I would like you to see.

Had the least glimmer of recognition shown through the administration's condemnation of the Constitution of Rhodesia—that yes, here in Rhodesia in 1979 Africans are trying to make a democracy work—had I seen that recognition, all this would be so much easier.

And what will the President do if the Muzorewa government succeeds; if the British lift sanctions; if the so-called "patriotic front" is defeated? Are we still to hold to our self-righteous view of the constitution? From what we have heard in their formal statements of policy, for this administration to agree to lift sanctions, major changes will have to be made in the Rhodesian Constitution. Is this wise policy?

May God be thanked that in 1789 Madison and Hamilton were not faced with the sanctimonious rhetoric of a more liberal state chiding them for their flawed Constitution. Our Constitution today may not meet the standard of participatory democracy practiced in ancient Athens over 2,000 years ago. So let us not hear from those who would say that the Constitution of Rhodesia would be fine for the 18th century, but cannot be condoned in the enlightened 20th century. The idea that politics has progressed through history is at best a ridiculous proposition.

So, while I would oppose the immediate lifting of sanctions, I cannot join the chorus of praise for the administration's arguments in support of continued sanctions. Their reasons strike me as self-righteous and lacking in the foresight necessary for a statesmanlike foreign policy.

Despite reservations, I urge my colleagues and especially my fellow Republicans to support this measure. It clearly recognizes that democracy is beginning to take root in Zimbabwe-Rhodesia and encourages the forces of decency as against the Mugabes and Nkomos of the world. It notes the essential role the British play in Zimbabwe-Rhodesia. It also properly and more importantly notes world opinion and the opinion of other African states that the embargo should remain in force temporarily.

There will be time enough for this body to act to give true and substantial support to this regime. But today we could act in haste. We will need all our influence, our prestige, and the good will of African leaders to help us guide Rhodesia toward decent, multiracial, democratic rule. That much of those things could be lost by a precipitous lifting of sanctions compels me to urge your support for H.R. 4439.

It is the best compromise we could bring out of committee and at least we are saying something positive about Rhodesia's efforts—the first time we have spoken publicly as a House—which is better than the executive branch has done to date.

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Mr. SOLARZ. Mr. Chairman, I yield 3 minutes to a very distinguished, able, and effective member of the Committee on Foreign Affairs and the Subcommittee on Africa, the gentleman from Pennsylvania (Mr. GRAY).

Mr. GRAY. Mr. Chairman, many questions have been raised here about the lifting of sanctions on Zimbabwe-Rhodesia. Were the elections free and fair? That question can be answered both ways, yes and no. Yes, if you simply look at the number of people who turned out, particularly blacks. Two point eight million blacks went to the polls. Yes, if you look at the sample mechanics of people going to the polls. Were they interfered with? You can answer that, yes. But you can also answer it no, no, because those who opposed the election or spoke out against the election were detained and arrested. There was also a constitution that set the ground rules for the election which were unfair. One could also point to the fliers, the 30 million fliers put out by the government, fliers like these that said: "Vote. You will end the war." When you think about the fact that 20,000 Rhodesians have lost their lives, which is equal to almost a half million casualties here, and when you also read the letters that went to the farmers saying things like this: "We appeal, therefore, to all white Rhodesians for their utmost cooperation in assisting their black employees in the April election," or, "All white Rhodesians can assist immeasurably by helping their black employees to understand the election procedure, dispelling any fears they may have, and where possible actually going to the polls with them," some could say that is not exactly fair. But that is not the issue. Do we have a black government? Some would say no. I join in that chorus because when you look at the constitution, what you really have is Ian Smith in the minority still in control with a black face. But that is still not the issue. Do we have a good transition government with basic fundamental principles? I suggest to you that the answer is no because it is not a transition. You have this constitution for 10 years, and then a 5-man commission, where 3 of the seats are guaranteed to the whites. Other nations in Africa, black nations like Tanzania, Malawi, and Zambia, did not have such long extended periods before they went to one-man, one-vote.

What about the democratic principles of our own country? We always hear the word that we did not start this way! Blacks were not a part of it, and they are right. I was not a part of it but, thank God, it is 1979 and not 1776.

What about the war? Will lifting sanctions end the war? No; it will not end the war. In fact, it will do the opposite. It will encourage the Soviet-Cuban geopolitical aspirations. What about the signs of black millionaires in Rhodesia walking and talking with whites and going down the street together? That is not the issue. The issue is our national interest. What will lifting sanctions do to our economic and political interest in the whole of Africa? That is why I support this bill and urge not lifting sanctions because those interests will be irreparably injured.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GRAY) has expired.

Mr. SOLARZ. Mr. Chairman, I yield such time as he may consume to my very good friend, the gentleman from Maryland (Mr. MITCHELL).

● Mr. MITCHELL of Maryland. Mr. Chairman, it would give me no greater pleasure than to tell you that the recent elections in Zimbabwe-Rhodesia were indicative of progress in that part of the world, and that the ills of the current civil war will be rectified by the newly adopted constitution. But regrettably, it is not at all true. Let me briefly sketch to you the facts beyond the veneer of lies and misinformation.

If the legitimacy of the new government could be confined to procedural questions, then there might exist an argument for the lifting of sanctions against Zimbabwe-Rhodesia. Yet, only the whites were allowed a chance to have a referendum on this so-called representative constitution. The picture that the world received was that the majority population approved of whatever government was formed under the subsequent elections. All of this was set in motion when the white minority, which comprises less than 4 percent of the total electorate, ratified the new constitution.

We are told that 64 percent of the population voted, in a war-torn nation where extensive numbers of people have migrated to escape the decimating effects of civil war, and where the census data used to estimate voter turnout was over 10 years old.

We are told that the elections are "free and fair," in an atmosphere where black workers remote from polling areas were transported by their employers and by government trucks. It could be said that these efforts were made out of a true spirit of altruism in order to assist those who "freely" chose to vote and endorse the new government. I wonder then about the extent of "freedom" the about the extent of "freedom" when one's employer looks on to see who has or who has not gone to the polls to vote. I wonder about the value of "fairness" when public buses are boarded by soldiers, and they demand to know whether or not the passengers have voted.

The message communicated to the people of Zimbabwe-Rhodesia was this: Vote for the new government and the war will end. But the war will not end. There is no indication that the Muzorewa government will be any better than its predecessor in fighting the guerrillas. And if we lift sanctions now, we could only add fuel to an already ominous political powder keg.

While laws and institutions are the foundation of civilized government, they are virtually meaningless unless they are implemented by the consent of the governed. In the instance of Zimbabwe-Rhodesia, the new constitution is merely window dressing upon a civil service, judicial system, and an army which remains essentially white without any provisions made for the eventual inclusion of the majority population.

If we vote to lift sanctions now, we seriously undermine—perhaps irreparably—our credibility in Africa. Our diplomatic advances on that continent were the direct result of a commitment to a peaceful transition to majority rule. Any hesitancy we may exhibit to that commitment would send severe tremors throughout all of Africa. Nigeria, for example, with its substantial oil exports, has made it very clear that it will make reprisals against the United States in the event that it lifts the sanctions. Undoubtedly, this will hurt their economic posture. But its effects are far reaching. Nigeria's actions will close valuable markets for U.S. growth, and it will exacerbate an already skeptical Third World.●

Mr. SOLARZ. Mr. Chairman, I yield such time as he may consume to my very good friend, the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Chairman, I would like to associate myself with the remarks made by my distinguished colleague who is chairman of the subcommittee, the gentleman from New York (Mr. SOLARZ).

Mr. Chairman, I rise today to express my support for the unamended passage of H.R. 4439. The events of the recent past have reinforced our Nation's appreciation of the limits to our resources. As the world grows smaller and increasingly interdependent, we have become painfully aware that these changes demand new approaches in our conduct of world relations.

In this world of equals, our assessment of the Nation's future must judge what will be the sources of our future strength.

In this world of equals, I believe that the United States can continue to stand head and shoulder above the rest through the strength of our moral convictions. This will require a different vision from that used in the past, for it will mean that we will have to clearly articulate our convictions for our allies and adversaries alike.

The interests of our country will be best served when our equals are healthy and secure enough to fend for themselves. This is not possible where there is war. This is not possible when people, victimized by hunger and poverty, are used as political pawns in conflicts between superpowers. This is not possible when we twist definitions of our own most basic values to perpetuate tyranny.

Mr. Chairman, the President has distinguished himself in bringing forth policies which carry this new vision of our role in the world into practice. The Middle East peace, the transfer of the Panama Canal, the opening of relations with China, and SALT II all actualize our understanding of what is required for leadership in a world bounded with real limits.

The provisions of H.R. 4439 are designed to provide the President with the flexibility he needs to display the strength and confidence we feel in our new role. It will allow our allies with direct interests in the Rhodesian situation time to articulate their position on the sanctions issue. It will give us more time to judge Bishop Muzorewa's claims of legitimacy.

Mr. Chairman, before these trade sanctions were imposed, the United States accounted for only 5 percent of the Rhodesian foreign commerce. Because of various advancements in technology we are no longer dependent on them for the raw materials which our industries once needed. The true significance of lifting these sanctions is symbolic. By adopting H.R. 4439, we signal to our friends and allies that our final judgment was made with full consideration of their opinion.

But, most importantly, voting to approve this resolution will enable the President to proceed in the conduct of our foreign policy with the confidence of the Congress in his ability to determine our national interests.

I urge the adoption of this bill.

Mr. SOLARZ. Mr. Chairman, I seem to have other good friends around here. I yield such time as he may consume to the gentleman from New York (Mr. DOWNEY).

● Mr. DOWNEY. Mr. Chairman, it has been said that there have been precedents in the history of modern Africa for white minorities giving up power gradually, and maintaining control of the military, judiciary and civil service while making the transition to black majority rule. This argument is made in justification of the inequities in the constitution on which the April elections in Rhodesia were based.

However, it is fallacious to try to compare the transition to black majority rule in the former British and French colonies in Africa to Ian Smith's plan to allow a black majority in the new Rhodesian legislature, while maintaining control of the army, police and courts, and a virtual veto authority in the assembly and cabinet through reserved positions for the white majority.

In all other cases of a gradual transition from white minority to black majority rule in Africa, where the white colonial government has not been driven out by force but has voluntarily given up power, there has been a devolving European government to oversee and regulate the gradual transition.

Oversight by the devolving Mother Country of the minority control of key sectors of the African government was always an integral factor in the devolution to majority rule in former British and French colonies in Africa. What the white minority in Salisbury has written into the Constitution for itself, however, is a system of devolution of power in which the minority giving up power in a gradual process is its own supervisor. In the case of Rhodesia there will be no devolving power in Europe or elsewhere to monitor the process and see that the military, judicial, internal security, and legislative powers retained by the white minority for the next 5 to 10 years are not abused. Judging from the past record of Mr. Smith and his party only someone with a very short memory would feel secure in allowing them the prerogative of self-oversight in the process of transferring power to the black majority.

Not only should key Cabinet posts be held by members of the black majority, blacks must also be more representative in bureaucratic leadership roles in the civil service, army, police, and judiciary for any transition to majority rule to be meaningful. Black Cabinet ministers as figureheads holding portfolios for an almost totally white bureaucracy presents a pathetic facade, which the United States is justified in pointing out as a barrier to lifting sanctions. The driving force of Rhodesia's Government today, below the Cabinet level, is virtually the same as the bureaucracy which existed last year under Mr. Ian Smith's leadership.

The continuance of this hold on real power is insured by the wording of the Rhodesian Constitution. This Constitution has never been submitted to the black majority for approval, and in reading it carefully the reason for this becomes apparent. For a citizen of Zimbabwe-Rhodesia to become commissioner of police, for example, he or she must have been an assistant commissioner of police for at least 5 years. To my knowledge, there is not a single black citizen of Zimbabwe-Rhodesia who would qualify even for consideration for this post. Nevertheless, the Constitution states further that any candidate must also be approved by the Judicial Council, which is also made up of whites—since, I am told, there was only one black judge in Rhodesia at the time of the April elections. The hands of the black Prime Minister and black Cabinet Ministers are tied in the same way with regard to appointments to nearly all important positions in the bureaucracy by the provisions of the Constitution.

This constitutionally protected, minority-controlled structure with a new coat of black paint on the outside does not, in my mind, constitute a transition to majority rule. Great progress remains to be made to admit the black majority in Zimbabwe-Rhodesia into a full role in the political system of their country. To insure that this progress occurs, and to turn the fiction of majority rule in Rhodesia into fact, the President must have the option to judge the new regime in that country according to its performance in the coming months and lift or retain sanctions accordingly. To tie his hands now by setting an unquestionable date for lifting sanctions without Presidential review is to give up and remove the pressure for genuine majority rule in Zimbabwe-Rhodesia.●

Mr. SOLARZ. Last, but certainly not least, Mr. Chairman, I yield such time as she may consume to my very close friend, the gentlewoman from New York (Mrs. CHISHOLM).

● Mrs. CHISHOLM. Mr. Chairman, as my colleagues consider H.R. 4439, relating to sanctions against Zimbabwe-Rhodesia, I would like to bring to their attention several major issues surrounding the enactment of this bill which I feel, after close scrutiny, will encourage you to support this measure.

Key opponents of the bill have argued that the lifting of sanctions should not be delayed, because Rhodesia has fulfilled the intent of the Case-Javits amendment by fair and free election of a black majority government. However, I disagree with the conclusion that the elections were fair, free, or successful in establishing a genuine black majority government.

With reference to the fairness of the April 1979 elections, I turn to our own U.S. Constitution for guidance. A fundamental concept of our Constitution and indeed of democratic government itself involves the notion of equal protection of all persons under law.

I find it difficult to label the Rhodesian election "fair" when the constitution under which the election occurred contained no provisions for granting "equal" voting rights to all its citizens. For example, white members of the senate select the white members of the house while black members choose the black members of the house. In addition, a fair election cannot take place, if various political parties are outlawed and thus prevented from participating in the elections several months before the election even takes place.

Can we also say that the Zimbabwe-Rhodesian election was "fair" when it allows a minority of the population to retain control over such critical civil institutions as the police and judicial system? Would the United States suddenly hand over control of these services to any minority in this country?

Thus, the nature of the Rhodesian Constitution and the election proceedings themselves violate basic standards of fundamental democratic liberties.

Similarly, when examining the question of whether the elections were "free", I again turn to our Constitution for reference. Two of the principles embodied in the Bill of Rights are the right to freedom of speech and the right to petition the Government for a redress of grievances. At no time were the people of Zimbabwe-Rhodesia allowed to express opposition to the proposed Constitution or to insure the inclusion of their rights in its formation. It has been argued that blacks had the option to boycott the polls as a form of opposition but did not choose to do so. However, an overwhelming majority of observers seem to agree that the elections were not free. Blacks were coerced and officially intimidated which accounts for the high percentage of those turning out to vote. Additionally, the official voting statistics are highly questionable, since at several polling sites observers noted that voters were never asked to prove eligibility before vote. Lord Chitmus, an observer from the British House of Lords, emphasized at a recent briefing that he watched several people, clearly under 18, voting at a polling center that recorded over 100 percent of the eligible voting population. He also recounted stories of Rhodesians who were pulled off buses, threatened with imprisonment and the bombing of their homes. In several recorded instances, citizens were even shot and killed for refusing to vote as directed.

Those living in protected villages, tribal trust farms and institutionalized facilities constitute 50 percent of Zimbabwe-Rhodesia's population. In most cases, employers did not allow workers to begin work until they had voted. In my opinion, this type of direct intimidation forecloses the "free" expression of one's opinions.

For me, it is particularly significant that black children are denied the right to an equal education. In practice, economic requirements related to attendance at integrated schools, totally preclude enrollment of black students. For example, school fees which exceed a person's expendable income in essence will clearly prevent that individual from obtaining educational opportunities commensurate with those of their white counterparts.

Finally, does this government have the necessary elements to successfully survive and what are the consequences to immediately lifting sanctions against Zimbabwe-Rhodesia? I am sure that you are all aware that Bishop Muzorewa has already lost eight members of his parliament. This exodus could be a direct result of the parliament's division along racial lines.

The United States cannot afford to be viewed as a front runner on this issue particularly when Great Britain—which maintains responsibility under international law over Zimbabwe-Rhodesia—has yet to recognize the legitimacy of the present government. The only country to recognize this government is South Africa. The United States cannot afford to aline itself in the eyes of the world with South Africa on this matter. Black-ruled Africa, which is our leading supplier of natural resources will monitor our actions closely.

I reiterate that the elections in Zimbabwe-Rhodesia were neither fair nor free. I urge your support of H.R. 4439 because this legislation is in the best interest of our Nation.●

Mr. SOLARZ. Mr. Chairman, I yield for the purpose of closing debate 2 minutes to the very distinguished, able, and effective gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of the Committee on Foreign Affairs, who is my very good friend.

Mr. ZABLOCKI. Mr. Chairman, I rise in strong support of H.R. 4439. I know I probably can be characterized as a middle-of-the-roader on this issue. Nevertheless, I have approached this issue in a dispassionate, objective, and responsible way. Certainly, like many of the others, I am not perfectly satisfied with the contents and the substance of the bill nor am I satisfied with the situation in Zimbabwe-Rhodesia. I am sure we must all agree that due credit must be given to the progress made in the biracial election that occurred in Zimbabwe-Rhodesia, and we should give applause and commendation for the progress made to date. We pray that this progress will continue. We must also, to the extent that we can, assist and encourage further progress. That is why, Mr. Chairman, your Committee on Foreign Affairs reported out H.R. 4439 as a truly compromise bill, so that we could get all of the members present at the markup to unanimously support and report the legislation for the consideration of the entire House. I know there will be amendments, and I shall at this time advise those who will introduce such amendments that it is my intention to offer a substitute that will have the effect of retaining the compromise that we have brought before the House, because I think this is in the best interests of our country. The primary thing we must remember is that whatever action we take must be in the interest of our national security, in the interest of our country, and in the interests of all of the people of Zimbabwe-Rhodesia.

Mr. Chairman, this bill was adopted unanimously by the Foreign Affairs Committee on June 15 by a vote of 33 to 0. The members of the committee felt that it was in the interest of the United States to reach a constructive compromise on this issue. I believe H.R. 4439 to be such a compromise. One which recognizes new and important developments which should have a direct bearing on our deliberations on the issue addressed in this bill.

First is the change which has taken place in Rhodesia. The Secretary of State has stated that significant progress has been made and he described the situation prevailing in Zimbabwe-Rhodesia since the April elections as a new reality. I concur in that assessment. I fully understand the position of those who urge that the white minority retains disproportionate powers under the Constitution.

It would be wrong to discount, however, what has happened there. For the first time, all of the people in Rhodesia, blacks and whites, had the opportunity to vote and choose their political leaders. Over 60 percent of the voters participated and by the President's own assessment, the elections were administered in a reasonably fair way under the circumstances. There is now a black Prime Minister Bishop and a black majority in parliament.

Our objective should be to build upon this base and encourage further change which would allow the black majority, who constitute 96 percent of the population, greater political, economic, and social opportunities.

We should also recognize the position of the new conservative government in the United Kingdom. The British have legal responsibility for Rhodesia. Since assuming office in early May, the conservative government has indicated their intention to build on the existing situation and bring Rhodesia to legality and independence under wide international recognition. Aside from their consultations with the United States, the British have embarked on an extensive round of talks with all of the interested parties.

They have named a senior government representative who will visit Salisbury frequently and will stay in contact with Bishop Muzorewa and his government. He will be visiting the Front Line states and Nigeria to discuss the Rhodesian situation.

Rhodesia will also be discussed at the meeting of the countries in the Organization of African Unity in Liberia in July and at the commonwealth countries meeting in Zambia in August.

I do not believe it would be in the interests of the United States to move ahead of the British on this issue. During this initial and exploratory period—whose outcome none of us can predict, we should be endeavoring to complement and reinforce British efforts.

Nor do I believe any gain is to be secured if we were to move precipitously and before we are able to determine how effectively and well the new black leadership in Rhodesia assumes the reins of power and responsibility. The opportunity is there but the test still must be met. I believe it is in the interest of the United States to provide encouragement to the new government, thereby assisting them in meeting its test, while at the same time helping to bring stability to the area. I believe H.R. 4439 is a step toward achieving these objectives.

Further, Mr. Chairman, the Congress shall be able to monitor developments in the coming period. The President has said he will report to the Congress monthly on the progress which has been made. Secretary of State Vance has also assured the committee that a U.S. official will visit Zimbabwe-Rhodesia and will report to the President on the developing situation in that country. That official will be an objective observer without prejudice to the present government or any other parties in the dispute. This will give the Congress ample information which will enable it active and continuous review.

Mr. Chairman, I urge all Members to vote for H.R. 4439.

● Mr. DIGGS. Mr. Chairman, H.R. 4439 rests on compromise language representing the feeling of many Members of differing views that sanctions should not be lifted at this time. I concur in that conclusion. However, this bill represents no compromise in the ultimate responsibility of the House. In the final analysis, we must legislate in the interests of the Nation as a whole. And as the committee unanimously voted, we are faced with that critical responsibility here. It is the national interest which must govern our policy on Rhodesian sanctions.

Mr. Chairman, the term "national interest" here has been given content and meaning by the President's determination of June 7 on Rhodesian sanctions, and by his explanation of that determination. President Carter's determination and explanation are an integral part of the legislative history of H.R. 4439. The national interest, in terms of the President's responsibility as one of its constitutional custodians, cannot be determined relative to lifting sanctions without the President reviewing the same factors which he incorporated into his determination of June 7.

Mr. Chairman, our deliberation on H.R. 4439, and the President's June 7 determination are first steps in rectifying a serious imbalance in American foreign policy. They have confirmed the importance of our interests in Africa in the total realm of American global interests. The Congress requested a determination, and the President determined, that cooperation with white minority regimes in southern Africa affronts our national interest. This affront occurs especially because of the interplay of southern Africa with U.S. interests in international organizations, elsewhere on the African Continent, in the Middle East, in maintaining peace with the Soviet Union, in coordinating our policy with Britain, in maintaining access to vital minerals and other resources, and in fostering a healthy climate for American business.

Mr. Chairman, the perception of the importance of Africa in comparison with our other global concerns is long overdue. U.S. official resources flowing to Africa have long been, and have unfortunately remained at the lowest level compared with resources which we make available to other regions of the world to pursue our policies. We have benefitted lately in our relations with Africa in ways grossly undervalued in terms of the importance to use of those benefits. The President's determination, and this House rising to its responsibility in these circumstances, confirm the reality of Africa's importance to us.

Mr. Chairman, the passage of H.R. 4439 will come none too soon to save us from taking actions—such as lifting sanctions—that promise to fly in the face of unanimous African opinion, and actions, moreover, which would tie our prestige to a government finding it difficult to hold itself together, much less end a debilitating civil war and unify a nation.

Notwithstanding differences in size and wealth—such as Nigeria and Botswana, or animosities between African states—such as Tanzania and Kenya, or differing tribal and colonial backgrounds—such as Liberia and the Ivory Coast, or different political orientations—such as Senegal and Congo-Brazzaville, Africa is united in opposing lifting of sanctions against Rhodesia by the United States or Britain. Such unanimity is indeed worthy of note on a continent where the policital and economic winds of change, and sometimes of violence, are so strong. This unity will be strongly reflected in the OAU meeting in July, and the Commonwealth Prime Ministers Meeting in August.

Mr. Chairman, African unity in rejecting the Muzorewa/Smith government goes beyond conventional distinctions between so-called "moderate" and "progressive" states. It moreover has been tested by a recent diplomatic mission sent by Salibury to at least seven so-called "moderate" states to urgently seek recognition. They unanimously refused, and sometimes not so gently, as with Ivory Coast which reportedly did not allow the mission to proceed beyond the airport. Such reservations as exist among two or three so-called "moderate" governments have been entirely private and unofficial. On the other hand, at least two moderate states have recently stiffened their attitude towards Salisbury. Further, a number of African states, including some of the Front Line, seek to promote a further dialogue between Muzorewa and the Patriotic Front.

Mr. Chairman, in the face of such African unity, the United States does well in its national interest, to refuse to lift sanctions against Rhodesia.

Mr. Chairman, it was reported on June 20 that Muzorewa, barred by the constitution from controlling the administrative sector of his own Government, has now lost his party's parliamentary majority as well. The defection of James Chickerama, first vice-president of Muzorewa's UANC party, multiples the disunity within the Government. Along with the defection of Reverend Sithole, it raises grave doubts whether Muzorewa can unify the country. It makes him more dependent than ever on the white minority bloc of 28 seats in Parliament, in order to govern.

Finally, and in this connection, Mr. Chairman, a report in the Washington Post on June 19 demonstrated once again that should the United States lift sanctions at this time, it would be supporting a government where the sinews of white minority domination remain intact, notwithstanding the recent elections. The position of Secretary to the Cabinet, an important post in Anglophonic Africa, is one in the Prime Minister's inner circle in Salisbury. Through the internal settlement and Muzorewa's accession, that post was held by Jack Gaylard, a longtime confidante of Ian Smith whose negative views toward Africans are well known. Muzorewa apparently took steps to remove him from that post. Gaylard resigned. A person of Zimbabwean/Indian ancestry was Muzorewa's candidate for the position. But his appointment was reportedly vetoed by the Public Service Commission, which is dominated by whites under the entrenched clauses of the constitution, and which claimed he did not meet the constitutionally entrenched personnel requirements of the post. Those requirements were deliberately drafted to exclude or severely limit, regardless of merit, opportunities for nonwhite candidates. Moreover, the person now in the position and approved by the same Commission, is none other than George Smith, the former Solicitor-General under Ian Smith, who was instrumental in drafting the constitution complete with these entrenched clauses. Thus, minority control continues to operate at the highest levels in Salisbury.

Mr. Chairman, we simply cannot conclude that majority rule has arrived in Rhodesia when the white minority has such a blatant veto over the Prime Minister's wishes for his inner circle of advisers.

In conclusion, Mr. Chairman, the importance of those provisions in H.R. 4439 which firmly attach our policy on sanctions to the President being able to determine how our national interest will be affected, cannot be overstated. The passage of H.R. 4439, as it stands intact, enables the House to discharge its responsibility with wisdom and honor.●

● Mr. SANTINI. Mr. Chairman, I rise to express my support for this legislation to lift the sanctions against Rhodesia. I expressed myself on this issue in the last Congress when we debated the ban on importation of Rhodesian chrome. The sense of frustration which I expressed at that time is still with me. Without either a clearly defined national policy of human rights or a national minerals policy, we are still operating in a total vacuum of overall direction and policy. In the international arena of human rights, we have no consistent philosophy or policy. It is at best hit or miss, and at worst, expedient hypocrisy. In the realm of vital United States minerals interests, upon which this legislation has great present and future impact, we must act without any inplace minerals policy to gage the long- or short-term consequences to this nation.

I support this legislation because the United States needs more time to consider how lifting the sanctions will affect its interests in Africa and the world. This is a crucial vote that will set the tone of our relations with all African nations for many years to come. The decision to lift sanctions should not be made in haste nor should it be based purely on the issue of the recent elections.

The April elections certainly were an important first step toward majority rule, and should be recognized as such. This bill would allow Bishop Muzorewa's government a reasonable period of time to establish its credibility and continue to move their nation along the road to multiracial democracy.

Further, by waiting until October 15 to lift sanctions, the United States would give the new conservative government in Great Britain, which has the legal responsibility for Rhodesia under international law, time to formulate its policy to decide whether it will lift its sanctions at the Commonwealth Prime Minister's meeting in August.

The United States must also carefully consider African opinion before lifting sanctions, a move which they virtually all oppose. Several friendly African nations have asked the United States to wait until after the Organization of African Unity summit conference this summer. We must not overlook our increasingly important economic, political, and geopolitical interests in maintaining friendly relations with black African nations.

As chairman of the Subcommittee on Mines and Mining, I bring an additional—and very important—perspective to this heretofore essentially political outlook. The United States has an increasingly vital minerals stake in the African Continent. We must take a moment to consider U.S. minerals interests as well.

It is important to remember that Rhodesia has one of the largest supplies of metallurgical grade chromium in the world. Chrome is vital for its use in stainless steel. It is also strategically vital in military equipment and aircraft. There is no substitute. Yet the United States today is in the position of importing 92 percent of its chromium needs. In the first quarter of 1979, we imported 24 percent of this chormium supply from the Soviet Union. This is up from a figure of 15 percent in 1978. We must reduce this dependence for such a strategically important mineral from the Soviet Union. From a minerals perspective, therefore, I would like to see the sanctions on Rhodesia lifted. I support the compromise measure proposed by H.R. 4439 in that it will see the lifting of those sanctions by October 15 of this year.

I support the compromise measure as well because it will allow us to lift the sanctions in a judicious manner, with the necessary time to analyze the impact this will have on our other minerals interests in Africa. Zaire and Zambia supply 72 percent of U.S. imports of cobalt, another essential mineral for steel production and assorted military uses. Both nations have been emphatic in their demands that the United States not lift the embargo. Another African nation, Nigeria, supplies from 12 percent to 18 percent of U.S. oil imports. It has made veiled suggestions of retaliation. A 4-month delay in lifting sanctions will give us an opportunity to reach a better understanding with these African nations, in which we also have a vital minerals interest.

African nations are the major foreign suppliers for 17 minerals which the United States imports. Among these are the four basic minerals of chromium, cobalt, manganese, and the plutonium group metals, vital for the industrial and military base of this Nation. Among these four basic minerals, cobalt is the only one for which the Soviet Union is not our alternative supplier. I cannot emphasize too strongly to my colleagues my strong sense of the inadvisability of increasing this dependence on the Soviet Union for these critical minerals.

Therefore, Mr. Chairman, I support this measure before us today because it gives us the opportunity to lift the Rhodesian sanctions after due consideration, without jeopardizing our vital minerals interests in the process.●

● Mr. BIAGGI. Mr. Chairman, on numerous occasions during this decade we have been asked to vote on legislation which in some way shapes American foreign policy with respect to Rhodesia. Such is the case today with the consideration of H.R. 4439—legislation which proposes to lift the sanctions against Rhodesia by October 15 unless the President determines and reports to Congress that it would not be in the national interest to do so.

Let us evaluate this legislation in the context of the situation in Zimbabwe-Rhodesia today. Much has been said about the April elections conducted in Rhodesia which brought Bishop Muzorewa to power. He was elected under the auspices of a constitution that preserves minority control over institutions as vital as the army, police, judiciary, and civil service, for at least 10 years.

The issue here is whether this election constitutes prima facie evidence that Rhodesia has progressed sufficiently to warrant the lifting of sanctions. While the election did register a sizable turnout of voters, with some estimates as high as 63 percent—there were major election irregularities in the process including outright barring of two nationalist political parties—and the effect of martial laws either restricting access to the polls or exerting coercion in the voting of some. While the elections in effect endorsed an internal settlement—it is far from clear as to whether one can objectively state that the settlement has truly been ratified. It would be precipitous for this Nation to undertake a strong step such as lifting sanctions until the situation is somewhat clearer.

However, any consideration of this legislation would be incomplete without pondering the full importance of this bill, and the pivotal time at which it is proposed. Zimbabwe-Rhodesia is but one nation among a continent of African nations that produce resources vital to the United States. Nigeria alone, supplies us with 15 percent of our oil imports. As the lines for gasoline lengthen across America, we should remember that Nigeria, along with the great majority of the nations of Africa, has taken a strong public stand against the lifting of sanctions on Zimbabwe-Rhodesia.

We must also not forget that in the last several years, non-African nations have increasingly intervened in African affairs. There is the threat that Cuban and Soviet involvement in Africa may increase if the struggle between the Zimbabwe-Rhodesian Government and the Patriotic Front guerrillas intensifies, and if, at this crossroads in our policy, we alienate the other nations of Africa.

It is also incumbent on us to form our policy on sanctions in conjunction with Great Britain, the nation closest to Zimbabwe-Rhodesia under international law. Great Britain has yet to make a final decision on the question of sanctions. We must not take a course of action that will isolate us from our allies, and from the rest of the world.

By giving the President authorization to maintain sanctions if he determines that to do so is in our national interest, H.R. 4439 permits him to keep our policy toward Zimbabwe-Rhodesia consistent with our overall foreign policy requirements and objectives.

I recognize and appreciate the spirit of compromise under which this bill was developed. It offers Members on both sides of the issue an opportunity to assess. Many of us felt that the white majority rule in Rhodesia was both artificial and unfair. Some of us have been heartened by the progress which has been made—but we must make the distinction between being heartened about a development and being convinced that the development has changed the overall situation.

Let us underscore the fact that this is an important foreign policy vote. We must act responsibly and not precipitously in this issue. A vote for H.R. 4439 is a proper vote and I urge support.●

● Mr. ALEXANDER. Mr. Chairman, the OPEC jury has rendered its verdict. The current price of OPEC oil will be raised by 30 to 65 percent. What price we pay will depend upon who we buy from and whether or not our international activities are agreeable to their ideological and economic policies. Our growing dependence upon foreign oil has made us captive of the political whims of the Arabs OPEC governments.

The Organization of Petroleum Exporting Countries (OPEC) consists of 13 countries and I believe it is important, when we consider our foreign affairs activities and investments, that we keep in mind the extent and fragility of our dependence upon the OPEC governments. Of the 13 OPEC nations, 95 percent of our imported oil comes from the following, in descending order or supply:

Saudi Arabia;
Nigeria;
Libya;
Venezuela;
Algeria;
Iran;
Indonesia; and
United Arab Emirates.

The remaining 5 percent of our OPEC oil supplies are provided by Kuwait, Iraq, Qatar, Gabon, and Ecuador.

We all remember how the 1973 oil boycott brought us to our knees but we must also remember that this was an action by the Arab OPEC nations. The countries which did not participate were Nigeria, Gabon, Venezuela, Ecuador, Indonesia, and Iran. Now, however, Iran has undergone a revolution and must be cast as an undependable supplier of oil and Nigeria is examining its position because of our recognition of the newly elected Government of Zimbabwe-Rhodesia. Also, Nigeria sent clear signals to President Carter that the lifting of sanctions on Zimbabwe-Rhodesia would jeopardize our continued supply of oil.

As to the Arab OPEC nations, none appreciated our role in the Israeli-Egyptian peace settlement and they are using their oil weapon to make us pay the price for our involvement. Saudi Arabia tries to be the voice of moderation because they have invested their surplus dollars in the West and to protect their assets they must help to maintain a stable world economy. Unfortunately, the other Arab countries do not have the same vested self-interest. Libya, Algeria, and Iraq continue to lead the demand for higher and higher oil prices and the more distress it causes, the more encouragement it appears to provide for further punitive actions. More than 50 percent of our OPEC imports come from the Arab oil nations and, at best, the Middle East remains a fragile, unstable, and volatile area.

We have allowed ourselves to become political hostages to the oil producing and exporting nations. We have had to stand by in an almost helpless state as the OPEC nations decide what price they will extract from us so we can sustain our oil-fired economy. It is time to free ourselves from the ever tightening bind. It is time to move decisively and boldly in developing domestic fuel sources so that the legacy we leave our children and future generations is free from foreign energy blackmail.●

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that—

(1) it is in the interest of the United States to encourage the development of a multiracial democracy in Zimbabwe-Rhodesia based on both majority rule and minority rights;

(2) the elections held in April 1979 constituted a significant step toward multiracial democracy in Zimbabwe-Rhodesia;

(3) it is in the foreign policy interest of the United States to further continuing progress toward genuine majority rule in Zimbabwe-Rhodesia and to encourage a peaceful resolution of the conflict; and

(4) the Government of Great Britain, which retains responsibility for Zimbabwe-Rhodesia under international law, has not yet taken steps to recognize the legality of the new government.

(b) In view of these considerations the President shall—

(1) continue United States efforts to promote a speedy end to the Rhodesian conflict; and

(2) will terminate sanctions against Zimbabwe-Rhodesia when the actions of the Government of Zimbabwe-Rhodesia convincingly demonstrate the exercise of genuine majority rule.

(c) If, by December 31, 1979, the President determines that the condition set forth in subsection (b)(2) has not yet been met, he shall so report to the Congress, together with his reasons for not lifting sanctions against Zimbabwe-Rhodesia.

Mr. SOLARZ (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, strike out lines 19 through 25 and thru line 2 on page 3 and insert in lieu thereof the following:

(2) terminate sanctions against Zimbabwe-Rhodesia by October 15, 1979, unless the President determines it would not be in our national interest to do so and so reports to the Congress.

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

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QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

PARLIAMENTARY INQUIRY

Mr. SOLARZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SOLARZ. Mr. Chairman, do I understand the order of business now before the committee is the committee amendment on page 3 of the bill?

The CHAIRMAN. The gentleman is correct.

Mr. SOLARZ. Mr. Chairman, I rise in support of the committee amendment on page 3 of the bill.

I think it can fairly be said that H.R. 4439 concerning sanctions against Zimbabwe-Rhodesia is a compromise piece of legislation and the essence of that compromise is the language contained in the committee amendment on page 3 of the bill, which was offered when the committee marked up this legislation by our very distinguished chairman, the gentleman from Wisconsin (Mr. ZABLOCKI). That amendment, which is located on page 3 of the bill, which is the essence of the compromise legislation now before us, would require the President as a matter of law to terminate sanctions against Zimbabwe-Rhodesia by October 15, 1979, unless the President determines it would not be in our national interest to do so and so reports to the Congress.

I want to say to my colleagues on the committee that there are two parts to this compromise. The first part requires sanctions to be lifted as a matter of law by a date certain. The second part of the compromise gives the President the right to waive the lifting of sanctions on that date certain if due to circumstances which have taken place in the interval he determines it would not be in our national interest to do so.

Eliminate either part of that compromise, the date certain by which sanctions must be lifted or the Presidential waiver giving the President the right to avoid lifting sanctions by that date, and the compromise comes apart.

May I say to our colleagues on the committee that when the Committee on Foreign Affairs voted unanimously by a vote of 33 to 0 in favor of this compromise, we did so in the hope that by reporting out this kind of compromise legislation we might minimize the possibilities for a divisive debate within the Congress on one of the most controversial and intensely felt issues confronting the country at this time.

I might say that judging by the debate which has taken place so far, I think we have largely succeeded in that effort; but we also agreed to the compromise in the hope that by so doing we could avoid an institutional confrontation between the President and the Congress, given the virtual certainty that any legislation lifting sanctions against Zimbabwe-Rhodesia by a date certain without a Presidential waiver will be vetoed by the President.

I might say to my colleagues on the committee that whether you are for lifting sanctions immediately or whether you are for waiting until the British lift sanctions in the fall, if that is what they should decide to do——

Mr. ICHORD. Mr. Chairman, will the gentleman yield on that point?

Mr. SOLARZ. I will yield in a minute to my friend.

If you want to wait until the British lift sanctions sometime in the fall, if that is what they should decide to do, it would avail the country little and would be a disservice to the Nation if we got embroiled in a completely counterproductive institutional confrontation.

The fact of the matter is that any legislation which lifts sanctions by a date certain, which is what would happen if the amendment about to be offered by the gentleman from Michigan (Mr. BROOMFIELD) is adopted, is the political and diplomatic equivalent of lifting sanctions immediately, because it would send a clear message to the entire world that as of the date we pass this legislation, the Congress of the United States had decided that regardless of what the British do, regardless of what the rest of Africa does, regardless of what may happen in Zimbabwe-Rhodesia itself, we are going to be lifting sanctions without any possibility of a Presidential waiver by a particular date, and if we take that kind of action we get all of the diplomatic and political disadvantages of lifting sanctions immediately.

I would say in conclusion that if there was anything on which the overwhelming majority of the Committee on Foreign Affairs agreed, it was that it would be a serious mistake for us to pass legislation in any form which was the functional equivalent of lifting sanctions immediately. There are some issues on which we ought to be out in front. There are other issues on which we ought not to be out in front. This is one issue where the British have the responsibility, rather than us, and where we should let them act first.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(At the request of Mr. ICHORD, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the bill states that if this measure is not passed in the form as reported by the gentleman's committee that the President might veto the bill.

What is so dangerous about having a Presidential veto? I would point out to the gentleman from New York that the Senate has already passed two separate amendments. There is an amendment that is already attached to the State Department bill. There is an amendment attached which immediately lifts sanctions against Zimbabwe-Rhodesia to the armed services bill.

I would state to the gentleman from New York that the Senate overwhelmingly voted to lift the sanctions because of the immorality and the hypocrisy of this Nation's position toward Zimbabwe-

Rhodesia. So what is wrong with a Presidential veto?

Mr. SOLARZ. Well, may I say to my very good friend, the gentleman from Missouri, that on the key vote in the Senate, the vote was 52 to 41. There are clearly enough Senators to sustain a Presidential veto of this legislation. It is not completely accurate to suggest that sanctions were lifted overwhelmingly, because on an amendment somewhat similar to this, although different in a number of significant respects, particularly insofar as it failed to pay tribute to the internal settlement, the vote in the Senate was a very close one; but the reason I think it is in our interest to avoid a Presidential veto is that I do not think it does a service to the Nation for us to be locked into an institutional confrontation from which no one emerges successfully.

The fact of the matter is that, for better or for worse, the gentleman and those who agree with the gentleman that sanctions should be definitively lifted by a date certain without a Presidential waiver do not have the votes to override a Presidential veto.

I see no purpose to be served by tying up the President and the Congress in a sterile and counterproductive confrontation over the next several months; whereas, if we pass the bill as it came out of our committee, we have achieved a kind of consensus within the Congress. We have worked with the President toward encouraging further progress toward genuine majority rule in Zimbabwe-Rhodesia.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, granted that we do not have the votes to overrule or override a Presidential veto, is the gentleman seriously making the argument that we should pass judgment on what is right or wrong merely because of a Presidential veto?

Mr. SOLARZ. Not merely, but I think it is something that we might want to take into consideration.

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The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. DUNCAN of Oregon, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, am I not correct that based upon the arguments that have been offered here, there is particular agreement that we ought not to raise sanctions until sometime in the fall, and probably, according to the proposal of the gentleman from Wisconsin (Mr. ZABLOCKI), December 1; is that correct?

Mr. SOLARZ. That is correct.

Mr. DUNCAN of Oregon. Mr. Chairman, assuming many people are not approving of the tone of the President's message when he made a decision not to lift sanctions and they might be dubious about what the President might do, is it not also true that in December or on December 1 this body would have full power to pass a legislative lifting of sanctions; is that not correct?

Mr. SOLARZ. As always, the gentleman is absolutely correct.

Mr. DUNCAN of Oregon. So that if there is no disagreement as to the time at which this should be done and if this body retains full power to have this confrontation with the President, should it be necessary, we can have that confrontation in December; is that correct?

Mr. SOLARZ. The gentleman is accurate.

Mr. DUNCAN of Oregon. And by following the lead of the committee, can we not look forward hopefully to a concurrence of legislative and executive opinion on this subject by the fall, which would eliminate this institutional confrontation which the gentleman seeks to avoid?

Mr. SOLARZ. Mr. Chairman, I will say to my friend that I am convinced that the chances are that by the fall the Congress and the President will be united about what we should do with respect to this very complex and controversial issue. I think it always serves the interests of the Nation when we can move forward together rather than when one branch of the Government has to drag the other reluctantly behind it.

Mr. DUNCAN of Oregon. Mr. Chairman, if the gentleman will yield further, that is particularly true where it is absolutely unnecessary to have this confrontation.

Mr. SOLARZ. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(On request of Mr. FINDLEY, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I was somewhat puzzled when I heard the statement made that the chairman of the committee, the gentleman from Wisconsin (Mr. ZABLOCKI), was suggesting the December 1 date. I am puzzled, because I believe the chairman of the committee offered the committee amendment in committee which states October 15 as the date.

That is the amendment that is now pending, and I assume this was simply a misstatement when it was stated that what we are talking about is October 15; am I correct?

Mr. SOLARZ. Mr. Chairman, the language in the bill before us in the form of the committee amendment which is the item before the committee at this point, does refer to the October 15 date.

Mr. FINDLEY. And that is the language the gentleman is supporting?

Mr. SOLARZ. Yes.

Mr. FINDLEY. And it is the language the chairman of the committee, the gentleman from Wisconsin (Mr. ZABLOCKI) supported?

Mr. SOLARZ. That is the language I support, and as I told the gentleman from Illinois (Mr. FINDLEY), I am committed to the October 15 date, and when I make a commitment, I keep the commitment. But I also support—and this is the key to my position and that of the committee—the compromise putting a Presidential waiver on whatever date is applicable.

Mr. FINDLEY. Mr. Chairman, does the gentleman continue to yield to me?

Mr. SOLARZ. Yes; I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, as the gentleman recalls, I am sure I agreed to the compromise under which the Presidential waiver would continue in consideration for the gentleman's agreement to go from December 1 to October 15.

Mr. SOLARZ. Mr. Chairman, the gentleman is absolutely correct, and that is why I know the gentleman will be opposing the amendment to be offered by the gentleman from Michigan (Mr. BROOMFIELD), which would eliminate the Presidential waiver, which was part of the concession he made in his agreement to support this compromise.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I would like to ask the gentleman this question: This amendment has the October 15 date in it, is that correct? This is the amendment we are speaking on, the committee compromise amendment; is that right?

Mr. SOLARZ. That is correct.

Mr. SKELTON. Mr. Chairman, let me ask the gentleman this: What economic problems would result to this country if this amendment passes? I think that is one thing we should know.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(On request of Mr. SKELTON and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, in response to the gentleman, let me say it is very difficult to answer that question with any precision, but I can give the gentleman my best judgment.

Mr. SKELTON. I want the gentleman's best judgment.

Mr. SOLARZ. The fact of the matter is that we import significant mineral resourcs from several African countries. We import cobalt from Zaire, we import rubber from Liberia, we import bauxite from Guinea, we import oil from Nigeria, we import copper from Zambia, and we import manganese from Gabon. Several of these countries have indicated, not that they would necessarily terminate these supplies of minerals if we lifted sanctions, but that if we were to lift the sanctions before anybody else in the world, before the British or before there are any changes in Zimbabwe/Rhodesia itself, they would take the matter under serious consideration, and might take some action to show their displeasure as a result of the action we would have taken.

Under these circumstances, it is possible that we would be running serious risks to our economy if we made a precipitous and premature decision to lift sanctions at this point.

Mr. SKELTON. Mr. Chairman, I have one last question.

Have the British at this moment taken any steps one way or the other toward the recognition of Rhodesia?

Mr. SOLARZ. The British have not lifted sanctions at this point. They have dispatched an emissary to Salisbury to meet with Bishop Muzorewa and also to meet with officials of the front line states. I was told in a long distance conversation with Assistant Secretary Moose in London yesterday, who is conferring with his British counterparts, that the British are now engaged in a very serious effort to try to persuade the bishop to make some serious changes and concessions which, if he does make those concessions, would facilitate broader international recognition of the new government in Salisbury, thereby making it diplomatically easier for the United Kingdom and the United States to recognize it.

I think the feeling of our British allies would be that if we adopted legislation definitively cutting off sanctions without a Presidential waiver, it would completely undermine their essential efforts in that regard.

AMENDMENT OFFERED BY MR. BROOMFIELD TO THE COMMITTEE AMENDMENT

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD to the committee amendment: Strike out all that follows "(2) terminate" and insert the following: "sanctions against Zimbabwe-Rhodesia by December 1, 1979. If the President determines that the continuation of sanctions beyond December 1, 1979 is in the national interest of the United States, he shall recommend to the Congress appropriate legislation to extend such sanctions.".

Mr. BROOMFIELD. Mr. Chairman, I am offering a reasonable compromise amendment which reflects the combined thought and efforts of many of our colleagues, including Mr. DERWINSKI, Mr. ICHORD, Mr. LAGOMARSINO, and a number of others.

This amendment does two things. First, it constructively modifies the provision permitting the President to maintain indefinitely sanctions by making the administration's determination to continue sanctions contingent on the passage of specific legislation by Congress. Second, it sets the date for terminating U.S. sanctions at December 1, 1979. That date will give both the administration and our British colleagues ample time to reach a decision on the issue of sanctions.

This amendment is a compromise. A few Members are opposed to lifting sanctions at any time in the foreseeable future. On the other hand, some Members favor an immediate lifting of sanctions, while the Foreign Affairs Committee favored October 15, 1979. My amendment, like the committee position, sets a specific date for lifting sanctions, but it pushes that date back to December 1, almost 6 months away.

What the Government of Zimbabwe-Rhodesia needs most from the United States at this time is a clear signal that it is moving in the proper direction. Unfortunately, the administration's reluctance to offer any encouragement to the new Government of Zimbabwe-Rhodesia is particularly damaging in our Rhodesian policy at this time. By failing to provide adequate recognition of important movements toward a more democratic multiracial society in Zimbabwe-Rhodesia, the President missed an opportunity to reinforce these movements. My amendment offers the House an opportunity to vote on a responsible, moderate message to the black majority of Zimbabwe-Rhodesia. The message is that Congress recognizes that the people of Zimbabwe-Rhodesia have demonstrated, through their elections, that real and substantial progress is being made in the continuing development of a multiracial, democratic society with respect for human rights.

A June 8 editorial in the Washington Post pointed out that the President has not had "the political tact to show himself more than grudgingly open to the substantial progress made toward democratic rule in Salisbury, and eager to preserve and consolidate those gains by helping to end the imminent threat posed to them by the war. He had the clumsiness to virtually dismiss Prime Minister Muzorewa and the arrogance to say that his decision was in the interest of the people of Zimbabwe-Rhodesia."

While this legislation attempts to provide some encouragement to the people of Zimbabwe-Rhodesia, I find it seriously flawed by the unlimited Presidential waiver provision.

In the national interest of the United States, as well as in the interest of the people of Zimbabwe-Rhodesia, I believe that we should remove this legislative loophole and fix the date for lifting sanctions at December 1, 1979. In this way, the Congress can more constructively participate in an important foreign policy decision—a decision which will ultimately affect our genuine commitment to the democratic process not only in Zimbabwe-Rhodesia, but also throughout the world.

I urge my colleagues to support the amendment.

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Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD). It is a responsible amendment.

To continue sanctions against the African nation of Zimbabwe-Rhodesia only serves to underline the hypocrisy of this administration's foreign policy, especially in southern Africa. The administration says the Rhodesian "internal settlement" is inadequate because the Patriotic Front did not participate in the elections. Yet, the Patriotic Front has repeatedly expressed contempt for elections—even though it was invited to participate—multiparty politics and the basic institutions of democracy. On June 8 guerrilla leader Robert Mugabe virtually ruled out the possibility he would ever agree to participate in any election with Prime Minister Muzorewa. He added any new negotiations would have to be held directly between the guerrillas and Britain and exclude the Muzorewa government.

Moreover, the administration's unswerving concern for the attitude of the frontline states in southern Africa overlooks the fact that all of them, with the exception of Botswana, are one-party regimes with less claim to being a democratic model than Rhodesia.

Angola and Mozambique, for example, are ruled by pro-Soviet Marxist parties. Those regimes have had to depend heavily on outside military assistance from Cuba and East Germany to maintain their political power. The policies those regimes followed included repression and elimination of political rivals, and forcing white minorities to leave those countries, taking with them the skills and capital needed to maintain a viable economy.

Bishop Muzorewa defends the internal settlement for Rhodesia for the very reasons many critics oppose it. He says the concept of reserved seats for whites in the legislature is the best way to insure that a vitally important white minority remains in Rhodesia. Muzorewa cites the experience of the frontline states bordering on Rhodesia saying, "It is unwise to chase away indigenous skilled whites and then hire them back at treble the cost." What is also overlooked is that other African States such as Tanzania, Kenya, an Zambia had special provisions in their constitutions to protect the interests of minority whites until one-party regimes took control of those countries and excluded them from political participation or drove them out of the country—Tanzania (1960) 30 percent of seats for 1 percent of the population; Kenya 30 percent to 4 percent of the population.

Bishop Muzorewa also argues that criticism of the internal settlement is made not so much on principle but on personalities. He says the front line states are not seeking majority rule but rather "Nkomo rule." In that sense it is not the "quality of the settlement at stake. It is personalities." Muzorewa says, "The masses in Zimbabwe know what is going on and that is why the Patriotic Front has failed to gain support within Zimbabwe."

The Rhodesian Constitution, as provided for in the internal settlement, seeks to distribute power in a balanced way to prevent any one sector from dominating the remainder of society. This is true in regard not only to whites against blacks, but also to tribe against tribe, rich against poor and north against south. In many ways, the Rhodesian Constitution is easier to amend than the U.S. Constitution—two-thirds vote of the assembly—except for entrenched clauses. In the United States, 34 Senators from 17 States representing only 6.7 percent of the population can block an amendment.

While the administration and some Members of Congress continue to argue that lifting of sanctions and recognizing the Government of Rhodesia would jeopardize relations with other African states, which are supposedly more important for U.S. policy interests, they ignore the comparison of U.S. support for Israel at the risk of antagonizing the Arab States. That also points up the further hypocritical stance of this administration, which insists that the Patriotic Front participate in the Rhodesia settlement but makes no similar claim for the PLO in a Middle East settlement.

When you look at the new government in Rhodesia and compare it with other regimes like the Soviet Union, the People's Republic of China, and Iran, with whom the United States has diplomatic relations, the test of the Rhodesian Government being "repressive" and "undemocratic" simply does not hold up.

The Rhodesian Constitution and recent elections do not establish a "pure" democracy. But the changes the Rhodesian Government is making are part of the transition process that is leading to a majority rule that no other major front line state in southern Africa can rival. It makes no sense to penalize Rhodesia for what some consider inadequate progress toward democracy when its neighbors have not even advanced that far.

Mr. SOLARZ. Mr. Chairman, I ask unanimous consent that all debate on the amendment to the committee amendment offered by the gentleman from Michigan (Mr. BROOMFIELD) and all amendments thereto close at 8:50 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DERWINSKI. Mr. Chairman, reserving the right to object, may I point out to my very, very good friend, the gentleman from New York (Mr. SOLARZ), that this is probably the major amendment, and I would think it really would be premature to limit debate at this point. We realize that this body this afternoon will be like the United Nations and some of the great oratory of our time will be coming forth. We really should not limit the debate prematurely. I would ask the gentleman to withhold his unanimous-consent request until the gentleman feels we have really run our course.

Mr. SOLARZ. Mr. Chairman, I withdraw my unanimous consent request.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the first thing to be said about the alleged compromise amendment offered by our distinguished ranking minority leader on the Committee on Foreign Affairs is that it does constitute definitive action now, lifting sanctions. The rest of the language of the amendment is pure fluff, if I may say so. It says that the President may make recommendations to the Congress later on, if he wants to, and the Congress can act on those recommendations. That adds exactly zero.

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The determinative part of the amendment is that sanctions are lifted definitively, and that is in contrast to the compromise language that was worked out so carefully in the committee.

Now, what does seem to me to be overriding here, and it is, I know, mentioned time and time again by those who support the committee bill, is what is in the national interest. Very little discussion of the national interest occurs in support of the argument that we should lift sanctions now.

The arguments there have to do with a kind of feeling of emotionalism perhaps, some references to morality, but very little reference to the national interest.

Now, the fact of the matter is that our relations with Africa as a whole are enormously important to this country. Everybody who knows anything about those relations will know that for the U.S. Government to take definitive action now, lifting sanctions against Zimbabwe-Rhodesia would be a devastating blow to our interests in Africa, whether they be economic, whether they be political, whatever they be, those interests are clearly at stake here.

There is nothing, but nothing, on the other side of the equation to indicate to us that our national interest would be served by moving definitively now.

There have been a number of references to comparisons between Zimbabwe-Rhodesia and other African states. Our good friend from Illinois (Mr. DERWINSKI), went into this at some length. The point of the matter is that that is utterly irrelevant. We are not talking here about unilateral sanctions by the United States. We are not talking about any situation but the one which confronts us, which is that we are obligated under international law to continue to observe the sanctions that were voted by the Security Council and which under our obligations to the United Nations and under international law, we are obligated to continue.

Now that situation simply does not apply to any other country.

I would not argue today that, absent that obligation under the Security Council, we should impose sanctions on Zimbabwe-Rhodesia. If we had unilateral sanctions against Zimbabwe-Rhodesia that would be properly an indefensible state. Certainly in that case, comparisons between Zimbabwe-Rhodesia and other African States would be relevant. But under the circumstances that we confront, we should have overwhelming reasons why we should abandon our obligations under international law which exists here and which do not exist with regard to any other state in the world. That is the situation we confront.

We stand to damage our good word. We stand to damage our standing in the Third World. Let us not forget that the writers of the Declaration of Independence referred to having a decent respect for the opinions of mankind.

How many nations of the world will approve an action taken here that definitively lifts sanctions against Rhodesia? None. All we have to do is wait or take the action represented by the compromise.

I prefer no action, but the compromise, at least, does not commit us definitively, and we will not then be damaging the national interest.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Of course, as the gentleman knows, the sanctions of Great Britain will expire by law November 15. The sanctions will expire unless the Parliament acts otherwise.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(At the request of Mr. ICHORD and by unanimous consent, Mr. BINGHAM was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. What is wrong with putting the United States in the same position as the British. We are merely saying that the sanctions expire December 1 unless the Congress acts otherwise. How is that taking a position?

Mr. BINGHAM. I am not defending what the British did under their statute. We are obligated under our statutory law and by the obligation we took with the United Nations to continue the sanction until the Security Council changes that position.

While I am not saying that we might not abandon that obligation at some point, we should not do so unless the national interest absolutely compels us to take that step. That is a grievous step for us to take.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, a couple of points I expected to be emphasized, and certainly they were. I would like to address them, because I think they are totally irrelevant to the issue before us.

One of them is the implication that if we accepted this amendment and set a date certain for an end of the sanctions, this would be a damaging blow to our economic relations with the countries in Africa.

Now, it might be true of one or two countries out in the Mediterranean, some of the Arab countries that supply us oil, but there is not a country in sub-Sahara Africa who could afford to cut off trade with the United States. The threat or implication that they would take that step is absolutely ludicrous.

The second thing is the point my good friend, the gentleman from New York (Mr. BINGHAM), just made, somehow we would lose stature, lose influence and lose effectiveness—not at all.

For a long time, governments all over the world have wanted the United States to show some guts, for the United States to show some strength, and the United States to show that we would act in our national interest.

This brings me to, I think, what is the key point. I believe it is in our national interests to lift the sanctions, one of the reasons being that this has been, by African standards, a very, very fair election. In fact, even by some standards in some of the wards of Chicago or the old Tammany Hall, and I cannot say Boston, because the Speaker might cut me off, but some of the other areas of the city, this has been a fair election.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Why is it in our national interest? The gentleman says it is in our national interest because these were fair elections. How does that follow?

Mr. DERWINSKI. It follows then that we have the leadership qualities that people expect of us around the world to recognize a legitimate government when it evolves.

Let me point out, this is an evolving government, a government evolving toward evermore democracy.

We look at most of the neighboring countries around Zimbabwe-Rhodesia, and we find they are retrogressing toward dictatorships. They have not reached their own ready. These are realities.

For us to accept reality shows the strength that people expect of the U.S. foreign policy.

Now, one last point, which is why the Presidential discretion has to be removed from the bill. That is a simple one. The President has an open mind. If the President were allowed to be objective, I would gamble with the Presidential discretion waiver. The fact of the matter is that the President is prepositioned and primarily because of his Ambassador to the U.N. He cannot make the proper policy decisions. His political circumstances do not permit him to do so.

So, I honestly think we are doing the President a favor when we remove this Presidential discretion in this legislation. By doing so, we will do so after the British have acted or enacted.

We are going to, I am convinced, put ourselves in the position where we are going to give democracy in Africa a shot in the arm. The best symbol of democracy in Africa, a year or two or three from now will be Zimbabwe-Rhodesia. We are in the forefront of supporting that progressive government. That is our national interest. That is good, wise and solid foreign policy.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Given the President's position on the lifting of the sanctions against Zimbabwe-Rhodesia, is not passing a bill with the Presidential waiver in it merely postponing the decisionmaking time until whatever date is placed in the bill?

Mr. DERWINSKI. Well, yes, that is true. The date would dictate the point at which the President would have to exercise that decision.

Mr. SENSENBRENNER. Would not it be better for the President to make an affirmative recommendation to the Congress rather than just pushing it off and pushing it off like he has done under the present law?

Mr. DERWINSKI. I think the matter of reality, and we are dealing with the fact that the British sanctions will be lifted in mid-November, I am sure that development between now and then will demonstrate the wisdom of the position in support of the government of Bishop Muzorewa. Then our President could more gracefully support lifting the sanctions.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(At the request of Mr. SENSENBRENNER and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 3 additional minutes.)

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Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I have listened with great care to my colleague's presentation before the full committee.

My colleague stated directly that he has observed that Members who opposed the immediate lifting of sanctions have stated it is not in the economic best interests of the United States to do so. The gentleman's argument against that position is that there is no sub-Saharan black African country that could afford not to continue to do business with the United States, is that not correct?

Mr. DERWINSKI. That is absolutely correct.

Mr. DELLUMS. If the gentleman will yield further, the question I would pose to my distinguished colleague is is the gentleman suggesting there are no issues that rise above the earthbound, pedestrian, mundane aspects of economic reality to the high level of principle, and are there not serious questions that would allow people to rise above any economic sanctions, or any economic oppression to a level of human freedom and understanding, which is a high principle? I would suggest if the gentleman does not believe that that the gentleman does not understand the significance of this issue as it affects black Africa and black people in this country. It is a matter of high principle, it is not simply a question of economics.

Mr. DERWINSKI. I share the same high principles the gentleman is discussing, but I would make one further point. The leaders of most of the country in what we call black Africa know that there is a real democracy developing in Zimbabwe-Rhodesia. The only thing that bothers them down deep in their hearts is that they realize the same democracy is not developing in their country.

Mr. DELLUMS. If the gentleman will yield further, I am simply suggesting to my colleague there are leaders in black Africa who perceive this issue as a matter of high principle and are prepared to pay whatever economic price is necessary to make sure that that principle is lived up to. If the gentleman does not understand that, I think the gentleman does not understand the credibility of the position of many black African countries who oppose the immediate lifting of sanctions.

Mr. DERWINSKI. I think I understand that. I also understand the fact that one of the key efforts of every true head of state is to serve the best interests of his people, and by the term "his people" I mean their economic interests as well as any philosophical views of the head of state.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Chairman, I appreciate the gentleman's yielding. I would like to emphasize to the President by support of this amendment in the strongest possible way these sanctions should be lifted as soon as possible in accordance with what has previously been stated by my distinguished colleague from Missouri here in relationship to the other body's action on this amendment.

Mr. Chairman, I believe that the House should adopt the strongest possible position to emphasize to the President our desire to see the United States restore trade and commerce with the people of Rhodesia, now known as Zimbabwe-Rhodesia.

The Senate acted dramatically on May 15 and again on June 12 in adopting an unequivocal position that the President should reverse his administration's wrongheaded policy toward Zimbabwe-Rhodesia and promptly recognize the newly elected biracial government, under the leadership of Bishop Abel Muzorewa.

The House should reinforce that sentiment by acting forcefully today to concur with the Senate's position in full support of the new black majority government in Salisbury.

Without significant exception, the unofficial observers from the United States and other nations as well were tremendously impressed with the fairness and openness of the election process. Despite the difficult circumstances and security problems, the elections should serve as a model to other African nations whose electoral processes—if existent at all—pale in comparison.

Some of the most pressing issues confronting the new government of Prime Minister Muzorewa are the unemployment and general economic problems created by the U.N.-mandated economic sanctions which the United States and other nations persist in honoring.

The removal of sanctions would serve as a bold and positive thrust to the fledging nation of Zimbabwe-Rhodesia.

The United States should provide this opportunity for the new nation to demonstrate its strength. We should not hog-tie the new government, however, and simultaneously blame them for failing to be a success. Such a scenario, however, is precisely what the sanctions are doing to Bishop Muzorewa and his nation.

The United States must adopt an evenhanded and fair approach in our African policy. I cannot imagine how the President and his advisers in the State Department reconcile their refusal to recognize and trade with a free nation which wants to be our friend with their repeated efforts to cozy up with many of the anti-Western, Marxist nations of Africa who abhor democratic principles.

The President should cease kowtowing to these other African nations. We need a foreign policy in which the interests of our citizens will predominate, rather than one in which every other nation's interests are considered before our own.

The administration should cease its demands for cooperation with the pro-Marxist terrorists who have refused at every opportunity to participate in the democratic process. We must face the realities of the situation.

The people of Zimbabwe-Rhodesia turned out in great numbers—approximately 64.5 percent of the electorate—to elect that government. They chose Bishop Abel Muzorewa and his United African National Council.

The United States should congratulate the people of Zimbabwe-Rhodesia on their new status, and welcome them to the world community with open arms by lifting the oppressive sanctions which threaten their very survival.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has again expired.

Mr. ICHORD. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois (Mr. DERWINSKI) may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mrs. FENWICK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I will yield to the gentleman from Illinois.

Mr. DERWINSKI. May I just make this comment to my good friend from Alabama. I know he is going to disagree with me, I know he is going to tear my argument to ribbons. Already one or two other speakers who spoke earlier, who I believe share with the gentleman the background of theological training in the Baptist seminaries, I cannot help but wonder, poor Bishop Muzorewa, a Methodist, cannot get the support of the Baptists in this Chamber, what has happened to the ecumenical movements?

Mr. BUCHANAN. A few moments ago during general debate, Mr. Chairman, I said I supported the committee bill on pragmatic national interest grounds and disclaimed any knowledge of morality. Since the subject of morality keeps reoccurring I want to oppose this amendment on the same pragmatic national interest grounds, but I want to say a word or two about morality.

I read a sermon by a Baptist minister in support and defense of the institution of human slavery in the United States. I have heard a sermon by a Baptist minister in support and defense of segregation and white supremacy in the United States and all on moral and biblical grounds.

I must say that, in my own sense of morality, slavery is and has been and always will be an abomination in the sight of the Lord, and a system of apartheid and white supremacy likewise an abomination. So my sense of morality would parallel that of the gentleman from California (Mr. DELLUMS), who spoke voicing his sense of principle and morality a few moments ago.

But there are others here whose sense of morality says we should lift the sanctions. Therefore, let me move from morality into pragmatic, national interest grounds. Why should the trumpet give a confused sound I say to my leader, whom I usually follow? What are we going to have, if the gentleman from Michigan (Mr. BROOMFIELD) succeeds, is an action by the House and/or by the other body to lift the sanctions, and then a veto by the President and a confrontation and the veto will be sustained. We will have added confusion, we will have added negative, destructive things and we will have done nothing positive.

Why not take the prudent and positive course the committee has recommended in this compromise bill before us? Why enter into a confrontation that will do nothing but add confusion and negative notes that will not help our country, but indeed will hurt it.

Suppose we succeed, suppose this body succeeds in lifting the sanctions. I want to say again that we can simply do nothing by such action to help our country, but we can do some things to hurt it.

Nigeria has not said it is going to cut off the oil. They did not say that, but we do get 1 out of 8 barrels of oil coming to the United States from Nigeria. Seventy percent of the oil imported by this company I have done business with for many years, Gulf Oil, comes from Africa, sixty percent Nigerian and ten percent Angolan.

What am I going to say to my constituents who are already waiting in three-block long gasoline lines when they have just 30 percent of the oil of this one company coming in should that be the reaction, which it may not be, of course. But I say to my colleagues that all of our people will rise up in approbation against the United States because we needlessly took precipitous action we did not have to take, we had no obligation to take and it was not our business to take, rather than taking the prudent course the whole world recognizes as being responsible. Let Great Britain take the first action and then weigh our own actions in terms of our own national interests as well as that that some of us believe to be the rights of the people of Africa.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Alabama yield?

Mr. BUCHANAN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Does the gentleman from Alabama actually stand here and tell this House that we should legislate on the basis of international blackmail, that this country cannot make decisions on the basis of principles? Is that what the gentleman is telling us about the Nigerian threats? The gentleman has raised the issue twice.

Mr. BUCHANAN. I have raised the issue twice.

Mr. BAUMAN. Do you suggest that we vote not on the basis of what is right or wrong or moral or immoral, but rather in response to economic blackmail. Have we come to that?

Mr. BUCHANAN. I have raised the issue twice and we have friends that have been steadfast friends, the most steadfast friends, on whom we are reliant. I do not think it makes any sense to slap them in the face, and kick them in the shins needlessly when we do not have to, when doing so will hurt rather than help our country. It will hurt not only our standing in Africa but in the world, and in so doing, this House will only create a confrontation that is destructive and negative with the President not accomplishing the purpose of those who would lift the sanctions.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAMM. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. CHARLES H. WILSON of California. I object.

The CHAIRMAN. Objection is heard.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I am very much impressed by some of the things that have been suggested by my friend, the gentleman from Alabama (Mr. BUCHANAN). I have to separate myself from one or two of the suggestions that he made.

If, indeed, it is the right thing to do, then we ought to do it regardless of whether Nigeria has threatened to cut off our oil.

☐ 2050

But, let us examine in light of his comments whether it is the right thing to do. I am not persuaded that it is. I do not think it would be in the national interest to repudiate the action of our committee, taken unanimously on a bipartisan vote, on a compromise approach which encourages the movement in the direction of democracy in Zimbabwe-Rhodesia.

I do not think it would be wise, and I do not think it would be in the national interest, to pull the rug from under the President of the United States at this particular moment, when he is trying to speak for all of us, Republicans, Democrats, conservatives, liberals alike, in the councils of the world. We should not do this when he is attempting to draw together some common front against those who would wreck our economy by raising the price of oil so precipitately that it would bring on a recession, and heighten the inflation that ravages our people and threatens the possibility of a genuine depression.

There is not one person—not one human being—who can speak for the United States in world councils, whether we happened to vote for him or not, other than the President of the United States.

To vote for this amendment presently pending would be to provoke a needless confrontation with the President.

It serves no purpose.

The committee bill puts us on the side of encouraging the continued development of democratic forces in Zimbabwe-Rhodesia.

I must say that I have been impressed with some of the things I have read that are happening over there. I have been impressed with the number of people who voted in the recent election. I have to say in all candor that I think it is a greater percentage of the population than voted in last year's election in the State of Texas. I have been impressed with what I believe to be the genuineness and sincerity of people like Bishop Muzorewa, who want to move toward a truly enlightened society in which one does not look at the color of a person's skin, but one in which one looks at the quality of human beings.

Yet, this is a highly volatile situation, a situation that could change tremendously overnight. The committee resolution makes allowance for that, and permits us to have the possibility of a review again between now and October. The amendment that is offered does not allow for any such possibility. It closes the door right now and says that as of December 1 this is what we are going to do. I do not think it is wise.

As for the morality of the issue, I am not wise enough to lecture with respect to morality. My own history is far from impeccable. Let me give the Members, if I may, a little personal recitation that may have some bearing on this matter.

In 1950 or 1951 I was about 27 years old. I was mayor of the little city of Weatherford, Tex. We took a stance which almost everyone took in the southern part of the United States in those years to the effect that we had separate but equal educational facilities. Theoretically they might have seemed to be equal, but they were not. I knew they were not. They certainly were separate. Let me tell the Members how separate they were.

Up until the eighth grade a Negro youngster—a black youngster—could attend school in Weatherford; after the eighth grade, if a young person wanted to attend public school he or she had to find his or her way all the way to Fort Worth, 30 miles away, daily. Yet, we justified the situations as "separate but equal."

Of course we know now, and we knew then if we were honest with ourselves, that the opportunities presented were certainly not equal. They were far from equal, let me tell you. How much courage I had. Did I say, "Let's open the school doors and let these little black children in?"

No. No, I did not.

I said, "Let us buy a bus and drive them to Fort Worth every day." That was some progress—a very little bit, and I am ashamed of myself that that is all I had the courage to do.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WRIGHT. Mr. Chairman, I ask unanimous consent that I be allowed an additional 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. CHARLES H. WILSON of California. Mr. Chairman, reserving the right to object, the gentlewoman from New Jersey objected a few moments ago, and I would not have objected a few moments ago if she had not done this.

I do not know what the statement the gentleman is making has to do with the amendment, but I am not going to object. But, I do think that we should be fair to all members of this committee, and I will not object.

Mr. WRIGHT. Mr. Chairman, I do not think it is fair for me to ask for time if others are not going to be getting time.

Mr. SOLARZ. Mr. Chairman, there really is no problem with time.

I ask unanimous consent that the gentleman in the well have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WRIGHT. I thank my colleagues for their generosity, and I assure them that I would not have asked for this extension myself.

All I am trying to say, I guess, is that none of us has an exclusive franchise on morality, and it is not really up to any one of us to impose his or her particular idea of what is the ultimate aegis of right and wrong upon others. I am far from perfect in that regard.

I do believe, however, that this committee has looked at the situation carefully. It has recognized movement in the right direction, and we ought not despise that. I believe the direction in which your committee would have us move encourages continued progress toward the goal we all hope to reach. Such goal is one where we look not to the color of a person's skin.

Written constitutions should not specify so much power or representation to white people and so much to black people. Governing documents should not talk about black majority rule, but about simple majority rule. They should speak simply about people, period.

I was once asked in a group in south Texas if I believed in the principle of la raza unida. That means united race. I said, "No, if you mean by la raza unida the white race united; la raza blanca, no, I do not believe in that any more than I believe in the white supremacy of the Old South or in what Adolph Hitler taught, regarding the super race."

"If you mean the black race, la raza negra, I likewise do not believe in that concept, or the Mexican race as something special or better than other people.

No, sir, I tell you, I believe in la raza humana unida!"

I believe in la raza humana unida, the human race united. That is what I believe in with all my heart.

Mr. FINDLEY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the Broomfield substitute. I do so simply to mention a few factors that I think the Members will want to consider before they vote on this substitute.

First of all, the African nations will have their conference during the month of August, and no one knows what may evoke from that. The Commonwealth nations, I believe, will have their meeting in September. Now, this will give the language the committee recommended, with the termination of sanctions to be by the date of October 15, will enable the President to take into account the developments that may arise from the conference of African nations as well as the Commonwealth discussions.

I ask the Members to listen to the language of the committee amendment which says, "The President shall terminate sanctions against Zimbabwe-Rhodesia by October 15."

Now, it does have a Presidential loophole, but the fundamental policy statement is that sanctions shall be lifted by October 15. It puzzles me somewhat that my friend from Michigan would be offering language which, in all probability, would have no effect upon the timetable of lifting sanctions unless there is some terrible uproar throughout the continent of Africa until after the authority of the British Government to impose sanctions has expired.

☐ 2100

I would like to see this body approve a resolution which will encourage the process in Rhodesia and in Great Britain and start the White House down the right path, and that right process in my view is the democratic process in Rhodesia and the lifting of sanctions in Great Britain and in the United States. I believe that will be the precise effect of the committee amendment for which Mr. BROOMFIELD would substitute his language, because it will encourage the British to take up the question of lifting sanctions and to do it prior to the expiration of the British law, and yet at the same time it has this vitally important feature enabling the President to react to events that cannot today perhaps be foreseen. There may be an explosion raging throughout the continent of Africa in all of this. I think we would want our President to be able to react to a development like that, and perhaps to some other unforeseen event. Surely all of us would want our President, the only one who can really react to day-by-day events, to take into account events that cannot be foreseen.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I have great difficulty following the reasoning of the distinguished gentleman from Illinois, because throughout this entire committee report I find that the rationale of the amendment is to permit the British to take the lead.

Mr. FINDLEY. That is the rationale of one of the persons who put together words for the committee report, but I urge the gentleman to read the resolution. That is what really counts.

Mr. ICHORD. I have read the resolution. How can the British take the lead under this committee amendment unless the British act before October 15? If they let it expire November 15, which it does expire by law, they will not be taking the lead. What the gentleman is stating is that the President has to act.

Mr. FINDLEY. It is my understanding of the British law that it does not expire until November 15.

Mr. ICHORD. November 15, correct.

Mr. FINDLEY. The policy statement in the committee resolution is that the President shall terminate sanctions by October 15, a month ahead of expiration of the British law, so the statement of the Congress in behalf of lifting by October 15, subject to the Presidential waiver, surely would be a useful tool that our President can use and which the British will take note of to give them the incentive to accelerate the process of lifting sanctions. So I think the committee amendemnt may well have a far better effect in achieving the goal the gentleman from Missouri is after.

Mr. ICHORD. I cannot see how the President has any other choice except to continue the sanctions on October 15 if he is going to let the British take the lead.

Mr. FINDLEY. Of course, he will continue the sanctions after October 15 if he is determined to let the British take the lead, unless he is able by using the leverage represented in this committee to encourage the British to act more promptly than they would if they let the law expire November 15.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

Mr. SOLARZ. Mr. Chairman, I do not want to prematurely terminate anyone's right to debate this amendment, but in the interest of seeing if a unanimous consent request to limit time for debate would be appropriate, given the desires on the part of a lot of Members to finish this evening, may I ask how many Members at this point are still interested in debating this amendment?

Mr. Chairman, I ask unanimous consent to limit debate on the Broomfield amendment to 9:30, which I think would give all of the Members standing an opportunity to say their piece.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ICHORD. Reserving the right to object, Mr. Chairman, I have been waiting patiently. I would state to the gentleman from New York, as an author of the amendment, to at least get 5 minutes time. I am not a member of the committee. For 30 minutes I see at least 15 Members standing. The most I could have might possibly be 2 minutes. Of course, if the gentleman would at least let me make a privileged motion so I could get 5 minutes, I would not object; otherwise I shall be constrained to object.

Mr. SOLARZ. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri (Mr. ICHORD) be given 5 minutes to speak on the Broomfield amendment and that after he is finished. all debate on the Broomfield amendment end at 9:30.

Mr. ICHORD. The gentleman puts me in a position where I cannot object.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 20 seconds each.

The Chair recognizes the gentleman from Missouri (Mr. ICHORD) for 5 minutes.

Mr. ICHORD. Mr. Chairman, I would like to make it clear just what is the choice of the House. The amendment which the gentleman from Michigan (Mr. BROOMFIELD) and I have offered as a compromise simply states that the sanctions against Rhodesia—and I think most of the Members in this House will have to admit there is a great deal of hypocrisy in those sanctions being directed against Rhodesia—shall expire on December 1. If the President determines that the continuation of sanctions beyond December 1 is in the national interests of the United States, he shall recommend to the Congress appropriate legislation to extend such sanctions. The British sanctions, as pointed out in the committee report, will expire on November 15. We are putting the United States in the same position as the British as of December 1—15 days after the British sanctions expire. I cannot understand how the Committee can say that we are going to follow the lead of the British when the British under the amendment would have to act before October 15 to take the lead.

Mr. Chairman, this amendment would require sanctions to expire December 1 unless sanctions have been previously suspended or lifted by executive or legislative action. You have complete flexibility under the Broomfield-Ichord amendment. It would require in the event the President determines that continuation of sanctions is in our national interest, that he transmit to Congress the appropriate legislation to extend sanctions beyond December 1, the same situation as the British have. The British will expire November 15 unless the Parliament acts otherwise.

This, Mr. Chairman, is a real compromise. It sets the date for the termination of the sanctions but does not foreclose the possibility of earlier action. It neither lifts sanctions immediately nor in haste. It provides ample time for evaluation. Sanctions are not to be lifted until December 1. The amendment is consistent with the committee's conclusion that we must act in concert with Great Britain which has the responsibility for Zimbabwe under international law.

□ 2110

In fact, Mr. Chairman, this amendment procedurally is identical, and I reiterate, it is identical to what prevails in Britain except for saying December 1 as opposed to November 15.

Mr. Chairman, I urge the members of the committee to vote against hyprocrisy and to go on record for a meaningful and real compromise by voting "yes" on the amendment.

I would yield to the gentleman from Ohio, if I have the time.

Mr. ASHBROOK. I thank my colleague for yielding.

Mr. Chairman, I congratulate the gentleman on his remarks, and I concur with the gentleman's statement.

Mr. Chairman, I rise in support of the amendment. The United States has always been quick to recognize the governments of new nations in Africa. Early in my service in Congress one new regime entered our embassy with machine guns but we recognized them. It was only a few months ago that, within 6 hours of the fall of Kampala to rebel forces, we recognized a new government in Uganda. Why then are we so slow to establish ties with Rhodesia? I remember all during the debate on the Taiwan relations bill there were great statements made about how we must keep lines of communication open to all governments and that mainland China was important enough to warrant full diplomatic relations. We heard just last week that we needed to foot the bill on the Panama Canal otherwise we would drive the Panamanian Government into the arms of Cuba.

I ask my colleagues, why is it always the case that we go down on our knees to hostile governments while we virtually ignore our friends? If you want the criteria of importance to be met then you need not go any further than the strategic need for chrome in this Nation. Our chrome reserves are not as large as our oil reserves. We could not tolerate a sudden end to our chrome supply line. This matter is not brought up because it is felt that Rhodesia and South Africa have no where else to turn.

However, what if, through embargo, Rhodesia falls to the guerrillas? Do you honestly think that Nkomo will embrace the United States and the U.S. market for chrome? I think my colleagues should guess again. If Rhodesia falls the Soviets will gain a new friend while the United States will gain a new form of blackmail to coincide with the oil blackmail.

What about the criteria of stability or legitimacy? I call my colleagues' attention to a report issued on February 8, 1979, by the Committee on Foreign Relations of the U.S. Senate. The report is entitled "Report on Human Rights Practices in Countries Receiving U.S. Aid." I want to share a few of the findings from the report:

> Benin: The Revolutionary Government which seized power in 1972 under the leadership of Lt. Col. Mathieu Kerekou abrogated the Constitution then in force and two years later adopted the principles of Marxist-Leninism as its guiding philosophy . . . No constitutional guarantees of civil and political liberties exist.
>
> Burundi: An attempted coup in April 1972 by the majority Hutu against the Tutsi government resulted in a government-sanctioned bloodbath that left perhaps as many as 150,000 dead and an equal number of refugees . . . An effective formula for more proportionate power sharing has yet to be developed.
>
> Comoros: A new government was installed in the Comoros on May 13, 1978 when a conservative movement supporting former President Ahmed Abdallah overturned the regime of President Ali Soilih who had ruled since early 1976. The overthrow and capture of Ali Soilih, who was subsequently killed, was accomplished by a band of about fifty Euro-

pean mercenaries . . . little first hand information on present conditions in the islands.

Congo: The People's Republic of the Congo is a one-party Marx-Leninist state, governed by a President who heads an eleven-person military committee. A well-established state security apparatus monitors the foreign community, censors the press, and restricts freedom of speech and assembly.

Ethiopia: In the last year and a half, the Provisional Military Government of Socialist Ethiopia has launched extensive campaigns of repression against its internal enemies, most notably the "Red Terror" drive of December 1977 to April 1978—an intense, widespread campaign of violence and terror instigated and encouraged by the PMGSE. Amnesty International in its report published in November, 1978 stated that this campaign resulted in from several thousands to perhaps tens of thousands of killed, tortured and imprisoned, including men, women, and children among the victims.

Madagascar: After many years of political instability, the present Government came to power through a military coup in 1975 . . . The present Government has done little to enforce respect for the person, private property, or the home.

Malawi: Malawi is a one-party state in which all effective political power is held by the Life President, Dr. H. Kamuzu Banda. Malawi's history since gaining independence in 1964 has been marked by human rights violations.

Mozambique: gained independence from Portugal in 1975. FRELIMO (Front for the Liberation of Mozambique) is now the sole political party. Both the Party and the Government have stated they subscribe to the principles of Marxist-Leninism.

Niger: The armed forces of Niger seized control of the government in April 1974, claiming that corruption was widespread and that emergency measures were necessary. . . . In April 1974 the national assembly was abolished and since then the executive branch has been directed by a Supreme Military Council.

Nigeria: A military coup brought the Federal Military Government (FMG) to power in 1966. . . . On July 29, 1975, a bloodless coup resulted in a change of government leadership. On February 13, 1976 the Head of State. General Murtala Muhammed, was assassinated in an abortive coup. . . .

Seychelles: A June 1977 coup replaced President Mancham with his coalition partner Prime Minister Rene, who dismissed Parliament and now runs the Government by decree.

Togo: Togo is a one-party state with a mixed socialist and private enterprise economy. The present regime came to power in a military coup in 1967 . . . Togo is ruled by decree.

These are all nations in Africa that receive foreign aid from American taxpayers. I would like to ask what criteria of human rights, stability, or legitimacy were used in determining not only diplomatic recognition, but foreign aid eligibility? If we can ship millions of American dollars overseas to these African nations why cannot we ship just a few American goods to Rhodesia that they are willing to pay for? We are not even talking weapons. We are talking about toys, AM radios, wheat, McDonald hamburgers, anything that their consumer economy has the money for.

Is it so heinous to open the doors for trade with a nation? The Soviets are not bothered by the United Nations sanctions. They buy Rhodesian chrome and turn around and sell it to us at a handsome profit. Should we go on record saying that we would rather give the Soviets a handsome profit than buy chrome from Rhodesia? Joshua Nkomo received $4,000 from Atlanta to help his cause, yet a case of Pepsi shipped to Salisbury is illegal. Now is it not time to stop this insanity? We already created one set of diplomatic fictions on the Taiwan bill this year. Is it not one escape from reality a year enough? I urge a yes vote.

The CHAIRMAN. Each person that was standing at the time of the limitation on debate will be recognized for 20 seconds.

The Chair recognizes the gentleman from Ohio (Mr. Guyer).

Mr. GUYER. Mr. Chairman, we had last night a marathon. It was fraught with amendicitis. I do not think there is anyone here but wants to see what is best for our neighbors in Africa. I am proud of the fact that after servitude for so many years that 35 of the some 50 countries in Africa have won their independence. We applaud that.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. Carney yielded his time to Mr. Guyer).

Mr. GUYER. I do not know entirely how the sanctions began. I listened to two Cambodian refugees this afternoon. Along with the thousands of people being kicked out of Vietnam, I have not heard of sanctions yet. I do not know how constitutional the constitution is. I do know that our own Constitution was voted without a woman or a minority voting for the Constitution but it grew up and got to be quite an instrument.

I am more concerned tonight instead of having oratory——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. Ashbrook yielded his time to Mr. Guyer).

Mr. GUYER. I only want to make this final plea, that we resolve this now. Let us not have Horatio Alger oratory into the night. The trouble with us is, we have the righteous and the unrighteous and the righteous tells you which is which. I think it is high time that we not have the selective morality. If we wait for posterity the country will grow up before we even get there. I would like to see us resolve this tonight. I plead with you to resolve this in the spirit of America.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Peyser).

(By unanimous consent Mr. Peyser yielded his time to Mr. Solarz).

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. Bonker).

Mr. BONKER. Mr. Chairman, it is obvious there are highly polarized positions on this issue. There are some who want those sanctions lifted unconditionally and immediately. There are others who want the sanctions on indefinitely. I think the language we have before us in the committee still represents a true and honest compromise. The committee under the leadership of my colleague worked hard to develop the kind of language that would be acceptable to this body. It represented a unanimous vote of the Committee on Foreign Affairs and I think it is a true and right vote for this body and I urge the committee language and a vote against the amendment.

(By unanimous consent, Mr. Duncan of Oregon yielded his time to Mr. Solarz.)

(By unanimous consent, Mrs. Collins of Illinois yielded her time to Mr. Simon.)

The CHAIRMAN. Without objection, the gentleman from Illinois is recognized for 40 seconds.

Mr. SIMON. Mr. Chairman, there are two reasons why we should stick with the committee decision. One is, we are trying to extricate ourselves from a long period of insensitivity to Africa. I can remember when I was in the State legislature in Illinois looking and noting that the total amount of aid to Africa south of the Sahara was the equivalent of 1 cent on the cigarette tax in Illinois. Let us not go back to the old days.

No. 2, the details of foreign policy should not be wielded by a meat ax but by a scalpel and Congress does not have the ability to wield a scalpel.

(By unanimous consent, Mr. Marks yielded his time to Mr. Simon.)

The CHAIRMAN. Mr. Simon is recognized for an additional 20 seconds.

Mr. SIMON. I thank my colleague from Pennsylvania.

In a very real sense, foreign policy is like a piece of wood sculpture. Congress can chop down the tree and get that big piece of wood, but foreign policy must be hued out like that wood sculpture in detail by a President and a Secretary of State and what we are trying to do is put details in that we do not have as a relatively unwieldy body the ability to do.

(By unanimous consent Mr. Downey yielded his time to Mr. Solarz.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Gramm).

Mr. GRAMM. Mr. Chairman, the gentleman from Alabama in his pragmatism asked what we will tell our constituents if Nigeria cuts off our oil for not carrying out their mandates. I ask what we will tell Nigeria if they say they will cut off our oil if we do not cut off aid to Israel.

PREFERENTIAL MOTION OFFERED BY MR. BAUMAN

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Preferential motion offered by Mr. Bauman:

Mr. Bauman moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. BAUMAN. Mr. Chairman, I apologize to my colleagues who may have wished to use their magnificent 20 seconds, but this gentleman has waited for more than an hour to comment on this amendment and we all understand the priority of committee system in this House.

I would hope that when the vote is cast on the Broomfield amendment that it will be adopted. This is not necessarily because I think sanctions should be lifted today. In fact they will not be lifted under this proposal until much later this year. I ask your support because I do think there is some correctness in the position that the gentleman suggests; that sanctions ought to be lifted.

I do not think my words really are adequate to describe the needs of the people in Zimbabwe-Rhodesia, as it is now called—it does have a new name, a new constitution, a new president, a new parliament in which blacks for the first time in the history of that nation predominate.

Let me recall a response to the statement of the President of the United States who recently said:

> I am convinced that the best interests of the people of Rhodesia would not be served by the lifting of sanctions.

Bishop Abel Muzorewa replied a few hours later half way round the world:

> I wonder in what way it is in the interests of the people of my country to be subjected to sanctions which deny them the right to trade freely, which deny them employment opportunities and which deny them increased educational opportunities?

Why were sanctions imposed upon this small nation many years ago by the United Nations? Because Rhodesia was deemed by a majority of the United Nations to be a threat to peace.

I ask you is the Muzorewa government, blacks working together with the minority of whites—yes, I know that offends some—is that a threat to world peace as we meet here tonight?

This is a country that needs 70,000 new jobs each year for the black population which is increasing at a rate of 3.8 percent annually, one of the highest in the world. They need food, they need trade, they do not need mere words on paper. That is what you suggest you will give them tonight: words on paper.

□ 2120

This pending bill is nothing more than a reconfirmation of the policy of Ambassador Andrew Young, of the State Department, and sadly enough, of the President of the United States, who had refused to lift sanctions only a few weeks ago.

Does anyone really believe that prior to the 1980 elections Jimmy Carter is going to lift sanctions against Zimbabwe, either now or in December or November this year? We know he will not and we know why he will not, and that is an unfortunate political fact; but there is, as my good friend, the eloquent gentleman from California (Mr. Dellums) said, a higher question of principle involved in this matter; whether or not we in the U.S. Congress will encourage once and for all a freely elected multiracial government elected by the people of an African nation, unparalleled in our time.

How can we ever say to, for instance, South Africa, "Change your ways. Drop your apartheid," if we are not willing to encourage this one multiracial experiment that is struggling to succeed.

I will tell you what will happen if we do not lift sanctions and do not do it soon. You will have your consequences. You will have to bear it. It will be your vote. It may not make any difference in your own district, but I hope the possible consequences will have some impact on your conscience. You will have Bishop Muzorewa's government continue under economic boycott and sanctions by governments far less worthy around the world. His government will fall. Then you will have a bloody civil war between the two Communist-backed factions, Nkomo and Mugabe, and one or the other will win. The result will be proclaimed by many people in this Congress and in the United Nations as the new and worthy government of Zimbabwe. The Carter administration will recognize it and they will lift sanctions and you will have another black African nation under the heel of Marxist control, a one-party dictatorship. And you will call it a triumph of human rights. That is the way double-speak operates in this Nation today.

Now, you know in your heart of hearts what ought to be done. What more can these people be asked to do? They have removed the whites from power. This is not Ian Smith's government we vote on tonight. This is a Methodist bishop trained in Missouri and in Tennessee, who has gone back to his people to try and give some spark of hope for establishing true freedom and liberty in Africa.

We are told the proper course is, "Don't lift sanctions. Make them change their constitution. Hold yet another election. Throw out all whites."

Who does the gentleman from New York want to participate in the new government, those who systematically killed missionaries, shot down airliners, murdered thousands of blacks and whites?

Yes; the gentleman said bring in all the parties for a multiparty conference. The Communist opponents of Bishop Muzorewa have refused to join in. They want to shoot their way to power. And you join them in their evil endeavors.

I say to this House tonight that we have a duty that transcends the narrow confines of politics in our districts and in our Nation. If we are going to reassert leadership at all in the world at any time, this is just as good a time as any, tonight.

Mr. MITCHELL of Maryland. Mr. Chairman, will the courteous gentleman from Maryland yield?

Mr. BAUMAN. No; I will not yield at this point.

Mr. MITCHELL of Maryland. I would have assumed the gentleman would not yield.

Mr. BAUMAN. Your assumption is correct.

We want to hear black voices speaking for true freedom in Africa. We want to hear black people speaking out for governments of all races.

You should have heard two ministers from Bishop Muzorewa's government who spoke with us the other day. They gathered in a room near this Chamber with a few of us who had the privilege to meet them and they pleaded: "All we ask is a chance. We ask for your help. Please give us that help by lifting sanctions."

I ask you; give them that chance.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

The Chair recognizes the gentleman from New York (Mr. Solarz).

Mr. SOLARZ. In the interest of time, Mr. Chairman, I will not use my time, except to note that since the gentleman from Maryland was urging us to lift sanctions long before the internal settlement had ever been agreed upon and long before Bishop Muzorewa became the Prime Minister of Zimbabwe-Rhodesia, at a time when Ian Smith was the prime minister of that country and was saying that he would never agree to majority rule in his lifetime, I find the gentleman's plea on behalf of the new government ring somewhat hollow.

I urge defeat of the motion.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Maryland (Mr. Bauman).

The preferential motion was rejected.

(By unanimous consent, Messrs. Evans of Delaware, Collins of Texas, and Sensenbrenner yielded their time to Mr. Broomfield.)

(By unanimous consent, Mr. Findley yielded his time to Mr. Erlenborn.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Erlenborn).

Mr. ERLENBORN. Mr. Chairman, the amendment before us, as does the bill before us, recognizes that now is not the time to raise or lift these sanctions. I think that is good.

I think that both the author of this amendment, as the author of the bill, see that it is not in the best interests of the United States to act at this time.

I do not know why under the amendment my good friend would have us lift these sanctions in December if it were not in the best interests of the United States at that time.

I would urge the amendment be rejected and leave in the bill the opportunity for judgment to be made at the proper time of what under the light of the circumstances existing then is in the best interests of the United States. That is the issue before us. I do not care whether it is October 15, November 15, or December 1. Let it be in the best interests of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. Maguire).

Mr. MAGUIRE. Mr. Chairman, I simply want to take my brief time to associate myself with the excellent statements made earlier by the gentlewoman from Illinois (Mrs. Collins) and the gentleman from Michigan (Mr. Wolpe) and the gentleman from New York (Mr. Bingham), and to compliment the gentleman from New York (Mr. Solarz) and the committee on what I think is a very thoughtful and persuasive presentation to this House.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in opposition to the Broomfield amendment.

(By unanimous consent, Messrs. ROYER, RUDD, and ROUSSELOT yielded their time to Mr. BROOMFIELD.)

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, yes, we have heard a lot about morality; but there is something else, too. That is something called freedom. I think we are going to have to speak about that. Nobody has really much.

You cannot live forever in somebody else's sanitary day care center and no matter what the cost may be, you want to live as a free person in a country in which you have a right to speak and that is perhaps the highest morality of it all. That is what we started from, someplace where we could speak.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, let me say at the outset that the President did have his opportunity and he indicated that he would like to keep the sanctions on.

I think it is only right that Congress have an opportunity and that is why this amendment was prepared tonight to afford the Congress an opportunity to express itself. I think we have taken into account most of the arguments that have been advanced that the British probably will take some kind of action in the near future. This does not take effect until December 1. It also provides that the President obviously could ask Congress to reimpose the sanctions.

I found quite interesting the comments that the gentleman from New York (Mr. SOLARZ) made before the Committee on Rules with respect to the sanctions. The gentleman said, "I think it is extremely unlikely that Mrs. Thatcher, the Prime Minister of Britain, would recommend the continuation of sanctions and I think it is even more unlikely if she were to do so, that she would be able to persuade her back benchers to go along. Once the British lift sanctions, I think the chances are overwhelming that we will follow suit. I would imagine the President would probably at that point use his existing authority to lift sanctions and in the event the President did not, although I strongly suspect he would, I think that the Congress by a rather substantial margin at that point would vote to lift sanctions as well.

I certainly do not want any kind of confrontation with the President. I do feel that the Congress has a right to express itself. I think that this is a moderate position and I hope Congress will use its best judgment and conscience in voting on this amendment.

● Mr. DANIEL B. CRANE. Mr. Chairman, I had intended to offer an amendment to H.R. 4439 that would insure congressional participation in the decision to remove or retain sanctions against Zimbabwe-Rhodesia. I believe this continuing congressional review is necessary if we are to insure that the Presidency does not become too powerful. It is precisely because of the growth of Presidential power over the last several decades, that I am opposed to the concept of the Presidential waiver contained in this bill. My amendment would do something to rectify this situation. It would strengthen the Congress in its exercise of its just prerogatives.

My amendment would permit the Congress to adopt a concurrent resolution of disagreement with a Presidential determination that the lifting of sanctions against Zimbabwe-Rhodesia would not be in the national interest. Should such a resolution be agreed to, then the sanctions would have to be terminated immediately.

My amendment reads as follows:

AMENDMENT TO THE COMMITTEE AMENDMENT TO H.R. 4439 OFFERED BY MR. DANIEL B. CRANE

Page 3, strike out line 6 and insert in lieu thereof the following:

and submits to the Congress a report justifying his determination.

If the President reports to the Congress pursuant to paragraph (2) and the Congress, within thirty calendar days of continuous session of Congress after receiving such report, adopts a concurrent resolution stating that the Congress disagrees with the President's determination that it would not be in the national interest to terminate sanctions against Zimbabwe-Rhodesia, then sanctions against Zimbabwe-Rhodesia shall be terminated immediately. For purposes of this Act, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of periods of continuous session.

In light of the amendment by my illustrious colleague from Michigan, Mr. BROOMFIELD, I now believe my amendment is unnecessary. Mr. BROOMFIELD's amendment achieves the final purpose of my proposal: to insure that congressional input regarding the sanctions issue is retained. It is time for all of us here in Congress to assert our prerogatives as a coequal branch of Government. The Broomfield amendment is one mechanism by which we may do so. I urge my colleagues to support the amendment.●

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, by eliminating the Presidential waiver, the Broomfield amendment would completely wreck the careful compromise which was reported out by the Committee on Foreign Affairs.

By eliminating the Presidential waiver, it would even put us in a position whereby if the British decided to maintain sanctions when they lapse on November 15, that we would be the first country in the world other than South Africa to lift them as well.

☐ 2130

The truth of the matter is that by eliminating the Presidential waiver, the Broomfield amendment is the political and diplomatic equivalent of the immediate lifting of sanctions, because it sends a clear message to the entire world that regardless of what the British do, regardless of what the rest of Africa does, and regardless of what happens in Zimbabwe-Rhodesia, itself, we are going to definitely and definitively lift sanctions on December 1, and in a very complex and fluid situation it simply makes no sense whatsoever to completely deprive the President and our country of some flexibility in determining at what point and under what circumstances we should lift sanctions.

If the Broomfield amendment is defeated and the committee bill passes intact, there is nothing to prevent the President from lifting sanctions before October 15 nor is there anything which would prevent the Congress from lifting sanctions after October 15.

Mr. Chairman, I urge the rejection of the amendment to the committee amendment.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired. All time has expired.

The question is on the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD) to the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 242, not voting 45, as follows:

[Roll No. 305]

AYES—147

Abdnor
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Bevill
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Evans, Del.
Fish
Flippo
Fountain
Gibbons
Gingrich
Goldwater
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Heckler
Hinson
Holland
Holt
Hopkins
Hyde
Ichord
Ireland
Jeffries
Johnson, Colo.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
McEwen
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nelson
Nichols
O'Brien
Paul
Petri
Pritchard
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White

Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Young, Alaska
Young, Fla.

NOES—242

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hefner
Heftel
Hightower
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Railsback
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Snowe
Solarz
St Germain
Stack
Stark
Stokes
Studds
Swift
Synar
Tauke
Traxler
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, C. H.
Wolff
Wolpe
Wright
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—45

Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Bolling
Bowen
Burton, John
Derrick
Flood
Forsythe
Harsha
Hawkins
Hillis
Holtzman
Jenkins
Kemp
Lee
Lujan
Luken
McDade
Marlenee
Mathis
Miller, Calif.
Mollohan
Mottl
Murphy, N.Y.
Neal
Pashayan
Patterson
Rangel
Roberts
Rosenthal
Schulze
Smith, Iowa
Spellman
Staggers
Steed
Stewart
Thompson
Treen
Ullman
Whitehurst
Williams, Ohio
Wirth
Wydler

☐ 2140

The Clerk announced the following pairs:

On the vote:

Mr. Wydler for, with Mr. Neal against.

Mr. Andrews of North Dakota for, with Mr. Mollohan against.

Mr. Kemp for, with Mr. Applegate against.

Mr. Lee for, with Mr. John L. Burton against.

Mr. Lujan for, with Mr. Staggers against.

Mr. Pashayan for, with Mr. McDade against.

Mr. Schulze for, with Mr. Williams of Ohio against.

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, (Mr. McHUGH) Chairman of the Committee of the Whole House on the State of the Union, reported that Committee, having had under consideration the bill (H.R. 4439) relating to sanctions against Zimbabwe-Rhodesia, pursuant to House Resolution 325, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BROOMFIELD. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BROOMFIELD moves to recommit the bill, H.R. 4439, to the Committee on Foreign Affairs with instructions to report it back forthwith with the following Amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: That (a) the Congress finds that—

(1) it is in the interest of the United States to encourage the development of a multiracial democracy in Zimbabwe-Rhodesia based on both majority rule and minority rights;

(2) the elections held in April 1979 constituted a very significant step toward multiracial democracy in Zimbabwe-Rhodesia;

(3) it is in the foreign policy interest of the United States to further continuing progress toward full majority rule in Zimbabwe-Rhodesia and to encourage a peaceful resolution to the conflict; and

(4) the Government of Great Britain, which retains responsibility for Zimbabwe-Rhodesia under international law, has not yet taken steps to recognize the legality of the new government.

(b) In view of these considerations the President shall—

(1) cooperate with and support the efforts of the Government of Great Britain to encourage further progress toward effective majority rule in Zimbabwe-Rhodesia and otherwise continue United States efforts to promote a speedy end to the Rhodesian conflict; and

(2) terminate sanctions against Zimbabwe-Rhodesia by December 1, 1979, unless the President determines it would not be in our national interest to do so and so reports to the Congress.

(c) Notwithstanding any other provision of this Act, if the Government of Great Britain ceases to enforce sanctions against Zimbabwe-Rhodesia, the President shall immediately terminate U.S. sanctions against Zimbabwe-Rhodesia.

☐ 2150

The SPEAKER. The gentleman from Michigan (Mr. BROOMFIELD) is recognized for 5 minutes.

Mr. BROOMFIELD. Mr. Speaker, during the debate, many Members noted the practicality of not preceding the British in the matter of lifting sanctions. For this reason I have offered this motion to recommit which directs the President to cooperate with the British efforts to encourage further progress toward full majority rule in Zimbabwe, and most importantly, it requires the President to lift U.S. sanctions when the British cease to enforce their sanctions.

Mr. SOLARZ. Mr. Speaker, I sense the mood of the House. Vote "no."

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CAMPBELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 350, nays 37, not voting 47, as follows:

[Roll No. 306]

YEAS—350

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Archer
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly

Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lundine
Lungren
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Stokes
Studds
Swift
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—37

Ashbrook
Bauman
Beard, Tenn.
Bethune
Broomfield
Carney
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Devine
Gramm
Grassley
Hammerschmidt
Hance
Hansen
Hinson
Ichord
Kelly
Kramer
Latta
Lott
McDonald
Montgomery
Paul
Quayle
Rudd
Runnels
Satterfield
Solomon
Stenholm
Stratton
Stump
Symms
Wilson, Bob
Young, Fla.

NOT VOTING—47

Anderson, Ill.
Andrews, N. Dak.
Applegate
Badham
Bolling
Bowen
Burton, John
Derrick
Flood
Forsythe
Harsha
Hawkins
Hillis
Holtzman
Jenkins
Kemp
Lee
Lujan
Luken
McDade
Marlenee
Mathis
Minish
Mollohan
Mottl
Neal
Pashayan
Patterson
Rangel
Roberts
Rosenthal
Schulze
Skelton
Smith, Iowa
Spellman
Staggers
Steed
Stewart
Stockman
Thompson
Treen
Ullman
Weaver
Whitehurst
Williams, Ohio
Wirth
Wydler

□ 2200

The Clerk announced the following pairs:

On this vote:

Mr. Williams of Ohio for, with Mr. Schulze against.

Mr. Lee for, with Mr. Lujan against.

Mr. McDade for, with Mr. Andrews of North Dakota against.

Until further notice:

Mr. Skelton with Mr. Ullman.
Mr. Neal with Mr. Thompson.
Mr. Mollohan with Mr. Steed.
Mr. Staggers with Mr. Rosenthal.
Mr. Mottl with Mr. Roberts.
Mr. John L. Burton with Mr. Patterson.
Mr. Applegate with Mr. Badham.
Mr. Rangel with Mr. Stewart.
Mr. Smith of Iowa with Mr. Hillis.
Mrs. Spellman with Mr. Pashayan.
Mr. Weaver with Mr. Wydler.
Mr. Marlenee with Mr. Kemp.
Mr. Bowen with Mr. Mathis.
Mr. Wirth with Mr. Minish.
Mr. Luken with Mr. Jenkins.
Mr. Hawkins with Mr. Flood.
Mr. Derrick with Ms. Holtzman.

Mr. BONKER changed his vote from "nay" to "aye."

Mr. DANNEMEYER changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 2210

DISMISSING THE ELECTION CONTEST AGAINST BENNETT M. STEWART

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report to accompany a resolution (H. Res. 344) on the election contest of A. A. Sammy Rayner, Jr., contestant, against BENNETT M. STEWART, contestee, First Congressional District of the State of Illinois, which was referred to the House Calendar and ordered to be printed.

Mr. NEDZI. Mr. Speaker, I ask unanimous consent for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 344

Resolved, That the election contest of A. A. Sammy Rayner, Jr., contestant, against Bennett M. Stewart, contestee, First Congressional District of the State of Illinois, be dismissed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. NEDZI) is recognized for 1 hour.

Mr. NEDZI. Mr. Speaker, the Rules of the House and title 2 of the United States Code, place uncontested elections under the jurisdiction of the Committee on House Administration. This year five contested elections were filed with the committee.

The election contest before the House this afternoon is Rayner against Stewart. It is the fourth of the five contests which the House will consider under the elections panel procedure.

This election contest was filed by Mr. A. A. Sammy Rayner, Jr., against Mr. BENNETT M. STEWART for the seat in the First Congressional District of Illinois. In the election held on November 7, 1978, BENNETT STEWART received 47,581 votes to Mr. Rayner's 33,540, a margin of 14,041 votes. The election results were certified by the Board of Canvassers on November 19, 1978. The results were filed with the Cook County Circuit Court on November 20, 1978. Certifying credentials were signed by the Secretary of State and the Governor, and were issued to Mr. STEWART on November 30, 1978. BENNETT STEWART was sworn in and took the oath of office on January 15, 1979, after presenting his credentials to the House.

On December 27, 1978, Mr. Rayner filed with the Clerk of the House a "petition under the Federal Contested Elections Act" against the Chicago Board of Election Commissioners and the Clerk of Cook County. Nowhere in his pleadings did Mr. Rayner mention Mr. STEWART as a party to the proceeding. The petition went on to allege "massive errors, irregularities, fraud, and mistakes in the conduct of said election which impaired the plaintiff's right to vote and the right to have his vote counted." The petition further alleged illegal vote totals on the backs of voting machines, illegal assistance to voters in casting their votes, prohibition of Rayner vote watchers from polling places, numerous counting errors and electioneering at or near the polls.

On January 22, 1979, Mr. STEWART filed a motion to dismiss the contest. The grounds for the motion were as follows:

First. The notice of contest failed to state grounds sufficient to change the result of the election.

Second. The notice of contest was not filed within the statutory 30-day period in accordance with the provisions of 2 United States Code 282(a);

Third. The notice of contest failed to name a proper party—BENNETT M. STEWART, in accordance with the provisions of 2 United States Code 381(d).

Fourth. The notice of contest failed to State that Mr. STEWART had 30 days in which to answer pleadings, in accordance with the provisions of 2 United States Code 382(b); and

Fifth. The notice of contest was insufficient for failure of Mr. Rayner to show proof of service upon Mr. STEWART, as required by 2 United States Code 382(c).

On March 6, 1979, the Ad Hoc Elections Panel, consisting of myself as chairman, the Honorable ROBERT H. MOLLOHAN, and the Honorable JERRY LEWIS, held an open hearing for the purpose of receiving oral argument on the motion to dismiss. Contestant Rayner and his counsel were present, and counsel for contestee STEWART was present. Each side was provided 20 minutes to argue the motion. Upon conclusion of the arguments, the panel took the matter under advisement.

After a thorough review of the record, and after due deliberation, on April 25, 1979, the Panel adopted a motion by a vote of three "ayes" and no "nays," to recommend to the full committee that the contestee's motion to dismiss be granted.

On April 25, 1979, by a unanimous voice vote, the Committee on House Administration adopted the panel's resolution to recommend dismissal of the contest to the House. That recommendation is before you now.

In assessing the record of the contest, the panel noted that contestant Rayner failed to overcome any of the contestee's procedural defenses in his motion to dismiss. However, the principal deficiency in contestant's pleading and upon which the committee primarily relied, was contestant's failure to state grounds sufficient to change the result of the election.

Although contestant is not required to prove his case on a motion to dismiss, contestant must initially support his allegations and conclusions with documentary or other evidence, and must provide some showing that his allegations, if true, would change the result of the election.

Contestant Rayner failed to present sufficient documentary or other evidence supporting his allegations of massive errors, irregularities, fraud, and mistake. For example, contestant alleged the "possibility of 10,449 (vote) forgeries", but did not demonstrate by affidavit or other showing, a single convincing instance of forgery. Contestant alleged an "8,000 vote discrepancy", but failed to explain how that discrepancy, if true, would change the results of the election. Contestant filed 12 affidavits which alleged questionable circumstances at polling places. But even if such circumstances were assumed to be true, contestant was unable to demonstrate that the circumstances would change the result of the election.

The panel concluded that the case should be dismissed because of the contestant's numerous technical errors, and because contestant failed to support his allegations with documentary or other evidence, sufficient to meet the contestant's burden in overcoming a motion to dismiss. Contestant further failed to demonstrate that his allegations, if true, would have changed the election result.

The decision is therefore based both on procedural deficiencies, and on the substantive defect of failure to allege grounds sufficient to change the election results and to support such grounds with documentary or other evidence.

Mr. Speaker, I yield to our colleague and member of the panel, the gentleman from California (Mr. LEWIS).

Mr. LEWIS. Mr. Speaker, I thank the gentleman from Michigan for yielding. It was my responsibility to serve with my chairman of the subcommittee and to share his responsibility. It was very apparent that the chairman was more than willing to take testimony, respond to questions, and ask questions. There was a 15,000 vote spread in this election. There was no evidence presented whatsoever for a change of the vote.

Mr. Speaker, I personally would recommend an "aye" vote on this motion, and support the position of the committee.

Mr. NEDZI. I thank the gentleman.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. SYMMS) there were ayes 63; noes 0.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 1007) to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes, with a Senate amendment to the House amendments to the text of the bill, and concur in the Senate amendment to the House amendments.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendments, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment to the text of the bill, insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Special International Security Assistance Act of 1979".

STATEMENT OF POLICY AND FINDINGS

SEC. 2. (a) It is the policy of the United States to support the peace treaty concluded between the Government of Egypt and the Government of Israel on March 26, 1979. This treaty is a significant step toward a full and comprehensive peace in the Middle East. The Congress urges the President to continue to exert every effort to bring about a comprehensive peace and to seek an end by all parties to the violence which could jeopardize this peace.

(b) The peace treaty between Egypt and Israel having been ratified, the Congress finds that the national interests of the United States are served—

(1) by authorizing the President to construct air bases in Israel to replace the Israeli air bases on the Sinai peninsula that are to be evacuated;

(2) by authorizing additional funds to finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements; and

(3) by authorizing additional funds for economic assistance for Egypt in order to promote the economic stability and development of that country and to support the peace process in the Middle East.

(c) The authorities contained in this Act to implement certain arrangements in support of the peace treaty between Egypt and Israel do not signify approval by the Congress of any other agreement, understanding, or commitment made by the executive branch.

CONSTRUCTION OF AIR BASES IN ISRAEL

SEC. 3. Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 7—AIR BASE CONSTRUCTION IN ISRAEL

"SEC. 561. GENERAL AUTHORITY.—The President is authorized—

"(1) to construct such air bases in Israel for the Government of Israel as may be agreed upon between the Government of Israel and the Government of the United States to replace the Israeli air bases located at Etzion and Etam on the Sinai peninsula that are to be evacuated by the Government of Israel; and

"(2) for purposes of such construction, to furnish as a grant to the Government of Israel, on such terms and conditions as the President may determine, defense articles and defense services, which he may acquire from any source, of a value not to exceed the amount appropriated pursuant to section 562(a).

"SEC. 562. AUTHORIZATION AND UTILIZATION OF FUNDS.—(a) There is authorized to be appropriated to the President to carry out this chapter not to exceed $800,000,000, which may be made available until expended.

"(b) Upon agreement by the Government of Israel to provide to the Government of the United States funds equal to the difference between the amount required to complete the agreed construction work and the amount appropriated pursuant to subsection (a) of this section, and to make those funds available, in advance of the time when payments are due, in such amounts and at such times as may be required by the Government of the United States to meet those additional costs of construction, the President may incur obligations and enter into contracts to the extent necessary to complete the agreed construction work, except that this authority shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(c) Funds made available by the Government of Israel pursuant to subsection (b) of this section may be credited to the appropriation account established to carry out the purposes of this section for the payment of obligations incurred and for refund to the Government of Israel if they are unnecessary for that purpose, as determined by the President. Credits and the proceeds of guaranteed loans made available to the Government of Israel pursuant to the Arms Export Control Act, as well as any other source of financing available to it, may be used by Israel to carry out its undertaking to provide such additional funds.

"SEC. 563. WAIVER AUTHORITIES.—(a) It is the sense of the Congress that the President shall take all necessary measures consistent with law to insure the efficient and timely completion of the construction authorized by this chapter, including the exercise of authority vested in him by section 633(a) of this Act.

"(b) The provisions of paragraph (3) of section 636(a) of this Act shall be applicable to the use of funds available to carry out this chapter, except that no more than sixty persons may be engaged at any one time under that paragraph for purposes of this chapter.".

SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES GUARANTIES FOR EGYPT AND ISRAEL

SEC. 4. (a) The Congress finds that the legitimate defense interests of Israel and Egypt require a one time extraordinary assistance package due to Israel's phased withdrawal from the Sinai and Egypt's shift from reliance on Soviet weaponry. The authorizations contained in this section do not, however, constitute Congressional approval of the sale of any particular weapons system to either country. These sales will be reviewed under the normal procedures set forth in section 36(b) of the Arms Export Control Act.

(b) In addition to amounts authorized to be appropriated for the fiscal year 1979 by section 31(a) of the Arms Export Control Act, there is authorized to be appropriated to the President to carry out that Act $370,000,000 for the fiscal year 1979.

(c) Funds made available pursuant to subsection (b) of this section may be used only for guaranties for Egypt and Israel pursuant to section 24(a) of the Arms Export Control Act. The principal amount of loans guaranteed with such funds may not exceed $3,700,000,000 of which $2,200,000,000 shall be available only for Israel and $1,500,000,000 shall be available only for Egypt. The principal amount of such guaranteed loans shall be in addition to the aggregate ceiling authorized for the fiscal year 1979 by section 31(b) of the Arms Export Control Act.

(d) Loans guaranteed with funds made available pursuant to subsection (b) of this section shall be on terms calling for repayment within a period of not less than thirty years, including an initial grace period of ten years on repayment of principal.

(e) (1) The Congress finds that the Governments of Israel and Egypt each have an enormous external debt burden which may be made more difficult by virtue of the financing authorized by this section. The Congress further finds that, as a consequence of the impact of the debt burdens incurred by Israel and Egypt under such financing, it may become necessary in future years to modify the terms of the loans guaranteed with funds made available pursuant to this section.

(2) In order to assist the Congress in determining whether any such modification is warranted, the President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, by January 15 of each year, an annual report regarding economic conditions prevailing in Israel and Egypt which may affect their respective ability to meet their obligations to make payments under the financing authorized by this section. In addition to such annual report, the President shall transmit a report containing such information within thirty days after receiving a request therefor from the chairman of the Committee on Foreign Relations of the Senate or from the chairman of the Committee on Foreign Affairs of the House of Representatives.

SUPPLEMENTAL AUTHORIZATION OF ECONOMIC SUPPORT FOR EGYPT

SEC. 5. There is authorized to be appropriated to the President to carry out chapter 4 of Part II of the Foreign Assistance Act of 1961, $300,000,000 for the fiscal year 1979 for Egypt, in addition to amounts otherwise authorized to be appropriated for such chapter for the fiscal year 1979. The amounts appropriated pursuant to this section may be made available until expended.

TRANSFER OF FACILITIES OF THE SINAI FIELD MISSION TO EGYPT

SEC. 6. The President is authorized to transfer to Egypt, on such terms and conditions as he may determine, such of the facilities and related property of the United States Sinai Field Mission as he may determine, upon the termination of the activities of the Sinai Field Mission in accordance with the terms of the peace treaty between Egypt and Israel.

CONTRIBUTIONS BY OTHER COUNTRIES TO SUPPORT PEACE IN THE MIDDLE EAST

SEC. 7. (a) It is the sense of the Congress that other countries should give favorable consideration to providing support for the implementation of the peace treaty between Egypt and Israel. Therefore, the Congress requests that the President consult with other countries in order to (1) promote and develop an agreement for the establishment of a peace development fund whose purpose would be to underwrite the costs of implementing a Middle East peace, and (2) encourage investments in Israel and Egypt and other countries in the region should they join in Middle East peace agreements.

(b) Not later than January 31, 1980, the President shall report to the Congress with regard to (1) the efforts made by the United States to consult with other countries in order to increase the economic assistance provided by other donors to Egypt and Israel and to others in the region participating in the peace process, and (2) the impact on Egypt's economy of Arab sanctions against Egypt.

PLANNING FOR TRILATERAL, SCIENTIFIC, AND TECHNOLOGICAL COOPERATION BY EGYPT, ISRAEL, AND THE UNITED STATES

SEC. 8. (a) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should be prepared to participate, at an appropriate time, in trilateral cooperative projects of a scientific and technological nature involving Egypt, Israel, and the United States.

(b) Therefore, the President shall develop a plan to guide the participation of both United States Government agencies and private institutions in such projects. This plan shall identify—

(1) potential projects in a variety of areas appropriate for scientific and technological cooperation by the three countries, including agriculture, health, energy, the environment, education, and water resources;

(2) the resources which are available or which would be needed to implement such projects; and

(3) the means by which such projects would be implemented.

(c) The President shall transmit the plan developed pursuant to subsection (b) to the Congress within twelve months after the date of enactment of this Act.

REPORT ON COSTS TO THE UNITED STATES OF IMPLEMENTING THE PEACE TREATY BETWEEN EGYPT AND ISRAEL

SEC. 9. Not later than ninety days after the date of enactment of this Act, the President shall submit to the Congress a detailed and comprehensive report on the costs to the United States Government associated with implementation of the peace treaty between Egypt and Israel. The report shall include estimates of all costs of any kind to any department or agency of the United States Government which may result from United States activities in support of the peace treaty.

NONPROLIFERATION OF NUCLEAR WEAPONS

SEC. 10. In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly encourages all countries in the Middle East which are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons to become parties to that Treaty.

Mr. HAMILTON (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment to the House amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I make this reservation only for the purpose of asking my colleague from Indiana if there were any nongermane amendments passed in the Senate.

Mr. HAMILTON. No, there were no nongermane amendments.

Mr. ASHBROOK. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R.4439.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to ask the distinguished acting majority leader, the gentleman from Washington (Mr. FOLEY) as to the program for the balance of the week—hopefully, none—and whatever may be coming the week following the July work period.

Mr. FOLEY. Mr. Speaker, will the distinguished minority leader yield?

Mr. RHODES. I will be glad to yield.

Mr. FOLEY. Of course, as the gentleman surmises, this concludes the program for this week. The House will convene again on Monday, July 9, at noon, to consider nine bills on suspension. All recorded votes will be postponed until Tuesday, July 10, except, of course, for the possibility of procedural votes. The bills to be considered under suspension on the 9th of July are:

H.R. 4249, surface transportation technical amendments;

H.R. 2814, Coosa River Bank erosion control;

H.R. 2043, water bank authorizations;

H.R. 3292, Fish and Wildlife Conservation Act of 1979;

H.R. 3504, Smithsonian south quadrangle planning authorization;

H.R. 1825, Archeological Resources Protection Act of 1979;

H.R. 827, U.S. Postal Service dispute resolution procedures;

H.R. 3978, FTC Act provision exemptions for savings and loan banks; and

H. Con. Res. 10, United Nations Commission on MIA's.

We will also consider H.R. 3821, intelligence and intelligence-related activities authorizations, fiscal year 1980. We will have general debate only. The rule has already been adopted.

On Tuesday, July 10, the House will meet at noon and take up the recorded votes on all suspensions ordered on Monday.

Thereafter, the House will consider H.R. 4537, Trade Agreements Act of 1979, general debate only;

H.R. 3821, intelligence and intelligence-related activities authorizations, fiscal year 1980, votes on amendments and the bill;

H.R. 2444, Department of Education Organization Act, continue consideration.

On Wednesday, July 11, the House will meet at 10 a.m. and consider the following:

Continuation of H.R. 4537, Trade Agreement Acts of 1979, vote on final passage;

H.R. 2444, Department of Education Organization Act, to complete consideration;

H.R. 4057, additional authorizations for food stamps, fiscal year 1979, with an open rule and 1 hour of debate;

H.R. 4392, State-Justice appropriations, fiscal year 1980;

H.R. 4392, State-Justice appropriations, fiscal year 1980, vote on the rule only.

☐ 2220

On Thursday the House will meet at 10 a.m. and consider:

H.R. 4392, State-Justice appropriations for fiscal year 1980 and complete consideration;

H.R. 4393. Treasury-Postal appropriations for fiscal year 1980.

On Friday the House will meet at 10 a.m. and consider:

H.R. 3996. Amtrak Reorganization Act of 1979, subject to a rule being granted;

H.R. 3236, Disability Insurance Amendments of 1979, to come up under a modified rule, with 1 hour of debate;

H.R. 2462, maritime authorizations for fiscal year 1980, under an open rule, with 1 hour of debate; and

H.R. 3633, Nurses Training Amendments of 1979, under an open rule, with 1 hour of debate.

The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other nights except Wednesday, of course.

Conference reports may be brought up at any time, and further announcements may be made later.

Mr. RHODES. I thank the gentleman and I wish him a most happy work period, as I do the rest of the Members.

Mr. FOLEY. We are very happy to reciprocate that wish to our colleagues on the minority side.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND TO APPOINT COMMISSIONS, BOARDS AND COMMITTEES AUTHORIZED BY LAW OR THE HOUSE NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, July 9, 1979, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, July 9, 1979, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, July 11, 1979.

The SPEAKER pro tempore. It there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, JUNE 29, 1979, TO FILE A REPORT ON H.R. 2610, WATER RESOURCES PLANNING ACT OF 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture have until midnight, Friday, June 29, 1979, to file a report on the bill, H.R. 2610, the Water Resources Planning Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DRILLING COSTS EXCEED OIL PRICES

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. COLLINS of Texas. Mr. Speaker, few people are taking into consideration the actual cost of bringing the oil out of the ground and to the gas pump. Most people do not realize that between 1973 and 1977, according to the Bureau of the Census, domestic oil and gas producers reinvested over 100 percent of their revenues in exploration. The basic cause of the gasoline shortage is the fact that oil and gas are the only commodities for sale in this country that are under Government price control. In the meantime, we pay the Arab OPEC group $18 a barrel and other world market prices have risen to over $30 a barrel, but United States old oil is held to $5.50 a barrel under controls.

When price controls took effect, our production in the United States began to drop and our dependence on foreign oil increased. Since 1973, our domestic crude oil production in the lower 48 States has declined from 9.2 million barrels per day to 7.6 million barrels per day.

For 11 years, Congress has discouraged the oil companies from increasing production. It began in 1969 when a liberal Congress limited the oil companies by reducing their depletion expense. Depletion is a tax deduction given to producers for the amount of oil they produce. This cutback took away necessary capital to drill and develop new oil and gas reserves in the United States. In 1970, the depletion allowance was cut from 27 to 22 percent. There were 2,008 fewer wildcat wells drilled in 1970 than in 1969. This was the greatest decline in a single year in the history of the U.S. oil industry.

If we are to fill our tanks at the pump, drilling costs must provide incentives. For the average well of less than 15,000 feet, the cost is $157,000. Drilling deeper than 15,000 feet, the cost is $2 million. The greatest future discoveries for oil and gas reserves are between 12,000 and 30,000 feet. Our buying Arab OPEC oil has increased 14 times over the past 5 years.

Let us take a look at what inflation has contributed to the cost of drilling an oil well. Payments to drilling contractors, who supply the drilling services for a well, have gone up 101 percent since 1973. Purchased items of equipment have risen 71 percent, with wellhead equipment alone rising 98.6 percent. Yet, the oil these refiners must continue to produce is being held at a Government controlled price of $5.50 a barrel.

Under the phased decontrol that the President has initiated, the money resulting from higher oil prices would still bring in low revenues for investment in production. Where would all the money go? The majority would continue to be paid into State and local taxes. It has been calculated that a company would pay 44 cents out of every dollar for Federal and State taxes, another 3 cents to royalty payments to Federal and State governments leasing oil-producing lands, and 12 cents as royalties to private landowners. There would be about 28 cents out of every dollar to invest in the finding and production of oil. Does this sound worth it to you?

I would like to quote from Bankers Trust Co. Energy Viewpoint newsletter concerning the drilling situation today in the United States.

> In 1956, oil drilling was at its peak. Since 1956, drilling costs have risen even faster than oil prices. While the average domestic crude price more than tripled from $2.77 to $9.00, drilling costs per well almost quadrupled from $50,000 to $195,000. Therefore even though crude oil prices have risen sharply in recent years, it still would require revenues from 22 thousand barrels of crude at the wellhead to finance one well in 1978 compared with only 18 thousand barrels in 1956.

> A producer's ability to finance drilling is closely linked to cash flow from present production, which depends on the average price of $9. Moreover, present cash flow for the industry has been eroded by the phasing out of the depletion allowance, which used to shield up to 27½ percent of production from the federal income tax. This benefit has virtually disappeared.
>
> Finally, not only do after-tax crude oil revenues drill fewer wells now, but each well drilled is bringing forth less oil. The number of barrels found per well averaged 93,000 during the middle 1950's compared with 73,000 in recent years. This reflects the underlying reality that the most accessible reserves have already been discovered and developed.

It has been a proven practice in the past for the oil companies to invest whatever proceeds they get from decontrol in further exploration and production. Twenty-seven oil companies spent $126 billion on the exploration and development of domestic oil and gas in the years 1973 through 1977—$59 billion more than their total net incomes during that period. More tax will simply not produce more energy as the money will not be available to continue these reinvestment priorities.

It is time that we all educate ourselves to the realities of price control which creates the Government-imposed energy shortage we are facing in this country. A basic understanding of simple economics of the free market system will only lead to the conclusion that price control has caused the shortage.

GO-AHEAD ON TRANSITION RULE TO RELEASE HOUSING BONDS URGED

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. BETHUNE. Mr. Speaker, I think it is proper today to focus on a matter that I had hoped would be resolved by now. I know that many others shared my hope that we would have a go-ahead on a transition rule to release housing bonds trapped by H.R. 3712.

On April 26 this bill retroactively muzzled tax-exempt housing bonds all across the Nation. Eighteen bond issues are affected in my State of Arkansas and bonds in several other States are similarly frozen.

A few months ago, it was indicated that a transition rule would be developed to do equity to the trapped bond issues. Hearings were held on May 14 and 15. Although a transition rule amendment was approved by the Ways and Means Committee during a markup session, the matter was not fully resolved. The sequence of markup sessions stretched into June. The June 18 markup was canceled and rescheduled for action today. Yesterday, however, I learned that it too was canceled. Now there may be a markup in July.

This is a very urgent matter.

Some folks in my district are literally without homes because they entered into sales agreements in anticipation of the bond issues. Unfortunately, other financial arrangements are not available to many people in Arkansas because the 10-percent interest ceiling on loans has restricted FHA, VA, and conventional financing. We are doing our best to correct these factors, but we cannot act in time to help those that are homeless now.

Many families plan to move in the summer while their children are out of school. If we do not act soon, they will not be able to line up movers and get into a home before school resumes. Right now, I understand it is difficult to find a moving company with gas in some parts of the country.

I still cannot help thinking that if the tables were turned—and it was private industry rather than the Congress that was "sticking it to the public"—we would have passed a law by now to remedy the situation.

During the last few months, I have submitted testimony and have written three letters urging that this matter be resolved quickly, but in an orderly fashion. I hope others will join me in urging that this matter be dispensed with quickly. If I were a prospective homeowner or homebuilder caught up in this tangle, I'd be pretty disgusted. Believe me, they are.

THE ENERGY CRISIS AND ALTERNATE SOURCES OF ENERGY

(Mrs. HECKLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. HECKLER. Mr. Speaker, the national polls, all of them, have told us for many, many months that a very large number of Americans do not believe that there is an energy crisis.

That finding, it seems to me, has clouded minds and the path to solutions. It has directed—has misdirected the tone and content of the ongoing debate about energy.

Those in and out of Government who are convinced that a crisis does exist have spent too much time, too much fervor, too much energy, if you will, trying to convince and convert the nonbelievers while remedies and a plan of action to cure the disease which infects the country takes too low a priority.

Of one thing there can be no doubt; there is a national emergency.

It arises out of lack of information. And misinformation.

It is compounded by confusion, contradiction, above all, by a lack of national thrust, which in turn comes from the absence of a national policy.

We drift. The most powerful, most scientifically resourceful, the richest nation on earth drifts toward economic and energy catastrophe.

Mr. Speaker, for days and weeks on end one subject has dominated the mail I receive in Washington, the telephone calls that come in to my district offices, and the priority that the citizens of the 10th Massachusetts District express when they talk to me—that subject is energy.

The lack of gasoline is compromising the ability of my constituents to travel to their jobs; it is a dagger pointed at the economic heart of all of Massachusetts and the Northeast.

What I am asked—and the question is totally on target—what are Federal energy officials doing to solve the problem, to alleviate the shortage?

The plain fact is, the answer is: Not enough.

The alarm has been rung. It is time that the Department of Energy took affirmative action to:

First. Scrap or at least drastically revise the present Federal allocation guidelines that are shortchanging the Northeast in its gasoline supplies.

Second. Demand and obtain an ironclad commitment from U.S. refineries that they will increase refining capacity. No less important is the need—the necessity to construct new, strategically located, small refineries while at the same time expanding domestic oil production.

No section of the country should bear the brunt of whatever shortage now exists. The Northeast needs and we demand fairness and immediate succor.

Third. Augment Massachusetts' present gasoline allocation with emergency allocations from States where supplies are plentiful and in some cases unused.

We have had words, speeches, and proposals but too little action from the President and the Department of Energy.

There is a constructive, specific course of action which, if taken, could make a difference. The Department of Energy should immediately approve the development of "gasohol" as a gasoline extender. That would save 10 billion gallons of gasoline a year. It would also go a long way toward alleviating the long lines at gasoline stations where the demand for unleaded gas far surpasses the supply. In fact, Mr. Speaker, as of this date the unleaded gasoline supply in the Nation is 3.9 percent below demand. Yet the leaded gas supply is 1.2 percent over demand. Something has to be done immediately. The technology immediately available is "gasohol" which is the same as premium unleaded gasoline.

How much evidence does the Department of Energy need before embarking on a crash program through the use of excess grains, sugar, and other commodities to provide immediate relief by ordering the oil companies of our country to produce gasohol. That should be followed by the authorization of moneys by DOE to begin to scale up the laboratory production of the scientifically sound program of turning urban waste into ethanol which when mixed with gasoline becomes gasohol. Each developmental stage has been a success by scientific standards. The process is close to commercialization. I invite my colleagues and officials of DOE to visit the Army Research Laboratory in Natick, Mass., which is located in my 10th Congressional District, to see for themselves. The development of urban waste into "gasohol" serves two purposes: It reduces, dramatically, the cost of disposing of municipal waste. It will alleviate our unleaded gasoline shortage by a substantial percentage.

The "gasohol" proposals I make will

help to eliminate the shortage that is crippling Massachusetts and the entire Northeast corridor from Maine to the District of Columbia. It will free up future supplies of gasoline and crude oil. It will prevent economic dislocation and disruption.

Today's shortage is gasoline; tomorrow's will be home heating oil.

The gas lines of the last month are intolerable, unnecessary, economically and socially dangerous. But, with few exceptions, the issue has not been life and death.

That will not be the case if a major heating oil shortage comes to our country this winter.

The President has promised the Northeast 240 million barrels of heating oil by early fall—through the emergency authorities of the Energy Policy and Conservation Act. The DOE must produce now, for Congress and the public to see and analyze, a written report which explains in detail and plain English just how the President's promise will be implemented and kept.

There have been too many misbriefings, misinformation, misunderstandings and mistakes. We must have no Christmas and New Year's apology which tries to explain why the heating oil tanks are empty. The ounce of prevention and explanation must come now.

The safety—the lives—of our citizens will brook no less.

CONSERVATION

Conservation of our diminishing oil resources is essential. I am opposed, however, to unworkable conservation plans which would cause undue hardship to the public.

For this reason, I voted against President Carter's proposed standby gasoline rationing plan because it was essentially unworkable and would have unfairly impinged on those who must drive to work as well as businesses that rely on gasoline to provide essential services.

The plan promised to be a bureaucratic nightmare to implement and would have cost $2 billion to operate—in the first year alone. If a fair plan were proposed that minimized Federal bureaucracy and affords elementary fairness to every geographic area, I would give such a plan my support so that the country would be prepared in the event of a national emergency.

I voted to support the President's plan to require resetting of thermostats in nonresidential buildings to 65 in winter and 80 in summer. I also favor the enforcement of the 55-mile-per-hour speed limit and the voluntary reduction of travel by 15 miles per week.

In addition, I feel the individual State governments, rather than the Federal Government, are best equipped to formulate and implement conservation plans to meet their differing needs.

I also support improved mass transit programs for major cities to reduce gasoline usage. However, it is imperative that the Departments of Energy and Transportation work to expand public bus and rail service where rapid transit is not a realistic possibility.

I also urge the Urban Mass Transit Administration to assist in States developing—along with private industry—programs whereby employees of more than 1,000 persons could provide bus transport from regional points to the place of employment.

I recommend that DOE, in conjunction with ConRail and private railroads, establish a flatcar system that would long-haul all truckloads of nonperishables by rail for distances exceeding 700 miles.

ALTERNATE SOURCES OF ENERGY

Even while we are being resourceful and inventive in coping with our short-range energy deficiencies, the United States must, simultaneously, launch a second front: the development of long-range energy supplies to make energy independence a reality rather than a slogan.

"Gasohol" production which I earlier discussed falls somewhat between the short haul and the long pull. That is why it should be No. 1 on the priority list.

Solar energy offers potential for heating homes and office buildings. I supported legislation, now law, to provide an income tax credit for the installation of solar equipment in homes, and voted for increased Federal funding of solar energy research.

I endorse the creation of a Solar Energy Development Bank to provide long-term, low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings. And I favor programs to encourage the increased use of solar power particularly in the Sunbelt States where it will be most effective, in order to increase gas and oil supplies for the Northern States.

Our country has coal in abundance. We have the genius to unlock the secret of making coal environmentally compatible with the good health of our citizens. I supported efforts to require new industrial and utility plants to use coal, and to require existing utility plants using oil or gas to convert to coal, including Brayton Point in Massachusetts because I have confidence that we can solve the pollution problems which now exist. Congress must fund efforts to insure that result—soon.

ALTERNATE ENERGY SOURCES CONTINUED

Nor should, Mr. Speaker, wind, oil shale, geothermal, and coal gasification be ignored. Each has a place in our energy future. Research may show that one or another should move to the head of the priority list in the years ahead.

NATURAL GAS

Our natural gas supply is not in jeopardy. The supply is good but the President should take whatever prudent steps are necessary to insure its continued availability. I have asked the President to support an energy development bond issue of $15 billion—for low-interest loans—so that a natural gas pipeline from Alaska to the continental United States can be built, and to negotiate with Mexico to assure future U.S. supplies of Mexican natural gas.

NUCLEAR POWER

Nuclear power now provides 30 percent of New England's energy needs and a smaller but substantial amount of our national energy requirements. This dependence was recognized by the members of the New England Energy Congress in which I participated and which I support.

But it is absolutely essential that improved safety measures and stricter regulatory oversight be instituted at existing nuclear powerplants.

Mr. Speaker, our Nation is in energy trouble. We are headed for chaos unless we are better able to cope with existing energy problems. Surely they are going to get worse instead of better in the days ahead.

What New England needs and what our country needs is the kind of comprehensive energy plan that I have outlined today.

I intend to fight until America adopts such a plan.

THE ADMINISTRATION'S LACK OF ENERGY INFORMATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BETHUNE) is recognized for 15 minutes.

Mr. BETHUNE. Mr. Speaker, lack of information and misinformation about energy have played a major role in creating the atmosphere of mistrust, suspicion and anger among the American people.

Only a short while ago, we in the Congress asked the President, through a resolution of inquiry, for exact information about the basic aspects of the current oil crisis. It is a sorry comment on this administration that we had to resort to such a measure. But, as one of our colleagues pointed out, when one administration spokesman says something on Monday, and another says something different on Tuesday, and when a third contradicts both of them on Thursday, you have an atmosphere hardly conducive to rational, informed debate.

I mention all this, Mr. Speaker, because of a report that appeared in the Washington Star, June 21, 1979, a report that should shock the Congress because of its implications about the administration's attitude toward energy information. It appears that the administration has not yet gotten the message sent to it by Congress about the lack of energy information. It is clear that the administration is willing to deny the Congress and the people a reliable source of energy information even as the gas lines grow longer and tempers grow shorter.

Let me read to you the relevant portions of the Star article:

> Treasury Department officials have weakened the federal government's only independent source of information on oil imports, according to government and industry documents.
>
> Treasury officials justified curbing the department's independent verification system as a budget-cutting move. Department analysts estimate that savings will amount to no more than $1 million a year.
>
> The Treasury outlined the new procedures in a work manual for the nation's 4,200 Customs employees that was proposed in February and approved June 12.
>
> "Customs officers will accept licensed public gauger's reports as provided by Customs

Regulation 151.43 in lieu of gauging by Customs inspectors," the manual said.

That is right, Mr. Speaker, the only system of checking on oil imports we have outside those provided by oil companies and oil-exporting nations has been eliminated by the Treasury Department.

The Star goes on to report:

> In a report last month to President Carter on the California gasoline shortage, Energy Secretary James R. Schlesinger, relying on industry data, said:
>
> "It is expected that April was the low month for crude oil imports, which is now being reflected in low supplies of gasoline produced by refineries."
>
> But the Customs data, which the Commerce Department published in monthly trade statistics after the Schlesinger report, showed that the United States imported more petroleum in April than for any April on record—217 million barrels compared with 201 million barrels in March and 189 million barrels in April a year ago.

Customs Commissioner Robert E. Chasen denies the accuracy of his own service's data. He states that recent customs information is less reliable than it has been.

And there we have the same old story. What can we believe from the administration insofar as energy information is concerned? When the head of a government service denies the validity of data that his own service provides, what can be believed?

In any event, we are now in a position of having to rely exclusively on oil industry figures. Is that what the American people want? I do not think so, Mr. Speaker. It appears today that the American public have very little confidence in anything the oil industry might say. To put it mildly, history will judge whether or not such skepticism is justified. But for the present I think we can all agree that it would be in the best interest of the public, the Government and, indeed, of the oil industry itself to have an independent outside check on oil industry figures. But that is not what we will have because of this administration's decisions.

I might add that this decision was reached after a meeting initiated by customs officials and held in the offices of the American Petroleum Institute. Commissioner Chasen tells us that such a meeting "was not unusual" and did not influence the ultimate decision to end the practice of having customs officials physically measure 35 percent of the 2.4 billion barrels of oil imported into the United States each year.

I do not question Mr. Chasen's sincerity when he says this. But once again we have a situation which at the very least has the appearance of questionable activity. Why, in a city with probably 50,000 suitable meeting rooms, do customs officials choose to have an important meeting, where the subject is who will tell the American people how much oil is coming into the United States, at the American Petroleum Institute?

This is the kind of administration insensitivity best exemplified by a recent statement made by the President's press aide, Jody Powell. Powell said:

> I can't think of a better place for gas lines than Washington, D.C. No place should have longer gas lines than Washington.

Does Mr. Powell think that it is a good thing for the tens of thousands of tourists coming to visit their Nation's Capital and the hundreds of thousands of loyal middle- and low-level working people of this area to have to worry about gasoline and wait in long lines? It is possible that Jody Powell might even agree with an east coast oil executive who was recently quoted referring to the American driving public:

> They appear almost like a child who's had its lollipop taken away.

Well, I for one do not think Americans compare the necessity of getting to and from work in order to keep a roof over their heads and food on the table in the same way we talk about lollipops. I can hardly believe Mr. Powell really means that. But this is what he has implied. It is this kind of thing that has given the administration the reputation of speaking first and thinking later.

I have taken this opportunity, Mr. Speaker, to share with you my views on the administration's failure. I do not know what future action has been taken concerning the customs check on oil. Perhaps the administration has realized that this is the worst possible time to cut off an independent check on the oil companies. I sincerely hope so. But, in any event, I believe that the Congress should be aware of what is going on.

I cannot believe that the administration is so penny wise and pound foolish as to eliminate the only acknowledged accurate accounting and reporting of oil imports into the United States. In fact, Mr. Speaker, I might add that there is no validity to the Bureau's contention that this was done as a moneysaving feature inasmuch as overtime costs of this activity were reimbursed by the shipping or oil companies to the Bureau of Customs. Therefore, the gentleman from Indiana (Mr. MYERS) and myself have written to the Secretary of the Treasury urging his immediate review of this action by the Commissioner of Customs and a negating of this order. I believe the Secretary owes the American public a complete and factual report. A copy of the letter follows.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 28, 1979.

Hon. W. MICHAEL BLUMENTHAL,
Secretary, Department of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: In a news item carried in the Washington Star of June 21, 1979, we were shocked to learn that the Bureau of Customs had decided to do away with the Treasury Department's independent verification system which checks on the amount of oil imports coming into the United States. It appears that the Commissioner of Customs has decided to accept licensed gauger's reports in lieu of the gauging by Customs Inspectors. In other words, the amount of oil imported into this country will now be verified by the oil importers rather than by the independent gauging by Customs Inspectors heretofore assigned to that responsibility.

In view of the fact that the Congress has recently enacted a Resolution of Inquiry calling upon the President of the United States to submit data responsive to specific requests outlined in that resolution, it seems incomprehensible to us and to many of our colleagues that the executive branch of the government will no longer have its own sources of verification of oil imports but rather must depend on the veracity of the reports furnished by the oil industry. The justification apparently for curbing the Department's independent verification system has been identified as a budget cutting move. However, the cost of this operation in personnel, salaries and overtime heretofore has been based on a reimbursable program whereby the shipping and oil companies reimbursed the Department for these overtime payments required in verifying the amount of oil being imported into this country.

We feel it is imperative that this independent verification be continued and it is our hope and request that you set aside the Commissioner of Customs new work procedures and reinstitute the Customs Inspectors verification and monitoring of petroleum imports.

Our colleagues on both sides of the aisle in the House of Representatives join with us in our concern of this matter and we propose to share with them your advices responsive to this communication which we trust we may have at your earliest convenience.

With assurances of regard,
Sincerely,

ED BETHUNE,
Member of Congress.
JOHN T. MYERS,
Member of Congress.

PROPOSED HUD INSULATION REGULATIONS WOULD HURT CONSUMERS AND CAUSE UNEMPLOYMENT WITHOUT SAVING ANY ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, the CONGRESSIONAL RECORD for June 27, 1979, through error beyond my control, did not include my remarks concerning my amendment to disallow funding in the HUD appropriations bill for implementing HUD building and construction thermal insulation regulations.

I request permission to make the corrections necessary so the RECORD will show the floor colloquy in its entirety:

AMENDMENT OFFERED BY MR. KEMP

Mr. KEMP. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KEMP: On page 38, after line 19, insert the following new section:
>
> SEC. 409. None of the funds appropriated or otherwise made available in this Act may be used to implement regulations contained in the Federal Register volume 44, number 74, April 16, 1979, 24 CFR Part 200, entitled "Increases in Thermal Requirements for HUD Minimum Property Standards."

Mr. KEMP (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair will inquire whether the gentleman has had his amendment printed in the RECORD.

Mr. KEMP. It was, Mr. Chairman.

The CHAIRMAN. The gentleman qualifies.

Mr. KEMP. Mr. Chairman, if there is one thing upon which labor, industry, consumers, and producers, indeed, upon which all Americans are agreed, it is that excessive and costly regulations must be reduced particularly when they exceed the legislative intent of Congress.

My amendment would disallow HUD funding necessary for implementing HUD building and construction thermal insulation regulations. I believe these standards will result in unemployment in New York State and throughout the country and will actually waste energy rather than save it, while raising the cost of housing up to $1,200 per unit.

My primary concern is with the apparent neglect by the administration of the detrimental effects the proposed thermal standards could have on the housing industry and consumers. HUD Secretary Patricia Harris states that she is proceeding with the regulations in response to a congressional mandate in the Energy Conservation Policy Act. But let us consider that mandate in light of the facts.

As far as energy savings are concerned, recent Banking Committee hearings brought out the clear fact that both industry and Government sources agree that the proposed standards are not cost effective and would not provide significant energy savings.

As far as costs to the home buyers are concerned, documentation recently given the Banking Committee estimated that the regulations will probably affect one-quarter million homes, raising the cost as much as $1,000 to $1,200 per home.

Let me add that there are other matters of concern to those of us supporting this amendment. These regulations will cause a sudden shift in demand from one insulation industry to another and will result in a tremendous disruption to the total insulation industry.

In my State there are more than 5,000 winter-degree days and no consideration was given to the cost impact on requiring additional levels of insulation which would, in particular, require use of 2-by-6 studding instead of 2-by-4's. Has the administration considered the added architectural costs and other related costs which are compounded in each completed building by this change in regulations?

These standards will shift the demand from other insulation materials to foam insulation. The shift to foam, which is processed from petroleum products, actually will increase the use of petroleum derivatives resulting in a substantial net energy loss nationwide.

There is a serious lack of any provision in the HUD proposal to encourage proper use of storm windows, which are proven energy savers. In New York State and the Northeast the use of storm windows is an acknowledged cost saving in heating bills. In warmer States, storm windows and doors are important to savings in air-conditioning costs. Yet storm windows were simply excluded from the standards and these regulations will adversely affect the storm window industry.

I would like to point out that the proposed standards by HUD are a prime example of the all-too-common effect of excessive and counterproductive regulations which, in their most basic sense, serve as a tremendous barrier between reward and effort for both individuals and commerce. Small businesses lose incentive to expand in new directions when they must make costly adjustments to try to live with regulations like those proposed. Home buyers lose their opportunities to purchase new homes when they are faced with even greater costs and construction workers are the first to get laid off when higher costs lower the number of construction starts.

As a matter of background information, let me explain that this body recently passed the Housing and Community Development Act of 1979 which included a committee amendment disapproving and invalidating the proposed increased thermal requirements for minimum property standards for masonry construction. This amendment was introduced by my colleagues, Congressmen KELLY and McKINNEY, and approved by a strong bipartisan vote of 22 to 6 in the Banking, Finance and Urban Affairs Committee.

The committee took this action pursuant to the Housing and Community Development Act of 1978 legislative review provision that if, within a 20-day period, either the Senate Banking, Housing, and Urban Affairs or the House Banking, Finance and Urban Affairs Committee reported out legislation which would invalidate a HUD rule or regulation, it would not become effective for 90 days. The committee decided that because a cost-benefit analysis had not been conducted disclosing the impact on the masonry construction industry, the effective date of the regulation should be delayed so that HUD could reconsider its regulations in light of more adequate data yet to be received.

Secretary Harris decided to execute the regulations even after the committee had reported the bill out. Apparently she felt that the mandate in Public Law 95-557 had not been met within the 20 days specified. In response to her letter, 15 members of the Banking Committee wrote Secretary Harris stating that—

> The question of whether, in this case, the committee reported out the resolution within the 20-day period is not open to debate.

The result of this exchange is that the masonry industry, specified in the committee amendment, is seeking an injunction to block the regulations.

Mr. Chairman, the purpose of this amendment is more than just addressing the action by the Banking Committee in reporting out its regulation disapproval provision of May 10 with respect to increases in thermal requirement for HUD minimum property standards. That disapproval dealt only with the problem of masonry construction and, since that time, information has come to light that other segments of the homebuilding industry, in addition to masonry, will be seriously and adversely affected.

My amendment addresses these additional concerns which were not a part of the Banking Committee's action. While this amendment is not needed to invalidate the masonry provisions, it will, if enacted, cover and protect the jobs of workers in the other segments of the industry.

Mr. Chairman, on behalf of the workers and small businessmen in the Buffalo and New York State construction industry I strongly protest implementation of the HUD thermal requirements. I believe the administration, in revising its standards, must begin to determine whether these Government mandates are truly energy efficient and whether they put in jeopardy jobs in the construction industry in my State and the States of my colleagues throughout the country. We need sensible, cost-effective policies from the Department of Housing and Urban Development, and I ask the support of my colleagues in helping to realize this goal.

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Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I would like to yield to my friend, the gentleman from Florida (Mr. KELLY), who is on the Committee on Banking, Finance and Urban Affairs, and who had a leadership role in making sure that regulations were suspended as they relate to masonry.

Mr. KELLY. I thank the gentleman for yielding. I want to associate myself with the gentleman in his effort and commend him for his leadership in bringing this to the attention of the Congress at this time and in this fashion.

I want to say this, that HUD is coming forth with these regulations, but so is the Farmers Home Administration and so is the Department of Energy, and the people out there who are trying to make America go, trying to provide the production, are wondering how many governments they have.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has expired.

Mr. KELLY. I ask unanimous consent that the gentleman have 5 additional minutes.

The CHAIRMAN. The Chair will state to the Members that that can be done by unanimous consent, although the committee has imposed a limitation on debate. But it can be done if there is no objection.

Is there objection to the request of the gentleman from Florida?

There was no objection.

The Chair recognizes the gentleman from New York (Mr. KEMP).

Mr. KEMP. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding. So the impetus for the Banking Committee action, at least in part, was to try and cause HUD to delay long enough to cause all of these agencies to form a consensus and speak to the homebuilding industry with one voice on the question of thermal insulation. I think another thing that makes the gentleman's amendment extremely important is the fact that we are now in a situation where HUD is establishing a confrontation with this Congress. The committee voted according to the law to invalidate the regulation with regard to masonry. This HUD disregarded. The House then passed that same invalidation by a voice vote. This they have ignored.

I had a conference with one of the Under Secretaries yesterday, and he clearly said that what they intend to do is push this right straight to the wall, so I think the Congress might just as well understand that we are facing a constitutional confrontation with the administration on the ability of this Congress to invalidate regulations.

The gentleman has engaged in a war, and I commend him for it.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I appreciate the remarks of my friend, the gentleman from Florida (Mr. KELLY).

And I am glad to yield to my friend from Connecticut and another leader in this effort to reestablish the integrity of congressional oversight.

Mr. McKINNEY. I thank the gentleman for yielding, and deeply appreciate his interest in this problem.

There is far too much I want to say, but I will be brief. It was my amendment that passed the committee by 22 to 6. The Chairman of this Committee of the Whole House on the State of the Union is a firm believer in congressional vetoes. That is exactly what I did. The Chairman of the Committee moved that we report the whole bill out to the House of Representatives. We voted overwhelmingly to do so, and the gavel came down. That to me under parliamentary law means that a bill was reported to this House of Representatives.

The Secretary, of whom I am very fond and whom I have supported, I might add, more times than many of her Democratic colleagues, has taken an arbitrary, capricious, overwhelmingly powerful stand, I believe, on the authority and instructions of the White House, to kill off any idea that this House had the right to veto regulations. That is the only reason that could have possibly given her the right to think that the bill had not been reported to the House of Representatives. Her excuse was: Well, you have not printed it yet, and reported "out" does not mean "to," a lawyer's dream.

If I were a Democratic chairman, one of the leaders of this House, and I had moved to report a bill to the full House of Representatives, and a member of the executive department told me that that movement and that vote meant I had not done anything until it appeared on a piece of paper—and I might add it was reported by the reporter there at the meeting—I think that I would be somewhat annoyed, to put it mildly.

On top of that, as the gentleman from Florida (Mr. KELLY) said, the Secretary says that she was instructed by the House's energy bill. She was instructed to get together with the other players in this ballgame all those other agencies mentioned by my friend from New York (Mr. KEMP) and come up with one consensus, and she in her own letter admits that this was never done.

Last, but not least, I would suggest to the gentleman from New York—as he probably knows, I have had some experience in building—that the regulations are illogical, irrational, and stupid.

Mr. KEMP. And a strong note of protest to follow. I appreciate the gentleman's comments and agree. As he points out, the regulations are: First, counterproductive; they are going to raise the cost of housing; and second, they are going to cost jobs and disrupt the insulation industry; but, just as important, as the gentleman from Florida pointed out, we have HUD, the Department of Energy, the Farmers Home Administration, plus the Bureau of Standards all involved in regulations, which are causing a disruption in the home building industry as a whole. It seems to me that the only way that we can in the Congress speak with one voice is to take this action to deny HUD the funds.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has expired.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York. Mr. Chairman, I use the words, "I rise in opposition to the amendment," because that is the only way in which I can get time to respond to the amendment offered by the gentleman from New York. I think he states a very persuasive case.

My opposition to the amendment really, though, is predicated on the fact that almost all subcommittees of the Committee on Appropriations are impacted with requests by Members to limit expenditures for particular programs. We often run into problems with the authorization committees as a result of that. Of course, we have the power to do it, and it is done on occasion.

In this particular bill this year there were three requests made to me as chairman of the subcommittee for limitations on particular programs. I indicated to the Members who asked that I was, indeed, sympathetic with their desires, but I did not think that I could impact this bill with other limitations on programs that are already in place. I indicated to them that I would assist in whatever other way I could to resolve the problems that have developed. I would do that in this instance, too, if it is possible to do so.

I think, as the gentleman from Connecticut (Mr. McKINNEY) has so well stated, this amendment should have been offered when the housing authorization bill was on the floor a few weeks ago but I can understand the reason why it was not offered.

As the gentleman from New York (Mr. KEMP) has so well stated, these regulations were printed in the Federal Register on April 16, and they were effective on May 16 of this year. The 60-day comment period on the interim regulations expired on June 15. The comments that were received during that period are presently being evaluated, and only after the comments are evaluated and the affected parties are given an opportunity to present their case will the Department implement the final regulations.

I would hope that the Department would pay some attention to the remarks that were made on the floor today by the gentleman from New York (Mr. KEMP) and the gentleman from Connecticut (Mr. McKINNEY). He forcefully states the problem with storm windows and thermal insulation. If the Department persists in forcing this issue, as was so graphically explained by the gentleman from Florida (Mr. KELLY), then I would think that the gentleman from New York (Mr. KEMP) would get some assistance in being sure that they are not pushed to the wall on it. I think that there is another time and another place where we can be helpful to him, and I pledge to the gentleman from New York that help and that assistance. I would hope that by communication with the Secretary herself, or with those responsible for implementing this regulation in the Department, we can resolve the very serious difficulty that impacts on the gentleman's district in New York and on other districts throughout the United States.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I first yield to my friend the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. I thank the gentleman for yielding. I want to commend the gentleman from New York (Mr. KEMP) for bringing this to the attention of the House, with the support of the gentleman from Connecticut (Mr. McKINNEY) and the gentleman from Florida (Mr. KELLY), because I think this is a serious problem. When the Secretary of Housing and Urban Development ignores the very clear intent of this House, it is a serious matter. As the chairman has said, I think this can be resolved in ways other than a limitation amendment, although I have no objection to limitation amendments. With the dialog we have had here today and with the instructions that were very clear to the Secretary of HUD she certainly should reconsider her position on this matter.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I am pleased to yield to the distinguished gentleman from New York (Mr. KEMP).

Mr. KEMP. I appreciate the gentleman's yielding. I serve on the Appropriations Committee both with the gentleman from Massachusetts and chairman of this subcommittee (Mr. BOLAND) as well as my friend, the gentleman from Pennsylvania (Mr. COUGHLIN), and appreciate their assurances of assistance in this matter. They are men of integrity and honor and I am deeply grateful for their words.

I also want to thank the chairman for working with me and suggesting that Mrs. Harris at HUD delay these regulations so that we can work out the differences and problems that now exist.

In view of the chairman's remarks today, I will abide by his decision and will work with him to resolve the problems with HUD. I will not offer my amendment to restrict use of appropriations funds for this purpose but will join the chairman in seeking to have the Department delay implementation with respect to all industries in addition to masonry until the problems have been resolved and questions answered.

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On the basis of the chairman's assurances and his willingness to work with me as well as the ranking minority member, the gentleman from Pennsylvania (Mr. COUGHLIN), I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

THOUGHTS FROM THE GASLINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, if there is one positive development from the current gas shortage it is that all of those motorists who are stuck in never-ending gaslines might take a few of those extra moments in their cars to read the newspapers. If anyone begins to read even a cursory survey of recent news items they would realize how surreal things are becoming with America's energy situation. The other day it was reported that multi-million-gallon oil storage tanks are so full in the Washington area that excess gas has to be shipped to New Jersey. Another article talks about a car that can get about three times the gas mileage of any car on the road in America, but that it probably will not be built for mass production in the near future. Still another article points to the increased demand for mass transit in the New York area, but that commuters will have to stand for 4 years until a new bond issue can be passed and new cars ordered to meet the new demand. In all cases the gas-hungry motorist must shake his head as he looks up from the paper to see that the line has moved for the first time in an hour. What is happening in this Nation? A better question is how could things have gotten so bad so fast? The fact is that reality has finally caught up with Government policymakers and it is now crashing down on everyone's head with a vengeance.

Long ago an America facing expanded demands for oil breathed a sigh of relief that large deposits of oil had been found in the Middle East. This led to full-scale development of this new oil region by American companies exporting vast quantities of American technology and management abilities. For a while, a long while, America flourished under this 20th century version of El Dorado. In the process demand became as unlimited as the supply. Government policymakers and big business soon turned their attentions elsewhere in order to address other problems or to turn bigger profits. Domestic oil supplies began to run dry as pressure in the wells slacked off. Laws were passed to halt rising domestic prices so as to fully take advantage of the cheap foreign oil without higher priced domestic oil causing inflation. America continued its upward consumption pattern for fuel. With a lid on domestic oil and a seemingly unlimited supply of cheap foreign oil the demand for alternative energy sources was relegated to academia and to backyard tinkerers.

The late sixties and early seventies brought buzz words like limited growth and "spaceship earth" into the Nation's vocabulary. With it came an expanded constituency for alternative fuels. However, the new alternative fuel advocate were many times interested in alternative societies as well as energy. This mixing of goals kept viable ideas and innovations out of the main stream of discussion and policymaking. America still had readily available oil and that was all that mattered.

Along came 1973 and the first major oil shortage from the Middle East. A lot of noise was made about the need for alternative energy sources and about America's growing dependency on Arab oil. When all was said and done oil once again became plentiful, although more expensive, and interest in energy once again subsided.

In 1977 President Carter tried to make energy a major issue with all the hullaballoo of a new Department and grand ideas for taxing America into energy conservation. When all the dust settled all that was left was a bureaucratic monster devouring tax dollars and spitting out redtape and regulations. Now we have gas lines and face even higher gas prices and there does not seem to be a way out.

Now we have gaslines and face even higher gas prices. Energy is on everyone's mind and the frustration is growing. The other week the overwhelming number of calls to the White House after the President's SALT II speech were on energy, not SALT. In all his wisdom, Jody Powell stated that he did not think this was an accurate profile on American opinion. How wrong he is. If anything the percentages he cited downplayed how important gas has become to the average American. The lack of gas has limited recreation, it has intervened into people's lives, has created a new national phenomena—gaslines. There is no issue since Vietnam and Watergate that has so absorbed so much attention and so much rhetoric.

The question is what could have been done and what can be done now. The first mistake made was to think that any nation, no matter how loyal at the time, would not come to understand the potential power of oil as a tool of economic and political clout over the United States and the entire Western world. The Arab nations have proven more astute than any of our policymakers ever gave them credit for. They learned the American way well and then turned it around on us. They learned that the market can bear a lot and that the El Dorado will not last forever. They learned that money must be made now and then invested for use later. They learned that the West was all too willing to let all this happen until it was too late.

In their haste to rectify the situation, many in the Congress and the White House overlooked the obvious pathways out of the energy mess. Government intervenors can only think in terms of Government intervention. If the present policy is a flop, then add something else and try it again. It is like the children's song about the old woman who swallowed a fly. She then swallowed a spider to eat the fly, then had to swallow a bird to eat the spider, then a cat to eat the bird and so on until she swallowed a horse. The song ends, "she died of course." So it is with Government. Without a thought toward the market structure that helped America break out of its dependence for whale oil and other fuels and into petroleum, the White House held firm against decontrol until the last moment. Now with decontrol a necessity we have a windfall profits tax that will put almost all the new capital generated by decontrol in the hands of the very people who mismanaged us into our current predicament.

What is more incredible and demoralizing is the fact that decontrol, without windfall profits, still does not unleash the types of forces needed to get us out of this mess. With all the new capital from higher fuel costs there will still not be an easy or quick solution to the energy problem. The reason is that innovation and energy development has become so ensnarled in regulation and paperwork that any new moves to meet the present crisis are bound to be bogged down or derailed before they save a drop of fuel.

Government has regulations over fuel allocation, over fuel transportation, over fuel exploration, over the development, production, and marketing of new fuel sources or innovations, over where fuel can be searched for, over just about everything associated with a solution to the problem. In the Alaska lands bill and other measures Congress and the White House has succeeded in cutting off or limiting every available avenue of escape in the name of some other goal that, at the time, did not seem to conflict with energy independence, or, when questioned by myself and others, was pushed through anyway. Our constituents are now paying the price for this past record of stupidity.

By the looks of things, our constituents are going to be paying for Government's mistakes for some time to come. Last week the Washington Post reported that the Justice Department was considering helping OPEC in a court suit brought by the International Association of Machinists. American tax dollars were going to help OPEC because, "Treasury Secretary W. Michael Blumenthal is concerned that OPEC might withdraw billions of dollars it holds in U.S. securities and cash in U.S. banks to insure the assets are not seized if the union wins the case." This is incredible. What is to stop OPEC from threatening the withdrawal of capital under other circumstances? We are now afraid of our oil being cut off and are tailoring our policies to this (witness the Nigerian oil connection and threats in the Rhodesian issue). What would be the limit if capital drain becomes a viable extortion tool?

The Congress and the President must act, and they must act now. We must allow our known supplies of oil to be developed and allow the oil from old wells to be extracted. We must allow the market to limit consumption through higher prices and allow those higher prices to be turned into the capital that is needed for additional production. We must remove the constraints on innovation so new sources of fuel can be developed and allow for these alternatives to be marketed so they can compete against oil and be tested through the best method known for new ideas—consumer scrutiny. The people know we need energy independence and know now that oil alone will not allow us to realize that goal. I say get Government to throw open the doors for production, competition, and innovation, and let the people, not the energy bureaucrats or oil sheiks, have the opportunity to straighten a bad situation out before it is too late for us all.

The OPEC countries have declared war on us and this administration responds with rhetoric, regulation and regressive policies. Now is the time to act and to act for Americans.

REDUCE COMMITTEE STAFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 15 minutes.

Mr. COLLINS of Texas. Mr. Speaker, committees have been a part of the legislative process since the first Congress in 1789. Two-thirds of the standing committees in both the House and Senate predate the Civil War in origin. But recent years have witnessed a new phenomenon regarding congressional committees; the growth of staffs from a position of numerical and political insignificance to one of enormous influence and ever increasing numbers.

This rapid growth is reflected in both Houses of Congress and parallels the huge rise in Federal spending. But the increase in the size of committee staffs is only one aspect of growth; pervasive increases in all areas—committees, subcommittees, appropriations, power—are to be found.

The House of Representatives has the largest increases in all of these areas. Although some of the increases can be attributed to the persistent inflation rate of the past decade, most of the growth seems to be independent of this. At the end of the Eisenhower years, House committee staffs totaled 398. This was during an era of fiscal responsibility and inflation was largely unknown.

A decade later, in 1968, staffs had risen by over 60 percent to 621. The great leap in Federal spending was soon to begin. At this time the Federal budget was still under $100 billion and the dollar was a mainstay in the world of economy. But in the next decade, the budget would rise 500 percent and the dollar would devalue by 50 percent.

In 1978, committee staffs numbered over 2,114. This is a 333-percent increase over the past decade. The inflation rate during this period was an incredible 105 percent, but it pales by comparison with committee increases. Where did this growth come from?

Congressional committee staffs really have two categories: statutory and investigative. The root of the problem lies with the growth in the investigative staff. In the 2114 staff in 1979, only 850 are permanent statutory staff. Statutory staff numbered 589 in 1968. So while the rise in standing statutory staff rose 40 percent in the past decade, the rise in investigative staff increased a phenomenal 3900 percent in the same period. So in numbers it would seem that the main culprit in committee staff increases are in the rise in investigative staff.

Appropriations to pay for the House of Representatives have shown a high rate of growth also. In 1958 appropriations for House committees amounted to $2.87 million. By 1968, the figure reached $4.4 million. Note the growth parallelled the 40 percent rise in personnel for this period. Then came the big surge when appropriations jumped 900 percent to $39 million. Eighty percent of the figure is for salaries. This averages out to $14,758 per person for salaries and leaves only $7.9 million for other uses (includes both investigative and statutory personnel).

There has been a sharp increase in the number of committees and subcommittees. One new committee and 45 new subcommittees have been added in the last decade. If all the committees, subcommittees, joint committees and select committees from both Houses are combined, it amounts to an incredible 317. At this rate of growth it will only be about 20 years before the number of committees equal the number of Congressmen in both Houses.

The final area in which committees have grown is in the influence they hold over national policy. This is a figure that cannot be measured by percentages or dollars, but that is something that is apparent. The growth of committees leads to greater proliferation of confusing statistics. With these heavy paper productions, we see the committee staffs determining priorities. Like the bureaucracy that surrounds us, committees have become pervasive in their influence. We must put an end to this growth and return policymaking to the elected Members where it belongs.

I do not for a moment doubt that committees do have a useful function in informing Members of various issues. But too often such information is redundant or irrelevant. But the staffs continually introduce new legislative concepts and expand on old laws. They need to stay busy and this requires more and more laws.

Smaller committee staffs will mean less new legislation. Today we have more Government than we need, more Government than we can afford, and more Government taxes than we want to pay.

HOUSE

Committee	Staff			Appropriations (current dollars)	Approximate staff (percent)
	1958	1968	1978	1978	1968–78
Agriculture	9	15	64	1.02	+427
Appropriations	51	70	129		+85
Armed Services	18	31	50	.64M	+66
Banking	12	47	121	2.61M	+280
Budget	×	×	81		
District of Columbia	8	18	40	.31	+220
Education and Labor	15	71	111	2.26M	+60
Government Operations	62	55	82	2.09	+55
House Administration	13	9	270	.86M	+2,900
Interior	11	14	73	1.2	+450
Internal Security	48	48	×		
International Relations	12	20	105	1.74M	+510
Interior and Foreign Commerce	31	32	150	3.75M	+490
Judiciary	28	27	88	1.43	+355
Merchant Marine and Fisheries	9	19	72	1.4	+350
Post Office and Civil Service	12	37	65	.85	+185
Public Works	17	35	82	.2M	+230
Rules	3	6	28	.51	+466
Science and Technology	1	24	82	1.6	+340
Small Business	×	×	43	.75M	
Standards Conduct	×	5	35	.50	+700
Veterans Affairs	15	16	92	.4M	+240
Ways and Means	23	22	92	2.11M	+450
Total	398	621	2,218	39.0	333
Total employment	3,500	4,800	9,700		
Additional fig		7,000	18,000		
				Staff up 333% in 10 yrs Appropriations up 86% in 10 yrs	

Note: Staff up 333 percent in 10 yr. Appropriations up 86 percent in 10 yr.

IS SALT II REALLY AN ARMS CONTROL AGREEMENT?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 30 minutes.

● Mr. SYMMS. Mr Speaker, for those who believe in legitimate arms control through equitable and verifiable agreements, the SALT II treaty as signed by President Carter and Secretary Brezhnev must be a serious disappointment. SALT II as signed will do nothing but codify Soviet strategic nuclear superiority. It will not provide for "crisis stability"; that is, the elimination of any incentive for either side to strike first should some kind of United States-Soviet confrontation occur. Furthermore, contrary to some pronouncements, SALT II will not result in lower defense expenditures by either the United States or the Soviet Union. The Carter administration has admitted that many improvements to our own strategic forces will be necessary over the next 5 to 10 years with or without SALT. The CIA estimates that Soviet defense expenditure growth rate will be lowered by no more than 0.2 percent during the next few years as a result of SALT.

By allowing the Soviet Union to increase its number of nuclear warheads by 300 percent under the terms of the agreement—giving them 50 percent more than the United States—the treaty will, however, permit the Russians to achieve a first-strike war-winning capability over the United States by the early to mid 1980's. I need not point out the tremendous blackmail potential inherent in such capability and the diplomatic political, and economic leverage that such perceived capability will provide the Soviets, especially with the United States so heavily dependent on foreign sources for its oil supplies. Let us now look at some of the asymmetries that will allow this situation to arise.

First of all, while the treaty will provide for equality in numbers of missile launchers and bombers, there are sharp differences in such characteristics as throw-weight, payload, warhead yield, and force structure. The following tables compare the performance characteristics of U.S. and U.S.S.R. ICBM's and SLBM's. Represented here is the likely force mix during the period of the SALT II treaty (1979–85) as well as, for the most part, the best attainable legally under the terms of the treaty.

LAND BASED ICBM'S

	LFO (U.S.S.R.)[1]	SS–17 (U.S.S.R.)	SS–18 (U.S.S.R.)	SS–19 (U.S.S.R.)	MM–II (United States)	MM–III (United States)	Titan (United States)
Throw weight (pounds)	5,000(?)	5,000	15,000	7,000	2,500	2,500	8,000
Warheads per missile	1	4	10	6	1	3	1
Warhead yield (megatons)	5–10+	0.4	0.6–1.0	0.4	1	0.17	5–10
Best CEP test to date (accuracy) (nautical miles)	0.1(?)	0.15	0.1	0.1	0.2	0.1	0.2–0.5
Numbers permitted[2]	580	100–200	308	300–400	450	550	54

[1] The Soviets have indicated that they are likely to deploy a new light Followon missile (LFO) as a replacement for the SS–11 as permitted by the treaty.

[2] The numbers of SS–17's and SS–19's that the Soviets are likely to deploy can vary.

SUBMARINE LAUNCHED BALLISTIC MISSILES

	SS–N–6 (U.S.S.R.)	SS–N–8 (U.S.S.R.)	SS–NX–17 (U.S.S.R.)	SS–N–18 (U.S.S.R.)	A–3 (United States)	C–3 (United States)	C–4 (United States)
Throw weight (pounds)	1,500	1,500	2,500	2,500	1,000	2,000	2,500
Warheads per missile[1]	1	1	1	7	3	10	7–10
Warhead yield (megaton)	1+	1+	0.5	(?)	0.2	0.04	0.10
Missile range (nuatical miles)	1,500	4,200	2,500	5,000	2,500	2,000	4,000
Numbers permitted[2]	0–450	0–450	0–450	500	0–160	0–496	0–656+

[1] The U.S.S.R. could MIRV more of her SLBM's under the terms of SALT II, but it would require a reduction in the number of her MIRVed ICBM's, something that the U.S.S.R. has shown little inclination to do.

[2] Numbers of SLBM launchers permitted under SALT II can vary depending on the force mix desired. The SS–N–18 can be carried by the Delta class submarine. Up to 500 SS–N–18 launchers could be deployed before the U.S.S.R. would have to reduce the number of MIRVed land based ICBM's under the 1,320 MIRVed launch vehicle limitation in the Treaty. For the United States, the Trident submarine will be coming on line during the duration of SALT II; thus, the U.S. SLBM mix (i.e., C–3 and C–4 missiles) can vary widely. However, it is not likely that the United States would exceed the 656 total for SLBM's due to the desire for a better mix of MIRVed ICBM's, SLBM's and bombers carrying ALCM's. Accuracy figures are not given for the above SLBM's since none of them are likely to achieve accuracies capable of giving them a hard-target kill potential.

As the chart illustrates the Soviet land based ICBM's are capable of delivering three times the number of warheads of much higher megatonnage and with equal or better accuracy than the U.S. ICBM's. Although the SALT treaty will limit to 820 the number of MIRVed land-based ICBMs that each side may deploy, this limit is high enough that the Soviet Union will have the capability to destory over 90 percent of our land-based ICBM force with only 362 of their ICBM's. This would leave them with as many as 1,138 ICBM's left in reserve capable of delivering 4,000 additional warheads. That is, after such an attack, the Soviets would still retain more ICBM's than the United States started with. Now these figures do not take into account silo reload capability of the SS–17 and SS–18 systems, which is permitted under the treaty. If the Soviets were to reload their silos (which can be done in a matter of hours) after an initial counterforce strike against the United States their post-attack reserves would be nearly doubled.

In addition to the asymmetries permitted in the ICBM forces, SALT II will not restrain future submarine launched ballistic missile (SLBM) development and deployments, except for the overall restraints on the aggregate numbers deployed. At present, few of the Soviet SLBM's carry multiple warheads (MIRV's), but, since the SALT II MIRV ceiling for SLBM's is 14 warheads each, it is apparent that a major Soviet strategic growth program is being codified by the treaty. The Soviets can be expected to MIRV at least 500 of their SLBM's, and their accuracies with these systems are steadily improving and can be expected to continue to do so.

As has been widely discussed the SALT II treaty does not limit deployment of the new Russian Backfire bomber, although it is now admitted that the plane can fly intercontinental missions. The treaty only attempts to establish "understandings" limiting production rates, basing and refueling. Nevertheless, the U.S.S.R. can be expected to deploy about 400 of these new bombers, constituting an increase of 35 percent in Soviet megatonnage. An alternative way of looking at it is that by 1985 the Soviets will have deployed enough of these bombers—not counted in SALT—to equal 1,300 SS–19 ICBM's in terms of "equivalent megatonnage." While some may argue that our 20-year-old B–52 bomber force is more capable than the Backfire in terms of payload and range, the B–52's would have to penetrate the world's heaviest air defense system. The Russian Backfire bombers, however, would face virtually no U.S. air defense since we have been steadily dismantling what little bomber defense we once had. Even more outrageous, the U.S. SALT negotiating team agreed to Soviet demands that we count the four B–1 bomber test vehicles in the SALT limits even though President Carter canceled the B–1 program. Furthermore, the B–52 SALT count is 569; yet we only have about 340 B–52's operationally capable. The remaining 229 being counted are in mothballs or are part of the scrap heap.

Besides some of the asymmetries previously described in terms of numbers, warheads and capability, there are many other loopholes in the treaty that relate to verification, vague definitions and the potential for the Soviet Union to abrogate the treaty suddenly and gain even greater strategic advantage before the United States could respond (the so-called breakout potential).

There is a popular belief, for example, that the SALT II treaty limits numbers of ballistic missiles. It does not—it only limits ballistic missile launchers such as land-based silos and submarine launch tubes. There is absolutely no restriction on the number of missiles that either side could manufacture. The problem that this presents becomes evident when we consider the fact that the Soviet SS–17 and SS–18 silos are reloadable, as alluded to earlier, since they use the so-called "cold launch" technique. What is more, there is no technical reason why missiles have to be launched from silos; they could just as easily be launched from above ground launchers deployed very quickly and that would be very difficult to detect. Thus, it is possible that the United States could be faced with a much larger Soviet missile force than expected, and that would not be verifiable by national technical means.

Also, the treaty attempts to restrict improvements on present ICBM systems, but none of these restrictions apply to SLBM's. Thus, improvements in guidance, propulsion, and reentry vehicle technology could be tested on long range SLBM's then transferred to existing ICBM systems. This would not be detectable by "national technical means" meaning, of course, satellite surveillance.

In addition to placing the United States at a strategic disadvantage and jeopardizing "crisis stability" by codifying Soviet first-strike counterforce capabilities over the United States, the terms of SALT II will seriously weaken the U.S. negotiating posture in SALT III. Thus, it may be totally impossible to negotiate real reductions in nuclear weapons in the next round of SALT. If the Soviets were so intransigent concerning attempts to make real reductions in SALT II, for example President Carter's March 1977 proposal cutting in half the allowed number of SS–18's, how can we expect them to be any more reasonable at a time later on when they have real superiority?

At this time, Mr. Speaker, it might be worthwhile to consider briefly what impact this may have on the NATO alliance which is supposed to be a major factor in any SALT III negotiations. This is the subject of a new book entitled "SALT II: The Eurostrategic Imbalance" authored by Stewart Menaul of the Institute for the Study of Conflict in London. Menaul writes:

> Having gained a measure of superiority over the United States in strategic nuclear capability, it was inevitable that the USSR should attempt to achieve a similar advantage in what has become known as Eurostrategic nuclear capability, in which nuclear delivery systems based in the Soviet Union pose a strategic nuclear threat to European hard and soft targets. This is precisely what Moscow has now achieved, while NATO watches with growing apprehension, but little sign that positive action will be taken to redress the imbalance: indeed, the ban on cruise missiles with a range exceeding 600 km and the inhibition on the transfer of cruise missile technology apparently agreed in SALT II places further obstacles in the way of doing so. Nor has any pressure been exerted on the Soviet Union in any discussions, official or unofficial, to reduce the strategic nuclear threat to Europe, which has steadily increased over the years. * * *
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> In January 1978 the Soviets had about 700 I/MRBMs, 430 medium bombers and at least 20 submarine-launched ballistic missiles, all targeted on high priority European targets. The introduction by the USSR of the SS–20 mobile MIRVed ballistic missile and Backfire bomber has greatly increased their Eurostrategic capability since the SS–20 carries three MIRV warheads. It has been estimated that by 1985 there will be about 275 SS–20 missiles and 250 Backfire bombers deployed against European targets in addition to the 700 I/MRBMs, 430 medium bombers, 20 SLBMs and other nuclear capable systems. This represents a massive nuclear capability in Eurostrategic delivery systems in addition to the theatre nuclear superiority already enjoyed by the Soviet Union and the Warsaw Pact—a threat to which NATO has not so far responded.

Such capability to deliver nuclear, conventional, chemical, or biological warheads on European strategic targets not only enhances Soviet capability to wage war, but also their capacity to engage in political coercion or blackmail. If a SALT II treaty is permitted to impose limitations on the range of cruise missiles and on the transfer of technology to America's allies, the United States and European members of NATO will find it much more difficult to redress the present imbalance in Eurostrategic nuclear systems. This could have grave consequences in the SALT III negotiations as well as the ongoing mutual balanced force reduction (MBFR) negotiations between NATO and the Warsaw Pact.

Furthermore, in considering the SALT II treaty, I think it is important to give some attention to the strategic thinking of both the United States and Soviet Union; hence, we may better understand why we are faced with a treaty that is asymmetrical and that does not arrest the growth in nuclear weapons. Our strategic policy for years has generally been one of deterrence and mutual assured destruction should deterrence fail. Soviet doctrine is one of counterforce, war-fighting/war-winning capabilities. They have made it clear that, should deterrence fail, they intend to survive and win a nuclear war. Their force structure—with their emphasis on first-strike weapons such as large ICBM's—and their civil defense program as well as their emphasis on active mainland defense is clear evidence of this. They have repeatedly emphasized their belief in the political and diplomatic utility of nuclear superiority, while we renounce the utility of nuclear superiority. In short, the United States wants to remove nuclear weapons as an instrument of international politics, while the Soviet Union invisions strategic preponderance as a basis for directing world events to their advantage and triumph. This attitude is clearly illustrated by the reaction given Senator John Tower by Soviet Academician Shchukin, described as the most able and distinguished member of the Soviet SALT negotiating team, when Senator Tower asked what the Soviet side would do to reciprocate for our cancellation of the B–1 bomber. Mr. Shchukin replied: "You misunderstand us. We are not pacifists nor are we philanthropists."

It can be argued, Mr. Speaker, that many of our underlying assumptions about the SALT process are wrong. By now only the most naive can continue to believe that unilateral restraint by the United States will result in a slowing of the Soviet strategic build-up or that the Soviets are only reacting to U.S. weapon developments. Unfortunately, some of these assumptions have so permeated the U.S. attitude toward SALT over the years that the negotiations have been characterized as only an American show; that there are no United States-Soviet negotiations, that the only negotiations are among U.S. officials over what Soviet advantages are tolerable and what can be passed through the Senate.

Consequently, Mr. Speaker, I call upon the Senate to substantially amend the SALT II treaty so that it represents a genuine and verifiable arms control agreement, or if that is not possible, to reject the present treaty so that a better one can be negotiated. A treaty that permits the U.S.S.R. to expand its deliverable warheads by at least 300 percent and achieve unilateral strategic advantage over the United States, thus forcing the United States to pursue deployment of a new mobile ICBM system (the MX) in an attempt to regain parity, cannot possibly be considered to be in the best interest of world stability or arms control.

For the U.S. Senate to reluctantly ratify the present treaty out of fear of Soviet actions were it to be rejected or for the Senate to ratify the treaty believing that it is the best that we can get, would be to openly admit that the Soviet Union is now in the driver's seat in world politics and that the United States is no longer operating from a position of strength.●

COMMENCEMENT ADDRESS OF MRS. EUNICE KENNEDY SHRIVER AT HOLY CROSS COLLEGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Brademas) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, one of the most distinguished citizens of our country is Mrs. Eunice Kennedy Shriver.

Mrs. Shriver is a person of deep religious faith which she translates into active concern about the needs of the vulnerable people of our society, particularly retarded children.

I note, Mr. Speaker, that this year Mrs. Shriver received honorary degrees both from Princeton University and from Holy Cross College. The words of the citation which accompanied the award to Mrs. Shriver of the honorary degree of Doctor of Humane Letters say much about this remarkable woman:

> An imaginative leader of efforts to improve the lives of the mentally handicapped, she has been largely responsible for increased scholarly research in this field.

Mrs. Shriver delivered the commencement address at Holy Cross College and I include her address, which is most moving, at this point in the Record:

Commencement Address By Mrs. Eunice Kennedy Shriver

> Father Brooks, Father Harman, Mr. Millard, Members of the Board of Trustees, College Staff and Faculty, Fellow Recipients, Parents and Members of the Class of 1979:
>
> At the end of World War II—millions and millions of the world's best young men and women lay dead on the battlefields, in devastated cities, under the oceans, and in concentration camps. Food was scarce, housing nonexistent, currency value-less.
>
> At that precise moment a great man spoke these words:
>
> "Come on now, all you young men and women all over the world. You are needed more than ever. You have not been born to lose. You must take your place on life's fighting line. Twenty to Twenty-Five—these are the years. Don't be content with things as they are. Don't take 'no' for an answer. Never submit to fashion. You will make all kinds of mistakes, but as long as you are generous and true and also fierce, you cannot hurt the world or seriously distress her as she was made to be wooed and won by youth."
>
> That was Winston Churchill speaking in 1945.

To a cool and laid-back generation, Churchill's rhetoric seems flowery and old-fashioned. But his message is as true today as in those times. Youth can change the world. But youth must agree on what needs changing, and what to change it to.

A SIMPLE IDEA THAT GREW

Today, I'd like to speak to you about a simple idea that has changed many people—all within your lifetime. An idea that began small. That spread. And now has changed the lives and thoughts of millions.

It is the simple, obvious idea that when we speak of human rights, we mean rights for all. When we speak of opportunity, we mean opportunity for all. Not just some. Not just the best. Not only the brightest, the fittest, the most promising. But all.

Yet, for generations, even while civil rights were being won by racial and religious minorities, no one had thought to apply this idea—this central moral value of our American democracy—to 6 million of our fellow citizens—the mentally retarded.

Yet eleven years ago, in Chicago—not far from the scene of the first, controlled, nuclear chain reaction—another chain reaction was started—the beginning of a movement that would soon stretch throughout the world. There on Soldier Field—a track meet for 1,000 mentally retarded boys and girls took place.

This was an act of some daring, because never before had retarded persons taken part in a public event like this, in a public arena.

And many experts, the best and the brightest in their fields, said it couldn't, and shouldn't, be done.

They said the retarded couldn't leave the protection of their institutions.

They said the retarded couldn't understand the meaning of competition . . .

The retarded couldn't run 300 yards or swim the length of a pool . . .

The retarded couldn't take part in team sports . . .

The retarded would get sick, get hurt, get lost.

On every count, the "experts" of that time were wrong. Because no one had ever thought of the retarded as athletes. They had been regarded only as case histories. They had been tested over and over again for intelligence, the one quality in which they could not measure up to norms. But they had never been tested for courage. For determination. For skill. For the capacity for joy . . . qualities that make us truly human.

OLYMPIC TORCH LIGHTS COURAGE

I'll never forget the sight of two mentally retarded athletes—a boy and a girl—running proudly into that stadium in Chicago carrying the ceremonial Olympic torch. Mayor Daley turned to me and said, "The world will never be the same." And he was right. Because the world saw, for the first time, what its most neglected, least appreciated, most scorned and hidden citizens could accomplish.

Since then, this idea has spread to every continent. It is called "Special Olympics." And millions of people who once did not consider the mentally retarded as even human—have been witness to the marvelous gifts of courage, of fidelity, of love they bring to us.

For in "Special Olympics" it is not the fastest time or the longest distance that matters. But the unconquerable spirit of the Athlete; the joy of taking part; the courage to overcome; the generosity to share.

Many of our greatest athletes have been drawn to "Special Olympics" because it gives a meaning to sports, and to their lives, that has been missing from their professional careers.

And so, Rosey Grier, holding in his arms a tiny retarded girl who ran the 100 meter dash in 45 seconds, told me he'd learned more about the meaning of sports from her than from all his years of crushing opposing linemen.

Rocky Bleier, who overcame crippling war wounds to become a professional football superstar, said that he discovered new sources of strength in himself through helping the retarded and the handicapped overcome their disabilities.

Frank Gifford, who wrote a book on courage, says that "Special Olympics" has helped him redefine winning as a victory over self, rather than over others.

Ron Guidry, a marvelous example of skill and self-sacrifice, once told me that, even more than his own Cy Young Award, his family treasures the second place ribbon his retarded brother, Travis, won in the "Special Olympics" softball throw. And he means it.

HEALING AND INSPIRING POWER

The healing and inspiring power of an idea. Why did it take us so long to learn that in our help for the physically and mentally disabled, we help ourselves. In our recognition of their worth, we measure our own. In granting them the freedom to choose, to venture, to succeed, or to fail—we liberate ourselves. For now we recognize a profound secret of life. That in one way or another, and whatever the unit of measurement, we are all retarded with respect to someone else in some phase of our lives; our skills; our aspirations.

Through "Special Olympics" we are proving that even the least powerful, the most handicapped, the least valuable, measured in dollars and cents, have an intrinsic humanity that must be respected; an intrinsic strength that must be nurtured; an intrinsic worth that must be valued.

You may ask what "Special Olympics" and the mentally retarded have to do with you on this day of graduation from Holy Cross. Let me put it this way.

EMPHASIS ON MORAL VALUES

Your education at Holy Cross, with its emphasis on moral values, should have given you the ethical sensitivity, the conscience, to perceive what is wrong in many places and with many people and things in the world today.

Your Holy Cross education should have given you the imagination to think of ideas that will right these wrongs.

Holy Cross should have given you the inspiration and the courage to rally others to your cause and, so, literally, to change the world.

Beyond knowledge, beyond competence, Holy Cross should have instilled in you the awareness that values are as real and true as facts. And that our purpose in life is not simply to manipulate data, but, in the words of Kurt Vonnegut, Jr., "to serve as the eyes and ears and conscience of the maker of the universe."

This is an enormous advantage you have over so many graduates of the secular, value-free institutions in America—those best and brightest who are eager, sharp, quick-witted, and informed, but whose minds and talents are at the service of anyone who will pay the price.

Year after year I have seen such young people in Washington. All under 35. All with the power to affect our lives, but very few asking the ethical questions, the value questions, that could give meaning to what they are doing—owing no allegiance to a moral standard that transcends the bureaucrat or politician they work for.

Recently, the President of Harvard University wrote that the special mission of the university is simply the discovery and the transmission of knowledge; "not to improve society in specific ways."

The President of a great Catholic institution, Georgetown, took public exception to this and asserted that the university cannot be a moral neuter; that there is no way we can claim that the good life is not the ultimate purpose of the informed life.

Over and over again you will be brought face to face with circumstances in which the good life is not being lived; in which freedom and opportunity are being systematically denied. And you will either turn aside and go about your business, or you will make it your business to correct the injustices and to heal the wounds you see around you. Even if you are scorned and stoned, as were the Disciples of Christ. Even if you are jailed, as was the brave man who shares this platform today and is the true hero of this occasion. Even if you are exiled, like the Solzhenitsyns who have been unflinching in their insistence that there can be no collusion with evil; no compromise with principle—You will persevere!

EXTRAORDINARY HUMAN BEINGS

Service and sharing can also be performed in quiet, every-day ways—by people who are ordinary citizens, but extraordinary human beings in their adherence to values.

Like a young nurse, Denise Shipp, who saw at first hand the callous, impersonal way in which pregnant adolescent girls were being treated and the tragic results of this treatment in babies born dead or malformed or mentally retarded; in families shattered, in battered children and in suicide.

She had an idea. To provide for these girls in her hospital, at Johns Hopkins University, a loving, caring environment in which teenagers would learn not only to be good mothers, not only to have healthy babies, but to go back to school, train for jobs, and to respect themselves . . . strong enough to resist becoming pregnant again at least until they were better able to cope with a family. Now, because of her idea, and based on her experience, literally thousands of young girls are being cared for in centers all over America, and their babies are being born healthy and strong.

Or, like Dr. Robert Cooke, a distinguished physician, who could not square his ethical values, his belief in the doctor's commitment to nurture human life, with the Supreme Court Decision on Abortion. And so he urged on his fellow doctors and their medical institutions the concept that the fetus must be, from its inception, treated as a patient; and its health and well-being should be considered paramount. And this idea, which reconciled respect for human life with the highest standards of medical practice, is providing a new ethical dimension to the abortion issue, which is influencing physicians and legislators alike.

These people have bucked the system. They have refused to do things in the same old way. They have sustained the belief that helping another in distress is life's highest calling. They have not permitted any meltdown in the core of their moral values.

They, and hundreds of thousands like them, know—as you have been taught at Holy Cross, that at the heart of law, of medicine, of teaching, of business, is the simple yet profound area that each life is equal to every other life; that each life depends on every other life; and that the value of life is not measured in victories over others, but in encouraging in all persons the fullest expression of their ability to be human.

MOTIVATION OF YOUTH

Recently, I have been to Communist China and to Russia. The official ideology of these countries denies God . . . denies religion. There's no belief in anything transcendent or eternal or universal except science, matter, and the state. And when some of their citizens subscribe to a different truth, a different philosophy, they try to crush them, to isolate them in their Gulag Archipelagos.

And yet I found that this belief in the State, in International Socialism, often inspires and motivates their youth. Many young Soviets and Chinese work for their countries vigorously. They study the philosophy of Communism in their schools. They see it in their plays and sing it in their songs. They make sacrifices for their countries. Supporting revolutionary groups abroad. Working in rural areas to improve health, sanitation, and education.

Here at home, on the other hand, many leaders in the name of academic freedom or separation of church and state, call for value-free education, value-free sex, value-free health services, value-free social programs.

Sometimes it seems the only value they subscribe to is "Me." Not a universal body of truth. Not a more spacious concept of a gracious and caring God. But only "Me." What I think. What I feel. What I need.

Yet beyond the "I's" and the "Me" is the great eternal sea of human suffering and human need . . . the troubled friend, the loved one, the stranger with whom all of us have something to share. If only we make the effort to discover what gifts are needed.

TOWARD STRENGTHENING FAMILIES

I will suggest but one area under siege which needs your help. It is the family. For, as we have all heard so many times, the family today is in trouble.

I urge all of you—whatever else you may do in your lives—to devote your best efforts and your most precious gifts—to the strengthening of family life, both for others and for yourselves.

I asked the great psychiatrist, Dr. Robert Coles, to tell me the most important responsibilities families have. "Communicating values," he answered. And then he added "too few parents know how and what to transmit to their children, especially when it comes to ethical principles and moral values."

Many of us would like to give the burden of strengthening families to government bureaucracies. And it is true that government should be concerned with many aspects of family life . . . jobs . . . health . . . adequate food . . . education. No parent should be without the chance to make a living. No child should go to school hungry. Or go to a school that leaves his mind unstimulated or his spirit unfulfilled.

But it is not government that is going to solve the psychological and moral problems damaging families today. The moral commitment to family life; to children; to the future; to a pledge of friendship and endurance between husband and wife. These can only come from you. And from your commitment to the values you have learned from your own family and from this great university.

Last week I attended the Texas Special Olympics in Austin. Almost 2,000 mentally retarded athletes took part in this single state. Many sports celebrities and important politicians were there.

During the program, a very quiet, young, black man named Johnny Jones came up to me and put something in my hand. It was a shiny leather box. I opened it and found the gold Olympic Medal he had won in Montreal representing the United States in the 400 meter relay, a first place Medal in world competition.

He said to me, "Mrs. Shriver—I want to give this to the Special Olympics of Texas."

"The thing is," he said, "We athletes don't always appreciate our gifts. But coming out here makes you think. It makes you do whatever you can to help."

"But why your Medal?", I asked.

And he answered, "Right now I don't have a lot of money. But I have the medal. And by giving that I'm giving a part of myself. Other people can give money and time—but this medal that means so much. It seemed like the least I could do."

INCHING MANKIND FORWARD

In our giving to others—in failing to give—in our caring or failing to care—we inch mankind forward or let it fall back. The love we give to our friends, our parents, our children, to the sick, the aged, the poor, the powerless, becomes part of each of us and multiplies. We pass it on and slowly day by day, through this mysterious arithmetic, the hardness and pain of life are diminished and the thin, precious spiral of hope ascends.

In your own lives, what will be your Olympic Medal? Will you hide it? Will you hoard it? Will you sell it to the highest bidder? Or will you give it away freely because it is a part of yourself. Because it means so much. Because it is the least you can do.

Thank you.●

SAVING THE MILWAUKEE ROAD'S FREIGHT-CARRYING CAPACITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin, (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, I have today introduced for appropriate reference H.R. 4686 a bill to save the Milwaukee Road's freight-carrying capacity, cosponsored by my colleagues, Mr. HYDE, Mr. ZABLOCKI, Mr. ASPIN, Mr. KASTENMEIER, Mr. OBEY, Mr. SENSENBRENNER, Mr. ROTH, Mr. PETRI, Mr. SABO, Mr. YATES, Mr. MCCLORY, Mr. ANNUNZIO, Mr. STEWART, Mr. DERWINSKI, Mr. NOLAN, Mr. OBERSTAR, Mr. BONKER, Mr. MIKVA.

The Milwaukee Road has been in bankruptcy since December 1977. Its troubles go back many years, and stem largely from its improvident expansion to the Pacific Coast in 1906–09, an expansion which ran into thin traffic and heavy competition. It has suffered more than most carriers from the competition of trucks and other means of nonrail transportation. More recently, it has been plagued by cash flow problems, compounded by the interminable delays visited upon it by the Interstate Commerce Commission whenever it sought the abandonment of unprofitable lines.

Currently, the Milwaukee Road is incurring losses of around $10 million a month. It is practically out of cash. Its creditors, represented by several of the large Chicago banks, are clamoring, in its bankruptcy proceedings in the U.S. District Court for the Northern District of Illinois presided over by U.S. Judge Thomas R. McMillen, to close the railroad and sell off its assets.

To make matters worse, the very competent court-appointed trustee for the Milwaukee Road, Stanley Hillman, resigned earlier this month because of ill health. The court declared on June 19 that it will appoint his successor no later than July 2, and has ordered the new trustee to file his reorganization plan no later than August 9.

The outlines of the trustee's proposed reorganization plan are matters of public knowledge, and they make a good deal of sense. They look to the maintenance of the essential core of the Milwaukee Road—in Illinois, Indiana, Iowa, Minnesota, Wisconsin, South Dakota, North Dakota, and west to Miles City, Mont. This reorganized and viable core would contain roughly one-third of the Milwaukee Road's present 9,800-mile lines. Service on other of its major lines would, pursuant to current negotiations, be assumed in Iowa by the Northwestern, in Iowa and Missouri by the Rock Island, and in Montana-Idaho-Washington by the Burlington Northern and the Union Pacific. Uneconomic branch lines would be abandoned, subject to the usual directed service procedures of the Interstate Commerce Commission.

The plan would insure good rail freight service to substantially the entire system, and require the continued services of all but 1,000 to 2,000 of the railroad's 10,000 employees. Unfortunately, Judge McMillen held on June 1 that he lacks the power to order abandonment of the uneconomic branch lines, thus leaving the Milwaukee Road with the impossible alternative of petitioning the Interstate Commerce Commission for abandonment, a process that on past performance takes years. Long before that time, the Milwaukee Road will grind to a halt, its 10,000 employees jobless, its assets seized by creditors, and industry and agriculture throughout the northwestern United States devastated.

Judge McMillen on June 19 authorized the Milwaukee to apply to the Federal Railroad Administration for $20 million of the FRA's $50 million emergency rail fund. Certainly the emergency loan is justified to keep the Milwaukee alive from day to day, while the reorganization plan is being worked out. But any reorganization plan would be doomed to failure if the judge lacks the power to order abandonment of uneconomic branch lines. And it would avail nothing for the FRA to pour $20 million of its $50 million kitty into the Milwaukee Road when to do so is to throw good money after bad.

The bill I introduce today would avoid catastrophe to the Milwaukee Road. Under section 1 of the bill, the court would be allowed, with proper safeguards, to order abandonment.

Section 2 of the bill is designed to facilitate the procedures whereby the ICC, under present law, may order another railroad to take over and operate for up to 240 days a railroad line abandoned by court order. Section 2 permits the ICC to make a similar direction for transfer to truck or water transport if this would be "less costly or more energy-efficient than directing rail service." The purpose, obviously, is to prevent waste of public moneys. Section 2 also amends the provision of existing law for the transfer of railroad employees from one rail job to another rail job by providing that where the directed service is to be by truck or water, the job transfer from the abandoning railroad shall be only "to the extent feasible"—that is, to the extent that a railroad engineer, for example, is able and willing to become a truck or barge worker.

Section 3 makes available the labor protection provisions of other officially approved abandonments. It provides that these provisions would be administered by the Railroad Retirement Board; that necessary sums for this are authorized to be appropriated; and that the abandoning railroad, at such time after it is reorganized and its financial condition permits, shall repay to the Railroad Retirement Board such funds as it can, so as to eliminate or lessen the burden on taxpayers.

The text of the bill follows:

H.R. 4686

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ABANDONMENT OF RAILROAD LINES

SECTION 1. Section 77(o) of the Bankruptcy Act (11 U.S.C. 205 (o)) is amended by striking out "or as it may be hereafter amended" and inserting in lieu thereof "unless a petition had been filed between December 18, 1977 and November 6, 1978".

SHIPPER PROTECTION

SEC. 2. (a) Section 11125 (a) of title 49, United States Code, is amended by adding after the first sentence thereof the following new sentence: "The Commission may also negotiate with, and issue directions to, a willing provider of truck or water transportation to transport the traffic of shippers using a railroad line abandoned pursuant to court action under Section 77 of the Bankruptcy Act, if the Commission finds that such transportation would be less costly or more energy efficient than directing rail service."

(b) Section 11125(b) (4) of title 49, United States Code, is amended by inserting "(but only to the extent feasible in the case of a directed carrier by truck or water)" immediately after "A directed carrier shall".

LABOR PROTECTION

SEC. 3. Section 11125 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) (1) Any employee displaced from his employment by an abandonment pursuant to court action under Section 77(o) of the Bankruptcy Act who does not receive employment under subsection (b) (4) of this section or otherwise in the railroad industry, and any such displaced employee whose employment under subsection (b) (4) of this section is terminated at the conclusion of directed service, shall be provided a fair arrangement at least as protective of his interests as the terms imposed under section 11347 of this title before February 5, 1976. and the terms established under section 565 of title 45.

"(2) Any rail carrier required to provide protective arrangements for employees under this section shall be reimbursed for the cost of such arrangements by the Railroad Retirement Board. At such time as the Board determines that the financial condition of such rail carrier so permits, the Board shall direct such carrier to repay the Board for such reimbursement.

"(3) There are authorized to be appropriated to the Board such sums as may be necessary for making reimbursements under this subsection." ●

SHATTER THE SILENCE VIGIL, 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 10 minutes.

● Mr. HUGHES. Mr. Speaker, it is an honor and a privilege for me to participate today in this year's "Shatter the Silence Vigil." I would also like to take this opportunity to commend my distinguished colleague, Representative HOWARD, for organizing this year's vigil to pay tribute to those courageous Soviet refuseniks who are standing up for their basic human rights, despite the repercussions.

While it is true that the Soviets have relaxed some of their emigration policies in recent years, there are still thousands of Soviet Jews who are being denied permission to emigrate. These individuals have been detained in the U.S.S.R. against their will, and many are the subject of harassment and political persecution to punish them for their desire to leave the country.

Today, I would like to call to your attention the tragic plight of Victor and Irini Brailovsky. In 1972, these courageous Soviet Jews first applied for permission to take their family from the Soviet Union and immigrate to Israel.

This request was denied on the grounds that both Victor and Irini had had access to "secret information" in the course of their employment. The couple were then forced to resign from their positions as computer scientists.

Although the Brailovskys have since been cleared of these charges, Irini has still been denied permission to emigrate. Victor's permission to leave the Soviet Union was permanently revoked when he refused to leave the country without his wife and family.

The Brailovskys have since become actively involved in the Jewish emigration movement, and have participated in numerous demonstrations. The couple took part in a 17-day hunger strike to protest the absence of free emigration rights for Soviet Jews. Victor has also organized the Moscow Seminar for Jewish Scientists, to serve as a professional outlet and morale booster for Jewish scientists who are no longer accepted in Soviet scientific circles. Neither Victor nor Irini have been able to obtain professional employment since their application to emigrate was submitted, despite the fact that they both hold doctorates.

In addition, the Brailovsky home has been ransacked periodically by Soviet officials, and Victor has been arrested several times. Both Irini and Victor have been interrogated by the KGB, the latter for his association with Anatoly Scharansky. Recently, this harassment campaign was escalated, and a criminal file was opened against Victor. The Soviet Union will no longer accept his income tax payments, indicating that "parasitism" charges may soon be brought against him.

These actions clearly violate the Helsinki Final Act of 1975, and unfortunately, this is not an isolated incident. By participating in this "Shatter the Silence Vigil," we in the House of Representatives are focusing national attention on these Soviet human rights violations in order to force Soviet officials to take responsibility for these acts. Perhaps then, the Soviet Union will revise its emigration policies so that Victor and Irini Brailovsky, and other Soviet Jews, will no longer be held prisoners in a country which will never be their home.●

MR. CARTER BREAKS THE TIMBER LINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, some wise words on our timber situation were stated in the New York Times editorial last week. I would like to include them in the RECORD:

MR. CARTER BREAKS THE TIMBER LINE

President Carter needs to give a much better justification for his unprecedented order to increase the timber harvest from national forests. These lands have hitherto been managed to produce a "sustained yield" and "even flow" of timber from year to year—cutting has been held to the rate at which new trees replace the felled ones. But now Mr. Carter wants a decade of faster cutting on lands administered by the Forest Service and the Bureau of Land Management, to raise the harvest by 1 to 3 billion board feet a year over the current rate of about 12 billion.

The Administration explains the order primarily as "an important contribution to easing the rising cost of housing." But it figures that every extra billion board feet would reduce the cost of a new house by only six-tenths of one percent. The median price of a new house rose 120 percent from 1971 to 1978, at twice the rate of other consumer goods. Yet wood accounts for only 14 percent of the cost of each house. Every tiny gain on inflation helps, of course, but is this reason enough to abandon traditional cutting patterns?

The White House also contends that many national forests in the West contain much timber that would die and go to waste if not soon harvested. Fair enough—if it could be shown that such waste will, in fact, occur and that the timber companies will seek out these vulnerable trees. Many foresters suspect, however, that the extra cutting will be concentrated in the stands that are most accessible.

It is hard to avoid the conclusion that the President's main interest lies in helping the timber industry of the Pacific Northwest, which has drastically overcut its own lands. It needs now to find new sources of wood in that region or move elsewhere. The Administration says larger harvests on Federal lands on the Pacific Coast would "sustain employment in timber communities." But a Library of Congress study suggests that the national forests are already supplying more trees than they are growing. And some experts think the cut there may eventually have to be reduced to meet other forestry objectives, like wildlife protection, recreation, watershed management and erosion prevention.

Some foresters say it would be wiser to encourage larger harvests from small commercial holdings and from forests in the South and East, which are closer to the major housing markets. Congressional committees ought to make sure that the President's order does not violate laws requiring a sustained yield from the national forests. That kind of vigilance would at least require a better accounting from the Administration. Mr. Carter bills his order as "temporary," but it could set a most disturbing precedent.●

LEGISLATION TO IMPROVE HEALTH CARE FOR ELDERLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I am today introducing legislation which I believe will contribute significantly to the improvement of health care services for our Nation's elderly by placing greater emphasis on preventive care.

As health care costs continue to rise, no group of Americans remains more vulnerable to the cruel toll that illness takes than the elderly. Many times extraordinary expenses could be avoided, or significantly reduced, by regular medical examinations. However, the potential of such preventive health care measures has yet to receive the national emphasis and attention it deserves.

This lack of attention is most clearly reflected in the attitudes of the elderly themselves. At one of a series of hearings on the problems of the elderly which I held in my district last year, almost two-thirds of those present said they had not had a complete physical exam in the past year. An Iowa physician who has worked closely with preventive care clinics in one Iowa county concluded that most of the elderly she saw "had no conception of preventive medicine at all. They had no thought of going to see a physician unless they were ill."

My proposal mandates the establishment of a series of demonstration programs to provide preventive health care services to the elderly, which I believe would greatly help to change peoples' attitudes toward preventive care and tangibly benefit a significant number of older Americans who otherwise might not receive needed medical assistance. The bill would amend the Social Security Amendments of 1967 to require that the Secretary of HEW provide, in at least three States, preventive care clinics to be operated throughout the State by traveling health care practitioners.

This legislation was inspired by a program of "well-elderly" clinics which has been in operation in my home State of Iowa since 1975. The clinics, which are funded by the State of Iowa and operated by counties, meet once or twice a month in various locations in their respective areas to provide physical examinations to individuals over 60. They are intended for people who are not under regular medical supervision and are run by specially trained public health nurses who do physical assessments, run various medical tests, and take comprehensive health histories of the patients. Patients needing further medical assistance are referred to physicians. Followup checks to insure that patients seek and receive the care they need are strongly emphasized. Another important component of the well-elderly program is counseling on a 1-to-1 basis between the nurse and patient on the importance of preventive care and on various other social services available to the elderly in their communities.

In the Iowa program, individuals are given an envelope detailing the cost of the physical and are encouraged to pay the full amount. However, if they feel they cannot afford to do so, they can pay whatever they feel they can afford.

The well-elderly program has been a tremendous success in Iowa and has expanded to cover almost twice the number of counties which participated in the original pilot program begun in 1975. In 1978, over 3,200 patients were seen in a 16-county area. Nearly half of the patients were referred to physicians or other social services. According to a doctor closely involved with one of the clinics:

> The presence of the well-elderly clinic . . . has made everybody, including the population at large, community leaders, politicians, physicians, . . . more aware of the special problems of the elderly.

I believe that this "well-elderly" concept that has proved so successful in Iowa holds much promise for other areas of the country as well, and merits consideration and demonstration on a larger scale. The time is right for this legislation. Today, hospital costs are rising at an estimated $1 million an hour. This year, we will spend $4.6 billion due to pure inflation alone in the health budget. Today, more and more of those most susceptible to illness are being priced out of the health care they need and deserve. Clearly, we can no longer afford not to emphasize proven programs of preventive health care for our Nation's elderly.

I am confident that the demonstration programs mandated in my legislation would contribute significantly to the well-being and health care awareness of our Nation's older Americans; to increased community awareness of the health needs of senior citizens; and to the increased support and emphasis at the national level that "well-elderly" programs need and deserve.

The text of the bill follows:

H.R. 4653

A bill to amend section 402 of the Social Security Amendments of 1967 to provide for demonstration projects for provision of preventive health services to the elderly

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402(a) of the Social Security Amendments of 1967 (42 U.S.C. 1395b-1(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3) Under the authority of subsection (a) (1) (B) (i), the Secretary shall provide for demonstration projects, in at least three States and at least one of which is located in a rural area, which relate to the provision of preventive health services (including basic health screening, referral, and health education) to the elderly throughout the State through traveling health care practitioners (other than physicians, but including public health nurses) who provide such services in or through different public and private nonprofit facilities (including churches, schools, and senior citizen centers). The Secretary shall report to Congress on the results of such demonstration projects not later than three years after the date of the enactment of this paragraph."●

UNAUTHORIZED EXAMINATION OF SELECT COMMITTEE ON ASSASSINATIONS MATERIALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 30 minutes.

Mr. STOKES. Mr. Speaker, recent newspaper and other media accounts have carried the story that materials in the possession of the former Select Committee on Assassinations were examined in an unauthorized fashion last summer. As the former chairman of the select committee, I am making these remarks to report to my colleagues the facts of the matter.

The Select Committee on Assassinations faced an important and complex task. The House mandated the committee to look into the facts and circumstances surrounding the deaths of two of our Nation's greatest leaders, President John F. Kennedy and Dr. Martin Luther King, Jr.

Death is not a pleasant subject, and its details can be gruesome. One of the least pleasant of the tasks that faced the committee was the examination of the photographs made during the autopsies of these two men. Anyone who knew them in life would be disturbed viewing their photographs in death.

The photographs that were made in connection with the autopsies of President Kennedy and Dr. King have never been made public. Good taste dictates that they never be. The Warren Commission that examined President Kennedy's death in 1964 did not publish them, and the select committee's final report on the deaths of President Kennedy and Dr. King will also not make the photographs of either of them public.

Mr. Speaker, the Select Committee on Assassinations took extraordinary care that the autopsy photographs were not used in an unauthorized fashion.

There are segments of the press that are so lacking in good taste that they might well have published them if they could have obtained access to them. The select committee made every effort to employ only the most trustworthy persons, but even then, only those with a need to use the autopsy photographs in their work were given access to them.

The autopsy materials were kept in a separate safe in the security room of the offices of the select committee. The committee's classified files were kept in the same room, but in separate safes. The general files of the committee were housed in another area entirely. It was necessary to sign in and out on a logbook to secure access to classified files. Access to the autopsy materials could only be secured by the personal permission of the chief counsel given separately every time access was sought.

Each notebook that contained a set of the autopsy photographs was separately numbered and the use of each book was recorded on a log every time it was examined.

In July of last year the staff of the select committee discovered that a Central Intelligence Agency employee had obtained unauthorized access to the autopsy photographs of President Kennedy. The staff made this discovery with the assistance of the District of Columbia Police, the Federal Bureau of Investigation, and the Central Intelligency Agency. The facts are as follows:

A researcher on the Assassinations Committee staff secured permission of the chief counsel to get access to the Kennedy autopsy materials. Access was obtained in the morning. The materials were taken from the safe, and the safe door was closed but not locked. They were to be used in another room by the committee's medical artist to prepare drawings of the President's wounds.

When he returned later that day to return the photographs, he found that the safe had been opened and another notebook had been taken out of the safe. One photograph of the President that was enclosed in a plastic cover had been ripped out of the notebook and the photograph taken out of its cover.

The chief counsel of the committee was immediately notified and he ordered the staff to undertake an investigation to determine who had obtained unauthorized access to the materials. The fingerprints of each member of the staff who had authorized access to the safe were matched against fingerprints that were lifted from the books that had been removed from the safe, the plastic covers in the books, and the inside of the safe door. None of the staff fingerprints matched the lifted fingerprints. The fingerprints of a Central Intelligence Agency employee were then matched to the lifted prints.

The match was made by the District of Columbia Police and double checked by the Federal Bureau of Investigation.

Mr. Speaker, this matter was handled by the District of Columbia Police and the Federal Bureau of Investigation in a competent and confidential fashion and the committee is grateful to them for their assistance.

To understand how the Central Intelligence Agency employee obtained access to the safe it is necessary to understand the role he played with the committee. The select committee had access at the Central Intelligence Agency to the agency's classified files. Notes were taken by the staff on the files. Those notes were brought by an agency courier under seal to a special area in the committee's offices where they were locked in a safe to which only the Central Intelligence Agency had the combination. Nothing else was kept in that room. An agency employee was available during working hours in the room to give the staff access to the notes. The safe could only be opened in the presence of the Agency employee and a staff member. If it was necessary to use the Agency notes in connection with a regular file of the committee, the regular file was brought to the special area. If it was necessary to use the committee's classified files in connection with the staff notes either the classified file would be brought to the special area or the staff notes were brought to the classified files in the security room. The Agency employee always accompanied the staff notes if they were removed from the special area. But the Agency employee was not authorized to be out of the special area unless he was accompanied by a staff member. He was not authorized to have access to the autopsy materials.

When the Agency employee's fingerprints were matched to the lifted fingerprints, permission was obtained from the Agency to interview the Agency employee. The employee's permission was obtained to record the interview. The employee denied having access to the autopsy materials when he was interviewed on one day. He was then interviewed a second time on a succeeding day. He did not admit any wrongdoing. He refused to be interviewed any more.

The Central Intelligence Agency conducted an investigation of the matter. Its investigation began after the committee asked permission to talk to the employee and before the committee brought the details of the unauthorized action, including the fingerprints, to the Agency's attention. The Agency's investigation included interviews and the use of polygraphs.

Additional polygraphs were taken after the details of the committee's investigation were brought to the attention of the Agency. The committee was given access to everything that the Agency obtained in its investigation and certain additional materials that the committee requested.

The committee staff members who conducted the investigation are satisfied that there was no evidence uncovered that the Agency directed the employee to obtain access to the autopsy materials. They also believe on the basis of what they know that the Agency did not direct the activity of the Agency employee in this regard. The Agency employees who conducted the Agency's investigation are satisfied that the motive for obtaining unauthorized access was mere curiosity. The committee staff members are not satisfied that the motive has been established; they believe mere curiosity is not consistent with the fingerprint evidence. But in the absence of a full and truthful confession by the Agency employee or the others, if any, who were in league with him—or substantial new evidence all recognize that the matter of motive cannot be ultimately resolved.

Mr. Speaker, I wish to emphasis several points:

First. No evidence was uncovered that anything was taken;

Second. No evidence was uncovered that anything was misused, other than in the unauthorized examination itself;

Third. No evidence was uncovered that anyone has profited from these acts;

Fourth. No evidence was uncovered that anyone other than the employee himself was involved in what he did;

Fifth. The employee has been discharged from the Agency; and

Sixth. To my knowledge, no disciplinary action has been thought necessary or taken against any other Agency employees in connection with the incident.

Mr. Speaker, I do not know what additional action can be taken in this matter. I considered it closed in July 1978 after the committee and the Agency did all they reasonably could be expected to do. I consider it closed now. Nevertheless, if the House or any of its relevant committees seeks to inquire into the matter further, I will assist in any way possible. It is enough to add that speculation about the matter beyond the evidence at hand is unjust to all concerned. No one wishes to know the truth more than I do. But the irresponsible circulation of rumor and myth only feed paranoia; they do not quench the thirst for knowledge.

At this point I include the following:

[From the Washington Post, June 18, 1979]

CIA OFFICER RIFLED FILES OF HILL PANEL

(By George Lardner, Jr.)

The House Assassinations Committee discovered last summer that its most sensitive files had been rifled, and then traced fingerprints on them to an officer of the CIA, according to informed sources.

The incident involved surreptitious entry of a combination safe at the congressional committee's offices, the sources said. The safe was reserved for physical evidence of President Kennedy's assassination, including the autopsy photos, X-rays and other articles, such as the so-called "magic bullet" that wounded both Kennedy and Texas Gov. John B. Connally.

Apparently nothing had been taken, but, the sources said, there was no doubt that the files in the safe had been tampered with. For instance, they said the autopsy photos of the head shot that killed Kennedy had been taken out of their slip cases and were left in disarray inside the three-drawer safe.

"It looked as though someone had just run out," one source said.

After several inquiries by a reporter this week, the CIA acknowledged that it has dismissed the individual in question, but indicated that it plans no further action.

"We're satisfied that it was just a matter of curiosity [on the individual CIA officer's part]," said CIA spokesman Herbert Hetu.

Asked whether it might have been a matter of conscious CIA spying on a congressional committee, Hetu replied, "Good lord, no."

The unauthorized entry was discovered when committee staffers arrived at work early one morning last summer, probably in July sources said.

"Blakey [the House committee's chief counsel, G. Robert Blakey] was told right away," one source recounted. "Only three or four people were supposed to have access to that safe. And I understand that one of them said he'd locked it the night before."

Fingerprint experts from the D.C. police department, where several committee staffers had old friends, were called in. By then, someone had thoughtlessly had the documents rearranged neatly, so that there were other prints on them and on the safe. But the security-conscious committee reportly had fingerprint records of everyone who worked there, both those with access to the safe and those who had no business being there.

Sources said the only unauthorized set of prints the police found belonged to Regis T. Blahut, a CIA liaison officer who had been detailed to assist the committee with the CIA records it needed for its investigations.

"His fingerprints were all over the place," one source reported. "On the photos, inside the safe, and on all sorts of different packages."

Particularly telling, another source indicated, was the fact that some of the prints were found on autopsy photos themselves rather than the plastic sleeves in which they had been encased.

The episode reportedly produced a great wave of anxiety within the CIA, which has been claiming for several years that it has learned its lessons and that its domestic spying and misdeeds are a relic of the past. In any case, the agency launched an intensive internal investigation, including polygraph examinations of Blahut and perhaps a number of his superiors.

In a brief telephone interview with The Washington Post, Blahut denied any wrongdoing. He acknowledged that his fingerprints had been found on the documents in question, but insisted that there was an innocent explanation. He refused, however, to say what that was.

"There's other things that are involved that are detrimental to other things," he said. Asked what he meant by that, he refused to elaborate.

"I signed an oath of secrecy [with the CIA]," he said. "I cannot discuss it any further."

Sources quoted Blakey, who was kept informed of the CIA's in-house inquiry, as having stated on several occasions that Blahut had been given three polygraph examinations in all and that he had failed them in important respects.

"He denied he did it, and he flunked that," one source said. "They also asked him whether anyone ordered him to do it. He said no one, and he flunked that."

Blahut, who said he worked for the CIA office of security, insisted that he had come through the tests with his credibility unblemished.

"I've already defended myself to my employers," he said when asked about the incident. "As far as I'm concerned, that's all cleared up."

Blakey, who has been working on the now moribund Assassination Committee's final report in recent weeks, refused to comment. Sources said he seized on the incident last year and used it as leverage to get the CIA to cough up a number of documents it had been holding back from the committee. Some of the records reportedly pertained to Lee Harvey Oswald's visit to Mexico City in September 1963.

"There was a marked improvement," one former staffer recalled. "All of a sudden, they were giving us everything we wanted. Blakey kept saying he wanted to go slow, to let them [the CIA] conduct the investigation. . . . But I think he'd have to admit we wanted better cooperation."

Asked one question after another about the incident, including the identification of the CIA officer's fingerprints, Blakey kept saying: "I won't discuss the matter." Asked if he would deny it, he said, "No."

Most members of the House committee apparently were kept in the dark. Even the chairman of the subcommittee that investigated the Kennedy assassination, Rep. Richardson Preyer (D–N.C.), said he was unaware of it when queried by a reporter. Later, after checking with Chairman Louis Stokes (D-Ohio), Preyer declined to comment beyond saying:

"Blakey and Lou [Stokes] were handling the CIA stuff. I don't have my nose out of joint about it. Talk to Lou."

Stokes declined to talk. "The matter was terminated," he said. "There's no need for me to comment."

It was not clear what other CIA officials might have been given polygraph tests before the inquiry was dropped although sources said that one of Blahut's superiors, Scott Breckinridge of the CIA inspector general's office, had been expected to be given one. There were also reports that CIA Deputy Director Frank Carlucci had offered "in a magnanimous way" to take one.

Breckinridge is a veteran CIA official who served as the agency's chief liaison officer with the Senate Intelligence Committee during its 1975–76 investigations of the intelligence community. He also wrote the top-secret CIA inspector general's report in 1967 on CIA assassination plots against Cuban Premier Fidel Castro.

Breckinridge retired recently. He could not be reached for comment. CIA spokesman Hetu said his retirement had nothing to do with the rummaging of the House committee's safe.

As for Carlucci, Hutu told a reporter, "He doesn't remember having said what you said he said."

[From the Washington Post, June 19, 1979]

CIA Probe Into Rifled Files Called Superficial, Self-Serving

(By George Lardner, Jr.)

The Central Intelligence Agency's investigation of the rifling last year of a congressional committee's files by one of its officers was aimed primarily at getting the CIA off the hook, according to informed sources.

"They investigated it to get out of it themselves, not to find out whether somebody else was involved," said one knowledgeable source.

The Washington Post reported yesterday that the most sensitive files of the House Assassinations Committee had been rifled last summer by a CIA liaison officer who had been assigned to help the committee.

The CIA responded by saying that the officer in question, Regis T. Blahut, had been dismissed. CIA spokesman Herbert Hetu said the agency was "satisfied" that the incident had been simply "a matter of curiosity" on Blahut's part.

Sources close to the committee sharply disputed the CIA's assertions. One said "the circumstantial [evidence] is overwhelming" that more than "curiousity" was involved.

CIA officer Blahut, this source said, "went into a room where he wasn't supposed to be without one of our officers being present."

There, the source said:

"He opened a safe, and pulled out a drawer.

"He took a ring-binder notebook out of the drawer, he ripped a plastic case out of the notebook and he took a picture out of the plastic case.

"He fled when he heard a noise, and then he lied about it."

According to this source, both CIA Director Stansfield Turned and CIA Deputy Director Frank Carlucci were informed bluntly by the committee's chief counsel, G. Robert Blakey, of what the committee regarded as the shortcomings of the CIA inquiry.

Hetu denied this. In a telephone interview yesterday, he also denied that the CIA had conducted a shortsighted, self-protective investigation. "We did check outside and inside [the agency]," he said.

Hetu also maintained that Blahut had every right to be in the room where the safe was located.

The rifled safe was reserved for physical evidence from the Kennedy assassination and, at the time, contained at least the grisly autopsy photos. The safe containing CIA records and other materials that Blahut was supposed to safeguard was in another room, sources said.

Committee staffers discovered the incident one afternoon last July after a committee lawyer had gone into the room, with Blakey's permission, to inspect some of the autopsy photos. He left the room briefly to speak with Blakey and returned to discover that one of the notebooks he had not touched was out of place.

"If it were just curiosity, why should you have to take photos out of an unused book in order to see them? Why not just look at them?" one source said.

As for Blakey, sources said, he had always been "paranoid" about the possibility that some of the gruesome Kennedy autopsy photos might get out and destroy the committee's reputation.

"No one who has seen those photos would have any doubt that they should not be made public," one source said. "The one thing that would have done us [the House Assassinations Committee] in would have been for those photos to be publicly released. We were never satisfied that someone else wasn't involved."

Of the CIA's investigation, one source said, "all they investigated was whether he [Blahut] had any connection with the agency [in doing what he did] . . . They asked [Blahut] on a polygraph [examination] whether he had any connection with the agency in doing what he did. And he passed when he said he didn't have any connection. But they didn't ask whether someone else had authorized him to do it."

Turner enunciated the agency's view yesterday afternoon in one of his "Director's Notes" to all CIA employees: "A media report today suggests that there was something sinister involving the agency and the files of the House Assassinations Committee. I want to assure you that this is simply not the case. Our investigations revealed an error in judgment by a contract employee as a custodian for CIA material with the committee. He acted alone and out of curiosity and was dismissed."

[From the Washington Star, June 18, 1979]

CIA Fires Officer Who Rifled Files

A CIA security officer, found to have sorted through sensitive files of the House Assassinations Committee, has been fired, an agency spokesman said last night.

The security officer, Regis Blahut, was assigned to guard CIA documents being used by the committee in its investigation of the assassination of President John Kennedy, said spokesman Herbert Hetu. "He saw the committee's files and picked them up, which was dumb," Hetu said.

After an internal CIA investigation, he said, "we were totally convinced" Blahut was not encouraged "from outside or inside the CIA" to examine private committee documents.

"That would be the immediate question, but we felt certain it was just a matter of curiosity and poor judgement," Hetu said. "We dismissed the guy and that was it."

A Washington Post story in today's editions quoted unnamed sources as saying the incident involved "surreptitious entry of a combination safe at the committee's offices," but Hetu said no safe was involved as far as he knew.

The Post said the safe was reserved for physical evidence of the Kennedy assassination, including autopsy photos, X-rays and the bullet said to have hit Kennedy and Texas Gov. John B. Connally.

There are no allegations that anything was taken.

Blahut could not be reached for comment last night, but The Post quoted him as acknowledging that his fingerprints had been found on some of the documents. However, he denied any wrongdoing, citing a CIA "oath of secrecy" in declining to elaborate, the newspaper said.

[From the Washington Post, June 28, 1979]

HOUSE PROBING CIA 'BABYSITTER' WHO RIFLED FILES ON JFK

(By George Lardner, Jr.)

The House Intelligence Committee has started an investigation of a CIA officer's snooping last year in the offices of another congressional committee.

Members of the Intelligence Committee, which has oversight authority over the CIA, were informed of the inquiry last week by Chairman Edward Boland (D-Mass.). Committee staffers had already interviewed the CIA's director of security, Robert Gambino, about the incident following a report in The Washington Post.

The Post, quoting informed sources, reported that the most sensitive files of the House Assassinations Committee had been rifled last summer and fingerprints on them traced to a CIA liaison officer assigned to the committee.

The assignment, it has since been learned, was made under a CIA program code-named "MH/Child," which sources described as encompassing a variety of so-called "babysitting" chores.

The agency dismissed the liaison officer in question, Regis T. Blahut, last August and then dropped the matter. In a memo to all CIA employes last week, CIA Director Stansfield Turner took the position that Blahut had "acted alone and out of curiosity."

Since then, the CIA has also been insisting that Blahut, who had been employed by the agency's Office of Security, did not rifle the Assassinations Committee's files and did not even enter the safe where the files were kept.

However, the agency has refused to say what it thinks did happen, beyond describing it as—in the words of CIA spokesman Herbert Hetu—"something dumb."

According to informed sources, the incident took place one afternoon last July after an Assassinations Committee staffer had started inspecting some of the materials in a combination safe reserved for physical evidence of the 1963 assassination of President Kennedy.

Sources said he took what he wanted and left the room. According to one version, he left the safe door closed but unlocked; according to another, the safe door might have been left slightly ajar. In any case, sources said, when he returned, he found a book of Kennedy autopsy photos inside the safe in obvious disarray.

Blahut's fingerprints were found on the inside door of the safe. They were also found on one of the gruesome autopsy photos, which had been taken out of its plastic case, sources said. The plastic case itself had been torn from its notebook binder.

The CIA's Hetu, however, declares that Blahut "did not enter the safe to get the notebook."

Asked how it was then that Blahut's fingerprints were found on the inside of the safe door, Hetu said this must have happened when Blahut was "putting it [the book of photos] back in the safe."

Asked why Blahut would do that if he hadn't taken the book from the safe to begin with, the CIA spokesman said, "I don't know. Ask Blahut."

Hetu also declined to give the CIA's version of what happened, insisting that it would serve "no purpose."

Blahut, who reportedly failed CIA polygraph tests in several important respects concerning the incident, declined to comment. He has said there is an innocent explanation, but he has refused to say what that is.

Sources said there were at least three personnel shifts and changes within the CIA's Office of Security following the incident last summer and the recent publicity over it, affecting, among others, Blahut's immediate supervisor. Hetu said there was no connection.

"We're satisfied that what he [Blahut] did, he did on his own," the CIA spokesman told a reporter. "None of the things [personnel shifts and resignations] you've described had anything to do with that. . . . We're satisfied the guy did something dumb. He looked at a book he wasn't supposed to look at. And we fired him after we assured ourselves that he wasn't asked [to do what he did] by anyone either inside or outside the agency."

Sources close to the committee maintained that the CIA's investigation was aimed primarily at getting the agency off the hook and was not thorough enough to eliminate suspicions that more than "curiosity" might have been involved.

Blahut had been assigned to help the Assassinations Committee with the CIA files it needed in its inquiries. Sources described the MH/Child project, under which the assignment came, as a sort of "babysitting" function that also includes escorting visitors to the CIA headquarters building at Langley.

☐ 2230

NRTA-AARP SETS LEGISLATIVE PRIORITIES FOR 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, the National Retired Teachers Association and the American Association of Retired Persons are widely recognized organizations concerned with the welfare of older Americans. These organizations have recently published their 1979 legislative policy and 1979–80 joint State legislative committee policy guidelines. This year's program emphasizes the importance of the demographic, economic and employment trends in terms of legislative policy for current and future retirees and the Government programs which assist them. The National Retired Teachers Association and the American Association of Retired Persons represent over 12 million members and emphasize that as the older population expands and changes, Federal programs must respond.

Because I would like to share some highlights of their national legislative objectives with my fellow Congressmen, I would ask that the following article be inserted in its entirety at this point in the RECORD:

THE 1979 NRTA-AARP LEGISLATIVE PRIORITIES

ECONOMIC POLICY

As inflation is our major economic problem, steps must be taken to reduce drastically the annual rate and provide the elderly with an increased measure of compensation for the inflation losses they suffer.

To these ends, the federal government should coordinate monetary and fiscal policies, reduce government spending, balance the federal budget, strongly enforce antitrust policy, deregulate those economic sectors where price competition would be improved, promote competition and productivity, use economic "controls" where necessary (as in the health sector) and develop innovative "tools" to use in the fight against inflation.

To compensate the elderly more fully for inflation losses, private and state and local government pensions ought to be adjusted upward automatically. A separate elderly consumer price index ought to be developed and used in making semi-annual benefit adjustments in all benefit programs, both public and private.

INCOME POLICY

Despite the effect that government programs have had on reducing the incidence of poverty among the aged, inflation is seriously threatening the income status of older Americans and the financial viability of the programs on which they depend for income support like social security. This economic situation could have serious implications when coupled with the demographic trend which indicates that the U.S. population age 65 and older is growing both in number and in proportion to the rest of the population. In addition, if the trend toward early retirement continues, fewer workers will be supporting a larger number of retirees.

To deal with demographic, early retirement and economic trends with which we are now confronted, our Association recommends that we restructure the broad range of income support programs serving older Americans. Sufficient time must be allowed for sound planning and lengthy transition periods in order to permit an orderly evolution into a more rational policy structure that ends up allocating increasingly scarce resources more effectively and efficiently.

SOCIAL SECURITY

The Social Security System is and will remain the largest source of income for older Americans. In order to adequately respond to the combination of foreseeable economic, employment and demographic trends, the Association believes the Social Security System should be restructured into a "national pension program". In order to restructure the system comprehensively and gradually, four major changes are advocated.

First, the primary function of the system should be earnings replacement with a benefit formula that would replace at least 60 percent of pre-retirement income. This would entail phasing in a benefit structure that more strictly relates benefit awards to earnings/contributions. The welfare and social adequacy elements should be gradually phased out and placed within a revamped and improved Supplemental Security Income program.

Second, work disincentives should be removed and work incentives added. The major work disincentive, the earnings limitation, should be abolished. One incentive to reward work effort that the Association proposes is actuarily to increase benefits for each year after age 65 that a contributor continues to work and does not apply for benefits.

Third, an incentive/disincentive approach should be used to achieve the gradual goal of universal social security coverage. We are opposed to the other approach of simply mandating social security coverage for all those public employees who are outside the system as of a specific date.

Fourth, the new system should continue to be largely financed by payroll taxes on a pay-as-you-go basis but backed up with "general revenue" mechanisms to protect the system against the adverse effects of high rates of inflation and unemployment.

Under this restructured income support scheme, the Supplemental Security Income program would provide minimum floor-of-income protection and more adequately supplement low social security benefits. Three aspects of the SSI program should be revamped and improved in order to serve this purpose.

First, payment levels should be raised to at least the officially defined poverty level. In addition, the federal government should share the cost of state supplementation of these federal payment levels. Also, the present flat $20 disregard of unearned income (usually social security) should be changed to at least 20 percent disregard.

Second, employment incentives should be added and disincentives should be eliminated. The present earned income disregard of $65 was set over four years ago and should be raised substantially and indexed thereafter. In addition, the federal government should provide public service job training and opportunities for recipients who wish to take advantage of them.

Third, the assets limits should be raised to at least $3,500 for individuals and $5,000 for couples and indexed for inflation.

EMPLOYMENT

Encouraging older persons to maximize their labor force activity would have several beneficial consequences. Not only would this generate additional tax revenues but it would also result in the production of more goods and services in the economy and help reverse the country's declining productivity. In addition, the elderly would be supplementing their incomes through earnings, which would result in a lesser degree of dependence on government support programs and a better insulation of incomes against inflation.

Our plan is two-fold. It calls for eliminating barriers to employment (such as mandatory retirement practices), eliminating work disincentives (such as the social security earnings limitation), and expanding and creating government employment programs for older persons. Current programs such as CETA and Title V of the OAA subsidize a very limited number of public service jobs for older workers.

In the private sector, employers should be given tax incentives to hire or retain older workers. Any cost of expanding present employment programs, creating new ones or providing tax incentives to employers would be more than offset by the increased output and tax revenues generated by the additional work effort of older persons.

TAX POLICY

The Association will continue its efforts to equalize federal income tax treatment of social security and non-social security retirees by advocating the increase and automatic cost-indexing of the maximum amounts used to compute the Tax Credit for the Elderly and to remove (or substantially raise) the adjusted gross income limits placed on the Credit.

Other Association tax relief measures include efforts to:

Provide some tax relief for widowed persons and other single taxpayers over age 65;

Expand the earned income tax credit to include individual workers and families without children;

Increase limits and expand coverage of IRAs for those persons covered by small private pension plans;

Eliminate the double taxation on dividend income;

Expand the $15,000 adjusted gross income limitation on the sick pay exclusion for married couples.

HEALTH CARE

The elderly, more than any other age group, are most in need of comprehensive health care protection and are the least able to afford it. Costs continue to rise and yet the present system responds less and less adequately to the needs of the elderly.

Therefore, it is increasingly apparent that steps must be taken to restructure completely the health care industry to assure that comprehensive care (including the broad range of services from conventional medical services to non-medically oriented services) is available at affordable costs to all Americans, especially older persons. Because we feel that the first legislative step in bringing about this restructuring of the manner in which health care is delivered in this country must be a major one, we support the enactment of a comprehensive national health insurance program.

The NIH program we seek should contain these essentials elements:

Comprehensive benefits with universal and mandatory coverage of U.S. residents;

Immediate health budget cap and rate setting in advance for institutional care and physicians' services;

A patient-oriented health care system with a majority representation of consumers on policy-making and administrative boards;

More primary health care providers with a shift in emphasis and resources away from institutionalization and acute care services to preventive medicine and health maintenance;

Financing by a combination of progressive employer-employee payroll taxes and general revenues;

Competition among providers with profit incentives to lower costs;

Standards for increasing quality and efficiency of health care;

Maximum concentration of program administration at the local level with federal and state public authorities limited in size and scope to providing budgets and guidelines; and

A long-term care program that would provide a complete continuum of coordinated health and health-related services.

OTHER AGING ISSUES

The following items represent specific legislative priorities of the Association for 1979 in consumer affairs, crime, education and training, housing, nutrition, Older Americans Act, social services and transportation:

Amendment of the Age Discrimination Act (ADA) to limit the exclusionary use of age criteria to those programs where federal laws explicitly authorize the use of age criteria, such as in the Older Americans Act;

Federal basic insurance certification program for private health insurers;

Utility rate structure reform;

Reversal of the *Illinois Brick* decision permitting only direct purchasers to sue for damages in price fixing violations;

Strengthening the Interstate Land Sales Registration Act;

Mandated funding for the crime against the elderly section of the 1968 Omnibus Crime Control and Safe Streets Act;

Federal crime victim compensation legislation;

Steps to reduce consumer fraud and development of educational and informational programs to alert the elderly to fraudulent practices and schemes;

Strengthening the Lifelong Learning provisions of the Higher Education Act;

Redirection of lifelong learning into areas related to work and retirement;

Graduate and undergraduate programs in gerontology and geriatrics;

Reauthorization and expansion of the Section 202 Elderly Housing program;

Appropriate funding of the Congregate Housing Services program;

Development of guidelines and appropriate consumer safeguards for reverse annuity mortgage transactions;

Development of federal standards for disclosure and consumer protection for purchasers, owners and tenants in condominium sales and conversions and in mobile home parks;

Adequate funding for the Congregate and Meals-on-Wheels components of the Nutrition Program for the Elderly under the Older Americans Act;

Increased funding for the Older Americans Act beyond fiscal 1978 levels.

Additionally, a new policy focus on older women was added to the program to draw attention to the significance of this population group in setting policy affecting older Americans.●

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

● Mr. **MIKVA**. Mr. Speaker, due to prior commitments I was absent for several rollcall votes during the past week.

Had I been present, I would have voted as follows:

Rollcall No. 265, amendment to Panama Canal Act (H.R. 111) by Mr. BIAGGI which sought to prohibit payments to Panama until Panama compensates U.S. citizens for expropriated property—vote, "no";

Rollcall No. 268, amendment to H.R. 111 by Mr. KRAMER which would have redefined the Republic of Panama for purposes of the act—vote, "no";

Rollcall No. 274, to resolve into the Committee of the Whole for consideration of H.R. 4394, HUD and independent agencies appropriations for fiscal year 1980—vote, "yes";

Rollcall No. 276, amendments to H.R. 4394 by Mr. LAFALCE which sought to increase EPA's budget by $10 million in its research and development account and $10 million in its abatement, control, and compliance account—vote, "no";

Rollcall No. 285, to resolve into the Committee of the Whole for further consideration of H.R. 4394—vote, "yes";

Rollcall No. 286, amendment to H.R. 4394 by Mr. NELSON which sought to cut revenue sharing to the States by $685 million—vote, "no";

Rollcall No. 287, amendment to H.R. 4394 by Mr. WEISS which sought to cut $14.7 million from research and development for the SST—vote, "yes";

Rollcall No. 288, amendment to H.R. 4394 by Mr. MILLER of Ohio which sought a 2-percent cut across the board in appropriations, except for those required by law—vote, "no"; and

Rollcall No. 289, final passage of H.R. 4394—vote, "yes."●

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. **FERRARO**. Mr. Speaker, due to previous commitments in both my district and in Washington, I have been unable to be on the floor of the House for five votes during the past 2 weeks. Had I been present for those recorded votes, I would have voted as follows:

Rollcall No. 235: An amendment to H.R. 2444, to establish a Department of Education, that sought to strike the transfer of DOD functions relating to the education of overseas dependents to the proposed department; "yea";

Rollcall No. 244: A motion to table House Resolution 291, a resolution of inquiry directing the President to provide

Members of the House with information on the energy situation; "no";

Rollcall No. 274: To resolve into the Committee of the Whole for consideration of H.R. 4394, making appropriations for the Department of Housing and Urban Development and Independent Agencies; "yea";

Rollcall No. 275: An amendment to H.R. 4394 that sought to increase the EPA research and development appropriation by $10 million to provide $4 million for groundwater contamination research and $6 million for anticipatory research; "yea"; and

Rollcall No. 276: An amendment to H.R. 4394 that sought to add $10 million in appropriations to EPA research and development and $10 million for EPA abatement control, and compliance for use in emergencies caused by the release of any pollutant or contaminant which presents a public health danger; "yea."●

PACIFIC NORTHWEST CENTER FOR THE PERFORMING ARTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized for 5 minutes.

● Mr. DICKS. Mr. Speaker, We are all aware of the importance of cultural tourism to the economic progress of the Nation—Wolf Trap Park, which attracts visitors and performing arts enthusiasts from all over the world, has shown us that these types of activities provide us with substantial economic benefits without exporting or exploiting any of our natural resources.

For this reason, I am today introducing legislation to provide for the establishment of an international performing arts center in the Pacific Northwest.

My reason for introducing this legislation is simple: Our national economic interests would be well served by an expansion of cultural tourist activities—and the proposed Pacific Northwest Center for the Performing Arts would enhance this expansion.

In addition, the Center would increase our region's ability to attract international capital, especially in light of the recent warming relations with the People's Republic of China; would provide for significant increases in income and employment, both locally and regionally; and would give the entire West a boost, with a comparably small investment, that few other projects currently offer.

And, as an indication of local support for this proposal, the land on which the Center would be constructed has been donated to the State of Washington, which in turn will donate the land to the Department of the Interior. And the State has also appropriated $5,000,000 to share in the cost of constructing and maintaining the Center. Frankly, the citizens of my State have "put their money where their mouths are" with regards to this project.

Mr. Speaker, the Pacific Northwest Center for the Performing Arts is a project whose time is at hand. I respectfully urge quick committee and House approval.

The bill follows:

H.R. 4673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pacific Northwest Center Act".

Sec. 2. (a) The Secretary of the Interior shall establish the Pacific Northwest Center for the Performing Arts (hereinafter in this Act referred to as the "Center") in King County, Washington, and construct, operate, maintain, and improve facilities for the Center. The Center shall be constructed on property donated for that purpose to the United States by the State of Washington.

(b) The Secretary of the Interior shall administer the Center in accordance with provisions of law generally applicable to units of the national park system, including the Act approved August 25, 1916 (16 U.S.C. 1, 2–4) and the Act approved August 18, 1970 (Public Law 91–383).

Sec. 3. (a) The Secretary of the Interior is authorized to accept on behalf of the United States a donation of land from the State of Washington as the site of the Center.

(b) The Secretary of the Treasury is authorized—

(1) to accept on behalf of the United States (A) funds from the State of Washington to be used in the construction of the Center, and (B) any other gift to the United States which he finds has been contributed for use in the construction, operation, or maintenance of the Center, and

(2) to pay such moneys to the appropriation accounts established pursuant to appropriations authorized by section 5 of this Act, as in his judgment will best effectuate the intent of the donor.

Sec. 4. There is established a Pacific Northwest Center for the Performing Arts Advisory Committee (hereinafter in this Act referred to as the "Committee"), to advise the Secretary of the Interior and make recommendations respecting—

(1) the optimal efficiency and appropriate participation by State and Federal Government and the private sector in the operation and maintenance of the Center, and

(2) the activities to be carried on in the Center.

The Committee shall be composed of the Secretary of Commerce or his designee, and the Secretary of State or his designee, to serve as ex-officio members. At least 10 members who shall be appointed by the President and who shall serve at the pleasure of the President. Persons appointed to the Committee shall be individuals who are recognized for their knowledge of, or interest or experience in, one or more of the performing arts. At least one member of the Committee shall be a resident of the State of Washington. The President shall designate the Chairman of the Committee. When appointing members of the Committee the President shall give consideration to such recommendations as may from time to time be submitted to him by leading national organizations representing the performing arts. Members of the Committee shall serve without compensation, but each member shall be allowed the same per diem, travel, and transportation expenses as are allowed under sections 5702 and 5703 of title 5, United States Code, for employees employed intermittently in the Government service.

Sec. 5. There are authorized to be appropriated such sums as are necessary, but not in excess of $20,000,000 to carry out the purposes of this Act.●

YOU ARE THERE, DO SOMETHING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HIGHTOWER) is recognized for 5 minutes.

Mr. HIGHTOWER. Mr. Speaker, from back home in Texas I am hearing a rising chorus that is increasingly strident and growing in intensity.

The cry is: "You are there, do something."

People are hurt by inflation as they see their fixed incomes buy less and less. They are frustrated by what they consider unnecessary Government involvement in their daily lives.

Farmers feel trapped by higher diesel and gasoline prices as they are harvesting their wheat. They are afraid that as the prices of their commodities go up they will not be able to move their commodities to a terminal market.

However, businessmen, farmers, bankers, teachers, and pensioners alike are worried and angry. Many are afraid.

Mr. Speaker, they turn to me and say: "Do something."

Mr. Speaker, we live in a time when people expect quick and easy answers. They want assurances that everything will turn out all right, that there will be a happy ending, and that everyone will live happily ever after. If history books were like children's story books we could give them that assurance. Unhappily such is not the case.

I believe that the Members of the 96th Congress want to "do something." I believe that we do listen to our constituents, that we are responsive, and that we can and will take effective action.

The United States is still a mighty nation. Our people are strong. We do have the capacity to solve the problems of today. Not only do we have the capacity we have the energy, the determination, the resources, and the desire. We have the discipline to face difficult decisions.

There are no simple answers to our difficulties. No one bill, no one rule, no one Executive order can address the complexities of energy or inflation. But a common denominator of national determination will help us find the solution.

Step by step Congress must move. The action of this week on the synthetic fuel bill is a step forward. The journey to energy self-sufficiency has begun.

Today's action is a disappointment. The so-called windfall profits bill will not produce an additional quart of oil for the consumers. The additional revenue will come out of the pockets of the people in the gas lines. It will not help us shake off the shackles of the foreign producers. It is sad that each meager step forward must be followed by action that only impedes our ultimate progress.

Mr. Speaker, sometimes a democracy moves slowly, and surely we have been slow, but we have not lost faith and we must not lose faith in ourselves, in our capacity for effective action, in our ability to keep this country strong and great. We have not and will not lose faith in America.

□ 2140

HEARINGS ON LEGISLATIVE VETO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Moakley) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, I would like to announce that the Subcommittee on Rules of the House will hold hearings to receive testimony from Members on the bill (H.R. 1776) to improve agency rulemaking and establish procedures for congressional review of agency rules.

In addition to the legislation proposed by the gentleman from Georgia (Mr. Levitas), the chairman of the Committee on Rules has referred 18 other bills relating to legislative veto to the subcommittee and 189 Members have sponsored 1 or more of these bills.

I expect to hold the first hearing on Wednesday, July 11, and will schedule additional meetings if a large number of Members submitting testimony decide to appear in person.

Mr. Speaker, our subcommittee is directed by the chairman of the Committee on Rules to conduct a thorough review of this matter and, in close cooperation with the Committee on the Judiciary, to develop recommendations for consideration by the Congress.●

CHATTAHOOCHEE RIVER NATIONAL PARK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Phillip Burton) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I would like to commend to the attention of the Members, an article which appeared in the June issue of the EPA Journal describing one of America's newest national recreation areas, the Chattahoochee River National Park.

The 48-mile stretch of the Chattahoochee River, from Atlanta to Lake Sidney Lanier, was designated as a national recreation area with the passage of the Chatthoochee National Park bill last year, introduced by and as a result of the determination and leadership of the distinguished Representative from the Fourth Congressional District of Georgia, the Honorable Elliott H. Levitas.

The park represents the culmination of an 8-year effort to preserve the Chattahoochee by the citizens of Georgia; the EPA; the distinguished Senator from Georgia, the Honorable Sam Nunn; the U.S. Ambassador to the United Nations, Andrew Young; and our colleague, Congressman Levitas, sponsor of the bill. As the article points out, their efforts have been well rewarded:

A River for the People

(By Robert Humphries)

Chattahoochee means "River of Flowered Stones" in the Creek Indian tongue. It is a river, yes, but much more. Poet Sidney Lanier celebrated the river in Song of the Chattahoochee, "Out of the hills of Habersham, down the valleys of Hall, I hurry again to reach the plain." It was the last barrier for the bluecoats of Billy Sherman to cross before they burned Atlanta. The river flowed quietly on as the South's great metropolis rose like the phoenix from the ashes of a great civil conflict.

More recently, the annual Chattahoochee Raft Race was listed in the 1977 Guinness Book of World Records as being the world's largest outdoor participant sport. Some 20,000–30,000 people float in the river every May in homemade "floats," inner tubes, rafts, and canoes while over a quarter-million spectators gather to watch the festivities along the river bank.

Sound like an interesting place?

It is. It's also one of America's newest National Recreational Areas.

Its designation as an NRA last August was the culmination of an eight-year effort for river protection by citizens, several Federal agencies—including EPA—the State of Georgia, and local governments.

Among those chiefly involved was Barbara Blum, before her appointment as EPA Deputy Administrator in 1977.

Informed that a sewer was to be constructed down the river bank, she took the lead—in bringing together the varied interests, the canoers, rafters, fishermen, homeowners, and water supply interests.

"There were those who said it would never work—the coalition on the project," Blum said. "They were wrong, very wrong."

Blum and her "river rats" found a sympathetic ear in both the then-Regional Administrator of EPA, Jack Ravan, and the then-Governor Jimmy Carter.

The results?

First, the sewer line was redesigned so that damage to the riverbank beauty was minimal, even to thousands of feet of tunneling through spectacular cliffs in the palisades section of the river.

Then, with support from the Governor, and with the sponsorship of State Representative Elliot Levitas, Georgia's first major land-use law, the River Protection Act, was passed in 1973, putting development controls on a 2,000-foot corridor along the river.

Later, as a Georgia Congressman, Levitas shepherded the NRA bill through the House of Representatives.

Private donations of land and use of State and local funds made available almost 1,000 acres of land along the river in several tracts for public use.

All along, the need for designation nationally was recognized since the project was of national significance.

In the 1972 election campaign, an aspiring candidate for the U.S. House of Representatives was approached by the river protection groups. Once contacted, Andrew Young agreed to support the effort, probably a key factor in his election to the Congress. Shortly afterward, Young, now U.S. Representative to the U.N., helped to introduce the first of a series of bills to establish the National Recreation Area. On the Senate side, another Georgia freshman, Sam Nunn, lent his support, carrying forward identical legislation.

"Andy and Sam's leadership in Washington," Blum said, "made a critical difference. They gave visibility to our efforts, and they pressed our case before the Congress."

Still, there were setbacks.

Finally, in 1979, designation of the Chattahoochee as a National Recreation Area became a reality. Established were 14 separate sites varying from 40 to 1,000 acres along a 48-mile stretch of the river from Atlanta to Lake Sidney Lanier. These sites will provide for varied riverine recreational and educational experiences as well as better control of non-point sources and unwise development.

Why is all this important? The Chattahoochee feeds water to industry and one-third of Georgia's population. It also does much more, fulfilling needs which are perhaps even more important to modern urban people. Closely surrounded by high density urban development, on the river one is not aware of these everyday scenes. Rather, vistas ranging from pastoral to rugged mountain wilderness confront and make peace with the eye and soul.

While eight out of ten residents of metro Atlanta depend on the Chattahoochee for water for home and business, the recreational and educational opportunities are equally important. Where else can cheap mass transit carry inner-city children to experience and learn the wonders of the natural world we all depend on? Youngsters can learn white-water techniques. Fly fishermen fish the southern-most trout streams in the Nation. In a metro region of 1.7 million people, over 2 million a year use the river for recreation.

Perhaps the best comment about this National Recreation Area is that of President Carter when he signed the bill in the White House Rose Garden: "It's a rare occurrence when within the city limits of one of our major cities one can find cool water and trout and free canoeing and rapids and the seclusion of the earth the way God made it."●

EXCERPTS FROM DEBATE ON APPROPRIATION FOR SYNTHETIC FUELS DEVELOPMENT

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, I include in these remarks certain excerpts from the debate in the House over an appropriation for synthetic fuels development back in 1953.

At that time, we were trying to save an appropriation of only about $2 million to operate a promising pilot plant for the production of synthetic fuels from our abundant coal, oil shale, and other resources.

For several days past I have included segments of the debate on April 27, 1953, in my remarks, and the excerpts that follow are a continuation of that debate:

Mr. Kirwan. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. Eberharter).

Mr. Eberharter. Mr. Chairman, I was glad to hear both the chairman of the subcommittee and the gentleman from Pennsylvania (Mr. Fenton) say that if the Secretary of the Interior recommended restoration of these funds they would be glad to go along. I want to call their attention to the fact that in the first place the Secretary of the Interior recommended $5,900,000 for this program, but the committee saw fit not to agree with the Secretary of the Interior; in other words, they already have the recommendation of the Secretary of the Interior that over $5 million—nearly $6 million—should be spent on this program. No adequate reason has been given to justify these cuts. It comes with a sort of sense of suddenness and shock to me and other Members interested in this subject to learn that the committee takes this action. I only found it out this afternoon. I think it will come with a sense of shock to the people of the country; I think they look at it the same way as they would if the committee arbitrarily cut off a quarter, a third, or a half of the funds for atomic research. This is a security program more than anything else. Of course, it affects our domestic economy, but for the committee without any specific reason to cut the recommendations of the Secretary of the Interior in half seems to me to be rather arbitrary. I found out, or at least it has been said to me on what I think is good authority, that already there have been attempts on the part of private industry to win away from this governmental program the personnel, the scientists, and experts who have been working on it, wanting them to sign up in private industry, looking forward, I presume, to the time when these plants will be disposed of to private industry.

Suppose we did discontinue this work for a year, or 2 years, and then had to resume it, would you be able to gather together a good staff right away, in case an emergency comes along, in order to complete the program which, as has been said here this afternoon, was authorized by the Congress itself and has been almost finished? Even a new Secretary of the Interior who no doubt wants to go along with the general program of economy recommends a much larger amount.

It seems to me it is taking a pretty heavy gamble with what our known enemies might do; this would be the kind of action that would make them smile, and they would think it was wonderful for us to stop a program which has pretty nearly reached the point of success, for we have only a little way further to go.

The members of the subcommittee themselves say there is another method being explored which they think is better than the first two processes they have been examining. Have they any assurance that this third program will come to fruition and be successful, or are they just taking a gamble?

Mr. FENTON. Yes, I may say to the gentleman, they do know pretty much already.

Mr. EBERHARTER. Can the gentleman give the House the assurance that this third process which is now under way or about to commence will be successful?

Mr. FENTON. All I know is the testimony which was given before the committee.

Mr. EBERHARTER. That is what was testified before the committee?

Mr. FENTON. Yes.

Mr. EBERHARTER. I think there should be more testimony on the subject before we give up whatever little chance we have in this matter that affects the security of our country.●

EXCERPTS FROM DEBATE ON INTERIOR DEPARTMENT APPROPRIATIONS BILL

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, in my remarks of the past few days, I have appended excerpts from the debate on an Interior Department appropriations bill in 1953.

This debate has great relevance to us today, because in those April days 26 years ago, we were fighting to save a synthetic fuels program which was making gasoline from coal, shale, and other domestic resources.

Because of the great interest in this subject today, I include the following portions of that colloquy from the RECORD of April 28, 1953, at this point:

INTERIOR DEPARTMENT APPROPRIATION BILL 1954

Mr. JENSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4823) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Iowa.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 4928, with Mr. MCGREGOR in the chair.

The Clerk read the title of the bill.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, I want to speak this morning on the subject of synthetic fuel. The original request for appropriations for the Department of the Interior contained an item of $7,900,000 for the maintenance and continuation of the synthetic-fuel program by the Bureau of Mines. Secretary McKay reduced the request substantially when he asked that $2 million be removed from the appropriations for the production of synthetic fuels from coal and that operations by the experimental plants for the hydrogenation of coal be discontinued. The Committee on Appropriations going even further has eliminated completely all funds for the continuation of production of synthetic fuel from coal and oil shale at experimental plants in the Bureau of Mines, and has directed that those facilities be disposed of by the Government.

APPROPRIATION FOR SYNTHETIC FUELS, FISCAL YEAR 1954

	Original appropriation	Secretary McKay's requested appropriation	Appropriation in bill H.R. 4828
Research	$1,435,200	$1,435,200	$767,600
Gas	985,400	985,400	
Coal	3,095,800	1,095,800	250,000
Shale	1,943,904	1,943,904	250,000
Power	445,000	445,000	
Total	7,905,304	5,905,304	1,267,600

All that is left in the bill as far as appropriations for this purpose is concerned is about $1,267,000. Five hundred thousand dollars of this would be required to liquidate the plants and to put them in moth balls, and the balance of $700,000 would be just enough to cover the dismissal leave pay for all the minor employees. So that we can conclude the whole program will be junked.

The Bureau of Mines has 6 plants and laboratories engaged in research and production of synthetic fuels on a pilot and experimental basis. In Louisiana and Missouri, two coal-to-oil demonstration plants are presently in operation, one producing oil by coal hydrogenation and the other by utilization of the Fischer-Tropsch process. In Rifle, Colo., an oil shale demonstration plant is run by the Bureau of Mines which produces oil by the retorting of shale and the refining of shale oil. In Gorgas, Ala., an underground station for producing oil from coal synthetically without mining exists, while two synthetic fuels laboratories, one in Laramie, Wyo., and the other in Bruceton, Pa., are integral parts of the Bureau's program for successfully perfecting processes for producing oil from coal and shale.

SYNTHETIC FUELS PLANTS AND LABORATORIES OF BUREAU OF MINES

Location	Nature of facilitics	Employees
Bruceton, Pa	Research laboratories for study of catalysts and pilot plant production by gas synthesis and coal hydrogenation.	308
Gorgas, Ala	Underground gas station for synthetic production experiments without mining coal.	
Louisiana, Mo	1 coal to oil demonstration plant producing synthetic fuels and chemicals by hydrogenation of coal and 1 coal to oil demonstration plant utilizing Fischer Tropsch process.	462
Morgantown, W. Va	Gas synthesis plant	124
Rifle, Colo	Oil shale demonstration for retorting and refining shale and shale oil.	245
Laramie, Wyo	Oil shale research laboratory	80

When originally undertaken in 1944, the synthetic production oil seemed a distant and impracticable possibility. Perserverance and intensive research of the Government has indicated, however, that synthetic fuels are now almost susceptible of industrial utilization on a commercial basis. Rapid strides have been made in studies based upon the production of gasoline from hydrogenation of coal.

Estimates of production costs have been made by the Bureau of Mines itself, by a firm of private consultants, Ebasco Services, Inc., and by the National Petroleum Council, comprised of representatives of the petroleum industry. While the resulting production costs varied as among the three estimates, in general it can be said that as of the moment synthetic gasoline production by coal hydrogenation, about Government assistance, in one manner or another, is not ready for commercial exploitation.

Ebasco concluded in its report that we do not believe it would be feasible to finance the projects described in the Bureau of Mines report dated October 25, 1951, with private capital under conditions prevailing as of January 1, 1951.

The National Petroleum Council in October of 1951 expressed the opinion, after its survey of industrial costs, that as of that time, "coal hydrogenation for the production of synthetic fuels is uneconomical." Even the former Secretary of the Interior, Mr. Chapman, acknowledged that Government assistance would be necessary at the moment to launch such a project.

If production of oil is not yet feasible, how could private industry take over? They would refuse.

ESTIMATES OF COST PRODUCTION OF GASOLINE BY HYDROGENATION OF COAL

	NPC (Oct. 31, 1951)	EBASCO (March 1952)	USBM (Oct. 25, 1951, revised Nov. 10, 1951)
Manufacturing costs	25.3	19.5	17.7
Housing costs	2.6		
Financial charges	19.0	22.0	8.2
Total costs	46.9	41.5	25.9
Less byproduct revenue	5.5	13.4	14.9
Gasoline	41.4	28.1	11.0

Bureau of Mines studies with respect to the production of synthetic fuels from oil shale indicate that the latter source may be more nearly ready for commercial exploitation than the hydrogenation or gas synthesis of coal. Estimates are that gasoline can be produced from shale at approximately 14.7 cents per gallon which should be compared to estimates of 29 cents a gallon for gasoline produced by the gas synthesis and anywhere from 11 to 41 cents for that made by coal hydrogenation.

NEED FOR CONTINUATION OF THE SYNTHETIC FUELS PROGRAM

Oil is one of the most important of all commodities for the Nation's defense. Present supplies, coming in the main from the Near East and Venezuela, are susceptible of coming to a gradual or abrupt halt depending upon world conditions. The development of inherent domestic resources, therefore, is essentially to guard against eventualities of all kinds so that the national defense may not be imperiled by the elimination or shutdown of international sources of supply.

Our own resources are not unlimited. Despite discovery of new reserves and even the successful development of synthetic fuels, our petroleum supplies will not last indefinitely. As the Paley Commission recently concluded:

> But no matter how large the Nation's petroleum resources ultimately prove to be, one fact is now clear: eventually the resources will dwindle and become progressively inadequate.

In this light, the continuation of efforts to successfully produce petroleum products from coal by hydrogenation and gas synthesis, and to obtain gasoline by retorting and refining oil shale seems highly sensible.

Recognizing the essential need for developing the Nation's actual and potential resources, Congress has already authorized more more than $75 million for the development of a synthetic fuels program. Beginning in 1944 and continuing to date, it has spent more than $5 million a year for research and production of synthetic fuels from coal and shale oil.

Government investment in synthetic fuel program

Year:	Appropriation
1945	$5,000,000
1946	7,000,000
1947	5,250,000
1948	7,000,000
1949	14,885,000
1950	9,750,000
1951	8,833,000
1952	8,117,000
1953	[1] 10,480,000
Total	76,315,000

[1] Includes $2,600,000 for new Morgantown (W. Va.) Experimental Station.

Included in the figures of the Government's investment in the synthetic fuels program are large amounts of money which have been put into developing adequate plant facilities and equipment. The following table indicates with respect to each of the facilities involved the amount incurred for furnishing adequate buildings, equipment, and resources:

Costs of facilities for the synthetic fuels programs situs

	Cost
Bruceton, Pa	$3,500,000
Morgantown, W. Va	200,000
Louisiana, Mo.:	
Coal hydrogenation plant	10,000,000
Gas synthesis plant	4,900,000
Laramie, Wyo	550,000
Rifle, Colo.:	
Mine development	1,500,000
Plant, including housing	5,000,000
Retort	400,000
Gorgas, Ala	300,000

It is evident that the abrupt discontinuance of the synthetic fuels program, rather than have an economizing effect on the Nation's finances, will result in a tremendous loss, not only in technological knowledge and skills, but in actual taxpayers' money invested in the above facilities.

If the expenditures in the fuel program had not to date shown concrete and tangible results, there might be a legitimate reason for discontinuing the program. But far from condemning the work of the Bureau of Mines in its experiments with synthetic fuels, the committee in its report has clearly recognized that both coal hydrogenation and the retorting and refining of shale oil have been brought almost to the point of commercial development and that the contribution of the program to date has been substantial.

The objective of the Appropriations Committee to obtain the commercial development of synthetic fuel production by private enterprise is highly commendable. That has been the aim of the Bureau of Mines in cooperating with private enterprise throughout. Efforts have been made by the Bureau of Mines without success, to interest private parties in the commercial production of synthetic fuels. These processes are on the verge of private development. But the way to assure private enterprise of the know-how, the technological skills and techniques, and continued experimentation and improvement, is certainly not to abolish the program at its brightest moment.

This junking of the program of synthetic oil production from coal and shale would be of untold assistance to the big oil companies to prevent a new type of oil from coming into the market. These companies do not want this type of competition. They are powerful enough, apparently, to pressurize the scuttling of the plan.

Progress means naught to them. The only sight they have their eyes trained upon is higher profits. These new processes would mean, according to the Bureau of Mines, an additional new yield of from 1 to 2 million barrels of petroleum per day from rock, at reduced prices. The saving to the public, according to the Department of the Interior, would be approximately $150 million per annum.

Petroleum now is at its highest level of production. Petroleum is also at its highest price to all users. We now import 1 million barrels of crude oil a day from the Middle East and from Venezuela. All possible sources of oil are needed for our security and for our defense. There is great need to stockpile this precious liquid fuel.

I would like to ask, Did the Subcommittee on Appropriations consult our internal security officials as to whether they should junk this plan? Did they consult officials of the Department of Defense whether they should scuttle this plan? Did they consult the President of the United States? I will wager he would be madder than the hind feathers of a hen in a high wind if you told him what you were going to do. I am sure that he knows the urgent need for more oil production, more sources for the production of petroleum needed for our national defense. We are already short the amount in import, namely, 1 million barrels a day.

Mr. Fenton. Mr. Chairman, will the gentleman yield?

Mr. Miller of Kansas. Mr. Chairman, will the gentleman yield?

Mr. Celler. I yield to the gentleman from Kansas.

Mr. Fenton. But the gentleman asked me a question.

Mr. Celler. I will yield to the gentleman later. I yield to the gentleman from Kansas.

Mr. Miller of Kansas. Is it not a well-known fact that the States producing coal are in distress at this time to find a market, and that development along this line might relieve the situation?

Mr. Celler. There is no doubt about it. I hold in my hand some eight volumes compiled by the Bureau of Mines concerning the huge potentialities of coal in the manufacture of oil in Louisiana, in Arizona, in Nebraska, in New York, in Oregon, in Michigan, and in Missouri; and there are many others. I call upon the Representatives from those States to look into this matter. Coal is a depression industry. It is in the doldrums.

Mr. Fenton. Mr. Chairman, will the gentleman yield?

Mr. Celler. We find that oil, as fuel, is being rapidly substituted for coal right and left. New uses for oil, instead of coal, in home and plant are developing.

Mr. Jensen. Mr. Chairman, will the gentleman yield?

Mr. Celler. I will yield to the gentleman in a moment.

The Chairman. The gentleman from New York refuses to yield. The Committee will be in order.

Mr. Jensen. The gentleman is going to let his time run out, and we will not have a chance to ask him anything.

The Chairman. The gentleman from New York refused to yield to the gentleman from Iowa.

Mr. Celler. I will yield to the gentleman in an orderly process if he will just have patience. I will not yield if the gentleman becomes unruly and truculent.

The Chairman. The gentleman from New York has the floor and refuses to yield. The gentleman from New York has consumed 5 minutes of his time.

Mr. Celler. We know the experience during the last war: A great number of vessels were sunk. The war exigencies could cut us off from large supplies of oil again. We have never been told the number of tankers that were sunk by submarines, but I can assure you even from the information I have that it was a great number that went to the bottom loaded with this precious "black gold." Now we have the opportunity of developing these great preserves and resources, and what do we do? We say to turn it over to private industry. But the time is not ripe for that; private industry is not ready; private industry cannot do it without Government assistance.

Private industry will enter the picture, yes; private industry will enter—for what purpose? Not for the manufacture of oil. The Bureau of Mines has given us a very interesting report on the number of byproducts that can be developed by this process. The part of private industry that is interested is the chemical companies. They are interested only in the chemicals to be made. They are not going to make oil. Here is what they are going to make out of the coal and shale. I am reading from the Bureau of Mines report entitled "Prototype Plants for Synthetic Liquid Fuels" at page 2; subtitle, "Coproducts Chemicals—A List of Chemical Products That Could Be Produced From a Single 15,000-Barrel-Per-Day Prototype Coal Hydrogenation Plan" is shown below. These are the products from a small plant, the coproducts—15,000 barrels per day is a comparatively small plant.

		Per year
1. Benzene	M gals	15,710
2. Toluene	do	29,317
3. Xylenes	do	34,033
4. Isopropyl alcohol	do	312
5. Ethyl benzene	do	6,713
6. Naphthalene	do	56,940
7. Phenol	do	23,733
8. M-p-cresol	do	27,681
9. 3-5 xylendol	do	6,132
10. Special xylenol	do	31,560
11. Ammonium sulphate	tons	82,651
12. Sulfuric acid	do	125,700

Those are valuable chemicals, all in short supply. Several are on the critical list. Several are imported. Goodly sums of money can be made from their production, and they can be porduced from coal and shale. You do not mean to tell me that these chemical concerns are going to pass by the manufacture of these very important chemicals now in short supply for which they can get huge sums of money and devote themselves to the manufacture of oil. They would be foolish to do so. We are not going to get any oil from these private concerns, and it is mighty strange, oh, passing strange. And now, reading from the Washington Post.

The question for Congress is whether the experimental work by the Government now is to be dropped.

Senator Hennings and Representative Perkins have raised disturbing charges with respect to Mr. McKay's proposal that also call for a reply from the Secretary. Senator HENNINGS asks how five private firms knew, befor the public or Congress was aware of the plans, that the plants would be disposed of; and Representative Perkins has charged that the decision to stop the work is a payoff to the oil and gas lobbies. These are serious charges. America's oil reserves are not inexhaustible, and the national interest requires that alternative supplies be developed if possible. If the Federal project is to be suspended, there at least ought to be some assurance that the important research work will be carried on by private sources.

Where did these companies get that information from? Before any member of the Appropriations Committee know about the plans? These private companies, these chemical companies knew all about it. Is this a sort of payoff? This is surely not a payoff in any literal sense. But it is a great boost to oil companies. It must make them happy. Maybe national campaign contributions helped a little. Now I yield to the gentleman from Iowa.

Mr. JENSEN. Is the gentleman accusing the committee of taking a payoff?

Mr. CELLER. I am not accusing anybody. I spoke generally, referring to the Washington Post. Of course, there is no payoff in any vulgar, immoral sense.

Mr. JENSEN. You just said it.

Mr. CELLER. I am speaking quite generally referring to the Washington Post. Certainly your action is pleasing to oil companies. I do not accuse anybody; I am simply speaking in general terms, accusing nobody in particular. I quoted from the Washington Post. But it is very strange that these——

Mr. JENSEN. I resent even what the gentleman said—"Maybe it is a campaign payoff." I want to assure the gentleman that there is no payoff. If he takes payoff in this kind of thing, that is something we do not know about. We have had enough of your harangue and your insults.

Mr. CELLER. I have had enough of your questions. There is no need for excitement.

I yield to the gentleman from Pennsylvania [Mr. Eberharter].

Mr. EBERHARTER. Mr. Chairman, I want to say that this is one matter we cannot blame entirely on the executive department, because the Secretary of the Interior himself only recommended a reduction of $2 million, whereas the committee slashes the entire amount out arbitrarily without giving any reason for it.●

EXCERPTS FROM DEBATE OVER SYNTHETIC FUELS FROM COAL AND SHALE

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, under a continuing program of recalling for the Members the debate that took place in this Chamber in 1953 over the synthetic fuels from coal and shale program then operating, I include a portion of the debate that occurred April 28, 1953, at this point:

> Mr. CELLER. This additional aspect of the synthetic fuel program should be emphastized. The successful commercialization of processes for converting coal and/or shale into gasoline would have widespread repercussions on the economic development of many areas in the United States. Substantial coal reserves which could be used in synthetic gasoline production exist in such States as Illinois, Pennsylvania, West Virginia, Montana, Indiana, and Kentucky, to name but a few. The development of a petroleum and chemical industry based upon coal as a raw material would see a renaissance of the coal industry in these and other areas.
>
> In Colorado abundant deposits of oil shale could support a thriving industry manufacturing petroleum products which would add immeasurably to the wealth of this State. In Utah also exist reserves of shale oil which might be commercially exploited for industrial production of synthetic fuels by retorting and refining.
>
> I herewith set forth an interesting summary of coal reserves which could be used for synthetic liquid fuel. It was prepared for the Bureau of Mines by the engineering firm of Ford, Bacon & Davis in 1952:

SUMMARY OF RECOVERABLE COAL RESERVES CONSIDERED FOR SYNTHETIC LIQUID FUELS MANUFACTURE (AS OF JAN. 1, 1949)

State	Recoverable coal reserves (1,000 tons)					Heating value Btu per pound as received
		In general areas of coal availability, suited for—		In general areas of coal and water availability, suited for—		
	Total[1]	Hydrogenation	Coal synthine	Hydrogenation	Coal synthine	
Alabama	1,235,754	1,045,622	1,045,622	1,045,622	1,045,622	12,360–14,270
Arkansas	415,664		250,454		250,454	13,550–14,430
Colorado	16,398,782	13,818,683	13,818,683	11,640,816	11,510,816	9,130–13,160
Illinois	24,867,174	15,358,946	15,356,946	15,356,946	15,356,946	9,750–12,610
Indiana	6,986,623	6,412,055	6,412,655	6,412,035	6,412,655	11,110–12,040
Iowa	2,378,166	1,669,517	1,669,517	1,669,517	1,669,517	9,200–10,530
Kansas	452,852	150,578	150,578	150,578	150,578	11,790–13,080
Kentucky	12,826,614	11,910,205	11,910,205	11,910,205	11,910,205	10,790–14,090
Maryland	241,257		159,287		159,287	12,860–13,520
Missouri	852,104	552,324	552,324	552,534	552,324	9,900–11,860
Montana	21,825,137	17,536,309	17,836,309	17,442,371	17,442,371	6,020–10,690
New Mexico	3,324,816	3,092,988	3,062,988	1,144,647	1,144,647	10,360–11,420
North Dakota and South Dakota	14,767,277	9,543,786	9,543,786	9,242,848	9,242,848	5,720– 7,090
Ohio	6,026,031	4,788,412	4,788,412	4,788,412	4,788,412	11,470–13,350
Oklahoma	1,251,568	701,116	1,037,562	701,116	1,037,562	11 520, 14,350
Pennsylvania (bituminous coal)	14,750,959	7,214,990	10,026,411	7,214,990	10,026,411	12,530–14,020
Pennsylvania (anthracite culm)	318,689		256,311		256,311	8,340
Tennessee	1,018,314	956,053	956,053	956,053	956,053	12,900–14,050
Utah	5,602,269	4,635,258	4,635,258	1,220,958	1,220,958	10,390–13,060
Virginia	2,133,979	1,234,318	1,652,948	1,234,328	1,652,946	12,190–14,870
Washington	513,412	102,433	102,433	102,433	102,433	10,030–11,750
West Virginia	21,057,259	9,884,265	14,576,392	9,884,265	14,576,392	12,190–14,750
Wyoming and Idaho	10,123,374	6,412,120	6,412,120	3,750,458	3,750,468	7,770–12,870
United States	169,590,374	116,987,988	125,912,652	106,320,942	115,245,606	

[1] Estimated in accordance with the specifications and procedures established for this survey; before elimination of unsatisfactory areas and of excess secondary reserves.

> Here is another summary prepared by the same engineering firm, of recoverable ore shale:

SUMMARY OF RECOVERABLE OIL SHALE RESERVES AND OIL-IMPREGNATED STRIPPABLE DEPOSITS (AS OF JAN. 1, 1950)

State	Oil shale reserves (1,000 tons)	Strippable deposits (1,000 tons)	Estimated average yield (gallons per ton)
Colorado	211,632,063		25–15.0
Utah	35,996,583		25.0
		966,340	19.3
California		283,925	26.5
Kentucky		346,811	10.6
United States	247,598,646	1,597,079	

> It is essential to stress the importance of the successful development of the synthetic production of fuels, not only for their potential effect on the economic development of the Nation's resources, but I repeat, as a security measure to safeguard against the possibility of depletion of our own natural resources at home and the elimination or reduction of foreign sources of petroleum supplies located thousands of miles away from this Nation's shores. Aware of the acute need to develop alternative petroleum sources, the Paley Commission recognized two essential tasks for hydrocarbon technology as follows:
>
> Developing economic methods of coal hydrogenation to bring about the simultaneous production of chemicals (especially benzene and phenol) and liquid fuels. * * *
>
> Completing development of oil production from shale.
>
> To do this would require the continued and persistent efforts of the Government and the Paley Commission specifically recommended:
>
> That the National Security Resources Board, with the aid of the Department of the Interior, undertake a continuing study of the economic aspects of producing synthetic liquid fuels from shale and coal in relation to security needs and the outlook for future petroleum supplies.●

EXCERPTS FROM DEBATE ON INTERIOR DEPARTMENT APPROPRIATIONS BILL

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, I have included in my remarks here in the past few days certain excerpts from the debate on an Interior Department appropriations bill back in 1953.

I did this because some of us were trying to keep the administration at that time from junking a promising pilot program for the production of synthetic fuels from coal and other resources within our own boundaries.

At that time, the two liquefaction plants were producing gasoline from coal at a cost of only 2 cents a gallon above the gasoline produced from petroleum.

Today, we are admittedly in a sorry shape, having to import half of the liquid fuel we need to keep our Nation running. We are in jeopardy to the whim of potentially hostile petroleum producers abroad.

Just to make sure that this perspective is not lost during the present interest in creating a new synfuels industry, I ask that this further segment of the debate on April 27, 1953, be included at this point in the RECORD.

Mr. KIRWAN. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. ASPINALL).

Mr. ASPINALL. Mr. Chairman, naturally I find myself very much interested in the matters covered in this bill. Approximately 60 percent of my district belong to the Federal Government, and a great deal of it is concerned directly by this legislation. I do not wish to appear in any partisan position whatsoever, and I shall attempt to divorce myself as far as possible from any partisan implications, also from any overenthusiasm which might result from my endeavoring to defend a Federal installation within my district. I am interested primarily in a part of this bill because of the national-defense program, the conservation program and values going to the Federal Government because of work already done, which values must be considered while studying this bill. I find it very difficult to study a bill marked up, as this bill is, where we have a budget proposed by a former administration; committee action had heretofore and now presented to the House; and committee action to take place upon the bill; together with, and rightfully so, the recommendations proposed by the present administration. I feel that Members of this body should have the recommendations in full which are proposed by the present administration. I would like to address a question to the distinguished chairman of this committee.

Mr. BUDGE. Will the gentleman yield?

Mr. ASPINALL. I yield, if the gentleman will not take up too much time and if it is just a question.

Mr. BUDGE. The gentleman was mentioning the fact that he would like to have the revised budget of the present administration. That is included in the hearings on page 945.

Mr. ASPINALL. But as I understood the distinguished chairman, as he was making his opening remarks, he did not have those figures to present to us during this discussion. Is that correct, Mr. JENSEN?

Mr. JENSEN. We do not have all of the revised figures for reclamation.

Mr. ASPINALL. May I, in the interest of time, ask the gentleman this question? Do you have them for the Bureau of Land Management?

Mr. JENSEN. Yes; we do.

Mr. ASPINALL. Do you have them as they pertain to the synthetic-fuels?

Mr. JENSEN. Yes.

Mr. ASPINALL. Do you have them as they pertain to the synthetic-fuels program?

Mr. JENSEN. Yes; that is all beginning at page 943 of the hearings.

Mr. ASPINALL. Then my next question, which I wish to propound to my good friend from Pennsylvania, our beloved Dr. FENTON, is as follows: The amount which your committee has recommended for the synthetic-fuels program, Dr. FENTON, is some $2 million less than the present administration in its revised budget recommended; is that not correct?

Mr. FENTON. That is right.

Mr. ASPINALL. And would you advise the committee just why it was that your committee saw fit to ask for this particular cut in this appropriation?

Mr. FENTON. I tried to explain. I mentioned the Louisiana, Mo., plant.

Mr. ASPINALL. The matter I am talking about has to do with the oil-shale plant at Rifle, Colo.

Mr. FENTON. That is what I was trying to get to. Certainly we think and I believe all the scientists think they are further advanced in the matter of getting oil from oil shale than they are in getting oil from coal. Certainly by the same reasoning if the Louisiana plant should be closed, then, of course, the Rifle demonstration plant, being so much closer to commercial production, should be closed.

Mr. ASPINALL. Dr. Fenton, I have been in conversation this afternoon with Dr. McCabe. Dr. McCabe tells me that the reason they considered closing the plant in Louisiana was because any future work that they wished to do in the hydrogenation of coal is going to be done with a different process and in a different kind of plant entirely. He also advised me that the work at Rifle should continue for at least another 2 years in order to make use of the new retort which is being prepared and which has been in operation for just a short while on the breaking down of the oil shales into their different byproducts.

This law was the outgrowth of hearings held on S. 1243 during August of 1943 while this Nation was engaged in fighting World War II. It was an act "authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shales, agricultural, and forestry products and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation," and so forth. It established a period of 5 years in which the Secretary of Interior, in cooperation with the Secretary of Agriculture, was to carry on basic research and pilot construction in order to develop and test the feasibility of production of liquid fuels from products other than natural petroleum. It provided a sum of 30 million as an authorization for the work. The act was approved on April 5, 1944. This basic act was amended by the 80th Congress to increase the period of 8 years and the authorization to 60 million, including 1 million for use in studying recovery of oil from stripper oil fields. It was amended again by the 81st Congress to increase the period to 11 years—or 1955—and increase the authorization to 87.6 million, including 2.6 million for facilities at Morgantown, W. Va., for research and investigation in the mining, preparation, and utilization of hydrocarbon minerals. This last amendment was passed in September of 1950.

The initial act grew out of hearings before the Senate Subcommittee on War Minerals of the Senate Committee on Public Lands and Surveys, in which a subcommittee of the House Committee on Mines and Mining cooperated. Even a listing of those appearing in support of the bill at that time would take quite some time, but I should like to quote from the comment of former Senator O'Mahoney, of Wyoming, as he opened the part of the hearings which took place in Salt Lake City, Utah. The quote begins on page 275 of the hearings on S. 1243, 78th Congress, 1st session:

> The purpose of this bill is to enable the Government of the United States to do the pioneer work (in synthetic fuels). It may properly, I think, be called a measure which is designed to bring about the cooperation of the Government with business to create the jobs and the industries which will be needed in the postwar world.
>
> The manufacture of synthetic fuel is in no sense to be regarded as exclusively a war industry. We have fuel enough now existing by way of petroleum and its derivatives to carry on the war, although the evidence before this committee clearly indicates that our petroleum reserves are steadily declining. We will need new sources of liquid fuel. Industry has not as yet been enabled to make the researchers which are necessary to make possible the manufacture of synthetic fuels in the United States. That is easily understandable, because industry is under obligation, particularly corporate industry, to make expenditures only so far as they can be justified to the stockholders. So the work has not yet been done.
>
> I might state here that the necessary research has not yet been had.
>
> I am happy to be able to say to this distinguished group assembled here that in our hearings in Pittsburgh on last Friday this bill was endorsed by the representatives of the coal industry, by representatives of the petroleum industry, by representatives of the State government, and, of course, by representatives of the National Government. It was also endorsed by the spokesman for the United Mine Workers of America. Perhaps it may be appropriate here to call attention to the names of some of the persons who testified at the Pittsburgh hearings. In the first instance, the governors of those eastern States—Pennsylvania, Ohio, and West Virginia—were as much interested in the work of this committee as the governors of Colorado, Utah, and Wyoming in our visit to the West. Governor Martin of Pennsylvania, sent as his representative the secretary of the State Department of Mines, Mr. Maize, who testified in favor of the principles of this bill. Governor Neeley, of West Virginia, was represented by the State geologist of West Virginia, Mr. Tucker, Governor Bricker, of Ohio, was likewise represented * * * The president of the Koppers Coal Co. of Pittsburgh, a company which operates extensively in that area, appeared in person before the committees and also had the director of the Koppers research bureau present. M. Leighton, chief of the Indiana Geological Survey, appeared and testified, Mr. Eugene Ayres, head of the Gulf Research and Development Co., which of course is a branch of the Gulf Oil Co., appeared before the committee and also endorsed the measure. I recite these names in order that it may be made clear that the sponsor of the bill and the Department of the Interior in its testimony are not endeavoring here to set the Government up in competition with private industry, but are merely endeavoring to prevent, in the field of fuel for American development in the future, the same sort of crisis with which we were confronted with respect to rubber. We are looking forward.

I can find no better summation of the time and tides which existed when this act and authorization was under study by the legislative committee having jurisdiction. I could, it is true, read in here many of the cost figures, many of the remarks about German synthetic production, many of the reserve and production figures, but since forecasts are admittedly difficult, there is no need to point out error nor unduly reward better guessing. We have not in the interim run out of oil. We have not used up all of our oil reserves. We have, however, cut deeply into our reserves and lowered the ratio between oil discovery and reserve and current output. We are fighting in this field, that is, free enterprise is fighting, a valiant but losing game as costs of exploration increase, demand mounts and costs go up. We have turned from a net exporter of oil to a net importer of oil. We may still be the producer of half the products of oil, but the half of the known reserves are in far-off Persia, Iran, and other such areas of the inflamed Middle East.

We have seen in our time, the loss of the world's largest refinery to the riptide of nationalism in Iran. We have seen other trends of production and consumption with the greatest increases on the consumption side. We have not, then, seen absolute developments, absolute shortages or present ruin. We have, however, seen the constant trend to worsening situations.

As our lifelines go further out to the far areas of the world, we become more dependent upon sea lanes for vital oil imports. These, we know, can be virtually useless in times of war, for the submarine still roams the sea.

Into this context, I should like to place the results of our synthetic liquid fuels program contemplated back in 1944 by the Synthetic Liquid Fuels Act, an act which may die by appropriational action if we do not stem the tide. From the beginning of the program in 1945 through the period which may abruptly end on June 30 of this year. Congress has appropriated over $76 million for research and development of processes to convert hydrocarbons like oil shale, coal, and so forth. This program has, in these years, under able and energetic direction of the Bureau of Mines, brought the cost of production of synthetic fuels nearly into line with conventional production from natural petroleum. The results contemplated in the original act, that is processes good enough to be competitive, stand on the threshold of achievement. Out in Rifle, Colo., in the oil shale plant, there is a newly completed pilot process, which may now go untested. This pilot plant represents a new process developed out of past experiments and may be the one which will bring into reality the dream of commercial production. Some $330 thousand have been invested in this new "cooker" but all necessary facilities for a long run test are not yet ready and will not be, as I understand it, until after the close of this fiscal year. If that is the case, then the "cooker" is a cooked goose. It seems to me an odd way to treat what may be the end of an $18 million investment. We are near the water, why not swim?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. KIRWAN. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. Rogers].

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Colorado.

Mr. ASPINALL. I would like to pose this question to Dr. Fenton: If the Assistant Secretary actually should advise that we continue with the $2 million which is in the revised budget, and if Dr. McCabe himself would advise that, would your committee be willing to continue the appropriation in order to get the values from the work that has been done out there?

Mr. FENTON. Of course, I would have to take that up with the individual members of the committee. I want to assure the gentleman that I think it has been a fine program. I want to congratulate the Bureau of Mines for the fine work they did. As I said before, if I thought for a minute it was going to disrupt our defense effort, I would be the first one to come back here and ask for it pronto.

Mr. ASPINALL. Let me say this: We have 14 years of known oil reserves from petroleum, as far as our present usages are concerned. We have unlimited reserves, as far as this process by synthetic procedure from our coals and our shales. It seems to me that we should keep that in mind when we make our determination. As I read the law and the debates which brought this program into existence, there was nothing said about getting it to an economic feasibility. The program was to get oil from the oil shale and coal, and gas if possible, at the lowest possible cost.

Mr. FENTON. I will say to the gentleman, if the Department of Interior, through its Secretary, says that Rifle should be continued, I would be for it.

Mr. ASPINALL. I thank the gentleman very much. I know the worthiness and the sincerity of the gentleman's work.

Mr. JENSEN. And may I say that if Dr. Fenton will approve this item, I, as chairman of the committee, will take Dr. Fenton's word for it.

Mr. ASPINALL. Thank you very much.

Mr. ROGERS of Colorado. Thank you, and members of the committee.

I was pleased to hear Dr. Fenton, in response to a question asked by my colleague from Colorado a moment ago, say that the development of oil shale at Rifle, Colo., had reached a point, as I understood him to say, that there was a new process that had developed that made it possible to discontinue the oil-shale experiment the same as coal. Is that correct?

Mr. FENTON. No. I am afraid the gentleman did not understand me.

Mr. ROGERS of Colorado. Then I misunderstood the gentleman. The reason I mention this is that we in Colorado will be called upon to explain the strange and unusual action taken by this committee to close down the oil-shale plant at Rifle, Colo. When I say, "strange and unusual action," let us look at the facts as they actually are. We in Colorado, particularly in the western part of the State, point with pride to the fact that we have known formations which, if properly developed, could supply the oil facilities of this Nation for some time. It was an act of Congress that made it possible for us to proceed with this development. Now, all at once, as far as we know without any particular reason, this program has been discontinued. In your report you say:

> The Bureau appears to have done an excellent job in leading the way in these important developments which are now at a point where private industry can pick them up.

I assume that is absolutely correct.

Now, the next thing I would like to direct the attention of the committee to and question the committee about is the last sentence in this report:

> The Secretary is instructed to dispose of the two demonstration plants in accordance with existing law and agreements which may be in existence between the Department and other Federal agencies.

What I want to know is, Is the process and the method of extracting oil from the shale that has been developed at Rifle, Colo., when sold by the Secretary of the Interior, to be given to the purchasers of that plant, or can anybody answer that question? ●

CONGRESS AND ENERGY TOWARD A NEW DECLARATION OF INDEPENDENCE

(Mr. BRADEMAS asked was was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, as the Nation prepares to celebrate on the 4th of July the 203d anniversary of its founding, citizens can take some pride in the fact that congressional leaders have undertaken a new initiative to combat the country's critical energy shortage.

The long-range goals of this initiative are both crucial and ambitious.

They seek, Mr. Speaker, to give America the ability to make a new declaration of independence on energy in the foreseeable future, and shift back the full control of our destiny to this country, where it belongs.

The short-range goals seek to ease the anger and frustration felt by all Americans about the Nation's energy crisis, to reduce the long gasoline lines, to lessen doubts about the availability of home heating fuel next winter, and to reverse a widespread feeling of helplessness.

In short, Congress intends—in fact has begun—to fight back in behalf of its constituents on the energy front.

Efforts must be made to reduce the demand for energy through conservation, and increase the supply by using alternate sources of energy which the United States has in abundance. Steps will be taken to increase and encourage domestic production wherever possible.

In particular, Mr. Speaker, we must develop reliable information about energy supplies and demands that Americans can trust, and will believe.

Fair and orderly methods for allocating available energy resources must be adopted for use during any shortages that exist until U.S. technology catches up with energy demands.

Achievement of all these goals will take old-fashioned American ingenuity, creativity. hard work and sacrifice. The effort will take a renewed pioneering spirit by consumers, farmers, businessmen, miners, refiners, engineers, automakers. and many others.

Indeed, the search for new or improved energy sources will take the same kind of American determination which produced synthetic tires from milkweed during World War II; developed plastics to replace metal pipes and parts; created synthetic clothing fibers; developed minitransistors and computers; created advanced space technology and put a man on the Moon.

Mr. Speaker, the job can be done. It will be done.

SYNTHETIC FUEL INITIATIVE

In one of the most important initiatives of this Congress, the House this week took a major step toward developing energy independence by adopting a bold new program promoting production of synthetic alternatives to crude oil.

The program is no less than a challenge to American industry, working in partnership with Government, to produce energy alternatives that will help assure our national social and economic health and our national security, and stop the $50 billion a year drain of U.S. cash paid to the Organization of Petroleum Exporting Countries for their oil.

Some background is important here, Mr. Speaker. U.S. consumption of oil has more than doubled in the past 25 years. Americans use about 20 million barrels of oil a day and domestic production has fallen far behind demand. Just 7 years ago, imports were 23 percent of consumption. Today, they are nearly 50 percent.

This demand has put U.S. energy policy at the mercy of OPEC nations, which have been enjoying a glut of American money for their monopolistic resources. Decisions by OPEC, and its ability to manipulate the world market, have adversely affected our commerce, balance of trade, national security, environment, and other aspects of American life. We have had enough.

What OPEC does not have, Mr. Speaker, is the tremendous diversity of resources available in the United States, this Nation's technical abilities and American determination. They are what the synthetic fuel initiative is all about.

Adopted by the House with the strong support of the democratic leadership, the synthetic fuels legislation sets a national goal of 2 million barrels per day of synthetic fuels within 10 years. The program encourages industry immediately to start the development of these fuels by almost any method that American ingenuity can devise.

The plan evisions production of synthetic fuels from such national resources as coal, through gasification and liquefaction, shale, tar sands, lignite, peat, solid waste of all types, grain such as corn and wheat. Instead, the bill encourages other ideas, ruling out no particular technology or feedstock.

To help stimulate this development, the President is authorized to make commitments in advance to buy synthetic fuels for national defense, Government use, or resale, and he is authorized initially to spend $3 billion to cover the difference between advanced contrace prices and market prices when the fuels are actually produced.

While development of such a program by industry was not considered feasible 10 years ago when the price of a barrel of oil was $1.60, now that the price has skyrocketed to nearly $20, market conditions have made the program practical, desirable, and necessary.

In addition, Mr. Speaker, Government promotion of a synthetic fuels program can only help serve to encourage initiatives taken by some energy producers already in the development of fuels like gasohol.

WINDFALL PROFITS TAX

Mr. Speaker, under current law, Federal price controls on oil produced in the United States are scheduled to expire September 30, 1981 and on June 1 President Carter began using his authority gradually to phase out these controls.

The administration proposed a 50-percent excise tax on additional profits the oil companies stand to receive as domestic oil prices are allowed to climb to world market levels.

The House voted today to increase the windfall profits tax to 60 percent. Mr. Speaker, I would have preferred the 70-percent figure recommended by the Ways and Means Committee and its broader application to the varying categories of oil. The bill would have required the oil companies to pay $29.12 billion in windfall profits taxes in the years 1980 through 1984.

The bottom line under the amended bill is that the oil companies would have to pay $24.4 billion for the years 1980 through 1984, and that this approach is tougher than that originally proposed.

Mr. Speaker, plans call for use of the additional tax revenues to establish an energy trust fund. The Ways and Means Committee is to consider elements of the fund soon. Proposed uses include energy assistance to the needy, additional investment in mass transit, and new energy program initiatives.

The Ways and Means Committee also is scheduled to consider the proposed elimination of foreign tax credits. Currently, multinational corporations can subtract from U.S. tax payments any taxes paid to foreign countries, up to the level of net income earned from foreign sources. There is considerable sentiment in Congress for modifying what is perceived as a large loophole benefiting international oil interests.

"FAST TRACK" LEGISLATION

Mr. Speaker, legislation is also being prepared to stimulate new energy producing projects through a centralized method of cutting Federal redtape and getting such projects constructed and operating as quickly as possible. The program would not apply to nuclear energy projects.

Under the plan still being drafted, the Secretary of Energy could designate priority energy projects, and would be given the responsibility for seeing to it that plans are moved quickly through the bureaucracy.

The legislation would establish deadlines for both for Federal Government action in reviewing such projects, and for judicial review. And it would promote concurrent cooperation by State and local governments, consistent with local laws, to speed development of projects of high national priority.

We also intend, Mr. Speaker, to review the Nation's refinery capacity, determine why additions to capacity have been halted for years, and to what extent unreasonable redtape or unnecessary regulations have prevented the development of a greater national refinery capability.

If more energy is to be produced, Mr. Speaker, we must make it easier to get into the business of producing.

PROPOSED PIPELINES/ALASKAN OIL

Mr. Speaker, Americans are the sole beneficiaries of the new oil being produced from the Alaska North Slope, and Congress intends to continue to prohibit the selling or swapping of this resource to foreign interests, unless it can be shown that America would end up with more oil or cheaper petroleum.

Mr. Speaker, there have been encouraging reports from the administration on expected increases in the production of Alaskan oil. Latest figures indicate that by the end of this year, Alaskan production will be up by 135,000 barrels a day.

These figures have intensified congressional interest in construction and operation of additional pipeline capacity to carry Alaskan oil both to where it can be refined and is most needed. Once again, problems with Federal, State and local regulations must be solved.

In particular, the leadership of Congress is focusing attention on either Federal or private development of the so-called Sohio pipeline from Long Beach, Calif., to Midland, Tex., for the refining and distribution of Alaskan oil to inland markets. That pipeline is already largely laid and must be modified to handle crude oil. But there have also been litigation problems in California.

Another project of particular interest is the proposed pipeline from Port Angeles, Wash., to Clearbrook, Minn., to serve the northern tier of the United States with a system for moving Alaskan crude oil inland. Private firms have been hoping to start construction next spring and have been struggling to meet the regulation requirements of 5 States, 12 Federal agencies, and secure White House approval for final plans.

Mr. Speaker, we intend closely to review both of these projects and hope to encourage their development, in the national interest.

THE DATA GAP

Congress cannot make sound judgments on legislation when there is no consensus on the facts. And Congress will not make tough decisions affecting all Americans solely on the basis of blind faith and without supporting information that is credible.

Mr. Speaker, there has been a distrust of information supplied by the oil companies themselves, doubts that shortages are real, less than full confidence in the Department of Energy, and confusion about the impact and fairness of energy programs on the different sectors of American society.

We in Congress have stepped up our pressure on the Energy Department to develop independent data and it has hired an outside auditor. I have personally urged President Carter to make a definitive statement on our energy supplies and demands. And the House has voted overwhelmingly to ask the White House for a full report on current shortages by the end of June.

In another major congressional initiative, Speaker O'NEILL has assembled a special task force composed of the House Leadership and the relevant committee and subcommittee chairmen to direct and coordinate new efforts in Congress to combat the energy problem, and to collect and disseminate available information to legislators on supply, demand, industry efforts, and Department of Energy activities.

Congress intends to legislate on energy in the full light of the facts.

CONSERVATION/RATIONING

Americans consume nearly twice as much oil as the Nation produces. Although Americans comprise only 5 percent of the world's population, we consume 40 percent of the world's oil production. That means that 20 million barrels are used each day by Americans out of 50 million barrels produced each day.

That is a lot of oil, Mr. Speaker, and these facts support arguments for more fuel-efficient automobiles, regular tune-ups, observing the 55-mile-an-hour speed limit, carpooling, better planning in use of vehicles, more use and development of mass transit, and the more prudent setting of heat and air-conditioning temperatures.

Conservation must be an integral part of the effort to declare national energy independence. Toward that end, Congress is considering proposals to authorize States to require that every car remain idle 1 day a week, and perhaps establish minimum gasoline purchase levels to curb the topping off of tanks. States are being urged to draw up their own energy conservation plans, for they can best adjust to local circumstances and conditions.

Some States already have adopted odd-even license-plate-number plans for purchasing gasoline. The results seem to indicate that Americans respond to such plans, feel less compulsion to top off their gas tanks, and experience relief that some order has been made out of a potentially chaotic situation.

Mr. Speaker, additional congressional action is needed to allow the President to deal with an extreme energy shortfall, a severe national emergency caused by something like a 20-percent drop in supply or more.

The current standby Presidential rationing authority is too cumbersome and too time consuming to handle a real emergency and there is strong sentiment to change the statute.

Current law requires the Department of Energy to hold public hearings, develop a standby plan, submit it to the President, who then sends it to Congress, which has 60 days to approve or reject it. If the plan is approved, and an emergency develops, the President must then announce his intention to implement the plan, after which notice Congress could review it for another 15 days before it would go into effect.

Many in Congress strongly believe the President should be given authority to implement rationing in an emergency, subject to one-house veto. This amendment would give Congress a relatively quick opportunity to confirm that an emergency exists and that the plan was not unreasonable or unfair.

What seems clear, Mr. Speaker, is that there probably will never again be enough oil to meet current demand. And when there is a shortage, there is going to be some form of rationing—by price, by inconvenience, or by some kind of allocation system. The last is clearly the fairest and most equitable choice.

RESEARCH AND DEVELOPMENT

Although the United States consumes nearly twice as much oil as it produces, and about twice as much per capita as any other Nation on earth, this country also is spending more on energy research and development than all the other Western nations combined.

In the past several weeks Mr. Speaker, Congress amended the budget for this year (fiscal 1979), raising total spending authority to $7.5 billion for energy research, development, conservation and demonstration projects.

The 95th Congress enacted more than 40 energy and energy related measures encouraging the development of basic sources of energy—natural gas, oil, coal, solar and nuclear, geothermal, development of the Outer Continental Shelf oil and gas resources.

Some of this research is already starting to pay off. For example, tests on methods of extracting oil from shale and tar sand can help set the stage for Congress' new synthetic fuels initiative.

Still more energy initiatives can be expected. For example, the House soon will consider funding nine demonstration and pilot plants for transforming coal—one of the Nation's richest resources—to liquid or a nonpollutant solid, and explore greater use of coal. New techniques for direct burning of coal, better recovery of oil and gas, and exploration of oil shale also are to be financed.

SOLAR/NUCLEAR

The development of solar energy remains a high priority of Congress. The House has just approved $133.3 million for development and demonstration of solar energy systems, and another $283.2 million for the advancement of solar technology and development of wind conversion techniques.

In addition, Mr. Speaker, Congress has under consideration the administration's new proposal for $100 million Solar Energy Bank which would provide interest subsidies for buildings using solar equipment. The proposal also includes tax credits for installation of solar energy.

The future of nuclear development has obviously been clouded by the accident at the facility at Three Mile Island. Debate over this issue is heated on both sides, and many of us in Congress are awaiting the report of the special Federal Commission investigating the accident to help us determine our future position on nuclear energy.

PUBLIC PERCEPTIONS

National attention has been given to the particularly long gasoline lines in the Nation's Capital. Despite what people might have heard, Congressmen wait in public lines just like everyone else and get just as angry and frustrated.

And we in Congress hear the same rumors about alleged shiploads of crude oil off the coasts, secret oil storage, collusion, price fixing, and all the rest.

Mr. Speaker, the Coast Guard has done some checking and the Justice Department is still looking. Citizens should be assured, however, that Members of Congress who requested that the appropriate Federal law enforcement agencies look into such reports will continue to monitor these agencies.●

THE SLEEPING GIANT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, there can be no doubt that the issue that is most on the minds of the American people today and of Members of Congress is energy.

In this connection, I believe that Members will read with great interest a most thoughtful discussion of this subject by our colleague, the distinguished majority leader of the House, the Honorable Jim Wright of Texas.

Congressman Wright gave particular attention in this analysis, an address delivered to the Economic Club of New York on June 19, 1979, to the synthetic fuel production bill which the House passed earlier this week.

This bill, sponsored by our distinguished colleague, the gentleman from Pennsylvania, the Honorable William Moorhead, and strongly supported by Mr. Wright, Speaker O'Neill, myself and the other Democratic leaders of the House, represents a major initiative of the Democratic leadership of Congress in the energy field and I hope very much that the measure will be expeditiously considered by the Senate and enacted into law.

Mr. Speaker, at this point in the Record, I insert the remarks of Mr. Wright:

The Sleeping Giant

(Remarks of Congressman Jim Wright)

The most persistent, most insistent and most difficult problem confronting the United States is the problem of energy.

That problem will not go away. It will not get better of its own accord. It will grow worse until we do the things to make it better.

Our nation had a warning in 1973. The Arab embargo should have shaken us out of our slumbers. But it didn't. The immediate crisis abated, the nation went back to sleep.

Because we failed to respond to that warning, inflation has become almost uncontrollable. Oil imports have risen from $8 billion in 1973 to an estimated $60 billion this year.

Our shameful and growing reliance upon foreign energy sources has caused our balance of payments deficit and contributed strongly to the decline in the value of the dollar.

Our domestic price control policy was counterproductive. It retarded domestic production and made American consumers more vulnerable to the ravaging price increases by foreigners.

THE SOURCE OF OUR DIFFICULTY

Perhaps worst of all, by not asserting the will to stand up to the problem, we have made ourselves vulnerable to international blackmail.

Oil-rich nations are deciding that we are so slavishly dependent upon their oil that they can use that dependency to dictate U.S. foreign policy.

The tragedy of all this is that it could have been avoided. If we had given a real priority to expanding domestic production and resolved in 1973 to make ourselves energy sufficient again, we could have done it.

We still can. But we cannot do it overnight.

A suspicious and mutually mistrustful people cannot do it at all.

It cannot be done by a nation who elected leaders look for scapegoats instead of solutions.

It cannot be done so long as we divide ourselves into cliques and factions and think of ourselves first as Northeasterners or Southwesterners or first as producers or consumers.

The energy problem will be solved only when we look first to the national problem and come to grips with the problem in the national interest.

The problem, quite plainly, is that we have been using more energy than we produce. Since the late 1940's, our consumption has grown enormously while discovery and production have not kept pace.

As a result imports have soared—until now we import some 8.6 million barrels of oil a day, almost half of all we use in the United States.

And that is the source of our difficulty.

IMPORTANCE OF CONSERVATION

This problem is far too big to be solved by conservation alone. Conservation is important. We are and have been a wasteful nation. We already have done some things to curb waste, and we need to do more.

The 55 mile per hour speed limit, though imperfectly enforced and indifferently observed, has saved some fuel—and many thousands of lives.

The new legal standards of automobile gas mileage have helped some, and will help more in future years. Since about 40 percent of all energy is used in private automobiles, getting better gas mileage and reducing unnecessary driving simply must be crucial components of any conservation plan.

The Congress has offered incentives to encourage Americans to insulate and weatherstrip their homes. About 40 percent of American families have responded in one fashion or another.

These and other conservation initiatives, by the most optimistic count, may have reduced our total consumption by somewhere near one million barrels a day.

If it had not been for them, we would be worse off than we are.

But our deficit is 8.6 million barrels daily, and not declining. It would be utter folly to suggest that conservation alone could eradicate the major part of that deficit without severely afflicting the American economy and causing widespread unemployment.

Conservation buys us time. But we must use that time to reverse the destructive trend.

WE MUST PRODUCE

In short, we must produce ourselves out of our dangerous deficiency.

We do not have much time left. We have frittered away precious years.

In the 1940's, we had about a 13-year supply of known, commercially recoverable oil reserves. Today those reserves have dwindled to five years and five months.

With natural gas, the picture is much the same. A 40-year supply of known recoverable reserves in the 1940's has declined to about a 10-year supply today.

Another critical dimension of our problem is seen in the sources upon which we have become dependent for the oil which is this nation's economic lifeblood.

The collapse of the Shah's government in Iran earlier this year has sent mild shock waves through our economy.

How much worse if something similar should happen to Saudi Arabia, upon which we rely for 1.5 million barrels a day!

Four countries which have publicly proclaimed their hostility to us—Libya, Algeria, Iraq, and Iran—account for 2.3 million barrels, or 26% of our total imports!

All of this shows how vulnerable we have become.

These countries have increased their prices by about 35% just since the first of this year.

Economically, we have allowed ourselves to be at their mercy.

Our trading posture is weak because our energy posture is weak.

We cannot correct this only by asserting the will to regain a position of relative energy self-sufficiency.

It is not a question of whether we can do it. It is a question of whether we will do it in time.

THE DECONTROL CONTROVERSY

President Carter's decision to decontrol domestic oil prices was a necessary first step.

Given the climate of public opinion, it was a bold and politically courageous step for which President Carter deserves to be commended.

There are those in Congress who, even now clamor to undo it.

There are others of us who are determined that it shall not be undone—and I am guardedly optimistic that we will prevail.

The President's decision, for one thing, will keep alive literally thousands of marginal oil wells whose premature abandonment some of us have been striving for the past five years to arrest.

If allowed to stand, the decontrol in all may ultimately recover for our nation an additional 1.5 million barrels a day—and that is as much as we're buying from Saudi Arabia.

We need to provide more incentives for tertiary recovery. From the beginning, we've been able to recover only about one-third of the oil we've found.

And we need to complete the California-to-Texas pipeline. It will allow us to utilize some 400,000 barrels a day of Alaskan oil which now cannot be shipped. And it will save American consumers approximately $1 a barrel in transportation costs.

Legislation is being prepared now to expedite the decision-making process in projects of this kind and free them in the future from the stifling morass of red tape and petty regulatory deadweight that have slowed down our progress toward the national goal.

All of these things will help some.

ALTERNATIVE ENERGY SOURCES

In the long-run, however, the quality of our statesmanship will be determined by whether we have the vision to stimulate the development of alternative energy sources before we run out of oil and gas.

Solomon wrote that "where there is no vision the people perish."

It is time that we begin in earnest to develop a synthetic fuels industry in America.

This nation is going to need every economical source of energy that it can create.

There are numerous sources, such as oil shale, bio mass, and gasohol.

Let me dwell for a moment on only one of them—coal.

The U.S. has one-third of the entire world's known coal reserves. We could be the Middle East of the world in coal. It exists in commercially minable quantities in 26 of our states.

Presently known, commercially recoverable oil reserves—even with the stimulus of decontrol and assuming a virtual doubling by tertiary recovery techniques—amount to perhaps a 16 year reserve.

But we have enough minable coal—economically, technologically and legally recoverable today—to last for 620 years at our current rate of use.

Or, we could divert enough to make 2 million barrels a day of synthetic fuels and have enough for more than 400 years.

Or, we could double our conventional use of coal and convert four million barrels a day of synthetic fuel and still have enough for 218 years!

By then, we may be geting most of our energy from solar power.

THE MERITS OF COAL

There is nothing new in the idea of making liquid and gaseous fuels from coal. Until the natural gas pipeline was built in the 1940's, practically all the gas that was used on the East Coast—and as far west as St. Louis—came from coal.

The Germans, cut off from oil in World War II ran their war machine on gasoline made from coal. And a formidable thing it was.

As early as 1952, the Paley Commission warned us that we were running out of oil and gas and that we'd need a synthetic fuels industry.

South Africa already is converting coal to oil and gas. They've invested more than $1 billion in the process. As a percentage of their total income, that would compare with a $44 billion investment on our part.

According to calculations in the Department of Energy, a given dollar investment in coal liquefaction will produce approximately four times the payoff in energy volume as an equivalent dollar investment in a nuclear plant.

For 15 years we have been building pilot plants on a penny-ante budget.

We haven't built commercial plants because the necessary investment is too massive to be undertaken by private investors without clear assurance that the government will stand behind them.

It cost perhaps $1.5 billion to build a plant which could produce a high grade synthetic oil which could be sold for something like $28 a barrel.

Who is going to invest that kind of money without some assurance that it wouldn't be a total loss if the Arabs, who control the market, should suddenly cut their prices back to, say $15 a barrel?

The government, therefore, must make a decision—as we did in World War II when we were cut off from rubber—that it is in the national interest to build a synthetic fuels industry.

STIMULATE PRIVATE CAPITAL

We must make the commitment, and guarantee purchase of a given amount as a necessary stimulant to the investment of private capital.

It will take perhaps 5 years to bring the first plants on the line. It is a sound bet that, by that time, the world price of oil will have reached the price for which synfuels can be made.

Most of all, we need a sense of urgency. We need a national resolve to produce ourselves out of our difficulties.

There is no other way.

Above all, we must not despair of the ability of this nation and the American people, when once aroused, to face our problems and solve them.

Let me read you a passage from a report:

"We find the existing situation to be so dangerous that unless corrective measures are taken immediately this country will face both a military and civilian collapse. (The crisis has come as result) of procrastinations, indecisions, conflict of authority, clashes of personalities, lack of understanding, delays * * * (and the) failure to build a greater stockpile of crude * * *. The naked facts present a warning that dare not be ignored."

Does that strike a familiar chord?

That was the report of the Bernard Baruch Committee appointed by Franklin Roosevelt in 1942 to survey our efforts to create a synthetic rubber industry.

Three years after this report, the industry had been built, and the allies rolled into Germany on rubber made by that industry—whose base, incidentally, is petroleum.

The sleeping giant that is the American will, when once aroused, can triumph just as gloriously over our present crisis. I ask you to help me to awaken him.●

OSHA: CANCER AND THE POLITICS OF FEAR

(Mr. HANSEN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HANSEN. Mr. Speaker, I have been informed that in the very near future the Occupational Safety and Health Administration (OSHA) may promulgate a regulation designed to control carcinogenic substances.

Should this regulation be adopted, it would be undoubtedly the most expensive Government edict in history. Capital costs for compliance have been estimated by the accounting firm of Booz, Hamilton & Allen to run as high as $88 billion, and continuing annual costs as anywhere from $15 to $30 billion. By comparison, the American Enterprise Institute places the total cost of all existing Federal regulation at approximately $66 billion a year. And, of course, if the regulation were to become the national standard for all other Federal agencies concerned about cancer—the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA), the Consumer Product Safety Commission, the National Cancer Institute (NCI), and so forth—the cost easily runs into the hundreds of billions.

The OSHA cancer proposal leads into one of the most peculiar stories of our time—peculiar on at least two different levels. First, there is a serious scientific question concerning the validity of the standards OSHA is promoting. Second, there is the issue of how such dubious standards could be adopted by the Federal Government, despite the paucity of evidence in their behalf. One is a matter of scientific fact, the other a matter of politico-legal maneuvering. Both deserve the most exacting scrutiny—by the media, and by the Congress.

I feel that it is essential for Members of Congress to be aware of all the facts surrounding this issue, therefore, I offer for the Record a recent report by Michael J. Bennet, Jr., a former employee of OSHA. The article follows:

OSHA: Cancer and the Politics of Fear

NEW CANCER REGULATION PLANNED

The Occupational Safety and Health Administration (OSHA) may soon promulgate a regulation designed to protect American workers from contracting that most dreaded of diseases—cancer.

The regulation, which could become the national standard for all federal agencies controlling carcinogens—cancer causing agents—in the total environment, would classify all chemical substances into four categories. Those substances which show some evidence in laboratory tests of being carcinogenic in humans or in two or more animal tests—essentially the Delaney Clause requirement to the 1958 Food and Drug Act—would immediately be clamped under tight control in Category 1. Worker exposures would be limited to the lowest possible levels, and medical surveillance and exposure tests would be required.

Substances would be lumped into this Category 1, on an emergency basis, without any attempt to interpret or analyze the quality of the research concluding the substance is carcinogenic. Presumably, these substances could later be given individual review and found innocent; until then, they are to be presumed guilty, and barred.

Substances for which evidence of carcinogenicity is merely "suggestive" would go into Category 2, medical surveillance and exposure monitoring would be required, but any existing exposure limit would not have to be revised to an immediately lower level. Those substances which show no evidence of being carcinogenic would go into Category 3; the only specific substance in this category listed so far is "water." The final category, 4, would be reserved for substances not used in American workplaces, be they carcinogenic or not.

Should this regulation be adopted, it would be undoubtedly the most expensive government edict in history. Capital costs for compliance have been estimated by the accounting firm of Booz, Hamilton and Allen to run as high as $88 billion, and continuing annual costs as anywhere from $15 to 30 billion. By comparison, the American Enterprise Institute places the total cost of all existing federal regualtion at approximately $66 billion a year. And, of course, if the regulation were to become the national standard for all other federal agencies concerned about cancer—the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA), the Consumer Product Safety Commission, the National Cancer Institute (NCI), etc.—the cost easily runs into the hundreds of billions.

ISSUE IS BOTH SCIENTIFIC AND POLITICAL

The OSHA cancer proposal leads into one of the most peculiar stories of our time—peculiar on at least two different levels. First, there is a serious scientific question concerning the validity of the standards OSHA is promoting. Second, there is the issue of how such dubious standards could be adopted by the federal government, despite the paucity of evidence in their behalf. One is a matter of politico-legal maneuvering. Both deserve the most exacting scrutiny—by the media, and by the Congress.

Under the OSHA formula, a substance would, in effect, be presumed guilty until and unless subsequent hearings proved it innocent of carcinogenic effect. And as William Butler of the Environmental Defense Fund contends: "You can't prove a negative. You can't say something doesn't exist because there's always a chance that it does but nobody has seen it. Therefore, you can't say something doesn't cause cancer because there's always the chance that it does cause cancer but it hasn't shown up yet. You can't prove a negative statement." And you can't prove dragons don't exist, he agreed.

By that standard, you would have to regard penicillin as a potential carcinogen were it newly introduced in the environment, or insulin or all of the many steroids and antibiotics which have done so much to preserve and extend life over the past 30 to 40 years.

Representative James Martin of North Carolina is the only member of Congress who holds a doctoral degree in chemistry. He was the primary leader in the Congressional revolt which made the Food and Drug Administration back off on plans to ban saccharin under the provisions of the Delaney Clause. Now, that the National Academy of Sciences has recommended carcinogens be classified with regard for potency into "high," "medium," and "low" categories, he can be expected to be a leader in that battle as well.

He issued a warning to OSHA at its hearings on the cancer policy in Washington in the spring and summer of 1978; incidentally, OSHA, which meticulously sought opinions on modifying its "nuisance standards" in cities all across the country, made no effort to solicit opinions on the infinitely more serious problem of cancer from outside the District of Columbia.

DESERVING RIDICULE

Martin urged the agency to develop a carcinogen control policy on rational, reasonable grounds, based on scientific principles rather than regulatory conjecture. If OSHA sets out "to ban or economically cripple products whose risk is comparable to saccharin. . . ." Martin argued, "you will not thereby reduce the statistical incidence of cancer, you will divert and dilute attention that should be focused on serious carcinogens, you will confound and confuse the public, and you will deserve the ridicule you will receive. That would be a tragic parody of the responsibility you ought to exercise."

OSHA has apparently refused to heed that warning, and instead, has chosen to exploit fear, that stark, unreasoning fear which Franklin Roosevelt spoke of in another context: "The only thing we have to fear is fear itself."

This approach is coming under increasing attack within the scientific community, by individuals, the National Academy of Sciences and the American Council on Science and Health, composed of such distinguished scientists as Norman Borlaug, winner of the Nobel Prize for the "Green Revolution." Dr. Frederick Stare, former head of the Harvard School of Public Health, and Dr. Philip Cole of Harvard and the International Agency for Research on Cancer. The council recently issued a pamphlet entitled. "Cancer in the United States: Is There an Epidemic?" The pamphlet contends:

"Basic statistics about how often cancer strikes and who it affects have frequently been distorted, and basic scientific knowledge about the causes of cancer overlooked. Ironically, the overall cancer rate in the United States has been declining since 1947. The only form of cancer which has increased significantly is lung cancer"—mostly attributable to cigarette smoking.

Yet, the council argues people have been persuaded cancer is somehow "the fatal flaw within modern society, the grim shadow at the feet of technology, lurking in the food we eat, the water we drink, the chemicals we work with, the very air we breathe."

The mistaken premise on which the cancer scare is based apparently originated with a simple statement of fact by the director of the International Agency on Cancer, a World Health organization. The statement was that 70 to 90 percent of all cancer is environmentally related. The word "environment" was meant to include cultural factors such as cigarette smoking, overeating—an excess rate of stomach cancer in Africa, for example, is attributed to too much consumption of peanut products—and other aspects of personal lifestyle. The most common site of cancerous development is the skin, due to over-exposure to the sun, a problem not too often faced by workers in factories, mines, even shipyards.

Nonetheless, the statistic was picked up in its distorted form and repeated often enough, over and over again, so that it became, in the words of the council, one of those statements "that just won't go away."

According to Dr. Michael Halberstram, editor of Modern Medicine, in a recent article for The Washington Post, it has taken such a tenacious hold on the mind of the popular press—if not the public—as to have achieved comparable status in folklore as the belief that aspirin, combined with Coca-Cola, will incite intense lasciviousness in the most reserved of young ladies.

OCCUPATIONAL CAUSES INSIGNIFICANT

Yet the International Agency for Research on Cancer estimates that only one to five percent of cancer around the world can be attributed to occupational disease; illnesses such as mesothelioma, a cancer of the chest or abdominal cavity occurring with abnormal frequency in people with long term exposure to asbestos.

Indeed, a recent effort by the Department of Health, Education, and Welfare to up the percentage of occupationally related cancer to 20 percent of the total was ridiculed by The Lancet, the official publication of the British Medical Society, and described in these words in Science, the official publication of the American Association for the Advancement of Science.

"These estimates are clearly inflated. In each case, the investigators have taken the highest risk ratios available—ratings obtained from workers exposed to massive concentrations of the carcinogens—and multiplied that by the total number of workers who might have been exposed to the carcinogen, even though most of the workers had never been exposed to the concentrations on which the risk ratios were based. In a similar analogy, one might find that the risk of a driver dying in an automobile crash is one in ten if the automobile is consistently driven in excess of 120 miles per hour, and there are currently 100 million automobiles on American highways. Using the logic of the government report, one would conclude that there will be 10 million excess deaths as a result of driving at high speeds."

Science also took a close look at the figures cited on shipyard asbestos workers in World War II, the group most regularly referred to in articles with titles like, "Is Your Job Dangerous to Your Health?" Some four million of these shipyard workers were heavily exposed to asbestos during World War II. The HEW investigators predict about 1.6 million are expected to die of asbestos-related causes—enough to account for 13 to 18 percent of all the cancer deaths in the United States.

Yet only 1,000 cases of mesothelmia are reported annually—not the 7,000 that would be expected if the prediction is to become true. And at that rate, every worker should be dead by now. Instead, 40 percent are still alive.

"Severe deficiencies (exist) in the original report and necessitate the conclusion that its predictions are invalid," the Science article concludes.

CANCER DEATHS DECLINING

Indeed, HEW Secretary Joseph Califano has told the American Cancer Society there is mounting evidence that cancer is being brought under control:

"Cancer mortality rates, particularly the kinds that affect children and young adults, have declined. Acute leukemia in children, cancers of the bone and kidney in children, Hodgkin's disease and other lymphomas are now controllable, often to the point of cure. Each of these triumphs has come about through knowledge or the better application of knowledge. As a result, the cancer death rates for all groups under 35 is actually declining; for the 35 to 39 age group it is holding steady. Only above the age of 63 does the rate continue to rise, and there only slightly."

From a life expectancy of less than 50 not more than a century ago, in 1977 the life expectancy at birth rose to 73.2 years of life, according to recently released figures of the House Select Committee on Population. Moreover, the nation's death rate in 1977, at 8.8 per 100,000 of population, was the lowest annual rate ever recorded, and 8.9 was the figure the year before. Indeed, according to the Wall Street Journal, "the recent gains have already upset some projections: In 1975, the number of people aged 65 and over was 4.1 percent higher than had been expected five years earlier."

The main reason we have to worry about cancer is because of the advances made in conquering the truly random killers, infectious and degenerative diseases:

Death rates, U.S. Public Health Service

[Per 100,000 population]

	1940	1960
Tuberculosis	45.9	5.4
Rheumatic fever	22.1	9.6
Influenza/pneumonia	70.2	28.0
Appendicitis	9.9	0.9
Hernia/intestinal obstruction	9.0	3.9
Diabetes	26.6	5.4

Some scourges of the past are now so rare only fragmentary records are kept on smallpox, diptheria, malaria, etc. The only death rate causes which show a peaking in youth and early middle age rather than old age are, not unexpectedly, suicide, up from 10.6 in 1940 to 14.3 in 1960 and homicide, from 5.2 to 6.3; all easily explainable by a greater proportion of the young in the population.

NATURAL PROBLEMS OF AGING

Every disease now listed by the Public Health Service is primarily a disease of old age, rising and swelling as people reach the Biblical expectation of three score and ten, and declining as the population of the elderly declines. And thanks to the conquest of diseases such as polio, tuberculosis, pneumonia, even diabetes, many more people are reaching that age, ultimately to die of cancer or heart disease.

A chart from the Public Health Service shows, quite clearly, that both of these afflictions kill approximately the same number of people in the early and middle stages of life, until at age 40–44, the heart disease rate begins to climb until it doubles the cancer rate at 65–69, triples it at 75–79, quadruples it at 80–84 and quintuples it at 85–89.

Deaths from cancer and cardiovascular disease—1975

	Cancer	Cardiovascular disease
Age:		
Under 1	129	814
1	131	146
2	167	87
3	197	53
4	216	52
Under 5	840	1,152
5–9	929	232
10–14	878	344
15–19	1,257	716
20–24	1,442	1,025
25–29	1,913	1,502
30–34	2,670	2,525
35–39	4,113	4,981
40–44	7,949	10,568
45–49	16,096	20,908
50–54	27,100	37,509
55–59	37,156	55,287
60–64	48,019	80,054
65–69	54,279	107,315
70–74	53,525	130,834
75–79	46,141	151,386
80–84	35,126	159,221
85–89	18,977	122,711
90–95	6,160	62,266
95–100	1,176	17,386
100+	140	3,075
Total	365,693	917,047

And yet, no one has ever disputed that heart disease is primarily a disease of aging, as the heart, arteries and veins weaken and harden. It seems not unreasonable to assume cancer develops in the tissues of the elderly as they, too, age and the body's defense mechanisms weaken.

"The public should be aware of a fact that is common knowledge among gerontologists." Dr. Herman Bluementhal, research professor of gerontology (aging) at Washington University, St. Louis, Missouri, wrote in the September, 1978 Harper's. "The eradication of cancer would add only one to two years to human life expectancy, as opposed to about 10 years for all forms of arteriosclerosis. The potential gain in life expectancy if the rate of aging could be slowed—and the possible influence of such a strategy on the frequency of cancer, arteriosclerosis and other diseases of aging—has not received serious consideration. For every $2 we spend on cancer research, only about 3 cents furthers research on aging."

CANCER EPIDEMIC A MYTH

In other words, the proposed OSHA standards on cancer are a wholly inaccurate response to a totally misstated problem. There is no cancer "epidemic" in the United States; there is no evidence that the cancer we do have is caused by general environmental influences; and there is therefore no reason to suppose that OSHA's attempt to clamp controls on anything and everything in the environment—on the grounds that we don't know it doesn't cause cancer—will affect the authentic cancer problem in any way whatsoever.

SOURCES OF THE MYTH

If all this is the case, how did the proposed cancer policy of OSHA get this close to becoming actual regulation?

For one thing, the environmental movement has enjoyed a certain moral ascendancy over recent years, and become a rich mine of quotes, pictures and stories for the press—yellow journalism for the upper middle class. Fumes from smokestacks, oil spills on pristine bays, workers in hardhats make far more dramatic TV images than people eating and drinking and smoking—probably the principal causes of most forms of cancer.

And at least in the beginning, many of the crusades directed against abuse of the environment and the workplace had merit. But along the way, the movement picked up its own constituents, the lawyers, the lobbyists, the "advocacy" scientists, the publicists, all of whom wanted to do good and often did well in the process. Unfortunately, soldiers in civilian crusades don't have the same incentive to pack up and go home when the battle's over. The battlefield of environmental chic has its own enticements.

Moreover, few scientists were willing to take public issue with the environmentalists—and the government, fount of almost all research funds. And, as a partial consequence, few critical studies of the assumptions and presumptions behind the movement appeared in the press.

INDUSTRY SILENT

In addition, until the movement of the OSHA cancer policy—as the new spearhead and battering ram of the environmental movement—industry had also failed to take any unified action. And it did so only with the formation of an organization called the American Industrial Health Council, an ad hoc coalition of companies and trade associations formed essentially to pool the costs of legal meters ticking all the way to the Supreme Court.

On top of that, the cancer hearing took place exclusively in Washington with little or no public attention and less media scrutiny. And an OSHA public relations campaign of eliminating "Mickey Mouse" regulations had scored with the newspapers, and TV, diverting concern away from the hearing.

Most important of all in bringing about adoption of the standards, however, has been the little-noted interaction of legal-minded environmentalists in and around the federal government, working by circuitous means to tilt official policy in the direction of crippling regulation.

LAWYERS MASTERMINDED POLICY

The two principal architects of the OSHA cancer policy are not scientists but lawyers: Anson M. Keller, special assistant for regulatory affairs at OSHA, and Anthony C. (John) Kolojeski, president of Clement Associates, a Georgetown consulting firm. Both men are virtually unknown outside of a small circle of associates and colleagues; neither has testified before Congressional committees; both have assiduously avoided publicity; yet together they may yet exercise more influence over the environment, the working conditions, the economy and the health of America than all the fabled names of Washington, from Nader to Meany and Kennedy to Carter. The manner in which they have exerted this influence is one of the great untold stories of contemporary politics.

The work of Keller and Kolojeski has been publicly recognized as yet only in The Politics of Cancer, a book by Dr. Samuel Epstein, the scientist generally credited as being the grey eminence of the environmental movement. The Politics of Cancer was described in a Washington Post review as "a compendium of all the information on the 'environmental' causes of cancer that is probably going to serve as a Bible for the forthcoming effort . . . to drive all carcinogenic materials from the workplace and the world."

Dr. Epstein pays due credit to Keller and Kolojeski in The Politics of Cancer for the early work they did in establishing the principles on which the OSHA cancer policy rests. That work was done back in 1973–75 at the Environmental Protection Agency (EPA) in proceedings calling for the banning of the pesticides, aldrin-deildrin.

"The (EPA) litigation team," Epstein observes, "was headed by Anson Keller and Anthony Kolojeski of the Office of General Counsel. This team started work in virtual isolation, as the Office of Pesticide Programs, where the supposed scientific expertise on pesticides was located was, and still is, highly sympathetic to agri-chemical interests, quite apart from resenting the Office of General Counsel's policy-making trends and ease of access to the administrator. . . . The Office of the General Counsel was staffed by young, environment-minded lawyers. The bitter schism which developed, known as the 'scientists vs. the lawyers' largely reflected the fundamental political ambivalence between environmental activism and traditional pro-industry conservatism."

DISSIDENT SCIENTISTS CONSULTED

To Dr. Epstein any scientific evidence adduced by any scientist who has ever worked for or been retained by private industry is inherently flawed and unworthy of consideration. Apparently Keller, Kolojeski and the EPA Office of General Counsel, felt the same way, and given the "failure" of the scientific experts in the Office of Pesticide Programs at EPA "to provide scientific assistance in the proceedings, opened the door . . . to go outside the agency." "This however," as Dr. Epstein noted, turned out "not to be so easy. Most university agricultural economists and entomologists receive research support from industry and were unwilling to help the government position. The majority of experts on toxicology and carcinogenics who were approached were either in a similar position or unwilling to take the time to help. The government case had then to rest on the efforts of the small litigation team and a handful of independent outside scientists"—among them, Dr. Epstein.

The "handful of independent outside scientists" Dr. Epstein refers to are among those who believe cancer is primarily caused by environmental conditions, from chemicals in the food we eat, the water we drink, the air we breathe. Another school of scientists, larger in numbers but with considerably less impact on the instruments of mass communications, believes cancer is essentially a disease of aging, precipitated by smoking, drinking, and eating habits, and possibly predetermined, to some extent, by genetic traits.

LEGAL MANDATES CITED

But although the scientists may debate, the law is still the law, now as when the Inquisition decreed Galileo was guilty of heresy in declaring the earth revolved around the sun. The current law of this land today on cancer is the Delaney Clause of the Food and Drug Act of 1958, the very clause invoked by the Food and Drug Administration in its thus far unsuccessful attempt to ban saccharin.

Keller and Kolojeski, however, were quite successful in using the Delaney Clause argument to ban aldrin/deildrin in their brief before the EPA administrator.

"Foremost of the regulatory amendments in its offer of informed guidance," they said, "is the Delaney Clause. In effect since 1958, this statutory prohibition constitutes the judgment of Congress that the addition of any amount of carcinogenic chemical to the food supply, regardless of its purpose or value, is hazardous to public safety, and that a chemical which is carcinogenic in laboratory species constitutes an unacceptable risk of causing cancer in man if present in the food supply, i.e., additives to the food supply which are carcinogenic in laboratory animals must, perforce, be assumed carcinogenic in man."

On the face of it back in 1974–75, the argument made some sense. In the particular case of aldrin-deildrin, the substance could be considered a food additive since it could be found pervasively in the food chain. However, there are several problems with the argument. For one, substances that produce tumors in animals, eggs and lactose, for example, do not seem to affect people. And by the same token, arsenic and benzene, which definitely do not cause cancer in animals, most assuredly do cause cancer in people.

Moreover, the cancer risk to workers does not come from a pervasive element in the food chain. It does not come from direct ingestion through drinking and eating but through the skin and breathing passages with their own highly sensitive and complex defense mechanisms. It is not an ever present danger, but one encountered eight hours at a time, over a working rather than an actual lifetime, and with the aid of protective controls.

LEGAL CHANGE RECOMMENDED

Indeed, the National Academy of Sciences has recently, after a year-long study, recommended to Congress that the Delaney Clause be amended to reflect the reality of relative exposures to known or suspected carcinogens, "high," "medium," and "low."

Unfortunately, facts often have a hard time catching up with perceptions, and legal precedents are often impervious to reality for many a year. In any event, a legal precedent for the presumed control of cancer had been established by Keller and Kolojeski in the case of aldrin/deildrin.

THE KELLER-KOLOJESKI SHUFFLE

Not much later, the two lawyers were to leave EPA, Keller to go to OSHA and Kolojeski to form his own firm, Clement Associates. Over at OSHA, Keller, as special assistant for regulatory affairs, was assigned, in Dr. Epstein's words, "top priority to promulgating generic standards for occupational carcinogens . . . While determination of carcinogenicity in these proposals is generic, as in the Delaney Amendment, subsequent rulemaking is, however, individualized."

Dr. Epstein did not mention that Kolojeski would be providing assistance to Keller both in the formulation of generic standards as well as in the subsequent rulemaking on individual substances through the magic of federal contracting.

The new relationship between Keller and Kolojeski did receive some public attention in a Wall Street Journal article published on October 11, 1978:

"WASHINGTON.—A peculiar question hovers over the Occupational Safety and Health Administration's effort to produce a sweeping new policy for regulating cancer-causing substances at places of work. The question: When OSHA sponsored a long series of cancer-policy hearings last summer, were OSHA officials there to hear the testimony?

"OSHA officials insist they were. In fact, they add, the hearings were taken so seriously at the agency that officials at one point found it necessary to admonish Eula Bingham, the agency's director, to stop spending so much time listening to testimony to the exclusion of other pressing problems. Meanwhile, many of Mrs. Bingham's top hands stuck around throughout the proceedings, the agency says.

"But other government officials, who say they sat through the entire 10 weeks of testimony, insist that OSHA policymakers were absent during much of the hearings. Labor Department lawyers were there, they say, and OSHA officials dropped by from time to time. But generally, they insist, the hearings were dominated by executives of an outside consulting firm called Clement Associates, Inc.; that firm had been retained by OSHA to provide scientific expertise in evaluating testimony, finding expert witnesses and determining which substances should be regulated under the proposed cancer policy.

"Many observers in Congress and industry believe OSHA's recent cancer hearings reveal a certain scientific closed-mindedness at the agency. They point particularly to the role of Clement Associates, which performed much of the work that normally would have been performed by officials of the National Institute of Occupational Safety and Health (NIOSH).

"Some NIOSH officials feel that OSHA, departing sharply from past practice, purposely excluded the institute from the process of shaping the cancer proposal. NIOSH officials weren't invited to testify at last summer's hearings, and they couldn't even get copies of the proposal until just before it was released publicly, they complain. 'NIOSH was completely bypassed,' says the institute's deputy director, Edward Baier. 'To what purpose, for what reason, I can't say.'

"OSHA officials dismiss the complaint as coming from an agency that lacks high-caliber scientists and bends too easily with the political winds. They also dispute the notion that NIOSH strongly influenced the agency's regulatory actions in the past. But others view things differently, concluding that NIOSH was bypassed because OSHA officials didn't want to deal with an agency not always in sympathy with OSHA's regulatory outlook.

"According to this view, OSHA sought the assistance of a more sympathetic organization, Clement Associates. OSHA's critics bolster their case by pointing out that the agency's top lawyer in the cancer-policy area, Anson Keller, once worked closely at the Environmental Protection Agency with Clement's president, Anthony C. Kolojeski. At the EPA, the two pressed for many of the same policies that are now incorporated into OSHA's anticancer proposal."

The Wall Street Journal article did not go deeper into the relationship between Keller and Kolojeski. Had it done so, some interesting questions of intellectual and contractual propriety might have been raised.

OSHA-CLEMENT SWEETHEART DEAL

In October of 1976, a non-competitive purchase for a grand total of $10,000 payable at the rate of $15 an hour, was let to Clement Associates by OSHA. The OSHA contact was Anson Keller. Such contracts are normally let to purchase office supplies or the services of writers and artists to prepare annual reports, pamphlets, brochures, etc. They are not customarily let to develop social policies affecting millions of Americans. This contract for $10,000, however, was to develop "Alternative Carcinogen Regulation," even though NIOSH, the agency created by Congress to develop such policies for OSHA, had seen its carcinogenisis budget increase from $1.8 million in 1975 to $6.9 million in 1976, reaching $10.7 million in 1977.

But for a mere $10,000, Clement Associates was presumably prepared to do the following:

Scope of Work:

The contractor shall examine and furnish alternative approaches and policies for the regulation of carcinogens; and shall examine OSHA regulations and proposed regulations for carcinogens, providing recommendations for improvements in or alternatives to OSHA initiatives.

Statement of Work:

The contractor shall provide highly qualified professional staff with appropriate background to deal with the following tasks:

A. Survey existing federal regulations and policies for carcinogenic, mutagenic or tetragenic substances. Provide comparative analysis of regulations and policies and prepare a critical evaluation of effectiveness and problems of both implementation and enforcement of other federal regulations.

B. Develops prototype regulations for controlling employee exposure to carcinogens found in the occupational environment.

C. Provides position papers on defining carcinogenic agents and on OSHA regulatory policy for those substances found to pose a carcinogenic risk.

All of that—for a mere $10,000—seems like a solid investment in the health and safety of the American workers. Unfortunately, we will never know what that $10,000 bought.

NO REPORT EVER ISSUED

"No formal reports were asked of Mr. Kolojeski," David C. Zeigler, director of administrative programs for OSHA, wrote on November 3, 1978, in response to a freedom of information request. "As a matter of expediency, the input to the agency was in the form of briefings or discussions of issues, handwritten or typed opinions and summaries of data available on subjects assigned by OSHA for investigation, and 'mark-up' of draft documents prepared by OSHA. The documents were used, in general, as source documents for OSHA staff, and as appropriate, some sections of these documents were incorporated in early drafts of the proposed cancer policy. These early drafts were continually reviewed and revised by OSHA staff, and, in January, 1977, a preliminary draft was publicly released."

MORE MONEY TO CLEMENT

Whatever work Clement Associates did on that draft must have helped because on June 22, 1977, the firm won a competitive contract to provide technical assistance to OSHA during the public hearing on the cancer policy held last spring and summer. Only this time, the financial terms were slightly different, not a maximum of $15 an hour, but $43 an hour for a project director, $49.25 an hour for senior scientists, and $14.50 for junior analysts. On the basis of a 40-hour week, that runs to $85,000 a year for the manager; $98,000 for the senior scientists; and $27,000 for the analysts.

However, the total bid figure on the contract was rather low, $65,300. That was soon to be remedied. On July 26, 1977, one month after the contract was awarded, OSHA's technical representative on the contract, Dr. James Vail, a career civil servant and a scientist, was replaced. His successor was Special Assistant Keller. Three weeks after that, on August 18, 1977, the amount of the contract was tripled to $213,000. Since then, Keller has signed off on invoices totaling well over that figure, on the order of close to $400,000 by November of 1978. Mr. Zeigler, in a letter dated January 19, 1979, said, "We anticipate that further payments will be made for services rendered as provided for in the contract."

Clement Associates carried out its responsibilities to OSHA under the contract through two task orders. The first order, labeled "undated" in the monthly invoices submitted for payment, called for screening 1,500 suspect carcinogens identified by the National Institute of Occupational Safety and Health (NIOSH).

On April 1 of 1977—about three months before Clement Associates was awarded the OSHA contract—the firm secured another contract with the National Science Foundation to provide technical assistance to the Interagency Advisory Committee established by the Toxic Substances Control Act.

That, too, was to screen the 1,500 suspect carcinogens identified by NIOSH. The first phase of the multi-phase contract was for $142,793 for 3,140 hours work to be completed in three months or by June 23, one day after Clement Associates was awarded the OSHA contract.

The Clement Associates' proposal to OSHA referred to the fact it had already obtained a contract with the Interagency Advisory Committee to do essentially the same work: "Although the criteria to be used in setting priorities for testing under the Toxic Substances Control Act are not identical for regulation under the Occupational Safety and Health Act, the overlap is sufficient to give Clement Associates valuable insight and experience into this task," the company's proposal to OSHA reads.

The primary source of raw materials for both projects is the list of suspect carcinogens updated and published annually by NIOSH. The scientific data are obtained by skimming the scientific literature, a task often performed by graduate students.

It should be clearly understood that no attempt is made by NIOSH to appraise or assess the quality of the research.

The list is published in book form and also fed into a computer. The information can be bought from NIOSH either in the book or the computerized form. Dr. Geoff Taylor has testified Clement Associates "like everyone else have requested access to our computerized information service which is called NIOSH-TIC."

NIOSH COULD HAVE DONE IT FOR LESS

There is little reason to believe NIOSH could not perform the task assigned Clement Associates for a fraction of the cost paid Clement Associates.

For once the data are in anyone's computer, and they already are in NIOSH's, they can easily be broken down in accordance with previously established criteria—a task that can be performed as readily by NIOSH as anyone else.

As noted before, under Clement Associates' contracts with both the National Science Foundation and OSHA, it is dividing the suspect carcinogens into three similar categories:

"One class will consist of those chemicals which are in production and for which strong prima facie evidence exists that the chemical is carcinogenic. A second class would consist of those chemicals which are either out of production, produced for research purposes only, or for which evidence of carcinogenic activity is so weak or routes of exposure so inappropriate that no regulation seems justified. Identification of chemicals in those two classes should be of primary value to OSHA and lists will be presented in an early report."

For the third class of chemicals, no regulation would appear necessary, but some further exploratory research would presumably be undertaken.

There will be a considerable difference, however, in what happens once the chemical is assigned to Category One by OSHA and the Interagency Committee of the National Science Foundation. The Committee, as Clement Associates indicates in its proposal, will give the substances "priority consideration for testing" to be performed.

OSHA, if the proposed cancer policy becomes legal regulation, will promptly clamp the substance under control—regardless of what any further testing may demonstrate.

In the battle between the scientists and the lawyers, the lawyers will have won and a new Inquisition will prevail.

APPENDIX A

An official report prepared for the Senate Committee on Governmental Affairs, chaired by Senators Charles H. Percy and Abraham A. Ribicoff, assessed what was happening in more scholarly, but no less emphatic terms. The report was written and researched by Richard Zeckhauser, professor of political economy, and Albert Nichols, assistant professor of public policy, at the John F. Kennedy School of Government at Harvard University.

"Rather than continue on the course of its first seven years, we would argue, OSHA should be disbanded. Safety and health in the workplace would not suffer measurably, significant private and governmental resources would be saved, and an agency seen primarily as a tool of government harassment would be eliminated. . . .

"The elimination of nuisance standards is long overdue. Most never should have been adopted. The gains from eliminating these standards, however, are likely to be realized primarily in terms of a better public image for OSHA, and a lessening of business antagonism, rather than in terms of significant gains in occupational safety and health or reductions in cost. Although the nuisance standards have infuriated many employers and have provided a rich source of amusing or outrageous anecdotes for OSHA's opponents, there is little reason to believe that compliance with them has been very expensive. We believe that OSHA's critics, particularly those writing in the popular press, have greatly overemphasized the importance of the nuisance standards, in part because these standards were so obviously misguided. We fear that as a result, some people will believe that the 'OSHA problem' has been solved now that most of those standards are on the way out. Such optimism is unwarranted; OSHA's more fundamental problems, particularly its refusal to consider the economic costs of its actions in all but the most extreme cases, remain. . . ."

The study went on to examine the proposed OSHA policy for regulating carcinogens. "Unfortunately, the current proposal for generic standards reveals little, if any, concern with improved decision-making," the Harvard report concluded. "The sole objective appears to be to speed up the process of issuing standards. . . ."

"OSHA has learned in the safety area, to its sorrow, of the dangers of overly hasty action. Now is not the time for OSHA to lock itself into a rigid framework for making regulatory decisions in the field of occupational health. The risks of precipitous action are simply too great, not just in terms of cost, but also in terms of workers' health, since the unfocused approach of the current proposal will dissipate scarce resources, including OSHA's, leading inevitably to the neglect of truly serious hazards. . . .

"The agency has little interest in analyzing either costs or benefits before it intervenes. The result may well be the expenditure of enormous sums in return for little or no improvement in workers' health. Recent experience reinforces our earlier conclusion. Congress should relegislate OSHA's mandate, requiring the agency to pay explicit attention to both the health benefits its interventions would generate and the resource costs they entail. Such a requirement would encourage OSHA to rationalize its interventions, directing them to areas where they would be most productive."

APPENDIX B

There is an old saying among lawyers that bad cases make good law, the idea being that if a general principle can be evolved from a case where the facts are not entirely clear, it will apply all the more readily when the facts are not in dispute.

But bad law does not make good science—and can inhibit, even put a halt to new knowledge and understanding. More than 20 years ago, when Congress passed the Delaney Clause, many scientists subscribed to the belief that the body could not detoxify small doses of cancer causing agents in much the same way as the tissues detoxify other chemical substances—based on the "one-hit, no threshold" theory.

That has now been proven not to be true, even in the most extreme cases. Significant success has been reported with "ways to neutralize the effect of a cancer causing substance by creating a kind of immunizing shield around vulnerable cells." The most significant success involved 22 workers poisoned by Kepone at a chemical plant in Hopewell, Virginia—perhaps the most publicized case of occupational disease in recent years.

The Kepone, known to be carcinogenic in laboratory tests, caused tremors, stuttering, memory loss, even hallucination. A drug previously used by doctors to reduce cholesterol or fat levels in the blood, was employed to flush out the Kepone through the excretory system. The result was the Kepone in all 22 workers who took the drug was reduced to "undetectable" levels, and the damage was reduced to "undetectable" levels, not only halted but reversed.

Three workers were, however, left permanently impaired, and no one could possibly justify workers being exposed to anything like the levels of Kepone inflicted on the Hopewell men.

But by the same token, any reasonable concern over exposure has to take into account the fact that the methods of detecting even trace amounts of a suspected carcinogen have improved dramatically since the passage of the Delaney Clause. "Scientists can now measure quantities as minute as a nanogram—a billionth of a gram," Congressional Quarterly reported on February 10, 1979. A gram is about one-thirtieth of an ounce.

"The capacity to measure ever diminishing quantities means that scientists may never be able to rule out the possibility that a troublesome substance is present, at very tiny, trace levels. What this means for regulators is a problem sometimes referred to as 'the search for a vanishing zero.' The Delaney amendment flatly forbids the presence of a carcinogen, no matter how small an amount, and science may not be able to guarantee that absence," according to the Quarterly.

The results of another line of research were reported in the Washington Post of February 4, 1979.

"Researchers at the National Cancer Institute are working on another goal: to make the chemical assaults on the cells less harmful.

"While the exact mechanism of cancer is still mysterious, researchers know it is a long disease process usually taking 20 to 30 years before the malignancy appears. As NCI's Dr. Michael B. Sporn explains, cancer must be initiated, the genetic material in the cells is changed in some way—mutated—by chemicals, radiation, or unknown genetic factors. Since nobody is free of cellular chemical assaults, everyone has been 'initiated' to cancer. 'Whether it progresses is another question,' says Dr. Sporn.

"In certain people, he says, the mutated cells cluster into forerunners of cancer called precancerous lesions. At that stage, one of three things can happen. The lesion can regress or disappear; it can grow slowly and pose no theat to life; or it can erupt into a malignant growth that may metastasize and cause death.

"Traditionally, physicians don't treat cancer until it becomes a malignant growth. The NCI strategy called 'chemoprevention' is to try to intercept the disease process much earlier—during initiation or progression—before the out of control lump called cancer appears."

The scientists are trying to do this by using such harmless substances as Vitamin A and C to arm and defend the cells in much the same way vaccines are used to combat infectious disease.

How extensively these medical and scientific strategies will work is a matter of conjecture. But they point the way to a much more hopeful solution, based on reason, knowledge and prudence, than the panicky, excessively wasteful—and ultimately futile—legal prescription for cancer recommended by OSHA.

Our liberation from the scourge of cancer will come from scientists in the laboratories, not bureaucrats and lawyers debating yesterday's discarded theories in hearing rooms. If and when an effective method of preventing or of curing cancer is developed, it will be because in the battle between the "lawyers vs. the scientists" the scientists won.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. STEWART (at the request of Mr. WRIGHT), for June 28 and 29, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CHENEY) and to revise and extend their remarks and include extraneous matter:)

Mr. RITTER, for 5 minutes, on June 29.

Mr. KEMP, for 10 minutes, today.

Mr. ASHBROOK, for 10 minutes, today.

Mr. DANNEMEYER, for 15 minutes, on June 29.

Mr. COLLINS of Texas, for 15 minutes, today.

Mr. SYMMS, for 30 minutes, today.

Mr. WAMPLER, for 10 minutes, today.

(The following Members (at the request of Mr. HIGHTOWER) to revise and extend their remarks and include extraneous material:)

Mr. BRADEMAS, for 5 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. HUGHES, for 10 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. STOKES, for 30 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. MIKVA, for 5 minutes, today.

Ms. FERRARO, for 5 minutes, today.

Mr. DICKS, for 5 minutes, today.

Mr. HIGHTOWER, for 5 minutes, today.

Mr. MOAKLEY, for 5 minutes, today.

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. WATKINS, for 60 minutes, on July 10, 1979.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FOWLER, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,255.

Mr. HANSEN, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,883.50.

Mr. GONZALEZ, to revise and extend prior to the vote on House Resolution 336.

(The following Members (at the request of Mr. CHENEY), and to include extraneous matter:)

Mr. SHUSTER.

Mr. MYERS of Indiana in two instances.

Mr. LEWIS in two instances.

Mr. LENT.

Mr. HAGEDORN.

Mr. ERLENBORN.

Mr. WYDLER.

Mr. GRASSLEY.

Mr. CLINGER in two instances.

Mr. FINDLEY.

Mr. DERWINSKI in three instances.

Mr. HYDE.

Mr. PAUL in three instances.

Mr. BUTLER.

Mr. SENSENBRENNER.

Mr. RHODES.

Mr. ABDNOR in two instances.

Mr. SCHULZE.

Mr. BAFALIS.

Mr. COLLINS of Texas in two instances.

Mr. GOODLING in two instances.

Mr. MARRIOTT in two instances.

Mr. ASHBROOK in two instances.

Mr. RITTER.

Mr. PURSELL.

Mr. MCCLOSKEY in two instances.

Mr. GILMAN.

Mr. MARTIN in two instances.

Mr. DANIEL B. CRANE.

Mr. HANSEN in two instances.

(The following Members (at the request of Mr. HIGHTOWER) and to include extraneous material:)

Mr. BALDUS.

Mr. SANTINI.

Mr. DELLUMS.

Mr. WOLPE.

Mr. MIKVA.

Mr. FITHIAN.

Mr. BINGHAM in five instances.

Mr. BLANCHARD.

Mr. LONG of Louisiana.

Mr. HUGHES in two instances.

Mr. CONYERS.

Mr. GORE in two instances.

Mr. MAZZOLI in two instances.

Mr. STOKES in three instances.
Mr. DAVIS of South Carolina.
Mr. JACOBS.
Mr. BENJAMIN.
Mr. MURPHY of New York.
Mr. CAVANAUGH in two instances.
Mr. JOHN L. BURTON.
Mr. LUKEN.
Mr. RAHALL.
Mrs. BYRON.
Ms. HOLTZMAN.
Mr. LLOYD.
Mr. FOWLER.
Mr. FLIPPO.
Mr. DICKS in two instances.
Mr. BRINKLEY.
Mr. ROE in two instances.
Mr. KOSTMAYER.
Mr. UDALL.
Mr. VENTO.
Mr. ADDABBO.
Mrs. COLLINS of Illinois.
Mr. BOWEN.
Mr. BRADEMAS in six instances.
Mr. WEISS in two instances.
Mr. PATTEN.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 1317. An act to extend the existing antitrust exemption for oil companies that participate in the Agreement on an International Energy Program; and

S.J. Res. 14. Joint resolution to amend the Public Health Service Act and related health laws to correct printing and other technical errors.

ADJOURNMENT

Mr. HIGHTOWER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 42 minutes p.m.), the House adjourned until tomorrow, Friday, June 29, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS. ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1908. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Plant Quarantine Act of August 20, 1912, as amended, to eliminate certain unnecessary regulatory requirements; to the Committee on Agriculture.

1909. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed services.

1910. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment and services to Israel (transmittal No. 79–47), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

1911. A letter from the Secretary of Labor, transmitting the ninth annual report on the work incentive program, pursuant to section 440 of the Social Security Act, as amended: to the Committee on Education and Labor.

1912. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Israel (tranmittal No. 79–47), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1913. A letter from the Senior Deputy Assistant Secretary of Commerce for Industry and Trade, transmitting statistics of restrictive trade practice or boycott reports for the period April 1, 1978, through September 30, 1978; to the Committee on Foreign Affairs.

1914. A letter from the Secretary of Health, Education, and Welfare, transmitting the sixth annual report of the National Institute on Alcohol Abuse and Alcoholism for fiscal year 1977, pursuant to section 102(1) of Public Law 91–616; to the Committee on Interstate and Foreign Commerce.

1915. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on the implementation of title I of the Speedy Trial Act of 1974 during the transition period which ends on July 1, 1979, pursuant to 18 U.S.C. 3155(b); to the Committee on the Judiciary.

1916. A letter from the Secretary of Transportation, transmitting the Department's plan for the highway cost allocation study, pursuant to section 506(c) of Public Law 95–599; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Interior and Insular Affairs. H.R. 1825. A bill to protect archeological resources owned by the United States, and for other purposes; with amendment (Rept. No. 96–311). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANLEY: Committee on Post Office and Civil Service. Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 96–312). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. Report on status of proposed new entitlement legislation and legislative savings targeted by the first concurrent budget resolution (Rept. No. 96–313). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. Report submitted pursuant to section 4(b) of the first concurrent resolution on the budget for fiscal year 1980 (Rept. No. 96–314). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on legislative savings targeted in the first budget resolution for fiscal year 1980 (Rept. No. 96–315). Referred to the Committee of the Whole House on the State of the Union.

Mr. NEDZI: Committee on House Administration. House Resolution 344. Resolution dismissing the election contest against Bennett M. Stewart (Rept. No. 96–316). Referred to House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARNES:

H.R. 4652. A bill to amend the Public Utility Regulatory Policies Act of 1978 to provide for a study concerning cooperation among State agencies involved in retail electric utility ratemaking; to the Committee on Interstate and Foreign Commerce.

By Mr. BEDELL:

H.R. 4653. A bill to amend section 402 of the Social Security Amendments of 1967 to provide for demonstration projects for provision of preventive health services to the elderly; to the Committee on Ways and Means.

By Mr. BUTLER:

H.R. 4654. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of certain expenses allocable to the use of a residence in providing music lessons; to the Committee on Ways and Means.

By Mr. BUTLER (for himself, Mr. HUGHES, Mr. HARRIS, Mr. McCLORY, Mr. RAILSBACK, and Mr. KINDNESS):

H.R. 4655. A bill to amend title 28 of the United States Code to provide for improvements in the administration of the courts by establishing a mechanism for determining the need to fill judicial vacancies; to the Committee on the Judiciary.

By Mr. EDWARDS of Oklahoma:

H.R. 4656. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 4657. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 4658. A bill to amend the Solid Waste Disposal Act with respect to certain utility waste, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Mr. GLICKMAN (for himself and Mr. FOLEY):

H.R. 4659. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on certain deposits and accounts in savings institutions; to the Committee on Ways and Means.

By Mr. RUSSO (for himself, Mr. IRELAND, and Mr. BUTLER):

H.R. 4660. A bill to amend the Small Business Act and an act to amend the Small Business Act (Public Law 94–305, 90 Stat. 669) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements; to the Committee on Small Business.

By Mr. GORE (for himself and Mr. SCHEUER):

H.R. 4661. A bill to amend the Federal Trade Commission Act to require persons subject to the Act to submit reports regarding certain business activities conducted by such persons in foreign states in order to enable the Federal Trade Commission to determine whether such activities may involve anticompetitive practices, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. HAGEDORN:

H.R. 4662. A bill to amend the Internal Revenue Code of 1954 to eliminate estate and gift taxes on interspousal transfers which are not transfers of certain terminable interests, and for other purposes; to the Committee on Ways and Means.

By Mr. HEFNER (by request):

H.R. 4663. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons; to the Committee on Veterans' Affairs.

By Mr. HUGHES (for himself, Mr. Mitchell of Maryland, Mr. Patten, Mr. Seiberling, Mr. Stokes, Mr. Thompson, and Mr. Weiss):

H.R. 4664. A bill to amend the Clayton Act to provide remedies for the enforcement of antitrust judgments, to provide review procedures for the purposes of modifying or vacating an antitrust judgment, and for other purposes; to the Committee on the Judiciary.

By Mr. McDONALD (for himself, Mr. Ashbrook, Mr. Badham, Mr. Bafalis, Mr. Barnard, Mr. Beard of Tennessee, Mr. Bethune, Mr. Burgener, Mr. Brinkley, Mr. Campbell, Mr. Carney, Mr. Carter, Mr. Cheney, Mr. Clausen, Mr. Collins of Texas, Mr. Courter, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Dan Daniel, Mr. Dannemeyer, Mr. Davis of Michigan, Mr. Dickinson, Mr. Dornan, Mr. Edwards of Oklahoma, Mr. Evans of the Virgin Islands, Mr. Fazio, Mr. Gingrich, Mr. Goldwater, Mr. Hansen, Mr. Hillis, Mr. Ichord, Mr. Jeffries, Mr. Johnson of Colorado, Mr. Kelly, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. Lee, Mr. Lewis, Mr. Lloyd, Mr. Loeffler, Mr. Lott, Mr. Lungren, Mr. Marlenee, Mr. Marriott, Mr. McKay, Mr. Miller of California, Mr. Mitchell of New York, Mr. Montgomery, Mr. Moorhead of California, Mr. Paul, Mr. Rudd, Mr. Runnels, Mr. Santini, Mrs. Schroeder, Mr. Shelby, Mr. Solomon, Mr. Spence, Mr. Stump, Mr. Symms, Mr. Taylor, Mr. Thomas, Mr. Trible, Mr. White, Mr. Whitehurst, Mr. Williams of Montana, Mr. Bob Wilson, Mr. Young of Alaska, and Mr. Rousselot):

H.R. 4665. A bill to make appropriations for the purchase of silver for stockpiling under the Strategic and Critical Materials Stockpiling Act; to the Committee on Appropriations.

By Mr. RODINO (for himself, Mr. Akaka, Mr. Albosta, Mr. Buchanan, Mr. Corrada, Mr. Flood, Mr. Florio, Mr. Forsythe, Mr. Garcia, Mr. Guarini, Mr. Gudger, Mr. Howard, Mr. Hughes, Mr. Kindness, Mr. Lehman, Mr. Lungren, Mr. Marks, Mr. Murphy of Pennsylvania, Mr. Patten, Mr. Roe, Mr. Simon, Mr. Stark, Mr. Thompson, Mr. Vento, Mr. Weaver, Mr. Whitehurst, and Mr. Winn):

H.R. 4666. A bill to amend title 10, United States Code, to authorize the Secretary of the Army to establish an Army Reserve career interest program for persons between the ages of 14 and 18; to the Committee on Armed Services.

By Mr. SLACK:

H.R. 4667. A bill to amend the Internal Revenue Code of 1954 to provide that the deduction for medical expenses shall apply with respect to payments for the medical care of certain relatives of the taxpayer whether or not they are dependents of the taxpayer; to the Committee on Ways and Means.

By Mr. STANTON:

H.R. 4668. A bill to authorize the establishment of the James A. Garfield National Historic site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALKER (for himself, Mr. Addabbo, Mr. Beard of Rhode Island, Mr. Clinger, Mrs. Collins of Illinois, Mr. Coughlin, Mr. Dornan, Mr. Dougherty, Mr. Duncan of Tennessee, Mr. Gaydos, Mr. Gingrich, Mr. Horton, Mr. Hyde, Mr. Lagomarsino, Mr. Lehman, Mr. Marriott, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Panetta, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Ritter, Mr. Stokes, Mr. Williams of Ohio, and Mr. Winn):

H.R. 4669. A bill to amend the Internal Revenue Code of 1954 to provide to individuals who have attained the age of 62 a refundable credit against income tax for increases in property taxes and utility bills; to the Committee on Ways and Means.

By Mr. WON PAT:

H.R. 4670. A bill to amend Public Law 86-664 to eliminate conditions on the use by Guam of certain filled lands, submerged lands, and tidelands; to the Committee on Interior and Insular Affairs.

By Mr. BEARD of Rhode Island:

H.R. 4671. A bill to direct the President to nationalize the oil industry in the United States; jointly, to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. BROWN of California (for himself, Mr. Fuqua, Mr. Ertel, Mr. Watkins, Mr. Wydler, and Mr. Hollenbeck):

H.R. 4672. A bill to promote U.S. scientific and technological innovation for the achievement of national goals, to amend the National Science Foundation Act of 1950, and for other purposes; to the Committee on Science and Technology.

By Mr. DICKS:

H.R. 4673. A bill to provide for the establishment of the Pacific Northwest Center for the Performing Arts; to the Committee on Interior and Insular Affairs.

By Mr. FASCELL (by request) (for himself, Mrs. Schroeder, Mr. Bowen, Mr. Buchanan, Mr. Derwinski, Mr. Leach of Iowa, Mr. Pritchard, and Mr. Zablocki):

H.R. 4674. A bill to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes; jointly, to the Committees on Foreign Affairs, and Post Office and Civil Service.

By Mr. FLIPPO (for himself, Mr. Bevill, Mr. Nichols, Mr. Dickinson, Mr. Edwards of Alabama, Mr. Buchanan, and Mr. Shelby):

H.R. 4675. A bill to amend title 23, United States Code, to establish uniform standards for maximum weights and lengths of vehicles using the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. GILMAN:

H.R. 4676. A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mr. GOODLING:

H.R. 4677. A bill to provide for the gradual reduction in payments for certain types of children under the impact aid program of Public Law 874; to the Committee on Education and Labor.

Mr. HARKIN (for himself, Mr. Goldwater, Mr. Lloyd, Mr. Dornan, Mr. Walgren, Mr. Glickman, Mr. Mavroules, Mr. Brown of California, and Mr. Nelson):

H.R. 4678. A bill to establish within the National Aeronautics and Space Administration a comprehensive program of automotive research and technology development, and for other purposes; to the Committee on Science and Technology.

By Mr. HARSHA (for himself, Mr. Levitas, Mr. Snyder, Mr. Boner of Tennessee, Mr. Evans of Indiana, Mr. Ertel, Mr. Rahall, Mr. Moffett, Mr. Oberstar, Mr. Applegate, Mr. Hefner, and Mr. Gingrich):

H.R. 4679. A bill to amend the Federal Aviation Act of 1958 to require the Secretary of Transportation to designate experts in the field of aeronautics and aviation safety to participate in the aircraft type certification process, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JENKINS:

H.R. 4680. A bill to amend the Tariff Schedules of the United States with respect to the definition of rubber; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 4681. A bill to authorize the Secretary of the Interior to convey certain lands in Mesa County, Colo. to Ute Water Conservancy District, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KOSTMAYER:

H.R. 4682. A bill to restore and promote competition in the marketing of motor fuel by prohibiting the control, operation or acquisition of marketing outlets by petroleum refiners, producers and distributors, and for other purposes; to the Committee on the Judiciary.

By Mr. MOAKLEY (for himself, Mr. Mavroules, Mr. Markey, Mr. Donnelly, Mr. Drinan, Mr. Shannon, Mr. Boland, Mr. Conte, Mr. Bingham, Mr. Won Pat, Mr. Weaver, Mr. Miller of California, Mr. Kostmayer, Mr. Mathis, Mr. Corrada, Mr. Murphy of Pennsylvania, Mr. Gudger, and Mr. Howard):

H.R. 4683. A bill to establish the Boston Harbor National Recreation Area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of New York:

H.R. 4684. A bill to amend section 105 of title 11, United States Code; to the Committee on the Judiciary.

By Mr. MURPHY of New York (for himself, Mr. Breaux, Mr. Pritchard, Mr. Emery, and Mr. Beilenson):

H.R. 4685. A bill to provide for the control of the importing into, and the exporting from, the United States of elephants and elephant products; to the Committee on Merchant Marine and Fisheries.

By Mr. REUSS (for himself, Mr. Hyde, Mr. McClory, Mr. Zablocki, Mr. Kastenmeier, Mr. Obey, Mr. Aspin, Mr. Roth, Mr. Sensenbrenner, Mr. Petri, Mr. Yates, Mr. Derwinski, Mr. Annunzio, Mr. Mikva, Mr. Stewart, Mr. Nolan, Mr. Oberstar, Mr. Sabo, and Mr. Bonker):

H.R. 4686. A bill to save the Milwaukee Road's freight-carrying capacity; jointly, to the Committees on the Judiciary, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. MINISH:

H.J. Res. 370. Joint resolution to require the President to correct inequities resulting from Federal regulations governing the allocation of motor gasoline; to the Committee on Interstate and Foreign Commerce.

By Mr. PEYSER:

H.J. Res. 371. Joint resolution to provide timely and reliable energy supply information by requiring all domestic oil companies to furnish information monthly (for publication by the Secretary of Energy) on their maximum refining capacity, the percentage of such capacity achieved, their crude oil supplies, and their inventory of refined petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLARZ:

H.J. Res. 372. Joint resolution designating April 10, 1980, as "ORT Centennial Day"; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI (for himself, Mr. Rostenkowski, Mr. Albosta, Mr. Bonior of Michigan, Mr. Dingell, Mr. Fary, Ms. Mikulski, Mr. Nedzi, Mr. Fountain, Mr. Fascell, Mr. Diggs, Mr. Rosenthal, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Yatron, Mrs. Collins of Illinois, Mr. Solarz, Mr. Bonker, Mr. Ireland, Mr. Pease, Mr. Mica, Mr. Barnes, Mr. Gray, Mr. Wolpe, Mr. Bowen, Mr. Fithian, Mr. Broomfield, Mr. Derwinski, Mr. Findley, Mr. Buchanan, Mr. Winn, Mr. Gilman, Mr. Guyer, Mr. Lagomarsino, Mr. Goodling, Mr. Pritchard, Mrs. Fenwick, Mr. Quayle, Mr. Annunzio, Mr. Murphy of Illinois, Mr. Boland, Mr. Murtha, and Mr. Minish):

H.J. Res. 373. Joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II; to the Committee on Foreign Affairs.

By Mr. PHILIP M. CRANE:

H. Res. 345. Resolution relating to the Panama Canal treaties; jointly, to the Committees on Foreign Affairs, and Merchant Marine and Fisheries.

By Mr. FRENZEL:

H. Res. 346. Resolution amending the Rules of the House of Representatives with respect to the use of committee funds for travel, particularly such travel after the sine die adjournment of the Congress; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

242. The SPEAKER presented a memorial of the Senate of the Commonwealth of Massachusetts, relative to the proposed Alaska Highway Natural Gas Pipeline; jointly, to the Committee on Interior and Insular Affairs and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER:

H.R. 4687. A bill for the relief of Michael M. Williamson; to the Committee on the Judiciary.

By Mr. HEFTEL:

H.R. 4688. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Independence* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. RUNNELS:

H.R. 4689. A bill for the relief of Donald C. Hutchinson; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 4690. A bill for the relief of Omar Marachi; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 23: Mr. Jenkins.

H.R. 135: Mr. Wyatt and Mr. Heftel.

H.R. 142: Mr. Edgar, Mr. Carter, Mr. Whitley, Mr. Gephardt, Mr. Mineta, Mr. Panetta, Mr. Trible, Mr. Coughlin, Mr. Treen, Mr. Gingrich, and Mr. Hutto.

H.R. 605: Mr. LaFalce, Mr. Pickle, Mr. Hefner, and Mr. Patterson.

H.R. 1290: Mr. Bonker, Ms. Ferraro, Mr. Goldwater, Mr. Peyser, Mr. Aspin, Mr. Oberstar, and Mrs. Spellman.

H.R. 1603: Mr. Carter, Mr. Collins of Texas, Mr. Marriott, Mr. Moakley, Mr. Walker, Mr. Duncan of Tennessee, Mr. Royer, Mr. Kogovsek, Mr. Akaka, and Mrs. Holt.

H.R. 1677: Mr. Bedell, Mr. Forsythe, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Patten, and Mr. Won Pat.

H.R. 1980: Mr. Hopkins, Mr. Patterson, and Mr. Stokes.

H.R. 2071: Mr. Evans of the Virgin Islands.

H.R. 2077: Mr. Stokes.

H.R. 2118: Mr. Anderson of California.

H.R. 2279: Mr. Hanley.

H.R. 2679: Mr. Hyde, Mr. Won Pat, Mr. Lott, Mr. Weiss, Mr. Williams of Ohio, Mr. Kogovsek, Mr. Frenzel, Mr. Walker, and Mr. Madigan.

H.R. 2770: Mr. Barnes, Mr. Hefner, Mr. Lagomarsino, and Mr. Matsui.

H.R. 3159: Mr. Dornan.

H.R. 3326: Mr. Young of Missouri.

H.R. 3383: Mr. Stump.

H.R. 3609: Mr. Addabbo, Mr. Baldus, Mr. Barnes, Mr. Bauman, Mr. Bedell, Mr. Benjamin, Mr. Bethune, Mr. Boland, Mrs. Bouquard, Mr. Bowen, Mr. Brown of Ohio, Mr. Burgener, Mr. Carter, Mrs. Chisholm, Mr. Clinger, Mr. Collins of Texas, Mr. Corcoran, Mr. Coughlin, Mr. Courter, Mr. D'Amours, Mr. Dan Daniel, Mr. Dannemeyer, Mr. Daschle, Mr. de la Garza, Mr. Dellums, Mr. Derwinski, Mr. Devine, Mr. Diggs, Mr. Donnelly, Mr. Downey, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of California, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma, Mr. Emery, Mr. Ertel, Mr. Evans of Delaware, Ms. Ferraro, Mr. Forsythe, Mr. Frost, Mr. Giaimo, Mr. Gilman, Mr. Glickman, Mr. Gray, Mr. Green, Mr. Guarini, Mr. Guyer, Mrs. Heckler, Mr. Hopkins, Mr. Horton, Mr. Kemp, Mr. Kindness, Mr. Kogovsek, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lee, Mr. Lehman, Mr. Leland, Mr. Lent, Mr. Luken, Mr. Madigan, Mr. Martin, Mr. Mathis, Mr. Mazzoli, Mr. McCloskey, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Neal, Mr. Panetta, Mr. Patten, Mr. Pepper, Mr. Petri, Mr. Price, Mr. Pursell, Mr. Richmond, Mr. Robinson, Mr. Roe, Mr. Rosenthal, Mr. Sawyer, Mr. Scheuer, Mr. Slack, Mr. Solomon, Mr. Stockman, Mr. Stokes, Mr. Traxler, Mr. Trible, Mr. Van Deerlin, Mr. Vander Jagt, Mr. Whitehurst, Mr. Winn, Mr. Wylie, Mr. Yatron, Mr. Young of Alaska, and Mr. Zeferetti.

H.R. 3762: Mr. Hollenbeck, Mr. Mollohan, Mr. Findley, and Mr. Young of Florida.

H.R. 4309: Mr. Coleman, Mr. Russo, Mr. Pease, Mr. Coughlin, Mr. Stokes, and Mr. Walgren.

H.R. 4329: Mr. Bauman, Mr. Dannemeyer, Mr. Findley, Mr. Goldwater, Mrs. Holt, Mr. Robinson, Mr. Rousselot, Mr. Sawyer, Mr. Trible, and Mr. Wampler.

H.R. 4347: Mr. Bedell, Ms. Mikulski, Mr. Kogovsek, Mr. Murphy of Pennsylvania, Mr. Frenzel, Ms. Oakar, Mr. Ford of Michigan, Mr. Coughlin, Mr. Stokes, and Mr. Weiss.

H.R. 4400: Mr. Campbell, Mr. Cleveland, Mr. Corcoran, Mr. Hance, Mr. Huckaby, Mr. Johnson of Colorado, Mr. Latta, Mr. Madigan, Mr. Sebelius, Mr. Stanton, Mr. Stockman, Mr. Symms, and Mr. Walker.

H.R. 4430: Mr. Petri.

H.R. 4450: Mr. Ashley, Mr. Broomfield, Mr. Buchanan, Mrs. Chisholm, Mr. Clay, Mr. Conyers, Mr. Corrada, Mr. Dellums, Mr. Dixon, Mr. Evans of the Virgin Islands, Mr. Fauntroy, Mr. Gradison, Mr. Harsha, Mr. Hawkins, Mr. Kindness, Mr. Leach of Louisiana, Mr. Lederer, Mr. Luken, Mr. Marriott, Mr. Miller of Ohio, Mr. Mitchell of Maryland, Mr. Pease, Mr. Pepper, Mr. Rangel, Mr. Sabo, Mr. Schroeder, Mr. Stanton, Mr. Weiss, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Williams of Ohio, and Mr. Wolpe.

H.R. 4459: Mr. Bingham, Mr. Diggs, Mr. Rinaldo, Ms. Ferraro, Mr. Corrada, Mr. Mitchell of New York, Mr. Oberstar, Mr. Downey, Mr. Boner of Tennessee, Mr. Albosta, Mr. Boland, Mr. Richmond, Mr. Patten, Mr. Ottinger, Mr. Kemp, Mr. Ambro, Mr. McHugh, Mr. O'Brien, Mr. Lee, Mr. Solarz, Ms. Holtzman, Mr. Charles H. Wilson of California, Mr. Miller of California, Mr. Ford of Michigan, Mr. Green, Mr. Whitehurst, Mr. Van Deerlin, Mr. Donnelly, Mr. Cleveland, Mr. Myers of Indiana, Mr. Benjamin, Mr. Nedzi, Mr. Dicks, Mr. Daschle, Mr. Dellums, Mr. Lloyd, Mr. Evans of Delaware, Mr. Forsythe, Mr. Fary, and Mr. Coelho.

H.R. 4549: Mr. Hillis.

H.R. 4550: Mr. Hillis.

H.J. Res. 11: Mr. Ichord.

H.J. Res. 336: Mr. Abdnor, Mr. Albosta, Mr. Alexander, Mr. Annunzio, Mr. Ashbrook, Mr. Bafalis, Mr. Bailey, Mr. Bethune, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Bonker, Mr. Bowen, Mr. Breaux, Mr. Brodhead, Mr. Burgener, Mr. Carter, Mr. Chappell, Mr. Clinger, Mr. Conte, Mr. D'Amours, Mr. Davis of South Carolina, Mr. Davis of Michigan, Mr. de la Garza, Mr. Dougherty, Mr. Eckhardt, Mr. Fascell, Mr. Fazio, Mr. Flippo, Mr. Flood, Mr. Foley, Mr. Ford of Michigan, Mr. Forsythe, Mr. Frenzel, Mr. Frost, Mr. Gore, Mr. Grisham, Mr. Hance, Mr. Huckaby, Mr. Hutto, Mr. Jeffords, Mr. Kostmayer, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Leath of Texas, Mr. Marriott, Mr. Mathis, Mr. Mitchell of New York, Mr. Murphy of Pennsylvania, Mr. Myers of Indiana, Mr. Neal, Mr. Nedzi, Mr. Oberstar, Mr. Pashayan, Mr. Preyer, Mr. Rahall, Mr. Robinson, Mr. Skelton, Mr. Solomon, Mr. Stack, Mr. Symms, Mr. Tauke, Mr. Traxler, Mr. Treen, Mr. Ullman, Mr. Vander Jagt, Mr. Vento, Mr. Wampler, Mr. Weaver, Mr. Whitehurst, Mr. Whitley, Mr. Wyatt, and Mr. Yatron.

H. Con. Res. 122: Mr. Mitchell of Maryland, Mr. Jenrette, Mr. Dodd, Mr. Moffett, Mr. Minish, Mr. Boland, Mr. Blanchard, Mr. Hyde, Mr. Gray, Mr. Stokes, Mr. Pepper, and Mr. McHugh.

H. Con. Res. 149: Mr. Williams of Montana, Mr. Stokes, Mr. Mineta, Mr. Fazio, Mr. D'Amours, Mr. Panetta, and Mr. Donnelly.

H. Res. 288: Mr. Grassley, Mr. Daniel B. Crane, Mr. Bethune, Mr. Goodling, and Mr. Dornan.

H. Res. 302: Mr. Zeferetti, Mr. Lent, Mr. Rosenthal, Mr. Biaggi, Mr. Scheuer, Mr. LaFalce, Mr. Green, Mr. Richmond, and Mr. Donnelly.

H. Res. 338: Mr. Sebelius, Mr. Goodling, Mr. Michel, Mr. Rousselot, Mr. Solomon, Mr. Paul, Mr. Wampler, Mr. Coelho, Mr. Hinson, Mr. Lagomarsino, and Mr. Clinger.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3829

By Mr. HALL of Ohio:

—Page 6, line 13, insert "(a)" after "501.".

Page 8, after line 25, add the following:

(b) Such section 701 is further amended—

(1) in subsection (b) by striking out paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively; and

(2) in subsection (f)—

(A) by inserting "(1)" after "(f)"; and

(B) by adding at the end thereof the following:

"(2) The United States Executive Directors of the institutions listed in subsection (a) shall oppose any loan, and extension of financial assistance, or any technical assistance to any country to which foreign assistance has been terminated, prohibited, or refused by reason of an action by the President, any Federal department or agency, or both Houses of the Congress, on account of violations of human rights by the government of such country. For purposes of this paragraph, 'foreign assistance' means any assistance under part I of the Foreign Assistance Act of 1961 (including insurance, reinsurance, and guaranties issued and loans made for projects in a country under title IV of chapter 2 of such part), any security assistance as defined in section 502B(d) of that Act, or any agreement to finance the sale of agricultural commodities which is entered into under title I of the Agricultural Trade Development and Assistance Act of 1954.".

H.R. 4392

By Mr. CONTE:

—On page 2, line 20, strike "$709,700,000" and insert in lieu thereof $712,700,000".

By Mr. ZABLOCKI:

—On page 2, line 20, strike out "$709,700,000" and insert in lieu thereof "$712,700,000".

H.R. 4393

By Mr. GUARINI:

—Page 32, after line 2, add the following new section:

SEC. 509. None of the funds available under this Act shall be available to pay licensed public gagers or other individuals, not employees of the United States Custom Service, for checking the quantity of petroleum or petroleum products imported into the United States.

EXTENSIONS OF REMARKS

COAL PLUS BETTER RAIL TRANSPORTATION EQUALS ENERGY SELF-SUFFICIENCY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. RAHALL. Mr. Speaker, this week we have seen the beginning of the historic formal Interstate Commerce Commission process on the important proposed merger of the Chessie System and the Seaboard Coast Line Industries, Inc., into a new parent company.

The first two witnesses of the railroads were Hays T. Watkins, chairman of the board and president, of the Chessie System, Inc., and Prime F. Osborn, chairman of the Seaboard Coast Line, Inc. They were represented by Roland W. Donnem, senior vice president, law, for Chessie, and Richard A. Hollander, general counsel for Seaboard.

The hearings involved testimony from 38 witnesses before the administrative law judge of the ICC who has been assigned to the case.

The Governors of West Virginia, Virginia, Maryland, Florida, Indiana, and Pennsylvania have filed statements with the Commission in support of the merger. The proposed merger has received overwhelming support from both large and small shippers on both railroad systems. More than 800 shippers filed written comments with the Commission urging approval of the merger and 22 officers of major companies testified in its favor.

Chessie and Seaboard first announced their plans to merge the parent companies on September 6, 1978. On November 16, last year, the boards of directors of both companies approved the terms of merger and on February 13, shareholders of both corporations voted overwhelming approval of the affiliation.

Messrs. Watkins and Osborn have said that the merger will be on a 50 to 50 basis, with no company taking over the other, and that the railroads that are part of Chessie and Seaboard will retain their identities as they do now.

Chessie and Seaboard have said that employees will benefit by the proposed transaction because applicants not only will be able to continue to offer jobs as viable railroads, but will be better able to compete with other modes of transportation, and to the extent that additional business will be attracted to the new rail system, added job opportunities and security for employees will be enhanced.

Mr. Speaker, better utilization of our God-given coal resources is the answer to our energy problems. The sooner this administration wakes up to this fact, the better for the American people. To maximize our use of this resource, we must have a strong, viable, rail transportation system. Railroads own over 360,000 coal hopper cars, having a value of approximately $10 billion. An additional 12,000 are now on order and reflect an investment by the railroad industry of over $355 million.

If coal is to be used to get us out of our energy problem, adequate Government policies and actions must be taken to help move that coal to areas where it is needed. For instance, Seaboard and Chessie have also told the ICC in their applications that the merger will have many other benefits, such as the saving of 14,600,000 gallons of diesel fuel annually.

During 1977 and 1978, because of limited hopper car supply, a considerable volume of coal was trucked from coal mine areas served by Chessie/Family Lines at a higher cost to shippers and consumers than via rail. Contracts with receivers of more than 1.5 million tons of such coal indicate that these markets can be recaptured with the increased availability of hopper cars resulting from improved car utilization through combined operations. Such diversions of rail will provide significant public benefits by lessening highway deterioration and reducing transport costs for this coal.

Other new effects of the merger would be:

The new rail lineup will enable applicants to attract more than $96 million of new business annually to its system.

The combined system will improve the quality and frequency of merchandise service through closely coordinated train scheduling, increased numbers of run-through trains and more efficient classification of cars.

Car utilization improvements will enable the new unified system to save over 38 million empty-car miles per year.

Lastly, C. & O.'s Raceland car shop, near Huntington, W. Va., will be utilized to build coal hopper cars for L. & N. by using presently existing excess capacity. During the first 3 years following consummation of the proposed transaction, 7,000 cars will be constructed at Raceland for L. & N. at a savings of more than $60 million.●

VENDOR PAYMENTS FOR BOARDING HOMES

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. GUARINI. Mr. Speaker, recently I introduced H.R. 4379, a bill which would amend title XVI of the Social Security Act to provide States with the option of replacing their required supplementary payments on behalf of SSI residents living in group care facilities with vendor payments.

This is a companion bill to S. 90 which was introduced by Senators HARRISON WILLIAMS and FRANK CHURCH.

The plight of the more than 27 million elderly and disabled residents of boarding homes has become a matter of national concern. This population continues to grow, made up of individuals who, while not in need of intensive medical or nursing care, are unable to care for themselves. Usually they cannot afford the type of care they need without State or Federal Government assistance. All too often, they are totally dependent for their survival on the management of their boarding homes. Some do not survive; since the first of this year, there have been 44 deaths associated with fires in boarding homes.

Aside from the problem of physical safety, boarding home residents are confronted with other compelling problems: The need for a clean and secure environment and an adequate diet; personal care services to maintain vitality and prevent psychological deterioration; the maintenance of links between residents and the community in order to combat isolation and assist in social service outreach; and finally, prevention of abuse and exploitation by some operators of boarding homes.

Under the present system of assistance, States are required to pay a flat

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

rate to all boarding homes serving SSI recipients, regardless of the quality or level of care provided. In addition, qualified boarding home residents each receive a Federal supplemental security income (SSI) check which is frequently turned over to the operator of the boarding home. Consequently, the States have few enforcement tools to maintain adequate standards of care.

In licensed sheltered boarding homes (LSBH's), a high degree of care is provided and the homes are inspected annually. In New Jersey, there are more than 9,000 LSBH residents with roughly 5,000 receiving SSI checks. However, LSBH's maintain only a fraction of the eligible population. Many others subsist in single room occupancy (SRO) hotels. In New Jersey, an estimated 1,500 SRO's house between 30,000 and 40,000 elderly and disabled persons—no one really knows as the facilities are inspected only once every 5 years on the average.

The New Jersey experience is not atypical. However, by permitting the States to structure vendor payments on a variable rate basis as called for in H.R. 4379, different rates of payment could be made, depending on the quality of care provided. This system of financial incentives would reward those licensed sheltered boarding homes which are providing high quality care and would provide an inducement to unlicensed rooming and boarding homes to upgrade their services.

Furthermore, it would improve the ability of States to audit and upgrade standards in many boarding homes to assure that residents were receiving the level of care intended.

With our elderly population growing and with deinstitutionalization of mental patients and the disabled an increasingly accepted public policy, it is incumbent upon us to find solutions to the living conditions of this vulnerable segment of our population.

I respectfully urge my colleageus to join me in cosponsoring this much needed legislation. H.R. 4379 and S. 90 have the endorsement and support of the American Public Welfare Association and the National Governors Association.●

SAN FRANCISCO SENIOR COMMUNITY CHOIR

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. PHILLIP BURTON. Mr. Speaker, on June 26, 1979, in the San Francisco Opera House, the San Francisco's senior citizens gathered for an "afternoon of lyrics and lace," a senior talent and fashion fundraiser to send 100 senior choir members to Washington, D.C. in September.

The September 1979 Washington visit will have several major purposes: To allow seniors who could never afford such a trip themselves the chance to see the Nation's Capital, to afford these seniors an organized opportunity to present to public leaders in Washington a "platoon of concern" relating to the seniors' proposals about the need for more senior housing, housing rent supplements, and improvements in social security benefits, and to allow them to see their Government officials in operation.

The senior choir, involving seniors from all over the city, has the following purposes: To convey a spirit of sharing, participation, and loving friendship through song, and to provide unity and meaning to a largely forgotten group of elderly citizens.

The choir also takes the responsibility of addressing new areas of need and to effectively respond to these needs as they are discovered, especially by conducting fundraising events and other group interactions among seniors. It is run as a democratic institution with voting members, elected officers, and maintains a regular business calendar.

By vote, members of the choir indicated that they as seniors would like to see Washington and to use that trip to deal with some of their basic areas of concern. Since the escort service has brought a new sense of security and safety from crime into their lives, the next issues that were identified were those of safe affordable senior housing, rent supplements, and a need to improve certain social security benefits.

Having determined these things, they took upon themselves the responsibility to raise the money to take 100 seniors of the choir to Washington for 5 days and to establish a process insuring that the Washington trip would be successful as a means of effecting change.

This decision was made by the San Francisco Senior Community Choir after reviewing all the needs of the senior population in the city and county of San Francisco. They concluded:

> The senior citizen of San Francisco faces a tragic loss of identity and many fiscal and social obstacles to their pursuit of dignity and happiness. Many seniors find themselves prisoners in their own homes, lonely and with only television to help fight off a feeling of "who cares for me." This situation is a tremendous waste of seniors' wisdom, talent and experience which could be shared with others for the mutual benefit of all. They also concluded: "Changing this situation is the responsibility of the seniors themselves. Others cannot and will not do it for them. Therefore we the seniors must unite and convey our concerns to those making the decisions.

I would like to take this opportunity to commend Rebecca Stark, president, and Louis Langston, founder of the San Francisco Senior Community Choir, as well as the members and supporters of this very important project. The friendship and fellowship which our senior citizens enjoy as a result of their participation in the choir is a joy to behold. Their determination to chart their own destiny, to solve their own problems demonstrates the independence of their spirit which is so typical of the wisdom so often displayed by our older Americans. I am proud of the San Francisco Senior Community Choir. I wish them much success in their many endeavors and I look forward to meeting with them to personally hear their concerns when they come to Washington, D.C.●

ETHANOL

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. DASCHLE. Mr. Speaker, the congressional Alcohol Fuels Caucus was honored to have Dr. Barry Commoner address the first meeting of the caucus on Wednesday morning. For the benefit of the more than 150 people who attended the first meeting of the Alcohol Fuels Caucus, Dr. Commoner explained why the American people are being forced to endure long lines at gas pumps and why the Nation's current gasoline shortage will continue and grow worse in the years ahead unless we begin using ethanol as an octane booster and gas supply extender.

For the Members of Congress who could not attend this important meeting, I am pleased to include Dr. Commoner's insightful and timely analysis in the RECORD:

A BACKGROUND REPORT ON ETHANOL'S ROLE IN THE CURRENT GASOLINE CRISIS

(By Barry Commoner)

[Figures and tables not printed in RECORD]

Ethanol can play a pivotal role in meeting present and future demand for unleaded gasoline, which has grown by more than 20% in each of the last two years and is in shortest supply in the current gasoline crisis. This shortage is caused by a bottleneck in the ability of the refining industry to boost the octane level of unleaded gasoline. This bottleneck, rather than any real administered shortage of crude oil, is the primary source of present gasoline supply difficulties. Demand for unleaded will continue to grow rapidly for the next few years, and thus gasohol's octane boosting capacity can be far more important than its role in reducing oil imports. In order to explain the crucial octane link in the gasohol picture we need to understand the reasons for the present shortage and their implications for the future.

There are several pieces of evidence which point to the unleaded-octane bottleneck as a major cause of the present shortages. In the first five months of this year the stocks of unleaded gasoline fell to dangerously low levels, while stocks of leaded gas remained at normal levels, as shown in figure 1. Normally, enough gasoline is held in stocks to meet consumption for about 20–24 days. All gasoline stocks began to decline last summer, which caused the first gasoline shortages in November and December of 1978. The solid lines, for the first five months of this year, show that the brunt of the shortage has been in the unleaded fuels supply.* The fact that unleaded stocks fell to the 16–day level in March and April of this year is particularly dangerous because gasoline stocks are normally built up at this point in the year, and because demand for unleaded is rising very rapidly.

The rapid growth in unleaded demand is analyzed in Table 1. The rate of change-over from lead to unleaded gas can be quite accurately predicted from the sales of new cars and the expected increase in total gasoline demand. Using data published in *The Oil and Gas Journal* we calculated the expected demand for gasoline in the first five months of 1979, shown in the middle section of Table 1. Comparing this estimate to the same period in 1978, we see that demand for unleaded gas was expected to grow by more than 26 percent, while unleaded demand should have fallen by 11 percent, resulting in an increase of 1.5 percent in total gasoline use. The third section of the Table shows that total gasoline consumption increased in 1979 in spite of the shortages. But what is more interesting is that the supply of unleaded grew less than expected, while the supply of leaded gas did not fall as fast as the predictions would indicate. In other words, almost 4 percent of the demand for unleaded was unmet, while there was 1 percent more leaded gas sold than was needed. This indicates clearly that unleaded gasoline is in shortest supply.

Thus, the inability to produce unleaded gasoline is at the heart of the present gasoline shortages. There is a bottleneck in the present U.S. oil refining system which is their inability to produce the octane-boosting products needed to meet the transition from leaded to unleaded gasoline. Octane-boosting is one of the basic steps in gasoline production. Octane must be increased above the level found in natural, or straight run, gasoline refined from crude oil. For the past 50 years refiners have used lead-based chemical additives to help boost the octane ratings of gasoline.

Additional refining of straight run gasoline has always been necessary in order to make a product useable for automobiles. As the octane number of refined gasoline increases, it becomes more and more expensive to attain the next higher octane level. In the past, refiners have found that the use of lead to add the final 6–8 octane points in gasoline is more economical than additional secondary refining.

Lead is now being phased out of gasoline. As a result of the introduction of catalytic converters on all U.S. autos beginning in 1976 the EPA is requiring this phase-out because the use of only half a tank of leaded gasoline in a car with the converter will ruin the device, and because the presence of lead in the environment is a health hazard. This lead phase-out has created an octane bottleneck because refiners have failed to build sufficient refining capacity to meet the need for unleaded octane boosting.

The unleaded problem has been compounded by the fact that U.S. refineries have not been operating at anywhere near their peak capacity level. Government and industry officials assert that underutilization of capacity is caused by a world-wide shortage of crude oil. For example, John O'Leary, Deputy Secretary of the U.S. Department of Energy (DOE) blames "the nation's current problems on the curtailment of Iranian production." [1]

The shortage of crude is not the result of a worldwide deficit in crude production. It results from DOE directives to refiners which, early in the year, was urging refiners to "shun spot cargoes of oil so as to not bid up prices", according to the Oil and Gas Journal,[2] a practice they have abandoned in the wake of consumer outrage over shortages. Further supporting the view that there is no crude shortage is the fact that total world oil production in the first quarter of this year is up five percent over last year.[3]

Thus, it is the refining industry's inability to meet the legally mandated requirements that they shift from lead to other types of octane-boosting processes which have caused the current shortage. The shortage has been compounded by a reduction in crude oil supply to refineries, but this has only compounded the problem, since total gasoline supply has increased this year.

The oil refiners have attempted to meet the rising demand for non-lead octane improvement by using other types of additives such as MMT (a manganese-based compound). But MMT was banned as hazardous to human health, and damaging to catalytic converters.[4] As a result of the octane crunch and the ensuing gasoline shortage, the oil industry has successfully pressured the U.S. government into allowing the use of more lead and MMT (on a temporary basis) in order to increase the production of unleaded fuels.[5] **

The failure of the oil industry to meet current requirements for unleaded gasoline is clearly the result of a conscious decision by the oil industry to resist making changes necessary to adapt to a changing regulatory environment and gasoline market. A 1976 study done by Bonner & Moore Associates for EPA demonstrated that the oil industry had the technical and economic ability to add the necessary secondary refining capacity within 2–3 years to meet the 1979 lead standard of 0.5 grams per gallon. But, as figure 2 shows, not enough capacity has been added, and as a result, a no-lead octane shortage has developed. It is, in a word, a seller's market for gasoline, as Secretary Schlesinger recently admitted when he decided that the U.S. government did not have the power to force the oil companies to refine more gasoline.

The fact that the oil industry has failed to adequately prepare for the rising demand for unleaded gas is illustrated in figure 2, below. This figure shows that while primary refining capacity in the U.S. has been growing at about five percent since 1970 secondary refining capacity (which is primarily used to produce gasoline) has only been increasing by three percent per year. If the refiners were acting to meet the phase-out of unleaded gasoline, they would have had to build secondary refining capacity faster than primary plants. Refiners are continuing to expand secondary refining at three percent per year, but primary refining is only growing at two percent. Because of the large gap that now exists these growth rates will hold the gap between primary and secondary refining relatively constant.

Had the refiners decided to accept the lead phase-out they could have chosen at least two paths for increasing the supply of non-lead octane improvement. They could have built more secondary refinery capacity. However, with processes such as reforming and catalytic cracking, high-level octane improvement can be achieved only with substantial reductions in the amount of gasoline produced. For example, an Oklahoma refiner pointed out recently that with current product demands his reforming units are converting about 88 percent of a barrel of inputs into gasoline, but that by 1984 he will only be able to get 78 percent gasoline output because of greater demand for unleaded.[6] Increasing energy consumption for octane improvement is expensive, as is the reduced gasoline yield from the feedstock. The other alternative open to refiners was to produce alcohol and ethers, which can be made from several different feedstocks including starch and sugar crops. This option would use less energy, and, in the case of crops, use an entirely new, renewable source of energy. With few exceptions, refiners have chosen to avoid taking either of these steps, and have instead allowed the present shortage to develop.

Figure 2 also shows the current construction plans of the oil refining companies. Their construction plans will hold the gap between primary and secondary (gasoline) refining capacity constant. These changes will not be adequate to meet the demand for non-lead octane improvement, for several reasons. First, as shown in figure 3, the phase-out of lead required by the Environmental Protection Agency will be completed in the 1980s, which will significantly reduce the supply of octane-boosting additives.[7] The lower frame of figure 3 shows that automobile fuel efficiency will be increasing throughout the 1980s as a result of DOE regulations mandated by Congress in the Energy Policy and Conservation Act.[8] In order to meet these regulations the auto manufacturers are planning to build cars with higher compression ratio engines. These engines require a higher level of gasoline octane to prevent engine knock, which will increase the demand for non-lead octane improvement.

A third factor which will affect refining needs in the 1980s is the peak demand for all gasoline, shown in figure 4. This peak in total demand will result from the increasing automobile fuel efficiency, and a decline in the rate of increase of auto travel. This will limit the total market for gasoline, yet the demand for unleaded gas will continue to grow throughout the period, as is also shown in figure 4. This will add to the demand for non-lead octane improvement, in the face of an actual drop in the sales of all gasoline. Thus, the refiners will have to dramatically increase their total capital investment in the coming period, and spread those costs over a shrinking pool of gasoline sales.

It appears that the strategy of the refining industry for meeting octane demand in the future is built around continuing gasoline shortages. The current shortage has been used to justify obtaining waivers from the government to allow the use of more lead in gasoline, and to use gasoline additive compounds which had previously been banned for health reasons. The pattern of induced shortages and concomitant demands for lowered environmental standards may prove to be a long-term industry strategy. At a recent meeting of the American Petroleum Institute's refining group two analysts from the Ethyl Lead Corporation advocated an increase in the use of lead octane enhancers. Their speech proposed the use of mechanical traps to reduce lead emissions, in conjunction with catalytic converters. No data were presented on the cost or effects of this technology on converter life or performance.[9]

We have analyzed the supply and demand for non-lead octane improvement through 1990, and the role that ethanol can play in meeting future demand and reducing the need for expanded refinery construction. There are several factors which affect the outcome of this analysis.

First, demand for improvement in the octane level of gasoline (measured by octane boost per gallon times gasoline output) will continue to rise through 1990 under the impetus of mileage improvement even though gasoline demand is expected to peak in the early 1980s (figure 3). As automobiles are equipped with more efficient, higher-compression engines the average road octane required for good performance is assumed to increase from its present level of 90 to 96 by 1990.

Second, the ability of refineries to boost octane will decline as a result of the lead phase-out program. Every additional gram of lead increases octane about four numbers. The average lead content of the entire gasoline pool will decrease by 1.15/g per gallon from 1979 to 1990, increasing the demand for non-lead octane improvement by 4.6 numbers.

Figure 5 shows that because of the above changes planned secondary refinery expansion (about three percent annually) extended through 1982 are not sufficient to prevent a growing octane gap. Beyond 1982 further growth in secondary refining capacity was represented in figure 5 since additional refining of straight-run gasoline is one of several ways to raise octane. In addition, the average octane of "clear" gasoline (before lead, if any is added) is shown to rise beyond 1982 as a result of refining more "severely" (higher temperatures and reduced output) as total gasoline demand falls. Existing refineries, however, only have limited ability to increase octane above present levels, and often a limit is reached between 85–95 road octane. Beyond this range, every one point increase in octane level results in roughly a one percent decrease in gasoline output since

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Footnotes at end of article.

some hydrocarbons are converted into other fuels, such as propane, butane, and still gas.[10] Expanding refinery capacity is not overly capital expensive—about $2 billion for each octane point per gallon added to the gasoline pool,[11] but is expensive in its lower output of gasoline and higher energy consumption.

There are several alternatives to expanding increasingly expensive refining to supply the needed octane. The cheapest octane boosters, tetraethyl lead, and MMT (methylcyclopentadienyl manganese tricarbonyl) both are health hazards and both foul catalytic converters, causing other harmful pollutants to be emitted in large quantities. Enforcing limitations on lead and MMT have already caused refiners to turn to petroleum-based octane additives, such as MTBE (methyl tertiary butyl ether) and TBA (tertiary butyl alcohol), both approved by EPA for use up to seven percent in gasoline. Aside from the fact that they are expensive to produce, both of these additives are bound to rise in price as petroleum becomes scarcer. They do not increase total energy supply or augment the transition to an energy system based on renewable solar fuels. Furthermore, production capacity for both of these additives is very small, even though a seven percent blend is needed to boost octane by just 2–3 points.

Ethanol from grain and other renewable feedstocks can help solve the growing octane shortage because it enables crude oil imports to be reduced besides raising the octane level of the fuel. Ethanol derives much of its present value from its octane enhancement ability, as seen in figure 6. Blended at a 10 percent level with gasoline, ethanol raises the octane of the fuel mixture by 3.0–3.5 points over that of the base gasoline, according to DOE tests.[12] Used initially in low concentrations, ethanol will have an octane credit of at least $.30/gallon over its fuel value, based on a value of $.01 per octane point credit for ethanol. According to the DOE data, this octane enhancement value is roughly constant up to 15 percent ethanol concentrations, the highest level tested.

Currently, the refinery gate price of regular unleaded gasoline is about $.55/gallon, giving ethanol a market value of $.85/gallon when used in a 15 percent or less blend with gasoline. Since it takes from 1–2 years to construct a large ethanol distillery, and even more time for significant market penetration to occur, the real (deflated) value of ethanol will easily surpass $1.00/gallon by the early 1980's, based on the rising costs of imported and decontrolled domestic oil which will increase both the fuel value and the octane value of ethanol. At a five percent real energy price growth rate, it will take only 3½ years for the value of ethanol to reach $1.00/gallon. Many modern energy-efficient grain ethanol distillery designs presented at the recent National Gasohol Commission meetings and elsewhere have been estimated to be capable of producing anhydrous ethanol for $1.00/gallon or less, net of stillage byproduct credits, and at grain prices somewhat above current levels.

Figure 7 illustrates how one potential ethanol production program could serve partially to bridge the octane gap until sufficient capacity is developed by 1985 when ethanol can entirely eliminate the octane deficit. The octane level of clear gasoline rises faster than in figure 6 until a limit of 90 is attained, due to fewer gallons of crude and of gasoline being refined, allowing higher percentages of light crude and high octane straight gasoline to be run through primary and secondary refining, respectively. This will also save refining process energy, most of which is used to produce gasoline. By 1984 less lead is used than is dictated by the share of unleaded vehicles in the fleet, and before 1987, all use of lead can be eliminated. From 1987 on, vehicles should be designed with even higher-compression engines than would economically be desired under an octane-constraining petroleum-fuel transportation system.

By 1986, the average gasoline fuel mixture would contain over 10 percent ethanol, with 15 percent reached the following year, and over 20 percent in 1988 (see figure 8). Beyond this point new vehicles could be designed with very high-compression engines (14:1 or more) to run on straight ethanol, while older vehicles would use a maximum of 10–20 percent ethanol. This scenario is similar to the one planned for Brazil, the world leader in ethanol fuel development.

The phase-in of ethanol production shown in Figure 8 is technically feasible without disrupting the food supply system. Beginning today, it would take until 1986 at the earliest to attain the 10 percent ethanol/90 percent gasoline mixture known as gasohol. Many analyses assume that the U.S. agricultural system is capable of producing only enough ethanol to reach the 10 percent level. A CBNS analysis has estimated that by (1) fully utilizing surplus cropland, (2) making full use of high protein stillage products, (3) growing new major crops such as sugar beets or sweet sorghum in place of soybeans, and by (4) raising the yields of hay and pasture to currently attainable levels, 52 billion gallons of ethanol could be produced annually without reducing domestic livestock production or grain exports.[13]

By optimizing for both food and fuel output, agriculture can be restructured so that far greater energy production can eventually be obtained than by merely utilizing idle acres of crop residues for energy production. The entire 43 billion gallons of ethanol production programmed in this analysis for 1990 could come from conventional fermentation technology utilizing grains or sugar crops. But by the time only 10–20 percent of our gasoline needs are met by ethanol in 6–7 years, new cellulose conversion technology—such as the Purdue or Gulf processes—are likely to be economically competitive, thereby greatly enlarging the potential feedstock supplies and limiting the pressure on livestock feed prices.

Construction of ethanol plants should not be delayed while searching for the perfect crop or the best technology. By the time enough production capacity is installed to consume significant quantities of grains (10 percent ethanol would require 24 million acres of corn, net of stillage credit) concurrent research and field testing will have determined the relative economic and environmental impacts of alternative crops. And the development of technology capable of economically using cellulose feedstocks will not outmode conventional fermentation and distillation equipment, since new front-end cellulose processing equipment can be added to existing facilities for a relatively small capital cost.

The major barrier to rapid ethanol development will not be technological or economic since we have seen that ethanol production verges on being economically competitive today without subsidy. The bottlenecks are likely to be lags in the manufacture of distillation equipment and in the training of ethanol plant operators, and a lack of coordination among the food, alcohol, petroleum and automotive industries. The technology for producing ethanol in a trouble-free, energy efficient, and economic manner is available today. The major problem is in disseminating this knowledge as broadly and rapidly as possible, and in preventing subversion of the national interest in developing a non-inflationary, renewable fuel by corporate or other special interests. Government's major role should be as a guarantor of a bright future for ethanol by coordinating the necessary modifications by the affected industries, and by disseminating state-of-the-art alcohol production information to both large and small producers. These are tasks which the private market-place is unable or unwilling to assume with proper speed and efficiency.

FOOTNOTES

*Data on stocks of unleaded gasoline only became available beginning in January, 1979. Stocks of leaded regular, leaded premium and unleaded gas all must maintain similar stock or reserve levels in order to ensure against supply disruptions.

**To the extent that refiners are allowed to increase the amount of lead used in regular, leaded gasoline, they will be able to skew their secondary refining capacity towards the production of more unleaded fuels.

[1] *The Oil and Gas Journal* (May 28, 1979), p. 38.

[2] *The Oil and Gas Journal* (May 28, 1979), p. 36.

[3] *The Oil and Gas Journal* (May 28, 1979).

[4] *The New York Times* (June 6, 1979), p. D3.

[5] *The Oil and Gas Journal* (June 11, 1979), pp. 30–31.

[6] *The Oil Daily* (May 14, 1979), p. 16.

[7] *Federal Register*, Vol. 44, No. 122 (June 8, 1977), pp. 33116–33119.

[8] Energy Policy and Conservation Act, Public Law 94–163.

[9] *The Oil and Gas Journal* (May 21, 1979), p. 32.

[10] "Taking the Lead Out Costing Refiners Plenty," *The Oil Daily* (May 14, 1979), p. 16.

[11] "Gasoline Pinch Seen Threat to Petrochemicals," *The Oil and Gas Journal* (April 16, 1979), p. 33.

[12] J. R. Allsup and D. B. Eccleston, "Ethanol/Gasoline Blends as Automotive Fuel," U.S. Department of Energy, BETC/R1–79/2 (May 1979), pp. 11–12. These data indicate a road octane improvement twice the amount which USDA recently credit ethanol in the statement by Bob Bergland, Secretary of Agriculture, before the Committee on Science and Technology, Subcommittee on Energy Development and Applications (May 4, 1979), p. 12.

[13] Richard Carlson, Barry Commoner, David Freedman, and Robert Scott, "Interim Report on Possible Energy-Production Alternatives in Crop/Livestock Agriculture," CBNS Report, Washington University, St. Louis, Mo. (January 4, 1979).●

FIVE-MONTH WAIT

HON. ALLAN BYRON SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. SWIFT. Mr. Speaker, Howard Dalton is a constituent of mine. He's been a man of action all his life: a white hunter in Africa, a mercenary soldier, a successful businessman. Howard Dalton is about my age and, now, he is dying of cancer.

When Mr. Dalton learned that he had to quit work and take regular treatments, he applied for his disability payments under social security. He then learned—as do many other people with terminal illnesses—that he would have to wait 5 months before he would receive any payment.

As he was in comfortable financial circumstances he let it pass. But more and more, as he sat in waiting rooms for treatment, he observed others who had to give up their livelihood—who had to purchase expensive food supplements, and who could not afford it. Mr. Walton became convinced that this 5-month delay was never intended by Congress for people who were living their last days and who may well not live out that waiting period. And being a man of action, Mr. Dalton began to demand attention to the plight of the terminally ill, caught in a legislative crack.

Today, along with the gentleman from Florida, Bill Chappell, I am introducing legislation—with over 100 of my colleagues as cosponsors, representing about as diverse a group as you might find on any issue, to eliminate that waiting period for people who are terminally ill. I commend this legislation to the House for its careful consideration.●

WHY THE FOOD STAMP PROGRAM SHOULD NOT BE MOVED TO BELTSVILLE—A RESPONSE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. RICHMOND. Mr. Speaker, on June 26, Mr. Wampler, the distinguished ranking minority member of the House Agriculture Committee inserted in the Record a comment against a recent proposal by Secretary Bergland to move the Department of Agriculture's Science and Education Administration and the Extension Service to Beltsville, Md., and suggested moving instead the Food and Nutrition Service which administers the food stamp program. Mr. Wampler's rationale for relocating FNS is that it "has the least connection to purely agricultural functions."

As chairman of the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations and Nutrition which has jurisdiction over the food stamp program, I might remind my distinguished colleague that the food stamp program enhances the domestic consumption of farm commodities. In this and other domestic feeding programs administered in FNS such as school breakfast, school lunch, WIC and supplemental milk, billions of dollars are profitably returned to our Nation's farm economy. Furthermore, the rural participation in the food stamp program has increased by 33 percent compared to a 7-percent increase in the urban areas since the beginning of 1979.

Contrary to my colleague's opinion, it would appear to me that the extension service could greatly benefit by a move to the countryside. Away from the Washington bureaucracy, the extension service could revitalize itself and begin to direct its attention aggressively to its rural constituency which has seemingly been neglected amid the pressures of downtown Washington, D.C. According to a study by the Government Accounting Office the extension service reaches in the area of nutrition only 2 percent of its constituents. In my opinion, the move to a more bucolic setting could afford an opportunity for the extension service to reexamine and vastly improve its efforts in nutrition education and consumer information much to the benefit of both rural and urban America. Similar benefits would also accrue, I am sure, to the other agencies slated for transfer. I, like my distinguished colleague, look forward to the salutary effect that Maryland's country breezes will have on our rural-oriented agencies.●

THE FREE MARKET FORCES AND THE AIRLINE INDUSTRY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. ANDERSON of California. Mr. Speaker, last year the Congress passed into law the Airline Deregulation bill of 1978 which was designed to free airlines and their management from the strong hand of Federal regulation. An integral part of that act was the creation of a new standard by which mergers between airlines are to be judged. I believe it important that the intent of Congress with respect to that provision now be reaffirmed.

Fully consistent with Congress overall intent in the legislation to deregulate the airline industry, the new merger test, now contained in section 408 of the Federal Aviation Act, was designed to govern air carrier mergers by the exact same standards that apply to mergers of other firms. We in the Congress believed that the traditional antitrust tests in the Sherman and Clayton Acts, as developed by our judicial system, were the appropriate standards for reviewing future proposed airline mergers. In a deregulated environment, we found it inappropriate to subject air carriers to any tests stricter than those faced by nonregulated industries. We certainly did not intend to impose any more rigorous standards upon airlines seeking to merge. If the merger passes scrutiny under those standards, it should not then be denied because it is deemed unsatisfactory under some other test.

In this regard, the proper application of the new airline merger standard would not allow for a transition policy. Deregulation of the airline industry was not intended by the Congress to be a gradual process. Thus, the provisions of the Deregulation Act were immediately effective upon the act being signed into law. To apply a wait-and-see policy to airline mergers would only frustrate Congress clear intent on this point.

Furthermore, even where a merger is found not to comport with traditional antitrust standards, the new act was intended to permit it to go forward if it would produce positive public benefits overall. It is in respect to only this second test that public interest factors may be considered. This second test is to permit a merger proposal which is worthwhile to the public and consistent with the public interest even though it may have some anticompetitive impact.

Thus, under the Deregulation Act, the Civil Aeronautics Board has been directed to allow maximum statutorily defined play of free market forces, including mergers that do not violate the antitrust laws in the airline industry, and those mergers that, while violating the Clayton Act, are still worthwhile in the public interest.

Mr. Speaker, thank you for the opportunity to offer these remarks.●

INTERNATIONAL YEAR OF THE CHILD

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. RODINO. Mr. Speaker, during this, the International Year of the Child, the nations of the world have focused attention on improving family relationships and the loving attention given our children. After all, they are the most valuable resource on this planet.

I am pleased to include in the Record a copy of a wire service story on the efforts of the U.S. National Commission on the Year of the Child and other organizations, including Hoffmann-LaRoche pharmaceutical company in New Jersey, to promote sunshine day, a national holiday honoring children on August 19, and every third Sunday in August hereafter.

The article follows:

> Washington, D.C., June 7—The U.S. National Commission on the International Year of the Child has approved plans for "Sunshine Day," a national observance honoring children, Sunday, Aug. 19.
>
> The Commission will be recommending to President Carter that he proclaim this a national holiday for 1979, the International Year of the Child, and propose to Congress that beginning this year, the third Sunday in August be established as an annual holiday for children.
>
> The Sunshine Day project was created by Sonny Melenrez, a well-known Los Angeles radio and television personality. In a presentation to the full commission at its recent meeting, Melendrez explained that in planning "Sunshine Day," our emphasis will be on adults spending the day with children on a one-to-one basis, rather than buying them presents.
>
> "The greatest gift a child can receive is the gift of time and the love that goes with it . . . going on a picnic, to a ball game, taking a boat ride, or whatever. I want to encourage the interaction between adults and children."
>
> Hoffmann-LaRoche, a health care company, is promoting a nationwide radio and television public service campaign to announce "Sunshine Day." The company is producing 60-second television and radio spots that will include the official Sunshine Day song, written and performed by Debbie James, a Hollywood songwriter.
>
> On Sunshine Day, service clubs and civic organizations all around the country will conduct various activities from sack races to visiting bedridden children in hospitals. Already a number of major groups have indicated their support, including the YMCA, the United Way, Variety Clubs International, and the Girls Clubs of America.
>
> Universal Studios, television and movie personalities, and amusement parks will also be participating.●

DEFENSE PRODUCTION ACT AMENDMENTS OF 1979

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. JENRETTE. Mr. Chairman, I am proud to be a part of the 96th Congress which has taken a major step toward energy independence for the Nation with passage of H.R. 3930, the synthetic fuels development bill. Although the necessity to attend to official business in my district precluded my presence on the House floor for the vote on final passage of H.R. 3930, I was there for the bulk of the debate on this vital legislation.

This bill can be the beginning of a national consensus on what do do about energy. As modified by an amendment offered by our distinguished majority leader, Mr. WRIGHT, it would establish as a national goal the production of 2 million barrels per day of synthetic liquid fuels obtained from nonpetroleum sources by 1985.

We know that synethic fuels, whether they are derived from oil shale, tar sands, coal or organic waste, will be expensive—more so even than the $20 a barrel that OPEC is expected to raise the price of imported oil to this week. But the day is rapidly approaching when synthetic fuels will be price competitive with petroleum products. A strong national commitment to produce those fuels is urgently needed now.

Synthetic fuels are vitally needed for two reasons. Despite their expense, they can be produced from domestic energy resources, enabling us to reduce the presently crushing burden of foreign exchange needed to pay for imported oil. That is now expected to cost the Nation on the order of $60 billion in 1979.

Synthetic fuels also offer the promise of filling the gap between crude oil supply and demand in the 1980's. It is this gap, which is small relative to total supply and demand, that gives OPEC much of its leverage in exacting ever more onerous price increases from us. Thus synthetic fuels offer the prospect of strengthening our position in the international petroleum market.

An assured supply of liquid fuels, which rapid development of synthetic fuels can help provide, is needed for all America's industries. Agriculture need not compete with transportation—as has apparently been the case in the recent strike by independent truckers—or transportation with tourism, for available fuel supplies. In my district we have a particular concern with seeing that agriculture and tourism have adequate fuel. But we are well aware that none of our industries can thrive unless the national transportation system can operate effectively. The plight of our fruit and vegetable producers in the Piedmont and low country of South Carolina over the past few weeks is proof of that.

In that context, I am gratified that at the urging of Gov. Dick Riley and the South Carolina congressional delegation, the independent truckers have agreed to go back to work in our State. Hopefully that will save the fruit and vegetable crop, which has been threatened with ruin.

A strong national commitment to synthetic fuels production is one of the most important steps we can take to see that shortages such as these do not continue to plague us in the 1980's. H.R. 3930 provides such a commitment. I hope our colleagues in the other body will move with equal dispatch in sending this bill on to the White House for the President's signature.●

TRIBUTE TO COL. STANLEY GROGAN

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. McDADE. Mr. Speaker, I would like to call attention today to the outstanding military and civilian career of the late Col. Stanley Grogan, who was born and raised in Scranton, Pa.

Upon completion of high school, Colonel Grogan gained experience in the field of journalism by working as a reporter for various New York and Pennsylvania newspapers before he settled for 5 years at the New York Telegram. When the United States entered World War I in 1917, Stanley Grogan enlisted in the army. For a year he served as a private with artillery and infantry units in France, and was commissioned in 1918.

Colonel Grogan remained with the Army after the armistice, serving in various posts until he was appointed public relations officer. In the 1930's he served as chief of Army information in New York. After successfully fulfilling the obligations involved in that post, Colonel Grogan was assigned to organize the War Department Bureau of Public Relations in Washington in 1939. Colonel Grogan directed the expansion of this bureaus' information service to an organization capable of comprehensive public relations efforts.

In 1944, Colonel Grogan became public relations officer of the 5th Army in Italy, where he was awarded the Bronze Star for his efforts in retaliation to an ambush by German troops. Colonel Grogan did not stay behind the lines as other administrators might have. On three different occasions he received the Legion of Merit, a rare honor for an officer. Colonel Grogan's multitude of wartime decorations hail from service in Europe, the Mediterranean, Solomon Islands, South America, New Guinea, Africa, and the Philippines.

When Colonel Grogan retired from the Army in 1951, he became the Deputy Director of the CIA, in charge of public relations. Colonel Grogan retired from the CIA in 1966, after 15 years of dedicated service.

Colonel Grogan made service to his country a way of life, and all Americans have greatly benefited from his contributions.●

A GOVERNMENT AGENCY SERVING THE NATIONAL INTEREST

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. NEAL. Mr. Speaker, the U.S. Export-Import Bank has established a highly effective telephone hotline service to handle requests and inquiries from small businesses that want to sell their products overseas.

Since February, more than 2,780 small businesses have dialed this Eximbank hotline to obtain advice on exporting and to inquire about the Bank's loan guarantee and insurance services.

By cutting redtape and by expediting requests, the Eximbank is making it easier for small businesses to enter the export business. This is one of several things the Bank is doing to expand its services to small businesses and agribusiness, as mandated by Congress last year in the Bank's reauthorization legislation.

Mr. Speaker, at a time when so few parts of the Government seem to be working well enough, it is heartening to observe the work of the Eximbank. Under the excellent leadership of its president and chairman, John L. Moore, Jr., the Bank has become aggressive and innovative. It is using its resources wisely to stimulate the export trade and thereby to improve our trade balance.

As always, the Bank is earning a profit, paying its own way (it has not required an appropriation since 1945) and making annual dividend payments to the Treasury.

Bailey Morris of the Washington Star has written an excellent article describing the Eximbank's hotline service and its other efforts to help small businesses. I include the article in the RECORD at this point, and I commend it to my colleagues as a bit of "good news" about a Government program:

EXIM BANK ATTACKS TRADE DEFICIT BY AIDING SMALL FIRMS

(By Bailey Morris)

The state of U.S. trade will not rise or fall on the sale of Robert Gehl's eels but it will definitely be helped if this Florida businessman can round up $75,000 to feed "the little rascals."

Gehl's eels are destined for Japan, where the national appetite for the plump, snakelike creatures is enormous, rivaling the U.S. appetite for filet mignon.

If all goes well, Gehl's eels could translate into $12 million worth of export sales and new jobs for the folks in Cape Coral, Fla., who used to raise tropical fish.

That's the plan Gehl outlined last week to the U.S. Export-Import Bank, the government agency he approached as a last resort.

Through a friend, Gehl had heard that the Exim Bank is trying to attack the massive U.S. trade deficit in a new way, by encouraging small and moderate-sized businesses to export their products.

And so Gehl picked up the phone and became one of more than 2,780 callers who have taken advantage of the Exim Bank's new hot-line, installed last February as a means of expediting the export-related problems of U.S. businesses.

His call was answered by Larry Luther, head of the Hotline service and of Exim's business advisory section.

Luther listened as Gehl explained his problem. With the help of two Japanese technicians, Gehl is raising eels for export that are feeding out "faster and better" than those available in Tokyo. But, he needs money to continue the project and banks in Florida are a little leery of the eel market.

Gehl's problem, Luther says, is essentially this—he falls between the cracks of most government programs and is off the proven track of businesses banks like to finance.

The situation is not hopeless, however, Luther tells Gehl as he begins to provide him with information on programs and specific contacts, complete with names and telephone numbers, both in government and the private sector.

As Gehl signs off, he is beginning to sound more hopeful. He thanks Luther profusely for the concrete business leads and the lack of government bureaucrat-ese.

For Luther, it has been a positive experience as well. "This is the real world," he says. "These are sophisticated people who need help—information on credit, on overseas markets, and government programs that can help U.S. businesses selling overseas. They don't need a run-around."

Since February, Exim bank has been handling more than 30 such calls each day.

Calls from people like the big producer in Kentucky who wants to ship live hogs to Argentina but doesn't know how to handle the credit arrangements. And from the Clyde, N.C., manufacturer of fasteners, drivers and nozzles who wants to know what paperwork is required for a shipment to Holland and how to ensure payment.

From Montana, there is a call from a Great Falls bank which has decided for the first time to move into the international market by handling the financing arrangements of a hometown tractor company which is selling more than a dozen $150,000 units to Australia. It wants to qualify as one of more than 300 participating Exim banks.

Most of the callers are aware that Exim bank is not in the business of supplying them with direct financing. Luther says. The bank makes direct loans only in the case of large single transactions in excess of $5 million.

The majority, however, are not aware of the support Exim Bank can offer small and medium companies in the form of its loan guarantee program with commercial banks and insurance packages designed to protect American companies from both commercial and politically related losses.

Under its export insurance program, for example, Exim can write a master insurance policy for a small business planning five transactions in five different countries. This Exim policy—a kind of guarantee in itself—can then be taken to a commercial bank by a businessman who can use it as a kind of collateral to finance the sales transactions.

This year, Exim Bank, in company with the Small Business Administration, the Commerce Department and the Overseas Private Investment Corp., is holding export conferences around the country with the aim of acquainting businessmen with these programs.

"There is so much available in government and so few people who know what's there . . ." says Luther.

The theory behind the conferences is that as more businessmen learn about the programs, more will be encouraged to think export, thus helping to attack the massive $28.5 billion U.S. trade deficit.

Presently, America's share of world exports stands at 12 percent, down markedly from the 20 percent share held in 1960, according to Exim Bank Chairman John L. Moore Jr.

The problem, according to Exim loan officer Richard Feeney, is that American businessmen "simply don't think in terms of export," even though many of them now serving large U.S. regional markets have the products and the capacity.

This reluctance coupled with the insatiable U.S. appetite for imported products ranging from Mideast oil, to Polish hams, to French wines, to British sweaters and Italian shoes has created record trade deficits.

As Robert Arevalo, a Grand Rapids, Mich., businessman puts it, "with the balance of payments problem and the dollar situation, we're really fighting for our standard of living."

Those are the stakes, as he sees them, and the reason he believes U.S. companies should become more aggressive in seeking overseas markets.

The problem with many U.S. companies, says another hotline caller, is that they have become fat and complacent living off the vast domestic market.

"American companies have never had to go offshore and many of them can't be prodded into it. They run into a little difficulty like not being able to speak the language or having to fill out complicated forms, and they throw up their hands and say 'why bother.'

"Japan imports 99 percent of its oil but still has a huge trade surplus because it has had to look overseas for new markets. Whether we like it or not, we've got to be drawn into exports," says this western Michigan businessman.

The federal government agrees and is beginning to extend itself to make U.S. companies more competitive with their foreign counterparts.

As Larry Luther explained to one hotline caller—an officer of a large furniture company interested in increasing its overseas markets—Exim bank, for example, will bend over backwards to supply U.S. companies with preferential interest rates.

In answer to a question on a large, future transaction, Luther said he thought favorable financing terms might be arranged.

"We'll try and give you, the exporter, the best rate that will make you competitive. If the Japanese, the French and the Germans are playing hardball on interest rates, we'll drop down to 3½ percent if we have to in order to make you competitive," Luther said.

These kinds of favorable financing packages are not available in all cases, Luther explained, but are worth pursuing. In most cases, Exim puts the packages together in company with a commercial bank.

What the Bank might do in the case of a U.S. firm needing a preferential rate to close an overseas deal, is put together a package with a commercial bank, using some of its money to bring the interest rate down to a fixed, lower than prevailing rate level, Luther says.●

HONORING MAYOR KENNETH A. GIBSON

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. RODINO. Mr. Speaker, the American Institute for Public Service yesterday at the Supreme Court presented its 1979 Jefferson Awards for public officials to three mayors: Kenneth A. Gibson of Newark, William Donald Schaefer of Baltimore, and Coleman A. Young of Detroit. As a past recipient of this award, I am pleased to see that public servants from our urban areas are being recognized for their contributions to our country.

As a lifelong resident of Newark, I am especially proud that my friend Ken Gibson was one chosen for the Greatest Public Service by an Elected or Appointed Official Award. For more than a decade, he has shown a continuing commitment to bring together people of all races and colors in a common effort to better the community.

I know that the citizens of Newark are very proud that their mayor has received the Jefferson Award. Ken Gibson has worked hard to try to make the urban environment a better place to live, and all Americans should be grateful for his efforts.●

BRYAN LEWIS ALLEN

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. PASHAYAN. Mr. Speaker, yesterday it was my privilege to join my distinguished colleague, Mr. Thomas, in introducing legislation to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Bryan Lewis Allen, the first aviator to cross the English Channel in a plane powered by himself. His achievements in the course of aviation history have been recorded as one of the great milestones in man's physical and mental endurance over nature.

For the Record the text of the bill follows:

H. Con. Res. —

Concurrent resolution to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Bryan Lewis Allen

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that (a) the President of the United States is hereby authorized to present, on behalf of the Congress, to Bryan Lewis Allen, the first aviator to cross the English Channel in a self-powered plane, a gold medal of appropriate design in recognition of his distinguished feat as an aviation pioneer. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a Gold Medal with suitable emblems devices, and inscriptions to be determined by the Administrator of the National Aeronautic and Space Administration with the concurrence of the Commission of Fine Arts, subject to the approval of the Secretary of the Treasury. There are authorized to be appropriated not to exceed $15,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medal provided for in this section is a national medal for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).●

GAPS IN U.S. REFUGEE POLICY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. BONKER. Mr. Speaker, the refugee crisis in Indochina raises serious questions about U.S. policy on what has become a global problem. Latest estimates of the world's refugee population, now are placed at 13.3 million, over 6 million of whom are located in Africa and the Middle East; these levels are expected to increase rapidly in the months ahead. The recent political upheavals in Indochina only highlight the terrible human suffering that accompanies these figures.

The refugee explosion is emerging as one of the most tragic and potentially one of the most destabilizing developments of our time. While there is little agreement on solutions for coping with the problem, there is at least some realization that the situation is rapidly getting out of control and a much more viable refugee policy is needed. Once considered merely a humanitarian concern, the refugee problem is now a phenomenon which threatens the peace and security of developing nations in areas where East-West confrontations are likely to occur.

United States policy on refugees has been sporadic and shortsighted. Moreover, we have yet to determine whether the solution should come solely from the United States, the United Nations, other international agencies, or a combination of these. Traditionally, Western countries have been relying on a small number of international organizations and private agencies who are now overwhelmed by the enormity of the problem.

The United States is caught in a policy dilemma of encouraging emigration from repressive regimes while appearing helpless in coping with the numbers involved. Other nations, most of whom are developing countries, face a more severe dilemma of having to respond immediately to an unprecedented inflow of refugees when domestic populations are coping with their own economic conditions.

In my judgment, a viable U.S. refugee policy must take into account the following assumptions. First, the refugee problem is of frightening proportions and it is likely to get much worse. Second, new and drastic approaches to refugee assistance will have to be developed quickly if a catastrophic human tragedy is to be avoided. Third, proposed solutions should deal not only with the symptoms but the root causes of displacement; that is, traumatic political developments and repressive policies within certain countries. Fourth, the refugee problem is both a political and a human rights concern which demands international attention and action.

The United States must decide what its humanitarian and political responsibilities are regarding refugee problems in various parts of the world, and just how far we are willing to go in accommodating these people in our country.

With the administration's recent appointment of former Senator Dick Clark to the newly created post of Coordinator for Refugee Affairs, we are beginning to see some movement on the problem. Congress now has before it some long overdue proposals that, if enacted, will give flexibility in the administration of refugee laws. Among them is an increase in the normal flow of refugees into the United States from 17,400 to 50,000. But how realistic is this level when the annual flow of refugees into the United States already exceeds 100,000?

Since 1975, the United States has admitted more than 200,000 Indochinese refugees alone under the little-known parole authority of the Attorney General, a procedure that is supposed to be restricted to individual cases involving unique circumstances. Under proposed legislation the parole authority would be restored to its original purpose. Whether this will work out in practice, however, remains to be seen. The refugee reform legislation also encourages more extensive consultations with Congress. Traditionally, Congress has not had a statutory role in determining the national origin or the number of refugees admitted into the United States, except through appropriations for refugee programs. More clearly established consultation procedures are needed if Congress is to play a meaningful role in shaping U.S. refugee policy.

The President's proposals are lacking in several other respects. They do not properly integrate the domestic and foreign policy aspects of refugee programs. Refugee problems in Indochina, Africa, and the Middle East concern the State Department, but the Justice Department and the Department of Health, Education, and Welfare that still set the policies. A Refugee Act should give coherency and consistency to the administration of refugee programs.

However strong our commitment to a new refugee policy may be, it is of little value without the funding. Foreign aid for refugee programs has mushroomed from just over $100 million in 1978 to well over $300 million projected for fiscal year 1980. This does not include approximately $100 million which goes to assist in refugee resettlement here in the United States. Currently the United States contributes over 50 percent of the United Nation's budget for Indochinese refugees, and pays for 45 percent of the United Nation's budget for Palestinian refugees. The amounts cannot, of course, keep pace with the sharply escalating numbers and Congress obviously has limits in view of the budget-cutting mood on the Hill.

The United States should also call on other nations to share some of the burden of what is obviously a global problem. Great Britain's new Prime Minister recently called for an international forum to discuss the matter and the House last week passed a resolution calling on the Secretary-General to take action. Reportedly, he is now ready to give the matter his personal attention. But we are way beyond mere discussion of the issue. Only urgent and drastic action can spare unneeded deaths and suffering in Southeast Asia and Africa.

Unless the United States and other major powers address the problem comprehensively, we will continue with a nonpolicy that will merely focus on settlement and assistance programs, at least for those fortunate enough to reach our shores, but deny millions of others help they need to avert a tragic human fate.●

KOREA—THE LAST 15 YEARS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. DERWINSKI. Mr. Speaker, after President Carter completes his visit to Japan, his next stop will be to our ally, South Korea. While there, he will inspect U.S. troops, and meet with South Korean President Park.

Washington correspondent for the Chicago Tribune, Michael Kilian, who served with the U.S. Army in South Korea, devoted his column of June 26 to a discussion of the transformation of Korea during the last 15 years. It is a most timely commentary and I commend it to the special attention of the Members.

The article follows:

S. KOREA'S SUCCESS STORY: TO BE CONTINUED?

(By Michael Kilian)

In 1963, when I was a soldier in Korea, human beings worked as beasts of burden. An "A-frame" man could be hired to carry a refrigerator across the city of Seoul on his back for 10 won—less than a dime. Instead of trucks, road construction crews used men carrying crushed rock in baskets strapped to their backs.

There was never any litter in the streets because paper and tinfoil, even when collected as scraps, were valuable. Beggars were commonplace. People died routinely in the streets.

Many people lived under bridges. Others lived in caves dug into the side of Nam San, the holy mountain in the middle of Seoul. Others lived along the fetid Han River—families of 12 or 15 people to a single ragged tent.

As President Carter should carefully note on his visit to the Republic of Korea this week, the "A-frame" men are gone. So are the caves and tents.

In my time there, per capita income in South Korea was about $75 a year. It is now $1,500 a year—and rising.

The World War II twin triumphs of western democracy and totalitarian communism produced the phenomenon of conquered nations divided ideologically into separate capitalist and communist states. There has been a tendency among some American liberals [more leftist than liberal] to sympathize with the communist halves as benefactors of "the people."

Yet, given stable governments [the United States deprived South Vietnam of one by overthrowing the Diem regime], it is the capitalist halves that have most dramatically improved the lot of their people. Taiwan is a breathtaking example. South Korea is most certainly another.

In my time there, the country did not

have a factory sophisticated enough to manufacture even a coffee pot—a simple electrical coil. Now it manufactures television sets and merchant ships and is a major world supplier of finished textile products.

In 1963, there was only one hotel with an elevator—the Bando—and when it broke down repairmen had to be sent from Japan. Now the skyline of Seoul is unrecognizable for its endless 30 and 40-story high-rises.

For centuries a colony of either Japan or China, South Korea emerged from the 1950–1953 war with most of the peninsula's people and very little of its industry, which had been concentrated in the North.

Now it has not only far surpassed the North but has become an economic power in its own right, with a gross national product of $34.8 billion. It is a good economic friend of the United States. Some 42 percent of its foreign investment is American. While it has balanced its trade with exports and imports equalling about $5 billion, its trade is $2 billion in favor of the United tSates.

In its way, South Korea is an Asian version of that so eminently successful capitalist half of Germany. And the analogy extends beyond "economic miracles." As South Korean Ambassador Kim Yong Shik explained in an interview, one of the chief goals of South Korea foreign policy is to establish a relationship with the North similar to West Germany's "Ostpolitik" ties with East Germany. That is what they hope the periodic talks with Kim Il Sung's regime will produce—not immediate unification, but equilibrium.

"We seek the Willy Brandt formula of peaceful coexistence, a stability that will reduce tensions and prevent war so we can settle our economic problems," Ambassador Kim said. "But the North Korean response has been very negative. Kim Il Sung is an old guerrilla fighter from Manchuria. That's all he knows and understands."

A continued American military presence is the only kind of stability the South Koreans can hope for at the moment. They are and will be grateful for it.

As some American liberals and leftists can't always seem to understand, there are many people in this world who prefer making television sets and steamships to fighting guerrilla wars.

THE SELLING OF SALT II

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. ASHBROOK. Mr. Speaker, a number of disturbing issues are arising from additions before they will be acceptable. I sense that we are all being sold a bill of goods. Such a sale can only lead to the permanent inferiority of the United States to the Soviet Union in strategic arms.

One of the issues that has arisen was noted eloquently by Senator JAKE GARN on "Face the Nation," this last weekend. Senator GARN spoke about the similarities of SALT II to the Panama treaties in that a number of Senators are already posturing over how the treaties need additions before they will be acceptable. One key semantic point that Senator GARN raised is the fact that most of these Senators are careful to discuss "reservations," instead of "amendments" to the treaty. As we saw with Panama, "reservations" are worthless additions to a treaty that are designed more to placate irate voters back home than to help chart the course of American foreign policy. Last year the DeConcini provision to Panama was defeated as an amendment, but passed as a reservation. We could see similar flimflams as those in the Senate, who must face the voters in 1980, try to duck the tough issues of SALT II in an effort to avoid angering the White House and the Kremlin, yet still keep their incumbancy. I think it ironic that these people, who are elected to protect and defend their Government, would rather dupe Americans than Soviets.

More disturbing than the "reservations" sham is the MX hoax that the Carter administration is putting together. For the past 2 years I have watched the President and his advisers dismantle most of our viable strategic options from the B–1 bomber to the neutron bomb. Now, all of a sudden, the Carter White House is the main cheering section for the MX missile. This transparent "carrot and stick" ploy is already showing disturbing signs of wear. First, there has been no decision on what type of launching mode will be used for the MX. This is especially disturbing since the unilateral disarmament advocates are moving on to the SALT scene. I have already seen remarks in the RECORD by some of my colleagues that indicate MX might go by the boards once SALT II is ratified. The administration's delay in a full decision on the MX makes me wonder how serious it really is to any new strategic weapons system. A second concern is the history of other systems that were wiped out after SALT I. It did not take long for the ABM sites called for in SALT I to be dismantled once that agreement was in place and the Congress was free to slash funds. A recent article by Evans and Novak explain the MX ploy in more detail. I call my colleagues' attention to this article in the hopes that the sale of SALT can be halted until we see what the manufacturer's warranty really covers.

The article follows:

MX: SON OF B–1

(By Rowland Evans and Robert Novak)

As President Carter was landing in Vienna to sign SALT II, Sen. John Culver (D-Iowa) was on Capitol Hill giving critics of the new arms treaty reason to suspect that administration sponsors of the MX missile are plotting to place it beside the B1 bomber on the defense scrapheap.

Culver's most renowned achievement in the Senate was junking the B1. He is considered Carter's most effective SALT proponent on the Senate Armed Services Committee. Consequently, when Culver vigorously fought specific MX instructions in the supplemental defense authorization bill, a devious administration game was suspected.

The next morning Culver receded, averting a deadlock of the Senate-House conference on the supplemental. Before agreement was reached, however, Culver's actions aroused concern that the administration is using MX to win defense-oriented senators over to SALT but is wiring a self-destruct mechanism to it that would doom the new weapons system through excessive costs.

At the heart of the hideously complicated debate is this simple chilling fact: The land-based U.S. Minuteman missile has become vulnerable to huge, increasingly accurate Soviet missiles. Minuteman vulnerability is around 10 percent today and is expected to be 90 percent by 1981.

The answer is the big MX missile placed in a basing mode—that is, a position to fire—that will enable it to survive Soviet attack. At best, this would not be ready until 1986; from then on it would greatly reduce U.S. vulnerability. Long before it is built, the MX is intended to generate enough votes from Senate skeptics to ratify SALT.

But Carter's recent approval of the MX was unsettling to defense specialists because of no announced basing mode. He certainly did not endorse the system preferred by the military: the so-called "vertical" system, under which missiles would be shuttled among empty silos in a nuclear shellgame.

The problem with this is that Soviet negotiators in Geneva have claimed it would be barred by Article 4 of SALT II, which bans new land-based fixed launchers. The shellgame merely adds new silos, but the Russians still have a point. Ever since SALT I, both sides have talked about launchers and silos as identical.

This has left Carter's SALT negotiators with an agonizing dilemma. If they accept the Soviet point, they would admit that SALT II prohibits the United States from adopting the best system to protect this country from sudden nuclear destruction; that would kill the treaty for sure. But the alternative would be to define "launcher," a task for which six months in Geneva might be insufficient.

The administration solved the dilemma by finessing it. It has instead gone to a less efficient "horizontal" basing mode. One form: long trenches with missiles moved on railroad tracks. The administration stresses the trench could be opened or closed (through a "zippered" top), supposedly guaranteeing easy verification of the number of missiles, which the "vertical" would not; however, its real virtue is finessing the Kremlin's challenge to the "vertical" system.

The "horizontal" system over 10 years would cost at least $10 billion more than the "vertical" and perhaps double that. The political reality that this exorbitant cost might cause the entire program to self-destruct—long after SALT II is ratified—raises suspicions about the president's true designs for the MX missile. Those suspicions ripened when Culver, the old Harvard fullback, began carrying the MX ball in the Senate-House Conference.

Culver was "loving it to death," complained one adversary. He fought language adopted by the House requiring the president to give Congress the full reason if he does not choose the "vertical" method recommended by the bill. House conferees, led by Rep. Richard Ichord (D-Mo.), insisted that language stay in. As Air Force One put down in Vienna, House conferees almost walked out in Washington.

But Culver, who can be Capitol Hill's most bruising antagonist, turned up in a jovial mood next morning and suddenly receded. He went into a familiar routine of how he had surrendered an arm and a leg and hoped he could keep at least a stump. Actually, the agreement does not absolutely require the "vertical" system. But the House conferees wanted an "audit trail"—requiring the president to record all his actions if he rejects the best system for protecting the nation's deterrent and accepts one that turns out too expensive to build.

Behind the unusual demand for an "audit trail" is the critics' convictions that President Carter, Sen. Culver and the arms-control community truly consider a mobile MX basing mode to be destabilizing, provocative and subversive of détente. These critics believe MX is a ploy to ratify SALT II, a belief inadvertently reinforced by Sen. Culver when he pleaded behind closed doors last week not to squeeze the president for top-grade protection of the nation's vulnerable land-based missiles.●

GREEN ASKS FOR MEDICARE REFORMS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. GREEN. Mr. Speaker, earlier today I had the honor to appear with other members of the Select Committee on Aging before the Ways and Means Health Subcommittee. I was greatly disappointed when the 95th Congress failed to reach agreement and enact the medicare amendments of 1978 and, thus, am pleased that the subcommittee is giving renewed attention to the serious health care problems faced by older Americans.

I feel that current medicare coverage is insufficient in several respects and have introduced H.R. 1296, which would expand home health care provisions and provide a number of new services. I am hopeful that the Congress will act expeditiously on the matter of medicare reform and I would like to share with my colleagues my testimony before the Health Subcommittee.

The testimony follows:

MEDICARE TESTIMONY OF CONGRESSMAN S. WILLIAM GREEN

Mr. Chairman, it is a great pleasure for me to appear before your Committee this morning to discuss the important subject of changes in the Medicare program. I am particularly honored to be able to accompany my distinguished colleague, the Chairman of the Select Committee on Aging. The Members in this room are well aware of the untiring efforts of Chairman Pepper in attempting to bring adequate health care to older Americans in a manner and atmosphere of decency and self-respect.

At the outset, Mr. Chairman, I would also like to compliment the Members of the Ways and Means Committee for the serious attention you have given the question of reforms in Medicare. I was pleased with your action and action by the full House during the 95th Congress in approving H.R. 13097, the Medicare Amendments of 1978, and was disappointed when the conferees were unable to reach agreement. I am gratified that the Committee has agreed to consider this matter again in this Congress.

I would like to endorse strongly the sentiments expressed by my colleague, Mr. Pepper, that, at the very least, the House should move quickly to enact a bill that includes last year's provisions to remove the prior hospitalization requirement, visit limit, and home health deductible. We need also to increase our support of Health Maintenance Organizations.

In addition, I would hope that this Committee would give strong consideration to additional reforms which are contained in legislation I have sponsored (H.R. 1296) and which is pending before this panel. These reforms would provide benefit coverage for homemaker and periodic chore services; eliminate the second waiting period for reentitled disability beneficiaries; expand Medicare coverage to services provided in community mental health centers; expand coverage to include services provided in comprehensive outpatient rehabilitation centers; authorize payment for occupational therapy services; authorize payment for comprehensive foot care; provide coverage for eyeglasses, hearing aids, and dentures; and provide coverage for examinations for the purpose of prescribing, fitting, or changing eyeglasses, hearing aids or dentures.

There can be no doubt that there are currently many gaps in Medicare coverage and, like most other Members, I have heard frequently from my constituents about such gaps.

Like the other pieces of legislation being considered by the Committee today, my bill recognizes that older Americans have unique health problems and seeks to remedy current program insufficiencies.

Broadened home health care benefits can provide freedom of choice for senior citizens with respect to their living arrangements by making the alternatives to institutionalization economically feasible. It seems to me that it is sound social policy for us to encourage alternatives to institutionalization, especially for those who do not need or desire it. The economic impediments to freedom of choice must be removed.

I know that last year and again this year the Select Committee on Aging, on which I am privileged to serve, and by the Ways and Means Committee took special note of a 1977 report by the General Accounting Office which came to the following conclusion:

Until older people become greatly or extremely impaired, the cost for home services, including the large portion provided by families and friends, is less than the cost of putting these people in institutions.

According to the Congressional Budget Office, 20 to 40 percent of presently institutionalized senior citizens do not require institutional care and could remain at home if adequate funding for this purpose were available. Thus, it seems clear that, from both social and economic perspectives, the reforms I have discussed are highly desirable and should be included in a legislative package to be presented to the full House for consideration and passage.●

IOWANS IN NICARAGUA

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. HARKIN. Mr. Speaker, on March 3, 1979, John McCarty, a resident of Cedar Rapids, Iowa, and a schoolteacher at the American Nicaraguan School in Managua, was shot to death by several members of the National Guard of Nicaragua while being driven home by a friend.

The driver of the car, Dennis Pridgen, also an American, and the other passenger got out of the car with their hands up and were beaten on the head and arms with rifle butts.

The Department of State asked the Nicaraguan Government in early March for a full report on the brutal killing of John McCarty. To date, they have received no reply from the government of General Somoza.

I would like to insert, at this point, the text of two letters I recently received—one from the mother of John McCarty and one from Todd Fletcher, a friend of John McCarty who is also an Iowan and a former schoolteacher in Managua. I should point out that Mrs. McCarty and Mrs. Fletcher have since left Nicaragua. The text of the letters follows:

May 4, 1979.

DEAR CONGRESSMAN HARKIN: Thank you for speaking out the way you did against the inhuman way President Somoza is treating the people of Nicaragua. I can't understand why our government continues to support a man that can keep its people in poverty, ignorance and has no regard for human life.

My son was a teacher there in the America School. He was shot by the National Guard. My daughter-in-law is still teaching there and she wrote the following just a week ago: "People continue to be killed every day. A week doesn't go by without you hearing of someone either a friend or relative of an acquaintance being shot. The situation really seems hopeless." I pray for you to continue to work for human rights.

God Bless You,

MARJORIA MCCARTY.

MANOGUA, NICARAGUA,
May 18, 1979.

DEAR MR. HARKIN: I would like to begin by introducing myself. I am a sixth grade teacher at the American-Nicaraguan School in Manogua, Nicaragua. I have been working here for about 3½ years. I am originally a resident of Royal, Iowa near Spencer in northwest Iowa. I was the teaching partner of Mr. John McCarty who was murdered by the Guardia Nacional here. He was so dearly loved by all the kids here.

I knew of your presence here in April because of the news that was communicated and also through Mary Daniels, U.S. counsel officer in Managua. I tried to get in touch with you but you had left that same morning. I was so happy that you came to investigate the conditions here in Nicaragua. I was also very pleased at your efforts to get something moving concerning Nicaragua when you returned to the U.S.

I want you to know that the National Guard and this government are suppressing basic human rights, killing kids and adults alike, censuring radio and television reports, etc. In this country it is a crime to be a youth and especially a young boy growing up here. Everyone that can sends their children (boys) out of Nicaragua to study due to the danger here. The Guard captures and detains anyone they want without reason. I'm sure you've recently heard that they imprisoned two opposition leaders who are men who have worked for peaceful solutions here in Nicaragua. This country is one big ranch owned and operated by Somoza. He has sucked out all that he can so as to enrichen himself.

I've lived here these years and I wonder if I am really in the "sane" world. Everywhere you see jeep patrols with machine guns mounted on them. The president himself has to hide behind bullet-proof glass when he speaks. He forces government employees to attend his messages (conferences) and if you don't attend you'll lose your job. This is not civilization!

Due to Mr. McCarty's death in this the International Year of the Child my kids at school are getting involved politically and are seeking other solutions to the crisis here. It is so sad because after the mediation and dialogue there seems to be one solution and that is violence. Too many people are dying and people are suffering just to maintain one power obsessed man in office. I really am appealing to you to continue to do all that you can to see that more and more action is taken to help resolve this crisis.

People in Nicaragua look to the U.S. for at least moral support. Our image here is diminishing due to the lack of decisive action. Condemning in itself is not sufficient and steps must be taken somehow. I was really saddened to hear that the IMF approved the stand by loans. Please do your best for this small part of mankind that is suffering unbearably.

Sincerely,

TODD FLETCHER.

P.S.—I'm leaving Nicaragua May 30, 1979. I'm sending this with someone who can mail it upon arriving to the U.S.A. My address in the states is on the first page.

Finally, Mr. Speaker, I would like to insert portions of a newspaper article that appeared on June 16 in the Des Moines Tribune. The article was written by Jerry Perkins, a reporter at the Tribune who had served in the Peace Corps in Nicaragua during 1971 and 1972. Mr. Perkins' article vividly demonstrates why the people of Nicaragua are nearly unanimous in their opposition to Somoza and the National Guard. The text of Mr. Perkins' article follows:

NICARAGUA—THE WAY IT WAS

(By Jerry Perkins)

The road to Nueva Guinea was not long but it was muddy. An average yearly rainfall of 235 inches fell on the rain forest where the government was carving seven agrarian-reform colonies out of jungle.

I worked in a colony known as Los Angeles, home of 135 families. The main colony was Neuva Guinea, where the radio was. Since there were no all-weather roads for about 15 miles, the only way in to the colonies 10 months out of the year was by mule or airplane. Communication out was limited to the radio.

All the seed corn, building materials and food came in by caterpillar tractors. It had been more than a month since we had had a shipment of powdered milk—a gift from the U.S. people—and my families were out. Since the powdered milk was the most nutritious food we had for the children in the colony, I struck off on my mule to find out what had happened to the last shipment.

About half way there, a man stepped out of the jungle and stepped in front of my mule. He looked like any of the other *campesinos* who lived around there, but he flashed a badge from his wallet and identified himself as an agent of the Nicaraguan FBI.

He told me quickly that he was investigating the theft of powdered milk from the government warehouse in Nueva Guinea. Would I meet him at the end of the airstrip near the warehouse after dark?

I told him I would, and after the kerosene lamps flickered out that night, I walked to the end of the airstrip. In the darkness of the jungle, we sat for about two hours.

Gradually, an army half-track truck drew near. It pulled up at the loading dock of the warehouse, and four or five men quickly filled the truck with sacks of powdered milk. Once loaded, the truck drove off toward the junction of the all-weather road, listing first to one side then the other on the muddy highway.

The agent—his name was Ramon, he told me—and I followed on foot, staying off the road in the jungle. We couldn't see the truck, but we could hear it ahead of us.

After four or five hours, we came to the end of the road. The truck had pulled up to a large general store and was being unloaded. We crouched in the bushes and watched. In the light of the approaching dawn, we could see that the men who were unloading the U.S. milk were in uniform.

"What's going on?" I asked Ramon.

"You have just seen the Nicaraguan army steal your people's milk," he said. "Now, I've got to go to Managua and prove it. I'll need your help. No one will believe me, but you are a Yankee. They'll take your word. God willing, you'll hear from me."

He crept away from me there in the bushes, heading off toward Managua. I waited another half an hour, then returned on foot to Nueva Guinea.

I waited a month, then two. No word from Ramon. Finally, I told the Peace Corps director what had happened.

He advised me to keep my mouth shut.

Nicaraguans have a word for it—cabanga (kah-bahn-gah). There is no exact English translation. The closest we can come is to say we've got a bad case of the blues.

When my wife and I took a belated honeymoon trip to Central America in 1976, we stopped in Managua so I could show her where I had lived and worked.

I knew the earthquake of Dec. 23, 1972, had changed things, but I wasn't prepared for what we found there.

Nothing, it appeared, had been rebuilt. Some buildings still stood where the downtown once had been, but they were cracked and empty. One side of the National Bank building had fallen down. Inside, the offices and furniture were still arranged as they had been before the quake.

There was a desperate and hopeless feeling about the place. Managua had always been dirty, sinful, exciting and adventurous, but there was a zest, a zip, to life there.

When I returned, all the life was gone.

I got a bad case of cabanga.

My friend on the phone was reading to me from a leftist newspaper he subscribes to. "It says that farmers armed with machetes have joined guerrillas near Nueva Guinea," he said. "Can you believe that?"

I shut my eyes. I could more than believe it. I could see it.●

PEARY EXPEDITION

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. MARKS. Mr. Speaker, we have all heard the expression that behind every great man there is a great woman and I think it would certainly hold true for one of my constituents, Mrs. Nancy Goodsell of Sandy Lake in Mercer County, whose late husband, Dr. J. W. Goodsell was the physician for most of Admiral Peary's polar expedition to the North Pole in 1909.

That expedition was an achievement perhaps as great as the lunar landings in recent years, something that the historical accounts seem to bear out.

I quote from an article in the Greenville Record-Argus by the then editor Earl Miller, written in April of 1977 that details some of the journey and how Dr. Goodsell fared:

The Peary expedition left New York City on July 6th, 1908 aboard the SS Roosevelt and arrived at its winter quarters at Cape Sheridan, September 5th. The winter was occupied in hunting, various side journeys and the moving of supplies ashore at Cape Columbia, located 413 geographical miles from the pole. Cape Columbia was the point of departure from land for the drive to the pole.

The more extensive field trips constituted the most detailed field work ever attempted on any artic expedition and among his other duties, Dr. Goodsell completed a record of mean temperatures showing that every month except October was cooler than three years before and his records show that the base camp weather was distinctly crisp, with an overnight minimum of 53 degrees below zero.

In an entry in Admiral Peary's diary, there was this record "still another peril that is omnipresent in a sledge journey is that of falling through the ice and getting thoroughly wet. On one occasion, Dr. Goodsell was crossing thin ice when his left leg went into the water up to his knee.

Fortunately, his right leg was on firm ice and he was able to save himself."

The extreme cold presented other problems. Dr. Goodsell told of writing portions of his daily journal under great difficulty. One notation indicates, "with an eskimo holding a candle, my hands are so cold that I can hardly guide my pencil as I recline on the bed platform of the igloo." Even the eskimo garments which expedition members had donned failed to protect them fully from the elements. The garments with certain modifications were made of foxskin and deerskin. Attached to the jacket was a hood and around the face was a thick row of foxtails to provide extra protection.

Having been utilizing the time, wrote Dr. Goodsell, in trying to dry out stockings and boots, it was found to be extremely difficult because of the cold and the necessity of economizing on fuel. The general procedure is to discard footwear when it is nearly saturated with moisture. As long as the footgear is dry, there is little danger of freezing the feet. The oil stove with a three inch burner is barely sufficient to dry the gloves of which two pair are worn, an outer pair of bearskin and an inner pair of deerskin.

While some of the present generation may not be aware of Dr. Goodsell's achievements or has forgotten them, his memory is kept alive today in the collection of his artifacts donated by Mrs. Goodsell to the museum of the Mercer County Historical Society in Mercer. The collection consists of two overflowing cabinets of souvenirs and a bookcase crammed with volumes dealing with the exploration. The collection includes photographs, the doctor's medical kit plus drawings of the expedition by Eskimo children. Also, there is a narwhale tusk, presented to Dr. Goodsell by Admiral Peary.

The tusk, once thought to be the horn of the mythical unicorn was valued in some quarters for magical powers it was believed to have possessed. There is also the original manuscript of Dr. Goodsell's still-to-be published book.

This Nation saw fit to honor Dr. Goodsell in the presentation of a medal from the U.S. Congress. It was presented to him in 1945 by Navy Secretary James Forrestal.

Mrs. Goodsell, soon to turn 99, lives by herself in the same house that she and the doctor lived in. She is active in the Sandy Lake United Methodist Church and keeps herself busy quilting and caring for a prized blueberry patch.

The country has honored Dr. Goodsell and I feel it is now time for a grateful country to honor a faithful citizen, Mrs. Nancy Goodsell.●

PERSONAL EXPLANATION

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. CAMPBELL. Mr. Speaker, this morning I had the sad responsibility of attending the funeral of one of my dearest friends, Mrs. Frances Greer, in South Carolina. Had I been present and voting, I would have voted: "Yes" on Rollcall No. 285, "yes" on Rollcall No. 287, "no" on Rollcall No. 288, "yes" on Rollcall No. 289, "yes" on Rollcall No. 290, and "yes" on Rollcall No. 291.●

ON JODY POWELL'S GAS LINE COMMENTS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. HORTON. Mr. Speaker, in light of Jody Powell's recent comments on the gas lines in Washington, D.C., I thought my colleagues would enjoy Mike Causey's rebuttal in the June 27, 1979, issue of the Washington Post. The text of the article follows:

Taking Gas Over Powell's Comments

"I can't think of a better place for gas lines than Washington, D.C. No place should have longer gas lines than Washington. . . . We're suffering because of the way Washington has been behaving for the past several years." . . . Jody Powell, White House press secretary, Tokyo news conference.

Memo to: Jody Powell.
Subject: Welcome home.
From: The gang in Washington.

Hope you are having a nice time in Japan. Here it has been hot. Did you have time to unpack from your recent trip to Vienna? Your job sure keeps you jumping.

By the way, Jody, you sure were lucky to get enough gas to fly all the way to Japan. Personally I couldn't get enough to take the kids to Ocean City. People said there were stations open away from Washington. But I was afraid to risk it. You sure have more nerve than I do. Flying all the way to Japan. Are your airplane tags "odd" or "even"?

Guess what, Jody. A lot of people here have taken gas at your Tokyo remarks. You know why? Get this: Just because you said we deserve the long gas lines we have. People sure are touchy.

I agree with you that Washington is the cause of the energy crisis. Just the other day I heard a clerk at a drugstore say she might have to quit her job because she can't afford (she pulls in more than $3 per hour) gas. And she said the bus-Metro service from Anacostia is lousy. Don't drugstores have staff limos?

Also, there is this guy who runs a delicatessen near me. Claims he has had to shorten his hours (he works from 6 a.m. to 6:30 p.m.) because he is spending time in gas lines these mornings. Obviously he doesn't know what chauffeurs are for.

Unless people like him—the cook and the deli guy—are willing to pay more and use less, and make other meaningful sacrifices, how are we ever going to get out of this mess?

This criticism of you, from Washington, D.C., of all places, shows how unsophisticated and flaky people here really are. Wasn't it only recently that they gave your boss—the man who hired you—the biggest majority he got in the election? And now these same clowns are turning on you. And him. What a bunch of whiffs.

And the government workers. My God, what a racket they make about transportation. Last week more than .5 million of them tried to cram into the subway system. They are lemmings, all.

Hey, Jody, (this is confidential), I understand there are "special arrangements" for important people here in town. I mean to get gas. And a good thing, too. Otherwise those cabbies, truckers and government clerks would hog all the available fuel.

I was wondering if maybe you could help me out. I don't like to boast about VIP status but, well, this is the capital's biggest newspaper (the Watergate one, remember) and I do this column six days a week. Mel at Duke Ziebert's knows me on sight. And there is a liquor store on MacArthur Boulevard that never asks me for ID when I write a check. So maybe I qualify.

I ask only because, well, getting around government you hear things. Like the speaker of the House and the Senate's majority leader have this special gas pump where they (their chauffeurs, actually) can fill up their limousines anytime. And a good thing, too. We can't have people like that sitting in lines. After all, they aren't from Washington.

Also, I know that the White House has been able to keep its vehicle fleet rolling thanks to supplies it orders through the Defense Department.

If people want to get away for the weekend, why don't they summon up an Air Force helicopter? Makes a lot more sense than sitting on the Bay Bridge in traffic, wasting gasoline and all.

If all else fails, maybe the two of us could form a car pool. I'd be glad to drive, but . . . parking is tight around here. And expensive. Maybe if you have free parking at your office we could use your car. I'll be happy to split the gas with you.●

HUMAN RIGHTS AND U.S. POLICY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. BONKER. Mr. Speaker, for the past several months, the Subcommittee on International Organizations which I chair, has been holding a series of hearings on human rights reports and U.S. policy. Recently the Deputy Secretary of State, Warren Christopher, appeared before the subcommittee to testify on human rights and U.S. policy.

The present administration has tried hard to raise the priority of human rights in our overall foreign policy. However, there has been persistent criticism that our human rights policies are unclear, that they are not consistent, and they are not very effective. In order to shed some light on these problems, Mr. Christopher spoke about five general principles which guide the administration in applying human rights concerns to its foreign policy decisionmaking process.

These guidelines are:

First, we attached fundamental importance to all three basic categories of internationally recognized human rights—that is, personal, economic and political rights . . . second, the most effective strategy for obtaining human rights improvements is one that combines the full range of diplomatic approaches with a willingness to adjust our foreign assistance programs as required . . . third, bilateral or multilateral economic assistance that directly benefits the needy is rarely disapproved even to governments with poor human rights records . . . fourth, only compelling consideration of national security can justify providing security assistance to countries with very serious human rights problems . . . fifth, decisions to extend or withhold assistance are often taken on the basis of trends in human rights conditions, as well as the overall level of performance.

Since these principles are of critical importance in understanding the application of our human rights policies, I would like to insert in the Record at this point a summary of Mr. Christopher's testimony.

Summary of Hearing

Testifying before the subcommittee was the Deputy Secretary of State, Mr. Warren Christopher.

Mr. Christopher said this Administration under President Carter has placed renewed emphasis on human rights initiatives and objectives as part of the conduct of foreign affairs. Most significant for them has been the 1976 amendment to the foreign assistance act which states, "A principal goal of the foreign policy of the United States shall be to promote the observance of internationally recognized human rights." In order to do this he described three areas in which human rights consideration have become an integral part of the foreign policy process.

First, through more comprehensively reporting on and evaluating human rights conditions.

Second, by incorporating human rights into U.S. diplomacy, both bilateral and multilateral.

Finally, by bringing human rights consideration to bear on U.S. foreign aid programs.

To assist in this effort, an interagency group on human rights and foreign assistance known as the "Christopher Group" was established in the early months of the administration. This taskforce provides a broad and open forum for discussions within the executive branch of human rights issues relating to foreign assistance programs. The membership of this interagency groups includes representatives from the Department of State, Defense, Labor, Treasury, Commerce and Agriculture, from the NSC and the agency for International development and from other agencies that have a potential interest in the deliberation of the group.

In applying a particular statute to a loan or a grant program, Mr. Christopher mentioned that the interagency group generally considers a wide range of factors such as the following:

"The present human rights situation in the recipient country and any positive or negative trend;

"The political, economic, and cultural background of the country and the level of human rights performance that can reasonably be expected of the country in light of that background;

"The extent to which a loan will directly benefit the needy;

"The effectiveness of a decision to defer or oppose a loan in comparison or in combination with any of the available diplomatic tools for indicating our concern about human rights violations."

He emphasized that most useful in promoting the smooth functioning of this interagency process has been the emergence of a number of general principles which have come to guide the decision making.

First, we attach fundamental importance to all three basic categories of international recognized human rights that is, personal, economic and political rights.

Second, the most effective strategy for obtaining human rights improvements is one that combines the full range of diplomatic approaches with a willingness to adjust our foreign assistance programs as required.

Third, bilateral or multilateral economic assistance that directly benefits the needy is rarely disapproved, even to governments with poor human rights records.

Fourth, only compelling considerations of national security can justify providing security assistance to countries with very serious human rights problems.

Fifth, decisions to extend or withhold assistance are often taken on the basis of trends in human rights conditions, as well as the overall level of performance.

Mr. Christopher went on to say that there are other factors that influence the decision making. Factors such as the presence of other important U.S. interests, conditions and traditions unique to a particular country and considerations of effectiveness and tactics.

Christopher concluded by stating that our major achievement is the dramatic increase in world awareness of human rights issues. That the new consciousness helps to curb existing abuses and to deter new violations. Despite the many improvements egregious violations of human rights persist across the globe. Through our words and our actions, we will persevere in our efforts to improve these situations.●

THE PRIVATE SECTOR INITIATIVE PROGRAM

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. PURSELL. Mr. Speaker, earlier this month, during consideration of the proposed Department of Education bill, I spoke out on the importance of emphasizing the training aspects of the Comprehensive Employment and Training Act (CETA). CETA's long-term objective should always be preparation of participants for lasting, meaningful and productive jobs.

Today, I would like to speak briefly about the employment side of CETA and more specifically about the type of job a participant holds while receiving the needed training for a more permanent position.

Because most jobs are found in the private sector, the most significant way to make progress against unemployment is to increase employment opportunities in private industry for the jobless and economically disadvantaged. In recognition of this, the CETA Amendments of 1978 (Public Law 95-524) established the private sector initiative program (title VII) under which prime sponsors must set up private industry councils (PIC's) to encourage private sector participations in CETA programs.

Prime sponsors responded quickly by establishing over 160 such PIC's, while another 200 to 250 are expected to be set up before the end of the month. This action to get the program underway was funded through the reprograming of $75 million in existing fiscal year 1979 funds. Meanwhile, the Department of Labor has requested a funding level of $325 million for fiscal year 1980. The House Appropriations Committee and its Labor/HEW Subcommittee has approved this request and it is included in the bill before us today.

During House consideration last year of what is now Public Law 95-524, there was so much criticism directed toward CETA that the legislation was pulled off the floor and delayed for several weeks. The final result was a bill extending CETA for another 4 years, while incorporating extensive changes aided at addressing the criticisms voiced during that intensive period of debate.

One of the changes that should be to the liking of both CETA supporters and its critics is the new private sector initiative program (PSIP). For supporters, it is a logical extension of the original CETA program; and for critics, it offers a chance to turn the program around and shift emphasis from public to private employment.

Meanwhile, not only have prime sponsors responded quickly in the establishment of PIC's, but the business community has shown a great deal of interest in the program and employers throughout the country are working hard to be cooperative in these efforts. In fact, my office has received more contacts indicating support for the proposed appropriation from various chambers of commerces and other business associations than from any other segment—public or private.

This enthusiasm and active participation is essential if the focus of CETA is to be directed toward the private sector. As a recent Department of Labor white paper pointed out:

> Four out of every five jobs in the American economy are in the private sector. Employer involvement can assure that new workers are trained to meet the requirements of available entry level jobs, and the current workers can upgrade their skills to fill expanding opportunities for higher skilled and supervisory workers. Private employers can supply managerial and supervisory talent not available in the public sector, assuring that these programs produce graduates with the type of training and discipline suitable for regular jobs. Access to employer facilities and equipment can improve the quality of training programs and provide work experience in a realistic setting.
>
> Most importantly, individual employers can play an essential intermediary role between government and the private sector. On the one hand, they can effectively convince their counterparts in the business community that government programs serve their needs. On the other hand, they can inform program operators of the needs and problems of private employers, and assure that programs are designed to meet these needs.

If these benefits are to be achieved, the momentum that has been built up over the last few months must be maintained. The PSIP program was designed as a $400 million program for the upcoming fiscal year and DOL maintains that its $325 million request is a minimum figure. Reductions would have grave consequences for the success of the program and its credibility with the business community, which traditionally plans on more than a 1-year basis. Furthermore, legislative and design changes would be required if much less than full funding were provided.

For these reasons and others, the Labor/HEW Subcommittee, on which I serve, and the full Appropriations Committee have overwhelmingly approved DOL's $325 million request. I want to take this opportunity to strongly urge my colleagues to support this funding level and take a giant stride toward the goal of lasting, meaningful employment for any American who wants to work.●

SANCTIONS AGAINST AID TO VIETNAM

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mrs. SMITH of Nebraska. Mr. Speaker, I would like to call to the attention of my colleagues a letter and news item I have just received from my friend, the gentleman from Florida (Mr. YOUNG). As the ranking minority member of the Appropriations Subcommittee on Foreign Operations, BILL has done a remarkable job of uncovering waste and ripoffs in our foreign aid programs. Beyond the abuses, he has spent a great deal of time informing the Congress of examples of U.S. tax dollars going to countries whose policies are repugnant to the people of the United States. Countries like Vietnam.

Two and a half years ago BILL tried to prohibit any U.S. dollars from going to Vietnam directly or indirectly. While he was successful in prohibiting aid to Vietnam directly, his prohibition on indirect aid was not agreed to in the Senate-House Conference Committee. He tried again last year and he will probably try again this year. Each time the administration has fought his attempts with a big lobbying campaign. They pulled out all the stops. Members were lobbied by the Cabinet, the leadership, and virtually every special interest in town from the chamber of commerce to the League of Women Voters.

As a result, Vietnam enjoys the world status of being an indirect recipient of U.S. foreign aid and, in fact, receives assistance from many other nations as well. How has Vietnam repaid the world's generosity? By invading its neighbor with military troops and by pushing hundreds of thousands of its own people into refugee camps for the rest of the world to care for. They have also created the tragedy of those human beings we have come to identify as the boat people, humans risking their lives at sea in crowded leaky boats with no destination in sight.

Now according to the Washington Post the administration seemingly admits that BILL YOUNG was right in the first place. The Post quotes an administration official as saying that "nothing short of aid sanctions will persuade the Vietnamese to treat their people more kindly."

That is the same thing BILL YOUNG has been saying all along. Why reward the barbaric actions of a nation with millions in foreign aid?

My constituents do not want their hard-earned tax dollars going to Vietnam any more than the constituents in any other district in the Nation. BILL has led the fight to stop this ridiculous expenditure and I want to commend him for his work in that effort. If we had taken his advice in the first place, who knows how many lives might have been spared.

I hope you will take the time to read his letter and the Washington Post news item that I am enclosing for the RECORD at this point.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 27, 1979.

Hon. VIRGINIA SMITH,
Longworth Building,
Washington, D.C.

DEAR VIRGINIA: According to this morning's Washington Post and confirmed by the State Department, the Carter Administration is finally getting our message—you don't reward gross violators of human rights like Vietnam with U.S. foreign aid, either directly or indirectly.

The Post says, "American policymakers contend that nothing short of aid sanctions will 'persuade the Vietnamese to treat their people more humanely.'" And the article makes it clear that the Administration is talking about "indirect" as well as direct aid. This is exactly what I have been trying to tell them.

On June 22, 1977 the House by a vote of 295 yeas to 115 nays adopted my amendment to the Foreign Aid Appropriations bill to prohibit U.S. tax dollars going to Vietnam either directly or indirectly through international organizations like the World Bank. But then the President, the World Financial Community and just about every lobby group in Washington renounced our action as "politicizing" the International Financial Institutions and the Senate refused to accept the "indirect" restriction in the amendment. We tried again last year but again the Administration forces prevailed. It's good to do it now, but had we delivered this message two years ago—had we convinced Vietnam that there would be no aid as long as they continued their barbaric actions, who knows how many lives might have been saved. How many boat people—How many Cambodians—How many Vietnamese cannibalized by their fellow refugees at sea might be alive today had the Administration supported our efforts then rather than two years later.

But rather than dwell on past differences, I want to sincerely compliment the Administration for it's new position. A combined effort of the Congress and the Administration could have a dramatic effect on Vietnam's conduct.

I am hopeful that the Administration will now support our efforts to put their words into law. When the Foreign Aid Bill comes to the Floor after the July 4th recess, I hope you will support our attempts to do just that.

Enclosed is a copy of the Washington Post article to which I referred.

Very truly yours,
C. W. BILL YOUNG,
Member of Congress.

[From the Washington Post, June 27, 1979]

UNITED STATES SEEKS GLOBAL SANCTIONS AGAINST AID TO VIETNAM

(By Elizabeth Becker)

The United States is asking charities, international organizations and other nations to consider cutting off or reducing aid to Vietnam until Hanoi changes its refugee policy.

"Vietnamese policies have reached a point where other nations have to react," a State Department official said yesterday. "Now there's a growing sense that the international community has to convince the Vietnamese they are irresponsible. On that basis we think the international community should review all its aid programs to Vietnam."

Targets of this sanction policy are the noncommunist countries, banks and international organizations that have promised to contribute or lend $1.7 billion in economic aid for Vietnam's current five-year plan. This accounts for roughly one-third of Vietnam's foreign aid.

American policymakers contend that nothing short of aid sanctions will "persuade the Vietnamese to treat their people more humanely."

The Vietnamese government has argued that a large number of the refugees are leaving their country because it is poor and in need of more international assistance. But this is belied by refugee testimony.

"There is no way you're going to get the international community to pay off the Vietnamese now," one American official said. "I know it's a difficult argument. If you beat them over the head you might push them closer to the Soviets but the Vietnamese are hard people to deal with, to continue talking to in a generous spirit when they're doing what they're doing now."

Last month a record 65,000 Vietnamese boat people landed on other Southeast Asian shores. Many said they were forced to leave under a Vietnamese policy of selective discrimination against ethnic Chinese. They also said they were forced to pay bribes of up to $3,000 each to leave Vietnam.

"It has simply gotten out of hand," an administration official said. "The Vietnamese have to be shown we are serious, that they can't continue this export of people."

The idea of aid sanctions apparently came up following the Vietnamese invasion of Cambodia. Some countries, like Australia, ended aid programs to protest that invasion while others, like Malaysia, simply tabled plans for future aid.

Robert B. Oakley, deputy assistant secretary of state for East Asia, said that following the invasion the United States "told the World Bank it should be very, very careful when considering loans to Vietnam . . . given the preoccupations of the Vietnamese government with security and given that economic development had been pushed aside."

Since the Soviet Union alone provides $2.5 billion in economic aid, the effectiveness of an international boycott was questioned by some administration officials. "The Soviets are not going to allow them to starve," said one.

Sweden is the country the United States would most like to see change its aid policy toward Vietnam.●

UNION PROPOSES TO DUMP DOLLAR

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. PAUL. Mr. Speaker, an article appeared in the June 23 issue of the Washington Post that deserves everyone's attention. A union in New York has taken the revolutionary step of asking that its members be paid in something other than the increasingly worthless Federal Reserve note. Since gold clause contracts were once again legalized in 1974, it has been permissible for two parties to make a contract specifying payment in gold. Unfortunately, it has taken 4½ years for the meaning of this act to dawn on the unions that represent workers.

I commend the Professional Employes Federation for the wise and farseeing step they have taken, and I hope that other unions will follow suit. Many workers have come to realize the futility of escalator clauses in their contracts, for the escalators never keep up with the cost of living. Had a union requested that its members be paid in gold in 1969, the average blue collar worker would have received 3 ounces per week, about $105. Assuming that that worker had received no raises in the past 10 years, he would still be receiving 3 ounces per week in 1979, which would be worth not 105 Federal Reserve notes, but 840 Federal Reserve notes. Instead the average worker is getting much less than that today.

The article follows:

NEW YORK UNION PROPOSES TO DUMP DOLLAR

(By Lee Lescaze)

NEW YORK, June 22.—The dollar has taken some hard knocks recently and now a New York union has proposed that its members be paid in something of more durable value.

"Recognizing the possibility of uncontrollable inflation and the serious loss of credibility and purchasing power of [the dollar], the employer, upon union's demand, will probably remunerate employes in mediums of exchange other than the presently used U.S. Federal Reserve dollar," the Professional Employes Federation has proposed in its negotiations with New York state.

"Such alternate mediums of exchange include, but are not limited to, gold, silver, platinum, bullion and coin, and/or one or more foreign currencies," the union contract proposal states.

If the union's idea catches on, the trend could affect television programming. Americans could be watching "Bowling for Yen" and goldbugs could compete on "The 228.57 Ounce Question."

Christine Grosse, public relations director of the union, said the proposal is serious. "Every proposal we put on the table is serious or we wouldn't put it on the table," she said. The union has a number of economists among the 48,300 state workers for whom it bargains and they helped formulate the unique bargaining approach, Grosse added.

"We're not suggesting that the governor pan gold in Colorado and pay us in gold dust," she said. "We want to be paid in the value of gold or silver or another index of value."

She was asked what the state's reaction had been.

"They laughed at it. We said, 'Hey, this is serious. Is this an indicator of how you're going to treat our association?'"

As far as the Professional Employes Federation (which represents doctors, nurses, engineers and accountants among 2,700 job titles) knows, its proposal is the first of its kind in the nation.

It wants to demonstrate to Gov. Hugh Carey and the state Department of Employe Relations that the 7 percent annual wage guideline Carey insist on following is too low in light of continuing inflation and other labor settlements in the nation.

So far, negotiations are not going well, both sides agree. They are close to calling for a mediator and there is more than the medium of payment dividing them.●

CONSCRIPTION AND ALL-VOLUNTEER FORCE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 1979

● Mr. PAUL. Mr. Speaker, I would like to include in the RECORD an essay by Mr.

Daniel Miller of Aptos, Calif., on conscription and the All Volunteer Force.

Mr. Miller presents a cogent case for an All Volunteer Armed Force. He points out, for example, that in 1972, the last full year of the draft, three induction notices had to be sent to get one draftee to show up at the induction center. Of the 203 years of our Nation's history, Mr. Miller writes, only 36 of those years have we had a draft, and the overwhelming majority of those years have been during the 20th century. The draft is anomalous in a free society, and we must oppose all attempts to revive it.

The essay follows:

Conscription and the All-Volunteer Force

(A 1979 Fact Sheet for Decisionmakers and Activists)

PERSPECTIVE

In 1973, after 33 years of nearly continuous conscription, the All-Volunteer Force (AVF) was reinstituted. The AVF came about due primarily to widespread disruptive social unrest including the resistance to the draft which was spawned by the divisive and costly Vietnam War. Under conscription, there were serious inequities and hardships, including death upon the relatively small segment of society that could not avoid the draft. This was especially so for the blacks and poor. As Cooper [1] points out:

"To give some idea of the availability and prevalence of draft loopholes, of the 9,432,963 males between 19 and 26 years of age who were eligible [1a] for the military in 1965, 71.5 percent had deferments exempting them from service."

Despite later changes in the selection and classification process, the inequities remained, and by 1972, the last year of the draft, three induction notices had to be sent in order to get one draftee. Many men left the country, and in January 1973 the largest category of Federal crime was draft related.

A large segment of the adult non-draft threatened population was also disturbed about the war and the draft. Many citizens and some of the military were aware that conscription, which is not basically "American" (of our 203 years as a Nation, only 36 years have been with a draft), was a potentially dangerous "authoritarian tool." Because of the legacy of over 20 years of the draft, there was a growing fear that the armed forces were becoming isolated from civilian influence. The Executive Branch likewise took advantage of the draft to involve the nation in overseas wars (Korea and Vietnam) without getting the constitutionally required declaration from Congress.

The nation survived the social turmoil peak of the 1960's and early 1970's, extricated itself from southeast Asia, and returned to the AVF. The AVF necessitated major changes in military resource allocation and manpower management. Since the Department of Defense (DoD) is the largest single employer in the United States, this resulted in far reaching changes in social and economic policies throughout the government. The AVF worked well, better than many experts had thought possible. There is now a much greater participation by women in the forces, there was an increase of high school graduates in the Air Force and Navy (there is the same in the USMC but fewer in the Army), the overall mental aptitude of enlisted personnel is higher in all services since the draft was terminated, and there is a higher wage level throughout the military, especially for officers who receive higher compensation than in civilian employ of comparable age and experience.

The AVF did not turn into an "all black and poor" army as was feared by socially concerned citizens, and the imagined unacceptable high cost levels to entice young men and women to enlist did not materialize. That is not to say there still are no problems with the AVF. There is a higher rate of attrition of new enlistee than was expected (especially during the first six months of service), and the Selected and Individual Ready Reserves are not receiving the desired number of recruits. However, the problem of the reserves is not necessarily due to the AVF, but from results of "neglect" of reserves forces starting over 25 years ago.[1] Economist Milton Friedman, who served on the President's Commission for the All-Volunteer Force (Gates Commission) and is a Nobel recipient for economics, Secretary of the Defense Harold Brown and Secretary of the Army Alexander among others have recently confirmed that the AVF is working well and that we do not need to return to the draft.

If the thorough empirical analysis for the DoD by Rand Corporation [1] and statements by many military personnel claim to support the success of the AVF, why is there an attempt by the Joint Chiefs of Staff and others to return to conscription? Milton Friedman postulates:

"The answer, I believe, is simple. The upper echelon of the military has never been fully reconciled to the end of conscription, to the need to attract volunteers by offering conditions of employment competitive with private industry. How much easier to press a button and command a Selective Service Administration to round up a specified number of bodies, willing or not." [2]

Despite the hue and cry of some conscription advocates, no sound data have been presented to demonstrate that the AVF is not working or will not work in the future. For instance, there was a widely circulated statement in the newspapers in February 1979 that during the last quarter of 1978 accession of new enlistees fell 10 percent below recruiting objectives. Some pounced on this as evidence that the AVF was failing. Yet, at the same time, Congressman Les Aspin (press release of February 19, 1979) relates:

". . . fewer men left the services in October, November, and December. . . . As a result, the services ended up the year with 2,000 more men than they had wanted." He reminds us: "When we try to judge the all-volunteer system by looking at recruiting statistics, we're not getting the whole picture, in fact, we're getting a very distorted picture."

One author concluded in his assessment of 4½ years of AVF experience:

"To summarize, the AVF can be made to fail. But it can also be made to work—perhaps much better than its draft-dependent predecessor." [1]

Are the demands of the predominantly Southern Congressmen and Senators wanting a return of the draft coupled with the "old school" military referred to by Friedman an overt attempt to make the AVF "not work"?

What is certain is that there has been little chance for open debate in either the House or Senate Armed Services Committees on this extremely vital social and military problem. In the House a bill for registration—the first step in the conscription process—has been attached as an amendment to the Military Appropriations legislation. In the Senate Armed Services Subcommittee on Military Personnel, for example, only 3 days notice was given to draft opponents to make comment. For our lawmakers to make decisions in this session of Congress without a thorough revelation of what is now known about the AVF and what the real problems of the reserves are is not in the best interests of society.

There are many interpretations of facts and conjectures being thrust upon the military, Congress and the public at this time, and it is no wonder that contradictory statements are being made. Presently, there is a wealth of AVF experience information that is unquestionably factual and up to date. There are still a few gray areas of interpretation, but these problems can be intelligently dealt with in the context of what is known and statistically probable without having to resort to reinstituting the traditionally onerous draft.

ANSWERS TO QUESTIONS ABOUT THE AVF

Has the AVF Become a "Professional" or "Mercenary" Armed Force Which Will Become Isolated From Civilian Influence and the Society?

This was one of the principle fears expressed in the 1968–71 debate and the answer is no. There are three principal civilianizing processes taking place: (1) the increased use of civilian employees (hires), (2) the average short term of uniformed personnel, and (3) an attitude of military personnel of their job as being occupational as well as institutional.

In the first process, at the beginning of the AVF in 1974, 31,000 military billets were converted to civilian status and by 1976, 48,000 positions had been converted.[3] By 1977, over 1.5 million civilians were serving in the military along with 2.1 million uniformed personnel. Of the total DoD uniformed and civilian forces in 1972, 39 percent were civilian compared to the AVF 1976 percentage of civilian hires at 43 percent.[1] Cooper adds:

"Whereas the draft ensured an adequate supply of manpower almost no matter what personnel policies the Services followed, the Armed Forces must now be responsive to the conditions of change in the civilian world." [1]

In the second process, the average time of service is around 3.4 years demonstrating the rapid turnover of personnel in the military thus bringing in constant influence of civilian values and attitudes.

In the third process, which is a developing attitude rather than a result of policy, there is the civilianizing effect of contemporary military personnel viewing their participation as being occupational as well as institutional.[4] By this is meant that the classical orientation of uniformed personnel as being a part of the Army, a company or a special service, etc., i.e., an institution demanding allegiance which transcends "individual self interest in favor of a presumed higher good." Moskos continues:

"For the single-term draftee before Vietnam, the Army was also very much an institution. The selective service system was premised on the notion of citizen obligation—a calling in the almost literal sense of being summoned by a local draft board—with concomitant low salaries for junior enlisted men." [4]

The occupational orientation now entering military attitudes is that of being a truck driver, clerk, computer programmer, etc., within whatever service or unit the person is assigned. "The occupational model implies priority of self-interest rather than that of the employing organization." [4] Recruitment slogans such as "Join the Army and Learn a Trade" don't tend to subdue this attitude.

Will the AVF eventually become all black?

The fear here has been that young blacks are at a disadvantage to whites in securing civilian jobs, and that blacks will eventually make up a socially "unacceptable" large proportion of the armed forces. Why this is unacceptable and what proportion of blacks

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Footnotes at end of article.

is not acceptable, is never clearly spelled out perhaps because of racist motivations.

The Gates Commission predicted there would be an increase in the enlisted ranks of from 10.4 percent black in 1969 to 14.9 percent by 1980.[5] This projection fell short of the actual, with 16.6 percent of the enlisted force being black in 1977.[3] Annual enlistment accessions by each service demonstrate that the Army receives the largest percentage of blacks (Table 1).

TABLE 1.—*Approximate* Percentage of Black Enlistment Accessions, 1962–1972 and 1973–1975 (Data from Cooper, Table 10–4).*

	1962–1972 (Draft)	1973–1976 (AVF)
Army	13	24
Navy	7	10
USMC	11	20
USAF	11	15
DOD	11	19

* These figures are derived from averages of means which is not statistically sound, but the approximations are representative (R.V. Cooper, Pers. Commun. June, 1979).

The actual percentage of black in each service is less than the values indicated by the accession rates. Note that the accessions in the 4 years prior to 1977 were about 19 percent whereas the actual composition of blacks in the enlisted force in 1977 was 16.6 percent. The 1977 black composition was from a black population which made up about 11 percent of the total population, however, the percentage of blacks in the 17–21 year old age group made up about 15 percent of that age group.

The 16.6 percent figure for 1977 is for enlisted personnel only. However, there were 11,000 black officers along with 30,000 black enlisted personnel in the DoD in 1977 yielding a 15.2 percent black composition in the total DoD, less than 3 percentage points above the black composition of the 17–21 year age group in the nation.

As Leider points out:

". . . the threatened four-alarm blaze of an all-black military turned out to be an ashtray fire."[6]

Advocates for return of the draft are presenting percentages ranging from 36 percent to 40 percent of the "Service" as being black and these misleading figures have been unknowingly passed along in syndicated columns as factual. These figures are extremes of percentages of black non-prior service accessions for a certain month or quarter period for the Army or for a particular unique unit and do not represent percentages of blacks in the total armed forces. There are three reasons why the percentage of blacks is remaining slightly higher than national representation. These are:[1]

". . . the increasing proportion of blacks found eligible for military service, the relatively higher unemployment rates experienced by young black civilians, and the lag in earnings opportunities for full-time employed blacks . . . In other words, the increasing number of blacks in the enlisted accession of the 1970's would probably have taken place *even in the presence of the draft*." (emphasis his).

How About the Army of the Poor Which Was Also Predicted?

Unlike the small increase in blacks in the AVF, there was not an increase in the ranks from the "poor" segment of society. Cooper[1] made an analytically detailed study of this subject using quite complex formulation. His conclusions are:

"We can therefore conclude that the AVF has resulted in little or no change in the socioeconomic composition of the enlisted force. Instead, military service apparently continues to be viewed as an alternative employment option for a very broad cross section of American society, from the wealthiest to the poorest . . . The evidence presented here thus shows that the American military has not been nor is it becoming an army of the poor and black."[1]

How Much Has the AVF Cost the Taxpayer?

Cost estimates are one of the more imprecise measurements of the armed forces, especially for military personnel who can receive housing and food subsidies, bonuses, do not pay income taxes on subsidies, receive free medical care, are paid more if they have dependents, do not have to contribute to a retirement fund, etc. On the other side, it is difficult to estimate the cost of the draftee who was subjected to his personal "conscription tax," who was removed from the civilian labor pool resulting in an economic loss to society, and who lost considerable personal income. The conscription tax is the difference between the salary that would induce a civilian to volunteer and the actual draft wage.

Manpower expenditures are of importance to the military because in recent years from 50 to 60 percent of the entire defense budget has been for these costs. One of the most debatable parameters is whether or not the basic pay of junior enlisted personnel would have risen at a comparable rate if the armed forces still had conscription. The Gates Commission strongly recommended in 1970 pay increases for beginning enlisted personnel for equity reasons even if the draft was not ended. The following year enlistment wages were increased as were substantial increases in officer income, well before the advent of the AVF. Officers are now earning considerably more than comparably aged and educated civilian employees.[1]

Other manpower costs have greatly increased which should not be attributed to the AVF such as the costs of retirement which have increased from 4 percent of military manpower costs to 17 percent over the past 20 years. This represents an increase of from 1 percent to 7 percent of the entire DoD annual budget within this period for retirement payment alone. The results of a detailed study on the costs of the AVF are summarized as follows:

"In short, the only increase in manpower costs that can be even remotely related to the volunteer force are the large pay increase for first-term personnel implemented in 1971 and the increased recruiting and bonus costs for these individuals. And even the pay increase cannot properly be viewed as an AV cost, since the Gates Commission argued vigorously that pay discrimination against junior military personnel ought to be eliminated for equity reasons alone, irrespective of the decision to end the draft. The end result is that the volunteer force has added less than $300 million to the cost of defense manpower—about two-tenths of one percent of the defense budget.[1]

However, if the increase of pay to junior enlisted personnel is considered to be a result of the AVF, then the net additional cost in 1974 manpower levels would have been about 1.8 billion or about 2 percent of the defense budget. Most authorities on military procedures consider it unlikely that there will be a lowering of the basic wage (now $419/month) should the draft be reinstituted, and the dream of returning to the draft to save money is not realistic. This is especially so considering the cost of the Selective Service (about $75 million per year) and the tremendous cost to the taxpayers due to general disruption of society but more specifically to the return of draft resistance both inside and outside the military.

Finally, the possible cost of a National Service scheme (most likely unconstitutional) which would make the draft more "equitable" could cost the taxpayers as much as $25 billion if only males are forced to take part but $50 billion if females will also have to be included. National Service is not a serious issue at this time but remember that it was General Hershey of the Selective Service who stated that no draft could ever be fair.

What is the Status of the Present AVF Forces and What Are the Trends for the Future?

Present Status

The present AVF forces are not radically different in function than the conscripted forces of previous years. One of the reasons is that even during the Vietnam war the majority of the armed forces were true volunteers (not draft-induced).[5] During the peak of Vietnam activity draftees made up only 17 percent of the total DOD armed forces.[7]

The principal adjustment to be made in the AVF was to entice civilians to choose a military way of life for either a short 4 year enlistment or to choose the military as a career to retire with 20 years minimum service. This was done by increasing basic pay and bonuses and to make military life more in tune with present day standards of living and personnel treatment. Because there have been and are sufficient enlistees to meet recruitment objectives the armed forces have been able to increase the quality of accessions into their ranks. There are five categories of mental aptitude: Category I is the top 7 percent, Category II is above average, Category III is average, Category IV is below average, and Category V is the bottom 10 percent of the spectrum. There was a marked shift from Category IV to Category III in new accession ranks for the DoD from the 1960–1972 draft period to the 1973–1976 AVF period (Table 2).

This trend occurred in each of the services with the percentage in Category IV recruits from the draft period to the AVF period falling from 24 to 11 percent in the Army, from 14 to 4 percent in the Navy, from 18 to 5 percent in the Marine Corps, and from 11 to 1 percent in the Air Force.

TABLE 2.—*Distribution of nonprior service male enlisted accession by mental category for 1960–72 and 1973–76 (Data from Cooper table 8–3).*

Percentage Draft

Mental Category	(1960–72)	AVF (1973–76)
I	6	4
II	31	32
III	43	58
IV	19	6

There is a slight increase in non-high school graduates in the VF, but only in the Army.[1] This is due to a tradeoff in respect to Mental Category I-III non-high school graduates as opposed to Category IV high school graduates.

There has been an increase in participation of women in the officer and enlisted ranks from 1964 through 1977.[4] In 1964, 3.4 percent of the Army officers and 0.9 percent of the enlisted force were females as compared to 5.7 percent of officers and 6.7 percent of the enlisted force being women in 1977. There has been greater participation of women throughout the DoD, but, what is most important is that when their duties in the draft force were generally clerical, administrative, and in healing, women are now serving in many fields such as aircraft maintenance, electrical equipment, pilots, communications, etc.[8] Since combat positions make up only about 10 percent of the entire DoD personnel assignment,[1] women present a large source of capable potential recruits in the women's civilian pool.

It has already been mentioned that there has been a small increase of blacks in the armed forces, that there has not been any

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Footnotes at end of article.

significant change in the socioeconomic participation, and that salaries are higher throughout the service in the AVF. Most importantly, however, is the fact that there is no longer the great economic and social burden upon the draftee.

What Are the Problems That Need Most Attention in the AVF?

The principal concern is that there will be a drop in available manpower due to the decrease in numbers of young people born following the post WWII baby boom. Snyder points out:

"Beginning in 1979 . . . the number of males aged 17–21 declines each year. By 1986 the 17- to 21-year-old male cohort will be slightly smaller than it was in 1971, when the transition to the all-volunteer force began. The decline continues until 1994; at that time the cohort will include only 8.2 million males, 24 percent below present (1978) levels and 14 percent lower than the 1971 level.

"After 1994, the cohort increases slowly in size. . . .[3]

Some of the possible "shortfalls" in recruitment due to the smaller pool can be alleviated by taking advantage of more women participation, the continuing increase in number of high school graduates in the 17–21 year age group (cohort), and other compensating factors such as possible change in physical and mental enlistment requirements. It remains to be seen if this is a serious problem. One analysis feels it is not:

"Thus, for example, while the 17 to 21 year old male population is projected to be 11 percent smaller in 1990 than in 1975, the high-school graduate male population is projected to be only 4 percent smaller." [1]

One of the unexpected problems of the AVF is the high attrition rate of first term enlistees. Part of this increased attrition rate is due to policy imposed by the services. During the period of the draft it was extremely difficult to get an honorable discharge compared to now. Another reason is that:

". . . non-high school graduate accessions have a much higher attrition rate than high-school graduates.[1]

Because of the policy to reduce Mental Category IV enlistments, non-high school accessions have increased resulting in higher attrition of new accessions.

One compensating factor is that reenlistments are increasing in recent months. Warren Nelson, of Congressman Les Aspin's office (pers. commun., June 1979), reports that reenlistment rates over the first months of 1979 have greatly increased, especially in the Navy. This follows the revelation of more enlistees in the service than wanted at the end of 1978 discussed in the Perspective section of this paper.

Another change of policy by the DoD which can help alleviate not only the recruitment problem but also bring down costs and increase the quality of training, is to change the mix of non-prior service to career enlistment. At present the mix is 60 percent first term enlistee to 40 percent career (more than four years of service). To keep this mix, the policy is to not accept some first term enlistees who wish to reenlist and to adjust the recruitment quotas. By substituting career enlisted personnel for first-termers there could be reduction of new enlistees as well as substantial savings for training. The mix could be as low as 50/50 and still maintain a "youthful" composition of the military which is the apparent justification to recruit around the present 400,000 new enlistees each year to maintain the 60/40 mix.

There are several other manipulations of manpower recruitment and management which could be adopted to alleviate the possible short-fall of recruits projected for the 1980's. These changes will not be elaborated upon here but include: a larger percent of women recruited, more contract civilians to replace uniformed personnel (it is more cost-effective to use contract hires rather than direct hires), physical and mental requirements could be lowered without deteriorating the effectiveness of the forces (especially for those not involved in combat roles), there could be more cost effective planning throughout the military, capital-labor substitution could be undertaken as the forces become more dependent on technical systems, and military compensation and retirement could be adjusted to accommodate more efficiency. There could also be a restoration of veterans educational benefits that would go far in assisting those who wish to remain for only the first 4 years. One of the more obvious uses of contract hires is the substitution of military doctors and chaplains by civilian employees.

One of the primary underlying factors in all these accession problems is the policy to maintain the 2.1 million strength force. The Boston Study Group [9] has published the results of 9 years of analysis of the military. One of their recommendations is to reduce the armed forces from the present 2.1 million uniformed personnel to 1.425 million within a 10 year period. In their analysis, the scenario of future wars calls for reduction in both heavy and light divisions because of the technical advances of smart weapons (tactical missiles) which will radically alter military tactics. In this light, are the worries about maintaining the present high accession of around 300,000 new enlistees per year justified?

What About the Reserves Under the AVF?

It is true that the reserves are falling short of their objective force levels. There are many intangibles with the reserves, but the main problem is that there has not been a detailed and thorough study and investigation of the reserves as there has been for the AVF. There is simply no agreed upon policy regarding numbers and activities of the reserve forces. The reserves are much more politically influenced because of the complicated State-Federal cooperative jurisdiction of certain reserve components, especially the National Guard. State, county and city governments are concerned about their need for aid in civil emergency situations.

It is questionable that the reserves actually are essential as back up for the active forces as has been indicated in the Korean and Vietnam wars as well as in the Berlin airlift. Indeed, in the Vietnam War, those serving in the reserves were virtually guaranteed no active duty in Vietnam. The Individual Ready Reserves were of value in some military situations but not the Selected Reserve units. The problems of the reserves started more than 25 years ago, and:

"As a result, a closer attention must be paid to determining an effective reserve force, instead of viewing the problem as a simple one of draft versus procurement policies." [1]

Keeley sums up the complexity of this subject and casts doubt upon the real role in using the reserves in combat, indicating that it may be false security to depend upon the reserves in a European war with the Soviets who are much closer to the arena. Keeley points out:

"Since it is not possible for U.S. forces to play any significant role in the defense against a sudden Soviet attack, the United States should consider the shifting to the reserve forces of our NATO allies many of the function that could be performed by . . . (our) reserve forces." [10]

COMMENTS

It is clear that the AVF can be made to work. It is also possible there is a movement to make the AVF fail and/or to disseminate obfuscating statements that make it appear that the AVF has failed and that a military draft or a National Service scheme are necessary.

We are now immediately confronted with initiating the first official step toward conscription, i.e., registration. New legislation is not needed now. The President has the authority to order registration, and, it would be possible for the Selective Service Administration *at the present time* to register all young men within 5 days. (This information was revealed in a Washington Post article quoting Selective Service Director Shuck, May 26, 1979). Even if all young men were registered now, it would probably still take about as long to start inductions if they were not registered. John Hancock (Palo Alto, pers. Commun.) in his testimony to the Defense Manpower Commission on January 28, 1975 pointed out that in 1940 there were no men registered and it took 2 months to bring in the first inductee. In 1950, there were almost 8 million men registered and it still took 2 months to induct men into the service. All that prior registration may do is possibly shorten the induction process by about 5 days.

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PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Ms. HOLTZMAN. Mr. Speaker, on June 27, 1979, I missed the following votes. Had I been present, I would have voted the following:

Rollcall No. 285—Yes.
Rollcall No. 287—No.
Rollcall No. 288—Yes.●

DEPARTMENT OF EDUCATION FINAL EXAMINATION

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. ERLENBORN. Mr. Speaker, with each passing year, we seem to communicate among ourselves increasingly by means of "Dear Colleague" letters.

Most of the "Dear Colleagues" are serious explanations of why we ought to do one thing or another. One that I received today, however, rises to heretofore unreached heights of excellence as an eloquent statement on an important issue of the day.

I hereby nominate as the first entry into the "Dear Colleague Hall of Fame" a communication from the gentleman from Pennsylvania (Mr. WALKER), which is appended to my remarks.

The material follows:

THE DEPARTMENT OF EDUCATION

DEAR COLLEAGUE: It appears as though the final vote on the Department of Education will come up shortly after the July 4 District Work Period. Before leaving campus for this short summer break, I thought we should take the Final Exam on facts and figures about the Department. Grading will be done on a curve and the results will be available on Monday, July 9. Good luck and have a pleasant vacation.

Cordially,

ROBERT S. WALKER.

P.S.—A crib sheet is attached for your reference.

DEPARTMENT OF EDUCATION FINAL EXAMINATION

True or False (indicate correct response in space at left).

1. A Department of Education is contrary to the recommendations of every Presidential government reorganization commission under both Democratic and Republican Presidents since and including the Hoover Commission which issued its report in 1948.

2. The proposed Department of Education will be larger than the present Departments of Commerce, HUD, Interior, Justice and State.

3. The House Government Operations Committee voted by an overwhelming margin to report the Department of Education bill to the full House.

4. The Senate-passed version of the Department of Education Organization Act contains tough language similar to that of the House on personnel limitations within the new Department.

5. The projected cost for the paperwork burden generated by the new Department of Education is $774 million.

6. The proposed Department of Education bureaucrat-to-school district ratio will be greater than one-to-one.

7. The Department of Education legislation provides for a 500 percent increase in executive level positions in the proposed Department over the present Education Division in the Department of Health, Education, and Welfare.

8. The National School Boards Association unanimously supports the creation of a separate Department of Education.

9. As presently constituted, H.R. 2444 provides that the new Department of Education will operate the equivalent of the nation's eleventh largest school system.

10. During the course of a decade, the number of personnel positions in the proposed Department of Education may increase by 500 without statutory authority.

Multiple Choice (circle correct response).

1. What percentage of the education programs presently outside the jurisdiction of the Education Division of the Department of Health, Education, and Welfare will remain outside the jurisdiction of the new Department of Education? (a) 5 percent, (b) 10 percent, (c) 20 percent, (d) 96 percent.

2. How many new executive level and supergrade positions will be created if the Department of Education bill is enacted? (a) 0, (b) 14, (c) 15, (d) 90.

3. Excluding the proposed transfer of the Indian education programs from the Department of the Interior, how many individuals will be employed by the new Department of Education? (a) 10,000, (b) 15,000, (c) 18,000, (d) 24,000.

4. How many new pieces of federal paperwork will go into each school district every year from the proposed Department of Education? (a) 9.6 (b) 96.8, (c) 968.6, (d) 9,686.

5. What is the projected annual cost for the staffs of the executive level personnel in the new Department of Education? (a) $500,000, (b) $1 million, (c) $2 million, (d) over $3 million.

Essay Question—Creative Accounting.

Explain in detail how it is possible to add dozens of new supergrade and executive level bureaucrats, additional dozens of people to serve as their staffs, move the Department to new facilities or build new facilities, all on the same budget as previously allocated to the individual programs included in the proposed Department and do so without cutting back on the actual money going to local schools for basic educational programs.

CRIB SHEET

True or False: 1. True. 2. True. 3. False. 4. False. 5. True. 6. True. 7. True. 8. False. 9. True. 10. True.

Multiple Choice: 1. d, 2. d, 3. c, 4. c, 5. d.

Essay Question: It is not possible to rationally explain such a concept.●

TRIBUTE TO THE MILLS BROTHERS FOR OVER 50 YEARS OF ENTERTAINING

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. DELLUMS. Mr. Speaker, in October of this year the Mills Brothers will be saluted for their over 50 years in the entertainment business. The salute will be in the form of a national 90-minute television special attended by the Nation's most noted performers representing all segments of the business.

The Mills Brothers were formed in 1925, at the ages of 10, 12, 13, and 15 (Donald, Harry, Herbert, and John, Jr., respectively). They were first billed as "Four Boys and a Guitar." Their father, John, Sr., a concert singer, taught them to sing. John, Jr. passed in 1935; and he was replaced by his father, who remained with the group until his death in 1968 at the age of 85. Presently, the Mills Brothers are made up of Harry, Herbert, and Don.

The Mills Brothers are most noted for their recording of "Paper Doll" which has sold over 6 million copies. They have acted in an unofficial capacity as ambassadors of good will for our country by entertaining and satisfying audiences in 25 countries. Their universal appeal is attested to by the constant request for return engagements from the various countries they have performed.

The following statement was made by a noted entertainer years ago. It is my opinion that this best expresses what the Mills Brothers mean to millions of people around the world:

> To me, one of the most spontaneous sounding groups in the music business is the Mills Brothers. Every time they sing a song, they sound as if they're doing it for the first time. I heard them do "Paper Doll" recently, and I could have sworn that they had just started doing the thing. The reason it sounds like this is because they feel it, and the reason they feel it is because they approach each performance as though it were for the first time they're doing the song.

The statement was made more than 20 years ago (September 1953) by Artie Shaw, one of the most noted of all the swing era bands leaders. He was talking to George T. Simon of Metronome magazine about the problems of maintaining a spirit and professionalism for performers and the commonsense needed to make life more livable for dance band musicians. The self-discipline of the Mills Brothers was one of the things that so impressed Mr. Shaw, and he felt it kept them at the top of their art.

Twenty years, though, is only a fragment of the career of the Mills Brothers. They have been at the top of their art for half a century now. Therefore, it seems only fitting and proper to honor them at this moment for a job well done and to wish them the best for another 50 years of entertaining. It is my honor to be able to bring the accomplishments of the Mills Brothers to your attention.●

THE PROGRESSIVE ALLIANCE

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. MIKVA. Mr. Speaker, 6 months ago, representatives from nearly 100 national and local organizations held a conference in Detroit to explore new approaches to the difficult and complex problems facing the country. A result of that conference was the formation of the Progressive Alliance, a coalition of organizations representing a broad, cross-section of America's progressive community.

The Progressive Alliance comes at a time when the need is great not only to coordinate the efforts and energy of groups with similar goals but to help build a consensus for new means of solving the problems of the 1980's. In that regard, the agenda of the Progressive Alliance is important and ambitious. The recent announcement that Bill Dodds has been appointed executive director of the Progressive Alliance is the best possible indication, I believe, that this coalition has made an auspcious start in fulfilling its potential.

Bill Dodds is a fellow Midwesterner, a student and admirer (as was I) of the late Senator Paul Douglas and, for more than 30 years, an eloquent voice and leader within the United Auto Workers. His leadership of the Progressive Alliance is not only good news for that coalition but for the country, too.

The alliance has initiated action on several fronts. Three of its early projects include efforts to reorder priorities within the Federal budget; a focus on the problems of plant closings and the resulting economic dislocation; and, the development of public support for measures to deal with cancer-causing agents and practices in the environment and workplace.

Apart from these specific projects, with others to come in the months ahead, a purpose of the alliance is to influence the public debate in the country and create a climate for progressive legislation. Mr. Speaker, the following excerpt from a Progressive Alliance statement of purpose provides a good glimpse of the scope and concerns of this new coalition and at this time, I would like to share it with my colleagues:

> The time has come for progressives to define new agendas—for ourselves, our federal, state, and local governments, and our communities. We must develop programs as far-sighted for the 1980's as the New Deal was to become in the 1930's. Progressives provided the creative underpinnings of virtually every significant program enacted in America in this century. Building on past strengths, we seek to create a post-New Deal, post-New Frontier, post-Great Society, post-Vietnam and post-Watergate program.
>
> We gather in this alliance neither to celebrate nor lament the past, but to develop a fighting program for the future—one that recognizes new realities and seeks new solutions.
>
> While we can bring our own separate concerns to this alliance, we share a common belief that our individual problems can be solved only through collective action aimed at creating a society committed to humane, progressive policies. It is our intention to build an alliance of working people, minorities, women, the middle class, family farmers, environmentalists, senior citizens, the poor, the handicapped, educators, students, clergy and lay activists, consumers, and all those committed to human dignity, economic justice, and peace.
>
> The complexity of this task and the very diversity that gives us strength may prevent unanimous agreement on every aspect of a new progressive agenda—yet we share not only a core of belief in common, but also a strong commitment to prevent the forces of reaction from becoming the dominant spirit in American life.●

PHYLLIS O. GRUBAUGH

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. LEWIS. Mr. Speaker, in most communities, there are a few tireless souls who seem to be continually giving of themselves. In the city of Yucca Valley, Phyllis O. Grubaugh is one of those tireless few. This Saturday, Mrs. Grubaugh will be presented the "Outstanding Citizen Achievement Award" by the Yucca Valley Chamber of Commerce.

Following the death of her husband who was stationed in Germany, in 1958, Mrs. Grubaugh and her three young children, Robin, Jay, and Gale settled in Yucca Valley. Her contributions to the community began almost immediately. She is probably best known for her interest in and dedication to health care in the Hi-Desert, she was a member of the original Hi-Desert Memorial Hospital Citizens Council, the first such health care group in the area. She held various elected offices and was elected President of the Hi-Desert Memorial Hospital Corp. in 1969, a position she still holds.

Through her unceasing efforts she established the Yucca Valley Memorial Hospital Guild and the thrift shop which opened in 1964. She is a leader in the Arthritis Foundation activities in Yucca Valley and a prominent local figure in the Arthritis and Easter Seal Telethons.

Mrs. Grubaugh has also been active in many diversified functions. She was commissioner of the Yucca Valley Parks and Recreation District from 1963 to 1969 and president of its board for a year. She was instrumental in establishing the Coaches Association and was principally responsible for acquiring Machis Park.

She has been an active member of the Citizens Action Committee, Yucca Mesa Improvement Association, Flamingo Heights Association, American Legion, the American Association of Retired Persons and the Arts Association. For a number of years Mrs. Grubaugh has been a member of the Hi-Desert Playhouse Guild and its president for two terms in 1976 and 1978.

The accomplishments of Phyllis Grubaugh should stand as an example and an inspiration to us all, and on behalf of the entire 37th Congressional District, I would like to extend my heartfelt thanks and best wishes to Mrs. Phyllis O. Grubaugh.●

WARRIOR RUN–FORT FREELAND HERITAGE SOCIETY

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. ERTEL. Mr. Speaker, I would like to bring to the attention of my colleagues and the American people a commemorative celebration which is to be held in my district this summer.

On July 29, 1979, the Warrior Run–Fort Freeland Heritage Society of Turbotville, Pa., will sponsor a program commemorating the 200th anniversary of the Battle of Fort Freeland. The site of the program will be the Hower–Slote house located near the Warrior Run school complex. The tract of land the house is built upon was the site of Fort Freeland between 1772 and 1779. During an attack by the British and their Indian allies, the fort was destroyed and many of its defenders were taken captive.

In 1829, 50 years after the battle, the Hower–Slote house was built. Noting the good structural condition of the house, a group of area citizens banded together in 1978 to form the Warrior Run–Fort Freeland Heritage Society and began plans to restore the home. Various fund-raising projects are now underway, and an application for a grant from the National Registry for Historical Homes is currently pending.

I wish the Heritage Society luck with its celebration, which will include an open house at the Hower–Slote home and an evening religious service at the Warrior Run Church, the home of the oldest denominational organization in the West Branch Valley. I would also like to commend the society on its efforts to make area citizens aware of the rich heritage of the Warrior Run region. The Society's goal of building a future which is sympathetic to the past and linked with the cultural traditions of preceding generations should surely serve as an example to all Americans.●

SUNSET LAW

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. FITHIAN. Mr. Speaker, the bill, H.R. 2, which provides us with the badly needed sunset law for our agencies and their programs, will soon be reported out of committee. I would like to stress to my colleagues the importance of this legislation, and ask for their support on this issue. Effective oversight of our Federal bureaucracy is available through this sunset legislation.

Today I submitted testimony on sunset legislation to the Legislative Process Subcommittee. My testimony is offered here for the benefit of my colleagues:

TESTIMONY OF CONGRESSMAN FLOYD FITHIAN

> Mr. Chairman and members of the committee, I am grateful for the opportunity to submit these comments for the record. American bureaucracy is diseased with inefficiency. Congress has created agencies and programs and, while Congress remains their lifesource, these entities have drifted far from adequate Congressional oversight. We need to implement the Sunset Law, H.R. 2, if we are to regain the control of our agencies and properly review their programs.
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> The amount of legislation introduced in Congress is astronomical—nearly 25,000 bills during the 95th Congress. It seems that we no longer have the time to stop introducing bills, step back, and observe the effectiveness of previous legislation. As Congressmen, we simply create an agency, appropriate funds for it, and then move on to the next matter of urgency on our schedules. The Sunset Law will provide us with a systematic, thorough review of our legislation to ascertain whether or not the Congressional purpose is being carried out.
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> The two-fold structure of H.R. 2 provides a practical mechanism with which to maximize the efficiency and productivity of our government programs: the threat of termination looms as an "action-forcing" device, while the systematic review of past performances enhances our ability to evaluate the value of the programs.

Once created, a government body tends to single-mindedly find its own way of doing things. The body may redefine for itself the goals towards which it strives as it vigorously seeks its own independence. Each body seeks four general freedoms: freedom from financial control by Congress; freedom from the audit by the Comptroller General; freedom from budget review by the President; and freedom to use Federal funds without oversight. The aspirations of each entity for these freedoms are detrimental to the need for efficiency within such organizations.

As the bodies created by Congress prosper, they develop interests towards their own end. The Sunset Law will neutralize this, and restore their role—that of executing duly enacted laws. Under close Congressional scrutiny, programs and agencies will no longer be able to retire to their own niches in society and will have to respond to the needs and demands of our people.

Congressional oversight is not all that H.R. 2 will provide. Title VI of the bill requires the President to submit a "management report" at the beginning of each Congress, ranking programs within each department and agency according to their relative effectiveness. Coupled with the threat of termination by the Congress, this forces each program to maximize its productivity and its usefulness through the guidelines under which it was created.

Maximum efficiency is badly needed within Federal programs. All of America is engaged in cruel combat with inflation. Our strategy to overcome inflation must include reducing Federal expenditures on our way to a balanced budget. Much of our deficit occurs because of the inefficiency and waste within our Federal programs. Tightening the reins on spendthrift Federal agencies and programs will greatly assist our fight against inflation. As representatives of Americans, and in their best interests, Congress must set a frugal example for all. Federal waste digs deep into the pockets of American taxpayers.

Many oppose the Sunset Law on the notion that such overview by Congress will swamp the legislative process. To the contrary, the Sunset Law will induce efficient and systematic control on programs which may otherwise burden the Congress with problems greater than if the program had not been subjected to periodic review.

Another concern about Sunset legislation is the thought that certain programs will be particularly vulnerable to Sunset review, because of their generally diffuse and unorganized constituencies. However, under H.R. 2, only budget authority would terminate. The organic statutes would remain law and programs could be revived through the restoration of funding.

Other programs which are imperative to social welfare are exempted from Sunset review. In the continued interests of our constituents, Social Security, Federal retirement and disability programs, Medicare, civil rights programs and enforcement, judicial administration, veterans' benefits, and income tax refunds will continue without unnecessary Sunset review.

Sunset laws are not a recent proposition. The Sunset idea was first introduced in 1946 through the Legislative Reorganization Act, which directed Congressional committees to "exercise continuous watchfulness" over the agencies under their jurisdiction. Since 1946, statutory examples of the Sunset idea have been passed by Congress five times. In addition, over 70 Sunset bills were introduced in the 94th Congress, and over 50 Sunset measures were introduced in the 95th Congress. In fact, since 1976, 32 states have enacted their own Sunset legislation.

Americans are calling for effective and efficient oversight of government programs. The time is now. In the spirit of cutting waste and curbing inflation, Congress should move to enact H.R. 2, or risk losing the faith held by Americans that Congress acts in the best interests of the people.●

POLITICS AND THE WORLD'S RAW MATERIALS: THE NEED FOR A NONFUEL MINERALS POLICY

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. SANTINI. Mr. Speaker, I would like my colleagues to read a special news feature that appeared in the June 4, 1979, issue of Chemical and Engineering News, a periodical published by the American Chemical Society. The article, written by senior editor, Wil Lepkowski, is entitled "Politics and the World's Raw Materials." It highlights some of the uncertainties that are becoming increasingly important as they affect the stability of foreign sources of minerals vital to the economy and national security of the United States.

I believe Mr. Lepkowski would agree that what he has written only touches upon the many complications that are being exerted on international mineral markets by the changing national interests in some of the major mineral producing countries. Many have written that other than for certain critical minerals, most U.S. minerals imports will remain stable because of the dispersion of deposits around the world. I wish I could feel that certain.

What is most frustrating to me is that in spite of the warnings by experts in and out of Government stressing the need of a national nonfuel minerals policy, the Department of the Interior is not really interested in even identifying the problems. I urge my colleagues to read the article that follows:

POLITICS AND THE WORLD'S RAW MATERIALS

(By Wil Lepkowski)

In his book, "The Final Conclave," Malachi Martin has the College of Cardinals electing a black African pope with marxist leanings. Like the United Nations, the college is dominated by cardinals from developing countries tired of having their people and natural resources exploited by the industrial nations. As his first act of social conscience, the new pope begins pulling Vatican investments out of Wall Street.

This fanciful play on current history may never happen, but it offers some insight on problems of raw materials scarcity expected during the 1980's. A new meaning to scarcity is taking shape, having to do with social and economic change, related to the human rights issue. That new meaning appears to be the unseen equation in development of a coherent national materials policy.

Some of the social and economic issues are illustrated by Zaire in southern Africa. Zaire, one of the two most important U.S. sources of cobalt (the U.S.S.R. is the other), is one of the most unstable countries in Africa. It has an external debt of about $3 billion, mostly owed to western banks, and a corrupt government led by Mobutu Sese Seko. Copper and cobalt provide 70% of the country's foreign exchange, money needed to service its debt. Thus, Zaire will have no viable economy unless it continues to mine and sell ores of these two metals.

Nevertheless, production of both ores has fallen sharply over the past year and the problems are compounded by the collapse of the Zaire transportation system. Only 20,000 km of roads are currently passable, compared with 100,000 km in 1960 when Zaire became independent.

Moreover, according to the London Economist, 17 of Kolwezi province's 100-ton ore haulers have broken down, and spare parts for other mining equipment are impossible to get. Experienced mining manpower has left Zaire. The country's agricultural system likewise has broken down, and the government could collapse anytime because much of the country's meager revenue is hoarded by the corrupt leadership.

So in Zaire, the time bomb ticks, just as it does in most of the mineral-rich developing countries. Capitalism there is seen in retreat because it hasn't done a convincing job selling itself to the poor.

On the other end of the shortage equation is economics and finance. And copper, one of the most abundant of all metals, serves as a good example. "We could see a copper price explosion and severe shortages by 1983–84," says Robert H. Lesemann, vice president of Consolidated Research Inc. "Low prices," he says, "have forced the shutting down of more than 800,000 tons of U.S. capacity since 1974." He says no new projects beyond Iran and Mexico are on the horizon after 1984. Each new mine costs at least $1 billion to develop and takes four to seven years to begin producing.

"Sooner or later we will be at the mercy of others," bemoans Miles Jacob, chairman of Inspiration Consolidated Copper Co.

Yet another perspective on socio-economic factors on raw material supplies is offered by Richard M. Bliss, chairman and chief executive officer of American Express Banking Corp. He, too, sees trouble ahead for the eighties, stemming from problems in developing countries.

He thinks the U.S. economy will slow down, having a negative effect on world trade, just at a time when the developing countries will be needing cash to refinance their huge debts. (This year, combined debt of developing countries to private banks is expected to reach a record $40 billion; they owe the development banks another $150 billion.)

"Individual country crises," Bliss says, "will inevitably follow and may dull the appetite of even the heartiest of lenders. I do not predict a general crisis, but there are going to be individual country problems. The deficits [of developing countries] could rise to more than $50 billion in 1980 if U.S. growth is very slow and [developing countries'] exports sluggish."

There is broad agreement on the problem's assessment. It ranges from Timothy Stanley, president of International Economic Studies Institute, which preaches economic orthodoxy, to the leftist-oriented Institute for Policy Studies, whose director is Richard Barnet, author of "Global Reach," a critique of the multinational corporations.

The difference is that Stanley would use industrial wealth to secure an order still under the direction of existing financial institutions, whereas Barnet would counsel an end to that system, directing wealth to the restructuring of a new order. Barnet would say developing countries want a bigger piece of the wealth, and the odds are that in time they will get it.

For observers like Stanley who have been involved in materials issues from the standpoint of pragmatic capitalists, the issue is simply one of risk management. The world always has lived with risk and the world always will. Says an article issued by his institute in 1976: "For energy supplies, national risk management is now a firmly established concept; for the other materials, it is virtually nonexistent." Import dependency isn't a bad thing, it added. It makes sense to import when the goods are cheaper to buy from abroad than to produce at home. Exporters earn U.S. currency to enable them to buy U.S.-made products and ease their external debts. Moreover, attempts at achieving self-sufficiency while an external source of materials beckons might mean worsening inflation at home.

And it concludes: "We should feel insecure only to the extent that foreign suppliers prove unreliable, or raise prices unreasonably, or attempt to use their resources for political ends contrary to U.S. interests. The real question is whether we are becoming more vulnerable to external manipulation, not whether we are increasing our imports."

Another dynamic to understand is, the shift from single-country to multinational financing of new projects in recent years. For example, in the early 1970's Freeport Minerals opened a copper mine in the Indonesian province of Irian Jaya at the western end of New Guinea. Freeport Minerals is a U.S. company but the copper mine can hardly be said to be a U.S. mine. It was financed by groups from Japan and West Germany and all the mined copper goes to both those regions. And one recent Peruvian mining venture by a consortium of three U.S. companies was so expensive that it took 50 financial institutions from all over the world to underwrite it.

Some economists might say there is little reason for concern that mines in developing nations will close, because those nations need hard currency to survive. But revolutionaries there only smile. They will say they have been poor a long time and can be poor a little while longer. And while the two sides play rhetorical chicken, both know who holds the upper hand. Both know the industrial world trembles under the threat of economic stagnation. Both know that no bank will lend a mining company the cash to develop a reserve in an uncertain political climate. And that is the underlying basis to the argument that the shortage of minerals will be caused by a shortage not only of capital but of perceptions.

Union Carbide's chromium operations in South Africa exemplify how the issues of human rights and mineral economics come together for one company in a strategic and unstable part of the world.

Chromium is a metal that the industrial world cannot easily do without. Almost two thirds of it goes into stainless steel, 16 percent into various chemicals, and about 20 percent into refractory linings for furnaces. The U.S. has no deposits of major consequence, although a small mine is operating in Montana and is, in fact, exporting a tiny amount to Japan.

But the world has plenty of chromite ore, enough to last for centuries. The trouble is that 96 percent of it is in Rhodesia and South Africa. The remaining 4 percent isn't insignificant, however. It comes from Turkey, Iran, Albania, the U.S.S.R., and the Philippines. The Soviet Union for obvious reasons is unreliable, and the deposits in the other countries really aren't all that long-lived.

Union Carbide has been in the chrome business for a long time, supplying the ore, ferrochrome, and various chromium compounds to its steel and chemical industry customers. It operates a large chromium mine and ferrochrome smelter in Steelpoort, South Africa, under its 49 percent-owned Tubatse Ferrochrome (Proprietary) Ltd. The majority share is owned by General Mining & Finance of the Republic of South Africa.

Other activities by Union Carbide in South Africa include:

Elektrode Maatskappy Van Suid Afrika (Eindoms) Beperk (EMSA, for short), 50 percent owned by Carbide and 50 percent by South African Manganese Amcor Ltd.

Ucar Minerals Corp., wholly owned Carbide subsidiary that operates a vanadium mine and two processing facilities.

Union Carbide South Africa (Proprietary) Ltd., Union Carbide's marketing organization in South Africa.

Multifoil (Proprietary) Ltd., 75 percent owned by Carbide, maker of polyethylene and polypropylene film.

Ucar Chrome Co. (S.A.) (Proprietary) Ltd., wholly owned; mines ore on property owned by a Carbide subsidiary, Jagdlust Chrome Co.

The company also has substantial mine holdings in Rhodesia-Zimbabwe. The mines are operating under government direction, and the U.S. is buying the ferrochrome marketed through intermediaries.

The ferrochrome situation is changing and this is necessary to understand, too. Experts in the field say they are worried that the U.S. is losing its domestic production capacity in that intermediary product, which comes in various grades depending on the type of steel being produced. Once able to supply 95 percent of the domestic steel market, the U.S. ferrochrome industry is down to 65 percent of domestic demand and still declining. This is because of closing of Carbide's ferrochrome plant in Marietta, Ohio, and cutbacks in ferrochrome production by Airco. Ferrochrome production may one day be concentrated near the chromium mines.

Economically it has made sense to shift ferrochrome production nearer to the source of the ore. Labor, energy, and operating costs are all lower, and the international market is growing. And although domestic producers of chromium are objecting to ferrochrome imports and have succeeded in convincing the Administration to levy a 4% tariff on ferrochrome imports, the trend is already there.

And the vulnerabilities are there, too—all the vulnerabilities inherent in the South African situation. South Africa is in agony, a totally isolated country, living in fear that a black tide is at its border and that its white inhabitants' existence as a race hangs in the balance. And although its military machine can hold off any black attack for years, the country knows apartheid must end at some point and it is trying to delay the day.

As is well known, various pressure groups have been insisting that U.S. companies divest themselves of their holdings in South Africa as a policy of ending the cruelties of apartheid once and for all. Richard Barnet of the Institute for Policy Studies is one. He says cutting off chrome from South Africa would pose a serious "transitional" problem for the U.S. but that ethics should come first.

"To some extent," he says, "the idea that chrome is indispensable for the running of an industrial economy is deliberately encouraged. And the dependence seems to be exaggerated by people especially from South Africa. My own view is that they both exaggregate the dependency of the industrial world and underestimate the possibilities of alternatives."

Barnet says that U.S. multinationals such as Union Carbide should stop creating flimsy moral reasons for staying in South Africa, pull out, and start ambitious programs of explorations and development in black countries surrounding South Africa.

"My own view is that it is in the interest of long-term stability and of access to minerals that we should not make the mistake we made in Iran and are making in Saudi Arabia by identifying ourselves with despotic regimes," he says.

"What we do know," he adds, "is that the historical fate of Africa in an age marked by nationalism and decolonization is going to be governed by black regimes. And the U.S. will have the best opportunity of establishing access to these minerals by disassociating itself from exploitative regimes."

Barnet says developing the new economic order expresses the reality of the present time rather than of a previous time.

"If we follow the logic of the South African lobby in suggesting that access to minerals is more and more a military issue, that point of view to the [developing countries] will make us more, not less, vulnerable. And the military itself tends to gobble resources and keeps us from developing alternative sources.

"It's interesting to calculate the amount of money we have spent in supporting a shaky economy in Zaire. If we had spent the same amount developing domestic sources of cobalt, the difference in vulnerability of supply cutoffs would be interesting," Barnet says.

As Barnet explains, "Whenever countries try to make a significant redistribution internally, they come against the harsh realities of the present international order, an order that is increasingly stacked against redistribution. The stabilization campaigns of the International Monetary Fund are run in exactly the opposite way usually by freezing wages and cutting social services."

He concludes with respect to Zaire: "If you want to change the policies of poverty and create stability, then create the conditions for countries to get rid of leaders like Mobutu. So with a country like Zaire, which is accumulating debt, concentrating income in the hands of a few, and not dealing with the 80 percent malnutrition, it is not a matter of professing morality or living up to a set of ideals but the only practical basis for coexisting in a world that is overwhelmingly nonwhite.

"The most important thing to me is that U.S. companies curtail rather than expand their activities in southern Africa. The South African situation is the greatest threat to world peace. It is inconceivable that there will not be a great escalation of violence by the black majority."

James W. Rawlings, Carbide's vice chairman for the Middle East and Africa, quite naturally believes that Union Carbide is more responsble for ensuring social evolution in South Africa by staying. He agrees that South Africa will be black-ruled someday and that the Afrikaaners will be reduced to a "white tribe." But he believes, too, that the transition can be met most peacefully by the presence of U.S. companies that put into practice policies designed to counter apartheid.

These policies consist of a series of principles drawn up by Rev. Leon Sullivan, a black minister responsible for thousands of work opportunity programs for blacks in U.S. industry. Sullivan, a board member of General Motors, proposed a program for countering workplace apartheid in South Africa consisting of six principles. About 60 U.S. companies, including Union Carbide, operating in South Africa adopted them.

"Those who want to get out of South Africa talk about effective change there," says Rawlings. "We feel that if we sold our assets, the mining would go on, anybody who would buy would operate the facilities, without dedication to the Sullivan principles. Thus there would be less pressure for change in South Africa."

In any case, Rawlings says the company has urged the South African government to change its apartheid laws. But, he adds, "if you go to the essence of government, it is wrong for a company to effect a change in government, the extreme being the role of International Telephone & Telegraph in aiding the overthrow of Allende in Chile."

Rawlings says he has met with Rhodesian black revolutionary leaders Joshua Nkomo and Robert Mugabe in attempts to get to know them and explain the neutral aims of the company. Their answer is that they haven't analyzed any of these issues [justifying Carbide's South African presence] in detail and that their first priority is continuing the revolution," he says. "They have said they are not going to come into Rhodesia and start nationalizing everything. But you aren't sure. What you have to do eventually is go to the second and third people behind the leaders to see what they are thinking. The picture you get is that nobody has spent a lot of time looking into these longer-range issues."

Ervin Laszlo of the United Nations Institute for Training & Research, a private group that studies international change, has his own view of the longer-range issues. Laszlo is overseeing a series of studies on the "new international economic order" and says simply that "the old order is running into its limits."

"If you make a linear projection of resource availability (not physical exhaustion) you can see a breakdown in the 1980's," he says. But why doesn't the old economic order see the breakdown? Laszlo answers that multinational corporations are operating from their own perspectives. "They look at global interests from the point of view only of maximizing their own interests. If these corporations are bright, in the long run they come to the conclusion that they can't make it by playing zero sum games."

Laszlo believes the corporations, however, are learning the lesson that economic issues that hit them in the face are predominantly political issues and that they will have to learn to work better with governments along a system that conserves resources.

The new international economic order, he says, is a set of relations between rich and poor countries "that has to be tied to reforms on a national level that have to shift in the developing world away from strong export orientation. There's no sense for Zaire to have an electronics plant. That would make it too dependent on a technology not appropriate to its existing resources. The key term is self-reliance. Developing countries are operating too much on a catching-up mode—to recreate the economic development of the West and Japan."

Whether most developing countries pushing for the new economic order see it quite that way is still problematical. Each country has its own development goals but does agree on several basic principles that are part of the new international economic order. The most important ones involve stability of commodity markets to avoid the fluctuation in raw material prices and codes involving the transfer of technology so that developing countries have easier access to new technologies.

What Laszlo sees ahead, inevitably, inexorably, is "an end to the market system as we know it." Such a system, "works beautifully in an unconstrained growth situation. All you have to do is create demand. But when you run into limits, you have to start being selective about what you are going to use and how you are going to use it."

Simon B. Strauss, vice chairman of American Smelting & Refining Co., agrees with Laszlo to a point. "Should supply shortages occur through the end of this century, they are far more likely to be due to governmental policies or disputes than to physical shortages or internal inabilities."

But Strauss believes the role of the developing countries is exaggerated in their importance as mineral suppliers to the industrial world. "In fact," he says, "three developed countries—Canada, Australia, and South Africa—are in the aggregate more important sources of supply than all the developing countries combined."

Strauss, however, appears to ignore two other realities. The first is that although South Africa may be a developed country, it is under social and political siege and is probably the most isolated country in the world. That makes it more unstable than the average developing country. The second is that developing countries are important to Japan and Europe, and Japan and Europe are important to the U.S. It is all one system not only of supply and demand but of conservation policy. And the ties that bind most tightly are financial.

With these considerations, one has to begin to view scarcity not in terms of materials in the earth's crust but in terms of money in the pocket and questions of where it's all going to come from. Edward S. Miller, vice president and treasurer of Amax Inc., says the mining industry will be needing enormous funds in coming years to open up new mines, but it will have trouble raising the funds. It is, in short, a depressed industry. And although Miller doesn't say it, the industry is likely to remain depressed in the face of a host of uncertainties for years to come. And the uncertainty is in the combination of capital markets and conditions in developing countries.

"Copper is a good case in point," he says. "Ownership of the world's copper production is falling under government control in developing countries where the primary motivation is not profit but the creation of new jobs and the raising of foreign exchange. Conditions of the marketplace tend to be ignored. Inventories are dumped and prices become depressed. At the same time, U.S. costs continue to rise. The obvious consequence is shrinking profit margins and, in many cases, losses."

The debt burden of the U.S. mining industry is severe. A Moody's survey shows that the debt of 10 major mining companies rose from 11% of capitalization in 1967 to 33% by the end of 1976. And with low profits, the industry is unable to attract the needed funds for investment. There are many legislatives schemes proposed to strengthen the position of the U.S. mining industry, but the net effect is either a relaxation of environmental regulations or some approach to tax relief. The sense one gets is that impossibly high costs are eating away at all industrial activity. Barnet and Laszlo simply conclude that the entire system is ill and must be restructured along lines still distateful to capitalist economies.

But the experience of Freeport Minerals in Irian Jaya might make such an announcement of death a bit premature. Freeport runs a copper mine in what is now one of the more politically stable developing nations. Moreover, it has to some degree at least insulated itself from the fluctuations in the U.S. copper market by selling all its ore to Japan and West Germany. The capitalist system remains ever creative, adaptive, and flexible. The trend seems to be toward everyone's owning a part of each other's capital. The most militant of revolutionaries couldn't argue with that principle as long as the poor become part of the redistribution.

Freeport, nevertheless, is still part of the international minerals system and thus remains subject to the general instabilities. And copper, like a lot of other minerals, does have problems. Freeport's president, Paul W. Douglas, sees shortages in sulfur, too, the company's main commodity.

"We just don't see any new large single source of supplies around," he says. "We don't know where to go ourselves for supplies. The only new supply we know of that's of any real substance is in Saudi Arabia, and that seems to be moving fairly slowly." He might have added that U.S. relations with the Saudis are in decline over U.S. Middle East policies.

Mining always has been a high-risk venture, but the future does seem to be especially risky. "The source countries all know the value of natural resources now and they aren't going to sell them cheap," declared George Watson, head of the Ferroalloys Association. "They are all taking lessons from OPEC."

What then should be the shape of a national materials policy to better prepare for the further uncertainties ahead? Watson, for one, thinks there already is one. "We have separate and discrete policies about each raw material," he says—in information, mining laws, export, import, and processing. "You can't write a general policy about all materials."

But mineral economist John Tilton of Pennsylvania State University differs. "Materials policy," he said at a May colloquium on science and society at Penn State, "is today a set of random policies. I'd argue that we do need to do more to improve the data base and analytical capability. But in terms of a coherent policy in nonfuel resources, you just have to take a look at the mess we've made of energy policy. There's no coherent policy because materials are part of other policies."

Rep. Jim Santini (D.-Nev.) is the most outspoken member of Congress on the need to establish a realistic national materials policy in the face of U.S. vulnerability to important metals. It was he who convinced the Administration last year to establish a full-scale review of nonfuel materials. A first-draft report from the study has been released to Santini for review.

So far he is dissatisfied with the Administration's performance, especially that of assistant Interior Secretary Joan M. Davenport, who is overseeing the study. Interior Secretary Cecil D. Andrus is ultimately responsible for the study and disagrees with Santini that the study should be done with Congress for a total perspective on the issues.

But beyond that, Santini decries the lack of a coherent policy. He concedes that a national policy for materials would entail changes in perceptions and interests in the State and Treasury Departments, both of which devote scant attention to minerals. Yet, he says, they are becoming central to materials policy. He sees trends that eventually could lead to U.S. isolation in the world and more control of resources by socialist forces.

"We've been victim of the junky syndrome," Santini tells C&EN. "We've exceeded our domestic resources by our excesses. Then we shifted to imports. Then someone pulls out the needle and we end up with convulsions of withdrawal."

And, he says, he is frustrated by the inability of the Administration to come to grips with the roots of the problem. "What I want are accurate identification of the problems, an honest assessment of possible solutions, and substantive recommendations for policy changes and directions." He sees none of the three forthcoming.

What he seeks is a tall order. There is no unity on a national materials policy—only studies. And perhaps the best study is the briefest, recently issued by the General Accounting Office. It is called "Learning to Look Ahead: The Need For A National Materials Policy And Planning Process." It essentially says the Administration is nowhere close to achieving a consensus, much less a perspective, on the problem and that time is running out.

But even as the clock ticks, policy options are unclear because of the interrelated nature of the raw materials. There is, for example, the Soviet equation.

The U.S.S.R. is much more self-sufficient in minerals than the U.S. and is active in the materials markets. It is the nature of the Soviet mind to think in terms of relationships, combining military, economic, political, scientific, and technological polices into one hoped-for whole. The purpose is realization of well-defined social order, which, in principle at least, has some appeal to the poor countries. This is the reason for revolutions of the type led by Nkomo, Mugabe, and the South West Africa People's Organization (SWAPO), which is battling for a marxist order in Namibia (6 percent of the world's uranium reserves).

Here, one wonders where the U.S. Central

Intelligence Agency stands in all this. "I'm afraid our analytical ranks are either thin or nonexistent on problems like that,' says one CIA source. "As we know, the Soviets have a plan for everything. The trouble is that they are usually ham-handed in carrying out their foreign policy plans. But the day when they finally put their plans and the execution together is the day we'll really be in trouble."●

SHATTER THE SILENCE: VIGIL 1979

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. BALDUS. Mr. Speaker, last December I received a letter from Joseph Roitburd of Milwaukee, Wis., detailing the experiences of his cousin, Lev Roitburd, a refusenik from Odessa in the U.S.S.R. Since 1975, Joseph has been fighting tirelessly for his cousin and family's emigration. I would like to share with you his story of the Roitburd family, of their courage, and convictions.

Lev Roitburd, an aeronautical engineer by training, first applied in 1972 for a visa that would allow him and his family to emigrate to Israel. Since the first application was filed, the family has been repeatedly denied permission. Several times denial was based on the grounds that Lev had access to secret information, even though he had never been required to sign the government's secrecy document. On other occasions, the emigration visa was denied with no reasons whatsoever provided.

During the intervening years, the family has been subjected to varying degrees of harassment. In July 1975, Lev decided upon a visit to Moscow. This trip had two purposes: The first was to meet a group of U.S. Senators traveling through Moscow; the second was to take his son to a hospital for eye surgery. At this point, different versions of the story emerge, although the final results remain the same. At either the Odessa railroad station or airport, Roitburd was questioned by an official about the reasons for his trip. Shortly thereafter, several policemen approached and beat him in his son's presence. He was dragged off to KGB headquarters and accused of "resisting an official in authority." The maximum penalty for this is 5 years.

At his trial, the room was packed with hostile workers who had just attended an anti-Zionist lecture. He was sentenced to 2 years at hard labor in Siberia. That he did not receive the maximum sentence was attributed to the hard work of his cousin, who helped focus Western attention on these events.

Lev spent 2 years at hard labor in Siberia. He was not considered a political prisoner, but placed instead in a camp with hardened criminals. Although he had a history of back problems, no arrangement was made to accommodate his special needs.

He returned to Odessa in 1977 with the expectation that he would be allowed to leave the Soviet Union very soon. The visa never came through, and it did not take long before petty harassments began again. A potentially serious situation developed when he and his wife were interrogated separately by KGB agents, who attempted to associate them with espionage activities. Very few letters reach them from the West—in addition to his cousin in Milwaukee, Mrs. Roitburd's parents live in Israel—and virtually no letters that they send get out of the U.S.S.R.

Their hopes were raised after Senator KENNEDY's trip to the Soviet Union last summer. The Roitburds were included on a list of 18 refusenik families, whose cases the Soviet authorities had promised to reconsider. Seventeen of 18 families were eventually given visas; the 18th family, the Roitburds, were refused.

Lev Roitburd's attempts to get a visa are becoming more desperate. His son, Sasha, will be 16 on February 28, 1980. Recently, Jews who have filed emigration applications were told that after July, no application will be accepted from parents with sons between the ages of 16 and 19. If Sasha is drafted, the family will have to wait 3 years after his release from military service before they can reapply.

Clearly, the perseverance and determination of this family have carried them through difficult trials. Separation from family members now in Israel imposes further hardships. The Roitburds are experiencing isolation and hardship to a degree that is almost inconceivable in our own experience. There is no valid reason that they should not be allowed to leave the Soviet Union, a nation that signed the Helsinki accord and made a commitment to improving emigration policies. The U.S.S.R. should now live up to the promises it made in 1975 and deal with the Roitburds' application in a positive and humanitarian spirit.●

COMMENTS ON CRUDE OIL EXCESS PROFITS TAX ACT OF 1979

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. CLINGER. Mr. Speaker, I would like to take this opportunity to apprise both my colleagues and my constituents of my rationale in voting "present" on the energy-related legislation debated today on the floor of the House of Representatives.

Within several weeks of assuming office this year, I wrote to the Committee on Official Standards of Conduct and explained that I had pecuniary interest in certain operating oil and gas leases in the Allegheny National Forest in northwestern Pennsylvania. A number of oil experts believe that this land may potentially contain a substantial amount of oil reserves.

On March 13, 1979, the Committee on Standards of Official Conduct informed me that—

> Members (of Congress) are generally expected to avoid even the appearance of impropriety in situations where their personal financial interests might conflict with the public interest.

Although present production on these leases is small at present, my pecuniary interest in that land might be favorably or unfavorably affected by the legislation the House dealt with today. It is for that reason—to avoid "even the appearance of impropriety"—that I elected to vote "present."

I do want to emphasize, however, that I advocate the gradual decontrol on the price of oil and natural gas. Moreover, I strongly favor Congressman MOORE's substitute to the committee's bill as a reasonable excess profits tax on the oil industry. Mr. Speaker, it greatly disturbs me to, in effect, "miss" a vote. In this instance, however, I felt compelled to vote "present."●

ANN LANDERS ON HANDGUN CONTROL

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. SEIBERLING. Mr. Speaker, as an advocate for strong handgun control legislation, I was most interested in the following letter from Ann Landers' column, which shows in a few eloquent paragraphs why arguments against such controls are faulty. The letter was written by a former criminal who for many years used handguns in armed robberies. He never had to buy a gun; he took them from people who had bought them for self-defense.

Mr. Speaker, the pro-gun lobby argues that when guns are outlawed, only outlaws will have guns. As this letter clearly shows, the truth of the matter is that possessing a gun for self-defense only increases the likelihood that criminals will continue to have easy access to them.

The letter follows:

A LETTER FROM SOMEONE AT OTHER END OF MUZZLE

(By Ann Landers)

DEAR ANN: This may be the most unusual letter you have ever received. I am writing it to repay, in small measure, my debt to society. I hope you will print it.

I am an ex-con who has gone straight, but I want to say you are right about gun control. For many years I supported myself in style by master-minding and engaging in armed robberies. My specialty was private homes in affluent neighborhoods. I know a lot about affluent neighborhoods because I was reared in one. Having spent a few years in San Quentin, I acquired all the tricks of the trade. There is no better place to learn the skills of an accomplished burglar than in prison.

Please continue to tell your readers that firearms in the hands of private citizens are dangerous. Almost all handguns used by me and others in my line of work were obtained by taking them away from people who were scared stiff and didn't know how to use them. I never bought a gun in my life. Older people and women are a cinch. At least half the citizens who buy weapons to "protect" themselves have never used a gun. Sometimes they get panicky and shoot a hole in the wall—or their own foot. The intruder is then forced to fire a shot which is far better aimed.

I have to laugh when I hear the pro-gun people say, "If you ban guns only the criminals will have them." The truth is, if guns were banned there would be fewer guns in the hands of ALL of us, and that would mean fewer criminals and fewer gunshot wounds and fatalities.

I never thought I'd be writing Ann Landers, especially since I've given up my old career, but I'm glad you're around, Old Girl. You do a great job. Stay well.—Very Anonymous

DEAR V.A.: I've sounded off on this subject many times, but a letter from someone who has been on the other end of the muzzle is a lot more effective than anything I might say. Thanks for a splendid contribution toward helping to make this a safer and saner world.●

ANTITRUST CONSENT DECREE ENFORCEMENT ACT OF 1979

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. HUGHES. Mr. Speaker, today, I am introducing the Antitrust Consent Decree Enforcement Act of 1979.

This legislation would allow a private party to enforce a consent decree that was entered into by the Justice Department to settle an antitrust suit. Senator KENNEDY, chairman of the Senate Judiciary Committee, has introduced the bill in the other body.

At the present time, the Justice Department has entered into over 900 consent decrees with defendants in antitrust cases. In fact, the Antitrust Division of the Justice Department commonly makes use of the consent decree to settle antitrust litigation. Over the past 50 years, the Antitrust Division has used consent decrees to settle approximately 80 percent of the Government's antitrust civil actions.

Despite widespread use of the consent decree, the enforcement of the decrees by the Justice Department does not appear to be adequate. Since 1906, the Justice Department has initiated only 60 contempt actions to enforce the more than 900 outstanding consent decrees. Given the limited resources available to the Antitrust Division and the lack of any comprehensive review of these decrees, this record suggests strongly that compliance with consent decrees is extremely lax.

The violation of a consent decree not only represents an illegal act, but also injures private parties, such as the violator's competitors and consumers. At present, the only recourse for a private party damaged by a consent-decree violation is to initiate contempt proceedings. Such a remedy is, at best, an illusory remedy, as the private party must meet very stringent standing requirements and satisfy a high burden of proof. Even when the party can comply with these requirements, the court has the discretion to not grant relief.

My legislation would change this state of affairs. It would grant greater enforcement powers to private parties damaged by consent-degree violations. It would enable better enforcement of our antitrust laws without increasing the size of the Federal Government or creating any new regulatory agency.

The private enforcement of antitrust decrees would be completely consistent with the basic structure of our antitrust statutes. Since the landmark Sherman Antitrust Act of 1890, the antitrust statutes have granted private parties the right to bring action against antitrust violators. Enforcement action by private parties is one of the noted hallmarks of our Nation's antitrust laws.

My legislation has four major provisions. First, it would authorize any person damaged by a violation of an antitrust consent decree to file a civil suit to enforce the decree. Second, it would require a private party to give the Attorney General notice of the alleged violation prior to filing suit; if the Attorney General fails to bring suit within certain specified times, the party can then initiate his own suit to enforce the decree. Third, it would provide for injunctive and other equitable relief against the violator as well as authorize substantial civil penalties. Fourth, it would authorize a damaged party or a party to the consent decree to petition the Attorney General or the courts to modify the degree.

In short, the legislation would result in fair and effective enforcement of our Nation's antitrust laws. In doing so, it will protect and encourage the economic competition that forms the basis of our free enterprise system.●

THE BOAT PEOPLE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. LEHMAN. Mr. Speaker, President Carter's pledge to double the number of Indochinese refugees allowed to enter the United States under its special parole program for refugees from Indochina is commendable. I hope that other countries will join the United States, Canada, Israel, Sweden, and Taiwan in responding to the cry of humanity. Congress too has heeded this call by approving supplemental appropriations for the U.S. Emergency and Migration Assistance Fund to resettle increased numbers of refugees.

People of conscience cannot resist equating the present plight of boat people with those who were denied refuge from many shores during World War II. It is distressing to see history repeat itself so soon and to recognize that the tragedy can indeed happen again. I would like to think that most of us have learned that we must act.

The President's Commission on the Holocaust, of which I am privileged to be a member, has released a statement on the boat people which I would like to share with my colleagues. Mr. Elie Wiesel, chairman of the Commission, eloquently expresses my feelings about this tragedy. I would also like to bring to the attention of my colleagues a commentary written by Mr. Hyman Bookbinder, Washington representative of the American Jewish Committee and member of the President's Commission on the Holocaust of which he chairs the Subcommittee on Crimes Against Humanity.

The statement and commentary follow:

PRESIDENT'S COMMISSION ON THE HOLOCAUST

We who live with the memory of the Holocaust, we who judge all things by its shadow and in its light are particularly distressed by the specter of silence and apathy which greets the fate of the "boat people." We are outraged at the sight of people set adrift with no country willing to welcome them ashore. We are horrified at the imposition of quotas which exclude women and children in the full knowledge that such a policy of exclusion can be a sentence of death. We know that this failure to act will take its moral toll on those who stand on the sidelines as well as a physical toll on the victims.

Therefore, as Chairman of the President's Commission on the Holocaust, and on behalf of the Commission, I implore all countries to open their borders and to extend rights of refuge and asylum to the boat people. We call upon the nations of the world to coordinate their activities and to extend themselves with humanitarian generosity so that we may not once again be divided into a world of perpetrators, victims, and bystanders.

We know that the President of the United States, in the spirit of this Administration's commitment to human rights and human dignity, will do all within his power to alleviate this situation and assume a leadership role in resolving this problem. We hope that this Nation will grasp this clear opportunity to learn from the history of the Holocaust not to err again.

Now is the time for this country and for the world to take decisive action to save the boat people. Now, before it is too late.

ELIE WIESEL.

JEWS AND BOAT PEOPLE

(By Hyman Bookbinder)

Hyman Bookbinder, Washington Representative of the American Jewish Committee, is a member of the President's Commission on the Holocaust, and serves as Chairman of its Subcommitee on Crimes Against Humanity.

There is an important difference, though not the only one, between the Nazi Holocaust and the new one engulfing hundreds of thousands, perhaps millions of Indo-chinese refugees.

To this day, there are Germans and non-Germans who insist—never mind the overwhelming evidence that they were not as ignorant as they claim—that they did not know what was happening at Auschwitz or Buchenwald. That excuse for silence for inaction, for indifference to the most horrible crime in human history, simply won't be available for any of us when in years to come we look back at yesterday and today and tomorrow.

How many more tomorrows must there yet be, telling us, on our television screens and in our morning papers, of thousands more turned away from this shore or that one, of boats capsizing, of uncounted numbers dying in places never meant to shelter human life, dying in the unbearable stench of their own excrement and the even worse stench of other people's indifference?

The President's Commission on the Holocaust is now completing its recommendations for an appropriate national memorial for those who died in the Nazi Holocaust. But from its earliest deliberations, there has been unanimous agreement that, whatever will be the nature of the memorial itself, the most appropriate way truly to honor the memory of the six million Jews and the others slaughtered by Hitler is "to prevent apathy in the face of a potential recurrence for any group."

That is what Elie Wiesel, the Chairman of the Commission and perhaps the world's most noted survivor of the concentration camps, tried to do last week when he called upon the nations of the world "to co-ordinate their activities and to extend themselves with humanitarian generosity so that we may not once again be divided into a world of perpetrators, victims, and bystanders."

And in that same spirit, at the historic Holocaust memorial in the Capitol Rotunda on April 24, President Carter declared that "We must harness the outrage of our memories to banish all human oppression from the world."

The United States has done, in a statistical sense, more than its fair share, accepting 70 percent of the 300,000 Indochinese refugees resettled in the last four years. But it can do more, and must do more. Every day that it waits for the world community to do more, thousands more will die. Even while we accelerate our diplomatic efforts for long-term solutions, we must do two things at once: Provide safe haven for as many of the refugees as possible on American ships or in Guam or some other life-saving facility; and double our own refugee quota to 14,000 a month.

We can do this, and more, and without any of the dire consequences irresponsibly and ignorantly predicted by critics of a liberalized refugee policy. These critics have always opposed such a policy with calamitous predictions, and they have always been wrong. Despite significant racial and cultural differences, the recent experience in absorbing over 200,000 Indochinese refugees into our American communities has been exemplary. The voluntary agencies and religious groups involved in this proud record have only one complaint: they cannot fill all the pending requests from American homes to receive and help resettle these escapees from tyranny who wish to become Americans. In the tradition of previous refugee movements, the Indochinese have enriched our culture and our economy—in addition to providing us with spiritual nourishment in a world and at a time of massive indifference to human suffering.

The term "boat people" evokes in Jews memories both painful and gratifying. We shall never forget, and expect our children and theirs never to forget, the boats of Nazi escapees who could find no safe haven in an uncaring world. But we remember too those boats at the turn of the century that brought our parents and our grandparents to American shores in their escape from pogroms and the culminating Holocaust years later.

But six million Jews did not board those boats in time. And when their systematic extermination was underway, the world preferred not to note it. Today, in "living" color, we see the anguished faces of Indochinese children and their hysterical mothers trying to wade ashore—knowing that many of these faces will never be seen again. How many Anne Franks are dying every day?

No, we will never be able to tell our grandchildren, thirty years from now, that we didn't know. We know. We've known. Will we have done enough?●

IN MEMORIAM: WILLIAM G. BRAY

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. MYERS of Indiana. Mr. Speaker, the following tribute to the late former Congressman William G. Bray of Indiana was written by someone who had a long and close relationship with him.

IN MEMORIAM: WILLIAM G. BRAY

They told me, Heraclitus, they told me you were dead,
They brought me bitter news to hear and bitter tears to shed.
I wept as I remembered how often you and I
Had tired the sun with talking and sent him down the sky.
And now that thou art lying, my dear old Carian guest,
A handful of gray ashes, long, long ago at rest,
Still are thy pleasant voices, thy nightingales, awake;
For Death he taketh all away, but them he cannot take.

Our relationship was close and intimate for 15 years. It was my great good fortune to come under the tutelage and guidance, for that period, of a man for whom I came to have a love and respect second only to that I give my own father, and whose influence on my life was second only to that of my father.

There was no difference between William G. Bray, the private individual, the loving, affectionate husband, father, grandfather and brother, and William G. Bray, the public individual, the soldier, the Congressman, save only in slight degree and the extent to which he would reveal these emotions. It's no exaggeration to say he took a very real paternal—no, the word isn't too strong—interest in and care for the people he represented. This shaped his approach to and his concept of public life and service, and it left an indelible stamp on all he touched.

He had a strong sense of history and was blessed with a curious and constantly inquiring mind. "My father loved books," he told me once, "and he taught me to love them." His congressional office held what was beyond a doubt the largest private library of any Member of the House or the Senate. He'd read them all—or was reading them—dog-eared, as they were, with paper clips marking pages, stuffed with notes on slips of paper, pencil marks in the margins, and his desk was usually a clutter with whatever five or six or seven he was reading at any one time.

He had the devotion of a true scholar and research and writing were his avocations. He was never happier nor more relaxed than when he was digging into some arcane, obscure facet of Russian or Asian history, two topics on which he was a self-taught expert. Writing his book "Russian Frontiers," published in 1963, was a real labor of love. His work on that book or on anything else he wrote was all his; he might seek expert help in translation of a foreign phrase, or he might write or phone the author of a book or article to clear up a question he had. All else was his own work.

He was ecstatic when he received the first shipment of his book. "Look here!" he said to me, pulling one out of a box. "I never thought I'd see the day when I had my own book published!" He buried his face in the pages, then grinned at me over the edge. "My wife says nothing smells nicer than a new car. I say a new book smells better—especially when you've written it yourself!"

He was fiercely proud of his record as a soldier: "Thirty-seven years, National Guard, active and Reserve!" he'd declaim proudly. At no time did he ever attempt to trade on his position as a Member of Congress to advance his military service, or rank. When he retired from the Reserves, it was as a full Colonel. "You could have gone higher," I pointed out once, "Given your being on House Armed Services, and all . . ." He waved me to silence and shot a glare of impatience. "I feel as if I earned the rank of Colonel," he said quietly. "I don't feel I was in a position to earn anything higher."

He knew the thrill of political victories, and the agony of political defeats. For a long time no one mentioned his first disappointment, failure to win the Indiana Republican gubernatorial nomination in 1964. I was with him about a year later when another Congressman brought it up: "Bill, why did you ever try that? What's wrong with being a Congressman?" He grinned: "It was just an idea I had. Not a very good one, was it?" The grin got broader. "Look at it this way: I'm not dumb—I just learn slow!" and this was capped by a great shout of laughter, as if the whole thing had been nothing more than a joke on himself.

Defeat for re-election to the House for a 13th term, in 1974, was a far different matter. The last time I saw him, Christmas, 1977, in Martinsville, we discussed it for the first and only time, and then in an indirect manner.

We'd fallen to talking about the changes in the Congress since 1974. I ran down a list of many of his old friends who had retired in 1976 or were planning to in 1978. "A lot of them, both parties, are saying pretty much the same thing you said from time to time the last four or five years you were in," I noted. "It just isn't any fun any more!" "They are?" "Yes. It's in their announcements, in one form or another, sometimes in those very words." "Have things changed that much then?" he asked me. "I can only say that there has been change, from what I'm told," I answered. "I won't say it is for the better or for the worse. But most of your old friends—the men and women who made it the House you knew and loved—they are gone, or going." He thought for a moment. "Well," he said slowly, "in that case, I guess it's just as well."

His secret ambition—not so secret, he told everyone—was to be a teacher. "But," with a chuckle, "I had to leave that to my wife and sister. I'm not smart enough!"

He was totally wrong, of course. There was much that he could and did teach, by example: a love of books and learning; a very human and warm feeling for his fellow men; patience, without being put upon; a healthy skepticism, without becoming cynical; a deep and abiding faith—he would lift up his eyes unto the hills and he was not ashamed to do it, or admit it. And patriotism—he had been raised in the old tradition and was proud of it and advanced it whenever he could.

He had an eternal delight in seeking out something new—a new book to be read, a new country to be visited, some new place off the beaten track he'd once read about, and wanted to see for himself. He took more pure joy out of living and wrested more from every minute of existence than any other man I ever knew.

In one sentence he would describe a visit to the glittering halls of a world capital. In the next, he would launch into a detailed description of a bumpy jeep ride out into the African desert, in the company of some French Foreign Legion officers he'd met, to visit some old Roman ruins they knew about. I have no doubt which he enjoyed more.

That "lust for life"—and, indeed, it was exactly that—was best summed up in his favorite lines of verse. He usually recited them with eyes half-closed and head tilted slightly back, to make a point that to him was almost mystical in nature. The following lines from James Elroy Flecker's "Golden Journey to Samarkand" accurately summed up the man better than any other. He knew it; he loved their words and rhythm:

"We travel not for trafficking alone;
By hotter winds our fiery hearts are fanned:
For lust of knowing that which should not be known

We make the Golden Journey to Samarkand."

He made his life a Golden Journey, and some of that gold rubbed off on all who were fortunate enough to have been a part of that life.

And, now, "The time of the gentleman has expired." He has passed over, and, I have no doubt, ". . . when he reached the other side, all the trumpets sounded for him."

The soldier is discussing the finer points of strategy and tactics with the great captains of history. The lawyer/legislator is comparing notes with Cicero. The scholar/teacher is sitting at the feet of a robed blind man, as Homer sings of the fall of Troy.

"For thee, O now a silent soul, my brother,
Take at my hands this garland, and farewell.
Content thee, howso'er, whose days are done;
There lies not any troublous thing before,
Nor sight nor sound to war against thee more,
For whom all winds are quiet as the sun,
All waters as the shore."

Ave Atque Vale!●

THE HISTORY OF BARNEGAT LIGHT

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. HUGHES. Mr. Speaker, on July 7, 1979, the residents of Barnegat Light will celebrate the 75th anniversary of the incorporation of their community into a borough. The rich history of Barnegat Light can be traced all the way back to 1609, when the explorer, Henry Hudson, sailed up the Jersey shore in his vessel, the *Half Moon*.

Hudson discovered an inlet along the shore, which he named Barendegat, and noted in his ship's log that this was "a faire place to fall in with." The inlet, and the town which grew up across the bay, still bear an almost identical name today.

The first settlers appeared in Barnegat between 1700 and 1720, and erected their homes upland, near the meadows. Prior to this, Indians had inhabited the area in the summertime, when they clammed on the beaches to stock up their supplies for the coming winter. New England whalers had used Barnegat as a way station and lookout point for many years.

As early as the Revolutionary War, the inhabitants of Barnegat were noted for their seamanship. Barnegat trading vessels sailed to New York with cargoes of ceder rails and pine wood. When, years later, the supply of pine wood began to fail, the seamen turned their attention to the charcoal trade. Next, the seamen would turn into traders, and would employ their ships in the transportation of freight from New York and New England to Virginia and on South to Florida. By the Civil War, when this trade was at its height, the vast majority of Barnegat's inhabitants were either masters of vessels, or sailors and mates of others' ships.

In 1834, the U.S. Congress authorized the erection of a lighthouse at the north end of Long Beach, and appropriated $6,000 for that purpose. The original lighthouse was washed into the sea in 1857. The present Barnegat Lighthouse, which is the second tallest lighthouse tower in the United States, was commissioned in January of 1859, and has served faithfully for over 100 years illuminating the New Jersey coast. This has enabled vessels to navigate the area safely and enter into the inlet for protection during periods of storm. In 1950, the lighthouse was purchased by the State of New Jersey and has since been proclaimed an historic landmark and State park.

Today the borough of Barnegat Light is the "tilefish capital of the world." In 1978, approximately 5 million pounds of tilefish were captured in this region. The fishing industry is still an intricate part of Barnegat's economy. Almost 25 percent of the permanent residents of the area are employed in some aspect of this industry, in the capacity of commercial fishermen, charter boat men, dock crews, and shippers.

Let me take this opportunity to congratulate the residents of the borough of Barnegat Light and join them in celebrating this glorious anniversary. Barnegat Light is truly, as Henry Hudson stated, "a faire place to fall in with," and I am grateful to have the opportunity to call the history of this region to your attention today.●

COMPREHENSIVE FAMILY FARM BILL

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. HAGEDORN. Mr. Speaker, the warm summer weather here in Washington is a welcome relief from the rigors of what was an unusually harsh winter for this area. During this past winter season, official Washington had more than snow and cold to deal with as there were thousands of farmers who came here to lobby on behalf of higher prices for their farm products so they will be able to save their investments in land, equipment, and buildings.

The underlying theme of their plea for higher prices was the need to save the family farm. There was no evidence of representatives of large agricultural corporations or large farm owners being here to plead for higher prices. Due to the massive size of those types of operations, those particular owners and operators do not face the financial problems that the smaller owners do. The individuals who came to Washington in January and February represented what is becoming a rapidly vanishing breed of rugged Americans who truly care about their work and are willing to put up with a multitude of problems and uncertainty because of their concern for the land and the food and fiber production that is absolutely vital to the future of our Nation.

I am a farmer from southern Minnesota and although I am privileged to represent the citizens of the Second Congressional District here in Washington, I still return to my farm to plant, cultivate, and harvest certain crops. My father farmed this land and I purchased it from him to keep it in the family and because of my love for this type of work. Because of my close involvement with the concept of family farming, I personally realize the value and benefit that this institution has for our Nation.

The future of the family farm must concern every Member of Congress whether he represents a rural or urban area. Family farms cannot continue to operate at a loss or on a break-even basis; they must operate at a profit or else large corporations will buy up the farms and could conceivably gain a monopoly over the supply of food. Consumers in the cities are faced with higher food costs every week and if the family farm becomes extinct, the price of food would be even higher. Without the farm as a source of employment and income, many rural citizens would be forced to move into the city and would contribute to the already crowded conditions there.

To help insure the future of the family farm, I have today introduced a comprehensive bill designed to assist our farm families in being able to maintain their possession of our most valuable natural resource—productive farmland being worked by those who love it.

The bill deals with four principal subjects. The first subject concerns changes in the estate and gift tax marital deductions. Before the passage of the Tax Reform Act of 1976, increasing land costs and capital requirements for modern farming, inflation, and estate tax provisions that have been unchanged for more than 30 years had combined to impede the intergenerational transfer of family farms. The 1976 act brought changes in taxes for spouses to help meet the problems associated with the transfer of farms to spouses.

The previous marital deduction was half of the adjusted gross estate. This was increased to the larger of $250,000 or half of the decedent's adjusted gross estate. This is, of course, in addition to the usual tax credit available to all estates, but it is limited to the amount the spouse actually receives if the marital deduction is larger than the bequest. There was also a special marital deduction for gifts—a complete, unlimited deduction for the first $100,000 in lifetime transfers, no deduction for the next $100,000 and a 50-percent deduction for all subsequent gifts.

A new rule was also passed for the determination of estate taxation of property held in joint tenancy. Prior to the 1976 act, farm widows felt they were bearing an unnecessarily large share of the tax load. They claimed that, although the estate tax had been intended as a tax on intergenerational transfers, high farm values, outdated exemption limits for interspousal transfers, and the method of governing the attribution of ownership of property held in joint tenancy for estate tax purposes all served to make the tax a "window tax."

The last factor—the attribution of property ownership for assets held in joint tenancy—was particularly resented. Farm wives felt that in many cases they contributed substantially to the net worth of the farm estate. But unless they could demonstrate actual cash contributions, they were frequently in the position of "inheriting" assets they felt were already theirs.

Although the intent of the law was not purposefully discriminatory, circumstances often caused it to be so in practice. The gross estate of a decendent was defined to include the entire value of property held in joint tenancy, except for those assets which the surviving spouse could establish that he or she had helped to acquire. Since the husband generally died first, the burden of proof was frequently carried by the wife. Conversely, the husband could more easily document his contribution to the estate.

Although it was not all that farm wives desired, a change made by the law provides some relief to their dilemma.

In general, when property is jointly held by husband and wife with rights of survivorship and when the joint tenancy is created by a transfer which is subject to the gift tax, then for estate tax purposes the property is to be treated as though half of it belonged to each spouse. Subsequent additions in value—such as mortgage payments—will be treated as additional gifts if the taxpayer so elects and pays any tax due. Subsequent appreciation will not, however, be treated as an additional gift. Thus, the consideration furnished test which previously applied is eliminated if this method is used.

Sections 1 and 2 of the bill I have introduced today would repeal this limitation on the transfer of property between spouses. In effect, the estate and gift tax would be repealed and the bill would allow unlimited transfers of property between spouses with no payment of inheritance or gift taxes.

Another subject of the bill would be the elimination of the gift tax on farmland or other closely held businesses transferred from parent to child or grandchild. The bill provides a new section to be inserted into the present Internal Revenue Code that would allow a tax deduction for the gift of such property equal to the value of the property.

If a farmer or other small businessman has worked for years to build up a business that his family has helped to operate, I want to do everything I can to help him to be able to turn his farm property or business over to his children or grandchildren without excessive tax penalties.

If we allow this unhindered transfer of property into younger, more active, more enthusiastic working hands, there will be greater productivity. This increased production from the land will lead to an increase in the gross national product and increased revenues for the Federal Government.

The third subject dealt with in this bill would repeal the carryover basis provision that was part of the 1976 Tax Reform Act.

Under the law prior to the Tax Reform Act of 1976, the basis for determining gain or loss from sales of property acquired from a decedent generally was the value of the property at the date of the decedent's death. This was commonly referred to as a "step-up" in the basis of property at death. Thus, if property owned by a decedent had appreciated after it was acquired, that appreciation never was subject to the income tax. On the other hand, if nondepreciable property had declined in value after the decedent acquired it, the decline in value never could be deducted for income tax purposes.

Where property is transferred by gift, the basis in the hands of the donee is generally the same as the donor's basis. Also, where income had been earned by a decedent but was not properly includible in his last income tax return, the recipient is taxed in essentially the same manner as the decedent would have been if he had lived to receive it; for example, the tax attributes are carried over to the beneficiary.

The Tax Reform Act of 1976 provided that the basis of most property acquired from a decedent after December 31, 1976, was no longer generally to be determined in reference to its fair market value on the date of the decedent's death. In general, the basis of such property was to be the same as the decedent's basis immediately before death with certain adjustments; for example, a "carry-over basis".

The 1976 provision was added because Congress believed that prior law resulted in discrimination against those persons who sell their property prior to death as compared with those whose property was not sold until after death. Postponement of a sale until after the owner's death could result in all appreciation occurring before death not being subject to the income tax. In addition, Congress was concerned that prior law resulted in persons postponing sales to avoid tax on the appreciation and that this "lock-in" effect impaired the mobility of capital.

In order to prevent a portion of the appreciation from being taxed by both the estate and income tax, an adjustment was provided to increase the carryover basis by Federal and State death taxes attributable to the net appreciation of property subject to tax. In addition, in order to exempt smaller estates from carryover basis, a $60,000 minimum basis adjustment was provided. Also, in order to prevent retroactive effect from the adoption of carryover basis, a "fresh start" adjustment was provided. Under that adjustment, the basis of an asset acquired from a decedent was to be stepped up to its value on December 31, 1976, for purposes of determining gain if the asset had been held by the decedent on that date.

The carryover basis provisions have been criticized as being extremely complex and administratively unworkable. Administrators of estates testified that compliance with the provisions caused a tremendous increase in the time required to administer an estate and resulted in raising the cost of administration. In response to the problems raised, the Revenue Act of 1978 postponed for 3 years the carryover basis provisions, making the provisions applicable only to property of decedents dying after 1979.

I supported efforts in the 95th Congress to repeal this provision. The Ways and Means Committee is looking into the carryover basis matter and due to the timeliness of the situation, I strongly believe that some definition action must be taken soon. Due to the importance of retaining a decedent's rural property in the family and the significant increases in the appreciation of farmland, this subject is of concern to all landowners.

I do not believe that there can be any "cleanup" of this provision by the Ways and Means Committee—it should be repealed outright so thousands of landowners will not be subject to the costly, complex, and administratively unworkable carryover basis provision of the Reform Act of 1976. With land values increasing as rapidly as they are, it would be extremely difficult to compute the tax for farms. Besides, the tax itself would be too high and so I have urged the committee to report out a bill designed to repeal the provision and have also included such a provision in the bill I introduced today.

The final subject that this bill is concerned with is the significant increase in the purchase of American farmland by foreign investors. This is another threat to the security of the family farm because of the vast financial resources that these investors have available to literally buy the land out from under many farmers who want to keep their land but who must face the present economic realities of increased expenses and decreased income.

There are a number of consequences that could result from foreign investments in U.S. farmland. It has been suggested that foreign investors are so eager to acquire American farm real estate that they frequently pay more than the prevailing market price for land. This causes further inflation of land prices to levels that are beyond the reach of most small family farmers.

Concern has also been expressed that the control of significant amounts of American farmland by foreign investors could compromise U.S. control over its own food production. Such a situation would have important implications not only for domestic food prices, but also for our agricultural exports.

It also has been charged that nonresident foreign investors, as absentee landowners will neglect local community activities and responsibilities. It is even possible that productive agricultural land, being held solely as a speculative investment, might go out of production, depriving the local community of the income generated from farming.

Foreign investment is expected to increase as more foreigners become aware of the financial benefits of investing in American farmland. Recently, farmland in the United States has had more value as an investment asset than as a production asset. Since 1970 average farmland values across the United States have more than doubled; in some areas they have tripled. Between 1970 and 1977 the capital value of farmland increased by an estimated $325 billion, far more than the income received by farmers during those 7 years. The rate of increase in farmland values also outstripped the general inflation rate and the gains in the Standard and Poor's index of 500 stocks.

The huge U.S. balance-of-payments deficit has put a surplus of dollars into international money markets. The resulting devaluation of the dollar has reduced the price of American farmland, in real terms, for foreign investors holding billions of U.S. dollars.

In short, there are many reasons to believe that U.S. farmland will be a lucrative and safe investment opportunity for foreign investors. This will likely remain the case for the foreseeable future unless measures are taken to control their activities and protect our own family farmers.

Congress is considering several approaches to deal with the problem. One approach deals with changes in the Tax Code to equalize the treatment of our own citizens and nonresident alien investors. There is no good reason why profits on U.S. farmland by foreigners should be allowed to escape U.S. taxes. Therefore, I have included in this bill a provision designed to require that nonresident aliens pay the same capital gains tax as an American investor when selling or exchanging agricultural lands.

American farmers are at a disadvantage when competing with foreign purchasers of American farmland. While the American farmland owner must pay income taxes on the operation of his farm, many foreign owners—individuals purchasing land through a corporation which is a parent of a Netherlands Antilles Corp. set up for tax shelter purposes—have no taxable income and pay no Netherlands Antilles corporate income tax. Due to tax treaties with European countries, these owners escape taxes on payments to parent corporations.

If a U.S. owner sells his land, he is subject to capital gains tax rates. The foreign owners escape such tax liabilities because capital gains are exempt from U.S. taxes because of a section in the Internal Revenue Code which exempts a foreign corporation not engaged in trade or business from capital gains tax on the sale of property.

The provision I am proposing in my bill closes this loophole by amending the Internal Revenue Service Code to broaden the definition of taxable income of foreign corporations. Under the provision, taxable income would include these categories:

First. Gross income effectively connected with the conduct of a trade or business in the United States;

Second. Gain from the sale or exchange of a corporate stock or a partnership if the partnership was formed for the purpose of buying, selling, or holding farmland, undeveloped land, or land suitable for use in farming; and

Third. Gains from the sale or exchange of land used in farming, undeveloped land, or timber land.

There is support for such a proposal as a similar one was introduced to the Tax Revenue Act of 1978 and was passed by the Senate. Unfortunately, this proposal was dropped in Conference with the House.

I feel that this bill is the type of action that is needed to show our family farmers that the U.S. Congress believes that the family farm is, indeed, the backbone of our economy. Without the respect for the land that farmers have, our Nation stands to lose our most precious asset.

My legislation is designed to give the farmer a chance to continue to live on his own land where he has a special feeling about the work he is doing to support his family, as well as feed our Nation. It also shows the concern for the need to keep our young people and farm spouses involved in family farming and family businesses without the burden of excessive gifts or estate taxes.●

POLITICAL DEFECTIONS IN RHODESIA

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

Mr. WOLPE. Mr. Speaker, as cochairman of the MCPL task force on Rhodesian sanctions, I would like to insert in the RECORD an article from the New York Times of June 21 describing the political defections from Prime Minister Muzorewa's United African National Council Party.

Eight members of the Council announced the creation of their own political organization to be headed by James Chikerma, a longtime rival to the Prime Minister.

Bishop Muzorewa's party now has 43 instead of 51 seats in the House of assembly or the lower chamber.

The exact implications of this defection, which seems to be based on ethnic loyalties, are unclear. But it does underline the continuing instability of the government in Salisbury.

I commend the following article to the attention of my colleagues:

EIGHT LEAVE RHODESIAN LEADER'S PARTY TO JOIN OPPOSITION

SALISBURY, ZIMBABWE RHODESIA.—Prime Minister Abel T. Muzorewa's party lost its majority in Parliament today as eight of its members announced that they had formed their own political organization.

As a result, the Prime Minister's United African National Council, which won 51 of the 100 seats in the House of Assembly, or lower chamber, in the April elections, was reduced to 43 seats.

The defections are not expected to have an immediate disruptive effect when the newly elected Parliament meets for the first time on Tuesday, since the coalition that Bishop Muzorewa formed on June 1 still commands an overwhelming majority. But the new party appears to pose a serious long-range threat to Bishop Muzorewa's rule since it is led by James Chikerma, a longtime rival to the Prime Minister and a former ally of the guerrilla leader Joshua Nkomo. Mr. Chikerma has a reputation as a strong leader.

The defections also underline the growing impact of tribal divisions on the black-dominated politics of Zimbabwe Rhodesia.

Mr. Chikerma and the seven other defectors said at a news conference after announcing the formation of the Zimbabwe Democratic Party that they planned to challenge Bishop Muzorewa "all along the line."

They sought to dismiss suggestions that their action had only tribal connections, but it was noted that all eight are members of the Zereka branch of the dominant Shona tribe, to which 85 percent of the people of Zimbabwe Rhodesia belong. Bishop Muzorewa and many of his top advisers are Manyikas, also part of the Shona group, and Mr. Chikerma has accused the Prime Minister of favoring his own tribal group in making appointments.

Mr. Chikerma, who was the first vice president of the Prime Minister's party but regarded himself as its rightful leader, has also accused Bishop Muzorewa of having tried to prevent him from being elected to Parliament. The relations of the two men grew worse when Mr. Chikerma was kept out of the Cabinet.

The new party leader is expected to try to encourage other members of the Muzorewa party to defect and try to form an alliance with the other black opposition group, the faction of the Zimbabwe African National Union that is led by the Rev. Ndabaningi Sithole. This group is entitled to 12 seats in Parliament and two in the coalition Cabinet, but has refused to accept them because it charges that the Prime Minister's party came to power through rigged elections.

The governing coalition is backed by 80 Members of Parliament. Besides the 43 representatives of the Prime Minister's party, they include 28 members from the white minority group, the Rhodesian Front, led by former Prime Minister Ian D. Smith, and 9 members from the United National Federal Party, a tribally based group from Matatbeleland.

The Prime Minister's party said today that the defections would not be of any consequence in the long run, but the Sithole group said the Muzorewa administration was doomed.

"We can hardly believe it can last two months," its spokesman, James Dzvova, said.

Mr. Chikerma was joined in his new party by a former economic adviser to Bishop Muzorewa, Stanlake Samkange. The other defectors are Essiah Zhuwarara, Simon Paraffin, Evelyn Shava, Enock Dumbutshena, Actor Mupinuyri and Boniface Gumbo.

VOYAGER MISSIONS ARE EVIDENCE OF CONTINUED COMPETENCE AMONG US

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. GRASSLEY. Mr. Speaker, the technical excellence and exhilarating daring demonstrated by the Jovian probe of Voyager I, is wonderfully described by Phillip H. Abelson, editor of Science magazine in the June 1979 issue.

As Mr. Abelson rightly points out "our generation is likely to be the first to understand how the solar system was formed." The editorial follows:

Sweeping past Jupiter, the Voyager 1 spacecraft presages a new era in the exploration of the solar system. Not since the TV return from Apollo has a spacecraft returned information of such volume and pictures of such startling clarity. Yet this feat was accomplished from a distance 1770 times as great as that of the lunar adventure. The communication system responsible for this remarkable achievement is a compilation of elements ranging from tiny integrated circuits to enormous ground antennas. The excellence in communication equipment on Voyager 1 and the new results obtained mark the mission as a high point in this country's space effort. At a moment when unease and gloom abound, it is good to have evidence of continued competence among us.

To most people, the payoff of the mission is in the form of striking pictures of Jupiter and its satellites. For scientists, results from other observing equipment on Voyager 1 are also important. A smaller group is interested in how the results were communicated back to Earth and in the control of the spacecraft in its travels through space. The reception of large numbers of pictures and other information was made possible by advances in communications. On Earth some radio stations broadcast with a power of 50,000 watts, yet one's radio may not receive such a station 100 kilometers away. Voyager 1 transmits with a power of 10 to 30 watts, yet its signals are dependably received at a distance of 700 million kilometers. The circumstances in the two instances are quite different; nevertheless, the dependable reception of signals from deep space is a technological feat. Part of the trick is a good directional antenna at the spacecraft accurately pointed at Earth. Even so, the signal energy reaching Earth is less than 10^{-18} watt per square meter, and this weak signal is detected reliably in spite of all manner of background electromagnetic noise. This capability is the result of steady improvement over the past 15 years. The present system is a factor of 150,000 better than that used with the 1965 Mariner mission to Mars.

Substantial evolution has also occurred in spacecraft. Voyager I has incorporated many improvements over its Mariner predecessors. This is especially true of the computer systems on board. The changes reflect opportunities created by advances in microelectronics. They are also responsive to needs created when a spacecraft is far away. The transit time for a message from Earth to Jupiter is about 40 minutes. Onboard computers must control the functioning of Voyager 1, including the scheduling and pointing of its scientific equipment. It is also desirable to preserve flexibility to meet contingencies. For example, during the 18 months of travel from Earth to Jupiter, the planet's restless atmosphere was observed from Earth. To optimize picture-taking in the vicinity of Jupiter, it was necessary to reprogram an onboard computer by commands from Earth. This can be done only slowly but the flexibility proved to be very useful.

A large amount of information was accumulated about Jupiter and its satellites. Particularly striking were some of the 18,000 photographs of the Jupiter system including color pictures of Jovian clouds and images of Jovian lightning, auroras, and meteor trails. Jupiter, with its large magnetic field, energetic particles, electromagnetic emissions, and complex atmospheric motions, will continue to be closely studied object. On this occasion, however, photographs and other observations of the Jovian satellites produced the most novel information. For example, the two outer satellites Ganymede and Callisto are ice-covered and show preserved craters, apparently formed 4 billion years ago when an intense episode of cratering occurred in the solar system. The satellite Jo has no ice and impact craters, but has been the scene of volcanic activity which continues. Plumes of dust and vapor reaching up to 285 kilometers were noted. The internal heat in Jo seems to be due to tidal friction rather than radioactivity, and the surface of the satellite is renewed at least every 10 million years.

Our generation is likely to be the first to understand how the solar system was formed. Voyager missions move us toward that goal.

PHILIP H. ABELSON.●

NEW BUREAU OF PRISONS MAIL POLICY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. CONYERS. Mr. Speaker, on Sunday, July 1, the Federal Bureau of Prisons will implement a major change in their prisoner correspondence policy. Inmates will now be limited to five first-class stamps per month. The mail policy has for over a decade been to permit an unlimited but "reasonable" amount of postage for Federal prisoners paid for by the Government, with safeguards against the abuse of the "reasonable" amount provisions. This safeguard has been imposed in the past by placing prisoners on a restricted correspondence list permitting mail to be sent to only a specified number of people.

I and 18 of my colleagues have written to Mr. Norman Carlson, the Director of the Federal Bureau of Prisons, in opposition to the proposed mailing modification. We believe the damaging effects of this modification will be substantial, and will punish those prisoners working to develop and enforce their constitutional rights and to publicize the conditions of confinement under which they live.

The postage restriction, appearing in the June 19 Federal Register, is intended to clarify a "reasonable" number of letters, and places a specific limit on regular mail, to "avoid abuses in volume by a small number of inmates, at taxpayers expense." Nearly 28,000 Federal prisoners in over 40 Federal facilities will be adversely affected by the postage restriction as a result of these isolated incidents of abuse.

Furthermore, the Bureau has indicated that the inmate who is indigent, or who is being transferred and has no access to his/her funds, will be provided free postage at the institution. However, "indigent" is not defined. In fact, it is my understanding that each Federal facility will develop its own interpretation of "indigency" and will have the discretion to deny additional postage to prisoners under no prevailing standards.

It is estimated that the proposed mailing restriction will save the Bureau approximately $800,000 annually. The proposed financial savings does not in my view justify the infringement on the right to communicate; especially when the costs of administering the new mailing policy by distributing, accounting, and maintaining the security of the postage involved will probably cost more than the claimed $800,000 savings.

Many prisoners have written to me opposing the postage restriction. Their comments stress their indigent financial situations and identify the impact of the postage restriction as severely impeding on their efforts to effectuate positive changes in their situations, through communication by letter, the primary means available to them within the institutional walls. No postage available to these people, who are often more than 200 miles away from their homes, means no letters, and no letters is no communication because of the infrequency of any visitation while they are incarcerated.

Recently I received a petition signed by over 200 women offenders confined to the Federal facility located at Alderson, W. Va. These women are far from their homes, and are striving to overcome their physical isolation and maintain positive family and community relationships. I would like to share with my colleagues the letter to Director Carlson, and the text of the Alderson letter. So that people who stand the most to lose from the postage restriction, will have an opportunity to be heard.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 29, 1979.

Mr. NORMAN CARLSON,
Executive Director, Federal Bureau of Prisons, Washington, D.C.

DEAR MR. CARLSON: We are writing you to express our opposition to the proposed modifications of the Federal Bureau of Prisons' mailing policy.

We believe the effects of the proposed modifications will be substantial, and will primarily affect those prisoners who are working inside to develop and enforce their constitutional rights and to publicize the conditions of confinement under which they live. Many of the comments we have received from prisoners on the proposed modifications stress their indigent financial situations, and the adverse impact the restriction on mailing privileges would mean to their efforts to effectuate positive changes in their situations by communication with the judicial, legislative and executive branches of government, and private and public individuals involved in correctional issues.

The limited funds available to prisoners through work industry assignments are used to purchase commissary items or financially support their families, and there are those without prison account funds who will be effectively silenced by the implementation of the proposed mailing revisions.

The comments and insights of prisoners are vital to the cause of progressive change, and we strongly urge you to reassess the proposed policy changes and maintain the Bureau's present mail policy.

Sincerely,

John Conyers, Jr., Robert F. Drinan, Walter E. Fauntroy, Ronald V. Dellums, Charles C. Diggs, Mickey Leland, Melvin H. Evans, Richard L. Ottinger, Don Edwards, Parren J. Mitchell, Shirley Chisholm, William Clay, Augustus F. Hawkins, Bennett M. Stewart, Paul N. McCloskey, Jr., William H. Gray III, John L. Burton, Louis Stokes, and Robert Garcia, Members of Congress.

DEAR SIR:

We the inmates at Alderson Federal Correxctional Institution wish to express our deepest concern over the purposed mailing limitations by the Bureau of Prisons. The new plan would allow only five "free" letters per month to be mailed by each of us. This severe restriction would create incredible hardships for most of the 400–500 women usually housed here.

The salaries that we work hard for seldom reach $50 a month. Out of that we must supply virtually all our personal needs at a commissary that charges prices usually equal to or more than those at stores on the streets. Many of us also must attempt to provide some material support for our children where ever they may be.

Alderson is very isolated and less than 20% of us ever receives a visit while confied here. Those of us from foreign countries suffer even more from this lonliness as they know they will never have a chance to get a visit. We need desperately to be able to write letters!

We are sure that you are aware that over

80% of us are mothers. Writing our children (as well as other family members) is an essential part of our lives. There is no way that five letters per month can meet our personal obligations!

As prisoners actively seeking release from the criminal justice system that gives out more time than most countries in the world, most of us are engaged in written communication with the courts and our attorneys; or developing adequate parole plans with half-way houses, potential employees, etc. There is no way that five letters per month can meet our business obligations!

We believe that the Bureau of Prisons is being very unfair in this proposed restriction of our mailing. We see it as a clear step backwards in institutional progress. How can it be rehabilitation when we will be further punished for not being able to afford stamps? How can it be rehabilitation when prisoners will be denied the basic human right to maintain reasonable written communication with our loved ones? How can it be rehabilitation when we will be denied the ability to write letters to those who may be helpful to us in doing our part to build better futures?

We ask for your full attention and assistance in this matter. We ask the same of your associates. We ask you to help us do whatever is necessary to reject this proposed mailing limitation.

FATHER MATTHEW E. CREIGHTON

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. CAVANAUGH. Mr. Speaker, Creighton University, a distinguished institution of higher education located in Omaha, Neb. and operated in the noble tradition of Jesuit education, is fortunate to have a leader such as Father Matthew E. Creighton, S.J., in the capacity of president of the university. As an alumnus of Creighton University and Representative from the Second District of Nebraska, I have come to know Father Creighton both as a man of God and a leader in the field of private higher education. Recently Father Creighton addressed a memorial service for the members of the Omaha Bar Association, many of whom were Creighton alumni, who had died in the preceding year. Father Creighton's speech to those members of the Bar Association who were present and the spouses and families of the deceased members has application far beyond that limited memorial service, and I would like to share Father Creighton's speech with my colleagues at this point in the RECORD:

SPEECH BY FATHER CREIGHTON

It is a wholesome thing we do this morning, remembering colleagues who have shared a vocation in life, a vision, an idealism—the science of the law and the art of its practice.

That we do so in the Year of the Child and the Year of the Family has been amply reflected elsewhere (for example, in the White House Conference on the Family). But, the connection is in place here as we reflect upon the past and think of the future.

That past, of course, goes back through misty monasteries and faithful friars, who in dark ages preserved both culture and religion; it goes back through glorious Jewish tradition and delivers a picture of God and humankind, of a divine and selfless romance and imperfect human response.

Portions of the vision emerge: we see divine precept and human failing. Happiness was in the balance and the single law, needed to prove trust and love, was violated.

We see the Biblical Noah and the Classical Deucalion somehow prayerfully surviving punitive natural disaster in terms of worldwide flood.

We see the mythical Odysseus—world-traveller on his long way home from the Trojan War—craftily overcoming the song of the Siren but later crying out to the Cyclops in some primal, momentary identity crisis that his name is "No Man". There is basic truth in the legend. The Biblical Adam (or Man) has been reduced in Odysseus to full awareness that he will not make it through life entirely on his own and that, in fact, he needs more than human assistance.

It is an obvious (though incredibly unacknowledged) fact that pagan, Homeric tradition and Judaeo-Christian sources are at one as to human need for divine assistance and the readiness of God to help, if only God be asked.

Throughout the course of history, man has constantly learned and unlearned this primitive fact. Left, by his own choice, to his own deserts, he keeps blaming others; he wanders relentlessly into wars; he destroys himself; he emerges from destruction, repentant, and prays for a while. But, he forgets all too quickly.

Ladies and gentlemen, the great problem of our time is not inflation; it is not the energy shortage; it is not even the perpetual possibility of nuclear annihilation. It is far simpler than all of these evils with which we must certainly deal. The great problem is that we so easily forget human history. We forget the past and we, thereby, neglect the future. As a nation, we have become focused upon temporalities. As a nation, despite much happy evidence to the contrary, we simply do not pray earnestly enough and many do not pray at all. We thereby all lose perspective.

It is a wholesome thing. this morning, to remember colleagues who have shared a vocation in life, a vision, and an ideal. And it is not irrelevant that we do so in a context suggested by the Year of the Child and the Year of the Family. The honored dead, whom we now revere, would surely have no nobler wish than that our profound esteem express itself in our truly thoughtful regard for the past, in our activities for the future, and in what we are as we relate to Child and Family . . . as we relate to God and country.

There is, of course, another polarity in the human situation. Despite restrictions suggested by some, we are—quite marvelously—free. We have the power of choice. And we have wonderful sources of never-ending, personal education from which we can make incredibly informed choices, based upon careful investigation.

As Americans, we rightly prize that legitimate freedom, sensitive to the rights of others, and we probably are more aware than at any other time in our history of the rights of others. We are compassionate and interested in our fellow human beings. We have made advances upon our heritage and we do acknowledge and have corrected incredible blindspots.

We are quite aware with Judge Higginbotham that our forefathers did not truly understand that the basis for freedom existed as really in all human beings, as it did in some. They did not actually see that certain inalienable rights were so fundamental that a mere legal human instrument cannot take them away. Freedom now reigns in the land more than it ever has in our history! Yet, we are quite aware that we have not yet seen all implications and that many dedicated Americans believe we are nationally in error on certain issues.

Perfectly legal answers are, of course, not enough. Thinking people must debate. That is essential to freedom. Basic human rights, such as presumably begin in a natural sense before they are given legal recognition, if ignored on legal grounds, represent an intrusion into nature, the implications of which undermine all human rights. No one is secure in presence of a principle which undercuts anyone at so profound a level.

There are also many questions concerning inequities sustained by groups, where it cannot be argued philosophically or microbiologically that strict rights ensue, but where legal rights may be created for reasons of fairness. Debate here is also essential to freedom. May I suggest that there is insufficient debate and that freedom, indeed, suffers when such issues are addressed solely by government under extreme pressure from various groups?

There is, in other words, a price which must, even today, be paid for liberty. And, that price is, precisely, rational debate. Without it, we are imperiled by self-interest and the lesson of history is that we shall surely perish. We shall again be Adam, cast from the American paradise, crying out. We shall be Odysseus, reduced from the triumph of Troy to the crushed "No Man" who has no heritage. Troy, too, once stood firm and unshakeable. And the democracy at Athens was once justly proud of its heritage. Its leading citizen correctly asserted that its strength as a democracy lay in its ability to debate and only then to act. What he did not see was that "all human beings are created as endowed with certain rights", that governments may add to but not subtract from these, and that there is no substitute for prayer, even as attested to by a discernible portion of his own classical tradition.

We join together, today, to honor the memory of those who have shared the burden and gone on before us. There is surely a thrust toward greatness in their lives. That thrust is quite explicit. It concerns the service of other human beings in time of trouble and disagreement. Certainly, the formula precludes self-service. Certainly, it offers opportunity for the highest form of public service. Certainly, it looks upon the law, not as a means of aggrandizement for individuals or for groups, but as an instrument of human development, of order, of peace, of justice, of brotherhood.

Now, you might well ask: How can I as a lawyer really and fully implement that formula? In fact, it is quite evident that the whole profession is frankly beginning to face that question. There is a tension, evident everywhere in the land in small or in large ways, in individuals and in society, as to precisely that question.

There is specific tribute to all who have gone before in the effort to answer the question. How better to honor a colleague, we may ask, than to build upon the highest ideals toward which he has aspired? But, the question lingers on.

One kind of solution is, of course, emerging at a certain level. It is a solution in which individuals and associations contribute hard-won legal skills to the service of the indigent. Canon I of the Ethical Code of Professional Responsibility calls for action and through its practice a magnificent humanitarian service is effected. People who really believe in America and have such skills certainly so use them, wherever possible.

Secondly, there is realization in the profession that serious philosophical problems beset our American culture. The most radical of these is an ideology of scepticism which destroys the authenticity of the law at its very roots.

Scepticism grows from various premises. For example, ethical positivism is a doctrine to the effect that the espousal of given values is not rationally defensible. Now, a well-trained senior in a well-run college ought to be able to refute that. But, if I am to believe what I read, college-trained law students across the country often cannot.

The remedy here—apart from religion—

lies, of course, in a philosophical system which will stand on its own premises after they have been thoroughly questioned . . . a sort of "people's philosophy". As Americans, we can no longer afford to be vague here. There is no alternative, except a juridical system ultimately based upon the arbitrary fiat of the King's power. There is no other way comprehensively to measure human rights, to approximate justice as best we may, to hand on what we have received in a better form.

A dozen years ago, I had the privilege of reviewing a movie in New York in which the script was written by Robert Bolt. Bolt, as you may know, is not a man connected in any way with religion. And the movie, of course, was a vivid chronicle of the Patron Saint of Lawyers, Thomas More, a man who had risen from the Courts of Common Law to become Chancellor of the Realm.

More was devoted to the law; it was his life, his vocation. For him, it was the instrument of human development, of order, of peace, of justice, and of brotherhood. And, Robert Bolt, who did not fully understand More's deeper commitment, was so moved by his perception of the man that he chronicled More's life and death for all time.

Three years ago, when I was Dean of the Loyola University Rome Center, Burt Lancaster who was on location in Rome and who happened to have a daughter in class, selected that movie from among many suggested (including his own) for presentation at Christmas to 200 American students at the Center. He thought it most appropriate for young adults. He, too, was moved by the life and death of a man of principle, who—when faced with the ultimate question—put his life on the line when appropriate legal distinctions ran out and the only loyalty was to a higher law through silence.

Burt Lancaster chose well. More died a martyr to his profession's most fundamental principle, his personal integrity. He is the model of a man who had no price. Henry, his persecutor, was left behind—the witness to his own lower law, his personal degradation. He is the model of a man, rudderless in a sea of confusion.

Though we live in a somewhat different world, we pray—indeed—for the grace of wisdom, of understanding, of integrity and counsel and fortitude in this great land of ours, in this State of Nebraska, in this City of Omaha, and in our implementation of legal process and the development of substantive legal enactment in the service of our fellow human beings.

There is no greater honor we can accord to esteemed colleagues with whom we have shared a vocation in life, a vision, and an idealism in the science of the law and the art of its practice.●

SALT AND SUCCESSION: A CONTEXT FOR SERIOUS EVALUATION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. GOODLING. Mr. Speaker, while we begin to digest the details of the SALT package delivered to us by President Carter on the 18th of June, a larger and potentially more significant factor in United States-Soviet relations is beginning to receive considerable public attention. As an indirect consequence of the culmination of the SALT II negotiations in Vienna this week, the stark reality of the fragility of the current gerontocracy now ruling the Soviet Union was burned into our consciousness.

In our capacity as concerned citizens, decisionmakers and opinion leaders, it is imperative that we grasp the fundamental nature of the emerging political trends in a nation with which our President has just concluded an agreement concerning the most vital aspect of our national survival.

I have recently noticed several journalistic accounts of Soviet succession politics. These analyses have focused upon the leadership prospects of various personalities among the ruling Politburo and have tended to reinforce the journalistic penchant for the horserace competition: An ensuing power struggle among clearcut candidates with defined perspectives, policies, and constituencies. We are somehow led to believe that the content of Soviet foreign policy depends on the outcome of this struggle between Kremlin hawks and doves. Recently, we have been presented with a heretofore esoteric example of the "Black Art" of Kremlinology: an obviously cropped photo of the Soviet leadership atop Lenin's Mausoleum witnessing the recent May Day celebration—with one of the contenders conspicuously erased from the lineup. We are thus reminded of the potential continuity with the internecine Byzantine politics within the Kremlin hierarchy which occurred during the struggle for power following Joseph Stalin's death. Having been presented with evidence of this mysterious maneuvering by these unfamiliar shadow figures from the grey images lined atop Lenin's tomb, we are cautioned not to espouse any policies which might tip the balance in favor of the Kremlin hawks.

While all of this "Kremlinology" proves to be highly interesting, I would like to suggest that a more useful set of concerns and questions should be addressed if we wish to be seriously informed about the nature of Soviet politics. It is obvious that various intelligence agencies and academicians have been deeply involved in the pursuit of detailed information on the emerging trends within the Soviet polity. However it appears that our commentators have fallen short of their responsibility to keep the remainder of the attentive public well-informed. For example, it has been argued that the Soviet Communist Party's Central Committee is likely to play an important role in confirming the legitimacy of any new leader who might emerge after Brezhnev. Most factors indicate that the support of this body is crucial in a political system which has no universally recognized mechanism for the transfer of political authority. The Central Committee of the Communist Party of the Soviet Union has been called the "communications network" in the Soviet political system since the 287 voting members are drawn from the major national and regional party and state institutions.

During the period of fluidity following the change in leadership at the top, while the contenders for power informally compete for support among the various party and state power brokers, the Central Committee may prove to be an influence not only on the choice of new leaders but also on the formation of policy. Therefore, it seems reasonable that one aspect of our inquiry into the nature of the emerging trends affecting the Soviet political succession ought to focus on the characteristics of this elite body. We should be aware of any significant changes in this leadership pool. It seems important to know the institutional composition of this body—whether the membership is weighted toward representatives of the military-industrial complex, the party apparatus, the state bureaucracy, security organs, et cetera. This information could be highly valuable, especially if contrasted with the composition of the Central Committee following the death of Stalin and subsequent succession struggle between Khrushchev and Malenkov and again following the Brezhnev-Kosygin ouster of Khrushchev.

Has the complexion of this influential body changed? If so, how? What different kinds of interests appear to be reflected among current members of this elite group? Might not the complexion of this body influence the parameters of the ensuing succession struggle?

All of this information is available to serious analysts. Our political commentators could make a significant contribution by raising the level of sophistication of their analyses to include such information in their assessment of the Soviet succession process. These kinds of questions, along with current evaluations of Soviet nationality issues, energy prospects, economic conditions, consumer attitudes, demographic data, and factors influencing Warsaw Pact reliability in the event of a crisis, for example, might provide a more realistic context within which succession speculation might be conducted.

No reasonable person would deny that it is fascinating to speculate on the prospects of a Soviet Union governed by Andrei Kirilenko, Konstantin Chernenko, Yuri Andropov, Grigorii Romanov, or Vladimir Shcherbitsky or the impact of the apparent Kremlin kingmaker, the aging Milhail Suslov. However it seems more reasonable, and most importantly, more useful to recognize the major factors that will shape the domestic and international environment within which any emerging Soviet leader must attempt to consolidate his position and forge the necessary coalitions needed to govern the U.S.S.R. If we can understand these factors, we will find ourselves in a much better position as we attempt to evaluate our alternatives and to perceive the constraints and demands placed upon our chief international competitors.

In the weeks ahead, I plan to share my information, analyses, and conclusions with my colleagues on this vital matter. I urge all of my colleagues to join me in this undertaking and I look forward to a stimulating debate, not only on the technical aspects of the SALT II Treaty but also on the emerging Soviet political context within which this treaty will likely be implemented and interpreted.●

NATIONAL SCIENCE AND TECHNOLOGY ACT OF 1979

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. BROWN of California. Mr. Speaker, the Nation is suffering from a slowdown in innovation and productivity in private enterprise. This is indicated by our current rate of inflation, by unemployment, by the balance of trade, and by the international balance of pavments. Industry and Government leaders are becoming increasingly concerned with the problem. In the Executive branch a domestic policy review of industrial innovation is underway now.

The Subcommittee on Science, Research, and Technology, which I chair, is making a concerted study of innovation and productivity during the 96th Congress. Our first hearings were held early this month, and we will continue them throughout this session.

Other committees of Congress are working on the same or closely related problems, and this is all to the good. In the Senate one of the most active groups has been Senator STEVENSON's Subcommittee on Science, Technology, and Space. Senator STEVENSON introduced S. 1250 not long ago, a bill to enhance technological innovation for the improvement of the economic, environmental, and social well-being of the United States.

Senator STEVENSON's bill is well thought-out, and I am introducing it in the House today with a few modifications as the National Science and Technology Innovation Act of 1979. Cosponsoring the bill are the chairman of the Committee on Science and Technology, DON FUQUA, as well as Mr. ERTEL, Mr. WATKINS, Mr. WYDLER, and Mr. HOLLENBECK.

The bill has two main thrusts: First, the establishment of an Office of Industrial Technology within the Department of Commerce, and second, the establishment of a number of centers for industrial technology.

The Office of Industrial Technology would study the role of technology in the Nation's economy and identify technological needs and opportunities that are important to the national economy. The office would recommend measures to advance U.S. technological innovation.

The centers for industrial technology would be located at universities or other nonprofit institutions. They would conduct research supportive of technological and industrial innovation, assist in the evaluation of technological innovations, advise industry, and train entrepreneurs.

I believe the ideas put forward in this bill deserve careful study as part of a solution to our problems with innovation and productivity, and the Subcommittee on Science, Research, and Technology will be undertaking such study.●

PROFIT AND LOSS STATEMENT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following editorial, in the June 12 edition of the Santa Barbara News-Press, addresses a topic that seems to make the Carter administration particularly nervous.

The editorial, "Profit and Loss Statement," makes a point that has always seemed obvious to me. That is, that profits for businesses are good, and not inherently evil as some in the administration might have us believe. My colleagues might recall administration officials describing profits of some American corporations as "excessive," as though they were intrinsically bad.

I think this editorial presents a worthwhile thought that officials of the executive branch should take the time to consider. Profit is absolutely essential to the American economy.

The editorial follows:

PROFIT AND LOSS STATEMENT

That business ventures, including the largest ones, are a risky business, has been demonstrated time and again of late. One of the most recent examples is McDonnell-Douglas, builders of the trouble-plagued DC-10 airliners. A few days after the crash of a DC-10 at Chicago, McDonnell-Douglas stock had plummeted by 25 percent, representing a staggering loss of many millions of dollars to the company and to its stockholders, many of whom are middle-class Americans and a few of whom could probably be classified as poor.

In this community, the Santa Barbara-based Sambo's restaurant chain reported a loss of more than two million dollars at its stockholders' meeting. And it has been only months since a mammoth recall of Firestone "500" tires sent that corporate giant reeling. Other recent examples could be mentioned.

Such glum corporate news should be balanced against reports that a number of oil companies recently turned profits that substantially exceeded their profits for the previous earning period. By reporting the percentage of increased profit rather than the actual percent of profit (for example 150 percent instead of 10 percent in one instance) the effect was created that the oil company profits had been gargantuan. Oil industry spokesmen quickly pointed out that the oil company profits, even with the increase, remained below the average of the nation's 500 biggest corporations.

As with individuals, corporations have good times and bad times. Just now the oil companies are on an upswing, but they have known bad times, too, and they almost certainly will again. One of the most publicized stocks of the market boom of the late 1920s was an oil stock, Cities Service. When the stock market collapsed, Cities Service plummeted from the 100 range to virtually zero. It was a particularly vivid example of the risks inherent in business.

Not everyone is a stockholder, but many do enter business as proprietors of stores, repair and service industries, dining establishments and related fields. Here again the risk is great with failure or even bankruptcy often resulting.

The truth is that all knowledgeable citizens should be glad when business profits are good for enterprises large and small. If this nation dips into a technical recession during the months ahead with a concurrent rise in unemployment, it will be in large degree because of a slump in business. It is a good time to remember that profit is absolutely essential to the American economy.●

UNREQUITED COURTSHIP

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. DERWINSKI. Mr. Speaker, many of us thought that it became pretty firmly established in the 1930's and 1940's that appeasement of totalitarian regimes was a self-defeating effort. We thought that principle still applies in our policy toward totalitarian regimes and for dealing with terrorists movements and radical left-wing forces in the so-called Third World.

Consequently we are dismayed at the administration's repeated violation of that principle around the world. An interesting and timely commentary on this subject by Joseph Kraft, appeared in the June 28 Washington Post. Mr. Kraft points out:

> The more the United States moves to accommodate the radical forces of the Third World, the more radical those forces become.

One cannot help wondering how often the lesson has to be relearned and how large a price we will have to pay each time we relearn it. Mr. Kraft's column, shows that attempts to compromise with the radicals will prove fruitless:

UNREQUITED COURTSHIP

(By Joseph Kraft)

Nicaragua provides a revealing test for the foreign policy of the Carter administration. For the distinctive mark of that policy is a reversal of traditional ties to woo the left-wing regimes of the underdeveloped countries in the Third World.

But the record—now in Nicaragua and earlier in other countries—shows that the effort is self-defeating. The more the United States moves to accommodate the radical forces of the Third World, the more radical those forces become.

The point man for the Third World policy of the Carter administration has been the American ambassador to the United Nations, Andrew Young. In formal speeches and off-the-cuff remarks, Young has embraced all of the world's underdogs.

Occasionally President Carter has felt obliged to reprimand Young. But only by a slap on the wrist. And not because of any fear that Young will queer the administration with black voters. On the contrary, Young stands aces-high with the administration because President Carter, Vice President Walter Mondale, Secretary of State Cyrus Vance and even the president's adviser on national security affairs, Zbigniew Brzezinski agree with him.

Policy has been framed accordingly in Asia, Africa and Latin America. The administration started in Asia by offering the hand of reconciliation and friendship to a former enemy, Vietnam. Negotiations for resumption of diplomatic relations collapsed only when Hanoi refused to drop its claims for war reparations.

Since then the Vietnamese regime has become increasingly strident in its behavior. It has invaded Cambodia, roughed up China, firmed ties with Russia, and deliberately thrust upon the outside world a ghastly refugee problem. But Washington, all along, has been looking the other way.

In Africa, the Carter administration from its first days identified itself with the guerrilla forces, and black states, pushing for majority rule in Rhodesia. But the guerrillas refused to compromise with the Rhodesian whites, and the African states backed them all the way.

Their being adamant left a void for the white leader, Ian Smith. He worked out a deal, backed by an electoral majority, with a black leader, Bishop Abel Muzorewa, for a new state, Zimbabwe Rhodesia.

Now Bishop Muzorewa has become prime minister of Zimbabwe Rhodesia and the administration is under congressional pressure to lift sanctions against that country. But the guerrillas and the black states oppose any such measures in the most vehement way. Indeed, the most moderate of the African states, Nigeria, has threatened to cut off oil supplies to the United States.

In Latin America, the Carter administration sought to befriend the Cuba of Fidel Castro. Diplomatic missions have long since been exchanged, and the president has resisted congressional pressure to hit back at Castro as a riposte to the actions of Cuban troops in Africa.

When trouble erupted in Nicaragua months ago, the administration broke a long tradition of friendship. The regime of President Anastasio Somoza was criticized for human-rights violations. In addition, the administration sided overtly with an armed challenge to Somoza by guerrilla forces, the Sandinistas—friendly to Castro.

Last week, Washington formalized its position before the Organization of American States. Secretary Vance declared the civil war in Nicaragua would continue until Somoza gave way to an interim government built around the Sandinistas. To ensure the transition, Vance asked the OAS to send a token force.

But the Latin American states have steadily refused to sponsor an interim force, or even mediation efforts. The majority grouped itself around a Cuban argument that such action would amount to imperialist intervention. As an editorial in the official Cuban newspaper put it: "Yankee intervention in Nicaragua would signify a Vietnam in the heart of the Western hemisphere."

What all this says is that the Third World radicals are not opposed to the United States for trivial reasons. Nice words about democracy, or even a switch in the line of support, cannot change their positions. Deep-seated political—and especially cultural—reasons tilt those countries toward an anti-American stance. Their leaders like to be seen standing up to the power of the military and even more to the message of the American media. So if the United States adjusts its position in hope of compromise, the radicals will also move—precisely to avoid compromise.

That is no reason for the United States to support reactionary regimes and outmoded positions. But it is a reason not to pay out assets in the expectation that courtship of the Third World radicals will yield big dividends.●

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. SHUSTER. Mr. Speaker, the Republican Policy Committee, of which I am chairman, has gone on record unanimously against H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1979, as reported by the Ways and Means Committee. H.R. 3919 is not a windfall profits tax, it is a tax on the production of oil, regardless of profit. It is nothing more than a windfall profits tax to benefit the bureaucracy. Why should we support a bill to fatten the Government treasury, when what we actually need to do is to come up with a bill which provides for a tax with a plowback provision which will help solve this Nation's Carter-caused energy disaster.

The cavalier White House attitude about this energy disaster was clearly evidenced the other day when Carter's mouthpiece, Jody Powell, told the press that the long gas lines we are suffering with in many sections could not happen in a better place than Washington, D.C.

I, along with millions of other Americans, who wait in long gasoline lines find this callous, flippant attitude, outrageous.

Let me conclude by observing that responsible, capable leadership from Jimmy Carter could not happen in a better place than Washington, D.C.

I insert in the RECORD at this point, the text of the Republican Policy Committee statement on H.R. 3919.

H.R. 3919—CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Republican Policy Committee believes the approach to resolving our energy problem involves both an expansion of energy supply and improvement of energy efficiency. The Nation's clear and present need is for new capital to finance the exploration and development of domestic resources as well as the discovery of new sources of energy. Deregulation of oil and natural gas will best promote increased exploration and production of petroleum products in this country.

The Democrat-controlled Congress has debated energy legislation since the OPEC embargo of 1973–74 but the Nation still has no comprehensive energy policy. On April 18, 1977, President Carter described our energy problem as the "moral equivalent of war" and stated that "Our decision about energy will test the character of the American people and the ability of the President and Congress to govern this Nation."

On April 20, 1977, President Carter proposed to the Congress an energy plan a major component of which was a series of taxes, "the crude oil equalization tax," "the gasoline tax," the "gas guzzler tax" and "the industrial user tax." Today, June, 1979, the Carter Administration and the Democrat-controlled Congress continue to be ambivalent on a comprehensive national energy policy while aggressively proposing and passing "tax bills" to feed the gluttonous Democrat appetite to "tax and spend."

The Republican Policy Committee strongly opposes the passage of H.R. 3919, the "Crude Oil Windfall Profit Tax Act of 1979," as reported by the House Committee on Ways and Means. The bill is merely another Democrat "tax bill" which imposes a 70 percent windfall profit tax on domestic crude oil prices resulting from deregulation of crude oil prices or from increases in world oil prices. The bill places the total tax revenues of $29.1 billion through 1984 in a trust fund for future Democrat expenditures.

The bill as reported by the House Committee on Ways and Means is not a "windfall profits tax," it is a tax on the production of oil, regardless of profit. It is nothing more than "excise," "severance" or "sales" tax applying to all crude oil production in the United States according to its classification. For nearly every category of oil the tax imposed by the bill has the effect of stifling production rather than increasing the incentives for more exploration, development and production of crude oil in the United States. The bill will deprive American consumers of one million barrels of domestically-produced crude oil a day. It increases our dependence on imported crude oil from OPEC and at a higher cost of nearly $35 billion over the next five years. The bill will not provide a single gallon of additional gasoline. It will not produce a single quart of oil. It will not provide the heating oil required for a single home. It will not shorten one gasoline line. And it will not solve our energy problems; it will only compound them.

The Repubican Policy Committee believes that the Moore-Brown substitute to the Committee reported bill is a less onerous approach to taxing windfall profits as a result of decontrol of crude oil prices because it provides for specific incentives for domestic production of oil not yet discovered, oil from deep stripper wells and oil produced by innovative recovery techniques. These are the areas where independent producers predominate and where, along with tertiary recovery projects, production is most responsive to appropriate incentives. This substitute improves the bill by phasing out the tax on newly discovered oil creating more incentive for domestic production.

The Republican Policy Committee supports the concept of a windfall profits tax on domestically-produced crude oil—coupled with a plowback provision—to help smooth the transition from oil price controls to a free or nearly free crude oil market and increase the supply of domestically-produced energy. Therefore, the Policy Committee strongly supports the passage of the motion to recommit H.R. 3919 with instructions to report a bill providing for a reasonable windfall profits tax with a plowback provision to increase domestic exploration and production. Otherwise, we oppose H.R. 3919, as reported.●

TRIBUTE TO MAYOR CARL DORTCH

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. JACOBS. Mr. Speaker, Lincoln said: "Do I not destroy my enemy when I make him my friend?"

Carl Dortch who is the subject of the following article from Indianapolis magazine has lived that philosophy for a long time in his hard and useful work for the Indianapolis Chamber of Commerce.

Just west of the State of Ohio there is a saying:

> Ain't God good to Indiana?

Partly because of Carl Dortch, the answer is "Yes."

DORTCH IS A CITY FATHER WHO DOESN'T PLAY POLITICS

(By Rick Johnson)

For more than four decades Carl Dortch has viewed the ebb and flow of power in Indianapolis. He has been an integral part of that kaleidoscopic structure and from his position as an executive of the Indianapolis Chamber of Commerce he has witnessed the prominence and strength of many men take form, then fade, while his career endured and was enhanced.

His career with the Chamber has been one of intense interest and activity in the affairs of the city and all its people. How he maintained his pace, interests and stamina is miraculous. Considering his numerous involvements and achievements, his last 40-plus years have been the equivalent of a marathon.

Only a few months ago one of the city's newspapers identified Dortch as one of the 10 most powerful men in the city. Initially, that sort of classification could lead people to believe Dortch is but another ruthless power broker who has left scores of victims squashed in his path.

Such was never his style. Dortch fashioned his success and garnered his strength by using reticence and intelligence in dealing with key industrialists, businessmen and political leaders. Dortch has long had a passion for facts, information and statistics. He has never been afraid to dig and work for any fragment of fact he deemed vital to help him arrive at a sound decision.

Once executives and politicians realized when Dortch spoke he knew what he was talking about and could prove it, they began to listen. When they listened, Dortch became a part of the city's decision-making process. His power grew as he was sought out and consulted on an increasing number of matters.

Dortch's performance with the Chamber tempers Lord Acton's maxim, "Power tends to corrupt and absolute power corrupts absolutely," and brings to focus an applicable analysis uttered by Lord Macaulay in 1843, "The highest proof of virtue is to possess boundless power without abusing it."

While Dortch never held boundless power, his power was to be reckoned with in matters of business, commerce, government and finance. Yet there is no hint he ever abused his strength. Dortch has ananlyzed every decision he has made against the principle of eminent domain, what will do the most people the most good.

Dortch admits he has been pressured to run for public office numerous times and each time he has declined. "Really, it just did not appeal to me. And, I have never relished, then or now, the sort of political infighting a successful politician must be capable of," he said.

The published revelation that Dortch was one of the city's most powerful men surprised many people. The name Dortch, by his own design, was not a household word. Even so, Dortch being so identified did not startle one of Dortch's old friends, former Mayor Charles Boswell.

"I realized his power more than 30 years ago," Boswell said. "I believe he became powerful because he never sought power and he never abused any power which came to him. He always seemed to have the best interests of this town first in his mind when he was asked for or volunteered advice on a matter.

"Carl is a very talented man. In his quiet way he has had a hand in making enormous and substantial contributions to this town. He often worked before the old city and county councils and before many sessions of the legislature. He was always fighting to save the taxpayer's dollar. He is one of the best there is when it comes to spotting fat in a budget and he has tremendous expertise in government and business finance," Boswell said.

"Even though such activity could have results in him being given an ultra-conservative label," the former mayor said, "Carl has been the spearhead of many of the most imaginative and progressive projects this town has experienced."

Boswell credited Dortch with major assistance in the development of Weir Cook Municipal Parks Department, an updated sewer system and greatly expanded business, industrial, residential and economic growth in but a partial list of Dortch's achievements.

Boswell pinpointed keys to Dortch's success: "One is his treatment of the press and the media. When a reporter or a news executive asked him a question, Carl always told them the truth and he was often able to supply them with the products of his research into the matter as additional support for his statements.

"I believe another reason for his success and prominence comes from his willingness to remain somewhat in the background and let other people take a lot of the credit for things which were actually either the product of his ideas or his work," Boswell added.

After a pause, the Democrat said, "I believe there is another factor behind his success and staying power. He has always had that solid virtue of integrity.

"However," Boswell chuckled, "I've wondered about his integrity a few times when he starts talking about his golfing handicap and some of the numbers he puts on his scorecard."

Support for many of Boswell's observations came from another source. Dortch's golf handicap and scorecard notwithstanding.

Ivan Brinegar, former Republican mayor of Bedford, former executive director of the Indiana Association of Cities and Towns, now executive director of the Academy in the Public Service, claims Dortch's impact and intelligence have been felt on a statewide basis, in governmental and business matters.

"Without a doubt," Brinegar said, "he is one of the best informed persons on local government, as it affects business, industry, the public and labor, I have known. He has been consulted statewide and the accuracy and influence of his opinions have been tremendous. Carl is a tireless, diligent worker in his research and an articulate presenter of the facts.

"I have never known him to abuse his power. He has always been low key and discreet. He has never resorted to the use of high pressure to achieve any goal," Brinegar said.

"I know he has frequently been asked to run for high public office. He has always refused. Whether any of the public realizes it or not, it was to their benefit that he declined all offers to be a candidate. I believe that from his position with the Chamber he was able to help more people more often. And," Brinegar observed, "no matter which party was in power, Dortch had a way of making them look good by letting them take credit for things he had worked out.

"I can't say enough good about the great contributions he has made to the city of Indianapolis and to the state," Brinegar concluded.

Because of his outstanding grades at the old Valley Mills High School, nearly all A's, as Dortch recalls, he was awarded an Edward Rector Scholarship to DePauw University. The scholarship provided tuition, no books, no meals, no lodging.

Carl recalls some of his high school days and reveals how he finally managed to get to Greencastle.

"There were only 17 people in my class in high school and we took everything the teacher threw at us, just gobbled it up. We studied physics, without a laboratory, mind you; we studied the classics and history, government. Literature was my poorest subject and history and government were my favorites. But I did well in almost everything and I won a scholarship.

"After winning it, I didn't know if I could use it. Things were very bad moneywise, so bad I had made up my mind not to go. Then my brother won $45 in a baseball pool. He gave me the money so I could start college. That was one of the biggest thrills of my life," Dortch said.

The thrill was short lived. More money problems surfaced immediately. Rooms at Greencastle cost $2 a week. There were meals, clothes and books to buy and the $45 would vanish in a hurry. Dortch got two early morning jobs firing furnaces. He took another job cleaning a physician's office and still another as a waiter in a tea room.

The furnace and cleaning jobs helped him pay his room rent and buy his books and clothes. The job at the tea room gave him a bit of change and, more important, lunch and supper. It meant rising at 4 a.m. each day, firing two furnaces and cleaning an office before going to classes, all without breakfast.

Dortch majored in political science and developed a sharp interest in American government and public administration. During his junior year at DePauw his research for a term paper took him to the State Library at Indianapolis. He had only 40 cents in his pocket but he had to have some lunch, having, as was his custom, forgone breakfast.

He walked to Illinois and Market streets where he found an affortable meal advertised at the old Fendricks restaurant. As he ate lunch he reviewed his term paper notes. A man who shared his table became curious and began a conservation.

"I believe that man was an accountant. I don't recall his name, if he ever gave it," Dortch said.

After learning of Dortch's major subjects at DePauw, the stranger suggested Dortch go to the Indianapolis Chamber of Commerce and see either Virgil Sheppard or Bill Book about getting a summer job. Carl had been working on a farm during the summer vacations for $1 a day. Even though he needed that money, he quickly made a decision.

"I had in mind to be a political science teacher. I decided if I could get the job with the Chamber I would do it just for the experience," he said.

"It took me a couple of visits but during June 1935, I was put to work by the Chamber doing a cost study of a police department WPA project."

Dortch compiled a mass of statistics that impressed his superiors. After two months and short negotiations, he began receiving $1 a day to cover his lunch and car fare.

After graduating from DePauw in 1936, he returned to the Chamber of Commerce with a substantial raise in pay, $100 a month. To go with his new job he had another obligation and an opportunity. His DePauw grade average, B plus, had won him a fellowship to the University of Cincinnati. If completed, that work would give him a master's degree in business administration.

The fellowship was a two-year course which permitted him to work half-time and attend school the rest of the time. Dortch's job with the Chamber gave him practical insight to his college course and his college work helped him with his job. For two years he traveled to and from Cincinnati and received his degree in 1938.

Then his life's work began.

As Dortch took the initial steps of his career, Indianapolis and its people were reeling from the hammer blows of the Depression. Nearly all the city's automobile manufacturers had closed shop and dozens of related or dependent industries died with them. Small and large businesses alike reduced their work forces drastically in an effort to stay open. Many failed.

But the greatest sufferings were borne by the people. Many of the city's fire stations functioned as soup kitchens to feed the hungry their only meal of the day. Jobs were more difficult to find than gold. People stood in long lines at bakeries to get stale bread. Stale bread and beans made a full meal; a bit of bacon or ham made it a feast. The one thing nearly everyone had in common was nothing.

Government functioned in rigid compartments and employed 19th century techniques. How could anyone stand to look at the problems much less believe anything could be done to change them?

A spark in Dortch caused him to try. He put the city under a microscope, quickly detected a couple of targets and went to work on them.

He noticed the city's bookkeepers were making entries in their ledgers by hand and often were far behind in their posting. Tactfully, he got the city to mechanize its bookkeeping. Another problem was not solved so easily.

"In those days, the property tax was the primary source of funds for financing the operation of government. Property owners were buckling under the burden of the taxes and the horrible pressures of the Depression. Many people lost their homes because they could not pay their taxes. Until some other means of financing government could be found, I concentrated upon keeping a close eye on government spending," Dortch said.

"I sure wasn't accepted at first, by either the clerks and bookkeepers or the public officials at City Hall and the Courthouse.

"I began zeroing in on padded budgets and I brought these facts to light during open sessions of the councils, where the citizens could hear and take part, support or reject what I had discovered. Usually my findings were supported.

"I always tried to make certain I knew what I was talking about. I never took an ivory tower approach to any problem. If we had a problem with the sewers, I took a look at the system myself with men who knew the problems and knew how to solve them," Dortch said.

Another aspect of Dortch's makeup that undoubtedly helped him in dealing with people from every station in life was his refusal to vacillate once he had come to a studied conclusion, "I've always believed people like to find you in the morning where they left you the night before," he said with an emphatic tap on his desk.

Still, his acceptance was not complete until 1940. That year, Dortch had compiled all the budget sheets from the city's various departments for study.

A quick review told him something was terribly wrong with the proposed budget. It took several hours for him to unravel the facts and when he did the problem was a whopper. During the prior year the city had borrowed $1.1 million, which had been placed in a temporary cash reserve balance. The budget makers had failed to provide funds for repaying that loan. When the note came due, it would have had a crushing effect on the city's cash balance.

Tactfully, Dortch approached several key officials, explained the error and got it corrected. With that incident, respect for Dortch grew. Even though the story about the budgeting error was published in the newspapers, many officials recognized Dortch as an intelligent young man who could be trusted, not a man who would punish them with bad publicity for their mistakes. Gradually Dortch became a part of the decision-making processes within the city and county governments.

Remembering his first associations with the city's patriarchs, Dortch said, "It was really something. Me, a kid from the other side of the tracks, talking with and explaining, suggesting, pointing out things to businessmen, political figures, office holders, guys anyone could read about in the papers. It was really something." Even today the memory of that time brings a wide smile.

Frequent contact with such men did not awe or sway him from his job. "I was positive I would have earned my pay if I did nothing more than just go over to the City Hall or the Courthouse and sit on the steps all day. The very fact I was around and they knew I was around and might be looking into something or going to ask some questions, was enough to prevent a lot of things from happening," Dortch said.

Carl had assumed the role of watchdog, but he did far more than sit on the steps of City Hall and the Courthouse. In fact, as he tells one story now, for a time he feared he might go to jail as a result of one investigation.

"The statute of limitations has expired," Dortch said with a laugh, "or I couldn't tell you about this."

Major complaints had begun to surface among the people who were on poor relief. They complained about the quality of food they were getting from certain vendors to whom they were forced to pay exorbitant prices. Dortch began checking. He discovered milk had been watered down but was being sold for top quality at premium price. Other irregularities were uncovered. Dortch began checking records and compiled a list of suspect vendors. One of the places where he checked records was in an area of the old Courthouse known as "The Bum's Room." In poring over records there he discovered dozens of "ghost" poor relief recipients.

Believing he was free to remove the records from the Courthouse for more examination, Dortch took a stack of material to his office at the Chamber of Commerce Building. Then, within a few days, the Indianapolis Times broke a story on a poor relief scandal. The Times said Prosecutor David M. Lewis would be going through all of the poor relief records with the Marion County Grand Jury.

"Oh, you can't imagine how I felt," Dortch said. "No one knew I had those records. I knew I had material the prosecutor and the grand jury would want. I had to get them back somehow—but how? I bundled those records up and headed straight for "The Bum's Room.' I didn't go in, I just heaved the whole package over the top of the partition and got out of there.

"I know it made the prosecutor's job real easy. I had everything he needed for the grand jury all tied up in a package. I'll bet they've always wondered how that happened," Dortch said.

Dortch was drafted during March 1943 and served in the Army Air Corps until November 1945. He never left the States. He returned to the Chamber and his job as government research director.

During 1948 and 1949 he served with the Hoover Commission of the 80th Congress in Washington, while great efforts were being made to cut government costs and bring the nation to a peacetime footing. For more than two months during 1948 he worked on the Senate's Committee on Appropriations and concentrated on the Navy budget.

In recognition of his financial expertise, and through several contacts made in Washington, Dortch was asked to join the Urban Land Institute. The institute is a private group that studies cities and tries to determine how and why they grow. Dortch was asked to serve as an expert on municipal finance.

In 1963, he journeyed to Jackson, Miss., with other members of the institute to survey that city's growth.

"The mayor of Jackson put on a fine dog and pony show for us," Dortch said. "The city was impressive, it had many attractive new buildings and developments—very impressive. But I wanted to find out how they did it. I read everything they handed me. Then, I asked to see the books * * * I got a rather cold reception to that request. Eventually I got the books and studied them."

What Dortch discovered didn't make him very popular with the mayor of Jackson or other key officials.

"The city was living on bonded debt," Dortch said. "They had floated huge bond issues to pay for their improvements. But instead of making arrangements to repay the principal and interest in regular payments over 20 or 30 years, they were paying only the interest, with huge balloon payments looming toward maturity of the bonds. I plotted the whole thing for them and showed them the precise day of reckoning. Newspapers there splashed the story and reforms were put in motion," Dortch said.

Later, serving the institute, Dortch helped survey several other cities and became a member of the institute's board of trustees.

Even though he was certain of his position by this point, he never slacked. He remained unafraid of hard work. He continued snooping, circulating, suggesting, innovating, implementing, initiating and devising. He was at or near the center of a maelstrom of ideas and projects, all calculated in some way to improve the city. In 1964, Dortch became president of the Chamber when his mentor, Bill Book, retired. But Dortch still refused to lean back and relax.

Dortch was one of the first to advocate the use of one-man police patrol cars. Though the idea met resistance, it is now in practice. He began the push that resulted in construcion of the City-Council Building and the creation of the City-County Building Authority. He helped formulate the Metropolitan Planning Commission so the city would have orderly, regulated growth with enforced, uniform standards; he worked to attract investors and business to the city; he was one of the figures behind creation of Unigov; he worked for the improvement of schools, highways and sewers; he sought out and urged obtaining and the use of federal funds to help defray the costs of government and to lessen the burden on the property taxpayer; he spearheaded the creation of the Health and Hospital Corp., a move that took that body out of the political spoils system; the Metropolitan Thoroughfare System was created at his suggestion; he was a key in bringing together Indiana and Purdue universities and the creation of IUPUI. Dortch and the Chamber were solidly behind the creation of a guarantors' fund for Clowes Hall, which assures that the city's tribute to the performing arts will not operate at a deficit.

Aside from those endeavors, which are by no means all his involvements or accomplishments, Carl found the time to serve in dozens of civic programs and to maintain a home life with his wife Anna Gale and their two sons.

Dortch is a remarkably easy man to speak with. His answers come rapidly and sincerely. When asked about the power attributed to him, he wrinkled his face, took a deep drag from a cigarette and said, "Really, that kind of chills me. Long ago I accepted the truth of Lord Acton's statement about power and its tendency to corrupt. I made up my mind that I would never be guilty of that excess.

"I never dreamed of being powerful. All I wanted was a job and I've always tried to do the thing that would do the most people the most good."

As an example of business or industries he and the Chamber were instrumental in attracting to the city, he said one of the largest was the Ford Motor Co. plant on Southeastern Avenue.

"We learned Ford was planning to build a new plant at Columbus, Ohio, during the late 1950s. For some reason the Ford people ran into trouble with their zoning at Columbus and construction of the plant was delayed. We heard about the zoning delay and called the Ford people and told them we had a tract of land zoned and ready to go for them. They came in, took a look and we got the plant. That plant and the jobs it provides has meant a good deal to the city and its people. We did almost the same thing when we were able to attract the Western Electric Co. here.

"Those are a couple of the larger concerns we've been able to attract, but we don't ignore small firms either. Only recently we were able to attract a firm named EAR, a division of Cabot Corp. The firm will employ relatively few people at the start. It will manufacture an earplug device for industry which will filter out all sound except that of the human voice. This firm could grow rapidly," Dortch added.

In reviewing his roles in a variety of projects, he offered a few additional comments:

Unigov—"Unigov has been studied by nearly every one of the major cities. It isn't a total centralization of government as it exists here, but it did help phase out some of the archaic offices which functioned under the old systems. It's now possible to get many things done far more rapidly and orderly than it was in the past. And I believe Unigov is still responsive to the people.

"I believe the City-County Council is too large. Perhaps serious thought should be given to reducing its size. I'd like to see the township trustee concept eliminated, especially in the area of administering poor relief. An awful lot of work remains to be done with poor relief."

Health and Hospital Corp.—"Before this body was formed, the old General Hospital and health units were part of the patronage system, the spoils. The concept of taking this unit out of politics was good in one respect, poor in another. While we succeeded in insulating the Health and Hospital Corp. from politics, as with other bureaucracies, we made them less accessible and responsive to the citizens.

"Great caution must be used in the creation of a bureaucracy. It's easy to create a Frankenstein which becomes arrogant and indifferent to the wishes of the people. I believe political control of such agencies is the lesser of two evils. With facts and the weight of public opinion, it is possible to apply pressure and get politicians to listen and react.

"Politicians listen, they really do, and they react much more rapidly to the needs of the people than does a bureaucracy," Dortch said.

Property taxes—"I know most people believe their property taxes are too high. But they should consider what the tax rates would be if we had been unable to locate and receive federal funds and establish alternative forms of taxation to relieve the burden.

"In 1938 the rate on a modest $1,500-$2,500 home was about $3 per $100 of evaluation. That same home today is worth $25,000 or more and the tax rate is about $12 per $100 of assessed evaluation—about $720 per year. Without federal and state funds and alternative taxes, the local property tax rates would be insufferable and Prposition 13 would be a reality here.

"Property taxes once paid for 90 percent of the cost of government. Now it is more like 50 percent. That is significant."

IUPUI—"When the Chamber began pushing for a University of Indianapolis, Indiana and Purdue were drawn together in a cooperative spirit. Political pressure helped bring them together. I believe IUPUI will soon became a major school of business in this country. Everything points that way. The school is in the center of the country, close to many major businesses and industries. It will draw students from all over the state and country who want to work and go to school and have a good opportunity of finding a permanent job when they complete their studies.

"Creation and expansion of IUPUI has brought another plus to the town in the restoration of the area it now occupies. Blight has been replaced by a first rate, attractive educational complex. Considering the great changes in the area, I am certain private investors will soon be drawn to the area and progress and expansion will continue."

Dortch's statements were interrupted by several telephone calls. He took notes and answered questions quickly and politely or, if he did not have the answers, made arrangements to return the calls with the requested information.

Apologizing for the intrusions, he said, "I'm often approached as a sounding board for an idea. If I have the answers, I give them. If I don't, I get them. I always try to tell them the truth. It isn't always what they want to hear," he said with a grimace.

Aside from personal contacts with Dortch or members of his staff, newcomers to the city can obtain a full picture of life in Indianapolis, ranging from township tax rates to available educational and cultural centers, through a series of brochures. That, Dortch explained, is another facet of selling the city to outsiders. In addition, Richard Nye, head of the Area Development Division of the Chamber, and his staff are constantly seeking new business and industry for the city.

Dortch leaned back in his chair a bit and said, "There are days I feel my age. I believe it's time to give someone else a chance. I don't intend to sit around in a rocking chair, though. I want to remain active and maintain contact."

He casually swept his hand around his office and said, "I'll be leaving this office for one in another part of the building. I'll be around, but I won't interfere. I'll speak when spoken to," he said.

"I want to do some private consulting, play some golf and bridge and just enjoy life. Perhaps after I retire my friends won't needle me when I go to the golf course by asking, 'who's running the city while you're out?' " Dortch said with a laugh.

Numerous plaques and certificates of achievement are mounted on his office walls. They alone give a thumbnail sketch of his success: Man of the Year, Indianapolis Press Club—1978; Indianapolis Times Man of the Year—1956; Sagamore of the Wabash, bestowed by Gov. Otis Bowen; a certificate of appreciation for his service from the Urban Land Institute, another from the American Red Cross, and so on.

The most recent accolade was an honorary doctorate of public administration from his alma mater, DePauw.

For the future of the city Dortch forecasts steady, unspectacular growth and a rebirth of the inner city.

"I believe the flight of the people to the suburbs has nearly ended. If the people were running from crime, the flight to the suburbs availed them little. If they were running to escape taxes, they realized little savings there. In their flight they created a new demand for increased taxation. It takes tax money to build schools, streets, sewers and to provide police and fire protection. We already have those services and they shouldn't be too hard to sell. I am confident because of what we have to offer that the inner city is going to be recycled. We will work to attract people of value in order to build a city of value.

"Within 20 or 30 years it will happen," Dortch said.

Who could doubt him?

One of Dortch's old haunts, the Courthouse, is gone. But the other, old City Hall, now the State Museum, stands at Ohio and Alabama streets.

On its cornerstone, aside from the names of several dignitaries, an inscription is carved:

"I Am Myself A Citizen Of No Mean City."

Dortch's entire career has served to add truth, vitality, definition and permanence to those words. That inscription and the great city are here for all to see.

It was no mean endeavor. Citizens of the present and the future will continue to share the results of Carl's work.

No mean accomplishment.●

READY TO "FIGHT" ABOUT OIL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. DERWINSKI. Mr. Speaker, it is most appropriate that as we debate one of the bills inspired by the energy problem that we recognize the abnormal role of OPEC in this controversy.

Many Members know of Alex Seith, and respect his knowledge and interest in foreign affairs. In his column of June 24, appearing in the Economist Newspapers, serving Chicago and the surrounding suburban areas, Mr. Seith very accurately analyzes the complications we face with the OPEC powers. His column follows:

READY TO "FIGHT" ABOUT OIL

A factory foreman told me he thinks he has figured out why price of oil keeps going up—America isn't "fighting mad" about it.

This foreman reads the newspaper reports of OPEC deciding to boost the price another dollar or two dollars or whatever a barrel. And he sees the President's chief domestic advisor say on television that the price rise will spark another round of inflation.

He doesn't like the contrast—action by OPEC contrasted by mere hand-wringing by the U.S. government.

So, he asks a penetrating question. Remembering when he was drafted to fight in World War II, he says, "I'm no international expert, but didn't we go to war with Japan for a lot less than what these guys are doing to us today?"

Although the wartime slogan was "Remember Pearl Harbor," this foreman knows that the Japanese surprise attack was not the real cause of the war. The cause, he thinks, was the conflict between Japan's economic ambitions in Asia and America's already dominant position there.

"Economics brought on World War II," the foreman says. Many professional historians agree.

And that's what makes the foreman's question so penetrating. To him, the horrendous increases in oil prices since 1973 are a far greater threat to the U.S. economy than was Japan's desire to control Asian raw materials like rubber.

There is even a haunting parallel. Until the post-World War II age of synthetics, it was Asian rubber that put America on wheels and oil that kept the wheels moving.

For a long time, that oil came largely from U.S. wells. But lately the U.S. dependence on foreign oil has been growing. In 1973, when OPEC first started the huge boosts in oil prices, America was importing about one-fourth of its daily oil consumption. Then, President Nixon defiantly proclaimed that America would strive for "energy independence" by 1980. Instead, our dependence on foreign oil has risen from one-fourth to one-half our daily consumption.

The cost of this foreign oil is staggering. All the billions in sales by American farmers and businesses in foreign markets are cancelled out by the hemorrhaging outflow of dollars for OPEC oil.

As billions flow out, the dollar gets weaker and weaker while the financial strength of countries like Saudi Arabia and Kuwait grows out of all proportion to their size, their productivity or their geography. Oil and oil alone has fueled their rise to power in international financial markets.

By the prices it charges, OPEC wields the power to devalue great currencies like the U.S. dollar, spark inflation and pick the pocket of every American.

Every increase in the price of OPEC oil means that every American has that much less to spend on other things. What OPEC has done to America is far more damaging than anything Japan of the 1930's could have done even upon realizing its most extreme ambitions for control of the raw materials of Asia.

That is why a factory foreman says with some justification that America went to war against Japan for a lot less than what OPEC has already done.

He wasn't suggesting a war against OPEC. He doesn't want his sons fighting in Mid-East oil fields any more than he enjoyed fighting in Asian jungles.

He hasn't read the proposals of Walter x Levy and M. A. Adelman, prominent oil experts who have long urged the U.S. government to use an arsenal of economic weapons to do battle against OPEC.

But he wonders why America isn't doing something short of war to diminish, if not reverse the growing power of OPEC over our lives. He, like the experts he has never read, thinks there is a way—but the government just has not tried.●

SHATTER THE SILENCE VIGIL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. LENT. Mr. Speaker, on April 20, 1979, when I heard of the news of the release of my adopted prisoner of conscience, Hillel Butman, I rejoiced for him and his family with whom he has since been reunited in Israel. But my feeling of joy and relief for Hillel's newfound freedom was tempered by a profound sadness over the plight of the prisoners of conscience who still are confined in the Soviet Union, such as my newly adopted prisoner of conscience, Ida Nudel, whose devoted efforts for other prisoners of conscience earned her the title of the "Guardian Angel of Moscow." Thus, I am honored and proud to participate in the "Shatter the Silence Vigil, 1979," on behalf of the remaining Soviet prisoners of conscience. The Vigil serves to focus attention on the cruel persecution and oppression the Soviet regime inflicts on Soviet Jews who seek only the freedom to choose and practice their religion.

As the case of Hillel Butman shows so graphically, these efforts do count. For 4 years, I wrote weekly letters to Hillel and to the Soviet authorities and sought intervention on his behalf by the U. S. Department of State and international human rights agencies. Never was there a response from the Soviet regime, but today Hillel has been given the chance to start a new life in Israel. Our course is clear. We must continue to bend every effort on behalf of those courageous Soviet Jews still being persecuted. We must indeed shatter the silence which cloaks malicious social evils like oppression, injustice, cruelty, and inhumanness. Let this veil be rent and the light penetrate, exposing to the world the human tragedies of prisoners of conscience in the Soviet Union.

I speak today especially for Ida Nudel whose case is in many ways typical but unique. Before her arrest, Ida spent most of her time, efforts, and what little money she had helping other prisoners of conscience—trying to make life easier for them in some small way. During this period, for her courageous efforts, she was continually harassed and eventually she herself was arrested, convicted, and sentenced to a 4-year term of exile in Siberia. The charge—"malicious hooliganism." The real reason, of course, stemmed from her help for her fellow dissidents and from public display of her desire to leave the Soviet Union and join her loved ones in Israel, a right expressly guaranteed her by the Helsinki Accords, signed by the U.S.S.R. Ever since her own arrest and conviction, she continues to this day to buoy the spirits of her fellow prisoners by her throughtful actions, even though she herself suffers from very frail health. So, this selfless and charitable woman, whose only "crime" was to express a wish to start a new life with her family in Israel continues to suffer needlessly the cruel hardships of a Siberian exile. When will this suffering end? When will the silence be shattered? Soon, I hope and as I did with Hillel Butman, I am corresponding weekly with Ida, reporting current developments, and offering her encouragement, support, and hope. As well, I am writing to General Secretary Leonid Brezhnev demanding that he restore Ida's basic human rights guaranteed by the Helsinki Accords. My pleas so far have fallen on deaf ears, but I intend to persevere.

Let us all persevere and devote ourselves to pressing the Soviet Union in whatever way necessary to live up to the Helsinki Accords which Russia signed along with 33 other countries. We must not rest until Ida Nudel and all those in similar circumstances are set free to begin a new life in Israel.●

CZECH GOVERNMENT REPRESSES CHARTER 77 MEMBERS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. COUGHLIN. Mr. Speaker, as a result of an article I wrote on my impressions of life in Prague, I have been castigated in the Czechoslovak Communist Party newspaper, Rude Pravo, and in broadcasts on Czechoslovak radio.

The abusive reaction by the Czech Government and its controlled news media only lends credence to my reactions to life in a country where citizens exist in drab conformity and government repression is an everyday fact. I did not seek the notoriety, but hope that the Czech Government's attack on me further alerts others to the oppression in this Communist-controlled state.

In particular, the Czech authorities have intensified their persecution of the brave Czech citizens who have signed Charter 77, an organizaation established to monitor implementation of provisions set forth in the Helsinki Final Act. Along with many of my colleagues I have been calling attention to the violations of the Helsinki pact by Soviet authorities and governments in Communist bloc states.

The abuse of Charter 77 members in Czechoslovakia is a continuing and blatant breach of the Helsinki agreement. Charter 77 members have been subjected to physical attacks, groundless arrests, and overall restriction of even their nonpolitical activities.

Ten signatories, including playwright Vaclay Havel, have been detained on charges of carrying out "dangerous activities" against the interests of the state and for spreading "false" information aimed at destroying the people's confidence in their government. These tenuous accusations could result in possible prison sentences of up to 10 years for individuals whose only crime is to demand the most basic of human rights.

On June 5, less than 1 week after the mass arrest, Ms. Zdena Tominova, one of three Charter 77 speakers, was molested by men wearing masks as she entered her residence in Prague. She had to be taken to the hospital where she was treated for a brain concussion.

This is not the first time that physical means of coercion have been directed against members of the outspoken human rights group. Similarly mysterious incidents took place against former Foreign Minister Jiri Hajek in early 1977 and Ladislav Heldanek in 1978. These muggings, if not instigated by the government itself, had the state's tacit approval. And the harassments achieved what can be seen as their only aim—the two subsequently resigned their posts as speakers for Charter 77. They have, however, rejoined in wake of the recent arrests, proving that the oppressed opposition will not be silenced for long.

Arrests of Charter 77 members have been commonplace in the past; the latest state campaign is, however, the most vigorous in its suppression to date. But these bold proponents of human rights remain undaunted even in the face of increased persecution. Charter 77 has succeeded in making the international community more aware of the plight of the Czechoslovak people.

Czechoslovakia was at one time the most free and progressive of the states behind the Iron Curtain. Taking heed of the Soviets brutal suppression of the Hungarian revolution of 1956, the Czechs cautionsly dismantled the fámiliar workings of the police state while carefully following the dictates of Moscow so as not to antagonize their alien subjugators. The people wanted a government that would work with and for them, and not against their basic rights and interests.

A fairly free and prosperous society was achieved. Among other important breakthroughs, it was the first Communist state to allow freedom of the press. The Soviets, however, would not tolerate such a detour from the ideologically rigid path to an "ideal" Socialist state. In 1968, Soviet troops poured into Czechoslovakia in a blatant violation of the internationally acclaimed principle of nonintervention in the international affairs of other states. The legitimate government of Alexander Dubcek was overthrown and replaced by a docile puppet regime.

In the backlash of the illegal invasion, Czechoslovakia now stands as the Soviets' most quiescent satellite, eager to retain Moscow's favor in the repression of internal dissent. The people, however, yearn for the freedom of earlier days.

This want for freedom is perhaps best manifested by the case of Ladislav Lis. The former leader of the Czechoslovak Communist youth organization, Lis has since resigned his post in the higher echelons of the state apparatus to become a charter activist. He was among those recently arrested on trumped-up charges, a man who gave up personal security to fight in a just but frustrating crusade.

Although the Charter 77 movement has made great gains in advancing the cause of the oppressed Czechoslovak peoples, signatories alone cannot succeed without outside help in light of the restricted conditions in which they must operate. The United States, as a traditional champion of human rights throughout the world, must further international recognition of Charter 77 and the righteous principles which it represents so well.●

MERGER SHOULD BE ALLOWED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. ABDNOR. Mr. Speaker, on Monday, it was my privilege to present the statement of South Dakota's congressional delegation on the pending merger application of Western and Continental Airlines to the Civil Aeronautics Board together with my personal endorsement of this proposal.

In this case, as in many other instances where the best interests of South Dakota are concerned, our delegation stands united. The delegation, along with the State of South Dakota and the three cities involved, strongly supports this merger.

Preserving South Dakota's remaining public transportation systems is at the heart of our unanimity concerning this merger. South Dakota has consistently supported Western Airlines with the ticket purchases of air travelers. We want the airline's service long into the future.

The statement of the congressional delegation reads:

STATEMENT OF THE SOUTH DAKOTA CONGRESSIONAL DELEGATION

Mr. Chairman: The South Dakota Congressional Delegation strongly supports the pending merger application of Western and Continental Airlines. We recommend that it be approved.

South Dakota is presently served by four commercial airlines through nine (9) boarding points as follows:

City and carrier:

Sioux Falls: Western, Ozark, North Central (Republic).

Rapid City: Western, Frontier, North Central (Republic).

Pierre: Western, North Central (Republic).

Aberdeen, Watertown, Huron, Brookings, Mitchell, Yankton: North Central (Republic) is the sole commercial carrier in these six markets.

With a population of about 700,000, South Dakotans continue to demonstrate their commitment to commercial air travel. About half a million passengers boarded our four commercial air carriers in calendar year 1978—over 50 percent of whom initiated their trip on Western Airlines.

Western serves our two largest cities (Sioux Falls and Rapid City) and our State Capitol, Pierre.

Approval of the merger will permit South Dakota to maintain existing Western service, improved with single plane and multiple market service through a combined Western/Continental system, along with the reduced fare structure that such a merged airline will permit.

While we are most interested and appreciative of the potential benefits of the merger to South Dakota air travelers, we are more concerned about the impact on commercial air service to our State in the event the merger is not approved.

Western officials have made it clear, both in private and publicly, that if the merger does not go through, they will give serious consideration to the elimination of service to South Dakota.

After extensive discussions with Western officials and a close review of the testimony that has been presented in various proceedings associated with the Airline Deregulation Act of 1978 and this merger application, it is clear to us that Western would prefer to remain in South Dakota if they had a viable economic opportunity to do so.

But is also clear, that the prevailing market forces at work in a deregulated airline environment require air carriers to rethink their established service patterns and to propose mergers where they are necessary in order to maintain adequate income levels.

In its service to South Dakota, Western has employed a basic linear route concept—which connects our three Western served South Dakota boarding points with hub airports (Denver and Minneapolis/St. Paul).

On this kind of route structure, passengers are collected along the scheduled stops; with the hub airport as their final destination or transfer point.

On these linear routes, the originating carrier generally will lose money on the short-haul passenger, but will make money if the passenger stays on the carrier for a longer flight.

According to Western's 1978 figures as contained in their April 27, 1979, testimony before the Senate Commerce Committee's oversight hearings—the following information was developed on this aspect of South Dakota service:

"From Denver to Rapid City, we had a pre-tax profit of $407,000. From Rapid City to Pierre, we had a pre-tax loss of $240,000. From Pierre to Sioux Falls, we had a pre-tax loss of $144,000. From Sioux Falls to Minneapolis/St. Paul, we had a pre-tax loss of $1.7 million.

"So, this shows that each segment (except one) shows a loss. Therefore, for this entire segment we showed a pre-tax loss of $1.67 million. However, when you include the passengers going the longer distance, it shows a more profitable operation:

"From Denver to Sioux Falls, we made $644,000. From Rapid City to Minneapolis, we made almost $223,000. From Pierre to Minneapolis/St. Paul, we made $15,567.

"While this is a more profitable operation, it still shows that this linear route was a losing operation in 1978. A total of $794,000 was lost, before taxes, on this route. This is an example of only one operation; we have similar losses on other linear routes."

The second, and more desirable, approach is to utilize a "hub and spoke" concept. Under this system, Western would feed travelers from small and medium sized communities—such as their service points in South Dakota—to a central location where they are then congregated and flown on to their final destination on the same carrier.

In examining the Western flight patterns—we fail to find a single effective "hub" in any city they presently service.

Thus, it appears to us, that one of the primary reasons for this merger is to permit the combined airline (Western/Continental) to establish several of these "hubs" so that their present small community boarding points will generate a sufficient number of longer haul passengers to permit service to continue.

It is also apparent that acting alone, Western does not have the equipment, traffic or general capacity to create this kind of desirable "hub and spoke" operation.

A compelling case can be made that if the relatively small amount of traffic generated at the smaller Western service points can be consolidated with other traffic at a "hub"—these communities can be effectively and profitably served.

Western has consistently taken the position that they must be able to convert from a linear to a hub and spoke system. The only way that can be done is to merge with Continental. Without the merger, Western will be forced to abandon service to South Dakota.

It is not our purpose here today to address, in detail, the allegations raised by filings of the U.S. Departments of Justice and Transportation in the previous proceeding on this matter before the Administrative Law Judge.

We do want to note, however, that the intent of the Congress under the Airline Deregulation Act of 1978 (P.L. 95–504) on matters of this kind is quite specific. Mergers in the air carrier industry are to be tested by the antitrust standards traditionally applied by the courts to unregulated industries. However, even if a merger does not meet antitrust standards of the Sherman and Clayton Acts, it may nonetheless be approved if it meets "significant transportation needs of the community to be served," and if there is no "reasonably available less anti-competitive alternative" to the merger. The foundation of the 1978 Act is that it is in the public interest to allow the airline industry to be governed by the forces of the marketplace.

Translating this into more general terms—the Congressional intent on passing airline deregulation was to improve and expand access to the national airways system. Mergers should be judged not only on the impact of the merger, per se, but also examined on the basis of what the service status will be if the merger is not consummated.

Applying this standard to the Western/Continental merger, it is our view that commercial air service to South Dakota will substantially deteriorate if the merger is not approved.

It would be ironic—and an improper interpretation of the intent of the Congress on airline deregulation—if, in an effort to stimulate competition—all service was withdrawn. Yet that is the situation faced by South Dakota in relation to this merger application.

The Administrative Law Judge's opinion of April 26, 1979, took note of this in his comments on South Dakota service, as follows:

"Denver-Rapid City: Historic data show Frontier with a big edge in traffic over its only competitor in this market, Western. And as of April 1979 Frontier offered 4½ daily roundtrips to Western's 7½. In terms of feed, the merger will strengthen Western's position, but . . . Frontier may have more feed than the merged carrier. The merger should have no harmful impact on competition in the Denver-Rapid City market. In fact, it may foster competition.

"Sioux Falls-Denver: Western carries 80 percent of the traffic in this market. Western offers nonstop service. Ozark, the only other incumbent, provides one-stop flights. Moreover, the feed Continental provides will strengthen Western's post-merger position in this market appreciably."

In a footnote to these comments, the Administrative Law Judge pointed out:

"Western President Renda testified that Western might end service to points such as Sioux Falls if the merger is disapproved. . . . That could, of course, reduce service and competition in the Denver-Sioux Falls market. But I am not persuaded that that possibility should be given any weight".

We respectfully suggest here that the Administrative Law Judge is wrong in his lack of attention to the impact of a loss of Western to the South Dakota market.

Perhaps understandably, these hearings have focused on the probable impact of the merger. We are suggesting here that the CAB must also look at the markets involved in the event the merger is not approved.

Whether you are talking linear or hub-spoke concepts—the fact remains that Western—and western alone—provides cross-state service in South Dakota, in addition to a vital linkage with the major terminals of Denver and Minneapolis/St. Paul.

Without Western in our State—air travelers would be denied service across our State and to the State Capitol, which is used almost as a "shuttle operation" by many of our citizens who have business with State Government. It is the only carrier providing that service. In other filings, I think the CAB will find that the load factors on these cross-state Western aircraft will support the view that they are heavily used by South Dakota residents.

It is our understanding that the CAB has employed the consulting firm of Sobotka & Company to provide "expert economic analysis of the hearing record which will augment those research effects of the Board's Office of Economic Analysis and General Counsel."

Commenting on this matter, Senator McGovern wrote to Chairman Cohen on May 18th of this year" . . . I am hopeful that in the Sobotka study and the CAB staff workup on this merger, some attention will be paid to what will happen to service if the merger is not approved."

We feel strongly that the CAB must closely and critically examine not only the merger itself—but what the situation will be in the areas served if the merger does not go though.

The chief criteria must continue to be the public interest. In South Dakota's case that is evident.

We feel strongly that the CAB must examine "both sides of the coin" on this merger application if the public interest is to be effectively served.

The focus of concern of the South Dakota Congressional Delegation during the debate in the 95th Congress on airline deregulation was, understandably, on the probable impact this new approach would have on service to and from our State.

It was clear to us at that time that as the opportunity for entry into major markets became available, carrier managements would naturally shift their resources from the multiple stop linear markets which they have been obligated to serve to concentrate their efforts in the larger non-stop market where the profit potential is greater.

That is certainly what is happening in this case. Absent the merger, Western will have little recourse but to move their equipment into city pairs where, with adequate promotional marketing, they will be able to substantively increase long-haul load factors and system profitability.

With the merger, however, they will have the additional equipment availability to not only continue service to South Dakota and other "small and medium-sized communities" on their present system, but also to take advantage of the benefits of the "hub and spoke concept" which appears to be the ultimate goal of most major trunk carriers in the country today.

If the CAB is concerned about service to small and medium-sized communities—and the Board has certainly indicated that they are—then this merger must be approved.

We want to note, as well, that this merger has the approval not only of our State's Congressional Delegation, but of the communities of Sioux Falls, Rapid City and Pierre, presently served by Western, and the State of South Dakota as well. We are unified in our support of this merger application.

We have spent millions of Federal, State and local tax dollars to upgrade and update our airports and systems to accommodate increasingly sophisticated aircraft of the kind a combined Western/Continental Airline will provide. If you turn aside this merger application you are, in effect, consigning thousands of upper great plains air-travelers to the murky backwaters of commercial aviation. Without Western service, days will be added to our travel schedules, costs will go up and general inconvenience and even hardship will result.

Finally, Mr. Chairman, let us note that this merger application is, in a sense, a "litmus test" of the operational aspects of the Airline Deregulation Act. The Board, the Congress and the Administration will be tested by the public on this matter on the basis of whether total air service has improved or deteriorated under airline deregulation.

It is not enough to provide low cost air travel between major city pairs. Attention must be paid to small and medium sized cities as well.

If the Act (P.L. 95–504) is not responsive to the needs of states like South Dakota—those who represent rural states in the Congress may have no other alternative but to look, again, at the provisions of that Act to determine what changes may have to be made to insure that our needs are met.

We know that the Board is sensitive to these problems and that you share our concerns. We are hopeful that you will, accordingly, approve the Western/Continental merger application now before you.●

PEOPLE'S VOICE IS HEARD

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. BAFALIS. Mr. Speaker, last night a historic event occurred in the House of Representatives—the discharge petition was successfully used as a means of releasing important legislation from the grip of an unresponsive committee.

Discharge Petition No. 1 received its 218th signature last night. This releases House Joint Resolution 74 from the Committee on the Judiciary and clears it for House consideration on July 23.

This is only the third time in this decade that the discharge petition has been used successfully in the House. In 1970, the equal rights amendment was brought to a vote in the House. In 1971, a contitutional amendment to allow prayers in public schools was released from committee and brought to a vote. And now, in 1979, the way is cleared for a House vote on a constitutional amendment to preserve the neighborhood school.

In fact, in reviewing the history of the discharge petition, it is significant to note that since the present House rule was adopted in 1935, only 22 bills have been brought to a floor vote through this vehicle.

Congressman Mottl and I joined efforts to secure necessary signatures on Discharge Petition No. 1 because we did not feel it was right for committee and subcommittee chairmen to ignore the concerns of the American people.

Busing has long been a matter of concern in this country. Studies have shown that the efforts of the last two decades to enforce arbitrary racial quotas in the classrooms across this country have not improved the quality of education. In fact, test scores are on the wane and the feeling of "community" in our local school systems subject to busing is completely lost.

Year after year we have tried to secure hearings on this issue—a forum for the people to express their concerns and desires to their Representatives.

But, year after year, the leadership of the House Judiciary Committee turned a deaf ear on our pleas and pigeonholed this issue.

Well, the will of the majority cannot be thwarted forever. The matter of preservation of neighborhood schools will be brought to a vote in the House on July 23.

The successful use of the discharge petition is the action of the U.S. House of Representatives at its best. The will of the people has come to the halls of Congress.

While it is a shame we could not get the response necessary from the committee system on this issue, I sincerely hope this successful exercise of the discharge petition will help us secure action on another issue of importance before the Judiciary Committee—a constitutional amendment to mandate a balanced Federal budget. Opinion polls all over the country show that the vast majority of citizens support this constitutional restraint on the congressional powers of appropriation. As with busing, the will of the people deserves a public forum.●

LEGISLATION NEEDED TO CURB INTERNATIONAL CARTELS

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. GORE. Mr. Speaker, I was shocked last week to read news reports that the State Department and the Treasury Department wanted the U.S. Government to intervene on the side of the Organization of Petroleum Exporting Countries (OPEC) in a pending antitrust suit against their international cartel. The U.S. Government should have a firm policy of opposing cartel activities—both to protect our own consumers and to promote free trade throughout the world. Fortunately, it seems that a decision has been made not to go into court to defend OPEC against these price-fixing charges. But I am still concerned that our policies are not adequate to deal with the effects of International cartel activities. One reason for this problem is that the antitrust laws on the books today were not designed to cope with this new type of threat to our free market system.

Today, I am introducing legislation which will help prevent the spread of international cartels and stem participation by American corporations in cartel activities. In addition, this legislation clarifies the permissible uses of the act of state and sovereign compulsion doctrines. By restricting the scope of these defenses, my legislation will strengthen the power of our courts to enforce U.S. antitrust laws. I am pleased that Congressman JIM SCHEUER, chairman of the Commerce Consumer Protection and Finance Subcommittee is joining me in introducing this legislation.

Our antitrust jurisdiction does not normally include the power to regulate the activities of other nations. We are not powerless, however, to deal with collusive activities which affect U.S. commerce. Section 1 of the Sherman Act prohibits contracts, combinations, or conspiracies in restraint of trade or commerce "among the several states, or with foreign nations." Section 2 of the Sherman Act prohibits the monopolization or attempted monopolization of trade and commerce "among the several states, or with foreign nations." These sections have been interpreted by the courts to proscribe restrictive agreements if they affect imports into the United States. This reflects our public policy of attempting to control activities that restrict competition and misallocate resources.

My legislation would help strengthen U.S. enforcement of antitrust jurisdiction in cases where anticompetitive or collusive activities occurring abroad do, indeed, affect U.S. commerce. This is an area where corporate activities occurring abroad have eluded Government control. Specifically, my legislation seeks to control and limit the participation of U.S. corporations in such cartels, an area where we clearly do have legitimate and enforceable jurisdiction.

The first part of my bill would impose a requirement on U.S. businesses to report any solicitation to engage in anticompetitive business practices. With increased monitoring of corporate activities based on this requirement, the Government will be able to increase its control over secretly arranged cartel activities. The second part of my bill strengthens U.S. jurisdiction in the investigation and litigation of antitrust activities through a clearer and narrower interpretation of the act of state and sovereign compulsion doctrines. This will close a loophole through which corporations have been able to escape investigation and punishment for anticompetitive conduct. In addition, this section should help clarify for the courts an area in which their rulings have been both vague and inconsistent.

BACKGROUND

The need for this legislation is painfully evident, particularly in the energy industry. The OPEC cartel controls the world price of oil; their cartel has had serious and far-reaching effects on both the United States and world economies. At the same time the OPEC cartel was dictating a four-fold increase in the price of oil, a sophisticated international cartel of uranium producers was successfully manipulating a seven-fold increase in uranium prices between 1972 and 1975. The full story of the international uranium cartel and its effect on the American economy was documented in hearings before the Commerce Oversight and Investigation Subcommittee during 1977 and 1978.

In 1972, uranium producers and uranium exporting countries were faced with a world glut of uranium and organized a cartel to "stabilize" prices—that is, to set prices at an artificially high level. The cartel secretly set up a formal headquarters in Paris and began dictating prices to the world market. The elaborate scheme of bid-rigging and market allocations was so successful that uranium prices skyrocketed from $6 per pound in 1972 to $41 per pound in 1975. The cartel went so far as to direct its members to submit differing bids to preserve the appearance of a competitive market.

There is no doubt that the cartel existed. There is also no doubt that one of the active participants in the cartel was the Gulf Oil Co., through its Canadian subsidiary, Gulf Minerals Canada, Ltd. It may be that the United States has no jurisdiction over corporations in other countries, but it is imperative that we assert antitrust jurisdiction when international cartel activities are dictated by a parent firm in the United States.

The Gulf Oil Corp., invoking the "Act of State" doctrine as a defense, claimed that the Canadian Government forced it to join the cartel. Yet, as Gulf presented its defense during the Oversight Subcommittee hearings, the question arose whether Gulf had not, in fact, urged the Canadian Government to invite its participation in the cartel. I think the answer is evident from Gulf's internal memos disclosed during those hearings. Knowing that disclosure of their role could lead to prosecution under either United States or Canadian antitrust laws, Gulf asked the Canadian Government to set up a possible legal defense if it ever needed one. In one instance, a Gulf official drafted a letter, which was ultimately signed by the Canadian Assistant Deputy Minister of Energy, Mines, and Resources, requesting Gulf to participate on the operating committee of the cartel. Clearly, Gulf's role was more than passive.

Gulf presented another defense which was rebutted during those hearings. Gulf claimed that the cartel did not affect U.S. commerce. But evidence before the Oversight Subcommittee demonstrated that a number of U.S. utilities, including the Tennessee Valley Authority, were forced to pay cartel prices for their uranium. TVA alone bought 20 million pounds of uranium in 1974 at cartel-rigged prices from members of the "club." Similarly, Duke Power, Commonwealth Edison, and Carolina Power & Light also bought uranium from cartel members during the active period of the cartel.

Mr. Speaker, Gulf was not the only U.S. firm to be asked to join the cartel. A similar offer was also extended to Getty Oil, through an Australian subsidiary. Yet, while Gulf's attorneys determined that their participation did not violate U.S. antitrust laws, Getty's attorneys recognized the serious antitrust implications of joining the cartel. In addition, it is ironic to note that Gulf's partner in Canada, a German firm, declined to join the cartel, because of strict German antitrust laws. Yet, Gulf sought to evade U.S. antitrust laws by seducing the Canadian Government into "requiring" Gulf's participation in an attempt to use the "Act of State" doctrine as a defense.

Clearly, the United States and its captive consumers need a stronger hand in dismantling cartels. Our present policy is largely one of indifference, which can only encourage such cartel activity. The United States needs to take a tougher stand against international cartels. I believe that my legislation, if it had been law at the time, would have minimized the impact of the uranium cartel or perhaps prevented its formation altogether.

BILL SUMMARY

REPORTING REQUIREMENTS

Gulf's internal discussions led me to the conclusion that Gulf would not have participated in the cartel if it had been required to report their activities to the Federal Government. The first part of my bill requires that any U.S. firm or subsidiary of any U.S. firm that engages in or is required to engage in anticompetitive activities by a foreign government must report this information to the Federal Trade Commission and the Department of Justice. These agencies have the expertise to enforce this provision through administrative procedures without the necessity of lengthy court proceedings. In turn, the FTC would be required to notify the Secretary of State, the special representative for trade negotiations, and the Securities and Exchange Commission. Failure to report any evidence of cartel activity would result in a civil penalty of not more than $1 million and a $25,000 civil penalty for each corporate officer involved in the failure to report.

This section will not impose burdensome regulations; it is simply a reporting requirement. The activities requiring a report—price-fixing, market or customer allocation, and restriction of production—are defined precisely enough so as not to be cumbersome to U.S. corporations or the regulatory agencies. The penalty, however, is stiff enough and the overall coverage broad enough to insure that U.S. firms will inform these Federal authorities when they are asked to join in cartel activities.

REVISED COURT JURISDICTION

The second part of my bill provides that no U.S. court shall decline, on the ground of the act of state or sovereign compulsion doctrine, to make an inquiry into the merits of any case involving the provisions of this act or any other antitrust act. The bill retains the existing judicial interpretation that U.S. courts will refrain from examining the validity or legality of an official act of a foreign state. However, the bill specifically allows judicial inquiry into the motivation behind the official act of state.

Where the United States and another nation have overlapping jurisdiction, the bill provides that the U.S. courts may refrain from exercising their jurisdiction only in light of such factors as the vital public policy or national interests of the nations involved, the nationality of the person, and the extent to which the required conduct has a direct forseeable effect on U.S. commerce. This provision is in accord with international law.

Simply stated, this section of the bill is an effort to define more clearly the limits of possible use of the act of state and sovereign compulsion doctrines. Because the courts have tended to interpret these doctrines too broadly, corporations have been able too often to use these defenses as loopholes through which to arrange or participate in cartel activities. Often, as in the case of Gulf, they have actively engaged in cartel activities while pleading that they did so at the request of a foreign government or state trading agency.

These doctrines, if properly defined, would bar examination of the legality of a foreign act of state under that foreign country's laws. The defense may also be valid in cases where the act of state is of a sovereign and discretionary nature and is within the power and jurisdiction of the state or nation that did it.

However, most antitrust cases involving the act of state defense do not involve a challenge to the legality of a foreign act of state. Usually, the defense is raised by a private party, who claims that the anticompetitive conduct result from a sovereign act of a foreign government and is not covered by the Sherman Act. It is in these cases that the courts' powers should be strengthened to determine whether the foreign government's action was in fact induced by a U.S. company. This inquiry would not require a court to rule on the legality of a foreign nation's acts, but dismissal of an antitrust complaint before the development of such evidence would be an unwarranted expansion of the act of state and sovereign compulsion doctrines.

This is the position which the Justice Department took in its amicus curiae brief in asking the Supreme Court to review a Circuit Court of Appeals decision on this issue, *Hunt* v. *Mobil*, 550 F. 2d 68 (2d. Cir., 1977). In that case, the Circuit Court held that the act of state doctrine prevented inquiry into the casual link between expropriation of the plaintiff's oil concessions and alleged actions taken by the defendant to procure the seizure. The Department of Justice disagreed with this decision and petitioned the Supreme Court to review the case; unfortunately, the Supreme Court denied certiorari. In my opinion, the Justice Department was correct in arguing that the mere presence of a sovereign act in the factual chain of anticompetitive conduct should not preclude from a court from examining the cause or motivation for such activities. A court must be permitted to seek a factual understanding of the nature and genesis of activities in question in order to determine whether an antitrust charge will stand—not against the foreign government, but against those persons or companies who are allegedly inducing the foreign government to act.●

SYSTEM FOR HOSPITAL UNIFORM REPORTING

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. PAUL. Mr. Speaker, I support the Bereuter amendment, to cut off funds for the imposition of SHUR by HEW on our Nation's hospitals.

SHUR—the system for hospital uniform reporting—is alleged by the bureaucrats at HEW to be an antidote for fraud and abuse in medicare and medicaid.

There is a huge amount of fraud and abuse in these Government programs. But more Government, in the form of these onerous SHUR regulations, is not the answer, since Government itself, not hospitals, is responsible for the problems.

In fact, SHUR is a flagrant example of bureaucratic fraud and abuse.

As a physician and a former hospital board member, I know that SHUR will only raise costs for patients, and make intelligent management of our hospitals much more difficult.

National accounting firms have estimated the cost as upwards of $100,000 per hospital, and $100 million for the entire country.

But no one knows what the true cost will be. It could easily be two or three times that.

The regulatory burden on hospitals is already immense. The last thing the American people need in this time of high Government inflation and taxation, is higher medical costs.

Rising medical costs are a creation of the Federal Government. Let us not add accounting insult to inflationary injury by allowing the mandarins at HEW to impose this fantastically complicated system, with its hundreds of pages of regulations and forms, on hospitals.

I strongly urge my colleagues to support this amendment.●

NEW YORK TIMES LAUDS REPUBLICAN STEERING COMMITTEE

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. SCHULZE. Mr. Speaker, as chairman of the House Republican Study Committee I would like to draw attention to a recent New York Times article on our counterpart organization, the Senate Steering Committee.

This article is the latest in a series to appear in the national press focusing on the Steering Committee's activities. The group is a focal point for organized conservative initiatives, with many of its members being increasingly recognized as leaders on issues crucial to the American people. It is a tough, aggressive and effective organization which has gradually won the respect even of its opponents.

Special commendation for the committee's success goes to its chairman, Senator JAMES MCCLURE, whom the New York Times correctly praised as "a highly regarded legislator and strategist." I heartily commend Senator MCCLURE and the membership of the Steering Committee for the much deserved recognition they are receiving for their efforts.

At this time I insert the New York Times article cited in full:

[From the New York Times, June 26, 1979]

"NEW RIGHT" CAUSES PRESSED IN SENATE

(By Steven V. Roberts)

WASHINGTON, June 25.—Twice in recent months Senator Robert C. Byrd, the majority leader, has taken the floor to denounce a group called the Steering Committee. In unusually harsh tones, Mr. Byrd has described the committee as "shadowy," "mysterious" and "arcane.".

After one of these attacks, the group's chairman, Senator James A. McClure of Idaho, told the Senate that he was grateful for Senator Byrd's remarks. The Steering Committee had been trying to get some attention and shed its "cloak of anonymity," Mr. McClure said, and now, thanks to the majority leader, "we are not under that cloak any longer."

Pulling away the cloak revealed an unofficial group of conservative Republican Senators who meet regularly, trade notes, plan strategy and finance a four-person staff that looks after their interests. The door to the committee's Capitol Hill office has no name, just a number, and it is not even listed on the building's register. But the organization has had considerable impact on the Senate.

SYMBOL OF THE NEW RIGHT

Capitalizing on what Senator Howard H. Baker Jr. of Tennessee, the minority leader, calls a "floodtide of conservatism," the Steering Committee represents the emergence of a New Right, an aggressive call for a return to tradition, packaged in the most contemporary style.

In recent years, Steering Committee members have helped block several bills favored by labor and consumer groups, and led the fight against the Panama Canal treaties. Just last week, they led the opposition against several of President Carter's more liberal nominees to the Federal judiciary and announced a package of proposed amendments to the proposed treaty between the United States and the Soviet Union on limitation of strategic arms.

Senator Byrd's feelings were aroused by reports that the Steering Committee had been misrepresenting itself as an official agency of the Senate. But he was also furious that the group had helped thwart his attempt to change the Senate rules to make filibusters more difficult.

"This crowd is very methodical," conceded a moderate Republican who usually opposes the Steering Committee. "They sit down and plan a campaign and they're good at it. They raise tough questions that have to be answered."

CRITICS CALL GROUP NEGATIVE

To liberal senators, including some Republicans, the Steering Committee is dominated by ideologues, right-wingers who favor confrontation with foreign enemies and ignore the problems of the needy at home. Their only real impact is negative, the argument goes, and by entangling the Congress in delaying tactics they add to its reputation for ineffectiveness and ineptitude.

The Steering Committee was founded five years ago by Senator McClure and Carl T. Curtis, the former Senator from Nebraska. The two were frustrated by the listlessness and disarray of their fellow conservatives after 15 years of liberal domination. As Mr. Curtis has put it: "I got tired of being defeated on the floor. I decided what we needed was a little organization."

The core members, 16 of the 41 Republicans, contribute part of their office space and allowances to support the small staff, but half a dozen other Senators float in and out of the group, depending on the issue. At weekly luncheons the members discuss pending business, set priorities and assign one of their number to take the lead on specific issues.

For instance, Senator Jake Garn of Utah has emerged as a leading voice in the debate on the arms limitation treaty, Senator S. I. Hayakawa of California speaks out on educational issues and Senator Jesse Helms of North Carolina takes over when the issue is prayer in the schools or abortion.

In terms of philosophy, the New Right Senators are bound together by many of the same issues as those of the Old Right: Less government and lower taxes, more defense spending and reliance on the private sector. As Senator Orrin G. Hatch of Utah summed up their credo: "We have to get back to basics in this country."

The real difference between the generations is one of tone and style. "The New Right," said a veteran committee staff member, "embodies a new effort to promote conservative principles. The Old Right had given up."

"They're more activist now," noted Margo Carlisle, the executive director of the Steering Committee. "People used to consider conservatives as protecting the status quo, but the status quo is hardly conservative. We are in favor of change."

LAXALT IN LEADERSHIP ROLE

If the New Right has a natural leader and spokesman it is probably Senator Paul Laxalt of Nevada, a man who props his hand-tooled cowboy boots on the nearest table and talks easily with friend and foe alike. He was able to lead the opposition to the Panama Canal treaties last year and still retain cordial relations with most of his colleagues.

The formal leader of the Steering Committee is Senator McClure, virtually an unknown outside the Senate but a highly regarded legislator and strategist. Senator McClure has become the leading conservative expert on Senate rules and the man most likely to give the Democratic leadership fits on the floor.

Senator McClure is the first to concede that the Steering Committee must content itself with marginal gains. One of its major victories was a successful filibuster against a proposed labor reform bill last year, but often, the committee members focus on trying to water down a bill they have no hope of stopping.

Another Steering Committee strategist to take the offensive on legislative issues. The best example, strongly backed by the group, was the Kemp-Roth tax cut bill, which made a strong showing last year and helped galvanize budget-balancing sentiment on Capitol Hill.●

ENERGY SUMMIT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. RHODES. Mr. Speaker, President Carter was in Vienna last week for a summit conference on SALT. He is in Tokyo this week for a summit meeting where economics will be the main topic. Since this seems to be the season for summitry, I proposed that when Mr. Carter returns, he convene an American summit meeting on energy so that the realities of our most troublesome problem and the outlook can be laid out plainly before the American people.

The meeting I have in mind would bring together the leadership in Congress, the Department of Energy, the National Association of Manufacturers, the U.S. Chamber of Commerce, representatives of farm organizations, labor unions, consumer groups, the utilities industries, and such others as the President may want to include.

The purpose of this gathering would be to inform all of us as to just how serious the energy shortfall is, arrive at a consensus and decide what we all can do to mitigate and eventually solve the problem.

Before we can begin to agree upon solutions, we need to understand the problem. So far, there has been too much signal-switching, too much seeking of scapegoats, and not enough of getting down to brass tacks. The American people are realists. They will pitch in with a will, but only if they know what the problem really is. Simply throwing a lot of blame around will not provide the answers.

It is time to lay it on the line. It is time for the President to devote his fullest attention to our most crucial domestic challenge today—energy. An energy summit would be a practical and valuable first step in moving toward a coordinated national energy policy. It would define the scope of our problem and give us an opportunity to consider pragmatic solutions. I strongly urge Mr. Carter to take this constructive action.●

PRESERVING FREE ENTERPRISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. ABDNOR. Mr. Speaker, each year the South Dakota Stockgrowers' Association conducts an essay contest in the high schools of our State on the subject of preserving the free enterprise system.

It provides a unique opportunity for our young people to further their investigations into the basic principles of our economy, as well as to begin formulating their personal course of action in functioning within it. New ideas, new enthusiasm has brought the free enterprise system over 200 years of success in this Nation.

The ideas and enthusiasm now being developed by a new generation will carry free enterprise into the future. I am pleased to commend to the attention of my colleagues one of the prize-winning essays of the 1979 contest.

It was written by Brian Ketelhut of Pukwana, S. Dak., a junior at Chamberlain High School, where he is active in the Future Farmers of America, in school athletics, and represents his class on the student council.

The essay follows:

HOW DO SCHOOLS BENEFIT FROM THE FREE ENTERPRISE SYSTEM?

(By Brian Ketelhut)

Many people in America today do not realize the many benefits of the free enterprise system. The mention of the free enterprise system usually makes most people think only of the benefits it provides to the businessman or wage earner, such as the freedom to own a business or choose between various jobs, but the free enterprise system is much more far reaching than that. One of the many other things it does is to benefit our schools.

When our forefathers came to America, one of the main things they were searching for was economic freedom. They believed that a man should be able to own a business as he saw fit with little or no interference from the government. This idea is what we fought so strongly for in our war with Great Britain. When we finally won our independence and started our new nation, the government we set up was designed so that the people would have a voice in it. This is when the idea of free enterprise started in America. At that time, many other nations around the world laughed at our country's ideas and thought for sure that our new nation would fail. Two hundred years later the United States is one of the most powerful nations in the world and a prime example that the free enterprise system is one of the best economic systems in existence.

Another belief held by our early ancestors was that there should be schools or some sort of education available for their children.

They knew that if America was to become a strong nation it must have well educated citizens and leaders.

Public schools as we know them today have not always existed in America. Children in early colonial days were either taught by their parents or went to church school in the village or town where they lived. These schools usually did not offer a very good education, and the schoolmaster more than likely had another job and only taught school part time. Only the children from wealthy families could receive the good educational opportunities provided by private schools.

In 1647 in the Massachusetts Colony, a very important law pertaining to schools was passed. This law was the Old Deluder Satan Law which said that towns with fifty or more families were required to establish public schools. This law is considered to be the foundation of publicly supported education in America. Even with laws such as this, the development of schools in America was slow. It took nearly 200 years before there was a consistent school system operating.

In 1837 a law was passed in the Massachusetts Legislature that created a State Board of Education. Horace Mann, who was named secretary of this board, did much to advance the school system in this country. It was mainly through his efforts that the idea of publicly supported schools was started. Even though some people were against his idea and didn't think that they should have to pay for other children's education, the concept of publicly supported schools continued to grow.

Today, due mainly to the use of the free-enterprise system, America has one of the finest educational systems in the world. Any child in the United States today can become whatever he wants to because of the chance to have a good education.

Probably one of the biggest ways that schools benefit from the free enterprise system is through taxes. Schools could not exist if it were not for the tax support of the wage earners and businessmen. Another big help to schools in the way of financial aid is the donations and grants from individuals and large businesses and corporations. Many of these businesses give these donations according to how much money they make. Since the free enterprise system creates a stable and strong economy, many schools benefit greatly from this financial help.

Still another way that schools benefit is one that many people don't really think about. This is the idea of "keeping up with the Joneses." Since we have the free enterprise system in America, schools are not subject to government control. They have the privilege and choice of offering many various courses and subjects and changing their curriculum to improve their school, and benefit their students' educational opportunities. When this happens, other schools want to keep up and not be left behind.

We Americans have long been inclined to look to formal education for solutions to many of our most serious problems. One example of this would be when Russia launched Sputnik. Immediately people blamed the schools for not providing a good enough education, causing us to lag in the space race. As usual, the schools responded and now we are very advanced in our space technology. Our great country could not have advanced as fast as it has had it not been for the schools providing a good education and turning out many skilled people for different professions.

This is not just a one way street, schools give much to the community and help the free enterprise system, but they also get much back in return. The money they receive from taxes and other sources helps to constantly upgrade education. Without this money, the schools could not possibly provide as high a level of education as they do now.

All through our nation's history, schools and the free enterprise system have been working together to improve our nation and its people. There have have been problems, but despite these problems the schools have proven that they can work hand in hand with the free enterprise system, and that a good education is the best assurance of fulfillment for the individual and continued freedom and prosperity for our nation.●

THE FINANCIAL STATEMENT OF F. JAMES SENSENBRENNER, JR.

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● **Mr. SENSENBRENNER.** Mr. Speaker, through the following statement I am making my financial worth as of March 31, 1979, a matter of public record.

ASSETS

REAL PROPERTY

	Value
Two family residence at 1601 East Lake Bluff Boulevard and 4330 North Newhall Street, in the Village of Shorewood, Milwaukee County, Wisconsin, at equalized assessed valuation. (Assessed at $54,700. Ratio of assessed to equalized value—84.87 percent) (Unencumbered)	$64, 303. 87
Total real property	64, 303. 87

PERSONAL PROPERTY

Common and preferred stocks

Company, shares	*Value*
Western Bancorporation, 450 at $25.625	11, 531. 25
American Telephone & Telegraph, 194.922 at $61	11, 890. 24
Idaho Power Co., 100 at $24.875	2, 487. 50
Tenneco Corp., 283.603 at $32	9, 075. 30
Nevada Power Co., 82 at $33.75	1, 783. 50
Anchor Hocking Corp., 200 at $26.375	5, 275. 00
Federated Department Stores, Inc., 200 at $31.25	6, 225. 00
General Mills, Inc., 360 at $25	9, 000. 00
Kellogg Corp., 400 at $19.50	7, 800. 00
Dunn and Bradstreet, 500 at $31.75	15, 875. 00
Great Northern NeKoosa, 200 at $36.50	7, 300. 00
Halliburton Co., 500 at $68.75	34, 375. 00
Kimberly-Clark Corp., 1708 at $46.125	78, 781. 50
Insilco Corp., 289 at $12.25	3, 540. 25
Minnesota Mining & Manufacturing, 100 at $57.875	5, 787. 50
Rank Organization Ltd., ADR, 100 at $5.84375	584. 38
Exxon Corp., 208 at $52.75	10, 972. 50
Standard Oil Co. (Indiana), 240 at $59.25	14. 220. 00
Dart Industries, Inc., 170 at $40	6, 800. 00
Eastman Kodak Co., 380 at $64	24, 320. 00
General Electric Co., 100 at $48	4, 800. 00
General Motors Corp., 104 at $56.875	5, 915. 00
Merck & Co., 400 at $66	26, 400. 00
Warner Lambert Co., 200 at $24.375	4, 875. 00
Sperry Rand Co., 168 at $49.875	8, 379. 00
Allied Maintenance Corp., 260 at $11.875	3, 087. 50
International Business Machines, 67 at $315.50	21, 138. 50
Inland Steel Co., 900 at $40	36, 000. 00
Monsanto Corp., 168 at $51,625	$8, 673. 00
Santa Fe International Corp. 400, at $30.50	12, 200. 00
Pfizer Co., 800 at $31.75	25, 400. 00
Revlon Co., 200 at $48.625	9, 725. 00
Total common and preferred stock	434, 216. 92

Life insurance policies

Face amount, company and number:	*Cash surrender value*
$10,000, Northwestern Mutual, 4378000	6, 366. 17
$25,000, Northwestern Mutual, 4574061	14, 991. 24
$10,000, Massachusetts Mutual, 4228344	21, 814. 63
$100,000, Massachusetts Mutual, 4116575	1, 638. 40
$25,000, Old Line Life, 515950	10, 013. 60
Total life insurance	54, 834. 04

Bank and savings and loan accounts

	Value
First Savings—Milwaukee	8, 250. 19
Marine National Exchange Bank, checking acct. No. 4000–9368	2. 70
Marine National Exchange Bank, checking acct. No. 0046–2366	6, 730. 54
Marine National Exchange Bank, savings acct. No. 418–986	1, 243. 19
Marine National Exchange Bank, savings acct. No. 497–525	30, 011. 35
Citizens North Shore Bank, savings acct. No. 30–068–037	343. 17
Mutual Savings & Loan of Wisconsin, acct. No. 033161	5, 575. 62
North Shore Savings & Loan Assn., acct. No. 338222–01	1, 347. 23
Sergeant at Arms, checking acct. No. 748	1, 036. 13
First Virginia Bank, checking acct. No.	
United Virginia Bank, checking acct. No. 150–871–8	653. 12
Total bank and savings & loan accounts	55, 193. 24

Miscellaneous

	Value
1978 Ford LTD automobile (at Blue Book value) retail value	4, 600. 00
Office furniture and equipment (estimated)	1, 000. 00
Furniture, clothing and personal property (estimated)	7, 500. 00
Stamp collection (estimated)	10, 000. 00
Notes receivable from Sensenbrenner Committee	15, 800. 00
Interest in Wisconsin retirement fund	7, 878. 91
Interest in congressional retirement fund	1, 124. 12
Total miscellaneous	47, 903. 03
Total assets	656, 451. 10

LIABILITIES

Miscellaneous 30 day charge accounts (estimated)	800. 00
Total liabilities	800. 00
Total net worth	655, 651. 10

I further declare that I am a beneficiary of several trusts over which I have no control.

Also, I am neither an officer nor a director of any corporation organized under the laws of the State of Wisconsin or of any other State or foreign country.●

ANOTHER REASON FOR LAND USE PLANNING—NATIONAL SECURITY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. BROWN of California. Mr. Speaker, the current breast-beating over gasoline shortages and transportation disruptions are no less serious simply because they were predictable and predicted. The main question I have about the current situation is whether our Nation will learn anything from our 1979 experience that we did not learn from our 1973–74 experience.

The main reason the United States uses more than double the per capita energy consumption than our friends in Western Europe is our housing and transportation patterns. Efforts are underway to improve the efficiency of our modes of transportation, particularly the automobile, but almost nothing is being done to improve the energy efficiency of our housing and transportation patterns. This failure comes from our almost hysterical adversion to land use planning. This avoidance of a basic approach to improving energy and resource use efficiency cannot continue.

Mr. Speaker, I would like to bring to my colleagues' attention a recent article from the June 25, 1979, edition of the National League of Cities publication, "Nation's Cities Weekly," on this subject.

The article follows:

THE PRICE OF SPRAWL: LAND USE PATTERNS THREATEN NATIONAL SECURITY

(By Neal R. Peirce)

DETROIT.—A grim scenario for the Detroit area in the year 2000, emerging from computer studies by the Southeast Michigan Council of Governments, illustrates how rapidly and totally local patterns of sprawl development are turning the United States into an automobile-dependent, oil-dependent, OPEC-dependent nation.

Unless the last several years' patterns of rapid development at the suburban fringe are curbed, SEMCOG's computer projects that the city of Detroit and its older, more established suburbs could lose more than a third of their population by the end of the century. All growth would shift to outlying suburbs.

As a result, there would be an additional million cars on the roads of southeastern Michigan, driving 40 million miles more a day than now, wiping out every gallon of the gasoline savings that are projected to come with lighter, more energy-efficient autos.

Such sprawl and oil gluttony, once questionable for aesthetic or environmental reasons alone, can now be held responsible for directly undermining the national security of the United States. Our highly energy-dependent economy is held hostage by foreign powers; even when we can buy the oil, the prices demanded feed inflation. That means, notes Detroit city official James Bush, continued devaluation of the dollar, contraction of credit, and the real danger of national or worldwide recession. "This prospect is real and immediate, more so than a cataclysmic 'screeching halt day' in oil supply," he suggests.

The Detroit pattern is part of a national phenomenon of autos increasing two or three times as rapidly as population. No other nation on earth—not even far-flung Canada and Australia—uses gasoline, in relation to overall economic output, as profligately as we do. Per capita energy consumption in such nations as Germany and Sweden, with standards of living as high if not higher than ours, is 45 to 55 percent lower than the United States.

The inordinately high costs associated with high auto dependency and sprawl growth don't, however, stop with energy. As many as 466 square miles of southeastern Michigan farmland could be lost to highways, subdivisions, shopping centers and industries by 2000. Almost 2 million acres of U.S. producing cropland is lost annually to development. Sadly, the best and most endangered farmland tends to be near urban centers. As it's devoured for development, more marginal lands, requiring expensive irrigation systems and heavy applications of energy-consumptive fertilizer, are required. Again, the national interest suffers.

Sprawl also devours thousands of acres of wetlands and floodplains and involves massive new public costs in sewer lines, drains, treatment plants and additional roads, highway interchanges, schools, police and fire stations—all expenditures that could be saved by more dense, "infill" development in existing cities and suburbs. The Detroit area is now debating a mammoth interceptor and treatment plant—known locally as "supersewer"—to parallel a new interstate road 20 miles west of central Detroit. Its cost: some $200 million.

If southeast Michigan's present path of sprawl continues, at least $2.4 billion worth of existing school space will be abandoned in the city and older suburbs—even while $1.3 billion or more is spent on new schools on the urban fringe.

King County (Seattle) recently analyzed the difference in projected costs of capital services, such as sewers and roads, under a "managed" versus a more sprawl-like "unmanaged" growth pattern in the county, to the year 2000. The difference: more than $500 million, or an extra $6,374 per dwelling unit, with unmanaged growth. That calculation didn't even include schools.

Yet somehow, Proposition 13s notwithstanding, one suspects metropolitan areas would find some way to pay the immense extra cost for sprawl development if it were not for the intractable energy problem. Even before the Iranian oil crisis, the congressional Office of Technology Assessment was warning that the nation's continued heavy use of the automobile would necessarily cause a severe petroleum shortage and cripple the country's economy within the next 20 years.

Little is done, either locally or by the federal government, to boost mass transit capacity, even though the nation's "straphangers" save the nation a billion gallons of gasoline a year. By their more parsimonious approach to commuting, says Detroit's Bush, bus and subway riders save the energy that other Americans "need for continuing their suburban, automobile-oriented way of life."

Across the nation, a few progressive urban counties—Suffolk on Long Island, Howard in Maryland, King in Washington—are making efforts to buy farm development rights and thus slow sprawl. Effective metropolitan land use plans have merged in a handful of areas, such as Honolulu, Minnesota's Twin Cities and Portland, Ore. But the vast majority of areas are fearful of imposing strict controls.

Some places consciously hype their economies to induce the most land-consumptive, headstrong growth imaginable. A prime example: Fairfax County, Va., where slow-growth advocates were ousted from office. Their successors have eliminated any effective voice for environmentalism from county government. They make trips to New York trying to lure new industries, allow leapfrog development in ecologically sensitive corridors, and back a brand new $57 million toll superhighway to parallel the Dulles Airport access road from Washington. Then they complain they're powerless to stop the growth.

If sprawl is to be continued, is there available land to house the millions of Americans in the postwar baby-boom generation, as they reach maturity and look for permanent housing? The answer is yes: but in garden apartments, condominiums, town houses and other forms of more dense, transit-accessible housing, and not in the "American Dream" of a freestanding house on its own lot in a low-density, totally auto-dependent suburb.

Can developers and builders sell more densely built housing, especially as "infill" in existing cities and suburbs? Again, the answer is yes; so huge is the demand now for housing, and so formidable will it remain through the 1980s and probably beyond, that developers will be able to sell any reasonable amount of housing of whatever description they produce, whether in town or country. If they choose close-in locations and dense development, they can be true patriots by saving immense energy for the country, plus billions for the taxpayers in inflation-ridden times.

An example: all 700,000 anticipated new households up to 2,000 in the Detroit area could be accommodated within the network of already sewered city and suburban areas, making the exorbitantly expensive and land consumptive development on the suburban fringe quite unnecessary.

In the years after World War II, Americans legitimately yearned to escape cities that were truly overcrowded, to get their FHA or VA-financed house on a suburban lot. But now the true-blue American way may be quite different. It may be to save land and facilities, to conserve existing towns and cities and suburbs, and above all to conserve energy, that increasingly expensive coin of the realm at home and internationally.

If suddenly the condominium or townhouse and the bus at the corner take precedence over the freestanding house and commuting gas-guzzler, there should be no grounds for despair. First, the national interest should take precedence over personal convenience or preference. Second, sometime the American Dream had to grow up.●

SUPPORT FOR CONSERVATION PROGRAM

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. MYERS of Indiana. Mr. Speaker, the Members of the House recognized the importance of the agricultural conservation program (ACP) on June 19 by restoring the administration's proposed $65 million budget cut for ACP in the 1980 agriculture appropriations bill. The House action shows great foresight and concern for the condition of the land—our greatest natural resource.

The purpose of the ACP is to provide financial assistance to agricultural producers to help solve a wide range of agricultural conservation and environmental problems. Were these problems not corrected, reductions in the productive capacity of the Nation's land and water resources would occur and environmental quality would be degraded. Program activities include prevention of soil loss, improvement of water quality, conservation of scarce water supply, and conservation of forest and wildlife resources.

These activities are accomplished through cost-sharing assistance to individual farmers who bear the balance of the costs, including the labor and management needed to complete the project. The key to the success of the ACP program is that it is designed to be initiated at the local level. The county committees recommend to the State committees the practices they feel need to be carried out, which, in turn, make their recommendation for final approval to Washington and the Secretary of Agriculture. Over 350,000 farmers, ranchers, and woodland owners take part in the program each year by implementing the various practices to solve problems identified in State and county ACP plans. In 1978 in my own State of Indiana, the 4,328 farms participating in the ACP cost-sharing program received an average of $907 per farm for carrying out a variety of conservation practices.

This year marks the 25th time the Office of Management and Budget—formerly the Bureau of the Budget—has proposed to severely reduce or eliminate the ACP program, despite the fact that Congress has restored funds 24 times in the past.

The House has kept its record intact by insisting on funding for the ACP program. I hope the Senate will do the same.●

OMAHA COMMUNITY PLAYHOUSE

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. CAVANAUGH. Mr. Speaker, I would like to congratulate a group of fine citizens from my district of Omaha, the cast and crew of the Omaha Community Playhouse, who today return from Bulgaria, where they performed in the International Amateur Theatre Festival. The Omaha Community Playhouse was invited to perform the well-known comedy, "The Robber Bridegroom" as the only representative from the Western Hemisphere.

They join representatives from 11 other countries, including Belgium, Sweden, Monaco, Finland, the Netherlands, Hungary, Poland, East Germany, and the Soviet Union. This dedicated group of amateur actors met the expenses of the trip with a combination of personal funds and special fundraising performances.

Their selection as the only representatives of the Western Hemisphere is a great honor as it marks the first time an American community theater has been allowed to perform in Communist Eastern Europe. The theme of the festival is "Humanism, Internationalism, Friendship."

The Omaha Community Playhouse operates the Nebraska Theater Caravan, one of the outstanding theater companies of the Midwest. Last year the group performed in Iowa, Kansas, Missouri, and Wyoming in 51 communities before 64,000 people.

Their journey to Bulgaria is certainly a well-deserved honor and a tribute to American community theater in general.●

A SMALL AMERICAN FLAG

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. PAUL. Mr. Speaker, my good friend Morris Bedingfield, chairman of the Government Impact Committee of the Brazosport Chamber of Commerce, has sent a small American flag to each Congressman.

I am proud to be a member of the Brazosport Chamber, and proud that it is in my district, because the chamber is an outstanding spokesman for the free market and limited government.

Along with the flag, Morris sent a most eloquent letter. In case any of my colleagues did not see the letter, I insert it here in the RECORD. It deserves to be read, and to be acted upon:

DEAR LAWMAKER: The enclosed flag of the United States of America has special significance. It has been handled by a United States Taxpayer. We hope you will keep it, look at it often and be reminded of those who must pay for the decisions you and your colleagues make.

Presentation of this flag commemorates the Average American's sacrifice of more than six months' total income to pay the cost of the programs Congress has created.

Starting January 1, we devoted a month to producing the wealth to pay the taxes for this year's installment on the legitimate cost of maintaining a federal government to defend our shores, maintain law and order and see that the mail is delivered.

We spent another three months and six days earning enough to pay the costs of federal programs that go beyond the traditional role of government. We worked to support those who don't, and those whose time is occupied working against us.

We earned the wealth to pay for a Department of Energy that produces no energy, an EPA that impedes our ability to produce, a Fish & Wildlife Service that confiscates productive land, an HEW that disrupts our lives, an HUD that obstructs our living space, an FTC that restrains trade, an EEOC that confuses and a Justice Department that appears actively partisan.

These boards of regulators, who enact more than 18 laws for every one approved by Congress, have become a fourth branch of government, immune to the checks and balances necessary to a democracy.

About May 6, we began a two-month struggle to produce enough wealth to offset the inflation that has resulted from the actions of our federal government.

By these calculations we can begin after July 4 to try to earn enough in five months and three weeks to support ourselves and our families for twelve months.

This flag is presented to you as a reminder that we support the United States of America. We urge you to remember that we do.

With this action, commemorating the end of this year's involuntary service to our government, we hereby declare the Fourth Day of July, 1979, as Independence Day. We pray that it might come earlier next year.

Sincerely,

MORRIS BEDINGFIELD,
Chairman, Government Impact Committee, Brazosport, Tex.●

DC-10 PROBLEM

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. JOHN L. BURTON. Mr. Speaker, I am pleasd to place in the CONGRESSIONAL RECORD a letter cosigned by the distinguished gentleman from Pennsylvania, Mr. ROBERT WALKER, ranking minority member on the Subcommittee on Government Activities and Transportation of the House Government Operations Committee. This is a letter to FAA Administrator Langhorne M. Bond, and its recommendations are an outgrowth of hearings held by our subcommittee. The letter contains suggestions of ways to implement his approach to resolving the DC-10 problem. Administrator Bond has said that unless he was personally sure that the DC-10's were airworthy, they would not be allowed to fly. We believe that, along with Mr. Bond's other actions, these suggested steps will provide a comprehensive basis for any decision based on the procedures set forth in this communication.

The letter follows:

WASHINGTON, *June 28, 1979.*

Hon. LANGHORNE M. BOND,
Administrator, Federal Aviation Administration, Washington, D.C.

DEAR MR. ADMINISTRATOR: During the Subcommittee's recent hearings, you indicated that the FAA would develop an ordered investigation which it would complete before the Emergency Suspension of the DC-10 Type Certificate is lifted. We would like to suggest that you include certain actions, as part of your investigation, if you have not already done so, before that investigation is completed.

We feel these actions are important for several reasons. First, the FAA's previous comments indicate that certain DC-10 components may have been improperly designed. Secondly, it might well take several months before conclusive evidence is obtained on the adequacy of one such key component, the bulkhead and attachment area of the pylon, as well as others. Consequently, your decision and its substantiation should be placed, in detail, in a public record.

To the greatest extent practical, these actions, if not already part of your investigation, should be undertaken immediately and, to the greatest extent practical, completed prior to the lifting of the Emergency Suspension:

1. The FAA should conduct a thorough, independent analysis of all type certification data, including the supporting data retained by the Douglas Aircraft Corporation, concerning the stress and fail-safe analyses of the pylon assembly. This action, which was suggested by our subcommittee and agreed to by you, would allow you to quantify and substantiate the question of whether or not there is in fact any design flaw in the pylon assembly. By quantifying and substantiating your decision, you can thereby establish guidelines for future operations of the DC-10's and specify what, if any other, information may be required from the manufacturer or the airlines for additional analysis.

2. There should be a similar independent engineering review and analysis of data concerning the hydraulic control systems of the DC-10. Once again, this will enable you to quantify the extent to which that sys-

tem meets the safety factors called for by your own regulations and implementing documents; in particular, you should quantify the extent to which the hydraulic control system provides back-up reliability equal to that provided by the Lockheed L–1011 and the Boeing 747, and whether the DC–10 should be retrofitted with a mechanical locking-in-position emergency system for the leading edge slats.

Your independent examinations should provide the FAA with a quantified decision, and a public record that should indicate whether any DC–10 components need to be redesigned and the aircraft retrofitted accordingly, or whether basic maintenance procedures need to be changed, or both.

Your examinations will provide the FAA with a complete record with which to justify its decisions, whether that decision is to return the DC–10's to service without any retrofitting; to return them to service, if safety factors are considered to be sufficiently marginal, until retrofitting can be accomplished on a scheduled basis; or to keep the aircraft grounded until retrofitting is accomplished.

Regardless of whether the evidence compels the FAA to decide that a retrofit is required either before or after the DC–10's are released for service, and particularly if monitoring of future service experience or the continuing examination of type certification data indicates major design problems not now anticipated, it is important that the FAA immediately obtain from the Douglas Aircraft Corporation various retrofit alternatives, with cost and time factors specified. This should maximize FAA's future choices and assist you in expediting the best decision in any eventuality, thereby minimizing the hazards to aviation safety, or disruption of air commerce, especially since an immediate re-grounding of all DC–10's might otherwise be your only option.

Of equal importance, the FAA should establish and manage itself a special, high-priority monitoring program to evaluate all sources of stress upon the pylon assembly of each DC–10 returned to service, including, but not limited to:

(a) High frequency engine vibration.

(b) Gyroscopic whirl-mode stresses at rotation.

(c) Low frequency harmonic gyrations of the pylon assemblies and surrounding structures.

(d) Sudden engine failure.

(e) Heavy landing down-loads on the pylon assembly.

(f) Heavy turbulence.

Such a program should provide for FAA's own centralized collection of all data, for frequent, regular inspection of records on each DC–10, rigorous inspection of the pylon assembly by methods exceeding visual inspection, and the authority to suspend the operation of any particular aircraft should it have been subjected to excessive stress, or have developed any cracks or evidence of fatigue. In addition, all records of inspection produced during this program should be placed in a public record.

Both the traveling public and the airline industry must have confidence in the integrity of whatever decision FAA is to make. These suggested actions, which we hope were already a part of your comprehensive investigation, and are consistent with your pledge not to return the DC–10's to service until they are truly airworthy, will provide you with a public record by which you can justify the obviously difficult decisions facing you.

In addition, we strongly recommend that in future, the FAA establish procedures and clear regulatory authority to review and approve or reject each modification made by the airline to its maintenance programs, particularly, but not limited to, the DC–10.

Given the urgency of this situation, we would appreciate an expeditious response to this letter.

Sincerely,

John L. Burton,
Chairman.
Robert S. Walker,
Ranking Minority Member.●

HAPPY 75TH BIRTHDAY, GRIFFITH

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. BENJAMIN. Mr. Speaker, it is my privilege today to pay tribute to the town and citizens of Griffith, Ind., in recognition of its 75th anniversary of incorporation and celebration of its Diamond Jubilee, July 1 to 8.

Griffith is in northwestern Indiana, a neighbor to Gary and approximately 30 miles southeast of Chicago. Griffith may appear to be a quiet town. However, a closer look into this community of 18,000 citizens and its history reveals a reef of dedication, hard work, and pride. The citizens of Griffith are rightly proud of these attributes which have been passed successfully from generation to generation.

Potawattomi and Miami Indians once lived in Griffith. Since the 1800's, there have been many changes in the people and the land. The most notable of these changes came with the railroad.

The railroad brought faster and more efficient lines of communication to the people it touched and, for Griffith, that meant an all-important tie with Chicago. Griffith was once called "Chicago's Best Factory Suburb" and it is easy to understand the integral effect the rail lines had in Griffith's development. With the railroad, a blend of ethnic, religious and geographic origins, which is still present in Griffith, was introduced.

In appreciation and recognition of the important contributions made by the railroad system to the area, it is generally acknowledged that Griffith was named after a surveyor for the Grand Trunk Railroad that had jurisdiction over the area that is now Griffith.

Around the turn of the century, the Griffith area continued to grow with the arrival of speculators who bought and sold land sight-unseen. But it became increasingly evident that this ever-growing, now-thriving community had no real nucleus. In response to this, Griffith dedicated itself to the most important service: the education of its youth. Time has not altered this perspective.

On November 19, 1904, in the mood of optimism, Griffith initiated its first steps toward incorporation by holding its first town board meeting. In those years, the United States was experiencing growing urbanization. The Griffith experience proved to be no exception. Because the railroad owned such a vast amount of land, Griffith was able to develop many public works projects, thereby deterring high taxation of its residents. In conjunction with those projects, Griffith supplemented its ability to progress by drafting its citizens periodically to do work gratuitously—a unique and successful process.

Although Griffith experienced a period of instability in the first years of its incorporation, it is not surprising that Griffith survived considering the character and dedication of its citizens. The 1900's brought the Franklin School, the first school in the area to offer a secondary education. Churches and religious institutions were built which are still present today as a direct reflection of the citizens' devotion to higher learning and of their undying faith.

Although the Great Depression malaffected Griffith, as it did the whole country, the community not only weathered those years, but also became more determined to develop "their town" and reap the benefits of prosperity again. With an amazing tradition and heritage of its citizens behind it, and the foresight and willingness to achieve before it, Griffith's future became brighter.

Today, the town of Griffith mirrors a history of devotion and faith. It has become a major center of business and learning in northwest Indiana. The end of the expansion and progress seen in Griffith is nowhere in sight.

A special commendation is owed the Griffith Diamond Jubilee Corp., its executive and advisory boards and headquarters administration, for its tremendous work and achievement in planning the Jubilee events.

The spirit of the occasion is captured by the following song written by Anna Miller Spitz, one of the first generation of children born in Griffith. Unfortunately, Anna passed away on December 29, 1978, at the age of 86. She chronicled much of Griffith's history while raising six children and helped establish St. Mary Church, which she served with all of her strength. She taught all that Griffith's struggles, once learned, would help it meet the challenges of the future. She was so right. The message is clear and persuasive in her following song.

SING A SONG OF GRIFFITH

Sing a song of Griffith.
Sing it loud with glee.
Our town is celebrating
Its Diamond Jubilee.

Sing a song of gratitude
For Blessings from above,
For Families, Friends and Visitors;
They all—we dearly love.

Let's sing a song of yesteryear.
Yes—sing it loud with glee,
Thanks to the clan—who tilled this land,
For folks like you and me.

Sing praises to our Heavenly King,
His guidance they did seek.
Their Faith was strong—their labors long.
Our gratitude we sing.

Let's sing a song of present days
Of folks who serve us well.
Town Dads are they—to them we say
Our thanks to one and all.

Let's sing a song of future years,
Of Griffith our Home Town.
God grant us Peace, Good Will, less fears.
Hallelujah, let us sing!

—Anna Miller Spitz.

It is at this time that I ask my colleagues to join with me in saluting Griffith, Ind., on this, its 75th year, and extending a heartwarming congratulations to the people of Griffith. They have given the phrase "community spirit" a new and better meaning.●

TOMATOES AND ANTIDUMPING ACT

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. MIKVA. Mr. Speaker, we have heard much about the efforts of the Florida tomato growers to petition the Treasury Department to find Mexican growers in violation of the Antidumping Act. The inappropriateness of applying the act to produce, and the potential impact on consumers is of serious concern to many students of the process.

The Antidumping Act insures that unfair trade practices do not grant foreign manufacturers of goods an advantage over our domestic companies. Practices are considered unfair not when they lead to lower prices, but when they do so through illegal means. The act defines such a practice as selling below the cost of production of the goods. The cost is calculated in terms appropriate to the manufacture of durable merchandise. There are no terms in the act specific to the marketing of produce. Marketing of these perishable items often occurs at extremely low prices, since the vegetables will rot and not fetch any price at all if they are held. Domestic growers are well aware of this marketing practice, and engage in it themselves. Foreign growers who do as our domestic growers do are not engaging in an unfair practice.

The impact of a ruling by Treasury that the Antidumping Act should apply to perishable produce will be increased prices for consumers. Not only will prices rise on tomatoes, as the Mexican growers leave the American market to a noncompetitive status, but all produce which Mexico has previously supplied us—squash, peppers, cucumbers, and so forth—will also leave the marketplace. The Mexicans—or the Canadians, for that matter—will not risk the damage to their produce as each crop is assessed for its potential liability under the act. Rather, they will withdraw their produce from our market. The result will not be unfair competition, which the Antidumping Act seeks to curb, but no competition at all. In the winter months, shortages will surely occur. The domestic growers will be free to charge whatever prices they will for the limited amounts they grow.

I favor an openly competitive market. Fair and free trade benefits both consumer and producer. When fair competition is allowed its rightful arena, all producers strive for improved quality and quantity. In the spirit of competition, many producers alter and improve their products. It is my hope that our domestic producers will accept a trading system where fair competition reigns, and not seek a monopoly on our domestic produce market.

The result of a Treasury ruling favoring the extension of antidumping law penalties to produce traders will be a clear and substantial fueling of food inflation. That cannot be good for America.●

VIRGINIA VERSUS SANTA CLAUS

HON. M. CALDWELL BUTLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. BUTLER. Mr. Speaker, I would like to call to the attention of my colleagues an article which appeared in the June 25 edition of Barron's magazine. The article, entitled "Virginia vs. Santa Claus, The Secretary of Labor is not Above the Law," describes the recent court case by the Commonwealth of Virginia against a ruling by the Department of Labor over the "prevailing wage" determination under the Davis-Bacon Act for construction of the median strip of I–66.

The entire article follows:

VIRGINIA VERSUS SANTA CLAUS—THE SECRETARY OF LABOR IS NOT ABOVE THE LAW

WASHINGTON, D.C.—"Sic Semper Tyrannis" (Thus Always to Tyrants), proclaims the emblem of the Commonwealth of Virginia, depicting a woman warrior with one foot on a fallen foe. In a recent noteworthy case, involving the U.S. Secretary of Labor as the foe, the state has proven as good as its words.

Under the Davis-Bacon Act, which has been the law of the land since Depression times, contractors must pay prevailing area rates, as determined by the Secretary of Labor, on federal construction projects. Furthermore, 77 other laws, including the National Housing Act, specify that Davis-Bacon wages must be paid for construction if federal funds are involved. The Labor Department is notorious for choosing union rates as "prevailing" (although far above average), for going far afield to take in the higher pay scales of metropolitan areas and for upgrading classifications in many of the 18,000-odd yearly pay determinations that it issues. (It even includes fringe benefits.)

Such practices have added billions of dollars to the nation's construction costs, affecting airports, highways, hospitals, housing, nursing homes, schools and water and sewage treatment plants. Owing to the difficulty of paying different rates for the same kind of work, they also inevitably drive up costs in privately financed projects. Yet ever since passage of the law in 1931, Secretaries of Labor have insisted—and the Supreme Court seemed to reaffirm—that their determinations are subject neither to the Administrative Procedures Act nor to judicial review.

But Virginia, birthplace of the nation's freedom, decided that whatever the apparent legal precedent, the Secretary of Labor could not act in arbitrary or capricious fashion, nor ignore due process. Accordingly, with the help of the Southeastern Legal Foundation Inc., the state took the Secretary to court in a case involving a stretch of a federal highway. The result has been a landmark decision by the Fourth Circuit Court of Appeals, which holds, in effect, that the Secretary is not above the law. Perhaps more to the point, for the first time in 48 years it paves the way for states, cities, counties, contractors and even other federal agencies to sue the Secretary of Labor over administration of the Davis-Bacon Act.

The decision was handed down on May 30. A week later, the Associated General Contractors (AGC) advised its members to join with public agencies to take as many Davis-Bacon cases to court "as may be necessary." It went on to say: "While the Carter Administration appears to be dragging its feet in fighting wage inflation in the construction industry, the courts have now offered an opportunity for private industry to take a hand in controlling the problem by direct action."

According to Arthur Hintze, director of government relations for AGC: "The court decision is as good as an act of Congress." The AGC memorandum, which he wrote, pointed out: "The decision recognizing the reviewability of Davis-Bacon wage determinations is a historic accomplishment in view of the many failures AGC has had in trying to get legislation for court review."

Along with the American Road & Transportation Builders Association and Associated Builders & Contractors Inc., AGC filed a friend of the court brief. Robert J. Hickey, who signed it for the law firm of Kirlin, Campbell & Keating, says he believes that the case gives contractors the right to sue. He predicts: "In all circuits, you will see more contractors going to court." Asked about the AGC advice to contractors to sue with public agencies, Hickey replied that this would make a stronger case. But he added, "I see nothing in the decision to limit the right of a contractor to sue on his own."

The momentous case involves 1.6 miles of federal highway I–66 in Fairfax County, Va. When the state applied to the U.S. Department of Transportation (DOT) for 90% federal funding for a larger project, estimated to cost $21 million, DOT agreed, on condition that a 1.6-mile median strip be built so that at some future time it might serve as the base for a rail line for Metro, Washington's new subway system. Virginia expected to pay so-called "highway" rates for help. But the Labor Department ruled that it must pay the higher "heavy" rates for work on the median—the same as those paid for construction of Metro.

Virginia argued that it was building a highway, not a subway, and that the ruling would double the median's cost. It meant, for instance, that minimum rates would go from $4.50 an hour to $12.40 for an unskilled laborer, from $5.08 to $11.97 for an asphalt paver, and from $6 to $12.17 for a bulldozer operator. When the Labor Department refused to budge, Virginia halted work on the median and went to court.

Last November, U.S. District Court Judge Albert V. Bryan Jr. of Alexandria ruled that the case was moot because the wage determination in question was good for only 120 days and had expired. However, the Fourth Circuit Court found that Virginia will require a new wage determination by the Labor Department for the median portion of the project. Thus it paved the way for legal tests of other wage determinations under Davis-Bacon. "We concluded that the Administrative Procedures Act is applicable," ruled the court, "and that the Secretary's action must be measured against its standards."

Another aspect of the ruling was bad news for Virginia but good news for builders in general. The court decided that consideration of use of the median was proper. While it may double the cost of the median, it may lower costs on other projects. For instance, the Labor Department now considers that any apartment building over four stories should not enjoy "residential" pay scales, which are the lowest. Contractors say that the decision means the Labor Department must end its arbitrary refusal to approve "residential" rates for anything over four stories without regard to use.

AGC's Hintz predicts that the ruling also will enable contractors to challenge the Department's so-called 30% rule as arbitrary and capricious. The latter says that a wage may be considered "prevailing" if it is paid to the exact penny to 30% of those in a work category. Such pay rates are set chiefly under union collective bargaining agreements. Open shop contractors customarily vary their rates by a few cents to reward better workers. As a result, higher union rates become "prevailing" under the 30% rule when an area is 30% organized. According to a study of the Industrial Research Unit of the Wharton School, the 30% rule means raising at least 50% of all rates and perhaps 70%.

Despite its favorable aspects, concern has been voiced that the new court ruling may blunt the drive in Congress for repeal of Davis-Bacon. One of the leaders in Sen. Orrin G. Hatch (R., Utah), who successfully headed the opposition to labor law "reform" last year. But this time it's a different and tougher ball game—killing an existing law, rather than preventing passage of a new one. President Carter, who opposes the repeal of Davis-Bacon, has promised instead to improve the Act's administration. That's a pledge that's been made—and unfulfilled—throughout the nearly half-century the law has been on the books.

The General Accounting Office has urged its repeal. Known for its thoroughness and independence as an investigatory arm of Congress, GAO didn't reach its conclusion lightly. It has been studying the administration of Davis-Bacon for two decades and making suggestions for improving its administration. But this year's report concluded that after all these years, the Labor Department still hasn't found an accurate way of determining the "prevailing" wage. GAO doesn't think it can be done.

Ten days ago, U.S. Comptroller General Elmer B. Staats, who heads GAO, told the House Labor Standards Subcommittee: "Given the diverse characteristics of the construction industry, the differing wage structures on the varying types of construction and the voluntary aspects of collecting wage data from contractors in every county throughout the nation, we do not believe that the act can be effectively, efficiently and equitably administered."

A few foes of inflation achieved a small victory this month when the Senate Armed Services Committee voted 11-5 to waive Davis-Bacon requirements for military construction. On the other hand, the Senate Housing Subcommittee the other day voted 5-7 not to exempt federally funded housing from Davis-Bacon. Similarly, the House recently voted 244-155 against exempting Indian reservations from the statute.

The hearing on June 14 was the first time in many years that a labor committee or subcommittee in either the House or Senate has openly considered Davis-Bacon. However, Chairman Erward P. Beard (D., R.I.) limited the hearing to one day, even though many interested parties, including Virginia Attorney General Marshall Coleman, were denied the chance to be heard.

Rep. Thomas Hagedorn (R., Mich.), perhaps the leading opponent of Davis-Bacon in the House, appeared as a witness. According to Hagedorn, Administration officials off-the-record admit that the law is inflationary. He said that the House should vote yes or no on Davis-Bacon. He added that amendments to Davis-Bacon will continue to be offered on the floor. Secretary Marshall also inadvertently supplied an argument for repeal when he told the district court in the Virginia case that the law was enacted solely for the benefit of workers.

As a matter of history, Davis-Bacon was passed when the Great Depression was at its height. Without a minimum wage, unemployment compensation or welfare, Congress feared that workers would undercut already low pay scales, a development that seemed to have the potential of further damaging the reeling economy. However, for many years, as noted, the Labor Department has been using Davis-Bacon to strengthen unions by forcing contractors to pay excessive rates. Even though Davis-Bacon has long since outlived whatever usefulness it once may have had, the fight for its repeal is not apt to be either easy or quick. Meantime, albeit in a modest way, the Fourth Circuit has struck a blow of its own against tyranny.—SHIRLEY HOBBS SCHEIBLA.●

MANDATORY PRODUCTION AMENDMENT

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. McKAY. Mr. Speaker, I rise to offer an amendment to H.R. 3930. Before doing so I would like to commend the diligent work and foresight of my colleague, Mr. MOORHEAD. Our country faces a severe energy crisis and the dedicated work by Mr. MOORHEAD and his committee may well provide the means to get us through this crisis.

The amendment I offer today does nothing more than recognize the necessity of addressing this country's long-term energy needs. A careful reading of the present bill states on page 4 lines 23 and 24 that the President "shall attempt to achieve a national production goal."

I feel it is absolutely necessary that we make the efforts of the President, the Department of Energy, the Department of the Interior, and the Secretary of Defense absolutely mandatory as opposed to permissive. My amendment attempts to require the President to achieve a national production goal in synthetic fuels by removing the discretionary or permissive aspects of the language of the bill. It does nothing more than to recognize that we must require the administration to move forward on this problem in times of apparent plenty as well as in time of short supplies and long gas lines.

Mr. Speaker, the people of this country have an interesting inclination to become very concerned about where their next tank full of gas will come from when the gas gage registers one-fourth or below. But we collectively ignore energy shortages when our gas tanks are registered at "full." It is this attitude which we must overcome by requiring the best efforts of our Government in synthetic fuels production even when this hopefully short-term gas deficit has eased.

While it may be argued that the current language of the bill is sufficient to achieve this continual production effort, our own experience teaches us that unless we are compelled to move forward, it is too easy to slack off when the problem recedes into the background. My language would not permit this President or any successive President to come before the Congress after having failed to achieve the goals established by this bill and shrug his shoulders by saying: "We did not make the goal, but the law only required me to try. And I tried." I urge the adoption of this amendment and yield the balance of my time.●

LET US PUT THE WORD ENVIRONMENT BACK IN EPA

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. FINDLEY. Mr. Speaker, the bill I am offering today is designed to promote the recycling and reuse of combustion byproducts generated from the burning of coal and other fossil fuels. This measure is necessary in light of regulations proposed by the Environmental Protection Agency which, if adopted, could put an end to a now flourishing industry dedicated to recycling such byproducts as fly ash, bottom ash, and slag.

EPA's decision to consider these combustion byproducts as special hazardous waste will only hasten the complete decline of the coal mining industry in this country. Nationwide, 13,000 coal miners have been laid off in an industry which the President has called upon to double its annual output by 1985. These EPA regulations could very well lead to the layoff of thousands more. For Illinois, which contains the largest reserves of bituminous coal in the Nation, this would be especially unfortunate.

Hearings held by EPA on the handling of hazardous waste pointed to the need for a vigorous program to carry out the congressional mandate of the Resource Conservation and Recovery Act. But many witnesses also stated that EPA's proposed regulatory program is overly broad and imposed unnecessary controls on materials such as coal and other fossil fuel byproducts which have never been demonstrated to be environmentally harmful. EPA admits it lacks information on the degree of hazard, if any, posed by these wastes, and acknowledges that any potential hazards are relatively low. Yet EPA's regulations proposed for these fossil fuel byproducts would add $1 billion over a 3-year period to the cost of producing electricity, costs which will be passed along to consumers. This will discourage utilities from using our abundant coal to produce electricity and result in higher electric bills for consumers, all for no apparent reason.

Although the enactment of RCRA was intended to stimulate recovery and reuse of resources in waste materials and thereby lessen the Nation's solid waste program, the principal impact of this overbroad regulatory program on fossil fuel combustion byproducts would be to discourage, if not eliminate, their reuse.

Currently, large quantities of fly ash, bottom ash, and slag, created by the burning of coal and other fossil fuels, are used extensively as a concrete additive. As a pozzolon supplement it can reduce the cement content 10 percent to 30 percent, thereby lowering costs. In addition, they must impart several desirable qualities to concrete. They contribute to the strength, water tightness, durability, and reduces efflorescence. They can also be used as a partial cement replacement in the manufacture of precast concrete products, and as a source of alumina and silica in the manufacture of Portland cement.

In several areas of the country, including my district, substantial quantities of ash are used in road work to construct pavement bases and sub-bases. In the presence of moisture, fly ash, and lime chemically react to form compounds possessing characteristics like cement. Bottom ash is used with good results in base compositions, bituminous paving mixtures, and cold-mix emulsified asphalt mixes. Slag is successfully used in bituminous bases where a course surface is required. Slag can also be used for blasting grit and roofing granules, and bottom ash and slag both make excellent nonskid material on ice and packed snow.

Fly ash can also be used in brick manufacturing to replace clay; in the manufacture of roofing felt; for metal reclamation; for grouting; to absorb oil spills; as a filter medium for water purification; in fighting mine fires and controlling subsidence; to make mineral wood insulation.

In 1978, it is estimated that 68.2 million tons of byproduct material would be generated and that by 1985 this figure will reach 90 million tons. I think, as the evidence clearly shows, combustion byproduct material can be successfully and economically reused.

If combustion byproducts are classified as hazardous it will discourage or eliminate reuse. My bill calls for suspension of additional regulation under RCRA pending a detailed study by EPA of the degree of hazard—if any—posed by these materials, the adequacy of present disposal practices, and current and potential reuse. Upon completion of the study, the Administrator would conduct hearings to determine whether any regulation is called for under RCRA.

I would strongly urge my colleagues to examine the facts concerning EPA's effort to classify these byproducts as special wastes. EPA is misguided in trying to regulate these byproducts in the same manner as those wastes that undeniably pose an immediate and substantial danger to the health and safety of people and the environment. In the public interest it should abandon its plan.●

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. CLINGER. Mr. Speaker, on June 27, 1979, I was absent from the floor of the House of Representatives on the last amendment to H.R. 4389, the Labor-HEW appropriations measure for fiscal 1980. Had I been present, I would have voted in the following fashion:

Rollcall 295: H.R. 4389, Labor-HEW appropriations, fiscal 1980, the House rejected the early amendment that sought to increase the appropriations to the National Institutes of Health by $47 million to increase funding for investigator-initiated project grants, "aye."●

RETIREMENT OF GEN. WILLIAM G. MOORE, JR.

HON. MENDEL J. DAVIS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. DAVIS of South Carolina. Mr. Speaker, today at Scott Air Force Base in Illinois, a distinguished American citizen and Air Force officer completes over 38 years of patriotic and dedicated service to the United States of America.

Gen. William G. Moore, Jr., the Commander in Chief, Military Airlift Command, is retiring. His career in the service of our Nation exemplifies the moral courage, self-sacrifice, and high sense of patriotism that we have come to expect of our military leaders.

For the last 2 years, General Moore, as CINCMAC, has been the Executive Director of the Single Manager Operating Agency for Department of Defense Airlift Service. He has commanded over 900,000 active duty personnel operating in 33 countries at some 350 locations. He has been responsible to the President and to the Secretary of Defense through the Joint Chiefs of Staff for the planning and performance of airlift missions and peacetime exercises.

General Moore, son of William G. Moore, Sr., and Annie E. Pickens Moore, was born on May 18, 1920, in Waco, Tex. He began his military career in 1940 by enlisting in the Army Air Corps as an aviation cadet. He graduated in May 1941 with a commission as a second lieutenant.

During World War II, General Moore commanded the 777th Bombardment Group, 15th Air Force, in Italy, logging 35 combat missions in B-24 Liberators. After World War II, he served as Commandant of Students at the Army Air Forces Aircraft Observer and Bombadier School at Mather Field, Calif.

During the Korean War, General Moore commanded the 3d Bombardment Group based at Kunsan, Korea, and led 65 combat missions in B-26 medium bombers.

From January 1953 to August 1956, General Moore served at Headquarters U.S. Air Force, Washington, D.C., in the Directorate of Operations, after which he was assigned to Headquarters U.S. Air Forces in Europe, where he served as Assistant Deputy Chief of Staff, Operations. He entered the National War College, Washington, D.C., in August 1961.

In August 1962 General Moore began his airlift career as Commander of the 314th Troop Carrier Wing, Sewart Air Force Base, Tenn. During this time he also completed airborne training at Fort Benning, Ga. In September 1963 he became commander of the 89th Air Division. While at Sewart, General Moore directed Project Close Look, the springboard for today's tactical airlift tactics and procedures, and served as airlift commander on several large scale exercises including the Big Lift deployment to Europe.

From March 1965 until October 1966, General Moore was the Deputy Director of Operations, J-3, U.S. Strike Command, MacDill Air Force Base, Fla., where he commanded the test airlift exercise Rapid Strike and was instrumental in much of the airlift planning for joint operations.

In November 1966, General Moore was assigned to Vietnam to organize the airlift effort in support of the Southeast Asia conflict. He reactivated and commanded the 834th Air Division at Tan Son Nhut Air Base, with responsibility for all tactical airlift in Vietnam.

In December 1967 he assumed duties as Director of Operational Requirements and Development Plans, Deputy Chief of Staff, Research and Development, Headquarters U.S. Air Force.

In February 1970, he became Commander of the 22d Air Force (MAC) at Travis Air Force Base, Calif. There he had prime responsibility for the extensive strategic airlift flown from the Conus to Southeast Asia. During this time, he also flew more than 900 hours in the C-141. While he was 22d Air Force Commander, the world's largest aircraft, the C-5 Galaxy, entered the MAC inventory and a C-5 squadron was activated at Travis.

In September 1972 General Moore assumed command of the 13th Air Force, at Clark Air Base in the Philippines, known as the "Jungle Air Force." He was responsible for U.S. Air Force units in Taiwan, Southeast Asia, and the Republic of the Philippines. C-130's under his command were the first aircraft into Hanoi to prepare for returning prisoners of war, and he commanded the Homecoming Operation at Clark Air Base under the direction of the Commander in Chief, Pacific Command.

General Moore was assigned as Chief of Staff, Pacific Command, in October 1973. He participated in the planning and execution of numerous missions: complex aircraft efforts for resupply of Cambodia; evacuation of Phnom Penh and Saigon, operation Babylift; operation New Life; and the Mayaguez operation.

He became Assistant Vice Chief of Staff, U.S. Air Force, with the additional duty of Senior Air Force Member, Military Staff Committee, United Nations, in October 1976.

On April 1, 1977, he became Commander in Chief, Military Airlift Command. General Moore has commanded MAC during a time of soul-searching and self-doubt at home, and intense tests of our will throughout the world.

Upon becoming the eighth Air Force officer to command our airlift forces, he immediately took charge of a multitude of airlift missions such as relief to the snowbound northeast United States; major force deployments to New York, Europe, and Asia as part of joint service exercises; surge of C-141 airlift forces during Exercise Reforger; withdrawal of Americans from Ethiopia; search efforts for the Soviet satellite which crashed in Canada; airlift of United Nation's peacekeeping forces to the Middle East; airlift by C-5 Galaxy of a superconducting magnet direct from Chicago to Moscow, the U.S. airlift to Zaire, Guatemalan earthquake relief, airlift of remains from Guyana, Yugoslavia disaster relief, St. Vincent Island relief, Iranian evacuation operations, and airlift of personnel and equipment to Three Mile Island.

A forthright and articulate spokesman of America's interests, he has crisscrossed the country to address key elements of our society on the need for a strong defense posture.

Mr. Speaker, it is truly fitting and proper that we honor this dedicated, intelligent, great American. Certainly in these troubled times our country can ill afford to lose men of such outstanding capabilities. We can hope that our country will continue to benefit from the advice and talent of this patriotic American.

As a highly deserved tribute, I now insert in the RECORD, General Moore's article "Challenges to Global Airlift for Today and Tomorrow" for the consideration of my colleagues.

The article follows:

MILITARY AIRLIFT COMMAND: CHALLENGES TO GLOBAL AIRLIFT FOR TODAY, TOMORROW

(By Gen. William G. Moore, Jr.)

From Guam to Greenland, the sun never sets on the men, women, and aircraft of the Military Airlift Command (MAC).

MAC, one of three specified commands reporting to the Joint Chiefs of Staff, is also an Air Force major command of more than 140,000 active, reserve forces, and civilian workers with approximately 1,400 active and reserve aircraft. We serve the United States at home and abroad by providing airlift, when and where needed, anywhere in the world.

MAC is at your service. You call, and we'll haul—solders, medicine, snowplows, religious pilgrims, accident victims, repatriated POWs, space-available passengers, paratroopers, blood, beans, bullets, hay for stranded cattle, rifles, tanks, trucks, fuel, 40-ton magnets, and food to fight famine. MAC people have airlifted all of this, and more, all over the world for the last three decades.

MAC airlift has changed during the last 30 years. While the mission is the same, the capability of airlift has matured. We fly more cargo, fly it farther, and fly it faster. We've helped turn the tide of battle—in cold war and hot—from Berlin to Zaire. And we've helped others battle the ravages of natural and man-made disasters—in frigid winters and steaming jungles—from Buffalo to Burma.

However, the nature of airlift—still evolving today—will continue to change. We will carry even larger cargo loads, fly still faster and farther.

But our success in the future depends on our actions today. I believe that MAC, in facing the demands of today and tomorrow, faces five challenges:

The need for more airlift.

The need for better airlift.

The need to lead our people better.

The need to improve our wartime readiness.

The need to plan our actions realistically.

These needs are not distinct entities: All are related. For example, a more efficient use of our present airlift will actually provide more airlift. Realistic planning improves airlift today and tomorrow. Such planning can neither overlook the quality of leadership available to guide our people, nor the effects of readiness training on the successful completion of our wartime mission.

REALISTIC PLANNING

Realistic planning compels MAC to consider all the other challenges. For that reason I will first discuss the need for such planning.

Much of America's overseas wartime contingency planning is focused on NATO Europe. It must take into account intangibles such as Warsaw Pact intentions, the stability of NATO's northern and southern flanks, the kinds and quantity of materials needed for defense, and other factors.

However, we do not, and indeed cannot, plan for a wartime contingency only in Europe. Realistic wartime planning must also consider the possibility of multi-theater contingencies. U.S. and allied interests must be protected in the Far East, Middle East, and in the emerging Third World areas as well as in Europe.

Because our nation's friends and interests are so diverse and so widespread, U.S. response to challenges against our friends and interests must be rapid and effective.

Because the demands on U.S. airlift are truly global, one thing is clear: We do not now have enough airlift to meet the demands we expect will be placed on U.S. airlift. These demands are enormous. In fact, during war we'll have to move more cargo out of the United States in two days than we move in 30 days during peacetime.

The next war likely will be a "come as you are" war, and the forces that will be involved in the crucial early stages are going to ride to that war on MAC airplanes. Because of that, MAC's ability to perform its mission may well have a deciding influence on the outcome.

Yet there is a limit to the amount of airlift we can expect to have available, realistically, to meet our requirements. There are other priorities. To have an endless supply of military transport aircraft ready for any contingency could be as wasteful and inefficient as having too few to do the airlift job.

Clearly, we will not be able to purchase outright the airlift capability this nation needs. We can, however, seek other options and make other choices. There can be tradeoffs to obtain the best military air transport capability we can afford.

But there is more to planning than considering the effects of influences outside the Defense Department. We must take into account our own resources and capabilities. We do this through contingency planning, an effort I see as a joint military service venture. For example, we're planning the first 4,000 loads with the Army, Navy, Marines, and Air Force for a European scenario—actually planning, in detail, each aircraft load.

We're surfacing problems now—before we have to move anybody. So we've asked our customers to evaluate critically what they need and when they must have it. Already, we have learned that our planning was optimistic in some areas. We needed fine-tuning elsewhere, and we have had to streamline some of our procedures.

WARTIME READINESS

The reason for such planning, of course, is to insure our readiness for war. MAC is ready for its wartime mission. We practice every day and especially during special joint service exercises such as Autumn Forge, Solid Shield, Brave Shield, Empire Glacier, Jack Frost, Team Spirit, and the like.

During peacetime, MAC's mission is to improve and maintain its wartime readiness posture. Unlike other military organizations, MAC's readiness training produces a useful by-product—airlift. We use this capability to meet the logistic airlift requirements of all Defense Department agencies. Sometimes we carry cargo, sometimes passengers, sometimes both. Because of peacetime mission calls for us to carry diverse cargos, some people have the idea that MAC is the Defense Department's airline.

In a certain sense, I suppose, that notion is correct. But the idea that MAC is an airline is stretching things a bit. Certainly there are similarities, but there are large differences too.

Scheduling is one key difference between MAC and the airlines. MAC, like the airlines, tries to operate on a tight schedule. We start the operating month schedule 100 days in advance. We refine the schedule as the operating month approaches.

Then, as we get into the operating month, more often than not, we encounter no-notice missions that require deviation. Example: Heavy snows fell in Ohio last winter. We had to haul in snow-removal equipment and military personnel to dig out the civilian communities. A few days later, we encountered another snow emergency—this time with 10 hours' notice. We repeated the snow removal operation for five cities in the northeastern United States.

Another example: Last summer we airlifted United Nations peacekeeping forces to the Middle East from widely separated locations around the globe. At the same time, we moved equipment and supplies to help French and Belgian rescue operations in Zaire, then later we flew them home.

The Zaire operation points up an important fact. That is—MAC is not only the military air transportation force of the United States, it is the only significant military airlift capability in the free world.

Does MAC operate on a regular schedule like the airlines? Hardly. We are truly a "you call, we haul" outfit. That's our job. The job requires some fancy footwork at times, and attendant personal sacrifices by our aircrews, maintenance personnel, and other people. Our folks understand the importance of our mission and the nature of the military airlift business.

Although our response to humanitarian needs brought about by natural disasters is important, interesting, and good training, our ability to respond results from our capability to do our war mission.

We fly, we train, and we practice for war. By being ready for war we hope we can prevent it from happening.

Related to our daily training missions are the annual joint service exercises in which we take part. MAC crews and planners gain much experience and expertise in executing their wartime jobs from these exercises.

However, even though we are involved in the many joint service exercises, we know that we aren't flying our airplanes enough to exercise our entire airlift system often enough at wartime levels. No exercise is large enough for us to operate all our aircraft for the numbers of flying hours that would be called for in war. But we do test our ability to call our aircraft and crews into operation. How? Piece by piece, unit by unit, exercise by exercise.

Example—During the 1977 annual European autumn exercise, we "surged" our wing at McGuire AFB, N.J. We gave it the entire deployment job. During Reforger 78 we "surged" an en route staging base—Goose Bay. Through exercises such as these, we have learned, and are learning, to be better airlifters.

LEADERSHIP

Airlift is more than airplanes—it is a worldwide system of people, equipment and facilities that, to work efficiently, must be tightly meshed into a closely coordinated team effort. The people drive the system and, because of that, we must learn to better lead them—to efficiently use all our people—their talents—and, in so doing, to retain them.

TOTAL FORCE

MAC is a total force. We integrate reserve forces fully—Air National Guardsmen and Air Force Reservists—into our daily missions. Reserve forces are involved in every part of the MAC mission—from piloting C-9 aeromedical evacuation missions to processing cargo at our aerial ports.

Reserve forces, for example, serve in various duties with MAC's technical services: the Aerospace Rescue and Recovery Service, the Air Weather Service and the Aerospace Audiovisual Service.

Reserve forces make up about 36.9 percent of our total force, about 47.7 percent of our strategic airlift aircrews, about 55.9 percent of our tactical airlift force, 41.7 percent of our wartime maintenance requirement, and 56 percent of our total aerial port contingency manpower.

Our reserve forces are very capable and we want to maintain and build on that capability. We must offer them, as well as our active duty forces, opportunities to perfect their skills and to exercise their leadership abilities. In MAC we are seeking ways to do that more and more across the board.

Why the need for greater mission involvement and for more and better leadership opportunities for our reserve forces?

Because we simply cannot do our wartime mission without them. Because when it comes time for war, our reserve forces will be as heavily involved in the accomplishment of that wartime mission as will our active duty forces. Then there will be no division between active duty and reserve forces.

PILOT RETENTION

Although the need for leadership, which I talked about earlier, extends throughout the airlift system, I am concerned especially by the numbers of aircrew members who elect to leave the Air Force. My commanders share this concern.

During the last year, MAC has been hit by what's come to be known as "the pilot retention problem." Many of our experienced pilots are leaving MAC for civilian life.

There seems to be two main reasons for the pilot exodus—expanded airline hiring, and dissatisfaction with military life.

We can replace our lost pilots at high training cost. We cannot replace their experience. If the pilot exodus continues at current rates, we may see a deterioration in our readiness posture—a reduction in the professionalism demanded by our complex mission and the high-value equipment we use.

I have met with many pilots and the commanders of MAC flying units. We have discussed the reasons for pilot losses.

Some of the reasons disturb me as a commander because pilots said, in effect, that their faith in leadership and the military institution had diminished.

They tell me that there is no *perceived* erosion of benefits—that the erosion of benefits is *real*.

They doubt that their leaders have fought hard enough to protect those benefits and the security the pilots and their families deserve in trade for the sacrifices they must make for the defense of our nation.

Some of our pilots who are leaving have experienced, during their entire careers, actual or threatened reductions in benefits, pay and retirement compensation. They don't know at what point it will stop, and they don't want to be backed into an ever-tightening corner.

They tell me they are fed up with restrictive policies and irrelevant duties and training.

Commanders at every level should understand that pilot retention is a complex of problems. We are beginning to understand those problems. We will continue to work on finding solutions.

In the meantime, I suggest that commanders work harder and smarter to restore the faith of their people in their leadership.

BETTER AIRLIFT

But, as we seek ways to make our people better and satisfied, we must also seek ways to improve the efficiency of our equipment. Specifically, airlift must become better.

MAC is pursuing several ways to improve equipment efficiency: strengthening the C-5 wing, "stretching" the C-141 and adding air refueling, Air Force acquisition of an advanced tanker cargo aircraft to support MAC jet transports, and better use of the Civil Reserve Air Fleet.

C-5 WING

We intend to strengthen the wing of the C-5—the only airplane that can carry all the Army's heavy combat vehicles. The C-5 provides half our strategic military airlift capability, but unfortunately, the plane's wing structure has a limited service life.

We plan to modify the entire C-5 fleet with a new wing, extending the aircraft's service life by 30,000 hours. Such a modification will cost about $1.3 billion. But it would cost several times that to build new airplanes with similar capabilities. Strengthening the C-5 wing is the best way to preserve this vital part of our airlift fleet.

Design and fabrication of two new wing structures has been funded. After they have been tested—one in a laboratory, the other on a C-5—we will modify all our C-5s. We expect the first aircraft will gain its new wing in 1982, the last aircraft in 1987. In the meantime we must conserve the wing life—fly the C-5 at a much reduced rate and at reduced loads. The plane can and will haul more than 100 tons if need be—such as during war.

C-141 "STRETCH"

The C-141B, a "stretched" and modified version of the C-141A Starlifter, soon will be entering the active inventory to add both a new and enhanced capability to the Military Airlift Command's strategic airlift system.

Why the "stretch?" In a word—efficiency. Most of the time we fill the C-141 with cargo and can still carry more weight, but have no place to put this extra tonnage. By stretching the plane's fuselage, there will be a place to carry this extra weight—an increase of airlift efficiency.

Also, we're adding air refueling capability to our C-141s while we "stretch" them. The refueling system permits greater flexibility in worldwide deployment by lessening dependency upon en route bases.

And for about $500 million—the cost of the C-141 modification—we get the equivalent of 90 more C-141s without the recurring costs of new aircraft. That's a bargain in anybody's book.

MODIFIED TANKER

I mentioned the modified C-141s could be refueled in the air. We've air refueled our bomber and fighter aircraft for years. The Israeli Airlift showed us what aerial refueling could do for airlift.

Had air refueling been available during the Israeli Airlift, our average 74 tons per C-5 could have been increased to 104 tons—saving time and fuel. With air refueling we can carry more and carry it farther. And we don't have to depend on en route refueling bases.

Our present air refueling tankers, KC-135s of the Strategic Air Command, are too small to refuel the C-5 efficiently. It takes too many KC-135s to refuel the C-5—and, too frequently, the tankers need to be based overseas because of the tankers' range limits.

So the Air Force selected the commercial DC-10 to be modified as a new advanced tanker cargo aircraft, known as the ATCA. The ATCA, under Strategic Air Command control, will augment the KC-135s. Besides being an air refueling tanker, the ATCA also can be used as an airlifter. We feel that ATCA offers significant improvements to our airlift capabilities.

CRAF

The Civil Reserve Air Fleet, or CRAF, our partner for 26 years, constitutes a substantial part of our wartime airlift capability. When we need airlift help, CRAF-member airlines augment us.

Most of the long-range civilian aircraft in the U.S. inventory were designed to carry passengers. Consequently they have a very limited capability for cargo such as military equipment.

We think the CRAF can make an even more significant contribution. We have initiated a program to incorporate emergency cargo convertibility features in some wide-body civil aircraft. These features, which include wide cargo doors and stronger floors, will enable these aircraft to carry more of the Army's divisional equipment and help ease the task of wartime airlift.

Legislation has been proposed which would provide permanent authorization for this program.

MORE AIRLIFT

We need new generation airlifters able to meet the demands we expect U.S. airlift to face—tactical and strategic transports, and increased commonality between military and civil aircraft.

We need the advanced medium STOL transport (AMST) to meet tactical airlift requirements of the 1980s. Self-propelled howitzers, tanks, armored personnel carriers, and key firepower equipment of the Army will be too large for transport by C-130 aircraft.

Today, and in greater measure in the future, we face urgent needs for an outsize STOL aircraft which can operate into unimproved runways near the forward edge of a battle area. The AMST can satisfy this airlift shortfall and improve the Army's ability to offset Soviet numerical superiority in general purpose weaponry.

Technology is now available to build the next generation tactical airlifter. Boeing and McDonnell-Douglas proved this when they built prototype AMSTs. Today's technology would also permit the AMST to augment strategic airlift forces. The problem now is to compete successfully in a tight budgetary environment for the modernization of our tactical airlift arm.

COMMONALITY

I discussed the Civil Reserve Air Fleet earlier—civil aircraft that augment our military airlift capability. But what if this underlying theme of cooperative partnership could develop further into one of commonality?

We now use the C-9 for aeromedical evacuation missions: the aircraft is essentially a commercial DC-9. We contract some maintenance back to the manufacturer. As a result, less defense money is tied up in spare parts and support services.

We can see what the future offers. If the present airlift relationship of cooperative partnership evolves into one of commonality—through interchangeable parts, systems, and eventually airplanes—both military and civil airlift sectors stand to gain.

We think the commonality concept could be expanded even more. The Air Force, the airlines, and aircraft builders could get together and produce one type of airplane, or a family of airplanes, to serve both military and commercial needs.

If that happens, and if many such aircraft are built, the resulting low-unit cost per airplane would be just one benefit. But low-unit cost is a relative figure. To meet the needs of both airlift sectors, the aircraft would necessarily cost a good deal, perhaps in the range of $100 million per aircraft. But a joint venture would be much less costly than if the military and civil sectors developed aircraft individually.

The apparent benefits of such a joint venture? For the civil sector, lower unit costs would translate into lower fares and tariffs, which attract more customers. The military would gain greater airlift capacity at less cost. And taxpayers would benefit because fewer defense dollars would be needed to develop, buy, and maintain such an aircraft.

NEW GENERATION AIRCRAFT

The result of this civil-military venture of commonality could be the C-XX transport, an aircraft capable of airlifting large quantities of outsize, oversize, and bulk cargo. Such an aircraft clearly represents more than an enhancement of present day transports. It would be a new generation strategic airlift aircraft to meet increased demands placed on tomorrow's airlift.

SUMMARY

MAC's training for war goes on daily, and we produce peacetime airlift as a by-product. We've met the challenges in the past, and we are working hard to overcome today's stresses and pulls. We are a strong command—a strong airlift system—and we know that how we respond to today's challenges will affect our ability to prosecute the mission successfully in the future. Today's imperatives—more and better airlift, more effective leadership, improved wartime readiness, and realistic planning—will produce tomorrow's responsive airlift system.

For us in MAC, whose motto is "Global in Mission—Professional in Action," we not only aim to meet, but also look forward to, the challenge tomorrow will bring. We plan to produce the best in global airlift, for today and tomorrow.●

RECOGNITION TO 63D SECURITY POLICE SQUADRON

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. LEWIS. Mr. Speaker, it is indeed an honor to recognize the accomplishment of the 63d Security Police Squadron at Norton Air Force Base which has received the award as "Best Security Police Squadron" in the Military Airlift Command (MAC) of the U.S. Air Force.

To have been selected for this award is, without doubt, a definite reflection of outstanding unity, leadership, and devotion to duty demonstrated by each member of the 63d SPS. These men have distinguished themselves as true professionals.

Recognition for this accomplishment must also be given to Lt. Col. Frederick Nowak, the Commander of the 63d SPS and to Col. Reginald W. Shaleski, Commander of Norton Air Force Base.

In addition to taking pride and pleasure in this unit and its accomplishment, it is assuring to know that competence and excellence in the Air Force is stressed and rewarded. This type of recognition is, I am sure, a stimulous to perform to the best of one's capacity and one method by which to keep our country militarily prepared.

Again, it is a privilege to personally commend the members of this squadron for their dedicated service.●

ACTION NEEDED ON NICARAGUA NOW MR. PRESIDENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. McDONALD. Mr. Speaker, time is becoming a woefully short commodity in Nicaragua. On previous occasions, some of us here in the Congress have attempted to get the President to see this situation more clearly. In this connection see pages 15831, June 20, CONGRESSIONAL RECORD, and 15124, June 15, 1979, CONGRESSIONAL RECORD. At this point I would like to place in the CONGRESSIONAL RECORD a letter on the situation in Nicaragua that will be delivered to the White House today.

The text of the letter follows:

CONGRESS OF THE UNITED STATES,
House of Representatives,
Washington, D.C., June 28, 1979.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The crisis in Nicaragua is now most grave. It has been over two weeks since a large body of the Congress wrote to you, urging that you take action to stop the flow of arms to the revolutionary insurgents called the "Sandinistas."

Indeed, the letter signed by a group of distinguished Senators asked the pointed question as to whether or not it was the policy of our Government to give support to the Communists in Nicaragua.

Since the sending of those letters, the situation in Nicaragua has worsened and is now critical; and in part this is due to your action in having Secretary of State Vance withdraw American support for the legal elected government of Nicaragua at the Organization of American States meeting, and your inaction in not taking steps to stop the arms flow to the revolutionaries.

Mr. President, concern centers on a large number of key areas:

(1) Your "Human Rights" program has unfortunately caused many to view our foreign policy as "slapping our friends and kissing our enemies." Particularly in Nicaragua, "Human Rights" does not include the "right" to riot, kill and destroy with the aim of establishing a totalitarian Marxist state.

And yet, the Marxist Sandinistas have commenced such actions in a manner ominously reminiscent of the kangaroo courts of revolutionary Iran. The London Daily Telegraph has reported a Sandinista communique announcing the killing of six persons for the "crime" of supporting the legal government. These victims were a customs official, his son, a bodyguard, two alleged police agents, and a pro-government radio commentator; and the New York Times reports "revenge" killings by Sandinistas of at least three Deputies. Also brutally killed by the Sandinistas was Pedro Espinoza, a distinguished writer for Novedades; his death went unmarked by the State Department.

Mr. President, as you must know, when an American newsman was shockingly killed by a National Guardsman, the legal government arrested the Guardsman and are holding him for court-martial according to the law. The contrast between the Sandinista executions for "thought-crime" and the due process of law carried out by the government headed by President Somoza even under the most difficult circumstances indicates the rule of law under President Somoza versus the barbaric terror under the Sandinistas.

(2) The governments of Costa Rica and Panama have knowingly allowed their sovereign territory to be used as supply and staging areas for the current Sandinista invasion. This dangerous and irresponsible action threatens the stability of the Western Hemisphere. Your official policy is silence.

(3) The international brigades assisting the Sandinistas, openly referred to by their Panamanian leader, Hugo Spadafora, as "Communist International Brigades", are made up of hard core revolutionaries from numerous Latin American countries and Europe. Increasingly there is evidence of weapons coming from Cuba, Venezuela and illegally, from the United States. Your official policy appears to be one of indifference.

(4) So-called "Third Force" alternatives have been disastrous in Vietnam, Guyana, and Iran. Our Department of State is promoting this concept and calling for a coalition with "all parties concerned", including the Cuban-controlled Sandinistas.

(5) Your Department of State is promoting the so-called "Third Force" alternative, attempting to deal with a "National Reconstruction Government' which consists, by their own admission, of Daniel Ortega and Moises Hassan, armed Sandinista guerrillas, Violeta Chamorro, a middle-aged housewife, Alfonso Robelo, a frightened "liberal", and Sergio Ramirez, whose sons are Communist guerrillas. It is clear that such a group will be dominated by its armed element.

(6) The fact that several hundred Cuban troops are now in Costa Rica, having arrived by way of Panama, has been confirmed by the State Department, but only after this fact became a matter of common discussion in the Panamanian press, and several months after they had become aware of the facts.

(7) Instead, your government demands that the legally-elected President of Nicaragua abandon his office and his country to Communist-dominated invaders.

Mr. President, we do not wish to see another American foreign policy blunder. The people of our country have witnessed the steady retreat of freedom in East Europe, China, Asia, Cuba, Africa and the Middle East. Are Nicaragua and Central America to be next? Is it the policy of the United States Government to collaborate in renewed Castroite adventurism in Latin America? Do we indeed prefer Nicaragua as a Castroite base in Central America, from which the Communists can move northward against other small nations?

We respectfully urge you to take the following steps:

(a) By diplomatic or other means, cut off the flow of weapons and supplies to the revolutionaries through Panama and Costa Rica.

(b) By every honorable representation in the Organization of American States, urge a cease-fire in Nicaragua and gain hemispheric support for halting the spread of revolution and terrorism. Specifically, we urge you to take the necessary steps to terminate the protected sanctuaries used by the terrorists in Costa Rica, and their support from Cuba.

(c) We urge support for the elected government of Nicaragua. Specifically, we do not support the imposition of an imposed government coalition that would include totalitarian Marxists who reject the electoral process.

(d) We urge the resumption of arms shipments under the Foreign Military Sales Program to the Government of Nicaragua.

Finally, Mr. President, we urge you to act in a resolute manner. The sands of time are running out for liberty and representative government in Nicaragua. Cuba was surrounded by water; Nicaragua is not, and a Communist take-over would be a disaster not only to the Nicaraguan people, but to their neighbors in Central America, and indeed to the Western Hemisphere.

Respectfully,

Larry P. McDonald,
John M. Murphy,
George Hansen.●

MILLSAPS COLLEGE TENNIS PROGRAM OUTSTANDING

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. BOWEN. Mr. Speaker, I would like to take this opportunity to point out that academic and athletic excellence can be joined and kept in appropriate perspective. I cite as an example Millsaps College in Jackson, Miss., which recently hosted the division III national tennis championships of the National Collegiate Athletic Association.

In addition to serving as hosts for the tournament, the Millsaps men's team captured third place in the national championship play. I am pleased to cite the young men who competed for Millsaps in this NCAA national championship tennis tournament, and their fine coach. Mike Bourland of Natchez, Miss., Bill Harper of Indianola, Miss., Joey and Shane Langston of Boonesville, Miss., and Ricor de Silveira of Rio de Janeiro, Brazil, comprised the Millsaps team in the NCAA division III tournament.

Their coach is one of the most dedicated men in college athletics today, Dr. Jim Montgomery, who also serves as director of athletics at Millsaps in addition to his tennis coaching duties.

I take pleasure in saluting Millsaps' outstanding record this year, because several years before I was elected to Congress, it was my privilege to serve on the faculty of this well-respected liberal arts college. In addition to teaching political science, I also served one year as the varsity tennis coach. I can assure my colleagues here in the Congress that Dr. Jim Montgomery is a much more successful tennis coach than I proved to be, and I am very pleased at the fine showing he and the Millsaps team have made nationally this year. Not only was the Millsaps team recognized as one of the best in division III for their play in this year's NCAA tournament, but as host school, Millsaps was applauded by the NCAA and coaches from across the country for its excellent management of the tournament.

Not only has Millsaps enjoyed success on the tennis courts, but it has fielded competitive and representative teams in other sports, on a limited budget and without compromising its highly regarded academic standards as a private, liberal arts college dedicated to excellence. In fact, several years ago, the Millsaps College football team was among eight division III schools competing in the playoff for the NCAA gridiron championship, and reached the semifinals of that playoff.

We in Mississippi are justly proud of the academic and athletic record that Millsaps College has forged, under the leadership of Dr. George Harmon, president of the college, and Dr. Jim Montgomery, the athletic director.●

GUN POLICY IN NORTHERN IRELAND

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Ms. HOLTZMAN. Mr. Speaker, I am extremely dismayed by the State Department's recent approval of the commercial sale of weapons to the police in Northern Ireland by an American exporter.

Jimmy Breslin, in an excellent article that appeared in the New York Daily News on May 31, discusses the disturbing moral and political ramifications of this arms sale.

The text of the article follows:

Our N. Ireland Gun Policy and British Connection

The Sturm, Ruger Corp. of Southport, Conn., has sold 3,000 Magnum .357 handguns, a weapon that can knock down a wall, and 500 .223 automatic rifles to the Northern Irish police for use in patrolling the narrow streets of the Catholic ghettos.

The shipment was licensed by the American State Department.

The order for the arms purchase came from the British Home Office in London. The House Office at first lied and said the arms were for police in Britain. When people in the American State Department who license arms exports queried the Home Office a second time, the British admitted that the guns were to be sent to the police in Northern Ireland.

With this information on hand, the State Department still allowed the arms shipment.

"It was a commercial sale to a uniformed police force," says Matthew Nimetz, a counsel to Secretary of State Vance, Nimetz is the State Department's person in charge of Northern Ireland affairs. "It was done with approval. Our people thought it was all right. There is a government of Northern Ireland. This is for the police force of Northern Ireland".

With this, Nimetz appears to maintain a clean record: he has yet to perform any official act that would hinder the British in maintaining, through the Northern Irish Protestant majority, the oppression of the Catholic minority in that small, wet country.

By licensing the arms shipment, even after catching the British in a lie, the State Department appears to be using, to the point of ridicule, House Speaker O'Neill, Sens. Kennedy and Moynihan and Gov. Carey of New York. These four have consistently opposed arms shipments by Irish-American groups to the Catholic IRA in Northern Ireland. Meanwhile, the government allows a ton or so of arms to go to the Northern Ireland police, traditionally the chief gun supplier.

It has been at least a couple of years since Irish-American groups in New York and Boston and Philadelphia have raised money for arms on an organized basis. The federal government, as always assisting the British, conducted a series of arrests and trials of people in this country who were sending arms to the IRA. Also, most Irish-Americans decided that it was morally wrong to be living in the safety of New York and sending a gun to Belfast to get somebody killed.

However this could change drastically. A man in New York might think, "It is against the law for me to send a gun to my cousin in Armagh. But the government licenses a company in Connecticut to send a gun over there so somebody can shoot at my cousin. This may not be such an even deal." The man then will begin to hit his fist against his forehead. He next will be seen at a dance at the Tower View Ballroom, Woodside, Queens, the proceeds of which are for "Blankets for the Needy in Northern Ireland."

One New Yorker, Paul O'Dwyer said yesterday: "We must have received 100 letters from this Hodding Carter 3d at the State Department saying that Northern Ireland is an internal British matter and that our country's position is to stay out of it. Then they turn around and give to the Northern Ireland ruling class the instrumentality of death for the ghetto.

"Actually, it's all quite normal: This illustrates the corruption of a country that supplies armaments all over the world and then hollers for peace."

The Magnum .357 is a fixed-sighted, six-shot revolver that weighs 34 ounces. It is usually loaded with jacketed hollow point bullets, virtually dum dums. The bullet mushrooms on impact and the pieces spread throughout the body.

As casualties in Northern Ireland always include a heavy number of children, the introduction of the American .357 magnum could have interesting results in pediatric wards.

The 500 automatic rifles sent to Northern Ireland by Ruger, of Connecticut, are about the same as the M16, the United States standard weapon for Vietnam.

At first, the Ruger company denied that it has sent the arms. "We do not export," Stephen Vogel, head of the Ruger Exporting Corp. said. Vogel claimed the guns had been sold to a firm that specialized in exporting, and that he did not know where the arms were shipped. The State Department license, however, said that Ruger had shipped them directly to London, for reshipment to Northern Ireland.●

PENNSYLVANIA PROCLAIMS JULY 1 AS ALLEGIANCE SUNDAY

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure to insert in today's Record the following proclamation, which designates this Sunday, July 1 as Allegiance Sunday in the Commonwealth of Pennsylvania:

Proclamation: Allegiance Sunday, July 1, 1979

The Declaration of Independence was signed here in our Commonwealth of Pennsylvania, and remembrance of that event on the Fourth of July affords us special pride in our heritage.

The recognition of Independence Day should be a time for offering loyalties and offering thanks for our freedom and liberty. In recent years, however, the celebration of Independence Day has changed from a time of oratory and rousing patriotic spirit to a purposeless vacation time without message.

In order to encourage greater patriotism, the Pennsylvania State Society of the Sons of the American Revolution is sponsoring statewide participation in the observance of "Allegiance Sunday." The Sunday preceding the Fourth of July affords all religious congregations the opportunity for loyal Americans to recognize our heritage and our unity. On this Sunday, the Pennsylvania Society of the Sons of the American Revolution is encouraging the recitation of the Pledge of Allegiance to the Flag at all church services throughout the Commonwealth as a means of fostering patriotic spirit.

Therefore, I, Dick Thornburgh, Governor of the Commonwealth of Pennsylvania, do hereby proclaim July 1, 1979 as Allegiance Sunday. On this day, I urge all citizens of the Commonwealth to testify to their fidelity to this nation by public avowal of the Pledge of Allegiance.

DICK THORNBURGH,
Governor.●

DANGERS OF PESTICIDE POISONING

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. UDALL. Mr. Speaker, I would like to draw my colleagues' attention to an article that appeared in the Washington Post today. The article describes the testimony of two Arizona women concerning dangerous pesticide poisoning experienced by their families.

We are constantly hearing about the costs of environmental regulation. I think the problems faced by these women dramatically illustrate the costs of inadequate environmental regulations. Environmental statutes are not a luxury to protect pristine beauty; they are a necessity to protect public health. I recommend this article to my colleagues:

PESTICIDE SPRAYING ON NEARBY FARMLANDS SICKENS THEIR FAMILIES, HOUSEWIVES SAY

(By Margot Hornblower)

In 1973, Suzanne Prosnier and her family moved into a neat suburban home in Scottsdale, Ariz., across the highway from some cotton, lettuce and sugarbeet fields.

Almost immediately her 10-month-old baby began to waken at night, writhing in pain. Her 10-year-old son complained of severe chest pains. A daughter stopped menstruating. Another son developed an ulcerated throat. Their dog began to vomit and its forelegs became paralyzed.

In the years since, the family's medical problems have continued: rectal bleeding, pneumonia, severe headaches, gastrointestinal disorders, hives, bronchial asthma. Prosnier's sixth child was born with a hydro-cele (enlarged head)—the first abnormal birth in the family.

Prosnier and another Scottsdale housewife, Susan Watkins, told a House Commerce subcommittee yesterday that more than 300 people in a 6-mile-long area have suffered similar problems, which they attribute to aerial drift from pesticide spraying on nearby farmland.

Their testimony, which lawmakers termed "troubling," "shocking" and "incredible," is the latest against involuntary exposure to chemical spraying.

Citing public concern over pesticide spraying for control of brush in western forests, gypsy moths in Virginia and West Virginia, and spruce budworm in Maine, the Environmental Protection Agency's assistant administrator, Steven Jellinsek, said, "Citizens are asking for assurances of safety . . . and are seeking privacy from chemical instrusion in their lives."

Jellinek promised the subcommittee that "EPA will in the future be requiring more and early public notice of broad-scale spray programs." In an interview later, he said the agency is "very concerned" about the Scottsdale reports and will begin a monitoring study to see if buffer zones should be established between fields and houses.

Prosnier, who helped form a People's Environmental Organization for Pesticide Legislation and Enforcement, said citizens have been unable to reform spraying practices because EPA has delegated pesticide enforcement to state agricultural agencies dominated by farm and industry interests.

"When I called the Arizona State Pesticide Board to explain what was happening to us . . . the man with whom I spoke told me that what was being sprayed was no more harmful "than table salt or aspirin," Prosnier testified.

However, she said, the combined effect of chemicals that have wafted from nearby farms into her home—including Toxaphene, Paraquat, Galecron, Azodrin, Bolstar, Orthene, Parathion and others—"may result in a poison far more toxic than the original compound."

Dr. John E. Davies, a University of Miami professor and expert on pesticide health effects, testified, "There are a wide variety of health-related effects which stem from current pesticide usage practices, the nature and magnitude of which is ill-understood and incompletely investigated."

Environmentalists have charged over the years that weak pesticide-control laws and poor enforcement can be blamed on the fact that House and Senate Agriculture committees, rather than committees with public health responsibilities, have jurisdiction.

To explain why EPA has not removed more potentially dangerous pesticides from the market, Jellinek said, "Congress has added more and more procedural requirements to the cancellation process that call for additional layers of agricultural and scientific review and economic impact analyses."

He added, "Congress has made clear that the benefits of pesticide use are to be given as much weight and consideration as their potential risks." Last year, he said, Congress passed amendments allowing applicators to use pesticides at higher concentrations, regardless of label directions—which could increase spray drift.

Susan Watkins, who moved to Scottsdale last year, told the subcommittee her two-week-old son fell ill shortly after the move with projectile vomiting, diarrhea, hoarse coughing and severe nervous seizures.

Her 10-year-old daughter began to suffer recurring chest pains. "At times, the pain was so bad she couldn't stand up and at night I could hear her crying and moaning." She, her husband and another daughter have also had acute medical problems—all of which disappeared miraculously during a month they spent in Dallas. She attributes the problems to pesticide spraying.●

IRON CURTAIN

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. LUKEN. Mr. Speaker, I have introduced legislation to lift the "Iron Curtain" which is a major impediment to the settlement of the truckers' work stoppage.

My bill calls for a uniform national weight limit of 80,000 pounds and a length limit of 60 feet for trucks. All but a few States conform to these limits, but these States form an "Iron Curtain" through the heart of America. As a result, truckers must either haul around these States or unload in order to meet these requirements. In either case, the trucker loses time, fuel, and money.

We are facing a serious danger of crops being plowed under, milk being dumped, and food shortages in the supermarket. There have already been massive layoffs in the food industry. It is essential that this legislation be enacted now. Neither the trucker nor the American people can afford the waste caused by the lack of size and weight uniformity.

The solution is simple, but the consequences are grave. This bill must be passed immediately to avert disaster.●

GOVERNMENT ESCALATED COSTS OF ALASKA PIPELINE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. COLLINS of Texas. Mr. Speaker, with the discovery of oil at Prudhoe Bay on Alaska's arctic shore in 1968, plans were drawn for the construction of an 800-mile pipeline to transport the oil to the southern port city of Valdez. The 1968 estimate for construction costs totaled $900 million.

The pipeline was planned for completion in 1972. Government regulations and environmental impact assessments delayed design and construction for an additional 5 years. When the project was completed in 1977, the price tag had increased 10 times of the original estimate and totaled $9 billion.

Environmental requirements were not only expensive but also caused massive delays which shot the overall costs higher and higher. The required vapor facilities at the Valdez pump station cost $175 million. The required ballast water treatment facility at Valdez cost $143 million. The cost of the aboveground support system which was installed on 423 of the 800 miles costs $2.8 billion. Environmental litigation added on additional $3.4 billion to the price of construction on the project.

Other Government environmental requirements contributed significantly to the delays and costs of the pipeline. On many portions of the underground pipeline, requirements for unusually deep burial installation were very, very costly. Several miles of the pipeline were required to be refrigerated which added significantly to the costs of construction, materials, and permanent operation. Stringent waste water treatment requirements at the various support facilities add indirectly to the overall construction expenses.

Not only did it cost the pipeline builders to comply with the Government regulations, they also had to pay for the expenses of on-the-site monitoring by Federal officials. The expense of paying just to be regulated totaled over $56 million during the planning and construction of the pipeline.

These costs of 10 times increase are passed on to the consumer resulting in higher cost of oil. The trans-Alaska pipeline system is a vivid example of how excessive Government regulation impedes the progress of growth and development in America, and it has meant higher oil and gas prices to the consumer.●

MX MISSILE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. PAUL. Mr. Speaker, I am most disturbed by a report that recently appeared in the weekly newspaper Human Events. Although I did not vote for the MX missile, I find the administration's attitude toward defense as represented in this article to be reprehensible. I believe all my colleagues will be interested in this article.

MX MOBILE MISSILE

How serious is the President about the MX mobile missile which he endorsed last week? Not very, according to many observers. As columnists Rowland Evans and Robert Novak noted, there is ample evidence to believe that "the Administration is using MX to win defense-oriented Senators over to SALT but is wiring a self-destruct mechanism to it that would doom the new weapon through excessive costs."

This theory received solid credence through the remarks of a White House aide at Pembroke State University in North Carolina. Thinking no reporters were present, Joel McCleary said that Carter's decision to build the MX was a political maneuver "wasting billions of dollars to placate conservatives in Congress." When the lone newsman on the scene indicated he was going to print the story, McCleary argued in vain that the remarks were off the record. But McCleary never attempted to modify his remarks. Later, a White House spokesman said, "Joel will have to speak for himself." ●

CONGRESSIONAL SALUTE TO THE HONORABLE GABRIEL J. GABRIEL OF NEW JERSEY, UPON THE CELEBRATION OF THE CENTENNIAL ANNIVERSARY OF HIS BIRTH

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1979

● Mr. ROE. Mr. Speaker, on Saturday, July 7, residents of the city of Passaic, my congressional district, State of New Jersey will assemble at St. Ann's Melkite Church in West Paterson, N.J. to celebrate the 100th birthday anniversary of a most distinguished member of our city and good friend, the Honorable Gabriel J. Gabriel of Passaic, N.J., whose standards of excellence throughout his lifetime have truly enriched our community, State, and Nation. I know that you and our colleagues here in the Congress will want to join with me in extending warmest greetings and felicitations and share the pride of his family—his three daughters, Amelia Abaid and Mary Gabriel, both of Passaic, N.J., and Ann Peter of New Bedford, Mass; and his grandchild, Christine Peter of New Bedford—at this most prestigious birthday celebration. If only his beloved wife, Habka, who passed away in 1952 could have shared the joy and happiness of this family and many, many friends on this most auspicious occasion in testimony to his lifetime of good works.

Mr. Speaker, Gabriel has reached a milestone that all of us can applaud and cheer as a wonderful day indeed. We who have had the good fortune to know him have been blessed with the warmth of his friendship, richness of his wisdom, and wealth of knowledge that he has been able to share with us. Mr. Gabriel has seen the greatest wonders of the world take place since the day he was born—far beyond man's expectations and dreams.

Mr. Speaker, Gabriel was born in Lebanon on June 4, 1879. During his early boyhood years in Lebanon, he was a frequent visitor to the local monastery where he had the extraordinary privilege of sharing and exchanging a great rapport and in depth communication with Monk Sharbel who was recently canonized as a saint by the Roman Catholic Church.

Mr. Gabriel came to the United States in 1912 and settled in New Bedford, Mass., where he worked in the New Bedford cotton mills. He moved to Passaic, N.J., in 1940 and diligently applied his endeavors in employment with several local businessmen. It is interesting to note that this most dynamic and energetic gentleman enjoyed full employment until his retirement at age 81. It was only because of the intercession of his family that the last employer, Federal Sweets of Clifton, N.J., who answered the plea and concern of his daughter Mary and diplomatically retired him. The strength of Gabriel's desire and will to continue to pursue a highly active life in spite of the "sands of time" has truly endeared him to all of us. His retirement permitted him to participate more fully in the mainstream of our society among his many friends and relatives and he is still one of the most active participants in family functions. The quality of his leadership continues to be mirrored in the great respect and esteem with which he is held by his fellowman.

Mr. Speaker, on Saturday as we celebrate his centennial birthday anniversary and look back on the years behind us, one of the greatest treasures we have is the lifetime of friendship and goodwill that Gabriel has so willingly and lovingly given over these many years—his personal care and attention that meant so much to the lives of all of us with whom he has shared these blessings.

In closing this tribute to Gabriel, a man of stature and goodwill, may I insert at this point in our historic journal of Congress a profound collection of words of rhyme that comes to mind, as follows:

Time is not measured
  By the years that you live
But by the deeds that you do
  and the joy that you give—
And each day as it comes
  Brings a chance to each one
To love to the fullest,
  Leaving nothing undone
That would brighten the life
  Or lighten the load
Of some weary traveler
  Lost on life's road—
So what does it matter
  How long we may live
If as long as we live
  We unselfishly give.

—H. S. RICE.

Yes, we do indeed salute a great giver, family man and good friend, the Honorable Gabriel J. Gabriel. May he have a most joyous and happy centennial birthday celebration.●